Agenda - Executive Policy Committee - September 12, 2007

REPORTS

Item No. 2 **Red Tape Commission, Recommendation 16 – Flexible Parking Requirements**
File ST-2

ADMINISTRATIVE RECOMMENDATION:

1. That this report be received as information and that the intent of Recommendation 16 be addressed through the upcoming comprehensive review of the Winnipeg Zoning By-law.

Agenda - Executive Policy Committee - September 12, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner, in a manner reflecting a list of priorities.

Re: Red Tape 16: Flexible Parking Requirements

For submission to: Executive Policy Committee

Original report signed by: Director of Planning, Property and Development

Report date: July 4, 2007

Recommendation(s):

1. That this report be received as information and that the intent of Recommendation 16 be addressed through the upcoming comprehensive review of the Winnipeg Zoning By-law.

REPORT SUMMARY

Key Issues:

- Winnipeg's slow rate of growth has not caused severe shortages in parking supply downtown or elsewhere in the city; however, localized parking shortages exist.
- Red Tape Commission Recommendation 16 speaks to the need for additional flexibility in parking requirements and suggests the introduction of a cash-in-lieu of parking program.
- Cash-in-lieu of providing parking stalls is a program that provides for compliance with parking requirements laid out in a Zoning By-law through the payment to the City of a fee in the form of cash as a substitute for establishing the physical parking spaces required by the Zoning By-law.
- Winnipeg Zoning By-law 6400/94 currently provides flexibility in parking requirements through parking relaxations in 2 broad areas of the city – Fort Rouge/West End and St. Boniface (as shown on maps in the Parking section of the by-law).
- The new Downtown Zoning By-law (2004) has removed all requirements for parking in the downtown. The provision of parking for new development or expansion is now voluntary.
- Proposed changes to the Winnipeg Zoning By-law, which is currently under review, would reduce overall requirements for parking and provide greater flexibility in parking requirements, for example, for mixed use proposals, development along transit lines, and development within designated Urban Infill Areas. The by-law also makes provision for Planned Development Overlays, Alternative Equivalent Compliance and Parking Management Plans.
- If the new Zoning By-law is adopted, its provisions should provide further flexibility in parking requirements and relieve the need to implement a cash-in-lieu of parking program at this time.
- If Council still wants to pursue some form of incentive or program to address the supply of parking in the downtown or across the city, the Winnipeg Public Service could be directed to initiate a review and analysis of various tools and approaches, in consultation with the Winnipeg Parking Authority.

Implications of the Recommendation(s):

General implications:

X	**None**
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

-

Policy implications:

X	**No**
	Yes

Comment(s):

-

Regulatory implications:

X	**No**
	Yes

Comment(s):

- The intent of Recommendation 16 of the Final Report of the Mayor's Red Tape Commission should be satisfied by Council's adoption of the proposed Winnipeg Zoning By-law currently under review.

Environmental implications:

X	**No**
	Yes

Comment(s):

-

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

- As the following provides background information and makes no specific requests for changes to policy or regulations at this time, there is no financial impact associated with this report.

REASON FOR THE REPORT:
At its meeting of March 22, 2006 the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on recommendations of the Red Tape Commission in an expedited manner, reflecting a list of priorities.

HISTORY:
On July 20, 2005 the Executive Policy Committee received as information the Final Report of the Mayor's Red Tape Commission. Recommendation 16 of the Report states that two alternatives to allow for more flexible application of City parking requirements for new developments and businesses, should be implemented. The Commission's goal "is to eliminate a significant red tape barrier to infill development, and add more flexibility to development decisions".

Recommendation 16.1 of the Final Report of the Red Tape Commission states:
Allow for a "fee in lieu of parking" through which proponents can obtain a waiver for parking requirements after payment of a standard fee (as is done in Hamilton, to cite one example). The formula for a waiver should NOT be subject to adjustment by any party outside of the budget process. With this in mind, Council should consider including the waiver in negotiations for development agreements as per Recommendation 15.

Recommendation 16.2 states:
Fees collected through 16.1 should be directly applied to the capital budget of the Winnipeg Parking Authority or any successor authority, and directed exclusively to construction or capital maintenance of public parking facilities. The Authority should have broad discretion to set funds for 'parking regions' so that money collected to build parking within one neighbourhood of the City is reinvested in parking in or near that neighbourhood.

Recommendation 16.3 states:
Winnipeg should also permit the waiver of parking requirements through the use of "equivalency lease agreements," whereby leases for parking would serve the same purpose as fees under Recommendations 16.1. The policy should be flexible to permit consideration of the time *parking is to be used to be a positive factor in issuing the waiver. If necessary, proponents should be allowed to combine waivers to achieve targets. Developments or projects would be eligible for this waiver at the discretion of the Director of Planning, Property and Development.*

DISCUSSION:

The intent of Recommendation 16 is generally to provide more flexibility in the City's parking requirements which are specified in the City's two zoning by-laws. These parking requirements are generally viewed as being onerous in the City's mature, built-up areas where it is difficult for developers to 'insert' parking spaces into the existing urban fabric without demolishing existing buildings. The current 'tight' form of development in these areas combined with a limited supply of available vacant land creates pressure on a developer or property owner to provide adequate parking to satisfy the requirements of the Zoning By-law and meet the demands of his customers or tenants. This has resulted in perceived parking problems in several areas throughout the City where development and redevelopment is occurring, for example, along neighbourhood commercial street areas like Corydon, Osborne, Selkirk, etc. Customers, staff, tenants and residents are all vying for limited parking spaces along the commercial streets and in adjacent residential areas.

In cases where the developer cannot meet the zoning requirements, they typically apply for variances which are almost always granted by the Board of Adjustment. While this formalizes the process and allows for community input, it makes the zoning requirements somewhat redundant. This was partially addressed through a clause in the Winnipeg Zoning By-law brought forward when the by-law was originally introduced, which relieved several types of development from having to meet the zoning requirements in two broad areas of the city (as shown on maps attached to the by-law). In that clause, for lots zoned "C1" or "C1.5", the required parking shall only be provided in the event of new construction, expansion or redevelopment, but not in the event of a change in use, except for restaurants in the St. Boniface area. This was an attempt to provide special consideration for mature areas of the city, recognizing the existing constraints.

The Red Tape Recommendation suggests creating some flexibility in the parking requirements by implementing a cash-in-lieu of parking program which would provide an alternative for developers in these areas to pay cash into a fund rather than having to create physical parking spaces.

Policy Context

Any discussion about new programs or incentives for parking in the City of Winnipeg should be considered in the context of existing parking policy adopted by Council. In September, 2002 a report on a Parking Policy for Downtown Winnipeg was considered and adopted by Council. The report, prepared by Coriolis Consulting, commented on the existing state of parking in the downtown, evaluated the current policy framework, evaluated options for the City's participation in the provision of parking in the future and recommended specific policy guidelines for Winnipeg.

In terms of the state of the existing parking situation in downtown Winnipeg at that time, the consultant concluded that the large amount of surface parking in the downtown is primarily 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. At present, there is not a significant overall deficiency in the amount of parking in downtown Winnipeg. 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 suggested that although the overall parking situation in downtown Winnipeg is not likely to deteriorate in the near future, some localized problems could get worse.

As part of the review and approval of the Coriolis report, Council adopted a set of downtown parking policies:

- Downtown Parking Policy Goals
- Policy Statements on City investment in new off-street parking supply
- Policy Statements regarding operating City parking facilities
- Policy Statements regarding the supply and management of on-street parking

One of Council's adopted policies states that: "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."

Cash-in-Lieu

"Cash-in-lieu" of providing parking stalls is a program that provides for compliance with parking requirements laid out in a Zoning By-law through the payment to the City of a fee in the form of cash as a substitute for establishing the physical parking spaces required by the by-law. This type of program is usually established where the physical constraints of a geographic area of the city (e.g., fully developed mature areas or downtown) prevent the applicant from providing a sufficient number of parking spaces to meet the requirements of the by-law.

These programs are usually applied in downtown or inner city areas that are undergoing redevelopment pressure and where there is a complex mix of uses which generate a wide variety of parking demands (e.g., the introduction of high density residential uses in a neighbourhood village area). Since these areas are generally characterized by fragmented property ownership, parking is generally provided in a disjointed and uncoordinated manner often creating a shortage of formal or structured parking.

Many cities have committed to providing more formal and organized parking facilities in these areas, and have instituted a "cash-in-lieu of parking stalls" system to partially fund the development of new public parking lots or structures to address the shortage. This is most common in densely populated downtown areas where there is a critical mass of unsatisfied parking demand available to support the program. Downtown development typically generates sufficient capital to support these programs and demonstrate the need for centralized parking facilities. Cash-in-lieu of parking programs are generally supported by the development community where developers have a level of confidence that the fees will be used for facilities or improvements that will help manage the densified parking demand.

Where cash-in-lieu is practised, the municipality accepts a cash dollar value per forgone parking stall (structured or surface). These values are established by by-law and collected in a reserve fund, which is dedicated to the provision of public parking lots to service the needs of the area. The local Business Improvement Zone organization or Parking Authority is usually involved in administration of the parking program where, by definition, the members have common interests and economic linkages in advancing the vitality and viability of an area.

It is also noted that implementing a cash-in-lieu program has considerable administrative ramifications, and that it will take some time to conduct the appropriate internal consultation to consider proper implementation mechanisms. One option, if permitted under The City of Winnipeg Charter, might be the drafting of a By-Law to establish a Reserve Fund, fee structure and appropriate fee calculations, plus capital improvement plans, administrative procedures, and separate accounts may need to be established. As directed by Council, the Winnipeg Public Service could commence a dialogue with the Winnipeg Parking Authority and other key stakeholders to examine a cash-in-lieu program that could be applied across the City. The results of these discussions may conclude that both the Downtown and Winnipeg Zoning By-

laws need to be amended to accommodate a cash-in-lieu of parking program, or pursue a different approach to address issues related to parking supply.

Flexible Parking Requirements

For downtown, requirements for off-street parking were deleted from the Downtown Zoning By-law during its 2004 review, and the inclusion of off-street parking spaces is now voluntary. While this is provides significant flexibility to property owners and developers pursuing new development or redevelopment in Winnipeg's downtown, there is a risk that parking supply will not keep pace with downtown development.

The proposed Winnipeg Zoning By-law covering areas outside the Downtown and currently in process has reduced the requirement for off-street parking for many uses, and generous flexibility in parking requirements has been built into the by-law. It is believed that this flexibility is sufficient to implement the intent of Recommendation 16 outside the downtown, for the time being.

Parking standards in the proposed Winnipeg Zoning By-Law have incorporated flexibility to encourage investment and infill in already built-up areas by reducing the required parking to 80% of the requirement where the proposed development is adjacent to a transit line, where it is in an infill area (as defined on the 2 Urban Infill Area maps), and when it is a mixed use development. Urban Infill Areas cover a large part of mature neighbourhoods in the City and have been established to recognize that these areas generally contain narrow lots and cannot be expected to meet typical suburban development standards. A relaxation of parking and development standards in Urban Infill Areas will promote redevelopment of these older, established areas. In addition, the relaxation of these provisions can be combined to reduce the parking requirement even further. For example, if the proposed development is located along a transit line and in an Urban Infill Area, the parking requirements would be 80% of 80%.

A second new, innovative zoning concept – Planned Development Overlay – offers another alternative to implement customized parking programs for specific geographic areas of the city similar to the parking regions suggested in Recommendation 16.2. A Planned Development Overlay (PDO) is a zoning tool that adds an extra layer of regulations to meet specific policy objectives. A PDO may be put in place to implement certain policy directions laid out in a Secondary Plan or a particular program in a geographic area of the city. For example, City Council may want to protect certain heritage characteristics in an area, establish particular design standards, or restrict incompatible land uses. A PDO could be established to lower or waive parking requirements in a specific area.

Another new zoning tool proposed to achieve higher quality development while offering applicants flexibility is to permit Alternative Equivalent Compliance with some or all of the development standards. This tool has been included in the proposed Zoning By-law and allows the applicant to propose alternative ways to meet the requirements of the by-law to respond to unique site circumstances or neighbourhood characteristics without strict compliance. Alternative Equivalent Compliance approaches do not permit a reduction in any required parking provisions but allow flexibility in its location or design.

Lastly, under the proposed Zoning By-law, an applicant may propose a Parking Management Plan, prepared by a professional traffic engineer or parking consultant, documenting that a

lower amount of automobile parking is adequate to meet the needs of the proposed use or combination of uses and to prevent traffic or parking congestion on surrounding streets or public lanes:

- because of unique patterns of peak hour use,
- the proximity of other public parking areas,
- proximity to major public transportation routes,
- or other factors,

without the imposition of additional parking management tools. The Director may approve the Parking Management Plan and may reduce the amount of off-street parking required to conform to the approved plan.

All of these zoning tools taken together provide methods of achieving the goal of the Red Tape Commission recommendations. If adopted by Council, the parking provisions in the proposed Winnipeg Zoning By-law should adequately address the concept of cash-in-lieu of parking without having to charge developers an additional fee to meet the parking needs of an area.

Conclusion

Cash-in-lieu of parking is one in a package of tools that can be used to address parking supply in areas under development pressure that don't contain a sufficient supply of land to accommodate parking demand. Other options include Local Improvement Districts, levies, special assessments, incentives, etc. The provisions of the proposed Winnipeg Zoning By-law will also assist in this regard. However, even after the new Zoning By-law is adopted, Council may still want to pursue a cash-in-lieu of parking program. A separate review could be initiated to explore the potential to implement a cash-in-lieu program (or other approaches), designate areas capable of supporting a program and putting the appropriate administrative procedures and systems in place.

Financial Impact Statement Date: July 3, 2007

Red Tape 16: Flexible Parking Requirements

COMMENTS:

The recommendation contained in this report is that it be received as information. As such, there is no associated financial impact.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT, THERE WAS:

Internal Consultation With and Concurrence By:

- Winnipeg Parking Authority
- Internal Services Department, Legal Services Division
- Corporate Finance Department

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Office of the Director
Prepared by: Valdene Buckley
PPD File #:

Document name: O:\Reports Directive\Office of the Director\Regulatory Reform\RISrpt RT16 cash in lieu DH.doc
Last Updated: July 3, 2007