

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 19, 2016

Item 15, Report No. 34, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on October 19, 2016.

15 INTRODUCTION OF VISITOR AND CONSTRUCTION PARKING PERMIT USER FEES

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Director of By-law & Compliance, Licensing & Permit Services, dated October 5, 2016:

Recommendation

The Director of By-law & Compliance, Licensing & Permit Services, recommends:

1. That City Council approve the introduction of the following fees:
 - (a) For visitor on-street parking permits - \$5.00 per vehicle;
 - (b) For construction on-street resident parking permits - \$5.00 per vehicle;
 - (c) A service fee, equivalent to the fee charged to the City by its payment solution provider, be applicable on every on-street parking permit;
2. That City Council approve that visitor on-street parking permits be limited to:
 - (a) a maximum of ten (10) consecutive days;
 - (b) a maximum of sixty (60) days per vehicle in any one calendar year;
3. That City Council approve that construction on-street resident parking permits be limited to:
 - (a) a maximum of thirty (30) days, in any one calendar year;
4. That the authority to extend, suspend and revoke a permit be delegated to the Director, By-law and Compliance, Licensing and Permit Services; and
5. That City Council authorize staff to make the amendments to Parking By-law No. 1-96, as amended, and Fees and Charges By-law 171-2013, as amended, to give effect to the recommendations and in a form satisfactory to the City Solicitor.

Contribution to Sustainability

By introducing user fees for services that benefit specific individuals and thus creating a general tax relief, these recommendations support the financial sustainability of the City and City Council's tax rate target (of no greater than 3%).

Economic Impact

Currently, approximately 22,000 visitors permit requests and 1,700 construction permit requests are issued annually by the City. In accordance with a Council direction from June 26, 2012, visitor permits were to be provided on-line at no charge (Item 2, Report No. 28 of the Committee of the Whole – Working Session). The costs associated with providing these services is absorbed within the department's existing operating budget and primarily funded through taxation. It is expected that the introduction of fees and the expanded availability of permits will result in an initial drop of 50% in visitor permits and an increase of 25% in construction permits.

At a proposed \$5.00 fee, revenue from permits, net of the per-transaction fee, is expected to be approximately \$66,000 annually. Revenues for 2017 will be dependent on the date of implementation, which in turn will be dependent on both internal and external resourcing to bring the required payment module on line. The anticipated revenues will continue to assist in off-setting departmental operating costs and reducing the draw from taxation.

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The ability to accept payments on-line for parking permits is partly contingent on a capital request being approved through the 2017 budget submissions to complement the recent Groupe Techna software (parking operating system) update. This capital request is for \$20,000 and will cover all one-time contingency costs associated with implementation. Ongoing service provider costs, will be covered through the \$2.00 service fee.

The addition of the proposed payment module will significantly expand the Department's on-line service capabilities, modernizing and streamlining administrative processes and optimizing the resident service experience, for a minimal investment. The enhancement would extend to occupant on-street monthly permits as well as any other related permits in the future.

The proposed enhancement would make permits virtual with no need to print and place on a dashboard. This would not only represent a considerable convenience to residents, but it would also eliminate the ability of tampering with permits and reduce the erroneous issuance of parking tags when permits may not be fully visible.

Communications Plan

Although the by-law is to come into force on the day of its enactment by Council, the charging of the fees and associated changes to the permits shall be dependent on the implementation of the payment module. Notification of the commencement of fees and expanded permit availability shall take place on the City's web.

Notice of the proposed amendments to the Fees and Charges By-law recommended in this report was conducted in accordance with Section 4(4) of the City's Notice By-law No. 394-2002.

Purpose

The purpose of this report is to seek Council authorization to charge a user fee for visitor and construction on-street parking permits. Such a fee is in line with Council's priority to meet tax rate targets and with user fee best practices. The recommended changes to the availability of permits are aligned with the City's service excellence strategic initiatives to provide consistent service delivery and improvement through technology.

Background – Analysis & Findings

Whereas taxation is generally applied to fund public goods and services that provide a universal benefit (e.g. municipal infrastructure, policing, etc.), user fees are generally applied for specific goods or services for which the benefit received can be directly attributed to a group or individual (e.g., recreation programs, parking). Often such goods or services have both a direct and tangible cost of provision (which can very often be monetized) as well as an intangible and less well-defined opportunity cost. In the case of providing on-line parking permits, the direct cost of provision pertains to information technology and staff administrative costs, while the opportunity cost (i.e., the unintended impact) relates to the tradeoff associated with the use of public space for personal/private use (e.g. more complaints and additional enforcement).

Prior to June of 2012, permits could only be obtained by attending City Hall and paying a fee of \$5.00 per vehicle, per day. Thus a five-day permit for one vehicle required a \$25.00 fee. Permits were also limited to a monthly total of five days per address.

At the time, due to technological limitations, the preferred option to offer permits on-line meant that there would be no method of collecting a fee; thus the fee was eliminated. Council also opted to increase the number of days allowable from five per month per household to five per month per vehicle (for an annual total of 60 days per vehicle).

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Under the proposed fee structure, a permit would cost \$7.00 (\$5.00 + \$2.00 administrative fee). Residents would be able to obtain visitor permits for up to ten consecutive days, up to 60 days per calendar year. This option would effectively not change the annual number of permit days (and therefore not have any greater impact than current regulations), but would provide greater flexibility, as applicants would be able to allocate their days as needed. For construction permits, staff are recommending an increase in the annual number of days to thirty (30), as the current allowable number of nine (9) days is a common complaint from the public respecting the current system. Residents would be able to allocate this number across as many permits as they required. Of course, residents would benefit from being able to obtain all kinds of parking permits on line, 24/7.

Through its end-of-life cycle, the City's parking tag operating system is currently undergoing an upgrade and will be fully operational before the end of 2016. Through an incremental project, based on funding from a capital request being proposed through the 2017 budget process, the new system will be able to accept on-line payment for all parking permits issued (including existing monthly occupant on-street parking permits, which are currently only available by attending City Hall). Through the enhanced use of tools and resources, this upgrade will bring greater consistency and efficiency to the service delivery and client experience.

Municipal comparison

Municipalities across the GTA take different approaches to visitor and construction parking allowances. Generally, either municipalities heavily restrict such parking and charge no fees or they provide residents with more parking options but charge a fee.

The City of Brampton does not offer permit parking on City streets. Brampton does accept requests for parking considerations by residents to park on City streets for up to fourteen (14) days each calendar year, per vehicle. This allowance can be used for visitors or construction. Permits may be obtained for up to five vehicles. There is no fee for these allowances.

Similarly, the City of Markham also does not charge a fee and offers up to five (5) exemptions annually per vehicle. A permit cannot exceed three (3) days. Exemptions are not granted during inclement weather. Permits are also subject to the City's winter parking regulations that limit parking to the odd numbered side of the street between November 15 and April 15, unless otherwise posted.

The City of Mississauga offers short-term temporary parking permits for up to five (5) days and five (5) vehicles at no charge. However, beyond this period the City charges a fee of \$61 for a permit for up to five (5) vehicles. Permits may be cancelled due to winter maintenance operations. A blanket residential permit with no limit on the number of vehicles is also available for \$61.

The City of Toronto offers unlimited visitor permits, subject to parking space availability. The fee per vehicle for a one-day permit is \$9.00; \$13.51 for a two-day permit; and \$21.09 for a seven-day permit.

The recommended system is considerably more permissive than the one in Markham and Brampton, which cap the number of days per year to fourteen (14) and fifteen (15) respectively, with Brampton also capping the number of days allowed per permit to three (3). The proposed visitor permitting system for the City of Vaughan provides significant flexibility to residents, while not increasing the impact of street congestion. In the case of construction permits, the increase in annual days allowed will provide much greater flexibility for residents and thus address a common public complaint about the current process.

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Not unlike other municipalities, restrictions during inclement weather events would be applied in order to continue to ensure efficient and satisfactory snow removal service to all residents.

Overall, Staff believe that the proposed system strikes an appropriate balance between providing temporary parking relief to residents who need it for visitors and construction activity while complementing and offering partial relief to the pressures created on both the tax base and City infrastructure.

Penalties for misuse

The misuse of visitor permits is an ongoing and increasing enforcement challenge. Residents sometimes take out permits for their own vehicles as a means to augment their residential parking. With the upgraded system in place, it will become easier for staff to identify and track misuse.

Existing by-law provisions that provide for the issuance of parking tags and/or towing would be complemented by additional authority to suspend permit privileges for residents misusing the visitor or construction parking permitting system.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

The recommendations in this report are in line with the following priorities and initiatives for this term of Council:

- Meet Council tax rate targets (no greater than 3%);
- Consistent service delivery;
- Improvement through technology;
- Sustainable fiscal framework; and
- Effective service delivery

The recommendations of this report are also in line with the objectives and deliverables of the By-law Strategy, mainly to ensure that the City has by-laws and related processes in place that are relevant, effective and sustainable.

Regional Implications

There are no regional implications from the recommendations of this report.

Conclusion

The recommendations in this report are intended to better meet community demand for visitor and construction related parking while ensuring that such individual-specific benefits are funded appropriately through a user-fee model that takes both actual and opportunity costs into account. The number of days available for permits and permit fees are generally in line with those of other GTA municipalities. The proposed permits offer greater flexibility than those offered by other municipalities, but with a modest fee structure designed to offset the associated administrative resources. Staff expect to be able to implement the permit enhancements and associated fees sometime in the second half of 2017.

Attachments

None.

Report prepared by:

Rudi Czekalla Martínez
Manager of Policy & Business Planning

COMMITTEE OF THE WHOLE OCTOBER 5, 2016

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Attachments

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Report prepared by:

Rudi Czekalla Martínez
Manager of Policy & Business Planning

Respectfully submitted,

Gus Michaels
Director of By-law & Compliance, Licensing & Permit Services