



Hamilton

# INFORMATION REPORT

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| <b>TO:</b>                | Chair and Members<br>Planning Committee   |
| <b>COMMITTEE DATE:</b>    | November 19, 2019   |
| <b>SUBJECT/REPORT NO:</b> | Parking Fee Review (PED19238) (City Wide)   |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | Allister McLveen (905) 546-2424 Ext. 6009   |
| <b>SUBMITTED BY:</b>      | Brian Hollingworth<br>Director, Transportation Planning and Parking<br>Planning and Economic Development Department |
| <b>SIGNATURE:</b>         |                                   |

## COUNCIL DIRECTION

At its meeting of November 5, 2019, the Planning Committee directed:

That staff be directed to report back to the next Planning Committee meeting with options and alternatives related to increasing the fees of metered parking spaces, off-street parking lots and parking fines; and,

That the information include, but not be limited to, the fees charged by comparable municipalities.

## INFORMATION

Hamilton Municipal Parking System (HMPS) conducts regular reviews of rates and fees for the use of on-street and off-street parking spaces, as well as, associated fines for penalty notices. Typically, any proposed rate or fee increases are submitted for consideration by Council as part of the annual budget process.

Rates and fees are set based on Council Direction, taking into account supply and demand, comparison to other municipalities, historical practices, and the overall financial sustainability of the municipal parking system. While staff have delegated authority to make adjustments to parking rates in off-street lots, Council approval is required for any changes to on-street meter rates, or parking penalty fees.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

In 2018, the gross revenue for HMPS was approximately \$13.8 M, of which approximately \$8.3 M is related to parking user charges and \$5.5 M is related to parking fines. These revenues are used to off-set staff costs for operations and enforcement, parking facility maintenance, property taxes, capital upgrades, processing fees, and contributions to the capital reserve for future expenditures. Historically, HMPS has been financially self-sustaining, and typically transfers between \$1.2 M and \$2 M to the general levy each year.

In Fall 2019, HMPS commenced a comprehensive City-wide Parking Master Plan (PMP). The PMP will provide direction for a coordinated, strategic approach to parking policy, planning, financial sustainability and enforcement that will align with other city-wide policies related to transportation and land use planning. Review of policies related to parking rates and fees, including best practices and comparisons to peer municipalities, is included in the PMP scope and is underway.

In considering rates for parking, input from various stakeholders is critically important, given the link between parking supply, costs, and business activity. HMPS regularly participates in monthly meetings with Business Improvement Areas (BIAs), and engagement with BIAs and other stakeholders is part of the PMP.

### **1.0 On-Street Metered Parking**

On-street metered parking is in place in Downtown Hamilton and the majority of the BIAs. Current rates for on-street parking are \$1.50 per hour. Metered parking is enforced from 8 a.m. to 6 p.m. Monday to Friday in the Downtown. Outside of the Downtown, meters are enforced Monday to Wednesday and Saturday from 8 a.m. to 6 p.m., and Thursday and Friday from 8 a.m. to 9 p.m. The last change to on-street parking rates was implemented in June 2017, prior to which rates were \$1 per hour.

As part of the PMP, an initial comparison of parking rates for peer municipalities was undertaken as outlined in Appendix “A” attached to this Report. The comparison shows that Hamilton’s parking prices are generally lower than the comparator municipalities. Of the seven municipalities included in the comparison, the average rate is \$2 per hour and Hamilton is the third lowest.

In 2018, parking meters in Hamilton generated approximately \$2.4 M in gross revenue. It is estimated that a 25 cent increase in hourly meter rates would result in a net increase in revenue of \$280 K per year, after accounting for a potential reduction in demand due to the price increase. A 50 cent increase could generate additional revenues of \$560 K.

The cost to implement the revenue change would be relatively minor and includes replacing the price inserts in the meters as well as re-programming each meter. Implementation of pay-by-phone, which is targeted for Spring 2020, will provide enhanced payment options for customers.

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## **2.0 Off-Street Parking Rates**

HMPS currently operates 61 surface parking lots and two parking structures (Parkades), which combined, have approximately 4,400 parking spaces. Generally, these lots offer parking rates by the half hour, daily up to a maximum rate, and monthly.

Short term rates for off-street lots vary from \$0.75 per hour to \$2.50 per hour. Monthly rates vary from \$45 per month to \$140 per month.

Based on a comparison to other municipalities as outlined in Appendix “A” attached to this Report, off-street parking rates in Hamilton are at the low end of the range. Recognizing the prices vary by location, the average hourly rate in Hamilton is \$1.05 per hour compared to an average of \$2.35 in comparator municipalities. Monthly rates in Hamilton average \$53 per month vs \$110 in comparator municipalities. It is noteworthy that, no municipality in the peer comparison offers an off-street rate of less than \$1 per hour.

A comparison of prices with private off-street lots was also undertaken as outlined in Appendix “B” attached to this Report. As shown, rates are as high as \$6 per hour for some of the private lots in the Downtown area, but these taper off steeply for lots outside of the Downtown core. The highest daily rate for private lots appears to be \$13, as compared to the highest daily rate that HMPS charges; which is \$10 for the Convention Centre and City Hall lots.

As input to the 2020 budget process, staff have investigated two potential price increases, for illustrative purposes. These represent average price increases, since prices vary by location.

An increase of \$2 per hour on daily maximum rates is estimated to generate approximately \$325 K in annual revenues. This would be applied to the approximate 2,500 parking spaces in the Downtown and assumes approximately 25% of the spaces are occupied by daily parkers (e.g. non-monthly).

For monthly parking, a potential scenario would be to increase all monthly permits costs by \$10 per month, which is forecast to generate a net annual increase in revenue of \$306 K based on 2,550 permits issued. It is noted that, some of these permits are issued to City employees that qualify for permit parking and for City-owned vehicles, so there may be an off-set cost to various City Departments.

The recent installation of parking equipment that accepts credit cards should facilitate the introduction of price increases. Previously, HMPS was hesitant to increase daily rates too much as people needed to pay by coin. This is no longer a constraint.

### **3.0 Weekend Parking Payment**

Currently, on-street parking in Downtown Hamilton is free on weekends, with some exceptions. This policy dates back to an April 12, 2006 Council approved By-Law No. 06-101, which provides, that parking fees are not imposed for on-street metered parking within the Community Improvement Plan Area on Saturdays.

Recently, there have been some requests to revisit this policy. For example, in 2018 the Farmer's Market requested that paid parking on MacNab Street be extended to include Saturday to discourage use of free parking by employees, a change that has since been implemented.

As input to the 2020 budget process, staff have investigated the revenue impacts of extending paid parking to weekends in the Downtown. Preliminary forecasts suggest a net revenue increase of approximately \$40 K per year, if implemented for Saturdays, and \$60 K if implemented for Saturdays and Sundays. These estimates account for the fact that additional costs will be incurred for enforcement.

### **4.0 Parking Penalties**

In general, parking penalties (fines) are intended to promote compliance and ensure that parking is utilized as intended. Revenue generation is a secondary consideration. As such, HMPS sets fines such that they encourage compliance with parking regulations but are not so high as to be punitive. In this regard, comparisons with other municipalities is a key consideration when reviewing parking fines.

Based on a comparison with other municipalities as outlined in Appendix "C" attached to this Report, Hamilton's parking fines are fairly comparable. For example, the average fine for an expired meter violation in comparator municipalities is \$27, whereas Hamilton's base fine is \$24.

Recognizing that Hamilton is within the typical range of other municipalities for parking fines, the preliminary recommendation for the 2020 budget process is to apply an average increase of \$1. For example, the fine for "Park where prohibited-signed area" would change from \$26 to \$27.

With this change, the incremental revenue impacts are estimated at \$161 K annually.

### **5.0 Parking Lot and Parkade Operations**

HMPS utilizes several methods for controlling parking lots and Parkades. As part of the PMP, these methods will be compared against best practices, and reviewed from the perspective of ensuring optimal revenue generation/minimization of revenue leakage. Two areas for change have been identified.

The first area for change is for the York Parkade. At present, this facility is a cashier-based operation, which entails significant staffing costs. Staff are investigating conversion of this facility to pay-and-display or a fully automated system. Preliminary estimates suggest that the implementation of alternative technologies could save approximately \$100 K annually in cashiering costs. The current capital budget includes a line item for the required technology upgrade.

A second opportunity for improving cost recovery is to convert selected surface lots to gate control. Specifically, some of the surface lots surrounding Hamilton General Hospital have been identified as lots where users are abusing parking regulations. With the current pay and display system, enforcement is required to ensure compliance. Conversely, if these lots were converted to a gate system, payment is achieved for 100% of the customers. Further analysis is required to assess the business case for such changes.

## **6.0 Potential Impacts to Service Organizations**

As noted previously, HMPS takes into account a wide variety of factors when setting parking rates and fees. It is recognized that on-street and off-street parking is used by many different user groups, including community organizations. As such, the impacts of any price increases on these organizations, many of which are not-for profit, must be considered.

In most cases, service organizations are able to utilize parking in a cost-effective manner and should not be impacted. HMPS also has policies to help mitigate costs and potential fines. For example, Home Care Services Parking Permits are available for residents who are confined to their home and require essential services. These permits allow health care service workers to park their vehicle in a permit parking zone for up to two hours, thus avoiding the potential for a parking fine.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" - Parking Rate Comparison with Peer Municipalities

Appendix "B" - Parking Rate Comparison with Selected Private Parking Operators

Appendix "C" - Parking Fine Comparison with Peer Municipalities

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**Parking Rate Comparison with Peer Municipalities**

| <b>Municipality</b> | <b>Average<br/>On-street<br/>Hourly Rate</b> | <b>Average<br/>Off-street<br/>Hourly Rate</b> | <b>Average<br/>Off-street<br/>Monthly Permit</b> |
|---------------------|--|---|--|
| Calgary             | \$3.31                                       | \$4.86  | \$237.74   |
| Montreal            | \$2.00                                       | \$3.17  | \$86.16  |
| Sudbury             | \$1.30                                       | \$1.33  | \$84.20  |
| Windsor             | \$1.75                                       | \$1.50  | \$69.68  |
| Thunder Bay         | \$1.25                                       | \$1.00  | \$55.50  |
| Winnipeg            | \$3.00                                       | \$2.80  | \$171.67   |
| London              | \$1.50                                       | \$1.81  | \$64.82  |
| Average             | \$2.02                                       | \$2.35  | \$109.97   |
| Hamilton            | \$1.50                                       | \$1.05  | \$53.19  |

\* Note: Parking prices vary by location, values shown are averages

**Parking Rate Comparison with Selected Private Parking Operators**

| Location Address   | Hourly Rate | Minimums | Daily Max | Comments  |
|--------------------|-------------|----------|-----------|---|
| 75 James St. S.    | \$6.00      | \$3.00   | \$12.00   | Daily Max until 7 p.m. \$4.00<br>Evening until 5 a.m. and<br>Weekends 5 a.m. to 5 a.m.                                    |
| 44 Hughson St. S.  | \$6.00      | \$3.00   | \$12.00   | Daily Max until 7 p.m. \$4.00<br>Evening until 5 a.m. and<br>Weekends 5 a.m. to 5 a.m.                                    |
| 165 James St. S.   | \$4.00      | \$2.00   | \$15.00   | Daily Max until 8 p.m.<br>\$2.00/30 mins.<br>\$4.00 max till 5 a.m.   |
| 18 Main St. E.     | \$6.00      | \$3.00   | \$12.00   | Daily Max from 6 a.m. to 7 p.m.<br>\$4.00 Evening 5 p.m. to 6 a.m.<br>and Weekends 6 a.m. to 6 a.m.                       |
| 26 James St. N.    | \$5.00      | \$2.50   | \$13.00   | Daily Max from 6 a.m. to 6 p.m.<br>\$5.00 Evening 6 p.m. to 6 a.m.<br>and Weekends 6 a.m. to 6 a.m.                       |
| 114 Main St. W.    | \$4.00      | \$2.00   | \$ 8.00   | Daily Max until 6 p.m. \$2.00<br>Evening 6 p.m. to 6 a.m. and<br>Weekends 6 a.m. to 6 p.m.                                |
| 140 King St. E.    | \$3.00      | \$1.50   | \$ 7.00   | Daily Max until 6 p.m. \$2.00<br>Evening 6 p.m. to 6 a.m. and<br>Weekends 6 a.m. to 6 p.m.                                |
| 140 Jackson St. E. | \$2.50      | \$1.25   | \$ 5.00   | Daily Max until 7 p.m. \$2.00<br>Evening 5 p.m. to 6 a.m. and<br>Weekends 6 a.m. to 6 p.m.                                |
| 75 John St. N.     | \$1.75      | \$1.50   | N/A       | \$4.75 from 6 a.m. to 6 p.m.<br>\$2.50 Evening 6 p.m. to 6 a.m.   |
| 19 Bay St. N.      | \$4.00      | \$2.00   | \$ 11.00  | \$10.00 early bird before 8 a.m.<br>\$3.00 6 a.m. to 6 p.m. and<br>\$3.00 6 p.m. to 6 a.m.<br>Event parking as displayed. |
| 55 Bay St. N.      | \$4.00      | \$2.00   | N/A       |   |
| 80 John St. N.     | \$4.00      | \$2.00   | \$ 5.50   | Daily Max until 6 p.m. \$2.50<br>Evening 6 p.m. to 6 a.m. and<br>Weekends 6 a.m. to 6 a.m.                                |

### Parking Fine Comparison with Selected Municipalities

|                      | Hamilton   | Kingston         | London | Niagara Falls | Ottawa | St. Catharines | Welland | Brampton | Median  | Average |
|----------------------|------------|------------------|--------|---------------|--------|----------------|---------|----------|---------|---------|
| Meters               | \$24       | \$20             | \$30   | \$20          | \$60   | \$20           | \$25    | \$20     | \$22    | \$27    |
| No parking           | \$33       | \$25             | \$40   | \$25          | \$80   | \$30           | \$30    | \$35     | \$32    | \$37    |
| Through streets      | \$33       | \$30<br>(winter) | \$40   | \$25          | 100    | \$30           |         |          | \$31.50 | \$43    |
| Private property     | \$50       | \$25             | \$55   | \$25          | \$95   | \$30           | \$25    | \$40     | \$35    | \$42    |
| Heavy vehicle        | \$100      | \$25             |        | \$50          | \$70   | \$75           | \$75    | \$125    | \$75    | \$74    |
| No stopping          | \$75       | \$30             | \$60   | \$50          | \$120  | \$48           | \$45    | \$100    | \$55    | \$65    |
| Disabled parking     | \$350      | \$300            | \$375  | \$300         | \$450  | \$300          | \$300   | \$350    | \$325   | \$339   |
| Fire route           | \$100      | \$75             | \$100  | \$95          |        | \$80           | \$100   | \$150    | \$100   | \$100   |
| Time limit           | \$29       | \$25             | \$30   | \$20          | \$60   | \$20           | \$25    | \$30     | \$27    | \$30    |
| Obstructing sidewalk | \$75       | \$25             | \$60   | \$50          | \$95   | \$48           | \$45    | \$40     | \$49    | \$54    |
| Boulevard            | \$33/\$100 | \$25             | \$55   | \$25          | \$95   | \$30           | \$25    | \$30     | \$30    | \$39    |