

NO: R107

COUNCIL DATE: May 17, 2010

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **May 13, 2010**
FROM: **General Manager, Engineering** FILE: **5480-24**
SUBJECT: **On-Street Pay Parking Program: Project Update and Program Expansion**

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Receive this report as information;
2. Approve the provision of free parking (15 minute limit) at a rate of 1 for every 10 on-street pay parking stalls for a 12-month transition period at commercial street front locations; and
3. Approve an additional loan from the Legacy Fund up to an amount of \$360,000 to allow for the continued expansion of the pay parking program, which loan will be repaid over time from the net revenues generated by the program.

BACKGROUND

The Transportation Strategic Plan (TSP) identified the importance of properly controlled on-street parking to support safe and efficient operation of the road network and the well-being of adjacent land uses. The ongoing growth of the City has increased the need for well managed parking. On-street pay parking has been identified as an important tool in providing this important service.

In July 2009, Council approved the awarding of a contract to APARC Systems Ltd. for the purchase and implementation of 25 on-street pay stations (Corporate Report No. R136; 2009, attached as Appendix I) for on-street parking. This contract had a value of \$360,000 and was funded through a loan from the Legacy Fund. The installation of these pay stations was to take place in 2 phases, as follows:

- Phase 1: Install on streets on which parking meters were already in place; and
- Phase 2: Introduce (pay stations) in areas where the demand for on-street parking is high but where parking meters had not previously existed; primarily in the City Centre and Town Centres.

The first new pay parking stations were installed in November 2009. The remainder of the Phase 1 stations that are replacing metered parking will be installed by the end of May 2010. The specific locations at which pay stations have been installed are documented in the following table.

Site #	Location	Streets	Install Status
1	Surrey Memorial Hospital	94A Avenue / 138 Street	Complete
2	City Centre	City Parkway	Complete
3	Marine Drive	Marine Drive /8 Avenue	Complete
4	Gateway Station	City Parkway / Gateway Drive/ 108 Avenue	Complete
5	Gateway South	City Parkway / 107A Avenue	May 2010
6	Semiahmoo Town Centre	17 Avenue	May 2010

Locations have been identified, as part of Phase 2, where pay parking should be introduced in the City to support the objectives of the TSP (i.e., to promote better management of on-street parking). The following Phase 2 locations have been identified to date:

Site #	Location	Streets
7	Newton Town Centre	137 Street / 72 Avenue / 72A Avenue
8	City Centre	Whalley Blvd. / 107A Avenue / 138 Street
9	Surrey Memorial Hospital (expansion)	136A Street / 137A Street

DISCUSSION

On Street Parking where there are Street-fronting Retail Stores

To date, pay stations have been installed in retail/office commercial areas and mixed use residential/commercial areas where private off-street parking is also provided.

Vancouver, Richmond, Burnaby and Victoria use pay parking in high traffic destinations and report that it is valued by motorists. Pay parking encourages the proper use of parking and improves the probability for motorists that parking will be available near important destinations.

In some respects, the benefits of pay parking are counter-intuitive to many business owners and therefore new installations can create considerable concern on the part of the owners of businesses fronting streets on which pay parking is instituted.

During the consultation process related to introducing pay parking within the Newton Town Centre, specific concerns were raised by a number of business owners. These are:

1. Pay parking will discourage customers from patronizing the businesses fronting such streets, which will result in lost business; and
2. Pay parking creates a competitive disadvantage for businesses that front streets on which pay parking has been installed in comparison to businesses that are located in shopping malls and plazas where 'free' off-street parking is available.
3. Pay parking on a street creates a competitive disadvantage in comparison to streets where there is free on-street parking.

Staff has reviewed these concerns and can advise as follows:

1. *Loss of business:*

Pay parking at other locations, both within the region and locally have demonstrated that pay parking builds confidence on the part of business patrons that parking will be available conveniently to access services they seek. Staff is proposing to implement in Newton a rate of 25 cents for up to 15 minutes at pay locations.

2. *Competitive disadvantage in comparison to the “free” off street parking at larger retail complexes:*

The cost of the “free” parking at large retail complexes must be built into the lease rates, generally making it more expensive for a business to locate in these complexes, which then is reflected in the price of products offered at that location.

3. *Competitive disadvantage in comparison to businesses on neighbouring streets that do not have pay parking:*

While 137 Street was planned to be the first street in Newton to have pay parking, staff will be implementing pay parking along 72 Avenue and 72A Avenue at the same time so as to mitigate this concern.

Free Parking Allocation on Streets With Pay Parking:

To assist in mitigating the concerns of local business owners, on streets on which pay parking is implemented, and which have fronting retail businesses, staff intend to follow a policy on a temporary basis of allocating a rate of 1 in every 10 on-street stalls as “free 15 minute parking”. These “free” stalls will be implemented in parallel with the introduction of pay parking and will remain in place for a period of 12 months after the introduction of pay parking.

Funding Approval

The 25 pay stations that were purchased last year as noted above, have either been installed or are soon to be installed (Sites 1 to 6). The purchase and installation of these stations was funded by a way of a loan of \$360,000 from the City’s Legacy Fund.

Net revenues from the pay parking stations will be used to repay the Legacy Fund. As the pay parking program in Surrey grows, it is expected that the program will have sufficient net revenues to fund the purchase of additional pay parking stations without the use of the Legacy Fund. The revenue stream from the pay parking stations that are already in operation will allow repayment of the loan for the initial 25 parking stations within 18 months. Once the pay parking station debt is retired, net revenues will be invested in expanding the parking program and in support of other transportation programs including walking and cycling measures and road safety initiatives.

Parking Expansion

The Engineering Department will continue to identify locations that would benefit from the introduction of on-street pay parking. These will primarily be located within our City Centre and Town Centres. The decision related to where and when new pay parking stations will be installed will be based on the following considerations:

- Areas with high parking demand and where parking turnover is important;

- Areas with limited on-street parking and high short term parking demand;
- Locations with fronting retail/commercial businesses;
- Locations in close proximity to high density residential and office developments; and
- Recreational areas with high parking demand.

The City's methodology for identifying and implementing pay stations will be informed by on-going monitoring of the existing inventory of on-street pay parking stalls in the City.

Funding Requirement

To allow for the continued expansion of the pay parking program, some additional funding is required that will be repaid over time. Based on the expected revenue stream from the current pay parking stations, staff is recommending that Council approve an additional loan to the pay parking program of \$360,000 to allow for the continued expansion of the program. This amount will be repaid over time from net revenues from the program. It is expected that the repayment period would be no longer than 5 years.

SUSTAINABILITY CONSIDERATIONS

The Transportation Strategic Plan (TSP) is closely aligned with the Sustainability Charter. The use of on-street pay parking is identified within the TSP as an important tool to better manage this valuable resource, by ensuring parking is regularly available and equitable to all, which benefits both users and adjacent businesses.

CONCLUSION

Based on the above discussion, the Engineering Department recommends that Council approve an additional loan from the Legacy Fund in the amount of \$360,000 to allow for the continued expansion of the pay parking program, which loan will be repaid over time from the net revenues generated by the program.

Vincent Lalonde, P.Eng.
General Manager, Engineering

JB/PB/MD/brb/jkb

Appendix I - Corporate Report No. R136; 2009