



City of Placerville MEMORANDUM

DATE: July 11, 2006

TO: City Council

FROM: John Driscoll, City Manager/City Attorney

SUBJECT: **ON-STREET/OFF-STREET PARKING ENFORCEMENT
AGREEMENTS/DIAMOND PARKING**

RECOMMENDATION

That the City Council adopt a resolution authorizing the City Manager to execute agreements for on-street and off-street parking enforcement with Diamond Parking in substantially the same form and content as the agreements attached hereto.

BACKGROUND

At the last Council meeting, on June 27, 2006, the Council introduced an ordinance which substantially changes the parking regulations for the downtown Placerville area. The ordinance is on tonight's Council agenda for second reading and adoption. The new parking regulations are intended to optimize the availability of parking for customers in the downtown Placerville area. The new regulations will eliminate all long-term free parking in the downtown area by limiting free parking to two hours. Parking for longer periods of time will be available either by paying for that parking on a daily basis or by purchasing a leased parking permit. One of the goals of the new parking regulations is to produce a return to the City from its parking facility assets. Free long-term parking will be available outside the downtown core area for those individuals who do not want to pay for parking over two hours.

One of the keys to making this parking strategy work is to have efficient and regular enforcement of the parking regulations. The City currently has one individual enforcing its parking regulations. While that individual is doing a very good job, it is not possible for one person to enforce the parking regulations on a daily basis, Monday through Saturday. For example, although the regulations provide that they will be in effect Monday through Saturday, the current parking enforcement person only works Monday through Friday. Additionally, individuals abusing the downtown regulation know when the parking enforcement officer is either on

vacation, ill, or doing other job assignments and utilize that occasion to disregard the current parking regulations. Consistent and efficient enforcement is part of the key to both producing the turnover in parking spaces needed to accommodate for the downtown core area as well as to provide revenues to support the City's parking facilities. Staff is proposing that the City enter into On-Street and Off-Street Parking Agreements with Diamond Parking as a means to accomplishing these goals.

DISCUSSION

Diamond Parking is not new to the City. As mentioned in a previous staff report, several years ago, Diamond and the City discussed the possibility of Diamond providing parking enforcement for the City. At that time, it was determined that it would not be economically viable, and there were also some issues relating to whether or not the City could contract out its enforcement of the parking regulations. It now appears that with the new parking regulations, sufficient revenues will be produced to make parking enforcement by an outside agency economically attractive and it also appears that Diamond not only has the capability to process the City's citations, but also to enforce the regulations by issuing the citations.

The proposed Agreements provide for enforcement of both the City's on-street and off-street parking regulations on a daily basis from 8 a.m. to 5 p.m., Monday through Saturday. Diamond will be providing two people as Parking Enforcement Agents. The Agreements provide that the Parking Enforcement Agents will be uniformed so that they will be clearly recognizable as Parking Enforcement Agents and not City Police.

The Agreements are structured to commence at such time as the new parking regulations become effective, which will be concurrent with the completion of the Placerville Station II temporary parking facility. It is hoped that the temporary parking facility will be ready by mid-August, but the Agreements do allow for variations in the commencement date, depending on the circumstances surrounding the completion of the parking facility. The Agreements clearly outline Diamond's responsibilities with respect to parking enforcement and provide for the necessary cooperation and communication between Diamond and the City's Police Department.

Initially, Diamond will be issuing the citations only, and not processing them. The City's citations are currently processed by Enforcement Technology, Inc., which is located in Southern California and has offices in the Bay Area. Payments of fines for parking citations are currently sent to a Bay Area address. The agreement with Enforcement Technology, Inc. can be terminated on 30 days' notice by either party. It is the City's intent to terminate the processing agreement with Enforcement Technology and at that time have Diamond assume the processing of the City's citations.

The City will be requesting authorization from DMV for Diamond to have the necessary access to DMV records to process the citations. As soon as this authorization is received from DMV, the City will transfer the processing to Diamond. By combining enforcement and processing, the City will effect a cost savings in its overall enforcement of its parking citations. Payment of parking fines will then be sent to a local address.

The Agreements for both on-street and off-street parking are for a period of two years, but each of the Agreements can be terminated by the City on 30 days' notice to Diamond.

Staff has contacted several cities in which Diamond presently provides parking enforcement and/or processing. Specifically, the Cities of Riverside, California, Livermore, California, Bend, Oregon, Ashland Oregon, and Medford, Oregon, have been contacted to provide references for Diamond. In each instance, the cities have expressed satisfaction with Diamond's services and recommended Diamond as a parking enforcement agency. Diamond is unique in that it is also the only parking enforcement agency in California that will be providing both parking enforcement (citations) and processing of the citations.

Diamond is family-owned and –operated company with experience in the parking industry for over 80 years. Diamond, which is based in Seattle, operates in 8 states, 45 cities and 2 countries. From all references it appears that the company is customer service oriented, and emphasizes the quality of service in its training philosophies and techniques. The company routinely provides customer service audits as well as phone etiquette audits in order to ensure that their employees are putting the customer first and acting in a professional manner.

Diamond will be using state of the art technology with regard to the enforcement of the City's parking regulations. Specifically, the Parking Enforcement Agents will be using a hand-held device, which enters the license plate or vehicle identification numbers of vehicles parked in the City's parking facilities. This information is stored on a computer, which then can be used to determine whether or not the vehicle has parked longer than the permitted time in a particular space or has even been moved from one space to another within the same parking zone in order to avoid detection.

Also included in the Agreements for on-street and off-street parking enforcement are the electronic pay boxes, which people who desire to park longer than two hours can utilize with either cash or credit card to pay for such overtime parking. The Agreements for both on-street and off-street parking are for a period of two years, but each of the Agreements can be terminated by the City on 30 days' notice to Diamond.

FISCAL ANALYSIS

The two Agreements before the Council tonight are for on-street parking enforcement and off-street parking enforcement, respectively. As indicated previously, these Agreements provide for not only the labor but also the equipment necessary to effectively enforce the City's new parking regulations. The approximate cost of the two Agreements combined is not to exceed the sum of \$16,680.00 per month. This cost will be reduced further by the sum of \$450.00 per month if the City is able to provide a facility in which Diamond can operate. It is anticipated that office space can be made available for them on them on the second floor of the City Hall building.

Both Diamond and City staff have estimated the revenue that is anticipated from the new parking regulations. Revenue sources include daily parking revenue as well as monthly parking revenue from the lease permits. With the elimination of long-term free parking, it is anticipated that the

demand for leased/permit parking will increase substantially. Staff intends to offer up to 202 leased parking permits, which will generate slightly in excess of \$8,000.00 per month in income.

Staff and Diamond have also estimated revenues that will be derived from daily parking at all of the City's various parking facilities. The total amount estimated on a monthly basis is approximately \$24,500.00. This estimate is considered to be conservative in that it's based on five days a week instead of six, and includes an occupancy rate of 67%. This vacancy factor is considered to be conservative by industry standards. As a result, staff and Diamond are estimating that the City will receive in excess of \$32,000.00 monthly in revenue from its parking facilities. It is important to note also that this revenue does not include revenue from parking citations, which historically is approximately \$60,000.00 a year.

Based on these estimates, the cost of providing parking enforcement by Diamond will be absorbed by the revenue generated through such enforcement. Additionally, it should give the City funds to utilize for the purpose of maintaining our parking facilities, including such things as cleaning the trash enclosures in the parking structure, the sidewalks along the parking spaces on Main Street as well as the trashcans. It is hoped that enough money will be realized from this program that the City will also have some money that it can invest for the future for the purpose of constructing additional parking facilities.

Finally, it should be noted that the current Parking Enforcement Officer will be relieved of substantially most of his parking enforcement duties, but will be able to concentrate on vehicle abatement, other specialized parking enforcement and evidence management for the Police Department.

Respectfully submitted,

Reviewed for Fiscal Impact:

John Driscoll
City Manager/City Attorney

David Warren
Finance Director