



REPORT FOR ACTION

Toronto Parking Authority - 2027 Operating Budget and 2027-2036 Capital Budget

Date: September 14, 2026

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

The purpose of this report is to present Management's proposed 2027 Operating Budget and 2027–2036 Capital Budget to the Board of Directors of the Toronto Parking Authority for its initial review. The proposed budget has been submitted to the City of Toronto as part of its budget review process and will be brought forward to the Board in December 2026 for approval, after which it will proceed to Toronto City Council for final consideration and approval.

Building off a strong performance through the first eight months of 2026, Management is forecasting full year operating income of \$63.8 million which is +\$2.7 million or 4.4 percent better than budget.

Revenues are forecasted to reach a historic high of \$184.5 million, exceeding budget by \$1.5 million (+0.8%). Total parking revenue of \$161.0 million, representing 87% of overall revenue, is in line with budget and is up \$3.3 million (+2.0%) from the prior year. The Off-Street parking portfolio remained resilient, offsetting lower On-Street parking revenue resulting from two significant winter snow events and FIFA-related road closures. Record revenue performance was further supported by strong growth in the Bike Share portfolio and higher finance income. Bike Share remains on track to achieve its ridership target with an additional 0.9 million trips, while successfully supporting FIFA events through enhanced valet operations.

Operating expenses are forecasted at \$120.7 million which is \$1.2 million lower than budget mainly due to one-time managed service provision release on salaries, headcount management, and savings from modernizing parking equipment.

TPA 2026 capital delivery is expected to exceed 95% spend rate of the budgeted \$47.1 million capital budget with key investments in 950 PayByPlate equipment, parking

access revenue control at over 20 sites, data analytics, state of good repair of scheduled car parks, and communication connectivity within car parks. These initiatives are within the rolling three-year capital envelope supporting our operating imperatives.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority receive the proposed 2027 Operating Budget and 2027 - 2036 Capital Budget for Toronto Parking Authority as presented in Attachment 1 to this report.

FINANCIAL IMPACT

In 2027, Management is budgeting a new historic revenue performance of \$192.1 million (+\$7.6 million or +4.1 percent versus 2026 forecast; +\$9.0 million or 4.9 percent versus 2026 budget).

2027 Full year Operating Income budget of \$65.4 million (+\$1.6 million or +2.5 percent versus 2026 Forecast; +\$4.3 million or +7.0 percent)

The 2027 budget includes a proposed parking pricing adjustment as TPA continues to partner with the City on options available to align on City funding requirements. These proposals are reflective of annual CPI costs absorbed into operating costs and annual capital investments.

TPA's annual distribution, equivalent to 100 percent of operating income, to the City of Toronto for the 2027 financial year is budgeted to be \$65.4 million; + \$4.3 million better than 2026 budget.

DECISION HISTORY

At this meeting on December 12, 2025, TPA new board directed management to suspend 2024-2026 Net Income Share Agreement for 2026 so that all TPA earnings are remitted to the City while a broader fiscal and governance review is undertaken.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PA17.3>

At its meeting of February 11, 2025, City Council considered and debated Item MPB27.1, including Toronto Parking Authority's proposed 2025 Operating Budget and 2025 - 2027 Capital Budget. The Mayor's Proposed Budget was deemed adopted, as amended by City Council, as the Mayor did not exercise the power to veto under subsection 226.14(4) of the City of Toronto Act.

<https://secure.toronto.ca/council/#/committees/2462/25761>

At its meeting of June 26 and 27, 2024, City Council adopted EX15.9 and approved the terms of a new Net Income Share Agreement between the City and the Toronto Parking Authority for a three (3) year period, effective January 1, 2024, as outlined in Attachment 2 to the report (May 15, 2024) from the President, Toronto Parking Authority and the Chief Financial Officer and Treasurer. In addition, City Council authorized the appropriate City staff to prepare a Net Income Sharing Agreement between the Toronto Parking Authority and the City of Toronto, in accordance with the terms set out in Attachment 2 to the report (May 15, 2024) from the President, Toronto Parking Authority and the Chief Financial Officer and Treasurer, in a form satisfactory to the City Solicitor, and subject to the approval of the Board of Directors of the Toronto Parking Authority.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX15.9>

COMMENTS

2027 Operating Budget and 2027 – 2036 Capital Budget Highlights:

Table 1: City of Toronto Income Share

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast		2027 Budget vs 2026 Budget	
Operating income from operations	65,412	63,794	61,127	1,617	2%	4,285	7.0%

Continuing from 2026 into 2027, TPA's annual distribution to the City of Toronto, 100 percent of Operating income is budgeted to be \$65.4 million; +\$1.6 million or +2.5% versus 2026 Forecast; + \$4.3 million better than 2026 budget.

Table 2: 2027 Operating Budget

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast		2027 Budget vs 2026 Budget		2026 Forecast vs 2026 Budget	
Off-Street revenue	97,158	95,253	93,794	1,905	2.0%	3,364	3.6%	1,459	1.6%
On-Street revenue	69,842	65,756	67,712	4,086	6.2%	2,130	3.1%	(1,956)	-2.9%
Bike Share revenue	20,960	19,657	17,928	1,303	6.6%	3,032	16.9%	1,729	9.6%
Other Revenue	2,131	1,245	1,825	887	71.3%	306	16.8%	(581)	-31.8%
Total parking & user revenue	190,091	181,910	181,259	8,181	4.5%	8,832	4.9%	652	0.4%
Finance Income	1,963	2,572	1,750	(609)	-23.7%	213	12.2%	822	47.0%
Total Revenue	192,054	184,482	183,009	7,572	4.1%	9,045	4.9%	1,473	0.8%
¹ Direct expenses - operating	(76,718)	(72,838)	(73,684)	(3,880)	-5.3%	(3,034)	-4.1%	846	1.1%
Contribution Margin	115,336	111,644	109,325	3,691	3.3%	6,011	5.5%	2,319	2.1%
Contribution Margin %	60.1%	60.5%	59.7%	-0.5%		0.3%		0.8%	
² Indirect Expenses & Taxes	(49,924)	(47,850)	(48,198)	(2,074)	-4.3%	(1,726)	-3.6%	348	0.7%
Operating Income	65,412	63,794	61,127	1,617	2.5%	4,285	7.0%	2,667	4.4%
Operating Income %	34.1%	34.6%	33.4%	-0.5%		0.7%		1.2%	

2026 Highlights

2026 Operating income is forecasted to be \$63.8 million, +\$2.7 million or +4.4 percent versus budget.

Revenues are forecasted to reach a historic high of \$184.5 million, exceeding budget by \$1.5 million (+0.8%). Total parking revenue of \$161.0 million, representing 87% of overall revenue, is in line with budget and is up \$3.3 million (+2.0%) from the prior year. The Off-Street parking portfolio remained resilient, offsetting lower On-Street parking revenue resulting from two significant winter snow events and FIFA-related road closures. Record revenue performance was further supported by strong growth in the Bike Share portfolio and higher finance income. Bike Share remains on track to achieve its ridership target with an additional 0.9 million trips, while successfully supporting FIFA events through enhanced valet operations.

Operating expenses are forecasted at \$120.7 million which is \$1.2 million lower than budget mainly due to one-time managed service provision release on salaries, headcount management, and savings from modernizing parking equipment.

2027 Highlights

Management's priorities in 2027 support TPA's growth strategy and are designed to accelerate TPA's vision of being to be recognized as one of the best providers of sustainable parking, bike share and last mile mobility experiences. TPA's proposed 2027 Operating and Capital Budgets will be supported by the 2027 Annual Operating Plan.

2027 Operating income budget is \$65.4 million:

- +\$1.6 million versus 2026 forecast driven by top line growth of +\$7.6 million or +4.1 percent offset by +\$3.9 million +5.3 percent higher direct operating expenses & +\$2.1 million or 4.3 percent higher indirect expenses and taxes.
- +\$4.3 million versus 2026 budget driven by top line growth of +\$9.0 million or 4.9 percent, offset by +\$3.0 million or 4.1 percent higher direct operating expenses & +\$1.7 million or 3.6 percent higher indirect expenses and taxes.

Exhibit 1: 2027 Budgeted Total Revenue

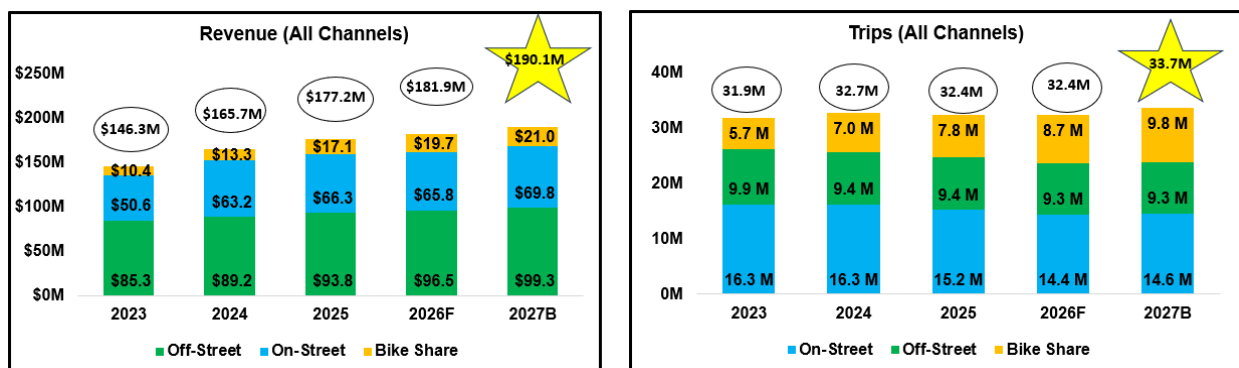


Table 3: 2027 Budgeted Total Revenue

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast		2027 Budget vs 2026 Budget		2026 Forecast vs 2026 Budget	
Off-Street revenue	97,158	95,253	93,794	1,905	2.0%	3,364	3.6%	1,459	1.6%
On-Street revenue	69,842	65,756	67,712	4,086	6.2%	2,130	3.1%	(1,956)	-2.9%
Bike Share revenue	20,960	19,657	17,928	1,303	6.6%	3,032	16.9%	1,729	9.6%
Other Revenue	2,131	1,245	1,825	887	71.3%	306	16.8%	(581)	-31.8%
Total parking & user revenue	190,091	181,910	181,259	8,181	4.5%	8,832	4.9%	652	0.4%
Finance Income	1,963	2,572	1,750	(609)	-23.7%	213	12.2%	822	47.0%
Total Revenue	192,054	184,482	183,009	7,572	4.1%	9,045	4.9%	1,473	0.8%

2027 budgeted revenue of \$192.1 million is +\$7.6 million versus 2026 forecast with top line growth of 4.1 percent. Trips volume is expected to achieve 33.7 million, +1.3 million versus forecast afforded to the continued success of Bike Share Toronto, "Ride More, Connect More" push to 9.8 million trips (+1.1 million versus forecast), and parking increasing by +0.2 million trips.

The increase of \$7.6 million in revenue will include the following initiatives:

- +\$3.7 million in parking rate adjustments (2026: \$1.0 million On-Street from annualized impact of 2026 rate adjustment; +\$2.7 million from proposed 2027 rate adjustment (OFF \$0.8 million; On-Street \$1.9 million))

- +\$1.8 million from electric vehicle (EV) combined revenues stemming from EV EOI and carbon credits and EV charging session growth.
- +\$1.7 million in Growth opportunities including B2B and monthly permits
- +\$1.3 million from 1.1 million higher Bike Share trips; +144 thousand E-bike trips
- +\$0.7 million from normalized winter season parking transaction impact.
- -\$1.6M parking inventory reduction due to closure of lots transferred for other city programs; 306 stalls and 115 thousand trips CP 79 (405 Sherbourne St.), CP 158 1325 Queen Street West, CP 204 (1117 Dundas Street West), CP224 34 Hanna and transition of CP15 – 33 Yorkville Ave / 50 Cumberland Street from developer to TPA.

2027 Budgeted Total Operating Expense

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast	2027 Budget vs 2026 Budget
Volume Related	37,908	37,107	35,783	(800) -2.2%	(2,124) -5.9%
Salaries & Benefits*	33,445	31,142	33,405	(2,303) -7.4%	(40) -0.1%
Municipal Taxes	23,121	23,102	23,776	(19) -0.1%	656 2.8%
Facility Costs	17,591	17,167	16,152	(424) -2.5%	(1,440) -8.9%
Indirect Expense - Admin	7,879	5,929	7,332	(1,950) -32.9%	(548) -7.5%
Information Technology	6,698	6,240	5,433	(458) -7.3%	(1,265) -23.3%
Total Operating Costs	126,642	120,688	121,882	(5,954) -4.9%	(4,760) -3.9%

2027 operating costs of \$126.6 million is +\$6.0 million or +4.9 percent versus 2026 forecast. Costs enable the successful execution of operating imperatives, fulfill TPA's mandate and uphold a growth mindset and disciplined cost management.

Budgeted operating expenses of +\$6.0 million versus forecast are driven by:

- +\$0.8 million volume related costs mainly due to 1.1 million more trips attributed to bike share.
- +\$2.3 million in salaries and benefits*, primarily because the 2026 forecast benefited from a one-time \$1.5 million managed-service provision release, together with approximately \$0.8 million in merit-related costs in 2027.
- flat in municipal taxes provisioned for annual increase offset by car park closures.
- +\$0.4 million in facility costs to reflect CPI adjustments to contracts.
- +\$1.9 million in Indirect expenses administration cost driven mainly by public EV charging EOI implementation costs, Presto integration, and development of loyalty program.
- +\$0.5 million investment in Information technology connecting new bike stations, modernizing kiosks, migrating data to cloud and expanding communication connectivity within additional car parks ensuring safety for customers and employees.

Off-Street Performance

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast		2027 Budget vs 2026 Budget	
Off-Street parking revenue	97,158	95,253	93,794	1,905	2.0%	3,364	3.6%
Other Revenue	2,131	1,245	1,825	887	71.3%	306	16.8%
Total Revenue	99,289	96,498	95,619	2,792	2.9%	3,670	3.8%
Direct expenses - operating	(42,641)	(40,826)	(41,270)	(1,815)	-4.4%	(1,370)	-3.3%
Contribution Margin	56,649	55,672	54,349	977	1.8%	2,300	4.2%
Contribution Margin %	57.1%	57.7%	56.8%	-0.6%		0.2%	

2027 budget contribution margin is \$56.6 million +\$1.0 million versus 2026 Forecast; +\$2.3 million versus 2026 budget; Contribution margin is 57.1% -0.6 points versus forecast; +0.2 points versus budget.

Revenues of \$99.3 million +\$2.8 million vs forecast mainly driven by +\$1.4 million from monthly parking permits, +\$0.8 million proposed rate adjustment, +\$1.5 million EV public charging, and \$0.2 million other B2B opportunities and focus on top 20 TPA owned garages, offset by -\$1.0 million from 115 thousand trips lost due to redeployment of lots to City programs.

Operating expenses \$42.6 million +\$1.8 million versus 2026 forecast mainly driven by a \$1.5 million one-time managed service provision release on salaries and remaining driven by general CPI index of facility contracts and associated merit to staff.

On-Street Performance

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast		2027 Budget vs 2026 Budget	
On-Street parking revenue	69,842	65,756	67,712	4,086	6.2%	2,130	3.1%
Direct expenses - operating	(10,496)	(9,700)	(11,733)	(796)	-8.2%	1,237	10.5%
Contribution Margin	59,346	56,055	55,979	3,291	5.9%	3,367	6.0%
Contribution Margin %	85.0%	85.2%	82.7%	-0.3%		2.3%	

2027 budget contribution margin \$59.3 million +\$3.3 million versus 2026 forecast. Contribution margin % at 85.0% -0.3 points versus forecast; +2.3 points versus 2026 budget.

Revenues of \$69.8 million budgeted +\$4.1 million versus 2026 forecast driven from 164 thousand more trips and higher average transaction value from mix in inventory, annualized impact of 2026 rate increase and 2027 proposed rate adjustment.

Operating expenses \$10.5 million +\$0.8 million vs 2026 forecast mainly due to volume related impact from higher transactions and cost of operating parking equipment and pay as you go repairs. Versus 2026 budget expenses were favourable from the modernization of parking equipment resulting in lower cost base.

Combined Electric Vehicle Charging Performance

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast		2027 Budget vs 2026 Budget		2026 Forecast vs 2026 Budget	
Charging Revenue	1,578	1,191	811	387	32.5%	767	94.6%	380	46.8%
Associated Parking Revenue	1,112	987	1,005	125	12.6%	107	10.7%	(18)	-1.8%
Others	1,419	21	-	1,397	-	1,419	-	21	-
Total Revenue	4,108	2,199	1,815	1,909	86.8%	2,293	126.3%	384	22.6%
Direct expenses - operating	(2,954)	(1,508)	(1,226)	(1,446)	-95.9%	(1,728)	-141.0%	(282)	-23.0%
Contribution	1,154	691	590	463	67.0%	564	95.7%	101	17.2%
Contribution Margin %	28.1%	31.4%	32.5%		-4.4%		-4.4%		-1.1%

TPA's public EV charging network supports TransformTO's target of achieving 30% electric vehicle ownership among registered personal vehicles in Toronto by 2030. TPA has built the largest and most reliable municipally owned EV public charging network in Canada, with a 99 percent uptime and is expected to attract over 237 thousand charging sessions in 2027. Off-Street session count is 176 thousand while On-Street is 61 thousand sessions. The combined charging capacity is currently 534 chargers in operation.

2027 Overall contribution margin is \$1.2 million +\$0.5 million; decreasing from 31.4 percent in 2026 to 28.1 percent in 2027 due to higher utility costs and council approved resources to manage public electric vehicle EOI partnership at Environment, Climate and Forestry.

Revenues increasing \$1.9 million due to implementation of public EV charging EOI, Clean Fuel Regulations carbon credit revenue and due to sessions at 237 thousand; +32 thousand versus forecast.

Operating expenses of \$2.9 million, +\$1.4 million higher versus 2026 forecast due to EV EOI implementation and higher utility costs at 5.6 percent CPI.

Bike Share Toronto Performance

\$000's	2027 Budget	2026 Forecast	2026 Budget	2027 Budget vs 2026 Forecast	2027 Budget vs 2026 Budget		
Bike Share revenue	20,960	19,657	17,928	1,303	6.6%	3,032	16.9%
Direct expenses - operating	(23,582)	(22,312)	(20,681)	(1,270)	-5.7%	(2,901)	-14.0%
Contribution Margin	(2,623)	(2,655)	(2,753)	32	1.2%	131	4.8%
Contribution Margin %	-12.5%	-13.5%	-15.4%	1.0%		2.8%	
Contribution Margin Casual	\$ 6,171	\$ 5,119	\$ 5,074	\$ 1,052	20.5%	\$ 1,097	21.6%
Contribution Margin Annual Members	\$ (8,793)	\$ (7,774)	\$ (7,827)	\$ (1,019)	-13.1%	\$ (966)	-12.3%

As North America's 3rd largest bike share system (in size), Bike Share Toronto is projected to reach a record 8.7 million trips by the end of 2026, +0.8 million or 10 percent versus prior year. Bike share has successfully completed year 1 of the "Ride More, Connect More" 2030 strategy inspiring more people to choose cycling by creating a connected, accessible, and sustainable transportation network across Toronto.

Contribution margin for Bike Share Toronto will be -12.5 percent, +1.0 point better; +2.3 points versus 2026 budget; driven by by strong casual ridership and a higher e-bike trip mix that have higher margins, partially offset by increased member subsidies.

Revenues of \$21.0 million +\$1.3 million versus 2026 Forecast driven by +1.1 million trips expected to achieve a record 9.8 million trips; casual mix of 28 percent and expecting a record 1.8 million E-bike trips.

Operating expenses \$23.6 million +\$1.3 million versus 2026 forecast in line with higher revenues generated through trip volume driving higher direct program expense, spare parts and new station installs connectivity.

2027 – 2036 Capital Expenditure

Projects (In \$000s)	2027 Budget	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	2036 Plan	2027- 2036 Total
<i>Health and Safety</i>	3,079	2,223	1,108	558	208	274	164	55			7,669
<i>Service Improvements and Growth</i>	32,987	39,360	46,814	15,331	5,326	5,430	6,027	4,835	4,541	3,546	164,197
<i>SOGR</i>	11,730	15,970	13,000	16,300	16,300	16,300	16,300	14,500	13,594	12,132	146,126
Total Expenditures (including carry forward from 2026)	47,795	57,553	60,922	32,189	21,834	22,004	22,491	19,390	18,135	15,678	317,991

Note: 10-year capital budget excludes Rehabilitation of City Hall Parking Garage (Car Park 36) and 40 York Street Garage (Car Park 52). Estimated rehabilitation cost is \$146 million; final funding requirements will be determined through future business case review and approvals.

Building on four consecutive years of 80 percent spend rate, with 2026 expected to be above 95 percent, management has aligned the ten-year 2027 to 2036 capital budget to City Of Toronto's debt target and is \$40 million lower than the previous 2026-2035 Capital Budget, driven by de-risking initiatives and capital efficiencies. The reduction results from transitioning the majority of the public electric vehicle charging infrastructure investments to a strategic partner, creating revenue opportunities, leveraging volume efficiencies in the City fleet program and enabling future spending to TPA's five Operating Imperatives: Build a Great Place to Work, Accelerate Sustainable Growth, Strengthen the Core and Execute with Excellence, Deepen Customer Relationships, and Innovate with our City Stakeholders/Partners.

TPA manages its capital program through a rolling three-year delivery strategy within its ten-year capital plan, ensuring projects advance through procurement, approval, and stage-gate processes in a structured and disciplined manner. This approach has supported consistently strong capital delivery performance and execution of the growth strategy. Further details on individual projects and capital initiatives will be presented as part of the 2027 Annual Operating Plan.

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SIGNATURE

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Toronto Parking Authority

ATTACHMENTS

Attachment 1: Budget TO 2027 Budget Submission - Toronto Parking Authority