



June 2, 2014

Member Councillors
Special Planning Commission on Transportation & Transit ("SPC")
City of Calgary
Municipal Building 4-B11-6, 800 Macleod Trail S.E.
PO Box 2100, Station M
Calgary, AB Canada T2P 2M5

Dear Councillors:

Re: Downtime Parking Strategy Review

We are writing this letter on behalf of NAIOP Calgary ("NAIOP"), a professional organization that represents the interests of the commercial development industry in Calgary, which membership includes the significant institutional and private landowner, developer and real estate management companies active in the city. We understand that The City's Transportation Group is preparing a work program for consideration by Council and request that SPC consider prioritizing a review of the Downtown Parking Strategy within this work plan. As NAIOP, we have continued to meet with individual councillors and City staff on this very important issue to a vibrant downtown and remain committed to a consultative process. Herein we set out our rationale for a timely review of the policy:

- The current downtown parking policy, including the Downtown Restricted Parking Area for office uses dates back to the 1966 downtown plan and 1972 Development Control By-law 8600.
- The ratio for parking has been in place for 42 years and is to provide one parking stall per 140 square metres (1506 square feet) of office space, with 50% provided on site and 50% paid cash-in-lieu to be provided at strategic locations owned by the Calgary Parking Authority. Many changes to downtown office occupancy density, transit infrastructure and other policies impacting downtown parking availability have been made since that time (such as introduction of Car2Go, and now cycle tracks).
- The downtown parking policy has been one of North America's most successful public policies in encouraging transit ridership and maintaining the integrity of inner city neighbourhoods and the interim 2024 mode split target for transit of 50% was reached 11 years ahead of target, in

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2013. With this milestone reached, it is time to evaluate whether any changes in the policy are merited.

- The average number of employees per leasable square foot has increased since the 1970s and 1980s (approximately one per 300-400/sq ft down to approximately one per 225-300/sq ft in today's market) so with the increased number of employees/1,000 sf of project, the ratio of stalls/1,000 sf of project need to be revised.
- The parking removed from office buildings continues to be demanded by tenants in downtown buildings and lack thereof has driven downtown parking rates to extreme levels. A Colliers survey in October 2012 and a Cushman Wakefield survey in March 2014 named Calgary as having the highest parking rates in Canada and second highest in North America after New York (Manhattan Island). This is an impediment to the long term health of the downtown.
- The cost of the lost parking is still paid for by developments, whereas revenues are no longer received by the developments. In addition, City parking historically has been constructed long after the contributions were made, leaving the core "under parked" in the intervening period (most of the last fifteen years).
- The City parking facilities which are eventually built (usually 10 to 15 years later) to meet the other 50% of the mandatory minimum required stalls have also historically been constructed above grade (eg: Centennial Parkade). This is in contravention to the Centre City Plan and the Urban Design Guideline initiatives, which both state that above grade parking destroys urban street life and the "active streets" concept. Above grade and remote parking is also less safe for pedestrians.
- In addition, one of the stated intentions of the Downtown Parking Strategy was to ease the burden of traffic on the downtown roads/bridges infrastructure. Almost all of the cash-in-lieu funds have been used to create above grade parking structures inside the core, so no meaningful reduction in traffic using the roads and bridges in the core has occurred.
- The cash-in-lieu policy unfairly advantages existing developments with 100% on-site parking over those that lose the benefit of this portion of the parking (and associated revenue) and still pay the cash-in-lieu for the cost.
- The cash-in-lieu policy has the effect of driving 50% of all new parking above grade and away from the demand generators (mainly the office projects).

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- Historically, the transparency of administration of the parking cash-in-lieu fund has fallen short of appropriate governance requirements and stakeholder expectations.
- There has not been a thorough review involving stakeholder consultation on the policy for several years.


During the recent CR20 Land Use Bylaw discussions in October 2013, parking was one of only two issues NAIOP and its members requested amendments from Council. At the time, Council requested NAIOP defer this issue to a future Council meeting and indicated a willingness to bring forward a resolution to direct City staff to study these important matters and engage stakeholders in this study. This resolution is yet to be presented to Council and we understand that approval of this work plan may obviate the need to do so. Our concern is that without immediate priority to this issue, and given the long term planning cycle for major office buildings (4 to 5 years from conception/land acquisition to completion), the policy needs to be addressed now to ensure the viability and competitiveness of any office buildings added in the 2018+ time frame.

For the foregoing reasons, we strongly recommend SPC recommend a work plan that prioritizes the downtown parking issues and directs staff to work with the stakeholders to provide a detailed review of the Downtown Parking Strategy, including the Cash-In-Lieu Policy with a view to making recommendations back to SPC and Council within one (1) year.

Yours very truly,

On behalf of NAIOP Calgary


Robert Homersham,
Government Affairs Committee


Richard Morden,
Government Affairs Committee

Cc: Rollin Stanley, Director of Planning, City of Calgary
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