

A wide-angle photograph of the Toronto skyline, including the CN Tower, viewed from a distance across a large green park with trees. The sky is clear and blue.

# **CITY OF TORONTO**

# **TORONTO PARKING AUTHORITY**

**2013 Recommended Operating Budget and  
2013 – 2022 Capital Plan**

*November 7, 2012*



# Agenda

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- Program Overview
- Operating Budget
  - *2012 Service Performance*
  - *2013 Program Issues*
  - *2013 Operating Budget*
- Capital Budget and Plan
  - *Capital Performance*
  - *Key Issues*
  - *2013 Capital Budget*
  - *2013 – 2022 Capital Budget and Plan*

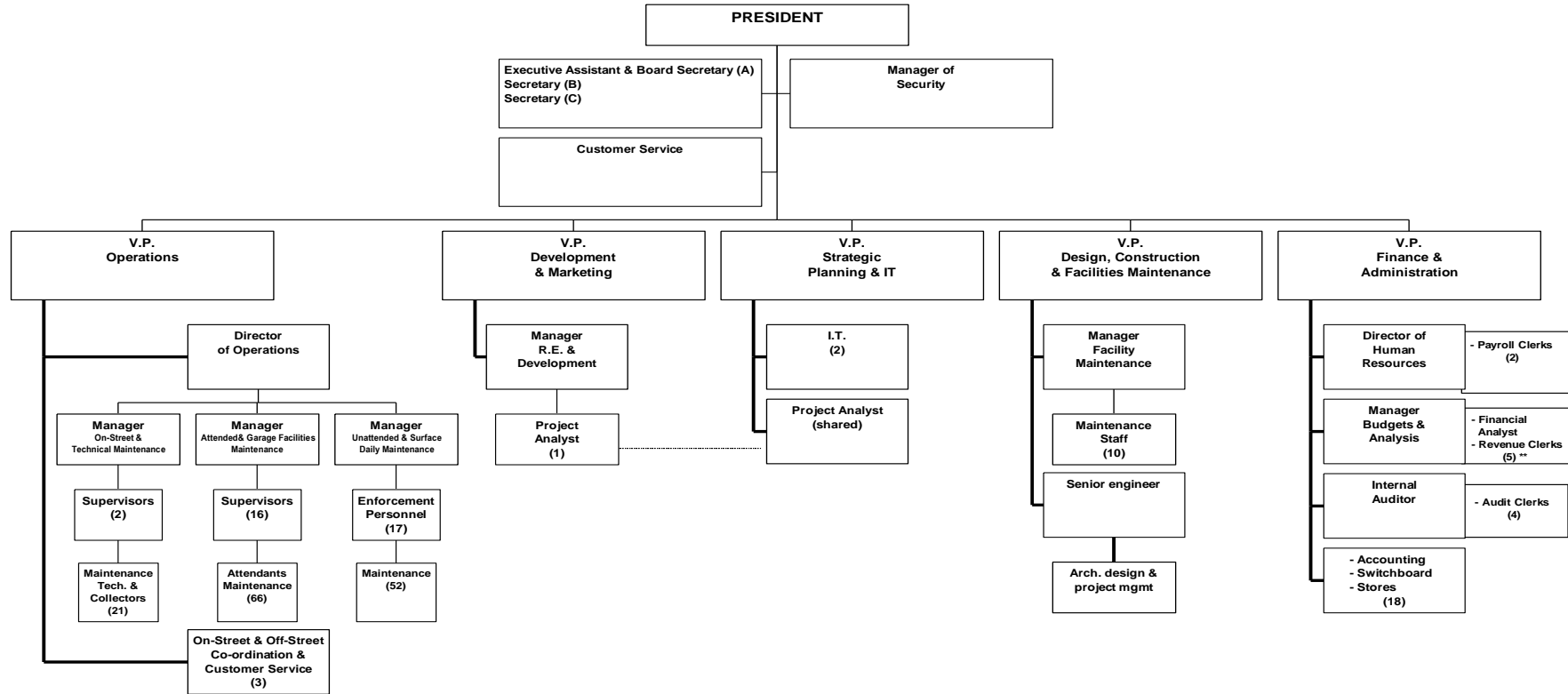
# Program Overview



# Service Objectives and Key Priority Actions

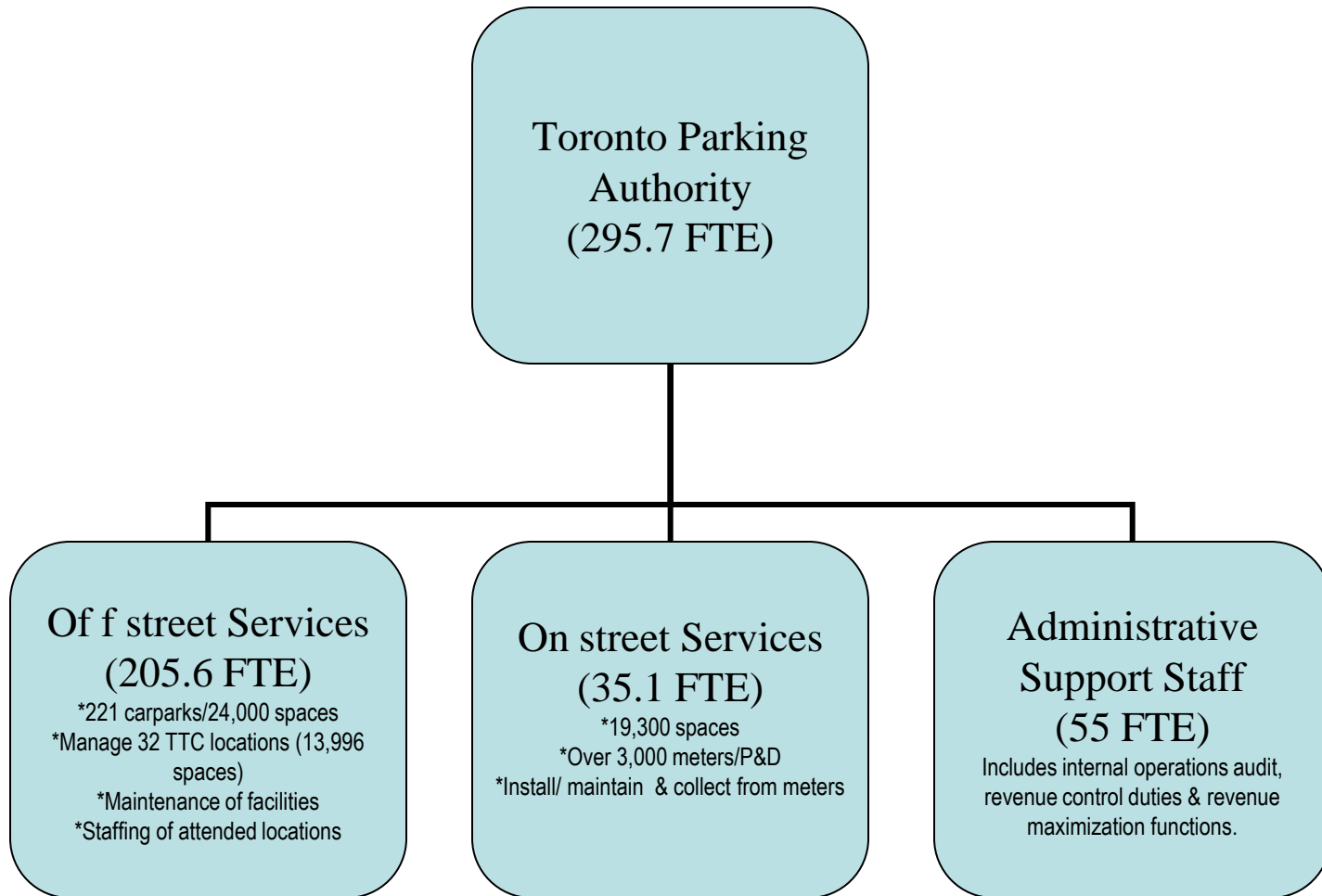
- **Key Customers**
- TPA satisfies the parking needs of the many business areas and communities in Toronto. TPA also works in conjunction with Transportation to ensure parking and public transportation work in unison.
- **Program Objectives**
- ***Short term parking*** Satisfying the short term parking shortfalls identified within the various business areas of the City.
- ***Supporting local business.*** Achieved by:
  1. satisfying short term parking needs;
  2. providing alternative payment options for customers (convenience);
  3. constantly improving customer service;
  4. innovative solutions to specific parking problems.
- ***Innovative & Efficient Expansion of Services.*** Examine/utilize new technology to enhance service and reduce operating costs; expansion via joint partnerships with the private sector at reduced costs.
- ***Self funding.*** Although also part of our mandate the TPA constantly seeks ways to enhance revenue and provide services at lower cost through technology (solar power) and automation.
- **Key Priorities**
  1. Achieving PCI compliance;
  2. Complete cell phone parking project ;
  3. Continue maximizing/levering land values through joint development with private sector
  4. Further develop gift/loyalty card program

# Current Organization Chart

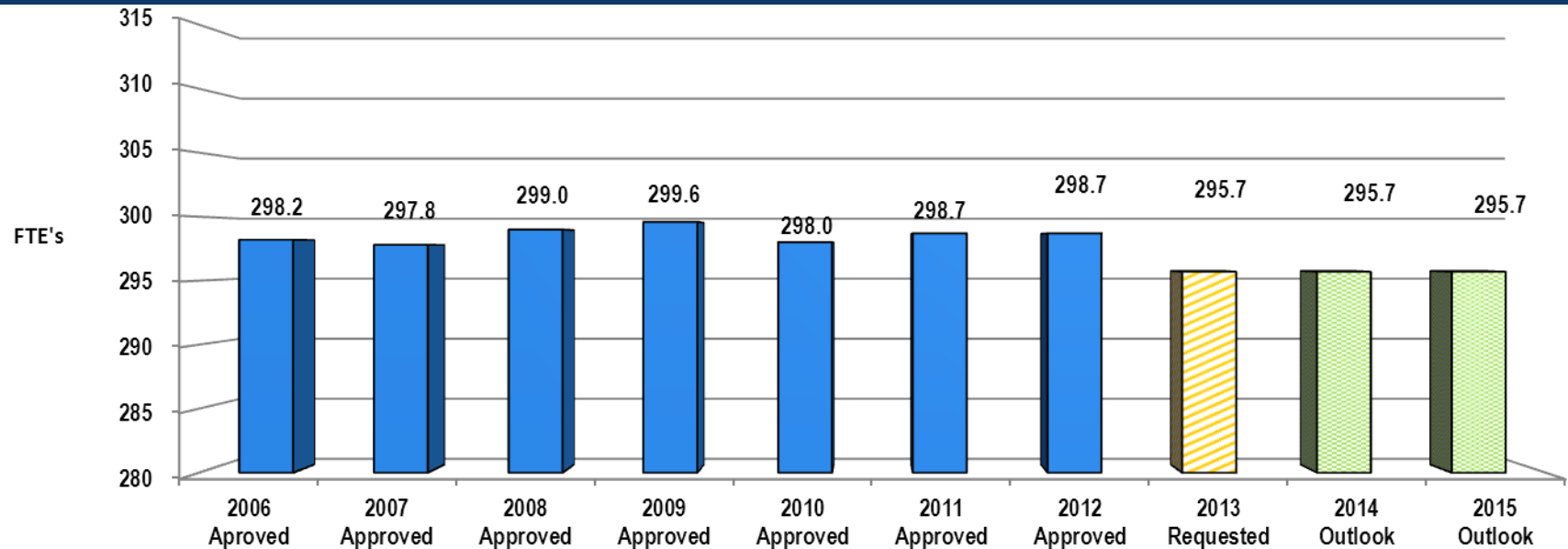


Senior Management	Management	Exempt Professional & Clerical	Union	Permanent Total
7.0	8.0	60.0	166.0	241.0

# 2012 Program Map



# Staffing Trend



## Key Points:

- these counts include FTE's for students – the FT permanent staffing included in these counts has been at 243-244 for most of the charted period and was reduced to 241 in the 2013 budget
- FT permanent cashier complements are not sufficient to cover scheduled shifts – temporary student hours are included in the cashier schedule to complete the schedule and to cover FT vacations
- FT permanent maintenance staff have increased marginally over the years as the number of locations and related revenue equipment quantities have steadily increased. Students are used primarily to assist in infrastructure maintenance projects scheduled during the summer months

# Key Service Levels for 2013

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*The TPA's key "service level" objectives are:*

- *satisfying parking needs of various local business areas – through the capital budget & adjusting parking rates to generate turnover while at the same time....*
- *maximizing net income to remain financially self-sufficient*



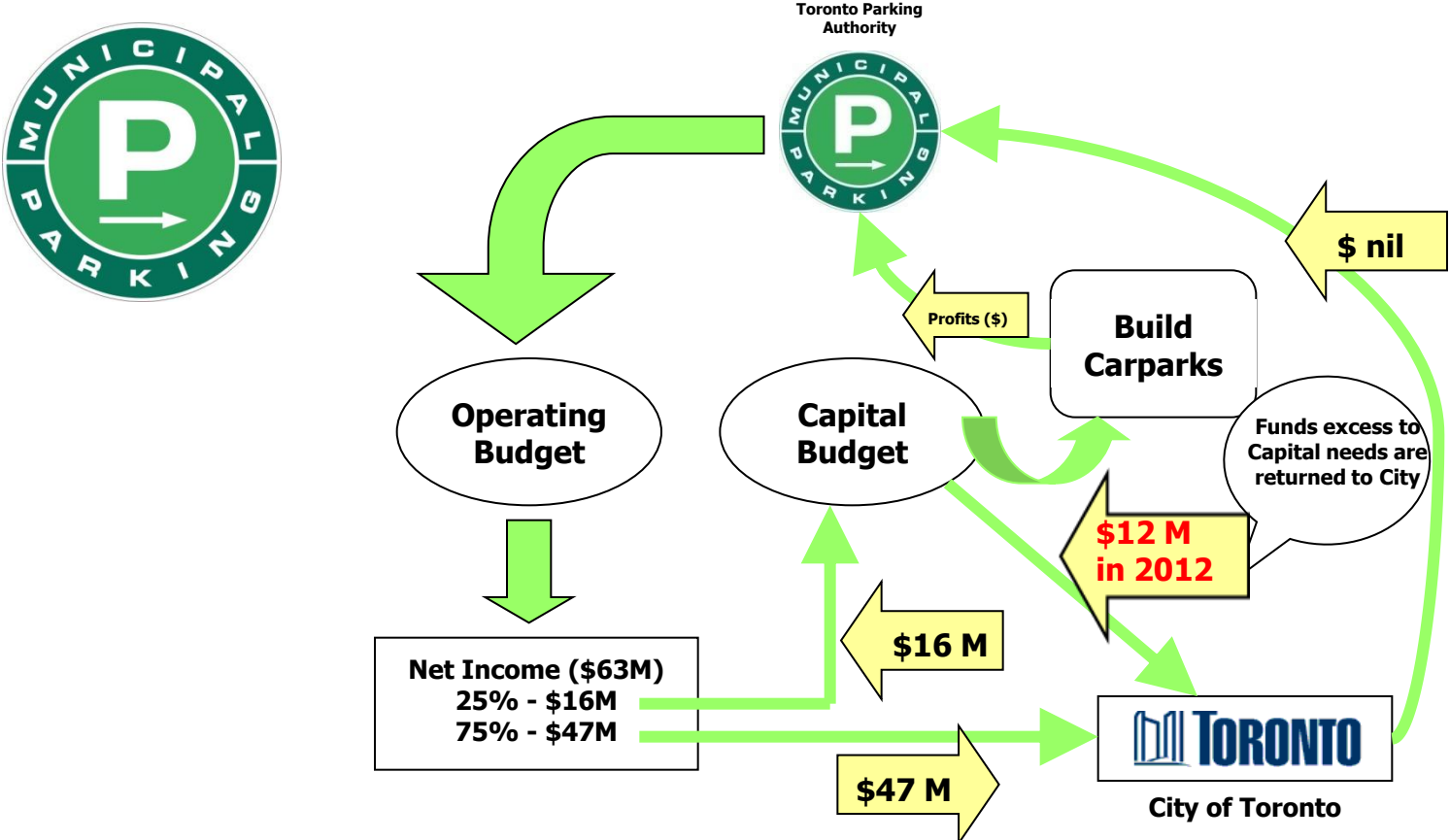
# Program Opportunities & Challenges

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- Weathering economic downturns and their impact on parking revenues
- Road construction that displaces on-street parking & the impact on parking revenues
- Maintaining major garage structures in a manner that minimizes service interruption and revenue loss
- Maintaining historic profit margins in the face of rising land/development costs
- Transportation initiatives that reduce or eliminate the hours of operation for on-street parking
- Opportunities exist to maximize the value of assets through joint ventures with private developers – 3 major JV's since 2008 have netted the City over \$40 million to date with another \$76m due in 2017

# Connecting the Capital Plan to the Operating Budget

## How the Authority's Funds Are Used



# Operating Budget 2012 Service Performance



# 2012 Key Accomplishments

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## Achievements

- 1) Opened or developing 4 new off-street carpark with 160 spaces
- 2) CP 49 redevelopment to commence by end of 2012 – air rights for this this location were sold in 2010 for \$25.9million
- 3) Obtained approval for on and off street rate increases that are projected to generate \$4.5m in annual gross revenue
- 4) Website/IVR system development to accept monthly permit renewals completed and in use
- 5) Reduction of 3 permanent positions through rationalization of functions or absorption by remaining staff
- 6) Upgrade of revenue control equipment to accept new coins and notes
- 7) Net income projected to exceed budget by \$3.3m - \$4.6m over in parking revenue offset by one-time costs of \$1.37m to upgrade for new coins/notes and rate changes
- 8) Installed 203 Paywave contactless credit card readers at 30 locations
- 9) Yorkville Garage redevelopment agreement - \$76m sale of air rights

# Benchmarking

## BENCHMARKING:

- the following table compares TPA to the Calgary Parking Authority (CPA), one of the few entities that is somewhat comparable to the TPA
- the TPA earns a multiple of 2.6 times the net operating income on ½ of the asset value
- As a measure of profitability the TPA retains 42% of its gross revenue versus 26% at CPA

<u>Based on 2011 Audited Results</u>	<u>CPA</u>	<u>TPA</u>
Revenue	\$ 72,089,000	\$ 119,373,000
Net operating income (NOI)	\$ 19,070,000	\$ 49,898,000
Total Assets	\$555,787,000	\$ 234,582,000
Return on assets	3.4%	<b>21.3%</b>
NOI to Revenue	26.5%	<b>41.8%</b>

# Operating Budget 2013 Program Issues



# Key Issues

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- 2012 saw impressive parking revenue growth through August although September was below expectations – the 2013 parking revenue budget is based partly on the 2012 uptake continuing & on 2012 rate changes producing increased revenue according to projections
- Increases in cars parked have been relatively flat (even decreasing in recent years) as a result of competition with public transit, other road uses and slow growth in job numbers in the city
- On-going challenge (as always) is finding affordable property and maintaining historic profit margins given rising cost of land & development costs
- TPA will continue to respond to parking needs, explore new technologies & examine ways to reduce costs & enhance revenue

# 2013 Requested Operating Budget



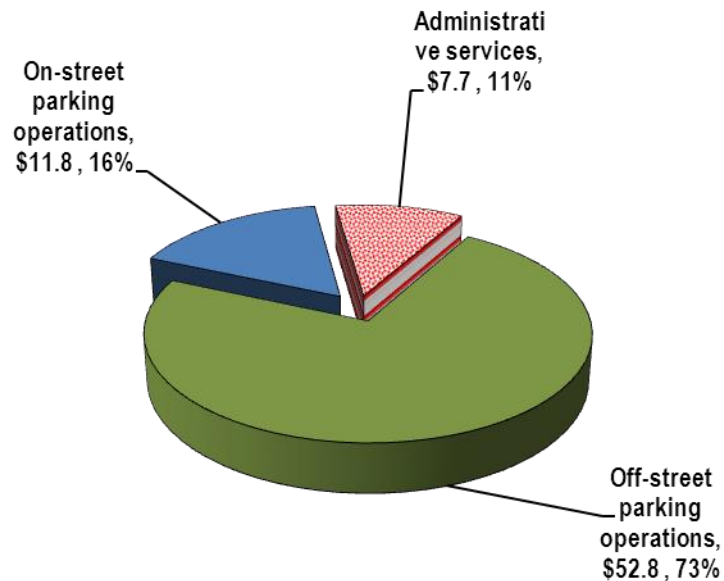


# 2013 Operating Budget - Summary

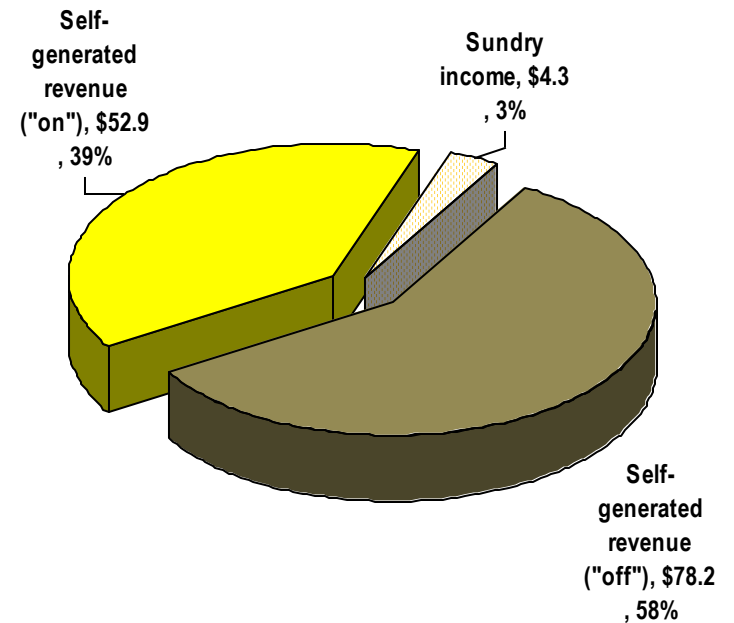
(\$thousands)	2012 Bud	2012 Est	2013 Bud
Gross parking revenue	120,612	125,152	131,134
City's revenue "target"	3,720	-	-
Total expense	<u>(72,326)</u>	<u>(73,428)</u>	<u>(72,217)</u>
Income before other income	52,006	51,724	58,917
Other income	<u>4,397</u>	<u>4,291</u>	<u>4,264</u>
<b>Net income</b>	<b><u>56,403</u></b>	<b><u>56,015</u></b>	<b><u>63,181</u></b>
<b><i>Allocation of net income</i></b>			
To City held reserve	375	375	348
To City - share of annual net income	41,995	41,703	47,085
Retained by TPA for capital funding	<u>14,033</u>	<u>13,937</u>	<u>15,748</u>
<b>Net income</b>	<b><u>56,403</u></b>	<b><u>56,015</u></b>	<b><u>63,181</u></b>

# 2013 Gross Operating Expenditures by Service and Funding Sources

**2013 Expense Budget by Service**  
**\$72.2M**  
 (\$millions)



**2013 Revenues Budget (Funding Source)**  
**\$135.3**  
 (\$ millions)



# 2013 Operating Budget Request

## - By Category and Funding Source

Category of Expense	2010	2011	2012	2012	2013	2013 Change from		2014	2015
	Actual	Actual	Budget	Projected	Base Budget	2012 Approved		Outlook	Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	20,393.7	21,017.1	21,563.5	21,973.4	22,103.0	539.5	2.5%	22,545.1	22,996.0
Materials and Supplies	6,425.4	6,396.6	6,895.5	8,225.0	7,059.2	163.7	2.4%	7,200.4	7,344.4
Equipment	8,316.8	7,415.1	8,670.6	7,299.0	7,377.2	(1,293.4)	(14.9%)	7,524.7	7,675.2
Services & Rents	15,973.9	17,169.5	16,299.7	17,802.2	17,150.2	850.5	5.2%	17,493.2	17,843.1
Interdivisional Charges	17,616.6	14,956.7	18,897.6	18,128.3	18,527.1	(370.5)	(2.0%)	18,897.6	19,275.6
<b>TOTAL GROSS EXPENDITURES</b>	68,726.4	66,955.0	72,326.9	73,427.9	72,216.7	(110.2)	(0.2%)	73,661.0	75,134.3
User Fees & Donations	116,611.6	119,372.8	124,332.4	125,152.4	131,133.5	6,801.1	5.5%	133,756.2	136,431.3
Sundry Revenues	31,601.0	5,231.7	4,397.5	4,291.1	4,264.5	(133.0)	(3.0%)	4,349.8	4,436.8
<b>TOTAL REVENUE</b>	148,212.6	124,604.5	128,729.9	129,443.5	135,398.0	6,668.1	5.2%	138,106.0	140,868.1
<b>TOTAL NET EXPENDITURES</b>	(79,486.2)	(57,649.5)	(56,403.0)	(56,015.6)	(63,181.3)	(6,778.3)	12.0%	(64,444.9)	(65,733.8)
<b>APPROVED POSITIONS</b>	299.3	301.6	298.7	295.7	295.7	(3.0)	(1.0%)	295.7	295.7

# 2013 Requested Budget

	2012		2013 Requested Operating Budget					Change - 2013 Base Budget Submission vs. 2012 Approved Budget		FY Incremental Outlook	
	2012 Approved Budget	2012 Projected Actual	2013 Requested Base	Change - 2013 Requested Base vs. 2012 Approved Budget		2013 Service Adjustments	2013 Base Budget Submission		2014	2015	
	\$	\$	\$	\$	%	\$	\$	\$	%	\$	\$
(In \$000s)											
<b>Gross Expenditures</b>	72,326.9	73,427.9	72,216.7	(110.2)	(0.2)		72,216.7	(110.2)	(0.2)	73,661.0	75,134.3
<b>Revenues</b>	128,729.9	129,443.4	135,398.0	6,668.1	5.2		135,398.0	6,668.1	5.2	138,106.0	140,868.1
<b>Net Expenditures</b>	(56,403.0)	(56,015.5)	(63,181.3)	(6,778.3)	12.0	0.0	(63,181.3)	(6,778.3)	12.0	(64,444.9)	(65,733.8)
<b>Approved Positions</b>	298.7	295.7	295.7	(3.0)	(1.0)		295.7	(3.0)	(1.0)	295.7	295.7

## Key Points:

### 2013

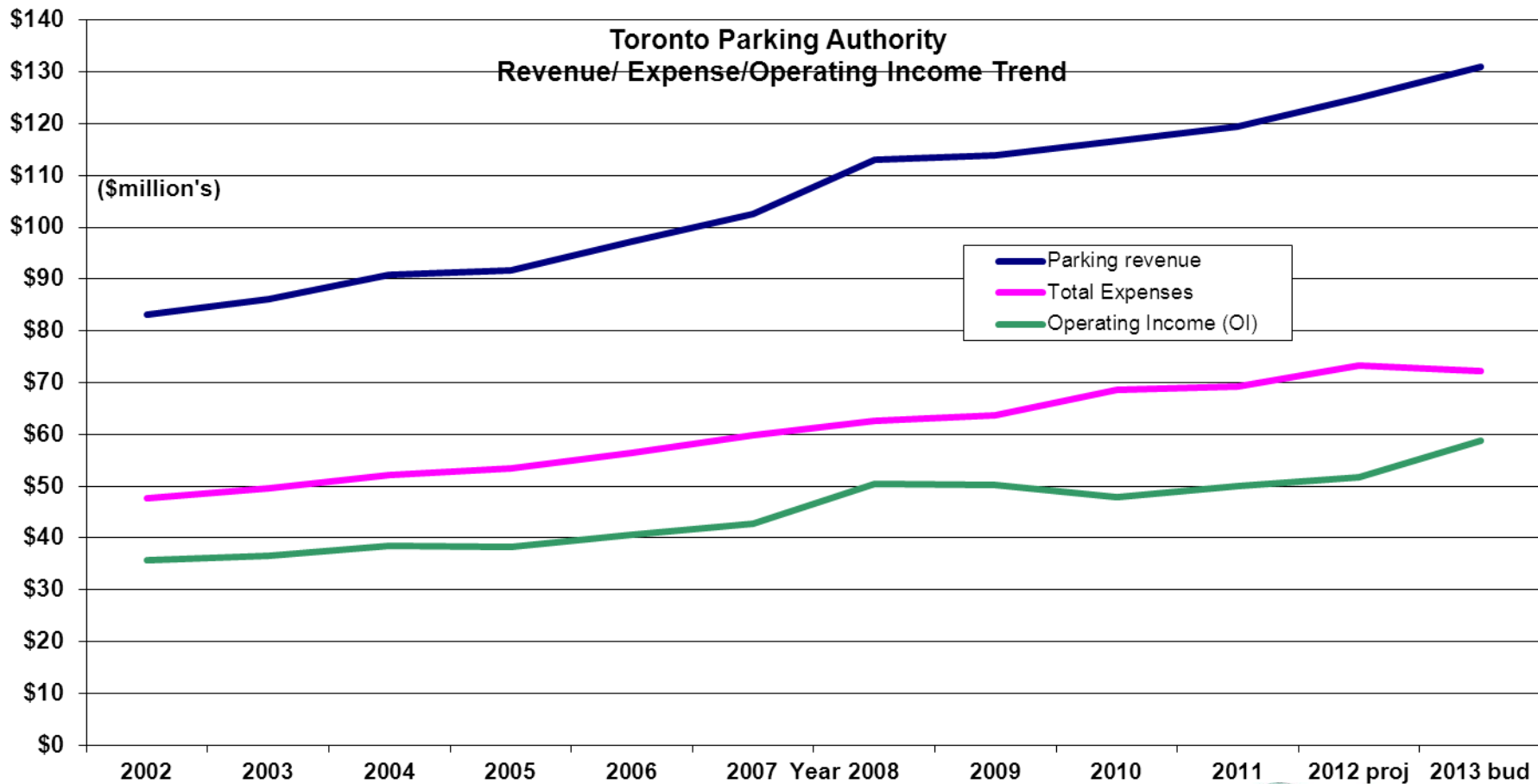
- \$6.67million increase in revenue; expenses down

### 2014/2015

- assuming 2012/2013 trend continues

# Service: TPA's Costs of Operating Parking

This chart shows the trends and relationships between gross revenue, total expenses and operating income (net income excluding sundry revenue) since 2002.



# Service: TPA's Costs of Operating Parking

	2011 Actual			2012 Budget			2012 Estimate			2013 Budget		
	\$	% parking revenue	% total expense	\$	% parking revenue	% total expense	\$	% parking revenue	% total expense	\$	% parking revenue	% total expense
<b>Total Parking Revenue</b>	<u>119,372,811</u>	100.0%	172.1%	<u>120,612,454</u>	100.0%	166.8%	<u>125,152,454</u>	100.0%	170.4%	<u>131,133,703</u>	100.0%	181.6%
Salary/wages/benefits	20,971,645	17.6%	30.2%	21,521,613	17.8%	29.8%	21,931,642	17.5%	29.9%	22,057,504	16.8%	30.5%
Municipal property taxes	17,349,635	14.5%	25.0%	18,897,579	15.7%	26.1%	18,128,273	14.5%	24.7%	18,527,095	14.1%	25.7%
Depreciation	7,415,178	6.2%	10.7%	8,670,561	7.2%	12.0%	7,299,000	5.8%	9.9%	7,377,244	5.6%	10.2%
Maintenance	4,562,773	3.8%	6.6%	5,612,642	4.7%	7.8%	6,991,637	5.6%	9.5%	5,700,649	4.3%	7.9%
Snow clearing/hydro/security	4,692,127	3.9%	6.8%	4,743,792	3.9%	6.6%	4,743,792	3.8%	6.5%	4,934,375	3.8%	6.8%
Revenue related costs	10,281,084	8.6%	14.8%	9,015,903	7.5%	12.5%	10,530,014	8.4%	14.3%	9,603,954	7.3%	13.3%
All other expenses	<u>4,075,572</u>	3.4%	5.9%	<u>3,864,837</u>	3.2%	5.3%	<u>3,803,644</u>	3.0%	5.2%	<u>4,016,085</u>	3.1%	5.6%
<b>Total expense</b>	<u>69,348,015</u>	58.1%	100.0%	<u>72,326,927</u>	60.0%	100.0%	<u>73,428,002</u>	58.7%	100.0%	<u>72,216,906</u>	55.1%	100.0%

# Service: TPA's Costs of Operating Parking

## Review of expenses:

The previous slide breaks out total expense as depicted in slide 21 into its significant components. These components are described as follows:

- Property taxes paid to the city are 25-27% of total expenses
- Driven by asset values, day-to-day **maintenance** of 24 garages, 197 surface lots and approximately \$60million in revenue control equipment represents roughly 4% of gross revenue today - this is consistent with prior years where the range was from 3 to 5%. They generally comprise 7-10% of total expense.
- Other basic costs include **snow clearing, hydro & security** costs. Snow clearing is contracted out for the approximately 170+ outdoor lots. Hydro costs are driven largely by the ramp heating cabling in the garages.
- Tied directly to gross revenue changes is a category described as **“revenue-related costs”** which includes rents, credit card processing fees, coin counting fees, wireless communication fees and ticket/asset replacement fees. These costs move in direct response to changes in revenue and/or the quantity of P&D machines.
- **Salary & wages** cover 296 FTE staff - 166 front line employees (66 cashiers; 83 maintainers/collectors and 17 enforcement staff), 57 FTE temporary students and 75 who are managers, front line supervision and administration (accounting, customer service, internal audit etc.)
- **All other expenses** includes, among others, non-salary admin expense, insurance, etc.

# Service: Performance Measures

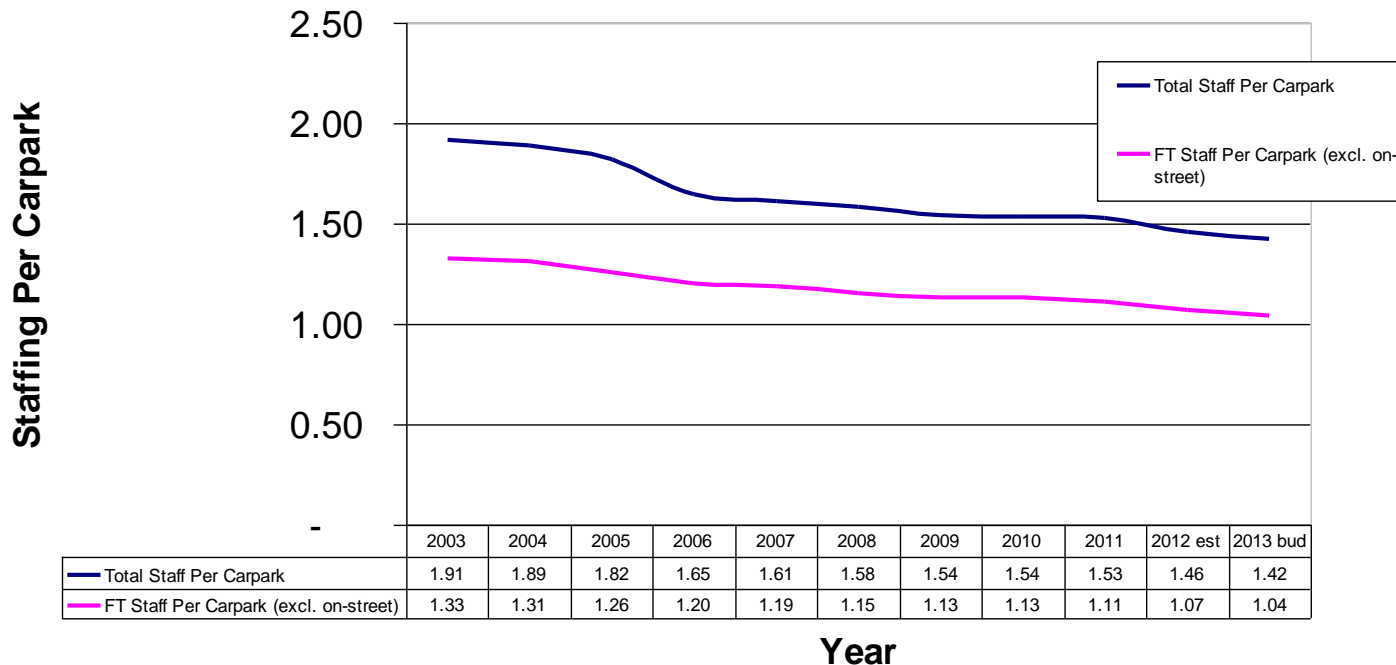
Performance Measures	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>2012 Estimate</u>	<u>2013 Budget</u>
<b><u>Offstreet parking</u></b>							
Total revenue	\$67,959,000	\$69,585,000	\$71,062,000	\$73,189,000	\$73,896,000	\$ 76,246,454	\$78,197,000
Revenue per space	\$ 3,205	\$ 3,210	\$ 3,245	\$ 3,325	\$ 3,345	\$ 3,436	\$ 3,523
Net income (before admin exp & sundry rev.)	\$24,419,000	\$24,625,000	\$21,995,000	\$24,841,000	\$21,781,000	\$ 23,112,000	\$25,039,000
<b>Net income per space</b>	<b>\$ 1,151</b>	<b>\$ 1,136</b>	<b>\$ 1,004</b>	<b>\$ 1,129</b>	<b>\$ 986</b>	<b>\$ 1,042</b>	<b>\$ 1,128</b>
Number of carparks	189	194	194	197	205	203	208
Number of parking spaces	21,207	21,676	21,898	22,012	22,093	22,190	22,193
Property tax expense	\$14,839,000	\$15,210,000	\$17,403,000	\$17,642,000	\$18,669,000	\$ 17,900,000	\$18,294,000
Property tax expense per space	\$ 700	\$ 702	\$ 795	\$ 801	\$ 845	\$ 807	\$ 824
Net income per space (excluding prop tax)	\$ 1,851	\$ 1,838	\$ 1,799	\$ 1,930	\$ 1,831	\$ 1,848	\$ 1,953
<b><u>On street parking</u></b>							
Total revenue	\$45,121,000	\$44,430,000	\$45,549,000	\$46,184,000	\$46,716,000	\$ 48,906,000	\$52,936,000
Revenue per space	\$ 2,427	\$ 2,390	\$ 2,419	\$ 2,417	\$ 2,481	\$ 2,532	\$ 2,727
Net income (before admin exp & sundry rev.)	\$32,530,000	\$32,303,000	\$32,977,000	\$34,957,000	\$34,143,000	\$ 36,229,000	\$41,540,000
<b>Net income per space</b>	<b>\$ 1,750</b>	<b>\$ 1,738</b>	<b>\$ 1,751</b>	<b>\$ 1,829</b>	<b>\$ 1,813</b>	<b>\$ 1,876</b>	<b>\$ 2,140</b>
Number of parking spaces	18,591	18,591	18,833	19,111	18,833	19,313	19,413
<b><u>Administrative expense</u></b>							
Administrative expense	\$ 6,785,000	\$ 6,816,000	\$ 7,086,000	\$ 7,380,000	\$ 7,369,000	\$ 7,603,000	\$ 7,662,000
<b>Ratio (as a % of revenue)</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.1%</b>	<b>6.2%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>5.8%</b>



# Staffing Efficiency

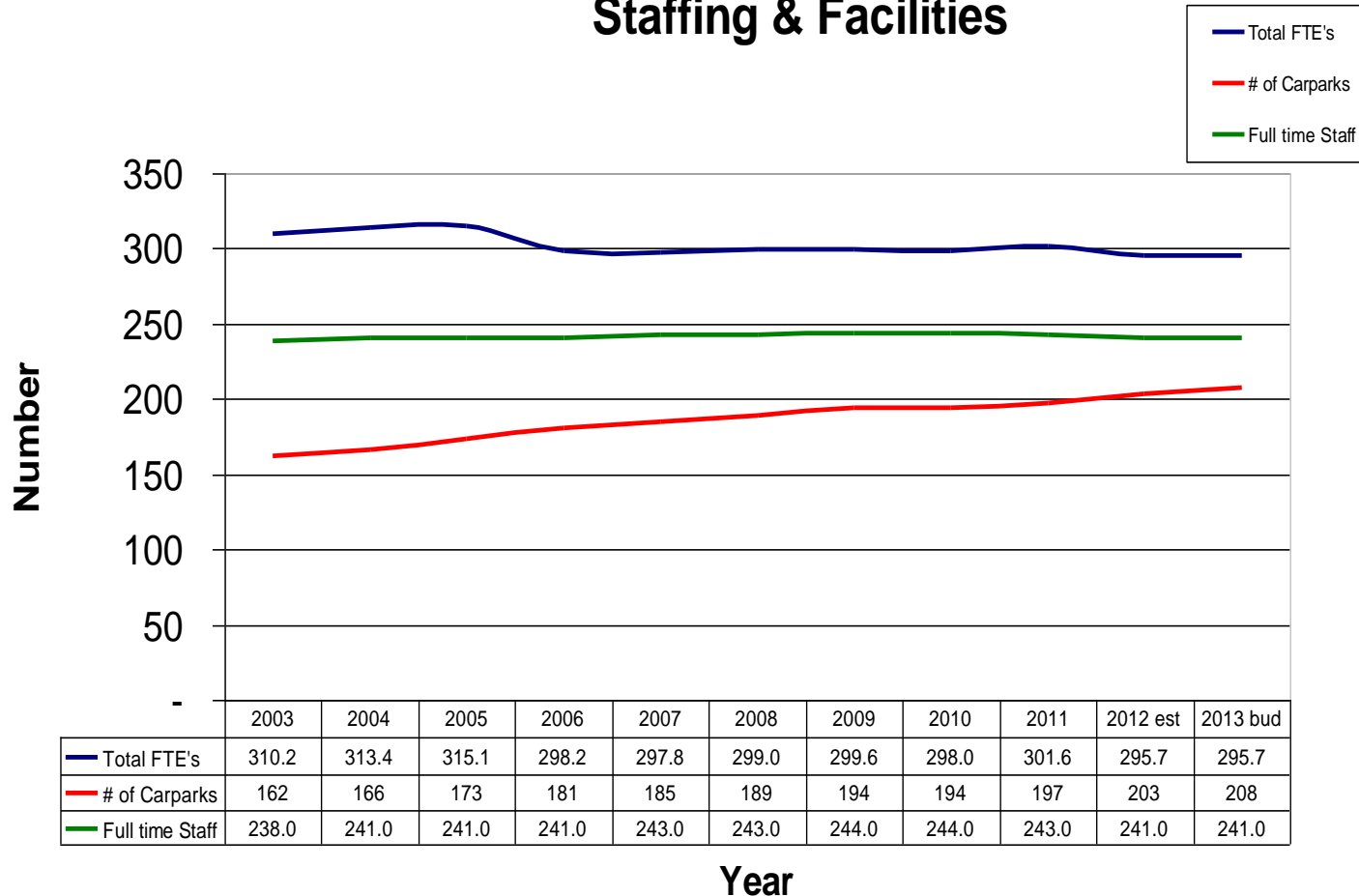
- The following 2 charts demonstrate a declining ratio of staff to the # of carparks & an absolute decline in employee counts as the # of lots increase

## Toronto Parking Authority # of Staff Per Off-Street Carpark



# Staffing Efficiency

## Toronto Parking Authority Staffing & Facilities



# Service: TPA's Annual salary/wage cost increase vs. union settlement (2002-2013)

(\$millions)	Salary & wages (Overall yr to yr chg)	Union agreement
2003	2.7%	4.00%
2004	7.1%	3.00%
2005	2.8%	3.25%
2006	0.9%	3.25%
2007	3.4%	4.00%
2008	2.8%	3.00%
2009	7.9%	3.00%
2010	3.4%	3.00%
2011	2.7%	3.00%
2012 proj	1.9%	3.25%
2013 bud	1.4%	?

# 2013 Operating Budget Pressures

	Gross	Net	Positions
<b>2012 Approved Budget</b>	72,326.9	(56,403.0)	298.7
Adjusted Base Increases:			
Annualizations		(4,560.0)	
Operating Impact of Capital			
Reversal of Non-recurring Items			
Impact of Capital Project Delivery Positions			
Progression Pay/Step Increases			
Economic Factors*	1,503.5	1,503.5	
Zero-based Items			
Other Base Changes:			
Labour Related Costs**	(357.8)	(357.8)	(3.0)
Non-labour Related Costs	(1,255.9)	(1,255.9)	
Revenue Changes:			
Volume Changes		(2,108.1)	
Rate Changes			
<b>2013 Base Budget Request</b>	<b>72,216.7</b>	<b>(63,181.3)</b>	<b>295.7</b>

\* Includes Progression Pay/Step Increases

\*\* Includes Efficiencies of \$134K

# 2013 Service Level Changes – To Achieve Target

Description	2013 Requested Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
	#	\$	\$	%	\$	# Pos.	\$	# Pos.
<b>Base Changes:</b>								
<b>Base Expenditure Changes</b>								
Impact of Approved 2012 Rate Increases			(4,560.0)	(8.1%)				
Increase in Salaries and Benefits		897.3	(897.3)	(1.6%)	442.1	0.0	450.9	0.0
Economic Factors - Materials and Supplies		163.7	(163.7)	(0.3%)	141.2		144.0	0.0
Economic Factors - Services and Rents		442.5	(442.5)	(0.8%)	343.0		349.8	0.0
New purchases net of fully depreciated items		292.6	(292.6)	(0.5%)	147.5		150.6	0.0
Rents Increase/Other		408.0	(408.0)	(0.7%)	370.5		378.0	0.0
Salaries and Benefits - Adjustment to Actuals		(223.8)	223.8	0.4%				
Property Tax - Adjustment to Actuals		(370.5)	370.5	0.7%				
Accounting guideline change		(1,586.0)	1,586.0	2.8%				
<b>Base Budget Change</b>	<b>0.0</b>	<b>23.8</b>	<b>(4,536.2)</b>	<b>(8.0%)</b>	<b>1,444.3</b>	<b>0.0</b>	<b>1,473.3</b>	<b>0.0</b>
<b>Base Revenue Changes</b>								
User Fees (Usage Rate Increase)			(2,241.1)	(4.0%)	(2,622.6)		(2,675.2)	
Other Revenue			133.0	0.2%	(85.3)		(87.0)	
<b>Base Revenue Change</b>			<b>(2,108.1)</b>	<b>(3.7%)</b>	<b>(2,707.9)</b>	<b>0.0</b>	<b>(2,762.2)</b>	<b>0.0</b>
<b>Sub-total Base Budget Changes</b>			<b>(6,644.3)</b>	<b>(11.8%)</b>	<b>(1,263.6)</b>	<b>0.0</b>	<b>(1,288.9)</b>	<b>0.0</b>
<b>Service Efficiencies:</b>								
Process Consolidation and Other Efficiencies	(3.0)	(134.0)	(134.0)	(0.2%)				
<b>Sub-total Service Efficiencies</b>	<b>(3.0)</b>	<b>(134.0)</b>	<b>(134.0)</b>	<b>(0.2%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Sub-total Revenue Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Sub-total Service Impacts</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Service Changes</b>	<b>(3.0)</b>	<b>(110.2)</b>	<b>(6,778.3)</b>	<b>(12.0%)</b>	<b>(1,263.6)</b>	<b>0.0</b>	<b>(1,288.9)</b>	<b>0.0</b>

# Key Issues for 2013 and Beyond

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- Weathering economic downturns and their impact on parking revenues
- Road construction that displaces on-street parking & the impact on parking revenues
- Maintaining major garage structures in a manner that minimizes service interruption and revenue loss
- Maintaining historic profit margins in the face of rising land/development costs
- Transportation initiatives that reduce or eliminate the hours of operation for on-street parking
- Opportunities exist to maximize the value of assets through joint ventures with private developers – 2 major JV's since 2008 netted the City over \$40 million to date; an agreement finalized in 2012 will generate \$76 million on closing; several others are currently in the negotiation stage
- Challenge/opportunities - assessing and successfully implementing advances in technology to reduce costs & improve/speed service (eg. cell phone parking; contactless cards; LPR)

# Capital Budget and Plan Capital Performance

# Capital Overview (Assets)

## ASSET VALUES @ REPLACEMENT

	Automated				Contents	Total Property
<i>COST (excl. land)</i>	Building	P&D	Zeag Equip	Elevators	& Equipment	Values
<u>Off Street</u>						
Garages and Structures	544,222,384	199,169	3,865,687	9,100,000	4,023,891	561,411,131
Surface CP's (including TTC)	-	5,029,012	1,917,377		609,839	7,556,228
	544,222,384	5,228,181	5,783,063	9,100,000	4,633,730	568,967,359
<u>On-Street</u>						
2,710 P&D machines	-	44,978,954				44,978,954
	544,222,384	50,207,135	5,783,063	9,100,000	4,633,730	613,946,313



# Capital Overview (Assets)

<b><u>Assets</u></b> <i>(book values)</i>	<b><u>Cost</u></b>	<b><u>Accum Dep'n</u></b>	<b><u>NBV</u></b>
Land	65,722,326	-	65,722,326
Parking garages	86,145,420	(45,402,087)	40,743,333
Surface carparks	16,151,670	(5,897,591)	12,215,360
Developments under construction	50,157	-	50,157
Equipment and furnishings	<u>60,563,941</u>	<u>(40,461,958)</u>	<u>20,101,983</u>
	<u>228,633,514</u>	<u>(91,761,637)</u>	<u>138,833,158</u>

# Key Objectives

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## Key Strategic Directions:

- Continued focus on mandate of satisfying short-term parking shortfalls while increasing net profits as maintaining historical profit margins is becoming more difficult as land and development costs rise
- Continued focus on joint developments with private partners to maximize value of assets
- Continued expansion and promotion of TPA corporate convenience card
- Continuing focus on opportunities to satisfy urgent parking needs in areas that have identified parking shortfalls.
- Examine additional automation opportunities (LPR; contactless etc.)

# Summary of Major Projects To Be Completed in 2012

## 2012 Key Accomplishments

- The Toronto Parking Authority addressed off-street parking shortfalls by opening three new surface carparks, which included:
  - Carpark 262 - 302 Queen St. West.
  - Carpark 248 - 136 Broadview.
  - Carpark 263 – Toronto Coach Terminal.
- Near completion of development of Carpark 256 - 1624 Queen Street West (lot opened in 2011)
- Commenced development of new CP 260 – 94 Northcliffe
- Commenced development of new CP 671 - 6 Elsmere, Weston Cultural Hub
- Redevelopment of Carpark 164 – 453-457 Spadina to be completed by year-end.
- Continued expansion of the highly successful pay-and-display technology for on-street parking.
- The Toronto Parking Authority completed numerous state of good repair and health & safety projects, such as:
  - Carpark 11 - Replaced 2 Elevators
  - Carpark 15 - Replaced 3 Elevators
  - Carpark 43 - Replaced 4 Elevators
  - Carpark 26 - Installed second emergency generator
  - Carpark 42 - Lighting upgrade
  - Carpark 43 - Concrete and Joint Expansion replacement
  - Carpark 29 - Sprinkler upgrade
  - Carpark 68 - Sprinkler upgrade
  - Carpark 125 - Lighting upgrade

# 2013 – 2022 Requested Capital Budget and Plan

# 2013-2022 Capital Program by Category

## CASHFLOW PER CAPTOR CATEGORIES (EXCLUDES 2012 S2 CARRYOVERS)

### 2013 - 2022 CAPITAL BUDGET

(\$ 000's)	PER CAPTOR										Total Cashflow	% for Total
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
State of Good Repairs C03	5,636	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,636	14.1%
Service Improvement and Enhancement C04	20,597	27,401	51,007	27,507	58,757	15,507	8,507	8,507	26,507	10,507	254,804	71.1%
Growth Related C05	2,000	8,750	-	-	10,000	3,500	-	18,000	4,000	6,500	52,750	14.7%
<b>Total 2013-2022 Cashflow (excluding Carryforwards)</b>	<b>28,233</b>	<b>41,151</b>	<b>56,007</b>	<b>32,507</b>	<b>73,757</b>	<b>24,007</b>	<b>13,507</b>	<b>31,507</b>	<b>35,507</b>	<b>22,007</b>	<b>358,190</b>	<b>100%</b>

# Summary of Major Capital Initiatives

## Major Capital Initiatives

The mix of projects included in the 10-Year Recommended Capital Plan supports the Toronto Parking Authority's objectives of providing safe, attractive, self-sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system.

### ***State of Good Repair (SOGR), Health & Safety, & Legislated***

- \$50 million is recommended in the 10-Year Capital Plan to fund a comprehensive state of good repair program for the maintenance of off-street and on-street parking facilities and related infrastructure.

### ***Service Improvements***

- Over the 10-year planning horizon, including carryforward amounts, recommended funding of \$288.9 million (\$239.7m “service improvement”; \$49.2m “growth”) is provided for the expansion and/or re-development of 50 off-street parking facilities. The parking facilities will ensure that businesses in areas served throughout the City continue to grow and their neighbourhoods remain vibrant. These facilities will be primarily served by environmentally friendly pay-and-display machines or pay-on-foot technology & will not require additional staff. ***Included in this group are 10 joint venture projects that involve the sale of air rights which will help to fund the replacement garage spaces.***
- Green Projects at Various Car Parks has enabled the TPA to increase landscaping at existing off-street parking facilities throughout the City. This program will improve the retainment of rainwater to reduce surface run-off. In addition, the planting of native vegetation will contribute to the reduction of CO2 and other green house gases in the atmosphere. The 10-Year Recommended Capital Plan includes funding of \$0.800 million for the greening of car parks.

# Summary of Major Capital Initiatives

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## *Growth Related*

Over the 10-year planning horizon recommended funding of \$52.75 million is provided for the development of 13 off-street parking facilities to address anticipated future parking needs, significant locations include:

- King/Parliament (Reinvestment area);
- Queen / Ossington to Dufferin Carpark;
- North York Centre S of Finch Carpark;
- Harbourfront Carpark; and
- Bay / Lakeshore (Downtown Fringe) Carpark.

# Capital Budget – Cashflow & Funding

## 2013-2022 Capital Budget - Cashflow

Description	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	
(\$million's)												
Opening funds available (note 1)	77.5	69.1	54.8	25.2	34.3	19.4	18.8	29.2	29.9	19.0	77.5	
Funding still to be earned (note 2)	21.5	21.9	22.1	22.6	22.9	23.4	23.9	24.2	24.6	25.2	232.3	
Net capital expenditures	(42.6)	(41.2)	(56.0)	(32.5)	(73.8)	(24.0)	(13.5)	(31.5)	(35.5)	(22.0)	(372.5)	
Addback Projects funded by Air Rights	12.7	4.9	4.4	19.0	36.0	0.0	0.0	8.0	0.0	0.0	85.0	
Funds available at end of year	69.1	54.8	25.2	34.3	19.4	18.8	29.2	29.9	19.0	22.2	22.2	
											TPA Retained Earnings	18.2
											Reserve Funds	4.0
												22.2

### NOTES

1) Opening funds

\$65.4 million TPA plus \$12.1 million in City held reserves

2) Funding sources

TPA's 25% share of net income plus small amount of interest earned on City held funds



# How 2012 the Dividend Amount was Determined

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	<u>\$millions</u>
TPA retained earnings at the end of 10 year period	18.2
Retain working capital to continue operating	<u>(5.0)</u>
Remaining funds	<u>13.2</u>
Present value to year 1	10.9
Dividend to be paid	<b>\$12.0</b>

# Debt Target

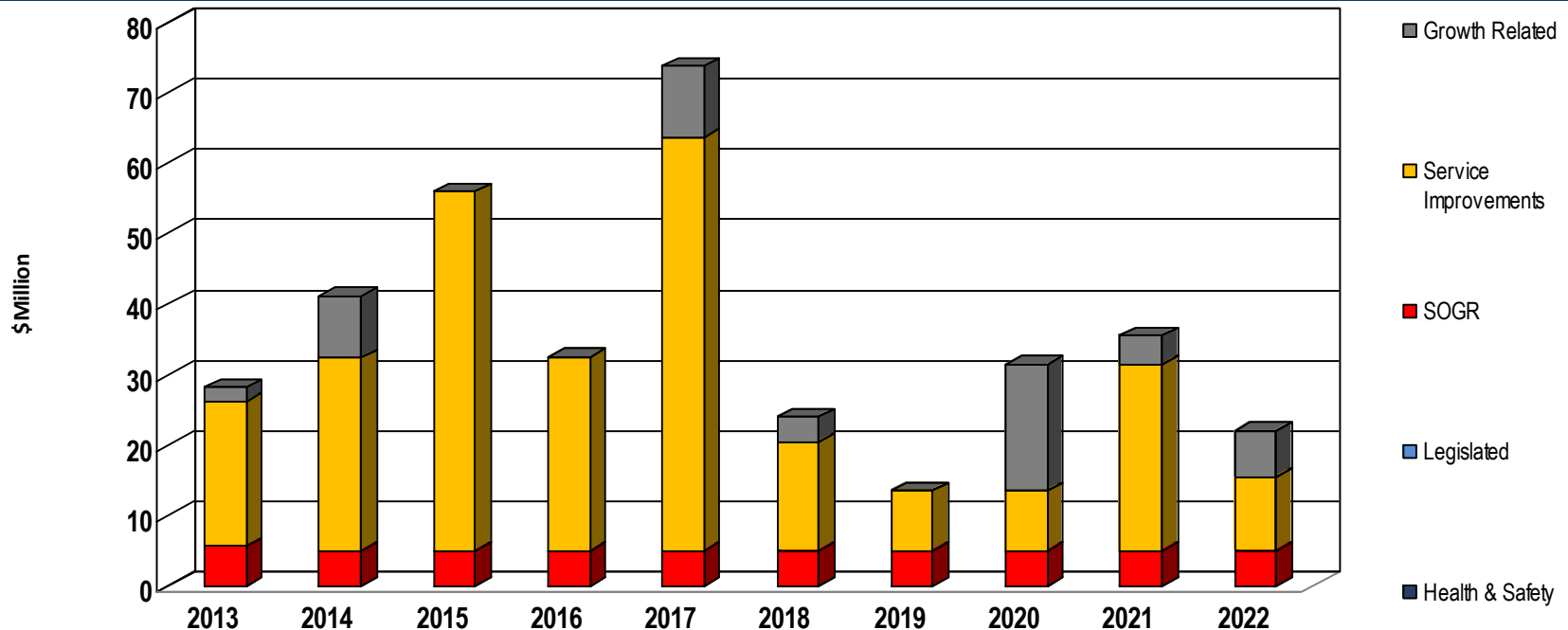
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\$ 000'	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013 - 2022 Total
Debt Target											0.0
Requested Debt											0.0
Over/Under Debt Target	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Key Points:

- not applicable – **no debt financing**

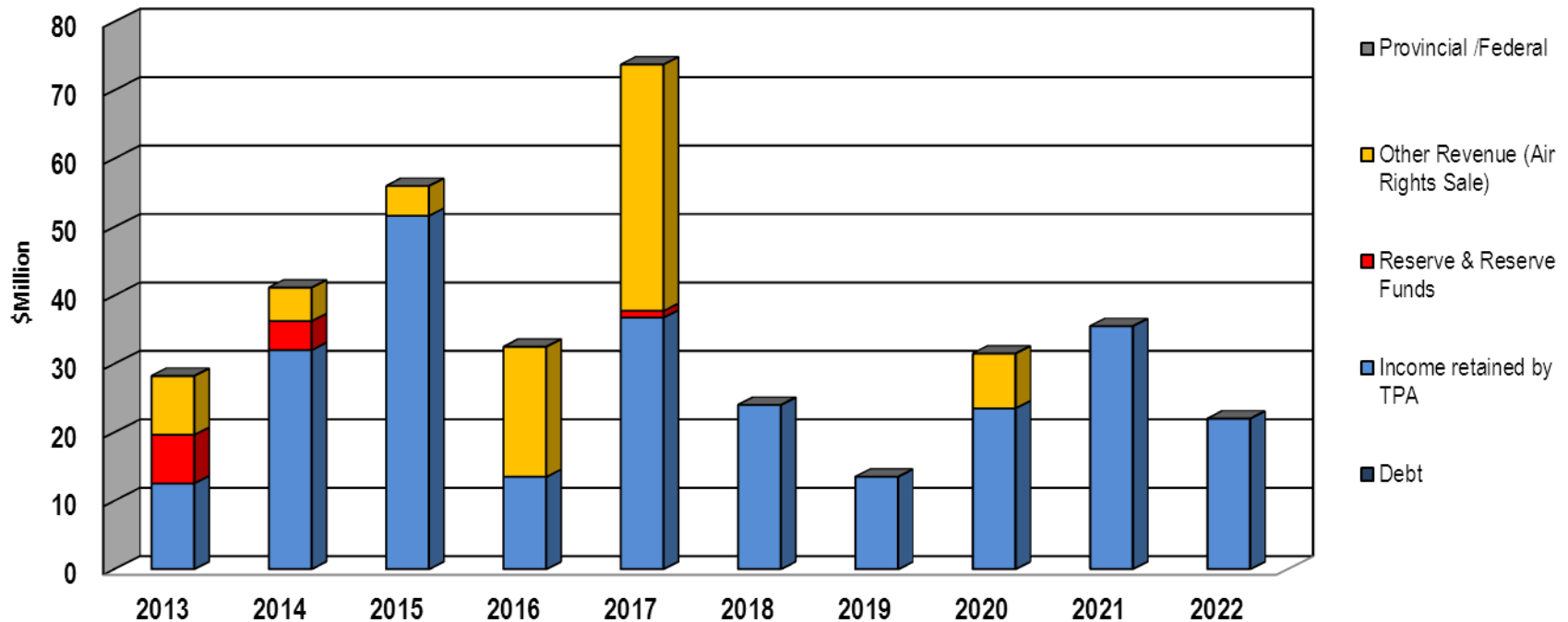
# 2013 – 2022 Capital Plan by Category



## Key Points:

- Most capital expansion relates to a need for additional parking in areas already being serviced, replacement of older facilities or enhancements (eg. addition of retail for leasing) to existing locations
- State of Good Repair projects are 14% of the 10 yr plan or \$50.6m with yearly cashflows stable over the period
- Service Improvement projects are 71% of the 10 yr plan or \$254.4m. The 2017 hi-point is related to the redevelopment of CP 15 (Yorkville Garage) with a cost of \$32m funded from air right sales

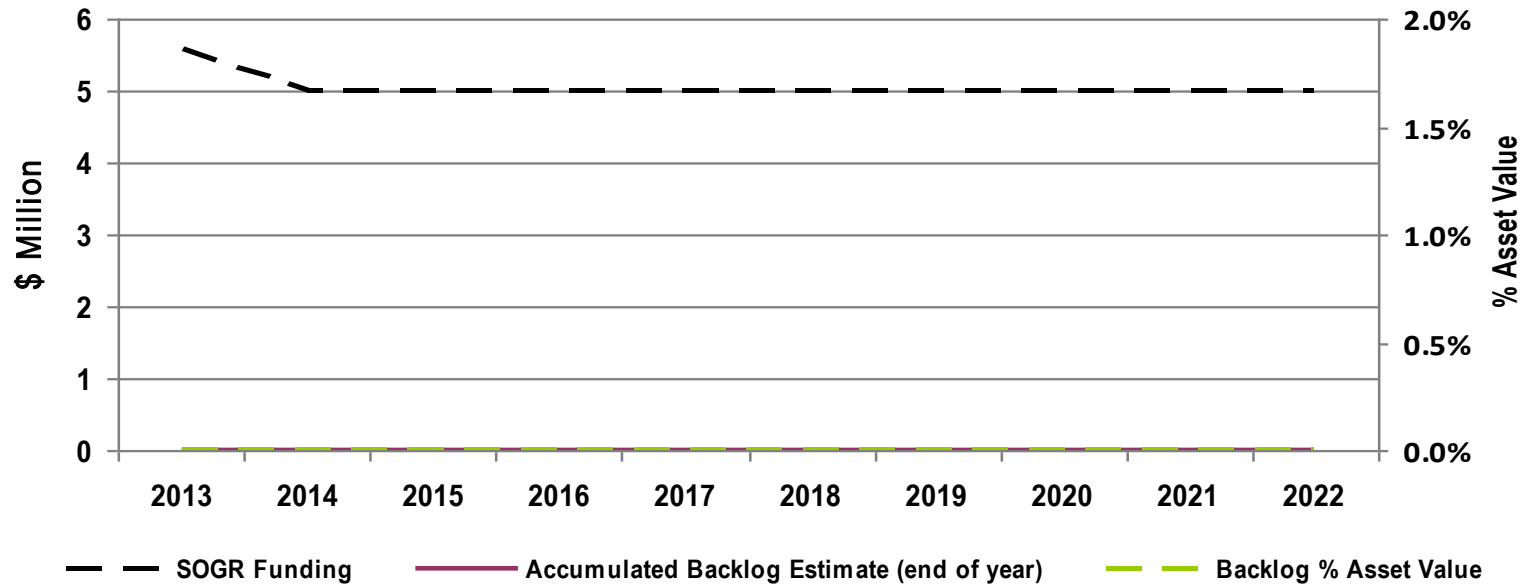
# 2013 – 2022 Capital Plan by Funding Source



## Key Points:

- no city or debenture funding
- funding is by primarily TPA (earnings retained after city gets 75% share of net income)
- Other revenue is proceeds from sale of air rights – 8 projects in 2013-2022 period

# State of Good Repair Backlog



## % Asset Value Trend Analysis:

### •Major SOGR Projects:

- projects are stable over 10 yr plan at \$5m per year for 2014-2022. Projects include lighting & electrical upgrades; concrete repairs; painting; fire alarm upgrade at several garages and re-paving of surface carparks

# SOGR Backlog by Asset Category

\$ Million	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Upgrade to Mall (CP 15)	-100										
<b>Total Accumulated Backlog</b>	-100	0	0	0	0	0	0	0		0	0
Asset Value	524,391	568,350	609,501	665,508	698,015	771,772	795,779	809,286	840,793	876,300	898,307
<b>Backlog % Asset Value</b>	(0)	0	0	0	0	0	0	0		0	0

## Key Points:

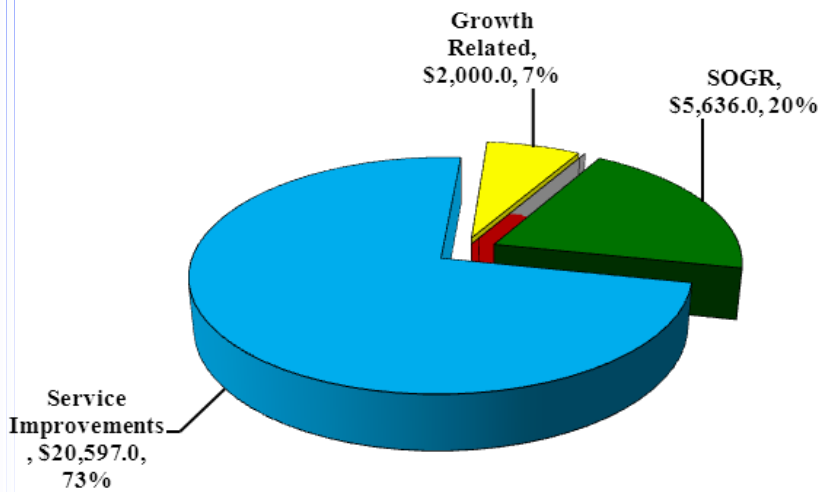
- no backlog

# Incremental Operating Impact of Capital

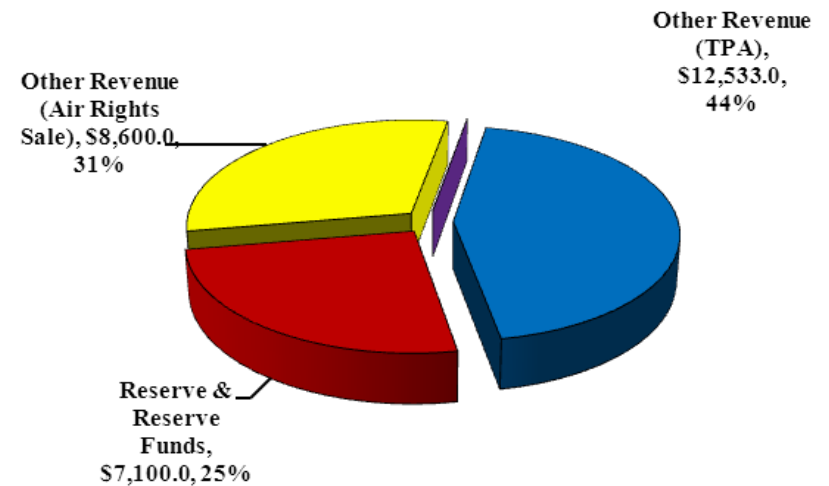
(\$000s)	2013 Rec. Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2013- 2022 Total
Program Cost (Net)	(429)	(1,355)	(1,641)	(2,301)	(936)	(2,026)	(1,110)	(480)	(1,560)	(1,800)	(13,638)

# 2013 Capital Budget by Project Category and Funding Source

2013  
Capital Budget by Project Category  
(\$ 000s)



2013  
Capital Budget Funding Source  
(\$ 000s)





# Key Issues for 2013 and Beyond

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- Opportunities exist to maximize the value of assets through joint ventures with private developers – 2 major JV's since 2008 netted the City over \$40 million to date; an agreement finalized in 2012 will generate \$76 million on closing; several others currently in the negotiation stage
- As always a major challenge is one of timing with respect to finding suitable properties at reasonable prices

# Historical Results To Date



# Net Earnings Since 1998

Year	Gross revenue	Operating expense	Municipal tax	Operating expense before tax	Admin expense	Sundry revenue	Net Income (NI)	One-time Income	NI After One-time
1998	43,919,000	24,067,000	7,283,000	16,784,000	4,276,000	5,512,000	\$ 21,088,000	\$ 2,400,000	\$ 18,688,000
1999	55,286,000	26,148,000	7,310,000	18,838,000	4,325,000	2,893,000	\$ 27,706,000	-	27,706,000
2000	68,490,000	29,736,000	7,531,000	22,205,000	4,758,000	9,590,000	\$ 43,586,000	6,300,000	37,286,000
2001	74,770,000	38,629,000	12,849,000	25,780,000	5,023,000	3,628,000	\$ 34,746,000	-	34,746,000
2002	83,252,000	42,208,000	13,720,000	28,488,000	5,446,000	3,107,000	\$ 38,705,000	-	38,705,000
2003	86,220,000	44,043,000	13,197,000	30,846,000	5,667,000	2,852,000	\$ 39,362,000	-	39,362,000
2004	90,764,000	45,779,000	13,057,000	32,722,000	6,339,000	7,342,000	\$ 45,988,000	4,500,000	41,488,000
2005	91,808,000	47,243,000	12,823,000	34,420,000	6,273,000	2,744,000	\$ 41,036,000	-	41,036,000
2006	97,188,000	49,959,000	13,930,000	36,029,000	6,536,000	3,113,000	\$ 43,806,000	-	43,806,000
2007	102,572,000	53,214,000	14,652,000	38,562,000	6,709,000	3,897,000	\$ 46,546,000	-	46,546,000
2008	113,081,000	55,544,000	14,839,000	40,705,000	7,047,000	26,120,000	\$ 76,610,000	20,500,000	56,110,000
2009	114,015,000	56,464,000	15,209,000	41,255,000	7,437,000	11,442,000	\$ 61,556,000	4,500,000	57,056,000
2010	116,611,000	60,975,000	17,403,000	43,572,000	7,751,000	31,601,000	\$ 79,486,000	25,957,000	53,529,000
2011	119,373,000	58,866,000	14,742,000	44,124,000	8,089,000	5,232,000	\$ 57,650,000	-	57,650,000
2012 est	125,152,000	65,100,000	17,900,000	47,200,000	8,328,000	4,291,000	\$ 56,015,000		56,015,000
2013 bud	131,134,000	63,828,000	18,294,000	45,534,000	8,389,000	4,264,000	\$ 63,181,000		63,181,000
	<u>\$ 1,513,635,000</u>	<u>\$ 761,803,000</u>	<u>\$ 214,739,000</u>	<u>\$ 547,064,000</u>	<u>\$ 102,393,000</u>	<u>\$ 127,628,000</u>	<u>\$ 777,067,000</u>	<u>\$ 64,157,000</u>	<u>\$ 712,910,000</u>

# Net Earnings Returned to the City Since 1992

YEAR	Return of Earnings to City			Other Payments to City		GRAND TOTAL
	City Share of Net Income	One time DIVIDENDS	TOTAL RETURN OF EARNINGS	Property Taxes	Rents to Other City departments	
1992	2,138,140	25,000,000	<b>27,138,140</b>	6,322,000		<b>33,460,140</b>
1993	3,773,206	7,260,055	<b>11,033,260</b>	5,735,000		<b>16,768,260</b>
1994	3,271,147	3,728,854	<b>7,000,000</b>	5,662,000		<b>12,662,000</b>
1995	3,323,295	8,676,705	<b>12,000,000</b>	6,296,000		<b>18,296,000</b>
1996	2,000,000	12,935,000	<b>14,935,000</b>	6,393,000		<b>21,328,000</b>
1997	4,754,865	-	<b>4,754,865</b>	6,646,000	Amounts for earlier years not researched	<b>11,400,865</b>
1998	9,284,426	16,136,514	<b>25,420,940</b>	7,406,000	320,000	<b>33,146,940</b>
1999	16,632,356	14,000,000	<b>30,632,356</b>	7,451,000	500,000	<b>38,583,356</b>
2000	25,766,438	-	<b>25,766,438</b>	7,647,000	500,000	<b>33,913,438</b>
2001	25,947,675	-	<b>25,947,675</b>	13,045,284	725,000	<b>39,717,959</b>
2002	28,736,417	-	<b>28,736,417</b>	13,916,862	850,000	<b>43,503,279</b>
2003	29,255,514		<b>29,255,514</b>	13,395,907	940,000	<b>43,591,421</b>
2004	34,265,783	2,000,000	<b>36,265,783</b>	13,250,489	800,000	<b>50,316,272</b>
2005	30,608,259	-	<b>30,608,259</b>	13,018,111	700,000	<b>44,326,370</b>
2006	32,719,027	-	<b>32,719,027</b>	14,122,927	900,000	<b>47,741,954</b>
2007	34,710,323	-	<b>34,710,323</b>	14,844,997	1,300,000	<b>50,855,320</b>
2008	53,175,677	20,000,000	<b>73,175,677</b>	15,034,213	1,700,000	<b>89,909,890</b>
2009	45,888,095	10,000,000	<b>55,888,095</b>	15,419,536	1,700,000	<b>73,007,631</b>
2010	59,293,443	-	<b>59,293,443</b>	18,097,007	1,700,000	<b>79,090,450</b>
2011	42,749,302	-	<b>42,749,302</b>	19,019,000	1,700,000	<b>63,468,302</b>
2012 proj	41,700,000	<b>12,000,000</b>	<b>53,700,000</b>	19,408,000	1,700,000	<b>74,808,000</b>
2013 bud	47,085,000		<b>47,085,000</b>	19,041,000	1,700,000	<b>67,826,000</b>
<b>GRAND TOTALS</b>	<b>577,078,387</b>	<b>131,737,127</b>	<b>708,815,514</b>	<b>261,171,333</b>	<b>17,735,000</b>	<b>987,721,847</b>

# City Share of Net Income – Budget vs. Actual

