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Guest column: Free parking may do harm to Bend's downtown



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In a recent editorial, The Bulletin argues that charging for parking in Bend's downtown would harm merchants and cause Bend's downtown to decline. Data from other communities show the opposite effect.

Cities that charge for parking generate significant improvements for retailers. Examples of success range from Oklahoma City (where parking meters were invented) in the 1930s to Old Town Pasadena today. In Oklahoma City, the first parking meters were installed along a single block. Within weeks, retailers on nearby blocks demanded their own meters because of the business gains for merchants fronting the paid parking.

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In Old Town Pasadena, paid curbside parking has brought about dramatic improvements for retailer results and for the area as a whole. Revenues have been used to enhance shopper experiences in Old Town, reversing the area's decline and giving rise to Old Town's present-day prosperity. The reasons for these successes are simple.

When drivers must pay for parking in shopping districts, customer turnover increases, as there is financial incentive for shoppers to conduct their business without undue delay.

Also, superior market segmentation of customers occurs on the basis of willingness to pay, since drivers unwilling to pay a modest fee for parking during peak hours would also tend to be those least likely to purchase goods and services or tip at restaurants.

And, the usage of parking spaces in prime shopping areas for nonshopping activities (like strolling through Drake Park) is diminished. Perhaps most importantly, paid parking can help solve the problem of employees parking in prime spaces that crowd out potential customers, which the city has identified as a major issue.

All these benefits are particularly robust for areas using "demand-response" or "dynamic pricing" systems that adjust the prices charged for parking on the basis of demand.

When more people wish to park and occupancy rises, prices for parking increase. If demand and occupancy are low, prices fall to as little as zero. This pricing mechanism reflects the workings of a free market, a reliable and efficient way to allocate resources — in this case, parking spaces.

Retailers are not the only beneficiaries of a paid parking system. Drivers and the community benefit as well, since “cruising” for available spots during periods of high demand is reduced.

“Cruising” can be substantial, contributing around 60 percent of vehicle miles traveled in retail corridors. Reducing it improves traffic flow and cuts low-value VMTs from the transportation system.

That contributes to better public health, reduces traffic collisions and promotes alternative transportation modes like biking, walking and transit.

Finally, revenues from parking fees can make a significant contribution to the city's budget and can be used to support improvement of other aspects of Bend's transportation system such as helping with road maintenance and improving sidewalk and bike lane networks.

When The Bulletin equates the success of Bend's downtown with free parking policy, it confuses causation with correlation.

Just because downtown parking is free does not mean the policy causes the area to thrive. Evidence from places like Old Town Pasadena confirms the opposite.

The real question is not about tampering with a winning formula but rather whether free parking is a winning formula at all.

That, ultimately, is an empirical question, and a vast body of evidence shows that free parking does much more harm than good for merchants, retail districts and other constituents of the transportation system.

— *Steve Porter, who lives in Bend, is author of the book “IP Strategy, Valuation, and Damages.”*