



Burrows: Outsource Parking- Cut Deficit by \$8 Million & Cut Parking Costs

Mayoral candidate to outsource
the Calgary Parking Authority

(September 27, 2010) Mayoral Candidate Craig Burrows announced today that as Mayor he will outsource the Calgary Parking Authority (CPA) to lower parking fees and cut the deficit by \$8 Million. The outsourcing plan will also finance Burrows' promise to reduce downtown parking fees at lunch time and Saturdays to \$2. Burrows' plan calls for the outsourcing of the CPA and putting enforcement under the Bylaw Department.

"Private parking operations are more profitable than City parking operations. Outsourcing CPA will increase revenues.' says Burrows.

"Increased revenue from outsourcing will go towards the current deficit and ongoing operations while allowing a break for Calgarians wanting to visit the downtown. The CPA has consistently had a negative image from the way it handles customers' complaints and it has a complete disconnect with Council."

Burrows' Business Case for Outsourcing CPA:

Calgary Parking Authority's 3 Year Revenue Forecast reports:

Calgary will continue to have one of the highest parking rates and the CPAs revenues will continue to grow from \$69.5m in 2009 to \$75.4m in 2011. Costs will increase from \$41m in 2009 to \$49.4m in 2011.

Comparing CPA numbers and private operators within the City of Calgary, reveals the following:

- * On a per stall basis, a private operator can generate nearly 25% more net income per parking stall per month than the current CPA management team;
- * From a back office administration cost standpoint, cost per stall can be reduced by a whopping 65% per stall when the operations are put into the hands of a private operator;
- * At the lot level, operating costs could be reduced by nearly 70% if run by private parking operators;
- * Total net revenue increase to the City could amount to as much as \$8M per year; this would increase value of City parking assets by \$80M - \$150M;
- * Given the above cost savings opportunities, it is estimated that parking rates could be reduced a further 10% - 15% and a private operator could deliver the same level of net revenue as current and this will allow us to implement our Downtown Parking Policy by reducing downtown fees to offer \$2 for 2hr parking downtown from 11:30am – 1:30pm and all day Saturday.

Net Revenues per Parking Stall, (exclude parking enforcement):

Private Operator

\$267/stall/month in Net Revenue (25% more than CPA)

Calgary Parking Authority

\$213/stall/month in Net Revenue

From a Gross Revenue perspective, both the CPA and private operators are close at \$300 per stall per month. The CPA has an opportunity to significantly increase their revenue by reducing administration and operation costs.

On the administration costs, the CPA costs \$17 per stall per month and a private operator would cost \$6 per stall per month. On the lot operations costs, the CPA costs \$69 per stall per month and a private operator would cost \$20 per stall per month.

For more information and to schedule an interview with Craig Burrows, contact:

Scott Henderson
 scott.henderson@dhzmedia.ca
 www.dhzmedia.ca
 403.921.2001

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