



**STAFF REPORT
ACTION REQUIRED**

16b.

2012 Operating Budget Suggestions: Paid Parking at Library Lots

Date:	June 25, 2102
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

At its meeting on November 21, 2011, the Library Board considered the report *2012 Operating Budget – Budget Suggestions* and approved several Budget Committee suggestions for increasing revenue. The City Librarian was requested to report back on a number of these suggestions including *conferring with the Toronto Parking Authority on the feasibility of installing pay and display machines at all potentially suitable TPL-owned parking lots*. This report responds to this request.

The Toronto Parking Authority (TPA) has assessed that TPL could receive up to \$9,000 annually if paid parking is introduced at Library lots. However, if any of the lots do not perform as expected and is not financially viable, then TPA would terminate its operations and TPL would be liable to repay any losses including unamortized capital costs.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. does not implement paid parking at additional Library lots at this time.

FINANCIAL IMPACT

TPA has assessed that three Library parking lots may be financially viable and the potential net revenues to the Library could be up to \$9,000 per annum. There would likely be one-time costs to prepare the lots to bring them to TPA standards, and a very preliminary assessment is a cost of \$50,000 to \$100,000. If a parking operation is implemented, TPA would pay for the capital costs and deduct an annual amortization amount from gross revenues each year. If a paid parking lot does not perform to expectations and is determined to not be financially viable, then TPA would terminate its operations and TPL would be liable to repay any losses including any unamortized

capital costs. Future capital maintenance costs have not been factored into the net revenue calculations.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

At its meeting on November 21, 2011, the Library Board considered the report *2012 Operating Budget – Budget Suggestions* and approved several Budget Committee suggestions for increasing revenue. The City Librarian was requested to report back on a number of these suggestions including the feasibility of *installing pay and display machines at all potentially suitable TPL-owned parking lots*.

IMPLEMENTATION POINTS

Before proceeding with implementing paid parking, TPA would need to do a more detailed assessment of the capital improvements required to prepare the lots to introduce paid parking. One-time upgrade costs would be required to address the layout of the parking spaces, and safety and accessibility of the spaces relative to the building and road.

If paid parking was to be implemented, local councillors would need to be informed.

BACKGROUND

During the review of the Library's 2012 operating budget, the Board considered a number of suggestions to generate revenues that would provide budget relief. One of the suggestions was to introduce paid parking at Library lots where feasible and to confer with TPA. TPA operates its own parking lots in addition to providing parking services for City divisions and many of its agencies, as well as for other organizations such as the school boards.

Review of Parking at Community Centres and Arenas

As a general rule, the City of Toronto does not charge for parking at community centres and arenas, facilities which are considered most comparable to branches when it comes to customer access. For the few exceptions where parking is charged, the primary reason is to control access to parking to prevent abuse as there is high demand due to a place of interest nearby, or lack of alternative free or convenient parking. Similarly, in response to complaints around parking abuse at Oakwood and Northern District branches, TPL implemented meter parking.

COMMENTS

In many areas of the City, particularly outside of the downtown core and areas not on the subway line, branches are not conveniently accessible by walking or public transit and as a result, many Library customers prefer to drive to those branches. In response to this, many of the branches not conveniently accessible by public transit provide a parking lot for customers at no charge. TPL's largest parking lots are located in Scarborough, Etobicoke and North York.

When paid parking is introduced into a lot that was previously at no charge, drivers may seek alternative no-fee parking in the surrounding areas, usually on residential areas. If this persists over time, residents may complain. Parking fees may also act as a barrier for some customers in accessing library services.

Toronto Parking Authority Assessment

Library staff met with TPA and provided information on all branches including their location, whether they were located in a mall or in a shared-use site, the size of parking lots if one exists, the size of the branches and their activity levels. TPA was requested to provide an assessment of the financial viability of implementing paid parking at lots, and also a sample of TPA's service contract.

Service Contract

TPA has provided a sample of its agreement for parking services which is used with City divisions and agencies. The contract provides for TPA to recover its costs from gross parking revenues, which include enforcement and supervision wages, vehicle, credit cards, paper for parking receipts and rental of a ticket dispenser, and also the amortization cost of capital improvements; any remaining net revenues would be split 25% to TPA and 75% to TPL.

Property Taxes

TPL is exempt from paying property taxes for branches and parking lots. If paid parking is introduced, the service contract will specify that TPA is operating the parking lot on behalf of TPL as this will ensure that the lots continue to be exempt from property taxes. If property taxes are imposed, the lots would no longer be financially viable.

Assessment

Factors that TPA considers when deciding the feasibility of implementing paid parking at Library sites include:

- location of the site;
- near major arterial roads;
- surrounding land use;

- areas that are developing/ redeveloping;
- availability of free parking in the area (residential roads, malls / plazas...);
- presence of private parking competitors;
- usage of parking in surrounding TPA off-street and on-street facilities;
- parking near commercial spaces (that has limited parking) and places of interest;
- number of parking spaces at the lot.

Of the 98 library sites, TPA determined that 95 sites are not eligible for paid parking and only three lots are potentially financially viable:

TPA Assessment of Paid Parking

	Number of Sites
Number of Branches	<u>98</u>
Not eligible for paid parking (see Attachment 1 for list of branches) because:	
No parking is provided	(32)
The branch location is located in a mall	(12)
The branch is located in a City shared use facility and the Library does not have the authority to impose paid parking	(13)
Lots already have metered parking	(3)
There is free parking in nearby residential streets	(13)
There is free parking in nearby mall / plaza, community centre, arena or supermarket	(9)
The lots are too small, with 8 spots or less	(6)
Location is not feasible	(4)
Potential revenues are insufficient to generate profits	(3)
	<u>(95)</u>
Potential financially viable parking lots	<u>3</u>

TPA has indicated that before paid parking can be implemented, further considerations may be necessary to bring them up to TPA standards such as the layout of the parking spaces, and safety and accessibility of the spaces relative to the building and road. A very preliminary assessment is a cost of \$50,000 to \$100,000, and TPA would pay for the capital costs and deduct an annual amortization amount from gross revenues each year.

TPA has assessed that TPL could earn up to \$9,000 for the financially viable parking lots:

Branch	# Parking Spots	Gross Revenue	TPA Charge	Net Revenue
Locke	10	17,500	16,000	1,500
S. Walter Stewart	17	35,500	23,000	12,500
Parkdale	12	26,000	18,000	8,000
	39	79,000	57,000	22,000
Less Amortization of Capital Costs				<u>10,000</u>
Estimated net revenue				<u>12,000</u>
TPA share of net revenue (25%)				3,000
TPL Share of net revenue (75%)				9,000

If a paid parking lot does not perform to expectations and is determined to be not commercially viable, then TPA would terminate its operations and TPL would be liable to repay any losses, including any unamortized capital costs. Future capital maintenance costs have not been factored into the net revenue calculations.

Review of Parking at Closest Community Centres and Arenas

For the three Library parking lots which may be financially viable, a review was done of the parking availability at the closest community centres and arenas. The results show that in general, those City facilities provide free parking to customers and/or there is free street parking available; further details are shown on Attachment 2.

CONCLUSION

TPA's assessment is that there is very limited opportunity for TPL to generate net revenues from paid parking, and if a pilot program is implemented and does not succeed, TPL will be liable to repay TPA for all operating losses and unamortized capital improvements.

CONTACT

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SIGNATURE

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ATTACHMENT

Attachment 1: TPA Assessment of Branch Locations

Attachment 2 Financially Viable Parking Lots – Review of Parking at Closest
Community Centres and Arenas