

**Operational Services Briefing to
Infrastructure and Planning Committee
2023 November 08**

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Residential Parking Permit Program Update

PURPOSE OF BRIEFING

Residential permit parking is used in many North American cities to provide residents preferential access to street parking near their homes. In Calgary, it's a premium service Calgarians can request where parking is in high demand. Between 2018 and 2020, Administration conducted a review of the program for the first time in its nearly fifty-year history, guided by four Council-approved directives for improvement. Since the recommendations were adopted in January 2021, we have been implementing changes in a phased approach.

In July 2023, Council requested that Administration provide an update on the program prior to the 2024 budget adjustments. This included an update on permit uptake, a potential fee schedule to facilitate transition to a full user pay program, and related budget implications.

With the user pay policy applied to all residential parking permits, over 4 km of curb space will no longer need permit parking restrictions. Coupled with a reduction in permit use, a smaller and more efficient program will be provided, with overall annual cost savings of \$619,000. A reduced fee schedule has been proposed as part of the 2024 budget adjustments to reflect the lower costs of the program while achieving overall cost recovery, aligning with the Council-approved User Fees Policy.

SUPPORTING INFORMATION

Since changes were adopted by Council in January 2021, the revised Residential Parking Permit program has seen several incremental changes. The modernized program was developed to use data-based decision-making that would better meet the changing needs of a growing city today and into the future. The phased implementation approach has centered around ensuring the program is more responsive, effective, and efficient, and that it aligns with City policy.

Responding to Residential Parking Permit Signage Review Requests

The City committed to reviewing requests made by Calgarians in Residential Parking Permit areas so that unneeded and unwanted parking restrictions could be changed before fee changes went into effect. More than 550 requests have been made. Administration will meet the commitment made that all requests received by the end of July will be completed before permit fee changes are implemented in December. Of the requests that have been reviewed and completed to date, 98 per cent have seen a reduction in the level of parking restriction, meaning that both the data and local Calgarians supported having fewer instances or no instances where a permit is needed for parking on their street.

Forecasted Permit Uptake

As of October 2023, there are over 53,000 residential permits, with about two-thirds of permits being standard permits and one-third being visitor permits. Accounting for the signage change requests, as well as permits that may not be renewed due to the introduction of fees and permit limits, we estimate this will result in approximately 26,700 permits once permit renewals have been completed. This will lead to a smaller program going forward.

Improving Efficiency

Since Administration presented the program review in 2020, Calgary Parking has implemented several changes that improve the efficiency of the how the program operates. Shifting to automated enforcement in residential areas using The City’s proprietary ParkPlus software, and implementing the policy changes approved by Council has directly targetted the most expensive components of managing the program. Enforcement is now faster and uses fewer resources while some of the most costly components of the historic program have been eliminated.

Prior to 2020, residential parking would cost The City approximately \$1.4 million per year. At that time, the modernized program approved by Council was estimated to cost \$1.1 million per year beginning in 2021. Administration has recalculated program costs taking into account the efficiency gains made over the past three years. Despite inflationary increases, total program costs are now estimated at \$750,000 per year, or about half the cost of the program prior to 2020.

	Historic Program Costs (2018 and earlier)	Forecasted Costs (from 2020 Report)	Updated Costs (for Current Program 2023)
Administration and Customer Service	\$266,000	\$240,000	\$260,000
Software and IT Infrastructure	\$96,000	\$96,000	\$145,000
Enforcement	\$556,000	\$450,000	-
Engineering, Signs and Maintenance	\$140,000	\$210,000	\$250,000
Data and Analysis	-	\$85,000	\$85,000
Lost Revenue	\$311,000	-	-
Total Cost	\$1,369,000	\$1,081,000	\$750,000

Enforcement now has zero cost, with an average net revenue of \$603,000 over the past four years for infractions in residential parking areas. Policy 3.1.4.a in *Calgary Parking Policies* directs that “100 per cent of net revenue from parking enforcement activities is deposited in a City of Calgary general account.” A policy change would be required to retain these revenues within Calgary Parking to fund the program, as well as a budget amendment. Administration does not recommend this approach as revenues can be variable year-over-year, and if the focus on enforcement is to generate revenues to fund the program there is less focus on what enforcement should be trying to do: achieve compliance. Funding the program with this approach is also not aligned with the User Fees Policy, as those who are receiving the benefits from the program (the residents) are not the ones paying for the benefit.

Adjusting User Fees

With lower costs to run this program, lower user fees have become sustainable. Administration has calculated revised rates that align to Council’s Parking Policies and User Fees Policy. These revised rates have been included in the 2024 budget adjustments package for Council. The fee change is equivalent to the reduction in expenses therefore there is no budget impact.

Permit Type	Approved Annual Fees	Proposed Annual Fees	Percent Change
Residential First Permit	\$ 50	\$ 30	-40 %
Residential Second Permit	\$ 75	\$ 45	-40 %
Residential Third Permit	\$ 125	\$ 70	-44 %
Visitor First Permit	\$ 75	\$ 45	-40 %
Visitor Second Permit	\$ 75	\$ 45	-40 %
Select Permit	\$ 75	\$ 45	-40 %

These fees represent a nominal cost to users of the service, align with the User Fees Policy and meets Council’s direction to bring the program to cost recovery.

Other Analyzed Fee Scenarios

Other fee scenarios were analyzed including applying a lower, flat rate fee to all permits (\$20/yr), a free first permit using the proposed fee table, and a free first permit where program costs are allocated to remaining permits. For the first two scenarios, cost recovery would not be achieved, and there would be a corresponding budget impact and policy amendment required. For the third scenario, this would require increases to the second permit (\$200/yr) and third permit (\$375/yr) and second visitor permit (\$200/yr); the cost to multi-permit households would significantly increase. As such, these scenarios are not recommended by Administration.

Market Permit

A review of the Market Permit has found that initial uptake has been modest and is increasing. The full uptake of this option will be known once a full cycle of permit renewals has been completed at the end of May, 2025. The goal of this option is to price permits comparably to off-street parking options while also making good use of curb space. At this time, a reduction in monthly permit rates can be supported. The low-income market permit has also been adjusted to match the least expensive residential parking permit option.

Permit Type	Approved Monthly Fees	Proposed Monthly Fees	Percent Change
Market First Permit	\$ 150	\$ 105	-30 %
Market Second Permit	\$ 100	\$ 75	-25 %
Market Third Permit	\$ 75	\$ 50	-33 %
Low-Income Market Permit	\$ 6.25	\$ 2.50	-60%

Administration has included the proposed permit fees in the user fees schedule as part of the budget adjustments package for Council’s consideration during budget deliberations.

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General Manager Doug Morgan concurs with the information in this Briefing.