

## CITY COMMISSION AGENDA ITEM

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|--------------------------------|---|
| <b>TITLE</b>                   | <b>Approval of Parking Equipment Purchase, Services, and Technology Licensing Agreement</b> |
| <b>SUBMITTING DEPARTMENT</b>   | <b>City Attorney</b>  |
| <b>PRESENTER</b>               | <b>Niccolas Grochowski</b>  |
| <b>MEETING DATE</b>            | <b>July 14, 2025</b>  |
| <b>SECOND READING REQUIRED</b> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                         |
| <b>CERTIFIED RESOLUTION</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                         |

### EXECUTIVE SUMMARY

City staff, the Parking System Steering Committee, and the Downtown Development Authority are jointly recommending that the City Commission approve a new agreement with Flowbird and ParkMobile for the City's parking pay stations and mobile application. This recommendation follows a robust, inclusive selection process and delivers a modern, customer-focused, and cost-effective parking system that meets Royal Oak's goals of accessibility, efficiency, and long-term sustainability.

The City anticipates installing approximately 150 Flowbird pay stations throughout both on-street and off-street parking locations. In accordance with the RFP, the contractor will conduct a walkthrough with City staff to finalize the locations and confirm the total number of installations. Each pay station carries an annual service fee of \$696. The implementation of the ParkMobile app requires no upfront investment from the City. Instead, users will pay a \$0.35 transaction fee, which is reduced to \$0.20 when using the ParkMobile Wallet—an experience similar to the City's current concierge feature.

Notably, Flowbird and ParkMobile recently merged under a global company called Arrive, which operates in more than ninety countries and twenty thousand cities. This merger strengthens their combined capabilities by integrating digital tools with hardware solutions to support flexible and scalable urban mobility. The merger further supports our recommendation to proceed with these vendors, providing a stable and unified platform for the future.

To protect the City's interests, the City Attorney has led an extensive and carefully negotiated agreement with both vendors. This work included outside legal counsel with expertise in contracts and parking systems. The result is a contract that ensures the City retains full ownership and control of the parking system and equipment. There will be no revenue sharing with the vendors. All costs to the City are fixed in the agreement, which is expected to deliver substantial cost savings and help restore the parking fund balance over time. The City Attorney's Office is confident this agreement represents a major improvement over the City's previous arrangement and strongly believes it protects the City's legal and financial interests.

As the City Commission is aware, the City successfully negotiated an early termination of its contract for paid parking services with Municipal Parking Services (MPS). Following this development, the City undertook a comprehensive and inclusive process to select new vendors to redesign and rebrand our entire parking system.

To guide this process, the City established a Parking System Steering Committee. This committee included representatives from the City Commission, the Downtown Development Authority, and City staff. The committee met multiple times to provide perspective and direction on selecting a new and forward-looking parking system for Royal Oak. Reflecting a shared priority of transparency and accessibility, the committee facilitated a detailed evaluation and public engagement process.

To support this critical initiative, the City retained Dixon Resources Unlimited, a consulting firm with specialized expertise in municipal parking systems. Dixon played a key role in analyzing the City's parking needs and advising the Steering Committee. Based on their work, Dixon developed a formal and extensively detailed request for proposals for new parking pay stations and mobile payment applications.

After reviewing the proposals, the City narrowed its options and hosted two well-attended public open houses in April 2025. Feedback from the public, combined with input from the Steering Committee and the Downtown Development Authority, led to a strong recommendation to adopt Flowbird multispace kiosks and the ParkMobile mobile application. These selections align with the City's core goals of improving customer service, expanding accessibility, and promoting energy efficiency. I have attached a presentation prepared by Dixon Resources outlining this process.

Flowbird kiosks were favored by the public, committee members, and staff due to their ease of use, highly readable screens, and solar-powered functionality. These kiosks are already used in nearby cities including Detroit, Birmingham, and Ferndale, providing consistency and a familiar experience for residents and visitors throughout the region.

The ParkMobile mobile application also received very strong support. It is a widely adopted, user-friendly platform that meets current public expectations. ParkMobile offers convenient features including mobile wallet integration, the ability to register multiple vehicles, and license plate-based payments. Together, these technologies will modernize our parking infrastructure while significantly enhancing the experience for residents, businesses, and visitors.

**Next Steps:**

- Staff recommends the City Commission approve of the agreement and authorize execution.
- Public outreach and education will begin immediately after approval.
- Future recommendations for enforcement, garage systems, and parking system operator contracts will follow.

These collective changes will modernize the City's parking system, improve the user experience, and rebuild public trust. The result will be a parking system that is accessible, easy to use, customer focused and aligned with the values and needs of our community.

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## **Fiscal Impact**

| <b>BUDGET SUMMARY</b>               |   |
|-------------------------------------|---|
| <b>EXPENDITURE REQUIRED</b>         | <b>\$888,672,000</b>  |
| <b>AMOUNT CURRENTLY BUDGETED</b>    | <b>\$1,000,000</b>  |
| <b>BUDGET AMENDMENT REQUIRED</b>    | <b>N/A</b>  |
| <b>FUNDING SOURCE/ GL NUMBER</b>    | <b>516-570-970; 247-901-970</b>   |
| <b>WAS THIS A BUDGETED EXPENSE?</b> | <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> |

**OTHER FISCAL IMPACTS:** (Select all that apply.)☐ No fiscal impact☐ Workload impact (details below)☒ Revenue impact (details below)☐ Operations Impact (details below)**REVENUE IMPACT:**

For FYE26, the City proactively planned for revenue impacts related to the transition away from the previous parking system. The former model relied heavily on rigid, automated enforcement tied directly to its technology platform. Beginning in January, the new system will shift the emphasis toward enhancing the customer experience—particularly in support of downtown businesses. This represents a philosophical and operational shift in the City's parking revenue model: from one centered on compliance to one grounded in service and accessibility.

**WORKLOAD IMPACT:**

The parking system transition will require targeted staff training, enhanced customer service capacity, and dedicated communications support to ensure a smooth and effective implementation. In the long term, the Police Department anticipates a reduction in parking-related calls as enforcement officers return to on-street patrols—shifting their role to that of visible ambassadors for our downtown and its businesses.

**OPERATIONS IMPACT:**

Annual maintenance and capital reserves should be incorporated into the parking budget process moving forward.

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**ALIGNMENT WITH COMMISSION APPROVED PLANS, POLICIES, AND PROGRAMS**

This transition aligns with Royal Oak's strategic plan by advancing goals related to vibrant downtowns, exceptional service delivery, and community trust. By shifting from a compliance-driven parking model to a customer-focused system, the City is prioritizing accessibility, user experience, and business support—key components of a thriving, inclusive downtown. The emphasis on staff visibility, service orientation, and proactive communication also reflects the City's broader commitment to transparent governance and responsive public service.

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**COMMUNITY ENGAGEMENT**

The City's parking steering committee hosted user feedback sessions at the Senior Center and the Farmers Market. The DDA Board also unanimously approved of the recommendation during their June meeting.

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**BOARD AND COMMISSION FEEDBACK**

A parking committee comprised of City Commission, DDA, and Staff were engaged throughout the process.

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**LEGAL COMMENTS**

**PROPOSED COMMISSION RESOLUTION:**

**Be it resolved**, the Royal Oak City Commission hereby approves the Parking Equipment Purchase, Services, and Technology Licensing Agreement with Flowbird America and ParkMobile and authorizes the Mayor and City Clerk to execute the Agreement on behalf of the City.

**ATTACHMENTS:**

1-Parking Recommendation Presentation

2-Parking Equipment Purchase, Services, and Technology Licensing Agreement (with attachments)