

### Attachment 3 – Overview of Different Business Models

The following table highlights considerations, potential benefits, and potential drawbacks of different business model approaches for the Calgary Parking Authority. These are summarized from section 6.3 of the 2010 Western Management Consultants report (LPT2010-43) which is foundational to both the Municipally Controlled Corporation feasibility report and the Conceptual City Hybrid Model report. A range of models from wholly internal (City business unit) to wholly private (City leases parking assets to a third party) were explored.

	<b>City Managed</b>	<b>Authority/Committee</b>	<b>Municipal Corporation</b>	<b>Managed Privately</b>
<b>Description</b>	<ul style="list-style-type: none"> <li>• Managed as a City business unit.</li> </ul>	<ul style="list-style-type: none"> <li>• Managed by The City as an arms-length organization through a Committee of Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Managed as a separate legal entity that is wholly owned by The City.</li> </ul>	<ul style="list-style-type: none"> <li>• City leases parking assets to a private company which manages parking.</li> </ul>
<b>Summary of Advantages</b>	<ul style="list-style-type: none"> <li>• City maintains control of service levels and standards</li> <li>• Clear and direct accountability</li> <li>• City can use parking as a policy lever</li> <li>• Better access to land and capital</li> <li>• Favourable tax treatment</li> <li>• Profits always flow to City</li> <li>• Shared services reduce costs</li> <li>• Easier to align related services</li> </ul>	<ul style="list-style-type: none"> <li>• City can exercise control through business plans and budgets</li> <li>• City can set performance targets and expectations for the service</li> <li>• City can use policy to control parking service and development</li> <li>• Can access capital and land under favourable conditions as part of The City</li> <li>• Favourable tax treatment</li> <li>• Can operate in a business-like capacity within a specific mandate</li> <li>• Profits can flow to City</li> <li>• Alignment can still be achieved as part of The City</li> <li>• Committee members may improve public support</li> </ul>	<ul style="list-style-type: none"> <li>• City has some control of service through shareholders agreement</li> <li>• City can have some control of standards through shareholders agreement.</li> <li>• Profits can flow to City</li> <li>• May have increased business growth potential</li> <li>• May see lower operating costs</li> <li>• Less risk of parking being politicized</li> <li>• May have faster decision making</li> <li>• Increased long-term land planning potential</li> <li>• Clear focus in business vision and direction</li> </ul>	<ul style="list-style-type: none"> <li>• City can recognize financial gains from lease (one-time or ongoing)</li> <li>• Transfers costs to private company</li> <li>• Reduces City responsibilities and efforts</li> <li>• City is less responsible for service expectations and customer concerns</li> <li>• Private operator may be cost effective</li> </ul>

	<b>City Managed</b>	<b>Authority/Committee</b>	<b>Municipal Corporation</b>	<b>Managed Privately</b>
<b>Summary of Disadvantages</b>	<ul style="list-style-type: none"> <li>• Council may be seen as responsible for service</li> <li>• More risk of parking being politicized</li> <li>• Private vendors may see model as unfair</li> <li>• Profit potential may be lower</li> <li>• A shared services model may reduce clarity in service delivery</li> <li>• Parking will be prioritized along with other services for capital asks</li> <li>• City may be seen as less responsive</li> </ul>	<ul style="list-style-type: none"> <li>• City has less accountability to customer concerns</li> <li>• City has less control of new service offerings and direction</li> <li>• City still seen as responsible for service</li> <li>• More duplication and overlap of services</li> <li>• Alignment requires ongoing time, communications and commitment.</li> <li>• Risk of role confusion and conflict</li> </ul>	<ul style="list-style-type: none"> <li>• City has less accountability to customer concerns</li> <li>• City has less control of new service offerings and direction</li> <li>• City has less ability to use parking as a policy lever</li> <li>• Council may be seen as eschewing responsibility for the parking service</li> <li>• Less favourable tax treatment</li> <li>• No ability to raise capital through sale of shares</li> <li>• Challenging to maintain working relationships with City departments</li> <li>• On-street parking and transportation changes less responsive to changing conditions</li> <li>• Substantial costs to create new corporation</li> </ul>	<ul style="list-style-type: none"> <li>• City has minimal control of service and standards</li> <li>• City has minimal ability to use parking as a policy lever.</li> <li>• Less favourable tax treatment (lower revenue and/or higher costs for customers)</li> <li>• Needs of The City seen as secondary to needs of shareholders</li> <li>• Difficult to assess valuation of assets.</li> <li>• Risk that The City gives up significant revenue potential</li> <li>• On-street parking and transportation changes less responsive to changing conditions</li> <li>• Council may be seen as eschewing responsibility for the parking service</li> </ul>