REPORT FOR ACTION

Proposed Amendments - Toronto Parking Authority Policy Resolutions 2-1: Parking Rates - Off-Street Facilities and2-3: Monthly Parking Permits

Date: April 2, 2025
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

As North America's largest municipally-owned commercial parking operator with ample competition in the off-street parking arena, Toronto Parking Authority (TPA) uses rate setting or pricing as a tool to respond to evolving consumer behaviour and remain competitive while continuing to meet its mandate to provide short-stay, high turnover parking.

TPA's approach to rate setting at its off-street parking facilities is guided by TPA Policy Resolution 2-1: Parking Rates - Off-Street Facilities. Under the current framework, Management carries out a comprehensive review of TPA's off-street facilities at least once a year with the results of the review and recommended rate changes then brought forward to TPA Board of Directors for approval as part of the annual budget process.

As consumer behaviour continues to evolve post-covid, the use of annual rate changes is placing TPA at a competitive disadvantage as private sector parking operators can make day-of rate changes in response to real time conditions. To further strengthen TPA's competitiveness, Management is proposing to amend Policy 2-1 to allow the President to authorize rate changes +/- 25 percent, on an as needed basis.

These proposed amendments build upon other rate setting authorities delegated by the Board to the President as part of the 2024 and 2025 budget submissions to adjust special event rates on an as-needed basis and to offer new permit products at discounted rates where the sale of such permits did not compromise TPA's ability to accommodate short-term parking needs of the facility.

As part of this report, Management is also seeking authority to make the necessary administrative and editorial amendments to TPA Policy Resolution 2-1: Parking Rates - Off-Street Facilities and TPA Policy Resolution 2-3: Monthly Parking Permits to simplify

the language and incorporate the authorities for event pricing and new permit products previously approved by the Board in 2023 and 2024.

RECOMMENDATIONS

The President, Toronto Parking Authority, recommends that:

1. The Board of Directors of Toronto Parking Authority approve the amendments to Toronto Parking Authority Policy Resolution 2-1 - Parking Rates - Off-Street Facilities in Attachment 1 to the report (April 2, 2025) from the President, Toronto Parking Authority, and direct the President, Toronto Parking Authority, to enact this Policy Resolution, as amended.

2. The Board of Directors of Toronto Parking Authority approve the amendments to Toronto Parking Authority Policy Resolution 2-3 - Monthly Permits in Attachment 2 to the report (April 2, 2025) from the President, Toronto Parking Authority.

FINANCIAL IMPACT

There is no immediate financial impact resulting from the adoption of the recommendations in this report.

DECISION HISTORY

At its meeting on November 29, 2024, the Board of Directors, Toronto Parking Authority adopted Item PA12.5: Toronto Parking Authority - 2025 Operating Budget and 2025-2027 Capital Budget. The report included recommendations to modify pricing at 112 off-street parking facilities and provided authority for the President, Toronto Parking Authority to establish market rates for special event parking at off-street parking facilities.
https://secure.toronto.ca/council/agenda-item.do?item=2024.PA12.5

At its meeting on November 23, 2023, the Board of Directors, Toronto Parking Authority adopted Item PA7.4: Toronto Parking Authority - 2024 Operating Budget and 2024-2026 Capital Budget. The report provided authority for the President, Toronto Parking Authority to establish new permit parking products at market rates at all off-street parking facilities.
https://secure.toronto.ca/council/agenda-item.do?item=2023.PA7.4

At its meeting on June 3, 2020, the Board of Directors, Toronto Parking Authority adopted Item PA15.4: Toronto Parking Authority Off-Street Parking Rates Overview and Amendments to Toronto Parking Authority Policy Resolution 2-1 - Parking Rates - Off-Street Facilities. The report outlined changes to the rate setting policy for off-street

facilities and confirmed that the Final decision on all rates and rate changes is made by the Board of Directors.
https://secure.toronto.ca/council/agenda-item.do?item=2020.PA15.4

COMMENTS

With over 60,000 spaces of parking under its operation, including 40,000 off-street parking stalls at approximately 300 Green P facilities, TPA has built the largest municipally-owned commercial parking operation in North America. TPA's mandate is to provide short-stay, high turnover parking options that support local business. To deliver parking solutions that meet this mandate, TPA uses rates or pricing to incent the desired consumer behaviour.

On-street and off-street parking rates are rigorously reviewed by Management at least once a year with the results of the review and recommended rate changes brought forward to TPA Board of Directors for approval as part of the annual budget process. As part of this review, Management uses operational data to screen for year-over-year changes in transactions, demand and peak usage. Rate changes are then reviewed for consistency with the pricing of other TPA facilities, including both on-street and off-street parking. Lastly, the proposed rates are benchmarked against comparable competitor off-street parking facilities, which ensures that TPA's off-street facilities are priced to compete against private sector parking operators.

As consumer behaviour continues to evolve post-covid, the use of annual rate changes is placing TPA at a competitive disadvantage as private sector parking operators are able to make day-of rate changes to respond to real time conditions. Management is therefore recommending that the Board delegate authority to the President to adjust pricing at its off-street facilities on an as needed basis, as outlined in the revisions to Policy 2-1 in Appendix 1. With a streamlined decision-making process, implementation of rate changes could occur quickly, enabling TPA to enact new rates in response to real-time data and customer insights. This approach aligns with industry standards and supports operational efficiencies and growth opportunities.

Off-street rates typically comprise one or all of: a half hour rate, daily maximum rates, night maximum rates and weekend rates. Management is recommending that the Board delegate authority to the President to increase/decrease off-street pricing by no more than 25% for each rate change occurrence. Any change greater than 25 percent would be the subject of a recommended rate change to the Board, likely as part of the annual rate review process.

The proposed amendments to Policies 2-1 and 2-3 build upon the expanded pricing authorities delegated to the President, permitting volume discounts on bulk monthly permits and adjustments to the rate structure for special events that were previously approved by the Board through the 2024 and 2025 budget cycles. The administrative changes needed to give effect to these previously approved authorities are included in Attachments 1 and 2.

CONTACT

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SIGNATURE

W. Scott Collier
President, Toronto Parking Authority

ATTACHMENTS

Attachment 1: Proposed Amendments to Toronto Parking Authority Policy Resolution 2-1: Parking Rates - Off-Street Facilities

Attachment 2: Proposed Amendments to Toronto Parking Authority Policy Resolution 2-3: Monthly Parking Permits