

Staff Report

REVIEW OF THE DOWNTOWN PARKING METER FEES

January 22, 2019

BACKGROUND:

At the November 13, 2018 meeting during a staff presentation on parking, City Council requested additional information. A staff report was provided to the City Council on December 11, 2018. **Shown below is the same information sent to the Council in December with updated information reflected in Questions 1 and 2.**

QUESTION 1:

City staff was asked to provide a comparison of the first quarter FY 2018/19 parking meter revenues after the new rates went into effect (July 1, 2018) to the previous year revenues for the same time period. With updated information, listed below is the actual amount collected through the second quarter of FY 2018/19 compared to a historical five-year average of the meter revenue for the Downtown (east parking) district only through the same period of time.

ANNUAL BUDGET FOR METER REVENUE IN DOWNTOWN:

Account Number	Meter Location	FY 2018/19 Adopted	FY 2018/19 Adjusted
540-9601-345.10-01	KELLOGG LOTS	\$12,100	\$10,300
540-9601-345.10-02	LIBRARY METERS	\$66,100	\$24,600
540-9601-345.10-04	DOWNTOWN	\$450,000	\$289,800
540-9601-345.20-01	LOTS M & N CITY HALL	\$26,000	\$6,300
EAST PARKING (METERS ONLY)		\$554,200	\$331,000

FIVE YEAR AVERAGE METER REVENUE COMPARED TO YEAR TO DATE TOTALS:

Fiscal Year	July	August	September	October	November	December	6 Month Total
2013/14	10,098.19	12,486.55	10,179.05	13,372.56	11,333.43	10,595.85	68,065.63
2014/15	10,408.36	10,286.48	10,513.51	15,724.21	17,012.06	14,113.47	78,058.09
2015/16	15,024.08	11,764.01	14,155.65	14,084.42	11,700.31	11,850.90	78,579.36
2016/17	11,854.87	12,506.51	14,588.59	12,586.13	12,578.82	11,525.91	75,640.83
2017/18	11,690.02	15,430.00	10,461.95	13,759.70	13,502.42	12,497.36	77,341.44
5-yr Av	11,815.11	12,494.71	11,979.75	13,905.40	13,225.41	12,116.70	75,537.07

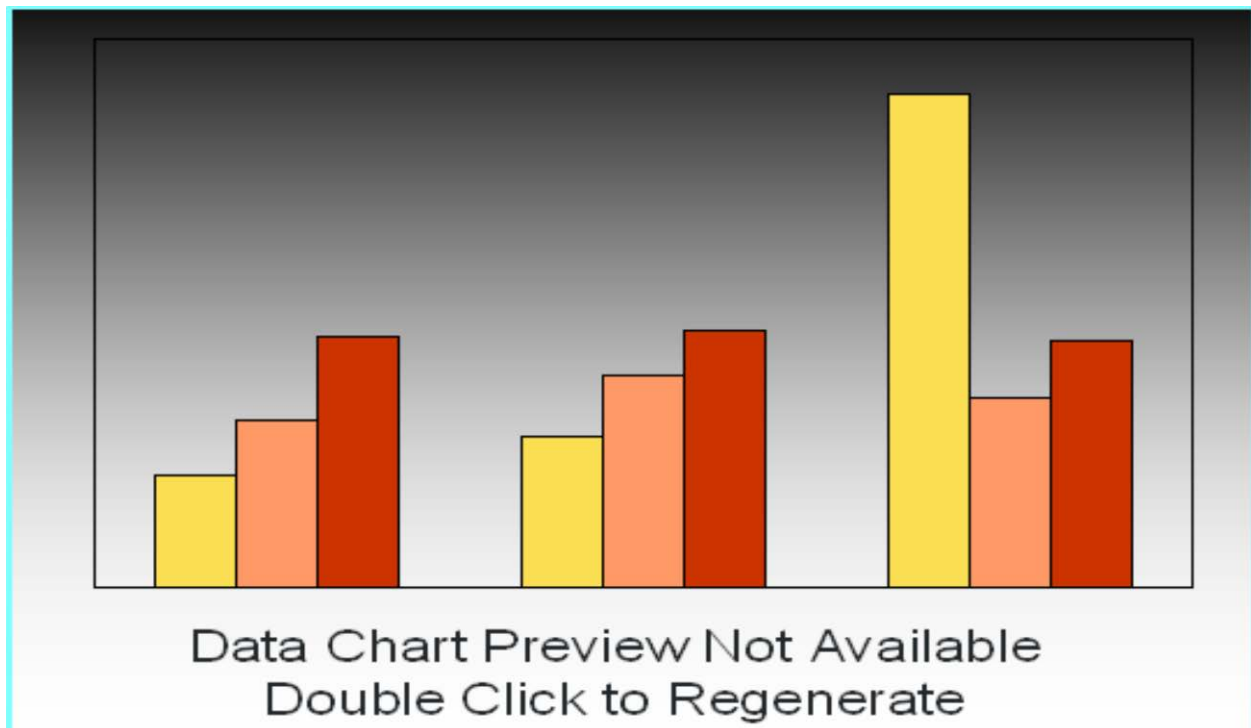
Fiscal Year	July	August	September	October	November	December	6 Month Total
YTD	24,879.66	32,005.36	22,388.36	29,498.65	26,147.68	29,418.57	164,338.28

FIVE YEAR AVERAGE METER REVENUE THOROUGH THE SECOND QUARTER:

Fiscal Year	Q1+Q2	% of Year	Annual Total
2013/14	68,065.63	44.6%	152,556.24
2014/15	78,058.09	50.3%	155,233.29
2015/16	78,579.36	49.6%	158,372.61
2016/17	75,640.83	48.3%	156,717.47
2017/18	77,341.44	49.6%	155,777.15
5-yr Av	75,537.07	48.5%	155,731.35

The previous five years of parking revenue shows a six-month average revenue that is 48.5% of the annual total. Therefore, taking the year to date actual through the first six months FY 2018/19 of \$164,338 and dividing by 48.5% results in an estimated total annual revenue of \$338,809.

It should be noted that the FY 2018/19 Adjusted Budget the City Council will see on February 1 shows an estimated revenue total of \$331,000. However, the updated projection as shown above is now \$338,809 based on more current data than was available when the staff budget recommendation was finalized. **A chart showing these revenue projections and the mid-year budget adjustment has been provided below:**



QUESTION 2:

What is the revenue projection for A) changing only the \$1/hour meters along Main Street (Duff Avenue to Pearl Avenue) to \$0.50/hour, or B) changing all meters to \$0.50/hour?

For reference, the revised estimated revenue for FY18/19 (from Question 1) for Downtown parking meters = **\$338,809**.

- A) Changing \$1.00/hour meters (Main Street only) to \$0.50/hour is estimated to result in total projected revenue of **\$284,418** (down \$54,391 or -16.0% reduction).
- B) Changing all meters in Downtown to \$0.50/hour is estimated to result in total projected revenue of **\$225,495** (down \$113,314 or -33.4% reduction).

The estimates in both scenarios do not assume any increase in utilization due to a reduction in the meter rates.

QUESTION 3:

Other than the Parking Fund, what are other potential sources of revenue that could be used for parking related capital improvements?

The main sources of funding that can be spent on parking improvements are;

- 1) **General Fund Revenue** [from property taxes – General Levy],
- 2) **G.O. Bond Revenue** [from property taxes - General Corporate Purpose < \$700,000 in Debt Service Levy],
- 3) **Local Option Sales Tax Revenue** [would compete against bike infrastructure, human service agencies, arts, and Parks & Recreation/Library funding], and
- 4) **Road Use Tax Revenue** (on-street parking only) [would compete with operations and street improvements].

QUESTION 4:

Can credit cards be used at City Hall for purchasing Smart Cards?

Customer Service in City Hall is not currently set up to take credit card payments for Smartcards; this is because the City uses third-party credit card processing services to take utility and other payments from customers. If the Council wanted this option in City Hall, Finance would determine what it would take to provide that service, what the additional costs would be, and how to manage those fees (i.e., absorb the credit card processing fee or pass along to the customer). Current policy for Parkmobile is to pass processing fees on to the customer.

The City also has the option to place credit card enabled Smartcard "charging stations" on the street, which will allow people to add time to a Smartcard only. The cost of a charging station is about \$900 per location and require a monthly data plan. This idea was presented to the Council without any direction given on the issue because Public Works staff is initiating a parking study that may recommend alternatives to this solution. It should be understood that under this option you cannot purchase the card at these charging stations. However, they could be made available for sale at more convenient Downtown locations, such as at the Ames Chamber of Commerce.

QUESTION 5:

What is the feasibility of issuing a warning for first time overtime meter violations?

The current system does not keep track of individual users and therefore does not allow the City to issue a warning. The Police Department has indicated that they are beginning an RFP process for a new ticket writing system. They have indicated they are searching for a parking management system that can accomplish the tasks needed for "first-time warnings". Their goal is for the new system to be implemented during the summer of 2019.