

MEMORANDUM

DATE: February 26, 2014
TO: DDA Operations Committee
FROM: Joe Morehouse, Deputy Director
RE: Management Incentive Recommendation for Republic Parking Systems, Inc.

According to the February 1, 2007 contract between the DDA and Republic Parking Systems, Inc. the parking contractor's fee was calculated to be up to \$200,000, which translates to less than 1.1% of the total parking revenues collected by the parking operator (DDA's FY 2013 parking revenues were \$19,086,835). The fee paid to Republic Parking Systems is paid in two parts. The first part, \$150,000, is paid on a monthly basis. The second amount, up to \$50,000, is paid on the anniversary date of the contract based upon a DDA review of Republic's performance using the following criteria:

- Level of customer satisfaction as measured by a sampling of parking patrons on a bi-monthly basis.
- Increases in the operating surplus as compared to a target level set jointly by Republic and DDA.
- Cleanliness of the parking facilities as measured by the DDA.
- Control of "dead tickets" by the Manager as measured by the DDA from parking control software.
- General satisfaction of Republic's performance.

Results

A. Results of calendar year 2013 customer surveys with permit and hourly customers:

<u>2013</u>		<u>2012</u>	
5-Excellent	42.8%	5-Excellent	43.5%
4	31.6%	4	28.5%
3	13.3%	3	13.1%
2	3.3%	2	4.7%
1-Poor	2.8%	1-Poor	3.1%
Non-Responsive	6.2%	Non-Responsive	7.1%

- B. Operating surplus reported by Republic for June 30, 2013 was \$1.1M more than budgeted.
- C. The DDA's independent Parking Inspector completed 43 written reports that assessed facility cleanliness. These ratings averaged 92.3% for the entire system through the January ratings, which is an increase over last year's score of 91.71%.
- D. The December 31, 2013 accounts receivable balance for parking permit accounts stood at \$22,920.03, or 4.4% of our average monthly billing, below our target of 5%.
- E. The Republic dead ticket average was 1.75% for the year which is an increase from last year's 1.01%. This is equal to our target of 1.75%.

Overall Assessment

On top of doing an excellent job running the DDA's parking system, Republic had a number of really significant projects to manage this year. These included:

Completion and opening of the First and Washington parking structure including overseeing the installation of equipment, managing final construction related maintenance coordination of opening operations with the final construction in the garage

Modernization of the parking equipment at two parking facilities.

Completion of a Library Lane parking structure office.

Implementation of reservation parking for Art Fair and the 1st NHL Winter Classic

Outstanding success with the first time events of New Year's Eve "Puck Drops Here" event and NHL Winter Classic despite the weather obstacles presented.

Maintaining of the parking facilities during the past extreme weather which included removing large amounts of snow from the facilities and from parking meter areas in sub zero temperatures.

The professionalism shown this past year was extraordinary and was appreciated by the DDA.

Recommendation

In recognition of Republic's work this year I would like to recommend that the DDA give Republic the full \$50,000 incentive fee for 2013. This is the same request as last year.