

TO:	CHAIR AND MEMBERS SERVICES REVIEW COMMITTEE MEETING ON DECEMBER 14, 2011
FROM:	MARTIN HAYWARD, CITY TREASURER AND CHIEF FINANCIAL OFFICER
SUBJECT	ADDITIONAL INFORMATION FOR CONSIDERATION IN BUDGET REFERRALS SOHO, DOWNTOWN PARKING PAY AND DISPLAY AND PARKING INITIATIVE

### RECOMMENDATION



That, on the recommendation of the City Treasurer and Chief Financial Officer the following initiatives **BE REVIEWED** to determine whether or not to include these as part of the prioritization of "Adds and Cuts" for the 2012 Operating and Capital Budget

- a) SOHO Streetscape Improvements;
- b) Downtown Parking Pay and Display Meters;
- c) Parking Initiatives.

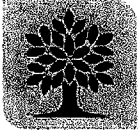
### BACKGROUND

The following initiatives have been included in the lists of "Adds and Cuts" for the budget process. Administration is seeking direction regarding the deferral of these items to be included in the prioritization of "Adds and Cuts" to occur in January.

Initiative	Description	Funding Request
SOHO Streetscape Improvement	This is a capital project initiative (TS1134) - SoHo Community Improvement Plan - Road Restoration on Horton St. In accordance with the SoHo Community Improvement Plan, road restoration on Horton St in 2012 will include centre planters and boulevard planters which will require road widening, relocation of hydro service through the corridor and tree trimming.	\$1,200,000
Downtown Parking Pay and Display Meters	This is a capital project initiative (TS4207) - Replacement of Individual Parking Meters with Pay & Display. This project is for the replacement of individual parking meters with Pay & Display terminals in high usage areas.  This is a new request for a new capital project with ongoing funding requirements.	\$300,000
Parking Initiative	Costs associated with increased downtown parking capacity.  This is an ongoing funding request.	\$500,000

PREPARED BY:	RECOMMENDED BY:
	
SHARON HOUDE, DIRECTOR, BUSINESS PLANNING	MARTIN HAYWARD, CITY TREASURER AND CHIEF FINANCIAL OFFICER

- Appendix A SOHO Streetscape Improvement  
Appendix B Downtown Parking Pay and Display Meters  
Appendix C Parking Initiative



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P.O. Box 5035  
London, ON  
N6A 4L9

London  
CANADA

*Michael*

CITY OF LONDON  
PLANNING DIVISION

JUN 20 2011

FORWARDED TO:  
FREQUENT REFERRALS  
ACTION  
INFORMATION  
REPORT

OTHER

June 22, 2011

J. M. Fleming  
Director, Land Use Planning & City Planner

I hereby certify that the Municipal Council, at its session held on June 20, 2011 resolved:

36. That, on the recommendation of the Director, Land Use Planning & City Planner and the City Treasurer & Chief Financial Officer, the following actions be taken with respect to the application by the City of London relating to the designation of the SOHO area as a community improvement project area:

- (a) that the proposed revised by-law, attached hereto as Appendix "A", **BE INTRODUCED** at the Municipal Council meeting to be held on June 20, 2011 to amend the Official Plan by adding Section 14.2.2.ii)(d) to the Official Plan, to add the SOHO Commercial Areas to the list of commercial areas eligible for community improvement;
- (b) that the proposed by-law attached hereto as Appendix "B" **BE INTRODUCED** at the Municipal Council meeting to be held on June 20, 2011 to designate the lands generally bounded by the Canadian National Railway to the north, Adelaide Street North to the east, and the Thames River (South Branch) to the south and west as the SOHO Community Improvement Project Area pursuant to Section 28 of the *Planning Act* and as provided for under Section 14.2.2 of the Official Plan;
- (c) that the proposed by-law attached hereto as Appendix "C" **BE INTRODUCED** at the Municipal Council meeting to be held on June 20, 2011 to adopt the SOHO Community Improvement Plan to outline the strategies and framework utilized to stimulate community improvement in the SOHO Community Improvement Project Area (as designated in part (b) above);
- (d) that the proposed by-law attached hereto as Appendix "D" **BE APPROVED IN PRINCIPLE**, pending further review by the Finance and City Clerk's Offices; noting that the final by-law will be brought forward to a future meeting of the Built and Natural Environment Committee; it being noted that the proposed by-law would establish a Tax Grant Incentive Program Reserve Fund as an economic incentive for the rehabilitation and/or redevelopment of residential and/or commercial properties within the Downtown, Old East Village, and SOHO Community Improvement Project Areas;
- (e) that the proposed by-law attached hereto as Appendix "E" **BE INTRODUCED** at the Municipal Council meeting to be held on June 20, 2011, to adopt a by-law to establish financial incentives for the SOHO Community Improvement Project Area;
- (f) that the Tax Grant Incentive Program **BE AMENDED** to add lands within the SOHO Community Improvement Project Area to the Tax Grant Incentive Program and to edit the program guidelines as identified in the modified Tax Grant Incentive Program, attached hereto as Appendix "F";
- (g) that the Upgrade to Building Code Renovation Loan Program **BE AMENDED** to add lands within the SOHO Community Improvement Project Area to the Upgrade to Building Code Renovation Loan Program and to edit the program guidelines as identified in the modified Upgrade to Building Code Renovation Loan Program attached hereto as Appendix "G";
- (h) that the Façade Improvement Loan Program **BE AMENDED** to add lands within the SOHO Community Improvement Project Area to the Façade Improvement Loan Program and to edit the program guidelines as identified in the modified Façade Improvement Loan Program attached hereto as Appendix "H";

<b>TO:</b>	<b>CHAIR AND MEMBERS ENVIRONMENT AND TRANSPORTATION COMMITTEE MEETING ON SEPTEMBER 28<sup>th</sup>, 2008</b>
<b>FROM:</b>	<b>PAT McNALLY, P. ENG. GENERAL MANAGER OF ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT</b>	<b>PARKING STRATEGY ISSUES UPDATE</b>

<b>RECOMMENDATION</b>
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That on the recommendation of the General Manager of Environmental & Engineering Services & City Engineer:

- a) The attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on October 5, 2009 for the purpose of amending the off-street parking rates and the Residential Parking Pass fees of the Various Fees and Charges By-law (By-law A-31);
- b) That Civic Administration **BE DIRECTED** to seek the Chief Justice of the Ontario Court of Justice's approval of a new set fine, effective January 6<sup>th</sup>, 2010 in the amount of \$20.00 for Sections 42(1), 42(1.1), 47(a), 47(b)(i) and 47(b)(ii) of the Traffic & Parking By-law (PS-111).
- c) That Civic Administration **BE AUTHORIZED** to proceed with the purchase of seven pay and display parking meters for Dundas Street from Cale Systems Inc. at a cost of \$89,586.00 plus GST.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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For additional information, please refer to the following Environment and Transportation Committee report:

1. November 26<sup>th</sup>, 2007: Item 4 "Parking Strategy Business Plan – 2008"

<b>BACKGROUND</b>
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**Purpose:**

The following report provides comments, summarizes the input that has been received and proposes an implementation plan related to the following Council resolutions:

1. At its July 30<sup>th</sup>, 2007 meeting Civic Administration were requested to report back to the Environment and Transportation Committee (ETC) on the matter of allowing 2-hour free parking on Saturday and Sunday in the Dundas Street Old East Village metered parking area from Adelaide Street to Quebec Street, consistent with other programs throughout the City; it being noted the ETC heard a verbal delegation from Councillor S. Orser with respect to this matter. (21/14/ETC)
2. At its November 26<sup>th</sup>, 2007 meeting the Environment and Transportation Committee received the Parking Strategy Business Plan which provided an overview of the Parking operation, how London compared with other municipalities and the Plan recommended a number of initiatives to address customer needs, to address changes in the marketplace and to improve the parking operation.

There is also general consensus with revising the off-street parking rates. It is recommended that these rates become effective October 19th. It is estimated that these changes will add \$50,000 to \$70,000 in additional revenue; however, there is a one-time cost of \$10,000 to change the meters and signage.

The value of the parking fines was not specifically addressed in the Parking Business Plan; however, this is done on an annual basis to ensure that the fines reflect the magnitude of the offence and that they are consistent with other municipalities. London's fines are equal or less than fines in comparable cities. London's fine for parking at an expired meter is one of the lowest and no longer reflects the impact that the illegally parked vehicle has on the operation of the parking lot or on-street parking. London's fine is currently \$15 which is just a few dollars more than the actual parking cost which has resulted in drivers taking the chance that they will not get a ticket. It should be noted that the cost to issue and process a parking ticket is not recovered by the current fine which has not been adjusted since June 1995. It is recommended that the fine for parking at an expired meter be increased from \$15 to \$20 which is still one of the lowest fines compared to other municipalities.

The coupon and roving pass programs are still under development and could be rolled out in 2010. The first step in moving forward with the roving pass program is to have the same parking charges in all of the participating lots. This will be done as part of the off-street parking rate adjustments that is recommended for implementation.

#### **Two-hour Free Parking in the Downtown for the Month of December**

The purpose of on-street parking meters is to manage short-term parking by creating turnover of the parking stall. Turnover of parking stalls benefits businesses in the vicinity by creating parking for their customers and guests. Customers also benefit from parking stall turnover; by ensuring the most convenient parking is not utilized by employees. Two-hour free parking may benefit Downtown businesses; however, it is evident that workers are also taking advantage of the free parking. This reduces the available parking for customers which may ultimately negatively impact the businesses.

The 2-hour free parking also resulted in confusion from the public who thought the offer applied to all parking in the City. This confusion will continue if the program is offered on an annually basis and other areas of the City will make similar requests.

Parking is a commodity and consumers pay for parking either at the meter or its cost is included in the price of the goods/services that are purchased. Continuing the free parking for each December removes the cost from the consumer but places it with the City's tax payer who must absorb the lost meter revenue. The meter revenue shortfall varies depending on the driver's knowledge of the free parking. In 2008 some drivers continued to put money in the meter; however, it is anticipated that more drivers will become aware of the program if it is continued. It should also be noted that revenue will decrease as the City transitions to pay and display meters that not accept payment during free times.

If the free December parking is continued it is expected that the existing meter revenue shortfall will reach \$120,000 annually. Based on all of the above, the continuation of the 2-hour free parking in the Downtown for December is not recommended.

#### **Residential Parking Pass Program**

On August 18<sup>th</sup>, 2008 Municipal Council revised the fees associated with the Residential Parking Pass Program. Housekeeping amendments are required to reflect the approved fees. These changes are included in Appendix "A".

#### **Overnight On-Street Parking Pilot Program**

This past summer the 3:00 am to 5:00 am parking restriction was relaxed for non-recreational vehicles. The impacts of this pilot program are still being evaluated and these will be subject of a future ETC report.

**APPENDIX "A"**  
**BY-LAW TO AMEND THE VARIOUS FEES AND CHARGES BY-LAW (A-31) WITH  
 RESPECT TO THE FEES ASSOCIATED WITH PARKING METERS AND PARKING LOTS**

Bill No.  
2009

By-law No.

A By-law to amend By-law No. A-31, entitled "A  
by-law to provide for Various Fees and Charges."

WHEREAS section 5(3) of the *Municipal Act, 2001*, S.O. 2001, c.25, provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

- That Schedule 1 of By-law A-31 is amended by deleting the tables on the 6<sup>th</sup> and 7<sup>th</sup> pages of Schedule 1 in their entirety, and replacing them with the following new tables:

Program/Activity	Fee
<b>On-Street Parking Meters</b>	
Parking Meter Fees	\$1.25/hr
Parking Meter Bagging	\$50.00 Admin + \$7.50 per day per parking stall
<b>Residential Parking Pass Program</b>	
First Residential Parking Pass	\$60.00 (includes PST & GST);
Second Residential Parking Pass	\$60.00 (includes PST & GST);
Residential Parking Pass at Midpoint of program year	Reduced by 50%; and
Replacement Residential Parking Pass	\$120.00 (includes PST & GST).
<b>Parking Lots – Municipally Managed</b>	
Lot 3N – 743 Richmond St, south side of Oxford east of Richmond	\$2.00/hr
Lot 6 – 539 Richmond ST & 174 Kent St, north side of Kent west of Richmond	\$2.00/hr, \$7.00/day, \$6.00/night, \$69.00/month
Lot 14 – VIA Station, south side of York east of Richmond	\$2.00/hr
Lot 16 – Behind 205 Oxford St E, east of St. George south of Oxford	\$2.00/hr, \$7.00/day, \$6.00/night, \$46.00/month
Lot 20 – 155 Kent St., south side of Kent west of Richmond	\$2.00/hr
Lot 21 – 558 Talbot St., east side of Talbot north of Kent	\$2.00/hr, \$7.00/day, \$4.00/night, \$69.00/month

**APPENDIX "B"**  
**STAKEHOLDER COMMENTS**

- (i) Piloting the installation of pay and display meters on Dundas Street from Wellington Street to Ridout Street for a one-year trial period.

*MainStreet London and the London Downtown Business Association support the installation of pay and display meters on Dundas Street. They believe that the meters will make parking more convenient for customers and enhance their experience.*

*The Old East Village Business Improvement Area (BIA) noted the capital cost was high resulting in a long payback period of the Pay and Display meters.*

The estimated capital cost is \$100,000 with expected new revenue of \$15,000. It should be noted that the Pay and Display meters offer improved revenue control and more payment options for users which is difficult to include in a cost benefit analysis.

A survey of other municipalities suggest that revenue should increase by 10 to 25% because more spaces are available and drivers using their credit card tend to purchase more time than they need. The two pay and display meters recently installed on Richmond Street north of Pall Mall Street do not support these conclusions. Daytime revenue at these meters is down approximately 30% compared to the previous year. The overall revenue is up by 27% due to nighttime usage of the meters. There are two possible explanations why the Richmond Street pay and display meters appear to be going against the trend of other municipalities. Firstly, the meters may be underutilized if drivers do not realize that parking is available. Signage along Richmond Street has been improved to assist drivers. Secondly, some of the individual meter revenue may have come from users who purchased parking when it was free. The Pay and Display meters have been program to refuse payment when parking is free therefore some drop in revenue is expected.

It may be that this initiative would generate additional yearly revenue of \$15,000 because more parking spots would be available.

The above funds were approved during the 2009 Capital Budget process.

- (ii) Extending on-street pay parking from 6:00 pm to 12:00 am, with a maximum evening rate of \$3.00.

The operation of the City's on-street parking meters varies depending on the location of the meters. Most on-street meters operate from 8:00 am to 6:00 pm. The meters around St. Joseph's Health Centre operate to 9:00 p.m. and the new pay and display meters on Richmond Street between Dufferin Avenue and the CP Railway Crossing operate to 12:00 pm. Extending the operation of the on-street parking meters from 6:00 pm to 12:00 am, at least in the Downtown, would be consistent with off-street parking yet still lower than the special event rate charged at private parking lots. The estimated additional yearly revenue from this initiative is \$100,000.

*MainStreet London, the London Downtown Business Association and the Old East Village BIA do not support paid on-street parking during the evening. Concern was expressed that paid parking in the evening may hurt a downtown that is still in the revitalization process.*

It is evident from the Richmond Street Pilot Project that customers are willing to pay for evening on-street parking. The two meters north of Pall Mall Street collected nearly 45% of their revenue from evening customers even though there are few available hours in the evening compared to the daytime house of operation.

- (iii) Utilizing annual net revenue from the Parking budget to gradually increase annual contributions to the Parking Facility Reserve Fund - for addressing the provision of additional future parking facilities or for supporting alternative transportation modes.

*There was general support for supporting alternative modes of transportation.*

**APPENDIX "C"**  
**PROPOSED DAILY AND EVENING PARKING LOT RATE CHANGES**

	Lot	Ex. Daily Max.	Prop. Daily Max.	Ex. Evening Max.	Prop. Evening Max.
1	North side of Dundas between Elizabeth and English	\$4.00	n/c	Free	\$2.00
2	South side of Queens between Elizabeth and Adelaide	\$4.00	n/c	Free	\$2.00
3N	South side of Oxford east of Richmond	\$2.50 (2hrs)	\$4.00 (2hrs)	\$2.50 (2hrs)	\$4.00 (2hrs)
4	South side of Marshall east of Adelaide	\$4.00	n/c	Free	\$2.00
6	North side of Kent west of Richmond	\$5.00	\$7.00	(see daily max.)	\$6.00
7	POA Building, north side of Dundas east of Rectory	\$5.00	n/c	(see daily max.)	n/c
11	North side of King St. west of Ridout St.	\$2.50 (2hrs)	\$5.00	Free	\$4.00
12	West side of Ridout north of Horton & east side of Thames north of Horton	\$4.00	n/c	(see daily max.)	\$4.00
14	VIA Station, south side of York east of Richmond	\$1.25 (1hr)	\$2.00 (1hr)	\$1.25 (1hr)	\$2.00 (1hr)
15	London Convention Centre, south side of King east of Wellington	\$5.00	\$6.00	\$3.00	\$4.00
16	East side of St. George south of Oxford	\$4.00	\$7.00	(see daily max.)	\$6.00
17	West side of Thames south of King	\$2.50 (2hrs)	\$5.00	Free	\$4.00
19	Museum London, south side of Queens & north side of Dundas west of Ridout	n/a	n/c	\$4.00	\$6.00
20	South side of Kent west of Richmond	n/a	n/c	n/a	n/c
21	558 Talbot Street, east side of Talbot north of Kent	\$5.00	\$7.00	\$3.00	\$4.00
<b>Future Rover Pass Lots</b>					
3E	North side of Piccadilly east of Richmond	\$2.50 (2hrs)	\$7.00	Free	\$6.00
3W	North side of Piccadilly & south side of Oxford west of Richmond	\$2.50 (2hrs)	\$7.00	Free	\$6.00
5	South side of Queens Ave. west of Clarence St.	\$5.50	\$7.00	\$3.00	\$6.00
8	John Labatt Centre, north side of King east of Ridout	\$5.00	\$7.00	\$5.00	\$6.00



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N6A 4L9

London  
CANADA

FINANCE & ADMINISTRATION  
DEPARTMENT (F)

RECEIVED OCT 28 2011

CENTRAL REGISTER NO.                       
REFERRED TO: M.H.  
SUBSEQUENT REFERRALS  
Paul John

October 25, 2011

M. Hayward  
City Treasurer, Chief Financial Officer

FOR ACTION  
 FOR INFORMATION  
 FOR REPORT  
 FILE  
 B.F.  
 OTHER

I hereby certify that the Municipal Council, at its session held on October 24, 2011 resolved:

14. That the following actions be taken with respect to Downtown parking:
- (a) consideration of the attached report of the City Treasurer, Chief Financial Officer and the attached related communications dated October 17, 2011 from S. Farhi with respect to undertaking a competitive bid process for the provision of parking spaces in the downtown **BE REFERRED** to a Special Meeting of the Finance and Administration Committee (FAC) to be held on Monday, October 24, 2011 at 4:00 p.m. in order for the City Treasurer, Chief Financial Officer to provide additional details to assist the FAC in its decision making;
  - \* (b) a procurement policy **BE DEVELOPED** for the acquisition of Downtown parking by the City of London; and
  - (c) the Code of Conduct for Council Members **BE AMENDED** to reference section 6.2 of the Procurement Policy pertaining to "Interference in the Procurement Process". (2011-F13-00) (14/25/FAC)

L. Rowe  
Deputy City Clerk  
/hw

cc: J. A. Fielding, City Manager  
C. Saunders, City Clerk  
M. Turner, Deputy City Treasurer  
J. Freeman, Manager of Purchasing and Supply  
B. Warner, Manager, Realty Services



<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE MEETING ON OCTOBER 19, 2011</b>
<b>FROM:</b>	<b>MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>PROPOSED PARKING GARAGE – COMPETITIVE BID PROCESS RECOMMENDATION</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the City Treasurer, Chief Financial Officer staff **BE DIRECTED** to undertake a competitive bid process for the provision of parking spaces in the downtown, based on:

- 1) The receipt of a second unsolicited proposal from Fahri Holdings Corporation (FHC); and,
- 2) Requirements under section 14.4 (a) in the Procurement of Goods and Services Policy

Noting that there is no provision for funding in the budget for any additional parking, and that the parking study undertaken several years ago requires an update.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Request for Review of Tricar Group Parking Proposal - Finance and Administration Committee Meeting on September 28, 2011.

<b>BACKGROUND</b>
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On October 3<sup>rd</sup>, 2011 Council resolved that:

"The Civic Administration **BE DIRECTED** to proceed to the next phase of negotiations concerning the draft proposal submitted by the Tricar Group for the lease of a parking garage at King Street and Ridout Street, **SUBJECT TO** confirmation that the aforementioned proposal is in conformity with the City Procurement Policy and confirmation that the proposal product is offered at a competitive price and in the public interest; it being noted that the Finance and Administration Committee also received the attached communications for J. MacDonald, Executive Director, Downtown London and R.T. Usher, Chair, London Downtown Business Association and J. Carapella, President, The Tricar Group regarding this matter (2011-S04-00) (AS AMENDED) (2/23/FAC)"

**PROCUREMENT POLICY COMPLIANCE**

The Civic Administration submitted and sought direction from Council with respect to an unsolicited proposal from The Tricar Group for the provision of parking spaces in an area of downtown that has been identified in a six year old study as being a high need area. The City of London had not developed a plan for parking and evaluating parking proposals.

It was suggested that the proposal could be considered as sole source under section 14 (k) *Where due to abnormal market conditions, the goods, services or construction required are in short supply.* This could be done **only if** one assumed no other valid competitors; further, staff stated that no attempt had been made to solicit other proposals at that time. This led to the Council approving the next phase of negotiations **subject to** "...conformity with the City Procurement Policy..."

Based on the fact that a subsequent competitive submission was received by the City Manager, Section 14.4 (a) in the Procurement of Goods and Services Policy, would suggest there is a competitive environment for the provisions of parking in the same area of downtown.

#### 14.4 Single Source

*Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.*

*The procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:*

- a) *An attempt to acquire the required goods and/or services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier;*

#### **THE SECOND UNSOLICITED PROPOSAL**

A second unsolicited proposal from Farhi Holdings Corporation (FHC) was received on October 7, 2011.

It is our recommendation to proceed with a Request for Qualification (RFQ) and Request for Proposal (RFP) (draft with RFQ) to determine a suitable proponent in a competitive bid process. This process should also be **predicated on**:

- An update to the parking space needs analysis in the downtown; the current study is six years old. This should be updated and validated against the new Transportation Master Plan.
- The Source of Financing (one-time and on-going) for this project should be incorporated in the economic development projects **funding and priority** setting discussion.

#### **PROCUREMENT POLICY OTHER CONSIDERATIONS**

As Council moves forward with respect to investments and involvement of external proposals, items that may be considered under the procurement policy should be treated with caution so as not to preclude proponents who may be unaware of the direct solicitation provisions and complications that may arise from the involvement of Elected Officials or Appointed Officers in influencing the procurement process. These are outlined below for information.

#### **21.2 Direct Solicitation**

- a. *Unsolicited proposals received by the City shall be referred to the Manager of Purchasing and Supply for review.*
- b. *Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this Policy.*
- c. *A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement complies with the requirements of a non-competitive procurement, as detailed in Section 14.*

#### **6.2 Interference in the Procurement Process**

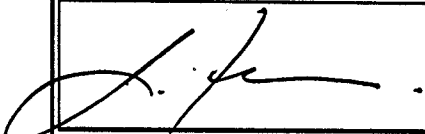
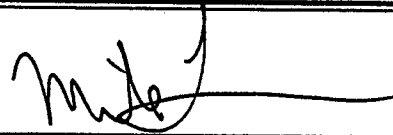
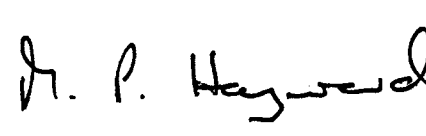
- a. *Elected officials, appointed officers and employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to the City. This also includes a contract with any other municipality, local board or public body involved in the purchase of goods and/or services either jointly or in cooperation with the City.*
- b. *Elected officials shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Elected officials should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing. Elected officials who receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Manager of Purchasing and Supply, or the City Treasurer.*
- c. *The only exception to the above relates to selection of external auditors whereby elected officials are specifically part of the evaluation team.*

In addition, the City Solicitor has recommended that a new policy be developed for the acquisition of purchased or leased property/space. The principles would likely be similar to those employed in a procurement policy; however, when negotiating or acquiring property or leased space, time is also a factor and should be taken into consideration when developing a policy.

<b>SUMMARY</b>
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In summary, it is recommended that a competitive bid process be used to identify the successful proponent in a fair and transparent method.

This report was prepared with the assistance of Bill Warner, Manager of Realty Services.

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
	
<b>JOHN FREEMAN MANAGER OF PURCHASING AND SUPPLY</b>	<b>MIKE TURNER DEPUTY CITY TREASURER</b>
<b>RECOMMENDED BY:</b>	
	
<b>MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

# FARHI

HOLDINGS CORPORATION

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October 17, 2011

Mayor Fontana and Council  
The Corporation of the City of London  
300 Dufferin Avenue  
London, Ontario

Your Worship and Members of Council:

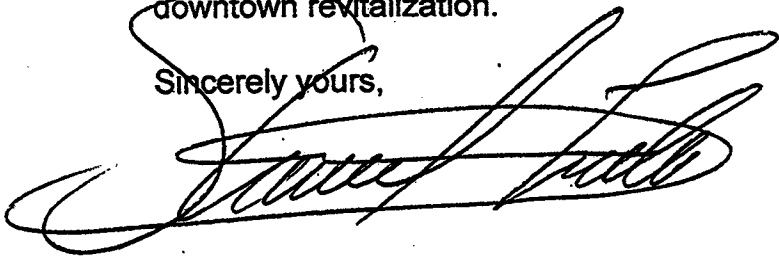
Last week we forwarded a proposal to you for Farhi Holdings Corporation to build a 300-space parking garage on property we own on King Street across from the John Labatt Centre.

Please accept this letter as formal notification that we are rescinding that offer.

Other opportunities have presented themselves that we believe will better suit the city's downtown parking needs, and we will be pleased to follow up in detail very soon.

We continue to look forward to working with you on projects to help London's ongoing downtown revitalization.

Sincerely yours,



Shmuel Farhi

# FARHI

HOLDINGS CORPORATION

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October 17, 2011

Mayor Fontana and Council  
The Corporation of the City of London  
300 Dufferin Avenue  
London, Ontario

Your Worship and Members of City Council:

Attached you will find a formal proposal for what I hope you will agree is an exciting new project that will play a major role in the renaissance of our downtown.

It is common knowledge that one of the limiting factors of a downtown rebirth is the lack of adequate parking. And without enough parking spaces to serve the increasing number of people who will be working, learning and living downtown, growth will be stifled.

What we propose is to build a 1,000-space parking garage at 74 Fullarton Street, directly across an empty lot (100 Queens Avenue) from the Provincial Courthouse and the federal office building on Queens Avenue.

We have also indicated our interest in building a new City Hall on this vacant land, creating a "government block" that with the provincial and federal buildings will include all three levels of government.

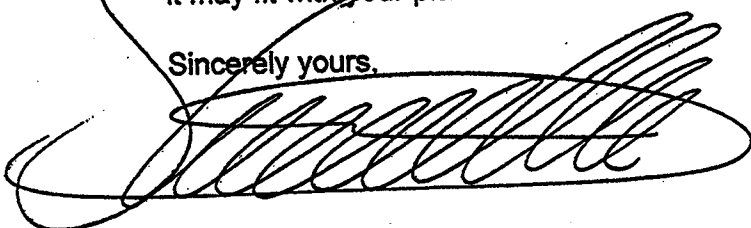
One of the options in the city's recent vision process was a new city hall facing the river on this piece of land on Queens Avenue. We are very supportive of this idea and are prepared to design and build a structure that will become a major landmark and be a fitting seat for our municipal government.

If we are successful in being asked to do so, there will be an even more pressing need for downtown parking, and a building on the Fullarton Street site will be perfectly situated to meet the demand.

It will be, in fact, a 'must-have' for the city, and we will be pleased to provide it.

We look forward to your reviewing our formal proposal, and to hearing your thoughts about how it may fit with your plans for the downtown.

Sincerely yours,



Shmuel Farhi

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# FARHI

HOLDINGS CORPORATION

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October 17, 2011

Mr. Jeff Fielding  
Chief Administrative Officer  
The Corporation of the City of London  
300 Dufferin Avenue  
London, Ontario

Dear Mr. Fielding:

**Re: Proposed Downtown Parking Garage on Fullarton Street**

Being sensitive to the City's ever-expanding need for downtown parking, Farhi Holdings Corporation is pleased to offer The Corporation of the City of London (the "City") a lease for a parking garage to be constructed by us on property we own at 74 Fullarton Street (the "Parking Garage").

The Parking Garage will consist of the required number of storeys to provide 1,000 spaces above a street-level retail component. We propose that the lease of the Parking Garage would be under the following terms and conditions:

**Demised Premises:**

1,000 standard parking spaces together with exclusive access and control of entry and exit ramps to the Parking Garage.

**Term:**

An initial term of 25 years with four 5-year renewal options.

**Rent:**

Base rent ("Base Rent") during the first 5 years of the term will be \$2,536 per annum per parking space. Base Rent during each subsequent 5-year period of the Term will be the greater of the Base Rent during the preceding 5 years or an amount equal to the Base Rent during the preceding 5 years multiplied by the increase in Consumer Price Index over the same period.

Base Rent during the renewal terms will be determined on the same basis. Any applicable value-added taxes including HST would be in addition to Base Rent.

**Additional Rent:**

The City will be responsible for all operating costs of the Parking Garage, including, without limitation, utilities, insurance, taxes, repairs and maintenance. We will be responsible for structural repairs.

**Rent Commencement:**

Payment of Base Rent would commence upon completion of the Parking Garage and its being ready and operational as a finished and functional parking garage. We estimate completion of the Parking Garage within 12 months of receipt of the signed drawings.

**Construction:**

We would construct the parking Garage at our expense in a good and workmanlike manner and in accordance with applicable building codes. We agree to submit for your

approval a set of working drawings for the Parking Garage prior to commencement of construction.

The construction style and façade of the Parking Garage will be complementary to its surroundings.

We may also be constructing a level of parking below grade which will not form part of the Parking Garage and there would not be any access to or from the Parking Garage to this level of parking.

**Turn-Key:**

We would deliver the Parking Garage to you on a turn-key basis with all equipment necessary for the operation of the Parking Garage installed and operational.

**Lease:**

We would negotiate in good faith, both parties acting reasonably, our form of lease subject to amendments agreeable to each of us and which incorporates these terms. Until we execute a lease this offer to lease would be deemed to constitute the lease between us.

**Use:**

Save and except the main floor retail component, and possible below-grade levels, the Parking Garage would be used as a parking garage and for no other purpose. We retain the right to construct additional residential floors above in the future.

**Maintenance:**

The City would be responsible for all repairs and maintenance of the Parking Garage save and except structural repairs. You would agree to maintain the Parking Garage in a clean and orderly manner throughout the Term. You would return the parking garage to us at the end of the Term or the final renewal term in a broom-swept condition.

**Environmental:**

You would agree to be responsible for any hazardous substance which is discharged or otherwise released into the environment or into or onto the Parking Garage if such discharge or release is a result of your acts or omissions or those for whom you are responsible.

**Signage:**

Subject to the possible signage requirements of the ground-floor commercial tenants, and subject to our approval, not to be unreasonably withheld, you will be permitted to erect and maintain signage on the exterior of the Parking Garage at your discretion.

**Insurance:**

We will obtain and maintain all-risks insurance on a replacement cost basis for the Parking Garage, the premium for which shall be reimbursed by the City as additional rent. You will maintain commercial general liability insurance in an amount not less than \$10,000,000 per occurrence with respect to your use and occupancy of the Parking Garage. We are not to be named as an additional insured or loss payee.

**Assigning & Subletting:**

You agree not to assign the lease or sublet the Parking Garage without our prior written approval, which approval will not be unreasonably withheld. We would reserve the right to lease back up to 200 parking stalls.

**Tenant's Conditions:**

Notwithstanding anything to the contrary herein, this offer to lease will be conditional upon approval by City Council of the terms of this offer to lease. This condition is inserted for the sole benefit of the City and may be waived by the City any time within Sixty (60) business days from the date hereof.

**Landlord's Condition:**

This offer to lease is conditional upon us obtaining approval from the City for construction of the Parking Garage within 120 days of the satisfaction or waiver of the Tenant's Condition and is a condition precedent to this offer to lease.

This offer to lease will be open for acceptance by the City until November 22, 2011, after which time, if not accepted, it will be null and void.

Yours very truly,

**FARHI HOLDINGS CORPORATION**

Per:   
Samuel Farhi, President

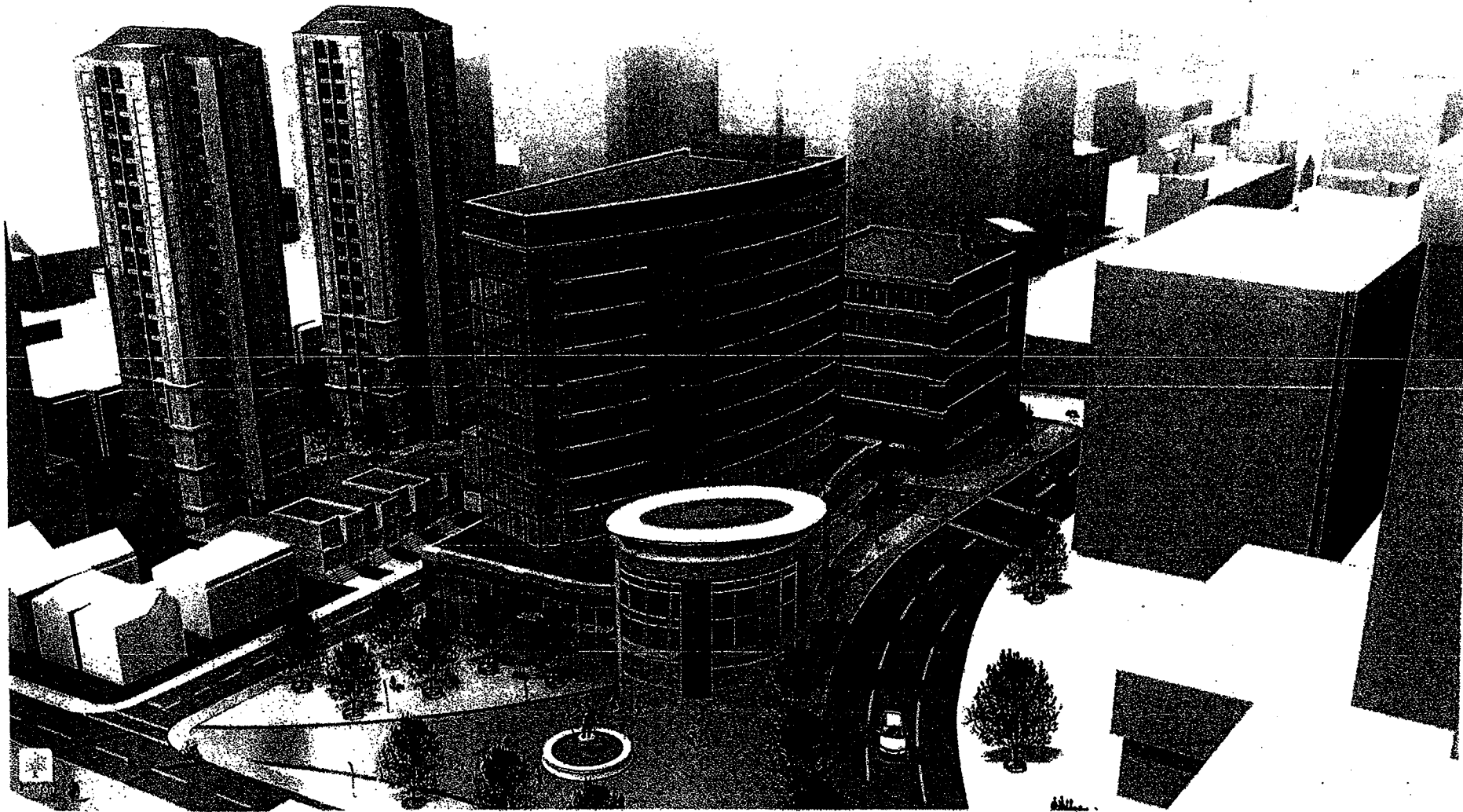
The provisions of this offer to lease, as set out above, are acknowledged, agreed to and accepted by the City subject to the Tenant's Condition, this 17th day of October, 2011.

**THE CORPORATION OF THE CITY OF LONDON**

Per: \_\_\_\_\_  
Name:  
Title:

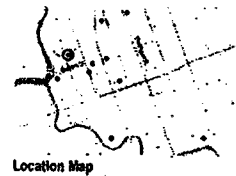
Per: \_\_\_\_\_  
Name:  
Title:





## Queens Ave. and Ridout St.

City of Opportunity:  
A Vision For Downtown London



Location Map

FINANCE & ADMINISTRATION  
DEPARTMENT (7)



300 Dufferin Avenue  
P.O. Box 5035  
London, ON  
N6A 4L9

RECEIVED OCT 28 2011

CENTRAL REGISTER NO.	WJA
REFERRED TO:	WJA
SUBSEQUENT REFERRALS	WP.

- Bill WARNER  
LEAD

<input type="checkbox"/> FOR ACTION
<input type="checkbox"/> FOR INFORMATION
<input type="checkbox"/> FOR REPORT
<input type="checkbox"/> FILE
<input type="checkbox"/> S.F.
<input type="checkbox"/> OTHER

October 25, 2011

M. Hayward  
City Treasurer, Chief Financial Officer

I hereby certify that the Municipal Council, at its session held on October 24, 2011 resolved:

1. That the following actions be taken with respect to Downtown Parking:
- (a) the Civic Administration **BE DIRECTED** to commence negotiations with the Tricar Group for the lease of a parking garage at King Street and Ridout Street;
  - (b) the Civic Administration **BE DIRECTED** to obtain an appraisal and prepare a business plan with respect to the opportunity and legal issues noted in (a), above;
  - (c) the Civic Administration **BE DIRECTED** to report back with respect to (a) and (b) so that the matter can be considered as part of the upcoming Budget process;
  - (d) the Civic Administration **BE DIRECTED** to update the City's long-term parking plan and associated studies, including the financial plan associated therewith; and
  - (e) the October 17, 2011 and October 20, 2011 communications from S. Farhi, related to downtown parking, **BE NOTED AND FILED**. (1/26/FAC) (AS AMENDED)

WP  
FYC

C. Saunders  
City Clerk  
/hw

- cc: S. Farhi, 484 Richmond Street, Suite 200, London, ON N6A 3E6  
J. A. Fielding, City Manager  
P. McNally, Executive Director, Planning, Environmental and Engineering Services  
T. A. Johnson, Managing Director, Corporate Assets  
S. Maguire, Division Manager, Parking and Traffic Signals  
B. Warner, Manager, Realty Services  
J. P. Barber, City Solicitor  
J. Smout, Solicitor II  
L. Karlovcec, Coordinator – Corporate Financial Information



300 Dufferin Avenue  
P.O. Box 5035  
London, ON  
N6A 4L9

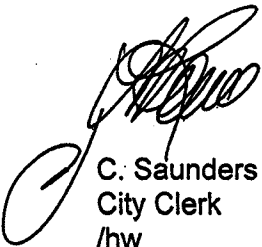
**London**  
CANADA

October 25, 2011

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City Treasurer, Chief Financial Officer

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C. Saunders  
City Clerk  
/hw

cc: S. Farhi, 484 Richmond Street, Suite 200, London, ON N6A 3E6  
J. A. Fielding, City Manager  
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J. Smout, Solicitor II  
L. Karlovcec, Coordinator – Corporate Financial Information

<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE MEETING ON OCTOBER 19, 2011</b>
<b>FROM:</b>	<b>MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>PROPOSED PARKING GARAGE- COMPETITIVE BID PROCESS RECOMMENDATION</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the City Treasurer, Chief Financial Officer staff **BE DIRECTED** to undertake a competitive bid process for the provision of parking spaces in the downtown, based on:

- 1) The receipt of a second unsolicited proposal from Fahri Holdings Corporation (FHC); and,
- 2) Requirements under section 14.4 (a) in the Procurement of Goods and Services Policy noting that there is no provision for funding in the budget for any additional parking, and that the parking study undertaken several years ago requires an update.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Request for Review of Tricar Group Parking Proposal - Finance and Administration Committee Meeting on September 28, 2011.

<b>BACKGROUND</b>
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On October 3<sup>rd</sup>, 2011 Council resolved that:

"The Civic Administration **BE DIRECTED** to proceed to the next phase of negotiations concerning the draft proposal submitted by the Tricar Group for the lease of a parking garage at King Street and Ridout Street, **SUBJECT TO** confirmation that the aforementioned proposal is in conformity with the City Procurement Policy and confirmation that the proposal product is offered at a competitive price and in the public interest; it being noted that the Finance and Administration Committee also received the attached communications for J. MacDonald, Executive Director, Downtown London and R.T. Usher, Chair, London Downtown Business Association and J. Carapella, President, The Tricar Group regarding this matter (2011-S04-00) (AS AMENDED) (2/23/FAC)"

**PROCUREMENT POLICY COMPLIANCE**

The Civic Administration submitted and sought direction from Council with respect to an unsolicited proposal from The Tricar Group for the provision of parking spaces in an area of downtown that has been identified in a six year old study as being a high need area. The City of London had not developed a plan for parking and evaluating parking proposals.

It was suggested that the proposal could be considered as sole source under section 14 (k) *Where due to abnormal market conditions, the goods, services or construction required are in short supply.* This could be done **only if** one assumed no other valid competitors; further, staff stated that no attempt had been made to solicit other proposals at that time. This led to the Council approving the next phase of negotiations **subject to** "... conformity with the City Procurement Policy..."

Based on the fact that a subsequent competitive submission was received by the City Manager, Section 14.4 (a) in the Procurement of Goods and Services Policy would suggest there is a competitive environment for the provisions of parking in the same area of downtown.

#### 14.4 Single Source

*Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.*

*The procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:*

- a) *An attempt to acquire the required goods and/or services by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and compliant supplier;*

#### **THE SECOND UNSOLICITED PROPOSAL**

A second unsolicited proposal from Farhi Holdings Corporation (FHC) was received on October 7, 2011.

It is our recommendation to proceed with a Request for Qualification (RFQ) and Request for Proposal (RFP) (draft with RFQ) to determine a suitable proponent in a competitive bid process. This process should also be **predicated on:**

- An update to the parking space needs analysis in the downtown; the current study is six years old. This should be updated and validated against the new Transportation Master Plan.
- The Source of Financing (one-time and on-going) for this project should be incorporated in the economic development projects **funding and priority** setting discussion.

#### **PROCUREMENT POLICY OTHER CONSIDERATIONS**

As Council moves forward with respect to investments and involvement of external proposals, items that may be considered under the procurement policy should be treated with caution so as not to preclude proponents who may be unaware of the direct solicitation provisions and complications that may arise from the involvement of Elected Officials or Appointed Officers in influencing the procurement process. These are outlined below for information.

##### **21.2 Direct Solicitation**

- a. *Unsolicited proposals received by the City shall be referred to the Manager of Purchasing and Supply for review.*
- b. *Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this Policy.*
- c. *A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement complies with the requirements of a non-competitive procurement, as detailed in Section 14.*

##### **6.2 Interference in the Procurement Process**


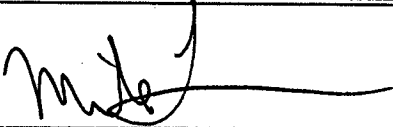
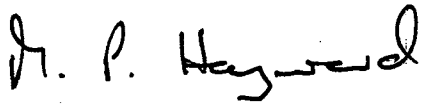
- a. *Elected officials, appointed officers and employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to the City. This also includes a contract with any other municipality, local board or public body involved in the purchase of goods and/or services either jointly or in cooperation with the City.*
- b. *Elected officials shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Elected officials should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing. Elected officials who receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Manager of Purchasing and Supply, or the City Treasurer.*
- c. *The only exception to the above relates to selection of external auditors whereby elected officials are specifically part of the evaluation team.*

In addition, the City Solicitor has recommended that a new policy be developed for the acquisition of purchased or leased property/space. The principles would likely be similar to those employed in a procurement policy; however, when negotiating or acquiring property or leased space, time is also a factor and should be taken into consideration when developing a policy.

<b>SUMMARY</b>
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In summary, it is recommended that a competitive bid process be used to identify the successful proponent in a fair and transparent method.

This report was prepared with the assistance of Bill Warner, Manager of Realty Services.

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
	
<b>JOHN FREEMAN MANAGER OF PURCHASING AND SUPPLY</b>	<b>MIKE TURNER DEPUTY CITY TREASURER</b>
<b>RECOMMENDED BY:</b>	
	
<b>MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	