

**December 16, 2005: Visiting Scholar Seminar:  
“The High Cost of Free Parking” with *Donald C. Shoup, Professor of Urban  
Planning, University of California, Los Angeles***

By Seth English-Young

On December 16<sup>th</sup>, 2005, NYU Wagner Rudin Center for Transportation Policy and Management and the University Transportation Research Center at City University of New York hosted a Visiting Scholar Seminar, featuring Donald Shoup, Professor of Urban Planning at University of California, Los Angeles. Dr. Shoup’s presentation was titled, “The High Cost of Free Parking,” which is also the name of his recently published book. Combining wit and a wealth of knowledge on parking, Dr. Shoup said he chose to study parking because many people study cars the 5% when they are moving, but few study cars the 95% of the time they are parked.

Dr. Shoup noted that the American standard of providing free parking is problematic because it is paid for by everyone but the motorist. The initial cost is borne by the developer, but is passed on to the business, which passes it on to the customer. Free parking therefore increases the costs of all goods by requiring businesses to bundle the cost of parking into the price of the good.

Further into his presentation Dr. Shoup pointed out the two largest mistakes in parking policy: “keeping curb parking free or cheap” and “requiring lots of off-street parking.” He emphasized that there are numerous shortcomings in off-street parking requirements: 1) Planners do not know how much off-street parking to require. He supported this theory by presenting a sample of off-street parking requirements for funeral homes for 66 cities. Out of the 66 cities, 27 different parking requirements existed based on 14 different factors, and 20 cities had a requirement that no other city had. This shows that there is no consistent theory of how much off-street parking to require. 2) Off-street parking is ugly; Dr. Shoup showed many examples of sprawling mall parking lots and “snout” houses (single-family homes with a double garage in front forming a “snout”) both of which are designed because of parking requirements. 3) Off-street parking requirements waste resources, directly and indirectly. “Directly, by increasing the land and capital devoted to parking, and indirectly, by increasing automobile use and urban sprawl.” A 2002 study estimated the subsidy of off-street parking to be between \$127 and \$374 billion. In order to alleviate these problems, Dr. Shoup recommended that cities eliminate all off-street parking requirements, developers would still be allowed to build parking, but it would not be required.

In addition to removing off-street parking requirements, Dr. Shoup recommends two reforms in parking policy: 1) charge market rates for curb parking, and 2) return the meter revenue to the neighborhoods that generate it. Set the price of curb parking so that 15% of parking spots are open at all times. This will allow people to find parking without a long wait. Returning the meter revenue to the district that generates it will create political support for charging market rates for curb parking. He presented the Old Pasadena shopping district as an example of a success story. Old Pasadena has gone through a renaissance in the last 30 years and this model was used to generate revenue for repairs and streetscape improvements in the shopping district.

Dr. Shoup said that he sees two possible futures: The first is to change nothing, “keep curb parking free or cheap”, and “require ample off-street parking.” If we do this we are subsidizing parking in higher prices in all goods. “Cities will impose the high cost of free parking on everyone, even those too poor to own a car.” In addition, by subsidizing parking we are promoting driving over other transport modes.

However, he sees a second future, which is to “charge market-rate prices for curb parking, use the revenue to improve the neighborhood that generated it, and remove off-street parking requirements.” Districts that produce meter revenue will have money to perform needed improvements. Because off-street parking will not be required within zoning, the cost of parking will not be hidden in all other goods. Since parking will be more expensive, people will drive less and find other means of transport.

At the end of his presentation, Dr. Shoup harkened back to our country's forefathers. His final slide quoted Thomas Paine:

*A long habit of not thinking a thing wrong gives it a superficial appearance of being right, and raises at first a formidable outcry in defense of custom. But the tumult soon subsides. Time makes more converts than reason.*

Thomas Paine, *Common Sense*

Dr. Shoup concluded by stating that although free parking has long been an American tradition, it is now time for America to change its underlying parking policy.