



MEMORANDUM

TO: Mayor and City Council
Howard Lazarus, City Administrator

FROM: Tom Crawford, Chief Financial Officer

DATE: June 18, 2018

SUBJECT: **Updating the Expired Parking Meter Fines**

Background:

On February 20, 2018, Council passed a resolution approving amendment 2 to the City/DDA Parking Agreement. As part of that agreement, the City agreed to coordinate parking fine adjustments with parking rate changes. At the June 4, 2018 meeting, a resolution (18-0634) recommending an update and adjustment to the Parking Fine Schedule was considered. Council postponed the resolution and requested additional feedback be obtained, specifically from the downtown merchant associations.

Feedback:

Staff solicited feedback and received comments from the Main Street Area Association, the Kerrytown District Association, and a resident. The specifics of the feedback are attached but can be summarized as:

Associations

- Oppose the fine increase out of concern it may negatively impact visitors who inadvertently run over their time limit. The increase may also contribute to the impression it's difficult to park downtown, which may result in visitors shopping elsewhere.
- The increase seems steep.
- If an increase is approved, a gradual increase over time is preferred.

Resident

- Proposed tying the fine to a formula, such as (meter rate x 10 hours x 150%), with an early payment discount of a 25% reduction in the fine amount. (The advantages of this approach are included in the specific feedback attached.)

Staff Observations:

As Council considers this feedback, it's important to remember that meter rates and expired meter fines are only one part of a larger offering of parking solutions. The policies surrounding each aspect of the

system (like expired meter fines) interact with each other, so without coordination and alignment unintended and potentially ineffective results may occur.

- Using a formula to coordinate fines with parking meter rates would establish a robust link between the two. However, on a practical level parking rate changes typically occur in small amounts, so the frequent changes would largely be immaterial and yet still require updating and constituent communications.
- A benefit of continuing to use periodic reviews instead of a formula allows for fines to be periodically considered in light of the overall system's status and strategies.
- With many public and private changes planned for in the coming years downtown, gradually increasing fines diminishes the ability to effectively determine the impact of any particular change.
- Waiving the first ticket for someone is still challenging to implement. When ticketed, the City has no way of knowing who the driver of the vehicle was, so the vehicle owner remains responsible for the fine whether they caused the violation or not. In addition, the City's parking enforcement technology does not have first time waivers readily available.
- If a phased approach is approved at Council's draft amendment level, staff would not anticipate the first phase to have a material impact on compliance since it would not provide a strong penalty versus just paying the meter.

If Council desires a phased approach staff would recommend considering the second phase no sooner than January 1, 2020, which would allow for a full year's of data from Phase 1 rates to be captured. Amendment language to reflect this could be:

"Resolved, that effective August 1, 2018 the parking fine schedule be adjusted to modify the expired meter fines as follows:

Effective	Discounted	Fine	Delinquent		Default
			14 days	30 days	
1-Aug-18	\$15	\$30	\$60	\$70	\$80

Resolved, that staff not consider a Phase 2 adjustment prior to January 1, 2020."

FEEDBACK

Main Street Association

“The Main Street Area Association is against any increase in parking fines, fearing that it would dissuade visitors to our downtown. Many of our businesses already hear complaints from guests regarding parking and we do not want to amplify that negative association with shopping and dining in the Main Street Area. If the City does plan on moving forward with the increase, we would side with your alternative of a gradual increase over a long period of time.”

Kerrytown District Association

“We agree that finding ways to increase turnover in parking spots is beneficial to the businesses and something that we support. We do also believe that there are other approaches that can be as effective or even more effective than raising fine rates. We understand your thinking that an increase in fines makes locals and people who work in the area more hesitant to risk getting a ticket, and encourages them to move their cars more frequently. Unfortunately that approach also negatively impacts the visitors who come downtown to eat, and shop and use services and find themselves running over time by a few minutes. Our biggest concern is that a surprise \$35 ticket is just one more reason for someone to decide that it’s easier to go farther out of town to other neighboring communities where there is more parking that is free or easier to access.

There are parking challenges city wide, and it’s not unusual to have certain days and times where it seems like there is just nowhere to park. In our district there isn’t really an option to encourage parkers to move to a structure, as the structures are more often than not at full capacity during peak hours. With that said however we wonder if it is possible to target cars who stay at meters all day by renewing the meter time every 2-4 hours, rather than moving their cars.

We understand that it’s been some time since there has been an increase in the fine rates, but the proposed increase to \$35 with a discount to \$20 within 24 hours, seems like a pretty steep increase that is out of alignment with the neighboring communities.”

Resident

“I recently saw some of the notes on the recent City Council meeting and the discussion surrounding parking fines in Ann Arbor. I recognize that we want to discourage those who would consider risking fines as a cheaper alternative to paying the meter, and on the other end, having large fines is both punitive and regressive.

As one of your constituents, I had an idea to share that is somewhat similar to your thoughts on a phased approach.

Rather than focusing on a target fine amount, **I propose focusing on a target formula.** Rather than being reactive to changes over time, allow the formula to automatically adjust fines as well.

In playing with the numbers, I suggest this rate calculation:

*150% * a full parking day (10 hrs, maybe NTE 12 hrs if the hours change) * the current most expensive meter rate. Then apply a 25% discount for quick payment (rounded up or down for easier cash handling).*

Today, this gives us a fine of \$25.50 (= \$1.7/hr * 10 hrs * 150%) and a "discounted" rate of \$19.125 (again, rounded in some direction).

Some benefits of this formula-based approach:

- * By having dynamic pricing, each time the DDA changes rates, we avoid getting out of "balance."
- * Continuously addresses concerns facing the old model—that existing fines may be cheaper than parking for a day.
- * Avoids perception of "politics" in the fining apparatus.
- * Adjust the fine up to better discourage those who don't/won't pay meters.
- * Keeps us from drastically (currently) exceeding our peer cities.
- * Avoid too high a fine as a ratio to actual potential parking costs.

I think this approach is fair and has many potential benefits, and most importantly, rather than getting muddled up in day-to-day fines, it allows the City Council to get back to more important strategic issues.