



## REPORT FOR ACTION

### Off-Street Rate Review 2019 – Uncontrolled Municipal Parking Facilities

**Date:** November 28, 2019  
**To:** Board of Directors, Toronto Parking Authority  
**From:** Acting President, Toronto Parking Authority  
**Wards:** All

#### SUMMARY

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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. Establishing the appropriate parking rate structure is key 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 uncontrolled off-street municipal parking facilities (Uncontrolled Facilities), also referred to as non-gated facilities, and seeks TPA Board approval for rate adjustments at these facilities as recommended in Attachment 1, Proposed Rate Changes and Justifications - Uncontrolled Facilities.

A new uncontrolled facility located at 229 Richmond Street West has also been included as it is expected that TPA will commence operations of this surface parking lot in early January 2020. In total, there are 207 Uncontrolled Facilities under review, 139 of which have been identified by TPA for proposed rate adjustments ranging from half hour, daily/evening maximums, event, and/or monthly rate changes.

A report containing proposed rates at the controlled (gated) TPA facilities was brought to the November 25, 2019 TPA Board meeting for approval.

## RECOMMENDATIONS

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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 1 to this report and direct the President, Toronto Parking Authority, to implement these rate changes as follows:
  - a. Uncontrolled Facilities - Anticipated to commence in February 2020;
  - b. Associated Monthly Rate Changes - Anticipated to commence on March 1, 2020; and
  - c. New Uncontrolled Facility located at 229 Richmond Street West - Anticipated to commence in early January 2020.

## FINANCIAL IMPACT

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The proposed rate changes as outlined in Attachment 1, Proposed Rate Changes and Justifications - Uncontrolled Facilities, of this report, when fully implemented, are forecast to generate approximately \$1,194,000 in additional total annual parking revenue. This increase in revenue is forecast to represent a 3 percent increase in the total revenue for TPA's Off-Street Uncontrolled Facilities. Costs to implement these changes, including various programming, software and firmware adjustments, and signage are estimated to be in the order of \$17,250 and are available in TPA's Approved 2019 Operating Budget.

## DECISION HISTORY

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At its meeting of November 25, 2019, TPA Board of Directors adopted Item PA10.5 approving the parking rate adjustments for 22 Controlled Facilities and one Uncontrolled Facility at 125 Burnaby Boulevard (Car Park 47). Additional information can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PA10.5>

At its meeting of January 29, 2019, 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, 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**

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Parking rates at all TPA off-street parking facilities are reviewed 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.

TPA Policy Resolution 2-1, Parking Rates – Off-Street Facilities (refer to Attachment 2) provides a framework for setting parking rates at a level needed to achieve the objectives of TPA and are based on the City's overall objectives of limiting discretionary commuter 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 or rates changes at TPA facilities, a number of factors are taken into consideration, including:

- Usage and revenue performance of existing parking facilities;
- 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.

Parking rates are typically adjusted 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 timely 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 TPA's Uncontrolled 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 1 - Proposed Rate Changes and Justifications – Uncontrolled Facilities, summarizes the usage and revenue performance of each of the Uncontrolled 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**: the number of long-term parking 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. Note that this is a subset of All.
- **Proposed Changes**: There are a number of recommended changes to the daily rates, monthly rates and monthly quota of Uncontrolled 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**: the performance of the Uncontrolled off-street Facilities, including annual revenue, transaction volume and percentage changes for the period ending September 2019.

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. Anything greater than 85% usage at specific parking locations 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) of TPA Policy Resolution 2-1, Parking Rates – Off-Street Facilities.

### **Performance of Uncontrolled Facilities**

Generally, the Uncontrolled Facilities performed strongly in terms of revenue generated in 2019 (September YTD 2018/2019) as compared to 2018. Of the 223 Uncontrolled Facilities reviewed, 131 facilities generated greater year over year revenue.

When examining September YTD 2018/2019 revenue, 14 Barkwin Drive (Car Park 532) performed the best with a 118% increase in revenue followed by 20 Prescott Avenue (Car Park 133) (112%), 575 Royal York Road (Car Park 513) (93%), 1030 King Street West (Car Park 275) (86%), 2623 Eglinton Avenue West (Car Park 674) (79%), and 168 Chiltern Hill (Car Park 655) (64%).

14 Barkwin Drive, 20 Prescott Avenue, 575 Royal York Road, and 2623 Eglinton Avenue West are lower revenue generating facilities and thus even a small increase in revenue has an impact in the percentage increase in year over year revenue.

Revenue growth at 1030 King Street West can be attributed to a growing need for parking in the nearby area that has been impacted by a reduction of public parking spaces at the nearby Car Park 181 (Lampart Stadium). Portions of Car Park 181 are currently being used for a respite site that is operated by the City of Toronto's Social Development, Finance & Administration Division.

Another Car Park experiencing a growth in year over year revenue is Car Park 655 (168 Chiltern Hill), which recently reopened and is being used to accommodate parking demand displaced by Eglinton Crosstown construction activity.

On the whole, rate changes made in 2018 have resulted in a reduction in the number of long-term cars parked at a number of the Uncontrolled Facilities. 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 Uncontrolled Facilities were reviewed to identify comparable competitors within 185 m. A total of 43 Uncontrolled Facilities had comparable competitors, which generally have the same facility type (i.e. surface lot versus parking garage) and similar space count to the facility being reviewed. Attachment 3: *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 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 of the Uncontrolled Facilities is detailed in Attachment 5: Proposed Rate Change Justifications. Additional detailed analysis of the proposed rate changes are included in Attachment 1: Proposed Rate Changes and Justifications - Uncontrolled Facilities, Attachment 3: Competitor Rates Analysis, and Attachment 4: Monthly Permit Rate Analysis.

The rate changes being recommended by TPA are expected to generate an increase of \$1,194,000 in revenue in 2020, representing a 3% increase in the total revenue generated by TPAs Off-Street Uncontrolled Facilities.

## **Next Steps**

Should TPA Board of Directors approve the proposed rate changes, TPA will proceed to implement the half hour, day maximum and evening maximum rates in February 2020. The monthly permit rates will be implemented on March 1, 2020. The rate at the new parking facility located at 229 Richmond Street West is expected to be implemented as early as early January 2020.

## **CONTACT**

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## **SIGNATURE**

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Robin Oliphant, Acting President  
Toronto Parking Authority

## **ATTACHMENTS**

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Attachment 1 - Proposed Rate Changes and Justifications - Uncontrolled Facilities

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

Attachment 3 - Competitor Rates Analysis

Attachment 4 - Monthly Permit Rates Analysis

Attachment 5 - Proposed Rate Change Justification