



Date: November 23, 2015
To: King County Metro, c/o Jemae Hoffman, VIA
From: Michael George; Kidder Mathews

RE: Draft Multi-family Park & Ride Business Model Concept

Introduction

King County Metro's Park and Ride Pricing in Multi-family Developments Program (Program) will connect transit riders with vacant parking spaces in multi-family buildings. The Program will benefit transit riders by providing additional parking options, benefit multi-family building owners by allowing them to generate more income from their under-performing parking assets, and allow King County to bring additional P&R spaces on-line for less than the cost of constructing new parking.

Business Case

Demand for unpriced Park and Ride (P&R) spaces in King County is greater than the supply, and funding to construct new spaces is limited. Connecting the subset of transit riders who are willing to pay for additional P&R options with vacant parking spaces in multi-family buildings allows King County Metro to serve unmet P&R demand for less than the cost of constructing new parking.

A study by King County Metro found that the average multi-family building in King County has 40% more parking spaces than it needs to meet parking demand. Further study found that an estimated 346 multi-family properties in King County, within 0.1 mile of a high quality public transit stop, each contain 50 or more parking spaces that are vacant during the daytime hours. Combined, these buildings contain roughly 50,000 parking spaces, many which don't currently generate any parking revenue.

This study also determined that there are transit riders that are underserved by traditional P&R facilities, and that a portion of these users would be willing to pay for non-traditional P&R spaces that better met their needs. These users generally fall under two categories;

1. Transit users that depend on a traditional P&R facility that is either frequently full or that does not serve their particular needs. For example, service workers that need late morning parking when many P&R facilities are full.
2. Transit riders that need parking at transit stops not served by an existing P&R facility.

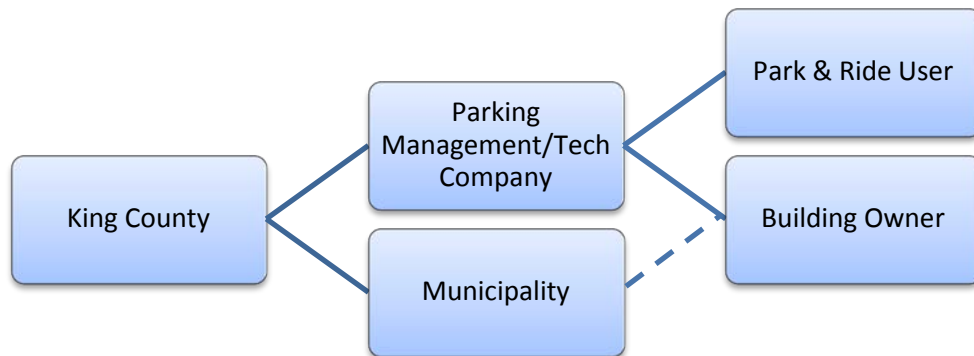
Business Model Overview

The Program will be led by King County Metro, which is responsible for working with cities to assure that the Program meets all local regulatory requirements. King County Metro is also responsible for soliciting parking from multi-family building owners for Program inclusion, marketing the Program to transit users, and working with stakeholders to help determine the appropriate price of parking.



Once these Program elements are in place, and building owners have agreed to participate, a preselected parking management and/or technology firm (Parking Firm) will act as single point of contact for both the P&R user and the building owner. The building owner’s primary role is to provide P&R users access to parking spaces that meet all Program requirements.

As shown in the diagram below, building owners that agree to participate in the Program will sign a contract with the selected Parking Firm. The contract will be associated with a specific number of stalls or access passes at each site. King County Metro will verify the legality of the Program with the relevant municipality prior to the contract being signed. In cases where there are issues, King County Metro will direct the Parking Firm to work with the municipality to draft a contract that is consistent with all local regulations. Depending on what each building owner and King County Metro jointly believe would be most advantageous, the physical parking spaces will be managed by the selected Parking Firm, the building owner, or a combination thereof.



Monthly vs. Daily Parking

It is assumed that the selected Parking Firm will initially focus on selling dedicated monthly parking, as this type of arrangement minimizes management challenges, reduces the need for complex access and user tracking technology, and exempts parking income from most local and Washington State commercial parking taxes. If feasible however, the Program will encourage the Parking Firm to explore the potential of also selling parking on daily and/or general access basis where appropriate.

Program Roles and Responsibilities

This section details the roles and responsibilities of King County Metro, the selected Parking Firm, participating building owners, and the cities in which the Program operates. The Program plans to start with a pilot phase, beginning with different test sites to determine the viability of a long-term self-sustaining Program.

King County Metro

King County Metro’s primary roles are to work through regulatory issues, market the Program to transit users, and bring multi-family buildings into the Program.



Required Elements:

King County Metro is responsible for the following elements in both the pilot phase and the long-term Program phase:

- Contract with a parking management and/or technology firm (Parking Firm) to act as a single point of contact for both the P&R user and the building owner.
- Solicit parking from building owners for Program inclusion unless the selected Parking Firm proposes an acceptable plan for taking on this responsibility.
- Market the Program to transit users.
- Promote environmental sustainability and social equity goals by implementing the Program in a way that reduces vehicle miles traveled, increases public transit ridership, and provides equitable access to P&R spaces.
- Communicate all parking facility and operating requirements to the selected Parking Firm.
- Work with selected Parking Firm to generate boilerplate language regarding the mitigation of building owner liability, and materials covering local parking regulations as they relate to the Program.
- Work with cities to overcome regulatory barriers.
- If necessary, help building owners and/or the selected Parking Firm to comply with all regulatory requirements related to the Program.
- Work with Program stakeholders to help determine the appropriate price of parking. The goal will be to set parking rates high enough to provide a reasonable profit to the property owner and Parking Firm, but low enough to encourage use by transit riders.

Pilot Project Elements

The Program plans to start as a pilot project with up to ten multi-family parking facilities providing approximately 500 multi-family P&R spaces. The elements outlined above are also relevant to the pilot phase. King County Metro may be able to provide assistance, financial or other, with certain Program start-up costs as part of the pilot phase.

- As part of the contract with the selected Parking Firm, determine the responsible party for capital costs for pilot sites.
- Depending on the level of investment needed, King County Metro may cover a portion of the upfront capital costs and/or start-up related expenses.
- King County Metro may provide technical assistance where appropriate.

Parking Management and/or Technology Company (Parking Firm)

The primary role of the Parking Firm will be to act as a single point of contact between P&R users and participating multi-family building owners.

Required Elements:

The selected Parking Firm is responsible for the following Program elements:

- Contract with building owners to provide services in a manner consistent with local regulations.



- Depending on each building owner's preference, provide the appropriate level of management services for the physical parking spaces.
- The model assumes that the Parking Firm will provide parking services in exchange for a percentage of the total parking revenue collected; however, with King County Metro's approval, the Parking Firm may use another fee structure. There are a number of alternative structures including, but not limited to, a flat fee charged per space, a flat fee charged per parking facility, or an arrangement where the Parking Firm leases the spaces from the building owner then subleases them to Transit Users at a higher price.
- Provide and operate an online tool that allows customers to find, reserve, and purchase parking.
- Collect parking fees, report parking revenue, and distribute parking revenue to building owners.
- Forecast parking revenue and parking occupancy trends at each location.
- Provide technology including all hardware, software, and ancillary components necessary to track the use of P&R spaces and grant P&R users access to the multi-family parking facilities.
- Provide a list of King County Metro's parking facility requirements to each building owner, and insure that each parking facility meets these standards. This may include both initial and ongoing facility inspections.
- If needed, work with building owners to make all necessary upgrades required to meet King County Metro's parking facility requirements.
- Work with building owners to insure that all necessary signage is posted including but not limited to general terms & conditions, park&lock, and signs indicating which spaces are available for P&R use.
- Provide customer service to P&R users and building owners during agreed upon times.
- Provide a plan to deal with emergency issues. An example of an emergency issue is a P&R user that is stuck in a gated parking facility.
- Work with building owners on a case by case basis to determine how to best monitor each parking facility for security issues and parking violators.
- In cooperation with King County Metro, generate boilerplate language regarding the mitigation of building owner liability, and materials covering local parking regulations as they relate to the Program.

Optional Elements:

These are Program elements that the Parking Firm may choose, or be asked to participate in, but does not need to commit to as part of the selection process:

- Solicit parking from building owners for Program inclusion.
- Coordinate with King County Metro to screen P&R user participants to ensure that the parking is serving carpoolers, vanpoolers, and/or transit riders.
- If requested, support King County Metro in setting the price of parking at each facility. The goal will be to set parking rates high enough to provide a reasonable profit to the property owner and Parking Firm, but low enough to encourage use by transit riders.



Building Owner

The building owner's primary role is to provide P&R users access to parking_spaces that meet all Program requirements.

Required Elements

The building owner is required to comply with these elements to participate in the Program:

- Sign a contract with the selected Parking Firm, unless local regulations dictate otherwise.
- Provide spaces to the Program by granting access to approved P&R users during agreed upon times.
- Comply with all local regulatory requirements. King County Metro will provide assistance with this.
- Meet all King County Metro parking facility and Program requirements. This includes granting access to King County Metro and/or selected Parking Firm to verify compliance.
- Make all facility improvements required to participate in the Program. For example, if needed, upgrade garage lighting to King County Metro parking facility standards.
- Communicate rules and regulations to other users with access to the parking facility to avoid conflicts.

Optional Elements

These are Program elements that the building owner may choose to manage in-house, sub-contract out to the selected Parking Firm or in some cases skip altogether:

- Manage the physical P&R spaces within the parking facility.
- Monitor the parking facility for security issues and parking violators.
- Provide parking enforcement services.
- Work with King County Metro to set the appropriate price for parking.
- Produce and install all necessary signage including but not limited to general terms & conditions signs, park & lock signs, and signs indicating which spaces are available for P&R use.

Municipality

The Program will operate across a number of cities. Each city will need to verify that the Program meets all local regulations, and if needed work with King County Metro to overcome regulatory barriers. The following is a list of Program elements that require city input and/or involvement:

- Verify that the Program meets all local regulations.
- Define all building code requirements that are relevant to the Program.
- For sites that require a traffic impact or parking study, define the appropriate level of analysis. Ideally King County Metro in cooperation with each city would generate a preapproved form/generic study template requiring simple data collection.
- Define how the Program would be categorized for regulatory purposes. For example, is the Program regulated as commercial parking, shared parking, or under another category?



- Verify which local parking taxes are applicable to the Program. Ideally the city would exempt the Program from all local parking taxes.
- Pilot sites may be approved and regulated on a case by case basis; however, long-term it is preferable for cities to explicitly codify the use.