



Office of the City Manager

PUBLIC HEARING
July 2, 2013

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Andrew Clough, Director, Public Works

Subject: Amend BMC 14.52.120 Parking Meters: Establishing Policies and Rates for Credit Card-Enabled Single-Space Meters

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt first reading of an Ordinance amending Berkeley Municipal Code Section 14.52.120, Parking Meters and Pay-and-Display Station Fees, to establish a 12-minute minimum transaction parking rate at credit card-enabled single-space meters.

FISCAL IMPACTS OF RECOMMENDATION

Establishing a minimum transaction time at credit card-enabled single space meters for both coin and credit card payments will have no negative fiscal impact. IPS credit card-enabled single-space meters were installed in September 2012.

Between September 2012 and April 2013 (an 8-month period after meter installation):

- The City realized a 32% net revenue increase (\$249,445) compared to revenue totals from the Duncan coin-only single-space meters during the same time period the previous year. This revenue increase is attributed mostly to credit card acceptance, as the number of coin transactions at IPS meters remained consistent with the previous year.
- IPS meters 12-minute transactions: there were 101,301 minimum time transactions, approximately 35% by credit card. Annually, this equates to approximately 150,000 minimum transactions with 1,165 IPS meters in place. Installation of an additional 569 IPS meters in June 2013 brought the total number to 1,734 with a proportional estimate of 223,260 minimum time transactions (78,141 by credit card and 141,119 by coins).

Possible impacts based on Council's action:

- Recommendation: establish 12-minute minimum transaction for all payments at credit card-enabled single-space meters; revenue projected to sustain at present trends.
- Minimum for Credit Card Payments Only: establish 12-minute minimum transaction that only applies to payments by credit card; coin payments may more often be for the least amount accepted (5¢) at single-space meters, with projected lost revenue of \$56,270 based on projected frequency of 5¢ payments.

- 2-Minute Minimum for All Transactions: If Council takes no action, the minimum time for parking at credit card-enabled single-space meters defaults to 2-minutes for payment by either credit card or coins, with projected lost revenue of \$142,000 that includes the cost of credit card transaction processing fees, which often exceeds the single 5¢ payment for 2-minutes of parking.

CURRENT SITUATION AND ITS EFFECTS

Council approved the purchase and installation of 1,734 IPS credit card-enabled single-space meters to replace Duncan “coin-only” single-space meters Citywide (September 27, 2011 and March 19, 2013). Prior to installation of IPS meters all single space meters accepted coins only. The IPS meters accept both coin and credit card payment options, just as the City’s multi-space pay stations do. Currently there is a minimum 12-minute transaction required at all pay stations. Citywide, at the hourly rate of \$1.50, the minimum fee is 30¢, and in the Downtown the hourly rate is \$1.75 and the minimum transaction is 35¢.

Since the IPS meter and the multi-space pay stations have identical payment options, (credit card and coin), and the City has established minimum transaction time limits on Pay-and-Display meters accepting both, staff installed new IPS meters Citywide that are programmed with the 12-minute minimum transaction requirement.

Following the new meter installations, merchants from the University Avenue Association, and the San Pablo Business Association requested that the City eliminate the 12-minute minimum transaction for coins, but keep the 12-minute minimum for credit card use. The Association members pointed out that Visa regulations regarding minimum payments had changed, no longer requiring minimum payments of different types (cash/ credit card) to be the same. Finance Department staff have since confirmed with the City’s Merchant Processor, Wells Fargo Merchant Payment Solutions, that Visa regulations have, in fact, changed in this regard. The City could accept 5¢ minimum for coin transactions and set a higher credit card minimum, such as the \$1.00 level that we previously used. Staff is not recommending such a change at this time.

BACKGROUND

In April 2008, Wells Fargo Merchant Services advised that the City was in violation of Section 5.2F of the Visa Operating Regulations based on our having established a minimum transaction amount (\$1.00) as a condition for honoring Visa cards.

On May 20, 2008 Council adopted Ordinance 7, 037-N.S. amending Berkeley Municipal Code Section (BMC) Section 14.52.120, to establish a 12-minute minimum transaction fee on meters that accepted both coin and credit to eliminate the difference in treatment. A 12-minute transaction provides a reasonable amount of time for a visitor to conduct a quick errand. The 30¢ to 35¢ fee for a 12-minute transaction also approximately covers the average credit card processing fee paid by the City for each transaction. Depending on the Visa or MasterCard used, the “small ticket item” processing charges (parking meters) paid by the City can range between 5¢ and 50¢ (or higher) per transaction.

RATIONALE FOR RECOMMENDATION

At the current citywide hourly meter rate of \$1.50, a nickel buys 2 minutes; a dime buys 4 minutes, and a quarter buys 10 minutes of parking time. It is unlikely that many patrons can park on-street, then reach their destination and return to their vehicle within a 2 to 6-minute time period. It is more likely that patrons attempting to do so would risk parking citations for expired meters.

ALTERNATIVE ACTIONS CONSIDERED

Other than staff's recommendation to establish a 12-minute minimum transaction parking rate at IPS credit card-enabled single-space meters, Council could consider:

Establishing a 12-minute minimum fee for credit transactions only at credit card-enabled single-space meters. This would allow 5¢ coin transactions which equates to 2 minutes. Council would need to adopt language in BMC Section 14.52.120 (B) for coin only transactions and; add subsections for credit card enabled single space meter credit transactions.

CONTACT PERSON

Farid Javandel, Transportation Manager, Public Works, 981-7061

Danette Perry, Parking Services Manager, Public Works, 981-7057

Attachments:

1: Ordinance Amending BMC Section 14.52.120, Parking Meter and Pay-and-Display Station Fees

2: Public Hearing Notice

ORDINANCE NO. -N.S.

AMEND BERKELEY MUNICIPAL CODE SECTION 14.52.120, PARKING METER AND PAY-AND-DISPLAY STATION FEES, TO ESTABLISH POLICIES AND RATES FOR CREDIT CARD-ENABLED SINGLE SPACE PARKING METERS

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. That the Berkeley Municipal Code Section 14.52.120 is amended to read as follows:

14.52.120 Parking meter and pay-and-display station fees

Parking meter and pay-and-display station fees for the parking meter zones hereinabove set forth shall be as follows:

- A. At pay-and-display stations ~~only~~ and credit card-enabled single space meters, the parking fee shall be 30 cents (\$0.30) for each twelve (12) minute segment of parking time purchased.
- B. At parking meters that accept "coins only", the parking fee shall be five cents (\$0.05) for each two-minute segment of time purchased; 10 cents (\$0.10) for each four-minute segment of parking time purchased; and 25 cents (\$0.25) for each ten-minute segment of parking time purchased.
- C. At pay-and-display stations and credit card-enabled single space meters located within the Downtown core premium meter zone only, the parking fee shall be 35 cents (\$0.35) for each twelve (12) minute segment of parking time purchased.

Section 2. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL
AMEND BERKELEY MUNICIPAL CODE SECTION 14.52 (ON-STREET METERS) AND ADOPT A RESOLUTION (OFF-STREET FACILITIES) TO
ESTABLISH POLICIES AND FEE SCHEDULE**

The City of Berkeley is proposing to implement new parking rates to:

- 1) Establish demand-responsive parking rates within the goBerkeley Pilot Program Areas of Downtown Berkeley, the Elmwood and Telegraph/Southside during the Pilot Period September 2013 through September 2015; and
- 2) Establish a minimum transaction parking rate at all credit card-enabled single-space meters citywide.

1. goBerkeley Pilot Program Rate Changes

The goal of the goBerkeley Pilot Program is to adjust parking rates and time limits to achieve 65-85% parking occupancy at on-street metered areas and in off-street facilities. Because parking demand varies in different areas, prices could be set to different amounts in different zones within the Pilot Areas in order to achieve the target parking availability. The proposed range of parking rates at the City's on-street meters, and certain garages and lots are shown below. The table also shows the limitations on the size of rate adjustments and frequency of rate changes.

On-Street Parking Meters: Downtown Berkeley, Telegraph/Southside and Elmwood					
	CURRENT	Proposed Minimum	Proposed Maximum	Proposed Increment	Proposed Frequency
On-Street Parking Meters	\$1.50/hr-\$1.75/hr	\$1.00/hr	\$4.00/hr	Not more than \$0.50/hr	Not more often than once per 60 calendar days
Off-Street Parking Lots : Berkeley Way Lot and Russell/Elmwood Lot					
	CURRENT	Proposed Minimum	Proposed Maximum	Proposed Increment	Proposed Frequency
Berkeley Way and Russell/Elmwood Lot	\$1.50/hr-\$2.50/hr	\$1.00/hr	\$4.00/hr	Not more than \$0.50	Not more often than once per 60 calendar days
Off-Street Parking Garages: Center Street, Oxford and Telegraph Channing*					
	CURRENT	Proposed Minimum	Proposed Maximum	Proposed Increment	Proposed Frequency
Hourly Rates	\$1.00/ hr to 2.00/hr	\$1.00/hr	\$4.00/hr	Not more than \$1.00/hr	Not more often than once per 60 calendar days
Early Bird	\$8.00	\$8.00	\$13.00	Not more than \$1.00	Not more often than once per 60 calendar days
Daily Maximum Rate	\$15.00 -\$20.00	\$12.00	\$25.00	Not more than \$5.00	Not more often than once per 60 calendar days
Evening Flat Rate	\$4.00-\$5.00	No change	No change		
Monthly Rates	\$150/mo	\$150/mo	\$250/mo	No more than \$20/mo	Not more often than once per 60 calendar days

* Off-street garage rate types not specified this table will not be subject to change.

2. Standardize 12-minute Minimum Transaction Parking Rate at all debit/credit card-enabled single-space meters citywide

The City has upgraded 1,734 single-spaced meters to allow coin, debit- card and credit-card payment, replacing most "coin-only" single-space meters citywide. The newer single-space meters now provide the same payment options as the City's multi-space pay stations. There is currently a minimum 12-minute transaction required at all pay stations per B.M.C. Section 14.52.120. The proposed action would incorporate the single-space debit/credit-card enabled meters in the BMC to standardize the 12-minute minimum transaction fee on all meters that accept both coin and credit cards (single-space and pay stations) citywide.

Proposed 12-minute Minimum Transaction Parking Rates

Meter Type	Current Citywide	Proposed Citywide	Proposed in goBerkeley Pilot Areas
Single space meters that accept coins only	\$0.05	No change	No change
Single-space debit/credit card enabled meters	\$0.05	\$0.30 - \$0.35	\$0.20 - \$0.80
Pay stations	\$0.30 - \$0.35	No change (\$0.30-\$0.35)	\$0.20 - \$0.80

The hearing will be held on **July 2, 2013** at 7:00 p.m. In the City Council Chambers, 2134 Martin Luther King, Jr. Way.

A copy of the agenda material for this hearing will be available on the City's website at www.CityofBerkeley.info as of **June 20, 2013**.

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Councilmembers. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If the communication includes maps or photos or any other material not reproducible on a copy machine, fifteen copies should be provided to the City Clerk. For further information, contact Mark Numainville, CMC, City Clerk, 981-6900. FAX: (510) 981-6901. TDD: (510) 981-6903.

For further information, please contact Farid Javandel at 510.981.7061.

Published: 1st Publication: June 21, 2013; 2nd Publication: June 28, 2013

I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way, as well as on the City's website, on June 20, 2013.

/s/

Mark Numainville, CMC, City Clerk

