



Report to: General Committee

Date Report Authored: Oct 1, 2012

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**SUBJECT:** Cornell Community Centre and Library – Parking Garage Operation  
**PREPARED BY:** Mary Creighton – Director, Recreation Services  
Gary Adamkowski – Director, Asset Management

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**RECOMMENDATION:**

- 1) That the report titled Cornell Community Centre and Library – Parking Garage Operation be received;
- 2) That Council direct staff to implement the recommendations from the Parking Sub Committee as follows:
  - a. Development of a Cost Recovery Policy for Municipal Facilities with a Parking Structure that recovers 100% of the capital construction & lifecycle costs and 100% of the operating costs for parking structures at all municipal buildings;
  - b. Implement parking fees based on the Cost Recovery Policy for Municipal Facilities with parking structures at the Cornell Community Centre and Library at an hourly rate of \$1.25 for Community Centre and Library users to park for the first 3 hours and for every hour thereafter at the rate comparable to the Markham Stouffville Hospital rate. Hospital users of this parking structure would pay the hospital rate but would be discouraged from using the parking structure; and
  - c. Pursue with Metrolinx the introduction of parking fees for the structured parking at Centennial Community Centre based on the same principles and report back outcomes.
- 3) The hourly rate of \$1.25 per hour will be allocated as follows:
  - a. \$1.00 will be transferred to the Lifecycle Replacement and Capital Reserve to recover 100% of the capital and lifecycle costs and
  - b. \$0.25 will be allocated to the Operating budget to recover 100% of the annual maintenance cost for the parking structure & equipment; and
- 4) That staff be authorized to award a contract to Precise Parklink Inc. for the installation and maintenance of parking equipment at the Cornell Community Centre and Library in the estimated capital amount of \$220,000, not to be exceeded without further authorization;
- 5) That the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 (part 1) G, Non Competitive Procurement, “*Where it is in the City’s best interest not to solicit a competitive*”;
- 6) That the award for purchasing of parking equipment for the Cornell Community Centre and Library in the estimated amount of \$220,000 be funded at 90% from the Development Charges (DC) Reserve fund in the amount of \$198,000 and 10% from the Capital Contingency account in the amount of 22,000;

- 7) That Staff report back after one year of implementation on the usage, results and impacts and adjust the price per hour as required; and
- 8) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to provide Council with the recommendations of the Parking Sub Committee regarding the operation of the new Cornell Community Centre and Library parking garage. It also provides information to Council on a number of items that the Sub Committee requested staff to provide additional information.

**BACKGROUND:**

The Cornell Community Centre and Library was developed and designed with the lens of new urbanism that included more efficient use of land, walkable communities and opportunity for partnership with the hospital. Cornell Community Centre and Library is the first community centre developed with an aboveground parking structure. When the project was approved by Council, parking was not determined but the issue of how to ensure that hospital users would not use the parking structure and displace community centre and library users was considered to be a concern. A presentation on options for parking at Cornell was presented to General Committee in May and was referred to the Parking Committee.

**Parking Committee Review of Cornell Community Centre & Library:**

The Parking Committee met several times to discuss the Cornell Parking Structure and at the September 7, 2012, meeting staff presented the information requested by the Parking Committee on capital and operating costs and the usage of the parking garage in order to determine what the possible rates of recovery would be for the garage. The presentation included the following information on the proposed parking structure at the Cornell Community Centre:

**Markham's Offer to MSH**

A recap of Markham's offer to MSH with respect to the Cornell Community Centre parking structure was provided. Markham had recommended the following:

- MSH pay the capital cost for the parking equipment, annual maintenance cost and attendant service cost;
- MSH retain any revenue from the parking structure;
- MSH provides overflow and/or staff parking.

**MSH Offer to Markham**

A meeting was held with MSH staff in August to discuss the Cornell Community Centre parking structure. At this meeting MSH made the following offer with respect to the parking structure:

- MSH to provide attendant services during MSH hours;

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- Markham to pay any incremental attendant costs;
  - MSH to provide fifty (50) Markham staff parking spots;
  - Markham pays all capital and maintenance costs for the parking equipment, but Markham would retain any revenue.

The committee was advised that negotiations with the MSH are still in progress. The Sub Committee thought the MSH proposal was a fair one.

#### A Business Model for the Cornell Community Centre Parking Structure

The Parking Committee requested that a model be developed to ensure that all capital and operating costs were recovered over the lifespan of the structure with a user fee.

As such, Staff provided a proposed fee ranging from \$1.10 - \$1.25 per hour due to the uncertainty of the estimated users assumption. The Parking Advisory Committee approved a fee of \$1.25 per hour for parking at the Cornell Community Centre and Library for the first three hours for Community Centre patrons and, that the hospital rate for parking is charged for anytime thereafter. The Parking Committee also requested that a policy be developed for all municipal facilities that have parking structures. Staff is drafting a policy that will be presented at a future meeting that will address parking structures above and below ground that are owned/operated by the City of Markham. The policy will include the following principles:

Parking structure fees must recover:

- 100% of the capital construction and lifecycle costs of the structure which would be amortized over the predicted life span of the structure.
- 100% of the operating costs to maintain the parking structure.

#### Communication to Community Centre and Library

It was noted that the City will need to provide clear direction to residents with respect to why it is charging for parking at the Cornell Community Centre and Library. The Committee agreed that the parking fee will be used to cover the cost of building and maintaining the parking structure. The fee and use of the parking structure will need to be monitored very closely.

It was noted that Community Centre and Library users will need to be educated on the new parking system and on why they are being charged for parking in order for paid parking to be successfully implemented. A communication plan will be developed to include key messages about the Community Centre and Library parking, how it will operate and how processes will be implemented to prevent MSH patrons from parking in the Community Centre parking structure.

Staff recommends that parking controls equipment be purchased as a Non-Competitive Procurement using Precise Parklink Inc. which is the supplier to MSH. Precise Parklink is a major supplier of parking controls and is the provider of all MSH parking controls and also for the City on street pay parking program. Using Precise Parklink provides a

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collaborative arrangement with MSH that provides opportunities for cost avoidance and parking system uniformity with the hospital. Having a compatible system and protocols with the hospital provides an opportunity for MSH to monitor the Cornell CC&L parking garage from their Precise Parklink control office using Precise staff at minimal cost to the City. The cost of duplicating attendant services can therefore be avoided.

#### Update on Parking Options for Centennial Community Centre

Staff reported that based on the agreement Markham has with Metrolinx regarding the GO parking structure at Centennial Community Centre, Metrolinx may charge for parking at the parking structure, should they choose to do so, except at the following times:

- One hour after the last southbound train (Monday to Friday);
- All day Saturday, Sunday and on Statutory Holidays.

It was advised that any revenues generated from charging for parking would be shared with Markham after the cost recovery of the costs of construction and parking controls by Metrolinx. GO Transit paid 100% of the costs for the construction of the parking structure so therefore the amount of funding allocated to Markham would be minimal in the early years.

The Committee thought that it may be beneficial to introduce paid parking at the GO parking structure at Centennial Community Centre & Library to be consistent with what is being done at Cornell Community Centre & Library.

Currently, there is no provision in the agreement with Metrolinx for Markham to implement its own parking charges, but this could possibly be negotiated in the future. Legal staff at this time is advising that based on the fact that this agreement has recently been executed there is concern that asking to open the agreement to renegotiate could open up other issues.

The other consideration is that currently during peak community centre hours which are not during the GO transit users, there is significant surface parking available. The capital investment and operating costs of the parking equipment, which is significant, would likely not be recovered, based on the current availability of surface parking. Staff will need to undertake further review of Centennial with Metrolinx and report back to the Parking Committee.

## FINANCIAL CONSIDERATIONS

The following are the capital and operating costs related to the operation of the Cornell Community Centre and Library parking garage operation:

|                            | Details  | Financial Impact  |
|----------------------------|--|---|
| <b>Structure:</b>          | 3 storey parking garage with 301 spaces  |   |
| <b>Life Expectancy</b>     | 30 years   |   |
| <b>1) Capital Costs</b>    | Structure and Equipment Total<br><ul style="list-style-type: none"> <li>➤ Structure = \$10,160,000</li> <li>➤ Parking Equipment = \$220,000</li> </ul>     | Total \$10,380,000  |
| <b>2) Life Cycle Costs</b> | <ul style="list-style-type: none"> <li>➤ Lifecycle costs (maintenance/repairs) = \$30,000/yr</li> <li>➤ \$400,000 in year 15 for rehabilitation</li> </ul> | Annual Total \$30,000 & one-time repair in Year 15 for \$400,000. |
| <b>3) Operating Costs</b>  | <ul style="list-style-type: none"> <li>➤ Maintenance (structure) = \$125,000/yr</li> <li>➤ Maintenance (parking equipment) = \$31,000/yr</li> </ul>        | Annual Total \$156,000  |
| <b>4) Estimated Users</b>  | Mon – Fri - 1000 cars a day x 2 hr per stay = 10,000 hours<br>Sat & Sun – 1000 cars a day x 1 hr per stay = 2,000 hours                                    | Weekly Total = 12,000 hrs   |

Based on the above, assuming a yearly discount rate of 4% and an annual inflation rate of 2%, the price per hour to recover the capital and operating costs ranges from \$1.10 - \$1.25 per hour due to uncertainty of estimated users assumption. Any change in the user volume assumption would impact the price per hour. The Parking Advisory Committee approved the rate of \$1.25 per hour.

### Assumptions:

- 1) The capital cost of approximately \$220,000 for the purchase of the parking equipment will be funded from Development Charges (90%) and 10% from the Capital Contingency account in the amount of \$22,000. Parking equipment cost is based on a supplier quotation. Structure cost of \$10,160,000 is the actual construction cost net of HST recovery.
- 2) Life Cycle costs are estimated based on similar structures.
- 3) Operating maintenance costs are based on a comparison to the Centennial GO Train parking garage with adjustment made for square footage. Operating parking equipment maintenance is based on a supplier quotation.
- 4) Estimated users are based on traffic counts at Angus Glen Community Centre and Thornhill Community Centre.

**Yearly impact of Parking Structure:**

For every \$1.25 per hour, \$1.00 will go to the Lifecycle Replacement and Capital Reserve to recover the capital and lifecycle costs over the useful life of the Parking Structure and \$0.25 will be allocated to the Operating Budget to recover the annual maintenance cost for the parking structure and the parking equipment. Therefore, based on the hourly rate of \$1.25 per hour and the assumption outlined in this report, the estimated revenues will be \$780,000 of which \$624,000 will be transferred to the Life Cycle Replacement and Capital Reserve and \$156,000 will be allocated to the Operating Budget.

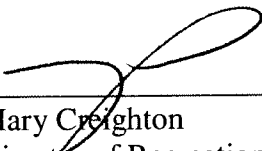
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|---|------------------|
| Revenue (\$1.25 x 12,000 hours per week x 52 weeks)                                       | \$ 780,000       |
| <b>Allocation of revenues will be as follows:</b>   |                  |
| Life Cycle Replacement and Capital Reserve<br>(\$1.00 x 12,000 hours per week x 52 weeks) | \$624,000        |
| Operating Budget<br>(\$0.25 x 12,000 hours per week x 52 weeks)                           | \$156,000        |
| <b>Total</b>  | <b>\$780,000</b> |


As part of recommendation 6) staff will report back after one year of implementation on the usage, results and impacts and adjust as required.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Finance

**RECOMMENDED  
BY:**

  
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Mary Creighton  
Director of Recreation Services

  
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Brenda Librecz  
Commissioner, Community  
& Fire Services