

Source: Public Works

John

Agenda Item No: REP 18-13

To: **City Council**
From: **City Manager and Staff**

MM

Council Meeting Date: Feb 4, 2013

Re: Purchase of Single-space Credit Card Capable Parking Meters

EXECUTIVE SUMMARY:

Staff has prepared for Council consideration a report concerning the purchase of single-space credit card capable parking meters for the Columbia downtown area. The Parking Task Force has recommended this purchase as outlined in their January 15, 2013 report (attached) to Council, and included on the January 22, 2013 Council agenda.

DISCUSSION:

On July 5, 2011, Council established the Downtown Parking Task Force comprised of individuals representing certain entities within the City. The Task Force was commissioned to review, among other things, the current technology used in the Parking Utility and the availability and feasibility of employing improved technology. To this end, with Task Force recommendation, Council authorized an on-street test at their February 20, 2012 meeting to determine the feasibility of single-space credit card capable parking meters.

IPS Group Inc., upon demonstration to the City of their single-space credit card capable meter, was chosen and subsequently provided the City with 38 meters. Thirty-six of those meters were placed on Ninth Street between Locust Street and University Avenue. This location was chosen due to its high rate of vehicle turnover and the opportunity for a great deal of feedback. The remaining two meters were placed on Locust Street between Eighth Street and Ninth Street. This particular street was chosen due to its high volume of vehicle turnover and proximity to the other streets tested. Testing was conducted from March 14, 2012 through June 30, 2012. These single-space credit card capable parking meters continue to remain on-street in service, on loan from the vendor.

Staff found public response to the single-space credit card capable parking meters to be highly favorable. Feedback indicated that those who utilized these meters appreciated the convenience of paying with a credit/debit card, along with the utilization of a lit, easy-to-read LED display. Complaints were minimal with the majority being that the new meters could not accept the City's EZ-Park card. The Downtown Parking Task Force, at their August 9, 2012 meeting, discussed the negative effect this would have on the community. After much discussion, the group decided that the ability to have debit/credit card readers would have a greater impact on the community since such a low percentage of people utilize the EZ-Park card.

Response from staff tasked with collection from, and maintenance of, the new meters was also highly favorable. Because of the automated alert systems available on the single-space credit card capable meters, staff was able to minimize the frequency of such inconveniences as coin jams. Additionally, staff found the auditing and overall maintenance of these meters to be easier than the non-credit card capable meters the City currently utilizes. Staff found a 23.07% increase in monthly revenue during the testing phase.

At the September 13, 2012 meeting of the Task Force, a motion was made to recommend the purchase of 117 single-space credit card capable parking meters, enough to cover Ninth Street from Broadway to University Avenue, and Broadway between 900 and 1000 East. The motion passed unanimously.

FISCAL IMPACT:

To purchase 117 single-space credit card capable meters, the estimated cost is \$60,000, and would be paid from the Parking Utility.

The projected cost of purchasing just 84 single-space credit card capable meters, enough to cover Ninth Street from Broadway to University, would be \$42,000. If the City continues to see the same average monthly

increase of 23.07% experienced during testing, Ninth Street will see an annual increase of \$19,813. At this rate, it would take a little over two years for the City to recover the cost of the meters on Ninth Street.

The projected cost of purchasing just 33 single-space credit card capable meters, enough to cover Broadway between 900 and 1000 East, would be \$18,000. If the City sees an increase of 23.07% similar to that seen on Ninth Street during the testing, it would mean an annual increase of \$7,880. At this rate, it would take a little over two years to recover the cost of the meters on Broadway.

The monthly increases noted above have accounted for ongoing costs. Staff projects \$9,000 annually in credit card transaction fees, plus \$10,000 annually in monthly operating fees for a combined annual total of \$19,000. This fee would be funded by the Parking Utility.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

Significant investments in the physical, community, and business environment, as well as the tools to leverage economic strength, will bring vibrancy and diversity of culture, professions, and businesses, and lead to major attractions.

People and vehicles will have access to downtown businesses and services and enhance movement within and throughout the downtown area.

SUGGESTED COUNCIL ACTIONS:

If Council agrees with staff recommendation, staff should be directed to purchase 117 single-space credit card capable parking meters, and install the new meters on Ninth Street between Broadway and University Avenue, and on Broadway between 900 and 1000 East.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$0.00	Duplicates/Expands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	Yes
One Time	\$60,000.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	6.1
Operating/ Ongoing	\$38,000.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	6.3
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	

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January 15, 2013

Mayor Bob McDavid
City of Columbia
701 E. Broadway
Columbia, MO 65201

Re: Parking Task Force

Dear Mayor McDavid:

Please accept this report as a final report of the Parking Task Force that you appointed in July, 2011.

Our Task Force previously submitted to you our report of December 1, 2011, in which we made the following recommendations:

1. A "pay-on-foot" system be utilized in the proposed Short Street Garage for metered spaces in that garage.
2. That the City Council approve a pilot project for electronic meters on Ninth Street south of Broadway. Specifically, we recommended that the Digital Payment Technologies multi-space system and the IPS Group single space system be tested for a minimum of 90 days, with the multi-space system to be installed on Ninth Street between Broadway and Cherry, and the single space system to be installed on Ninth Street between Cherry and Locust.

Both of the recommended systems were eventually installed. The Digital Payment Technologies multi-space system was problematic in that many users complained (1) about waiting in line to use the machines; (2) that the machines were not intuitive and were difficult to use; (3) that the machines did not function as intended; and (4) that it was inconvenient to locate and then walk to the machines to pay for parking. Additionally, parking utility staff found that the electronics in the machines were defective and it was necessary to spend a considerable amount of manpower to keep the machines functioning. Because of the myriad problems with the multi-space system, the Task Force unanimously agreed to prematurely discontinue the pilot project as to the multi-space machines.

In contrast with the multi-space machine experience, the single space machines manufactured by the IPS Group worked almost flawlessly and without significant criticism from the public. These machines remain in place on Ninth Street south of Locust.

There was a considerable gap between meetings of the Task Force (from January to August) as the group awaited the results of the pilot project.

3. The task force recommended that the multi-space machines that are already in our parking garages be configured to accept payment by credit card.
4. The task force unanimously recommended that consideration be given to the installation of an electronic sign on the Short Street garage that would that would identify vacant spaces by floor.

Although not identified in the December 1, 2011 report, the Task Force did recommend to the City Council that: (1) Short Street remain open from Broadway to Walnut; (2) the Short Street Garage be built with as many parking spaces as are possible given the estimated construction cost of \$7,000,000.00; (3) that Option E that was proposed to the City Council be adopted for the Short Street Garage configuration.

Of course, the Task Force met several times subsequent to December 1, 2011. The following constitutes a summary of those issues considered and actions taken subsequent to December 1, 2011.

The Task Force received a report from the parking utility staff that several dozen electronic single space meters be purchased for installation on Ninth Street from Broadway to University Avenue and on Broadway from Ninth Street to Tenth Street. Staff estimated the expense at \$55,000.00 and said that the expense could be paid from the FY 2013 budget for the utility. The Task Force unanimously recommended that electronic single space meters be purchased for installation on Ninth Street from Broadway to University Avenue and on Broadway from Ninth Street to Tenth Street.

Thereafter, the Task Force and the parking utility staff examined meter usage patterns in downtown Columbia. It was clear that certain specifically defined areas in downtown Columbia were being under-utilized from a meter usage standpoint. Generally, the areas coincided with those parts of downtown with ten hour meters. In order to make those meters more attractive, and in light of the increasing presence of downtown residents, the Task Force unanimously recommended that the City Council authorize the issuance of hang tag permits that can be used for all ten hour meters. In order to effectuate this recommendation, it would be necessary to paint the heads of all ten hour meters in the same color as the hang tag permits so that motorists could easily determine which meters were available for use with the permits. The Task Force also unanimously recommended that each hang tag be specifically marketed to business owners and their employees at the monthly rate of \$35.00. It was the impression of the Task Force that the hang tags must be offered for sale at an attractive price. Staff reported that the revenue being generated from ten hour meters is so low that even a low priced hang tag would generate more revenue than is currently being received.

The Task Force discussed the current parking environment in downtown Columbia. There were differing opinions whether or not a parking problem presently exists, but it was noted that several residential developments were likely to be built in downtown, and perhaps the C2 zoning classification might need to be amended to include a C2 residential zoning classification that would require at least some off street parking. The Task Force unanimously recommended that the City Council review the C2 zoning ordinance to determine whether a parking requirement should be imposed for residential developments in downtown Columbia.

The Task Force noted that several businesses in downtown Columbia open at 10:00 a.m., and that there was significant activity after 6:00 p.m. While the Task Force did not recommend an increase in meter

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enforcement hours, the Task Force unanimously recommended that beginning meter enforcement be shifted from 8:00 a.m. to 9:00 a.m. and that meter enforcement end at 7:00 p.m. instead of 6:00 p.m.

In summary, here are the suggestions voted upon and approved by the Parking Task Force:

1. That a "pay-on-foot" system be utilized in the proposed Short Street Garage for metered spaces in that garage.
2. Short Street remain open from Broadway to Walnut.
3. The Short Street Garage should be built with as many parking spaces as are possible given the estimated construction cost of \$7,000,000.00.
4. That Option E that was proposed to the City Council be adopted for the Short Street Garage configuration.
5. That a pilot project be implemented for electronic meters on Ninth Street south of Broadway for a minimum of 90 days, with a multi-space system to be installed on Ninth Street between Broadway and Cherry, and a single space system to be installed on Ninth Street between Cherry and Locust.
6. That the multi-space machines that are already in our parking garages be configured to accept payment by credit card.
7. That consideration be given to the installation of an electronic sign on the Short Street garage that would that would identify vacant spaces by floor.
8. That electronic single space meters be purchased for installation on Ninth Street from Broadway to University Avenue and on Broadway from Ninth Street to Tenth Street.
9. That the City Council authorize the issuance of hang tag permits that can be used for all ten hour meters, and that each hang tag be specifically marketed to business owners and their employees at the monthly rate of \$35.00.
10. That the City Council review the C2 zoning ordinance to determine whether a parking requirement should be imposed for residential developments in downtown Columbia.
11. That beginning meter enforcement be shifted from 8:00 a.m. to 9:00 a.m. and that meter enforcement end at 7:00 p.m. instead of 6:00 p.m.

All of the recommendations of the Task Force were unanimously approved. In addition to those recommendations, there were a number of issues that were discussed **but which were not the subject of a motion**. In summary, those ideas were:

- a. To give consideration to additional metered spaces in the areas surrounding the Arts District (north of Walnut, east of Tenth Street).
- b. In discontinuing the pilot project for the multi-space meter system, the Task Force implicitly determined that a multi-space system on the street was inferior to both the meters that lack current technology as well as the single space meters with current technology such as those installed in the pilot project.
- c. In order to make the parking experience more convenient, the Task Force suggested to staff that meter heads be painted with different colors to signify the different periods of time a meter can be legally used.

d. It was generally agreed that most if not all street meters be ultimately replaced with high technology meters. Parking utility staff currently has sufficient inventory of parts for the older models, particularly since several dozen older models will be taken out of service once the new high tech meters are installed on Broadway and on Ninth Street. Over time, however, the older models will need replacement, and it was generally agreed that having one system of street meters was superior to having multiple systems. It was clear that budgetary considerations precluded wholesale replacement. On the other hand, revenue production for the high tech meters was noticeably greater than revenue generated from the older models, which led staff and the Task Force to conclude that the high tech meters will pay for themselves in a relatively short period of time.

e. One of the drawbacks (perhaps the only one) with the IPS Group meters is that they do not accept the city's EZ Park cards. These cards are very popular for those who use them; however, the amount of revenue generated from those cards is not significant. Nevertheless, the Task Force encouraged the parking utility staff to request information from potential vendors of single space high tech meters as to their compatibility with the city's EZ Park cards.

f. It was the general consensus of the Task Force that parking utility staff be encouraged to improve the cleanliness of the parking garages.

g. Assuming single space high tech meters can be installed in larger numbers, it was the general consensus of the Task Force that consideration be given to creating more zones with differing rates within zones. The reasoning was that zones with low usage might benefit from lower rates, which might increase usage and increase revenue.

h. The Task Force discussed, but did not reach a consensus, on the idea of allowing residential permits in certain downtown zones.

i. The Task Force discussed, but did not reach a consensus, on recommending to City Council that it allocate more resources to the parking utility so that enforcement efforts could increase and so that additional educational/marketing resources could be utilized.

j. There was general consensus that the parking utility engage in more vigorous marketing efforts regarding the EZ Park cards and that those cards be offered to merchants at a discount so that they could be more easily distributed to the public.

k. The Task Force generally agreed that all meters should display easily read and understood information regarding meter rates, hours of usage and days of operation.

The Parking Task Force met approximately 17 times and attempted to address the tasks suggested by the mayor. The first task was to determine why the city charges for parking. Without parking meter revenue, the city would have no parking garages since the bonds issued to pay for the cost of constructing garages are repaid solely from parking meter revenue. It is clearly true that downtown merchants would be negatively affected by the absence of meters since there would be no incentive for motorists to limit their parking time to a set number of hours. Consequently, the inventory of available parking spaces would be significantly reduced, and merchants would lose those customers who could not find convenient parking spaces.

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The second task was to determine the extent to which technology could be incorporated into the parking utility. High tech single space meters were overwhelmingly popular. They produce more income than conventional meters, in part because they accept credit cards and in part because they were simple to use. The Task Force believed that the benefits of high tech single space meters outweighed the disadvantage of not being able to use the city's EZ Park cards, although the Task Force suggested that vendors be encouraged to make their systems compatible with the EZ Park cards.

Additional technology was discussed, such as installing individual electronic pucks in each metered space. This system would allow meters to zero out the remaining time if a vehicle left the space and thereby increase revenue. This system would also be connected to an electronic application that would inform motorists of exactly where a vacant space existed. This system would maximize customer convenience. The Task Force did not recommend this system based solely on the cost of installing and maintaining it. It was not believed that there would be sufficient revenue in the near future to pay for this expensive option.

The third task was to determine the best use of our parking utility assets. The Task Force agreed with staff's current rate system for the various assets to the extent that the rate system encourages motorists to use vacant inventory in the garages. In the early months during which the Task Force was meeting, the city had adopted a lower rate structure for the Fifth and Walnut garage, which successfully increased use in that garage. It was evident that permit pricing has an effect on parking demand.

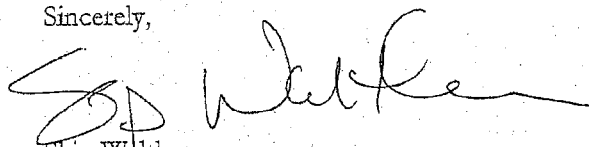
The ultimate goal of parking meter strategy is to encourage a supply of vacant spaces while also designing an efficient system where meters are largely utilized. Providing motorists with lower rate choices or with more convenience afforded by meter permits may encourage more use in low use areas.

Additionally, high tech meters provide motorists with additional convenience because of the different payment options, and this added convenience should result in lower numbers of meter violations.

The Task Force has not voted to disband, but it became increasingly difficult to gather a quorum to conduct business. This report has been distributed to the Task Force by email and the members have approved this report for submission.

I believe that the tasks requested of us by you have been accomplished, and that the members of the Task Force worked very diligently and with much cooperation and thoughtfulness during this lengthy process. With your permission, I submit this report as the final report of the Parking Task Force.

Sincerely,



Skip Walther
Chair, Parking Task Force