

# Downtown Parking Program Update

City Council Meeting

February 21, 2023



# Background

- City initiated paid parking program in 2019
- Goals:
  - Manage on-street demand
  - Create an employee parking program
  - Cost-neutral by the 5<sup>th</sup> year
- In December 2022, Council reviewed the parking program and approved:
  - Eliminating 2 free hours
  - Increasing the rate to \$2/hour
  - Upgrading the parking system related technology
  - Directed staff to review options for a local discount program

**Tonight's action cannot change the authorization received at the December 20, 2022 City Council meeting. If that is Council's desire, a majority of Council will need to request that be brought back at a future City Council meeting for consideration.**



# Actions for City Council Consideration

The actions for Council's consideration are:

1. Authorize the execution the contract renewal with Flowbird to include ongoing hardware services, on-site maintenance service, and digital services including mobile pay app and pay by text with an annual cost not to exceed \$66,605, plus variable transaction charges;
2. Approve a 12-month pilot parking program that provides residents free or discounted parking,
3. Approve a 12-month pilot merchant validation parking program that provides discounted parking.

**Staff's recommendation remains unchanged from the January 31, 2023 City Council meeting**



# Council Questions/ Requests

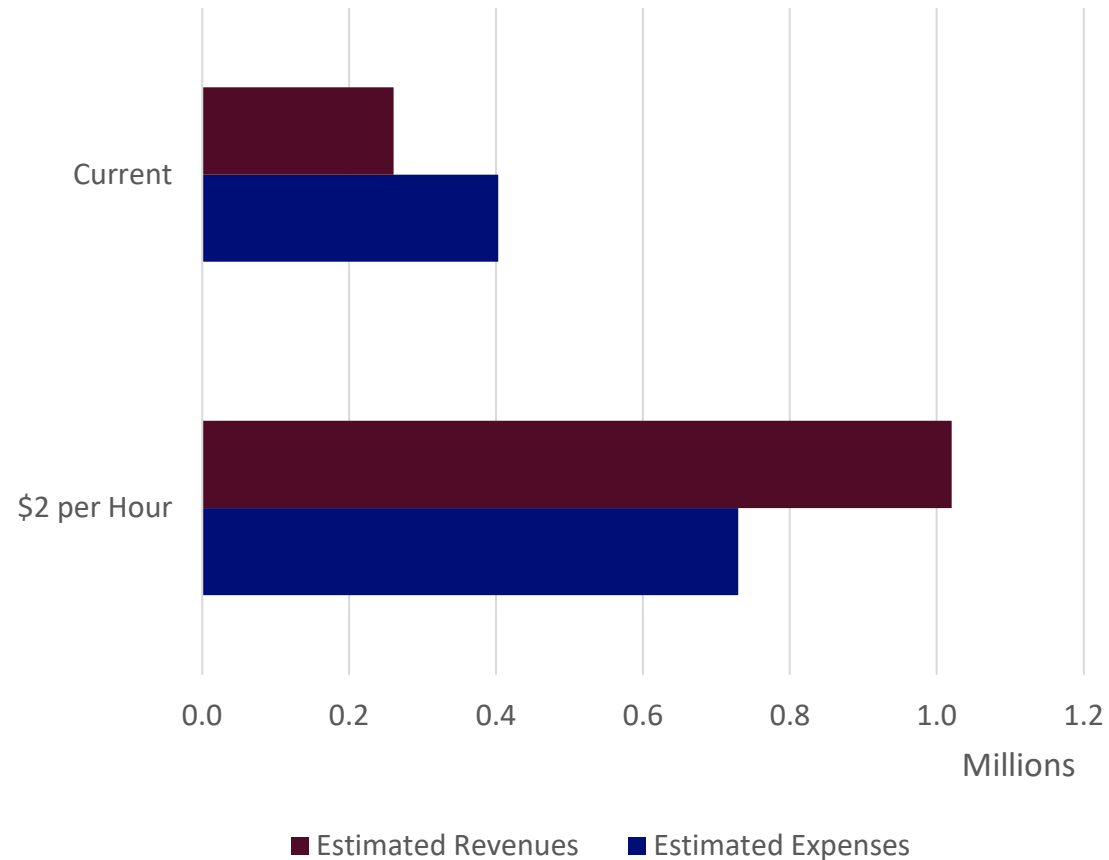
In January 2023, Council reviewed options and tabled the discussion to February 21, 2023 and asked staff to bring back the following:

- Parking program revenue projections
- Estimated contract costs with transaction fees
- Cost benefit analysis of timed parking vs paid parking
- Financial costs of parklets in lost parking revenue
- Financial comparison 5 vs 10 hours for local discount
- Senior permit program review



# Paid Parking Forecast Financials

Parking Revenue Projection



As presented at the December 22, 2022 City Council meeting

- We cannot accurately forecast parking revenues because:
  - Data cannot differentiate between 15-minute session vs. a 2-hour session
  - Increasing rates will change behavior
- Assumptions:
  - Same number of parking transactions as last year
  - Average session is 90 minutes
  - \$2 per hour with no free parking

# Paid Parking Fees

## Kiosk/Pay Station

### Cash

- Gross Revenue: \$2
- Expense
  - Merchant & Flowbird Fees: \$0.00
  - Bank Fees: \$0.02
- Patron Cost: \$2
- City Net Revenue: \$1.98

## Kiosk/Pay Station

### Credit/Debit Card

- Gross Revenue: \$2
- Expense
  - Merchant Flat Fee: \$0.30
  - Merchant Variable Fee: \$0.06
  - Flowbird Fee: \$0.00
  - Bank Fees: \$<0.01
- Patron Cost: \$2
- City Net Revenue: \$1.64

# Paid Parking Fees

## App/Pay-By-Text

### Not Passing Fee to User

- Revenue: \$2
- Expense
  - Merchant Flat Fee: \$0.30
  - Merchant Variable Fee: \$0.06
  - Flowbird Flat Fee: \$0.25
  - Bank Fees: \$<0.01
- Patron Cost: \$2
- City Net Revenue: \$1.39

## App/Pay by Text

### Passing Fee to User

- Revenue: \$2.25
- Expense
  - Merchant Flat Fee: \$0.30
  - Merchant Variable Fee: \$0.07
  - Flowbird Flat Fee: \$0.25
  - Bank Fees: \$<0.01
- Patron Cost: \$2.25
- City Net Revenue: \$1.63

# Paid Parking Fees

## Locals Program/Discounted Parking/Validated Parking

- Revenue: \$0
- Expense
  - Merchant and Bank Fees: \$0.00
  - Flowbird Flat Fee: \$0.05
- Patron Cost: \$0
- City Net Revenue: \$(0.05)



# Paid Parking Fees

Pay Options (per one, 1-hour transaction)	Patron Cost	City Net Revenue
Kiosk Cash	\$2.00	\$1.98
Kiosk Credit/Debit	\$2.00	\$1.64
App or Pay-by-Text (city absorbs fees)	\$2.00	\$1.39
App or Pay-by-Text (passing fees to consumer)	\$2.25	\$1.63
Locals Program/Merchant Validation	\$0.00	\$(0.05)

Note: It is unknown how many transaction will use kiosks; how many would use the app; or how many would utilize the local's program.

# Flowbird Contract Fees

Itemized Charges	Annualized Estimated Amounts
Base Fee	\$66,605
Flowbird Permit System	-
Text message receipts	1,500
Locals Program (5 cents per transaction)	6,800
Merchant Validation (5 cents per transaction)	1,000
Merchant Fees (30 cents per transaction plus 3%)	196,200
Total City Costs	272,105
Mobile App Fees	50,000
Pay-By-Text Fees	13,750
Total Potential Pass-Thru Costs	63,750

# Timed Parking vs. Paid Parking

## Timed Parking

- Only revenue source would be citations
- Will be a subsidized General Fund program
- Will not provide funding for parking garage
- Limits patron stays
- Additional time and Council actions needed to implement

## Paid Parking

- Paid for by paid parking revenues, not from citations
- Can be fiscally self-sustaining
- Provides patron with flexibility on desired stay
- Encourages turnover
- Rates can be adjusted on demand

# Parklets

How to calculate the value of a parking space?

- 85% targeted occupancy rate
- Paid parking rate: \$2/hour
- Citation revenue with estimated 13% non-compliance rate

It is projected that each space designated as a parklet rather than a parking space will have approximately **\$9,300 in lost parking revenue annually**.

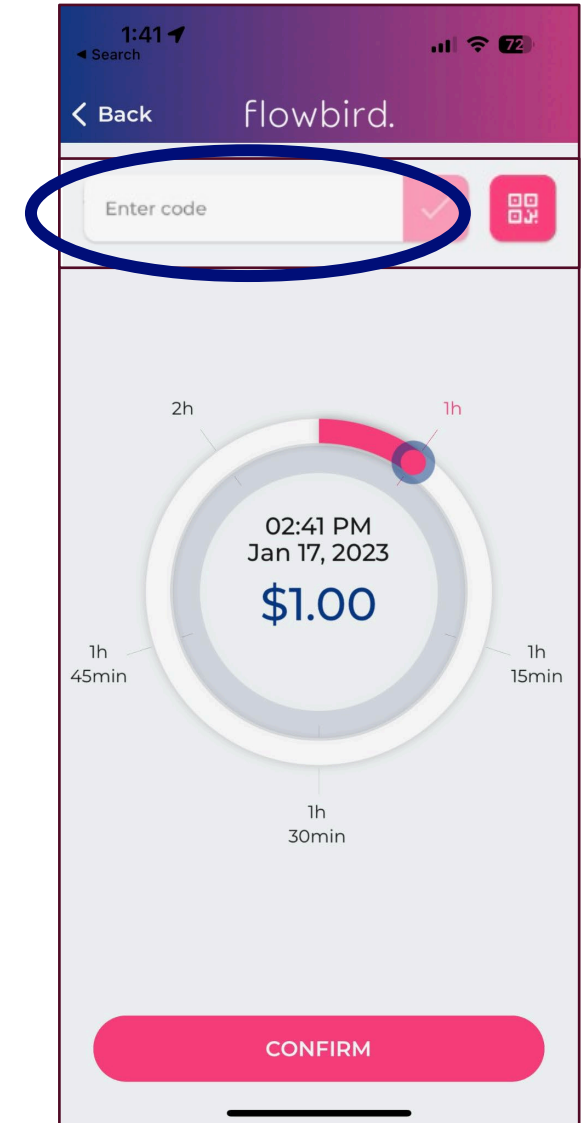
Note: This amount does not include the value of the physical parking space, just the lost revenue associated with the parking space.

# Local Discount Program

## Option 1

### How it works:

- Residents complete an online application to participate
- Each address is eligible to receive 1 unique code
- Each code provides five 1-hour free sessions per month
- Code can be applied at pay station or on the mobile app
- Code can be applied to any vehicle
- Remaining uses expire at the end of the month
- Code is replenished with 5 sessions on 1st of each month



# Local Discount Program

Expected revenue impacts from providing 5 versus 10 hours of free residents parking.

Scenario	# of Households*	# of Free Hours Per Year Per Household	# of Free Hours, Total	Cost of Free Hour (\$2/hour)	Convenience Fee \$0.05/session)	Total Annual Revenue Impact
Offering 5 free parking hours per household	11,960	60	717,600	\$(1,435,200)	\$(35,880)	\$(1,471,080)
Offering 10 free parking hours per household	11,960	120	1,435,200	\$(2,870,400)	\$(71,760)	\$(2,942,160)
Offering equivalent free parking hours to number of local transactions in 2021-22			136,000	\$(272,000)	\$(6,800)	\$(278,800)

\* Based on 2021 census data

Note: Total revenue impact will vary based on the number of free parking sessions used.

# Local Discount/Merchant Validation Program

## Option 2

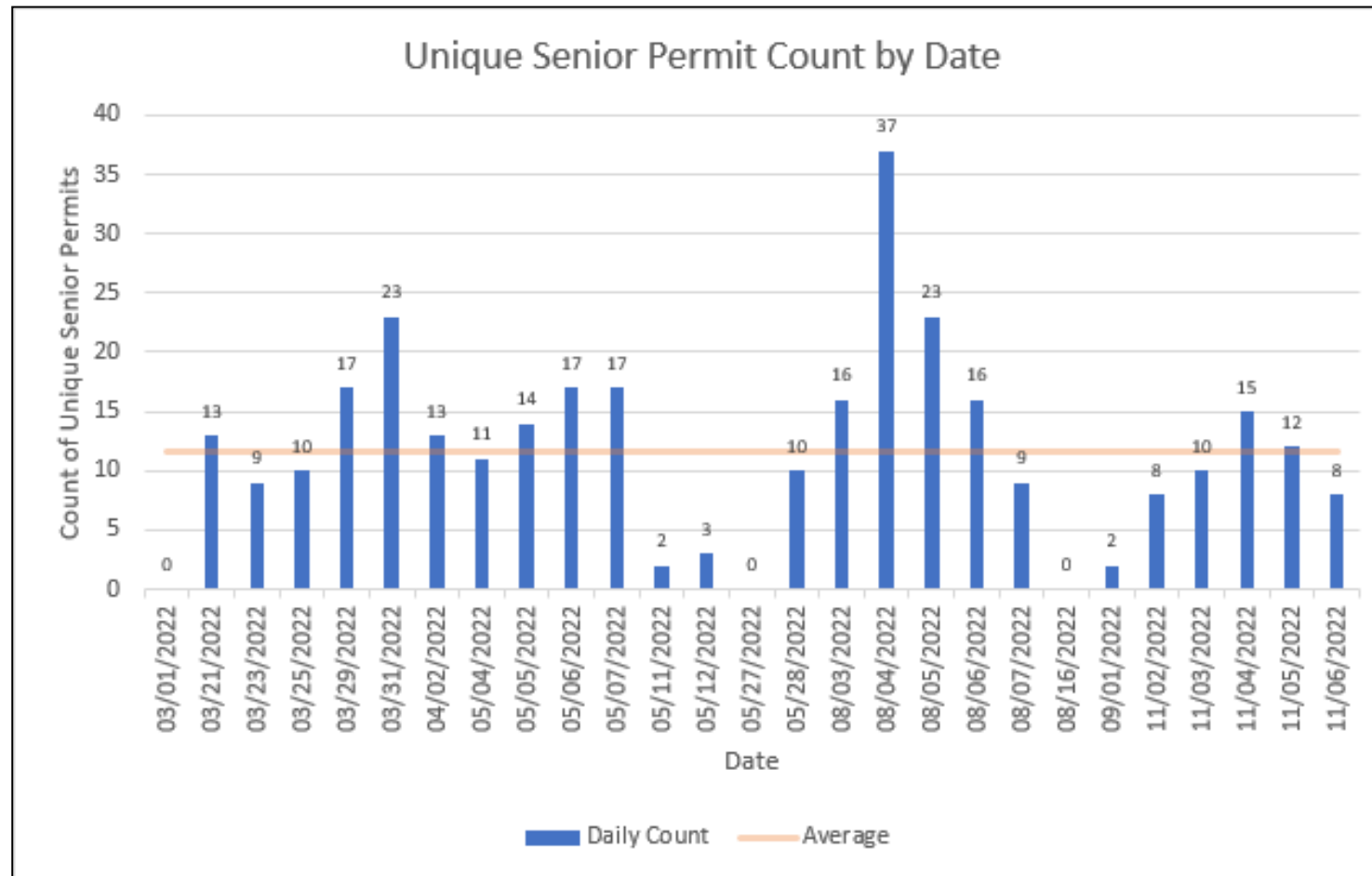
- Verified residents/business owners can prepurchase parking hours at a 50% discounted rate.
- Each transaction regardless of hours used, would incur a \$0.05 transaction fee
- Prepurchase minimum of \$100 (100 hours)

## Option 3

- Business owners can prepurchase parking hours at a 50% discounted rate.
- Each transaction regardless of hours used, would incur a \$0.05 transaction fee
- Prepurchase minimum of \$100 (100 hours)

# Senior Permit Utilization

- Average of 11.67 senior permits are used each day = 1.34% of total parking spaces.
- There were 413 senior permits sold during the 22/23 application period.
- Maintaining 500 senior permits per annual cycle is sufficient at this time.





# Senior Permit Terms & Conditions

Council adopted the following senior parking permit terms and conditions on March 15,2022:

- Limit sales of senior permits to full-time residents of Paso Robles (modified based on City Attorney feedback)
- Require proof of vehicle ownership to the applicant in the application process, consistent with parking industry standards for permit programs
- Limit the total number of permits per address to one
- Exclude Downtown employees from obtaining senior parking permits
- Limit the number of senior permits sold to 500 annually
- Limit sales of annual senior permits to the months of March and April
- Annual senior permits valid from April 1 to March 31 each year
- Offer annual permits at a rate of \$30 with no prorating

**Due to significant impacts to staff time, staff recommends continuing the senior program without change.**

# Parking Myths

**Myth:** There are no free parking options.



**Fact:** There are 1,114 free parking spaces in the downtown parking zone including 117 free parking spaces in the City Hall parking lot with easy access to the Library.

**Myth:** There are not enough disabled parking options.



**Fact:** Vehicles with disabled placards are authorized to park in any designated disabled parking space or any downtown paid parking space without payment or time limits.

**Myth:** I must pay for parking just for a quick errand.



**Fact:** There are 35 30-minute parking spaces located throughout downtown that do not require payment. A once daily 10-minute FREE button will be added to the new app and pay stations.

**Myth:** The senior parking program is changing or being cancelled.



**Fact:** There are no recommended changes to the senior parking program. Applications for the 23/24 year will be available March 1<sup>st</sup>.

# Recommendations

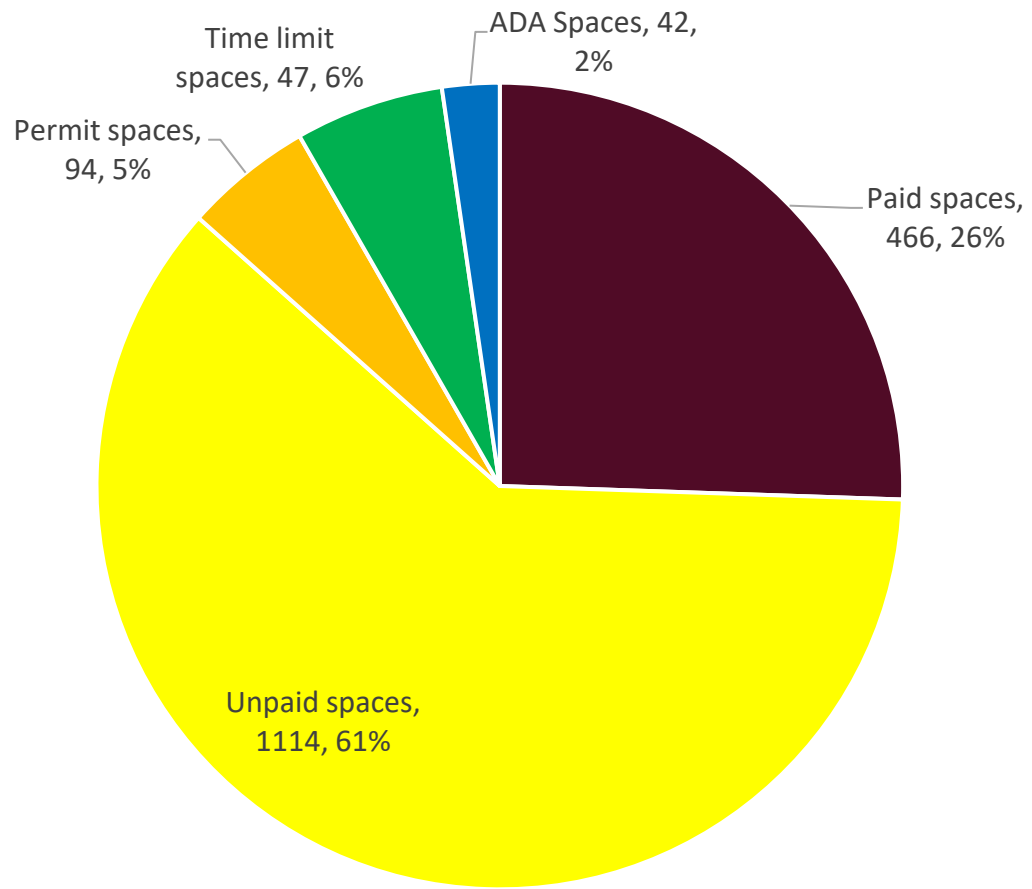
- Authorize the City Manager to execute the contract renewal with Flowbird
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[parking@prcity.com](mailto:parking@prcity.com)

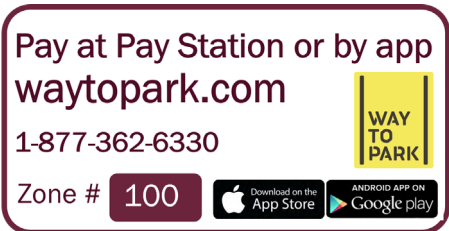


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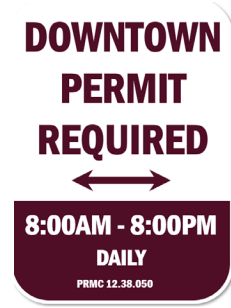
# Parking Spaces



# Signs



Paid parking signs will remain unchanged



Permit parking signs have been updated and will be installed soon

Existing sign riders will be replaced with updated Flowbird app and PayByText information

