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Committee Transport & Access Committee
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Feasibility of charging for commuter parking

1. Purpose

To report on the general feasibility of introducing a charging regime at commuter parking (park-and-ride) facilities in the Wellington region.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

At its meeting on 26 March 2008, this Committee requested officers to investigate the feasibility of charging at commuter parking facilities. The request arose as a potential option for raising revenue to fund an integrated ticket for feeder bus services at Paraparaumu station.

A study into the general feasibility of introducing a payment regime at commuter parking facilities in the Wellington region (not just Paraparaumu) has now been completed. This report presents the findings of that investigation.

A separate study has also considered opportunities to lease or purchase land to expand commuter parking in the region. This was reported to the Committee on 26 June 2007 in the Divisional Managers Report which noted significant costs in leasing or purchasing additional land. This current report focuses on the feasibility of charging, it does not address opportunities to expand commuter parking which will be reported separately.

4. Comment

4.1 Policy context

The Passenger Transport Plan supports the ongoing development of new and existing commuter parking facilities (Policy 1.14) with an objective that more

people use passenger transport for more journeys more often (Objective 1.1). The Plan is silent on the matter of charging for commuter parking.

Charging for commuter parking may trigger Council's *Significance Policy*.

4.2 Reasons for charging

There are a number of potential policy and other reasons that a charging regime may be considered for commuter parking facilities. These include:

- To fund existing commuter parking facilities (user pays) or to fund the purchase and development of new commuter parking facilities
- To raise revenue to fund enhanced security at stations and parking facilities
- To encourage passengers who live near a railway station to walk or alternatively use a feeder bus service where available
- To manage demand for commuter parking, particularly where there are capacity issues

Depending on the reason to charge and how it is implemented a charging regime has the potential to increase overall passenger transport patronage (rather than decrease patronage which usually occurs when prices increase).

For example, patronage might increase if the parking charge is set at a level that encourages people to walk or use feeder bus services (especially those who currently drive a short distance). This would free up existing commuter parking spaces for users who currently do not use public transport. This outcome is more likely if the parking charge is considered reasonable, feeder bus services are available, and safety and security issues are addressed. A charging regime has the potential to help fund the cost of these improvements and manage demand.

Patronage might also increase if commuter parking was expanded, especially in areas of suppressed demand, but this comes at a considerable financial cost (estimates are construction costs of \$5m across the region and property rentals of \$0.5m pa or land purchase of \$7m). A charging regime has the potential to help fund the cost of this expansion to meet demand.

A detailed analysis of reasons to charge will be undertaken as part of an economic evaluation should charging be considered feasible.

4.3 Possible systems

4.3.1 Parking systems and ticketing

A number of parking systems are feasible (with varying costs) including manned booth with barrier, barrier only, pay and display, and monthly parking pass.

A number of ticketing systems are also feasible. Some systems used overseas include: flat rate, reduced/waived parking fee when train ticket purchased, monthly parking pass available when monthly train ticket purchased, parking ticket allows free train travel.

The ticketing system should ideally be electronically based to reduce costs and simplify usage. A charging regime would be most feasible following introduction of electronic ticketing on trains.

A detailed cost analysis has not been undertaken at this stage. This would be undertaken as part of an economic evaluation should charging be considered feasible.

4.3.2 Parking charges

Parking charges should be less than the prevailing rates in the Wellington CBD and should ideally also be less than the relevant train fare as people see parking as secondary to the train portion of their trip. In addition, the combined cost of the parking charge and public transport fare must remain competitive with the cost of driving.

It is noted that charging may not be practical at smaller commuter parking facilities or where substantial free parking is available nearby.

A detailed revenue analysis has not been undertaken at this stage. This would be undertaken as part of an economic evaluation should charging be considered feasible.

4.4 Legal aspects

4.4.1 Legal ability to charge and enforce

Initial research shows no legal impediments to Council introducing and enforcing a charging regime.

4.4.2 Land tenure

Greater Wellington owns part of the commuter parking facilities at Paraparaumu and Melville. Most other facilities are located on ONTRACK or local authority land (including road reserve) and in most cases there are no formal contracts in place. Where contracts do exist they currently prohibit charging and would need to be renegotiated.

Greater Wellington cannot lease road reserve. Any charging regime for commuter parking within the road reserve would require approval of the relevant local authority. Only local authorities are able to levy a fee for parking within the road reserve.

Greater Wellington would need to (re)negotiate contracts before a parking regime would be considered feasible.

4.4.3 Revenue generation

Initial research shows no restrictions on how Council can spend any revenue generated from commuter parking facilities (subject to any relevant lease agreements).

4.5 Impacts of charging

4.5.1 Behavioural impacts

A charging regime could have a range of impacts. One impact is that car users who currently use commuter parking pay the charge and continue using commuter parking. Less desirable impacts would be:

- car users who currently use commuter parking start to drive all the way rather than use passenger transport, or
- non-car users who currently walk or use a feeder bus service start to use commuter parking (this is more likely in areas of suppressed demand).

More desirable impacts would be:

- car users who currently use commuter parking start to walk or use a feeder bus service,
- car users who currently use commuter parking start to take a bus (where available) rather than drive all the way, or
- car users who currently use commuter parking start to take the bus all the way to work (where available) rather than drive.

Charging can also influence the facility that people choose to use. Some people may choose to drive further to avoid parking charges, especially where there is a different charge at different facilities within a similar catchment. To avoid these flow-on effects it is important that any charging regime be implemented in a planned way.

4.5.2 Traffic impacts

Charging may also have local traffic implications, particularly where free or cheaper parking is available nearby. The introduction of any charging regime would need to be coordinated with the relevant local authorities.

4.6 Potential for Paraparaumu trial

The potential for a trial at the Paraparaumu commuter parking facility has been considered but is not recommended. The main reasons being that Greater Wellington does not own all the land at Paraparaumu and a trial could result in flow on impacts for other facilities, would best be implemented electronically and could “up the ante” for contract negotiations at other sites. An economic feasibility study would also be required ahead of any trial.

4.7 Conclusion

A charging regime is not considered feasible under existing land tenure arrangements and would best be implemented electronically following implementation of electronic ticketing on trains. Any further investigation into implementation of a charging regime should not be undertaken until the following matters are resolved:

- land tenure – contracts should be negotiated with land owners to allow charging for commuter parking at all commuter parking facilities
- electronic ticketing – electronic ticket should be implemented on trains to reduce implementation costs and simplify usage

Once these prerequisites are met the next steps would be an investigation of the economic effects of a charging regime, including capital costs, operational costs and benefits.

5. Communication

No communication is required.

6. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees that charging for commuter parking is not feasible at present.*
4. *Agrees to move towards formalising contract agreements with land owners of current commuter parking facilities.*
5. *Agrees that, subject to negotiation, contract agreements with land owners of current and future commuter parking facilities should not preclude the ability to charge for commuter parking.*
6. *Notes that charging for commuter parking may be reconsidered following implementation of electronic ticketing on trains.*

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