

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 19, 2017

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

In April 2015, the Council approved the Los Angeles Department of Transportation (LADOT) recommendations to revise and develop the Rules and Guidelines for the expansion of the carshare pilot program. In this report, LADOT is presenting the Rules and Guidelines covering both Fixed-Space and Point-to-Point (P2P) carsharing. LADOT now seeks authority to set a formal fee structure, collect these fees, and make any administrative changes to the rules and guidelines consistent with the approvals.

RECOMMENDATIONS

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

1. APPROVE the revised Rules and Guidelines (Attachment A) necessary for implementation and program management of the Fixed Space and P2P Multiple-Provider Carshare Permit Pilot Program, and AUTHORIZE LADOT to make technical changes to the Rules and Guidelines as necessary to implement the intent of the Council-approved Carshare Program.
2. RECEIVE and APPROPRIATE funding from payments for permit fees and administrative costs related to the carshare pilot program into the Permit Parking Program Revenue Fund No. 49C.
3. RECEIVE and APPROPRIATE funding from payments for compensation for parking revenue loss or other parking fees associated with the carshare pilot program into the Special Parking Revenue Fund No. 363.
4. ADOPT the attached draft ordinance (Attachment B), subject to City Attorney approval as to form and legality, amending LAMC Section 80.58.1 allowing the Department of Transportation (LADOT) to charge

fees associated with the Fixed Space and Point-to-Point Multiple-Provider Carshare Permit Pilot Program.

5. DIRECT LADOT to report in 180 days with an update on the carshare program.

BACKGROUND

The original carshare pilot launched on September 14, 2009 with Zipcar and included 40 vehicles and 40 fixed-space parking spots around USC and UCLA. The focus of this pilot was to assess how the program worked around university campuses.

In December 2010, the city expanded the pilot to Hollywood to include 22 vehicles and associated fixed-space locations. The focus of this pilot was to determine whether the pilot could flourish around transit stations and in on-street, curbside parking locations in commercial areas.

On August 17, 2011, the City Council authorized staff to prepare a Request for Proposals (RFP) seeking submittals from organizations interested in providing carshare services. On April 19, 2013, after a competitive process, the City Council authorized LADOT to negotiate and execute a five-year contract with Hertz On Demand to provide carsharing services for the City of Los Angeles. Council rescinded this action on June 25, 2014 due to the inability of Hertz to negotiate a contract.

On May 12, 2015, the Council approved Rules and Guidelines for the 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-S1) defining a "Qualified Carshare Organization" and granting LADOT responsibilities of preapproving, permitting, and collecting fees and administrative costs related to Qualified Carshare Organizations. The ordinance did not include the necessary fee schedule. Attached in the draft ordinance is the recommended fee schedule, reflecting past LADOT recommendations for a tiered fee schedule and associated administrative and engineering assessment fee.

Starting in Summer 2016, LADOT staff began working with Council offices and interested Qualified Carshare Organizations to begin identifying viable sites. The result of this work is an 10 additional on-street, fixed-space locations.

In January 2017, LADOT executed a contract with BlueCalifornia, LLC to provide an Electric Vehicle Carsharing Pilot Program in Disadvantaged Communities, funded by the California Air Resources Board. That program has broken ground on the first charging hub and is on track to install 20 hubs by the end of this summer. The pilot will provide 100 electric cars and 200 electric charging points over 40 hubs.

DISCUSSION

LADOT is proposing a fee structure for two types of carshare programs: fixed-space and point-to-point.

LADOT staff requests that Council adopt the attached draft ordinance to amend the existing car share ordinance, subject to City Attorney for form and legality, under Section 80.58.1 of the Los Angeles Municipal Code to include a schedule of fees related to the Multiple Provider Carshare Permit Pilot Program and the Point-to-Point Carshare Pilot Program.

Fixed-Space Permit Fees

- Annual Permit Fee: \$500 per vehicle
- Engineering Assessment Fee: \$353.25 per location
- Fixed-Space Parking Meter Recovery Fee: \$750 to \$3,600 per year¹
- Fixed-Space Conversion Fees: \$1,060 to \$1,460 per space

Point-to-Point (P2P)

Point-to-Point carsharing provides vehicles within a defined geo-fenced area, typically the dense urban center of a city, where clients can spontaneously locate a car by identifying it from an operator's web or smartphone application. The one-way service provides users with flexibility as they can drive to a destination and then terminate the rental of the vehicle by returning it to any authorized space within the same defined geo-fenced area.

In a recent 2016 study, the Transportation Sustainability Research Center at the University of California, Berkeley looked at the impact of one company's P2P carsharing in five North American cities and found that on average, the service removed between 7 to 11 vehicles from the road per vehicle across the study cities. Overall, in the seven US cities that the company operates - its fleet size ranges between 200 and 735 vehicles, with an average of approximately 450 vehicles per city.

In April 2015, LADOT staff recommended expanding the carshare pilot for an additional 24-month period to include P2P carsharing, with an initial cap of 50 P2P permits in the first six months of the pilot with a total cap of 200 P2P permits over the course of the pilot period. Upon further review of the program in other cities, LADOT staff is removing the initial cap recommendation on P2P permits to allow flexibility of operators to submit proposals for a range of project areas. LADOT will work closely with City Council and any Qualified Carshare Organization to evaluate the proposals, and will retain the authority to approve, deny, and make suggested modification to the project area.

Fees for P2P carsharing will include full cost recovery for parking at metered spaces, in addition to a \$500 annual permit fee (consistent with the fixed-space annual permit fee). The Qualified Carshare Organization will pay an initial fee of \$1,500 per vehicle for a P2P Permit that will allow parking at metered parking spaces plus any legal non-metered space. The Qualified Carshare Organization will provide an annual report to LADOT calculating actual metered space utilization on the back end and pay the difference or receive a credit on an annual basis.

¹ For meters that generate more than \$3,600, full cost recovery will be required.

- Annual Permit Fee: \$500 per vehicle
- Free-Floating Permit Fee: \$1,500 per vehicle (annual true-up every year)

FISCAL IMPACT

These new programs will need lead time for outreach and marketing prior to their launch, therefore, LADOT anticipates collecting fees beginning around September 2017. LADOT expects participation to be from three to six Qualified Carshare Organizations, deploying anywhere from 50 to 400 vehicles. With an expected range of 50 to 400 vehicles deployed throughout the City, LADOT expects to generate \$100,000 to \$500,000 in annual revenue for FY2017-18. LADOT will report back to the Transportation Committee with a status of the program in six months.

SJR: JK: mp

Attachments:

Attachment A: Draft Rules and Guidelines for Multiple-Provider Carshare Permit Pilot Program

Attachment B: Draft Ordinance