

TO: CITY MANAGER 2000 APRIL 12

FROM: DIRECTOR PLANNING AND BUILDING Our File: 08.800.1

SUBJECT: PAYMENT-IN-LIEU OF REQUIRED PARKING
METROTOWN

PURPOSE: To report on a re-evaluation of the specific amount for payment-in-lieu of required parking within Metrotown.

RECOMMENDATION:

1. THAT this report be received for information purposes.

R E P O R T

1.0 BACKGROUND

At its meeting of 1999 December 20, Council considered a report on Rezoning #99-54 for a high-density mixed-use development in Metrotown, which included a hotel and a large office component. That rezoning included an option for a payment-in-lieu of providing required parking equating to a small portion of the office component amounting to \$85,400 based on 8.54 parking spaces at \$10,000 per space. Arising out of the Council discussion, staff was requested to report separately on the re-evaluation of the specific amount of the payment-in-lieu of required parking which if changed from the current amount of \$10,000 per space would be applicable to future developments in Metrotown.

2.0 METROTOWN PAYMENT-IN-LIEU

The payment-in-lieu of parking program was established by Council in 1982 February. At that time, Council approved a recommendation which proposed that Comprehensive Development rezonings for major office developments within Metrotown be permitted a reduction in the parking ratio of up to 20% from the standard requirement provided that a deposit of \$2,000 was made for each parking space reduced from the standard requirement up to a maximum of 20%. By 1994, the payment had been raised to \$8,000 per parking space. In 1994 October, Council adopted a recommendation in a report which reviewed the payment-in-lieu of parking program to increase the amount of the payment to \$10,000 per parking space. The deposited funds were to be utilized by the City to assist it in acquiring and developing public parking facilities within Metrotown.

The main public parking facility developed to date is the public underground parking provided under the Metrotown Civic Square and public library, in the amount of approximately 200 public stalls in addition to the library parking. It is noted that there are few other feasible locations for public parking within Metrotown, although the possibility of enlarging a potential future parking structure within Bonsor Park to meet recreational parking needs could be expanded to also meet some of the public parking needs related to the payment-in-lieu program.

3.0 REVIEW OF AMOUNT OF PAYMENT-IN-LIEU

The review of the payment-in-lieu program assesses public parking provisions in Metrotown, the amount of the established in-lieu payment itself, and the use or attractiveness of the program to developers.

3.1 Public Parking in Metrotown

Public parking facilities in Metrotown will not constitute a significant proportion of provided parking. For example, the current 200 space public parking facility under the Civic Square if compared to the three Metrotown major core developments which together provide some 9,000 commercial spaces constitutes a negligible 2.2% of the core parking provisions. This percentage would be even lower if other major Metrotown commercial developments, including projects such as The Crystal, Old Orchard Shopping Centre, Plaza 5000, and Metrotown Plaza were considered.

Therefore, the feasibility of the City providing a significant proportion of the overall Metrotown parking provisions even into the 5% range is unlikely and in the Metrotown core such provisions would be in the higher cost underground parking form rather than surface parking. However, as a substantive gesture of the City's support of Metrotown and expanding the range of parking opportunities, some public parking initiatives continue to be considered beneficial.

3.2 Amount of the Payment-In-Lieu

As outlined in Section 2.0, the amount of the payment-in-lieu had been raised from time to time from an initial \$2,000 per parking space in 1982 to \$10,000 per space in 1994. The established payment amount is related to the cost per space of providing underground parking and to the appropriate use of the shared parking concept for Metrotown core projects.

The current cost of underground parking is generally in the range of \$12,000 to \$15,000 per space. This is the same per space cost estimated at the time of the last review in 1994. The current payment amount of \$10,000 per space equates to, roughly, two-thirds of the cost of underground parking.

3.3 Shared Use Concept for Public Parking Facilities

The concept of shared parking is central to the provision of public parking in that no spaces are exclusively allocated to any specific commercial development and that a centralized public parking facility such as that under the Civic Square can be utilized most efficiently to serve the many Metrotown developments in the area. Taking into consideration the cost of providing underground parking spaces on-site and the particular benefits of non-exclusive use and shared use concept for public parking facilities in a downtown area, the notion of maintaining a reasonable figure for contributions to the provision of public parking facilities, in order to avoid creating a disincentive, is considered appropriate.

3.4 Payment-In-Lieu Deposits To Date

Since 1983, a total of \$334,000 in payments have been deposited on behalf of seven office projects. Four of the projects made deposits at the rate of \$2,000 per space with total deposits of \$222,000 (including deposits of \$134,000 for the proposal, Rezoning #163/81, which precipitated the formulation of the payment-in-lieu program). Three of the deposits were made at the rate of \$8,000 per space with these three deposits totaling \$112,000. No deposits have been made since 1991 and none at the rate of \$10,000 per space.

The current balance statement for this account is:

Developers' contributions to date:	\$	334,000.00
Investment income to date:		194,482.32
Total Revenue to date:	\$	528,482.32
Transfer of funds in 1989 to assist in meeting cost of public underground parking under the Civic Square:	\$	405,942.00
Current Balance of Account	\$	122,540.32

The program has been utilized sparingly by developers. It is considered that a developer would prefer to provide all his required office parking on-site with full operational control including potential revenue from such parking rather than to make a payment-in-lieu amounting to two-thirds or more of the cost of providing underground parking.

Large, mixed-use Metrotown developments are pursued through Comprehensive Development (CD) rezonings and for such developments parking provisions are evaluated on their own merits through the submission of detailed traffic and parking consultant reports. The payment-in-lieu program is particularly useful after construction is either complete or well-advanced for adjustments proposed to an office project when additional parking cannot be constructed.

The payment-in-lieu program can be used to handle certain special circumstances including modifications responding to changing market conditions which may result in some increase to the above-grade floor area and/or changes in use. Such payments-in-lieu would be expected to apply to only a marginal number of parking spaces. It is considered appropriate to assist the construction of economically viable developments in Metrotown and not jeopardize the achievement of such developments for the lack of a few parking spaces. It remains a strategic option which assists the overall Metrotown redevelopment objectives of the City.

4.0 CONCLUSION

This review of the program for payment-in-lieu of required parking for major office developments within Metrotown indicates that the continuation of public parking initiatives for Metrotown as supported by the payment-in-lieu program is considered beneficial, and that an increase in the amount of the payment beyond \$10,000 per space is not warranted. To date the payment-in-lieu program has not been particularly attractive to developers, in particular at its current rate, and has been used only sparingly. However, the program does remain as a viable option to handle special circumstances where minor building modifications or a change of use of building area results in the need for more parking without the ability to provide additional parking on-site.



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