

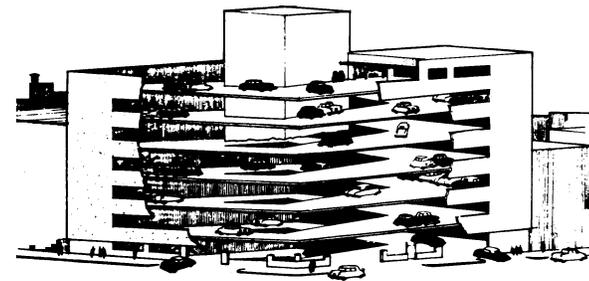
FREE PARKING

Existing parking policies and practices that favor free parking promote solo driving, increase the costs of development, and encourage a built environment that rewards driving over walking, cycling, or using transit. Free parking has a number of direct and indirect impacts on travel choices, congestion, and pollution and is at odds with state and federal policies to reduce auto travel and emissions. The parking standards of most communities

result in buildings set back from the street like islands in a sea of parking spaces. This built landscape does not contribute to the public realm; it is difficult to serve by transit and demonstrates a community's dedication to cars over people.

This disjointed form is, to a large degree, the result of the parking requirements established in municipal zoning codes and by lending requirements. These standards are usually set by customary practice rather than by analysis of demand. The situation is made even worse by the fact that parking requirements are based on demand for free parking. In many places, free parking has become a key factor in determining urban form, and cars have replaced people and buildings as zoning's real density concern.

Data from the Nationwide Personal Transportation Survey shows that for all purposes, free parking is available for an overall average of 99 percent of daily trips. Free parking is a strong



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incentive to drive alone, a subsidy which removes the cost of parking from the driver's trip. Most employees provide free parking, as do many retail and commercial operations. Especially in suburban areas, parking is almost always oversupplied and under-priced. Because of parking minimums established in zoning codes and loan requirements, municipalities and lenders encourage an oversupply of parking. Employers, building owners, and managers then have little incentive to charge for something which is so oversupplied.

Free, employer-provided parking is one of the most widespread transportation practices in the country. "Free gasoline for employees who drive to work would seem like a reckless offer, yet employer-paid parking is a much stronger incentive to drive to work alone," say researchers Donald Shoup and R.W. Willson. Free parking subsidizes a large share of an employee's cost for driving to work. The effect of this subsidy is to increase solo driving to work. While those who drive receive that subsidy of a free parking space, those who rideshare, use transit, bike, or walk receive nothing.

Moreover, research shows that many employees do not value their parking spaces at the same rate it that costs employers to provide them. When employees have to pay market rates for parking, many of them shift to other modes. Shoup and Willson cite a case where an employer stopped paying for parking for solo drivers and 98 percent of them shifted to other modes, suggesting "the potential for a considerable amount of waste involved in offering parking subsidies that are worth less to employees than they cost the employer."

Studies indicate that charging for parking leads to reductions in demand for parking, the number of trips made, vehicle miles traveled, and auto emissions. Where employers have to pay for parking, there are significant numbers of workers who shift from driving alone to ridesharing and transit use. The employer pays the capital and maintenance expense for parking spaces that are provided free of



Free parking dominates both the landscape and building in this example.

FREE PARKING (Cont'd)

charge to the firm's employees. The employer is thus providing a significant benefit for the employees. This benefit, however, comes on an all-or-nothing basis. Employees may either use the subsidy of a free parking space or receive nothing.

The widespread provision of free parking has inadvertently shifted the responsibility for almost all parking entirely from the driver to the employer, developer, or building tenant and has reduced almost every driver's cost of parking to zero. Commercial and retail firms that provide free parking capture their cost for providing parking through prices charged to their customers and clients. The provision of free parking creates additional cost to employees and consumers who may not be using those surplus spaces. There is also an opportunity cost for land used for parking spaces that could otherwise be devoted to more productive retail or commercial use or for open space.

There are several non-employer based approaches that can be used to remove the free parking subsidy, assessing the true cost of providing parking to drivers:

- imposing or increasing fees and surcharges for solo drivers or long-term parkers
- giving preference to high occupancy vehicles
- taxing parking providers, whether commercial or private
- linking funding allocations for road improvements to requirements for local trip reduction plans that incorporate parking pricing
- reversing "early bird" and monthly discounts
- developing, managing, and enforcing parking regulations and pricing for commercial and retail mixed use areas

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