

Report to Council



Date: July 15, 2019
To: Council
From: City Manager
Subject: Parking Management Strategy - Downtown Area Parking Plan and Bylaw Updates
Department: Parking Services Branch

Recommendation:

THAT Council receives, for information, the Report from Parking Services, dated July 15, 2019, with respect to the Downtown Area Parking Plan;

AND THAT Council approves the introduction of variable parking rates, including time of day, seasonal- and zone-based as outlined in the report from Parking Services, dated July 15, 2019;

AND THAT Council directs staff to develop and implement a flexible monthly parking permit program as outlined in the report from Parking Services, dated July 15, 2019, to encourage use of alternative transportation modes;

AND THAT Council directs staff to continue researching and bring forward policy and bylaw amendments required to allow rental of surplus legal parking stalls on residential, commercial and industrial properties, as outlined in the report from Parking Services, dated July 15, 2019;

AND THAT Council directs staff to develop and bring forward an amended Residential Parking Permit Program/Council Policy with changes to the Visitor Parking Permit Program as outlined in the report from Parking Services, dated July 15, 2019;

AND THAT the 2019 Financial Plan be amended to increase the approved 2019 capital budget for "Parking Equipment and Facilities" from \$415k to \$785k, funded from the Downtown Parking Reserve to allow for the continued replacement of single space parking meters with pay stations;

AND THAT Council amend, effective August 1, 2019, Council Policy No. 366, being the Residential Permit Program as attached to the report from Parking Services, dated July 15, 2019;

AND THAT Council amend, effective August 1, 2019, Council Policy No. 375, being the ECO Pass Permit Program as attached to the report from Parking Services, dated July 15, 2019;

AND THAT Council directs staff to bring forward appropriate bylaws for amendment consideration in support of the recommendations in the report from Parking Services, dated July 15, 2019.

Purpose:

To obtain endorsement from Council to implement parking management recommendations and related Bylaw and Council Policy amendments.

Background:

As part of the City-wide parking management strategy presented in January 2014, Council endorsed five guiding principles for parking management and directed staff to proceed with development of an updated area parking plan for the Downtown area, beginning in 2017. Staff have now completed development of this updated plan that will build upon previous work completed in 1991, 2000, 2009-10 and 2015 (interim). The plan, developed in consideration of public and stakeholder input as well as data collected on downtown parking occupancy, will help deliver on the City's goal of ensuring Kelowna remains a safe, vibrant and sustainable community. These parking recommendations are in part based on what we heard from almost 3,250 people in a fall 2017 survey as well as at a fall 2017 stakeholder meeting. A survey conducted in November 2018, which heard from more than 350 people, helped refine the parking recommendations.

Parking management is a key consideration when trying to strike a balance between convenience for citizens and visitors and providing a self-sustaining investment in multi-modal transportation.

Proposed Enhancements:

Recommendation #1: VARIABLE RATES AND ZONES

✓ Timeline – **IMMEDIATE**

By varying parking rates by location and/or time, parkers can make conscious decisions about where to park depending on the trade-offs they wish to make regarding convenience versus cost. Variable parking rates will encourage some users to park in less popular locations, thus creating capacity in more popular locations for those who are only making a brief stop or who prioritize parking closer to their destination. Progressive rate structures for on-street spaces will encourage a shift of longer stay parking to off-street facilities while relying less on enforcement of time restrictions to manage length of stay, instead letting price influence parking behaviour and encourage turn over.

Implementation:

- On-street rate/time zones will be created to define areas by demand and work toward a target (on-street) occupancy level of 85 per cent. To establish these zones, the downtown area will initially be split into three on-street rate areas. Hourly rates for each area have been established and included in the Traffic Bylaw amendment recommended in this report. These updated rates may also differ between the summer and off-season periods.

- Parking occupancy levels will be reviewed annually and, if required, new zones may be created, existing zone boundaries adjusted and/or rates increased on blocks where occupancy exceeds 85 per cent and decreased on blocks where occupancy levels are less than 60 per cent.
- Addition of an optional third hour of on-street parking at double the price of the first two hours, replacing a ticket for an overtime parking violation (\$30) with a fee for parking (\$3-\$3.50).
- Modification of pay parking hours for on- and off-street parking areas to encourage a shift in demand and improve availability of on-street parking.
 - Extend on-street pay parking to 6pm in most locations and 9pm in high demand areas.
 - Reduce off-street pay parking hours in most lots and all parkades to 9am-5pm from 6am-6pm, other than periods when special event parking is in effect.
 - **Net result is approximately 159 more stalls with reduced hours than extended.**
- Adjustment of existing pay parking hours/days in City Park and Waterfront Park to match higher summer season demand and encourage use in the off-season
 - Modify existing weekday 6am-6pm year-round to weekday 9am-5pm in off season and daily 9am to 9pm daily in the high demand summer period.
 - **Net result is a decrease of 268 annual pay parking hours.**

Recommendation #2: SUPPORT EXPANSION OF PRIVATE OFF-STREET PARKING

✓ Timeline – **IMMEDIATE**

The Library Parkade expansion, Memorial Parkade and Boyce-Gyro Beach Parking lot construction projects demonstrated the true cost of constructing parking stalls in Kelowna. As shown in the table below, given the economics of parking, private sector operators would likely need to see minimum blended revenues greater than \$255/month for surface stalls and \$152/month for structured stalls to enter the market in other than an interim capacity.

Approximate cost to provide a new off-street parking stall in downtown Kelowna	Construction, operating & maintenance	Land purchase	Total
Surface lot parking stall (per month) **	\$41.95	\$212.89	\$254.84
Structured parking stall (per month) **	\$125.02	\$27.17	\$151.17

***Not including administration, interest, taxes or enforcement costs. Monthly amounts based on a 30-year repayment period.*

In contrast to the above, blended parkade revenues¹ collected by the City in 2018, averaged \$116 per stall/per month, a deficit of \$9 per stall/per month for base operating costs (construction, operating and maintenance), or \$35 per stall/per month with land costs included.

With future changes expected with the advent of self-driving vehicles and transportation as a service (i.e. ride sharing), any opportunity to eliminate or defer significant investment in off-street parking will minimize risk until the implications of these emerging technologies is better understood. Artificially low City parking rates result in a subsidy that private providers/operators cannot compete with.

¹ Blended revenues are a mixture of hourly, daily and monthly parking revenues.

Implementation:

- Increase the rate for reserved stalls to \$150/month, to better reflect the true cost of providing these premium stalls as they are only able to be used by a single customer and are in partially/fully secured areas. *With the annual CPI adjustment in 2019, this rate will be \$123.22.*
- Increase the rate for a regular random monthly parking permit to \$90 in 2020 in conjunction with introduction of a flexible permit program to discourage everyday use. *With the annual CPI adjustment in 2019, this rate will be \$81.79.*
- Implement wait list controls to prevent/deter customers from signing up for multiple wait lists.
- Continue planning for a new parkade in the downtown area to ensure land and funds are available to construct a facility if required.
- Pursue public/private partnership opportunities for future parkades or secure (strata titled) parking stalls within future developments for public use.
- Continue work to bring City rates up to current market prices to encourage private investment.

Recommendation #3: ENCOURAGE EXPANSION OF CAR SHARING

✓ Timeline – **IMMEDIATE**

The City worked closely with Okanagan Car Share Co-op (OGO) to encourage growth of the grassroots car sharing operation and to improve the efficiency of the City's fleet management. Over time, OGO's operations grew to include a larger number of vehicles, more locations and an expanded role in the City's fleet management. OGO has now merged with Modo to further expand the services available and to allow the membership and fleet to continue to expand. Car sharing can be a valuable tool for encouraging alternative transportation options and for supporting dense urban development.

Council received a staff report in September 2017, outlining how the City could refine its policies and practices to support the growth of car sharing as a tool to support multi-modal transportation. The recommendations contained in this report continue to solidify support for the continued expansion of car sharing.

Implementation:

- Traffic Bylaw Updates to add definitions and a Rate Structure for Car-Share Vehicle parking as follows:
 - Community based/non-profit organizations: 50 per cent of regular parking rates in pay parking areas and annual Resident Parking Permit fees in other areas.
 - All other/for-profit organizations: 80 per cent of regular parking rates in pay parking areas and twice the annual Resident Parking Permit fees in other areas.
 - Exempt authorized car share vehicles from traffic bylaw sections related to parking over 24-hours in on-street locations and time restricted parking.
- Eco-Pass Parking Permit Policy update to include both classic and one-way car share vehicles as authorized to obtain renewable Eco-Pass Parking Permits.

Recommendation #4: PAYMENT IN LIEU OF PARKING BYLAW UPDATE

✓ Timeline – **IMMEDIATE**

The Payment in Lieu of Parking Bylaw No. 8125 was last reviewed in 2010. Staff recommend an update to reflect the true cost of constructing parking stalls based on recent experience with construction of structured and surface parking. Land cost is not included in the amounts below, as land may be considered a City asset that could be converted into different uses in the future.

In the past, only 75 per cent of the actual construction cost was used to determine the cash in lieu amount (\$30,000 per stall x 75% = \$22,500). Also reflected in this amendment is a shift from surface to structured parking in the South Pandosy, Capri Landmark and Midtown Urban Centres to reflect current conditions. Additionally, to avoid a need for regular updates, an annual CPI (Consumer Price Index) adjustment has been included in the proposed bylaw amendment.

Area	Current (Based on 75% cost)	New (Based on 100% cost)	Difference
City Centre (Downtown) Urban Centre	\$22,500 (Structured)	\$33,000 (Structured)	+ \$10,500
South Pandosy Urban Centre	\$7,500 (Surface)	\$33,000 (Structured)	+ \$25,500
Capri / Landmark Urban Centre*	\$7,500 (Surface)	\$33,000 (Structured)	+ \$25,500
Midtown Urban Centre*	\$7,500 (Surface)	\$33,000 (Structured)	+ \$25,500
Rutland Urban Centre	\$7,500 (Surface)	\$9,500 (Surface)	+ \$ 2,000

*The town center shown as "Springfield & Highway 97 Urban Town Center" has been split into "Capri/Landmark" and "Midtown"

Funds collected to satisfy parking space requirements must be placed in a reserve fund for the purpose of providing off-street parking spaces or transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation.

In the event that construction of additional off-street parking spaces in the future is not deemed to be in the best interests of the municipality, Section 189(2) of the Community Charter allows council, by bylaw, to transfer all or part of the collected funds to an alternative reserve that supports construction of non-vehicular transportation initiatives.

Recommendation #5: RESIDENTIAL ON-STREET PARKING RESTRICTION IN URBAN CENTRES

✓ Timeline – **IMMEDIATE**

Add a 3-hour time restriction on weekdays (between 9 a.m. and 6 p.m.) for on-street parking in residential zoned areas within the City Centre, South Pandosy and Capri-Landmark Urban Centre areas, as defined in the Official Community Plan.

This change will help reduce the impact of densification and conflicts between user groups in areas that are adjacent to business areas, multi-family developments, high parking generators and institutions by preventing parking spillover and ensuring available on-street parking isn't used to absorb on-site deficits. A blanket restriction would apply only in the absence of other restrictions already indicated by posted signage.

Recommendation #6: TECHNOLOGY TO ENHANCE USER EXPERIENCE

✓ Timeline – **IMMEDIATE**

When public comments are compared with data collected, it shows that many respondents perceive there to be less available parking than what is actually available in on-street parking areas, lots, and parkades. Leveraging technology to provide more real-time information about parking availability would help dispel some of these perceptions and reduce drivers' frustration when looking for parking.

An expansion in the number of available payment options would improve customer convenience and allowing payment for shorter time increments would encourage users to park only as long as necessary, especially in "premium" locations.

Implementation:

- Continue to enhance real-time parking availability information, both online and at street level to allow customers to choose between convenience vs price.
- Ensure payment systems (meters, pay stations and apps) can facilitate multiple payment types.
- Work with system providers to offer payment options for smaller time periods, without an extra user fee (currently all credit card payments, including PayByPhone, are limited to one-hour minimums to cover processing costs).
- Promote increased use of mobile technology to reduce the need to purchase equipment. (As equipment reaches end of life, less pay stations can be installed per block). This is made easier with a pay by licence plate system that doesn't require parkers to return to their vehicle.
- Replace Resident Permit System with a plate-based system that allows for online renewals and for residents to record visitor license plates rather than displaying passes.
- Provide options for businesses to reimburse customer parking.

Recommendation #7: EXPAND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

✓ Timeline – **IMMEDIATE**

To assist with increased acceptance of Electric Vehicles, work to expand the number of Electric Vehicle Charging Stations by continuing to pursue partnership or grant opportunities and/or including the purchase of equipment in the Parking Services annual capital budget request. *The Community Electric Vehicle Strategy, led by the Policy and Planning team, is anticipated to be completed within one-year.*

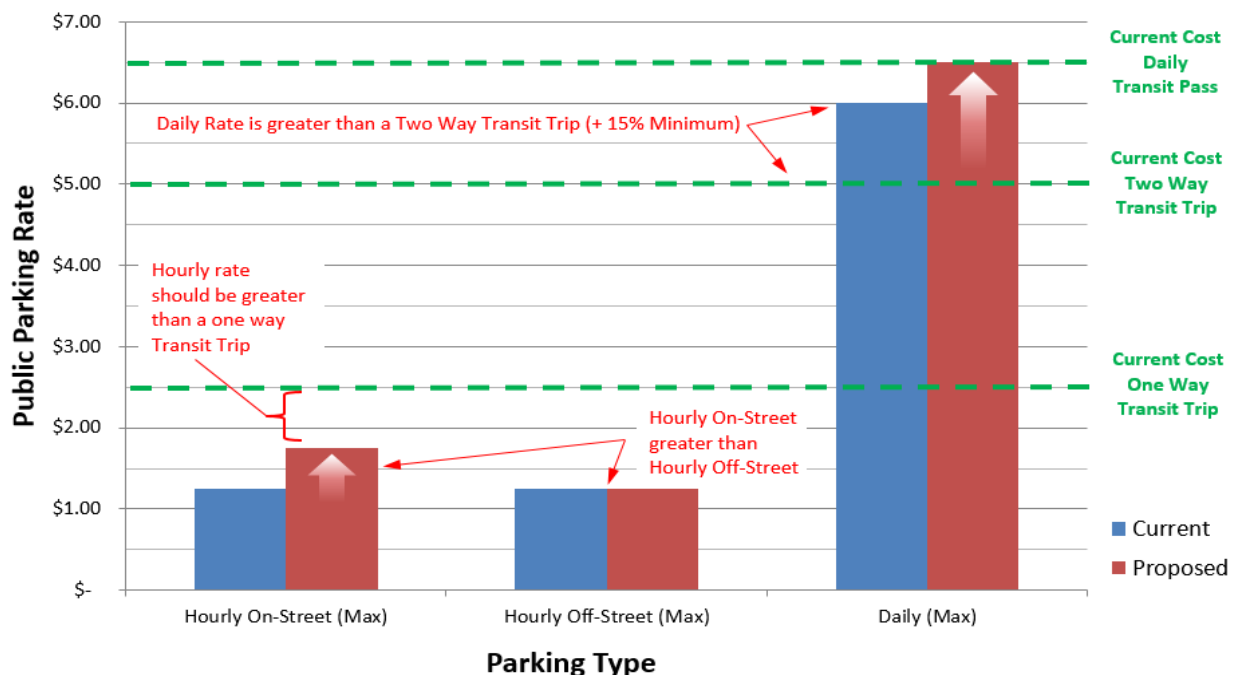
Recommendation #8: SUPPORT ALTERNATIVE TRANSPORTATION

✓ Timeline – **IMMEDIATE**

Experience in many cities has indicated that the price of parking can influence individual's choice to drive or use an alternative mode of travel. Daily and monthly parking rates set higher than related transit fees encourage people to use transit for work trips. Since adoption of the guiding principles for parking in 2014, the City has worked to maintain daily and monthly parking rates at least 10 per cent higher than related transit fees.

Implementation:

- Submit an annual capital budget request, funded from parking revenues, to purchase land and/or install infrastructure to support loading and charging areas for ride/car share, electric and self-driving vehicles.
- Increase the minimum differential between parking and transit to 15 per cent, ensuring parking rates are higher than related transit fees.



Recommendation #9: OTHER TRAFFIC BYLAW AND COUNCIL POLICY UPDATES

✓ Timeline – **IMMEDIATE**

- A. Update text for overtime parking related sections. The new wording proposed will increase clarity and reduce loopholes in the current bylaw.
- B. Add a new violation for parking a vehicle with a partially or completely obstructed licence plate(s). This addition aligns with a similar section in the BC Motor Vehicle Act and is necessary to ensure efficient operation of a Licence plate-based system for parking.
- C. Introduce market/seasonal rates at the Cook Rd Boat Launch to ensure pricing is aligned with demand and comparable rates in other areas of the City. This change will also help shift toward full cost recovery as operating and maintenance expenses continue to increase each year.
- D. Amend Council Policy No. 366 (Residential Parking Permit Program) to set the number of residential permits available for properties in the infill housing (RU7) zone at 1 (one) per dwelling and to 1 resident / 1 visitor permit for non-RU7 zoned four-dwelling housing units.

Recommendation #10: FLEXIBLE MONTHLY PASS PROGRAM

✓ Timeline – **1-YEAR (System Upgrades Required)**

The existing monthly parking permit program encourages parking even when a parker would prefer to choose an alternative transportation option, as the perception is that they have already “paid” for the space and feel a need to use it. Comparatively, shorter term/daily parking provides an incentive to not utilize parking every day.

Implementation:

- Phase out monthly permits in locations other than parkades or large surface lots, through attrition, and require new customers to use the flexible permit option.
- Continue working toward a monthly permit price that is at least 20 times the daily rate (i.e. \$6 x 20 days = \$120), so that paying daily instead of monthly makes sense for most people.
- Develop and implement a system where holders of new and existing monthly permits have an incentive to not use their permits daily. (Consistent with 2018 public survey results)
 - Use of a flexible permit, without a reduction in parking use for alternative transportation, combined with the new recommended rates would result in a monthly average of \$81.29. For an average user parking 20-days in one month, with weekends, statutory holidays and vacation days factored in would result in a \$.50 per month reduction.

Parking Days Used	Monthly Parking Fees	
	Current (2019 CPI Rate)	Flex Program (Proposed Rates)
10	\$81.79	\$40.50
15	\$81.79	\$60.75
20	\$81.79	\$81.00

Recommendation #11: UPDATE RESIDENTIAL PARKING PERMIT PROGRAM

✓ Timeline – *FUTURE (More Research/Study Required)*

The Residential Parking permit program was reviewed and updated in 2013. During development of the Hospital Area parking plan, a need to update rules and processes for visitor passes to prevent misuse was identified. With continued growth, additional challenges and opportunities for improvement have been identified, including:

- Expand list of property types and their respective permit allowances to provide more flexibility and better reflect typical property characteristics.
- Add additional options to regulate parking based on the individuality of each neighborhood.
- Changes to the number of permits allowed to better reflect available street frontage.
- Allow for a shift to a primarily online, licence plate-based system versus physical permits.
- Create a monthly on-street pay parking permit available to residents within an area, in a controlled manner, on primarily multi-family residential streets where capacity is available, and on-street pay parking is not in effect.

Staff will bring this back to Council as a separate report.

Recommendation #12: PUBLIC USE OF EXCESS PARKING ON RESIDENTIAL AND COMMERCIAL PROPERTIES

✓ Timeline – *FUTURE (More Research/Study Required)*

Consistent with 2018 public survey results, continue to research allowing property owners (residential, commercial and industrial) to rent out to others surplus/unused legal parking stalls, with appropriate restrictions in place. With consent from Council, this process may include use of a pilot project to determine effectiveness and allow challenges to be identified.

Staff will bring this back to Council as a separate report.

Alignment with Council Priorities:

The City-wide parking strategy and area parking plans relate to each of the 2019-2022 Council & Corporate priorities:

Council / Corporate Priority	Examples
Transportation & Mobility	
Investments are connecting high density areas	✓ Area parking plans support densification of urban centres (<i>Ongoing</i>)
More trips by transit, carpooling, cycling & walking	✓ Alignment of rates to encourage transit use over parking (<i>Recommendation 8</i>)

Community Safety	
Residents feel safe	✓ Continued enhancement of lighting and security in parking facilities (<i>Ongoing</i>)
Social & Inclusive	
Inclusivity and diversity are increasing	✓ Addition of door openers in parking facilities to improve accessibility (<i>2020</i>)
Economic Resiliency	
Infrastructure deficit is reduced	<ul style="list-style-type: none"> ✓ Parking revenues cover the cost of providing this service to ensure there is no impact on taxation (<i>Recommendation 2 & 4</i>) ✓ Future maintenance expenses are planned for and funded (<i>Ongoing Reserve Planning</i>)
Environmental protection	
Greenhouse gas emissions are decreasing	<ul style="list-style-type: none"> ✓ Support of Electric Vehicle infrastructure expansion (<i>Recommendation 7</i>) ✓ Variable rates/zones decrease emissions by reducing the number of motorists searching for parking (<i>Recommendation 1</i>)
Vibrant neighbourhoods	
Number of urban centre development plans is increasing	✓ Development of area parking plans to align with urban center plans and City objectives (<i>Ongoing</i>)
Financial Management	
Cost to deliver services is quantified	✓ Monitoring of operational and capital costs to ensure the function continues to operate as a user pay, self-funded branch (<i>Ongoing</i>)
Clear Direction	
Services, processes & business activities are transformed	✓ Permit system replacement to offer online access and virtual permits to reduce cost (<i>Recommendations 10 & 11</i>)
People	
Collaboration is improving problem solving	✓ Collaboration with business and resident associations (<i>Ongoing</i>)

Internal Circulation:

Divisional Director, Partnership and Investments
Divisional Director, Corporate Strategic Services
Divisional Director, Planning and Development Services
Department Manager, Infrastructure Operations
Department Manager, Integrated Transportation
Department Manager, Policy and Planning
Manager, Transportation Engineering
Manager, Strategic Transportation Planning
Manager, Transit and Programs
Manager, Community Engagement
Manager, Parks & Buildings Planning
Manager, Bylaw Services
Supervisor, Budget
Communications Advisor, Community Engagement

Legal/Statutory Authority:

Traffic Bylaw No. 8120
BC Motor Vehicle Act; Section 124
BC Community Charter, Sections 188 & 189
BC Local Government Act, Section 525
Parking Reserve Fund Establishment Bylaw No. 7533
Payment in Lieu of Parking Bylaw No. 8125

Legal/Statutory Procedural Requirements:

Traffic Orders must be created to authorize any changes/modifications to pay parking or restrictions. Approval of Traffic Orders has been delegated to the City Engineer under Traffic Bylaw No. 8120.

Existing Policy:

- Official Community Plan 2030:
 - Chapter 5 (Development Process), Map 5.3 (Urban and Village Centres)
 - Chapter 7 (Infrastructure), Objective 7.6, Policy .5 (Capacity Increases)
 - Chapter 7 (Infrastructure), Objective 7.11 (Parking Initiatives)
- Council Policy No. 366 - Residential Parking Permit Program
- Council Policy No. 375 - ECO Pass Parking Permit Program
- Council Resolution - Parking rate relationship to Transit Rates, August 13, 2001

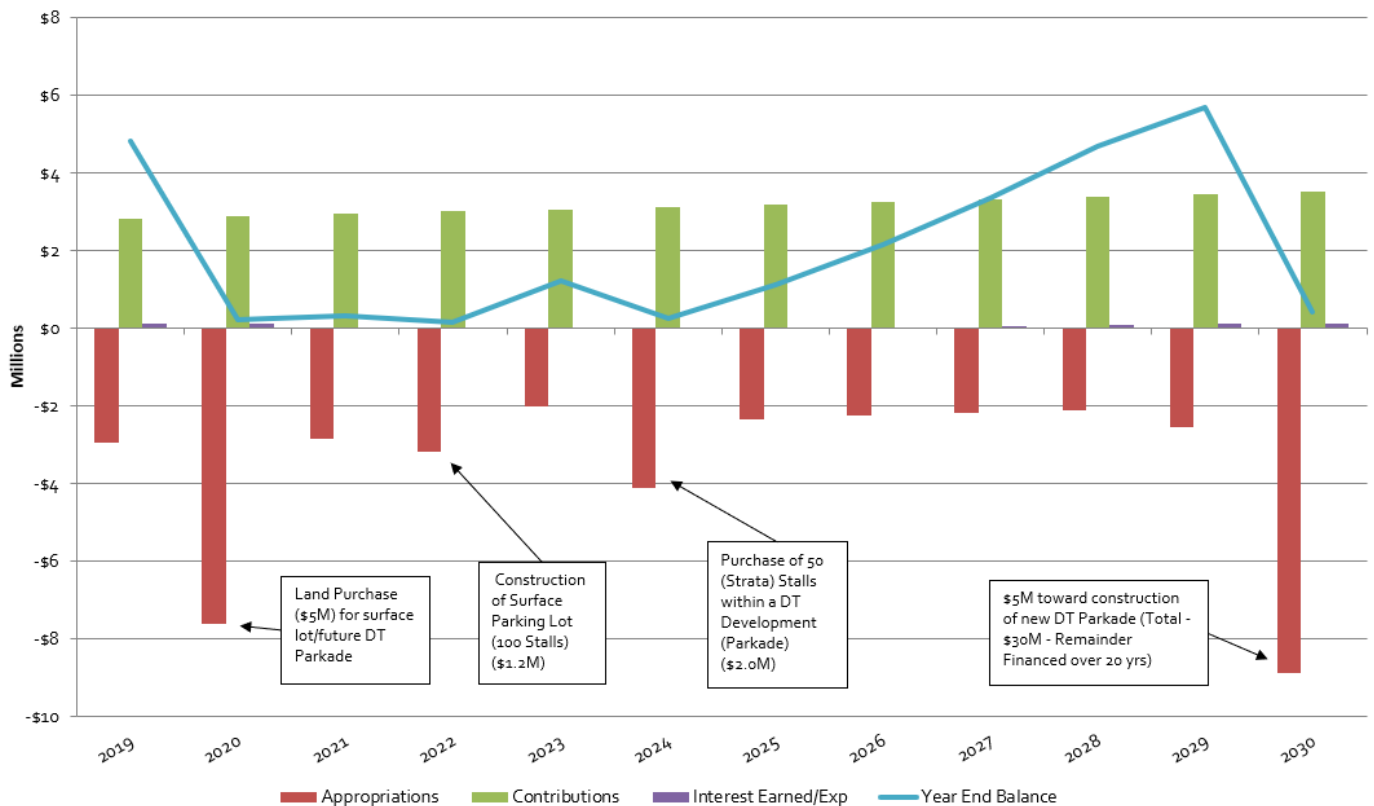
Financial/Budgetary Considerations:

The financial impact of recommendations included in this report are anticipated to be minimal as revenue increases expected from changes are offset by reductions in other areas. The City is currently

experiencing an increase in parking meter vandalism and therefore, the approved 2019 capital budget for "Parking Equipment and Facilities" is being requested to increase from \$415k to \$785k to expedite the continued replacement of single space parking meters with pay stations. Capital expenditures such as replacement of equipment that has reached end of life, major parkade maintenance and future development (land and construction) are included in the capital plan and are accounted for in the graph below:

- 2020** – Purchase of land for new downtown surface parking lot / future parkade site - \$5.0 million.
- 2022** – Construction of a surface parking lot (100 Stalls) - \$1.2 million.
- 2023** – Create a new Parkade Replacement Reserve and begin annual contributions.
- 2024** – Purchase of 50 (Strata) Stalls within a DT Development (Parkade) – \$2.0 million.
- 2030** – Construction of new downtown parkade - \$30 million. (\$5 million from reserves and \$25 million financed over 20 years beginning in 2031).

Downtown Parking Reserve Forecast - 2019 to 2030



Personnel Implications:

Shift Schedule modifications for City and Contract staff may be required to align with any changes to pay parking or restricted parking hours.

External Agency/Public Comments:

Letter received from the Executive Director of the Downtown Kelowna Association

Considerations not applicable to this report:

Communications Comments
Alternate Recommendation

Submitted by: D. Duncan, Manager, Parking Services

Approved for inclusion: J. Säufferer, Department Manager, Real Estate

Attachments: 1. Attachment A - Letter from the Executive Director, Downtown Kelowna
2. Attachment B - Urban Systems Report – Executive Summary
3. Attachment C - Amendments to Residential Parking Permit Program Policy 366
4. Attachment D - Amendments to Eco-Pass Parking Permit Program Policy 375
5. Attachment E - Private Off-Street Parking Lots – 2019 Market Rates

cc: D. Edstrom, Divisional Director, Partnership and Investments
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