

Communities By Design, a
nonprofit 501c(3) training and education
organization, in cooperation with the
City of Redwood City,
is pleased to present:

The Forum *at Redwood City*

A CONTINUING CONVERSATION ON CITY DESIGN



THE HIGH COST OF FREE PARKING

2004-05 SEASON: FORUM #7
WEDNESDAY, APRIL 6, 2005
LITTLE FOX THEATER
2209 BROADWAY
REDWOOD CITY
6:00 P.M. - 7:45 P.M.

On April 6, 2005, the City of Redwood City and the nonprofit “Communities By Design” hosted the seventh presentation of the 2004-05 Forum season, with a presentation by **Doug Kolozsvari**. Mr. Kolozsvari – who is an Environmental Planner at the Bay Area Air Quality Management District – spoke about “The High Cost of Free Parking.” Mr. Kolozsvari’s presentation outlined the flaws of traditional parking policies, specifically the environmental, economic and land use costs associated with free parking.

Parking is free for 99% of automobiles trips, but parking facilities aren’t free to build. Surface parking facilities cost¹ between \$2,500 and \$12,000 per space to construct while structured parking lots carry a \$10,000 to \$35,000 price tag per spot. There are also operating costs related to parking lots such as repairs, cleaning and maintenance, security, and lighting.

People don’t pay to park as motorists but they pay to park as consumers. The costs of parking facilities are hidden in the price of products and services that people buy. For example, in most apartment complexes, parking costs are built into a tenant’s rent.

The demand for free parking tends to promote sprawling, low-density development that cannot easily be served by transit. This development pattern leads to a gradual loss of open space, increased congestion and air pollution, and less walkable cities.

¹ These figures do not include the cost of land on which the parking facility is built.

The perceived need for parking is largely driven by parking requirements. Parking requirements establish the number of parking spaces that are needed for specific activities or land uses. The American Planning Association has developed a somewhat arcane set of parking requirements that includes a list of 662 different land uses and their parking requirements. For example, as Mr. Kolozsvari noted, the APA guidelines require nunneries to provide one parking space for every ten nuns.

The Institute of Transportation Engineers (ITE) has also created a set parking requirements that have become the de facto standard for many commercial and residential projects, despite what Mr. Kolozsvari sees as ITE's questionable methodology. Mr. Kolozsvari explained how ITE's requirements are only based on parking demand data at suburban facilities where parking is free. In addition, the ITE standards were developed using inadequate sample sizes with a self-selected data source, and information that was gathered on days with peak parking demands.

Parking requirements are often the most detrimental on downtown areas that were established before parking requirements were implemented. The more compact design and high land values of urban areas often make it difficult for developers to meet a city's parking requirements.

Instead of using parking requirements, Mr. Kolozsvari advocates for letting market forces set the price of parking such that 15%, or one out of every seven spaces, are always vacant. Mr. Kolozsvari likened the 15% vacancy rate to having the right inventory at a store: customers avoid stores that never have what they want in stock.

Mr. Kolozsvari used the case study of Old Pasadena to illustrate the benefits of creative and sound parking policy. As the original commercial core of the city, Old Pasadena was home to the area's upscale shopping district during the early 1900s. The area fell into decline following the Depression and soon became known as the city's Skid Row. By the mid 1970s, much of Old Pasadena was targeted for redevelopment.

Up until 1993, people visiting Old Pasadena had trouble finding parking because there were no meters and employees of local businesses took up most of the convenient two-hour curb spaces. Merchants and property owners opposed the city's idea of installing parking meters for fear of driving patrons away to nearby malls that offered free parking. The debate over meter installation ended with a compromise in which meters were installed under the condition that the city would agree to spend all of the meter revenue on public investments in Old Pasadena.

The parking meters in Old Pasadena set off what Mr. Kolozsvari called a "virtuous cycle": The meter revenue paid for public improvements, the public improvements attracted more visitors who paid for curb parking, and more meter revenue was then available to pay for more public improvements including extra security, and street and sidewalk cleaning. Meter revenue helped to finance the \$5 million "Old Pasadena Streetscape and Alleyways Project" that paid for signage, street furniture, trees, trees grates and historic lighting fixtures in the district. According to an article that Mr. Kolozsvari co-wrote with UCLA Professor Donald Shoup, "Turning Small Change into Big Changes," Old Pasadena's 690 parking meters yielded \$1.2 million net parking revenue to fund additional public services in fiscal year 2001.

Today, Old Pasadena is a popular shopping destination in Southern California. The district's dramatic turnaround is as a testament to the importance and benefits of well-reasoned parking policy.

Mr. Kolozsvari also used this case study to demonstrate the political nature of parking policy. Traditionally, local residents and businesses are opposed to charging for parking because they see it as a type of tax from which they receive little to no benefit. However, in the case of Old Pasadena, returning the meter revenue to the area in which it was generated empowered local business and property owners. In the words of Mr. Kolozsvari, "cities can change the politics of parking if they earmark parking revenue for public improvements in the metered neighborhoods."²

Mr. Kolozsvari concluded by commenting on parking policy in downtown Redwood City. He explained that current parking requirements are preventing adaptive reuse of older buildings in the city's 36 downtown blocks. Mr. Kolozsvari also noted that there's no business improvement district in downtown Redwood City, which may make it more difficult for downtown merchants and property owners to have a voice in parking policy discussions. At the same time, Mr. Kolozsvari believes that Redwood City is incorporating progressive and forward-thinking principles into its redesigned parking policy that will help to stimulate activity in the city's downtown, and transform Redwood City into "the place to be, rather than the place to park for free."

² Kolovsari, Doug, and Donald Shoup. "Turning Small Change Into Big Changes." Access Number 23 (Fall 2003).