

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Wednesday, September 6, 2023
Subject	<b>Downtown Parking Master Plan</b>

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## Recommendation

1. That Council approve the Downtown Parking Master Plan, as included as Attachment 2, outlined in the report entitled "Downtown Parking Master Plan" dated September 6, 2023, inclusive of the tax supported financial model Scenario #2 as outlined in this report;
  2. That staff be directed to develop a Payment-in-lieu of Parking program policy, and related bylaw for Council's approval with Appendix A of the General Reserve and Reserve Fund Policy being amended to reflect the creation of a Parking Payment-in-lieu Reserve Fund (303) with the terms and authority as identified in the 2023-323 Downtown Parking Master Plan report, dated September 6, 2023;
  3. That staff evaluate and report back during the Downtown Parking Master Plan update in 2028 on the implementation of paid parking on street following the completion of each street reconstruction in the Downtown Infrastructure Renewal Program;
  4. That Report 2023-323, which provides information for the Statutory Public Meeting for the proposed Zoning By-law Amendments to amend residential parking regulations in the Downtown Zones in both Zoning By-law (1995)-14864 and Zoning By-law (2023)-20790, dated September 6, 2023, be received.
  5. That the Council decision on the proposed Zoning By-law Amendments to amend residential parking regulations in the Downtown Zones in both Zoning By-law (1995)-14864 and Zoning By-law (2023)-20790 as shown in Attachment-4 of Report 2023-323 be referred to the September 26, 2023 Council Meeting for approval.
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## Executive Summary

### Purpose of Report

This report provides background, current opportunities, and the financial model required to ensure parking acts as a catalyst for a vibrant downtown Guelph and to position the parking operation for future growth and sustainability.

### Key Findings

- The City operates three parkades and five surface parking lots across its parking operation.

- In 2026 a fourth parkade will open on Baker Street connected to the new library.
- In 2015 the City's first Downtown Parking Master Plan was approved by Council.
- The 2015 approved financial model included revenues from monthly permit sales, transient use, event parking, a proposed residential permit program, on-street paid parking, and an investment from property taxes.
- In 2018, Council amended the financial model to remove on-street paid parking revenues, directing staff to increase monthly permit rates and increase the investment from property taxes.
- From 2017 to 2019 the operation completed major rehabilitation to the West Parkade and opened the new Market Parkade.
- In addition, the operation focused on transformation through technology implementing new permitting software and parking access and revenue control equipment as well as contactless and mobile payment options.
- The COVID-19 pandemic affected the parking operation as transient use and event parking reduced significantly for the duration of the pandemic.
- Hybrid work arrangements, the rise of delivery and pick-up services, reduced transient use of facilities, still recovering sporting and cultural events, the introduction of the patio program has changed user behaviour.
- Revenue in the operation remains lower with the Baker Street facility offline for construction, the operational transfer of the Farmers' Market lot to 10C Shared Space, and still recovering transient hourly parking.
- Provincial zoning changes, the planned arrival of Conestoga College, and the City's Housing Pledge are important changes to the parking operation.
- In fall 2022 a parking study was initiated to provide input to an updated Downtown Parking Master Plan led by B.A. Group.
- More than 1700 public, internal, and external stakeholders participated in the public consultation.
- This update to the Downtown Parking Master Plan will pivot the operation to the City's current strategic priorities and situate the operation for future success.
- The Downtown Parking Master Plan will be updated every five years to reflect changing City priorities and downtown economic and development conditions.

## **Strategic Plan Alignment**

The update to the Downtown Parking Master Plan was conducted within the Strategic and [Revenue Budgeting Policy](#) framework at the City of Guelph. Within this framework, the parking system should operate in a way that supports economic growth and vibrancy, tourism, development, and meet transportation objectives. Parking is also a key stakeholder in the City's goals to promote transit use, active transportation, climate resiliency, and a reduction in greenhouse emissions. The master plan will reflect a balance between the three strategic statements by the City of Guelph made in the the [Transportation Master Plan \(TMP\)](#), the [2022-2026 Economic Development and Tourism Strategy](#), and the [Guelph Transit Future Ready Action Plan](#), all three of which are guided by [Guelph's Community Plan](#) and the [City's Strategic Plan](#).

The [Downtown Parking Master Plan](#) aligns with several themes in the City's Strategic Plan. These themes are aligned with the following City statements.

### **People and Economy**

- Help businesses to succeed and add value to the community.

- Support businesses as they adapt to changing workforce needs.

## **Environment**

- Mitigate climate change by reducing Guelph's carbon footprint.
- Build Guelph's capacity to adopt clean and efficient technology.

## **City Building**

- Provide attractive, affordable, and reasonable transportation options for everyone.
- Maintain existing community assets and secure new ones.
- Help increase the availability of housing that meets community needs.

## **Foundations**

- Develop a long-term financial and resource strategy that is achievable and affordable.

The [Downtown Parking Master Plan](#) also advances the strategic goals of the Transportation Master Plan. The Guelph Official Plan and Community Plan established a vision and related values for transportation in Guelph. The Downtown Parking Master Plan supports the work of the Transportation Master Plan.

## **Financial Implications**

The existing financial model for Parking has been disrupted by economic, policy, legislative, and strategic changes occurring over the past several years.

There are two key financial themes coming out of the study:

1. Establish a payment-in-lieu parking program. Staff recommend this action, and a new reserve fund is proposed to support collections under this program.
2. Monetize on-street spaces to move to a fully fee-funded financial model. This has benefits and drawbacks as outlined later in the report and is not recommended by staff at this time. This concept will be reviewed again in future updates in alignment with the reconstruction of downtown infrastructure through the Downtown Renewal Program.

During the study, staff reviewed several financial models including a full cost recovery model, a blended tax supported model with revenue from a new residential permit program, and the existing tax supported investment financial model. Given the timing of the impacts from the Downtown Infrastructure Renewal Program, the further reduction of on-street parking spaces during Patio Program operation, and concerns about the continued economic fragility of downtown businesses, the recommended financial strategy is the Scenario #2 Tax supported investment financial model.

The proposed parking strategy requires annual expenditures of \$5M and funding from three sources: property taxes (\$1.1M or 23%), monthly permits and daily parking revenue (\$3.8M or 76%), and residential parking permit revenue (\$65K or 1%). This annual investment includes the projected on-going annual operating costs, debt principal and interest on the Market and Baker facilities, and annual contributions to the parking operating contingency and capital reserve funds. Capital funding from a payment-in-lieu of parking program would be added to capital contributions to support future expansion (estimated at \$605K annually) over thirty years.

This recommended financial model accounts for the loss of development charge funding available to the parking operation and introduces a residential permit parking program, a key need identified during public consultation. The loss of the development charge funding affects the future debt repayment for the Baker parkade. Without development charges, the operation is required to fund the full debt repayment for the construction of the parkade from user fees, tax supported investment, and parking payment-in-lieu collections.

To enable the implementation of the proposed parking program, adequate operating reserves are required to be rebuilt to ensure pricing stability as parking infrastructure comes online, debt is issued, and as utilization ramps up. Further, capital reserve fund contributions are required to maintain sufficient funds to address the replacement of existing infrastructure and enable future parking program requirements as needed.

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## Report

### Background

The City operates a parking operation downtown across three parkades and five surface parking lots as well as a permit program on select streets downtown and on streets adjacent to Guelph General Hospital. A fourth parkade will move into operation in 2026 when the parkade under the new public library opens. Parking infrastructure is a critical City asset which supports the economic vitality of downtown. Recognizing the importance of this infrastructure, the City formalized strategic planning for the parking operation through the master plan process.

Council [approved](#) the City's first Downtown Parking Master Plan (2016 to 2035) at its meeting of November 18, 2015. Report [IDE-BDE-1550](#) contains the full plan and recommendations. Since 2015, staff have executed on the recommendations in the approved master plan.

At its meeting of May 28, 2018, City Council received an update to the Downtown Parking Master Plan within Report [IDE-2018.69](#) during which Council removed from the Downtown Parking Master Plan the direction to implement paid parking on-street in the 600 spaces in downtown from the funding model.

City Council [approved](#) a revised funding model for the parking operation with the following amendment:

"That staff be directed to use Alternative C within report IDE-2018.69 Downtown Parking Master Plan Update (blended tax and fee support) as the funding model with a review to be conducted within five years."

In 2020, the budget for the parking operation was moved to the non-tax supported budgets as a user-fee driven budget. The operation, however, continued to have an annual tax supported investment to offset any revenue shortfall. The operation also shows the costs to service the debt following the construction of the Market Parkade of approximately \$973K per year. Since 2020, the operation has been impacted by COVID and saw a reduction in parking behaviours, which resulted in an investment from the parking operating contingency reserve combined with Safe Restart grants to offset any negative variance in the budget between \$970K and \$1.2M a year.

## Progress to Date

Since the approval of the 2015 Downtown Parking Master Plan, there has been progress on several components of the plan. Specifically, the following key components have moved forward:

- Dedicated Program Manager – Parking, hired
- Construction and activation of Market Parkade on Wilson Street
- Anticipated construction of Baker Street underground parkade
- West & East Parkade major refurbishment projects and elevator upgrades completed
- Completion of a Parking Technology Selection and Implementation Metrics Study
- Procurement of new Parking Management Software
- Procurement of Parking Access Revenue Control System (PARCS)
- Installation of Occupancy Space Counters in facilities
- Installation of On-Street Occupancy Sensors on select streets
- Launch of mobile pay application
- Upgrade to LED lighting in East and West Parkades
- Refurbishment of Neeve Street surface lot (planned 2023)
- Installation of EV charging stations in East, West, and Market Parkades
- Transfer of Farmer’s Market surface lot to 10C Shared Space
- Closure and end of lease on Elizabeth Street surface lot
- Cashless payment options at event parking

## Study Context

Downtown Guelph is in a moment of transformation. The [Envision Guelph - Downtown Secondary Plan](#) is a compelling vision for the downtown core that promotes re-connection to the Speed River as a vital, community-wide asset and reinforces the historic character of downtown Guelph while responsibly and creatively planning for growth.

To support this growth, the [Downtown Infrastructure Renewal Program](#) implements a generational renewal of municipal downtown infrastructure. With intentional and responsible planning, the infrastructure the City builds today will create the foundation for prosperity, sustainability, and well-being for half a century or longer. Renewing our downtown infrastructure is part of the City’s work to transform and revitalize Guelph’s historic core.

A revitalized downtown is an attractive destination for residents to shop, dine, and importantly, live. The recent [City of Guelph Housing Pledge: By Guelph, For Guelph](#) commits the City to facilitate the construction of 18,000 units by 2031 and several of these new units will be built in the historic downtown. More residents downtown create a greater sense of place, with the associated vitality of more commercial, cultural, community, artistic, and public space activity.

These three City policy statements will renew downtown Guelph for a generation. Parking infrastructure has a clear role in this renewal. Like linear and underground infrastructure, parking infrastructure can foster residential development and increase the tax density downtown. Reimagined parking infrastructure and parking policies play their part in this transformative enterprise. The [Downtown Parking Master Plan](#) contemplates methods to utilize the City’s parking infrastructure to achieve the City’s Housing Pledge and promote economic and commercial vitality downtown.

## **Housing**

The plan proposes a payment-in-lieu of parking program which can support accelerated residential development downtown. Parking infrastructure is an important and critical lever to unlock sites downtown for redevelopment. By utilizing municipal parking supply, the development community may be supported to redevelop a site where parking options are restricted or so cost-prohibitive that these costs deter development.

Additionally, the rate of required parking for new residential development downtown should be reduced with a bylaw amendment from 1.0 spaces per unit to 0.85 spaces per unit, in alignment with direction in the Transportation Master Plan (TMP) to decrease automobile mode share, with the goals to increase ridership in the Guelph Transit Future Ready Action Plan, and in line with direction from the Province of Ontario in OPA 80 to reduce required parking rates. Reduced parking requirements will assist with reducing costs of residential development, and therefore help meet the City's housing goals. The plan does not recommend no parking minimums downtown. Such a policy would eliminate the feasibility of implementing a payment-in-lieu of parking program, a key source of funds for future supply.

## **Economic Vitality**

The plan supports the flexible use of the curbside with the continuance of the Patio Program, short duration spaces for delivery services, more loading zones, and engagement with Conestoga College to support their expansion. This flexible use of the curbside enables new and existing businesses to experiment with new business models, offerings, and changing consumption behaviour which in turn provides more commercial activity. The City's investment in tourism and economic development supports increased commercial activity and positions downtown as a destination of choice for residents, tourists, visitors, consumers, and the public.

## **Strategic Real Estate**

The plan expands future parking supply in partnership with the strategic real estate committee to provide flexibility in the purpose, use, disposition, or renewal of existing parking assets. By partnering in strategic real estate decision-making, parking infrastructure could be reimaged to support multiple uses such as parking and affordable / student residential housing on the Fountain Street lot or a retail podium, parking, and a residential tower on the Macdonell Street lot as possible uses. Existing parking infrastructure could be renewed to further support the City's Housing Pledge.

Investment in parking infrastructure can be an important enabler to achieve the City's housing targets, to sustain economic vitality and commercial performance, and to assist, through flexible use of public space, in making Guelph an important tourist destination. In addition, the Downtown Parking Master Plan advances other City strategies by supporting new and existing residents as they live, work, shop, and dine downtown.

## **Affordability**

The plan proposes discounted, targeted permit programs for not-for-profit organizations, service agencies, and volunteers, and stable hourly rates.

## **Equity**

The plan seeks to partner with Guelph Transit, the Transit Advisory Committee, and the Accessibility Advisory Committee to ensure equitable access to services that work for people's different needs, means, and abilities.

### **Climate Resiliency**

The plan follows the TMP in recommending more secure bike parking, transit ridership, walking, and electric vehicle charging stations.

### **Security**

The plan reinforces planned improvements including painting, wayfinding, and increased security patrols.

### **Innovation and Technology**

The plan encourages use of emerging technologies in support of wayfinding, visitor and tourism development, data collection, and payment.

### **Transportation Master Plan**

Finally, the Downtown Parking Master Plan supports and advances the goals of the Transportation Master Plan. After extensive study of existing and planning conditions in the transportation system, the TMP recommended an ambitious plan for modal shifts to sustainable transportation options including transit, walking, and cycling. By setting ten-year incremental milestones to achieve the 2051 modal shift targets, the TMP sets out a clear roadmap to measure progress toward the City's goals.

The TMP called for the enhancement and alignment of city parking facilities and services by aligning parking strategies and supply with mode share and GHG targets, update the Downtown Parking Master Plan, accommodate the needs of sustainable modes, and consider EV charging station needs in parking strategy. The provision of public bicycle parking, both short- and long-term parking was identified as a key need. To create attractive intermodal connections, it was recommended that the City of Guelph continue to provide bicycle parking facilities at key transit nodes and transfer points, including continuing to expand long-term and short-term bicycle parking throughout Downtown Guelph.

The TMP recognized the evolving nature of parking in its recommendation to ensure research into effective curbside management practices and technologies to better balance and optimize the rising short-term curb space demands due to the increase of ride sharing services, delivery vehicles, curbside pick-ups and drop-offs, along with transit, accessibility, and vehicle parking.

The TMP was clear in its recommendations to improve parking conditions and options throughout Guelph. These policy statements in part below and reflected in the Downtown Parking Master Plan recommend that the City:

- a) conduct a review of on-street and off-street parking to ensure the city-wide parking system is in alignment with the goals and objectives of this plan; recommendations of the study will inform future updates to the traffic, parking, and zoning bylaws.
- b) periodically review and update the City's Downtown Parking Master Plan to align with the TMP goals to reduce auto mode share.
- c) continue to provide parking to meet the needs of Downtown businesses, residents, and visitors.

- d) continue to play an active role in the supply of off-street parking Downtown.
- e) recommend with the Downtown Parking Master Plan best practices of on-street parking management that support the goals and proposed network of the TMP, including:
  - a. compatibility with proposed Cycling Spine Network within the Downtown area
  - b. consideration for accessibility and transit access needs
  - c. supply management that balances existing and projected demand with the mode share target set out by the TMP
  - d. integrated management of on-street stalls for loading and short-term stopping needs
  - e. consideration of temporary stopping stalls to support autonomous vehicles or ride-share programs
  - f. consideration of specialized uses such as electric vehicle or fleet charging locations
- f) continue to specify off-street parking requirements and may establish maximum parking requirements in the Zoning By-law, where appropriate.
- g) continue to enforce that off-street parking areas and facilities shall be provided through zoning and site plan requirements.
- h) continue to consider cash-in-lieu of required parking in accordance with the Planning Act.
- i) continue to follow the 2014 Downtown Streetscape Manual and 2021 Official Plan for on-street and off-street parking guidelines unless superseded by subsequent council-approved road design studies.
- j) may acquire, develop, and operate parking facilities outside of the downtown, if necessary.

The update to the Downtown Parking Master Plan delivers on the recommendations found in the approved Transportation Master Plan.

## **Community Engagement**

Comprehensive community engagement on the state of the downtown parking ecosystem, current successes and challenges, and recommended plans and strategies was undertaken in the preparation of this master plan.

This Community Engagement Plan acted as the blueprint for the engagement process. The project team identified various stakeholders as potential contributors to the Downtown Parking Study in addition to the public. A robust ongoing conversation with these stakeholders and with the public to understand needs, trends, and ideas, and to provide perspectives on options and recommended strategies occurred. This approach placed a high value on how public input shapes policies by aligning activities in the engagement plan around key decision-points.

Finally, given the significance of other ongoing initiatives in the downtown including the Downtown Infrastructure Renewal project and the patio program, alignment of communication and engagement with these other projects where feasible and appropriate was undertaken.

Public consultation was robust, extensive, and meaningful. More than 1700 members of the public, at businesses, from community, professional, and social service organizations, and City staff in several disciplines provided valuable feedback, expertise, and suggestions in the development of this master plan. The Downtown Guelph Business Association and Guelph Chamber of Commerce were

extensively engaged during this public consultation. The following table illustrates public and stakeholder response by the numbers.

Table 1: Public and Stakeholder Response by the Numbers

<b>Number Involved</b>	<b>Public Engagement Activities Undertaken</b>
3,810	Visits on Have Your Say Guelph
3,098	Unique visitors to the site and viewed at least one page
2,115	Unique visitors who were informed and interacted
1,617	People were engaged by filling out a survey
1,308	Respondents to Survey #1
309	Respondents to Survey #2
13	Attendees / connections at Virtual Public Meeting #1
29	Attendees / connections at Virtual Public Meeting #2
65	Participants at Stakeholder Small Group Meetings
15	Accessibility Advisory Committee
40	Downtown Stakeholder Workshop
7	Emails received throughout the study

Several key findings from the public consultation illustrate the broad themes and concerns related to downtown parking.

- Over 75% of respondents drive downtown and don't see that changing.
- Over 60% of respondents identify cost as a very important consideration.
- There is a high demand for complimentary on-street parking.
- Over 74% of respondents were very supportive or somewhat supportive of continuing on-street complimentary parking funded through the tax base for the next five years when asked.
- Concerns about availability and cost of parking for residents in adjacent downtown neighbourhoods.
- Need to improve location and availability of accessible parking for people with disabilities.
- Better organization of deliveries with more drop-off and short stay spaces.
- Need for more secure bicycle parking throughout downtown.
- Concerns about safety and maintenance when using surface lots and parkades.
- Some areas of downtown are seen to be underserved and parking is not available where it is needed.

A detailed summary of the engagement results is available in the [Technical Appendices](#).

## Staging of Downtown Parking Master Plan

The [Downtown Parking Master Plan](#) was completed to prepare for growth in downtown Guelph to 2051 aligned with the [Shaping Guelph Official Plan Amendment 80](#) and the [City of Guelph Housing Pledge: By Guelph, For Guelph](#).

Based on community feedback, technical analysis, and review of industry best practices and benchmarks, the key actions of the master plan are provided in Table 2 below. A focus on near-term objectives directs staff to implement plans and policies which can support, accelerate, and contribute to the delivery of the City's goals in its Official Plan and the commitments made in its Housing Pledge.

Table 2: Policy Actions

Policy Component	Timing	Notes
Update financial model	Every five years	Ensure tracking to financial sustainability
Evaluate paid parking on street following reconstruction work in Downtown Infrastructure Renewal Program	2028 – onward	Aligns implementation with activation of redesigned streets
Revisit parking supply approach after engagement with City's strategic real estate committee and Economic Development and Tourism	2028 – onward	Ensures future supply is delivering on City's strategic development goals

Table 3: Staging of Downtown Parking Master Plan Actions

Plan Component	Timing	Notes
Development of a payment-in-lieu of parking program, policy, and bylaw & establish a parking payment-in-lieu reserve fund	2023	The program supports accelerated residential development downtown
Increase supply by 700 spaces by 2051 by partnering with developers while accelerating achievement of City's Housing Pledge	2024-2027	Aligns with strategic real estate methodology in this timeframe

Plan Component	Timing	Notes
Partner with Conestoga College to ensure their successful expansion into downtown Guelph	2024-2027	Supports public and economic vitality
Complete lifecycle maintenance activities on existing facilities	On-going	Extends useful life of assets
Installation of on-street occupancy sensors to support data collection and analysis	2024	Invests in technology to drive data collection
Improve safety and security in facilities (painting, patrols, signage, lighting, etc.)	2024-2025	Improves safety and attractiveness of facilities
Develop and launch a residential permit program on street in the periphery neighbourhoods	2024-2025	Meets resident demand for allocated parking
Increase supply of short stay and delivery / drop off spaces	2024-2025	Supports business and economic vitality
Development of targeted permit programs	2024-2026	These programs improve equity and affordability of services
Baker Parkade complete	2026	Increases supply and supports activation of Baker District
Installation of electronic signage (support wayfinding, availability, and occupancy)	2027	Uses technology to improve customer experience
Develop recommendations for paid parking on street as Infrastructure Renewal projects complete.	2027	Improves financial sustainability of parking operation and better aligns parking pricing strategy with supply and demand factors

## **Statutory Public Meeting for Zoning By-law Amendments**

The Downtown Parking Master Plan recommends reductions to parking requirements for new residential units in the Downtown. To implement these changes, City-initiated amendments are proposed both to the in effect (1995)-14864 Zoning By-law and the Council endorsed but under appeal at the Ontario Land Tribunal (2023)-20790 Zoning By-law.

Existing parking requirements in the Downtown for residential uses are the same in both the 1995 and 2023 Zoning By-laws. Both Zoning By-laws require one (1) parking space per dwelling unit. The recommended new requirement would be 0.85 parking spaces per unit. There are no other changes proposed to parking regulations in the Zoning By-laws. Visitor parking requirements are also proposed to remain the same.

Planning staff recommend approving the proposed amendments to both the 1995 and 2023 Zoning By-laws to reduce required residential parking to 0.85 spaces per dwelling unit. The recommendation is based on the results of the Downtown Parking Study completed as part of the Downtown Parking Master Plan and is in keeping with the requirement from the Province of Ontario through OPA 80 to reduce required parking rates for residential uses in the Downtown. Planning Staff further recommend that a decision on the proposed amendments be considered at the Council Meeting on September 26, 2023. Staff will prepare amending by-laws for both the 1995 and 2023 Zoning By-laws for this Council meeting.

### **Financial Implications**

Financial sustainability, equity, downtown economic vitality, advancement of the City's strategic goals, and supporting the Transportation Master Plan's modal shift targets affect equally the way the financial model for the parking operation is established.

Several economic, policy, legislative, and strategic changes such as the effects of the COVID pandemic, hybrid work, and changes to travel patterns to downtown have occurred over the last few years. These changes have affected the performance of the operation and are disruptive to the existing financial model. The recommended financial model is also sensitive to the anticipated disruption related to the [Downtown Infrastructure Renewal Program](#). The recommended financial model moves the operation toward sustainability while acknowledging and responding to the near-term economic and redevelopment conditions.

Two important themes emerged in developing the recommended financial model. The first theme centers on the recommendation to implement a payment-in-lieu of parking program, policy, and associated bylaw. This program accelerates the City's ability to deliver on its [City of Guelph Housing Pledge: By Guelph, For Guelph](#) by helping activate downtown properties for redevelopment while ensuring our cultural heritage can be protected. The recommendation to create such a program would allow residential developers to build downtown where providing required parking may be restrictive while at the same time not placing additional burden on property taxpayers, employees, or transient users with higher fees to fund future capital projects. These funds would be dedicated capital funds used to grow the capacity of the parking system in the future.

The second theme in the development of the recommended financial model is the potential to monetize the on-street parking spaces. Monetizing the parking spaces

is an important lever in achieving financial sustainability in the operation and moving it to a fully user fee-funded model in alignment with the Revenue Budgeting Policy cost recovery ratio guidance for private services that benefit individuals.

Monetizing the streets provides several benefits including:

- i. It moves the operation closer to financial self-sufficiency.
- ii. It is an important lever in changing user behaviour, either through mode shift or moving longer term users to off-street facilities.
- iii. It can be a lever in ensuring turnover in short term parking spots, which can reduce the burden on the city's bylaw staff capacity.
- iv. It better aligns pricing with supply and demand.
- v. It can be a tool to assist in moving users away from the construction areas during the infrastructure renewal projects downtown.

There are, however, several cautions which may affect its performance in the model including:

- The Downtown Infrastructure Renewal Project will cause disruption on the streets; aligning the implementation of payment equipment with its completion of each street reduces rework.
- The patio program occupies ~100 parking spaces (out of 600) for five months reducing supply & potential revenue each year.
- Monetizing parking spaces reduces flexibility to activate economic activity, such as patios, delivery spaces, loading zones, and new business models as well as social, tourism, and cultural public space programming.
- Recessionary headwinds, increasing interest rates, and looming possible bankruptcies as noted by Restaurants Canada and the Canadian Federation of Independent Business suggest possible economic fragility downtown; a change in consumer behaviour due to the introduction of paid parking on-street may impact business performance.
- During our engagement the public did not support monetizing the parking spaces for the next five years.
- Over 74% of public respondents were very supportive or somewhat supportive of continuing on-street complimentary parking funded through the property tax base for the next five years when asked.

### **Stewarding Capital Assets**

It is incumbent on staff to be prudent financial stewards of the City's capital assets. The proposed funding models plan for annual capital asset maintenance and rehabilitation, future replacements in line with the City's formal asset management plan, accounts for current and future debt obligations, and anticipates future new construction related to a growing downtown.

### **Debt Servicing**

The financial model accounts for the existing and future debt obligations in the parking operation. The Market Parkade opened in 2019 and has an annual debt obligation of \$973K over a twenty-year amortization period. In 2026, when the Baker parkade opens, the operation will assume responsibility for an additional \$550K annually over the course of the debt amortization for its construction. In total, from 2026, the operation is responsible for \$1.523M in annual debt obligations for the construction of these two facilities.

## **Capital Reserve Contributions for Asset Replacement**

Using the asset management plan, in 2046 the East and West Parkades are due for capital replacement as these facilities will have reached the end of their useful life. The master plan anticipates this future capital obligation and directs contributions annually into a capital reserve fund. While this financial planning is prudent and appropriate, at the time of replacement, in the future staff may instead recommend repurposing those sites with a mix of commercial, office, residential, and parking uses and to not solely replace those assets with parking only.

## **Capital Reserve Fund Contributions for New Growth**

The introduction of a payment-in-lieu of parking program accelerates the City's achievement of its Housing Pledge. The financial model anticipates the future obligations under such a program by contributing approximately \$605K annually from payment-in-lieu contributions to a dedicated parking payment-in-lieu capital reserve to help fund new construction.

Staff are proposing that Appendix A of the General Reserve and Reserve Fund Policy be amended to reflect the addition of a Parking Payment-in-lieu Reserve Fund with the following terms and conditions:

Reserve Fund Name: Parking Payment-in-lieu

Purpose: Created in accordance with sub-section 40(3) of the Planning Act for the purpose of requiring the payment-in-lieu of parking for exemptions made in accordance with sub-section 40(1) and 40(2) of the Planning Act.

Target Balance: No established maximum. Reserve fund balance must be positive.

Source of Funds: Revenues collected from Parking payment-in-lieu agreements executed under sub-section 40(2) of the Planning Act.

Use of Funds: Parking capital related expenditures to invest in infrastructure to support growth and service enhancement.

Authority/Timing: Council approved through capital budget or other in year Council report. Management authority for annual transfers of not more than \$100 thousand for the administrative purpose of closing capital projects.

## **Metrolinx**

The introduction of all-day, two-way GO service from Guelph's central station will transform how commuters and visitors access downtown. Currently, Guelph Transit has the co-fare program which allows people to ride for free if connecting to the GO train. While Metrolinx classifies Guelph's central station as a transit-oriented station, it is expected this service will put pressure on the city's parking system. Accordingly, City staff will engage in dialogue with Metrolinx regarding the construction of additional parking facilities to be funded and built by Metrolinx solely or in partnership with the City of Guelph either in downtown or elsewhere supported by a shuttle service operated by Guelph Transit.

As the conversation evolves, there may be a future role for council advocacy with Metrolinx on behalf of Guelph.

## **Funding the Operation**

The master plan proposes two primary financial model scenarios: a full cost recovery model which includes paid parking on-street and a residential permit

program and a financial model with ongoing annual investment from property taxes and revenue from a residential permit program. In either model, the addition of future parking supply is partially funded through proceeds from a payment-in-lieu of parking program.

The following tables outline how those models operate.

Table 4 - Scenario #1 Full cost recovery (starting 2026)

<b>2026</b>	<b>Funding</b>	<b>Percentage</b>	<b>Notes</b>
City Contribution	---	---	
Permit & Daily Revenue	\$3.806M	73%	\$110-\$160 permits \$30 daily rate
Paid Parking on-street	\$1.368M	26%	\$2.65/hour (exclude HST)
Residential permit program	\$65K	1%	Nominal amount

In the above financial model, investment from property taxes is required in 2024 and in 2025 as paid parking on-street is implemented. There would be an investment from property taxes of \$1.07M in 2024 and \$1.102M in 2025.

There is a related capital investment of \$2M to acquire, install, and launch equipment to support paid parking on-street funded from the parking capital reserve fund. Investment from property taxes would cease in 2026 when paid parking on-street is fully operational.

For comparison purposes, the table below illustrates the financial model in 2026 to demonstrate the alternate performance against full cost recovery noted above.

Table 5 - Scenario #2 Tax supported investment

<b>2026</b>	<b>Annually</b>	<b>Notes</b>
City Contribution	\$1.135M	
% of parking budget	23%	
Permit & Daily Revenue	\$3.806M	\$110-\$160 permits \$30 daily rate
% of parking budget	76%	
Residential permit program	\$65K	Nominal amount
% of parking budget	1%	

In the above financial model, investment from property taxes is forecast as follows:

Table 5a – Scenario #2 property tax investments

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Property tax investment	\$1.070M	\$1.102M	\$1.135M	\$1.169M

In the above financial model, there are anticipated impacts in the multi-year budget.

Table 6 – Multi-year budget impacts

<b>Annually</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Permit increases	5%	5%	5%	5%
Hourly increases	-	-	-	-
Residential permits	-	\$63K	\$65K	\$67K
PIL reserve contribution	\$605K	\$605K	\$605K	\$605K

### **Recommendations**

Staff recommend the continued investment of property taxes into the parking operation as illustrated in Tables 5 and 5a – Scenario #2 Tax supported investment model. Continued investment of property tax funds in parking infrastructure, like investments in linear and underground infrastructure, is an investment in accelerating housing starts, economic vitality, equity, and climate resiliency.

Staff recommend evaluating the implementation of paid parking on-street in five years at the next update to the [Downtown Parking Master Plan](#). This timeline would allow the possible installation of paid parking on downtown streets to coincide with the redevelopment of streets as the [Downtown Infrastructure Renewal Program](#) progresses.

### **Consultations**

The following departments consulted on this report:

- Engineering & Transportation Services
- Finance
- Downtown Revitalization
- Economic Development & Tourism
- Guelph Transit
- Facilities & Energy Management
- Environmental Services
- Planning and Building Services
- Corporate & Community Safety
- Legal, Realty, & Court Services
- Strategic Property Advisor
- Operations
- Customer Service & Customer Experience
- Culture & Recreation
- Accessibility Advisory Committee
- Downtown Guelph Business Association

- Guelph Chamber of Commerce
- External consultation details can be found in the [Technical Appendices](#)

## **Attachments**

Attachment-1 Downtown Parking Master Plan Council Presentation

Attachment-2 [Downtown Parking Master Plan](#)

Attachment-3 [Technical Appendices](#)

Attachment-4 Proposed Zoning By-law Amendments

## **Departmental Approval**

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