

DECISION/DIRECTION NOTE

Title: Downtown and Churchill Square Parking Reserves

Date Prepared: October 23, 2023

Report To: Special Meeting of Council

Councillor and Role: Councillor Sandy Hickman
Transportation and Regulatory Services

Ward: N/A

Decision/Direction Required: Review and acceptance of the transfer process for the Downtown and Churchill Square Parking Reserves.

Discussion – Background and Current Status:

The City has two long-standing reserves, the Churchill Square and Downtown Parking Reserves, which have paid parking and enforcement revenue transferred each year. The Churchill Square Parking Reserve was created to help fund the parking operations of the square. This has been used to pay for parking hardware for the square, parking lot lighting, and general beautification. The Downtown Parking Reserve was created to fund parking-related initiatives in the downtown core. Currently, the reserve primarily funds debt servicing on a loan used to subsidize the construction of two private garages in the Downtown, which was required to increase parking options for the public. The reserve was also approved to cover capital costs related to the implementation of the Paid Parking Management Strategy.

The reserves have had lower than anticipated revenue transfers in previous years, as paid parking revenue was impacted by meter vandalism, there was a delayed rollout of new paid parking hardware, and the COVID-19 pandemic. While the reserves have been able to meet the financial requirements thus far, there needs to be increased funding to meet future debt servicing and the remaining components of the Paid Parking Management Strategy. Therefore, Planning, Engineering and Regulatory Services (PERS) and Finance and Corporate Services are recommending adjustments to the reserve transfer process to ensure future fund obligations can be met, and the basis of the transfers align with current program operations.

Churchill Square – Balance of \$586,338 as of December 31, 2022.

The City transfers all paid parking revenue for the three zones in the square, while no enforcement revenue is transferred. Staff do not recommend changing this process, as the rollout of the paid parking program in the square will see additional funds transferred to the account.

Downtown Parking Reserve – Balance of \$1,822,012 as of December 31, 2022.

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The Downtown reserve currently receives all revenue for the *No Valid Parking Record* fine (meter ticket), in addition to 20 percent of all paid parking. However, these amounts do not reflect the revenue the downtown core generates compared to other areas in the City, including Ricketts Road, Churchill Square, etc. The downtown core's spaces comprise 60 percent of the paid parking space total. Therefore, staff recommend transferring 60 percent of all enforcement and paid parking revenue to the reserve each year. Based on budget estimates, this value may exceed the total required to meet future debt servicing requirements. However, to ensure these are met, the downtown reserve will receive a minimum transfer amount of \$642,000 each year if the 60 percent calculation doesn't already meet or exceed this value.

After three years, the value of both reserves will be reviewed to determine if the yearly transfer is sufficient to meet planned parking-related initiatives (i.e., pay station upgrades) and if the debt balance can be reduced sooner. The Downtown reserve must have a balance of \$1.8M before parking-related programs can be approved from the fund, to ensure the highest two years of debt servicing can be met. The transfer amount to the downtown reserve will be reviewed when all debt servicing has been completed.

Key Considerations/Implications:

1. Budget/Financial Implications: See the above background section. Changes are required to ensure that future debt obligations are met.

Partners or Other Stakeholders: Planning Engineering and Regulatory Services oversee the paid parking and enforcement program, while Finance and Corporate Services oversee the financial management of the reserves. The updated transfer procedure was developed by both groups, to ensure the reserves requirements and the intent of the reserves are met.

2. Alignment with Strategic Directions:

A Sustainable City: Be financially responsible and accountable.

An Effective City: Work with our employees to improve organizational performance through effective processes and policies.

3. Alignment with Adopted Plans: Paid Parking Management Strategy
4. Accessibility and Inclusion: N/A
5. Legal or Policy Implications: N/A
6. Privacy Implications: N/A

7. Engagement and Communications Considerations: There is no change in the use of the reserves, and they still align with the understanding that stakeholders such as the Churchill Square Business Association and Downtown St. John's would already be aware of.
8. Human Resource Implications: N/A
9. Procurement Implications: N/A
10. Information Technology Implications: N/A
11. Other Implications: Withdrawal of funds from either of the reserves, outside of the already approved Paid Parking Management Strategy and debt servicing, will require Council Approval.

Recommendation:

That Council approve the change in the funding transfer process to the Downtown parking reserve, which will be implemented effective the 2024 fiscal year.

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Approved by: Randy Carew, Manager of Regulatory Services

Report Approval Details

Document Title:	Downtown and Churchill Square Parking Reserves.docx
Attachments:	
Final Approval Date:	Oct 26, 2023

This report and all of its attachments were approved and signed as outlined below:

Randy Carew - Oct 26, 2023 - 10:29 AM

Jason Sinyard - Oct 26, 2023 - 1:30 PM