



Board Report

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REVISED
PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 16, 2016

SUBJECT: PARKING MANAGEMENT PILOT PROGRAM - PHASE II

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING implementation of **Phase II of the Parking Management Pilot Program at nine (9) Metro parking facilities with the option to increase to (13) facilities along Expo, Gold, Red, Green and Silver Line Metro** stations pursuant to the Operating Plan (Attachment C) for four (4) years;
- B. AMENDING Metro’s Parking Ordinance Administrative Code 8 (Attachment D) and Metro’s Parking Rates and Fee Resolution (Attachment E) in support of the implementation of the Parking Management Pilot Program; and
- C. AUTHORIZING the Chief Executive Officer to award a four (4)-year firm fixed price Contract No. PS6264800 to L&R Group of Companies DBA Joe’s Auto Parks in the amount of \$8,388,277 to implement Phase II of the Parking Management Pilot Program through a revenue generating contract where the contractor will be compensated for their operating costs from the parking revenue collected and Metro will receive the net revenue amount collected, subject to resolution of protest(s), if any.

ISSUE

The Metro Board approved actions to implement the first phase of the Parking Management Pilot Program (Pilot Program) at the March 2016 Board Meeting. This Contract is to procure additional parking equipment and parking management services for the second phase of the Pilot Program at up to thirteen (13) locations for a four (4) year period. The actions in this Board report will allow for implementation of Phase II of the Pilot Program. If approved, the program will begin operating in the first quarter of 2017 and is anticipated to generate \$10.1 million in net revenue over four (4) years.

DISCUSSION

In August 2016, staff provided an update on the Pilot Program Phase I at the three (3) Expo II stations that opened in May 2016. The proposed Pilot Program Phase II will be initially expanded at up to six (6) Metro-owned park and ride locations and at an additional four (4) Caltrans-owned locations pending an amendment of the Operating and Maintenance agreement between Caltrans and Metro (currently in negotiations). The Pilot Program has identified a total of 13 locations, along with a proposed pricing schedule, as described below.

Parking Management Pilot Program Pricing Schedule					
Station	Rail Line	Transit User Daily Rate	Transit User Monthly Rate	Carpool Monthly Rate	# of Parking Spaces
Expo/Bundy	Expo	\$3	\$49	\$25	214
Expo/Sepulveda	Expo	\$3	\$39	\$25	256
17th St/SMC	Expo	\$3	\$59	\$45	63
La Cienega/Jefferson	Expo	\$3	\$59	\$45	485
APU/Citrus	Gold	\$3	N/A	N/A	200
Irwindale	Gold	\$3	\$39	\$25	350
Atlantic	Gold	\$2	\$29	\$20	284
Universal	Red	\$3	\$55	\$45	546
North Hollywood	Red	\$3	\$59	\$45	1,310
*Norwalk	Green	\$2	\$39	\$25	1,720
*Lakewood	Green	\$2	\$39	\$25	299
*Aviation	Green	\$3	N/A	\$25	390
*El Monte	Green	\$2	\$39	\$25	1,809
Total					7,926

* Caltrans owned locations

The parking for the Culver City Station site is anticipated to be temporarily relocated during construction of a city development project on the site and, therefore, has been removed from the Pilot Program. The transit parking will be temporarily relocated to the Culver Ince/Robertson garage and will be operated in cooperation with the City of Culver City and revenues will accrue to Metro that are not considered in this report.

Since the Foothill Extension opened for operation in March 2016, parking demand at the Sierra Madre Villa station has dramatically declined. Therefore, Sierra Madre Villa has also been removed from the Pilot Program. In contrast, due to the overwhelming parking demand along the Foothill Extension, two (2) Gold Line stations have been added to the Pilot Program: the APU/Citrus and Irwindale stations. In addition, Metro’s preferred permit parking program has been implemented at the Downtown Azusa station.

The goal of the Pilot Program is to actively manage parking demand at highly occupied parking facilities and operate the parking facilities between 85% to 90% occupancy levels. These occupancy levels are the levels which maximize the utilization of a parking facility.

Phase I Pilot Program

Phase I of the Pilot Program was implemented at the three Expo II stations that opened in May 2016: 17th Street/Santa Monica College, Expo/Bundy and Expo/Sepulveda stations.

Data at these locations continues to be collected and analyzed on a daily basis. The results will be used to further study and develop the parking management alternatives for the Supportive Transit Parking Program (STPP) Master Plan. To date, occupancy at these stations has ranged from 30% to 50%.

The current transit user parking rate is \$2.00 per 24 hour or \$39.00 per month at the Expo II locations. Both monthly parking and daily parking permit holders are required to provide evidence that they used transit to be eligible to park. Parking Management and TAP have developed the TAP identifier software which allows for ridership transactions to be verified by the parking equipment. This function reduces the number of non-transit users taking advantage of the affordable parking price at Metro parking facilities. This function is also applied to Metro's preferred permit parking program. Monthly permit holders are required to maintain a minimum of ten (10) daily transactions to stay in the program. Since the implementation of the program, staff has observed transit patrons arriving to the new Expo stations by bus and carpool instead of single occupancy vehicles.

Preferred Permit Parking Program

The 10-day transit ridership requirement was also implemented in May 2016 at all Metro parking facilities with the preferred permit parking program. During the first month of its implementation, over 200 permit holders decided to drop off from the program, presumably because they could not meet the 10 trips per month minimum requirement. Due to the reduction of permit customers, staff has been able to accommodate the majority of patrons on a waiting list for North Hollywood and Universal City stations. In the first month of the new policy's implementation, 300 registered permit holders were identified as not using the transit system for at least 10 daily trips. This is in addition to those that did not ride the system at all.

As a result of this new program requirement, approximately 500 permit holders were identified as non-transit users but willing to pay for parking to park at a Metro parking facility. This active parking demand management has allowed staff to shift these spaces from non-transit users and accommodate transit patrons who use transit on a regular basis. The TAP identifier software tool has proven to be a valuable tool to our transit parking program and has allowed Parking Management to proactively retain Metro's parking resources for transit patrons.

Phase II Pilot Program Preparation

Concurrent with the implementation of Phase I of the Pilot Program, Parking Management staff initiated a procurement for a revenue generating contract for the implementation of Phase II. Once the new contract is executed, all Pilot Program locations will be operated under the new contract. A revenue projection and operating expense budget summary for the entire Pilot Program including the Caltrans locations is shown below:

	Projected Revenue	Total Operating Cost	Net Income
Year 1	\$4,684,929	\$2,226,398	\$2,458,531
Year 2	\$4,684,929	\$2,080,892	\$2,604,037
Year 3	\$4,684,929	\$2,109,756	\$2,575,173
Year 4	\$4,684,929	\$2,140,001	\$2,544,928
TOTAL	\$18,739,716	\$8,557,047	\$10,182,669

*Budget includes all Caltrans locations

Staff anticipates implementation of all Phase II locations by February 2017.

Pricing Schedule

The initial pricing schedule for the Pilot locations is listed in the first table of this report. Daily parking rates will be implemented at all of the Pilot Program locations, and spaces will be available on a first come, first served basis.

Monthly permit holders will be required to demonstrate, at a minimum, ten (10) daily ridership transactions per month, using a TAP card. Monthly parking permit holders with less than six (6) ridership transactions by the 15th of the month will receive an email reminder that they have to maintain ten (10) daily ridership transactions per month to maintain the minimum number of transactions required to purchase their monthly permit for the following month.

Implementation of the Pilot Program required the amendment of Metro’s Parking Ordinance (Attachment D) and Parking Rates and Permit Fee Resolution (Attachment E). The first amendment to the fee resolution was in March 2016 with the introduction of the Pilot Program. Since March 2016, the Pilot Program locations have changed. Changes in the fee resolution only reflect the additional stations which have been added to the Pilot Program and an update of the violation fee schedule.

Carpool Monthly Rate

The Pilot Program will also offer monthly carpool parking at all of the Pilot Program locations at a discounted rate. The rates are listed in the pricing schedule included in this report. Through the carpool program, permit holders will be required to register a minimum of three (3) TAP card users with three (3) vehicle license plates and only one of the cars can park at a time.

Non-Transit Rider Rate

During the August 2016 Planning and Programming Committee meeting, Director Solis instructed staff to explore the possibility of providing shared use public parking for non-transit users. A similar request was proposed at a Regional Service Council meeting. Therefore, staff has explored the possibility of a non-transit rider rate. As part of the amendment to the Parking Rate and Fee Resolution, staff is recommending implementing a non-transit rider rate after 11:00 am at selected

parking facilities with a three (3) hour parking time limit. This will only be available after commuter ingress peak hours and on a first come, first served basis. Recommended locations and rates are shown below.

Non-Transit Rider User Rates		
Recommended Locations	Rate (per 3 hour period)	Time Limit
Expo/Bundy	\$5.00	3 hour time limit after 11 am
Expo/Sepulveda	\$5.00	3 hour time limit after 11 am
17th Street/SMC	\$5.00	3 hour time limit after 11 am
La Cienega/Jefferson	\$5.00	3 hour time limit after 11 am
Atlantic	\$3.00	3 hour time limit after 11 am
North Hollywood	\$10.00	3 hour time limit after 11 am

The purpose of the non-transit rider rate is to accommodate non-transit users who use Metro parking resources for short-term visits and provide an amenity to the adjacent community. For example, at the Atlantic station, staff is proposing a \$3.00 rate per three (3) hours. Through this program, the public will be able to park in a Metro parking facility to visit the doctor’s offices or adjacent businesses after 11:00 am, which is outside of the commuters’ peak ingress hours. Time limits will be enforced by Metro parking enforcement.

Ridership Implications

Based on the boarding and parking data from Phase I of the Pilot Program at three Expo II stations, implementation of the program has not caused any negative impacts on ridership. Only a small portion of transit patrons arrive Expo II stations by driving: 17th Street/SMC (3%), Expo/Bundy (6%) and Expo/Sepulveda (9%). These findings are consistent with the parking data from other Metro parking facilities that provide free parking including: North Hollywood, Universal and Atlantic, all of which have less than 15% of patrons that arrive by driving.

Stations	Weekday Boardings (Average)	Parking Utilization	% of park and Ride at Station
17th St. / SMC Station	1,111	32	3%
Expo/Bundy	1,140	65	6%
Expo / Sepulveda Station	1,112	100	9%

*Transit patrons parking required to present TAP card for ridership verification at Expo II Stations

Station	Weekday Boardings (Average)	Parking Utilization	% of Park and Ride at Station
North Hollywood	15,841	1,426	9%
Universal City	6,945	903	13%
Atlantic	2,138	172	8%
Culver City	4,713	568	12%

*No TAP card ridership verification required and free parking provided

Other arrival methods include bike, walk-up, drop-off, and ride-share. Transit patrons can also choose to park at other Metro parking facilities that continue to offer free parking. Based on this data, staff does not anticipate negative impact on ridership for Phase II of the Pilot Program.

However, if significant drops in ridership occur, the Pilot Program will capture that data and adjust pricing accordingly.

Civil Rights Considerations

There is no disparate impact and no disproportionate burden for minority and poverty riders associated with the proposed Pilot Program. Based on data collected through Metro’s Spring 2016 Customer Satisfaction Survey, both the minority and poverty shares of Metro’s impacted riders (park and ride users) is lower than Metro’s system-wide minority and poverty shares. Specifically:

- The minority share for system-wide bus users is 92% compared to 87% for bus park and ride users. The minority share for rail system-wide users is 80% and the minority share for rail park and ride users is 68%.
- The poverty share for system-wide bus users is 62% and poverty share for park and ride users is 28%. The poverty share for rail system-wide users is 41% and the poverty share for rail park and ride users is 1%.

Operating Plan - Summary

Phase II of the Pilot Program will be utilizing a fully automated parking management system. The system will combine a License Plate Recognition (LPR) system, TAP card ridership identifier software, and payment processing solutions. On-site parking attendants will be available to provide customer service and technical support. Patrons will be able to pay on site, online or via a mobile payment solution. Payment will be accepted in the form of cash, credit cards or mobile payments transaction. The automated parking facilities will be available and accessible to transit patrons 24 hours a day and seven (7) days a week throughout the year. During non-peak hours when parking is available, without parking attendants on duty, customer assistance will be available via an intercom system that connects to a customer service center. The customer service center is available 24 hours a day and seven (7) days a week throughout the year. For those patrons that leave the parking facility with an outstanding transaction, the parking fee will be billed through the DMV record together with an administration fee.

Labor Relations

Staff has met with Labor Relations to discuss any potential issues associated with the implementation of the Pilot Program. Staff has drafted a protocol letter for the Pilot Program. The letter states that, for the duration of the Pilot Program (four years), Parking Management staff and Joe's Auto Parks will handle all aspects of Pilot Program implementation, including deploying customer service ambassadors capable of collecting revenue and the installation of parking equipment. In addition, it was agreed to have respective ATU bargaining unit members provide appropriate electrical power to all necessary systems at all the project locations.

Outreach Program

The Operating Plan includes an outreach and communication program. Upon approval of Phase II of the Pilot Program, staff will launch a stakeholder and transit user outreach program and communications process, working in conjunction with the Community Relations and Communications Departments. Outreach efforts will include:

- Informational messages on Metro's parking website
- Signage at Pilot Program stations
- Email blast notifications
- Information on social media
- Distributed windshield flyers

Once Phase II of the Pilot Program is implemented, should there be price adjustments on monthly or daily parking rates, staff will utilize email, windshield flyers distribution, signage and social media to inform patrons of any changes. Patrons in the monthly permit program will be given 30-days' notice prior to pricing adjustments. Patrons in the daily program will receive a fourteen (14) day notice.

DETERMINATION OF SAFETY IMPACT

Phase II of the Pilot Program will not create any safety impacts because it will operate within the existing infrastructure. Phasing of the Pilot Program will only require the purchase and installation of equipment and signage. Customer service ambassadors will be at the facilities at the beginning of the Pilot Program to provide additional assistance to transit patrons during operating hours and on an as-needed basis once fully operational. Customer service ambassadors will improve safety at the facilities as their presence will discourage theft and vandalism at the facilities. These ambassadors will also be able to report incidents to Metro Security.

FINANCIAL IMPACT

Implementation of the Parking Management Pilot Program will not have an impact on Metro's expense budget. Staff anticipates the Pilot Program will generate \$18,739,716 in gross revenue and \$8,557,047 in operating costs in the four (4)-year period after all thirteen (13) locations are in operation. The operating costs are primarily equipment and labor, and will allow for anticipated net

revenue of \$10,182,669 with approximately \$2,545,667 per year. There will be no impact to any local, state or federal funds.

Impact to Budget

Staff anticipates generating approximately \$500,000 in net revenue to be deposited in Account 40707 for Parking Revenue in FY17 and \$2.4 million in FY18 after deductions for equipment and labor costs. Funds generated by this program will contribute to the RAM internal savings accounts.

ALTERNATIVES CONSIDERED

The Board may choose not to authorize staff to move forward with Phase II of the Pilot Program and related implementation activities. This is not recommended as it is a large component of the STPP Master Plan and the examination of a longer-term strategy for managing parking demand using an affordable parking pricing program and creating a self-sustaining parking program. Implementation of the Pilot Program supports the already approved Phase I Pilot Program. Award of the contract to Joe's Auto Parks is also necessary for the implementation of Phase II as well as ongoing operation of Phase 1. In addition, the Pilot Program results will support the completion of the STPP Master Plan. Staff has already extended the contract with the parking consultant for the Master Plan through September 2017 to ensure incorporating the results and findings from the Pilot Program within the STPP Master Plan. The Pilot Program is also part of the Board-adopted RAM Initiative.

The Board may choose to implement a Pilot Program in a different manner such as setting a nominal charge for parking at selected facilities. Staff does not recommend this approach because it lacks flexibility to adjust to demand at different stations and may not include TAP integration. Any modifications to the existing program would further delay this program and the completion of the Master Plan.

NEXT STEPS

Parking Management staff will return to the Board in May 2017 to provide findings on Phase II of the Pilot Program. Parking Management staff will return to the Board in June 2017 for the introduction of Parking Management Alternatives and provide an update on the STPP Master Plan. Upon approval by the Board, staff will execute Contract No. PS6264800 with L&R Group of Companies DBA Joe's Auto Parks in the amount of \$8,388,277 to implement Phase II of the Parking Management Pilot Program.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - Parking Management Pilot Program - Phase II Operating Plan
- Attachment D - Metro Parking Ordinance
- Attachment E - Metro Parking Rates and Permit Fee Resolution

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