

Case Study: PEMCO INSURANCE



PEMCO increases transit mode share 60% by combining new parking policy with FlexPass program.

For years the waiting list for an employee parking space in PEMCO Insurance's company garage was five years or longer. Last year, the wait simply disappeared. PEMCO didn't build more parking spaces – so how did they do it?

South Lake Union: A Changing Neighborhood

PEMCO's offices are located on the edge of the South Lake Union (SLU) neighborhood, a traditionally light industrial and warehousing area bordering downtown Seattle. To provide employee parking, PEMCO owns 4 surface parking lots and operates an adjacent garage that opened in 1982.

Space for parking is under increased pressure, however. The SLU neighborhood is experiencing a burst of new development, with 10,000 new housing units and 20,000 new jobs predicted in the next ten years. In response to the changing neighborhood activity, the city of Seattle has introduced time-limited street parking and is preparing to install parking pay stations for all on-street parking. Both these changes put increased pressure on PEMCO's current parking supply.

A New Parking Strategy

Realizing that parking demand was increasing, while supply was being squeezed, PEMCO's Employee Transportation Coordinator (ETC) recommended in 2005 that management re-assess their parking policy. In addition, PEMCO needed to increase the number of employees getting to work by modes other than driving alone in order to comply with the Washington State Commute Trip Reduction (CTR) law. A parking change was in order.

PEMCO's parking policy was already progressive, however. Monthly parkers were charged \$50 and 3+ carpools parked for free in the garage. Two person carpools parked in a surface lot two blocks away for free.

Management's new changes to this policy included:

- Raising the monthly garage charge to 98/month and surface lots to \$64/month.
- Instituting a "casual parking" program for non-SOV commuters: employees get 12 free day parking passes per year.
- Instituting a "business parking" program: managers can sign employees up for an extended parking pass if a project requires it.

Commute Program Support

To support employees who no longer choose to drive to work alone under the new policy, PEMCO fully subsidizes a FlexPass for all employees. FlexPass provides unlimited transit use on all regional providers, along with multiple other commute benefits. PEMCO has a high pass distribution rate, with 592 out of 749 employees taking the pass. In addition, PEMCO:

- Provides a Flexcar option for business and personal trips made during the day.
- Provides bike storage facilities and showers.
- Posts and regularly updates information on commute options on the Employee Commuter Board.

To help with future CTR program planning and providing more attractive incentives, PEMCO's well-organized Employee Transportation Coordinator applied for and won a state commute support grant for the company in 2005.

	2004	2006*
Parking charge on-site	\$50	\$98
Parking charge off-site	\$20-30	\$64
Transit subsidy	\$65	\$144
FlexPass	0	100%
Drive alone commuters	63%	53%
Transit mode share	14%	23%
Parking wait list	5 yrs	0 yrs

COMMUTE SEATTLE



LIVE MORE. DRIVE LESS.

Putting It All Together

Gas prices have gone back down since the parking policy and FlexPass benefit were put in place, and there has not been a corresponding resurgence in demand for parking. It appears that employees feel supported as they face their commute challenges, even in the absence of inexpensive parking. Not one person who dropped their monthly parking a year and a half ago has asked for it back. The wait lists for the garage and surface lots have dropped from five and two years, respectively, to zero.

Lessons Learned

Challenges to implementing the new commute support and parking policies were two-fold. First, management was initially skeptical and wanted to know what comparable work sites were doing. Hearing about what peer organizations in the neighborhood were doing was instrumental in their decision. Second, many long-time PEMCO employees who remembered when monthly parking was only \$17 resisted the increase in

prices. Coupled with rising employee health care costs, employees at first perceived the changes as another example of benefits disappearing. Providing FlexPass was an important step in getting everyone on board.

Quotes

"People are happier and some wished they would have switched years ago."

– Barb Thorsnes, Property Coordinator

"Seeing how well the program is working now it is evident that we can do more. We just have to find the right hook."

– Belinda Green, Employee Transportation Coordinator

*2004 numbers represent both the PEMCO home office (650+ employees) and a satellite office (80+ employees). 2006 numbers do not include the satellite office.

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