

TO: Finance and Strategy Committee
FROM: Development Services Manager
MEETING DATE: 1 December 2008
SUBJECT: **IMPLEMENTATION OF PARKING STRATEGY**

SUMMARY

On 14 July 2008 the Council passed a resolution to "***adopt the Parking Strategy set out in Attachment One of the report as a new Council Policy.***"

In the "Proposed Parking Strategy" report it was stated that implementation of the plan to increase the number of paid parking spaces would cost an estimated \$1,000,000 and that the additional meters would be debt funded. Further assessment of the number of new parking spaces post implementation of the Parking Strategy has identified additional capital expenditure costs of \$640,000.

This report outlines the capital expenditure required to purchase additional meters for each of the four city "zones," details of the estimated annual revenue from the new meters and additional costs and assumptions that have been made in relation to the implementation of the Parking Strategy.

IMPLICATIONS FOR:

- | | |
|--|---|
| (i) Policy: | No |
| (ii) Approved Annual Budget: | Yes – Authorised over expenditure in 2008/09 required to be funded by debt. |
| (iii) LTCCP/ Funding Policy: | Yes – Will require consequential amendments if additional expenditure in 2008/09 is approved. |
| (iv) Activity Management Plans: | Yes – Will require updating if additional expenditure is approved. |
| (v) Community Boards: | No |

RECOMMENDATIONS

That the Finance and Strategy Committee:

- 1 Note that the Council have already approved unauthorised expenditure of \$1M in the 2008/09 year to fund the installation of extra meters, to be debt funded.
- 2 Note that the revised estimate for the number of pay and display machines required is now greater, including the completion of replacement of the existing single head meters.
- 3 Approve additional capital expenditure of \$640,000 in the current financial year to be funded by loan.
- 4 Note and approve the estimated budget revenue to be included in the draft 2009/10 Annual Plan as outlined in this report.

INTRODUCTION

On 14 July 2008 the Council passed a resolution to ***"adopt the Parking Strategy set out in Attachment One of the report as a new Council Policy."***

In the "Proposed Parking Strategy" report it was stated that implementation of the plan to increase the number of paid parking spaces would cost an estimated \$1,000,000 and that the additional meters would be debt funded.

A full detailed assessment of all parking spaces in the city was subsequently completed which involved physically walking every street and critically assessing the optimum layout of parking spaces taking into account the ratio of parking spaces to each meter and the needs of business's and service providers. This analysis identified that an additional 40 "pay and display" meters would be required to implement the Parking Strategy.

This report outlines the capital expenditure required to purchase additional meters for each of the four city "zones," the estimated annual revenue from the new meters, additional costs and details of assumptions that have been made in relation to the implementation of the Parking Strategy.

DISCUSSION

Attached as Appendix One is a table which outlines the:

- Four city parking zones
- Existing number of parking spaces in the city
- Post implementation number of parking spaces in the city
- Number of additional "pay and display" meters required to replace single head meters
- Number of additional "pay and display" meters required for new parking areas
- Additional capital expenditure required in the 2008/09 year

Capital Expenditure

Implementation of the Parking Strategy will require the purchase of 150 "pay and display" meters at a cost of \$1,500,000.

Additional capital expenditure costs over the already authorised expenditure of \$1,000,000 are estimated at \$640k as outlined below.

- Two additional motorbikes (\$10k each = \$20k)
- Two handheld electronic ticket writers (\$10k each = \$20k)

- Signs, poles and markings (estimated \$50k)
- BECA consultancy fees (estimated \$50k)
- Additional pay and display machines (estimated \$500k)

The total capital expenditure required is therefore \$1,500,000 for new "pay and display" meters and \$140,000 for the above costs which is a total of **\$1,640,000**.

Assumptions – Capital Expenditure

An assumption has been made based on previous purchases that the cost of a new "pay and display" meter will be \$10k installed. The following assumptions have been made in the estimation of additional capital expenditure required to implement the Parking Strategy.

Additional Capital Renewal Costs

The capital renewal budget is \$300k for the period 2009/10 to 2016/17 and is for the renewal of existing pay and display meters. The capital budget has now increased to \$860k for the period 2017/18 to 2019/20 due to the replacement over a three year period of 18 meters installed last year in the North Dunedin area and the replacement of the 150 additional meters as part of the Parking Strategy.

Estimated Capital Renewals Expenditure – 2008/20 (\$000s)

2008/09	Renewals	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
300.0	On and Off Street "Pay and Display" Parking Meters	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	860.0	860.0	860.0

Zones

The City has been divided into four zones.

- The "core zone" is the CAA bounded by Great King Street, Filleul Street, Frederick Street and Moray Place.
- The "inner zone" is bounded by Cumberland Street, Smith Street, Rattray Street and Union Street.
- The "fringe zone" is bounded by Anzac Ave, Smith Street, Jetty Street and Union Street.
- The "main street" is bounded by George Street/Princes Street between Albany Street and Jetty Street and includes the Octagon.

The number of post implementation paid and time restricted/unrestricted spaces in the main street and the Octagon core area will not be finalised until Transportation Operations have completed a review of the number and location of bus stops, therefore, the number of meters is yet to be determined. It is estimated that the number of paid parking spaces will increase from the current 18 to between 100 and 150.

Parking Spaces

Currently, time restricted parking spaces are:

- P2's
- P5's
- P10's

- P15's
- P30's
- P60's
- P120's

Post implementation time restricted parking spaces will only be P5's.

Estimated Annual Revenue

Zone	Paid Spaces	Estimated Occupancy Rate	Weekly Operating Days	Rate per Hour	Estimated Revenue 2009/10	Actual Meter Revenue 2007/08
Core	419	40%	6	\$3	\$1,255,000	
Inner	693	40%	6	\$2	\$1,025,000	
Fringe	656	20%	5	\$1	\$272,900	
Main Street	100-150	40%	6	\$4	\$443,700	
Total	1918				\$2,996,600 (excl GST)	1,979,382

Assumptions - Revenue

Estimated revenue has been calculated on the number of spaces multiplied by number of chargeable hours in the year, multiplied by the estimated occupancy rate. GST is then deducted to give a net revenue figure.

For example core area estimated revenue:

419 spaces x 2808 hrs/year (9 hours x 6 days x 52 weeks) x \$3/hour x 40% occupancy, less GST = \$1,255,000.

Only a 20% occupancy level for parking spaces on the "fringe zone" has been forecast as it is likely that a significant number of motorists will park their vehicle in free parking spaces outside the four city zones.

Parking Spaces

Paid parking spaces exclude:

- loading zones
- mobility parks
- taxi stands
- Bus stops
- motor cycle parks
- time restricted parks ie P5's

CONCLUSION

To implement the Parking Strategy the total capital required will be **\$1,640,000** and revenue has been forecast at **\$2,996,600** (excl GST).

As a result of the additional "pay and display" meters, the budgeted return to the Council in 2009/10 by way of dividend increases by \$311,000 from \$2,889,000 to \$3,200,000.

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Date report prepared: 17 November 2008

Attachments

Appendix One: Existing/Post Implementation Parking Spaces and Additional Meters

Appendix Two: Parking Strategy Zone Map

APPENDIX ONE

Zone	Existing Number of Parking Spaces				Post Implementation Number of Parking Spaces				Number of Additional "Pay and Display" Meters		Additional Capex
	Paid	Time Restricted	Other	Unrestricted Freeparking	Paid	Time Restricted	Other	Unrestricted Freeparking	Replace Single Head Meters	For New Paid Parking Areas	
Core	372	136	0	94	419	39	27	0	1	13	140,000
Inner	577	81	32	90	693	26	41	0	5	18	230,000
Fringe	413	350	135	71	656	27	31	0	29	61	900,000
Princes St, George St and Octagon	18	169	0	77	100-150	<i>Yet to be determined</i>	<i>Yet to be determined</i>	0	3	20	230,000
Total	1380	736	167	332	1768	92	99	0	38	112	\$1,500,000

Note: "Other" includes motorcycle parks, authorised users only, bus stops, loading zones, taxi stands and mobility parks

APPENDIX TWO

