



Town of Niagara-on-the-Lake

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REPORT #: CS-25-030 **COMMITTEE DATE:** 2025-12-02
REPORT TO: COTW-Planning **DUE IN COUNCIL:** 2025-12-09
SUBJECT: Proposed 2026 Cash-in-Lieu of Parking Indexing

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 The annual indexing of Cash-in-Lieu of Parking be approved and set at \$75,716 per stall, a 4.2% increase, effective January 1, 2026.

2. EXECUTIVE SUMMARY

- Cash-in-Lieu of Parking is an optional financial tool for managing the existing parking supply and helping shape demand for alternative modes of transportation.
- The intention of Cash-in-Lieu of Parking is to compensate the Town for assuming the responsibility of providing parking when a landowner or developer cannot meet the minimum parking requirements established in the Town's Planning standards.
- By-law No. 3699-03 allows for the Cash-in-Lieu of parking fee to be adjusted on the 1st day of January in each year.
- The Statistics Canada Quarterly, Non-Residential Construction Price Index has increased 4.2% for the third quarter. Based on this, the new rate for Cash-in-Lieu of Parking will be \$75,716 per stall.

3. PURPOSE

The purpose of this report is to seek Council's approval for the annual indexing of Cash-in-Lieu of Parking.

4. BACKGROUND

The *Ontario Planning Act* [Section 40(1)] states that "where an owner or occupant of a building is required under a by-law of a local municipality to provide and maintain parking facilities on land that is not part of a highway, the council of the municipality and such owner or occupant may enter into an agreement exempting the owner or occupant, to the extent specified in the agreement, from the requirement of providing or maintaining the parking facilities." Typically, an owner or occupant of commercial property is required to provide and maintain parking facilities. However, the Corporation of the Town of Niagara-on-the-Lake (Town) has adopted By-Law No. 3093-97, which allows the Town to enter into Cash-in-Lieu of Parking agreements with owners or occupants of commercial properties with residential units.

The *Ontario Planning Act* [Section 40(3)] also states that "all money received by a municipality under an agreement entered into under this section shall be paid into a special account...".

Payments received as Cash-in-Lieu of parking are transferred to the Town's Cash-in-Lieu of Parking Reserve to fund future parking initiatives.

At a Committee of the Whole meeting on December 10, 2018, Council passed a motion that interest be added annually to any agreed upon amount for Cash-in-Lieu Agreements or amend the policy to include that current rates paid are indexed.

During the 2020 budget process, Staff brought forward Report No. FC-19-012A which recommended that the Cash-in-Lieu of Parking rate be brought up to \$50,000 per stall based on the cost of acquiring and developing land. This amount has since been indexed annually according to the Non-Residential Construction Price Index.

5. DISCUSSION / ANALYSIS

By-law No. 3699-03 was approved on January 13, 2003, and allows for the Cash-in-Lieu of parking fee to be adjusted on the 1st day of January in each year by resolution of Council to allow for the increase in inflation as set out in the Statistics Canada Quarterly, Non-Residential Construction Price Index.

The Statistics Canada Quarterly Non-Residential Construction Price Index has increased 4.2% for the third quarter. Therefore, it is proposed that Cash-in-Lieu of Parking be increased 4.2%, from \$72,664 (2025) to \$75,716 per stall, effective January 1, 2026.

6. STRATEGIC PLAN

The content of this report supports the following Strategic Plan initiatives:

Pillar

2. Good Governance

Priority

2.1 Financially Sustainable Future

7. OPTIONS

- 7.1 Option 1: Council approve the proposed 2026 Cash-in-Lieu of Parking indexing. **(Recommended)**
- 7.2 Option 2: Continue with the current Cash-in-Lieu of Parking fee schedule approved December 10, 2024. *(Not Recommended)*

8. FINANCIAL IMPLICATIONS

The financial implication of this report is that the annual indexing of Cash-in-Lieu of Parking would be increased to \$75,716 per stall, effective January 1, 2026.

9. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications as a result of this report.

10. COMMUNICATIONS

If approved, the revised fee structure will be posted on the Town's website and made available at the Town's Customer Experience counter.

11. CONCLUSION

If approved by Council, the revised rate will be incorporated into the site plan, subdivision and other Planning applications as required.

12. APPENDICES

N/A

Respectfully submitted:

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