

BUDGET **TO**



Toronto Parking Authority

2022 Operating Budget and 2022-2031 Capital Budget & Plan

Briefing to Budget Committee

November 3rd, 2021

Toronto Parking Authority Services

- TPA is North America's largest municipally owned parking and bike share operator, generating pre-pandemic revenue of \$156.7 million and \$75.6 million in profit and contributing over \$1.36 billion to the City since 2000.
- TPA executes over 34 million customer transactions across a portfolio of 18,000+ on-street and over 40,000+ off-street parking spaces at 307 locations.
- Bike Share, North America's third largest system, currently operates across 200 square kilometers in 20 of Toronto's wards and includes 6,850 bikes deployed at 625 stations and has over 460,000 members.

Toronto Parking Authority Outcomes

Toronto Parking Authority contributes to the overall quality of life, but more particularly Toronto Parking Authority's desired outcomes are:



Convenient, safe public parking including growing EV charging services, on-street and off-street with over 300 locations and 40,000 spaces combined for TPA locations



Accessible, and affordable bike share mobility solutions (B2C/B2B)

Overview

Description

TPA is North America's largest municipally owned parking and bike share operator, generating pre-pandemic revenue of \$156.7 million and \$75.6 million in profit and contributing over \$1.36 billion to the City since 2000. TPA executes over 34 million customer transactions across a portfolio of 18,000+ on-street and over 40,000+ off-street parking spaces at 307 locations. Bike Share, North America's third largest system, currently operates across 200 square kilometers in 20 of Toronto's wards and includes 6,850 bikes deployed at 625 stations and has over 460,000 members.

Why We Do It

Our Vision: To become the world's best provider of sustainable parking, bike share and integrated mobility solutions for our customers, our partners, and our City.

Our Approach: One Vision, One Team, One City!

Our Mandate: To provide safe, attractive, self-sustaining, conveniently located and competitively priced on and off-street parking and bike share services as integral components of Toronto's transportation and mobility systems.

What Services We Provide

Municipal Parking Services

Who We Serve: Local business, Residents, Visitors / Tourists

What We Deliver: Convenient, safe public parking including growing EV charging services, on-street and off-street with over 300 locations and 40,000 spaces combined for TPA locations

How Much Resources (gross operating budget): \$95.5 Million

Parking Management Services

Who We Serve: City Agencies and growing private sector channels including property owners, developers, hospitality and service industry

What We Deliver: Convenient, safe public parking with 20,700 spaces

How Much Resources: included above

Bike Share Toronto

Who We Serve: Residents, Visitors / Tourists

What We Deliver: Accessible, and affordable bike share mobility solutions (B2C/B2B)

How Much Resources (gross operating budget): \$10.4 Million

2022 Budget Overview

Operating Budget							
\$ Thousands	2021 Budget	2021 Projection *	2022 Budget	Chg from 2021 Proj.		OUTLOOKS	
				\$	%	2023	2024
Revenues	\$93,487	\$82,117	\$120,301	\$38,184	46.5%	\$164,290	\$170,459
Gross Expenditures	\$95,724	\$91,622	\$105,900	\$14,278	15.6%	\$111,999	\$115,316
Net Expenditures	\$2,237	\$9,504	(\$14,401)	(\$23,906)	-251.5%	(\$52,291)	(\$55,143)
Approved Positions**	326.5	N/A	326.5	N/A	N/A	326.5	326.5

*Projection based on 6 Month Variance

**YoY comparison based on approved positions

10 Year Capital Budget & Plan			
\$ Thousands	2022	2023-2031	Total
Gross Expenditures	\$35,200	\$166,276	\$201,476
Federal Funding	\$280	\$9,365	\$9,645
Other Funding	\$34,920	\$156,911	\$191,831

Note: Includes 2021 carry forward funding

How Well We Are Doing

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Outcome Measures								
Off-Street Parking	Parking transaction volume	12.1M	6.4M	6.7M	5.9M	●	8.5M	11.5M
On-Street Parking	Parking transaction volume	19.5M	11.0M	9.6M	8.0M	●	14.7M	18.5M
Bike Share	Ridership	2.4M	2.9M	3.3M	3.4M	●	3.5M	3.7M

How Well We Are Doing

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Service Level Measures								
Off-Street Parking	Occupancy of available spaces in established areas	85%	50%	50%	49%	●	70%	85%
On-Street Parking	Occupancy of available spaces in established areas	80%	50%	50%	43%	●	75%	80%
Bike Share	Bicycle fleet availability	80%	80%	80%	80%	●	80%	80%
Other Measures								
Off-Street parking	Parking Revenue per Space	\$4.4K	\$2.4K	\$2.5K	\$2.1K	●	\$3.0K	\$4.4K
On-Street Parking	Parking Revenue per Space	\$3.1K	\$1.8K	\$1.6K	\$1.3K	●	\$2.4K	\$3.1K
Bike Share	Membership	\$211K	\$463K	\$415K	\$556K	●	\$584K	\$612K

2022 Key Risks and Challenges

COVID-19 Impact

- Parking revenue is anticipated to grow 55% over 2021 assuming a successful vaccine roll out will reduce the need for further City lockdowns
- 2022 parking revenue is expected to recover to 72% of pre-pandemic (2019) levels supported primarily by the return of commuter traffic
- Overall, 2022 spending is expected to increase due to:
 - Higher direct operating costs associated with increased revenue, including payment transaction processing and profit-based rent,
 - Returning budget to full staff complement to support strategic objectives,
 - Expanding facility security coverage to address increasing vandalism and ensure customer safety
 - Expanding facilities cleaning, repairs and maintenance service levels to meet customer expectations and protect staff health and safety, and
 - Investing in technology to improve operational efficiency and customer experience

Other Risks and Challenges

- City-wide approach to parking strategy required to support short-term decision making; and modernization of operations, infrastructure and customer facing investments;
- Off-street infrastructure requires significant capital investments to improve structural integrity, safety and security of the premises, wayfinding and technology;
- Evolving mobility trends and market forecasting that 50% of all vehicles sold in Ontario by 2025 will be electric; by 2030, there is a 90%+ probability that all vehicles sold in Canada will be electric. Future operations will need to be supported through modern chargers deployed at TPA parking spots;
- TPA may face challenges to attract, develop and retain a workforce that has the appropriate skills and capabilities to deliver our transformation mandate over the next five-year period;
- Uncertain mid-term pandemic impact on traffic patterns negatively delaying return to 2019 revenue, profit and cash flow performance levels.

2022 Priority Actions

Priority Actions for 2022

TPA is focused on five strategic priorities:

- 1. Build a Great Place to Work:** Transform Health and Safety Culture; Structure for Success, Talent Review and Development, Staff Engagement Strategy/Implementation; Performance Management, Elevate Diversity and Inclusion.
- 2. Strengthen the Core, Execute with Excellence:** Leverage SAP to drive business process discipline and data insights; robust Asset management focus to improve SOGR/Capital Productivity; “Fix it Right the First Time” operating culture, Establish Executional Framework by Channel of Business, Deploy new wayfinding standards at high value locations; Elevate Security focus to reduce reputational risk and impact on customer retention.
- 3. Accelerate Growth and Financial Sustainability:** Deliver 2022 P&L, Execute Phase One of Multi-Year EV Charging Strategy; Modernize Parking Payment Experience (i.e. E-Commerce, Dynamic Pricing); Strategic Corporate Partners/Sponsors (B2B and B2C); aggressively pursue expanded customer base to accelerate top line growth.
- 4. Connect with our Customers:** Develop new 3-Year Bike Share growth strategy, launch new CX strategy (digital, social media, loyalty, insights, website renovation); launch two “innovation hubs” to prototype industry best practices.
- 5. Engage and Innovate with our Strategic Partners:** Co-create new integrated Relationship framework with City Partners to future proof sustainability (Revenue Share Agreement, Market Value Assessment, Enforcement, City Parking Strategy); Reimagine relationships with our strategic vendors; strategic vs. transactional approach.

2022 Operating Budget Submission

2022 Operating Budget Submission

(In \$000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Base Budget	2022 New / Enhanced	2022 Budget	Change v. 2021 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
On-Street Parking	34,262.0	30,832.0	26,042.8	45,793.2		45,793.2	19,750.4	75.8%
Off-Street Parking	58,602.1	55,245.6	48,438.8	66,389.6		66,389.6	17,950.7	37.1%
Bike Share	5,703.3	7,409.5	7,635.5	8,118.4		8,118.4	482.9	6.3%
Total Revenues	98,567.5	93,487.1	82,117.1	120,301.2		120,301.2	38,184.0	46.5%
Expenditures								
On-Street Parking	9,275.4	10,636.4	9,367.2	10,256.7		10,256.7	889.6	9.5%
Off-Street Parking	67,901.6	75,441.2	72,382.0	85,235.1		85,235.1	12,853.2	17.8%
Bike Share	7,359.1	9,646.5	9,872.5	10,407.9		10,407.9	535.4	5.4%
Total Gross Expenditures	84,536.0	95,724.1	91,621.6	105,899.7		105,899.7	14,278.1	15.6%
Net Expenditures	(14,031.4)	2,237.0	9,504.4	(14,401.4)		(14,401.4)	(23,905.9)	(251.5%)
Approved Positions**	326.5	326.5	N/A	326.5		326.5	N/A	N/A

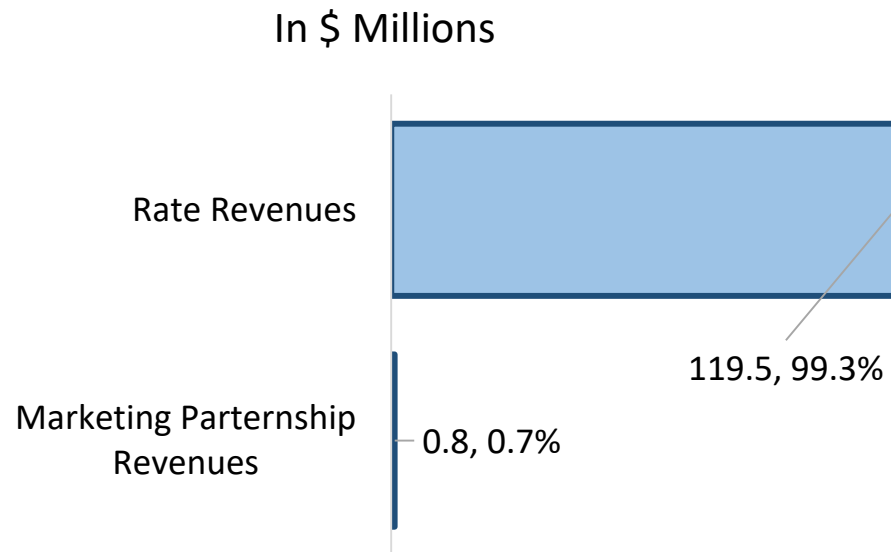
*Projection based on 6 Month Variance

**YoY comparison based on approved positions

How the Budget is Funded

Where the Money Comes From

\$120.3 Million



Key Points

2022 Parking Revenue

- On Street revenue of \$45.8 Million
- Off Street revenue of \$66.4 Million

2022 Rate Increase

Parking rate freeze consistent with other municipalities and to encourage the return of customers

2022 Bike Share

- Bike Share ridership revenue of \$7.3 Million
- Marketing Partnership revenue of \$0.8 Million

2022 – 2031 Capital Budget & Plan Submission

Capital Assets to Deliver Services



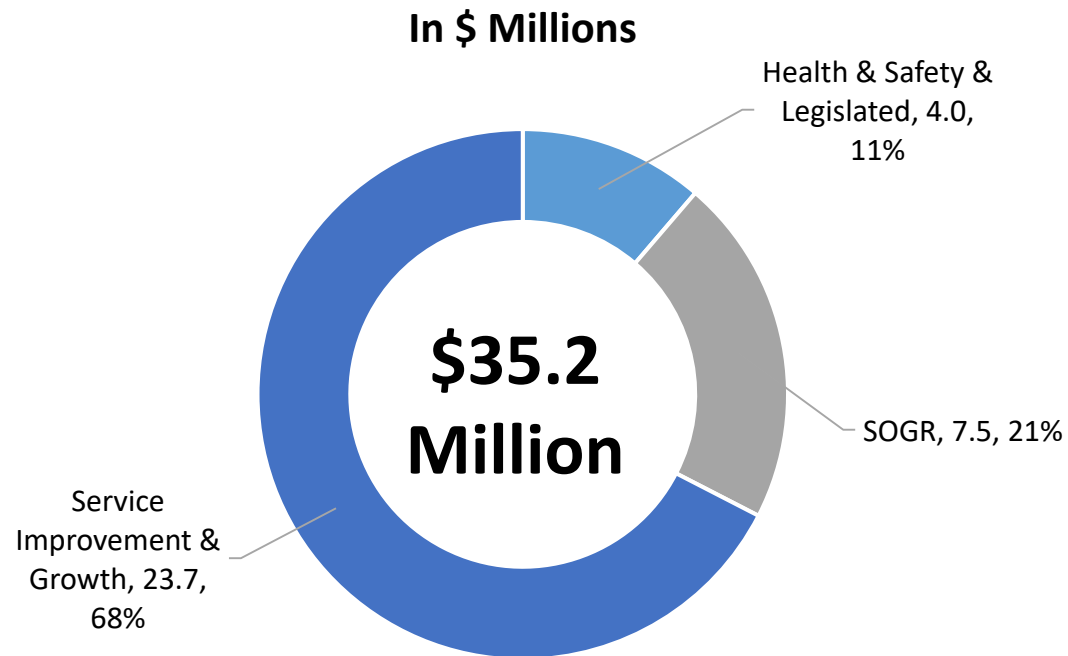
Asset Value – \$219.8 Million

- Property - 139 Parking lots, 26 Garages - \$201.6
- Equipment and Other - \$18.2

2022 Capital Program Breakdown

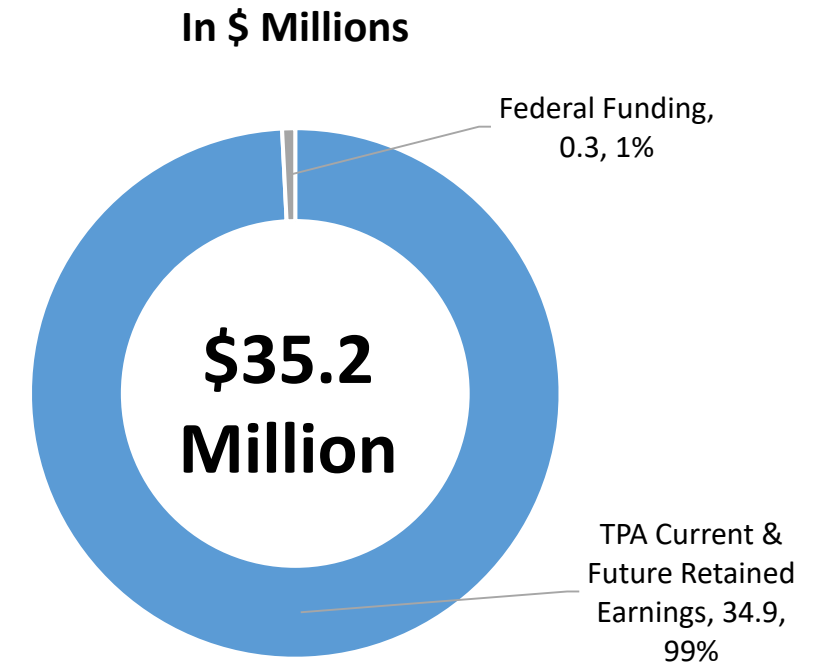
Where the Money Goes

2022 Capital Budget






Where the Money Comes From

2022 Capital Budget



\$201.5 Million 10-Year Gross Capital Program


		
Service Improvement, Enhancement and Growth	Aging Infrastructure/SOGR	Health and Safety
<p>\$110.3 M 54.8%</p>	<p>\$86.7 M 43.0%</p>	<p>\$4.5 M 2.2%</p>
<ul style="list-style-type: none"> • Property acquisitions and JV developments • Bike Share Expansion <input checked="" type="checkbox"/> • TPA & Natural Resources Canada EV Project <input checked="" type="checkbox"/> • New elevators in parking garages • Wayfinding upgrades 	<ul style="list-style-type: none"> • Structural Maintenance • Parking garages waterproof and concrete repairs • Other major repairs to garages and surface lots • Stairwell rehabilitation 	<ul style="list-style-type: none"> • Security Projects (CCTV, Access Control) - Facilities Maintenance • Health and Safety - Safety, Compliance, Improvements

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

- Project includes social procurement spending

*Information above includes full project / sub-project 2022-2031 Budget and Plan cash flows. Does not break out the climate component costs separately

How the 10-Year Capital Program is Funded

Toronto Parking Authority		Federal Funding	
			
\$191.9 M 95.2%		\$9.6 M 4.8%	
Retained Earnings	\$ 169.3 M	NRCAN – ZEVIP (TPA & Natural Resources Canada EV Project)	\$ 2.1 M
Joint Venture / Sale of air rights	\$ 22.6 M	Other (Bike Share Expansion)	\$ 7.5 M

Thank You

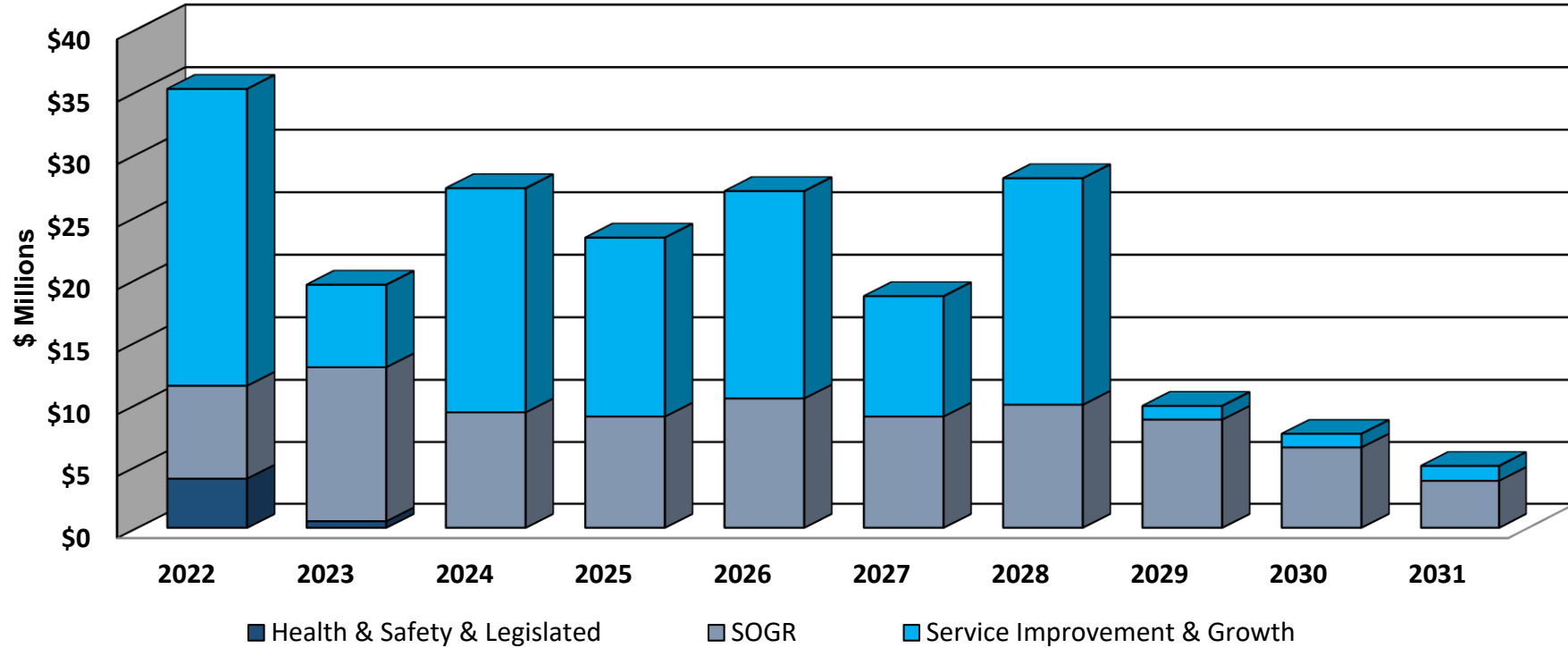
Appendices

COVID-19 Financial Impact - Operating

COVID-19 Impacts	In \$ Thousands			
	2021 Net	2022		
		Revenues	Gross	Net
Revenue Loss				
On Street Parking	(4,789.2)	(19,750.4)		19,750.4
Off Street Parking	(6,806.8)	(17,950.7)		17,950.7
Bike Share	226.0	(482.9)		482.9
Sub-Total	(11,370.0)	(38,184.0)		38,184.0
Expenditure Increase				
On Street Parking			(889.6)	(889.6)
Off Street Parking	(444.9)		(12,853.2)	(12,853.2)
Bike Share	(226.0)		(535.4)	(535.4)
Sub-Total	(670.9)		(14,278.1)	(14,278.1)
Savings due to Underspending				
On Street Parking	1,269.2			
Off Street Parking	3,504.1			
Bike Share				
Sub-Total	4,773.4			
Support from Other Levels of Gov't				
On Street Parking				
Off Street Parking				
Bike Share				
Sub-Total				
Total COVID-19 Impact	(7,267.5)	(38,184.0)	(14,278.1)	23,905.9

Impacts and Recovery
<ul style="list-style-type: none"> • Parking revenue is anticipated to grow 55% over 2021 assuming a successful vaccine roll out will reduce the need for further City lockdowns • 2022 parking revenue is expected to recover to 72% of pre-pandemic (2019) levels supported primarily by the return of commuter traffic • Overall, 2022 spending is expected to increase due to: <ul style="list-style-type: none"> • Higher direct operating costs associated with increased revenue, including payment transaction processing and profit-based rent, • Returning budget to full staff complement to support strategic objectives, • Expanding facility security coverage to address increasing vandalism and ensure customer safety • Expanding facilities cleaning, repairs and maintenance service levels to meet customer expectations and protect staff health and safety, and • Investing in technology to improve operational efficiency and customer experience

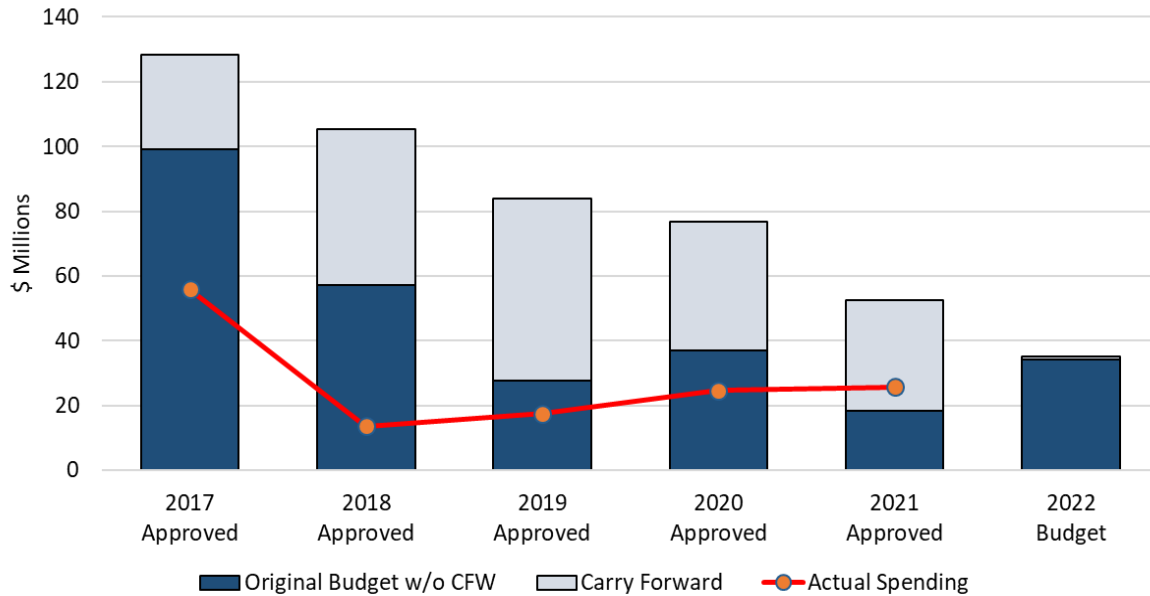
2022 – 2031 Capital Budget & Plan by Project Category



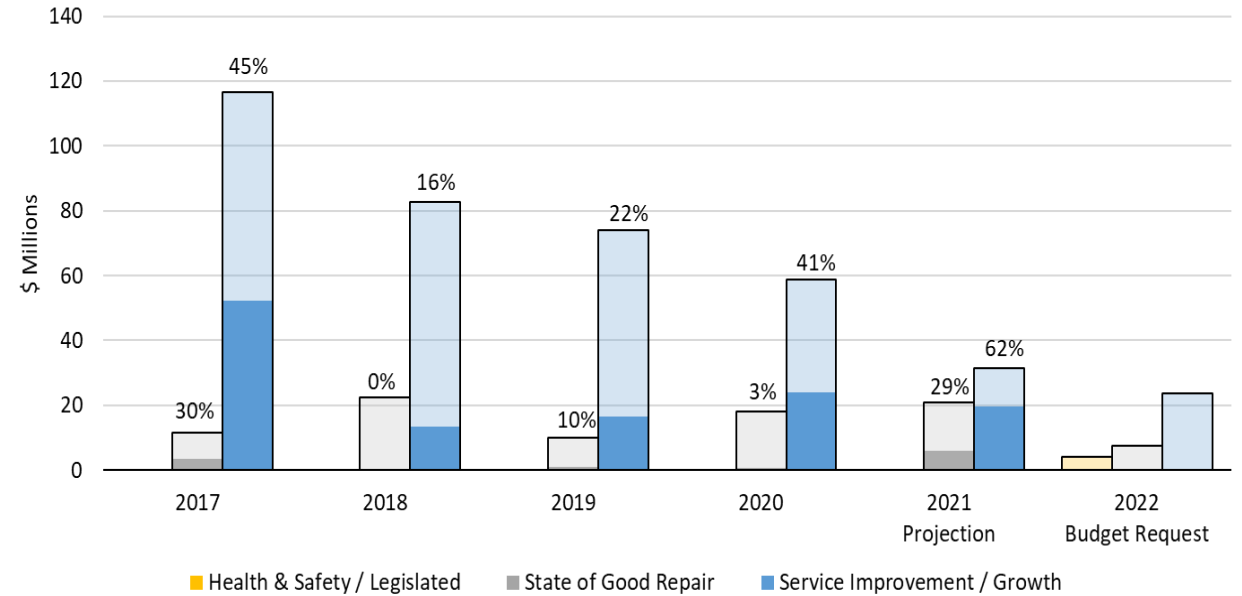
2022 - 2031 Staff Recommended Capital Budget and Plan by Category											
\$ Millions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Health & Safety & Legislated	4.0	0.5									4.5
SOGR	7.5	12.4	9.3	9.0	10.5	9.0	10.0	8.8	6.5	3.8	86.7
Service Improvement & Growth	23.7	6.6	17.9	14.3	16.6	9.6	18.1	1.1	1.1	1.2	110.3
Total	35.2	19.5	27.3	23.3	27.0	18.6	28.1	9.9	7.6	5.0	201.5

Capacity to Spend

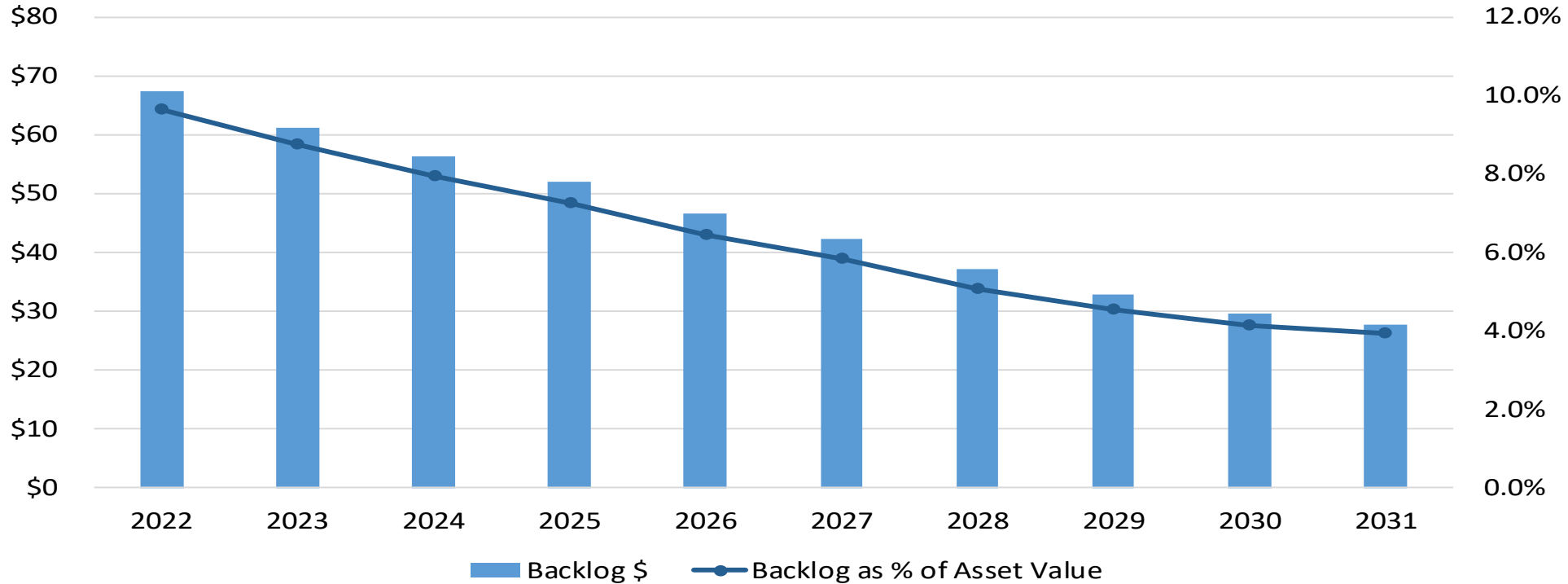
Carry Forward Impact Vs. Capacity to Spend



Budget Vs. Actual Spending by Category



State of Good Repair (SOGGR) Funding and Backlog



\$Millions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Backlog \$	\$67.2	\$61.0	\$56.4	\$51.9	\$46.6	\$42.1	\$37.2	\$32.8	\$29.5	\$27.6
Backlog as % of Asset Value	9.7%	8.7%	8.0%	7.3%	6.4%	5.8%	5.1%	4.5%	4.1%	3.9%

- Assumes that the 2021 year end cash balance of at least \$51.5M, combined with the budgeted and planned net income is sufficient to cover all anticipated capital projects.

Capital Needs Constraints

Project Description	Total Project	Non-Debt	Debt Required	Cash Flow (In \$ Millions)										
				2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
NOT INCLUDED														
<i>Queen East (Kippendavie to Lee)</i>	3.0	3.0		-	-	-	-	3.0	-	-	-	-	-	-
<i>Avenue Rd. - Davenport</i>	2.5	2.5		-	-	2.5	-	-	-	-	-	-	-	-
<i>North York Center -South (Sheppard to Finch)</i>	4.0	4.0		-	-	-	4.0	-	-	-	-	-	-	-
<i>Financial District East of University</i>	10.0	10.0		-	-	-	-	-	-	10.0	-	-	-	-
<i>College/ Dovercourt</i>	2.0	2.0		-	-	-	-	-	-	-	-	-	2.0	-
<i>CP 224 Redevelopment - 34 Hannah Ave</i>	8.0	8.0		-	-	-	-	-	8.0	-	-	-	-	-
<i>Cabbagetown</i>	2.4	2.4		-	-	-	-	-	-	-	-	-	2.4	-
<i>Leslieville (Queen E. of Carlaw/ Coxwell)</i>	4.0	4.0		-	-	-	-	-	-	-	-	-	4.0	-
<i>Bloor/ Dundas</i>	2.9	2.9		-	-	-	-	-	-	-	-	2.9	-	-
<i>Bloor/ Bathurst</i>	8.5	8.5		-	-	-	-	-	-	-	-	8.5	-	-
Total Needs Constraints (Not Included)	47.3	47.3	-	-	-	2.5	4.0	3.0	8.0	10.0	11.4	8.4	-	-