

## **Free parking: How much is it costing us?**

By Jamestown Renaissance Corporation Staff

It seemed obvious. If downtowns provided free parking, they could finally compete with modern shopping centers and their acres of asphalt. Simply remove the reviled parking meter and make way for the returning stream of retailers and customers.

But it didn't work. In Jamestown—where a free parking zone was established along the Third Street corridor in the 1990s—and many other cities, a supply of free downtown parking has not produced a retail uptick. If anything, it has done some damage.

After all, free parking is never free. That is the conclusion of Donald Shoup, a planner at UCLA who wrote *The High Cost of Free Parking* in 2005. His work shows how free or underpriced parking distorts travel behavior, wastes land, and weakens urban centers in communities of all types.

Your parking space at Wal-Mart, for example, may seem free. But how does Wal-Mart maintain hundreds of square miles of parking lots—keeping them paved, striped, plowed, and the property taxes paid, not to mention the cost of acquiring the land in the first place? We pay through higher prices and the inefficient use of our land: all hidden costs.

In downtowns, the hidden costs of free parking are harder to detect. One price we pay is the avoidance of downtown by developers or retailers who feel the need to provide ample free parking—to meet consumer demand—and have done so by building on empty land at the urban periphery, where assembling large chunks of land is easier and cheaper.

But bending to the expectation for free parking by providing it downtown doesn't make a central business district more competitive. It only creates more hidden costs and conditions that inhibit downtown revitalization.

For one, it undermines the rationale for paid parking by feeding the public perception that parking meters and enforcement are just municipal revenue grabs. If some downtown streets are free to park, why can't they all be free? This obscures the very important role that pricing plays to ensure steady turnover and efficient use of a commodity that is limited and shared. Downtown Jamestown's roughly 1,800 public parking spaces (on-street, and in lots and ramps) are used by thousands of people each day to access hundreds of commercial, institutional and residential addresses.

Especially limited are spaces along the busy Third Street spine and its intersecting streets—downtown's most sought-after parking. The nearly 200 on-street spaces in that area constitute a two-hour free parking zone, a policy that violates basic market principles by giving away downtown's most desirable spaces. This creates several inefficiencies, such as employees taking spaces from potential customers and drivers cruising around in search of a free space (wasting time and gas). And it subverts a

downtown parking system that is otherwise well-conceived, with cheap long-term parking on the periphery and more expensive short-term spots near the core.

An inefficient system that feeds the public's expectation for free parking exacts significant costs on developers and property owners by putting pressure on them to provide free off-street parking—a considerable investment—or lowering the prospective rents for properties without attached parking.

In the end, all of this leads to an overconsumption of parking and more parking spaces than we really need. If you are a ten minute walk from downtown, why bother walking or biking if downtown has ample space to park? If you are heading to the Civic Center with a group of people for an evening event, why bother carpooling when each car only pays \$1 for a convenient spot in the ramp? If you are on one end of downtown and you have an appointment five blocks away, why spend five minutes walking when a parking space beckons? With no incentive to do much walking, our health is another hidden cost.

And this lack of pedestrian activity is where the true damage is done. If downtown parking is ample and underpriced, foot traffic is sparse and streets seem empty and dull, which discourages people from coming or walking downtown. Numerous parking lots and overly wide streets that serve as automotive moats—especially Fourth Street—further degrade the pedestrian experience and boost the inclination to drive and park.

By expecting free parking to boost downtown, we misunderstand downtown's role in the modern retail and service economy. With most commerce having long ago migrated to malls, plazas, or the internet, downtowns must compete as a unique experience. If the experience is right, people are more than willing to spend a few quarters to park. Most downtowns worth visiting thrive *because* they value the pedestrian experience over automotive ease.

We need to invest in that experience and wean ourselves from our free parking high. Put parking meters back in the free parking zone. Increase the special event rates in the ramps from \$1 to \$3. And dedicate a large portion of parking revenues toward downtown streetscape enhancements that build appeal and boost the experience—lights, greenery, bike racks, and other improvements to public infrastructure.

If we're going to pay a price, we might as well get something nice in return.