

HUTT CITY COUNCIL

Extraordinary meeting to be held in the Wainuiomata Chambers,
Wainuiomata Library, Queens Street, Wainuiomata on
Monday 18 April 2016 commencing at 10.00am.

ORDER PAPER

PUBLIC BUSINESS

1. APOLOGIES

Apologies from Crs Branch, Bridson, Cousins and Finlayson have been received.

2. PUBLIC COMMENT

Generally up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

3. CONFLICT OF INTEREST DECLARATIONS

4. FREE PARKING IN LOWER HUTT CBD (16/444)

Report No. HCC2016/2/75 by the Divisional Manager City Development 2

MAYOR'S RECOMMENDATION:

"That the recommendations contained in the report be noted for discussion."

5. QUESTIONS

With reference to section 43 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

Kathryn Stannard
DIVISIONAL MANAGER SECRETARIAT SERVICES

13 April 2016

 File: (16/444)

Report no: HCC2016/2/75

Free Parking in Lower Hutt CBD

Purpose of Report

1. For Council to consider the extension of the first hour of free parking when parking for up to two hours in the Shoppers (HC2 Green) zone for the period 1 May 2016 to 30 June 2016.

Recommendations

It is recommended that Council:

EITHER;

- (i) agrees to amend the parking fees in the Shoppers (Green HC2) Zone for the period 1 May 2016 to 30 June 2016 to:

Shoppers (Green HC2) Zone	First hour Free
	Second Hour \$1.50
	Two Hour maximum duration
	Monday to Friday 9am to 5pm
	Saturday P 120 (no charge)
	Sunday & Public Holidays
	Unrestricted; OR

- (ii) from 1 May 2016 reverts to the parking fees that would otherwise apply in this Zone being:

Shoppers (Green HC2) Zone	First hour \$1.50
	Second Hour \$1.50
	Two Hour maximum duration
	Monday to Friday 9am to 5pm
	Saturday P 120 (no charge)
	Sunday & Public Holidays
	Unrestricted

Saturday P 120 (no charge)

Sunday & Public Holidays

Unrestricted; or

- (ii) From 1 May 2016 reverts to the parking fees that would otherwise apply in this Zone being:

Shoppers (Green HC2) Zone First hour \$1.50

Second Hour \$1.50

Two Hour maximum duration

Monday to Friday 9am to 5pm

Saturday P 120 (no charge)

Sunday & Public Holidays

Unrestricted

Consultation

7. No consultation has been undertaken in regard to this proposed extension.

Legal Considerations

8. Metered parking areas are covered by Council's Traffic Bylaw 2007 (adopted by Council 3 July 2007 and amended 20 November 2014).

9. Part 1 Clause 4.1(b) refers as follows:

Council may by resolution specify the days and times for which fees apply to each coupon parking area or metered parking area.

10. Part 4 Clause 24.1 refers as follows:

Council may, by resolution, prescribe, abolish or amend fees, whether annual, hourly or otherwise as Council may reasonably require for any parking space or parking spaces.

Financial Considerations

11. We have assessed that to continue first hour free parking when parking up to two hours in the HC2 Zone of the CBD on a permanent basis Council will have to recover lost revenue from parking fees and related infringements in the order of \$925,000 per annum.
12. On this same basis the estimated cost to Council of two months continued first hour free parking when parking up to two hours in the HC2 Zone of the CBD is \$155,000.

Other Considerations

13. In making this recommendation, officers have given careful consideration to the purpose of local government in section 10 of the Local Government Act 2002. Officers believe that this recommendation falls within the purpose of the local government in that it is a decision only the Council can determine under its approved bylaw. The implementation of the decision will be undertaken in the most cost effective way because it is a continuation of a previous change that has already been implemented.

Appendices

No.	Title	Page
1	Traffic Subcommittee report - November 2015 - CBD Free Parking Trial in Lower Hutt	6

Author: Gary Craig
Divisional Manager City Development

Approved By: Kim Kelly
General Manager, Strategic Services

10 November 2015

File: (15/1675)

Report no: TRS2015/5/302

CBD - Free Parking Trial In Lower Hutt CBD

Purpose of Report

1. To present options for a ‘free parking trial in the Lower Hutt CBD’ and outline the cost of these options; how long the trial should be undertaken and the metrics that might be used to consider the success or failure of the trial.

Recommendations

That the Traffic Subcommittee recommends that Council:

- (i) notes that some retailers and Central Community Committee members have requested Council consider free parking in the Lower Hutt CBD to attract more shoppers and customers to the city centre and increase retail spending;
- (ii) notes that a comprehensive report by officers in 2013 [Report No. CDC 2013/1/25] concluded on the basis of the available evidence at the time that free parking is not an effective strategy to attract more shoppers to the city and increase retail spending;
- (iii) notes that officers have considered newly available international research and reviewed recent free parking trials in New Zealand towns and cities. There is nothing to suggest from this research or trials that free parking is successful in improving retail sales and increasing vibrancy;
- (iv) notes that four parking options have been considered:
 - Option 1 - Free parking for the week before Christmas; and
 - Option 2 - Free parking on days of events in the CBD; and
 - Option 3 - First hour paid parking and second hour free.

Status quo;

- (v) notes that the Status Quo is the option preferred by officers and is consistent with our position and recommendation in February 2013;
- (vi) notes that metered parking areas are covered by Council's Traffic Bylaw 2007 (adopted by Council 3 July 20-07 and amended 20 November 2014) and that Council may by resolution specify the days and times for which fees apply to each metered parking area and may by resolution prescribe, abolish or amend fees as Council may reasonably require;
- (vii) notes that officers have been advised that it is technically possible to implement these 3 options on the current parking meters;
- (viii) notes the estimated loss of revenue to Council from each of the options as follows:

Option 1 - Loss of revenue \$20,000 (excl. GST) - one off in 2015

Option 2 - Loss of revenue \$40,000 (excl. GST) - 12 months

Option 3 - Loss of revenue \$62,000 (excl. GST) - 4 months;

- (ix) agrees with regard to Option 1 to either:
 - (a) abolishes parking fees in the HC2 (Shoppers) zone for the period Friday 18 December 2015 to, and including, Thursday 24 December 2015;

OR;

 - (b) makes no change to the current parking fees in the HC2 (Shoppers) zone for the period Friday 18 December 2015 to, and including, Thursday 24 December 2015;
- (x) agrees with regard to Option 2 to either:
 - (a) abolishes parking fees in the HC2 (Shoppers) zone for up to 12 days during 2016, the dates to coincide with events in the CBD, and delegate authority to officers to determine the specific dates to apply this authority;

OR;

 - (b) makes no change to the current parking fees in the HC2 (Shoppers) zone for up to 12 days during 2016, the dates to coincide with events in the CBD;
- (xi) agrees with regard to Option 3 to either:
 - (a) amends the current parking fees in the HC2 (Shoppers) zone for the period 1 January 2016 to 30 April 2016 to:

Shoppers (Green HC2) Zone	First hour \$1.50 Second hour FREE Two hour maximum duration Monday to Friday 9am to 5pm Saturday P120 (no charge) Sunday and public holidays
----------------------------------	--

	unrestricted
--	--------------

OR;

- (b) makes no change to the current parking fees in the HC2 (Shoppers) zone for the period 1 January 2016 to 30 April 2016;
- (xii) requests officers to monitor and report back to Council the results of the trial; and
- (xiii) requests officers to consult on options for targeted rate or general rate funding along with potential reduction in services options for any extension of free parking in the CBD beyond this trial. These options could be consulted on during the Annual Plan 2016/17 process.

Background

2. In response to calls from some local retailers and Central Community Committee members who have argued that to attract more shoppers and customers to the city centre and increase retail spending, free parking is required, it has been proposed a free parking trial in the CBD be undertaken.
3. This proposal was made cognisant of Report No. CDC 2013/1/25 to the City Development Committee meeting on 8 February 2013 which noted after a comprehensive investigation by officers that the weight of available evidence from New Zealand and international research, at that time, indicated that free parking is not an effective strategy to achieve this goal.

However it is considered by those requesting a trial that the Lower Hutt CBD is influenced by its own unique set of factors and it is worthwhile trialling options and monitoring outcomes in our city.

4. At the same time, Council took the position to invest in the infrastructure and programmes in the CBD to increase the number of people in the CBD and therefore the number of potential shoppers. This has included investment in the refurbishment of the Admin building, development of the Events Centre, redevelopment of Riddiford Gardens, development incentives, 5 years rates remissions for development and investment in the Lightning Lab Manufacturing.
5. Since the 2013 report a number of free parking trials have been undertaken and monitored in New Zealand and those results are presented in this report. Likewise new international research is available and is considered.
6. The focus of the proposed trial is the HC2 (Shoppers) zone (attached as Attachment 1 to the report) i.e. which offers short term time restricted (maximum 2 hours) pay and display parking and not the areas providing for longer than 2 hours or all day pay and display parking.
7. This report does not consider the impact parking fines has on footfall (the number of people in the CBD). A total of \$170,000 of fines were issued for parking infringements in the Lower Hutt CBD in the FY2014/15 as follows;

Infringement	No of tickets issued	\$ Fines
Failure to display a ticket	2,388	\$96,000
Displaying an expired ticket	5,236	\$74,000

The total number of infringements for displaying an expired ticket represents 0.8% of a total of 639,731 parking transactions in the CBD.

None of the NZ city trials mentioned later in this report have ceased issuing infringement tickets during or after the trials.

Discussion

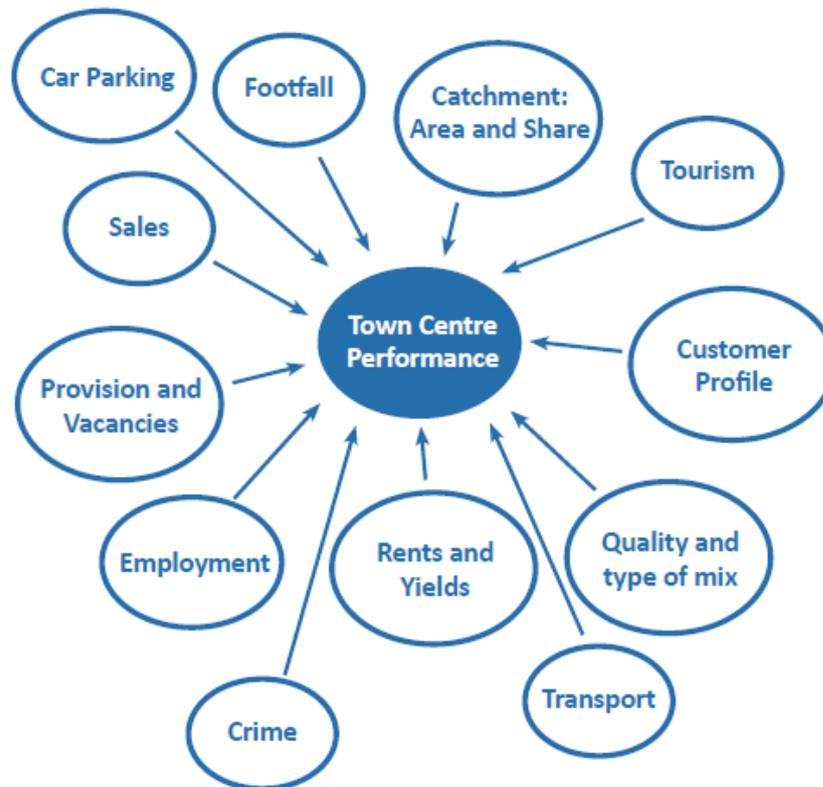
8. Paid parking has been a facet of Lower Hutt CBD for a considerable period of time, as it has in the CBD's of many larger towns and cities across New Zealand.
9. The nature of CBD's and town centres both in New Zealand and internationally has changed considerably over time and the traditional town centre is under immense pressure from the development of shopping malls and internet shopping.

Further International Evidence

10. New research confirms earlier evidence that a huge array of factors have an impact on town centre performance.

The following diagram outlines many of these factors;

Factors Influencing the Success of a Town Centre



Source: *Re-Think Parking on High Street (2013)* by Association of Town & City Management, British Parking Association, Parking Data & Research International, Springboard Research Ltd.

11. The *Re-Think Parking on High Street (2013)* report states “each town centre is exposed to very different dynamics and at this stage it is impossible to be certain if parking tariffs are a contributor to decline and the extent which they are a contributor to decline.”
12. Similarly a report undertaken for the Welsh Government “*Assessing the Impact of Parking Charges on Town Centre Footfall (2015)* by MRUK Research” notes “charging for car parking is a complex issue. It is only one aspect of a complex interplay of factors influencing willingness to travel by car, time and money spent, and business activity in town centres. It is very difficult to separate the influence of car parking charges from other factors.”
13. Nonetheless both reports indicate that a relationship exists and that it is important to get the pricing of parking right for each centre. The MRUK report further notes that ‘whilst a blanket free parking strategy has been suggested to encourage more car park users, these were generally found not to benefit the target visitors (for example the spaces were used primarily by town centre workers who were taking up the spaces all day, rather than shoppers) and consequently had an unexpectedly negative impact on footfall.’
14. In summary these two recent reports indicate:
 - There is a lack of robust evidence that can be used to link car parking strategies and town centre footfall; and

- Charging for car parking is only one of a complex array of factors that can influence town centre vitality; and
 - Town centre economies are highly localised and respond to a local set of factors.
15. The Victoria Transport Policy Institute "*Parking Pricing Implementation Guidelines*" (August 2015) notes that "although most parking is unpriced, truly free parking only exists in the game of Monopoly, the real choice is between paying directly or indirectly".

It notes a number of benefits from parking pricing including:

- Ensures that a parking space is virtually always available, increasing user convenience and reducing cruising for parking
 - Makes the most convenient spaces available for higher value trips (e.g. shoppers) and encourages longer term parkers to use less convenient spaces
 - Generates revenues, so motorists help pay for the local parking and roadway facilities they use – ensures that motorists, including non-residents, help finance local road and parking facilities.
16. There are many towns with unpriced (free) parking facing the same issues as the Lower Hutt CBD.

Further Free Parking trials in New Zealand

17. A number of town centres in New Zealand have completed or are considering or undertaking free parking trials. Some have made decisions on longer term pricing strategies for their centres based on these trials. These are outlined here:

i. Nelson

Following a trial period running from October 2014 to July 2015 Nelson City Council has made permanent first hour free parking in the Nelson CBD where a 2 hour time restriction applies. Charges apply for the second hour of parking including on Saturday. The annual reduction in parking revenue of approx. \$521,000 is recovered in part through an adjustment to the inner city commercial rate and the remainder from general rates.

Evidence collected during the trial indicates:

- Decline in retail sales year on year continued.
- Pedestrian counts improved.

- Occupancy of short term parks increased (a survey of long term parkers indicated 22% changed where they parked, closer to their work).
- A survey of shoppers indicated 36% were influenced to visit by free parking.
- The general perception was that shoppers were more relaxed.

ii. Tauranga

Tauranga City Council introduced free Saturday parking for all on-street parking and car park buildings in the city centre from July 2011. The Council commissioned traffic consultants to assess whether the removal of charges had any effect on parking occupancy. Two surveys were conducted prior to the abolition of charges and three subsequently. Overall the scheme is reported to have had marginal impact with the consultants suggesting that parking charges do not influence parking demand.

In 2014 the Council considered a free parking trial in the CBD but did not progress it given that it could have led to a 1.5% rates rise.

Parking in the CBD remains as paid parking but is "free after 3". There are no time limits so you pay for as long as you want to park. Parking on Saturday remained free after the trial.

iii. Rotorua

In December 2013 Rotorua City Council introduced free parking in the CBD as a trial to run until June 2015. During the trial period parking time restrictions were reduced from 120 mins to a mix of 60mins and 90mins. A requirement of the trial was to report back to Council on the effectiveness of the trial, although no metrics were set.

They have used the following parameters:

Vehicle movements (turnover) - no change in demand was noticeable.
Occupancy of car parks - occupancy rates were not affected.

Average stays - increased, indicating workers were using free parking spaces

Pedestrian movements - decline halted

NRB Survey results - positive public response to free parking

Rotorua has now adopted a mix of free parking in inner CBD and paid longer term parking on periphery.

iv. Hastings

Hastings District Council has commenced a 4 month trial of free time restricted parking in its CBD from 1 November 2015. The cost to the Council over the trial period is estimated to be \$211,000.

The metrics they will use to determine success are as follows:

- An increase in occupancy of buildings in the CBD.
- An increase in revenue for retail businesses operating in the CBD.
- An increase in parking occupancy.
- An increase in foot traffic throughout the CBD.
- The reaction from the public to having free parking available in the CBD.

Before any decision to make the trial permanent the Council will consult with residents whether they wish to pay for parking through the meters or through their rates.

v. New Plymouth

New Plymouth District Council is trialling free parking in its CBD on Saturdays only for the period 7 November 2015 to 16 January 2016 aimed at providing a boost to retailers over the Christmas and New Year period.

In June 2015 the Council voted down a proposal for free 60 minute parking in the CBD every day because it would lose approximately \$1 million dollars in revenue if it implemented the change.

vi. Hamilton

Hamilton City Council trialled free parking on Saturdays in 2011 for 6 months before reverting to paid parking following an analysis of the results.

The Mayor of Hamilton stated that the free parking trial had not delivered as expected with retail staff taking advantage of the free parks.

The draft "Hamilton Central City Transformational Plan" notes "On street parking trials for free daytime parking during the working week are not supported by business because employees use the parks reducing on street parks available for city shoppers and visitors."

On street parking is available at \$2.00 per hour for up to 2 hours between 9am and 3pm Monday to Saturday.

vii. Christchurch

Christchurch City Council in November introduced Park Smart, a 4 month trial, in the central CBD. Park Smart offers 2 hours free parking every week in Council owned off street car parks in the central city area. The location, day of week and time changes regularly so users have to keep going back to the website to find the particular offer for that week.

See below taken from their website. Locations, day and times change regularly. On street short term parking in the CBD remains on a pay and display basis.

Find a car park - Park Smart

Maps providing information about the location of Christchurch City Council car parks, operating hours and costs.

Free parking

Two hours free parking for central city shoppers, once a week. Location, day and time will change regularly.



Eastern Lichfield Carpark - Free parking on Tuesday 10th November, 10am to 12pm.

Park Smart

Plan where to park before you leave home. Be prepared with the correct meter money in case free parking spaces are full.

18. There is no evidence from the recent New Zealand trials showing improved economic activity resulted from offering free parking.
19. The Rotorua and Nelson trials which have now become permanent noted a feel good factor; and in both cases have passed the cost from loss of revenue onto local business and residential ratepayers.
20. Hamilton and Tauranga have not proceeded beyond trials. New Plymouth also voted not to introduce free parking because of the cost.
21. Hastings has only just commenced a 4 month trial and the Mayor has advised that prior to making any trial permanent the Council will consult with residents on how they want to pay for it.
22. Christchurch has commenced a very limited four month trial of free parking.

Options

23. The following three options have been proposed;
24. Option 1: Free parking for the week prior to Christmas

Parking within the HC2 (Shoppers) zone would be free with time restricted to the current two hour limit. The period of free parking would commence on Friday 18 December 2015 and run to and include Thursday 24 December 2015.

25. Option 2: Free parking on days of events in the CBD

Parking within the HC2 (Shoppers) zone would be free on days of events within the CBD e.g. monthly Street Feast, with time restricted to the current two hour limit.

26. Option 3: First hour paid parking and second hour free

Parking within the HC2 (Shoppers) zone would be paid for the first hour at current tariff of \$1.50 per hour but the second hour would be free.

The current time restriction of two hours would still apply.

A trial of this option could run for a four month period from 1 January 2016 to 30 April 2016

27. Status Quo

Based on the research available and observed data from trials in other cities in New Zealand there is nothing to suggest that a trial in Lower Hutt will prove successful improving retail sales and increasing vibrancy in the CBD. This option is preferred by officers and is consistent with our position and recommendation in February 2013.

28. Results as available on the options above would then be reported back to the Community Plan Committee providing information on its effectiveness along with community views on options for funding free parking in the CBD from 1 July 2016.

29. Measurement of a Trial

Several measures are considered below to test the effectiveness of any trial adopted by Council.

- Retail sales – Marketview have provided retail sales data on respect of trials conducted in other centres and could do this for the Lower Hutt CBD comparing sales data during trial period compared to same period previous year and against whole of Lower Hutt trends.
- Number of parking transactions during trial period compared to same period previous year.
- Duration of stay – this will not be possible as tickets will be issued for whole 2nd hour period.
- Footfall – insufficient data sets exist to provide a good comparison
- Shopper surveys – could be undertaken to determine the influence free parking had on decision to visit and/or shop in the Lower Hutt CBD and whether they did shop.

- Changes in retail store occupancy during trial – decisions to lease premises or leave are usually made over a longer time frame than trial period so unlikely to be of value.
30. Options 1 & 2 are not considered to be free parking trials. They are too short to determine any impact. However they could be considered from a perspective of providing convenience.

Consultation

31. No formal consultation has been undertaken regarding a trial. Meetings have been held with concerned retailers and with Central Community Committee members.
32. Prior to any decision to extend or make a trial permanent Council will consult with ratepayers on how they want to pay for 'free' parking in the CBD. Options for targeted rate or general rate funding will be prepared along with potential reduction in services options for consultation. These could be consulted on during the Annual Plan 2016/17 process.

Legal Considerations

33. Metered parking areas are covered by Council's Traffic Bylaw 2007 (adopted by Council 3 July 2007 and amended 20 November 2014).
34. Part 1 Clause 4.1(b) refers as follows:
- Council may by resolution specify the days and times for which fees apply to each coupon parking area or metered parking area.
35. Part 4 Clause 24.1 refers as follows:
- Council may, by resolution, prescribe, abolish or amend fees, whether annual, hourly or otherwise as Council may reasonably require for any parking space or parking spaces.

Financial Considerations

36. Short term car parking fees in the HC2 (Shoppers) zone accounted for revenue of \$779,500 (excl. GST) in FY2014/2015. Of this \$594,500 was paid for parking 1 hour or less and \$185,000 was paid for parking between 1 and 2 hours.
37. A week of free parking prior to Christmas is estimated to result in a loss of revenue of approximately \$20,000 (excl. GST) based on last year's revenue for the 5 business days prior to Christmas.
38. Assuming 12 days per annum of events in the CBD along and providing free parking to coincide with these days would result in lost revenue to Council of approximately \$40,000 (excl. GST) based on average daily revenue.

39. A four month trial of free parking based on pay for 1st hour and receive the 2nd hour free would result in lost revenue to Council of approximately \$62,000 (excl. GST).

Other Considerations

40. Officers have been advised that it is technically possible to implement these three options on the current parking meters.
41. In making this recommendation, officers have given careful consideration to the purpose of local government in section 10 of the Local Government Act 2002. Officers believe that this recommendation falls within the purpose of the local government in that it meets the current and future needs of the community for good quality local services by trialling ways to create a vibrant city centre. It does this in a way that is cost-effective because it proposing a short term trial to determine effectiveness.

Appendices

No.	Title	Page
1	CBD Parking Zones	18

Author: Gary Craig
Divisional Manager City Development

Approved By: Kim Kelly
General Manager, Strategic Services

