

2.3 Parking Control Bylaw Schedule A Amendment and Out of Cycle Budget Approval - Domain Road Carpark

TO Mercury Bay Community Board
FROM Heather Bruce, Community Manager - Mercury Bay
DATE 8/06/2021

1 Purpose of report

The purpose of the report is for the Mercury Bay Community Board to consider and recommend to Council, amendments to local parking controls in the Mercury Bay Community Board area as set out in Schedule A of Council's Parking Bylaw 2014 and an out of cycle budget approval to implement any approved changes.

2 Summary

Council's Parking Control Bylaw was reviewed in 2014 and Council adopted a revised bylaw at its meeting on 26 November 2014. Amendments can be made to the bylaw Schedule A (local parking controls) by Council resolution.

The proposal is to commence paid parking at the carpark known as the Domain Road Carpark at Hot Water Beach, as shown in the Comprehensive Report (**Attachment A**)

3 Suggested resolution(s)

That the Mercury Bay Community Board:

1. Receives the 'Parking Control Bylaw Schedule A Amendments' report dated 8 June 2021.
2. Recommends to Council to amend Schedule A of Council's Parking Bylaw 2014 to implement paid parking charges at the Domain Road Carpark, Hot Water Beach at a rate of:
 - \$2.00 hourly rate
 - \$15.00 daily rate
3. Recommends to Council to approve the out of budget purchase and installation of an additional parking payment machine and signage at the Domain Road Carpark, Hot Water Beach to a maximum cost of \$20,000 to be funded from the Hot Water Beach Parking Reserve

References-Tabled/Agenda attachments

1. Attachment A - Comprehensive Report - Parking Control Bylaw Schedule A Amendments

Comprehensive Report: Exemptions to Paid Parking

1 Background

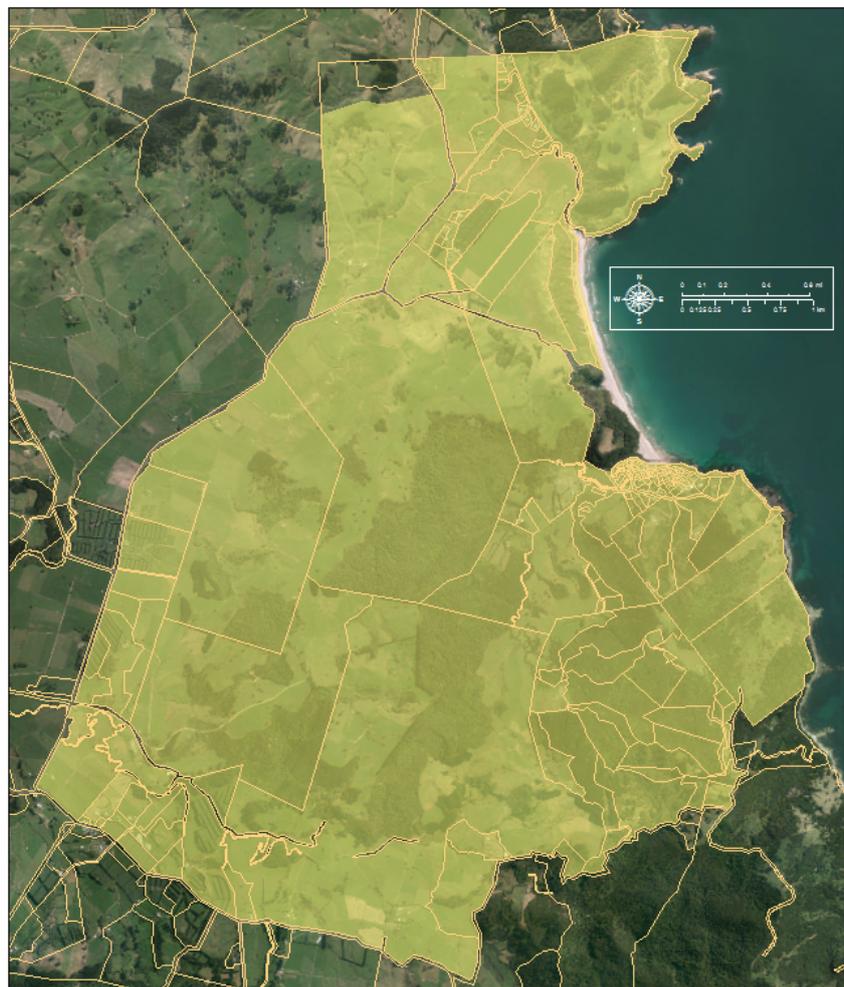
Council currently has three pay and display car parks in the Mercury Bay South area which are located at Hot Water Beach and Hahei, with 2020/2021 fees as set out below:

Car Park	Units	2020/2021
Hot Water Beach Main Carpark	Hourly rate	\$4.00
Hot Water Beach Main Carpark	Daily rate	\$25.00
Hot Water Beach Taiwawe Carpark	Hourly rate	\$2.00
Hot Water Beach Taiwawe Carpark	Daily rate	\$15.00
Hahei Grange Road Carpark – from 1 May to 30 September	4 hour limit	\$15.00

Consideration is being given by the Mercury Bay Community Board to implementing pay and display options at the recently sealed Domain Road Carpark at Hot Water Beach.

Residents and ratepayers within the defined Hot Water Beach area can currently apply for an exemption for one car per property to park at the Hot Water Beach pay and display parking areas for free and it is anticipated by that community, that the exemption will encompass any fee implementation at the Domain Road car park.

Current Hot Water Beach Exemption Area



The Hahei Residents & Ratepayers Association have requested parking permits for Hahei residents and ratepayers at the Grange Road Carpark during the 1 May to 30 September period (**Attachment B**)

Council and the Department of Conservation's Control and Management Agreement for Grange Road Carpark (Cathedral Cove) expires in December 2022 and will not be renewed, therefore consideration for exemptions to the current parking fees for this carpark are not considered in this report.

2 Discussion

The objective of a pay and display system is to generate alternative income for the construction and maintenance of Council infrastructure that is impacted by tourism within the Mercury Bay area. Although visitor numbers to the "hot spots" of Hot Water Beach and Hahei are currently low due to Covid-19 restrictions, domestic visitors are still visiting these locations and it is anticipated that when the global pandemic is over, international visitors will return in large numbers.

The introduction of paid parking in Hot Water Beach and Hahei has also provided a way to manage the impacts of visitors, both current and future on these small communities, where parking demand particularly at peak times has outweighed supply. Congestion, unsafe parking and impact on residential streets have been improved with the implementation of sealed, fit for purpose car parks.

In keeping with the rationale that parking fees are a user pays system, that is primarily in place to lessen the impact of visitors to the region, the Board are asked to consider options for full or partial exemptions for local carpark users.

In making its decision, the Board should consider firstly whether exemptions are supported and if so, what Area of Benefit exemptions would cover.

Assessment of options

There are several options for the Board to consider.

Option 1

Retain the current exemption area for Hot Water Beach residents and ratepayers

Hot Water Beach residents and ratepayers would continue to have the ability to apply for an exemption for one car per property, to park at the Main Carpark and Taiwawe Carpark for free. If a charge is implemented for the Domain Road car park it would not be exempt.

The area of benefit for Hot Water Beach exemptions includes approximately 150 properties, with the annual uptake averaging 30 between 2017 and 2020.

Based on the amount of \$4.00 per park, once a week use and the current 20% uptake of exemptions, Option 1 currently has an approximate total loss of revenue of \$6,240 per annum.

Advantages	Disadvantages
<ul style="list-style-type: none">• The current situation has not presented any concerns from the community and it works well.• There would be no additional loss of revenue from retaining the status quo.• Provision of exemption permits is a low impact, low cost paper system with minimal administration costs.	<ul style="list-style-type: none">• Option 1 is unlikely to be supported by the Hot Water Beach community as there is an expectation that Hot Water Beach residents and ratepayers will be exempt from parking charges at Domain Road Carpark.

Option 2

Extend the current exemption area to include Domain Road Carpark for Hot Water Beach residents and ratepayers

Hot Water Beach residents and ratepayers would continue to have the ability to apply for an exemption for one car per property, allowing them to park at the Main Carpark, Taiwawe Carpark and Domain Road Carpark for free.

The Hot Water Beach Ratepayers Association have indicated that this option is generally supported by the Hot Water Beach community.

Given the location of Domain Road Carpark is 1.3km from the main beach carpark, along a reasonably narrow road with no footpath, it is probable that additional exemptions may be sought if paid parking is implemented at Domain Road.

Based on an assumption of an increase to a 33% uptake (50 exemptions) at \$4.00 per park with once a week use, Option 2 would have an approximate total loss of revenue of \$10,400 per annum.

Advantages	Disadvantages
<ul style="list-style-type: none">• Option 2 would be supported by the Hot Water Beach community.• If the current low impact, low cost paper system is retained, there would be a minimal administration cost.	<ul style="list-style-type: none">• Inclusion of Domain Road Carpark exemptions increases the potential loss of revenue for construction and maintenance of Council infrastructure that is impacted by tourism within the Mercury Bay area.

Option 3

Exemptions for Hahei Residents and Ratepayers for Hot Water Beach pay and display carparks (in addition to Hot Water Beach exemptions)

Provide for one exemption per property (on request) for Hahei residents and ratepayers to park at any of the Hot Water Beach pay and display carparks.

The Council's rating database identifies 720 properties within the Hahei area.

In line with the 20% exemption uptake at Hot Water Beach and once a week use at \$4.00 per park, 144 exemptions could equate to an approximate loss of revenue of \$29,952. This is in addition to the loss of revenue projected for Hot Water Beach resident and ratepayer exemptions options.

It is considered unlikely that those with exemptions would use Hot Water Beach carparks on a weekly basis, so the loss of revenue could potentially be less.

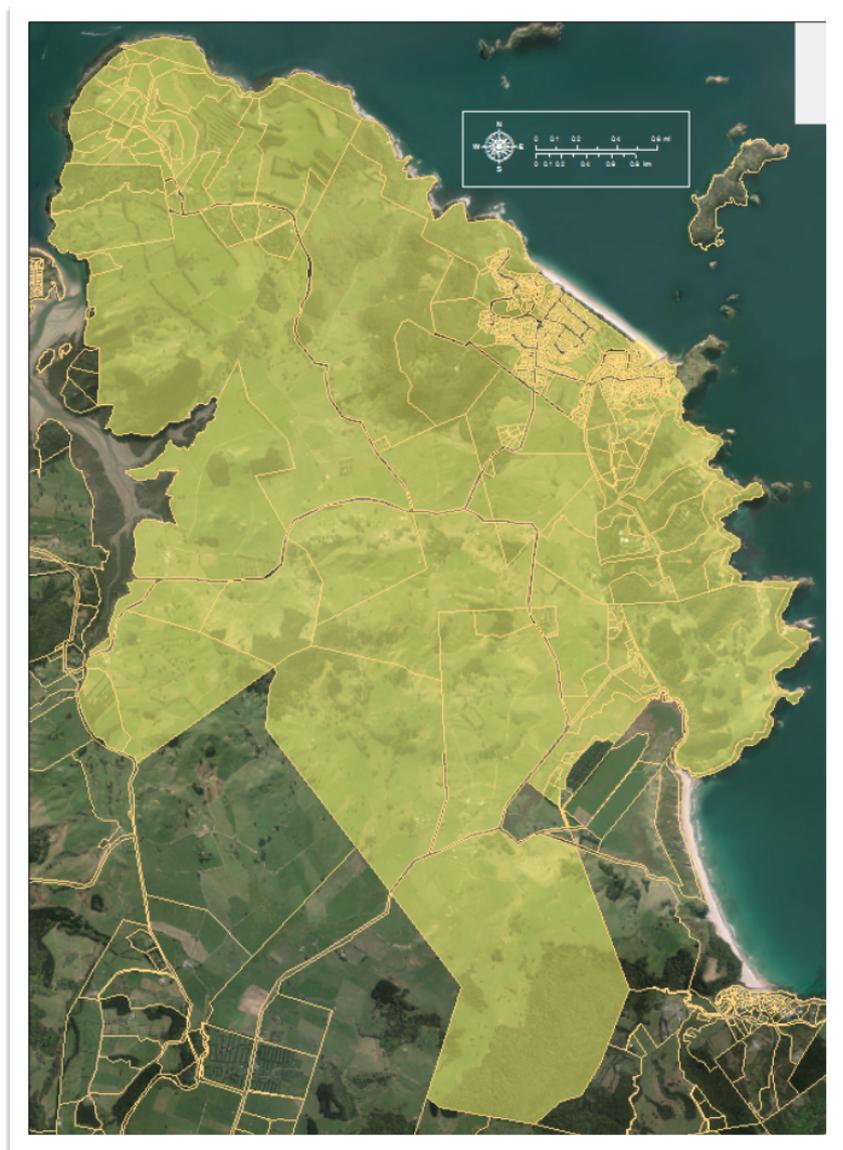
The Chair of the Hahei Residents and Ratepayers Association has verbally noted that the primary Hot Water Beach carpark used by Hahei residents is the Domain Road carpark which is used by the surfing community.

It is considered that a process for surfer only exemptions for one carpark may be complicated and it would be simpler to offer an exemption to all Hahei residents and ratepayers. It is likely that the offer would primarily be taken up by the surfing community.

The Hahei community have also been clear that they do not support paid parking within Hahei.

Advantages	Disadvantages
<ul style="list-style-type: none"> Option 3 would be supported by the Hahei community. It could be managed through the current low impact, low cost process, although electronic options should be considered. 	<ul style="list-style-type: none"> Inclusion of Hahei resident and ratepayer exemptions increases the potential loss of revenue for construction and maintenance of Council infrastructure that is impacted by tourism within the Mercury Bay area. If exemptions are granted for Hot Water Beach and Hahei Residents and ratepayers, the wider Mercury Bay South community could feel that they should also be included. Costs for administering this Option would increase, particularly if the electronic exemption process was implemented. This is addressed later in the report.

**Proposed
Hahei
Exemption Area**



Option 4

Exemptions for Mercury Bay South residents and ratepayers for Hot Water Beach pay and display carparks

Provide for one exemption per property (on request) for Mercury Bay South residents and ratepayers to park at any of the Hot Water Beach pay and display carparks.

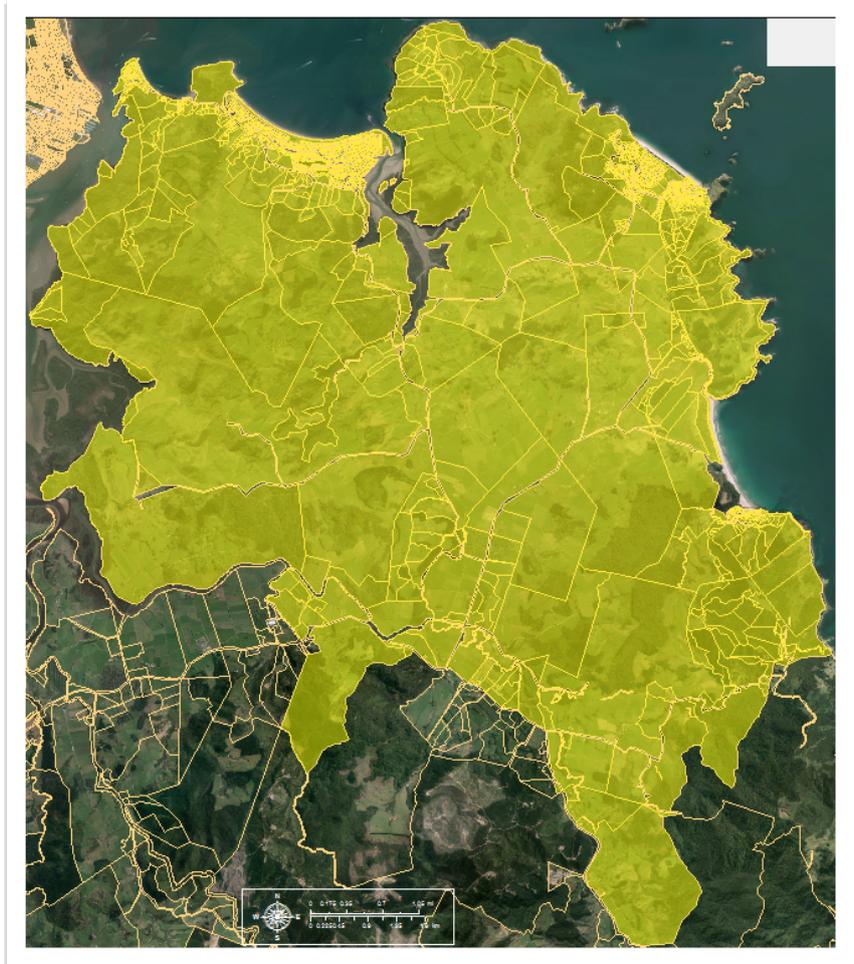
The [Mercury Bay South Community Plan](#) notes that *Mercury Bay South Communities do not support a fee for "locals" to park at the Domain (Middle) car park at Hot Water Beach.*

The Mercury Bay South area would be defined as Whenuakite, Hot Water Beach, Hahei, Cooks Beach and Ferry Landing which has approximately 2228 rateable properties.

It is believed unlikely that the Mercury Bay South Community would use Hot Water Beach carparks on a weekly basis, so consideration of loss of revenue is based on a 20% uptake (445 exemptions) at \$4.00 per park with once a fortnight use. This would equate to an approximate loss of revenue of \$46,280.

Advantages	Disadvantages
<ul style="list-style-type: none">Option 4 would be supported by the entire Mercury Bay South community.	<ul style="list-style-type: none">Exemptions for the whole Mercury Bay South increases the potential loss of revenue.Less funding would be available for construction and maintenance of Council infrastructure that is impacted by tourism within the Mercury Bay area.Management of the exemption process through the current paper system may not be appropriate given the increased number of applications.Enforcement processes could also be impacted by using the current paper-based system.An electronic exemption system could increase costs and therefore reduce revenue further. This is addressed later in this report.

**Proposed
Mercury Bay South
Exemption Area**



Option 5

Annual permit fee for Mercury Bay South residents and ratepayers for Hot Water Beach pay and display carparks

For an annual fee, provide one permit per property (on request) to park at any pay and display car park in Hot Water Beach.

The Hot Water Beach Ratepayers Chair has previously noted that the Hot Water Beach community have discussed this as a potential option. This option would require setting of an appropriate annual fee, that does not discriminate against the Mercury Bay South communities.

Estimating uptake on this Option is difficult as there is no comparison to work from. Conservative estimates are that there would be around a 10% uptake (222 exemptions) with 26 visits per annum.

A suggested annual fee could be half of the usual cost for 26 visits at \$4.00, which would be \$52 per permit per annum. This would create revenue of approximately \$11,544, which would offset the projected loss of revenue based on 222 exemptions of \$23,088. This change means the overall loss of revenue would be approximately \$11,544 per annum.

Advantages	Disadvantages
<ul style="list-style-type: none">• An annual fee could be a way of acknowledging the impact of paid parking on communities who also contribute to parking via their rates, whilst retaining some revenue towards the pay and display parking objective.• Revenue from a 10% uptake offsets the projected loss of revenue by half.	<ul style="list-style-type: none">• It would be difficult to justify an annual permit fee at half the usual cost of the Main Carpark fee as this would be the same cost to the applicants as the current parking fee for Taiwawe and Domain Road Carparks• Exemptions for the whole Mercury Bay South increases the potential loss of revenue for construction and maintenance of Council infrastructure that is impacted by tourism within the Mercury Bay area.• Management of the exemption process through the current paper system would not be appropriate given the increased number of applications.• Enforcement processes could also be impacted by using the current paper-based system.• Costs of an electronic exemption are outlined further in the report. The costs of implementation and ongoing processing would increase administration costs which would almost certainly be higher than the projected income.

Option 6

Annual permit fee for Mercury Bay Ward residents and ratepayers for Hot Water Beach pay and display carparks

For an annual fee, provide one permit per property (on request) to park at any pay and display car park in Hot Water Beach.

An annual fee could be a way of acknowledging that residents and ratepayers of the Mercury Bay Ward have links to these iconic locations. The Mercury Bay Ward ratepayers also contribute to parking across the Ward by way of rates and as with the option above, a fee would assist with recovering some revenue towards the pay and display parking objective.

Analysis of the financial implications for this Option has not been undertaken. As per Option 5 it is considered that the administrative costs would be higher than any income realised.

Advantages	Disadvantages
<ul style="list-style-type: none"> An annual fee could be a way of acknowledging the impact of paid parking on communities who also contribute to parking via their rates, whilst retaining some revenue towards the pay and display parking objective. 	<ul style="list-style-type: none"> Exemptions for the whole Mercury Bay Ward increases the potential loss of revenue for construction and maintenance of Council infrastructure that is impacted by tourism within the Mercury Bay area. Management of the exemption process through the current paper system would not be appropriate given the increased number of applications. Enforcement processes could also be impacted by using the current paper-based system. Costs of an electronic exemption are outlined further in the report. The costs of implementation and ongoing processing would increase administration costs which would almost certainly be higher than the projected income.

Each of the options could include 2 or 3 cars per property. It is considered that this would not impact significantly on loss of revenue as the total number of visits to the carparks is unlikely to increase.

Implementation

The existing exemption process relies on the resident/ratepayer providing proof of address to the Council in exchange for one printed permit which is placed on the windscreen of the car. Enforcement is undertaken by Council's compliance team.

For visitors to the car parks, payment involves entering the vehicle registration number into the pay and display machine. The compliance team check the registration numbers electronically undertake a further check of any vehicles for a printed permit if their registration number is not registered.

Options for implementing an exemption or an annual permit would be either retaining a printed/paper system or uploading the vehicle registration number for eligible applicants into the pay and display systems.

Indicative pricing for the electronic solution, which would allow Council to create and manage records, is a set up cost of \$1,000 plus GST, with an ongoing cost of \$100 per month (up to 5 meters, \$20 per meter thereafter).

Analysis of Options

In conclusion, given the differing fee structures and unknown number of exemptions that would be sought, it is difficult to provide an accurate account for loss of revenue should any of the options be approved.

The combination of Option 2 and Option 3 allowing for exemptions for both the Hot Water Beach and Hahei residents and ratepayers and based on once a week use at the \$4.00 carpark could realise a loss of revenue of approximately \$40,352. If implementation retained the current paper-based process, administration costs would increase, but would almost certainly be less than the electronic options.

The rationale that parking fees are a user pays system, that is primarily in place to lessen the impact of visitors to the region and that revenue is for the purpose of improving Council infrastructure related to tourism impacts for the benefit of tourists and the community, needs to be taken into consideration.

Hot Water Beach and Hahei communities currently contribute to parking by way of their rates and are the communities mainly affected by visitors to their area, both domestic and international. It is acknowledged that changes to parking have improved congestion, unsafe parking practices and impact on residential streets over peak periods and provided value to the communities in that manner.

A case could be made for the Hahei community to be included in the exemption on the basis that the Domain Road Carpark is the one most frequently used by the Hahei residents and that they use it for beach access and surfing rather than visiting the hot springs as visitors to the area do. They are therefore not placing any significant demand on the tourist related infrastructure other than the actual carpark.

Another factor to be considered is the general review of fees and charges for Community Facilities that has been requested. This will address all facilities and services, including tourist destination car parking. In view of this it may be prudent to retain the area of exemption close to or similar to the current area.

Taking all factors into account, it is considered that Option 2 be adopted on the basis that a wider review of fees and charges is to be undertaken which will address car parking at visitor destinations as well as the full range of community facilities charges.

3 Significance and engagement

Mercury Bay South communities have been consulted by way of the Mercury Bay South Community Plan and further conversations with the Ratepayer Association Chairs.

It is considered that none of the options outlined above would impact negatively on the communities.

The decision being considered by the Council is not considered significant when assessed against the criteria within the Council's Significance and Engagement Policy. Community engagement for this decision is at the discretion of the Council.