PA10.5

REPORT FOR ACTION

Off-Street Rate Review 2019 – Controlled Municipal Parking Facilities

Date: November 12, 2019
To: Board of Directors, Toronto Parking Authority
From: Acting President, Toronto Parking Authority
Wards: All

SUMMARY

As part of its mandate to provide short-term parking (those parking for less than 3 hours), Toronto Parking Authority (TPA) carries out a comprehensive annual review of the parking rates at all of its off-street parking facilities. Providing short-term parking supports Toronto's neighbourhood retail and commercial sector as well as the City's transportation network by discouraging commuter behaviour. The establishment of an appropriate parking rate structure is instrumental in allowing TPA to effectively manage use, serve the target market, and fairly allocate and encourage turnover of public parking spaces.

This report details the 2019 parking rate review of TPA's controlled off-street municipal parking facilities (Controlled Facilities, refer to Attachment 1: *Location Map*), also referred to as gated facilities, and seeks TPA Board approval for rate adjustments at these facilities as recommended in Attachment 2: *Proposed Rate Changes and Justifications – Controlled Facilities*. A report containing proposed rates at the uncontrolled (non-gated) TPA facilities will be brought to a future TPA Board meeting for approval. In total there are 24 Controlled Facilities, 22 of which have been identified by TPA for proposed rate adjustments ranging from half hour, daily/evening maximums, event and/or monthly rate changes. These parking rates also include two (2) TPA facilities (11 Wellesley Street West and 308 Queen Street West) that are expected to open in the near future.

One uncontrolled parking facility (Uncontrolled Facility), also referred to as an ungated facility, located at 125 Burnaby Boulevard (Car Park 47), has been included due to the high parking usage being experienced by this facility and requests by the local Business Improvement Area (BIA) to implement a change to help alleviate parking pressure in the area due to the impacts of the Crosstown discount code.

RECOMMENDATIONS

The Acting President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority approve the parking rate adjustments in the amounts and at the parking facilities identified in Attachment 2 to this report and direct the President, Toronto Parking Authority, to implement these rate changes as follows:

    a. Controlled Municipal Parking Facilities - Anticipated to commence in mid-January 2020;

    b. Uncontrolled Municipal Parking Facility located at 125 Burnaby Boulevard (Municipal Car Park 47) - Anticipated to commence in early December 2019; and

    c. Associated Monthly Rate Changes - Anticipated to commence on February 1, 2020.

FINANCIAL IMPACT

The proposed rate changes as outlined in Attachment 2: *Proposed Rate Changes and Justifications – Controlled Facilities*, of this report, when fully implemented, are forecast to generate approximately $1,840,000 in additional total annual parking revenue. This increase in revenue is forecast to represent a 3% increase in the total revenue for TPA facilities. Costs to implement these changes, including various programming, software and firmware adjustments, and signage are estimated to be in the order of $7,500.00 and are available in TPA's Approved 2019 Operating Budget.

DECISION HISTORY

At its meeting of January 29, 2019, the TPA Board of Directors adopted Item PA2.4 and approved parking rate changes for Car Park 11 (21 Pleasant Boulevard), Car Park 12 (30 Alvin Avenue), Car Park 26 (37 Queen Street East), Car Park 36 (110 Queen Street West, Nathan Phillips Square), Car Park 39 (20 Castlefield Avenue), Car Park 49 (30 Roehampton Avenue), Car Park 52 (40 York Street), Car Park 68 (20 St. Andrew Street, Kensington). Additional information can be found here: http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getAgendaReport&meetingId=15929

At its meeting of October 24, 2018, the TPA Board of Directors adopted *Rate Review 2018 – Off-Street Municipal Parking Facilities* (Item PA15.5) and approved parking rate adjustments at a number of TPA parking facilities. Additional information can be found here: http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PA15.5

COMMENTS

A review of parking rates at all off-street parking facilities is undertaken at least once annually to ensure current rates address demand patterns that in turn allows TPA to deliver its mandate of providing short-stay, high-turnover parking. In instances where it is required, more frequent reviews are undertaken.

As outlined in TPA Policy Resolution 2-1, *Parking Rates – Off-Street Facilities* (refer to Attachment 3), parking rates are to be set at a level to foster the objectives of the TPA and are based on the City's overall objectives of limiting discretionary travel:

- Provide low-cost short-term parking, especially in the neighbourhood commercial areas;
- Discourage long-term parking, especially in the downtown and mid-town commercial areas and other commercial areas well served by transit; and,
- Generate sufficient revenue to, at a minimum, cover operating and administrative costs, and either recover past capital costs or allow for future capital costs under normal parking demand and expense conditions.

When proposing rates at TPA facilities, a number of factors are taken into consideration including:

- Usage and revenue performance of each parking facility;
- Benchmarking competitor rates of other parking providers where appropriate;
- Timing of previous rate changes; and
- Other factors that influence travel patterns by car such as construction projects, business and employment activity.

TPA generally adjusts parking rates incrementally as experience has shown that increasing rates beyond what users deem to be fair can negatively impact the demand for parking. Once demands have been negatively impacted, it can be extremely difficult and take extended periods of time to rebuild facility usage.

Usage and Revenue Performance Parameters

Both usage and revenue data for September 2019 year-to-date (YTD) were reviewed to determine appropriate rates at TPAs Controlled Facilities. This includes, examining: peak vehicle occupancy, percentage of all-day parkers (long-stay and commuters) and total transactions (vehicles parked) by time of day.

Attachment 2: *Proposed Rate Changes and Justifications – Controlled Facilities,* summarizes the usage and revenue performance of each of the Controlled Facilities.

For each facility, the following data was collected and assessed:

- **Peak Usage** (%): peak occupancy is the greatest number of vehicles parked during the peak hour in a day, expressed as a percentage of the number of parking spaces available and is observed for busy weekdays (Tuesday - Thursday);

- **All**: Long-term parker, the number of vehicles parked for a duration of 3 or more hours;

- **Commuters**: the number of cars entering the facility between 6:00 am to 10:00 am, and staying for 8 hours or more hours. Note that this is a subset of All.

- **Proposed Changes**:
    - There are a number of recommended changes which focus on the daily rate, monthly rates and monthly quota of Controlled Facilities.

- **Cars**: the distribution of transactions over the day as identified by the percentages of transactions (cars) occurring during the daytime (6:00 am – 3:00 pm), evening (3:00 pm – 6:00 pm), and nighttime (6:00 pm – 6:00 am) periods. This provides an indication of Car Park usage throughout specified time periods and assists in the assessment of day, and night maximum rates; and

- **Revenue** performance of the off-street facilities, including:
    - September 2019 YTD revenue ($);
    - September 2018 / 2019 YTD revenue percentage (%) difference; and
    - September 2018 / 2019 YTD transaction percentage (%) difference.

The goal is to establish pricing that ensures parking is always available (i.e. avoid over-capacity demand) to accommodate short-term parking demands. Peak usage is therefore a critical measure to assess the capacity of a parking facility. For any parking location, anything greater than 85% is considered at/over-capacity. This measure is a key tool used to monitor the off-street program and meet the rate-setting objectives (provide short-term parking).

<u>Performance of Controlled Facilities</u>

Generally, the controlled facilities performed strongly in terms of revenue generated in 2019 (September YTD 2018/2019) as compared to 2018. Of the 24 Controlled Facilities reviewed, 16 facilities generated greater year over year revenue, while 8 facilities underperformed. Revenue for the one Uncontrolled Facility was up by 13.16% from 2018.

When comparing September YTD 2018/2019 revenue, Yorkville Garage (CP215) performed the best with an increase in revenue of 58.36%. 30 St. Clair Avenue West (CP161), Charles Street / Hayden Street (CP1) and 51 Dockside Drive (CP286) were also strong performers with revenue increases of 40.45%, 37.15% and 29.64%.

Yorkville Garage (CP215) revenue increases are a result of the recent closure of the nearby car park at 50 Cumberland Street (CP15), which is being redeveloped. Higher revenues at 30 St. Clair Avenue West (CP161) are attributed to tenant activity in the commercial building above. Revenue at the Charles / Hayden Street Garage (CP1) have increased following the construction of additional parking levels in 2017. 51 Dockside Drive (CP286) rates were increased in early 2019 as part of the 2018 off-street rate review and in turn have resulted in revenue growth.

On the whole, a number of the facilities subject to rate changes which were implemented in an effort to reduce the facility's peak usage are now seeing that desired effect, namely a reduction in the number of long-term cars parked. The reduction of cars parked is key in freeing up parking spaces in busy facilities for short-term parking customers.

Competitors' Rates

One component of the annual off-street rate review is the review of rates charged by others at publicly-accessible parking facilities within a 185 metre (m) (approx. 600 ft.) radius of TPA facilities. As part of the 2019 Off-Street Rate Review, the rates at competitor facilities in proximity to 18 Controlled Facilities were examined. The other Controlled Facilities together with the one Unattended Facility located at 125 Burnaby Boulevard (Car Park 47) were reviewed to confirm if there were competitor facilities, however no comparable competitors were identified. Comparable competitors are competitors with the same facility type (i.e. surface lot versus parking garage) and similar space count to the facility being reviewed. Attachment 4: *Competitor Rates Analysis,* outlines these competitor rates relative to TPA facilities and describes in more detail the application of the relevant guidelines as set out in the TPA Board Policy Resolution 2-1, *Parking Rates – Off Street Facilities*.

Proposed Rates

A high level overview of the primary factors influencing a proposed rate change at each facility is detailed in *Attachment 6: Proposed Rate Change Justifications*. *Attachment 2: Proposed Rate Changes and Justifications - Controlled Facilities*, *Attachment 4: Competitor Rates Analysis,* and *Attachment 5: Monthly Permit Rate Analysis* provides additional detailed analysis of the proposed rate changes for all Controlled Facilities.

The rate changes being recommended by TPA are expected to generate an increase of $1,840,667 in revenue in 2020, representing an estimated 3% increase in the total off-street Controlled Facilities revenues.

Next Steps

Should the TPA Board of Directors approve the rate changes, TPA will proceed to implement the half hour, day maximum and evening maximum rates in mid-January 2020. The monthly permit rates will be implemented on February 1, 2020. Due to the high parking demand at Car Park 47 (125 Burnaby Boulevard), rate changes at this facility are expected to be implemented as early as mid-December 2019.

CONTACT

Ian Maher, Vice President, Parking Strategy, Policy, Planning & Technology
Telephone: (416)-393-7291, E-mail: Ian.Maher@toronto.ca

Jeffrey Dea, Director of Parking Strategy, Policy and Planning
Telephone: (416)-393-7292, Jeffrey.Dea2@toronto.ca

SIGNATURE

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Robin Oliphant, Acting President
Toronto Parking Authority

ATTACHMENTS

Attachment 1 - Location Map - Controlled Off-Street Municipal Parking Facilities

Attachment 2 - Proposed Rate Changes and Justifications – Controlled Facilities

Attachment 3 - Toronto Parking Authority Policy Resolution 2-1 – Parking Rates- Off-Street Facilities

Attachment 4 - Competitor Rates Analysis

Attachment 5 - Monthly Permit Rates Analysis

Attachment 6 - Proposed Rate Change Justification