

Text of an email sent on September 2, 2008 by Steve Bean to the DDA.

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Dear DDA staff and board members,

I'm writing to reiterate my concerns about the proposal for the underground parking structure at the city's property next to the downtown library and to provide information on what I believe to be flaws in the current proposal. I understand that you've been charged by city council with a specific task. I ask that you incorporate the key components of my feedback into your recommendation as caveats for council's consideration.

My concerns can be summarized by pointing out that the proposal as it stands would be a step away from, rather than toward, sustainability for our community. In our society hope for sustainability (if it is possible at all) is dependent on high levels of environmental quality, economic vitality, and social equity, with a general balance among them. The proposed project is lacking in each of those areas. While the overall parking system strategy adopted is sound in this regard, it appears that the lack of consideration of the major contextual issues of climate change and peak oil, along with their subsequent economic and social impacts, has introduced a flaw into the long-term considerations for this particular project.

With regard to environmental quality, the greatest threat we face globally is climate change. In the short time since the release of *An Inconvenient Truth* the prospects for the future have only gotten worse according to climatologists' research, and the timeline for required greenhouse gas emission reductions (80% or more!) has shortened to considerably less than 50 years. Providing more parking for commuters runs contrary to all our other efforts to reduce the number of vehicle miles traveled in the city. Going backward now will only make future efforts more difficult and stressful to our community.

With regard to economic vitality, the intention is good, but the timing is bad. In response to higher gas prices and improved alternatives, demand for parking (primarily long-term) will soon begin to decrease (if it hasn't already.) While some commuters will continue to drive, even a small decrease in demand will create an economic predicament for the parking system once a surplus results. Raising rates at that time to offset the decrease would be contrary to supply and demand (i.e., market) pricing. The DDA needs to be prepared to make immediate system management changes as soon as demand peaks. Prior to that time, pricing could be raised to eliminate the demand surplus and in order to get the maximum value out of past public investments. Increasing prices after the demand peak will only result in greater surplus which can't be removed in small bunches or in a balanced geographic distribution. Large losses on investment would likely result.

With regard to social equity, the considerations are more complex. Parking is a

component of the current transportation system that benefits primarily those people who are of driving age and ability, who are employed, and who either own or have access to a personal vehicle. In addition to helping fund an expensive system that they don't use, people outside this group suffer a devaluation of their time: walking and biking take longer, and the buses run infrequently. In addition, after downtown parking demand peaks, non-users of the system will bear an increased burden of repaying the debt service. From their perspective the investment will have been doubly wasted.

Below I've provided responses (including some components of possible alternative approaches) to comments I've heard or read regarding this issue.

Thank you for your consideration and your valuable service to our community.

Steve Bean  
904-9914

- People will continue to drive cars.

Yes, but less than in the past. The DDA's 2006 parking study noted a reduction in driving by one participant in response to gas price increases--prior to the steeper recent increases. Gas prices have increased more than 35% since then. (I don't know how much they had increased in the months/year prior to the survey, but I believe it was at a lower rate.) Crude oil prices are on a 16%/year increase trend since 2002. Oil supply is expected to decline 2-4%/year minimum (and as high as 7%/year), beginning as early as 2010. That translates to an expected price increase of between 8%/year and 40%/year. Assuming a fairly conservative cost increase of 20%/year, in order to maintain zero net increase in fuel cost for driving, the owner of a car that currently gets 20mpg would have to somehow get at least 24 mpg next year and almost 50 mpg five years from now. Five years later, they'd need to be getting almost 124 mpg. The historical turnover of the US vehicle fleet is about 15 years. On top of the higher cost for driving, most other expenses will go up, making the purchase of new vehicles even less affordable. The parking study data are already out of date with regard to these changes and trends.

(While demand in the US decreased in June 2008 by 388,000 barrels/day, it increased by 475,000 barrels/day in China, more than offsetting the demand reduction ([http://www.gulfnews.com/business/Oil\\_and\\_Gas/10230996.html](http://www.gulfnews.com/business/Oil_and_Gas/10230996.html).) The number of cars in China in 1993 was less than 750,000. By 2004 the number had reached 6 million. By 2005, 8 million; by 2007, 20 million. Due to that increased global demand, coupled with the coming decline in supply, gas prices will continue to rise unless US drivers respond with drastic cuts in driving.)

- The parking structure would pay for itself over its lifetime through parking fees received.

We can't count on this with demand for parking likely to begin declining in the next few years.

In any case, this assertion doesn't take into account the opportunity cost compared to the alternatives. One alternative is to leave the existing surface lot. Another would be to sell the land to a private developer and receive both the sale price and the subsequent tax payments. In economic terms, the proposed structure may be the worst of those three scenarios, especially if insufficient resources remain for the necessary development of a sustainable infrastructure.

- If parking demand decreases, the DDA can close surface lots and remove older structures from service, which would free up those sites for more productive uses.

A distinction needs to be made between short-term and long-term parking needs. Most of the long-term parking is in the structures. Eliminating surface lots may not be appropriate if most of the demand decrease is for long-term parking, which seems likely (or at least more desirable.) Eliminating parking structures before the end of their useful life would be wasteful if it could possibly be avoided. Eliminating them at all will require skillful management of the system (much like the situation we now face), primarily because the reduction in spaces would need to occur in large blocks.

The new surface lot at the old Y site plus the new on-street spaces to be added on 5th and Division will provide about 200 spaces for short-term use. The surface lot could free up spaces in the 4th & William structure for more permits if truly needed in the short-term.

More permit spaces could also be made available in the existing structures by using the improved parking system data and technologies to manage the capacity at 90% or higher rather than the recommended 85%.

The DDA could provide coordination services to match commuters with private lot owners to take advantage of their large surplus of (widely distributed) unused spaces. The parking study contains a recommendation to that effect. This would also provide an economic benefit to existing downtown businesses.

- We need more parking to attract new businesses to downtown.

While some potential employers would prefer to have publicly provided parking for their employees, others might prefer their employees to use a reliable transit system with adequate backup services, such as guaranteed ride home. Smaller businesses and those with a commitment to community sustainability may not have the expectation of subsidized parking.

Our challenge isn't to beat the malls and the townships at the parking game, it's to

envision and create a downtown that's better and more attractive to potential residents, businesses, and visitors than the current one. Parking will continue to play a role, but a declining one and only one among many.

- The DDA has a 1000+ person waiting list for parking permits which the new structure could address.

We don't know enough about those people's current situations to assess the value to them of a structure at this site (as far as I'm aware.) Are they even still looking for a permit since getting on the list? Would they like to park at this site? What are they doing now to meet their parking/commuting needs? Do they want a permit because it's cheaper than where they're currently parking? How much are they willing to pay? Even if that demand does currently exist, a new parking structure would be a 50-year-lifetime fix to a problem that might only exist for 5 years or less. More information is needed on the status of the waiting list before making a large long-term investment.

- Of course we need to support all the alternatives--and we do, but we need more parking too.

The two are at cross purposes, with the alternatives moving us toward sustainability and the construction of more parking spaces away from it. If demand for more parking truly exists at this time, it's a demonstration that the investments in alternatives haven't been sufficient to offset the past and current subsidies for parking and single-occupant-vehicle use, and also that the price of parking is too low. If we ultimately need a sustainable transit system (and we do), investing in the current unsustainable system is a waste of valuable resources.

- Providing parking downtown for potential employers will result in jobs to help Ann Arborites who are suffering through home foreclosures and other economic difficulties.

Building an underground parking structure isn't a quick fix. Construction will take time and result in a temporary decrease in parking supply in the short term. If parking really is that important, and a crisis exists, there are other means of addressing it more quickly and directly. In the longer term, it's very difficult to estimate the value of downtown parking to specific individuals. (Also, it's debatable how much can be done locally to address problems that result from economic issues rooted more at the state and national levels.) From the perspective of an employer/commuter, a \$5/year go!Pass is far more affordable than a \$1500/year parking permit. Improving the affordability of downtown employment for the currently employed is far more within the DDA's influence than providing a solution to the others.

- Parking belongs underground.

Yes, for new, private developments for overnight storage, putting the parking spaces underground makes good sense. Also perhaps for new public developments (e.g., government facilities) where long-term parking is necessary. Constructing underground parking to replace aboveground structures before their end of life would be a waste of existing resources (assuming that existing parking supply distribution is adequate, and even lacking that it would be questionable.) Likewise, existing resources (i.e., private surface lots, driveways, and public streets) should be maximized to meet short-term parking needs rather than building new structures.

- An underground parking structure at this site will be good for the library.

The 2008 library users survey results (<http://www.aadl.org/buildings/downtown/surveyresults>) indicate that the addition of an underground structure would result in more people parking at the site than currently use the surface lot (see questions 10 and 16.) However, it's not clear to what extent those people would increase use of the library, nor to what extent they would increase their number of trips downtown. Parking supply was identified as a problem by only about 10 of the more than 6000 survey participants. (Question 1 asked about the importance of adequate parking, not about the need for more.) Without more information we can't adequately assess the value of the proposed structure to library users (or to downtown in general, for that matter, at least not from the survey results.)

Library Lane seems to be desired by the library board and staff, but its creation doesn't necessarily rely on the underground structure.

- The proposed structure would result in 600+ new spaces for a cost of approximately \$50,000 per (constructed) space.

It's not clear to me if the number of new spaces has factored in the 193 spaces in the existing lot that would be lost. If that's not so, subtracting those from the number in the new structure (plus those on top of it, though they are intended to be temporary) would give the true number. The cost per constructed space would need to be adjusted accordingly.

If the structure is planned to be managed at 85% capacity, the projected cost per used space would need to be increased by 15% to get a cost/benefit value as opposed to a number used for comparison purposes.

If parking demand declines during the lifetime of the structure (something that hasn't happened in the lifetimes of past or current structures), the cost per used space would increase (either for this structure or for others.) This is just another way of saying that we can expect greater waste in the system as a result of this project.