

INFORMATION REPORT

TO: Chair and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: August 12, 2013	
SUBJECT/REPORT NO: Parking Revenue Shortfalls (PED13050(a)) (City Wide)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: Marty Hazell (905) 546-2424 Ext. 4588
SIGNATURE:	

Council Direction:

On March 21, 2013, the General Issues Committee directed:

“That staff be directed to bring a Report back to the General Issues Committee clarifying the actual and projected figures as detailed in Report PED13050 with respect to the parking revenues.”

Information:

As part of the 2008 budget process, staff was directed by the (former) Economic Development and Planning Committee to investigate and report on new/enhanced revenue sources. Staff recommended, among other things, increasing the parking meter rates across the City and installing paid parking in all commercial areas.

The above matters were considered by Committee and Council during the 2008, 2009 and 2010 budget processes, and on January 12, 2010, as part of the 2010 budget deliberations, City Council approved a recommendation of the (former) Committee of the Whole; *“That paid parking be implemented in additional commercial areas of the City being Locke Street, Stoney Creek, Ancaster and Waterdown.”* Annual revenues were estimated at \$500,000 for off-street lots and \$300,000 for on-street meters, and these amounts were included the approved 2010 budget.

On May 12, 2010, City Council directed that paid parking in Stoney Creek, Ancaster and Waterdown not apply to the off-street lots, and that the revenue shortfall (\$500,000) be funded from the Tax Stabilization Reserve.

On-street paid parking was installed on Locke Street and in Stoney Creek, Ancaster and Waterdown on or about July 1, 2010. However, as part of the 2012 budget process, Council approved removing the on-street meters in Stoney Creek and Waterdown and directed:

“That the 2012 Planning budget not be adjusted for the loss in revenue from the elimination of parking meters in Stoney Creek and Flamborough of approx. \$176,000.00 and the potential variance be funded first from departmental surplus, then corporate surplus and then tax stabilization reserve if required.”

The budgeted revenues for these on-street areas were \$128,000 (Stoney Creek) and \$48,000 (Waterdown). Thus, as reported in Report PED13050 there is currently a \$176,000 shortfall in budgeted revenues for on-street meters.

The revenue estimates for both on and off-street parking which were included in the 2010 budget, and which are currently being absorbed by the Department and/or funded from the Tax Stabilization Reserve were developed as follows:

- staff conducted periodic observations of parking usage to determine the volume of vehicles parked during the hours in which the proposed paid parking would be in effect; and
- assuming that there would be some motorists who would park elsewhere or use alternate modes of transportation to avoid paying for parking, staff applied a reduced percentage to the actual usage for the purpose of estimating potential parking revenues for budgeting purposes.

In actuality, however, the on-street parking meters underperformed financially while they were in place from 2010 to 2012. In 2011, the actual revenues were only \$53,411 (\$35,645 for Stoney Creek and \$17,766 for Waterdown). The on-street meters in these areas underperformed financially because of:

- Community non-acceptance of paid parking;
- a net loss of 12 meters in Waterdown primarily on Mill Street (Heritage District); and,
- budget estimates were based on paid parking both on and off-street, but there was a significant increase in the number of motorists parking in the municipal carparks where parking was “free”, rather than paying to park on the street.

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The foregoing is a detailed explanation and history of the \$676,000 budgeted shortfall associated with the 2010 and 2012 Council directions respecting paid parking in the former area municipalities. During the 2013 budget process these were deemed to be unsustainable transfers from the Reserve and, as such, it will be necessary and appropriate to address this outstanding issue during the 2014 budget process.

MH/dt