REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

City Building Activity Update – 2023 First Quarter

Date: February 1, 2023
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

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

SUMMARY

The purpose of this report is to provide Toronto Parking Authority (TPA) Board of Directors with an update on the advancement of key policy initiatives, programs and projects impacting TPA. These include the development of a City of Toronto – TPA Relationship Framework, the continued implementation of the City-Wide Real Estate Model, the Parking Portfolio Review being undertaken by CreateTO and the development of a City-Wide Parking Strategy being led by Transportation Services.

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 is also provided.

Further updates about city building activities involving TPA facilities will continue to be provided to the TPA Board of Directors on a semi-annual basis. Updates about the City-Wide Parking Strategy and the Parking Portfolio Review will be provided as the work continues to progress.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Toronto Parking Authority Board of Directors receive this report for information purposes only.

2. The Board of Directors, Toronto Parking Authority direct that Confidential Attachment 1 remain confidential in its entirety, as it deals with a proposed or pending acquisition or disposition of land by the City of Toronto.

FINANCIAL IMPACT

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

DECISION HISTORY

At its meeting of May 27, 2022, TPA Board of Directors received item PA30.5 including a presentation from TPA staff on the development of a roadmap to modernize TPA's operating mandate and financial model as part of a strategic review and update of TPA's Relationship Framework.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA30.5

At its meeting of April 6 and 7, 2022, City Council received a report from the General Manager Transportation Services outlining the framework for the development of a City-Wide Parking Strategy and requested that the General Manager, Transportation Services, include in the development of the Parking Strategy a review of the impact to City revenues when on-street parking spaces are displaced due to other uses, and to include a proposed approach to maximizing those revenues post-COVID recovery.
https://secure.toronto.ca/council/agenda-item.do?item=2022.IE28.8

At its meeting of February 18, 2022, TPA Board of Directors received Item PA28.3, which provided TPA Board of Directors with an 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=2022.PA28.3

At its meeting of November 9, 10 and 12, 2021, City Council directed that all City Divisions, and the City Agencies and Corporations identified in Attachment 1 to the report (October 13, 2021) from the Deputy City Manager, Corporate Services operate in accordance with the City's centralized Real Estate Service Delivery Model as approved by City Council on May 24, 25, and 26, 2017 in Item 2017.EX25.9 and the report (October 13, 2021) from the Deputy City Manager, Corporate Services. In adopting EX27.4, City Council also amended the "Policy Governing Land Transactions Among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property" (Clause 1 of Report 9 of the Policy and Finance Committee, as adopted by City Council on June 18, 19 and 20, June 2002) as follows:

a. Delete clause (7) so that all proceeds from future sales of any real estate assets are directed to the Land Acquisition Reserve Fund to fund future City-wide future real estate capital requirements, and
b. Delete clause (9) so that if there is a jurisdictional transfer or sale of land under the jurisdiction of the Toronto Parking Authority which was purchased by the City with parking revenues, the land will no longer be valued at fair market value with all net proceeds going to the Parking Reserve Fund, and the Toronto Parking Authority will no longer be required to pay fair market value if it is receiving a jurisdictional transfer of land.

https://secure.toronto.ca/council/agenda-item.do?item=2021.EX27.4

At its meeting of November 9, 2021, City Council adopted PH28.2 "Housing Now Initiative - Annual Progress Update and Launch of Phase Three Sites" which approved the expansion of Phase Three of the Housing Now Initiative with additional sites including Car Park 710 (40 Bushby Drive) to create new affordable and market rental housing.
https://secure.toronto.ca/council/agenda-item.do?item=2021.PH28.2

At its meeting of January 19, 2021, Planning and Housing Committee requested the Chief Planner and Executive Director, City Planning to work with Real Estate Services, CreateTO, and the Housing Secretariat, in consultation with the local Councillor, to facilitate, through an appropriate development procurement process, the design and construction of demonstration projects, as part of the Beaches-East York Pilot Project.
https://secure.toronto.ca/council/agenda-item.do?item=2021.PH20.3

At its meeting of May 28, 2020, City Council adopted CC21.3 "Creating New Affordable Housing Opportunities through Phase Two of the Housing Now Initiative" which approved adding an additional six (6) City-owned sites to the Housing Now Initiative to create new affordable and market rental housing. Car Park 711 (158 Borough Drive) was included in this list.
https://secure.toronto.ca/council/agenda-item.do?item=2020.CC21.3

COMMENTS

The following summarizes the major policy initiatives, programs and projects that are impacting or have the potential to impact TPA.

Relationship Framework

At its meeting of May 27, 2022, TPA Board of Directors received a report from the City Manager that presented a draft of the City's Relationship Framework for information and feedback, in advance of its submission to Executive Committee and Council for approval.

The Relationship Framework is intended to address the requirement to promote an effective and collaborative relationship between the City and TPA and provide clarity about TPA's mandate, City Council's delegations of authority, the responsibilities and obligations of TPA, including key operating principles, reporting requirements and expectations around governance, transparency and accountability.

While the draft Relationship Framework was expected to be presented at the July 2022 meetings of Executive Committee and City Council, the City Manager's Office deferred the item due to other competing priorities. The draft Relationship Framework is now planned for consideration by Executive Committee at its meeting of March 21, 2023 and by City Council at its meeting of City Council of March 29, 30 and 31, 2023.

City-Wide Real Estate Model

TPA, CreateTO and Corporate Real Estate Management (CREM) are continuing to work through the full implementation of the City-Wide Real Estate (CWRE) Model and ensuring City-owned assets and relevant policies are aligned with the model. At its meeting of November 9, 10 & 12, 2021, Council adopted Item EX27.4 which directed all City Divisions and the City Agencies and Corporations identified in Attachment 1 to the report (October 13, 2021) from the Deputy City Manager, Corporate Services operate in accordance with the City's centralized Real Estate Service Delivery Model.

As part of the CWRE, TPA's lease administration and property management functions will transfer to CREM. Implementation of the centralized real estate service delivery model is in progress and the work needed to transfer TPA's rental portfolio has commenced and will continue through the first quarter of 2023. Additional updates on this work are provided in Item PA2.6, which is also being considered by TPA Board of Directors at its meeting of March 3, 2023.

Parking Portfolio Review

Following the implementation of the CWRE, City Council adopted a City-wide real estate strategy in 2019 and directed CreateTO to undertake a strategic review of 11 real estate asset types owned by the City, including a review of the City's portfolio of parking assets. The parking portfolio review is being carried out in close consultation with TPA and will help to define which properties may be underutilized from a city-building perspective and therefore flagged for future city-building opportunities. Additional information about the scope and schedule of the parking portfolio review is expected to be provided to TPA Board of Directors by CreateTO in 2023, in alignment with progress achieved regarding the City-Wide Parking Strategy led by Transportation Services.

Parking Strategy Framework Update

As part of the Parking Portfolio Review, it was determined that a broader City-Wide parking strategy is needed to help inform decisions about the future of TPA's parking portfolio, the value that parking provides to residents, visitors, businesses and stakeholders and how TPA service delivery contributes towards city-building aspirations. At the same time, there are a number of different City Divisions and Agencies involved in the delivery of parking programs and infrastructure. There is an opportunity to review the various mandates and governance structures in place to better understand roles, responsibilities and areas of overlap. This review will provide critical insights on how to best achieve efficiencies and strategic alignment with a focus on City-wide outcomes.

The development of a City-Wide Parking Strategy will be led by Transportation Services in close collaboration with TPA, City Planning, CreateTO and other partner Divisions and Agencies. A framework setting out how the parking strategy will be developed was presented to Infrastructure and Environment Committee on March 29, 2022 and was adopted by Council on April 6, 2022.

TPA has been engaged in the development of the framework for the City-Wide Parking Strategy and will continue to be involved in the procurement of consultant resources and the subsequent development of the strategy. Updates to TPA Board of Directors will be provided as the work continues to progress towards completion, currently anticipated in the first quarter of 2024.

Initiatives Impacting TPA Facilities

TPA has 192 properties under its operational management, including 136 that are used for surface car parks, 28 that contain parking structures (above and/or below-grade parking garages) and 28 that are either rental properties or vacant lots.

The properties under TPA's operational management, which are owned by the City of Toronto, are located throughout the City of Toronto, but are largely concentrated in the downtown core and the city's west end. These properties have generated significant interest from both within the development community, other City Divisions and City Council that require property to advance various city-building initiatives.

This report provides an overview of the city-building opportunities and initiatives that involve properties under TPA's operational management. A table outlining the specific properties in question is included in the Confidential Attachment to this report.

ModernTO

Updates about the ModernTO initiative, and its impact on facilities under TPA's operational management, are included in the Confidential Attachment to this report.

Housing Now

CreateTO has recently informed TPA that Car Park 710, located at 40 Bushby Drive and Car Park 711, located at 158 Borough Drive have been selected to be redeveloped as part of Phase 2 and Phase 3 of the Housing Now initiative as per City Council direction. The project timelines for going to market is to be confirmed. TPA is reviewing opportunities to add on-street paid parking in the area as well as potential management opportunities to help offset the loss of these two (2) car parks.

Additional updates about the Housing Now initiative, and its impact on facilities under TPA's operational management, are included in the Confidential Attachment to this report.

Expanding Housing Options in Neighbourhoods

The City of Toronto is working on a range of initiatives to facilitate more housing in residential neighbourhoods through the Expanding Housing Options in Neighbourhoods (EHON) initiative. The City is working to expand opportunities for "missing middle" housing forms in Toronto, ranging from duplexes to low-rise walk-up apartments. This initiative builds on recent work in support of secondary and laneway suites, Inclusionary Zoning and dwelling room protections. Enabling more options for housing that can be built in the city's neighbourhoods is one part of the Housing Action Plan to increase housing choice and access for current and future residents of Toronto.

At its meeting of January 19, 2021, the Planning & Housing Committee directed City Planning to work with CreateTO to find a City-owned site to design and construct a 'Missing Middle' demonstration/pilot project in Ward 19 (Beaches-East York). The Beaches-East York Pilot Project is one element of the EHON work program and will review appropriate City-owned sites in Beaches-East York and work with the community and development industry to build "missing middle" demonstration projects. The Pilot Project will assess the feasibility of building missing middle, ranging from duplexes to low-rise walk-up apartments, on selected City-owned sites that are designated Neighbourhoods in the City's Official Plan.

Updates about potential impacts to a TPA Car Park are included in the Confidential Attachment.

Joint Venture Partnerships

Updates about specific joint venture partnerships are included in the Confidential Attachment to this report.

Conclusion and Next Steps

TPA will continue to work with CreateTO and its City partners on the assessment of TPA facilities where there is an identified city building interest. TPA will also continue to work with the City Manager's Office, Finance & Treasury Services and Corporate Services on the assessment of TPA's relationship framework and income sharing agreement with the City and how these policies can be aligned to ensure the continued sustainability of TPA.

CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Confidential Attachment 1 - Status of TPA Facilities Involving City-Building Activities