

**CITY OF MADISON
INTER-DEPARTMENTAL
CITY TRAFFIC ENGINEERING and PARKING DIVISIONS
CORRESPONDENCE**

DATE: Nov 10, 2008

TO: Alderpersons, Comptroller's Office, Mayor's Office
FROM: William Knobeloch, Parking Operations Manager *W. Knobeloch*
SUBJECT: 2009 Operating and Capital Budget Amendments – Parking Utility

Operating Budget amendment No. 33

“Remove funding for multi-space metering until cheaper rates for credit card charges have been achieved”

\$163,000, no levy impact, all Parking Utility funds

Capital Budget amendment No. 22

“Delay purchase of multi-space meter equipment until there is a solution to high credit card charges.”

\$640,000, no levy impact, all Parking Utility funds

Response to multi-space meter credit card fee amendments

The Parking Utility is in the final stages of selecting a vendor for the multi-space meter project. When completed multi-space meters that accept coin/credit/debit/smart cards will replace a majority of our single space meters. The main purpose is to provide consumers with options to use alternative forms of payment. Without these alternatives consumers would be limited to their change available to buy parking time. With parking rates increasing more coins are needed to buy a given amount of time. Motorists may not have adequate change to buy the metered time necessary for their visit. Drivers with expired meters are subject to citation. Parking citations create a poor experience for downtown visitors. Visitors receiving citations are less likely to come downtown in the future. The business community has been very supportive of this project and wants it to move forward ASAP.

Credit card processing fees are charged to every merchant or entity that allows credit card use for the purchase of goods or services. The City's preferred credit card processor is US Bank on the Elavon platform. The City has selected this processor in part due to the low fees associated with this system. The City has been allowed to use the State of Wisconsin rates when processing credit cards through US Bank. This rate is very low due to the large buying power of the State. The charge to the Parking Utility will be about \$.20 to \$.30 per transaction. This will vary with the type of card and other factors. It is a cost of doing business and is basically the same cost that other City departments -- Police, Metro and Traffic Engineering have when customers use credit cards to pay for goods and services. The Parking Utility will require any vendor awarded the multi-space contract to use the City's US Bank system for credit card processing. This is the lowest rate we can get.

Capital Budget amendment No. 21 MMB Parking Garage

“Remove funding for the MMB Parking Garage until a Council decision has been reached on a downtown hotel placement or a study has been approved on the alternatives of a Brayton Garage and replacing Government East”

\$1,200,000, no levy impact, all Parking Utility funds

Response to MMB Parking Garage Amendment

The Government East garage was built in 1958. Parking garages built in the fifties generally have a 50-year life span. Very heavy maintenance expenditures have allowed us to keep this garage open longer. According to our structural engineering consulting firm who reviews Parking Utility parking garages on an annual basis it is expected we can keep Government East running until 2014 – 2015. Maintenance costs will increase as we get closer to the end of Government East ramps useful life. We need to replace the parking available at Government East when it becomes unusable. The alternative is to close Government East with the elimination of 511 parking stalls in this quadrant of the city. This would be a significant impact to Monona Terrace and other local businesses that depend on this parking for their customers and employees. Since it is one of the Utility's highest performing structures rates would need to increase elsewhere to make up the lost revenue due to closing Government East.