

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 28, 2010

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMAN, CITY MANAGER 

SUBJECT: BUDGET MEMO #92 : RESPONSE TO MULTI-SPACE METERS BUDGET QUESTIONS: HOW WOULD MULTI-SPACE METERS BE IMPLEMENTED AS A PILOT EFFORT ON THE 100 AND 200 BLOCKS OF KING STREET? WHAT IS THE FISCAL IMPACT OF ADDING MULTI-SPACE METERS TO THESE BLOCKS?

The following information is in response to Council questions about the parking meters on lower King Street during the April 26 Work Session on Preliminary Add/Delete Review.

Staff recommends installing six pay boxes on the 100 and 200 blocks of King Street at a cost of up to \$60,000 in FY 2011 for installation. The boxes would take three to six months to install. Assuming a half-year of revenue and operation costs, the boxes would generate \$69,300 in revenue and cost \$3,000 to operate in FY 2011 for net revenue of \$6,300 after deducting the cost of installation. In FY 2012 and beyond, they would generate \$138,600 in revenue and cost \$6,000 to operate annually.

How would multi-space meters be implemented as a pilot effort on the 100 and 200 blocks of King Street?

Multi-space meters – also known as pay boxes – are becoming increasingly common in U.S. cities and are currently used in the Carlyle area, parts of Arlington and Washington, DC. These meters are typically used to control between six and 10 parking spaces (one or two units per block face) are generally solar-powered and accept credit cards, coins and bills.

As a pilot effort, the City would install six (6) multi-space meters on the 100 and 200 blocks of King Street. No multi-space meters are proposed for the unit block of King Street where there are only three vehicular spaces and concerns about flooding. Staff estimates that one multi-space meter per block face is sufficient on the 200 block of King Street which is 270 feet long and has 10-11 spaces per block face. Two meters per block face are proposed for the 100 block of King Street which is 320 feet long and has 12-13 spaces per block face, including valet and loading

spaces. Depending on the type and style of multi-space meters, the cost to acquire and install the meters is estimated at \$8,000-\$10,000 per multi-space meter or up to \$60,000. The estimated useful life for each unit is 10 years.

The meters could be installed within three to six months. Installation will require a hearing before the Traffic & Parking Board and an amendment to City Code section 5-8-92 to allow meters to be placed on the 100 block of King Street. The meters would also be reviewed as an informational item with the Board of Architectural Review- Old and Historic District, which typically provides comment and input on installation of new hardware within the right-of-way.

What is the fiscal impact?

If the meters are installed six months in FY 2011, they would generate \$69,300 in revenue and cost \$60,000 for installation and \$3,000 to operate for a net of \$6,300 in the first year. In subsequent years, they would generate \$138,600 in revenues and cost \$6,000 to operate annually.

Given the City Council proposed parking meter rate of \$1.75 per hour, each space on these blocks would generate gross revenues of approximately \$3,150 annually. (Meters in Zone 1 currently operate for 11 hours daily, 8 am to 7 pm. However, staff estimates six hours of daily use per space multiplied by 300 days, not including Sundays, legal state holidays and events.)

The annual operating cost for each multi-space meter in the Carlyle area is approximately \$1,000 which includes \$550/year for network and system charges, \$300/year for credit card processing and \$150/year for parts batteries and paper. Using this as a guide, the total operating costs for the proposed six new meters is estimated at \$6,000, which does not include the cost of meter collection.

The total annual gross revenue generated by the addition of six multi-space meters on the 100 and 200 blocks of King Street would be approximately \$138,600 (44 spaces on the four blocks multiplied by \$3,150 annual gross revenue per space with a \$1.75 rate). Considering the operating costs of \$6,000, an estimate of net revenues is \$132,600 which does not include the cost of meter collection or future replacement costs.

Will increasing meter rates to \$1.75 increase meter collection frequency?

Multi-space meters, which can hold up to \$700 in quarters and \$500 in bills, require less frequent collection and any new meters proposed on the 100 and 200 blocks of King Street would have a negligible effect on the meter collection schedule. However, an important consideration in the fiscal impact of the proposed rate change to \$1.75 per hour citywide is that the collection frequency at traditional (coin-operated) single-space meters will need to increase. The City currently uses four FTEs to collect from meters twice per week. If rates increase citywide, the City may need to increase the collection frequency to 3 or 4 times per week. An additional FTE in the T&ES budget focusing on meter collection in Old Town may be required at a cost of \$65,114 for a traffic signal/meter repair worker (H step salary/benefits). Staff will monitor this impact, and if necessary, will propose a mid-year or FY 2012 adjustment to either absorb this need within existing resources or request a supplemental appropriation.