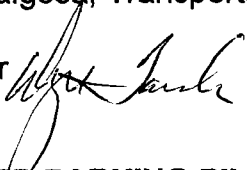


CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 18, 2005

To: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Antonio Villaraigosa, Transportation Committee

From: Wayne K. Tanda, General Manager
Department of Transportation 

Subject: **RESULTS OF THE FREE METERED PARKING PILOT PROGRAM FOR
HYBRID VEHICLES,
C.F. NO. 04-1362**

RECOMMENDATIONS:

That the City Council, subject to the concurrence of the Mayor:

1. **EXTEND** the eight-month Pilot Program enabling certain hybrid vehicles to park for free at City parking meters to a new termination date of June 30, 2006.
2. **DIRECT** the Department to continue to publicize this pilot program and monitor participation in the program.
3. **DIRECT** the Department of Transportation to report back to the City Council by May 1, 2006, with a report on the current number of hybrid vehicles registered statewide and an analysis of future cost and revenue impacts beyond the pilot period with recommendations whether and how to continue the program.

DISCUSSION:

On September 28, 2004, the City Council directed the Department of Transportation to modify its parking enforcement policy to add four designated hybrid vehicles to the existing ZEV/SULEV free metered parking program for the period from October 1, 2004 through March 31, 2005, and directed the DOT to report back to the Council at the conclusion of the six-month hybrid vehicle pilot program with an analysis of future cost and revenue impacts beyond the pilot period and recommendations on whether and how to continue the program. On March 23, 2005, the City Council extended the hybrid pilot program to a new termination date of May 31, 2005, and directed the DOT to report to Transportation Committee on how it had explained this program extension to its staff, to ensure that meter enforcement personnel were aware that they should not ticket hybrid vehicles that were parked at City parking meters and were in compliance with posted time limits through May 31, 2005.

The Council action establishing this pilot program for hybrid vehicles added four eligible hybrid vehicles (Toyota Prius, Honda Civic Hybrid, Honda Insight and Ford Escape Hybrid) to the City's existing Zero Emission Vehicle/Super Ultra Low Emission Vehicle (ZEV/SULEV) free metered parking pilot program. This was accomplished by revising the current parking enforcement policy that allows vehicles with Clean Air Vehicle decals issued by the California Department of Motor Vehicles to park for free at City parking meters as long as they obey all posted time limits and higher-order parking restrictions (e.g., Tow Away No Stopping during peak periods, No Parking Street Cleaning, etc.). The four hybrid vehicle models were added to the list of vehicles eligible to receive the free parking benefits of this program but were not required to display Clean Air Vehicle decals. The Department's Traffic Officers were trained to recognize these four eligible vehicles and afford them the same free parking privileges as vehicles with Clean Air Vehicle decals. The required enforcement policy revision was prepared, adopted by the Board of Transportation Commissioners and implemented in the field on October 1, 2004. The DOT website was also updated to reflect the inclusion of the four hybrid vehicles in the Free Metered Parking program. The eight-month pilot program will end at midnight on May 31, 2005, if the City Council does not act to extend the program.

Revenue Loss from the Hybrid Pilot Program

On Thursday, April 7, 2005, just over six months into the pilot program, Parking Enforcement Officers throughout the City of Los Angeles were instructed to record every eligible hybrid vehicle they saw parked at a City meter. During this typical ten-hour day (8:00 a.m. to 6:00 p.m.), a total of 217 eligible hybrids were observed. Assuming that each vehicle parked for free for the typical maximum time limit of two hours at a typical meter rate of \$0.25 to \$0.50 per hour, the estimated annual revenue loss would be between \$27,000 and \$54,000 (e.g., 217 vehicles X 2 hours X \$0.25/hour X 250 operating days/year = \$27,125/year).

With total anticipated meter revenues this fiscal year of approximately \$21.5 million, the projected loss of revenue represents less than a 0.25 percent reduction in annual meter revenue.

Public Reaction

The DOT has received several complimentary letters and e-mails from hybrid owners who are participating in the program (see attached sample). Although it has been argued that no one would decide to buy a hybrid vehicle solely on the basis of the free metered parking in Los Angeles, it is clear that hybrid users view this and other potential benefits (perhaps someday being able to drive alone in carpool lanes throughout the state) as positive reinforcement for their decision to buy a hybrid vehicle.

Long-Term Fiscal Impact

If this program were to be extended on a permanent basis, better publicity and an increasing number of registered hybrid vehicles would ultimately begin to produce concerns about significant reductions in meter revenue just as concerns have been raised about potential congestion in carpool lanes as greater and greater numbers of single-passenger hybrid vehicles take advantage of this proposed statewide benefit. One way to address this concern would be to take the same approach that has been proposed at the state level, i.e., to eliminate hybrid incentives once a certain level of market penetration/vehicle ownership has been achieved. For example, Assembly Bill 2628 (Pavley) prohibits the DMV from issuing more than 75,000 decals allowing single-occupant, low emission vehicles to use carpool lanes.

Parking Enforcement during Two-Month Program Extension

Meter enforcement personnel were aware of the two-month program. As soon as DOT staff had confirmation that the Council had acted to extend the pilot program from March 31 to May 31, 2005, Management of the Bureau of Parking Enforcement and Traffic Control issued memos to their Area Captains and Lieutenants informing them of the extension and instructing them to conduct roll call training for their Traffic Officers to inform them of the extension. Notices were also sent to the DOT parking citation contractor, ACS, and to DOT staff involved in adjudication of parking citations informing them of the extension. Finally, DOT staff responded to all press queries and e-mails to the DOT website about the extension and updated the DOT website to reflect the extension.

FISCAL IMPACT STATEMENT:

At this time only 217 eligible hybrid vehicles have been observed participating in the free metered parking pilot program resulting in an estimated annual revenue loss of between \$27,000 and \$54,000, or less than 0.25 percent of total annual meter revenue. In spite of the potential for increased levels of hybrid ownership, the recommended extension of the pilot program for an additional 13 months is expected to result in a negligible decrease in parking meter revenue to the Special Parking Revenue Fund as well as some reduction in General Fund revenue from parking citations issued for parking meter violations.

COORDINATION:

This matter is also being presented for comment to the Board of Transportation Commissioners, the designated administrators of the Special Parking Revenue Fund into which all meter revenues are deposited.

AEW:
H:\T-Committee\CF04-1362 Hybrid Parking results.doc

Attachment

May 9, 2005

Alan Willis
Principal Engineer
D.O.T.
100 South Main Street
10th Floor
Los Angeles, Ca 90012

Dear Mr. Willis-

I am writing in support of making permanent the temporary free parking meter privileges for hybrid drivers.

As a Toyota Prius owner, I certainly appreciate the pat on the back that I feel every time I pull into a metered spot and don't find myself digging for change.

Furthermore, I think its especially important for the city to create incentives for our fellow Angelenos to consider getting their own hybrids. Less smog and less reliance on fossil fuels, especially foreign oil, are goals that we can all share. Certainly hybrids don't solve the problem, but they're a step in the right direction.

I appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Sturman", with a long horizontal flourish extending to the right.

Dan Sturman
591 North Beachwood Drive
Los Angeles, Ca. 90004
323-462-2166