Council Direction: N/A

Information:

Councillor Lloyd Ferguson asked staff to prepare an information report for the Economic Development and Planning Committee with respect to the payment options for parking at the City Hall lot. Councillor Ferguson specifically asked for an assessment of the business case to accept credit card payments based on City Council’s recent decision to raise the on-street parking meter rates across the City.

Staff piloted the credit card payment option at City Hall several years ago. However, at the time of equipment replacement, around the year 2000, the credit card option was discontinued because there was no demand for it.

Credit cards have, for many years, been accepted in the two Downtown municipal parking structures (York Parkade and Convention Centre Parking Garage). There is a positive business case at these locations because take up on the credit card option is somewhat higher, presumably because the rates charged are higher than those on the street and in surface lots, and where, at least in the case of the Convention Centre Garage, parking demands are predominantly entertainment and convention clients.

Staff has re-assessed the credit card payment option for the City Hall parking lot and again concludes that there is no positive business case for the following reasons:
- although street meters were increased to $1.00 per hour earlier this year, Hamilton's parking rates are still relatively low, and in fact, the parking rates at City Hall are less than other lots in the area. Experience shows there is generally a very low demand to pay by credit card when charges are minimal,

- costing:

  - the capital cost to replace the five machines at City Hall with those that accept credit cards would be in the order of $80,000, as well as new software for the operating system which could cost several thousand dollars,

  - on the operating side, there would be a $0.75 charge for each credit card transaction, as well as a charge for each transaction equal to 1.8% of the value of the transaction. Also, there would be monthly service charges for air time for each machine,

  - most Cities implement credit card payment technology system-wide, rather than on an ad-hoc basis, such that parkers know that payment option is available and can pay to park by credit card on a regular basis and come to rely on it as part of their parking routine.

In conclusion, experience shows that there is a relatively low demand to pay for parking by credit card in Hamilton with any regularity or consistency, and staff conclude that there is no positive business case to justify accepting credit card payments at the City Hall parking lot. Council could, however, direct staff to implement the credit card payment option as a customer service, understanding that there would be additional costs with little financial gain.

Staff is continually monitoring and evaluating new service plans and technology, with the intention of improving customer service while being sensitive to financial implications. Staff will continue to monitor the need for credit card payments at City Hall and all other Municipal Car Parks.

MH/dt