

ITEM	6
MANAGER'S REPORT NO.	15
COUNCIL MEETING	91/03/04

TO: MUNICIPAL MANAGER 1991 FEBRUARY 19

FROM: DIRECTOR ENGINEERING

SUBJECT: MANAGEMENT AND OPERATION OF THE METROTOWN PARKING FACILITY

PURPOSE: To recommend a strategy for operation of the Metrotown (Library) Parking Facility.

RECOMMENDATIONS:

1. THAT Council affirm the pricing strategy outlined in Section 2.2 of this report.
2. THAT Council authorize staff to solicit proposals for the operation and management of the parking facility in Metrotown.

REPORT

1.0 BACKGROUND

In the early 1980's during the design and construction of SkyTrain, Council reviewed the issues related to Municipal participation in providing park-and-ride.

On 1985 December 16, Council adopted the recommendation that the Municipality pursue the development of multi-purpose (including park-and-ride) off-street parking in conjunction with new development in the vicinity of the Metrotown ALRT station. The indication was that the provision of 100-200 parking spaces at Metrotown for park-and-ride purposes would be appropriate. Subsequently, in 1986 May Council affirmed the property acquisition initiative for the Civic Square including a provision for park-and-ride.

With the completion of construction of the Library parking it is necessary to resolve matters related to the operation and management of the parking facility. A consultant was retained last year to address a variety of the unresolved issues and to provide a basis for recommending an operating strategy to Council.

2.0 CONSULTANT STUDY

Hamilton & Associates was the consultant retained to review and recommend management strategies and guidelines on the operation of the Metrotown parking facility. The executive summary of the consultant study is attached and a copy of the complete report is available in the Engineering Department.

2.1 Parking Supply & Demand

A total of 343 parking spaces have been provided in the civic complex, consisting of 281 underground and 16 surface parking spaces for public use, 44 reserved secure spaces for library employees and 2 secured spaces for bookmobiles.

ITEM	6
MANAGER'S REPORT NO.	15
COUNCIL MEETING	91/03/04

Potential users of the parking facility are library employees and patrons, shoppers and cinema patrons, combined shopper and library patrons, employees from adjacent office developments and SkyTrain park-and-ride users.

117

Parking demand was characterized in the consultant's study by parking duration, arrival and departure patterns for short term (up to two hours), medium term (between two and six hours) and long term (more than six hours). The consultant reached the following conclusions from their review of these characteristics:

1. Short term parking will be utilized predominantly by library patrons, and long term parking by park-and-ride users and employees from adjacent developments.
2. Medium term parking, including parking demand by shoppers will be negligible due to the provision of free parking by the malls.
3. Policies and pricing should focus on short and long term parking.

2.2 Pricing Strategy

The consultant was asked to determine a pricing strategy that would incorporate two hour free parking for library patrons and preferential pay parking for selected user groups such as park-and-ride. Three pricing strategies were reviewed: break-even pricing, market pricing, and discriminatory pricing. Based on this analysis and comparisons with "competing" Metrotown commercial centres including the shopping malls and GVRD building, the consultant recommended the following initial pricing strategy:

1. Short Term Parking: Free parking for all users (up to two hours).
2. Medium Term Parking: First two hours free and then a "Market" price of \$1 per hour up to \$4 maximum per day.
3. Long Term Parking: Free parking for library employees consistent with current Municipal policy; market price of \$4 per day for the public users; and discriminatory price of \$20 per month for park-and-ride.

The consultant confirmed that prices might have to be adjusted as warranted by the demand experienced.

3.0 OPERATION AND MANAGEMENT STRATEGY

The consultant has recommended that an unmanned, pre-payment parking operation without access control be implemented. Their recommendation was based on cost effectiveness and flexibility to accommodate future changes. This type of operation is adaptable to future operation by Municipal staff or by a private company.

Although "unmanned" operation implies that no staff will be required, the need for revenue collection, enforcement and security must still be addressed. Review of these requirements confirm that they cannot be handled adequately with current staff levels. Neither we nor the consultant were able to forecast gross revenue generation with any certainty. Therefore it is unclear whether sufficient revenue would be generated to cover required additional staffing costs.

In view of this uncertainty we propose that a parking management firm be retained to operate the parking facility. We would retain the option of taking over operation and management in the future, after the initial contract expires, should it to be cost effective to do so. We note that a number of parking management firms are active in the Metrotown area and so would benefit from scale economies in operating the Civic facility.

4.0 SECURITY

Security has been a major issue in our consideration of how the public parking should be managed. The facility is well-lit and will be secured outside of operating hours. If it is well-used there would be further security inherent. Initially we considered manning of the parking facility as a security enhancement. Our consultant however has advised us as follows:

"It should be recognized that full security for any parking operation can seldom be achieved, and that security measures should be considered as a deterrent instead of prevention of incidents and vandalism. It should further be recognized that attendants used in manned parking operations should not be used as security personnel, or their presence taken as an effective security measure. Generally, the duties of the attendants are confined to payment and collection and access control. Fully qualified security personnel must be used for security measures."

Although it is difficult to anticipate the type and magnitude of security problems we may encounter, we have been advised by the RCMP that thefts from automobiles are on the rise particularly in underground parking structures. Vandalism may also be a problem.

We have discussed security issues with Library staff and have interviewed several security firms with respect to building and parking lot security. Each firm advocated a strong initial security presence with adjustments to the level of security as the magnitude of the problem is analyzed over time. To this end, we have decided to enlist the services of the Corps of Commissionaires to provide building and parking security during the first two months of operation. During this period, the security operation will be examined and a permanent security arrangement developed.

ITEM	6
MANAGER'S REPORT NO.	15
COUNCIL MEETING	91/03/04

5.0 THE NEXT STEPS/DISCUSSION

119

We anticipate that parking management firms would offer a range of contractual arrangements that balance our respective uncertainty and risk against revenue and profit. With Council's concurrence, we would invite parking management firms to offer this range to the Municipality. Thus staff could recommend the best firm/proposal combination to Council. To do this, our request for proposals would be relatively unrestricted by preconditions apart from the usual ones and the requirement that variations in pricing policy be subject to Council approval.

If Council concurs with this approach, we could appoint a manager within six weeks if the process is expedited. Thus there would be a hiatus between the opening of the library and the management of the facility. During this period we propose to restrict parking to library patrons with hours of operation to coincide with the Library hours.

The main entrance and exit to the parking lot will be controlled by overhead grills. A control unit has been installed to allow automatic opening and closing of these grills. We are proposing to open and close the grills initially to coincide with library hours. Once we are ready to implement pay parking, we propose to automatically open the grills at 06:00 and close them at 24:00 daily. Access outside of these hours will be permitted to authorized personnel through a card reader system.


DIRECTOR ENGINEERING

RB/PL:jb
Attach.

cc: Municipal Solicitor
Purchasing Agent
Chief Librarian
Director Finance
Director Planning & Building Inspection
Director Recreation & Cultural Services
Director Admin. & Community Services

EXECUTIVE SUMMARY

The Corporation of the District of Burnaby (Burnaby) is constructing a civic complex located in the southwest quadrant of the McKay Avenue and Kingsborough Street intersection. The purpose of the parking study is to review and recommend management strategies and guidelines on the operation of the parking facility. The study terms of reference outlined the scope of work, described the parking facility, and identified the potential users.

A total of 343 parking spaces have been provided for the civic complex, of which 281 underground parking spaces and 16 on-grade spaces off Kingsborough Street were allocated for public use. The Library also allocated 44 reserved security spaces for library employees and two spaces for "bookmobiles". User groups of the parking facility were identified: library employees and patrons, shoppers including cinema-goers, combined shopper and library patrons, employees from adjacent office developments and SkyTrain park-n-ride users. The parking demand of the users was characterized by parking duration, arrival and departure patterns for short term (up to two hours), medium term (between two and six hours), and long term (longer than six hours). The review of the parking characteristics concluded that:

1. Short term parking will be utilized predominantly by library patrons, and long term parking by park-n-ride users and employees from adjacent developments.
2. Medium term parking, and parking demand by shoppers will be negligible.
3. Policies and pricing should focus on short and long term parking.

Burnaby indicated that pay parking for selected user groups such as park-n-ride should be considered for implementation. The Library had proposed that two-hour free parking be provided for library patrons, and free parking for all library employees. Three available pricing strategies were considered: break-even pricing, market pricing and discriminatory pricing.

Break-even pricing for the parking facility of the civic complex was estimated for the recovery of capital investment and operating costs, and they ranged between \$0.70 per hour and \$1.50 per hour, depending on cost recovery. To charge what the market can bear is the essence of market pricing strategy. For the majority of short and medium term parking in the Metrotown area, the current market price is free. Current prices charged by the GVRD building on Kingsway are \$0.75 for the first half hour and \$1 for each hour thereafter. For long term parking, the current market prices ranged between \$1.50 per day to \$4 per day, or monthly rates between \$40 and \$65.

For the park-n-ride users, market prices of \$40 per month, or \$2 per day were estimated based on out-of-pocket expenses for transit fare, downtown Vancouver parking charges and vehicle operating costs. For the purpose of this study, and in the absence of information on price elasticity on park-n-ride at the Metrotown station, it is recommended that \$20 per month be charged initially for the park-n-ride users.

The discriminatory pricing strategy entails the application of prices to influence the parking demand. The current market pricing set by the shopping centres, by virtue of the predominantly four-hour free parking for their customers, is a form of discriminatory pricing intended to induce parking demand.

The recommended pricing strategy for the parking facility of the civic complex in terms of parking duration is presented as follows:

1. Short Term Parking: free parking for all users.
2. Medium Term Parking: market price of \$1 per hour up to \$4 maximum per day.
3. Long Term Parking: free parking for library employees consistent with current Library Board policies; market price of \$4 per day for the public users; and discriminatory price of less than \$20 per month for park-n-ride.

ITEM	6
MANAGER'S REPORT NO.	15
COUNCIL MEETING	91/03/04

It is recommended that an unmanned and pre-payment parking operation without access control be implemented. This will ensure a cost effective operation and provide a high level of flexibility to accommodate future changes in pricing and parking operations. It is recommended that 90 spaces be allocated to library patrons, 125 spaces to park-n-ride, and the remaining 66 spaces to other public users. For the on-grade facility off Kingsborough Street, 14 spaces are recommended for "Three-Minute Parking", and two spaces for "Commercial Loading" to ensure high turnover and effective enforcement.

The hours of operation should coincide with library and park-n-ride operating hours and they may be adjusted to accommodate special events. The enforcement and validation efforts can be combined, and could be undertaken by either municipal personnel or a private contractor. For the security and operation of the parking facility, it is recommended that bright light and a security grille for the entrance and exit of the facility be provided.

A monitoring program must be implemented to provide an on-going assessment of the overall pricing strategy and parking policies as well as changes made to reflect current market conditions and demands. Demand characteristics such as arrival and departure, duration, violation and revenue information should be collected. As well, a questionnaire survey is recommended to be conducted within six months to a year after the opening of the parking facility. The survey questionnaire should be designed to yield information on parking demand and pricing elasticities of various user groups. A strategic plan dealing with the monitoring of parking utilization and responses should be formulated, and the approach and outline of such a plan is shown in FIGURE S-1.

Three management options were reviewed for the civic complex parking facility: Management and operation by Burnaby; management by Burnaby and operation by a private contractor; and management and operation by a private contractor. The results of the review, carried out in conjunction with staff, indicated that the municipal organization could be adapted to incorporating management and operation (including enforcement) of the parking facility with additional staff.

ITEM	6
MANAGER'S REPORT NO.	15
COUNCIL MEETING	91/03/04

CIVIC PARKING STRUCTURE - METROTOWN AREA 14
CORPORATION OF THE DISTRICT OF BURNABY

123

Since there is considerable uncertainty as to the gross revenue that would be realized from the facility, the contracting of its operation and enforcement to a private operator without any cost to the municipality is preferred. Accordingly, it is recommended that the management of the facility during the initial operating period be contracted out to an experienced parking management firm. During this period, the issue of Municipal operation of the facility could be assessed with greater analytical confidence.

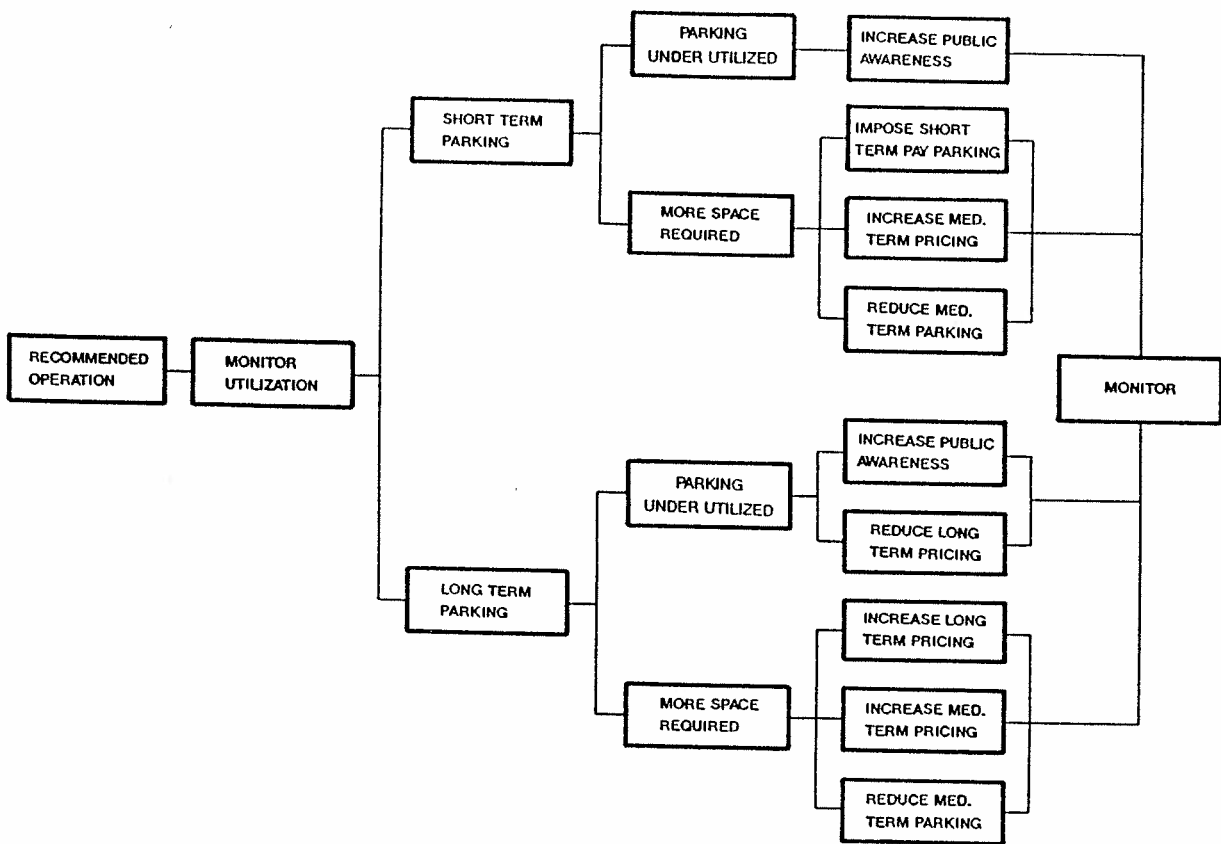


FIGURE S-1 PARKING SUPPLY STRATEGIES

