



SUBJECT: Downtown parking operational changes

TO: Committee of the Whole

FROM: Transportation Services Department

Report Number: TS-04-24

Wards Affected: 2

Date to Committee: February 5, 2024

Date to Council: February 13, 2024

Recommendation:

Direct the Director of Transportation Services to increase the hourly parking rate by \$0.25 to \$2.00 per hour for on-street spaces, off-street facilities and lots in the downtown (excluding the beach and the beach overflow lot), effective March 1st 2024; and

Direct the Director of Transportation Services to increase downtown daily maximum parking rate from \$14 to \$18 (excluding the beach and the beach overflow lot), effective March 1st 2024; and

Direct the Director of Transportation Services to increase downtown parking permit fees from \$83.00 to \$91.00 and \$132.00 to \$151.00 effective March 1st 2024; and

Direct the Director of Transportation Services to implement hourly parking on Saturdays between 9am & 6pm for all on-street spaces and within "premium" surface lots (#1, #4 and #5).

PURPOSE:

Pursuant to report TS-10-13 at the Regular Meeting of council on July 2nd, 2013, council approved "a \$0.25 per hour increase to all downtown municipal parking spaces and increase the daily maximum and monthly fees proportionately effective on January 1, 2014, and again on January 1, 2019".

The initial rate increase was implemented in 2014 yet the second rate increase was deferred in 2018, and subsequently deferred with no defined timeline for implementation as a result of the global pandemic and economic recovery. Development in the

downtown has continued to intensify and parking usage continues to be high, with many surface lots regularly experiencing occupancy rates at or above 85% capacity.

In parking terms, 85% occupancy is considered to be the industry standard for full capacity. Based on the occupancy sample taken, over the last number of years lots 1, 4 and 5 are operating at, or above capacity between the business hours of 9am & 6pm.

The increased demand for remaining parking spaces acutely affects a number of surface lots during business hours. Sample occupancy data for lots between the hours of 9am and 6pm is attached in Appendix A for further reference.

The sample data in Appendix A illustrates a single weekday, in both 2022 & 2023, during the Winter and Spring, the number of vehicles parked between 9am and 6pm using the industry standard (85%) for each lot as a benchmark.

While the sample data are single days for the purpose of this report, the full dataset ranges from January to August and demonstrates that a number of lots located in the central downtown area are operating at or near capacity on a regular basis.

Introduction of the rate increase will help encourage more parking turnover and contribute to a balanced parking system within the downtown.

Vision to Focus Alignment:

- Deliver customer centric services with a focus on efficiency and technology transformation.
- Improving Integrated City Mobility
- Increasing Economic prosperity and Community Responsive City Growth

Background and Discussion:

Approach

Despite having prior approval from Council through the Meeting Minutes included in Appendix B to implement the fee increase, the proposed changes have been reassessed in order to balance community need, reserve fund stewardship, and align with the city's environmental & active transportation goals. The combination of recommendations has been formulated in attempts to create a sustainable downtown parking system that works towards balancing all of these objectives.

Community Need

In consideration of the previously approved rate increases, it is important to consider that the choice to drive to and within the downtown comes with associated parking

costs. The increased parking revenue will contribute towards much needed capital and operational improvements that will help to support parking in the downtown for years to come. These improvements in turn ensure that there is available and accessible space for residents, visitors, and proprietors to make use of our downtown shops and restaurants in the future.

Reserve Fund Stewardship

Pursuant to Appendix C, TS-10-13 from the Regular Meeting of council in July 2013, council approved “a \$0.25 per hour increase to all downtown municipal parking spaces and increase the daily maximum and monthly fees proportionately effective on January 1, 2014, and again on January 1, 2019”.

Increasing parking rates helps to achieve the key strategic goals of parking services. First and foremost is to regulate the demand and supply of parking in the downtown so that residents and visitors can get to the places they need to go. Regulation of the downtown parking supply is best achieved through controlling the cost to park vehicles, leaving users to determine if they wish to drive and assume that cost or seek an alternative mode of transportation.

The additional benefit of increased rates for downtown parking is that it helps to stabilize the Downtown Parking Reserve Fund and ensure that the reserve is sustainably funded to cover future capital improvement costs. As downtown parking assets continue to age, future needs in terms of replacement and renewal will be substantial. Lot resurfacing, parking structure maintenance, future needs assessments, and pay station upgrades are all projects that are forecasted to take place in the next 3-5 years.

As such, it is prudent to proceed with this increase as it was previously recommended to council. It is necessary to ensure the long-term viability of the downtown and its associated reserve funds. This marginal increase after almost ten years of price stability is not only manageable, but necessary. It should be noted, the previously approved increase proposes to increase the daily maximum to \$16. This should actually be a daily maximum of \$18 which is in line with the new rate and operating hours.

The approved increases in accordance with report TS-10-13 are as follows:

- “Hourly rate increase from \$1.75 to \$2.00 per hour
- Daily maximum parking fee will increase from \$14 to \$16
- Monthly permits will increase from \$83.00 to \$91.00 and from \$132.00 to \$151.00”

Saturday Paid Parking

Through consultation with the Downtown Parking Committee (DPC), the Burlington Downtown Business Association (BDBA), and Ward Councillor, staff are recommending expansion of paid parking in the downtown to include Saturdays (9am to 6 pm).

The recommendation to implement paid parking at all on-street spaces and within “premium” surface lots (lots 1, 4 and 5) has been made in response to reduced weekly parking revenues and a notable increase in commercial activity within the downtown on weekends, requiring the need to increase parking turnover within prime retail areas.

All other surface lots and the garage will remain free to park on Saturdays as to ensure equitable access for residents to enjoy recreational opportunities within the downtown. Staff, in collaboration with the DPC and Ward Councillor, are in alignment with the recommendation and it is noted that both Hamilton and Oakville charge for downtown parking on Saturdays, as do most other similar jurisdictions within the GTHA.

Strategy/process/risk

The risk of not proceeding with the noted recommendations is that it will severely impair the ability of Parking Services to maintain assets and continually improve them. The cost of operating and maintaining assets in the downtown have steadily increased over the last 10-years with no increase to the hourly rate or permit fees. As fiduciaries of the Parking Reserve Fund, it is our responsibility to ensure that adequate funds are set aside on an annual basis so that capital improvements can be made to existing assets and also provide funding to implement new ones when required.

Options Considered

Proceeding with the price increases for the hourly rates and the monthly permit rates will help to stabilize revenue. This stabilization through increased user fees makes daily and monthly permit revenue in the Downtown Parking District more predictable in future years as it becomes based on actual parking usage rather than enforcement and ticketing. Enforcement revenue is more variable due to appeals, reductions and recovery times if lapsed tickets are sent to the Ministry of Transportation. Improving a revenue stream will help to solidify reserve funds for improvements to the downtown in the future.

Paid parking on Saturdays was brought forward to the Downtown Parking Committee for discussion. While system-wide paid parking on Saturdays was considered, it was recognized that visitors come to the downtown not only for shopping and services, but to access recreational opportunities and enjoy Spencer Smith Park and the waterfront. In order to maintain equitable access to the waterfront and recreational destinations, staff have recommended that paid parking be extended to on-street and “premium”

surface lots only. This option aims to balance parking demand by incentivizing use of the free lots for longer-duration stays that are located further proximity from the retail area along Brant Street.

Not increasing daily parking fees and permit rates was considered, but given the level of development in the downtown, increasing operational expenses, the aging infrastructure, and our desire to improve the customer experience when it comes to finding available parking, not proceeding with any increases is not recommended.

Financial Matters:

Hourly Revenue Projections

Projected revenue estimates are broken down by the type of parking facility and the number of one-hour visits. 2024 revenue estimates include the proposed increase. The 2024 projected figures currently exceed budgeted estimates for 2024. Note that any favorable variance in Downtown Parking operations is transferred to the Parking District Reserve Fund.

	YE 2022	YE 2023	Budget 2024	Assumed YE 2024
Garage	\$90,819	\$104,857	\$85,000	\$119,837*
On-Street	\$388,878	\$491,846	\$460,000	\$562,110*
Surface Lots	\$444,103	\$528,834	\$455,000	\$604,382*
Total	\$923,800	\$1,125,537	\$1,000,000	\$1,286,329
Visits	527,885	643,164	-	771,797**

*Note: 2024 figures assume the same number of 1-hour visits**

*Estimated number of visits calculated as a proportion of 2023 visits.***

Public Permit Revenue Projections

Public permit revenue projection for 2024 include the proposed increase. Figures in brackets indicate the number of permits issued.

	2022	2023	Assumed 2024
Standard Permits – Lots 15, 3 & 6	(959) \$79,597	(1,071) \$88,893	(1,071) \$97,461
Premium Permits – Garage, Lots 11, 7 & 8	(1,234) 162,924	(1,274) \$168,234	(1,274) \$192,374
Staff Permits	\$134,586	\$126,628	\$124,356

Total	\$377,107	\$383,755	\$414,191
--------------	------------------	------------------	------------------

*Note: 2024 figures based on 2023 permit sales**

Saturday Revenue

Staff will report on Saturday revenues through 2025 budget preparation.

Other Resource Impacts

In terms of indirect costs, the addition of paid parking on Saturdays may result in nominal wear and tear increases to pay machines.

Climate Implications:

Increasing parking rates may contribute to incentivizing alternate modes of transportation and thereby reducing reliance on the single occupant vehicles supporting a reduction in greenhouse gases. A reduction of private automobile use within the downtown will support a more walkable community and may bolster ride-share services and active modes of travel.

Engagement Matters:

The above noted recommendations have been discussed and endorsed by the BDBA and DPC.

Jurisdictional scans of our municipal peers have confirmed that the proposed rates are consistent with what is being charged in other municipalities. Downtown Hamilton parking facilities range between \$3.00 & \$3.25 per hour while Oakville rates are in the area of \$2.00 per hour for parking around the Lakeshore commercial district.

Communications regarding the increase in both hourly and permit rates have been drafted and are ready to distribute.

Conclusion:

The recommendations provided contribute to well-balanced downtown parking operations that will help contribute to sustainable downtown reserve funds and allow parking services to better manage supply and demand of the currently available spaces.

Respectfully submitted,

Stephen Camm
Supervisor of Parking Services
905-335-7777 Ext 7692

Appendices:

Appendix A – Sample Lot Occupancy Data

Appendix B – Council minutes from Meeting TS-18-13

Appendix C –Report TS-10-13

Appendix D – Bylaw amendment and revised Schedule 1

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer, and the Executive Director of Legal Services & Corporation Counsel.