

Attachment 4 - Options for Next Steps

Summary

The investigation completed into the Municipally Controlled Corporation (MCC) model for the Calgary Parking Authority (CPA) has found that this is a feasible option for the parking service. The work to-date did not conduct a full options analysis for the CPA; rather it has relied on guidance from two previous consultant studies completed in 2010 and 2013. Neither study took any of the business models to the depth of analysis that has been completed for the MCC feasibility study.

To move forward, Administration considered a variety of approaches. City and CPA teams are committed to make any model that Council may choose work effectively. A summary of each option follows.

| Option 1 - Proceed directly to the Business Plan step for the MCC and prepare for a public hearing | | Not Recommended |
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| Benefits of this option | <ul style="list-style-type: none"> Continue to make progress on implementing the MCC to realize benefits identified in the feasibility study Would provide teams with Council's confidence in this model; there would not be further investigation of other models | |
| Drawbacks of this option | <ul style="list-style-type: none"> Other options (such as City option) may offer more opportunity that would be foregone The transition to the MCC likely involves the most risk and is the most complex out of the range of options. Certainty of the parking enforcement option has not been obtained from the Province. This function cannot be undertaken by the MCC unless and until the Province has granted authority. Since this function constitutes a significant part of the CPA operation, if consent is not given, the business plan must be rewritten, and a new public hearing of Council held to consider all implications. The City will need to put resources to a number of areas to support transition efforts and establish the Unanimous Shareholders Declaration. For City staff, this will be time spent at the expense of other priorities (e.g., Downtown Strategy, COVID recovery, etc.). | |

| Option 2 - Proceed directly to The City option | | Recommended |
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| Benefits of this option | <ul style="list-style-type: none"> Preliminary investigation shows comparable cost savings that could be realized Can take advantage of the Organizational Realignment effort underway and be done in a timely fashion No changes needed to the legal structure since CPA is already part of The City Many risks relating to an MCC transition are no longer relevant There would be no further costs to develop the option City has previous success onboarding similar entities (Calgary Handibus) | |

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| | <ul style="list-style-type: none"> • Creates capacity to support other priorities. |
| Drawbacks of this option | <ul style="list-style-type: none"> • Sunk costs from the MCC work to date (some learnings will be used to inform transition to The City) • Aspects of the concept have only been explored at a high level • Transition implications have not been fully identified • The City will need to put resources to support transition efforts as part of Organizational Realignment efforts |

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| Option 3 - Further analyze The City option to support a business model decision | | Not Recommended |
| Benefits of this option | <ul style="list-style-type: none"> • Would permit a fuller analysis of the City option to allow for a holistic analysis and comparison of business models. • It would also allow the CPA and other City stakeholders to be fully involved in developing this option. • It also provides more time to work with the Province to gain certainty with respect to the enforcement function. | |
| Drawbacks of this option | <ul style="list-style-type: none"> • Further work will continue to require significant resources from both the CPA and City teams, as well as further project funding. This will take away resources from other priority initiatives (e.g., Downtown Strategy, COVID recovery, etc.). • This option is more likely to impact MCC timelines. • If Council feels there is sufficient information at this time to make a business model decision, this extra analysis would be unnecessary. • Further delays an outcome and increases costs, while potentially leading to the same recommendation | |

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| Option 4 - Take no action and file the recommendations (i.e., remain with the status-quo relationship) | | Not Recommended |
| Benefits of this option | <ul style="list-style-type: none"> • The existing model is well established, with familiar working relationships and no change would result in the least disruption to the existing service. • Existing risks are well understood. • There would be no further costs relating to this work, and no transition costs or risks | |
| Drawbacks of this option | <ul style="list-style-type: none"> • It is likely that ambiguity will continue, and further reviews of the model may be proposed. • Shortcomings and inefficiencies of the current approach may continue (learnings from the work to date would be used to further improve the current business model) • Potential benefits of the other models and dividend increases may be foregone. | |