

# EXHIBITION PLACE

May 9, 2006

To: The Board of Governors of Exhibition Place

From: Dianne Young  
General Manager & CEO

Subject: **Parking Rate Adjustment**

Purpose:

This report proposes a parking rate increase for the grounds effective July 1, 2006.

Financial Implications & Impact Statement:

The changes being recommended in this report will result in a positive financial impact of approximately \$68,000 annually.

Recommendation(s):

**It is recommended that the Board approve the change in parking rates outlined in this report effective July 1, 2006 and as part of the 2007 Operating Budget include a cost-of-living increase in the daily rates across the grounds.**

Background:

At its meeting of September 25, 1998, the Board approved a daily parking rate increase from \$8.00 to \$9.00 (surface) and \$10.00 to \$11.00 (indoor). At its meeting of October 30, 1998, the Board approved an evening (after 6 p.m.) rate of \$7.00 (surface) and \$9.00 (indoor). At its meeting of April 2, 2004, the Board approved the daily parking rate increase from \$9.00 to \$10.00 (surface) and a reduction in daily parking rates in the garage from \$11.00 to \$10.00 in order to harmonize both indoor and outdoor rates for operational reasons.

Comments:

This report is recommending two adjustments to parking rates at Exhibition Place which address the issue raised recently by the Federal decrease in GST and the differential of parking rates between the "after 6 p.m." evening rates in the indoor and surface parking lots. The chart below outlines the present parking rates and proposed parking rates.

	Present Rate paid by Customer	Present Rate Less GST/PST	Proposed Rate paid by Customer July 1/06
Daily Indoor Rate	\$10.00	\$8.70	\$10.00
Daily Surface Rate	\$10.00	\$8.70	\$10.00
Evening Indoor Rate	\$9.00	\$7.83	\$8.00
Evening Surface Rate	\$7.00	\$6.09	\$8.00

As noted above, currently, the evening rate for indoor parking is higher than surface parking which results in underutilization of the indoor parking during evening events, in particular hockey events at Ricoh. The goal of Exhibition Place staff is to increase utilization of the indoor parking lot in order to take advantage of lower staffing and operational costs (snowplowing) and therefore, this report recommends a harmonization and increase of all the surface and indoor evening (after 6 p.m.) parking rates at \$8.00 (inclusive of GST/PST). A similar "one-price" strategy was implemented in 2004 for daytime rates, and has had the desired effect of increasing the daytime use of the indoor garage. It is recommended that the change be implemented on July 1, 2006.

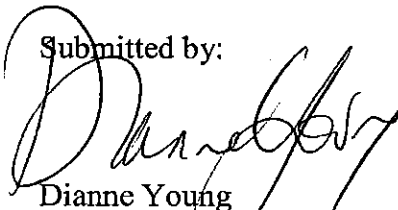
On July 1, 2006 the GST will be reduced from 7% to 6%. The GST is basically hidden within the flat rates charged in our parking lots and is not advertised on any signage as an "add-on" to the price. If we lowered the parking rates by 1%, this would result in the daily rate being \$9.91 rather than the current rate of \$10.00 which would result in having to make change for all transactions. Keeping the rates at an even dollar amount is necessary to maintain our speed of service for vehicles entering the parking lots, where most payments are made in cash and require change be given. Therefore, staff is recommending that the inclusive parking rates not be changed to reflect the lower GST rate, but instead be kept at their current rates which would have a positive effect on the operating budget.

Finally, once the major construction on the site is completed in June 2007, staff believe that it would be an appropriate time to consider a across the grounds increase in rates and will be proposing an increase in rates reflective of the cost-of-living increases since the last increase.

Conclusion:

This report outlines a proposal for a limited increase in parking rates at Exhibition Place so that effective July 1, 2006 the evening (after 6 p.m.) rate for surface and indoor garage parking will be \$8.00. All other rates will remain in place at present levels, and all rates will be inclusive of 8% PST and 6% GST.

Submitted by:



Dianne Young  
General Manager & CEO