

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: January 22, 2010

To: The Honorable City Council  
c/o City Clerk, Room 395, City Hall  
Attention: Honorable Bill Rosendahl, Chair, Transportation Committee

From:   
Rita L. Robinson, General Manager  
Department of Transportation

**SUBJECT: STATUS REPORT ON THE ON-STREET CAR-SHARING PILOT PROGRAM (CF 08-1798)**

**RECOMMENDATION**

DIRECT the Los Angeles Department of Transportation (DOT) to report back to the Transportation Committee in 120 days with an update report on this pilot program and more detailed recommendations.

**BACKGROUND**

On January 1, 2007, California Vehicle Code (CVC) Section 22507.1 became law. This section allows cities and counties, by ordinance or resolution, to designate certain streets or portions of streets for the exclusive parking privilege of motor vehicles participating in a car-share program. On October 31, 2007, Los Angeles City Council instituted a car-share pilot program. On April 24, 2009 the City Ordinance number 180602 became effective by adding a new Section 80.58.1 and amending Sections 80.76.2 and 89.60 of Chapter VII of the Los Angeles Municipal Code to:

- authorize the designation of certain streets or portions of streets for the exclusive parking privilege of motor vehicles participating in a car-share program and,
- to authorize the issuance of permits that allow vehicles participating in a City's car-share vehicle program to park in the exclusively designated parking areas and,
- to authorize the removal of vehicles parked in violation of restrictions posted pursuant to this ordinance.

In August 2009 DOT and Zipcar, Inc. signed a Letter of Agreement (LOA) that formalized the operation and responsibilities of each agency with regards to the pilot program. On September 14, 2009, the City of Los Angeles together with Zipcar, Inc.

held a press conference to announce the City's participation in a one-year car-share pilot program. The program was implemented to determine the viability of an on-street car-sharing program on Los Angeles City streets. The program was rolled-out on September 15<sup>th</sup>, 2009 in areas adjacent to campuses of the University of Southern California (USC) and the University of California Los Angeles (UCLA) per the request of Zipcar, Inc. The location and the program were based off of the success, growth and demand that Zipcar has experienced at the USC and UCLA campuses. DOT is providing this status report as an overview of the challenges and successes of the pilot program during the first four months of operation.

**DISCUSSION**

In August 2009, the City entered into an agreement with Zipcar, Inc. of Cambridge, Massachusetts to engage in a 12-month on-street car-sharing pilot program in the Los Angeles market. As the world's largest car-sharing company, Zipcar, Inc. has over ten years experience in the car-sharing industry with two years of local presence within the USC and UCLA campuses. Under the LOA, the car-share program has been limited to pre-designated public areas approved by DOT near the USC and UCLA campuses, where Zipcar, Inc. has an established customer base.

Originally, the pilot program sought to deploy six vehicles at each of the two universities. Despite the fact that there was a delay in deploying all 12 vehicles at the time the program started, within one month of the program roll-out, Zipcar requested four additional spaces near the USC campus based on stronger than expected rental utilization.

**FINDINGS (Information below has been provided by Zipcar, Inc.)**

Utilization rates are expected to climb gradually 15-20% within the first six months and up to 30% in one year for a typical new market. The most recent utilization rates indicate that the above mentioned figures were reached within a month and the program has been successful in getting the vehicles utilized.

The following utilization information is for the first three months of the program

	September 2009		October 2009		November 2009	
	Plan	Actual	Plan	Actual	Plan	Actual
USC On-Street	16.73%*	48.33%	19.44%	59%	23.11%	55%
UCLA On-Street	15.44%	33.66%	17.51%	45%	21.85%	43.66%

Note: as of October 1, 2009, the program was oversubscribed and required additional vehicles. Request for new spaces was made on 10/15/09.

\*Percentage is based on 24-hour utilization clock.

As of December 22, 2009, approximately 100 new individuals had signed up for membership as a result of the expansion of the campus program onto City streets. In addition, over 300 existing members are now reserving vehicles from the on-street program whereas before they were using the 50-plus other Zipcar vehicles in the Los Angeles county area prior to the on-street program.

Members are using the vehicles for an average of approximately seven hours per reservation, which is several hours over the national Zipcar average. Furthermore, the use is split nearly equally between Monday through Friday and Saturday and Sunday. Zipcar is deducing that members are using the vehicles for both business and personal use, with users being community members, students, and professionals. Typically students reserve and use vehicles mostly on weekends and nights, while professionals and businesses reserve Zipcars during the weekdays.

The data indicates that both locations are highly utilized. Currently, the USC pod (pod is Zipcar's term for two or more vehicles parked immediately adjacent to each other) is trending approximately 13 percentage points higher than the UCLA pod of vehicles.

As mentioned earlier, there were four additional parking spaces added to the program near USC, bringing the total number of car share vehicles in the on-street operation to 16. Furthermore, two additional parking spaces have been approved but not yet installed near UCLA campus, which will expand the total number of vehicles to 18 for the pilot program.

In the coming months, DOT and Zipcar will be developing and disseminating a qualitative survey for members in order to get more detailed information about who is using the car share vehicles, what they are using them for, how far they are driving, and how it is affecting their transportation decisions.

## **CHALLENGES**

Currently, the Parking Permit Division of DOT is managing this pilot program for the City. This Division is also responsible for all of the other parking permit programs in the City, such as preferential parking districts, temporary preferential parking districts, overnight parking districts, and oversized vehicle districts. The Division has a 22% vacancy rate and with ERIP it will reach 33%. With the addition of the mandatory furloughs and reduced work hours, there have been delays in getting new locations approved, signs fabricated and installed. DOT has recommended that the entire Parking Permits Division and programs including the car-share pilot program be moved under the Special Parking Revenue Fund (SPRF) and hence reducing the burden on the General Fund. Staffing, resources, and funding should be carefully considered for future expansion of the program.

There are a number of other challenges that DOT and Zipcar will strive to overcome in order to improve the effectiveness of the pilot program. They include citations and

impoundment of vehicles, the effect of special events organized for the USC area on the operation, and more local administration by the operator.

### **Lack of Local Staffing Presence in Los Angeles**

While Zipcar contracts with two local vendors for fleet maintenance and cleaning the car-share spaces, Zipcar's nearest representative in this region is located in San Diego, California. Most contact has been between DOT staff and Zipcar's staff in Cambridge, Massachusetts. One of the key challenges for Zipcar has been the on-street management of where the vehicles are parked and returned. DOT and Zipcar will continue to meet and discuss using other methods, such as sensor and transponder technologies to better track the vehicles.

### **Use of Car-Share Spaces by the General Public**

Due to the high parking demand in the areas selected by Zipcar, other motorists risk parking in the reserved car-share spaces. Enforcement against offending vehicles and citation of car-share vehicles parked near, but outside of the designated spaces, has been an ongoing issue.

In the first three months of the pilot program, over 100 citations were issued to vehicles parked in car-share spaces near the UCLA campus. However, no vehicles had been impounded. In the same period, more than 70 citations were issued for the USC locations and approximately 36 vehicles were impounded. Parking enforcement has stepped up patrol of the locations and has issued more citations and vehicle impounds in recent months.

### **Citations Issued to Car-Share Vehicles**

For the first ten days of the program, the signs posted near UCLA lacked arrows which excluded the Zipcar spaces from street cleaning enforcement. The issue was promptly rectified once LADOT became aware of the error. The unfortunate oversight resulted in two street cleaning citations being issued.

Notwithstanding the prompt correction of signage, the citation of car-share vehicles for street cleaning violations continues to remain an issue. Most citations have been issued to car-share vehicles parked outside the designated spaces and always to vehicles in violation of the posted restrictions. Heavily weighing in the facts surrounding issuance of the citations is Zipcar's goals to have the vehicles remain visible and to inconvenience the vehicle user as little as possible. As a result, Zipcar's customer service personnel have instructed the vehicle users to leave the vehicles near the designated spaces when the car-share spaces have been occupied by non-car-share vehicles.

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Such advice does not ensure the proper and legal parking of vehicles. Moreover, when informed that a vehicle has not been returned to its home location, the Company, which has no local staff in this market, can not take the proper steps to

return the vehicle to the appropriate location. DOT is currently working with Zipcar and reviewing the citations issued on a case by case basis.

DOT views the occupation of the spaces by the general public to be partially a by-product of the high demand for parking in the areas selected for the pilot programs. The experience so far points to a common practice for vehicle renters to park cars where expedient or convenient, without regard for the posted signs. Additionally, it is possible that Zipcar users are in a hurry to return the cars and may not believe that they will be responsible for the citations and park without regard to the nearby restrictions or prohibitions. For example, on two occasions car-share vehicles were left parked in red zones.

### **Special Events**

Additional issues have arisen regarding the popularity of the campus areas for special events and street closures. Of the locations originally requested, use of one of the locations near the USC campus was discouraged because of the frequency of special events which would have necessitated the relocation of the vehicle; therefore, an alternate location was selected. New procedures are being explored to provide Zipcar with better advance notice of alternate street use.

### **FUTURE POLICY CONSIDERATIONS**

While the car-share program provides a powerful tool to enhance the City's transportation demand management goals, it is not clear if those goals can be best served by the use of an on-street program that further impacts the limited supply of curbside parking. This program will consistently be a balancing act between having too many versus too few vehicles to ensure availability for use. There appears to be an inherent conflict between the City's desire to assure turn over of parking spaces to maximize use and the needs of a successful rental operation to have a supply of vehicles available for use at all times. Parking is likely to become more congested in the areas where car sharing has a presence.

A more goal-oriented use of the car-share program to enhance and encourage transit use by providing convenient car-share vehicles around rail and transit stations and other transportation facilities can maximize the benefits of the program. The availability of car-share vehicles in transit station areas can encourage the use of transit by those whose trip destinations are not conveniently located within the reach of the transit system. In addition, the transit station car share vehicles could be utilized on nights and weekends especially in Transit Oriented Districts

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With the continuing fiscal crisis, consideration can be given for car share vehicles to replace or supplement "pool vehicles" for small or large municipalities.

## **NEXT STEPS**

While Zipcar, Inc. has on-street programs in other markets, such as Boston, London, Toronto, and Washington, DC, it is too early to determine whether the on-street program will translate well in the sprawling communities comprising the City of Los Angeles. At this early stage of the pilot program, the on-street car-share program is exhibiting good promise. The information supplied by Zipcar, Inc. has tracked increasing usage over the four months for which utilization results have been presented. Zipcar cites the higher-than-expected usage on weekdays as evidence of stronger-than-anticipated business (non-university student) usage.

DOT and Zipcar will continue to monitor the pilot program, work through some of the challenges that have been identified and report back to this committee with more detailed findings and recommendations in 120 days.

As the pilot program continues, the City can take further steps to make car sharing an important element of the City's future transportation system by:

- Working with the Planning Department in incorporating car sharing in the City's Planning and Land-Use policies and development related mitigation requirements.
  - Working with the Metropolitan Transportation Authority to initiate a program in conjunction with existing and future transit station operations.
  - Investigating the use of public and private parking lots and structures to allow for the implementation of a more comprehensive and effective car-share program.
  - Developing a broad base description for the car-share program and drafting the criteria and qualifications for future expansion of the program.
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