

**Measure title : Mobility Company City of Ghent as a merger of two former units (Parking Company and Mobility Department)**

**Country:** Belgium

**City:** Ghent

## A1 Objective

- To create a Mobility Company within the City of Ghent, which enables the City to work in an integrated way on mobility planning on different levels, from strategic to operational levels.
- To (partly) finance the planning and execution of the mobility policy using the on and off street parking incomes for sustainable mobility purposes.



The figure above shows the banner announcing the end of the Mobility Department and the Parking Company and the start of the new "Mobility Company" as from January 1, 2012.

## A2 Description of the CS

The measure largely consists of the merger of the former City “Parking Company” and the Mobility Department in the city administration.

### A short history

The city of Ghent had a so-called “parking company” since 1982. The Parking Company, fully owned by the city, was created to build, finance and run the first underground parking in the City (Vrijdagmarkt). A few years later, on street parking controls were installed in parts of the commercial heart of the City. The Parking Company was in charge of the enforcement of these on-street controls. Later on, they built a number of new parking garages and were still in charge of the ever increasing amount of paying “on-street” parking spots.

As an outcome of the Bicycle Plan, implemented in 1993, a small Bicycle Planning unit was created in 1994 within the City Administration. They were the nucleus of a real Mobility Department. Until then, most operational issues were covered by the Police, while strategic “traffic planning” was carried out by the Urban Planning Department.

In 1997, as a part of the “Mobility Plan for the Inner City” a clear parking policy was established, truly embedded in an integrated mobility vision for the inner city. The parking policy supported the proposed circulation scheme for the inner city, which created a pedestrian zone in the city centre, banned through traffic in the historical part of the inner city, provide for the bicycle. The Parking Company supported this policy, by installing a dynamic parking guidance system and by introducing a restricted parking policy, the so-called “stand still principle”: no additional parking spots would be built in the city centre. All new capacity in an underground garage had to be compensated by the removal of an equivalent number of surface parking spaces.

Thus, the role of the Parking Company became obviously more and more important. Between, 1997 and 2012, the Parking Company grew systematically, in accordance with a number of new underground parkings (always within the constraints of the stand still principle!) and the systematic extension of paid on street parking spaces (now about 20.000 on street parking spaces have to be paid for!).

Furthermore, in 1999, the bicycle planning unit was transformed and broadened into the new Mobility Department, largely because as a result of the Mobility Plan and subsequent work, there was a real need for such a Department in the City administration.

From the beginning on, the idea was to merge these two units (Parking Company and Mobility Department) into a new Mobility Company, but it took quite a few years to realize this.

While the Mobility Department was a pure part of the City Administration, the Parking Company had much more autonomy, although under control of the city council. Their tasks were mainly to exploit on street parking and to build and exploit parking garages. In 2011, they had about 55 employees.

Within the city administration, the Mobility Department was in charge of the overall mobility strategy and implementing mobility measures in the city. This included also the realisation of bike parking facilities and bike sheds throughout the City.

It was clear that the Parking Company and the Mobility Department had to work together very often. Parking issues are of course crucial in a mobility strategy. Although there was good co-operation between the two entities, it was not always clear who should decide on, for example, the opportunity to build a new parking garage, setting on street parking tariffs, and so on.

Also, sometimes a conflict of interest existed, for example when on street parking had to be removed for bus lanes or bicycle stands. The need for continuous consultation and joint working, overlap and possible duplication of work for some tasks, the parking company only focusing on car parking, and other related problems all conspired to make the situation less than ideal.

On the other hand, the Mobility Department suffered from time to time from a lack of funding, unable to create for instance, bicycle infrastructure, or off-street bicycle parking.

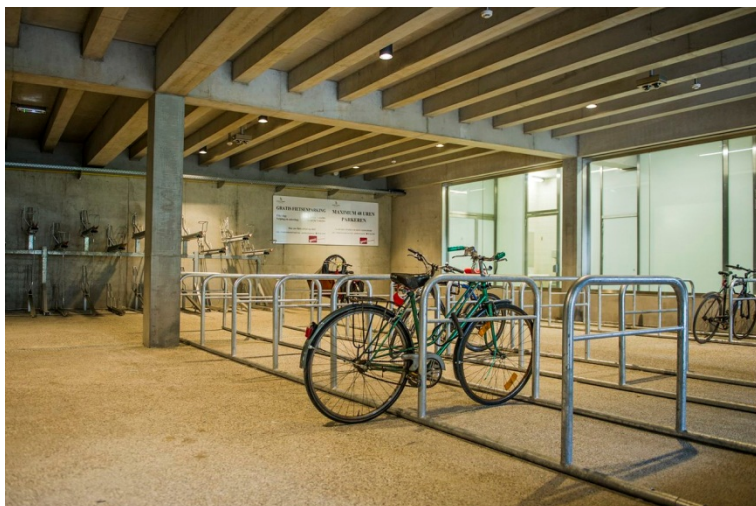
Moreover, this whole situation had as a consequence that parking policy was not always an integral part of mobility and spatial planning policy.

Around 2007, as a result of a new Decree of the Flemish Region, local authorities were forced to alter the scope of their “City companies” such as the Parking Company. The choice was either to transform the company in an “internal” agency or an “external” agency. In an internal agency the director has some more autonomy compared to a “regular” city department, although it is still under supervision of the City Council. An external agency is not directly under supervision of the City Council (there is an appointed Board of Directors) and has therefore much more autonomy.

There was a scrupulous screening on the pros and cons of the two options, but in the end the choice was for an “internal agency”, one of the main reasons being that an internal agency does not have to pay taxes on benefits, as it is considered as a local authority.

### The new Mobility Company

The result was the creation of an internal agency, named the “Mobility Company of the City of Gent”, that was after merged with the Mobility Department. The Mobility Company has existed since 2012. At its inception the Director concluded a management agreement with the City Councillors, clearly setting out the tasks the Mobility Company has to fulfil. A remarkable goal was that from then on, the Mobility Company would also be responsible for building/providing for off street bicycle parking. This resulted almost immediately in the building of two underground parking garages for bicycles in the city centre and in the co-financing of a huge underground bicycle parking garage at the main railway station.



*Underground bicycle parking in the city centre, paid for by the Mobility Company revenues*

Due to this merger operation, the Mobility Company has now all the tools to install and execute an integrated mobility policy, from the planning stage at a strategic level, through implementation, such as raising parking tariffs, installing bicycle sheds, right up to the real time follow up of traffic situation on the field, all within one and the same entity.

The Mobility company has the following official main objectives:

- researching, implementing, and evaluating road safety measures in the context of the optimization of the mobility policy of the city of Ghent;
- managing and further development of the (bicycle and car) parking infrastructure;
- the further development of traffic and transport management in collaboration with both city departments and third parties;
- to support projects to improve mobility in Ghent and
- taking care of the communication and awareness raising with respect to parking and mobility.

### Financial flow

The Mobility Company has a degree of financial autonomy. In the agreement it concluded with the City Councillors, an (increasing) amount of money has to be paid to the city; in this way the city benefits from the gains of the Mobility Company. However, after the payment of this fixed sum and after paying for personnel and expenditure, the remainder of the gains can be used for investment in car parking (including P&R lots) and bicycle parking.

Moreover, the costs for personnel and daily expenditure cover quite a wide range of mobility management measures, including:

- The Mobility Company pays 200.000 euro for the system of night buses in the city (the remaining amount is covered by the Public Transport Company)
- The Mobility Company pays about 60.000 euro/year to an NGO for exploiting a so-called “bicycle point” in the city centre (cycle hire, cycle repair, etc.)
- The Mobility Company will pay for a future small scale “shared bike system”
- The Mobility Company pays for studies or for consultants giving advice on sustainable transport and mobility
- Some members of staff are fully occupied with Mobility Management, e.g. a Mobility Manager for companies, a parking mediator, etc.
- Daily expenditure also covers the costs for campaigning for sustainable mobility

More in detail:

- The income of the Mobility Company consists of the parking revenue of both on street parking and the parking garages.
- All costs are deducted from this gross income: personnel, daily expenditure, smaller investments and maintenance costs, etc. As explained above, these “costs “ already include quite some expenditure on sustainable mobility.
- After deduction of all costs, we get the net benefit. For the latest year available, this benefit was about 7,5 million Euro. The amount due to the city is paid (this amount is fixed in the management agreement): last year, it was 1,6 million euro, but this amount will increase over the next years.
- The remaining amount goes in a kind of “reserve fund” that can be used for larger investments in car parking (including P&R<sup>1</sup>) and bicycle parking. The Mobility Company can make proposals for these new investments, but they have to be approved by the City Councillors.
- If necessary, the Mobility Company can also borrow extra money to have more funds for investments, observing some pre-set rules about the amount that can be borrowed.

---

- <sup>1</sup> The Mobility Company will pay for a (planned) P&R garage comprising of 530 parking spaces and at a cost of about 7,5 million Euro

## The new structure of the Mobility Company

The new organizational structure (2014) consists of 4 units who work in close co-operation

### 1. Policy Unit

This “Policy” Unit is necessary to give room to the elaboration of a longer term strategic vision and always to keep an eye on “the bigger picture”. The Unit's objective is to elaborate the strategic framework for all relevant issues in the company, in cooperation with the relevant experts.

The Unit takes care of the strategic vision, such as the development of the mobility plan, parking plan, etc. but also includes a smaller sub-unit that is responsible for the transformation of the strategic vision into operational policy plans.

Another sub-unit is involved in monitoring and advising on urban development projects and supporting green travel plans for schools and companies.

The Unit also houses a “bicycle sub-unit” who is responsible for the development and elaboration of the cycling network, integrated cycling policy and a high quality bike parking policy.

The marketing sub-unit is the voice of the Mobility Company and ensures that Gent is in the picture, by focusing on branding, external communication, events and building awareness and paying attention to public participation, consultation and co-creation.

### 2. Operations Unit

This unit forms the well-oiled machine of the Mobility Company. The operation of parking facilities, the enforcement of bicycle and car parking regulations, new road signs and so on find their place here. By uniting these different operations, an advantage of scale was created and there is a greater likelihood of effective coordination of the works to be carried out.

This unit has also a new sub-unit, involved in roads signs and traffic orders. This new task was transferred from the Police Department to the Mobility Company.

Finally there is a sub-unit involved in creating a real multi-modal traffic control centre.

### 3. Project Office Unit

Project work was not yet established in the former entities, so this was also launched. They monitor a number of larger projects, the financial consequences of these, and are responsible for the monitoring and evaluation work within the Mobility Company.

In addition, the Project Office also has a number of project leaders who tackle larger projects. One staff member takes care of innovation, making sure the Mobility Company can invest in the latest techniques.



#### 4. Support Unit

This Unit is responsible both for administrative support within the Mobility Company and for the first contacts with the citizens. Customer care is always in the picture.

ICT is one of the other components of this Unit. This Unit comprises also our in-house lawyers and a financial sub-unit.

### **B Costs and who paid them**

The costs of the merger operation consisted in the fee for the consultancy firm that did an in-depth research in the choice between an internal and an external agency. The amount paid was about 175.000 Euro.

### **D Implementation process**

#### **D1. Stages**

The transformation of the two former organisations into the combined Mobility Company happened in three stages:

1. The transformation of the Parking Company into the internal agency “Mobility Company”, January 2011
2. The merging of the Mobility Department and the Mobility Company, January 2012.
3. The integration of a number of former police tasks into the work of the Mobility Company (January 2015).

#### **D2 Barriers –**

The most difficult parts were:

The discussions about the legal issues: this was the first time that the city had created an “internal agency” and as such a lot of legal matters had to be resolved. There was close co-operation with the City’s legal department to tackle these issues.

The discussion on the financial issues and the management agreement between the City Councillors and the director of the Mobility Company also required a lot of discussion with other city departments, before a satisfactory conclusion could be reached.

### D3 Drivers –

- The willingness of the politicians to merge the two units
  - The support of the management of both units involved
  - The support of the management committee of the city of Gent
  - The willingness of the politicians to create the “reserve fund” for investments and therefore the willingness to have an agreement on the amount of the benefits that had to be transferred to the city. In fact if the decision had been to transfer all benefits to the city, it would be far more difficult to get/find money for investments in car parking or bicycle parking.
- *Details: what document(s) was (were) used for answering the questions.*

This document was written by Peter Vansevenant of the Mobility Company of Ghent.