TOWN OF EMERALD ISLE
Board of Commissioners

AGENDA ITEM COVER SHEET

Meeting Date: October 13, 2026 **Agenda Item #:** 14

ITEM TO BE CONSIDERED

Title: Paid Parking Program

Brief Summary:

The Board will review various service and equipment options for the Town's paid parking program, and consider a new 5-year contract with Towne Park, the Town's current paid parking contractor.
The proposed contract utilizes an electronic gate system with automated license plate reader cameras, and would result in an additional ~ $101,000 of additional parking revenue annually for the Town.
Towne Park would own and maintain all equipment, and would manage all aspects of the Town's paid parking program. The Town would retain 100% of paid parking revenues, but would compensate Towne Park with $1.50 per transaction and a fixed fee associated with the parking equipment.
The Town received proposals from 8 different parking service and equipment companies in recent weeks, from 6 parking service companies and 2 parking equipment vendors. Of the 8 proposals, 5 utilize a gate-less system with either on-site enforcement or camera-based enforcement, while the other 3 utilize a gate system. Each of the proposals include slightly different models, equipment, and/or compensation structures, and each proposal has been carefully reviewed to ensure a fair, "apples-to-apples" comparison.

Suggested Motion:

Review service model and revenue sharing options.

Motion to adopt the Resolution Authorizing Paid Parking Services Contract with Towne Park.

BACKGROUND

Originating Department / Individual:

Frank Rush, Town Manager

Attachments:

1 Memo from Rush
2 Resolution
3 Draft contract
4 Towne Park proposal
5 Other parking proposals
6

ACTION TAKEN:

Motion By: Carried:

EMERALD ISLE
NORTH CAROLINA

Nice Matters!

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A Family Beach

October 13, 2026

MEMO TO: Mayor Lagos and Board of Commissioners

FROM: Frank A. Rush, Jr., Town Manager

SUBJECT: Paid Parking Program

The Board of Commissioners will review various service and equipment options for the Town's paid parking program at the October 13 meeting, and will consider the attached resolution authorizing a new 5-year contract with Towne Park, the Town's current paid parking contractor. The proposed new contract would implement a new electronic gate system for the 2027 parking season and beyond, and would result in an additional ~ $101,000 of net parking revenue for the Town annually.

Current Paid Parking Program

The Town's current paid parking program is contracted to Towne Park, and this contract has essentially expired with the close of the 2026 paid parking season on September 30. Towne Park has been under contract to the Town for the last 5 years, and has handled all aspects of the Town's paid parking program during that time. The current paid parking program involves payment of parking fees via an on-site kiosk, a phone app, or a website accessed via a QR code. Towne Park enforcement staff are on-site at the Town's two regional beach access parking lots, and verify that all vehicles parked have paid the appropriate fee. Violators receive a citation, and Towne Park handles all aspects of enforcement and collection process.

For 2026, the Town charged $5 per hour, with a maximum daily fee of $25, between April 1 and September 30. Town residents / property owners receive up to 2 free parking permits, and are not charged. The Town expects to gross approximately $650,000 of paid parking revenue in 2026. The current contract with Towne Park includes a somewhat complicated revenue sharing formula that provides the Town a guaranteed minimum amount, deducts operating expenses, and shares the remaining revenue 65% Town and 35% Towne Park. Overall, utilizing the prescribed formula, the Town expects to net approximately $448,000 of paid parking revenue for 2026. The remaining approximately $202,000 covers operating expenses and Towne Park's profit.

The Town estimates a total of approximately 47,000 paid parking visitors combined at the Eastern Ocean Regional Access and Western Ocean Regional Access for the 2026 season. Approximately 60% of parking transactions occur at the WORA, and approximately 40% occur at the EORA.

Under the current paid parking program, the parking visitor pays only the $5 per hour parking fee (or $25 maximum), and does not pay any additional convenience fees or credit card processing fees. Theoretically, the expenses associated with these items are rolled into the overall $5 per hour parking fee (or $25 maximum).

Review of Options / Proposals Received

The Board of Commissioners previously directed Town staff to explore other service and equipment options for the Town's paid parking program for 2027 and beyond, with stated goals to maximize the Town's net paid parking revenues and secure a more favorable revenue-sharing model than the current contract.

Over the past three months, Town staff have met with a total of 8 different parking service companies and parking equipment vendors, and have received proposals from each for various paid parking models. Of these 8, the Town received proposals from 6 parking service companies for a model whereby the parking service company manages all aspects of the paid parking program for the Town and owns and maintains all associated equipment. The Town also received proposals from 2 parking equipment vendors, and analyzed the Town's projected net annual revenues for a model whereby the Town would own and maintain all parking equipment and manage the entire program with Town staff.

I have summarized the 8 proposals later in this memorandum for the Board's review. As noted, each company offers slightly different approaches and revenue sharing models, and on the surface it is difficult to compare the various proposals in a fair and accurate manner. In order to ensure an "apples-to-apples" comparison and not further complicate an already complex analysis, I have established the following parameters for our analysis:

- maintain existing parking fees of $5 per hour, $25 daily maximum,
- maintain existing paid parking schedule of April 1 – September 30,
- anticipated gross revenues of approximately $650,000 annually,
- anticipated total of 47,000 parking visitors annually, and
- assume that the paid parking visitor would pay only the $5 per hour parking fee (or $25 maximum), and adjust any proposals that shift convenience fees and/or credit card processing fees to the parking visitor.

As noted, the overall analysis is complex, with details about each option's model presented in the following pages. In order to simplify the Board's review and understanding, I am presenting the bottom line, net revenue analysis for each of the 8 options below:

Company	Model	Net Town Revenue Annually
Towne Park (current contract)	No gate, enforcement	~ $448,000
Passport	No gate, enforcement	~ $486,000
Otto Connect	No gate, enforcement	~ $440,000
Metropolis Parking	No gate, enforcement	~ $455,000
Pivot Parking	No gate, enforcement	~ $485,000
Air Garage	No gate, enforcement	~ $435,000
Parking Boxx	Town-owned gate	~ $573,000
70 West Access	Town-owned gate	~ $575,000
Towne Park (new proposal)	Contractor-owned gate	~ $549,000.

As noted above, the 3 proposals incorporating a gate result in the highest net annual revenues for the Town, with an increase of more than $100,000 over the anticipated 2026 net revenues.

More details about each proposal are presented below:

Passport – Charlotte, NC

Multiple discussions / meetings, written proposal submitted and attached

Parking Model:

Payment via phone app or text-to-pay, with enforcement by on-site personnel.

No gates, potential use of ALPR tools for enforcement.

Vendor-provided software platform.

Passport handles all aspects of paid parking program.

Annual Compensation Structure:

Town retains 100% of parking revenues, estimated at ~ $650,000 annually.

Town funds annual operating expenses, estimated at ~ $110,000 annually.

Town pays credit card processing fees of 2.9%, plus $0.30 per transaction. Estimated at ~ $33,000 annually.

Parking patron pays $0.45 per visit, in addition to Town parking fees. Estimated at ~ $21,000 annually remitted to Passport.

Other miscellaneous fees associated with enforcement, some borne by Town and others borne by violator.

Additional Considerations:

Resident / property owner free parking via license plate information, no need for sticker system.

Lengthy fee schedule for other miscellaneous fees.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $507,000 minus other fees, costs, etc. or $486,000 if Town does not pass along $0.45 per visit fee to parking patron

Otto Connect - Charlotte, NC

Multiple discussions / meetings, written proposal submitted and attached

Parking Model:

Payment via phone app or QR code, with enforcement by on-site personnel.

No gates. ALPR tools for enforcement.

Vendor-provided software platform.

Otto Connect handles all aspects of paid parking program.

Annual Compensation Structure:

Town retains 70% of parking revenues, minus $0.30 per transaction (based on ~ $650,000 annually, ~ 47,000 transactions annually).

Otto Connect retains 30% of parking revenues plus $0.30 per transaction, estimated at ~$210,000 annually.

Otto Connect funds all credit card processing fees, operating expenses; no significant capital expense.

Additional Considerations:

Resident / property owner free parking via license plate information, no need for sticker system.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $440,000 minus other minor costs

Metropolis Parking – Nashville, TN

Multiple discussions / meetings, written proposal submitted and attached

Parking Model:

Payment via phone app or QR code.

No gates. "Computer Vision" cameras for enforcement, provided by Metropolis.

Vendor-provided software platform.

Metropolis handles all aspects of paid parking program.

Annual Compensation Structure:

Town retains 80% of parking revenues after deduction for credit card fees, estimated at ~ $22,000 (based on ~ $650,000 annually).

Metropolis retains 20% of parking revenues after deduction for credit card fees. . Metropolis funds all operating and capital expenses.

Parking patron pays $0.99 per visit, in addition to Town parking fees. Estimated at ~ $47,000 annually remitted to Metropolis.

Additional Considerations:

Resident / property owner free parking via license plate information, no need for sticker system.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $502,000, or $455,000 if Town does not pass along $0.99 per visit fee to parking patron

Pivot Parking – Greenville, SC

Multiple discussions / meetings, written proposal submitted and attached

Parking Model:

Payment via text-to-pay or QR code.

No gates. ALPR cameras for enforcement, provided by Pivot.

Vendor-provided software platform.

Pivot handles all aspects of paid parking program.

Annual Compensation Structure:

Town retains 85% of parking revenues (based on ~ $650,000 annually).

Pivot retains 15% of parking revenues. Pivot funds all operating and capital expenses.

Parking patron pays $1.00 per visit, in addition to Town parking fees. Estimated at ~ $47,000 annually remitted to Pivot.

Parking patron pays credit card processing fees (estimated at 3%). Estimated at ~ $20,000 annually.

Additional Considerations:

Resident / property owner free parking via license plate information, no need for sticker system.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $552,000, or $485,000 if Town does not pass along $1.00 per visit fee and credit card processing fee to parking patron.

Air Garage – San Francisco, CA

Multiple discussions / meetings, conceptual proposal submitted via email

Parking Model:

Payment via phone app or QR code.

No gates. ALPR cameras for enforcement, provided by Air Garage.

Vendor-provided software platform.

Air Garage handles all aspects of paid parking program.

Annual Compensation Structure:

Town retains 70% of parking revenues (based on ~ $650,000 annually).

Air Garage retains 30% of parking revenues. Air Garage funds all operating and capital expenses.

Parking patron pays credit card processing fees (estimated at 3%). Estimated at ~ $20,000 annually.

Additional Considerations:

Resident / property owner free parking via license plate information, no need for sticker system.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $455,000, or $435,000 if Town does not pass along credit card processing fee to parking patron.

Parking Boxx – San Francisco, CA

Multiple discussions / meetings, written proposal submitted and attached

Provided equipment for Bogue Inlet Pier.

Parking Model:

Gate system purchased by Town; owned, operated, and maintained by Town.

Utilizes traditional tickets and ALPR cameras. Payment at exit kiosk.

Vendor-provided software platform.

Annual Compensation Structure:

Town retains 100% of parking revenues (based on ~ $650,000 annually).

Total cost for equipment and installation = $46,234 per location, plus infrastructure, electrical, communications installation costs (estimated at $5,000 per location).

Total estimated capital cost = ~ $102,000. If financed over 5 years, annual cost of ~ $24,000.

Town responsible for monitoring, management, maintenance plan, repair costs, etc. (estimated at 30 hours per week for both locations, or ~ $20,000 annually)

Town pays credit card processing fees of 2.9%, plus $0.30 per transaction. Estimated at ~ $33,000 annually.

Additional Considerations:

Resident / property owner free parking via license plate information, no need for sticker system.

Town parking lots are more open to ocean elements than Bogue Inlet Pier lot or Reed Drive lot.

1-year warranty provided.

Remote troubleshooting attempted first, otherwise 24 – 48 hour response time for on-site service.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $573,000.

70 West Access Controls – Morehead City, NC

Multiple discussions / meetings, written proposal submitted and attached

Parking Model:

Gate system purchased by Town; owned, operated, and maintained by Town.

Utilizes traditional tickets. Payment at exit kiosk.

Vendor-provided software platform.

Annual Compensation Structure:

Town retains 100% of parking revenues (based on ~ $650,000 annually).

Total cost for equipment and installation = $125,378 for both locations, plus infrastructure, electrical, communications installation costs (estimated at $5,000 per location).

Additional cost of $9 per resident / property owner sticker; Town issues approximately 1,700 stickers annually. One-time cost of ~ $15,000.

Total estimated capital cost = ~ $150,378. If financed over 5 years, annual cost of ~ $35,000.

Town responsible for monitoring, management, maintenance plan, repair costs, etc. (estimated at 30 hours per week for both locations, or ~ $20,000 annually)

Town pays credit card processing fees of 3%. Estimated at ~ $20,000 annually.

Additional Considerations:

Resident / property owner free parking provided via special sticker and long-range reader device.

Town parking lots are more open to ocean elements than Bogue Inlet Pier lot or Reed Drive lot.

1-year warranty provided.

Remote troubleshooting attempted first, otherwise same day response for on-site service.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $575,000.

Towne Park – Plymouth Meeting, PA

Multiple discussions / meetings, written proposal submitted and attached

Parking Model:

Gate system, with use of ALPR cameras to determine fee due; provided by Towne Park.

Vendor-provided software platform.

Towne Park handles all aspects of paid parking program, including 30 hours per week on-site monitoring, etc.

Annual Compensation Structure:

Town retains 100% of parking revenues (based on ~ $650,000 annually).

Towne Park receives $1.50 per parking visit, estimated at ~ $71,000 annually (based on ~ 47,000 parking visits). Towne Park funds all operating expenses and credit card processing fees.

Towne Park receives fixed fee of $2,493 per month, or ~ $30,000 annually (intended to cover capital equipment).

Towne Park owns and maintains all equipment.

Additional Considerations:

Resident / property owner free parking via license plate information, no need for sticker system.

Town parking lots are more open to ocean elements than Bogue Inlet Pier lot or Reed Drive lot.

Remote troubleshooting attempted first, otherwise same day response for on-site service.

ESTIMATED NET ANNUAL REVENUE FOR TOWN = ~ $549,000

Recommendation and Rationale

As noted previously, the Board's expressed goals are to maximize Town parking revenues and secure a more favorable revenue sharing model for 2027 and beyond. In addition, other key goals for the Town are to implement the easiest, most convenient model for our parking visitors and also to minimize the burden on Town staff in administering the Town's paid parking program.

Parks and Recreation Director Candace Dooley, IT Specialist Greg Hayes, and I participated in numerous discussions with the 8 companies offering a proposal, and have carefully reviewed the proposals, qualifications, and equipment offered by each. After considering each proposal, and each of the Town's 4 goals outlined above, Town staff recommend executing a new 5-year contract with Towne Park for the implementation of a contractor-owned gate system. As noted above, this model would result in projected net Town revenues of ~$549,000 – an increase of $101,000 over projected 2026 net revenues.

Under the Towne Park proposal, the parking visitor would simply drive up to the entry gate, which would raise automatically. An automated license plate reader camera would identify the vehicle and record the entry time. When the visitor leaves, he / she would approach the exit gate, and a separate camera would identify the vehicle, determine the total time elapsed, calculate the fee due, and display it on a kiosk screen. The visitor would pay the fee at the kiosk prior to the gate, utilizing a credit card or phone-based payment system, the gate would rise, and the visitor would exit the lot. The system would automatically recognize the license plate of identified Town residents / property owners, and would allow them to leave the parking lot at no charge. It would no longer be necessary to issue a special decal to Town residents / property owners, rather they would simply register with the Town and their license plate would be uploaded into the system so their vehicle would be recognized for free parking. The entire process is simple and straightforward for the parking visitor.

The Board should note that the Town would retain 100% of paid parking revenues. The Town would pay Towne Park $1.50 per parking transaction (approximately $71,000 annually), and this payment would fund all Towne Park operating expenses, credit card processing fees, and profit. In addition, the Town would remit a fixed fee payment to Towne Park of nearly $30,000 annually that is intended to cover the equipment cost. Towne Park would own, operate, and maintain the equipment, and would be responsible for all aspects of the Town's paid parking program.

The Board should note that I specifically would prefer for the Town to not own, and therefore not be responsible for maintenance, repairs, or replacement of any parking equipment. The Towne Park proposal is attractive because they would be solely responsible for ensuring that the equipment functions properly, and for responding to any issues. The Towne Park proposal includes a maximum 2-hour response time and 4-hour restoration time period for any incidents in which the machine will not function.

The Board should also note that I specifically would prefer to not pass on any additional costs to our parking visitors beyond the $5 per hour (or $25 daily maximum) fee. I don't believe it's right to charge our customers a convenience fee on top of the established service fee (presumably just because we can) or to charge the customer a credit card processing fee when the only payment option is a credit card. I believe these expenses should be rolled into whatever overall service fee is determined to be prudent by the Board of Commissioners.

The Towne Park proposal achieves all 4 expressed goals:

- the proposal maximizes the Town's parking revenues, resulting in an additional projected ~ $101,000 of net revenue to the Town,

- the proposal includes a more favorable revenue-sharing model, whereby the Town retains nearly all parking revenue,

- the proposal implements the latest innovative technology, resulting in a quick and easy experience for our customers and minimizing the potential for damage to the parking gates, and

- the proposal minimizes the burden on Town staff by making Towne Park responsible for all aspects of the Town's paid parking program, including ownership and maintenance of parking equipment.

As illustrated earlier, the Town could potentially retain an additional ~ $25,000 of revenue annually by purchasing, owning, and maintaining its own parking equipment from either Parking Boxx or 70 West Access Controls. Ultimately, I believe it is worth ~ $25,000 per year for the Town to simply contract for paid parking services as outlined above, however, if the Board does not find the value in this approach, the Town can certainly proceed with purchasing parking equipment from Parking Boxx, 70 West Access Controls, or another parking equipment vendor in the coming months.

As noted earlier, the analysis assumes that the Town would continue to charge $5 per hour (or $25 daily maximum), and would continue to implement paid parking between April 1 and September 30. If the Board wishes to adjust the parking fees, any of the proposals can easily accommodate a fee change. The Board should also note that it is very easy to extend the paid parking season with the use of one of the gate models, and the Board could easily charge all year long or additional months in the spring and fall at reduced rates. It is likely that the Town could potentially generate additional revenue by extending the paid parking season. In order to maintain focus on the immediate decision regarding the parking model and provider, I recommend that the Board consider any decisions to adjust parking fees or parking season dates after a decision has been made on the parking model and provider.

If the Board approves the attached resolution, the Town will execute a 5-year contract with Towne Park. The contract would be effective no later than April 1, 2027.

I look forward to discussing the Town's paid parking program with the Board at the October 13 meeting.