


CITY OF LOS ANGELES
INTRA-DEPARTMENTAL CORRESPONDENCE

Date: September 7, 2016

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

From: Seleta J. Reynolds,  General Manager
Department of Transportation

Subject: **SPECIAL PARKING REVENUE FUND (SPRF) FIVE-YEAR OPERATIONS AND MAINTENANCE PLAN (CF 15-1450)**

SUMMARY

This is an update on the SPRF Five-Year Operations and Maintenance Plan approved on March 14, 2016 for the metered parking and parking facilities programs, beginning Fiscal Year (FY) 2016-17 through FY 2020-21.

RECOMMENDATION

RECEIVE and FILE this report.

BACKGROUND

SPRF was established as a special fund to be the depository account of all revenue collected from parking meters and public off-street parking facilities in the City of Los Angeles that are administered by the Los Angeles Department of Transportation (LADOT) through the Board of Transportation Commissioners (BOTC). SPRF funds the operation and maintenance, capital expenses, and technological investments in Bureau of Parking Management. Table 1 below summarizes SPRF revenue over the last five fiscal years.

Table 1: SPRF Revenue FYs 2012-2017

| <u>Program</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> |
|----------------|------------------|------------------|------------------|------------------|------------------|
| Meters | \$ 48.9 M | \$ 53.0 M | \$ 55.4 M | \$ 56.7 M | \$ 59.3 M |
| Facilities | 17.0 M | 16.4 M | 18.9 M | 20.8 M | 22.4 M |
| Totals | \$ 65.9 M | \$ 69.4 M | \$ 74.3 M | \$ 77.5 M | \$ 81.7 M |

DISCUSSION

The Five-Year Plan presented in this report and its appendices addresses the essential and appropriate funding for:

1. Capital improvement parking projects
2. Planning, maintenance and operation
3. Debt service
4. Local return of parking meter revenue
5. "Code the Curb"
6. Acceleration of LA Express Park

The plan pertains to 34,625 on-street metered spaces in 73 Parking Meter Zones and the 11,581 off-street spaces in 120 parking facilities.

The Five-Year Plan was developed to:

1. Make strategic capital investments to improve convenience and operational efficiency such as:
 - Latest technology for equipment and staff
 - Automated performance measurement
 - Remote monitoring
 - Centralized reporting.
2. Establish and implement operational and maintenance standards for all programs.
3. Maintain full professional program staffing to ensure effective and efficient programs and consistently deliver excellent customer service.
4. Implement a coordinated parking management strategy among all programs for rates, hours, restrictions, and business and residential needs. Conduct regular market rate analyses and parking studies to ensure a market-driven approach to managing a limited parking supply.
5. Expand metered and off-street parking where appropriate.
6. Consider “smart funding alternatives” prior to building additional parking supply.

Five-Year Plan Financial Summary

The updated financial summary of the Five-Year Plan is based on projected needs identified in Attachment A. The following table summarizes the projected annual SPRF revenue and expenditures for the proposed Five-Year Plan.

Table 2: SPRF Five-Year Plan Summary

| | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| | Approved | | | | |
| Total Parking Revenue | \$ 81.0 M | \$ 82.6 M | \$ 84.3 M | \$ 86.0 M | \$ 87.7 M |
| Operation & Maintenance | \$ 42.4 M | \$ 43.1 M | \$ 44.5 M | \$ 45.9 M | \$ 47.4 M |
| Debt Service | \$ 6.2 M | \$ 7.0 M | \$ 7.0 M | \$ 7.0 M | \$ 7.0 M |
| Capital Expenditures* | \$ 4.4 M | \$26.9 M** | \$ 5.8 M | \$ 1.5 M | \$ 1.0 M |
| Local Return – Pilot | \$ 0.6 M | \$ 1.5 M | \$ 1.5 M | \$ 2.0 M | \$ 2.0 M |
| “Code the Curb” | \$ 1.1 M | | | | |
| Accelerate LA Express Park | \$ 0.3 M | \$ 1.3 M | \$ 2.0 M | | |
| Contingency | \$ 0.3 M | \$ 2.2 M | \$ 2.2 M | \$ 2.3 M | \$ 2.4 M |
| Total Expense | \$ 55.3 M | \$ 82.0 M | \$ 63.0 M | \$ 58.7 M | \$ 59.8 M |
| Net Revenue/(Loss) | \$ 25.7 M | \$ 0.6 M | \$ 21.3 M | \$ 27.3 M | \$ 27.9 M |

* Capital expenditures include the replacement of singles space meters, the purchase and installation of parking access and revenue control system equipment, the establishment of a central communication hub, LED upgrades, facilities refurbishments, and signage.

**FY 2018 expenditures include \$9.2M in single space meter replacement, \$4.7M in parking facility improvements (LED upgrades, refurbishments, and signage), and \$13.0M for potential parking facility developments (Pico-Robertson Senior Housing’s additional parking in CD-5, public-private partnership in the West Adams area of CD-10, and parking garage construction in conjunction with the Little Tokyo Service Center in CD-14).

Revenue

Parking revenues are projected to escalate at rate of two percent (2.0%) per year. The Department will revisit the parking revenue projection periodically with the Office of the City Administrative Officer (CAO).

In FY 2017, LADOT will do its cyclical review and analysis of parking rate structures in the 24 City-owned and operated parking facilities. Any changes, as a result of the review and analysis of the parking rate structures, will be submitted for approval and implemented by January 1, 2018.

Expenditures

The Five-Year Operations and Maintenance Plan includes, but is not limited to: capital improvement parking projects, maintenance and operation, debt service, special projects and contingency. Annual escalation for operation and maintenance is three percent (3.0%) in the plan.

1. Capital improvement projects include, but are not limited to: off-street facility LED upgrades, signage, the replacement of obsolete pay stations, installation of "smart" single space meters in new areas, replacement of single space meters, replacement of revenue capital equipment with a state-of-the-art PARCS on off-street parking structures and lots, and the use of innovative technology and management systems.
2. Operation and maintenance expenditures include, but are not limited to: the contract agreement for coin counting and collection services, various contractual services (e.g. communication charges for meters, sensors and enforcement handhelds), credit card charges and processing fees, professional services, and equipment.
3. Debt Service-The Plan incorporates amortization payments on MICLA funding for the construction of the Vine Street Garage in Hollywood and Aiso Street Garage in Downtown LA, and the refinancing of the parking revenue bond issued for the Hollywood and Highland Garage in Hollywood.
4. Local Return (Council File 15-1450-S4) - LADOT is currently developing a pilot program for FY 2017 to return a portion of the local meter revenue to the locations where it was generated for local community improvements and enhancements. A separate council report explaining the pilot program was submitted.
5. Code the Curb (Council file 15-1450-S2) - This is an effort to electronically inventory all of the City's parking assets in the public right-of-way. Because not all assets to be captured are parking related only \$1.1 million (roughly 25%) in SPRF funds was appropriated for this effort. A separate council report on Code the Curb was submitted.
6. Accelerated Expansion of LA Express Park (Council File 15-1450-S5) – City Council and the Mayor directed LADOT to accelerate the expansion of demand based parking pricing across the city. A separate council report on the accelerated expansion of LA Express Park was submitted identifying the future locations for the expansion and the necessary resources to accelerate the expansion.

7. Contingency – As a safeguard to account for unforeseen circumstances, it is prudent to re-establish a reserve fund of approximately five percent (5%) of annual operation and maintenance costs.

FISCAL IMPACT STATEMENT

The actions described in this report have no negative impact on the General Fund because the costs are borne by the SPRF.

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Attachment A: Five-Year Plan Details

ATTACHMENT A: FIVE-YEAR PLAN DETAILS

- **Technology**
 - **Meter Operations**
 - New Parking Meters
 - Meter 500 new spaces per year
 - Convert 1,000 Commercial Loading Zones to metered parking
 - Identify and convert up to four free surface parking lots to paid metered parking lots
 - As part of the 7-year rolling replacement cycle for single space meters, upgrade 7,000 in FY 2017; 17,000 in FY 2018; 9,000 in FY 2019, and 1,000 in FY 2020
 - New Pay Stations
 - Replace obsolete multi-space stations with new multi-lingual pay stations
 - Update deployment strategy for single versus multi-space meter deployment
 - Invest in new mobile and/or in-vehicle technology to pay for parking
 - Introduce new signage and mobile application(s) to help motorists determine if they can park at a given space and time
 - Introduce a new valet parking management system
 - Introduce a new parking asset management system to inventory assets in the warehouse and field
 - Invest in “coding the curb” to have an up-to-date inventory of all on-street parking restrictions citywide
 - Meter Maintenance Work Flow Management
 - Equip all maintenance vehicles with in-vehicle computers and wireless communication
 - Develop central geographic-based work-flow management system
 - **Meter Security**
 - Upgrade 1,000 meters to high-security housings per year
 - Implement vehicle-based key programming with real-time authorization and monitoring system
 - Implement RFID-based collection can and canister tracking system
 - **LA Express Park Programs**
 - Operate in Downtown and Westwood with on-going costs
 - Expansions in FY 2017: Hollywood and Venice
 - Expansions in following FYs: Exposition Park/USC, La Brea/Miracle Mile, North Hollywood, and Studio City
 - Project Components: meters, sensors, signs, parking guidance system, dynamic pricing engine and a central parking management system
 - **Meter Enforcement Technology**
 - In addition to LA Express Park expansion, install additional 1,000 sensors per year in high-demand enforcement areas
 - Expand “guided” mobile enforcement system to communicate potential violations and track enforcement actions in real-time
 - Equip 25 enforcement vehicles per year with wireless communication
 - **Parking Facilities**
 - **Parking Access and Revenue Control System (PARCS)**
 - Upgrade or install state-of-the-art PARCS in all operated-parking structures (garages and surface lots)
 - Implement web-based “Find a Parking Space” application, in conjunction with PARCS
 - Implement electronic validation scanners in parking structures where there is a validation program, in conjunction with PARCS

ATTACHMENT A: FIVE-YEAR PLAN DETAILS

- Implement a central communication center to manage and oversee off-street parking facilities.
- **Staffing**
 - Fill and maintain all positions
 - **Meter Operations**
 - Fill one Senior Management Analyst II, one Transportation Engineering Associate IV, two Management Analyst II, one Parking Meter Technician (PMT) Supervisor I, and three PMT vacancies
 - Add one PMT position per year to gradually correct maintenance ratios and to account for expansion
 - Request in FY 2018 one Transportation Engineering Associate II to account for the valet operator permit demand
 - Request in FY 2018 one Management Analyst II position for the LA Express Park accelerated expansion.
 - **Meter Security**
 - Add one Management Analyst II position for contract management
 - **Parking Facilities**
 - Fill one Administrative Clerk and one Civil Engineering Drafting Technician I vacancies
 - Request in FY 2018 one Real Estate Officer II for real estate management
 - Request in FY 2018 one Management Analyst II position for property development and management
- **Management, Operations and Maintenance**
 - **Meter Operations**
 - Conduct regular parking occupancy studies of existing Parking Meter Zones to ensure rates remain effective and to support implementing “peak period” rates where appropriate to encourage turnover and maintain access
 - Create new parking meter zones where needed
 - Accelerated implementation of LA Express Park
 - In cooperation with the Department of Disability, develop recommendations to reform the disabled person parking placard policies
 - Implement a pilot program to return portion of local revenue from parking meters for investment in local community improvements
 - **Meter Security**
 - Optimize collection scheduling and routes and develop high-demand “priority” areas within sub-zones
 - In cooperation with Los Angeles Police Department (LAPD), obtain authority for our transportation investigators to enforce the valet ordinance
 - **Parking Facilities**
 - Conduct regular contract compliance of current parking operation contracts and inspections of surface parking lots
 - Maintain and implement a “refurbishment” cyclical schedule on surface parking lots
 - Contract a structural engineering firm to evaluate the structural integrity of the garages
 - Complete the upgrade of Outdoor Area Lighting (OAL) to LED in coordination with DWP on all off-street surface parking lots
 - Request funding in FY 2018 to retrofit garage lighting to LED lighting

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- Complete the installation of eighty-two (82) Level 2 and three (3) Level 3 electric vehicle chargers in parking facilities
- Request funding in FY 2018 to refurbish parking facilities (e.g. repainting [internal and external], level theming, level designations, monument signs, etc.)
- Complete the purchase and installation PARCS in all operated parking facilities
- Pay-on-Foot signage
 - Commission a graphics consultant to design a logo exclusively to be installed in parking structures with Automated Pay-on-Foot system; install or replace all Pay-on-Foot signage
- Way finding signage
 - Commission a graphics consultant to design internal and way finding signage for all off-street parking facilities
 - Replace, upgrade, and install street way finding signage using the international “P” symbol

