

COUNCIL ACTION FORM

SUBJECT: AGREEMENT WITH PARKMOBILE FOR PAY-BY-PHONE APP SERVICES FOR CITY OF AMES PARKING SYSTEM

BACKGROUND:

On November 28, 2017, staff presented City Council a report on potential parking system improvements in response to issues that were identified at a May 16, 2017 workshop on parking. The November report discussed options for 1) Parking Regulations & Fines, 2) Parking Meter and Rental Rates, 3) Update to Overnight Parking Restrictions in the Central Business Districts (CBD), and 4) Expanded payment options using a mobile app to improve the customer's experience.

This Council Action Form is a follow up on the use of the Parkmobile App (#4) services. You will recall, a number of cities from throughout the country utilize this app to provide pay-by-phone services for the collection of the parking meter fees only. In addition, Parkmobile will map the City's parking stalls in their app showing customers what parking stalls are available in Campustown and Downtown respectively. Once a customer reserves a stall, Parkmobile will show each user how much time is left on the meter and send them notifications in advance of the time expiring all remotely from their smartphone.

Staff has been working with the City of Ames Purchasing Division, Legal Department, and ISU staff, as well as, on discussions with Parkmobile representatives to develop the agreement that accomplishes the City Council's direction while conforming to all applicable City Ordinances.

The Parkmobile App will support the implementation of the new parking meter rates. **These rates were established to help support both operating and infrastructure maintenance and replacement costs.** A summary of the rates and budgetary estimates are provided in the table below:

Proposed Rate - Fiscal Year 2018/19			
Meter Tier 3	\$0.50	/hr.	(10 hr. max)
Meter Tier 2 (x1.5)	\$0.75	/hr.	(4 hr. max)
Meter Tier 1 (x2.0)	\$1.00	/hr.	(2 hr. max)
Rental Rate	\$50.00	/month	(24/7 ea. month)
Estimated Revenue		Estimated Expense	
Illegal Parking	\$367,300	Capital Escrow	\$573,574
Overtime Parking	\$150,000	Operating Expense	\$928,600
Misc.	\$27,900		
Rentals	\$118,800		
Downtown	\$536,307		
Campustown	\$301,867		
Total	\$1,502,174	Total	\$1,502,174

The agreement ensures that the Parkmobile software platform can reflect all applicable City of Ames Ordinances for parking, now and into the future. Since the November report to City Council, staff has been analyzing multiple scenarios with Parkmobile staff to make sure their software does not have any serious conflicts with the way Ames desires to manage our parking system.

It is important to note that Parkmobile does not charge the City any cost for the initial setup or for the ongoing services in the app. To recoup their costs, Parkmobile will assign a fee directly to the customer to reserve a stall; \$0.35 per reservation for users that choose to pay directly, or \$0.15 per reservation for users that pay using the pre-pay wallet feature within the app. The customer also pays any third-party transaction fee that may occur depending on the credit card or debit card company being used. The City of Ames will receive the full amount based upon the meter rate. Parkmobile will make monthly payments to the City for all revenue owed during that period and provide detailed transaction data in a report showing all parking use for that respective month so that Finance Department staff can audit usage as needed.

City staff has also done a review of the *Municipal Code*, Chapter 18 on Parking to see if there are any minor clarifications or corrections necessary before the app and new parking meter rates go into effect on July 1, 2018. **The language in Chapter 18 will need to be updated to have a modern definition of a parking meter or mechanism that is used to pay for parking (Section 18.1(4)). Staff also found that the legal methods of payments may need to expand under Section 18.29(2). Other corrections may be discovered after a full legal review of the Section 18 has occurred.**

Chapter 18 also has language that prohibits a customer from adding time to a meter beyond a four-hour limit or up to the maximum time indicated on the meter. It is staff's intent to maintain this maximum time limit with the new system.

ALTERNATIVES:

1. a) Approve the 3-year agreement with Parkmobile, LLC for pay-by-phone app services for the City of Ames Parking System.

b) Direct the City Attorney to make all necessary additions/corrections to the *Municipal Code* to integrate the use of a mobile app pay.
2. Reject the agreement and seek another company to provide an app.
3. Reject the agreement and no longer pursue a smartphone app for paying parking meter fees.

MANAGER'S RECOMMENDED ACTION:

The use of the Parkmobile pay-by-phone app represents a significant improvement in customer service for people using the City's parking system. Our customers have long expressed the desire to be able to pay using credit or debit cards.

Therefore, the City Manager recommends that the City Council adopt Alternative No. 1 as described above.