

*The new face of parking (opposite): A rendering of the garage adjacent to the federal courthouse under construction in downtown Miami. Below: a new multispace meter.*

# The Price Is Right

By Vicky Gagliano

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riving through downtown Gainesville, Florida, recently, I was struck by several signs of a common problem affecting on-street parking: poor pricing practices. Every on-street parking space in the downtown was filled, block after block. There seemed to be no signs directing drivers to parking lots or garages. The one garage I passed was easy to miss. Later, city parking officials informed me that the facility was often half empty, although just a

block away all the on-street spaces were taken. Why, I wondered, would drivers circle a block repeatedly, waiting at stoplights and stop signs, to find an on-street space instead of pulling into a convenient garage?

The answer is simple: pricing. Parking along most of the streets in downtown Gainesville is free, while daytime parking in the garage costs \$1 an hour, with a flat fee of \$5 after 6 p.m. So it costs nothing to park in front of

your destination, provided you can find a space. No wonder few drivers use the garage.

The current pricing structure actually encourages motorists to drive around, sometimes circling blocks looking for an on-street space. In contrast, it penalizes those drivers who are doing what is best for the downtown area by quickly getting out of traffic, parking in a garage, and walking to their destination—thereby making the streets more pedestrian-friendly.

## A wrap-up of parking trends, from pricing to sharing.



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What many cities and municipalities do not understand is that the price of parking plays a role in the management of a parking system. In the case of Gainesville, the pricing structure encourages congestion. It also makes it seem as if there is not enough parking to support downtown's parking needs, when in reality there are plenty of spaces for everyone.

It's easy to see the flaws in this situation. It's not so easy to change it. Most people under-

stand why a storefront located on a busy corner would command higher rent than a retail space located on a side street, but they have trouble understanding why free parking is not a right that everyone is entitled to. Ideally, they would recognize the need to make a trade-off between convenience and price.

Another stumbling block is the common belief that downtown merchants cannot compete with outlying retail centers and strip malls unless

they offer free parking. Here the solution lies in offering a balance between customer relations and proper pricing.

### Limit free parking

One approach is to make parking in garages and parking lots free for a reasonable time period, and to charge visitors for stays beyond the limit. At the same time, a charge could be added to street parking, making it more expensive than



## Parking Pays for Itself in Downtown Ann Arbor

Ann Arbor, home of the University of Michigan, benefits from both big city and small town attributes, including a compact downtown, vibrant public spaces, and the ability to get around town on foot, bike, or bus. So it's not surprising that this city of 114,000 has attracted increasing residential interest from outside its traditional, university-centered populations—particularly among empty nesters looking for a pleasing retirement community.

Rather than growing ever farther outward, Ann Arbor has decided to focus new housing in its downtown. In 2005, the city convened a Downtown Residential Task Force to identify barriers to residential development. The group subsequently commissioned Calthorpe Associates, the California-based urban design and planning firm, to frame a set of development strategies, including a comprehensive parking strategy. (The strategies are part of the firm's Recommended Vision & Policy Framework for Downtown Ann Arbor.)

Downtown parking has been at the center of some of the city's most intransigent town-

gown conflicts, going back to student anti-car attitudes of the 1960s. In the mid-'70s, when the student vote gained power in local elections, funding for downtown parking facilities was severely cut, over the protests of business owners.

After years of neglect, the city in 1992 turned over control of its seven parking structures to the newly created Downtown Development Authority. The DDA, a quasi-public agency, agreed to finance a \$40 million garage repair and replacement program, using funds from a tax increment financing district.

Since then, the agency has managed not only to revitalize the garages, but also to get an innovative parking plan adopted and to enact some progressive transportation demand management programs. They include a universal transit pass (participating employers pay \$5 for annual, unlimited-ride bus passes for their employees); a fare-free circulator bus service between the university and downtown; and the getDowntown program, which promotes multimodal commuting to downtown jobs.

### Parking practices

The DDA's core philosophy is that parking should pay for itself. This approach is at the heart of the city's current parking management practices, which include:

- No minimum requirements. There are no parking requirements for as-of-right development within the downtown (similar to changes made recently in downtown districts in San Francisco and Portland).

- Shared parking. Nearly all downtown trip generators rely on a consolidated inventory of shared public parking (similar to recently adopted practices in several California cities and in Montgomery County, Maryland, parking districts).

- Public control. All public off-street parking facilities are publicly controlled either by the DDA or the university.

### Steps to a plan

The debate over parking in Ann Arbor revolves around the question of quantity: What is the right amount of parking for downtown? The

business community generally claims that parking is inadequate to support economic development. A large contingent of mostly downtown and near-downtown residents counters that there is too much parking, and that it undermines alternative modes and urban design ideals.

Unlike the past, today's university students seem to be on the "more parking" side. They're as likely to ship their SUVs from their East Coast homes for the semester as to petition for more downtown bike lanes.

So it's all the more surprising that the DDA was able to get its parking plan adopted.

The effort started in September 2006, when the DDA, with support from Nelson\Nygaard Consulting Associates, initiated inventory and occupancy surveys for all parking controlled by the agency, including all metered on-street spaces within the downtown. Questionnaires concerning parking experiences and perceptions, as well as modal patterns and preferences, were placed on the windshields of cars parked on- and off-street. In addition, parkers were interviewed at various locations.

In all, nearly 400 completed surveys were returned and more than 20 interviews were conducted. That was followed by a series of focus groups, workshops, and public open houses.

In March 2007, the project team kicked off a week of outreach meetings, focusing on policy options and supporting strategies. The meetings offered a chance for the public and representatives of the city council, planning commission, Ann Arbor Transportation Authority, and DDA to learn about and discuss various strategies—from unbundling parking from housing costs to using valet services as a way of expanding evening curbside parking capacity.

Later that spring, focus groups reviewed the team's preliminary parking recommendations. Many participants were pleasantly surprised to note that some of their proposals were echoed by an opposing interest group. Extended evening transit service, for example, was popular with both the alternative modes group and the business community.

Specific recommendations were refined in follow-up focus groups, where funding possibilities and implementation responsibilities were identified. The transportation authority, with its overstressed budget, listened with interest as DDA representatives put forth their agency as a potential financial backer of both

express bus operations and extended evening transit services.

By the second open house, it was apparent that those who wished to yell about parking in Ann Arbor had largely done so. New ideas were floated and debated, but the storm had passed.

### Results

On June 11, 2007, the project team presented its recommendations for a downtown parking policy and set of supporting actions to the city council. The material was comprehensive, progressive, and thoroughly vetted. The extensive public process, which might have raised concerns about watering down the final recommendations, instead gave weight to many challenging recommendations. Among them:

- Approach parking holistically and exhaust demand management options before investing in new supply.

- Create a parking benefit district pilot program (in a section of downtown where the concept was well received), including setting meter rates based on availability targets and returning revenue to local improvements.

- Implement commuter express bus service—a completely new type of service and ridership market for the local transportation authority.

- Initiate valet parking services—a publicly managed service that would meet evening parking demand; make use of available but little-used off-street capacity; and allow customers to "park once" while visiting many destinations.

- Adopt pricing strategies. Replace monthly permits with debit accounts, tying costs to levels of use and rates to levels of demand.

The city council unanimously approved all of the recommendations.

Today, people in Ann Arbor still yell about parking. Some dream of unpaved commutes to downtown jobs, while others envision a sea of free parking around their business. But over the course of a year, the community managed to have a serious discussion about parking and constructed an official, comprehensive downtown parking policy based on shared goals and community values, a policy that could play a big part in transforming Ann Arbor into a center for smart growth in the region.

*Tom Brown and David Fields, AICP*

Brown and Fields are planners at Nelson\Nygaard Consulting Associates in New York, which managed the Ann Arbor Downtown Parking Study. Fields serves as secretary of APA's Transportation Planning Division.

the garage. This relatively simple modification in a pricing structure offers several benefits.

- It shifts motorists off the roadways, thereby reducing congestion and adding to pedestrian safety.

- It helps the environment by reducing the emissions generated by additional driving and idling in congested areas.

- It ensures a higher turnover of on-street spaces, allowing more people to benefit from the most convenient parking. In particular, it guarantees that on-street spaces will be available for those visitors who are willing to pay for the convenience of "front door" parking, especially those who want to conduct a quick transaction with a specific merchant. Most likely, long-term visitors will head for the garage, as will downtown employees.

### Meters must be upgraded

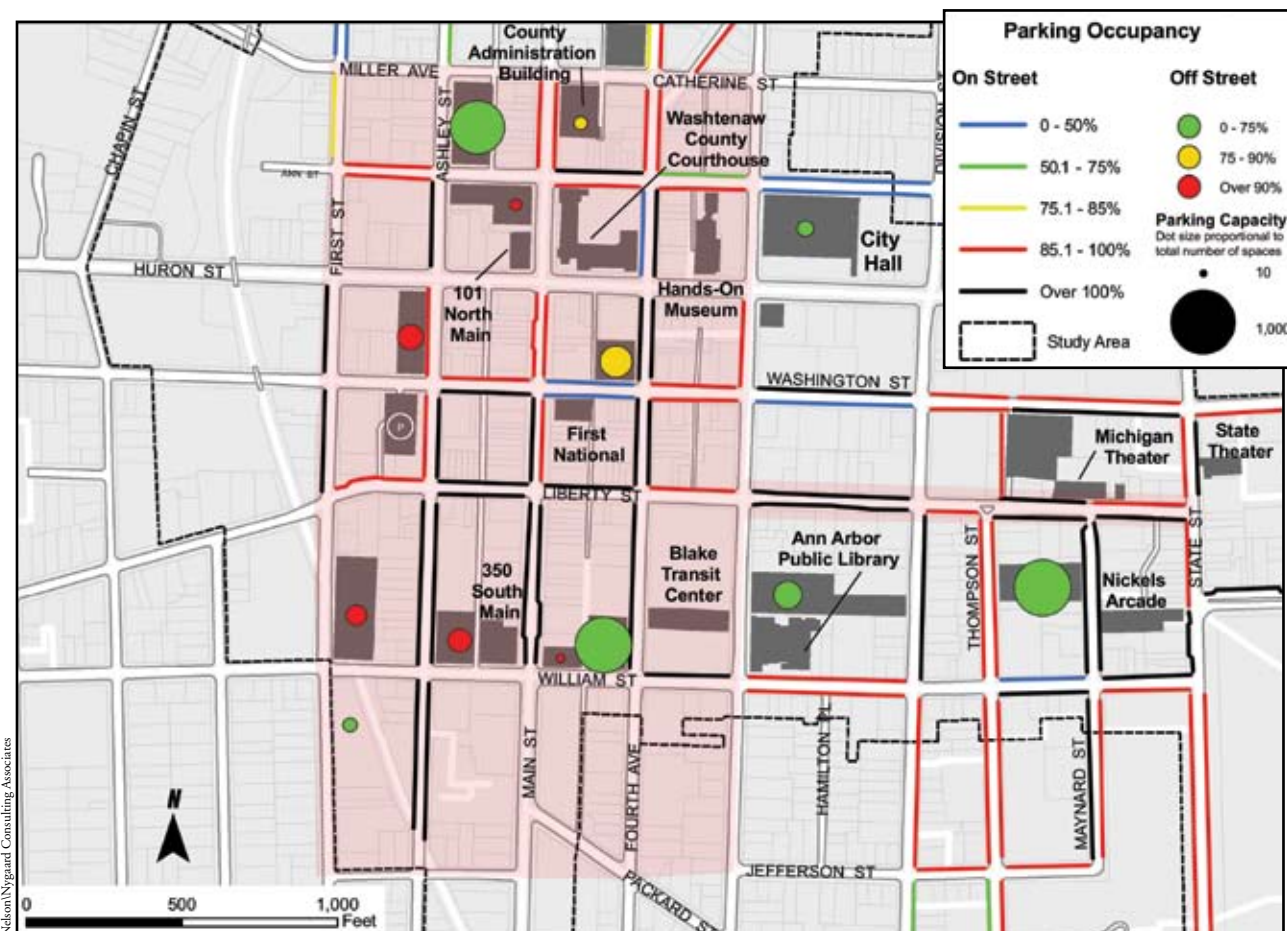
Just a few weeks ago, I found a metered street parking space in downtown Savannah, Georgia. The cost was just 25 cents for 50 minutes, with a 10-hour time limit. Imagine being able to park in the center of the downtown all day, right in front of the building where you work, for only \$3!

Even though I am entrenched in the parking industry and understand the need for parking revenues, I still get excited when I find a meter with a few minutes remaining. I found one this week with 28 minutes left. The driver who had parked there before had obviously overestimated how long the errand would take, and I profited from that mistake.

If a different type of meter had been used—a multispace meter, for instance, I would have been required to pay the full amount, in this case, an extra 50 cents. Even that small amount adds up when you consider how often such "mistakes" happen. Over the course of a year, my half-dollar would come to more than \$300 if that same scenario occurred twice a day. Multiply this amount over the total number of parking spaces and you'll see that a 500-space parking system could generate an additional \$150,000 a year.

Of course, upgrading parking equipment, such as meters, can require a significant capital outlay. A traditional single-space parking meter may cost \$300 to \$500, while a multispace meter may cost \$5,000 to \$10,000 or more, depending on its features.

Single-space meters offer users a simple and familiar payment system, but they are usually limited to coins, smart cards, or similar methods of payment. The newer, multispace meters and pay stations may serve up to 10 parking spaces (more in some cases) and can usually accept



*Parking in a college town: how much and where.*



various forms of payment, including bills and credit cards. The higher individual cost of the multi-space meters may be justified by the lower cost of managing each parking space.

A system in which meters are reset with each new vehicle will generate more revenue for a parking system than one that allows parkers to take advantage of remaining time. Depending on the parking rates and turnover of the spaces, this revenue could be substantial—as I pointed out above. In Miami, to cite one example, the cost of installing upgraded, more efficient parking meters has paid for itself in a substantial increase in parking revenues.

To determine the long-term benefit of upgrading meters and equipment, the total cost of the improvements is generally allocated according to the projected life span of the equipment (typically five to seven years) and then spread over the total number of parking spaces served. The resulting figure can be used to calculate the breakeven point for additional revenues needed per parking space over the life of the new equipment. My studies have found that many systems would benefit from an upgrade, although some systems may only need to use their existing equipment to its fullest capability.

In addition to increased revenue, technology improvements can also provide other benefits. Multispace parking meters mean fewer machines to be maintained. They simplify the revenue collection process, with a single location rather than many individual meters. They make it easier for enforcement officers to determine where meter use is heaviest and at what hours, and thus simplify reporting. Fewer meters mean fewer obstacles for pedestrians on busy sidewalks.

In addition, installing new multispace meters may prompt an aggressive local marketing and branding campaign—in connection with an effort to attract patrons to a downtown entertainment district, for instance. Finally, multi-space meters may lead to a reduction in complaints about parking—or the lack of parking—and improve the sometimes negative perceptions of parking enforcement personnel.

The meters may also allow reductions in the number of enforcement officers. Some parking meter systems can detect the presence of a vehicle in the corresponding space. This capability can be used to simplify enforcement by wirelessly notifying enforcement officers if a driver has not paid the meter. Rather than having to physically check every parking meter on every block, enforcement officers can head directly for violators. This system can also reset the meter when a vehicle exits a space to prevent drivers from getting “free” time left over from the previous driver.

It should be noted that older reporting methods, if available at all, make it difficult to audit some parking areas and made theft more difficult to trace. The newer systems change that scenario.

### Counting spaces

The new parking systems allow space counters to be integrated with signage to show drivers how many empty spaces are left in a lot or garage. At the Tampa International Airport, signs at the entrance to the economy parking garage show how many spaces are empty on each level. When patrons see that there are only 14 spaces remaining on Level 3 but 176 spaces available on Level 4, they are willing to go immediately to Level 4.

The signage at the Tampa airport reduces the time travelers must search for parking; it cuts down on garage-related traffic; and it generally creates a more user-friendly environment. Just as an inefficient parking system can create a negative image, an enjoyable parking experience can create a positive and welcoming impression. This perception may indirectly encourage drivers to return more often to a particular facility (or a downtown), thereby increasing parking revenues.

### Other trends

In addition to pricing, several other parking trends are attracting attention: shared parking, public-private partnerships, and the integration of parking within new developments.

*Shared parking.* Although not a new idea, shared parking is becoming more common in locations with multiple land uses, where different groups of users have different parking demands. Office buildings usually experience peak parking demand weekdays between 8 a.m. and 5 p.m. In contrast, movie theaters typically encounter peak demand during evening hours and on weekends.

The difference in parking demand curves provides a chance to reduce parking requirements. Other likely pairs include office buildings and apartments or hotels; medical offices and restaurants; and golf clubs and evening entertainment venues.

The benefits of shared parking go beyond cost savings. An efficient parking system puts valuable land to the highest and best use rather than overbuilding the number of parking spaces. Depending on the land-use mix, a reduction of five percent to 15 percent is possible. Note, though, that shared-parking reductions are impossible if all users have assigned or reserved parking spaces.

The Savannah River Landing, a development

*Shared parking in Princeton, New Jersey. The 500-space Spring Street Garage serves nearby residents, shops and restaurants, and a public library—all part of a new downtown redevelopment project.*



Timothy Haahs & Associates

currently under construction in Savannah, is an example. Shared parking has allowed it to reduce the total number of on-site parking spaces by almost 30 percent.

*Public-private partnerships.* Another popular trend is the use of public-private partnerships to maximize parking resources, regardless of ownership. Some cities may have a shortage of public parking spaces, while a nearby private garage has excess capacity. Similarly, a city may have surplus parking capacity, while new development does not have enough land to fulfill the zoning code's parking requirement. The solution: a partnership that allows both public and private entities to benefit.

In some cases where public parking is in short supply, a local government may work with private garage owners to direct visitors to their facilities with appropriate signage. Both sides benefit: Private owners experience increased revenue, and the city may be able to defer a large capital expense for new parking. A recent study completed for Coral Gables, Florida, recommended such an approach.

If, on the other hand, the city has a parking space surplus, it may be able to work out an arrangement with private developers to meet some of their parking needs in public lots or garages. The Miami Parking Authority entered into such an agreement with developers of a proposed residential development that happened

to be adjacent to a public garage. In this case, the parking authority benefited from the added cash flow, and the developers found a way to meet zoning code requirements.

*Integration.* Increasingly, parking is being transformed from a last-minute agenda item to a key element of almost every development project. Municipal officials and private developers alike finally realize that the overall success of a downtown, shopping center, or mixed use development depends in large part on how well the parking is integrated into the overall design. Visitors expect a seamless flow from the roadway to a parking space, out of their vehicle, and to their destination.

Parking that is central to a downtown or to a development will result in the desired pedestrian flow and activity that enlivens an area and creates a sense of place. To achieve this aim, planning for parking must take place in the earliest stages of every project—and every master planning process.

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### Resources

**Earlier in *Planning*.** See “Pay As You Park,” a profile of pricing advocate Donald Shoup, May 2006.



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