



ANNUAL REPORT



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Commissioners and Senior Management



Maurice J. Anderson A. Milliken Heisey, O.C. Meena Dhar David Finnamore Francis Omoruyi Dave Roberts

Commissioners	A. Milliken Heisey, O.C., <i>Chair</i> Meena Dhar David Finnamore	Francis Omoruyi Dave Roberts
Senior Management	Maurice J. Anderson <i>General Manager</i> Gerard C. Daigle <i>Finance & Administration</i> Ian Maher <i>Planning</i>	Barry E. Martin <i>Human Resources</i> Lorne Persiko <i>Real Estate & Development</i> Amir Nathoo <i>Design and Construction</i> Sam Roussos <i>Operations</i>

City Council	Mayor	Barbara Hall
	Executive Committee	Mayor Barbara Hall, <i>Chair</i> Steve Ellis Kay Gardner Tom Jakobek
		Chris Korwin-Kuczynski Kyle Rae Mario Silva Peter Tabuns

City Councillors	Councillor		Ward	
	Councillor	Ward	Councillor	Ward
	David Hutcheon	1	Steve Ellis	9
	Chris Korwin-Kuczynski	2	Tom Jacobek	10
	Mario Silva	3	Rob Maxwell	11
	Martin Silva	4	Betty Disero	12
	Dan Leckie	5	John Adams	13
	Kyle Rae	6	Howard Joy	14
	Pamela McConnell	7	Kay Gardner	15
	Peter Tabuns	8	Michael Walker	16

COMPARATIVE HIGHLIGHTS	1991	1992	1993	1994	1995	1996
Parking Revenues	\$33,807,000	\$33,488,000	\$33,522,000	\$32,120,000	\$30,830,000	26,864,000
Parking Expenses	\$30,039,000	\$29,212,000	\$25,976,000	\$25,577,000	\$24,184,000	\$24,335,000
Net Revenue from Parking Operations	\$3,768,000	\$4,276,000	\$7,546,000	\$6,542,000	\$6,646,000	\$2,528,000
Rent/Surplus Paid to City	\$2,000,000	\$27,138,140	\$11,033,260	\$7,000,000	\$12,000,000	\$14,935,000
Number of Carparks - surface	80	76	75	76	74	75
Number of Carparks - garage	14	14	14	14	16	17
Number of Parking Spaces	14,606	14,622	14,643	14,615	14,520	15,169
Number of Vehicles Parked	11,838,000	11,291,000	11,027,000	10,582,000	9,947,000	8,551,000
Number of Employees - full time	246	224	211	199	198	192
Number of Employees - part time/students	98	82	79	80	80	79
Total Federal/Provincial/Municipal Taxes	\$12,658,000	\$13,005,000	\$10,781,000	\$9,841,000	\$10,494,000	\$10,423,000

Chairman's Message

The Parking Authority of Toronto is a company owned by the City of Toronto that was established in 1952.

The Authority was created to provide off-street parking within the older areas of the City of Toronto where severe parking shortages had developed in the post-war boom years. These shortages developed in neighbourhoods that were built prior to widespread ownership of the private automobile and in circumstances where private land owners had been unable to address the existing parking demand.

In the past 45 years the Authority has expanded from a few small lots to its present network of over 90 carparks containing over 15,000 spaces. It is now one of the largest and most respected parking operations in North America.

The Authority operates at arms length from City Council. Its Board is comprised of 5 commissioners appointed by Council. The commissioners are private individuals with varied backgrounds and are not elected officials.

The Authority has played a vital role in allowing the City of Toronto to maintain the viability of the City's older neighbourhood retail areas by providing short stay parking at rates approximately one-half those charged by private operators. It has done this while generating, currently, approximately \$8 million dollars in profit on annual revenues in excess of \$30 million. The Authority's activities have also helped sustain the City's commercial assessment base.

CITY OF TORONTO ACT, 1997

On December 17, 1996, the Provincial Government introduced legislation, Bill 103, an Act to replace seven existing municipal governments of Metropolitan Toronto by incorporating a new municipality to be known as the City of Toronto. The new City of Toronto will come into existence on January 1, 1998.

The new City of Toronto will include the existing municipalities of the Municipality of Metropolitan Toronto, the Borough of East York, the City of Etobicoke, the City of North York, the City of Scarborough, the City of Toronto Incorporated by the City of Toronto Act, 1834 and the City of York.

\$90 Million Paid to the City of Toronto Since 1992

Commencing in fiscal year 1973 the Parking Authority agreed that 50% of its net income from parking operations would be paid annually to the City.

Since 1992 alone, payments to the City have been approximately \$90 million. Returns of this magnitude are a result of large capital reserves built up during the 1980's when the City of Toronto was prospering.

Although The Parking Authority currently has approximately \$30 million in reserves, older retail strips in the City of Toronto continue to experience parking shortfalls. It is important that we continue to maintain sufficient reserves to ensure our ability to assist these commercial districts by having the funds available to provide parking facilities to support them.

Controlling Wage Costs - The 1996 Labour Dispute

On September 25, 1996 after months of negotiations with CUPE Local 43, the Authority's unionized staff went on strike. This labour dispute was the longest strike of municipal workers in the City of Toronto in living memory.

On November 14, 1996 a 4 year agreement was reached with the Union. A new wage rate of \$12.50 per hour, rather than the previous \$15.84 an hour, was negotiated for all future hires at entry level positions, with no wage increases for the life of the collective agreement. For all new employees, the existing sick credit plan, was replaced with a new short term disability (STD) plan that affords better protection for sick employees and costs substantially less to the Authority. In addition, the existing employees can elect to have the Authority buy out their sick credits and be covered by the new STD Plan.

Although the strike was very costly, future wage savings will more than pay for those costs in the years to come.

1996 Results Compared to 1995

In 1996 our net income was \$5.5 million, substantially lower than the \$8.3 million earned in 1995. During the strike most carparks were operated free-of-charge to our patrons. The loss of gross revenue over the period of the strike had a significant impact on net income. Adjusting for the effects of the strike, we parked 9.5M vehicles in 15,169 parking spaces located in 92 carparks which includes 17 garage facilities. Gross revenue declined by approximately \$1,500,000 or 4.8% after adjusting for the strike. Much of this decline can be attributed to the disruptive effects of on-going major maintenance projects at certain garages combined with a general usage decline. When net income from carpark operations is adjusted by the effect of the strike, a decline of \$1,300,000 in carpark profit resulted.

In 1996 the Parking Authority's overall net income from all sources was the same as 1995 when adjusted for the effects of the strike despite the decline in gross revenues indicated above. Even with less reserve funds to invest because of additional amounts paid to the City, interest earned on investments was maintained at the 1995 levels.

The City Core - Turnaround Underway?

In previous annual reports the Parking Authority has reported continuing and significant declines in cars parked for the six year period ending December 31, 1995. The total decline of cars parked at Authority car parks by the 1996 year end was in excess of 30% over the seven year period 89 - 96 for the downtown core and larger central area.



A. Milliken Heisey, O.C., *Chair*

Happily during the first four months of 1997 there have been significant increases in both cars parked and revenue. In the month of April, 1997 cars parked increased by 8.5 % and revenue by 11.3% when compared to the same month in the previous year. This is the first significant sustained increase in parking demand at Authority facilities since 1989.

It is hoped that this turnaround continues and that as a result of the cost savings measures instituted at the Authority over the last seven years, which include a 20% decrease in staffing levels, profitability can be restored to the levels experienced in the 1980's.

We expect net income in 1997 to exceed \$9 million.

Bill 106 - Property Tax Reform

In 1996 the Parking Authority paid over \$6 million dollars as a payment in lieu of taxes. In accordance with Section 27 of the Assessment Act, the Parking Authority's property tax payments are determined by valuing our garages and lots on the valuation of abutting properties, rather than valuing Authority facilities on the ability of our properties to generate net return or income. This has the absurd result where some Authority facilities are assessed as if they were a school or park, as one of the abutting properties is a school or park whereas others are assessed as if they were prime commercial real estate, when they are not improved with a building and have no prospect of being improved for such.

I expressed the opinion that one of the reasons for that decline in economic activity, which was not being experienced to the same extent in the 905 area, was the punitively high levels of business and property taxes levied on commercial/ industrial buildings in the City of Toronto.

It is uncertain how the property tax system will be administered by the amalgamated City in 1998 pursuant to its powers under Bill 106. Tax "reform" along the lines of the market value system proposed by the soon to be former Municipality of Metropolitan Toronto in 1992 would have disastrous consequences for the City. Under that proposal, taxes on Authority properties were going to sky rocket from \$6 to \$18 million in one year. This would completely wipe out any surplus revenue and make the operation of the vast majority of Parking Authority lots totally uneconomic requiring their closure.

It is hoped that the new Council of the amalgamated City of Toronto can create a fairer assessment system while acknowledging the economic consequences of dramatic shifts and increases in property assessment and taxes.

Innovator in New Technology

On January 1, 1995 The Parking Authority of Toronto converted its St. Lawrence Parking Garage to a totally automated facility. This technology has been used in Europe for many years but it was the first example of its kind in North America. As a result of improved specifications by the Parking Authority, the garage was the first in the world where entry to and exit from the garage could be accomplished by use of a credit card at the entrance and exit lanes. Pay station technology is environmentally friendly, with fewer line ups of exhaust producing cars and has resulted in significant labour savings. In the case of the St. Lawrence Garage the equipment will pay for itself within 3-4 years. In late 1996 the system was expanded to two other major facilities (Charles/Hayden Garage and Rosehill Garage). These three garages are networked together, operating as one, with over 3,000 parking spaces being managed from one central location. No other parking operator in North America operates such a system. After seeing our operation, private operators in Chicago are now installing a similar system.

We wrote to the Minister of Finance and requested that Bill 106 be amended to address this inequity. Although no changes to Section 27 were adopted when the Bill became law on May 26, 1997, the Minister has indicated that his Ministry is further examining the question of the assessment and taxation of parking lots and garages.

There is no question that property tax reform in a larger sense is also required. I wrote to Mayor Hall in June of this past year outlining the 30% decline in cars

In 1995 The Parking Authority of Toronto initiated the installation of solar powered pay-and-display machines on Yorkville Avenue. This once again, is a first for North America. The machines cost \$39,000 and generated revenue of \$133,000 in a twelve month period. The advantage of this technology is better revenue control than the standard parking meters and less labour intensive from a collection and maintenance point of view. This equipment offers the customer a wider range of payment capabilities in addition to cash, such as

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The new Charles/Hayden garage.

credit and debit cards etc. One Pay-and-Display machine has a significant aesthetic advantage over the equivalent number (ten or twelve) parking meters.

The Parking Authority is committed to pay and display technology on its unattended lots having replaced all of its parking meters with this technology in 1983. By the end of 1997, all of the Authority's Pay-and-Display machines will be networked allowing reports of break-downs and the transmission of credit card data etc. to be transmitted by radio frequency. This, once again, is a first for North America.

In 1994 the Parking Authority commenced issuing its courtesy envelopes with hand-held computer terminals. The statistical reporting and clarity of parking violation notices helped us to more effectively deploy our enforcement staff and reduce the number of questions and disputes with our customers. This labour saving technology is used in many cities around the world by their on-street enforcement personnel. Surprisingly it has still not been introduced by the Metropolitan Toronto Police Force, the enforcement agency for on-street parking violations in Metro Toronto.

In the next three months, the Parking Authority will be updating all of its fee-calculating equipment which will allow us to accept credit cards, debit cards and smart cards at all our attended facilities, generate better statistical data on usage and allow for the introduction of a Parking Authority of Toronto credit card for the corporate user.

Current Development Projects

Charles/Hayden Garage

During 1996 the Parking Authority completed its 430 space parking garage between Charles and Hayden Streets, east of Yonge at a cost of \$9.7 million. This facility is state-of-the-art incorporating automated control systems and colour with graphics to denote parking levels and pedestrian routes.

Kensington Garage

Construction commenced early in January, 1997 at our Kensington Garage which will add two floors of parking and retail space at grade to the existing garage which serves the Kensington Market area. Work will be completed by July, 1997 at a cost of \$4 million.

Surface Carparks

Three new parking facilities were opened in 1996 at a total cost of \$3.47 million. They are as follows:

- Carpark #178** - Hillsdale Ave., east at Mount Pleasant - 39 spaces
- Carpark #179** - Gerrard Street, east of Broadview - 25 spaces
- Carpark #180** - Gerrard Street, east of Coxwell - 41 spaces

These surface carparks will ensure the continued vitality of the neighbouring retail strips for the next few years.

Lampport Stadium

We commenced operation of the 329 space parking facility adjoining Lampport Stadium. This carpark services the expanding parking demand in this up and coming area.

College St./Little Italy

The Parking Authority acquired in 1996, with City Council approval, a former motion picture theatre located at 606 College Street which has been unused for the past 10 years. The property cost \$820,000. The Authority intends to demolish the theatre and temporarily develop this property with a 27 space surface carpark. Ultimately the Authority will redevelop the property with an underground garage linked to the Authority's existing underground garage on Clinton Street. The Authority has applied for a demolition permit to enable the surface carpark to proceed.

Garage Renewal

Our concrete delamination repair and lighting up-grade program which commenced at our major parking facilities approximately 3 years ago, has now been substantially completed. This was the largest capital renewal project in the history of The Parking Authority and cost \$8.2 million with two thirds of the cost being underwritten by the Federal/Provincial Infrastructure program.

Joint Ventures and Surplus Property Disposal

The Parking Authority for the past 20 years has been entering into joint ventures with both private and public sector partners to realize maximum value on its real estate assets. Some of these joint ventures have included the Hotel Intercontinental on Bloor St., the CHIN Radio building on College Street and the Dragon City Development on Spadina Avenue. The Parking Authority is currently engaged in the following joint venture projects and is disposing of one surplus property.

Yonge and St. Clair - Delisle Court

The Parking Authority has entered into a joint venture arrangement with Delisle Court Redevelopment Corporation whereby the Parking Authority has sold the air rights above its existing surface carpark to Delisle Court for the development of a residential condominium project. The Authority will be constructing 2 or 3 levels of below grade parking which will accommodate approximately 250 badly needed public spaces.

Richmond/Sherbourne

In December, 1996 the Parking Authority sold the air rights and two levels of below grade parking to Lorenzetti Development Corporation for the purpose of building a residential/condominium project. The Authority has been operating a four-level below grade garage of approximately 525 spaces since October of 1992. Lorenzetti will own the air rights and provide residential parking in the existing garage leaving a 250 space public parking garage.

Front/Portland (Carpark #96)

The Authority is finalizing negotiations of the sale of this surplus 212 space surface carpark. The Authority will realize a significant profit on its original acquisition price and retain 30 spaces for its own use.

Areas of Un-serviced Municipal Parking Demand

The following areas have been identified as having a serious deficiency in parking supply. Sites have been identified in many, but not all, of these areas and are actively being pursued.

- 1 Queen Street East between Kippendavie Avenue and Lee Avenue
- 2 Danforth Avenue between Jackman Avenue and Pape Avenue
- 3 Queen Street West between Simcoe Street and Spadina Avenue
- 4 Vicinity of Vaughan Road and St. Clair Ave. west of Bathurst Street
- 5 Harbord Street between Spadina Avenue and Brunswick Avenue
- 6 Bayview Avenue between Hillside Avenue and Millwood Road
- 7 Bloor Street West between Glendonwynne Avenue and Durie Street
- 8 Queen Street West between Spadina Avenue and Bathurst Street
- 9 Yonge Street in the vicinity of Sporting Life
- 10 Vicinity of McCaul Street and Baldwin Street
- 11 Entertainment District - east of Spadina Avenue - south of Richmond Street
- 12 Vicinity of new Raptors Stadium, Maple Leaf Gardens
- 13 Bloor Street West between Spadina Avenue and Brunswick Avenue
- 14 Avenue Road in the vicinity of Davenport Road

Amalgamation - An Exciting Opportunity

Municipal government in the Metropolitan Toronto area is experiencing its first major reorganization since the original creation of Metro Toronto in 1953. The Authority has written to Alan Tonks, Chair of the Transition Team, appointed by the Provincial Government pursuant to Bill 103 indicating our desire to take on responsibility for all aspects of parking in the amalgamated City including managing off-street garages and surface carparks, on-street metered parking and enforcement.

Although amalgamation is a contentious issue, there is no question that the longstanding dispute between Metropolitan Toronto and the City of Toronto concerning enforcement of parking regulations and the entitlement to \$34 million in parking fine revenue generated on City of Toronto streets is a prime example of a situation where rationalization is required.

Many municipalities in North America and Europe have one organization somewhat removed from municipal government that addresses all aspects of parking. A rational and coordinated parking programme of on-street metered parking, municipally owned off-street carparks and enforcement that has as its goal the regulation of parking rather than the raising of revenue through fines is something whose time has come and the Parking Authority is the organization best positioned to take on these responsibilities.

Privatization

The Board of the Parking Authority has over the past several years examined whether it would be appropriate to privatize all or some of the Authority's assets. After considerable deliberations the Board deferred the privatization question for the following reasons:

- 1 The provision of the parking where required to support older retail districts would not be addressed by the private sector which is profit motivated.
- 2 The Parking Authority still has not achieved the maximum profitability from its assets that it believes is possible and a premature privatization could enrich a private operator at the expense of the current shareholders i.e. the taxpayers of the City of Toronto; and,
- 3 The successors rights provisions of Provincial labour legislation prevent the sale of Parking Authority assets free of the Authority's union contract, which contains wage rates above market rate.

Privatization is not a panacea for parking in the City of Toronto.

Most Authority facilities would never have been provided by private operators and our influence in the market place on parking rates is established through public ownership of a portion of the city's on-street and off-street parking supply. In addition, the Authority through the operation of its profitable facilities subsidizes those in areas that would not pay for themselves ensuring the existence of the City's many thriving older retail districts that in the absence of municipally provided parking might fail.

Closing Remarks

The past year has been one of many challenges which the Authority's employees have successfully met.

The Authority is a model of an efficiently run publicly owned organization. It is a leader in the implementation of cost effective technology in an industry dominated by private ownership.

It is one of the few, if not the only, municipal agencies in Ontario that has fundamentally and fairly altered the wage structure of its unionized employees to reflect current realities. These changes only took place after substantial reductions were first achieved in managerial costs.

Through all these changes profits increased and customer service was maintained, if not improved, in a declining business environment.

This will be the last Annual Report of the Authority to the Council of the original City of Toronto. For over 43 years City of Toronto Council has allowed the Authority to operate autonomously which has permitted the Authority to so successfully achieve its mandate and generate the significant financial returns it has.

The Authority looks forward to reporting the results of its 1997 financial year to the Council of the new amalgamated City of Toronto and expects that 1997 will be a banner year.

A. Milliken Heisey, O.C.

Chair



Balance Sheet

As at
December 31, 1996

ASSETS	1996	1995
Current Assets	\$	\$
Cash	571,713	~
Short-term investments, at cost (market - \$ 38,899,465)	36,850,000	45,934,013
Accrued interest receivable	604,145	946,465
Unamortized premium (discount) on bonds	1,079,705	(155,254)
Accounts receivable (Note 2)	1,573,095	3,164,869
Inventories, at cost	204,019	222,741
Prepaid expenses	653,065	516,723
	41,535,742	50,629,557
Long Term Leases (Note 3)	1,453,592	1,530,166
	42,989,334	52,159,723
Fixed Assets (Note 4)	119,540,524	109,243,805
Other Assets		
City of Toronto - proceeds from sale of debentures held by the City	257,680	257,680
	119,798,204	109,501,485
	162,787,538	161,661,208
LIABILITIES AND EQUITY	1996	1995
Current Liabilities	\$	\$
Cheques issued in excess of bank balances	-	335,481
Accounts payable and accrued liabilities (Note 2)	16,984,755	7,978,525
Deferred revenue	12,581	33,307
Accumulated sick leave credits (Note 5)	191,864	447,674
	17,189,200	8,794,987
Sinking Fund Reserves (Note 6)	1,710,600	1,844,271
Retained Earnings (Note 7)	24,089,534	41,520,465
	42,989,334	52,159,723
Net Debenture Debt (Note 8)	43,000	80,000
Investment in Capital Expenditure	119,755,204	109,421,485
	119,798,204	109,501,485
	162,787,538	161,661,208

Approved by the Authority:

Chair

General Manager

Statement of Operations

for the year ended
December 31, 1996

	(Note 15) 1996	(Note 15) 1995
	\$	\$
Parking Revenue	26,864,045	30,830,461
Parking Expenses		
Operating		
Salaries, wages and employee benefits (Note 14)	7,865,944	8,632,104
Municipal taxes	6,245,247	6,150,523
Province of Ontario - Commercial Concentration Tax (Note 10)	~	(427,030)
Maintenance (Note 11)	2,826,014	3,180,093
Utilities	1,688,033	1,772,946
Rent	326,609	387,795
Equipment acquisitions	588,727	205,510
Insurance	277,685	266,751
Snow clearing	353,606	338,838
Tickets	99,901	103,109
Sundry	1,073,714	470,097
	21,345,480	21,080,736
Administration - Social Contract (Note 13) - other	90,776	365,075
	2,899,422	2,738,061
	24,335,678	24,183,872
Excess of Parking Revenue Over Expenses	2,528,367	6,646,589
Rental charge - City of Toronto (Note 9)	(2,000,000)	(3,323,295)
Net Income From Carpark Operations	528,367	3,323,294
Other Revenue		
Interest income	4,070,267	3,996,292
Proceeds on disposal of fixed assets	320	400
Sundry	942,579	1,013,871
	5,013,166	5,010,563
Net Income (Note 7)	5,541,533	8,333,857

Auditor's Report

To the Council of the Corporation of the City of Toronto
and the Parking Authority of Toronto

I have audited the balance sheet of the Parking Authority of Toronto as at December 31, 1996 and the statement of operations for the year then ended. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also

includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 1996 and the results of its operations for the year then ended in accordance with generally accepted accounting principles as followed by Ontario municipalities.

John S. Woods, CA
City Auditor

Toronto, March 10, 1997

Notes to Financial Statements

for the year ended December 31, 1996

1. Significant accounting policies

(a) Basis of accounting

These financial statements have been prepared in accordance with accounting policies as prescribed for Ontario municipalities by the Ministry of Municipal Affairs except as outlined in note 1(c).

(b) Nature of parking operations

These financial statements reflect the financial position and results of operations of the Authority's off-street parking facilities (parking garages and surface car parks). They do not include the operations of the City of Toronto's on-street parking facilities (parking meters, overnight permits and boulevard parking); malls and offices on Cumberland, Queen or Charles Streets; or payments received by the City from developers under agreements in-lieu of providing parking facilities. The results of these activities are recorded by the City in reserve fund accounts which are available to the Parking Authority to fund on-going capital projects and improvements.

(c) Fixed assets

The Authority does not hold title to its car parks neither to the lands nor the improvements thereon. However, in order to reflect the assets acquired by the Authority out of its own funds, the Authority does not follow the accounting principles prescribed for Ontario municipalities in its accounting for fixed assets. Fixed assets are recorded at cost on the balance sheet, net of any disposals, with a similar amount included in investment in capital expenditure. In addition, the Authority charges its capital expenditures on car park development directly to retained earnings. No provision is made for depreciation. Municipal accounting principles in Ontario require that fixed assets be recorded as a charge to operations in the year of acquisition and shown as an asset only to the extent of the amount of the outstanding principal portion of unmatured long-term liabilities incurred for the acquisition of fixed assets.

2. Related Party Transactions

Included in accounts receivable of \$1,573,095 is an amount of \$1,287,013 due from related parties. Included in accounts payable of \$16,984,755 is an amount due to related parties of \$13,016,078. The net amount of \$11,729,065 (\$13,016,078 less \$1,287,013) due to related parties at December 31, 1996 (\$1,162,605 due to at December 31, 1995) is summarized as follows:

Due from (to):	1996	1995
	\$	\$
Due from the Toronto Economic Development Corporation	6,115	2,099
Due from (to) the City of Toronto Non-Profit Housing Corporation	12,000	(107,229)
Due to the City of Toronto	(11,747,180)	(1,057,475)
	(11,729,065)	(1,162,605)

3. Long Term Leases

The Authority has leased property under various long-term lease agreements for periods up to 2039. The total rent for these leases was \$2,220,168. These payments were made in advance and are being amortized over the terms of the individual leases.

4. Fixed Assets

The cost of fixed assets acquired by the Authority is as follows:

	1996	1995
	\$	\$
Land	21,240,166	16,922,413
Parking garages	59,307,362	47,821,494
Surface car parks	2,734,111	2,570,000
Developments under construction	30,976,857	37,074,307
Furniture, fixtures and equipment	5,282,028	4,855,591
	119,540,524	109,243,805

5. Accumulated Sick Leave Credits

Provision has been made over the years to provide for the payment of sick leave credits which may become due to employees upon termination of employment under the terms of the accumulative sick leave benefit plan. The liability for such benefits at the end of 1996 has been fully provided for with respect to all unionized employees.

Under the union contract negotiated in November, 1996 union employees with vested sick leave credits could (until January 15, 1997) choose to opt out of the current plan and receive payment for any sick leave credits earned. Those employees who opt out of the current plan and any new employee hired are covered under a new short term disability plan which pays 80% of the employees wages for each day sick up to a maximum of 26 weeks in any year. The plan does not provide for vesting or carryover of days from one year to the next.

Effective January 1, 1994 the sick leave program for all non-union employees was discontinued and replaced by a new plan. Under the terms of the new plan employees are paid 80% or 100% of their pay (depending on length of service) for up to a maximum of 26 weeks in any year. The plan does not provide for vesting or carryover of days from one year to the next.

6. Sinking Fund Reserves

The accumulated excess sinking fund earnings are available to the Authority to meet any future debt charges or for use in financing capital projects.

7. Retained Earnings

These retained earnings are available to the Authority for the development of parking facilities. Unexpended and committed authorizations for such capital developments, including those approved in the City of Toronto's 1996 capital budget, amount to some \$47.4 million at December 31, 1996. The movement in this account for the year is as follows:

	1996	1995
	\$	\$
Balance, beginning of year	41,520,465	45,053,833
Capital expenditures on car park developments	(9,537,464)	(3,421,534)
Change in capital funding source	(500,000)	231,014
Surplus returned to City of Toronto	(12,935,000)	(8,676,705)
Net income	5,541,533	8,333,857
Balance, end of year	24,089,534	41,520,465

8. Net Debenture Debt

	1996	1995
	\$	\$
Total issued	14,836,807	14,836,807
Redeemed to date	(14,793,807)	(14,756,807)
Balance to be redeemed by 1997	43,000	80,000

The total debt servicing costs (principal and interest) for 1996 in the amount of \$46,533 (1995 - \$46,880) have been met out of revenue derived from the City of Toronto's operation of on-street parking meters and are not reflected in the expenditures of the Authority.

9. Rental charge - City of Toronto

On January 13, 1992, the Authority renewed a 1985 agreement with the City of Toronto, wherein the Authority is required to pay annual rentals over the years 1990-1994 for the use of City-owned properties leased to it, equal to 50% of its surplus from parking operations for the year or \$2,000,000, whichever is greater.

At its meeting on May 9, 1994, Council adopted the recommendations as contained in Executive Committee Report No. 14, clause 1 to amend this agreement. The new agreement, based on a request from the City of Toronto, revised the terms for 1993 through 1995 and extended the entire agreement through to the end of 1999.

For accounting purposes any amount paid under the amended agreement in excess of the annual rental calculated under the original 1985 agreement (the greater of 50% of the surplus from parking operations or \$2,000,000) is charged directly to retained earnings as a return of surplus to the City (see Note 7). The amount of the payment shown as a charge against net income in the statement of operations represents the annual rental as determined under the original 1985 agreement. The required payments under the amended agreement are as follows:

Year	Terms	\$
1993	Rent at 50% of surplus from parking	3,773,205
	Return of surplus	7,260,055
	Total payment for 1993	11,033,260
1994	Rent at 50% of surplus from parking	3,271,147
	Return of surplus	3,728,853
	Total payment for 1994	7,000,000
1995	Rent at 50% of surplus from parking	3,323,295
	Return of surplus (1) (see note 7)	8,676,705
	Total payment for 1995	12,000,000
	(1) The Authority paid an additional \$5,000,000 in 1995 for a total of \$12,000,000	
1996	Rent (minimum)	2,000,000
	Return of surplus (see Note 7)	12,935,000
	Total payment for 1996	14,935,000

10. Commercial Concentration Tax - Ontario Retail Sales Tax

The commercial concentration tax was repealed effective July 1, 1993. The tax was payable at a rate of \$10.75 for each square metre of the gross area of land used as a commercial parking lot.

With the repeal of the commercial concentration tax on July 1, 1993 commercial parking fees became taxable under the Ontario Retail Sales Tax Act at a rate of 8%.

11. Canada/Ontario Infrastructure Works Program

Under this program the Federal and Provincial governments will fund two-thirds of the cost of approved projects. In 1996, the Authority completed all of its projects and has received all but \$616,000 of the \$5,200,000 total in program funding over the 1994 - 1996 period.

12. Contractual obligations

The Authority is committed to make additional expenditures of \$3.6 million for capital developments and \$32,800 related to normal operating costs. Commitments over the next five years under leasing agreements for use of lands and equipment (other than City of Toronto owned properties) total some \$677,000 for basic rental charges.

13. Social Contract

The Social Contract Act, 1993, between the Province of Ontario and the Municipalities, requires a reduction in expenditures by a specified target amount in each of the years 1993, 1994 and 1995. In addition, the sectoral agreement between the provincial government and the municipal sector provides for the automatic deferral of 25% of the 1993 social contract target amount which is to be recovered by April 1, 1996. In general terms, all municipal employee groups are required to fund their specified target amounts primarily through payroll reductions. For the Authority, the expenditure reduction target amount for 1996 is \$102,837.

14. Labour Strike

In the fall of 1996, the unionized staff were on strike for a period of 53 days during which time most carparks were operated free of charge to patrons. The loss of gross revenue over the period of the strike had a significant impact on the net income earned by the Authority in 1996.

15. Change in accounting policy

In 1996, the Authority changed the way it accounts for the return of surplus retained earnings to the City. A long standing agreement with the City of Toronto requiring the payment of annual rent, as described in Note 9, was revised for the years 1993 through to 1996 to provide for additional funds to be returned to the City. During the years 1993 to 1995, these additional funds were recorded as rent on the statement of operations.

In order to make the statement of operations more comparable to prior years and to better reflect the results of parking operations, any additional amount paid to the City in excess of the annual rental required under the long standing agreement (the greater of 50% of the surplus from parking operations or \$2,000,000) is charged directly to retained earnings. The charge to retained earnings in 1996 is \$12,935,000 (1995 - \$8,676,705) (see notes 7 & 9).

The comparative figures on the statement of operations for 1995 have been restated to reflect this change. Net Income for 1995 increases from a loss of \$342,848 to profit of \$8,333,857. Similarly, Net Income from Carpark Operations increases from a deficit of \$5,353,411 to a profit of \$3,323,294.

16. Proposed Legislation, City of Toronto Act, 1997

On December 17, 1996, the Provincial government introduced legislation, Bill 103, an Act to replace seven existing municipal governments of Metropolitan Toronto by incorporating a new municipality to be known as the City of Toronto. Should such legislation be passed, a new City of Toronto will come into existence on January 1, 1998.

The new City of Toronto will include the existing municipalities of the Municipality of Metropolitan Toronto, the Borough of East York, the City of Etobicoke, the City of North York, the City of Scarborough, the City of Toronto incorporated by the City of Toronto Act, 1834 and the City of York.

The effect of the above changes on the Authority is unknown at this time.



Carpark Locations

No.	Location	Capacity	No.	Location	Capacity
1	Hayden St e of Yonge	430	89	Lipton Ave e of Pape Ave	70
2	Charles St e of Yonge	76	90	Eaton Ave n of Danforth	30
3	Isabella St e of Yonge	79	91	Armadale Ave n of Bloor W	144
5	Wellesley St e of Yonge	135	93	Euclid Ave n of Bloor W	52
11	Rosehill Garage	565	96	Portland St n of Front W	212
12	Alvin Ave n of St. Clair E	166	104	Ossington Ave n of Bloor W	40
13	DeLisle Ave w of Yonge	159	106	Augusta Ave n of Queen W	120
15	Yorkville-Cumberland Garage	1036	107	MacPherson Ave-Rathnelly Ave	40
17	Pape Ave n of Danforth	85	109	Aberdeen Ave w of Parliament St	35
18	Keele St s of Dundas W	77	110	Danforth Ave e of Coxwell Ave	25
19	Pacific Ave s of Dundas W	71	111	College-Clinton Garage	79
20	Cedarvale Ave n of Danforth	37	116	Kennedy Ave n of Bloor W	56
21	Amroth Ave s of Danforth	54	125	Richmond-Sherbourne Garage	540
26	Queen-Victoria Garage	479	126	Parliament St s of Front E	84
28	Pape Ave s of Danforth	76	130	Bartlett Ave n of Bloor W	38
29	Holly-Dunfield Garage	460	131	Eglinton W-Hilltop Road	28
32	Bay St-Lakeshore Blvd W	525	137	Gough Ave n of Danforth	17
34	Dundas Square-Victoria St	53	139	Sherwood Ave e of Yonge	46
36	Nathan Phillips Square Garage	2087	141	Greenlaw Ave s of St. Clair W	53
39	Castlefield Ave w of Yonge	163	142	Langford Ave n of Danforth	27
41	Norton Ave w of Dufferin	64	143	Windermere Ave n of Bloor W	88
42	Via Italia s of St. Clair W	171	144	Clinton St n of Bloor W	33
43	St. Lawrence Garage	2008	146	Gerrard St E w of Broadview Ave	43
44	Fuller Ave n of Queen W	53	149	Woodycrest Ave n of Danforth	35
45	Broadview Ave n of Queen E	92	150	Larch St Garage	357
47	Castleknock Rd n of Eglinton W	175	152	Glenforest Rd e of Yonge	26
48	Lee Ave s of Queen E	68	155	Eglinton W-Glen Cedar Road	33
49	Roehampton Ave e of Yonge	126	156	w/s Ferrier Ave n of Danforth	23
51	Lippincott St s of Bloor W	146	157	Bayview/Millwood Garage (lower)	20
52	University Ave Garage	323	158	Queen St W w of Cowan Avenue	32
53	Richmond St West - Walnut Ave	49	159	Bayview/Millwood Garage (upper)	10
55	Bedford Park Ave w of Yonge	42	161	St Clair-Yonge Garage	173
58	Bloor-Bedford Garage	399	162	Shaftesbury Ave e of Yonge	22
62	Queen St W - Abell St	29	163	Dragon City Garage	129
63	Richmond St E - Jarvis St	17	164	Thelma Ave-Spadina Road	43
64	Durie St n of Bloor W	155	167	Ossington Ave n of Queen W	20
68	Kensington Garage	292	168	Harrison St e of Dovercourt Road	47
71	Bellevue Ave s of Nassau St	91	170	Hammersmith Ave n of Queen E	30
78	Erindale Ave e of Broadview Ave	93	171	Mt. Pleasant Road s of Eglinton E	54
79	Sherbourne St n of Carlton St	112	174	Hiawatha and Gerrard	50
80	Keele St n of Dundas W	54	177	York/Lakeshore	40
81	Lansdowne Ave n of Bloor W	40	178	Hillsdale e/Mt.Pleasant	39
82	Margueretta St n of Bloor W	56	179	Gerrard St e/Broadview	25
84	Salem Ave n of Bloor W	35	180	Gerrard St e/Rhodes	41
85	Palmerston Ave n of Bloor W	58	181	Lamport Stadium	329
87	Chester Ave n of Danforth	83			
88	e/s Ferrier Ave n of Danforth	47			
			Total Spaces		15,169

