



Department: Public Works
Cost Center: 5101
For Agenda of: 11/12/2024
Placement: Business
Estimated Time: 60 minutes

FROM: Matt Horn, Public Works Director
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SUBJECT: DOWNTOWN PARKING TECHNOLOGY ROADMAP REPORT

RECOMMENDATION

1. Receive and file Downtown Parking Technology Roadmap; and
2. Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, to designate Flash Parking, Inc. as the standard vendor for the Gated Parking Access and Revenue Control System in City of San Luis Obispo owned and operated parking garages"; and
3. Appropriate \$1,200,000 from Parking Fund Unreserved Fund Balance for purchase of Flash equipment, installation and ongoing support services; and
4. Approve and authorize staff to advertise a Request for Proposals (RFP) for multi-space pay stations, authorize the City Manager to execute a contract with selected vendor, and appropriate \$600,000 from Parking Fund Unreserved Fund Balance for the purchase and installation of the multi-space pay stations with the vendor; and
5. Approve surplus of existing multi-space pay station once removed; and
6. Authorize the City Manager to extend mobile payment application contracts up to 5 years based on ongoing performance with PayByPhone; and
7. Authorize the City Manager to execute a one-year contract with automatic annual extensions for a maximum of five years with the selected Citation and Permit Management System vendor; and
8. Appropriate \$100,000 from Parking Fund Unreserved Fund Balance for design of garage security fencing for existing garages, utilizing the materials selected for the Cultural Arts District Parking Garage.

POLICY CONTEXT

Section 4.141 of the General Plan's Land Use Element (LUE) addresses parking for the Downtown area. The policy states that the City must ensure there is a diversity of parking opportunities and any major increases in parking supply should take the form of structures located on the perimeter of the commercial core.

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Section 13.1.2 of the General Plan's Circulation Element (CE) states that the City shall manage curb parking downtown to encourage short-term use and that parking programs shall be financially self-supporting.

Economic Resiliency, Cultural Diversity, and Fiscal Sustainability is a Major City Goal as identified in the adopted 2023-25 Financial Plan. Parking Services plays a critical role in fostering a vibrant local economy by effectively managing parking demand and access to Downtown. The Parking Fund must also maintain fiscally responsible and sustainable operations as indicated in the General Plan CE Section 13.1.2.

Section 3.24.060(D) of the Municipal Code states that procedures may be dispensed with, at the discretion and judgment of the purchasing authority as to the best interests of the city when supplies or equipment have been uniformly adopted in the city or otherwise standardized.

On May 17, 2022, Council approved a Purchasing Policy Update to the Financial Management Manual that required Council approval for Public Projects that cost over \$200,000. Section 202A of the Financial Management Manual – "Purchasing Types and Authority Thresholds" requires approvals by City Council when purchases cumulatively total \$200,000 or more.

Because the expected amount for purchasing in this report exceeds \$200,000, staff is requesting authorization from Council to release requests for proposals and appropriate funding for recommended technology upgrades. This will provide staff the authority to implement the technology upgrades.

REPORT-IN-BRIEF

Council adopted comprehensive rate reductions as the result of a parking rate study completed in May of 2024. As part of the Council action in May of 2024, Council directed staff to complete a technology study based on community feedback to simplify the parking program and improve the user experience in Downtown San Luis Obispo. The City contracted with Dixon Resources Unlimited to complete a technology roadmap report that evaluated the parking technology, and operating systems currently utilized in San Luis Obispo and provide recommendations for changes to the technology.

Based on the Downtown Parking Technology Roadmap ("Technology Roadmap") report provided by Dixon Resources Unlimited, staff is recommending an update to technology in the garages to include consistent gated systems, license plate recognition systems, and updated security features. In addition, staff is recommending updates to technology on-street to include a single mobile payment application and updated pay stations. Staff is also recommending technology changes to software systems that include updated citation management and permit management systems. The fiscal impacts of staff's recommendations will be approximately \$1.9 million and is expected to be funded by interest revenue from the Cultural Arts District Parking Structure bond funds.

DISCUSSION

Background

In January 2024 the City contracted with Dixon Resources Unlimited (Dixon) to complete a comprehensive rate study for all parking rates in San Luis Obispo. A draft of the report along with recommendations from Dixon and city staff was presented to City Council in May 2024. At that meeting, Council adopted a resolution and introduced a first reading of an ordinance to reduce parking rates in downtown SLO. Council also directed staff to reduce to one mobile parking payment application, implement consistent gated systems in all garages, and update the parking signs to improve the user experience.

Council's direction to improve the parking technology was based on community feedback that parking in Downtown SLO is confusing. The offering of multiple mobile parking payment applications causes confusing signage with too many options for customers that are not clearly communicated. In addition, staff has struggled with the integration and management of the multiple apps. The gateless garage solution implemented at 842 Palm and planned to be implemented in the other garages has caused additional community confusion and frustration. Visitors to the gateless garage have expressed dissatisfaction with the system that requires pre-payment for parking based on how long they will be parked. Feedback provided during the rate study shows that users prefer a pay-on-exit approach. Council's direction to implement consistent gated solutions across all garages will offer the pay-on-exit approach and eliminate the confusion of operating different technologies in different garages. Based on Council recommendations and community feedback during the rate study, staff worked with Dixon to complete a review of all parking related technology and completion of a Technology Roadmap.

Parking Technology Roadmap

The Technology Roadmap evaluates the parking technology and operating systems currently utilized in downtown San Luis Obispo. The Technology Roadmap is a living document that summarizes what has been accomplished so far as it relates to the City's parking program following the Parking Rate Study and the City Council meeting in May 2024, and aims to act as a resource guide for the City to achieve a cohesive parking system that can be managed effectively by City staff. This report identifies the current challenges in the parking program as well as opportunities for improvements that address the different parking technologies, the accompanying processes, and organizational needs for the City's parking program. The roadmap takes a comprehensive approach by examining each component both individually and as it relates to the whole system, aiming to connect the dots and show how the parking program can evolve to be one that is easy, convenient, and accessible for residents and visitors alike.

The recommended technological upgrades and parking operations improvements are designed to improve the overall parking experience for residents and visitors of San Luis Obispo and optimize internal operations.

The Technology Roadmap assesses the following elements in the City's parking program:

- Parking Access Revenue Control Systems (PARCS)
- Pay Stations
- Single-Space Meters
- Mobile Payment Applications
- Citation Management Systems
- Permit Management Systems
- License Plate Recognition (LPR)
- Data Integration
- Signage
- Electric Vehicle Chargers (EVCs)

The following table includes the recommendations from the report:

Table 1: Parking Technology Recommendations

Section	Recommendations
PARCS	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • The City should work with the selected PARCS vendor to prioritize reverting the 842 Palm Street garage from a gateless to a gated solution. <p><i>Long-term:</i></p> <ul style="list-style-type: none"> • The City should install the same PARCS technology at the other parking facilities to ensure consistency in the paid parking system.
Pay Stations	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • The City should terminate their pay station contract with IPS and release an RFP for a new pay station vendor. <p><i>Long-term:</i></p> <ul style="list-style-type: none"> • The City should consider re-evaluating pay station placements as the City starts to phase out single-space meters and install more pay stations in the Downtown area.
Single-space Meters	<p><i>Mid-term:</i></p> <ul style="list-style-type: none"> • The City should phase out all single-space meters out of the Downtown area once a pay station provider is selected through an RFP process to reach an infrastructure-lite program.
Revenue Collection and Reconciliation	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • The City should establish process, procedure, and performance standards with the vendor and internally between Parking Division and Finance Department staff to ensure City policies are followed accordingly for revenue collection and reconciliation processes. <p><i>Mid-term:</i></p> <ul style="list-style-type: none"> • The City should conduct a comprehensive assessment to re-evaluate the current operating procedures for revenue collection and reconciliation,
Mobile Payment Applications	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • The City should select the single mobile payment application vendor to be used for the parking program. <p><i>Mid-term:</i></p> <ul style="list-style-type: none"> • The City should work with the mobile payment vendor to set up integrations with the pay station provider to allow parking session extensions via mobile app.

Section	Recommendations
<p>Validations</p>	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • While the garage is gateless, the City could consider working with the mobile payment vendor to introduce validation codes for use by jurors in the mobile app. • The City may need to continue using physical passes to accommodate jurors that do not have a mobile device. <p><i>Mid-term:</i></p> <ul style="list-style-type: none"> • The City should work with the selected PARCS and mobile payment application vendor to set up a fully digitized system for managing and issuing parking validations that allows for both City and business-managed permits. • The City should work with the PARCS provider to establish a validation system for juror parking.
<p>LPR</p>	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • The City should replace the existing LPR system at 842 Palm Street with the LPR solution provided by the new PARCS provider to allow for a fully integrated off-street parking system. <p><i>Mid-term:</i></p> <ul style="list-style-type: none"> • The City should install the same LPR solution at the other parking garages to ensure a consistent design throughout the off-street facilities. <p><i>Long-term:</i></p> <ul style="list-style-type: none"> • The City should pursue an LPR system that allows for cloud-based storage in order to provide flexibility for data storage, retention, and sharing capabilities.
<p>Digital Parking Occupancy Signs</p>	<p><i>Mid-term:</i></p> <ul style="list-style-type: none"> • Upon installation of the new PARCS technology, the City should work with the selected PARCS vendor to set up an integration with the existing digital parking occupancy signs to populate real-time occupancy counts.
<p>Data Collection and Analysis</p>	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • The City should regularly collect LPR data using the mobile LPR during parking enforcement for parking utilization analysis. <p><i>Mid-term:</i></p> <ul style="list-style-type: none"> • The City should do quarterly reports of the LPR data collected during parking enforcement to help inform data-driven decisions for any parking program adjustments.
<p>Citation Management System</p>	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> • The City should terminate their citation management contract with IPS. • Release an RFP for a citation and permit management system vendor. <p><i>Long-term:</i></p> <ul style="list-style-type: none"> • The City should consider expanding its parking enforcement staffing so that enforcement of the residential parking permit districts can unite under the Parking Division instead of under the SNAP program in the Police Department.

Section	Recommendations
<p>Permit Management System</p>	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> The City should terminate their permit management contract with IPS. Release an RFP for a citation and permit management system vendor. <p><i>Long-term:</i></p> <ul style="list-style-type: none"> The City should digitize the residential parking permits to allow for plate-based enforcement utilizing LPR technology and a digitally managed permit program.
<p>Signage</p>	<p><i>Near-term:</i></p> <ul style="list-style-type: none"> The City should update paid parking signage to reflect the single mobile payment vendor selected from the RFP process. The City should post additional signage at 842 Palm Street in the interim to help communicate to users on how to properly pay for parking. <p><i>Mid-term:</i></p> <ul style="list-style-type: none"> The City should update all downtown and residential signage to be compliant with MUTCD standards and to accurately reflect business rules relating to paid parking, time limits, and residential parking restrictions. The City should establish a list of standards for all signage to create a more cohesive, welcoming, and visually appealing streetscape.

In line with City Council’s direction and the desires of the community to see strategic actions in an efficient and quick manner, this report includes updates on recent actions as well as specific staff recommendations to move forward on some of these recommendations immediately. The Downtown Parking Technology Roadmap Report prepared by Dixon is included as Attachment A.

PARCS (Parking Access and Revenue Control Systems) for Garages

At the May 14, 2024, City Council meeting, the Council directed staff to transition to a consistent gated system for all structures.

Downtown San Luis Obispo currently has three parking garages (842 Palm, 919 Palm, 871 Marsh) and one garage under construction (Cultural Arts District Parking Structure - CADPS). The existing garages use two different PARCS, with a third system planned to be implemented in the CADPS. This inconsistency between garage systems has been challenging to the community. Additionally, it creates inconsistencies in garage management, payment enforcement, and staff operations.

The garage located at 842 Palm Street is a gateless system where patrons park and then either walk to a pay-on-foot station or use a mobile payment application to pre-pay for their parking time. Since installation, community members and visitors have expressed that this system is confusing. The remaining two existing structures (919 Palm and 871 Marsh Street) have outdated gated systems that lead to long queuing lines at entry and exit locations, lack of automated validation systems, and costly repairs and maintenance due to the system no longer being covered by warranty.

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A third system, a gated system provided by the vendor Flash, is planned for installation at CADPS. As a publicly bid project, Swinerton Builders was awarded the CADPS construction contract in September 2023 for having the lowest responsible bid, consistent with Public Contract Code. Prior to the Council's direction to switch all parking garages to a consistent gated system, and before it was known that a gated system would be required in CADPS, Swinerton had placed a deposit with the vendor Flash for a gateless PARCS system, as it met the original contract specifications. As construction of the structure of CADPS had already begun, staff acted quickly in response to Council direction to avoid delays and cost overruns. The City's contracted design team quickly issued a change order for the installation of the necessary conduit and loops for a future gated system, while City staff worked to prepare and finalize specifications for a gated PARCS system. Staff met with key stakeholder groups (Downtown SLO and the Parking Steering Committee) to identify the community's desires for a consistent gated solution. Dixon assisted staff with drafting the specifications for a gated PARCS system based on the received stakeholder feedback. Additionally, Dixon scheduled virtual vendor demonstrations for staff to evaluate and consider different system features. Staff further researched various gated PARCS systems by attending the trade show at the International Parking & Mobility Association Conference in June 2024. Through this effort, staff finalized the specifications for a new gated PARCS system, that were then provided to Swinerton as part of a contract change order.¹

Swinerton's original subcontract with Flash (for a *gateless* system) included a non-refundable deposit. This created a financial incentive for Swinerton to explore whether Flash could meet the new gated specifications. This was also the most cost effective and efficient solution for the City, as a change in vendor could have resulted in a greater increase in costs, which would have been borne by the City, and overall delays to the project. Ultimately, Swinerton submitted Flash's gated system for City review. City staff reviewed and determined that the Flash gated system met the required specifications, and subsequently approved the submitted system.

In September 2024, representatives from Flash presented to key stakeholder groups in San Luis Obispo, including internal operational staff, the Parking Steering Committee, and Downtown SLO Parking Task Force. Internal staff are looking forward to the flexibility of Flash equipment to use parts that can be purchased from general hardware stores. They also liked the usability of the operating system to be managed on-site or remotely. The other stakeholders were pleased that Flash was able to accommodate all the community's requests, and are looking forward to the business validation, reservations, free-flow access, and unique mapping features with Google Maps and Waze offered by Flash Parking.

¹ The City Council has authorized the City Engineer to execute change orders for CADPS if the change order is within the available project budget, as this change is. This allows for prompt decision-making and project adjustments without exceeding financial limits. This ensures the project remains on track while addressing the costs incurred from the system change, all within the framework of the existing contract.

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Council action on May 14th directed staff to “transition to a consistent pay-at-exit gated system in all structures.” To ensure uniformity and improve the user experience, staff recommends that the Flash gated system be implemented across all City owned and operated parking garages.

Flash’s system has specific features that make it unlikely that another vendor could replicate a seamless experience for both users (downtown visitors and parkers) and staff managing the system. By standardizing with Flash, the City can provide a cohesive and user-friendly parking experience while streamlining management and operational efficiency across all garages. If there are different vendor systems installed in each garage, the user experience and the management, maintenance, and required equipment and vendor specific materials required for repairs would be different for each. This is consistent with recommendations within the Technology Roadmap Report that “the City should install the same PARCS technology at the other parking facilities to ensure consistency in the paid parking system.”

Community stakeholders and Council requested various features of a gated system to be consistent, including:

- Digital monthly permits
- Business validation
- Payment by app/QR code²/on-foot pay stations
- License plate recognition to allow gate arms to open or close for permit holders or pre-payment

Currently, structure permit holders must utilize two different permit systems in order to access the three existing garages, due to the City having two different vendors operating in different existing structures. The different permit systems have unique access instructions for the garages depending on vendor. This is confusing for permit holders and difficult for staff to manage. Additionally, the different vendors offer different payment methods (prox cards, apps) as well as different pay stations with different steps to process a parking transaction. This has been confusing to the community and visitors and is difficult to communicate.

Each PARCS systems uses different and system-specific equipment which requires the City to have different and more materials on hand to address emergent repair needs. If there are separate vendors for each garage, staff will need to order and store different parts and supplies for each garage system. Each parking technology system requires separate training and management for staff. Having separate systems at each garage requires added staff training and work hours to learn how to correctly operate and repair each unique system. With limited funds, storage, and staff, managing different hardware in each garage is not feasible.

² Although QR codes on signs are generally not recommended, QR codes can be used in gated garages if the signs are large and placed up high out of reach of pedestrians.

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Additionally, Flash is the only vendor that integrates with both Google and Waze mapping solutions and allows parkers to reserve parking spaces on the Google and Waze apps. This will be an added convenience for visitors from out of the area to locate and purchase parking while on the way to Downtown SLO. If there are separate vendors, only the Flash operated garage (CADPS) will be visible on the Google and Waze maps.

Finally, Flash is the only vendor that provides a cloud-based system that can process transactions offline while remaining Payment Card Industry (PCI) compliant. This is a necessary tool for the City. Under the existing HUB system, if connection is lost, the system is not able to accept credit card payments. Flash uses non-proprietary hardware, which means that when issues arise, staff will be able to purchase parts locally without additional charges from Flash.

To meet Council's direction for a consistent gated system at the parking garages, staff recommends that Council approve a resolution establishing Flash as the standardized system that will be installed in the Cultural Arts District Parking Garage and for all City owned and operated parking garages (Attachment B).

As the standard system, staff is also recommending that the resolution include authorization of sole source purchases of gated parking systems, including installation and ongoing services, from Flash for each of the three existing garages pursuant to San Luis Obispo Municipal Code section 3.24.060(D.) In order to comply with the product warranty, Flash requires that their staff install their equipment. Other minor infrastructure, such as conduit and electrical work, is not required to be done by Flash, so these elements will be bid separately per City Purchasing Policy. It is estimated that completion of installation and implementation of the Flash Parking Systems will be in early 2026 at that same time that the Cultural Arts District Parking Garage will be completed.

Multi-Space Pay Stations

The City currently has 64 IPS pay stations installed on-street and in parking lots. Of those pay stations, 57 are MS1 model and 7 are MS3 model. The MS1 models are approximately 4 years old and are no longer sold by IPS. IPS continues to support the MS1 model but is converting any future sales and operations to the MS3 model. The MS1 pay stations are no longer covered by warranty and all parts and repairs are an additional cost.

The City has purchased 27 MS3 pay stations to date. The first installation of MS3 pay stations occurred in June of 2023. Since that time, the MS3 pay stations have not operated correctly, despite City staff's diligent reporting and follow up with IPS to correct these issues. In March 2024, all but 7 of the MS3 pay stations were removed from the street. There are 5 MS3 pay stations in the 842 Palm garage being utilized as pay on foot stations. Staff continues to report communication issues with the remaining 7 on-street pay stations and the 5 garage pay stations. There are currently 15 MS3 pay stations in storage not being used.

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Due to the ongoing performance issues, staff has initiated the return of all MS3 pay stations to IPS. A new vendor will need to be selected to replace the aging MS1 pay stations, the returned MS3 pay stations, and additional pay stations for the planned replacement of single space meters. The estimated cost to replace the 64 existing pay stations on-street and in parking lots is approximately \$600,000. Staff recommends Council approve funding for the replacement pay stations and approval to surplus the existing MS1 pay stations. Any refunds received through the return of MS3 pay stations will be returned to the Parking Fund to offset the cost of the replacement pay stations. The draft request for proposals for the new pay stations is included as Attachment C.

One of the strategies of the Access and Parking Management Plan is to use technology and wayfinding to improve the parking experience. In line with the strategy, it is planned to continue to replace single space meters with multi-space pay stations. Replacing the single space meters with multi-space pay stations will promote an infrastructure lite parking program³ and minimize operational costs. The City currently has a lease agreement with IPS to lease single space meters for \$1 per meter per month plus a software fee of \$8.75 per meter per month. The City currently leases 720 meters with a total cost of approximately \$7,020 per month (\$84,240 annually).

On average, 5-10 single space meters can be replaced with 1 pay station. Pay stations are approximately \$8,000 - \$10,000 each and have an estimated lifespan of 7-10 years. The replacement of single space meters with pay stations is expected to offer a cost savings of approximately \$30,000 annually in service charges. In addition, there will be significant savings of staff time and maintenance costs with the reduction of equipment from approximately 720 single space meters to 90 pay stations. A vendor will be selected for the multi-space pay stations to replace the 64 existing pay stations if Council approves the release of the request for proposals. Staff plans to continue expansion efforts to replace the single-space meters with multi-space pay stations in a phased approach. Funding for the single-space meter conversion will be included for Council's consideration with the 2025-27 Financial Plan with an estimated total cost of \$1,000,000. It is expected that the cost savings from the conversion from single-space meters to multi-space pay stations along with continued bond interest from the Cultural Arts District garage will cover the costs of the conversion from single-space meters to multi-space pay stations.

Mobile Parking Payment Application

On May 14, 2024, Council directed staff to reduce to a single mobile payment application vendor. At the time, three mobile apps were utilized in the downtown (ParkMobile, PayByPhone, and Honk) and one additional mobile payment app (ParkSmarter) was previously discontinued in November 2023. A single app was necessary to reduce confusion and facilitate clearer communication to the public as well as a more seamless integration for parking processes on the back end.

³ Infrastructure lite reduces the amount of hardware installed on-street. This saves staff time maintaining the hardware, limits environmental impacts and street clutter.

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In August, a RFP was publicly released and on August 29, 2024, proposals were received. Proposals were reviewed by a multifaceted team of technical staff, stakeholders, and community members. Technical staff included Parking Services Program enforcement and operations staff members. Stakeholders included representatives from the City's Economic Development Division, IT Division, and Downtown SLO Parking and Access Committee. Additionally, a third component of the review was a targeted user survey administered to Downtown SLO's Parking Task Force, a group of downtown business owners representing a variety of business types in the downtown.

PayByPhone scored higher than the other apps primarily in business managed on-street promotions, communication and marketing, and the end-user transaction fee. PayByPhone's transaction fee that will be passed on to the end user is \$0.25 per transaction. Currently customers are paying \$0.25 to \$0.35 per transaction to park in San Luis Obispo. Reviewers advised PayByPhone was easy to use, and staff advised that PayByPhone was easy to manage. PayByPhone's Coupons feature will benefit Downtown businesses and visitors by providing additional parking discounts provided by businesses. This feature is only available through PayByPhone and was well received by the Parking and Access Committee. PayByPhone scored highest and was awarded the contract per City Manager authority and approval. The initial term of the contract is one year. Staff is recommending that Council authorize the City Manager to execute contract extensions up to five years, if staff chooses to extend the contract based on PayByPhone's performance.

Staff is currently working with PayByPhone and downtown stakeholders on the rollout of the single app. PayByPhone will be providing new signage to be installed throughout the downtown. The updated signs will replace the existing app signs and be installed at every paid parking sign in Downtown to help direct customers to utilize the app without needing to walk to a pay station. Staff will work with Downtown SLO to ensure limited impacts to the holiday shopping season. It is anticipated that signs will be installed in early January. It should be noted that the other two currently existing apps, ParkMobile and Honk, will continue to be available for use until February 2025, or until at least 85% of mobile transactions are on PayByPhone, whichever occurs sooner. This is to allow a "soft rollout" and to limit any confusion for existing users, particularly during the busy holiday season. While the City will no longer be promoting the use of ParkMobile and Honk, existing visitors to downtown accustomed to those apps will not be impacted through the remainder of the year. A joint press release and social media post announcing PayByPhone as the single mobile payment app is scheduled to be sent in January after the holiday shopping season commences.

Citation Issuance and Processing Software

The City currently contracts with IPS for parking citation software and citation processing services. A 5-year contract was executed on June 22, 2022. The contract includes standard termination language (cause or convenience). Since implementation, enforcement and administrative staff have reported ongoing issues with enforcement software, reporting, DMV processes, and citation noticing. All citation processes are mandated by various California Vehicle Codes (CVC). As of July 2024, three key defects have been reported to IPS:

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- DMV registration holds are not being placed on unpaid citations (estimated loss of approximately \$83,000 last Fiscal Year).
- Citation noticing is not being mailed per CVC requirements and do not include postmarks to document proper noticing timelines.
- Administrative hearing process is not being followed per CVC requirements.

On October 17, 2024, staff notified IPS of the City's intent to terminate the IPS contract for citation software and processing services. The City Manager has also authorized the release of an RFP to select a new vendor.

Staff is recommending that Council authorize the City Manager to execute a one-year contract with automatic annual extensions for a maximum of five years with the selected vendor. The contract with IPS will be terminated upon 30 days' notice once a new citation software and processing vendor is selected. The citation software and processing vendor is not public-facing and the need for public outreach and education will be minimal.

Garage Security

During the Rate Study and Technology Roadmap, staff and Dixon received feedback about concerns with overall garage security. Garage security is outside the scope of the Roadmap, but Dixon provided some general recommendations, including:

- Security Cameras
- Lighting
- Security Services
- Call Boxes
- Safety Fencing
- Other Security Technology

Safety fencing has been selected for the Cultural Arts District garage to be installed along the rooftop edges and will be installed during the construction of the structure. Staff is recommending appropriating \$100,000 from the Parking Fund Unreserved Fund Balance for the design specifications for the existing garages. The \$100,000 will cover design only. It is unknown what the cost of installation will be until the design process is complete, however preliminary estimate is \$1,000,000. Staff will return to Council with future funding considerations when the design is complete. Funding for installation is expected to come from bond interest revenue generated during FY 2024-25. Installation of safety fencing is planned for FY 2026-27.

The Parking Operations team has been working with IT to determine specifications for security cameras. The initial estimated cost for security cameras in the existing garages is approximately \$500,000. This includes costs for storage of the camera footage (note, that the footage will be added to the City's Record Retention Schedule, as the footage will be public record, and staff time will be needed to review footage before release to make any necessary redactions). Once the specifications have been completed, staff plans to issue a request for bids to complete the installation of security cameras. Funding for the security cameras will be included for Council's consideration with the 2025-27 Financial Plan with an estimated cost of \$500,000. The funds are expected to come from remaining bond interest from FY 2023-24 and bond interest revenue generated during FY 2024-25. The same camera system is planned to be implemented in the Cultural Arts District garage via a change order using existing project contingency budget.

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In addition, staff is in the process of evaluating all existing lighting in the garages and will be creating a needs assessment to repair, replace, or update any necessary lighting in the garages. It is expected that there is sufficient operating budget to make any necessary lighting improvements in the garages. If staff determines during the needs assessment that the amount is greater than the available budget, staff will request additional funds at that time.

Staff will continue to evaluate options as detailed in the Technology Roadmap report to improve safety and security in the parking garages.

Previous Council or Advisory Body Action

- On August 18, 2020, the City Council approved a resolution authorizing the City Manager to execute a sole source contract with IPS Group for multi-space pay stations.
- On September 19, 2023, the City Council awarded the construction contract for the Cultural Arts District Parking Structure to the low bidder Swinerton Builders, Inc. in the amount of \$41,070,044. The construction plans and specifications included a gateless parking access and revenue control system.
- On November 7, 2023, the City Council approved a Request for Proposals to complete a Parking Rate Study. Action items also included adopting Resolution No. 11456 authorizing free parking in the structures for the first hour each day, all day on Sundays, and during the holiday parade, from November 23, 2023 to June 30, 2025. Additional direction included that staff bring back an ordinance to forego the on-street parking rate increase originally planned for July 1, 2025.
- On May 14, 2024, the City Council introduced Ordinance No. 1735 (2024 Series), amending Title 10 Chapter 52 of the Municipal Code to remove the parking rate increase planned for July 1, 2025, and reduce on-street and surface lot parking rates. Action also included adoption of Resolution 11493 reducing the rates for the City's parking structures and parking permits. Additionally, Council directed staff to implement program and operational changes including:
 - Reducing to one mobile payment app
 - Expand on-street core time limits from 2 to 3 hours
 - Validation program enhancements
 - Update signs improving user experience incorporating changes
 - Promotional discounts thru single vendor app
 - Transition to consistent gated system for all structures
- On June 4, 2024, the City Council held the second reading and adopted Ordinance No. 1735 (2024), amending Title 10 Chapter 52 of the Municipal Code to remove the parking rate increase planned for July 1, 2025, and reduce on-street and surface lot parking rates.
- On July 8, 2024, the adopted reduced parking rates were implemented.

Public Engagement

Throughout the preparation of the 2024 Parking Rate Study, City staff conducted extensive community and stakeholder outreach and engagement efforts including 5 community meetings, 11 stakeholder meetings (with Downtown SLO Parking and Access Committee, Downtown SLO Parking Rate Study Task Force, SLO Chamber of Commerce Economic Development Committee and the Parking Steering Committee), an online community survey reaching over 2,800 downtown employees and visitors, Farmers Market booths, and social media engagement.

As the Technology Roadmap developed in the wake of the 2024 Parking Rate Study, staff continues to build on the foundation of that community input and engagement. Staff relied on the valuable input and representation from Downtown SLO and the Parking Steering Committee throughout the process. Members from Downtown SLO Parking and Access Committee and Parking Rate Study Task Force have participated in the review of draft specifications, proposals and vendor selection, and project and communication plans for each effort. Staff plans to continue this engagement process throughout the selection of vendors and implementation of these technology projects.

CONCURRENCE

The City’s Attorney’s Office and Finance Department concur with staff’s recommendation.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to the Downtown Parking Technology Roadmap, because it does not constitute a “Project” under CEQA Guidelines Sec. 15378.

However, the individual projects within the Technology Roadmap would be considered projects under CEQA Guidelines, however they are categorically exempt under CEQA Guidelines Sec. 15301 Class 1 (existing facilities.)

FISCAL IMPACT

Budgeted: No
Funding Identified: Yes

Budget Year: 2024-25

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
Parking Fund: Unreserved Fund Balance	\$2,085,570	\$1,900,000	\$185,570	\$
Total	\$	\$	\$	\$

There is no fiscal impact in Council review and filing of the Downtown Parking Technology Roadmap. Each element within the report, however, may have some fiscal impact. The below items identify the fiscal impacts of the items either currently in progress or that staff is requesting action be taken. As the remainder of the Technology Roadmap is implemented, staff will identify those fiscal impacts at the time those efforts are proposed to move forward.

Of significance, the Parking Fund benefitted from \$2,085,570 of interest on the proceeds from the CADPS bond which was earned over the course of the last fiscal year. This revenue was not previously forecasted or budgeted and is therefore, a one-time revenue source to the Parking Fund’s unreserved fund balance. Staff proposes to use \$1,900,000 from the unreserved fund balance to purchase and install gated garage systems, purchase and install pay stations, and for design specifications for garage security fencing. There is sufficient funding to cover these requests.

Technology	PARCS	Pay Stations	Security	Total
Current Request	\$1,200,000	\$600,000	\$100,000	\$1,900,000

PARCS (Parking Access and Revenue Control Systems) for Garages

Preliminary quotes received from Flash for the purchase and installation of equipment is approximately \$920,000. Additionally, prior to installation, there are necessary infrastructure modifications which will be publicly bid consistent with Public Contract Code and the City’s Purchasing Policies. Staff recommends allocating \$1,200,000 for the total project to allow for variations in construction bids, contingencies, and ongoing costs.

Multi-Space Pay Stations

The estimated cost to replace the 64 existing pay stations on-street and in parking lots is approximately \$600,000. Staff recommends Council approve funding for the replacement pay stations. Once staff determines the refund amount for the MS3 pay stations, if any, will be returned to the Parking Fund to offset the cost of the replacement pay stations.

Mobile Parking Payment Application

The City Manager has exercised their authority to approve the contract with PayByPhone. Typical costs associated with contracting with a mobile payment vendor are minimal to the City. The costs for mobile payment vendors are passed on to the end user through a transaction fee with a \$0 net cost to the City.

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Based on the total number of mobile app transactions in FY 2023-24 of 324,103 and the minimum cost of merchant validation fees, the approximate pass-through fee from PayByPhone is estimated to be \$81,626 annually (with an estimated net cost to the City of \$0). The current budgeted amount for transaction fees for FY 2024-25 is \$80,200. The only other direct costs for the City are the administrative staff costs associated with auditing and payment of the fees to the vendor. Staff is not recommending adjusting the current budget as transaction fees will vary based on app usage by the end user. As trends are established with a single mobile app vendor in the next 6-12 months, staff will evaluate any necessary budget modifications. Staff recommends delegating authority to the City Manager to extend this contract up to 5 years with PayByPhone as the net cost to the City is \$0.

Citation Issuance and Processing Software

The City Manager has exercised their authority to release an RFP with proposals due in November. The cost of current IPS enforcement services is approximately \$120,000 annually and the continuing cost with a new vendor is expected to be the same or less than what the City is currently paying IPS and no additional funding will need to be allocated. Staff is recommending delegating the authority to execute a one-year contract with automatic annual extensions up to a maximum of 5 years with the vendor selected from the published request for proposals.

Garage Safety

Staff is recommending appropriating \$100,000 from the Parking Fund Unreserved Fund balance for design specifications for safety fencing to be installed at the top perimeter of the three existing garages similar to what has been selected and designed for the Cultural Arts District garage.

Funding for installation of the security cameras will be established in the 2025-27 Financial Plan with an estimated cost of \$500,000 (which includes storage costs). The funds are expected to come from remaining bond interest from FY 2023-24 (\$185,570) and any bond interest revenue generated during FY 2024-25.

Any additional funding needed for future garage safety improvements will be requested at a later date.

ALTERNATIVES

1. ***Council could choose not to accept the Downtown Parking Technology Roadmap Report and return the draft report to Dixon for revision.*** This action is not recommended by staff because staff has thoroughly reviewed the report and concurs with the recommendations provided by Dixon and discussed in this report.
2. ***Council could choose not to approve Flash as the standard system for gated Parking Access Revenue Control Systems (PARCS).*** This action is not recommended by staff because Council directed staff to transition to a consistent gated system across all garages and the community supports this direction. If a standard system is not selected, the user experience will be different in each garage and may be confusing to the public.

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3. **Council could choose not to approve the release of a request for proposals for multi-space pay stations.** This is not recommended by staff because the pay stations need to be replaced due to the ongoing performance issues and return of the MS3 pay stations and the aging MS1 pay stations as documented above.
4. **Council could choose not to appropriate funding for recommended actions in the Downtown Parking Technology Roadmap.** This action is not recommended by staff because community input from the rate study and technology roadmap clearly indicates an immediate need to implement parking technology changes to promote a consistent, easily accessible user experience in Downtown.
5. **Council could choose to direct other near-term implementation items from the Roadmap that were not otherwise addressed in the recommended actions.** This action is not recommended by staff because staff reviewed all recommendations from the Roadmap and determined the best course of action with the available funding sources.

ATTACHMENTS

- A - Downtown Parking Technology Roadmap Report
- B - Draft Resolution to designate Flash Parking, Inc. as the standard vendor for gated PARCS
- C - Draft Pay Station Request for Proposals (RFP)