

**REPORT TO:** Community and Infrastructure Services Committee

**DATE OF MEETING:** January 28, 2013

**SUBMITTED BY:** Ken Carmichael, Interim Director of Transportation,  
(519) 741-2372

**PREPARED BY:** Paul A. McCormick, Manager, Parking Enterprise,  
(519) 741-3400, ext. 3155

**WARD(S) INVOLVED:** Ward 9

**DATE OF REPORT:** January 22, 2013

**REPORT NO.:** INS-13-010

**SUBJECT:** ROTARY CENTRE PARKING LOT MANAGEMENT  
AGREEMENT

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**RECOMMENDATION:**

1. That Council enter into a new extension agreement with the Waterloo Region District School Board to operate public parking at 828 King St. W.; and further,
2. That Council enter into an agreement with the Grand River Hospital to operate public parking at 850 King Street West; and further,
3. That the approved hourly rate for these locations as of January 1, 2013 be continued at \$2.65 per hour with a \$13.25 daily maximum, Monday to Saturday on a 24 hour basis and on Sunday from noon until midnight and a monthly rate of \$127.30 per month; and further,
4. That the Mayor and Clerk be authorized to execute a Management Agreement satisfactory to the City Solicitor with both the Waterloo Region District School Board and Grand River Hospital.

**BACKGROUND:**

The City of Kitchener has had a long standing business relationship with the Waterloo Regional District School Board (WRDSB) in the management of the school board owned parking lots (Green Street Lot 12 and Rotary Street Lot 13) located in the vicinity of Grand River Hospital, KCI High School and Don McLaren Arena. Each lot has its own separate parking management agreement.

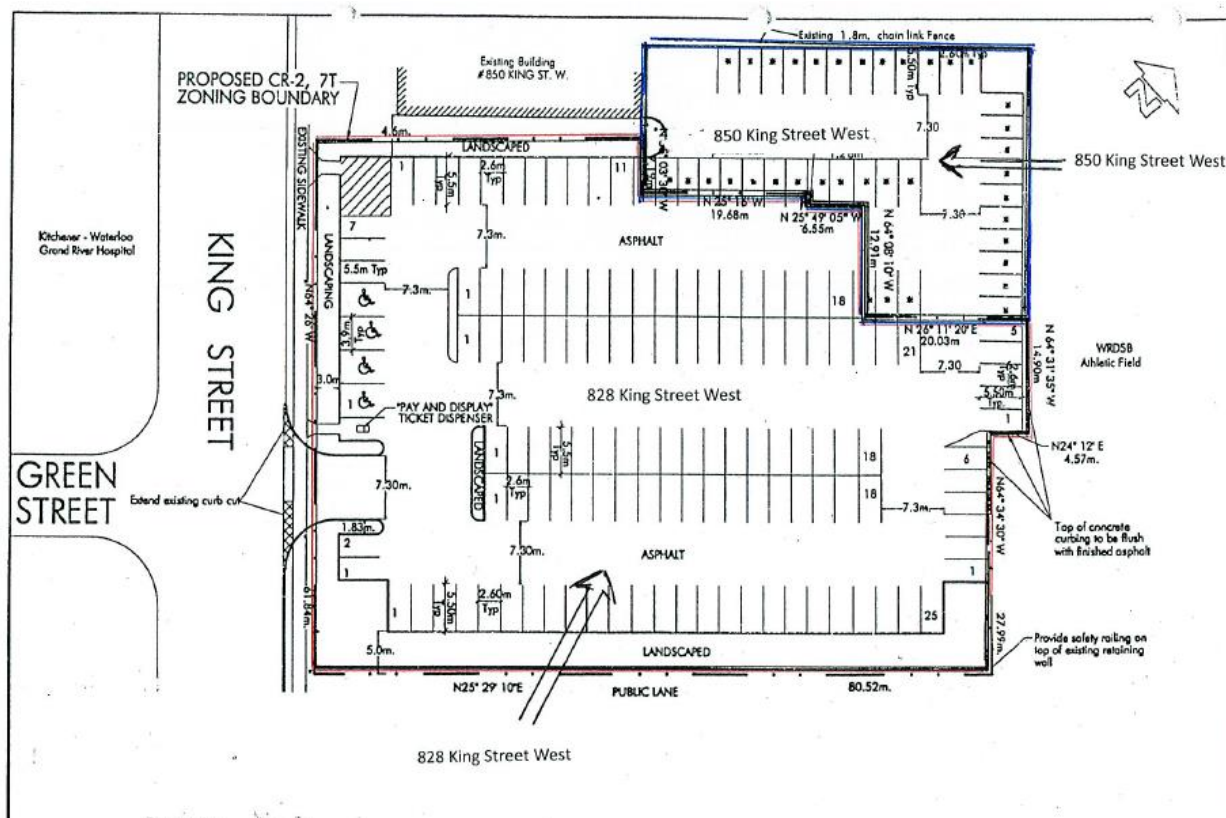
In August 2000, Council approved the recommendation that the City entered into a five (5) year management agreement with the WRDSB for the operation of Lot 13 Rotary Centre which is the surface lot on the site of the former Rotary Centre at 828 King Street West across from the Grand River Hospital. At that time, the Rotary Centre lot was developed in partnership with

WRDSB and the City to create 156 surface spaces to provide public parking for the various uses in the area.

The initial management agreement dated March 19, 2001 expired on June 30<sup>th</sup>, 2005. A five year renewal agreement expired June 30, 2010 but has since been honoured by both parties.

In conjunction with the redevelopment and operation of Lot 12 Green Street as a public surface parking lot across the street adjacent to KCI and Don McLaren Arena, WRDSB would like to continue its parking arrangement for both sites with the City. Approval for the new management agreement with the WRDSB with respect to the redevelopment and operation of Lot 12 Green Street was approved by Council on May 17, 2010.

A new ten year management agreement for the Rotary Centre surface parking lot is now required.



### REPORT:

Parking demand continues to be strong in this area of the City with KCI, Grand River Hospital, Don McLaren Arena, Sunlife and other uses in the immediate area all competing for a limited number of spaces.

The Rotary Centre parking lot offers both hourly and monthly spaces.

In conjunction with the Lot 12 Green Street redevelopment, the WRDSB has approached the City, subject to Council approval, with a ten year term agreement to continue to manage the Rotary Centre parking lot on their behalf. The terms of the new agreement is slightly different from the previous agreement whereby both parties would share a 50:50 split of net revenue.

The terms of this new agreement will be consistent with the Lot 12 Green Street agreement that is still to be finalized.

The previous 5 year management agreement with WRDSB provided for an annual amount of \$40,000 per year to be paid by the City to WRDSB. There have been no inflationary increases to the fee structure paid to WRDSB for over 10 years. The City was responsible for all operating and maintenance costs such as property taxes and overhead expenses, however the City received all net revenue after the annual fee and operating expenses.

The new agreement splits net revenue 50:50. Net revenue includes all gross revenue less all operating expenses including property taxes and a proportionate share of Parking Enterprise's overhead and maintenance costs.

In reviewing rates charged for parking at the Hospital, it was recommended that a rate of \$2.65 per hour with a \$13.25 daily maximum and a monthly rate of \$127.30 be applied to these sites and was approved in December 2012. The hourly rate is less than what is charged at the Hospital, but reflects a greater walking distance to the major parking generator.

#### **FINANCIAL IMPLICATIONS:**

The current estimate of net revenue for this facility is approximately \$140,000 per year (156 spaces). Under the proposed arrangement, both parties will share in a 50:50 split of net revenue after all operating costs. In addition to half of the above amount, the City will also recoup approximately \$62,000 in overhead and administration expenses from the Parking Enterprise bringing the total net revenue to around \$132,000 ( $\$140,000 \times 50\% + \$62,000 = \$132,000$ ).

The new contract terms provides a lower income for the City than the previous arrangement by approximately \$30,000 per annum. Although all net revenues are shared between the City and WRDSB, net revenue is reduced by the additional operating expenses such as property taxes and Parking Enterprise administration and overhead costs that were previously paid in full by the City.

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| <b>ACKNOWLEDGED BY:</b> Jim Witmer, Interim Deputy CAO<br>Infrastructure Services Department |
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