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Indianapolis Modernizes Parking, Adds Millions.

In partnership with Xerox, Indianapolis created ParkIndy, a pay-by-phone meter system and app that's using predictive analytics to make parking more convenient and boost infrastructure revenue.

Pay-by-phone parking meters are common today. But four years ago, when Indianapolis decided to overhaul its antiquated downtown parking meter system, they were still a new concept.

But with 3,600 parking spaces, low parking turnover, broken meters, and flat rates for the past 30 years, the city was in need of a change.

"To say our old system was antiquated is being generous," said Marc Lotter, communications director for Indianapolis Mayor Greg Ballard. "Parking meter rates had not been increased since the 1980s, and time had not necessarily adjusted to what was going on in the metered areas."

Looking to modernize, Indianapolis formed ParkIndy, a public-private partnership between the city and Xerox, to revamp its coin-operated parking meters in 2010. In doing so, Indianapolis became one of the first cities in the country to install pay-by-phone meters. Since then, the city has collected an additional $2.7 million in parking meter revenue and reinvested it to help make a number of infrastructure improvements – including sidewalk, road and bridge enhancements.

A PHASED APPROACH

Indianapolis' parking meter modernization project was implemented in a phased approach to minimize disruption to the city and to allow motorists and businesses an adequate adjustment period.

"One of the biggest lessons we learned was the value of a phased approach," said Lotter. "We were going through a complete overhaul – from old, barely-functioning, twist-the-knob types of parking meters that only accepted change to a modern, solar-powered, digital system. At the same time, we were instituting the first increase in parking meter rates in many years, and changing the metered hours. There was a real chance for confusion."

To limit potential disorder, the city made gradual changes. First, all 3,600 metered parking spaces were modernized in 2011 using a mix of single-space, credit card-accepting parking meters and pay boxes. The pay boxes allowed motorists to pay by space. In addition, about 50 percent of the meter poles were removed. The rest were used to designate space numbers and act as bike racks.

In September 2011, ParkIndy released an application to enable users to feed any parking meter by phone. Then on January 2, 2012, the city's new rates and hours of operation were rolled out. At that point, the days and hours of operation were extended, as were the time limits during evening hours.

"The phased, well-organized effort mitigated some of the confusion, and gave people a chance to quickly learn the new machines and how to operate them," said Lotter.

Another critical step in the parking meter modernization process involved forming ParkIndy LLC.

Under their agreement with Xerox, ParkIndy LLC shifts financial risk away from the city and bears all expenses and financial risk going forward, saving Indianapolis approximately $3 million annually in operating costs. ParkIndy, not the city, is now responsible for meter collections, counting and deposit, parking enforcement, procurement and installation of new meter technology, and ongoing maintenance and support. The agreement allows the city to maintain flexibility and control in key areas of economic development, public policy, and rate structures, however.

THE DOWNTOWN DRAW

Like many cities, Indianapolis – already recognized as one of the top downtowns in America – has seen a revitalization take place over the last couple of years. But as a number of exciting new restaurants, art galleries, entertainment venues, and craft beverage establishments took root in the heart of the city, potential patrons found parking an obstacle.

"With the old parking system there were times when you could literally pay a quarter to park at 4:00 on a Friday afternoon and not have to move your car again until Monday morning when the meter rates resumed," said Lotter. "So when people were trying go downtown to try a new restaurant, to check out the new mixology bar or to visit a local art shop, they had a hard time finding a place to park. It was turning people away."

But Lotter said extending the metered hours and increasing the parking rates has both encouraged more visitors and improved turn-over. A recent survey by Indianapolis' redevelopment agency found 40 percent of people said it was now easy to find parking downtown. In comparison, a similar survey conducted nationally found only 28 percent of people found it easy to find parking in their respective downtowns.

TECHNOLOGY TO OPTIMIZE OPERATIONS

Data analytics and predictive modeling from Xerox are also playing a part in ParkIndy. Data analytics was used to adjust time limits, increasing the average stay by 69 percent, to 90 minutes. Meanwhile, predictive modeling for enforcement has ensured a 101 percent improvement in the citation capture rate. In total, approximately 80 percent of the improved net revenue from ParkIndy has resulted from Xerox's management and analytics capabilities, including predictive algorithms, to optimize operations. The other 20 percent of the revenue improvement is attributed to rate increases and changes to hours of operation.

"The expertise we had in running the system for so long combined with the data analysis capabilities of the Xerox team provided a very good opportunity for the city to maximize parking revenue," said Lotter. "But ultimately our goal was not just to increase revenue, but to make parking easier and to generate more turn over, which is better for businesses and visitors coming to the city."

Visitors to downtown Indianapolis can now also use the ParkIndy app to locate open meters before they arrive or while en route, which Lotter said reduces congestion and pollution and saves fuel. Sustainability efforts are further enhanced on the maintenance side, as wireless connectivity makes it easier to identify and repair damaged or faulty meters, lowering the carbon footprint of maintenance workers.

ParkIndy has garnered significant recognition for its new system. In October 2013, Mayor Greg Ballard was named Innovator of the Year by the National Parking Association. And Lotter said Indianapolis has been contacted and visited by a large number of cities interested in replicating their system.

"It's solving the city's needs, it's growing our revenue, and it's making it more convenient and attractive to park here," said Lotter. "When you add all those things together, it makes for a very successful program."

PARKINDY BY THE NUMBERS:

- More than 70 percent of meter payments were made by credit card in 2013 – a 10 percent increase from 2012.
- Currently, 14 percent of total meter payments are submitted via pay-by-phone or smartphone app.
- Parking citation capture rates have improved from 25 percent to 60 percent.
- Past due collections improved by 247 percent in just one year.
- Parking meter operability has increased to 99.8 percent (broken meters are fixed in just hours – a 96 percent reduction in the time it took the city to repair broken meters).
- Implementation of a 24/7 customer service line resulted in a 52 percent reduction in customer complaints.

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BY JUSTINE BROWN / JULY 25, 2014