

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	3/22/10	Open	Action	03/17/10

Subject: Motion to Revise the Park Pay and Ride Program

## ISSUE

Motion to Revise the Park Pay and Ride (PPR) Pilot Program.

## DISCUSSION

During the Board meeting on July 27, 2009, the Board directed staff to establish a Park Pay and Ride Pilot Program. On September 14, 2009 the Board adopted "An Ordinance Approving Regulations for Charging Fees at RT Park and Ride Lots and Establishing Enforcement Procedures for Parking Violations at RT Facilities", Ordinance No. 09-09-01. Over the preceding ten months at a combination of executive committee meetings and Board meetings, the Board discussed the pros and cons of charging for parking at light rail park and ride lots, as a revenue option driven by the financial situation of the district. The concerns expressed by the Board during those meetings included: deflection of riders, rider's willingness to pay, impact on neighborhoods adjacent to PPR lots, and staff's ability to execute a parking program. In July, the Board established a pilot PPR program as an effort to learn about the impacts of charging at light rail park and ride lots. This report provides details on implementation, communication with customers, impact on parking demand/utilization, compliance, revenue/cost, and conclusions.

At the Board meeting of March 8, 2010, the Board directed staff to prepare a report on the PPR Program status for this Board meeting rather than as scheduled in July 2010. Subsequent to the Board direction individual Board members inquired about adding stations to the PPR Program. In order to allow the Board the option of changing the PPR Program, this report is crafted as a motion.

## IMPLEMENTATION

On January 1, 2010, RT staff implemented the PPR pilot program to charge \$1 for parking at Watt/I-80, Watt/West and Roseville Road Light Rail Stations. Patrons were offered the options of purchasing a monthly parking pass or of paying a daily fee. Monthly passes are purchased via the Web, by phone, at RT's sales center, at outlets and from their employers at the discounted rate of \$15 per month. Alternatively, a daily fee is available and may be purchased in several ways. Each station has vending machines which accept cash, coin and credit cards for the daily fee. Patrons can also pay via telephone by stall for the daily pass, via a registration based program. This program has a fee which is paid by the customer. Each stall is uniquely numbered for easy identification.

During the first week of January (4<sup>th</sup> through the 8<sup>th</sup>) staff were on site at each of the three stations with information and were selling monthly passes. Staff assisted patrons with the vending machines and answered questions for riders. The first two days use of the vending machines highlighted programming problems with the vending machines that limited the speed of the

---

Approved:

Presented:

FINAL 3/18/10

General Manager/CEO

Chief of Facilities and Business Support Services Division

C:\Temp\BCL Technologies\NitroPDF6\@BCL@880760C9\@BCL@880760C9.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	3/22/10	Open	Action	03/17/10

Subject: Motion to Revise the Park Pay and Ride Program

transactions. Each evening, the vending machines were reconfigured to streamline the transaction processing. By Wednesday, January 6<sup>th</sup>, the vending machines were working quickly through the transactions and patrons were using them without instructions. On February 1<sup>st</sup>, staff again was on site for monthly pass sales and questions at Roseville Road and Watt-180/West to assist customers. Comments from the customers were focused on availability of the monthly parking passes. These comments resulted in staff adding larger quantities of monthly passes at outlets.

Beginning in January, staff began writing warning notices for patrons who failed to demonstrate payment of the parking fee. On February 1<sup>st</sup>, staff began issuing citations. These citations include photographs of the vehicles and are in compliance with the ordinance authorizing staff to cite for non-payment of the parking fee. RT is processing the citations as staff works with Sacramento City staff to craft an agreement for Sacramento to process the parking citations.

## COMMUNICATION

The Board was presented with a briefing during the November 9<sup>th</sup> 2009 Board meeting covering the details of the outreach plans for the PPR pilot. The outreach included flyers on each vehicle, press releases, and web information and outreach during the commutes at the lots during November and December. Flyers were placed on vehicles four separate times during October, November and December with details of the new PPR pilot. The flyers included information about the program and where riders could purchase the monthly and daily passes. RT's website and press releases provided additional information in an effort to communicate with patrons who may have missed the other communications. On January 4, 2010 and over the next four days, Marketing, Customer Service and other RT staff, including the General Manager/CEO, were on site at each of the stations to assist and inform customers. RT secured extensive press and media coverage on TV, radio and in print covering the implementation of the PPR Pilot.

Signage was installed throughout the lots to remind patrons of the requirement to pay and large illuminated signs are at the entrances to the PPR lots. In addition to the signs in the lots, sandwich boards and signage on the platforms provide additional information and directions to the vending machines.

## IMPACT ON PARKING DEMAND/UTILIZATION

Parking demand, when normalized, for year-over-year changes are down approximately 100 to 150 cars per day at the three PPR lots. This represents a reduction of between 8% and 12% at the PPR Lots. However, the use of the parking lots at Swanston and Marconi Light Rail Stations is up when normalized by a combined total of 100 to 150 vehicles. Staff is concluding that these changes are a result of charging at the three PPR lots. Staff has not established any correlation between charging and ridership (Attachment 1 shows calculations and data).

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	3/22/10	Open	Action	03/17/10

Subject: Motion to Revise the Park Pay and Ride Program

## COMPLIANCE

A majority of patrons at the PPR lots are purchasing monthly passes. Sales of monthly passes are averaging approximately 1,000 per month. The high number of patrons using the monthly pass was an encouraging development which has made management of the citation process much easier. Having 83% of patrons displaying monthly passes reduces the time needed to check the lots for violations. It also reduces the transaction costs and vending machine usage. On the negative side, the monthly passes are deeply discounted to attract state workers and other daily riders. The discount reduces revenue. The convenience to riders of the monthly pass has been a success.

Daily passes, priced at \$1, purchased through the vending machines or by cell phone have been selling between 100 to 200 purchases per day. The vending machines track the stall number, allowing patrons to board the train without returning to their vehicle. This process is working well. The machines have been reliable following our early changes to their configuration. The pay by phone process has been used infrequently with only 63 uses by the end of February.

Warning notices were issued for nonpayment during the month of January. In February, RT began issuing citations for non-payment of the parking fee. During February, RT staff wrote 5 to 9 citations each day (Monday-Friday); however, by the end of the month and moving into March, this has declined to 3 to 4 citations each weekday indicating 99.7% compliance. Several citations have been excused by Customer Advocacy for reasons including paying for the wrong stall and forgetting to display monthly passes. No hearings to contest the citations have been requested. These processes are working well and Customer Advocacy is doing a stellar job in handling customer problems and as a result complaints are not escalating.

## REVENUE/COSTS

Parking pass revenue is running slightly lower than expected. This is due to broader ridership decline and the high number of monthly parking pass sales. The total revenue for January and February was \$47,526 which represents annual revenue of \$285,156. Our projected annual revenue presented to the Board was \$300,000. No revenue was projected from citation payments. Because of the high compliance rate, our preliminary estimates indicate between \$15,000 and \$40,000 will be received in payment for parking citations.

Expenses to implement the PPR pilot totaled \$59,000. This included the vending machines, signage, and parking lot striping. Staff had planned on a lower cost vending per machine which would have saved an additional \$15,000, but choose to install a more robust machine with added features and modular parts design. This has made repair and maintenance less of a burden. Based upon our actual costs, the program pays off the investment in March of this year (Attachment 3 shows a summary of revenue and costs).

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	3/22/10	Open	Action	03/17/10

Subject: Motion to Revise the Park Pay and Ride Program

## CONCLUSIONS

RT staff executed the PPR pilot with minimal negative feedback and loss of riders. The program has added no staff while generating revenue. Some riders are moving from PPR lots to other parking locations that are free. Although we have only two months of data, a pattern is forming that indicates that the bulk of our riders are willing to pay for parking. One area of concern that has not been addressed by this pilot is intrusion into adjacent residential neighborhoods. The location of the 3 pilot lots between the east and west bound lanes of I-80 provided for isolation from neighborhoods. In light of this experience, the Board has a number of options to consider when determining how to proceed.

Option 1. Continue the PPR pilot with no changes (with staff reporting on status in July and thereafter as requested by the Board). This option is expected to generate approximately \$300,000 annually.

Options 2. Expand the PPR pilot to include other specific stations to test a broader application of the program. Attachment 2 shows projected revenue by station. Adding stations would add the revenue amount shown in the “Estimated Station Annual Rev.” Depending upon stations selected for inclusion in the PPR Pilot, This option may limit the loss of riders as noted in option 4.

Options 3. Expand the PPR pilot to all light rail station park and ride lots on a permanent basis. This option generates a maximum of \$1,227,000 in revenue. This amount does not factor the expected loss in ridership staff would expect based upon our limited experience from the PPR Pilot. Extrapolation from the pilot suggests \$1,104,000 as an adjusted revenue. This adjustment is due to lost parking fee by patrons who choose to drive and park elsewhere. This does not include lost fare revenue in the event that these patrons choose to stop riding light rail because of the parking fees.

Options 4. Expand the PPR pilot to select light rail station park and ride lots, leaving some lots free as both a relief for riders who choose to shift parking locations to avoid parking fees and at lots where neighborhood intrusion could occur. Attachment 2 contains a calculation of revenue generated assuming nine lots remain with no parking charge. RT staff has selected lots that are underutilized, and/or are adjacent to businesses and homes. These lots would become more desirable because of the lack of a parking fee, and may also reduce volumes at the parking lots currently near or at capacity. They also act as a safety valve for riders who may be unwilling to pay, but are willing to drive to a free lot. BART uses a similar process in determining which lots. A secondary benefit of this option is the lower cost of implementation and a higher return on investment ratio. This option generates \$900,000 and avoids the expected loss in riders, if our evaluation of the data and behaviors is correct.

Park Pay and Ride rough analysis

Attachment 1

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Sum of the Changes
<b>Watt I-80 (Part of Pilot)</b>								
18 - 24 Jan 2010	0	13	17	21	5	0	0	56
19 - 25 Jan 2009	0	24	22	27	23	2	1	99
Percent Change	0.00%	45.83%	22.73%	22.22%	78.26%	0.00%	0.00%	24.15%
<b>Watt I-80 West (Part of Pilot)</b>								
18 - 24 Jan 2010	3	132	143	141	59	1	1	480
19 - 25 Jan 2009	2	162	163	177	145	0	0	649
Percent Change	0.00%	18.52%	12.27%	20.34%	59.31%	0.00%	0.00%	15.78%
<b>Roseville Road (Part of Pilot)</b>								
18 - 24 Jan 2010	46	611	577	757	345	17	4	2357
19 - 25 Jan 2009	61	864	865	829	730	61	14	3424
Percent Change	24.59%	29.28%	33.29%	8.69%	52.74%	72.13%	71.43%	41.74%
<b>Down Stream Lots from those that are part of parking pilot</b>								
<b>Marconi</b>								
18 - 24 Jan 2010	12	175	190	188	67	3	3	638
19 - 25 Jan 2009	5	109	128	130	117	1	3	493
Percent Change	-140.00%	-60.55%	-48.44%	-44.62%	42.74%	-200.00%	0.00%	-64.41%
<b>Swanston</b>								
18 - 24 Jan 2010	3	118	114	133	42	0	0	410
19 - 25 Jan 2009	5	108	128	139	122	1	0	503
Percent Change	40.00%	-9.26%	10.94%	4.32%	65.57%	0.00%	0.00%	15.94%
<b>Base Line Lots w/No Changes related to charging for parking</b>								
<b>Sunrise</b>								
18 - 24 Jan 2010	19	349	333	281	142	5	4	1133
19 - 25 Jan 2009	38	386	375	392	353	21	8	1573
Percent Change	50.00%	9.59%	11.20%	28.32%	59.77%	76.19%	50.00%	40.72%
<b>Meadowview</b>								
18 - 24 Jan 2010	30	570	560	550	225	7	1	1943
19 - 25 Jan 2009	45	560	640	655	560	31	19	2510
Percent Change	33.33%	-1.79%	12.50%	16.03%	59.82%	77.42%	94.74%	41.72%

Park Pay and Ride Potential Expansion Method

Attachment 2

Station	Capacity	Weekday AVG	Saturday	Sunday	Weekly	Estimated Station Annual Rev	Option 1	Option 4
Watt I80	243	38.7	5	2	200	\$ 10,053	\$ 10,053	\$ 10,053
Watt West	248	168.0	0	0	840	\$ 43,680	\$ 43,680	\$ 43,680
Roseville RD	1087	951.0	65	58	4878	\$ 247,260	\$ 247,260	\$ 247,260
Marconi	416	134.3	9	5	686	\$ 34,927		
Swanston	311	104.7	1	0	524	\$ 27,213		
Arden Delpaso	45	43.3	4	3	224	\$ 11,267		
Power Inn	299	266.3	12	9	1353	\$ 69,247		\$ 69,247
Watt Manlove	498	307.7	17	15	1570	\$ 79,993		
Butterfield	245	136.0	0	1	681	\$ 35,360		\$ 35,360
Matherfield	291	245.3	2	7	1236	\$ 63,787		\$ 63,787
Cordova Town	24	60.0	0	0	300	\$ 15,600		
Sunrise	487	401.7	12	10	2030	\$ 104,433		\$ 104,433
Hazel	432	154.0	2	0	772	\$ 40,040		
Iron point	227	219.3	39	20	1156	\$ 57,027		
Glenn	187	183.0	11	3	929	\$ 47,580		\$ 47,580
Sutter	98	91.0	2	2	459	\$ 23,660		
47th St	423	143.3	8	1	726	\$ 37,267		
Florin	1079	350.0	17	14	1781	\$ 91,000		\$ 91,000
Meadowview	690	721.7	48	45	3701	\$ 187,633		\$ 187,633
	7330	4719.3	254	195	24046	\$ 1,227,027	\$ 300,993	\$ 900,033

Park Pay and Ride Sales (Jan - Feb)

Attachment 3

<u>Revenue</u>			<u>Annualized</u>
Monthly Passes	\$	40,800.00	
On Line Sales	\$	6,663.00	
Mail Orders	\$	1,077.50	
Telephone (Electronic)	\$	63.00	
	<b>\$</b>	<b>48,603.50</b>	<b>\$ 291,621.00</b>

<u>Expenses</u>		
Vending Machines	\$	44,000.00
Stripping *	\$	8,000.00
Signage *	\$	7,000.00
	<b>\$</b>	<b>59,000.00</b>

\* Paid for from station maintenance funds