

Toronto Parking Authority

Recommended 2015 Operating Budget & 2015 – 2024 Capital Budget and Plan

Budget Committee Presentation
January 27, 2015





Agenda

- 2015 – 2024 Staff Recommended Capital Budget & Plan
- 2015 Staff Recommended Operating Budget & Plan
- Recommended Service Levels
 - Service Performance and Service Levels
 - Issues, Opportunities and Priority Actions



Recommended 2015 – 2024 Capital Budget and Plan





Capital Assets to Deliver Services

- Off-street Parking
 - 22,800 spaces comprised of 12 attended lots, 13 fully automated garages, and 180 unattended lots.
- On-street Parking
 - 19,500 spaces controlled by 3,000 pay-and display machines and single space meters.
- Bike Share Toronto
 - 1,000 bicycles operating within a network of 80 docking stations.



Capital Assets to Deliver Services

■ Replacement Value of TPA assets

TPA'S assets comprised of land, parking garages, surface carparks, developments under construction and equipment & furnishing. A summary of the assets excluding land at replacement value is listed below

ASSET VALUES AT REPLACEMENT COST (excluding vehicles & land)

	Building	P&D	Automated Zeag Equip	Elevators	Contents & Equipment	Total Property Values
Off Street						
Garages and Structures	579,195,441	199,169	4,262,714	9,100,000	5,070,883	597,828,207
Surface CP's (including TTC)	-	5,244,778	1,691,954		591,402	7,528,134
Total Off-Street	579,195,441	5,443,947	5,954,668	9,100,000	5,662,285	605,356,341
On-Street						
On-Street Operation, 2,786 machines	-	46,240,357				46,240,357
Bike Share bikes and other equipment					4,000,000	4,000,000
	579,195,441	51,684,304	5,954,668	9,100,000	9,662,285	655,596,698

Major Projects in the 10-Year Capital Budget & Plan



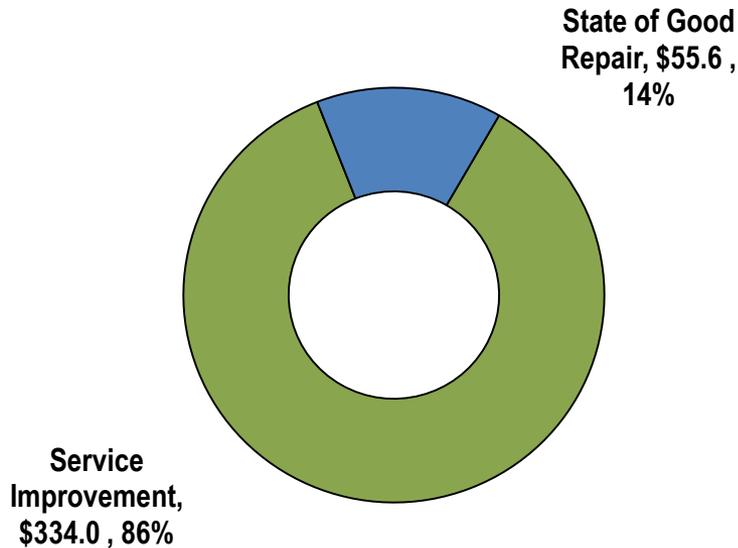
- Key projects to be completed in 2015
 - ✓ State of Good Repair projects are driven by renewal needs and are designed to extend the useful life of assets and to ensure service reliability. Examples include elevator modernisation/replacement, sprinkler/fire alarm replacement, electrical and lighting upgrades, painting and signage upgrades, etc., at various carparks throughout the City - \$5 M.
 - ✓ Green P + greening projects to improve energy, lighting efficiency, retain rainwater and increase landscaping at 6 existing off-street parking facilities throughout the City - \$1.87 M.
 - ✓ Carpark 49 (30 Roehampton) - \$8.0 M in 2015.
 - ✓ Additional levels to CP 1 (20 Charles) - \$0.3 M incremental.
- Key projects in 2016 – 2024 Plan
 - ✓ Carpark 15 (Yorkville) - \$33.0 M in 2015 - 2018.
 - ✓ Queen\SoHo and St. Lawrence Market North - \$10.5 M and \$14.5 M respectively in 2016.
 - ✓ Additional levels to Carpark 1 (20 Charles) - \$2.0 M incremental.
 - ✓ Carpark 217 (1445 Bathurst) and Carpark at 11 Wellesley - \$10.9 M and \$6.6 M respectively in 2017.
 - ✓ Carpark 5 (15 Wellesley), Carpark 412 (11 Finch West) and Carpark 41 (St. Clair West, Corso Italia) - \$5.5 M, \$4.0 M and \$10.9 M respectively in 2019.
 - ✓ Green P + greening 6 lots per year and Structural Maintenance - \$49.5 million.

2015 – 2024 Capital Budget and Plan

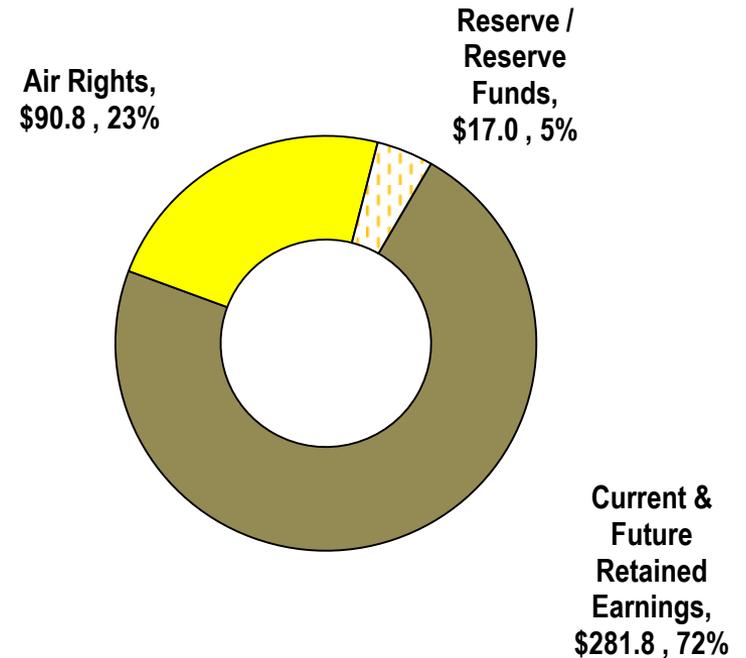
Capital Spending by Program and Funding Sources



Where the Money Goes
\$389.6 Million



Where the Money Comes From
\$389.6 Million

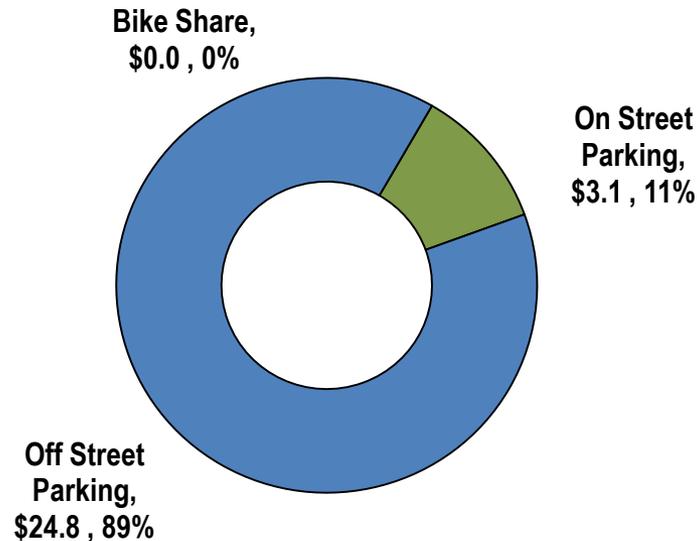


2015 Capital Budget

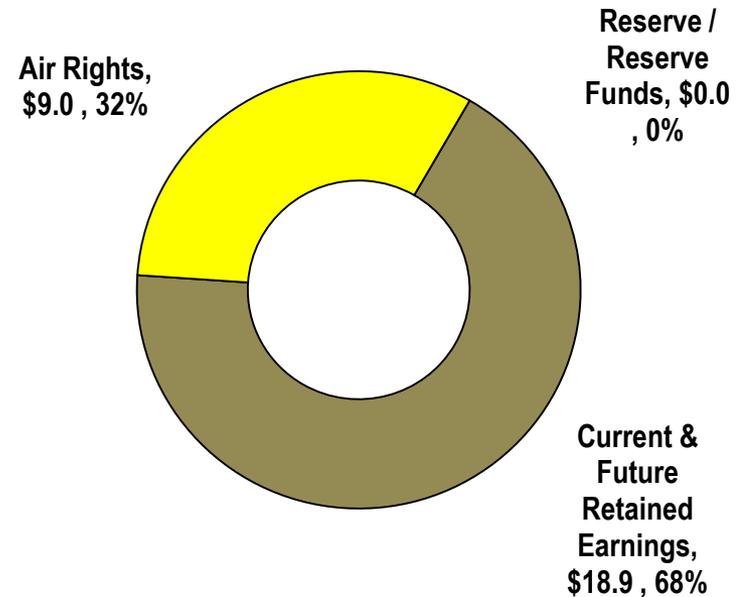


Capital Spending by Program and Funding Sources

Where the Money Goes \$27.9 Million



Where the Money Comes From \$27.9 Million



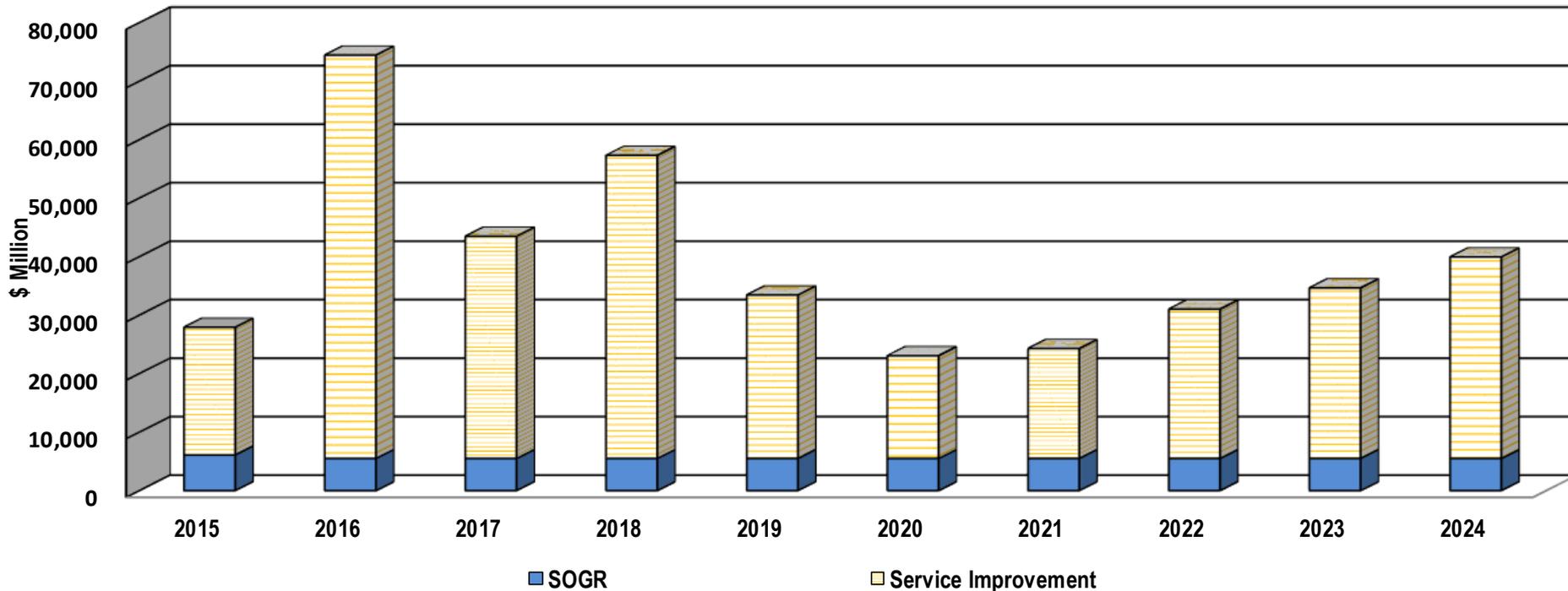
2015 – 2024 Capital Plan by Category



	2015–2024 Capital Budget and Plan by Project Category									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SOGR	6,100	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Service Improvement	21,828	68,947	37,985	51,812	27,939	17,568	18,797	25,527	29,159	34,442

2015–2024 Capital Plan by Category

(In \$000s)





Major SOGR Projects:

- Projects are stable over 10 year plan horizon at \$6.1M in 2015 and \$5.5 M per year for 2016-2024.
- Projects include Green P + greening projects; lighting & electrical upgrades; concrete repairs; water-proofing of garage surfaces; painting; fire alarm upgrade at several garages and re-paving of surface carparks throughout the City.

Incremental Operating Impact of Capital



Projects	2015 Rec'd Budget		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2015 - 2019 Total		2015 - 2024 Total	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Joint Venture Projects			400	-	1,055	-	1,108	-	865	-	3,428		4,517	-
New Carparks			645	-	2,977	-	1,015	-	100	-	4,737		9,517	-
											-	-		
Total Recommended (Net)			1,045	-	4,032	-	2,123	-	965	-	8,165	-	14,034	-



Issues for 2015 and Beyond

Parking Operations

- Capacity issues, both controllable and uncontrollable, that have limited the Authority's capital budget spending rate include:
 - Delays resulting from unavailability of appropriate sites.
 - Delays due to on-going negotiations for identified sites.
- In order to mitigate the impact, Toronto Parking Authority continues to review its portfolio of projects and realign its 10-year capital plans.
- Opportunities exist to maximize the value of assets through joint ventures with private developers.

Bike Share Program

- Transportation Services recommended budget includes \$1.949M of the \$2.6M secured funding to expand the Bike Share System by approximately 50 stations in 2015.
- As part of future capital budgets, commencing in 2015, Transportation Services will provide approximately \$70,000 per year from their Cycling Infrastructure project for replenishment of the Bike Share program capital assets (bicycles and stations), as required.



Recommended 2015 Operating Budget and Plan





2015 Program Map



Purpose:

To provide safe, attractive, clean, convenient, well-maintained, affordable on-street parking in support of the continued prosperity of the City's communities.

The Authority manages an estimated 19,500 on-street spaces controlled by the highly successful and profitable pay-and-display environmentally friendly technology or single spaced meters.

Purpose:

To provide safe, attractive, clean, convenient, well-maintained, affordable off-street parking in support of the continued prosperity of the City's communities.

The Authority manages:

- Approximately 21,800 off-street spaces, which include 12 attended lots, 13 fully automated garages and 180 unattended lots.
- Roughly 13,600 spaces at the Toronto Transit Commission (TTC) park-and-ride facilities.
- Over 2,000 spaces for the Parks, Forestry and Recreation Program along the waterfront and other areas of the City.

Purpose:

To provide convenient access to high quality well maintained bicycle rentals to use for urban cycling on a short term basis.

The Authority manages:

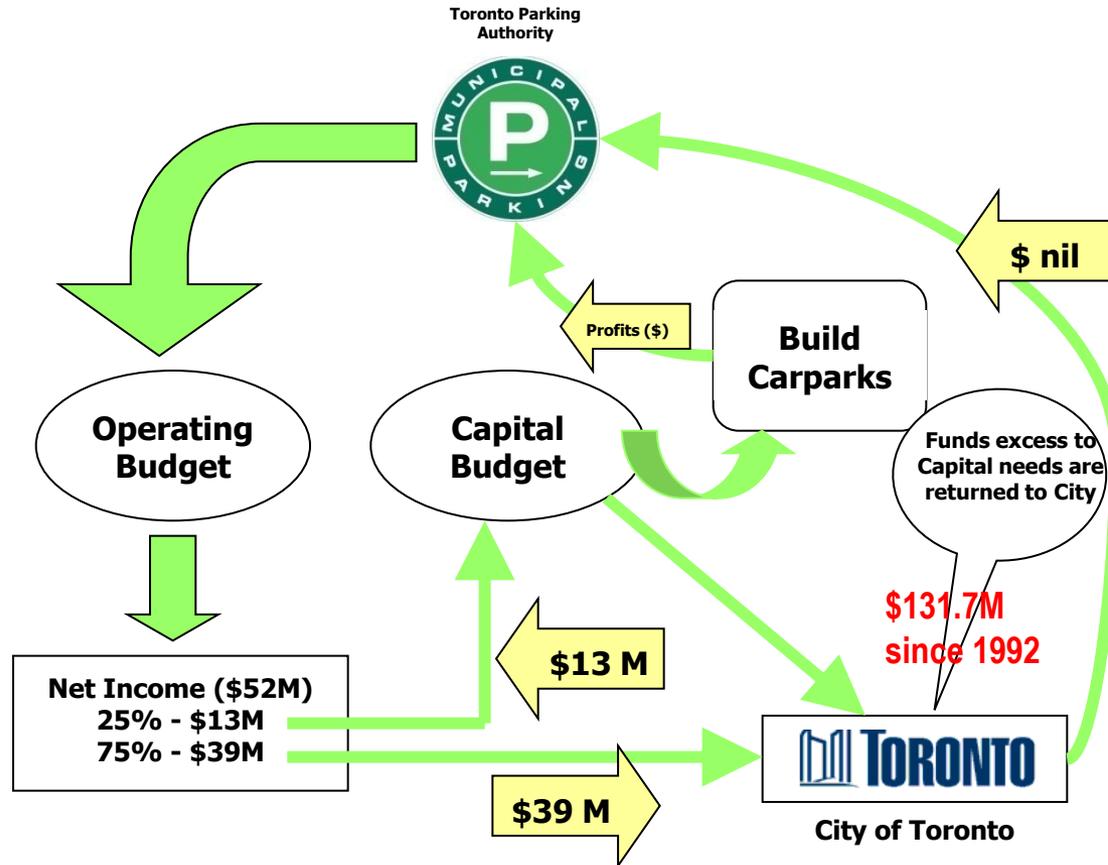
- 1,000 bicycles
- 80 docking stations



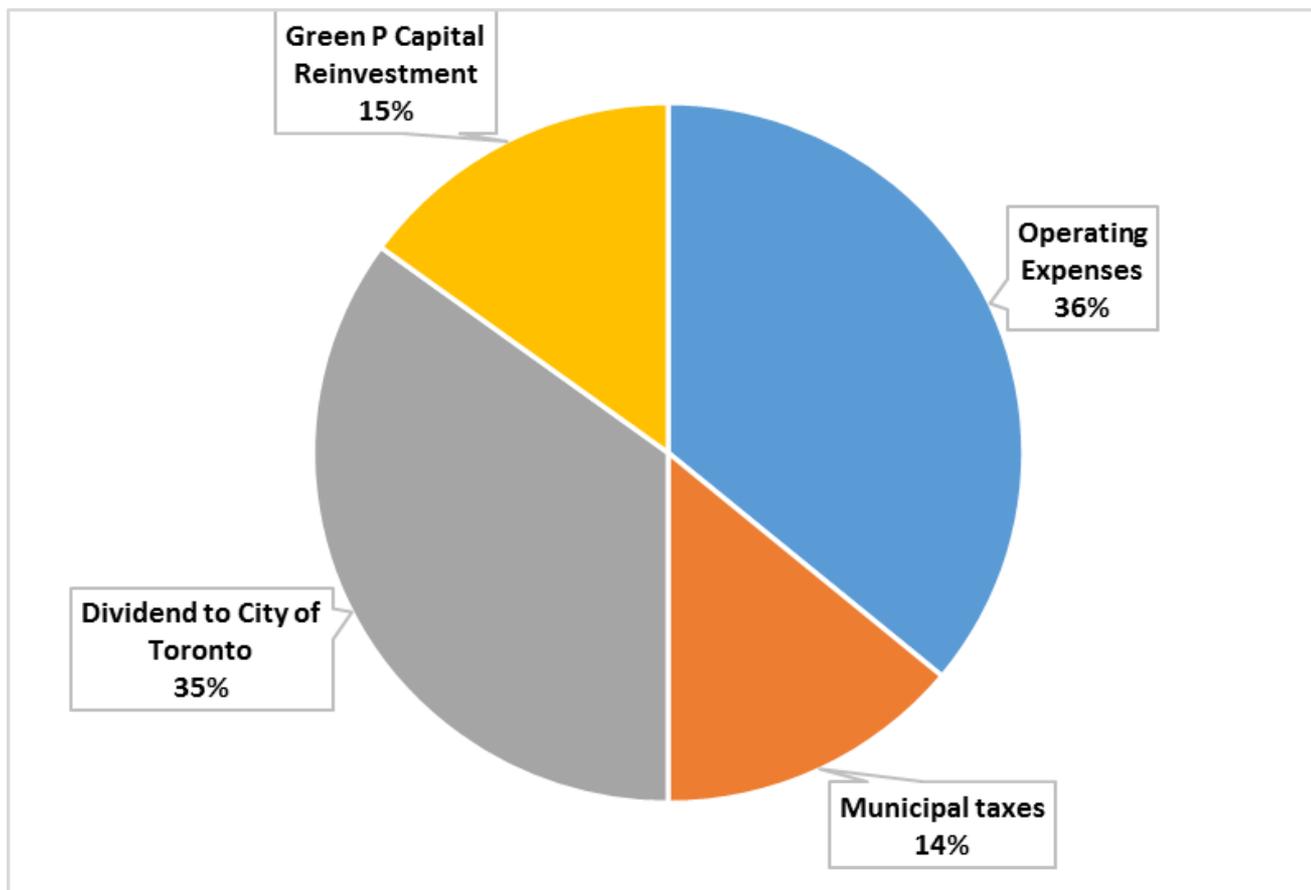
2015 Service Deliverables

- On-Street Parking
 - ✓ Managing an estimated 19,500 on-street spaces controlled by pay-and-display machines and meters.
 - ✓ Continuing to improve customer service by providing alternative payment options and services at lower costs through environmentally friendly technology (solar power) and automation.
- Off-Street Parking
 - ✓ Maintaining approximately 22,800 off-street spaces which include: 12 attended lots, 13 fully automated garages, and, 180 unattended lots.
 - ✓ Continuing to operate, on behalf of the TTC, roughly 14,000 spaces at their park-and-ride facilities and parking lots, 2,000 seasonal spaces on behalf of Parks, Forestry & Rec, and 1,100 spaces on behalf of the TCHC.
- Bike Share
 - ✓ Managing the Toronto Bike Share Program which has 1,000 bicycles utilizing 80 stations throughout the City.

Connecting the Operating and Capital Budgets



Where each Green P Revenue Dollar is Spent



Source: 2013 TPA Annual Report

2014 Accomplishments



- Opened and/or began construction on 7 new carparks representing a supply of 547 parking spaces.
- Acquired 2 new properties for future development of 46 spaces supporting neighbourhood revitalization efforts. Entered into 3 management agreements to operate an additional 90 spaces
- Unveiled Green P + greening program (Jolly Miller and 251 Claremont lots received IPI awards of excellence, 87 Richmond supporting Toronto's StreetARToronto program).
- Entered into a partnership with Toronto Community Housing Corporation to operate the TCHC's visitor parking areas, comprising about 1,100 spaces on 45 sites.
- Mobile Payment project – completed RFP , vendor selection and contracting processes. Application build well underway for a 2015 phased roll out.
- Fieldworker asset management system put into live use.
- Bixi Bike transformed to Bike Share Toronto. New management, new operator, new corporate sponsor.
- Pilot programs – Parking Guidance System (Queen\Victoria), Food Trucks on Green P lots and Motorcycle\Scooter Parking Zones.



2014 Estimated Financial Results

in \$ 000's	2014 Est.		2014 Budget		2014 Est. Vs 2014 Bud	
	2014 Est.	2014 Budget	\$	% Change	\$	% Change
Off-Street Parking Revenue	(78,911)	(80,735)	1,824	-2.3%		
On-Street Parking Revenue	(48,910)	(53,175)	4,265	-8.0%		
Total Parking Revenues	(127,821)	(133,910)	6,089	-4.5%		
Expenses	75,283	76,106	(823)	-1.1%		
Net expenditure before Other	(52,538)	(57,804)	5,266	-9.1%		
Other revenue	(5,077)	(4,526)	(551)	12.2%		
Net expenditure	(57,615)	(62,330)	4,715	-7.6%		
Allocation of Net expenditure						
To City held reserve	(82)	(190)	108	-56.8%		
To City - income share	(43,124)	(46,565)	3,441	-7.4%		
Retained by TPA for capital funding	(14,409)	(15,575)	1,166	-7.5%		
Net expenditure	(57,615)	(62,330)	4,715	-7.6%		

Key Points:

- Road construction, route restrictions, street events had a significant negative impact on parking revenues.
- Expenses and Other revenue estimated to be better than budget.

2015 Recommended Budget Vs 2014 Estimated Financial Results



in \$ 000's			2015 Bud Vs 2014 Est	
	2015 Budget	2014 Est.	\$	% Change
Off-Street Parking Revenue	(80,256)	(78,911)	(1,345)	1.7%
On-Street Parking Revenue	(48,398)	(48,910)	512	-1.0%
Total Parking Revenues	(128,654)	(127,821)	(833)	0.7%
Expenses	81,070	75,283	5,787	7.7%
Net expenditure before Other	(47,584)	(52,538)	4,954	-9.4%
Other revenue	(4,662)	(5,077)	415	-8.2%
Net expenditure	(52,246)	(57,615)	5,369	-9.3%
<u>Allocation of Net expenditure</u>				
To City held reserve	(482)	(82)	(400)	487.8%
To City - income share	(38,783)	(43,124)	4,341	-10.1%
Retained by TPA for capital funding	(12,981)	(14,409)	1,428	-9.9%
Net expenditure	(52,246)	(57,615)	5,369	-9.3%

Key Points:

- Continued pressure on Parking Revenues expected in 2015.
- Enhanced service offerings, increased facility maintenance costs and cost of living – pressure on operating costs.

2015 Recommended Budget Vs 2014 Approved Budget



in \$ 000's				2015 Bud Vs 2014 Bud	
	2015 Budget	2014 Budget	2014 Est.	\$	% Change
Off-Street Parking Revenue	(80,256)	(80,735)	(78,911)	479	-0.6%
On-Street Parking Revenue	(48,398)	(53,175)	(48,910)	4,777	-9.0%
Total Parking Revenues	(128,654)	(133,910)	(127,821)	5,256	-3.9%
Expenses	81,070	76,106	75,283	4,964	6.5%
Net expenditure before Other	(47,584)	(57,804)	(52,538)	10,220	-17.7%
Other revenue	(4,662)	(4,526)	(5,077)	(136)	3.0%
Net expenditure	(52,246)	(62,330)	(57,615)	10,084	-16.2%
<u>Allocation of Net expenditure</u>					
To City held reserve	(482)	(190)	(82)	(292)	153.7%
To City - income share	(38,783)	(46,565)	(43,124)	7,782	-16.7%
Retained by TPA for capital funding	(12,981)	(15,575)	(14,409)	2,594	-16.7%
Net expenditure	(52,246)	(62,330)	(57,615)	10,084	-16.2%

Key Points:

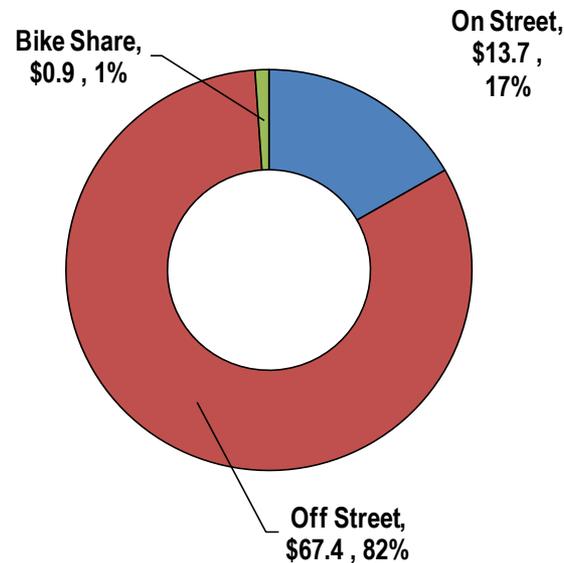
- Continued pressure on Parking Revenues expected in 2015.
- Enhanced service offerings, increased facility maintenance costs and cost of living – pressure on operating costs.

Recommended Gross Operating Budget - Expenses by Service Deliverable



\$82.0 Million

On Street	Off Street	Bike Share	Total
\$13.7	\$67.4	\$0.9	\$82.0

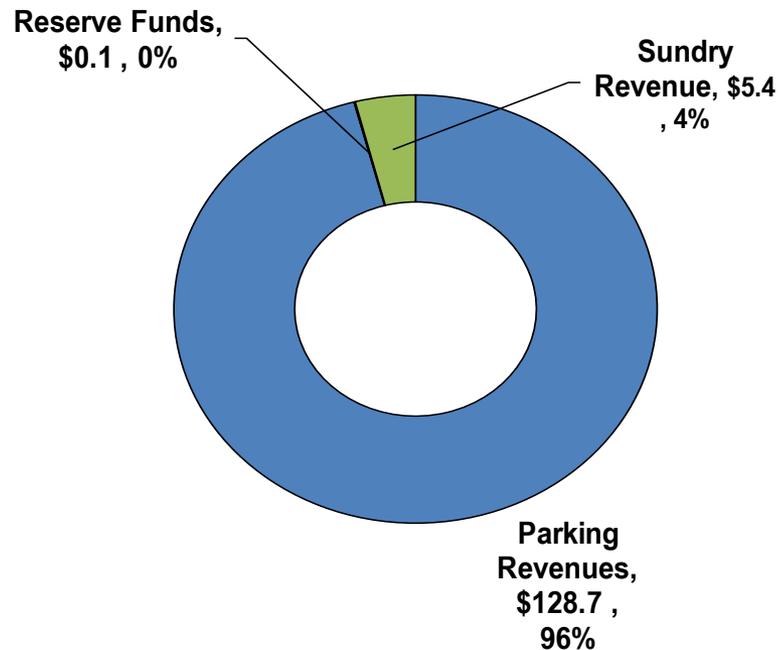


Recommended Operating Budget - Sources of operating funds



\$134.3 Million

Parking Revenues	Reserve Funds	Sundry Revenue	Total
\$128.7	\$0.1	\$5.4	\$134.2





Recommended 2015 Net Operating Budget

(\$000s)	2014 Budget		2015 Budget		Change from 2014 Over (Under)			
	Gross	Net	Gross	Net	Gross		Net	
					\$	%	\$	%
On Street Parking	11,500	(41,674)	13,679	(34,719)	2,179	18.9%	6,955	(16.7%)
Off Street Parking & Other	64,606	(20,656)	67,392	(17,527)	2,786	4.3%	3,129	(15.1%)
Bike Share	0	0	913	0	913	0.0%	0	
Agency Total	76,106	(62,330)	81,984	(52,246)	5,878	7.7%	10,084	(16.2%)

Key Points:

- \$ 4.8M or 69% of the On Street change from 2014 relates to pressure on On Street Parking Revenues.
- \$ 0.5M or 15% of the Off Street change from 2014 relates to pressure on Off Street Parking Revenues.
- Bike Share is a new TPA service offering and was not budgeted in 2014.

Net Operating Budget and Staff Changes - 5 Year Overview



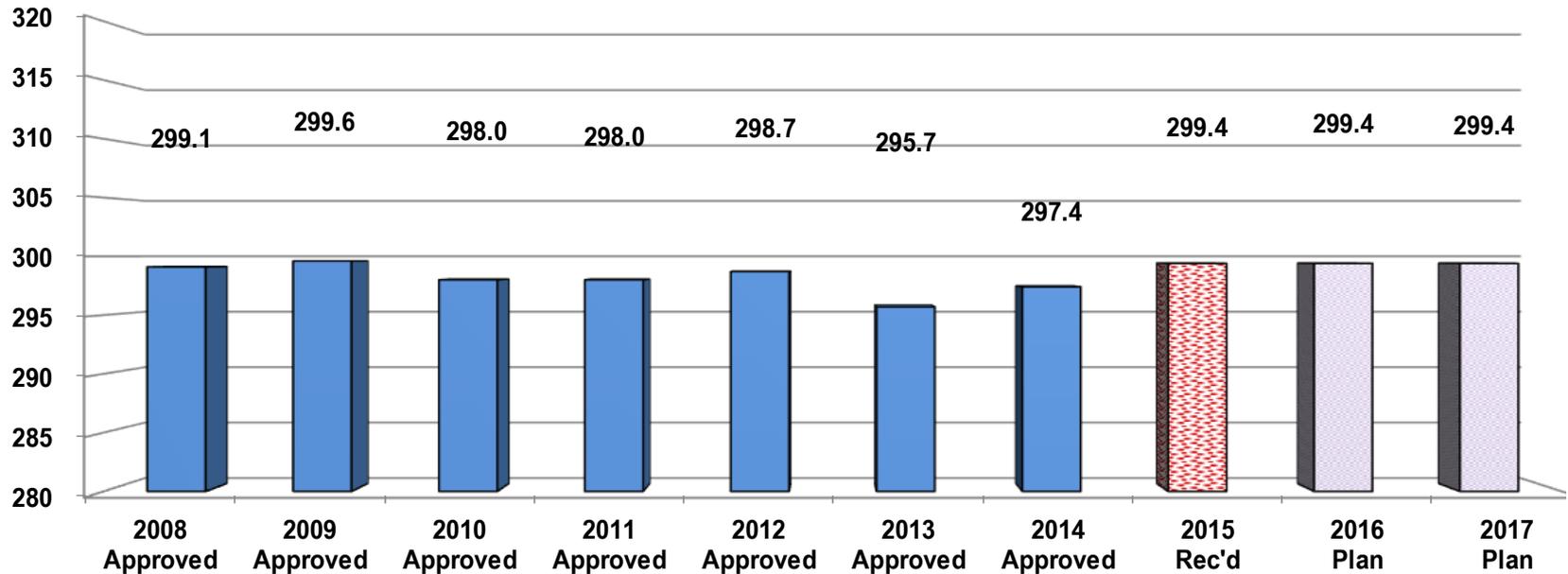
	Approved Budget					Estimate	Rec'd Base
	2010	2011	2012	2013	2014	2014	2015
Parking & Other Revenue	(122,387)	(122,645)	(125,010)	(135,398)	(138,436)	(132,898)	(133,316)
Expenses	68,735	70,895	72,327	72,217	76,106	75,283	81,070
Approved Net Budget (\$000's)	(53,652)	(51,750)	(52,683)	(63,181)	(62,330)	(57,615)	(52,246)
Net Change from Prior Yr Budget	894	1,902	(933)	(10,498)	851		10,084
% Change from Prior Year Budget	-1.6%	-3.5%	1.8%	19.9%	-1.3%		-16.2%
Approved Complement	298.0	298.0	298.7	295.7	297.4	297.4	299.4
Net Change	(1.6)	-	0.7	(3.0)	1.7		2.0
% Change in Staff Complement	-0.5%	0.0%	0.2%	-1.0%	0.6%		0.7%

Key Changes in 2015:

- Permanent and temporary closure of parking spaces including CP 1, 52, 108, 217, 650, 664 and 262 in 2015 result in an estimated Off Street revenue loss of \$1.753M – offset in part by \$1.119M of expected revenue from new Carpark openings.
- Loss of on-street parking spaces due to on-going City wide construction activities, as well as other competing road uses, including other modes of transportation, street events and variety of City initiatives in 2015, result in a decrease of revenues of \$4.929 million.
- New and enhanced services to be implemented in 2015 such as Mobile Phone Payment and Pay & Display Refurbishment Programs totaled \$2.516 million.



Staffing Efficiency



Key Points:

- Staffing levels in the 10 year period remained steady, with less than 1% increase.
- Over the same period of time the number of carparks have increased 12% and revenues have increased 14%.

2015 Recommended Operating Budget:

Key Drivers (in \$000's)



Gross Expenditure Changes	
Economic Factors	
Economic Factors - Non Labour	760.1
COLA and Progression Pay	
Economic Factors - COLA and Fringe benefit changes	821.1
Service Changes	
Bike Share cost	913.1
Other Base Changes	
Maintenance Cost	258.6
Legal Cost , Insurance and Municipal Taxes	423.6
Utilities - due to usage and higher rates	461.1
Increase in Rents for Managed and New Lots	348.9
Changes in Depreciation expense	(459.9)
Gateway in 2014, nil for 2015	(183.5)
Net other Changes	(138.0)
Increase in Rents for Managed and New Lots	348.9
Total Changes	3,554.0
Revenue Changes	
On going road closures due to construction, filming and other events	(4,264.6)
Downtown Traffic Operations Study on Queen Street	(446.8)
Closure of Carparks, temporary and permanent	(1,752.7)
Net other general decrease	(99.4)
Bike share recoveries	913.1
Total Changes	(5,650.4)
Net Expenditures	9,204.4
New and Enhanced Services	2,517
New Carpark revenue and other income	(1,444)
Other - cost saving initiatives	(193)
Net Expenditure Variance	10,084.3

Recommended New / Enhanced Service Priorities



Description	2015 Recommended			Net Incremental Impact			
	Gross Expenditures	Net Expenditures	New Positions	2016 Plan		2017 Plan	
				Net Expenditure	# Positions	Net Expenditure	# Positions
Enhanced Services Priorities							
IT expense for Mobile Phone Payment	323.9	323.9		6.8		6.9	
Signage for Mobile Phone Payment	850.0	850.0		(850.0)			
Pay & Display refurbishment	1,342.7	1,342.7		42.6		(1,257.4)	
Sub-Total	2,516.6	2,516.6	-	(800.6)	-	(1,250.5)	-
New Service Priorities							
(a) New Services							
(b) New Fees							
Sub-Total	-	-	-	-	-	-	-
Total	2,516.6	2,516.6	-	(800.6)	-	(1,250.5)	-



User Fee Changes - Highlights

Fee Description	2014 Fee	Recommended 2015 Fee	% Increase	Incremental Revenue (\$000's)
On-Street Parking	\$3.54 max per hour	\$3.54 max per hour	Nil	Nil
Total Incremental Revenue				-

- The last On-Street rate review took place 2011 with implementation effective 2012 & 2013.
- An On-Street rate review is planned for 2015 with implementation targeted for Q4 2015.

2016 and 2017 Plans



Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
COLA and Fringe Benefits	407.4		407.4	0.5%						
Annualization	(800.6)		(800.6)	-1.0%		(1,250.4)		(1,250.4)	-1.6%	
Sub-Total	(393.2)	-	(393.2)	-0.5%	-	(1,250.4)	-	(1,250.4)		-
Anticipated Impacts:										
Inflationary Increases - Non-Labour	125.9		125.9	0.2%		78.1		78.1	0.1%	
Depreciation Expense	702.0		702.0	0.9%		712.0		712.0	0.9%	
Sub-Total	827.9	-	827.9	1.0%	-	790.1	-	790.1	1.0%	-
Total Incremental Impact	434.7	-	434.7	0.5%	-	(460.3)	-	(460.3)	-5.0%	-

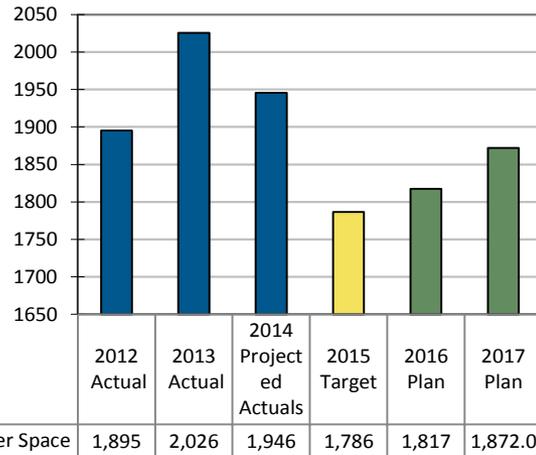


2015 Recommended Service Levels



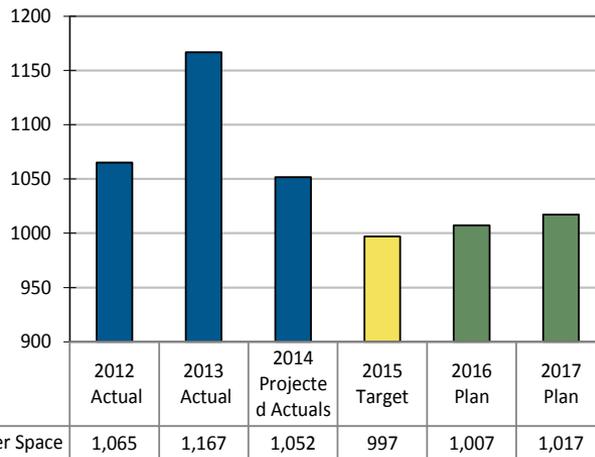


Service Performance



On-Street Trend:

- Net income per on-street parking space has grown since 2009. However, since 2014 revenues are on decline, as a result of other road uses, on-going road construction, and available hours of use.
- The continued utilization of new technologies is expected to return a greater income per parking space in the future.



Off-Street Trend:

- Starting in 2014 net income per space is on a decline.
- The ability to maintain historically high off-street profit margins is becoming more difficult with the increased mix of lower margin managed lots and with increased operating costs.
- The continued utilization of new technologies is expected to return a greater income per parking space in the future.



2015 Key Service Levels

Service Level Description		2012	2013	2014	2015
On Street Parking	Approved	(34,143.3)	(41,540.2)	(41,674.3)	(34,719.2)
	Actual	(41,674.2)	(39,242.5)	(37,752.7)	n.a.
Off Street Parking	Approved	(18,539.7)	(21,641.1)	(20,655.5)	(17,526.5)
	Actual	(16,649.8)	(20,752.1)	(19,861.6)	n.a.
Bike Share	Approved			-	-
	Actual			-	n.a.

- 2012, 2013 actuals, 2014 represents a preliminary estimate.
- Results above do not include gains from the sale of property. See attached for the history of TPA distributions to the City which do include gains from the sale of property.
- 2015 will represent historic profitability for the TPA when including gains from the sale of property.

Issues, Opportunities, and Priority Actions

▪ Service Issues

- ✓ Satisfying short-term parking needs in an environment of increasing land and development costs.
- ✓ Impact of road construction and closures (Gardiner, Eglinton)
- ✓ Policy initiatives and transportation trends – the competing demand for On-Street curb space \ availability.
- ✓ Keeping pace with technology advancements related to customer parking experience (ease of use, payment methodologies).

▪ Service Opportunities

- ✓ Leverage land values through Joint Venture redevelopment with private sector as a means of funding an increase in parking supply.
- ✓ Use of mobile payment technology to increase customer convenience and lower operating costs.
- ✓ Expansion of Bike Share program as integral component of City's transportation strategy.

▪ Priority Actions to address Issues and Opportunities

- ✓ The 10 year Capital plan includes 12 potential Joint Venture arrangements.
- ✓ Increase collaboration amongst City departments to minimize negative impact on parking revenues, where feasible.
- ✓ Implementation of mobile payment application.
- ✓ Selectively raising On Street rates, extending On Street charging hours, and exploring new On Street parking locations.
- ✓ Expansion of Bike Share Program subject to completion of feasibility study.

Thank You





Additional Information





Net Expenditures Returned to the City since 1992

YEAR	Return of Earnings			Other Payments		GRAND	
	Income	Special Dividend	Subtotal	Property Taxes	Rents	TOTAL	
1992	2,138,140	25,000,000	27,138,140	6,322,000	Amounts for earlier years not researched	33,460,140	
1993	3,773,206	7,260,055	11,033,260	5,735,000		16,768,260	
1994	3,271,147	3,728,854	7,000,000	5,662,000		12,662,000	
1995	3,323,295	8,676,705	12,000,000	6,296,000		18,296,000	
1996	2,000,000	12,935,000	14,935,000	6,393,000		21,328,000	
1997	4,754,865	-	4,754,865	6,646,000		11,400,865	
1998	9,284,426	16,136,514	25,420,940	7,406,000		320,000	33,146,940
1999	16,632,356	14,000,000	30,632,356	7,451,000		500,000	38,583,356
2000	25,766,438	-	25,766,438	7,647,000		500,000	33,913,438
2001	25,947,675	-	25,947,675	13,045,284		725,000	39,717,959
2002	28,736,417	-	28,736,417	13,916,862	850,000	43,503,279	
2003	29,255,514		29,255,514	13,395,907	940,000	43,591,421	
2004	34,265,783	2,000,000	36,265,783	13,250,489	800,000	50,316,272	
2005	30,608,259	-	30,608,259	13,018,111	700,000	44,326,370	
2006	32,719,027	-	32,719,027	14,122,927	900,000	47,741,954	
2007	34,710,323	-	34,710,323	14,844,997	1,300,000	50,855,320	
2008	53,175,677	20,000,000	73,175,677	15,034,213	1,700,000	89,909,890	
2009	45,888,095	10,000,000	55,888,095	15,419,536	1,700,000	73,007,631	
2010	59,293,443	-	59,293,443	18,097,007	1,700,000	79,090,450	
2011	42,749,302	-	42,749,302	19,019,000	1,700,000	63,468,302	
2012	43,612,502	12,000,000	55,612,502	18,358,000	1,700,000	75,670,502	
2013	44,906,555		44,906,555	18,771,041	2,098,000	65,775,595	
2014 est	43,123,325		43,123,325	18,669,999	2,098,000	63,891,324	
2015 bud	87,626,214		87,626,214	19,124,633	1,959,000	108,709,847	
GRAND TOTALS	707,561,983	131,737,128	839,299,109	297,646,006	22,190,000	1,159,135,115	