



STAFF REPORT ACTION REQUIRED with Confidential Attachment

Commuter Parking Operations Update

Date:	February 21, 2017
To:	TTC Board
From:	Chief Executive Officer
Reason for Confidential Information:	1. This report contains information that pertains to the security of property.

Summary

At its meeting on December 16, 2016, the Board directed TTC staff to provide additional information regarding the recommendation to go out to tender for the future maintenance and operations of commuter parking lots. The TPA currently operates 24 commuter parking lots on the TTC's behalf. The existing operating contract with the TPA came into effect in 2007 and expires on June 30, 2017.

Recommendations

It is recommended that the Board

1. Authorize staff to issue a competitive Request For Proposal (RFP) for the maintenance and operations of commuter parking lots.
2. Direct staff to request and negotiate a 6 month extension to the current TPA contract to allow time to complete RFP process.
3. Receive the information set out in the Confidential Attachments; and
4. The information set out in the Confidential Attachments is to remain confidential until a new management contract is in place for the maintenance and operations of TTC commuter parking lots.

Implementation Points

With the Board's approval, TTC staff would begin the standard RFP process. The current operating contract with the TPA will need to be extended 6 months in order to allow for

sufficient time for the RFP process to be completed, ensuring continuity of parking operations.

In the event that a new contractor is selected, additional time will be required to ensure there is a seamless transition between contractors and lot operations are not negatively impacted. The TPA will be invited to participate in the TTC's RFP, but the parking provider has indicated to TTC staff that it does not participate in RFPs.

Financial Impact

TTC Commuter Parking Lot revenue and costs are included in the 2017 Operating Budget approved by the Board on November 21, 2016.

Annual revenue is budgeted at \$12,291,000.

Table 1: Commuter Parking Lot Expenses

Operating Expenses	2017 Budget*
TPA Contract	\$3M
Realty Tax	\$2M
Ground Lease	\$1.2M
Security	\$0.1M
Other	\$0.3M
Total	\$6.6M

**Figures rounded to the nearest \$0.1M*

2017 budgeted net income from commuter parking lot operations is \$5.7M. The competitive RFP is part of an overall plan to maintain or increase this income for future operating budgets.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact information.

Decision History

TTC Board, November 23, 2015:

The Board asked TTC staff to identify ways to maximize revenue from parking lots and identify new partnership opportunities with the TPA.

Minutes:

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/December_16/Minutes/index.jsp

TTC Board, November 21, 2016:

The Board approved the 2017 TTC operating budget, which included an estimated \$1.5M increase in commuter parking revenue, based on price increases recommended by staff.

Decision:

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/November 21/Reports/Decisions/2017 2026 TTC Capital Budget.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2016/November%2021/Reports/Decisions/2017%202026%20TTC%20Capital%20Budget.pdf)

TTC Board, December 16, 2016:

The Board approved the recommendation to note the parking rate increases in support of the 2017 budget. It deferred the recommendation to go out to tender until more information was provided by staff.

Report:

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/December 20/Reports/9 Commuter Parking Update.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2016/December%2020/Reports/9%20Commuter%20Parking%20Update.pdf)

Decision:

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/December 20/Reports/Decisions/Commuter Parking Update.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2016/December%2020/Reports/Decisions/Commuter%20Parking%20Update.pdf)

Issue Background

The TTC currently provides 24 commuter parking lots across the City of Toronto. The lots are operated under a 10 year contract with the TPA, which expires on June 30, 2017. Prior to the current contract, the lots were operated by Ideal Parking, a private contractor.

The closure of several commuter lots for Build Toronto development has resulted in a \$2.4 million decrease in annual revenues. While the TTC does expect additional revenue from price increases that came into effect on January 1, 2017, operating costs continue to rise.

The scope of work for the current contract is limited to the operation and maintenance of the lots. As part of the existing contract, the TPA is obligated to cover all costs related to the operation, repair and maintenance of commuter lots, including but not limited to: labour, pavement repairs, revenue collection, enforcement and data collection.

Comments

The TTC has enjoyed several benefits stemming from its current contract with the TPA. The TPA's Green P Mobile Parking App and ease of credit card validation, including low merchant fees are highly valued by the TTC and its customers.

In order to minimize costs and increase efficiencies, the future operating contract should be full service and more all-encompassing than the current contract. Significant

components of traditional parking lot operation, including security, are outside the scope of the current contract. The TTC tendered out the snow removal contract and later assigned it to the TPA as per scope of work outlined in the contract.

TPA Proposal

On October 17, 2016, the TPA presented a draft Partnership Proposal to TTC staff. The draft proposal was aimed at changing the purview of the current operating contract. Under the proposed 15 year contract the TPA would share in commuter parking revenues and increase the TTC's operating contract costs, with the TPA assuming responsibility for all capital costs.

Based on the TPA's draft partnership proposal, there would be a net decrease in the TTC's share of commuter parking revenue when compared to the current contract.

On February 3, 2017, the TPA presented Version 2 of the draft Partnership Proposal to TTC staff. Under the revised proposed 15 year contract, the TTC would maintain responsibility for all capital costs and receive a greater share of guaranteed revenue. The TPA would continue to share in commuter parking revenues.

Based on Version 2 of the TPA's draft partnership proposal, there would be a net decrease in the TTC's share of commuter parking revenue when compared to the current contract.

Contact

Arthur Borkwood
Head, Customer Development
Tel: 416 393 6085, Email: arthur.borkwood@ttc.ca

Paul Occhiogrosso
Retail & Parking Officer, Customer Development
Tel: 416-393-4249, Email: paul.occhiogrosso@ttc.ca

Attachments

1. Confidential Attachment 1 – Commuter Parking Operations Update
2. Confidential Attachment 2 – TTC & TPA Partnership Proposal Draft - Version 1
3. Confidential Attachment 3 – TTC & TPA Partnership Proposal Draft - Version 2