



## REPORT FOR ACTION

### Targeted Update to Off-Street Parking Rates – First Quarter 2023

**Date:** February 16, 2023

**To:** Board of Directors, Toronto Parking Authority

**From:** President, Toronto Parking Authority

**Wards:** All

#### SUMMARY

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The purpose of this report is to seek approval from the Board of Directors of Toronto Parking Authority to make targeted adjustments to parking rates at seven (7) off-street parking facilities. These recommended changes are in addition to the recent approval of rate changes at over 100 off-street locations at the November 14, 2022 Board meeting. Management has reviewed the competitive dynamics at these seven (7) locations and recommends that we execute modest price increases at these high demand locations to maximize yield while maintaining competitiveness in the marketplace. This approach is consistent with good commercial practices and aligns with Council direction to review pricing opportunities across our portfolio.

#### RECOMMENDATIONS

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The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority approve the rates at the off-street parking facilities identified in Table 1 in this report and direct the President, Toronto Parking Authority, to implement these rates on or before April 1, 2023.

#### FINANCIAL IMPACT

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The recommended changes will support an incremental \$1.2 Million in parking revenues in 2023.

## DECISION HISTORY

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At its meeting of February 7, 2023, City Council adopted MM3.5 and requested that the Toronto Parking Authority Board direct the appropriate staff at the Toronto Parking Authority complete a review of rates for on-street and off-street parking.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM3.5>

At its special meeting of November 14, 2022, the Board of Directors of Toronto Parking Authority adopted Item PA33.1 and approved Toronto Parking Authority's 2023 Operating Budget and 2023-2025 Capital Budget and directed the President, Toronto Parking Authority to forward the 2023-2032 Capital Budget to the City of Toronto as part of the 2023 budget process. In adopting this item, the Board of Directors of Toronto Parking Authority also:

- Approved the rates at the off-street parking facilities identified in Attachment 1 to the October 26, 2022 report from the President, Toronto Parking Authority and directed the President, Toronto Parking Authority, to implement these rates on or before February 1, 2023;
- Provided authority to the President, Toronto Parking Authority, to establish limited-time event rates at off-street parking facilities, as operationally required; and
- Deferred the 2022 comprehensive on-street rate review and the 2022 Parking Market Rate Analysis to the 2024 budget cycle.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.PA33.1>

At its meeting of September 29, 2022, the Board of Directors of Toronto Parking Authority received the proposed 2023 Operating Budget and 2023 - 2032 Capital Budget for Toronto Parking Authority for information.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA32.1>

## COMMENTS

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On an annual basis, TPA undertakes an Off-Street Rate Review to ensure parking rates at all Green P facilities are consistent with its mandate to provide short-term parking (parking for three (3) hours or less) while supporting Toronto's neighbourhood retail and commercial sector as well as the City's transportation network by discouraging commuter behaviour. Establishing the appropriate parking rate and structure is essential in supporting TPA's ability to effectively manage the use of its facilities, serve the target market, and fairly allocate and encourage the turnover of parking spaces in order to serve the greatest number of customers while maximizing revenues.

The 2022 Off-Street Rate Review included targeted rate changes at over 100 locations and was approved by TPA Board of Directors at its special meeting of November 14, 2022. Implementation of the rate changes was completed by TPA in January of 2023.

Development of the recommended rate changes that were included in the 2022 Off-Street Rate Review was completed using car park usage data from the first and second quarters of 2022. Parking demands during this period were impacted by the omicron variant and related public health restrictions leading to more modest increases to parking rates being recommended.

Based on improving performance of TPA's off-street parking facilities in the third and fourth quarters of 2022, TPA has carried out additional analysis on the top seven (7) revenue generating locations across TPA's portfolio of off-street parking facilities to determine whether further adjustments in rates are appropriate. The analysis indicates that weekend and weekday-evening parking behaviours at these seven (7) locations have recovered to an 80-95 percent index versus 2019 operations, with one (1) parking garage (Car Park 215 located at 74 Yorkville Avenue) fully recovered to pre-pandemic levels. Additionally, the length of stay for customers parking at these locations for periods between 2.5 and 8 hours has increased by 4.4 percent versus the length of stay observed in 2019.

Long-term parking behaviour (e.g., parking for periods greater than 8 hours) continues to lag due to lower volumes and demand. This can be directly attributed to the ongoing hybrid work environment. These factors and the results of the competitor benchmark analysis indicate that the parking behaviour of short-term weekend and weekday-evening customers are returning to pre-pandemic level. As a result, Management has identified an opportunity to increase rates to meter the usage of TPA's facilities during these periods and encourage regular turnover during these periods.

**Table 1: TPA Recommended Off-Street Rate Increases**

CP	Address	Day of Week	Comments	Competitor Avg Rate (30/day/evening)	Current Rates (30/day/evening)	Additional Recommendaions	Annual Incremental Revenue
36	110 Queen St W (Nathan Philips Square)	Weekdays	Demand for short-term WD parking and longer-stay WE requires alignment with competitor rates.	\$4.53, \$28, \$11.38	\$3.5, \$20, \$6	WD Daily \$22	\$ 255,989
		Weekends		\$4.53, \$11.33, \$11.35	\$3.5, \$8, \$6	WE Daily \$9	\$ 63,154
						30 min \$4	\$ 10,997
43	2 Church St	Weekdays	WD short-term recovering faster only down 21%	\$4.89,\$24.67, \$8.4	\$3, \$16, \$7	WD *30 min \$4	\$ 41,850
		Weekends		\$4.89, \$8, \$11.2	\$3,(\$2), \$7, \$7		
215	74 Yorkville Ave	Weekdays	Incremental revenue is in additon to already approved increases	\$4.31, \$22.40, \$9	\$4, \$30, \$10	WD 30 min \$5	\$ 211,841
		Weekends	Short-term garage - not daily, Daily parkers still down 30% from 2019	\$4.31, \$14, \$10	\$4, \$30, \$9/\$8	Sat Evening \$11	\$ 9,889
34	20 Dundas Square	Weekdays	Short term and evening parkers recovering faster than other LOS	\$4.11, \$21.43, \$9.33	\$3, \$22, \$9	WD 30 min \$4	\$ 303,402
		Weekends	Alignment with competitor rates needed.	\$4.11, \$9.14, \$10.43	\$3, \$11, \$9	WE Evening \$10	\$ 41,552
52	40 York St	Weekdays	WD and WE evening paking demand fully recovered requiring alignment with competitor rates.	\$4.69, \$24.94, \$11.47	\$4, \$25, \$9	WD Evening \$10	\$ 34,599
		Weekends		\$4.69, \$9.81, \$9.81	\$4, \$8.5, \$9	WE Evening \$10	
1	20 Charles St E	Weekdays	WD Daily Max \$8 under competitor average	\$4.83, \$24, \$8.67	\$3, \$16, \$6	WD Daily \$18	\$ 77,460
		Weekends	average- entries 2-4pm exceeding 2019 volumes - strong recovery and good volumes.	\$4.83, \$9	\$3, \$7, \$6	WE Dailly \$8	\$ 19,258
68	20 St. Andrew St (Kensington Garage)	Weekdays	WD short-term parkers recovering faster overall - Strong WE short-term volumes and business parker behaviour driving changes to align with competitor rates.	\$3.5, \$13.5, \$6	\$2.5, \$9, \$6	WD 30 min \$3, WD Daily \$10	\$ 91,646
		Weekends		\$3.5, \$6.33, \$6	\$2.5, \$9, \$7	WE 30 min \$3	\$ 87,170
Note: Weekday (WD); Weekend (WE)							\$ 1,248,807

## CONTACT

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## SIGNATURE

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W. Scott Collier, President  
Toronto Parking Authority