

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: January 24, 2018

To: Honorable City Council
c/o City Clerk, Room 395
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds
General Manager
Department of Transportation

Subject: **STATUS UPDATE ON THE FORMULATION OF A MULTIPLE-PROVIDER CARSHARE FIXED-SPACE AND POINT-TO-POINT (P2P) CARSHARE PERMIT PROGRAM (CF#13-0192)**

SUMMARY

This report is in response to the feedback received at the November 8, 2017 hearing regarding the Fixed Space Carshare and the Free Floating Carshare pilot proposals. The Transportation Committee instructed LADOT to reformat the Rules and Guidelines for the pilot program, provide a matrix of fee structures and data reporting requirements in other major metropolitan cities and compare this matrix to LADOT's own proposal. The Committee also directed LADOT to ensure that the permitting process within the Coastal Zone is not cumbersome, and to explore the possibility of the City applying for a blanket permit for the pilot program within the Coastal Zone.

LADOT now seeks authority to set a formal fee structure, collect these fees, set up an equity fund account, and make any administrative changes to the rules and guidelines consistent with the approvals for the pilot carshare program.

RECOMMENDATIONS

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

1. APPROVE the revised Rules and Guidelines for Fixed Space program (Attachment A) and for Free Floating program (Attachment B) necessary for implementation and program management of the Multiple-Provider Carshare Permit Pilot Program.
2. AUTHORIZE LADOT to make minor changes to the Rules and Guidelines as necessary to ensure flexible management of daily operation of the above pilot carshare programs.
3. RECEIVE and APPROPRIATE funding from payments for compensation for parking revenue loss or other parking fees, permit fees, parking space conversion fees, and administrative costs related to the carshare pilot program into a Carshare Program account within the Permit Parking Program Revenue Fund No. 49C with a stipulation that funding would not be expended without further policy direction from the Council.

4. APPROVE the attached draft ordinance (Attachment D), subject to City Attorney approval as to form and legality, amending LAMC Section 80.58.1 allowing the LADOT to charge fees associated with the Fixed Space and Free Floating Multiple-Provider Carshare Permit Pilot Program.
5. DIRECT LADOT to report in 180 days with an update on the pilot carshare program.

BACKGROUND

On May 12, 2015, the Council approved Rules and Guidelines for a fixed space carshare pilot program and instructed the Department to prepare guidelines for a Point-to-Point (P2P) carshare program. The Council also approved Ordinance No. 183569 (C.F. 13-0192-SI) defining a "Qualified Carshare Organization" and granting LADOT responsibilities of pre-approving, permitting, and collecting fees and administrative costs related to Qualified Carshare Organizations. The ordinance did not include the necessary fee schedule.

LADOT reported back to the Transportation Committee on May 19, 2017, with a status update on the formulation of a Multiple-Provider Fixed-Space and Point-to-Point (P2P) Carshare Permit Pilot Program.

On November 8, 2017, LADOT presented to the Transportation Committee revised draft Rules and Guidelines for both Fixed Space and Point-to-Point (P2P) Carshare Pilot Programs, along with a draft fee structure for the Multiple-Provider Carshare Permit Pilot Program. At that hearing, the Transportation Committee further instructed LADOT to:

1. Reformat the Rules and Regulations for the pilot program into two (2) separate documents to clearly distinguish the regulation requirements between Fixed Space Carshare and Free Floating Carshare programs;
2. Reach out to the carshare industry for feedback on the Rules and Guidelines and the proposed fee structures;
3. Provide a matrix of fee structures and data reporting requirements in other major metropolitan cities and compare this matrix to LADOT's own proposal;
4. Consider the impact of Free Floating Carshare program on residential parking within Preferential Parking Districts;
5. Establish a protocol to avoid over-concentration of Fixed Space carshare vehicles in any particular area;
6. Evaluate if a maximum number of carshare permits should be established;
7. Establish a procedure for unexpected change of parking regulations due to temporary street events;
8. Provide greater clarity on data reporting requirements;

9. Ensure that the permitting process within Coastal Zone is not cumbersome, and to explore the possibility of the City applying for a blanket permit for the pilot program within the Coastal Zone; and
10. Create an equity program account for using the parking meter revenue recovery fund.

DISCUSSION

The common definitions for the various carshare programs have changed, as it has been five years since the formulation of a Multiple-Provider Fixed-Space and Point-to-Point (P2P) Carshare Permit Pilot Program was introduced. In this report, LADOT has re-named the Point-to-Point (P2P) program to the Free Floating program. The name change was necessary in order to not confuse the general public with Peer-to-Peer carshare, which is now commonly known as P2P carshare.

1. Reformat the Rules and Regulations for the pilot program into two (2) separate documents

Under the instruction by the Transportation Committee, LADOT has reformatted the Rules and Regulations for the pilot program into two (2) separate documents - (1) draft Rules and Guidelines for Fixed Space Carshare Permit Pilot Program and (2) draft Rules and Guidelines for Free Floating Carshare Permit Pilot Program, as Attachments A & B to this report.

2. Reach out to the carshare industry for feedback on the Rules and Guidelines and the proposed fee structures

LADOT has reached out to the carshare industry on multiple occasions and received input from five (5) operators. Based on the feedback received, LADOT conducted a fee analysis and reviewed its internal operating costs. As a result of this analysis, LADOT simplified the fee structure and we propose the following:

Fixed-Space

One Time Implementation Fee:	\$200
Annual Permit Fee per vehicle:	\$250
<u>Annual Meter Recovery Fee per space:</u>	<u>\$900 to \$3,300</u>
Total Annual Fee Range (1 st year)	\$1,350 to \$3,750

Qualified Carshare Organization (QCO) shall perform all work associated with the space conversion including sign fabrication/installation and related pavement markings. Work related to parking meter head removal will be completed by LADOT crews.

Free Floating

Annual Permit Fee per vehicle:	\$250
Annual Meter Recovery Fee per vehicle:	\$1,500

3. Provide matrix of fee structures in other major metropolitan cities and compare these matrix to LADOT's own proposal

LADOT researched other metropolitan cities for the fee(s) charged to their carshare operators, and results showed that the fee structure for each city is unique with vastly different fee recovery assumptions. The varying types of fees charged and the related fee amounts for each city are listed as a matrix in Attachment C. Because of this uniqueness, it was difficult to compare the LADOT proposed fee structure to most other cities in an "apples to apples" comparison. However, by utilizing the fee structure of each city from Attachment C, the following table below compares the annualized cost each city charges to permit a carshare vehicle by making some assumptions regarding the conversion of an average parking space in an average location. The example between Los Angeles and Oakland would be the closest comparison between two comparable cities with similar fee structures and meter rates. Fees for mid-ranged metered zones or averaged fee assumptions are used in the examples below to provide the closest comparison possible between those cities with known meter rate charges.

City	One-Time Implementation Fee	Annual Permit Fee	Annual Meter Recovery Fee*	Total Annual Cost (1 st Year)	Total Annual Cost (subsequent years)
Los Angeles (Proposed)	\$200	\$250	\$2,100 (\$170/mo mid-range)	\$2,550	\$2,350
Baltimore	\$0	\$0	\$960 (\$80/mo flat)	\$960	\$960
Boston	\$0	\$0	\$3,096 (\$258/mo average)	\$3,096	\$3,096
Chicago	\$0	\$0	\$1,080 (\$90/mo average)	\$1,080	\$1,080
Oakland	\$400	\$600	\$1,896 (\$158/mo average)	\$2,896	\$2,496
San Francisco	\$400	0	\$2,160 (\$180/mo mid-range)	\$2,560	\$2,160
Washington D.C.	\$0	\$0	\$2,892 (\$241/mo flat)	\$2,892	\$2,892
Average				\$2,291	\$2,148

* Note: Where available, average monthly meter recovery fee amount was determined by averaging the lowest and the highest monthly fee amount or if a tier of recovery fee amount was available, the middle tier amount was used for calculation purposes.

As indicated above, LADOT's proposed Total Annual Cost per vehicle in the first year would be \$2,550 compared to Oakland's \$2,896. The total annual cost would drop in subsequent years (to account for the one-time charge in the first year) to \$2,350 for Los Angeles compared to

Oakland's \$2,496. Within California, LADOT's proposed fee structure would be lower than Oakland, but higher than San Francisco. On a national level, LADOT's proposed fee structure would be approximately 11% higher in the first year relative to the national average and about 9% higher in subsequent years compared to the national average.

In regards to the Free Floating Carshare program, there are 2 other cities that offer Free Floating Carshare. Among the three cities, Los Angeles has the lowest annual parking/meter recovery fee. Washington D.C. charges \$2,892, and the City of Seattle charges \$1,730 upfront, with additional actual meter revenue minus (-) \$930. Although the City of Los Angeles charges \$1,500 upfront, by the end of the year, we request the QCOs to pay the difference between the actual meter revenue minus (-) the \$1,500 permit fee. Instead of charging an additional \$800 administrative fee, like Seattle, the City of Los Angeles only seeks to recover the actual loss of meter revenue.

In summary, the proposed fees are comparably priced relative to other cities and reflect the higher than average demand for on-street parking in the City of Los Angeles. As previously stated, LADOT is only seeking to recover the actual loss of meter revenue.

Attachment D contains the draft ordinance for council consideration, with the recommended fee schedule, reflecting LADOT's recommendations for a tiered fee schedule and associated administrative and space conversion fees.

4. Evaluate options for minimizing the impact of Free Floating Carshare on residential parking within Preferential Parking Districts

As part of the outreach requested by the Transportation Committee, LADOT solicited input on the previous proposal from free floating carshare operators. Car2Go expressed interest in establishing a pilot program that covers approximately 30 square miles, including Downtown Los Angeles, extending westward to Fairfax, as far North as Hollywood, and as far South as the Interstate 10 Freeway, including University of Southern California. LADOT requested that Car2Go conduct outreach to City Council offices about their willingness to allow free-floating car sharing vehicles to be exempt from Preferential Parking District rules and parking restrictions, and received supportive feedback from the seven Council Districts in the pilot area. LADOT has followed up with the individual Council Districts and confirmed their support for the program.

The following issues have also been discussed between LADOT and Car2Go, to ensure the Free Floating carshare program has minimal impact on residential parking within the Preferential Parking Districts:

a) Re-Balancing

Real-time analytics provide valuable insights into fleet utilization and customer patterns, while advanced demand-supply balancing algorithms enable QCOs to allocate vehicles more efficiently while satisfying demanding consumers. This real-time information allows the QCO to track vehicle utilization and determine the need for rebalancing.

b) Responsive to Complaints

Draft rules and guidelines will require QCO to move vehicles within 24 hours of a customer complaint. Analyzing the utilization data LADOT will work with the QCO to determine the true impact and turnover of vehicles. At LADOT's request, customer complaint logs will be made available by the QCO.

c) Geo-Fence Technology

The QCOs can set parameters for their vehicles and effectively create a Geo Fence for where the vehicle can go and where they can park. In the case where a PPD does not want Free Floating Carshare vehicles being released in the district, the QCO has the ability to disable releasing of the vehicle in the area by geo-fencing it off.

5. Establish a protocol to avoid over-concentration of Fixed Space carshare in any particular area

To address over concentration LADOT shall only allow for up to two spaces per block. Per Section 7.2 in the Rules and Guidelines for Fixed Space carshare program, QCOs are required to provide LADOT with proof of reasonable effort made for community outreach, along with any resulting community feedback. Final approval of all space conversion applications requires concurrence from the applicable Council District Office(s).

Finally, LADOT reserves the right to deny both the use of the space(s), or to assign use of the space based on application date.

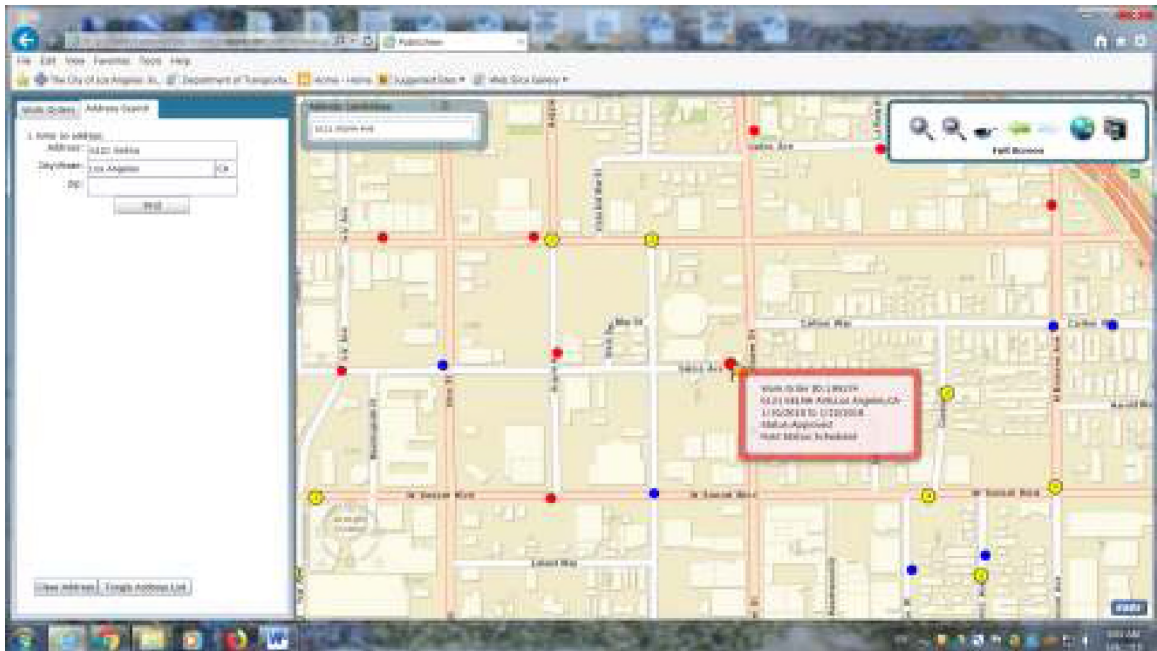
6. Evaluate if a maximum number of carshare permits should be established

LADOT is proposing not to establish a limit on the carshare permit issuance for this pilot period, since the department would like to gather as much information from this pilot program relative to other mobility options.

7. Establish a procedure for unexpected change of parking regulations and special events

As noted in Section 11.1 of the proposed Rules and Guidelines for Fixed Space carshare program, Parking spaces can be temporarily closed due to construction or special events. City policy is to post restriction signs at space closure locations at least 48 hours in advance. Upcoming closures are listed on the following website:

<http://ladotteams.westus.cloudapp.azure.com/teamssl.web/publicview.aspx>



QCOs will be responsible for monitoring the webpage and moving their vehicles from upcoming closed spaces.

8. Provide greater clarity on data reporting requirements

Through industry operators provided feedback, as well as a survey of national best practices, LADOT has revised the data reporting requirements for greater clarity, as noted in Section 18.1 and 18.2 in the Rules and Guidelines for Fixed Spaced Carshare Program.

In addition, LADOT requests that QCOs conduct an annual member survey to capture trends in car ownership, VMT, and mode shift. This is a requirement in Denver, Seattle, and Washington D.C., and no opposition to this requirement was presented by the industry operators.

9. Review permitting process for Coastal Zone and explore opportunities to streamline process, including the possibility for a blanket permit for the pilot program within the Coastal Zone

In response to Council's request, LADOT reached out to the Coastal Commission to gain insight into coastal permitting processes.

There are 2 jurisdictions for coastal permitting, a single-permit jurisdiction (for the general coastal area) and the dual permit jurisdiction (for the highly sensitive areas or locations that are within 300 feet from the beach). For all development in the public right of way in the City of Los Angeles, the QCO would need to first apply for Occupancy of Space with City's own Department of Public Works, Bureau of Engineering.

Upon receipt of approval of Occupancy of Space for the desired location, BOE will provide the project action to the State Coastal Commission for their concurrence. The administrative process for the single-permit jurisdiction typically takes approximately one month to complete,

while the process for the dual-permit jurisdiction would run longer on a case by case basis. Provided no appeal is made, permits will be granted based on impacts to public coastal access and local businesses. For a constraint location, it might require a public or local hearing, which is held on a monthly basis.

LADOT has also explored the possibility of obtaining a waiver. While waiver applications are available, this process is considerably more burdensome and lengthy than the application process. Should Council require LADOT to seek a waiver, the pilot program at large will be significantly delayed.

10. Create an equity program account for using the parking meter revenue recovery fund

In May 2017, the Transportation Committee instructed LADOT to create an equity program to support underserved community access to carsharing. Based upon national research, LADOT identified various opportunities to increase access to carsharing including:

- Community outreach and education;
- Carsharing subsidies for both rates and membership fees; and
- Partnership programs with community based organizations and businesses.

Given that the operators of the pilot carshare programs will be required to provide data to the department, LADOT will work with QCOs and industry experts on opportunities to baseline and improve equity outcomes related to the carshare pilot program. Once we have had an opportunity to collect real time data on demand, usage patterns and costs, we will work with community based organizations and businesses to develop an equity program to broaden the access for disadvantaged individuals and communities.

FISCAL IMPACT

These new programs will require lead time for outreach and marketing prior to their launch. Assuming that the pilot program is approved in January and the ordinance is adopted by late February, the initial implementation process could take an additional 3 to 4 months to complete the work on QCO's outreach, engineering assessment, space conversion, and final inspections. LADOT anticipates collecting fees beginning in mid-2018 and expects participation from three to six Qualified Carshare Organizations, potentially deploying anywhere from 50 to 200 vehicles in FY2018-19. This could potentially generate between \$75,200 and \$218,750 annually for the Carshare Program Account within the Permit Parking Program Revenue Fund No. 49C. Special Parking Revenue Fund No. 363 will be impacted as the parking meter recovery payments received from the Carshare program will be appropriated into the Carshare Program account within the Permit Parking Program Revenue Fund No. 49C.

SJR: JK: mp

Attachments:

Attachment A: Draft Rules and Guidelines for Fixed Space Carshare Permit Pilot Program

Attachment B: Draft Rules and Guidelines for Free Floating Carshare Permit Pilot Program

Attachment C: Carshare Programs – Fee Structures - US Metropolitan Cities

Attachment D: Draft Carshare Ordinance