



Capital Program, Planning and Real Estate Committee

Item III - B

July 13, 2107

Parking Revenue Enhancements

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201887

Resolution:
☒ Yes ☐ No

TITLE:

Parking Revenue Enhancements

PRESENTATION SUMMARY:

Staff will present and seek approval of proposals to increase parking revenue by increasing utilization of parking facilities, generating revenue from non-riders, and increasing transit ridership.

PURPOSE:

To gain Board approval for:

- Up to six parking revenue enhancement proposals, and,
- Authority to amend the Non-Metro User Parking Fee Program to exempt Metro employees from being charged non-Metro user parking fees.

DESCRIPTION:

Staff will present and seek approval of proposals to increase parking revenue by increasing utilization of parking facilities, generating revenue from non-riders, and increasing transit ridership.

Staff seeks Board approval of up to six parking revenue enhancement proposals. The Board may consider each proposal individually, so that if the Board does not support one or more of the proposals, the Board may move forward with the proposals it does support. These proposals offer a new source of parking revenue without negatively impacting parking rates and fees paid by Metro transit riders. Three of the proposals are pilot programs, for Metro to better understand its parking customer decision making.

The six parking revenue proposals are as follows:

1. 6-month pilot program to expand weekday hours of operation and to test weekend hours of operation;
2. 6-month pilot to test variable weekday Daily Parking Rates at select stations;
3. Delegation of authority to apply the Non-Rider Parking Fee at any station;
4. Compact Public Hearing to expand the Non-Rider Parking Fee - Special Events program to any station;
5. Delegation of authority to approve commercial uses at Metro parking facilities on weekends; and
6. Amendment of the Use Regulations to authorize the sale of food and beverages at

Metro's parking facilities on weekends.

Lastly, staff requests Board approval to amend the Non-Metro User Parking Fee program to exempt Metro employees from being charged Non-Rider Parking Fees.

Key Highlights:

- WMATA desires to increase its revenues by maximizing use of its parking portfolio.
- The proposed parking revenue enhancements will not increase the Board-approved Daily Parking Rates for Metro transit riders. Instead, the proposals focus on opportunities to more fully utilize Metro's parking facilities and introduce flexibility for applying a Non-Rider Parking Fee, where appropriate.
- The proposals may be approved one-by-one, in the case that any individual proposal is not accepted by the Board.
- If all are approved, Metro estimates earning an additional \$4 million per year in parking revenue.

Background and History:

Parking is an integral component of Metro's ability to recruit automobile drivers onto the Metrorail system and to choose transit instead of car commuting. Providing easy and convenient access to the transit system is Metro's primary goal for its parking asset; however, Metro has an additional goal of maximizing usage of its parking facilities to generate additional revenue. Metro owns and operates a significant parking portfolio comprised of 62,000 parking spaces in 28 parking garages, 30 surface parking lots, and 44 Kiss & Ride lots (these are metered lots and street parking spaces).

In FY2016, Metro averaged 42,000 parkers daily, generated \$45 million in annual revenue, and collected an additional \$10 million in parking surcharge revenues for the local jurisdictions. The following summarizes the current parking rates and fees at Metro:

- Daily Parking Rates - which range from \$4.45 to \$5.20 per space per day, depending on the Metro station. Metro does not currently collect revenue on weekends and Federal holidays. Within the Daily Parking Rate is the parking surcharge, which are funds Metro collects on behalf of its jurisdictional partners, in accordance with their "Parking Surcharge Agreement". Parking surcharge rates range from \$0.75 to \$1.50 per space per day.
- Metered Parking Fee - which equals \$0.25 per 15 minute increment, or \$1.00 for one hour of parking.
- Non-Rider Parking Fees - which range between \$6 to \$15 per day; the Board approves which Metro stations the Non-Rider Parking Fee may be applied. Currently, the Non-Rider Parking Fee is approved at four Metro stations: New Carrollton, White Flint, Twinbrook, and Greenbelt.
 - The Non-Rider Parking Fee for Special Events at Morgan Blvd and Largo Town Center (for parking for patrons of FedEx Field in Landover, MD) is authorized up to \$25 per event.
- Monthly reserved parking - which monthly fees range from \$45 to \$65 per space per month. Metro currently offers reserved parking spaces at 34 Metro stations.

Discussion:

While Metro's parking portfolio generates \$45 million in annual revenue, the asset could generate more without significantly impact Metro transit riders by increasing utilization of vacant parking spaces, during the week and on weekends. On average, Metro's parking facilities are 75% utilized on weekdays, and 25% (or approximately 15,500 spaces) are available. On average, Metro's parking facilities on weekends are 20% utilized, and 80% (or approximately 49,600 spaces) are vacant. There is an opportunity to generate more revenue by expanding the Non-Rider Parking Fee program, and by encouraging use of Metro's parking facilities on weekends. The proposals presented seek to increase utilization of Metro's parking asset.

Metro currently charges for use of its parking facilities 46% of the year, since Metro only collects revenue 15.5 hours on weekdays and does not collect revenue overnight or on weekends. This lower "utilization" metric is explained by Metro's focus on transit-access, compared to a private-sector parking approach which would seek to "utilize" parking facilities up to 24-hours per day. Staff desires to increase Metro's parking facility utilization to 65% of total available hours by expanding the hours that it collects revenue. Expanding the hours of operation could generate an additional \$2,265,000 in annual parking revenue for Metro, without increasing the Daily Parking Rate.

Pilot Program Proposals

Since changing the hours of operation could have an impact on transit riders, staff is recommending two pilot programs to collect data on customer impact. The first pilot program is to expand weekday hours of operation by lowering the fare rates at 7:30am rather than at 9:30am, Monday through Thursday, and to extend the parking hours of operation to 2am on Friday (to be consistent with Metrorail's new hours of operation). The second pilot will be designed to test Saturday hours of operation and determine the type and mix of parkers on the weekend (i.e. visitors, local residents, weekend workforce, etc.)

Staff also seeks approval for a pilot program to adjust the Daily Parking Rate downward to increase use of its Park & Rides. In this pilot, staff wants to study parking demand if parking rates are lowered at low-utilization Metro stations and how that may impact Metro's overall parking revenues.

Increasing Flexibility for the Non-Rider Parking Fee

The Non-Rider Parking Fee program is currently approved at New Carrollton, Twinbrook, White Flint and Greenbelt. It can be applied more broadly, however, requires Board approval to add the Non-Rider Parking Fee at additional stations. Staff requests the Board to delegate to the General Manager/CEO (GM/CEO) the ability to implement a Non-Rider Parking Fee station-by-station. Staff estimates an additional \$1.75 million could be generated annually in Non-Rider Parking Fees, which do not impact Metro transit parkers and riders.

Staff also requests authorization to hold a Compact Public Hearing to expand a subset of the Non-Rider Parking Fee program, known as the Special Events fee. Special Event opportunities are few and unique, but when they do arise, they are potentially lucrative. For example, the 2017 Women's March could have generated an estimated \$500,000 simply by charging the Daily Parking Rate. These and other Special Events are good

revenue opportunities for Metro, but expansion of the Special Events parking program beyond Morgan Blvd. and Largo Town Center require a Compact Public Hearing. The definition for Special Events would apply to festivals, concerts, and other such activities on Federal holidays as well.

Weekend Use of Parking Facilities by Others

The Board has historically encouraged Metro to use its parking facilities for incidental uses, commercial and community uses. However, an obstacle to implementing this policy is WMATA's Use Regulations, which prohibits the sale of food and beverages on Metro operating property. Staff seeks Board approval to amend the Use Regulations to permit the sale of food and beverages at Metro parking facilities on weekends only. This amendment is desirable to attract farmer's markets, sports events, and other community and commercial activities. Staff also requests the Board delegate to the GM/CEO approval of commercial uses on weekends at Metro parking facilities, provided such uses do not compromise safety or the efficient operation of the Metrorail system and facilities, comply with the land use plans of the relevant local jurisdiction, and otherwise comply with the Use Regulation, as amended. No annual revenues are projected for this proposal; the lease revenue from these uses will likely be minimal and projecting increases in ridership would not be reliable, given the lack of ridership data for such activities.

Lastly, staff is requesting authority to amend the Non-Rider Parking Fee program to exempt Metro employees from being charged the Non-Rider Parking Fee. For example, more than 900 Metro employees currently work at New Carrollton and park in Metro's parking facility. The Non-Rider Parking Fee at New Carrollton is \$8.85 per day. Staff recommends charging Metro employees the Daily Parking Rate (currently \$5.20) instead.

FUNDING IMPACT:

There will be some cost to implementing the proposed parking revenue enhancements, such as the cost of signage, some overtime, and other incidental expenses. These costs are projected to be \$350,000. The total revenue estimated is \$4 million per year, which exceeds the expenses.	
Project Manager:	Belinda Barrett
Project Department/Office:	CFO/LAND

TIMELINE:

Previous Actions	October 1986 – Board approval to implement a Non-Metro User Parking Fee January 1989 - Board approval of the Montgomery County Parking Fee Surcharge and the Prince George's County Parking Fee Surcharge July 1998 - Board approval to establish a Monthly Rate Parking Fee
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	October 2002 - Board approval to Amend the Regulation Concerning the Use by Others of WMATA Property June 2005 - Board approval of a Non-Metro Riders Parking Fee at Largo and Morgan Blvd (i.e. Special Event fee)
Anticipated actions after presentation	By end of FY2018, implement the three proposed pilot programs and report their findings and conclusions. By end of FY2018, hold a Compact Public Hearing on proposed updates to the Non-Rider Parking Fee program. Staff would promptly program Metro employee ID cards so that employees who park at Metro Stations will be charged the Daily Parking Rate.

RECOMMENDATION:

The Board authorizes staff to:

- Implement up to six parking revenue enhancement proposals, and,
- Amend the Non-Metro User Parking Fee Program to exempt Metro employees from being charged non-Metro user parking fees.



Washington Metropolitan Area Transit Authority

Parking Revenue Enhancements

Capital Program, Planning, and Real Estate Committee

July 13, 2017



Purpose

- To seek Board approval of six proposals to enhance parking revenue and optimize utilization of Metro parking facilities, and
- To amend the Non-Metro User Parking Fee program to exempt Metro employees from being charged the Non-Metro User Parking Fee

Background: Parking Operations

Parking Capacity by Station

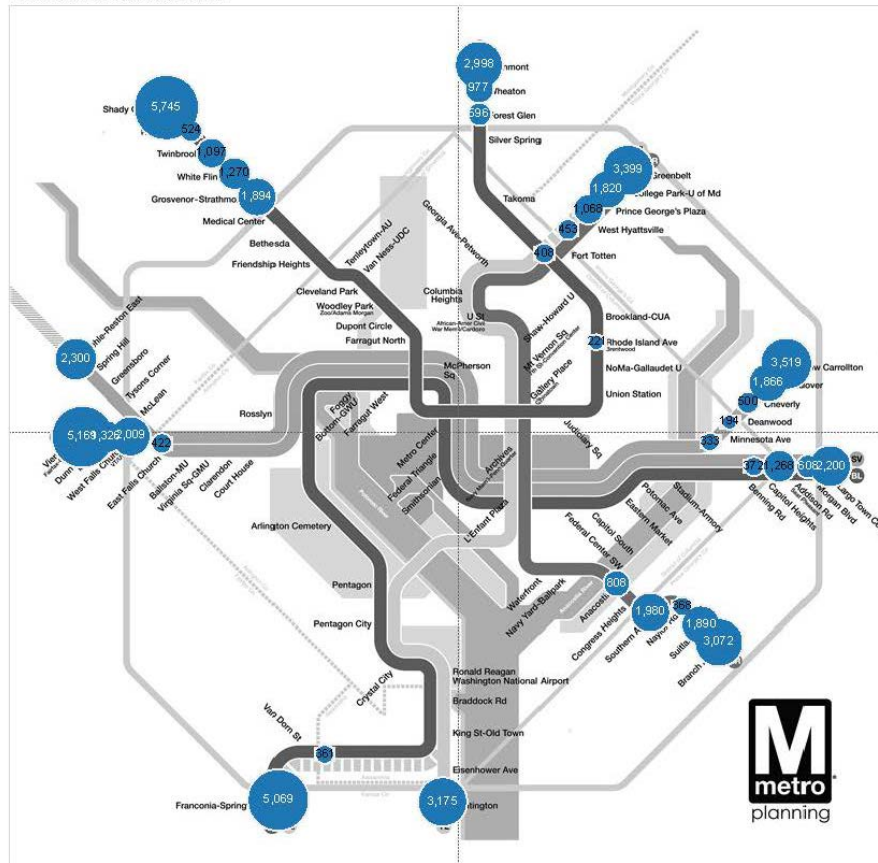


Table 91 X vs. Tab 91 Y. Size shows sum of Parking Capacity. The marks are labeled by sum of Parking Capacity. The data is filtered on Dec2015ParkingUtil, which keeps non-Null values only.

- Metro has 61,280 spaces in:
 - 28 garages
 - 30 Park & Ride lots
 - 44 Kiss & Ride lots
- Average of 42,000 daily parkers (FY16)
- \$45 million in revenues for Metro (FY16)
- \$10 million in jurisdictional parking surcharges (FY16)



Background: Board Approvals of Parking Operations

- WMATA parking fees and rates
 - Daily Parking Rates (\$4.45 - \$5.20)
 - Embedded within the Daily Parking Rates are the jurisdictional parking surcharge fees (\$0.75-\$1.50)
 - Monthly reserved parking fees (\$45 - \$65/month)
 - Non-Rider Fee authorized at 4 stations (New Carrollton, Twinbrook, White Flint, Greenbelt)
 - Non-Rider Fee/Special Event Fee (up to \$25) at Largo Town Center and Morgan Blvd.
- Parking hours of operations
 - Weekdays: 9:30am – 1am



Parking Goals

- Encourage transit use
- Maximize utilization of parking facilities
- Proposals are intended to:
 - Introduce flexibility for staff to fully utilize Metro's parking assets
 - Maximize revenue without significantly impacting transit riders



Generate New Revenue by Optimizing Utilization

- Currently collecting parking fees 46% of total hours
 - 65% target
- Weekdays: 25% parking vacancy (15,000 spaces)
 - Parking space leases to non-riders
 - Strategically lower parking rates and fees
 - Goal: 20% vacancy reduction (3,000)
- Weekends: 75% parking vacancy (46,500 spaces)
 - Community and commercial events on weekends



Pilot Proposal 1A:

Test Weekday Hours of Operation

- 6-month pilot to expand weekday hours of operation
 - Current: Monday – Friday: 9:30am – 1am
 - Monday – Thursday: 7:30am – 12:30am
 - Friday: 7:30am – 2am
- Pilot would be implemented at all stations
- Goal of capturing overnight residential tenants
- Estimated new revenues: \$825,000/year



Pilot Proposal 1B:

Test Weekend Hours of Operation

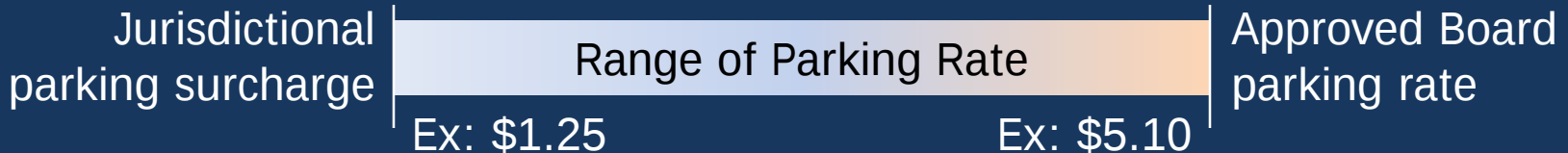
- 6-month pilot to have Saturday hours of operation
 - Saturday: 10am – 2am
- Pilot would be implemented at all stations
- Goal of understanding:
 - Who parks on weekends (visitors, weekend workforce, other)
 - What impact charging would have on customer decisions to ride Metro
- Estimated new revenues: \$1.44 million/year



Pilot Proposal 2:

Test Parking Rates Within Range

- 6-month pilot to test lower parking rates
 - Strategically selected stations only
 - Want to understand if: (a) commuters will shift their parking location for the lower price; and (b) if could we recruit new riders by lowering price
- Desired fare structure in future





Proposal 3:

Delegate Authority to Apply Non-Rider Fees Station-by-Station

- Non-Rider Parking Fees could be used to:
 - Prioritize riders by deterring non-riders at high utilization stations
 - Capture the non-rider market at low utilization stations
- Non-Rider Parking Fees currently limited to Twinbrook, White Flint, New Carrollton, Greenbelt
- Staff seeks delegated authority to designate Non-Rider Parking Fees station-by-station
- Estimated new revenues: \$1.75 million/year



Proposal 3:

Non-Rider Fee Background

- Board approved non-rider range of \$6 to \$15 to:
 - Prioritize riders
 - Allow flexibility to be competitive in non-rider market
- Delegation on locations would allow quick, response to parking market with criteria:
 - High percent of non-riders
 - Density of employers/residences
 - Scarcity of area parking
 - Strong nearby private parking market



Proposal 4:

Authority for Compact Public Hearing on Special Event Fees

- Desire to expand the market-based Special Event fee to all stations, not limited to Morgan Blvd. and Largo
- Rate proposed as a range between \$3.00 and \$25.00, based on prevailing market rates
 - Special Event: “A one-time or infrequently occurring event outside of normal daily activities that temporarily generates high demand for parking at Metrorail stations, such as, but not limited to, an athletic event, concert, parade, or festival”
 - Could apply to holidays on which festivals, concerts, or other Special Events occur





Proposals 5 and 6:

Commercial Uses and Amend WMATA Use Regulations



- Desire to increase weekend ridership and increase use of Metro parking facilities. Examples:
 - Farmers markets, holiday markets
 - Automobile shows
 - Triathlons, marathons, sporting events
- Delegation of Board's authority to approve commercial uses on weekends at Metro parking facilities
- Desire to amend Use Regulations to permit sale of food and beverages at Metro parking facilities on weekends only



Summary of Parking Revenue Enhancement Proposals

#	Proposals	Implementation	Estimated Annual Revenue
1A	PILOT: Expand weekday hours of operation (all stations)	Mon – Thurs: 7:30am – 12:30am Fri: 7:30am – 2am	\$825,000
1B	PILOT: Test weekend hours of operation (all stations)	Saturday: 10am – 2am	\$1,440,000
2	PILOT: Test lowering parking rates (select stations)	Fare Range: Parking Surcharge (lower) to Daily Parking Rate (upper)	-
3	Delegation of Authority to Charge Non-Rider Parking Fees	Station-by-station application	\$1,750,000
4	Compact Public Hearing	Expansion of Non-Rider Parking Fee / Special Events program	-
5	Delegation of Authority to approve commercial uses	Permit community and commercial uses at Metro parking facilities on weekends	-
6	Amend WMATA Use Regulations	Permit sale of food and beverage at Metro parking facilities on weekends	-
		SUBTOTAL	\$4,015,000



Metro Employee Parking

- In 1986, Metro implemented a Non-Rider Parking Fees at New Carrollton, White Flint, and Twinbrook, as well as at Greenbelt in 2016
- Example: New Carrollton Metro Station
 - More than 900 Metro employees work near New Carrollton
 - New Carrollton Metro Station has adequate available parking to accommodate Metro employee parking
- Desire to exempt Metro employees from paying the Non-Rider Parking Fee



Recommendation

- Board approval of six proposals to enhance parking revenue and optimize utilization of Metro parking facilities, and
- Amend the Non-Metro User Parking Fee program to exempt Metro employees from being charged the Non-Metro User Parking Fee

SUBJECT: APPROVAL OF PARKING PILOT PROGRAMS AND USE REGULATION AMENDMENT

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Prior Board Resolutions approved a Non-Metro User Parking Fee Program, established non-Metro user parking fees and stipulated that the Board of Directors may implement non-Metro user parking fees on a station-by-station basis; further, Section 62 of the WMATA Compact requires the Board of Directors to conduct public hearings on proposed fare and rate increases; and

WHEREAS, The Board of Directors desires (i) that the General Manager/Chief Executive Officer (GM/CEO) implement pilot programs to expand the hours of operation of Metro parking facilities and lower parking rates; (ii) to make certain adjustments to the Non-Metro User Parking Fee Program, including increasing fees; (iii) to conduct public hearings on a proposal to increase non-Metro User parking fees for Special Events (as defined in Attachment A); and (iv) to amend the Use Regulation to allow the sale of food and beverages on Metrorail parking facilities on weekends; now, therefore be it

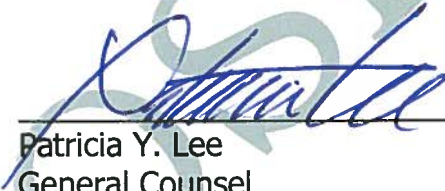
RESOLVED, That the Board of Directors hereby (i) approves pilot programs to implement parking fare and operational changes to (a) expand the weekday hours of operation of all Metro parking facilities; (b) test the expansion of the hours of operation of all Metro parking facilities to Saturdays; and (c) to test lowering parking rates, at its Metro parking facilities that experience higher vacancies, ranging from a lower limit of the existing parking surcharge amount to an upper limit of the existing daily parking rate; (ii) directs the GM/CEO, in accordance with Federal Transit Administration guidance, to collect demographic data during the pilot programs and thereafter to present findings, recommendations and a Title VI equity analysis, to the Board for its consideration of whether to permanently adopt parking fare and/or operational changes; and (iii) amends the Use Regulation to allow the sale of food and beverages on Metro parking facilities on weekends, and directs the GM/CEO to make the appropriate amendments to the Use Regulation document; and be it further

RESOLVED, That in accordance with Section 62 of the WMATA Compact, the Board of Directors will conduct public hearings on the proposed system-wide non-Metro user parking fee of up to \$25.00 for Special Events (as defined in Attachment A); and be it further

RESOLVED, That the Board of Directors hereby delegates to the GM/CEO or his designee the authority to implement the Non-Metro User Parking Fee Program on a station-by-station basis; the authority to amend the Non-Metro User Parking Fee Program to exempt Metro employees from being charged non-rider parking fees; the authority to allow commercial uses on Metro parking facilities, and the authority to allow the sale of food and beverages on Metrorail surface park and ride lots on weekends when doing so does not compromise safety or the efficient operation of the Metrorail system and facilities, complies with the land use plans of the relevant local jurisdiction, and otherwise complies with the Use Regulation, as amended by this Resolution; and be it finally

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with § 8(b) of the WMATA Compact.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel

WMATA File Structure Nos.:
12.8.2 Parking Fees and Fee Collection
21.8.1 Use Regulation

Attachment A

"Special Event" - A one-time or infrequently occurring event outside of normal daily activities for the area in the vicinity of a Metrorail station that temporarily generates high demand for parking, such as, but not limited to, an athletic event, concert, parade, or festival.

PROPOSED