

**Comments from Steve Bean, Chairman of the City of Ann Arbor's Environmental Commission, to
City Council Requesting Postponement of Action on Proposed Parking Structure
[scanned from original document provided pursuant to FOIA]**

From: Steve Bean

Sent: Monday, February 16, 2009 1:51 PM

To: Higgins, Marcia; Anglin, Mike; Hohnke, Carsten; Hieftje, John; Teall, Margie; Smith, Sandi; Taylor, Christopher (Council); Rapundalo, Stephen; Briere, Sabra; Greden, Leigh; Derezinski, Tony

Subject: Request for postponement of action on proposed parking structure

Dear council members,

I'm writing to ask that you

- postpone action on the proposed underground parking structure at the "library lot",
- request a comprehensive presentation by the DDA on its parking availability data for the structures as well as on its parking demand management efforts, and
- perform a more extensive analysis of the presumed need for the structure and possible alternatives before approving its construction.

I believe that a delay is fully justified given the state of the economy, the upcoming addition of several hundred new parking spaces elsewhere downtown, the incomplete implementation of alternatives for managing peak parking demand, the lack of consideration of environmental impacts (such as greenhouse gas emissions) from increasing parking supply, and the likelihood of a permanent decrease in parking demand early in the lifetime of the proposed structure. (The last two might seem contradictory, but any increase in emissions, no matter how short-lived, would be very detrimental.)

The Executive Summary of the City's Draft Transportation Plan Update report states that

"The City's vision is to become more transit-oriented, bike-friendly, and pedestrian-friendly, and less reliant on fuel consumptive forms of motorized travel."

The proposed underground parking structure would be entirely counterproductive to that vision as well as to other of our environmental goals.

More than 100 new on-street parking spaces are about to be added to 5th and Division streets, through the heart of downtown, and close to 200 new public spaces will become available when the parking structure for the City Apartments development at 1st & Washington is completed. The need for more capacity beyond that has questionable basis.

The 2007 Ann Arbor Downtown Parking Study report by Nelson/Nygaard Consulting Associates (http://www.a2dda.org/downloads/Phase_II_Part_6.pdf) recommended the formalization of processes for both funding new parking and determining when new supply is needed. It also

recommended that "parking demand management options be exhausted" before undertaking new construction or instituting higher rates. The City has not followed these recommendations, nor have more than a few of the eighteen "Immediate Actions" listed in the report been implemented. Those that have been pursued, such as the DDA's experiment with valet parking at the Maynard structure, are just getting underway and have insufficient results to evaluate at this point. Meanwhile, both new construction and rate increases are proposed to be undertaken simultaneously.

The technology and data available to the DDA on the parking system have opened opportunities for improved service as well as better load management. However, to my knowledge, load balancing has yet to be explored. Likewise, other resources, such as the surplus spaces in underutilized private surface lots, have not been considered for near-term peak demand management.

Meanwhile, the getDowntown program has compiled an impressive record of success with its initiatives. For example, the number of go!pass trips has increased each of the last four years, by an overall increase above the base year (2003-2004) of more than 35%.

Unfortunately, AATA is now considering a rate increase for bus riders. The most likely outcome with regard to ridership of such a change would be for some users to find alternatives (perhaps even going back to commuting by car and parking in the structures.) The 2007 Annual Report of AATA (<http://www.theride.org/pdf/AnnualReport2007.pdf>) noted that "over 80% of evening downtown workers reported that they park at on-street meters." Clearly, the lack of coordination between our parking and transit systems threatens our efforts to achieve our community goals and has much room for improvement before we resort to adding expensive capacity to handle peak demand.

One alternative would be for a portion of the funds that would otherwise be used to build and maintain the parking structure to be redirected so that the bus system can be improved without raising fares. While U-M president Mary Sue Coleman has stated that the university does not "do" payment in lieu of taxes, they do contribute to AATA's operating budget. The City and AATA could make a very strong case to the university that similarly increasing its funding to the transit system would be in their interest as well. It also might enable a greater integration of the AATA and university bus systems.

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. I'll gladly respond to any questions. (I had hoped to attend the caucus meeting on Sunday in order to discuss this, but learned on Saturday that it had been cancelled.)

Steve Bean
[redacted]

- People will continue to drive cars.

Yes, but less than in the past. 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% per year, in order to maintain zero net increase in fuel cost for driving, the owner of a car that currently gets 20 mpg 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 2006 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].) 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 drivers respond with drastic cuts in driving.)

When cars in use eventually do become smaller on average, more on-street spaces could be created, possibly by 10% or more. When people begin driving less, more existing traffic lanes could be converted to parking in order to compensate for any loss of spaces if surface lots are lost to development. Q: How many such potential spaces are there?

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

While the current *system* pays for itself, the individual structures don't pay for themselves. They're essentially subsidized by the surface lots and on-street spaces. Furthermore, if parking demand declines soon, the structures will become even greater financial sinks.

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. Furthermore, the surface lots have the highest demand throughout

the day and charge the highest rates. The impact of eliminating such spaces in favor of keeping structure spaces (including underground ones) hasn't been fully considered.

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.

More permit spaces could 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%, at least until new rates are implemented and future demand trends become clearer.

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. The parking study report duly notes the need for things like keeping sidewalks clear of snow, for example. Parking will continue to play a role, but a declining one and only one among many.

In terms of value to downtown businesses, the best opportunity may very well lie in attracting more visitors on days and times when the parking system is underutilized.

- 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 moving us 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 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, especially if it doesn't end up paying for itself.

- 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. However, 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 parking needs before building a new structure.

- 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.

Alternatively, if (as I've suggested we could explore) the transit center were moved to the library lot (possibly incorporating the Greyhound station) and a new library building were constructed on the current transit center site, the 4th & William structure (which typically has hundreds of available spaces during the day) could be used for library patron parking and 4th Avenue or a mid-block cut-through could be use for drop-off at the library.

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

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, the cost per used space would increase (either for this structure or for others.)

- This structure could enable the development of a convention center.

Convention centers are historically financial losers (or so I've heard.) With the current economy and peak oil near if not already behind us, a convention center could be a very poor choice for downtown's future.