

COUNCIL REPORT

M&C No.	2019-325
Report Date	November 27, 2019
Meeting Date	December 02, 2019
Service Area	Transportation and Environment Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Parking Revenue – Sustainability Item

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Authors	Commissioner/Dept. Head	City Manager
<i>Marc Dionne/ Jill Good</i>	<i>Marc Dionne</i>	<i>John Collin</i>

RECOMMENDATION

The City Manager recommends that Common Council:

1. Endorse the proposed On-Street Parking Meter Rate and Parking Ticket Increase - Sustainability Item as an option to be considered in addressing the entirety of the deficit in 2021 and 2022.
2. Support the proposed Monthly Parking Increase and Non-Resident Differential Parking Fees – Sustainability Item as an option to be considered in addressing the entirety of the deficit in 2021 and 2022 and refer to the Parking Commission for further analysis and deliberation.

EXECUTIVE SUMMARY

A number of parking revenue options are proposed to be considered as sustainability options to address the entirety of the deficit in 2021 and 2022. Common Council has the authority to set the rate for on-street metered parking and ticket violations through a decision of Council and by-law amendments. Additional parking revenue could be realized by increasing on-street metered parking by 12%. This would involve looking at parking across the city and implementing a range of rates based on location. Revenue from increasing on-street metered parking rates is estimated to yield an additional \$118,000. An increase in parking tickets by \$10 could result in an estimated \$123,000 in additional revenue. Both these proposed increases align with rates in Fredericton, Moncton, and Halifax.

The Parking Commission has the authority to increase rates for monthly parking. All revenue related to monthly parking is received by the Parking Commission with the exception of Market Square Parking Garage. The Saint John Parking Commission evaluates monthly parking rates annually. In working with the Parking Commission, an increase of 10% is already being considered across all monthly parking spaces for 2020 and would represent an estimated additional \$116,000 in revenue annually.

The Parking Commission also has the authority to implement differential parking fees, provided Council adopts the distinction between residents and non-residents. As part of the analysis on the 2,100 monthly parking spaces managed by the Parking Commission, approximately 40% of those spaces are occupied by non-residents. It is proposed to double the monthly parking rate in all parking lots managed by the Saint John Parking Commission for non-residents after the 10% increase has been applied. This could result in approximately \$620,000 in additional revenue to the Parking Commission (exception Market Square Parking Garage) provided the same occupancy rate is maintained.

With respect to monthly parking increases and non-resident differential parking fees, it is proposed that the Parking Commission explore these opportunities for revenue further. This would include determining a mechanism by which revenue would flow to the City from the Parking Commission.

PREVIOUS RESOLUTIONS

On October 7, 2019, it was resolved by Council to receive and file M&C 2019-249: 'Sustainability: Addressing the Deficit 2021-2022'.

REPORT

On- Street Parking Increase

The City of Saint John currently has 146 coin-operated meters, 36 Pay & Display machines, and 21 Pay by Plate kiosks, which are located in the South Central Peninsula. There are approximately 690 on-street metered parking spaces.

Common Council has the authority to set the rates for on-street metered parking through by-law amendments. On-street parking rates are currently charged daily from 8:00 am to 6:00 pm, Monday to Friday at a rate of \$2.00/hour at all metered spots. Currently on-street parking is free on weekends, holidays, after 6:00 pm Monday to Friday, and is located only in the South Central Peninsula. The Saint John Parking Commission collects approximately \$1 Million in net revenue annually from on-street metered parking, not including fines.

The on-street metered parking rate has not been increased since 2012. It is proposed that the rate increase by 25 cents to \$2.25/hour. If this increase was applied to all on-street metered parking spaces equally, it is projected to result in approximately \$118,000 in additional net revenue to the City, representing a

12.5% increase for all meters. The proposed increase is less than CPI during the same time period of 12.71%.

This additional revenue would be achieved by varying the parking meter rate based on location rather than a flat increase across all metered spots. This approach facilitates turnover of parking in high-demand areas while encouraging people anticipating longer stays to utilize off-street parking. The proposed implementation will also consider a review of the days of the week and/or hours in which there is currently no charge but demand exists for on-street parking.

Parking meter rates, time limits, and hours of operation vary across comparable cities of Moncton and Halifax. For example, the on-street parking meter rate is \$1.00-\$2.50/hour in Moncton and \$1.50-\$3.00/hour in Halifax depending upon the location.

Parking Ticket Increase

Common Council has the authority to set the amount for parking ticket violations through the approval of by-law amendments. The Saint John Parking Commission issues approximately 20,000 parking tickets annually for Parking Meter and Traffic By-law violations. In 2019, the Saint John Parking Commission is projected to generate approximately \$600,000 in revenue from paid parking ticket violations.

The City of Fredericton recently increased their parking ticket violations, in addition to other parking related fees in April 2019. This increase was recommended in *The City of Fredericton: Master Plan* prepared by Stantec. Benchmarking completed as part of Fredericton's plan shows that Saint John violations remain lower on average than other comparable cities, with the exception of Traffic By-law tickets in Halifax. Below are the current Parking Meter and Traffic By-law Violations.

Meter Violations			
City	Date Issued	Increased Ticket Amount	Summoned Amount
Saint John	\$20	\$25 (after 15 days)	\$50
Fredericton	\$25	\$50 (after 20 days)	\$75
Moncton	\$30	\$45 (after 20 days)	\$70
Halifax	\$25	No Increase	\$61.60

Traffic By-Law			
City	Date Issued	Increased Ticket Amount	Summoned Amount
Saint John	\$30	\$40 (after 15 days)	\$65
Fredericton	\$50	\$75 (after 20 days)	\$100
Moncton	\$45	No Increase	\$75
Halifax	\$25	No Increase	\$61.60 (after 60 days)

It is important that parking ticket violations increase to avoid the potential for parkers to abuse the system for those exceeding the allotted time. For example, there are currently parking meters that have a 10 hour time limit at \$2.00/hour.

A violation for an expired parking meter is only \$20. Increasing the penalty may incentivize individuals to adhere to parking time limits and rates.

The last increase to the City's parking violations took place in 2012. It is proposed that all Parking Meter and Traffic By-law violations increase by \$10. Resulting in approximately \$123,000 in additional revenue.

Violation	Paid within 15 days		Paid between 16 and 30 days		Paid after 30 days	
	Current	Proposed	Current	Proposed	Current	Proposed
Expired Meter/Pay & Display	\$20	\$30	\$25	\$45	\$50	\$60
Overtime Parking/ Time Restricted Zones	\$30	\$40	\$40	\$55	\$65	\$75
No Parking Zone	\$30	\$40	\$40	\$55	\$65	\$75
Alternate Side Parking	\$30	\$40	\$40	\$55	\$65	\$75
Snow Ban Parking	\$30	\$40	\$40	\$55	\$65	\$75
Official Parking (Authorized Vehicles Only)	\$30	\$40	\$40	\$55	\$65	\$75
Parking in Excess of 4 hours (applies to spaces not contraolled by parking device or sign)	\$30	\$40	\$40	\$55	\$65	\$75
No Overnight Parking at Meters	\$30	\$40	\$40	\$55	\$65	\$75
Commercial Loading Zone	\$50	\$60	\$75	\$75	\$100	\$110
Handicap Space	\$75	\$125	\$75	\$125	\$100	\$125

Monthly Parking Increase

In March 2019, the Saint John Parking Commission was tasked with identifying additional sources of revenue and/or cost savings to assist in addressing the City of Saint John's financial challenges. One opportunity for additional revenue brought forward at that time was to increase the overall monthly parking rate by 10%.

The Parking Commission has the authority to increase rates for monthly parking without any endorsement of Common Council. It is the Commission's practice to evaluate monthly parking rates annually. All revenue related to monthly parking is received by the Parking Commission. The only revenue that the City receives at this point in time is for the parking lot at Market Square.

There are currently over 2,100 monthly parking spaces in 27 lots under the management of the Saint John Parking Commission of which 22 are under lease agreements (property is not owned by the City of Saint John). In order to implement the 10% rate increase, the Parking Commission must obtain agreement from property owners based on the terms in their respective agreements.

A 10% increase to all monthly parking spaces would represent an additional \$116,000 to the Commission annually. This projection accounts for an 80% occupancy rate. It does not include any hourly/daily parking revenue from these lots.

The current monthly parking rates in Saint John range from \$50 to \$127/month. The City of Fredericton monthly rates range from \$60 to \$110/month. Fredericton is recommending rate increases in both 2020 and 2021 where rates will eventually range between \$100 to \$130/month. Monthly parking rates in Moncton range from \$125 to \$160/month.

Non-Resident Differential Parking Fees

The Local Governance Act (Act) allows for the implementation of differential parking rates based on residency. As per Section 12 of the Act, *except as otherwise provided, a by-law under this Act may be general or specific in its application and may differentiate in any way and on any basis a local government considers appropriate.* Therefore, if the City considers it appropriate to differentiate between residents and non-residents, the Act provides authority to make such a distinction in the application of its by-laws.

The Parking Commission has the authority to implement differential parking fees, provided Council adopts the distinction between residents and non-residents. All revenue related to differential parking would be received by the Parking Commission, with the exception of Market Square Parking Garage which would be received by the City.

As part of the analysis on the 2,100 monthly parking spaces managed by the Parking Commission, approximately 40% of those spaces are occupied by non-residents. It is proposed to double the monthly parking rate in all parking lots managed by the Saint John Parking Commission for non-residents after the 10% increase has been applied. Similar to the increase to monthly parking rates, the Parking Commission must obtain agreement with all property owners for those lots the Commission manages on behalf of others.

The proposed non-resident differential parking fee is based on doubling the monthly parking rate. This would include the proposed 10% increase in monthly parking. If implemented, it is projected that an additional \$620,000 in revenue could be achieved, provided the same parking lot occupancy rate is maintained.

A review of other municipalities across Canada did not yield any comparable data on non-residential differential parking fees. This means there are no guidelines or best practices to benchmark against.

Approach to Implementation

Given that Common Council can make a decision with respect to an increase to both on-street metered parking and parking ticket violations, the following activities would be undertaken collaboratively between the Parking Commission and City staff to implement these initiatives.

- Engaging key stakeholders on proposed on-street metered parking changes (e.g., Uptown Saint John)
- Developing on-street meter parking zones and corresponding rates

- Contacting existing vendors to order software and hardware, where necessary
- Preparing the necessary by-law amendments for both on-street parking meter and parking ticket violation increases
- Updating all print materials, website, and internal systems for both on-street parking meter and parking ticket violation increases
- Delivering a communications program to educate parking customers and stakeholders on changes for both on-street parking meter and parking ticket violation increases

Given that the Parking Commission makes the decision with respect to monthly parking rates and non-residential differential parking fees, the following activities would be undertaken by the Parking Commission with support of City staff to implement these initiatives.

- Obtaining support from the Saint John Parking/Transit Commission Board for implementation of these sustainability initiatives
- Attaining agreement with property owners for lots the Parking Commission manages to increase monthly parking rates and apply non-resident differential parking fees
- Finalizing non-resident differential parking fees (considering potential impact) and developing an administrative process for applying these fees and collecting revenue to existing and new non-resident monthly parkers
- Determining the mechanism to allocate revenue from the Parking Commission to the City (in addition to the Market Square Parking Garage)

Time is required for further analysis and the completion of implementation steps required for all parking revenue sustainability initiatives. It is estimated on-street metered parking and parking ticket violation increases could in effect September 2020. The monthly parking rate and non-resident differential parking fee could be implemented by the end of 2020 with projected revenue incorporate into the 2021 operating budget.

STRATEGIC ALIGNMENT

The revenue realized through the Parking Revenue – Sustainability Item supports Council's Priority to be Fiscally Responsible by contributing to the overall Sustainability effort.

SERVICE AND FINANCIAL OUTCOMES

All sustainability initiatives have been evaluated against criteria based on Council's Priorities and ability to implement to address the deficit of 2021 and 2022. In addition to Feasibility, criteria include Growth & Prosperity; Vibrant, Safe City; Valued Service Delivery; and Fiscally Responsible (see Initiative Criteria Evaluation Appendix).

In terms of Council's Priority of Growth & Prosperity, there could be a minor impact. This is based upon feedback received in the past from the Uptown retail business community, which suggested that parking rate increases could deter shopping in the Uptown.

With respect to Valued Service Delivery, there is a risk that with a non-resident differential parking fee, illegal and unregulated parking lots could be created. This would require increased enforcement by City staff in Growth & Community Development Services.

There will be minimal investment required to implement any of these parking revenue initiatives (meter equipment and signage). There will also be costs related to any communications carried out to advise the public of the change. All costs will be covered through the annual operating budget.

From a feasibility perspective, Common Council can approve rates for on-street metered parking and parking tickets violations. The Saint John Parking/Transit Commission Board would be required to make the decision on monthly rate increases and non-resident differential parking fees. This would include their endorsement of how any additional revenue from monthly parking would be allocated to the City.

Projected increases for parking is expected to result in the following revenue:

On-Street Monthly Parking Rate Increase	\$118,000
Parking Ticket Violation Increase	\$123,000
Monthly Parking Rate Increase	\$116,000
Non-Resident Differential Parking Fee	\$620,000

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

City staff have work extensively with Parking Commission staff on developing these sustainability initiatives.

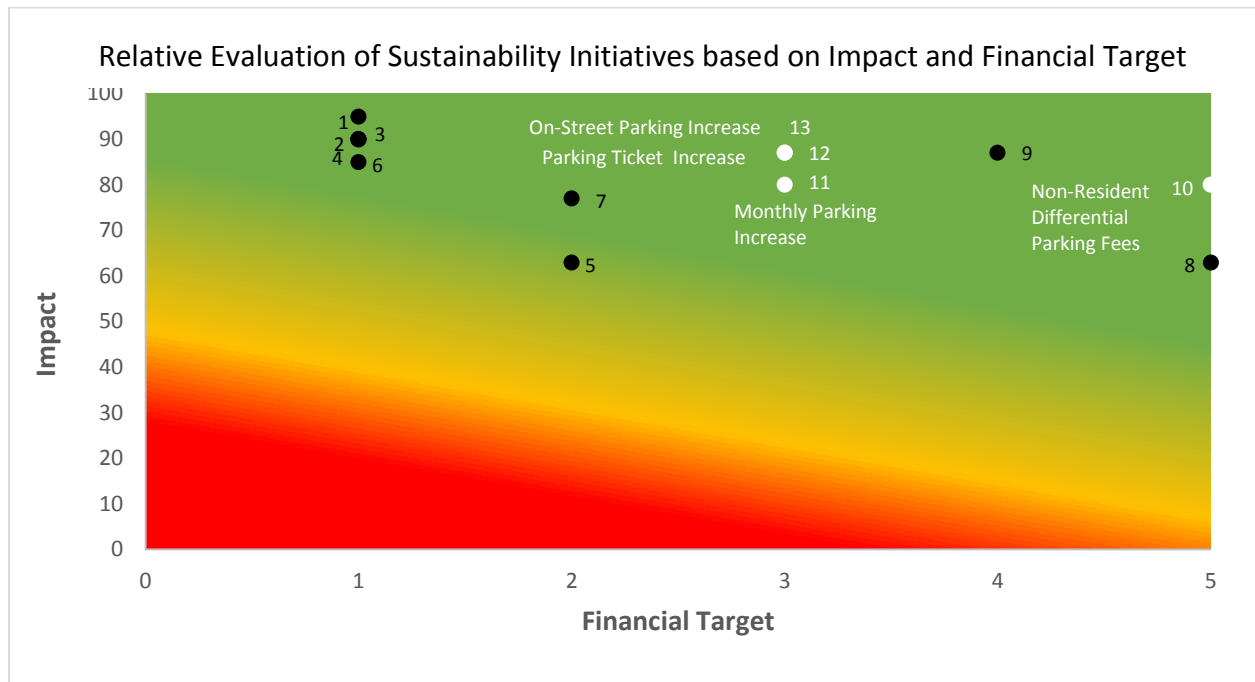
Legal staff have provided input on authority for decision making and possible solutions to apply rate increases.

The Finance team has reviewed projected revenue.

ATTACHMENTS

N/A

Appendix: Initiative Criteria Evaluation



Evaluation Notes on #10 Non-Resident Differential Parking Fees:

- There are no impacts to Growth & Prosperity. Impacts on the feasibility of this sustainability item relate to the fact that the Saint John Parking/Transit Commission Board would be required to make the decision.

Evaluation Notes on #11 Monthly Parking Increase:

- There are no impacts to Growth & Prosperity. Impacts on the feasibility of this sustainability item relate to the fact that the Saint John Parking/Transit Commission Board would be required to make the decision.

Evaluation Notes on #12 Parking Ticket Increase:

- There are no impacts to Growth & Prosperity.

Evaluation Notes on #13 On-Street Parking Increase:

- Impacts on Growth & Prosperity could be minor if there are impacts to businesses.

Note: Evaluated initiatives that fall within the yellow and green areas should be considered as options to address the 2021 and 2022 deficit. Initiatives that fall close to the red should only be considered if there are no other options to address the deficit.

Sustainability Initiatives Evaluated as of December 2, 2019 (Not including Continuous Improvement Items)

- Passport to Parks
- Lifeguards
- Rightsizing Recreation Facilities - Rainbow Park Ice Surface
- Rightsizing Recreation Facilities - Seaside Park Lawn Bowling
- Playground Program
- Fire Service Fee Recovery
- Permit and Development Approval Fees Increases

8. Grants & Incentives
9. Growth Reserve Fund
10. Non-Resident Differential Parking Fees
11. Monthly Parking Increase
12. Parking Ticket Increases
13. On-Street Parking Increase