

Staff Report

To: Mayor Bazinet and Council
Report From: Sean Thomas, Director of Community Services, Infrastructure, and Operations, and Deanna Hastie, Director of Corporate Services/Treasurer
Meeting Date: February 24, 2025
Subject: Proposed Paid Parking Initiative at Maitland Valley Medical Centre (MVMC) and Alexandra Marine and General Hospital (AMGH) Parking Lots and Adjacent Streets

Recommendation:

That staff require Goderich Town Council’s direction on this paid parking initiative.

Report Summary:

Council directed staff to investigate the feasibility of implementing a Paid Parking Program at the MVMC and the adjacent streets to the MVMC and AMGH as a potential revenue stream aimed at recovering costs from non-taxpayers who use the facility. Given the complexity of integrating on-street and off-street parking into a combined program, staff recommends a simplified approach by implementing paid parking in the MVMC parking lot, which provides the largest consolidated public parking area in the vicinity.

Background and Analysis:

During initial exploration, staff investigated two main options for implementing paid parking in the MVMC and surrounding areas. The first option focuses solely on the MVMC lot, while the second option considers a combined on-street and hospital-owned parking program. Below is a simplified comparison of the two options:

Feature	Option 1: MVMC Parking Lot	Option 2: Multi-Location (MVMC, On-Street, Hospital)
Rate Structure	\$3/visit (flat rate)	\$2/hour
Operating Hours	24/7 (assumed 80% occupancy)	8 AM to 5 PM, Monday - Friday (assumed 70% occupancy)
Revenue-Generating Spaces	80 spaces (MVMC only)	131 spaces (80 MVMC, 36 on-street, 15 hospital)
Annual Gross Revenue	\$399,360.00	\$429,156.00
Annual Staffing/Operating Costs	\$20,000.00	\$190,796.00/year

Net Revenue	\$379,360.00	\$238,360.00 – portion of this net revenue to be shared with AMGH – % to be determined
Complexity	Low	High (requires administration and enforcement)
Additional Considerations	Minimal ongoing operating costs	Collaborative model, higher operational costs

NOTE: There would be no exemption for Goderich residents under either of these two models.

Option 1 focuses on simplicity and profitability, with minimal ongoing operating costs and no need for additional administrative and enforcement staff.

Option 2 involves significant complexity, requiring collaboration with AMGH and enforcement of multiple parking areas, based on the assumption used above results in a lower net revenue due to higher operational expenses.

During initial exploration, AMGH demonstrated an interest in a shared paid parking model that includes on-street and hospital-owned lots. However, after meeting with AMGH staff in Q3 of 2024, and reviewing the operational needs of both options, Town staff believe that the cost of the paid parking kiosks and ongoing software upgrades, administrative burden, additional enforcement personnel, and the complexity of combining multiple locations outweigh the potential benefits of a shared paid parking program.

Key Considerations:

- The MVMC lot provides 80 designated visitor spaces, making it the largest consolidated lot in the area available to the public.
- The remaining parking in the MVMC vicinity includes a mix of on-street parallel parking, shoulder angle parking, and hospital-owned lots, which are less suitable for efficient paid parking administration and enforcement. With the introduction of a paid parking strategy at the MVMC parking lot, the implementation of the program is likely to impact usage patterns of AMGH’s parking lot, potentially leading to overflow or increased demand for hospital-maintained spaces.

Preferred Approach:

Option 1 is expected to generate meaningful revenue for the Town, while keeping operational costs to a minimum compared to a more complex multi-location paid parking program. The selection of a lower fee is intended to ensure that it is not seen as a barrier to receiving health care services at the facility but still provides a significant new revenue source to the Town.

Advantages of Option 1 (Simplified Model):

- **Revenue Generation:** This option focuses on the highest-yield parking area while limiting costs.
- **Reduced Complexity:** Avoids the administrative burden of managing multiple locations.
- **Free Parking Alternatives:** Ample free on-street parking remains available for those who wish to avoid parking fees.
- **Low Fee Impact:** By keeping the fee low, potential parking avoidance behavior can be mitigated.

Rate and Revenue Challenges:

Staff explored the feasibility of a shared paid parking model involving on-street and hospital-owned spaces. However, achieving the same net revenue as the simplified MVMC lot model would require higher hourly rates, making the program more burdensome for users.

Linkages:

- Corporate Strategic Plan Priority #1: Safe and Reliable Infrastructure
- Corporate Strategic Plan Priority #3: Strong Local Economy
- Corporate Strategic Plan Priority #4: Good Government

Financial Impacts and/or Source of Funding:

- Proceed with this initiative in 2025.
- Set the paid parking rate at \$3.00/visit
- Although start-up costs for implementing Option 1 in the MVMC lot are projected to be initially higher with the installation of an automatic barrier arm gate, ongoing maintenance and operating costs will be minimal compared to Option 2.
- Results in an estimated \$379,360.00 new annual revenue source.

Potential Use of Additional Revenue - Options for Consideration:

- To offset the current debt repayment for the Centre Expansion currently funded by taxation - \$63,870.00 annually until the debt is fully repaid in 2031. The MVMC Expansion borrowing balance on December 31, 2024, was \$372,051.00.
- An additional allocation to the Town's operating budget could be considered to further reduce property taxation, recognizing that the Town's taxpayers have been repaying borrowing for this facility for several years.
- An annual contribution to a new Physician/Medical Staff Recruitment Reserve Fund could be made to support ongoing MVMC/AMGH recruitment efforts.
- An annual contribution to the MVMC Capital Reserve Fund would help to prepare for future expansion to serve the community's healthcare needs
- Lastly an annual contribution to the Infrastructure Capital Reserve Fund could be considered to support overall replacement of aging Town capital assets.

Consulted With:

Janice Hallahan, Chief Administrative Officer

Jimmy Trieu, Huron Health Systems President/CEO, Robert Lovecky, VP Finance/Chief Financial Officer, and Meribeth Vlemmix, Director of Facilities and Capital Projects

Approved By:

Janice Hallahan, Chief Administrative Officer

Andrea Fisher, Director of Legislative Services/Clerk