

Council Memo



To	City Council
Service Area	Infrastructure, Development and Enterprise Services
Date	Tuesday, September 26, 2023
Subject	Downtown Parking Master Plan Memo

This memo addresses the questions which emerged during Council discussion at Committee of the Whole on September 6, 2023 regarding the [Downtown Parking Master Plan](#). This memo provides additional information for Council consideration regarding further reduction of the residential development parking rate downtown and provides additional clarity on the timeline of various operational initiatives which will be delivered following the approval of the Downtown Parking Master Plan.

Residential development parking rate

In the Downtown Parking Master Plan, and through a Statutory Public Meeting as part of the September 6, 2023, Committee of the Whole meeting, staff recommend reducing the residential development parking rate in downtown zones to 0.85 from 1.0 spaces per unit. Council requested staff to provide additional information on the implications of further reductions to the rate or the elimination of parking minimums for residential development downtown.

In theory, removing parking minimums may contribute towards many outcomes that councils want to achieve including:

- encouraging the use of public transport;
- improving environmental outcomes;
- increasing housing density in areas with good transport connections;
- improving urban amenity, and
- ultimately making housing more affordable.

However, these outcomes are difficult to predict and measure. If these outcomes do not materialize, there are potential impacts and risks to municipal parking supply, which are outlined further in this memo.

Cautions and considerations

There are several cautions and considerations for Council about a reduction of the residential development parking rate lower than the recommended 0.85 spaces per unit.

First, it is important to recognize that the approach to support an acceleration of housing starts in the Master Plan is based on three items:

- the introduction of a payment-in-lieu of parking program,

- a reduction in the residential development parking rate, and
- support for transportation demand management (TDM) tactics and policies to further reduce parking demand.

Together, these tools provide residential developers a path to further reduce the parking requirement on their sites, if appropriate or desired, while ensuring the parking ecosystem can support the demand. As recommended by staff, a residential development downtown would support 0.85 parking spaces per unit, but a further reduction could be requested through a zoning by-law amendment or minor variance, where the applicant can justify the reduction through the inclusion of transportation demand management measures in the building such as bicycle parking, subsidized transit passes, bike-share programs, etc. Finally, by accessing the payment-in-lieu of parking program, developers can further reduce their costs while still supporting cost impacts to the public system to supply parking. Together, these programs provide options that allow the City to achieve its housing goals by attracting more and different types of development downtown but also ensures that developers are providing viable options for transportation if they choose not to put in parking.

Ultimately, the Master Plan provides City staff with tools to work flexibly when considering development applications to further reduce the 0.85 parking spaces/unit, when considering payment-in-lieu, TDM, and other site-specific zoning considerations, including the right mix of building types such as affordable units.

Moreover, the continued implementation of Guelph Transit's Future Ready Action Plan is a key enabler of reduced residential parking ratios. To ensure a successful transition to reduced parking rates, any reduction in parking supply should be accompanied by an increase in sustained funding to expand the transit system.

If the residential development parking rate is reduced below 0.85 or eliminated, there are several cautions which should be considered.

- Developers have less incentive to implement transportation demand management measures which advance the modal shifts in the TMP.
- If parking demand is not met within new residential developments, there will be increased demand for the public system and on bylaw resources to enforce compliance with parking restrictions.
- Depending on the rate of increased demand to public supply, accelerated municipal investment may be required to provide expected parking levels of service. This growth-related cost will not be covered by developers through a payment in lieu program if there are no parking minimums.
- Given that the growth in jobs may lag the growth of residents, many residents may continue to choose to travel by car to their place of employment within or beyond Guelph.
- Following the arrival of Conestoga College, the existing parking ecosystem will be changed as parking demand is expected to increase. Similarly, the introduction of two-way all-day GO rail service is expected to change parking demand. For these reasons, the Master Plan suggests revisiting the residential parking rate in five years once these impacts are known.

- The Guelph Transit Future Ready Action Plan did not anticipate this accelerated shift from vehicular to transit use; the TMP contemplates a gradual 8% reduction in vehicular use by 2031.
- Current investments in transit to 2031 do not take into consideration potentially a more rapid increase in demand.
- To support these reduced parking rates, increased, sustained, and accelerated funding for transit expansion may be required to ensure this transition.
- The Parking Master Plan recommends the flexible use of the curbside for commercial and cultural programming; more resident parking will compete for these in demand spaces.
- Public consultation has identified the need for a residential parking on-street permit program in the neighborhoods surrounding downtown; these neighborhoods cannot absorb any increased demand.
- Alternatively, new downtown residents could compete with homeowners and employees to buy permits on periphery residential streets, exacerbating congestion and dissatisfaction.
- Current downtown renters without parking in their buildings come to the City for parking solutions or seek parking solutions for their personal vehicles on peripheral residential streets.
- Reducing parking minimums can help lower the cost to build, which may make housing more affordable, but the City has no mechanism to ensure developers pass those savings on to residents.
- Removing parking minimums eliminates the possibility of a payment-in-lieu of parking program; the proposed financial model assumes \$605K annually for future capital expenditures. Without this PIL revenue, the shortfall would require higher permit and hourly rates, implementation of paid on-street parking, and / or greater tax investment in the operation to deal with growth-related impacts.

Other items to consider.

- An additional Statutory Public meeting should be held for the consideration of any further reduction to residential parking ratios below 0.85 spaces per unit to meet Planning Act public consultation requirements for a zoning by-law amendment.
- Staff can enter pilot payment-in-lieu of parking arrangements with developers for housing developments in advance of the formal policy coming for approval in February 2024.
- Based on staff review, funds collected through a payment-in-lieu of parking program cannot be used to accelerate transit expansion. Under the Planning Act, funds collected under a payment-in-lieu of parking program must be used for the purposes for which they were collected. Some TDM measures may be eligible under the Act, subject to further review. Staff will report back with more details once the policy is developed.

- The Development Charges Act already provides relief to developers building affordable housing, which is in addition to the City's approved Affordable Housing Financial Incentive Program.
- Staff intend to consider targeted bylaw amendments with reduced or no parking minimums where use suggests that the requirement for parking is less, such as for developments for student housing, supportive housing, affordable housing, and seniors' residential housing. These applications, should they arise, would be dealt with through site-specific zoning bylaw amendments.

The above information was considered by staff in preparing the downtown parking master plan. Staff still do not recommend reducing the residential parking rate to zero. Instead, staff continue to recommend reducing the parking rate to 0.85 parking spaces per unit with allowances for further reductions by the introduction of transportation demand management measures and access to the payment-in-lieu of parking program where appropriate. The Master Plan gives staff the tools to work flexibly with developers to ensure parking is not a hinderance to development, but instead it is an element that can be considered on a site-specific basis using the tool-kit options.

Policy background

The theme of the Committee of the Whole discussion centred on balancing the pace of change to achieve the City's modal shift targets as outlined in the [Transportation Master Plan](#) and the urgency to accelerate more housing starts.

In 1971, the City completed its first Comprehensive Zoning Bylaw. Before 1971, there was no requirement for parking. With the introduction of the Comprehensive Zoning Bylaw, all buildings before 1971 were legaced to not require parking. All buildings built after 1971 were subject to the new bylaw and required parking.

Staff are looking at a payment-in-lieu of parking program (PIL) to unlock Guelph's existing built form to add additional residential use but not to fully support large or extensively changed buildings. PIL will be applied on a case-by-case basis subject to the proposed development specifications. A decrease in the amount of PIL would be considered for affordable, supportive, student, and senior housing units.

From a zoning perspective, both the in-effect Zoning By-law (1995)-14864, and the approved new Comprehensive Zoning Bylaw (2023)-20790 (under appeal at the Ontario Land Tribunal), include the same requirements for downtown residential parking. New residential units in the Downtown zones require a minimum of 1 parking space per unit. Additionally, apartment buildings and mixed-use buildings in a D.1 or D.2 zone with more than 20 dwelling units also require a minimum of 0.05 parking spaces per dwelling unit.

Moreover, a comprehensive analysis of the City's policy positions was undertaken to understand how the anticipated growth in the downtown secondary plan area, the Official Plan Amendment 80, various transportation demand management (TDM) policies and programs, the City's Race to Zero, and the future of transit intersect to chart an approach to reduce or exempt parking standards in residential developments and develop parking, TDM strategies and transit supportive initiatives, which include limiting long-term parking in the downtown.

Section 5.2.1 Recommended Residential Parking Requirements of the [Downtown Parking Master Plan](#) outlines direct policy guidance regarding parking supply in downtown Guelph. Relevant policy guidance is outlined below.

Downtown Secondary Plan

- Section 11.1.4.1.4 notes that the “City may permit reduced parking standards for developments which demonstrate through a TDM plan and implementation strategy that a reduction in parking standards is appropriate.”
- Section 11.1.4.5.3 notes that the “City may reduce or exempt any requirement for private off-street parking for development in downtown provided there is adequate alternative parking. A development agreement, cash-in-lieu of parking or other financial contribution policy, may be required where a development proposal is granted an exemption or is permitted to reduce the parking requirement in accordance with the policies of Chapter 5 of the Official Plan.”

Shaping Guelph Official Plan Amendment 80

- In approving City of Guelph OPA 80, the Ontario Ministry of Municipal Affairs and Housing (MMAH) modified the Downtown Secondary Plan by adding Section 11.1.4.5.5 which notes the “City shall amend its Zoning By-law to reduce minimum parking requirements for transit-supportive development within the Major Transit Station Area.”

Guelph Transit Future Ready Action Plan

- The Guelph Transit Future Ready Action Plan notes parking and TDM strategies as transit supportive initiatives which include limiting long-term parking in the downtown. In summary, there is applicable policy directing the City of Guelph to amend the Zoning By-law to reduce minimum parking requirements in the Major Transit Station Area (MTSA), that the City may permit reduced parking standards through providing a TDM Plan or with payment in lieu (i.e. cash in lieu) of providing parking at the Zoning requirement.

This theme of parking reductions aligns with the objectives of the [Transportation Master Plan](#) to affect modal shift in transportation choice within Guelph. In Figure 12: Target Milestone Mode Share Shifts in the [Transportation Master Plan](#) (TMP), the plan contemplates a shift in vehicular use for daily trips within Guelph from 80% to 72% and an increase in trips taken by transit, cycling, and walking between 2016 and 2031. The TMP sees a decrease over fifteen years in vehicular use as travel preferences shift and transit ridership increases.

The [Guelph Transit Future Ready Action Plan](#) is aligned with the TMP and expects implementation of its recommendations over the next ten years subject to available budget funding. The plan expects a 30% increase in service over that period, with service extending to new growth areas such as the Guelph Innovation District, the new Fleet and Transit Facility, and the Clair Maltby Secondary Plan Area. Moreover, the planned service expansion targets identify that when a density of 22 units per hectare or 50 residents and jobs per hectare is achieved, service will be provided to the area through route extensions or a community route.

The City's policy statements work cohesively to achieve the modal shifts outlined in the Transportation Master Plan by establishing residential development strategies to affect a reduction in the required parking while at the same time implementing transportation demand management measures and tactics and improving, growing, and strengthening the reach, frequency, and operational coverage of Guelph Transit. These two approaches are mutually dependent to be successful. A reduction in parking demand necessarily requires the promotion of transportation demand management tactics and a well-funded, expanding, and customer-centric transit system capable of moving constituents to their places of work, leisure, and commerce.

New parking demand from future growth

Supplying and managing parking demand for new residential construction can be achieved in several ways. Better and efficient utilization of existing off-street supply can be one avenue to support residential development through the purchase of residential permits by private users either independently or because of construction which used a payment-in-lieu of parking program to offset parking from private sites to the public system. Alternatively, future parking demand could be met through the public or private construction of more dedicated parking facilities, an approach which does not align with the City's commitments to good land use planning, greenhouse gas reductions, and financial sustainability. Finally, future parking supply could be managed by residential developers who use market factors and customer demand to determine how much parking is required in their developments and build accordingly.

The [Downtown Parking Master Plan](#) uses parking utilization study data from residential developments downtown and the City's Official Plan growth targets to suggest a nuanced approach to reducing the residential development parking rate over time in alignment with the modal shift milestones established in the [Transportation Master Plan](#) and the [Guelph Transit Future Ready Action Plan](#).

In section 5.2.1 Recommended Residential Parking Requirements of the [Downtown Parking Master Plan](#), there were several key takeaways from the parking utilization study including

- Across all ten residential apartment sites within the Downtown Secondary Area that were subject to parking utilization studies, peak parking demand at almost all sites was measured to be lower than the pre-existing Zoning By-law minimum parking requirements for residents and visitors.
- No site reached capacity when at peak demand; all sites always had excess parking.
- While higher parking demand was observed at condominium sites, most of those sites also had higher parking supply. Parking utilization percentages at condominiums and rental buildings were comparable.
- Comparison was made to utilization studies of purpose-built residential buildings for students along the Gordon corridor to understand potential student demand for parking.

These results suggest that residents continue to use personal vehicles for which they require parking. Residents continue to use vehicles to access their places of work outside downtown and to visit commercial locations not currently available

downtown such as grocery stores, cinemas, recreation facilities and sports fields, and other commercial enterprises.

Determining how much parking may be required is related to a sound understanding of the current forecasts for residential development in Guelph and particularly downtown. In section 8.1.5 New Parking Demand from Future Growth of the [Downtown Parking Master Plan](#), projections are established for residential growth based on current planning.

The City has recently updated their growth estimates for the downtown to reflect current trends and policy directions from the province including the Housing Pledge. Based on discussions with the City Planning Department, the consulting team assumed that approximately 6,500 residential units could be built over a 30-year period as well as 1,500 new jobs. This equates to approximately 220 residential units per year and 50 jobs per year on average.

Municipal examples with no parking minimums

There are recent examples from various municipalities who reduced or eliminated parking minimums for residential and institutional buildings. In all cases, zero parking minimums do not reduce demand for parking itself; very good, reliable transit and substantial jobs, shopping, and social services within walking and cycling distance does.

Residential

Condominium development adjacent to Square One Shopping Mall in Mississauga is an example of the spill on effects of no parking minimums. The City of Mississauga removed the visitor parking requirement from developments under the assumption developers would build as needed. Larger traditional builders still supplied visitor parking (some at a reduced rate) while others did not supply any visitor parking. This lack of supply led to a spillover of visitor parking to adjacent residential streets. Two things happened: 1) complaints about the lack of visitor parking from condo owners and from residents on adjacent streets increased, leading Council to amend the bylaw reinstating the visitor parking requirement, and 2) paid on-street parking had to be instituted on adjacent residential streets to ensure turnover for residents of those affected streets.

Additionally, some developers, with a focus on reducing the parking they supplied, sought out partnerships with off-site locations, with underutilized parking supply (e.g., adjacent office buildings) to meet the parking demand of residents. In some cases, they have been successful in doing so but this alternative only works if there is a concentration of office buildings with excess capacity, which is not the case in downtown Guelph.

Finally, developers have lately been seeking variances for about 0.65 resident spaces per unit, a reduction from Mississauga's bylaw which requires 0.80 spaces per unit. Other developers are content with 0.80 or 0.85 spaces per unit. This variation reflects the site-specific conditions as to how much parking they can fit on a site. These rates, driven by developers forecasting the parking demand, reflect the parking demand they anticipate in an area with transit, jobs, major shopping, and a community college within walking distance.

Kitchener-Waterloo offers an example where reduced, or no parking minimums are in force downtown. There is a density of people and jobs downtown, currently at 167 jobs/hectare with growth plans focused on increasing downtown residents and jobs to 200/hectare by 2031. Kitchener-Waterloo benefits from an active network of cycling paths and access to Grand River Transit, the ION LRT, GO Train, and VIA Rail services which serve to reduce demand for parking of personal vehicles. The availability of residents, jobs, and alternative transportation choices downtown serve to foster an environment where the personal vehicle is not preeminent.

Institutional

Two institutional examples may be helpful. In these examples, pressure from the developer or the tenant required the corresponding municipality to expand their parking facilities.

The conversion of the office space used by the Cooperators to the new Conestoga College campus required extensive analysis and negotiation, including parking commitments. Despite acknowledging that most students will arrive via transit, train, and bus services, Conestoga College faculty and support staff will continue to drive and park downtown despite the campus' proximity to the train and transit terminal. The City was still required to provide off-campus parking to ensure the successful arrival and expansion of the campus.

Courthouse construction in downtown Kitchener and Oshawa necessitated adding parking supply. The City of Kitchener bylaw required parking be supplied for the new courthouse, but the courthouse did not want to supply parking under their building for security reasons. The City of Kitchener collected many millions in payment-in-lieu of parking fees to help fund two new garages downtown. The City of Oshawa shows the opposite experience. Oshawa had a zero parking minimum in its downtown. When the province asked for bids from various municipalities in Durham to accommodate a new courthouse, the province required Oshawa to build more parking spaces as the province did not view the existing municipal supply as adequate. While the parking requirements were zero, the City had to supply parking because the new development needed it even though the bylaw did not require it.

Downtown Parking Master Plan actions

Separately, there were requests for more immediate timing of some items emerging from the Downtown Parking Master Plan. The table below illustrates the anticipated workplan to deliver the pilot programs, new product offerings, and the delivery of a payment-in-lieu of parking program.

Table 1- Planned deliverables

Plan deliverable	Timing	Notes
Payment-in-lieu of parking policy and associated bylaw	Committee of the Whole February, 2024	Accelerate housing starts
Targeted permit offer for small businesses	Q4, 2023	Ensure equity & utilize supply

Plan deliverable	Timing	Notes
Targeted permit offer for not-for-profit agencies	Q4, 2023	Ensure equity & utilize supply
Pilot – first hour free parking in off-street facilities	Q1, 2024	Change user behaviour & utilize supply
Partner with Accessibility Advisory Committee – parking system review & recommendations	Q4, 2023	Ensure equity

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