Toronto Parking Authority

Parking Rate Policy Overview
TPA Mandate

Provide short-term parking (those parking for less than 3 hours) supports Toronto’s neighbourhood retail and commercial sector as well as the City’s transportation network by discouraging commuter behaviour.

The establishment of suitable parking rates at TPA on-street and off-street parking locations is a critical tool to ensure short-term parking through managing use, serving the target market and fairly allocating and encouraging public parking spaces at its parking facilities.
Chapter 179 of the City of Toronto Municipal Code

- Delegates the authority for specified management responsibilities of municipal parking facilities in Toronto including on-street and off-street parking.

- City Council maintains authority to establish and amend on-street parking rates, as well as establishing hours of operation by by-law, on an overall or comprehensive basis.

- In location specific instances the TPA is delegated authority to fix on-street parking rates, provided that rates:
  - Do not exceed $5.00 (inclusive of HST) per hour
  - Agreed to by the Ward Councillor

- Council delegated the off-street parking program to the TPA to manage and recommend parking rates.
Our Business – 2020 Budget Projections

- Off-street car parks ($96,801)
- On-street (metered) parking ($63,864)
- Permits (included in off-street revenue)
- Bike Share ($6,420)
Off-Street Parking

• TPA (originally Parking Authority of Toronto) established in 1952 under City of Toronto Act 1952
• To acquire, manage and operate Off-street parking (as on-street parking was proposed to be abolished)
• Legislative direction in 1952 for off-street parking was to “...set rates to be financially self-sustaining”
• Currently operates approximately 300 off-street lots, mostly acquired by the City using TPA/PAT retained earnings
On-Street Parking

• When the 7 Municipalities were amalgamated in 1998 the TPA (September 1998) assumed responsibility for the on-street parking program for all of the former municipalities (also assumed off-street parking facilities)

• After extensive review a comprehensive rate adjustment was approved by City Council in July 1999

• Rates were co-ordinated across the city (as per ‘Rate Setting at On-Street Meters’)

• Most importantly was implementing payment on evenings and weekends

• Revenue has increased by approximately 500% since 1999

• As per City Council direction rates are to be reviewed once every 3 years
Off-Street Program - Overview

• Approximately 300 off-street parking facilities (40,000 spaces)
• 1/3 of inventory is managed and operated by TPA on behalf of other City departments or agencies (i.e. City Real Estate Services, Parks, Forestry & Recreation, Toronto Transit Commission, Toronto Community Housing Corporation, Exhibition Place)
  • In most managed facilities, the parking fees are set by the department / agency to reflect their objectives
• Approximately 25 locations leased from public or private landowners
Off-Street Program - Overview

• Facilities where rates are set by the TPA Board of Directors are subject to a comprehensive annual rate review

• There are certain circumstances where a more frequent review of a facility or facilities is required

• Rates typically include one or all of:
  • Half hour rate
  • Daily maximum rates
  • Evening maximum rates
  • Monthly permits are available at limited car parks
Off-Street Program - Overview

• Pricing strategy goal – ensure availability of short-stay high turnover parking supply, which also maximizes revenue generation

• TPA facilities are priced to:
  • Provide affordable short-term parking especially in neighbourhood commercial areas;
  • Discourage long-term parking, especially in the downtown and mid-town
  • Generate sufficient revenue to, at a minimum, cover operating and admin costs, and either recover past capital costs or allow for future capital costs under normal parking demand and expense conditions.
Factors considered when proposing rates or rate changes

• Usage and revenue performance
• Benchmarking competitor rates of other parking providers, where applicable
• Location of Facilities
Off-Street Program – Factors Considered

Usage and Revenue Performance

• Peak usage
  • Critical measure to assess the capacity of a parking facility
  • Average occupancy of 85% or higher is considered to be at capacity and as a result supports a rate change

• Revenue year over year
  • Strong indicator of how a facility is operating
  • Revenue growth supports a rate change
  • Revenue decline may signify a rate should not be changed
Off-Street Program – Factors Considered

Benchmarking competitor rates of other parking providers, where applicable

• Private facilities are only one component of the competitor environment

• Publicly accessible parking facilities within 185m (600 ft) of a TPA facility that have the same facility type (i.e. surface lot vs. parking garage)
  • Surface vs garage
  • Similar space count to the TPA facility being reviewed
  • Are considered to be a comparable competitor

• Where comparable competitors are present, TPA rates are benchmarked against competitor rates
A number of factors influence travel patterns by car such as construction projects and business and employment activity

• Facilities influenced by these should be seriously examined when considering a rate change.

• For example, increasing rates at a facility that has lost parking stalls due to construction could be considered poor customer service and may result in the loss of customers
Off-Street Program – Factors Considered

Location of Facilities

• Facilities close to one another can impact one another (i.e. usage, revenue)

• Rates of such facilities should be examined collectively
Off-Street Program - Benchmarks

TPA Policy Resolution 2-1 – Parking Rate – Off-Street Facilities provide guidance in evaluating and setting parking rates:

1. The half hour rate should normally be less than 75% of the average of nearby competitor rates. Get all the ‘gettable parkers’

2. The day maximum should normally be not less than the average of nearby competitor rates (benchmarked to competitors’ early bird rates where applicable)

3. The monthly rate should normally be between fifteen and twenty times the day maximum
Off-Street Rate Review - Status

- Nov 25, 2019 - TPA Board of Directors approved parking rate adjustments at 22 controlled (gated) facilities + 1 uncontrolled (ungated) facility at 125 Burnaby Boulevard (Car Park 47). Implementation timelines:
  - Car Park 47 – mid-December 2019
  - Daily rate (controlled) - mid-January 2020
  - Monthly permit (controlled + CP47) – February 1, 2020

- Dec 12, 2019 – the TPA Board of Directors will be asked to approve parking rates at the remaining uncontrolled off-street parking locations including the new facility at 229 Richmond Street West. Implementation timelines:
  - 229 Richmond St W – mid-January 2020
  - Remaining uncontrolled
    - Daily rate – February 2020
    - Monthly permit – March 1, 2020
On-Street Program – Overview

• 19,000 paid on-street spaces, which accept payment via parking machine, Green P App and a few legacy single-space parking meters

• On-street parking spaces are typically the most convenient in serving local businesses and subject to high demand

• The supply is meant to serve short-stay need (most locations have a maximum duration of 3 hours), thus creating higher turnover

• Hourly rates take into consideration nearby Green P off-street lots
On-Street Program – Overview & Factors Considered

• Purpose – undertake comprehensive review of on-street paid parking program, specifically:
  • The existing hourly parking,
  • Parking utilization, and
  • Hours of operation

• Rate review considers:
  • Maintaining simplicity in on-street rate structure
  • Forming contiguous rate areas throughout the City
  • Ensuring consistency and fairness in rates and hours of operation of paid parking – similar areas in City treated in a consistent manner
  • Similar factors as detailed previously
On-Street Rate Review - Status

• Comprehensive review on a 3 year review cycle – in year changes undertaken as necessary
• Last rate review undertaken October 2017 with implementation through late 2017 and 2018 – rolled out new $5, $4, $3, $2, $1 rate structure
• Next rate review is underway and is expected to be presented to the TPA Board in Q2 of 2020 then on to City Council