Toronto Parking Authority

2022 Annual Operating Plan

Board of Directors Meeting

November 8, 2021
Agenda

PURPOSE: To review our plans to deliver $14.4 m in net income in 2022

CONTENT: 1. Our Vision
          2. Our Approach
          3. Our 2022 Plan
We will re-imagine how we engage our customers

“...Yes, you should wake up every morning terrified with your sheets drenched in sweat, but not because you’re afraid of our competitors. Be afraid of our customers, because those are the folks who have the money. Our competitors are never going to send us money.”

Jeff Bezos, CEO, Amazon.com
2007
We will learn and be inspired by the Best

<table>
<thead>
<tr>
<th>Chicago</th>
<th>Denver</th>
<th>Vancouver (EasyPark)</th>
<th>New York</th>
<th>Toronto Pearson</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Street Replacement of Legacy Pay &amp; Display to Next Generation Pay by Plate Machines</td>
<td>Solar Powered E-Stations allow for rapid expansion of e-bikes across the network</td>
<td>Advanced Analytics and Insights for Pricing and Operational Planning</td>
<td>“Electrifying New York” is an ambitious EV Expansion plan to Support Carbon Neutrality</td>
<td>Signage and Wayfinding Enhancement with Parking Guidance Systems</td>
</tr>
</tbody>
</table>
Our Vision:
To become the world's best provider of sustainable parking, bike share and last mile mobility experiences for our customers, our partners and our city.

Our Mission:
Create a seamless customer experience that delivers on choice, ease, and speed through the city.

Our Approach
TPA Board
Residents
Our Staff
Strategic Partners
City Stakeholders
BIAs
City Council

"ONE TEAM, ONE VISION, ONE CITY"
TPA returned $1.3B to the City since 2002

Revenue ($M)

2021 (Forecasted) $91.8

2022 (Plan) $119.9 +31%

Revenue & Dividend Summary ($M)

REVENUE $2.2 B ↑

DIVIDEND $1.3 B ↑
Despite Pandemic, TPA maintained profitability in 2021

2021 Highlights

- $3.3M Profit; + $5.6M vs Plan
- Cash position remains strong at $77M
- Established new Strategic Priorities
- Improved collaboration with stakeholders
- Bike Share ridership at record levels
- Jump-started new EV charging strategy
- 5-Year Collective Bargaining Agreement
- Progress on Talent journey
- Elevated focus on Safety

Fast Facts

- PARKING REVENUE GROWTH OF $17.4M (2015 TO 2019, CAGR 3.4%)
- BIKE SHARE REVENUE GROWTH OF $5.5M (2017 TO 2021, CAGR 38%)
- 3.4M+ BIKE SHARE RIDERSHIP
- 3RD LARGEST SYSTEM IN NORTH AMERICA
- 34M+ PARKING TRANSACTIONS PER YR. (2019)
- 59K+ PARKING SPACES (ON AND OFF-STREET AT 300+ LOCATIONS)
- $1.3B DIVIDEND PAID SINCE 2002
- 1.4M GREEN P APP SUBSCRIBERS
- 141 MANAGED PARKING LOCATIONS
- 82% OF PARKING TRANSACTIONS CASHLESS
- 65% REDUCTION IN PER-RIDE SUBSIDY $1.72 IN 2014 TO $0.60 IN 2020
- 9 # EV CHARGERS
Strong back half performance drives positive income growth

### 2021 Forecast

<table>
<thead>
<tr>
<th>$000’s</th>
<th>2021 Budget</th>
<th>Forecast</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>90,862</td>
<td>87,892</td>
<td>(2,970) -3.3%</td>
</tr>
<tr>
<td>Direct expenses - operating</td>
<td>(48,850)</td>
<td>(45,261)</td>
<td>3,589 7.3%</td>
</tr>
<tr>
<td>Administration</td>
<td>(15,448)</td>
<td>(13,865)</td>
<td>1,583 10.2%</td>
</tr>
<tr>
<td>Municipal property tax</td>
<td>(22,631)</td>
<td>(20,829)</td>
<td>1,802 8.0%</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>(8,391)</td>
<td>(8,500)</td>
<td>(109) -1.3%</td>
</tr>
<tr>
<td>Other income</td>
<td>1,773</td>
<td>3,207</td>
<td>1,434 80.9%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>(2,685)</td>
<td>2,644</td>
<td>5,329 198.5%</td>
</tr>
<tr>
<td>Finance income</td>
<td>852</td>
<td>1,021</td>
<td>169 19.8%</td>
</tr>
<tr>
<td>Finance cost</td>
<td>(404)</td>
<td>(339)</td>
<td>65 16.1%</td>
</tr>
<tr>
<td>Finance income</td>
<td>448</td>
<td>682</td>
<td>234 52.2%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>(2,237)</td>
<td>3,326</td>
<td>5,563 248.7%</td>
</tr>
</tbody>
</table>

### Highlights

- **NET INCOME - TOTAL**
  - 2021 Forecast $3.3M
    (+$5.6M to Budget)
    +244%

- **PARKING REVENUE**
  - 2021 Q3 Forecast $81.6M
    (+$10.7M to Q2 Forecast)
    +15%

- **BIKE SHARE**
  - Membership: +30%
  - Trips: +21%
  - Stations: +160
  - Bikes: +1,850

- **PEOPLE**
  - CBA
  - Health & Safety
  - Talent Upgrades
  - Return to Office
Parking fundamentals recovering; traffic forecasted to remain below pre-pandemic levels until 2024

Parking Revenue and Transactions

<table>
<thead>
<tr>
<th>Year</th>
<th>On Street Parking Revenue</th>
<th>Off Street Parking Revenue</th>
<th>Total Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Actual</td>
<td>$60.7M</td>
<td>$31.7M</td>
<td>$92.0M</td>
</tr>
<tr>
<td>2020 Actual</td>
<td>$34.3M</td>
<td>$17.5M</td>
<td>$51.8M</td>
</tr>
<tr>
<td>2021 Forecast</td>
<td>$30.8M</td>
<td>$18.0M</td>
<td>$48.8M</td>
</tr>
<tr>
<td>2022 Budget</td>
<td>$45.8M</td>
<td>$23.2M</td>
<td>$69.0M</td>
</tr>
</tbody>
</table>

Top 3 On-Street Parking Locations

<table>
<thead>
<tr>
<th>Location</th>
<th>2019 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duncan St- Queen St to Adelaide St</td>
<td>$16,000/stall</td>
</tr>
<tr>
<td>Richmond St- Simcoe St to John St</td>
<td>$13,000/stall</td>
</tr>
<tr>
<td>Queen St – Soho St to Spadina Av</td>
<td>$13,000/stall</td>
</tr>
</tbody>
</table>

Top 3 Surface Lot Parking Locations

<table>
<thead>
<tr>
<th>Location</th>
<th>2019 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 Alvin Ave</td>
<td>$1,335,000</td>
</tr>
<tr>
<td>15 Wellesley St E</td>
<td>$1,234,000</td>
</tr>
<tr>
<td>31 Parliament St</td>
<td>$1,223,000</td>
</tr>
</tbody>
</table>

Top 3 Garage Parking Locations

<table>
<thead>
<tr>
<th>Location</th>
<th>2019 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>110 Queen St W</td>
<td>$10,389,000</td>
</tr>
<tr>
<td>2 Church St</td>
<td>$7,300,000</td>
</tr>
<tr>
<td>37 Queen St E</td>
<td>$5,335,000</td>
</tr>
</tbody>
</table>
Opportunity to elevate our risk-based approach to strategy & contingency planning

**Approach to Risk**

**2022 Risk Statements**

- Integrated City-wide approach to parking strategy required to drive definition of success, clarity on responsibility and accountability, and governance framework to drive sustainability;

- Parking infrastructure requires significant capital investments to improve SOGR, safety, security & wayfinding;

- Mobility trends indicated 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;

- TPA may face challenges to attract, develop & retain a workforce that has the appropriate skills and capabilities to deliver our transformation mandate;

- Return-to-office trends unclear negatively impacting customer traffic forecasting.
We will deliver $14.4M in Net Income in 2022

### 2022 Financial Plan

<table>
<thead>
<tr>
<th>$000's</th>
<th>2021</th>
<th>2022</th>
<th>2022 Budget versus 2021 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$91,781</td>
<td>$119,897</td>
<td>$28,116</td>
</tr>
<tr>
<td>Off Street</td>
<td>$50,810</td>
<td>$63,864</td>
<td>$13,054</td>
</tr>
<tr>
<td>On Street</td>
<td>$30,809</td>
<td>$45,793</td>
<td>$14,984</td>
</tr>
<tr>
<td>Bike Share</td>
<td>$6,273</td>
<td>$8,118</td>
<td>$1,845</td>
</tr>
<tr>
<td>Other income</td>
<td>$2,858</td>
<td>$2,122</td>
<td>(736)</td>
</tr>
<tr>
<td>Gain on the sale of assets</td>
<td>1,031</td>
<td>-</td>
<td>(1,031)</td>
</tr>
<tr>
<td>Expenses</td>
<td>88,455</td>
<td>105,496</td>
<td>(17,041)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>74,590</td>
<td>86,446</td>
<td>(11,856)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>13,865</td>
<td>19,050</td>
<td>(5,185)</td>
</tr>
<tr>
<td>Net Income</td>
<td>$3,326</td>
<td>$14,401</td>
<td>$11,075</td>
</tr>
</tbody>
</table>

### Strategic Priorities

1. **Build a Great Place to Work**
   - Safety, Talent, Engagement, D&I

2. **Strengthen the Core, Execute with Excellence**
   - Asset Management, SOGR, Security, Capital Productivity

3. **Accelerate Growth and Financial Sustainability**
   - Deliver P&L, EV Transformation, Accelerate Bike Share

4. **Connect with our Customers**
   - CX Strategy, Prototype Innovation Hubs, E Commerce Platform

5. **Innovate with our City Stakeholders/Partners**
   - Revenue Relationship Framework with City, Co Create City wide Parking Strategy, Establish Innovation Council with Private Sector Partners
We will deliver $35M in Capital Projects

### 2022 Capital Plan*

- **$35.2M**
  - Service Improvement & Growth, 23.7, 68%
  - SOGR, 7.5, 21%
  - Health & Safety, 4.0, 11%

### Key Capital Investments 2022

<table>
<thead>
<tr>
<th>Capital Project</th>
<th>2022 Capital $</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Lawrence Market North</td>
<td>$14.5 M</td>
</tr>
<tr>
<td>State of Good Repair</td>
<td>$7.5 M</td>
</tr>
<tr>
<td>Parking Management System</td>
<td>$3.5 M</td>
</tr>
<tr>
<td>Security Initiatives</td>
<td>$3.0 M</td>
</tr>
<tr>
<td>Bike Share</td>
<td>$2.0 M</td>
</tr>
<tr>
<td>Wayfinding</td>
<td>$1.5 M</td>
</tr>
<tr>
<td>EV Charging</td>
<td>$1.0 M</td>
</tr>
<tr>
<td>Pay &amp; Display</td>
<td>$1.0 M</td>
</tr>
</tbody>
</table>

* Excludes 2021 carryover of $8.4M
We will future-proof our business by investing $200M+ in the next 10 years to support our Strategic Pillars

Wayfinding $10M
Build EV Network $15M
Facilities Maintenance $12M
Portfolio Expansion $73M
Technology Program $25M
Health and Safety $4.5M
We are focused on our strategic priorities

- Build a Great Place to Work
  - Health and Safety
  - Structure for Success
  - Attract, Develop and Retain Talent
  - Drive Employee Engagement
  - Elevate Focus on D&I

- Strengthen the Core, Execute with Excellence
  - Operational Restructuring and Enhancements
  - Execute Asset Management Plan
  - Drive Safety Platform
  - Reimagine Operational Structure
  - Develop Functional P&Ls for Frontline Management

- Accelerate Growth & Financial Sustainability
  - Deliver the P&L
  - Accelerate Bike Share
  - Multi-Year EV Charging Network
  - Grow Non-Traditional Customer Base
  - Modernize our Parking Technology

- Connect with Customers
  - Enhancing Green P Digital Customer Touchpoints
  - Reimagining Customer Care
  - Transform CX Model
  - Execute New Wayfinding Standards

- Engage & Innovate with Our Partners
  - Build a Sustainable Framework with the City
  - Co-Create City-Wide Parking Strategy
  - Prototyping Car Park Innovations
  - Initiate Innovation Council

Integrated Partners: 

- PARK INK
- HUB
- Parking gtechna
- PBSC
- SHIFT TRANSIT
Institutionalize Health and Safety Culture

- Compliance, safety performance reporting and monitoring
- Safety training for all staff
- Invest in skills training for front line staff
- Establish facility safety inspection processes
- Enhanced safety platform to protect customers and staff in Q1 2022
- CCTV cameras / call boxes in 8 new locations by end of 2022
Build a Great Place to Work

Attract, Develop and Retain Talent

Our Talent Strategy

Deploy Talent Assessment
- Skills assessment
- Competency review
- Talent calibration
- Leadership readiness

Implement Leadership Model
- Communication and awareness
- Coaching and feedback
- Integration with performance

Refresh Performance Management
- Set performance objectives
- Cascade to employees
- Mid-year calibration
- Supervisor skills
Build a Great Place to Work

Drive Employee Engagement

01 Launch Employee Engagement Survey to establish baseline measure

02 Implementing round table discussions to give employees a space to share

03 Quarterly Town hall forums for a wider reach to all staff

04 Mandated leadership presence across all TPA facilities

05 Relaunch Rewards and recognition programs

06 New HR information system to provide greater accessibility to pertinent information
Strengthen the Core, Execute with Excellence

Operational restructuring and enhancements

Q2 2022
Restructure the Operations:
• Develop channel-based P&L structure to support revenue and productivity

Q3 2022
Deliver Gtechna Enhancements for Enforcement Officers:
• Upgrade handheld device with printers
• Prototype Vehicle Mounted License Plate Recognition (LPR)

Q3 2022
Right Uniform for the Job and Weather:
• New uniform standards
• High visibility standards
• Durable and lightweight
• Seasonal
• Choice

Q4 2022
Improve the Offices and Shops
• Assessment & Road Map
• Invest CAPEX

• New uniform standards
• High visibility standards
• Durable and lightweight
• Seasonal
• Choice
Executing our Capital Plan with Excellence

Step 1: Complete condition assessments
- By Q4 2021: 3 Garages
- By Q2 2022: 11 Garages
- By Q3 2022: 80+ Surface Lots
- 2023: 70+ Garages and Surface Lots

Step 2: Integrate and coordinate rehabilitation program with operational enhancements, including health & safety

Step 3: Deliver integrated capital program

Outcome: Best in class facilities that deliver an enhanced customer experience
Strengthen the Core, Execute with Excellence

State of Good Repair (SOGR) Backlog

2022 SOGR Program is Underway

<table>
<thead>
<tr>
<th>Item</th>
<th>2022 SOGR $'s Achieved in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022 SOGR Awarded</td>
<td>$1,670,000</td>
</tr>
<tr>
<td>2022 SOGR Pending Award</td>
<td>$673,000</td>
</tr>
<tr>
<td>2022 SOGR to be released by the end of the year</td>
<td>$975,000</td>
</tr>
<tr>
<td>Total 2022 SOGR Contracts</td>
<td>$3,318,000</td>
</tr>
<tr>
<td>2022 SOGR Planned</td>
<td>$7,495,000</td>
</tr>
</tbody>
</table>

% committed to date for 2022 SOGR 44%

- 2021 estimate of SOGR backlog is $85M
- Condition assessments completed over the next 2 years will provide clarity to the backlog
- We are on track to award 44% of the SOGR 2022 program budget by the end of 2021
Accelerate Growth & Financial Sustainability

Accelerate Bike Share’s role as an integral part of Toronto’s mobility network

2022
- Completion of 4 year Bike Share Toronto growth plan
- Year 1 of expansion delivered (up to 40 stations, 500 bikes)
- Additional e-station and e-bike capacity
- Integration of Bike Share in Green P surface lots, additional 5-7 locations
- New wayfinding maps
- Develop plans related to:
  - Program strategy
  - Pricing strategy
  - Low-income/ equity program

2023-25
- System expansion to 1,000 stations, 10,000 bikes
- Align expansion with transit and residential development
- Bike Share in all of Toronto’s 25 wards
- Pilot next generation of e-bikes and e-stations
- Technology Integration with Green P app and other transit apps
- Financial sustainability
Connect with Customers

Build a world-class EV Charging Network to support City’s Sustainability Agenda

2021
- Pursue Natural Resources Canada (NRCAN) funding for TPA’s Phase 1 EV Charging deployment of 429 chargers at 25 locations
- Implement TPA/Toronto Hydro EV Pilot Project install 32 new EV Chargers in 2022
- Kick-off site condition assessments
- Kick-off EV strategy development
  - Pricing strategy (B2C + B2B)
  - Technology integration

2022+
- Begin rollout of 429 EV Chargers at 25 priority TPA garage locations (Phase 1)
- Complete Toronto Hydro EV pilot project (9 upgrades + 23 incremental = 32) in 2022
- Develop program and mobilize EV installations for surface locations (Phase 2)
- Pursue NRCAN funding for TPA’s Phase 2 EV Charging deployment
- On-Street EV chargers is Phase 3 of TPA’s EV program (TBC in partnership with Toronto Hydro and Transportation Services)

Today 9 ➔ 2024 500+
Connect with Customers

Enhancing the Green P Digital customer journey

**Awareness**
- Where do I park?
  - Improving searchability for Green P parking through search engine marketing (SEM) (i.e. Googling “parking in Toronto”)
  - Social media marketing campaigns

**Intent**
- How do I get there?
  - Website user experience (UX) and user interface (UI) design refresh to better guide and inform customers
  - Partner with navigation apps to market Green P locations

**Purchase**
- How can I pay?
  - Promote Green P app through owned and paid digital channels
  - Explore mobile payments in gated facilities
  - Remove current Green P app wallet requirement (shift to pay as you go)

**Retention**
- Why should I return?
  - Net promoter score (NPS) surveys to gather actionable insights
  - Introduce live chat ability for customer service inquiries
Connect with Customers

Reimagining Customer Care

- Q1 2022
  - Implement new CRM platform to drive collaboration between customer service and monitoring station
  - Consultant review of monitoring station accountabilities

- Q2 2022
  - Develop a road map for a new monitoring station (System Operation Centre)

- Q2 2022
  - Develop a new and integrated customer care program

- Q3 2022
  - Develop an event/incident management system
Connect with Customers

Wayfinding and signage improvements to begin in 2022

2022
- Steer (TO360 Partner) delivered new vehicular and pedestrian wayfinding standards
- Implement new standards for Bike Share
- Implement new standards in 2 car parks
  - 51 Dockside Dr. (CP286) Q3 2022
  - 74 Yorkville Ae. (CP 215) Q4 2022

2023+
- Begin rollout of new wayfinding standards across TPA facilities
  - Target 5-10 facilities per year
- Develop digital wayfinding strategy
- Introduce parking guidance systems
Engage & Innovate with Our Partners

Build a sustainable framework with the City

**VARIOUS PROGRAM OBJECTIVES INFLUENCING PARKING DIRECTIONS**

- **PROVINCIAL POLICY STATEMENT & GROWTH PLAN**
  - Reducing auto-dependence & promoting active transportation & public transit

- **THE OFFICIAL PLAN**
  - Reducing auto-dependence, limiting surface parking, and reducing parking supply in areas well served by Transit

- **ZONING BY-LAW**
  - Sets Minimum & Maximum Parking Standards in new developments (Parking Ratio report pending City Council direction)

- **TGS & TRANSFORMTO**
  - Promotes active transportation, reduced auto-dependency and carbon footprint

**CITY-WIDE PARKING STRATEGY**

- **CURBSIDE MANAGEMENT STRATEGY**
  - Manage congestion; promote curbside activity that supports economic activity; meet stakeholder needs for various curbside functions

- **COMMUTER PARKING STRATEGY (TTC)**
  - Support commuters and promote the use of Public Transit Ridership

- **CITY-WIDE REAL ESTATE STRATEGY (CTO/CREM)**
  - Optimize the use of the City’s Real Estate Assets (often proposes repurposing of surface lots to serve other City objectives)

- **TPA MANDATE**
  - Provide conveniently located and competitively priced off-street and on-street, public parking in a financially sustainable manner

### Strategic Alignment & Coordination Required

- City Wide Parking Strategy
- Parking Portfolio Review
- Development of City TPA Relationship Framework
- Centralizing City Owned Commercial Parking Assets

### Net Revenue Share Agreement Between TPA and City

- **2022-2031 Capital Plan**
  - **TPA Sustainable Funding Required for 2022-31 Capital Plan:**
    - State of Good Repair (SOGR) Backlog $86.7M
    - Growth & Improved Service $110.2M
    - Health & Safety $4.5M

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**Dividend to Fund City Services**

26
Our Journey to the Best Begins with delivering our 2022 Plans

Please note: Corporate entities shown above are illustrative only.
“The best way to predict the future is to create it”

Abraham Lincoln
Thank You