



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Matthew R. Walsh, Director of Redevelopment, Downtown Services, and Special Projects

DATE: December 11, 2017

SUBJECT: Parking Strategic Plan – Final Recommendations
Supplemental Information

Recommendation:

Accept the following report.

Background:

On November 13, 2017, the Parking Committee presented its final recommendations for the Strategic Parking Plan to the City Council. Specifically, the Committee provided a report, several pro forma spreadsheets modeling the financial implications of the proposed recommendations, as well as a PowerPoint presentation summarizing the recommendations.

The PowerPoint presentation was also exhibited at a community forum held at Red River Theatres on November 16, 2017, as well as the Chamber of Commerce's Local Government Affairs Committee on December 1, 2017.

The purpose of this report is to provide information requested by the City Council following the November 13th meeting, as well as summarize comments provided during the subsequent informational sessions noted above.

Discussion:

1. **Responses to City Council Questions:**

- a. **Parking Garage Meter Revenues:** Councilor Herschlag asked for an analysis of the following scenarios:
 - i. Charging for parking garages on Saturdays at \$0.50 / hour;
 - ii. Meter rate of \$0.75 / hour for the parking garages; and,
 - iii. Charging for metered parking in garages on Saturdays.Projected revenues for these scenarios are presented in the table below.

**Parking Garage Revenues \$0.50 / Hour vs. \$0.75 / Hour
FY2019-2028**

	Parking Committee's Proposal Total Revenue FY2019-2028 @ \$0.50 / Hour	Alternative Proposal \$0.50 / Hour Total Revenue FY2019-2028	Alternative Proposal \$0.75 / Hour Total Revenue FY2019-2028
Weekday (M-F; 9AM-5PM)	\$2,925,589	\$2,925,589	\$3,020,439
Weekday Evening (M-F; 5PM - 7PM)	\$731,397	\$731,397	\$755,110
Saturday (9AM - 7PM)	\$0	\$471,850	\$429,563
Total	\$3,656,986	\$4,128,836	\$4,205,112

When reviewing this information, please note the following:

- iv. The pro forma for the Parking Committee’s proposal presumes meter utilization in the garages will increase 10% above current levels as the proposal results in a meaningful cost differential between on-street and off-street meter rates.
 - v. The \$0.75 / hour model presumes some minor attrition would occur due to the rate increase (15% during the initial year of the increase, which reduces to 10% thereafter in order to keep revenue projections conservative).
 - vi. If the City Council decided to charge for parking on Saturdays, then the City should strongly consider offering a Monday – Saturday parking permit for garages. This concept was previously presented to the Parking Committee, but later became moot when the Parking Committee opted to not recommend charging for metered parking in garages on Saturdays. The cost of the permit would be \$85 / Month (\$1,020 / year). Like the Monday – Friday Permit, it would become available on a trial basis in the State Street Garage in FY2020 and all garages in FY2021.
 - vii. If the City Council wished to proceed with \$0.75 / hour rate in garages, then the City Council should strongly consider changing rates in surface lots as well for consistency.
 - viii. Increasing garage meters to \$0.75 does not result in a meaningful rate differential with on-street spaces. As such, price sensitive long-term parkers (such as employees) have less incentive to use the garages, which, in turn, hinders economic development goals.
2. “Boots” for Unpaid Citations: Per Section 19-2-5 of the City Code of Ordinances, the City has the right to immobilize (e.g. “boot”) any vehicle which has at least five unpaid parking tickets or unpaid parking tickets totaling \$100 or more. Although the City has significant amounts of unpaid citations outstanding (\$673,000 going back to 2001), the City typically only immobilizes 20 vehicles / year for unpaid citations. A significant reason for this occurrence is because New Hampshire Law currently prohibits use of

“license plate recognition” scanners for parking enforcement (see RSA 261:75-b). Consequently, the only opportunity Parking Enforcement Officers have to enforce the City’s scoff laws is when a new ticket happens to be issued against a vehicle which either has at least 5 unpaid parking tickets, or unpaid citations totaling \$100 or more. This approach is very inefficient.

3. RSA 231:130-a (Withholding Motor Vehicle Registrations for Unpaid Parking Tickets):

a. Minimum Threshold of Citations for Withholding Registration: Councilors inquired whether the City could set a threshold, similar to that provided in the City’s “boot” ordinance discussed above (e.g. at least 5 unpaid tickets or \$100 in unpaid fines), before withholding a motor vehicle registration for unpaid parking tickets. The Statute does not provide such flexibility.

b. Communities Which Have Adopted Statute: Councilors also asked for a list of other municipalities which have adopted this Statute. Municipalities which have adopted the statute include: Manchester, Nashua, Laconia, Dover, Keene, and Hudson.

Staff has completed a partial analysis of the \$673,000 in unpaid tickets relative to these communities, and determined the following:

- i. 32.8% of these tickets were issued to vehicles registered in Concord;
- ii. 7.5% were issued to vehicles from Manchester;
- iii. 0.6% were issued to vehicles from Dover; and,
- iv. 0.25% were issued to vehicles from Keene.

An analysis for vehicles from Nashua, Laconia, and Hudson is not currently available.

c. Revenue Projections: If the City were to adopt this local option statute, it is projected it would generate approximately \$484,000 during FY2019-2028, combined. Average annual revenues would be approximately \$41,000. However, revenues would be approximately \$101,000 in the initial year of adoption as the backlog of tickets begins to be collected.

4. Expanded On-Street Meter Enforcement Areas: The Parking Committee’s recommendations include the installation of 308 new meters in and around downtown. This would be accomplished in two Phases, as follows:

- a. Phase I: 50 meters in FY2019 (October 2018). These are located in the core of the Central Business District.
- b. Phase II: 247 meters in FY2020 (October 2019). These would be located to the north and west of the Central Business District.

In combination, it is projected that these meters will generate net new revenues averaging \$187,000 annually during FY2019-2028. Revenues will include meters and citations. Simultaneously with Phase II of meter expansion, the City would hire two new Parking Enforcement Officers (1.2 FTEs) in FY2020 to enforce the 247 meter geography.

During the City Council’s November 13th meeting, Councilor St. Hilaire suggested that the City Council should consider not charging for metered parking in certain areas that will be affected by Phase II meter expansion in FY2020.

If the City Council were to adopt this suggestion, there would be impacts on projected revenues and expenditures for the Parking Fund which would impact 10 year financial projections provided to the City Council last month. A detailed analysis would need to be completed to fully project determine the net financial impacts of such a scenario.

Should the City Council have interest in forgoing night and weekend meter enforcement for all or portions of Phase II meter expansion, Staff recommends that the Council direct the Parking Committee to conduct a detailed review of such proposal and present its recommendations as part of the FY2020 budget process. As part of its analysis, the Parking Committee should provide recommendations on how to replace forgone revenues associated with this concept.

5. Credit Cards:

- a. Credit Card Fees: Councilor Herschlag inquired whether the Parking Committee's proposed recommendations will result in reduced credit card fees for the City.

The answer to this question is as follows:

- i. It is anticipated that credit cards utilization will increase due to 1) expanded hours of enforcement, 2) replacement of mechanical meters with credit card enabled smart meters, 3) expansion of meter coverage areas with 308 credit card enabled smart meters. During FY2019-2028, credit card fees associated with the 3 circumstances listed above will average \$70,000 annually during FY2019-2028. .
 - ii. It should be noted that most smart meters and new models of kiosks have the ability to pass along credit card fees to customers. However, this feature is not currently available for 74 of the City's 85 kiosk units. As the City moves forward with purchasing new meter equipment, staff will be cognizant to ensure that new equipment will have the ability to pass along credit card fees to parkers in case the City wishes to implement such policies in the future.
 - iii. Credit card utilization will also increase due to online payment of tickets and permits. However, per the Parking Committee's recommendations, credit card fees for these items will be passed on to customers.
 - iv. Credit card fees will also be incurred by users of the Pay-By-Cell App. However, such fees will be borne by users as part of a convenience fee charged by the App vendor.
- b. EMV Compliance: Councilor St. Hilaire inquired about EMV credit card compliance for parking meters. EMV ("Europay Mastercard Visa") credit cards, or "chip cards", were put into circulation in October 2015 to replace less secure magnetic-swipe cards. Once EMV cards went into circulation, merchants became liable if they processed a fraudulent transaction made with a non-chip card.

On average, customers purchase \$1.71 worth of parking with credit cards kiosk meters. Currently, 10 of the City's 85 parking kiosks are currently EMV compliant. Over the past two years, these kiosks have processed nearly 500,000 transactions. During that time no credit card provider has pursued the City for any fraudulent meter payments.

Back in 2015, the City did review the cost to upgrade Kiosk machines to make them EMV compliant. At the time, 74 kiosks needed to be upgraded. The cost to convert was \$750 / kiosk (or \$55,500). Given the cost of new hardware coupled with very limited financial exposure associated with potential fraudulent meter transactions, City Administration opted not to pursue kiosk upgrades at that time.

Going forward, it is important to note that many (but not all) smart meters and kiosk machines currently available in the market place are EMV compliant. However, in keeping with past practice, the City Administration plans to review the costs and benefits of purchasing EMV technology when selecting manufacturers for new smart meters and kiosk machines.

6. **Comments from November 16th Forum:** The Parking Committee, with support from Intown Concord, held a community forum on November 16th at Red River Theatre to present their final recommendations to the public. The early morning time was specifically selected to accommodate merchants; however all were invited to attend. The Forum was attended by 24 members of the public, as well as two members of the Parking Committee (Coen and Kenison) and two City Councilors (Keach and Herschlag). Overall, feedback on the proposed recommendations was very positive. Specific themes and comments were as follows:
 - a. **Technology:** Those in attendance were excited about recommendations to embrace technology for the Parking System (i.e. Pay by Cell Apps, website upgrades and the ability to make on-line payments, and single space smart meters). Several merchants were especially excited about the ability to offer discounted parking to their customers through the Pay-By-Cell app.
 - b. **Unpaid Tickets:** Attendees also expressed that the City should do more to collect unpaid parking tickets. Many spoke in support of the City adopting RSA 231:130-a so the City could withhold motor vehicle registrations for vehicles with unpaid tickets. They also liked that the statute allows the City to collect tickets from those in other communities which have adopted the statute. Some expressed frustration that parking rates will be increasing when the City has \$673,000 +/- of unpaid parking tickets outstanding.
 - c. **Neighborhood Enforcement:** Many attendees expressed support for increased parking enforcement during nights and weekends. Some noted that certain parking regulations are also in effect on Sundays which are not currently enforced.
 - d. **Meter Time Limits:** Several merchants spoke in favor of increasing meter time limits from 2 hours to 3 hours on Main Street and connected side streets between State and Storrs Streets.
 - e. **Parking Garages:**
 - a. There was general support for moving towards a permit system; although some were concerned that the “park anywhere” approach may result in employees getting prime parking spaces. (*Staff comment – this circumstance already occurs under the current lease system and likely will*

be reduced under the “park anywhere” model because of turn over throughout the day).

- b. Some felt the proposed permit cost of \$70 / month should be further discounted, as this rate is roughly \$10-\$25 month cheaper than paying for metered parking in garages for typical employee during normal business hours.
 - c. It was suggested that the City create a Downtown Resident Permit for those residents which commute out of downtown for work, but will need to pay for parking during early morning or evening hours. *(Staff comment: This could be accomplished by offering 2 types of special “4 hour resident permits” which would be sold on a monthly basis and would be valid either during 9AM to 1PM or 3PM – 7PM in order to provide maximum flexibility for residents who may work first, second, or third shifts. It would be appropriate to price such permits around \$35 / month (or half the \$70 rate for an all -day permit). A resident could only get either an “AM” or “PM” 4 hour permit (but not both). The permit could also be sold to residents in expanded meter zones.*
 - d. Many attendees were in support of free meter parking in garages on Saturdays.
 - e. A limited number of attendees suggested that the City should install gate systems to manage the garages so customers will only pay for the actual time used.
 - f. Credit Card Fees: There was surprise about the amount the City pays in credit card fees annually and general support for passing fees along to parkers whenever possible.
7. Comments from December 1st Session with Local Government Affairs Committee: The meeting was held on December 1st and was attended by approximately a dozen individuals. The meeting was not open to the public.

The Committee did not take any formal votes on the proposed recommendations. However, several members expressed support for the proposed recommendations, as they were viewed as an improvement over the original recommendations released in June 2016.

Further, it was the universal consensus of those present that the City should adopt RSA 231-130-a. It was the general sentiment that the City should do everything possible to collect moneys it is owed and that the adoption of RSA 231-130-a is the most efficient way to achieve that purpose.