

Time's Up for Free Parking

By Andrew Brod

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Everyone has an opinion about parking. Usually that opinion is that there isn't enough of it. Rarely do you hear a complaint that there are too many parking spaces. We want parking to be available where and when we want it. If the only spaces at Target are at the far end of the parking lot, most of us drive around a bit to find one closer to the door. We want the world to be set up like a suburban driveway: get out of car and walk in door.

A very different point of view is expressed in Donald Shoup's new book, *The High Cost of Free Parking*. Shoup, an urban planning professor at UCLA, believes that we actually do have too many parking spaces, and too many of them are free. Shoup's book takes a new look at the old economics adage that there's no such thing as a free lunch. Someone has to pay; the only issue is who's paying.

When the person using a product or service doesn't pay for it, it tends to get overused. After all, don't most people eat a little more pizza when someone else is buying? According to Shoup, parking that is made free to drivers is like pizza bought by someone else. There's little incentive to economize on driving and parking, and as a result, society as a whole is left to pay the cost of "free" parking.

When you combine that basic economic instinct with policies that promote the over-construction of parking lots, you have what Shoup sees as a big problem. In fact, he says that free parking is "devastating U.S. cities."

Here are a few figures. Shoup estimates that on 99 percent of all trips taken in the U.S., the driver pays nothing to park. Cars are parked 95 percent of the time, so in effect our cars are nearly always in storage. Roughly 91 percent of us drive to work, which is not surprising because free parking is the most common fringe benefit offered to workers. The cost of this parking subsidy is about 1 percent of Gross Domestic Product, which makes it four times larger than the amount of funding for public transportation.

Shoup spends a good deal of space on the oversupply of parking in America. The biggest culprit is zoning laws that go overboard on parking. Local governments tend to enforce long-standing parking guidelines that focus on the peak occupancy of a given store or office complex. But the concept of peak parking occupancy assumes that parking is free as well as at its peak. Imagine a pizza restaurant deciding how many seats it needs by assuming that its restaurant will always be full of the biggest and slowest eaters, none of whom pays a dime. But that's how most cities plan for parking.

The result of such zoning laws is a landscape of vast and mostly vacant parking lots. Shopping malls may manage to fill their lots just before Christmas, but that's about it. Restaurants are often required to build lots three times the size of their buildings. Some cities require residential developers to provide as many as 3.25 parking spaces per apartment unit even though the national average is about two cars per household. All of

that mostly unused land has to be paid for by the retailer or the restaurant or the apartment builder, all of whom are happy to pass the price on to the consumer.

Shoup's research shows that there are between three and four parking spaces for every car in the U.S. There are about 235 million cars in America, so that implies between 705 million and 940 million parking spaces. In some cities, more land downtown is devoted to parking than to all other land uses combined. That's land that can't be used for affordable housing or other uses, and the net effect is to raise rents and land prices.

Even in Greensboro, an aerial view or map of downtown shows a surprising amount of surface parking. To its credit, a recent study of downtown parking by the city of Greensboro found that in spite of perceptions of a parking shortage, there is actually ample parking capacity downtown.

If the sole concern were the sheer number of parking spaces, we might have the problem licked. But this is where overuse by drivers comes into play. Perhaps it's surprising that overuse is a concern when there are so many parking spaces out there. But economics has shown again and again that when something is free or nearly free, human nature can turn a huge oversupply into a shortage.

For example, free parking imposes costs on society in the form of increased pollution, congestion, and wasted time. Shoup cites studies that show that the more free parking there is in a city, the more congestion there is as people cruise for parking spaces. At a time when so many people are concerned about energy conservation, finding ways to cut down on cruising sounds like a good idea.

Cities across the country are trying to reinvent their downtowns, and parking is almost always a consideration in downtown planning. Free or discounted parking is generally seen as a good way to encourage people to come downtown. But this is where another irony comes into play. Shoup argues that because of the way parking requirements skew the plans of developers, there is actually an *inverse* relationship between free downtown parking and the vibrancy of downtown economies. For example, Portland, Oregon, has one of the most admired downtowns in the country, but it has less parking per capita in its downtown than it did in 1970.

Shoup tells a tale of two cities, Los Angeles and San Francisco, each of which built new concert halls in the 1990s. In Los Angeles, free parking was provided at great cost to the city, with the result that concert-goers can leave the hall after a concert and immediately get in their cars to zip home. In San Francisco, no parking garage was built, with the result that people tend to stay in the area after concerts, going to local bars and restaurants. Which downtown would you rather have? As I watch people of all ages leave Triad Stage in Greensboro and wander up and down Elm Street, something I never saw just a few years ago, I know what my answer is.

What should cities do? Shoup wants them to relax, if not eliminate, the requirements for off-street parking that they impose on businesses and developers. He notes the examples

of Minneapolis and Chicago, which have started exempting the first 4,000 square feet of new retail space from parking requirements.

Shoup recommends that all street parking in downtown areas be metered, with hourly meter rates set at market levels and not subsidized by the city. Meter rates should vary with location and time, so that parking at peak times and in hot spots will cost more. Why shouldn't the price of parking follow the same rules as prices of other goods?

Shoup wants employers to give their workers the option either to park for free in the company's lot or to receive the cash value of the free parking. In that way, workers will have an incentive to explore alternatives such as car pooling and mass transit.

Shoup understands that his recommendations are likely to be resisted, because the automobile is woven deeply into the fabric of American life. Anything that threatens our love affair with the automobile tends to be opposed, even though that love affair creates numerous hidden problems. By identifying a few of these problems and their connection to the seemingly benign phenomenon of free parking, Shoup hopes that enlightened public policy will make our cities more livable.

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