

ADDITIONAL ITEM

7.6	INFRASTRUCTURE SERVICES : (PC : CLLR Z DALLING (MS))
7.6.6	PARKING FEE IMPLEMENTATION ALONG THE MAIN ROAD IN THE CENTRAL BUSINESS DISTRICT AREA OF FRANSCHHOEK

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

16 August 2022

1. SUBJECT: PARKING FEE IMPLEMENTATION ALONG THE MAIN ROAD IN THE CENTRAL BUSINESS DISTRICT AREA OF FRANSCHHOEK

2. PURPOSE

To inform Council of the Municipality's intention to introduce parking management along the Main Road in the Central Business District (CBD) area of Franschhoek.

3. DELEGATED AUTHORITY

Municipal Council.

4. EXECUTIVE SUMMARY

Schedule 5B of the Constitution determines that Public Parking is a Local Government competence. Stellenbosch Municipality is therefore responsible for the supply, maintenance and management of public parking within its area of jurisdiction.

Parking Management is implemented where there is an increased demand for parking. Parking Management comprises the implementation of parking fees, collection of fees and other associated tasks. The municipality implemented parking management in the Stellenbosch CBD area in 2013.

Currently, parking in Franschhoek is not being managed in terms of the above, however with the recent increases in economic and commercial activities, the demand for parking has increased. With the increase in demand for parking, the Municipality intends to implement Parking Management on approximately 146 bays located in the Main Road.

5. RECOMMENDATIONS

- (a) that Council takes note of this report; and
- (b) that a public notice be compiled and advertised informing the public of council's intention.

6. DISCUSSION / CONTENTS**6.1 Background**

Schedule 5B of the Constitution determines that Public Parking is a Local Government competence. Stellenbosch Municipality is therefore responsible for the supply, maintenance, and management of public parking within its area of jurisdiction.

Parking Management is implemented where there is an increased demand for parking. Parking Management comprises the implementation of parking fees, collection of fees and other associated tasks. The municipality implemented parking management in the Stellenbosch CBD area in 2013.

Recent commercial developments in the Franschhoek CBD, have led to an increase in the demand for parking, necessitating the need to review parking strategies and implement Parking Management along the Main Road in Franschhoek CBD.

6.2 Discussion

Paid parking is intended to be used as a method to manage travel demand within Central Business Districts areas. The management of parking forms part of the Municipality's Parking Strategy and had been listed as a strategic intervention in the Municipality's Comprehensive Integrated Transport Plans (CITP) and these were carried forward into the Integrated Development Plan (IDP).

The need to manage parking is closely related to the demand for the parking; where the parking demand is low, the need to manage parking areas decreases. Currently, parking in Franschhoek is not being managed in terms of the above, however with the recent increases in economic and commercial activities, the demand for parking has increased. With the increase in demand for parking in the Municipality intends to implement parking management on approximately 146 bays located in the Main Road.

By implementing a suitable model, charging appropriately set parking fees accompanied by effective enforcement, local economic development will be supported. The on-street parking in the Main Road of Franschhoek is better suited for the short-term parking management model, which allows for increased bay rotation, ensuring that regular parking turnover occurs adjacent to business and shop fronts, benefiting these places of business.

Off-street parking areas, which are better suited for long-term parking, are lower priced and normally located further away from commercial centers. The Municipality has provided an alternative, where free long-term parking is available behind the Town Hall, at the corner of Dirkie Uys and La Rochelle Streets.

6.3 Financial Implications

The municipality would receive all income generated from parking fees. The revenue generated with parking fees can then be used to offset expenses associated with staffing and other resource requirements.

Note: Estimated Costs for Card machines

- 122 Card machines @ R480 per machine.
- Commission tariff: Credit Card@ 1.74%, Debit Card@ 0.69% and foreign bank cards@ 2.50%
- All transactions by credit card at a commission of 1.74%
- Estimated commission of R9744

6.4 Legal Implications

The Municipality may only levy tariffs as contained in the Tariff book and which gets approved once a year during the budget cycle process. This includes a public participation process during which the public can provide input in regard to inputs/comments on proposed tariffs/fee the municipality intends to implement during the following financial year. In terms of the MFMA the public participation process runs between the months of March (when a draft budget is approved) and mid may (before the final budget is approved). There are no tariffs or fees for parking management in Franschoek approved for 2022/23 financial year. Amendments to an approved budget may only take place through an adjustment budget and council may not increase municipal tax or tariffs during a financial year (clause 28(6) of MFMA) during just an adjustment budget. Where residents have not be part of parking management through the payment of a tariff such a tariff cannot be introduced unless it is part of the normal budgeting process otherwise it will be seen as an "increase". Council have even when we lowered the tariffs or fee gone through a public participation process as it influences the income of the municipality. It is advised that if parking management is intended for Franschoek through the introduction of a parking fee/tariff it forms part of the 2023/24 financial year's budget cycle and public participation process.

The expenses to implement parking management internally is not sustainable as we have seen with the Stellenbosch process. We do not have the internal capacity to deal with the process and the costs to employ staff inhouse is too high for the returns and therefore makes it unsustainable.

6.5 Previous / Relevant Council Resolutions:

None

6.6 Staff implications:

Breakdown of financial costing:

Once-off Cost

Description	Cost	Comment
Uniforms	126 000	63 Officers @ R2 000 per officer
Radios	220 500	63 Officers @ R3 500 per officer
	346 500	

Monthly costs

Description	Cost	Comment
Salaries – Parking Marshals	457500	61 Officers @ R7 500 per officer
Salaries - Supervisors	20 000	2 Supervisors @ R10 000 per supervisor
Salaries - Clerk	17 000	2 Clerks @ R8 500 per clerk
EPWP Staff	242 000	50 EPWP employees
Rental Card Machines	58 560	122 Card Machines @ R480 per machine
Commission Card Machines	9 744	Estimated commission
	804 804	

6.7 Risk Implications

If council approve a Franschoek CBD parking fee during the 2022/2023 financial year it will be in contravention with the Municipal Finance Management Act (MFMA).

6.8 Comments from Senior Management:**6.8.1 Director: Planning and Economic Development:**

I have no comment and support the item.

6.8.2 Director: Community and Protection Services

Comments were provided under staff- and financial implications.

6.8.3 Chief Financial Officer:

No provision is made in the council approved tariffs for a Franschoek parking fee. Section 24 of the MFMA provides that new tariffs for property rates, electricity, water and any other taxes and tariffs may only be implemented from the start of the municipal financial year (1 July). Furthermore, in terms of Section 28 (6) of the MFMA a municipal tax and tariffs may not be increased during a financial year.

6.8.4 Director Corporate Services

I do not support the recommendations before the provisions of the legislation has been complied with. It has proven that implementing a system with EPWP employees is not a long-term solution and creates a lot of conflict and expectations of employment that is not realistic. The costs for doing the process in-house have proven unsustainable in Stellenbosch town due to high employment costs and over estimation of income.

I do support the notion that it must be moneyless transactions. Alternative process of implementation should be considered – either to deal with a tender for a service provider to do the parking management at a fee or install clever parking meters. The latter will have to be procured and must preferably not take coins or money. Both processes can only be implemented after tariffs has been approved.

6.8.5 Municipal Manager

Given the CFO's comment, this project can only be implemented in the next financial year. It is assumed that the on-street parking in Franschoek will operate on the exact terms of Stellenbosch and therefore provision should be made for parking attendants and once-off cost for uniforms and operational requirements.

FOR FURTHER DETAILS CONTACT:

NAME	Shane Chandaka
POSITION	<i>Director</i>
DIRECTORATE	<i>Infrastructure Services</i>
CONTACT NUMBERS	<i>021 808 8213</i>
E-MAIL ADDRESS	Shane.Chandaka@stellenbosch.gov.za
REPORT DATE	<i>4 August 2022</i>

