



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Toronto Parking Authority - 2022 Operating Budget and 2022-2031 Capital Budget

Date: September 10, 2021
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report involves the security of property belonging to the City or one of its agencies or corporations.

This report is about labour relations or employee negotiations and pertains to personal matters about identifiable individuals, including municipal or local board employees.

SUMMARY

Management is forecasting a full year 2021 net income loss of \$(9.5) million; \$(7.3) million worse than budget and a decline of \$(85.1) million compared to pre-pandemic 2019 net income. Operating revenues forecasted at \$78.5 million, or \$(12.5) million worse than budget, following transaction volume declines of -23 percent versus prior year and -51 percent versus 2019. Cash reserves at the end of 2021 are forecasted to be \$51.5 million due to management's continued focus on cash preservation and to ensure TPA's operational obligations can be met; TPA reserves are planned to be fully utilized in 2024. As directed by City Council, Toronto Parking Authority (TPA) will provide a \$12 million dividend to the City of Toronto in 2021. These funds will be sourced through TPA's cash reserves.

In 2022, Management is planning full year net income of \$14.4 million with revenue improving to 72 percent of pre-pandemic (2019) levels. This net income will trigger a \$12.2 million dividend to the City and has been included in TPA's budgeted 2022 cash reserves forecast. Financially, and despite an improving top-line operating environment, Management will remain focused on driving cost productivity and cash preservation. Operationally, Management will be maniacally focused on delivering our five strategic platforms: Build a Great Place to Work, Strengthen the Core, Accelerating Growth and

Financial Sustainability, Connecting with our Customers, and Engage and Innovating with our Strategic City Partners.

Critical projects identified within our strategic framework for 2022 include Talent Development, Health and Safety, fast tracking the deployment of TPA's Electric Vehicle (EV) Charging Infrastructure, accelerating expansion of the Bike Share program, and development and execution of our asset management plan.

This report also provides an executive summary of the On and Off-street rate reviews and responds to City Council direction for TPA to carry out a market rate analysis of parking rate adjustments in coordination with the annual budget process.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority approve the 2022 Operating Budget and 2022-2031 Capital Budget for Toronto Parking Authority as outlined in this report and forward the 2022 Operating Budget and 2022-2031 Capital Budget for Toronto Parking Authority to City Council;
2. The Board of Directors of Toronto Parking Authority defer the 2021 comprehensive On-Street Rate Review to 2022;
3. The Board of Directors of Toronto Parking Authority hold the current off-street daily rates into 2022; authorize the President, Toronto Parking Authority, to establish and implement the monthly rates as set out in Attachment 2; and, authorize the President, Toronto Parking Authority, to issue monthly permits at car parks where occupancy allows; and,
4. The Board of Directors of Toronto Parking Authority direct that the confidential information contained in Confidential Attachment 1 remains confidential in its entirety, as it pertains to personal matters about identifiable individuals, including municipal or local board employees, and labour relations or employee negotiations, and the security of property belonging to the City or one of its agencies or corporations.

FINANCIAL IMPACT

Toronto Parking Authority's annual distribution to the City of Toronto for the 2022 financial year is budgeted to be \$12.2 million, up by \$0.2 million or 2 percent over 2021's \$12 million.

DECISION HISTORY

At its meeting of December 16, 2020, City Council received the report (October 20, 2020) from the Toronto Parking Authority regarding the deferral of the 2020 comprehensive on-street rate review to 2021. More information can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL19.8>

At its meeting of November 3, 2020, TPA Board of Directors adopted Item PA18.3 approving the establishment of monthly permit rates at 73 off-street municipal parking facilities. Additional information can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PA18.3>

At its meeting of March 7, 2019, City Council requested that the President, Toronto Parking Authority, include a parking market analysis annually as part of its budget submission. More information can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX2.4>

COMMENTS

2022 Operating Budget and 2022 – 2031 Capital Budget Highlights:

City of Toronto Revenue Share

\$000's	2022 Budget	2021 Forecast	2021 Budget	2020 Actual	2022 Budget versus					
					2021 Forecast		2021 Budget		2020 Actual	
Net income (loss) from operations	\$ 14,401	\$ (9,504)	\$ (2,237)	\$ 14,032	\$23,906	251.5%	\$16,638	743.8%	\$ 370	2.6%
Income share from operations	12,241	-	-	-	12,241	n/a	12,241	n/a	12,241	n/a
Distribution on the sale of assets	-	-	-	344	-	n/a	-	n/a	(344)	-100.0%
City of Toronto distribution	12,241	-	-	344	12,241	n/a	12,241	n/a	11,897	3458.5%
One time payment requested	-	12,000	-	-	(12,000)	-100.0%	-	n/a	-	n/a
Adjusted City of Toronto distribution	\$ 12,241	\$ 12,000	\$ -	\$ 344	\$ 241	2.0%	\$12,241	n/a	\$11,897	3458.5%

TPA's annual distribution to the City of Toronto for the 2022 financial year is budgeted to be \$12.2 million, up by \$0.2 million or 2 percent over 2021's \$12 million distribution through special dividend.

TPA's income sharing agreement with the City expired December 31, 2019. Under the agreement, TPA is required to distribute 85 percent of TPA's net income to the City; it is assumed that the terms of the expired income sharing agreement remain in place for 2022.

2022 Operating Budget

\$000's	2022 Budget	2021 Forecast	2021 Budget	2020 Actual	2022 Budget versus					
					2021 Forecast	2021 Budget	2020 Actual			
Parking and bike share revenue	\$117,776	\$ 78,562	\$ 90,862	\$ 89,906	\$39,213	49.9%	\$26,914	29.6%	\$27,870	31.0%
Operating expenses	86,446	76,384	79,872	70,182	(10,062)	-13.2%	(6,574)	-8.2%	(16,263)	-23.2%
Contribution from operations	31,330	2,179	10,990	19,724	29,151	1338.1%	20,340	185.1%	11,606	58.8%
Administrative expenses	19,050	14,872	15,448	13,984	(4,179)	-28.1%	(3,602)	-23.3%	(5,066)	-36.2%
Income from operations	12,280	(12,693)	(4,459)	5,739	24,973	196.7%	16,738	375.4%	6,541	114.0%
Other income	2,122	2,157	2,222	8,222	(36)	-1.7%	(100)	-4.5%	(6,101)	-74.2%
Net income before one-time gains	14,401	(10,536)	(2,237)	13,962	24,937	236.7%	16,638	n/a	440	3.2%
Gain on the sale of assets	-	1,031	-	70	(1,031)	-100.0%	-	n/a	(70)	-100.0%
Net income	\$ 14,401	\$ (9,504)	\$ (2,237)	\$ 14,032	\$23,906	251.5%	\$16,638	n/a	\$ 370	2.6%

2021 Highlights

TPA's operating loss for 2021 is forecasted to be \$(9.5) million, \$(7.3) million below budget. Operating revenues continue to be impacted by the prolonged pandemic shut downs and changing consumer mobility patterns. Parking transaction volume missed budget by -13.5 percent; forecasted revenue is expected to be 46 percent of 2019 levels with transaction volumes at 51 percent of 2019 levels. Bike Share's 2021 operating loss is expected to remain on budget at \$(2.3) million.

2021 revenue shortfalls have been offset through controllable cost management initiatives, including staffing level management, which drove savings of \$4.3 million versus budget. Capital investments have also been moderated to preserve cash; TPA is forecasting a year-end cash position of \$51.5 million, which will be sufficient to meet operational and financial obligations to 2024.

Key 2021 project deliverables include: modernization of internal business processes with SAP Phase Two, targeted investments in health and safety, wayfinding, organizational engagement, EV charging deployment strategy/pilot with Toronto Hydro; an expansion in the Bike Share system; launching an update to the Green P app and completing automation of enforcement with Toronto Police Services.

2022 Highlights

TPA's budgeted 2022 net income is expected to be \$14.4 million, up \$23.9 million from 2021, reflecting the forecast that parking revenue will recover to approximately 72 percent of pre-pandemic levels as commuter traffic improves. Operating expenses are budgeted to reflect full staffing, increased security and maintenance levels to support the execution of strategic initiatives and meet our mandate to provide safe and clean facilities for public use. Administration expenses also include a full staffing complement as well as additional strategic project expenses (Confidential Attachment 1).

Strategic projects planned for 2022 will focus on five key areas:

1. Build a Great Place to Work: Transform Health and Safety Culture; Structure for Success, Talent Review and Development, Staff Engagement; Performance Management, Elevate Diversity and Inclusion action plans.

2. Strengthen the Core, Execute with Excellence: Leverage SAP to drive business process discipline and data insights; robust asset management focus to improve state of good repair and capital productivity; building a “Fix it Right the First Time” operating culture, establishing an Executional Framework by Channel of Business, deploying new wayfinding standards at high value locations; and elevating a security focus to reduce reputational risk and impact on customer retention.

3. Accelerate Growth and Financial Sustainability: Deliver 2022 budget, execute phase one of multi-year EV Charging Strategy; modernize the parking payment experience (i.e. E-Commerce, Dynamic Pricing); engage with strategic Corporate Partners and Sponsors (Business to Business and Business to Consumer); and aggressively pursue expanded customer base to accelerate top line growth.

4. Connect with our Customers: Develop new four (4)-Year Bike Share growth strategy, launch new Customer Experience (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, Fair Market Value Policy, Enforcement, City Parking Strategy); Reimagine relationships with our strategic vendors; strategic versus transactional approach.

Operating Revenue

\$000's	2022 Budget	2021 Forecast	2021 Budget	2020 Actual	2022 Budget versus					
					2021 Forecast	2021 Budget	2020 Actual			
Off Street	\$ 63,864	\$ 44,884	\$ 52,620	\$ 49,940	\$18,980	42.3%	\$11,244	21.4%	\$13,924	27.9%
On Street	45,793	26,043	30,832	34,262	19,750	75.8%	14,961	48.5%	11,531	33.7%
Parking Revenue	109,657	70,927	83,452	84,202	38,730	54.6%	26,205	31.4%	25,455	30.2%
Annual Ridership	2,348	1,659	1,319	1,177	689	41.5%	1,029	78.0%	1,171	99.5%
Casual Ridership	4,956	5,864	5,276	4,333	(909)	-15.5%	(320)	-6.1%	623	14.4%
Other income	815	112	815	194	703	625.2%	-	0.0%	621	320.1%
Bike Share Revenue	8,118	7,635	7,410	5,704	483	6.3%	709	9.6%	2,414	42.3%
Total Operating Revenue	\$117,776	\$ 78,562	\$ 90,862	\$ 89,906	\$39,213	49.9%	\$26,914	29.6%	\$27,870	31.0%

Parking revenues for 2021 are expected to be 46 percent of pre-pandemic (2019) levels whilst 2022 revenues are expected to reach 72 percent of 2019 levels. Both on-street and off-street parking inventory is expected to remain substantially unchanged at 2021 levels. Due to forecasted demand softness and a commitment to support local business and local communities, rate increases are not being contemplated for 2022.

Bike Share's casual membership continues to drive 2021 revenue growth, with revenue overall expected to grow 34 percent over the prior year as the expanded system is adopted and safe travel remains a primary concern for commuters. However, in 2022, membership and ridership growth is expected to slow to 6 percent in alignment with a mid-year system expansion of approximately 11 percent.

Operating Expenses – Off-Street

\$000's	2022		2021		2022 Budget versus					
	Budget	Forecast	Budget	Actual	2021 Forecast		2021 Budget		2020 Actual	
Salaries, wages and benefits	\$ 27,635	\$ 20,666	\$ 22,846	\$ 20,367	\$ (6,969)	-33.7%	\$ (4,789)	-21.0%	\$ (7,268)	-35.7%
Municipal taxes	22,772	22,656	23,314	20,154	(116)	-0.5%	542	2.3%	(2,617)	-13.0%
Maintenance	4,267	3,140	3,181	3,332	(1,127)	-35.9%	(1,086)	-34.1%	(935)	-28.1%
Utilities	2,965	2,665	2,965	2,236	(300)	-11.2%	-	0.0%	(729)	-32.6%
Rent	5,498	3,820	4,530	3,772	(1,678)	-43.9%	(968)	-21.4%	(1,726)	-45.7%
Depreciation	7,214	7,092	6,649	6,959	(122)	-1.7%	(565)	-8.5%	(255)	-3.7%
Payment processing & system fees	2,217	1,637	1,930	1,739	(580)	-35.4%	(287)	-14.9%	(478)	-27.5%
Software licensing	2,055	1,575	1,575	1,346	(480)	-30.5%	(480)	-30.5%	(709)	-52.7%
Security	2,711	2,665	2,111	1,774	(46)	-1.7%	(600)	-28.4%	(937)	-52.8%
Insurance	944	747	787	803	(197)	-26.3%	(157)	-20.0%	(141)	-17.6%
Legal and audit	915	1,125	915	940	210	18.7%	-	0.0%	26	2.7%
Other general and administration	5,733	4,309	4,328	4,182	(1,424)	-33.1%	(1,405)	-32.5%	(1,551)	-37.1%
Total operating expenses	\$ 84,924	\$ 72,097	\$ 75,130	\$ 67,605	\$ (12,827)	-17.8%	\$ (9,794)	-13.0%	\$ (17,319)	-25.6%

Combined off-street operating expenses are budgeted to increase \$12.8 million or 17.8 percent over 2021's forecast primarily due to:

- Increased salaries and benefits of \$7.0 million reflecting return to work of staff on leave and to support strategic priorities;
- Increasing maintenance expenses of \$1.1 million to improve health and safety as the deferred maintenance activities during the pandemic have created a significant state of good repair backlog within our off-street facilities,
- Higher rent payable of \$1.7 million for leased or managed lots and payment processing fees (\$0.6 million) correlated with anticipated increased 2022 off-street revenue, and
- Higher software licensing fees of \$0.5 million for the anticipated web-based ecommerce platform, enhanced cyber security and further adoption of best practices.

Operating Expenses – On-Street

\$000's	2022		2021		2022 Budget versus					
	Budget	Forecast	Budget	Actual	2021 Forecast		2021 Budget		2020 Actual	
Salaries, wages and benefits	\$ 1,629	\$ 2,466	\$ 3,161	\$ 2,317	\$ 837	33.9%	\$ 1,532	48.5%	\$ 687	29.7%
Maintenance	2,739	1,298	2,191	944	(1,441)	-111.1%	(548)	-25.0%	(1,795)	-190.2%
Depreciation	1,517	1,227	1,517	1,199	(291)	-23.7%	-	0.0%	(319)	-26.6%
Payment processing & system fees	4,157	4,181	3,562	4,625	25	0.6%	(595)	-16.7%	468	10.1%
All other operating expenses	122	114	112	118	(8)	-6.7%	(9)	-8.3%	(3)	-2.7%
Total operating expenses	\$ 10,164	\$ 9,286	\$ 10,544	\$ 9,203	\$ (878)	-9.5%	\$ 380	3.6%	\$ (961)	-10.4%

2022 on-street operating expenses are expected to increase \$0.9 million or 9.5 percent over the 2021 forecast, primarily due to maintenance expenses required for changes to by-laws for new on-street parking and pay & display machine relocations. Salaries and wage savings are primarily due to staffing budget reclassifications.

Salaries, Wages and Benefits

\$000's	2022 Budget	2021 Forecast	2021 Budget	2020 Actual	2022 Budget versus					
					2021 Forecast	2021 Budget	2020 Actual			
Off-Street	\$ 27,635	\$ 20,666	\$ 22,846	\$ 20,367	\$ (6,969)	-33.7%	\$ (4,789)	-21.0%	\$ (7,268)	-35.7%
On-Street	1,629	2,466	3,161	2,317	837	33.9%	1,532	48.5%	687	29.7%
Bike Share	619	438	292	317	(181)	-41.3%	(327)	-112.1%	(303)	-95.7%
Total salaries, wages and benefits	\$ 29,883	\$ 23,571	\$ 26,299	\$ 23,000	\$ (6,313)	-26.8%	\$ (3,584)	-13.6%	\$ (6,883)	-29.9%

TPA's total staffing complement remains unchanged at 326.5 positions with the 2022 salary budget adjusted to reflect full staffing levels. Budget reclassifications have been made to increase Bike Share staffing in alignment with the expanded operating system and to reflect Monitoring Station staffing under the off-street segment.

Bike Share Toronto

\$000's	2022 Budget	2021 Forecast	2021 Budget	2020 Actual	2022 Budget versus					
					2021 Forecast	2021 Budget	2020 Actual			
Bike Share revenue	\$ 8,118	\$ 7,635	\$ 7,410	\$ 5,704	\$ 483	6.3%	\$ 709	9.6%	\$ 2,414	42.3%
Salaries and benefits	619	438	292	317	(181)	-41.3%	(327)	-112.1%	(303)	-95.7%
Operating expenses	9,789	9,434	9,355	7,143	(354)	-3.8%	(434)	-4.6%	(2,646)	-37.0%
Loss from operations	\$ (2,289)	\$ (2,237)	\$ (2,237)	\$ (1,755)	\$ (52)	-2.3%	\$ (52)	-2.3%	\$ (534)	-30.4%

Increased casual membership and casual ridership continues to drive growth with 2021 revenue forecasted to increase \$1.9 million or 34 percent over 2020. Adoption of bike share is expected to continue as safe travel and last mile mobility solutions remain a priority for commuters. However, in 2022, membership and ridership growth is expected to continue in alignment with the planned mid-year expansion of the system of approximately 11 percent.

System operating fees are expected to increase to \$9.1 million with the planned mid-2022 expansion of 38 stations and 700 bikes. The expanded system will grow to 663 stations and 7,550 bikes in total, including 500 E-bikes.

2021 – 2030 Capital Expenditures

(in \$000's)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10-Year
	Budget	Plan									
4-Year Bike Share Expansion	2,125	3,000	5,000	7,000	-	-	-	-	-	-	17,125
Acquisition - 229 Richmond St West	150	-	3,000	3,199	3,000	3,000	3,000	-	-	-	15,349
TPA & NRCan Electric Vehicle Charging Project	749	2,818	3,353	1,400	900	900	1,000	1,100	1,100	1,200	14,520
Acquisition - St. Lawrence Market North	14,500	-	-	-	-	-	-	-	-	-	14,500
CP 12/223 (JV) 30 Alvin Ave	25	25	25	25	25	125	9,009	-	-	-	9,259
CP 212/227 (JV) 363 Adelaide and 105 Spadina	30	5	5	10	8,680	-	-	-	-	-	8,730
CP 221 (JV) 121 St. Patrick St.	25	150	5,768	-	-	-	-	-	-	-	5,943
CP 15 (JV) 50 Cumberland St Redevelopment	25	25	25	25	250	4,725	-	-	-	-	5,075
CP 219 (JV) 87 Richmond Street East	50	-	-	-	-	-	5,000	-	-	-	5,050
CP 29 New Elevators	-	-	-	350	975	875	-	-	-	-	2,200
CP 282 (JV) 838 Broadview Avenue	25	25	25	50	1,575	-	-	-	-	-	1,700
CP 39 Castlefield Redevelopment	10	25	25	1,500	-	-	-	-	-	-	1,560
CP 34 Second Elevator	-	-	200	700	600	-	-	-	-	-	1,500
Wayfinding Standardization	1,349	-	-	-	-	-	-	-	-	-	1,349
Pay and Display Equipment	1,000	-	-	-	-	-	-	-	-	-	1,000
Bessarion Community Centre Equipment	502	100	-	-	-	-	100	-	-	-	702
CP 673 Surface Lot Construction	600	-	-	-	-	-	-	-	-	-	600
CP 505 Car Park Expansion	75	-	500	-	-	-	-	-	-	-	575
Mobile Equipment, Lifts	550	-	-	-	-	-	-	-	-	-	550
LTE Upgrade	525	-	-	-	-	-	-	-	-	-	525
Etobicoke Civic Centre	-	-	-	10	499	-	-	-	-	-	509
305 Rockcliffe - Facilities Maintenance Shops	250	-	-	-	-	-	-	-	-	-	250
Fleet Vehicles for Operations	250	-	-	-	-	-	-	-	-	-	250
CP 36 - Facilities Maintenance Shop	200	-	-	-	-	-	-	-	-	-	200
Payroll / Time Clock Project	-	150	-	-	-	-	-	-	-	-	150
Elevator Monitoring - Facilities Maintenance	-	150	-	-	-	-	-	-	-	-	150
NFC Tag - Bike Share Assets	125	-	-	-	-	-	-	-	-	-	125
CP 49 Facility Modernization	-	-	-	40	75	-	-	-	-	-	115
Computer Equipment Refresh	100	-	-	-	-	-	-	-	-	-	100
Network Switches	100	-	-	-	-	-	-	-	-	-	100
TPA Website	-	100	-	-	-	-	-	-	-	-	100
Project Portfolio Management Solution	80	-	-	-	-	-	-	-	-	-	80
SAP Phase 2	60	-	-	-	-	-	-	-	-	-	60
CP150 Revitalization projects - Facilities Maintenance	50	-	-	-	-	-	-	-	-	-	50
CP29 Revitalization projects - Facilities Maintenance	50	-	-	-	-	-	-	-	-	-	50
CP52 Revitalization projects - Facilities Maintenance	50	-	-	-	-	-	-	-	-	-	50
CP68 Revitalization projects - Facilities Maintenance	50	-	-	-	-	-	-	-	-	-	50
Learning Management System	25	25	-	-	-	-	-	-	-	-	50
CP34 Revitalization Projects - Facilities Maintenance	30	-	-	-	-	-	-	-	-	-	30
Growth and Service Improvement Projects	\$23,735	\$6,598	\$17,926	\$14,309	\$16,579	\$9,625	\$18,109	\$1,100	\$1,100	\$1,200	\$110,281
Infrastructure and Asset Management Plan/Maintenance	-	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	31,500
CP 36 Local Water Proofing and Concrete Repairs	225	1,325	1,475	2,550	2,550	2,550	2,550	2,150	1,300	300	16,975
Major Repairs to Surface Lots	-	500	500	500	500	550	550	600	600	-	4,300
CP 58 Parking Garage Restoration WP & concrete rep	1,160	1,160	1,160	-	-	-	-	-	-	-	3,480
CP125 Garage Major Repairs	-	-	200	500	500	500	500	300	-	-	2,500
CP68 New Elevators + Stairwell Rehabilitation	1,100	1,000	-	-	-	-	-	-	-	-	2,100
CP 36 Exhaust Fan, Drain, Concrete	150	1,000	850	-	-	-	-	-	-	-	2,000
General Provision	2,000	-	-	-	-	-	-	-	-	-	2,000
Surface Lot Condition Assessment	400	-	450	-	500	-	550	-	-	-	1,900
CP150 Garage Major Repairs	-	-	200	400	400	400	200	-	-	-	1,600
CP43 Garage Major Repairs	-	-	-	200	300	300	300	300	200	-	1,600
CP68 Garage Major Repairs	-	-	200	300	300	300	300	200	-	-	1,600
CP52 Garage Major Repairs	300	600	600	-	-	-	-	-	-	-	1,500
Gated Facilities Equipment	-	1,500	-	-	-	-	-	-	-	-	1,500
Greening of Various CPs 45, 48, 82, 502, 710	-	-	-	-	1,500	-	-	-	-	-	1,500
CP42 Garage Major Repairs	-	-	-	-	200	300	300	300	200	-	1,300
CP 43 Stairwell Rehabilitation	600	500	-	-	-	-	-	-	-	-	1,100
CP 13 Garage Major Repairs	-	-	-	-	-	200	400	400	-	-	1,000
CP 34 Garage Major Repairs	-	-	-	-	-	200	300	300	200	-	1,000
CP 404 Garage Major Repairs	-	-	-	-	-	200	300	300	200	-	1,000
CP 11 Structural Concrete Repairs	250	680	-	-	-	-	-	-	-	-	930
CP 261 Garage Major Repairs	-	-	-	-	-	-	200	400	300	-	900
CP 286 Garage Major Repairs	100	-	200	300	200	-	-	-	-	-	800
Ramp Heating Cable Replacement (CP29, 36, 52, 96)	100	650	-	-	-	-	-	-	-	-	750
CP 58 - Retaining Wall and Fence	-	-	-	500	-	-	-	-	-	-	500
State of Good Repair Bike Share	500	-	-	-	-	-	-	-	-	-	500
Garage Condition Assessments	360	-	-	-	-	-	-	-	-	-	360
CP 58 Repaving of Surface Lot	-	-	-	250	-	-	-	-	-	-	250
Mobile Communications & Network Equipment Upgrades	250	-	-	-	-	-	-	-	-	-	250
State of Good Repair	\$7,495	\$12,415	\$9,335	\$9,000	\$10,450	\$9,000	\$9,950	\$8,750	\$6,500	\$3,800	\$86,695
Facilities Security Projects (CCTV, Access Control)	2,970	530	-	-	-	-	-	-	-	-	3,500
Health and Safety - Compliance and Improvements	1,000	-	-	-	-	-	-	-	-	-	1,000
Health and Safety	\$3,970	\$530	\$0	\$4,500							
Total Capital Plan Expenditures	\$35,200	\$19,543	\$27,261	\$23,309	\$27,029	\$18,625	\$28,059	\$ 9,850	\$ 7,600	\$ 5,000	\$201,476

Key strategic and health and safety projects continue to be prioritized as the pandemic continues to impact free cash flow. 2022 budgeted projects total \$35.2 million and are focused on supporting our key priorities:

- Build a Great Place to Work - transform a health and safety culture
- Strengthen the Core - improve state of good repair and improve security
- Accelerate Growth - acquisition of St Lawrence Market North and Bessarion
- Connecting with Customers - launching TPA's EV charging project

TPA is forecasting its cash reserves to be fully utilized by the end of 2024 in order to meet operational requirements and address the state of good repair backlog.

2021 Off-Street Rate Review

In coordination with the preparation of the capital budget, TPA undertakes an off-street rate review to ensure parking rates at all Green P facilities meet its mandate to provide short-term parking (parking for three (3) hours or less) while supporting Toronto's neighbourhood retail and commercial sector as well as the City's transportation network by discouraging commuter behaviour. Establishing the appropriate parking rate structure is essential in allowing TPA to effectively manage, use, serve the target market, and fairly allocate and encourage turnover of public parking spaces in order to serve the greatest number of customers.

As was the case in 2020, the first half of 2021 has seen wide-spread impacts as a result of Covid-19 to the retail and commercial sectors. In addition, the decentralization of the workplace and changing trends in commuter behaviour have all had far-reaching impacts on the demand for parking at TPA's car parks.

In an effort to support the economic recovery, an increase in daily parking rates at car parks is not recommended at this time. It is however recommended that the monthly parking permit rates be established at three (3) facilities and that monthly parking permit rates be increased incrementally at 115 facilities to be more in line with TPA Policy Resolution 2-1: Parking Rates – Off-Street Facilities.

Attachment 2 provides an overview of the 2021 annual rate review of TPA's off-street parking facilities, summarizes usage and revenue performance of each of TPA's car parks; and details competitor rates and proposed rates.

Furthermore, TPA Board approval is being sought to allow TPA the flexibility to modify the number of monthly permits issued at car parks where there is a surplus in the capacity available for short-term parking. This will provide TPA the operational flexibility to increase / decrease the number of monthly permits issued at any car park and as a result, maximize potential returns from parking spaces that would be otherwise unused.

TPA will continue to monitor parking activity and will further assess the impact of parking rates on parking demands through the remainder of the year and into 2022.

2021 On-Street Rate Review

TPA undertakes a comprehensive review of the hourly parking rates and the hours of operation of its on-street paid parking program once every three (3) years. The rate review evaluates the performance of the on-street paid parking program, specifically parking utilization, existing hourly parking rates, and the hours of operation to ensure that rates and hours of operation are set to encourage short-term parking and market competitiveness. The last comprehensive review was undertaken in October 2017. The scheduled 2020 on-street rate review was deferred due to the ongoing impacts of Covid-19.

Since March 2020, parking demands have experienced significant impacts as a direct result of the Covid-19 pandemic. TPA's on-street paid parking program has seen a significant drop in both the total number of transactions and revenues generated. Parking activity has been further impacted by City initiatives introduced to support businesses, communities and residents during Covid-19. Even though TPA has and continues to work closely with Transportation Services to support the City's CafeTO and CurbTO initiatives, these programs have resulted in an estimated loss of 2,340 on-street paid parking spaces in 2021 which translates into \$3.7m in foregone revenue..

Other City initiatives, including the City's ActiveTO program designed to expedite the implementation of cycling infrastructure on major arterial roads, has also impacted the supply of on-street paid parking although TPA has made strides in identifying and implementing replacement stalls as part of this valuable City program.

Considering the impacts of the pandemic on parking demand and the financial impacts on local businesses, residents and communities, it is recommended that no changes to the on-street paid parking program be made at this time and that the 2021 on-street rate review be deferred until 2022. TPA and Transportation Services will however continue to identify and implement new on-street paid parking opportunities where feasible.

More information regarding the on-street rate review is contained in Attachment3.

This report also responds to the request from Toronto City Council for TPA to include a Parking Market Analysis as part of its annual Budget Submission. The purpose of the analysis is designed review the effect that rate changes have had in terms of usage levels and parking revenue as well as calculating the price elasticity associated with changes to rates. In light of the decision to hold parking charges unchanged in 2021; there is no data to support such an analysis at this time.

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Attachment 1: Budget TO 2022 Budget Submission - Toronto Parking Authority

Attachment 2: Off-Street Rate Review

Attachment 3: On-Street Rate Review

Confidential Attachment 1: Additional Information Regarding Administration and Payroll Expenses