

Downtown Parking Strategy Off-Site Improvements Fund

EXECUTIVE SUMMARY

Administration is proposing the creation of a new Off-Site Transportation Improvements in Lieu of Parking capital reserve to facilitate the implementation of the approved changes to the Downtown Parking Strategy (Section 6) of the *Calgary Parking Policies* (TP017).

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend to Council:

1. Approve the creation of the Off-Site Transportation Improvements in Lieu of Parking Fund per the terms in the Attachment; and
2. That this Report be directed to the 2018 February 20 Public Hearing of Council to be heard in conjunction with the proposed Land Use Bylaw and Land Use Planning Policy amendments.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 JANUARY 16:

That Council:

1. Approve the creation of the Off-Site Transportation Improvements in Lieu of Parking Fund per the terms in the Attachment.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2017 May 29 Regular Meeting, Council approved report TT2017-0383 – “Downtown Parking Strategy Policy Revisions”, which contained the following direction:

“That the SPC on Transportation and Transit recommend that Council

1. Replace Section 6 in *A Parking Policy Framework for Calgary* (TP017) in its entirety with the contents in Attachment 2.
2. Adopt “Appendix 2 – Parking Reduction Fee per Stall for Downtown Parking Policy” for inclusion in *A Parking Policy Framework for Calgary* (TP017) as contained in Attachment 5.
3. Direct Administration to update the Land Use Bylaw, ARPs, and any other affected policies to fully implement the downtown parking strategy no later than Q1 2018.
4. Direct Administration to bring a new reserve request template for the parking reduction fee contributions generated through voluntary reductions to the Priorities and Finance Committee for approval no later than Q1 2018.”

BACKGROUND

Over the past two years, Administration, in conjunction with key stakeholder groups, conducted a review of the Downtown Parking Strategy. Through this process, Council approved the following changes to the strategy:

- Conclude the existing cash-in-lieu program. This would allow downtown office developments to build 100 per cent of the required office parking on-site in new developments.

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- Allow for relaxations up to 50 per cent below the parking requirement, so long as a financial contribution is made for each stall not provided on-site. The contributions would be used to fund both transportation improvement projects in the Centre City, as well as parking at LRT stations.

The office parking requirement rate of 1 stall per 140 square-metres of gross usable floor area was unchanged as part of the review.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

From a financial perspective, the changes to the Downtown Parking Strategy result in the following outcomes:

- The existing (outgoing) cash-in-lieu program will no longer receive contributions from new developments in the downtown. This is the program that has been historically used by the Calgary Parking Authority to build new parkades in the downtown. It is identified as the “Cash in Lieu of Parking Fund” in The City’s long-term reserves report.
- Funds in the existing cash-in-lieu program will be used to fund the new East Village parkade on 9th Avenue SE. It is expected that this outlay will exhaust all downtown-allocated funds in the account (current balance of the Downtown fund is \$12.9 million)
- The proposed (new) fund will be used to collect monies from new developments in the downtown where parking relaxations could be granted reducing the amount of physical parking built on-site. The per stall fee calculation, as approved by Council on 2017 May 29, is contained in Appendix 2 of *Calgary Parking Policies* (Attachment 1).
- The new fund will be used to fund off-site transportation improvements in the Centre City and for parking at LRT stations per the policy.
- Individual projects will be identified based on the availability of funds. Generally, the monies will help accelerate existing infrastructure plans that support the policy objectives by complementing other funding sources.

The terms for the new fund, called the Off-Site Transportation Improvements in Lieu of Parking Fund are laid out in the Attachment 2. A capital reserve is proposed, to be funded by per-stall contributions from developments that voluntarily provide less than the total vehicle parking requirement on site. The reserve terms are flexible so that the reserve can be used for additional geographic areas in the future if so desired through future policy amendments.

The Transportation department would be responsible for the monitoring and tracking of balances in the reserve. Projects would be selected and funded in alignment with corporate infrastructure investment priorities established by Infrastructure Calgary, and in accordance with the policy objectives. Balances and projects using the funding would be posted on The City’s website.

The target balance of the reserve would be zero, as the intention is to put the monies to work as they become available. However, in cases where the monies are being assembled for a larger or longer-term project, they may remain in the reserve in the interim.

The existing Cash In Lieu of Parking Fund was reviewed as a possible location to collect funds from the new off-site improvement program. The primary reasons this approach was not used are

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to prevent confusion with regards to existing cash-in-lieu programs (such as the Chinatown cash-in-lieu program) encompassed by the existing fund, and different oversight (Calgary Parking Authority for existing cash-in-lieu programs, versus the Transportation department for the proposed off-site improvement fund).

Stakeholder Engagement, Research and Communication

Stakeholders involved in the Downtown Parking Strategy review (Calgary Downtown Association, Building Owners and Managers Association [BOMA], NAIOP) have been engaged and are supportive of the revised strategy. They are aware of this step to formally create the reserve.

Strategic Alignment

Creation of the reserve supports implementation of the approved policy. The policy supports transportation improvements that would facilitate many of the objectives in the Centre City Plan and station area plans, and is well aligned with the Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP).

Social, Environmental, Economic (External)

The benefits from the revised Downtown Parking Strategy were discussed in report TT2017-0383.

Financial Capacity

Current and Future Operating Budget:

Administration of the new reserve can be accommodated within existing resources.

Current and Future Capital Budget:

Expenditures for transportation improvements will be transferred to budgeted programs as projects are identified. Since there is a wide range of projects that the funds can be used for (Centre City, LRT Parking), there is no single budget program that the funds will be transferred to. Project selection will be coordinated through the Infrastructure Calgary process.

Risk Assessment

A risk of using a reserve model is that the money could sit unused. Administration will work to ensure that the money is used in a timely manner on projects that align with the approved policy.

REASON(S) FOR RECOMMENDATION(S):

Creation of the reserve will facilitate the implementation of the Council-approved revisions to the Downtown Parking Strategy and allow transportation improvements to be implemented beyond additional parking inventory.

ATTACHMENT(S)

Attachment 1 – *Calgary Parking Policies* Appendix 2 – Parking Reduction Fee per Stall for Downtown Parking Policy

Attachment 2 – Off-Site Transportation Improvements in Lieu of Parking Fund Reserve Terms