

**Report to General Manager**Attachments:
Nil**SUBJECT:** Free Parking Options – Ridge Street Car Park**AUTHOR:** Cameron Sim, Manager Parking Stations**ENDORSED BY:** Duncan Mitchell, Director Engineering and Property Services**EXECUTIVE SUMMARY:**

At the 3718th Council meeting held on 29 April 2019, Mayoral Minute MM03 requested a detailed report on the Ridge Street Car Park. Council at that meeting resolved the following:

1. THAT Council staff prepare a detailed report on the Ridge Street car park outlining its current usage and income and provide options for offering a period of free parking for all customers.

This report addresses the issues raised in the Mayoral Minute MM03 and resolution of Council.

The Ridge Street Car Park is heavily utilised, with a mix of commercial tenants and day to day casual parking. The casual parking component includes patrons for the Library and Community Centre, the Tennis Centre, commuter parkers and customers attending Council Chambers. Additionally, events at local destinations such as North Sydney Oval and the nearby Catholic and Anglican churches also increase demand on the available spaces in this car park.

In addition, to these demands, the existing Resident Parking Scheme that Council has in place at this carpark offers 90 minutes “Free Parking” for residents who register with Council for an annual fee of \$18. This parking scheme in the 2018 calendar year was utilised a total of 8,578 times and the current number of customers that have used the scheme (year to date) in 2019 is 4,022.

The body of this report provides further details on the current parking utilisation in the car park, as well as options, impacts and revenue implications to implement a free parking period at the Ridge Street Car Park that is in addition to the existing Resident Parking Scheme which already offers 90 minutes of “Free Parking”.

FINANCIAL IMPLICATIONS:

The provision of any free parking at Ridge Street Car Park will impact Council’s carpark revenue, as detailed in this report. There would be minor costs to implement any tariff adjustments to allow for a free parking period, however these costs can be covered by the adopted operating budget of the parking stations.

RECOMMENDATION:

1. THAT in view of the 29% take-up rate of the various discount schemes already in place at Ridge Street Car Park and considering the significant loss of revenue if “Free Parking” were implemented, Council leave the existing tariff structure unchanged.

2. THAT the existing Resident Parking scheme, which provides up to 90 minutes of “Free Parking” to residents who register for the scheme, remain in place and be promoted more widely on Council’s website and in the Ridge Street Car Park.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

Direction: 2. Our Built Infrastructure

Outcome: 2.4 Improved traffic and parking management

BACKGROUND

At the 3718th Council meeting held on 29 April 2019, Mayoral Minute MM03 requested a detailed report on the Ridge Street Car Park, outlining current usage and providing options for offering a period of free parking at that car park. In particular, MM03 referred to the lack of free parking at Ridge Street Car Park similar to that offered at Council's Crows Nest car parks, and the other open-air car parks. The full Mayoral Minute MM03 is outlined below.

MM03: Free Parking Options - Ridge Street Car Park

The Ridge Street car park is located in the centre of Council's civic precinct, close to Stanton Library, the North Sydney Community Centre, Council Chambers, North Sydney Oval, two churches, four schools, two parks and two art galleries.

While all of Council's other car parks provide a period of free parking every day (1.5 to 3 hours), the Ridge Street car park provides free parking only on the weekends. During the week it is \$8 for the first hour, then \$6 for every half hour to a maximum of \$56, with a flat rate of \$8 after 6pm.

In recent years, a discount has been provided for people visiting the Community Centre, Library or Early Education Centre, but this is not publicly advertised on Council's website and many of our residents are unaware they could claim free parking when coming to the precinct. Not surprisingly, the car park adjacent to the Council Chambers, which offers one-hour free parking, is usually full.

In recent months I have had a number of residents who have come to the area to visit Council's Customer Service Centre or cast a pre-poll vote ask me why we don't offer a period of free parking at the Ridge Street car park, even if just for half an hour or so.

This is a reasonable question and I believe, as Councillors, we should review this decision. I am therefore proposing that Council staff prepare a report on the usage and income from the Ridge Street Car Park which would include the proportion of the car park that is currently taken up by corporate and commuter parking, the take up rate of the current discount offer and who it is extended to, and what the expected financial impact would be if 30 minutes or one-hour free parking were to be offered.

Council at that meeting resolved the following:

- 1. THAT** Council staff prepare a detailed report on the Ridge Street car park outlining its current usage and income and provide options for offering a period of free parking for all customers.
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In summary the Mayoral Minute MM03 requested the following information:

1. Parking Income;
2. Parking Utilisation, including the mix of corporate and commuter / casual parking;
3. The current discount offers, their take-up rates and who they are extended to; and
4. The expected financial impact of offering a free parking period of 30 minutes or one-hour.

CONSULTATION REQUIREMENTS

Community engagement is not required.

SUSTAINABILITY STATEMENT

The sustainability implications are of a minor nature and did not warrant a detailed assessment.

DETAIL

The Ridge Street Car Park has 195 parking spaces and was constructed by Council in the 1980s to provide parking for 1 James Place, and additional parking for Council Chambers itself, the Library and the Community Centre. The building at 1 James Place was built as a commercial office-tower behind Stanton Library, and as such, the Ridge Street Car Park was always intended to provide parking for commercial tenants.

Parking Income

Ridge Street Car park generates two forms of parking income:

1. Casual Parking Income

This is income obtained through fees paid by customers in the car park, day to day, and includes Earlybird, various discount schemes and full fee-paying customers. For further details, see the Parking Utilization section below.

On average, the Ridge Street Car Park earns \$10,889 per week in casual income. The total income, for 2018 / 2019 year to date as at 26 May 2019, is \$511,787.

2. Commercial Parking Income

Approximately 65% of the Ridge Street Car Park is allocated to commercial, tenant parking. These customers enter into a lease for one or more parking spaces and pay their fee monthly. This type of parking fee, paid in advance, has a lower daily rate than casual parking fees.

The Ridge Street Car Park has earned \$472,830 in commercial parking fees, year to date. This equates to about \$10,000 per week.

The total income expected for Ridge Street Car Park for 2018 / 2019 financial year, is \$515,000 in commercial parking fees, and \$566,000 in casual parking fees, for a total of approximately \$1,081,000 in income.

Parking Utilisation, Including the Mix of Corporate and Commuter / Casual Parking

The current parking utilisation of the Ridge Street Car Park is as follows:

1. Corporate Parking

Approximately 65% of the car park is allocated to corporate or commercial parking. Many years of experience and data from operating the Ridge Street Car Park, indicates approximately 75% of these tenants are present in the car park on any single day.

Council is currently leasing 129 parking spaces in the carpark to commercial tenants, who pay a monthly parking rate for these spaces. Commercial tenants have access to parking at any time and can enter and leave as often as they wish.

2. Commuter / Casual Parking

The balance of the parking spaces in the car park, totaling approximately 35%, is allocated to casual parking. Customers in this category pay parking fees as per the tariffs displayed in the parking station, resulting in revenue for Council.

Many of these customers are eligible for a discount on their parking fees, under one of the following discount categories: the number of discount tickets sold monthly for each category is also given below.

The Current Discount Offers, Their Take-Up Rates and Who They Are Extended To

Various discount schemes are offered to specific sets of users of the Ridge Street Car Park. These customers enter and use the car park as casual parking users; however, they are entitled to get a discount on their parking fee as per the information below:

1. Earlybird (Commuter) Parking

Earlybird is a type of discounted, commuter parking. Specific conditions regarding entry and exit times are in place, and a set fee for the whole day is provided – normally less than a full casual fee. This fee type is designed for all-day parking, with early exit disqualifying the customer and attracting the full, casual parking rate of up to \$56.

Up to 35 spaces are allocated to Earlybird parking each day. If some spaces are not used by the Entry cut-off time of 9:30am, the residual balance becomes available for other users.

The Earlybird fee is \$24 per day. In the month of March 2019, there were 595 Earlybird tickets sold in the Ridge Street Car Park – about 28 customers per day.

2. Community Centre Patrons

Patrons of the Community Centre can park in any available casual parking space. When they attend the Community Centre, they validate their vehicle registration for the discounted parking, after which – in the car park itself – payment is made for the discounted parking, and the customer then exits.

In the month of March 2019, there were 216 customers that used the Community Centre discount scheme – about 11 customers per day.

This discount class currently offers a discount fee structure as per Table 1.

Table 1- Ridge Street Carpark Community and Early Education Centre Discount Scheme

Time	Normal Tariff	Discounted Tariff	Value of Discount
0 – 1hr	\$8	\$4	\$4
1 – 1.5hrs	\$14	\$8	\$6
1.5 – 2hrs	\$20	\$12	\$8
2 – 2.5hrs	\$26	\$16	\$10
2.5 – 3hrs	\$32	\$21	\$11
3 – 3.5hrs	\$38	\$26	\$12
3.5 – 4hrs	\$44	\$32	\$12
4 – 4.5hrs	\$50	\$38	\$12
4.5 – 5hrs	\$56	\$44	\$12
5 – 5.5hrs	\$56	\$47	\$9
5.5 – 6hrs	\$56	\$48	\$8
6 – 6.5hrs	\$56	\$50	\$6
6 – 7hrs	\$56	\$52	\$4
7 – 7.5hrs	\$56	\$54	\$2
> 7.5hrs	\$56	\$56	\$0

3. *Early Education Centre Patrons*

Patrons can park in any available casual parking space. When they attend the Early Education Centre, they validate their vehicle registration for the discounted parking, after which – in the car park itself – payment is made for the discounted parking, and the customer then exits.

In the month of March 2019, there were 11 customers that used the Early Education Centre discount scheme.

The discounted tariff for Early Education Centre patrons, is the same as that for the Community Centre, represented in the Table 1.

4. *Resident Discount Patrons*

As noted in the Mayoral Minute, there is a system for Residents of the North Sydney LGA to obtain “Free Parking” for up to 90 minutes per day in the Ridge Street Car Park. This system requires the resident to register with Council’s Customer Service team, including provision of evidence of residential status and payment of a nominal \$18 per annum fee. This fee covers the administration cost of running this scheme.

This system is intended to provide residents with free parking while they attend the Council Chambers, Library or Community Centre etc, and currently has 472 registered users. The system has been in place for many years.

In the month of March 2019, there were 951 customers that used the Resident Discount scheme – about 40 customers per day.

5. *Council Official Business Patrons*

There is a discount scheme in place to provide free parking for persons attending Council Chambers or the Library on official business, including such things as meeting attendees, contractors engaged by Council, etc. This system works in a similar way to the Community

Centre and Early Education Centre discounts, requiring validation of a vehicle registration to obtain the free parking. This is managed by Council’s Customer Service team (at the Chambers) and Library counter staff (in the Library) and is a very minor component of overall parking station usage.

In the month of March 2019, there were 130 customers that used this discount scheme, for doing official business with Council – or about 6 customers per day.

6. Normal, Casual Parking Patrons

All of the discount schemes mentioned above, including Earlybird Parking, account for 1,903 tickets per month. Approximately 4,659 customers per month, are full-fee paying casual parkers, who each pay the fees set out on tariff signage in the car park.

This means that of all customers using casual parking – 6,562 customers in total - 29% are already accessing some form of discounted parking.

The Expected Impact of Offering a Free Parking Period of 30 Minutes or One-Hour

The current casual parking tariff at Ridge Street Car Park, does not provide any free parking period. This is consistent with other parking stations in the suburb of North Sydney, although the Council-owned parking stations in Crows Nest and Wollstonecraft (Alexander Street, Holtermann Street, Hume Street and Nicholson Street), each offer 2 hours of free parking.

To date, the Ridge Street Car Park has only offered free parking to Resident users who register with Council through Customer Service. This system has been in place for many years and is designed to assist residents undertaking their business at Council Chambers, or going to the Library, the Community Centre or other local destination, while also helping to balance parking demand by charging fees for all other users.

In the 2018 calendar year a total of 8578 car park users had utilised the 90minutes “Free Parking” that is available to all North Sydney residents if they register for the scheme at an annual cost of \$18. In 2019 the number of residents that has utilised the scheme to date is 4022.

In the month of March alone, a total of 951 Customers had used the Resident discount scheme – approximately 40 customers per day.

The Ridge Street Car Park has consistently high parking demand and the above list of user categories highlights the differing demands for space, with actual occupancy regularly exceeding 90% between 11am and 4pm. In parking station management, any occupancy of the parking station above 90% is considered, in practical terms, to be operating at capacity – especially given some vacant spaces are required so that account customers can come and go.

It is important therefore that consideration of free parking be made in the context of significant demand for the available parking spaces. Given that 65% of the Ridge Street Car Park is taken by Corporate parkers – including many of Council’s own tenants in 1 James Place, then any free parking offered will only be for available parking in the remaining 35% of the parking station.

It is certainly possible to add free parking into the tariff at Ridge Street Car Park, however doing so will result in increased demand for the limited casual spaces available. In practice this will mean the car park being completely full more frequently and it will have a lesser ability to cope

with peak events such as major funerals and weddings at the churches, or sporting events at North Sydney Oval. Queuing in James Place would also be more frequent, which risks the entry to the car park being blocked for commercial account customers seeking to access their parking space.

The following table outlines the financial impact of adding free parking to Ridge Street Car Park, using the month of March for the most recent, complete month of sample data that is not affected by public holidays or school holidays:

	No Free Parking	30 Minutes Free Parking	1-hour Free Parking
Income	\$50,628	\$42,581	\$36,683
Difference for 1 month.	\$0	- \$8,047	- \$13,945

The above table represents an analysis of all customer transactions for the month of March 2019 and shows the potential financial impact (for that month) of applying 30 minutes of Free Parking, and 1 hour of Free Parking.

Applying percentages taken from the above amounts to whole-of-year income figures as follows, gives an indication of *annualised* financial impact of applying a free parking period to the Ridge Street Car Park:

	No Free Parking	30 Minutes Free Parking	1-hour Free Parking
Income one month (March)	\$50,628	\$42,581	\$36,683
Percentage	100%	84.1%	72.5%
Income – Annual	\$566,000	\$476,006	\$410,350
Annual Financial Impact	\$0	- \$89,994	- \$155,650

CONCLUSION

In conclusion, the above analysis indicates that the cost of applying 1 hour of free parking at Ridge Street Car Park, would be over \$150,000 per annum. The cost of 30 minutes of free parking would be about \$90,000 per annum. These costs are significant, especially when approximately 29% of casual parking customers using the Ridge Street Car Park, are already accessing some form of discount for their parking. Additionally, any Free Parking period implemented would increase congestion in and around the car park, as more customers seek to park and take advantage of this concession.

As outlined previously in this report, in the 2018 calendar year a total of 8,578 car park users had utilised the 90 minutes “Free Parking” that is available to all North Sydney residents if they register for the scheme at an annual cost of \$18. In 2019 the number of residents that has utilised the scheme to date is 4,022. In the month of March alone, a total of 951 Customers had used the Resident discount scheme – approximately 40 customers per day.

For this reason, it is recommended that Council does *not* implement any free parking period in the Ridge Street Car Park, and instead further promotes the existing 90 minutes “Free Parking” for Residents via the Council website, and in the car park itself.