

Proposed New Policies (repeal and replace section 3 of *Calgary Parking Policies*)

Though the primary purpose of paid parking is to effectively manage parking demand, large cities can generate significant revenues from parking assets. The policies in this section reflect the priorities of efficient management of operating expenses, providing a fair return on investment for Calgarians and providing stable revenues for The City and partner organizations.

To guide the financial approach for parking, the following principles will apply:

1. The parking service shall be self-supported and not require tax support.
2. Maximize the return of net revenues from Parking to The City by way of an annual return.
3. Support City priorities through use of the annual return rather than directly from the Parking service.
4. Harmonize support for external festivals, events and non-profit activities through existing City processes.
5. Set off-street parking prices to generally achieve 90 per cent of the surrounding market price to provide an affordable option in a competitive parking market.

3.1 FINANCIAL CONTRIBUTION POLICIES

General

1. Parking operations shall be self-supported while providing a revenue return to The City and no require tax support.
2. Expenses and revenues for the provision and sale of parking services will be separate line items from other expenses in the Parking service budget.
3. Net revenue from parking is calculated by deducting from gross revenue:
 - a. operating expenditures,
 - b. internal recoveries to and from other business units directly related to providing parking services, and
 - c. principle debt repayment for debt related to past Calgary Parking Authority transactions.
4. All expenses and revenue related to parking enforcement and the municipal impound lot are not included in the calculation in policy 3.
 - a. 100 per cent of net revenue from parking enforcement and municipal impound lot activities is transferred to City of Calgary general accounts.
5. The parking service will return 100 per cent of net revenues from parking operations based on the calculations in 3 excepting specific investments outlined in section 3.2.
6. Activities not related to providing the parking service should be funded out of the return generated in 5, rather than directly by the parking service.

Pricing and Supply

7. Market prices will be used to set prices in Calgary Parking facilities to support business and resident activities while enabling fair revenue from public assets.
 - a. Calgary Parking should price off-street parking at approximately 90% the comparable rate for the location and level of service, and
 - b. Calgary Parking may use promotions or other temporary price adjustments to support low-demand locations and new service offerings.

8. Strategies should be explored to leverage existing City parking assets to offset any parking supply reductions to support long-term revenue amounts.

3.2 PARKING REVENUE REINVESTMENT POLICIES

As part of the objectives of the Municipal Development Plan and Calgary Transportation Plan, it is important for The City to support the creation of vibrant, transit-supportive mixed-use activity centres and corridors. Successful areas typically attract a large variety of visitors, including parkers, which can result in parking congestion. As a result, it is typically necessary to use on-street parking charges to manage the parking supply in the area to keep spaces available for users. This also manages overall demand and encourages usage of other travel options when parking supply is not sufficient. This tool can create a negative perception for some potential visitors and customers to the area that parking is a deterrent for visiting. By allocating some of the revenues generated by these parkers back to business areas where they were collected, they can be used to increase the quality of the public realm and facilitate business vitality to keep these destinations attractive and vibrant.

To facilitate this, a parking revenue reinvestment program has been established to fulfill the following objectives in paid parking areas:

- Facilitate a strong pedestrian environment.
- Further the implementation of complete streets.
- Provide incremental improvements to area parking.
- Enhance area urban design.
- Add to the vibrancy of the area.

Policies:

The following policies manage the administration of parking revenue reinvestment.

1. Of the total net revenues referred to in policy 5 of section 3.1:
 - a. Three million dollars will be reinvested in the streets service to offset street expenses associated with on-street parking. This amount will be adjusted annually based on the difference between the 2023 on-street paid parking supply and the current year.
 - b. Two hundred thousand dollars will fund the use of parking services and assets by external events, festivals and non-profit entities.
 - c. An annual contribution will be made to the Calgary Parking Capital Reserve to support asset maintenance and technology sustainment. This target will be set in the reserve and will be updated periodically based on asset condition assessments and technology planning.
 - d. A full-time equivalent role will be funded to administer the Parking Revenue Reinvestment Program.
2. The City will establish a Parking Revenue Reinvestment Program to use parking funds to support vitality in business areas and communities with paid parking areas.
3. The Parking Revenue Reinvestment Program will be funded with:
 - a. Ten per cent of on-street paid parking net revenue, and
 - b. One hundred per cent of Market Permit net revenue.
4. The funds allocated in 3 will be placed in a reserve fund for reinvestment in public realm infrastructure and programs in areas with paid parking on-street and Market Permit parking.
5. The on-street paid parking revenue reinvestment amount will be proportioned between the share of revenues generated within Business Improvement Areas (BIAs) and outside of BIAs.

- a. For Business Improvement Areas (BIAs), amounts will be distributed proportional to the amount of revenue generated in each respective BIA:
 - i. The proportion will be calculated from the share of net revenues from all on-street stalls within the BIA boundary as of December 31 of the calendar year.
 - ii. The City may meet on an annual basis with each BIA to discuss area priorities and determine the plans for using the funds.
 - iii. This funding must not fund normal day-to-day BIA operations.
 - b. Amounts generated outside of Business Improvement Areas will be retained separately for targeted reinvestment in non-BIA areas:
 - i. Funds will not be further proportioned by area or community.
 - ii. Not all paid parking areas will receive reinvestment on an annual basis. Rather, targeted improvements using the funds will be undertaken over time.
 - iii. The City will work with community associations within on-street paid parking areas ("eligible community associations") to discuss potential projects to be undertaken with the funds.
6. The Market Permit revenue reinvestment amounts will be allocated for use by the community association where the permit revenue was generated.
 - a. Market Permit revenues are not available to BIAs.
 7. The City will post the available funds and annual amounts by April 1 of each calendar year on The City's website.
 8. Reinvested funds can be used for mobility or public-realm improvements and enhanced operations that improve the public realm. A list of eligible items will be published on The City's website. Funds should be used to:
 - a. Apply enhanced standards to base-level capital infrastructure.
 - b. Apply enhanced response or service levels for operational responsibilities.
 - c. Provide for lifecycle replacement of items ahead of regularly scheduled maintenance.
 9. Reinvested funds should not be used to provide base-level infrastructure that would normally be provided in areas.
 10. Reinvested funds will be kept in reserve so that unspent monies may be spent in future years.
 11. Multiple years of reinvestment may be compiled to achieve larger investment objectives.
 12. These policies should be reviewed any time financial contribution policies are reviewed.