

# Corporate Policy and Procedure



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Policy	<b>Payment-in-lieu of Off-Street Parking Policy</b>
Category	Corporate
Authority	Planning and Building Services
Related Policies	N/A
Approved By	Council
Effective Date	Friday, March-01-2024
Revision Date	Wednesday, March 01, 2028

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## Policy Statement

The Payment-In-Lieu (“PIL”) of Off-street Parking Policy establishes a program to permit a building owner or tenant to make an application to the City to provide payment-in-lieu of providing or maintaining off-street parking facilities in accordance with the applicable Zoning By-law (the “PIL Program”).

## Purpose

Monies accepted through the PIL Program will be placed in the PIL reserve account and will be used for parking-related capital expenditures to invest in infrastructure to support growth and service enhancement. Funds in the reserve account could be used to address the demand for parking including appropriate transportation demand management measures which reduce the demand for parking and for the acquisition, construction, establishment and/or maintenance of municipal parking facilities. This policy outlines the application and approval process, identifies the criteria used to calculate the required payment, and establishes payment requirements.

## Definitions

“Affordable Housing” means:

The least expensive of:

- a) In the case of ownership housing, the least expensive of:
  - i) Housing for which the purchase price results in annual accommodation costs which do not exceed 30 per cent of gross annual household income for low- and moderate-income households; or
  - ii) Housing for which the purchase price is at least 10 per cent below the average price of a resale unit in the regional market area.

- b) In the case of rental housing, the least expensive of:
  - i) A unit for which the rent does not exceed 30 per cent of grow annual household income for low and moderate income households; or
  - ii) A unit for which the rent is at or below the average market rent of a unit in the City of Guelph.

“Conversion” means the alteration or change of use of any place from the existing use of such place.

“Development” means the construction, erection, or placing of one (1) or more buildings or structures on lands.

“Estimated cost of a parking space” means the cost of a parking space as identified in the Development Application Fee Bylaw and is generally based on the estimated cost of constructing a parking space in an above-ground structure. The cost will be indexed annually consistent with the Non-Residential Building Construction Price Index.

“Redevelopment” means the construction, erection or placing of one or more Buildings on land where all or part of a building has previously been demolished or partially demolished on such land.

“Supportive Housing” means the use of a building with dwelling units, suites or bedrooms in a shared setting, that is used by people who have specific needs beyond economic needs, including but not limited to, needs such as mobility requirements or support functions required for daily living. Support functions may include, but are not limited to, collective dining facilities, laundry facilities, counseling, educational services, and life skills training.

## **Legislative Authority**

The *Planning Act, R.S.O., 1990, c.P. 13*, as amended, Section 40, provides that a municipality and an owner or tenant of a building may enter into an agreement exempting the owner or tenant, to the extent specified in the agreement, from providing or maintaining parking facilities in accordance with the applicable Zoning By-law, provided such agreement includes the payment of money for the exemption and sets out the basis for the payment calculation.

## **Scope**

The PIL Program is applicable in the Downtown Secondary Plan Area where municipal parking is provided either in off-street lots and/or off-street structures (See Appendix A). Generally, the municipal parking system should be able to accommodate any excess parking demand generated by a proposed development in order for a Payment-in-lieu of Off-street Parking application to be recommended for approval.

## **Application**

The applicant submits the application for PIL to Planning and Building Services, along with the required application fee.

If the PIL application is made by a tenant of the property, such application will be required to be accompanied by a written authorization signed by the owner, dated, and witnessed.

In conjunction with or as part of the application, the applicant is required to provide justification for the proposed parking shortfall in the form of a parking justification report, study, letter or other. The scope of the parking justification should be discussed with staff from Planning and Building Services prior to its preparation. The evaluation criteria outlined below will be used to evaluate each application.

The applicant is encouraged to include transportation demand management measures in the required parking justification and/or development proposal as means to reduce the required parking prior to applying for any allocation of parking spaces through the PIL Program.

Reductions to the required parking will be considered in the parking justification study submitted to Planning and Building Services for affordable housing or supportive housing or for housing designed for, targeted at, or intended for student use.

## **General**

Payment-in-lieu of required parking spaces may be made for all, or part of the parking spaces required by the Zoning By-law, subject to approval in accordance with this policy.

The Municipality, having accepted the payment-in-lieu of off-street parking, will be under no obligation to provide parking spaces at any particular location at any particular time.

- Proponents electing to use the payment-in-lieu option will have no proprietary rights to free or reduced-rate parking, nor any equity whatsoever in any lot or structure which may subsequently be constructed by the City of Guelph.
- Residents of developments which accessed the PIL program continue to be required to contract and pay for parking permits in any municipal facility at the rates prescribed in the City's User Fees By-law (as updated annually through the City Budget process) in force at the time of their application and any applicable administrative and permit fees and federal and provincial taxes.

The estimated cost per parking space in effect (in accordance with the City's Development Application Fee Bylaw) at the time the PIL agreement is signed shall be applicable.

## **Evaluation and Approval Process**

The General Manager of Planning and Building Services, or their designate, is responsible for the processing of all PIL applications and PIL agreements.

## **Evaluation**

Applications for PIL will be evaluated based on the following criteria:

- Consistency with and/or advancement of social, environmental, design, transportation or economic development objectives and policies of the Guelph Official Plan, including the Downtown Secondary Plan;
- Consistency with the objectives of a City Council endorsed parking strategy or parking master plan relevant to the subject location;
- Whether the existing public parking supply in the surrounding area can accommodate the on-site parking deficiency;
- Identified site constraints that prevent the provision of the required number of parking spaces; and
- The proposed use(s) of the property and whether there is any issue as to overdevelopment of the site.

## **Conditions of Approval**

If the PIL application meets the above noted criteria, Planning and Building Services will prepare the terms and conditions of PIL approval to be included in a PIL agreement, which shall include, among other general terms:

- The number of parking spaces eligible for PIL;
- The PIL rate;
- The PIL calculation formula; and
- The PIL payment.

The PIL conditions will also include a provision that the applicant contribution as calculated by the City is valid for only 12 months from the date of determining the terms and conditions of PIL approval. If the proposed PIL agreement is not executed by either party within the stated 12-month period, a new application, along with the application fee, will be required.

Notwithstanding the above, nothing in this policy restricts or precludes the City from applying additional or alternative conditions of approval of the particular application.

## **Agreement**

If the applicant and the City agree that an agreement is appropriate, the applicant shall deliver a standard form agreement (for review by the City Solicitor, Legal Services) and return three signed copies of the agreement, as reviewed, to Planning and Building Services.

Authority to execute the PIL agreement is delegated to the General Manager, Planning and Building Services. Once the agreement is finalized, the applicable planner will forward an application briefing note and copies of the agreement to the General Manager of Planning and Building Services or designate for review and execution.

For applications that are not supported by Planning and Building Services, a report from the General Manager of Planning and Building Services recommending refusal is prepared for consideration by Council, if requested by the applicant.

## **Applicant PIL Contribution**

The formula to calculate the applicant's PIL contribution is based on the estimated cost of a parking space (in accordance with the City's Development Application Fee Bylaw), the category of development proposed and the number of spaces that the applicant is requesting be provided through PIL.

### **Parking Formula**

The developer/proponent contribution of the PIL of parking will be calculated based on the following categories of development proposals:

- (A) A Change in Land Use and/or the Conversion of an Existing Building and/or Structure or part thereof and/or additions to existing buildings which do not result in the overall building height exceeding 6 storeys
- (B) New Development, and/or Redevelopment

### **Payment-in-lieu of parking rates**

The rates identified below apply to the total parking spaces in the application.

For **Category (A)** PIL applications (conversions/additions), the following shall be applicable:

- 1-10 parking spaces – 12.5% of the estimated cost of a parking space
- 11-20 parking spaces – 25% of the estimated cost of a parking space
- 21-30 parking spaces – 50% of the estimated cost of a parking space
- More than 30 parking spaces - 75% of the estimated cost of a parking space

For example, if an application is for 25 parking spaces, 50% of the estimated cost will apply to all 25 parking spaces.

Note: sites proposing a building height exceeding 6 storeys shall be reviewed on a case-by-case basis, to a maximum of 50 spaces.

For **Category (B)** PIL applications (new development/redevelopment), PIL will be considered for **required visitor parking spaces** in accordance with the following:

- 1-10 parking spaces – 25% of the estimated cost of a parking space
- 11-20 parking spaces – 50% of the estimated cost of a parking space
- 21-30 parking spaces – 75% of the estimated cost of a parking space
- More than 30 parking spaces - 90% of the estimated cost of a parking space

Note: exceptions for required residential parking spaces may be considered on a case-by-case basis, to a maximum of 50 spaces in accordance with the Category (B) rates provided that the overall intent of this policy is maintained.

### **Payment**

The PIL payment shall be in one lump sum and be received prior to the issuance of the building permit or, where a building permit is not required, upon execution of the PIL agreement.

- For a PIL application associated with a Zoning By-law Amendment application, the PIL agreement must be finalized and signed by the applicant prior to the enactment of the amending Zoning By-law.

- For a PIL application associated with an application for Site Plan Approval, the PIL agreement must be finalized and signed by the applicant prior to the issuance of Site Plan Approval. The agreement will be signed and executed by the City at the same time as Site Plan Approval is being granted.
- For a PIL application without an associated Zoning By-law Amendment application or application for Site Plan Approval, payment must be made and the PIL agreement executed prior to the issuance of a building permit.
- PIL payments are not refundable. The number of parking spaces where a PIL agreement has been executed will be credited to the property.
- Notwithstanding the above, payment options may vary on a case-by-case basis and at the City's discretion.

### **Tracking PIL Contributions**

PIL contributions will be tracked in the City's AMANDA system.

### **Allocation of Funds**

Funds collected are placed in the PIL reserve account. Planning and Building Services is responsible for sending the cheque to the Finance Department for deposit to the appropriate PIL reserve account.

# Appendix A – Downtown Secondary Plan Area

