MEMORANDUM

HCMC EMPLOYEE WORK FROM HOME PARKING NEEDS ANALYSIS

PROJECT # 21-004578.10

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PROJECT NAME:	Telework and Parking Needs Analysis
PROJECT NUMBER:	21-004578.10

PROJECT CONTEXT AND OBJECTIVES

Walker Consultants completed a supply a parking supply and demand study for Hennepin County Medical Center (HCMC) in the first half of 2020. Based on this study, Figure 1 summarizes campus parking space adequacy across a ten-year planning horizon assumed pre-pandemic.

Figure 1: HCMC Parking Supply/Demand Summary, 2020 Parking Study

Current (2019) Design Day Conditions

- During design conditions, which are defined as the 11 a.m. weekday peak hour at the 95th percentile of patient activity levels, an estimated 446 spaces are vacant and so clearly, there are adequate numbers of parking spaces to meet existing needs.
- There is a current estimated surplus of 127 spaces during design conditions.
- This surplus includes a ten percent cushion of vacant parking spaces to meet routine operational needs and to provide flexibility in the system.

Year 2024 Parking Adequacy

- A deficit of 726 spaces.
- Assumes loss of 1,400 spaces at the Hospital Ramp, the loss of 116 spaces at the 10th Street Lot, the loss of 15 spaces at the Chicago Tuck lot and the addition of 766 net spaces at the Purple Rmp by 2024 and includes a hold-back for residential use.
- Excludes parking capacity from the Patient Care Underground Garage.
- Assumes inpatient, outpatient, and emergency department growth of 2.5 and 2.0 percent per annum, respectively. Associate staffing increase of 1.0 percent per annum and physician staffing increase of 1.0 percent per annum.

Year 2030 Parking Adequacy

- A deficit of 440 spaces.
- Assumes loss of 1,400 spaces at the Hospital Ramp and the addition of 766 net spaces at the Purple Ramp by 2024.
- Assumes loss of 120-space B-Lot for purposes of return to the County as soon as 2030.
- Assumes 750 spaces are built in the Patient Care Underground Garage by 2030.
- Inpatient, outpatient, and emergency department growth of 2.5 and 2.0 percent per annum, respectively. Associate and physician staffing increase of 1.0 percent per annum.

Source: Walker Consultants, 2020

The COVID-19 pandemic has brought significant impacts and disruptions since it arrived in March 2020 in the United States, just as this parking study was being completed. In addition to devastating loss of life and widespread public health impacts, the pandemic has impacted all sectors of the worldwide economy and altered cultural, economic, and social systems and practices. The shutdowns and closures brought on to mitigate the spread of the virus have significantly impacted travel and commuting choices and behaviors, and by extension, parking demand. Industries and workplaces have pivoted business models and accommodated increased work from home (WFH) among many employees. Like many other organizations, HCMC has adapted to COVID-19 with increased prevalence of work from home for non-clinical staff, and new tools and practices for keeping employees safe, engaged, and productive.

Anticipating potential long-term work structure impacts of COVID-19, HCMC issued a survey to all employees in November 2020 to quantify work from home behaviors and preferences. HCMC leadership is now contemplating the potential likelihood, scale, and structure of long-term work from home arrangements into the future. HCMC recognizes the possible implications these factors have on short and long-term parking needs. The previous Walker parking needs study was based on data and information derived before the COVID-19 pandemic. While this is a useful foundation for planning, HCMC recognizes the analysis needed to be updated. This memorandum summarizes the process, findings, and conclusions of the updated analysis.

This analysis was commissioned to assist HCMC leadership with future policy and infrastructure planning in the context of COVID-19. The specific objectives of the project were as follows:

- Review learnings of the employee telework survey, industry trends, and information from peer organizations on telework prevalence, policies, and practices.
- Assess the potential for short and long-term work from home adoption among HCMC employees.
- Update short and long-term parking needs projections to reflect the potential adoption of varying levels of telework among HCMC employees into the future.
- Identify and assess short- and long-term options for addressing parking deficiencies, including an assessment of estimated costs.

This memorandum includes the following:

- Summary of parking planning done to-date at HCMC.
- Discussion of industry response and trends related to the pandemic.
- Examination of how HCMC has responded to the pandemic, including an analysis of preferences derived from the November 2020 employee survey.
- Results of an evaluation of HCMC peers on how they have responded to the pandemic, and what future work from home arrangements might look like.
- Updated projections for future parking needs at HCMC given potential scenarios of future work from home adoption.
- Evaluation of potential options that could accommodate projected future parking needs.

Walker assumes no changes to how parking is managed on campus across the ten-year planning horizon, unless otherwise noted. Based on data available, this analysis assumes that patient/visitor parking will continue to be prioritized in the future within existing and planned parking facilities, but that parking users will be comingled in facilities to maximize efficient use, as is currently the case. Reserving parking facilities solely for use by a single user may reduce the use efficiency of parking facilities and constrain campus parking supply. A detailed understanding of parking demand and dwell time/turnover throughout the day can help to develop parking management procedures to help balance demand and maximize efficiency.

COVID-19 AND INDUSTRY TRENDS

The COVID-19 pandemic has had a profound impact on travel and commuting trends and behavior, and by extension, parking demand, across cities and campuses throughout the U.S. and the world. Industry data indicate a roughly 50-70% reduction in commuter-based parking activity in the U.S. This is consistent with general parking demand reductions in many cities of 80-90% overall. A report from the Road Ecology Center at the University of California-Davis indicates that vehicle miles traveled at the county and state level declined 61-90% in spring 2020 from various stay-at-home measures, numbers that have since rebounded. Despite available data, there is uncertainty around the impacts of the COVID-19 pandemic on long-term travel and parking behavior.

Global Workplace Analytics, a leading consulting firm that performs research on all aspects of the workplace environment, completed a survey of over 3,000 employees from across the world between March and April 2020 on the matter.[1] Survey results indicate that 97% of North American office workers worked from home greater than 1 day per week during the pandemic, with 67% of those surveyed indicating that they had not worked remotely on a regular basis before the COVID-19 pandemic.

Many employees have indicated the desire to continue telework in some form after the pandemic ends. Similarly, many employers have recognized the benefits of telework (both to employees and business/operational metrics) and are evaluating the potential continuation of telework arrangements after the pandemic ends. In the health care sector, Johns Hopkins HealthCare reported a pivot to remote work for many employees, with reports of employee satisfaction and without loss of efficiency or productivity.

Among the findings in the survey were that 68% of workers said they were “successful” working from home, 72% said they had the resources they need to be successful in working from home, 77% want to continue working from home at least once a week after the pandemic is over, and 77% also said that they feel fully productive at home compared to at the office.

TELEWORK FOR HEALTHCARE EMPLOYEES

While the field of telemedicine for patient care has grown and evolved over the course of the pandemic, the focus of the work in this analysis was telework among non-clinical employees. As discussed in the Harvard Business Review’s article *The Case for Remote Work in Health Care*, telework offers three critical advantages over in-person work: improving safety, overcoming resource and capacity constraints, and enhancing efficiency and productivity.[2] All three advantages are especially pertinent with regards to hospitals and healthcare.

Allowing employees to work from home results in lower overhead costs overall, given the need for less physical space at the place of employment to accommodate employees. Hospitals and other large employers are rethinking work schedules, use of space, and long-term space needs considering the change in work from home scope and acceptance that has occurred since the pandemic began. Like HCMC, employers are working to integrate the learnings of the past year into long-term office and other space planning, including parking and transportation infrastructure needs.

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[1] Global Workplace Analytics. “Global Work-from-Home Experience Survey.” Accessed May 25, 2020. https://globalworkplaceanalytics.com/global-work-from-home-experience-survey

[2] Harvard Business Review. “The Case for Remote Work in Healthcare.” September 8, 2020. Accessed February 11, 2021. https://hbr.org/sponsored/2020/09/the-case-for-remote-work-in-health-care

TELEWORK AMONG HEALTHCARE INDUSTRY PEERS

Walker Consultants conducted a review of peer medical institutions to determine how they have handled telework among non-clinical staff during the COVID-19 pandemic, how it is has impacted operations, and what plans are for the future following the pandemic. The University of Nebraska Medical Center (UNMC) in Omaha, Nebraska and Allina Health in Minneapolis were evaluated as peers.

Allina Health reported in August 2020 that one quarter of its staff, or 6,000 employees, were working from home. Work from home percentage is even higher among administrative staff in Allina's location at the Midtown Exchange in Minneapolis. Internal feedback and evaluation indicate high levels of employee productivity and engagement brought on by a variety of digital tools and adjustments in schedules and meeting structures. Two internal surveys conducted since the pandemic began indicated greater than 90% of people feel productive and connected. Specific benefits have included easier connections between employees, and between executives and staff. Allina leadership has recognized the benefits of work from home and is working to evaluate the permanence of certain work from home arrangements. Allina anticipates significantly increasing the percentage of non-clinical employees who work from home full-time and via hybrid models, especially at its system office, with only a small number of employees who will work in the office full-time.

UNMC in Omaha has had 3,000 – 4,000 administrative non-clinical employees working from home during the pandemic. Internal surveys have indicated strong employee connectivity and feelings among employees that the organization trusts them to do their work. UNMC indicates that connectivity has increased as employees have found it easier to quickly call meetings, meet with superiors, and meet across teams. UNMC is estimating about half of those currently working from home will continue to do so in the future (a couple thousand employees) full time or through some sort of hybrid model. UNMC is currently investigating work from home practices and future facility use and needs, including office space. UNMC indicates that younger employees have especially enjoyed work from home and UNMC recognizes the impacts WFH can have on long-term space and facility costs. Additionally, UNMC sees work from home as a key factor in employee attraction and retention, like many modern organizations do now. Employees want and value the flexibility.

Walker Consultants did not formally interview Mayo Clinic, but research was conducted into their practices. As an additional point of comparison, Mayo Clinic has indicated that roughly 1,500 employees at its Rochester campus will work remotely well into 2021, and long-term, the organization plans to implement a hybrid model where non-clinical staff will work from home some days.

HCMC FUTURE PARKING NEEDS: ACCOUNTING FOR TELEWORK

HCMC AND TELEWORK

Since the onset of the COVID-19 pandemic in the United States, and since the Minnesota Governor's first orders for shutdowns were administered in the Spring of 2020, HCMC has pivoted to a model where telework has become more common for many non-clinical employees. HCMC, like many organizations, has recognized the many benefits of increased telework, including increased employee flexibility and work-life balance, reduced space needs, improved employee satisfaction, and savings on operational and facility costs. Work from home practices continue into 2021 at the time of the writing of this memorandum.

HCMC is currently examining the feasibility, scale, and strategy of potential future work from home scenarios relative to future growth projections and planning needs. The results of this analysis will help to inform that

work. As a result of WFH implementation and with the expectation that WFH may be extended after the pandemic ends, the updated campus parking needs analysis incorporates the following:

- Changes to employee parking demand resulting from WFH measures implemented.
- Changes to campus parking adequacy projections at five- and ten-year planning horizons.
- Parking supply needs based upon WFH scenarios applied, and alternatives to address employee commute and parking needs.

EMPLOYEE SURVEY

To provide a foundation for this evaluation and to understand the scope of work from home practices during the COVID-19 pandemic, HCMC administered an employee survey in Fall 2020 to department managers. The survey was completed by department managers who provided responses relative to the telework behaviors and preferences of over 7,300 employees of hundreds of departments that are part of the HCMC campus. This survey is critical in quantifying work-from-home behaviors and preferences to inform HCMC leadership decision-making surrounding the potential likelihood, scale, and structure of long-term work-from-home arrangements. Managers were asked about the number of employees working completely on campus, partially on campus, and remote only. Managers were also asked about the ability to monitor employees, the presence of written work at home agreements, and the expected long-term impact of work from home to their department. Lastly, managers were asked about department equipment and space needs for successful telework.

Key employee survey results related to parking demand impacts are summarized as follows:

- Approximately 66% of HCMC non-clinical employees are on campus full time in support of the healthcare mission and are therefore not eligible to participate in WFH programs.
- Approximately 19% of non-clinical employees are WFH completely and full-time, meaning that all work functions can be performed remotely.
- Approximately 15% of employees can work from home at least part of the time.

Whether HCMC maintains these WFH levels long-term is to be determined, and it depends on a variety of factors including the will of leadership, protocols, and frameworks and practices (e.g., employee agreements, meeting practices, the ability to secure necessary equipment) that enable, facilitate, and promote teleworking.

Based on discussions with HCMC, this analysis employs an employee WFH factor of 25% for design conditions (19% of employees who WFH full-time + 6% of employees who WFH part-time, during a "snapshot" of time).

PARKING NEEDS UPDATE METHODOLOGY

Walker updated campus parking projections based on WFH ratios drawn from the employee survey. The following details assumptions applied in the updated analysis:

- **Only** employee parking demand ratios were updated in response to employee survey data provided to Walker by HCMC (patient/visitor and physician parking demand levels were carried over unadjusted from the previous Study).
- As instructed by HCMC staff, Q4 2020 pandemic survey FTE employee headcount figures were unchanged from Q4 2019 FTE employee headcount figures.

- As instructed by HCMC staff, Walker assumed previous study five-and-ten year employee growth projections.
- In the 2020 Study, Walker identified an employee parking demand ratio of 0.40 spaces per FTE associate employee. Applying a 25% reduction factor to the employee ("associate") parking demand ratio, informed by actual employee WFH ratios identified in the HCMC employee survey, an associate parking demand ratio of 0.30 was calculated. **We believe this is representative of design day employee parking conditions during the pandemic (for a typical weekday).**
- A patient/visitor parking demand ratio of 0.32 spaces per patient census and a physician parking demand ratio of 0.47 spaces per physician was maintained from the previous study.
- By 2025, Walker assumed the loss of the HPR Ramp (less 1,400 spaces), the loss of the 10th Street Lot (less 116 spaces), the loss of the Chicago Tuck lot (less 15 spaces) and the addition of 766 net spaces with the Purple Ramp expansion project.
- By 2031, Walker assumed the loss of the B-Lot (less 120 spaces) and the addition of the Patient Care Underground Garage (plus 750 underground spaces).
- Walker shifted the ten-year planning horizon from Year 2020 - Year 2030 to Year 2021 - Year 2031 for purposes of our pandemic analysis.
- An effective supply factor of ten percent was applied to the total campus space inventory to provide a cushion of vacant parking spaces to meet routine operational needs and to provide flexibility in the system.

Walker updated campus parking adequacy projections provided in the 2020 Study, applying the employee WFH assumptions stated above. Figure 2 depicts campus space adequacy for a design day (pandemic), at a five-year horizon (Year 2026) and a ten-year horizon (Year 2031).

Figure 2: Campus Parking Adequacy - Employee Work-from-Home (WFH) Projections Year 2021, Year 2026, and Year 2031

2021 Design Day Adequacy Adjusted Pandemic WFH	(25% Employee WFH Actual)	Demand Ratio		Demand	ES*	Parking Adequacy
Patient/Visitor	3,082	0.32	spaces/ patient census	986	1,012	26
Associate	4,025	0.30	spaces / FTE Employee	1,208	1,717	509
Physicians	290	0.47	spaces / physician	136	144	8
Total				**2,330**	**2,873**	**543**
2026 Design Day Adequacy	**(25% Employee WFH Assumed)**	**Demand Ratio**		**Demand**	**ES**	**Adequacy**
Patient/Visitor	3,369	0.32	spaces/ patient census	1,078	1,012	(66)
Associate	4,188	0.30	spaces / FTE Employee	1,256	1,028	(228)
Physicians	302	0.47	spaces / physician	142	144	2
Total				**2,476**	**2,184**	**(292)**
2031 Design Day Adequacy	**(25% Employee WFH Assumed)**	**Demand Ratio**		**Demand**	**ES**	**Adequacy**
Patient/Visitor	3,850	0.32	spaces/ patient census	1,232	1,363	131
Associate	4,446	0.30	spaces / FTE Employee	1,334	1,225	(109)
Physicians	321	0.47	spaces / physician	151	151	-
Total				**2,717**	**2,737**	**20**

*ES = Effective supply. Effective supply is the total number of parking spaces at which the level of parking demand would represent parking facilities that are effectively full. Beyond this level, users can no longer efficiently find available parking spaces. The effective supply numbers presented here provide a parking supply cushion to meet operational needs and provide system flexibility.
Walker assumed the loss of 1,400 spaces at the Hospital Ramp, the loss of 116 spaces at the 10th Street Lot (due to construction staging), the loss of 15 spaces at the Chicago Tuck Lot, and the addition of 766 net spaces at the Purple Ramp by 2026. **For modeling purposes, we have assumed the permanent loss of the 10th Street Lot from the campus inventory. Additionally, Walker is informed that the B-Lot, 120 spaces, will be returned to the County as soon as 2031. We removed these spaces from the 2031 campus inventory for modeling purposes. Projections will differ if this date changes. Walker assumed 750 spaces are built in the Patient Care Underground Garage by 2031. All decimal places were rounded to the nearest whole number.

Source: Walker Consultants, 2021

For a pandemic design day, a surplus of 543 spaces is calculated based upon the adjusted WFH employee parking demand ratios (comparing demand to effective supply).

ALTERNATIVE EMPLOYEE WORK FROM HOME SCENARIOS

As a base case, assuming WFH continues at existing rates identified (25% WFH occurring today), **a deficit of 292 spaces is anticipated by Year 2026 and a surplus of 20 spaces is anticipated by Year 2031.**

Walker considered additional scenarios whereby instead of assuming that 25% of employees WFH, employee work-from-home levels were 20 percent and 15 percent. Figure 3 below summarizes the analysis for a 15% and 20% WFH scenario. As the WFH percentages move closer to 0%, the surplus of spaces on campus diminishes.

Figure 3: Campus Parking Space Adequacy Comparison – Pre-Pandemic, 15% WFH, 20% WFH, 25% WFH

Metric	Year 2020/2021	Year 2026	Year 2031
Pre-Pandemic (Demand)	2,746	2,910	3,177
Effective Supply	2,873	2,184	2,737
Surplus/Deficit (spaces)	127	(726)	(440)
15% WFH Scenario (Demand)	2,491	2,644	2,895
Effective Supply	2,873	2,184	2,737
Surplus/Deficit (spaces)	383	(460)	(158)
20% WFH Scenario (Demand)	2,410	2,560	2,806
Effective Supply	2,873	2,184	2,737
Surplus/Deficit (spaces)	463	(376)	(69)
Base Case Scenario			
25% WFH Scenario (Demand)	2,330	2,476	2,717
Effective Supply	2,873	2,184	2,737
Surplus/Deficit (spaces)	543	(292)	20

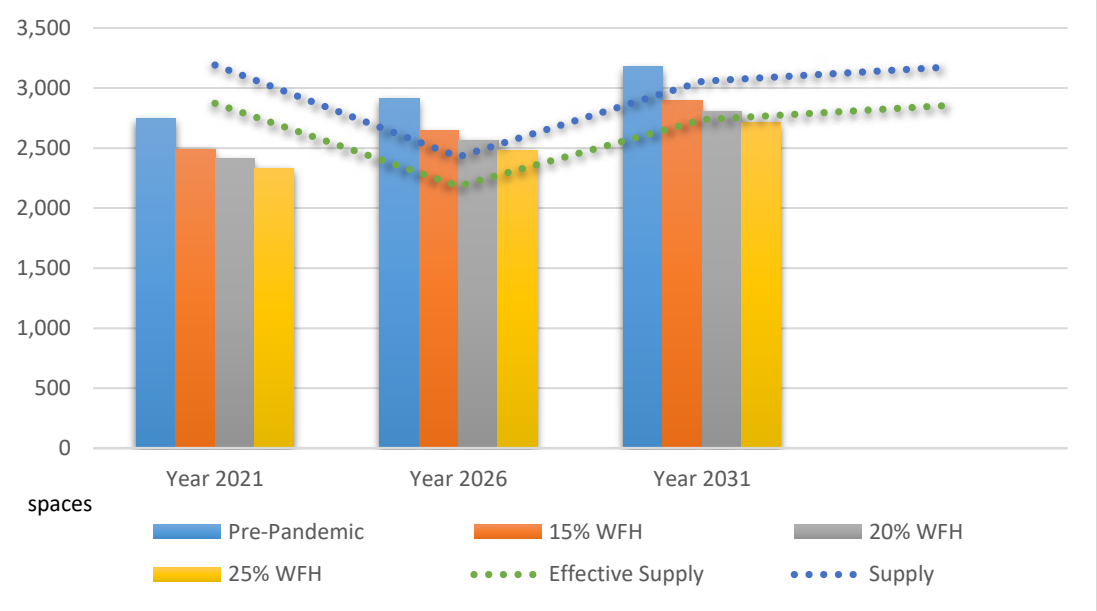
*ES = Effective supply. Effective supply is the total number of parking spaces at which the level of parking demand would represent parking facilities that are effectively full. Beyond this level, users can no longer efficiently find available parking spaces. The effective supply numbers presented here provide a parking supply cushion to meet operational needs and provide system flexibility.
**Walker assumed the loss of 1,400 spaces at the Hospital Ramp, the loss of 116 spaces at the 10th Street Lot (due to construction staging), the loss of 15 spaces at the Chicago Tuck Lot, and the addition of 766 net spaces at the Purple Ramp by 2026. For modeling purposes, we have assumed the permanent loss of the 10th Street Lot from the campus inventory. Additionally, Walker is informed that the B-Lot, 120 spaces, will be returned to the County as soon as 2031. We removed these spaces from the 2031 campus inventory for modeling purposes. Projections will differ if this date changes. Walker assumed 750 spaces are built in the Patient Care Underground Garage by 2031. All decimal places were rounded to the nearest whole number.

Source: Walker Consultants, 2021

PARKING NEEDS PROJECTIONS: CONCLUSION

Figure 4 depicts campus space adequacy graphically under each of the given scenarios evaluated (pre-pandemic, 15% WFH, 20% WFH, and 25% WFH). The green dotted line represents the effective parking supply (90% ES) on campus during each of the planning horizon periods (Year 2021, Year 2026, and Year 2031) and the blue dotted line represents the total anticipated parking inventory. An effective supply factor of 90% was applied to the total inventory to provide an operational supply cushion on campus.

Figure 4: Campus Parking Space Adequacy by Scenario



Walker assumed the loss of 1,400 spaces at the Hospital Ramp, the loss of 116 spaces at the 10th Street Lot (due to construction staging), the loss of 15 spaces at the Chicago Tuck Lot, and the addition of 766 net spaces at the Purple Ramp by 2026.For modeling purposes we have assumed the permanent loss of the 10th Street Lot from the campus inventory. Additionally, Walker is informed that the B-Lot, 120 spaces, will be returned to the County as soon as 2031. We removed these spaces from the 2031 campus inventory for modeling purposes. Projections will differ if this date changes. Walker assumed 750 spaces are built in the Patient Care Underground Garage by 2031. All decimal places were rounded to the nearest whole number.

Source: Walker Consultants, 2021

A deficit of 292, 376, and 460 campus spaces, respectively, is anticipated by Year 2026 depending upon a 25, 20, or 15 percent employee WFH scenario applied (the greater the WFH % applied, the greater the surplus of campus spaces and/or the smaller the deficit of spaces). The expected parking supply deficit modeled by Year 2026 in all scenarios (See Figures 2 and 3) will need to be addressed to meet parking needs between the demolition of the HPR Ramp, the construction of the Purple Ramp expansion, and the construction of the Patient Care Underground Garage. This is assumed to occur between years 2024 and 2031. Two options to close this deficit include leasing off-campus spaces and building additional parking capacity on-site, discussed below.

After this period between 2024 and 2031, the completion of the anticipated Patient Care Underground Garage by 2031 will close the campus parking supply deficit anticipated (except under a 15% and 20%WFH scenario applied with a forecasted deficit of 158 and 69 total campus spaces respectively). **If the 10th Street Lot is not permanently lost from the campus inventory, but returned to the campus inventory by Year 2030, a deficit of spaces would only be forecasted for a 15% WFH scenario (a deficit of 43 spaces).**

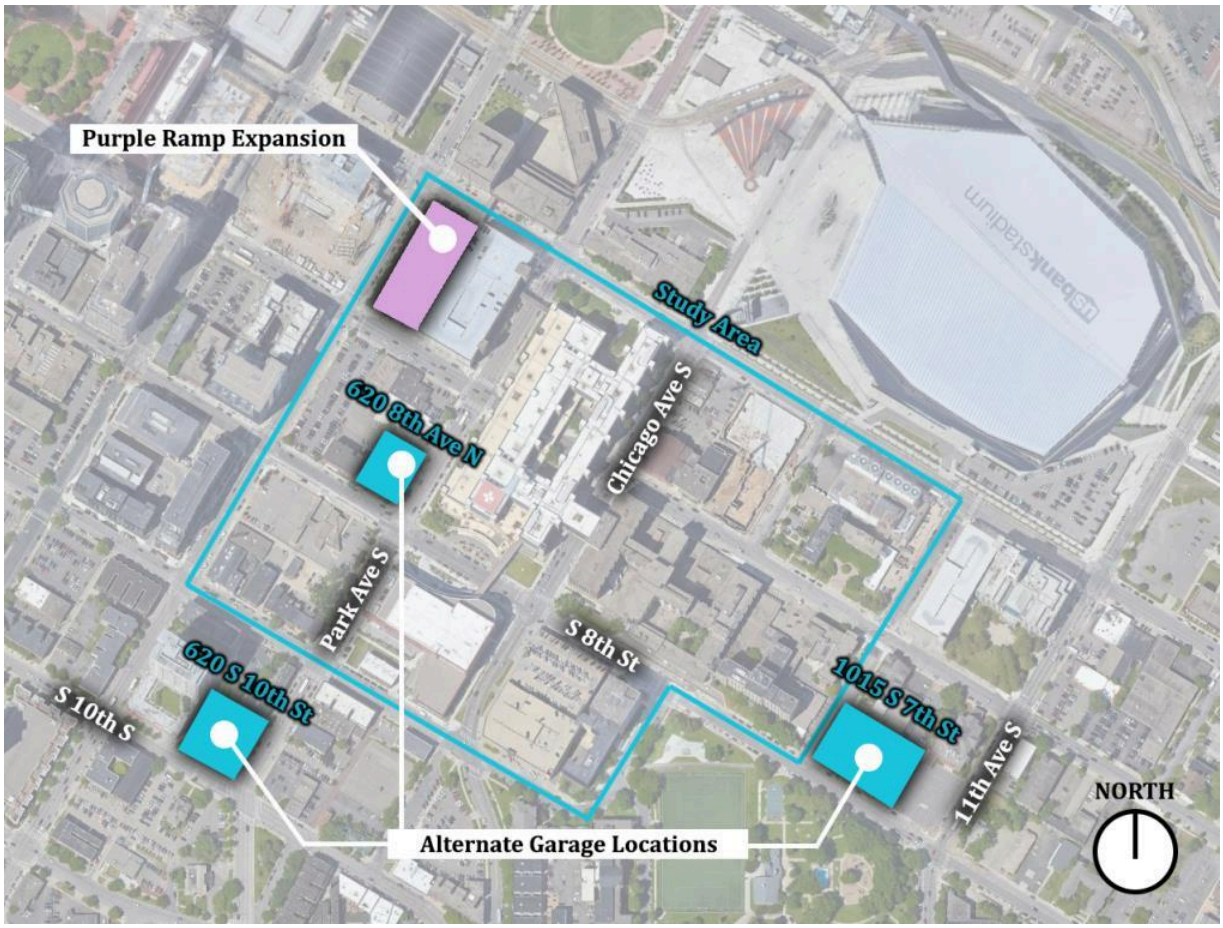
OPTIONS FOR ADDRESSING PARKING NEEDS

A preliminary evaluation of options to mitigate parking supply deficits is presented below.

ON-SITE CONSTRUCTION OF ADDITIONAL PARKING SUPPLY

Additional sites for new parking ramp construction were reviewed previously reviewed by Walker and are still relevant: 620 8th Avenue N. surface lot, 620 S. 10th Street lot, and the 1015 S. 7th Street "Shapiro" Lot. These are depicted in Figure 5 below. Evaluating the suitability of these three sites, we determined that the Shapiro lot offered the best opportunity for an efficient parking garage layout.

Figure 5: Parking Ramp Alternative Sites



Source: Walker Consultants, 2020

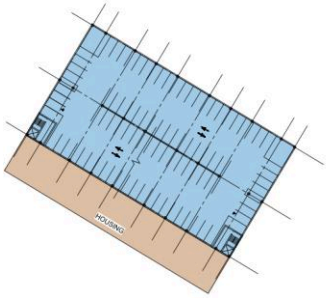
Figure 6 below depicts a parking garage concept for the Shapiro lot site, also with a housing holdback applied.

Figure 6: Shapiro Site Garage Concept – 5-levels, 424 spaces

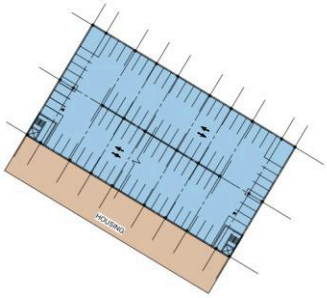
GROUND TIER

CAR COUNT
8'-6" 90° STANDARD SPACE

TIER	SPACES	AREA (SQ FT)	EFFICIENCY (SQ FT/SPACES)
GROUND	74	23,700	320
2ND	90	26,900	298
3RD	90	26,900	298
4TH	90	26,900	298
TOP	80	25,000	312
TOTAL	**424**	**129,400**	**305**



2ND TIER



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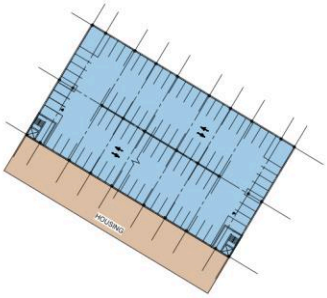
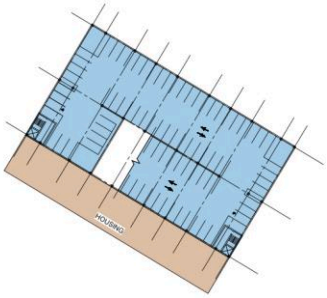


4TH TIER



TOP TIER

Source: Walker Consultants, 2020

An alternate garage solution applied to the 1015 S 7th Street "Shapiro lot" site, including a future housing site holdback on one side, yields **424 parking stalls**. This solution would address the interim supply need (assuming the 10th Street lot is not permanently removed). Additional alternatives include off-site parking space leasing.

LEASING OFF-SITE PARKING

Walker conducted a market survey for available monthly parking leases within a three-block site radius of the HCMC campus - north, south, east, and west. As of February 2021, nearby available parking includes the following:

- **Mills Fleet Farm Parking Garage (750 S. 4th Street, Minneapolis):** Approximately 900 monthly spaces are available in this garage (at $175 per space per month unreserved and $225 per space per month reserved). The operator is Denison Parking, and the contact manager is Jen Brown. Monthly parking is not valid during Vikings games.
- **425 Park Avenue South Garage:** Approximately 330 spaces available at 425 Park Avenue Ramp (at $165 per space per month unreserved). The operator is also Denison Parking, and the contact manager is Jen Brown. Monthly parking is not valid during Vikings games.
- **5th Avenue Ramp (425 S. 6th Street, Minneapolis):** Approximately 266 spaces available at the 5th Avenue $180 per space per month unreserved.
- **1010 Ramp**: Interstate is no longer the parking operator as of February 2021. The 1010 Building owner now operates the 1010 Parking Ramp. Inquiries were made regarding monthly space availability with information forthcoming. In March 2021, Walker was informed of monthly space availability at a rate of $100 per space for non-reserved. Total available monthly quantities are unknown.

Assuming a 2021 unreserved parking rate of $173 per space and annual 2% rate increase, leasing costs are estimated at approximately $4.4 million (in 2021 dollars) across the ten-year planning horizon. This assumes 20% employee WFH levels are maintained across the ten-year planning horizon assumed and that the Purple Ramp expansion and Patient Care Underground Garage projects are brought online by 2031.

Leased parking spaces are a solution for interim parking supply needs between construction periods. We have assumed that the removal of the HPR Ramp, the construction of 766 net spaces at the Purple Ramp site, and the addition of 750-spaces at a Patient Care Underground Garage will occur within the ten-year planning horizon evaluated (Year 2021 to Year 2031). **The completion of these projections will close any interim offsite parking need assuming a minimum 20% WFH is maintained permanently during and beyond the ten-year horizon.**

Ideally, to mitigate the parking impact to the campus the Purple Ramp expansion would be brought online before the HPR demolition. Monthly leases could then be facilitated in the interim period before the opening of the Patient Care Underground Garage (PCUG). Figure 7 below depicts an off-site lease scenario evaluated in the interim period from Year 2026 to Year 2031. By Year 2031, we assume the PCUG will be open thus eliminating the need for employee leased spaces off-site.

Figure 7 below depicts parking supply need and based on Walker's survey of nearby parking supply options, assumed average lease rates, and estimated annual costs.

Figure 7 – Off-Site Parking Lease Parameters

Use	2026	2027	2028	2029	2030	2031
Parking supply need (off-site spaces)	376	376	376	376	376	0 (PCUG)
Average lease rate per unreserved space	$188	$191	$195	$199	$203	-
Estimated costs per month	$70,573	$71,984	$73,424	$74,892	$76,390	-
Estimated annual costs	$846,874	$863,812	$881,088	$898,710	$916,684	-

Source: Walker Consultants, 2021

Off-site parking may leave employees dissatisfied with having to walk a further distance to these parking assets. Additionally, employees may have security concerns, particularly in the evening and early mornings. This option would necessitate HCMC to institute a system to manage who parks on-site versus off-site, which could lead to internal discord. If pursuing this option, HCMC will need to put in place measures to ensure employee security and may need to consider shuttling to these off-site facilities, particularly in inclement weather.

However, leasing off-site parking provides HCMC flexibility to lease the amount of parking needed for as long as it is needed. The structure of the lease arrangement including the duration and monthly market rate is potentially negotiable at an institutional level and will need to be identified.

CONCLUSION

A variety of factors, including leadership priorities, protocols, and frameworks and practices (e.g., employee agreements, meeting practices, the ability to secure necessary equipment) that enable, facilitate, and promote teleworking for non-clinical staff, will impact long-term WFH levels at HCMC. Establishing and maintaining consistent WFH levels has the potential to reduce long-term parking needs.