



Board Report

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PLANNING AND PROGRAMMING COMMITTEE MAY 16, 2018

SUBJECT: TRANSPORTATION DEMAND MANAGEMENT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE response to Motion 36 approved at the October 2017 Board Meeting.

ISSUE

In October 2017 the Board approved Motion 36, directing staff to develop a Transportation Demand Management (TDM) action plan around several elements. Given the comprehensive nature of the task, and appreciating the complexity of existing TDM planning and regulatory environment, staff prepared an assessment of current conditions as a baseline for developing recommendations that respond to the Motion's specific directives.

That Phase One analysis was presented as a Board Box and sent to Board members on March 7, 2018. It is referenced throughout this report, and can be accessed at http://boardarchives.metro.net/BoardBox/2018/180307_Transportation_Demand_Management_Paratory_Motion_36_Response.pdf. The original Motion is included as Attachment A. This Board Report represents the second phase response to the Board Motion, and addresses the elements of Motion 36.

DISCUSSION

Structure of this report: Relationship to Phase One

The Phase One assessment provided a detailed inventory of current Metro activities in the area of TDM. Primarily, it clarified Metro's roles and responsibilities with those of local jurisdictions, South Coast Air Quality Management District (SCAQMD), Southern California Association of Governments (SCAG), and public and private sector employers - an important step given TDM's multi-sectoral nature and dispersed authorities. Distinctions among existing authorities were mapped, as well as an understanding of both long imposed and relatively new statutory requirements that generate TDM-related actions today. Motivating this background analysis was the need to identify the many factors impacting the Motion's directive subsection (C) to "Recommend how MTA can establish a robust and comprehensive countywide TDM program, including but not limited to:

1. Countywide TDM guidelines to help municipalities create and implement TDM policies by establishing best practices for TDM application, monitoring, and evaluation, and allowing for flexibility to innovate beyond countywide standards;
2. Countywide TDM marketing, outreach, and engagement campaign that targets potential users through a compelling and recognizable brand available to local cities and jurisdictions to promote multi-modal travel choices such as transit, vanpooling, carpooling, walking, and bicycling;
3. Facilitating regular discussions between Transportation Management Organizations in the region to coordinate countywide and local TDM ordinance implementation activities and share best practices;
4. Working with major trip generators, major employers, and business community representatives to develop and implement tax incentives and other state legislation necessary for MTA to effectively promote and coordinate TDM strategies in Los Angeles County;
5. Expanding U-Pass, the Employer Annual Pass Program (EAPP), the Bikeshare for Business Program, and other TAP purchase programs to allow Transportation Management Organizations (TMOs), telework centers, tourism organizations, residential and other non-employer entities to purchase bulk-rate transit and bike share passes;
6. Strategies to promote telecommuting;
7. Establishing a Countywide Commuter Tax Benefit Ordinance to provide incentives for non-single occupancy vehicle travel;
 - a. Seeking legislation to enable Los Angeles County to implement the nation's most aggressive commuter tax benefits program to reimburse and credit the cost of sustainable transportation options. This legislation should explore ways to provide significant tax-credit benefits for the use of transit, vanpooling, bicycling, and all other sustainable transportation modes;
 - b. Should legislation be successfully secured, a first priority for resources created by this program would be the establishment of an MTA TDM Implementation Demonstration Program. The TDM Demonstration Program would target selected jurisdictions for early implementation of best-practice TDM strategies, along with appropriate financial incentives. MTA may give special priority to any multi-jurisdictional TDM program proposal.
8. Managing compliance with the State of California's Parking Cash-Out law for worksites within Los Angeles County;
9. Considering consolidation of MTA's various TDM functions into a single group and/or creating a Countywide TDM Coordinator position tasked with coordinating MTA's TDM efforts, including identifying additional staffing needs."

The resultant Phase One analysis outlined several questions that would bear on any considerations for pursuing a more coordinated countywide TDM approach, beginning with an assessment of what gaps exist with the current status quo. Future outcomes could stretch along a broad continuum, ranging from:

- Encouraging local agencies and employers to do a better job by providing examples of TDM practices to pursue voluntary adoption and implementation, to
- Markedly changing the status quo through new legislative regulations and/or substantial financial incentives well beyond current circumstances.

Considering where to land on this continuum would be important for prioritizing actions going forward, and hinge largely on not only Metro's interests, but our partners throughout the County and its multiple cities.

The Phase Two response to Motion keeps this overarching consideration in mind in addressing the motion's elements and attendant recommended next actions, and organizes Motion 36 elements (A) through (E) into groups as follows:

- Select scan of existing TDM practice
- Locally focused TDM program design and coordination
- Legislatively driven initiatives
- Metro program modifications

Response to Motion 36 (A) through (E)

Select scan of existing TDM practice

A) List of "Best" practices in CA, including the Bay Area.

"Best practices" are most effectively assessed against identified performance objectives - including specific consideration of desired impact, as the outlined continuum suggests. As presented in the Phase One analysis, staff believes those objectives require more definition from the Board. Therefore, identifying "best practices" makes sense once those objectives are outlined, to be cross walked with any recommended future actions.

That said, given the Motion's specific focus on the San Francisco Bay Area, staff has prepared a side-by-side comparison of what that region and Southern California have both done in the arena of employer commute benefits, a subject of much interest and legislative proposals including Motion elements C.7 and C.8 below. That comparison is provided in Attachment B.

B) Inventory funding sources for planning or implementing TDM program

The Phase One report provided an extensive list of Metro TDM-related actions already in place, as well as key supporting investments upon which any successful TDM program relies. In short, the sources of funding are as varied as the TDM actions and supporting initiatives themselves, and comprise local, state, and federal funds across capital and operating needs. Staff

recommends that it would be more informative for the Board to first provide direction on overall TDM future actions, if any; staff subsequently would construct a companion assessment of available fund sources that would consider new priorities alongside existing investments for Board consideration.

Locally focused TDM program design and coordination

- C) 1. Countywide guidelines to help municipalities create and implement TDM policies/best practices beyond countywide standards
- C) 2. Countywide TDM marketing outreach to target users through branding
- C) 3. Facilitate regular discussion between transportation management organizations to coordinate countywide and local ordinances

Depending on their implementation, these three potential actions could materially change the current operating environments for TDM throughout the county. As outlined in Phase One, Metro fundamentally serves in a supporting role for a body of TDM activities carried out by:

- SCAQMD and SCAG (imposition and oversight of TDM actions that address federal air quality standards, imposed on public and private employers);
- local jurisdictions (who can elect to implement local TDM ordinances above and beyond SCAQMD Rule 2202 and other requirements); and
- the region's employers (who must comply with mandated actions, but can also elect voluntarily to do more).

Metro carries out key TDM actions as a major employer to satisfy SCAQMD's Rule 2202 requirement; supports significant activities at substantial cost that allow and facilitate mode shift away from single occupant driving (transit, parking management at stations, vanpool, subsidized fare instruments, to name a few); and, at no cost to employers, provides supportive activities to assist in employer Rule 2202 compliance, at roughly \$1 million a year.

Shifting this paradigm could require reassigning responsibilities among the parties noted, depending on a) what and why certain situations need to change; and b) who would be responsible for owning those changes. Therefore, staff recommends that Metro conduct a survey of all cities, Los Angeles County, SCAG and SCAQMD to drill down into

- what is-or isn't-performing effectively within the large realm of TDM activities in LA County;
- what options exist to improve that performance; and
- what resources, authorities and accountabilities would need to be in place to ensure performance is improved.

Particularly when addressing the question of "What gaps exist today with the current state of TDM", it is essential to solicit feedback directly from cities and the County. For example, while there may be opportunities relative to TDM ordinances adopted at a local level, not many cities have done so, and

it would be important to understand reasons why. As well, any countywide TDM marketing program may entail substantial resources if it is going to be effective. Before a marketing program would be launched, it would be necessary to first define a potential new TDM program.

Staff recommends that a survey of local partners at the County and included cities within the County be targeted for the first half in FY19. This effort would be especially timely given the proposed recommendations of the agency's Strategic Plan that will be brought forward for adoption this quarter. The survey should be designed to not only address the Motion's original intent, but inform and align with complementary initiatives ultimately included in the Strategic Plan. This approach would inform any future recommended action related to C) 1 and C) 2.

As a parallel effort to gain insights from the many parties that would be involved in any substantial redesign of TDM activities, Metro staff shall convene existing TDM partners to discuss current actions to respond to C) 3. To support these efforts, a new TDM manager position has been added to the Shared Mobility team to facilitate future dialogue and direction. A schedule and plan for implementation that pivots from current forums will be sent to the Board separately, with a target launch within the first quarter of FY 19.

Legislatively driven actions

- C) 4: Work with major trip generators, employers, and business community to develop tax incentives and other state legislation to enable Metro to promote/coordinate TDM strategies in the county.
- C) 7: Commuter tax benefit ordinance
- C) 8: Assume compliance of Parking Cash Out program.
- D) Incorporate into 2018 state legislative program enhanced Metro countywide TDM program capacity.

In the weeks since Motion 36 was adopted, a state legislative program was adopted in January 2018 that addressed all of the above points. Relevant excerpts from that legislative program are outlined in Attachment C. Response to those efforts will be reported through the Agency's State and Federal Legislation reporting mechanisms.

Metro program modification actions

- C) 5. Expanding U-Pass, the Employer Annual Pass Program (EAPP), the Bikeshare for Business Program, and other TAP purchase programs to allow Transportation Management Organizations (TMOs), telework centers, tourism organizations, residential and other non-employer entities to purchase bulk-rate transit and bike share passes

The group transit pass programs detailed below are currently managed by Metro Commute Services (MCS) under the Marketing Department:

Universal Pass Pilot Program (U-Pass) and GradPass Pilot Program

Under partnership agreements with individual schools, students are issued U-Pass TAP chip stickers that adhere to their student identification cards and function like regular TAP cards. The schools are

responsible for verifying enrollment and tracking participation and are invoiced \$0.75 per boarding for all boardings during the quarter or semester on all Metro services and individual municipal operators approved by both the school and the operator. The schools may not charge the students more than \$10.03 per week per participant for the duration of the pass period, which is the equivalent of the \$43/month College/Vocational fare and may not charge the students more than they are being billed by Metro for the actual boardings. This is a two-year pilot program, which expires in August 2018. MCS Staff will be coming back to the Board in May 2018 to seek approval on establishing a permanent U-Pass Program. There are currently fourteen (14) schools and three (3) municipal operators participating in the pilot program. In the first 16 months of the pilot program, there were 31,312 U-Passes sold, 3.9 million boardings, \$2.95 million in revenue collected, and a 21% increase in participants year-over-year from fall 2017 (9,137 passes sold) to fall 2018 (11,044 passes sold).

The Employer Annual Pass Program (EAPP) includes the ATAP, BTAP, E-Pass Pilot Program, and PEPP as detailed below. Metro's Bike Share for Business Program is currently marketed to businesses who are participating the EAPP Programs.

Annual Transit Access Pass (ATAP) Program

Under the ATAP program, employers may convert any type of Metro monthly or EZ Regional pass to an annual pass by paying the full fare cost for twelve months, plus a \$5.00 card fee for a custom card with the employee's photo. A Regular Metro ATAP is good on all Metro bus and rail services, including Freeway Express services that would normally charge zone fees (such as the Silver Line, 400-499 Express buses, and 577x from Long Beach to El Monte) for the flat rate of \$1200 per year, plus card fee. An EZ Regional ATAP is \$1320 and is good for local travel on 23 different public transit carriers throughout the greater Los Angeles region. In FY 17, thirty-six (36) businesses participated in this program, generating \$1.3 million in revenue.

Business Transit Access Pass (BTAP) Program

Under the BTAP Program, employers are required to purchase reduced fare annual passes for all employees at a worksite. A small percentage of employees may be exempted for approved reasons, such as using Metrolink or a vanpool to commute to work, or working a graveyard shift. BTAP passes cost \$132 to \$276 per year, plus a \$5.00 card fee for a custom card with the employee's photo. Pricing is based on the level of transit service at the worksite. In FY 17, there were 556 businesses participating in this program, generating \$4.13 million in revenue.

Employer Pass Pilot Program (E-Pass)

Commute Services Staff is currently working with the Office of Management and Budget (OMB) on a Pilot Program which will be based on a per-boarding cost and administered through partnership agreements, similar to the U-Pass Program. The approved per-boarding charge of \$1.40 is equivalent to the current average fare per boarding that Metro is collecting under the ATAP Program. As a marketing incentive, the maximum cost per participant will be capped at \$80 per month. Sixteen businesses have been approved by OMB for participation in this program, including the City of Santa Monica, NBC Universal, and all fourteen (14) U-Pass schools. Commute Services will work with OMB on any additional participants.

Promotional Employer Pass Program (PEPP)

As an introduction to the EAPP programs, the Promotional Employer Pass is open only to new

businesses who are not currently participating in an EAPP program. Employers may make a one-time purchase of discounted passes at 50% of cost for a 3-month pass (\$150 each) and must purchase passes for 10% of their employees, with no exemptions. In FY 17, three (3) businesses participated in the PEPP program and one of those converted to BTAP at the end of the promotional program, generating \$6,088 in revenue.

Residential Transit Access Pass (RTAP)

Based on past practice, the current Residential TAP (RTAP) program offers discounted passes to official Metro Joint Development projects under the Business Transit Access Pass (BTAP) program. Metro Joint Development projects can purchase BTAP passes at \$276 per year + \$5.00 card fee, and they are required to buy one pass for each residential unit in the development. Currently, there are two (2) developments participating in this program.

All other Transit Oriented Development (TOD) and affordable housing projects must purchase Annual Transit Access Passes (ATAPs), which are priced at the full fare for 12 months + a \$5.00 card fee, and can include regular Metro Passes, EZ Regional passes, or Senior Passes. Affordable housing developments are required to buy one pass for each affordable housing unit in the project, but they are not required to buy passes for additional units in the development. All other developments are required to buy one pass per unit in the development. A regular Metro ATAP is \$1200 per year, an EZ Regional ATAP is \$1320 per year, and a Senior ATAP is \$240 per year, not including the card fee. There is one (1) affordable housing project and one (1) TOD project participating in this program for 2018.

The FY17 revenue for the RTAP program is included above in the ATAP and BTAP program totals. The Planning Department is currently working with OMB on modifications to this program.

KUEHL AMENDMENT: To include that the EAPP Program (which includes ATAP and BTAP) be amended to include a pay-per-boarding model similar to the U-Pass Program at a fare-per boarding (FPB) rate approved by OMB (either as a pilot program or as a new payment option under BTAP).

See Employer Pass Pilot Program (E-Pass) above.

C) 6: Strategies to promote telecommuting

Telecommuting has become a widely accepted practice, and most organizations that do permit it develop metrics to track their employees' productivity. Telecommuting can be a valuable tool to complement strategies to reduce vehicle miles travelled (VMT) and reduce traffic congestion even if only practiced one day a week. Telework is best suited for jobs that require independent work, little face-to-face interaction, concentration, a measurable work product and output-based (instead of time-based) monitoring, but it may be used in other jobs as well. Typically organizations consider telecommuting to be a viable alternative work arrangement in cases where individual, job and supervisor characteristics are best suited to such an arrangement. Telecommuting allows employees to work at home, on the road or in a satellite location for all or part of their regular workweek. Telecommuting is a voluntary work alternative that may be appropriate for some employees and some jobs. Two local examples for illustration are:

- Metro's policy allows for telecommuting only for special circumstances that is temporary in nature and cannot extend past 6 months. The policy requires detailed documentation including an agreement to ensure all work hours are accounted for. Currently language is not included for telecommuting for purposes of reduction of VMT or peak hour congestion.
- Cal State LA's policy allows for telecommuting based on a work plan established by the employee and the institution. The policy requires an agreement to be executed and is less restrictive in regards to when an employee is eligible to telecommute and allows for the agreement to be effective for one year. The type of work conducted at the educational institutional which requires extensive research and grant writing make a telecommuting program feasible and is reflected in the policy.

C) 9: Establish TDM Coordinator position/consolidate functions

Staff has already hired a person to serve as a coordinator for TDM activities targeted to employer support. The position resides in Metro's Planning Department.

DETERMINATION OF SAFETY IMPACT

There is no safety impact associated with the planning and administrative activities contemplated in this Board report.

FINANCIAL IMPACT

There could be a range of financial impacts associated with implementing future actions arising from recommendations included in this Board report. Discrete actions and an assessment of their capital and/or operating costs would be brought before the Board for action individually, or as part of a program of associated actions as appropriate.

ALTERNATIVES CONSIDERED

The recommendations for further development included in this Board report could be deferred by the Board. In all cases, staff would endeavor to pursue next steps that are coordinated with existing or anticipated related initiatives, to maximize resource efficiency.

NEXT STEPS

Suggested next steps are outlined for each of the elements under "Response to Motion 36". Staff will move forward as directed by the Board to carry out those recommendations.

ATTACHMENTS

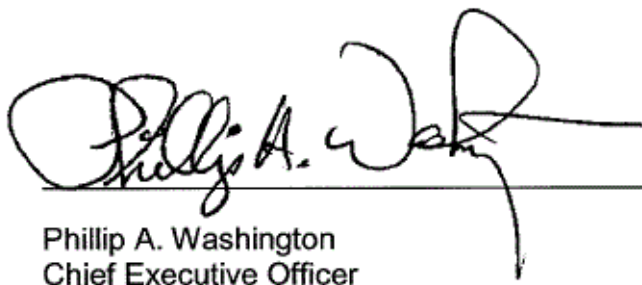
Attachment A - Board Motion 36

Attachment B - Regional Commuter Benefit Program: Los Angeles County/San Francisco Bay Area

Attachment C - Excerpts: 2018 Metro State Legislative Program

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