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June 24, 2008

Lots of It

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Available at: <https://works.bepress.com/lewyn/49/>

LOTS OF IT by Michael Lewyn

Throughout Northeast Florida, parking is typically free, provided through oceans of parking spaces in malls and strip malls. Most readers of this article probably view the status quo as perfectly natural.

But in fact, "free" parking is not a natural result of the free market. In Jacksonville, as in most American cities, the city code forces landowners to provide large amounts of parking for their customers and tenants. For example, apartments must provide 1.75 parking spaces for every one bedroom apartment, even if this means that there are more parking spaces than adult occupants. Restaurants and shops are bound by similar rules.

As a result, Northeast Florida has an enormous supply of parking. And just as an increased supply of any commodity usually lowers the price of that commodity, the increased supply of parking caused by government minimum parking requirements reduces the price of parking- usually to zero, because where the supply of parking is enormous, the market price of parking will be so low that a landowner's revenue from parking fees would be outweighed by the cost of spending money on parking lot attendants to ensure that customers pay for their parking.

Thus, minimum parking requirements effectively mandate that most landowners provide their customers and tenants with free parking (except in downtowns, where higher population density means less land is available for parking).

Government regulation also affects where parking lots are located. Most Jacksonville landowners place their free parking in front of their businesses, because the city code requires that most buildings be set back 20 feet behind the street. So for all practical purposes, government regulation effectively dictates that most parking be (1) free and (2) located in front of shops and offices.

At this point, you might be asking yourself: So what? Doesn't free parking make life more convenient?

Not quite. Government-mandated free parking is an environmental disaster, for two reasons.

First, free parking artificially subsidizes driving. "Free" parking isn't really free. Instead, it is paid for by landowners, who build parking lots and pass the costs of such parking on to society in the form of higher costs, and by their commercial tenants, who pass the costs on to society as a whole by charging higher prices for goods and services. Thus, government parking requirements are essentially a tax redistributing money from society as a whole to drivers.

How large is this tax? According to The High Cost of Free Parking (by Prof. Donald Shoup of the University of California at Los Angeles) landowners spend about \$127 a month to build the average parking space -the cost of about 30-35 gallons of gas at current prices. A commuter with a 25-mile round-trip commute and a 25 miles-per-gallon car uses up about that much gasoline a month. Thus, government-mandated free parking gives drivers as much of a subsidy as would government-

mandated free gasoline. And just as higher gasoline prices have reduced driving and increased bus and train ridership across the nation, the subsidy to driving created by government-mandated free parking artificially increases driving.

Second, minimum parking requirements discourage alternatives to driving by making walking unpleasant if not dangerous. In most of Northeast Florida, landowners surround offices, shops and apartments with parking, creating a "strip mall" effect. In such an environment, a pedestrian cannot approach her destination without traveling through yards of parking, dodging cars with every step. By contrast, if businesses did not have to create seas of parking, shops would be right in front of the street, and pedestrians could walk to businesses more quickly and conveniently.

In short, because of government-mandated free parking, driving is cheap and walking (and thus public transit, to the extent riders walk to and from bus stops) is a hassle. As a result, Northeast Floridians drive a lot— with disastrous environmental results: according to a recent study by the Brookings Institution (http://www.brookings.edu/papers/2008/05_carbon_footprint_sarzynski.aspx), Jacksonville's transportation-related greenhouse gas emissions are the sixth worst in the United States.

It could be argued that government-mandated free parking has no effect on your driving habits; Floridians will always drive everywhere because we just don't have the density to support better bus or train service. But this argument is a self-fulfilling prophecy: minimum parking requirements ensure that land which could be used for housing is instead used for parking, thus reducing the amount of housing near bus stops and ensuring that we don't have the density for better transit service. For example, suppose a landowner owns enough land to build 100 apartments on Street X (which has regular bus service). If the government forces her to use half her land for parking spaces, she can only build 50 apartments.

It could also be argued that greenhouse gas emissions and air pollution are simply not significant enough to justify changing the regulatory status quo; in this part of the world, there is hardly a political consensus as to such issues. But even if you despise environmentalism, you should favor the elimination of government minimum parking requirements, because such regulations are bad for the economy as well as for the environment. Such regulations force landowners to spend money building parking spaces, which means they can't build as many apartments or shops as they otherwise could: as a result, the supply of housing and commerce are artificially restricted, thus causing the price of everything to be higher than it could be.

Moreover, government-mandated free parking disproportionately harms low-income citizens. Generally, poor people are less likely to own cars than are the rest of us. For example, the majority of households in zip code 32202 (one of the city's poorest areas, just east of downtown Jacksonville) have no vehicle, while only 5% of households in my Mandarin zip code have no car. And as noted above, government-mandated parking reduces the supply and increases the price of everything; landowners who build parking lots must pay for them by passing on the costs to tenants and customers. So nondrivers (who are

disproportionately poor) pay the costs of free parking by paying higher prices for rent, goods and services – but get none of the benefits. It follows that government-mandated free parking redistributes wealth from the carless poor to drivers.

Even from a strictly ideological point of view, minimum parking requirements are noxious. In this conservative part of the world, landowners value their property rights a little more than in, say, San Francisco or Oregon. So why should the government tell landowners how many parking spaces they should build?

The traditional justification for these rules is concern over “cruising”: the idea that drivers unable to find parking spaces will congest the streets in search of parking (or, Heaven forbid, park on residential streets). However, it seems unlikely that cruising causes as much air pollution or congestion as the massive auto subsidy caused by minimum parking requirements. Indeed, one solution to cruising might be less free parking rather than more; if parking fees were high enough to reduce driving and avoid parking shortages, drivers would have no incentive to cruise through business districts in search for free parking.

It could also be argued that even if minimum parking requirements are abolished, businesses will continue to provide free parking. But if this is the case, what’s the harm in abolishing them? Why not trust the free market?