



Board Report

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**PLANNING AND PROGRAMMING COMMITTEE
FEBRUARY 17, 2016**

SUBJECT: PAID PARKING PILOT PROGRAM

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the **introduction of the Paid Parking Pilot Program.**

ISSUE

This report provides an introduction to a proposed Paid Parking Pilot Program (“Pilot Program”) at nine (9) Metro parking facilities consisting of 4,753 spaces. The Pilot Program is being developed in response to Board direction as well as the need to improve first/last mile options for transit customers and improve the transit customer experience. The Pilot Program will allow Metro to test and adapt best practices in parking demand management in order to (1) ensure parking is available for transit customers (2) reduce the number of non-transit rider “poachers” at Metro’s park and ride facilities; and (3) generate revenues to support needed technology enhancements and maintenance at Metro’s parking facilities. After this initial review of the Pilot Program by the Board and targeted stakeholders, staff will bring a complete Pilot Program to the Board for consideration in March, with the intent to conduct broader outreach in April and start operation in May 2016. The Program would be evaluated every three (3) months for needed adjustments to ensure customer satisfaction and that ridership is not adversely affected, with a final report on performance results in September 2016. Preliminary estimates of net revenue for the first year of operations are \$600,000.

BACKGROUND

At its September 2015 meeting the Metro Board authorized the Metro Chief Executive Officer to award a contract to Walker Parking Consultants (“Walker”) to develop the STPP Master Plan. The study will be completed in twelve (12) months and will consider implementing a paid parking system at Metro’s Park and Ride facilities. Consideration of a Pilot Program was suggested by Walker, with staff concurrence. A Pilot Program was also requested by Metro Board Director Bonin at the September 2015 Planning and Programming Committee meeting, and was included as a new initiative in the Risk Allocation Matrix (RAM) adopted by the Metro Board in January 2016.

DISCUSSION

Why paid parking?

With 22,000 current spaces and 25,000 expected by summer 2016, Metro's transit parking program is an important first/last mile strategy and a key service to transit customers. With a recent focus on improving Parking Management, it has become increasingly clear that Metro needs to look to industry best practices to maximize availability and quality of transit parking and improve the transit customer experience. Best practices amongst parking practitioners as well as academia support appropriate paid parking policies as an important approach to achieving these goals. Paid parking policies are recommended to be implemented such that pricing can be adjusted to maximize available parking spaces, without encouraging inappropriate uses (such as long term parking where short term serves the community, non-transit riders parking in transit customer parking). A paid parking program will also generate financial resources to fund the parking control equipment and staffing necessary to properly manage the system.

Pilot Program Overview

The Pilot Program will consist of a pricing strategy assessment at nine (9) Metro parking facilities which include 4,753 spaces at the Metro Gold, Red, Expo I and Expo II Line Stations. These facilities and number of parking spaces are listed below:

Station	Rail Line	# of Parking Spaces
Expo/Bundy	Expo II	250
Expo/Sepulveda	Expo II	260
17th St/SMC	Expo II	67
La Cienega/Jefferson	Expo I	485
Culver City	Expo I	586
Sierra Madre Villa	Gold	965
Atlantic	Gold	284
Universal	Red	546
North Hollywood	Red	1,310
Total		4,753

The Pilot Program represents an opportunity to evaluate and gather real performance data for development of long-term parking management strategies, understand the relationship between parking demand and transit ridership, and ultimately improve customer satisfaction with Metro's parking program. The Pilot Program will assess a variety of factors related to parking utilization and ridership, including, and not limited to the following:

1. Parking occupancy before and after pricing implementation;

2. Changes in parking occupancy as pricing is adjusted;
3. Refinements in operating practices such operating hours and fee structure;
4. Parking enforcement needs; and
5. Innovative solutions for parking operations and management.

Recommended Facilities

The stations recommended for the Pilot Program were carefully selected by staff and Walker based on their capacity, utilization and recent facility assessment findings. Walker also found the following on the selected parking facilities:

- Free parking at North Hollywood typically reaches capacity by 7am or earlier on weekdays.
- Free parking at Universal City and Sierra Madre typically reaches capacity by 8 am on weekdays.
- Utilization at La Cienega/Jefferson continues to increase, as the Culver City station, which is one mile away, has reached capacity. Capacity at his station will be reduced to 280 spaces upon commencement of construction of a city TOD project.
- Parking facilities along Expo II have been considered for the Pilot Program due to its location, anticipated demand for parking and limited transit parking being provided along the extension. In addition, all of the parking facilities available for public use nearby charge for parking, creating a strong potential for poaching by non-transit riders.
- Parking facilities along the Gold Line Foothill Extension are not included in this Pilot Program due to the relative large number of parking facilities being offered along the extension and the availability of reasonably priced parking options nearby.

Pricing Schedule

The proposed pricing schedule at the nine transit stations is as follows:

Station	Transit User Daily Rate	Transit User Monthly Rate	Non-Transit Rider Daily Rate
Expo/Bundy	\$2	\$59	\$20
Expo/Sepulveda	\$2	N/A	\$15
17th St/SMC	\$2	\$59	\$20
La Cienega/Jefferson	\$2	N/A	\$17
Culver City	\$2	N/A	\$17
Sierra Madre Villa	\$2	\$29 (existing rate)	\$17
Atlantic	\$2	\$29 (existing rate)	\$15
Universal	\$3	\$55 (existing rate)	\$25
North Hollywood	\$3	\$59 (existing rate)	\$25

Pricing recommendations were based on an analysis of:

- Current permit parking program rates;
- The cost of adjacent/nearby parking options both on and off-street; with the guiding philosophy that Metro parking should be less expensive for Metro transit patrons than non-transit patrons;
- The impact on total commuting costs;
- Pilot Program Operating Costs.

Ridership Implications

Implementation of the Pilot Program is not expected to cause significant reduction in ridership since a small portion of transit riders at the selected parking facilities drive and park at the stations. Initial data provided by Metro, reviewed by Walker and summarized in the table below found that a large percentage of patrons arriving to Culver City, Sierra Madre, Universal City and North Hollywood arrive through another form of public transit. For example, 60% of transit patrons at Universal City and 62% at the North Hollywood Station arrive via transfer from other forms of public transit. Of the remaining 40% and 38%, respectively, only approximately 10% park and ride. Other arrival methods include bike, walk-up, drop-off and ride-share. With the high volume of ridership at these stations and the relatively low number of park and ride patrons, losing some patrons due to the Pilot Program would result in minimal impacts to ridership. That said, if significant drops in ridership occur, the Pilot Program will capture that data and adjust accordingly, including the option to terminate the Program at any impacted station.

	Weekday Boardings	% of Park and Ride at Station	% Arrive by Public Transit	% of Arrive by other Methods
North Hollywood	15,841	9%	62%	29%
Universal City	6,945	13%	60%	27%
Atlantic	2,138	8%	62%	30%
Culver City	4,713	15%	50%	35%

Parking Permit Program Waiting List

Currently there is a wait list for the permit parking program, exceeding 100 patrons at both the North Hollywood and Universal Stations. This program has a \$59 and \$55 monthly rate, respectively. Sierra Madre currently has a waiting list of over 50 patrons. These wait lists are the highest in the system and indicate the willingness of transit patrons to pay to secure a parking space.

Paid Parking and Public Perception

Some non-driving transit patrons carry the perception that their transit fare is subsidizing parking. Parking operations and maintenance are paid for in Metro’s annual budget and currently do not generate significant revenue to absorb related costs. Implementing the Pilot Program will allow Metro to recover a portion of the costs required to operate certain parking facilities along the Metro system. For those patrons concerned with equity and an increase to the overall commute cost, the next section will demonstrate that the proposed pricing structure still results in lower commuting costs than

driving. Finally, as noted above, if significant changes in ridership are noted, staff can adjust pricing or terminate the Pilot Program.

Commuting Cost Analysis

This program is not expected to significantly increase the overall commuting costs for Metro transit riders when compared with drive alone options. Walker conducted a study to identify the impact on commuter cost to Metro patrons upon implementation of the Pilot Program at the selected parking facilities. The table below provides a high level overview of the analysis. Current savings from a drive alone option for the average Metro commuter going from North Hollywood to Downtown Los Angeles is about 74%. With the Pilot Program, savings over a driving commute will still result in a 53% overall savings. Further, time savings are not included in the analysis and may be substantial. Commute time from the Metro Red Line North Hollywood to the 7th Street/Metro Center Station is 25 minutes by subway versus driving which may take over one (1) hour during congested traffic.

Station	Monthly Cost of Metro Commute Including Paid Parking at first location	Total of Gas + Monthly Parking in Downtown LA	Savings % - with Metro Parking Charge	Savings % - Free Metro Parking
North Hollywood	\$130.00	\$274	53%	74%
Universal City	\$130.00	\$258	50%	73%
Average			51%	74%

Conceptual Operating Plan

The Pilot Program will operate as a pay upon entry model where the customer pays for parking upon entering the facility. At the beginning of the program, payment will only be required during the period that parking attendants are scheduled to be onsite, from 5am to 2pm on weekdays. Staff is also recommending the purchase of pay machines which are able to accept cash, credit cards and mobile payments. Once the pay machines are in operation, payments will be required 24 hours per day, 7 days a week. TAP Card readers will also be used to allow verification of transit users versus non-transit users by the multi-space pay machine. Parkers will need to provide proof of fare payment to receive the discounted transit user rate listed above, and non-transit users would pay the non-transit user rate. TAP Card readers will be used to allow the parking system to verify the purchase of fare and proof that the user took transit within the last 96 hours in order to receive the discounted rate. Current permit holders will be converted to a monthly parking permit. A permit holder will continue to utilize the set aside parking spaces during the restricted hours at no additional cost. For any existing shared use agreements that are in place, Metro will ensure they can continue with the new paid parking system.

Identifying Transit versus Non-Transit Users

Parking Management staff has been working with TAP staff to develop the card reader and data requirements to allow the parking system to verify proof of fare payment and determine if the parker utilized transit within 96 hours. This Pilot Program will identify the extent of poaching by non-transit parkers at parking facilities along the Metro transit system. This program will utilize innovative parking solutions to provide discount incentives for transit users and charge an above market rate fee to non-transit users as a means of limited their use.

Outreach Program

Staff has developed the following Outreach Program. Prior to the March 2016 Board meeting:

- Present Pilot Program at Regional Service Council Meetings in February 2016.
- Present Pilot Program at Technical Advisory Committee in February 2016.

If the Board adopts the Pilot Program staff will launch a broader stakeholder and transit user Outreach Program with input and support from the Community Relations and Marketing Departments. Outreach effort will include:

- Signage at Paid Parking Pilot Program Stations.
- Direct email blast notifications to TAP card users.
- Information message at Metro.net website.
- Social Media

Staff will report back to the Board with findings of the Pilot Program in September 2016.

DETERMINATION OF SAFETY IMPACT

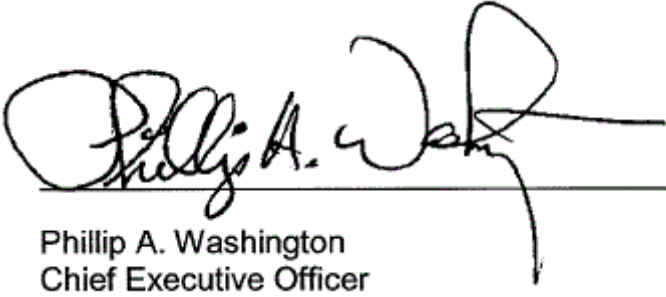
Piloting a Paid Parking Program will not create any safety impacts because it will operate within the existing infrastructure. The implementation of this program will only require the purchase and installation of multi-space meters and signage.

NEXT STEPS

After receiving feedback from the Board and stakeholders, staff will return to the Board in March 2016 with a complete operating plan, budget and Fee Resolution adjustment for the Pilot Program. Staff will monitor and evaluate the Pilot Program every three months and will update the Board at the September 2016 Board meeting on the performance of this program.

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