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**TO:** GENERAL COMMITTEE

**SUBJECT:** CLOSED PORTION OF MCDONALD STREET (COURTHOUSE) PARKING LOT LICENSE AGREEMENT

**WARD:** 2

**PREPARED BY AND KEY CONTACT:** S. FRASER, SUPERVISOR OF PARKING OPERATIONS

**SUBMITTED BY:** B. FORSYTH, DIRECTOR OF TRANSIT AND PARKING STRATEGY

**GENERAL MANAGER APPROVAL:** R. JAMES-REID, EXECUTIVE DIRECTOR OF ACCESS BARRIE

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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### **RECOMMENDED MOTION**

1. That the Mayor and City Clerk be authorized to execute the License Agreement (the “Agreement”) between The Corporation of the City of Barrie and His Majesty the King in right of Ontario as represented by the Minister of Infrastructure (the “Province”) for the closed portion of McDonald Street “Courthouse” Parking Lot (the “Subject Property”) identified in Appendix “A” to Staff Report TPS002-23, subject to the following:
  - a) The City accept the payment of \$61,600.00 per annum in fees from the Province, for use of the Subject Property as outlined in the Agreement(including 6 reserved spots), for the initial term of five (5) years; and
  - b) The Province be permitted to use the Subject Property for a period of five (5) years, commencing on September 1, 2023, and ending on August 31, 2028, unless previously terminated pursuant to the terms of the Agreement.
2. That the Director of Transit and Parking Strategy or designate, be delegated authority to re-negotiate the fees and approve the extension of the Agreement for no more than two (2), separate five (5) year terms as outlined in the Agreement and that the annual fees be allocated to the Parking Reserve.

### **PURPOSE & BACKGROUND**

#### Report Overview

3. In 1974, the City passed By-law 74-93, resulting in the closure of the portion of McDonald Street referred to in this report as the Subject Property. This closure was carried out at the request of the Province to provide additional parking for the new Court House site.
4. Following the road closure, the City entered into a 20-year lease agreement with the Province on a rent-free basis, allowing their use of the Subject Property. The lease term expired on August 31, 1994, after which it became a month-to-month tenancy.

5. On July 10, 1995, City Council adopted motion 95-G-299 regarding the USE OF MCDONALD STREET UNOPENED – BETWEEN MULCASTER AND POYNTZ STREET as follows:
  - “1. That a portion of McDonald Street unopened between Mulcaster and Poyntz Streets be metered for public parking, and adjacent owners be requested to enter into an agreement with the City for right-of-way access over McDonald Street unopened. That the Province of Ontario enter into an additional agreement for the encroachment of a portion of the Barrie jail on McDonald Street Unopened.
  2. That parking meters be installed on McDonald Street between Mulcaster and Poyntz Street, with a parking rate of 40 cents per hour, and that the Parking By-law 80-138 be amended accordingly.”
6. The City engaged in negotiations with the Province to continue the lease under specific terms and conditions, including the Province's payment for the use of the Subject Property. However, these negotiations proved unsuccessful as the Province was unwilling to provide any payment for the use of the Subject Property. Consequently, the lease continued as a rent-free month-to-month tenancy until the Province chose to terminate it.
7. On June 27, 2016, the City received notice from the Province of its intention to terminate the month-to-month lease agreement, effective August 1, 2016. Despite the termination, the Province has continued to utilize the Subject Property.
8. Staff continued to be engaged in negotiations with the Province since the receipt of the termination notice in an attempt to establish a new agreement.
9. On February 26, 2019, the Province informed the City that it would not proceed further with a new agreement. Instead, the Province proposed a payment of \$907,000.00 to the City in exchange for the City releasing it from any outstanding obligations outlined in the terminated lease agreement. The proposed payment amount is based on the City's estimate for the cost of rebuilding and replacing the existing paved surface on the Subject Property.
10. The McDonald Municipal Parking Lot commenced reconstruction in 2020 and was completed in 2021.

## **ANALYSIS**

11. City staff has worked with the Province to negotiate a new agreement that outlines the terms and conditions of the use of the lot, including but not limited to access rights, provisions for 6 reserved spots, maintenance, termination, and payment of fees. The total amount to be paid by the Province per year is Sixty-One Thousand and Six Hundred Dollars (\$61,600.00).
12. The City will continue to operate and maintain the lot, including the collection of parking fees, based on the approved fees bylaw, which is enforced Monday to Friday 9am to 5pm at a rate of \$1.25 per hour.
13. There will also be an option to extend the Agreement for two (2) additional terms of five (5) years each (each an “Extension Term”), with no further right of extension beyond the last Extension Term. The parking fees for each Extension Term will be based on the approved rates as captured in the fees bylaw at the time of negotiating the extension.
14. Staff are recommending that the Transit and Parking Strategy staff group be authorized to renegotiate, collect fees, and extend the term of the Agreement as a motion of this report.

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## **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

15. There are no environmental and/or climate change impact matters related to the recommendation.

## **ALTERNATIVES**

16. The following alternatives are available for consideration by the General Committee:

### **Alternative #1**

General Committee could refrain from entering into the Agreement with the Province for the use of the Subject Property and Parking Spaces.

This alternative is not recommended as it would result in missed opportunities for guaranteed income and potential on-going partnerships in the future.

### **Alternative #2**

General Committee could request staff to negotiate different terms in the proposed Agreement such as adjusting the fees or extending the term.

Although this alternative is available, it will result in additional staff time and resources, may decreased the value of the Agreement, or cause the Province to cease pursuing the Agreement entirely.

## **FINANCIAL**

17. The Province shall pay a total of \$61,600.00 per annum for the use of the Subject Property and it is recommended that the payment of \$61,600.00 by the Province be allocated to the Parking Rate Reserve to offset the operational costs to maintain the lot.

## **LINKAGE TO 2022-2026 STRATEGIC PLAN**

18. The recommendation(s) included in this Staff Report support the following goals identified in the 2022-2026 Strategic Plan:
- Responsible Governance
19. The recommendations in this Staff Report meet the Responsible Governance Strategy through sound financial stewardship and maximizing efficiencies with guaranteed parking revenue.

APPENDIX "A"

Location of Subject Property

