

0.8 Spaces/Bedroom

Smallwood Existing Parking Ratios

Smallwood's internal parking garage contains 250 spaces; 209 for residents, and 41 for retail customers. This takes up nearly 2 floors of space. Smallwood also leases 151 spaces in city parking garages; 143 in the 7th & Morton garage and 8 in the 7th & Walnut garage, for a grand total of 401 spaces, 360 of which are reserved for tenants. 360 spaces to 702 bedrooms is a ratio of 0.51 spaces/bedroom. The BTOP parking garage study shows the peak occupancy of the 151 city-garage spaces was 114, a 75% peak-occupancy rate. We do not yet know the peak-occupancy rate of Smallwood's internal spaces. Assuming a 100% peak-occupancy rate, the parking ratio would be .46 spaces/bedroom. Assuming a 75% peak-occupancy rate, the parking ratio would be 0.39 spaces/bedroom. This is half the .8 spaces/bedroom being recommended as the new downtown parking requirement.

Costs / Subsidies

Using a conservative estimate of \$20,000/space for structured parking and a maintenance cost of \$30/space/month¹, the existing Smallwood parking cost is \$5,000,000 and the maintenance is \$7500/month. Amortized over 30 years at 6% interest, this calculates to an annual cost of \$449,730 or \$1800/space. Smallwood charges its tenants only \$750/space annually, \$1050/spaces less than the cost.

For the Morton city garage, each space costs the city an estimated \$1278/year, but brings in only \$675/year. This requires a public subsidy of \$603/year/space, for a total of \$91,051/year for the 151 Smallwood spaces. In addition, although the city charges Smallwood \$675/space, Smallwood charges its tenants only \$550/year for the city spaces.

Calculating all the Smallwood built and leased parking, the annual parking expenses are estimated at \$642,707 with revenues from parkers totaling only \$239,800. Thus, 37% of the parking cost is borne by the parker, 49% by the landlord and 14% by the city. If the landlord's cost is passed on to tenants as additional rent, this adds \$113/month per unit (\$1362/year). Smallwood tenants who do not bring a car are helping pay the cost of those who do.

Proposed Ratio

The proposed ratio would require Smallwood to have 562 spaces--a garage larger than the 7th and Morton garage (536 spaces). With the Smallwood footprint, this would be equivalent to nearly 4 floors of parking for its 6⁺ floors of residents at an additional cost of \$6,232,000 or \$560,544/year if amortized with maintenance costs. Given the current demand for parking at Smallwood, many of these additional spaces would be un-leased and would bring in no revenue. Making the hypothetical [over] estimation that 460 spaces would be leased (100 more than currently), this loss to the developer adds another \$140/month per unit to the rent (\$1678/year) for a total of \$253/month per unit (\$3040/year) as a result of all the parking -- and the actual cost is likely to be higher.

Summary

The proposed parking ratio would virtually require 2 floors of parking for every 3 stories of housing. That means the cost of parking would be 25-35% of the cost of the development, and rents would reflect this.

John Norquist – Mayor of Milwaukee (1988-2003)

"Parking is an amenity you need. New Urbanism deals with it in a new way—we like parking on streets, but we think it should be priced appropriately. Eighty percent of spots should be filled at any given time. Parking becomes blight if there's too much or if it is overly emphasized or subsidized. But you do need some of it, there's no question.

A lot of parking regulations destroyed the ability to build in an economically feasible way. For example, in Milwaukee we had a neighborhood that required several onsite parking spots per unit, and there was a building on a narrow lot in a neighborhood where the tallest building was five stories, so to do parking...the first three floors would have been parking. So we removed that restriction. The lot had been empty for years, but almost immediately developers applied for permits.

The idea that parking has to be onsite is really entrenched, but if you build more parking, there are more cars, and it creates more dependency on the auto. Let the developer figure out how much parking they need—you should never have a minimum number of parking spaces, though you might consider maximums if they build too much. Look at Portland and Pasadena—those cities are great examples."

This document was produced by BTOP – 11/19/06

¹ "The High Cost of Free Parking", Shoup, 2005; estimates the maintenance cost at \$33/space/month in LA, CA in 2002 dollars.