




Hamilton

INFORMATION REPORT

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	February 23, 2016
SUBJECT/REPORT NO:	Potential Increase to Municipal Parking Rates (PED16065)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Kerry Davren (905) 546-2424 Ext. 6009
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Council Direction:

At its meeting of January 29, 2016, the General Issues Committee directed:

“That staff be directed to investigate the feasibility of raising City parking rates on off-street parking lots; in parity with the private sector, and provide a report that is to include, but not be limited to, comparators to private lots and comparators across the Province and report back to the 2016 General Issues Committee budget process.”

Through further discussion at the meeting, additional information related to waiting list numbers for monthly parking permits and parking rates measured as part of the Ontario Municipal Benchmarking Initiative (OMBI) was also requested. This information has also been included in this Report.

Information:

Municipal Carparks - Comparison to Private Parking Operators

In Hamilton, 56 of the 65 municipal carparks have fees for monthly parking ranging from \$23.55 - \$125 per month.

Recent surveys show that private parking operators in Downtown Hamilton charge \$2.50 to \$80 more per month for parking than adjacent municipal carparks (depending on location), as shown in Appendix “A” to this Report.

It is difficult to compare parking rates with the private sector in other areas of the City, as there are few, if any, private operators in the vicinity of municipal carparks. Further, a majority of municipalities have municipal carparks only in their downtown areas, and the rates are generally set to be competitive with private sector lots. Therefore, the Ontario Municipal Benchmarking Initiative (OMBI) does not include a municipal comparator for municipal off-street lots.

In Hamilton, all municipal carparks outside of Downtown have a monthly rate of \$40 (with one exception - Carpark #50 (Cannon Street/Birch Street) which has a monthly rate of \$23.55).

Potential Off-Street Parking Revenue

Monthly rates in Downtown Hamilton could be increased to match nearby private operators but this would require some fees to increase by as much as 94% (noted in Appendix "A" to this Report). Approximately 20% of these fees are currently being paid by the City as the monthly permit holders are City employees whose parking is paid for by their respective Departments.

If Downtown municipal carpark rates were to be matched with nearby private operators, it could result in additional annual gross revenue of approximately \$950,000 (assuming the number of permits issued remained the same). However, approximately \$325,000 of this revenue would be paid by City Departments for employee parking.

Historically, monthly rate increases have been applied across all municipal carparks at a flat rate. To avoid significant monthly fee increases as noted above (\$2.50 to \$80 more per month) increasing rates in all carparks by \$5 or \$10 per month could be considered. It is estimated that additional revenue of approximately \$125,000 (\$5 per month increase) or \$250,000 (\$10 per month increase) per year could be generated based on the number of monthly permits currently issued. The majority of this revenue (86.5%) would come from the Downtown carparks as shown in Table 1.

TABLE 1: POTENTIAL ADDITIONAL ANNUAL GROSS REVENUE

AREA	WITH \$5 RATE INCREASE	WITH \$10 RATE INCREASE
Downtown	\$108,720	\$217,440
East Hamilton	\$6,840	\$13,680
Dundas	\$6,210	\$12,420
Hamilton Mountain	\$2,655	\$5,310
Stoney Creek	\$945	\$1,890
Ancaster	\$270	\$540
Waterdown (monthly permits not currently issued)	\$0	\$0
	\$125,640	\$251,280

Municipal Carparks - Waiting Lists

Of the municipal carparks that have monthly permits, 46% have waiting lists. In the Downtown, all but one municipal carpark has a waiting list with the number of names on the list ranging from 10-130 per carpark.

In total, there are 1,291 people on waiting lists (1,088 Downtown), many of which have been on the list for two years. This is an indication that parking rates in Hamilton may be low as motorists are willing to wait for parking rather than consider using other modes of transportation.

OMBI Comparison - On-Street Parking Meter Rate

Currently, the Ontario Benchmarking Initiative (OMBI) parking statistics only compare on-street meter rates as on-street operations tend to be consistent across municipalities, and comparison with the private sector is not a factor.

On-street parking meter rates in Hamilton are \$1 per hour which is the lowest rate of all municipalities participating in OMBI. In 2014, OMBI reported an average on-street rate of \$1.83/hour and a median of \$1.50/hour.

Table 2 below shows how Hamilton compares with other municipalities. Some municipalities vary their on-street parking rates depending on area (typically higher rates in a Downtown area) while others use a consistent rate across the city. The comparison includes those participating in OMBI as well as those that are often used as comparators to Hamilton.

TABLE 2: ON-STREET METER RATES IN OTHER MUNICIPALITIES

	MUNICIPALITY	ON-STREET METER RATE (per hour)
*OMBI PARTICIPANT	Thunder Bay	\$1.25
	Windsor	\$1.50
	Winnipeg	\$1-5 (based on location)
	Ottawa	\$2.50
	Toronto	\$1-\$4 (based on location)
	Calgary	\$2-\$4 (based on location)
NON-OMBI PARTICIPANT	Burlington	\$1.50
	Kingston	\$1-\$1.50 (based on location)
	London	\$1.50
	Guelph	\$2

*OMBI now includes municipalities outside of Ontario.

Increasing on-street meter rates to \$1.25 or \$1.50 across the City could result in additional gross revenues of approximately \$225,000 per year (0.25 cent per hour increase) or \$450,000 per year (0.50 cent per hour increase). Increasing the rates in Downtown Hamilton only (as some other cities have higher downtown parking rates) could generate approximately \$135,000 (\$0.25 cent per hour increase) or \$270,000 per year (\$0.50 cent per hour increase).

Summary

A comparison to private parking operators in Hamilton’s Downtown and with other municipalities indicates that current on and off-street parking rates in Hamilton are low. This is also supported by the high demand on municipal carpark waiting lists.

The parking rate analysis included in this Update has been conducted with a view to increasing revenues as part of 2016 Budget deliberations. It should be noted that increasing parking rates also supports planning policies which recommend establishing parking rates to discourage automobile use (ie: Transportation Master Plan).

A summary of potential revenue options discussed in this Report is shown in Table 3.

TABLE 3: SUMMARY OF ESTIMATED REVENUE OPTIONS

REVENUE OPTION	ENTIRE CITY	DOWNTOWN ONLY
\$5 Monthly Permit Increase in municipal carparks	\$125,000*	\$100,000*
\$10 Monthly Permit Increase in municipal carparks	\$250,000*	\$220,000*
Monthly Increase (Parity with Private Operators) in Downtown Hamilton	N/A	\$950,000*
\$0.25 On-Street Meter Increase	\$225,000	\$135,000
\$0.50 On-Street Meter Increase	\$450,000	\$270,000

*NOTE: Increasing monthly permit rates would impact internal City Department budgets as many permit holders are City employees with employer parking paid.

KD:lm
Attach.

APPENDIX A

MONTHLY RATE COMPARISON
DOWNTOWN MUNICIPAL CARPARKS VS. ADJACENT PRIVATE PARKING

MUNICIPAL CARPARK #	LOCATION	MONTHLY RATE	COMPARIBLE PRIVATE OPERATOR RATE	DIFFERENCE
1	John/Rebecca	\$ 60.00	\$ 70.00	\$ 10.00
5	King William/Walnut	\$ 60.00	\$ 62.50	\$ 2.50
7	Main/Ferguson	\$ 60.00	\$ 70.00	\$ 10.00
8	King/Jarvis	\$ 70.00	\$ 62.50	-\$ 7.50
13	James/Wilson	\$ -	\$ -	\$ -
22	King/Locke	\$ 40.00	\$ -	\$ -
36	Mulberry Street	\$ 60.00	\$ 80.00	\$ 20.00
37	Convention Centre Garage	\$ 125.00	\$ 165.50	\$ 40.50
40	City Hall	\$ 80.00	\$ 150.00	\$ 70.00
49	Barton/Caroline	\$ 40.00	\$ -	\$ -
62	Vine Street	\$ 70.00	\$ 80.00	\$ 10.00
66	Bay/Cannon	\$ 60.00	\$ 80.00	\$ 20.00
68	York Parkade	\$ 85.00	\$ 165.50	\$ 80.50
69	York Parkette (next to above)	\$ -	\$ -	\$ -
70	Hughson Street	\$ 40.00	\$ -	\$ -
73	King William/Wellington	\$ 55.00	\$ 62.50	\$ 7.50
74	King/Hess	\$ 70.00	\$ 70.00	\$ -
76	Catharine/Hunter	\$ 70.00	\$ 70.00	\$ -
80	King/Bay	\$ 95.00	\$ 110.00	\$ 15.00
81	Ferguson/King	\$ 60.00	\$ 62.50	\$ 2.50

Monthly permits not available in this location.

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