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Item No. 9.1.1
Transportation Standing Committee
December 3, 2014

TO: Chair and Members of Transportation Standing Committee

SUBMITTED BY: *Original signed*

Jane Fraser, Director Operations Support

DATE: October 15, 2014

SUBJECT: **HotSpot Style Parking Solution**

ORIGIN

On June 4, 2014 the Transportation Standing Committee passed the following motion:

MOVED by Councillor Walker, seconded by Councillor Watts, that the Transportation Standing Committee request a staff report regarding the rapid implementation of a HotSpot style paid parking solution in addition to existing meters.

LEGISLATIVE AUTHORITY

Section 153 of the *Motor Vehicle Act* allows a Municipality, by by-law, to regulate parking meters. Halifax Regional Municipality By-law P-500, the *Parking Meter By-law*,

RECOMMENDATION

It is recommended that the Transportation Standing Committee defer implementation of a HotSpot Parking or similar style paid parking solution in the short term.

And further that this type of paid parking solution be further assessed for potential implementation as a component of parking service governance implementation as outlined in the Parking Roadmap.

BACKGROUND

HotSpot Parking Inc. is a recent New Brunswick 2014 startup business that has developed a parking solution which is convenient for parking customers because it allows them to pay for municipal parking remotely via their mobile device instead of putting coins in the meter. HotSpot Parking is currently operating pilot projects in Fredericton and Saint John and also has plans to begin a 12-week trial in Charlottetown. The company's aim is to help support downtown businesses in these and other cities upon implementation. HotSpot Parking has refined its product based on the results of its pilot project applications in Fredericton and Saint John. Their revenue generation model is based on advertising sold to downtown businesses.

In association with the Downtown Halifax Business Commission, an unsolicited proposal to implement the HotSpot product as a pilot in downtown Halifax was provided to staff and to the Transportation Standing Committee. The Standing Committee then requested a staff report on the feasibility of a rapid implementation of HotSpot style paid parking solution in addition to existing meters.

DISCUSSION

Parking pay by phone applications provide a convenient option for parkers to pay for parking using their mobile phone. Aside from HotSpot Parking, there are other available solutions available in the market including PaybyPhone Inc., as well as applications developed for specific locales like Calgary's ParkPlus application.

HotSpot Parking operates as a stand-alone solution with no integration to existing municipal systems. Within this solution, every parking meter or pay station is assigned a unique identifying code for the parker to use to pay for time. Parkers benefit by having the option to pay for parking remotely, to top up the meter without returning to their vehicle, and also to use an alternate form of payment to the traditional coin payment. The option to receive a text message to notify the parker when time is running low is also available.

HotSpot Parking also benefits for businesses including the ability to advertise directly to customers via their mobile device based on geo-location capabilities. Businesses also have the capability, through their own HotSpot Parking account and via the same technology, to pay for a customer's parking thus shielding the customer from parking tickets for the duration of their stay.

HotSpot Parking and other similar solutions provide convenient payment options and services. However, in Halifax, there are challenges, as outlined specifically below, that would need to be resolved before such a solution could be successfully implemented. The proposed Parking Roadmap will provide direction on and a framework to resolve these and other encountered parking-related challenges. The relationship to the Parking Roadmap is provided within the descriptions that follow.

Regulatory

Parking Meters are regulated under By-law P-500 (Parking Meters). There are three areas within the By-Law where restrictions would be encountered. First, payment methods are only permitted to be in the value of coin or parking card which is an existing impediment to alternative payment methods. Second, a vehicle is judged to be legally parked when the parking meter indicates time has been paid for **or** the meter indicates "out of order." With the HotSpot solution, time paid is recorded in a database and not on the meter itself. Therefore, under the current By-Law, a vehicle would be illegally parked. Third, upon the expiration of the period of time permitted for parking at the meter a vehicle is in violation if parked beyond the period of time event if the meter has not expired. This means that there is no current capability to top up meter payments once the duration of time permitted passes. By-law P-500 is currently undergoing an

administrative review in order to provide increased flexibility for changing needs and to encompass options for new technologies including alternative payment options.

This By-law review is well underway. The governance model recommended in the Parking Roadmap will ensure ongoing attention to policy and regulation. Future policy and regulatory changes will be a component in future implementation planning, reducing potential delays.

Enforcement

HotSpot Parking is enforced through a mobile device that accesses the database to determine if the time purchased has expired. Parking Enforcement personnel would be required to use two distinct mobile devices, the existing device for ticketing plus the HotSpot device. Regardless of the payment method used, tickets are issued for parking violations through the existing enforcement device. HRM's Parking Enforcement is predominantly provided through a third party contracted service (with support from Halifax Police) and would require adjustments to the contract which could result in costs to the Municipality.

Any agreement with HotSpot Parking would also need to address how they or HRM would retain the data for prosecution purposes especially around disclosure to an accused.

The Parking Roadmap supports initiatives that provide greater benefit to the parking customer and also improve the efficiency of services provided by the Municipality. Though payment by cell phone achieves the customer benefit, duplicating services through the use of two different enforcement tools and tracking systems is not in alignment with efficient service provision. Projects within the Parking Roadmap will achieve both.

Procurement

Accepting unsolicited proposals such as the proposal from HotSpot is contrary to the principles of the approved Administrative Order 35 – Procurement Policy which states that the procurement process must be "...open, fair, consistent and transparent..." and that competitive bidding shall be encouraged.

A sole source award may be an appropriate option for a pilot implementation of HotSpot Parking in consideration of Procurement Policy Section 8(11) (1) ***"For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic or social benefits when compared to conventional technology, but not for any subsequent purchases"***.

HotSpot Parking is an innovative technology that may provide an economic return to both the municipality and downtown businesses. However, seeing that the company is in its infancy, costs and benefits to businesses and municipalities are unknown at this time.

Through the development of the Parking Roadmap it has been noted that there are other providers for parking payment via cell phone. The Municipality, and by extension the parking customer, would gain greater benefits in the long run through a competitive procurement process and with a solution that meets multiple needs.

Process

Use of new technology, even as a pilot, is best addressed when it's evaluated within the framework of an overall program, service or strategy. In absence of an associated evaluation framework, implementation success cannot be qualified or quantified appropriately and the potential of negatively impacting on longer term decision making remains unconsidered.

The Parking Roadmap identified the development of Parking Strategy, Policy and standards which will provide the appropriate strategic direction to support a framework for evaluation and decision making for HotSpot Parking and all other potential parking products and solutions.

For widespread municipal considerations, it is also important to consider company maturity, service track record, and tangible outcomes.

Financial Management

Staff has identified items that would need to be negotiated with a service provider, such as HotSpot or other, including the transfer of funds, an auditing process and co-ordination of changes to parking controls. Such negotiations require time to complete and would need to be integrated with other organizational processes.

HotSpot has indicated that there is no cost implication to the Municipality for implementing its product as all parking revenues paid to HotSpot are fully transferred and all required technology to assist with enforcement is provided by HotSpot to the municipality at no cost. HotSpot handles all concerns/issues associated with the use of the “app.”

The Municipality, would however, incur costs to accommodate the new software, including the purchase of a number of handheld devices, necessary accessories, run additional software (aside from the current enforcement software), get associated data plans, and have internal staff support the hardware and associated technology.

The Parking Roadmap supports the implementation of parking technology in a coordinated manner. Interconnectivity between systems and processes is important to reduce duplication and unnecessary customizations between technical systems. Completing an Opportunity Assessment for each technology related project is identified in the Parking Roadmap as the critical first step to ensure appropriate integration and that business value is received. The Opportunity Assessment will investigate the various technical and operational options available for consideration and identify the preferred solution to be implemented. This process will commence in fiscal 2015/16 and the first project identified for consideration is parking meter replacement.

There may also be cost implications to the Municipality if changes are requested to the current contract for parking enforcement.

FINANCIAL IMPLICATIONS

There are no financial implications to the staff recommendation. Funding for the Parking Roadmap implementation, to which staff recommends this issue be referred is before Council for consideration and, if approved, has funding in place for the assessment.

COMMUNITY ENGAGEMENT

Consultation and collaboration occurred with five of the Business Improvement Districts (Downtown Halifax, Downtown Dartmouth, Spring Garden Road, North End Halifax, and Quinpool Road) as well as with Waterfront Development Corporation as part of the Parking Roadmap. During the stakeholder discussions, HotSpot Parking was discussed specifically. Three of the Business Improvement Districts (BID's) including Downtown Halifax, Downtown Dartmouth and Spring Garden Road have indicated full support of more convenient payment options for parkers. These three have also indicated a willingness to contribute to the costs of a HotSpot Parking project and to assume the risks associated with any approved pilot implementation.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

The Transportation Standing Committee may recommend to Regional Council that a HotSpot Parking pilot be moved forward separately from the Parking Roadmap implementation. However, neither the Committee nor Regional Council can recommend that the provisions of By-law P-500 be waived or ignored.

Direction may be given to staff to expedite amendments to By-law P-500 by separating them from the current By-Law review.

ATTACHMENTS

There are no attachments.

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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