

# **Scope of Services for**

## Parking Pricing Technical Assessment

**REGIONAL TRANSPORTATION DISTRICT**

September 2015

## Introduction

RTD is seeking consultant services to conduct a Parking Pricing Technical Assessment. The scope of services will include:

- Summarization of existing conditions.
- Determination of elasticity of ridership demand with respect to new or increased parking charges based upon documented experience from peer agencies.
- Estimation of a range to costs to introduce, implement, maintain, and operate a District-wide paid parking system.
- Analysis of third party parking management contracts, including review of strategies to mitigate agency risk.
- Overview of spill-over parking intrusion into adjacent areas.
- Calculation of net revenue attributable to introduction of parking charges.

## Background

Current legislation regulates RTD's ability to charge for parking at the District's bus and rail park and ride facilities. RTD cannot, by law, charge in-District users for daily parking at RTD-owned or operated park and ride lots. Parking charges within the District are limited to out-of-District patrons, special time-based reserved parking spaces, and extended parking for multiple days. The District can, however, enter into parking concession arrangements that result in charging in-District patrons for daily parking so long as RTD does not receive revenue from this arrangement.

While no such arrangements are currently in place, the District *may* wish to explore the feasibility of such programs under appropriate circumstances. This exploration, moreover, should be preceded by additional research and technical analysis. Any decision regarding parking charges at RTD facilities would be preceded by an extensive, transparent, inclusive process involving RTD and all of its stakeholders. In that light, this Assessment should not be construed as a tool to determine the merits of parking charges, but rather as an early investigation of technical issues, opportunities, and constraints. More simply, this Assessment is not intended to answer the question "should an entity charge \$X or \$Y for parking," but rather, what are the likely technical issues and ramifications "if an entity charged \$X or \$Y for parking."

## Objectives

- Provide a snapshot of existing RTD parking conditions and metrics, based on previously prepared and assembled data. Acknowledge both the wide range of

current parking utilization throughout the District as well as the established distinction between in-District and out-of-District patrons.

- Document the state-of-the-practice with regard to industry understanding of ridership elasticity with regard to new or increased parking charges.
- Provide a reasonable range of costs to implement a District-wide paid parking program.
- Calculate the likely net change in revenue, again within a range, if RTD implemented a paid parking program.

## Project Tasks

1. In order to prepare a complete report, document and summarize the following existing conditions, *all of which will be provided by RTD*:
  - a. Most recent quarterly average daily utilization at all RTD bus and rail park and ride facilities.
  - b. Proposed RTD fare structure, to be implemented in 2016.
  - c. Available mode-of-access data at RTD park and ride facilities (note: station level sample sizes may not be sufficient for making precise estimations of population station access at each individual station).
  - d. Results and conclusions from RTD's recent study of park and ride trip generation rates, average auto occupancy, and turnover rates.
  - e. List of RTD parking facilities where parking charges, even under current legislative provisions, are prohibited or limited. This is intended only to correctly calculate the number of spaces that could theoretically be subject to charges.
  - f. Current revenue and cost data from out-of-District and preferential parking programs currently in place.
  - g. 2015 station access study completed for I-25/Broadway and Alameda Stations
  - h. Fare elasticities from the RTD FARES model.
2. (a) Conduct a brief peer agency review to synthesize any elasticity results derived from agencies that increased parking charges. This is intended to document any changes in ridership with respect to increased parking charges. This should be based upon actual peer agency experience rather than theoretical modeling. Examples cited should be compared to the geographic layout of the District, including urban or suburban setting. (b) Provide examples of transit agencies currently utilizing third-party agreements for parking charges, including a review of strategies used to mitigate agency risk.
3. Discuss the technical approach to calculating price elasticities and changes in ridership when there are no current parking charges in place. Demonstrate how the

(1) fare elasticities from RTD’s FARES model; and (2) applicable findings regarding customer response to parking charges from RTD’s 2014 *Customer Satisfaction Survey* provide guidance in these circumstances.

4. Using existing available data and industry experience, determine the likely one-time and annual costs to introduce, implement, maintain, and operate a system to charge parking at RTD park and ride lots. RTD will provide additional specificity for this task, including:
  - a. Revenue control system parameters;
  - b. Fare structure differential between in-District and out-of-District patrons;
  - c. How to classify patrons.

This task is intended to provide a *range* of order-of-magnitude costs, not a single number, and will not be based on an exhaustive examination of each RTD park and ride facility. The range of costs should include any additional RTD staff necessary to administer the program, as well as amortization of land and construction costs.

5. (a) RTD park and ride lot utilization varies significantly across the District, including lots with relatively low utilization to ones that are overflowing. Discuss the opportunities and challenges associated with this variability. Include a brief examination of any possible approaches that do not include parking charges at all of the District’s facilities, with a focus on the tendency of patrons do switch to the nearest “free” facility. (b) Recognizing the distinction between in-District and out-of-District RTD patrons, document the likely opportunities and constraints associated with these equity issues when implementing any additional parking charges.
6. (a) Free parking (commercial and residential) exists within reasonable walking distance of many RTD parking facilities. Utilizing aerial photography and selected field work, document the likelihood that significant intrusion of RTD patrons (“spill-over”) into adjacent residential or commercial areas might occur with the introduction of parking charges. (b) Discuss the opportunities and challenges of exempting certain preferential users from parking charges, such as carpools, car-sharing services, or other similar programs.
7. Identify technical, legal, and policy opportunities and constraints resulting from this work effort that arise during the course of the project *but fall outside the scope of work*. This will provide recommendations for additional analysis and investigation.
8. Calculate net revenue attributable to daily parking charges at RTD park and ride facilities for up to three parking scenarios. RTD staff will work with the consultant team to craft these scenarios. These will be based on:
  - a. Existing conditions data from Task 1.
  - b. Elasticities from Tasks 2 and 3.
  - c. Costs from Task 4.

- d. Considerations from Task 5.
- e. Revenue “leakage” from patrons moving to adjacent free parking or exemptions (Task 6).
- f. Prototypical daily parking charge amounts, likely ranging from \$2.00 to \$5.00 per day in 2015 dollars.
- g. Park and ride implementation, operating, and maintenance costs.

### **Documentation**

The consultant will provide draft and final report documenting findings and conclusions. The report will be provided to RTD in (1) electronic format and (2) 10 bound copies.

### **Meetings**

The project budget should include up to four meetings with RTD staff, at RTD offices, during the course of the study.

### **Schedule**

Contract award is anticipated for late Fall 2015, with completion by early Winter 2016.

### **Responsibility of RTD**

Please refer to Task 1.

### **Evaluation Criteria**

Procedures have been established for the evaluation and selection of Contractors that provide for a consistent approach for obtaining outside professional services to RTD. Proposals will be evaluated according to the following criteria:

- Cost: 30%
- Demonstrated public transit agency parking experience of personnel assigned to this project, particularly the proposed Project Manager: 40%
- Comprehensiveness of the work plan to the defined tasks: 30%

## Evaluation Committee

The Evaluation Committee will consist of RTD staff from various Departments. Members of this Evaluation Committee will include:

- Brian Welch, *Parking Pricing Technical Assessment* Project Manager
- Bill Sirois, Senior Manager, Transit-Oriented Communities
- Lee Cryer, Planning Project Manager (Modeling)
- Dennis Yaklich, Manager, Marketing Research
- Errol Stevens, Manager, Parking Management