

# EAST BAY EXPRESS

## Oakland's Sweeping Plan for Parking

The mayor's office wants to implement a progressive pricing strategy in the city's commercial districts — and if successful, it could reduce greenhouse gas emissions and boost businesses.

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Matt Nichols, Oakland's transportation policy director, wants to shift city parking meter rates.

When Shifra de Benedictis-Kessner joined the Downtown Berkeley Association in 2011, one of the most important challenges to tackle was parking. "People just couldn't find spots in the core around BART," she said. "The perception in downtown Berkeley was that parking was awful." The association subsequently partnered with the city to overhaul parking downtown — by raising meter prices on the most popular streets where it was impossible to find a spot and lowering the rates in areas that typically had a high number of available spaces.

The concept was based on a simple principle of economics: Where demand is high, increase meter prices, and where demand is low, decrease the fees. That pricing scheme encourages high turnover on crowded streets (thereby increasing availability) while also incentivizing drivers to park in peripheral areas that are typically underused. According to the city's data and anecdotal reports from businesses, the new downtown parking program has worked well. "There has been an immense improvement. If you want to park right there, right then, you can," said de Benedictis-Kessner, who is now executive director of the Temescal Telegraph Business Improvement District.

Oakland's mayor's office is now proposing the same concept for commercial districts throughout the city, including Temescal, with the hopes of boosting small businesses by making it much easier for drivers to find parking in busy retail corridors. If the city can overcome the typical obstacles to this kind of parking policy reform — a lack of funding to conduct proper studies and loud resistance from businesses and residents who oppose all meter rate increases — it could bring important economic and environmental benefits to Oakland.

Spearheading the effort is Matt Nichols, Mayor Libby Schaaf's transportation and infrastructure policy director, who in 2013 led the parking revamp in Berkeley, where he formerly served as a principal transportation planner. Nichols also previously studied under UCLA urban planning professor Donald Shoup, who is the leading academic expert on this parking concept, known as "market-based pricing" or "demand-responsive parking" (see "Berkeley's Parking Solution," 12/11/13). Nichols recently helped write an [Oakland grant proposal](#) requesting \$2 million from the Metropolitan Transportation Commission (MTC), the Bay Area transit agency, which would enable the city to implement the progressive parking strategy in downtown, Uptown, Lake Merritt, Chinatown, Temescal, the Jack London district, and the Grand Lake district.

Cities, including Berkeley and San Francisco, have increasingly moved away from the conventional parking meter system in which all on-street locations in a district have the same prices and time limits. Instead, forward-thinking governments have launched market-based pricing systems, in which meter fees are established based on the needs and demands of drivers. That means helping shoppers and diners find convenient parking — not by building more garages or on-street parking spaces, but by setting fees in a way that encourages the most efficient use of the existing parking supply.

A key way to accomplish this is to flip the standard pricing model and make off-street parking garages cheaper than highly coveted on-street metered spots. That way, people who want to park for several hours will gravitate toward the affordable spots in nearby garages — which typically have high vacancy rates — thereby freeing up short-term spots in front of stores and restaurants for customers. The target "magic number," Nichols explained, is roughly 85 percent occupancy rate per block (meaning one or two empty spaces). That means if the block is constantly at 100 percent capacity, then prices need to go up, and if a block has a large number of open spots, then the city should decrease fees. This pricing model can also increase overall parking revenues through high turnover on more expensive on-street spots, and can also help support businesses, which, in turn, increases sales tax revenues for the city.

Once merchants see these programs in action, they are generally supportive, said Valerie Knepper, MTC's regional parking initiative manager and one of the officials reviewing Oakland's grant proposal. "The first response from some businesses is, 'If you charge for parking in front of my business, nobody will come here anymore,'" she said. "But this is actually a pro-business policy."

Most important, this pricing model can substantially reduce greenhouse gas emissions by eliminating the need for cars to drive in circles trying to find parking. When a large majority of motorists visiting a popular business district are forced to keep driving for five to ten minutes, the unnecessary pollution — not to mention, driver aggravation — can be substantial. Shoup's research has repeatedly demonstrated that when meter prices are too low, and time limits too long, parking becomes impossible to find, and as a result, a large percentage of on-street congestion and greenhouse gas emissions are directly attributable to cars searching for parking.

After Berkeley piloted market-based pricing in downtown, the Elmwood district, and a section of South Berkeley, the city estimated that it reduced the total vehicle miles traveled per day by 1,649 miles, which translates to 1.4 fewer tons of greenhouse gas emissions each year. And when San Francisco applied demand-based pricing to roughly 6,000 on-street meters and 12,250 off-street spaces, the city experienced a 30-percent reduction in vehicle miles traveled. "It's kind of amazing how much traffic is actually people circling," said Nichols, noting that drivers looking for parking are also the most distracted and more likely to get into collisions.

In most of the business districts included in Oakland's proposal, the meter rates are uniformly two dollars per hour with a two-hour time limit. Nichols said it was too soon to say exactly how much prices and time limits would change in certain districts and said the city would approach each neighborhood differently based on studies of area trends. The project would build on a 2014 pilot that Schaaf, then a councilmember, launched in

Montclair Village. There, the city raised prices to \$2.50 per hour in high-demand streets and reduced the rates on peripheral blocks to one dollar per hour. Notably, the city incentivized drivers to use a nearby city-owned garage by offering spots for free for the first twenty minutes, followed by only two dollars per hour.

Daniel Swafford, executive director of the Montclair Village Association, the merchants' group, said that the system has helped divert parking to the garage, which has made it somewhat easier to park on-street. "They're utilizing spaces that are less important for folks who have to get in and get out," he said, adding that he thinks the city needs to raise on-street prices even higher, since it can still be challenging to find a spot on the main strip. In Berkeley, the city raised some meter rates on busy streets to \$2.75 per hour while making city-owned garages only \$1.50 or \$2 per hour (and, in one lot, free for the first hour).

If MTC awards Oakland the grant, the city's first phase would focus on Civic Center and Old Oakland; Lake Merritt and Uptown; and Chinatown. It would also spend some of the funding to improve the Montclair program. The first phase would rely on a downtown parking study that the city's Public Works Agency recently completed. After collecting parking occupancy rates on a weekday afternoon, the city determined that while many downtown streets were crowded with parked cars (above 85 percent occupancy), there were many other streets, often nearby, that had a significant number of available spaces (below 65 percent occupancy). There were also four city-owned garages and lots that were below 65 percent occupancy. The city's proposal would establish "premium" zones with higher meter rates and "value" zones on the periphery and in garages with cheaper fees.

Phase two of the project — in Jack London, Temescal, and Grand Lake districts — would require further studies and outreach, Nichols said. And a third phase, which is not included in the MTC funding request, would focus on the commercial districts of Rockridge, Piedmont Avenue, and Fruitvale.

The MTC funding would also support a concept known as a "parking benefit district" in each area. That means setting up a system through which the city would reinvest a portion of parking revenues directly into the neighborhood, typically by allowing a merchants' group to dole out funds for certain streetscape improvements or other local projects. This feature is part of the Montclair Village pilot, though the city has not yet determined how much funding it will return to the business association for the first year. The grant proposal also features a number of "transportation demand management" (TDM) strategies, which are aimed at reducing driving and encouraging alternative modes of transit. That includes providing free transit passes to targeted groups of city and private employees in each district and other incentives designed to limit car use, such as subsidized bike-share memberships or preferential parking for carpool vehicles.

Oakland is seeking funding from MTC's Climate Initiatives Parking Management and TDM Grant Program, which will dole out a total of \$6 million to projects across the Bay Area. Twenty agencies submitted initial project ideas, and MTC selected eleven of those, including Oakland, to write formal proposals. The funding requests call for nearly \$10 million total, which means not every project will receive an award or their full request, according to MTC spokesperson John Goodwin. MTC will make final selections later this year and start distributing funds in early 2016.

