

Proposed Parking and Impoundment Fee Increases - 2024/2025

RECOMMENDATION

1. That the proposed parking rate and impoundment fees included in the 2024/2025 Preliminary Business Plan and Budget be approved;
2. That the City Solicitor be instructed to prepare appropriate amendments to Bylaw No. 7200, Traffic Bylaw, 1991 (Traffic Bylaw), and Bylaw No. 8640, the Impounding Bylaw, 2007 (Impounding Bylaw); and
3. That Administration expand pay parking zones, as identified in this report.

ISSUE

This report provides recommendations on parking rates for on-street pay parking areas, transaction fees related to use of the pay parking app, impound lot related fees as well as details on the expansion of on-street pay parking zones.

BACKGROUND

Parking revenues, including revenues for the payment of parking in pay parking areas, fund a variety of items, including parking operating expenses, contributions to the parking capital reserve, funding for the Community Support Officer Program and grants to Business Improvement Districts. Remaining proceeds are directed to the Business Improvement District Streetscape Reserve (50%) and for mill rate support (50%). Pay parking rates have not been increased since 2010.

The City currently offers a variety of methods for customers to pay for parking, including payment via a parking app. With each pay parking transaction made via the parking app, the City incurs a \$0.15 charge.

The Governance and Priorities Committee, at its meeting on July 25, 2023, considered the 2024/2025 Business Plan and Budget Process Report, and resolved, in part:

“That the Governance and Priorities Committee direct Administration to include Option 1 – Increase Parking Rates by \$0.50/hour in the 2024/2025 Preliminary Business Plan and Budget”; and

“That the Governance and Priorities Committee direct Administration to include Option 2 – Implement Parking App Fees in the 2024/2025 Preliminary Business Plan and Budget.”

Pay parking zones are currently predominantly located in the City’s Downtown, Riversdale, Broadway and Sutherland areas. Administration identified an option to expand pay parking zones within the Warehouse District and Central Industrial areas, which results in approximately 130 additional on-street pay parking spaces.

The Governance and Priorities Committee, at its meeting on August 15, 2023, considered the 2024/2025 Business Plan and Budget Process Report, and resolved:

“That addition of approximately 130 paid on-street parking spaces occur at the following locations:

- 24th Street from Idylwyld Dr to 1st Ave N;
- 200 and 300 block of Wall Street;
- 300 bk of Pacific Ave up to 25th St E;
- 300 bk of Ontario Ave up to 25th St E;
- Northern section of 400 bk of 1st Ave N up to 26th St E; and
- 100 bk of 26th St E.”

The City’s Impound Lot Program business model is set for the program to be full cost recovery, where program revenues cover the full cost of operation.

DISCUSSION/ANALYSIS

Parking Rate Increase

The current hourly rate for parking in the City’s pay parking areas is \$2.00. An analysis and inclusion of consumer price index inflationary increases, between 2010 to present day, identifies what would amount to an hourly parking rate of \$2.92. At this time, a rate increase of \$0.50 per hour is recommended to help ensure parking revenues keep pace with operating expenses and toward ensuring appropriate rates are in place to encourage parking turnover.

A \$2.50 hourly parking rate is projected to increase parking revenue by approximately \$1,070,000, resulting in \$510,000 net of expenditures.

Changes in parking demand as a result of potential parking rate increases are anticipated to be minor based on industry studies. To implement any parking rate change, minor one-time costs associated with programming, communications and pay station signage would be incurred.

The recommended parking rate increase aligns with other cities and their parking rates for on-street parking and local private lot parking.

Parking App Convenience Fee

The City currently incurs a \$0.15 charge on every customer transaction with the ParkedIn parking app. After 500,000 transactions in a year, the charge decreases to \$0.13 per transaction. Transferring the app fee to consumers results in an anticipated savings of \$120,000 per year, resulting in \$60,000 net of expenditures.

A municipal scan was conducted on this item, which did not identify a consistent approach for addressing similar app convenience fees. For a local point of reference, the app convenience fees for private parking lots range from \$0.00 to \$0.50, and on university campus the convenience fee is \$0.30. It is recommended that the \$0.15 app fee be incurred by customers and the necessary amendments be made to the City’s Traffic Bylaw to facilitate this change.

Pay Parking Zone Expansion

Expansion of on-street pay parking zones, in the Warehouse District and Central Industrial areas, as noted below, results in approximately 130 on-street parking spaces

where payment for parking would be required. A map is attached, which indicates the proposed expansion areas (see Appendix 2A):

- 24th Street from Idylwyld Drive to 1st Avenue North;
- 200 and 300 block of Wall Street;
- 300 block of Pacific Avenue up to 25th Street East;
- 300 block of Ontario Avenue up to 25th Street East;
- Northern section of 400 block of 1st Avenue North up to 26th Street East; and
- 100 block of 26th Street East.

Administration notes street-parking within these areas currently has a high utilization rate of approximately 90%, though charging for parking in these areas may have an impact on existing parking behavior. The implementation of new proposed parking stalls is estimated to generate approximately \$85,000 net of expenditures.

Impound Lot Fees

The current Impound Lot Business Model is set for the program to be full cost recovery, whereby revenues are anticipated to cover the cost of operation without reliance on property taxes. To ensure sustainability of this program, a review of current services and costs indicates the following fee increases are required:

- Impound fee from \$65 to \$70;
- Administration fee from \$25 to \$45;
- Daily storage fee from \$17 to \$20; and
- Sales charge from \$25 to \$45.

The fee increases noted above are required to account for general inflationary increases with operating expenses as well as cost increases associated with disposal of unclaimed vehicles.

FINANCIAL IMPLICATIONS

The financial implications for each item are described above.

COMMUNICATION STRATEGY

A communication strategy will be developed for all parking-related fee increases for customers. A communication strategy will also be developed for businesses affected by the pay parking area expansion. Additional work will occur related to signage plans needed to facilitate expansion of the pay parking areas.

OTHER IMPLICATIONS

Amendments to the Traffic Bylaw and Impounding Bylaw are required to implement the proposed fee changes.

APPENDICES

2A. Proposed Pay Parking Expansion

