

EXECUTIVE SUMMARY: AUTO/PARKS UNLIMITED:
UNDERGROUND PARKING: JACK PURCELL PARK

- The Elgin Parking study concluded that while there is adequate parking in the area, people are reluctant to walk and therefore recommended a below ground parking facility in the Jack Purcell Park which was the most troublesome area - however same would not be economical due to the projected cost of \$20,000.00 for each parking space.

- Expansion and Development in the Elgin Street area will cause parking problems to worsen over the next 10 to 15 years - as a result of the terms of reference the study only addressed the current situation.

- APU will acquire a portion of the Park from Ottawa for \$1.00 and lease the ground rights back in perpetuity for \$1.00. APU will within 24 months construct the parking facility and replace the park which obligations will be supported by a 100% performance bond.

- APU must determine whether or not it can feasibly proceed with a third level involving an additional 270 spaces rather than two levels involving 520 spaces and therefore the agreement with Ottawa will only oblige APU to proceed with two levels. If Ottawa wishes to ensure that the third level is feasible it can do so by financing the third level through an interest free \$4,000,000.00 loan from its cash in lieu fund for a term of eight years. In this respect the cash in lieu received by Ottawa to date would fund the interest free loan. The said loan would be secured by a second mortgage of the parking facility. The first mortgage would involve approximately \$7,000,000.00.

- The parking facility will be a condominium and anyone within a radius of 2,000 feet who purchases a space or leases one for twenty years will get one parking space credit and a credit of 300 square feet in relation to FSI. Zoning would be changed to permit storage so that revenue could be derived from the overbuilt parking.

- Ottawa must enforce parking regulations to promote use of the parking facility.

- Current favourable economic conditions and present expressions of interest provide an unusual opportunity for the project to proceed. If Ottawa is interested, all relevant parties should meet as soon as possible to formalize matters.

July 26th, 1989

The Planning Committee of
the City of Ottawa
111 Sussex Drive
Ottawa, Ontario
K1N 5A1

Dear Sirs:

Re: Jack Purcell Park: Auto/Parks Unlimited:
Proposed Parking Facility

I am one of the principals of Auto/Parks Unlimited (APU). Approximately 24 months ago, following consultation with Elgin Street merchants and property owners I proposed an underground parking facility in relation to part of the Jack Purcell Park (The Park). Recently, the Elgin Street Parking Study (the Study) was completed by Delcán Corporation on behalf of the City of Ottawa. The conclusions of the study relevant to the proposal are as follows:

- There is adequate parking in the study area generally but due to the reluctance of individuals to walk, there is a shortage of parking in the Park area, particularly in the evening.
- A below ground parking facility is recommended in part of the Park however same is not economical in that it would cost approximately \$20,000.00 for each parking space involved.

The study relative to its terms of reference is excellent, however the terms of reference did not address the long term realities, that is development in the next 10 to 15 years, namely:

- Elgin involves stores and shops that are destination locations - the best grocers, restaurants, ice cream etc. Elgin is attracting the best and will continue to do so. All merchants are successful and their businesses are expanding.
- This expansion is fueled by a population with more disposable income and free time.

Not only is this relevant in relation to Regional residents but

tourism is increasing. Nine of the Region's Apartment Hotels are in the area. Hotels in the area such as the Lord Elgin Hotel are refurbishing.

- Residential property values are rising and residential properties in the area are being refurbished; the result is higher living standards and more area residents with one or two cars.
- The Police Station and Court House due to population increases and an increase in the crime rate will surely involve more parking requirements.
- All offices in the area involve professionals who are expanding which will result in more parking requirements.

Elgin Street is a Hub with the Driveway and Canal to the East, Queensway and Isabella Shopping area to the South, Bank Street to the West and Parliament Hill, Sparks Street, Rideau Centre, the Market, Museums and the Arts Centre to the North. Elgin Street is the main artery of the area to the north and as a result there will in the future be more traffic and increased parking demands.

Although the Elgin Street property owners and merchants welcome Municipal support they do not want to go the way of the Sparks Street Mall, Bank Street Promenade, Rideau Street or the Market Parking Garage.

APU proposes to build an underground parking facility on the following basis:

1. Ottawa will transfer the relevant portion of the park to APU for \$1.00.
2. APU will lease back the surface rights to Ottawa for \$1.00 in perpetuity.
3. APU will agree to construct the parking facility and replace the portion of the park involved within 24 months of an agreement being finalized.
4. The obligations of APU to build the parking facility and replace the portion of the park will be supported by a 100% performance bond which will be reduced accordingly upon 25%, 50%, 75% and 100% completion of the project. The value of the performance bond will be determined by an engineer's estimate based on the plans. There is therefore no possibility that APU will not meet its obligations.

There are also the following considerations:

1. If APU builds 2 levels there will be 520 parking spaces. If APU builds 3 levels there will be an additional 270 parking spaces. APU

must determine whether the third level is feasible and therefore would only be obliged to build two levels. APU would agree to build the third level if Ottawa loaned it \$4,000,000.00 interest free for 8 years secured by a second mortgage of the parking facility; the first mortgage would not exceed \$7,000,000.00. Ottawa would retain all the money it had collected to date for cash in lieu.

2. There are three short term measures that will make the parking facility feasible, namely:
 - (a) The parking facility would be built as a condominium and anyone within a radius of 2,000 feet who leased a space for 20 years or purchased a space would get a credit with respect to the parking requirements of their property or business. As well, each such owned or leased parking space would result in a credit toward the applicable FSI based on 300 square feet for each parking space. In relation to the condominium there would be a management agreement with APU and a revenue pooling agreement.
 - (b) The parking facility would be zoned so as to permit the parking spaces to also be used for storage, in particular file storage. As demand increased for parking, which will of course produce greater revenue, the area used for storage would reduce.
 - (c) Ottawa must undertake to enforce parking regulations particularly in the evening and to tow and ticket where appropriate. The effect should be to direct parking by other than area residents to the parking facility. As well, Ottawa should make every effort to increase use of the Park and therefore use of the available parking.

Reduced copies of the preliminary plans are attached. The plans outline one Exit/Entry from Frank Street and one Exit/Entry from Waverley Street so as not to obstruct established Elgin traffic flow. The storage is not contemplated as a long term use; there is a mechanical and exhaust system, the total structure would be sprinklered and constructed of concrete with emphasis on moisture protection and the parking membrane.

It is expected that the general contractor and concrete supplier will be participating in the project. An expression of interest in the financing has been obtained from a major Canadian Pension Fund on the basis of a cash on cash return of approximately 8% rather than market rates coupled with participation and therefore long term appreciation. APU plans to retain ownership of approximately 51% of the project and will manage the facility.

It has taken almost 2 years to generate interest in this project and bring the interested participants together. Oddly enough, the study was undertaken at the request of local residents. The current and more importantly the future problems are apparent.

Current economic conditions, in particular, stabilized construction costs and decline in construction activity, stable and reasonable levels of interest rates and the demonstrated interest of the necessary participants provide an opportunity for the City of Ottawa to plan for the future parking requirements of Elgin Street in a reasonable and economic way. The City of Ottawa has an opportunity to direct and facilitate the inevitable development rather than not being prepared to satisfy increased parking requirements.

If the foregoing proposal is of interest I would suggest a meeting with representatives of The Planning Department, Parks and Recreation, Transportation and Parking, Property, Zoning and Legal Departments in order that the formalities may be reduced to writing.

Thank you for your attention.

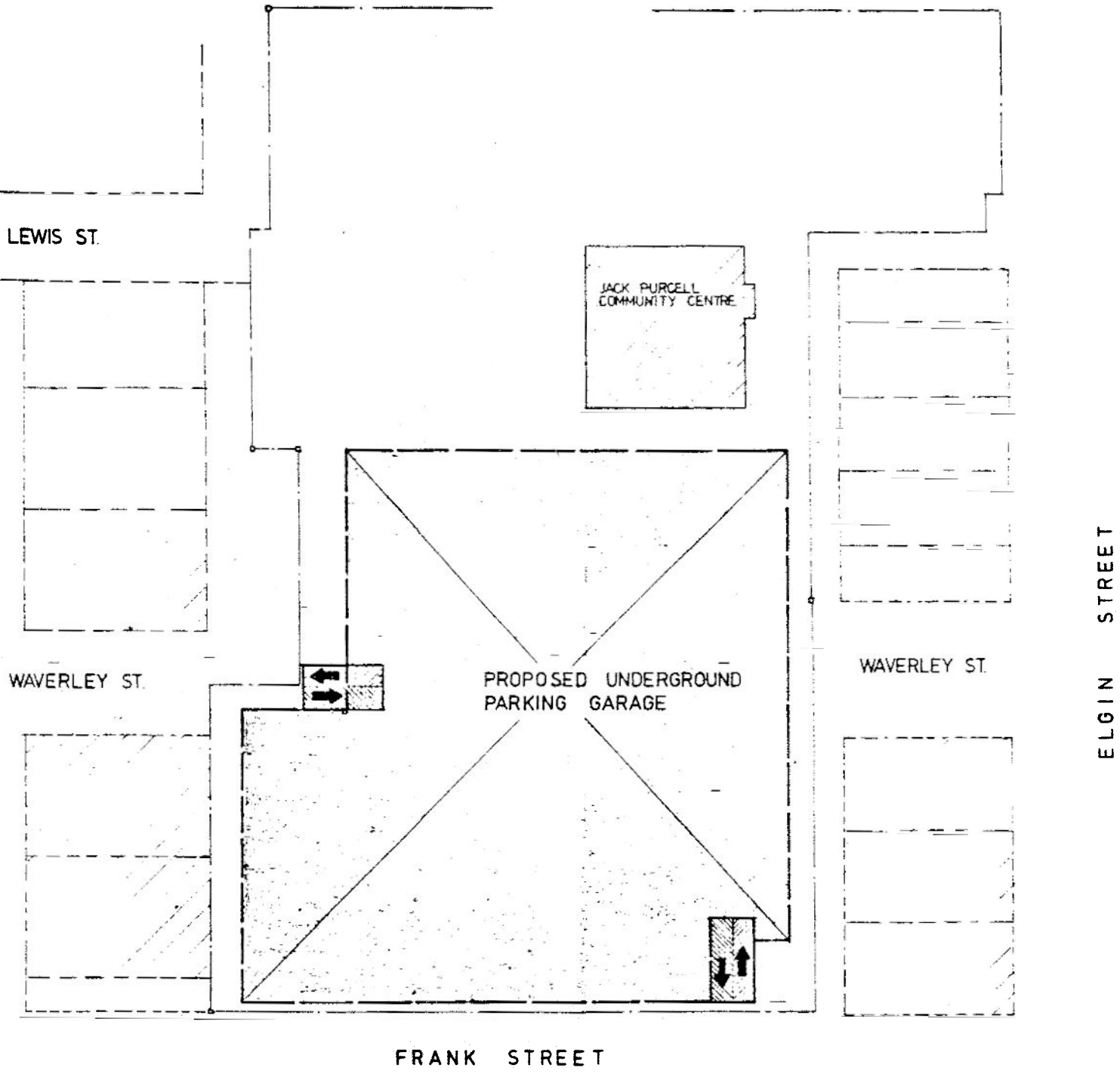
Yours truly,

AUTO/PARKS UNLIMITED

Per: Brian William Karam

BWK/cd
Encls.

cc Delcan Corporation
Planning Department
Parks and Recreation
Office of the Mayor
Members of City Council
Transportation and Parking




LOCATION PLAN
 SCALE 1"=40'

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|  OLIVER, MANGIONE, McCALL & ASSOCIATES LIMITED CONSULTING ENGINEERS | |
| FRANK STREET PARKING GARAGE | 89-7094 SK.1 |



PLAN - FIRST BASEMENT 1:250

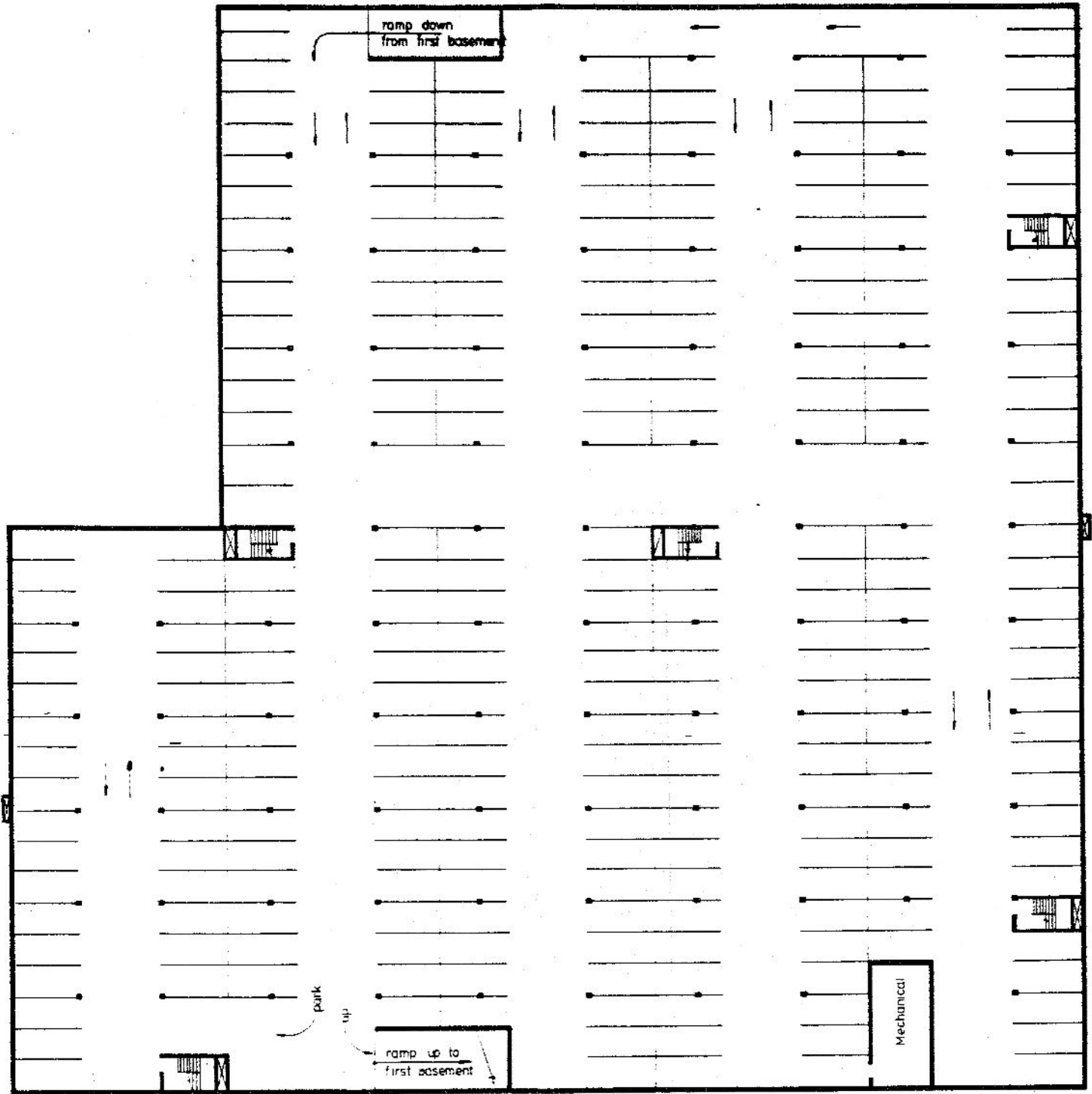
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PLAN · SECOND BASEMENT 1/250

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