

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: October 23, 2013

SUBJECT: YORKDALE PARKING - AMENDING AGREEMENT

ACTION ITEM

RECOMMENDATION

It is recommended that the Board:

1. Endorse the proposed amendments set out in this report; and
2. Forward this report to the City Manager requesting the amendments outlined in this report be included in the Yorkdale parking lease amending agreement.

FUNDING

Payments under the lease have been reduced from \$950,000 in the 2013 budget to zero in 2014. The future savings to TTC arising from the amendments are estimated at \$6.1 million over the remaining term of the extended lease. Savings arise from avoidance of \$3 million in structural repairs and \$3.1 million in additional rent for operating expenses.

Revenues at Yorkdale will also be impacted during the shutdown. It has been assumed that most users will relocate to the Wilson and Downsview lots.

BACKGROUND

The restricted use of approximately 1,010 parking spaces for TTC commuter parking in the Yorkdale Shopping Centre parking deck is permitted under the terms and conditions of a 40-year lease dating back to June 1983.

The agreement is between the owners of the shopping centre (Oxford Properties Group) and the former Municipality of Metropolitan Toronto. The TTC will retain operational jurisdiction. While TTC collects and retains all the parking revenue, the TTC is obligated to pay 50% of the structural maintenance costs of the deck as it ages and 50% of the operating costs.

DISCUSSION

Oxford Properties Group are proceeding with a major redevelopment which includes the demolition of the existing parking deck that TTC shares and reconstruction with a new five level below grade parking structure with approximately 200,000 square feet of new retail space above.

Oxford Properties Group have commenced with advanced utility work and relocated the entrance into the parking deck from the north side to the south side. Demolition is expected to begin just after January 1, 2014, and the TTC must vacate the site by December 31, 2013.

Construction is expected to take at least 18 months and the new parking deck is not expected to be available for TTC commuter users until late 2015 barring any major unforeseen delays. Oxford Properties Group will ensure the work is completed prior to the 2015 Christmas shopping period so we are certain the loss of parking will be no longer than 23 months.

The TTC and Oxford Properties Group are working on a joint communication program that should start in early November 2013. During the period that the parking deck is not available, commuters will be directed to the parking lots at Wilson, Downsview and Finch stations. The overall impact on commuter parking closures is the subject of a separate report.

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

- 1) The term of the original lease shall be extended by the length of time the parking deck is not available for TTC use (18 to 23 months). The resulting end of the lease will become a date sometime between late 2024 to early 2025 depending on the duration of construction.
- 2) The TTC will be relieved of the obligation to pay any further structural maintenance expenses for the balance of the lease. Prior to Oxford Properties Group's redevelopment plans, approximately \$6 million of repairs had been identified of which the TTC's share would be about \$3 million.
- 3) Upon the TTC's return to the new underground parking garage later in 2015, the TTC will no longer be required to pay the 50% portion of the operating expenses for the balance of the term, except for that portion of realty taxes, resulting in projected savings of \$3.1 million.

JUSTIFICATION

TTC parking lot users will benefit from a new state-of-the-art parking garage. In addition, the TTC will enjoy significant cost savings in the post-construction term.
