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CEO
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FROM Jeff Small
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COMMERCIAL SUPPORT SERVICES

MEMORANDUM

DATE Thursday 26th October, 2006

SUBJECT CAR PARKING FEASIBILITY REPORT

1. INTRODUCTION

In August 2006 the Hospital Advisory Committee and Board approved management undertaking a feasibility study into paid car parking at Palmerston North Hospital. This originated from the financial deficit facing MidCentral Health and the need to address the problem in terms of the financial sustainability programme. It is also seen as an opportunity to improve access and car parking utilisation including enhanced security, and explore other means of accessing the Palmerston North Hospital Campus.

2. BACKGROUND

In 2002 a Feasibility Study on paid car parking was carried out in liaison with Wilson Parking. The system consisted of a fully automated access and revenue control system, allowing control by barrier arms at entry and egress points. Options included a pre-payment system, pay on exit option and Auto pay machines. Wilson Parking also undertook a two day survey to determine daily vehicle volumes & breakdowns, average vehicle parking times etc. The findings included;

- On average 2,300 vehicles pass through the hospital gates per day
- On average 40% (900 per day) of vehicles are staff or contractors and 60% (1,400 per day) are visitors
- 25% of vehicles (580 per day) pass through gate 12 (Ruahine Street near Education Centre)making it the busiest thoroughfare , whilst gates 2 (Heretaunga Street), 5 (Heretaunga Street) and 13 (Ruahine Street) each service between 5% and 7% of the total traffic
- 38% of staff parkers use gate 12 and 26% of visitors use gate 11 (Ruahine Street near main entrance)
- The typical visitor to the hospital has a parking duration of 1 hour and 45 minutes
- Staff members typically have a parking duration of 6 hours and 50 minutes

It is considered that volumes have increased since this survey. For example the car parking area near gate 8 in Tremaine Avenue was under utilised in 2002 but is now nearly always full. In 2002 there was a total of 1,281 car parking spaces which has been increased to a total of 1,304 now.

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Revenue from paid car parking would have been dependent on the charging levels set, the management fees of the particular operator selected, including the pay back period on the capital outlay of equipment etc. However, the minimum revenue was estimated to be up to around \$400^Kpa on the existing number of car parks.

The possible introduction of this pay for parking scheme four years ago generated much discussion including both support and rejection by staff and the public.

Those in support saw the benefits of paid dedicated parks as guaranteeing them a park. Some said it was a way to better control parking offenders.

Other selected areas of staff objected to them being penalised, the loss of goodwill, morale problems and recruitment disincentives etc. Some community organisations saw the system being a barrier to accessing hospital based services, disadvantage to the elderly, disabled and out of town public, lower income groups and a disincentive for people to visit relatives and therefore affecting recovery of patients. Those that wrote in at the time included five from staff or staff groups and one from the public. Letters were also received from the Palmerston North City Council, Palmerston North Women's Health Collective, Manawatu Multiple Sclerosis Society Inc., Palmerston North Community Services Council and Mature Employment Support Agency. A petition signed by 874 hospital staff was also received.

These views were taken into consideration in this new Feasibility Study.

The Board at that time decided not to proceed with the concept. However, the Board did advise management to re-raise the issue at some future time if it believes it is warranted.

3. CURRENT FACILITIES

There are currently 1,304 car parking spaces on the Palmerston North Hospital campus 550 of these are designated for patients and visitors, and 624 for staff. The remainder are for leased DHB business vehicles etc. Included in the figures for patients and visitors are twenty-one signposted spaces for Disability Card holders. The minimum number of parks required by Council at Palmerston North Hospital is 700.

The patient and visitors parks are generally located closest to clinical areas except for an "overflow" park near Tremaine Avenue. The only car parks with time limits imposed are three pick up and set down parks adjacent to the main entrance with a two minute limit and four visitors parks with a 30 minute limit at the front entrance to the hospital administration building. There are 40 spaces reserved for afternoon staff (working into hours of darkness) and 18 for night staff.

All car parking spaces are within 300 metres of a main hospital entrance point.

A full time Parking Attendant monitors parking on the campus. The Attendant places warning tickets on cars parking illegally and reports repeat offenders to the House Manager who is able to determine vehicle ownership and take appropriate action.

The most common offending is staff parking in car parks reserved for patients and visitors. Repeat offending vehicles or vehicles blocking access routes can be towed away if the vehicle is parked in a tow away area with the required signage in place. All patient and visitor parks have the appropriate signage. This service is currently supplied by Crash Services.

Most weekdays the car parks are full to capacity with surrounding streets taking the overflow. On average approximately 150-200 vehicles assumed to be driven by hospital staff or visitors are parked in surrounding streets

With patient and visitor parks there is a general movement of vehicles as people come and go but there is usually a steady flow of vehicles looking for a park.

Car park usage normally peaks at around 2pm when visitors and clinic patients combine. The main topics of complaint about car parking from the public are difficulty in finding a vacant car park and difficulty in finding a vacant mobility park. All car parks are sealed with the exception of a gravelled area in the car park near Tremaine Avenue.

As stated above, there are currently 21 mobility spaces spread around the campus. Of the six car parks available at the main hospital entrance, three are reserved for Disability Card holders. Because of the requirements of New Zealand Standard 4121: 2001 it is not possible to provide any extra car parks surrounding the main entrance without major earthworks due to the degree of incline between the car parks and the main entrance.

Provision of a golf cart type vehicle shuttle service has not been pursued at Palmerston North Hospital, mainly due to the relatively flat and compact nature of our site, the cost of the outlay plus on-going costs for staffing if volunteers not available. Also, there has not been a demand for such a service, possibly due to the favourable terrain.

Scope exists for further car park expansion – see section 6 for further information

4. CONSIDERATIONS

(a) Submissions

Submissions were called for in local newspapers (Manawatu Evening Standard, Dannevirke News, Horowhenua Kapiti Chronicle, Tribune, Feilding Herald, Horowhenua Mail, Bush Telegraph, Otaki Mail) District Iwi Organisations and District Councils.

A total of 85 submissions were received ;

- *Palmerston North*
60 (including 20 from staff and staff groups, and from Palmerston North Women's Health Collective, National Distribution Union, Palmerston North Community Advisory Group of the Manawatu PHO, Mature Employment, Massey University Students Association, PSA, Age Concern and the Arthritis Foundation of Palmerston North. A petition signed by 329 staff and public is also included.)
- *Manawatu*
3 (Including a submission from the Foxton Beach Community Centre)
- *Feilding*
15 (Including submissions from Feilding Arthritis Support Group and Feilding Maternity Resource Centre)
- *Horowhenua* **2**
- *Tararua*
2 (Pahiatua Federated Farmers Branch and Tararua District Council)
- *Huntermville* **2**
- *Wellington* **1**

Summary of submissions

The 85 submissions were received from ;

- Staff (25)
- Local public (37)
- District public (22)
- Wellington public (1)

Topics of concern were ;

- Cost (47)
- Access to services (19)
- Shortage of parking spaces (14)
- Overflow of parkers to surrounding streets (19)
- Miscellaneous concerns included added stress , effect on Maori and Pacific Islanders, DHB surplus , harm to staff/public relations, against sale of land near Tremaine Avenue.

In support of paid car parking ;

- Staff (0)
- Public (3)
- Tararua District Council (1)

A copy of each submission is attached as Appendix A

(b) Discussions with Organisations

(i) Massey University

A meeting was held with the Manager of Security and Traffic, Massey University regarding their experience with paid car parking. Management of their parking system is “in house” and staffing is contracted to their Security Contractor.

Massey University introduced paid car parking to generate revenue and to reduce parking congestion. It was successful on both counts.

Staff pay \$297.00^{pa} for general reserved parking areas or \$389.00 for a numbered reserved park.

The general public pay \$2.00 per day which allows 3 exits during the day in general parking areas or 50c per hour in metered bays.

Enforcement for non complying parkers is by issuing a ticket which is discounted in price if paid within 5 days. If the fee is not paid within ten days the vehicle is wheel clamped on it's next appearance and a fee for removal charged. An appeal system is in place.

Prior to the introduction of paid car parking Massey University carried out a comprehensive Transportation Study resulting in a Transportation Plan. One result of this plan was the introduction of an unlimited access bus scheme. This is partly funded by Transfund and partly by Massey University.

(ii) Palmerston North City Council

A meeting was held with the Road Planning Team Leader of Palmerston North City Council. There is a strong possibility of Ruahine Street being altered to four lanes in the future which would affect at least sixty car parks, in the hospital grounds. It would be at least ten years before this occurred. The flow on effects of the possible closure of Milson Line have not yet been determined.

The Council could make Heretaunga Street more accessible as a staff entrance by installing traffic lights or a roundabout. This would help reduce congestion in Ruahine Street. The minimisation of entrances to the hospital would also be advantageous in reducing potential accidents at entrance and exit points.

In the event of paid car parking occurring at the hospital, Council may move to restrict parking in surrounding streets following consultation with residents. One method could be to restrict parking time on one side of the street. Parking meters could be installed on Heretaunga Street. This is all at suggestion stage only. The Council Management Team decided not to make a submission on paid car parking. MDHB management would work closely with the council in preparation for pay-for-car parking

(iii) Horizons Regional Council

A meeting was held with the Manager Transport Services, Horizons Regional Council. Horizons works closely with Massey University and Transit Coachlines regarding Transport services provided in Palmerston North. Horizons welcomed the opportunity to work with MidCentral as part of the Feasibility Study.

Prior to the introduction of paid car parking at Massey University (which was introduced primarily to reduce parking problems and traffic congestion) Consultants were employed to assist with a comprehensive Transportation Study. This resulted in the introduction of several successful Projects (such as the Unlimited Access Scheme and improvements to walking and cycling facilities) and the development of their Transportation Plan. Massey University and Transfund each pay 50% of the bus service cost.

Horizons staff had discussed our situation. An approach has been made to Madge Coachlines who provide services between Palmerston North and Feilding. A reduction in fares would be considered. Public transport systems to and from the hospital are minimal. The only city route directly passing the hospital is the Cloverlea/Milson route and the Rangiora and Roslyn routes pass within reasonable walking distance.

Horizons believe that MidCentral Health's options regarding bus services are ;

1. *Do nothing*
2. *MCH provide subsidy for fares*
3. *MCH pay for extra services*

A problem is that MCH staff are geographically widely spread and provide 24 hour a day services which would make the provision of bus services very expensive.

Horizons will consider doing a general promotion on local bus services and Horizons could make an approach to Land Transport Safety Authority on our behalf about the possibility of them subsidising bus fares. Actual costs and subsidy details will not be known until detailed discussions are held with Horizons.

(iv) District Health Boards

Contact has been made with other DHBs who have paid car parking systems and information gathered on their operation including charges and payment exemption criteria.

These DHBs were Auckland, Waikato, Hutt Valley, Capital Coast and Canterbury. The Hawkes Bay District Health Board is currently considering the introduction of paid car parking and they have consulted us on our work to date.

5. CAR PARK OPERATION SYSTEMS AND OPTIONS

(a) Systems

An initial scoping on paid car parking has been undertaken and Expressions of interest received from two Car parking Operators.

In general their management operations cover-

- Establishment and marketing of the car park
- Liaison with statutory authorities
- Assurance of trained and motivated parking personnel
- Cleaning and maintenance
- Administration, accounting, cost control and internal auditing
- Access control by barrier arms and car park ticketing
- Car park signage
- Uniforms
- Supervisory control

Constraints include -

- The presence of existing buildings
- The existing layout of access points, roads and parking areas on site.
- The availability of finance for development and economic viability of operating a fully managed system.

However systems are adaptable to enable a viable system to be put in place.

(b) Funding Options

Both operators are willing to enter into a funding option with MDHB to fund the purchase and installation of equipment and roading alterations which in total will be in excess of \$500^k. The cost recovery could be spread over a period of up to ten years. Income would depend on the term of funding.

(c) Operating Costs

Operating costs (including staffing of up to 4.5 FTE staff) range between \$300^k pa and \$350^k pa. Alternative management proposals include Performance Based Management fee, Set Management Fee and Fixed Management Fee and Lease Arrangement

(d) Payment options

i) Patients/visitors/public

- Paper ticket pulled from dispenser, pay at booth or automatic pay machine on exit
- Pay and display ticket

Note : the main entrance to Palmerston North Hospital accessed from Gate 11 would have unhindered access which would cater for the pick up and drop off patients etc as well as access for ambulances to the Emergency Department ambulance bay.

ii) Staff

- General parking - fees deducted from salaries and wages, permanent access card issued
- General parking - 10 entry/exit transactions
- Reserved Parking - specific space reserved on site, payment method and permit as above (guaranteed number of parks allocated to staff prepared to pay a premium)
- Casual ticket, pull on entry, single entry/exit only
- Pay and display

(e) Comparisons of Charges**i) Patients/visitors/public****Auckland DHB**

0-1 hour	\$2.50
1 to 2 hours	\$4.50
2 to 3 hours	\$6.00
3 to 4 hours	\$7.00
4 to 5 hours	\$8.00
5 to 6 hours	\$9.00
6 to 7 hours	\$17.00
Max. day fee	\$17.00

Waikato DHB

0-30 minutes	Free
30 minutes to 1 hour	\$1.00
1 to 2 hours	\$2.00
2 to 3 hours	\$3.00
3 to 4 hours	\$4.00
4 to 5 hours	\$5.00
Max. day fee	\$5.00

Hutt Valley DHB

0-20 minutes	Free
20 minutes to 1 hour	\$1.00
1 to 2 hours	\$2.00
2 to 3 hours	\$3.00
3 to 4 hours	\$4.00
Max. day fee	\$4.00

Capital Coast DHB

0-20 minutes	Free
20 minutes to 1 hour	\$3.00
1 to 2 hours	\$5.00
2 to 3 hours	\$6.00
3 to 4 hours	\$7.00
4 hours and over	\$8.00

Christchurch Hospital

Car park per hour or part thereof (20 minutes free on pay and display tickets)	\$1.40
Max. daily fee	\$10.00
20 minutes free on pay and display tickets	
Parking building per hour or part thereof	\$1.20

PNCC Meters

"Broadway" per hour	\$2.00
"Central City" per hour	\$1.50
"Perimeter of Central City" per hour	\$0.50 to \$1.00

PNCC Car Parking Building

Up to 1 hour	\$2.00
1 hour to 1.5 hours	\$3.00
1.5 to 2 hours	\$4.00
\$0.50 each half hour after this	
Max. day fee	\$7.00

PN International Airport

0 to 10 minutes	Free
10 minutes to 30 minutes	\$1.50
30 minutes to 1 hour	\$2.00
\$0.50 each half hour to a daily maximum of	\$14.00

Palmerston North Hospital-Suggested

0-30 minutes	Free
30 minutes to 1 hour	\$2.00
1 hour to 1.5 hours	\$3.00
1.5 hours to 2 hours	\$4.00
2 to 2.5 hours	\$5.00
Max day fee	\$5.00

Fees would apply 6.30am to 11.00pm Monday to Friday and 9.00am to 7.30pm Weekends and Statutory Holidays

ii) Staff

Capital & Coast DHB Charging rate dependant on zone staff choose to park in.

Standard	\$60.00 per month
Premium	\$ 80.00 per month
Public	\$100.00 per month

Waikato DHB

Unreserved	\$8.00 per week, part time (30 hours per week or less)
Staff Unreserved	\$5.00 per week
Reserved	\$16.00 per week

Auckland DHB

Unreserved	\$11.00 per week
Guaranteed	\$25.00 per week
Reserved	\$45.00 per week

Hutt Valley \$13 per month

Canterbury DHB

Afternoon parkers	\$5.00 per week
Parking Building	\$18.00 per week

iii) Palmerston North Hospital suggested staff charges

Unreserved	\$6.00 per week
10 trip ticket	\$12.00
Reserved	\$23.00 per week
Casual	\$2.00 per day

Fees would apply 6.30am to 11.00pm Monday to Friday and 9.00am to 7.30pm Weekends and Statutory Holidays

(f) Estimated Income

Based on the parking charges suggested above income is conservatively estimated at approximately \$700^k-\$750^k pa gross.

Deducted from this (estimate only) would be operating costs including staffing, payback of equipment cost based on a ten year payback period and a management fees, interest charges, leaving an income of up to \$400^k approximately.

Note:

- *The allowing of exemptions to payment would reduce the level of income*
- *Actual operating costs, revenue sources between public and staff, capital costs and term of investment etc. will be determined from Tenders and negotiations.*

(g) Exemption Options

A range of payment exemption/concession categories offered by other District Health Boards and other possibilities are as follows. These are a full or part payment of parking charge and vary between DHBs.

Patients/visitors/public

- Day procedure patients
- Family of critically ill patients (ICU, CCU)
- Patients from rural areas
- Parents or primary carers of a child being cared for as an inpatient
- Primary carer of a child who is a long term regular day patient

- Mothers of babies in the Neo Natal Unit
- Driver of a person presenting at the emergency department
- Patient (or a driver of a patient) attending regularly for dialysis treatment.
- Patient (or driver of a patient) attending for treatment more than 3 times per week or is a long term regular patient
- Relative who accompanies or visits a long term patient more than 3 times per week
- Contractors with maintenance contracts.
- Bicycle/motorcycle riders
- Community Service Card Holders
- Disability Card Holders
- Blood donors
- Volunteers
- People entering and exiting the site within 30 minutes

Staff (including designated contract staff)

- Staff called back from offsite in an emergency
- Disabled staff
- Bicycle /motorcycle riders

Considerations for MDHB exemptions

A process for establishing exemptions will be determined during the tender process taking into consideration input from the public, staff and Councils etc.

Every exemption granted results in a reduction in income. For example if exemptions were given to 100 public/visitors per week day and assuming that each visit resulted in the average stay of 1hour 45 minutes of car parking at a charge of \$4.00 the potential loss to MCH would be \$104^K pa.

(h) Coverage

The paid car parking system could apply to the Palmerston North Hospital Site, including Board office.

Charging would apply to the public (patients and visitors), staff and Board members.

(i) Time Frame

From the time a Tender was let it would take approximately eight to twelve weeks for the required equipment to be delivered, installed and operating.

(j) Advantages of managed paid car parking system

- Enhanced control of car parks
- Better utilisation and availability
- Control of offenders parking illegally
- Lesser charges than most other DHBs and local authorities
- Revenue for MCH
- Revenue for upkeep of hospital roading/car parks (suggested 10% pa of revenue)
- Security enhancement for all vehicles parked on site
- Additional car parks including disabled parks
- Possible enhancement of public transport system

A criteria will be considered that promotes turnaround of car parks, supports the move to increased day services , supports principle of day time staff use of car parks at campus perimeters and public parks close to the hospital, promotes alternative/healthy transport options (e.g. staff who car pool get reduced rate/rebate) and promote traffic flows.

Despite charging regimes there could be many other enhancements to the parking site at Palmerston North Hospital such as extra bicycle stands and working with councils providing transport.

(k) Disadvantages of managed paid car parking system

- Staff and public generally disagree with paying

6. SITE ISSUES

The future sale of MidCentral land adjacent to Tremaine Avenue which includes 189 car parks could have a major impact on car parking availability.

The future reconfiguration of buildings would also have a negative impact on car parking availability as would the widening of Ruahine Street with the loss of approximately 60 car parks. However, sites have been identified which could be developed as car parking areas with the provision of almost 200 spaces.

- i)** The area currently occupied and surrounding the ex Sub Acute Mental Health Building – approx 62 parking spaces
- ii)** The area between Pullar Cottage and Board Office Buildings – approx 60 parking spaces
- iii)** The area including and surrounding the tennis court near Konini House – approx 76 parking spaces.
- iv)** The possible construction of a parking building in conjunction with any future building programme for Palmerston North Hospital. The cost thereof would need to be negotiated with the appropriate operator at the time.

The permanent closure of some entrances will make the site more manageable for paid car parking eg. 2A in Heretaunga Street near the Board Office (access through Gate 2 with a new internal access to car parking provided), Gate 8 in Tremaine Avenue, Gate 13 in Ruahine Street and possibly Gate 9 in Ruahine Street. The City Council would agree with these closures. This would in some cases result in a slightly longer drive to the next gate. Council agreement/requirement for fewer gates is based primarily on safety due to less points of entry/exit.

The cost of creating 198 extra car parks is estimated at \$331,650 and this could be undertaken over time.

See Appendix B for site plan.

Future Site Re-development

The introduction of a paid car parking scheme will not compromise a future site redevelopment at PNH. Any loss of parks for building construction will be compensated for by planning a parking building into the programme and/or use of alternative vacant land. Sufficient surplus land will be held for such purposes and for future site re-development.

A controlled parking system will also be an advantage in a site re-development exercise.

7. CONCLUSION/SUMMARY

It is feasible to implement a controlled paid car parking system at Palmerston North Hospital based on proposals from Car Park Operators and similar systems operating at other District Health Boards.

Whilst not unexpected the majority of submissions received from the public and staff do not support a paid car parking system. Very little positive support was received.

It is notable that a response from the Tararua District Council was in support (*Appendix A*). It is also known that the Horowhenua PHO is investigating options for assisting public with travel to Palmerston North Hospital for treatment. However the fact remains that MidCentral Health, a division of MDHB, is still facing a substantial deficit both now and in the future. As the Financial Sustainability Programme has not yet identified sufficient efficiencies and saving to offset MCH's deficit then management is prepared to pursue this initiative if approved by the Board.

These submissions have been taken into consideration in terms of their general opposition to a pay system, level of payment, improvements in the availability of car parks including management thereof, physical conditions and security. As outlined in Section 5 (j) many enhancements can be achieved including future additional car parks as the need arises in a planned way including consideration of a future car parking building. Introduction of a paid car parking system will not compromise future re-development options.

Future land disposal (previously identified as surplus and approved by the Board) will be re-evaluated for the Board both in terms of car parking needs and further re-development of the site when the outcome of the current Clinical Plan and Feasibility review are completed in 2007/08.

Therefore taking all matters into consideration, a fee structure can be set that both assists with the deficit and minimises charges to the public and staff (Reference Section 5 (e). Staff alluding to this being an erosion of current salary/conditions etc and will therefore be reflected in future pay negotiations, is noted.

If the Board approves a paid car parking scheme in principle then Tenders will be sought from Car Park Operators plus consideration given to managing an "in-house" operation or as an extension of an existing on site Contractor arrangement (any "in-house" option would of course require a substantial Capital outlay by the Board).

During this process the actual detail will be identified for management to consolidate into an Operational Plan for implementation. At that time Board approval will be sought to the awarding of a Contract or any alternative option of management of the scheme.

8. RECOMMENDATIONS

It is recommended :

- (a) That it be noted the car parking feasibility study determined a paid car parking scheme for MidCentral district Health Board was feasible and would contribute a financial contribution including an enhanced car parking operation; and
- (b) That management proceed to tender for car park operators, including consideration of internal management options, to develop a detailed paid car parking proposal for Palmerston North Hospital including parking rates, number and designation of car parks, exemptions and all operational detail and;
- (c) That management invite a limited number of mayoral/council and staff representatives to contribute in developing appropriate exemption options; and
- (d) That management continue to work with the Palmerston North City Council and Horizons to progress public transport options including safe biking routes etc to Palmerston North Hospital; and
- (e) That management advise the Board of the detailed development plan when complete in two to three months time.

Jeff Small
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