UPGRADING ON-STREET PARKING METERS

City Council

Tuesday, December 2, 2014

OVERVIEW

- Citywide Approach
- Parking Meter Study
  - Single-space vs. multi-space, location of meters, technology, bid process, fiscal analysis
- Community Feedback
  - Feedback summary, meter rates, and recommendations
- Question and Answer

CITYWIDE APPROACH

- **Enhancing the user experience** – Residents and visitors expect that all 1,620 meters throughout the city operate similarly. This reduces confusion and increases convenience. Meters currently accept coins, but not credit cards.

- **Comprehensive plan** – Reduces the costs of a fractured parking meter system that prolongs citywide adoption.

- **Data informs decisions** – Citywide approach allows comprehensive collection of data to study parking needs in the City.

- **Based on extensive study** - Citywide approach follows extensive study based on pilot projects, **financial analysis**, and **technical analysis**.

PARKING METER STUDY

Single-space vs. multi-space, location of meters, technology, bid process, fiscal analysis

PARKING METER STUDY

- In August 2014, the City completed its Parking Meter Study, which examined the potential upgrade of the City's current parking meters, which only accept coins.

- The report examined:
  - Single space meters versus multi-space meters
  - New meter capabilities
  - Fiscal analysis to determine capital and operation costs of new meters

WHY NOT MULTI-SPACE PARKING METERS?

- **Pilot Programs**
  - The City Council approved multi-space parking meters that accepted credit cards in 2006 at the Pike.
  - Also, conducted in the Downtown area to test multi-space meters for **on-street** parking.
- **Success!…in parking lots.**
  - Success led to conversion in the City's ***beach lots and parking structures*** (in progress).
  - Not recommended for **on-street** parking based on user feedback.

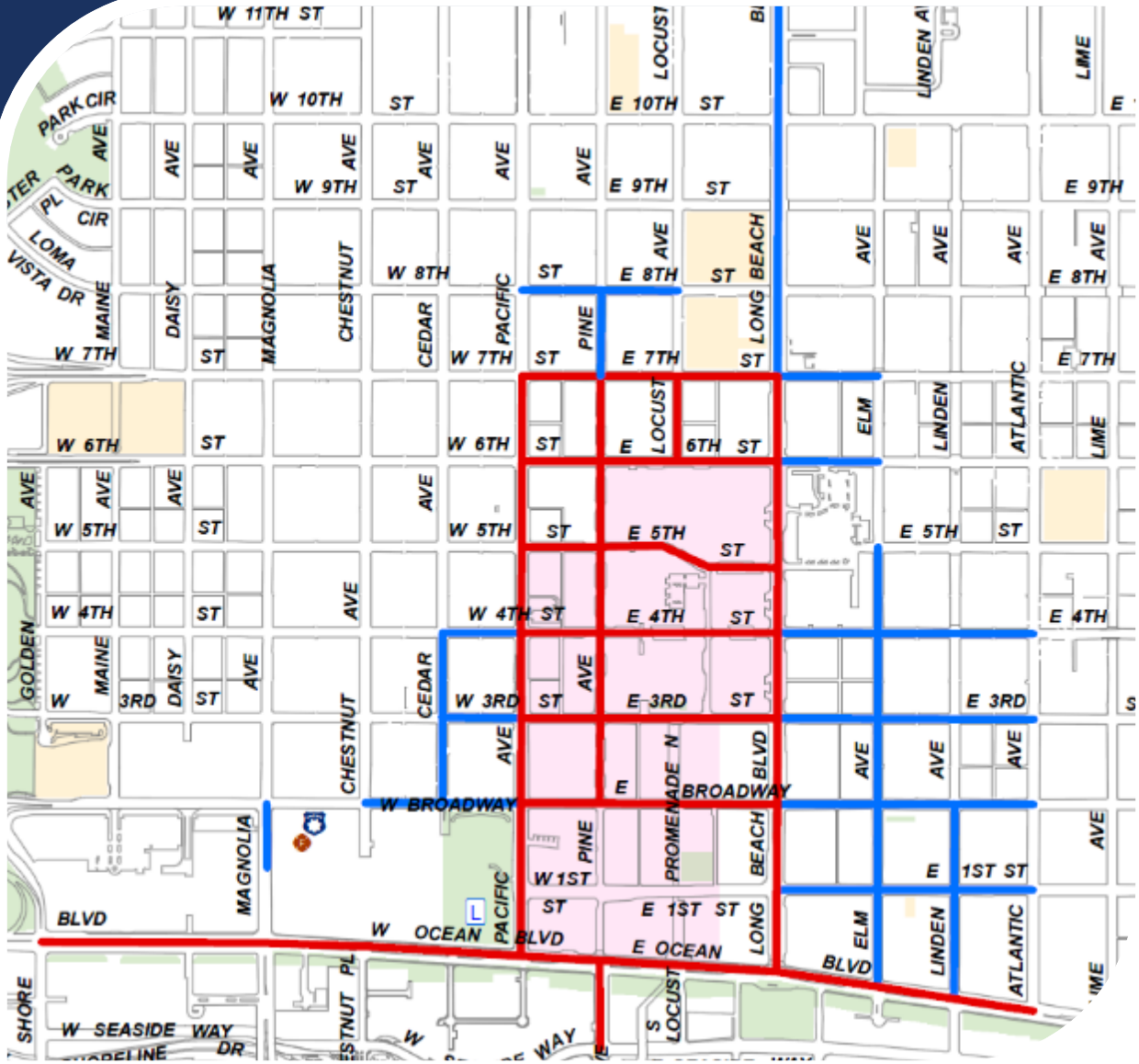
Downtown Long Beach's multi-space parking meters, April 2011.

Photo Credit: Thomas Wasper

WHERE ARE THE PARKING METERS?

Current Meter Rates

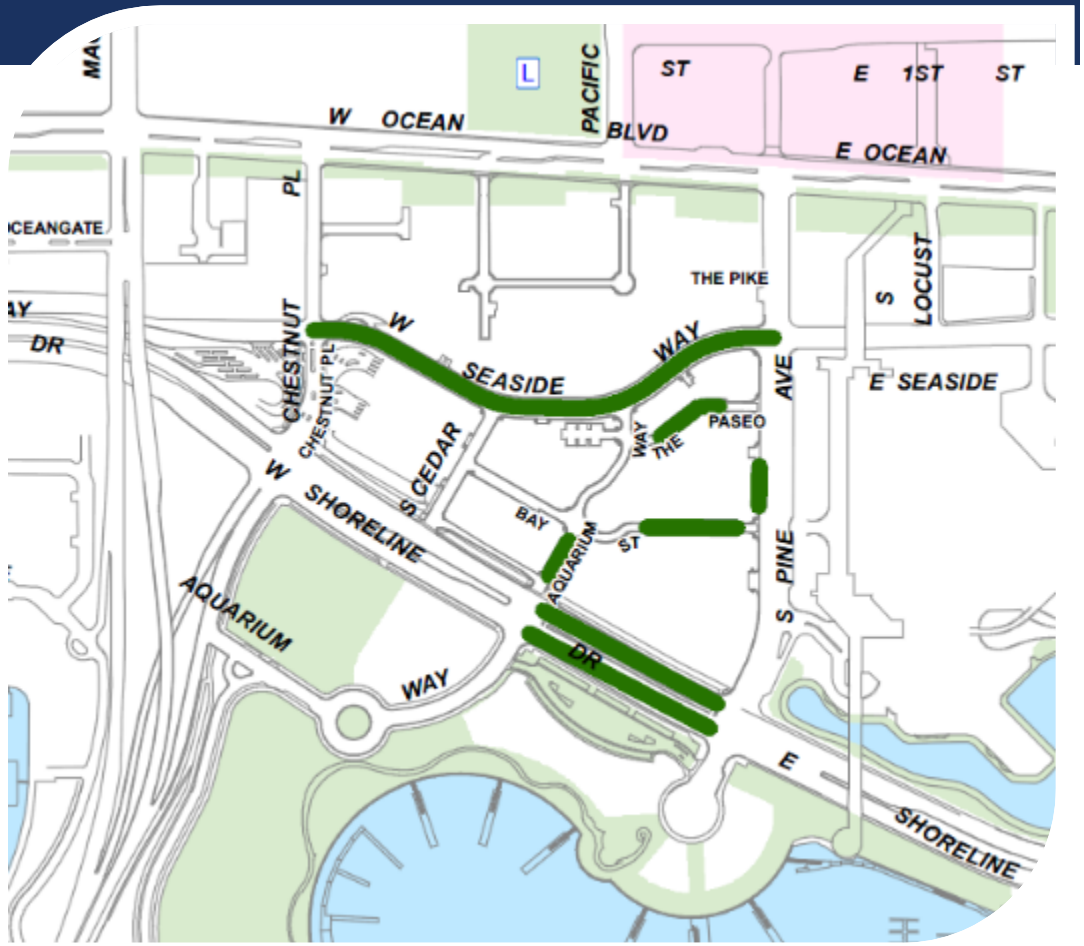
- Downtown Core – $1.00 per hour
- Downtown – $0.50 per hour



WHERE ARE THE PARKING METERS?

Current Meter Rates

- The Pike - $2.00 per hour



WHERE ARE THE PARKING METERS?

Current Meter Rates

- Second Street – $0.50 per hour
- Lots
  North facing – $0.25 per hour
  South facing - $0.13 per hour
  (Compounded)
- Park Ave/2nd St. – $0.50 per hour to $3.00 max

BENEFITS OF SMART PARKING METERS

- **Changing world, changing needs**
  - New parking meters that accept credit cards will meet changing needs of consumers given the ubiquity of credit cards.
  - Large, backlit screens allow for viewing in different weather conditions.
  - Clear messages and instructions allow for communication with user (e.g. parking holiday).
- **Finding parking easily.**
  - New technology can *safely* direct drivers to open spaces, reducing the number of drivers that circle streets in residential areas.
  - Visitors who visit Downtown and Belmont Shore, without change, circle neighborhoods for parking.
- **Data to inform parking decisions**
  - With the new meters and sensors, data collected will inform local decision makers in parking decisions, including removing meters and changing enforcement hours.

BID PROCESS

- **Piggybacking:** City Charter Section 1802 allows for "joint and cooperative purchasing" to "piggyback" on the competitive bid process of another agency.

- **Existing Bid**: The City of Sacramento bid for 6,000 single-space smart parking meters in November 2013, and Sacramento's City Council awarded the IPS Group (IPS) of San Diego, CA the contract as the most responsive and responsible for single-space smart parking meters.

- **Cost savings:** Sacramento's award represents a 12 percent savings over similar procurements by other cities. The City of Long Beach receives the bulk rate (of Sacramento's 6,000 meters) for purchasing 1,620 meters.

FINANCING MODERNIZATION

- **Capital** – Related to upgrading the meters and sensors:
  - $750,465 for 1,620 meters citywide (at $425 per meter).
  - $441,450 for sensors (at $250 per sensor).

- **Operations** – Related to battery and equipment replacement, wireless communication, and secure gateway for credit card transactions.
  - Existing meters cost $158 per meter annually to operate.
  - Smart meters can cost up to $446 per meter annually to maintain.

FINANCING MODERNIZATION

- **Credit Card Usage** – The City pays the credit card fees associated with usage (a part of the annual $446 per meter operating cost).
  - City of Santa Monica estimated 35 percent usage. After implementation, about 60 percent credit card transactions took place, resulting in an unexpected, unbudgeted $1.4 million cost to Santa Monica.
  - Long Beach will take prudent measures by providing for potential demand of credit card utilization of up to 70 percent in some areas.

LESSONS LEARNED: FISCAL PRUDENCE

- Rate adjustments are needed to ensure that the City can afford the meters over the longer term to cover costs:
  - *Credit card fees* – Increasing credit card use can cost the City significantly as the City pays for the credit card transaction fees.
  - *Lower revenue* – If the City receives lower than expected revenue, the rate increase can help maintain the parking meters without impacting the General Fund.
- The rate increase will keep the City **net revenue neutral** so that the new costs of the smart meters do not exceed the revenue collected.

COMMUNITY FEEDBACK

Feedback summary, meter rates, and recommendations

COMMUNITY FEEDBACK

- City staff launched an extensive outreach effort with the release of the Parking Meter Study to solicit feedback and inform recommendations.
- This outreach consisted of:
  - Community meetings: Staff attended or sponsored 14 meetings in Downtown Long Beach and Belmont Shore in partnership with business and residents association.
  - Speak Up Long Beach: An online community forum that received 73 responses.
  - Email: 23 comments received at ParkingMeterStudy@longbeach.gov.
  - Social media: The City's Facebook page received 49 comments and 3 responses on Twitter.

COMMUNITY FEEDBACK: SUMMARY

Meter Rates	*Belmont Shore*: Concern than an increase in meter rates will negatively impact residential parking.
	Downtown: Current and further rate disparity between the two commercial districts in Long Beach.
Sensors	General dislike for sensors that eliminated remaining time for the next user.
	Belmont Shore: Option to eliminate the sensors to save money to prevent rate increase.
	Downtown: Include sensors so data can inform future parking decisions.

METER RATES

- In response to the feedback, City staff analyzed various options to meet these costs, including:
  - Passing on credit card fees to credit card users
  - Increasing rates for on-street parking meters

- Staff also analyzed specific fiscal scenarios for Belmont Shore, including:
  - Reducing the proposed increase of $0.50 to $0.25.
  - Increasing rates on lots along Second Street
  - Change in enforcement hours

CREDIT CARD TRANSACTION FEES

- Can the City pass on the credit card fee to cover the costs of credit card transaction fees?
- The City **cannot** pass on the credit card transaction fee because of contractual prohibitions between the City's credit card processor (Bank of America) and the two credit card companies (MasterCard and Visa).
  - MasterCard and Visa impose these conditions on financial institutions who process their branded cards. These terms are non-negotiable.
  - Residents pay a fee for online and pay-by-phone payment services, but this fee does not pay the credit card transaction fee. Credit card users who make payment in City Hall do not pay a convenience fee.

BELMONT SHORE: ARE RATE INCREASES NECESSARY?

- Yes. Existing revenues do not cover the operating costs of the new meters.

In response to community concern about meter rates, and at the request of the Belmont Shore Parking and Business Improvement Area Advisory Commission, staff also examined alternatives to the $0.50 rate increase.

Alternative 1: Lot increases

Generates $103,000, but still results in a loss of $303,133 over five years (with sensors) or $7,553 over five years (without sensors).

Alternative 2: Enforcement hours

Generates $120,000 but fails to pay for meters and strongly opposed by community members who park at night after returning from work.

Alternative 3: Smaller increase:

Reducing the proposed rate increase from $0.50 to $0.25 generates sufficient revenue to cover the ongoing operating costs of the new meters.

WHAT ABOUT DOWNTOWN?

- **Rate increase?** Downtown will require a $0.50 increase to cover the ongoing operating expenses.
- **Capital costs**: Unlike Belmont Shore, Downtown does not retain all of its revenue generated from parking meters. The City will provide the capital costs.
  - Downtown Long Beach Associates (DLBA) will repay the General Fund over the next two years for its 50 percent share of capital costs.
- **Investments**: The City will reinvest the City's share of net excess revenues collected from the new Downtown meters during the first two years to parking infrastructure improvements in Downtown. Net revenues for this investment will be calculated every two (2) months, and set aside.

METER RATES: INCREASES AT OTHER CITIES

- Nearly all cities increased parking rates when implementing smart meters.
- These increased rates reflect increased operating costs of smart meters.
- The meter rate increase exempts the Pike.

Amount of Increase at Parking Meter					
Long Beach (Proposed)	**Santa Monica**	**Manhattan Beach**	**West Hollywood**	**San Luis Obispo**	**Los Angeles**
$0.25 - $0.50	$0.25 - $1.00	$0.75	$0.50	$0.25	$1.75*

*Average increase. Los Angeles implemented dynamic rates that change with demand.

METER RATE RECOMMENDATIONS

- The City's meter rates will remain **at or below** other beach cities after meter upgrade.

Other Cities: Hourly On-Street Parking Rates After Meter Upgrade

Long Beach (Proposed)	Huntington Beach	Laguna Beach	Manhattan Beach	Newport Beach	Santa Monica
$0.75 - $2.00	$1.50	$1.00	$1.25	$1.50	$1.00-$2.00

Long Beach: Proposed Hourly On-Street Parking Rates After Meter Upgrade

Belmont Shore	Downtown Area	Downtown Core	The Pike
$0.75	$1.00	$1.50	$2.00

PROGRAMMATIC RECOMMENDATIONS

- **Courtesy Time**: Staff recommends that users receive five minutes free by pushing a button on the meters in Belmont Shore and Downtown. This business-friendly measure allows consumers to park for free for quick errands.

- **Investment in Parking**: The City will provide a website with parking information, work in partnership to develop apps, and help ensure parking information is unified.

- **Time Limits**: Responding to community concerns, the City will continue current time limit enforcement practices, and re-evaluate appropriate time limit with data from the sensors.

NEXT STEPS

If the City Council elects to move forward, City staff will implement the following:

- **Public Education:** Extensive public education to help users adjust to the new meter, including opportunities to test the new meters out. Staff proposes to relax enforcement during initial implementation as users become accustomed to the new meters.
- **Parking Support:** Staff will unify parking information so that residents and visitors have information about meter rates, parking options (e.g. street, structure, etc.), and parking guides.
- **Installation:** New meters can be expected within 6 to 8 weeks after contract approval.

QUESTION AND ANSWER