



**STAFF REPORT**  
**Economic Development**

Title: 2019 Parking Rates  
Report Number: CAO2018-019  
Author: Brad Witzel, Christine Tettman  
Meeting Type: Finance & Strategic Planning Committee Meeting  
Council/Committee Date: June 18, 2018  
File: N/A  
Attachments: Appendix A – Parking Fees & Charges  
Ward No.: Uptown Ward 7

**Recommendation:**

1. That CAO2018-019 be approved.
2. That Council approve a \$0.25 hourly parking rate increase for 2019 as set out in Table #1 of report CAO2018-019.
3. That Council approve in principle the 2020-2028 hourly parking rate forecast as set out in Table #1 of report CAO2018-019.
4. That Council approve a 2.5% monthly parking permit rate increase for 2019 as set out in Table #2 of report CAO2018-019.
5. That Council approve in principle the 2020-2028 monthly parking permit rate forecast as set out in Table #2 of report CAO2018-019.
6. That Council approves the Parking Fees and Charges By-law updates, as attached as Appendix A to CAO2018-019, effective as of the dates noted, and that the Fees and Charges By-law is updated accordingly.

**A. Executive Summary**

As directed by Council on June 27, 2016 via IPPW2016-057 Parking Utilization Study and Future Impact Analysis, Economic Development and Finance staff have worked together to create a parking model. The model was to include a growth factor to establish parking fees and was to be created with parking operating and capital expenses fully funded by parking revenue. Staff has undertaken the necessary work to

develop this model and the 2019 Parking Rate report recommends approval of the 2019 parking rates and the approval in principle of the 2020-2028 forecasted parking rates.

For 2019 staff are recommending that the hourly parking rates increase by \$0.25 and monthly parking permit rates increase by 2.5%. Also in an ongoing effort to provide Council and parking customers with some level of predictability, a 2020-2028 parking rate forecast is being included by staff for approval in principle based on the best available information related to current parking occupancy, anticipated future employment growth and parking operating and capital expense requirements.

## **B. Financial Implications**

Parking fees are intended to fully fund parking operating and capital expenses (including estimated inflationary cost), future surface/structured parking expansion (new structured parking to be operationally breakeven) and maintain an adequate City Parking Reserve balance. Staff has developed a model using an annual growth factor of 1.5% in permit and hourly revenue to establish the recommended parking fees.

The 2018 hourly parking revenue budget is approximately \$110,000. The 2019 hourly parking revenue budget will be increased by approximately \$10,000 as a result of the proposed fee changes. The 2019 hourly parking rates (\$0.25 increase) and the 2020-2028 forecasted hourly parking rates are presented below in Table #1.

The 2018 monthly parking permit revenue budget is approximately \$603,000. The 2019 monthly parking permit revenue budget will be increased by approximately \$50,000 as a result of the proposed fee changes. The 2019 monthly parking permit rates (2.5% rate increase) and the 2020-2028 forecasted monthly parking permit rates are presented below in Table #2.

## **C. Technology Implications**

There are no technology implications with this report.

## **D. Legal Considerations**

Staff did not seek legal advice.

## **E. Link to Strategic Plan**

(Strategic Priorities: Multi-modal Transportation, Infrastructure Renewal, Strong Community, Environmental Leadership, Corporate Excellence, Economic Development)

- Multi-modal Transportation – focusing on all forms of transportation
- Corporate Excellence – Ensuring balanced consideration of factors when making fiscally responsible practices/policies

**F. Previous Reports on this Topic**

- CAO2017-027 – 2018 Parking Rates
- IPPW2016-057 – Parking Utilization Study and Future Impact Analysis
- IPPW2015-094 – 2016 Parking Rates

**G. Approvals**

<b>Name</b>	<b>Signature</b>	<b>Date</b>
<b>Author:</b> Brad Witzel		
<b>Author:</b> Christine Tettman		
<b>Director:</b> Justin McFadden		
<b>Commissioner:</b> N/A		
<b>Finance:</b> Keshwer Patel		

CAO



## 2019 Parking Rates CAO2018-019

### Section #1 – Background

The City of Waterloo operates 16 surface parking lots and one parking structure (Parkade) within the Uptown core. These parking facilities are a mixture of permit parking, 'no charge' hourly parking and some paid hourly parking.

In 2008, Waterloo City Council approved the Uptown Waterloo Parking Strategy. One of the six guiding principles of the Parking Strategy recommended the Municipal Parking System operate as a financially self-sustaining parking enterprise in order to deliver services that support good urban design, economic development and transportation demand management.

Specifically, the Parking Strategy recommended moving to a tiered pricing structure and 10% parking rate increases were approved for 2010-2014. Parking rates were then frozen to support local businesses during ION and streetscape construction from 2015-2018.

When considering the 2015 parking rates, Waterloo City Council requested staff create a parking financial model that would show parking funded entirely by parking fees. A refined financial model was presented to Council via CAO2017-027 on October 16, 2017 and has been used to set the recommended 2019 and 2020-2028 forecasted parking rates.

### Section #2 – 'No Charge' Parking

The City of Waterloo currently provides 'no charge' (2 Hours FREE) parking in 7 Uptown surface lots totalling almost 700 'no charge' spaces. This is an Economic Development investment in our Uptown Core encouraging all residents and visitors to come and see all of the exciting destinations our Uptown has to offer. However, there are inherent costs associated with providing parking. Where private entities provide "free" parking, the inherent costs are passed along to the user in other ways, i.e. in malls with "free" parking the capital and operating costs are reflected in the tenants' rent.

For the City of Waterloo, the inherent cost associated with providing 'no charge' parking is approximately \$270,000 per year. These direct costs relate to numerous operating activities such as snow and litter removal, resurfacing, landscaping, line painting, lighting, property taxes and insurance to name a few. In an Enterprise model, parking is

required to cover all of its costs through revenue generation which currently only includes monthly parking permit sales and minimal paid hourly parking.

To offset the costs of 'no charge' parking, which is provided as a general tax base Economic Development investment for the benefit of all residents and visitors, Council approved an annual transfer from the Tax Base to the Parking Enterprise in the amount of \$270,000 via CAO2017-027. This will be incorporated into the 2019 base operating budget.

### **Section #3 – HonkMobile**

On September 1, 2018, the City of Waterloo implemented HonkMobile as our longer stay paid parking solution for Uptown. HonkMobile is an app based solution that allows patrons to purchase additional parking time should they choose following their first 2 hours of parking currently provided at 'no charge'.

HonkMobile is a complimentary service offering intended to provide parking patrons with more options to extend their stay in the Uptown. The incremental revenue generated by this program is being used to cover the cost of the platform (\$9,000 annually), transaction processing fees (estimated at \$2,750 annually) and the annual repayment to the innovation reserve (\$2,000 plus interest) with a goal of being revenue neutral. This program has been very successful since its introduction with project to date revenue of over \$8,000 (September 2017 – April 2018, with decreased revenue in December 2017 due to 3 hour no charge parking). The revenue and program cost have been factored into the financial model.

### **Section #4 – 2019 Parking Rates**

The parking financial model includes the following.

- an annual growth factor to establish parking rates
- parking operating and capital expenses fully funded by parking fees
- parking's 2019-2021 Uptown Parking Expansion General (Structure & Surface Spaces) DC project sheet
- maintains 'no charge' parking (2 Hours FREE) in our Uptown surface lots through a contribution from the general tax base, to be included in the 2019 operating budget as per CAO2017-027
- parking contributing to the general tax base for its share of corporate resources utilized, to be included in the 2019 operating budget as per CAO2017-027
- an adequate City Parking Reserve balance is maintained across the 10 year forecast period
- parking rate increases that are in line with inflation (annual rate increase forecasted to be approximately 2.5%-3%)

Hourly Rates:

For 2019 it's recommended that the hourly parking rates increase by \$0.25. For the 2020-2028 forecast, it is recommended that for administrative and customer ease of use purposes that the hourly rates increase by \$0.25 every three years (annual average increase equates to approximately 2%-3%). As such it is being recommended that the hourly rates increase by \$0.25 again in 2022, 2025 and 2028.

Table #1 - Recommended Parking Enterprise Hourly Rates:

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Surface Lots Hourly (Pay & Display or Honk Mobile) - \$/hour	2.75	3.00	3.00	3.00	3.25	3.25	3.25	3.50	3.50	3.50	3.75
Surface Lots Hourly (Pay & Display or Honk Mobile) - \$ Increase	-	0.25	-	-	0.25	-	-	0.25	-	-	0.25
Surface Lots Hourly (Pay & Display or Honk Mobile) - % Increase		9%	0%	0%	8%	0%	0%	8%	0%	0%	7%
Parking Structure (Parkade) - \$/hour	3.25	3.50	3.50	3.50	3.75	3.75	3.75	4.00	4.00	4.00	4.25
Parking Structure (Parkade) - \$ Increase	-	0.25	-	-	0.25	-	-	0.25	-	-	0.25
Parking Structure (Parkade) - % Increase		8%	0%	0%	7%	0%	0%	7%	0%	0%	6%

Monthly Permit Rates:

For 2019 it's recommended that the monthly parking permit rates increase by 2.5%. For the 2020-2028 forecast, it is recommended that the monthly parking permit rates increase by 2.5%-3% annually.

Table #2 - Recommended Parking Enterprise Permit Rates:

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Surface Lots Permit (Tier I) - \$/month	113.14	115.97	118.87	122.44	126.11	129.89	133.79	137.80	141.93	146.19	150.58
Surface Lots Permit (Tier I) - \$ Increase	-	2.83	2.90	3.57	3.67	3.78	3.90	4.01	4.13	4.26	4.39
Surface Lots Permit (Tier I) - % Increase		2.5%	2.5%	3%	3%	3%	3%	3%	3%	3%	3%
Surface Lots Permit (Tier II) - \$/month	106.48	109.14	111.87	115.23	118.69	122.25	125.92	129.70	133.59	137.60	141.73
Surface Lots Permit (Tier II) - \$ Increase	-	2.66	2.73	3.36	3.46	3.56	3.67	3.78	3.89	4.01	4.13
Surface Lots Permit (Tier II) - % Increase		2.5%	2.5%	3%	3%	3%	3%	3%	3%	3%	3%
Surface Lots Permit (Tier III) - \$/month	101.16	103.69	106.28	109.47	112.75	116.13	119.61	123.20	126.90	130.71	134.63
Surface Lots Permit (Tier III) - \$ Increase	-	2.53	2.59	3.19	3.28	3.38	3.48	3.59	3.70	3.81	3.92
Surface Lots Permit (Tier III) - % Increase		2.5%	2.5%	3%	3%	3%	3%	3%	3%	3%	3%
Surface Lots Permit (Tier IV) - \$/month	77.20	79.13	81.11	83.54	86.05	88.63	91.29	94.03	96.85	99.76	102.75
Surface Lots Permit (Tier IV) - \$ Increase	-	1.93	1.98	2.43	2.51	2.58	2.66	2.74	2.82	2.91	2.99
Surface Lots Permit (Tier IV) - % Increase		2.5%	2.5%	3%	3%	3%	3%	3%	3%	3%	3%
Parking Structure (Parkade) - \$/month	146.41	150.07	153.82	158.43	163.18	168.08	173.12	178.31	183.66	189.17	194.85
Parking Structure (Parkade) - \$ Increase	-	3.66	3.75	4.61	4.75	4.90	5.04	5.19	5.35	5.51	5.68
Parking Structure (Parkade) - % Increase		2.5%	2.5%	3%	3%	3%	3%	3%	3%	3%	3%

Surface Lots Permit (Tier I): Alexandra Lot, Caroline North Lot, Caroline South Lot, Herbert Lot, Regina Lot, Station Lot, William Lot, Waterloo Town Square South Lot

Surface Lots Permit (Tier II): Dupont Lot, Library Lot

Surface Lots Permit (Tier III): Museum Lot, WMRC

Surface Lots Permit (Tier IV): Willow Lot, Bauer Lot

## Section #5 – Parking Reserve

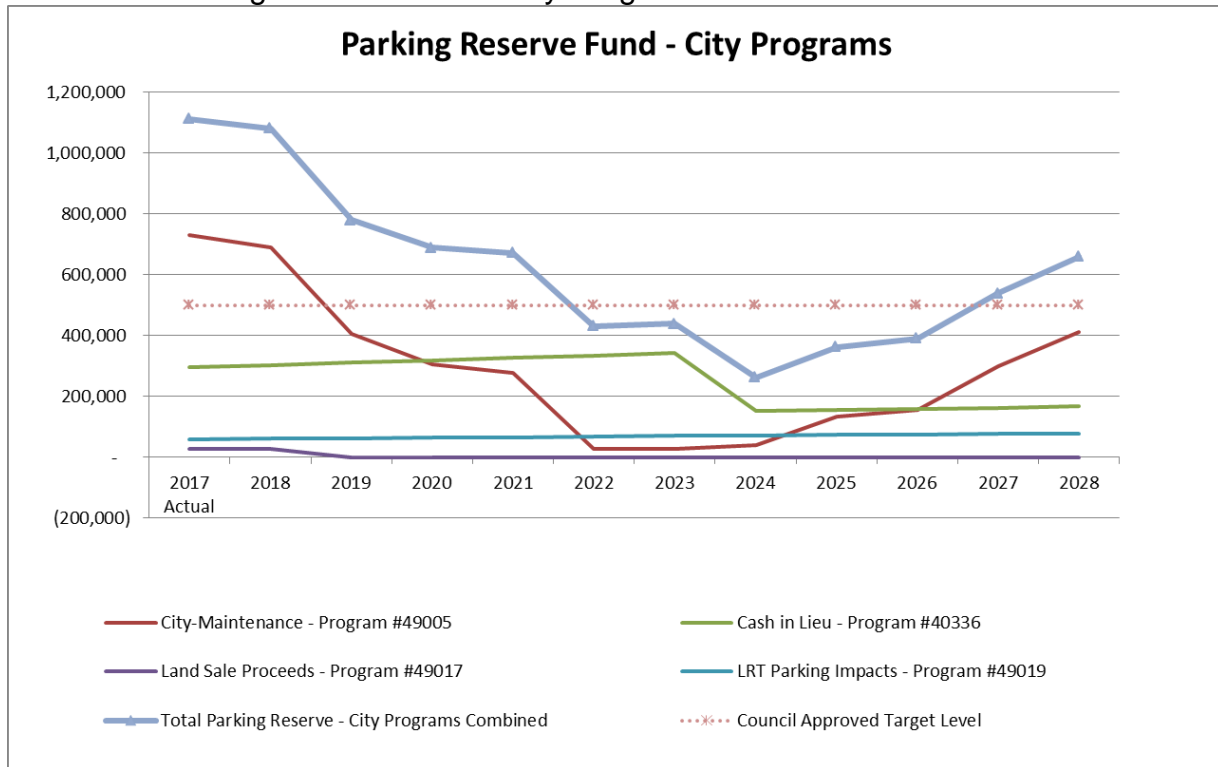
The Parking Reserve (City programs) is comprised of four separate City sources; Cash-in-lieu of Parking, Proceeds from Land Sale, LRT Parking impacts and City Maintenance.

- Cash-in-lieu: funds are to be used for the generation of future parking spaces
- Proceeds from Land Sale: funds are to be used to enable future parking provisions, including capital acquisitions in Uptown
- LRT Parking Impacts: funds are to be used to replace parking spaces lost as a result of LRT
- City Maintenance: funds are to be used for:
  - capital maintenance of any City parking infrastructure and related components, including parking related technology;
  - design and construction of new City parking infrastructure and the associated land, including financing costs;
  - cost associated with parking related studies, analysis, policy or strategy development, including those involving external consultants; and
  - operating deficit incurred by the Parking Enterprise, if any.

*\* City Maintenance program also receives any operating surplus realized by the Parking Enterprise.*

The approved minimum balance for the Parking Reserve Fund is \$500,000. This minimum balance is required to mitigate risk as parking continues to move towards a self-sustaining enterprise. The parking model and rates being recommended by staff provides an adequate City Parking Reserve balance over the course of 2019-2028. However it should be highlighted that the forecasted balance does fall below the minimum target level in 2022-2026 due to increased capital requirements which have been incorporated into the proposed 2019 capital budget and 2020-2028 capital forecast.

Chart #1 - Parking Reserve Fund - City Programs:



**Section #6 – Local Comparators**

For comparison purposes, staff is providing local municipality’s hourly and monthly parking permit rate information for 2018. When comparing parking rates across different municipalities we also need to consider other factors that could be impacting the rates including but not limited to:

- is the municipality operating parking as a self-sustaining enterprise and establishing rates accordingly?
- does the municipality subsidize parking through tax base or other contributions?
- what type of public transit system does the municipality offer reducing the reliance on parking?
- is ‘no charge’ parking provided on-street or off-street as an Economic Development investment in downtown core areas?

Parking is a unique public service and municipalities often vary in how they approach the provision of parking. As such it is important to utilize the local comparator information as more of a guideline vs. a direct rate comparison.



Table #3 Hourly Rates Comparison:

Parking Rate Comparison - Hourly (2018 Rates)						
<u>Municipality</u>	<u>On-Street Free Parking</u>	<u>On-Street (\$/hr)</u>	<u>Off-Street Free Parking</u>	<u>Off-Street (\$/hr)</u>	<u>Parking Structure Free Parking</u>	<u>Parking Structure (\$/hr)</u>
Waterloo	Yes (No Charge 1-3 hrs)	N/A	Yes (No Charge 1-2 hrs)	\$2.75	No	\$3.25
Barrie	No	\$1.25	No	\$1.00	No	\$1.25
Brampton	No	\$1-\$2	No	\$2.00	Yes (No Charge 1st hr)	\$2.00
Burlington	Yes (No Charge up to 3 hrs)	N/A	Yes (During the month of December)	\$1.75	Yes (During the month of December)	\$1.75
Cambridge	Yes (No Charge up to 3 hrs)	\$0.50	Yes (No Charge w voucher 2 hrs)	\$1.50	N/A	N/A
Guelph	Yes (No Charge up to 2 hrs - once per day)	N/A	No	\$2.00	No	\$2.00
Kitchener	Yes (No Charge up to 2 hrs)	N/A	No	\$2.30-\$2.80	No	\$2.10-\$3.30

\*HST Included

Table #4 - Monthly Permit Rates Comparison:

Parking Rate Comparison - Monthly Permit (2018 Rates)				
<u>Municipality</u>	<u>Surface Lot Permit (\$/Month) - Tier I</u>	<u>Surface Lot Permit (\$/Month) - Tier II</u>	<u>Surface Lot Permit (\$/Month) - Tier III</u>	<u>Parking Structure Permit (\$/Month)</u>
	Waterloo	\$113.14	\$106.48	\$101.16
Barrie	\$60.00 (or \$576.00 per year)	\$75.00	\$85.00	N/A
Brampton	N/A	N/A	N/A	\$44.00 (or \$308.00 per year)
Burlington	\$132.00	\$83.00	N/A	\$132.00
Cambridge	\$75.00	\$55.00	N/A	N/A
Guelph	\$87.10	\$73.70	\$67.01	\$93.81
Kitchener	\$136.19	\$113.14	N/A	\$154.87-\$172.61

\*HST Not Included

\*\*Some Municipalities offer lower rates for lots outside of the general Uptown/Downtown area which are not included above

## Appendix A – Parking Fees &amp; Charges

	Effective Date of		Effective Date of		
	Fee	Fee	Fee	Fee	
<b>Monthly Parking</b>					
Waterloo Town Square South Lot	\$113.14	1-Jan-18	\$115.97	1-Jan-19	2.5%
Caroline North & South Lot	\$113.14	1-Jan-18	\$115.97	1-Jan-19	2.5%
Caroline North Lot - 24 hr	\$115.80	1-Jan-18	\$117.50	1-Jan-19	1.5%
Caroline North Lot - overnight	\$49.25	1-Jan-18	\$50.00	1-Jan-19	1.5%
Alexandra Lot	\$113.14	1-Jan-18	\$115.97	1-Jan-19	2.5%
Alexandra Lot - overnight	\$49.25	1-Jan-18	\$50.00	1-Jan-19	1.5%
Regina Lot	\$113.14	1-Jan-18	\$115.97	1-Jan-19	2.5%
Station Lot	\$113.14	1-Jan-18	\$115.97	1-Jan-19	2.5%
Dupont Lot	\$106.48	1-Jan-18	\$109.14	1-Jan-19	2.5%
Herbert Lot	\$113.14	1-Jan-18	\$115.97	1-Jan-19	2.5%
Library Lot	\$106.48	1-Jan-18	\$109.14	1-Jan-19	2.5%
Perimeter Lot	\$106.48	1-Jan-18	\$109.14	1-Jan-19	2.5%
Temporary Lot B	N/A	1-Jan-18	\$109.14	1-Jan-19	New
William Lot	\$113.14	1-Jan-18	\$115.97	1-Jan-19	2.5%
Museum Lot	\$101.16	1-Jan-18	\$103.69	1-Jan-19	2.5%
Waterloo Memorial Recreation Centre	\$101.16	1-Jan-18	\$103.69	1-Jan-19	2.5%
Bauer Lot	\$77.20	1-Jan-18	\$79.13	1-Jan-19	2.5%
Rink in the Park Lot	\$77.20	1-Jan-18	\$79.13	1-Jan-19	2.5%
Willow Lot	\$77.20	1-Jan-18	\$79.13	1-Jan-19	2.5%
Permit Replacement Fee (Surface Lot)	\$27.00	1-Jan-18	\$27.50	1-Jan-19	1.9%
Parkade - 24 hr	\$146.41	1-Jan-18	\$150.07	1-Jan-19	2.5%
Parkade (Overnight and Weekends)	\$59.90	1-Jan-18	\$61.00	1-Jan-19	1.8%
Permit Replacement Fee (Parkade)	\$27.00	1-Jan-18	\$27.50	1-Jan-19	1.9%
<b>Hourly, Daily Parking</b>					
Surface Lots with Pay and Display Machines (hourly)	\$2.75	1-Jan-18	\$3.00	1-Jan-19	9%
Parkade (hourly, Mon-Fri, 8am-9pm)	\$3.25	1-Jan-18	\$3.50	1-Jan-19	8%
Parkade (Daily max. rate Mon-Fri, 8am-9pm)	\$17.00	1-Jan-18	\$17.00	1-Jan-19	0%
Parkade (Flat rate Mon-Fri, 9pm-Midnight)	\$3.25	1-Jan-18	\$3.50	1-Jan-19	8%
Parkade (Flat rate Mon-Fri, Midnight-8am)	\$3.25	1-Jan-18	\$3.50	1-Jan-19	8%
Parkade (All-day flat rate, Sat. or Sun)	\$3.25	1-Jan-18	\$3.50	1-Jan-19	8%
<i>Note: the above Hourly &amp; Daily Parking rates are shown including applicable taxes.</i>					
<b>Bike Locker Rental</b>					
Bike Locker Rental - monthly fee*	\$10.00	1-Jan-18	\$10.00	1-Jan-19	0%
<i>*minimum 4 month rental term, with \$30.00 security deposit</i>					
<b>Surface Parking Lot Rental</b>					
Surface Parking Lot Rental Fee / Day	N/A	1-Jan-18	N/A	1-Jan-19	0%
Not for profit run events (free admission) / Day	\$400.00	1-Jan-18	\$400.00	1-Jan-19	0%
Not for profit run events (ticketed event) / 8 hours	\$660.00	1-Jan-18	\$660.00	1-Jan-19	0%
Not for profit run events (ticketed event) / each additional hour	\$78.00	1-Jan-18	\$78.00	1-Jan-19	0%
For profit run events (ticketed event) / 8 hours	\$920.00	1-Jan-18	\$920.00	1-Jan-19	0%
For profit run events (ticketed event) / each additional hour	\$208.00	1-Jan-18	\$208.00	1-Jan-19	0%
<b>Other Parking Lot Use</b>					
Parking Lot Occupancy Permit application fee	\$118.00	1-Jan-18	\$123.00	1-Jan-19	4%
Daily occupancy per space	\$6.00	1-Jan-18	\$6.00	1-Jan-19	0%
<b>Electric Vehicle Charging Station</b>					
Electric Vehicle Charging Station (city owned) user fee - per hour	\$1.00	1-Jan-18	\$1.00	1-Jan-19	0%