

Analyst Briefing Notes

Budget Committee

(October 30, 2008)

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PART I: CAPITAL PROGRAM**Executive Summary**

- The Toronto Parking Authority's 2008 Approved Capital Budget of \$26.746 million was 20.9% or \$5.580 million spent as at June 30th, 2008. Projected expenditures by year-end are anticipated to be \$15.592 million or 58.3% of the 2008 Approved Capital Budget. The projection of 2008 funding to be carried forward into the 2009 Recommended Capital Budget is \$2.565 million. The 2008 Recommended Capital Budget spending rate results from a combination of controllable and uncontrollable factors which include the following:
 - Delays arising from the unavailability of appropriate sites.
 - Delays due to on-going negotiations for identified sites.
 - Projects cancelled from a low probability of finding an appropriate site.
 - Time lags in joint venture arrangements.
- The 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast of \$258.092 million, excluding funding carried forward from 2008 into 2009 of \$2.565 million, requires no debt funding. The City did not set debt affordability targets for the Toronto Parking Authority. The Authority is a self-sustaining public corporation owned by the City.
- Over the 10-year planning horizon, the capital program is funded primarily from the Authority's current and future retained earnings, which account for approximately 89.0% or \$229.642 million. Reserves and other sources of financing, such as the selling of air rights, account for the remaining funding of 11.0% or \$28.450 million.
- Funding for the 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast balances infrastructure renewal needs for state of good repair; service improvement; and, growth projects. Funding is also required for health and safety projects.
- The 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast, excluding funding carried forward from 2008 into 2009 of \$2.565 million, totals \$258.092 million, of which 53.7% or \$138.700 million is allocated to service improvement projects; 25.4% or \$65.600 million allocated to growth projects; 20.1% or \$51.762 million allocated to state of good repair projects; and, 0.8% of \$2.030 million allocated to health and safety projects.
- The Toronto Parking Authority does not have a significant state of good repair backlog. The backlog, estimated at \$6.080 million at the beginning of 2009, will be fully addressed by 2013.

- Commencing in 2009, the Toronto Parking Authority will be implementing a comprehensive state of good repair program for the maintenance of off-street and on-street parking facilities and related infrastructure. The average annual funding over the 10-year planning horizon for state of good repair is \$5.176 million. The new program will minimize any future potential for a state of good repair backlog.
- The 2009-2013 Recommended Capital Plan provides incremental operating revenue from user fees of \$1.092 million in 2010; \$0.600 million in 2011; \$0.480 million in 2012; and, \$0.692 million in 2013. In addition, the 2014-2018 Proposed Capital Forecast provides incremental operating revenue of \$6.723 million. In total, the incremental revenue from user fees amounts to \$9.587 million.
- The 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast includes numerous projects which advance priority actions outlined in the Mayor's Mandate and Council's policy agenda:
 - **Climate Change Adaptation, Clean Air and Sustainable Energy Action Plan:** The 2009-2013 Recommended Capital Plan requires \$2.300 million in funding for energy efficiency upgrades to existing Authority facilities; \$0.250 million in funding for the implementation of renewable energy; \$1.200 million in funding to support water conservation; and, \$0.500 million in funding for the "greening" of existing off-street parking facilities.
 - **Making a Stronger Economy:** Over the 10-year planning horizon, new funding of \$127.600 million is required for the expansion or new development of 37 off-street parking facilities. The parking facilities will ensure that businesses in areas served throughout the City continue to grow and their neighbourhoods remain vibrant. The funding includes \$12.000 million in 2014 for the Redevelopment of the St. Lawrence Market North project.
- The 2009 Recommended Capital Budget includes:
 - previously approved commitments and new/change in scope projects requiring 2009 cash flow funding of \$27.930 million. This cash flow combined with carry forward funding of \$2.565 million for 2008 projects brings the total 2009 Recommended Capital Budget to \$30.495 million; and,
 - future year commitments of \$2.600 million in 2010 and \$3.800 million in 2011.
- The 2009 Recommended Capital Budget provides:
 - \$16.150 million for the expansion or new development of 11 off-street parking facilities located across the City.
 - \$0.100 million for the "greening" of existing off-street parking facilities to improve the retainment of rainwater to reduce run-off.
 - \$0.250 million for completing the installation of solar power technology at carpark 43.
 - \$2.200 million for various state of good repair projects aimed at reducing energy usage.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Capital Budget for the Toronto Parking Authority with a total project cost of \$34.330 million and a 2009 cash flow of \$30.495 million with future year commitments of \$6.400 million. The 2009 Recommended Capital Budget consists of the following:
 - a) New cash flow funding for 41 new/change in scope sub-projects with a 2009 total project cost of \$34.330 million that requires cash flow of \$27.930 million in 2009 with future year commitments of \$2.600 million in 2010 and \$3.800 million in 2011;
 - b) 2008 approved cash flow for 7 previously approved sub-projects with carry forward funding from 2008 into 2009 totalling \$2.565 million;
2. Council approve the operating impacts from user fees of \$1.092 million in 2010; \$0.240 million in 2011; and, \$0.240 million in 2012 emanating from the approval of the 2009 Recommended Capital Budget to be considered within the overall scope of the Toronto Parking Authority's 2009 Operating Budget and future year operating budgets;
3. Council approve the 2010-2013 Capital Plan for the Toronto Parking Authority totalling \$85.512 million in project estimates, comprised of \$16.012 million in 2010; \$22.000 million in 2011; \$20.500 million in 2012; and, \$27.000 million in 2013; and,
4. Council approve in principle the 2014-2018 Capital Forecast for the Toronto Parking totalling \$138.250 million in project estimates, comprised of \$26.250 million in 2014; \$24.000 million in 2015; \$32.500 million in 2016; \$27.500 million in 2017; and, \$28.000 million in 2018; and that this forecast be used as a foundation for preparing a firm 2010 to 2019 Capital Plan and Forecast as part of the 2010 budget process.

PART I: CAPITAL PROGRAM

2008 Capital Variance Review

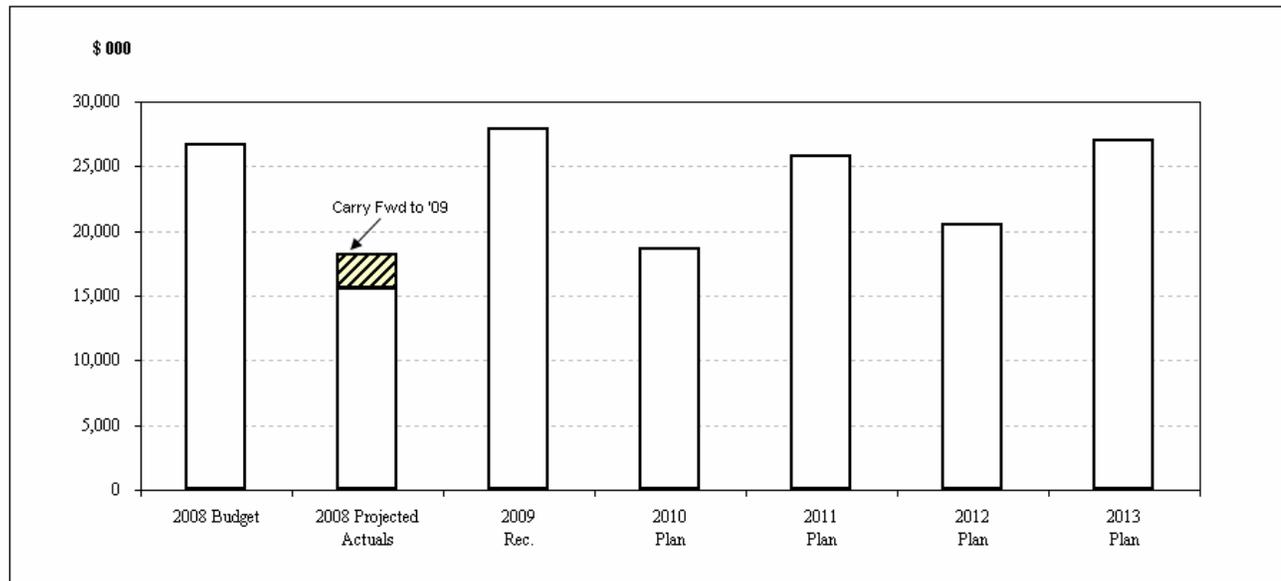
2008 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2008 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
26,746	5,580	20.9%	15,592	58.3%	11,154

Comments / Issues:

- The Toronto Parking Authority's 2008 Approved Capital Budget of \$26.746 million was 20.9% or \$5.580 million spent as at June 30th, 2008. The year-end projected capital expenditures are anticipated to be 58.3% or \$15.592.million of the 2008 Approved Capital Budget. The 2008 Approved Capital Budget spending rate results from a combination of controllable and uncontrollable factors which include the following:
 - Delays arising from the unavailability of appropriate sites.
 - Delays due to on-going negotiations for identified sites.
 - Projects cancelled from a low probability of finding an appropriate site.
 - Time lags in joint venture arrangements.
- The funding from 2008 carried forward into 2009 included in the 2009 Recommended Capital Budget is \$2.565 million and is lower than the projected unspent expenditures of \$11.154 million identified in the 2nd Quarter Capital Budget Variance Report. Any future adjustments to carry forward funding based on actual expenditures will be reported through to Budget Committee in November, 2008.
- Projects requiring 2008 funding carry forward into 2009 include the lighting upgrades at carparks 68, 111, 36; replacement of elevators at carparks 11 and 15; implementation of solar power technology at carpark 43; and, completion of the College-Dovercourt to Lansdowne off-street parking facility.

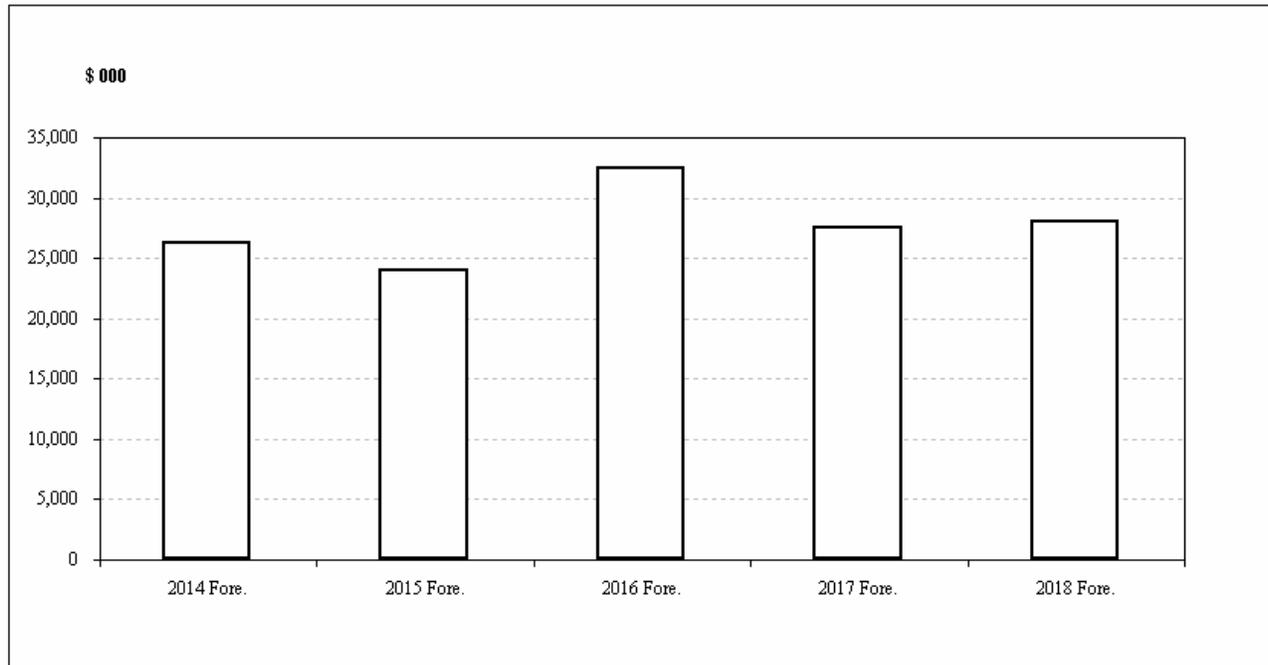
5-Year Capital Plan

(2009 Recommended Budget, 2010-2013 Plan)



	2008		5-Year Capital Plan					Total 2009-2013	5-Year Total Percent
	Budget	Projected Actual	2009	2010	2011	2012	2013		
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments	26,746	15,592							
Recommended Changes to Commitments									
2009 New/Change in Scope and Future Year Commitments			27,930	2,600	3,800			34,330	
2010 - 2013 Capital Plan Estimates				16,012	22,000	20,500	27,000	85,512	
1-Year Carry Forward to 2009		2,565							
Total Gross Annual Expenditures & Plan	26,746	18,157	27,930	18,612	25,800	20,500	27,000	119,842	
Financing Sources:									
Reserves/Reserve Funds	2,750		2,600	100	100	2,100	1,300	6,200	
Current & Future Retained Earnings	23,996		24,980	18,412	16,900	18,400	25,700	104,392	
Other Revenue			350	100	8,800			9,250	
Provincial								0.0%	
Federal								0.0%	
Total Financing	26,746		27,930	18,612	25,800	20,500	27,000	119,842	
By Category:									
Health & Safety	500		2,030					2,030	
Legislated								0.0%	
SOGR	5,200		5,150	6,312	5,100	5,100	5,100	26,762	
Service Improvement	7,596		16,250	12,300	16,700	11,900	11,300	68,450	
Growth Related	13,450		4,500		4,000	3,500	10,600	22,600	
Total By Category	26,746		27,930	18,612	25,800	20,500	27,000	119,842	
Yearly SOGR Backlog Estimate (not addressed by current plan)			(5,680)	(100)	(100)	(100)	(100)		
Accumulated Backlog Estimate (end of year)		6,080	400	300	200	100			
Operating Impact on Program Costs				(1,092)	(600)	(480)	(692)	(2,864)	

5-Year Capital Forecast (2014-2018)



	5-Year Capital Forecast							10-Year Total Percent	
	2014	2015	2016	2017	2018	2014-2018	2009-2018		
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments									
Recommended Changes to Commitments									
2009 New/Change in Scope and Future Year Commitments								34,330	
2014 - 2018 Capital Forecast Estimates	26,250	24,000	32,500	27,500	28,000	138,250	223,762		
Total Gross Annual Expenditures & Plan	26,250	24,000	32,500	27,500	28,000	138,250	258,092		
Financing Sources:									
Reserves/Reserve Funds								6,200	2.4%
Current & Future Retained Earnings	26,250	19,000	32,500	27,500	20,000	125,250	229,642	89.0%	
Other Revenue		5,000			8,000	13,000	22,250	8.6%	
Provincial									0.0%
Federal									0.0%
Total Financing	26,250	24,000	32,500	27,500	28,000	138,250	258,092	100.0%	
By Category:									
Health & Safety								2,030	0.8%
Legislated									0.0%
SOGR	5,000	5,000	5,000	5,000	5,000	25,000	51,762	20.1%	
Service Improvement	16,250	9,000	15,000	15,000	15,000	70,250	138,700	53.7%	
Growth Related	5,000	10,000	12,500	7,500	8,000	43,000	65,600	25.4%	
Total By Category	26,250	24,000	32,500	27,500	28,000	138,250	258,092	100.0%	
Yearly SOGR Backlog Estimate (not addressed by current plan)									
Accumulated Backlog Estimate (end of year)									
Operating Impact on Program Costs	(1,308)	(1,275)	(1,140)	(1,650)	(1,350)	(6,723)	(9,587)		

10-Year Capital Plan and Forecast Overview

- The City did not set debt affordability targets for the Toronto Parking Authority's 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast. The Authority is a self-sustaining public corporation owned by the City. The Authority funds its capital program from current and future retained earnings; reserves; and, selling air rights.
- Funding for the 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast balances infrastructure renewal needs for state of good repair; service improvement; and, growth projects. Funding is also required for health and safety projects. The following summarizes the funding by project category:
 - The 2009-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast reflects the allocation of significant funding to service improvement projects accounting for approximately 53.7% or \$138.700 million of the total 10 year cash flow of \$258.092 million. These projects are mainly comprised of the expansion and/or redevelopment of existing parking facilities and infrastructure.
 - Growth projects account for 25.4% or \$65.600 million of the recommended funding over the 10-year planning horizon. Growth projects are primarily driven by the acquisition of properties for the development of new off-street parking facilities based on feasibility and needs assessment studies.
 - State of good repair projects comprise 20.1% or \$51.762 million and requires funding for the maintenance of off-street and on-street parking facilities, such as lighting/electrical/sprinkler upgrades; paving; and, painting. These projects are designed to extend the useful life of assets; ensure service reliability; and, postpone replacement.
 - Health and safety projects account for the remaining 0.8% or \$2.030 million of the new funding of \$258.092 million.
- The 2009-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast, excluding carry forward funding from 2008 into 2009 of \$2.565 million, is primarily funded from the Authority's current and future retained earnings, which account for approximately 89.0% or \$229.642 million. Reserve funds and other sources of financing, such as the selling of air rights, account for the remaining 11.0% or \$28.450 million.
- The Toronto Parking Authority does not have a significant backlog in state of good repair projects. The backlog, estimated at \$6.080 million at the beginning of 2009, will be fully addressed by 2013.
- Starting in 2009, the Toronto Parking Authority will be implementing a comprehensive state of good repair program for the maintenance of off-street and on-street parking facilities and related infrastructure. The average annual funding over the 10-year planning horizon for state of good repair is \$5.176 million.

Multi-Year Debt Affordability Targets

As discussed previously, the Toronto Parking Authority is self-sustaining and does not impact the municipal property tax levy. The City did not set debt affordability targets for the Authority since its capital program is funded from the following:

- Current and Future Retained Earnings.
- Reserves.
- Selling Air Rights.

In 2007, the City and the Toronto Parking Authority renewed its Income Sharing Agreement for an additional 3 years. The agreement requires the Authority to pay annual rent to the City equal to 75% of its net income for the year or \$18.000 million; whichever is greater. In addition, from time to time, the Authority will pay an amount to the City that is in excess of capital asset funding requirements over the ensuing 5 year period. This is in addition to the share of annual net operating income paid under the current agreement. The Income Sharing Agreement between the Toronto Parking Authority and the City is set for renewal prior to January 1, 2010.

From 1992 to 2007, the Toronto Parking Authority returned approximately \$376.924 million to the City; reflecting approximately 85.1% of the Authority's net operating income of \$442.852 million. The net operating income returned to the City has helped to lower municipal property tax increases over the past 16 years.

Project Financing

The 2009-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast is funded primarily from the Authority's current and future retained earnings, which account for 89.0% or \$229.642 million of the new cash flow funding of \$258.092 million. Reserve funds and other sources of financing, such as the selling of air rights, account for the remaining 11.0% or \$28.450 million.

Appendix 4 provides a cash flow summary and funding strategy for the 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast.

Development Charge Funded Projects

Projects included in the Authority's capital program are not eligible for Development Charge funding.

State of Good Repair Backlog and Unmet Service Needs**State of Good Repair Backlog**

The Toronto Parking Authority does not have a significant state of good repair backlog. The backlog, estimated at \$6.080 million for the end of 2008, will be addressed in the 2009-2013 Recommended Capital Plan. The backlog includes maintenance activities such as lighting/electrical upgrades; paving; and, painting at various facilities throughout the City.

Commencing in 2009, the Toronto Parking Authority will be implementing a comprehensive state of good repair program for the maintenance of off-street and on-street parking facilities and related infrastructure. The average annual funding over the 10-year planning horizon for state of good repair is \$5.176 million. The new program will minimize any future potential for a state of good repair backlog and confirms the Authority's commitment to providing services which meet or exceed customer expectations.

Unmet Service Needs

Unmet service needs are addressed by growth and service improvement capital projects which have been identified typically through facility master plans; multi-year service plans; Standing Committee; and, Council reports. There are no unmet service needs for the Toronto Parking Authority over the 10-year planning horizon.

Program Capacity and Readiness to Proceed

The Toronto Parking Authority's 2008 Approved Capital Budget of \$26.746 million was 20.9% or \$5.580 million spent as at June 30th, 2008. Expenditures by year-end are anticipated to be \$15.592 million or 58.3% of the 2008 Approved Capital Budget. The 2008 projected spending rate by year-end represents a significant improvement compared to the Authority's 2007 Approved Capital Budget spending rate of 23.3% or \$6.416 million.

Capacity issues, both controllable and uncontrollable, that have limited the Toronto Parking Authority's historic capital budget spending rate include delays arising from: the unavailability of appropriate sites; on-going negotiations for identified sites; and, joint venture arrangements. In addition, on limited occasions, projects have been cancelled because of a low probability of finding an appropriate site.

Feasibility and needs assessment studies have been completed and associated cash flows developed for each project in the 2009-2013 Recommended Capital Plan. Cost estimates are based on market land price for the site and development cost estimations are prepared by the Authority's Design and Construction Department (e.g., legal, consulting, engineering, construction, etc). Future year costs have been adjusted based on industry recognized inflationary indices for raw materials; fuel; and, labour market conditions. However, the identification of specific sites and purchase negotiations have not taken place for a majority of projects over the 10-year planning horizon, given the speculative nature of long-term land development in the City.

Future net profit projections for new off-street parking lots are based on past history. In assessing the financial viability of new lots, an annual 6% net rate return has been used.

Changes to the 5-Year Capital Plan (2008-2012)

Changes to the Authority's 2008-2012 Approved Capital Plan are highlighted in the table below. Over the 4-year planning horizon, the 2009-2013 Recommended Capital Plan reflects a decline of approximately \$17.693 million or 15.6%.

(In \$Thousands)	2009	2010	2011	2012
2008-2012 Approved Capital Plan	31,000	28,200	21,100	32,800
2009-2013 Recommended Capital Plan	30,495	18,612	25,800	20,500
Difference 2009 vs 2008	(505)	(9,588)	4,700	(12,300)

The Toronto Parking Authority recently completed a comprehensive review of their 2008-2012 Approved Capital Plan, considering the current and future cost/revenue structure and market demand for off-street parking facilities in the City. As part of the process, finance; real estate; and, capital planning staff from the Toronto Parking Authority, undertook an analysis that resulted in the reallocation of project funding in the 2009-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast to better reflect future capital funding requirements over the 10-year planning horizon.

Capital Project Highlights

Several key capital projects in the Toronto Parking Authority 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and, 2014-2018 Proposed Capital Forecast advance priority actions outlined in Mayor's Mandate and Council's policy agenda:

- **Climate Change Adaptation, Clean Air and Sustainable Energy Action Plan**

The reducing of greenhouse gas emissions is a commitment that the Authority, the City and its citizens all share. The 2009 Recommended Capital Budget requires approximately \$3.750 million in funding for a broad range of projects that advance the Action Plan for Climate Change Adaptation. An additional \$0.500 million is included in the 2010-2013 Recommended Capital Plan for this priority action. Projects that advance the Climate Change Adaptation Action Plan include:

- **Energy Efficiency:** The 2009-2013 Recommended Capital Plan includes funding of \$2.300 million for lighting and electrical upgrades at several off-street parking facilities. The upgrades are designed to conserve and reduce energy consumption.
- **Renewable Energy:** A solar photovoltaic renewable energy system will be installed on the roof of carpark 43, with funding of \$0.250 million in the 2009 Recommended Capital Budget. This co-operative project with the Toronto Atmospheric Fund is aimed at generating solar power to reduce electricity consumption at the carpark. This initiative continues the Authority's introduction of solar power technology at parking facilities. The implementation and adoption of solar power technology by the Authority supports their commitment to the City's "Renewable Energy Action Plan Working Group".
- **Water Usage:** The 2009-2013 Recommended Capital Plan also provides funding of \$1.200 million for the implementation of sprinkler upgrades at several off-street parking facilities.
- **Greening Projects at Various Carparks:** Starting in 2009, the Authority will increase landscaping at existing off-street parking facilities throughout the City. This program is designed to improve the retainment of rainwater to reduce surface run-off. In addition, the planting of native vegetation will contribute to the reduction of CO₂ and other green house

gases in the atmosphere. The 2009-2013 Recommended Capital Plan requires annual funding of \$0.100 million for the greening of carparks.

- **Making a Stronger Economy**

The Authority contributes net income to the City's general revenues while successfully meeting its mandate of providing the short-term parking needs of many business areas and communities as well as on-street parking. Considered a leader in the use of parking technology, the Authority has been successful in ensuring that businesses in areas served throughout the City continue to grow and their neighbourhoods remain vibrant.

- **Off-Street Parking**

The Toronto Parking Authority operates approximately 20,000 off-street spaces in 180 facilities, which includes:

- 18 attended lots.
- 6 fully automated garages.
- 156 unattended lots using environmental friendly solar powered pay-and-display technology.

Over the 10-year planning horizon, new funding of \$127.600 million is required for the expansion or new development of 37 off-street parking facilities. The parking facilities will ensure that businesses in areas served throughout the City continue to grow and their neighbourhoods remain vibrant. The funding includes \$12.000 million in 2014 for the Redevelopment of the St. Lawrence Market North project.

All off-street parking facilities developed in 2009 and beyond will be based on the Green Parking Lot Development Standards. The Authority, in consultation with Toronto Water and other City Programs, has established criteria for the Standards. The new Development Standards are indented to provide on-site stormwater retention consistent with the objectives of the City's Wet Weather Flow Master Plan.

While the Authority's geographic footprint increases in terms of operational area, the Authority is proactive in implementing measures to ensure that its environmental foot print is minimized. The Toronto Parking Authority continues to negotiate joint venture developments with private developers to maximize land usage for off-street parking facilities.

The Authority manages, on behalf of the Toronto Transit Commission, 14,000 spaces at park-and-ride facilities and parking lots. In addition, the Authority manages for the Parks, Forestry and Recreation Program parking facilities along the waterfront and other areas in the City.

- **On-Street Parking**

The Toronto Parking Authority manages an estimated 18,000 on-street spaces controlled by the highly successful and profitable pay-and-display environmentally friendly technology or single spaced meters. The Authority's introduction of solar powered pay-and-display units in 1999

reflected one of the City’s first users of photovoltaic technology for encouraging renewable energy sources.

Summary of Major Capital Initiatives

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 -2018 Forecast	2009 -2018 Total
Major City Initiatives							
Climate Change Adaptation:							
Energy Efficiency	2,200	100					2,300
Water Efficiency	1,200						1,200
Renewable Energy	250						250
Green Projects at Various Carparks	100	100	100	100	100		500
Credit Card Reader Electronic Parking Equipment	2,000	2,000	2,000	2,000			8,000
Expansion & New Off-Street Parking Facilities	16,150	8,100	7,800	5,500	21,800	68,250	127,600
Total	21,900	10,300	9,900	7,600	21,900	68,250	139,850

- The 2009-2013 Recommended Capital Plan requires \$2.000 million from 2009 to 2012 in new funding to upgrade the pay-and-display machines with credit card readers to meet current and future security regulations in the credit card industry.
- The 2009-2013 Recommended Capital Plan requires approximately \$4.250 million in funding for a broad range of projects that will advance the Action Plan for Climate Change Adaptation, as outlined above. The Authority is currently assessing the potential operating budget impacts from the energy efficiency projects.
- The 2009-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast requires new funding of \$127.600 million for the expansion or new development of 37 off-street parking facilities, such as: College/Dovercourt; King E. of Spadina–Revitalization; Kingston Rd. W. of Victoria Park; Financial District East (Queen/Jarvis); and, King/Parliament (Reinvestment Area).

**Operating Budget Impact 10-Year Plan & Forecast
Incremental Operating Impact Summary**

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 -2018 Forecast	2009-2018 Total
2009 Recommended Capital Budget							
Program Costs (net)		(1,092)	(240)	(240)			(1,572)
2010-2013 Recommended Capital Plan							
Program Costs (net)			(360)	(240)	(692)		(1,292)
2014-2018 Proposed Capital Forecast							
Program Costs (net)						(6,723)	(6,723)
Total	-	(1,092)	(600)	(480)	(692)	(6,723)	(9,587)

- The 2009-2013 Recommended Capital Plan provides incremental operating revenue from user fees of \$1.092 million in 2010; \$0.600 million in 2011; \$0.480 million in 2012; and, \$0.692 million in 2013. In addition, the 2014-1018 Proposed Capital Forecast provides incremental operating revenue of \$6.723 million. In total, the incremental revenue from user fees amounts to \$9.587

million. Incremental operating revenue from user fees is generated in the year following completion of parking facilities. Construction is expected to be completed at December 31 of the respective budget year.

- The Authority has not identified new positions arising from new off-street parking facilities. New parking facilities and/or related infrastructure will not have parking attendants and will be primarily served by pay-and-display machines. Maintenance of new facilities will be provided by existing Toronto Parking Authority staff.

Debt Service Cost

Debt service charges are not applicable to the Toronto Parking Authority. As noted previously, the Authority is self-sustaining and does not impact the municipal property tax levy.

Total 2009 Recommended Cash Flow & Future Year Commitments

(In \$ Thousands)	2007 & Prior Year Carry Forwards	2009 Previously Approved Cash Flow Commitments	2009 New Cash Flow Rec'd	2009 Total Cash Flow Rec'd	2008 Carry Forwards	Total 2009 Cash Flow (Incl 2008 C/Fwd)	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Cost
Expenditures																
Previously Approved	-	-	-	-	2,565	2,565	-	-	-	-	-	-	-	-	-	2,565
Change in Scope			985	985		985	-	-	-	-	-	-	-	-	-	985
New			18,795	18,795		18,795	-	-	-	-	-	-	-	-	-	18,795
New w/Future Year			8,150	8,150		8,150	2,600	3,800	-	-	-	-	-	-	-	14,550
Total Expenditure	-	-	27,930	27,930	2,565	30,495	2,600	3,800	-	-	-	-	-	-	-	36,895
Financing																
Reserves/Reserve Funds	-	-	2,600	2,600	-	2,600	-	-	-	-	-	-	-	-	-	2,600
Retained Earnings	-	-	24,980	24,980	2,565	27,545	2,600	3,800	-	-	-	-	-	-	-	33,945
Other Revenue	-	-	350	350		350										350
Total Financing	-	-	27,930	27,930	2,565	30,495	2,600	3,800	-	-	-	-	-	-	-	36,895

Comments / Issues:

- The 2009 Recommended Capital Budget is \$30.495 million and includes funding from 2008 projects carried forward into 2009 of \$2.565 million and \$27.930 million for new/change in scope projects.
- Approval of the 2009 Recommended Capital Budget will result in a commitment to future year funding for new/change in scope projects of \$2.600 million in 2010 and \$3.800 million in 2011.
- The 2009 Recommended Capital Budget requires funding of \$16.150 million for the expansion or new development of 11 off-street parking facilities located across the City.
- The 2009 Recommended Capital Budget of \$30.495 million is 90.3% or \$27.545 million funded from current and future retained earnings, with other sources of revenue, such as reserves and the selling of air-rights, accounting for the remaining 9.7% or \$2.950 million.

2009 Recommended Capital Budget

2009 Recommended Capital Budget versus Debt Target

The Toronto Parking Authority is self-sustaining and does not impact the municipal property tax levy. The City did not set a debt affordability target for the Toronto Parking Authority since the Authority funds its capital program from retained earnings; reserves; and/or, selling air rights.

2009 Capital Budget by Category

Funding for the 2009 Recommended Capital Budget advances infrastructure renewal needs for state of good repair while balancing funding for service improvement and growth projects. Funding is also required for health and safety projects. The following summarizes the funding by project category:

- The 2009 Recommended Capital Budget reflects the allocation of significant funding for service improvement projects. These projects account for approximately \$16.250 million or 58.2% of the total new cash flow of \$27.930 million. These projects are mainly comprised of the expansion and/or redevelopment of existing parking facilities and infrastructure, such as the credit card readers for pay-and-display machines to meet current and future security regulations in the credit card industry; “greening” of existing off-street parking facilities; expansion of spaces at the Islington and Albion Road off-street facility; and, completion of the solar power project at carpark 43.
- State of good repair projects account for approximately \$5.150 million or 18.4% of the total new cash flow of \$27.930 million. State of good repair projects are driven by renewal needs and are designed to extend the useful life of assets; ensure service reliability; and, postpone replacement. Examples include lighting upgrades at carparks 36 and 111; replacement of elevators at carparks 11, 43 and 15; concrete repairs at carpark 15; and, drainage reconstruction at carpark 36.
- Growth projects reflect \$4.500 million or 16.1% of the 2009 Recommended Capital Budget and include projects for the acquisition of properties for the development of new off-street parking facilities based on feasibility and needs assessment studies. Growth projects include the following off-street parking facilities: College-Dovercourt to Lansdowne; North York Center-South; and, Queen/Ossington to Dufferin.
- Health and safety projects account for \$2.030 million or 7.3% of the 2009 Recommended Capital Budget.

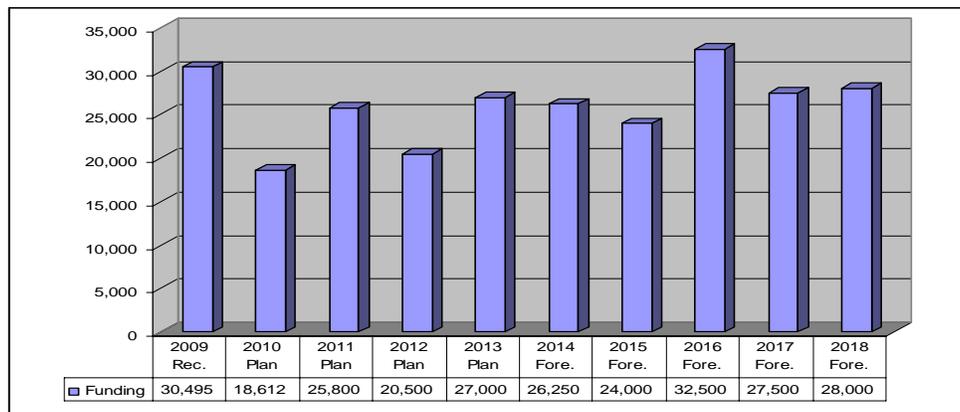
Capacity and Readiness to Proceed

The 2009 Recommended Capital Budget is ready to proceed. Feasibility and needs assessment studies have been completed and associated cash flows developed for each project in the 2009 Recommended Capital Budget. Cost estimates are based on market land price for the site and development cost estimations are prepared by the Authority’s Design and Construction Department (e.g., legal, consulting, engineering, construction, etc).

PART II: ISSUES FOR DISCUSSION

Capacity Issues

As discussed previously, the Toronto Parking Authority recently completed a comprehensive review of their 2008-2012 Approved Capital Plan, considering the current and future cost/revenue structure and market demand for off-street parking facilities in the City. As part of the process staff from the Toronto Parking Authority, reallocated project funding in the 2009-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast to better reflect future capital funding requirements over the 10-year planning horizon. As outlined in the figure below, funding for the 2009-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast remains relatively consistent on an annual basis.



In assessing the capital budget spending capacity of the Toronto Parking Authority, a multi-year period should be considered. Due to the nature of the business, start dates may not be within the budgeted year given that a site may no longer be available or suitable. In such instances, the project may be postponed to a future year with the expectation that a site will become available. In a few cases, the project may be cancelled, if the parking shortfall can be alleviated in other ways if no site materializes. The Authority will have the flexibility to move projects over the 10-year planning horizon to reflect the market availability for land and potential joint venture arrangements. However, changes to the 2009 Recommended Capital Budget; 2010-2013 Recommended Capital Plan; and 2014-2018 Proposed Capital Forecast will require Council approval through the quarterly Capital Budget Variance Report.

St. Clair Avenue West Off-Street Parking Supply

To address the potential impact to existing short-term parking supply along St. Clair Avenue West following the road and streetcar track reconstruction, the Authority has included the following 2 off-street parking projects in the 2009-2013 Recommended Capital Plan:

- St. Clair West - Corso Italia (\$3.000 million in funding for 2009).
- St. Clair West - Oakwood Business Improvement Area (\$2.000 million in funding for 2013).

Appendix 1

2009 Recommended Capital Budget; 2010 to 2013 Plan and 2014 to 2018 Forecast

Appendix 2

2009 Recommended Cash Flow and Future Year Commitments

Appendix 3
2009 Recommended Capital Projects
with Financing Details

Appendix 4

2009 Recommended Capital Budget, 2010-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast

Cash Flow Summary

(In \$Thousands)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Opening Funds	59,000	49,305	51,449	46,612	52,284	46,668	42,016	39,830	29,363	24,115	59,000
											Opening bal Note 1
Funding to be earned	20,000	20,200	20,402	20,606	20,812	21,020	21,230	21,443	21,657	21,874	209,244
Air Rights funding	250			5,000						8,000	13,250
City funding	550	556	561	566	572	578	584	590	595	602	5,754
Net Expenditures	(30,495)	(18,612)	(25,800)	(20,500)	(27,000)	(26,250)	(24,000)	(32,500)	(27,500)	(28,000)	(260,657)
Ending Balance	49,305	51,449	46,612	52,284	46,668	42,016	39,830	29,363	24,115	26,591	26,591
Note 1:	\$51 million in TPA retained earnings plus \$8.0 million from city held reserves										