

January 13, 2010

TO: Members of the Transit Committee

FROM: Marc Pearsall, Transit Planner

SUBJECT: Peer Region Structured Parking Policy Return On Investment (ROI) Update

In the summer of 2010, MAG staff was directed by the Transit Committee to identify the criteria used in other regions for providing structured parking at bus park-and-rides. In fall 2010, MAG staff contacted eight peer regions to collect information regarding the criteria and methodology for planning, site selection, and construction of structured transit parking facilities. At the November Transit Committee meeting, members requested additional information concerning Peer Regions' Return on Investment (ROI) criteria for structured parking, if any, for summarization and presentation to the Committee. Follow-up discussions with a variety of these peer regions' reflected a limited focus on 'Return on Investment (ROI)' when quantifying the construction of new structured parking facilities. However, the agencies that responded noted that ROI was traditionally gauged and linked overall to the general health of the total transit system, not specific structures. ROI was focused exclusively on immediate or long-lasting, indirect investment that public transit may provide; namely higher wages and private sector generated tax revenue. A common industry survey reports that for every \$10 million in public transit capital investment, this translated into 350 higher wage jobs and \$30-40 million in business-sales tax generation, an average return of almost three-four times the initial public investment. A summary of a variety of agency methodology follows:

**STRUCTURED TRANSIT PARKING FACILITIES (PEER REGION SAMPLES)  
RETURN ON INVESTMENT CRITERIA (ROI)**

PEER MPO/ Transit Agency	Denver, CO (RTD)	Minneapolis, MN (MetroTransit)	Portland, OR (Tri-Met)	Seattle, WA (Sound Transit)
Return on Investment (ROI)/ Acceptable Cost Benefit Performance/ Cost Benefit Criteria/	Land costs exceed \$15.03 per square foot; agency may deem project cost effective-ROI to build structured parking facility.	A private capital contribution of over 50% to structured, mixed-use transit facility, the agency may deem cost effective to partner and build structured parking facility.	Tri-Met initiative allowed for design-build LRT extension and station-parking facilities to the airport under public/private partnership. Private sector contributed 25% of the total project funding in return, for development rights to Port Authority site near airport.	Sound Transit 2 initiative allowed public/private partnerships that permit the agency to use private funds now for transit parking facilities, in order to defer future use of currently limited or constrained public transit funds.

SOURCE: Maricopa Association of Governments, January 2011. / ROI-PublicTransportation.org, December 2010.

Background Information:

In fall 2010, MAG staff collected information from eight regions regarding the criteria and methodology for planning, site selection, and construction of structured transit parking facilities: Dallas, Denver, Los Angeles, Minneapolis, Portland, San Diego, Salt Lake City and Seattle. It was determined that some agencies review each park-and-ride facility on a case by case basis, while others have no established policy. Overall, the peer regions’ decisions to build structured park and ride facilities are primarily multi-modal and market based in nature.

MAG had previously completed a Regional Park and Ride Study in January 2001, which established the following criteria for the “Characteristics of Successful Park and Ride Lots”:

- High Level of express bus service (every 15 minutes or less during peak period)
- Express transit service available over at least a three hour period in AM/PM peak periods
- Located within close proximity of a freeway or light rail line (1-mile or less)
- Multimodal connectivity
- Access to HOV lanes for at least a portion of the bus trip to the final destination
- Visible location from adjacent arterials (to facilitate marketing and patron safety)
- Parking costs at the destination are substantially higher than the round trip fare
- Capital Cost and Overall Cost Effectiveness
- Market - Passenger Demand

Local agencies such as the City of Phoenix and the Regional Public Transportation Authority (RPTA) also utilize criteria for selecting park and ride locations and facilities:

City of Phoenix

- Opportunities for a signed lease or permanent dedicated facility;
- Proximity to area residential development;
- Retain a general cost of \$8,000-10,000 per surface parking space;

RPTA

- More than 400 boardings per day at the bus stops within Transit Analysis Zone (TAZ)
- TAZ is located within one-quarter mile of an Activity Center
- Census data confirms private automobile ownership within TAZ is less than regional average

The Peer Regions that participated in our survey provided the following information:

**PEER REGION STRUCTURED PARK AND RIDE POLICIES**

<b>PEER MPOs/Transit Agencies</b>	<b>Structured Park And Ride Policy in Place</b>	<b>Park-and-Ride Transit Facility Types (in system) (inc. surface parking lots)</b>	<b>Notes of interest.</b>
Dallas ( NCTCOG / DART)	Yes	65 - System transit centers/park-and-rides 46 - Bus-Rail structured/p+r 0 - Bus-only structured	DART- Structured parking analyzed on a case by case basis by NCTCOG / DART, but no structures built without rail service.
*Denver (DRCOG / RTD)	Yes (Market based)	76 - System transit centers/park-and-rides 9 - Bus-Rail structured/p+r 1 - Bus-only structured	RTD- When land costs exceed \$15.03 per square foot, agency deems if effective to build a structured parking facility.

*Los Angeles ( SCAG / MTA)	Yes (Market based)	106 - System transit centers/park-and-rides 49 - Bus-Rail structured/p+r 3 - Bus-only structured	
*Minneapolis ( Metropolitan Council / Metro Transit)	Yes (Market based)	146 - System transit centers/park-and-rides 8 - Bus-Rail structured/p+r 1 - Bus-only structured	MetroTransit - Bus-only facilities by policy are avoided due to operating high cost (elevators, power, overhauls, security) and lower patronage.
Portland (METRO / Tri-Met)	Yes	63 - System transit centers/park-and-rides 27 - Bus-Rail structured/p+r 0 - Bus-only structured	
San Diego (SANDAG / MTS / NCTD)	No Policy for Structured Parking Facilities	78 - System transit centers/park-and-rides 49 - Bus-Rail structured/p+r 0 - Bus-only structured	
Salt Lake City ( WFRC / UTA)	No Policy for Structured Parking Facilities	149 - System transit centers/park-and-rides 18 - Bus-Rail structured/p+r 0 - Bus-only structured	
*Seattle (PSRC / Sound Transit)	Yes (Market based)	81 - System transit centers/park-and-rides 20 - Bus-Rail structured/p+r 1 - Bus-only structured	

SOURCE: Maricopa Association of Governments.

\*This agency has built structured park and ride transit facilities for express bus/local bus.

Structured facility characteristics have traditionally required a mix of modes - Light Rail, Commuter Rail, Express Bus and Local Bus/Circulator. All peer agencies in table have dedicated tax revenue sources for capital, operations and maintenance for transit facilities and park-and-rides.

### STRUCTURED TRANSIT PARKING FACILITIES (PEER REGION SAMPLE)

PEER MPO/ Transit Agency	Facility Name	Routes Served / Daily Passenger / boardings at facility	Parking Spaces / Parking Levels	Cost
Denver, CO (RTD)	US36 and Broomfield Park and Ride	7 Express 5 Local 1,000 boardings	1500 spaces 4-levels	\$8.4 Million (Opened 2010)
Los Angeles, CA (LA-MTA) *Busiest 'bus- only' transit center west of Chicago, IL.	Lower El Monte Bus Station / Upper El Monte Bus Station	4 Express/BRT 18 Local 1 Greyhound 22,000 boardings (New El Monte facility will feature 40,000 daily boardings)	3,876 spaces 3-levels (New revamped facility to feature over 4,000 spaces, 2-levels.)	Original \$ N/A (Opened 1973) (New \$45 million revamped facility to open in 2012)

Minneapolis, MN (MetroTransit)	Coon Rapids Foley Blvd Park and Ride	2 Express No Local 2,200 boardings	1,243 spaces 2-levels	\$6.3 Million (Opened 2001)
Seattle, WA (Sound Transit)	Federal Way Transit Center	7 Express 7 Local 1,500 boardings	1,200 spaces 5-levels	\$39.4 Million (Opened 2006)

SOURCE: Maricopa Association of Governments, October 2010.

From the aforementioned tables, most existing and new Park and Ride facilities from the eight MAG peer regions sampled in this analysis are surface parking lots. It was also noted that structured parking facilities are usually not constructed for bus-only operations, but for major multimodal stations serving local bus, express bus, and rail services. The MAG peer region agencies experiences have guided their decision making for building structured transit parking with a focus on one basic criterion: market based demand for transit service.

Information from the peer regions would suggest that a structured transit parking policy should consist of a balanced mix of the following primary criteria:

- Included in Regional Transportation Plan(RTP)/Transit Improvement Plan(TIP)
- Passenger Demand/Market Based/Transit Demand Metrics (passenger boardings)
- (Minimum Level of Service (LOS) (local / express frequency))
- Acceptable Cost Benefit Performance/ Return on Investment
- Multimodal Transit Connections / Transit Access

In addition, other important criteria may be included:

- Transit Oriented Development Opportunities / Alternative Land Use Scenarios
- Proximity to HOV Lanes/Freeway corridor access (within ¼ mile)
- Proximity to Activity Center access (within ¼ mile)