

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: April 21, 2011
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: **Self-Service Parking Equipment**

RECOMMENDATION:

That Harbor Commission receive and review a report on the proposed parking equipment changes involving the self service honor fee parking lots operated by the Waterfront Department.

DISCUSSION:

As reported at the May 20, 2010, Harbor Commission meeting, Waterfront Parking staff has been researching self-service parking pay stations to upgrade the self-service Honor Fee systems (cash pay boxes) in the Harbor West, Garden Street, Palm Park, Cabrillo East and Cabrillo West parking lots.

The Airport and Downtown Parking enterprise funds have recently acquired equipment that enables their point of sale systems to accept credit/debit cards as well as cash. Waterfront staff contacted Sentry Control Systems, the company that provided Downtown Parking's point of sale systems, to discuss possible improvements to Waterfront parking equipment.

Sentry Control Systems recommended self-service payment equipment from Digital Payment Technologies ("DPT") that is capable of accepting cash, coin, and credit/debit cards. DPT provided the equipment currently used at UCSB and the systems have also been installed by cities including Glendale, Huntington Beach, Beverly Hills, and Santa Monica. Recently, the City of Ventura purchased 75 machines to install on Main Street.

The self-service payment device from DPT is known as the "Luke" system. It is compliant with Americans with Disabilities Act (ADA) regulations and Payment Card Industry (PCI) requirements. Due to its ability to accept credit/debit cards and interface with the Department's computer network, the Luke system has the capability to increase revenue control and significantly increase efficiency in the Waterfront self-service parking lots.

In February, the City's Purchasing office put the parking equipment out to bid. DPT was the successful bidder, with the first two Luke machines costing \$12,000 each. The machines will be installed in the Harbor West parking lot in May.

Cost Savings

Upgrading to the Luke payment system creates cost saving efficiencies in several ways. For example, monitoring a lot such as the 199-space Harbor West lot to ensure each vehicle is in compliance can take as much as two hours on a busy day. Staff estimates that monitoring time could be reduced to an hour or even less. Additionally, auditors will be able to count payments twice as quickly since they will not need to unfold the currency and many of the payments will be made with credit / debit cards and processed electronically.

Staff estimates that the Waterfront Department expends approximately \$10,100 annually for monitoring payment compliance and auditing cash collected in the Harbor West honor Fee lot. Based on a 50% estimated reduction in level of effort required to monitor and audit, annual salary savings could be as much as \$5,000 per year in the Harbor West lot. However, the Harbor West lot is the least revenue-generating Honor fee lot at \$90,000 per year and therefore requires the least amount of staff time and expense to service.

As the Luke system is expanded into the remaining Honor fee lots, salary savings would increase significantly. For example, the Garden Street and Palm Park lots are currently operated as Honor fee lots weekdays only October 1 through April 30. The lots are staffed by kiosk attendants on weekends all year and seven days/ week from May 1 through September 30.

Staff is evaluating installing the next set of two Luke payment stations at a cost of \$24,000 after July 1, 2011 in the Garden Street lot, which generates approximately \$169,000 annually. It is estimated that the Department expends approximately \$36,000 per year on monitors, auditors, and kiosk attendants in the Garden Street lot. Based on a 50% reduction of monitoring, auditing, and kiosk staffing, salary savings in the Garden Street lot is estimated to be \$18,000 per year.

Staff plans to install the Luke system in all five Honor Fee lots (Harbor West, Garden Street, Palm Park, Cabrillo East and Cabrillo West) at a cost of approximately \$144,000 for 12 machines. When the Luke system is implemented in all Honor Fee lots, cost savings is projected be \$50,000 annually and the project should pay for itself within one to two years following the installation in all five lots. Funding of \$160,000 for the Luke system upgrade is included in the Waterfront Capital Improvement Program (CIP).

Attachment: 1. Cost savings analysis
2. Digital Payment Technologies "Luke" Brochure

Prepared by: Scott Riedman, Waterfront Business Manager