

Ridesharing Requirements in Downtown Los Angeles: Achieving Private-Sector Commitments

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ABSTRACT

Developers of major projects in downtown Los Angeles now enter into commitments to achieve specified ridesharing participation levels over the life of their projects. The Community Redevelopment Agency (CRA) of the city of Los Angeles has completed agreements for more than 6 million square feet of office space that commit the project owners to achieve a 60 percent employee ridesharing participation level, that provide for regular monitoring of performance, and that define specified compliance measures if ridesharing levels are not achieved. The private-sector ridesharing commitments are part of a multiagency effort to address the transportation requirements of the 16 million to 20 million square feet of growth expected to occur in downtown Los Angeles by 1995. This paper is a report on the circumstances and processes leading to the endorsement of ridesharing commitments by the downtown development and business community and the adoption of the transportation system management (TSM) rideshare program by CRA. The concerns raised by developers during project negotiation are addressed. Suggestions are offered about the use of ridesharing requirements as a transportation strategy and about establishing a program.

A private- and public-sector consensus on a wide range of transportation strategies for downtown Los Angeles has been emerging during the past year. That consensus includes a recognition of the role of management-oriented approaches in providing transportation services and of the value of ridesharing as a permanent, long-term element of urban transportation policy. This paper is a report on the process by which private and public sectors have developed programs that will increase ridesharing in downtown Los Angeles.

Many cities are using ridesharing techniques more extensively to address commuter transportation needs. The downtown Los Angeles experience has focused on the facilitation of continued growth and associated transportation improvement issues. This is consistent with an overall trend toward promotion of area-specific ridesharing programs that have transportation access problems as the rationale for their implementation instead of regionwide concerns such as air pollution or energy conservation.

A variety of implementation techniques has been used in ridesharing programs throughout the country. For example, in Seattle the "Director's Rule" is a measure to implement ridesharing provisions and restrictions on the use of parking through ordinance-imposed conditions on the issuance of permits. The program includes entering into a memorandum of agreement regarding ridesharing program implementation and includes follow-up evaluation by the city. Alternatively, in Hartford, Connecticut, an extensive private-public consensus-building effort has resulted in the formation of a private nonprofit corporation to promote reliance on high-occupancy vehicles. The nonprofit corporation has been successful in gaining voluntary commitments to ridesharing from major employers. These examples and others demonstrate the

variety of implementation techniques available to meet local needs.

The distinguishing characteristics of the downtown Los Angeles ridesharing program are that requirements are negotiated with developers before final design of the projects and that the ultimate agreements incorporate specified performance requirements as well as monitoring and compliance procedures. The ridesharing program requirements are registered on the title of the property and burden the land and subsequent owners. Thus the program is designed from the outset to achieve a long-standing commitment to ridesharing that will affect downtown commuter travel trends.

The Community Redevelopment Agency (CRA) of the city of Los Angeles, in conjunction with other Los Angeles City departments and the private sector, has begun to implement ridesharing requirements for development occurring in downtown Los Angeles. CRA has entered into agreements with developers for ridesharing programs for approximately 6 million square feet of development, and it will implement similar agreements for the additional 16 million to 20 million square feet of development expected by 1995. Under the current ridesharing performance requirement, 60 percent of a project's employee population would use a ridesharing mode, including transit, carpools, and vanpools.

In this paper the transportation and development context of downtown Los Angeles is outlined and the origins of the program and CRA's redevelopment role are described. The major program elements are analyzed, developer response to the program is described, and conclusions that may have applicability for other cities are drawn.

EXISTING CONDITIONS

Downtown Los Angeles is encircled by freeways that extend radially outward to link downtown with many activity centers and residential communities. These

freeways, along with the well-developed network of surface streets and an extensive bus system, provide regional access to downtown. Figure 1 shows the local street system and surrounding freeway system.

As the largest and strongest commercial market in the region, downtown Los Angeles currently contains nearly 51 million square feet of private and public-sector office space. Class A office space represents slightly less than one-half of this total. There are approximately 215,000 persons employed in downtown (1).

During the past two decades, the Southern California region and downtown Los Angeles in particular have experienced major growth in office space development. The primary reasons for this growth are the region's emergence as a center for finance and Pacific-Rim basin trade and a strengthening of the region's traditional role in the aerospace and high-technology industries. This most recent wave of economic growth has established downtown Los Angeles as one of the world's leading concentrations of financial and corporate headquarters.

CURRENT DOWNTOWN TRAVEL PATTERNS

Downtown Los Angeles is the most accessible activity center in Southern California, with 7 freeways, 30 major surface streets, and 120 regional bus routes serving the area. An average of 690,000 people enter a defined downtown cordon area on an average weekday; almost two-thirds of these people arrive in automobiles, vans, and trucks; one-third arrives in buses, and a small percentage arrive by other means. A large percentage of the total persons entering the cordon area is either traveling to downtown for non-work purposes (tourism, shopping, business, etc.) or is making a through trip to destinations outside the cordon area.

Existing data sources have not been structured to provide primary data to answer certain questions concerning ridesharing behavior. The following table, based on a downtown Los Angeles cordon count (2), gives derived data on existing ridesharing participation in downtown Los Angeles based on transportation mode surveys and data from transportation agencies.

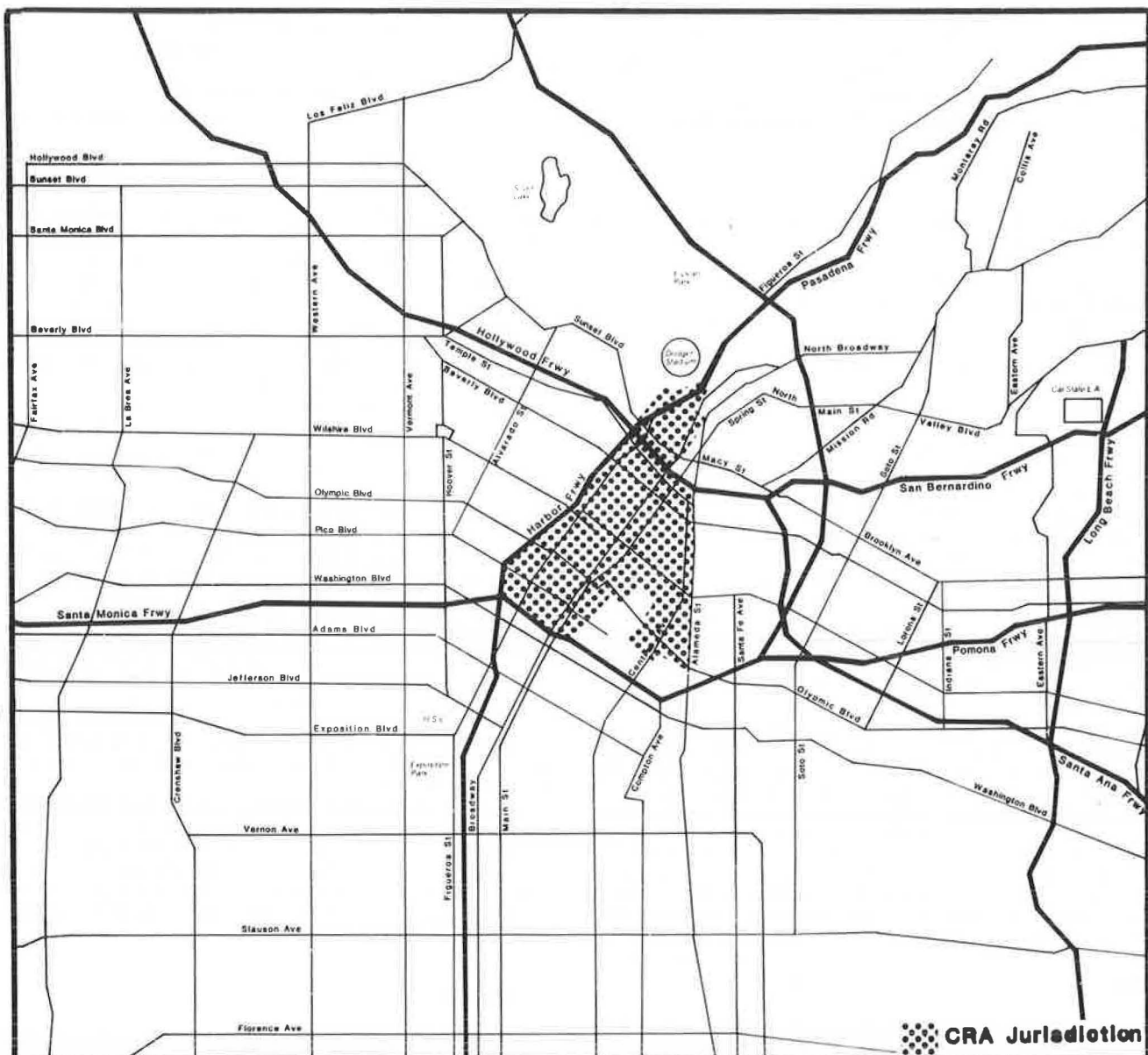


FIGURE 1 Los Angeles central business district, freeway system, and local street system.

<u>Work Trips Made by</u>	<u>Percentage</u>
Automobile (drive alone)	46
Ridesharing (carpool, vanpool)	19
Transit	35

The high volume of traffic into and through the downtown results in peak-hour congestion on the streets and freeways. Traffic speeds on the freeways that converge on downtown average less than 20 mph for more than 2 to 3 hr during peak morning and evening periods. On the Harbor Freeway and regional access streets located west of downtown, traffic congestion has intensified because of recently constructed high-rise office developments. Traffic volumes on the regional access streets average 3,000 vehicles per hour with speeds of 5 mph during the peak.

The level of employee participation in ridesharing programs depends on many factors, including the existence of employer-sponsored incentives. Some downtown employers promote well-established voluntary ridesharing programs. The Atlantic Richfield Company is a leader in this regard. Its program was established more than a decade ago and serves as a model for a large single-tenant program. Other factors that contribute to existing ridesharing levels are the escalation of parking prices (approaching \$150 per month for new development) and increased public awareness of commute alternatives made possible by the highly visible success of TSM measures during the 1984 Summer Olympics.

REDEVELOPMENT ROLE OF CRA

Under California law and the Los Angeles City Charter, the CRA is empowered to carry out a program of redevelopment and economic revitalization for portions of the city of Los Angeles. The CRA is answerable to the city council and the mayor. It is a separate governmental entity and has specific implementation powers and responsibilities for carrying out its city council-approved objectives. For example, the CRA can acquire property by eminent domain, assemble and dispose of property, borrow money from any public or private source, and use tax increment financing to issue bonds to support redevelopment activities.

The CRA, with policy directives from the city council and the mayor and state-mandated powers, is characterized by its implementation functions rather than any regulatory function. To implement redevelopment activities, the CRA frequently enters into legally binding agreements with developers. These agreements outline the scope of development and responsibilities of private and public parties. Often a developer is required to undertake certain actions either as a condition for development or as a condition for the agency's assistance in developing a project. This unique ability to negotiate public and private commitments enables CRA to pursue significant ridesharing requirements for new developments in downtown Los Angeles.

FACTORS LEADING TO PROGRAM ADOPTION

Concern about the ability of Los Angeles' transportation network to accommodate projected growth has been a driving force behind citywide efforts to link development programs with specific transportation commitments. This concern is based on a number of factors:

1. Strong market forces for the centralization of office growth in downtown Los Angeles. Downtown

Los Angeles has grown because of its role as a financial and corporate center and its expanded links with the Pacific-Rim economy. Economic forecasts suggest that 16 million to 20 million square feet of commercial and government office space will be added by 1995 (3).

2. Reduced local funding available for transportation improvements. In California, Proposition 13 (a tax limitation initiative that was approved by the voters in 1978) has reduced the ability of local governments to fund transportation improvements. Fiscal problems of local governments have had an impact on state finances.

3. Potential federal policy changes regarding urban transit. For example, a reassessment by the Reagan administration of the federal role in and responsibility for funding new-start rapid-rail transit projects has introduced increased uncertainty about significant increases in rapid transit services.

4. Excessive use of existing roadway infrastructure. In many built-up areas, roadway capacity has been fully utilized and increasing roadway or freeway capacity is difficult or impossible.

These factors were reflected in a number of studies conducted by public transportation planning agencies (4). Some of these issues were raised by community groups. Early in 1985 city council members voiced concern over these issues and subsequently several city council motions were introduced to impose a construction moratorium on new developments in certain areas because of strained transportation conditions or to impose transportation impact fees on new development. The CRA ridesharing program described in the next section was part of a multiprogram response to these issues.

DESCRIPTION OF PROGRAM

The central elements of the TSM ridesharing program, approved by CRA, are the establishment of a specific ridesharing participation requirement, the establishment of monitoring and compliance measures, and the registration of the program on the project's title. The program is implemented through developers, rather than tenants, because CRA has enforceable development agreements with developers and because up-front assurances concerning ridesharing performance are needed in order for CRA to approve projects with yet-to-be-identified tenants. This approach ensures that a buildingwide program will be developed in projects with numerous tenants and that tenants begin to plan for their employees' participation in the program at an early stage (i.e., during lease negotiations).

Summarized hereafter are the key elements of ridesharing programs that are included as part of CRA Owner Participation Agreements (OPAs) and Disposition and Development Agreements (DDAs) with developers of projects with 50,000 or more square feet of office space.

1. Developer commitment that at least 60 percent of the building employee population will participate in ridesharing programs (i.e., carpools, vanpools, private or public bus, rail transit, walking, etc.). The intent of the requirement is to achieve a level of ridesharing participation that is 10 percent greater than current levels in the central business district (CBD).

2. Establishment of an employee ridesharing program by the developer as part of the overall development program. The program would detail policies and actions to promote and reinforce ridesharing

among building employees, including transit pass subsidies, subsidized or preferential parking, or both, for carpools and vanpools, provision of staging areas, and so forth.

3. Establishment and staffing of a commuter transportation coordinator (CTC) office to operate the ridesharing program and assist tenant companies in developing a comprehensive ridesharing program for their employees.

4. Implementation of a monitoring program so that the CTC office can report progress to CRA on (a) level of ridesharing participation; (b) percentage of employees using transit, carpool, vanpool, or other ridesharing modes; and (c) use of on-site parking to achieve ridesharing objectives.

5. A provision that the developer will augment transit and carpool modes by creating a vanpool program, should ridesharing participation requirements not be met. In that instance, the developer will be required to provide free vanpool seats equivalent to the shortfall between the ridesharing performance requirements and actual performance, under the provisions of the development agreement. The developer has the right to propose alternatives to a vanpool program provided that such measures are likely to be of equivalent effectiveness.

6. A commitment to participate in areawide private-sector efforts to coordinate management of site-specific ridesharing programs.

7. Recording of the program on the project's title and application to subsequent owners. Agency development agreements cover a wide range of project construction and implementation specifications and programs. Ridesharing programs are included in development agreements. After completion of a project and termination of the development agreement, ridesharing agreements and other programmatic obligations are recorded as covenants that run with the land in an Agreement Affecting Real Property and burden the land and apply to all subsequent project owners.

Monitoring ridesharing agreements requires a substantial time commitment on the part of the developer or project owner and CRA. Performance monitoring occurs every 6 months for the first 5 years and annually thereafter. The developer or owner reports on financial records of ridesharing incentive programs, surveys employees, and reports to CRA on compliance with performance requirements. CRA reviews the report, works with developers on program improvements if performance requirements are not being met, and administers compliance measures outlined in the foregoing Item 5 if performance is below requirements. This approach is feasible because of the limited geographic scope in which CRA conducts detailed planning and implementation activities. In addition, CRA will conduct an areawide survey of downtown employees on a periodic basis to monitor trends and refine subsequent TSM requirements.

RESPONSE OF DEVELOPERS

Developers have responded to the program collectively through a private-sector committee on CBD transportation established by Mayor Bradley and individually through development project review. Reactions at both levels are discussed.

The Mayor's Blue Ribbon Committee, comprised of 27 major development interests and community leaders, reviewed CRA's ridesharing program. This committee endorsed the concept of mandatory ridesharing programs for new development. They recommended that new development achieve 10 percent improvement over current levels of ridesharing for comparable buildings in the relevant area. This requirement is comparable to the 60 percent requirement in the CRA program.

During the course of committee deliberations, the following concerns and recommendations were expressed to the mayor and presented to city council members:

- Recognition of the need for private and public sectors to jointly address transportation access to the CBD through transportation system management and transit improvement programs,

- The need to treat projects equitably,

- A challenge to government agencies to match the private sector's performance and commitment to ridesharing,

- Encouragement of existing employers to participate in ridesharing programs, and

- Maintenance of flexibility in the methods of complying with ridesharing requirements.

The Blue Ribbon Committee's final position in support of the program was preceded by considerable discussion concerning issues such as the appropriateness of imposing the program on developers instead of on employers, the extent of ridesharing improvement to which developers thought they could commit, and the general issue of developing programs that attempt to induce shifts in commuter transportation modes instead of supplying additional roadway capacity. Concerns in these areas were addressed through numerous discussions at subcommittee meetings.

The staff of many public transportation agencies played an educational role, informing the Blue Ribbon Committee members about the extent of the problem facing downtown Los Angeles and stressing the potential of ridesharing as a key component of the solution. Providing examples of successful programs was helpful in illustrating the different ways in which programs could be implemented, stressing the potential cost savings of replacing drive-alone parking subsidies with extensive incentives to rideshare. In this regard, illustrating the extent of current subsidies became important because parking prices in new developments in downtown Los Angeles are commonly \$150 per month. Finally, the near-term advantages of the ridesharing program for employers, such as improved access to the labor pool and reduced absenteeism and employee turnover, were presented.

The citywide political climate also influenced the committee's perceptions because the downtown community wished to play a leading role in addressing transportation and land use issues and in expressing their concerns to the city council.

Individual developers have responded to the program through the project review and approval process. Responses at the project level have varied. Some developers retained ridesharing consultants during project negotiations and offered counter proposals, whereas others relied primarily on their legal counsel to review legal implications. Often these discussions focused on CRA's assumptions and definitions as well as factors relating to registering the agreement on the title. In some cases, developers based their agreement to the ridesharing program on assurances that no subsequent comparable project would have less stringent ridesharing requirements. Because the concept of incorporating ridesharing provisions in urban development projects is so new, some developers believed that any problematic aspects would be resolved before the development projects were completed. Typical development projects require between 1 and 5 or more years lead time before the commencement of construction, so there is a time during which experience would be gained in developing and implementing development-related ridesharing programs.

Summarized next are overall responses to the program that emerged during meetings with individual developers:

1. Project location will affect the ability to meet requirements. Some parts of downtown Los Angeles are better served by transit than others. Accordingly, some projects must rely more heavily on car-pool and vanpool ridesharing.

2. Project tenant mix will affect the ability to meet requirements. Developers of projects who expect to have higher numbers of small professional firms raised concerns about meeting the same targets as projects with large employers.

3. Flexibility among ridesharing modes is essential. Developers resisted attempts to prescribe the ridesharing mode or modes to be implemented in the program.

4. Alternatives to free vanpool compliance measures are necessary. Alternative compliance measures, which recognized the unique tenant and locational characteristics of the project, were proposed.

5. All projects should have similar requirements so that no project would be subject to perceived market risks.

CRA's staff response to the first two concerns has been to assist in the identification of ridesharing techniques that can be used in areas off major transit routes or in multitenant buildings. In addition, CRA will undertake a survey of the CBD work force in 1986 to examine variations in ridesharing behavior that can be attributed to locational and tenant mix variables. Few data are currently available on those variations and the effect they have on achieving a successful program.

Concerns about flexibility among ridesharing modes and the need for alternative compliance measures have been addressed through modifications of the original program. The core of the program is the ridesharing performance requirement, which can be achieved by a number of means. It is expected that a wide range of ridesharing incentive programs will be developed as project owners explore least-cost solutions to the transportation requirements of projects.

The last concern, equal treatment, has been addressed through "favored nations" clauses that give project owners assurance that subsequent comparable programs will not have substantially less stringent requirements. By addressing the concern over equitable treatment, these clauses have made possible the institutionalization of the program for new development.

CONCLUSIONS

Although the ridesharing requirement has been institutionalized in general terms, refinements are sometimes needed for developments that may involve some unique characteristics. Accordingly, all the agreements with developers have comparable requirements; however, in some cases they contain variations that reflect particular concerns that have been raised by the developer during project negotiations. The review of the details of each program with the developer provides a valuable dialogue about the nature of the ridesharing requirements and, in some instances, opportunities to incorporate provisions reflecting any unique characteristics of particular development projects.

The ridesharing agreements discussed in this paper will be implemented in projects that are currently under construction or are scheduled for construction in the next 5 years. Accordingly, the conclusions summarized here pertain to experience gained through the process of establishing requirements and achieving consensus on the extent of private-sector commitments rather than implementation experience. The processes outlined in this paper are applicable in

urban centers that are now adopting ridesharing programs, or in those that are moving from voluntary approaches to commitments to ongoing monitoring and achievement of performance requirements.

Summarized next are some overall conclusions about the role of ridesharing as an urban transportation strategy.

1. Management-oriented transportation solutions are being recognized by the development community as a major part of long-term transportation solutions in dense urban areas. Decreases in funding available for capital improvements to transit and roadway systems have increased private-sector awareness of the need for other feasible cost-effective approaches to addressing future transportation needs.

2. Market trends favor increased ridesharing. Key among these factors are increases in parking prices, decreasing parking supply ratios, increasing time costs of congestion, and continued growth of development in activity centers.

3. The strongest attribute of ridesharing programs is that they can contribute to the continued growth of urban activity centers. The CRA program was tied to the issue of the continued growth of downtown Los Angeles as an economic and cultural center in the Pacific Rim. One of the first ridesharing agreements was part of a creative development project that had strong public benefits. These linkages place ridesharing programs in the context of a long-term vision of the future. Justifications for programs should be broader than concern about traffic congestion, air pollution, or energy conservation.

On the basis of recent experience in Los Angeles, it is likely that ridesharing programs implemented through similar development agreements will be more commonly used in urban centers. However, the process of establishing the type of program described in this paper rests on a number of factors. The experience in downtown Los Angeles suggests that the following considerations are important in establishing a program:

1. A perceived crisis helps to focus political and private-sector attention on the problem. A short program design and public review period enabled CRA to respond while the issue was in the forefront.

2. The ability to propose that ridesharing programs be an established component of development agreements is enhanced by the existence of a working relationship with the development community. The CRA program added an element to an existing development-planning process that was familiar to the development community.

3. A forum for private-sector involvement, separate from individual project review activities, is critical. In Los Angeles, the Blue Ribbon Committee provided an opportunity for CRA to directly communicate the rationale for the program and to illustrate how it could be implemented. This committee also afforded downtown leaders the opportunity to prepare an independent assessment of downtown's transportation problems and solutions.

4. Monitoring and compliance measures represent major time commitments for the public agency and the developer. Because of the long-term performance requirement and monitoring effort, the development agreement approach outlined in this paper may be most appropriate for limited geographic areas.

Ridesharing represents a major component of the transportation future of downtown Los Angeles. The change in attitude toward management-oriented transportation strategies has been dramatic. Further improvements in ridesharing participation are expected

as regional transit projects are implemented, as parking prices rise, and as the positive interactive effects of ridesharing programs currently being established manifest themselves.

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Part-Time Carpooling: A New Marketing Concept for Ridesharing

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ABSTRACT

The most common objection of solo drivers to carpooling is lack of flexibility. Part-time carpooling (two persons 2 days per week) appears to answer much of this objection. A demonstration project was undertaken to test the effectiveness of part-time carpooling, identify the nature of the market for this concept, and determine what elements contribute most to the success of this type of undertaking. Participants were asked to commit to a two-person carpool 2 days a week for 3 months. A total of 212 people registered, which indicated that the market size for part-time carpooling is approximately 5 percent of the drive-alone commuters at the demonstration site. Half of the registrants had had no previous carpooling experience, and there was a higher-than-normal spread in work schedules. Of the 212 registrants, 100 were matched in potential carpool groups, and 44 people formed new, part-time carpools. There was no ongoing matching support, which may explain in part the high attrition rate (75 percent in 8 months). This demonstration project indicates that part-time carpooling is a promising technique for reaching beyond the commuter market segments traditionally served by conventional ridesharing programs.

The most common and strongest objection voiced by solo drivers to ridesharing is lack of flexibility. Every ridesharing professional who has contact with commuters hears this objection more often than any other. Studies in Los Angeles (1) and elsewhere have found that the perception of the inflexibility of ridesharing is the single largest barrier to acceptance of the idea among solo-driver commuters.

This appears to be a major reason why fewer than one-third of all commuters who are offered free ridesharing information will even bother to apply for this service. It may also explain in large part

why such a small percentage, typically 5 to 15 percent, of those who do apply for ridesharing matching services actually use that information to join or form a carpool (2).

If significant improvements are to be realized in the carpool placement rates that result from ridesharing efforts, something must be done to overcome this common objection of solo drivers. The potential for improved placement rates is enormous. If half of all commuters who voice this objection were to be won over by the part-time carpooling concept, the typical ridesharing placement rate would almost double.

This demonstration project was an attempt to directly and strongly respond to this objection by offering commuters a highly flexible ridesharing program—part-time carpooling. The organizers of this demonstration believed that promotion of this concept

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