

Report to Council



Date: June 13, 2016
File: 1862-90
To: City Manager
From: Community Planning and Real Estate Division (RE/RS)
Subject: Application of Bylaw 8125 - Payment in Lieu of Parking Bylaw

Recommendation:

That Council receive for information the report from the Community Planning and Real Estate Division dated June 13, 2016;

Purpose:

To provide Council information on the City's Cash-in-Lieu of parking program for new development.

Background:

The Payment in Lieu of Parking bylaw permits land owners within the Urban Town Centres to pay a lump sum in lieu of providing off-street parking spaces required under the Zoning Bylaw. Application of Bylaw 8125 - Payment of Cash-in-Lieu of Off-Street Parking is administered by the Community Planning Department during the development application process. The bylaw identifies land within four of the City's Urban Centers that are subject to the bylaw. The bylaw is applied at the time of development application where a development cannot/would rather not provide the amount of parking designated by the Zoning Bylaw.

Prior to supporting payments in lieu of parking, Planning staff conducts extensive research and negotiations with developers in order to determine the potential impacts and alternatives. When a development proceeds with the cash-in-lieu of Off-Street parking, the City's practice has been not to require a Development Variance Permit to address the parking shortfall but rather to deem the payment (or combination of payment and parking provided) to meet the bylaw requirement for parking. Staff generally support this approach as being the most equitable for parking reductions in the four Urban Centres that are the subject of the program, as it allows the City to monitor parking concerns and to address them through a funded, coordinated approach.

The Payment in Lieu of Parking bylaw was established in 1997 and amended in July of 2008 to reflect increased construction costs in the Urban Centres. The Payment in Lieu amount is based upon the type of Parking required in each area. The previous recommendation was to set the payment amount at 75% of the construction value for a parking stall. Notably, the recommendation has been for construction value only and *does not include the cost of land*.

There are currently two different values for the Payment in Lieu based on the expected parking form in the Town Centres.

- For structured parking, the Payment in Lieu amount is \$22,500 per off street parking space. This was based off a 2008 expected construction value for structured parking of \$30,000 per stall. Given our recent experience constructing downtown parkades, this figure is lower than the current construction value of approximately \$35,000 per stall.
- For surface parking, the Payment in Lieu amount is \$7,500 per off street parking space. This was based off a 2008 expected construction value for structured parking of \$10,000 per stall. Surface parking is variable in cost based on existing ground conditions, level of frontage improvements, public safety improvements and level of landscaping. Staff believe the \$10,000 construction value is reasonable and may be on the high side depending on the expectation of parking lot standards.

Land costs are a significant part of parking lot development, and as previously stated, are not included in the Payment in Lieu valuation. In 2014, the City acquired property in South Pandosy to construct additional surface parking stalls. The land cost was approximately \$25k per stall.

The Official Community Plan identifies the areas of the four urban centres (see attached Appendix "A") where the Payment in Lieu applies. Currently, the Downtown area is the only urban centre where the structured parking value applies.

- Downtown \$22,500
- Rutland \$7,500
- South Pandosy \$7,500
- Springfield & Highway 97 \$7,500

Given the build out of South Pandosy, it is unlikely staff would recommend purchasing another property for surface parking. The focus would be to consider a structured parking solution. This shift in expectations on the Payment in Lieu amount will be reviewed as part of the broader Parking and Loading standards review.

The Payment in Lieu reserves for both the Downtown and South Pandosy have been reduced to negative levels to pay for the new downtown parkade structures and the new South Pandosy surface parking lot.

An alternative to the cash-in-lieu option that currently exists in Kelowna's Zoning Bylaw is off-site parking (secured within 200m of a development site). This type of parking arrangement is also deemed to meet the City's Zoning Bylaw requirement but remains a significant concern for staff because it can sterilize key lands for development and delay solutions to parking problems.

In 2016, Community Planning staff plan to review the City's Parking and Loading standards as part of general review of Section 8 of Kelowna's Zoning Bylaw 8000. The goal of this review is to modernize parking requirements in Kelowna and remedy inconsistencies between land use and parking requirements. The City has an over-arching Parking Management Strategy which is the umbrella document that guides specified area Parking Plans (Pandosy, Hospital, etc.). In parallel with the review of Section 8 of the Zoning Bylaw the Hospital Area Parking Plan will be completed and the Downtown Parking Plan will be getting started. Together these area plans will aid in determining new recommendations for updates to the cash-in-lieu program.

Internal Circulation:

Policy and Planning (JM)
Urban Planning Manager (TB)
Parking Services Manager (DD)

Legal/Statutory Authority:

Local Government Act - Section 506

Existing Policy:

Bylaw 8125 - Payment in Lieu of Parking Bylaw

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Financial/Budgetary Considerations:

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Approved for inclusion:



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cc: James Moore, Policy and Planning Manager

Dave Duncan, Parking Services Manager
Terry Barton, Urban Planning Manager

Key Messages

No changes proposed by staff for existing Cash-in-Lieu of parking program.

Community Planning staff will be reviewing the City's Parking and Loading Bylaw in the Fall of 2016 with the aim of adding clarity and incentives for certain type of development.

Appendix "A"

