

7. HOSPITAL PARKING CHARGES

General Manager responsible:	General Manager City Environment, DDI 941- 8608
Officer responsible:	Ross Herrett, Acting Transport and Greenspace Manager
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PURPOSE OF REPORT

1. The purpose of this report is to approve a variation to the application of the on-site charges for parking at Christchurch Hospital as resolved in the 2006/2016 LTCCP, City Council Fees and Charges: Appendix B, and confirmed in the 2007/2008 Annual Plan.

EXECUTIVE SUMMARY

2. On 6 September 2007 a report to approve a variation to the application of the on-site charges for parking at Christchurch Hospital was presented to the Council for consideration. The Council resolved that consideration of this item be deferred to allow a further staff report to be provided to the Council giving information on:

(a) The implications of introducing one hour free parking at the Christchurch Hospital Car Parking Building.

- Total vehicles at the Hospital Car Park 06/07 Financial year = 196,040
- At the current rates of \$1.00 per hour the cost of introducing 1 hour free parking would be \$196,040.
- At the proposed rates of \$2.20 per hour the cost of introducing 1 hour free parking would be \$431,288.

Our experience with the four car park buildings where we currently operate the '1st hour free' strongly suggest that if the '1st hour free' was introduced at the Hospital public car park building it would not take very long for Canterbury District Health Board (CDHB) staff to realise that if they removed their vehicle from the car park just before their 1st hour was up and re-entered the building immediately that they could in effect get their parking free all day. The incentive would be strong even to move the car in and out several times a day. This would mean that visitor and patient use would be compromised and that the loss in revenue would increase.

b) Relinquishing the agreement to manage the Christchurch Hospital Car Parking Building back to the Canterbury District Health Board.

In April 1996 the CDHB and the Council entered into a 'Parking Management Agreement' under the terms of which the Council assumed responsibility for the management of public parking at Christchurch Hospital. The primary purpose of this was to ensure that there was some method of monitoring and enforcing both time restrictions and the type of parking in various areas on site (eg: loading zones mobility parks). This provided the Council with the legal authority necessary for such enforcement activities. The Council's involvement was at the request of Canterbury Health Ltd (CHL) following extremely adverse publicity to the wheel clamping system implemented by CHL through a private provider.

In 1999 the Public Hospital Car Park Building opened with the Council entering into an agreement with the CDHB to manage and operate this building in conjunction with the on-site parking area.

There are some benefits from operating both the on site parking and public car park building in conjunction, such as maintaining fair, reasonable and consistent pricing in both areas and, through enforcement, ensuring parking on-site is primarily for patients and visitors.

The 'Parking Management Agreement' expires in 2019.

It appears that the only way the Council can exit this agreement is through the passage of time (lease expiry), breach of agreement or by mutual agreement.

However, a legal opinion has been obtained from Robert O'Connor of the Legal Services Unit and his findings are:

“Essentially, there is no provision for the Council to simply “opt out” of these arrangements.

However, I note that both documents do contain provisions permitting assignment by the Council to a third party. Such an assignment could occur if the Council was to find a buyer for the business operated at the site or a party prepared to operate that business in place of the Council. You should be aware that in the event of an assignment to a third party the law provides that the liability of the Council would continue for the full 20 year term and the Council would be required to step back into the breach, as it were, if the assignee defaulted.”

c) The possibility of including the Christchurch Public Hospital site in any future light rail link.

A request for this to be considered as part of the 'light rail link' consultation process will be passed to the relevant parties.

d) The establishment of a subcommittee for the purposes of public consultation, as mentioned by Mayor McEvedy in his submission.

The Council held a further consultation meeting on Thursday 18 October 2007 at which the following people were present – Trevor English (CDHB), Michael McEvedy (Chairman of the Pegasus PHO), Michael Aitken (Transport and Greenspace Manger) and Karen Scott (Team Leader Parking). At this meeting the variation to charges as stated below (in point 5) was agreed to by those present. It was also agreed at this meeting that the report of 6 September 2007 be represented to the Council as soon as possible.

A subcommittee could be convened in early 2008 made up of the following people – Trevor English (CDHB), Rachel Cadle (CDHB), Michael McEvedy (Chairman of the Pegasus PHO), and from the Christchurch City Council the Transport and Greenspace Manager, Karen Scott (Team Leader Parking) and Darryl O'Keefe (Senior Parking Officer).

e) The requirement for public car parking for the Christchurch Women's Hospital and the actual provision.

Based on the staff numbers, the Transitional District Plan and the proposed City Plan, parking requirements for the entire hospital activity are shown in the table below.

<i>Transitional District Plan</i>			<i>Proposed City Plan</i>		
Existing Hospital			581	581	
Future # of beds	140	1 space per 5 beds	28	1 visitor space per 2 beds plus	70
Future # of staff	165	1 space per 2 staff	83	5 staff spaces per 3 beds (140 beds)	234
TOTAL			692		885

During the construction of Christchurch Women's Hospital the on-site parking reduced from 320 spaces to 195 spaces and then increased back to 258 spaces once the new building was operational. This meant that there were 62 spaces less on-site than the previous provision.

Subsequently staff parking sites were identified and created in the following areas:

- (a) The corner of St Asaph Street and Antigua Street (staff building - 430 spaces)
- (b) The corner of St Asaph Street and Hagley Avenue (Lab parking area - 33 spaces)
- (c) The corner of St Asaph Street and Stewart Street (Breweries Site – 200 spaces)

Currently the following number of spaces is available in the Hospital on-site parking area:

- | | | |
|-----|--------------------------------|--------------|
| (a) | Public Pay and Display Parking | 163 spaces |
| (b) | CDHB staff and service parking | 95 spaces |
| | | = 258 spaces |

A total overall parking spaces for the public and staff of 921 spaces, which is 36 spaces more than required.

3. The Council manages the Christchurch Hospital Car Park building and the on-site parking at the Hospital through a Parking Management Agreement and a Deed of Sublease. Both these documents make clear that the car parking charges shall be set by the Council and have requirements for consultation with the CDHB.
4. The Council sets charges through the Long-Term Council Community Plan (LTCCP) and Annual Plan. In the 2004/14 LTCCP the off-street parking fees were set covering both the building and the on-site charges:
 - Hospital Parking 2003/04 2004/05
 - Basic Charge Up to \$0.70/half hour Up to \$1.00/half hour
5. From 2004 the charges levied were \$0.50c/half hour in the building and \$0.75c/half hour on site.
6. In the 2006/16 LTCCP, Appendix B (under section 83 of the Local Government Act 2002), the Council set new charges, separately identified the building and on-site charges and removed the discretion to charge less than the full fee.
 - Hospital Car Parking 2005/06 2006/07
 - Building \$1.00/half hour \$1.10/half hour
 - Main Site \$1.00/half hour \$1.10/half hour
7. These fees were not implemented at the time and the status quo of \$0.50c/half hour in the building and \$0.75c/half hour on site continues.
8. In consideration of the 2007/08 Annual Plan the issue of the gap between the printed rates and the actual charges levied was raised as part of the Omnibus Report. The Council resolved, at its extraordinary meeting on 23 February 2007, to collect the charges as set out in the LTCCP.
9. The notes from the meeting read:

"It was resolved to note that, subject to consultation with the Canterbury District Health Board; the charges for the hospital car park would increase from 1 July 2007, in line with other car parks and Council policy."
10. Following informal contact with the CDHB a formal notification of the Council decision was made on 15 May 2007. This letter also sought consultation with the CDHB on the proposed changes. In response to this the CDHB undertook consultation by email on 19 June 2007. The email to staff states "We [CDHB] intend to oppose the proposed increases and are very keen to have the views of both staff and patients to pass onto the Council." All but one of the nearly 200 responses expressed negative views about the proposal with 50% focusing on the impact on patients and their families, 21% focusing on the impact on CDHB staff and a further 19% concerned about both groups. This was followed by two meetings with the CDHB staff to discuss a way forward.

11. In response to the feedback from the CDHB and their staff we identified the concerns regarding patient and visitor access to the Hospital and the impact of a price increase on this group. We then proposed, subject to Council approval and the CDHB enacting the necessary parking restrictions, that we would raise the car parking building charges to the level already resolved by Council, that is to say \$1.10 per half hour. On the hospital site we would raise the charge to a lesser extent than that resolved to date, that is to \$0.80 per half hour but in conjunction with this small increase we would restrict parking on the site to patients and visitors only, other than for specifically designated staff car parking, and place a time restriction of P120 for all patient and visitor parking on site.
12. We further propose to cap the charges in the car park building at a maximum of \$17.00 per day.
13. We have compared our charges with those at comparable hospitals in Auckland, Wellington and Dunedin. At Auckland City Hospital the charges are \$3.00 for the first hour increasing to \$17 for over 6 hours. At the Wellington Hospital Car Park the charges are \$3.00 for the first hour increasing to \$8.00 for over 4 hours. In Dunedin the hospital does not have its own car park but the nearest Council car park is in Great King Road and charges \$1.60 per hour.
14. The CDHB has formally responded to our proposal in a letter dated 7 August 2007. They state, "In summary we remain disappointed with the Council's approach and response to our submissions and suggestions. We acknowledge that a lesser increase in charges for the parking on the site is obviously a better position than had originally been targeted by the Council for patients and visitors (together with the time restriction). However, we remain generally of the view that we do not agree with the Council seeking to increase its overall revenues through the medium of parking facilities for Christchurch Hospital ..."
15. In the 2007/08 Annual Plan the budgeted revenue for the hospital car parks was increased by \$557K. This was a conservative estimate of the impact of the fully implemented charges and reflects an assumption that there would be an initial decrease in patronage, particularly in the building. We believe that, given the conservative estimates of revenue used in the budget, we will achieve the targeted increased revenue overall by the end of the financial year and there should be no impact on the Council's planned budget overall.
16. It is important to draw the following to the Council's attention:
 - The CDHB provide a dedicated staff car park in close proximity to Christchurch Hospital.
 - The Council-run parking building across the road from the hospital is connected by an underground tunnel to the main hospital building and wheelchairs are available if required.
 - In emergency situations, patients and families who are forced to exceed parking limits in the hospital grounds can seek relief from the infringement notice from the Council on compassionate grounds.
 - Where patients and families are high users or long term users of the parking they can apply to the CDHB for a Council-funded concession for parking.
17. On 6 September 2007 a report to approve a variation to the application of the on-site charges for parking at Christchurch Hospital was presented to the Council for consideration. The Council resolved that consideration of this item be deferred to allow a further staff report to be provided to the Council giving additional information. This information is contained in the Executive Summary.

SUBSIDIES AND FINANCIAL IMPLICATIONS

18. With the changes proposed in this report the impact will be a reduction in the increase in revenue from the on-site parking of \$247K (with a 1 May 2008 start date). Given the conservative estimates of revenue used in the budget and the unexpected increase in revenue from on-street parking we will achieve the targeted overall increased revenue by the end of the financial year and there should be no impact on the Council's planned budget overall.

19. Currently the Council offers and picks up the cost of the following parking subsidies at the Hospital:

High User/Long Stay Concession Parking (Car Park Building only)

- Authorisation is given by CDHB and issued by Hospital Security.
- A criterion is that the patient must be in hospital longer than two weeks or returning for treatment for over two weeks. Only two cards issued per family.
- Authorisation letter handed in at car park and swapped for a High User/Long Stay Concession card which allows the holder "\$3 per day" parking for the period stated on the authorisation letter.

Child Cancer - Smiley Face Sticker (Car Park Building only)

20. The 'Smiley Face Stickers' are issued by the Child Cancer Ward and on presentation at the car park building the driver receives "\$3 per day" parking.

Oncology Patient Parking (On-Site only)

21. When Oncology patients display their appointment letter on the dashboard of the vehicle they get one hour free parking.

Chemotherapy Patients (On-Site only)

- Treatment appointments are from between 6–8 hours
- These patients get "All Day parking" in the Oncology parking area only and must display a "\$3 Pay and Display" ticket on the dashboard of their vehicle.

"Crisis Card" Parking (Short term on site/Long term in car park)

22. When displaying a Crisis Card patient gets 48 hours free parking on-site and if they need longer they are referred to park in the car park building and obtain the "\$3 per day" concession on presentation of the Crisis Card.

"Emergency Call Back Staff" Parking (On-Site)

23. These staff display a red 'Emergency Call Back Card' and generally park in the ambulance bay, but if full will park in the general public car park area free of charge.

Staff Purple "On Call Cards" (On-Site)

24. These cards are used by On Call staff to park on-site (free) after 5pm during the week, and at any time during the weekends.

Mobility card holders (On-Site)

25. All current mobility cards displayed in the Pay and Display area receive a one hour concession on top of what they have paid.
26. It is proposed in early 2008 to enter into discussions with the CDHB to take over the cost of these subsidies. It is not seen as Council's responsibility to pay for these subsidies, and in fact no where else in New Zealand do Council's pay for hospital parking subsidies. The cost of any hospital parking subsidies to patients and/or organisations is fully paid for by the relevant district health board.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

27. Yes. The revenues are included in the 2006/16 LTCCP, and the increased charges are as per Fees and Charges, Appendix B to the 2006/16 LTCCP.

LEGAL CONSIDERATIONS

28. The obligations between the Christchurch City Council and the Canterbury District Health Board (as the successors to Canterbury Health Limited (CHL)) in relation to the parking building at Christchurch Hospital are set out in the Deed of Sublease (DOS) dated 2 March 1999 between Christchurch Hospital Parking Ltd. (CHPL) and the Christchurch City Council and in the Parking Management Agreement (PMA) between CHL and the Council.
29. Clause 4.1 of the PMA states "Car parking charges shall be set by the Council in consultation with CHL. Council may review car parking charges from time to time in consultation with CHL. In the event of a dispute between CHL and the Council upon the setting or review of charges, the decision of Council shall be final and binding."
30. Under clause 1.3 of the Head Lessor's Consent to the DOS the Council is required to "manage the car parking building as a public car park and included within such use to be available to cater for the Head Lessor's (ie CDHB) staff and visitors to the Head Lessor's Hospital ..."
31. As part of the Head Lessor's Consent attached to the DOS there is record of an agreement to (Clause 1.4) "... the establishment of a committee with the express purpose that the committee shall act in an advisory role to the Sublessee and its management of the car parking premises ... the aforementioned committee will not have the authority to direct the management of the car park or set the level of fees for car parking but, nevertheless, the committee is expected to be consulted in respect to such matters." It is unclear whether this committee has been established as it certainly is not currently operative.
32. As indicated earlier, the level of charges in respect of the hospital car parks has been set in the Council's 2006/16 LTCCP. The variations recommended in this report are inconsistent with that document.
33. The decision to be made by the Council therefore needs to be considered in the light of Section 80 of the Local Government Act 2002. If the decision is significantly inconsistent with the Council's LTCCP, then that needs to be identified and steps taken to deal with it.
34. Whilst there will be a drop in income from the revised charges, it is the view of the Legal Services Unit that the difference is not significantly inconsistent with the provisions in the 2006/16 LTCCP. This is because the overall revenue to be derived from the hospital car parks is expected to be very close to that budgeted for. If that is found not to be the case, then the matter can be dealt with by a future amendment to the LTCCP, and publicly notified through that process.
35. The Council can then resolve to implement less than the schedule rates without recourse to a special consultative procedure.

Have you considered the legal implications of the issue under consideration?

36. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

37. The recommendations are aligned with the LTCCP 2006/16 (including the Fees and Charges in Appendix B) and Activity Management Plans

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

38. Yes, levels of service remain in line with the 2006-16 LTCCP and the increased revenue is included in 2007/08 Annual Plan budget.

ALIGNMENT WITH STRATEGIES

39. Parking Strategy for the Garden City 2003.

Do the recommendations align with the Council's strategies?

40. Policy 4O (page 12) confirms that the Council "may become involved with off-street parking for the public where there are benefits to the wider community examples include providing off-street parking around public hospitals".
41. Policy 4Q (page 12) directs us to "provide convenient and effective parking facilities for disabled persons in order to support their access".

CONSULTATION FULFILMENT

42. Consultation with the CDHB and the local Primary Health Organisations (through the Chair of the Pegasus PHO) has been undertaken and is on-going.

STAFF RECOMMENDATION

It is recommended that, subject to the CDHB imposing the P120 and Patient and Visitor Parking Only restrictions on the Christchurch Hospital main site, the Council resolve, effective 1 May 2008, to:

- (a) Modify the charges as set out in the 2006/16 LTCCP for parking in the Christchurch Hospital car park building so that they read:
- Hospital Car Park Building 2007/2008
 - Basic Charge \$1.10 per half hour or part thereof
 - Maximum Daily Charge \$17.00
- (b) Confirm the reduction in the charges set out in the 2006/16 LTCCP for Christchurch Hospital on-site parking to \$0.80c/half hour instead of the published \$1.10/half hour so that it reads:
- Hospital on-site Parking \$0.80 per half hour