REPORT FOR ACTION

Toronto Parking Authority - 2023 Operating Budget and 2023-2032 Capital Budget

Date: October 26, 2022
To: Audit and Risk Management Committee of the Board of Directors of Toronto Parking Authority and Board of Directors of Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

The purpose of this report is to provide the Audit and Risk Management Committee of the Board of Directors with Management's recommended 2023 Operating and Capital Budgets. As part of the approval process (and in recognition that this is an election year), the Board received the proposed budget for information at its meeting on September 29, 2022. Management will discuss the budget in further detail with the TPA Board's Audit and Risk Management Committee on November 8, 2022 and request formal approval of the 2023 Budget at the November 14, 2022 Special Board meeting.

Management is planning for 2023 full year net income of $25.4 million with parking revenue improving to 84 percent of pre-pandemic (2019) levels. Executionally, Management will remain focused on our five (5) strategic platforms: Build a Great Place to Work, Strengthen the Core, Drive Sustainable Growth Connect with our Customers, and Engage and Innovate with our Strategic Partners.

The proposed 2023 - 2025 Capital Budget totals $176.3 million. The 2023 Capital budget is $71.3 million to support critical deliverables that include a more robust Health and Safety Strategy, accelerated growth of TPA's Electric Vehicle (EV) Charging Program, expansion of the Bike Share Toronto program, and development and execution of our Asset Management plan.

Based on our successful financial perfomance in 2022 and robust 2023 capital expenditure plans Management is forecasting that we will spend the entirety of our cash reserves by end of second quarter (Q2) 2024. Consistent with earlier discussions with the Board, Management has embarked upon negotiations with City Finance to secure a new income sharing agreement that supports our robust growth agenda.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority approve the 2023 Operating Budget and 2023 - 2025 Capital Budget for Toronto Parking Authority as outlined in this report and direct the President, Toronto Parking Authority, to forward the 2023 - 2032 Capital Budget to the City of Toronto as part of the 2023 budget process;

2. The Board of Directors of Toronto Parking Authority approve the rates at the off-street parking facilities identified in Attachment 1 to this report and direct the President, Toronto Parking Authority, to implement these rates on or before February 1, 2023;

3. The Board of Directors of Toronto Parking Authority provide authority to the President, TPA to establish limited-time event rates at off-street parking facilities, as operationally required; and,

4. The Board of Directors of Toronto Parking Authority defer the 2022 comprehensive on-street rate review and the 2022 Parking Market Rate Analysis to the 2024 budget cycle.

FINANCIAL IMPACT

Toronto Parking Authority's annual distribution to the City of Toronto for the 2023 financial year is budgeted to be $21.6 million, equal to the 2022 forecast.

DECISION HISTORY

At its meeting of September 29, 2022, the Board of Directors of Toronto Parking Authority received the proposed 2023 Operating Budget and 2023 - 2032 Capital Budget for Toronto Parking Authority for information.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA32.1

At its meeting of December 15, 16 and 17, 2021, City Council approved the Toronto Parking Authority 2022 Operating Budget, 2022 Capital Budget and 2023 - 2031 Capital Plan (see agenda item EX28.8).
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX28.8

At its meeting of September 29, 2021, the Board of Directors of Toronto Parking Authority adopted Item PA26.2 approving the 2022 Operating Budget and 2022-2031 Capital Budget.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PA26.2

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. Additional information can be found here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL19.8

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. Additional information can be found here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX2.4

At its meeting of February 15 and 16, 2017, City Council approved the net income sharing agreement between the City and the Toronto Parking Authority for a three (3) year period, effective January 1, 2017, based on terms and conditions that generally include: the net income available for distribution be defined as net income based on the Toronto Parking Authority's annually audited financial statements, which includes gains on the sale of properties and air rights but excludes income earned on rented properties which is paid into the Rented Properties Fund held by the City; and the Toronto Parking Authority paying to the City annually the greater of $38.0 million or 85 percent of net income earned by Toronto Parking Authority, subject to unforeseen circumstances which result in interruptions in service, any other unplanned occurrence or Council decision, which may have an adverse and material effect on the net income as defined under the Income Sharing Agreement.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2

COMMENTS

There is no change to the recommended 2023 Operating Budget from the submission of PA32.1, which was received for information by TPA Board of Directors, at its meeting of September 29, 2022.

Detailed under separate cover (PR3.2), Management is pleased to report in our third quarter (Q3) forecast that our full year profit outlook for 2022 has increased to $30.6 million versus the baseline $25.4 million net income utilized in this report. Despite this change and per City direction, we will continue to use the Q2 forecast as the comparable versus 2023 plan.

Post the September 29, 2022 meeting of the Board, Management has reduced the recommended 2023 Capital Budget from $80.8 million to $71.3 million. The reduction in the proposed capital budget reflects the updated schedule for substantial completion of the Ethennonnhawahstihnen (formerly Bessarion) parking garage and TPA's expected payment of $4 million to the City before the end of 2022. In addition, TPA has reduced the previously proposed $5 million provisional amount, which had been earmarked for new and emerging capital requirements. Management will instead make use of the capital variance process administered by City Council and will make the in-year adjustments to its capital budget to reflect actual spending activity and any changes to capital priorities. An additional $0.5 million in projects has been removed from the proposed Capital Budget.

2023 Operating Budget and 2023 – 2032 Capital Budget Highlights:

City of Toronto Income Share

$000's	2023 Budget	2022 Forecast	2022 Budget	2021 Actual	2023 Budget vs 2022 Forecast		2023 Budget vs 2022 Budget		2023 Budget vs 2021 Actuals	
Net (loss) income from operations	$ 25,444	$ 25,444	$ 14,401	$ 9,463	$ 0	0.0%	$ 11,042	76.7%	$ 15,981	168.9%
Income share from operations	21,627	21,627	12,241	7,816	0	0.0%	9,386	76.7%	$ 13,811	176.7%
Distribution on the sale of assets	-	-	-	-	-	n/a	-	n/a	$ -	n/a
City of Toronto distribution	21,627	21,627	12,241	7,816	0	0.0%	9,386	76.7%	13,811	176.7%
Special distribution to City of Toronto		-	-	12,000	-	n/a	-	n/a	(12,000)	-100.0%
Total City of Toronto distribution	**$ 21,627**	**$ 21,627**	**$ 12,241**	**$ 19,816**	**$ 0**	**0.0%**	**$ 9,386**	**76.7%**	**$ 1,811**	**9.1%**

TPA's annual distribution to the City of Toronto for the 2023 financial year is budgeted to be $21.6 million, up by $9.4 million or 76.7 percent over the 2022 Budget of $12.2 million.

TPA’s Net Income Sharing Agreement with the City expired December 31, 2015 with City Council approving an extension until such time as Council considers an updated Income Sharing Agreement. At its meeting of February 15 and 16, 2017, City Council adopted EX22.2af and in so doing increased the TPA’s contribution from 75 percent to 85 percent of its net income to the City and extended the Net Income Sharing Agreement for a three-year period effective January 1, 2017.

As outlined below TPA is forecasting that meeting its operating and capital requirements will result in its cash reserves being fully utilized by Q2 2024. A new income share agreement is under discussion with City Finance.

2023 Operating Budget

$000's	2023 Budget	2022 Forecast	2022 Budget	2021 Actual	2023 Budget vs 2022 Forecast		2023 Budget vs 2022 Budget		2023 Budget vs 2021 Actuals	
Parking and bike share revenue	**$ 138,936**	**$ 121,541**	**$ 117,776**	**$ 92,981**	**$ 17,396**	**14.3%**	**$ 21,161**	**18.0%**	**$ 45,955**	**49.4%**
Operating expenses	94,208	82,832	86,446	73,725	11,375	13.7%	7,762	9.0%	20,482	27.8%
Contribution from operations	**44,729**	**38,708**	**31,330**	**19,256**	**6,020**	**15.6%**	**13,399**	**42.8%**	**25,473**	**132.3%**
Administrative expenses	22,260	16,676	19,050	13,761	5,584	33.5%	3,210	16.9%	8,499	61.8%
Income from operations	**22,468**	**22,032**	**12,280**	**5,495**	**436**	**2.0%**	**10,188**	**83.0%**	**16,974**	**308.9%**
Other income	2,976	3,468	2,122	2,939	(492)	-14.2%	854	40.3%	36	1.2%
Net income before one-time gains	**25,444**	**25,500**	**14,401**	**8,434**	**(56)**	**-0.2%**	**11,042**	**76.7%**	**17,010**	**201.7%**
Gain on the sale of assets	-	(56)	-	1,029	56	n/a	-	n/a	(1,029)	n/a
Net income	**$ 25,444**	**$ 25,444**	**$ 14,401**	**$ 9,463**	**$ 0**	**0.0%**	**$ 11,042**	**76.7%**	**$ 15,981**	**168.9%**

2022 Highlights

TPA's operating profit for 2022 is forecasted to be $25.4 million, $11.0 million above budget. Operating revenues continue to be impacted by the changing consumer mobility patterns associated with hybrid workplace arrangements. Parking transaction volume was above budget by 3.7 percent; forecasted revenue is expected to be 74 percent of 2019 levels with transaction volumes at 77 percent of 2019 levels. Bike Share's 2022 operating loss is expected to be $(2.6) million which is $(0.3) million higher than the budget of $(2.3) million.

Higher than anticipated 2022 revenue levels in addition to cost management initiatives, including staffing level management, drove savings of $7.3 million versus budget. Capital investments had been moderated in first quarter (Q1) as the City navigated through another lockdown. TPA is forecasting a year-end cash position of $73.5 million, which will be sufficient to meet operational and financial obligations in 2023.

2023 Highlights

Managements priorities for 2023 support TPA's strategic framework and are designed to accelerate TPA's journey towards its' vison of becoming the world's premiere operator of Parking, Bike Share and last-mile Mobility services. At the December 12, 2022, Management will present a detailed review of TPA's 2023 Operating Plans summarized below:

1. Build a Great Place to Work: Safety, Talent, Engagement, Diversity & Inclusion

2. Strengthen the Core, Execute with Excellence: Asset Management, State of Good Repair (SOGR), Security, Capital Productivity

3. Accelerate Sustainable Growth: Deliver P&L, Electric Vehicle (EV) Transformation, Grow Parking and Bike Share

4. Connect with our Customers: Customer Experience (CX) Strategy, Innovation Hubs, Accelerate Digital transformation to support growth agenda

5. Engage and Innovate with our Strategic Partners: New Relationship Framework with City, negotiate a new Income Sharing Agreement with the City, Co-Create City Wide Parking Strategy, Innovation Council with Strategic Partners.

TPA's budgeted 2023 net income is expected to be $25.4 million, which is flat to 2022. 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.

Operating Revenue

$000's	2023 Budget	2022 Forecast	2022 Budget	2021 Actual	2023 Budget vs 2022 Forecast		2023 Budget vs 2022 Budget		2023 Budget vs 2021 Actuals	
Off Street	$ 76,992	$ 69,283	$ 63,864	$ 51,894	$ 7,709	11.1%	$ 13,128	20.6%	$ 25,098	48.4%
On Street	51,282	44,412	45,793	34,209	6,870	15.5%	5,489	12.0%	17,073	49.9%
Parking Revenue	**128,274**	**113,695**	**109,657**	**86,103**	**14,579**	**12.8%**	**18,616**	**17.0%**	**42,171**	**49.0%**
Annual Ridership	3,579	2,599	2,348	2,196	980	37.7%	1,232	52.5%	1,383	63.0%
Causual Ridership	4,584	4,195	4,956	3,765	388	9.3%	(372)	-7.5%	819	21.7%
Other income	2,500	1,052	815	917	1,448	137.8%	1,685	206.7%	1,583	172.5%
Bike Share Revenue	**10,663**	**7,846**	**8,118**	**6,879**	**2,817**	**35.9%**	**2,544**	**31.3%**	**3,784**	**55.0%**
Total Operating Revenue	**$ 138,936**	**$ 121,541**	**$ 117,776**	**$ 92,981**	**$ 17,396**	**14.3%**	**$ 21,161**	**18.0%**	**$ 45,955**	**49.4%**

Parking revenues for 2022 are forecasted to be 74 percent of pre-pandemic (2019) levels, whilst 2023 revenues are expected to reach 84 percent of 2019 levels. As a point of reference, the run rate for parking revenues between April and September 2022 have averaged 80 percent with a bandwidth between 75 - 84 percent. Management is therefore confident that post pandemic recovery rates will deliver a 2023 revenue index rate of 84 percent vs 2019.

In addition to the forecasted improvements in customer traffic next year, management is not expecting any material changes in TPA's parking inventory thus reducing risk exposure. Lastly, TPA has conducted a broad-based pricing review of its off-street facilities and will be implementing targeted rate changes at the back end of 2023. A more comprehensive pricing review that integrates both on and off-street channels will be carried out in 2023 (more details below).

In 2022, Bike Share Toronto added an additional 225 e-bikes, 100 iconic bikes and is on track to have a network of 15 e-bike charging stations by year-end. Bike Share's annual membership continues to grow to record levels, with 20 percent growth over the prior year as the system introduced both the Annual45 and Corporate membership options. 2022 revenue is expected to be 14 percent higher than 2021, which can be attributed to the increased popularity of the program, a focus on customer experience, operational excellence and an increased availability of cycling infrastructure.

Operating Expenses – Off-Street

$000's	2023 Budget	2022 Forecast	2022 Budget	2021 Actual	2023 Budget vs 2022 Forecast		2023 Budget vs 2022 Budget		2023 Budget vs 2021 Actuals	
Salaries, wages and benefits	$ 29,555	$ 24,227	$ 27,635	$ 19,909	$ (5,329)	-22.0%	$(1,921)	-7.0%	$ (9,646)	-48.4%
Municipal taxes	22,686	22,692	22,772	20,517	6	0.0%	85	0.4%	(2,170)	-10.6%
Maintenance	3,439	3,189	2,865	3,008	(250)	-7.8%	(573)	-20.0%	(430)	-14.3%
Utilities	2,965	2,565	2,965	2,071	(400)	-15.6%	-	0.0%	(894)	-43.2%
Rent	6,441	5,202	5,498	4,341	(1,239)	-23.8%	(943)	-17.2%	(2,100)	-48.4%
Depreciation	8,920	7,273	7,214	7,417	(1,647)	-22.6%	(1,705)	-23.6%	(1,503)	-20.3%
Payment processing & system fees	2,710	2,272	2,217	2,230	(438)	-19.3%	(493)	-22.2%	(480)	-21.5%
Software licensing	2,199	1,927	2,055	1,681	(272)	-14.1%	(144)	-7.0%	(518)	-30.8%
Security	3,917	2,521	2,711	2,067	(1,395)	-55.3%	(1,206)	-44.5%	(1,850)	-89.5%
Insurance	1,059	922	944	880	(137)	-14.9%	(115)	-12.2%	(179)	-20.3%
Legal and audit	800	766	915	459	(34)	-4.5%	115	12.5%	(341)	-74.2%
Other general and administration	7,219	5,903	7,135	5,102	(1,316)	-22.3%	(84)	-1.2%	(2,116)	-41.5%
Total operating expenses	**$ 91,908**	**$ 79,457**	**$ 84,924**	**$ 69,683**	**$ (12,451)**	**-15.7%**	**$(6,985)**	**-8.2%**	**$(22,226)**	**-31.9%**

Combined off-street operating expenses are budgeted to increase $12.4 million or 15.7 percent over 2022’s forecast primarily due to:

- Increased salaries and benefits of $5.3 million reflecting full staff complement and changes in the organizational structure designed to deliver our strategic priorities;
- Higher rent payable of $1.2 million for leased or managed lots and payment processing fees ($0.4 million) correlated with anticipated increased 2023 off-street revenue;
- Expanded security at facilities to address increasing vandalism and ensure customer safety, and
- Increased depreciation due to the significant capital spend needed to address TPA’s backlog in state of good repair.

Operating Expenses – On-Street

$000's	2023 Budget	2022 Forecast	2022 Budget	2021 Actual	2023 Budget vs 2022 Forecast		2023 Budget vs 2022 Budget		2023 Budget vs 2021 Actuals	
Salaries, wages and benefits	$ 2,811	$ 1,722	$ 1,629	$ 1,504	$ (1,089)	-63.2%	$(1,181)	-72.5%	$ (1,307)	-86.9%
Maintenance	600	1,493	2,739	130	893	59.8%	2,139	78.1%	(470)	-362.1%
Depreciation	734	1,096	1,517	752	362	33.0%	783	51.6%	18	2.4%
Payment processing & system fees	6,859	5,192	4,157	5,920	(1,667)	-32.1%	(2,702)	-65.0%	(939)	-15.9%
All other operating expenses	128	138	122	122	9	6.7%	(7)	-5.6%	(7)	-5.4%
Total operating expenses	**$ 11,132**	**$ 9,641**	**$ 10,164**	**$ 8,427**	**$ (1,491)**	**-15.5%**	**$ (968)**	**-9.5%**	**$ (2,705)**	**-32.1%**

2023 on-street operating expenses are expected to increase $1.5 million or 15.5 percent over the 2022 forecast, primarily due to increased payment processing fees due to higher revenues. Salaries and wage increases are primarily due to staffing budget reclassifications.

Salaries, Wages and Benefits

$000's	2023 Budget	2022 Forecast	2022 Budget	2021 Actual	2023 Budget vs 2022 Forecast		2023 Budget vs 2022 Budget		2023 Budget vs 2021 Actuals	
Off-Street	$ 29,555	$ 24,227	$ 27,635	$ 19,909	$ (5,329)	-22.0%	$ (1,921)	-7.0%	$ (9,646)	-48.4%
On-Street	2,811	1,722	1,629	1,504	(1,089)	-63.2%	(1,181)	-72.5%	(1,307)	-86.9%
Bike Share	1,100	639	619	424	(461)	-72.1%	(481)	-77.6%	(676)	-159.7%
Total salaries, wages and benefits	**$ 33,466**	**$ 26,588**	**$ 29,883**	**$ 21,837**	**$ (6,878)**	-25.9%	**$ (3,583)**	-16.4%	**$ (11,629)**	-53.3%

TPA's total staffing complement remains unchanged at 326.5 positions with the 2023 salary budget adjusted to reflect full staffing levels. Budget reclassifications have been made to support focus on key strategic priorities of Business Development, including the advancement of TPA's EV Charging and Bike Share Toronto programs.

Bike Share Toronto

$000's	2023 Budget	2022 Forecast	2022 Budget	2021 Actual	2023 Budget vs 2022 Forecast		2023 Budget vs 2022 Budget		2023 Budget vs 2021 Actuals	
Bike Share revenue	**$ 10,663**	**$ 7,846**	**$ 8,118**	**$ 6,879**	**$ 2,817**	35.9%	**$ 2,544**	37.0%	**$ 3,784**	55.0%
Salaries and benefits	1,100	639	619	424	(461)	-72.1%	(481)	-77.6%	(676)	-159.7%
Operating expenses	12,328	9,772	9,789	8,954	(2,556)	-26.2%	(2,540)	-25.9%	(3,374)	-37.7%
Loss from operations	**$ (2,765)**	**$ (2,565)**	**$ (2,289)**	**$ (2,499)**	**$ (200)**	-7.8%	**$ (476)**	-20.8%	**$ (267)**	-10.7%

As North America's 4th largest bike share system (in size), Bike Share Toronto is projected to reach 4.3 million rides by the end of 2022, a 23 percent increase in ridership versus 2021. 2023 will see Bike Share Toronto implement year two (2) of its four-year growth plan. In the second year of the four-year expansion, Bike Share Toronto will add a further 160 stations, including 1,815 bikes of which 1,300 will be E-FIT pedal assist bikes.

Ridership revenues are forecasted to increase to $8.2 million (+14 percent versus 2022), while advertising and sponsorship revenues are expected to increase to $1.5 million. System operating fees are expected to increase to $10.66 million with the planned 2023 expansion of 125 stations and 1,300 e-bikes and 525 iconic bikes.

2023 – 2032 Capital Expenditures

2023 Capital Budget;
2024 - 2032 Capital Plan Including Carry Forward Funding

(In $000s)		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2023 - 2032 Total
Structural Maint. & Tech. Green Plus							30,000	25,000	25,000	20,000	20,000	**120,000**
EV Charging Program - Offstreet	☑	6,248	8,400	10,800	7,000	1,000	7,000	7,000	7,000	-	-	**54,448**
Bike Share Equipment Purchase	☑	7,160	5,700	3,800	1,500	1,500	3,000	3,000	6,000	6,000	6,000	**43,660**
CP43 - Garage Modernization		1,700	5,760	8,200	10,250	-						**25,910**
CP36 - Garage Restoration		-	4,740	4,000	5,000	5,000						**18,740**
St. Lawrence Market North		14,000										**14,000**
Engineering Services		2,500	2,500	2,500	2,500	2,500						**12,500**
EV Consultants - Offstreet	☑	-	2,040	1,200	3,000	6,000						**12,240**
DG4 - Refurbishment to Accept 2027 CC		1,700	3,000	4,000	3,500	-						**12,200**
Parking Management System Modernization		1,360	1,200	1,600	1,000	1,000	2,250	250	250	250	250	**9,410**
JV CP 12/CP 223 30 Alvin Ave		21	15	20	25	125	9,009					**9,215**
JV CP212 CP227 363 Adelaide and 105 Spadina		17	3	8	8,680	-						**8,708**
CP58 - Garage Modernization		2,975	2,280	2,080	-	-						**7,335**
EV Charging Program - Onstreet	☑	2,975	3,600	-	-	-	-	-	-	-	-	**6,575**
JV CP 221 121 St. Patrick St.		128	5,768	-	-	-						**5,896**
Health & Safety - Fire Stopping		213	60	-	-	-	1,000	1,000	1,000	1,000	1,000	**5,273**
EV Consultants - Onstreet	☑	3,910	1,200	-	-	-						**5,110**
JV CP 15 50 Cumberland St Redevelopment		21	15	20	250	4,725						**5,031**
CP 219 (JV) 87 Richmond Street East							5,000					**5,000**
CP68 - Garage Modernization		1,955	2,736	-	-	-						**4,691**
Electrification Bike Share	☑	1,403	990	1,320	-	-						**3,713**
Health & Safety - Emergency Genarators		1,700	1,200	400	-	-						**3,300**
CP43 - Stairwell Rehabilitation		3,155	-	-	-	-						**3,155**
Wayfinding		638	600	800	1,000	-						**3,038**
Reimaging the Monitoring Station		425	2,100	-	-	-						**2,525**
Hydro Connection Fee	☑	935	1,140	-	-	-						**2,075**
Digital Payments Solution		213	900	400	250	250						**2,013**
Green/EV the Fleet	☑	213	300	400	500	500						**1,913**
EV Consultants: Phase 2 - offstreet	☑	1,700	-	-	-	-						**1,700**
JV CP 282 838 Broadview Avenue		21	15	40	1,575	-						**1,651**
Building Condition Assessments		1,573	-	-	-	-						**1,573**
SHIFT Installation Costs	☑	765	540	200	-	-						**1,504**
Commissioning agent for new JVs		425	300	-	500	250						**1,475**
CP68 - Stairwell Rehabilitation		1,445	-	-	-	-						**1,445**
EV Fast Charging Station Prototype - Design Competition	☑	213	1,200	-	-	-						**1,413**
Metro Hall		128	900	200	-	-						**1,228**
Acquisition - St Lawrence Market North		1,190	-	-	-	-						**1,190**
Surface Lot Condition Assessments		450	270	400	-	-						**1,120**
Innovation Hubs X 2		170	150	200	250	250						**1,020**
Community Bike Parking Pilot	☑	128	90	240	500	-						**958**
CP286 - Repairs		935	-	-	-	-						**935**
Acquisition - Bessarion Community Centre		745	60	-	-	-						**805**
EV Purchase from THESL for 47 On-Street in Q2 2023	☑	791	-	-	-	-						**791**
15 Cliveden Demo and Surface Lot Expansion		213	540	-	-	-						**753**
Pay and Display		750										**750**
TPA website redesign with integrated e-commerce. Scope includes c		425	300	-	-	-						**725**
JV Etobicoke Civic Centre		85	-	8	499	-						**592**
Renaming of Dundas Street		-	560	-	-	-						**560**
Battery Swapping Program + Facility	☑	370	75	100	-	-						**545**
Construction Rockcliffe Blvd/Connel St		510	-	-	-	-						**510**
Projects under $500k		2,706	549	240	-	-						**3,495**
Total Expenditures (including carry forward from 2022)		**71,297**	**61,796**	**43,176**	**47,779**	**23,100**	**57,259**	**36,250**	**39,250**	**27,250**	**27,250**	**434,407**

The proposed 2023 Capital Budget of $71.3 million includes $14.7 million in carry forward and $56.6 million in new spending on priority projects that support TPA's 2023 Operating Plans.

2022 Off-Street Rate Review

On an annual basis, 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 and structure is essential in supporting 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 and drive revenues.

Attachment 2 provides an overview of the 2022 annual Off-Street Rate Review of TPA's off-street parking facilities, summarizes usage and revenue performance of each of TPA's car parks; the rates of nearby competitor facilities and the proposed rates that TPA recommends be implemented as part of the 2022 Rate Review.

Based on improving car park usage and competitor benchmark analysis, a modest increase in daily parking rates at 106 locations or 43 percent of total TPA car parks is recommended at this time. It is also recommended that the monthly parking permit rates be increased incrementally at 98 facilities to be in line with TPA Policy Resolution 2-1: Parking Rates – Off-Street Facilities. These changes are expected to generate an increase of $1,500,000 in revenue in 2023, representing a two (2) percent increase in the total revenue generated by TPA's Off-Street Facilities.

Furthermore, TPA is seeking authority to administer limited-time event rates at off-street parking facilities as operationally required in an effort to be nimbler and more responsive to operational pressures and market conditions.

2022 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 and was implemented in phases between 2018 and 2020. The scheduled 2020 on-street rate review was deferred to 2021 due to the ongoing impacts of Covid-19 with the subsequent rate review scheduled for 2021 deferred for the same reasons.

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 2,390 on-street paid parking spaces in 2022 which translates to $2.7 million 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.

In 2023, TPA will undertake a comprehensive pricing strategy review, which will identify strategic and operational opportunities to diversify and modernize its product mix and to update parking rates in a more nimble and responsive manner. A key consideration of the pricing strategy will be to integrate pricing models for on and off-street locations to ensure that the on and off-street parking is priced to drive demands at off-street facilities.

Considering the impacts of the pandemic on on-street parking demand (on-street revenues are still below 75 percent of 2019 levels), and given the development of a comprehensive pricing strategy next year, it is recommended that no changes to the on-street paid parking program be made at this time and that the 2022 on-street rate review be deferred until 2023. TPA will continue to monitor the on-street paid parking program and work with the City to coordinate the implementation of both City and TPA-led initiatives, including the implementation of expanded on-street paid parking locations.

More information regarding the on-street rate review including performance data is contained in Attachment 3.

This report also responds to direction from City Council for TPA to include a Parking Market Analysis as part of its annual Budget Submission. The purpose of the analysis is designed to 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 on-street parking charges unchanged in 2022 and the development of a comprehensive pricing strategy in 2023; it is recommended that the Parking Market Rate Analysis be deferred at this time.

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Attachment 1: Budget TO 2023 Budget Submission - Toronto Parking Authority

Attachment 2: Off-Street Rate Review

Attachment 3: On-Street Rate Review

ATTACHMENT 2 – OFF-STREET RATE REVIEW

Parking rates at TPA off-street parking facilities are reviewed at least once annually to ensure current rates address demand patterns that in turn allows TPA to deliver its mandate of providing short-stay, high-turnover parking in order to serve the greatest number of customers. In instances where it is required, more frequent reviews are undertaken.

TPA Policy Resolution 2-1, Parking Rates – Off-Street Facilities (refer to Appendix 2) provides the framework for setting parking rates at all off-street facilities and includes the objectives for parking rates, the parking rate structure, and the guidelines / benchmarks for parking rates, including the consideration of a comparable competitor benchmark, where appropriate.

As part of the comprehensive annual Off-Street Rate Review, TPA compiles operational data and analyzes a number of factors related to the performance of specific locations and groups of locations. Locations are first screened for year-over-year changes to the number of transactions, peak usage rates and annual revenue. Locations that have experienced annual increases in these indicators and peak occupancy rates of 85 percent or greater (anything greater than 85 percent is considered overcapacity) are identified as candidate locations for a rate increase. Benchmarking is also conducted to ensure competitiveness with private parking operators in close proximity to TPA facilities.

Following the first screening, operating anomalies that may have impacted the performance of a location are considered. For example, where TPA off-street facilities and local businesses are affected by a construction project (example: reconstruction of Eglinton Avenue West) through the temporary displacement of on-street parking, off-street rates will typically be maintained until after the construction period has been completed.

Usage and Revenue Performance Parameters

Both usage and revenue data for May 2022 year-to-date (YTD) were reviewed to assess the appropriateness of rates at TPA's off-street facilities. This includes the examination of peak vehicle occupancy, percentage of all-day parkers (long-stay and commuters) and total transactions (vehicles parked) by time of day.

Appendix 1 summarizes the usage and revenue performance of each of TPA's car parks. For each facility, the following data was collected and assessed:

- **Peak Usage (percent):** peak occupancy is the greatest number of vehicles parked during the peak hour in a day, expressed as a percentage of the number of parking spaces available and is observed for busy weekdays (Tuesday - Thursday) and weekends (Saturday and Sunday);
- **All:** the number of long-term parking vehicles parked for a duration of three (3) or more hours;

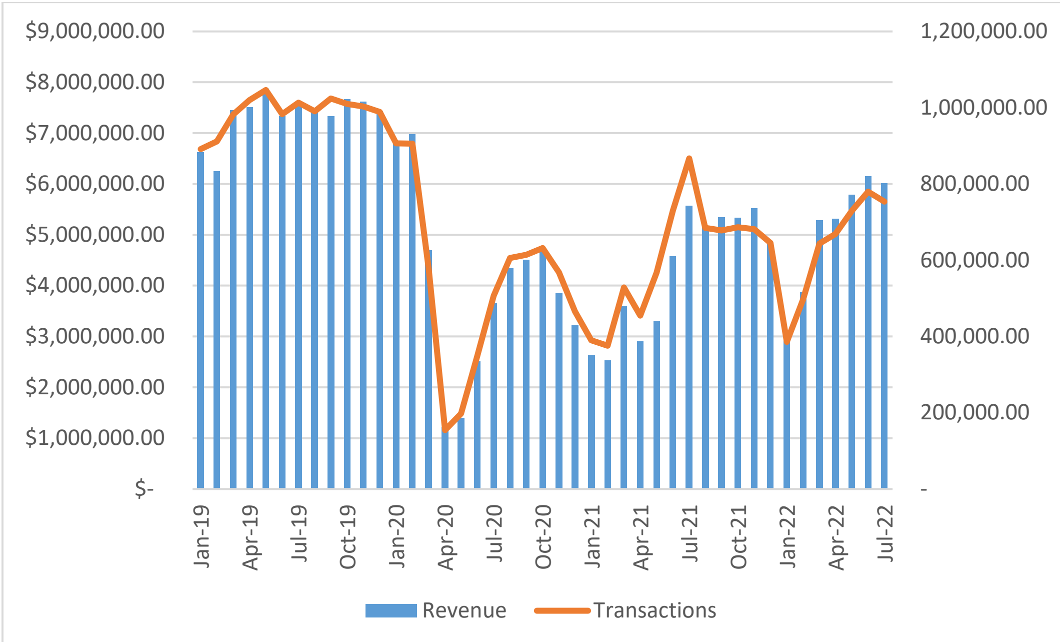
- **Commuters:** the number of cars entering the facility between 6:00 am to 10:00 am, and staying for eight (8) hours or more. Note that this is a subset of All;
- **Car Entries:** the distribution of transactions over the day as identified by the percentages of transactions (cars) occurring during the daytime (6:00 am – 3:00 pm), afternoon (3:00 pm – 6:00 pm), and nighttime (6:00 pm – 6:00 am) periods. This provides an indication of car park usage throughout specified time periods and assists in the assessment of day and night maximum rates; and,
- **Revenue:** the performance of the Controlled and Uncontrolled off-street Facilities, including annual revenue, transaction volume and percentage changes for the period ending May 2022.

The objective is to use this information to establish pricing that ensures parking is always available (i.e. avoid over-capacity demand) to accommodate short-term parking demands. Peak usage is therefore an imperative measure to assess the capacity of a parking facility. Anything greater than 85 percent usage at specific parking locations is considered at/over-capacity. This measure is a key tool used to monitor the off-street program and meet the rate-setting objectives (provide short-term parking) of TPA Policy Resolution 2-1, Parking Rates – Off-Street Facilities.

Car Park Performance

TPA operates 248 off-street facilities, including 166 under its jurisdiction and an additional 82 that TPA manages under parking management agreements on behalf of third parties. As was the case in 2020 and 2021, the impact of the pandemic on commercial retail and commuter activity has impacted the operational performance of TPA's off-street facilities in 2022. Exhibit 1 shows the monthly performance of TPA's off-street facilities from January 2019 to July 2022.

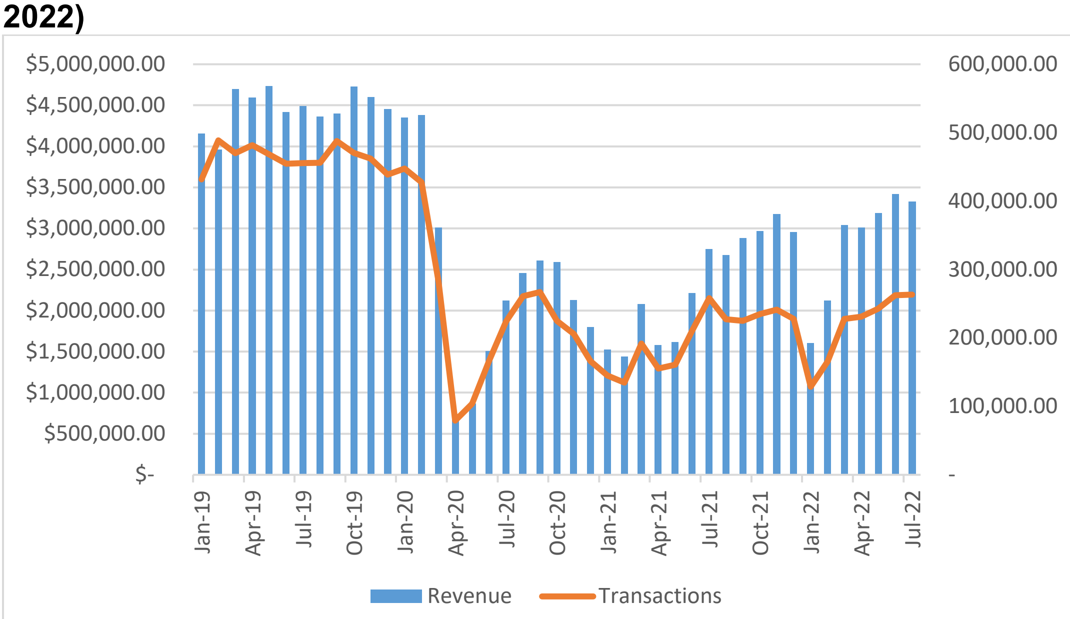
Exhibit 1: TPA Off-Street Facilities Performance (January 2019 – July 2022)



Controlled Facilities

TPA has 24 controlled (gated) parking facilities, three (3) of which are a combined controlled and uncontrolled facility, that together accounted for 49 percent of gross revenue generated at all TPA off-street facilities in 2019. Exhibit 2 illustrates the performance of the 24 controlled car parks on a month-to-month basis from January 2019 to July 2022.

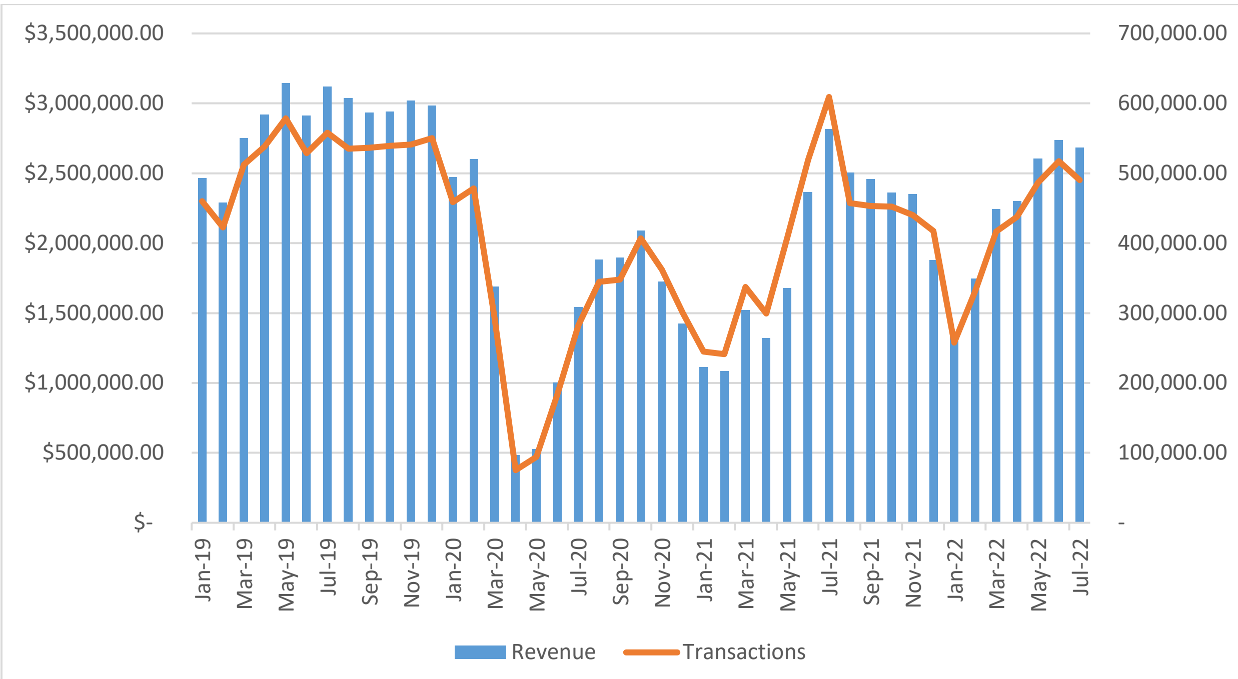
Exhibit 2: TPA Off-Street Controlled Facility Performance (January 2019 to July 2022)



Uncontrolled Facilities

TPA has 180 uncontrolled parking facilities that in 2019 accounted for 39 percent of the gross revenue generated by all of TPA's off-street facilities. The performance of the uncontrolled car parks on a month-to-month basis since January 2019 is shown in Exhibit 3.

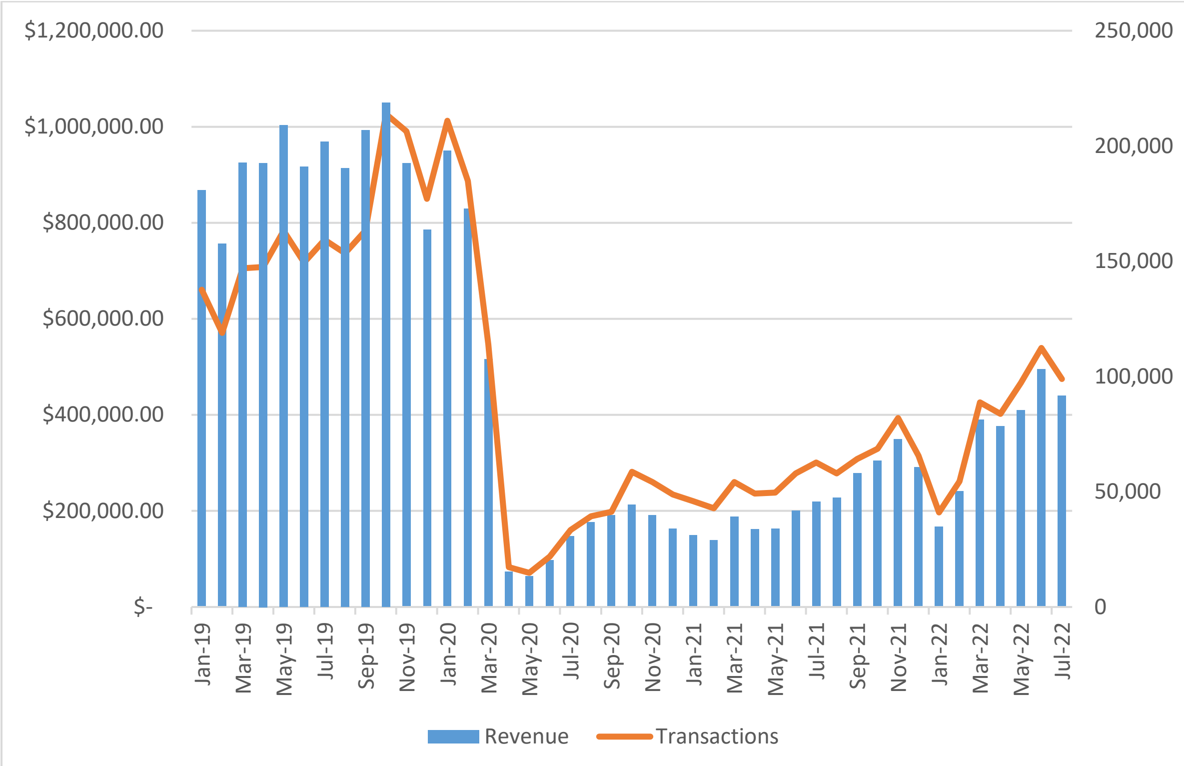
Exhibit 3: TPA Off-Street Uncontrolled Facility Performance (January 2019 to July 2022)



Toronto Transit Commission (TTC) Commuter Lots

TPA has 24 parking facilities that it operates on behalf of TTC as commuter lots. Exhibit 4 illustrates the performance of the 24 car parks on a month-to-month basis over the last 30 months. As can be seen, the use of public transit and in turn commuter parking lots was significantly impacted by Covid-19 since March 2020. Recent activity signals a slow period of recovery through the first two quarters of 2022.

Exhibit 4: TPA Off-Street TTC Commuter Lots Performance (January 2019 to July 2022)

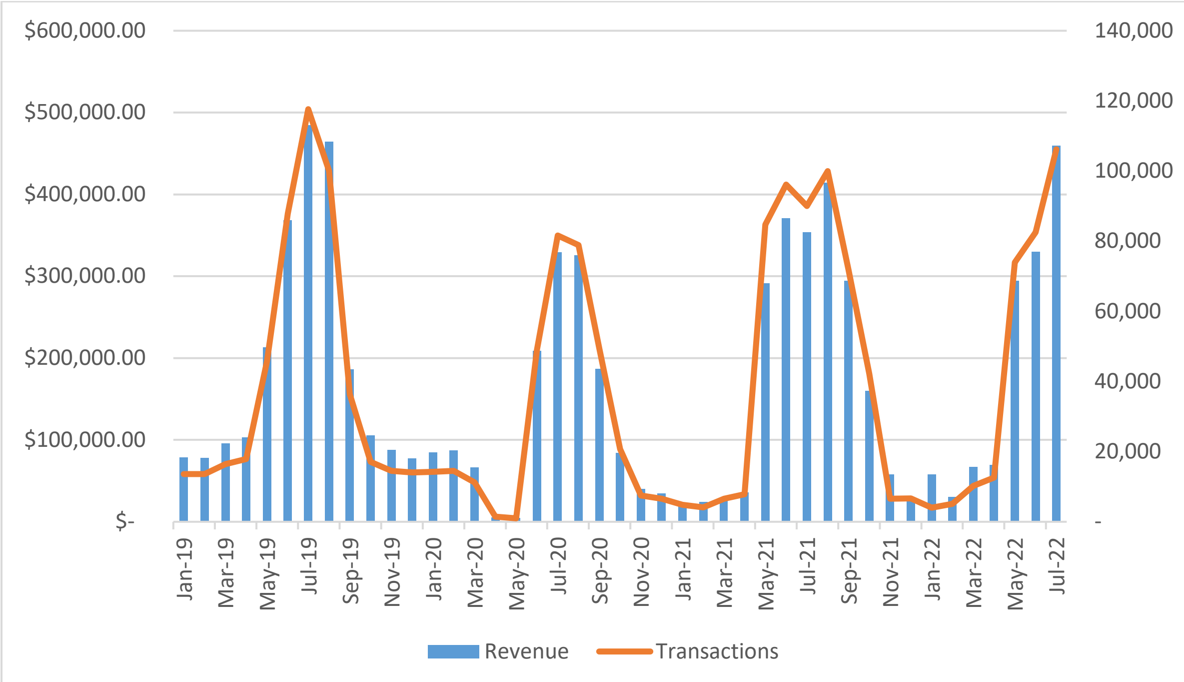


Parks, Forestry and Recreation Lots

TPA operates 20 parking facilities on behalf of Parks, Forestry and Recreation (PFR), 15 of which are operated seasonally from April / May to October / November. Exhibit 5 depicts the performance of the 20 car parks on a month-to-month basis since January 2019.

PFR lots located near the waterfront including some year-round lots were closed from April to June 2020 in an effort to restrict the spread of Covid-19. In 2022, seasonal PFR lots were opened in May, showing a strong increase in both revenue and transactions compared against 2021.

Exhibit 5: PFR Off-Street Parking Facilities Performance (January 2019 to July 2022)



Competitor Rates

As part of the annual Off-Street Rate Review, TPA carries out a review of comparable competitors within a 185-metre radius of TPA facilities. The purpose of the review is to ensure that the existing rates and any proposed rate changes are consistent with the rate structure of comparable competitors and TPA's off-street rate setting policy.

The practice of benchmarking provides further assurance that the rates at TPA facilities will ensure an availability of short-stay, high turnover parking supply. If the rates are too low relative to competitor lots, peak usage may exceed targeted occupancy rates of 85 percent resulting in customers not finding parking and potentially not returning in future. If the rates are too high, relative to competitor lots, peak usage and revenues will be negatively affected.

As part of the 2022 Off-Street Rate Review, off-street car parks were reviewed to identify comparable competitors within 185 metres. A total of 83 off-street facilities had comparable competitors, which generally have the same facility type (i.e. surface lot versus parking garage) and similar space count to the facility being reviewed. Appendix 4: Competitor Rates Analysis, outlines these competitor rates relative to TPA facilities and describes in more detail the application of the relevant guidelines as set out in TPA Board Policy Resolution 2-1, Parking Rates – Off Street Facilities.

Proposed Rates

As part of its review, TPA compiled operational data and analyzed a number of factors related to the performance of car parks. Locations were first screened for year-over-year changes to the number of transactions, peak usage (occupancy) rates and annual revenue. Given the ongoing changes to mobility patterns and consumer behaviours, the leading indicators used to assess potential changes to rates were peak usage (occupancy) and competitor rates. Locations that have experienced peak occupancy rates of 85 percent or greater (anything greater than 85 percent is considered overcapacity) were identified as candidate locations for a rate increase. Benchmarking was also conducted to ensure competitiveness with private parking operators in close proximity to TPA facilities.

After careful analysis, TPA is recommending rate changes at 106 or 43 percent of its car parks. These changes are expected to generate an increase of $1,500,000 in revenue in 2023, representing a two (2) percent increase in the total revenue generated by TPAs Off-Street Facilities.

Table 1 provides a breakdown of the recommended proposed rate changes in each rate category. Through the completion of previous Off-Street Rate Reviews (2018 and 2019), TPA obtained approval for rate changes that were not fully implemented. As such, there are a number of locations where current usage warrants an increase in parking rates, however approval from the Board has already been obtained.

Table 1: Summary of Proposed Rate Changes at Car Parks

	Half Hour	Day Max	Sat Day Max	Sun Day Max	Evening Max	Sat Evening Max	Sun Evening Max	Monthly Permit Change
No. of Car Parks with Proposed Changes	80	42	53	38	11	15	14	98
Changes as per previously approved Rate Reviews	5	4	3	1	0	0	0	0
Net New Rate Changes for Approval in 2022	75	38	50	37	11	15	14	98
Impacted # of Car Parks	**106**							**98**

A high-level overview of the primary factors influencing a proposed rate change at each of the Off-Street Facilities is detailed in Attachment 2 Appendix 1: Proposed Rate Change Justifications. Additional detailed analyses of the proposed rate changes are included in Attachment 2 Appendix 3: Proposed Rate Changes and Justifications, Attachment 2 Appendix 4: Competitor Rates Analysis, and Attachment 2 Appendix 5: Monthly Permit Rate Analysis.

Monthly Rates

As part of the annual Off-Street Rate Review, monthly rates are reviewed to determine if rates meet TPA Board Policy 2-1, Parking Rates – Off-Street Facilities benchmark: monthly rates should normally be between fifteen (15) and twenty (20) times the day maximum rate. Based on a review of current monthly permit rates, it is recommended that the monthly rates at 92 locations, where rates are currently below the benchmark, be increased incrementally in accordance with the Monthly Rate Increase Guideline.

In instances where the benchmark is 30 percent higher than the current rate, a maximum 30 percent increase has been proposed in order to align with TPA's policy and a gradual incremental increase in rates will be proposed at these locations over time in order to meet the benchmark. For example, at Car Park 19 – 385 Pacific Avenue, the minimum fifteen (15) times day maximum results in $150, however the current rate is $85. As such, the recommended Monthly Permit rate is $110, keeping within a 30 percent increase of the existing permit cost.

In instances where a car park has no day maximum, the half hour rate was used. For example, a half hour rate of $1 over 8 hours is $16. The calculated day maximum rate of $16 is multiplied by 15 to generate a monthly permit rate of $240. In the instance of monthly permit-only car parks, day maximum rates at nearby car parks were used as an primary input to determine if the monthly permit rates fit within the monthly permit rate benchmarks identified in Policy 2-1.

The proposed new monthly rates can be found in Attachment 2 Appendix 1 and are consistent with TPA Policy Resolution 2-1: Parking Rates – Off-Street Facilities.

Event Rates

Event rates implemented at a Car Park are typically based on location (in proximity to event), car park availability and the event duration but are currently used on a very limited basis. Given the variety of ongoing events in the City of Toronto (e.g. Raptors, Blue Jays and Maple Leafs games, The Ex, TFC, Caribbean Festival, etc.) and each event's unique duration and time of day, it is recommended that event rates be made available at all Off-Street Facilities, as operationally required. The event rate setting would vary from event to event and as such, it is recommended that event rates be implemented on a case-by-case basis by TPA.

Through this report, TPA is recommending that TPA Board of Directors provide the TPA President the authority to establish limited-time event rates at off-street parking facilities, as operationally required. It is further requested that written delegation of the President's authority to TPA staff be provided.

Next Steps

At such time as TPA Board of Directors provides its approval of the rates identified in Appendix 1 to this report, TPA will proceed to implement the new rates on or before February 1, 2023.

In 2023, TPA will undertake a comprehensive pricing strategy review, which will identify strategic and operational opportunities to diversify and modernize its product mix and to update parking rates in a more nimble and responsive manner. Off-street parking rates will also be evaluated in conjunction with adjacent on-street parking rates to maximize short stays on-street while maximizing longer stays at off-street parking garages and surface lots. The pricing strategy will also include a review of the following opportunities:

- Variable pricing (e.g. day of week, events, seasonal pricing)
- Product mix (tailored products by location based on customer behaviour, for example overnight residential permits or commuter flex passes for those who commute 1-4 days per week)
- Hours of Day and Evening parking time thresholds (e.g. Day Max beginning at 7AM)
- Technologies required to support more dynamic rate setting and mobile payments integration.
- Pricing considerations across various existing and potential payment channels including TPA’s Green P mobile app, pay and display machine credit card and cash transactions, Pay-on-Foot HUB equipment, digital-only payment zones and third-party resellers
- Pricing considerations for bundled EV charging and paid parking services
- Governance and approvals process of making changes to parking rates (e.g. steps and timelines required to implement price changes).

Appendices

Appendix 1 – Proposed Rate Changes and Justifications – Controlled and Uncontrolled Facilities

Appendix 2 – Toronto Parking Authority Policy Resolution 2-1 – Parking Rates – Off-Street Facilities

Appendix 3 – Proposed Rate Change Justification

Appendix 4 – Competitor Rates Analysis

Appendix 5 – Monthly Permit Rates Analysis

ATTACHMENT 3: 2022 ON-STREET RATE REVIEW

On-street parking spaces are typically the most convenient in serving local businesses and are subject to high demand. On-street parking supply is meant to serve short-stay needs (considered less than 3 hours in duration), thus relying on high turnover and discouraging longer stay commuter-type travel in order to serve the greatest number of customers. To ensure short-stay parking occurs, TPA closely monitors the hourly rate structure and hours of operation and adjusts as required.

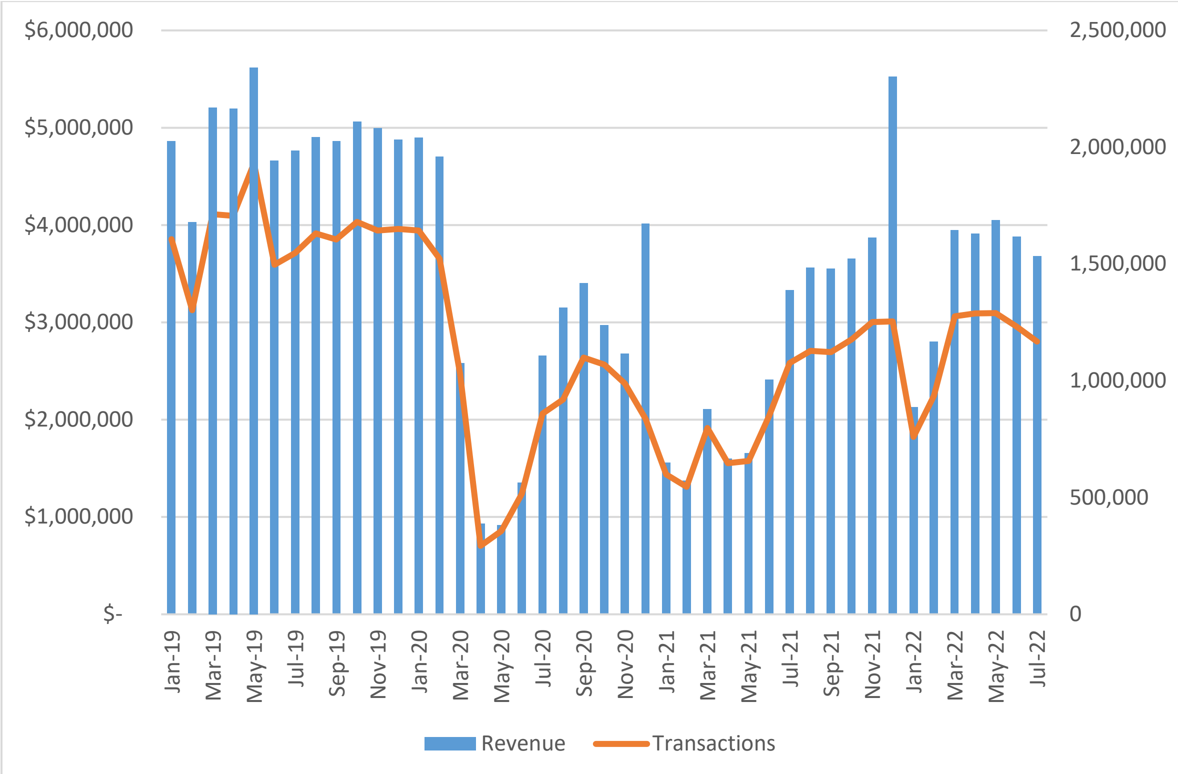
The on-street parking program is a significant component of TPA's business. From 2015 to 2019, TPA saw strong revenue growth year over year despite declining transaction volumes from 2017 to 2019. However, in 2020 with the start of the pandemic, revenues and transactions both saw a sharp decline.

Table 1 – On-Street Revenue and Transactions from 2015 to 2021

Year	Annual Revenue	Percentage Change in Annual Revenue YoY	Number of Transactions	Percentage Change in no. of Transaction YoY
2015	$47,929,216	-	19,827,752	-
2016	$50,772,082	5.9%	20,100,049	1.4%
2017	$54,145,832	6.6%	20,609,991	2.5%
2018	$58,565,695	8.2%	19,731,392	-4.3%
2019	$60,705,263	3.7%	19,509,682	-1.1%
2020	$34,262,043	-43.6%	11,106,241	-43.1%
2021	$34,208,969	-0.2%	10,980,247	-1.1%

As illustrated in Exhibit 1, the number of on-street transactions and revenue dropped in March 2020 at the start of the pandemic.

Exhibit 1 – On-Street Revenue and Transactions from 2019 to 2022



In mid-2020, parking revenues and transactions began to recover, however this recovery fluctuated with subsequent waves of the pandemic and associated lockdowns. Revenue and transactions did see a positive climb in June and July 2021 as the City began reopening in stages. A notable surge in parking revenue is noted in December 2021, prior to another lockdown and likely tied with consumer behaviour for the holiday season. At the beginning of 2022 the City of Toronto was back in lockdown until early March, which is reflected in a further dip in revenue and transactions.

Impact of City Initiatives

In an effort to mitigate the impacts of Covid-19, in 2020 the City introduced a number of temporary programs that provided more space to support local businesses, physical distancing and active modes of transportation. These programs continued in 2022, and include CurbTO, CaféTO, and ActiveTO. The subsequent impacts to TPA are provided below.

CurbTO and CaféTO

The CurbTO program installed lane closures to provide businesses, services, and community agencies support for physical distancing outside and inside their buildings while also accommodating increased demand for delivery and pickup services. Two services have been provided with this program, including the installation of temporary curb lane pedestrian zones and parking pick-up zones. As of December 8, 2021, the City announced the termination of the CurbTO program, given the return of traffic volumes to streets across the City. The program was officially removed in phases from

December 2021 to March 2022 and no additional program interventions were introduced in 2022.

The CaféTO program aims to provide expanded outdoor dining areas to help restaurants and bars grow their business and create physical distancing for patrons on patios during the summer and fall months. The CaféTO program has installed lane closures to provide access to the public right-of-way and curb lanes to restaurant and bar operators in support of expanding outdoor seating capacity while maintaining physical distancing requirements. In 2022, the CaféTO program is supporting over 800 restaurants with curb lane and new or expanded sidewalk cafés.

It is estimated that the CurbTO and CaféTO programs have resulted in the temporary removal of approximately 2,390 on-street paid parking spaces in 2022, up from 2,340 stalls in 2021 (+2 percent year over year). It is worth noting that CurbTO program termination was completed by March 2022. The temporary removal of CurbTO and CafeTO parking spaces is estimated to have resulted in lost revenue of $2.7 million in 2022, $3.7 million in 2021 and $2.5 million in 2020 (assuming pre-pandemic utilization rates at these mostly high value and high traffic locations).

The CaféTO program is scheduled to be closed for the winter months beginning on November 1, 2022, and Transportation Services has advised that it expects the program to be offered again in 2023. TPA will continue to work closely with the City to support this valuable program and streamline the approvals process needed to implement paid parking in new locations.

ActiveTO

Through the ActiveTO Cycling Expansion program, the City of Toronto's Transportation Services accelerated and installed new bikeways along key corridors. The ActiveTO bikeways provide cyclists with new safe and connected routes that mirror major transit corridors and also help connect trails and parks. The new bikeways were implemented quickly by repurposing curb lanes year-round using pavement markings, signage and barriers.

In 2022, additional ActiveTO bikeways were installed along Danforth Avenue between Victoria Park Avenue to Dawes Road, Douro Street/Wellington Street West between King Street West to Niagara Street, and Willowdale Avenue between Empress Avenue to Bishop Avenue. Alongside the ActiveTO Cycling Expansion program corridors, Transportation Services continues to plan, design and install permanent bikeways including Bloor Street West between Runnymede Road and Shaw Street.

TPA has and continues to work closely with Transportation Services during the implementation of bikeways, confirming the location of new paid parking spaces, seeking relocation options and approvals to replace paid parking spaces on side streets and in the general vicinity of the impacted areas and coordinating the relocation of pay and display machines. Table 2 provides an overview of the impact of the bikeway's infrastructure implemented during 2022 and shows the extent of replacement parking that has been identified for implementation.

Table 2 – Impact of Bikeways on Paid On-Street Parking (2022)

Location	Segment	Net Spaces Impacted - Year-Round	Replacement Spaces	Net Increase / Decrease
Danforth Avenue	Victoria Park Avenue to Dawes Road	-34	0	-34
Gerrard Street East	Sherbourne Street to Parliament Street	-12	7	-5
Bloor Street West	Bartlett Avenue to Havelock Street	-3	0	-3
Willowdale Avenue	Empress Avenue and a point 40 metres south of Sheppard Avenue East	-25	0	-25
Davenport Road*	Dupont Street and Yonge Street	-112	96	-16
College Street	Manning Avenue and Bay Street	-39	0	-39
Douro Street / Wellington Street	Shaw Street to Blue Jays Way	-42	40	-2
The Queensway	Burma Drive and Grand Avenue	-2	0	-2
TOTAL		**-269**	**143**	**-124**

*Phased project, Bay Street to Yonge Street, was installed in fall 2021. Phase 2, Bedford Road to Bay Street, was installed in the summer 2022

In partnership with Transportation Services, TPA secured 143 replacement paid parking spaces on the corridors in which bikeways have been implemented in 2022. However, the installation of new ActiveTO cycling lanes resulted in an overall net loss of 124 paid parking spaces.

Expansion Opportunities

In 2020, TPA identified approximately 3,000 potential paid parking spaces for future implementation. Once new paid parking locations are identified, TPA consults with Transportation Services to assess any operational risks with the location of the proposed parking, as well as the local Ward Councillor and Business Improvement Area (BIA) to identify any local concerns.

Once the feasibility of the new proposed locations is confirmed, TPA will work with Transportation Services and the Ward Councillor to bring forward a staff report to the appropriate Community Council to seek approval for the necessary bylaw amendments. New locations on a TTC route must also be approved by City Council.

Following approval of the regulatory changes, TPA works with Transportation Services to coordinate the installation of pay and display machines and on-street signage to reflect the approved parking.

In 2022, nearly 500 new on-street paid parking spaces were carefully analyzed, brought forward and ultimately approved by Community Council and City Council (where applicable). This includes the conversion of 200 one (1)-hour free parking to paid parking spaces, and an additional nearly 300 paid spaces as a result of replacement parking from lost off-street / on-street initiatives or through the identification of on-street paid parking growth opportunities. Implementation of these 500 new parking spaces is now underway and is expected to be completed in phases by second quarter (Q2) 2023.

Rate Review and Next Steps

In 2023, TPA will undertake a comprehensive pricing strategy review, which will identify strategic and operational opportunities to update parking rates in a more nimble and responsive manner. On-street parking rates will also be evaluated in conjunction with adjacent off-street parking rates to maximize short stays on-street while maximizing longer stays at off-street parking garages and surface lots. The pricing strategy will also include a review of the following opportunities:

- Variable pricing (e.g. time of day, day of week, events, seasonal pricing)
- Hours of enforced paid parking (e.g. 8:00AM to 9:00PM), by street
- Technologies required to support more dynamic rate setting
- Pricing considerations across various existing and potential payment channels including TPA's Green P mobile app, pay and display machine credit card and cash transactions, digital-only payment zones and third-party resellers
- Pricing considerations for bundled EV charging and paid parking services
- Governance and approvals process of making changes to parking rates (e.g. steps and timelines required to implement by-law amendments)

Given the recovery from pre Covid-19 (on-street revenues below 75 percent of 2019 levels) and the opportunity to develop a more comprehensive pricing strategy, TPA recommends that the Board of Directors defer the 2022 On-Street Rate Review to 2023. TPA will continue to monitor and progress the on-street paid parking program and work with the City to coordinate the implementation of both City and TPA-led initiatives, including the implementation of expanded on-street paid parking locations.