



To: Richmond City Council
From: Mayor Malcolm Brodie
Chair, General Purposes Committee
Re: **PARKING REVENUE**

Date: January 9th, 2002
File: 6455-05-01

The General Purposes Committee, at its meeting held on January 7th, 2002, considered the attached report, and recommends as follows:

Committee Recommendation (Cllr. McNulty opposed to Part (1) of the Phase I activities)
That the following Phase 1 and 2 recommendations relating to parking revenue be endorsed:

Phase I activities:

- (1) *Confirm the practice of pay parking on the following four City parking lots:*
 - (a) *Gateway/Chapel/Family Place;*
 - (b) *Brighthouse Park;*
 - (c) *Lawn Bowling Green Road; and*
 - (d) *Gravel Lot – Westminster Highway and Alderbridge Way.*

- (2) *Add the following additional site to the pay parking lot inventory:*
 - (a) *balance of Minoru Park parking lots.*

- (3) *Authorize a call for proposals from private contractors to operate the pay parking lots identified in recommendations (1) and (2) above for a two year period;*

- (4) *Authorize staff to introduce time parking restrictions in the remainder of Minoru Park;*

- (5) *Authorize staff to explore and if feasible enter into an agreement with the Vancouver/Richmond Health Board that would allow local Health Care Nurses on-street time exempted parking permits for a fee;*

- (6) *Authorize staff to explore the opportunity of revenue sharing with ICBC for the collection of outstanding city issued parking tickets;*

- (7) *Endorse the philosophy of towing from both on and off street parking where violators have two or more outstanding unpaid parking tickets;*

- (8) *Staff to prepare a Report to Council that contains a communications strategy for Phase I activities.*

- (9) *The City Centre area (bounded by Garden City Road, from Blundell Road north to Sea Island Way; Sea Island Way, from Blundell Road, west to the Middle Arm of the Fraser River; Blundell Road, west from Garden City Way to Gilbert Road; Gilbert Road, north from Blundell Road to Westminster Highway; Westminster Highway, west from Gilbert Road to No. 2 Road, and north to the Middle Arm of the Fraser River), to be given a high priority to determine the feasibility of implementing pay parking in this area.*

Phase II activities:

- (1) *Instruct staff to identify new on-street timed parking areas that would be feasible areas for on-street pay parking;*
- (2) *Instruct staff to identify existing on-street timed parking areas that would be feasible areas for on-street pay parking;*
- (3) *Authorize staff to conduct a proposal call for the introduction of pay parking on selected new and existing on-street timed parking areas (identified in (1) and (2) of Phase II above);*
- (4) *Staff to identify areas into which monthly on-street parking permits should be introduced;*
- (5) *Staff to prepare a Report to Council on the required capital expenditures in order to introduce recommendations (1) through (4) of Phase II above;*
- (6) *Staff to prepare a Report to Council (companion to (5) of Phase II above) that provides a cost comparison on delivery of parking services by the city and by private contract.*
- (7) *Staff to prepare a Report to Council that contains a marketing and public communications strategy for Phase II activities.*

Mayor Malcolm Brodie, Chair
General Purposes Committee

Attach.

VARIANCE

Please note that staff recommended the following for Part (2) of the Phase I activities,

- (8) Add the following additional sites to the pay parking lot inventory:
- (a) balance of Minoru Park parking lots;
 - (b) City owned lots in Steveston; and
 - (c) Garry Point Park;

and that the Committee added Part (9) to the Phase I activities.

ORIGIN

As part of the City's 2002 budget process, Council requested that staff prepare a report on parking as a potential revenue source. For background purposes, a summary that identifies the various dates over the last five years, that Committee/Council has considered issues regarding parking was prepared *Attachment 1*. *Attachment 2* contains a copy of each of the reports referenced in the summary along with the applicable resolution. A cross-divisional team, comprised of staff from Transportation; Budgets; and Community Bylaws developed this report.

ANALYSIS

The 2002 budget currently reflects an additional net income of \$325,000 from parking. This report sets a framework by which Council can direct staff to pursue, or not, the areas and manners in which pay parking can be introduced.

The report explores, at a *policy* level, the following parking revenue opportunities:

- i) City-owned off-street pay parking lots *existing* and *new* sites;
- ii) On-street time parking areas *existing* and *new* areas;
- iii) On-street parking permits; and
- iv) Parking ticket payment incentive.

The report also looks at various parking *enforcement mechanisms* that include introducing:

- i) use of enforcement staff only (no meters);
- ii) individual stall meters and enforcement staff; and
- iii) block meters and enforcement staff.

In addition, the report looks at the *provision of enforcement services* through:

- i) private contract services; or
- ii) expanding city services; or
- iii) creating a separate city operated parking corporation.

PARKING REVENUE OPPORTUNITIES - POLICY

City-Owned Off-Street Pay Parking Lots - Existing

Since the Fall of 1999 the City has had pay parking on four of its lots *Attachment 3* and has contracted with Im-Park for the operation of these lots on a revenue sharing basis. *Attachment 4* shows the revenue generated from this program by lot and year.

Pay parking was introduced on three of the four parking lots because of the problems that were created when adjacent private parking lots introduced their own pay parking. Existing City parking staff were unable to adequately enforce these sites and focus their enforcement efforts on

community safety issues. The fourth lot, the old temporary City Hall lot, was introduced strictly for revenue generating purposes.

The contractor provides parking enforcement (ticketing, towing), revenue collection, equipment, signage, monthly paid parking, and special events services, plus handles ticket complaints. The contract with Im-Park expires December 31, 2001 and will continue on a monthly basis until such time as either party gives one month's notice.

Each of the key parking lot users have and continue to be given a number of complimentary parking passes for their use. The types of complimentary passes provided to each user group is detailed in the staff report dated July 5, 1999 in Attachment 2. Some of the passes are used to provide incentives for membership and attendance or use of the facilities (Gateway; Minoru Chapel; Family Place; Lawn Bowling). In other cases, they are used for staff and volunteers. Continuing to provide these passes complimentary parking passes does have a financial impact to the City.

If pay parking was removed, the City would see an additional \$40,000 drop in 2002 parking revenue and would need to provide additional staff resources to provide timed parking enforcement as the original problems would quickly return. This program was introduced on a trial basis and it would be an appropriate time to consider its continuation.

City-Owned Off-Street Pay Parking Lots - New

Steveston Business Core

The City owns several small lots *Attachment 5* in the Steveston business core area housing approximately 40 parking stalls in total. There is an opportunity to produce additional revenue on these lots given their prime location and difficulty finding convenient parking spaces near the Steveston waterfront during peak periods such as weekends and summer months.

Some resistance to this proposal is likely. Those who were unable to meet the City's Zoning Bylaw parking requirements contributed money in lieu into a parking reserve fund. The City in turn purchased this and one other lot. The Steveston Parking reserve account is almost depleted, there is insufficient funds to purchase any new land for the purpose of providing parking stalls. The current funds are used for maintenance of these resources and will eventually consume the remaining funds. The staff report on the reserve account status can be found in *Attachment 6*.

It is unlikely that any new significant contributions to the reserve would be seen. If pay parking was not introduced on these lots, the City will eventually be left with the additional maintenance budget burden to address within their operating budget.

An unsolicited proposal from Imperial Parking in April 2001 estimated the revenue on the City's lots at \$37,000 per year.

Minoru Park

At the south end of Minoru Park the City houses its main library; indoor pool, ice arenas; track and field complex; as well as the library; museum; archives; arts/cultural and seniors centres. The demand for these parking facilities, which includes a parkade is high year round. Given the high demand, the revenue from these parking areas is likely to be high and roughly estimated at \$75,000 net per year based on our experience from our surrounding pay parking lots.

The south-west portion of the park, from the Granville Avenue entrance west, currently has no timed parking restrictions. It would be appropriate to consider at a minimum including time restrictions as an increasing number of long-term parkers is being seen in this area. More long-term parking would be seen as the City introduces more on-street parking restrictions (such as time limitations and/or monthly on-street permit parking).

As with the Steveston parking lot, the city is responsible for maintaining the parking lot surfaces and in this case a two-storey parkade. Parkades cost more to maintain than surface parking and as time passes, there will be structural maintenance and eventual replacement to consider.

The funds generated from introducing pay parking in this area can be used to off-set the associated parking maintenance and eventual replacement costs. Again, the concept of user pay would be employed, taking the burden off of the general taxpayer.

Garry Point Park

Garry Point Park is one of Richmond's most visited Community Parks and is the site of many passive and organized recreational uses. The lot is large housing a large number of parking stalls which are used year round, with the highest use during the summer months. As with the other lots, the funds generated from pay parking will help off-set the maintenance costs associated with parking lot.

On-Street Time Parking Areas - Existing

The City has a number of existing on-street time parking areas, shown in *Attachment 7*. Time restrictions were introduced in these mostly commercial areas to encourage turnover of the limited parking stock.

Complaints are regularly received from some of the area business operators wanting turnover of the stalls so their customers can park (Auto Mall, River Road). Area employees appear to be consuming the on-street parking stock due to an on-site parking shortage or by virtue of their employer charging them for parking on-site.

As with the off-street lots, regular enforcement is required in order to change the habits of those taking advantage of these on-street parking areas. The Parking Section will be bringing in several additional temporary parking officers for a one year period to enforce the existing on-street timed parking areas. This will bring in additional ticket revenue to the City and address the parking complaints from some of the business operators. This will likely be unpopular with those currently consuming these stalls, however it may encourage them to take alternate transportation to work or pay for the use of the space through a monthly permit. There are a number of ways of providing enforcement services some are more effective than others, such as introducing pay parking on the street. The one year period will allow City staff to continue with the work in identified in Phase I and align themselves appropriate for Phase II activities and outcomes.

On-Street Time Parking Areas - New

Attachment 8 identifies a number of areas (labeled 1 - 5) that currently have no on-street timed parking restrictions. These areas contain either multiple family or industrial areas within which the property owners or operators are charging for on-site parking. As with the City's off-street parking lots, the practices of private property owners do impact the City's on-street parking resources. The city is providing free parking to those individuals impacted by the private off-street activities. The City may wish to equalize the parking stock demand by making the user pay in any combination of ways:

- limiting the on street parking time by introducing new parking restrictions;
- charge for on-street parking through meters;
- introduce monthly on-street pay parking.

It is difficult to estimate the potential revenues given the myriad of variables. However, revenues from this user pay proposal would see the net revenues after expenses put towards reducing future potential tax increases levied against all Richmond taxpayers.

On-Street Parking Permits

The City of Vancouver "rents" through a monthly on street permit system parking in high demand areas. Vancouver also provides for the visiting home care health nurses, for financial consideration, the ability to park beyond posted time restrictions in the City. Richmond's Health nurses have already raised this as an issue and may be receptive to this type of arrangement.

Richmond could consider offering a portion of the existing on-street parking stock to renters on a monthly or annual basis in high demand industrial and multi-family areas. The provision of this type of on-street parking permit works in conjunction with on-street timed parking restrictions. Enforcement of the on-street parking restrictions would already be taking place, the checking for a valid permit would take little extra effort for the economic return. The cost of the permits would be less than that charged by building owners/managers who in most cases have parking that's secure, covered, and in close proximity.

Parking Ticket Payment Incentive

Richmond, like other BC municipalities experiences difficulty in collecting outstanding city issued parking ticket fines. The current summonses; collection agency; and court processes meet with limited success.

We will continue to pursue, through the UBCM, an alternate system similar to that used by the Province to collect on their outstanding traffic violation tickets (issued through the RCMP). To make this idea more attractive, the concept of pursuing a revenue sharing partnership with ICBC could be considered.

However, in the interim, there is another incentive that can be considered that may prompt offenders to pay their outstanding municipal parking tickets. Vehicles that are found to have two outstanding unpaid municipal tickets, would on the issuance of their third ticket and any subsequent tickets, be towed from the area in which they are parked. The vehicle would be taken by the City's contractor to the local impound yard and released upon payment of the applicable towing fees. The vehicle cannot be held hostage for the payment of the outstanding tickets, however the thought of being towed may induce those with outstanding tickets to pay. Towing is used as an enforcement tool in the City of Vancouver.

PARKING ENFORCEMENT MECHANISMS

Enforcement of existing on/off street timed and off-street pay parking regulations is required to effectively control the limited parking inventory and control the habits of abusers.

Any additional inventory added, whether through timed, pay or permit parking regulations will also need to be enforced through regular patrols and ticketing.

Depending on the direction provided in the previous "Parking Revenue Opportunities - Policy" section of this report, the enforcement can be provided in basically three ways:

- i) through enforcement (no meters);
- ii) installation of individual stall meters with enforcement; or
- iii) installation of block meters with enforcement.

Enforcement

Parking regulations and problems can be controlled through regular enforcement and ticketing on its own. Over the short term this type of program will bring in revenue but as habits change as a result of the enforcement efforts, the cost of the enforcement services will likely eventually exceed the ticket revenue.

Over the long term this approach fails to:

- address the equitable use of the limited parking stalls;
- provide an opportunity to bring in additional revenue to off-set the maintenance costs of the stock; nor
- provide an opportunity to bring in revenue that can be used to reduce potential tax increases levied against all Richmond taxpayers.

However, the approach has some merit if it were pursued in a short, one year term (eg. 2002-2003). The one year term would be up shortly after the City has had an opportunity to evaluate if it should be providing enforcement services for timed parking both on and off the street. Should the City wish to pursue operating on its own, similar to White Rock, then we will already have partially trained and equipped workers.

Individual Stall or Block Meters

Block meters versus individual stall meters are the preferred future approach in areas such as Toronto; Europe and will be introduced in China for the upcoming Olympics. They are less intrusive on the urban fabric of the streetscape and in the long run will provide for more efficiencies (such as servicing and replacement). They can be modified to contribute to the streetscape rather than take away from it. Some newer models allow for the addition of information or services in the kiosk; can have a semi-customized look; and provide revenue opportunities through advertising.

The capital outlay for meters, whether block or individual, is significant. The July 11, 2001 report to the Finance Select Committee (see Attachment 2) indicates that the City may be able to reduce its capital outlay costs by entering into a contract or partnership with a private firm for the equipment and possibly enforcement services on a revenue sharing basis. A proposal call would be required to determine the exact costs and potential revenues as the figures provided are five years old. A comparison of private and public sector service delivery can be done in the first quarter of 2002.

ENFORCEMENT SERVICES

The last factor to consider is how enforcement services should be delivered and can be looked at once the policy and preferred method of meter mechanisms are decided. All of the data will be collected and a financial comparison of service delivery provided to Council in a separate report.

FINANCIAL IMPACT

Each community's parking situation and pay parking revenue experiences are unique. This fact, coupled with the City's limited experience in pay parking; and the absence of a broad "request for proposal" (RFP), at no cost to the City, call has made the provision of concrete financial information to Council at this time challenging.

Factors such as the selection and size of the areas chosen and preferred meter hardware and service delivery personnel all impact the net revenue potential. Once policy direction is given

from Council on areas and preferred meter hardware, an RFP can be conducted. Staff will then be in a position to provide Council with the comparative costs of implementing pay parking through the various methods such as by contracted revenue sharing or through the City.

In order to be in a position to achieve the \$325,000 revenue mark, Phase I recommendations would need to be adopted now and implemented before Spring 2002. Phase 2 recommendations need to be endorsed in principle and the activities commenced now to have them in front of Council for consideration in Spring 2002 and potentially implemented in the Summer/Fall of 2002.

CONCLUSIONS

Staff are seeking policy direction from Council and will pursue the ideas presented in this report and recommended by Council using staff's best judgment. Fine tuning and adjustments will likely be required as the introduction of the initiatives move quickly forward from policy concept to implementation to reach the current net \$325,000 revenue target.

Preferred Approach

A two phase approach to the parking revenue issue is preferred and can be more effectively implemented as follows:

Phase I would allow for the following activities to commence in January 2002:

- a) introduction of pay parking, on a permanent basis on the four existing lots and three additional sites (remainder of Minoru Park; City lots in Steveston; and Garry Pt. Park) through a private contractor for a two year period;
- b) explore the opportunity of providing the Richmond based health nurses with time exempted parking permits on a fee basis;
- c) explore the opportunity of revenue sharing with ICBC for the collection of outstanding city issued parking tickets on vehicles;
- d) introduce time parking restrictions in the remainder of Minoru Park;
- e) introduce towing for both on and off street parking where violators have two or more outstanding unpaid parking tickets; and
- f) Develop a communications strategy for Phase I activities.

Phase II would allow for the following activities to commence in 2002 with potential for implementation later the same year:

- a) selection of *new* on-street timed parking areas;
- b) review of *existing* on-street timed parking areas;
- c) proposal call for the introduction of pay parking on selected *new* and *existing* on-street timed parking areas;
- d) selection of areas in which to introduce monthly on-street parking permits;

- e) report to Council on required capital expenditures for: signage; line painting; equipment installation as well as consideration as to operational service delivery (coin collection, equipment servicing; ticketing and processing, etc.);
- f) report to Council (companion to above "e" report) cost comparing city provision of off-street parking lot management; and
- g) develop a marketing and public communications strategy for Phase II activities.

Phase II timing would allow for some technical analysis and assessment work to be conducted.

An RFP should be pursued in January/February of 2002 and a financial and implementation report presented to Council in early March comparing the pay parking service delivery costs and specifics on implementation. The deployment could follow shortly thereafter.



Sandra Tokarczyk
Manager, Community Bylaws

Att's - 8