

CITY COUNCIL CONFERENCE MINUTES

June 25, 2013

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:35 p.m. in the Municipal Building Conference Room on the 25th day of June, 2013, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Castleberry, Gallagher, Griffith, Jungman, Kovach, Lockett, Williams, and Mayor Rosenthal

ABSENT: Councilmember Spaulding

Item 1, being:

DISCUSSION REGARDING THE DOWNTOWN PARKING LOT BUSINESS PLAN AND THE CAMPUS CORNER PARKING METER REPLACEMENT PROJECT AND POSSIBLE FUNDING OPTIONS.

DOWNTOWN PARKING LOT

Mr. Shawn O'Leary, Director of Public Works, said Council adopted Resolution No. R-1112-112 on May 8, 2012, that converted the City's downtown parking lot on Gray Street from free parking to meter parking. The City chose multi-space meter technology that was paid for by the Norman Downtowners Association at a cost of \$141,990.50. The City will repay the investment without interest using revenue generated by parking fees over an indefinite period. The multi-meter system became operational on January 28, 2013.

Mr. O'Leary highlighted how the multi-meter technology works and said there are three multi-space meters located at each entrance of the parking lot as well as one in the center of the lot. The customer parks and pays based on the parking space number. The meter accepts cash, credit cards, tokens, or cell phone payments. Parking lot enforcement will be handled by the Police Department's Parking Services Officers using a hand held enforcement device. Each of the 146 parking spaces will have a parking space sensor that tracks individual parking space occupancy, communicates with the multi-space parking meter device, and resets the meter when the vehicle pulls out of a space with left over time. The sensors have not been installed because they are still being tested, but should be installed and fully operational by the end of August. He said the system is easy to program if management strategy changes.

Mr. O'Leary said the parking lot went from a high occupancy rate of 90% to 40% occupancy after the meter system was installed. He said merchants believe this is a good thing because they want open spaces for customers and occupancy will change over time as new merchants locate in the downtown area. Councilmember Kovach asked what the occupancy rate was at noon and Mr. David Riesland, Traffic Engineer, said around 35%. Mr. O'Leary said prior to the meter system more of the downtown area employees were parking in the parking lot, but are now parking in lot two to three blocks away at no charge.

Mr. O'Leary highlighted proposed additional payment options for Council's review. He said tokens can be used and could be available through the Finance Department. He said the tokens can be purchased by individuals or merchants to give to customers as an incentive to shop at their businesses. He said another option is a *Smart Card*, similar to a debit card, gift card, or credit card. Councilmember Williams asked if the smart card can be refilled and Mr. O'Leary said yes, it can be refilled at the Finance Department. Councilmember Williams asked if it could be refilled at the meter and Mr. Riesland said no because it takes a special device and software to refill the card.

DOWNTOWN PARKING LOT, continued:

Mr. O'Leary said Council previously discussed long-term permit parking in the parking lot and opted not to do that because spaces would have to be given up and no one knew at that time how full the parking lot would be once the meter system was operational. He said Staff believes there are enough parking spaces to give some up for long-term permit parking if Council decides to do so. He said the permits would be placed on the occupant's vehicle visor and the customer would get unlimited parking during the enforcement period in a certain area of the parking lot. He said it will cost approximately \$1,000 to install the system that includes signs, application form, informational brochures, and permits. He said the proposed annual rate to the customer is \$1,000 per year and Staff is recommending establishing 26 spaces for long-term parking. He said Staff settled on 26 spaces because five years ago when discussion began, 26 individuals stated they would pay for a long-term parking space. He said the spaces will be located along the southeast portion of the parking lot. Staff is not suggesting these be assigned parking spaces so if you purchase a long-term permit you can park in any of the 26 spaces you choose.

Councilmember Castleberry asked how the sensor would know the difference between the long-term permit and hourly permit and Mr. O'Leary said the sensor will not know, but it will know if someone is parking in that space for eight hours or more and that will show up on the enforcement device. He said, theoretically, cars should be in the long-term permit spaces for at least eight hours. Councilmember Kovach said those spaces will not be assigned to an individual permit so if you have a long-term permit you have to park in one of those 26 spaces not in any other part of the lot and Mr. O'Leary said that is correct. Councilmember Griffith asked if the 26 spaces are targeted for business owners and Mr. O'Leary said he believes that is what will happen, but Staff is not suggesting the spaces be limited in that way. He said a suggestion would be to use a lottery system as the fairest way to determine who gets one of the parking spaces so anyone can apply for a space and be chosen by lottery versus one business purchasing a number of spaces. He said, theoretically, the person could give up the space after one year to make the space available to someone else.

Mr. O'Leary said the parking management system cost \$131,251.50 with operating costs of \$13,507.50 for Auto Trax Parking Management that consists of licensing, remote internet access, system hosting, wireless communications, and telephone and internet support in the amount of \$1,980 per year. There will also be a wireless vehicle sensor fee in the amount of \$8,760 per year and credit card transaction fees in the amount of \$2,767.50 per year (27 daily transactions average \$0.41 per transaction).

Mr. O'Leary said current operating revenues include an average daily collection of \$79.89 per day with 30.20% using credit cards and 69.80% using cash for an annual collection of \$19,972.50. Proposed additional annual revenues include \$5,000 for tokens, \$5,000 for smart cards, and \$15,000 (conservatively) for long-term parking permits for a projected annual collection of \$45,000.

Mr. O'Leary highlighted the proposed Parking Management System Business Plan. He said the plan was developed under the direction of the City Manager with input from the Council Planning and Transportation Committee and the Norman Downtowners Association. The plan establishes an hourly rate of \$.025 per hour for an unlimited time with anticipated revenue of \$65,520 per year based on 80% occupancy. The first hour will initially be free and unlimited after the first hour. Long-term permits will consist of a permit system, designated spaces, and a rate to be determined by Council. The hours of operation will be Monday through Friday from 8:00 a.m. to 6:00 p.m. and that can be expanded in the future.

Mr. O'Leary said next steps include Council's consideration of implementing the Parking Management Business Plan, creating a long-term parking permit system, establishing a payment system for tokens and smart cards, and installation of the parking sensors.

DOWNTOWN PARKING LOT, continued:

Councilmember Kovach asked if any consideration has been given to the fact that money is being lost on credit card transactions for one hour of parking. He said the City should have a minimum charge for credit card use and Mr. O'Leary said Staff has discussed that. He said it is an unfortunate reality of this payment option and that is direction Council will need to discuss. Councilmember Castleberry asked if the City has to pay a fee for credit card use and if that is a fee from the vendor or part of the contract and Mr. Anthony Francisco, Finance Director, said it is a stipulation of the City's banking services contract. Councilmember Kovach asked if the meters can be programmed to charge a minimum \$0.50 if a credit or debit card is used and Mr. Anthony Francisco, Director of Finance, said yes. Councilmember Kovach felt that should be done because it does not make sense to lose money on a transaction. Councilmember Jungman asked what percent of transactions the City actually loses money on and Mr. O'Leary said that information may be available, but he does not have that at this time.

Councilmember Williams asked if the City is trying to market the parking permit for convenience factor because if you work an eight hour day, five days a week that only equals \$760 annually. He said it should be more of an incentive to purchase a full year. Mr. O'Leary said he misspoke previously and the fee is actually \$420 per year.

Councilmember Kovach said a lot of places have parking meters that quit charging after 6:00 p.m., but it seems like downtown comes alive after 6:00 p.m. so the City is charging fees at the slowest times of the day. He said it seems that with a smart meter system it would not require enforcement so is there a reason why the City would not want to charge for parking after 6:00 p.m. and Mr. O'Leary said it was an enforcement issue more than anything. He said Staff's thinking was if the City is going to operate the parking lot like a business they need to be enforcing it, but that is a different way to think about it. Councilmember Kovach said with the sensors in place the City would have projections on how many hours are not being paid for, which could pay for an extra parking patrol shift. He felt the City should expand the times because when he visits other cities downtown at night, he pays \$5 to \$10 for parking. Councilmember Jungman agreed and said at some point it would be nice to consider expanding enforcement if it is going to make money on the dollars and cents side. Mr. O'Leary said that is part of the discussion coming up next regarding Campus Corner parking management.

CAMPUS CORNER PARKING MANAGEMENT

Mr. O'Leary said Bid No.1213-70 was awarded to IPS Group in the amount of \$131,615 for the purchase and installation of 159 new individual space "smart" parking meters and parking space sensors in the Campus Corner area. The meters will be installed in late July and be operational by August 1, 2013, and highlighted how the meters will work.

Mr. O'Leary said total annual operating costs will be \$64,771 and consists of wireless gateway/data fees in the amount of \$10,971; sensor system management fees in the amount of \$6,678 per year; real time sensor reporting fees in the amount of \$5,247; credit card transaction fees in the amount of \$35,875 per year (350- transactions average \$0.41 per transaction); regular meter/sensor maintenance in the amount of \$5,000 per year; and sensor battery replacement in the amount of \$5,000 every five years. There will also be enforcement costs of \$55,195 (salary, benefits, vehicle) per year. He said the Police Department dedicates one full-time parking officer to Campus Corner.

Mr. O'Leary said current operating revenues include meter collection of \$357,000 per year and expired meter collections of \$25,000 per year for total net revenues of \$262,034.

Mr. O'Leary said the Campus Corner Parking Management Business Plan is similar to the Downtown Parking Business Plan. He said an hourly rate of \$1.00 will be charged for the first hour and \$2.00 for the second hour with a time limit of two hours. The hours of operation will be 8:00 a.m. to 6:00 p.m., Monday through Friday.

CAMPUS CORNER PARKING MANAGEMENT, continued:

There will be three designated areas for commercial loading zone parking space management. Mr. O'Leary said Staff has been working with the Campus Corner Association on rates and Campus Corner parking is in much more demand than downtown parking and that is why there is such a difference in fees charged.

Mr. Rainey Powell, Campus Corner Merchants Association, said merchants are concerned about the transition period. He said their main goal is to address employee parking and the merchants would like to see the meter system brought into operation in the following phases:

Phase I

- a) 1st 30 minutes \$0.25 (coins only)
- b) 1st hour \$0.50
- c) 2nd hour \$0.50
- d) Limit 2 hours

Phase II

- a) 1st 30 minutes \$0.50 (coins only)
- b) 1st hour \$1.00
- c) 2nd hour \$1.00
- d) Limit 2 hours

Phase III

- a) 1st 30 minutes \$0.50 (coins only)
- b) 1st hour \$1.00
- c) 2nd hour \$20.00
- d) Limit 2 hours

Mr. Powell said merchants would like enforcement to consist of seven days a week from 10:00 a.m. through 8:00 p.m. Monday through Saturday and 10:00 a.m. through 5:00 p.m. on Sunday. He said the current Campus Corner enforcement officer's shift ends at 5:00 p.m. Monday through Friday and he leaves the Campus Corner area at 4:30 p.m. He said night shift employees begin coming to work from 4:00 p.m. to 5:00 p.m. so they can put a quarter in the meter for one hour and they are good for the night. He said Campus Corner has a lot of parking demands between the hours of 6:00 p.m. and 7:00 p.m. He said with two hour limits, employees would not be able to buy sufficient time because their meters would expire at that time and a parking officer would encourage them to park elsewhere in the future. He said meter revenues should be sufficient to pay for the extended enforcement.

Mr. Jeff Stewart, President, Campus Corner Association, said a majority of the merchants would like the graduated increase as stated above. They all recognize that employees take up customer parking spaces and would like expanded enforcement.

Councilmember Griffith asked what the phasing timeline would be and Mr. Stewart said merchants would like to see all three phases completed within one year.

Councilmember Castleberry asked where Staff will park and Mr. Powell said the Merchants Association has mapped out parking alternatives for employees that include free parking and parking for a small fee, which many merchants are willing to pay for the employee.

CAMPUS CORNER PARKING MANAGEMENT, continued;

Councilmember Kovach asked how the meter fees were determined and Mr. O'Leary said through discussions with Campus Corner merchants. Councilmember Kovach was concerned that three price increases within a six or twelve month period would be worse than one big fee. He felt that would be a problem and have the opposite effect of what merchants are concerned about. At most he would agree with Phase II and Phase III, but not three phases. Mr. O'Leary said meters will be programmed the first week in July so this needs to be resolved by then. Mr. Powell said the phasing was done so customers would not be negatively impacted.

Councilmember Kovach liked the idea of expanded metering because if it is going to be done downtown, it should be done on Campus Corner as well.

Councilmember Gallagher said 6:00 p.m. to 8:00 p.m. is the busiest part of the day on Campus Corner and did not see why expanded metering should not be instituted. He asked if additional enforcement would pay for itself and Mr. O'Leary said fees could be changed on the display and people using the meters would be on the honor system when the officer is not on duty or the City could add additional enforcement at those times. Councilmember Gallagher said downtown will be similar because weekends nights are going to be busy so if this is going to be offered then Saturday should be added to the downtown lot as well. Mr. O'Leary said the Campus Corner system was paid for with the remainder of the TIF funds so there is no pay back of a loan.

Councilmember Castleberry asked if Staff had a chance to rerun the numbers based on the phased solution and Mr. O'Leary said they have not, but will be happy to do that. He said Campus Corner is quite a different animal than downtown and no one knows what changes will bring to customers who may not adapt as well.

Mayor Rosenthal felt the phases are problematic and the fall out will be a lot of anger towards the City enforcement. She would like to find a middle ground with a one step process. Councilmember Kovach felt changes could be made quickly if merchants are negatively impacted.

Items submitted for the record

1. PowerPoint presentation entitled, "Downtown Lot and Campus Corner Parking Management," City Council Conference, June 25, 2013
2. City of Norman and Campus Corner Association Parking Meter Meeting with Parking Regulations

The meeting adjourned at 6:20 p.m.

ATTEST:

City Clerk

Mayor