



AGENDA REPORT

City Council Meeting

TODAY'S DATE: July 23, 2026

MEETING DATE: August 5, 2026

TO: Mayor Grimm, Sandpoint City Council

FROM: Jason Welker, Planning & Community Development Director; Corey Coon, Police Chief

SUBJECT: Downtown Street Parking Management Options and Parking Program Implementation Update

DESCRIPTION/BACKGROUND:

The City's Parking Management Plan was adopted to improve the availability and efficient use of public parking, provide affordable parking options for residents and downtown employees, and establish a sustainable funding source for maintaining and improving City-owned parking facilities. The plan combines parking permits, paid hourly parking in City-owned downtown and waterfront lots, and technology-supported enforcement of high-demand downtown curbside parking.

The City began implementing the new parking program on July 1, 2026. Under the initial operating model, drivers parking in the downtown two-hour zone were required to enter their license plate number at a kiosk, through the ParkSmarter mobile application, or through text-to-pay to initiate a free two-hour parking session. Drivers could purchase additional time if they wished to remain in the zone beyond the two-hour courtesy period.

At its July 15th meeting, City Council directed staff to pause use of the on-street parking kiosks and return temporarily to traditional enforcement of the two-hour parking limit without requiring drivers to register a free parking session. Council also directed staff to:

1. Prepare an amendment to the Parking Management Plan removing the mandatory check-in requirement for free two-hour street parking;
2. Continue preparing for enforcement of paid hourly and permit parking in City-owned off-street lots downtown and along the waterfront;
3. Develop a parking-program data-retention and privacy statement;
4. Provide a means for customers to pay hourly parking charges with cash; and
5. Develop options for providing free resident parking permits to City of Sandpoint residents.

The amendment authorizing implementation and enforcement of paid and permit parking in City-owned off-street lots is also scheduled for Council consideration on August 5. The Title 6 amendments establish the regulatory authority needed to administer and enforce the parking program. The separate policy decision addressed in this report is how that authority should be applied within the downtown two-hour curbside zone. The requested Parking Program Privacy & Data Retention Practices fact sheet

has also been prepared. It explains the information collected through the program, the purposes for which that information may be used, payment-security practices, and record-retention principles.

The remaining policy question addressed by this report is how Council wishes to manage the downtown two-hour street parking zone.

DECISION BEFORE COUNCIL

Select the operating model for downtown two-hour curbside parking:

1. Mandatory check-in with optional paid extensions;
2. Strict two-hour maximum with no extensions; or
3. No check-in for the first two hours, with optional paid extensions.

INITIAL STREET KIOSK UTILIZATION

The downtown street kiosks were operational for approximately two weeks before Council directed that they be paused. During that period:

<i>Measure</i>	<i>Result</i>
<i>Free two-hour parking sessions initiated</i>	3,718
<i>Free parking hours registered</i>	6,761 hours
<i>Paid extensions initiated at a kiosk, by mobile app, or text-to-pay</i>	468
<i>Total parking sessions initiated (free+paid)</i>	4,186
<i>Average number of parking sessions initiated per day</i>	349
<i>Average number of parking sessions initiated per kiosk per day</i>	11.25
<i>Amount collected for additional parking time</i>	\$2,078
<i>Average amount paid per extended session</i>	\$4.44
<i>Average additional time purchased</i>	1 hour, 6 minutes
<i>Additional downtown parking time purchased</i>	520 hours

During the two-week on-street kiosk launch, users initiated **4,186 parking sessions**, including 3,718 free two-hour sessions and 468 paid sessions. This equates to approximately **349 kiosk sessions per day**.

By comparison, the 2022 parking study observed average turnover of **2.3 vehicles per stall** during the eight-hour enforcement period across the 271 two-hour spaces now covered by the kiosk program, or an estimated **623 parking sessions per day**.

Based on that comparison, kiosk participation during the launch period was approximately **56% of expected baseline parking activity**. This should be viewed as a reasonable planning-level estimate rather than a precise compliance rate, since actual demand during the two periods may have differed and the comparison assumes the 2022 turnover rate remained representative during the 2026 launch.

Of the 4,186 total parking sessions initiated during this period, approximately **89 percent used only the free courtesy period**, while approximately **11 percent included the purchase of additional time**.

These figures indicate two distinct patterns among customers who initiated a parking session:

- Approximately 89 percent of registered sessions used only the free two-hour courtesy period.
- Approximately 11 percent included the purchase of additional time, demonstrating measurable demand for a lawful extended-stay option.

The paid-extension feature provided approximately **520 additional hours** during which customers could remain downtown without moving their vehicles or risking an overparking citation.

DOWNTOWN STREET PARKING OPTIONS

Staff has identified three primary options for Council consideration.

OPTION 1 - REACTIVATE THE PROGRAM AS ORIGINALLY IMPLEMENTED

Operating model

- Drivers must register their license plate to initiate a free two-hour parking session.
- Registration may occur at a kiosk, through the mobile application, or through text-to-pay.
- Drivers may purchase additional time when first registering or at any point before their authorized session expires.
- At the end of the authorized period, the vehicle must leave the two-hour zone unless additional time has been purchased.

Advantages

More efficient enforcement.

The parker establishes the beginning of the parking session. When an officer first checks a license plate, the officer can immediately determine when the session began, whether the free period has expired, and whether additional time has been purchased.

Ability to plan longer stays in advance.

Drivers who know that they will need more than two hours can purchase the necessary time when they initially park rather than returning to a kiosk or initiating a mobile payment later.

Strongest compliance mechanism.

Because each vehicle is required to initiate a session, this model provides the most complete information for enforcement and is likely to produce consistent turnover in the highest-demand blocks.

Supports return visits.

A person returning to the downtown core later in the same day can register a new session and, where applicable, pay for additional time rather than being categorically prohibited from returning to the zone.

Disadvantages

Restores the requirement Council directed staff to pause.

This is substantially the same operating model that generated public concern during the initial rollout.

Creates friction for short visits.

Every driver must interact with a kiosk or digital payment system even though approximately 89 percent of registered sessions did not require more than the free two-hour period.

Potential for confusion and unintentional violations.

Drivers may forget or fail to register despite parking for less than two hours. Some users reported difficulty or frustration with kiosk operation during the initial rollout.

Risk of citations unrelated to actual overparking.

A driver could be cited for failure to initiate a session even when the vehicle had not exceeded the two-hour limit.

OPTION 2 - REMOVE THE STREET KIOSKS AND ENFORCE A STRICT TWO-HOUR ZONE

Operating model

- No check-in or payment is required.
- Officers use traditional or electronic observation methods to determine how long vehicles remain in the zone.
- No paid extension is available.
- At the end of two hours, the vehicle must leave the two-hour zone or be subject to citation.

Advantages

Simple public message.

Drivers may park for up to two hours without using a kiosk, application, or payment system.

Strong turnover potential.

No vehicle may remain beyond two hours, regardless of willingness to pay. With consistent enforcement, this option may produce the highest turnover in the downtown core.

No public uncertainty about whether curbside parking is paid.

Removing the kiosks would eliminate the possibility that visitors mistake the two-hour zone for a paid-only parking area.

Higher potential citation volume.

Because no paid extension would be available, every confirmed stay beyond two hours would constitute a violation. This could result in more citations unless the strict limit produces a corresponding increase in compliance and turnover.

Disadvantages

Least flexible approach for longer visits.

Compliance is achieved exclusively through strict time limits and citations. Drivers who need more than two hours have no option other than moving their vehicle out of the zone.

Less convenient for longer downtown visits.

Customers attending appointments, dining, shopping, or completing several errands may be required to interrupt their visit or park farther from their destination.

Loss of a customer service option demonstrated to have demand.

During the two-week operating period, 468 customers purchased additional time, accounting for approximately 520 hours of extended downtown activity.

Potential loss of the City's kiosk investment.

The City purchased 31 MSX kiosks for downtown curbside use, at a substantial capital cost. Some street kiosks could potentially be relocated to off-street facilities, but many would no longer have an identified operational use. Resale, return, or repurposing options remain uncertain.

Removal and restoration costs.

The City would incur additional labor and potential site-restoration costs to remove the units and their foundations or mounting systems.

OPTION 3 - HYBRID SYSTEM: FREE TWO-HOUR PARKING WITHOUT CHECK-IN, WITH OPTIONAL PAID EXTENSIONS

Operating model

- The first two hours remain free, and no check-in is required for that free period.
- Officers use traditional or electronic observation methods to determine when a vehicle has remained in the zone for more than two hours.
- A driver who anticipates staying longer than two hours may initiate a paid session at a kiosk, through the mobile application, or through text-to-pay before the free two-hour period expires.
- Once a paid session is initiated, it begins immediately and replaces the free parking period for enforcement purposes; paid time is not added to the unused portion of the free two hours.
- Before citing a vehicle observed beyond two hours, the officer checks whether the license plate has an active paid session.
- A vehicle remaining beyond two hours without an active paid session may be cited.

Public-facing explanation for the program under option 3:

First two hours free - no check-in required.

Need more time? Start a paid session before your two hours expire. Paid time begins immediately when purchased and does not add to unused free time

Advantages

Frictionless experience for most downtown visitors.

Approximately 89 percent of registered sessions during the initial rollout used only the free two-hour period. Under this model, those drivers could park and proceed directly to their destination without interacting with a kiosk or mobile system.

Preserves flexibility for longer visits.

The approximately 11 percent of users who need additional time could remain downtown legally rather than moving their vehicles or risking a citation.

Directly responds to the principal public concern.

The mandatory check-in requirement would be removed while the customer convenience provided by paid extensions would remain.

Preserves the usefulness of the City's investment.

The street kiosks would continue serving a defined purpose rather than becoming surplus equipment after a brief period of operation.

Supports downtown businesses and customers.

Customers whose appointments, meals, shopping trips, or other activities take longer than expected would have a lawful means to extend their stay.

Lower likelihood of unintentional violations.

Drivers who stay less than two hours cannot be cited merely because they failed to register a free session.

Disadvantages

Least efficient enforcement model.

Officers must first determine that a vehicle has remained in the zone beyond two hours and then

verify whether a paid parking session exists. This adds a step compared with either a fully registered system or a strict two-hour limit.

The payment-verification step would, however, be similar to the process used in off-street lots, where officers must determine whether a vehicle has a valid permit or paid parking session.

Paid time does not stack with the free two-hour period.

Because free and paid sessions are maintained in separate IPS databases, initiating a paid session overrides the free parking period rather than adding time to it. A driver who expects to remain longer than two hours must begin the paid session before the free period expires, but the paid time starts immediately when initiated. For example, a driver who begins a one-hour paid session after parking for 1 hour and 45 minutes would be authorized for only one additional hour from the time of payment, not for a total stay of three hours..

Possible public misunderstanding.

Some visitors may see kiosks and incorrectly assume that payment or check-in is required immediately. Prominent signs would be needed stating:

Continued opposition to kiosk infrastructure.

Some community members may oppose leaving the kiosks in place regardless of whether interaction is required.

Potentially lower citation volume.

Drivers would have a lawful means to extend their stay, reducing the number of overstays that result in citations. This may reduce citation revenue but would also make compliance easier and support the program's customer-service objectives.

OTHER COUNCIL DIRECTIONS

Cash-Payment Capability

The MSX kiosks currently installed by the City accept contactless card and digital payments but do not accept cash or coins.

In response to Council direction, staff has notified IPS that the City will likely acquire two MS3 multi-space pay stations. The MS3 model supports:

- Credit and debit cards;
- Contactless payment;
- Cash; and
- Coins.

Staff's preliminary plan is to install:

1. One MS3 pay station at City Beach, the City's highest-volume waterfront parking facility; and
2. One MS3 pay station at the downtown City lot at Third Avenue and Church Street.

This would provide a cash-payment option in both the waterfront and downtown parking areas. Existing MSX kiosks would remain available for card and contactless payment, while mobile application and text-to-pay options would continue to be offered.

Final pricing, placement, cash-collection procedures, and procurement authority will be brought forward as appropriate.

Free Permits for City Residents

Council also directed staff to develop a proposal for providing parking permits at no charge to City of Sandpoint residents.

Staff are evaluating administrative, financial, eligibility-verification, and implementation options. Relevant considerations include:

- Whether the City would absorb permit-platform and payment-processing costs;
- How residency would be verified;
- Whether free permits would be automatically renewed or issued annually;
- How to prevent duplicate, transferred, or improperly obtained permits; and
- The fiscal effect on parking-program revenue and administration.

More than 3,000 parking and boat-launch permits have already been sold for 2026, and the current permits remain valid through December 31. Staff therefore recommend completing this policy work later in 2026 so that Council can establish a clear process before 2027 permits are issued.

Privacy and Data Retention

The attached public fact sheet responds to Council's request for clearer information regarding privacy, data retention, financial security, and use of parking-program information.

The document explains that license plates function as digital parking credentials; IPS operates its systems as a service provider to the City; personal information is used for permit administration, payment verification, customer service, revenue reconciliation, enforcement, and legally required purposes; and payment systems use encryption and PCI DSS-compliant processes. It also states that IPS does not sell or rent personal information to third parties for their own purposes.

POLICY CONSIDERATIONS

The three options reflect different balances among enforcement efficiency, customer convenience, turnover, public acceptance, citation risk, and preservation of the City's investment.

- Option 1 provides the most complete information for enforcement but retains the mandatory interaction that prompted Council's pause.
- Option 2 provides the simplest operating rule and the strongest prohibition against extended stays, but removes any lawful option for customers who need more than two hours and leaves much of the street-kiosk infrastructure without a clear purpose.
- Option 3 removes the check-in requirement for most users while retaining paid extensions for customers who need additional time. It is less efficient from an enforcement perspective but most directly responds to the concern that drivers should not be required to interact with a kiosk merely to receive the first two hours free.

Council may select one of these options, modify an option, establish a trial period, direct that the kiosks remain paused while additional information is collected, or articulate another approach.

FINANCIAL IMPACT

The financial effects will depend on Council's selected option.

- **Options 1 and 3** would retain paid-extension revenue and preserve the operational value of the kiosks. Although the initial utilization data indicates that extension revenue is modest (~\$1,000 per week), staff estimate the initial kiosk investment would be recouped fully within three-years.
- **Option 2** would eliminate paid-extension revenue (~\$1,000 per week), incur costs associated with the removal or relocation of street kiosks (labor and materials tied to removal and concrete rehabilitation) and costs associated with storage or disposal of removed kiosks.

Procurement of two MS3 cash-accepting pay stations would create an additional capital cost that will be presented when final pricing is available.

STAFF RECOMMENDATION

Staff recommend that Council select and clearly articulate a preferred operating model for the downtown two-hour street parking zone so that staff may prepare the necessary Parking Management Plan amendment, operating rules, signage, public communications, system configuration, and enforcement procedures.

If Council wishes to remove the mandatory check-in requirement while preserving an option for customers to remain downtown longer than two hours, staff recommends proceeding with **Option 3 as a trial operating model**, accompanied by prominent signage and a defined evaluation period.

Staff could return after the trial period with data regarding:

- Paid extensions;
- Parking turnover and occupancy;
- Citation volume;
- Enforcement labor;
- Customer complaints and support requests;
- Kiosk reliability; and
- Effects on downtown businesses and visitors.

PROPOSED MOTIONS

Option 1

I move to direct staff to reactivate the downtown street parking kiosks under the originally implemented operating model, requiring drivers to register for a free two-hour parking session and allowing additional time to be purchased at a kiosk, through the mobile application, or by text-to-pay.

Option 2

I move to direct staff to discontinue use of the downtown street parking kiosks, remove the option to purchase additional curbside parking time, and administer the downtown two-hour zone as a strict zone-wide two-hour maximum enforced through City-authorized observation and enforcement methods.

Option 3

I move to direct staff to implement Option 3 for a six-month trial period: two hours of free downtown street parking without check-in, with optional paid extensions available through the kiosks, mobile application, and text-to-pay system; and to return to Council with an evaluation of utilization, turnover, occupancy, paid extensions, citations, enforcement labor, customer feedback, and operational performance.

Alternative Direction

I move to direct staff to proceed with the following downtown street parking operating model: [Council member states the specific policy direction].

ATTACHMENTS

1. Parking Program Privacy and Data Retention Fact Sheet
2. Police Chief Coon's downtown business parking survey results
3. Parking Satisfaction Community Survey results from March 2025