

REPORT FOR ACTION

Toronto Parking Authority – State of Good Repair Program

Date: June 4, 2025

To: Audit and Risk Management Committee, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

The purpose of this report is to provide the Board of Directors of the Toronto Parking Authority (TPA) with an overview of the TPA's State of Good Repair (SOGR) strategy - a key component of the organization's Capital Expenditures (CapEx) program. The report includes a summary of the SOGR strategy, 2024 SOGR performance and presents the forward-looking plan for 2025 and beyond.

TPA has adopted a proactive, long-term approach to infrastructure management by fully integrating our Asset Management Program (AMP), SOGR Strategy, and Enterprise Risk Management (ERM) framework into our capital planning and funding processes. This integrated framework enables TPA to take a risk-based approach to SOGR projects that deliver our strategic imperatives while optimizing financial performance and resource allocation.

Post 2017, TPA's underinvestment in infrastructure led to a deficiency in SOGR resulting in a growing backlog of rehabilitation and critical repairs negatively impacting our parking portfolio. To address these shortcomings, in 2021 management conducted an extensive Building Condition Assessment (BCA) of TPA owned parking garages and parkades (lots). The results of the BCA program revealed an estimated \$280 million (adjusted to 2024 dollars) backlog in SOGR work over the next 10 years.

In response, the TPA implemented a streamlined SOGR strategy - a structured, facility-by-facility approach that systematically assesses, repairs, restores, and refurbishes each site sequentially before moving to the next project. Management began addressing the first five priority garages between 2023 and 2025.

The efficacy of this approach is reflected in TPA's improved SOGR capital execution. From 2018 to 2021, only 11% of the planned SOGR budget was spent annually. Since

launching the new program in 2021, performance has improved, with \$20.17 million (88%) of planned SOGR work delivered in 2023 and \$15.38 million (72%) in 2024. In 2025, TPA has allocated \$12.6 million of SOGR CapEx at three garages.

TPA has identified a SOGR backlog of approximately \$280 million over the next 10 years, adjusted to 2024 dollars. The recently established Net Income Share Agreement with the City of Toronto is expected to support \$128 million of this total. The remaining \$152 million is associated with two major rehabilitation projects—Car Park 36 (CP36) and Car Park 52 (CP52)—which are currently excluded from the agreement.

Although the projected costs for CP36 and CP52 are included in the overall backlog figure, these facilities are not part of the active SOGR program. Both locations are physically integrated with other City-owned infrastructure, operated by Corporate Real Estate Management (CREM) and the Toronto Transit Commission (TTC). As a result, they present complex funding, operational, and governance challenges that extend beyond TPA's direct mandate. These projects represent a significant capital challenge that will require cross-divisional collaboration and alignment of priorities to proceed. Management will update the Audit and Risk Committee regarding next steps with these facilities in 2026.

Over the next decade, continued investment will be required to address both current and emerging infrastructure deficiencies, while keeping current with ongoing repair and maintenance requirements. TPA's goal is to reach a steady state by 2030, where 80% of garages are in good repair, 10% are in the repair planning phase, and 10% requiring immediate action. Continued investment, guided by robust asset management systems, will enable TPA to assess, restore, and modernize its infrastructure, reinforcing our commitment to safety, operational excellence, and long-term value creation.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, request City Council to request the Executive Director, Corporate Real Estate Management, and the Toronto Transit Commission Board to request the Chief Executive Officer, Toronto Transit Commission, to jointly prepare a business case for the required rehabilitation to Car Park 36, located at City Hall and Car Park 52, located at 40 York Street, in collaboration with the President, Toronto Parking Authority, and to submit for consideration as part of the 2026 Budget Process.

FINANCIAL IMPACT

No financial impacts from this report.

DECISION HISTORY

At its meeting on May 15, 2025 TPA Board of Directors received a report (Item PA14.3) providing an in-depth analysis of the Capital Expenditure (CapEx) performance for 2024 and the plan for 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PA14.3>

At its meeting on May 28, 2024, TPA Board of Directors received a report (Item PA9.4) providing a detailed review of the Capital Expenditure (CapEx) performance for the year 2023 and the plan for the 2024 CapEx.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PA9.4>

At its meeting on March 4, 2025, TPA Board of Directors received a report (Item PA13.8) entitled “Contract Award - 40 Larch Street (Car Park 150) Garage Restoration Project 2025-CON-CP150-B10”. The item was adopted by TPA Board of Directors at its meeting of March 4, 2025 providing authority to the President, Toronto Parking Authority, to award the Garage Restoration project located at 40 Larch Street (Car Park 150) for 2025-CON-CP150-B10 to Heritage Restoration Inc.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PA13.8>

At its meeting on March 4, 2025, TPA Board of Directors received a report (Item PA13.9) entitled “Contract Award - 75 Holly Street (Car Park 29) Garage Restoration Project 2025-CON-CP29-B10”. The item was adopted by TPA Board of Directors at its meeting of March 4, 2025 providing authority to the President, Toronto Parking Authority, to award the Garage Restoration project located at 75 Holly Street (Car Park 29) for 2025-CON-CP29-B10 to Complete Concrete Restoration Limited.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PA13.9>

At its meeting on May 25, 2023, TPA Board of Directors received a report (Item PA4.8) entitled “Contract Award - 2023-CON-CP43-B10 Concrete Repairs at 2 Church Street (Car Park 43)”. The item was adopted by TPA Board of Directors at its meeting of May 25, 2023 providing authority to the President, Toronto Parking Authority, to award the Concrete Repairs Phase 1 project located at 2 Church Street (Car Park 43) for 2023-CON-CP43-B10 to Maxim Group General Contracting Ltd.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PA4.8>

At its meeting on April 21, 2023, TPA Board of Directors received a report (Item PA3.10) entitled “Contract Award - 2023-CON-CP68-B10 Garage Restoration Project at 20 St. Andrew Street (Car Park 68)”. The item was adopted by TPA Board of Directors at its meeting of April 21, 2023 providing authority to the President, Toronto Parking Authority, to award the Garage Restoration project located at 20 St. Andrew Street (Car Park 68) for 2023-CON-CP68-B10 to Restorers Group.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PA3.10>

At its meeting on December 12, 2022, TPA Board of Directors received a report (Item PA1.11) entitled “Contract Award - 5058-41 Garage Restoration at 9 Bedford Road (Car Park 58)”. The item was adopted by TPA Board of Directors at its meeting of December 12, 2022 providing authority to the President, Toronto Parking Authority, to award the Construction Contract for the 5058-41 Garage Restoration at 9 Bedford Road (Car Park 58) to Complete Concrete Restoration Ltd.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PA1.11>

COMMENTS

The purpose of this report is to provide the Board of Directors of the Toronto Parking Authority (TPA) with an overview of the TPA’s State of Good Repair (SOGR) strategy - a key component of the organization’s Capital Expenditures (CapEx) program. The report includes a summary of the SOGR strategy, 2024 SOGR performance and presents the forward-looking plan for 2025 and beyond.

SOGR for infrastructure refers to the condition in which infrastructure assets are maintained to ensure they are safe, reliable, and efficient. SOGR involves regular maintenance, timely repairs, and necessary upgrades to prevent deterioration and extend the lifespan of existing parking infrastructure. By adhering to SOGR principles and best practices, the TPA can minimize costly emergency repairs, enhance safety, improve customer experience, enhance property values and improve the overall quality of life for the surrounding community.

Prior to 2021, there had been an insufficient investment in SOGR across TPA’s infrastructure portfolio. This approach, while economical in the short term, only served to delay and in many cases exacerbate future costs and risks. Figure 1 illustrates actual vs. planned SOGR investments since 2018.

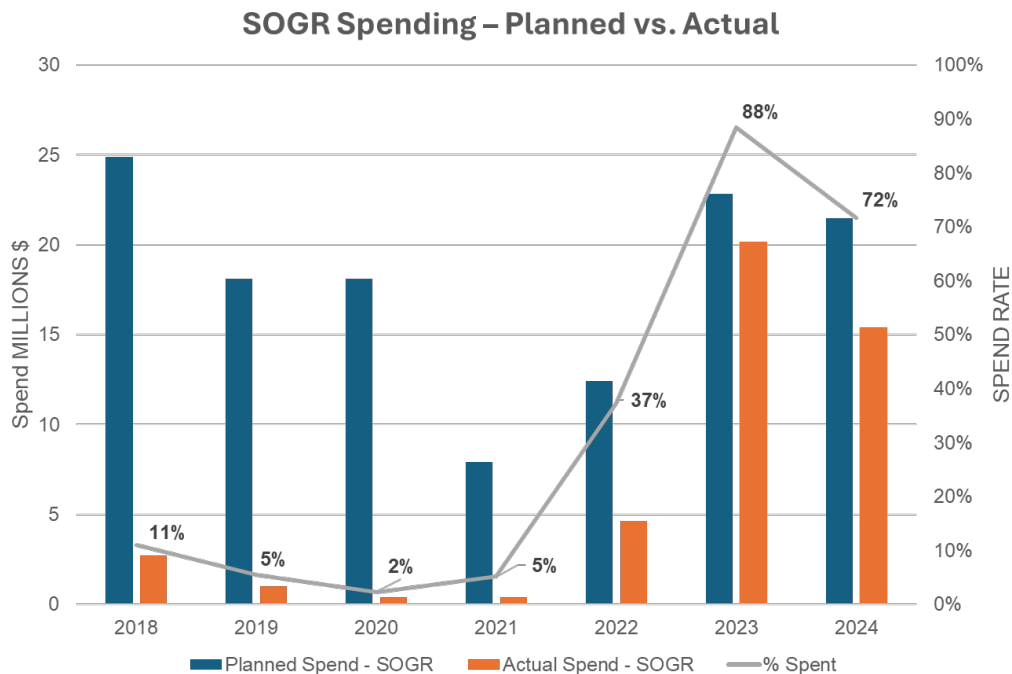


Figure 1 – Planned vs. Actual 2018 - 2024

For context, the benchmark target for SOGR investments is 10% of the total value of property and equipment assets. As of December 31, 2024, TPA has assets valued at \$307 million Net Book Value. This rule of thumb would drive a recommended annual SOGR investment of \$30.7 million. As illustrated in Figure 1, historical SOGR spend at TPA (all values in million-dollar increments) between 2018 to 2022 has consistently fallen short on required SOGR investments by 67% annually with average spend of \$7.4 million per year. This performance gap has resulted in a \$280 million SOGR backlog (adjusted to 2024 dollars) over the next 10 years.

Management's SOGR strategy going forward follows a structured, facility-by-facility approach designed to systematically assess, repair, restore, and refurbish each site sequentially before moving on to the next project. This disciplined approach drives improved focus, accountability and oversight.

The SOGR methodology is as follows:

- Conducting Building Condition Assessments (BCA) to identify necessary repairs. This includes comprehensive assessments of garage structures, mechanical systems, electrical systems, and life safety systems.
- Prioritization of repairs based on established criteria, including ratings of each garage's deterioration severity, revenue generation importance, EV implementation, and synchronization with CreateTO's development plans for TPA assets.

- Addressing emergency or critical facility deficiencies first to ensure safety, compliance, and operational integrity.
- Phase One (1) – Structural Repairs (fixing the bones)”. Restore structural, mechanical, electrical, and life safety system deficiencies to bring them to good working order, improve durability and extend the facility’s service life.
- Phase Two (2) – Garage modernization (refurbishment) after Phase 1 to optimize functionality, aesthetics, and overall user experience.
- Planned repairs to be packaged in a holistic in nature to benefit from economies of scale and minimize long-term customer impacts.

By comprehensively addressing each facility, TPA ensures its assets remain safe, reliable, and aligned with evolving customer expectations, while also maximizing long-term value and operational efficiency.

To successfully implement the SOGR strategy, TPA has established, and continues to develop, a combination of operational capabilities, technological systems, and process efficiencies to support seamless and effective execution.

1. Data-Driven Facility Management & Assessment

- Computerized Maintenance Management System (CMMS): Enables tracking of repairs, work orders, and preventive maintenance schedules.
- Computerized Asset Management System (CAMS): Supports lifecycle planning, budget forecasting, and asset tracking.

2. Proactive Maintenance & Repair Capabilities

- Dedicated Maintenance Teams & Contractors: Skilled professionals to execute repairs, refurbishments, and service enhancements.
- Predictive Maintenance Tools: AI-driven monitoring to detect issues before failures occur, minimizing downtime.
- Emergency Response Protocols: A rapid-response framework for addressing critical deficiencies to ensure safety and compliance.

3. Strategic Planning & Execution Tools

- Project Management Software (e.g., Primavera, MS Project, or equivalent): Ensures efficient scheduling, budgeting, and execution of facility improvements.
- GIS Mapping & Digital Twin Technology: Provides spatial insights into infrastructure conditions and optimizes upgrade planning.
- Financial Planning & Budgeting Systems: Tracks expenditures, forecasts costs, and ensures fiscal responsibility.

4. Operational & User Experience Enhancements

- Internet of Things (IoT)-Enabled Smart Parking Infrastructure: Allows for real-time monitoring of parking facilities, improving efficiency and user experience.

- EV Charging & Sustainability Integration: Ensures modernized facilities align with Toronto's green mobility goals.
- Digital Payment & Access Control Systems: Enhances convenience, security, and operational efficiency across parking garages and lots.

By leveraging these capabilities and systems, TPA can effectively assess, restore, and modernize its facilities, ensuring they remain safe, efficient, and future-ready, while maximizing long-term value and operational efficiency.

Building Condition Assessment Overview

In 2021, the Toronto Parking Authority (TPA) launched a three-year Building Condition Assessment (BCA) program across its parking garages and surface lots. The initiative prioritized garages over 10 years old, based on the likelihood of greater repair and reinvestment needs. This work is a foundational step in establishing baseline data on the condition of key building systems, including structural, mechanical, electrical, and life safety, and provides the evidence base for a long-term SOGR strategy.

As of 2024, BCAs have been completed at 24 of TPA's oldest parking garages and 132 surface lots. This effort has yielded a comprehensive profile of asset health across the portfolio and quantified the deferred maintenance backlog. The analysis indicates that approximately \$280 million (adjusted to 2024 dollars) in investment will be required over the next 10 years (2025–2035) to achieve and maintain a Facility Condition Index (FCI) below 10 percent (%), which is consistent with industry benchmarks for assets in a good state of repair. Attaining this target will support a transition to proactive lifecycle maintenance, reduce reactive repair costs, and extend the useful life of TPA's infrastructure.

Figure 2 presents a summary of the BCA findings, using FCI values to visualize the relative size of the SOGR backlog at each garage. The chart compares the current backlog against each facility's total replacement value. While a few newer garages are in sound condition, several facilities exceed the 10% FCI threshold, triggering priority action. TPA is actively advancing capital repair programs at these high-need locations as part of a sequenced SOGR implementation plan.

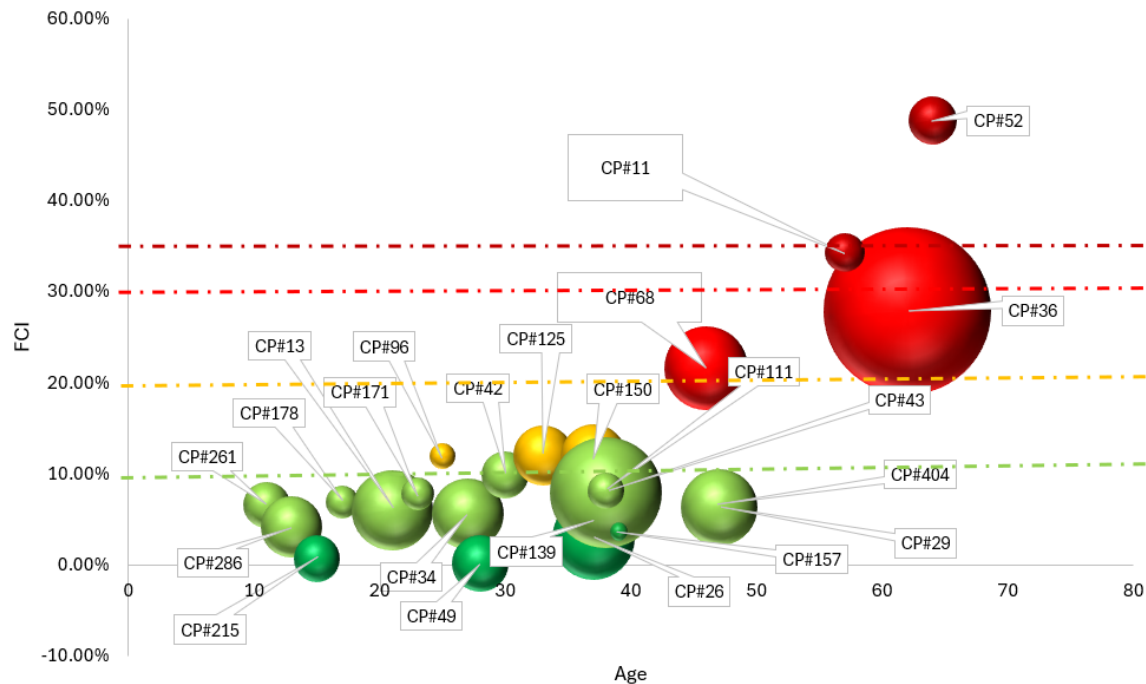


Figure 2 – SOGR Backlog and FCI Comparison

Key findings from the Building Condition Assessments (BCAs) were incorporated into a structured prioritization framework to identify garage locations best suited for early-phase one (1) and two (2) repair and reinvestment. This approach has enabled TPA to phase SOGR projects in a manner that aligns with asset condition, operational criticality, and available capital resources ensuring disciplined, high-impact use of limited funding.

The prioritization process considered multiple factors, including:

- **Structural Condition** – Assessment of key building components such as slabs, walls, columns, stairwells, asphalt, and waterproofing systems to determine the physical integrity and safety of each facility.
- **System Reliability** – Evaluation of mechanical, electrical, and life safety systems essential to the safe and efficient operation of the garage.
- **Revenue Contribution** – A revenue-weighted scoring model to identify garages that play a significant role in TPA's overall financial performance.
- **Strategic Alignment** – Consideration of how each facility supports TPA's long-term strategic objectives, including growth in customer demand, adoption of new technologies, and the expansion of micromobility and EV charging infrastructure. Additionally, under *Municipal Code Chapter 179-9*, each project is reviewed in consultation with the Deputy City Manager, Corporate Services, to ensure that

TPA's SOGR investments align with broader City-building objectives, including repurposing initiatives led by the City and its agencies, such as CreateTO.

This structured, data-driven methodology ensures that capital investments address critical infrastructure needs while reinforcing TPA's broader mandate to deliver safe, modern, and customer-focused mobility solutions. It also helps mitigate the risk of misalignment with broader City initiatives.

Two TPA-owned parking structures—Car Park 36 (CP36), located at 110 Queen Street West, and Car Park 52 (CP52), located at 40 York Street—have been excluded from the core State of Good Repair (SOGR) program due to their complex ownership and operational arrangements. Both facilities involve shared responsibilities with Corporate Real Estate Management (CREM), the Toronto Transit Commission (TTC), and/or Transportation Services, requiring coordinated planning, funding, and governance beyond TPA's sole authority.

These two sites account for a combined SOGR backlog of approximately \$152 million, (adjusted to 2024 dollars). Although this amount is included in the broader \$280 million SOGR portfolio estimate, CP36 and CP52 are not part of TPA's active capital rehabilitation program.

The recently established Net Income Share Agreement with the City of Toronto is expected to support \$128 million in SOGR investments. However, the \$152 million required for CP36 and CP52 falls outside the scope of this agreement and currently exceeds what TPA can fund independently.

Given the scale of investment and the inter-agency collaboration required, these two projects are being managed separately from the core SOGR portfolio through a dedicated strategy focused on joint planning, funding alignment, and governance coordination. TPA Management is currently working with CREM to develop and submit joint business cases in support of these projects as part of the City's 2026 capital budget cycle

While the above prioritization focused on garage locations, a similar analysis is now underway using data from the surface lot Building Condition Assessments (BCAs), with the goal of developing a prioritized list to guide future State of Good Repair (SOGR) investments. A key driver of the surface lot SOGR program is alignment with broader City initiatives, such as the Parking to Homes strategy. The execution of SOGR work is contingent on reaching agreement with the City regarding which surface lots will remain part of the TPA portfolio over the long term.

SOGR Planning and Program Execution

TPA initially prioritized urgent safety-related issues, focusing on structural concerns that posed immediate risks to public safety. This included repairing deteriorated stairwells, mitigating concrete hazards, and replacing aging emergency generators to ensure the continued safe operation of facilities.

As a result, several emergency concrete repair projects and two stairwell replacements were completed first, as outlined in Table 1 below. Only after these critical safety repairs were resolved could the larger, comprehensive Phase 1 projects at CP43, CP58, and CP68 move forward.

Phase 1 structural repairs at CP43, CP58, and CP68 began in Q3 2023 and are progressing on schedule. CP58 was completed by Q1 2025, with CP43 and CP68 targeted for completion in Q2 2025.

Design work for Phase 2 modernization at these garages is already underway. This next phase will focus on technology upgrades, improved wayfinding, and enhanced customer service features, with implementation starting in Q4 2025 and continuing into 2026.

In parallel, a new wave of Phase 1 structural repairs is starting at CP29, CP150, and the east section of CP43. This continues TPA's methodical approach to addressing State of Good Repair (SOGR) needs across its garage network.

A summary of completed and ongoing projects is provided in Table 1.

Location	Project	Year	Status
Various	Parking garage BCAs	2021-2023	Complete
Various	Surface lot BCAs	2022-2024	Complete
CP11	Emergency concrete repairs	2022	Complete
CP29	Emergency concrete repairs	2022	Complete
CP26	Emergency concrete repairs	2023	Complete
CP36	Emergency concrete repairs	2022-2023	Complete
CP68	Stairwell Replacement	2022-2023	Complete
CP43	Stairwell Replacement	2022-2023	Complete
CP286	Localized waterproofing and concrete repairs	2023	Complete
CP58	Phase 1 Garage Restoration	2023-2024	Complete
Various	Emergency Generator Replacement	2023-present	In Progress
CP43	Phase 1 Garage Restoration (West)	2023-present	In-Progress
CP68	Phase 1 Garage Restoration	2023-present	In-Progress

CP43	Phase 1 Garage Restoration (East)	2025-present	In-Progress
CP29	Phase 1 Garage Restoration	2025-present	In-Progress
CP150	Phase 1 Garage Restoration	2025-present	In-Progress
CP43	Phase 2 Garage Modernization (West)	2025-present	In-Progress
CP58	Phase 2 Garage Modernization	2025-present	In-Progress
CP68	Phase 2 Garage Modernization	2025-present	In-Progress

Table 1 – SOGR Projects Initiated Since 2021

The positive impact of TPA's new, comprehensive SOGR strategy is clearly reflected in capital spending results since 2021. As shown in Table 2, prior to launching the program, TPA consistently underspent on SOGR, delivering only about 11% of the planned budget annually between 2018 and 2021.

Since the program began in 2021, performance has improved significantly: 37% of planned SOGR spending was delivered in 2022, 88% in 2023, and 72% in 2024. These results demonstrate TPA's strong commitment to infrastructure renewal and long-term asset sustainability.

\$M	2018	2019	2020	2021	2022	2023	2024
Planned Spend – SOGR	\$24.90	\$18.10	\$18.10	\$7.90	\$12.43	\$22.83	\$21.46
Actual Spend – SOGR	\$2.70	\$1.00	\$0.40	\$0.40	\$4.64	\$20.17	\$15.38
% Spend of Planned SOGR	11.00%	5.40%	2.30%	5.10%	37.30%	88.34%	71.67%

Table 2 – Historical SOGR Spend at TPA (all values in million-dollar increments)

2024 SOGR Capital Review

In 2024, TPA invested approximately \$15.4 million in SOGR work, representing 72% of the planned budget. The investment focused primarily on continuing Phase 1 structural repairs at CP43, CP58, and CP68. At the same time, design work began for the next group of garages scheduled for repairs in 2025.

A detailed breakdown of the 2024 SOGR investment is provided in Figure 3 and Table 3.

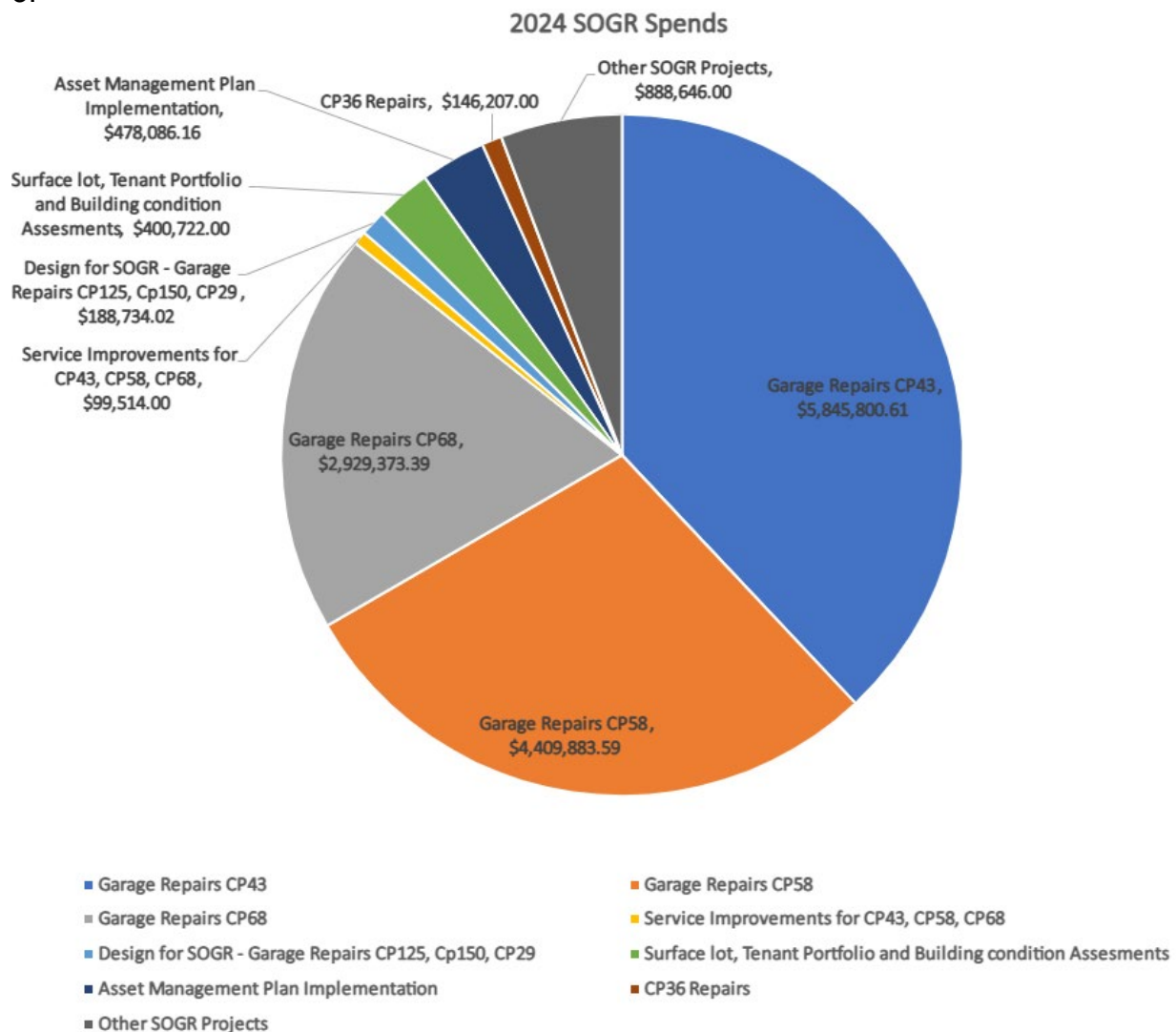


Figure 3 – Breakdown of 2024 SOGR CapEx

Project	SOGR Spend (\$M)
Garage Repairs CP43	\$ 5,845,800.61
Garage Repairs CP58	\$ 4,409,883.59
Garage Repairs CP68	\$ 2,929,373.39

Service Improvements for CP43, CP58, CP68	\$ 99,514.00
Design for SOGR - Garage Repairs CP125, CP150, CP29	\$ 188,734.02
Surface lot, Tenant Portfolio and Building condition Assessments	\$ 400,722.00
Asset Management Plan Implementation	\$ 478,086.16
CP36 Repairs	\$ 146,207.00
Other SOGR Projects	\$ 888,646.00
Grand Total	\$ 15,386,966.77

Table 3 – Breakdown of 2024 SOGR CapEx Invested by \$ Value

2025 SOGR Capital Plan

For 2025, TPA has allocated \$12.6 million to its SOGR capital program, not including any carry-forward from 2024. A detailed breakdown is provided in Figure 4 and Table 4.

This investment continues TPA's holistic, phased repair approach, with Phase 1 work beginning at CP29, CP150, and the east section of CP43. In addition, urgent repairs will be made at CP52 and CP286, and critical life safety upgrades, such as emergency generator replacements, will take place at CP26, CP29, and CP43.

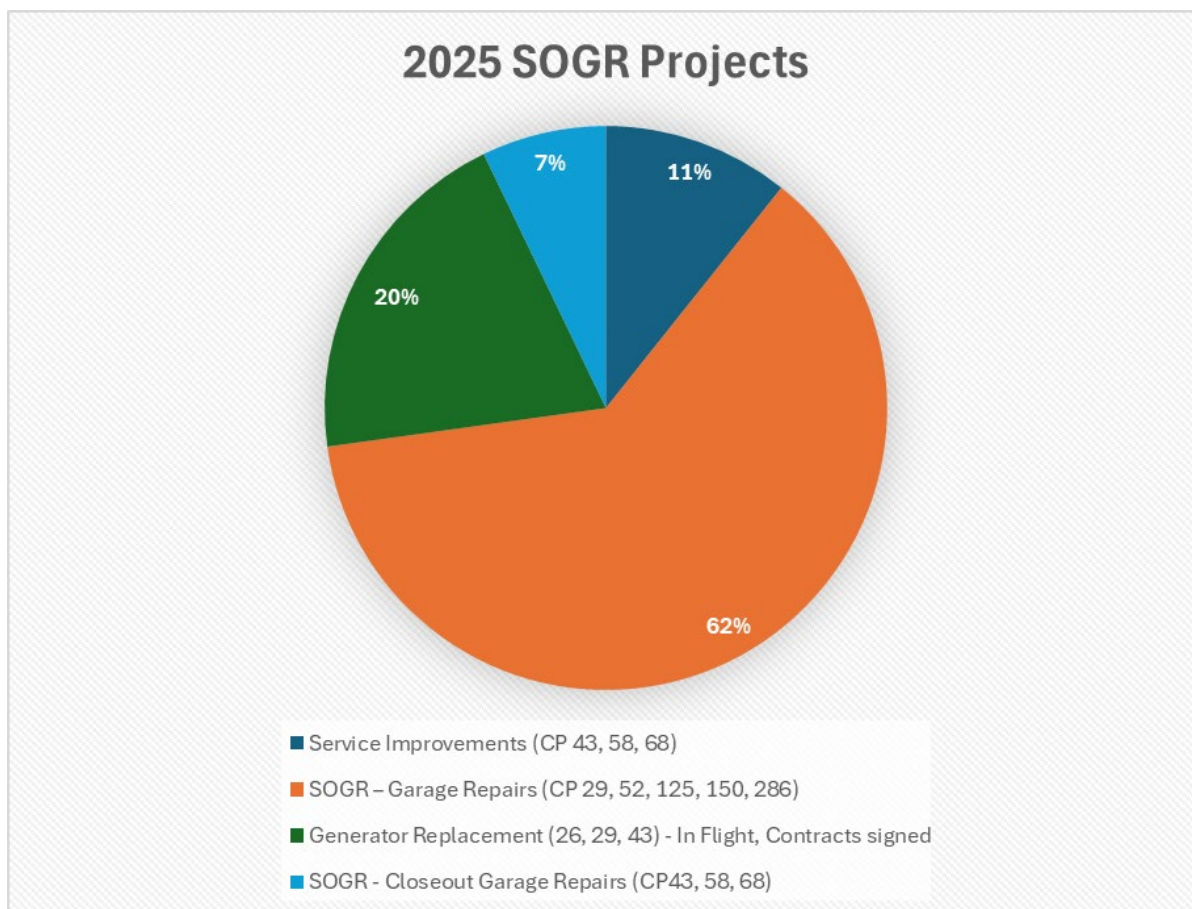


Figure 4 – Breakdown of 2025 SOGR CapEx

Project	Budget
Service Improvements (CP 43, 58, 68)	\$ 1,350,000
SOGR – Garage Repairs (CP 29, 43 east, 52, 150, 286)	\$ 7,810,000
Generator Replacement (26, 29, 43)	\$ 2,520,000
SOGR - Closeout Garage Repairs (CP43, 68)	\$ 900,000
Sub-Total	\$ 12,580,000

Table 4 – Breakdown of 2025 SOGR CapEx by \$ Value

Future SOGR Planning

TPA's long-term goal is to achieve a stable State of Good Repair (SOGR) backlog by 2030. At that point, excluding CP36 and CP52 approximately 80% of parking garages are expected to be in good condition, 10% in the repair planning phase, and the remaining 10% requiring immediate attention. This target is illustrated in Figure 5.

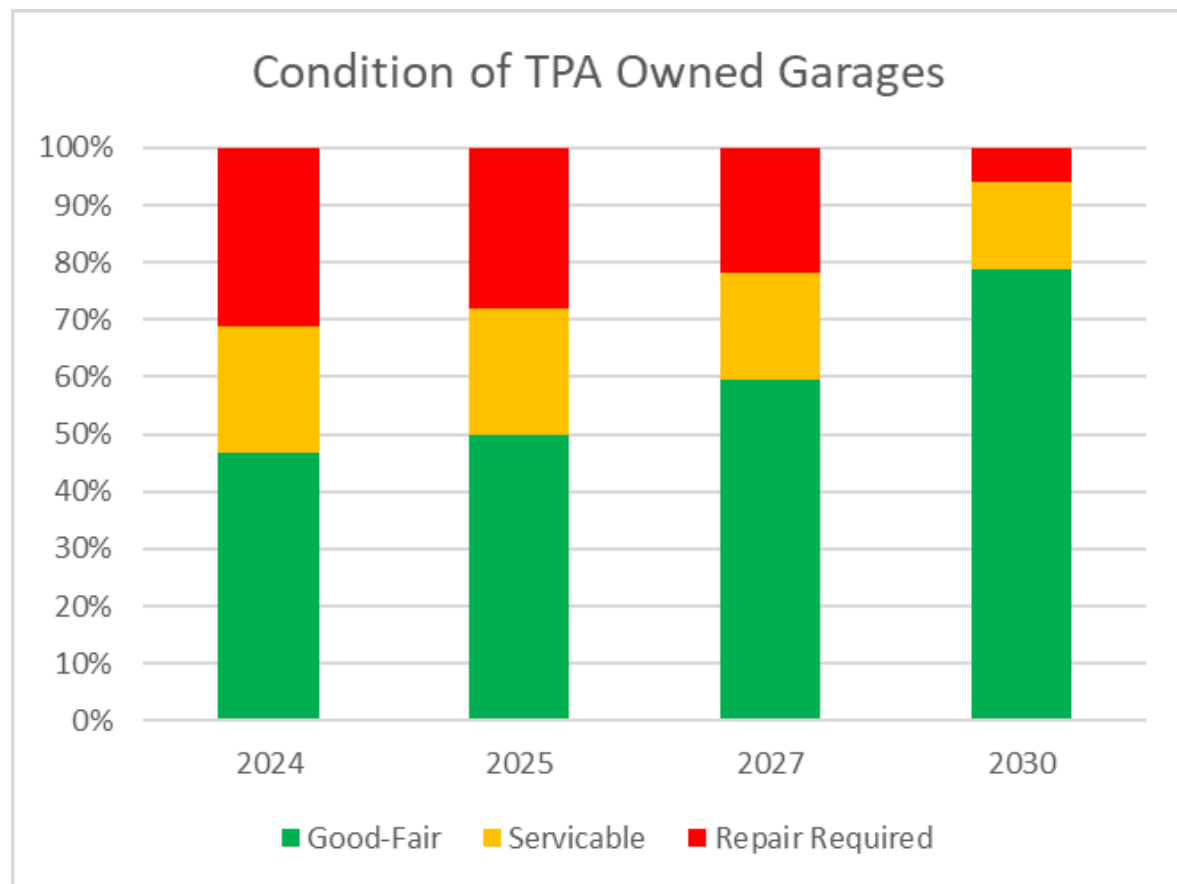


Figure 5 – Target SOGR Condition of TPA Garages by 2030

TPA is also implementing a formal Asset Management Program, which will be fully integrated with the SOGR strategy. This will establish a more coordinated, data-driven approach to infrastructure maintenance and renewal across all facilities.

Analysis from the Building Condition Assessments (BCAs) confirms that sustained investment is required to reach this goal. As shown in Figure 6, achieving a steady state will require either \$30 million annually over the next 10 years or \$20 million annually over the next 20 years.

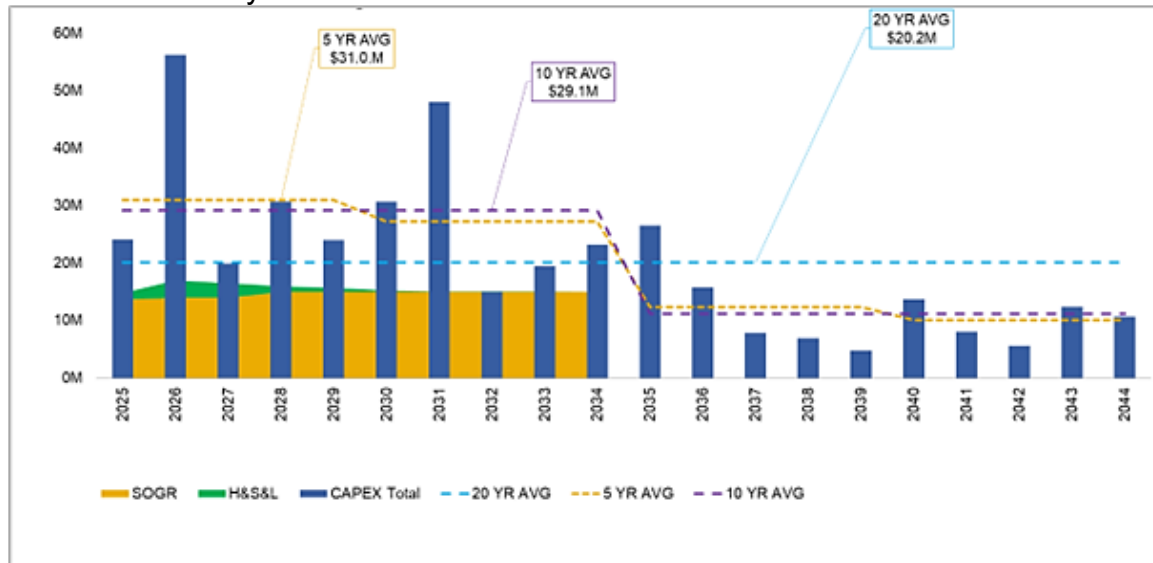


Figure 6 – SOGR Budget Strategy Over Next 20 Years

This level of investment—combined with the implementation of robust asset management systems—will enable TPA to proactively assess, repair, and modernize its infrastructure. The result will be facilities that are safer, more efficient, and better positioned to support future needs, while maximizing long-term value and operational performance. Under this approach, TPA is targeting a steady-state by 2035, where approximately 80% of parking garages are in good condition, 10% are in the repair planning phase, and the remaining 10% require immediate attention.

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SIGNATURE

W. Scott Collier, President
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ATTACHMENTS

N/A