

DATE OF MEETING JULY 14, 2025

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SUBJECT **REVIEW OF NANAIMO PARKING RATES AND PENALTIES**

OVERVIEW

Purpose of Report

The following report provides an overview of the current rates structure that the City charges for vehicle parking fees and fines with the intent of identifying areas to be updated to ensure that the parking rates are aligned with Nanaimo's Official Community Plan (OCP) and other objectives.

Recommendation

That the Governance and Priorities Committee recommend that Council direct Staff to update existing public vehicle parking rates and fines to align with City Plan policies and similar BC municipalities.

BACKGROUND

The provision of ample, accessible vehicle parking has historically been seen as an essential function of the overall transportation system. As we work towards decreasing the reliance on personal vehicles in favour of more sustainable modes of mobility, the role of vehicle parking is being rethought.

The rates that are charged for public on-street and off-street vehicle parking facilities, as well as the fines charged for parking violations, are an important part of an effective overall parking management system. As part of the ongoing Parking Review and Bylaw Update, Staff have completed a preliminary review of Nanaimo's existing parking rates and fines. Parking fees and fines are an important tool to ensure parking space is most efficiently utilized while maintaining equity and accessibility, as well as effectively discouraging unwanted vehicle parking behaviours. The intent is to identify potential rate adjustments to best align the rates with the overall goals of the City.

This parking rates and fines review relates to the following policies established in the Official Community Plan:

- C2.1.7 – Manage parking city-wide with a focus on right sizing parking to continue fulfilling key needs including access, loading, and pick-up for businesses; accessible parking for people with mobility or family needs; and EV parking, while recognizing that an overabundance of cheap and convenient parking tends to increase vehicle use and reliance.

- C2.2.8 – Implement Transportation Demand Management programs to shift trips to non-automobile modes, reduce automobile trips and travel distances, and reduce parking demand.

Relevant items from the Integrated Action Plan (IAP) include:

- C1.1.38 – Review City Parking facilities and rates to identify potential spaces for zero-emission vehicles and other types of vehicles that support transportation mode shift and lower Greenhouse Gas Emissions
- C2.1.2 – Incorporate public parking strategies into Urban Centres Area Plans
- C2.1.3 – Implement pay parking technologies that allow multiple payment methods and remote payment (e.g., online, phone) for extending parking
- C2.1.5 – Prepare a public parking strategy to help support investment in streets.

DISCUSSION

An effective public vehicle parking management system will seek to provide parking where it's needed by those who most need it, in balance with other priorities for public space. Parking rates charged and fines levied impact many aspects of the overall public vehicle parking management system including:

- Likelihood that someone will choose to park in a high demand area vs. parking further away or using alternative modes of transportation.
- Ensuring parking is available to those who need it most (in coordination with other regulations to balance equity and accessibility).
- Avoiding vehicles being parked in high demand locations for longer than necessary.
- Mitigating the likelihood of parking infractions when fines are trivial.
- Providing cost-recovery to offset the capital, operating, and maintenance costs of providing parking areas.
- Minimizing greenhouse gas emissions and traffic congestion generated by drivers spending time driving around looking for available parking.
- Detering illegal parking, which is often a safety concern when parking occurs in fire lanes, obstructs intersection sight lines, blocks movement lanes, etc.

The City targets an 85% parking occupancy rate as an effective threshold where greater than 85% is overcapacity and under 85% occupancy typically means that drivers are still able to find a parking space. Certain areas of the City often exceed this threshold during certain time periods, most notably the University, Hospital, and Downtown. Rates are often adjusted based on the time of day, day of the week or seasonally in order to balance variations in demand over time.

Some of the existing issues that have been identified in the City that may benefit from a rates review include:

- Low turnover of preferred parking spaces adjacent to businesses. This can limit economic activity and prevent spaces being utilized by individuals who most need them.
- Low compliance with current parking regulations.
- Misalignment of parking rates with inflation based on the last review being completed in 2014. The costs associated with maintaining existing parking infrastructure and the cost to replace these assets when they reach their end of life have increased significantly in this time.

- An abundance of inexpensive or free vehicle parking encourages the use of personal vehicles and disincentivizes mode shift efforts.

Over the last three years (2022-2024), Parking operations had an average surplus of \$447,000 from fees and fines which were contributed to the Parking Reserve. However, the average annual projected project expenditure for 2025-2034 related to parking is \$1.17M, meaning that the current contribution to reserve is insufficient to recover the project expenditures by \$718,000 per year. This results in the use of other funding sources such as property tax, the General Asset Management Reserve Fund, other reserves and external grants to meet the long-term project expenditure requirements. These values are summarized in Table 1.

Table 1: Average Annual Parking Revenue and Expenses (2022 – 2024)

	Total Parking Funded from Fees		
	2022	2023	2024
Revenue Collected	1,483,443	1,862,333	2,048,212
Operating Expenses	1,256,747	1,398,984	1,395,898
Contribution to Reserve	226,696	463,349	652,314
Actual Project Expenditure	36,560	677,307	717,957
3 Year Average Contribution to Parking Reserve	447,453		
Average Annual Project Expenditure-2025-2034	1,165,583		
Shortfall in Annual Contribution to Reserve	(718,130)		

In addition to the costs that are directly related and funded by parking fees, the City has other costs associated with parking that are funded through property tax revenue. Over the last three years, the City has spent an average of \$2.7M per year on road maintenance costs such as road repairs, curbing, and signage. This work includes maintenance of the roadway as well as any associated on-street parking. Additionally, there has been an average of \$111,740 during those same years for parking enforcement costs which are also funded through property tax revenue. Additional detail on this analysis can be found in Attachment A.

We have also compiled the following comparisons to similar municipalities in BC to identify how Nanaimo's rates and fines compare as compiled in Table 2. Ranges indicate both variability over time (time of day, day of week, seasonality) as well as different areas in each City where demand is higher or lower.

Table 2: Summary of public vehicle parking rates and fines for similar BC municipalities

	On-Street Parking Fees (hourly)	Off-Street Parking Fees			Parking Violation Fines
		Hourly	Daily	Monthly	
Nanaimo	\$1.25	\$0.75 - \$1.00	\$6.00 - \$9.00	\$75.00 - \$110.00	\$30.00 - \$35.00
Kelowna	\$1.25 - \$3.50	\$1.25	\$7.00 - \$7.50	\$96.50 - \$179.50	\$20.00 - \$30.00
Kamloops	\$1.25 - \$2.50	\$1.25	\$4.00 - \$6.00	\$40.00 - \$75.00	\$10.00 - \$50.00

Victoria	\$1.50 - \$4.00	\$2.50 - \$3.00	\$12.50 - \$17.50	NA	\$60.00 - \$80.00
Prince George	\$1.00	\$1.00	\$7.00	\$73.00 - \$119.00	\$50.00 - \$75.00
Chilliwack	\$0.00	\$0.00	\$0.00	\$0.00	\$20.00 - \$50.00

Generally higher than Nanaimo's rates
Generally on par with Nanaimo's rates
Generally lower than Nanaimo's rates

Through this review, it was identified that Nanaimo's rates generally fall within the range of rates and fines charged by similar municipalities. Some specific observations identified in the detailed review include:

- For on-street parking hourly rates, Nanaimo does not vary the rates based on timing or location compared to Kelowna, Kamloops and Victoria that have all implemented more refined systems to address demand variability. Kelowna and Kamloops also utilize duration-based parking rates with hourly fees increasing for vehicles in the third hour they are parked in the same space to encourage parking turnover.
- Victoria does not offer monthly parking rates. Monthly parking permits have been identified as a barrier to achieving overall transportation mode shift as they can be perceived as a "sunk cost" to folks who may otherwise intermittently walk, bike or transit. Note that generally, Victoria is a different context from Nanaimo in terms of population density and parking demand.
- Kelowna has a specific on-street parking rate used for the hospital area that matches Nanaimo's \$1.25 per hour but is capped at 3 hours maximum.

While the parking rates and fines in Nanaimo are generally comparable with similar BC municipalities, the existing issues we are working to address can be improved by a targeted review and update of the parking rates and fines in conjunction with the ongoing Parking Review and Bylaw Update underway. In addition to the review of other municipalities, it's noted that the short-term hourly parking rate at VIU is \$3.25 per hour.

OPTIONS

1. That the Governance and Priorities Committee recommend that Council direct Staff to update our existing public vehicle parking rates and fines to align with City Plan policies and similar BC municipalities.
 - The advantages of this option:
 - i. Updating parking rates to best achieve the goals of the Official Community Plan.
 - The disadvantages of this option:
 - i. Equity considerations will be incorporated into the overall strategy; however, any rate increase has the risk of disproportionately impacting economically disadvantage communities.
 - Financial Implications:
 - i. Staff time to prepare the review and update of the parking rates and fines in bylaw.

- ii. Revenue generated by the adjusted rates and fines are anticipated to increase nominally which would help to offset taxpayer expenses to operate and maintain parking infrastructure.
2. That Council maintain existing public vehicle parking rates and fines as established in bylaw.
 - The advantages of this option:
 - i. Continuity of existing rates and fines for public understanding.
 - The disadvantages of this option:
 - i. Our existing rates and fines lack sophistication to effectively manage parking supply and demand.
 - ii. Does not align with City Plan or Integrated Action Plan actions.
 - iii. Encourages status quo vehicle reliance and does nothing to support mode shift.
 - iv. Does not create opportunities to increase accessibility or equity.
 - Financial Implications:
 - i. No additional Staff time.
 - ii. Parking remains more heavily subsidized at the expense of taxpayers.

SUMMARY POINTS

- Nanaimo is completing a comprehensive review of our parking bylaws and as part of that we are reviewing the public vehicle parking rates and fines.
- Parking rates and fines are an important tool used by municipalities to manage the parking supply ensuring accessible and equitable access and parking management.
- Generally, Nanaimo is aligned with similar BC municipalities for the public vehicle parking rates and fines.

ATTACHMENTS:

Attachment A – City of Nanaimo Parking Revenue and Expenses |

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