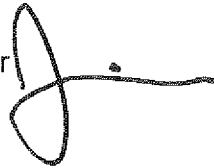


**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: August 5, 2011

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

FROM: Jaime de la Vega, General Manager  
Department of Transportation



**SUBJECT: YEAR END STATUS REPORT ON THE ON-STREET CARSHARE  
PILOT PROGRAM, (CF 08-1798)**

**RECOMMENDATIONS for Council action:**

1. FIND that the On-street Carshare Pilot Program undertaken by the City of Los Angeles which commenced September 14, 2009, and which was expanded into the Hollywood area of Council District 13 in December 2010, has been sufficiently successful to warrant extending the pilot for an additional year to enable the City to prepare, release and evaluate responses to a Request for Proposals (RFP).
2. FIND that the extension of the pilot program to on-street locations in CD 13 show strong enough utilization and success to suggest that citywide expansion of carsharing program could be viable.
3. FIND the City Attorney has opined that the City, through a Council finding that public necessity and convenience requires the extension, may extend the original pilot for an additional year until September 14, 2012, and month-to-month thereafter, if necessary, in order to provide adequate time for staff to prepare, give notice of, release, and evaluate a Request for Proposals for a comprehensive Citywide carsharing program.
4. DIRECT the DOT to work with the City's current Carshare partner to utilize the total spaces allotted under the existing pilot program.
5. DIRECT the DOT to prepare and release a Request for Proposals, for a Citywide Carsharing Program in the next 60 days.

## BACKGROUND

On January 1, 2007, section 22507.1 of the California Vehicle Code became law. This section allowed 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 Carshare program. On October 31, 2007, the Los Angeles City Council instituted a Carshare program. On April 24, 2009, the City Ordinance No 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 carshare program and,
- To authorize the issuance of permits that allow vehicles participating in a carshare vehicle program to park in the exclusively designated parking areas, and
- To authorize the removal of vehicles parked in violation of the 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 Carshare pilot program. The program was implemented to determine the viability of an on-street Carshare program in the City of Los Angeles. On September 15, 2009, the program commenced in two limited areas near the USC and UCLA campuses which were areas in which Zipcar, Inc. had both existing programs and customer bases.

On January 27, 2010, DOT and Zipcar, Inc., provided the Transportation Committee with a status update regarding the program. On February 12, 2010, DOT staff provided the City Council a status update regarding the program success, implementation, operational aspects, as well as the following recommendations for additional steps to be taken:

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

## DISCUSSION

Under the LOA, Zipcar, Inc. could request parking spaces allowing for deployment of 40 vehicles. By mid-January, Zipcar, Inc. had total deployment of 18 Carshare vehicles out of 40 deployable, near the two Universities, leaving an unutilized balance of 22 spaces. Additional cars were added to meet demand near both the USC and UCLA campuses in January 2010 and additional vehicles were placed to meet demand in mid-March 2011. There are currently a total of 23 vehicles in service near the two universities.

Given the captive and established nature of the near campus based pilot, the City and Zipcar agreed to extend the pilot for an additional year in order to assess the program's viability in an untried market away from the university based model. Ten (10) vehicles were placed in two car pairings ("pods") at 5 locations in Hollywood in December 2010. Four additional cars were placed in service in Hollywood in May 2011 to serve the additional demand.

With the extension of the pilot for one year in Hollywood, Zipcar is currently utilizing 37 of the 40 vehicle allotted in the Letter of Agreement.

## FINDINGS:

Utilization figures provided by Zipcar, Inc. reveal that for the time period January to July 2010, actual utilization ranged from a low of 40.76% to a high of 56.42%, which exceeded the projected usage expectations ranging between 32.15% and 41.22%. Zipcar, Inc. has prepared a report with their findings which is attached to this report as Attachment 1.

Despite the addition of 10 new cars that occurred with the new deployment in Hollywood, utilization percentages only dropped 8% and had recovered within a two month period. Notwithstanding the opening of the new market, utilization throughout FY 2010-2011 ranged between 39.51% and 55.29%. Since February 2011, the utilization figures have fully recovered and have consistently remained near 50%. In fact, utilization figures were so strong that additional vehicles were added to 4 of the 5 Hollywood Carshare sites in mid-May 2011. Zipcar has requested an additional location be investigated for expansion in the Hollywood area to place 2 additional Zipcars, which would bring the total to 39 vehicles out of the original 40 allowed for placement under the terms of the pilot.

Program membership continues to increase despite member attrition. In FY 2010-2011, the carshare members who joined under the City's program rose from 363 approved members in July 2010 to 863 approved members by June 2011.

## **CHALLENGES:**

DOT's earlier reports revealed several challenges that faced the on-street Carshare program. A number of steps were taken by LADOT to assist Zipcar, inc., including an inventory of existing parking restrictions on streets near Carshare spaces, to overcome the challenges. While the situation has improved, some issues still remain.

## **CITATIONS ISSUED TO CARSHARE VEHICLES**

Last year, 9% of users reported finding citations issued to carshare vehicles when the carshare vehicle was parked in the assigned space. This survey revealed that less than 5% of those responding found a citation on a carshare vehicle. This decrease is one DOT attributes to Officer and user education.

## **DETECTING NON-CARSHARE VEHICLES**

While more than 170 citations were issued to non-Carshare vehicles parked in the restricted spaces and 35 vehicles were impounded during the first three months of the pilot, new enforcement protocols were implemented to increase impoundments from the restricted locations. The change in enforcement protocols resulted in 384 citations being issued and 175 vehicles impounded between January 1, 2010 and July 31, 2010.

The use of the Carshare spaces by non-carshare vehicles continues to be an issue. In Fiscal Year 2010-2011, there were 1,132 citations issued such vehicles. Enforcement personnel issued 346 citations to vehicles in the City Carshare spaces near the USC campus, 533 in the spaces near the UCLA campus, 244 citations were issued to vehicles parked in the Hollywood area Carshare spaces (six month period). In an effort to curb any recidivism in violators, the City Council approved increasing the fine for this violation from \$63.00 to \$158.00.

The number of impoundments remained high with a total of 482 vehicles being impounded from Carshare spaces in FY 2010-11. Of those, 239 were impounded from the City's Carshare spaces near UCLA; 131 vehicles were impounded from the Carshare spaces in the Hollywood Carshare pilot area, and 109 vehicles impounded from the Carshare spaces near USC.

It is hoped that continued vigorous enforcement as well as the increased fines will dissuade other motorists from repeated violation.

## **UTILIZATION**

With the popularity of the carshare program in the three existing markets and the 40 car limit set forth in the Letter of Agreement, the program will rapidly be at maximum deployment without an ability to increase service to the existing markets.

## CUSTOMER SURVEY

The survey revealed that approximately 61% of those responding are under age 25 and 85.4% of the respondents have never used a different carshare service. 75.3% of the respondents have never driven Zipcars outside the Los Angeles market. Approximately 60.2% of the users joined carshare because they do not own a vehicle and wanted 24/7 access to one. Additionally, 73.2% of the users have used the vehicles four or fewer times in the three months prior to the survey, and 71.5% of users are less than 3 blocks from the nearest carshare site. When asked to provide input on where they would like to see the program expand, 69.6% indicated they would like to see the program expand into Downtown Los Angeles, and 60% indicated they would probably use the program more often.

The survey established that 73.8% of the users found reserving and returning vehicles without difficulty. The result also indicate 66.1% of the users use carshare vehicles for personal use, while 30.4% use it for both personal and business bases. Additionally, the survey indicates that since joining Zipcar 57.8% responding users currently do not have cars which is an increase from 53.9 % who did not own a vehicle prior to joining the carsharing service. Most of the respondents walk, bicycle or take the bus as their main form of transportation. Importantly, the survey revealed that the presence of the carshare vehicles have made it more likely that 56.1% of the users would defer or avoid purchasing a vehicle.

## FUTURE POLICY CONSIDERATIONS

While the Carshare program may prove to be a powerful tool to enhance the City's transportation demand management goals, it remains unclear if the goals can be best served with an on-street program that lessens the limited supply of curbside parking. In this current period of economic difficulty, the future of Carshare in Los Angeles will have to move to a model which incorporates charging for use of the on-street spaces in order to recoup the costs of maintenance and administration.

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 on-street carshare operation to have a supply of vehicles available for use at all times. Moreover, the transition to even greener vehicles could present more significant infrastructure hurdles in an on-street versus off street model.

A more goal-oriented use of the carshare program to enhance and encourage transit use by providing convenient carshare vehicles around rail and transit stations and other transportation facilities can maximize the benefits of the program. The availability of carshare 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.

### **FISCAL IMPACT STATEMENT:**

This program has been overseen by the Parking Permits Division of the Department of Transportation and to date, the costs associated with the staffing, design and implementation of dedicated Carshare parking spaces has been born by the General Fund. With the transition of the PPD Programs to the Overnight Parking Revenue Fund, this program will need to work toward becoming self supporting. Unless grant funding can be located to cover the administration, lost meter revenue and other fees, the City should include a mechanism in the RFP to recover costs for lost revenue, administration and enforcement.

From July 1, 2010 until July 31, 2011, Parking Enforcement personnel issued 1132 citations and impounded 482 vehicles from the Carshare spaces currently in service. The City expects additional General Fund revenue from the issuance of parking citations to violators of these parking restrictions.

While DOT has made every effort to ensure minimal impact on meter revenue, there has been a loss of six metered spaces in the Hollywood area, which DOT estimates will cost the City approximately \$20,000 in annual revenue.

### **CITY ATTORNEY OPINION REGARDING ABILITY TO CONTINUE PILOT:**

The continuation of the pilot in FY 2010-2011, was contemplated in the Letter of Agreement between Zipcar, Inc. to enable the City to determine the viability of the program and to enable the City to prepare and release a Request for Proposals based on that assessment.

The City Attorney has opined that the City, through a Council finding that public necessity and convenience requires the extension, may extend the original pilot for an additional year until September 14, 2012, and month-to-month thereafter, if necessary, in order to provide adequate time for staff to prepare, give notice of, release, and evaluate a Request for Proposals for a comprehensive Citywide carsharing program.

### **NEXT STEPS:**

Continue the Carshare Pilot Program for one year until September 14, 2012 and month-to-month thereafter as necessary until the City is able to prepare, release and evaluate responses to a Request for Proposals for a citywide carsharing program. In addition, the City will continue to work with the current Carshare partner and other stakeholders in improving the existing pilot program.

Attachment

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# ATTACHMENT 1



## Operations and Performance Report – Los Angeles Car Sharing Pilot Program

Zipcar is pleased to submit an updated progress report on the Los Angeles-Zipcar neighborhood car sharing pilot program. To prepare for this report, Zipcar not only conducted a survey of its members participating in the University and City Pilot programs, we also examined operational and program management improvements. Below, we have segmented these findings into three broad areas for discussion.

### 1. The car sharing pilot program is strong and growing.

Overwhelmingly, members in the program are strong users of alternate forms of transportation. In fact, 14% bike, 22% ride the bus and 26% walk as their primary mode of transportation. Zipcar enables them to continue this lifestyle by helping them meet their personal transportation needs without the financial burden of owning a car. In fact, 86% report that because of Zipcar, they're able to get places they couldn't get to before. We are pleased to report that **73%** of respondents reported that, because of Zipcar, they postponed buying a car.

As a testament to the partnership and level of city knowledge (DOT) and car sharing knowledge (Zipcar) has, choosing the locations resulted in tremendous results: 71% of people report living or working less than three blocks from a Zipcar location. We have learned that location selection is essential in helping members (and prospective members) feel that car sharing is just as convenient, and in many instances more convenient than owning a car.

### 2. We have made continual progress, but there is still some room for improvement.

As we conclude the second full year of the on-street program, we are making continued progress on improving the operation and management of the program, not only for members, but also for the City of Los Angeles and for Zipcar. Members continue to report non-Zipcars parked in the Zipcar only reserved spaces. In some locations, members are not able to return the vehicles to the reserved locations as much as 25% of the time.

Increased patrolling and enforcement in these areas would help to provide a more consistent offering and greater L.A. member experience. To address these issues we have worked with parking enforcement to continue to update and inform the patrolling officers and supervisors of trouble areas. We also increased outreach and training with our call center on what to tell members if cars are in reserved spots, based on guidance from L.A. DOT. The hotline number given to us by DOT has been helpful in streamlining communication. As a result of this outreach, we've seen a decrease in citations, with only 5% of survey respondents stating that they have received a citation when arriving at a Zipcar in a designated spot. While 26% of respondents still report experiencing some difficulty in returning vehicles, we are confident that this number will continue to decrease as the program becomes more established in the neighborhoods.



Special mention and thanks must be given to Sergeant, Kimmi Porter and Deputy Chief, Christine Mata. They have provided exemplary service and support in helping to work through the enforcement process.

### **3. Utilization is high and warrants expansion**

In the last full year of the program, we have been very pleased with membership growth, types of reservations and utilization. Since August of 2010, we've grown membership by nearly **95%**, increased reserving membership by **68%** and exceed utilization levels in **10 of the last 12** months. Based on our eleven years of car sharing experience, we know that if vehicles are over-utilized and members are not able to reserve cars, they report the service as unreliable and not a true alternative to car ownership. Current data suggests that members are using cars equally between weekday and weekend usage with a slight preference to daily reservations vs. hourly. This data suggest a true mix of students, local residents and businesses taking advantage of the service.

This good news is guarded by the findings of our survey: Only 80% gave a positive rating to their ability to get a car when they needed one, and only 67% gave a positive rating to ability to get a car where they needed one. These numbers indicate difficulty in securing a reservation, a direct result of strong, or too strong, demand. We believe increasing the number of vehicles and locations will address these access challenges, making the program more beneficial to more members.

### **Conclusion**

We first would like to thank Amir Sedadi and Tamara Martin for their enthusiastic and continued support. We believe the pilot car sharing program has been a strong success in all three neighborhoods, and is the reflection of the solid partnership between Zipcar and the City of Los Angeles. While there are still some logistical challenges, we believe those will continue to decrease in number and frequency, and are in the process of being addressed. We know there is sufficient demand in the current locations to warrant extending the program for an additional year with additional reserved spaces to keep up with growing member demand.

We look forward to continuing to work with the City on car sharing and on its longer-term vision for transportation and mobility.





**2010-2011 Utilization Actual vs. Plan (Percentage is based on a 24 hour utilization clock; 43% represents "full" utilization)**

Month	Actual	Plan	L.A. City Program Members/ Res. Members	# Cars
August	56.82%	41.00%	377/573	18
September	48.32%	42.66%	421/616	18
October	51.61%	44.14%	452/641	18
November	48.02%	45.78%	479/592	18
December	41.06%	39.44%	495/545	28
January	39.51%	39.50%	521/693	28
February	49.28%	43.44%	519/755	28
March	52.29%	46.88%	571/826	29
April	54.05%	47.75%	616/913	29
May	55.29%	49.12%	666/926	32
June	48.94%	48.07%	707/878	37
July	52.00%	47.33%	776/839	37