The purpose of the per stall reduction fee in lieu of providing downtown parking is to fund improvements to other travel options that would be used instead of driving. The objective is to determine a fee rate that considers the cost savings to the development, provides a meaningful contribution to other travel options and is not prohibitively high as to discourage this option. While each building has unique site characteristics, an average cost approach over several scenarios has been used.

To determine the per stall reduction fee for downtown parking stalls, Administration analyzed the per stall costs of three different sized underground prototypical parkades. The goal of the analysis is to isolate the cost of providing an additional parking stall to a development. To do this, it has been assumed that there is no development above the parking.

Three different sized underground prototypical parkades were analyzed (quarter block, half block and full block) to determine the costs. Additionally, costing was analyzed for all levels between one and seven to determine how the fee varied with the depth of the parkade.

For 2016, the range of incremental costs for the three differently sized prototypical parkades are illustrated in the below chart. In general, it was found that cost efficiencies were achieved the deeper the parkade was constructed.

Parkade Level	¼ Block Development	½ Block Development	Full Block Development
P1	$67,100	$51,000	$45,700
P7	$52,400	$40,300	$37,300

The average cost of the above scenarios is $48,967. This value will form the basis of the per stall reduction fee amount.

As the parking reduction fee is meant to provide a meaningful contribution to alternative modes of transportation in the Centre City or LRT parking while still being an economical option for a development, the fee will be set at 90% of the calculated average cost of an additional stall to a development.

Combining the above, for 2016, the per stall parking reduction fee is $44,070 (90% * $48,967).

The reduction fee per stall will be indexed to the Calgary Construction Cost Index annually. The reduction fee per stall will be reanalyzed and updated every five years with changes being approved from the General Manager of Transportation.

For example, if the Calgary Construction Cost Index increased by 2% in 2017, the fee would be adjusted as follows: Previous Year Fee * Per Cent Change in Calgary Construction Cost Index = Current Year Fee

For this example:
$44,070 (2016 Fee) * 1.02 = $44,951.40 (2017 Example Fee).

The division of the per stall reduction fee contributions between alternative modes of transportation infrastructure in the Centre City and LRT parking is calculated using the mode split information into the downtown during the morning peak. For 2016, the division is 90% to the Centre City and 10% to LRT parking. This shall be recalculated and updated every five years in conjunction with the reduction fee recalculation.