

**The University of Toronto at Mississauga
Parking Ancillary
Operating Plan 2003-4 to 2012-'13**

Management Report

“PAY OR PAVE”

I Objectives, Background and Proposal Summary

(a) Objectives

- To provide cost effective and safe parking facilities for students, faculty and staff while minimizing necessary allocation of College land.
- To cover both direct and indirect costs and provide for the renewal of capital equipment.
- To maintain an operating contingency fund (excluding capital) equal to twenty percent of the annual expense budget.
- Having attained the above objectives, provide net contributions to the College operating budget.

(b) Background

The Mississauga campus is currently and will remain a suburban, commuter campus. Although there are some programs that can be implemented to ameliorate campus traffic, use of cars is and will continue to be far more extensive than that of a downtown centre. In fact, the differences between the dynamics of a downtown and suburban campus are so pronounced that, at some point, inadequate parking can reasonably be expected to negatively impact the student recruitment efforts in a suburban, commuter setting.

Targeted enrolment growth has increased from 30% as estimated during 2001, to the current estimate of 60% by 2007-8. In considering how to accommodate this growth, there continues to be widespread support for minimizing the paving of the campus for parking. That decision was made recognizing the significant increases in parking demand that are already beginning to materialize. Local UTM governance has also repeatedly reaffirmed their position that the supply of parking spaces should not significantly vary from about 30-spots-per-100 of campus population. Experience over the past several years has indicated that this ratio represents an optimal level of supply. To date, initiatives undertaken include a 300-space paved lot inside the ring road, (opened in September 2002), and a 387-space garage under the CCIT building (opening September 2004).

To protect the campus environment against pressures from the increased demand for parking, the approved Master Plan sited new buildings on existing parking lots and, at the same time, recommended the construction of underground parking garages as new buildings are added to the campus. The Master Plan also calls for a large, above ground parking structure to meet the developing demand.

Consistent with that Master Plan, the first major building – CCIT- includes almost 400 underground spaces. Because of the comparatively high unit cost of underground garages, that first project was a major financial challenge and required annual parking rate increases significantly higher than those experienced in previous years: 20% in each of 2002-3, 2003-4, and 2004-5. Despite the fact that these increases, in actual cash terms, represented an average increase of about \$6.00 per month, the rate changes generated extensive and often acrimonious debate.

In late-fall, 2002, an initial multi-year Parking Plan was taken forward to UTM's College Affairs Committee, Resource Planning and Priorities Committee and College Council. The first option considered was based upon: (i) a 60% enrolment growth commitment; (ii) maintenance of the 30% supply ratio; (iii) sites and construction per the Master Plan provisions, (e.g. a garage under the planned Library and Athletics buildings, and an above ground structure on parking lot #4); and (iv), *most important, keeping annual rate increases to the level estimated in 2001, (20%)*. Not surprisingly, it proved impossible to balance these competing pressures and stay financially viable. Quite simply, the high cost of additional underground parking, (about \$32,000/space), could not be sustained without rate increases significantly higher even than those planned/processed in 2002, (e.g. 20%). This was due to the net gain of only 1,200 spaces at the cost of 3 garages, (about \$63 million).

A second, financially viable option was recommended. However, it was premised on a fundamental change to the Master Plan: providing alternative sites for future buildings, (the first two being the Library and Athletics), and the above ground parking structure. By not building on the site of existing parking lots, the current, base-line supply is protected, (without underground garages), and the number of additional spots required to meet growing demand is minimized. Importantly, this option could be supported within the financial plan and rate increases submitted last year.

Both options were rejected by College Council and Council Committees. In so doing, all groups reaffirmed UTM's commitment to the fundamentals of the Master Plan, specifically to the priority assigned the protection of campus green space. They also asked an ad hoc Working Group to revisit the multi-year parking plan and produce an option which was true to the Master Plan and financially viable.

(c) Key Features of The Current Plan: "Pay or Pave"

- Given the high unit cost, but also recognizing that once a building is constructed the opportunity is lost forever, only a single underground parking garage is recommended: beneath the Library. The Library is assumed to be built on the original site specified in the Master Plan, (on an existing parking lot). The technical challenges of putting parking underneath the planned Athletics building, which will include a large swimming pool, could well increase the unit costs and/or significantly limit the number of under ground spaces that could be accommodated. (Timing is uncertain but for the purposes of the financial model, opening is predicted for 2006/'07.)
- An above ground parking structure to accommodate 1,000 spaces has been included in 2004/'05, (although detailed planning may consider two smaller structures or phased timing). This garage would be built on the site of an existing parking lot, thereby avoiding the additional sacrifice of campus green space. The difference between the unit costs of a surface lot versus those of an above ground garage, (\$2,200 vs. \$22,000), plus the 'lost' spaces taken up by the structures footprint, represents the value attached to the green space that would otherwise be lost.
- As shown in Schedule 7 - with the exception of 2003/'04 - supply is maintained at almost 30% of demand as UTM moves toward 'steady state' of a 60% enrolment increase.
- Contingency plans are now under development for temporary solutions to the major shortage predicted for 2003/'04. Longer term solutions to ameliorate demand and increase effective supply will also be considered. The ad hoc Working Group is committed to launching a major carpooling initiative in time for September, 2003. If carpooling increases effective supply by only 50% of designated spaces, (a higher impact is expected), 200 carpooling spaces would increase the effective supply sufficiently to maintain supply ratio of almost 30% in 2003/'04. Over the longer term, an expanded carpooling programme could result in less construction, reduced costs and moderated parking rate increases.

- Discussions aimed at improving public transit to and from campus will also continue even though it is recognized that the impact on demand for parking through a substitution effect will be at the margins.
- Remote parking has been abandoned because of: unavailability of parking lots within reasonable travel time to campus; the unit cost of providing almost constant shuttle service to and from such a remote lot; and, most important, security and safety concerns.
- The real or perceived 'under-supply' of parking capacity coincides with the heaviest class schedules: between 10:00 a.m. and 4:00 p.m., Monday to Thursday. Although beyond the scope of the Parking Ancillary to consider, the ad hoc Working Group will be kept abreast of efforts to 'stretch' that schedule. The impact on parking demand/supply and almost all other facility-based or service-related supports will be dramatic.
- Finally, this balance between the protection of campus green space and the fundamentals of the Master Plan comes with a price. Schedule 5 sets out the preliminary estimates of the needed price changes for 2003/'04, which range from around 24% for Unreserved to 30% for Reserved. **On a weekly basis, this represents an increase of \$1.36 or \$2.16 per week respectively.** (For modeling purposes, the underground CCIT garage has been priced at a 30% premium.) Schedule 6 contains comparative Parking Rate information.

II Financial Projections

(a) 2002-3 Operating Plan and Experience (Schedules 1 & 2)

Total revenue is expected to be about \$1,148,000 or \$57,000 higher than Budget, mainly due to increased enrolment.

Total expenses are expected to be \$1,475,000 or \$161,000 more than Budget, mainly due to the higher than budgeted cost of Lot #9, which was fully expensed during the year. Despite site-testing, unexpectedly large water pockets were discovered once construction began. This led to increased costs.

The operating result for 2002-3 is, therefore, expected to be a deficit of \$326,556 or \$104,000 more than the original Budget.

Based on the current forecast, the total parking deficit will be approximately \$277,000 by year-end.

(b) 2003-4 Budget

As noted above in Section I (c), the operating plan for 2003-4 is based on increasing prices as follows:

Reserved:	from \$375 to \$488 or \$113 per year
Unreserved:	from \$299 to \$370 or \$ 71 per year
Daily cash:	from \$8 to \$10

Capital renewal – major maintenance reflects the fact that the expenditure for Lot 9, incurred in 2002-3, will not be repeated. There will be an expansion of about 94 spaces in lot 8, as well as some smaller repairs and adjustments to the other surface lots. Increases in other expenses generally reflect increases for inflation.

The net operating result is a surplus of \$544,000 and an accumulated surplus of \$267,000. There is no contribution to the operating fund.

(c) Long Range Plan: to 2012-13

Approval for the long range budget is sought on the understanding that each year the budget for the upcoming year will be reviewed within the context of prevailing circumstances and revised as necessary. The rates and budgets for the long range plan for 2004-5 to 2012-13 should be viewed as plans and do not reflect set amounts.

Plans are provided for all of the years up to 2012-13 in order to demonstrate financial viability. Approval for the above ground garage, planned to open September 2004, will be sought as details are finalized. That request will be supported by a financial plan which achieves a positive operating result within five years, (by 2009-10) and a positive surplus within eight years (by 2012-13). Those break-even points are consistent with University policies.

Parking rates for the period are outlined in Schedule 5 and are the direct result of the balancing of competing factors, discussed earlier.

Expenses are generally expected to increase by 3% per year throughout the plan period. In addition, the cost of mortgages and other expenses for the underground Library garage and the above ground structure will be introduced as the facilities open for operation. (Note that the interest rate assumed for modeling purposes is 8%.)

Capital renewal is shown at 1.5% of expected construction cost. That allowance is introduced 5 years after construction is complete and continues for 5 years thereafter. This should provide an adequate reserve for both structures.

Schedule 4 outlines the ancillary's projected capital expenditures over the next five years. These expenditures represent ticket machines and snow-plow equipment.

The financial objective of the ancillary is to operate a financially viable ancillary while keeping rates as low as possible. This includes providing an operating contingency fund (surplus) of at least \$100,000. This goal is not achieved until 2013-14.

(d) Capital initiatives, planning and funding

Capital initiatives include the CCIT underground parking garage now underway. The above ground structure, planned to open in September 2004, will be the subject of a separate approval. The ancillary does not benefit from any operating fund subsidies and there is no deferred maintenance.

Working Group to advise on Parking Strategy
Summary and Highlights of Recommendations
December 12, 2002

Present at meeting:

From the Transportation and Parking Subcommittee:

Paul Donoghue, Len Paris, Ulli Krull, Sol Kessler, Christine Capewell, Adil Mirza (ECSU)

From the College Affairs Committee:

Nick Collins, Kimberly Nugent (AGSAE)

From the Resource Planning and Priorities Committee:

Bruce Schneider

Students: Aubrey Iwaniw (EEA), Leigh Snowden (EEA), Sean O'Connell (ECSU)

Absent: Barbara Murck; Laurel MacDowell, Chris McGrath

Purpose of the Group: Working with the Transportation and Parking Subcommittee (of College Affairs), to advise College Council – through the College Affairs and Resource Planning and Priorities Committees – on the details of a multi-year strategy for the provision of parking services. That strategy will: (i) be supportive of the principles and objectives contained in the UTM Mater Plan; (ii) ensure the provision of sufficient parking to accommodate campus growth projections at 60%; (iii) consider initiatives and programmes designed to ameliorate the increase in demand for parking; and (iv) include parking rate increases sufficiently staged over the period to meet the requirements of the University's Ancillary policies.

Timeframe: The Working Group will report back to a joint meeting of College Affairs and Resource Planning and Priorities committees on January 14, 2003 and then to College Council on January 24, 2003.

Paul Donoghue made introductory remarks regarding the Working Group's purpose and timeframe and the financial implications of the parking plan. In subsequent discussion, the Group recognized that additional paving of UTM's green space and altering the basic elements of the Master Plan was not in the best interests of the UTM community.

GROUP RECOMMENDATIONS:

- Upon the departure of the Toronto Argonauts from UTM, make use of their space, which already has a small parking lot and several portables.
- Limit the number of permits sold, which would encourage more use of public transportation. The permits sold would have to be prioritized according to several criteria, one of which could be postal codes.
- More efficient scheduling of classes: this has to be done as soon as possible, so that peak demand is more evenly spread over a week. It was suggested that implementing more efficient class scheduling, along with carpooling, could translate to a 20% increase in parking availability (equal to about 400 spots).
- Carpooling: although it is recognized that it is complicated to administer, carpooling is seen as a necessary step in addition to other measures. It is suggested that incentives be given to encourage participation. To make implementation of carpooling easier, it was suggested that the enrollment date be moved earlier in the year, so that students have a better idea of their class scheduling earlier in the year. This option may have overriding implications in terms of cohesion of dates across the whole of the UofT, but it will be pursued with Mark Overton.
- Increase the permit rates even higher in the reserved underground parking of the CCIT building according to what the market will bear.
- To encourage public transit use, introduce an automatic transit fee into student ancillary fees; students would have to vote to accept this option. One option that would not require a student vote would be to use part of the parking fee to fund a discount on transit passes for students who did not purchase a parking permit.
- To encourage use of the new Lot #9, it was suggested that some way be devised to build a temporary pathway from Lot #9 to the South Building. This would make it easier for students to get to and from the main buildings on campus. Sol Kessler will look into the matter.
- Widen the Outer Ring Road, make it one-way and construct parking along side it. Sol Kessler to look into the costing and feasibility of this option.

NEXT STEPS:

- Form a small subgroup that will devise a plan regarding the implementation of Carpooling. The group will consider barriers and solutions to carpooling and produce a report of specific tasks needed to put carpooling into practice. The group will consist of 4 to 5 members, including students from the Erindale Environment Association, who have previously produced research on this issue. (they agreed to distribute materials already gathered)
- Continue the work on class scheduling, drawing on reports already produced.
- Develop a sophisticated communications strategy with the following considerations:
 - Ensure that the UTM community is well informed about the parking situation and the necessary changes that have to be made to ameliorate it. Use such vehicles as the student newspaper (*The Medium*) and the Faculty and Staff internal e-newsletter.
 - Promote the implementation of plans regarding the use of Public Transit and Carpooling
 - Share information regarding comparative parking rates at other universities (UTM vs. York)
- Work with Computing Services to develop the necessary technology infrastructure support for the following initiatives:
 - Administration and tracking of Carpooling
 - On-line availability of Parking Passes
- Develop a presentation of the parking plan for the January 14th joint meeting of the College Affairs and Resource Planning and Priorities Committees for ancillary budget approval. The presentation should reflect this group's general agreement regarding the proposed parking plan¹, with further details of a five-year plan to be developed at a later date.

¹ Parking Provision schedule of demand and supply dated December 10, 2002.