



Board Report

File #: 2016-0061, File Type: Contract

Agenda Number: 17

**PLANNING AND PROGRAMMING COMMITTEE
MARCH 16, 2016**
SUBJECT: PARKING MANAGEMENT PILOT PROGRAM - PHASE I**ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING implementation of the first phase of the **Parking Management Pilot Program at three (3) Metro Parking Facilities along the Expo II extension**, pursuant to the Operating Plan (Attachment D) for one (1) year;
- B. AMENDING Metro's Parking Rates and Fee Resolution (Attachment E) to allow for the fee structure proposed in the Parking Management Pilot Program; and
- C. AUTHORIZING the Chief Executive Officer (CEO) to execute Modification No. 1 to Contract No. PS4313200 for Permit Parking Management Program with iNet, Inc., doing business as (dba) iParq, increasing the total contract value by \$353,350 from \$432,220 to \$785,570 to allow for implementation of the first phase of the Parking Management Pilot Program as a revenue generating contract where the contractor will be compensated the total value of the contract from the parking revenue collected by the contractor and Metro will receive the net revenue amount collected.

AMENDMENT by BONIN to allow no parking by non-transit users during Phase 1.**ISSUE**

At the February 2016 Planning and Programming Committee, staff introduced the Parking Management Pilot Program ("Pilot Program") to the Board. Staff is proposing to implement the Pilot Program for two years, in two phases, and is seeking authorization to implement the first phase of the Pilot Program at the three (3) parking facilities along the Expo II extension opening in May 2016. The recommendations in this report support implementation of the Pilot Program, and include: authorization to amend Metro's Parking Rates and Permit Fee Resolution (Attachment E) to reflect the parking rates at the pilot locations; and a modification to the contract with iParq, the current permit parking processor, to absorb from parking revenues the set-up and on-going operating cost for implementation of Phase I. Parking Management staff will work with Vendor/Contract Management staff to procure a revenue contract with the parking operator. The new contract will cover additional

equipment, set up and on-going operating costs for all nine (9) locations during the two (2) years of the Pilot Program. If the Pilot Program is approved, Phase I will begin in May 2016 and staff will update the Board every three months regarding results.

DISCUSSION

Staff introduced the Pilot Program through a Receive and File report at the February 2016 meeting of the Planning and Programming Committee. The Pilot Program identified nine (9) locations, along with a pricing schedule, as described below:

| Station | Rail Line | Transit User Daily Rate | Transit User Monthly Rate | Carpool Monthly Rate | Non-Transit Rider Daily Rate | # of Parking Spaces |
|----------------------|-----------|-------------------------|---------------------------|----------------------|------------------------------|---------------------|
| Expo/Bundy | Expo II | \$2 | \$39 | \$25 | \$20 | 250 |
| Expo/Sepulveda | Expo II | \$2 | \$39 | \$25 | \$15 | 260 |
| 17th St/SMC | Expo II | \$2 | \$39 | \$25 | \$20 | 67 |
| La Cienega/Jefferson | Expo I | \$2 | \$39 | \$25 | \$17 | 485 |
| Culver City | Expo I | \$2 | \$39 | \$25 | \$17 | 586 |
| Sierra Madre Villa | Gold | \$2 | \$29 | \$20 | \$17 | 965 |
| Atlantic | Gold | \$2 | \$29 | \$20 | \$15 | 284 |
| Universal | Red | \$3 | \$55 | \$45 | \$25 | 546 |
| North Hollywood | Red | \$3 | \$59 | \$45 | \$25 | 1,310 |
| Total | | | | | | 4,753 |

Since February staff has presented the Pilot Program to Metro’s Technical Advisory Committee, Regional Service Councils and other stakeholder groups and met with County Counsel and Vendor/Contract Management regarding implementation. This resulted in the development of a two-phased approach to implementation. Phase I is described in more detail in the Operating Plan (Attachment D). Details for Phase II will be brought to the Board in Fall 2016, with the recommendation for award of a parking operator contract to take over the operation of the entire Pilot Program.

Phase I Pilot Program

Phase I is proposed to be implemented at the three transit parking locations along the Expo II extension opening in May 2016: Expo/Bundy, Expo/Sepulveda and 17th Street/Santa Monica College. This will include 577 spaces.

The Pilot Program will offer a discounted daily parking rate to parkers that can verify use of the Metro system as well as related municipal providers within a 96-hour period. Verification will be provided by linking the automobile to a valid TAP card. Non-transit riders will pay a much higher daily parking rate, set to be higher than any surrounding parking lots to discourage non-transit use.

The costs associated with Phase I implementation include labor (parking attendants), equipment,

supplies, parking tax (if applicable), and credit card transaction costs. For Phase I, the equipment investment is primarily handheld devices to be used for TAP verification. The budget for Phase I Implementation is below:

| Labor Cost | Equipment & Supplies | Parking Tax | Credit Card & Transaction Processing | Total |
|-------------------|---------------------------------|--------------------|---|--------------|
| \$192,570 | \$27,520 | \$42,260 | \$91,000 | \$353,350 |

Phase II Preparation

Concurrent with implementation of Phase I, staff is recommending procuring a new parking operator contract to implement Phase II and manage the entire Pilot Program. This will be a revenue contract that includes more sophisticated parking equipment (multi-space pay machines), additional labor, parking tax (if applicable), credit card and transaction processing as well as supervision. It is anticipated that the Phase I locations will transition into this new contract once executed. The contract shall allow reduction or expansion in the number of locations to accommodate flexibility of the Pilot Program. An operating expense budget summary for Phase II of the Pilot Program, assuming the nine (9) locations, is as follows:

| | Labor Cost | Equipment & Supplies | Parking Tax | Credit Card and Transaction Processing | Total Operating Cost |
|--------------|--------------------|---------------------------------|--------------------|---|-----------------------------|
| Year 1 | \$1,879,740 | \$457,475 | \$257,430 | \$88,724 | \$2,683,369 |
| Year 2 | 1,788,300 | 70,372 | 264,237 | 85,532 | 2,208,441 |
| Total | \$3,668,040 | \$527,847 | \$521,667 | \$174,256 | \$4,891,810 |

Staff anticipates completing the Phase II procurement and bringing a contract to the Board for consideration in Fall 2016. At that time, staff will also provide an Operating Plan for Phase II and recommend implementation in Winter 2016.

Pricing Schedule

The initial pricing schedule was described in the table above. Daily parking rates will be available at all Pilot Program locations, and spaces will be available on a first come, first served basis. Of the 250 on-street parking spaces at Expo/Bundy, 75 spaces will be available on a daily basis and 150 will require a monthly parking permit. Non-transit riders will pay a much higher daily parking rate, set to be higher than any surrounding parking lots. The intent is to discourage parking by non-transit riders in order to preserve parking spaces for transit riders that depend on it for first/last mile connections.

Monthly parking permits will be available for patrons that maintain a minimum of ten (10) daily ridership transactions per month, using their TAP card. The monthly parking permit differs from the Preferred Parking Permit in that there are no reserved spaces. Monthly parking permits customers that have six (6) or less daily ridership transactions at the fifteenth (15th) of the month will be notified via email reminder that they must maintain the minimum of ten (10) daily transactions to purchase the

monthly parking permit for the following month. Customers can complete the minimum transactions requirement through the last day of each month. If the minimum ridership transaction requirement is not met, the parking permit will be invalid the following month.

The goal of the Pilot Program is to operate the parking facilities at 85% to 90% occupancy levels. These occupancy levels are cited by parking management experts and academics as the level that maximizes utilization while allowing for customers to be able to find parking at any given time.

Staff will assess the results of the program every two (2) months and adjust the parking rates pursuant to the Operating Plan and the targeted occupancy levels. The Pilot Program Operating Plan provides a maximum daily parking fee of \$5.00 daily, requires 30 days' notice for pricing changes (increase or decrease), and only allows for price adjustments every two months. Transit rider parking rates will also apply to non-Metro public transit agencies that accept Metro's TAP Card as a fare payment.

Implementation of the Pilot Program requires an amendment to the Parking Rates and Permit Fee Resolutions to reflect the new rates proposed at participating locations (Attachment E). The amendment to the fee resolution includes all nine (9) locations in Phase I and Phase II. However, the resolution is enabling language for charging the rates; the Pilot Program rates will only apply to the three (3) Phase I locations beginning May 2016. Fees at the six (6) Phase II locations would not go into effect until further Board action adopting Phase II of the Pilot Program.

Civil Rights Considerations

There is no Disparate Impact and no Disproportionate Burden for minority and poverty riders associated with the proposed Parking Management Pilot Program. Based on data collected through Metro's Spring 2015 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 90% for Bus Park and Ride users. The minority share for Rail System Wide users is 87% and the minority share for Rail Park and Ride users is 71%.
- The poverty share for System Wide Bus users is 63% and poverty share for Park and Ride users is 22%. The Poverty Share for Rail System Wide users is 48% and the Poverty Share for Rail Park and Ride Users is 9%.

Permit Parking Program

Stations that currently offer reserved parking through monthly paid permit parking will continue to offer that program and the rates will remain the same. These stations include North Hollywood, Universal, Atlantic and Sierra Madre. Monthly permit holders will continue to utilize the designated reserved parking areas during the restricted hours at no additional cost.

Carpool Monthly Rate

The Pilot Program includes introduction of a monthly carpool parking program. Participants in the carpool program will pay a discount, as listed in the pricing schedule above, at the selected locations. The program will require registration of a minimum of three (3) TAP card users with vehicles/ license plates and will only allow for one vehicle to be parked at a time. If more than one vehicle of the three

(3) registered vehicles is identified to be parked at the same time, the regular daily transit rider rate will be applied to their monthly parking charges.

Operation Plan - Summary

Phase I of the Pilot Program will operate as a pay upon entry model where the customer pays for parking when entering the parking facility. Parking attendants will be scheduled during peak hours, generally from 5am to 2pm on weekdays to identify transit users and process parking payment. They will also be available to answer general customer service questions and help patrons. Parking attendants will also inventory the parking facilities at the beginning and the end of their shift to ensure all parked vehicles have paid and are billed properly. All parking rates and permit fees are applied 24 hours a day, 7 days a week. Transit rider verification will be based on use of the system within the 96 hours prior to or after entering the parking facilities. If the transit rider enters prior to purchasing a TAP card, the system will issue an "exception transaction" ticket and can provide the transit rate once the rider can verify purchase of transit fare or use their TAP card. Customers can pay through their phone, online or upon exiting the station with the parking attendant. Monthly parking permit and mobile payment will be the only options for the on-street parking spaces at the Bundy Station.

Parking Management staff has been working collaboratively 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.

Parking access control systems and multi-space pay machines which are able to accept cash, credit cards and mobile payments will be installed as part of Phase II of the Pilot Program. Once the parking access control system and pay machines are in operation, payments can be made on site 24 hours per day, per 7 days a week. Devices capable of reading TAP Cards will be installed on the multi-space pay machines and will verify ridership by determining use of the TAP card within 96 hours of parking the vehicle. Customers can opt to pay for their parking when they return to pick up their vehicles or upon entry to the parking facilities.

No changes to any existing shared use agreements are recommended at this time.

Labor Relations

Staff has met with Labor Relations to discuss any potential labor issues associated with implementation of the Pilot Program through the iParq contract and has drafted a protocol letter for the Pilot Program. The protocol letter states that, for the duration of the Pilot Program (minimum 2 years), Parking Management staff and iParq and/or the newly procured parking operator will handle all aspects of implementation, including installation and maintenance of the equipment and providing parking attendants. Labor Relations staff has determined there is no conflict with this approach since Metro does not have ATU parking attendants.

Outreach Program

The Operation Plan includes an outreach and communication strategy. Upon approval of the Pilot Program, staff will launch a stakeholder and transit user outreach program in conjunction with the Community Relations and Communications Departments and in concurrence with communication regarding the opening of the Expo II extension. Outreach efforts will include:

- Signage at Parking Management Pilot Program Stations.
- Direct email blast notifications.
- Information messages at Metro.net website.
- Social Media
- Windshield Flyers

Once the Pilot Program is implemented and in case there is a price adjustment on monthly and daily rates, staff will utilize email, distribute windshield flyers, signage and social media to inform patrons. Patrons in the monthly permit program will be given 30-day notice prior to adjustment. Patrons in the daily program will receive a fourteen (14) day notice.

DETERMINATION OF SAFETY IMPACT

Piloting the Parking Management Pilot 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 equipment, including multi-space meters, and signage. The presence of parking attendants at Metro's parking facilities will provide additional assistance to transit patrons during operating hours. Attendants will be able to report incidents and crime at each of the locations.

FINANCIAL IMPACT

Implementation of the Parking Management Pilot Program will not have an impact on Metro's budget. Staff anticipates the Pilot Program will generate \$3.2 million in gross revenue and \$2.6 million in operating costs in the first year after all nine (9) locations are in operation. These first year operating costs are primarily equipment and labor, and will allow for anticipated net revenue of \$400,000. Staff anticipates the Pilot Program Phases I and II will generate \$3.3 million in gross revenue and \$2.3 million in operating costs in year two (2). Contract No. PS4313200 with iParq is a net revenue generating contract. Metro will not pay out any funds for this contract. The contractor will cover all operating costs and be compensated through the parking revenues collected for Metro. Metro will only receive the net revenues collected from the contractor. There will be no impact to any local, state or federal to pay out any expenses.

Impact to Budget

Staff anticipates generating approximately \$400,000 in net revenue to be deposited in Account 40707 for Parking Revenue in FY17 and \$1 million in FY18 which includes 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 I of the Pilot Program and related implementation activities. This is not recommended as it is a large component of the Supportive Transit Parking Program (STPP) Master Plan and the examination of a longer-term strategy for managing parking demand and creating a self-sustaining parking program. Implementation of the Pilot Parking Program will support the final STPP Master Plan, to be presented

to the Board in winter 2016. 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 all parking spaces 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.

NEXT STEPS

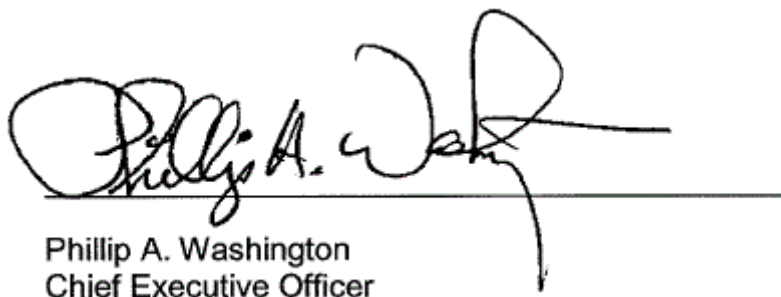
Upon approval of Phase I of the Pilot Program, staff will begin the public outreach process immediately and implement Phase I at the three Metro parking facilities along Expo II extension in May 2016. Concurrently, staff will procure a parking operator for Phase II and bring to the Board a contract and Phase II Operational Plan in Fall 2016. Implementation at all nine (9) proposed locations is expected by the fourth (4th) quarter of 2016. Staff will monitor and evaluate the Pilot Program every three months. The first update will be provided to the Board in September 2016, focusing on the Expo II Station results.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary
- Attachment D - Parking Management Pilot Program - Phase I Operating Plan
- Attachment E - Metro Parking Rates and Permit Fee Resolution

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