

**MINUTES
SPECIAL WORKSHOP
DESTIN CITY COUNCIL
FEBRUARY 4, 2019
ANNEX COUNCIL CHAMBERS
5:00 PM**

The Council of the City of Destin met in special session with the following members and staff present:

Destin City Council

Mayor Gary Jarvis

Councilmember Chatham Morgan

Councilmember Cyron Marler

Councilmember Parker Destin

Councilmember Steven Menchel

Councilmember Skip Overdier

Councilmember Rodney Braden

Destin City Staff

City Manager Lance Johnson

Public Information Manager Catherine Card

Interim Public Works Director Tim Pietenpol

Community Development Director Louis Zunguze

Code Compliance Manager Joey Forgione

Land Use Attorney Kimberly Kopp

City Clerk Rey Bailey

IT Manager Webb Warren

Finance Director Bragg Farmer

Parks & Recreation Director Lisa Firth

City Attorney Kyle Bauman

CALL TO ORDER

Mayor Gary Jarvis called the meeting to order at 5:00 PM, on Monday, February 4, 2019, in the City Hall Annex Council Chambers.

WORKSHOP

1. Policy Direction for Existing City-Owned Paid Parking Lots
2. Clearing and Improvements for the 108 Sibert Avenue Parcel (Next to Zerbe Street Parking Lot)

The City Manager stated there are two fundamental questions they need to address tonight:

1. *Does the Council want to continue with paid parking?*
2. *Does the Council want to incorporate 108 Sibert Avenue into their surface parking area to increase surface parking?*

He continued that if the Council wishes to proceed with paid parking, they would need to decide how to structure their rates and collect the funds; and that staff has some recommendations with regards to the process.

The City Manager also stated that if Council decides to incorporate 108 Sibert Avenue into the surface parking area, he would need the Council's direction regarding clearing, grading, and preparing it for paid parking as they do not have the money budgeted for it at this time.

Councilmember Destin stated that he would like to continue with paid parking, and that he would also like to hear staff's recommendations on rate structure and fee collection. He also supports clearing, grading and preparing the 108 Sibert Avenue parcel for paid parking.

Councilmember Braden stated that he supports going forward with paid parking, as he feels it is necessary for maintenance and upkeep of their parking lots; and possibly for building parking garages in the future.

The Mayor inquired as to the amount of revenue they received in 2018 from the paid parking lots.

The IT Manager Webb Warren provided the following information:

- There were a total of 15,301 qualified transactions – the number of people who paid to park
- Transaction average - \$2.59 (approximately 4-hour stay)
- Collected \$39,688 parking fee revenue
- \$10,836 in net parking fines (tickets)

Councilmember Morgan asked if all parking fines have been collected.

Mr. Warren replied \$10,836 has been collected and there are still outstanding parking fines being pursued by Passport Parking, Inc.

Councilmember Morgan wants to know what percentage of the \$39,688 parking fee revenue collected was from employee-subsidized parking.

Finance Director Bragg Farmer replied that approximately 50 percent of it was from employee-subsidized parking.

Councilmember Morgan contends that if half of the parking fee revenue was from employee-subsidized parking, and they factor in the 50% discount, about 60 to 70 percent of the lots were utilized by the employees; which then supports his argument that these lots subsidize the businesses more so than providing parking for the tourists.

Councilmember Morgan asked about the fee structure for employee-subsidized parking.

Mr. Warren presented the following data:

Area Parking Rates

	Destin	Pensacola	Panama City Beach
Rate	\$1 first hour, \$.50 each additional hour	\$1 every 2 hours	\$5 Daily Rate
24 Hour Rate	\$12.50/6.25	\$12	\$5 Daily Rate
Discount Rate	\$.50 first hour, \$.25 each additional hour	\$250 Annual Pass	\$30 Monthly Pass

Councilmember Marler asked how much money they paid Passport Parking, Inc. for managing paid parking. He also wants to know if the \$39,688 they collected was the total profit.

According to Mr. Farmer, the City pays Passport Parking Inc. approximately 30 percent of gross revenue, which includes credit card fees; and that the \$39,688 figure was gross receipt.

Councilmember Destin stated they need to know how much time Code Compliance Department spent enforcing the parking regulation to determine if they have an operating profit or if they operated at a loss.

According to Mr. Warren, they averaged about 6 hours a day monitoring and writing parking tickets during peak season. He added this is a management intensive program and staff's objective is to come up with smarter and more efficient way to run it.

The City Manager stated they have done some investigating on the different types of systems currently available in the market. They believe the best system for the types of lots they currently have is one that includes entrance and exit arms. However, they neither have the time before the start of the season nor the funds available, which is approximately \$60,000 to \$80,000 per lot, to implement this type of system. He recommends the continued use of the current app-based system for the remainder of Fiscal Year 2019, with one change. Instead of the hourly rate, they collect a flat fee of \$5.00 per 24-hour parking, with no discount. This will take away the two to three hours of administrative work from staff.

The City Manager also proposed the following schedules:

- February-March 2019 time frame – staff begins clearing the new lot on 108 Sibert Avenue. It would be graded, graveled and sodded.
- April-May timeframe - staff orders and installs the blocks needed to use the current system.
- May-June 2019 time frame – budget for the installation of the gate system to be implemented in Fiscal Year 2020
- August-September time frame – obtain Council's approval of the budget for the installation of the gate system
- March-April 2020 time frame – full implementation of the gate

The City Manager also recommends charging for parking only between Memorial Day and Halloween, and during special events.

Councilmember Marler asked how much of the \$5.00 flat fee would go as payment to Passport Parking, Inc.

The City Manager replied approximately 30 percent of the gross revenue will be paid to the company.

Councilmember Marler asked about the feasibility of having a kiosk and an attendant to collect parking fees and completely eliminating Passport Parking, Inc.

According to the City Manager, they have not calculated the payment for an attendant since the paid parking is for 24-hours, 7 days a week proposition; however, they could make that calculation if necessary.

Councilmember Destin noted that the proposed automatic arm system, similar to what is used in most airports, would eliminate the need for an attendant.

Councilmember Overdier stated that the revenue they receive for paid parking could be used to pay for the arm system.

According to the City Manager, the revenue would initially be used to pay for the necessary expenses; and then as some point to expand or build additional parking.

Councilmember Destin suggests they stay the course for 2019; and to figure out a way to grade 108 Sibert Avenue parcel making it contiguous and uniformed rather than utilizing the arms system on two different lots. He also stated he would offer a motion to that effect during the regular Council meeting which follows this workshop session.

Councilmember Braden asked how they came up with the \$60,000 to \$80,000 per lot estimate for the automatic arms system.

According to Mr. Warren, they obtained that quote from one of the larger providers; adding they should get a true number when they put out the Request for Proposal (RFP).

The Mayor noted there is a clear consensus that Council wants to continue with paid parking develop the 108 Sibert Avenue parcel for paid parking.

At this time, the Mayor announced he would allow public comments on this issue.

Mr. Claude Perry, a Destin resident, noted that since the net benefit of paid parking for the City last year was basically zero, he would suggest they not implement paid parking until they build up a demand for it so they can have a system that is productive for the City.

Mr. Greg Featherston, a Destin resident, noted that the Council made an offer to the harbor businesses last year of paying half of the paid parking rate; and that his business paid approximately \$11,000 into that program. He asked if the Council would consider a reduced rate for harbor businesses again this year.

Having no other public comments, the Mayor turned the matter over to the City Council for further discussion.

Councilmember Menchel asked if there is a special app available to collect the reduced rate to prevent increasing staff's administrative duties.

According to Mr. Warren, they are unaware of any more efficient system based on the current structure; however, some of the different companies may be able to provide that information during the RFP process.

The Mayor commented that efficiency and profit are at the forefront of this discussion. They need to find the most economically feasible and productive system. He also stated that the idea of developing a demand for paid parking is quite evident; but, the problem is they currently have a very inefficient system.

Councilmember Destin stated that the new administration and the new Code Compliance Manager should come up with a more efficient way to deploy the resources with regards to issuing fines, monitoring the parking lots, and reducing the administrative costs for staff.

Mr. Farmer suggests having the employers reimburse their employees for parking rather than pre-paying the City for parking and City staff monitoring payments and notifying the employers when the money runs out.

Councilmember Morgan stated he would support the flat rate parking fee and everything they discussed tonight, excluding the discount for business employee parking. He noted that 98 percent of Destin businesses provide parking for their employees on their own property; and that the shortage in parking was the result of irresponsible planning on the part of some of the harbor businesses that opened their business with not nearly enough parking spots for their customers much less their employees.

Councilmember Marler stated they have people still parking on the City's rights-of-way after the parking lot is full. He asked if they could legally charge for parking in the rights-of-way or have Code Compliance officers issue parking tickets.

Mr. Farmer stated that if they specifically delineate parking they could ultimately charge for parking on the rights-of-way.

Councilmember Marler suggests they consider asphalt for the parking lots to make them more efficient and putting sensors in the ground at the parking spaces for when they implement the automatic arm system.

Ms. Marcie Bell, a Destin resident, stated that Aspen, Colorado has a good example of the parking system that Council discussed tonight. When she worked there, her employer built the parking garage and paid for her parking fees. She stated that the burden for parking should be put on to the employers along the harbor.

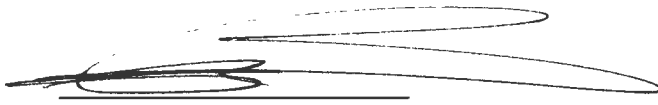
The City Manager noted they have finally completed the graveling of the lot located next to the cemetery at the very end of this past season; and that the property is almost identical in size to the 108 Sibert Avenue lot. He continued it would cost approximately \$80,000 to put gravel on this lot. He suggests they proceed with gravel for Fiscal Year 2019 and then consider paving for Fiscal Year 2020.

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 5:40 PM.


Gary Jarvis, Mayor

ATTEST:


Rey Bailey, City Clerk