



Administrative Report

H.16., File # 26-0886

Meeting Date: 8/4/2026

To: MAYOR AND CITY COUNCIL
From: STEPHEN SPRENGEL, CHIEF OF POLICE

TITLE

APPROVE AN AGREEMENT WITH PARKMOBILE, LLC TO CONTINUE THE MOBILE PHONE PARKING PAYMENT APPLICATION SERVICE AS AN OPTION FOR THE PUBLIC TO PAY PARKING METER AND PAY STATION FEES AT A COST TO THE CITY OF \$0.20 + 3% OF EACH TRANSACTION AMOUNT (ESTIMATED TO TOTAL APPROXIMATELY \$40,000 PER YEAR), WITH AN ANNUAL SERVICE FEE INCREASE, FOR THE TERM AUGUST 4, 2026 THROUGH AUGUST 3, 2029, WITH TWO AUTOMATIC YEARLY RENEWALS UNLESS TERMINATED BY EITHER PARTY

EXECUTIVE SUMMARY

Since 2021, the City has contracted with Parkmobile, LLC (Parkmobile) to provide a mobile phone parking meter payment service, as a way to offer the public an additional option when paying for parking. The new Agreement will include updated terms for data security, indemnification, and fees. The initial term is three years, with an option for two automatic yearly renewals, unless terminated by either party. The City may terminate the Agreement at any time during the initial term of the agreement with a 90-day written notice to Parkmobile, or during any renewal term periods with a 60-day written notice.

Under the terms of the Agreement, Parkmobile's service fee is \$0.20 + 3% of the per transaction amount. The service fee would increase annually by either 10%, or the percentage equal to the average increase in the Consumer Price Index (CPI) over the prior 12-month period, whichever is greater. The total annual service fee paid by the City to Parkmobile is estimated to be \$40,000 in year one of the agreement and is expected to grow by roughly \$4,000 each year thereafter.

BACKGROUND

Redondo Beach has approximately 1,325 metered parking spaces serviced by Mackay smart-meters, which can accept coin, credit card, and mobile phone payment using a meter payment application service. There are an additional 1,300 parking spaces in the Pier and Harbor area, serviced by pay stations that can also accept mobile phone parking payments.

Following a request for proposal process, the City Council approved an agreement with Parkmobile, LLC on May 5, 2021 to provide a mobile phone parking meter payment application service, as an additional option for the public to pay parking meter fees. At the time, staff worked with Parkmobile, Mackay Meters, and Bank of America, to plan, map equipment, implement, test, and launch the service on all parking meters and pay stations in the City. A soft launch of the Parkmobile payment app began on October 1, 2021 and was supported with advertisement and educational information

about the service. Since that time, use of the Parkmobile app by the public has grown substantially, and averages 10,000 transactions per month.

ParkMobile charges transaction fees to the City, currently \$0.35 per transaction. With the new Agreement, the fee structure will change during year one to \$0.20 + 3% of the per transaction amount. The service fee increases annually by either 10% or the percentage equal to the average increase in the Consumer Price Index (CPI) over the prior 12-month period, whichever is greater. In FY 2025-26, payments using the ParkMobile app generated \$487,803 in total revenue, and the City paid \$37,119 in fees. Using the new fee structure, and taking into account the hourly parking meter rate increase effective on August 20, 2026, staff anticipates that ParkMobile application service fees will total approximately \$40,000 per year and increase by roughly \$4,000 each year thereafter.

COORDINATION

The contract has been reviewed as to form by the City Attorney's Office.

FISCAL IMPACT

During the past year parking meters generated \$4.1M of General Fund revenue (\$3.78M from parking meter payments and \$320K through parking meter permits). Additionally, the City received approximately \$2.6M in revenue through the City's waterfront parking facility pay stations. Roughly 7.5% of the City's meter and pay station revenue was collected through the ParkMobile application.

In the coming year, approximately \$550,000 of the City's total parking payments are expected to be received through the Parkmobile app. This figure includes the soon to be implemented hourly parking rate increase. The estimated annual cost to the City for the ParkMobile app service, under the terms of the new agreement, is estimated to be \$40,000. Funding for the agreement is included in the Police Department's annual operating budget.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - ParkMobile, LLC for mobile phone parking payment application service
- Insurance - ParkMobile LLC