

# A Planner Says **NO** to Market Pricing

BY DON NORTE

**H**igh gas prices, housing affordability, health care and global warming are issues of the day across the country. California is no different.

What is different is that congestion in our cities is a growing problem.

San Francisco south of Market Street is becoming a mini city where pedestrians are seen by the dozens during the day in an area that was pretty much isolated because a big slice was taken away by the freeway, despite its relative proximity to nearby Union Square.

The same is true in Los Angeles, where downtown and Hollywood are squeezing housing into plots of land that would not have been allowed 10 or 15 years ago.

Economic development in Long Beach, Santa Monica, San Diego, Pasadena, Cathedral City and Glendale are producing some of the first large-scale mixed-use projects seen in Southern California.

The trend in the state is definitely tipping toward increasing density and reducing parking requirements for developers. For city planners, this is a mixed blessing, because transportation projects for mass transit have not kept pace with the dollars coming from Washington, DC, for freeway expansions.

The result is not very surprising, that traffic congestion is

more of a problem. It hits harder in the pocketbook for some people – those who can't afford to live closer to where they work. And for the most part, with the sluggish and uncertain future of the economy, this will not change for quite a few years, maybe decades.

This brings us to ask the questions is density good for our cities, and are we doing enough to invest in our transportation infrastructure to support increased density? Are we easing parking requirements too much, expecting that cities will be able to transform into "urban villages?" Well, yes and no.

The trend in planning seems to be that cities are adopting policies to reduce parking requirements in certain neighborhoods in concert with economic development. The policies are largely influenced by a movement of urban planners, developers and academic experts. High on the lists is the very highly touted UCLA professor, Donald Shoup, whose book, called "The High Cost of Free Parking," has received worldwide applause.

It's hard to disagree with the methodology that the cost of parking affects parking habits and that by making street parking more expensive, the demand will shift to either off-street garages, if they are available, or to mass transit.

The "Shoupista" approach implies that all cities can adopt policies that eliminate the demand for parking if they raise prices. In actuality and practice, the theory does not take into account the

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# The Professor Says **YES**

BY DONALD SHOUP

**D**on Norte raises two important questions: (1) what is the right price for curb parking, and (2) how many off-street parking spaces should cities require for every land use.

The right price for curb parking will not “eliminate the demand for parking,” as Norte suggests. Rather, the right price for curb parking will balance demand with supply and will eliminate the shortage of curb parking. The price that eliminates a shortage of curb parking will depend on the time of day, day of the week, demographics, and many other factors.

We can call this balance between the varying demand for parking and the fixed supply of curb spaces the Goldilocks Principle of Parking Prices: The price is too high if too many spaces are vacant, and too low if no spaces are vacant. When only a few spaces are vacant, the price is just right, and everyone will see that curb parking is both well-used and readily available. Can anyone recommend a better price? Can anyone recommend a better way to set prices for curb parking?

Norte’s second point is that cities need to set off-street parking requirements for every land use. Some planners and politicians seem to think that reducing minimum parking requirements is social engineering intended to get people out of their cars. In reality, minimum parking requirements are social engineering that gets people into their cars. If there is free parking at both the origin and the destination of every trip, why not drive everywhere?

Reducing off-street parking requirements is not a risky intervention in the markets for land and transportation. Off-street parking requirements are a risky intervention in the markets for land and transportation.

Every developer knows that cities’ minimum parking requirements are often the real limit to urban density. Minimum parking requirements often force developers to provide more parking than they would voluntarily provide, or smaller buildings than the zoning allows. Off-street parking requirements do not promote a walkable and sustainable city. Instead, off-street parking requirements promote a drivable and unsustainable city.

If West Hollywood or any other city waits until there is excellent public transit before it reduces its off-street parking requirements, most people will continue to drive everywhere, even if Santa Claus miraculously builds the transit system.

If planners insist that cities must have good public transit before they can reduce their off-street parking requirements for every land use, cities will never get good public transit. The smartest step cities can take is to convert all their minimum parking requirements into maximum parking limits, without changing any of the numbers.

After all, if a city has decided that the minimum parking

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demographics and differences in geography that make cities unique.

We should start by looking at the foundations of city planning where density can work to the benefit of the population. The role of land use regulation used to be based on the theories of concentric rings, where density was encouraged at the core of the city and became less dense as it radiated out.

The problem is that the current application of this methodology was not coordinated regionally with the type of development known as sprawl.

California needs to take a step back and address the traffic and congestion problems in some sort of coordinated fashion. At the next election, Californians will consider ballot propositions for transportation on the state and county levels. High-speed rail is being discussed in Sacramento once again, despite budget cuts. Los Angeles County is considering raising its sales tax to fund capital projects such as the metro expansion.

The message is that decision makers need to strike the right balance of applying the Shoup approach to the reality of having a mass-transit system that is efficient enough to support the density that is being allowed. This is going to be a delicate balance and the cooperation of intergovernmental agencies or bodies that can make sure density is running at the same pace as mass-transit development.

Once a city or region has achieved transportation efficiency by accommodating the number of trips generated by the appropri-

ate mode of travel, then the option of reducing minimum parking requirements across the board can truly become a positive and cost-effective solution for our policymakers.

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## Metric Chosen for Asbury Park, NJ

Metric Parking has recently been awarded a contract to supply 32 Metric Accent 3 Pay by Space machines for Phase I of the Asbury Park's parking implementation program. This will be the first fully implemented on-street pay by space project on the Jersey shore.

Asbury Park is accustomed to being an early adopter to new technologies, James Bradley had the first telephone installed in his home at the corner of Main Street and Mattison, and this residential resort was one of the earliest to have an electric street car system. In 1973 Bruce Springsteen debuted his first record album, Greetings from Asbury Park. Over the years Asbury Park has been known for entertainment as well with the historic Paramount Theater, and this year was listed by USA Weekend as one of the Top 10 Places to hear the best of America's music.



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# The Professor Says YES

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requirement is “enough” for every land use, the city should prevent developers from providing more than enough. Minimum parking requirements, with no maximum, imply that cities care only about having enough parking spaces, and that there can never be too many.

Consider the diametrically opposed approaches in the Los Angeles and San Francisco CBDs: L.A. requires parking, while San Francisco restricts it. For a concert hall, Los Angeles requires, as a minimum, 50 times more parking spaces than San Francisco allows as the maximum. This difference in planning helps to explain why downtown San Francisco is much more exciting and livable than downtown Los Angeles. If physicians in one city prescribed bloodletting and physicians in another city prescribed blood transfusion to treat the same disease, everybody would demand to know what was going on. But when city planners in different cities do essentially the same thing with planning for parking, nobody questions the contradiction.

City planners have no professional expertise or training to set parking requirements. They don't know how much parking spaces cost at any site, and they don't know how the parking requirements affect development or the transportation system. City planners also know little about the effects of parking requirements, but they are expected to know exactly how many parking spaces are required for every land use.

For example, West Hollywood requires 10 parking spaces per 1,000 square feet of floor area for a health club. Since parking lots

and structures average at least 300 square feet of floor area per parking space, the required parking spaces occupy at least three times as much space as the health club. How much does this parking requirement add to the cost of the health club, and how much does it increase the incentive to drive to the health club? Nobody knows.

In trying to foretell the demand for parking, urban planners resemble the Wizard of Oz, deceived by his own tricks. No one should blame planners for dispensing the elixir of ample free parking, however, because everyone wants to park free. Nevertheless, planners can be faulted for their pretension to special skills in dealing with parking. Planners cannot predict parking demand any better than the Wizard of Oz could give the Scarecrow brains or send Dorothy back to Kansas.

A generation ago, many planners and politicians opposed market solutions to public problems almost as a matter of principle, but even skeptics who still doubt the merits of market prices for other public services can in good conscience recommend charging them for parking.

If cities underprice curb parking, they must require off-street parking everywhere – imposing enormous costs on the economy and the environment. Planners can and should regulate the quality of parking, but they should deregulate or limit its quantity. Instead of planning without prices, we can let prices do the planning.

Donald Shoup is professor of urban planning at UCLA and author of “The High Cost of Free Parking.” He can be reached at [shoup@ucla.edu](mailto:shoup@ucla.edu).

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