

November 10, 2016

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Finance & Audit Committee

Subject: **Feasibility of New Parking Structure in Lot 4**

Summary:

Recent development projects on the grounds have reduced surface parking which has become a major concern to the show / event organizers and also to the Exhibition Place tenants since parking is not simply a benefit but a requirement for the success of some of these events / businesses.

At its meeting of August 14, 2014, the Board approved of the development of the Basketball Training Facility to be located in Parking Lot 6 that removed from use approximately 200 parking spaces. These lost spaces were replaced by removing the baseball diamond / green space west of Medieval Times and converting this space to a parking lot.

This new surface parking lot west of Medieval Times is only temporary. City Council approved a motion that required Maple Leaf Sports & Entertainment (MLSE) to fund a grounds-wide parking study costing up to \$200,000 and a contribution of \$1.8M (for a total of 2.0M to be matched by the City) towards the creation of a “new parking facility” at Exhibition Place. The Agreement with MLSE required that the construction of the new parking facility commence by December 31, 2019. In addition, Council approved a MLSE contribution of \$1.0M to a reserve fund for the restoration of the green space at Exhibition Place once the new parking facility was constructed which funds are now held by the City of Toronto.

At its meeting of February 12, 2016, the Board considered the WSP Parking Study which included the possibility of construction of a “pre-fab” parking structure in Parking Lot 4 which would increase the number of spaces by 150 at an estimated cost of \$4,000,000 (\$3,000,000 parking structure cost and \$1,000,000 capitalized development, engineering design, consulting, permits, parking study, contingency and other related expenses). Since approval of this report, Exhibition Place staff have been working with the City Parking Authority on the financial feasibility of the parking structure proposal.

Recommendation:

It is recommended that the Board direct staff to continue to assess the proposed structured parking in Lot 4 in consultation with TPA, the City of Toronto and clients, and report back to the Finance & Audit Committee no later than September 2017.

Financial impact:

There are no financial consequences to this report.

Decision History:

The Exhibition Place 2014 to 2016 Strategic Plan had a Public Space and Infrastructure Goal to *improve all forms of transportation needs for the grounds* and as a strategy to support this Goal we will *continue to provide the necessary parking facilities for our businesses*.

At its meeting of August 14, 2014, the Board approved the construction of a Basketball Training Centre which was subsequently approved by City Council on August 25, 26, 27, 28, 2014.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.3>

At its meeting of April 15, 2015, the Board approved entering into an agreement with WSP Canada Inc. for the provision of consulting services to provide a Parking Study for Exhibition Place including the development of a comprehensive parking strategy leading to the construction of a new parking facility.
<http://www.explace.on.ca/database/rte/files/Item%2010-Parking%20Study.pdf>

At its meeting of February 12, 2016, the Board approved of the WSP Parking Study and the recommended implementation of the priorities set out in that report for all parking areas at Exhibition Place. The Board also directed staff to report to the Finance & Audit Committee on the financial feasibility of building a new parking structure on the site and possible next steps.
<http://www.explace.on.ca/database/rte/files/Item%203-Parking%20Study.pdf>
[http://www.explace.on.ca/database/rte/files/Item%203-Parking%20Study%20Appendix%20A\(1\).pdf](http://www.explace.on.ca/database/rte/files/Item%203-Parking%20Study%20Appendix%20A(1).pdf)
<http://www.explace.on.ca/database/rte/files/Item%203-Parking%20Study%20Appendix%20B.pdf>
<http://www.explace.on.ca/database/rte/files/Item%203-Parking%20Study%20Appendix%20C.pdf>

At its meeting of October 31, 2016, the Finance & Audit Committee approved the Feasibility of New Parking Structure in Lot 4.
[http://www.explace.on.ca/database/rte/files/Item%207-New%20Parking%20Structure%20Status%20Update\(2\).pdf](http://www.explace.on.ca/database/rte/files/Item%207-New%20Parking%20Structure%20Status%20Update(2).pdf)
[http://www.explace.on.ca/database/rte/files/Item%207-New%20Parking-Appendix%20A\(1\).pdf](http://www.explace.on.ca/database/rte/files/Item%207-New%20Parking-Appendix%20A(1).pdf)

Comments:

Financial / Operational Analysis

Prior to the construction of Hotel X and the BMO Field expansion, Exhibition Place had a total of 6,491 parking spaces. Following the completion of all construction on site and the additional spots that have been created (under the Gardiner; removal of storage shed in Lot 4; re-lining lots), Exhibition Place will have 6,455 spots. However, with the removal of the temporary parking lot west of Medieval Times and the return of this to greenspace, the overall inventory will drop to 6,289.

The pertinent sections of the WSP Study Executive Summary attached as Appendix A recognized that client parking needs is more than just the number of parking spaces. While parking inventory is important, as significant to an effective parking strategy for a site as large and diverse as Exhibition Place, there also needs to be:

- a transit strategy
- a transportation management plan which includes wayfinding, customer focused staffing, well-maintained roadways and pedestrian pathways
- an upgraded parking technology and integrated traffic management plan

WSP Canada Inc. concluded that given its existing level of activity on the grounds and what is estimated to be the level of activity in the next 10 years, Exhibition Place should continue to provide at least 5,800 parking spaces. This number of spaces was sufficient to meet over 90% of the needs although not sufficient to meet all the parking demands on Peak Days. Peak Days occur when the demand exceeds 5,000 vehicles and in 2012 there were only 21 Peak Days and the consultant estimated that this may increase to 36 by 2026.

WSP's analysis of a proposed parking structure is outlined on pages ES-16-ES-19 of the attached Appendix A. WSP concluded that with the contribution of MLSE and the City of a total of \$4.0M to the construction of a new parking facility, a 150-space prefab facility could be financially viable with a payback of 19.5 years. Exhibition Place staff have done the following sensitivity analysis on the WSP assumptions:

EXHIBITION PLACE			
<u>Pay Back - Financial Analysis of of Lot 4 Parking Structure</u>			
		WSP Study	WSP Study
		Lot 4 - Prefab	EP Amended
30 Year Pay Back Assessment		Garage -	Lot 4 - Prefab
		30 days	Garage -
			21 days
Total Site No. of Spaces On Site		5,408	5,408
No. of Spaces Added		150	150
Option No. of Space on Site		5,558	5,558
Annual No. of Vehicles that will Park on Site		563,714	562,500
Annual Revenue Ex Place		\$9,535,000	\$9,394,500
Additional Annual Revenue Parking Ex Place		\$235,000	\$94,500
Parking Rate (Blended)/Net		\$30.00	\$30.00
Capital Cost per Space for Option		20,000	25,000
Total Capital Cost of Option	[A]	3,000,000	3,000,000
Capitalized development, design and related costs	[A]	1,000,000	0
Refurb Costs (after 25 years)	[B]	750,000	750,000
Annual Maintenance Costs		30,000	15,000
Nominal Cost - (30 Years)		5,650,000	4,200,000
Annual Revenue Difference	[C]	205,000	79,500
Pay Back on Structure	[A/C]	19.5	37.7
Pay Back on Capitalized Costs	[(A + B)/C]	23.2	47.2

Under more conservative assumptions, with the historic Peak Days of 21 days, Exhibition Place staff show a payback on the structure of 37.7 years. Using the more optimistic assumption of 40 Peak Days predicted by WSP to be the future scenario, the pay back on the parking structure costs becomes 18.2 years.

Additional Considerations

As indicated in the WSP Parking Study Peak Days (i.e. when demand exceeds availability) only occur when there are multiple events happening on the grounds at the same time, for example in March 2012, when the National Home Show and a TFC game were on at the same time. Likely, the proposed parking structure may only be full on Peak Days or on weekends for major shows, such as the National Home Show.

In discussion with the Major Show producers (OOAK, RAWF, CNEA, National Boat Show, National Home Show), support for the proposed new structured parking in Lot 4 is mixed. Both the CNEA and the RAWF use this area for event programming (beef cattle, Kiddie's midway) and therefore, have issues with construction of this structure in an open area now used for

parking/ event space. OOAK and National Boat Show believe a parking lot in this area, which is distant from the Enercare Centre, would not be that useful unless a Peak Day occurs during their events. The National Home Show, which typically uses all available parking spaces on the grounds and the surrounding area on its weekend dates would definitely fill any additional parking spaces through within a new parking structure.

Exhibition Place has also been discussing with MLSE its ability to use the first level of the new structure for storage required for BMO Field conversions. MLSE is still evaluating this proposal, although, staff do anticipate that MLSE could realize savings, if MLSE used the lower level for temporary storage rather than rent storage space. These savings could potentially be used to pay back the MLSE contribution. Exhibition Place staff will continue to explore this possibility with MLSE when the first full year of operations in the expanded BMO Field is complete.

WSP also commented that given the marginal financial feasibility of the parking structure, it may be more useful if the \$3.8M was used to upgrade conditions on the site such as improved parking, bicycle and transit facilities as such measures would reduce parking demand. However, this would require agreement from MLSE and the City which has yet to be explored.

Since completion of the WSP Study, the City has proposed that in 2017 it intends to undertake the development of detailed plans for the extension of the Harbourfront LRT from the existing Exhibition Place GO Station to Dufferin Street. While this LRT extension was to be located to the north of the proposed parking structure, given the intent of the City now to do further detailed plans, this LRT location may have to be adjusted.

Finally, the City and Province continue to work on future planning for the revitalization of the Ontario Place site and certainly, any action on this matter may impact future parking needs.

Conclusions:

As stated above, the financial feasibility of the proposed parking structure is marginal and the outstanding considerations / factors listed above may have an impact on the assessment of this proposal. Accordingly, Exhibition Place staff are recommending that the proposal be studied further with a future report to the Committee once some of the financials / additional considerations noted above are better understood.

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