



Item: Implementation of the PassportParking program

From: Jana Cooper, RLA, Planner II, Planning and Community Development

Initiated By: Parking Advisory Commission

Presented By: Craig Raymond, Interim Director of Planning and Community Development

Action Requested: City Commission approve the Downtown PassportParking program

Suggested Motions:

1. Commissioner moves:

“I move that the City Commission (approve/deny) the implementation of the PassportParking program.”

2. Mayor calls for a second, discussion, public comment, and calls for the vote.

Recommendation: On June 24, 2013, the Parking Advisory Commission recommended the City Commission **deny** the implementation of the PassportParking program due to concerns related to the on-going costs of the program. On July 3, 2013, the owners of PassportParking spoke with City staff regarding Staff’s concerns for the ongoing cost of the program; PassportParking offered to incur the merchant processing fee, which significantly reduces the cost to the City. Due to this commitment from PassportParking to offset costs, Staff recommends City Commission **approve** the implementation of the PassportParking program. Staff has subsequently updated the Parking Advisory Commission with the information and they are in general agreement to approve the program, but did not take a formal vote on the matter.

Background:

In a Parking Advisory Commission (PAC) meeting held on February 19, 2013, the PAC discussed starting a pilot program for PassportParking, a concept whereby customers are able to pay for their parking with debit or credit cards. The pilot program went into effect on March 15, 2013, and ran through June 15, 2013.

Staff has done the following analysis of the PassportParking program to help determine whether or not the program should continue and be expanded in downtown Great Falls.

Passport Parking Analysis

In 2012, the City completed the Downtown Master Plan. As a part of that study, the community recommended a parking study be undertaken in order to assess the condition of the parking program and consider recommendations to improve the operation of the program. On January 14, 2013, Walker Parking Consultants released the final draft of the parking study. The study made several recommendations including replacement of cash-only meters with newer electronic meters that accept credit card payment along with traditional coin payment. Further, the study stated the City may need to increase meter fees slightly as necessary to cover credit card transaction costs.

Staff researched options for providing a system that would allow the use of credit or debit card payment, including upgrading the meters, which was too cost prohibitive. Staff ultimately implemented PassportParking for a pilot program, which gives customers the option to pay with their credit/debit cards using their smart phones or other electronic device. With this program, the City does not need to upgrade the existing meters; rather there is a sticker placed on the existing meters which explains the program to customers.

Pilot Program Statistics

The pilot program for PassportParking includes 157 meters along the Central Avenue corridor in Great Falls. Statistics for the three month trial for the PassportParking program at these meters are as follows:

- Requires minimum parking of one hour at \$0.50 per hour. Customer pays PassportParking convenience fee of \$0.25 per transaction on top of the \$0.50 per hour. City pays merchant processing fee at \$0.35 per transaction. If the customer adds time to meter, up to two hours, there is not a second transaction charge.
- PassportParking statistics show a total of 178 transactions with 100 unique users.
- March 1-31, 2013: 51 PassportParking transactions with gross revenue of \$47.30, PassportParking fees of \$12.75 and processing fees of \$17.85 for net revenue of \$16.70.
- April 1-30, 2013: 58 PassportParking transactions with gross revenue of \$58.75, PassportParking fees of \$14.50, processing fees of \$10.46, and validation credits of \$1.50 for a net revenue of \$35.29.
- May 1-31, 2013: 42 PassportParking transactions with gross revenue of \$41.25, PassportParking fees of \$10.50, processing fees of \$7.54, and validation credits of \$10.50 for a net revenue of \$33.71.
- Approximate loss of 25% of revenue in processing fees.

Opportunities

The PassportParking program offers a number of opportunities for downtown Great Falls including:

- Provides an opportunity to create an additional level of customer service in downtown Great Falls. Customers may be more likely to stay longer downtown knowing they do not have to keep change with them. In addition, with PassportParking, the customer can use their phone or other device to add time, up to the two hour limit, to the meter without returning to the meter to insert coins. Providing good customer service may lead to return customers, which may in turn lead to a more flourishing downtown. The two-hour limit will still be enforced.

- Provides an opportunity for a validation program with businesses downtown. Business owners can purchase a monthly amount of parking and in turn offer a validation option to customers for shopping, dining, etc. at their business.

Constraints

There are some constraints associated with the program, including:

- The time it takes for a parking attendant to verify whether or not a meter has been paid. Since the program is internet based, there is no way for the meters to show whether or not someone has paid on the meter itself. Instead, the attendant must use an electronic device to login to the PassportParking website to verify if the parking has been paid or not. This adds additional time on how long it takes an attendant to verify parking. If the program is implemented throughout downtown, each attendant on duty would be equipped with a smart phone or other electronic device and wi-fi in order to verify payment on the meters.
- There are some immediate and ongoing fees associated with the PassportParking program including:
 - Startup fees for stickers and signage: \$1.50 per meter (± 1050 meters) = \$1,575.00 (note stickers will need to be replaced approximately every 3 years). Signage costs have not been determined at this time.
 - PassportParking program fee: \$0.25 per transaction. The City is currently passing this fee onto the customer as a convenience fee for the program. Staff recommends if the program is implemented this fee continue to be part of the customer fee for using the program. The City will enter into an agreement with PassportParking so we are ensured these fees will remain at this level in perpetuity.
 - Electronic Devices for Parking Attendants: Varies, including cost for devices (\$0-550) and monthly service fee for wi-fi (\$50-170) (see attached Cost Estimate for Electronic Devices). Staff has researched a number of options for the most financially feasible way to implement the program. Further research would be completed prior to any purchases being made.
 - Merchant Processing Fee: \$0.15 per transaction. Credit card transactions are sent electronically to merchant processing banks for authorization, capture and deposit and there is a fee associated with this process. The City of Great Falls used PassportParkings merchant processing system at a rate of \$0.35 per transaction during the trial. Staff expressed their concern about this cost to PassportParking and they have since worked with their merchant processing system to lower these fees to \$0.15 per transaction. Additionally as stated previously, PassportParking is willing to incur all merchant processing fees in perpetuity so this will not be an increased cost to the City.

Conclusions

Staff finds that the PassportParking program would provide another payment option and a better customer experience for the downtown customer. However, this experience comes with a cost to the Parking Program. The Parking Fund operates on a tight budget that is used for ongoing maintenance of all of the parking facilities, including improvements to the parking garages slated for fiscal year 2014. Overall, Staff sees this program as a benefit to the community.

Concurrences: N/A

Fiscal Impact: See above report for more detailed information related to fiscal impact.

Alternatives: The City Commission could deny the requested action.

Attachments/Exhibits:

Cost Estimate for Electronic Devices

CC: Craig Raymond, Director of Planning & Community Development
Jennifer Reichelt, Deputy City Manager
Tena Grigsby, Standard Parking, tgrigsby@standardparking.com

Cost Estimate for Electronic Devices

Parking Fund Telephone/Tablet quotes from Verizon

6/14/2013

Preferred Option:

Tablet Cost (IPad Verizon): \$550 per tablet**
Monthly Data Plan: 4 gig = \$40 per month for first tablet +\$10 each additional tablet
Activation Fee: \$35 per phone/device

Option 2:

Two Smart Phones: \$0 to \$250 per phone
Monthly Data/Phone Plan: 4 gig shared: \$150 (for two phones) before taxes and City discount (taxes and discount are basically a “wash”)
8 gig shared: \$170 (for two phones)
\$20 jet pack per phone if the phone is not Verizon
Activation Fee: \$35 per phone/device

Option 3:

To add tablets to our Current Planning & Community Development Verizon plan:
Tablet Cost (IPad Verizon): \$550 per tablet**
Monthly Plan: \$50 per month, per tablet
Activation Fee: None

**Note: Refurbished tablets are available online at a lower cost.