



**Massachusetts Bay
Transportation Authority**

MBTA Parking Updates

FMCB Presentation

May 16, 2016

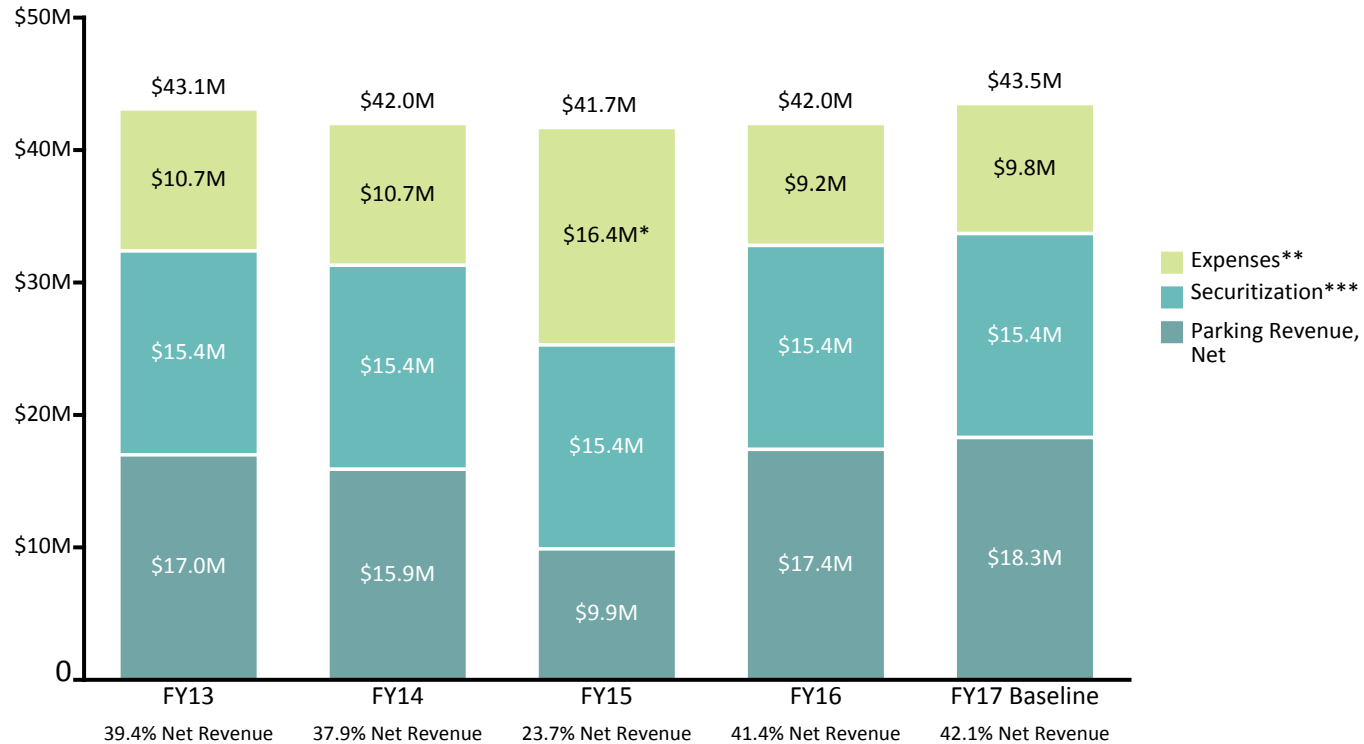


Parking update seeks to address 5 key questions

- What is the current parking revenue profile?
- What is the scope of parking operations and current contract status?
- What areas are the MBTA seeking feedback on for potential RFP?
- What are the capital needs of parking going forward?
- How are parking assets currently utilized by customers?



Gross parking revenue in FY16 flat, 3.5% growth projected in FY17



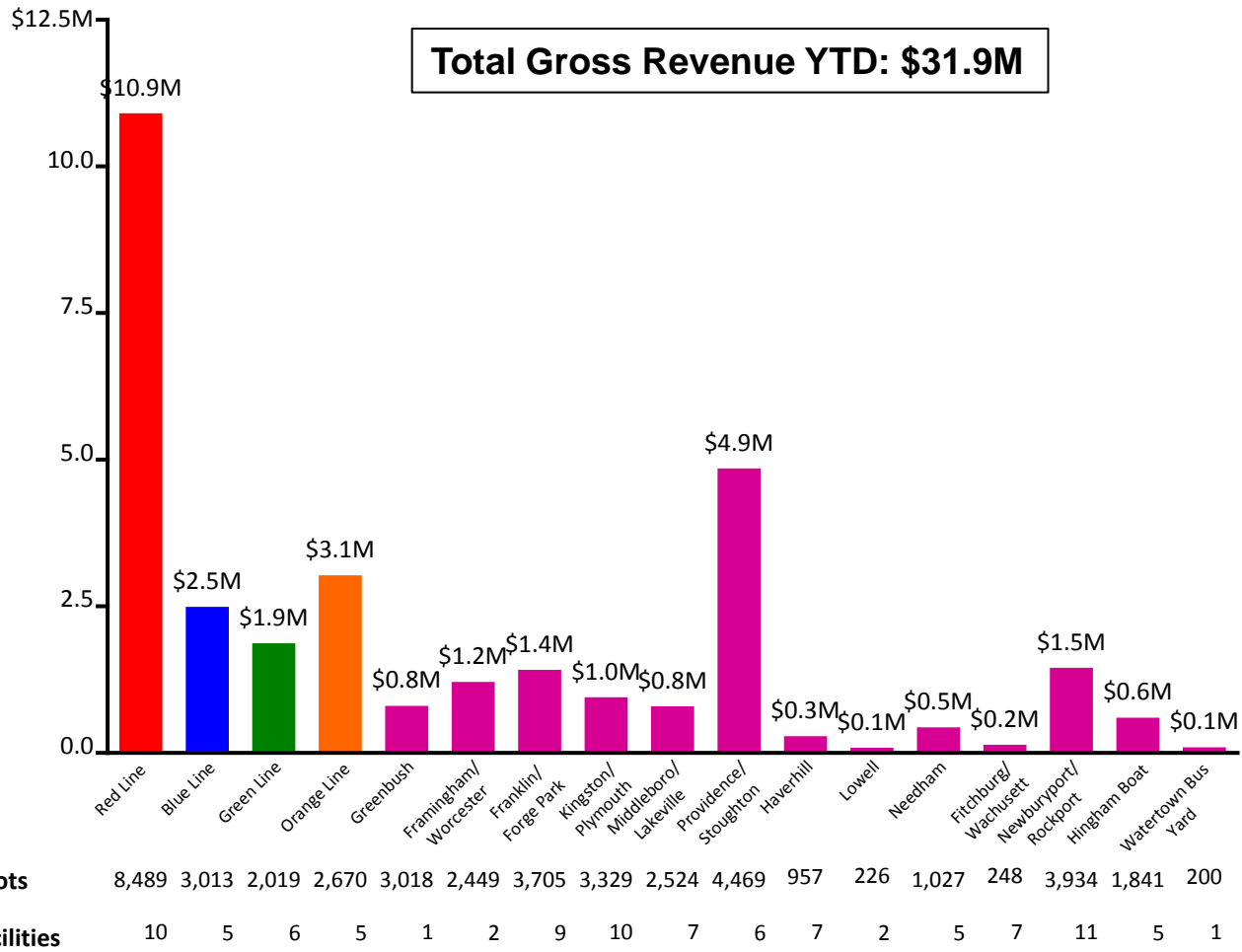
* FY 15 increased expenses due to snow removal (\$4.5M) and additional parking enforcement

** Expenses stemming from LAZ parking contract

*** \$1.28M monthly securitization payment



The Red Line and Commuter Rail Generate the Majority of Parking Revenue



Source: MBTA internal data. 9 months FY16 YTD (Mar16).

Draft for Discussion & Policy Purposes Only



MBTA parking is directly involved with 108 of the 140 facilities on the system

140 parking facilities located on the transit system are related to the MBTA

- 100 facilities are owned and fully controlled by the MBTA
- 8 facilities are partially controlled by the MBTA and a partner (town or RTA)
 - Facilities are operated by the local partner via an operating and revenue share agreement
- 32 facilities are neither operated by nor generate parking revenue for the MBTA
 - Controlled and owned by cities and towns or are part of station development deals



LAZ Parking Currently Operates all Four Parking Regions

- LAZ covers all 4 parking regions: 100 facilities with 117 employees
- 5 year contract through Jan 1, 2018, with 1 year optional extension
 - Can terminate at convenience with 30 day notice, for any reason
- Current responsibilities: parking operations, customer service, facility cleaning and basic maintenance, parking enforcement, as well as landscaping and snow plowing
- Management Fee: \$9.1M/year excluding reimbursable expenses
 - Flat administrative fee contract with no revenue share



Evaluating Potential Partners and Business Models

MBTA released a parking management RFI on April 11th 2016 with a goal to better understand best in class parking models and opportunities to improve customer experience:

1. Explore best in class revenue sharing models and service level agreements with vendors
2. Examine innovative services that would improve customer experience
3. Increase revenue with new technology enhancements
4. Understand potential public-private partnership opportunities
5. Consider the full customer journey – parking through commute and return trip

Parking RFI responses due May 16th



Capital Investment Questions

The Parking team is actively investigating potential capital investment opportunities and is focused on:

- What are the capital needs of the MBTA's current assets?
- Which parking assets should be expanded based on their ROI profile?
- Which parking assets need to be completely rebuilt or replaced?
- Could third party partnerships provide capital funding?
- How should parking assets be incorporated into broader Real Estate opportunities?



Immediate Capital Investment Needs

Significant short-term capital investments are needed at MBTA parking facilities over the next 5 years to maintain minimum safety and operational standards.

Lynn Garage

- FY16 YTD Gross Parking Revenue - \$284k
- Short-term Capital Investment Required to Maintain Operational Effectiveness - **\$46M**

South Shore Parking Garages (Braintree, Quincy Adams, Quincy Center*)

- FY16 YTD Gross Parking Revenue \$5.7M
- Short-term Capital Investment Required to Maintain Operational Effectiveness - **\$86M**

Alewife Garage

- FY16 YTD Gross Parking Revenue \$4.3M
- Short-term Capital Investment Required to Maintain Operational Effectiveness - **\$8M**

Route 128 Garage

- FY16 YTD Gross Parking Revenue \$3.8M
- Short-term Capital Investment Required to Maintain Operational Effectiveness - **\$10M**

Total Short-Term Capital Investment: \$150 Million

* Quincy Center closed in July 2012 due to structural & safety concerns; investment would be to maintain structural stability.
Source: MBTA internal data. 9 months FY16 YTD (Mar16). MBTA D&C Project Briefings (Apr16).



Results of the MBTA Utilization Study

Utilization Best Practice:

- **Greater than 85% of capacity:** perceived as “effectively full” or over capacity
- **Between 60% and 85% of capacity:** considered within the target range of efficient operation
- **Below 60% of capacity:** considered under utilized

Current MBTA Utilization:

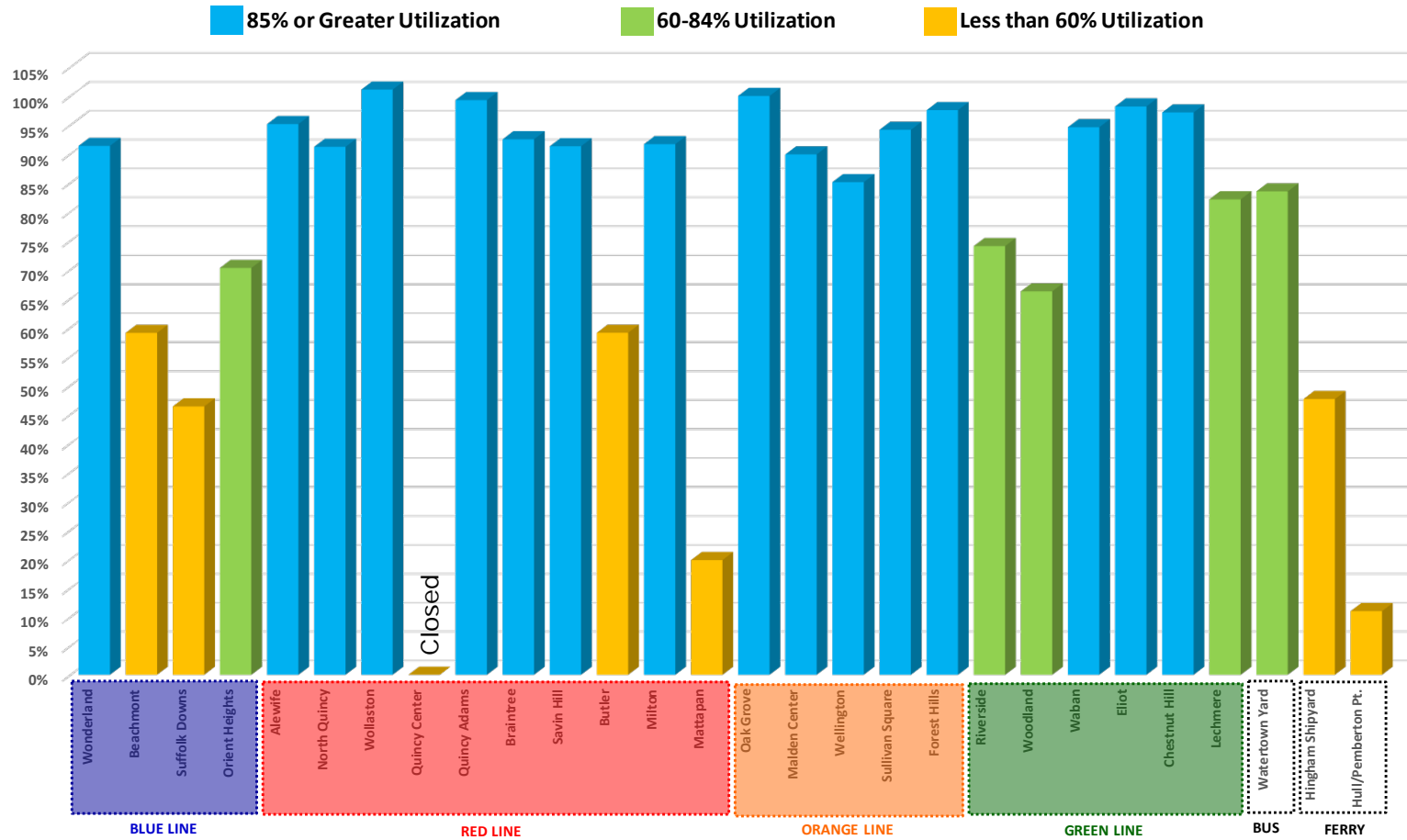
- 26 facilities were consistently filled to 95% capacity or more
- 21 facilities were operating daily at 85% to 94% of total capacity
- 27 facilities were operating at 60%-84% of total capacity
- 26 facilities were operating below 60% capacity

Focus on Improving Utilization:

- Encourages ridership, generates additional revenue, reduces congestion and pollution
- Improves the rate of return on individual under performing assets
- Distributing utilization creates capacity in high-demand lots, encourages discretionary ridership, and improves the ROI for the whole system

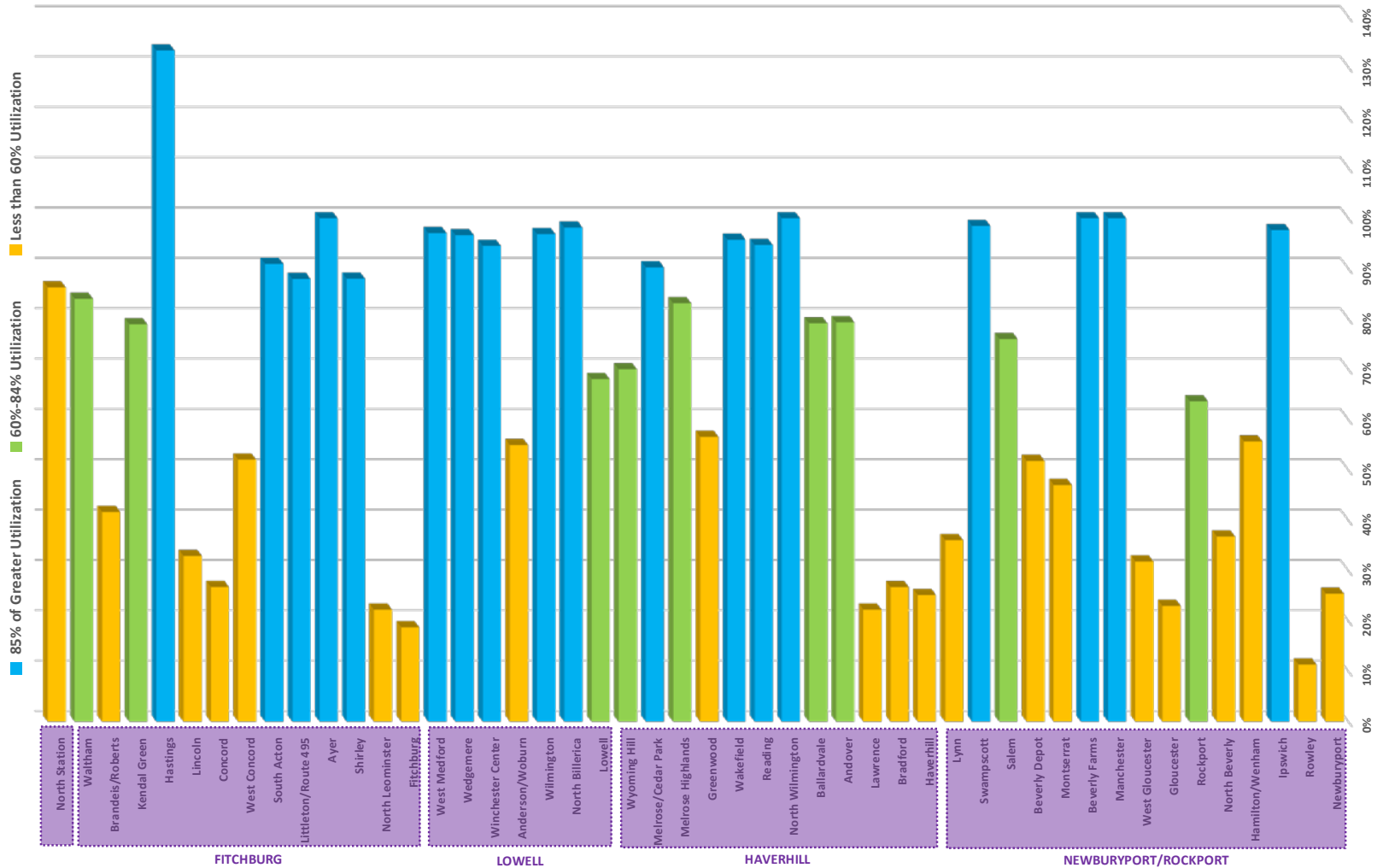


Subway, Bus and Ferry Service Lines



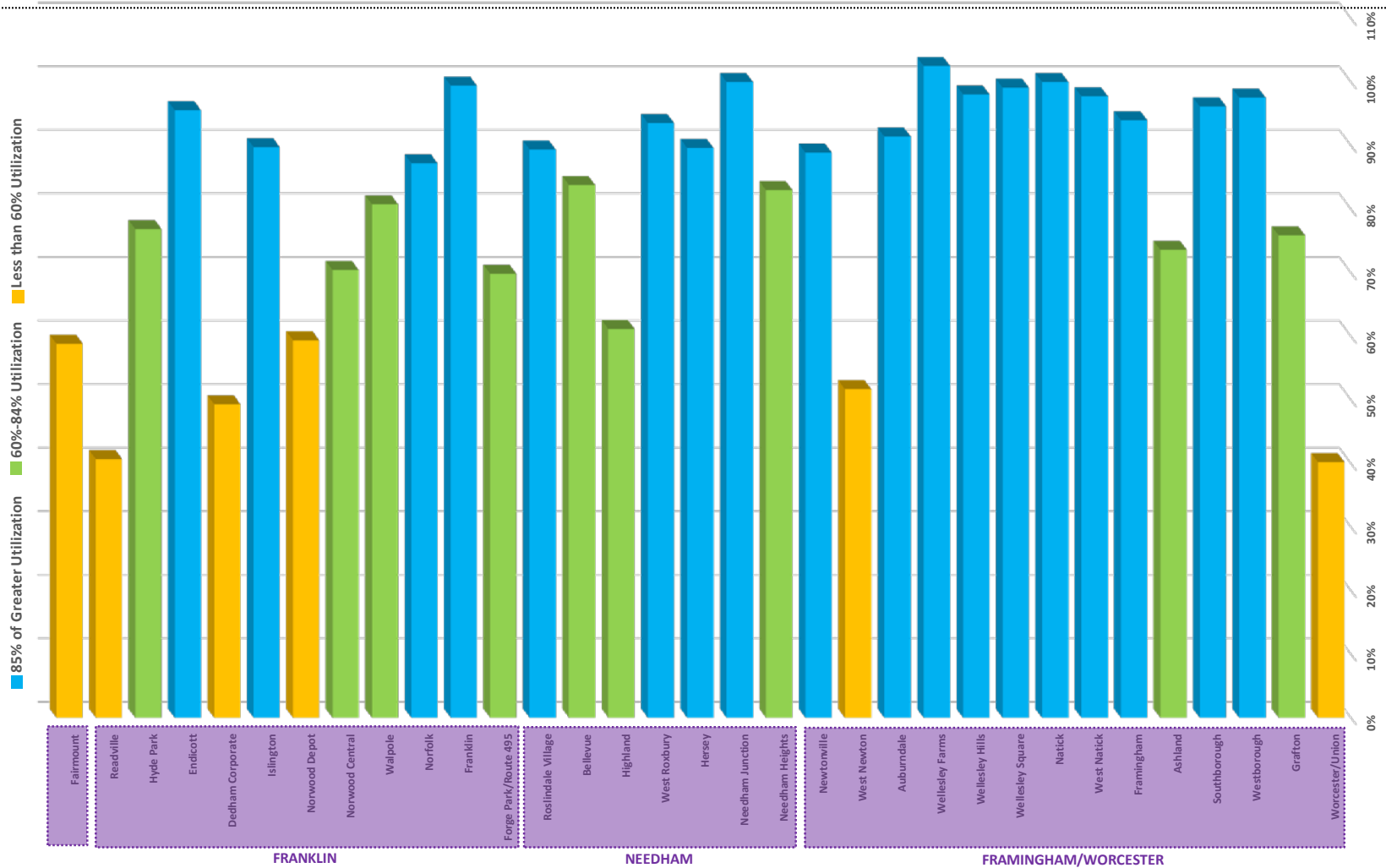


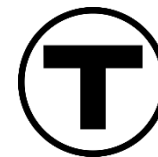
Commuter Rail Service Lines Operating North of Boston



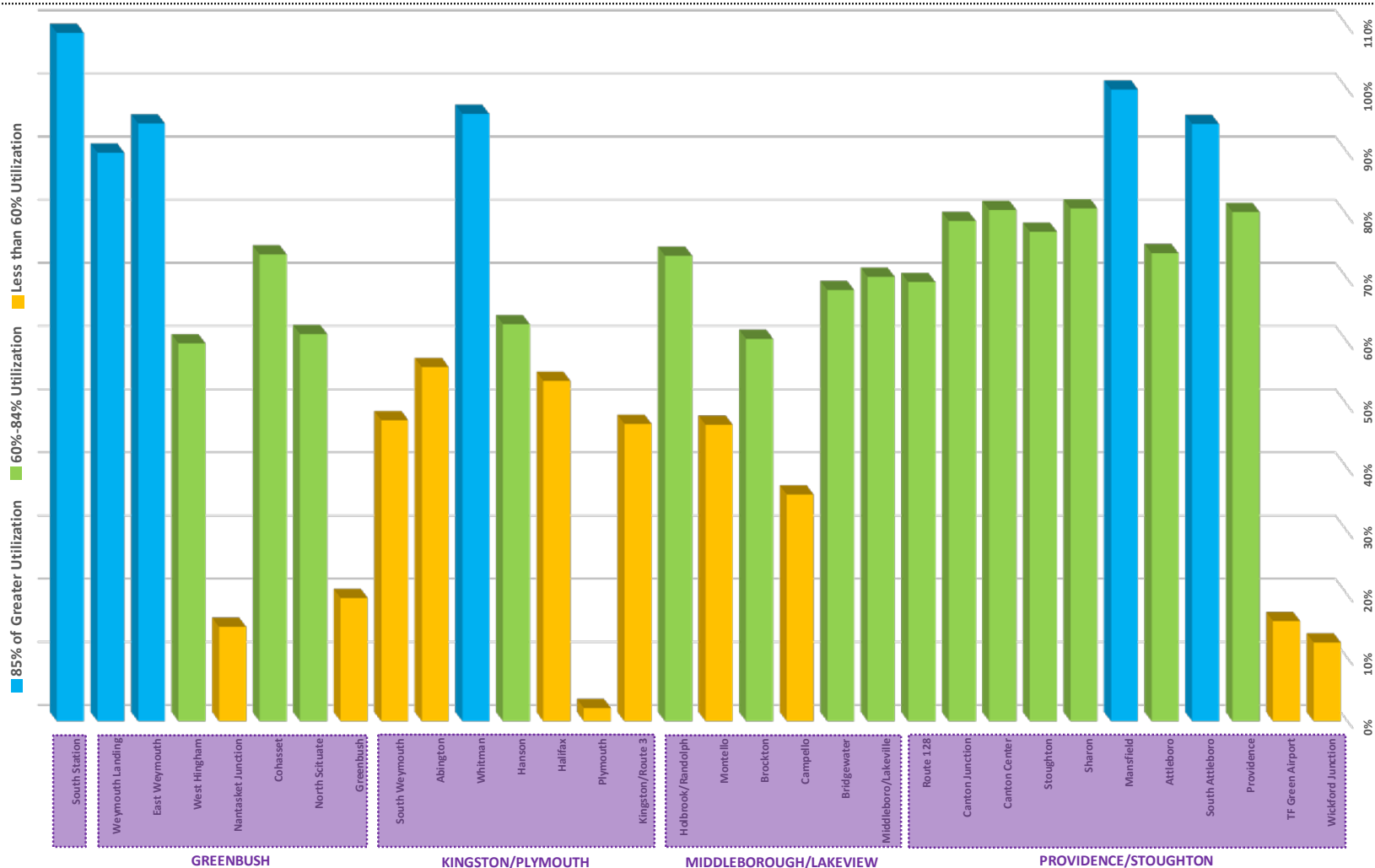


Commuter Rail Service Lines Operating West of Boston





Commuter Rail Service Lines Operating South of Boston





Vendor Enforcement Update

Update: LAZ Parking Revenue Discrepancies:

- **Overview**
 - Based on physical car counts by MBTA Parking Dept., missing revenue was identified at three MBTA Parking Facilities managed by LAZ (North Quincy/Hancock, Lechmere and Riverside)
 - LAZ is responsible for reimbursing the MBTA for twice the discrepancy amount, plus fines
 - MBTA investigation is ongoing, target completion date is July 1, 2016
- **Action taken – April, 2016**
 - MBTA notified LAZ senior management of discrepancies and requested an investigation
 - LAZ terminated two employees for not following proper procedures
 - LAZ determined no revenue loss at Riverside; the car count discrepancy was due to monthly permit holders
 - MBTA initiates its own investigation involving: MassDOT Audit and Transit Police departments. Peter Dane, parking audit specialist, hired by MBTA to assist MassDOT audit staff.
- **Action items May/June 2016**
 - **Completion of Audit**