

Request for Committee Action

To: Community Development & Regulatory Services
Date: 4/19/2016
From: Community Planning & Economic Development
Prepared by: Grant Wilson
Presented by: Grant Wilson
File type: Ordinance
Subcategory: Code Amendment

Subject:

Parking Lots Forms of Payment Ordinance (15-00450)

Description:

Amending Title 13, Chapter 319 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations, Open Air Motor Vehicle Parking Lots, amending provisions related to forms of payment.

Previous Actions:

This item was referred to the Minneapolis City Council on March 18, 2016.

Ward/Neighborhood/Address:

All Wards

Background/Analysis:

The City of Minneapolis currently has 118 Class A commercial open air parking lots. The vast majority of these require customers to pay their parking fee upon entering the lot by means of an electronic payment station which accepts credit cards, by a smart phone application, or by an honor box system which accepts cash. These lots do not have staff on site during these transactions. The parking lots using solely an honor box/cash system do not provide patrons a receipt verifying proof a payment. In the event a parking lot operator determines a particular vehicle on their property has not paid the parking fee, a private towing impoundment company can be called and the vehicle removed. If the vehicle owner wants to make a case that they paid the parking fee via the honor box, there is no one available to call or to recheck the honor box to see if a mistake had been made. The only remedy to get their car back is to hire a taxicab to transport them to the private impound facility and pay an average of \$250.00 to get their car released. Staff estimates that approximately 25% of the city's commercial parking lots utilize an unattended honor box payment system.

There is no debate that parking lot operators, and other private property owners, need a remedy to remove vehicles that have not paid the required fee nor have permission to park. Private towing contractors impound an average of 761 vehicles each month at the request of private property owners. 63 vehicles per month are towed from downtown Minneapolis unattended parking lots that use honor box systems.

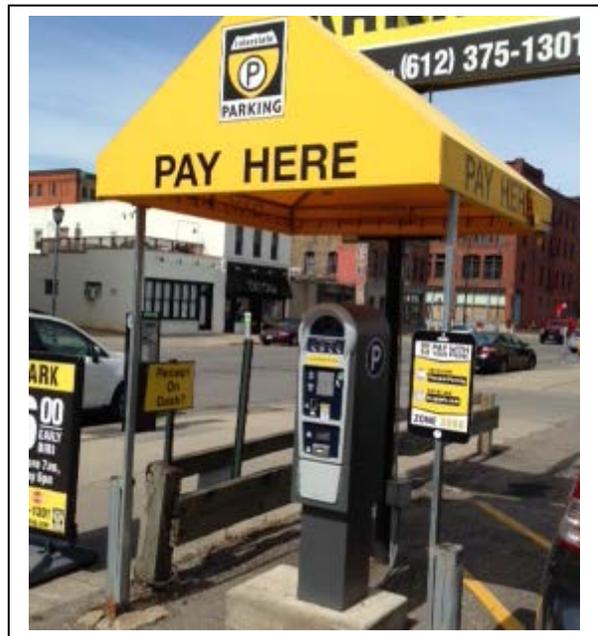
The ordinance proposed today requires all unattended commercial parking lots provide an electronic method of payment which issues a receipt, and, if an honor box/cash payment system is utilized, unpaid vehicles may not be towed unless they have been documented for having two nonpayment occurrences within the past six months. The expected cost to install an automated pay station varies by vendor and site conditions but can range from \$12,000 to \$15,000 per machine. Alternatively, parking lot operators may chose a low cost pay by phone system similar

to the [MPLSPARKING Mobile App](#) used by the City of Minneapolis for parking meters. This amendment does not affect parking ramps, open air commercial parking lots with attendants on duty, or parking lots that restrict entry via a security gate or access card.

The Department of Licenses and Consumer Services sent a draft ordinance proposal to all currently licensed commercial parking lot operators on February 7, 2016. Staff received several suggestions and comments on the proposal. A revised draft ordinance was prepared and sent to all commercial parking lot operators on March 7, 2016. Very few comments were received on the second proposal. The public hearing notice and ordinance amendment were sent to all commercial parking lot operators, licensed private impound towing companies, neighborhood organizations, and Minneapolis business associations and placed on the Business Licenses' website on April 6, 2016.



Current Honor System Pay Box



New Electronic Payment Box

Financial Review:

No Financial Impact.

Attachments:

1. Chapter 319 Amendment. doc