REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

City-Building Activities - Toronto Parking Authority Parking Facilities

Date: August 27, 2021
To: Board of Directors, CreateTO
From: Vice President, Portfolio Execution
Wards: All

REASONS FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the City of Toronto and CreateTO.

SUMMARY

On May 12, 2021, the Toronto Parking Authority (TPA) Board reviewed a report from the President, TPA entitled "City Building Activity Update", which was developed in consultation with CreateTO staff. This report began a process by which the staff of the TPA will be updating their Board of Directors on a quarterly basis with the status of various TPA facilities that have been identified for city building opportunities and initiatives or which are otherwise being redeveloped through joint venture projects.

To ensure both the boards of the TPA and CreateTO are provided ongoing information on these opportunities and initiatives, CreateTO staff will be providing a similar update to its Board moving forward.

This report provides the CreateTO Board with its first comprehensive update on all ongoing city-building activity affecting TPA operated parking facilities, or other City-owned properties currently under the operational management of the TPA.

CreateTO is working with the TPA to both advance the mandate of CreateTO and to assist the TPA with their organizational evolution through adapting and updating their business operations as directed through the City-wide Real Estate program. As part of this effort, CreateTO and the TPA have been collaborating with the City's Housing Secretariat, the TTC and other City partners (City Planning, Legal Services, etc.) to unlock underutilized parking facilities, to identify potential parking replacement opportunities, and to ensure the TPA can still deliver on their mandate to provide conveniently located and competitively priced off-street and on-street public parking in a financially sustainable manner.

Transportation Services is leading the development of a City-wide Parking Strategy, in collaboration with City Planning, CreateTO, the TPA, and other partner Divisions and Agencies. The City-wide Parking Strategy will guide the future use of, and investment in, public parking facilities. The TPA operates parking facilities on land that they historically purchased, or through "Parking Management Agreements" with City divisions, agencies and corporations (DACs) or with third parties, as well as through an existing on-street network. In addition to the provision of parking services, a growing portion of TPA parking facilities are integrated with traditional and electric Bike Share Toronto stations as well as with Electric Vehicle charging stations.

These new city-building opportunities are summarized in the confidential appendix to this report. The re-purposing of existing TPA operated parking facilities will lead to the creation of new market and affordable housing units, and new civic uses such as community and cultural space, while maintaining a supply of public parking either within a redevelopment or on nearby public streets where necessary and possible.

The opportunities outlined in this report and its appendix demonstrate how CreateTO, in collaboration with its City partners, is able to not only deliver on its city-building mandate, but at the same time advance a specific program interest, in this case, that of the TPA.

RECOMMENDATIONS

The Vice President, Portfolio Execution, CreateTO recommends that:

- The Board of Directors, CreateTO direct that Confidential Attachment 1 remain confidential in its entirety, as it deals with proposed or pending acquisition(s) or disposition(s) of land by the City of Toronto.

FINANCIAL IMPACT

There is no financial impact associated with the adoption of this report.

DECISION HISTORY

City-wide Real Estate Model

At its meeting of May 24, 25 and 26, 2017, City Council approved (Item EX25.9) a new real estate service delivery model for the municipal government that centralizes all real estate activities City-wide, including all real estate strategy and portfolio planning, major building projects, developments, real estate transactions and facilities management.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.9

At its meeting of October 29 and 30, 2019, City Council adopted a report from CreateTO entitled “The City-wide Real Estate Portfolio Strategy,” as the strategic framework to best utilize the City’s real estate assets to drive better value and services for the municipality.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX9.2

At its meeting of July 23, 2020, the CreateTO Board heard a presentation from the Director, Portfolio Execution, CreateTO on the Toronto Parking Authority Real Estate Program. The Board requested the CEO CreateTO to collaborate with the City's Environment & Energy Division to ensure that any redevelopment or disposition of TPA property include provisions that meet or exceed the Toronto Green Building Standard. The Board also requested the CEO to identify strategies to achieve new affordable housing within a future report on the TPA Real Estate Program.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA14.1

At its meeting of May 12, 2021, the Board of the Toronto Parking Authority adopted a report entitled City Building Activity Update, which provides a comprehensive update on the status of TPA facilities that have been identified for city building opportunities and initiatives or which are otherwise being redeveloped through joint venture projects.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PA23.5

COMMENTS

Portfolio Overview

The Toronto Parking Authority (TPA) is an agency of the City of Toronto that is responsible for the operation of on-street and off-street public parking across the city. Since 2014, the TPA has also run the Bike Share Toronto program. The TPA operates an extensive inventory of over 300 off-street parking facilities containing over 40,000 parking spaces. This is inclusive of 144 parking facilities, and over 24,000 parking spaces, managed by the TPA under arrangements collectively described as "Parking Management Agreements" on behalf of various City DAC's and non-City third parties. This operational management also includes 141 surface parking lots, 29 parking structures (above and below-grade garages), 15 properties that are leased to commercial and residential tenants, and 9 properties that are currently vacant. In addition to the provision of parking services, a growing portion of TPA parking facilities are integrated with traditional and electric Bike Share Toronto stations as well as with Electric Vehicle charging stations.

Until 2018, the TPA Board of Directors had authority to approve real estate transactions and strategies pertaining to properties under the TPA's operational management. In 2018 these authorities were centralized under the City-Wide Real Estate model, enabling the TPA to focus on the delivery of their core business - the provision of public parking and the delivery of Bike Share Toronto. The parking program provides a valuable parking supply for residents and businesses. TPA sees approximately 33 million annual parking transactions, and their parking facilities have an 85% utilization rate on average. Of their approximate $79M net profit in 2019, $63M was returned to the City as a dividend payment.

Under the City-wide Real Estate model, CreateTO plays an important role in providing strategic real estate solutions to the TPA to support their long-term program requirements. The Portfolio Execution section of CreateTO is responsible for managing the balance between leveraging underutilized TPA properties to achieve city-building goals through redevelopment, and ensuring that the TPA's real estate needs are met in a way that allows them to successfully deliver their programs in a financially sustainable manner.

Parking Portfolio Strategy

The City of Toronto's real estate portfolio contains parking assets beyond those operated by the TPA. Parking assets are one of eleven real estate asset types outlined in the City-Wide Real Estate Strategy for optimization planning. Leveraging parking assets more strategically can unlock significant public value which can be allocated to Council priorities (e.g. affordable housing and community infrastructure) while continuing to provide public parking where appropriate.

A City-wide Parking Strategy (the "Parking Strategy") is being initiated by Transportation Services, in collaboration with City Planning, CreateTO, the TPA, and other partner Divisions and Agencies. The Parking Strategy will better coordinate parking decisions and investments for the City, which are currently managed by various City Divisions and Agencies. At a high-level, the purpose of the Parking Strategy is to inform land use decision-making related to existing and new parking facilities and requirements; to provide City-wide alignment on parking and the City's broader transportation and mobility goals; and to provide an overall parking investment plan for the City. This will enable more informed and strategic decision-making related to the use of real estate for municipal parking services. The multi-year Parking Strategy program is now underway and a report by the project lead (Transportation Services) is forthcoming to City Council.

Current Work Plan

While the Parking Strategy is developed, CreateTO will actively advance its mandate by continuing to coordinate with the TPA around CreateTO-led city-building projects. This includes supporting the delivery of the 27 active projects (including the delivery of 4 new parking management opportunities for the TPA) that are identified in the confidential attachment to this report, and seeking to unlock additional land value within the TPA portfolio to meet Council priorities.

The Portfolio Execution section of CreateTO currently works to identify new opportunities within the TPA portfolio by reviewing properties that TPA has identified as being surplus to their program requirements, by exploring joint venture redevelopment opportunities as they arise, and by responding to various Council motions. The Portfolio Execution section coordinates due diligence work on these sites and engages local Councillors and stakeholder divisions such as Corporate Real Estate Management and City Planning in workshopping these opportunities. The goal of this work is to prepare City-owned properties to support city-building programs and the development of public services, including, but not limited to:

- Housing Now;
- ModernTO;
- Other Affordable Rental Housing in context of the HousingTO Action Plan;
- Other city building opportunities;
  - Social services;
  - New parks; and
  - Community hubs.

CreateTO's projects that involve TPA operated parking facilities will help contribute to a variety of city-building outcomes through these programs. The confidential attachment to this report provides an overview of the opportunities created to date, highlighting the housing units, parkland, community uses, commercial uses, and new and replacement parking spaces that are being created through leveraging this portfolio.

In addition to advancing the repurposing of some TPA operated parking facilities, the Portfolio Execution section has worked with the TPA, and continues to build relationships with other public agencies and the private sector, to advance new and replacement on- and off-street parking opportunities for the TPA.

Conclusion and Next Steps

The TPA real estate portfolio is complex and provides opportunities to deliver on both the mandate of CreateTO through the delivery of various city-building initiatives and programs, and on the mandate of TPA to provide conveniently located and competitively priced off-street and on-street public parking as an integral component of the City of Toronto's transportation system. While the larger Parking Strategy develops, and while the City-wide Real Estate program continues to be implemented, the Portfolio Execution section of CreateTO will work with TPA to advance our respective mandates through the current work plan.

CreateTO staff will provide periodic updates to the Board of Directors of CreateTO. These updates will serve to highlight key projects and initiatives underway. CreateTO staff will also provide more detailed updates and requests for direction on the opportunities highlighted within this report and its appendix, as required.

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SIGNATURE

Nick Simos
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ATTACHMENTS

1. Confidential Attachment - Status of Projects Involving TPA Operated Parking Facilities