

Report on Business

Property Report

Toronto shines a light on underground PATH

City begins work on a master plan for labyrinthine pedestrian corridor where retail is king but no one is really in charge

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City planners and private developers from all over the world come to Toronto to study PATH, the system of pedestrian tunnels snaking underneath the downtown core. Usually, planners want to know how they can duplicate Toronto's vision for the 28-kilometre subterranean city, which connects more than 50 buildings and office towers, 20 parking garages, five subway stations, six major hotels and City Hall.

Except that there is no master plan.

For decades, PATH has grown in piecemeal fashion. About 35 private corporations own sections of PATH: They constructed the pedestrian tunnels running through the basements of their buildings, and they cover the ongoing costs of security and maintenance. The city of Toronto owns only the small spaces connecting one private owner to another, and the PATH sections running under city streets.

That explains why PATH resembles the work of a demented spider. Following no discernible pattern, PATH weaves as far north as the Toronto Coach Terminal at Dundas and Bay streets, and the Metro Toronto Convention Centre to the south. The Telus, RBC Dexia and Bay-Adelaide Centre office towers are among the latest additions to PATH.

Heated in the winter and air-conditioned in summer, PATH plays an important role in relieving pedestrian crowding at street level. About 100,000 people walk the PATH every day. "Although we have fairly wide sidewalks, they literally could not handle the flow of pedestrians coming in and out of the huge buildings if the PATH system wasn't there to back it up," says Rod McPhail, director of transportation planning for the City of Toronto.

Toronto, in fact, is building its very own piece of the PATH, connecting the northwest corner of Union Station to an existing artery at Wellington Street. This \$65-million, 300-metre tunnel is the first time a substantial section of PATH will have been built, paid for, maintained and owned by the city.

It's still early days, but Toronto city planners want to create a master plan for PATH to help guide negotiations with downtown property developers. The city has begun work on a study of the master plan idea, according to Mr. McPhail. In the absence of a grand vision, the city negotiates one-on-one with developers.

"During the site-plan application process, if we saw a project where PATH comes up to the location but there's no way for it to continue on to another development, we would work with the developer to suggest how the PATH system can continue through their development," says James Parakh, senior urban designer with the city

of Toronto.

The city would likely insist that the basement be designed so that a connection might be added in the future. Some basements even have knockout panels where the property might one day connect to PATH, Mr. McPhail adds.

Since 1995 the city has had design guidelines for PATH that ensure consistency in tunnel dimensions, materials used and signage. Toronto has legal agreements with private landowners to ensure PATH is maintained, secure and accessible to the public. "There's actually quite a good working relationship between the public sector and the [private sector](#)," Mr. McPhail says.

So why, after all these years, does the city now want to create a master plan for the PATH network's future development?

Mr. McPhail says that both private developers and city planners are calling for it. "The reason why we really want to do this is we're missing out on opportunities to make connections that are logical," he says.

The need for a master plan became obvious a few years ago when city planners saw that the proposed Four Seasons Centre for the Performing Arts – located close to the Osgoode subway station – did not include a PATH connection in the initial design, Mr. McPhail says.

The city negotiated to get the connection, but it "was done sort of after the fact, almost at the tail end of the negotiations, and that's what we want to avoid," Mr. McPhail explains.

"When somebody comes in to develop block A on the corner of such and such street, our planner should be able to look at a master plan that says there's a desire to have PATH go through that site. Then we can negotiate with the private developer early on in the process because they're going to have to decide how to design their basement to accommodate a PATH system," he says.

The last thing you want to do is try to persuade a developer to add a PATH connection at the end of the process, Mr. McPhail says. "You want to discuss the mutual benefits to the city, the private sector and to the public at large who will be using it."

At least one downtown business group is saying how far it wants PATH to grow in its area.

The Toronto Entertainment District Business Improvement Area – representing businesses bounded by Spadina Avenue to the west, Queen Street to the north, Harbourfront to the south and venues as far east as the Air Canada Centre – last year created a long-term vision for overall area development. The document discourages any westward extension of the PATH network.

As PATH continued west, it has diverted business away from street-level restaurants and stores and affected the vibrant street life, explains Harold Madi, a partner with the Planning Partnership, which prepared the BIA Master Plan document.

"This is an important time for the city to really think very carefully about what it intends to do with the PATH network – what its true purpose is, and what principles ought to be considered when expanding it," Mr. Madi says. "A PATH master plan would deal with, hopefully, not just physical expansion but rather conditions under which to expand."

A retail hot spot

With 1,200 shops and services covering 4 million square feet, Toronto's PATH is recognized by Guinness World Records as the world's largest underground shopping complex.

But if you're a retailer looking to lease space in this labyrinth of pedestrian tunnels, be prepared for stiff competition. "PATH is a competitive scene, and landlords all want the latest new tenant," says Stuart A. Smith, vice-president, urban retail group, for CB Richard Ellis in Toronto. "There's very little vacancy down in the PATH system. It's probably less than 1 per cent."

PATH has its roots in retail. Back in 1900, the T Eaton Co. built the first tunnel from its Yonge Street store to an adjacent bargain annex. PATH really got going in the 1970s when the Richmond-Adelaide and Sheraton centres were connected.

Location matters, even underground. What makes PATH so desirable is that most of its users are professionals working in one of the many bank towers, Mr. Smith explains.

People are rushing to and from work, so retailers are catering to a crowd that's thinking "give it to me now," Mr. Smith says. At lunchtime, they're doing chores like going to the pharmacy, having their shoes repaired or buying gifts. "It's generally a compact presentation of things that people want to buy while they're downtown at work. It's not really about browsing around and comparison shopping in three or four different fashion stores."

The average store size in PATH is 1,000 to 1,200 square feet, and net rents for non-food-court spaces are \$50 to \$100 per square foot, he says. Retailers can expect to pay the highest rents in the main arteries that lead to Union Station.

It's difficult to compare what a PATH retailer pays in net rent compared with stores on the street above, Mr. Smith says. There are few comparable retail opportunities at-grade, he adds, because the financial institutions leasing space usually dominate the building lobbies where they offer banking services to the public.

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