



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Yorkdale Station Commuter Parking

Date:	May 31, 2016
To:	TTC Board
From:	Chief Executive Officer
Reason for Confidential Information:	This report contains information about a proposed or pending acquisition or disposition of land.

Summary

This report is to seek Board approval of TTC staff recommendations on the future of commuter parking at Yorkdale Shopping Centre (for the Yorkdale Station), taking into consideration the significant imminent and future loss of TTC commuter parking in the area, the relative financial value of the parking at Yorkdale to TTC, and the financial terms offered by Oxford Properties Group to end the TTC's rights to commuter parking.

Recommendations

It is recommended that the Board:

1. Receive the information as set out in the Confidential Attachment;
2. That the City, on behalf of the TTC, continue with the current lease arrangement, as amended, with Oxford Properties Group providing for the continued commuter parking at Yorkdale Shopping Centre;
3. Forward a copy of this report to City of Toronto staff; and
4. The information as set out in the Confidential Attachment is to remain confidential until conclusion of discussions with Oxford Properties Group.

Financial Summary

The TTC 2016 Operating Budget and future year forecasts include the budget requirements to maintain commuter parking at Yorkdale for the remainder of the lease.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial information.

Issue Background

Yorkdale Parking

The restricted use of approximately 1,100 parking spaces for TTC commuter parking in the Yorkdale Shopping Centre parking deck is permitted under terms and conditions of a 40 year lease. TTC/Metro Toronto made a financial contribution to the construction of the deck, and the parking lease commenced June 1983.

The lease is between Oxford Properties Group, the current owner of the shopping centre and now the City of Toronto on behalf of TTC.

Oxford Properties Group is carrying out a major redevelopment which includes the demolition of the existing parking deck, a portion of which TTC leased for commuter parking, and reconstructing a new five level below grade parking structure with approximately 200,000 square feet of new retail space above grade.

The parties involved negotiated a “slide” of the lease term as a result of the redevelopment.

Construction of the redevelopment commenced on December 31, 2013 and was expected to take approximately 18 months and the new parking deck was expected to be available for TTC commuter use in late 2015. However this was not the case and the anticipated opening of the parking deck is now November 1, 2016, which would result in the lease expiration on April 6, 2026.

Alternative Parking Options

The future of parking at Yorkdale Shopping Centre should be considered in the context of the available alternative parking space at nearby subway stations.

A total of 2,772 spaces at the three large lots at Wilson Station and Downsview Station will be lost to redevelopment by Build Toronto, having been declared surplus by the Board in 2009. Following direction from the Board at the December 19, 2013 meeting, the City and Build Toronto were formally requested to keep Wilson West and Wilson South open until the opening of the TYSSE when additional parking space would be available.

- The first of the commuter parking closures is at Wilson West, 75 Billy Bishop, south-west corner (610 parking spaces), scheduled in the next few months. With the revised timeline for TYSSE this closure will happen before it opens.
- Presently there are no fixed dates for closure of the other Wilson lots. The commuter parking lot at Downsview (632 parking spaces) is scheduled to close following the opening of the TYSSE. A new commuter parking lot at the new Finch West Station will provide 330 parking spaces which will help compensate for some of the lost parking spaces at Downsview.

Accessibility Issues

Parking at Yorkdale will include accessible parking spaces when the commuter parking lot re-opens. Yorkdale Station is currently not an accessible station. Under the fully funded Easier Access Program, the station will be made accessible in 2019.

Comments

The current lease is between Oxford Properties Group, the owner of Yorkdale Shopping Centre), and the City of Toronto on behalf of TTC. While TTC collects and retains the entire commuter parking revenue associated with that portion of Yorkdale's parking lot under the lease and having priority use Monday to Friday until 9:30 a.m., TTC was previously obligated to pay 50% of the structural maintenance costs and 50% of the operating costs of the parking deck.

As a consequence of the loss of the commuter parking during the construction of the redevelopment of the Centre, TTC staff negotiated with Oxford Properties Group the following amendments to the lease:

- 1) The term of the lease shall be extended by the length of time commuter parking is not available for TTC use.
- 2) TTC will be relieved of the obligation to pay any further structural maintenance expenses for the parking deck for the balance of the term of the lease.
- 3) Upon commuter parking in the new underground parking garage for availability for TTC use, TTC will be relieved of the obligation to pay any further operating expenses for the parking deck for the balance of the term of the lease, except for the portion of realty taxes.

This resulted in an approximately \$6.1M savings to the TTC.

Since agreement with Oxford Properties Group to extend the lease term during the closure of the previous parking deck, Oxford Properties Group, has made additional

proposals to the TTC (and City) as noted below which would remove TTC commuter parking from Yorkdale Shopping Centre,

- A. A buy out the remainder of the lease.
- B. Creation of replacement commuter parking on land near Wilson Station.

During further discussion Oxford Properties Group has withdrawn B as no longer being feasible. However, a buy-out of the remainder of the lease (Option A) remains as part of Oxford Properties Group's proposal.

The financial details relating to the buy-out are set out in the Confidential Attachment. Based on the current offer and the continued need for commuter parking, TTC staff is recommending that TTC continue with the current lease agreement, as amended, which will allow for continued commuter parking at Yorkdale Station.

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Attachment

Attachment 1 – Confidential Attachment