



MANAGEMENT REPORT

Date: January 13, 2025
To: Mayor and Council
From: Taylor Crinklaw, Director of Infrastructure
Report Number: COU25-001
Attachments: None

Title: Considerations for Proceeding with a Request for an Expression of Interest for the Erie Street Parking Lot

Objective: To inform Council of considerations that may influence the development of the Erie Street Park Lot using an Expression of Interest process.

Background: At the November 25, 2024, Council meeting, as part of the consent agenda Staff included an intent to tender the Resurfacing of the Erie Street Parking Lot. A supplementary report was provided that suggests large-scale redevelopment may be premature. Development would require significant time, resources, and costs, and that the Erie Street parking lot's future could be significantly influenced by the redevelopment of the Grand Trunk Railway (GTR) site. Instead, the report recommends cost-effective, short-term resurfacing for the lot.

Staff provided a recommended general **workplan for short and long-term actions:**

1. Resurface the Erie Street Parking Lot in 2025.
2. Resolve and adjust easements to a level that facilitates optimal development (estimated 2025-2027).
3. Update the Downtown Parking Strategy Report following City Council approval of the redevelopment types and densities for the GTR Site (2026-2027)
4. In 2030 (Year 5 following resurfacing) formally review timing of the GTR Site build out and the implications on the Erie Street Parking Lot.
5. In 2033 (Year 8 following resurfacing) present a comprehensive strategy report to City Council with a timeline for redevelopment of the Erie Street Parking Lot.
6. In 2035 (Year 10 following resurfacing) proceed with preferred development if desired.

In response to this report Council directed Staff to continue with the tender, but also to bring back a report outlining considerations for proceeding with a Request for

Expression of Interest (REOI) process for the Erie Street Parking Lot Development. Included in this Council agenda is a recommendation to proceed with resurfacing of the Erie St Parking Lot in 2025 for an approximate cost of \$448,000 after the partial HST rebate (See report for full details).

Analysis: Issuing an REOI for redeveloping city-owned land in the downtown core, particularly a potential brownfield site with easements, presents both opportunities and challenges. An REOI allows municipalities to explore developer interest, gather innovative ideas, and understand market trends without committing to a full Request for Proposals (RFP). It is a cost-effective and non-binding approach to gauge feasibility and uncover creative solutions for complex sites.

However, site-specific constraints, such as environmental contamination or easements, may limit redevelopment potential and deter developer interest due to perceived risks and costs. Responses to the REOI might be varied and lack actionable specifics, requiring additional work to narrow down options. The process also demands municipal resources to draft, issue, and evaluate submissions, with no guarantee of attracting viable proposals.

To maximize the benefits of an REOI, municipalities should clarify site conditions. In 2005, a Phase 1 and 2 was completed for the parking lot. The results show some impacted soil, but generally the conditions meeting development requirements for Commercial and Industrial use, but not necessarily meeting residential conditions. Dependent on what is proposed, further environmental assessment, remedial work and a Record of Site Condition, may be required.

REOI Considerations

The effectiveness of a Request for Expressions of Interest (REOI) process can be significantly hindered by several key limitations. One of the most critical is the absence of a clear and well-articulated vision for the site. Without a defined direction, potential respondents may struggle to align their proposals with municipal objectives, resulting in submissions that are misaligned or lack focus. Similarly, insufficient upfront planning, such as resolving critical existing easements, confirming the necessity for environmental remediation, facilitating feasibility studies, or proceeding with further infrastructure analyses, can leave crucial questions unanswered, deterring high-quality interest desired for the site.

Another limitation is inadequate public engagement. Without meaningful input from the community, the REOI risks proposing ideas that lack public support or fail to address local needs and priorities, leading to potential resistance during later stages of redevelopment.

REOI Options for the Erie Street Parking Lot

The primary challenges to an effective REOI for the Erie Street Parking Lot include the lack of a clear vision for redevelopment, minimal public engagement to date, potentially impacted soil, and the constraints imposed by existing easements, which could significantly reduce the developable land. Staff have identified two potential approaches for proceeding with the REOI process.

The first option is to engage consultants to lead the process. Given the complexity of the site and limited staff capacity, facilitating a comprehensive REOI as a special project would require external expertise. This includes gathering, clarifying, and organizing historical, site condition, and legal easement information into a format suitable for an REOI. Once the REOI is issued, consultants would manage communications with interested parties, compile submissions, and present findings. This approach is expected to yield higher-quality submissions aligned with Council's vision. This approach is still expected to require Staff support and may take 3 - 6 months to complete and cost in the range of \$15,000 to \$30,000.

The second option is to post a simple, single-page REOI and assess responses. While less resource-intensive, this approach may result in submissions that fall short of Council's expectations. Staff would still need to gather information, clarify site details, post the REOI, manage inquiries, and compile findings. Additional resources may be required, as this work is not currently included in the 2025 Workplan. This approach will still require Staff time to facilitate and is expected to take 3 months and cost \$8,000 to \$10,000.

Staff Recommendation

The biggest hurdle still perceived by Staff for effective redevelopment, is addressing the easements that exist onsite. If these can be addressed, it provides optimal opportunity to redevelop the site to its fullest potential. This aligns with the Staff recommended approach outlined in the Draft Work Plan above.

Financial Implications:

Financial impact to current year operating budget:

If Council proceeds with Staff recommendation, there are no impacts to the 2025 Operating Budget. If a different option is selected, unbudgeted consultant support would cost in the range of \$10,000 to \$30,000.

Financial impact on future year operating budget:

Impacts to future year's operating budget would reflect findings of the Draft Workplan and be presented at future budget deliberations accordingly.

Alignment with Strategic Priorities:

Work Together For Greater Impact

The Erie Street Parking Lot is in a key location in the downtown core. Its current and future use will have an impact to residents and business on how the site is utilized now and in the future. Working together we can define this site to have the most meaningful impact for the City.

Alignment with One Planet Principles

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Travel and Transport

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

Staff Recommendation: THAT the report titled, 'Considerations for Proceeding with a Request for Expression of Interest for the Erie Street Parking Lot" (COU25-001), be received for information.

Prepared by: Taylor Crinklaw, Director of Infrastructure Services

Recommended by: Joan Thomson, Chief Administrative Officer