

CITY OF ROSWELL

Scope of Work #3

Parking Business Model

July 8, 2024



This Scope of Work (“SOW #3”) is made and entered into between Seer World, LLC (“Seer”), a Georgia limited liability company and the City of Roswell (the “City”), a municipal corporation of the State of Georgia, as of the date set forth below, and is attached to, incorporated in and made a part of that certain executed Contract Agreement (“Agreement”) between Seer and the City, approved by Mayor and Council on April 22, 2024 by Resolution Number 2024-04-16.

Seer and the City agree regarding this SOW as follows:

PROJECT SUMMARY

The desired outcome of this project is to continue the development of the comprehensive and self-sustaining parking business for the City of Roswell. The City has recognized that high land prices and the current cost of borrowing in the private sector has created significant headwinds for the developer community and in turn slowed growth for the City. The City has also recognized that these conditions provide a unique opportunity for municipal government to assist the private sector while managing the vision of growth, its locations and pace all while creating an environment for the City to participate. As a component of the bond strategy for the parking deck the City began to create a new business strategy outside of traditional municipal tax revenue models. This scope of work completes the analysis and will make final recommendations for implementation of the parking business model for the City of Roswell.

PHASE ONE**Part 1. Establishment and Organization of Authorities**

Seer will develop a phased strategy for implementation. Phase One will include the establishment of a Public Facilities Authority (PFA), a Parking Authority (PA) and a schematic approach to integration with the Roswell Development Authority (RDA) and the Downtown Development Authority (DDA) as well as preliminary forecasts for OpX budgets, and future resource requirements to scale operations.

Structuring Public Facilities Authority

Deliverables:

1. Develop and track critical timelines for all projects contemplated for the PFA and milestones

against the process of originating a Public Facilities Authority.

2. Develop a strategy and recommendation for the structuring of a PFA board, governance structure, quarterly reporting requirements, annual budget projections, staffing, management and reporting structure as well as responsibilities and goals.
3. Work with the City Attorney's office to review a Public Facilities Authority Charter and schematic ecosystem conveying authority and deferment of Parking Authority, Public Facilities Authority, Roswell Development Authority and Downtown Development Authority.

Structuring Parking Authority

Deliverables:

1. Develop and track critical timelines and milestones against the process of originating a Parking Authority.
2. Develop a strategy and recommendation for the structuring of a PA board, governance structure, quarterly reporting requirements, annual budget projections, staffing, management and reporting structure as well as responsibilities and goals.
3. Research the powers and duties of a Parking Authority, how it would or would not support the PFA and make a recommendation for establishing a PA under the City's Parking Model.
4. Work with City Attorney's office and outside counsel (if required) to produce a Parking Authority Charter and schematic ecosystem conveying authority and deferment of Parking Authority, Public Facilities Authority, Roswell Development Authority and Downtown Development Authority.

Part 2. Financing and Bond Strategy

Seer will develop a funding strategy that evaluates the feasibility of deploying revenue backed bonds, long term low interest federal loans as well as the application and process of utilizing other financial tools for land acquisition and parking development. Recommendations on funding the parking strategy will be made based on the evaluation outcomes.

Financial Strategy and Tools

Deliverables:

1. Research and provide recommendations for available tools and their applicability to base level

development projects.

- Provide recommendations to the Economic and Community Development teams as well as partner Authorities to develop a matrix for financial tools and base criteria for use; 'go, no go'.
- 2. Provide evaluation and recommendations for the development of revenue producing products adjacent to parking assets including; for sale housing products, retail, commercial/office space and air rights.
- 3. Review all strategy and tool related deliverables with City Attorney and outside counsel where required to insure legal and regulatory compliance.

PHASE TWO

Part 1. Research, Review and Inventory Development

This portion of the project begins the process of collecting all available parking related data, previous studies, transportation as well as traffic historicals. Seer will work with the City's GIS department to locate and pin all public and relevant private parking sites in the GIS Roswell mapping tool. Seer will also facilitate learning sessions with Senior Staff and Elected Officials to articulate the City's future parking strategy.

Deliverables:

1. Collect and study best practices and relevant failures for consideration in construction of the Roswell implementation plan.
2. Study sister cities including; Alpharetta, Sandy Springs, Johns Creek, Woodstock and Milton for like market analysis and competitive pricing and regulatory structures. Compare existing inventory levels, demand/absorption, pricing, management structures and OpX budgets.
3. Assess incumbent parking app vendor:
 - Review Park Mobile mobile technology capabilities and evaluate the platform for future scaling and applicability to the future parking strategy.
 - Review the existing Park Mobile contract terms and make recommendations for restructuring where applicable.
4. Inventory development, analysis and mapping:
 - Develop an inventory and work plan with the City GIS team to digitally stripe all known City-controlled parking spots and catalog by type, location and any additional tagging

system. Upload all new parking inventory and locations to the Park Mobile App. for traffic counting & market introduction.

- Make recommendations to prepare the market for implementation of the parking strategy.
 - Develop a system to update parking inventory as new projects bring inventory online and additional parking becomes available.
 - Analyzing existing City wide inventory
 - Public and relevant private parking lots
 - Evaluate current pay structures, data collection methods and revenue history to form a baseline.
 - Develop yield potentials for cataloged spots as a baseline for future reporting and actionable insights.
5. Develop a parking dashboard for regular analysis to better understand the origins of users and patterns of use.
 6. Work with Parking App. partners to develop financial reporting that indicates highest yielding spots and lots for future variability tuning and yield optimization.
 7. Develop a preliminary campaign strategy for Parking App download and adoption.
 8. Map and assess new and revised signage requirements for all newly logged lots. Plot production and installation schedule with City officials.
 9. Assess needs for onsite kiosk ticket locations and evaluate the platform for scaling.
 10. Assess sites and make recommendations for free or validated parking and that all ADA requirements are accounted for and met by site.
 11. Review UDC parking related sections citywide and enforcement strategies.
 12. Make recommendations for alterations to UDC related parking requirements based on the implementation of a new parking model for the City of Roswell.

Part 2. Financial Analysis, Price and Demand Models

The business model and financial analysis stage will outline a process for constructing a variable pricing strategy for distributed parking lots. The output will seek to maximize revenue opportunity by accurately forecasting parking demand under many possible conditions. Seer will use the analysis to more accurately align prices with willingness-to-pay.

Process Considerations:

This portion of the project will take an experimental approach and assumes that the City is willing to test price changes over a period of time and by location. It is also assumed that the City believes an analytically driven approach to pricing will help realize incremental revenue. Lastly, it is assumed that all stakeholders will actively participate in data gathering and are willing to connect Seer with all necessary external stakeholders. Seer believes that parking data can be used as a proxy for parking demand. Other data associated with parking locations such as the latitude and longitude of lots, the number and type of businesses, the number of visitors to the area, and any data on possible competition such as private lots would be helpful for modeling but may be unavailable or unnecessary. In which case, Seer will develop a principled pricing strategy based on the best available data.

Deliverables:

1. Identify a complete list of stakeholders necessary to coordinate the experimental approach and delivery requirements to the City for coordination.
2. Recommended variable hourly parking rates based on location and proximity to places of interest, type of parking, available inventory, duration, time of day, day of week and special event considerations.
3. Recommended parking sublease rates for long term guaranteed parking in City controlled and financed lots.

The final document will be based on several assumptions: (i) that longitudinal data from Park Mobile is available and structured in a way that facilitates analysis, (ii) that capacity data is available for each lot/site, (iii) that there is data on any long-term guaranteed parking, and (iv) that Park Mobile is able to ingest recommended rates in a dynamic fashion allowing for periodic changes.

Spot reservations and valet services will be handled differently and are out of scope for the initial phase of the project but can be addressed once the baseline model is in place.

Parking Data Structure

The data structure available from Park Mobile should look similar to the following table. If data is not available, our approach will become more experimental. This will require analyzing macro-level outcomes to make a series of adjustments.

Table 1: Parking Data Structure

<u>Lot</u>	<u>ID Spot</u>	<u>Entry</u>	<u>Exit</u>	<u>Duration</u>	<u>Minutes</u>	<u>Cost</u>
Elm Court Parking	ID744663	46:16.7	44:09.4	14273	238	5.93
Sycamore Lane Parking	ID241748	08:06.7	26:33.8	1107	18	0.00
Oak Drive Parking	ID616408	08:59.8	50:49.8	6910	282	7.40
Cedar Lane Parking	ID436267	00:41.9	53:22.4	24761	413	11.77
Willow Avenue Parking	ID565145	23:11.1	51:46.2	26915	449	12.97
Pine Street Parking	ID350564	05:22.8	04:44.8	28762	479	13.97
Maple Avenue Parking	ID430655	31:46.8	14:33.3	31366	523	15.43
Birch Street Parking	ID882945	44:52.5	39:53.6	3301	55	0.00
Sycamore Lane Parking	ID722164	00:10.5	20:57.0	8446	141	2.70
Oak Drive Parking	ID550713	20:38.0	54:55.4	9257	154	3.13

Private Payment Model

With the completion of the variable daily parking model, the next step will apply those findings to a monthly model using similar inputs. This portion of the financial analysis and modeling will rely on assumptions and data gathered from other like sized cities and Roswell's sister cities. The correlation of monthly parking rates to required bond repayments will also be studied at a base level. Each new bonded parking deck project will require specific analysis based on the development and its approved

or entitled program.

Deliverables:

1. Monthly / Annual Lease and Sublease Rates
2. Variable Pricing Models / Rates for:
 - Base Product: Leased spots bring leasing partners in compliance with code requirements. No branded or 'reserved' signage.
 - Reserved Product: Leased spots bring leasing partners in compliance with code requirements. Spots are branded and 'reserved'.

This study will also contemplate other key factors for both Base and Reserved product including: cost breaks for volume, cost breaks for term, annual fee escalators, related production and management costs as well as base forecasting for operations such as parking maintenance, management, utilities, long term replacement costs and security.

Construction of Price Demand Function

The approach in estimating hourly usage will be fundamental to quantifying the underlying demand for parking. This analysis will drive forecasts, price sensitivity analysis, and pricing recommendations. Seer will take a multi-stage approach with the working hypothesis that:

1. A visitor chooses to come to the location.
2. A visitor then selects a place to park.
3. Visitors prefer some parking lots over others due to a variety of factors such as proximity to where they would like to visit, lights, cover, or other features such as price.

Lot features may be weighted to estimate underlying unconstrained demand. Ideally, we will see that visitors prefer specific lots or spots based on features or location. Recommendations will follow location/accessibility and will ignore specific parking spots within each lot. Experiments will be used to gauge price sensitivity.

Given the nature of parking, important information such as balk rates will be very difficult to measure. For instance, if pricing is too high, some nearby visitors could choose to park elsewhere and supplement

with a rideshare service. This may require additional analysis to understand demand variance.

If data is available, Seer will begin by constructing an analysis of underlying demand based on modeling demand distributions for each location.

Constructing a Price Demand Function

Seer will utilize earlier analysis to construct a system of equations based on price demand functions that will use demand analysis to estimate a visitor's willingness-to-pay for each parking lot. These models will be then used to set pricing.

Deliverables:

1. A table of recommended variable hourly parking rates.
2. A table of recommended parking sublease rates for long term guaranteed parking.

This data will be provided via .csv file and will offer variable pricing for each day and hour of the year. Other formats will be provided if necessary to ensure transferability to Park Mobile.

Part 3. Comprehensive Business Plan

Statista.com shows that by Q4 2024, the parking lot business market will reach nearly \$ 11.27 billion nationally. The Roswell Parking business plan will be a multifaceted approach contemplating parking as an unrealized asset across the City and as a powerful tool to spur economic activity and strategic real estate development. The business planning document will hold the results of earlier phases, along with tactical expectations in a structured model. This model will allow for an expeditious and efficient 'standing up' of the business as well as integration into the City's broader enterprise.

Business Description

1. Mission Statement: Concise statement of the purpose and goals.
2. Vision: Description of the City's vision for parking as it relates to development, traffic and future modes of transportation.
3. Legal Structure and Governance: Guidelines for how the initiative will interact with other entities, authorities and be managed.

Products and Services Offered

1. Parking Services: Detail of the intended types of parking products and their relationship to fostering economic activity.
2. Additional Services: Exploration of adjacencies related to parking and capable of enhancing or accelerating economic development i.e. charging stations for EVs, air rights etc.

Market Analysis

1. Target Market: Identification of primary customer segments, event attendees and hospitality related visitors, local businesses needs and business staff parking.
2. Competitive Analysis: Evaluation of existing parking facilities, strengths, weaknesses, gap analysis, pricing, and future use.
3. TAM: Define total addressable market and defining parameters. Integrate secondary research and existing CVB data sets.

Marketing and Sales Strategy

1. Marketing Plan: Outline customer acquisition strategies, App download and awareness campaigns.
2. Engagement Strategy: Detail customer education plans, use of App and kiosks.

Operations Plan

1. Locations: Map projected locations, walking radiuses and development projects prioritized for parking related impacts.
2. Facility and Division Management: Contemplation of outsourced management contract vs inhouse City parking facilities management team. Staffing, security, operations, maintenance and reporting requirements.
3. Technology: Detail technology solutions for implementation - mobile, kiosk, IoT monitoring and inventory management, payment and advance booking systems.

Financial Plan

1. Revenue Model: Integration of variable, and bulk pricing strategies along with demand models to populate revenue forecasts.

2. Cost Structure: Outline of projected fixed and variable costs, including bond issuance, interest and repayment, utilities, salaries, maintenance, insurance etc.
3. Financial Projections: Provide base financial forecasts for the first three to five years, including income statements, cash flow projections, and break-even analysis.

Funding Requirements

1. Initial Investment: Required startup costs and associated projects anticipated in months 0-24.
2. Use of Funds: Detail projected allocation of funds - OpX vs CapX for land acquisition, construction (parking retail, office, infrastructure).
3. Funding Strategy: Define tools for funding and required partnerships with associated authorities and other agencies.
4. Licenses and Permits: Work with the City legal department to list required licenses, permits and insurance coverage for operations.

Part 4. Parking Design, Brand Integration and Technology

1. Seer will develop parking and parking structure design guidelines for:
 - Consistency in design, lay outs, materials, lighting and exteriors.
 - Naming nomenclature, environmental and wayfinding signage.
 - The potential for corporate sponsorships and advertising including; asset matrix creation, pitch materials, contracting, production and management.
 - Review of UI/UX in mobile app interface.
2. Review and provide recommendations on technology for Mobile App, ticket kiosks, wifi, IoT Smart City elements and charging systems.

Part 5. Future Management and Operations

Project staffing requirements and analyze self op vs outsourced management options. Seer will define:

1. Plan for staffing, organizational and reporting structures. Research best in class parking management companies.
2. Job descriptions, recruitment plan, candidate qualifying, panel and initial interviews for potential internal staff or outsourced management firms.

Key Assumptions

Seer's fees to perform the services outlined are based on the following key assumptions:

- Seer will schedule project timeframes and assign resources upon execution of this Statement of Work.
- The City will assign the Economic Development Director as the project sponsor to work with Seer throughout the duration of the project. The City may assign other sponsors as necessary.
- The City project sponsor will schedule and ensure participation of all relevant City or City associated personnel.
- Any additions or deviations from the Statement of Work's deliverables or direction may result in an extended timeline and additional fees. In the event that work is rescheduled based on delays from the City, additional fees may be incurred.

Works Made for Hire

- For purposes of this SOW #3, the term "Work" shall refer to all materials, content, creations, and intellectual property produced or developed by Seer pursuant to the terms of the SOW #3.
- The parties agree that all Work created by Seer, either alone or in collaboration with others, shall be considered a "work made for hire" and all rights, title, and interest in and to such Work shall be the exclusive property of the City.
- Seer hereby irrevocably assigns, transfers, and conveys to the City all rights, title, and interest in and to the Work, including, but not limited to, all copyrights, trademarks, trade secrets, patents, and any other intellectual property rights, worldwide. In consideration for the Work created by Seer, the City shall pay the agreed-upon consideration as outlined in this SOW #3. The provisions of this clause shall survive the termination or expiration of this SOW #3.

Fee Outline

1. Fee's

- (a) Seer's fee will be based principally on the time spent on the City's behalf calculated on the basis

of the contract rate of the Agreement, \$220 per hour.

- (b) Based on Seer’s consideration of the information provided, and assuming that there are no further developments or information which would cause us to vary our preliminary time estimation and that nothing out of the ordinary is encountered in the course of completing this work, we estimate that our fee, excluding disbursements, will be approximately \$143,000.00. Seer represents that this is a lump sum contract and all deliverables will be provided as listed in Scope of Work #3.
- (c) Payment terms for the project require an initial payment of 35% of the total project cost of \$143,000, amounting to \$50,050, to be paid upon execution of the agreement. The remaining balance will be progressively billed in three monthly installments with the final invoice served with completion of the project.

2. Other Direct Costs (ODC)

Other Direct Costs as detailed in the Agreement are applicable to this Statement of Work:

“The City of Roswell shall promptly reimburse the Firm for all expenses incurred or paid by the Firm or any of its members at cost, and which are specifically PRE-APPROVED by the client in writing, for travel expenses, licenses or subscriptions, deliveries, postage or any other goods and services which are deemed necessary or appropriate in order to provide the services specified in this agreement. Seer reserves the right to self-select travel vendors unless notified otherwise by the client. Reimbursable travel expenses will include; travel time, air travel (comfort + seating category), ride sharing, taxi, or full-size rental vehicles when applicable, fuel, parking and lodging not to exceed a room rate of \$300 per night. Seer will provide itemized receipts for all reimbursable travel expenses at the clients’ request.”

Timeline and Fees

Seer estimates this Scope of Work will be completed within a 90-day timeframe from the target start date. The dates to perform these services will be confirmed at the time the Statement of Work is signed. Seer will work with the City to build a mutually beneficial schedule, milestones and meeting cadence.

Fee by Phase

PHASE ONE

Part 1 Establishment and Organization of Authorities	145 Projected Hours
Part 2 Financing and Bond Strategy	50 Projected Hours
PHASE ONE TOTAL	\$42,900.00

PHASE TWO

Part 1 Research, Review and Inventory Development	95 Projected Hours
Part 2 Financial Analysis, Price and Demand Models	110 Projected Hours
Part 3 Comprehensive Business Plan	115 Projected Hours
Part 4 Parking Design, Brand Integration and Technology	90 Projected Hours
Part 5 Future Management and Operations	45 Projected Hours
PHASE TWO TOTAL	\$100,100.00

TOTAL PROJECTED COST	\$143,000.00
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APPENDICES

Legal Counsel Assumption

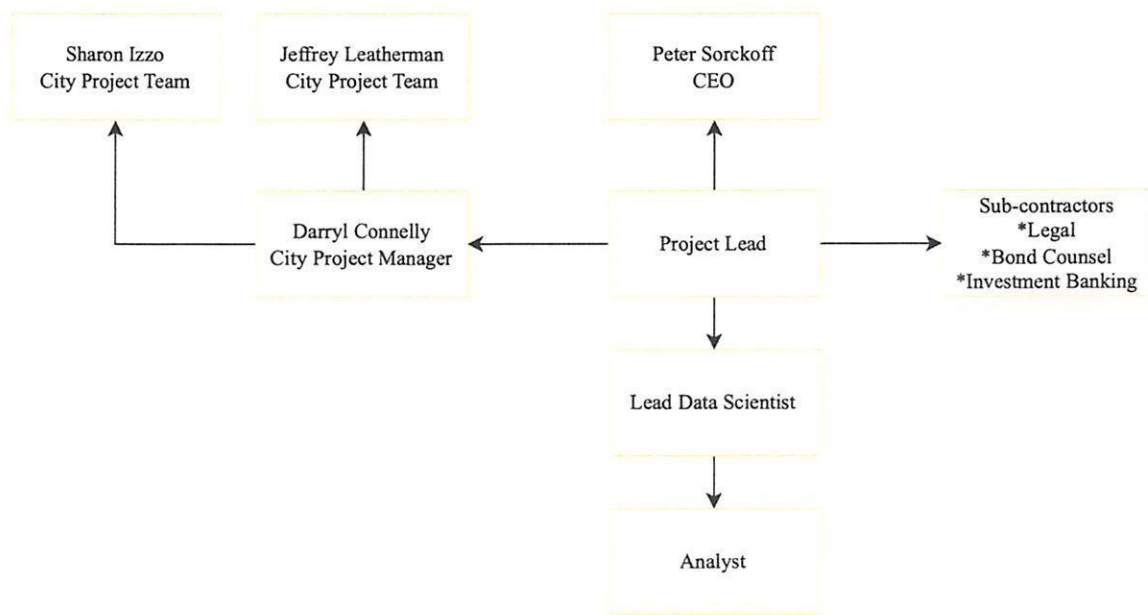
Seer is under the assumption that the City Attorney’s office and outside legal counsel (if required) will support Seer in this project in the following ways:

1. Risk Assessment
 - a. Outline and communicate potential liabilities for the City.
 - b. Determine necessary insurance policies that may live outside of existing coverage or may be related to future projects.

Attachment: SOW 3 Parking Business Model_FINAL 7.8.24. (Parking Business Model SOW #3)

- 2. Contracting
 - a. Outline and communicate any additional or necessary measures to enable the City to contract with outside agencies in association with the Comprehensive Business Plan.
- 3. Researching all legal requirements for origination of Public Facilities Authority as well as “And 1” Member model.

Project Organization Chart



*This SOW assumes that the City Attorney’s office will contract outside legal counsel, and that the City of Roswell’s existing Bond Counsel and Investment Banking services provider will assist as required in the form of sub-contractors. Fee’s related to these sub-contractors will be paid outside of this SOW by the City of Roswell.