

Memo



Date: March 10, 2010
File: 5480-01
To: City Manager
From: Manager, Property Manager
Subject: Cash in Lieu of Parking Review
Report Prepared by: S. Evans, Parking Coordinator

Recommendation:

THAT Council receive the report dated March 10, 2010, from the Manager, Property Management;

Background:

In response to Council's inquiry regarding the estimated cost to build structured parking in the City's town centers relative to the amount collected under the City's cash-in-lieu provisions we offer the following information.

The Payment in Lieu of parking Bylaw was established in August 1997 and amended in July of 2008 to reflect increased construction costs in the town centres. The 2008 amendment took the cash in Lieu charges from \$7,500 for downtown to \$22,500 and from \$3,000 to \$7,500 in the respective town centres. These rates were considered to be consistent with other municipal cash in lieu charges and were partially based on the 2007 finding from Bunt & Associates, Calgary Cash in Lieu study which published the following:

Calgary, AB (Downtown)	22,500
Calgary, AB (BRZ)	3,500
Banff, Alberta	21,000
Regina, Saskatchewan	8,000
Vancouver, B.C	20,200
Canmore, Alberta	12,000

The current Downtown Parking Management Plan recommended that the payment amount be based upon the construction value of the type of parking required in each area. The land component is not currently included in the total cost estimate as the land can be considered a

City asset that could conceivably be converted for other purposes in the future. A payment in lieu charge that reflected 75% of construction value only was established when the rates were initially set out in 1997. This percentage and land values were not considered for change in the 2008.

Presently, construction costs for a parking structure within Kelowna are estimated at \$30,000 per stall and lot development for surface parking is estimated at \$12,000 per stall. Land costs for downtown are estimated to be approximately \$20,000 per stall and \$18,000 per stall in the respective town centres. (Please note that land cost vary from block to block and will vary slightly between town centres).

Under the current by-law the payment in lieu charge for the town centres is low and does not reflect 75% of construction values since construction values are virtually the same throughout Kelowna. However, given the in lieu charges were increased in 2008 and a full review of the parking requirements throughout the City, as they pertain to development under Zoning Bylaw No. 8000, is being conducted in early 2011 staff recommend that no changes be made at this time.

Internal Circulation:
Land Use Management
Regional Services
City Clerk

Legal/Statutory Authority:
Zoning Bylaw No. 8000

Considerations not applicable to this report:

Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Existing Policy:
Financial/Budgetary Considerations:
Personnel Implications:
Technical Requirements:
External Agency/Public Comments:
Communications Considerations:
Alternate Recommendation:

Submitted by:



Ron Forbes
Manager, Property Management

Approved for inclusion:



Doug Gilchrist, Director, Real Estate & Building Services