

July 11, 2012, Cash in Lieu of Parking Provisions Report 2012TS0409

Background

A Cash in Lieu of Parking program for commercial neighbourhoods was examined in 2012 (Transportation Services Report 2012TS0409: Cash in Lieu of Parking Provisions, July 11, 2012 Executive Committee meeting). The report examined parking management strategies and meeting mode shift goals. The report discussed the pros and cons for a Cash in Lieu of Parking program and offered refinements and modifications for consideration to a typical Cash in Lieu Program. The report did not offer a recommendation to support or reject a Cash in Lieu of Parking program in Edmonton.

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Recommendation:

That the July 11, 2012, Transportation Services report 2012TS0409, be received for information.

Report Summary

This report describes the parking management practice known as Cash in Lieu and explores the applicability of Cash in Lieu Programs in the Edmonton context.

Previous Council/Committee Action

At the January 25, 2012, Executive Committee meeting, the following motion was passed:

That Administration provide a report to Executive Committee regarding allowing for cash in lieu parking provisions in commercial neighbourhoods where cash in lieu parking provisions would be most applicable.

Report

It is recognized that the appropriate provision of parking facilities, both on-street and off-street, contribute to the economic health of the City of Edmonton, particularly within Business Revitalization Zones. The technical scope of the recently completed Parking Management Study included five major components, one of which was to “explore new policies and mechanisms to address parking supply requirements including . . . cash-in-lieu strategies.”

Cash in Lieu Programs represent one of a number of possible parking management strategies and can be an effective tool in some circumstances. Cash in Lieu Programs allow or require developers to pay cash in lieu fees as an alternative to providing minimum requirements for private off-street parking. Most often, Cash in Lieu Programs are intended to allow commercial development to occur, especially the redevelopment of existing buildings on lots that are too small to accommodate on-site parking. In some cases, Cash in Lieu Programs recognize the value of shared or joint-use parking as a means of reducing excessive parking which promotes travel by automobile and can create environments that are not hospitable for access by transit and active transportation.

Cash in lieu policies typically define the areas in which they are applicable, what the allowable parking reductions are, and the rates used to determine cash in lieu payments. The amount of the cash in lieu fee is generally set to offset the capital cost of constructing a parking facility. This mechanism is currently used in Calgary, Vancouver, and Ottawa, with fees ranging from \$2,400 per parking space in Ottawa to over \$20,000 per parking space in Vancouver.

Several purposes are served when cash in lieu funds are used to create a shared district and/or joint-use parking environment. Cash in Lieu Programs are used in some municipalities not only for purchasing land and building parking facilities, but also for managing, operating, and maintaining off-street parking facilities for public use. Cash in

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lieu funds can also be used to provide public information to enhance parking utilization, including publicity campaigns, signage, and other informational devices.

Cash in Lieu Programs can be a key component of mixed-use and Transit Oriented Development nodes because they can facilitate the provision of shared parking facilities that encourage flexible development, promote walkability (park once and walk to multiple destinations), and minimize parking spillover into adjacent residential communities.

There are disadvantages associated with Cash in Lieu Programs that should be evaluated as part of any cash in lieu policy development including:

- The rate of development and/or redevelopment in defined cash in lieu catchment may not produce sufficient funds to allow a municipality to construct off-street parking spaces in a timely manner or at an economical rate.
- If cash in lieu fees are too high, they can discourage development.
- Probability that a contributor to the fund will not have direct benefit from the parking facility, either due to delay in collecting sufficient funds for construction or location of the facility.
- Need to develop a consistent but flexible strategy, particularly regarding the collection and use of cash in lieu funds, to be applied to diverse areas of a municipality in order to not create disparity and competition between business zones.
- Pro forma or leasing issues experienced by developers because they are not supplying on-site parking.

Cash in Lieu Programs require a Municipal Government to expand their involvement in the parking business. It is acknowledged that the City of Edmonton is already involved in the parking business because it owns and operates a number of parking facilities in the city. The development of a Cash in Lieu Program would require additional resources to ensure successful application of the program and management of additional parking facilities.

A number of refinements and modifications to typical Cash in Lieu Programs could be considered and include:

- Replace one-time cash in lieu fees with a parking management fee to be collected monthly or yearly for either a finite or indefinite period of time and used for a variety of purposes, not limited to the construction of new off-street parking stalls. This process has the benefit of being able to be altered at the time of a change in use on a given site so as to either terminate the payment or adjust and continue the payment at a different rate if the new use generates a parking requirement that is different from the previous use.
- Use cash in lieu funds to retire the debt incurred for a parking facility front-ended by the City.
- Use cash in lieu funds to provide on-street parking where possible (e.g. angle parking on appropriate side-streets).
- Use cash in lieu funds to lease spaces in underused parking facilities (e.g. lease spaces to support employee parking for the district, to free up public on-street and off-street parking).

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- Use cash in lieu funds to partner with property owners in Business Revitalization Districts to build district facilities.
- Use cash in lieu funds to manage parking in the Business Revitalization Zones.
- Use cash in lieu funds to enhance amenities in Business Revitalization Zones to encourage alternative transportation modes, particularly walkability and public transportation (examples include secure bicycle parking and end-of-trip facilities; investment in infrastructure to support public transit to enhance bus stop environments, hours of operation, frequency, and/or reliability of service).
- Let Business Revitalization Zones manage on-street parking in their respective areas and establish Parking Benefits Districts to use the revenue for area improvements.
- Organize stakeholders to operate pooled parking in Business Revitalization Zones.
- Allow employees to park for a fee in the zones established for residential parking permit holders and use revenue for improvements in the applicable zone.

In conclusion, parking management practices, such as cash in lieu, can contribute to the achievement of the City's strategic plans related to economic vitality, quality of life, and supporting public transit and active transportation. *The Way We Move* suggests that there is a need to shift away from accommodating automobiles to a focus on the development of a balanced, multi-modal transportation system. Should a cash in lieu mechanism for parking management be

desired for the City of Edmonton, it is suggested that it may be more appropriate to direct funds collected towards making best use of existing parking facilities and investing in infrastructure and amenities that support more sustainable transportation options rather than towards building and operating new district parking facilities.

Corporate Outcomes

- 4.3 The transportation system is integrated, safe and gives citizen choice to their mode of movement.
- 5.1 The City has well managed and sustainable assets and services.
- 6.1 The City of Edmonton and its resources support a competitive business climate and deliver business friendly services.

Public Consultation

During the course of the Parking Management Study, consultation with the Executive Directors of all of the Business Revitalization Zones was undertaken.

Others Reviewing this Report

- R. G. Klassen, General Manager Sustainable Development