

**Subject: On-street Parking Rate Changes**

**File Number: ACS2024-PWD-RPS-0001**

**Report to Transportation Committee on 27 June 2024**

**and Council 10 July 2024**

**Submitted on June 18, 2024 by Quentin Levesque, Director, Roads and Parking Services**

**Contact Person: Scott Caldwell, Area Manager, Parking, Public Works**

**6135802424 x 27581, [Scott.Caldwell@ottawa.ca](mailto:Scott.Caldwell@ottawa.ca)**

**Ward: Citywide**

**Objet: Changements apportés aux tarifs de stationnement sur rue**

**Numéro de dossier : ACS2024-PWD-RPS-0001**

**Rapport présenté au Comité des transports**

**Rapport soumis le 27 juin 2024**

**et au Conseil le 10 juillet 2024**

**Soumis le 2024-06-18 par Quentin Levesque, directeur, Services des routes et du stationnement**

**Personne ressource: Scott Caldwell, gestionnaire de secteur, Stationnement, Travaux publics**

**613-580-2424, poste 27581, [Scott.Caldwell@ottawa.ca](mailto:Scott.Caldwell@ottawa.ca)**

**Quartier : À l'échelle de la ville**

## **REPORT RECOMMENDATION(S)**

**That the Transportation Committee recommend that Council:**

- 1. Receive, for information, the on-street rate changes due to inflationary increases and the implementation of a demand-based pricing model;**

2. Receive, for information, the Implementation Plan for current rate changes and the demand-based parking model in supporting Document 2

## RECOMMANDATION(S) DU RAPPORT

Que le Comité des transports recommande au Conseil ce qui suit :

1. Prendre connaissance des changements apportés aux tarifs de stationnement sur rue en raison de l'augmentation de l'inflation et de l'instauration d'un modèle de tarification fondé sur la demande;
3. Prendre connaissance du plan de mise en œuvre visant les changements tarifaires et le modèle de stationnement fondé sur la demande (dans le document 2 à l'appui).

## EXECUTIVE SUMMARY

### *Assumption and Analysis*

The City of Ottawa's parking rates are determined based on the Rate Setting Guidelines outlined in the Council approved [Municipal Parking Management Strategy](#) (MPMS). The Rate Setting Guidelines were updated through the Council approved Municipal Parking Management Strategy Refresh and Governance Review report ([ACS2019-PWE-RPS-0016](#)) in October 2019.

Implementation of the changes to the Rate Setting Guidelines was put on hold due to the COVID-19 pandemic. Since late 2022, demand levels for on-street parking have largely stabilized, which has allowed work to resume towards implementing the Rate Setting Guidelines for on-street parking. The updated Rate Setting Guidelines account for the fact that on-street parking rates should be responsive to inflationary increases and also provide a consistent and responsive mechanism to adjust rates. The ultimate purpose is to apply a consistent approach across all areas of the city and to find an appropriate balance within each area to ensure support for businesses, institutions and tourism by way of ensuring available / optimized short-term parking.

As outlined in the Delegation of Authority By-Law ([Section 14 - Municipally-Managed Parking Rates - On-Street](#)) the General Manager of Public Works has the delegated authority to change on-street rates in accordance with the MPMS and within the Council approved range as established in the annual budget.

This report informs Council on the follow through of the following components of the Rate Setting Guidelines from the Municipal Parking Management Strategy:

- Accounting for inflationary increase
- Applying a demand-based pricing model

The demand-based pricing model is a key objective of the Municipal Parking Rate Review which is a component of the Corporate Service Review. As part of this review, additional work is underway or planned to also address additional aspects of the Municipal Parking Management Strategy and Rate Setting Guidelines including:

- Completing a Local Area Parking Study Update for Westboro / Wellington West (tabled alongside this report, as the Kitchissippi Parking Study Update (ACS2024-PWD-RPS-003))
- Assessing the timing and extent of on-street rates, including during evening and weekend periods

Going forward, there will also be on-going monitoring of both paid and unpaid areas for parking-related pressures in alignment with the Municipal Parking Management Strategy.

The existing on-street paid parking network has 3,790 spaces (as of the end of 2023) with the timing and days of paid parking varying at times between streets or areas. In developing the demand-based pricing model as part of the MPMS Refresh in 2019, the on-street paid parking network was split into 20 zones. These were established with the intent of each zone representing a similar set of characteristics and a general demand profile. Details related to the zones can be found in Document 1.

Currently, there are three different hourly rates for on-street parking in Ottawa; \$1.50, \$2.00 and \$3.50. The vast majority of the paid on-street spaces (85 per cent) are \$3.50 per hour. Where there are lower rates, these were determined through previous [Local Area Parking Studies](#) / Assessments and were the result of low demand for parking. In accordance with the 2024 Budget for the City of Ottawa, the highest hourly rate that can be charged for on-street parking is \$4.50. This maximum is reviewed annually and adjusted as required as part of the budget process.

### ***Accounting for Inflationary Increase***

To ensure that inflation is properly accounted for on a continuing basis and to ensure that rate increases happen at appropriate intervals to maintain alignment with things such as on-street permit rates, the updated Rate Setting Guidelines state that, “consideration should be given to raising the on-street hourly rates when the cumulative effects of inflation align with a 50-cent increase”.

The purpose of keeping on-street hourly rates to 50-cent increments is to maintain a limited number of rate scenarios. Ultimately, this along with the zone-based approach will assist in effectively communicating differences in rates with the goal of influencing driver behaviours.

The cumulative effects of inflation (per Consumer Price Index) will result in an increase where the rate is currently \$3.50 per hour (to \$4.00 per hour). This affects 15 of the 20 zones. The other rates have not seen the cumulative effect that would support a 50-cent increase.

After inflation, the other aspect to account for as part of this exercise is the demand-based approach whereby rates are adjusted up or down as warranted by situations of either high or low demand. As outlined in the Implementation Plan (Document 2), current changes to rates will be determined by first applying any inflationary adjustments and then applying any demand-based changes that are identified.

### ***Applying a Demand-based Pricing Model***

The current mechanism for determining on-street rates is through Local Area Parking Studies (LAPS). These are comprehensive undertakings which can take over a year to complete. During the Municipal Parking Management Strategy Refresh staff reviewed other approaches for adjusting rates, including different iterations of dynamic pricing and demand-based pricing. Council approved a demand-based pricing model whereby rates are periodically adjusted up or down as warranted by situations of high or low demand.

The practice of setting rates in response to demand is already applied in many other municipalities such as Toronto, Montreal, Calgary, Vancouver, San Francisco, and Seattle.

This report informs Council of the implementation plan for the demand-based pricing model. This includes a process which will allow for future on-street rate changes to follow the same process.

The demand-based approach would consist of the following:

- There will be a single rate in each of the 20 on-street paid parking zones
- Data will be collected for all on-street paid parking spaces in the Spring (May/June) and the Fall (September/October) each year

- The peak weekday daytime demand will be identified and will be used to identify if demand is too high (greater than 85 per cent), too low (less than 50 per cent) or within target (50-85 per cent)
- Changes to rates will be pursued when there have been two consecutive periods of sustained demand that is either too high (up by 50-cents) or too low (down by 50-cents)
- Data from a particular area will not be considered until there has been at least six months from the implementation of a previous rate increase or decrease
- Changes that are identified will be shared with stakeholders for feedback prior to staff proceeding with implementation under delegated authority and the regular reporting of these changes will occur in alignment with the provisions of the Delegated Authority By-Law and the Municipal Parking Management Strategy

Given the relative stability that has been observed in demand for on-street parking since late 2022, the first step in implementing this model will involve using the data collected in the Spring and Fall of 2023 to identify any rate changes.

### ***Net Effects of Applying Inflationary Increases and the Demand-Based Model***

When the changes are sequenced starting with the inflationary accommodation (where applicable) and then with the demand-based adjustments (where applicable), there are net changes in 11 of the 20 zones – seven rate increases and four rate decreases. In the remaining nine zones, there is no net rate change to pursue at this time. Additional details can be found in Document 2 with a map of the updated rates available in Document 4.

It is projected that the changes will result in approximately \$440,000 (over a full year) while still ensuring the parking program prioritizes parking as a service. Revenues will be monitored throughout each year and then reported on through the Parking Services Annual Report that is presented to Committee and Council every year.

Any additional revenues will be re-invested back into the Municipal Parking Management Program in alignment with the MPMS Funding Model and the Municipal Act. Parking fee revenues help to cover operational and lifecycle costs related to the program, including significant transfers to other groups within the City of Ottawa in support of road / sidewalk maintenance, Transit Services (Park n Ride maintenance) and other initiatives that promote sustainable modes of transportation.

### ***Implementation plan***

An Implementation Plan has been developed to clarify details related to both the immediate rate changes and the go-forward details to ensure a consistent and effective approach. This plan is captured in Document 2 and provides information related to the following components:

- Execution of current changes
- Go-forward process
- Communications strategy
- Reporting requirements

A key theme through the Implementation Plan is transparency. Staff have accounted for the need to be clear and consistent with respect to the processes to both consider rate changes on a regular basis and also to convey information towards ensuring that all stakeholders are aware of what is occurring.

### ***Financial Implications***

The additional revenues of approximately \$440,000 over a full year will be contributed to the Municipal Parking Management Program in alignment with the Municipal Parking Management Strategy's funding model and the Municipal Act. Revenues will be monitored throughout each year and then reported on through the Parking Services Annual Report that is presented to Committee and Council every year.

### ***Public Consultation/Input***

The Rate Setting Guidelines, updated as part of the Municipal Parking Management Strategy Refresh in 2019, were the subject of extensive consultation through that process. This included focused engagement with the Parking Stakeholder Consultation Group, Business Improvement Areas, internal City stakeholders and the general public through three public open houses and an online survey.

As part of the process to clarify and implement the approach to inflationary increases and demand-based pricing, staff followed up again with the [Parking Stakeholder Consultation Group](#) and Business Improvement Areas with on-street paid parking in 2023 and 2024. Staff also met with members of Transportation Committee and Councillors with paid parking in their ward. Overall, feedback was supportive and any feedback that resulted in changes has been accounted for in the implementation plan of

this report. In order to communicate on-street parking rates with the public staff have developed a communications strategy that is referenced in the discussion section of this report and is further detailed in Document 2.

## RÉSUMÉ

### *Hypothèses et analyse*

Les tarifs de stationnement de la Ville d'Ottawa sont fixés selon les lignes directrices pour l'établissement des tarifs de stationnement, décrites dans la [Stratégie municipale de gestion du stationnement](#) (SMGS), et actualisées dans le cadre de la mise à jour de la SMGS et du Rapport sur l'examen de la structure de gestion publique ([ACS2019-PWE-RPS-0016](#)), approuvés par le Conseil en octobre 2019.

La mise en œuvre des changements apportés aux lignes directrices a été suspendue en raison de la pandémie de COVID-19. Depuis la fin de 2022, la demande en stationnement sur rue s'est grandement stabilisée, ce qui a permis de reprendre le travail de mise en œuvre des lignes directrices. Les nouvelles lignes directrices pour l'établissement des tarifs de stationnement tiennent compte de la nécessité d'indexer les tarifs de stationnement sur rue et de mettre en place un mécanisme cohérent et adapté pour ajuster les tarifs. L'objectif ultime est d'adopter une approche cohérente dans tous les secteurs de la ville et de trouver l'équilibre qui convient pour chaque secteur, afin de soutenir les entreprises, les institutions et le tourisme en garantissant une disponibilité optimale des places de stationnement de courte durée.

Comme l'indique le *Règlement municipal sur la délégation de pouvoirs* ([article 14 – Tarif du stationnement sur rue géré par la ville](#)), le directeur général, Travaux publics a le pouvoir délégué de changer les tarifs du stationnement sur rue, dans le respect de la SMGS et du plafond approuvé par le Conseil dans le budget annuel.

Ce rapport vise à informer le Conseil de l'évolution des éléments suivants des lignes directrices de la SMGS :

- Indexation;
- Application d'un modèle de tarification fondé sur la demande.

Le modèle de tarification fondé sur la demande est l'un des principaux objectifs de l'examen des tarifs de stationnement municipal, qui fait partie de l'examen des services organisationnels. Dans le cadre de l'examen des tarifs, d'autres travaux sont en cours ou prévus afin de traiter d'autres aspects relevant de la SMGS et de ses lignes directrices. Dans le cadre de cet examen, des travaux supplémentaires sont en cours ou prévus pour aborder également d'autres aspects es éléments suivants des lignes directrices de la SMGS notamment :

- Réalisation d'une étude sur le stationnement local dans Westboro et Wellington Ouest; (déposée en même temps que le présent rapport, sous le nom d'Étude sur le stationnement dans le secteur de Kitchissippi (ACS2024-PWD-RPS-003))
- Analyse du moment et de la durée des tarifs sur rue, y compris le soir et la fin de semaine.

Il y aura désormais une surveillance constante des secteurs où le stationnement est payant et gratuit pour mesurer les impératifs de stationnement, conformément à la SMGS.

Le réseau actuel de stationnement payant sur rue compte 3 790 places (selon les données de la fin de 2023), ce qui varie légèrement entre les rues et les secteurs, selon le moment et la journée. Pendant l'élaboration du modèle de tarification fondé sur la demande, dans le cadre de la mise à jour de la SMGS en 2019, le réseau de stationnement payant sur rue a été divisé en 20 zones, délimitées pour que chacune présente un ensemble de caractéristiques et un profil général de demande semblables. Des renseignements sur les zones figurent dans le document 1.

À l'heure actuelle, il y a trois tarifs horaires différents pour le stationnement sur rue à Ottawa, soit 1,50 \$, 2,00 \$ et 3,50 \$. Pour la grande majorité des places de stationnement payant sur rue (85 pourcentages), le tarif est de 3,50 \$/h. Les tarifs plus bas sont le résultat de précédentes analyses et [études sur le stationnement local](#) qui ont démontré une faible demande de stationnement. Comme le prévoit le budget 2024 de la Ville d'Ottawa, le tarif horaire maximal pour le stationnement sur rue est de 4,50 \$, tarif qui est examiné chaque année et ajusté au besoin dans le cadre du processus budgétaire.

### ***Indexation***

Pour une indexation adéquate en continu, et pour veiller à ce que les hausses aient lieu à des intervalles appropriés permettant de garder une cohérence avec d'autres éléments comme les tarifs des permis de stationnement sur rue, les lignes directrices actualisées indiquent qu'« [i]l faudrait envisager une augmentation des tarifs horaires du stationnement sur rue lorsque les effets cumulatifs de l'inflation correspondent à une augmentation de 50 cents ».

L'objectif des hausses de 50 cents est de limiter le nombre de scénarios tarifaires. Cette mesure, ajoutée à l'approche par zone, facilitera la communication claire des tarifs, dans le but d'influencer le comportement des automobilistes.



Les effets cumulatifs de l'inflation (selon l'indice des prix à la consommation) se traduiront par une hausse là où le tarif est actuellement de 3,50 \$/h (soit 4,00 \$/h). Cela touche 15 zones sur 20. Dans les autres cas, les effets cumulatifs ne justifient pas une hausse de 50 cents.

Outre l'inflation, il faut tenir compte de l'approche fondée sur la demande, selon laquelle les tarifs sont ajustés à la hausse ou à la baisse selon que la demande est forte ou faible. Suivant les mesures dans le Plan de mise en œuvre (document 2), les actuels changements tarifaires seront déterminés selon l'indexation, puis selon les changements observés à la demande.

### ***Application d'un modèle de tarification fondé sur la demande***

Actuellement, on détermine les tarifs de stationnement sur rue au moyen d'études sur le stationnement local. Il s'agit d'entreprises exhaustives qui peuvent s'étendre sur plus d'une année. Pendant la mise à jour de la SMGS, le personnel a examiné d'autres méthodes d'ajustement des tarifs, dont différentes itérations de tarification dynamique et de tarification fondée sur la demande. Le Conseil a approuvé un modèle de tarification fondé sur la demande selon lequel les tarifs sont périodiquement ajustés à la hausse ou à la baisse, en fonction des situations de demande forte ou faible.

Cette approche est déjà en vigueur dans plusieurs villes, dont Toronto, Montréal, Calgary, Vancouver, San Francisco et Seattle.

Ce rapport présente au Conseil le plan de mise en œuvre du modèle de tarification fondé sur la demande, et notamment un processus qui servira aussi aux prochains changements tarifaires pour le stationnement sur rue.

Voici comment s'articule l'approche fondée sur la demande :

- Chacune des 20 zones de stationnement payant sur rue affiche un tarif unique.
- Chaque printemps (mai-juin) et chaque automne (septembre-octobre), des données sont collectées sur toutes les places de stationnement payant sur rue.
- On cerne le moment où la demande est la plus forte, de jour et en semaine, pour déterminer si elle est trop forte (plus de 85 pourcentages), trop faible (moins de 50 pourcentages) ou dans la fourchette cible (50 pourcentages à 85 pourcentages).

- Les changements tarifaires ne sont appliqués qu'après deux périodes consécutives de demande soutenue soit trop forte (hausse de 50 cents), soit trop faible (baisse de 50 cents).
- Les données d'un secteur précis ne sont pas analysées tant qu'au moins six mois ne se seront pas écoulés depuis l'entrée en vigueur d'une hausse ou d'une baisse.
- Les changements prévus sont présentés aux parties prenantes aux fins de rétroaction avant que le personnel ne procède à leur mise en œuvre en vertu du pouvoir délégué. S'en suit la reddition de comptes habituelle, conformément aux dispositions du *Règlement municipal sur la délégation de pouvoirs* et de la SMGS.

Étant donné la relative stabilité de la demande observée depuis la fin de 2022, la première étape de la mise en œuvre consistera à examiner les données recueillies au printemps et à l'automne 2023 pour déterminer si des changements tarifaires sont nécessaires.

#### ***Effets nets de l'indexation et du modèle fondé sur la demande***

Après avoir combiné les changements, l'indexation d'abord (le cas échéant) et l'ajustement à la demande ensuite (s'il y a lieu), on dénombre 11 changements nets parmi les 20 zones : 7 hausses et 4 baisses. Dans les neuf autres zones, aucun changement net n'est nécessaire pour le moment. Le document 2 contient de plus amples renseignements, et une carte des tarifs mis à jour figure au document 4.

On prévoit que les changements généreront environ 440 000 \$ (en une année complète) tout en garantissant que le programme de stationnement se concentre sur le stationnement en tant que service. Les recettes feront l'objet d'un suivi tout au long de l'année, puis seront déclarées dans le rapport annuel des Services du stationnement, qui est présenté au Comité et au Conseil chaque année.

Les recettes supplémentaires seront réinvesties dans le Programme municipal de gestion du stationnement, conformément au modèle de financement de la SMGS et à la *Loi sur les municipalités*. Les recettes du stationnement contribuent à couvrir les coûts opérationnels et le coût du cycle de vie du programme, ce qui comprend d'importants transferts vers d'autres groupes de la Ville s'occupant de l'entretien des routes et des trottoirs, les Services de transport en commun (entretien des parcs relais) et d'autres initiatives pour la promotion des modes de transport durables.

### ***Plan de mise en œuvre***

Un plan de mise en œuvre a été élaboré pour clarifier le détail des changements tarifaires immédiats et la suite des choses, afin de garantir une approche cohérente et efficace. Ce plan fait l'objet du document 2 et fournit de l'information sur les éléments suivants :

- Exécution des changements actuels;
- Processus futur;
- Stratégie de communication;
- Exigences redditionnelles.

La transparence est au cœur du plan de mise en œuvre. Le personnel reconnaît le besoin de clarté et de cohérence en ce qui concerne les processus permettant d'analyser régulièrement les changements tarifaires et de transmettre l'information, de sorte que toutes les parties prenantes sachent ce qui se passe.

### ***Répercussions financières***

Les recettes supplémentaires d'environ 440 000 \$ sur une année complète seront ajoutées au programme municipal de gestion du stationnement, conformément au modèle de financement de la Stratégie municipale de gestion du stationnement et de la Loi sur les municipalités. Les recettes feront l'objet d'un suivi tout au long de l'année, puis seront déclarées dans le rapport annuel des Services du stationnement, qui est présenté au Comité et au Conseil chaque année.

### ***Consultation et commentaires du public***

Les lignes directrices pour l'établissement des tarifs ont été actualisées à la suite de vastes consultations dans le cadre de la mise à jour de la SMGS de 2019, notamment de consultations ciblées auprès du Groupe de consultation des intervenants du stationnement, des zones d'amélioration commerciale, des intervenants internes de la Ville et du grand public, menées au moyen de trois séances portes ouvertes et d'un sondage en ligne.

Dans le cadre du processus de clarification et de mise en œuvre de la méthode d'indexation et de tarification fondée sur la demande, le personnel a communiqué de nouveau avec le [Groupe de consultation des intervenants du stationnement](#) et les zones d'amélioration commerciale à propos du stationnement payant sur rue en 2023 et en 2024. Le personnel a aussi rencontré des membres du Comité des transports et les

conseillères et conseillers des quartiers où il y a du stationnement payant. En somme, les commentaires étaient positifs et ceux liés à des changements ont été pris en compte dans le plan de mise en œuvre de ce rapport. En vue de la communication publique des tarifs de stationnement sur rue, le personnel a élaboré une stratégie de communication; elle est abordée dans la section Analyse de ce rapport et présentée en détail dans le document 2.

## **BACKGROUND**

The City of Ottawa's parking rates are determined based off of the Rate Setting Guidelines outlined in the Council approved [Municipal Parking Management Strategy](#) (MPMS). The Municipal Parking Management Strategy was first approved in 2009 in response to a direction to staff following the 2008 Budget process to develop a parking strategy with clear objectives in alignment with the [Municipal Act](#) and the [Transportation Master Plan](#). This Strategy was updated in October of 2019. The Municipal Parking Management Strategy Refresh and Governance Report ([ACS2019-PWE-RPS-0016](#)) revisited the Municipal Parking Management Program mandate, updated the Rate Setting Guidelines (including directing revisions to the Delegation of Authority By-Law), and outlined changes to the Funding Model / Parking Reserve Fund parameters, Business Improvement Area (BIA) Grant Program and reporting requirements.

### **Municipal Parking Management Program Mandate**

Through the process to update the MPMS, it was confirmed through consultations that the parking program should continue to prioritize parking as a service, as opposed to maximizing revenue. The Municipal Parking Management Strategy's Key Principle and Objectives define that service as follows:

#### ***Key Principle***

The Municipal Parking Management Program is committed to providing efficient, transparent and sustainable parking services in collaboration with stakeholders who will be regularly consulted in a timely manner.

#### ***Objectives***

1. Provide an appropriate and optimized supply of general use public parking that is secure, accessible, convenient, appealing, and fairly and consistently enforced.
2. Prioritize short-term parking that is responsively priced to support businesses, institutions, and tourism while considering the impact on the local community.

3. Promote sustainable modes of transportation by supporting and maintaining programs and facilities that encourage sustainable mobility choices (public transit, cycling, walking) and alternative modes, including electric vehicles, car sharing, and new technologies as they emerge.
4. Resolve parking-related issues in residential areas caused by sources of high parking demand.
5. Ensure financial sustainability by ensuring that revenues are sufficient to support the objectives of the Municipal Parking Management Strategy, recover all Parking Services operating and capital expenditures and contribute to the Parking Reserve Fund to finance future parking system development.

This report will focus on the implementation of the updated Rate Setting Guidelines for on-street parking. Details on the other recommendations can be found in the Municipal Parking Management Strategy Refresh and Governance Report ([ACS2019-PWE-RPS-0016](#)) and progress in implementing these has been tracked through the Parking Services Annual Report which is presented to Transportation Committee and Council on a yearly basis.

### **Rate Setting Guidelines**

The way in which parking is priced is a key tool in managing parking demand. The purpose of the updated Rate Setting Guidelines is to provide consistent and responsive mechanisms to adjust rates so as to find the appropriate balance to ensure support for businesses, institutions and tourism by way of optimizing and ensuring available short-term parking.

Issues can occur if parking demand is either too high or too low. If parking demand is too high, there is limited-to-no parking available, causing drivers to search for parking and potentially go elsewhere. This can have negative results towards businesses and the community as a whole due to increased traffic volumes, which results in increases in emissions, congestion and safety-related issues. On the other hand, if parking demand is too low, the spaces are underutilized which can also represent negative implications for businesses and the local community.

Aligning with best practices, the updated Rate Setting Guidelines clarify that anything above 85 per cent occupancy (at peak) is too high and anything below 50 per cent occupancy (at peak) is too low. Anything above 85 per cent indicates there are not

enough spaces within every one to two blocks to accommodate the next arriving visitor which in turn creates the pressures and issues referenced above.

Ensuring the appropriate price point for each zone/area is a key consideration in the approach to achieve the targeted 50-85 per cent peak occupancy rate. It also ensures that each area is responsively priced relative to its specific characteristics and when compared to the other areas of the city.

To this point, the approach in determining these rates has been through Local Area Parking Studies (LAPS). These studies help to identify and address parking management related issues and involve extensive consultation and data collection. Previous LAPS can be found on [ottawa.ca/parking](http://ottawa.ca/parking). Since the first LAPS in 2010, there have been limited instances where the study process has resulted in rate changes. In accordance with the original version of the MPMS and the Delegation of Authority By-Law, any rate changes required recommendations from a study as well as concurrence from various stakeholders (any impacted Business Improvement Areas, Community Associations and the Ward Councillor). As the primary mechanism to identify rate adjustments, the study process due to the time required to complete a LAPS and the lack of frequency at which they occur in any given area has ultimately proven to be unresponsive and ineffective.

During the Municipal Parking Management Strategy Refresh staff investigated other approaches for adjusting rates and accounting for variations in demand. As part of the Municipal Parking Management Strategy Refresh, Council approved a demand-based pricing model. This model is clarified below and covered in greater detail later in the report.

The changes made to on-street rates and the Rate Setting Guidelines in 2019 are summarized below:

- On-street rates that were at \$3.00 per hour increased to \$3.50 per hour (approximately 85 per cent of all on-street spaces) to account for inflationary increases. These were approved as part of the Municipal Parking Management Strategy Refresh and then implemented in January 2020.
- Consideration to be given to raising the on-street hourly rates when the cumulative effects of inflation align with a 50-cent increase.
- On-street public parking rates may be increased / decreased by staff consistent with the following parameters:

- Adjust hourly rates up by 50-cents within a zone if, at peak, occupancy is greater than 85 per cent over two consecutive data collection periods (data will be collected twice per year during typical periods, e.g. not during special events or during busiest / slowest times)
- Adjust hourly rates down by 50-cents within a zone if, at peak, occupancy is less than 50 per cent over two consecutive data collection periods
- The Delegation of Authority By-Law ([Section 14 - Municipally-Managed Parking Rates - On-Street](#)) was updated to state “The General Manager, Public Works, is delegated the authority to vary existing on-street parking rates, vary the times of day and days of the week when on-street parking rates are in effect, and to introduce on-street parking rates in new areas, provided the variation or introduction is consistent with the Municipal Parking Management Strategy and is within the range approved by Council as part of the annual budget.” Prior to this, change concurrence was required from the affected Councillor(s) and any BIAs and Community Associations.
- When considering paid parking in new areas, staff now have the ability to make a recommendation to Council for approval. Previously, this could not be done if paid parking was warranted but concurrence had not been received from all impacted BIAs, Community Associations and the Ward Councillor.

## **DISCUSSION**

The updates to the Rate Setting Guidelines and the Delegation of Authority By-Law related to the 2019 Municipal Parking Management Strategy Refresh allows staff to make changes to on-street rates as long as the change is consistent with the updates to the Municipal Parking Management Strategy (MPMS) and the rate is within an approved range set by Council. Implementation of the Rate Setting Guidelines were put on hold in 2020 due to the impacts of the COVID-19 pandemic.

Parking Services staff have been monitoring parking demand and starting in late 2022, demand levels for on-street parking have largely stabilized. This has allowed work to resume towards implementing the Rate Setting Guidelines for on-street parking.

The updated Rate Setting Guidelines account for the fact that on-street parking rates should be responsive to inflationary increases to ensure that they increase at a similar rate to things such as on-street permit rates (increases to which are covered under a separate policy).

Another purpose of the updated Rate Setting Guidelines is to provide a consistent and responsive mechanism to adjust rates so as to find the appropriate balance to ensure support for businesses, institutions and tourism by way of ensuring available / optimized short-term parking.

With these intents in mind, this report will focus on the following components of the Rate Setting Guidelines from the Municipal Parking Management Strategy:

- Accounting for inflationary increases
- Applying a demand-based pricing model

The demand-based pricing model is a key objective of the of the Municipal Parking Rate Review as part of the Corporate Service Review. As part of this review, additional work is underway or planned to also address additional aspects of the Municipal Parking Management Strategy and Rate Setting Guidelines including:

- Completing a Local Area Parking Study Update for Westboro / Wellington West (tabled alongside this report, as the Kitchissippi Parking Study Update (ACS2024-PWD-RPS-003))
- Assessing the timing and extent of on-street rates, including during evening and weekend periods

Going forward there will also be on-going monitoring of both paid and unpaid areas for parking-related pressures in alignment with the Municipal Parking Management Strategy.

### ***On-Street Paid Parking Rates and Rate Zones***

Ottawa's on-street paid parking network has 3,790 spaces, most of which are distributed through the core / central area of the city. In developing the demand-based pricing model as part of the MPMS Refresh in 2019, the on-street paid parking network was split into 20 zones. These were established with the intent of each zone representing a similar set of characteristics and a specific demand profile. Details related to the zones can be found in Document 1.

Currently, there are three different hourly rates for on-street parking in Ottawa:

- \$1.50 - 406 spaces / four zones (Rochester Street, Booth Street, Holland Cross area, Rideau Street east of King Edward and the Trainyards area)
- \$2.00 - 75 spaces / one zone (Vanier area west of the Vanier Parkway)
- \$3.50 - 3,282 spaces / 15 zones (all other areas)



The current lower rates are due to lower parking demand which was determined through previous [Local Area Parking Studies](#) / Assessments. In accordance with the 2024 Budget for the City of Ottawa, the highest hourly rate that can be charged for on-street parking is \$4.50. This maximum is reviewed annually and adjusted as required as part of the budget process.

### ***Accounting for Inflationary Increases***

The last time an on-street rate increase was approved was in late 2019 when rates that were at \$3.00 per hour were adjusted to \$3.50 per hour. This change was put forward to account for inflationary factors with the previous rate increase having occurred more than 10 years prior in 2008.

To ensure that inflation is properly accounted for on a continuing basis and to ensure that rate increases happen at appropriate intervals, the updated Rate Setting Guidelines state that, “consideration should be given to raising the on-street hourly rates when the cumulative effects of inflation align with a 50-cent increase”. The purpose of keeping on-street hourly rates to 50-cent increments is to maintain a limited number of rate scenarios. Ultimately, this will assist in effectively communicating differences in rates with the goal of influencing driver behaviours.

In applying inflation since the last increase, Table 1 summarizes the year-over-year impacts on the three rate levels which shows the cumulative effect inflation has had on parking rates since the end of 2019.

*Table 1: Inflationary Impacts to On-street Parking Rates*

<b>Year</b>	<b>Inflation (per cent)</b>	<b>Cumulative Rate Starting at <u>\$3.50</u></b>	<b>Cumulative Rate Starting at <u>\$2.00</u></b>	<b>Cumulative Rate Starting at <u>\$1.50</u></b>
<b>2020</b>	1.39	\$ 3.55	\$ 2.03	\$ 1.52
<b>2021</b>	4.21	\$ 3.70	\$ 2.11	\$ 1.58
<b>2022</b>	6.91	\$ 3.95	\$ 2.26	\$ 1.69
<b>2023</b>	3.59	\$ 4.10	\$ 2.34	\$ 1.76

Based on this, the \$3.50 rate increases to \$4.00. This affects 15 of the 20 zones. The other rate points (\$1.50 and \$2.00) have not seen the cumulative effect that would

support a 50-cent increase in alignment with the Rate Setting Guidelines. These rate points will continue to be monitored.

After inflation, the other aspect to account for as part of this exercise is the demand-based approach whereby rates are adjusted up or down as warranted by situations of either high or low demand. As outlined in the Implementation Plan (Document 2), changes to rates will be determined by first applying any inflationary adjustments and then applying any demand-based changes that are identified.

### ***Applying a Demand-based Pricing Model***

The Council-approved Rate Setting Guidelines also include the parameters for a model to adjust rates in response to demand on a continuing basis. Once implemented, this will move the City of Ottawa away from making rate decisions based on detailed studies which has proven to be an ineffective and less-than-responsive way to respond to different and changing characteristics of the various areas with existing on-street paid parking.

The practice of setting rates in response to demand is already applied in many other municipalities such as Toronto, Montreal, Calgary, Vancouver, Victoria, Halifax, San Francisco, and Seattle.

There are different approaches that can be taken when it comes to pricing on-street parking. On one end there is a model similar to what we have now which is primarily one-size-fits-all while on the other end is full dynamic pricing that can change in real time by block and/or by hour. In alignment with the Rates Setting Guidelines, staff have clarified the following model for Ottawa which borrows elements from other jurisdictions and represents an approach that will best align with the City's purposes per the Municipal Parking Management Strategy:

- There will be a single rate in each of the 20 on-street paid parking zones
- Data will be collected for all on-street paid parking spaces in the Spring (May/June) and the Fall (September/October) each year
- The peak weekday daytime demand will be identified and will be used to identify if demand is too high (greater than 85 per cent), too low (less than 50 per cent) or within target (50-85 per cent)

- Changes to rates will be pursued when there have been two consecutive periods of sustained demand that is either too high (up by 50-cents) or too low (down by 50-cents)
- Data from a particular area will not be considered until there has been at least six months from the implementation of a previous rate increase or decrease
- Changes that are identified will be shared with stakeholders for feedback prior to staff proceeding with implementation under delegated authority and the regular reporting of these changes will occur in alignment with the provisions of the Delegated Authority By-Law and the Municipal Parking Management Strategy

Of note, the outcomes of future studies and research, including the pending investigation into evening and weekend parking periods and the availability and adoption of different technologies, may cause staff to recommend updates to this model in the future.

This demand-based pricing model has various purposes for Ottawa. It will take a better and more progressive approach to ensuring that on-street parking pricing is responsive to the requirements and characteristics of each area. The approach taken to both the zones and increments will help to improve the ability to communicate the rates and have them understood by more residents and visitors. This will offer a better chance at informing decisions and influencing behaviours towards supporting both businesses and the general service-related mandate of the Municipal Parking Management Program.

Alternatives to this model could otherwise include rate changes on a more granular scale – i.e. by block(s), using smaller increments and/or variations by time of day or day of week. While any of these could help in the generation of additional revenue, they would be more difficult to communicate which is the main reason behind the City of Ottawa leading with a more simplified model which will be continuously assessed as it is applied going forward.

Given the relative stability that has been observed in demand for on-street parking since late 2022, the first step in implementing this model will involve using the data collected in the Spring and Fall of 2023 to identify any rate changes. These will be applied in sequence following the inflationary increases discussed earlier in this report.

The peak weekday occupancy data for each zone in 2023 is summarized in Document 3. Strictly looking at the trends in demand, there are 12 zones where demand was low (less than 50 per cent) across both survey points in 2023, and there was one zone

where demand was high (more than 85 per cent). In the remaining zones, peak demand was in the target range for one or both data collection periods. Table 2 below summarizes which zones fall into each category. Details related to the extents of each zones can be found in Document 1.

*Table 2: Results of 2023 Parking Demand Analysis for each Zone*

<b>Low Demand</b> <i>(both periods)</i>	<b>Target Demand</b> <i>(one or both periods)</i>	<b>High Demand</b> <i>(both periods)</i>
Constellation Holland Cross Vanier Terminal War Museum Little Italy North Glebe North Centretown South Centretown North ByWard North/East Besserer Rideau	Little Italy South Rochester Chinatown Glebe South Downtown King Edward ByWard Core	Ruskin

### ***Net Effects of Applying Inflationary Increases and the Demand-Based Model***

When the changes are sequenced starting with the inflationary accommodation (where applicable) and then with the demand-based adjustments (where applicable), there are net changes in 11 of the 20 zones – seven rate increases and four rate decreases. In the remaining nine zones, there is no net rate change to pursue at this time. Table 3 below is a summary of the rate changes by zone. Additional details can be found in Document 2 with a map of the updated rates available in Document 4.

Table 3: Net Rate Changes by Zone

Zone	Today's Hourly Rate	Inflationary Increase?	Demand-Based Adjustment	New Hourly Rate
Constellation	\$3.50	Yes	Down	\$3.50
Holland Cross	\$1.50	No	Down	\$1.00
Ruskin	\$3.50	Yes	Up	\$4.50
Vanier	\$2.00	No	Down	\$1.50
Terminal	\$1.50	No	Down	\$1.00
War Museum	\$3.50	Yes	Down	\$3.50
Little Italy North	\$3.50	Yes	Down	\$3.50
Little Italy South	\$3.50	Yes	None	\$4.00
Rochester	\$1.50	No	None	\$1.50
Chinatown	\$3.50	Yes	None	\$4.00
Glebe South	\$3.50	Yes	None	\$4.00
Glebe North	\$3.50	Yes	Down	\$3.50
Centretown South	\$3.50	Yes	Down	\$3.50
Centretown North	\$3.50	Yes	Down	\$3.50
Downtown	\$3.50	Yes	None	\$4.00
King Edward	\$3.50	Yes	None	\$4.00
ByWard N/E	\$3.50	Yes	Down	\$3.50
ByWard Core	\$3.50	Yes	None	\$4.00
Besserer	\$3.50	Yes	Down	\$3.50
Rideau	\$1.50	No	Down	\$1.00

These changes are expected to generate approximately \$440 thousand in additional revenues (over a full year). Revenues will be monitored throughout each year and then reported on through the Parking Services Annual Report that is presented to Committee and Council every year.

Any additional revenues will be re-invested back into the Municipal Parking Management Program in alignment with the MPMS Funding Model and the Municipal Act. Parking fee revenues help to cover operational and lifecycle costs related to the program. Most of the operating costs however are transfers to other groups within the City of Ottawa in support of road / sidewalk maintenance, Transit Services (Park n Ride maintenance) and other initiatives that promote sustainable modes of transportation.

### ***Implementation Plan***

An Implementation Plan has been developed to clarify details related to both the immediate rate changes and the go-forward details to ensure a consistent and effective

approach. This plan is captured in Document 2 and provides information related to the following components:

- Execution of current changes
- Go-forward process
- Communications strategy
- Reporting requirements

A key theme through the Implementation Plan is transparency. Staff have accounted for the need to be clear and consistent with respect to the processes to both consider rate changes on a regular basis and also to convey information towards ensuring that all stakeholders are aware of what is occurring.

There is also a clear emphasis placed on the need to effectively communicate the approach and specific rate variations / changes to ensure that the general public is informed to the greatest extent possible. This will be very important towards ensuring that the implementation of the demand-based pricing model achieves the intended purpose.

### **FINANCIAL IMPLICATIONS**

The additional revenues of approximately \$440,000 over a full year will be contributed to the Municipal Parking Management Program in alignment with the Municipal Parking Management Strategy's funding model and the Municipal Act.

### **LEGAL IMPLICATIONS**

There are no legal impediments to receiving this report for information.

### **CONSULTATION**

The Rate Setting Guidelines, updated as part of the Municipal Parking Management Strategy Refresh in 2019, were the subject of extensive consultation through that process. This included focused engagement with the Parking Stakeholder Consultation Group, Business Improvement Areas, internal City stakeholders and the general public through three public open houses and an online survey.

As part of the process to clarify and implement the approach to inflationary increases and demand-based pricing, staff followed up again with the Parking Stakeholder Consultation Group to provide an update and ensured all Business Improvement Areas

with paid parking had an opportunity to be briefed and provide feedback what was being planned. Staff also met with members of Transportation Committee and Councillors with paid parking in their ward. Overall, feedback was supportive and any feedback that resulted in changes has been accounted for in the implementation plan of this report. In order to communicate on-street parking rates with the public staff have developed a communications strategy that is referenced in the discussion section of this report and is further detailed in Document 2.

## **ACCESSIBILITY IMPACTS**

The first objective of the Municipal Parking Management Program is to “Provide an appropriate and optimized supply of general use public parking that is secure, accessible, convenient, appealing, and fairly and consistently enforced”. The City follows the requirements for on and off-street parking as per the *Integrated Accessibility Standards Regulation of the Accessibility for Ontarians with Disabilities Act (AODA, 2005)*. Staff will ensure that the applicable accessibility standards are adhered to during the execution of the projects and initiatives identified in this report. This will involve consulting with appropriate staff within the City.

Additionally, as identified as a requirement of the AODA, the City consults with its Accessibility Advisory Committee regarding on-street parking where there is a duty to consult. A representative from the Accessibility Advisory Committee is also a member of the Parking Stakeholder Consultation Group.

In Ottawa, holders of a valid accessible parking permit (APP) are entitled to park in public parking areas and on public roadways. On-street parking privileges include parking for free for up to four hours where there are Pay & Display machines, and elsewhere where parking is permitted, regardless of the time limit posted on the signs. APP holders may also park for up to four hours in "no parking" zones, except where other traffic and parking by-law provisions are in place, such as in front of a fire hydrant, within nine meters of an intersection, and during winter parking bans. These current parking privileges for APP holders will remain in place.

## **DELEGATION OF AUTHORITY IMPLICATIONS**

With the receipt of this report staff will be exercising delegated authority listed in the Delegation of Authority By-Law [\(Section 14 - Municipally-Managed Parking Rates - On-Street\)](#). Use of this delegated authority is reported on annually through the Parking Services Annual Report.

## **ECONOMIC IMPLICATIONS**

The availability of short-term public parking supply that is secure, accessible, convenient, fairly enforced and responsively priced is vital to support main street businesses and tourism. Small businesses, the economic segment most impacted by the supply and pricing of municipally provided parking, has been consulted via engagement with impacted Business Improvement Areas regarding the on-street parking rate changes and the implementation of a demand-based pricing model. Feedback has been generally supportive and recommendations considered in the development of the implementation plan. Given the current economic climate and hardships being experienced by many small businesses post-pandemic, particularly downtown, a solid communication strategy that articulates the rationale and impact of the changes will be important to mitigate any perception that the City is insensitive to the needs of small business.

## **INDIGENOUS, GENDER AND EQUITY IMPLICATIONS**

The Municipal Parking Management Strategy follows a key principle and objectives that define service. One of the objectives is to prioritize short-term parking that is responsively priced to support businesses, institutions, and tourism while considering the impact on the local community. Another objective of the strategy aims to promote sustainable modes of transportation by supporting and maintaining programs and facilities that encourage sustainable mobility choices (public transit, cycling, walking) and alternative modes of transportation which include, electric vehicles, car sharing, and new technologies as they emerge. These objectives ensure staff consider all individuals when setting parking rates.

The rate changes outlined in this report are expected to generate more revenues that can be used for parking-related programs and initiatives related to parking that promote and support sustainable modes of transportation. Investing in sustainable modes of transportation ensures all transportation network users can make it to their destinations without barriers.

As outlined in communication strategy of the implementation plan (Document 2) staff will consult with the Ward Councillor, any impacted Business Improvement Areas, and community representatives to ensure diversity and will provide communication materials as required in multiple languages to ensure inclusivity.



Additionally, staff will utilize the tactics outlined in the communication strategy to ensure all individuals are aware of rate changes throughout implementation of demand-based pricing as identified in this report.

### **RISK MANAGEMENT IMPLICATIONS**

The risks have been identified and explained in the report and are being managed by the appropriate staff.

### **TERM OF COUNCIL PRIORITIES**

When parking demand is too high or too low it can reflect negatively towards businesses, institutions and tourism as people will either not be able to find parking and leave the area or feel that rate for parking is too high and go elsewhere. The demand-based pricing model aims to avoid these scenarios and is in line with the Municipal Parking Management Program's objective to prioritize short-term parking that is responsively priced to support businesses, institutions, and tourism while considering the impact on the local community. This also supports the City's strategic priority for "a city with a diversified and prosperous economy".

Additionally, the demand-based pricing model is a key objective of the of the Municipal Parking Rate Review as part of the Corporate Service Review. It is expected that more revenues will be generated, these revenues can be used for initiatives related to parking that promote sustainable modes of transportation by supporting and maintaining programs and facilities that encourage sustainable mobility choices and alternative modes, including bike parking, electric vehicles, car sharing, and new technologies as they emerge. This would be in support of the City's strategic priority for "a city that is more connected with reliable, safe and accessible mobility options."

### **SUPPORTING DOCUMENTATION**

Document 1 – On-street Paid Parking Zones

Document 2 – Implementation Plan

Document 3 – Peak Weekday Occupancy (Spring / Fall 2023)

Document 4 - Adjusted Rates by Zone

### **DISPOSITION**

Upon Council's receipt of this report, Public Works Department, Parking Services will carry out the implementation plan.