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2019-10-01

Julie Amoroso
Budget Committee Secretariat
10th floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Julie,
Please find enclosed a copy of a letter to the Mayor that I have, in turn, copied to
Councillor Crawford as chair of the Budget Committee to which certain contents of
this letter relates.

Regards

A handwritten signature in black ink, appearing to read 'David G P Allan', with a long horizontal stroke extending to the left and a sharp upward flick at the end.

David G P Allan
Principal

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His Worship, John Tory
Mayor, City of Toronto
City Hall, 2nd Floor
100 Queen St. W.
Toronto, ON M5H 2N2

Dear John,

*Key words: Incremental City revenue – voluntary payments –
electrification of cars – On-Street parking complexity -
environmental stewardship – fairness – acclaim for Toronto*

Of the purported \$177 million shortfall in fiscal '19's City budget, had three of the four proposals below been adopted preceding the fiscal period, the calculations indicate that they would have generated some \$10-\$12 million against the shortfall and hold the prospect of providing up to \$32 million per year if fully implemented.

Uniquely in funding government, the majority of the target revenue would come from voluntary uptake of the cornerstone proposal - #1. That proposal would also demonstrate the City of Toronto's commitment to Society's high environmental concerns by implementing actions proposed below.

Background

It is not news that the electrification of cars is inexorable, immediate and rapid. This reality provides an opportunity for the City to raise voluntary revenue from willing participants in Proposal #1, below, and would establish Toronto as a leader in discouraging reliance on hydrocarbon-consuming transportation.

Proposal #1

That the approximately 60,000 On-Street parking permit holders be permitted to purchase and install a parking meter proximate to their residence linked to the domicile's electricity system for the charging of one's vehicle. At no cost to the City, the plan has an important revenue consequence and would be entirely voluntary.

The parking meter would result in a reserved place on the street – reserved parking being long-established and common – City Hall, office buildings, apartment buildings and even on a number of street-facing buildings and businesses. Importantly, an Off-Street parking permit (selectively issued in certain front yards) results in private parking and, further, allows the private use of city property for the purpose⁽¹⁾ – that privilege being indistinguishable from a proposal for On-Street metered parking.

Implementation

The method would be the placement of parking meters indicating reserved parking by license plate – a procedure interchangeable with the current issuance of parking permits and readily implementable without additional staff.

The meter and the cost of installation would be for the account of the permit holder. Since Off-Street parking is reported to cost between \$1,250 and \$2,000⁽³⁾, paying for the On-Street meter has precedent.

The proposal resolves the disincentive that On-Street permit holders currently have for purchasing electric vehicles, and Toronto and this Council will be acclaimed for leading this encouragement for adoption.

Revenue consequences of Proposal #1

Currently, On-Street parking permits provide revenue to the City of ~\$195/year⁽²⁾ for the first vehicle and ~\$490 for a second.

The attached spreadsheet, a working copy of which will be emailed on request, demonstrates that if 100% of the On-Street parking permits were converted to metered parking spots at an annual fee of \$600⁽⁴⁾ City revenues would increase by ~\$24,000,000. Readers of this proposal may, thus, recalculate for the proportion that each reader believes is likely to convert and over what timeframe. This writer, by straw poll, estimates that approximately 35% would convert immediately resulting in revenues to the City increasing by approximately \$8,500,000 per year starting immediately post-implementation.

Environmental consequences of Proposal #1

The absence of a proximate charging facility will actively discourage those ~60,000 from owning a non-hydrocarbon-consuming vehicle, discriminates against them, and is not consistent with the City's and Society's desire for environmental stewardship.

The encouragement of residents to convert to electric is advantageous to the management of the City's affairs but, equally, advantageous to the reputation of the City as sensitive to this matter of grave consequence and immediacy.

Proposal #2

A review of the list of Off-Street parking permits indicates that there are approximately 18,765 issued. Revenue to the City for each of these, if actually collected, is \$248.58.

There is no fundamental difference between the approval for a private parking pad on front lawns than for the placement of a parking meter proximate to residences of taxpayers whose only option is On-Street parking. Further, Off-Street parking eliminates the inconvenience faced by On-Street permit holders in the same area of having to search for parking during daytime as out-of-area drivers utilize spaces. In light of these measurable advantages the ~\$50/year difference between On and Off is grossly insufficient. There is an inappropriate want of fairness.

Proposal #1 recommends an annual fee of \$600⁽⁴⁾ for the metered location inclusive of the \$195 current permit cost. When Proposal #1, or a similar proposal, is adopted, Off-Street parking permits, which provide private parking, must necessarily be priced the same – i.e. \$600 per annum.

Revenue consequences of Proposal #2

The revenue consequences to the City of Proposal #2 approximates \$6,500,000 per annum.

Proposal #3

Expand On-Street parking permit requirements to the ~40% of residential streets that are reported to have no permit requirements⁽⁵⁾. Whilst there is a number of reasons that this has been appropriate – largely because of the lower number of residents' cars parked on streets and absence of commuter parking – it is grossly inappropriate that the privileged are sheltered from the cost of parking that those on the other 60% bear. The discrimination requires correction.

Revenue consequences of Proposal #3

This calculation is more complicated because of the absence of data on the 40% but observation would indicate an approximate 25% street-utilisation rate when compared to current parking-permit streets. If 60% of city streets result in ~60,000 permits/year then 25% of 40% would result in ~10,000 permits. At the current rate of \$195.72 City revenues would increase by ~\$2,000,000

Proposal #4

Driveways preclude the City from issuing On-Street parking permits for the width of the driveway and, equally, are not assessed. However, there is a charge for Off-

Street parking even though those who succeed in securing it are essentially paying for a driveway.

It would be fair and reasonable for properties with driveways that eliminate a space that could otherwise be billed for On-Street parking by the City pay the same tariff as Off-Street parking for the space now not available for revenue.

Revenue consequences of Proposal # 4

The revenue consequences are substantial but no data exist at this time for the number of driveways in the affected areas. The writer appreciates that hostility would meet this proposal but, equally, that does not diminish the soundness of the argument or the inarguable absence of fairness in the current structure.

We look forward to consideration of these proposals benefiting both the taxpayers and the City and demonstrating commitment on the part of this government to environmental sensitivity.

Sincerely



David G P Allan
Principal

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- 1) *"With approval, residents may rent part of the City owned boulevard to supplement space on private property."* <https://www.toronto.ca/services-payments/streets-parking-transportation/applying-for-a-parking-permit/residential-front-yard-boulevard-parking/>
 - 2) All figures are pre-HST to only indicate the amounts receivable by the City
 - 3) Application, Tree Planting, Inspection, Acquisition etc - <https://www.toronto.ca/services-payments/streets-parking-transportation/applying-for-a-parking-permit/residential-front-yard-boulevard-parking/>
 - 4) Calculated at current five-year mortgage rate on \$20,000 capital value. See spreadsheet.
 - 5) <https://torontoobserver.ca/2018/03/22/parking-permit-expansion/>

cc

Councillor Gary Crawford
Councillor Mike Layton
Councillor James Pasternak

Mr. Don Peat
Councillor Jaye Robinson
Councillor Krystyn Wong-Tam

CRESSWELL ADVISORS INC

TORONTO PARKING REVENUE ANALYSIS - updated to 2019-10-01
E&OE

OFF STREET PARKIN CITY LIST OF PERMITS		# OF PERMITS 2019	AV COST /PERMIT	APPROXIMATE CITY REVENUE - CURRENT*		Application Fee	Paving permit	Tree planting	Inspection
417	pages	18,765	\$ 248.58	\$ 4,664,604	\$	386	\$ 157	\$ 740	\$ 673
45	line/page**								

ON STREET PARKING		PERMITS 2017	CRESSWELL EST	REVENUE	
/month**		12			
1ST CAR	\$ 16.31	\$ 221.16	91%	\$ 10,686,312	
2ND	\$ 40.86	\$ 554.06	9%	\$ 2,647,728	
If 15% of On-Street permits converted to reserved parking then				\$ 13,334,040	
If 35% of On-Street permits converted to reserved parking then				\$ 21,000	
If 100% of On-Street permits converted to reserved parking then				\$ 60,000	
If 15% of On-Street permits converted to reserved parking then				\$ 9,000	
If 35% of On-Street permits converted to reserved parking then				\$ 21,000	
If 100% of On-Street permits converted to reserved parking then				\$ 60,000	
If 40% Areas not requiring parking permits				\$ 10,000	
If driveways that reduce on-street parking assessed at				\$ 195.72	
are 35% of on street permits there would be				\$ 9,000	
Value of On-Street parking				\$ 20,000	
5-year fixed mortgage rate (2019-10-01)				\$ 3%	
Annual fee				\$ 600	

* https://www.toronto.ca/data/transportation/residential_locations.pdf - 2019-09-27

** <https://www.toronto.ca/services-payments/streets-parking-transportation/applying-for-a-parking-permit/residential-on-street-parking/>

\$ 600.00	= additional	\$ 3,638,520	@15%	\$ 4,627,679	\$ 10,797,919	\$ 30,851,196
\$ 600.00	= additional	\$ 8,489,880	@35%			
\$ 600.00	= additional	\$ 24,256,800	@100%			
\$ 600.00	= additional	\$ 985,199				
\$ 600.00	= additional	\$ 2,306,039				
\$ 600.00	= additional	\$ 5,501,395				
TOTAL PROPOSALS #1, #2						
\$ 195.72	= additional	\$ 1,467,900				
\$ 600	= additional	\$ 1,500,000				
\$ 195.72	= additional	\$ 1,467,900				
TOTAL ALL PROPOSALS						
				\$ 6,389,159	\$ 12,559,399	\$ 32,612,676

