



## Council Agenda Report

From: Damian Nord, Police Chief

Subject: Downtown On-Street Parking Program

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.

Date: January 31, 2023

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### Facts

1. In 2019, the City initiated a downtown paid parking program. The goals of the program were to manage on-street demand (to maintain adequate occupancy rates); use technology to improve the parking experience; create an employee parking program; and to create a program that will be cost-neutral by the fifth year.
2. On [December 20, 2022](#), City Council reviewed the financial data for the parking program. At that meeting, Council approved the elimination of the two free hours parking within the existing paid parking zones; increase the hourly rate to \$2 per hour; upgrade the parking system-related technology; and directed staff to review options for a Paso Robles resident parking program.
3. The WayToPark application (app) that has been used since the implementation of paid parking—created at no cost to the City—has been discontinued. The City's current vendor, Flowbird (previously known as Cale America), is offering an updated app with an optional pay by text feature.
4. There are currently 466 paid spaces in the Downtown core and 1,012 unpaid spaces within walking distance of the Downtown core.

### Options

1. Take no action;
2. Take the following actions:
  - a. Authorize the City Manager to execute the contract renewal with Flowbird to include ongoing hardware services, on-site maintenance services two times per year, and digital services including mobile app and pay by text with a fixed annual cost not to exceed \$66,605 plus variable transaction fees; and
  - b. Approve a 12-month local discount program pilot program providing five hours of free parking per month for local residents to be used as one-hour free parking during five sessions (one benefit per verified Paso Robles household) and additional promotional specials throughout the year; and
  - c. Approve a discounted merchant validation program for downtown businesses.
3. Provide alternative recommendations and/or direction to staff.

### Analysis and Conclusions

Staff is implementing City Council direction from the December 20, 2022 council meeting to eliminate the free 2-hour parking, change the parking rate to \$2 per hour in the existing paid parking zone, and update the parking system related technology. It is expected that the new rate structure and technical enhancements will begin March 1, 2023. As part of the update, there are several program enhancements that are needed to improve the parking experience. To implement, an updated contract addendum with Flowbird needs to be executed.

### Upcoming Program Enhancements:

- Updated mobile application and Pay by Text: An updated parking application will be implemented with the City's existing vendor Flowbird. Existing customers will receive a link to renew their accounts with the new application. All signage in Downtown will be updated with the information on the new mobile application and pay by text options.
- Merchant validations: Downtown merchants will have the option to purchase merchant validations in bulk at a 50% discount. Merchant validations will be provided in one-hour increments and will be provided for one-time use. Businesses will be disqualified from the merchant validation program if validations are used for employees or business owners. Validation by Park Cinemas can be provided at the same discounted cost to the theater or subsidized by the City at Council's discretion. Staff recommends eliminating the in-house tablet and using merchant validations codes for Park Cinemas to follow the same process as other merchants going forward.
- Parking map: Customers will be able to access a static map highlighting free and long-term parking location options using the Flowbird mobile app. Map pin drops can highlight business locations like the movie theater and reinforce nearby free and long-term parking locations.
- Senior permits: There will be an online purchasing option added for senior permits.

### Locals Discount Pilot Program

The City will utilize social marketing to advertise the local program to all residents. Local residents can complete an application to participate in the Downtown parking local pilot program. The program will offer verified residents five hours per month of free parking per household, to be used as five, one-hour free parking sessions. Residents will apply online and, once approved, residents will receive a unique code that can be added to their Flowbird mobile application or can be used at the parking pay station. The unique code will provide one hour of free parking that can be used up to five times in a month. Residents can start five parking sessions in one day and use all codes/time in one day or spread the sessions over the month. Residents can have multiple sessions active at the same time for different plates. The code is not tied to a specific license plate and residents can initiate the code for the vehicle they are parking within the paid parking area. The unique code tracks usage and if a resident tries to use the code for a sixth time, they will receive a message that there is no more free time for the month. Hours will expire on the last day of the month and codes will be updated on the first day of month. The code is specific to the resident and the same code will be replenished each month to make it easier for residents.

There are approximately 11,960 households in Paso Robles. Flowbird's contract includes this household verification in their scope of work thereby relieving City staff from conducting this function. As mentioned below, there is no startup costs for this service, but rather a five-cent transaction fee each time a local validation code is used.

There are some specific considerations City Council should review for the local's program:

- All City residents will be eligible for locals' discounts regardless of their employment status Downtown.
- Must be utilized in one-hour increments only.
- Will not rollover and will expire on the last day of the month.
- Will be one account per eligible household.
- Residents must initiate their free time upon arrival and associate the free time with a license plate; there will be no retroactive applications of free time or refunds.
- Applications must be received by the 15<sup>th</sup> of the month to receive the locals discount pilot program benefits by the first day of the following month.
- Any promotional specials will be advertised to all subscribed residents. Promotional specials can include free or discounted parking rates during local events such as the annual Christmas parade or Small Business Saturday and will be published at the discretion of City staff.

## **Fiscal Impact**

### Flowbird contract

The annual fixed cost for continuing service for existing hardware is \$66,605. Customers using the mobile application and/or pay by text will pay an additional \$0.25 transaction fees for each parking session. It should be noted that it is unknown how many parking transactions will occur. Based on FY 2021-22 data, of 199,050 mobile parking sessions, the estimated annual cost of transaction fees will be approximately \$50,000. The fee for mobile or pay by text transactions can be passed on to the user, collected by the city and then paid to Flowbird, or a combination of the two.

### Local Program

It is unknown how many locals will participate in the local discount program and how many free parking sessions each resident will use. Historical citation data provides us with an estimated 136,000 local resident parking sessions in FY 2021-22. Each free local parking session will have a transaction fee of \$0.05 at an estimated annual cost of \$6,800 that will be subsidized by the parking fund. In addition, there will be lost parking revenue of approximately \$272,000-\$544,000 (based on an estimated 1-2 hours of paid parking per session).

### Merchant Validations

Merchant validations will be sold at a 50% discount to all downtown merchants. In addition to lost parking revenue there is a \$0.05 transaction fee for each merchant validation used. It is unknown how many merchants will participate in the merchant validation program to estimate cost of transaction fees and lost parking revenue.

### Park Cinemas Merchant Validations

The city currently provides three hours of free parking to all patrons of Park Cinemas through an in-house validation tablet at no cost to the theater. During FY 2021-22, Park Cinemas validated 2,582 parking sessions. If Council opts to subsidize the program, the estimated annual cost based on the FY 2021-22 data is \$15,621 for transaction fees and lost parking revenue.

## **CEQA**

The City find that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.

## **Recommendation**

Authorize the City Manager to execute the contract renewal with Flowbird to include ongoing hardware services, on-site maintenance services two-times per year, and digital services including mobile app and pay by text with a fixed annual cost not to exceed \$66,605 plus variable transaction fees and authorizing the City Manager and City Attorney to make minor, technical and non-substantive changes to the agreement as necessary, consistent with Council's overall intent; approve a 12-month local discount program pilot providing up to five hours of free parking per month for verified local residents and additional promotional specials throughout the year; and approve a discounted merchant validation program for downtown businesses.

## **Attachments**

1. Contract Amendment No. 1
2. Downtown Parking Map