



Revenue Impacts of Community Councils on Toronto Parking Authority

Date: November 9, 2017
To: Budget Committee, Executive Committee
From: General Manager, Transportation Services
Wards: All

SUMMARY

As part of its consideration of the 2017 Rate Supported Budget for the Toronto Parking Authority (TPA), City Council requested the General Manager, Transportation Services in consultation with the President, Toronto Parking Authority to report to the Budget Committee regarding the revenue impacts of parking changes made by Community Councils in the last five years.

This report examines the changes to TPA parking revenues, resulting from the approval of reports such as parking amendments, installation/removal of accessible parking or loading zones, amendments to traffic regulations, road alterations, or changes to traffic regulations.

In the five years ending December 31, 2016, the addition and removal of parking spaces, as well as changes to operational hours, initiated by the City of Toronto resulted in a net positive impact of approximately \$1,917,000. This increase is largely the result of a net gain of approximately 50 parking spaces, primarily attributed to monetizing previously free parking spaces and provision of new parking after road-realignments.

During this same time period, the TPA has initiated changes to fees and hours of operation that have resulted in a net positive permanent impact of \$9,132,000. TPA initiated changes have been differentiated from City of Toronto initiated changes as, TPA impacts were generally generated through increases to the hourly rate and changes to the hours of operation for paid parking.

Further separate from this analysis are construction staging impacts, as the TPA is reimbursed for parking impacts through right-of-way fees. It is estimated that construction staging reports accounted for an estimated revenue impact of \$6,152,000, of which \$5,650,000 was recovered through remitted fees, for an estimated total negative revenue impact of \$502,000.

RECOMMENDATIONS

The General Manager, Transportation Services recommends that:

1. Budget Committee receive this report for information.

FINANCIAL IMPACT

There are no financial implications resulting from adoption of the recommendation contained in this report.

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

DECISION HISTORY

At its meeting on November 18, 2016, City Council directed the General Manager, Transportation Services in consultation with the President, Toronto Parking Authority to report back on the revenue impacts of parking changes made by Community Councils in the past five years and the processes by which Toronto Parking Authority has to provide input on parking changes which may result in said revenue impacts.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.3>

COMMENTS

Methodology

Impacts to TPA parking revenues occur as a result of the approval of a variety of types of reports such as parking amendments, installation/removal of accessible parking or loading zones, amendments to traffic regulations, road alterations, or changes to traffic regulations, to name a few. These reports may include the addition or removal of spaces, or less often changes to the hourly rate, or to the hours of operation of the spaces, all of which directly impact the revenue of TPA.

During the analysis of the revenue impacts of Community Councils on TPA, a few key distinctions arose. The first is that the impacts initiated by the City of Toronto are distinct from those initiated by the TPA. Whereas typically City of Toronto initiated changes are directed to improve traffic movement, provide additional parking for customers of nearby businesses or because of changes to the roadway design, changes initiated by the TPA tend to be related to improving access to parking spaces or through increasing parking rates to reflect consumer price inflation adjustments.

Furthermore, within the distinction of City of Toronto initiated changes versus TPA changes, there are both permanent and temporary impacts to consider. Permanent changes, for instance the addition of a parking space due to a road realignment, has impacts on the revenues and parking supply of TPA in years to follow, whereas

temporary impacts, such as the decrease of hours of operation during road re-construction has temporary impacts on the revenues for TPA and the total parking supply.

Summary of Revenue Impacts

Between 2012 and 2016, the TPA realized a net positive impact of \$1,917,000 based on City of Toronto related activities with both permanent and temporary impacts. These revenues were primarily generated due to the addition of new paid parking spaces. It is estimated that during this time 333 parking spaces were permanently added by the City of Toronto while 283 spaces were permanently removed for a net increase of 50 spaces.

During this same time, changes initiated by the TPA realized a permanent net impact of \$9,132,000, generated through increases to the hourly rate and changes to the hours of operation for paid parking, as well as the addition of a further TPA initiated 19 parking spaces. The TPA did not implement any temporary changes during this time.

Table 1. Summary of Permanent and Temporary Revenue Impacts

Year	Estimated Net Impacts of City of Toronto Permanent Changes* (annually)	Estimated Net Impacts of City of Toronto Temporary Changes*	Estimated Net Impacts of TPA Permanent Changes*	Estimated Net Impacts of TPA Temporary Changes*
2012	\$2,018,000	(\$9,000)	\$4,000,000	\$0
2013	\$475,000	(\$179,000)	\$3,632,000	\$0
2014	\$(80,000)	(\$40,000)	\$0	\$0
2015	\$(452,000)	\$0	\$1,500,000	\$0
2016	\$523,000	(\$340,000)	\$0	\$0
Total	\$2,485,000	(\$568,000)	\$9,132,000	\$0
Net	\$1,917,000		\$9,132,000	

Notes:

- This summary does not include construction staging areas.
- * Changes can include increase or decrease in parking supply, hours of operation, and hourly rate.

Summary of Revenue Impacts of Construction Staging on Toronto Parking Authority

As illustrated in

Table 2 below, between 2012 and 2016 construction staging areas accounted for an estimated total loss of \$502,000 consisting of revenue impacts of \$6,152,000, of which \$5,650,000 was recovered through remitted fees. Construction loss estimates may vary from remitted amounts due to a number of factors. For instance, the actual remittance date may occur in the year following the implementation of the construction area, and so impacts and revenue reimbursement may not align in the same year.

Table 2. Summary of Revenue Impacts of Construction Staging Areas

Year	Construction Staging Loss Estimate	Construction Staging Remitted Amount	Difference
2012	(\$742,000)	\$883,000	\$140,000
2013	(\$1,301,000)	\$1,864,000	\$563,000
2014	(\$1,443,000)	\$1,523,000	\$80,000
2015	(\$1,470,000)	\$653,000	(\$818,000)
2016	(\$1,194,000)	\$727,000	(\$467,000)
Total	(\$6,152,000)	\$5,650,000	(\$502,000)

Alerting Toronto Parking Authority to Parking Impacts

In instances where TPA will experience changes to the revenue it collects either through an increase or decrease in paid parking spaces or hours of operation, it is the responsibility of Transportation Services to contact and advise TPA of potential parking impacts. TPA is then able to provide comments and feedback on the proposal, and in most cases, the financial impacts are included in the staff report to community council and/or city council. Transportation Services and TPA work closely to limit any negative impacts on parking.

For Right-of-way permits, the estimated lost revenue is calculated by Transportation Services staff. TPA may be consulted on a per application basis, on the loss of parking revenue to be charged to the permit applicant.

Changes to the hourly rate and hours of operation by the TPA are reported directly to Community Council and/or City Council.

This report does not speak to the impacts to paid parking spaces from the Film and Television Office.

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SIGNATURE

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