

## **CALGARY TRANSIT PARK AND RIDE REVIEW - UPDATE**

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### **EXECUTIVE SUMMARY**

This report provides follow-up on several outstanding issues from the Calgary Transit Park and Ride review that was presented to Council on 2016 June 20, (TT2016-0319, A Review of Calgary Transit Park and Ride).

As part of TT2016-0719, Anderson Station Park and Ride Plan, Administration developed a strategy to optimize park and ride while encouraging Transit Oriented Development (TOD). The goal was to achieve park and ride availability for approximately 15 percent of weekday peak period CTrain trips. The strategy was used at Anderson Station and, if approved, will be used at other station areas when TOD applications are being made.

Administration explored the availability of surplus Calgary Parking Authority revenues. All revenues are currently spoken for, but the availability of additional surplus revenue will continue to be monitored in future budget cycles.

An evaluation of charging out-of-town customers more for reserved parking was completed. The analysis shows that such an action will currently have small financial returns with potential negative impacts to intermunicipal relationships and the customer experience of Calgarians, and is not recommended at this time. However, this should be revisited when demand for reserved parking is higher.

### **ADMINISTRATION RECOMMENDATION(S)**

That the SPC on Transportation and Transit recommend that Council direct Administration to

1. Use the strategy outlined in Attachment 2 of this report to evaluate and set park and ride plans with future Transit Oriented Development (TOD) applications with the goal of accommodating approximately 15 percent of weekday peak period transit trips and enabling TOD opportunities.
2. Maintain a single fee structure for all reserved parking customers and continue to monitor monthly reserved parking demand at Park and Ride lots. Additional reserved parking fees for out-of-town customers should be revisited when demand for reserved parking is higher and considering the priorities of the Growth Management Board.

### **RECOMMENDATION OF THE SPC ON TRANSPORTATION AND TRANSIT, DATED 2017 JUNE 21:**

That the Administration Recommendations contained in Report TT2017-0547 be approved.

### Opposition to Recommendations:

Opposed: D. Farrell

### **PREVIOUS COUNCIL DIRECTION / POLICY**

See Attachment 1.

## **CALGARY TRANSIT PARK AND RIDE REVIEW - UPDATE**

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### **BACKGROUND**

Administration presented a comprehensive report to Council in 2016 June TT2016-0319, A Review of Calgary Transit Park and Ride. The 2016 June report was part of an overall strategy to develop a revised park and ride policy reflecting current circumstances. Today's report continues to build on the overall strategy and will address three of the Council directions arising from the 2016 June report. The section on previous Council direction includes a summary of how the other directions of the 2016 June report are being addressed.

### **Park and Ride Strategy for Current and Future CTrain Stations**

Administration presented TT2016-0719, Anderson Station Park and Ride Plan in 2016 September to enable TOD at Anderson Station while balancing park and ride supply with redevelopment opportunities. Beyond just Anderson Station, Council's approval of that plan provided the structure for Administration to potentially use the same approach in developing a park and ride strategy for current and future CTrain stations in response to redevelopment proposals.

### **Enable shared parking in the vicinity of CTrain stations**

In 2017 January, as part of report TT2017-0042, Council directed Administration to develop an implementation process to enable public parking in existing developments and apply this process to pilot sites over 2017. The main objective of this work is to better use the existing, developed parking supply around areas such as CTrain stations and Main Streets to supplement City-provided parking and aid in the transition of TOD areas. The entire park-and-ride supply cannot be accommodated in structured parking in the long term due to cost. This work will help achieve the approved park-and-ride supply target in station areas while facilitating TOD development by leveraging private parking supply. Administration is currently developing the planning processes needed to implement the changes and is in the process of identifying pilot site opportunities. This approach was already approved via TT2017-0719 for Anderson Station to support the development of TOD near the station.

### **Explore additional funding for parking ride development and management using surplus revenues from other parking**

In 2017 January, as part of report TT2017-0044, Council approved amendments to Council Policy TP017 (A Parking Policy Framework For Calgary) directing that surplus revenues received from the Calgary Parking Authority be evenly split between the corporate budget savings account and a reserve to be used to fund public realm improvement projects in paid parking areas.

### **Charging Out-of-Town Customers a Higher Fee for Reserved Parking**

With a revenue-cost ratio target of 50/50 to 55/45, roughly half of Calgary Transit's operating costs are paid through fares, parking fees, advertising and fines and the other half through taxes paid by residents of Calgary. The result is that customers who do not reside in Calgary are being subsidized by Calgary taxpayers when they use Calgary Transit services, including park and ride.

The total operating cost of park and ride was estimated in the 2016 June report to Council at \$11 million annually. The fees charged through park and ride generated \$3.4 million in 2016.

## **CALGARY TRANSIT PARK AND RIDE REVIEW - UPDATE**

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The revenue fluctuates depending on the number of reserved parking reservations, which have dropped with the economic downturn. Currently Calgary Transit collects postal codes associated with each reserved account and, of these, 11.2% (approximately 340 reservations per month in Q1 2017) are assigned to residences outside Calgary.

### **Regional Governance Developments**

Under the Modernized Municipal Government Act, the Calgary region has been mandated to implement a Growth Management Board. Regulation enacting the Calgary Metropolitan Region Board will be adopted by the province in fall 2017. The mandate of the Boards, which are required for both the Calgary and Edmonton regions, is intended to ensure effective and efficient regional collaboration and coordinated decision-making in the province's major metropolitan regions. This significant change affects Administration's approach to regional services provision, including transit service.

## **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

### **Park and Ride Strategy for Current and Future CTrain Stations**

In 2016, September, TT2016-0719, Anderson Station Park and Ride Plan provided the framework for directing the supply and location of park and ride in Calgary. More detail is provided in Attachment 2 and is guided by the principles below:

1. Strive for minimal net loss of park and ride stalls when there is an oversupply of parking;
2. Optimize viability of TOD;
3. Replace lost parking and ride stalls at other suitable locations along the line;
4. Limit park-and-ride supply within 5km of downtown Calgary.

Using Council direction and the above framework, Administration developed a process to determine the location and number of park and ride stalls along the CTrain line. The process sought to balance parking and development by replacing the parking supply at high potential TOD sites with parking at other areas along the CTrain line.

The process included reviewing customer origin data, reviewing availability of public and private land adjacent to CTrain stations and identifying park and ride supply to serve approximately 15 percent of weekday peak period CTrain trips.

This process can be used throughout the CTrain network, and in response to Council direction, this framework was applied to Anderson Station. The process and format of this park and ride plan will be used for future park and ride plan to ensure consistency in supply of park stalls as well as displacement opportunities in suitable areas.

### **Explore additional funding for parking ride development and management using surplus revenues from other parking**

Administration looked at several funding options under the assumption that Council desires to continue to achieve the objectives of the recently approved policy. The Budget Savings Account (BSA) contribution could be redirected to a specific purpose (i.e. transit parking) without negatively impacting existing budgets since it is not budgeted. However, this amount is variable depending on parking returns and competing priorities. The BSA is not a recommended long-

## **CALGARY TRANSIT PARK AND RIDE REVIEW - UPDATE**

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term methodology as it would be difficult to plan for. Existing budgeted components that are funded by parking revenue (e.g. transportation capital, general revenue contribution, etc) have existing commitments. Those commitments would need to be changed if these monies were redirected to fund transit parking.

### **Charging Out-of-Town Customers a Higher Fee for Reserved Parking**

Charging out-of-town customers a higher fee for reserved parking is evaluated in detail in Attachment 3. It includes a discussion of the fee amount to charge, the merits of three methods for verifying customers' residences and the impact of the anticipated regional Growth Management Board on equity of user fees for city services. This section is a summary of that discussion.

For the purposes of calculating the potential revenue, a monthly fee charged to out-of-town customers is required. In this report, a hypothetical fee of \$125 per month was used, which is an addition of \$40 monthly. Any future fee, if different from the fee charged to Calgarians, would require market testing.

Three methods were considered as a means of charging out-of-town customers more for reserved parking. These were by verifying addresses through:

1. Checking the registered license plates
2. A piece of Government identification
3. Mailing out a discount code to addresses in Calgary

The following is a summary of the characteristics of each approach (described further in Attachment 3).

<b>Method of Address Verification</b>	<b>Net Estimated Increase in Revenue</b>	<b>Fraud Potential</b>	<b>Impact on the Customer Experience</b>
License Plates	\$37,000	Low	Low
Government ID	\$137,000	Medium	High
Discount Codes	\$105,000	High	High

The above figures likely overestimate revenue due to unknown rates of elasticity (the response of customers to higher fees) and fraud. There is no prior experience to draw upon to inform how many customers would alter their commuting habits or engage in fraudulent behaviour (i.e. appearing to live in Calgary when, in fact, they are non-residents). In particular, it is likely that many would change commuting habits by driving to their destination or arriving early enough to get a free spot. If more out-of-town customers use free spots, there would be less availability of those spots for Calgarians.

While the above figures do not consider potential fraud or the impact on commuting behaviour, the estimated amounts of revenue will increase as the numbers of reservations increase. Current reservation levels are low given economic circumstances, declining by 34% compared to Q1 2015, and are expected to improve as the economy recovers.

## **CALGARY TRANSIT PARK AND RIDE REVIEW - UPDATE**

---

Based on the impact to the customer experience and overall feasibility, the recommended method would be verifying addresses for residence in Calgary using license plates. The other methods impose excessive processes and requirements on Calgarians, who make up 89 percent of reserved parking customers, even though the net revenue is considerably higher than with verifying license plates.

A policy to charge out-of-town customers a higher fee would also have other impacts on regional relationships and transportation behaviour. It might have negative effects on intermunicipal relationships at a key point in the establishment of the Growth Management Board. Such a policy might impact the environment and other City infrastructure as well, as more customers may drive to their destinations as a result of higher reserved parking fees. However, this policy may be positive for some regional municipalities seeking to build ridership on regional bus services (On-It, Airdrie Transit) by residents shifting to using these services.

Given the limited return, current lower demand for reserved parking and potential negative impacts, Administration does not recommend proceeding with a higher charge for out-of-town customers. However this should be revisited when demand for reserved parking is higher and in consideration of the priorities of the Growth Management Board.

### **Stakeholder Engagement, Research and Communication**

Representatives from Transportation Planning and Planning and Development provided input in developing the park and ride supply and location strategy in this report. Calgary Transit customers were engaged in preparation for the 2016 June Park and Ride report (TT2016-0319). The Calgary Parking Authority was consulted on the potential methods of verifying addresses.

### **Strategic Alignment**

Both transit-oriented development and the strategic supply of park and ride have a positive impact on achievement of goals set out in the Greenhouse Gas Reduction Plan. TOD and park and ride provide stronger array of mobility choices to Calgarians and make it easier for citizens to make lifestyle choices that mitigate climate change.

Transit Oriented Development is also an important objective of the Calgary Municipal Development Plan and the Calgary Transportation Plan. More redevelopment around the primary transit network should be undertaken to take advantage of the investment in high-quality transit. Park and ride provides an attractive option for those who value the convenience and travel time savings by using their car for a portion of their daily travel.

RouteAhead also identifies park and ride as an important element of the customer experience. The plan acknowledges the role park and ride plays in enabling customers' choices as well as the benefits to the overall mobility network (e.g. reduced traffic volumes into the core and encouraging TOD).

The Growth Management Board is being established with a broad direction of helping the region coordinate decision-making and work collaboratively. It may have a role in issues of regional equity and enhancing use of ratepayer dollars. Changes to reserved parking rates based on residence should be considered in conjunction with this direction and Board.

## **CALGARY TRANSIT PARK AND RIDE REVIEW - UPDATE**

---

### **Social, Environmental, Economic (External)**

#### **Social**

Together, Transit Oriented Development and Park and Ride provide choices to Calgarians and customers on where to live and travel in addition to other benefits. By preparing for Transit Oriented Development, The City is aiming to create mixed-use communities in key strategic areas to provide Calgarians with more choices of places to live that also have stronger choices for mobility. Park and ride is an important means for customers to access the CTrain system when no bus service is available as well as those who require their personal vehicle for a portion of their trip.

#### **Environmental**

Park and ride lots located in convenient locations intercepts trips that would otherwise continue on to their destinations or downtown. These lots allow customers to use transit for a portion of their trip thus reducing green house gas emissions.

#### **Economic**

TOD helps to improve efficiency by adding ridership in addition to other economic benefits such as increased land value and support for businesses. A higher reserved parking fee charged to out-of-town customers can, in a small way, help Calgary fund its service delivery. It could also be a small step in addressing funding inequity and subsidies, since half of Calgary Transit's service delivery is funded through Calgary's property taxes, which out-of-town customers do not pay.

Provision of large surface parking lots is an inefficient use of land in close proximity to LRT. The amount of park and ride supplied needs to be carefully managed to minimize overall impacts to the environment.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

Future park and ride plans may increase the number of required park and ride lots to maintain parking supply if parking stalls are displaced at other locations as part of TOD. Calgary Transit's operating and capital costs may increase to operate and build these additional lots during the transition period unless costs can be charged to redevelopment projects.

To achieve the operating targets set out in RouteAhead, a 30-year plan strategic plan for transit in Calgary, Calgary Transit requires significantly more operating funding. While the additional revenue from charging out-of-town customers more for reserved parking is small compared to the funding requirements set out in RouteAhead, it would still incrementally contribute to small improvements or mitigate reductions. Some of the additional revenue would be required to pay for administrative services needed to support new processes.

## **CALGARY TRANSIT PARK AND RIDE REVIEW - UPDATE**

---

### **Current and Future Capital Budget:**

The cost to construct or lease future park and ride lots will require financing solutions to offset potential impacts to the capital budget.

### **Risk Assessment**

With respect to charging out-of-town customers more for reserved parking, there is a relatively small net return with considerable potential negative consequences; these include a negative impact on intermunicipal relationships at a time when we are trying to develop relationships, increased demand on downstream municipal infrastructure, increased harm to the environment by encouraging some customers to drive to their destinations, and a negative impact on the customer experience of Calgarians through increased process. The primary strategy to limit these risks is to allow the Growth Management Board to address regional equity through the anticipated Metropolitan Region Servicing Plan if it aligns with their future priorities.

### **REASONS FOR RECOMMENDATIONS:**

The information in this report provides Council with an update on work related to directions arising from TT2016-0319, A Review of Calgary Transit Park and Ride.

The recommendations in this report will allow for park and ride plans at redevelopment sites to be coordinated with TOD applications to optimize parking on site and at displacement locations.

With respect to charging out-of-town customers a higher fee for reserved parking, analysis shows that using license plates is the most effective method of verifying the residence of reserved parking customers if differential rates are to be applied. However, this would currently yield small returns and may have a negative impact on intermunicipal relationships. The current economic conditions have decreased the waiting list for reserved parking at LRT park and Ride lots, increased available long stay parking in the downtown and decreased the price of monthly contracts for that downtown parking. As a result, an increase in fees will likely result in the loss of many out-of-town reserved parking subscribers and those subscribers may not be fully replaced by Calgarians, resulting in the potential for little if any increase in revenue.

### **ATTACHMENTS**

1. Previous Council Direction / Policy
2. Calgary Transit Supply and Location Strategy for Park and Ride
3. Charging Out-of-town Customers a Higher Fee for Reserved Parking