



## News

# Lovely Rita, meter kiosk?

by John McGill \* 07 June 2005

A funny thing happened on the way to the parking meter. It disappeared.

While elsewhere in the world it's now old-hat to replace single-space meters with parking kiosks that handle an entire city block, folks in the U.S. are relatively unaccustomed to the phenomenon.

Cities such as New York, Chicago, Portland and New Orleans have installed thousands of parking kiosks, but this changing face of U.S. parking remains about 95 percent short of a complete makeover.

"Parking is a multi-billion dollar industry and parking kiosk growth in North America has been extraordinary," said Mark Curtis, president of Pacific Cascade Corp. and The Parking Zone. "The meteoric growth has happened over the last five years, (but) we've just barely scratched the surface."

Buzz Siler, president of the SafePak Corporation, said that in the past year alone his company has received a tenfold increase in inquiries regarding parking kiosk applications.

"It's been a big surprise, more than at any other time in my business career," Siler said. "We've had inquiries from all over the USA."

Parkeon, headquartered in France, is the on-street parking leader with a 58 percent market share worldwide. It has more than 130,000 parking kiosks in more than 3,000 cities across 40 nations. And it too has noticed the U.S. surge—not only in inquiries, but also in competition.

"Two or three years ago, we were really the only people trying to sell this Pay and Display concept in the U.S.," said Ken Greenwood, who handles marketing for Parkeon North America. "If you look now, there are about five or six of us. People are seeing there is a market here."

"It's a huge market, one of the most untapped markets left in the world," said Curtis, whose company is sole distributor of SafePak's PayStations. "From the kiosks-on-the-street standpoint, probably less than 5 percent (of what's available) is being utilized."

## Revving up the revenue

Seattle is one of the latest U.S. cities to embrace the parking kiosk concept, with more than 500 Parkeon kiosks installed. The city plans to install 1,200 with an option to install 1,600 to replace its 9,000 parking meters within three years. Each unit costs \$6,600. Greenwood said that Seattle also is the first U.S. city to include online credit card authorization on a widespread basis.

Greenwood said Parkeon kiosks provide increased revenue generally between 20 and 40 percent —"and that's without increasing parking rates," he added. Curtis said increases he's seen can go from

10 to 25 to 30 percent.

There are a number of reasons for the increase.

- Because marked spots aren't needed for each meter, a standard city block generally can accommodate one extra car, or an additional 10 percent of the previous space available.
- Kiosks have a higher reliability rate—98 to 99 percent, according to Greenwood, compared to 80-90 percent for meters. Since far fewer kiosks are required than meters, the maintenance staff can be smaller.
- Pay and Display kiosks—where a person pays at the kiosk and gets a receipt for the car window that shows the expiration time—mean others can't pull in to take advantage of unused time. "In essence, it's a meter reset feature," Curtis said. "When people leave the curbside, they take their time with them."
- In addition, since most kiosks now accept credit and debit cards and bills, people not only have more convenience, they are also more likely to buy the maximum amount of time—particularly in those cities where you can take your receipt and park elsewhere if time remains.

"As rates go up (to \$3 per hour in some places), people are not inclined to have \$5 worth of quarters. But they will pay with a credit card," Curtis said, "and usually they'll hit the 'maximum pay' button. You'll actually see over compliance."

Pay and Go kiosks differ in that the kiosk has numbers corresponding to curbside spaces and payment is made without having to put a receipt in the window.

Meanwhile, a number of parking garages—particularly at airports—are using Pay on Foot kiosks, where customers can walk up to the kiosk after a trip, pay for their parking, and get a card that can be inserted at specially marked exits, which reduces wait time on the way out and eliminates the need for a complement of booth attendants.

But the city street is apparently where parking kiosks stand to make the greatest impact. A couple of years ago, Greenwood said, cities such as New York and Portland numbered parking kiosks only in the hundreds. "Now, there are over 1,500 in New York and over 1,000 in Portland," he said. "There are over 2,000 in Toronto, and we have kiosks in Seattle, Chicago, Denver and Miami. And we have at least two or three RFPs we're currently working on for other cities."

### **Taking them to the streets**

8D Technologies Inc. in Quebec has gotten into the act, both in Canada and the U.S. While it might be stretching to say the software company fell into the parking kiosk trade, its involvement did result in part from the old adage that necessity is the mother of invention.

"Our first product was called Cloud 9, which is a group of software to launch applications faster and includes special features," said Isabelle Bettez, 8D's president and CEO. "When we went to market with it in 2001, it was very difficult to sell because people had a hard time figuring out what they could do with it."

The opportunity, Bettez said, came in the parking industry. "That's how we came to design this whole solution," she said. "Now we're working on other verticals in the point of sale market, such as vending machines, gas meters and so on."

The company has deployed 500 kiosks in Montreal with promising early ROI numbers and is deploying in other cities, including some pilot programs in the U.S. Its C9 parking manager and parking locator software gives real-time status of parking spaces and machines and allows for secure payment—another advantage of the wireless kiosks, which can transmit real-time data for monitoring and statistical study.

8D partners with manufacturers who build the actual kiosks. "We replace the original motherboard of these machines with our 'blue box' that allows real-time wireless payment, and to work the solar panel and battery, which is the key thing, really," Bettez said. "We have back-end solutions to control remotely everything that is going on."

Given that kiosks already have a number of features thanks to wireless broadband capabilities, Parkeon's Greenwood suggests that the future of parking kiosks won't be so much about new features but about the solar power needed to run them.

"The technical challenge to make those machines go is getting harder and harder," he said. "The challenge is to continue to do solar power and retain wireless communications, online credit approval, graphic display, and things like that."

Solar power is the only practical and cost-effective way to run parking kiosks. The trick, of course, is that the power source must not only be capable of powering the kiosk, it must also be reliable.

"A lot of people think it's a simple matter to put a solar panel on top of a machine," Greenwood said. "These machines have to work for many years. You can't be in a situation where you're changing a battery every three months. And they have to work outside, not only in clear sunlight but in ambient light, in snow and rain and dirt. It's nothing insignificant."

But neither is the growth in U.S. usage of the kiosks. The parking meter's disappearing act figures to only get bigger.

"If there's a message to get across, it's really the value to a city of changing their parking solutions," Greenwood said. "Parking is a revenue-positive division. And it doesn't have to be a negative money maker. It's not a tax. The city makes money, but more than that, it frees up more spaces for local businesses and encourages people to come to town."

"It's a growing industry, an exciting industry," Curtis said, "and there are tremendous opportunities in it right now."