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CITY ATTORNEY

REPORT NO. R 15 - 0 0 6 2  
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**REPORT RE:**

**DRAFT ORDINANCE AMENDING PORT OF LOS ANGELES TARIFF NO. 4,  
SECTION ONE "DEFINITIONS" AND SECTION THIRTEEN "PARKING CHARGES"**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. Pursuant to Charter Section 653(a), this draft ordinance would approve Board of Harbor Commissioners Order No. 15-7175 amending the Port of Los Angeles Tariff No. 4 by adding a new definition to Item No. 100 for "General Rate Increase," and amending Item No. 1300 to increase the hourly, daily maximum and monthly parking rates at various Harbor Department designated paid parking areas within the Port of Los Angeles (Port), as well as to allow for a flat-fee rate for special events and free employee parking during business activities.

Charter Findings

On February 19, 2015, pursuant to Los Angeles City Charter Sections 652(a), 652(c) and 653(a), the Los Angeles Board of Harbor Commissioners (Board) adopted Order No. 15-7175, approved the enclosed draft ordinance and recommended that the City Council adopt it. Under Charter Section 653(a), BOHC Order No. 15-7175 must be approved by the City Council, by ordinance, in order to become effective.

### Background

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 at Berths 95-96 at the Port. The current tariff for daily parking rates focuses on overnight guests. With the Waterfront Development and the arrival of the USS IOWA, the Port moved the cruise terminal parking lot at Berths 91-93 outside of the cruise terminal security zone and reconfigured the 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 maximum per 24-hour day and \$1 per hour per vehicle with one free hour parking at the Catalina Terminal and the S.S. Lane Victory guest parking lot. The last time parking rates were increased at these locations was in 2005.

### Discussion

In early 2014, the City of Los Angeles Harbor Department (Harbor Department) commissioned a parking study by Desman Associates (Desman) to evaluate current parking rates at the Port. Desman's findings in the parking study support a rate of \$2 per hour per vehicle for parking in the cruise terminal and Catalina Terminal lots. The Desman study also recommends a daily maximum charge of \$16 per 24-hour day for the cruise terminal lot and \$15 for the Catalina Terminal lot. For comparison purposes, the Catalina Terminal overnight parking in Long Beach is \$15. The Desman study recommends a charge of \$75 for monthly parking at both lots. The study did not address oversized vehicles. Since oversized vehicles are defined as those vehicles which occupy more than one space, the amendment charges double the regular vehicle charges for the hourly, daily maximum and monthly rates.

The Board approved the amendments to Tariff No. 4 in accordance with Harbor Department staff recommendations. The staff recommendations were based primarily on the Desman parking study and a survey of similar terminal parking rates. Daily parking rates would increase from \$1 to \$2 per hour (after the first free hour), with a maximum charge of \$16 per 24-hour day (double for oversize vehicles). Monthly parking rates would increase from \$61 to \$80 for regular vehicles and to \$160 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 24-hour day through January 2017. The amendments do not contemplate any similar gradual increases in the other rates that are being increased. The proposed daily rates remain competitive with the surveyed parking rates.

The proposed amendments to Tariff No. 4 will result in an estimated increase in revenue of \$584,000 for calendar year (CY) 2015. In 2013, the gross revenue collected by parking operations was \$1,752,000. Based on a \$16 daily parking rate, using CY 2013 as the baseline, the gross revenue is expected to be \$2,336,000 - a \$584,000 increase in revenue for CY 2015. For CY 2016, the proposed maximum daily parking rate of \$17 for regular sized vehicles is expected to produce gross revenues of \$2,482,000. The \$18 maximum daily parking rate applicable in CY 2017 is expected to produce gross revenues of \$2,628,000.

#### Summary of Ordinance Provisions

The proposed ordinance amends Port Tariff No. 4 in the following manner:

1. Amending Tariff Section One – “Definitions,” Item No. 100 by adding definition “(hh) General Rate Increase”;
2. Amending Tariff Section Thirteen – “Parking Charges,” Item No. 1300 by increasing the hourly, daily maximum and monthly parking rates at various Harbor Department designated paid parking areas within the Port, as well as to allow for a flat-fee rate for special events and free employee parking during business activities.

#### CEQA Findings

The draft ordinance approves an Order of the Los Angeles Board of Harbor Commissioners amending the Port of Los Angeles Tariff No. 4 by adding a definition and increasing the parking rates at various Harbor Department designated paid parking areas within the Port. As an administrative activity, the Harbor Department has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

#### Council Rule 38 Referral

The Harbor Department is the proposing department, and the Tariff amendments were discussed and considered with Harbor Department management and staff present in a full public hearing of the Board of Harbor Commissioners on February 19, 2015.

If you have any questions regarding this matter, please contact John Driscoll at (310) 732-3750. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By   
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DM:JD:pj  
Transmittal