

# LATE DISTRIBUTION FOR COUNCIL - JANUARY 31, 2006

# B.1(i)



CITY OF VANCOUVER  
ENGINEERING SERVICES  
T.R. Timm, P.Eng., General Manager

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## MEMORANDUM

January 26, 2006

TO: City Council

FROM: Tom Timm, General Manager of Engineering Services

SUBJECT: Parking Stall Tax

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This memo refers to item B1 on the agenda for the regular meeting of City Council of January 31<sup>st</sup>, being the Notice on motion regarding the TransLink Parking Stall Tax.

I felt that it would be useful for Council to have before you the advice that was provided by staff in 2003 when Council provided its comments, requests, and position to TransLink regarding their draft *Three-Year Plan and 10-Year Outlook* financial plan.

The following is an excerpt from the October 17, 2003 report from the GM of Engineering Services regarding the Parking Tax issue.

### "Parking Charges

TransLink proposes to collect an additional \$25 million in parking tax annually starting in 2005. Under the GVTA Act there are two types of parking tax available to it:

- **"ad valorem" tax on parking Fees.** Currently TransLink receives a 7% tax on fees paid for parking in the region. It has the authority to raise this tax by a further 14%, to a total of 21%.
- **Area/Stall Parking Tax** - TransLink has the authority to assess a tax on non-residential parking lots on the basis of either the parking spaces or surface area devoted to parking.

The City previously indicated it supported parking charges as an effective TDM measure, but that the application of ad valorem parking charges to the Downtown without similar charges on other commercial parking could result in serious harm to the Livable Region Strategic Plan and encourage suburbanization. The ad valorem option is regressive as it:

- unfairly targets transit-friendly high density employment areas. The measure could harm the economic viability of the Downtown. Vancouver businesses already pay about 80% of the regional tax.
- encourages more decentralized development, as suburban areas with free parking would have a cost advantage over central areas where parking is priced.
- discourages municipalities that may wish to limit the parking supply and introduce pricing as a TDM measure. The City restricts the amount of parking in Downtown developments to about one space for each four employees, whereas regionally based office park developments have no limits.

TransLink plans to investigate the feasibility, equity and transportation impacts of the two parking charge options. It is recommended Council again reject the notion of a increased tax on pay parking and request TransLink to establish a more equitable regional basis for any parking fees or taxes (*Recommendation H4*). Further, TransLink is requested to develop a regional parking strategy as a key component of a TDM package (*Recommendation F2*)."

Council considered this report on November 4<sup>th</sup> and approved a long list of motions commenting on the TransLink plan, including the following two resolutions which were approved unanimously:

*F2 THAT TransLink be requested to develop a regional parking strategy as a key component of a TDM package.*

*H4 THAT City Council reject the notion of an increased 'ad valorem' tax on pay parking and request TransLink to establish a more equitable regional basis for any parking fees or taxes.*

The area parking tax that TransLink is now implementing is not an 'ad valorem' tax and is being applied across the region, consistent with these resolutions of Vancouver Council in 2003.

Staff continue to support this approach to funding the TransLink Capital Program.

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TRT/sas