

Analyst Briefing Notes

Budget Advisory Committee

(November 10, 2005)

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Contacts: John Dilallo, Manager, Financial Planning
Tel: (416) 397-4207

Robert Flesch, Senior Financial Analyst
Tel: (416) 397-4297

November 1, 2005

PART I: CAPITAL PROGRAM**Executive Summary**

- The 2005 Approved Capital Budget of \$35.049 million was 24% or \$8.296 million spent as of September 30th, 2005. Actual expenditures by year-end are anticipated to be \$20.076 million or 57% of the Approved Budget, as reported in the 3rd Quarter Variance Report. The projection of 2005 funding to be carried forward into the 2006 Proposed Capital Budget is \$4.489 million. The spending rate achieved for 2004 was approximately 21% or \$7.250 million.
- The 2006 Proposed Capital Budget includes previously approved commitments and new/change in scope project funding of \$33.796 million. This cash flow combined with carry forward funding from 2005 into 2006 of \$4.489 million brings the total 2006 Proposed Capital Budget to \$38.285 million.
- The 2006 Proposed Capital Budget includes future commitment funding of \$0.400 million in 2007.
- The City did not set a debt affordability guideline for the 2006 Proposed Toronto Parking Authority's Capital Budget since the Authority funds its capital program from retained earnings, reserves or selling air rights.
- The 2006 Proposed Capital Budget for previously approved and new/change in scope projects (not including carry forward funding from 2005 into 2006) of \$33.796 million is 54% allocated to growth related projects at \$18.286 million; 35% to service improvement projects at \$11.710 million; and, 11% to state of good repair projects at \$3.800 million.
- Approval of the 2006 Proposed Capital Budget will result in incremental operating revenue generated from user fees of \$0 million in 2006 and \$2.282 million in 2007.
- The Revised 5-Year Capital Plan projected cash flow projections, excluding carry forward funding from 2005 into 2006, is \$33.796 million in 2006; \$27.536 million in 2007; \$28.531 million in 2008; \$27.500 million in 2009; and, \$20.700 million in 2010.
- The Revised 5-Year Capital Plan places primary emphasis on growth related projects. 60% of the new cash flow funding is allocated to growth related projects at \$82.403 million; 38% to service improvement projects at \$51.860 million; and, 3% to state of good repair projects at \$3.800 million.
- Although not financed from debt, the Revised 5-Year Capital Plan will be referred to the Deputy City Manager and Chief Financial Officer for review and will be included in the recommended 5-Year Capital Plan for the City in the Spring of 2006.

Recommendations

It is recommended that:

1. the 2006-2015 Toronto Parking Authority Capital Program request with a total 10-year project cost of \$133.821 million be received;
2. the 2006 Proposed Capital Budget for the Toronto Parking Authority with a total project cost of \$29.954 million and a 2006 cash flow of \$38.285 million and future year commitments of \$0.400 million be approved. The 2006 Proposed Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 24 new sub-projects with a 2006 total project cost of \$29.954 million that requires cash flow of \$29.554 million in 2006 and a future year commitment of \$0.400 million in 2007;
 - ii) 7 sub-projects from previously approved projects with carry forward funding from 2004 and prior years requiring 2006 cash flow of \$4.242 million and no future year commitments;
 - b) 2005 approved cash flow for 8 previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$4.489 million;
3. incremental revenue of \$0 million in 2006 and \$2.282 million in 2007 resulting from the approval of the 2006 Proposed Capital Budget, be approved for inclusion in the 2006 and future year operating budgets; and,
4. the revised cash flow projections of \$27.536 million in 2007; \$28.531 million in 2008; \$27.500 million in 2009; and, \$20.700 million in 2010 for the Toronto Parking Authority be referred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan.

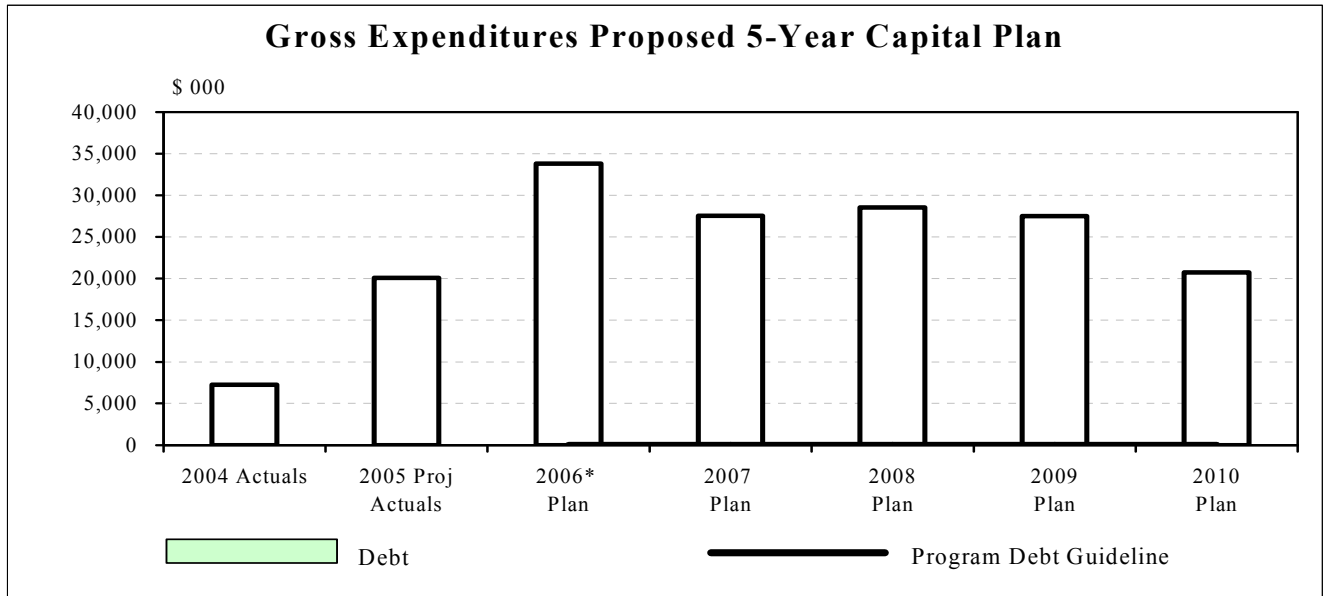
2005 Capital Variance Review

2005 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2005 Approved	Actuals as of Sept. 30 Y-T-D (3rd Qtr Variance)		Projected Actuals to Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
35,049	8,296	24	20,076	57	14,973

Comments / Issues:

- The Toronto Parking Authority (TPA) 2005 Approved Capital Budget of \$35.049 million was 24% or \$8.296 million spent as of September 30th, 2005. Actual expenditures by year-end are anticipated to be \$20.076 million or 57% of the Approved Budget, as reported in the 3rd Quarter Variance Report. This represents an improvement over the 2004 spending rate of approximately 21% or \$7.250 million.
- The projection of 2005 funding to be carried forward into the 2006 Proposed Capital Budget is \$4.489 million and includes the following projects
 - \$1.500 million for the Roncesvalles Avenue Carpark project
 - \$0.064 million for the CP 111 (Clinton/College) project
 - \$0.500 million for the Redevelopment of CP 32 (Lakeshore/Bay) project
 - \$1.250 million for the North York Centre project
 - \$0.675 million for the Mt. Pleasant/Hillsdale Joint Venture project
 - \$0.500 million for the Danforth/Main (Trent Avenue)
- The level of carry forward funding results from a combination of factors which include the following: delays arising from the availability of appropriate sites; delays due to on-going negotiations for identified sites; and, time lags in joint venture arrangements.
- The 2006 Proposed Capital Budget does not reflect any subsequent changes to funding being carried forward from 2005 into 2006 based on the unspent cash flow balance projected as at September 30th, 2005. Adjustments to carry forward funding will be reported through the Budget Advisory Committee during its review of the 2006 Proposed Capital Budget.

Revised 5-Year Capital Plan (2006-2010)



	5 Year Plan							2006-2010
	2004	2005	2006	2007	2008	2009	2010	
Gross Expenditures:								
Budget (Excludng 1-Yr. Carry/Fwd)	22,744	24,191	33,796	27,536	28,531	27,500	20,700	138,063
1-Yr Carry/Fwd Gross (Reference only)	9,452	8,601	4,489					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	32,196	32,792	38,285					
Actuals	7,246	20,076						
Financing:								
Debt			0	0	0	0	0	0
Other Financing Sources:								
TPA's Retained Earnings			26,671	21,536	22,531	25,500	14,700	110,938
Development Charges			0	0	0	0	0	0
Federal			0	0	0	0	0	0
Reserve Funds			5,600	0	0	2,000	0	7,600
Other Revenue			1,525	6,000	6,000	0	6,000	19,525
By Category:								
Health & Safety			0	0	0	0	0	0
Legislative			0	0	0	0	0	0
SOGR			3,800	0	0	0	0	3,800
Service Improvement			11,710	9,150	9,000	14,000	8,000	51,860
Growth Related			18,286	18,386	19,531	13,500	12,700	82,403
Yearly SOGR Backlog Estimate (not addressed by current year projects)			0	0	0	0	0	0
Accumulated Backlog Estimate (end of year)			0	0	0	0	0	0

*Note: 2006 Proposed Debt excludes 1-Year Carry Forward Funding

- The City did not set a debt affordability guideline for the 2006 Proposed TPA Capital Budget since the Authority funds its capital program from retained earnings, reserves or selling air rights.
- The Revised 5-Year Capital Plan is primarily funded by the TPA's retained earnings which account for approximately 80% or \$110.938 million. Reserve funds and other sources of financing, such as the selling of air rights, account for the remaining 20% or \$27.125 million.
- The Revised 5-Year Capital Plan projected cash flow estimates, excluding carry forward funding from 2005 into 2006, is \$33.796 million in 2006; \$27.536 million in 2007; \$28.531 million in 2008; \$27.500 million in 2009; and, \$20.700 million in 2010.
- The 2006 Proposed TPA Capital Budget reflects the allocation of significant funding to growth related projects accounting for approximately 54% of the total or \$18.286 million. Service improvement projects account for 35% or \$11.710 million. The remaining 11% or \$3.800 million is comprised of state of good repair projects.
- The Revised 5-Year Capital Plan places primary emphasis on growth related projects. 60% of the projected new cash flow is allocated to growth related projects at \$82.403 million; 38% to service improvement projects at \$51.860 million; and, 3% to state of good repair projects at \$3.800 million.
- The cash flow funding is not evenly distributed over the Revised 5-Year Capital Plan. The 2006 Proposed Capital Budget is skewed in the delivery of growth and service improvement projects with approximately 65% or \$89.863 million of the total funding allocated within the first 3 years.
- The 2006 Proposed TPA Capital Budget does not include a backlog of state of good repair projects. State of good repair projects are addressed annually through the capital budget process.
- Please refer to the Issues Section for an expanded discussion on the Revised 5-Year Capital Plan.

2006 Capital Budget Submission Summary
(\$000)

2006 Capital Projects		Total Project Cost		2004 Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Carryforwards:															
Roncesvalles Avenue Carpark	4	1,500	0									1,500	0	1,500	0
Vicinity of CP 111 (Clinton/College)	5	1,500	0									64	0	64	0
Redevelopment of CP 32 (Lakeshore/Bay)	4	500	0									500	0	500	0
St. Clair/Oakwood	5	1,500	0									500	0	500	0
Danforth/Main (Trent Avenue)	5	500	0									500	0	500	0
Mt. Pleasant/Hillsdale Joint Venture	4	1,745	0	965	0					965	0	675	0	1,640	0
Yorkville - Property Acquisition	4	6,000	0	1,535	0					1,535	0			1,535	0
Queen St. East Carpark (East of Woodbine)	4	2,820	0	250	0					250	0			250	0
Spandia/Thelma - Forest Hill Village	4	65	0	42	0					42	0			42	0
Bathurst/St. Clair W (Vaughn Rd)	5	2,000	0	100	0					100	0			100	0
Hillcrest Village (St. Clair/Bathurst-Ogden)	5	1,500	0	500	0					500	0			500	0
Lakeshore/29th Street (Primrose)	5	700	0	200	0					200	0			200	0
Eglinton Ave East of Dufferin	5	750	0	750	0					750	0			750	0
Sub-Total				4,342	0	0	0	0	0	4,342	0	3,739	0	8,081	0
Previously Approved:															
Sub Total				0	0	0	0	0	0	0	0	0	0	0	0
New and Change in Scope Projects:															
Spandia/Thelma - Forest Hill Village	4	58	0					58	0	58	0			58	0
Bathurst/St. Clair W. (Vaughan Rd.)	5	500	0					500	0	500	0			500	0
St. Clair/Oakwood	5	100	0					100	0	100	0			100	0
Lakeshore/29th Street (Primrose)	5	100	0					100	0	100	0			100	0
Mt. Pleasant/Hillsdale Joint Venture	4	460	0					460	0	460	0			460	0
Eglinton Ave East of Dufferin	5	750	0					750	0	750	0			750	0
Upgrade of HVAC Mall	3	100	0					100	0	100	0			100	0
Davisville/Yonge	5	3,000	0					3,000	0	3,000	0			3,000	0
Bloor West (Avenue Road to Bathurst)	5	2,000	0					2,000	0	2,000	0			2,000	0
Willowdale/Sheppard	5	1,000	0					1,000	0	1,000	0			1,000	0
Queen/Spadina (Opera House)	5	6,500	0					6,500	0	6,500	0			6,500	0
Major Carpark Repairs	3	2,000	0					2,000	0	2,000	0			2,000	0
King E. of Spadina - Revitalization	4	4,000	0					4,000	0	4,000	0			4,000	0
Queen/Ossington to Dufferin	4	2,000	0					2,000	0	2,000	0			2,000	0
Yonge/North of Finch	4	1,500	0					1,500	0	1,500	0			1,500	0
Electronic Parking Equipment	5	5,803	0					1,886	0	1,886	0			1,886	0
CP52 Major Repairs	5	400	0					400	0	400	0			400	0
Hillcrest Village (St. Clair W-Streetcar)	4	1,500	0					1,100	0	1,100	0			1,100	0
Sub Total		31,771	0	0	0	0	0	27,454	0	27,454	0	0	0	27,454	0
Total 2006		31,771	0	4,342	0	0	0	27,454	0	31,796	0	3,739	0	35,535	0

*Category Index: (1) Health & Safety; (2) Legislated/ City Policy, (3) SOGR, (4) Service Improvement/Enhancement, (5) Growth Related

2006 Proposed Capital Budget Changes
(\$000)

		2006 Requested Cash Flow		Proposed Changes			2006 Proposed Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carryforwards:								
St. Clair/Oakwood	4	500	0	-500	0	Revised by Program - Board of Directors	0	0
Roncesvalles Avenue Carpark -	4	1,500	0	0	0		1,500	0
North York Centre - Yonge/ Bishop	5	0	0	1,250	0	Revised by Program - Board of Directors	1,250	0
Vicinity of CP 111 (Clinton/ College)	5	64	0	0	0		64	0
Redevelopment of CP 32 (Lakeshore/Bay)	4	500	0	0	0		500	0
Mt. Pleasant/ Hillsdale Joint Venture	4	675	0	0	0		675	0
Danforth/ Main (Trent Ave.)	5	500	0	0	0		500	0
Sub Total		3,739	0	750	0		4,489	0
2004 Carryforwards:								
Mt. Pleasant/Hillsdale Joint Venture	4	965	0				965	0
Yorkville - Property Acquisition	4	1,535	0				1,535	0
Queen St. East Carpark (East of Woodbine)	4	250	0				250	0
Spadina/Thelma - Forest Hill Village	4	42	0				42	0
Bathurst/St. Clair W (Vaughn Rd)	5	100	0	-100	0	Revised by Program - Board of Directors	0	0
Hillcrest Village (St. Clair/Bathurst-Ogden)	5	500	0				500	0
Lakeshore/29th Street (Prim rose)	5	200	0				200	0
Eglinton Ave East of Dufferin	5	750	0				750	0
Sub Total		4,342	0	-100	0		4,242	0
2006 Previously Approved Commitments:								
Sub Total		0	0	0	0		0	0
New and Change in Scope Projects:								
Electronic Parking Equipment	5	1,886					1,886	0
Spadina / Thelma - Forest Hill Village	4	58					58	0
Davisville/Yonge	5	3,000					3,000	0
Bloor West - (Avenue Road to Bathurst)	5	2,000					2,000	0
St. Clair/ Oakwood	5	100		500	0	Revised by Program - Board of Directors	600	0
Willowdale/ Sheppard	5	1,000					1,000	0
Lakeshore/ 29th Street (Prim rose)	5	100					100	0
Mt. Pleasant/ Hillsdale Joint Venture	4	460					460	0
Eglinton Ave East of Dufferin	5	750					750	0
Upgrade of HVAC - Mall	3	100					100	0
Rehabilitation of C2 of St. Lawrence Garage	3	0		500	0	Revised by Program - Board of Directors	500	0
CP 52 Major Repairs	3	400					400	0
Queen/ Spadina (Opera House)	5	6,500					6,500	0
Lighting Upgrades - CP 11, 15, 26, 36	3	2,000		-1,200	0	Revised by Program - Board of Directors	800	0
King E. of Spadina - Revitalization	4	4,000					4,000	0
Queen/ Ossington to Dufferin	4	2,000		-600	0	Revised by Program - Board of Directors	1,400	0
Hillcrest Village (St. Clair W. - Streetcar)	4	1,100					1,100	0
Yonge/ North of Finch	4	1,500					1,500	0
Bathurst/St. Clair W	5	500		-500	0	Revised by Program - Board of Directors	0	0
Stair Repairs at CP 43	3	0		500	0	Revised by Program - Board of Directors	500	0
Concrete Repairs at CP 404	3	0		1,000	0	Revised by Program - Board of Directors	1,000	0
CP 104 Expansion	5	0		400	0	Revised by Program - Board of Directors	400	0
Queen/Dovercourt	5	0		600	0	Revised by Program - Board of Directors	600	0
Ossington	4	0		400	0	Revised by Program - Board of Directors	400	0
Drainage Sytem at CP 11	3	0		250	0	Revised by Program - Board of Directors	250	0
Major Paving at CP 116, 508	3	0		250	0	Revised by Program - Board of Directors	250	0
Sub Total New Projects		27,454	0	2,100	0		29,554	0
Total 2006 Proposed (Incl. 2005 C/Fwd)		35,535	0	2,750	0		38,285	0
Less 2005 Carry Forwards		-3,739	0	-750	0		-4,489	0
Total 2006 Proposed (Excl. 2005 C/Fwd)		31,796	0	2,000	0		33,796	0

**Total 2006 Proposed Cash Flow & Future Year Commitments
(\$000s)**

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Rec'd	2006 Total Cash Flow Rec'd	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011- 2015	Total Cost
Expenditures													
Previously Approved	4,242			4,242		4,489	8,731						8,731
Change in Scope			2,068	2,068			2,068						2,068
New			23,600	23,600			23,600						23,600
New w/Future Year			3,886	3,886			3,886	400					4,286
Total Expenditure	4,242	0	29,554	33,796	0	4,489	38,285	400	0	0	0	0	38,685
Financing													
Debt													
Subsidy (SCPI)													
Reserves (Ind. "XQ" Ref.)													
Reserve Funds (Ind. "XR" Ref.)			5,600	5,600		1,250	6,850						6,850
Retained Earnings	3,235		23,436	26,671		2,564	29,235	400					29,635
Other	1,007		518	1,525		675	2,200						2,200
Total Financing	4,242	0	29,554	33,796	0	4,489	38,285	400	0	0	0	0	38,685

Comments / Issues:

- The 2006 Proposed Capital Budget is \$38.285 million and includes funding for 2005 projects carried forward into 2006 of \$4.489 million; funding carried forward from 2004 for prior projects of \$4.242 million; and \$29.554 million for new/change in scope projects.
- The 2006 Proposed Capital Budget is funded entirely from retained earnings, reserves and other sources such as the sale of air rights.
- Approval of the 2006 Proposed Capital Budget will result in a future year commitment funding of \$0.400 million in 2007.

Operating Budget Impact

Incremental Operating Budget Summary

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Revenue (\$000s)		2,282			
Debt Service Charges (\$000s)					
Approved Positions					

Program Incremental Operating Impact

The 2006 Proposed Capital Budget will impact the Program's Operating Budget, with incremental impacts in 2006 and future years as a result of the following capital projects/subprojects:

2006 Capital Projects/Sub-Projects	2006 (\$000s)	2006 approved position change	2007 (\$000s)
Electronic Parking Equipment	0	0	113
Yorkville - Property Acquisition	0	0	95
Queen St. East Carpark (East of Woodbine)	0	0	57
Roncesvalles Avenue South	0	0	90
Spadina / Thelma - Forest Hill Village	0	0	7
Davisville/Yonge	0	0	180
Bloor West - (Avenue Road to Bathurst)	0	0	120
North York Centre (Yonge/ Bishop)	0	0	120
Vicinity of CP 111 (Clinton/ College)	0	0	6
Redevelopment of CP 32 (Lakeshore/Bay)	0	0	30
St. Clair/ Oakwood	0	0	126
Hillcrest Village (646 St. Clair/ Bathurst-Ogden)	0	0	90
Willowdale/ Sheppard	0	0	60
Lakeshore/ 29th Street (Primrose)	0	0	48
Mt. Pleasant/ Hillsdale Joint Venture	0	0	132
Eglinton Ave East of Dufferin	0	0	90
Danforth/ Main (Trent Ave.)	0	0	30
Queen/ Spadina (Opera House)	0	0	390
King E. of Spadina - Revitalization	0	0	240
Queen/ Ossington to Dufferin	0	0	84
Yonge/ North of Finch	0	0	90
CP 104 Expansion	0	0	24
Queen/ Dovercourt	0	0	36
Ossington	0	0	24
TOTAL	0	0	2,282

Note: Incremental Operating Revenue is generated in the year following completion of construction. Construction is expected to be completed at December 31 of the respective budget year.

The Program has not identified any new approved positions in the 2006 Proposed Capital Budget arising from its approval. New parking facilities will not have parking attendants and will be primarily served by "Pay & Display" machines. Maintenance of the new facilities will be provided by existing TPA staff.

Approval of the 2006 Proposed Capital Budget will result in incremental operating revenue generated from user fees of \$0 million in 2006 and \$2.282 million in 2007.

PART II: ISSUES FOR DISCUSSION

2006 Issues

2006 Proposed Capital Budget versus Guideline

The TPA is self-sustaining and does not impact the municipal tax levy. The City does not set a debt affordability guideline for the TPA since the Authority funds its capital program from the following:

- Retained Earnings
- Reserves and/or
- Selling air rights

In 2003, the City and the TPA renewed its Income Sharing Agreement for an additional 3 years. The Agreement requires the TPA to pay annual rent to the City equal to 75% of its net income for the year or \$18.000 million; whichever is greater. In addition, from time to time the TPA will pay an amount to the City that is in excess of capital asset funding requirements over the ensuing 5 year period. This is in addition to the share of annual operating income paid under the current Agreement.

Revised 5-Year Capital Plan Overview

The Revised 5-Year Capital Plan cash flow funding projections, excluding carry forward funding from 2005 into 2006, by project category is set out in the table below. The funding totals \$138.063 million, with 24% or \$33.796 million allocated in 2006; 20% or \$27.536 million in 2007; 21% or \$28.531 million in 2008; 20% or \$27.500 million in 2009; and, 15% or \$20.700 million in 2010.

Category	2006	2007	2008	2009	2010	Total	%
Health & Safety	0	0	0	0	0	0	0%
Legislative	0	0	0	0	0	0	0%
SOGR	3,800	0	0	0	0	3,800	3%
Service Improvement	11,710	9,150	9,000	14,000	8,000	51,860	38%
Growth Related	18,286	18,386	19,531	13,500	12,700	82,403	60%
Total Cash Flow Funding	33,796	27,536	28,531	27,500	20,700	138,063	100%
Cash Flow Funding %	24%	20%	21%	20%	15%		

The cash flow funding is not evenly distributed over the Revised 5-Year Capital Plan. The 2006 Proposed Capital Budget is skewed in the delivery of growth and service improvement projects with approximately 65% or \$89.863 million of the total funding allocated within the first 3 years.

Growth related project funding averages \$16.418 million or approximately 60% of the total in an average year. Growth related projects amount to \$82.403 million. Cost estimates for growth-related projects are primarily driven by the acquisition of properties for the development of new parking facilities and related infrastructure.

In the Revised 5-Year Capital Plan service improvement projects average \$10.372 million annually. Service improvement projects account for 38% or \$51.860 million of the total Revised 5-Year Plan funding. These projects are mainly comprised of the expansion and/or redevelopment of existing facilities and related infrastructure to satisfy short-term parking demand.

State of good repair project funding averages \$0.760 million or approximately 3% of the total costs in an average year. State of good repair projects have been limited to 2006 and include 8 projects identified below in the Backlog of Projects – Unmet Needs section.

Feasibility studies have been performed for each project and associated cash flows have been developed. Due to the nature of the business, start dates may not be within the budgeted year given that a site may no longer be available or suitable. In such instances, the project may be postponed to a future year with the expectation that a site will become available. In a few cases, the project may be cancelled, if the parking shortfall can be alleviated in other ways if no site materializes.

Cost estimates are based on market land price for the site and development cost estimations are prepared by the TPA's Design and Construction Department (e.g., legal, consulting and engineering fees, construction, etc).

New site locations have been determined by public need and the availability of possible sites. The TPA performed surveys on sites throughout the City. In addition, where new development is underway, the developer may approach the TPA to manage the site, such as the current Opera House (Queen/Spadina) project.

Future net profit projections from existing lots are based on past history. An annual 6% net project return has been used for new lots.

A summary of the cash flow funding for the Revised 5-Year Capital Plan is provided in Appendix 5. The TPA's Revised 5-Year Capital Plan will be constrained by the future earning potential of on-street and off-street parking facilities and the availability reserves. The Program does not issue debt to fund its capital program.

Although not financed from debt, the Revised 5-Year Capital Plan will be referred to the Deputy City Manager and Chief Financial Officer for review and will be included in the recommended 5-Year Capital Plan for the City in the Spring of 2006.

Revised 5-Year Plan Proposed Changes (\$000)

Project / Sub-Project Name	Cat	2006		2007		2008		2009		2010		TOTAL 2011-2015		Comments / Issues
		Gross 1	Debt/ Internal Sources 2	Gross 3	Debt/ Internal Sources 4	Gross 5	Debt/ Internal Sources 6	Gross 7	Debt/ Internal Sources 8	Gross 9	Debt/ Internal Sources 10	Gross 11	Debt/ Internal Sources 12	
PROGRAM REQUEST		35,535	0	35,567	0	26,500	0	21,500	0	14,700	0	133,802	0	
Proposed 2006 Changes														
PROPOSED CHANGES:														
2005 Carry Forwards:														
North York Centre	4	750	0									750	0	Revised by Program - Board of Directors
2004 Carry Forwards:														
Bathurst/St. Clair W (Vaughn Rd)	5	-100	0									-100	0	Revised by Program - Board of Directors
Previously Approved:														
None														
New:														
St. Clair/ Oakwood	5	500	0									500	0	Revised by Program - Board of Directors
Rehabilitation of C2 of St. Lawrence Garage	3	500	0									500	0	Revised by Program - Board of Directors
Lighting Upgrades - CP 11, 15, 26, 36	3	-1,200	0									-1,200	0	Revised by Program - Board of Directors
Queen/ Ossington to Dufferin	4	-600	0									-600	0	Revised by Program - Board of Directors
Bathurst/St. Clair W.	5	-500	0									-500	0	Revised by Program - Board of Directors
Stair Repairs at CP 43	3	500	0									500	0	Revised by Program - Board of Directors
Concrete Repairs at CP 404	3	1,000	0									1,000	0	Revised by Program - Board of Directors
CP 104 Expansion	5	400	0									400	0	Revised by Program - Board of Directors
Queen/Dovercourt	5	600	0									600	0	Revised by Program - Board of Directors
Ossington	4	400	0									400	0	Revised by Program - Board of Directors
Drainage Sytem at CP 11	3	250	0									250	0	Revised by Program - Board of Directors
Major Paving at CP 116, 508	3	250	0									250	0	Revised by Program - Board of Directors
JV at CP 12	4	0	0							6,000	0	6,000	0	Revised by Program - Board of Directors
Southtown	4	0	0	-6,000	0			6,000	0			0	0	Revised to Smooth Cash Flow
Electronic Equipment	5	0	0	-2,031	0	2,031	0					0	0	Revised to Smooth Cash Flow
Sub-Total Proposed Changes		2,750	0	(8,031)	0	2,031	0	6,000	0	6,000	0	8,750	0	
Proposed 5-Yr. Cash Flow		38,285	0	27,536	0	28,531	0	27,500	0	20,700	0	142,552	0	
Debt Guideline			0		0		0		0		0		0	
Variance To Debt Guideline			0		0		0		0		0		0	

Capacity

The 2005 Approved Capital Budget of \$35.049 million was 24% spent as at September 30th, 2005. Actual expenditures by year-end are anticipated to be \$20.076 million or 57% of the Approved Capital Budget. The 2006 projected spending rate by year-end represents an improvement from the TPA's historic spending capacity. In the past, the TPA's capital budgets have been underspent on an annual basis. The average capital budget for the 2003 and 2004 period was \$33.233 million, of which 28% or \$9.364 million was spent by year-end.

Capacity issues that have limited the TPA's historic capital spending rate includes the following:

- Delays arising from the unavailability of appropriate sites
- Delays due to on-going negotiations for identified sites
- Projects cancelled because of a low probability of finding an appropriate site and/or
- Time lags in joint venture arrangements

In assessing the spending capacity of the TPA, a wider period of 1 year should be considered, given that the Authority is both an operator and developer of short-term parking facilities. As noted above, numerous market forces limit the Authority's ability to plan and construction parking facilities. A Report submitted to the Budget Advisory Committee (May, 2004), noted that the capital under expenditure from 1999-2003 was approximately 20%.

Backlog of Projects – Unmet Needs

The 2006 Proposed Capital Budget does not include a backlog of state of good repair projects, as these projects are addressed annually through the capital budget process. The 8 state of good repair projects, amounting to \$3.800 million in funding, are identified in the 2006 Proposed Capital Budget and include the following:

- \$0.100 million for upgrades to the HAVC system for CP 15
- \$0.500 million for rehabilitation of C 2 at St. Lawrence Garage
- \$0.400 million for major repairs to CP 52
- \$0.800 million for lighting upgrades for CP 11, 15, 26 and 36
- \$1.000 million for concrete Repairs at CP 404
- \$0.500 million for stair repairs at CP 43
- \$0.250 million for major paving at CP 116 and 508
- \$0.250 million for a drainage System at CP 11

Development Charge Funding

Development Charge Funding is not applicable to this Program's Capital Budget. Parking facilities are not eligible for development charge funding.

Issues Referred to 2006 Proposed Capital Budget

There are no Issues Referred to 2006 Proposed Capital Budget.

Outstanding Issues from Prior Years

There are no Outstanding Issues from Prior Years.

Appendix 1
2006 Proposed Capital Budget and 2007 to 2015 Revised
Program

Appendix 2
2006 Proposed Capital Budget & Future Years
Commitments

Appendix 3
2006 Proposed Capital Project with Financing Details

**Appendix 4
Reserve / Reserve Fund Review**

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Balance as of Dec 31, 2005	Proposed Withdrawals			
			2006	2007	2008	2009 & Beyond
Parking Payment In Lieu Reserve Fund (XR1016)		\$6,031,569	\$831,569	\$1,131,569	\$1,431,569	(\$236,862)
Authority Capital Expenditure Reserve Fund (XR6002)		\$660,537	\$810,537	\$1,060,537	\$1,310,537	\$3,371,074
Total Reserve / Reserve Fund		\$6,692,106	\$1,642,106	\$2,192,106	\$2,742,106	\$3,134,212

Appendix 5

Revised 5-Year Capital Plan Cash Flow Summary

Toronto Parking Authority

2006-2010 Capital Budget - Cashflow Summary

Description	2006	2007	2008	2009	2010	Total
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	
Opening funds available (note 1)	24,611.1	3,933.7	528.7	(3,397.5)	(11,828.5)	24,611.1
Funding still to be earned in future years (note 2)	17,607.6	18,131.0	18,604.8	19,069.0	19,553.8	92,966.2
Net expenditures - uncommitted projects	(25,300.0)	(21,136.0)	(22,531.0)	(27,500.0)	(14,700.0)	(111,167.0)
Net expenditures - committed projects (note 3)	(12,985.0)	(400.0)				(13,385.0)
Ending funds available	<u>3,933.7</u>	<u>528.7</u>	<u>(3,397.5)</u>	<u>(11,828.5)</u>	<u>(6,974.7)</u>	<u>(6,974.7)</u>

- notes**
- 1** \$17.9 million in TPA retained earnings plus \$6.7 million from City held reserves
 - 2** Primarily TPA's 25% share of net income plus small amount of interest earned on City held funds
 - 3** These projects are either under construction, have land purchased, are committed under contract or involve essential maintenance work