Agenda – Executive Policy Committee – December 7, 2022

Report – Standing Policy Committee on Public Works – November 29, 2022

Item No. 2 Impacts of the On-Street Parking Rate Reduction

STANDING COMMITTEE RECOMMENDATION:

On November 29, 2022, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That this report be received as information.

Report – Standing Policy Committee on Public Works – November 29, 2022

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 29, 2022, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

STANDING COMMITTEE RECOMMENDATION:

On July 7, 2021, the Standing Policy Committee on Infrastructure Renewal and Public Works granted an extension of time to its November, 2022 meeting for the Winnipeg Public Service to report back on the matter.

COUNCIL DECISION:

On June 26, 2020, Council concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works, as amended, and adopted the following:

1. That hourly rates for on-street parking be decreased by $0.75 in all paid parking locations throughout the City and that the new rates be implemented within two months of the report being approved.

2. That the Winnipeg Parking Authority work with local business owners and report back to the appropriate committee of Council annually for 2 years on the impact on businesses of the on-street parking rate reduction.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the forgoing.

ADMINISTRATIVE REPORT

Title: Impact of the 2020 On-Street Parking Rate Reduction

Critical Path: Standing Policy Committee on Public Works – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Topolniski	J. Berezowsky	N/A	M. Jack

EXECUTIVE SUMMARY

On June 26, 2020, Council concurred with the WPA's recommendation to lower the price of on-street parking by $0.75 per hour in all on-street paid parking locations. This recommendation was based on a comprehensive analysis of occupancy and turnover data undertaken with the assistance of the City Economist, and a review of on-street pricing in other major Canadian cities. On June 26, 2020, Council directed "that the Winnipeg Parking Authority work with local business owners and report back to the appropriate committee of Council annually for 2 years on the impact on businesses of the on-street parking rate reduction." This report provides an explanation of the challenges in assessing the impact of the 2020 on-street parking rate reduction and discusses current parking revenue and occupancy trends.

Unfortunately, the COVID-19 pandemic, and a number of the policies approved by Council in response to public health measures, have made it impossible to accurately assess the effects of the 2020 on-street paid parking rate reduction. The most impactful of these policies has certainly been the granting of one hour of complimentary on-street parking in all paid parking areas from March 28, 2020, until December 31, 2021. With no way to measure how many complimentary hours were being used, it is impossible to know how the hourly price change impacted the use of on-street parking. Even without the complimentary hour, the effect of the COVID-19 pandemic in terms of business closures and the massive shift toward remote work and other flexible work options has undoubtedly overshadowed any impact the price decrease may have had.

Despite the challenges in using the available on-street parking data to determine the impact of the 2020 hourly rate decrease, there are still a number of important insights to be gleaned from a comparison of the pre-pandemic (2019) and current year on-street parking transaction counts, as well as the total number of hours purchased month-over-month. The total number of parking transactions provides some indication of how many people are visiting Downtown and the Exchange District, since these areas cover the majority of the City's paid on-street parking. With the effects of the Omicron variant in full force, and a number of public health restrictions still in place in the first quarter of 2022, the number of parking transactions was less than half what it had been during the same period in 2019. However, by September 2022, the total number of parking transactions was only 21 percent lower than September 2019. The total number of paid parking hours purchased has followed a similar path. Notably, the average number of hours per transaction in September 2022 (an indicator of how long visitors are staying Downtown and in the Exchange District) has actually increased from the same period in 2019.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On June 26, 2020, Council directed “that the Winnipeg Parking Authority work with local business owners and report back to the appropriate committee of Council annually for 2 years on the impact on businesses of the on-street parking rate reduction.”

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to receiving this report as information.

HISTORY/DISCUSSION

Paid Parking and the Rationale for 2020 On-Street Parking Price Reduction

On June 26, 2020, Council concurred with the WPA’s recommendation to lower the price of on-street parking by $0.75 per hour in all on-street paid parking locations (from $3.50 to $2.75 per hour in high-demand and hospital areas and from $2.50 to $1.75 in low-demand areas). This recommendation was based on a comprehensive analysis of occupancy and turnover data undertaken with the assistance of the City Economist, and a review of on-street pricing in other major Canadian cities.

Paid parking is one tool the City can use to manage demand when we cannot immediately increase the total supply of parking. If there is a limited supply of any good or service, charging a price for it will encourage consumers to use it more efficiently and may convince some to switch to a cheaper alternative. In this case, that could mean parking in an off-street lot or choosing a different (and often more sustainable) transportation mode such as public transit, cycling, or a vehicle-for-hire (e.g. a taxi or rideshare).

An important part of paid parking is setting the right price. Where parking is priced appropriately, drivers will be willing to pay for the time they need but will be sure to use it efficiently. Drivers will avoid areas where paid parking is too expensive and spaces will sit empty. However, if the price of parking is too low, drivers may park for longer than they actually need. The result will be too few vacant spaces and other drivers adding to traffic congestion and greenhouse gas emissions as they circle the block waiting for a space to become available. When there are no vacant spaces near a destination, there is also a higher chance that parkers will break the rules by double-parking, parking in a designated accessible space, or parking in front of a crosswalk or fire hydrant, for example.

The WPA’s primary goal in establishing hourly prices for on-street parking is to ensure no more than 85 percent occupancy during periods of peak demand. On a typical city block, this equates to at least one or two open parking spaces at any given time. Managing demand for on-street parking through this type of price-setting helps to reduce traffic congestion by ensuring that vehicles do not have to circle the block in search of parking once they have reached their destination. This reduces greenhouse gas emissions and improves safety for pedestrians,

drivers, and other road users. It also helps to provide some degree of confidence that on-street parking will be available near a destination for those who are willing to pay the hourly rate.

COVID-19 and the Challenges of Measuring the Impact of the 2020 Price Reduction

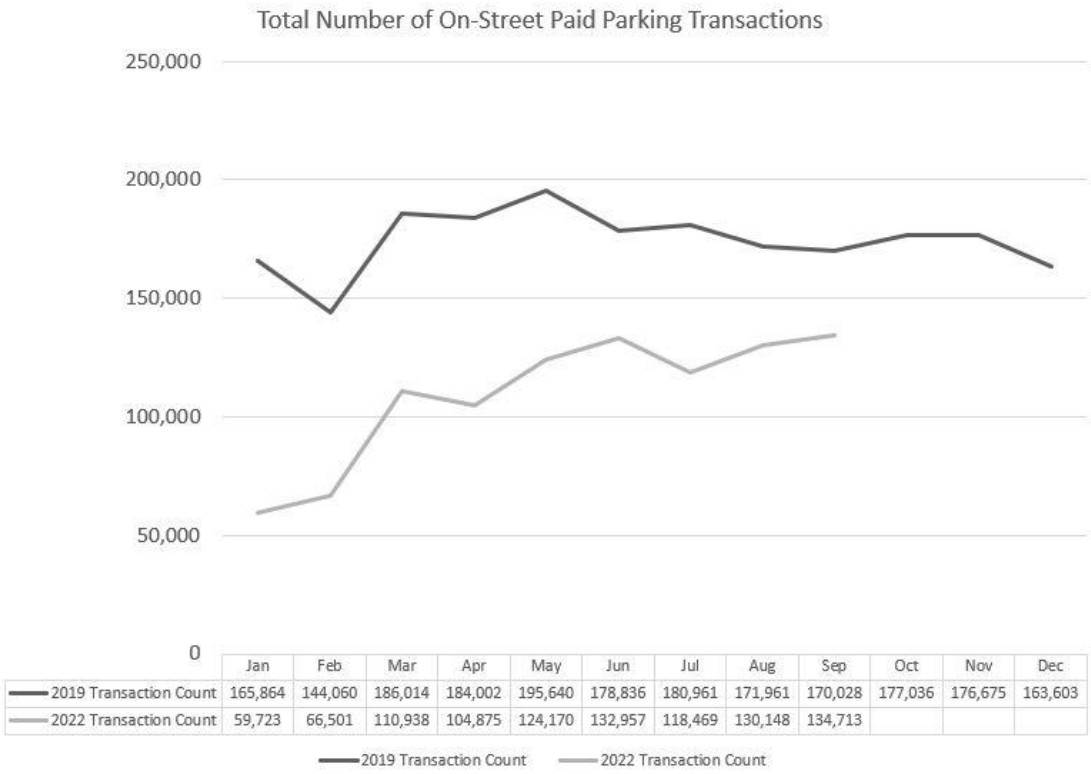
Unfortunately, the COVID-19 pandemic, and a number of the policies approved by Council in response to public health measures that were in effect from 2020-2022, have made it impossible to accurately assess the effects of the 2020 on-street paid parking price reduction. The most impactful of these policies has certainly been the granting of one hour of complimentary on-street parking in all paid parking areas from March 28, 2020 until December 31, 2021. With no way to measure how many complimentary hours were being used, it is impossible to know how the hourly price change impacted the use of on-street parking. Even without the complimentary hour, the effect of the COVID-19 pandemic in terms of business closures and the massive shift toward remote work and other flexible work options has undoubtedly overshadowed any impact the $0.75 per hour price decrease may have had.

Given these limitations, the WPA has focused instead on assisting the Downtown BIZ in recovery planning by providing data on the rate at which demand for on-street parking is returning to pre-pandemic levels. The WPA will also offer the same data set to the Exchange and West-End BIZ groups to facilitate recovery planning in those paid parking areas.

On-Street Parking Revenue as a Measure of Downtown Recovery

Despite the challenges in using the available on-street parking data to determine the impact of the 2020 hourly price decrease, there are still a number of important insights to be gleaned from a comparison of the pre-pandemic (2019) and current year on-street parking transaction counts, as well as the total number of hours purchased month-over-month. The total number of parking transactions provides some indication of how many people are visiting Downtown and the Exchange District, since these areas cover the majority of the City's paid on-street parking. With the effects of the Omicron variant in full force, and a number of public health restrictions still in place in the first quarter of 2022, the number of parking transactions was less than half what it had been during the same period in 2019. However, by September 2022 that gap had closed significantly and the total number of parking transactions was only 21 percent lower than in September 2019 (Figure 1, below).

The total number of paid parking hours purchased has followed a similar path (Figure 2, below). Despite the total number of transactions and the number of hours purchased still falling short of the 2019 mark, the average number of hours per transaction (i.e. the total length of a parking session) has been higher for every month in 2022 (January-September) than for the same period in 2019. This measure serves as an indicator of how long visitors are staying Downtown and in the Exchange District.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019 Transaction Count	165,864	144,060	186,014	184,002	195,640	178,836	180,961	171,961	170,028	177,036	176,675	163,603
2022 Transaction Count	59,723	66,501	110,938	104,875	124,170	132,957	118,469	130,148	134,713			

Figure 1



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019 Hours Purchased	187,841	162,650	205,795	200,919	215,069	198,116	193,792	180,220	186,377	195,029	195,847	176,391
2022 Hours Purchased	68,327	79,144	132,173	126,542	147,832	158,730	139,912	151,217	160,346			

Figure 2

Improving On-Street Parking Occupancy Data

In 2021, the WPA worked with the City's mobile parking payment app provider, PayByPhone, to implement a block-by-block numbering system. This new system captures parking occupancy and revenue on a far more granular scale than the zone-based model that was previously in place.

Once the volatility in parking demand due to COVID and other economic pressures has settled, capturing occupancy and revenue data for the increasingly large proportion of payments made via the mobile app will help the City make better-informed decisions about pricing and other aspects of curbside management by improving the accuracy of on-street parking occupancy data. This will be particularly useful should the City wish to implement a dynamic pricing model whereby parking prices are updated regularly to reflect demand in a given area. It may also contribute to the development of various customer service enhancements, such as the provision of real-time parking availability via a mobile application.

FINANCIAL IMPACT

Financial Impact Statement **Date:** **20-Oct-22**

Project Name:

Impact of the 2020 On-Street Parking Price Reduction

COMMENTS:

There are no financial implications from receiving this report as information.

Lioubov Gavrilova-Crozier, Oct 20, 2022

Lioubov Gavrilova-Crozier, CPA, CA
Manager of Finance, Winnipeg Parking Authority

CONSULTATION

This Report has been prepared in consultation with: N/A

OURWINNIPEG POLICY ALIGNMENT

The ongoing monitoring and adjustment of on-street parking prices supports the following policies within the Complete Communities Direction Strategy 2.0 (a secondary plan to OurWinnipeg 2045):

1.7 Support the development and implementation of progressive, data driven parking supply management as outlined in the forthcoming On-street Parking Strategy (p.45).

4.5 Develop strategies to manage on-street parking supply in commercial areas that encourage short-term use (p.130).

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Public Works
Division: Winnipeg Parking Authority
Prepared by: D.Locke/R.Maxwell
Date: October 24, 2022
File No: WPA-020-2022