



Exhibition Place

26

October 21, 2011

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Parking Rate Adjustments**

Summary:

This report seeks the Board's approval to increase parking rates to bring our rates in line with market rates and to ensure the rates are consistent with the revenues projected in the 2012 Operating Budget.

In addition, this report seeks the Board's approval to introduce a new Peak Days Parking Rate, which is intended to help shift some parking demand away from the busiest Peak Days, while assisting shows with promoting weekday evening show attendance.

All the proposed rates changes that will take effect in 2012 are detailed in a table attached as Appendix "A".

Recommendations:

It is recommended that the Board approve:

- 1. A \$1.00 increase to the Day / Evening Regular Rate and Exhibitor Parking Rates effective April 2012;**
- 2. A \$2.00 increase to the Day / Evening Regular Parking Rates for the indoor garage on select Special Event show dates as outlined in this report effective April 2012; and,**
- 3. The introduction of a new Peak Day / Weekend Parking Rate strategy as detailed in this report effective March 2012.**

Financial Impact:

Recommendation No. 1 which increases regular and exhibitor day/ evening parking rates will result in a revenue increase of approximately \$220,000 in 2012, and approximately \$360,000 per year in subsequent years. The proposed 2012 Operating Budget was drafted to include this increased amount.

Recommendation No. 2 which increases the indoor garage rate by \$2.00 on selected Special Event show dates will vary dependent upon the number of additional Special Event days selected but will result in a positive financial impact.

Recommendation No. 3 which introduces the new Peak Day / Weekend Parking Rate is expected to have a net positive impact on Board revenue in 2012 and in subsequent years. The actual amounts will vary dependent upon the number of additional Peak Days selected. Peak Day rate increases will result in a positive financial impact, while a successful shift of demand away from peak days will have a small negative impact.

Decision History:

At its meeting of February 27, 2009 the Board approved a staff recommendation to increase, on select Special Event show dates, the regular indoor garage daily and evening parking rates to \$15.00 and \$12.00 respectively (a \$3.00 premium over normal rates at that time).

At its meeting of July 23, 2010, the Board approved a \$1.00 increase in the regular daily and evening rates in all lots, bringing the daily rate to \$13.00, and the evening rate to \$10.00, effective September 6, 2010.

At its meeting of September 3, 2010, the Board received a staff report entitled "Exhibition Place Parking Demand Analysis" that reviewed parking lot utilization during major shows and detailed when core lots were full or nearly full.

Issue Background:

Parking rates are reviewed annually and set at a level that will ensure an adequate supply of spaces for shows and events, cover the cost of operating the spaces and contribute towards general operating costs, while remaining competitive in the marketplace and conducive to attracting and retaining business at Exhibition Place. Also, following the completion of the Exhibition Place Parking Demand Analysis, the annual review of parking rates takes into account the future forecast for show demand and the expected parking inventory supply in light of developments on the grounds.

Comments:

Day / Evening Regular Rates (Recommendation No. 1)

Exhibition Place staff has completed an annual review of parking rates to find that in the marketplace some rate have increased by \$1.00 to \$3.00 per day. Since the last rate review in 2010, parking rates at the Metro Toronto Convention Centre have increased by \$3.00 (now \$20.00 per day), and prepaid Exhibitor rates have increased by \$1.00 (now \$13.00 per day). At Exhibition Place regular daily rates are \$13.00 (\$10.00 after 6pm) and prepaid Exhibitor parking passes for outside lots are \$8.00 per day. Parking remains free at the Toronto Congress Centre and the International Centre.

The \$1.00 rate increase being proposed for Exhibition Place is necessary to meet proposed 2012 budget objectives and in addition, the annual review of parking rates shows that with the \$1.00 increase, Exhibition Place rates will remain competitive in the marketplace. In addition, this report does not propose any changes to management's right to charge special event rates of up to \$25 for summer events such as Honda Indy, Caribbean Carnival and Ontario Place events.

Indoor Garage Special Event Rates (Recommendation No. 2)

In February 2009 the Board approved a staff recommendation to increase regular parking rates in the indoor garage by \$3.00 to \$15.00 on select busy Special Event show dates when the garage typically fills before the surface lots. The higher rates in the garage rate promoted a more even distribution of cars between the garage and the surface lots, allowing the garage to remain open for longer periods. Subsequent price increases in the regular rates in 2010, without a corresponding increase in the garage rates, have reduced the effectiveness of the \$15 garage rate in redistributing cars. Accordingly Recommendation No. 2 is proposing these Special Events garage rate be increased to \$17.00.

Peak Day / Weekend Parking Rates (Recommendation No. 3)

In 2011 Exhibition Place staff completed sample surveys of trade and consumer show attendees to determine transportation modal splits. The results indicate that 85% of consumer show attendees arrive by car, with an average occupancy of 2.5 persons per car. Less than 10% of attendees take public transit. These results support historical data indicating that consumer shows attract 30 to 40 cars per 100 attendees. When a large consumer show attendance peaks on a Saturday or Sunday, parking demand may exceed supply on those days. This is particularly evident when multiple shows and events are scheduled simultaneously on the grounds. Exhibition Place currently charges a premium parking rate of \$15 for all TFC games, and the number of cars per 100 attendees for games is about 15 with much greater modal split for transit use.

A Parking Demand Analysis conducted by Exhibition Place staff in 2010 concluded that any decisions that may result in the loss of parking spaces be supported by measures that either secure alternate parking or reduce peak weekend demand. The growth of an already large consumer show, or the potential for major events being scheduled at the same time as a large consumer show, calls for these same measures to mitigate against any negative impact that might result from a shortage of parking.

To address these issues, staff are recommending the new Peak Day / Weekend Parking Rate and pricing strategy. During major shows such as the Home Show, or when multiple shows and events are scheduled simultaneously on the grounds, parking demand may temporarily exceed supply. This typically occurs on weekends, and most often overflow parking is available at Ontario Place. In anticipation of increased parking demand, coupled with a temporary reduction in supply, staff has worked with show producers to find ways to reduce any negative impact on shows and events. One proposal is to assist shows with encouraging a shift from weekend attendance to weekdays through complimentary or discounted parking Monday to Thursday evenings and at the same time charging a premium to park on certain weekends.

Before the Peak Day / Weekend Parking Rate would be implemented, the following criteria would have to be met:

- Parking lots in the vicinity of the Direct Energy Centre are projected to reach 90% of capacity on the Peak Days
- The major show/event on the grounds at that time is in agreement with the rate increase, and is prepared to promote the strategy

- Weekday evening rate reduction/elimination would only be done in conjunction with Peak Day rate increases
- There is a reasonable expectation that there will be no negative financial impact to the Board

Once the criteria is met, the weekend parking rates would be increased by up to \$3.00 and at the same time some or all of the weekday evening parking rates would be reduced or eliminated. These measures, when taken together, will provide an incentive to shift parking demand away from weekends without loss of revenue to the Board. Currently a 10-day consumer show generates ten to fifteen weekend car trips for every one weekday evening trip.

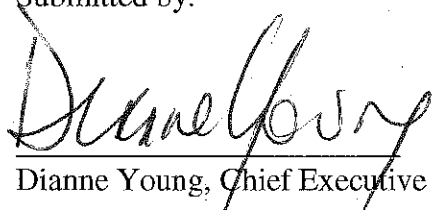
One of the upcoming events that would meet the criteria above and be of benefit to the Board and the show is the 2012 Home Show. As reported to the Board in March 2011, Canada Blooms and the Home Show have merged resulting in the largest consumer show in Canada. This new event presents a huge challenge for the delivery of parking services in that in 2011 the combined weekend attendee parking for both shows was in excess of 10,000 cars per day. While the combined show is not expected to generate this same weekend demand, we expect that activity on the grounds for both weekends of the 2012 show will cause all parking lots to fill. Exhibition Place staff have been in discussions with the show producer about possible solutions and both parties believe that the new Peak Day / Weekend Parking Rate will be of benefit. The show will add special cultural programs on the weekday evenings and will promote these evenings and the complimentary "after 5pm parking Monday to Thursday", and advertise the \$15 weekend parking rate for all lots.

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Submitted by:



Dianne Young, Chief Executive Officer

Appendix A			
Proposed 2012 Parking Rates			
Location	Day Rate	Evening Rate	Comments
Regular Rates (all lots)	\$14.00	\$11.00	\$1.00 increase for both day & evening rates
Prepaid Exhibitor Discount Rate (surface lots only)	\$9.00 per day	NA	\$1.00 increase
Special Event Rate (all lots)	\$15.00 to \$25.00	\$15.00 to \$25.00	No change
West End Tenants Rates (Lots 4, 5, and 6)	\$11.00	\$11.00	\$1.00 increase for both day & evening rates
Indoor Garage Select Special Event Show dates (Direct Energy garage only)	\$17.00	\$14.00	\$2.00 increase for both day and evening rates
Peak Day / Weekend Parking Rate (all lots)	\$15.00 to \$17.00	\$12.00 to \$14.00	New Rate Increase would be up to \$3.00 over Day / Evening Regular Parking Rates In addition the regular flat rate from 5 pm onwards would be reduced or eliminated on select weekday evenings