

## A Parking Improvement District for 53<sup>rd</sup> Street

### *A proposal to generate revenue for the City, finance community improvements and manage the local parking supply*

The 53rd Street TIF district was established to address the parking needs of the 53rd Street business district and support the renovation and expansion needs of Cantor School.

#### A new perspective on parking

The TIF Council has become familiar with the research of Donald Shoup, an economics professor at UCLA and author of *The High Cost of Free Parking*. Shoup's pioneering work argues that the costs of "free parking" are hidden in higher prices of everything else. Parking costs increase the cost of living and housing. For example, Location Efficient Mortgages recognize that home buyers who do not have a car and have access to public transportation will have a lower cost of living and can qualify for a larger mortgage.

"Free parking" is wreaking havoc with urban environments and distorts transportation choices. Shoup argues that municipalities need to:

1. Charge the "right" price for curb parking, so that about 15% of spaces are vacant, *and*
2. Return the increased revenue (generated as a result of charging the 'right' price) to the local community through the establishment of Parking Improvement Districts (PIDS).

#### Yes, it works.

Adoption of policies like these helped transform "Old Pasadena" from "skid row" to one of California's premier shopping destinations. Throughout the country, cities are establishing PIDS to generate new revenue for local government and community improvements, while managing their local parking inventory.

Studies show that raising the cost of parking will actually increase the availability of parking spaces on a commercial street.

For example, San Diego utilizes its Community Parking District program to manage the distribution of meter revenue for improvements in six local business districts to make them more attractive to shoppers. The City retains 55% of the revenue and the local district receives 45%.

#### Let's try it on 53<sup>rd</sup> Street.

We would like to work with the Departments of Budget, Revenue, Planning and Transportation to establish a PID coterminous with the boundaries of the 53<sup>rd</sup> Street TIF.

#### Do the math!

**Now:** There are approximately 250 curbside meters with a rate of .25 per hour, for 9 hours a day, 6 days a week on 53<sup>rd</sup> Street. This should generate approximately \$105,300 annually (assuming a 60% occupancy rate).

**PID:** Assume the curbside rates in the district are raised to \$1.00 an hour (same as City lot rates), 12 hours a day; 7 days a week (assume 60% occupancy). The meters should then generate about \$655,000 annually.

#### What about the revenue that the City currently receives from meters?

The City would continue to receive all the revenue it currently receives, but would share a portion of the new net revenue with the local community. Within the PID, the cost of new parking equipment would be shared by the City and local community.

#### Bottom line

Establishment of a PID is a win-win scenario. It should generate more revenue for local government, finance community improvements and help manage the local parking supply.