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April 16/13
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Cash In Lieu of Parking

Presentation to
Council Working Session
April 16, 2013

Why is paid public parking a good idea?

- **Cash in lieu of Parking:** is one part of an overall paid parking strategy
- **More Efficient:** Accessible to more people more times of the day and week
- **A revenue generating tool for the municipality**
- **Successful in cities**
 - experiencing rapid growth in residential, commercial (retail/office) development, particularly in intensification areas
 - where the parking supply is constrained and free parking is limited
 - where other groups are charging for parking
 - supports alternative modes of transportation

Vaughan's Parking Strategy to Date

Parking Standards Review
Study
IBI Group - March 2010

Review Zoning By-law 1-88
2013 - 2016

VMC revised Parking By-law
VMC Sub-Committee
November 22, 2012

VMC revised Parking By-law
and Cash-in-lieu
Public Hearing – February
26, 2013

Cash-in-lieu of Parking
Working Session
April 16, 2013

VMC revised Parking By-law
Cash-in-lieu of Parking ?
Committee of the Whole
June 18, 2013

What is Cash In Lieu of Parking?

Cash In Lieu of Parking is a power granted under the Planning Act, allowing for the collection of money from developers unable to meet the minimum parking requirement established in the municipality's by-law.

- Intent is to provide compensation to the municipality for assuming responsibility of providing public parking



Legislative Authority

- **Section 40, *Planning Act* R.S.O. 1990, c.P.13 (the Act)** provides municipalities with the authority to collect cash-in-lieu of parking
- **Section 4.3.2.3 *City of Vaughan Official Plan 2010 (VOP 2010)*** anticipates that a cash-in-lieu parking strategy be developed for intensification areas
- **Two** prevailing *Planning Act* requirements respecting CIL:
 - 1) parking agreements result in the payment of money from the property owner/developer to the City
 - 2) Funds from CIL of parking be deposited into a special account established for that purpose



Why Develop a Cash In Lieu Strategy?

- Partially provides **funding for public parking infrastructure**
- Public infrastructure that generates **revenue for the municipality**
- Provides developers with **flexibility respecting land use** in areas where land is at a premium
- **Better use of space** by consolidating parking into shared facilities



Vaughan's Current Experience with Cash In Lieu of Parking

Vaughan has implemented a CIL parking by-law (By-law 159-2006) that applies to properties designated as "Mainstreet Commercial" by OPA 601 Kleinburg-Nashville Community Plan:

- Applicant to provide justification of inability to provide required parking spaces through C of A
- Revenue is collected and deposited in the Kleinburg Parking Reserve Fund
- CIL required per space is based on the following funding formula

$$\$ = ((P \times 40) + (S \times 28) + (L \times 12)) \times M + \$m$$



Municipal Approaches to Cash-in-Lieu of Parking

Barrie, Bradford, Calgary, Milton, Mississauga, Ottawa and Richmond Hill

- Examined for context, funding formula, rationale and comparative parking standards
- Wide agreement that 50% of total funding is appropriate
- Recognizes that property ownership is relinquished
- Typically applied in intensification and heritage areas
- Mississauga applies CIL city-wide, although in non-intensification areas reduced payments required
- Use of CIL payments open ended in *Planning Act*, however should be used to fund parking infrastructure



Other Municipalities Cash In Lieu Policies

Municipality	Cost Calculations	Notes
Calgary, Alberta	100% of the cost of providing each missing space.	Calgary requires a mandatory participation. Developers are only permitted to provide a maximum of 50% of spaces in the downtown core
Mississauga, Ontario	$\text{Contribution} = (S1 + (L \times P1)) \times R \times Q$ Q varies between 0.125 and 0.5 depending on type and size of development (S1 + (L x P1) varies depending on location or condition City also provides pre-calculated values	S1 = Surface area in m ² of a parking space L = Land cost per m ² P1 = Area of parking space R = Number of parking spaces Q = Factor of required contribution based on conditions of the agreement 50% of the space cost for new development
Richmond Hill, Ontario	$\text{Cash In Lieu} = (C + (L \times S)) \times N \times 0.5$ 50% of the space cost + \$400 - \$800 administrative fee	C = Construction cost of parking space L = Land Cost per m ² S = Surface area in m ² of a parking space N = Number of parking spaces

Funding

The City must determine an appropriate level of funding to be provided by the developer

- Recommend 50% of the total cost of providing parking
- Funds may sit idle for some time before demand warrants use. As a result, funds may no longer be reflective of the actual cost of construction
- CIL parking policies do not compensate the municipality for annual operating expenses of public parking facilities
- Expenses should ultimately be covered by a City paid parking strategy

Risks and Benefits - Cash In Lieu of Parking

Risks

- Insignificant source of funding
- Cost prohibitive for small businesses

Benefits

- Part of an intelligent and remunerative City building strategy
- Subsidizes public infrastructure
- Supports Transportation Demand strategies



Formula

Calculation of CIL parking payments can be based on:

1. **Flat Rate** generally easier to administer, but less reflective of true costs of parking; or
2. **Funding Formula** accurately accounts for changing construction and land costs overtime as well as other variables. A typical formula appears as follows:

$$\text{Contribution} = (C + (L \times P)) \times N \times S$$

(where C = Construction Cost of Parking Space, L = Land Cost per m², P = Area of a Parking Space in m², N = Number of parking Spaces, S = Share of contribution towards total cost)



Key Issues to be Addressed

In implementing a Cash In Lieu of Parking policy strategy the municipality should have:

- Clearly defined policy **objectives** (specific geographic territories, dedicated reserve fund, recognition of scale of development)
- **Decision criteria** for approving applications or requests to apply CIL to a development
- An established **fee calculation**



Recommendations

1. Paid Parking

- **Develop Strategy for Paid Parking:** Availability of free parking must be limited

2. Collection of Cash in Lieu

- **Establish Measurable Goals:** City should have a clear vision for how CIL parking is to be used as a revenue tool and as an urban design policy tool. Policy objectives and measurable goals need to be established from the outset.
- **Specified Application Areas:** Determination of areas within the City to apply CIL, i.e. Primary Centres, Intensification Areas, Local Centres or entire City.
- **Funding Formula:** Proposed formula $\text{Contribution} = (C + (L \times A)) \times N \times S$
- **Parking Standards Review:** CIL parking relies on reasonable and appropriate parking requirements. Therefore CIL parking agreements should not be allowed until changes to the minimum parking requirements are approved. Appropriate in VMC with revised parking by-law.
- **Application in VMC:** Availability of public parking will be limited in the VMC. CIL should be included as part of an overall parking strategy in the VMC
 - Develop a long-term plan for the use of collected funds
 - Consider exempting office uses from CIL requirement

Cash In Lieu of Parking

Questions/Comments?

CITY OF MISSISSAUGA CIL PARKING FUNDING LEVELS

Payment In Lieu of Off-Street Parking (PIL)					
Processing Fee		\$800.00/application			
(A) A Change in Land Use or the conversion of an Existing Building or Structure or Part thereof:					
	Amount Payable Per Surface Parking Space		Amount Payable Per Above Grade Structured Parking Space		Amount Payable Per Below Grade Structured Parking Space
<u>Category 1:</u> Where the gross floor area equals or is less than 50 m ² , 12.5% of the estimated cost of parking spaces.	City Centre	\$1,776.00	City Centre	\$3,538.00	City Centre \$4,788.00
	Port Credit	\$2,675.00	Port Credit	\$3,798.00	Port Credit \$5,048.00
	Clarkson	\$2,365.00	Clarkson	\$3,708.00	Clarkson \$4,958.00
	Streetsville	\$2,210.00	Streetsville	\$3,663.00	Streetsville \$4,913.00
	Cooksville	\$2,055.00	Cooksville	\$3,618.00	Cooksville \$4,868.00
	Other Areas in Mississauga	\$1,776.00	Other Areas in Mississauga	\$3,538.00	Other Areas in Mississauga \$4,788.00
<u>Category 2:</u> Where the gross floor area exceeds 50 m ² , but equals or is less than 200 m ² , 25% of the estimated cost of parking spaces.	City Centre	\$3,552.00	City Centre	\$7,075.00	City Centre \$9,575.00
	Port Credit	\$5,350.00	Port Credit	\$7,595.00	Port Credit \$10,095.00
	Clarkson	\$4,730.00	Clarkson	\$7,416.00	Clarkson \$9,916.00
	Streetsville	\$4,420.00	Streetsville	\$7,326.00	Streetsville \$9,826.00
	Cooksville	\$4,110.00	Cooksville	\$7,237.00	Cooksville \$9,737.00
	Other Areas in Mississauga	\$3,552.00	Other Areas in Mississauga	\$7,075.00	Other Areas in Mississauga \$9,575.00

CITY OF MISSISSAUGA CIL PARKING FUNDING LEVELS

Category 3: Where the gross floor area exceeds 200 m ² , 50% of the estimated cost of parking spaces.	City Centre	\$7,104.00	City Centre	\$14,150.00	City Centre	\$19,150.00
	Port Credit	\$10,700.00	Port Credit	\$15,191.00	Port Credit	\$20,191.00
	Clarkson	\$9,460.00	Clarkson	\$14,832.00	Clarkson	\$19,832.00
	Streetsville	\$8,840.00	Streetsville	\$14,653.00	Streetsville	\$19,653.00
	Cooksville	\$8,220.00	Cooksville	\$14,473.00	Cooksville	\$19,473.00
	Other Areas in Mississauga	\$7,104.00	Other Areas in Mississauga	\$14,150.00	Other Areas in Mississauga	\$19,150.00
B) New Developments, Redevelopments, and Additions to Existing Buildings and Structures. 50% of the estimated cost of parking spaces:						
Amount Payable Per Surface Parking Space		Amount Payable Per Above Grade Structured Parking Space		Amount Payable Per Below Grade Structured Parking Space		
City Centre		\$7,104.00	City Centre	\$14,150.00	City Centre	\$19,150.00
Port Credit		\$10,700.00	Port Credit	\$15,191.00	Port Credit	\$20,191.00
Clarkson		\$9,460.00	Clarkson	\$14,832.00	Clarkson	\$19,832.00
Streetsville		\$8,840.00	Streetsville	\$14,653.00	Streetsville	\$19,653.00
Cooksville		\$8,220.00	Cooksville	\$14,473.00	Cooksville	\$19,473.00
Other Areas in Mississauga		\$7,104.00	Other Areas in Mississauga	\$14,150.00	Other Areas in Mississauga	\$19,150.00
Full Payment	Lump sum payment as calculated with PIL Agreement, in accordance with the <i>Planning Act</i> .					
Installment Payments	Up front payment and a Letter of Credit with PIL Agreement, in accordance with the <i>Planning Act</i> : - minimum up front payment - \$15,000.00; - a Letter of Credit to include the remaining payment(s) plus interest payment (based on prime rate plus 1.5% per annum) - Maximum payment period - three years; - Maximum number of installments - three. See Corporate Policy and Procedure, Policy No. 07-09-01 for details.					

• For further information please call (905) 896-5511