



## STAFF REPORT ACTION REQUIRED

### Courier/Delivery Vehicle Parking Permit – Approval and Program Implementation

<b>Date:</b>	December 6, 2011
<b>To:</b>	Public Works and Infrastructure Committee
<b>From:</b>	General Manager, Transportation Services
<b>Wards:</b>	All Wards
<b>Reference Number:</b>	P:\2011\Cluster B\TRA\Toronto and East York District\TOP\Pw2011200te.top.doc

#### SUMMARY

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The ability of courier and delivery vehicles to make deliveries in the central area of the City has become increasingly difficult due to competing curb lane demands, such as bicycle lanes, taxicab stands, passenger loading zones, tour bus operations, general parking, etc. As a result, courier and delivery vehicles often must stop or park for short periods of time in areas where parking is prohibited to make deliveries. This has resulted in an increased number of parking tickets being issued to courier and delivery vehicles, which has significant financial impact on their business operations. At the same time, vehicles on delivery can have a significant negative impact on traffic flow if parked at inappropriate times/locations

To address some of these delivery issues, Transportation Services is requesting approval from City Council to initiate, further develop, and implement a permit parking system for courier and delivery vehicles. The "Courier/Delivery Vehicle Parking Permit", which will be issued at an annual fee and under an operational criteria as described in this report and in Appendix "A" attached to this report will exempt appropriately licensed, insured, and identified courier/delivery vehicles from specific "No Parking" regulations for a maximum period of 30-minutes while the driver is in the process of making a delivery or pick-up from a nearby business. This permit will not exempt vehicles from the morning and afternoon rush period stopping/parking provisions. It will apply on a City-wide basis and produce a source of revenue for the City.

Staff has held extensive consultations with representatives of the courier industry in the development of this plan.

## **RECOMMENDATIONS**

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### **The General Manager, Transportation Services recommends that:**

1. City Council authorize the General Manager of Transportation Services to establish a new class of Courier/Delivery Vehicle Parking Permit and to issue such permits to companies/businesses whose delivery vehicle(s) satisfy the criteria outlined in Appendix "A" attached to the report dated December 6, 2011 and entitled, "Courier/Delivery Vehicle Parking Permit – Approval and Program Implementation", from the General Manager of Transportation Services.
2. City Council authorize the General Manager of Transportation Services to issue a Courier/Delivery Vehicle Parking Permit at an annual cost, (fiscal year), subject to an automatic inflationary increase, plus applicable taxes, prorated quarterly of:
  - a. \$600.00 for an individual vehicle permit;
  - b. \$5000.00 for a maximum 10-vehicle fleet permit;
  - c. \$500.00 per additional vehicle in excess of 10-vehicles under the fleet permit; and
  - d. City Council authorize a fee of \$28.00, subject to an automatic inflationary increase, plus applicable taxes, to replace a lost/stolen permit or re-issue a permit.
3. City Council authorize staff to take whatever action is necessary, including the submission of the necessary bills to create and/or amend the appropriate bylaws, to implement Recommendations 1 and 2, including the parking exemptions referenced in Appendix "A" attached to the report dated December 6, 2011 and entitled, "Courier/Delivery Vehicle Parking Permit Approval and Program Implementation", from the General Manager of Transportation Services, and to create any necessary prohibitions..
4. City Council authorize the City Solicitor, in consultation with the General Manager of Transportation Services, to amend the necessary by-laws, if required, to incorporate fixed fines in the amount of \$40.00 or any new offences created by Recommendation 3 and to make application to the Senior Regional Justice of the Ontario Court of Justice for set fines with respect to the potential offences created through the issuance and use of a Courier/Delivery Vehicle Parking Permit and that the set fine amounts requested be equal to the fixed fine amounts established by by-law.

### **Financial Impact**

It is difficult to accurately estimate the net financial impact to the City resulting from the approval of the Courier/Delivery Vehicle Parking Permit under the operational model recommended by this report. The sale of permits will provide revenue to the City of between \$600.00 and \$5000.00 per permit per year (subject to an annual inflationary increase), depending on the type and number of permits issued. No application fee for the permit is being recommended at this time. However, potential revenue from the sale of

permits under this program will likely be offset by a decrease in annual parking ticket revenues, since it can be expected that the number of parking tickets issued to courier and delivery vehicles will decrease where these vehicle owners have purchased permits that provide exemptions from parking offences for which they are currently ticketed.

Table 1 below, illustrates the relationship between potential revenue from the sale of permits and potential revenue decreases resulting from decreased parking ticket issuance.

The following table outlines possible permit sales and the potential impact it may have on parking ticket issuance/revenues.

**Table 1**  
**Relationship between Revenue from the Sale of Permits and Decreased Parking Ticket Revenue**

Number of Permits Sold (\$500.00 each)	Gross Revenue from sale of permits*	Decrease in number of parking tickets issued **	Decrease in parking ticket revenue***	Net Revenue from permit sales
0	\$0	0	\$0	\$0
500	\$250,000	5,000	\$200,000	\$50,000
1000	\$500,000	10,000	\$400,000	\$100,000

\*Permits sold have been averaged at \$500.00 each since it is believed there will be a greater number of fleet purchasers as opposed to individual permit buyers.

\*\* Decrease in the number of parking tickets issued assumes that on average, each commercial vehicle receives approximately 10 tickets per year, based on parking ticket statistics from 2010 for commercial vehicles

\*\*\* Decrease in parking ticket revenue uses set fine amount for "No Parking" offences of \$40.00.

Table 1 illustrates that while the permit program may have an impact on the number of parking tickets issued and the associated fine revenue, the sale of permits is expected to offset lost revenue from parking tickets, such that the permit program generates a net positive revenue stream. Additionally, it is expected that there will be other savings and efficiencies attributable to a reduction in the number of parking ticket trials that need to be scheduled for parking ticket trials requested by courier/delivery vehicle owners. As a result, staff will need to analyze and evaluate this program following one full year of program operation

Transportation Services will administer the permit program. It is expected that administration will be sustainable under current staff resources. This will be reviewed on a go forward basis. The intent is to blend the administration of the Courier/Delivery Vehicle Parking Permit Program with the Residential Permit Parking System. However, this will require development of additional multiple system modules to facilitate the business needs of this new Program, including management of commercial delivery clients, application and renewal processes, issuance and printing of permits, integration with parking enforcement and new Internet renewal options. System alterations will have to be implemented incrementally, and the Division will report further as necessary on any required budget approvals through the appropriate process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its meeting of June 8<sup>th</sup> and 9<sup>th</sup> 2010, City Council, in adopting Item AU16.1: *Issues Respecting Parking Tag Issuance and Cancellation*, requested that the Treasurer review the parking enforcement process as it relates to the issue and cancellation of parking tags for delivery and courier vehicles, and also requested that the General Manager, Transportation Services report to a future meeting of the Public Works and Infrastructure Committee on the issue of enabling delivery and courier vehicles to fulfill their function.

Link to Council decision:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.AU16.1>

At this same meeting, Council adopted Item GM31.12: *Parking Ticket Cancellation Guidelines*. The recommendations associated with this report require that the Treasurer, in consultation with the General Manager of Transportation Services, prepare a further report to the Government Management Committee, after completion of the Transportation Services review, to recommend the inclusion of new parking ticket cancellation guidelines and process for couriers and delivery vehicles and taxis. Amendments to the existing parking ticket cancellation guidelines will be reported to Council in mid-2012, to identify any changes necessary arising from Council's approval and implementation of the courier/delivery vehicle permit outlined in this report.

Link to Council decision:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.GM31.12>

## **ISSUE BACKGROUND**

Staff frequently receives complaints from couriers and delivery truck drivers about the lack of on-street delivery zones where drivers may legally stop to make a delivery or pick-up along streets in predominantly commercial and retail areas. The issue is particularly problematic in the downtown and central areas of the City. Transportation Services, in consultation with Financial Planning, Revenue Services, and the Toronto Police Service's Parking Enforcement Unit, has explored options that might enhance on-street delivery opportunities without adversely affecting general traffic operation.

## **COMMENTS**

### **Overview**

The ability of couriers and delivery vehicle drivers to find legal on-street parking/stopping areas in the central area of the City to make a delivery has been an on-going problem for many years. However, the increased demands on curb lane usage for other purposes such as bicycle lanes, taxicab stands, passenger loading zones, etc., coupled with what is perceived as a stepped up level of parking enforcement being applied against delivery vehicles is increasing operational costs for many companies in these difficult economic times.

While there are Parking Ticket Cancellation Guidelines, the mechanism outlined above is onerous and larger companies have been absorbing the cost of parking tickets as a "cost of doing business in Toronto". However, smaller businesses are considering withdrawing their services in certain parts of the City due to the problems they experience. While delivery activity in general is an issue that this report will address, the courier industry is the major proponent asking for greater consideration. Transportation Services has been meeting with representatives of the courier industry since 2009 to discuss their concerns. More recently, Transportation Services staff has met with the City Treasurer, the Director of Prosecutions – Legal Services, Manager – Utility Billing and Parking Tickets, and the Manager – Toronto Police Service Parking Enforcement Unit to discuss the courier industry concerns and the options outlined in this report that might enhance delivery opportunities.

Courier and messenger service is a time-sensitive industry where packages are shipped coast to coast within North America with a next day delivery guarantee. Messenger service delivery in the City often occurs within the same day. Shipping and receiving facilities at some major downtown office buildings do not provide convenient off-street facilities for use by couriers, yet the business tenants of the building generate a significant demand for courier/messenger services. Since this is a time-sensitive industry, the average time required to make a courier-type delivery is 7 to 10 minutes. It is not efficient for couriers to queue up (sometimes on the street) with larger delivery trucks and wait upwards of 30 minutes for access to a general receiving dock. Major companies within the courier industry have advised Transportation Services that of all the parking tickets their drivers receive in Canada while making deliveries, 90 per cent are received in downtown Toronto, with parking fines accumulating corporately in some cases to over \$200,000.00 annually.

Delivery vehicles supplying merchandise to smaller store-front businesses experience similar delivery problems. Most small retail stores do not have the physical capacity to provide an off-street receiving area. In the central area of the City, these businesses rely on public lanes at the rear of the store for delivery trucks to stop and make a delivery, but where there is no rear lane or the lane is too narrow for larger trucks, delivery drivers must find curbspace along the street in the vicinity of their client in order to stop and make the delivery. Since most retail strips are located along arterial roads where legal on-street parking is in high demand, vacant curbspace is scarce and generally located within areas where parking is prohibited. In many instances, the only option is for delivery drivers to stop in these "No Parking" zones, knowing that they risk the chance of receiving a parking ticket.

### **Enforcement Protocol**

Under the provisions of the Ontario Highway Traffic Act, a vehicle may legally stop in an area where parking is prohibited while the vehicle is actually engaged in making a pick-up or delivery. The key to this provision is the term "actually engaged". This is technically interpreted to mean merchandise at that specific point in time is being loaded or unloaded to/from the vehicle, hence the vehicle being "engaged". Once the driver leaves the location of the vehicle to execute the delivery or pick-up, the vehicle itself is no longer actually engaged and is considered illegally parked. This interpretation of the

provision is not always understood by couriers or delivery drivers who often feel they are being specifically targeted for enforcement.

Parking enforcement should not be seen as selective in nature where some parking offenders are overlooked while others are targeted. Notwithstanding, the Toronto Police Service's Parking Enforcement Unit has advised that they recognize both the need for curb-side delivery activity to take place and the difficulty that couriers and delivery drivers have in making deliveries in some areas of the City. As such, officers are asked to give consideration for about 10 to 15 minutes before issuing a parking ticket to obvious delivery-type vehicles when parked in areas where parking is prohibited. However, this consideration does not apply to:

- most arterial roads in the downtown area;
- on streets where there is a "No Parking, 7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m., Monday to Friday" regulation or similar time frame that encompasses the morning or afternoon rush hour period; or
- on streets where the regulation is "No Standing" or "No Stopping".

## Options

Transportation Services has considered two options that might enhance on-street delivery opportunity for couriers and delivery drivers:

1. Delineate a "Courier/Delivery Vehicle Loading Zone" by means of a site-specific amendment to the traffic and parking by-law; or
2. Provide an exemption to specific parking regulations that would enable a courier or delivery driver to stop/park to make a delivery or pick-up.

### Option 1:

This option would place the onus on staff and City Council to make site-specific determination of where a courier or delivery driver wants/needs to park, would place another demand on city infrastructure to provide a dedicated parking area within the curb lane for use by a specific type of vehicle or user group, and would require the installation of signs to identify the "Courier/Delivery Vehicle Loading Zone".

There are costs to the City associated with this option, including the cost of signage and dedication of staff resources to investigate each location and report to the local Community Council for approval of a by-law amendment. This option might also require removing some existing on-street parking spaces to enable installation of the "Courier/Delivery Vehicle Loading Zone", which could result in the loss of revenue from on-street parking operations.

This option is like a similar mechanism that currently exists where a business proprietor might request the installation of a "Commercial Loading Zone" on a street to facilitate loading/unloading of merchandise. Installation of a CLZ is subject to review by staff, approval by Community Council/City Council (depending on the street involved),

payment by the applicant of an annual fee, and potential payment to the Toronto Parking Authority equivalent to the one-year loss of revenue if installation of the CLZ will result in the loss of pay-and-display parking spaces. Since a CLZ is considered a public amenity and may be used by any commercial vehicle making a delivery in the area, despite the costs being paid by one business proprietor, requests to consider installation of a CLZ are not received or investigated frequently by Transportation Services.

Option 2:

There are two operational perspectives to consider in reviewing the option of providing courier and delivery vehicles with an exemption to certain "No Parking" regulations.

1. Provide a general exemption from all "No Parking" regulations for any commercial vehicle, as defined by the Ontario Highway Traffic Act; or
2. Provide an exemption to certain "No Parking" regulations for a specified period of time under a permit parking system that will provide a source of revenue for the City and be enforceable to deter abuse.

Perspective 1 is all-encompassing and provides no measure of control. It eliminates any form of parking enforcement being provided in instances of abuse or obstruction to traffic flow. This perspective would provide no benefit to the City and is not recommended. Perspective 2 on the other hand meets a compromise that will address many of the concerns raised by couriers and delivery drivers. It allows the City to maintain control of the initiative through a permit process, provides enforceable limitations to curtail abuse of the initiative, and provides the City with a reasonable stream of revenue through the issuance of permits, which in turn facilitates proper management of the program. This approach is recommended and is discussed below.

## **Courier/Delivery Vehicle Parking Permit - Framework**

Information in the City's database shows that couriers/delivery vehicles receive an average of about 10 tickets per vehicle per year. Trials are requested in many instances. While the intent of the permit is to potentially reduce the number of parking tickets received by delivery and courier vehicles while on delivery, it is expected that this program will also reduce the requests for trial, resulting in additional savings to the City. To encourage commercial companies to apply for the permit, the annual fee must be reasonable. Staff proposes a fee of \$600.00 (equivalent to about 10 parking tickets at the fixed fine amount plus staff time to review permit requests). However, recognizing that many companies will require multiple permits to accommodate their delivery vehicles, a two-tier permit system is recommended.

***Tier-1 permit:*** This is an individual permit issued to a single vehicle/applicant (ie: florist shop delivery van, grocery store delivery van, etc.). An initial annual cost of \$600.00 per permit plus applicable taxes is recommended based on the fiscal year with the fee prorated quarterly based on the purchase date as follows.

Permit purchased between:	Cost
• December 1 through February 28/29	\$600.00
• March 1 through May 31	\$450.00
• June 1 through August 31	\$300.00
• September 1 through November 30	\$150.00

**Tier-2 permit:** This is a "fleet" permit. This permit provides up to 10 individual vehicle permits, each identified under the specific fleet permit number. The recommended initial annual cost of the fleet permit based on the fiscal year is \$5000.00 plus applicable taxes, with the fee prorated quarterly based on the purchase date. Additional individual vehicle permits under the fleet permit number would be issued at a cost of \$500.00 each plus applicable taxes. Using this recommended fee structure, businesses requiring less than 9 permits are best to purchase individual permits. The prorated fee structure is as follows.

Permit purchased between:	Fleet Permit Cost	Additional Permit Cost
• December 1 through February 28/29	\$5000.00	\$500.00
• March 1 through May 31	\$3750.00	\$375.00
• June 1 through August 31	\$2500.00	\$250.00
• September 1 through November 30	\$1250.00	\$125.00

The proposed cost of each type of permit must be realistic otherwise business interest in purchasing the permit versus the risk of receiving parking tickets will be negligible. Transportation Services considers the fees noted above to be reasonable based on the exemptions outlined in Appendix "A" and the short-term market value of a "pay for use" on-street parking space in Toronto.

All permits are non-refundable and will be "vehicle-specific". Each permit decal must be affixed to the vehicle's windshield and will identify the vehicle by its license plate number. The permit will not be transferrable from vehicle to vehicle. A fleet permit will indicate the fleet permit number and the license plate number of the vehicle to which it is affixed. The permit remains the property of the City of Toronto, may not be changed in form, and is subject to cancellation if it is deemed to have been fraudulently obtained or improperly used. The permit will provide the vehicle to which it is affixed with a 30-minute exemption from the specific "No Parking" regulations outlined in Appendix "A" attached to this report. Generally, the exemptions to "No Parking" regulations are very similar to those afforded a person in Toronto with an Accessibility/Disability Parking Permit.

Upon notification by the permit holder, a lost or stolen permit or permit requiring reassignment to a different vehicle will be cancelled and a new permit reissued. An initial administration fee of \$28.00 plus applicable taxes will apply to replace a permit. Permit fees will be evaluated on an annual basis and all fees are subject to an annual inflationary increase. No application fee for the permit is being recommended at this time.



## Implementation

### Administration:

While it is preferable that administration of the "Courier/Delivery Vehicle Parking Permit" program be maintained through Transportation Services' existing ROW Management section permitting operations, it must be determined on a go forward basis if current staff resources can support the customer demand for the permit and whether the program can be merged with the residential permit parking program/database to streamline enforcement. This aspect along with developing the administrative processes to deal with the business needs of the program, designing the windshield decal permit that will be clearly identifiable by parking enforcement officers, and obtaining set fine approval, will take several months to finalize. If approved by City Council, the Courier/Delivery Vehicle Parking Permit program would be targeted for implementation in late 2012.

### Enforcement:

Initiating a "Courier/Delivery Vehicle Parking Permit" program will require a review of the current consideration protocol given to courier and delivery vehicles in many areas of the City. The process must be simplified for officers on the street to avoid inconsistent enforcement. The current enforcement procedure whereby consideration is given for about 10-15 minutes to unattended delivery-type vehicles parked in "No Parking" zones (with the exception of rush hour routes) before a parking ticket is issued, would be superseded under this initiative. If a delivery vehicle is deemed to be "parked" as defined by the Ontario Highway Traffic Act in an area prohibited to parking, it must be ticketed without further consideration. Only a vehicle displaying a valid "Courier/Delivery Vehicle Parking Permit" will be given consideration and only for 30 minutes as authorized by the permit.

Set fine approval for offences created as a result of issuing a "Courier/Delivery Vehicle Parking Permit" will be required. Transportation Services in consultation with Legal Services will determine the appropriate offence charges. To be consistent with the system of fixed fines recently adopted by Council for parking offences and other set fines associated with time-restricted parking offences, an amount of \$40.00 is recommended by staff as both the fixed fine to be established by by-law and the set fine to be requested from the Regional Senior Justice for parking a vehicle issued with a "Courier/Delivery Vehicle Parking Permit" in excess of 30 minutes in an area where the permit provides the vehicle with a maximum 30-minute exemption.

Determination of how long a courier/delivery vehicle is parked will be subject to the same procedures currently used by parking enforcement officers in the situation on any street where a temporal parking regulation such as one hour is allowed.

## Public Education and Promotion:

Promotion of the "Courier/Delivery Vehicle Parking Permit" program in the media and through City sources such as the internet is essential. Contingent upon approval of the initiative, further consultation with Corporate Communications, Parking Tag Operations, and organizations representing the courier/delivery industry will take place to develop and roll out an information strategy before implementing the program.

## **CONTACT**

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## **SIGNATURE**

Gary Welsh, P.Eng.

General Manager, Transportation Services

## **LIST OF ATTACHMENTS**

Appendix "A" - Permit Criteria, Exemptions, Non-Exemptions, Restrictions and Conditions

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