Market-driven Parking Meter Rates for Downtown Nashville
by Dane Forlines *on* June 17, 2011

I would guess that most Americans consider free parking a fundamental human right. In one sense that is probably true, considering the dependence Americans have on their cars for meeting even the most basic daily necessities. For those of us who would like to see cars play a much more subdued role in routine living, the cost of parking is a more complex issue. The reality is that areas of cities designed exclusively for cars typically have an overabundance of free parking, while areas of cities that more effectively accommodate multiple transportation modes (i.e. driving, walking, biking, transit) by design have less parking for cars and therefore often charge high prices for parking. This is increasingly true in Nashville, where the Metro Traffic and Parking Commission (TPC) has recently installed dozens of new parking meters at previously free street parking spaces throughout downtown and midtown, increased meter rates by 50%, and began enforcing already existing parking meters on Saturdays. This paper discusses the possible pros and cons relating to TPC's recent decision, and proposes suggestions that could improve parking accessibility in Nashville and better achieve TPC's declared goals.

The purpose of the recent actions by TPC as cited in a 2009 On-street parking study was to promote parking turnover, achieve an 85% usage rate, and increase revenue for Metro.

If viable alternatives to driving existed, and the aim of the Traffic and Parking Commission was to discourage automobile use in the downtown and adjacent districts, increasing the cost of parking might be helpful. However, in a city where more than 90% of the population relies on private autos for transportation, the effect of this kind of policy is essentially a tax on visiting the city center. Without a compelling reason for visiting downtown, many will choose to patronize areas of the city where parking is cheaper (free) and more accessible.

Offering more free parking downtown may not be the solution either. Since there is a limited supply of spaces under TPC control, and the demand for free parking would likely overburden supply, visitors might regularly find parking congestion and scarcity. This was noted in the report, which stated the generally accepted 85% usage rate for parking (15% vacancy rate) as a viable target for attracting visitors who would rather pay for parking than spend a lot of time looking for it.

Indeed, personal observation reveals that on-street parking along certain downtown and midtown blocks nearer to high trafficked areas is regularly full. This was confirmed by the TPC report, which referenced field surveys that found 95% occupancy for many blocks in the CBD, or central business district (approximately bounded by the inner interstate loop). However, I've also observed that many blocks in the CBD that were formerly free and well used – typically near the outer edge of the CBD in lower trafficked areas – have become almost completely unused following the installation of meters. It may be inferred that these visitors have either stopped coming to the CBD or have found alternative parking – perhaps at some of the more congested metered spaces near the

center of the CBD, in which case the TPC's efforts to achieve 15% vacancy at the high occupancy blocks have been thwarted.

The 2009 TPC parking study recommended a follow up study on parking turnover to evaluate the performance of the meter rate increase, but according to the Public Works Department, as of April 2011 a follow up study is not complete and it is unclear whether a study is in process. Revenues from meters were indeed higher in 2010, following the rate increases in 2009, and 2011 is on pace to be higher than 2010[i]. However, little in regards to parking turnover can be concluded from these numbers.

Traffic, business, and other activity, and thus parking demand varies considerably within the CBD. The concentration of office and retail space north of Broadway, south of Charlotte, and east of 10th places heavy demands for high parking turnover in order to achieve the 15% vacancy rate. However, many areas outside of this concentration appear to have much more elastic demand, and therefore similar rate increases and the installation of new meters in these areas may be undermining the effects of the rate increases where the needs are greatest.

A good first step in establishing the most effective parking policy would be to conduct the follow up study on parking turnover and include the entire CBD, noting the differences in demand in different areas. Consideration should also be given to the effects of the more than 10,000 parking spaces offered by privately-owned facilities.

The opening of the Music City Center (MCC) will likely have a significant impact on parking demand south of Broadway, although it is uncertain how much of the changing demand will be reflected in meter use considering MCC visitors will likely have more long-term parking needs.

San Francisco is factoring in fluctuating demands for parking by installing a meter system that monitors parking occupancy rates in real time and adjusts fees accordingly[ii]. By increasing meter rates in high traffic areas and during peak times, while relatively lowering rates in lower traffic areas, demand adjusts until the desired 15% vacancy rate is achieved uniformly. Similar to what economists call discriminatory pricing, this technique should attract the greatest number of visitors to the CBD by offering a range of pricing to appeal to users with varying levels of elastic and inelastic parking demands. Adjusting pricing so that facilities with low demand are fully utilized should also improve revenues.

Although there is some concern that such a variable pricing system might be too confusing and too inconsistent, information shared in this network can be made available to potential visitors electronically and accessed from a computer or cell phone, or displayed block-by-block so that visitors can see the rates before parking.

Another potential concern is the cost of upgrading to meter equipment with real-time monitoring capabilities. Although models are available that fit existing meter stands, shifting to a kiosk style meter, similar to what Deaderick Street now has, can replace several individual meters on a particular block with one unit, thus reducing costs. Costs can further be offset by selling replaced meters. Regardless, expected increases in meter

[i] Traffic Engineering Staff Report for the Nashville Traffic & Parking Commission, March 14, 2011.
[ii] Popken, Ben. *San Fran Launches Parking Meters With Supply And Demand Based Pricing*. The Consumerist, August 10, 2010.

revenue should recover equipment replacement costs within a few years, and perhaps sooner when factoring tax revenue increases from stronger anticipated business activity.

Since one of TPC's aims is to encourage more people to visit the CBD by mitigating parking challenges, a portion of parking revenues can be designated for enhancing the viability of other transportation modes in and out of the CBD, as in Pasadena, CA[iii] and Austin, TX[iv].

Addressing parking needs in a city dependent on private transport can be a serious challenge, especially in areas designed for walkability but also practically accessible to visitors only by car. Monitoring parking demand on an ongoing basis and adjusting fees accordingly may be an effective way of attracting visitors to the CBD by promoting turnover through a maintained 15% vacancy rate. Directing a portion of revenues for enhancing the CBD and promoting alternative modes of transportation could also improve accessibility for visitors, making a trip to the CBD less of a taxing experience.

[iii] Kolozsvari, Douglas and Shoup, Donald. *The High Cost of Free Parking*.The Planners Press, 2005.
[iv] Accessed from http://www.ci.austin.tx.us/parkingdistrict/details.htm on April 4, 2011