



**STAFF REPORT
Economic Development**

Title: 2020 Parking Rates
Report Number: CAO2019-022
Author: Brad Witzel, Christine Tettman
Meeting Type: Finance & Strategic Planning Committee Meeting
Council/Committee Date: June 17, 2019
File: N/A
Attachments: Appendix A – Parking Fees & Charges
Ward No.: Uptown Ward 7

Recommendation:

1. That CAO2019-022 be approved.
2. That Council approve no hourly parking rate increase for 2020 (0%) as set out in Table #1 of report CAO2019-022.
3. That Council approve in principle the 2021-2029 hourly parking rate forecast as set out in Table #1 of report CAO2019-022.
4. That Council approve a 2.0% monthly parking permit rate increase for 2020 as set out in Table #2 of report CAO2019-022.
5. That Council approve in principle the 2021-2029 monthly parking permit rate forecast as set out in Table #2 of report CAO2019-022.
6. That Council approves the Parking Fees and Charges By-law updates, as attached as Appendix A to CAO2019-022, effective as of the dates noted, and that the Fees and Charges By-law is updated accordingly.

A. Executive Summary

As previously directed by Council, Economic Development and Finance staff have collaborated to create a parking rate 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 2020 Parking Rate report recommends approval of the 2020 parking rates and the approval in principle of the 2021-2029 forecasted parking rates.

For 2020 staff are recommending no increase to the hourly parking rates (0%) and that monthly parking permit rates increase by 2.0%. Also in an ongoing effort to provide Council and parking customers with some level of predictability, a 2021-2029 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 2019 hourly parking revenue budget is approximately \$130,000. The 2020 hourly parking revenue budget will be increased by approximately \$20,000 mainly as a result of increased hourly parking revenue through the HONK Mobile longer stay paid parking option. There will be no increase to the 2020 hourly parking rates (0%) and the 2021-2029 forecasted hourly parking rates are presented below in Table #1.

The 2019 monthly parking permit revenue budget is approximately \$625,000. The 2020 monthly parking permit revenue budget will be increased by approximately \$25,000 as a result of the proposed fee changes. The 2020 monthly parking permit rates (2.0% rate increase) and the 2021-2029 forecasted monthly parking permit rates are presented below in Table #2.

C. Technology Implications

There are no technology implications with this report.

D. 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.

E. Previous Reports on this Topic

- CAO2018-019 – 2019 Parking Rates
- CAO2017-027 – 2018 Parking Rates
- IPPW2016-094 – 2016 Parking Rates
- IPPW2016-057 – Parking Utilization Study and Future Impact Analysis
- IPPW2015-094 – 2015 Parking Rates

F. Approvals

Name	Signature	Date
Author: Brad Witzel		
Author: Christine Tettman		
Director: Justin McFadden		
Finance: Keshwer Patel		

CAO



2020 Parking Rates CAO2019-022

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% annual 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 2015 parking rates, Council directed staff to create a parking financial rate model that would show parking funded entirely by parking fees. That financial model was presented to Council via CAO2017-027 and was used in CAO2018-019 to set 2019 parking rates 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 that encourages 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 removal 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. Prior to 2019, the only sources of revenue generation for parking were monthly permit parking sales and minimal paid hourly parking. Through the 2019 operating budget Council approved a \$270,000 annual transfer from the tax base to the Parking Enterprise to cover the

direct cost associated with 'no charge' parking as no charge parking is an Economic Development investment for the benefit of all residents and visitors.

Section #3 – HONK Mobile

On September 1, 2019, The City of Waterloo implemented HONK Mobile as our longer stay paid parking solution for Uptown. HONK Mobile 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'.

HONK Mobile is a complimentary service offering intended to provide parking patrons with more options to extend their stay in the Uptown. The 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 for 10 years). The goal of this program was to be revenue neutral; however the program has exceeded initial revenue expectations. As a result increased hourly parking revenue of \$20,000 has been included in the parking rate model and will be recommended for approval as part of the 2020 operating budget process.

Section #4 – 2020 Parking Rates

The parking rate model includes the following.

- an annual growth factor to establish parking rates
- parking operating and capital expenses fully funded by parking fees
- maintains 'no charge' parking (2 Hours FREE) in our uptown surface lots through an annual contribution from the tax base as approved as part of the 2019 budget
- parking contributing to the general tax base for its share of corporate resources utilized (overhead) as approved as part of the 2019 budget

Hourly Rates:

For 2020 staff recommend no hourly parking rates increase (0%). For the 2021-2029 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%). With the hourly parking rates increasing by \$0.25 in 2019, the next increases are planned for 2022, 2025 and 2028.

Table #1 - Recommended Parking Enterprise Hourly Rates:

Recommended Parking Enterprise Hourly Rates:

Year	2019 Approved	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Surface Lots Hourly (Pay & Display or Honk Mobile) - \$/hour	3.00	3.00	3.00	3.25	3.25	3.25	3.50	3.50	3.50	3.75	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%	0%
Parking Structure (Parkade) - \$/hour	3.50	3.50	3.50	3.75	3.75	3.75	4.00	4.00	4.00	4.25	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%	0%

*Hourly rates include applicable taxes

Monthly Permit Rates:

For 2020 staff recommend that the monthly parking permit rates increase by 2.0%. For the 2021-2029 forecast, it is recommended that monthly parking permit rates increase by 2%-3% annually.

Table #2 - Recommended Parking Enterprise Permit Rates:

Recommended Parking Enterprise Permit Rates:

Year	2019 Approved	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Surface Lots Permit (Tier I) - \$/month	115.97	118.29	120.66	123.07	126.76	130.56	134.48	138.51	142.67	146.95	151.36
Surface Lots Permit (Tier I) - \$ Increase	2.83	2.32	2.37	2.41	3.69	3.80	3.92	4.03	4.16	4.28	4.41
Surface Lots Permit (Tier I) - % Increase	2.5%	2.0%	2%	2%	3%	3%	3%	3%	3%	3%	3%
Surface Lots Permit (Tier II) - \$/month	109.14	111.32	113.55	115.82	119.29	122.87	126.56	130.36	134.27	138.30	142.45
Surface Lots Permit (Tier II) - \$ Increase	2.66	2.18	2.23	2.27	3.47	3.58	3.69	3.80	3.91	4.03	4.15
Surface Lots Permit (Tier II) - % Increase	2.5%	2.0%	2%	2%	3%	3%	3%	3%	3%	3%	3%
Surface Lots Permit (Tier III) - \$/month	103.69	105.76	107.88	110.04	113.34	116.74	120.24	123.85	127.57	131.40	135.34
Surface Lots Permit (Tier III) - \$ Increase	2.53	2.07	2.12	2.16	3.30	3.40	3.50	3.61	3.72	3.83	3.94
Surface Lots Permit (Tier III) - % Increase	2.5%	2.0%	2%	2%	3%	3%	3%	3%	3%	3%	3%
Surface Lots Permit (Tier IV) - \$/month	79.13	80.71	82.32	83.97	86.49	89.08	91.75	94.50	97.34	100.26	103.27
Surface Lots Permit (Tier IV) - \$ Increase	1.93	1.58	1.61	1.65	2.52	2.59	2.67	2.75	2.84	2.92	3.01
Surface Lots Permit (Tier IV) - % Increase	2.5%	2.0%	2%	2%	3%	3%	3%	3%	3%	3%	3%
Parking Structure (Parkade) - \$/month	150.07	153.07	156.13	159.25	164.03	168.95	174.02	179.24	184.62	190.16	195.86
Parking Structure (Parkade) - \$ Increase	3.66	3.00	3.06	3.12	4.78	4.92	5.07	5.22	5.38	5.54	5.70
Parking Structure (Parkade) - % Increase	2.5%	2.0%	2%	2%	3%	3%	3%	3%	3%	3%	3%

*Permit rates are before applicable taxes

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, Temporary Lot B

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

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

Section #5 – Parking Reserve

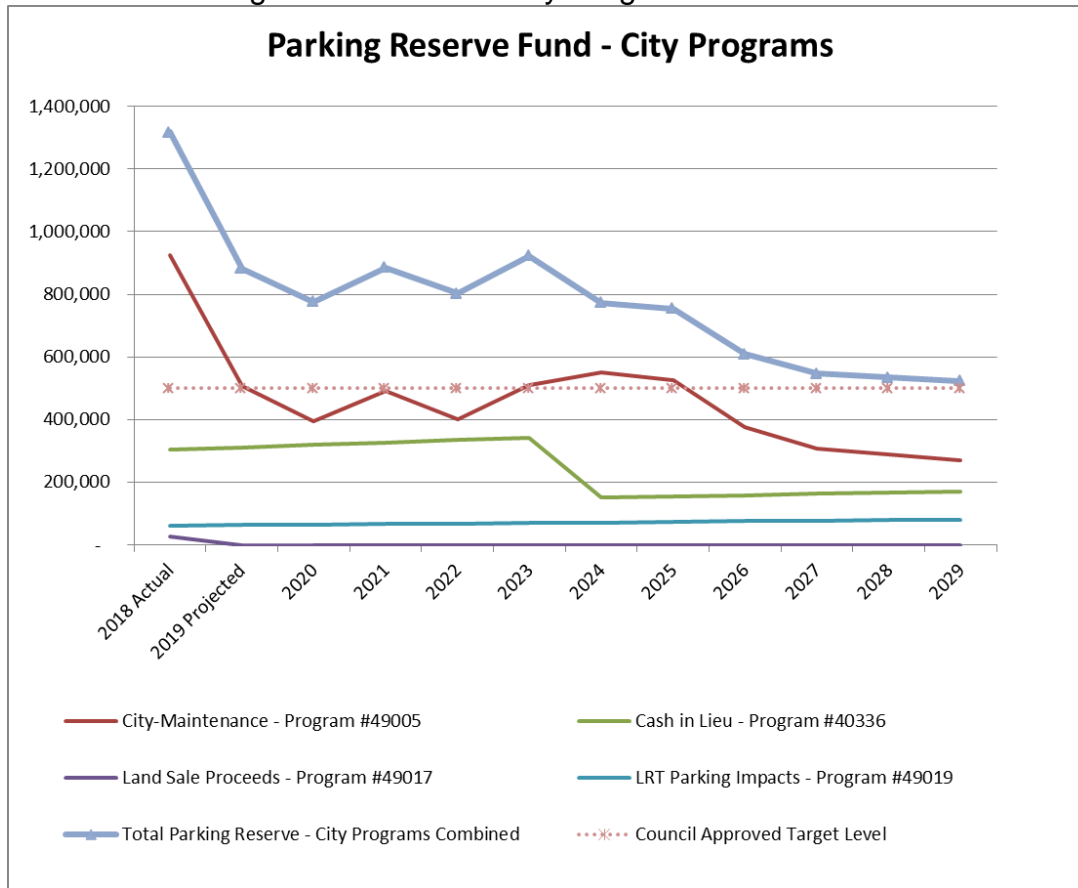
The Parking Reserve (City programs) is comprised of four separate City sources; Cash-in-lieu of Parking, Proceeds from Land Sale, LRT Parking impacts and City Maintenance.

- 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 (combined) 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 2020-2029.

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 2019. 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 (2019 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)	\$3.00	No	\$3.50
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 (Evenings & Weekends and During the month of December)	\$1.75	Yes (Evenings & Weekends and During the month of December)	\$1.75
Cambridge	Yes (No Charge up to 3 hrs)	\$1.00	Yes	\$1.00	N/A	N/A
Guelph	Yes (No Charge up to 2 hrs - once per day)	\$2.00	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	\$115.97	\$109.14	\$103.69
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	\$93.00	\$60.00	N/A	N/A
Guelph	\$135.00	\$100.00	\$60.00	\$135-\$140
Kitchener	\$138.27	\$114.97	N/A	\$157.08-\$175.22

*HST Not Included

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

Section #7 – Bill 108

The 2019-2028 capital budget and forecast includes an estimate of \$19.8M for Uptown Parking Expansion, funded primarily from Development Charges, thus not impacting the parking fees materially. This project will be undertaken on completion of a Parking Utilization study to determine current and future parking needs.

On May 2, 2019 [Bill 108, More Homes, More Choice Act, 2019](#) was introduced as part of the Provincial government's Housing Supply Action Plan. The proposed legislation received first reading on May 2, 2019 and the opportunity to provide comments remains open until June 1, 2019. There are 13 Acts affected by Bill 108. The regulation has not been made public. Without the regulation, the Bill on its own does not provide enough details for municipalities, associations, consultants, and industry to adequately understand the impacts of the proposed legislation. However, in the absence of a regulation, staff have extensively reviewed the Bill in consultation with other cities, associations and consultants.

It is anticipated Bill 108 will lead to the removal of Soft Services from the Development Charges Act. This may limit our ability to collect the same level of funding for services such as Parks, Indoor Recreation, Libraries, **Parking**, Cemeteries and Studies associated with these soft services under a Community Benefits Charge. Staff will continue to monitor this Bill and its various financial implications, however if Bill 108 is approved parking capital project - Uptown Parking Expansion General (Structure & Surface Spaces) ref #119 will likely be impacted.

Appendix A – Parking Fees & Charges

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	Effective		Effective		
	Fee	Date of	Fee	Date of	
Monthly Parking					
Waterloo Town Square South Lot	\$115.97	1-Jan-19	\$118.29	1-Jan-20	2.0%
Caroline North & South Lot	\$115.97	1-Jan-19	\$118.29	1-Jan-20	2.0%
Caroline North Lot - 24 hr	\$117.50	1-Jan-19	\$119.85	1-Jan-20	2.0%
Caroline North Lot - overnight	\$50.00	1-Jan-19	\$51.00	1-Jan-20	2.0%
Alexandra Lot	\$115.97	1-Jan-19	\$118.29	1-Jan-20	2.0%
Alexandra Lot - overnight	\$50.00	1-Jan-19	\$51.00	1-Jan-20	2.0%
Regina Lot	\$115.97	1-Jan-19	\$118.29	1-Jan-20	2.0%
Station Lot	\$115.97	1-Jan-19	\$118.29	1-Jan-20	2.0%
Dupont Lot	\$109.14	1-Jan-19	\$111.32	1-Jan-20	2.0%
Herbert Lot	\$115.97	1-Jan-19	\$118.29	1-Jan-20	2.0%
Library Lot	\$109.14	1-Jan-19	\$111.32	1-Jan-20	2.0%
Perimeter Lot	\$109.14	1-Jan-19	\$111.32	1-Jan-20	2.0%
Temporary Lot B	\$109.14	1-Jan-19	\$111.32	1-Jan-20	2.0%
William Lot	\$115.97	1-Jan-19	\$118.29	1-Jan-20	2.0%
Museum Lot	\$103.69	1-Jan-19	\$105.76	1-Jan-20	2.0%
Waterloo Memorial Recreation Centre	\$103.69	1-Jan-19	\$105.76	1-Jan-20	2.0%
Bauer Lot	\$79.13	1-Jan-19	\$80.71	1-Jan-20	2.0%
Rink in the Park Lot	\$79.13	1-Jan-19	\$80.71	1-Jan-20	2.0%
Willow Lot	\$79.13	1-Jan-19	\$80.71	1-Jan-20	2.0%
Permit Replacement Fee (Surface Lot)	\$27.50	1-Jan-19	\$28.00	1-Jan-20	1.8%
Parkade - 24 hr	\$150.07	1-Jan-19	\$153.07	1-Jan-20	2.0%
Parkade (Overnight and Weekends)	\$61.00	1-Jan-19	\$62.00	1-Jan-20	1.6%
Permit Replacement Fee (Parkade)	\$27.50	1-Jan-19	\$28.00	1-Jan-20	1.8%
Hourly, Daily Parking					
Surface Lots with Pay and Display Machines (hourly)	\$3.00	1-Jan-19	\$3.00	1-Jan-20	0%
Parkade (hourly, Mon-Fri, 8am-9pm)	\$3.50	1-Jan-19	\$3.50	1-Jan-20	0%
Parkade (Daily max. rate Mon-Fri, 8am-9pm)	\$17.00	1-Jan-19	\$17.00	1-Jan-20	0%
Parkade (Flat rate Mon-Fri, 9pm-Midnight)	\$3.50	1-Jan-19	\$3.50	1-Jan-20	0%
Parkade (Flat rate Mon-Fri, Midnight-8am)	\$3.50	1-Jan-19	\$3.50	1-Jan-20	0%
Parkade (All-day flat rate, Sat. or Sun)	\$3.50	1-Jan-19	\$3.50	1-Jan-20	0%
<i>Note: the above Hourly & Daily Parking rates are shown including applicable taxes.</i>					
Bike Locker Rental					
Bike Locker Rental - monthly fee*	\$10.00	1-Jan-19	\$10.00	1-Jan-20	0%
<i>*minimum 4 month rental term, with \$30.00 security deposit</i>					
Surface Parking Lot Rental					
Surface Parking Lot Rental Fee / Day	N/A	1-Jan-19	N/A	1-Jan-20	0%
Not for profit run events (free admission) / Day	\$400.00	1-Jan-19	\$400.00	1-Jan-20	0%
Not for profit run events (ticketed event) / 8 hours	\$660.00	1-Jan-19	\$660.00	1-Jan-20	0%
Not for profit run events (ticketed event) / each additional hour	\$78.00	1-Jan-19	\$78.00	1-Jan-20	0%
For profit run events (ticketed event) / 8 hours	\$920.00	1-Jan-19	\$920.00	1-Jan-20	0%
For profit run events (ticketed event) / each additional hour	\$208.00	1-Jan-19	\$208.00	1-Jan-20	0%
Other Parking Lot Use					
Parking Lot Occupancy Permit application fee	\$123.00	1-Jan-19	\$125.00	1-Jan-20	2%
Daily occupancy per space	\$6.00	1-Jan-19	\$6.00	1-Jan-20	0%
Electric Vehicle Charging Station					
Electric Vehicle Charging Station (city owned) user fee - per hour	\$1.00	1-Jan-19	\$1.50	1-Jan-20	50%