

# **FHWA Value Pricing Pilot Project: Park & Ride Pricing in Multifamily Developments**

## Final Scope of Work - 2/6/2014

**Project Goal (from grant proposal):** To catalyze the development of a priced marketplace for leased park & ride spaces in underutilized multifamily (MF) parking lots near high capacity transit services.

### **Scope:**

#### **1. Proof of Concept**

- 1.1. King County will manage all task work and submit quarterly progress reports to the Federal Highway Administration (FHWA). King County will hire a consultant to support the Proof of Concept task work and convene a committee panel, including FHWA and Washington State Department of Transportation (WSDOT) staff, to periodically review and provide input on task progress.
  - 1.1.1.Deliverables: King County quarterly reports and facilitation of committee panel meetings.
- 1.2. Identify preliminary barriers and opportunities for implementing a priced marketplace for leased park & ride spaces in underutilized MF parking lots. Considerations include, but are not limited to, business models, policy/legal/political implications, transit/land use conditions, potential bicycle parking integration, target markets (especially near park & ride lots that typically reach capacity), technology applications (apps), financial pro formas, building design and management, payment/pricing opportunities and payment processing, parking product standards and specifications, and management/access of parking assets. Results from the Right Size Parking Project will be used to guide initial assessment.
  - 1.2.1.Deliverables: technical memo framing project concept and documenting barriers and opportunities to achieving project goals.
- 1.3. Develop, in coordination with FHWA and WSDOT, multiple preliminary business model alternatives for implementation of the program, including, but not limited to, a government lease lot model and a private market based system or other joint development models. One type of business model that may be explored is providing public support to participating property owners to implement any technology or parking access management investments needed to facilitate the leasing of parking spaces to park & ride users. Another potential model that will be explored would use a peer-to-peer website or application to facilitate the marketing, pricing, searching, lease, and legal contracting between the parking owner and user. These and other preliminary business models will be tested in tasks 1.4 and 1.5 below and in coordination with FHWA and WSDOT. The business models will be refined and assessed in task 1.6.
  - 1.3.1.Deliverables: technical memo documenting at least two preliminary business model alternatives. Memo will identify business model components that should be vetted by key stakeholders in task 1.4 and 1.5.
- 1.4. Conduct outreach and/or focus group sessions with targeted audiences to assess potential market sizes, strengths, weaknesses, opportunities, and threats of different business model alternatives. Target audiences are expected to include property owners and managers, parking operators, local jurisdictions, transit service providers, residents, current park & ride users, and potential MF park & ride users.
  - 1.4.1.Deliverables: a minimum of two outreach and/or focus group sessions. Technical memo summarizing results from sessions.
- 1.5. Conduct data collection to inform development and assessment of business model alternatives. Data collection may include parking utilization counts during daytime hours, stakeholder interviews, customer preference and willingness to pay surveys based on the type of parking provided (time, quality, time restrictions), and smart phone data (big data).

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1.5.1.Deliverables: tabular and/or map products summarizing the data collection.

1.6. Assess the business models based on costs and benefits from multiple perspectives, including government, MF building owners/operators, neighborhood/community, and parking/transit customers. With FHWA and WSDOT concurrence, select a business model or models that best meets the combined interests of all stakeholders and is financially feasible and sustainable.

1.6.1.Deliverables: A final proof of concept report summarizing all technical products delivered in task 1 in addition to a detailed cost and benefits analysis of business model alternatives and a proposal for a preferred business model for pilot implementation.

## **2. Program Development**

2.1. Develop final business model including financial proformas and program implementation plan.

2.2. Establish requirements for program participation of both parking suppliers (i.e., number of parking spaces provided, hours of availability, price(s) charged) and parking users.

2.3. Identify priority pilot implementation areas and target buildings. Collect additional data as needed to support this task.

2.3.1.Deliverables: technical memo summarizing task work completed in 2.1, 2.2, and 2.3

2.4. Draft sample property agreements for program participation with FHWA and WSDOT concurrence.

2.4.1.Deliverables: one sample property agreement

2.5. Produce materials to market the program and value proposition to potential building participants

2.5.1.Deliverables: marketing plan and materials to facilitate pilot program participation

2.6. Develop methods and technology to facilitate the reservation, payment, and use of the parking stall. Technology may include the development of a peer-to-peer website for the MF park & ride marketplace.

2.6.1.Deliverables: Methods and/or technology to facilitate parking reservation, payment, and use of stall.

2.7. Develop outreach plan and potential incentives for participant recruitment with FHWA and WSDOT concurrence.

2.7.1.Deliverables: technical memo detailing outreach plan

2.8. Develop monitoring and measurement plan with FHWA and WSDOT concurrence.

2.8.1.Deliverables: technical memo detailing monitoring and measurement plan

## **3. Pilot Program Implementation**

3.1. Recruit pilot project participants and execute property agreements, including requirements for operations, data collection, evaluation, and reporting. A minimum of three agreements will be the goal, but more will be pursued depending on interest and funding. Property agreements may include financial assistance to property owners for parking access investments. Any financial assistance to properties using grant funds will include FHWA and WSDOT concurrence.

3.1.1.Deliverables: Report on project participants and final property agreements.

3.2. Open parking market and track participation over a year and a half time period

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- 3.3. Monitor and measure program use through multiple forms of data collection, including, but not limited to, on/off street parking utilization surveys, resident/user surveys, and transit usage data. Property owner participants will be required to provide on-going data for the supply of parking available to the program users, the amount of parking leased at each price, and return on parking access investment. Parking user participants will be surveyed and monitored for travel behavior characteristics, including changes in travel behavior resulting from the newly available park & ride accommodations.
- 3.4. Report on program implementation including demonstrated market interest, response to newly available park & ride accommodations and pricing, and implications on travel behavior.
  - 3.4.1. Deliverables: quarterly reports detailing quantitative and qualitative performance metrics as defined in the monitoring and measurement program and other relevant lessons learned.
- 3.5. Develop a final report documenting all aspects of the project, including the findings and results from each task, and the related decisions that were made, and rationale for such decisions, throughout the project. The report will document the direct benefits from the pilot (e.g., reduced vehicle miles traveled, increased transit utilization, reduced emissions, etc.) and lessons learned. If the pilot is successful, the report will also identify post-pilot opportunities for expansion, and provide an estimate of the effects of an aggressive, but feasible plan to expand the strategies that were tested in the pilot throughout the county. This report is subject to FHWA and WSDOT approval.
  - 3.5.1. Deliverables: final project report.

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**Project Schedule:**

Task	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.1												
1.2												
1.3												
1.4												
1.5												
1.6												
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2.4												
2.5												
2.6												
2.7												
2.8												
3.1												
3.2												
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3.4												
3.5												

**Budget:**

TASK	YEAR 1	YEAR 2	YEAR 3	TOTAL
<b>Pre-Implementation</b>				
1. Proof of Concept	\$ 279,833			\$ 279,833
<b>Implementation</b>				
2. Program Development		\$ 234,378		\$ 234,378
3. Pilot Project Implementation		\$ 49,717	\$ 213,072	\$ 262,789
TOTAL Value Pricing Request	\$ 195,883	\$ 198,867	\$ 149,150	\$ 543,900
King County Match (30%)	\$ 83,950	\$ 85,229	\$ 63,922	\$ 233,100
<b>TOTAL Grant Amount</b>	<b>\$ 279,833</b>	<b>\$ 284,095</b>	<b>\$ 213,072</b>	<b>\$ 777,000</b>

\* King County match will be in-kind staff time support to the grant project.