Information Report No. 43

MUNICIPAL PROVISION OF PARKING FACILITIES*

The automobile, in motion or at rest, presents problems to municipal government which expand as rapidly as the automobile itself increases in number. In 1945, passenger vehicles numbered 26 million; today they number 44 million, an increase of nearly 65 per cent in six years. It has been predicted by a concern manufacturing tires that by 1960 the car population will reach 60 million. Since nearly half of the motor vehicle traffic takes place in urban areas, every second car off the assembly line is a potential contender for downtown parking space. Thus, to produce parking spaces commensurate with the demand - or even in partial fulfillment of the demand - is a goal pursued by cities large and small.

The parking problem is, of course, only one aspect of the wider problem of transporting people and goods in urban areas, but it is probably the most insistent one. It is certainly the one which is known at first hand to every person who has ever driven a car into a city with the intention of stopping and temporarily abandoning it so that he may go about his business on foot. So urgent has become the necessity for providing room for the resting vehicle that municipal corporations in recent decades have felt impelled to acquire land and make it available to the public for parking use.

The Municipal Year Book has recorded annually the growth of municipally-owned or operating parking lots. In 1941, only 211 of all cities over 10,000 population were known to own or operate public parking lots. In 1951, the number had grown to 484, or nearly 43 per cent of the cities over 10,000. The course of this growth during the past five years is shown in Table I on the following page. Surveys also show that the total number of lots has increased at a rate faster than the number of cities owning or operating lots, suggesting that the municipal parking lot has been a successful, though partial, solution to the problem of supplying parking space in the central section of cities.

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**TABLE I**

MUNICIPALLY OWNED OR OPERATED PARKING LOTS

IN CITIES OVER 10,000 POPULATION*

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of cities reporting</th>
<th>Number of cities with parking lots</th>
<th>% of cities over 10,000 having parking lots</th>
<th>Number of parking lots</th>
<th>Number of cities establishing lots for the first time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>867</td>
<td>302</td>
<td>33</td>
<td>622</td>
<td>59</td>
</tr>
<tr>
<td>1948</td>
<td>932</td>
<td>322</td>
<td>34</td>
<td>680</td>
<td>27</td>
</tr>
<tr>
<td>1949</td>
<td>961</td>
<td>380</td>
<td>39</td>
<td>828</td>
<td>63</td>
</tr>
<tr>
<td>1950</td>
<td>1,144</td>
<td>450</td>
<td>39</td>
<td>1,043</td>
<td>105</td>
</tr>
<tr>
<td>1951</td>
<td>1,137</td>
<td>484</td>
<td>43</td>
<td>1,163</td>
<td>96</td>
</tr>
</tbody>
</table>


The relative rates of increase of number of cities having lots and the total number of lots is shown graphically in Figure 1.
Although parking lots are by far the most common type of municipally provided parking facility, parking garages - constructed either above or below ground - also are growing steadily in number. In Table II is presented information on public parking buildings proposed or constructed in recent years. This table was constructed from data gathered from diverse sources. In some cases, an announcement in a newspaper of a proposed construction program is the only available information. In other cases, as in Des Moines, a breakdown of constituent costs has been obtainable. Cost figures are approximate in most cases. Following the pattern set by San Francisco in its pioneer sub-surface garage completed ten years ago, most of the underground buildings now under consideration in other cities will be built by private capital and will be turned over to the city after loans and preferred stock are liquidated.

### TABLE II

**PUBLIC PARKING BUILDINGS PROPOSED OR CONSTRUCTED IN RECENT YEARS**

<table>
<thead>
<tr>
<th>City</th>
<th>Type of Structure</th>
<th>Capacity</th>
<th>Gross Cost</th>
<th>Cost per Parking Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ann Arbor, Mich.</td>
<td>3-deck structure</td>
<td>253</td>
<td>$300,000</td>
<td>$1,142</td>
</tr>
<tr>
<td>(since 1946 six garages have been built) Data on one</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bluefield, W. Va.</td>
<td>4-story, open</td>
<td>800</td>
<td>$500,000</td>
<td>$625</td>
</tr>
<tr>
<td>(1947)</td>
<td>(land $114,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(bldg. $397,500)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chicago, Ill.</td>
<td>Underground garage</td>
<td>2,359</td>
<td>$8,000,000</td>
<td>$3,380</td>
</tr>
<tr>
<td>(prop, 1952)</td>
<td>3-level; 1 block wide, 3 blocks long</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleveland, Ohio</td>
<td>Underground Garage</td>
<td>1,000</td>
<td>$2,500,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>(proposed 9/52)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Des Moines, Iowa</td>
<td>Spiral, open-type</td>
<td>350</td>
<td>$531,143</td>
<td>$1,520</td>
</tr>
<tr>
<td>(comp, 3/51)</td>
<td>ramp bldg., con-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>crete cantilever con-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>struction 5-levels,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ground space 132' x 132'</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(comp, 1951)</td>
<td>elevator-type, Bow-</td>
<td>430</td>
<td>$604,780</td>
<td>$1,405</td>
</tr>
<tr>
<td></td>
<td>ser system. ground</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>space 78' x 124'</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TABLE II (continued)

<table>
<thead>
<tr>
<th>City</th>
<th>Type of Structure</th>
<th>Capacity</th>
<th>Gross Cost</th>
<th>Cost per Parking Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles, Calif.</td>
<td>Underground Garage, Union Square</td>
<td>2,100</td>
<td>$5,500,00 (city-owned land)</td>
<td>$2,620</td>
</tr>
<tr>
<td>(comp.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York City, N.Y.</td>
<td>Kew Gardens</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Garage</td>
<td>240</td>
<td>$400,000</td>
<td>$1,660</td>
</tr>
<tr>
<td></td>
<td>Astoria</td>
<td>203</td>
<td>$300,000</td>
<td>$1,475</td>
</tr>
<tr>
<td></td>
<td>Brooklyn</td>
<td>200</td>
<td>$225,000</td>
<td>$1,125</td>
</tr>
<tr>
<td>Pittsburgh, Pa.</td>
<td>3-story, open deck ramp</td>
<td>532</td>
<td>$833,190</td>
<td>$1,567</td>
</tr>
<tr>
<td>(6 garages proposed in 1948, 2 are nearly completed; 1 has been changed to an underground structure)</td>
<td>5-story, open deck ramp store. space on first floor</td>
<td>490</td>
<td>$1,202,720</td>
<td>$2,455</td>
</tr>
<tr>
<td></td>
<td>4-story, open deck ramp</td>
<td>404</td>
<td>$1,234,560</td>
<td>$3,056</td>
</tr>
<tr>
<td></td>
<td>5-story, ramp</td>
<td>839</td>
<td>$3,705,130</td>
<td>$4,426</td>
</tr>
<tr>
<td></td>
<td>4-story; ramp</td>
<td>538</td>
<td>$947,750</td>
<td>$1,763</td>
</tr>
<tr>
<td>Providence, R. I.</td>
<td>310-385 depending on parking method</td>
<td>$1,527,000</td>
<td>$3,975</td>
<td></td>
</tr>
<tr>
<td>(prop. 1952)</td>
<td></td>
<td></td>
<td>(land taking, $628,500)</td>
<td>$4,930</td>
</tr>
<tr>
<td>San Francisco, Calif.</td>
<td>Underground Garage, Union Square</td>
<td>1,440</td>
<td>$1,500,000 (city-owned land)</td>
<td>$1,040</td>
</tr>
<tr>
<td>(started 1941)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Another aspect of the parking problem which is of increasing concern to civic officials, as well as to business leaders, is that of the possible effects of the lack of convenient parking spaces upon property values and the volume of trade in the central business district. Some observers go so far as to say that the question is not primarily one of whether, or how much, parking space should be provided by municipalities, but rather whether established business districts shall be maintained. One careful survey of central business districts now under way shows that these districts are showing a tendency to shrink, not only in assessed valuation, but also in physical area. The development of satellite commercial centers is not entirely a result of cramped downtown parking. On the other hand, it cannot be denied that the present relative inaccessibility of many of the downtown centers is a strong deterrent to continued shopper patronage. With the growth of new commercial centers adequately serviced with parking space, so the argument maintains,
comes the depreciation of property values and a decline of the central district. With the decrease in property values comes a decrease in taxes, which will not be offset by increased land values and taxes at the new center. The new centers are frequently located outside the corporate limits of the city, and, in any case, studies have shown that they are more efficient users of floor space, requiring only about 50 per cent as much floor space as the traditional string commercial development to serve the same population. At the same time, city services to the downtown location will continue, with diminishing compensation from the properties involved.

More investigation is needed in order to understand and to be sure of the facts regarding the economic relationship of parking to community business health. Isolated data are available. In Atlanta, for example, it has been found that despite the marked increase of motor vehicle registration in the metropolitan region from 1948 to 1951, the peak accumulation in the central business district of automobiles and automobile passengers declined slightly. In this instance, the decline of transit passengers was even more significant, which illustrates the many-sided aspect of the transportation problem in urban areas. On the other side of the picture, several cities have claimed that off-street parking increases land values of lots adjacent to parking facilities in addition to fulfilling their basic function of furnishing parking space.

The Highway Research Board of the National Research Council is currently engaged in a comprehensive study of parking and its relationship to business. A number of national organizations and four universities are participating in the survey which will be a detailed study of representative cities. Some of the areas proposed for investigation are outlined in the following questions:

1. What effect has shortage of parking space had on downtown retail establishments?

2. What effect has this had on municipal tax structures? What effect will it have eventually?

3. What influence does this lack of parking space have on motor vehicle use? How much worse is it likely to become?

4. Can off-street parking facilities be made available in sufficient numbers to alleviate congestion in downtown areas?

5. How can such facilities be financed?
   a. By private means?
   b. By municipalities?
   c. By state aid?
   d. Would federal aid be justified?
6. Can off-street facilities be self-supporting and still charge reasonable rates? Could they be self-liquidating over an extended period?

Although an understanding of the economics of the parking lot - municipal and private - as a part of the whole process of urban growth and decentralization may have to await further investigation, these factors in any particular city should not be overlooked. A parking survey should include a study of decentralized commercial areas and of locational trends of residential developments. Cordon counts of traffic entering the central business district are of value if traffic has not been routed through the center of town because there is no other way for it to go. A parking survey should also include a check of retail sales trends in central and outlying business districts as well as an inventory of needed parking space in the downtown district.

PUBLIC PURPOSE AND LAND ACQUISITION

In the early days of municipal ownership of parking lots, cities used lands already in their possession. Tax-forfeited properties have been put to parking use, for example, and many cities have found that municipal lands temporarily idle might be used to good purpose as parking lots. Sometimes poorly drained lands, or lands otherwise unsuited for immediate building, were reclaimed and hard-surfaced for parking. Whether these random parcels were properly located in relation to the parking need was a matter of chance.

However, since 1940, the rising congestion in downtown areas and the claimed inability of private enterprise to provide berths for the fantastic number of autos has led to a consistent declaration by the courts that the municipal ownership and operation of parking facilities is for a public purpose. In an early case, City of Whittier v. Dixon, 24 Cal. 2d 664, 151 P. 2d 5, 7, 153 A.L.R. 956, it was held that the acquisition and operation of public parking places was for a public purpose and that property therefore could be acquired by condemnation and paid for by special assessment. In Parr et al. v. Ladd, Supreme Court of Michigan, February 28, 1949, 36 N.W. 2d 157, (15 NL 55), the court concluded that "a municipal parking system combining parking facilities both on public streets and on off-street property of a municipality, for which a charge for use is made, is a public use, and a public improvement within the meaning of the revenue bond act." In a similar decision (Cleveland et al. v. City of Detroit /City of Ann Arbor et al., Intervenors/, Supreme Court of Michigan, May 18, 1949, 37 N.W. 2d 625) (15 NL 71), the Supreme Court of Michigan upheld the constitutionality of the revenue bond act with respect to parking facilities.

In Bowman et al. v. Kansas City et al., Supreme Court of Missouri, en Banc, October 9, 1950, 233 S.W. 2d 26 (17 NL 22), the question of competition with private business was raised. In answering, the court emphasized the public purpose of the parking facility and denied the relevance of the charge of competition.
"It is well settled that, if it is in the public interest and for a public purpose, a city may be authorized by the state to engage in a business commonly carried on by private enterprise; and in such case such city may levy a tax to support such business and compete with private interests engaged in a like activity."

With these rulings and many others like them, has come the ability of cities to choose sites adequate in size and close to the areas where they are needed. Because of the power of eminent domain, locations may be avoided where cars entering and leaving the lot would aggravate or cause traffic congestion. Most important, the possibilities of large-scale acquisition now permit the planning of a system of off-street parking facilities.

In order for a municipality or its agencies to condemn properties for public parking, it has generally been held that the power of eminent domain must be expressly delegated for this purpose by the state. At present, cities in at least thirty-two states and the District of Columbia now have this authority by virtue of enabling legislation. In some cases, the delegation is made to all municipalities within the state; in other cases, only certain cities are specified. The thirty-two states authorizing the exercise of the power of eminent domain for public parking are: Arizona, Arkansas, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin.

In addition to cities in these states, home rule cities already possessing the power of eminent domain may use it for the provision of parking facilities if they are considered to be for a public purpose. In City of Richmond et al., v. Dervishian et al., Supreme Court of Appeals of Virginia, January 16, 1950, 57 S.E. 2d 120 (16 NL 21), the court upheld an act of the 1947 session of the legislature by which the charter of the city of Richmond was amended to authorize and permit the city to acquire and maintain property for public purposes. Included in such delegation of authority was the power to acquire places for the parking and storage of vehicles. The city charter provides that in addition to the general law for exercise of the power of eminent domain, the city council may, by ordinance, direct the acquisition of property through a declaration of taking. In answering the question, "Is the taking of private property for the purpose of parking vehicles a public purpose," the court replied with the following argument:

"The stopping of parking of vehicles along the street is, of course, a legitimate use thereof. No one questions the authority of a city to condemn property adjacent to an existing street for the purpose of widening it so as to accommodate the parking of vehicles as well as to facilitate the flow of traffic thereon. If a municipality may, for the purpose of providing parking space for vehicles, take land adjacent to an existing street, we know of no reason why it should not
provide such parking space away from the street. The purpose is
the same and is a public one in either instance." (Underlining fur-
nished)

The second question concerned the legality of the charter provision authorizing
this method of eminent domain. The court held that the section meets the require-
ments of the due process law of the constitution, and that the city acquires only a
defeasible title to and right of possession of the property, both to be defeated upon
a showing that the taking is not for a public use.

METHODS OF FINANCING

In any particular city the methods of financing public parking facilities are
limited by the specifications of the state statute or by the provisions of the city's
charter. Within these limitations the methods that have been developed are num-
erous and ingenious. A city which plans to embark upon a program of financing
the acquisition of land, its improvement, and the operation and construction of a
parking facility must look not only to its state enabling legislation but also to its
own financial policy. It must analyze the parking need, not only in quantitative
terms, but also in terms of existing private facilities and their current contribu-
tion to the supply of off-street parking space. With the counsel of downtown mer-
chants, it must decide to what extent the public as a whole will benefit from the
newly furnished parking facilities and to what extent that part of the public patron-
izing a particular group of businesses will benefit. In other words, the city must
decide whether the public as a whole should pay for the off-street parking facility
or whether special beneficiaries should pay for it. These decisions will in part
determine the financing methods or combination of methods to be used.

General Revenue. Prior to World War II, when cities were providing parking lots
on a modest scale, and when statutory authority limited the scope of municipal par-
ticipation in off-street parking, the use of general funds was the most common
method of financing these ventures. Although dependent upon the volume of rev-
enue, the debt status of the municipality, and other capital expenditures, this meth-
method was fairly effective. If the lot were small, and the cost of acquisition and de-
velopment relatively low, a general fund appropriation might cover the entire trans-
action. If these cost items were high, a fund might be accumulated over several
years before it was sufficiently large to use for investment in public parking facili-
ties. Today, the magnitude of the need and hence of the expenditures makes the
financing of facilities out of current revenues infeasible. A parking program may
literally cost hundreds of thousands of dollars to achieve* - an amount too great for
pay-as-you-go, and a problem too urgent to postpone.

*In Grand Forks, North Dakota, a single lot with a capacity of 170 cars has cost
approximately $66,000. The projected underground garage in Chicago, with a
capacity of 2,359 cars, will cost an estimated $8,000,000.
Current budget financing of public parking facilities is still feasible in cases where lands suitable for parking use are already in municipal ownership, or are potentially so by virtue of tax delinquency. Current revenues may also be used in conjunction with funds secured from other sources. The financing of off-street lots in California has been achieved in large measure by means of budget expenditures. A recent survey (Western City, March, 1951) revealed that 187 lots are owned by 79 cities. Of these 187 lots, 101 were purchased either from general city funds or parking meter revenues. None was financed by bond issue. An indication of the extent of general fund financing is seen in the fact that meters were used on only 31 lots in 16 different cities. Most of the non-metered lots are free. In general, they cater to the all-dayarker and are considered by the cities to be extensions of unrestricted curb space.

General Obligation Bonds. A traditional method of municipal financing, the general obligation bond, may be used for any public purpose, and hence for the financing of off-street parking. However, where the enabling legislation specifically enumerates the authorized objects of borrowing, off-street parking must be included in the list. According to David R. Levin, in his comprehensive study on "Trends in Legislation for Off-Street Parking Facilities," (Highway Research Board, Bulletin No. 48, 1952), of the forty-three states having laws authorizing parking facilities, only twenty sanction the use of the general obligation bond for this purpose. An even greater inhibition upon the use of general obligation bonds to finance municipal parking facilities is the constitutional and statutory limitations on debt and taxation.

Advantages of the general obligation bond method have been named as follows: In the first place, the interest rates are low because this type of bond is backed by the full faith and credit of the community, and it thus contains an unconditional promise to pay. It distributes the costs to all assessable properties, which in the case of certain large and centrally located lots or garages may be desirable. However, under other circumstances this latter characteristic may be considered unfair because certain business may receive benefits out of proportion to the amounts they have contributed as tax payers. Another criticism often made of parking developments financed by the general obligation bond is that the automobile driver, who is the immediate beneficiary, fails to pay directly for the use of the facility.

As intimated previously, the rationale for the use of the general obligation bond rests upon the generality of the facility. If, by virtue of its size, location and low or non-existent fees it benefits all or most of the business properties in its vicinity, and if a majority of the assessed properties throughout the municipality are owned by persons who also own and drive their own automobiles, then its fairness cannot seriously be questioned.

Although the authority to issue general obligation bonds has been given to municipalities in twenty states, its exercise has been limited. The citizens of Baltimore, Maryland, have by vote approved a $1,000,000 bond issue for municipal off-street parking facilities. Boston, Massachusetts, has issued similar bonds in
the amount of $2,000,000 to finance the building of two garages. Kansas City, Missouri, has issued general obligation bonds in the amount of $1,250,000. Kingsport, Tennessee, financed in this manner the purchase of a parking area. Port Chester, New York, was among the first cities to use this means for financing parking facilities. And San Francisco, California, has created a $5,000,000 revolving fund through the refloating of a general obligation bond issue.

Revenue Bonds. This method of financing municipal parking facilities has grown in popularity in recent years. As is implied in the name, revenue bonds are paid by revenue derived from the facility they are sold to finance. They are not a general obligation on the community, and they can be issued outside the legal debt limits of cities. Often the revenue bond does not require voter approval, and usually it can be liquidated without additional taxes. Its major disadvantage is that it commands a higher interest rate than the general obligation bond and its marketability is thereby adversely affected. The criticism has also been made of the revenue bond type of financing that the city, by its covenants to the bondholders, has surrendered a measure of its control over the facility. If a depression or recession occurs, it may be advisable to reduce the parking charge, but the contract to the holders of the bond to maintain rates sufficient to pay off the bond will make such an adjustment impossible. Further, the city may have agreed to limit other, possibly competing enterprises, thus hindering in advance its future operations.

Nonetheless, the revenue bond financing of municipal parking facilities is steadily gaining adherents. Levin, in the previously mentioned study, records the fact that twenty-nine of the forty-three states now permit the use of revenue bonds, as compared with twenty permitting the issuance of general obligation bonds.

Fees for the use of parking spaces or meters on lots are, of course, the major source of funds for repayment of the bonded indebtedness. Additional revenue is sometimes secured through the leasing of ground floor space in the case of parking buildings. However, in a recent decision, the Michigan Supreme Court (in Shizas et al. v. City of Detroit, Supreme Court of Michigan, April 7, 1952, 52 N.W. 2d 589, (18 NL 82), held that the Michigan act allowing the leasing of the first floor of a parking garage for business purposes was unconstitutional. The sale of gasoline, automobile accessories, and services are another source of revenue accompanying the public parking facility. An increasingly common practice is the crediting of net revenues from on-street parking meters to the retirement of the bonds and payment on debt service charges. Because of certain legal considerations, and because of the versatility of on-street parking meter revenue, parking revenues are discussed below as a separate means of financing municipal off-street parking facilities.

A few of the cities known to have utilized revenue bonds are:

<table>
<thead>
<tr>
<th>Ann Arbor, Michigan</th>
<th>Detroit, Michigan</th>
<th>Kankakee, Ill.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleveland, Ohio</td>
<td>Evanston, Illinois</td>
<td>Louisville, Ky.</td>
</tr>
<tr>
<td>Des Moines, Iowa</td>
<td>Hackensack, New Jersey</td>
<td>Madison, Wis.</td>
</tr>
</tbody>
</table>

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(next page)
Special Assessments for Benefited District. As with all special assessments, the principle underlying the use of this method for providing parking facilities is that certain properties receive special benefits from the facility and should therefore pay a special fee commensurate with the added benefit. In effect, the special assessment is a special tax upon special properties for a special purpose.

The general procedure in setting up an assessment district is to decide upon the location of a parking lot or building or of a series of lots, to determine the limits of the area "benefited" by the facilities, and to decide upon the basis for taxation. Assessments may be based upon the assessed valuation for tax purposes of the property, upon land or floor area, upon front footage, or upon a combination of these factors. Sometimes "zones of benefit" are designated, with the properties nearer the lots being considered to be more greatly benefited. All of these methods of assigning benefits have disadvantages. If properties have not been assessed for tax purposes for a number of years, possible inequities of special assessment may result. Land or floor area may bear small relationship to the amount of customer patronage and hence need for parking spaces. The same observation may be made about front footage as an assessment factor. Attempts have been made to combine these factors into a formula, with a certain percentage of value being assigned to each factor. But the arbitrary features inherent in any one method are not cancelled out when the methods are combined, and there is no guarantee that they will, in fact, not be compounded by arbitrariness of the percentages. The problem is not an easy one to solve.

Nevertheless, special assessment financing has been successful in certain cases, among them Garden City, New York; Kansas City, Kansas; Kalamazoo, Michigan; and Silver Spring, Maryland. With the exception of Silver Spring, however, these special assessment schemes were launched prior to 1942, and it is generally conceded that the assessment method was most popular in the period before municipal parking facilities were established by judicial decision to be for a public purpose.

Special assessments for benefited districts remain a suitable method of municipal parking facilities in the states where the authority for issuing bonds has not yet been granted. They also may be useful in cities which prefer to make use of a variety of financing methods. The city of Milwaukee considered recently the creation of a special assessment district as one means of financing a parking development for a certain business district. After a thorough investigation of legal and financial questions, the Comptroller's Office enunciated the following principles which it believed should be employed in the financing of all off-street parking lots: (1) General taxes should not be used. (2) All municipally sponsored lots should yield a revenue. (3) Revenues from the lot and street meters should be used to cover operating and replacement costs and as large a percentage of land acquisi-
tion and improvement costs as possible. (4) The portion of land acquisition and improvement costs that cannot be financed from other revenues should be covered from benefit assessments on nearby properties. (5) No business parking lot should be installed unless it can be expected that all costs can be paid from revenues and benefit assessments collected in that business area. The improvement association initially interested in the project accordingly made these recommendations with respect to special assessments: (1) "That the cost be paid from present parking meter funds, and that adjacent benefited property be assessed, but no more than 10 per cent of the total cost of lot and improvements," (2) "That, if the 10 per cent benefit assessment and parking revenue does not entirely liquidate the cost, that the balance be paid from city funds."

One of the major advantages of the special district assessment is that it enables private businesses to participate in the provision of off-street parking facilities. Because of the element of competition, business men in some instances have been eager to take advantage of legislation authorizing parking benefit districts, as for example the merchants in Berkeley, California, who recently initiated a cooperative parking lot project. Pomona, California, in 1951 was the first city under the Parking District Act of 1943 to proceed with the financing of parking lots through a special benefit district. Eighty-four spaces were provided in four lots. Assessments were based on land values only, and benefit areas were established on a 50 per cent, 35 per cent, and 15 per cent ratio depending on the location of the parking area in relation to business enterprise within the district.

In other cases, local business men have been reluctant to invest funds in such a district. The Public Parking Lot Technical Advisory Committee for Montgomery County, Maryland, in order to make the assessment scheme more attractive, proposes to reduce the amount of the assessment on properties which already provide off-street parking for their customers. The Committee feels that by the independent provision of adequate space for its customers, the establishment has relieved the district of the responsibility for the provision of that amount of space. Their proposal of February, 1952, reads as follows:

"As a means of recognizing this situation it is proposed that an owner who provides space for his own customers to the extent required in the district within which his business is located, and develops and maintains the lot in a manner consistent with the public parking lots, be assessed a tax of one-half the rate prevailing for developed property, or in other words, the same rate he would have paid had his property been assessed as a vacant lot. An owner providing his own parking space may thus regulate it as he chooses and would be taxed at the same rate as if his property were entirely undeveloped."

In the case of businesses who have provided partial space, the Committee recommends that
"... to encourage the development of all available, desirable property for parking, the property owner's parking tax be reduced from the full rate to the half rate on a proportion of his assessment equal to the proportion of the required parking space that he supplied, (reserved for customers only.) In order to prevent the indiscriminate development of small and ineffective lots, however, it is recommended that a limit be placed on the minimum size of lots so provided to qualify for the exemption, either by individual or joint action, say of 10 car spaces."

Parking Revenues and the "System Concept"

Revenue from parking meters traditionally was placed into general municipal funds, but with the growing deficiency of parking spaces, cities soon recognized that here was a method of financing the additional facilities so conspicuously needed. At the present time, most cities so authorized earmark meter receipts for a parking fund to be used in financing municipally owned lots or buildings.

The early purpose of parking meters was for the regulation of traffic. As such, it was a police power regulation. The meter fee was incidental to the regulation and collectible to offset the costs of regulation. A meter fee large enough to result in a net profit for the entire meter system becomes a different sort of fee; it becomes a tax, a form of revenue in addition to being a regulatory fee. Therefore, as with other methods of financing, parking meter revenue must be specifically authorized by statute if it is to be a legal method of securing funds for off-street parking facilities.

As mentioned above, net profits from parking meters may be used to supplement bond income. In addition, meter revenues may be used as a sole source of income to finance an investment in parking lots or buildings. Of the utmost stability, this pay-as-you-go method is obviously a long-range thing and cannot be satisfactory where the parking shortage is at all urgent. The most frequent method of utilizing parking meter receipts is as a supplement to other financing methods, acting either as partial security for revenue bonds or as a contribution to a general fund.

The supplementing function of parking meter revenue points to a new concept in the provision of municipal parking facilities, termed the "system concept" by David R. Levin, wherein both curb and off-street accommodations are integrated into a single chain of facilities. Beyond the apparent planning possibilities which such a system suggests, the system concept makes possible a flexibility of operation and financing not found where the municipality is required to provide for one facility at a time. On the one hand, all facilities including parking meters and parking lots, contribute to a general parking fund, and on the other,
all types of facilities may be financially assisted by such a joint fund. In Ann Arbor, Michigan, for example, revenue bonds secured by income from both meters and lots were issued to finance the cost of acquiring all facilities.

The system concept is authorized in the states of Florida, Illinois, Maryland, Michigan, Pennsylvania, Tennessee, Virginia and Wisconsin. In fifteen other states, existing legislation is possibly subject to an interpretation favorable to the system idea.

In commenting upon the ramifications of the system concept, Mr. Levin observes that:

"Parking surveys in countless cities reveal that curb and off-street parking spaces are inter-related both in their location and operational characteristics with respect to parking generators. If more or less space is available at the curb, less or more space will be needed off-street, and so on. Moreover they are also related from an economic point of view. For example, it appears incongruous that a motorist-parker should be able to park for 5 cents an hour at a metered space at the curb right at his destination, while another motorist-parker, not quite as fortunate, is forced to pay ten times as much to park that hour in a commercial off-street facility not far removed. Moreover, investment bankers are pretty well agreed now that revenue bonds are far more saleable if secured by the combined revenues of curb parking meters and off-street accommodations, than if confined to the latter alone."

Another economic advantage of the system concept is that successful facilities may help pay for the needed but losing facility. In this manner, the whole system may be made self-liquidating and financially sound.

The Parking Authority

Only passing reference is made here to the parking authority, although it is looming ever more important in the off-street parking scene. PLANNING ADVISORY SERVICE Information Report No. 35, "Authorities for the Financing and Administration of Public Improvements," including the parking authority in its discussion, and the reader is referred to it for more detailed information on its extent. In brief, the parking authority is a legal entity, created by the municipality as authorized by state law, and granted certain broad and independent powers. Chief among these are the power to acquire lands for parking facilities, the power to issue revenue bonds, and in some cases, the power of eminent domain. The parking authority is subject to the same criticisms as is any other ad hoc authority. Likewise, it possesses the same advantages of independent administration and freedom from municipal debt limitations. Ob-
servers of the municipal parking movement believe that a trend in the direction of wider utilization of the quasi-municipal parking corporation can be discerned.

Summary

The parking problem is a many-sided one, involving major highways, transit systems, and increased motor vehicle registration, on the one hand, and satellite commercial centers, residential decentralization, and a serious deficiency of downtown parking spaces on the other. It also has long-range implications for the future of the urban economy. Private enterprise has attempted to solve the problem of off-street parking, but high land costs, lack of available land, and the rapid acceleration of the problem has prevented private owners from making more than a dent on the problem. The magnitude of the need for parking has influenced the courts in their declaration that the provision of parking is for a public purpose. As a result, numerous state enabling laws have been upheld and a growing number of municipalities have taken upon themselves the task of providing and subsidizing off-street parking facilities.

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