# **DA** TORONTO

### CITY CLERK

## Clause embodied in Report No. 3 of the Economic Development and Parks Committee, as adopted by the Council of the City of Toronto at its meeting on May 18, 19 and 20, 2004.

#### 16

#### Parking Revenue Increase Options

(City Council on May 18, 19 and 20, 2004, adopted the following:

"That:

- (1) Option 1, entitled 'Increasing Parking Tag Enforcement Revenues by Eliminating the Voluntary Payment Amount for Parking Fines', be adopted;
- (2) the 2004 Parks and Recreation revenue budget be reduced by \$996,400.00 for parking charges in parks, and replaced with a commensurate increase in the Parking Tag Enforcement and Operations (non-program) Revenue, the reduction to be achieved by approving the following:
  - (a) the voluntary payments for all Parking Offences be eliminated;
  - (b) the set fine amount for Meter Offences be reduced from \$30 to \$20; and
  - (c) the set fine amount for No Parking Offences be increased from \$30 to \$40;
- (3) the Budget Advisory Committee be directed to consider, in the 2005 budget deliberations, an increase of \$4 million in the Parks budget to be dedicated to restoring the turf quality of the parks, such funding to come from the increase in parking revenues;
- (4) the Chief Financial Officer and Treasurer be requested to report to the Planning and Transportation Committee on the feasibility of establishing additional 'First Appearance Centres'; and
- (5) the City Solicitor be directed to apply to the Senior Regional Justice of Ontario Court of Justice in regard to the revised fine levels and the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.")

The Economic Development and Parks Committee directed that the following joint report (April 29, 2004) from the Commissioner of Economic Development, Culture and Tourism and the Chief Financial Officer and Treasurer, be forwarded to City Council without recommendation:

#### Purpose:

In order to respond to a Council directive requesting staff to explore the feasibility of offsetting the revenues from parking charges in regional and waterfront parks with a commitment of increased revenues in excess of the 2004 approved revenue budget/targets from the Toronto Parking Authority and/or Parking Tag Enforcement revenues.

#### Financial Implications:

The 2004 Parks and Recreation budget approved by Council at its April 19 to 27, 2004 meeting, includes a total of \$996,400.00 in revenue from "pay and display" parking charges in parks. This revenue is made up of \$440,000.00 for weekend and holiday parking in waterfront lots, \$198,200.00 for weekday parking in waterfront lots, and \$358,200.00 for weekend and holiday parking in six regional parks.

Should Council endorse the elimination of the Voluntary Payment amount for all parking fines or increase fine levels for meter and no parking offences, additional net parking tag revenues could be realized to offset the regional and waterfront parks parking fees of approximately \$1 million presently included in the 2004 Parks and Recreation budget. If the parking tag revenue increase is adopted by Council, the 2005 annualized revenue increase will range from approximately \$5.4 million to \$13.7 million depending on the option chosen.

In order for the 2004 revenues to be realized through any of the options included in this report, it is imperative that Council make a decision on this issue at its May 18th meeting. Regardless of the option chosen, sufficient time is required to install and activate the new pay and display stations in parks or to apply for and implement increased fine levels for parking tags.

#### Recommendation:

It is recommended that this report be received for information.

#### Background:

As part of the 2001 Parks and Recreation Operating Budget, Council approved the implementation of "pay and display" parking for weekends and holidays at the waterfront parks including Bluffer's Park, Coronation Park, The Western Beaches, and Humber Bay Park. This parking generates revenue of \$440,000.00 annually. As part of the 2004 Operating Budget, Council approved the extension of these charges to seven days a week (netting an additional \$198,200.00 revenue in 2004) and the expansion of weekend and holiday charges to six regional parks (High Park, Edwards Gardens, Sunnybrook Park, James Gardens, Marie Curtis, and G. Ross Lord) to generate \$358,200.00 in 2004. Combined, the planned revenue from these parking charges in 2004 is \$996,400.00.

At its meeting held on April 19 to 27, 2004, City Council directed that the Chief Financial Officer and Treasurer, the Commissioner of Economic Development, Culture and Tourism and the President of the Toronto Parking Authority report to the May 18, 2004 meeting of City Council, through the Economic Development and Parks Committee, on the feasibility of

offsetting the revenues from parking charges in regional parks (i.e., \$358,200.00) with a commitment of increased revenues in excess of their revenue targets from the Toronto Parking Authority and/or Parking Tag Enforcement revenues, such report to also address the impact of the elimination of parking fees for waterfront parks (i.e., \$638,200.00).

#### Comments:

Option 1: Increasing Parking Tag Enforcement Revenues by Eliminating the Voluntary Payment Amount for Parking Fines

The <u>Provincial Offences Act</u> allows for the imposition of a set fine for various parking infractions and other offences. Municipalities have the flexibility, by way of offering a Voluntary Payment amount, to set the penalty for various parking infractions at an amount less than the judicially approved set fine levels. The City of Toronto has, prior to and since amalgamation, maintained a Voluntary Payment system for parking tickets. The Voluntary Payment scheme allows parking offenders to pay a reduced "Voluntary Payment" amount, if the parking ticket is paid within seven days from the date issue. Generally, the Voluntary Payment amount must be set at two-thirds or three-quarters of the Set Fine amount (e.g., on a \$30.00 parking ticket, the Voluntary Payment amount is \$20.00). In some cases, the Voluntary Payment amount is less than the cost of paying to park in an off-street lot or public garage.

Table 1, below, lists the City's parking offences and current fine structure for each offence.

Parking Offence	Set Fine Amount	Voluntary Payment Amount	Annual No. of Tags Issued*	Percentage of Total Tags Issued
*Disabled Parking	\$150	\$100	6,865	0.2 %
Fire Route	\$100	\$ 75	50,092	1.6 %
Meter Offences	\$ 30	\$ 20	668,281	21.5 %
Municipal Offence	\$ 30	\$ 20	15,597	0.5 %
No Parking	\$ 30	\$ 20	681,903	21.9 %
No Standing	\$ 60	\$ 40	82,772	2.7 %
No Stopping	\$ 60	\$ 40	136,525	4.4 %
No Valid Permit	\$ 30	\$ 20	540,187	17.4 %
Parking – 3 Hour limit	\$ 15	\$ 10	114,491	3.7%
Parking - Excess time	\$ 30	\$ 20	86,545	2.8%
Stop – Sidewalk/Footpath	\$ 60	\$ 40	31,951	1.0%
*Fire Hydrant	\$ 30	\$ 20	28,806	0.9%
Private Property	\$ 30	\$ 20	212,581	6.9 %
Parking – Blvd	\$ 30	\$ 20	25,378	0.8%
Parking – 9M Intersection	\$ 30	\$ 20	20,061	0.6%
Parking – Transit Zone	\$ 60	\$ 40	22,812	0.7%
Parking – Obstruct driveway	\$ 30	\$ 20	6,126	0.3%
Parking – Public Lane	\$ 30	\$ 20	24,454	0.8%

 Table 1: Current Fine Structure for Parking Offences (based on 2003 issuance levels)

Parking Offence	Set Fine Amount	Voluntary Payment Amount	Annual No. of Tags Issued*	Percentage of Total Tags Issued
Parking – Parallel curb	\$ 15	\$ 10	10,836	0.3%
Other Offences			342,400	11.0%
Totals			3,108,663	100%

\*Disabled Fine Offences have been approved for increase to \$300/\$450 \*Fire Hydrant Offences have been approved for increase to \$75/\$100

The City issues approximately 3.1 million parking tickets each year, and collects fines on approximately 81 per cent of tickets issued, representing annual revenues of approximately \$70 million. Approximately 40 per cent of all parking tags are paid at the discounted (i.e., voluntary) amount.

A recent review of the City of Toronto's parking tag fine structure found that some large municipalities (including Ottawa, London, New York and Los Angeles) have abandoned the use of the Voluntary Payment Amount for parking tag offences. Appendix "A", attached, outlines the fine structure of some Canadian and U.S. municipalities compared to the City of Toronto.

Eliminating the Voluntary Payment amount and maintaining the Set Fine amounts at current levels for all parking offences, could generate an estimated \$10 million in additional annual net revenues, assuming enforcement levels remain constant and assuming the current trial rate remains at less than three percent. While there may be a tendency for the public to delay payment to the latest possible date, it would appear based on the experience of other cities that have moved away from the Voluntary Payment option, that there will be no adverse affect on collection rates and annual parking tag revenues.

In order to eliminate the Voluntary Payment amount, all parking by-laws would need to be amended. In addition, changes would need to be made to the Parking Tag Management System (PTMS). Given the lead-time required for a change of this magnitude, the earliest implementation would be mid-November 2004. Based on a November 15 implementation date, the projected revenue increase for 2004 is approximately \$1.2 million.

Parking Offence	No. of Tags Issued	Current Fine Levels		Proposed Fine Levels (i.e., No Voluntary)	2004 Estimated Increase In	Estimated Annualized Increase in	
			Set Fine	Set Fine	Revenue	Revenue	
*Disabled Parking	6,865	\$100 \$150		\$150	\$12,632	\$101,053	
Fire Route	50,092	\$ 75	\$100	\$100	\$46,085	\$368,677	
Meter Offences	668,281	\$ 20	\$ 30	\$ 30	\$245,927	\$1,967,419	
Municipal Offence	15,597	\$ 20	\$ 30	\$ 30	\$5,740	\$45,918	

 Table 2: Impact of Eliminating Voluntary Payment Amounts for All Parking Offences

Parking Offence	No. of Tags Issued	e		Proposed Fine Levels (i.e., No Voluntary)	2004 Estimated Increase In Revenue	Estimated Annualized Increase in Revenue
	Annuarry	Payment	Set	Set	Revenue	Revenue
		Amount	Fine	Fine		
No Parking	681,903	\$ 20	\$ 30	\$ 30	\$250,940	\$2,007,522
No Standing	82,772	\$ 40	\$ 60	\$ 60	\$60,920	\$487,362
No Stopping	136,525	\$ 40	\$ 60	\$ 60	\$100,482	\$803,859
No Valid Permit	540,187	\$ 20	\$ 30	\$ 30	\$198,789	\$1,590,310
Parking – 3 Hour limit	114,491	\$ 10	\$ 15	\$ 15	\$21,066	\$168,531
Parking - Excess time	86,545	\$ 20	\$ 30	\$ 30	\$31,849	\$254,788
Stop –	31,951	\$ 40	\$ 60	\$ 60	\$23,516	\$188,127
Sidewalk/Footpath						
Fire Hydrant	28,806	\$ 20	\$ 30	\$ 30	\$10,601	\$84,805
Private Property	212,581	\$ 20	\$ 30	\$ 30	\$78,230	\$625,838
Parking – Blvd	25,378	\$ 20	\$ 30	\$ 30	\$9,339	\$74,714
Parking–9M Intersection	20,061	\$ 20	\$ 30	\$ 30	\$7,382	\$59,060
Parking – Transit Zone	22,812	\$ 40	\$ 60	\$ 60	\$16,790	\$134,317
Parking–Obstruct Drive	6,126	\$ 20	\$ 30	\$ 30	\$2,254	\$18,035
Parking – Public Lane	24,454	\$ 20	\$ 30	\$ 30	\$8,999	\$71,993
Parking – Parallel curb	10,836	\$ 10	\$ 15	\$ 15	\$1,994	\$15,951
Other Offences	342,400				\$126,003	\$1,008,026
Totals	3,108,663				\$1,259,538	\$10,076,305

Option 2: Increasing the Fine Level for Meter and Prohibited Parking Offences

The City issues approximately 3.0 million parking tickets each year, and collects fines on approximately 81 percent of tickets issued, representing annual revenues of approximately \$70 million. The average payment amount is \$26.00.

A recent review of the City of Toronto's parking tag fine structure found that some of the City's fines, including fines related to:

- Meter Offences (re: By-law Description Park at Expired Meter/Fail to deposit fee display receipt"); and
- No Parking (re: By-law Description "Park Signed Highway during prohibited times or days");

are below those of other large municipalities such as Vancouver, Calgary, Edmonton, Los Angeles and New York. Appendix "A", attached, outlines the fine structure of some Canadian and U.S. municipalities compared to the City of Toronto.

Parking controls, including the setting of fines, are designed to support the overall traffic management process (engineering, education, and enforcement). Changes to any one of the fundamental elements must be considered in the context of the overall traffic management goals. In order to implement an increase to any of the City's fines for parking offences:

- (a) the Transportation Services Division of the Works and Emergency Services Department should be requested to report to Works Committee on the feasibility of an increase in fine levels in the context of an initiative currently underway to harmonize all parking by-laws;
- (b) the Works Committee should be requested to review and approve the new fine level(s);
- (c) parking by-laws would need to be amended;
- (d) an application would need to be submitted to, and approved by, the Senior Regional Justice (this often takes six to nine months);
- (e) the Parking Tag Management System (PTMS) would need to be modified to reflect the new fine levels.

Given the initiative currently underway to harmonize the City's parking by-laws and the significant lead-time required to secure the Senior Regional Justice's approval of any increase to the City's current parking fine levels, an increase to the fine amounts is not recommended for 2004. However, should Committee and Council wish to pursue this option, Council would need to approve the fine level increase no later than its meeting of May 18, 2004. This would not allow sufficient time to complete steps "a" and "b" above (i.e., obtaining input and approval of the proposed fine increase from Works and Emergency Services). Even with a May 2004 Council approval of the fine increase, the earliest an increase to the fines could be implemented is November 1, 2004 (provided that the Regional Senior Justice approves the new fine levels by early October 2004 for a November 1, 2004 implementation). Given the length of time required to obtain approval by the Senior Regional Justice, there is no guarantee that an increase to any of the parking offence fines could be implemented in 2004.

Sections I and II below present two options with respect to increasing fine levels for Meter and No Parking offences. These revenue estimates are based on the assumption that the same number of parking tags are issued in each of the respective offence categories and that the collection rate remains at current levels. There is no guarantee that an increase to the fines for Meter and No Parking offences could be implemented in 2004, given that it often takes six to nine months to obtain approval by the Senior Regional Justice.

(I) Increase Fine Level to \$24.00 Voluntary Payment; \$36.00 Set Fine for Meter and No Parking Offences:

If the Voluntary Payment system were to be retained, but the fine levels for Meter offences and No Parking offences are adjusted (as outlined in Table 3 below), the City's parking tag revenues (based on a November 1, 2004 implementation date) would increase by approximately \$900,000.00 in 2004 and by approximately \$5.4 million on an annualized basis.

Parking	No. of	Current Fine Level		Proposed Fir	ne Level	Estimated Increase in			
Offence	Tags					Parking Tag Revenue			
	Issued	Voluntary		Voluntary		2004	2005		
	Annually	Payment Set		Payment	Set	(Nov 1, 2004	Annualized		
		Amount	Fine	Amount	Fine	start date)	Increase		
Meter	668,281	\$ 20	\$ 30	\$ 24	\$ 36	\$ 450,000	\$2,700,000		
Offences									
No	681,903	\$ 20	\$ 30	\$ 24	\$ 36	\$ 450,000	\$2,700,000		
Parking									
Total	1,350,184					\$900,000	\$5,400,000		

 Table 3: Increasing Meter and No Parking Fines to \$24 Voluntary/\$36 Set Fine

(II) Increase Fine Level to \$30.00 Voluntary Payment; \$45.00 Set Fine for Meter and No Parking Offences:

If the Voluntary Payment system were to be retained, but the fine levels for Meter offences and No Parking offences are adjusted (as outlined in Table 4 below), the City's parking tag revenues (based on a December 1, 2004 implementation date) would increase by approximately \$1.1 million in 2004 and by approximately \$13.7 million on an annualized basis.

Parking	No. of	Current Fine Level		Proposed Fi	ine Level	Estimated Increase in Parking			
Offence	Tags					Tag Revenue			
	Issued	Voluntary		Voluntary		2004	2005		
	Annually	Payment	Set	Payment	Set	(Dec 1, 2004	Annualized		
		Amount	Fine	Amount	Fine	start date)	Increase		
Meter	668,281	\$ 20	\$ 30	\$ 30	\$ 45	\$ 565,000	\$6,800,000		
Offences									
No	681,903	\$ 20	\$ 30	\$ 30	\$ 45	\$ 575,000	\$6,900,000		
Parking									
Total	1,350,184					\$1,140,000	\$13,700,000		

 Table 4: Increasing Meter and No Parking Fines to \$30 Voluntary/\$45 Set Fine

This report does not contemplate increasing the fine levels for Municipal Property and Private Property offences, even though these fines are generally below those of other large municipalities. Private property offences are generally those tags issued to vehicles parked illegally on a private property without the owner's consent. Municipal property offences are similar and refer to those offences where tags are issued to vehicles parking illegally on city owned properties, including the lots operated by the Toronto Parking Authority. At its meeting held on May 30, 31 and June 1, 2001, Council approved an increase from \$20.00/\$30.00 (Voluntary/Set Fine) to \$40.00/\$60.00 (Voluntary/Set Fine) for these two offences. However, shortly after implementing the higher fine amount in January 2002 (following the Senior Regional Justice's approval of the fine increase and programming changes) Council reduced the fine levels back to their original amounts of \$20.00/\$30.00 (Voluntary/Set Fine) at its meeting May 21, 22 and 23, 2002, based on concerns by raised the Toronto Parking Authority.

Option 3: Increasing Toronto Parking Authority Revenues

The Toronto Parking Authority (TPA) actively and continuously monitors the rates it charges at all of its off-street and on-street locations. The objective of the Authority's pricing practices is to provide a balanced parking system which maximizes usage to provide affordable and convenient short term parking for the customers of the City's commercial establishments. The most recent comprehensive review of these rates was completed in March of 2004. That review identified rate changes which would result in an annual increase in revenue of \$2,300,000.00. Due to the timing of the increases being implemented, the 2004 calendar year impact on revenues will be about \$1,300,000.00. These revenue increases have already been accounted for in the TPA's approved budget.

The TPA advises that any further rate adjustments at this time would not be warranted based on usage levels and anticipated revenue results. Specifically, any further increases would risk the result of negative revenue results as they may discourage parking usage by some price sensitive consumers. There is a minor rate review scheduled for the summer of 2004 which is not expected to result in significant revenue impacts. The next comprehensive review of rates at on-street and off-street locations is scheduled for late 2004 with an early 2005 implementation date.

#### Conclusion:

This report responds to a Council directive requesting staff to explore the feasibility of offsetting the revenues from parking charges in regional and waterfront parks with a commitment of increased revenues in excess of the 2004 approved revenue budget/targets from the Toronto Parking Authority and/or Parking Tag Enforcement revenues.

Should Committee wish to offset the revenues from parking charges in regional and waterfront parks, the most viable option for generating additional parking tag revenue in 2004, would be the option of eliminating the Voluntary Payment amounts and maintaining the Set Fine amounts at current levels for all parking offences. This option could generate an estimated \$10 million in additional annual net revenue, assuming enforcement levels, payment patterns and trial rates remain constant. Given the lead-time required for a change of this magnitude, the earliest implementation would be mid-November 2004. Based on a November 15, 2004 implementation date, the projected revenue increase for 2004 would be approximately \$1.2 million.

In order to allow sufficient time for the implementation of whichever option is selected, it is imperative that Council make a decision on this matter at its meeting of May 18, 2004.

#### Contact Names:

Ms. Brenda Librecz, Acting General Manager, Parks and Recreation, Phone: 416-392-8182; Mr. Giuliana Carbone, Director, Revenue Services, Phone: 416-392-8065; Mr. Maurice Anderson, President, Toronto Parking Authority, Phone: 416-393-7276.

#### Appendix "A"

	Meter Offences		Municipal Property			Private Property		No Parking		No Stopping		Fire Route		Disabled Parking *(1)	
	Vol	Set	Vol	Set	Vol	Set	Vol	Set	Vol	Set	Vol	Set	Vol	Set	
Toronto	\$ 20	30	20	30	20	30	20	30	40	60	75	100	100	150	
Brampton	10	15	20	25	20	25	20	25	30	40	50	60	100	125	
Calgary	N/A	20	40	50	40	50	40	50	40	50	80	100	N/A	150	
Edmonton	N/A	25	N/A	40	N/A	50	N/A	40	N/A	50	N/A	150	N/A	150	
Hamilton	8	12	20	30	20	30	20	30	50	75	20	30	100	150	
Kitchener	N/A	15	N/A	15	N/A	15	N/A	20	N/A	40	N/A	40	N/A	90	
London	N/A	15	N/A	15	N/A	N/A	N/A	30	N/A	50	N/A	75	N/A	300	
Los Angeles	N/A	35	N/A	35	N/A	N/A	N/A	45	N/A	65	N/A	40	N/A	330	
Montreal *(2)	N/A	32	N/A	37	N/A	37	N/A	37	N/A	37	N/A	37	N/A	135	
Markham	N/A	20	N/A	30	N/A	30	N/A	30	N/A	N/A	N/A	100	N/A	100	
Mississauga	20	25	20	25	20	25	20	25	20	25	40	60	100	150	
Newmarket	N/A	15	N/A	N/A	N/A	15	N/A	30	N/A	50	N/A	75	N/A	100	
New York	N/A	55	N/A	55	N/A	N/A	N/A	55	N/A	105	N/A	105	N/A	180	
Niagara Falls	5	8	10	15	N/A	15	10	15	20	30	25	40	N/A	150	
Oshawa	10	15	20	30	20	30	20	30	30	45	50	75	N/A	300	
Ottawa	N/A	25	N/A	35	N/A	35	N/A	35	N/A	55	N/A	100	N/A	100	
St. John's	N/A	15	N/A	30	N/A	45	N/A	20	N/A	20	N/A	30	N/A	75	
Vancouver	25	50	40	80	25	50	40	80	40	80	40	80	40	80	
Vaughan	N/A	N/A	N/A	30	N/A	30	N/A	30	N/A	25	N/A	75	N/A	100	
Windsor	N/A	12	N/A	50	N/A	50	N/A	30	N/A	40	N/A	85	N/A	110	

Comparison of Parking Fines with Various Municipalities (as at December 2003)

\* (1) Disabled Fines in Toronto have been approved for increase to \$300.00 voluntary payment and \$450.00 set fine. Staff is awaiting approval by the Senior Regional Justice before the fines can be increased.

Montreal's fine structure includes an escalating system where the fine increases from \* (2) \$37.00, \$42.00 or \$52.00 depending on the offence location.

Councillor Cliff Jenkins, Ward 25 Don Valley West appeared before the Economic Development and Parks Committee in connection with this matter.