REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

City Building Activity Update – 2024 Second Quarter

Date: June 28, 2024
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. 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 an as-needed basis.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Toronto Parking Authority Board of Directors 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 March 26, 2024, TPA Board of Directors adopted item PA8.5 – Toronto Parking Authority: Net Income Share Agreement – Status Update. The report provided an update on the TPA's negotiations with the City to secure a new Income Share Agreement, the organization's ongoing financial stability and an overview of the Parking to Homes initiative, outlining its potential impact on TPA from a financial and customer lens.
https://secure.toronto.ca/council/agenda-item.do?item=2024.PA8.5

At its meeting of February 29, 2024, City Council adopted item EX12.4 – Long-Term Financial Plan Update: Leveraging City-Wide Real Estate Opportunities for Affordable Housing, Complete Communities and Financial Sustainability. The report directed the City to undertake a review of all off-street, transit oriented, City-owned parking facilities that may support Council's housing, community or fiscal goals and better align municipal parking services to City and Provincial planning policies, and to report back to City Council by fourth quarter of 2024 with a list of priority sites, timelines and resource requirements for due diligence to determine 'parking-to-homes' and/or community infrastructure opportunities.
https://secure.toronto.ca/council/agenda-item.do?item=2024.EX12.4

At its meeting of October 6, 2023, TPA Board of Directors adopted item PA6.9 – City Building Activity Update - 2023 Third Quarter. The report provided an update on the advancement of key policy initiatives, programs and projects impacting the TPA. The status of TPA facilities identified for city building opportunities and initiatives or which are otherwise being redeveloped through joint venture projects was also provided.
https://secure.toronto.ca/council/agenda-item.do?item=2023.PA6.9

At its meeting of September 6, 2023, City Council adopted item EX7.1 – Updated Long-Term Financial Plan. The Plan identifies and considers immediate and long-term opportunities to address the City's fiscal challenges, including options to review operating expenditures, financial incentives, new and existing revenue tools, capital prioritization, asset transactions, and intergovernmental funding arrangements.
https://secure.toronto.ca/council/agenda-item.do?item=2023.EX7.1

At its meeting of March 3, 2023, TPA Board of Directors adopted item PA2.8 – City Building Activity Update – 2023 First Quarter. The report provided an update on the advancement of key policy initiatives, programs and projects impacting the TPA.
https://secure.toronto.ca/council/agenda-item.do?item=2023.PA2.8

At its meeting of July 18, 2023, TPA Board of Directors received an update through a presentation about the City-Wide Parking Strategy.
https://secure.toronto.ca/council/agenda-item.do?item=2023.PA5.5

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

COMMENTS

TPA operates parking at 271 City-owned parking facilities, including surface car parks and parking structures (above and/or below-grade parking garages). The properties under the City's ownership have generated significant interest from the development community, other City Divisions and City Council as land assets that can be leveraged to advance various city-building initiatives.

City-Wide Parking Strategy

As part of the City-Wide Parking Strategy, TPA is working closely with the Transportation Services Division and other relevant stakeholders to provide guidance and clarity on the mandates and policies governing the City's ecosystem of parking programs and services. Consultation about the draft recommendations will be presented to the public in Q3 of 2024 with a final Strategy brought forward to City Council in Q1 2025. Management will collaborate with Transportation Services to provide an update to the Board at the earliest opportunity.

Surplus Properties

In 2023, TPA identified 26 properties under its operational management that were surplus to its needs. The list of sites include underperforming car parks and properties that are vacant or currently used for non-parking purposes that cannot feasibly be developed into parking facilities. As part of the determination for next steps in the future use of the lands, CreateTO is working with its City Division, Agency & Corporation (DAC) partners to gauge interest in the sites and assess against City-wide priorities. Additional updates will be provided as more information becomes available.

Parking to Homes Initiative

Through the Parking to Homes initiative outlined in item EX12.4, CreateTO is reviewing off-street, transit oriented, City-owned parking facilities that can support Council's housing, community or fiscal goals and better align municipal parking services to City and Provincial planning policies. This work will culminate in a recommended strategy for the 130 TPA car parks identified, which may include disposition, change in use (including affordable housing or community uses), or TPA's continued use of the sites.

The 130 sites that are subject to this review are distinct from the 26 sites that TPA has identified as surplus to its operational needs.

Through July and August 2024, CreateTO is undertaking due diligence on the parking sites, including financial, community and capital analysis. This will include an evaluation framework that prioritizes the repurposing of parking facilities that generate a net operating loss, with a focus on specific locations identified by City Council.

The portfolio analysis will include the identification of sites where development is constrained or not currently feasible. The remaining sites will be assessed for real estate potential, local parking supply/demand, the financial and community impacts of a potential repurposing and the opportunity cost of not developing these sites as mobility hubs that can host electric vehicle charging infrastructure and contribute to meeting the City's TransformTO goals.

Management is actively engaged with CreateTO in the ongoing due diligence process to ensure the analysis reflects the financial and community value that is currently provided through TPA's operation of the sites under consideration. Draft recommendations are anticipated to be complete by October 2024, with a final report to the City's Executive Committee targeted for November 2024, and City Council in December 2024. TPA will work with CreateTO to bring forward an update to the Board in Q1 2025.

Conclusion and Next Steps

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 is provided in Confidential Attachment 1 to this report.

TPA will continue to work with CreateTO, CREM and its City partners on the assessment of TPA facilities where there is an identified city-building interest, including surplus and Parking to Homes sites.

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