
2020 OPERATING BUDGET BRIEFING NOTE

6.5% Increase on Monthly Permit Parking Rates

Issue:

At its meeting of January 17, 2020, the Budget Committee requested that the General Manager, Transportation Services submit a budget briefing note on how much funding would arise from an across the board 6.5% increase on monthly permit parking rates. This briefing note responds to the Committee's request.

Background:

- There are three fee rate categories for the monthly on-street permit parking program:
 - Priority 1 (P1): No access to on-site parking for resident's first vehicle permit
 - Priority 2 (P2): No access to on-site parking for resident's second and any subsequent vehicle permits
 - Priority 3 (P3): Resident does have access to on-site parking (permit is for convenience)
- The 2020 staff recommended fee for P1 provides for an inflation increase only. This is to reflect that these residents have no alternative on-site parking available.
- The 2020 staff recommended fees for P2 and P3 are based on the fee for temporary street occupation (Chapter 441, Appendix C, Schedule 2: 39) increased by inflation. This increase, which is larger than for P1's, reflects that these residents have multiple vehicles despite having no on-site parking, or have on-site parking but chose, for convenience, to park on the street. Given this it is considered appropriate for these monthly fees to be commercially based i.e. based on street occupation charges.
- Transportation Services will be developing a parking strategy during 2020 that will largely focus on residential parking programs. This will establish foundational policy on which to base parking fee rates going forward which will then be reflected in our 2021 budget submission.

Fee Comparison:

- The following chart provides a comparison of rates for 2019, 2020 using the staff recommended fee and the Committee's request for an across the board 6.5% increase on the 2019 monthly permit parking fees.

Monthly Fee Comparison					
Priority	2019	2020 Staff Recommended Budget		Committee Request 6.5% Increase Above 2019 Fees	
	Monthly Fee	Monthly Fee	Increase Over 2019	Monthly Fee	Increase Over 2019
P1	\$16.31	\$16.81	\$0.50	\$17.37	\$1.06
P2	\$40.86	\$52.21	\$11.35	\$43.52	\$2.66
P3	\$57.20	\$73.45	\$16.25	\$60.92	\$3.72

- The following chart provides a comparison of projected revenues for 2019, 2020 using the staff recommended fee, and revenue resulting from the Committee's request for an across the board 6.5% increase on the 2019 monthly permit parking fees.

Projected Annual Revenue Comparison					
Priority	2019	2020 Staff Recommended Budget		Committee Request 6.5% Increase Above 2019 Fees	
	Annual Revenues	Annual Revenues	Incremental Over 2019	Annual Revenues	Incremental Over 2019
P1	\$8,993,089	\$9,155,247	\$162,158	\$9,577,639	\$584,551
P2	\$374,195	\$434,841	\$60,646	\$398,518	\$24,323
P3	\$479,846	\$559,373	\$79,526	\$511,036	\$31,190
Total	\$9,847,130	\$10,149,461	\$302,331	\$10,487,194	\$640,063

- The 2020 staff recommended fees for monthly residential on-street parking are anticipated to generate an additional \$302,331 per year more than the 2019 fee rates.
- Applying a 6.5% increase to the 2019 fee rates would generate \$640,064 more revenue than the 2019 fees and **\$337,733 more than the 2020 staff recommended fees**.
- Applying a 6.5% increase to the 2019 P1 fee rate would generate \$584,551 more revenue than the 2019 fees and \$422,392 more than the 2020 staff recommended fee. Please note that the staff recommended P2 and P3 rate increases are higher than the P1 6.5% increase.

Questions & Answers:

- Question: Following budget approval when do the new fee rates take effect?
- Answer: The new fee rates would apply for permits purchased from February 20, 2020 onward.
- Question: What period are monthly parking permits issued for?
- Answer: Permits can range from 1-6 months and are issued in 6 month terms. Applicants may apply for the full 12 months, but that would be counted as two permit terms.

Prepared by: James Yu, Project Lead, Transportation Services, Capital Projects and Program, 416-397-0090, James.Yu@toronto.ca

Further information: Ashley Curtis, Director, Transportation Services, Planning and Capital Program, 416-392-0170, Ashley.Curtis@toronto.ca

Date: January 23, 2020