

## **PARKING REVENUE REINVESTMENT RESERVE**

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### **EXECUTIVE SUMMARY**

Administration is proposing creation of a new Parking Revenue Reinvestment operating reserve to facilitate the implementation of the recently approved parking dividend policy in Council Policy TP017 (section 5.3).

### **ADMINISTRATION RECOMMENDATIONS**

That the Priorities and Finance Committee recommend that Council

1. Approve the creation of the Parking Revenue Reinvestment Reserve per the terms in Attachment 2.
2. Direct Administration to transfer monies from 2016 that have temporarily been placed in the Parking Land Acquisition Reserve into the Parking Revenue Reinvestment Reserve.

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

At the 2017 February 13 Combined Meeting of Council, Council approved report TT2017-0044 – “Revised Parking Dividend Policy”, which contained the following direction:

That the SPC on Transportation and Transit recommend that Council

1. Amend Council Policy TP017 “A Parking Policy Framework for Calgary” by replacing the contents of section 5.3 with the contents in Attachment 1.
2. Implement the policy as to provide a payment based on any surplus amount realized beginning with the 2016 fiscal year.
3. Conclude directing monies received from the Calgary Parking Authority into the Parking Land Acquisition Reserve.
4. Direct Administration to bring terms for a new Parking Revenue Reinvestment reserve to contain monies generated from the policy to the 2017 March 07 meeting of the Priorities and Finance Committee.

For reference, the approved report is contained in Attachment 1 of this report.

### **BACKGROUND**

The intention of the parking dividend policy is to reinvest surplus parking revenues into public realm improvements in paid parking areas. Through development of the policy, Council directed that monies be retained by The City and then used to facilitate the work on behalf of these areas. The creation of a reserve to contain these monies was proposed to facilitate this process. The direction to do so was approved as part of recommendation #4 in report TT2017-0044.

The monies have historically been placed in the Parking Land Acquisition Reserve. Report TT2016-0204 changed the downtown parking strategy so that new cash-in-lieu facilities would no longer be necessary. This fund was originally set up for purchasing land for new cash-in-lieu facilities. It was repurposed by recommendation #3 in report TT2016-0204, which “Direct[ed] Administration to create a process, in conjunction with the Calgary Parking Authority (CPA), and The City’s Reserve policies, to enable the CPA to access funds from the Parking Land Acquisition Reserve to support lifecycle requirements for existing cash-in-lieu parking facilities.”

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The reserve would no longer receive new contributions, and would be drawn down upon as the money is used for lifecycle maintenance. Thus recommendation 3 of report TT2017-0044 concluded the deposit of new monies into the reserve.

### **INVESTIGATION: OPTIONS AND ANALYSIS**

The terms for the proposed Parking Revenue Reinvestment Reserve are laid out in Attachment 2. An operating reserve is proposed, to be funded from 50% of surplus revenues from Calgary Parking Authority (CPA) net returns to The City.

Transportation would lead the tracking of balances by paid parking area (Business Improvement Area or otherwise), as well as the coordination and execution of projects. The money would be placed in Transportation Planning program #617 and a new activity would be created to track the usage of the funds. This program-activity would be funded from the proposed reserve. 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 on improvements in paid parking areas. 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.

To facilitate the retention of the 2016 monies and the budget year-end process prior to the creation of the reserve, the 2016 surplus has been placed temporarily in the Parking Land Acquisition Reserve. Recommendation #2 would move this money into the new reserve.

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

Business Improvement Areas (BIAs) and Community Associations (CAs), primarily in paid-parking areas, have been engaged throughout the development of the model and are aware of the step to formally create the reserve on The City's side.

### **Strategic Alignment**

Creation of the reserve supports implementation of the approved policy. The policy can potentially support infrastructure improvements that would facilitate many of the objectives in Main Street areas and the Centre City, and is well aligned with the MDP and CTP. It also contributes to the five Council Priorities established in Action Plan 2015-2018.

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

These benefits from the parking dividend policy were identified in report TT2017-0044 in Attachment 1.

### **Financial Capacity**

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

Expenditures for public realm improvements will be incurred under the Transportation Planning operating program #617 in a new activity. This program-activity will draw down the reserve funds to pay for the improvements.

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

None.

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### **Risk Assessment**

A risk of using a reserve model is that the money could sit unused. Administration will work with BIAs and Community Associations to ensure that the money is used in a timely manner.

### **REASONS FOR RECOMMENDATIONS:**

Creation of the reserve will facilitate the implementation of the Council-approved parking dividend policy.

### **ATTACHMENTS**

1. Report TT2017-0044
2. Parking Revenue Reinvestment Reserve Terms