

Corporate Report

REPORT NUMBER 152-2025-Corporate Services-Licensing & Enforcement

DATE

PREPARED

April 27, 2025

FILE

MEETING DATE

May 12, 2025

SUBJECT

Parking Strategy Update and Proposed On-Street Parking Fee
Moratorium

RECOMMENDATION

For information only.

LINK TO STRATEGIC PLAN

This report aligns with the Growth pillar identified in “Maamawe, Growing Together: City of Thunder Bay Strategic Plan 2023-2027,” supporting the goal to make it easier to access City services by implementing better ways of serving the public that focus on continuous improvement and delivering positive outcomes for clients.

EXECUTIVE SUMMARY

This report summarizes key parking trends observed since the implementation of the Parking Authority Financial Plan (2023–2033). While overall utilization has increased, there remains significant unused capacity across the parking system. Given the many factors that have influenced parking in recent years – including the COVID-19 pandemic, revitalization projects, shifts in consumer habits, and rate increases – it is unclear what is driving current usage patterns

Over the past year, the City has placed targeted emphasis on economic growth and downtown revitalization. In further support of these priorities, Administration has outlined a proposal to establish a temporary 2-hour complimentary on-street parking program, with the option for a user to purchase up to 2 additional hours for a maximum of 4 hours. Those requiring longer stays would be required to utilize one of the off-street parking options; either the parkades or metered surface lots. This initiative would remain in place through the end of 2027.

To support enforcement and data collection, users would still be required to register their parking session using pay machines or the mobile app in order access the complementary 2 hours of parking. During this time, Administration will gather detailed usage data, free from the influence of prices, to better understand user behaviour and establish a more accurate baseline. Where a person is unable to use the app, or a pay machine is unavailable, Enforcement Officers will manually track vehicles to enforce complementary parking. Once the complementary period concludes, Administration will be positioned to recommend a more responsive pricing structure to achieve its goals:

- Ensure convenient and reliable access to parking for all users
- Promote turnover to support business and visitor access
- Encourage sustainable transportation choices
- Support economic growth and urban vitality

In addition, Administration has also outlined a proposal to establish that paid parking at the Marina/Waterfront, including Market Square, be replaced with 4-hour complimentary parking, with the option to purchase an additional 4 hours. This approach better aligns with the recreational nature of the waterfront area while still discouraging long-term vehicle storage.

Implementation of these proposed changes requires a Notice of Motion as per City Council's procedural by-law. These changes are outside the parameters of the Council-approved City of Thunder Bay Parking Authority Financial Plan 2023–2033. Administration has presented this report for Council's consideration, should a member wish to initiate the Notice of Motion process. The Office of the City Clerk has been consulted and is ready to assist any member who voted with the prevailing side of the City of Thunder Bay Parking Authority Financial Plan 2023-2025 to amend the previously approved direction.

DISCUSSION

On January 22, 2024, City Council approved the City of Thunder Bay Parking Authority Financial Plan 2023-2033 (the "Plan"). This Plan included several significant changes to parking in the City including:

- Increased Rates
- Introduction of Paid Parking at the Marina/Waterfront
- Introduction of Paid Parking on Saturdays
- Expanded hours of enforcement (mornings and evenings)
- Closure of under-utilized lots

The Plan was met with significant community resistance, resulting in several modifications, including the reversal of expanded hours in December 2024. In light of increasing community concern, Administration committed to bring an update to City Council by January 2026. Based on the data collected to date, as well as concern from

the business community and residents, Administration has accelerated its review of paid parking and is presenting a strategic shift in approach.

The primary focus of the Plan was to make the municipal parking system financially self-sustaining by increasing revenues to cover both operating costs and capital expenditures. In addition, the Plan aimed to increase utilization of underused assets, such as the parkades, by encouraging a shift from on-street to off-street parking.

To support these objectives, parking rates were increased to better align with market rates in comparable municipalities, with the intent of promoting more efficient use of parking resources.

The data used to inform the development of the parking strategy was collected in the period immediately following the COVID-19 pandemic, during a time when parking demand had not yet fully returned to pre-pandemic levels. This limitation, combined with factors such as remote work, altered commuter patterns, and evolving downtown visitation habits reduced the reliability of trend forecasting and introduced significant uncertainty around key assumptions related to parking utilization and customer responsiveness to pricing.

Parking utilization has increased since the implementation of the current parking strategy, suggesting some recovery in demand. However, it is unclear whether this growth may have been impeded by the higher fees introduced as part of the strategy. Overall, there is still significant unused capacity in the system.

Since the Plan was implemented, the City has placed greater emphasis on growth, downtown revitalization, and economic development. This evolving context highlights the need for a parking strategy that balances financial goals with accessibility, business support, and broader community priorities.

The Evolving Parking Strategy

Parking is a supporting service that enables and enhances consumer activities. The focus of municipal parking should be to:

- Ensure convenient and reliable access to parking for all users
- Promote turnover to support business and visitor access
- Encourage sustainable transportation choices
- Support economic growth and urban vitality

In the parking strategy implemented last year, the emphasis was on revenue generation and financial sustainability. While this is an important factor, it's crucial to recognize that parking management should primarily serve the community's needs. Revenue generation should be the byproduct of a well-designed, people-centered parking system – not the primary goal.

Parking management should be designed to facilitate ease of access and encourage positive behaviors that enhance the community experience. Its goal is to support turnover and accessibility, ensuring that parking is available to all who need it. A well-designed parking system contributes to the overall mobility needs of the city, helping people move freely and efficiently without unnecessary barriers.

Parking management should avoid a one-size-fits-all approach. Different areas have different parking demands and challenges. A flexible, responsive system is needed to reflect these differences.

Finally, parking management should prioritize the needs of businesses, residents, and visitors. This includes discouraging long-term vehicle storage in high-demand areas to ensure spaces are available for short-term users. Reducing the amount of time drivers spend circling and looking for parking helps support economic activity, reduce congestion, and improve the overall experience of visiting or living in the community.

There are 3 parking management tools available to municipalities that are typically demand-driven:



Paid parking should be reserved for high-demand areas, where space is limited and turnover is necessary. The fee structure should be used as a management tool to optimize turnover, rather than a means to maximize revenue. Shifting the focus from maximizing revenue to optimizing parking space occupancy ensures that the parking system is both efficient and supportive of broader community goals.

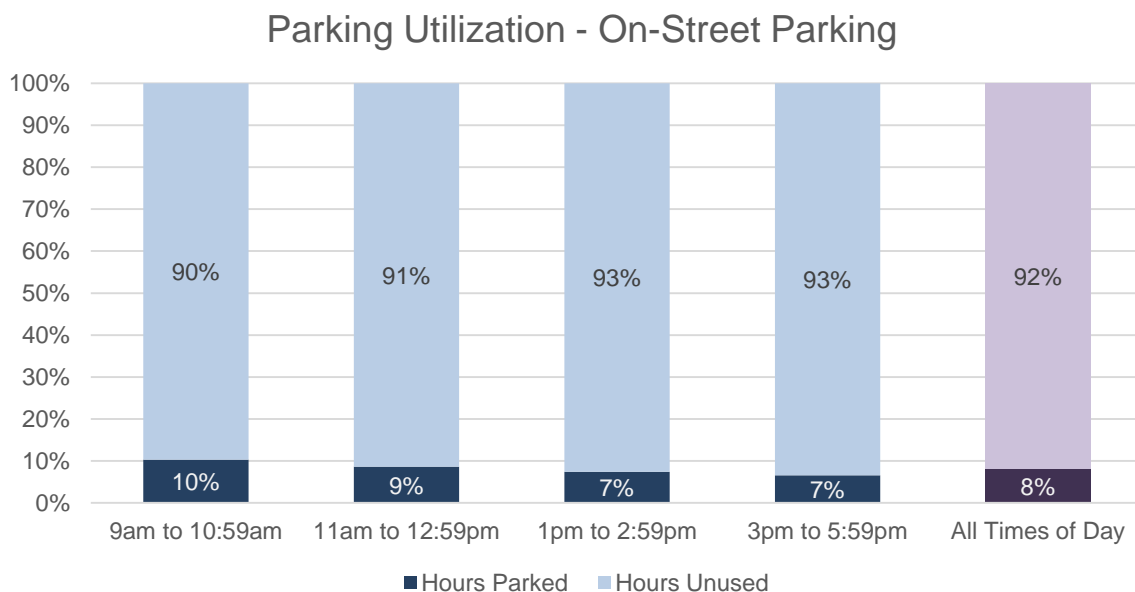
On-Street Parking

On-street meters / pay stations are paid parking spaces located along public roadways in high-demand areas. These tools are used to manage curbside parking by encouraging turnover, improving access for short-term users, and supporting adjacent businesses.

The goal is to make the most effective use of on-street parking while ensuring that a portion of spaces remains consistently available to meet ongoing demand. User fees play a critical role in achieving these outcomes. Properly calibrated parking rates encourage turnover and make it easier for drivers to find parking when they need it. The Plan presented in 2024 suggested demand-based pricing could be considered in the future. Based on the approach outlined above, this concept should be elevated and incorporated as a key element of the strategy.

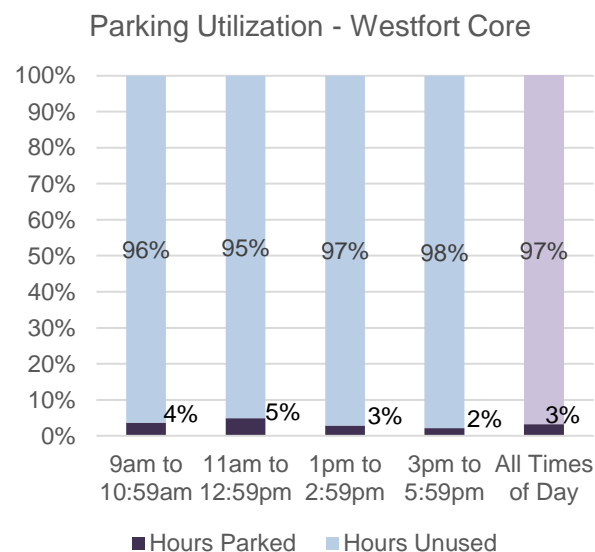
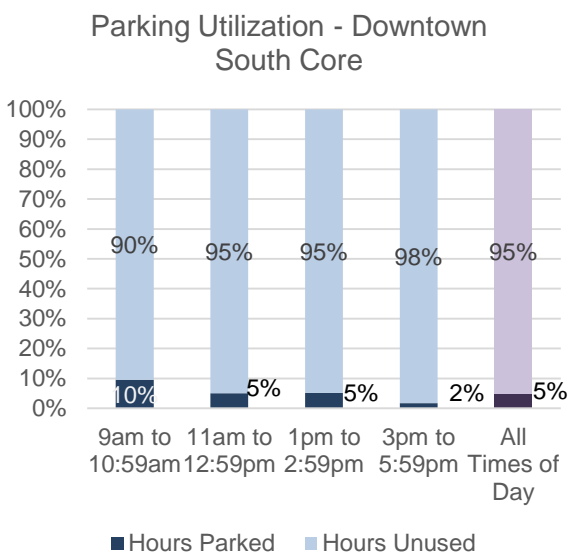
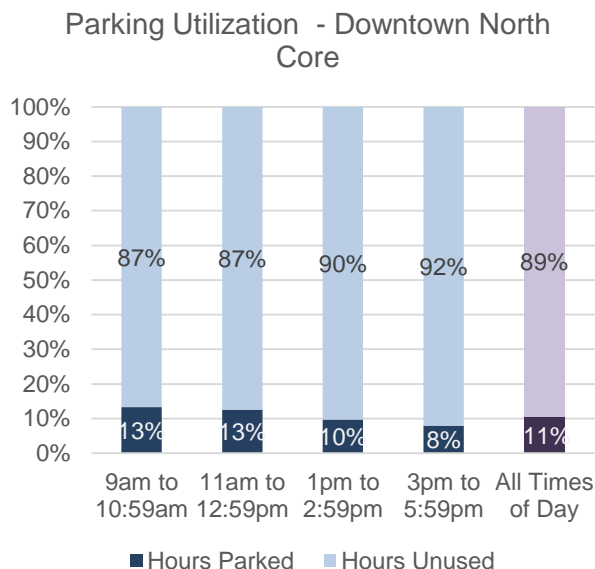
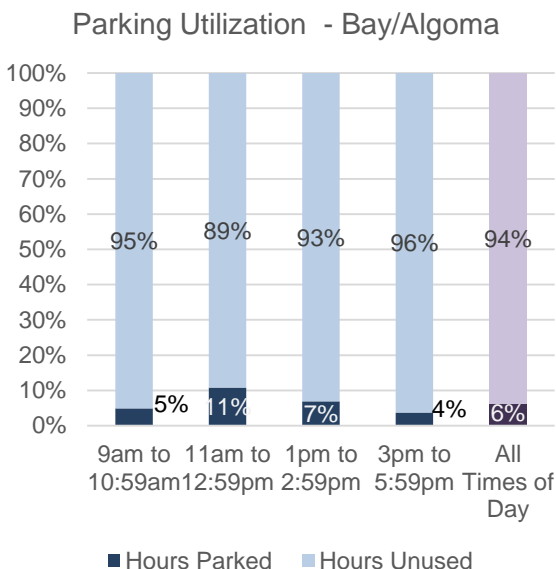
The goal should be to maintain approximately 10-20% vacancy across on-street parking areas; meaning that, in a typical 10-space block, about 1 or 2 spaces should be available at any given time. This level of availability ensures that drivers can find parking without excessive circling, reducing congestion, frustration, and greenhouse gas emissions.

Because the on-street meter zones cover large geographic areas, it's difficult to draw accurate conclusions about specific parking patterns. However, the data collected, indicates that on-street parking is underutilized, well below the target vacancy indicated above.



The following graphs show the utilization rates in each major on-street parking zone from June 2024 to March 2025. The Downtown North Core has the highest utilization rate of all on-street parking zones. It should be noted that the data presented does not include parking stays that use coins at a meter.

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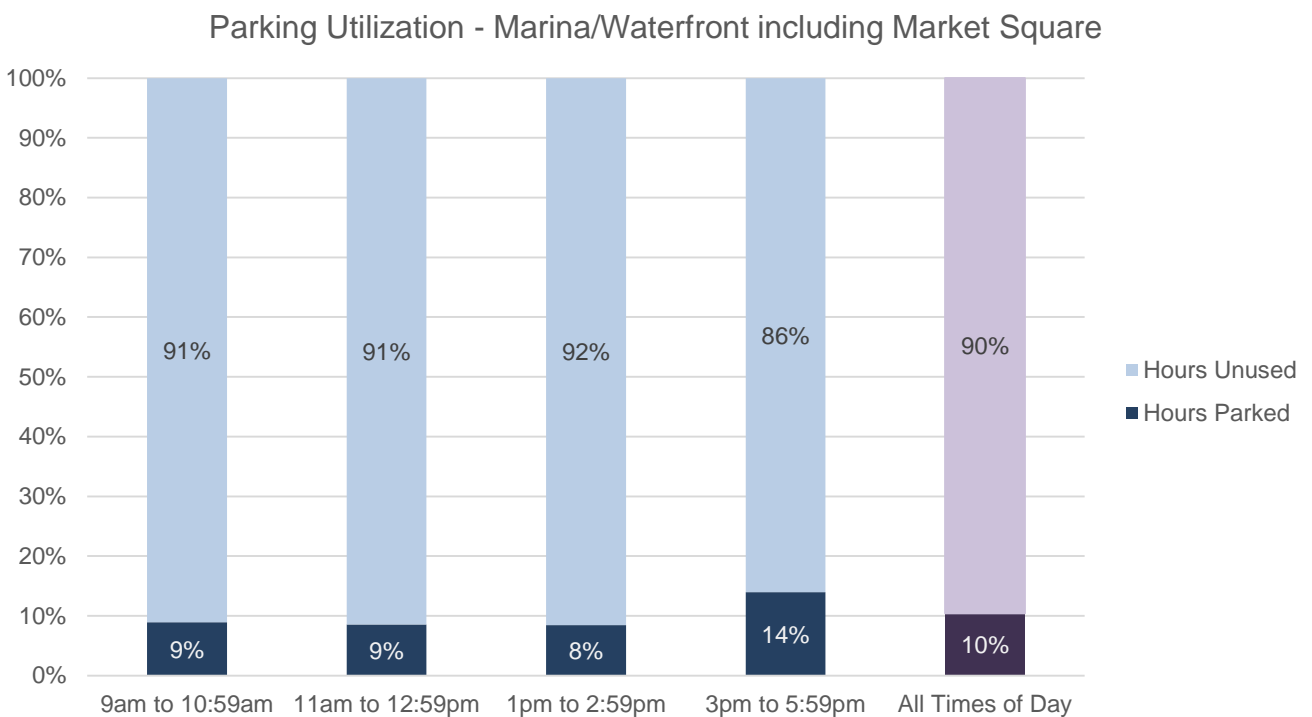
On-street rates rose from \$1.25 to \$1.50 in 2020, coinciding with the onset of the COVID-19 pandemic which curbed parking demand. At the same time, in the North Core, additional on-street parking spaces were added. Under the Plan, rates increased again to \$2.00 in 2024. Parking was further disrupted during the North Core revitalization construction, and a temporary parking fee exemption was introduced.

All these changes make it increasingly difficult to determine how much of an impact the price increases (60% since 2020) have had on utilization. Additionally, the current zone boundaries are too wide to estimate utilization accurately. More granular data is required to inform future pricing adjustments.

Marina/Waterfront Paid Parking

The waterfront area plays a different role than high-turnover commercial zones, serving primarily as a destination for recreation and leisure where longer stays are common. In this context, paid parking aimed at driving turnover is not necessary and may not align with how the space is intended to be used or experienced by residents and visitors.

Since implementation, usage of paid parking at the marina and market square has been relatively low, although there is no historical level to compare it to.



The utilization graph above depicts the parking utilization with data from the parking app and pay machines. It should be noted that there were 121 4-hour marina parking passes, and 87 All Day Marina parking passes sold in 2024 that are not included in these usage rates. If every pass owner parked at the marina every day, utilization would increase to 13% for all times of day. There is currently no method employed to track daily use of these passes.

There is still a need, however, to discourage all-day vehicle storage. To address this, a time-limited approach is recommended: offering up to 4 hours of complimentary parking, with the option to purchase an additional 4 hours if needed. This balances the need to discourage long-term vehicle storage while maintaining accessibility and a positive user experience at the waterfront.

To facilitate enforcement and to collect valuable user data, to access the 4 hours of complimentary parking, users will need to register through the mobile app or pay

machines. The Annual Marina All-Day pass would continue to be in effect, as this allows for overnight parking for boaters and provides an exemption to the time limit. Purchased 2025 Annual Marina 4-hour passes may be refunded or can be used for the additional 4 paid hours after the complementary 4 hours.

Parkades and Off-Street Parking

The City offers convenient and reliable off-street parking options, including surface lots and the Parkades in the North and South Cores. These facilities provide flexible, longer-term parking solutions that support both daily visitors and downtown employees. Off-street parking plays a vital role in the overall parking system and remains an important option for those needing to stay beyond the on-street time limits.

	Waterfront	Victoriaville
Capacity/Spaces	720	620
Monthly Rentals (as of Apr-25)	614	287
Proportion of Spaces Rented	85%	46%
Monthly Rental Rate	\$90	\$90
Daily Rate	\$5	\$5
Average Users per Day		
Daily Pass	140	26
Monthly Pass	265	151
Utilization Rate - Overall	56%	29%
Utilization – Average Monthly Passes Used Per Day	43%	53%

The City's two parkades present unique challenges and opportunities within the broader downtown parking system. Differences in location, surrounding land use, demand patterns, and the availability of nearby alternate parking options all influence how these facilities are used. Tailored pricing structures or operational strategies are required to drive usage, improve accessibility, and ensure the parkades effectively support the economic and mobility objectives of the respective areas.

Boosting Growth in the Cores: Proposed Complementary 2-Hour On-Street Parking

To encourage increased activity and support ongoing growth in the cores, Administration is proposing a targeted effort that would provide up to 2 hours of complementary on-street parking, with the option to purchase up to 2 additional hours. This initiative would remain in place until the end of 2027. The 2-hour complementary parking will be strictly enforced to ensure appropriate turnover, in alignment with the City's broader parking management objectives.

To facilitate enforcement and enable data collection for future decision making, users of 2-hour complementary on-street parking will be required to register their parking session

through pay machines or the mobile app. While this may be seen as an inconvenience by some users, it is a necessary step to gather meaningful usage data. This information will help ensure that, once this initiative concludes, any future rate adjustments are based on accurate, localized data, and reflect actual parking behaviour. Where a person is unable to use the app, or a pay machine is unavailable, Enforcement Officers will manually track vehicles to enforce complementary parking.

If drivers need to stay longer than 4 hours (2 free, 2 paid), they will be required to park in a pay-metered surface lot or the Parkade, where longer-term parking remains available at affordable rates (\$5 per day).

This initiative is intended to make it easier and more attractive for residents, visitors, and businesses to access the downtown cores and surrounding neighborhoods during a critical period of growth and transition. It acknowledges the ongoing challenges faced by businesses and property owners in the cores, including the impacts of economic shifts, changing consumer patterns post-pandemic, and significant infrastructure disruptions.

Beyond immediate economic support, this growth initiative will give valuable time to refine and recalibrate the City's parking strategy based on the actions outlined above. As Administration works to align parking management more closely with community priorities, this temporary measure will allow space for thoughtful evaluation, adjustments, and public engagement.

Implementation of this strategy would require an amendment to the Parking By-law 075-2024, to give Council the authority to approve complementary on-street parking for specified timeframes. This amendment would be drafted as a part of a Notice of Motion process should Council want to proceed in this direction.

Actions to Enhance Parking Strategy

The following actions are designed to strengthen the City's parking strategy in alignment with the core objectives of ensuring access, supporting turnover, encouraging sustainable choices, and fostering downtown vitality.

- Action 1 - Implementation of a 2 hours complementary on-street parking program, with the option to purchase up to 2 additional hours.
- Action 2 – Develop and implement a plan to expand the number of on-street parking zones to enhance parking utilization data.
 - Enable more detailed occupancy and turnover data to inform future changes to rate structures.
- Action 3 – Changing the Marina/Waterfront, including Market Square, paid parking to time-limited complementary parking (4-hour) Monday to Saturday with option to purchase additional 4 hours at \$2/hour.

- Will require use of app and pay-machine to register parking stays to facilitate enforcement and so that data can be collected to inform future parking decisions
- Action 4 – Research and Future Considerations
 - Establish zone-specific price structure for on-street parking
 - Establish thresholds where on-street user fee increases/decreases will be considered. i.e. Where zone usage exceeds 80%, consider fee increase; Where zone usage is less than 50%, consider fee decrease
 - Consider time-of-day pricing
 - Consider by-law amendment to enable event-specific parking permit program
 - Consider parkade-specific pricing strategies
 - Consider re-investing north-, south-core surplus back into the cores
 - Conduct regular community engagement.

Implementation of these action items would require a Notice of Motion as previously noted in this report.

CONSULTATION

The current recommendations are informed by the extensive consultation and feedback from residents and businesses completed during both the development and implementation stages of the parking strategy. Administration has not yet consulted with the Accessibility Advisory Committee on this potential change. There is a need to consult going forward to ensure accessibility of parking within any recommended changes.

If the temporary complementary 2-hour on-street strategy is considered by City Council and approved, Administration will continue consultation with stakeholders to ensure the absence of parking fees are not having a detrimental impact on business activities or residential areas.

FINANCIAL IMPLICATION

The temporary complementary on-street parking initiative would have a direct financial impact on City revenues. In the prior year, approximately 45% of fine revenue was attributed to on-street parking tickets. While enforcement of the 2-hour complementary parking will result in some tickets being issued, a significant reduction in fine revenue is expected.

As approximately 90% of on-street parking transactions are 2 hours or less, a significant reduction in revenue is expected. The proposed parking changes at the Marina/Waterfront would also eliminate most of that revenue source.

There would not be a significant reduction in operating costs, although Administration will continue to attempt to mitigate costs. To offset the temporary loss of parking revenue associated with the complimentary parking period, a pause on contributions to the Parking Reserve Fund will be required for the duration of the initiative. While necessary to enable implementation, this pause will place some pressure on the long-term parking financial plan. Over the next 2 years, Administration will be able to collect usage data and develop appropriate pricing structures, which will inform the parking financial plan.

	2025 Budget	Proposed Initiative (Annualized)	Decrease
Revenues			
Fines	849,000	636,800	(212,200)
On-Street Meters	667,100	66,700	(600,400)
Lot Meters	203,500	104,500	(99,000)
Parkade and Lot Rental	1,321,900	1,288,700	(33,200)
Parkade Daily	282,800	282,800	-
Other	129,600	129,600	-
Total Revenues	3,453,900	2,509,100	(944,800)
Expenses			
Personnel Services	784,700	742,200	(42,500)
Contracted Services	761,000	757,700	(3,300)
Rents & Financial Expenses	250,600	250,600	-
Materials	253,600	253,600	-
Debt Repayment	526,400	526,400	-
Interfunctional Transfers	315,400	315,400	-
Transfers to Reserve Fund	562,200	-	(562,200)
Total Expenses	3,453,900	2,845,900	(608,000)
Net Income / (Cost)	-	(336,800)	(336,800)

The projected annualized net cost of \$336,800 will be somewhat mitigated in 2025 as on-street and Marina/Waterfront parking revenues to-date are approximately \$250-\$300,000. Should additional operating funding be required in 2025, Administration recommends the Assessment Growth Reserve Fund be accessed, as the complementary 2-hour parking is a growth initiative.

Administration will continue to seek mitigation strategies. For the 2026 and 2027 Budgets, a contribution from the tax levy or the Assessment Growth Reserve will likely be required and will be presented to City Council during budget deliberations.

CONCLUSION

It is concluded that City Council should consider if a notice of motion to amend the current approved Parking Financial Plan is of interest to Council and the public. If these changes were to be approved the following changes would be recommended by Administration;

- a 2-hour complementary parking program for on-street meters, with the option to purchase an additional 2 hours would support the renewed emphasis on economic growth and downtown revitalization.
- 4-hour complementary parking, with the option to purchase an additional 4 hours at the Marina/Waterfront, including Market Square, would support recreation and tourism, while still discouraging long-term vehicle storage.

It is further concluded that Administration will continue to collect more detailed usage to better understand user behaviour and establish a more accurate baseline to ensure convenient and reliable access to parking for all users.

BACKGROUND

At the December 11, 2023, Committee of the Whole Meeting, a Parking Authority Financial Plan was presented as a First Report in Corporate Report R309-2023 (Corporate Services – Licensing & Enforcement). This plan was reintroduced at the January 22, 2024, Committee of the Whole Meeting, where City Council made several amendments to the Financial Plan and approved the amended Plan for implementation, in March 2024.

In April 2024, City Council approved By-law 075-2024, a by-law to regulate parking, which repealed previous by-laws, dissolved the Thunder Bay Parking Authority, and implemented a No Free Parking Policy.

In May 2024, City Council approved parking passes for the Marina/Waterfront and Market Square.

In June 2024, City Council approved short term stay rates for parking, setting the minimum parking stay at 15 minutes.

In August 2024 City Council approved By-law 298-2024, a by-law amending By-law 075-2024, to delegate authority to the City Manager, or assigned delegate, the ability to designate temporary construction zones to be exempt from parking fees for large municipal construction areas.

In November 2024, pursuant to a memorandum from Councillor Brian Hamilton dated November 6, 2024 requesting a Notice of Motion to amend the Parking Financial Plan ratified on February 12, 2024, City Council approved an amendment to the paid hours for parking, changing them to 9am to 6pm.

REFERENCE MATERIAL ATTACHED

None

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REPORT SIGNED AND VERIFIED BY

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05/05/2025 (MM/DD/YEAR)