

6.10 Cash-in-Lieu

Cash-in-lieu of parking can provide an attractive alternative to developers with regard to parking requirements. This arrangement can also benefit the wider community through the supply of publicly and equitably managed parking for the use of high-value or highest-need parkers. Factors to be addressed by the CGG in considering entering into a cash-in-lieu arrangement include, but are not limited to, the following:

- > Consistency with the objectives of LPS1
- > Requirements/concerns of commenting agencies
- > Consistency with the objectives of the *City Centre Transport Planning and Car Parking Strategy*
- > Whether there is an identified local government interest in providing public parking facilities in the immediate area
- > The timing for the delivery of the public parking facilities and the adequacy of alternatives to on-site parking until public parking facilities are delivered
- > Whether on-site parking deficiencies would result in a hardship for the site or surrounding area
- > Ability of the site to accommodate the proposed development, based on the available supply of parking
- > The number of spaces proposed to be considered for payment-in-lieu.

The current CGG cash-in-lieu policy requires developers to pay the full cost of the parking bay and land area, which generally results in little or no uptake of the offer. This is because the value of a parking bay which the developers do not own or control has less value than the cost of building one on their own land over which they then have full control.

As an alternative, the CGG could set the cash-in-lieu rate at a portion of the estimated cost of providing a public parking bay. A representative benchmark policy might include the following steps:

1. Identify existing or new locations for public parking infrastructure within reasonable proximity of the development.
2. Assess the cost to the CGG of providing a single car parking bay, under the following criteria:
 - a. **At-grade parking:** Land value + surface car parking infrastructure cost (lighting, asphalt, kerbing and linemarking etc.) / # bays
 - b. **Decked Parking:** Construction cost of decked structure / # bays
3. Set the developer cost for cash-in-lieu at 75% of the cost to the CGG. This discount is to:
 - Provide a financial incentive for developers to contribute to the creation of strategically located public parking facilities
 - Recognise that the CGG will be able to recover some of the costs through user fees
 - Recognise that parking spaces are not allocated to specific users on a reserved basis, although the general supply will be available to meet demand
 - Recognise that the contributor will not have an ownership interest in the public parking facilities
 - Recognise that the parking may not be as conveniently located to a specific development compared to on-site or other nearby parking facilities
 - Recognise that all or a portion of the parking may not be constructed at the same time as the development
 - Recognise that the developer will not have any control over parking fees and use regulations.

It is important to note that the success of cash-in-lieu parking arrangements can be substantially compromised if the CGG approves parking concessions in order to relieve owners from their obligation to provide car parking according to the planning requirements. Concessions should only be approved where the applicant can clearly demonstrate that the parking requirement exceeds the likely generation of the development.

Should the CGG approve a concession because it is technically justifiable, the CGG may still allow developers to use the cash-in-lieu program to further reduce the amount of parking required on-site.

The decision to accept cash-in-lieu should remain at the discretion of the CGG and not become an automatic right. This will allow the CGG to ensure that if it accepts cash-in-lieu payments there is a reasonable expectation that municipal parking is **already** available to serve the development, or that the CGG will be able to provide a supply increase in the short term.

It is also necessary to ensure that planning for the provision of future parking structures is transparent and that contributors to the cash-in-lieu fund are given clear indication as to what their payments are funding. This will ensure that developers continue to see benefits in contributing towards public parking, over the intrinsic advantages visible on-site.

ACTION

Consider modifying cash-in-lieu provisions to incentivise shared off-street public parking.

This responds to objective b and g.

Regardless of the mechanism for funding, either through developer contributions, parking fees and fines or other public monies, it is important that the revenues and costs from parking-related activities be accounted for under one umbrella, out of which the planning, upgrading and management of car parking facilities would be funded (see **Section 0**). This allows for reasonable modifications to the management structure, pricing regimes, infrastructure and maintenance, enforcement and compliance activities to be resolved in a transparent system with full accounting of the costs and benefits provided. This will then form the foundation for assessment of the requirements for cash-in-lieu payments by developers as well as determining and varying parking restrictions and pricing schemes based upon location, time of day and seasonal factors.