



Department Source: Public Works

To: City Council

From: City Manager & Staff

Council Meeting Date: December 2, 2019

Re: Amending Chapter 14 to repeal and re-enact in place thereof a new Section 14-391 relating to the assessment and payment of hourly parking fees in parking structures.

Executive Summary

Authorizing an amendment to Chapter 14 to repeal and re-enact in place thereof a new Section 14-391 relating to the assessment and payment of hourly parking fees in parking structures; remove designated meter spaces; allow for a lost ticket fee; and restrict length of time for hourly parking in all City-owned parking structures to support the streamlined implementation of the gate arm system.

The following discussion outlines the expected timeline for gate arms implementation; the full operational changes/upgrades that will occur as a result of gate arms implementation; and how the proposed ordinance amendments support these operational upgrades.

Discussion

On October 16, 2017, Council authorized a contract with HUB Parking Technology in the amount of \$930,077.62 for the installation of a parking facility gate arm system to be installed in all municipal parking facilities. An additional appropriation for further procurement of gate arms equipment in support of project completion was passed by Council on September 16, 2019. The agreement for credit card processing gateway services in the six municipal parking facilities was passed by Council on November 4, 2019, allowing for customer use of credit cards and mobile pay options at the gate arms pay-on-foot and exit machines. Moreover, an agreement with HUB Parking Technology for additional equipment, hardware, software and professional services to complete the installation of the gate arms system is currently being finalized. The expected gate arms implementation timeline is listed below:

- **Mid December:** Final additional HUB/gate arms contract signed and work order issued. PCI-compliant, chip-enabled, EMV credit card readers and contactless antennas to allow for near-field communication (NFC) payment options, Samsung Pay, Apple Pay and Google Pay in the municipal parking garages is ordered.
- **Beginning of January:** Above stated equipment needed for project initiation expected to arrive. HUB Technologies to start the gate arms system installation process.
- **Beginning of February:** Initial gate arms installation completed and staff training for gate arms system complete.
- **Mid-February:** Gate arms Go Live in Plaza (8th & Walnut) and 10th & Cherry garages.
- **End of February:** Gate arms Go Live in 8th & Cherry and 6th & Cherry garages.
- **Early March:** Gate arms Go Live in 5th & Walnut Garage.
- **Mid-March:** Gate arms Go Live in Short Street Garage.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

The timeline demonstrates a phased-in implementation of the gate arms in the parking garages, for the purpose of trouble shooting the gate arms system, garage by garage, and targeting customer service to specific garages as the gate arms go live in each of them.

The following summaries discuss each operational change/upgrade that will result from gate arms implementation and the related request for three amendments to Chapter 14-391 of the City Code. All proposed upgrades/changes will be fully communicated to the public through press releases, website updates, face book and twitter, email outreach, information provided in-person to customers, an instructional video on the City Channel, and presentations to stakeholder groups, which have already been provided to both the City's Parking Advisory Commission and the Downtown Community Improvement District (CID).

I. Change from Pre-Pay to Pay-as-you-Leave for Hourly Parkers in Garages

The installation of the HUB gate arms system will require hourly parkers in municipal parking garages to pull a ticket to enter a garage, and the ticket will then serve to track the time spent parking. Parkers will use the ticket to pay for the time they park before leaving the garage. This new payment system will convert all of the municipal parking garages from a pre-pay system to a pay-as-you leave system.

II. Pay-on-Foot Payment Options & Proposed Rate Structure Change

Parkers in each of the municipal garages will have two choices for payment receptacle type: a Pay-on-Foot (POF) machine or an Exit Machine. Each garage will have two POF machines and each POF machine will have a number of payment options including: Visa, Master Card, Discover and American Express; Samsung Pay, Apple Pay and Google Pay; the COMO Park Card; and cash. The machines will accept \$1 and \$5 dollar bills as well as coins. However, they do not have the capacity to provide cash or coin change to customers. Signage will be placed on the machines to alert customers to pay with exact change only.

To reduce any potential frustration for cash paying customers, staff has worked with both the Parking Advisory Commission (PAC) and the downtown CID over the past few months to develop a flatter parking garage rate structure whereby customers will be able to more easily pay for parking with exact change. These discussions also led to an idea for a change in the rate structure that will help to resolve another parking garage issue, which is the under-utilization of hourly spaces in the parking garages. An examination of the average monthly revenues, versus the maximum revenues possible, for hourly spaces in each of the parking garages reveals a high level of payment for hourly spaces in the 10th & Cherry (60%) and 8th & Cherry (73%) garages, but a fairly low hourly payment/usage rate in the other garages: 6th & Cherry (54%); Short Street (37%); 8th & Walnut (39%), and only 13% at the 5th & Walnut garage. Certainly these payment rates will go up with the implementation of the gate arms and the increased payment enforcement that they support, but the low levels also reflect low hourly space usage in a number of the garages.

Research demonstrates that lowering the price of off-street parking in relation to on-street parking will lead more individuals to opt to park in off-street parking structures¹.

¹. *The High Cost of Free Parking* by Donald Shoup, 2005



Therefore, staff, with support from the PAC and the CID, proposes no hourly charge for the first hour of parking in municipal parking garages; and beginning after the first full hour, parking will be charged at the rate of one dollar (\$1.00) for each two-hour event. The flatter parking rate structure will require fewer customers to need change when paying for parking in the garages, and it will also encourage more use of hourly spaces. Broken down, the proposed rate structure, which poses no increase to the total daily parking garage fee, is as follows:

- 0-1 hours = Free
- 1-2 hours = \$1
- 2-4 hours = \$2
- 4-6 hours = \$3
- 6-8 hours = \$4
- 8-10 hours = \$5

Although there could be some lost revenue from providing the first hour of free parking in the garages, there could also be increased revenue from increased overall use of the hourly spaces in the garages. A flat rate structure will also result in operational savings for the Parking Utility through the reduction of coin usage by customers. Currently, three Parking Utility staff members spend more than 20 hours a week collecting, counting and depositing coins from the garages and on-street parking meters. Eliminating the small change rate structure in the garages will reduce approximately 20% of these coin collection hours, freeing up staff time to focus on meter and garage maintenance. This proposed ordinance amendment has been written to go into effect, per garage, as the gate arms are fully implemented in each garage.

III. Payment Options at Exit

The other gate arms payment receptacle option is the exit machine. Customers leaving the garages will be able to pay from their cars at the exit machines, conveniently located at every parking garage exit. Like the POFs, the exit machines will accept Visa, Master Card, Discover and American Express; Samsung Pay, Apple Pay and Google Pay, and the COMO Park Card, but they will not accept cash. The parking utility will post signs throughout the garages to inform customers that cash payments will not be accepted at the exit.

IV. Removal of Parkmobile Pay Option from Garages

The sole deficit in payment options that will result from the gate arms implementation is the removal of Parkmobile as a payment option for municipal parking garage users. The only Parkmobile platform for which HUB technology currently integrates is its parking reservation system, which would allow individuals to reserve parking in the garages ahead of time. The Parking Utility is not currently prepared to offer such a service to its customers.

V. Removal of Parking Meters from Garages

In light of the additional payment options that will be provided in the parking garages through the gate arms system, staff requests the removal 44 parking meters from the 8th & Cherry garage and 33 parking meters from the Short Street garage. Keeping meters in these



parking garages would confuse customers, as the meter payments would not be integrated with the gate arms payment system. This proposed ordinance amendment has been written to go into effect, per garage, as the gate arms are fully implemented in each garage.

VI. Lost Ticket Fee and Time Limit for Hourly Parking

In the event that a customer loses the ticket that they pull when entering the parking garage, they can push the Lost Ticket button at any of the POF stations. The machines will be pre-programmed with the Parking Utility's lost ticket fee and once paid, parkers can use the receipt printed from the machine to leave the garage. If a customer exiting the garage does not realize that they have lost their ticket until they are at the Exit Machine, they can push the machine's intercom system, labelled for assistance, and call center staff will instruct them to use one of the walk-up POF machines to pay the lost ticket and print a receipt that they can use to leave the garage.

Staff, with support from the PAC and the CID, proposes the passage of a fifteen dollar (\$15) lost ticket fee for all of the parking garages. This proposed \$15 fee was the consensus among staff as a fee that is prohibitive enough to prevent users from abusing the lost ticket fee system, but not excessively punitive for users who simply mistakenly lose their ticket. This proposed ordinance amendment has been written to go into effect, per garage, as the gate arms are fully implemented in each garage.

Additionally, in order to prevent abuse of the lost ticket fee by parkers who use a parking garage for longer than 3 days (the amount of time for which the \$15 lost ticket pays), the ordinance change includes a 72 hour limitation for how long a vehicle can remain in a garage without exiting and re-entering.

VII. Occupancy Signage, Tracking and Improved Space Management

Occupancy signs will be placed at each entrance of every municipal parking garage to inform hourly customers of the availability of spaces. The signs will connect directly to the HUB system, which will track both hourly and permit usage in all of the garages. Depending on the hourly space availability at any given time, the signs will either say "Open" or "FULL Permit Holders Only". The signs will provide the added service of keeping customers from needlessly searching in garages that are already full.

Staff will support the accuracy of the HUB occupancy tracking system through the completion of twice daily occupancy counts in all parking garages. The manual counts in coordination with the HUB tracking system will provide one of the greatest benefits related to the new gate arms system, which is the collection of accurate parking garage occupancy data. Accurate data on parking garage usage can help answer the following questions:

- At what days/times are available, unused permit spaces in each parking garage?
- At what days/times are available, unused hourly spaces in each parking garage?
- How long are permit holders parking; and how long are hourly parkers parking?
- Are there individuals using the garages for the long-term storage of vehicles, and/or under-paying for their hourly spaces?



Having answers to these questions will lead to more strategic, data driven management of parking supply and demand in the garages. The Parking Utility can use this information to do the following:

- Improve efforts to maximize usage in all parking garages, as well as forecast future parking infrastructure needs;
- Implement a demand-based pricing strategy that leverages the competitive advantages of high-value parking and attracts users towards lower demand parking locations;
- Develop targeted marketing strategies to increase hourly usage in under-utilized parking garages. Baseline parking usage data can be compared to post marketing usage data to track the efficacy of marketing efforts;
- Once the effectiveness of the hourly/permit space tracking system is demonstrated through practice, the parking utility can potentially remove the delineation between permit and hourly spaces, allowing for more efficient use of all parking garage spaces;
- Better tracking of parking permit usage could allow the Parking Utility to oversell parking garage permits at a higher rate, and therefore reduce the current parking garage permit waitlists.

VIII. 24/7 Gate Arms Operating Hours

The gate arms will operate 24/7 in order to perform accurate, real time tracking of parking usage in the municipal parking garages. The data will be much more complete if it includes parking usage at all times: day, night and weekends; and 24/7 gate arms operation will also support a hard pass-back system for permit users (see following topic discussion) and prevent non-payment for hourly customers who park before the 6:00 pm end of daily enforcement hours, but leave the garage after 6:00 pm.

The Parking Utility is currently procuring an affordable 24/7 call center service to provide remote support to parking clientele who request assistance through the gate arms intercoms. Parking management and supervisory staff is also prepared to come in at all hours in case of emergency gate arms failures. Fortunately, the low incidence of mechanical failures exhibited by the gate arms that have been operational at the 8th & Walnut garage for the past year, demonstrate that emergency gate arms failures will most likely be few and far between.

IX. Hard Pass-Back System for Parking Garage Permit Holders

24/7 operation of the gate arms will also allow for the gate arms application of the hard pass-back system for parking permit users. A hard pass-back system will strictly monitor all parking permit usage in garages and will not allow a permit to enter a garage without first exiting a garage, and vice versa. This will keep parking permit holders from sharing their permits with others to allow them free entry/exit from garages. If a permit holder allows an additional user to use their permit to enter a garage, after the permit holder has already used the permit to enter the garage and still parked in the garage, the permit holder will not be able to leave the garage at the end of the day without either paying or using the



intercom for assistance. This will limit the use of parking permits for free entry and exit of the garages, which occurred at a high rate when the Parking Utility previously installed gate arms at the Short Street garage.

For this reason, staff is opting to implement the hard pass-back system, versus the alternate gate arms application of the soft pass-back system, which would not track the entry and exit of permit holders. Permit holders will be alerted of the upcoming implementation of the hard pass-back system through information included in the letters they receive for permit renewals; handouts at the 3rd floor parking offices; and email instructions.

X. Ticket Validation System

The Parking Utility currently has a number of customers for which the hourly parking fee is waived for individual users and paid for on behalf of a supporting entity. These customers include:

- The Boone County Courthouse, which pays for individual jurors to park in either the City's Plaza or 5th & Walnut parking garages;
- The Broadway Hotel, which provides parking in the City's Short Street garage to hotel guests;
- The City's Human Resources Department, which provides parking in the City's Plaza garage for employees attending staff orientation or training;
- The City's Boards and Commissions, whose commissioners are provided parking in the City's municipal garages;
- Guests for various special meetings and events.

There are currently two processes that the Parking Utility can undertake to validate parking tickets for such user groups: 1) pre-printed validated parking tickets distributed to the above listed entities, for a fee, so that they can provide to their clientele, or 2) utilize the HUB web validation system, for which the Parking Utility is currently negotiating an agreement. The Parking Utility can use the web validation system to assign user names and passwords to allow different entities to access the system and validate their clients' parking tickets as needed. The Parking Utility can track the number of validated tickets used by each entity on a monthly basis and bill accordingly. The utility expects that the Web Validation System will provide a streamlined process for the provision and tracking of free parking tickets to users.

Fiscal Impact

Short-Term & Long-Term Impact: Neutral. The proposed change in rate structure is expected to result in some cost savings for customers that will be neutralized by the expected increased usage of hourly spaces in the parking garages and operational savings from reduced staff time collecting coins. The lost ticket fee will serve to account for time parkers have already spent in garages and to prevent abuse of the lost ticket system. The marginal fee is not expected to increase revenues.



Strategic & Comprehensive Plan Impacts

Strategic Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
11/04/2019	R158-19- Authorizing an agreement with Windcave Inc. for credit card processing gateway services for the exit and pay-on-foot stations in the City's six (6) municipal parking facilities.
09/16/2019	B-280-19- Amending the FY 2019 Annual Budget by appropriating funds for additional equipment associated with the installation of parking facility gate arm systems in municipal parking facilities.
10/16/2017	PH35-17- Proposed installation of parking facility gate arm systems in municipal parking facilities.
10/16/2017	Authorizing installation of parking facility gate arm systems in municipal parking facilities; ratifying the request for proposals issued by the Purchasing Division and authorizing a contract with HUB Parking Technology USA, Inc.
10/02/2017	R132-17-Setting a public hearing: proposed installation of parking facility gate arm systems in municipal parking facilities.
04/17/2017	B103-17- Appropriating funds for the purchase & installation of a gate arm system in all City parking facilities & for parking meter upgrades.

Suggested Council Action

Amend Chapter 14 to repeal and re-enact in place thereof a new Section 14-391 relating to the assessment and payment of hourly parking fees in parking structures; remove designated meter spaces; allow for a lost ticket fee; and restrict length of time for hourly parking in all City-owned parking structures to support the streamlined implementation of the gate arm system.