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RECOMMENDATION APPROVED AND  
ORDER NO's. 15-7174 & 15-7175 ADOPTED  
BY THE BOARD OF HARBOR COMMISSIONERS

February 19, 2015

*Amber M. Klesges*

AMBER M. KLESGES  
Board Secretary



**THE PORT**  
OF LOS ANGELES  
Executive Director's

Report to the  
Board of Harbor Commissioners

**DATE: FEBRUARY 10, 2015**

**FROM: BUSINESS AND TRADE DEVELOPMENT**

**SUBJECT: TEMPORARY ORDER NO. 15-7174 – AMENDING THE PORT OF LOS ANGELES TARIFF NO. 4, SECTION ONE – “DEFINITIONS”, ITEM NO. 100 AND SECTION THIRTEEN – “PARKING CHARGES”, ITEM NO. 1300**

**PERMANENT ORDER NO. 15-7175 – AMENDING THE PORT OF LOS ANGELES TARIFF NO. 4, SECTION ONE – “DEFINITIONS”, ITEM NO. 100 AND SECTION THIRTEEN – “PARKING CHARGES”, ITEM NO. 1300**

**SUMMARY:**

Staff is recommending amending Port of Los Angeles Tariff No. 4 (Tariff No. 4) Section One – “Definitions”, and Section Thirteen – “Parking Charges”, amending tariff language that is no longer applicable, and increasing parking rates effective March 1, 2015 or thereafter upon approval by the Los Angeles City Council. The proposed daily rate would include the first hour of free parking and then be \$2.00 per hour thereafter from the current \$1.00. The proposed new maximum daily rates for a 24-hour day for standard vehicles would be:

<u>Effective Date</u>	<u>Maximum Charge per twenty-four (24) hour day per vehicle</u> (\$12 Current Rate)	<u>Oversized vehicles Maximum Charge per twenty-four (24) hour day per vehicle</u>
3/1/2015	\$16.00	\$32.00
1/1/2016	\$17.00	\$34.00
1/1/2017	\$18.00	\$36.00

\*Rates are inclusive of parking occupancy taxes

Monthly parking charges would increase to \$80.00 per month from the current \$61.00 and increase to \$160.00 for oversized vehicles (there is not a current rate for oversized vehicles), as defined in the proposed amendment to Item No. 1300 of Tariff No. 4.

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SUBJECT: TARIFF NO. 4 - PARKING CHARGES

Assuming the same number and duration of parked vehicles, the estimated additional revenue to the City of Los Angeles Harbor Department (Harbor Department) for calendar year 2015 would be \$485,667. All rates are inclusive of the City of Los Angeles Vehicle Parking Occupancy Tax.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the Amendments to Port of Los Angeles Tariff No. 4, Section One - "Definitions", Item No. 100, and Section Thirteen - "Parking Charges", Item No. 1300, subject to the California Association of Port Authorities' review and approval, and authorize the Executive Director to work with California Association of Port Authorities to secure this approval or proceed to take independent action in accordance with California Association of Port Authorities procedure;
2. Adopt Temporary Order No. 15-7174 to amend the Port of Los Angeles Tariff No. 4, Section One - "Definitions", Item No. 100 and Section Thirteen - "Parking Charges", Item No. 1300;
3. Adopt Permanent Order No. 15-7175 to amend the Port of Los Angeles Tariff No. 4, Section One - "Definitions", Item No. 100 and Section Thirteen - "Parking Charges", Item No. 1300;
4. Authorize the Board Secretary to certify to the adoption of the Temporary Order by the Board and cause the same to be published once in a newspaper printed and published in the City of Los Angeles, to take effect prior to adoption by Ordinance for a period not-to-exceed 90 days pursuant to Charter Section 653(b);
5. Direct the Board Secretary to transmit to the City Council for approval the Permanent Order and the Ordinance approving and authorizing the amendments to the Port of Los Angeles Tariff No. 4 pursuant to City Charter 653(a); and
6. Authorize the Board Secretary to execute the Temporary Order, Permanent Order and Ordinance amending Tariff No. 4 as stated above, and upon its publication, transmit the Orders and Ordinance to the Chief Wharfinger for implementation and posting to the City of Los Angeles Harbor Department's website.

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**SUBJECT: TARIFF NO. 4 - PARKING CHARGES**

**DISCUSSION:**

Background and Context – Daily parking charges currently in Tariff No. 4 are for designated areas at the World Cruise Center at Berths 91-93 D, E and Catalina Terminals/S.S. Lane Victory at Berths 95-96 only. With the Waterfront Development water feature and promenade plus the arrival of the USS IOWA, the Harbor Department moved the World Cruise Center parking lot at Berths 91-93 outside of the cruise terminal security zone and reconfigured the Berths 91-93 parking lot to allow for short-term hourly parking for USS IOWA visitors, waterfront promenade activities, and special events. Current published parking rates which include the City of Los Angeles Vehicle Parking Occupancy Tax do not reflect these changes in operations. Parking rates are currently \$12.00 maximum per a 24-hour day and \$1.00 per hour per vehicle with one free hour parking at the Catalina Terminal and the S.S. Lane Victory guest parking lot. Parking rates were last increased in 2005. Paid parking areas at this time apply to the World Cruise Center, the USS IOWA, and the Catalina Terminal. If the proposed changes to the tariff are approved, the paid parking areas will not change.

The Harbor Department commissioned a parking study in early 2014 by Desman Associates. In the Desman Parking Study, the findings supported a rate for hourly parking for the World Cruise Center and Catalina Terminal lots of \$2.00. They recommended a \$16.00 rate for overnight parking for the cruise terminal lot and \$15.00 for Catalina Terminal lot. The monthly parking at both lots was recommended at \$75.00. For comparison purposes, the Catalina Terminal overnight parking in Long Beach is \$15.00. The below table provides a comparison of parking at cruise terminals from around the United States. It also notes those cruise facilities that have port controlled parking and those that don't:

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<u>Cruise Port</u>	<u>Daily Rate</u>	<u>Port Controlled Parking</u>	<u>Notes</u>
Los Angeles	\$12.00	Yes	
Long Beach	\$17.00	No	City and Carnival Cruise Line control; structured parking
San Diego	\$10.00 to \$15.00	No	13 lots are recommended; The two closest range from \$10.00 to \$15.00, the remaining lots range from \$9.00 to \$24.00
San Francisco	\$15.00 to \$18.00	No	3 lots recommended by cruise terminal
Seattle	\$26.00	Yes	2 separate locations, one structure, one open lot
Miami	\$20.00	Yes	Port built structures and lots
Ft. Lauderdale	\$15.00	Yes	Port built structures and lots
Canaveral	\$17.00 to \$20.00	Yes	Rate varies by length of cruise, Port built structures and lots

Based on the Desman Parking Study and a comparison survey of other cruise terminals and the Long Beach Catalina Terminal, staff is proposing amending Tariff No. 4, updating parking rates. Parking rates would not be subject to subsequent General Rate Increase (GRI) because the proposed parking rates will have implemented their own increase methodology (Transmittal 1).

Tariff Increase - Staff is recommending that daily parking rates would increase from \$1.00 to \$2.00 per hour (after the first free hour for all parking locations), with a maximum charge of \$16.00 per twenty-four (24) hour day (double for oversized vehicles). Monthly parking rates would increase from \$61.00 to \$80.00 for regular vehicles and to \$160.00 for oversized vehicles. The amended parking rates would not be subject to any potential general rate increase; however, the amended tariff includes gradual increases in the daily maximum charges per twenty-four (24) hour day through January 2017. The proposed daily rates would remain competitive with the surveyed parking rates.

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Maximum Charges Increase Schedule

<u>Effective Date</u>	<u>Maximum Charge per twenty-four (24) hour day (\$12 Current Rate)</u>	<u>Oversized vehicles Maximum Charge per twenty-four (24) hour day</u>
3/1/2015	\$16.00	\$32.00
1/1/2016	\$17.00	\$34.00
1/1/2017	\$18.00	\$36.00

In 2013 the gross revenue collected by parking operations was \$1,752,000. Based on a \$16.00 daily parking rate, using calendar year (CY) 2013 as the baseline, the gross revenue is expected to be \$2,237,667 or a \$485,667 increase in revenue for calendar year 2015. For calendar year 2016, the proposed parking rate of \$17.00 is expected to produce gross revenues of \$2,482,000. The \$18.00 parking rate is expected to produce gross revenues of \$2,628,000 in calendar year 2017.

New Tariff Language – As part of these tariff amendments, staff will also update language in Tariff No. 4, Item No. 1300 by removing the references to the “S.S. Lane Victory”, World Cruise Center, Catalina Terminal, and Berths 91, 92, 93, 95 and 96. The “S.S. Lane Victory” was relocated to Berth 50 with the relocation, this reference is no longer required and with the changing nature of the parking area to park vehicles for many different purposes and the many activities covering these berths, tariff language was amended to reflect the more accurate and encompassing “Designated Paid Parking Areas on Harbor Department Premises.” Proposed changes to the language in the tariff would include a more specific description of parking requirements for Harbor Department and employee parking. Staff is recommending amending language to identify Harbor Department staff, World Cruise Center and Catalina Terminal employees, vendors, longshore workers, security staff, ground staff, and cruise company employees who are entitled to park in the lots free of charge in the commission of their work day responsibility. Overnight parking for Port employees or employees of Tenants can only be allowed with prior written permission from the Executive Director.

As the Harbor Department holds more events on the waterfront, staff is recommending adding language allowing the Executive Director to permit a flat fee parking option.

Staff is recommending changes to the tariff addressing parking of oversized vehicles and trailers in the Port’s paid parking lots; since these vehicles take up more than one space, staff is recommending to charge for the spaces used for oversized vehicles. To

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accomplish this, language in Tariff No. 4, Item No. 1300 will be added defining oversized vehicles as vehicles occupying more than one parking space.

Staff is recommending updating Tariff language to prohibit the overnight occupancy of vehicles. The Port's parking lots will be for parking of vehicles only and not a location for people to sleep overnight in their vehicles.

Proposed administrative updates in Section One - Definitions will add the term "General Rate Increase" when used in this Tariff. "General Rate Increase" is defined and shall be deemed to mean the increase in monetary amount that may be applied from time to time to the rates, tolls, charges, and fees in this Tariff.

Staff is recommending the Board approve the proposed amendments to the Tariff No. 4, Section One, Item No. 100 and Section Thirteen, Item No. 1300. A Temporary Order is being proposed to allow ample time for the Permanent Order to be approved by the City Council (Transmittal 2, Transmittal 3, Transmittal 4)

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is an amendment to Tariff No. 4. As an administrative activity and an activity involving the modification of a fee for the use of existing municipal facilities involving negligible or no expansion of use, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2 (f) and Article III Class 1(31) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will have no employment impact.

**FINANCIAL IMPACT:**

In calendar year 2013 gross revenue collected by parking operations was \$1,752,000. Based on charging \$16.00 with the calendar year 2013 baseline, gross revenue would be \$2,238,667 for calendar year 2015 with an increase in gross revenue of \$485,667 for calendar year 2015. For calendar year 2016, the proposed charge of \$17.00 would produce gross revenue of \$2,482,000 and an additional \$146,000 over the \$16.00 rate. Charging \$18.00 in calendar year 2017 would produce gross revenue of \$2,628,000 and an additional \$146,000 over the \$17.00 rate.

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**CITY ATTORNEY:**

The Office of the City Attorney has approved the proposed Temporary Order, the proposed Permanent Order, and the proposed Ordinance as to form and legality.

**TRANSMITTALS:**

1. Exhibit "A" - Port of Los Angeles Tariff No. 4
2. Temporary Order
3. Permanent Order
4. Ordinance

FIS Approval: MB (initials)  
CA Approval: [Signature] (initials)

  
MICHAEL DiBERNARDO  
Marketing and Customer Relations

  
EUGENE D. SEROKA  
Executive Director

C.Chase