





P L A N N I N G A N D D E V E L O P M E N T 400 La Crosse Street | La Crosse, WI 54601 | P: (608) 789-7512

Memorandum

Re:	Carpooling Goalsetting
Date:	April 5, 2021
CC:	Common Council
From:	Kelly Flynn, Sustainability Intern
To:	Climate Action Plan Steering Committee

In its 2009 <u>Strategic Plan for Sustainability</u>, the City of La Crosse assumed responsibility for reducing its fossil fuel consumption. The plan states that La Crosse will reduce its dependence on fossil fuels and extracted underground metals and minerals (System Condition 1). It sets a goal to consider policies that reduce the amount of fossil fuels used by employee commuting (Goal 1F). Actions identified to meet this goal focus on carpooling and ridesharing. Alternative transportation is also important, but beyond the scope of this memo.

Further, the Common Council passed a resolution in 2019 to achieve municipal and community carbon neutrality by 2050. This goal includes addressing carbon emissions from the transportation sector, which accounts for the largest percent of total U.S. greenhouse gas emissions (28%). Emissions from light-duty personal vehicles accounts for 59% of all transportation emissions. The number of vehicle miles traveled (VMT) by light-duty motor vehicles increased by 46.1% from 1990 to 2018, mostly due to population growth, economic growth, urban sprawl, and periods of low fuel prices. If current trends continue, personal automotive travel will soon surpass coal-fired power plants in carbon emissions.

The purpose of this memorandum is to guide the creation of a carpooling and ridesharing goal for the city's Climate Action Plan using the SMART goal framework. SMART stands for specific, measurable, assignable, realistic, or time-related. The original goal is specific to municipal employees, but does not include a measurable outcome. It does not assign a staff person to implement the goal nor does it set a deadline. Research interns investigated carpooling policies and case studies to help inform the goal setting process. This research includes a review of six types of carpooling incentives, two municipal government programs, five employer carpool programs, four university carpool programs, and several rideshare matching program options. Many programs created both disincentives and incentives for carpooling. This memo will outline both and recommend how to formulate a SMART goal using the examples.

Disincentives

The two primary ways to disincentivize single occupancy vehicle (SOV) use are 1) *raising parking fees* and 2) *daily parking fees*, instead of monthly. Cornell University implemented a carpool program to keep up with increased demand for parking. They had parking fees in place and raised the cost to discourage driving to campus

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alone. Cornell's carpooling incentives are listed in the next section. Appendix 1 shows some employee parking pass options in La Crosse.

The Bill & Melinda Gates Foundation adopted daily parking charges when they built their new headquarters. They had limited space for parking and wanted to increase carpooling. Employees would pay \$12 per day for parking for the first ten days of the onetime monthly fee of \$120. By charging daily, employees perceived an incremental cost of parking and did not feel the need to get the most value out of a monthly parking fee by parking every day. This strategy proved effective - 90% of Gates Foundation employees drove alone in 2008 and only 34% drove alone by 2016.

Incentives

Four common carpool incentives include preferred parking, subsidized parking permits, parking cash out, and discounts or rewards programs. Nike in Beaverton, OR and Emory University in Atlanta, GA created **preferred parking** for carpooling. Nike reserved designated parking areas for carpoolers until 10am, and Emory University offered designated carpool parking spaces as a part of their carpool program.

Several universities *subsidize parking permits* for carpoolers, including UC Santa Barbara and Cornell University. The UC Santa Barbara program offered parking permits for carpoolers at half the price of a regular parking permit, while Cornell University allowed participants to share the cost of one parking permit and significantly subsidized the cost. To validate the carpooling pass at Cornell, the individuals in the carpool group turned in their individual parking permits and registered their vehicles that they intend to use for carpooling. Then, they could use their one group parking permit in any of the registered vehicles.

Parking cash out is a program in which employers with free or low-cost parking offer an equal transportation fringe benefit to employees who do not drive alone to work. Employees benefit by receiving an equivalent commuting subsidy for using alternative modes or carpooling. California's parking cash out law has been a great success. This State law is enforced by local jurisdictions. Santa Monica has a <u>parking cash out ordinance</u> which requires employers with 50 or more employees who lease their parking and subsidize all or part of that parking to implement a parking cash-out program. This ordinance requires proof of compliance with the state's parking cash-out law before it will issue occupancy permits for new commercial developments. <u>A report of 8 case</u> <u>studies</u> of employers who complied with California's cash out requirement showed that after implementing the cash out program, solo driving to work decreased by 17%, carpooling increased by 64%, and commuter parking demand fell by 11%. As a result of these shifts in commuter transportation, the total vehicle miles traveled for the businesses was reduced by 12% and the total vehicle emissions for commuters fell by 12%. Appendix 2 includes more cash out program examples.

Other carpooling incentives identified in the case studies include programs for providing *discounts* at local shops, point-based rewards, and a *guaranteed ride home (GRH)*. One program in Southern California provided employees who chose to carpool with a coupon book for local restaurants and entertainment. Similarly, point-based reward programs can offer prize incentives for those who share their ride. Nike gives their commuters

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"points" for carpooling or using alternative transportation, which participants can redeem for prizes including cash and gift cards, and even event tickets or paid time off.

Finally, *Guaranteed Ride Home* programs are a common piece of an employer's carpooling program which guarantees commuters a ride home. Some employees may object to carpooling because they fear that they can't get home quickly in the event of an emergency, so employers may establish a GRH program which will pay for a taxi home in the case of an emergency. 511.org provides guidance on how to start a GRH program.

Recommendations

The Climate Action Plan Steering Committee should consider implement a carpooling program for City employees and incentivizing local employers to adopt their own programs. It could set a goal to increase its employee carpooling by 25% by 2025 by offering preferred parking for carpoolers and implementing a parking cash out program which offers employees money in lieu of a having a parking pass (i.e. \$10 per biweekly paycheck). The Parking Utility Coordinator, Wellness Coordinator, or a Human Resources staff person could start by identifying current carpooling rates, and educating employees on carpooling benefits and how to organize a carpool group. Best Workplace for Commuters has an <u>implementation guide</u> that will help go through the necessary steps. These steps include analyzing parking conditions and policies, defining the program structure, setting up payroll codes, development an enrollment process, and publicizing the parking cash out program.

Once this carpooling program is established, the Human Resources Department or Wellness Coordinator may consider developing a reward program for employees who carpool or use alternative modes for their work commute. This could involve partnering with local businesses to provide employees with discounts or gift cards after reaching a certain number of "points" for carpooling. Employees could receive points based on how many days they carpooled, walked, biked, or rode the bus to work each month. Employees could also be entered into a prize drawing after reaching a certain number of points each month or quarter.

The City should consider enlisting 5 major employers to start or enhance their own carpooling programs by 2025. The City could also take further steps to decrease SOV trips by passing a parking cash out ordinance requiring employers with over 100 employees and that offer free or subsidized parking to their employees to implement a parking cash out program. Examples of major employers can be found in Appendix 3. Once major employers are enlisted to participate in their own carpooling programs, a parking cash out ordinance would hold them accountable and build upon their existing carpool policies.

In order to reach the City's goal of carbon neutrality by 2050, it will be essential to address GHG emissions from transportation by reducing the amount of SOV trips made within the City. Carpooling is an important part of achieving this goal because it can provide a form of transportation to those who may find it difficult to walk, bike, or ride the bus to work. Major employers, such as the City of La Crosse, play a key role in encouraging carpooling among employees by providing incentives for carpooling and disincentives for driving to work alone.

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Appendix 1 - Current parking permit rates for some local institutions

- <u>WTC employees</u> pay \$50 for an annual parking permit or \$2 per day for a day permit.
- <u>Viterbo employees</u> pay \$30 for an annual parking permit.
- La Crosse County employees pays \$8 per month for parking.

Appendix 2 - Employer parking cash out programs:

- <u>City of Pleasanton, California</u> offers \$2 per day to employees who use alternatives to drive to work alone. There is no minimum number of days and the program has resulted in annual savings of 20,625 trips, which translates to 12,375 gallons of fuel and 123 tons of CO2.
- <u>Calibre-Alexandria, Virginia</u> provides taxable cash incentives to employees who commute to work via carpools or vanpools—employees who carpool receive \$32.50 per month while employees who do not require any parking receive \$65 per month.
- <u>Seattle Children's Hospital</u> offers employees a \$4.50 bonus on their paycheck every day they don't drive to work.

Appendix 3 – Examples of employers with over 100 employees

- UW-La Crosse
- Western Technical College
- Viterbo University
- Gunderson Health System
- Mayo Clinic
- Kwik Trip Headquarters
- Trane Technologies
- La Crosse Area YMCA
- Logistics Health Inc
- City Brewing Company
- La Crosse School District
- La Crosse County