

Memorandum

To: Jim Nitz  
King County

From: Rebecca Ortiz *Rebecca Ortiz*  
Ampco System Parking

Date: 9/30/2003

RE: Current and Possible parking rates for the Jail Lot

Jim,

Per our telephone conversation Friday, the following are my recommendations and reasons for the rate recommendations on the above stated parking lot.

Current Rates		Suggested Rates		Building to Rates	
Early Bird	\$ 8.00	Early Bird	\$ 9.00	Early Bird	\$ 10.00
0 - 1 Hour	3.00	0 - 1 Hour	4.00	0 - 1 Hour	5.00
1 - 2 Hours	5.00	1 - 2 Hours	6.00	1 - 2 Hours	7.00
2 - 4 Hours	7.00	2 - 4 Hours	8.00	2 - 4 Hours	8.00
4 - 10 Hours	10.00	4 - 10 Hours	12.00	4 - 6 Hours	10.00
Eves after 6 pm	5.00	Eves after 6 pm	5.00	6 - 8 Hours	12.00
Holidays and		Holidays and		4 - 10 Hours	14.00
Weekends	5.00	Weekends	5.00	Eves after 6 pm	5.00
				Holidays and	
				Weekends	5.00

The current Market Rate is above the current rate structure. Construction in the area in the past two years drove the demand for the lot up, however, the inability of the parking operator to make daily decisions concerning rate increases resulted in the stagnation of the income on the lot. There are 175 stalls on the parking lot and at the height of construction, 120 to 140 of these stalls per day, were filled with construction workers parked all day while working. This limited the in/out traffic thus limiting income.

The marketing of this parking lot needs to change with the daily demand. Although the demand caused by construction is less, the new demand will be with the County and Municipal Buildings that have been constructed. Raising the Early Bird Rates and controlling the usage is the key to higher income on the lot. Coupled with better marketing by placing signage at the corners of 5<sup>th</sup> and 6<sup>th</sup> facing oncoming traffic will help draw more customers to the area.

# MEMORANDUM

**To:** Jim Nitz  
King County

**From:** Rebecca Ortiz  
Ampco System Parking

**Date:** 7/1/2003

**RE:** Further Clarification on June 30<sup>th</sup> Memo

To further clarify the Memo on parking rates, my conclusion is this:

- When I compared the numbers from the Daily Cash Reports of the last 10 months that Ampco has been running the parking lot and figured in the area rates per the Market Surveys furnished to you over this time. I estimate that the loss in earning potential for the County Lot property was approximately 20% or \$54,000.
- I expect with a change to the suggested rates, the lot should show and increase at the very least of 7 % before taxes. This change in income and customer base will then lead to adjustments for further changes in rates. The rate changes should flow slowly as we fill the parking lot to its capacity.
- Over time, the long term hope would be a 20 to 25 percent increase in profitability for the parking lot stabilizing in 5 to 7 years. The parking demand for the area will increase as the newly constructed buildings are filled with workers and utilized to their fullest capacity (or overused since they are local government buildings).

I believe that it would benefit the County greatly over time to allow the Operator to set the rates for the Parking Facility. The profit projections would be over and above any increase in Operating Expenses unless the County should make a decision for Capital Improvements. Proper signage and a few improvements to the lot will enhance the facility and pay for itself within months. Major improvements would be feasible with increased income.

In the last month, an average of only 46% of the parking lot is filled with Early Bird customers on a daily basis as compared to 60% during the construction peak. With 40% of all short term tickets pulled for the 0 to 1 hour rate (up from 17% during construction), this and the availability of more short term space has increased the daily income an average of \$107.00 per day. The key to marketing this lot is capturing the short term parking customer. Controlling where the Early Bird customer parks (ie . . . less desirable stalls, either furthest up on the hill or in the area down below furthest from the attendant booth), would create an area within view of the street that potential short term customers can see. We should never use the full signs on this lot. If the full signs are being used on a regular basis, the rates are too low.

I believe the demand for the short term customer will increase quickly. Making the parking lot more attractive to that customer should be our goal. The availability of space and improving the appearance of the lot with new signage and other small improvements such as pedestrian walkways, asphalt work, re-striping and weeding will provide a better atmosphere for the parking customer.

Please let me know if there is anything that you would like to discuss concerning this memo.