Special City Commission Meeting
Downtown Parking Program Agenda
2 Park Drive South, Great Falls, MT
Commission Chambers, Civic Center
December 01, 2025
4:00 PM

The agenda packet material is available on the City's website: **https://greatfallsmt.net/meetings**. The Public may view and listen to the meeting on government access channel City-190, cable channel 190; or online at **https://greatfallsmt.net/livestream**.

Public participation is welcome in the following ways:

- Attend in person.
- Provide public comments in writing by 12:00 PM the day of the meeting: Mail to City Clerk, PO Box 5021, Great Falls, MT 59403, or via email to: **commission@greatfallsmt.net**. Include the agenda item or agenda item number in the subject line, and include the name of the commenter and either an address or whether the commenter is a city resident. Written communication received by that time will be shared with the City Commission and appropriate City staff for consideration during the agenda item and before final vote on the matter; and, will be so noted in the official record of the meeting.

Meeting Decorum Statement

1. Members of the public shall address their comments to the presiding officer and the Commission as a body and not to any individual member of the Commission or City staff.
2. Speakers shall keep their comments germane to the subject item on the agenda or, during petitions and communications, matters of significant public interest which are within the jurisdiction of the Commission.
3. Be respectful and do not engage in disorderly or boisterous conduct, including but not limited to applause, booing, or making any remarks that are, threatening, profane, abusive, personal, or slanderous that disturbs, disrupts, or otherwise impedes the orderly conduct of our meeting.
4. Signs, placards, banners, or other similar items shall not be permitted in the audience during our City Commission meeting.
5. Remain seated, unless addressing the body at the podium or entering or leaving the meeting. Private or informal conversations may occur outside of the Chambers. Obey any lawful order of the Presiding Officer to enforce the Rules of Decorum.

A complete copy of Rule 10 pertaining to the public participation is available on the table in the Commission Chambers and is included with the Meeting posting on the City's Website.

CALL TO ORDER

ROLL CALL / STAFF INTRODUCTIONS

AGENDA APPROVAL

CONFLICT DISCLOSURE / EX PARTE COMMUNICATIONS

PETITIONS AND COMMUNICATIONS

(Public comment on any matter that is not on the agenda of the meeting and that is within the jurisdiction of the City Commission. Please keep your remarks to a maximum of 3 minutes. When at the podium, state your name and either your address or whether you are a city resident for the record.)

1. Miscellaneous reports and announcements.

NEW BUSINESS

2. Downtown Parking Program Discussion - Presented by Brock Cherry.
   Action: Provide policy direction on the Downtown Parking Program, including whether to pursue fee and fine increases, consider program policy modifications, terminate the SP+ contract, and authorize free downtown holiday parking for December 2025.

CITY COMMISSION

ADJOURNMENT

(Please exit the chambers as quickly as possible. Chamber doors will be closed 5 minutes after adjournment of the meeting.)

Assistive listening devices are available for the hard of hearing, please arrive a few minutes early for set up, or contact the City Clerk's Office in advance at 455-8451. Wi-Fi is available during the meetings for viewing of the online meeting documents.

Commission Meeting Date: December 1st, 2025

CITY OF GREAT FALLS
COMMISSION AGENDA REPORT

Item:	Downtown Parking Program Discussion
From:	Brock Cherry, Planning & Community Development Director
Presented By:	Brock Cherry, Planning & Community Development Director
Action Requested:	Provide policy direction on the Downtown Parking Program, including whether to pursue fee and fine increases, consider program policy modifications, terminate the SP+ contract, and authorize free downtown holiday parking for December 2025.

Suggested Motion:
If Considering Option #1

1. Commissioner moves:

   "I move that the City Commission direct City Staff to prepare Rates, Fees, & Penalties increases associated with *Option (1A, 1B, or 1C*) regarding the Downtown Parking Program as presented."

2. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

3. Commissioner moves:

   "I move that the City Commission direct City Staff to prepare changes and amendments to the Downtown Parking Program:
   - To eliminate Courtesy Tickets
   - Maintain current booting requirements and fees, but eliminate the mailing notification requirement; and
   - Sunset the 15-minute Courtesy Parking Program

4. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

5. Commissioner moves:

"I move that the City Commission allow free Downtown Holiday Parking beginning December 15th and ending December 28th, 2025."

6. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

If Considering Option #2

1. Commissioner moves:

"I move that the City Commission direct City Staff to prepare Rates, Fees, & Penalties increases associated with *Option (2A, 2B, or 2C*) regarding the Downtown Parking Program as presented."

2. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

3. Commissioner moves:

   "I move that the City Commission authorize Staff to issue a formal termination notice to SP+ on December 2, 2025. This will initiate the required 60-day notice period, with the contract officially ending January 31, 2026.

4. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

5. Commissioner moves:

   "I move that the City Commission direct City Staff to prepare changes and amendments to the Downtown Parking Program:
   - To eliminate Courtesy Tickets
   - Maintain current booting requirements and fees, but eliminate the mailing notification requirement; and
   - Sunset the 15-minute Courtesy Parking Program

6. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

7. Commissioner moves:

"I move that the City Commission allow free Downtown Holiday Parking beginning December 15th and ending December 28th, 2025."

8. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

If Considering Option #3

1. Commissioner moves:

"I move that the City Commission authorize Staff to issue a formal termination notice to SP+ on December 2, 2025. This will initiate the required 60-day notice period, with the contract officially ending January 31, 2026.

2. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

3. Commissioner moves:

"I move that the City Commission allow free Downtown Holiday Parking beginning December 15th and ending December 28th, 2025."

4. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

Issue Summary:
The Downtown Parking Program has a monthly recurring deficit of $15,000 to $20,000. By the end of January 2026, the total shortfall is expected to surpass $100,000, and no sustainable funding source has been identified to address it. Staff recognizes, supports, and fully anticipates that downtown businesses, visitors, and community residents will have a significant voice in any long-term changes to the parking system. Engagement is already in progress. Staff have begun conversations and will continue to seek input throughout this process.

Because of this, structural and policy changes must begin now to prevent the deficit from growing further. The current shortfall will require the Downtown Parking Program to be reconciled with an undetermined funding source and include repayment, so each month of delay increases the amount that must eventually be repaid. Once the immediate financial crisis is under control and the program stabilizes, the City will expand and strengthen public involvement so that downtown businesses and the wider community can help shape the long-term future of the Downtown Parking Program.

Background:
The City's Downtown Parking Program has operated for decades with limited resources, aging infrastructure, and a reactive management approach. Under its current structure, the program has not generated enough revenue to fund routine operations, enforcement, or maintenance. It has remained functional in recent years through one-time support from the Downtown Urban Renewal District and CARES Act funds.

City staff anticipated the worsening financial picture and initially viewed Downtown TIF as the only viable temporary bridge to sustain operations for a limited period, likely one to two years, while revenue improvements and structural changes were implemented. In coordination with the Parking Advisory Commission, staff sought to strengthen revenues and stabilize the system, as outlined in the attached Ideal Parking Program Memo. However, after consultation with the City's TIF legal counsel, Dorsey and Whitney, it was confirmed that TIF dollars cannot be used to subsidize operational personnel costs such as enforcement, cashiering, or facilities management. This removed the primary mechanism staff expected to use to temporarily cover the deficit while long-term improvements were made.

This is why immediate consideration and action on the Downtown Parking Program is necessary. Planning & Community Development Staff, in coordination with the City Manager's Office and the Finance Department, thus provide the following options and recommendations:

Options & Recommendations:
Staff understands that downtown businesses, property owners, and members of the public may be concerned that recommendations are being presented before a more extensive engagement process is completed. Under typical circumstances, staff would take more time to gather broad community input before bringing forward changes of this scale. The Downtown Parking Fund's financial condition does not allow for that timeline. The fund is experiencing significant monthly losses, and each month of inaction adds another $15,000 to $20,000 to the deficit. If the City does not take immediate steps to stop the losses, the shortfall will continue to grow. It will eventually require support from the General Fund to cover the accumulated debt.

Because of this reality, each option presented includes immediate actions that must occur to stop the losses and stabilize the program. Once the fund is no longer in crisis, staff will expand public engagement and work closely with the Parking Advisory Board, downtown businesses, property owners, and the broader community to shape the long-term direction of the parking system.

Staff have evaluated the program's financial condition, the legal limitations on its funding, and the operational challenges identified over the past year. Three clear pathways are available:

Option #1: This option temporarily retains SP+ on a month-to-month basis and stabilizes the program by implementing targeted rate, fine, and penalty adjustments. It halts ongoing monthly losses while preserving the current operating structure and level of service. This approach also provides time to develop broader policy solutions without disrupting existing service delivery.

Option #2: This option terminates the SP+ contract and transitions parking system management to the City under a one-year pilot program. By eliminating the program's largest cost driver, it may accelerate modernization efforts. However, this approach requires the City to rapidly build staffing and operational capacity, which it currently lacks. As a result, a decline in the existing level of service is anticipated during the transition.

Option #3: This option terminates the SP+ contract and suspends most enforcement and operations while a long-term strategy is developed. It offers maximum flexibility for planning and stakeholder engagement but introduces significant uncertainty and the highest short-term operational and financial risks. During this period, the existing level of service would be effectively eliminated, and businesses would no longer be able to rely on regular parking turnover. Staff also anticipate an increase in nuisance activity, as vehicles may remain parked indefinitely in certain areas. Enforcement responsibilities would shift to the Police Department, whose current capacity to manage these issues is limited.

These options represent the immediate steps required to prevent the Downtown Parking Program from further financial deterioration, while allowing the City to rebuild the system through deliberate engagement once the crisis is stabilized. Staff requests Commission direction on which policy direction to pursue based on the options discussed:

Option #1 – Targeted Financial Corrections to Stabilize the Program: Keeps SP+ in place and focuses on stopping the program's ongoing financial losses by adjusting rates, fines, and penalties. Because the program is losing money every month, action must occur immediately, leaving little time for extensive engagement before implementing initial corrections. Once stabilization is achieved, the City will expand public involvement to guide long-term policy decisions. Depending on the sub-option selected, the program can slow or eliminate the monthly deficit and, in the strongest scenario, begin paying down the existing shortfall. Each sub-option adjusts the curb rate and fine structure differently, ranging from moderate to aggressive increases:

1. **Adjust Downtown Parking Rates, Fees, and Penalties:**

    a. **Option #1A – Higher Rate Increase with Significant Fine Adjustments**
        i. Increase on-street curb parking rate from $1.00 to $1.50
        ii. Eliminate Courtesy Ticket – First-Time Violation to $10.00
        iii. Increase second-time violation fines from $5.00 to $20.00
        iv. Increase third-time violation fines from $10.00 to $40.00
        v. Increase fourth-and-subsequent violation fines from $20.00 to $75.00

vi. Increase improper parking fines from $20.00 to $50.00
vii. Increase meter bagging fees to $10.00 per day
viii. Increase pedlet fees to $500.00 per space per season

This sub-option increases the curb rate to $1.50 and introduces significant fine adjustments for repeat and improper parking violations. It is expected to generate the highest revenue of the three options. This makes it the most viable path to eliminate the monthly deficit, begin repaying the existing shortfall, and establish a funding structure that supports parking facility and equipment needs without relying solely on the Downtown TIF subsidy.

b. **Option #1B – Higher Rate Increase with Moderate Fine Adjustments**
   i. Increase on-street curb parking rate from $1.00 to $1.50
   ii. Eliminate Courtesy Ticket – First-Time Violation to $10.00
   iii. Increase second-time violation fines from $5.00 to $15.00
   iv. Increase third-time violation fines from $10.00 to $30.00
   v. Increase fourth-and-subsequent violation fines from $20.00 to $40.00
   vi. Increase improper parking fines from $20.00 to $30.00
   vii. Increase meter bagging fees to $10.00 per day
   viii. Increase pedlet fees to $500.00 per space per season

This sub-option raises the curb rate to $1.25 and applies moderate fine adjustments. It places more of the financial impact on everyday users than on violators. It helps stabilize ongoing operations but is unlikely to generate enough revenue to reduce the accumulated deficit.

c. **Option #1C – Lower Rate Increase with Significant Fine Adjustments**
   i. Increase on-street curb parking rate from $1.00 to $1.25
   ii. Eliminate Courtesy Ticket – First-Time Violation to $10.00
   iii. Increase second-time violation fines from $5.00 to $20.00
   iv. Increase third-time violation fines from $10.00 to $40.00
   v. Increase fourth-and-subsequent violation fines from $20.00 to $75.00
   vi. Increase improper parking fines from $20.00 to $50.00
   vii. Increase meter bagging fees to $10.00 per day
   viii. Increase pedlet fees to $500.00 per space per season

This sub-option raises the curb rate to $1.25 and includes the same significant fine adjustments used in Option 1A. Most added revenue comes from enforcement rather than rates. It may slow or stop the monthly deficit depending on performance, but it is less likely than Option 1A to generate enough revenue to begin paying down the existing shortfall.

2. **Amend the following Downtown Parking Policies & Programs:**
   a. Eliminate Courtesy Tickets
   b. Maintain current booting requirements and fees but eliminate the mailing notification requirement provided by City Code.
   c. Eliminate the 15-minute courtesy parking program

3. **Consider the sale or divestment of Downtown parking facilities to address the existing deficit and eliminate long-term deferred maintenance obligations:**
   This topic would be discussed under the item Maintain the Current Level of Service While Long-Term Policy Is Developed. Staff would identify underperforming or financially challenging facilities and evaluate potential divestment opportunities, including the possibility of issuing an RFP for the redevelopment of selected properties. Divesting or redeveloping these sites could both help pay down the existing deficit and create new taxable value Downtown, positioning the properties for higher and better uses that support long-term community and economic goals.

4. **Begin Public Engagement regarding long-term Parking Policy & Strategy:**
   Staff will hold listening sessions and outreach efforts with downtown businesses, property owners, and visitors to help shape long-term policies and administer an online survey to gather community feedback on parking use and priorities.

5. **Maintain the Current Level of Service While Long-Term Policy Is Developed:**
   The SP+ month-to-month contract can continue in its current form while the City works through the long-range policy direction for the Downtown Parking Program. This includes determining an appropriate end date for SP+ and beginning broader conversations about future operations, including whether to issue a new RFP. This approach preserves the current level of service for downtown businesses and visitors, providing continuity and predictability while staff complete the larger engagement, financial analysis, and strategy development needed to chart the program's long-term path.

Fiscal Impact Summary: See Attachment "Option 1A/ 2A Projected Financial Impact Summary."

Option #1 Pros & Cons

Pros

- Immediately reduces the monthly deficit by increasing revenue, stopping financial hemorrhaging, while also providing a means to begin paying back the existing deficit and maintenance.
- Provides a path to begin paying back the existing shortfall once higher revenues stabilize operations.
- Allows additional time for analysis, planning, and public engagement before more significant structural change.
- Maintains continuity of operations and avoids the disruption that an immediate SP+ termination would create, which is essential for both downtown businesses that rely on predictable customer access and for visitors who expect a consistent parking experience.
- Allows City staff to spend time facilitating public conversations, engaging stakeholders, and evaluating best practices for the long-term direction of the program instead of being forced into day-to-day parking operations that no current staff member has experience managing.

Cons

- Implements necessary updates to parking charges and enforcement practices prior to broader community engagement, which may be viewed negatively by businesses and users still awaiting the opportunity to participate in the long-term policy process.
- Leaves the City exposed to further financial deterioration if revenues fall short or costs increase.

Option #1 Timeline:

0–3 Months

- Adopt rate, fee, fine, and penalty adjustments
    - First Reading on:
    - Public Hearing on:
- Implement code changes needed for improved enforcement
    - First Reading on:
    - Public Hearing on:
- Update signage, meters, and Passport configurations
- Monitor revenue trends and early deficit reduction
- Provide initial communication to downtown businesses
- Begin coordination with businesses and stakeholders on future policy direction

3–6 Months

- Begin internal evaluation of whether the City should operate the program directly or prepare a draft RFP for future operations
- Financial trends begin to stabilize as new revenue levels take effect
- Begin structured public engagement to inform long-term strategy
- Gather operational and financial data to assess needed structural reforms

6–12 Months

- Develop a long-term parking strategy informed by engagement
- Evaluate whether to cancel SP+ or continue SP+ temporarily until responses to a new RFP are received
- If revenue trends are strong, begin paying down the existing deficit
- Prepare long-term recommendations for Commission consideration

Option #2 – City-Run Pilot Program with Immediate Program Overhaul: Ends the SP+ contract and transitions all parking operations to the City under a one-year pilot program. This option eliminates the largest cost driver of the monthly deficit, the SP+ Contract, and would require acceleration of modernization efforts, including kiosk deployment and automated gate systems. The rapid transition limits upfront engagement and requires staffing and operational capacity that the organization does not currently possess. Engagement will increase once operations stabilize and long-term policy choices emerge.

1. **Immediately Terminate SP+ Month-to-Month Contract:**
   Authorize staff to issue a formal termination notice to SP+ on December 2, 2025. This will initiate the required 60-day notice period, ending January 31, 2026, aligning with month-end accounting and payroll cycles.

2. **Strategically Remove and Replace Coin Meters and replace with Kiosk Systems:**
   Direct staff to analyze the strategic removal of all coin meters and authorize the installation of new kiosk systems or other automated systems as their replacements.

3. **Adjust Downtown Parking Rates, Fees, and Penalties:**

   a. **Option #2A – Higher Rate Increase with Significant Fine Adjustments**

      i. Increase on-street curb parking rate from $1.00 to $1.50
      ii. Eliminate Courtesy Ticket – First-Time Violation to $10.00
      iii. Increase second-time violation fines from $5.00 to $20.00
      iv. Increase third-time violation fines from $10.00 to $40.00
      v. Increase fourth-and-subsequent violation fines from $20.00 to $75.00
      vi. Increase improper parking fines from $20.00 to $50.00
      vii. Increase meter bagging fees to $10.00 per day
      viii. Increase pedlet fees to $500.00 per space per season

   This sub-option increases the curb rate to $1.50 and introduces significant fine adjustments for repeat and improper parking violations. It is expected to generate the highest revenue of the three options. This makes it the most viable path to eliminate the monthly deficit, begin repaying the existing shortfall, and establish a funding structure that supports parking facility and equipment needs without relying solely on the Downtown TIF subsidy.

   b. **Option #2B – Higher Rate Increase with Moderate Fine Adjustments**

      ix. Increase on-street curb parking rate from $1.00 to $1.50
      x. Eliminate Courtesy Ticket – First-Time Violation to $10.00
      xi. Increase second-time violation fines from $5.00 to $15.00
      xii. Increase third-time violation fines from $10.00 to $30.00
      xiii. Increase fourth-and-subsequent violation fines from $20.00 to $40.00
      xiv. Increase improper parking fines from $20.00 to $30.00
      xv. Increase meter bagging fees to $10.00 per day
      xvi. Increase pedlet fees to $500.00 per space per season

   This sub-option raises the curb rate to $1.25 and applies moderate fine adjustments. It places more of the financial impact on everyday users than on violators. It helps stabilize ongoing operations but is unlikely to generate enough revenue to reduce the accumulated deficit.

   c. **Option #2C – Lower Rate Increase with Moderate Fine Adjustments**

      i. Increase on-street curb parking rate from $1.00 to $1.25
      ii. Eliminate Courtesy Ticket – First-Time Violation to $10.00
      iii. Increase second-time violation fines from $5.00 to $20.00
      iv. Increase third-time violation fines from $10.00 to $40.00
      v. Increase fourth-and-subsequent violation fines from $20.00 to $75.00
      vi. Increase improper parking fines from $20.00 to $50.00
      vii. Increase meter bagging fees to $10.00 per day
      viii. Increase pedlet fees to $500.00 per space per season

   This sub-option raises the curb rate to $1.25 and includes the same significant fine adjustments used in Option 2A. Most added revenue comes from enforcement rather than rates. It may slow or stop the monthly deficit depending on performance, but it is less likely than Option 2A to generate enough revenue to begin paying down the existing shortfall.

4. **Amend the following Downtown Parking Policies & Programs:**
   a. Eliminate Courtesy Tickets
   b. Maintain current booting requirements and fees but eliminate the mailing notification requirement.
   c. Eliminate the 15-minute courtesy parking program

5. **Begin Public Engagement regarding long-term Parking Policy & Strategy:**
   Staff will hold listening sessions and outreach efforts with downtown businesses, property owners, and visitors to help shape long-term policies, and administer an online survey to gather community feedback on parking use and priorities.

6. **Consider the sale or divestment of Downtown parking facilities to address the existing deficit and eliminate long-term deferred maintenance obligations:**
   This topic would be discussed under the Pilot Program. Staff would identify underperforming or financially challenging facilities and evaluate potential divestment opportunities, including the possibility of issuing an RFP for the redevelopment of selected properties. Divesting or redeveloping these sites could both help pay down the existing deficit and create new taxable value Downtown, positioning the properties for higher and better uses that support long-term community and economic goals.

7. **Implement a 12-Month Downtown Parking Pilot Program:** The pilot program will run from February 1, 2026, to January 31, 2027. During this period, the Downtown Parking Program will be overseen directly by City staff as a self-sustaining pilot operating like an enterprise fund, to avoid any subsidy from the General Fund. Quarterly updates will be delivered to the City Commission, summarizing program performance, revenues, and expenses. At the end of the 12-month phase, the City Commission will review the results and decide whether to continue or modify the Downtown Parking Program. Between December and March, staff will concentrate on initial implementation tasks, including managing operations with limited personnel by hiring or contracting part-time or full-time employees. Research and acquire new automated gate systems for the parking garages and temporarily reduce the parking enforcement area to align with available staffing and resources.

Fiscal Impact Summary:
See Attachment "Option 1B / 2B Projected Financial Impact Summary"

Option #2 Pros & Cons

Pros

- Immediately eliminates the SP+ labor costs that drive most of the $15,000 to $20,000 monthly deficit, directly addressing the structural source of the financial crisis.
- Enables a complete reset of the parking program and its financial structure.
- Potentially accelerates modernization efforts, including kiosk systems, updated payment technology, and automated gates, which reduces long-term staffing needs.

Cons

- Immediately places all parking operations, enforcement responsibilities, and customer service demands on City staff at a time when execution details, staffing requirements, and long-term costs are still unknown, and no current staff member has ever managed an in-house parking operation.
- Requires a rapid operational transition, including recruiting or contracting staff and reorganizing enforcement duties in a short timeframe.
- Likely results in a temporary reduction in service levels until new equipment is installed and staffing stabilizes.
- Creates potential for temporary confusion among businesses and visitors as responsibilities shift from SP+ to the City during the transition period.
- Adds administrative burden to City Departments (PCD & Finance) that are already managing heavy workloads.
- Facilitating long-term parking strategy while simultaneously taking on day-to-day parking operations, which no one in Planning and Community Development has previously done, will be challenging.

Option #2 Timeline:

0–3 Months

- Issue formal termination notice to SP+ on December 2nd.
- Adopt rate, fee, fine, and penalty adjustments
    - First Reading on:
    - Public Hearing on:
- Implement code changes needed for improved enforcement
    - First Reading on:
    - Public Hearing on:
- Begin emergency transition planning for City-run operations
- Recruit or contract temporary staffing to handle basic parking functions
- Initiate procurement for kiosk systems and automated gate equipment
- Provide initial communication to downtown businesses and permit holders
- Establish interim operational procedures for garages, lots, and curbside spaces

3–6 Months

- SP+ fully exits; City assumes operational control
- Pilot program launches as a self-sustaining, enterprise-style operation
- Begin structured public engagement once operations stabilize
- Provide first quarterly update to the City Commission on revenue, expenses, and service levels
- Evaluate staffing needs and adjust enforcement coverage based on performance and resources

6–12 Months

- Begin installation of new kiosk systems where procurement allows
- Expand enforcement coverage as staffing levels improve
- Conduct mid-year evaluation of pilot program operations and financial performance
- Begin assessing long-term options: maintain City-run model, modify operations, or prepare a future RFP
- Present interim findings and operating scenarios to the City Commission
- Continue refining the pilot program to improve efficiency, customer experience, and cost control

Option #3 – Suspend Parking Operations While Developing Long-Term Strategy: Ends the SP+ contract and suspends most parking enforcement and daily operations while the City evaluates long-term policy options. This stops SP+ labor costs but eliminates citation revenue, reduces turnover, and increases the likelihood of nuisance behavior and vehicle storage. While suspension creates operational gaps and uncertainty, it also allows for maximum public engagement before any material changes are made.

1. **Terminate SP+ Month-to-Month Contract**
   Authorize staff to issue a formal termination notice to SP+ on December 2, 2025. This starts the required sixty-day notice period, with the contract ending January 31, 2026, aligned with the month-end accounting and payroll cycles. After that date, SP+ will no longer provide any parking operations or enforcement services for on-street parking, garages, or surface lots.

2. **Cease Active Parking Enforcement and Daily Operations**
   Suspend all active enforcement and routine operations for on-street parking, garages, and surface lots. This includes pausing meter enforcement, citation issuance, and collections. Minimal oversight would continue only for basic safety, lighting, signage, and essential maintenance.

3. **Freeze Adjustments to Rates, Fines, and Penalties**
   All current parking rates and fine structures remain unchanged. No enforcement, financial adjustments, or new policies would occur until a long-term strategy is adopted.

4. **Consider the sale or divestment of Downtown parking facilities to address the existing deficit and eliminate long-term deferred maintenance obligations:**
   This topic will be discussed as the Long-Term Parking Policy is developed. Staff would identify underperforming or financially challenging facilities and evaluate potential divestment opportunities, including the possibility of issuing an RFP for the redevelopment of selected properties. Divesting or redeveloping these sites could both help pay down the existing deficit and create new taxable value Downtown, positioning the properties for higher and better uses that support long-term community and economic goals.

5. **Develop Long-Term Parking Policy and Community Engagement Strategy**
   All current parking rates and fine structures remain unchanged. No enforcement, financial adjustments, or new policies would occur until a long-term strategy is adopted.

Fiscal Impact Summary: Option 3 removes SP+ costs of $35,000 to $45,000 per month but also eliminates most revenue: citation revenue drops by $30,000 to $40,000 annually, meter revenue by about $200,000 annually, and monthly permit revenue could fall 30 to 70 percent. Passport fees continue at roughly $2,000 per month, and garages and lots still require $7,500 to $15,000 in monthly maintenance. Fixed costs for insurance, PCD staff, and internal service charges remain about $200,000 annually. Restarting enforcement later will require new staffing, equipment, and public communication. Major unknowns include how many permit holders stay, the level of nuisance or storage behavior without enforcement, added security needs, lack of parking turnover on businesses, and the cost to restart operations.

Option #3 Pros & Cons

Pros

- Stops SP+ labor costs and the associated $15,000 – $20,000 monthly deficit once the contract ends.
- Provides clear breathing room to reassess whether and how the City should be involved in downtown parking at all.
- Avoids making new capital or policy commitments while the City is still undecided on long-term direction.
- Creates an opportunity for a transparent conversation with stakeholders about garages, surface lots, and curbside spaces as a single system rather than piecemeal fixes.

Cons

- Long-term parkers may occupy prime curbside spaces, garage stalls, and surface lot spaces without consequence, reducing turnover and access for customers and visitors.
- Lack of enforcement can increase undesirable behavior in garages, lots, and on street areas, including vehicle storage, loitering, nuisance activity, and misuse of the public right of way.
- New code enforcement issues will likely arise if vehicles are effectively abandoned or stored long-term, without the normal citation and tow process available through active parking enforcement.
- Loss of citation revenue and a significant reduction in the City's ability to manage curb access, garage utilization, and surface lot operations.
- High risk of confusion among employees, customers, and visitors unless the suspension is clearly communicated and consistently signed.
- The City will still incur unavoidable fees and penalties owed to Passport for account maintenance, user transactions, and contractual obligations, even if enforcement is suspended for garages, surface lots, and curbside spaces. Recurring monthly Passport software fees are projected to be roughly $2,000 per month, even when the system is inactive.
- No revenue to cover other fixed costs of the Parking Fund including property insurance, internal service charges, and PCD personnel expenses.
- Creates uncertainty for monthly permit holders in garages and surface lots, including whether they should receive credits, refunds, or temporary accommodations during the suspension.

Option #3 Timeline:

0–3 Months

- Issue formal termination notice to SP+
- Suspend most parking enforcement and daily operations once the contract ends
- Establish minimal maintenance and safety protocols for garages, surface lots, and curbside areas
- Address immediate uncertainty for monthly permit holders, including temporary accommodations or credits.
- Launch initial public communication explaining the suspension and expected impacts
- Begin planning a comprehensive engagement process to guide long-term strategy

3–6 Months

- Conduct extensive public engagement with businesses, property owners, and visitors to understand parking needs, concerns, and desired outcomes
- Evaluate system-wide impacts of suspended enforcement, including turnover decline, vehicle storage, nuisance behavior, and changes in garage and lot utilization
- Analyze long-term policy options, including privatization, hybrid models, automation-first strategies, or City-run operations
- Begin internal evaluation of staffing, technology, and capital requirements needed for any future operating model

6–12 Months

- Synthesize engagement findings into a draft long-term parking strategy
- Present preliminary options to the City Commission, including operating model scenarios, cost projections, and policy changes
- If reintroducing enforcement or operations is recommended, begin early planning for staffing, equipment procurement, and code changes
- Develop implementation steps and timelines for the selected long-term strategy
- Continue engagement and refine recommendations leading up to Commission action

Free Downtown Holiday Parking

The City of Great Falls has traditionally offered free parking during December to support downtown retailers and service providers during the holiday season, with the decision historically made administratively by the Planning and Community Development Director. However, due to the Downtown Parking Program's current financial condition, staff is referring this year's decision to the City Commission for consideration. This referral is intended as a one-time exception rather than a change in practice. Based on recent revenue trends, staff projects that offering free holiday parking this year would reduce program revenue by approximately $10,000 for the month of December.

Staff Recommendation:

Finance and Planning & Community Development Staff recommend Option #1 as the most responsible short-term approach. It provides the greatest predictability for downtown businesses, visitors, and permit holders while stopping the monthly financial losses and avoiding further pressure on the General Fund. Keeping SP plus in place and correcting the imbalance through targeted rate, fee, and penalty adjustments stabilizes the program without disrupting day-to-day operations.

Within Option #1, staff recommend Suboption 1A. It has the strongest ability to stop the deficit and begin reducing the existing shortfall while maintaining consistent service. It also creates the most stable platform for broader engagement with the Parking Advisory Board, downtown businesses, and the public as the City evaluates the program's long-term future.

Staff believe Option #1 positions the Downtown Parking Program best to move from immediate crisis response to a thoughtful, community-driven long-term strategy.

Attachments/Exhibits:

- *Option #1A / 2A Projected Financial Impact Summary*
- *Option #1B / 2B Projected Financial Impact Summary*
- *Option #1C / 2C Projected Financial Impact Summary*
- *Ideal Parking Program Memo*
- *10/15/25 Downtown Parking Program Budget Failure Memo*
- *11/10/25 Downtown Parking Program Budget Failure Memo – Next Steps*

Option #1A & #2A - Higher Rate Increase with Significant Fine Adjustments

This model increases rates to $1.50/hr and fines substantially proportionately to generate an estimated $286k each year.

1st (Courtesy Ticket) Time Limit Offenses			$ 5.00	$ 10.00		Adjusted with Collection Rate		
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ $5 Fine*	*Revenue w/ $10 Fine*	*Amount Change*			
2025	5,182	0	$ 25,910.00	$ 51,820.00	$ 51,820.00			
2024	4,201	0	$ 21,005.00	$ 42,010.00	$ 42,010.00			
2023	7,782	0	$ 38,910.00	$ 77,820.00	$ 77,820.00			
3-yr Average	**5722**	**0**	**$ 28,608.33**	**$ 57,216.67**	**$ 57,216.67**	60%	**$ 34,330.00**	< $10 first time offense

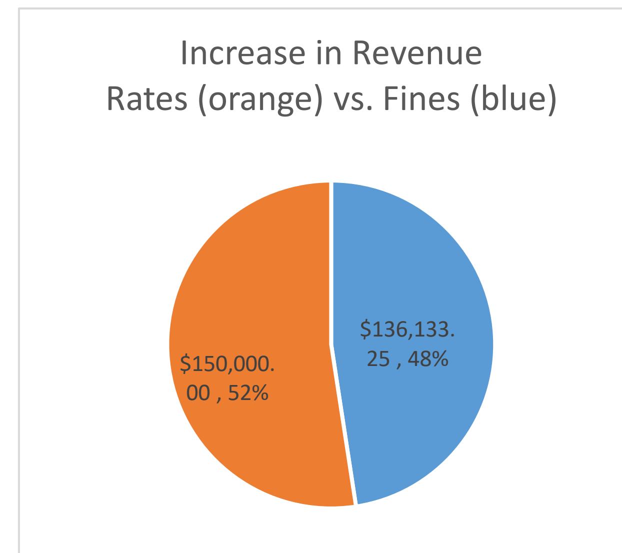
2nd Time Limit Offenses			$ 5.00	$ 20.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	2451	$ 8,971.00	$ 12,255.00	$ 49,020.00	$ 36,765.00	73%	
2024	1994	$ 6,750.00	$ 9,970.00	$ 39,880.00	$ 29,910.00	68%	
2023	3358	$ 11,276.00	$ 16,790.00	$ 67,160.00	$ 50,370.00	67%	
3-year Average	**2601**	**$ 8,999.00**	**$ 13,005.00**	**$ 52,020.00**	**$ 39,015.00**	69%	**$ 26,997.00**

3rd Time Limit Offenses			$ 10.00	$ 40.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	694	$ 4,600.00	$ 6,940.00	$ 27,760.00	$ 20,820.00	66%	
2024	553	$ 3,335.00	$ 5,530.00	$ 22,120.00	$ 16,590.00	60%	
2023	983	$ 5,890.00	$ 9,830.00	$ 39,320.00	$ 29,490.00	60%	
3-year Average	**743.3**	**$ 4,608.33**	**$ 7,433.33**	**$ 29,733.33**	**$ 22,300.00**	62%	**$ 13,825.00**

4th + Time Limit Offenses			$ 20.00	$ 75.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	1089	$ 13,635.00	$ 21,780.00	$ 81,675.00	$ 59,895.00	63%	
2024	939	$ 11,400.00	$ 18,780.00	$ 70,425.00	$ 51,645.00	61%	
2023	1368	$ 13,680.00	$ 27,360.00	$ 102,600.00	$ 75,240.00	50%	
3-year Average	**1132**	**$ 12,905.00**	**$ 22,640.00**	**$ 84,900.00**	**$ 62,260.00**	57%	**$ 35,488.75**

Improper Parking Offenses			$ 20.00	$ 50.00		0	
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	1249	$ 12,895.00	$ 24,980.00	$ 62,450.00	$ 37,470.00	52%	
2024	1283	$ 12,950.00	$ 25,660.00	$ 64,150.00	$ 38,490.00	50%	
2023	2238	$ 25,140.00	$ 44,760.00	$ 111,900.00	$ 67,140.00	56%	
3-year Average	**1590**	**$ 16,995.00**	**$ 31,800.00**	**$ 79,500.00**	**$ 47,700.00**	53%	**$ 25,492.50**

Increased On-street Rates					
	Current $1.00/hour	**Proposed $1.50/hour**			
	$ 300,000.00	**$ 450,000.00**			



$ 136,133.25 Projected Fines Increase if adopted

$ 150,000.00 Projected Rate Increase if adopted

$ 286,133.25 Total Increased rates and fines

$ 23,844.44 Per Month

Option #1B & #2B - Higher Rate Increase with Moderate Fine Adjustments

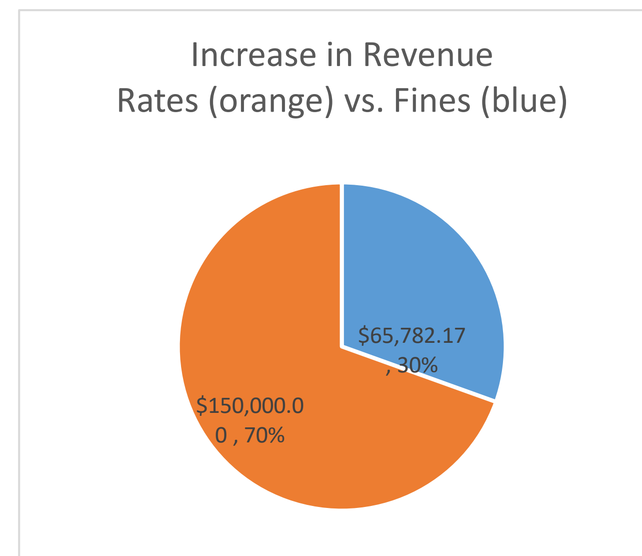
This model increases rates to $1.50/hr and fines to generate an estimated $215k each year.

1st (Courtesy Ticket) Time Limit Offenses			$ 5.00	$ 10.00			Adjusted with Collection Rate
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ $5 Fine*	*Revenue w/ $10 Fine*	*Amount Change*		
2025	5,182	$ -	$ 25,910.00	$ 51,820.00	$ 51,820.00		
2024	4,201	$ -	$ 21,005.00	$ 42,010.00	$ 42,010.00		
2023	7,782	$ -	$ 38,910.00	$ 77,820.00	$ 77,820.00		
3-yr Average	**5722**	**$ -**	**$ 28,608.33**	**$ 57,216.67**	**$ 57,216.67**	60%	**$ 17,165.00** < $5 first time offense

2nd Time Limit Offenses			$ 5.00	$ 15.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	2451	$ 8,971.00	$ 12,255.00	$ 36,765.00	$ 24,510.00	73%	
2024	1994	$ 6,750.00	$ 9,970.00	$ 29,910.00	$ 19,940.00	68%	
2023	3358	$ 11,276.00	$ 16,790.00	$ 50,370.00	$ 33,580.00	67%	
3-year Average	**2601**	**$ 8,999.00**	**$ 13,005.00**	**$ 39,015.00**	**$ 26,010.00**	69%	**$ 17,998.00**

3rd Time Limit Offenses			$ 10.00	$ 30.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	694	$ 4,600.00	$ 6,940.00	$ 20,820.00	$ 13,880.00	66%	
2024	553	$ 3,335.00	$ 5,530.00	$ 16,590.00	$ 11,060.00	60%	
2023	983	$ 5,890.00	$ 9,830.00	$ 29,490.00	$ 19,660.00	60%	
3-year Average	**743.3**	**$ 4,608.33**	**$ 7,433.33**	**$ 22,300.00**	**$ 14,866.67**	62%	**$ 9,216.67**

4th + Time Limit Offenses			$ 20.00	$ 40.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	1089	$ 13,635.00	$ 21,780.00	$ 43,560.00	$ 21,780.00	63%	
2024	939	$ 11,400.00	$ 18,780.00	$ 37,560.00	$ 18,780.00	61%	
2023	1368	$ 13,680.00	$ 27,360.00	$ 54,720.00	$ 27,360.00	50%	
3-year Average	**1132**	**$ 12,905.00**	**$ 22,640.00**	**$ 45,280.00**	**$ 22,640.00**	57%	**$ 12,905.00**



Improper Parking Offenses			$ 20.00	$ 30.00		0	
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	1249	$ 12,895.00	$ 24,980.00	$ 37,470.00	$ 12,490.00	52%	
2024	1283	$ 12,950.00	$ 25,660.00	$ 38,490.00	$ 12,830.00	50%	
2023	2238	$ 25,140.00	$ 44,760.00	$ 67,140.00	$ 22,380.00	56%	
3-year Average	**1590**	**$ 16,995.00**	**$ 31,800.00**	**$ 47,700.00**	**$ 15,900.00**	53%	**$ 8,497.50**

$ 65,782.17 Projected Fines Increase if adopted

Increased On-street Rates					
	Current $1.00/hour	**Proposed $1.50/hour**			
	$ 300,000.00	**$ 450,000.00**			

$ 150,000.00 Projected Rate Increase if adopted

$ 215,782.17 Increased rates and fines

$ 17,981.85 Per Month

Option #1C & 2C- Lower Rate Increase with Significant Fine Adjustments

This model increases rates to $1.25/hr and fines substantially to generate an estimated $211k each year.

1st (Courtesy Ticket) Time Limit Offenses			$ 5.00	$ 10.00		Adjusted with Collection Rate	
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ $5 Fine*	*Revenue w/ $10 Fine*	*Amount Change*		
2025	5,182	0	$ 25,910.00	$ 51,820.00	$ 51,820.00		
2024	4,201	0	$ 21,005.00	$ 42,010.00	$ 42,010.00		
2023	7,782	0	$ 38,910.00	$ 77,820.00	$ 77,820.00		
3-yr Average	**5722**	**0**	**$ 28,608.33**	**$ 57,216.67**	**$ 57,216.67**	60%	**$ 34,330.00** < $10 first time offense

2nd Time Limit Offenses			$ 5.00	$ 20.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	2451	$ 8,971.00	$ 12,255.00	$ 49,020.00	$ 36,765.00	73%	
2024	1994	$ 6,750.00	$ 9,970.00	$ 39,880.00	$ 29,910.00	68%	
2023	3358	$ 11,276.00	$ 16,790.00	$ 67,160.00	$ 50,370.00	67%	
3-year Average	**2601**	**$ 8,999.00**	**$ 13,005.00**	**$ 52,020.00**	**$ 39,015.00**	69%	**$ 26,997.00**

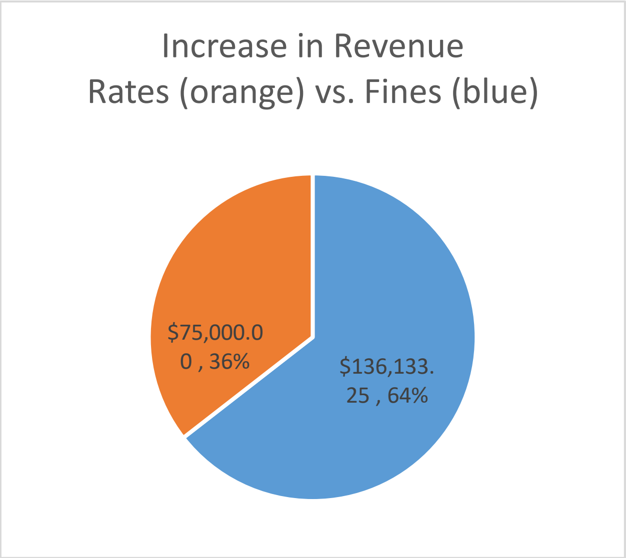
3rd Time Limit Offenses			$ 10.00	$ 40.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	694	$ 4,600.00	$ 6,940.00	$ 27,760.00	$ 20,820.00	66%	
2024	553	$ 3,335.00	$ 5,530.00	$ 22,120.00	$ 16,590.00	60%	
2023	983	$ 5,890.00	$ 9,830.00	$ 39,320.00	$ 29,490.00	60%	
3-year Average	**743.3**	**$ 4,608.33**	**$ 7,433.33**	**$ 29,733.33**	**$ 22,300.00**	62%	**$ 13,825.00**

4th + Time Limit Offenses			$ 20.00	$ 75.00			
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	1089	$ 13,635.00	$ 21,780.00	$ 81,675.00	$ 59,895.00	63%	
2024	939	$ 11,400.00	$ 18,780.00	$ 70,425.00	$ 51,645.00	61%	
2023	1368	$ 13,680.00	$ 27,360.00	$ 102,600.00	$ 75,240.00	50%	
3-year Average	**1132**	**$ 12,905.00**	**$ 22,640.00**	**$ 84,900.00**	**$ 62,260.00**	57%	**$ 35,488.75**

Improper Parking Offenses			$ 20.00	$ 50.00		0	
Year	*Num. of Citations*	*Revenue Collected*	*Revenue w/ Current Fines*	*Revenue w/ Proposed Fines*	*Amount Change*		
2025	1249	$ 12,895.00	$ 24,980.00	$ 62,450.00	$ 37,470.00	52%	
2024	1283	$ 12,950.00	$ 25,660.00	$ 64,150.00	$ 38,490.00	50%	
2023	2238	$ 25,140.00	$ 44,760.00	$ 111,900.00	$ 67,140.00	56%	
3-year Average	**1590**	**$ 16,995.00**	**$ 31,800.00**	**$ 79,500.00**	**$ 47,700.00**	53%	**$ 25,492.50**

$ 136,133.25 Projected Fines Increase if adopted

Increased On-street Rates					
	Current $1.00/hour	Proposed $1.25/hour			
	$ 300,000.00	**$ 375,000.00**			



$ 75,000.00 Projected Rate Increase if adopted

$ 211,133.25 Total Increased rates and fines

$ 17,594.44 Per Month

Planning & Community Development
Room 112

P.O. Box 5021
Park Drive S.
Great Falls, 59403

July 2nd, 2025

RE: Creating an Ideal Parking Program for Great Falls: Internal and Advisory Board Findings & Action Plan

City Manager Doyon,

This memorandum provides a summary of two recent planning sessions—one conducted internally by Planning & Community Development (PCD) staff and another with the Parking Advisory Commission (PAC), to inform the development of a strategic framework for an "Ideal Parking Program" for the City of Great Falls, including recommended next steps

Background

The City's parking program currently operates with limited resources, aging infrastructure, and a primarily reactive management structure. Both staff and the PAC agree that the current approach lacks sustainability, clarity, and strategic momentum. These discussions were intended to identify desired outcomes, operational gaps, and actionable next steps.

The primary purpose of the parking program defined both by staff and the Parking Advisory Commission is:

- **Better Customer Service:** Enhance the user experience with updated technology, improved signage, and educational materials.
- **Financial Sustainability:** Ensure the parking program can sustain its operations through appropriate fee structures, fine adjustments, and asset management.
- **Proactive Asset and Maintenance Management:** Transition from a reactive model to a planned, preventive approach for capital improvements and facility upkeep.
- **Stronger Contract and Vendor Oversight:** Develop a new RFP with clearly defined responsibilities and consider bringing operations in-house.
- **Enhanced Communication and Education:** Improved outreach, signage, and engagement tools to assist residents, visitors, and businesses in navigating the system.

Key Takeaways from Internal Staff Meeting (April 15, 2025)

Staff identified the following as priorities:

- Develop clearer marketing and signage to aid users.
- Inventory all parking assets and assess opportunities for reuse or liquidation.
- Increase fees and fines as needed to support a self-sustaining model.
- Launch a new RFP for vendor services (the SP+ contract has expired).
- Acknowledge that PCD lacks the staffing capacity to manage the program proactively.
- Recognize the absence of a designated staff "champion" for parking initiatives.

Key Takeaways from Parking Advisory Commission Meeting (6/18/2025)

The PAC emphasized both immediate operational needs and long-term strategic improvements:

Immediate Action Items for Staff:

- Prepare a new RFP for parking operations, including in-house options.
- Submit a $150,000 funding request from the Downtown TIF to support operations.
- Propose specific increases to parking fines.
- Analyze violation data to inform enforcement priorities.
- Investigate adding a second kiosk per block for accessibility.
- Evaluate weekend enforcement feasibility.
- Reassess the courtesy ticket policy.
- Create user-specific educational materials and laminated "cheat sheets" for businesses.

Policy-Level Insights from PAC:

- Support for a balanced parking system that encourages turnover while remaining accessible.
- Interest in exploring membership-based parking for frequent users.
- Acknowledgement that free parking, while appealing, is not financially viable.
- Emphasis on consistent messaging, improved kiosk performance, and user education.
- Calls for better data collection to drive informed policy decisions.

Conclusion & Next Steps

Both PCD staff and the Parking Advisory Commission support the need for a modernized, data-informed, customer-oriented parking program. The following next steps are underway or forthcoming:

- Development of a new parking operations RFP.
- Request for Downtown TIF Operational Support (by amending the existing TIF Award).
- Policy recommendations regarding fines, enforcement, and education.
- Clarification of parking assets and their performance.
- Planning for enhanced communications and signage across downtown.

Staff will return with specific proposals and timelines as these efforts advance.

I'm sure we'll continue to have productive discussions as we work to improve the Downtown Parking Program to meet the expectations of City leadership, staff, and the general public. While we still have a long road ahead, I'm encouraged by the strong consensus from both staff and the Parking Advisory Board.

Together, we agree that the following purpose statement can guide our path forward:

"The parking program aims to support downtown business turnover and sustain operations, with pricing that encourages compliance without deterring visitors, and a focus on customer service."

With that shared foundation, I'm confident we're headed in the right direction.

Best,

Brock Cherry
Planning & Community Development Director
City of Great Falls

Planning & Community Development
Room 112

P.O. Box 5021
Park Drive S.
Great Falls, 59403

October 15th, 2025

URGENT

RE: Downtown Parking Program Budget Failure

TO: City of Great Falls Mayor & City Commissioners

FROM: Brock Cherry, Planning & Community Development Director

CC: Greg Doyon, City Manager; Melissa Kinzler, Finance Director; Lonnie Hill, Deputy Director – Planning & Community Development

Background

Cities manage parking because it directly affects downtown access, business vitality, and public perception. Parking programs are not just about cars and spaces; they ensure that limited curb space serves the public good. When managed well, parking supports business turnover, reduces congestion, and generates revenue for maintenance and safety. When neglected, it becomes a source of frustration, deferred maintenance, and financial strain. Every city faces these challenges, and Great Falls is no exception.

The City's Downtown Parking Program has operated for decades with limited resources, aging infrastructure, and a reactive management approach. It has not generated enough revenue to sustain operations, enforcement, or major maintenance without help from the Downtown Urban Renewal District.

This issue is not new. The first Parking Commission, established in 1974, lacked stable funding and staffing. By the 1980s, consultants were already warning that low rates, aging equipment, and unclear purpose would make the program unsustainable. Both the 1984 Walker Economic Study and the 2016 SP Plus Update reached the same conclusion and urged modernization, fiscal discipline, and clear policy direction.

In 2019, the City Commission approved $470,000 in Downtown TIF funds to address garage deficiencies through lighting, pay stations, revenue control systems, and structural repairs. The lighting and pay stations were completed, but the larger control system and structural work remain unfinished. The North Garage gate is still inoperable, and several key repairs are pending. These outcomes show that the challenge has never been a lack of effort but a lack of sustained staffing, funding, and administrative capacity to complete the work.

A structural shortfall was identified years ago, temporarily offset by ARPA funds, but never resolved. Efforts to use Downtown TIF funds for operations ended after legal review confirmed that personnel costs are ineligible. The program now relies on a month-to-month SP Plus contract for operations and enforcement, lacking a stable revenue source. Staff had planned to pursue a new operations contract following discussions with the Parking Advisory Commission, but those discussions must now occur immediately.

Between March and June 2021, parking operations were suspended due to the COVID-19 pandemic and because the City temporarily lost access to the parking meter key, resulting in approximately fifteen thousand dollars in lost monthly revenue. Parking was reinstated only after downtown businesses reported that residents and office workers were occupying spaces needed for customers.

The two-hour free parking trial in 2024 and 2025 increased visibility downtown but had minimal financial impact, and the current shortfall would have occurred regardless. These experiences show that while temporary free-parking efforts can build goodwill, they do not solve the long-term structural issues that threaten the program's future. Parking is a problematic issue in every community, and there is no single solution that satisfies all users. Great Falls has reached a point where a collective decision is needed about what kind of system the community wants and is willing to sustain.

The program has now reached a breaking point because of the following structural flaws:

- **Repeated Warnings from Past Studies:** Two professional evaluations, the 2013 Walker Parking Study and the 2016 SP Plus Update, identified the same structural challenges that continue to shape the Downtown Parking Program and highlight the need for immediate action. Both studies concluded that downtown Great Falls has enough parking but suffers from outdated equipment, below-market rates, deferred maintenance, and unclear policy direction. Despite this, rates stayed at fifty cents per hour or five dollars per day. The Garages have faced declining occupancy and revenue losses following major tenant changes.

  Each report emphasized that long-term stability depends on modernizing technology, adjusting rates, and deciding whether the Downtown Parking Program should operate as a subsidized public service or as an enterprise expected to recover its full costs through user fees. The solution now is not to commission more studies, but to recognize that previous recommendations were not implemented because there was not sufficient political will at the time. That lack of action was not the result of indifference, but of an intentional effort to remain business-friendly and keep parking inexpensive to encourage downtown activity. While that approach supported accessibility and goodwill, it also created lasting consequences by delaying needed reinvestment, enforcement, and financial reform.

  Across both studies, the most consistent recommendations were to:
  • Modernize meters and garage systems to accept credit cards and mobile payments.

  (**partially completed**)
  • Adjust parking rates to reflect market conditions and fund operations and maintenance.
  (**not completed**)
  • Clarify the City's parking philosophy and define the expected level of cost recovery.
  (**not completed)**
  • Strengthen audit and financial controls to ensure accountability and transparency.

(**partially completed**)
• Invest in lighting, signage, and long-term structural maintenance for both garages.
(**partially completed**)

Together, these studies make clear that the challenges are longstanding and well understood. The question before the City is no longer what to study, but what level of service, enforcement, and reinvestment the community will support, and whether the program should operate as a subsidized service or a self-sustaining enterprise.

- **Unclear Purpose – We Must Define Our Parking Philosophy and Be All In:** The City has never clearly defined whether the parking program is a business, a tool to support downtown turnover, or a public amenity. That indecision dates back to the 1974 creation of the Parking Commission, which was never established as either an enterprise or a service. Later advisory bodies, including the Parking Advisory Commission in 2017 and the SP+ management contract, operated under the same ambiguity. Commission minutes from 2018 show repeated quorum failures and postponed votes, underscoring how this lack of direction has persisted for decades. Without a guiding philosophy, management has been inconsistent and reactive. At this point, the City must decide whether it truly wants a parking program. If so, it must commit fully and adopt a clear, businesslike policy, abandoning practices that undermine stability. Courtesy spaces, lenient tickets, and selective meter removals erode revenue. Outdated coin meters and soft enforcement further weaken performance. Success depends on a modern system that is consistent, efficient, and firm.

- **Lack of Administrative Capacity and Ownership:** The Downtown Parking Program has not been treated in recent memory as a core municipal function. It has been managed as an accessory responsibility rather than a defined service. Parking was initially operated under the Community Development Department, but after repeated calls to improve coordination across development functions, the City combined the Planning and Community Development Departments. This consolidation created necessary alignment for permitting economic development but required staff to share limited capacity among expanding responsibilities. As a result, parking management was further deprioritized as the new department focused on housing, development, and improved development review coordination.

  The 2014 to 2018 Downtown Parking History records show that the City's reliance on outside operators increased precisely because no department had been resourced to take ownership of parking policy. SP Plus filled that gap by providing facilities and day-to-day operations management, but it was never positioned as a long-term strategic partner to help improve the user experience or develop the program's financial sustainability. The underlying administrative model, which treated parking as a secondary duty, remained unchanged. This reflects the same governance pattern that began in the 1970s when the original Parking Commission depended on borrowed planning staff.

  This imbalance has led to a reactive approach that focuses on maintenance rather than strategy or modernization. The 2023 Planning and Community Development Employee Climate Survey confirmed this reality, with staff noting that parking duties lower morale, distract from essential planning work, and often place front-line employees in the position of managing public frustration. The challenge is intensified by the fact that both the Planning and Community Development Director and Deputy Director have effectively served as parking managers, even as the City Commission has made housing and development its top priorities. This tension has limited the Department's ability to provide sustained leadership, innovation, and accountability required for program improvement. Until recently, the City lacked the staff capacity to conduct detailed operational analyses, implement strategic reforms, or pursue necessary infrastructure upgrades. Without dedicated ownership and resources, the program has lacked clear direction, accountability, and a long-term plan for financial and operational success.

- **Financial instability:** Operating costs carry a structural deficit of roughly ten to fifteen thousand dollars per month, with no stable revenue to offset it. Parking fees and citations remain insufficient, and temporary measures such as ARPA funds only postpone the problem. TIF dollars can support gates, kiosks, and repairs, but cannot be used for personnel, leaving staffing and enforcement without a sustainable funding source. Historically, parking operations have never met their full costs. Walker's 1984 review warned that without rate increases and automation, recurring monthly deficits would appear by the early 2000s. That prediction proved accurate by 2015, when Asurion's departure cut garage revenue by twenty percent and left the current system dependent on turning to Downtown TIF transfers, which are legally unavailable for operations. Without a reliable revenue model, financial instability will continue to define the program.

- **Aging Infrastructure:** The physical condition of downtown parking facilities is a significant liability. The South Garage alone requires hundreds of thousands of dollars in near-term repairs to remain serviceable, with mid- and long-term costs pushing the total investment well above half a million dollars. The deterioration of the South Garage exemplifies the long-term cost of deferred maintenance. Built in 1999 for $3.9 million to serve N.E.W. and later Asurion, it now requires more than $695,000 in structural repairs, a scenario almost identical to the one Walker predicted in 1984 when they warned the City to budget annually for maintenance or face compounded expenses within twenty years. The same cycle is repeating: capital optimism followed by years of underfunded upkeep and mounting liabilities. These figures do not account for inflation or future technologies. Without a sustainable program to fund both operations and capital upkeep, the City risks allowing critical assets to deteriorate further, leading to higher long-term costs, reduced safety, and diminished public confidence.

- **Unpopular Choices Ahead:** Parking is and will always be inherently polarizing. Since 1949, public debate over parking meters has repeated the same pattern. Efforts to keep parking free or lenient win short-term goodwill but undermine reinvestment. The 2016 Second Avenue South meter removal trial confirmed it again, as abandoned vehicles increased and revenues disappeared.

  Over the years, the City has made small operational adjustments but not the substantive policy reforms needed to stabilize the program. The Commission has consistently worked to balance public expectations with economic vitality, responding to businesses that want low rates and residents who prefer free parking. This effort to remain business-friendly has long guided decisions, but it has also limited the City's ability to address the program's financial and operational challenges. The issue has never been a lack of care or commitment, but the difficulty of reconciling economic accessibility with long-term fiscal responsibility.

Free parking may be popular, but it cannot fund operations or achieve the goal of keeping spaces available for customers. Strict enforcement provides revenue but draws criticism. Courtesy practices, such as low first-time fines or warning tickets, weaken the system unless the City intentionally subsidizes them through the general fund. Avoiding these choices has left the program drifting toward insolvency. The City Commission must now decide whether to operate the program as a self-supporting business or accept a reduced level of service with the trade-offs that follow.

Current Situation

The Downtown Parking Program includes two garages, four surface lots, and on-street parking across the downtown core. Together, these facilities provide over 2,000 public parking spaces and generate revenue from meters, kiosks, leases, and citations. The 2013 Walker Parking Study reported roughly 4,300 total parking spaces within the broader downtown area, including both public and private facilities. Of these, approximately 3,600 spaces were publicly available through metered, permit, or timed zones, while the remainder were privately controlled or restricted to tenants.

Facility Type	Location	Levels / Spaces	Primary Use	FY 2025 Monthly Average
North Parking Garage	17 4th Street North	6 levels / 496 spaces	Daily & Monthly	$ 13,338
South Parking Garage	315 1st Avenue South	3 levels / 311 spaces	Daily & Monthly	$ 5,032
Lot 2	125 1st Avenue South	38 spaces	Monthly Leased	$ 507
Lot 4	600 1st Avenue North	139 spaces	Monthly Leased	$ 2,142
Lot 7	109 1st Avenue South	31 spaces	Monthly Leased	$ 507
Lot 8	317 1st Avenue North	59 spaces	Monthly Leased	$ 2,480
On-Street Parking	Downtown Core	≈ 1,039 spaces	Metered	$ 22,940

Over the past year, the program has consistently operated with a structural deficit of about $10,000 to $15,000 each month. Average monthly revenues are roughly $45,000 to $50,000, while operating costs, primarily from the SP Plus operations and enforcement contract along with other operating charges, average $60,000 to $65,000. Staff initially believed these personnel-based services could be eligible for Tax Increment Financing (TIF) reimbursement but have since confirmed that TIF can only fund capital improvements such as kiosks, automated gates, or other fixed infrastructure, not daily operations. The Finance Department has confirmed that reserve funds can temporarily cover these losses for four to six months, but this is only a short-term solution. Without a new funding plan, the City must be ready to end the SP Plus contract once reserves run out.

Category	Monthly Average	Comments
Revenues	**$45,000 to $50,000**	Primarily from meters, kiosks, surface leases, and citations
Expenses		
SP Plus Contract	**($35,000) to ($43,000)**	Primary cost driver; not eligible for TIF
Internal Service Charges	**($7,458)**	Central Insurance (45%), Finance, HR, IT, and Facilities allocations
City Personal	**($9,230)**	CD & Planning charges for running Parking
Other Operating Expenses	**($8,900)**	Passport charges, other operation expenses
Net Position	**($15,000)**	

A review of the past twelve months of financial data shows clear differences between the components that are performing well and those that are not:

What's Working

- On-Street Meters and Kiosks: Generate between $20,000 and $24,000 per month with consistent usage and reliable turnover.
- Surface Lot Leases: Provide $5,000 to $6,000 per month in steady revenue with minimal maintenance.
- Overall: These revenue sources are stable, predictable, and well suited for future automation or rate adjustments that could be funded through TIF-supported capital improvements.

What's Not Working

- SP Plus Labor Model: Costs approximately $35,000 or more per month, exceeding total monthly program revenue at times. Personnel-based services are not eligible for TIF reimbursement.
- Parking Garages: The Parking Garage generates on average $18,370 per month, despite significant deferred maintenance needs and high operating costs.
- Citations: There is concern that enforcement operations are not paying for themselves, as collections average only $2,000 to $3,000 per month due to limited enforcement and courtesy practices. This represents a significant decrease from FY 2023, when the average was $5,700 per month.

- Internal Service Charges: Fixed overhead costs of roughly $7,458 per month further widen the program deficit. A major internal service charge is Central Insurance (45%), which is $3,348 a month for property and liability insurance.
- Overall: These factors combine to produce a recurring monthly **shortfall of $15,000 to $20,000**, leaving the program financially unsustainable under its current structure.

What we need to decide

To achieve long-term stability, the City must determine whether the parking program should operate as:

- A public service supported through an ongoing subsidy provided by the general fund; or
- A self-sustaining enterprise that modernizes through automation, rate reform, and stronger enforcement.

It is important to note that TIF funds may only support capital improvements, not operational expenses.

Short-Term Action

To decrease financial instability in the near term, staff are finalizing a TIF request (Resolution 10598) to reallocate $183,785 in previously approved funds and secure an additional $150,000. This combined total of $333,785 will enable the City to complete essential facility repairs and upgrades, including garage and lot repairs, roof and gate improvements, landscaping, kiosk upkeep, restriping, and signage replacement. However, the extra $150,000 cannot be used to fund personnel operations as initially planned. Installing an automated gate system in the North Parking Garage could reduce personnel overhead, as the current gate requires manual operation by staff.

Another short-term action would be to remove individual coin meters and rely solely on kiosks. This would reduce the demand for personnel time devoted to coin collection and resolve ongoing issues with the handling of bulk coin deposits, which are often wet, moldy, or otherwise contaminated. The City's financial institution has notified staff that unless coins are cleaned and dried before deposit, the City may incur additional service charges for processing.

Fines and penalties (Resolution 10602) have been reviewed, and the proposed adjustments are expected to generate approximately $35,000 in additional annual revenue. While this will not resolve the program's overall deficit, it offers a modest improvement. The TIF request and fine adjustments can be scheduled for Commission consideration once there is clear guidance on the future of the parking program. Additionally, staff will recommend eliminating the current requirement to send an extra mailed notice before booting vehicles, aligning local practice with standard due process.

Recommended Course of Action

Action Step #1. Define and Commit to a Clear Philosophy

Staff recommends that the City Commission hold a focused discussion on the future of the Downtown Parking Program. Two questions must be answered before any operational changes are made:

a. What is our parking philosophy and goal? (The Parking Advisory Commission and Planning and Community Development staff have previously completed this exercise; their findings are attached).

b. Is the City ready to fully commit to that philosophy?

Every major study from 1975 through 2016 made this same recommendation. The difference now is that the program's financial position no longer allows delay. Clear purpose is no longer optional. It is essential for solvency and long-term sustainability.

Action Step #2. Determine Program Direction Based on Commission Philosophy

The City's next steps depend on whether the Commission chooses to keep, scale back, or end the parking program in its current form.

Path 1 – End or Scale Back the Program

If the Commission does not want to continue managing a parking program, or cannot commit to a defined philosophy, staff recommends one of these options:

i. Scale Back the Program: Adopt a lean hybrid model or focus only on garage operations. For example, the City of Bozeman operates downtown garages without active curbside enforcement. This approach could also include minimizing the current curbed parking enforcement area to reduce staffing and operational costs while still maintaining limited curbside enforcement in high-traffic areas to ensure adequate parking turnover for downtown businesses.

ii. End the Program Entirely: Fully dissolve the parking program, sell off facilities, and transfer maintenance duties to other departments or private management.

Path 2 – Keep and Improve the Program

If the Commission plans to maintain a parking program and commit to a specific philosophy, staff recommends one of these approaches:

i. Maintain a Full-Service Model: Continue paid garage, surface lot, and curbside parking operations while improving performance through:

- Increased fines and penalties to encourage compliance.
- Updates to enforcement rules (e.g., booting notification procedures).
- Elimination of policies that weaken the program's purpose (e.g., Courtesy Spots).

ii. Adopt a Lean Hybrid Model: Focus mainly on garage operations and limited enforcement, similar to peer communities managing parking with less on-street oversight while keeping core infrastructure.

Action Step #3. Prepare to End the SP Plus Contract

Regardless of the long-term strategy, the City must prepare to end the SP Plus contract unless a new, sustainable funding source is found. According to the 2024 Amended Non-Construction Services Agreement, termination for convenience requires a 60-day written notice.

Proposed Timeline:

a. November 15, 2025: City issues written notice of termination.

b. November 16, 2025 – January 14, 2026: Sixty-day notice period; SP Plus continues operations and enforcement.

c. January 14, 2026: Earliest possible termination date.

d. January 31, 2026 (recommended): Align termination with monthly accounting and operational close-out.

This will result in the termination of local SP Plus staff managing downtown parking enforcement. Preparations should include a transition plan for operations through mid-January 2026, as well as identifying interim management or backup staffing.

Action Step #4. Plan Next Steps and Funding

Following the Commission's decision under Action #2, staff will outline the steps for implementation, identify funding sources, and assess potential financial resources. This plan will ensure the chosen approach—whether reduced, restructured, or expanded—has a clear and practical path forward.

Final Comments

The Downtown Parking Program has faced structural funding challenges for years. Staff have managed it as best they could within its limits, but the recent clarification on TIF eligibility has brought those limits to a head.

Parking is difficult in every community. There is no simple fix or perfect model, and every city struggles with the same balance between access, enforcement, and public perception. Great Falls is no exception. We have reached the point where the path forward requires a collective decision, not more delay. This is not a time for blame, but for shared ownership and action.

The future of the program depends on clarity and commitment. The Commission must define what the program should be and stand behind that decision. The issue is not a lack of effort but a lack of alignment. Continuing without clear expectations will only repeat the same results. This is the moment to decide what kind of parking system Great Falls truly wants and is willing to sustain.

Planning & Community Development
Room 112

P.O. Box 5021
2 Park Drive S.
Great Falls, 59403

November 10th, 2025

URGENT

RE: Downtown Parking Program Budget Failure – NEXT STEPS

TO: City of Great Falls Mayor & City Commissioners

FROM: Brock Cherry, Planning & Community Development Director

CC: Greg Doyon, City Manager; Melissa Kinzler, Finance Director; Lonnie Hill, Deputy Director – Planning & Community Development

Mayor & City Commissioners

Thank you for taking the time to meet with staff to discuss the current status of the Downtown Parking Program. Based on your feedback and direction, staff recommends the following immediate strategies to stabilize operations, improve financial performance, and set the foundation for a long-term, sustainable parking management program.

1. Immediate Action Item: Schedule a City Commission Work Session – December 1, 2025

Purpose: To review the Downtown Parking Program's current condition, evaluate its financial performance, and consider short-term actions to stabilize operations.

Discussion Items: The work session will provide an overview of the Downtown Parking Program, how we arrived at the current situation, and a summary of key financial data, including:

- Current costs versus revenues
- Structural challenges and operational constraints

Action Items:

- **Terminate SP+ Month-to-Month Contract:**
  Authorize staff to issue a formal termination notice to SP+ on December 2, 2025. This will initiate the required 60-day notice period, ending January 31, 2026, aligning with month-end accounting and payroll cycles.
- **Parking Advisory Committee:**
  With only three active members and limited interest from new applicants, Staff recommends changing the Committee's meeting schedule from monthly to quarterly. This adjustment will allow members and staff to focus on key program milestones while maintaining regular communication, community feedback, and oversight as the Downtown Parking Program stabilizes.

- **Strategically Remove and Replace Coin Meters and replace with Kiosk Systems:** Direct staff to analyze the strategic removal of all coin meters and authorize the installation of new kiosk systems or other automated systems as their replacements.

- **Adjust Downtown Parking Fees and Penalties:** Direct staff to implement the following immediate adjustments to improve compliance and revenue recovery:
  - Eliminate courtesy tickets
  - Increase second-time violation fines from $5.00 to $10.00
  - Increase third-time violation fines from $15.00 to $30.00
  - Increase fourth-and-subsequent violation fines from $20.00 to $40.00
  - Increase improper parking fines from $20.00 to $30.00
  - Maintain current booting requirements and fees, but eliminate the mailing notification requirement
  - Increase meter bagging fees to $10.00 per day
  - Increase pedlet fees to $500.00 per space per season
  - Eliminate the 15-minute courtesy parking program

2. Implement a 12-Month Downtown Parking Pilot Program

The pilot program will operate from February 1, 2026, to January 31, 2027. During this time, the Downtown Parking Program will be managed directly by City staff as a self-sustaining pilot designed to function like an enterprise fund, with the goal of no subsidy from the General Fund. Quarterly updates will be provided to the City Commission, summarizing program performance, revenues, and expenses. At the end of the 12-month period, the City Commission will review the results and decide whether to continue or adjust the Downtown Parking Program. Between December and March, staff will focus on initial implementation tasks, including managing operations with limited personnel by hiring or contracting part-time or full-time employees. Staff will also hold listening sessions and outreach with downtown businesses, property owners, and visitors to help shape long-term policies, administer an online survey to gather community feedback on parking use and priorities, research and acquire new automated gate systems for the parking garages, and temporarily reduce the parking enforcement area to match available staffing and resources.

Next Steps

If the Commission agrees with this direction, staff will complete preparations for the December 1, 2025, work session and start drafting materials needed to implement the proposed pilot program beginning February 2026. The work session presentation will include detailed financial modeling, visuals, and projections showing the fee and fine levels required for the Parking Program to break even. Although these figures are unlikely to be practical or publicly acceptable long-term solutions, they will help clarify the size of the current funding gap and the operational changes needed for financial sustainability.

What is the Downtown Parking Program?

Includes 2 garages, 4 surface lots, and on-street parking throughout the downtown core

- Provides 2,000+ public parking spaces
- Revenue sources: meters, kiosks, leases, and citations
- According to the 2013 Walker Parking Study:
- ~4,300 total spaces in the broader downtown area
- ~3,600 publicly available (metered, permit, or timed zones)

Downtown Parking Facilities Monthly Revenue

Facility Type	Location	Levels / Spaces	Primary Use	FY 2025 Monthly Average
North Parking Garage	17 4th Street North	6 levels / 496 spaces	Daily & Monthly	$ 13,338
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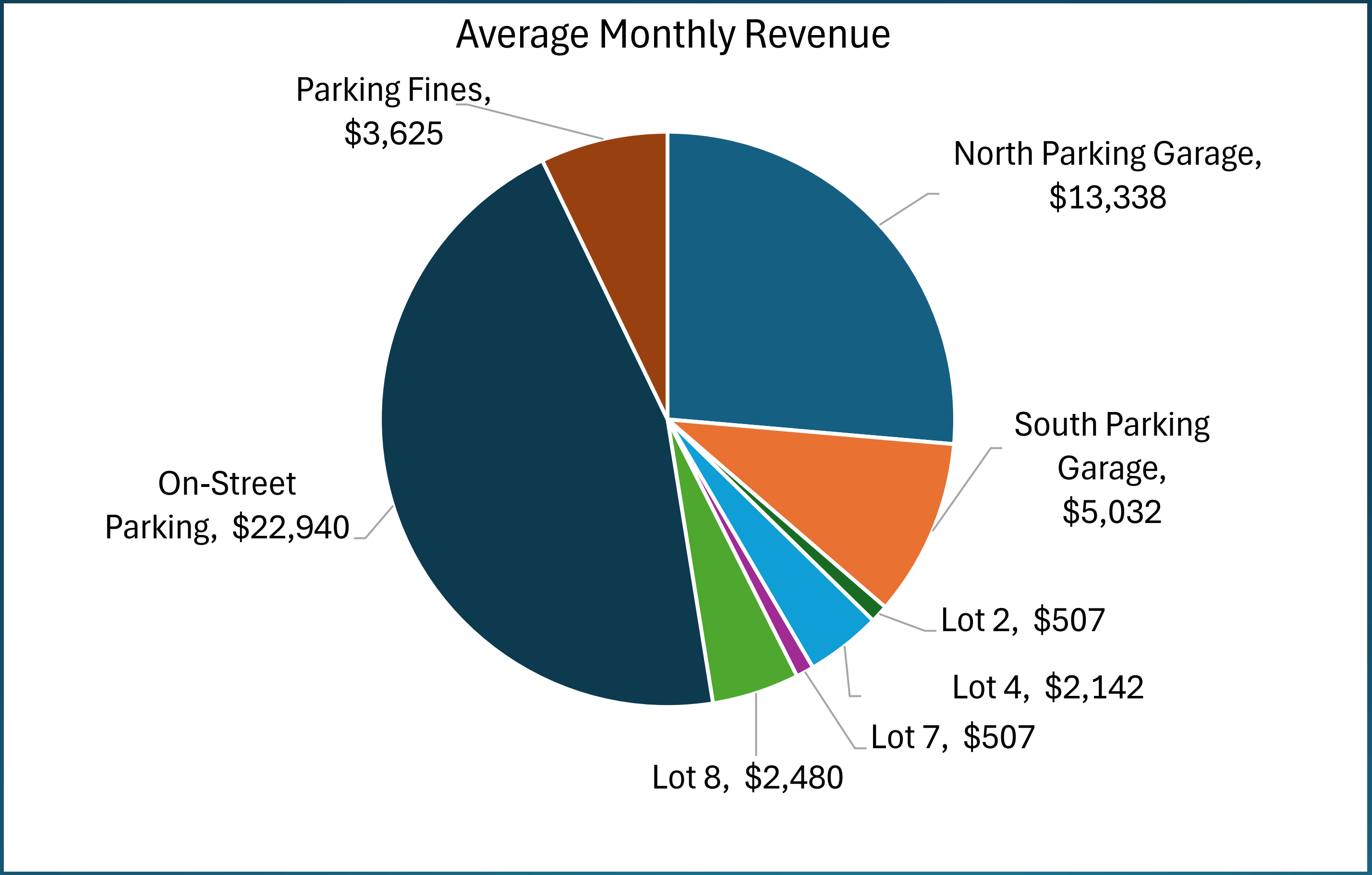
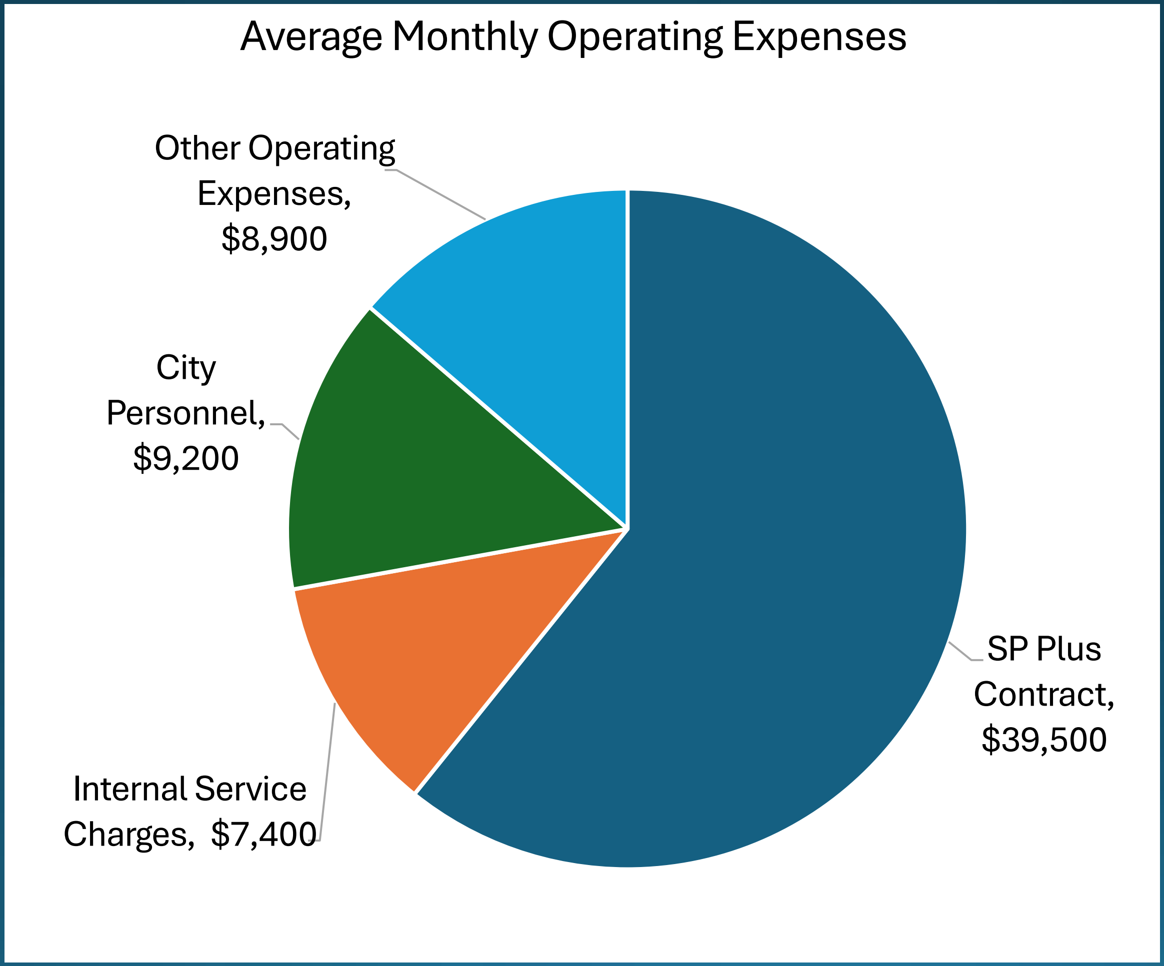
Downtown Parking Facilities Monthly Revenue



Downtown Parking Facilities Monthly Expenses



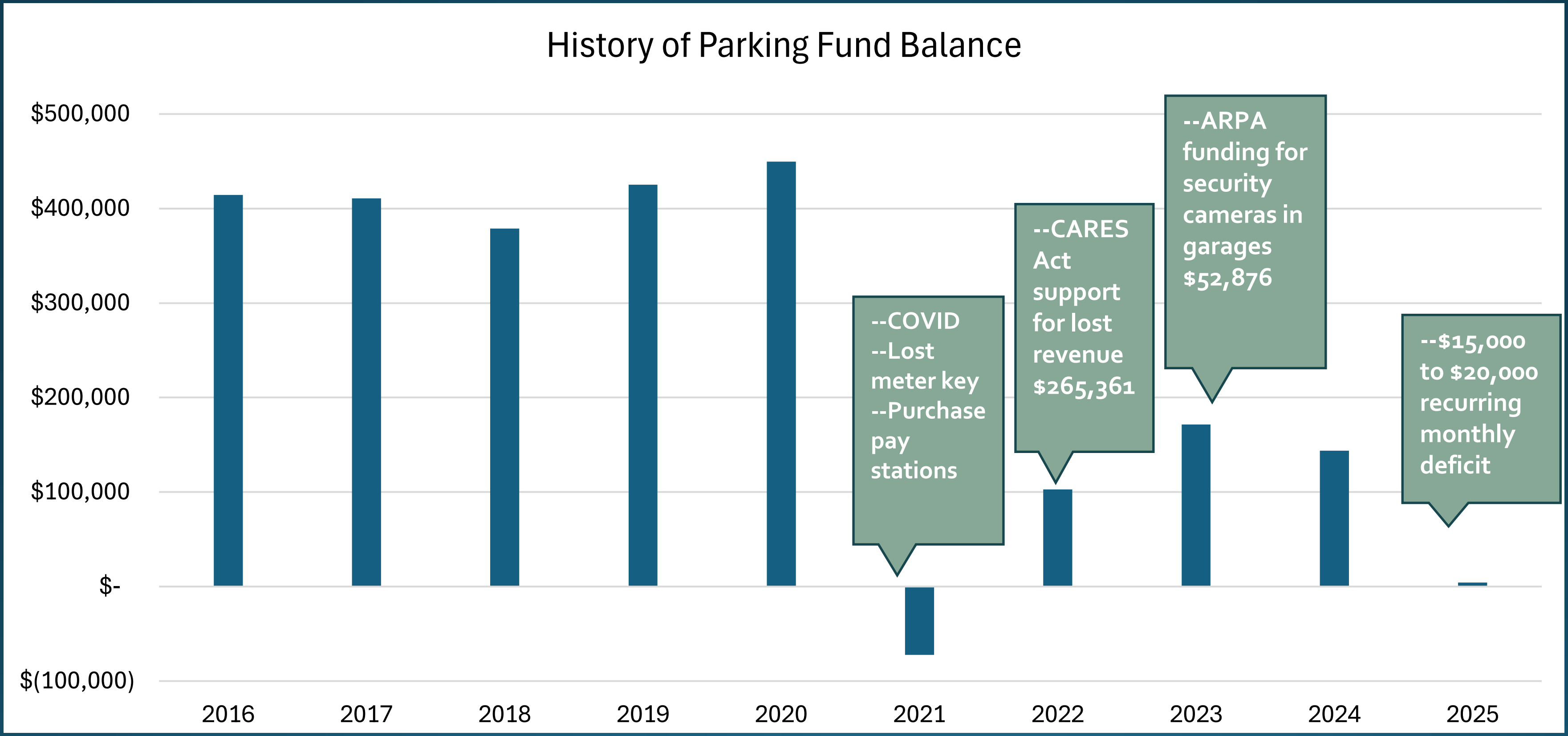
Downtown Parking Program Monthly Budget Average

Category	Monthly Average	Comments
Revenues	$45,000 to $50,000	Primarily from meters, kiosks, surface leases, and citations
Expenses		
SP Plus Contract	($35,000) to ($43,000)	Primary cost driver; not eligible for TIF
Internal Service Charges	($7,458)	Central Insurance (45%), Finance, HR, IT, and Facilities allocations
City Personal	($9,230)	CD & Planning charges for running Parking
Other Operating Expenses	($8,900)	Passport charges, other operation expenses
Net Position	($15,000)	

How we got here.

- The program has long operated with limited resources, aging infrastructure, and a reactive management model.
- Revenue has consistently struggled to cover operating costs, enforcement, and maintenance.
- Recently, the program has only remained functional financially due to a one-time **CARES Act Support of $265,361**.
- Staff and the PAC have been working on incremental policy changes to strengthen the financial condition of the program.
- Staff anticipated the budget shortfall and planned to use Downtown TIF as a temporary one to two-year bridge while improvements were implemented.
- The unexpected issue was confirmation that **TIF cannot fund operational personnel costs**, removing the temporary funding tool staff planned to rely on.

How we got here.



Where we are today.

- The Downtown Parking Program has a recurring **monthly deficit of $15,000 to $20,000** and **is projected to exceed $100,000 by January 2026**.
- No supporting funding source has been identified.
- Staff supports and expects strong involvement from downtown businesses, visitors, and residents in shaping long-term changes, and engagement is already underway.
- **Immediate action is required to keep the deficit from growing**. Each month of delay adds $15,000 to $20,000 to the deficit if there is no significant change to the program.

Framing the Issue

- **Issue 1: Stop the Deficit Growth**
  - The program is losing $15,000 to $20,000 each month.
  - Immediate action is needed to keep the shortfall from increasing.
  - Stabilizing the budget is the necessary first step.
- **Issue 2: Begin Developing the Long-Term Strategy**
  - As the deficit is slowed, staff will broaden engagement with businesses, visitors, and residents.
  - Long-term solutions will be shaped through community input and data.
  - The goal is a modern, predictable, and sustainable parking program.
- **Why This Framework Matters**
  - It helps clarify when a topic belongs in short-term decision-making versus long-term strategic discussion.
  - Short-term choices must focus on stabilizing the budget.
  - Long-term choices should be shaped through deeper public engagement and planning.

Using the Framework in Discussion: Short Term

Short-Term Topics

"Should we delay action until we gather more feedback?"

- Short-term. Delaying adds $15,000 to $20,000 per month to the deficit.

"Can we keep free holiday parking this December?"

- Short-term. Free Holiday impacts immediate revenue and affects budget stabilization.

"Do we increase fines or suspend the program now to slow the deficit?"

- Short-term. Directly tied to stopping deficit growth.

Using the Framework in Discussion: Long Term

Long-Term Topics

"Should downtown parking become fully automated or still allow coin meters?"

- Long-term. Requires community input and pilot program data.

"Should we only charge for garages and keep curb parking free?

- Long-term. A significant policy decision that requires business input, visitor impact analysis, revenue modeling, and broad public engagement.

"Should we send out a community survey?"

- Long-term. Would gather broad input and guide major policy direction. Would not address immediate operational shortfall decisions.

Staff Recommendations

Staff evaluated the program's financial condition, funding limitations, and operational challenges. Three options are provided:

Option 1: Adjust Rates and Retain SP+ Temporarily

- Stops the monthly losses through targeted rate and fine adjustments
- Maintains the current operating structure and level of service
- Allows time for broader policy development and public engagement

Option 2: Terminate SP+ and Launch a City-Run Pilot

- Removes the program's largest cost driver
- Accelerates modernization opportunities and changes level of service
- Requires rapid staffing & operational capacity that the City does not currently have

Option 3: Terminate SP+ and Limit Operations

- Maximizes planning flexibility and long-term engagement
- Introduces significant uncertainty to the level of service and the highest short-term operational and financial risks

Staff requests Commission direction on which path to pursue.

Option #1 – Financial Corrections (Recommended)

Category	Summary
What This Option Does	• Keeps SP+ temporarily on a month-to-month contract • Raises curb rates and fines (Options 1A, 1B, or 1C) • Stop monthly losses and stabilize the fund • Maintains current service level during transition
Operational Changes	• No change to enforcement coverage or daily operations • Update Passport, meters, and signage to reflect new rates • Begin public engagement after the deficit is stabilized
Financial Impact	• Immediate revenue increase from new rates and fines • Strongest effect under **Option 1A** • Best path to stopping the deficit, beginning repayment, addressing maintenance, while avoiding disruption
Department Impact	• SP+ continues handling parking operations • City staff focus on engagement, long-term strategy, and preparing future options • No immediate staffing or operational burden shifted to PCD/Finance
Risks	• Rate and fine increases occur before broad engagement • Revenue depends on citation collection and meter performance • If increases underperform, the deficit may not close fully

Option #1 – Sub-Options

	Option 1A (High Rate + High Fines)	Option 1B (High Rate + Moderate Fines)	Option 1C (Lower Rate + High Fines)
Curb Rate	**$1.50/hr**	**$1.50/hr**	**$1.25/hr**
Courtesy Ticket	Eliminated → **$10 first violation**	Eliminated → **$10 first violation**	Eliminated → **$10 first violation**
Repeat Violation Fines	**Aggressive increases** (highest penalties)	**Moderate increases**	**Aggressive increases**
Improper Parking Fines	**Increase to $50**	**Increase to $30**	**Increase to $50**
Pedlet Fee	$500/space/season	$500/space/season	$500/space/season
Meter Bagging Fee	$10/day	$10/day	$10/day
Additional Annual Revenue Impact	**≈ $286k/year** (highest)	**≈ $216k/year**	**≈ $211k/year**
Monthly Impact	**≈ $23,800/month**	**≈ $18,000/month**	**≈ $17,600/month**
Ability to Stop Monthly Deficit	**Strongest** (stops deficit + begins repayment)	Stops deficit but **little repayment**	**Likely stabilizes** deficit but limited repayment
Who Pays More	**Mix of users + repeat violators**	**Everyday users** (rate-driven)	**Repeat violators** (fine-driven)
Overall Notes	Highest revenue, strongest stabilization, best repayment capacity	Stabilizes but does not meaningfully reduce deficit	Works if enforcement volume is high; less predictable than rate

Option #2 – City-Run Pilot Program

Category	Summary
What This Option Does	• SP+ contract ends Jan 31, 2026 • City assumes full operations Feb 1, 2026–Jan 31, 2027 • Operates as an enterprise-style pilot (no General Fund subsidy) • Quarterly updates to the Commission
Key Operational Changes	• Rapid hiring/contracting for enforcement, operations, customer service, and collections • Replace coin meters with kiosks • Install automated gate systems in garages • Early transition period includes reduced enforcement coverage
Departmental Impact	• Significant workload added to PCD, Finance, and IT • Staff must manage daily operations, equipment procurement, financial tracking, and customer service
Risks / Realities	• Short-term confusion for users and businesses • High administrative burden on already stretched departments • Modernization must occur immediately to keep operations functional • Revenue stability depends on smooth execution of transition

Option #3 – Suspend Operations

Category	Summary
What This Option Does	• SP+ contract ends Jan 31, 2026 • City suspends nearly all parking enforcement and daily operations • No rate or fine changes implemented • Minimal maintenance only (lighting, safety, signage) while long-term strategy is developed
Immediate Operational Changes	• Meter enforcement stops. Police handle basic nuisance or safety issues • Citation issuance and collections pause • Garage and lot operations become passive (no active monitoring)
Financial Impact	• Removes SP+ labor costs • **Also eliminates most revenue:** on-street meters, citations, and a large share of permit revenue decline • Costs remain (insurance, maintenance, Passport fees, internal charges)
Departmental Impact	• Less operational workload than Option 2 • Increased Code Enforcement and Police calls from long-term vehicle storage or nuisance activity • Complications with monthly permit holders regarding credits/refunds
Risks / Realities	• Vehicles may stay parked indefinitely without turnover • Higher nuisance behavior in garages and lots • Customer access to businesses declines without curb turnover • Restarting enforcement later requires new staff, equipment, communication, and a public reset

2025 Free Holiday Parking

Dates: December 15–28, 2025

Estimated revenue loss: $10,000

Staff Recommendation

- **Most financially responsible short-term solution**
  Stops the $15,000–$20,000 monthly loss and begins repayment immediately.
- **Stabilizes the program without disrupting service**
  SP+ continues operations, keeping enforcement and customer access intact.
- **Protects the City from a risky operational transition**
  Avoids the staffing, equipment, and service disruptions required under Options 2 and 3.
- **Creates the runway needed for meaningful community engagement**
  Stabilization allows the long-term strategy to be shaped by business, resident, and visitor input rather than crisis pressure.
- **Positions the Commission to make long-term decisions from a stable baseline**
  Once the deficit is stopped, modernization and program structure can be addressed with data and public feedback.