Report of the Alternate Service Delivery Committee dated September 16, 2002

Downtown Parking Policy
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1. On February 24, 1999, Council adopted Clause 3 of the Report of the Executive Policy Committee dated February 17, 1999, with respect to the 1999 Alternative Service Delivery Review Agenda which identified civic parking services for both on and off street parking as an Alternative Service Delivery candidate.

A feasibility study for the operational consolidation of civic parking services was completed in March 2001.

In June 2001, the Alternate Service Delivery Committee requested that a downtown parking policy framework be developed prior to recommending the consolidation of civic parking services.

In the fall of 2001, a project working group, representing the City of Winnipeg and CentreVenture was established to oversee the Downtown Parking Policy Study and Coriolis Consulting Corporation was selected as the consultant.

The objectives of the study were to:

- Characterize the existing and near future parking situation in downtown, with an emphasis on identifying portions of downtown in which parking is or could become a major constraint on economic development.
- Evaluate the current policy, regulatory, and urban economic factors that govern the provision of parking by the public and private sectors. In particular, identify the mechanisms by which parking is provided and identify any reasons why the existing framework might fail to deliver adequate parking without intervention.
- Identify and evaluate the options for the City's participation in the provision of parking in the future. These options presumably include: complete reliance on the private sector; more extensive involvement by the City, or joint and coordinated public/private sector initiatives.
- Recommend specific policy guidelines for Winnipeg. These may include changes to development regulations, joint public/private initiatives or new mechanisms for raising funds for the provision of parking.

The study was structured into two phases. Phase 1 consisted of a review of existing documents and policies, interviews with stakeholders to assess the current situation, and a review of alternative approaches to providing or funding downtown parking. Phase 2 focused on the development of a recommended policy framework. The Consultant's work was completed in April 2002. A copy of the final report is outlined in Appendix A.

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The final report provides an analysis of the current parking situation and probable outlook on downtown parking in Winnipeg. The consultant suggests that the large amount of surface parking in downtown Winnipeg is largely due to a number of Winnipeg's downtown land development characteristics. Relatively low downtown land values and the high costs associated with developing structured parking translate into an affordability of creating surface parking lots. The small average size of new projects, be they new construction or redevelopment of sites, provide physical and financial difficulties in pursuing on-site structured parking. Given these factors and the low rate of development, it is foreseen that the conversion of surface parking to development sites will be slow.

The study also reports that, although there is no evidence to suggest that downtown has lost businesses or institutions to the suburbs because of a major shortfall of short-term or long-term parking, the supply of parking is not ideally distributed and localized parking concerns exist. These localized concerns tend to exist in the Exchange District where properties, due to building size and site coverage, cannot accommodate on-site parking. The study further suggests that although the overall parking situation in downtown is not likely to deteriorate in the foreseeable future, some localized problems could get worse.

In terms of the City's current policy and involvement in downtown parking, the study found that all of the City's current parking policy exists within the disparate contexts of land use, transportation/public transit, environmental quality and urban design policies. In a number of instances, the wording of the existing policy leaves considerable room for interpretation, thereby providing ambiguous policy direction on how the City's visions on land use, transportation /public transit, environmental quality and urban design are most appropriately balanced.

Given the economic and development context of downtown Winnipeg, and the nature of the City's current parking policy, the study proposes a new parking policy framework that provides clarity to existing policy and more specifically defines the City's vision on the expansion of downtown parking supply – by both the private and public sector, and provides clear definition of how broader visions on Land Use, Transportation/Transit, Environmental Quality and Urban Design are best balanced.

The proposed policy framework was shaped to be consistent with the City's broader vision, as outlined in Plan Winnipeg, for putting "Downtown First", and its goals for environmental quality, reduced single occupant vehicle use, transit, the economic revitalization of historic districts and the improvement of the urban streetscape.

In particular, the proposed framework consists of:

- The definition of 9 policy goals requiring Council endorsement;

- A range of more detailed policy recommendations (e.g. specific by-law amendments, adoption of more detailed policy statements, etc.) specifically related to issues of:
    - Private Sector Additions to Off-Street Parking Supply
    - City Investment in New Off-Street Parking Supply
    - Operating Civic Parking Facilities

  - Supply and Management of On-street Parking

- Recommendations on:
  - The Development of a Transportation Demand Management strategy;
  - The coordination of City parking policy (including the development of operational guidelines); and
  - Monitoring the usefulness and success of downtown parking related policy and initiatives.

In order to provide greater clarity to existing policy related to parking, and to provide a more comprehensive policy framework than currently exists for the creation and operation of a consolidated parking operation, City Council is hereby requested to endorse the overall policy goals and the more detailed policy recommendations, and to instruct the administration to conduct further review of proposed by-law amendments, the development of operational guidelines, management strategies and mechanisms for monitoring success. The proposed Parking Services Special Operating Agency, as outlined in the Selection Report of the Parking Services Feasibility Study provides a consolidated structure which will enable a thorough and holistic review of some of these detailed policy recommendations.

The Financial Impact is outlined on Schedule "E".

The Alternate Service Delivery Committee recommends:

I. That the final report by Coriolis Consulting Corporation, entitled "Parking Policy for Downtown Winnipeg" as outlined in Appendix "A" and the "Decision Making Framework" as outlined in Appendix "B" prepared by the Planning Property and Development Department be received as information.

II. That the following be endorsed as Council policy:

A. Downtown Parking Policy Goals as outlined in Schedule "A", with the following amendment:

1. That Policy Goal No. 4 of Schedule "A" be deleted in its entirety and replaced with the following:

"4. While allowing parking to expand as needed, improve the transit system and implement incentives and transportation demand management programs to decrease the share of total trips to and from downtown taken in single occupant private vehicles and increase the share of trips taken on transit."

B. Policy Statements on City Investment in New Off-Street Parking Supply as outlined in Schedule "B";

C. Policy Statements regarding Operating City parking facilities as outlined in Schedule "C";

D. Policy Statements regarding the Supply and Management of On-Street Parking as outlined in Schedule "D".

III. That the report entitled "Parking Policy for Downtown Winnipeg" be referred to the administration for review and report back on the implementation of specific recommendations and/or their incorporation into departmental operations.

IV. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing including the execution of any documents related thereto.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

PARKING POLICY FOR DOWNTOWN WINNIPEG

PREPARED FOR:

CITY OF WINNIPEG

FINAL REPORT

CORIOLIS CONSULTING CORP.

MAY 2002

PARKING POLICY FOR DOWNTOWN WINNIPEG

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1.0 INTRODUCTION

The City of Winnipeg has initiated a process to determine the optimal way to deliver the City's total spectrum of parking services in downtown. At present, there are several agencies with various responsibilities related to parking, including operation of three parkades, setting and enforcing on-street parking rules, and regulating the provision of off-street parking in private sector development projects via the zoning bylaw and development approvals processes. The City is evaluating whether to continue the existing organizational structure or adopt an alternative model such as consolidation into a single agency.

The City team working on the parking service delivery issue decided that before choosing a preferred organizational structure, it should have a clear definition of what services the City should provide and, perhaps more importantly, a clear statement of City policy about downtown parking. The City, in effect, concluded that to design the best parking organization, it is necessary to answer the following questions:

- what are the City's goals and policies regarding the future provision of parking in downtown?
- flowing from these goals and policies, what are the appropriate roles for the City and the private sector in the future provision of downtown parking?
- how can the City best achieve its goals, implement its policies, and fulfil its role in downtown parking?

Apart from the desire to choose an optimal vehicle for delivering parking services, there are other compelling reasons for the City to visit the question of downtown parking policy at this time.

Much of the current inventory of off-street parking stalls in Winnipeg is in the form of surface lots. The City hopes that these vacant properties will, over time, be developed with commercial or residential uses, which will increase parking demand while potentially reducing the supply. The City wants to know whether this is a concern and, if so, what to do about it. As well, there are some large development projects underway or proposed in downtown, such as Red River College and True North Centre, which may add parking demand.

The City has also noted that current City policy gives incomplete or mixed messages about the future expansion of the off-street parking supply in downtown. The City does not have an explicit policy regarding whether, when, or how it should be involved in the provision of off-street parking, although circumstances arise in which the City must decide whether to invest in

parking or not. As well, the City does not seem to have a single, consistent attitude about off-street parking. On one hand, the City's goals for downtown revitalization and economic development suggest that the City should be looking for ways in which infrastructure, such as off-street parking, can help leverage new investment. On the other hand, City policies on transit, reduction of single occupant vehicle use, sustainable development, and environmental quality imply that the City should be limiting the growth of parking supply in downtown.

For these reasons, the City commissioned Coriolis Consulting Corp. to assist in the development of a comprehensive City policy regarding automobile parking in downtown. This policy should help achieve the City's overall vision for downtown, reconcile the City's views on economic development and sustainability, and coordinate the City's various roles in the supply and management of on-street and off-street parking.

While the City does not currently have a documented overall downtown parking policy, this is not unusual because parking is not an end in itself, from the perspective of a municipality. However, parking can be a means to an end (for example, to generate revenue or support redevelopment) and parking policy ought to be a logical extension of policies related to environmental quality, economic development, urban design, and transportation. Therefore, the City wants to ensure that it has parking policies that are aligned with its broad vision for downtown, convey a consistent message, and help the City make decisions.

This document contains conclusions and recommendations regarding downtown parking policy, for consideration by the City. The report includes:

- a scan of the present parking situation and prospects for the future.
- a review of the City's existing policies and roles related to downtown parking.
- a review of the private sector's role in the supply of downtown parking.
- a proposed policy framework.

2.0 ORGANIZATION AND APPROACH

The consultant reported to a Working Group made of representatives of various civic departments involved in the supply, operation, and regulation of parking in downtown. Attachment 1 lists the members of the Working Group.

This project was divided into two phases.

The first phase included:

- a review of all available documentation and background information pertaining to downtown parking, including technical reports, bylaws, policy statements, feasibility studies, and other materials. Phase 1 did not include any new analysis of downtown parking demand.
- interviews with a cross-section of parties with an interest in the subject of downtown parking, to obtain a variety of perspectives on the current parking situation, parking problems, City policy, and ideas.
- some review of alternative approaches to providing or funding downtown parking.
- an interim report outlining preliminary conclusions and suggestions for consideration by the Working Group.

• a presentation of the interim findings to a diverse invited group of interested parties, who provided suggestions and comments.

In the second phase, the preliminary suggestions were refined and expanded.

This final report incorporates the background information that was documented in the interim report. This report presents recommendations for the consideration of the Working Group. The opinions and conclusions expressed in this report are not necessarily those of all the stakeholders who provided input.

3.0 CURRENT PARKING SITUATION AND PROBABLE OUTLOOK

This project included a review of available background information about the parking situation in downtown Winnipeg, as well as interviews with a variety of stakeholders with different perspectives on downtown parking. This section summarizes the result of this review.

1. *At present, there is not a significant overall deficiency in the amount of parking in downtown Winnipeg.* Available reports and information on parking supply and demand indicate that, in total, downtown has enough parking to meet the needs of residents, office and retail tenants, and customers. There is no evidence to suggest that downtown has lost businesses or institutions to the suburbs because of a major shortfall of short term or long term parking.

2. *There are some localized parking issues that cause problems for some businesses and properties.* While downtown appears to have enough parking in total, the supply is not ideally distributed. Localized parking concerns include:

a. Some subareas within downtown do not have enough conveniently located off-street long term parking. One area of concern is the Exchange District. In this historic district, many of the older buildings cannot provide adequate parking on site so tenants must find rental parking off-site, often several blocks away. In some cases, this is a barrier to attracting new tenants. The parking situation can also be a constraint on the renovation/upgrading of historic buildings, as the marketability and financial viability of new projects is linked to the ability to confirm a supply of parking for future tenants.Another localized concern is the Centennial Centre vicinity. Apparently, arts and restaurant patrons sometimes have difficulty finding convenient, nearby evening parking. Evening visitors to downtown usually want parking that is very close to their destination, safe, and weather-protected. The situation has prompted the Centennial Centre to investigate the feasibility of constructing a new off-street parking garage. There may also be a shortfall of parking available for some older buildings on Portage Avenue in the section from Hargrave to Fort. In this area, there is a large amount of vacant ground floor and upper floor space for which there may be a constraint on available parking for new tenants.

b. While the City has been increasing the amount and availability of on-street parking recently, there appear to be some locations in which retailers are still concerned about the supply of nearby parking. Downtown retailers compete to some extent with suburban

counterparts who usually have large supplies of nearby parking. Because of the importance of some downtown streets in moving rush hour traffic, there are times when on-street parking is not allowed. This is a concern to retailers (not just in Winnipeg, but in virtually all downtowns).

c. Some retailers are concerned about the cost of on-street metered parking or parkades, as they perceive that the free parking offered in suburban locations is a strong draw. There are programs designed to address the issue of downtown parking cost, such as the Easy Streets program (sometimes called the "Blue Loonie" program) of the Downtown BIZ, although only about 100 businesses currently participate in this program. In our experience, the cost of downtown parking tends to be a problem when downtown does not offer a sufficiently strong and differentiated retail destination to compete against suburban locations. If retail offerings in downtown are not unique, customers have no incentive to put up with less convenient or more expensive parking.

In general, it cannot be said that downtown is floundering due to a parking supply problem, but there appear to be some locations in which the current supply of parking is a constraint on the expansion of business or the attraction of new users. If the City wants to put downtown first, in the words of Plan Winnipeg, then it will be necessary to address these localized parking concerns in some way. It should be noted that one of the reasons Winnipeg has localized parking shortfalls is the large stock of historic buildings. Built before the automobile age, these heritage buildings cannot accommodate underground parking and have high site coverage, so the parking demanded by tenants often cannot be met on site. If the City wants to maintain its large and extraordinary stock of historic buildings, it must acknowledge the special parking issues associated with this resource.

3. *Under current market conditions, the development of new commercial buildings in downtown will be limited and new projects will likely continue to rely on surface parking to meet at least some of their requirements.* At current prevailing lease rates for new downtown office space, new office development is generally not financially attractive, so it takes special circumstances (such as a particularly attractive site or a major pre-leasing commitment by strong tenants) to support a project. Attachment 2 shows a financial calculation for a hypothetical new building, indicating that in today's market, new office development is marginal, even without providing on-site parking.

During 1996 to 2001, the total amount of new office development in the entire City only averaged about 100,000 square feet per year. While downtown has historically accounted for about 75% of the entire City office inventory, recently the suburbs have been increasing their role. In 2001, for example, about 50% of new office development in Winnipeg was in suburban locations.

Structured parking increases the cost of construction and, in any case, land values in downtown Winnipeg are low enough that for many projects it is cheaper to provide parking by acquiring more land than by building structured parking. Attachment 3 shows a simple financial calculation comparing surface and structured parking costs, showing the large spread.

Surface parking is the lower cost option (even if built to an attractive standard) because downtown land values are so low. As well, the average size of new projects in downtown is relatively small; small buildings can sometimes have a difficult time efficiently providing structured parking, due to the need for ramps and aisles.

Unfortunately, a proliferation of surface parking or parking in above-grade structures makes it difficult to achieve a uniform high quality of urban design and has a negative impact on the quality of the pedestrian environment at grade. In the short term, the use of surface parking can help make development projects viable by minimizing total project cost, but in the long term this surface parking will be an impediment to the densification of downtown. The economics of new development create a particular challenge in the Exchange District, where it is difficult to find sites that can be used for surface parking and the existing improvements make it difficult to accommodate sufficient parking on-site.

4. *The overall parking situation in downtown is not likely to deteriorate in the foreseeable future but some of the localized problems could get worse.* The overall situation is not likely to be a major concern for two main reasons. First, the rate of new retail, office, and residential development in downtown is not likely to be large and most new private sector projects will probably provide the parking they need. With a low rate of new development, the rate of conversion of surface parking lots to development sites will be low. Second, one of the major potential sources of new downtown parking demand, the True North Arena, will mainly increase demand in evenings and on weekends, when much of the existing parking inventory should be available for use.

   The situation in the Exchange District and the Centennial Centre area could become more of a problem with the advent of Red River College. While educational institutions tend to be large sources of transit ridership, they also generate parking demand. The College may put additional pressure on the existing off-street parking supply. As well, the University of Winnipeg is contemplating relocating some of its Continuing Education programs to new (rented) facilities in the Exchange District, to be near Red River College. The University of Winnipeg offers adult evening courses, which will put demand on parking spaces in the 6 p.m. to 10 p.m. time slot, perhaps making the situation more difficult for evening arts and restaurant patrons in the area.

In summary, there is not a major parking problem in downtown Winnipeg, but there appears to be a need to address some parking shortfalls in important localized areas. These areas have parking difficulties in large part because of the large inventory of historic buildings that cannot physically provide their own parking on-site. If Winnipeg wants to attract new businesses and institutions to these areas, and foster the economically successful retention of older buildings, there must be some mechanism to ensure that parking needs are met.

4.0 CURRENT CITY POLICY AND INVOLVEMENT IN DOWNTOWN PARKING

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

The City is involved in downtown parking in a wide variety of ways:
• the City has adopted various policy statements -- regarding urban development, economic development, transit, environmental quality -- that are intended to guide public and private sector decisions pertaining to off-street parking.
• the City regulates the inclusion of parking in new urban development projects, via the zoning bylaw and project approval processes.
• the City is involved in various initiatives (directly or indirectly) to stimulate new development or attract new businesses and shoppers to downtown.
• the City influences the demand for parking in a variety of direct and indirect ways, including its expansion and promotion of transit, its employee parking policies, and its support for BIZ and private sector projects.
• the City owns and operates three major parkades. Some parking in these facilities is made available to City employees.
• the City leases some lands to private sector parties, who use the land for surface parking lots.
• the City regulates the supply, hours, and cost of on-street parking and enforces on-street parking regulations.

4.1 EXISTING POLICY

The City has a variety of policy documents that address the question of parking, from the perspectives of land use planning, transportation/transit, environmental quality, and urban design.

Plan Winnipeg/Vision 2020 aims to promote downtown and stimulate revitalization. The Plan calls for recruiting unique and important businesses, encouraging and supporting the adaptive re-use of heritage buildings, and encouraging government offices to locate downtown. The Plan highlights the importance of special areas like the Exchange District and calls for high standards of urban design. Regarding transportation, the Plan supports the improvement of public transit and calls for reduced use of single occupant private automobiles.

The Plan supports "the provision of short-term downtown parking, both on-street and off-street, to promote convenient access to downtown businesses."

In contrast to the clear, positive voice of most policy statements ("support", "promote", "encourage"), Plan Winnipeg's policy on long-term parking is more neutral, calling for "*managing* the provision of long-term parking in the downtown in a way which encourages the use of alternative modes of transportation and the reduction of automobile congestion." This wording leaves considerable room for interpretation.
CentrePlan, the City's development framework for downtown, includes support for improved transit service to and within downtown and expresses support for "abundant, accessible, and reasonably priced parking" aimed at short-term users, but contains no statements encouraging or discouraging the supply of long-term parking.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

The City's transit policy, embodied in "Direction to the Future: The Guide to Better Transit for Winnipeg", calls for a wide range of improvements to public transit and innovative ways to increase ridership. This document also seeks to use parking policy as a means to achieve transit objectives. The document notes that the City can "use zoning regulations to influence the location, nature, and amount of parking built by developers". The document recommends that "further growth in the supply of long term parking in the downtown should be minimized" and notes that "despite provisions in Plan Winnipeg to limit the downtown parking supply, the number of monthly parking spaces has increased significantly".

The City's policies, as they apply to the issue of downtown parking, are not entirely aligned. Some policies emphasize aims that can be broadly described as economic development, including recruiting new businesses and institutions, supporting the financially viable adaptive re-use of heritage buildings, and drawing in people for shopping, culture, and entertainment. The City acknowledges the importance of short-term parking in achieving these objectives and less pointedly notes the need to "manage" long term parking supply, which presumably accepts the reality that some parking will be needed to sustain growth in downtown employment and visits for shopping or recreation. At the same time, City policy advocates minimizing increases in the supply of long term parking.

The City, reasonably, aims to increase the importance, vitality, and quality of downtown and also wants to promote sustainable development, high environmental quality and transit use. These goals can be mutually reinforcing and do not have to result in conflicting views about expanding the long term parking supply, but the wording of current policy creates an ambiguity. How should "manage" or "minimize" be interpreted? Do these mean "do not increase" or "only increase when appropriate", in which case *how does the City determine when it is appropriate for the private sector or the public sector to increase parking supply?* "Minimizing", if taken too literally, risks impairing the City's ability to achieve its goals for economic development and heritage building retention in downtown. "Managing" is too vague to provide guidance for decision-makers.

As part of a comprehensive downtown parking policy, the City should remove this ambiguity and be more specific about its attitude toward future expansion of the off-street parking supply. The challenge is to develop a downtown parking policy that is consistent with the "development" and the "environment/transit" strands in the City's policy fabric. To meet this challenge, it will be necessary to find a balance, a sense of how more parking can be provided to accommodate development without compromising the desire to improve the environment, increase transit use, and improve the quality of the downtown streetscape.

4.2 ZONING AND DEVELOPMENT REGULATION

Parking Requirements

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

The zoning bylaw imposes a low off-street parking requirement on new residential, office, and retail uses. Almost all of downtown is in a parking district (P/L1) that requires no parking for retail, only one space per two residential units, and one space for each 2,150 square feet of office space. The Exchange District is in the P/L2 district in which "…no land, building, or structure shall be provided with accessory parking, except as approved as a conditional use."

Low bylaw parking requirements in the P/L1 district enable developers of new projects to provide parking based on their perception of market need. Developers can voluntarily exceed City requirements to increase the leasibility of new space. The City also allows off-street parking requirements to be met by providing surface parking on-site or on adjacent or nearby sites, rather than requiring parking to be in structure. This creates flexibility for developers, as the cost of surface parking in downtown Winnipeg is much lower (even after allowing for the extra land cost) than the cost of structured parking.[1] The City does not at present allow developers to make cash-in-lieu payments for off-street parking, as is permitted in some cities.

This flexible approach appears, at first glance, to also apply in the Exchange District where there is no bylaw parking requirement. However, the bylaw defines parking as a conditional use, which means City permission is required for *any* parking in a new development or in a refurbishment of a heritage building. Land owners and developers perceive that the City generally discourages the creation of new off-street surface parking, mainly for urban design reasons. Surface parking interrupts the continuity of ground level retail space and can have a negative impact on the character of the

[1] This off-site approach works as long as there is a mechanism for ensuring that the parking continues to be provided in perpetuity. If, at some future time, the site used for surface parking is developed, the City must ensure that the development includes the parking for the new use as well as replacement parking to satisfy the bylaw requirement of the original project.

streetscape. The City also apparently requires developers to ensure that any new parking is designed to be architecturally compatible with the historic character of the district. From the perspective of creating a physically attractive historic district, the City's approach makes sense, but not if it becomes a barrier to the viable renovation and tenanting of historic buildings.

The Exchange District provides a good illustration of the City's multiple, possibly competing, objectives that relate to parking. Environmental and transit objectives appear to favour limiting additions to the supply of off-street surface parking. Preferred solutions include encouraging less reliance on cars (particularly single occupant private vehicles) or using shuttle buses to provide links to existing under-utilized parking elsewhere in downtown. Architectural, urban design, and historic character objectives would also favour limiting (or not allowing) additional surface parking, or at least ensuring that new parking is carefully designed to fit with the character of the area. This could make it difficult for a developer to provide the full amount of parking needed to recruit and hold tenants. On the other hand, the City's goals for downtown revitalization and adaptive re-use of heritage buildings imply that new development and renovation projects need the flexibility to ensure that enough parking is provided in a close, convenient location to appeal to tenants.

Faced with a development application including parking as a conditional use, regulatory staff will not find a consistent City policy to guide them in balancing these issues in the Exchange District.

Urban design

While the City has expressed interest in reducing the amount of surface parking, or at least improving the design character of surface parking lots, there are no design guidelines currently being applied to the review of projects. The City does have a Design Review process as defined in Part 7 of the zoning bylaw, but this process works on a case-by-case basis. The City does not use its regulatory authority to require off-street parking in downtown to be in structure and, other than in the Exchange District, there do not appear to be any controls on the siting or design of off-street surface parking except for some basic requirements listed in the zoning bylaw.

4.3 ECONOMIC DEVELOPMENT INITIATIVES

The City has policies that favour the location of government agencies, institutions, and private firms in the downtown. While there is not a comprehensive policy about direct City participation in such initiatives, there are examples that indicate that the City is willing to invest in, or provide incentives to, such developments. For example:

• the City is contemplating assisting Red River College in the development of some new parking for the new downtown campus.

• as a shareholder in The Forks North Portage Partnership (and its corporate predecessors), the City has been indirectly involved in initiatives that have provided significant new parking supply at Portage Place and at the Forks. At both of these locations, some parking is available for long term use.

• the City constructed the underground parking that is part of the Winnipeg Square development.

These investments are consistent with the City's economic development objectives, but may be inconsistent with a policy to minimize additions to long term parking supply.

In order to completely clarify the City's policy regarding investments in new off-street parking, it may be necessary to first clarify the City's policy regarding economic development in downtown. Interpreted very broadly, the City's desire to attract businesses and institutions to the core could involve some level or form of assistance for virtually any new development project, such as assistance with the provision of off-street parking. However, not all new developments in downtown will have the same degree of net economic gain (from the City's perspective) and so may not all warrant public sector assistance in the form of parking.

For example, a new private sector office building aimed at the general downtown office market represents new investment and may at first glance look like an expansion of the commercial property tax base. However, if the tenants are simply shifting from existing buildings to the new

building, there is no net gain in downtown employment. If existing buildings have higher vacancy, over time the total value of these buildings will decline, resulting in no net change in the downtown assessment base. In such a case, this new development does not necessarily equate to new economic benefit from the City's perspective and is presumably therefore not a strong candidate for assistance with infrastructure. On the other hand, attracting a new facility for a significant institution that would otherwise locate outside of downtown may be a good candidate for assistance to tip the balance in favour of a downtown location.

4.4 INFLUENCING OFF-STREET PARKING DEMAND

The City can have a significant influence on off-street parking demand. The City's policies regarding its own employee parking have a small overall parking impact, but can provide leadership and good examples in areas such as parking availability and pricing (which should be designed to not subsidize automobile use) or creating and promoting programs that encourage car-pooling and transit use. The City's investments in the quality, convenience and speed of the transit system can have a major influence on the total demand for day-time off-street parking.

4.5 PARKADES

The City owns three major parkades in downtown. These facilities contain a total of about 2,000 parking stalls, about 7% of the total downtown inventory of off-street parking stalls. The City contracts out day-to-day administration and operation for two of these facilities and operates one (at the Civic Centre) directly.

Historically, the Civic Centre garage has essentially operated at break-even, Winnipeg Square has earned a substantial annual net income, and Centennial Library has operated at an annual loss. Overall, the facilities generate positive net income, which the City currently applies to general revenue. The revenue is not ear-marked specifically for any parking, transit, or other transportation-related initiatives.

The City's decision to invest in these facilities was apparently guided by a plan prepared at one time, but not necessarily by a policy regarding the City's long term role in the downtown off-street parking market. By building these facilities, the City provided needed parking for the City Hall precinct, supported the new library development, and helped to leverage a major office project, while also generating revenue.

The income generated from the facilities in total provides a relatively low financial return on the original cost, although it appears that return on investment was not the primary motive for the projects.

The City has recently had these three facilities appraised. To the extent that the appraised value is based on net operating income, it is likely that only Winnipeg Square would generate significant net proceeds if sold on the open market, because it has the highest net income and because the facility carries with it the legal rights for additional office development. Before deciding to sell a parkade, the City should compare the relative advantages of selling, continuing

to earn the net operating income and spending it on projects or programs, or using the net operating income to pay the debt service on borrowed funds. If the City can borrow money at a lower interest rate than the rate of return that a private sector investor would expect from acquiring the asset, the City can effectively raise more capital for projects by borrowing and paying back the loan out of facility income than by selling the facility.
The City has conducted a study indicating that there are ways to enhance the net incomes from the existing parkades, principally by reducing operating costs. Incomes have been increasing recently as a result of operations improvements.

4.6 ON-STREET PARKING

The City owns about 2,200 metered parking stalls that are on City streets. Managing the location, hours, and price of on-street parking is a constant balancing act, trying to accommodate the requirements of transit and rush hour traffic while also trying to feed the insatiable demand of retailers for more and cheaper parking. Over the last decade, the City appears to have shifted this balance more toward the needs of retailers; generally the availability of on-street parking has increased. The City has been willing to take the needs of retailers into account when designing street improvements in locations such as Graham Avenue and Portage Avenue, demonstrating that it is possible on busy streets to provide on-street parking, an attractive retail-oriented pedestrian environment, enhanced transit service, and automobile access.

5.0 THE ROLE OF THE PRIVATE SECTOR IN DOWNTOWN OFF-STREET PARKING SUPPLY

The private sector provides the vast majority of off-street parking in downtown Winnipeg, in the form of privately operated surface parking lots and parkades and the off-street parking associated with development projects.
The construction of new parkades is probably not financially attractive to the private sector at this time. A recent feasibility study for a parking garage at Centennial Square shows that, even at high utilization rates, a new facility will not be viable without some capital assistance (i.e., public funds at below-market rates of return) or operating cost reductions, such as property tax forgiveness. There are probably not likely to be new free-standing parkades constructed by the private sector in downtown in the foreseeable future.

As noted in Section 4.2, the amount of off-street parking in new development projects is largely at the discretion of developers because downtown zoning requirements are low. However, the expected relatively low rate of commercial and residential development in downtown means that the total amount of new parking added in projects will be low and the economics of development indicate that most new off-street parking will be in surface stalls for the foreseeable future. Even downtown's newest commercial developments have relied entirely or mainly on surface parking. At a low rate of new development, the conversion of surface parking lots to development sites

will not be rapid. This means that there is little risk that the overall downtown parking situation will deteriorate any time soon, but it also means that the urban landscape in downtown will be heavily dotted with surface parking lots for many years.
The City does not at present require or encourage new parking to be provided in structure. The City also does not provide any alternative mechanisms whereby the private sector can contribute to the creation of new off-street parking.

The existing approach to private sector parking has not led to a major parking shortfall in downtown, but it has had two impacts worth noting:
• in cases where it is not physically possible to provide parking on-site, such as in the renovation of historic buildings with very high site coverage or sites that are too small or awkwardly shaped to incorporate off-street parking, it can be very difficult to provide all the parking needed to recruit tenants. This situation exists in the Exchange District. The City has responded by not requiring parking, but this does not help a landlord or developer who needs parking to make space marketable. As a result, there are vacancies in otherwise potentially attractive buildings.
• developers will avoid sites that have parking constraints and focus their interest elsewhere. They may be attracted to sites that are currently used for general off-street parking lots, exacerbating the impact on buildings that rely on off-site parking.

There are other mechanisms that the City could use to involve the private sector in the provision of new off-street parking.

Some jurisdictions allow developers to make cash-in-lieu payments to satisfy off-street parking requirements. The cash payment per stall is normally applied to a fund for the creation of new city parkades, allowing smaller properties to pool resources to create parking that cannot be physically accommodated on individual sites. However, in Winnipeg the low rate of development and the low bylaw parking requirements mean that this mechanism could not be counted on to generate much revenue (especially in the Exchange District where there is no parking requirement). As an illustration, if the rate of new office construction in Winnipeg is 100,000 square feet per year, 50% of this is downtown, 50% of downtown projects elect to provide cash-in-lieu of off-street parking, and the bylaw requirement remains at one stall per 2,150 square feet of space, a cash-in-lieu system would generate about 11 stalls per year for all of downtown *assuming the cash contribution is equal to the 100% of the capital cost of creating a new stall in structure.* If, as in many jurisdictions, the cash payment is set at less than full cost, even less new parking could be built with the available funds. A cash-in-lieu system could be used to provide funds that could contribute to the cost of creating new parking, but would not generate enough revenue on its own to make a significant impact on total off-street parking supply in any downtown district within the foreseeable future.

Another alternative used in some communities is a special levy on commercial properties in a defined benefiting area. This additional property tax raises funds to build new parking that serves

properties within the area. This is another means to pool contributions from many properties that cannot on their own satisfy their parking requirements.

To test the potential for this tool in downtown, we looked at a large sample block in the Exchange District (bounded by Notre Dame, Main, Princess, and William). This area has a current total annual property tax bill of about $1.6 million. If this block is subject to a special levy (which landlords would recover from tenants) equal to say 5% of annual taxes, about $80,000 per year would be raised. In round numbers, this annual revenue would fund a mortgage of about $1.0 million, which would fund construction of about 60 parking stalls. This is a significant number of off-street parking stalls for the sample area, but in an area that already struggles to pull in upper floor tenants a 5% increase in property taxes (relative to all other competing office locations in downtown) would be a challenge. However, a smaller levy would not generate enough money to build a reasonable parking structure. This is a tool, therefore, that could supplement other approaches to funding new off-street parking.

There are also more exotic approaches by which the City could involve the private sector in providing parking. The City and private investors could enter into partnerships or joint ventures for the creation of new off-street parkades, although the economics are such that the City would be putting in land at below market value or capital at below-market returns in order to make this opportunity attractive. Still, this could be a way to leverage available City funds to generate more parking than could be created with public dollars alone. The City could also sell or lease blocks of parking in a new facility, to immediately recover some of the capital investment.

6.0 FINDING THE BALANCE

Before the City can adopt a framework of policies, before the City can even articulate goals for downtown parking, the City must have a fundamental vision about the appropriate role of parking in the creation of the downtown the City wants.

At one end of the spectrum, the City could take the view that growth in private automobile trips must be slowed or stopped, that transit use must correspondingly increase, that the City should use carrots and sticks (including curtailing growth in long term parking supply) to achieve these ends, and that these ends can be achieved without impairing the City's ability to strengthen and enhance downtown. Some will argue that this is simply not practical and that limiting downtown parking will necessarily curtail downtown's prospects for growth and enhancement. At the other end of the spectrum, the City could abandon any efforts to manage the amount, location, or design of parking and take a shot-gun approach to investing in parking on request. What is needed is a balance, an appropriate stance between these extremes that yields an approach to parking that is best for downtown.

To find the right balance, it is important to understand the interplay between vehicular accessibility (including parking), transit service, the locational decisions of firms and institutions, and peoples' willingness to come downtown for shopping or entertainment…in short to

understand how parking policy will probably affect future decisions about investment, development, and activity in downtown Winnipeg.

This means understanding the kind of community Winnipeg is today and is likely to be for the next several decades. To ensure that the City's position on parking is realistic, it must take into account these factors:

1. Virtually all firms and institutions require some long term parking. Some employees must have use of vehicles during the day, some have work schedules that are not compatible with transit use, many management and professional people put a high premium on mobility and image, and many visitors to firms come by car. Research into the locational decisions of firms shows that in most regions a high priority is placed on vehicular accessibility (which implies the availability of convenient parking). Many firms also put priority on transit access, but except in very dense and congested urban cores few firms will accept significant constraints on vehicle access in exchange for better transit. In Winnipeg, downtown competes to some extent with suburban locations for firms, so limiting vehicle access (by limiting parking) in downtown will reduce the relative competitiveness of downtown. Rather than increasing transit use, limiting parking may have the opposite effect if firms shift to suburban locations that are less well served with transit.

2. Every firm has a mix of people who drive, use transit, carpool, walk or bicycle to work, so encouraging firms to locate in the central area by definition contributes to increased transit use even if some of the new people drive. In fact, growth in transit use is maximized when job growth occurs in places where transit convenience and service are greatest.

3. In a City like Winnipeg, which is not that large and in which it is relatively easy to move around the City in cars, transit ridership can best be increased by making the transit system more convenient, reliable, rapid, and attractive, not by making it harder to use cars in one part of the City.

4. Prospective tenants for vacant office and retail space in downtown (in new buildings or renovated heritage buildings) will demand that convenient, nearby parking be available at prevailing rates. Parking does not have to be subsidized, but it does have to be available at competitive prices. Historic buildings, which cannot accommodate on-site parking, are at a disadvantage for this reason, so if the City wants these buildings preserved and heritage districts revitalized, it must either provide parking or help the private sector provide parking. There is under-utilized parking in some parts of downtown and the City should certainly explore ways to use this parking more intensively, such as convenient and fast local shuttles within downtown, but the City should not expect that it can address parking shortfall issues solely by innovative transit approaches. Most tenants will demand some nearby, very convenient parking.

5. Many potential visitors to downtown Winnipeg will only come in from the suburbs if they can drive. Evening visitors (for arts, culture, entertainment, adult education, dinner) are probably among the least likely candidates to use transit for various reasons including safety, reluctance to use transit wearing evening clothes, and time pressures. Many shoppers will also demand that downtown be as convenient as competing suburban alternatives. If downtown wants to attract suburban residents for shopping and entertainment, it must provide a sufficient inventory of parking in addition to transit links.

6. If making automobile travel to downtown Winnipeg more difficult creates a risk that firms will choose to locate in the suburbs, then the City must look more to carrots than sticks to decrease single occupant vehicle trips and increase transit use. Building transit ridership can be best achieved by having the greatest number of people work, live or shop in locations that are at the hub of the transit system and by making the system convenient, safe, comfortable, fast, and good value. Downtown's growth and enhancement can be best served by ensuring that commuters and shoppers have a transportation choice. The use of cars should not be subsidized or even encouraged, but it should not be unduly constrained.

7. Surface parking will continue to account for a large share of downtown off-street parking for a long time, because of low land values and low demand for new commercial and residential space in the core. It is not realistic to expect that most new development will incorporate parking in structure or to expect that existing parking lots will be converted to development sites at a rapid pace. It is reasonable to carefully manage the design of surface parking lots and to identify ways in which the private sector might be encouraged to accommodate at least some parking for new projects in structure.

Taking these factors into consideration, if the City wants to achieve its "Downtown First" vision, as expressed in Plan Winnipeg, the City's approach to the future supply of downtown parking should be along these lines:

• off-street parking supply in downtown must be allowed to expand to provide the level of convenience and accessibility needed to draw businesses and suburban residents for shopping and entertainment. The City should allow the private sector to create parking in response to market demand and the City should even consider investing in additional parking, but only in circumstances where there is a clear net economic benefit, where an important City goal is at stake (such as the preservation and revitalization of a heritage district), and where the private sector is unable to completely meet the need.

• rather than relying on limiting parking growth as the means to boost transit ridership or reduce single occupant private vehicle travel, the City should emphasize constructive and creative alternatives and look for ways to encourage and facilitate growth in transit use.

• the City should not categorically prohibit the provision of new private sector off-street parking in any part of downtown for reasons related to urban design or streetscape. Rather, the City should have high expectations regarding the design of off-street parking and should use design guidelines and incentives to make parking physically attractive.

The next section of this report proposes goals and policies that are consistent with the philosophy outlined above.

7.0 PROPOSED DOWNTOWN PARKING POLICY FRAMEWORK

This section recommends a downtown parking policy framework including:

• a statement of goals related to downtown parking and its role in downtown development and overall transportation policy.
• policies regarding the private sector's role in providing off-street parking supply.
• policies regarding future City investment in off-street parking supply.
• policies guiding the City's operation of the off-street parking facilities it owns.
• policies regarding the supply and management of on-street parking.
• commitment to implementing the City's policies on transit and transportation demand management.
• suggestions for coordinating and implementing the proposed parking policies.
• proposed approach to monitoring progress toward the downtown parking goals.

The policy proposals are recommendations, but they are written in a format that would allow direct adoption by the City.

7.1 GOALS

The proposed parking policy framework assumes that the City's goals, as expressed in Plan Winnipeg, are the starting point. Parking policy must be shaped to be consistent with the City's broad vision for putting "Downtown First" and its goals for environmental quality, reduced single occupant vehicle use, transit, the economic revitalization of historic districts, and the improvement of the urban streetscape.

The City should adopt specific goals related to downtown parking. However, the City has recently adopted a new Plan Winnipeg, transit policy document ("Directions to the Future"), and Centre Plan, so it may not be appropriate to amend these documents at this time. It could be sufficient to adopt by resolution a Council policy statement along these lines:

Whereas the City seeks to balance the aims of downtown growth and revitalization, transit enhancement, environmental quality, and improvement of the downtown environment, the City adopts the following goals for parking in downtown:

1. To attract new commercial, residential and institutional development to downtown and to ensure that downtown captures a large share of total City growth, allow and facilitate the expansion of the off-street and, where possible, on-street parking inventories as necessary so that parking supply does not become a constraint on downtown's vitality and growth.

2. Rely primarily on the private sector to provide new off-street parking supply.

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3. Limit direct City investment in off-street parking to special cases in which there is a clear need, the private sector cannot meet the need on its own, and there is a significant net economic benefit to downtown.

4. While allowing parking to expand as needed, decrease the share of total trips to and from downtown taken in single occupant private vehicles and increase the share of trips taken on transit, by improving the transit system and implementing incentives and transportation demand management programs.

5. Increase the utilization of existing off-street parking supply.

6. Over time, decrease the proportion of total downtown off-street parking supply in surface parking lots.

7. Encourage improvements in the appearance of surface parking lots.

8. Ensure that the City's management of on-street parking, in terms of pricing, availability, restrictions and enforcement, is driven by the desire to make short-term parking convenient for downtown visitors.

9. Provide leadership in the area of transportation demand management.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

7.2 POLICIES REGARDING PRIVATE SECTOR ADDITIONS TO THE OFF-STREET PARKING SUPPLY

1. The City will continue to allow the amount of off-street parking in private sector development projects to be determined mainly by market needs:

   a. the P/L1 district will remain as is, with its very low parking requirements. Developers will continue to be allowed to provide more than the minimum requirement.

   b. the P/L2 district will be amended so that parking is an outright permitted use when it is ancillary to office, retail, residential, or hotel use. Parking will remain a conditional use when ancillary to other uses and will remain a conditional use when it is the primary use of a site, as in the case when a site is proposed to be used as a surface parking lot or a parking structure.

2. The P/L2 district will be amended so that the parking requirements for office, retail, residential and hotel use match the P/L1 district. This has two effects. First, it guarantees that developers can include parking (subject to site constraints) and it sets up the possibility that a cash-in-lieu system could be introduced.

3. If the City decides to invest in new City-owned off-street structured parking supply in downtown, the City will consider defining a benefiting area within which developers at their option may make a cash-in-lieu payment to satisfy any or all of the off-street parking requirement. The City will also consider establishing a special property tax assessment on properties within the benefiting area to contribute to the creation of new parking. The City will consult with affected property owners, developers and tenants before implementing such mechanisms and will apply all funds raised to the creation of new parking in the benefiting area.

4. The City will develop design guidelines for new surface parking lots in downtown, to be incorporated into the Design Review process contained in Part 7 of the zoning bylaw. These guidelines will aim to make ***surface*** parking lots attractive and appropriately designed to fit in their context, recognizing that surface parking lots have a significant impact on the character of the streetscape, but the guidelines will also be sensitive to cost. The guidelines should address setbacks, landscaping, fencing, lighting, and paving. These guidelines will apply to all surface parking lots, even those intended to be temporary uses.

5. The City will consider changes to downtown zoning regulations that provide incentives to projects that provide some or all of the required parking in structure (below grade or above grade). The incentives could include allowing density bonuses (i.e., the allowable floorspace will be increased based on the proportion of parking that is not surface), similar to the bylaw's provision of floor area ratio increases for projects that connect to the weather-protected

pedestrian system. The City could also consider excluding any structured parking (above or below grade) from the calculation of floor area ratio.

6. Pursuant to Section 138.4 of the City of Winnipeg Act, the City will consider designating downtown as a special area within which ancillary parking in structure is eligible for a property tax credit or refund.

7.3 POLICY REGARDING CITY INVESTMENT IN NEW OFF-STREET PARKING SUPPLY

1. The City will consider direct investment in additional off-street parking supply in downtown in special cases. A proposed investment should meet one or more of the following criteria:

   a. there is a clear existing or impending need for additional off-street parking supply in the area to attract tenants and the parking shortfall is associated with a variety of existing vacant properties that cannot individually meet their parking needs due to site size, site shape, design constraints, or high site coverage by existing buildings.

   b. there is a need to assist with the provision of parking in order to attract major institutions or employers or additional residents that would not otherwise locate in downtown.

   c. the civic investment in parking will cause or facilitate a significant net economic gain for downtown, such as the recruitment of a major employer or the revitalization of a special character area.

   d. there is a unique opportunity to achieve an expansion of the off-street parking supply on favourable terms, such as an opportunity to fund an addition to a parking project being developed by another party.

   e. there is need for parking associated with a civic use.

2. The City will generally only consider building parking that is intended to attract new employers or new residents or uses that will draw people to downtown for shopping, recreation and entertainment. The City will generally not consider investing in parking to meet the needs of existing occupied residential projects that have parking shortfalls. The rationale for this is that existing downtown residential projects should either be meeting their parking needs on-site or should be deliberately targeting transit-oriented residents, particularly if they are non-market units. However, the City will consider new parking investment that supports the renovation of heritage buildings for residential use.

3. If a proposed City parking investment satisfies the required tests, the City will identify and evaluate potential alternatives for creating the parking. The City will consider (as applicable) alternatives such as direct ownership, some partnership arrangement with a private developer proposing the development of new parking, or direct payment for the construction of additional stalls in a new parking project being developed by the private sector or another public sector agency. In evaluating alternatives, the City will consider capital cost per stall, operating cost per stall, the location of the parking and the amount of parking to be created.

4. If the City invests in new off-street parking supply, the City will develop a financial strategy for paying and recovering the capital cost. The City may use capital reserves, or borrow, or some combination. To recover the cost, the City may consider cash-in-lieu or special assessments in a benefiting area (as described in item 3 in Section 7.2) or entering into long term pre-paid leases for some of the stalls.

5. The City will carefully evaluate any proposals for using City-owned land for surface parking lots and will only approve such use in cases where there are no realistic development prospects for the site in the near future and where the parking supply will make a material contribution to the economic vitality of the surrounding area.

7.4 CITY POLICY ON OPERATING ITS PARKING FACILITIES

1. The City will generally price its off-street long-term parking at market rates. The City will not price below market in order to avoid unfair competition with private sector facilities and to avoid subsidizing the use of private automobiles for commuting.

2. When a City parking facility is in a location at which some of the parking stalls could be used for short term parking to benefit nearby retailers, the City may earmark some stalls (likely those that are closest to street level) for short-term parking and may price them at rates consistent with meter rates for on-street stalls. The rationale is to help ensure the availability of short-term parking that appeals to people coming to downtown for shopping or entertainment.

3. Once City-owned parking facilities are generating positive net income, the City will periodically estimate their value and analyze the relative financial merits of retaining ownership (and continuing to earn the income stream) or selling the facility.

4. The City currently puts net income from parking operations into general revenue. The City will consider earmarking net income from parking operations for some combination of future parking investment in downtown, transit, transportation demand management initiatives, and general revenue.

5. The City will evaluate existing directional signage to its parkades and consider whether additional or better signage would help increase the utilization of existing facilities.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

7.5 POLICY REGARDING THE SUPPLY AND MANAGEMENT OF ON-STREET PARKING

1. The City will aim to maximize the availability of on-street parking (number of stalls and hours of availability) to the extent possible without significant impacts on transit operations and traffic flow.

2. The City will use meter time limits to ensure that on-street parking is used for short-term parking. Time limits and hourly rates will recognize that on-street short-term parking tends to be used by visitors for shopping or entertainment for whom downtown to some degree is competing with suburban retailers with free parking. The City will consult with BIZ groups in the setting of rates and hourly limits.

3. The City will encourage and cooperate with BIZ or merchant-run programs that reimburse shoppers for parking costs.

4. The City will develop a "shopper friendly" approach to enforcement of on-street parking regulations. While the City will strictly enforce regulations when violations have a severe impact on traffic flow and the functioning of the network (e.g., over-staying in lanes that during rush hour must be open), the City will adopt a tolerant approach to enforcement on violations with minor impact.

5. In considering changes to City street configurations, the City will put priority on maintaining or increasing on-street parking supply and improving sidewalks and streetscape.

7.6 TRANSPORTATION DEMAND MANAGEMENT

The City acknowledges that policies intended to promote expansion of the off-street parking inventory may be viewed as being contrary to the City's aims for reducing private automobile use and increasing transit use. However, the City perceives that the policies related to parking are seeking to balance goals related to downtown economic development on one hand and changing the way people travel on the other. Therefore, in addition to clearly articulating its parking policies, the City should also confirm its commitments to improving the transit system and transportation demand management.

1. Consistent with Plan Winnipeg and City transit policy, the City will develop a variety of approaches to improving the quality and the level of service of the transit system and to fostering greater transit use including incentive programs involving employers.

2. The City will expand special localized transit services within downtown, in part as a means to reduce vehicle use within downtown and as a means to encourage higher utilization rates in the existing supply of downtown off-street parking stalls.

3. The City will continue improving the speed, convenience, and reliability of the transit system with the aim of increasing the total number of transit trips and increasing the transit share of total trips to downtown, especially during weekday peak periods.

4. The City will be a leader in encouraging and assisting its employees and others to reduce single occupant private automobile use. This will be accomplished through the development of a transportation demand management strategy which could include initiatives such as ride sharing, preferential parking for car pool vehicles, home-based work options, incentives for cycling or walking to work, and charging market rates for employee parking.

7.7 COORDINATION OF CITY PARKING POLICY

The administration of City policies related to parking is currently distributed over various departments and levels of decision-making.

There is no point in adopting a comprehensive policy framework unless the policies flow across organizational boundaries and influence applicable financial, regulatory and financial decisions. This is one of the reasons the City is considering alternative service delivery models, including clustering all parking functions in a single agency. However, even the creation of a single parking agency will not address every need for coordination or consistent implementation, as the policy should also influence capital investment, economic development, zoning, or project approvals processes that would likely remain outside the scope of a parking authority.

Therefore, regardless of how the City configures its delivery of core parking services (parkade operations, new parking investment, on-street parking supply, parking enforcement), the City needs to take steps to ensure that its parking vision is implemented.

1. The parking and related policies will be implemented as appropriate through specific Council policy resolutions, amendments to existing policy documents, and amendments to the zoning bylaw.

2. Specific guidelines will be developed for "front line" staff involved in parking enforcement.

3. Specific guidelines will be developed for staff involved in processing development applications in the P/L2 district, to ensure that parking requirement and design issues are handled in a way that balances the City's concerns regarding land use, urban design, heritage character and streetscape with the property owner's concerns about financial viability and marketability of space.

7.8 MONITORING PROGRESS

The City's parking goals are not isolated from its goals for downtown growth, reducing private auto travel, and increasing transit use. These are all linked and the City, if it adopts this proposed policy framework, is seeking the optimal balance between these potentially competing priorities.

Appendix "A" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

In order to gauge progress toward the City's goals and to evaluate the effectiveness of City policies and programs, the City should monitor various indicators of performance.

1. The City will (subject to the ability to gather the necessary data at reasonable cost) periodically monitor and evaluate trends in:

• the split in new office, retail, and multifamily residential growth between downtown and suburban locations.

• total number of transit trips to downtown and the modal split between transit, private automobiles, and other means of travel.

• the ratio of off-street parking stalls to total inventory of commercial and residential space in downtown.

• the ratio of off-street parking stalls for long term parking to total downtown employment.

• the proportion of off-street parking stalls in surface lots versus structure.

ATTACHMENT 1

Working Group Team Members

• Andrew Cowan, Environmental Coordinator, Executive Policy Committee, Secretariat.
• Iain Day, Alternative Service Delivery Development Officer, Corporate Finance Department.
• Chris Knoll, Urban Planning Coordinator, Planning Property & Development Department.
• Paul McNeil, Vice-President, ND Lea Engineers & Planners Inc.
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• Kenn Rosin, Manager of Transportation Division, Public Works Department.
• Martin Sandhurst, Senior Planner, Planning Property & Development Department.
• Bill Thiessen, Business Development Officer, CentreVenture Development Corporation.

ATTACHMENT 2

Financial Analysis for a Hypothetical Office Building in Downtown Winnipeg

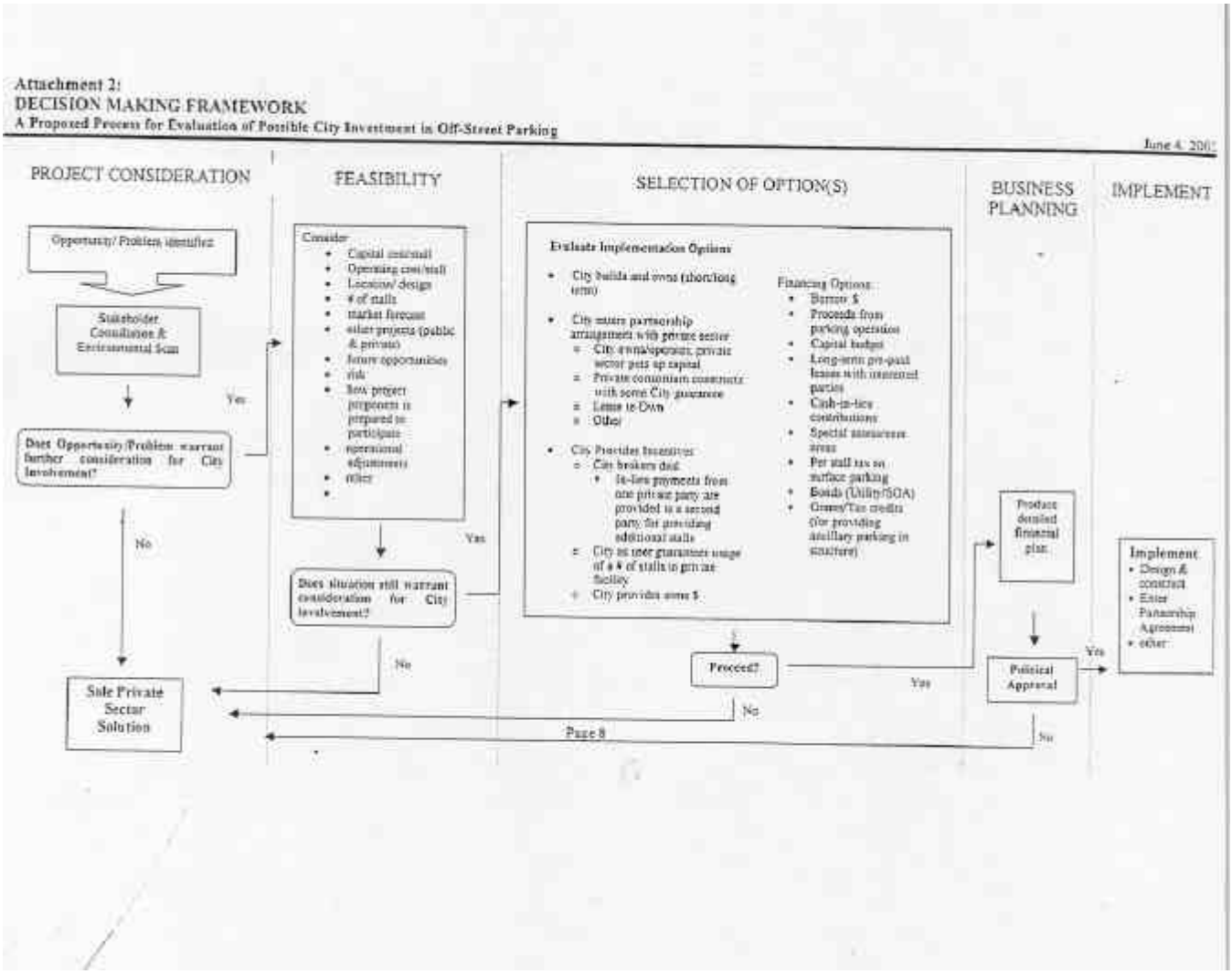
AssumptionsBuilding Size45,000sq.ft.Floors3.0Building Footprint15,000sq.ft.Leasable Area88%of gross areaLand Costs$20per sq.ft. of land (market value is higher for prime sites)Hard Costs$70assuming no parking included and 3 storey constructionSoft Costs25%of Hard CostsInterim Financing8%on all land, hard and soft costs assuming 50% outstanding for 1 yearDeveloper's Profit 10%of all costs (conservative)Lease Rate$13per sq.ft. for shell space (high end of Class A rates)Cap Rate10%Leasing and Sales Commissions2%Vacancy Rate and non recoverables5%**AnalysisCreation Costs**Land Costs$300,000Hard Costs$3,150,000Soft Costs$787,500Interim Financing$169,500Developer's Profit$440,700Total Creation Cost$4,847,700**Value**Annual Lease Income$514,800Less Leasing Commissions$10,296Less

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Vacancy and Non-recoverables$25,740Net Operating Income$478,764Capitalized Value $4,787,640Less Sales Commission$95,753Net Value$4,691,887**Summary**Cost$4,847,700Value$4,691,887Shortfall$155,813

ATTACHMENT 3
Comparison of the Creation Cost of Surface versus Structured Parking Stalls Surface Parking Costs (per stall) Land Required per stall 1300300300sq.ft.Land Acquisition Cost 2$20$30$40per sq.ft. of landSurface Parking and Landscaping Construction Costs 3$5$5$5per sq.ft.Soft Costs 45%5%5%of hard costs**Total Creation Costs per Stall$7,575$10,575$13,575per stallStructured Parking Costs (per stall)**Land Required per stall 50as land already included in office building siteStructured Parking Hard Construction Costs 6$15,000per stallSoft Costs 410%of hard costs**Total Creation Costs per Stall$16,500per stall**Notes:1. 300 square feet per stall assumes small stalls (8' x 18'), an allowance for entries and lanes, and an allowance for small setbacks.2. To reflect the range of typical land values in downtown, this analysis shows a range of $20 to $40 per square foot of land. 3. This cost allowance assumes paving, painting, signage, some landscaping, and wiring. The cost would be much lower for a "bare-bones" lot.4. Assumes that marginal soft costs associated with parking are low as the parking is part of an office project.5. For this calculation, it is assumed that parking is contained in structure as part of the project, so no *additional* land is required. The parking is simply an additional construction cost.6. This hard cost allowance is approximate.

Appendix "B" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002



Schedule “A” referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

Schedule A:
Downtown Parking Policy Goals

Whereas the City seeks to balance the aims of downtown growth and revitalization, transit enhancement, environmental quality, and improvement of the downtown environment, the City adopts the following goals for parking in downtown:

1. To attract new commercial, residential and institutional development to downtown and to ensure that downtown captures a large share of total City growth, allow and facilitate the expansion of the off-street and, where possible, on-street parking inventories as necessary so that parking supply does not become a constraint on downtown’s vitality and growth.

2. Rely primarily on the private sector to provide new off-street parking supply.

3. Limit direct City investment in off-street parking to special cases in which there is a clear need, the private sector cannot meet the need on its own, and there is a significant net economic benefit to downtown.

4. While allowing parking to expand as needed, decrease the share of total trips to and from downtown taken in single occupant private vehicles and increase the share of trips taken on transit, by improving the transit system and implementing incentives and transportation demand management programs.

5. Increase the utilization of existing off-street parking supply.

6. Over time, decrease the proportion of total downtown off-street parking supply in surface parking lots.

7. Encourage improvements in the appearance of surface parking lots.

8. Ensure that the City’s management of on-street parking, in terms of pricing, availability, restrictions and enforcement, is driven by the desire to make short-term parking convenient for downtown visitors.

9. Provide leadership in the area of transportation demand management.

Schedule "B" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

Schedule B:

Policy Statements on City Investment in New Off-Street Parking Supply

1. The City will consider direct investment in additional off-street parking supply in downtown in special cases. A proposed investment should meet one or more of the following criteria:
    a. There is a clear existing or impending need for additional off-street parking supply in the area to attract tenants and the parking shortfall is associated with a variety of existing vacant properties that cannot individually meet their parking needs due to site size, site shape, design constraints, or high site coverage by existing buildings.
    b. There is a need to assist with the provision of parking in order to attract major institutions or employers or additional residents that would not otherwise locate in downtown.
    c. The civic investment in parking will cause or facilitate a significant net economic gain for downtown, such as the recruitment of a major employer or the revitalization of a special character area.
    d. There is a unique opportunity to achieve an expansion of the off-street parking supply on favourable terms, such as an opportunity to fund an addition to a parking project being developed by another party.
    e. There is need for parking associated with a civic use.
2. The City will generally only consider building parking that is intended to attract new employers or new residents or uses that will draw people to downtown for shopping, recreation and entertainment. The City will generally not consider investing in parking to meet the needs of existing occupied residential projects that have parking shortfalls. The rationale for this is that existing downtown residential projects should be meeting their parking needs. However, the City will consider new parking investment that supports the renovation of heritage buildings for residential use.
3. If a proposed City parking investment satisfies the required tests, the City will identify and evaluate potential alternatives for creating the parking. The City will consider (as applicable) alternatives such as direct ownership, some partnership arrangement with a private developer proposing the development of new parking, or direct payment for the construction of additional stalls in a new parking project being developed by the private sector or another public sector agency. In evaluating alternatives, the City will consider capital cost per stall, operating cost per stall, the location of the parking and the amount of parking to be created.
4. If the City invests in new off-street parking supply, the City will develop a financial strategy for paying and recovering the capital cost. The City may use capital reserves, or borrow, or some combination. To recover the cost, the City may consider cash-in-lieu or special assessments in a benefiting area, or entering into long-term pre-paid leases for some of the stalls.

5. The City will carefully evaluate any proposals for using City-owned land for surface parking lots and will only approve such use in cases where there are no realistic development prospects for the site in the near future and where the parking supply will make a material contribution to the economic vitality of the surrounding area.

Schedule "C" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

Schedule C:
Policy Statements regarding Operating City Parking Facilities

1. The City will generally price its off-street long-term parking at market rates. The City will not price below market in order to avoid unfair competition with private sector facilities and to avoid subsidizing the use of private automobiles for commuting.
2. When a City parking facility is in a location at which some of the parking stalls could be used for short term parking to benefit nearby retailers, the City may earmark some stalls (likely those that are closest to street level) for short-term parking and may price them at rates consistent with meter rates for on-street stalls. The rationale is to help ensure the availability of short-term parking that appeals to people coming to downtown for shopping or entertainment.
3. Once City-owned parking facilities are generating positive net income, the City will periodically estimate their value and analyze the relative financial merits of retaining ownership (and continuing to earn the income stream) or selling the facility.
4. The City currently puts net income from parking operations into general revenue. The City will consider earmarking net income from parking operations for some combination of future parking investment in downtown, transit, transportation demand management initiatives, and general revenue.
5. The City will evaluate existing directional signage to its parkades and consider whether additional or better signage would help increase the utilization of existing facilities.

Schedule "D" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

Schedule D:
Policy Statements regarding the Supply and Management of On-Street Parking

1. The City will aim to maximize the availability of on-street parking (number of stalls and hours of availability) to the extent possible without significant impacts on transit operations and traffic flow.
2. The City will use meter time limits to ensure that on-street parking is used for short-term parking. Time limits and hourly rates will recognize that on-street short-term parking tends to be used by visitors for shopping or entertainment for whom downtown to some degree is competing with suburban retailers with free parking. The City will consult with BIZ groups in the setting of rates and hourly limits.
3. The City will encourage and cooperate with BIZ or merchant-run programs that reimburse shoppers for parking costs.
4. The City will develop a "shopper friendly" approach to enforcement of on-street parking regulations. While the City will strictly enforce regulations when violations have a severe impact on traffic flow and the functioning of the network (e.g., over-staying in lanes that during rush hour must be open), the City will adopt a tolerant approach to enforcement on violations with minor impact.
5. In considering changes to City street configurations, the City will put priority on maintaining or increasing on-street parking supply and improving sidewalks and streetscape.

Schedule "E" referred to in Clause 1 of the Report of the Alternate Service Delivery Committee dated September 16, 2002

Financial Impact Statement

Date: September 10, 2002

Project Name:
Downtown Parking Policy

First Year of Program 2002

	2002	2003	2004	2005	2006
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There would definitely be financial implications to the City if some of the recommended policy statements are endorsed and subsequently implemented. For example, the suggestion contained in Schedule C of earmarking net income from parking operations for parking investments rather than general revenue would definitely have financial implications, but the extent of those implications cannot be determined at this time. Also, it is assumed that any major change in the way parking operations impact City costs and revenues, although consistent with the new policies, will require a subsequent report and approval by Council.

Gord Courage, Manager
Support Services Division