

# Report to Council



**Date:** November 16, 2015  
**File:** 1862-01  
**To:** City Manager  
**From:** D. Duncan, Manager, Parking Services  
**Subject:** Parking Rate, Fine and Fee Adjustments

---

## **Recommendation:**

THAT Council receives, for information, the report from the Manager, Parking Services, dated November 16, 2015 with respect to Parking Rate, Fine and Fee Adjustments;

AND THAT Council approves base parking rate, fine and fee adjustments, consistent with the City-Wide Parking Management Strategy, effective February 1, 2016, as outlined in the report from the Manager, Parking Services, dated November 16, 2015;

AND THAT Bylaw No. 11167, being Amendment No. 27 to Traffic Bylaw No. 8120, be forwarded for reading consideration.

AND THAT Bylaw No. 11168, being Amendment No. 13 to Bylaw Notice Enforcement Bylaw No. 10475, be forwarded for reading consideration.

## **Purpose:**

To obtain approval from Council for base parking rate, fine and fee adjustments, consistent with the City-Wide Parking Management Strategy, to promote a balanced transportation system, maintain alignment with transit rates, create a competitive marketplace and to ensure adequate parking reserves are maintained.

## **Background:**

In March 2015, Council received a report on Transit Fares and approved a number of changes effective September 1, 2015. In that report, it was noted that adjustments to transit fares would trigger a review of base parking rates to ensure alignment with the Parking Management Strategy is maintained. Active management of both the supply of various types of parking and pricing can serve to discourage single-occupant vehicles and encourage other ways to commute, such as car pooling, cycling, walking and transit.

Parking management is a key consideration when trying to strike a balance between convenience for our citizens and visitors and a reasonable, self-sustaining civic investment in

multi-modal transportation. As part of the City-wide strategy presented on January 27, 2014, Council endorsed 5 guiding principles for parking management. The principles developed in the strategy are aligned with the goals in the City's OCP and will help ensure social, economic and environmental sustainability is achieved.

Application of the Guiding Principles from the City-Wide Parking Management Strategy, for Rate and Fee Adjustments:

1. *The City will focus on excellent short-term parking management to support higher turn-over while maintaining a governing role in long-term parking solutions.*
  - Rates must be sufficient to fund the true cost of providing parking; this will encourage private investment in parking infrastructure and a competitive marketplace.
2. *The parking system will continue to pay for itself (will operate under a user-pay cost recovery model).*
  - Revenue from pay parking will continue to fund all parking operations; including asset renewal, and equipment/infrastructure related to growth.
3. *Focus on customer service and fairness in parking practices by providing options, technologies and information.*
  - Multi-space pay stations continue to be deployed that, along with the "PayByPhone" system, offers multiple payment options for customers and provides merchant validation options.
4. *The City will work with institutions, businesses and developers to plan solutions for parking management.*
  - The City will continue to work toward eliminating subsidization of off-street parking. This will allow private landowners and parking operators to take on a more active role in providing longer-term off-street parking.
5. *Parking will be used to support a balanced transportation system. Parking is part of the larger transportation picture.*
  - Ensuring that parking rates are in alignment with transit rates will encourage greater usage of alternate modes of transportation, when and where possible.

It is important to maintain a pricing foundation for public on- and off-street parking that supports the guiding principles as well as other realities facing the City's parking operations and finances.

**A. Balanced Transportation System - Use of Transit (Guiding Principle 5)**

*Parking rates - what people pay for parking (hourly, monthly and daily) - influences whether people choose to drive, where they choose to park and for how long. Consistent with industry best practices for public parking, the City wants to ensure there is sufficient parking for customers and visitors, while at the same time encouraging people, when possible, to carpool, take transit, bike and/or walk to work, rather than using public parking. Managing the price of on- and off-street parking is a tool available to support these principles. Pricing should evolve with changes in demand, growth and improvements to other modes of travel.*

Significant improvements have been made to public transit over the last five years. Rapid bus service is now in place from the West Kelowna town center to UBC Okanagan. The Queensway exchange, in the heart of Downtown Kelowna, has seen major improvements including street reconstruction and new amenities such as the shelter over the center island.

- *Encourage more transit use as well as walking and cycling to major employment areas of the City.* Experience in many cities has indicated that the price of parking can influence an individual’s choice to drive or to use an alternative mode of travel. In particular, daily and monthly parking rates set higher than related transit fees encourage people to use transit for work trips.

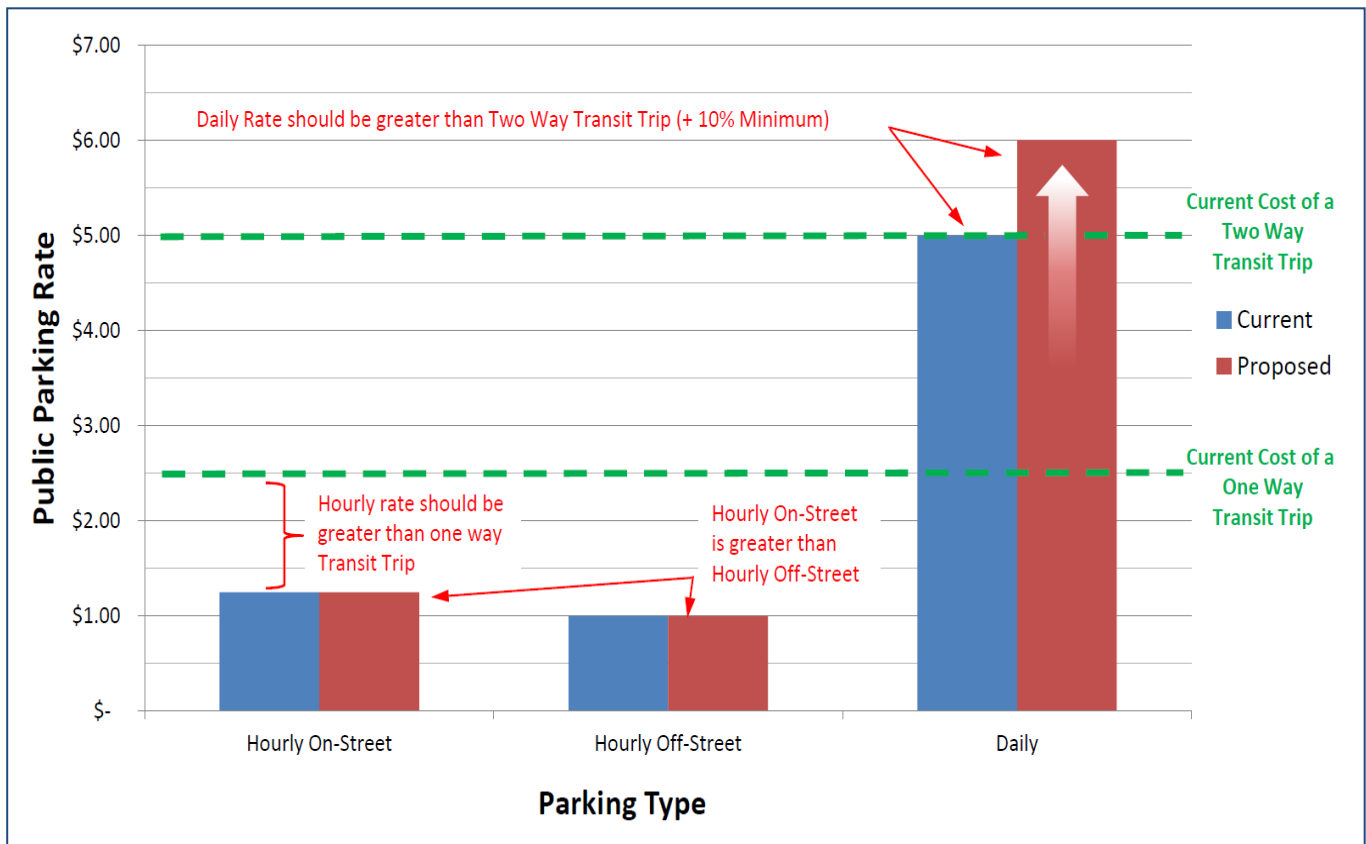
**Table 3 - Current Transit Pricing / Parking Rates Comparison**

	<b>Transit</b>	<b>Parking</b>	<b>Difference</b>
<b>Cost / trip or Hour</b>	\$ 2.50	\$ 1.00	<b>(\$ 1.50)</b>
<b>Cost per day or two way travel</b>	\$ 5.00	\$ 5.00	\$ 0.00
<b>Cost per month pass/permit</b>	\$ 70.00	\$ 66.00	<b>(\$ 4.00)</b>

- *Ensure alignment with the Official Community Plan and Council Resolutions:*
  - **Official Community Plan - Objective 7.11, Policy 1** of the OCP indicates “Work towards a pricing structure where the cost of parking for an hour at a municipal facility (city-owned parkade, off street surface lots and on-street parking) exceeds the price of a single transit trip”.

- **Council Resolution** - In August 2001, Council passed a resolution to “Establish a minimum monthly parking rate set at 10% greater than an adult monthly transit pass”. Figure 1 illustrates how current and proposed parking fees relate to transit fares.

**Figure 1 - Parking / Transit Rate Matrix**



**B. Encourage Private Investment - Competitive Market** (Guiding Principles 1 & 4)

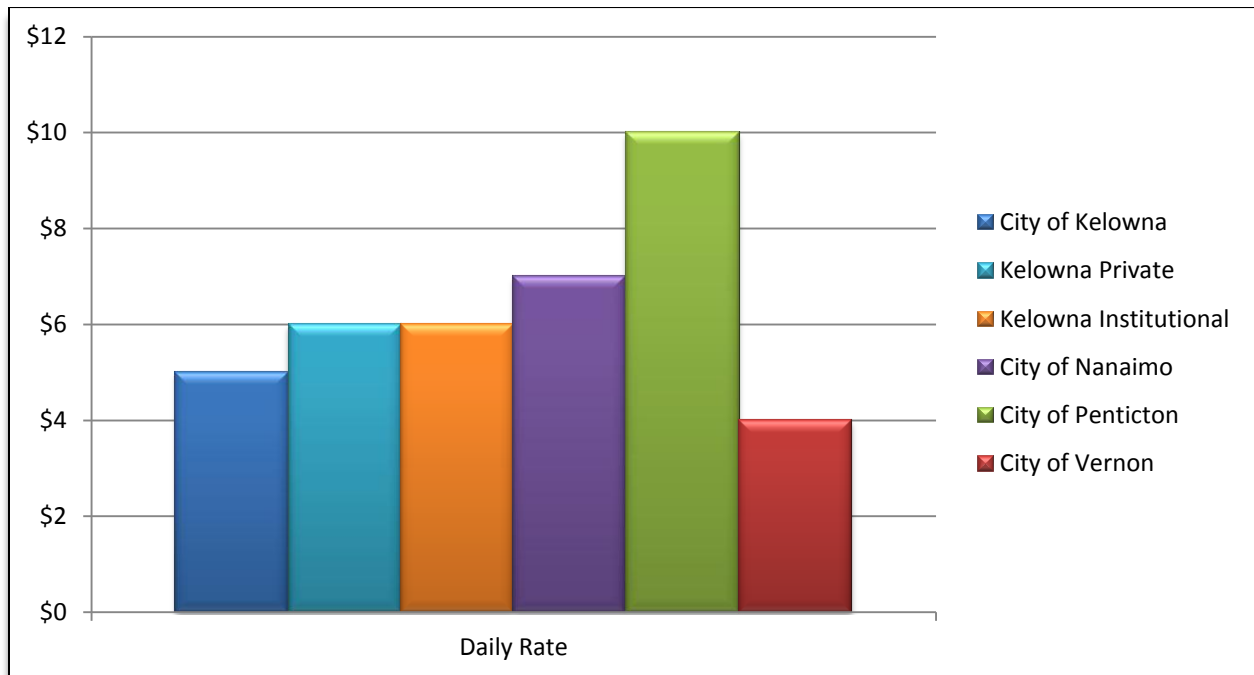
Adjustments to daily and monthly parking rates for off-street parking will move the City toward a more competitive market. Reducing reliance on City operated long-term parking will allow the City to focus on excellent short term parking management. This will encourage private sector investment in long-term parking infrastructure in support of the guiding principles.

<b>CURRENT LOCAL PRIVATE RATES</b>	Monthly	Hourly	Daily
Kelowna Private Lots & Parkades (Median Pricing)	\$85.00	\$1.00	\$6.00

<b>PROPOSED CITY RATES</b>	Monthly	Hourly	Daily
City of Kelowna Owned Lots & Parkades	\$77.00	\$1.00	\$6.00

<b><i>Difference - City vs. Private</i></b>	<b><i>-\$8.00</i></b>	<b><i>\$0.00</i></b>	<b><i>\$0.00</i></b>
---	-----------------------	----------------------	----------------------

**Figure 2 -Current Daily Parking Rate Comparison (Public & Private)**



In 2015, the City launched projects to expand the Library Plaza Parkade and to construct the new Memorial Parkade. These projects provided an opportunity to determine the true cost of construction for structured parking stalls in Kelowna. To recover construction costs alone will require approximately \$96 per month/per stall over 30 years. Ongoing maintenance and operations costs amount to another \$26 per month/per stall, resulting in required revenues of \$122 per month/per stall. This amount does not include costs for enforcement, land acquisition, major maintenance, future replacement reserve contribution or profit, which is necessary to encourage private investment in parking infrastructure.

**Table 1 - Structured Parking Construction Costs - 2015**

Facility / Project	Number of Stalls	Budget	Cost Per Stall
Library Plaza Parkade Expansion	197	\$ 7,000,700	\$ 35,537
Memorial Parkade Construction	566	\$ 19,247,850	\$ 34,007
<b>Total/Average - Both Projects</b>	<b>763</b>	<b>\$ 26,248,550</b>	<b>\$ 34,402</b>

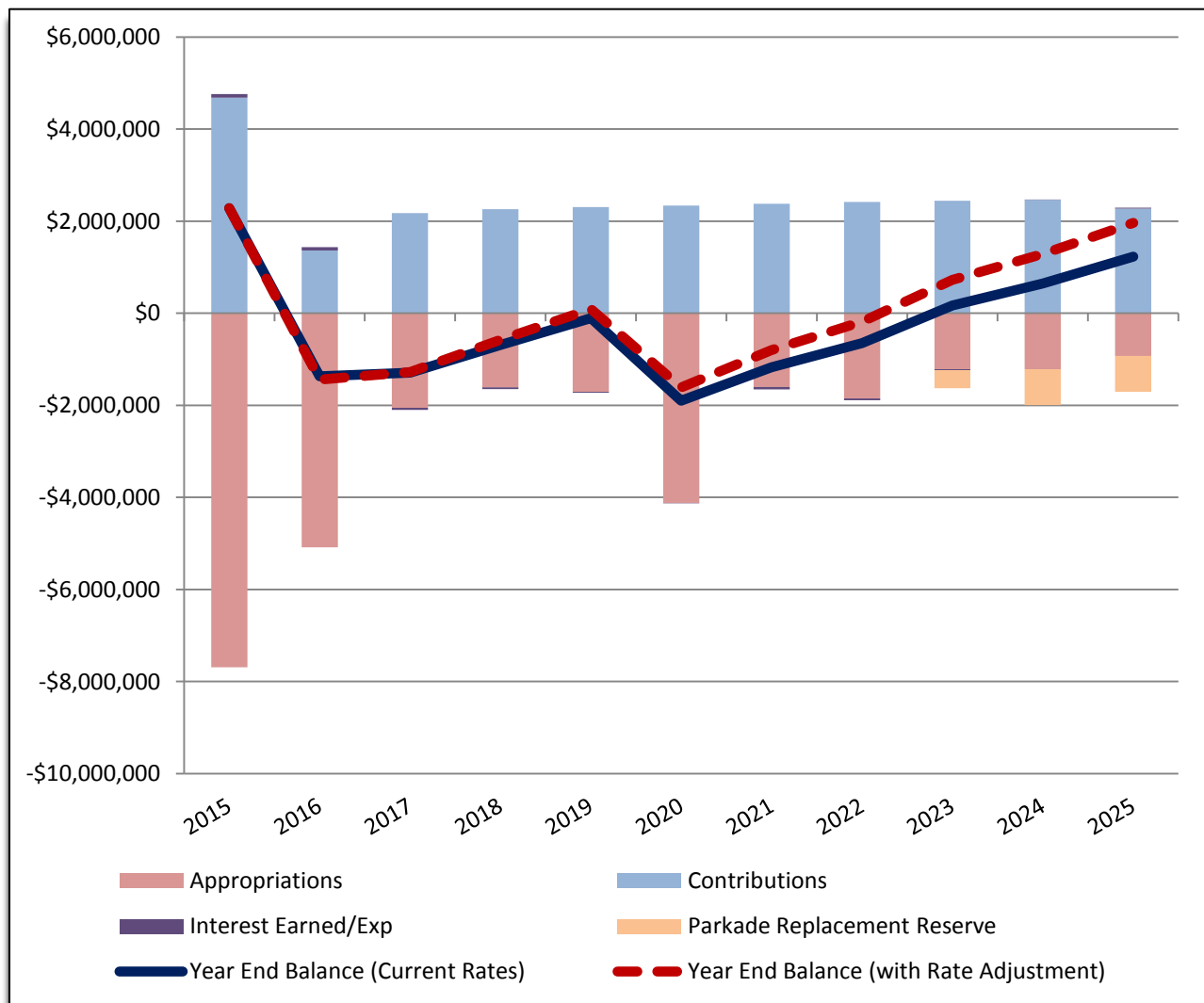
**Table 2 - Parkade Operating & Maintenance Expenses**

Facility	Number of Stalls	Operating & Maintenance	
		Annual	Per Stall
Library Plaza Parkade	471	\$ 145,136	\$ 308
Chapman Parkade	479	\$ 199,211	\$ 416
Memorial Parkade (Estimate)	566	\$ 117,571	\$ 208
<b>Average - All Facilities</b>	<b>505</b>	<b>\$ 153,973</b>	<b>\$ 311</b>

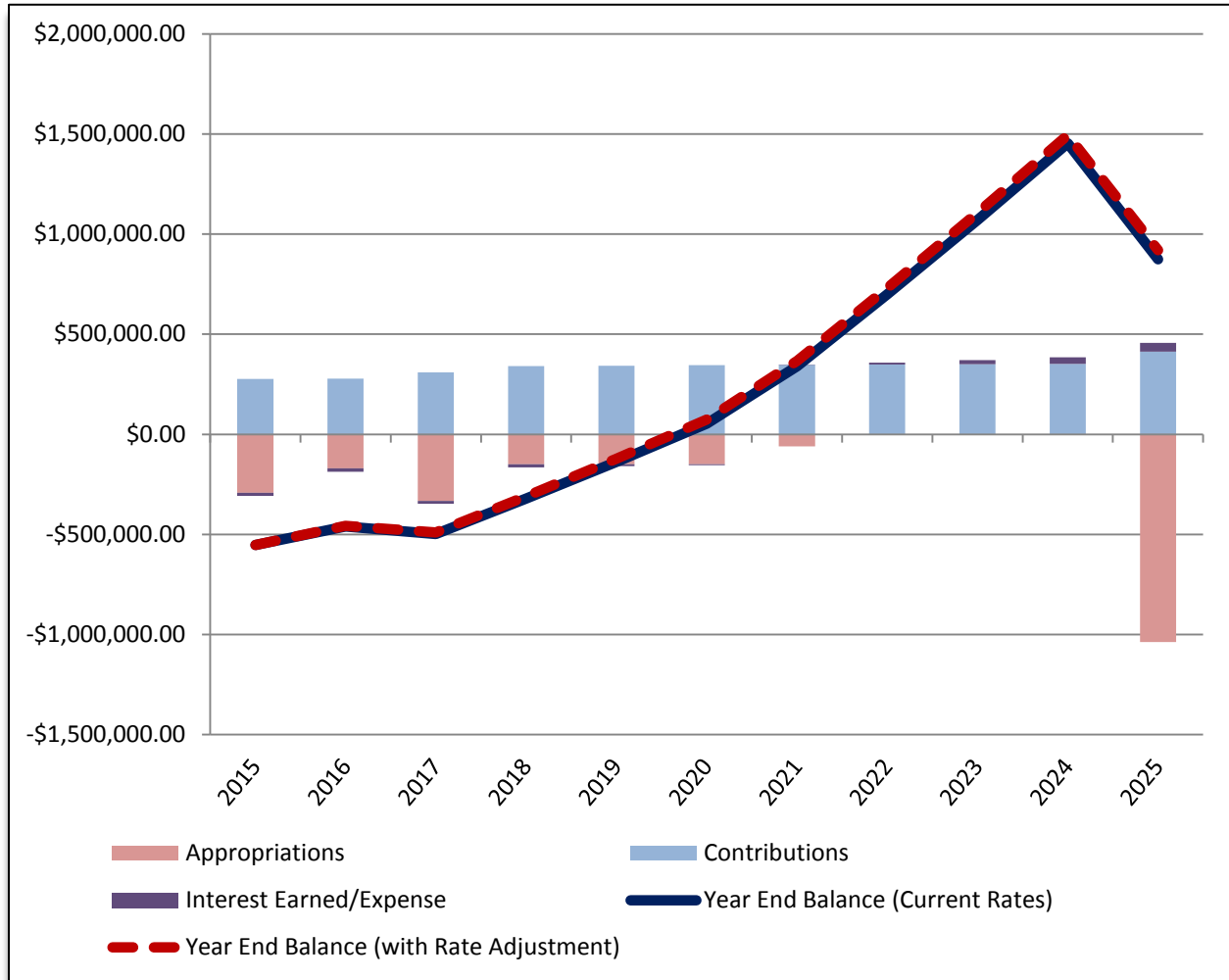
**C. User Pay System - Maintain Adequate Parking Reserves (Guiding Principle 2)**

In preparation for the 2030 Capital Plan, staff updated financial models for both the Downtown and South Pandosy parking reserves. To ensure funds are available for future investment in infrastructure and major maintenance/renewal, an increase to annual reserve contributions is required. With approval of the recommended rate adjustments, and no additional (unplanned) expenditures, the downtown parking reserve balance is estimated to reach \$2 million by 2025. In 2015, the cost to construct a new 566 stall parkade is over \$19 million.

**Figure 3 - Downtown Parking Reserve Estimate (2015-2025)**



**Figure 4 - South Pandosy Parking Reserve Estimate (2015-2025)**



**Recommendation - Base Parking Rate Adjustments**

Based on the reasons highlighted in this report, long-term parking rates should be adjusted to support use of alternate transportation modes, ensure the true cost of providing off-street parking is reflected in pricing and bring City rates in line with those charged in a competitive marketplace. New base rates of \$6 per day, \$62-\$77 per month for random monthly parking and \$116.00 per month for reserved stalls are recommended. No changes to base hourly rates are requested at this time. A detailed listing of rate changes is included in Amendment No. 27 to Traffic Bylaw No. 8120, included with this report. The Traffic Bylaw currently allows for an annual rate adjustment based on the British Columbia Consumer Price Index (CPI), all items value. This adjustment will be applied annually, beginning in 2017.



**Table 4 - City-owned Public Parking Rates**

Type of Parking	Today	Recommended Base Parking Rates
<b>Off-street</b>		
Hourly	\$ 1.00	\$ 1.00 <sup>1</sup>
Daily	\$ 5.00	\$ 6.00 <sup>2</sup>
Monthly	\$ 53.00 to \$ 66.00	\$ 62.00 to \$ 77.00 <sup>3</sup>
Reserved	\$ 99.00	\$ 116.00 <sup>4</sup>
<b>On-street</b>		
	\$ 1.25	\$ 1.25

1. Off-street parking rates will be set and remain lower than on-street rates to encourage use by short-term customers.
2. Daily rates must, at a minimum, remain higher than the price of a 2 way transit trip (Currently \$5.00) + 10%.
3. The target minimum rate for a monthly parking permit is determined using the current price of an adult monthly transit pass (Currently \$ 70) + 10%. In peripheral areas where demand is lower, a discounted rate set at 80% of the target rate is applied.
4. The minimum monthly rate for reserved stalls is established using the target monthly pass rate (\$77.00) + 50%. Pricing for reserved stalls should reflect the full cost of providing the stall as there is no potential to oversell.

**Recommendation - Fine and Fee Adjustments**

**1. On-Street Parking Permits (“Construction Meter Bags”)**

- Prior to on-street parking rate changes, the daily rate for “On-Street Parking Permits” was \$1.00 greater than the cost of parking for a day at an on-street parking meter. This fee is now much less than the cost of parking for a full day. An increase to \$11.00 per day (including taxes) is recommended to correct this imbalance and ensure these permits are utilized only when necessary.

**2. Bylaw Offence Notices - Increase Low (Non-Deterrent) Fine Amounts**

- Several offences currently have an extremely low fine amount of \$10, which is reduced to only \$5 if paid within 14 days. An increase of the base fine amount from \$10 to \$20 (reduced to \$15 if paid within 14 days) is requested for the following offences:
  - Section 4.1.2(ii) - “Parked Outside Metered Space”
  - Section 4.1.2(ff) - “Parked in Same Block”

### 3. *Bylaw Offence Notices - Early Payment Discount Reduction*

- The discounted fine for non-payment of parking is currently \$10 when paid within 14 days. Prior to parking rate adjustments in 2013, this discounted fine was more than double the cost of parking on-street for a full day (\$4). Since on-street rate changes, this discounted fine is now equal to the cost of parking for a full day on-street and no longer serves as a deterrent for non-payment. An increase to the discounted fine amount from \$10 to \$20 is recommended. The change would apply to the following offences:
  - Section 4.1.2(dd) - "Parked Off-Street Parking Without Pass"
  - Section 4.1.2(hh) - "Expired Parking Meter"
  - Section 4.1.2(hh.2) - "Expired Parking Meter - Dispenser"

The base fine amount for these offences is \$30 and will remain unchanged.

### 4. *Accessible Parking Permits*

- The City currently charges \$10.50 (including taxes) for accessible permits and offers a replacement permit for \$2.10 (including taxes). These permits are also sold throughout British Columbia by "SPARC BC" (The Social Planning and Research Council, a non-profit charity in BC) at a charge of \$20 (including taxes). This pricing inequity has resulted in an ever increasing number of out of town customers obtaining and renewing their accessible parking permits at the Kelowna City Hall cashiers.
- An increase of the permit fee to \$20 (including taxes) for permanent (valid for 3 years) and temporary permits (valid for the period of temporary disability to a maximum of 1 year) is requested to match the rate charged by SPARC and to ensure equity throughout the province.

### 5. *Bike Parking*

- The City currently offers bike locker rentals at \$12 per month. Fees currently charged for this service are not included in the Traffic Bylaw and must be added to formalize this fee.

A minimum of two months notice would be provided by e-mail or regular mail to all monthly parking customers prior to any rate changes taking affect. This notice would allow adequate time for customers to relocate or make other arrangements, if desired. The proposed implementation date for the rate, fine and fee adjustments recommended in this report is February 1, 2016.

**Internal Circulation:**

Divisional Director, Communications & Information Services  
Divisional Director, Corporate & Protective Services  
Director, Financial Services  
Director, Regional Services  
Manager, Policy & Planning Department  
Manager, Transportation & Mobility  
Manager, Financial Planning  
Manager, Bylaw Services  
Manager, Revenue Branch  
Supervisor, Traffic Operations  
Community Engagement Consultant  
City Clerk  
Legislative Coordinator

**Legal/Statutory Authority:**

- Community Charter, Section 194(1)
- Parking Reserve Fund Establishment Bylaw No. 7533
- Motor Vehicle Act; Section 124(1) (a), (c) & (f)

**Legal/Statutory Procedural Requirements:**

Amendment to Traffic Bylaw No. 8120, Schedule "A" (Fees)

**Existing Policy:**

- Official Community Plan, Chapter 7 (Infrastructure), Objectives 7.6, 7.8 & 7.11
- Council Resolution - Parking rate relationship to Transit Rates, August 13, 2001

**Financial/Budgetary Considerations:**

Annual Increase to Downtown Parking Revenue	\$ 89,224
Annual Increase to South Padosy Parking Revenue	\$ 4,119
<i>Total Annual Increase to Parking Revenue</i>	<i>\$ 93,343</i>

**Personnel Implications:**

City staff will re-program affected pay stations and update signage to reflect any approved rate changes.

**Considerations not applicable to this report:**

External Agency/Public Comments:  
Communications Comments:  
Alternate Recommendation:

**Submitted by:** D. Duncan, Manager, Parking Services

**Approved for inclusion:** D. Edstrom, Director, Real Estate

**Attachments:**

1. Attachment A - Private Parking - 2015 Kelowna Market Rates

cc: C. Weaden, Divisional Director, Communications & Information Services  
R. Mayne, Divisional Director, Corporate & Protective Services  
G. Davidson, Director, Financial Services  
R. Westlake, Director, Regional Services  
D. Noble-Brandt, Manager, Policy & Planning Department  
M. Hasan, Manager, Transportation & Mobility  
G. King, Manager, Financial Planning  
G. Wise, Manager, Bylaw Services  
L. Walter, Manager, Revenue Branch  
F. Wollin, Supervisor, Traffic Operations  
K. O'Rourke, Community Engagement Consultant  
S. Fleming, City Clerk  
C. Boback, Legislative Coordinator