


CITY OF LOS ANGELES
INTRA-DEPARTMENTAL CORRESPONDENCE

DATE: March 14, 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) 5-YEAR OPERATIONS AND MAINTENANCE PLAN (COUNCIL FILE 15-1450)**

SUMMARY

This is an update on the SPRF 5-Year Operations and Maintenance Plan, originally approved by the City Council on April 13, 2011 and updated on June 22, 2012, for the metered parking and parking facilities programs, covering Fiscal Years (FYs) 2016-17 through 2020-21. The updated 5-Year Plan represents a sensible program approach to ensure the sustainability of our current systems and the continued expansion of new technology to support revenue generation, increased efficiency, and a high level of customer service.

RECOMMENDATIONS

1. **RECEIVE** and **FILE** this report;
2. **APPROVE** the updated SPRF 5-Year Operations and Maintenance Plan, as presented in this report and the attached documents, relative to the sources and uses of SPRF to address the necessary maintenance, upgrades, technology and repairs of parking structures, meters, and related assets, beginning with FY 2016-17; and
3. **AUTHORIZE** the General Manager of the City of Los Angeles Department of Transportation (LADOT), or her designated staff, working with the Office of the City Administrative Officer (CAO), to make adjustments to the SPRF 5-Year Operations and Maintenance Plan to be consistent with the future approved budget for FY 2016-17, and as necessary to implement the intent of the budgetary and policy actions of the Mayor and Council. These may include accelerating the expansion of LA Express Park (C.F. 15-1450-S5), establishing a proportionate share in the budget to "Code the Curb" (C.F. 15-1450-S2), and a pilot program to return a portion of parking meter revenue for investment in the community which it was generated (C.F. 15-1450-S4).

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 LADOT through the Board of Transportation Commissioners (BOTC). SPRF funds the operation and maintenance, capital expenses, and technological investments in parking management. Table 1 below summarizes SPRF revenue over the last five fiscal years.

Table 1: SPRF Revenue FYs 2011-2015

<u>Program</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Meters	\$ 40.8 M	\$ 48.9 M	\$ 53.0 M	\$ 55.4 M	\$ 56.7 M
Facilities	14.5 M	17.0 M	16.4 M	18.9 M	20.8 M
Totals	\$ 55.3 M	\$ 65.9 M	\$ 69.4 M	\$ 74.3 M	\$ 77.5 M

DISCUSSION

The 5-Year Plan presented in this report and its appendices address 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 34,626 on-street metered parking spaces in 73 Parking Meter Zones and the 11,356 off-street spaces in 118 parking facilities.

The 5-Year Plan was developed to:

1. Make strategic capital investments for improved 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 and restrictions and business and residential needs. 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.

5-Year Plan Financial Summary**Table 2: SPRF 5-Year Plan Summary**

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
	Proposed				
Total Parking Revenue	\$ 81.0 M	\$ 82.6 M	\$ 84.3 M	\$86.0 M	\$87.7 M
Operation & Maintenance	\$ 43.1 M	\$ 44.4 M	\$ 45.8 M	\$47.2 M	\$ 48.6 M
Capital Expenditures	\$ 26.4 M	\$ 9.3 M	\$ 4.4 M	\$ 2.2 M	\$ 1.7 M
Debt Service	\$ 7.0 M	\$ 7.0 M	\$ 7.0 M	\$ 7.0 M	\$ 7.0 M
Local Return – Pilot	\$ 1.0 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	\$ 2.1 M	\$ 2.2 M	\$ 2.3 M	\$ 2.4 M	\$ 2.4 M
Total Expense	\$81.0 M	\$65.7 M	\$63.0 M	\$ 60.8 M	\$ 61.7 M
Net Revenue	\$ 0.0 M	\$ 16.9 M	\$ 21.2 M	\$ 25.2 M	\$ 26.0 M

Revenue**Table 3: SPRF Revenue**

	2016	2017	2018	2019	2020	2021	5-Yr.
\$ millions	Estimate	Proposed					Total
Revenue	78.6	81.0	82.6	84.3	86.0	87.7	421.6
Change	3.0	0.6	2.4	1.6	1.7	1.7	
Change %	4.0%	0.8%	3.1%	2.0%	2.0%	2.0%	

Parking revenues are projected to escalate at a rate of two percent (2.0%) per year. The Department will revisit the parking revenue projection periodically with the CAO. The escalated parking revenue for off-street parking facilities is due to the installation of Parking Access and Revenue Control System (PARCS) in 11 operated parking facilities (garages and surface lots), and the implementation of marketing and operational efficiencies in 15 of the 24 City-owned and operated parking facilities. Nine of the 24 City-owned and operated parking facilities are still to be transitioned from the General Services Department to the new contracted parking operators.

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 in FY 2018.

Expenditures**Table 4: SPRF Expenditures**

	2016	2017	2018	2019	2020	2021	5-Yr. Total
\$ millions	Estimate	Proposed					
O & M	39.0	43.1	44.4	45.8	47.2	48.6	229.4
Debt Service	5.9	7.0	7.0	7.0	7.0	7.0	35.0
Capital*	6.4	26.4	9.3	4.4	2.2	1.7	47.4
Contingency	0.3	2.1	2.2	2.3	2.4	2.4	11.4
Other**	1.2	2.4	2.8	3.5	2.0	2.0	9.1
Total	52.8	81.0	65.7	63.0	60.8	61.7	332.2
Change	15.5	28.2	(15.3)	(2.7)	(2.2)	1.0	
Change %	41.7%	53.4%	-18.9%	-4.1%	-3.5%	1.5%	

* Capital expenditures include a \$12.6 million parking structure with 225 stalls in NoHo budgeted for allocation purposes for FY 2017 and replacement of singles space meters (FY 2017 – 7,000; FY 2018 – 17,000; FY 2019 – 9,000 and FY 2020 – 1,000)

** Other includes amount allocated for accelerated expansion of the LA Express Park program, local return of parking meter revenue to local community improvements, and “Code the Curb”

The 5-year Operations and Maintenance Plan includes, but is not limited to: capital improvement parking projects, planning, maintenance and operation, debt service, special projects, and a contingency. Annual escalation for operation and maintenance is three percent (3.0%) throughout the plan.

1. Capital improvement parking projects include, but are not limited to: construction of new parking facilities, off-street facility lighting 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 PARCS on off-street parking structures and lots, and the use of innovative technology and management systems.
2. Planning, maintenance, and operation 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 Los Angeles, 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 local meter revenue to the locations where it was generated for local community improvements and enhancements. A separate council report on the pilot program

has been submitted.

5. Parking Enterprise Fund (Council File 15-1450-S4) – LADOT is still in discussions with the CAO regarding the costs and benefits of repealing the SPRF fund and creating a Parking Enterprise Fund. A separate joint council report will be prepared by LADOT and CAO.
6. 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. A small scale demonstration to digitize traffic and parking signs was performed in Downtown LA by a contractor and yielded promising results. To perform this one time service citywide would cost an estimated range of \$4.4 million to \$5.6 million. Because not all assets to be captured are parking related only \$1.1 million (roughly 25%) in SPRF funds has been appropriated for this effort. Additional funding needs to be identified before this service can be performed citywide. A separate council report on Code the Curb has been submitted.
7. Accelerated Expansion of LA Express Park (Council File 15-1450-S5) - A separate council report submitted has been prepared for the identification of future locations for the expansion of the LA Express Park program and the necessary resources to accelerate the expansion. The future locations of the accelerated program include Venice (FY 2018 vs. FY 2019), Exposition Park/USC (FY 2019 vs. FY 2020), La Brea/Miracle Mile (FY 2019 vs. FY 2022), North Hollywood (FY 2020 vs. FY 2023) and Studio City (FY 2020 vs. FY 2025).
8. Contingency - As a safeguard to account for unforeseen circumstances, it is prudent to establish a reserve fund of approximately 5% of annual operation and maintenance costs.

FISCAL IMPACT STATEMENT

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

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Attachment A: 5-Year Plan Details

ATTACHMENT A: 5-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 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 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 fiscal years: Exposition Park/USC; La Brea/Miracle Mile; North Hollywood, and Studio City
 - Project components: meters, sensors, signs, parking guidance system, dynamic pricing engine, and 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
 - Provide “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 structure where there is a validation program, in conjunction with PARCS
 - Implement a central a communication center to manage and oversee off-street parking facilities

ATTACHMENT A: 5-YEAR PLAN DETAILS**Staffing**

- Fill and maintain all positions
- Meter Operations
 - Fill five Parking Meter Technician (PMT) vacancies
 - Add one PMT position per year to gradually correct maintenance ratios and to account for expansion
 - Add one Senior Management Analyst II, one Transportation Engineering Associate IV, two Management Analyst II positions and upgrade one Management Analyst I to a II for the LA Express Park accelerated expansion
- Meter Security
 - Add one Management Analyst II position for contract management
- Parking Facilities
 - Fill two Management Analyst II, one Management Analyst I, one Clerk Typist, and one Civil Engineering Drafting Technician I vacancies
 - Add one Real Estate Officer II for real estate management
 - Add 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 disabled person parking placard policies
 - Create 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
 - Retrofit garage lighting to LED lighting
 - Upgrade and/or install Level 2 and Level 3 electric vehicle chargers in parking facilities
 - Refurbish parking facilities (e.g. repainting [internal & external], level theming, level designations, monument signs, etc.)
 - Install PARCS in all operated parking facilities

ATTACHMENT A: 5-YEAR PLAN DETAILS

- 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” sign