



Toronto Parking Authority

Meeting No.	9	Contact	Julie Lavertu, Committee Administrator
Meeting Date	Friday, September 20, 2019	Phone	416-397-4592
Start Time	10:00 AM	E-mail	tpaboard@toronto.ca
Location	Committee Room 2, City Hall	Chair	Hartley Lefton

PA9.2	ACTION	Adopted		Ward: All
-------	--------	---------	--	-----------

Parking Market Analysis for 2020 Toronto Parking Authority Budget Submission

Board Decision

The Board of Directors of Toronto Parking Authority:

1. Referred the report (September 18, 2019) from the Acting President, Toronto Parking Authority, to the Budget Committee for consideration during the 2020 budget process.

Origin

(September 18, 2019) Report from the Acting President, Toronto Parking Authority

Summary

This report responds to the request from Toronto City Council to the President of Toronto Parking Authority (TPA) to include a parking market analysis, annually, as part of its budget submission.

The parking market served by TPA consists of two main service streams: the on-street program and off-street program. The on-street parking stream includes all of the approximately 19,000 paid on-street parking spaces, which accept payment by way of parking machines or through the Green P App, and a few legacy single-space parking meters. The comprehensive parking market analysis of this on-street program is undertaken for all locations once every three years when the rates and rules of operation are reviewed and aligned with utilization levels and to ensure equitable treatment of all areas of the city. The last comprehensive review was undertaken in October 2017. Implementation was completed in late 2018. The next comprehensive review is scheduled for the middle of 2020. In addition to the comprehensive

review, in-year adjustments are undertaken as circumstances warrant. On-street parking is competitively priced with TPA off-street pricing, where applicable, and to below prices set by private parking operators. On-street parking is almost always the first choice of short-stay (under three hours) parkers.

TPA also operates an extensive inventory of approximately 300 off-street parking facilities containing over 40,000 spaces, however, over one-third of these spaces are managed and operated by TPA on behalf of other City departments or agencies, including City Real Estate Services, Parks, Forestry and Recreation, the Toronto Transit Commission (TTC), Exhibition Place, and the Toronto Community Housing Corporation. While consultation usually occurs, in most of these facilities, the parking fees are set by the department or agency and reflect their policy objectives. In addition, there are 26 locations where garages or surface locations are leased from public or private landowners. The facilities where rates are set by the TPA Board of Directors are subject to a comprehensive annual rate review. The next comprehensive review is scheduled for November 2019 for implementation in January 2020. Each year, the comprehensive review includes surveys of rates being charged by private parking competitors located in the vicinity of TPA parking facilities. All of the TPA's large garages had competitors identified as part of the 2019 rate review.

The primary objective of TPA's rate setting process is to achieve high usage levels in its facilities. TPA would not normally change rates where usage levels are low or declining. TPA's service mandate is to serve short-stay, high turnover parkers. These are the customers to the City's businesses. The TPA only accommodates longer stay parkers where all short-stay parkers have been served and additional space is available in the facility. TPA's rate setting practices reflect this service mandate by having short-stay rates lower than most competitor rates. There are many other factors which influence parking behaviour and choice of parking location. These include selecting other travel modes, road congestion, and general traffic issues in the vicinity of a given facility and general economic conditions, either local to an area or on a more widespread basis.

There was an extensive series of rate adjustments implemented in early 2019 which impacted 93 of TPA's approximately 230 off-street locations. This report analyzes the effect that these price changes had in terms of usage levels and parking revenues as well as calculating the price elasticity associated with the changes. In general, with the exception of eight TPA garages in the core commercial areas, the price adjustments resulted in no change in overall parking transactions in the 93 locations where they were implemented and generated 5.52 percent in additional revenue at these locations. Additional rate change recommendations will be considered by TPA Board of Directors at their November 25, 2019 meeting. TPA is projecting a total increase in 2019 revenues across all revenue streams of 2.4 percent for 2019 over 2018. This represents the results of the revenue increases at the car parks referenced in this report as well as car parks where rates were not increased and performance of the on-street metered parking program. There is also a brief description of the 2019 competitor rate analysis which is currently underway. Overall, private sector competitors were identified for the car parks in the core commercial areas, including the downtown, the midtown centers, and North York Centre. Results indicate that, as per TPA policy, half-hour rates at TPA locations are in

most cases lower than the private sector while daily rates tend to be at, or near, the level of competitors.

Background Information

(September 18, 2019) Report and Attachments A and B from the Acting President, Toronto Parking Authority on Parking Market Analysis for 2020 Toronto Parking Authority Budget Submission

<http://www.toronto.ca/legdocs/mmis/2019/pa/bgrd/backgroundfile-137965.pdf>

(September 6, 2019) Report from the Acting President, Toronto Parking Authority on Parking Market Analysis for 2020 Toronto Parking Authority Budget Submission - Notice of Pending Report

<http://www.toronto.ca/legdocs/mmis/2019/pa/bgrd/backgroundfile-137279.pdf>