

Report of Department of Finance
Thos. H. MacDonald, Chairman

Annual Meeting Highway Research Board
December 6, 1940 Washington, D. C.

PARKING FACILITIES

The report on off-street parking prepared by the Department of Finance this year is based upon information obtained from personal interviews in a large number of cities in the East, the Middle West, and on the Pacific Coast. Persons interviewed included municipal officials, manufacturers, property owners, traffic engineers, city planners, garage and parking lot owners, and representatives of Chambers of Commerce and civic organizations. From the facts and opinions learned through these interviews, an attempt has been made to determine the nature of the parking problem, the basic issues it presents, and the significance of parking provisions in terms of highway finance.

The subject of off-street parking is of tremendous importance in terms of relieving present urban congestion as well as in conjunction with the provision of express roads into our cities designed to furnish more convenient access to the central business districts. Yet today efforts to meet this problem by providing adequate low-cost parking facilities have been generally feeble and ineffective. In most cases the American city has done nothing to help itself, and in many cases it has adopted policies which constitute a definite hindrance to any sane solution.

In the early road planning era emphasis in the provision of highway transportation service was directed exclusively to the vehicle in motion on the assumption that the vehicle at rest could take care of itself. This assumption was then generally valid because the curb provided adequate terminal facilities for the motor vehicle the same as it had for the horse. Today, however, the growth and concentration of motor vehicle ownership has reduced curb space to relative insignificance in relation to the demand for parking accommodations and has led to the necessity for furnishing this service off the street.

In most cities the number of cars and the number of parking spaces have been counted and recounted, and imposing results of these surveys have been viewed with alarm by those responsible for providing urban transportation facilities. Little actual accomplishment, however, has resulted from many of these studies, and I believe the reason lies in the failure to direct our thinking to the nature of the problem and its significance in terms of motor vehicle use. Highway transportation is not merely the movement of vehicles but the function of getting from one place to another. In other words, we must be concerned not only with the ability of the automobile to go but also to stop if we expect efficient over-all highway service. Lack of parking space, or high-cost parking space, is a serious obstacle in the way of realizing the qualities of economy, speed, and convenience which we so often attribute to the motor vehicle. The point to be emphasized, therefore, is that the parking problem is not an isolated issue but an intimate part of providing highway transportation, and that the problem of

financing parking cannot be considered separate from the whole question of highway finance. We recognize the necessary connection between airways and airports, between waterways and docking facilities, and between the rails and their terminals. But we have as yet failed to think of highway transportation in the same terms.

I should like to emphasize that just as parking facilities are part of the urban highway problem they are also a part of the general problem of transportation in our cities and that any plan for the development of highway transportation must be considered in relation to possible alternative or supplementary mass transportation methods. In addition, since transportation is not an end in itself but only a means of implementing other objectives, it must also be recognized that the over-all transportation plan of a metropolitan area is intimately a part of the whole city plan in terms of land use, municipal finance, and the pattern of urban development. The present trend in our cities consists of the gradual abandonment of congested and run-down areas as evidenced in the central districts by slums and vacant lots, and in the suburbs by an outcrop of new business establishments and satellite communities. Abandoning the city for the suburbs, however, has not removed the cause of urban troubles but has merely permitted a repetition of the errors of poor zoning and the absence of planning. Failure to protect new highways from abutting land uses and the neglect of necessary parking accommodations render the outlying districts as inaccessible as the central area which they

replace. The report of the Department has briefly described this general urban trend because of the part which transportation must have in rehabilitating the city and because municipal governments must be placed on a sounder financial basis if adequate transportation provisions are to be made possible.

The immediate questions to be examined by highway administrators in a study of parking facilities are who should pay the bill and what financial methods should be used. The answer to these questions depends upon the manner in which parking facilities are furnished. There are three general methods: The private facility, the privately operated public facility, and the public facility. The most prevalent of these is the privately operated public lot or garage, which is financed entirely by the motorist by direct cash charges. The second most numerous class of accommodation is the private facility furnished by department stores, hotels, or other business establishments which either absorb the total cost in connection with their business operations or exact either partial or full cost from the vehicle user. The third and least common type is the public facility owned and operated by the city. Most municipal parking is furnished free to the motorist, although there are numerous methods of distributing the bill among property owners, general tax payers, and the vehicle users. In other words, the variety of financial responsibility suggests the fact that accessibility

to the downtown area is to the advantage of not only the motorist but the property owner, the merchant, and the city itself, so that financing parking becomes identified with the similar problem of financing streets.

I do not think that the main question concerns the establishment of responsibility for the cost of parking facilities because there are many conditions which would alter the situation in various cities. The main question seems to be whether the parking problem is to be left to the solution of private initiative or whether government is to assume some degree of active participation. For it is this decision which will determine the conditions of cost, and it is the cost of facilities which will be most significant in determining payments. It is interesting to note the difference in cost conditions under various methods of providing facilities. Under private operation of public lots the cost includes land rent at least sufficient to pay taxes. In addition there must be a return to compensate for private initiative in managing the enterprise and generally a license fee payable to the city. Under municipal operation, however, cost conditions may be entirely different. Parking may be provided on land which has long been in the possession of the city and which involves no cash outlay. Appropriate sites are often obtained through tax delinquencies or as remnants left from previous public projects. The removal of public buildings may also provide

usable property, or land may even be acquired by gift. In cases where the municipality may find it necessary to purchase land, however, it may do so by the issue of bonds to be serviced over a considerable period by the proceeds of special assessments, general taxes, or some type of motor vehicle installments. Neither taxes nor profits need to be paid as in the case of private lots so that even where the acquisition of specific parcels of land is necessary the cost of parking facilities is comparatively low.

In 1938 the Public Administration Service of Chicago declared that off-street automobile parking lots have become a new municipal activity. They report that 33 cities in at least 17 States, or about one-fourth of all the cities covered in its study, had established public facilities and that other cities were developing similar plans. In most instances the land was already owned by the city. In the recent report on parking and terminal facilities by the American Automobile Association it is declared that 53 municipalities in the State of New York provide municipal lots in their central business districts. The largest municipal parking lot encountered in the present study was Grant Park on the Lake Front in Chicago which accommodates 3,500 cars at twenty-five cents a day. Several large cities were found to be developing definite plans for municipal parking garages, and the State of Michigan has passed legislation permitting the use of revenue bonds to finance parking as a municipal activity.

This trend toward municipal operation is perhaps inevitable in view of the connection between parking and street facilities in the provision of highway transportation. In addition, there are numerous criticisms directed at present attempts to provide accommodations on a private basis. The location and size of parking lots are dependent upon the location of vacant property which cannot return sufficient earnings in any other use in spite of the fact that the property used should be in accordance with studies of traffic conditions. Private parking facilities are furnished on a temporary speculative basis with the intention of later converting the land to more profitable use, in spite of the fact that parking must be provided on a permanent basis. This temporary nature of parking lots, many of which are operated on one-year leases, makes the improvement of parking property uneconomical with the result that their appearance is generally unsightly and a cause of further decreases in surrounding property values. In the case of private garages, the main criticisms have been the poor location with respect to present day parking needs, the high cost which results from unnecessarily pretentious design, the inefficient use of space, and the high labor costs required in operating them.

Garage design has undergone considerable revision in recent years, however, and the new open-walled ramp structure may soon replace the old enclosed garage for parking purposes. This new parking structure embodies the garage principle of multiple level parking but is designed specifically for storing cars at low cost by incorporating certain construction economies.

Thus far these structures have generally been established for private parking in connection with department stores. Their cost of construction has been found to be from one-half to one-third the cost of enclosed garages. The total cost of providing parking space, however, includes the land as well as the building so that the provision of privately operated public garages of this type may not greatly reduce the ultimate cost. In addition there might be a reluctance to pass on to the motorist the benefits of these low-cost facilities at the present time. It appears, however, that the combination of the open-ramp type garage on municipal land may be a very real possibility for providing cheap storage of vehicles at the periphery of the downtown areas in large cities.

Mention should be made of the provision of parking facilities by stores and associations of merchants. These individuals and groups have been found to be far more alert to the consequence of inadequate access to the city than has the city itself. The most interesting example of this type of arrangement was found in Oakland, California, where 164 stores joined to provide two-hour free parking for their customers. No purchase is required for validation of the motorist's parking check, and the cost per car to member stores is just four cents. The total cost of providing parking is six cents per car, but this figure has been reduced for the merchant by reason of a ten-cent charge for each hour which a vehicle remains after the first two free hours. It was reported that the cost is reduced 25 percent by operating through

a merchant association rather than through an arrangement with privately operated public facilities. Each time a new lot is opened it is on a satisfactory cost basis within 120 days, and at least a million cars have been accommodated by the association in the past year.

There are instances, however, where department stores are losing heavily on parking arrangements or where free parking privileges have been abused and abandoned. In spite of the success of the merchant association in Oakland, it appears that solution of parking difficulties in the downtown area cannot be left to the merchant alone, while the city, which is largely dependent upon the success of downtown business, contributes nothing. It would hardly be a promising outlook for the city if access to it in the future must be contingent upon a purchase.

In view of the criticisms of the manner in which private enterprise has attempted unaided to remedy the parking problem, the following measures are suggested by which government may assume its proper responsibility:

1. Municipal governments might encourage private operators by eliminating license fees on parking lots, by lowering property assessments on land use for parking, or by the abatement of taxes on such property. These concessions would result in the reduction of parking costs, on the principle that the benefit of parking facilities would increase surrounding land values and help to rehabilitate the city.

2. Cities might also assist private enterprise by furnishing adequate street approaches, by enforcing street parking restrictions, by leasing public lands to private operators, and by planning the most

desirable locations and designs for future parking facilities. With regard to new buildings, the enactment of building codes requiring the provision of off-street facilities is another practice which should be extended.

3. Finally, the city itself might provide parking facilities and augment this power by legislation to permit the acquisition and financing of necessary land.

4. State governments might assist by the passage of legislation to permit the use of revenue bonds for parking facilities and for servicing of these with shares of State motor-vehicle revenues at present being made available for municipal street construction.

5. The Federal government might furnish land for parking through the demolition of condemned buildings through WPA, and by sponsoring adequate surveys of parking needs through the planning organizations of the State highway departments and Public Roads Administration.

The thought which I desire to leave with the Highway Research Board is that the parking problem has become one of the most important aspects of the urban highway problem and that government can no longer afford to leave its solution to current haphazard developments. The city problem is not an emergency problem. It is a subject for long-range effort and careful planning. It offers to the highway field an opportunity to prepare a large-scale public works program to absorb

the surplus energies which eventual return to peacetime production may release. It is not proposed that definite attack upon the parking problem can await the restoration of peace, for obviously the efficient functioning of our economy for defense or normal needs requires the elimination of urban bottlenecks. Immediate steps are therefore necessary. But at the same time the circumstances which may confront us upon return to normal conditions suggest the wisdom of preparing plans now for bold remedies to provide adequate highway transportation service in our cities.