



MEMORANDUM

To: Amber Miller, Ann Arbor DDA
From: Tom Brown
Date: May 27, 2016
Subject: Expanded Parking Requirements Recommendations Memo

BACKGROUND

THE PROBLEM WITH MINIMUM PARKING REQUIREMENTS

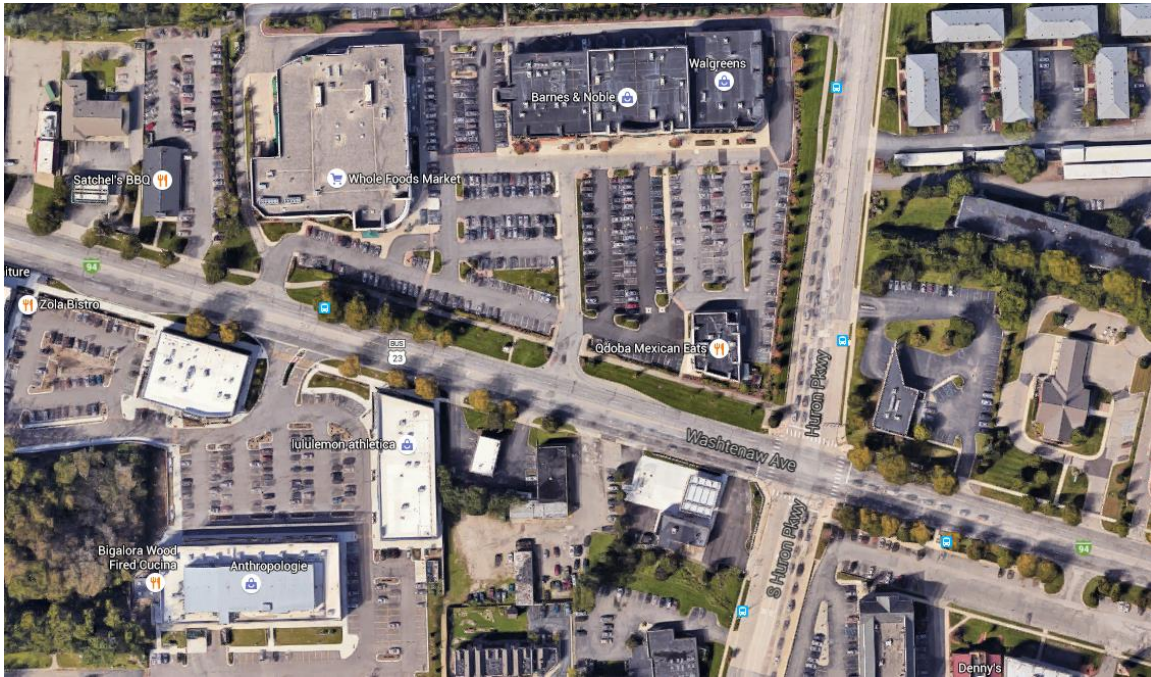
Parking requirements defined within municipal zoning codes are a powerful tool for shaping a city's transportation and development character. As our populations continue to urbanize, the collective ability of communities to use zoning and other tools to shape local transportation conditions around shared values and goals will have increasingly far-reaching impacts.

For several decades, zoning codes across the United States have emphasized minimum requirements for on-site, tenant-reserved parking spaces to protect local streets from being impacted by parking demand generated by new development. The concern was that developers would save money and developable land area by not building any parking, and relying on nearby street parking to accommodate their project's parking demand. In response, cities began to require sufficient accessory parking at each new development — enough to ensure that spaces would always be available for anyone that needed one, assuming the parking was free.

For this to work, not only must developers provide enough parking to meet peak demand, but they need to provide it for free to prevent drivers from parking on-street to save money. The result of this approach is the common practice of requiring far more parking than is consistently needed at new development projects. There are, of course, exceptions, but aerial images of most downtowns and commercial centers attest to the fact that most cities have been inundated with private parking which mostly sits empty, depressing development densities and undermining walkable, bike-friendly, and transit-accessible development patterns.

In the images below, it is easy to perceive the impact of ubiquitous and redundant private parking supplies on area walkability, bike safety, and transit service levels.

Figure 3 High-End Suburban Shopping Corridor



The subsequent decades of development codes commonly over-requiring parking has revealed significant and consistent unwanted consequences inherent in this approach, particularly in urban centers, not limited to the following.

- Reducing Infill Development Viability – parking requirements can make smaller opportunity sites and historic redevelopment opportunities physically or economically infeasible, limiting their re-investment value and encouraging “green field” development.
- Encouraging car ownership and use – Linking parking amenities to dwelling units misses an opportunity to emphasize the reduced need and utility of maintaining a private auto while living in Downtown.
- Disrupting pedestrian, bike, and transit networks – requiring each development to self-park greatly increases the proliferation of driveways that create pedestrian conflicts, unpredictable traffic patterns for cyclists to navigate, and turning movements that worsen congestion.
- Increasing the cost of living – Requiring developers to build parking in urban areas adds considerable project costs and ensures that parking costs are externalized in higher prices for goods, services, and housing – creating a particularly unfair burden for low-income households and those who do not drive, and making it challenging for developers to construct workforce housing.

Today, governments are increasingly questioning the merits of minimum parking requirements in urban centers – particularly as traditional urban forms and transportation options have regained considerable market favor. In many of these areas, including Downtown Ann Arbor, requirements have been reduced in recognition of the potential for minimum requirements to be counter-productive. Increasingly, many are proposing full-scale reviews of their standards, and even considering removing parking requirements altogether.

In Downtown Ann Arbor, however, the City's public parking system, managed by the DDA, provides a "third option" between keeping or discarding minimum parking requirements: minimizing parking requirements, while encouraging a fee alternative that can be pooled into a fund for providing much more efficient forms of public parking and mobility/access improvements.

THE PROBLEM WITH TOO MUCH PRIVATE PARKING

Minimum parking requirements are not the only reason projects end up "over-parked". Developers who are unfamiliar with walkable, transit-accessible urban centers often bring assumptions and formulas built from experience gained in highly auto-dependent environments. As often, lenders bring the same assumptions and formulas to downtown projects, insisting upon levels of parking that go beyond zoning code requirements, and well beyond the highest peak levels of demand generated by realized development.^{1 2}

The first problem with this is that it increases the cost of development in downtown, where costs are inherently much higher anyway. This, in turn, increases the cost of living or operating a business within the project, adding to the already-high cost of housing, goods, and services here. Less obvious is the problem that excess parking capacity creates, when it is within private parking facilities. Because these facilities are generally managed as an accessory resource for on-site land uses, they are rarely managed as part of the overall parking system. As such, they will tend to be underpriced, offered for free/bundled with units, and/or otherwise managed in ways that increase driving demand. In addition, required parking takes the place of active ground floor uses or more living or office space and works against the community's walkability goals.

Cities must also be prepared for the next wave of technological advancements in transportation, namely self-driving cars, and their impacts on parking demand and supply. Some experts estimate that self-driving vehicles could eliminate the need for up to 90% of the current parking supply over the next two decades.³ A proactive approach to management and an effective phased supply reduction strategy will allow cities to manage these changes as they occur, especially if the majority of the parking supply is managed as a shared resource that can accommodate more growth as fewer spaces are needed by established land uses.

"There is more parking today in American cities than they will ever, ever need." Jeff Tumlin, Nelson\Nygaard in Mother Jones⁴

BETTER TOOLS FOR CURBSIDE MANAGEMENT

Zoning has proven to be, at best, a clumsy means of protecting curbsides from development-generated parking impacts. At worst, they have been a disaster for many downtowns and urban commercial centers. Nonetheless, concerns about new development reducing access to curbside parking remain a common concern in most urban areas and neighborhoods.

As such, zoning reform that seeks to undo the poor results of over-requiring parking typically requires complementary strategies for curbside management, such as Resident Permit Parking.

¹ <http://www.planetizen.com/node/56296>

² <http://www.washingtonpost.com/wp-dyn/content/article/2009/10/07/AR2009100703996.html>

³ <http://www.motherjones.com/environment/2016/01/future-parking-self-driving-cars>

⁴ Ibid

By directly managing curbside use and availability, such strategies can allow the zoning code to encourage land uses and parking strategies that are more compatible with, and facilitating of, multimodal, walkable urban centers.

Directly managing curbside use and availability can be much more effective in protecting neighborhood parking from nearby growth, freeing zoning to focus on attracting desired forms of growth.

THE RECOMMENDED APPROACH

CORE COMPONENTS

The final zoning amendment recommendations may include a parking maximum, minimum, or combination of both. Regardless, there are four essential opportunities that should be created through a revised set of Commercial Center-specific parking requirements.

1. Ensuring that minimum parking requirements are not a barrier to the level of investment and types of projects desired for each area, as requiring parking can limit the viability of affordable housing, mixed-use projects, and proposals that emphasize bike amenities, car share, and transit, walking and cycling connections over car accommodation.
2. Discouraging over-supplying on-site parking, which can undermine efforts to promote walkable, transit-friendly land-use densities.
3. Encouraging shared parking provision at larger developments with amenable site conditions and geometry.
4. Allowing developers to fund public parking, or mobility/access enhancements, in lieu of meeting parking demand/requirements on site.

FEE ALTERNATIVES AND WHAT THEY WILL FUND

Fee alternatives to the preferred parking minimum/maximum approach can provide developers maximum flexibility in terms of how much accessory/private parking they include in their projects, while also providing the City/DDA with the resources to maintain equilibrium within the overall parking system and the Downtown transportation system of which parking is but one, highly-influential component.

In Lieu Fee Alternative to Minimum Requirement

The primary purpose of an In Lieu Fee (ILF) is to provide dollars to expand the public parking system, as necessary, to accommodate growth. Because growth in Downtown creates demand for, not just parking, but multimodal mobility and access, the same funds can be used to invest in improved transit, cycling, and walking networks and service levels. As managers of the public parking system, the Ann Arbor DDA has managed public parking revenues with these values – maintaining and expanding the parking system as well as improving walking, biking, and transit networks.

Fee for Exceeding Suggested Maximum

The primary purpose of a Maximum Parking Fee (MPF) is to offset the traffic, emissions, and walkability impacts of projects that provide more parking than is anticipated to be necessary for on-site activities, when that parking is not managed as a shared resource. It is also meant to deter developers from over building parking that is not shared (& thus will sit empty for portions of the day). For this reason, it is best practice to use the funds generated to improve transit, cycling, and walking networks and service levels. In addition, because parking that triggers a MPF is not shared to accommodate area-wide parking needs, the same funds can be used to expand public parking, as needed, in Downtown. This approach is in alignment with how the DDA has been managing the public parking system; using parking dollars to support a menu of transportation options downtown in order to effectively manage parking demand and supply.

SUPPORTIVE RESIDENTIAL PERMIT PARKING STRATEGIES

Zoning changes that result in less parking at new development projects, or higher costs for using parking at new development projects, invariably create understandable concerns about parking demand increasing along nearby streets. This is an especially acute concern in residential areas, where parking is typically free of charge to all drivers, and unrestricted by time limits. The City of Ann Arbor has established resident-permit parking (RPP) regulations along many residential streets to address such concerns and ensure that residents have consistent access to curbside parking near their homes.

CURRENT RPP REGULATION

Prioritizing Resident Access to a Shared Resource

The City's current RPP regulations restrict parking by non-permitted vehicles to 2 hours. In most locations, these restrictions are scheduled so that they are only in effect on one side of the street at any particular time. This allows for greater use of these shared-parking resources, and facilitates the parking needs of those visiting or providing services to residents, while moderating the impact of long-term parking by nearby employees and other non-residents to ensure reasonable and consistent resident access to street parking.

Proposed changes to premium-development parking requirements, may, however, raise concerns that spillover demand will increase near new development to the point that it overwhelms the current RPP regulations.

It is recommended that the City formally recognize that minimum parking requirements in zoning are not a viable strategy for mitigating spillover parking impacts from new development.

Rather, it is recommended that the City employ established best practices to maintain resident access to neighborhood curbsides through its RPP program. Such programs provide a mechanism for directly managing the level of spillover parking experienced in any neighborhood, ensuring that it does not constrain resident parking options. At the same time, RPP regulations typically

seek to allow non-resident parking up to a manageable level that leaves a moderate measure of availability (25-30% of spaces) for resident parking needs.

If there are concerns that the current program is not able to maintain a reasonable level of availability for resident needs, the City could evaluate occupancy in RPP zones and expand the options for RPP regulations in more high-demand areas, if needed. Options such as applying RPP restrictions to both sides of the street, or reducing the time limit for parking without a permit, could be explored for such areas, if occupancy surveys indicate a need for such measures.

This will require additional staffing for planning, administration, and enforcement for the RPP program. However, this is a far more effective means of controlling spillover parking than relying on minimum parking requirements, which, by design, are only effective if they result in oversupply and underpricing of off-street parking nearby.

Since increased prioritization of residential parking, by design, reduces access to a taxpayer-maintained public resource for all other drivers, more-restrictive RPP regulations should be justified, based on demonstrated measures of reduced residential access to neighborhood parking. The City should, therefore respond to petitions from residents by completing appropriate field surveys of curbside occupancy/availability conditions, and base any changes on observed measures of availability. The current RPP regulations, for example, likely will remain the best option for many areas. In areas, where spillover demand is shown to be, or likely to become, a constraint on residential parking access, alternate approaches can be approved.

Managing Permit Demand

In some contexts, resident parking demand can constrain neighborhood parking capacities, exclusive of any spillover impacts. Residents in such contexts are typically particularly resistant to any nearby development that does not provide ample, free parking to its tenants. New residential development can be of particular concern, as new residents may choose to use resident permits as a means of avoiding on-site parking costs or constraints. There are several options for managing/reducing permit demand in such areas, not limited to the following.

- Limiting the number of permits that each household can purchase
- Escalating the permit rate for households purchasing multiple permits, as is done in Arlington County, Virginia
- Capping the number of permits based on the number of spaces available in the neighborhood, and not issuing second permits to any household until each household is offered an initial permit, as is done in Toronto, Ontario

Visitor Parking

Any of the above options that make RPP regulations more restrictive will limit curbside options for household guests and service providers. The current regulations accommodate these needs very well, eliminating the need for a formal visitor-parking component of the City's RPP practice. There are several viable strategies, however, for accommodating visitor parking in any area that adopts new, more-restrictive regulation. A fairly straight-forward option is described below.

- Provide each household with a hang tag with a "scratch off" calendar to be used by visitor vehicles.
- Allow six dates to be scratched off of each hang tag, with the tag then useable for parking on that date and until Noon on the following date.

- For needs beyond this provision, allow residents to acquire additional permits, as necessary, for an escalating fee.
- All of the above will require increased enforcement and staff time.

EXPECTED BENEFITS

OPTIMIZING PARKING SUPPLY/DEMAND MANAGEMENT AS DOWNTOWN EVOLVES

One of the more under-appreciated benefits of district-level shared parking systems, where most parking demand is accommodated within public facilities, is that such systems not only reduce how much aggregate parking supply is needed to support local growth, access, and mobility needs, they also protect walkable, urban centers from the most harmful impacts of excess parking supplies. It does this simply, and elegantly, by facilitating an iterative relationship between supply and demand, where temporary supply gluts can be used to accommodate new growth, until an efficient equilibrium returns. By contrast, the imbalance created by overbuilt private/accessory parking facilities will persist, as will their inflationary impacts on local housing, goods, and services costs. In such facilities, parking also tends to be underpriced — a natural response to excessive supply — if not given away for free, inducing higher rates of auto ownership and travel demand.

At the same time, the preferred approach provides a standing means for new development to provide the funding necessary for the public parking system to keep up with demand, and minimize the measure and duration of supply deficits in order to more consistently maintain optimal supply/demand conditions. The efficiency of the shared parking approach means that funding such a system will be a significantly cheaper option, compared to accommodating demand with private facilities, for most development projects. This will increase the viability of desirable forms of development in Downtown and continue to encourage Downtown growth in alignment with community values around downtown vibrancy, walkability, and affordability.

KEEPING PREMIUM DEVELOPMENT ATTRACTIVE

Most developers considering large Downtown projects today express at least some interest in exploring options for jointly developing the project's parking component. There are cost efficiencies involved for both the developer and the public parking system when such arrangements can be realized. As a bonus, the developer's project enjoys on-site access to "overflow" parking capacities far greater than could have been economically feasible to provide as accessory parking.

One of the primary purposes of the recommended code changes is to make this approach the norm for premium developments, while making the process more predictable and viable for both the City/DDA and future developers.

Developers who are not interested in joint-development options, based on recent experience, tend not to provide amounts of parking that would exceed the suggested maximums. And for those projects that would, developers would have the option to manage this parking as shared/public parking, with or without giving over control of the facility. They could also pay a fee, set to be modest unless the amount of parking is distinctly excessive. This combination of standards and

flexibility is designed to make clear the types and levels of parking considered appropriate for Downtown, without preventing developers from seeking their own “right fit” solution, and thus keeping Downtown attractive for investment.

MAKING THE MOST OF PREMIUM DEVELOPMENT PARKING

Compared to a project built with purely accessory parking, premium development that includes public parking provides nearby land uses and stakeholder with increased access to shared parking. While standard minimum parking requirements seek only to keep new development from making parking conditions worse for preexisting land uses and stakeholders, the recommended approach seeks to make these conditions better for all.

ENSURING ALL PAY THEIR SHARE

One of the benefits of the recommended approach is that it seeks to ensure that all new development contributes to shared parking, mobility, and access solutions to deal with the impacts of growth, while at the same time providing ample, and varied means by which these contributions can be made, so that private, on-site parking is the exception rather than the rule.

ILLUSTRATED BENEFITS OF SHARED PARKING SOLUTIONS

Figure 4 How Shared Parking Reduces Supply Needs: Office and Residential Use Context

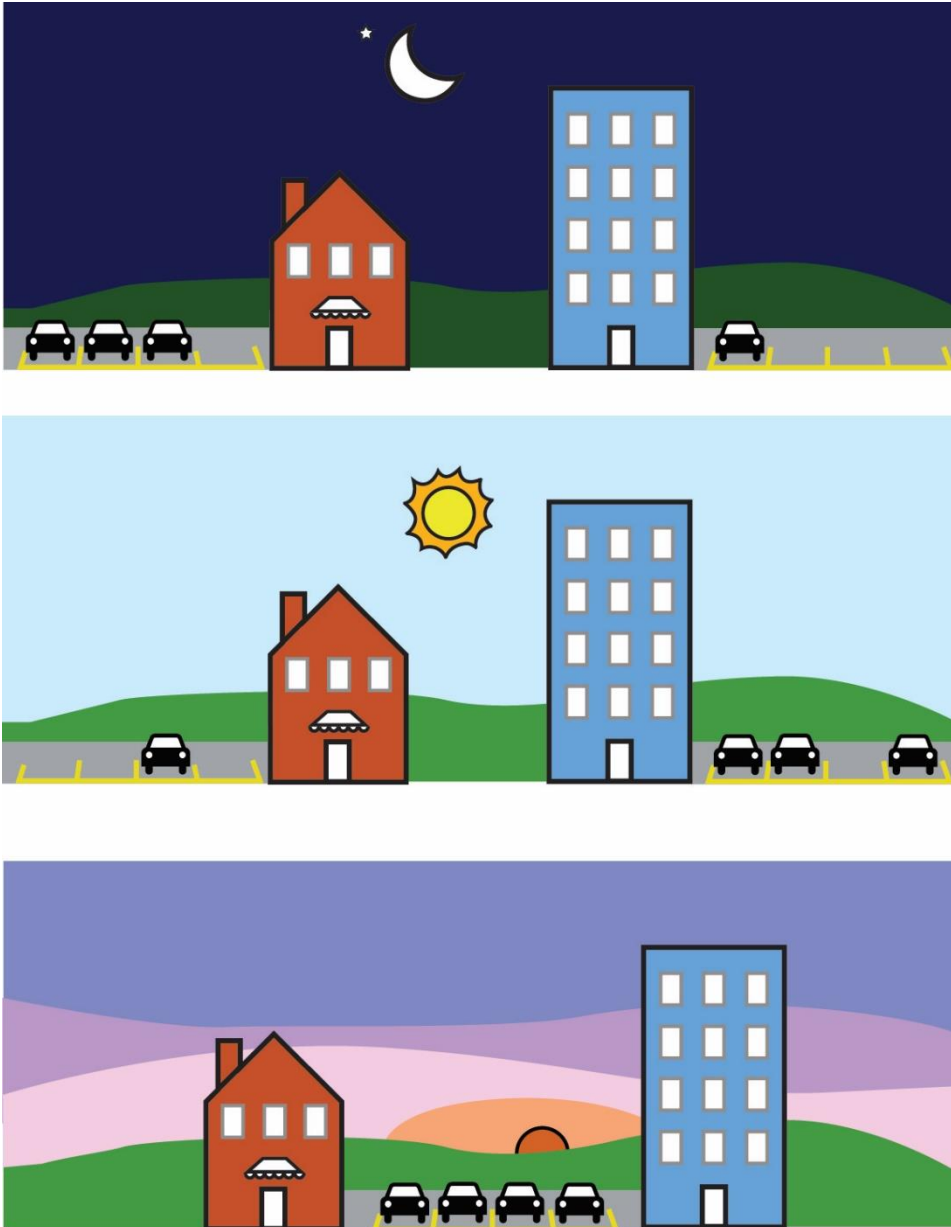


Figure 5 How Shared Parking Reduces Supply Needs: Office and Commercial Use Context

