



**STAFF REPORT
ACTION REQUIRED**

**Nathan Phillips Square Bike Station – Administrative
Inquiry IA 23.2**

Date:	March 19, 2013
To:	Government Management Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	Ward 20
Reference Number:	P:\2013\Internal Services\Fp\Gmc13011Fp (AFS #17312)

SUMMARY

The purpose of this report is to respond to the Government Management Committee's request for a report back on amending the income sharing agreement between the Toronto Parking Authority and the City that includes waiving the rental for bike parking for the City Hall and other possible sites.

The Toronto Parking Authority is a public corporation owned by the City of Toronto. It is responsible for providing safe, attractive, self-sustaining, conveniently located, well maintained and competitively priced on-street and off-street parking in support of local communities and business areas across the City. According to the existing Income Sharing Agreement, net income earned by the Toronto Parking Authority is shared between the City and the Toronto Parking Authority. The City's share of revenue is included in the Non-Program Budget and used to fund the City's operations. The income retained by the Toronto Parking Authority is used to fund its multi-year capital program.

Any amendment to the current Income Sharing Agreement to waive revenues for bike parking for the City Hall site and other possible sites, would reduce the Toronto Parking Authority's future revenues and divert from its public mandate of providing self-sustaining and competitively priced on-street and off-street parking to other City initiatives outside its mandate . These initiatives should be addressed through the regular operating and capital budget processes as appropriate, by program areas which are responsible for their delivery, rather through amendments to the Income Sharing Agreement with the Toronto Parking Authority.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. The Government Management Committee receive this report for information.

Financial Impact

Adoption of the recommendations of this report will not result in any financial impact beyond what is already included in the City-wide 2013 Operating and Capital Budgets.

Amending the current Income Sharing Agreement to waive revenues for bike parking for the City Hall site (\$70,000) and other possible sites, would require the Toronto Parking Authority to compensate for any associated operating costs and required contribution to its 10-Year Capital Plan from other revenues. This would result in a further revenue loss to the City, which will have to be recovered through future tax increases, additional revenue increases elsewhere in the City's Operating Budget if available, or corresponding expenditure reductions.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council, on May 8 and 9, 2012, refereed Administrative Inquiry IA23.2 from Councillor Joe Mihevc, Ward 21, St. Paul's, regarding the Nathan Phillips Square Bike Station and Answer IA23.2a from the City Manager to the Government Management Committee for consideration.

The Government Management Committee received the Inquiry for information and requested a report back from the City Manager on amending the income sharing agreement between the Toronto Parking Authority and the City that includes waiving the rental for bike parking for the City Hall and other possible sites.

Referral and Administrative Inquiry Report and Attachments from City Council on Nathan Phillips Square Bike Station (May 14, 2012) is available at <http://www.toronto.ca/legdocs/mmis/2012/gm/bgrd/backgroundfile-47325.pdf>

A copy of the Government Management Committee decision is available at <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.GM15.2>

ISSUE BACKGROUND

The City Hall Bike Station design was completed through the design process for the NPS Revitalization Project. The construction of the Bike Station would have occupied 24 car parking spaces in the TPA underground garage. In addition to approximately \$1.2 million in required capital funding, the ongoing operating cost to compensate the Toronto Parking Authority at market value was estimated is \$70,000 annually.

Since there were several other bike stations (Victoria Park Subway Station, Pape Subway Station, Union Station Revitalization, Finch West Subway Station) in various stages of design and construction, Transportation Services felt it was prudent to complete and operate these additional bike stations before constructing the Nathan Phillips Square Bike Station and the project was deferred.

COMMENTS

According to the existing Income Sharing Agreement, a net income earned by the Toronto Parking Authority is shared between the City and the Toronto Parking Authority based on the 75% (City share) : 25% (TPA share) income sharing formula. The City's share of revenue is included in the Non-Program Budget and used to fund the City operations while the income retained by the Toronto Parking Authority is used to fund its multi-year capital program.

Should the current Income Sharing Agreement be amended to waive revenues for bike parking for the City Hall site (\$70,000) and other possible sites, the Toronto Parking Authority would have to compensate for any associated operating costs and required contribution to its 10-Year Capital Plan from other revenues. In turn, this would result in a further revenue loss to the City, which would have to be recovered through future tax increases, additional revenues if available or corresponding expenditure reductions.

As a public corporation owned by the City of Toronto, the Toronto Parking Authority is responsible for providing safe, self sustaining and competitively priced off-street and on-street public parking and should continue to focus on its public mandate. Accordingly, individual City projects and initiatives should be addressed through the regular operating and capital budget process as appropriate, rather than reducing the Toronto Parking Authority's revenue capacity to fulfill its public mandate through amendments to the Income Sharing Agreement.

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