



Request for City Council Committee Action From the Department of Public Works

Date: May 15, 2012

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral to: Honorable Betsy Hodges, Chair Ways & Means Committee

Subject: **On-Street Parking Meter System**

Recommendation:

- A. Increase the capital appropriation by \$1,000,000 in Parking Revenue Bonds to increase to total expenditure from \$6,600,000 to \$7,600,000 (07500-9010946-CPMETERS) to complete the remainder of the on-street meter installation program.
- B. Decrease the amount of Parking Fund Revenue used to fund the project by \$900,000 and substitute with Parking Revenue Bonds for a total bond issuance of \$1,900,000 (07500-9010946-CPMETERS).
- C. Passage of a resolution requesting the Board of Estimation and Taxation to issue General Obligation Parking Revenue Bonds in the amount of \$1,900,000.
- D. Passage of a resolution pursuant to the IRS Treasury Regulations declaring official intent to reimburse expenditures related to the Cale Parking Meter Upgrade Project by incurring tax exempt debt.
- E. Increase the "Maximum Contract Amount" of City contract C-28373 with Cale America Inc. by \$1,000,000 from \$5,000,000 to \$6,000,000.

Previous Directives:

- **July 11th 2008:** granted permission to issue RFP to solicit proposals for on-street meter technology.
- **October 10th 2008:** Reported back to Transportation & Public Works Committee to introduce the implementation of field testing as required by Phase II in the RFP process.
- **April 16th 2010:** Authorized City officials to negotiate and enter into agreements with the companies Cale, IPS and POM. Authorized capital appropriation of \$6,600,000 to fund the on-street meter program (purchase, install, communications, enforcement, etc.),

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Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Kevin Carpenter, City Finance Officer

Presenters: Tim Drew, Traffic Engineer

Reviews

Permanent Review Committee (PRC):	Approval	Y	Date	05/08/08
Civil Rights Approval	Approval	NA	Date	
Policy Review Group (PRG):	Approval	_NA	Date	_____

Financial Impact

Action is within the Parking Fund Financial Plan

Community Impact

Neighborhood Notification: As needed.
City Goals: A City That Works
Comprehensive Plan: Not Applicable
Zoning Code: Not Applicable

Background/Supporting Information

The present on-street parking meter system includes approximately 7050 metered spaces.

Public Works staff had determined and council approved the usage of 3 different meter types to best serve Minneapolis on-street parking. Public Works initially proposed to use the following meters allotment:

- Multi-Space (Cale) – 450 pay stations – 4500 spaces
- Single Space with Credit Card (IPS) – 1500 spaces
- Single Space Traditional (POM) – 1000 spaces

As of today, Public Works has installed approximately 5250 metered spaces with approximately 1800 old Duncan meters that still require replacement.

City Council authorized a \$6.6 million appropriation to fund the on-street meter installation program in April 2010. Currently, \$5.6 million has been used or committed to date.

Also, the 2011 4th Quarter Financial Report presented that the On-street Meters revenues were up 7.8% compared to budgeted amount.

Installations Efforts

Cale Multi-Space Pay Stations

2010 -

- North Loop Area (41 pay stations)

2011 -

- Warehouse District (38 pay stations)
- Near Target Field/ Farmers Market (53 pay stations)

- Downtown Core (156 pay stations)
- Stadium Village (12 pay stations)
- Dinkytown (21 pay stations)
- 27th and Lake St E. (4 pay stations)
- Convention Center/Loring Park Area (12 pay stations)

2012 (to date) –

- Uptown and West Lake (70 pay stations)
- Guthrie/River Area (30 pay stations)

IPS Single Space with Credit Card

2011 -

- 450 units were installed Old St. Anthony Neighborhood, remote “15/30 minute limited” time spaces, and blocks with a low number of street parking spaces

Previously Anticipated Plan for IPS

2012 - Order and install 500 units

2013 - Order and install 500 units

POM traditional single-space meters

2011 - Approximately 850 Meters were installed in low rate, low usage areas throughout the City

New Proposed Approach

Over a 10 year life cycle, we compared the following major costs for the remaining 1800 spaces:

Major Cost Item	Cale Multi-Space	IPS Single Space
Capital Costs	\$2,000,000	\$1,000,000
Per Transaction Fee	\$0**	\$1,516,320
Monthly Fee	\$1,320,000	\$1,242,000
Battery Replacement	\$25,000	\$156,600
Total Life Cycle Costs	\$3,345,000	\$3,914,920

** Cale includes their per transaction fee into their monthly fee.

Cale meters will have a higher capital cost but will ultimately save dollars in fees and maintenance over their life cycle. The above table indicates an approximate savings of \$50,000 per year.

In addition, after 1-1/2 years of observations Public Works has found Cale to have other advantages such as:

- Lower coin collection costs
- Eliminates “failed meter” issues
- More uniformity throughout the City

- Maintain less equipment (example – 650 pay stations versus 6,500 single space meters – less spare parts)
- Batteries can be charged and are reusable
- Higher recognized credit card usage
- Generates receipts
- One prominent system
- Local vendor representation

Taking the above reasons into consideration, Public Works is proposing to use Cale multi-space pay stations instead of the previously recommended IPS meters to complete the installation. All Cale machines are anticipated to be installed in 2012.

Public Works requests \$1,000,000 in additional capital appropriation for the on-street meter program. The previous \$6.6 million is presently being paid using the cash balance from the Parking Fund. Public Works and Finance have discussed the payment approach for this additional amount and propose to sell bonds to cover the unspent balance of \$900,000 in Parking Fund Revenue along with the additionally requested \$1,000,000 for a total bond issuance of \$1,900,000.

2012R-__
RESOLUTION
of the
CITY OF MINNEAPOLIS

By Hodges

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis General Obligation Parking Revenue Bonds in the amount of \$1,900,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of the City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis General Obligation Parking Revenue Bonds in the amount of \$1,900,000 the proceeds of which are to be used for the purchase and installation of automated parking meters as follows:

CPMeters	Cale Meters Upgrade Project	\$1,900,000
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RESOLUTION 2012R-XXX
By Colvin Roy & Hodges

Resolved by the City Council of the City of Minneapolis:

That pursuant to IRS Treasury Regulations Section 1.150-2, the City of Minneapolis hereby declares it's official intent to reimburse up to \$1,900,000 of expenditures related to the Cale Parking Meter Upgrade Project from the proceeds of tax exempt debt of the City. The expenditures to be reimbursed include all preliminary expenses for planning, design, legal, consulting services and staff costs reasonably allocated to the project as well as costs incurred and paid for the design, purchase and installation of the parking meters. The reasonably expected source of funds to pay such original expenditures and to pay debt service on the tax exempt debt to be issued by the City consists of parking ramp and parking meter revenue collected in the Parking enterprise fund.