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OAKLAND

CITY OF OAKLAND 2012 OCT 11 PM 3:01

AGENDA REPORT

TO: DEANNA J. SANTANA FROM: David McPherson
CITY ADMINISTRATOR

SUBJECT: Five-Minute Grace Period
Parking Pilot Program DATE: September 30, 2012

City Administrator
Approval

Date

10/11/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the Oakland City Council accept this informational report from the Office of the City Administrator on the cost of continuing the "Five-Minute Grace Period".

OUTCOME

Staff will continue the "Five-Minute Grace Period" policy including driver arrived dismissals and monitor this program for any unanticipated affects on city revenues and operational impacts such as phone payments and debit/credit card options. Staff will report back to the Finance and Management Committee with these findings should there be any new significant fiscal or operational impacts. Furthermore, staff may propose changes to this policy based on new payment methods and next generation parking technology, such as intelligent space monitoring.

BACKGROUND/LEGISLATIVE HISTORY

At the Finance and Management Committee on December 13, 2011, the Finance Committee members requested that the City Administrator introduce a "Five-Minute Grace Period" for parking at public pay-and-display parking spaces in the City of Oakland. In addition, the Committee members requested a new procedure to be implemented in cases whereby the driver of a vehicle approaches a Parking Control Technician (PCT) while in the process of writing a parking citation that had not yet been issued. During the Committee meeting, Assistant City Administrator, Scott P. Johnson, indicated that this program can be established under the authority of the City Administrator. During this meeting it was recommended that the pilot

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program would be implemented on December 15, 2011. This administrative procedure was put in place as a pilot program and has continued until further direction by the City Council. Furthermore, staff is committed to prepare an analysis and report out to the Finance and Management Committee the impact the program had on the business community, customer service, parking revenues, and compliance. This informational report provides the impact analysis.

Although the “Five-Minute Grace Period”, including “driver-arrived” dismissals, will cost the City approximately \$254,148 annually in lost revenue, it is recommended that this program be continued. The positive feedback from citizens and the business community has demonstrated improvements to customer service in the parking program. Administration will continue implementing the program until any significant fiscal or operational impacts have been identified at which time staff will return to the Finance and Management Committee before making any administrative changes.

ANALYSIS

On average how many citations are not issued due to the “Five-Minute Grace Period” in which citations are not being issued?

During the pilot program, the dismissals were manually coded and tracked by staff. However, staff experienced difficulty tracking dismissals due to continued efforts of identifying other violations occurring at the time which impacted staff’s ability to track the dismissals. Therefore, only three months of consistent data was collected during the pilot which indentified that 167 citations were not issued due to the ticket expiration time within the five-minute grace period. This equates to roughly 334 citations not being issued during the pilot program. The annual estimate of unissued citations would be approximately 668.

On average how many citations are not issued due to “driver-arrived” dismissals?

Staff tracked “driver-arrived” dismissals of parking citations. A specific dismissal code was used to track all dismissals. Over the six months, 1,587 citations were not issued due to the driver arriving before the citation was issued. The annual estimated number of dismissals would be 3,174.

What are the estimated revenue impacts of the “Five-Minute Grace Period” due to unissued citations?

The estimated revenue loss, on an annual basis, due to the “Five-Minute Grace Period” is estimated to be \$44,188. This amount is estimated by considering the number of citations issued from December 15, 2011 to June 15, 2012 at an average citation of \$66.15, and factoring in the delinquency collection rate. The amount includes fines and penalties assessed due to late payment, accounts for a 75% delinquency rate, and only relates to revenue owed to the City of Oakland (excludes surcharges). The revenue loss due to the “Five-Minute Grace Period” during the pilot program was estimated at \$22,094. However these figures do not account for lost meter revenues attributable to drivers who reduced their purchased meter time by five minutes.

What are the estimated revenue impacts of the “driver-arrived” dismissals due to unissued citations?

The estimated revenue loss, on an annual basis, due to the “driver-arrived” dismissals is estimated to be \$209,960. This amount is estimated by considering the number of citations issued from December 15, 2011 to June 15, 2012 at an average citation of \$66.15, and factoring in the delinquency collection rate. The amount includes fines and penalties assessed due to late payment, accounts for a 75% delinquency rate, and only relates to revenue owed to the City of Oakland (excludes surcharges) and not to Alameda County or other entities. The revenue loss due to the “driver-arrived” during the pilot program was estimated at \$104,980. However, these figures do not account for loss of meter revenues attributable to drivers who fail to put coins in the meters.

PUBLIC OUTREACH/INTEREST

Staff has received input from parking patrons and the business community during the pilot program. In addition, complaints by citizens during the appeal process have been reduced during the pilot program.

COORDINATION

This report was prepared in coordination with the Oakland Police Department’s Parking Enforcement Division.

COST SUMMARY/IMPLICATIONS

Although the “Five-Minute Grace Period”, including “driver-arrived” dismissals, will cost the City approximately \$254,148 annually in lost revenue, it is recommended that this program be continued. The positive feedback from citizens and the business community has demonstrated improvements to customer service in the parking program. Administration will continue implementing the program until any significant fiscal or operational impacts have been identified at which time staff will return to the Finance and Management Committee before making any administrative changes.

SUSTAINABLE OPPORTUNITIES

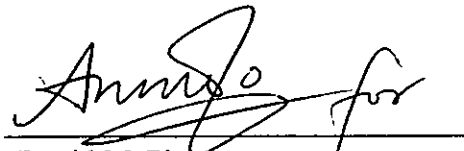
Economic: The “Five-Minute Grace Period”, including “driver-arrived” dismissals, will cost the City approximately \$254,148 annually in lost revenue.

Environmental: None

Social Equity: None

For questions regarding this report, please contact David McPherson, Revenue & Tax Administrator, at 510-238-6650.

Respectfully submitted,



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Budget & Revenue Division

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