parking advisors

PARKING VALUE-ADD CASE STUDY

$339K of New Annual Parking Income at a Downtown Retail and Entertainment Garage in Seattle

Ownership of a 1,164-space garage beneath a retail and entertainment center in downtown Seattle, WA asked us to assess its parking operation. The operator performs at industry standard; the opportunity lies in rates, staffing, fees, and new demand.

$339K
Annual net income impact

$4.5M
Value creation at a 7.5% cap rate

9%
Lift in parking NOI

THE SITUATION

A Below-Grade Garage Under a Center in Transition

Ownership asked us to review the garage operator, now in its seventh year at the property, and identify ways to improve operations, increase revenue, and reduce expenses.

The center is about 40% leased, and parking operating income of $3.6M over the trailing 12 months remains well below the $5.4M earned in 2019. A city agreement caps transient rates at 80% of the downtown average and monthly rates at 100%.

SPACES	BUILDING	MARKET	DEMAND
1,164	5-story, 339,445 SF retail and entertainment center	Downtown Seattle, WA	Retail, dining, and cinema visitors; monthly parkers; nearby convention and theater events

OUR APPROACH

Six Workstreams Across Revenue, Cost, and Control

01 Revenue Controls

Statements reconciled to system, billing, and online reports; unredeemed tickets and gate vends tested.

02 Market Rate Survey

Nine nearby garages, measured against the city agreement's rate caps.

03 Fees and Staffing

Operator fees benchmarked to market; shift schedules reviewed position by position.

04 Marketing and Online Sales

Business development, event demand, and commissions across four online platforms.

05 Site Inspection

Safety, wayfinding, signage, cameras, and EV charging across all six levels.

06 Agreements and Reporting

Management and license agreements, receivables, and the statement package.

FINDINGS

Rates Had Room Under the Cap; Fees and Staffing Ran Above Market

Within the city agreement's limits, we recommended increases to seven hourly rate bands, three special monthly products, and discounted monthly rates set during the pandemic. Unredeemed tickets ran at 2.25% of tickets issued.

REVENUE	EST. ANNUAL
Hourly rates to the 80% cap	$133,044
Monthly products to market	$12,103
Unredeemed tickets to 1.5%	$26,615
Contractual license fee escalations	$2,192
Hotel and restaurant valet storage	$19,117
Event and entertainment demand	$14,338
Revenue subtotal	**$207,409**

Operator fees and allocated expenses were above market benchmarks. Removing a redundant office position and trimming shifts cuts 64 labor hours a week. One online aggregator kept 17.7% of its gross sales in fees.

EXPENSE	EST. ANNUAL
Operator fees and allocations to market	$42,352
Staffing, 64 fewer hours a week	$86,215
Online commissions and fees	$3,226
Expense subtotal	**$131,793**
Total annual net income	**$339,202**

Net of taxes and probability-weighted from 50% to 100%, based on trailing 12-month volumes ending June 2024 with no demand attrition. Before weighting: $460,788.

OPERATIONS

Site Findings and Recommendations

- Repair or remove inoperable emergency intercoms, lock exposed outlets, and add an anti-slip pedestrian path.
- Correct contradictory elevator wayfinding and reposition exterior signs hidden by trees.
- Add cameras on every level and electrify 3% to 5% of spaces over five years.

GOVERNANCE

Receivables and Agreements

- 59% of receivables were 90+ days outstanding; $9,382 in credits went undeployed each month.
- Bid the operation through an operator RFP and renegotiate management agreement terms.
- Apply missed 3% annual escalations on a tenant license and set a formal late fee policy.

ACTION PLAN

DAYS 0–30 — 51%

Rates and Controls

Raise hourly and monthly rates; target unredeemed tickets and gate vends.

DAYS 30–90 — 38%

Operator RFP and Staffing

Align fees to market and restructure shifts.

DAYS 90–180 — 11%

Marketing and Site

Market to valets, track events, and address site gaps.

Percentages show each phase's share of the $339K annual opportunity.

"$339K in added annual net income, $4.5M of value creation at a 7.5% cap rate, and a 9% lift in parking NOI."