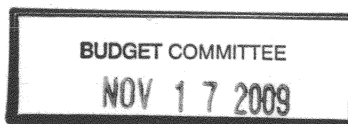




Corporate Report



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DATE: November 12, 2009

TO: Chair and Members of Budget Committee
Meeting Date: November 17, 2009

FROM: Martin Powell, P. Eng.
Commissioner of Transportation and Works

SUBJECT: City Centre - Paid Parking Revenue Update (Wards 4 and 7)

RECOMMENDATION: That the report dated November 12, 2009 from the Commissioner of Transportation and Works entitled "City Centre – Paid Parking Revenue Update" be received for information.

BACKGROUND: In June 2009, thirty-six (36) on-street Pay and Display (P&D) machines were installed in the City Centre during the first phase of implementation. An additional twenty-four (24) P&D machines were installed at the end of August and beginning of September and six (6) more were installed in mid September to complete the initial deployment of sixty-six (66) machines.

The current Civic Square rehabilitation project has eliminated on-street parking along City Centre Drive between Duke of York and Living Arts Drive and has resulted in the removal of five (5) P&D machines in mid September. On going construction has delayed the deployment of one (1) machine on the east side of Confederation Parkway, north of Prince of Wales Drive. There are currently a total of sixty (60) P&D machines installed in the City Centre.

COMMENTS:

A phased-in approach was undertaken with the introduction of on-street paid parking in the City Centre. During June, July and a portion of August, revenue generation was minimal as patrons adjusted to paid parking and relocated from on-street paid parking locations to areas that continued to provide free parking (streets that allow free 3-hour parking, the Civic Precinct parking garages and private parking lots).

Gross monthly revenue for City Centre on-street parking is illustrated in Table 1.

Table 1
Gross Monthly Revenue
City Centre On-Street Parking

Month	P&D Machines	Coin	Credit Card	Total Monthly Revenue (Gross)
June	36	\$7,100	\$3,500	\$10,600
July	36	\$10,000	\$4,000	\$14,000
August	53	\$11,100	\$4,700	\$15,800
September	60	\$14,100	\$7,100	\$21,200
October	60	\$17,200	\$9,400	\$26,600
Total		\$59,500	\$28,700	\$88,200

The introduction of on-street paid parking is a significant change in daily transportation habits and provides the City with the ability to manage the parking demands of a variety of users. As illustrated in Table 1, revenue from on-street parking has steadily increased through the implementation period.

The total cost for the 66 machines that have been acquired for use throughout the City Centre and related Capital costs is \$460,000 taxes inclusive. Based on the current revenue pattern presented in Table 1, it is estimated that monthly revenue will continue to increase as patrons become more accepting of on-street paid parking, as development increases, and as the availability of free parking decreases.

In determining a pay-back period for the on-street P&D machines, a monthly gross revenue forecast of \$40,000 has been assumed. Net monthly revenue is estimated at \$27,500 accounting for operational expenses.

This revenue stream would result in a pay-back period of just under one and a half years. Although, the monthly gross revenue is not yet at \$40,000, staff feel that the revenues will continue to increase and that by early 2010 will be reached. This will mean that the pay back period will likely be closer two years. Staff will continue to monitor the revenues and report back to Budget Committee in mid 2010.

A report is being brought to General Committee recommending the cancellation of the original loan conditions for the P&D machines and that the cost be funded from capital reserves. This would allow for the financial model that 50% of net on-street parking revenues be used to offset the City's operating budget, including staff to operate the paid parking program, and the other 50% be placed in a reserve account to fund future parking initiatives in the City Centre. The 2010 draft budget has been prepared to reflect this approach.

The gross 2009 on-street parking revenue was estimated at \$253,000. With the phased-in approach taken with the implementation of the on-street P&D machines as well as on-going construction activity in the City Centre, the updated 2009 revenue for on-street parking is estimated at \$148,000. This would result in a revenue shortfall of approximately \$105,000 for 2009.

FINANCIAL IMPACT: The payback period for the on-street P&D machines is estimated at two years based on the projected monthly revenue forecasts.

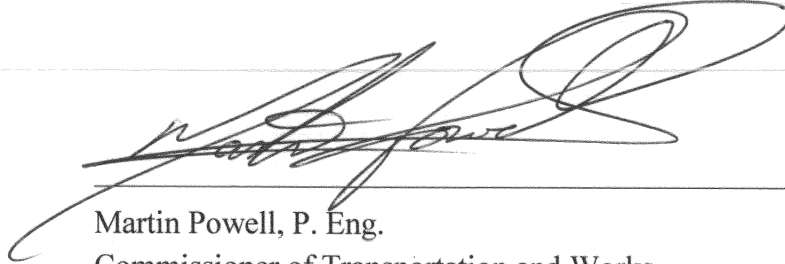
The updated 2009 gross revenue for on-street parking is estimated at \$148,000. This would result in a revenue shortfall of approximately \$105,000 in 2009.

CONCLUSION:

The introduction of on-street paid parking is a significant change in daily transportation habits and provides the City with the ability to manage the parking demands of a variety of users.

It is estimated that monthly revenue for on-street parking will continue to increase as patrons become more accepting of on-street paid parking, as development increases, and as the availability of free parking decreases.

The current Civic Square rehabilitation project has eliminated on-street parking along City Centre Drive between Duke of York and Living Arts Drive and has resulted in the removal of five P&D machines. The machines will be re-deployed on Prince of Wales Drive between Confederation Parkway and Living Arts Drive; and Webb Drive east of Duke of York Boulevard. This will assist in increasing monthly revenue.



Martin Powell, P. Eng.

Commissioner of Transportation and Works

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