

## Conclusion of Cash-in-Lieu Parking Program and Fund Allocation

### RECOMMENDATION(S):

That the Priorities and Finance Committee recommend that Council direct Administration to:

1. Transfer \$750,000 from the Cash-in-Lieu of Parking Fund to program 854 (17 Ave Redevelopment Program) for improvements to 16 Avenue SW.
2. Transfer funds from the Cash-in-Lieu of Parking Fund to the Parking Revenue Reinvestment Reserve using the table in attachment 2.
3. Review the terms of the Parking Revenue Reinvestment Reserve to earn investment income.
4. Direct that Attachment 3 remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

### HIGHLIGHTS

- Voluntary cash-in-lieu of parking programs in three commercial areas were concluded in 2008. The funds have exhausted project opportunities under their existing mandate to provide alternative parking facilities, making it difficult to use remaining funds.
- *What does this mean to Calgarians?* Updating this program by transferring funding to the Parking Revenue Reinvestment Reserve will enable the use of funds for community investments that improve the public realm and access to/within participating areas.
- *Why does it matter?* Broadening the terms of use will better allow for funds to be used and benefit the communities where contributions were made and satisfy obligations that The City make these investments.
- Unspent contributions to the Cash-in-Lieu Fund represents a gap in investments in the participating business communities.
- Funds have sat largely idle since the programs were repealed, though the obligation for The City to invest in the areas remains.
- The Parking Revenue Reinvestment Reserve is the least complicated option since it is already set up and funds can be quickly accessed.
- A timely decision will allow for funds to begin to be used in 2021 where they can aid in stimulus and COVID-19 recovery.
- Strategic Alignment to Council's Citizen Priorities: A city of safe and inspiring neighbourhoods
- Background, Context and Maps are included as attachment 1.

### DISCUSSION

Voluntary cash-in-lieu of parking programs for non-downtown areas were operated by The City between 1989 and 2008. Enacted originally through the Land Use Bylaw 2P80, programs in Kensington, 4 St SW (Mission) and 17 Avenue S (Beltline) provided an alternative to fulfilling parking requirements for some new development applications (see maps in attachment 1.)

Unlike the better-known downtown program that had mandatory participation, non-downtown cash-in-lieu programs were optional and were meant to provide applicants an easy option for fulfilling parking requirements in busy commercial areas where that could be difficult. Instead of pursuing other routes such as relaxations, direct control districts or shared parking arrangements, the cash-in-lieu program provided clear criteria that could be used for some or all

## Conclusion of Cash-in-Lieu Parking Program and Fund Allocation

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of the parking requirement for a particular development. Contributions pooled from multiple developments would then allow for The City to provide centralized public parking facilities which are more cost-effective to build.

However, the fund never saw contribution totals high enough to purchase land or build facilities as intended. Instead, The City has made some use of funds by investing in additional on-street parking stalls and partnering on portions of parkades on an opportunity basis (see attachment 1.) One final project on 16 Avenue SW is proposed which does align to the original program and fund intent. However, as of 2021 additional opportunities have been exhausted and there is little reason to believe funds can be used for similar initiatives in the future.

16 Avenue SW: Following initial conversations with 17 Avenue Retail and Entertainment District BIA, this project proposal contemplates a streetscape refurbishment of 16 Avenue between 9 St and 14 St SW. Temporary roadway reconfigurations on 16 Avenue have been well received and there is a desire to make many of these permanent. The project aims to improve the walking environment, improve safety, simplify vehicle circulation and rationalize on-street parking. Upcoming work in the area provides an opportunity to use existing work crews and realize cost savings. Administration recommends allocating \$750,000 of funding from the Cash-in-Lieu of Parking Fund to this project before allocating remaining funding to the Parking Revenue Reinvestment Reserve.

### *Alternatives Analysis:*

When reviewing the program and prospects, Administration evaluated maintaining funds in their current state, transferring them to another program with similar objectives, and other options proposed by stakeholders.

Maintaining Funds (Opt 1): Though maintaining the funds best fits with Council's original intent for the program, any new municipal parking facility would require additional funding to construct, and is unlikely to reflect the highest and best use of land in the commercial parking areas. This combined with the unlikely prospect of new opportunities suggests that this option will not be effective.

Repurposing Funds (Opt 2): The City administers an ongoing program with similar objectives and uses which has been successful at investing back into communities with parking challenges. The Parking Revenue Reinvestment Program has invested over \$2.3M back into communities where there is paid on-street parking since it began in 2017. The program has broad terms of use with the goal of improving the public realm and community vibrance, attracting visitors to business areas and improving the visitor experience. The terms of this reserve are contained in attachment 4. This option is supported by most Business Improvement Areas and can be executed immediately because processes are already in place.

Alternative Transfer (Opt 3): An additional option was proposed by the 17<sup>th</sup> Avenue Retail and Entertainment District BIA which would see a transfer of funds from The City to Business Improvement Areas in the form of a trust account. The intent is to use investment income from the account to fund a range of initiatives. While possible, this type of program would require a set process, reporting and auditing criteria. For other BIA areas, the fund amounts are not significant enough to warrant this approach.

Conclusion: Across these three options, transferring funds to the Parking Revenue Reinvestment Program (option 2) minimizes risk while providing value back into communities.

## **Conclusion of Cash-in-Lieu Parking Program and Fund Allocation**

To retain investment income within the Parking Revenue Reinvestment Reserve, recommendation 2 adjusts the terms of the reserve accordingly. Though this program has aimed to see funds used in the community through regular investments in the past, this change will add additional flexibility. This would allow BIAs to use the fund similar to option 3, without the complexity of transferring the funds and setting up a trust. It can also be implemented immediately which would allow for investments to be made in 2021 when the need for stimulus and COVID-19 recovery are the greatest.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Specific stakeholder consultation was undertaken with the four Business Improvement Areas that overlap with cash-in-lieu areas. Conversations included analyzing options to maintain funds as they are, broadening the use of funds by reallocating to the Parking Revenue Reinvestment Program, and reviewing other options presented by the stakeholders. One additional option of pursuing an interest-bearing trust account was presented and forms part of the analysis. The risks and benefits of each option are shown in confidential attachment 3. Letters expressing support and opposition are contained in attachment 5.

### **IMPLICATIONS**

#### **Social**

There are no direct social impacts of broadening the use of these funds, however spending through the Parking Revenue Reinvestment Program has frequently involved cultural investments such as public art installations and event spaces, as well as accessibility improvements. Additional funds in the program can be expected to provide significant social return on investment as they are spent.

#### **Environmental**

There are no direct environmental impacts of broadening the use of these funds.

#### **Economic**

Approving the allocation to the Parking Revenue Reinvestment Program will make funds available in 2021 for investment in these communities. Investments through this program improve the attractiveness of and access to these business areas and support business vitality. Timely investments will also aid in recovery efforts by encouraging customers to return to business areas and by supporting local vendors.

#### **Service and Financial Implications**

Transportation Report to  
Priorities and Finance Committee  
2021 April 27

ISC: UNRESTRICTED  
PFC2021-0487  
Page 4 of 4

## **Conclusion of Cash-in-Lieu Parking Program and Fund Allocation**

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### **Existing capital funding - one-time**

\$750,000

Transferring funding from the Cash-in-Lieu of Parking Fund to the Parking Revenue Reinvestment Reserve allows The City to make investments in communities from an untapped funding source and without reprioritizing any other spending. As this is a transfer between reserve accounts it is net-zero, though it makes \$1,587,000 in funding available to BIAs.

### **RISK**

Risks are contained in confidential attachment 3.

### **ATTACHMENT(S)**

1. Background Context and Maps
2. Proposed Allocation Table
3. Options and Risk/Benefit Assessment (CONFIDENTIAL)
4. Parking Revenue Reinvestment Reserve Terms
5. Stakeholder Correspondence

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Doug Morgan	Transportation	Approve
Moe Houssaini	Calgary Parking Authority	Consult
Les Tochor	Finance	Consult