



Report to: Development Services Committee

Meeting Date: September 17, 2024

SUBJECT: Citywide Parking Strategy – Governance Structure and Financial Model - Progress Update #2

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RECOMMENDATION:

- 1) That the report and presentation titled “Citywide Parking Strategy – Governance Structure and Financial Model - Progress Update #2” be received; and
- 2) That Council endorse the draft principles on municipal parking governance structure and financial model to support the Citywide Parking Strategy as follows:
 - a) Create adaptive area-specific policies, standards, and programs that align with the City’s commitment to providing residents, visitors, and businesses with an efficient, safe, equitable, reliable, and convenient transportation system and support the City’s transformation into a more sustainable, multimodal, and livable city;
 - b) Balance between revenue optimization and community benefits in meeting the City’s strategic objectives;
 - c) Maintain City control over planning, operations, and financial objectives;
 - d) Optimize the integration of parking into the overall transportation network in achieving alternative mobility management services for residents, workers, and visitors;
 - e) Develop parking policies, procedures and guidelines that provide accountability, traceability of decisions, and openness within the parking governance model for residents and visitors;
 - f) Provide public parking services where revenue covers all parking costs with no contribution from the property tax base; and
- 3) That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

This report seeks Council endorsement of the draft principles for a municipal parking governance structure and financial model within the Citywide Parking Strategy (CWPS) framework. It also provides a status update on the CWPS Study following feedback from the Special Development Services Committee (DSC) meeting on February 12, 2024, and the subsequent public consultation.

EXECUTIVE SUMMARY:

1. Phases 2 and 3 of the CWPS involved extensive engagement to revise the study's vision, guiding principles, parking zone criteria, parking zone map, draft parking governance structure and financial model principles based on public feedback.
2. Draft citywide parking policies were refined based on feedback received from the Special DSC meeting, addressing various aspects of parking in the City.
3. Effective municipal parking policies are needed to optimize parking demand and supply.
4. A comprehensive review of the City's existing parking governance structure, as well as other governance models, informed the development of the draft parking governance principles.
5. Draft principles on municipal parking governance structure have been developed to help guide change in the municipal parking governance model.
6. As the City implements the Citywide Parking Strategy policies, the governance structure should evolve to effectively manage and administer parking in the City of Markham.
7. Establishing a Parking Authority is not advisable for the City of Markham.
8. A draft principle for the parking financial model was developed to ensure financial sustainability.

BACKGROUND:

In September 2022, the City initiated the Citywide Parking Strategy study, which comprises four phases, including:

1. Phase 1: Background Review
2. Phase 2: Policy Direction
3. Phase 3: Strategies
4. Phase 4: Final Report

Following the first progress report to DSC on [May 30, 2023](#), which included the draft recommended policy framework of the CWPS, Phase 2 engagement occurred from May 2023 to February 2024. That engagement program included four Community Pop-up Events, two virtual Focus Group meetings, a Council Workshop via a Special DSC meeting, and online engagement using various tools. The engagement aimed to gather feedback on the CWPS Vision Statement, Guiding Principles, and Parking Zone Criteria and Map. The Phase 2 Engagement Summary Memorandum is available on the project website on [Your Voice Markham](#) under the Documents section.

A Council Workshop on [February 12, 2024](#), marked the conclusion of Phase 2 engagement. That workshop updated Council on Phase 2 feedback and sought further input to revise the parking vision, guiding principles, and parking zone criteria for the CWPS. It also provided a platform for Council to provide feedback on draft citywide parking policies as part of the Phase 3 work outlined in the [Special DSC meeting presentation](#). A summary of the feedback gathered is available on the project website on [Your Voice Markham](#) under the Documents section.

The project team reviewed all feedback received after the Council Workshop, incorporating inputs into the policy development while maintaining the core vision and principles. The revised draft version of the CWPS vision, guiding principles, parking zone criteria, and parking zone map are also available on the project website on [Your Voice Markham](#) under the Documents section.

Furthermore, the project team has completed a review of the City's existing parking governance structure. The review found that the City is operating under a horizontally integrated municipal parking structure, where various parking functions are spread across multiple departments, divisions, or sections. No single department has total responsibility for all parking functions within the City. For example, parking compliance falls under the purview of the By-Law department, parking policy and planning is overseen by the Engineering-Transportation division, and off-street municipal parking, specifically at community centres, is managed by Recreation Services, among others. In addition, other types of parking governance structures and delivery models were reviewed, and a preliminary finance assessment was completed, which will be discussed later in this report, to inform the development of the draft parking governance and financial model principles.

Public feedback on the draft citywide parking policies and the draft parking principles for the governance structure and financial model was sought between June 12, 2024, and June 13, 2024, through a virtual Focus Group meeting and a virtual Public Open House. Key feedback gathered during the Phase 3 public engagement include:

- Encourage property management and landowners to provide bicycle parking within existing commercial developments.
- Improve transit services and provide a safer cycling network to reduce auto dependency and parking demands.
- Prioritize investment in alternative mobility options to support reduced parking requirements.
- Update the overnight parking permit program to better manage on-street parking and meet the needs of growing multi-generational households.

OPTIONS/ DISCUSSION:

Citywide parking policies have been developed to address various aspects of parking

The development of citywide parking policies is critical for Markham's growth and city building goals, creating complete communities with diverse transportation options. These policies are foundational to the CWPS, providing strategic guidance to ensure parking planning aligns with City policies and community needs. The citywide parking policies aim to optimize parking resources, leverage transit improvements, and promote alternative travel modes to reduce auto dependency while meeting travel demands. These policies were developed to address various parking aspects and have been refined based on feedback received since the project's inception, including feedback at the Council Workshop on February 12, 2024. The citywide parking policies developed can be viewed on the project website on [Your Voice Markham](#) under the Document section. These policies address various parking aspects, as outlined below:

- Land Development
 - Develop Parking Standards to complement the City's Parking Zones
 - Develop a citywide Transportation Demand Management Program
 - Transition from unpaid to paid public parking in Zones 1 and 2
- Curbside Management & On-Street Parking
 - Develop citywide curbside management guidelines
 - Expand the citywide on-street parking system
- Parking Technology Plan

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- Develop and leverage an integrated smart parking technology platform to support various functions including parking and curbside delivery while minimizing deployed infrastructure
 - Connected Autonomous Vehicles Parking
 - Develop parking considerations for connected and automated vehicles (CAV) for street parking and off-street parking
 - Electric Vehicle Parking
 - Support the shift to electric mobility and zero-emissions mobility for the City
 - Micro-mobility Parking
 - Develop a citywide micro-mobility parking plan
 - Trails and Major Parks Parking Management
 - Develop appropriate parking supply and improve multimodal access at high-priority trailheads and major parks

Different types of parking governance structures were reviewed

The CWPS study reviewed various parking governance models, leading to draft principles that will help guide how the City's parking governance structure can evolve over time to accommodate future needs while aligning with the citywide parking policy objectives.

The review of various governance and service delivery models included examining the following organizational structures:

1. Municipal Parking (Horizontal Integration) – The municipality manages all aspects of parking, with parking functions spread across many departments.
2. Municipal Parking (Vertical Integration) – The municipality manages all aspects of parking, with one department fully accountable for the entire parking system. This department would also collaborate with other departments to ensure integration with other City policies, initiatives, and plans.
3. Parking Authority – This model involves creating a publicly owned and managed organization that is governed separately from the municipality, with its own Board of Directors & CEO.
4. Privatization – Outsourcing municipal parking facilities to a private consortium for a long-term period (i.e., 30 to 50 years) in exchange for a lump sum payment while retaining asset ownership.
5. Public Private Partnership (P3) – Parking is operated and managed by a business improvement group or private sector partner through an agreement with the municipality.
6. Private Sector Parking – Off-street parking is provided by the private sector, while on-street parking remains under municipal jurisdiction.

Currently, the City operates under a Municipal Parking Organizational Structure with horizontal integration. This structure is commonly adopted by comparable municipalities where the municipality oversees all aspects of parking, ranging from policy development to enforcement.

Draft parking governance principles were developed to help guide change in the municipal governance model

A detailed review of different parking governance models has led to the recommendation of the following draft parking governance principles:

- Create adaptive area-specific policies, standards, and programs that align with the City's commitment to providing residents, visitors, and businesses with an efficient, safe, equitable, reliable, and convenient transportation system and support the City's transformation into a more sustainable, multimodal, and livable city;
- Balance between revenue optimization and community benefits in meeting City's strategic objectives;
- Maintain City control over planning, operations, and financial objectives;
- Optimize the integration of parking into the overall transportation network in achieving alternative mobility management services for residents, workers, and visitors; and,
- Develop parking policies, procedures and guidelines that provide accountability, traceability of decisions, and openness within the parking governance model for residents and visitors.

As the City implements the Citywide Parking Strategy policies, the governance structure should evolve to effectively manage and administer parking in the City of Markham

Based on the above parking governance principles, the study recommends that the City undertake a review of the operations of the current Municipal Parking governance structure. The structure may evolve and adjust over time as the municipal parking needs and supply increase and become a larger municipal parking portfolio.

It is important to note that while the City could continue operating with the Municipal Parking governance model, it does not preclude the City from engaging in private partnerships following the P3 and private sector parking governance models to increase public parking supply.

Establishing a Parking Authority is not advisable for the City of Markham

A Parking Authority Board would operate independently, making day-to-day decisions like setting parking fees without Council approval or public input. Such autonomy could hinder the City's parking management objectives and potentially prioritize revenue generation over promoting transit, active transportation, and other city-building objectives. Citing the above issues, recent trends in other municipalities indicate a shift away from Parking Authorities toward city divisions with broader roles, integrating parking into multi-modal transportation strategies aimed at comprehensive city-building initiatives.

Parking Demand Forecast and Preliminary Financial Assessment

A 2031 parking demand forecast for Markham Centre was undertaken to assist in informing the preliminary financial assessment for the required parking options and programs. The parking demand forecast revealed increases in demand due to population growth and development as well as a recommendation of addressing this increasing demand through a mix of private and paid public parking options. As a result, this indicated an opportunity for the City to invest in expanding the public parking supply, particularly in Parking Zones 1 and 2, where a higher level of intensification is being planned.

The preliminary financial assessment evaluated the financial viability of various parking options and programs. This included different types of parking structures, surface parking lots, on-street paid parking, and the expansion of overnight residential parking permits. This analysis provided the estimated capital and operating cost, revenue and the payback period associated with each type of parking option and program. A summary of the preliminary parking financial assessment analysis is provided in Attachment 'A'.

Draft parking financial model principles developed for long-term sustainability

The following parking finance principle was also developed as part of the financial assessment:

- Provide public parking services where revenue covers all parking costs with no contribution from the property tax base.

While initial investment from the City may be required to fund the expansion of public parking services, these costs will be recouped over time through parking revenues, ensuring the expansion has no net fiscal impact on City operations.

Decisions to expand the municipal parking supply must align with the parking finance principle. Ultimately, all parking activities should be funded through parking revenues to achieve self-sustainability in parking finance. When planning parking infrastructures, a detailed study should be completed to confirm parking demand. This study should include a project-specific assessment to determine locations, types of facilities, scale, associated capital requirements, operational and maintenance expenses, revenue projections, and the anticipated payback period for each municipal parking supply project.

Next Steps

The implementation and monitoring plan for the CWPS is currently under development where it will outline action items, responsibilities, timelines, and priorities for short-, medium-, and long-term implementation, along with clear monitoring and evaluation criteria. In the final phase of the CWPS Study, Phase 4, the focus will be on preparing the final study report, including the implementation and monitoring plan, which is scheduled to be submitted to the Council for endorsement by Q4 2024/Q1 2025.

FINANCIAL CONSIDERATIONS

This report has no financial impact on the Operating Budget or Life Cycle. All external work has been funded by project 22051 (funded by Development Charges and Non-DC Growth).

To guide our future steps as a City, the strategy should adhere to the parking finance principle, where all parking activities are funded through parking revenues over time. Ultimately, the goal is to achieve financial self-sustainability for parking-related activities, ensuring they do not have a net fiscal impact on City operations.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES

The objective of developing a Citywide Parking Strategy that supports the City-building policies of the Official Plan amid continued growth of the City of Markham aligns with the City’s strategic goal of building Safe, Sustainable and Complete Communities.

BUSINESS UNITS CONSULTED AND AFFECTED

Planning & Urban Design, Policy & Research, By-Law and Regulatory Services, Operations, Finance Services, Economic Growth, Culture and Entrepreneurship, Sustainability and Asset Management, Recreation Services, and Fire and Emergency Services have been consulted through the Study Internal Advisory Committee engagements throughout the study.

RECOMMENDED BY:

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Director of Engineering

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Commissioner of Development Services

ATTACHMENTS:

Attachment A – Preliminary Parking Financial Assessment