

BELMONT SHORE PARKING METER VARIOUS SCENARIOS ANALYSIS (09.12.14)

1. Verify the rate for Multi-Space Meters in the beach lots

Beach Lots remain at \$1 per hour, 9AM to 6PM every day.

2. Revenue projection for \$0.25 rate increase rather than a \$0.50 rate increase

Increasing rates by \$0.25 rather than \$0.50 would result in a 5 year net of \$128,973 if you include recouping the capital investment. It also leaves a much smaller cushion to pay for any revenue fluctuations and/or increase in credit card usage. If the Parking Commission elects this as the recommendation, we would need to reserve the difference between the \$0.25 and \$0.50 increase in fund balance for a year while we determine what the impact would be. The amount to be reserved would be approximately \$162,814. Then staff would analyze the actual revenue and costs and determine whether the \$0.25 is sufficient or if an additional rate increase is needed.

3. Revenue projection for raising the lots to \$0.50 an hour and eliminating compounding

Staff estimates that raising the lot rates to the \$0.50 on-street rates would result in an estimated \$98,000 revenue increase. If compounded rates in lot meters were eliminated, staff estimates \$3,000 in additional revenue. In both cases, a change in the occupancy rates is not anticipated. If both are done together it would result in a total revenue increase of \$103,000.

4. Determine whether the City can generate a revenue estimate for a compounding rate (e.g. \$0.50 for first hour, \$0.75 - \$1.00 for the second hour, potential rate for the third hour).

We believe that a compounding rate can be considered and costed out, but have not been able to accurately cost out an estimate at this time. We would need more information on what the proposed rate would be and what the duration would be. If the Parking Commission elects to recommend this, we can provide an estimate.

5. Cost out the revenue estimate for adding one to two hours in Belmont Shore on street and in the lots (e.g. taking the hours from 7:00 PM -8:00 PM or from 7:00 PM-9:00 PM)

Staff estimates by extending the meter hours by 1 hour in lots and streets (until 8pm) will result in a revenue increase of \$63k. Extending the meter hours by 2 hours until 9PM would approximately double the estimated revenue increase. However, occupancy may begin to decrease towards 9pm. Staff estimates a decrease of 5-10% of occupancy, resulting in an estimated revenue increase of \$57k for the second hour. So a total of \$120,000 would be the estimate for 2 hour extension of hours (includes both street and lots as the times should be the same).

6. Add into the expenses a capital cost repayment line item to repay their investment over 7 years. Essentially they want to show they can recoup the capital investment. (FM)

See attached. Assuming a 2% annual CPI increase, the cost to recover Year One's capital investment over a 7 year period is \$45,520/year.

7. Convenience Fee

Staff do not have a revenue projection for a convenience fee at this time. Per our study, no city in California charges a convenience fee for parking meters. We have consulted with the City Attorney this week and have determined that the legality convenience fees in general are still very unclear. While there are laws on the books that allow them, there are active cases of litigation that may change those laws in the future. Additionally, there are costs of the convenience fee that haven't been priced out yet, including administrative costs to charge them, third-party vendor fees, etc. Thus, staff does not recommend a convenience fee at this time and do not have a cost estimate.

8. Credit Card Minimum

Setting a minimum price for use of a credit card would be a violation of the City's credit card Merchant Agreement. The payments for credit card must be in the same increments as for cash. We must accept a \$0.05 credit card transaction if we offer a \$0.05 cash payment, in spite of the fact that we are still charged \$0.24.