

Curb Enthusiasm Episode 2 Transcript

00:00:00:00 - 00:00:08:24

Emily Weidenhof

Welcome to Curb Enthusiasm, a podcast by the New York City Department of Transportation. I'm Emily Weidenhof.

00:00:08:27 - 00:00:10:19

Diecece Mendes

And I'm Dicece Mendes.

00:00:10:21 - 00:00:21:28

Emily Weidenhof

On today's episode, we talked to Donald Shoup, a distinguished research professor in the Department of Urban Planning at UCLA and the author of *The High Cost of Free Parking*.

00:00:22:00 - 00:00:28:04

Diecece Mendes

His research is focused on land economics, public finance, transportation, and parking.

00:00:28:06 - 00:00:36:05

Diecece Mendes

Donald holds degrees from Yale, both a Bachelor of Engineering in Electrical Engineering and a Ph.D. in economics.

00:00:36:07 - 00:00:46:26

Emily Weidenhof

We're very excited to welcome Donald Shoup, to the conversation today. Professor Shoup, have to ask you, have you ever parked for free?

00:00:46:28 - 00:00:54:26

Donald Shoup

Well, thanks for inviting me. And for the question, I think when I'm a driver, I almost never pay for parking.

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Donald Shoup

Just like everybody else in the United States. When you go to the grocery store. There's free parking at the grocery store, even at Trader Joe's. But in all my other roles in life, as a taxpayer or a shopper or a resident, I pay a lot for parking, because the cost of parking doesn't go away just because the driver doesn't pay for it.

00:01:18:24 - 00:01:48:13

Donald Shoup

Somebody has to pay for it. And that somebody is everybody. Even people who cannot afford a car have to pay for parking. So if you go to a grocery store, people who can't afford a car have to pay higher prices for food, so richer people, can park free at the grocery store. This is really required by the government because most governments outside of New York require ample off-street parking for everything.

00:01:48:15 - 00:02:14:12

Donald Shoup

You can't build a grocery store - You can't open a grocery store unless it has usually five parking spaces per 1000ft², which is more land for parking than for the grocery store. I think the minimum parking reforms increase the class divide between people who can afford a car and people who can't, and the people who can't afford a car subsidize people who can afford a car.

00:02:14:16 - 00:02:25:14

Donald Shoup

So, yes, I don't pay for parking when I'm a driver. But I'm paying for it in every other role I have at life and every role you have in life.

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Diniece Mendes

So, parking policies vary greatly across the world. We're curious to hear from someone with a global perspective such as yours, what country or international city does parking best in your opinion?

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Donald Shoup

I think Amsterdam is usually the first answer anybody would give, that they have had a policy for several years that every year they reduce the number of parking spaces in the city by about 3%. They have permit parking districts that when people leave or die, they don't renew the permits. So they gradually reduce the number of parking spaces in the city.

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Donald Shoup

I know what a difference it made because the first time I went to Amsterdam was in 1962, and there were cars everywhere. It looked like Los Angeles. But they realized that as an older city like Manhattan, they just can't keep on going with everybody wanting to have a car. Copenhagen does the same thing.

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Donald Shoup

They've been reducing the parking supply by about 3% a year. And again, I saw that, when I was an intern at the Copenhagen Telephone Company in 1964 that I drove into work every day and

parked free in one of the wonderful squares that they had. A lot of, you know, plazas had been turned into parking. I went to Copenhagen a couple of years ago, and all of those cars were gone.

00:03:52:14 - 00:03:58:07

Donald Shoup

So we can have changes. And I think we will. We have to have changes.

00:03:58:09 - 00:04:12:27

Emily Weidenhof

So, Professor Shoup, you're a bit of a legend in the urban planning field. Some know you as 'Shoup Dogg'. Could you, for a minute, take us back and share a bit about what led you to urban planning?

00:04:13:00 - 00:04:39:16

Donald Shoup

Well, it started in New York, in Manhattan. I was a PhD student in economics, and I was writing my dissertation on the land market, and I worked at the Institute of Public Administration on West 44th Street. And I'd been working on land economics. I did notice that almost all cars parked free on some of the most valuable land on Earth.

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Donald Shoup

And I thought, well, how would a land economist explain this? It is very puzzling. And I have been sort of following with that insight for, for also, about 60 years.

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Emily Weidenhof

So cities are very aware of the struggle of balancing limited resources with demand for services. You've thought a lot about how to bring in revenue to support urban resources. Could you tell us more about parking benefits districts?

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Donald Shoup

Well, yes, that's my favorite topic, but I will give a bit of a preface is, I have three major reforms. One is to remove minimum parking requirements, which you're not talking about today, because New York has done most of that and is about to remove all parking requirements I hope.

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Donald Shoup

The second is to charge the right prices for curb parking. Now, who could object to the right prices? Except that they are not zero. That the right price for curb parking, I think most people

who have studied it agree, is the lowest price the city could charge and still have one or two open spaces on every block.

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Donald Shoup

So that wherever you drive, you'll see 1 or 2 open spaces. And this policy was recommended by a Columbia economics professor back in 1954. He said that that the price should be adjusted so that people can always find an open space, if they're willing to pay for it. So the proposal I made, that is now spreading around the world, and I hope it will spread to New Yorkers is parking benefit districts.

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Donald Shoup

And that is that if the city charges market prices for curbside parking and spends all or most of the revenue to pay for added public services on the metered block. If money goes into a parking meter, it comes out the other side and it cleans the sidewalk or plants street trees or removes graffiti every night.

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Donald Shoup

Cities have used the money for a number of things like that. When people can see the benefits of charging for parking, they're more eager to have parking meters. London surveyed residents to say, what are your highest priorities for the curbside lane? Parking was number five. They wanted recreation in it, they wanted trees in it, they wanted outdoor eating in it.

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Donald Shoup

So when you ask everybody what they want? Not just the drivers. At a public meeting, you know, the drivers could take over at a community meeting about curbside parking, and it will make, you know, politicians think that it's a quick way to commit political suicide is to recommend prices for curbside parking. But if you say that the money will stay in the neighborhood, then people look at it differently.

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Diniece Mendes

You certainly raised some really interesting points around framing and really what's important for gaining buy in from communities. I'm curious though, many cities have experimented with reducing parking minimums. You spoke about that a little bit previously. And particularly in new developments, what have been some of the most surprising or impactful outcomes from these experiments based on your research?

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Donald Shoup

Well, it happened very early. Pasadena, California was the first city that had a parking benefits district. The city had no parking meters at all. And there was an older part of town which was once one of the most upscale shopping districts of the country, that people from the Midwest would come to California to spend the winter.

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Donald Shoup

You know, if you had enough money, you would come to California for the winter. They congregated at Pasadena. And then after World War Two, most people had cars, and this older neighborhood which was more like the Upper West Side, it didn't have any off street parking because they didn't have that in the 1920s. And so, it had decayed.

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Donald Shoup

There were wonderful buildings in terrible condition. People thought it would never recover. But the city wanted to put in parking meters to solve the curb parking problem. The merchants said that's a terrible idea. That'll chase away the few customers we have. Although they knew that that the business people and their employees parked on the street and moved their cars every two hours and then complained that the city hadn't provided enough parking.

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Donald Shoup

So the mayor said, well, if we put in the parking meters, we'll spend all the revenue to pay for rebuilding all of your sidewalks, putting in historic street lights, clearing up all the alleys and, providing many more public services. The merchants immediately said, "that's different. Why didn't you tell us that? Let's put them in now!"

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Donald Shoup

What was taking you so long? Let's run them till midnight. Let's run them on Sunday." Only because they got the revenue. And even though they had previously said it will damage businesses, the sales tax revenue tripled in the next five years. That's a measure of business activity. Once the city had done what only the city can do, which is to, improve the public sphere, then the private property owners came through with historic preservation, and they spent a lot of money on their own properties because previously it did make sense to pay a high price for historic preservation if nobody was coming there.

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Donald Shoup

This has happened in many other neighborhoods. The thing that surprised me is how quickly the sales tax revenue increased.

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Diniece Mendes

So what lessons can other cities learn, from these other experiments that, other cities can take into account?

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Donald Shoup

Oh, they are learning! The parking benefit districts and market price for curb parking is spreading around.

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Donald Shoup

Mexico City. So some of my students, work in Mexico City. They had picked up on what they call the 'Shoup dogma'. That, Snoop Dogg and I were both board at Long Beach, so that's some connection. And so the students call me 'Shoup dog'. They call what I teach the 'Shoup dogma'. So some of them have taken the Shoup dogma to Mexico City and they measured all new property developed from 2010 to 2015.

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Donald Shoup

And 40% of all the built space was for parking. And all the curb parking was free. So, they began charging prices for curb parking. They converted all the minimum parking requirements into maximum parking limits. You know, just made it complete U-turn and in addition that anything more than a half of the maximum allowed, you have to pay a tax on.

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Donald Shoup

So they really began discouraging building off street parking. At least they stopped requiring it. And then, yes, a number of other cities, have done it. Houston is another big city. They've picked up on them. I think the bigger the city, the more important it is to have parking benefit districts.

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Emily Weidenhof

So let's talk about another kind of incentive. You've researched employer paid parking, which essentially incentivizes employees to drive to work because their job compensates them for parking costs. Can you talk about the benefits and challenges of cash out employer paid parking?

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Donald Shoup

Well, that was one of the first successes I had in convincing anybody to do anything because I saw a study of downtown LA that compared the commuting behavior of two sets of government of employees.

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Donald Shoup

One was federal employees who had to pay for parking. And the other one was the county employees, who all got free parking. Among the county employees, I think something like 73% drove to work alone, and among the federal employees, 42% drove to work alone. And this was at the time we were trying to, during the gas crisis of the 70s, we were all trying to do everything we could to reduce traffic on vehicle miles traveled.

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Donald Shoup

And here I then understood that almost all employers gave free parking. And I said, that's a bad idea, but that didn't get anywhere. You're not going to convince anybody that they ought to pay for parking at work. So again, you need a political fix. What is the key to that? And so, the solution I recommended was that if an employer offers free parking at work, it has to offer, the commuter the option to take the cash value of the parking subsidy.

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Donald Shoup

So if parking at that time costs about 150 a month, instead of taking a \$150 a month as a free parking space, you could have \$150 a month. So that's not taking anything away from anybody. It's giving to people who previously had been disenfranchised. If they were biking to work or walking to work or riding the bus to work, they got nothing.

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Donald Shoup

That's not fair. That's how I approached the idea. Employer paid parking is without parking cash out is unfair. Especially because higher income employers are the ones who have cars are more likely to drive. So that became a law in California.

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Diniece Mendes

We're going to switch gears to talk about sort of New York City's most contested real estate, the curb. Many cities and urban areas struggle with managing sort of this limited curb space, and certainly a lot more competing needs and growing demands, with the rise of e-commerce deliveries, etc.. How do you think cities can better manage curb space to balance the needs of goods, movement, passenger vehicles, and other uses? And what role do you see parking policy playing in this context?

00:15:21:00 - 00:15:46:12

Donald Shoup

Well, I think the short answer is to charge the right prices for curb parking, that you want to raise the price or lower the price until there are one or two open spaces on every block. San Francisco has done this since I think 2011. They started at a very elaborate pilot program that they had, I think, 7,000 metered spaces, they put on a pricing system.

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Donald Shoup

They adjusted prices up or down every three months, that if the previous three months if the spaces were overcrowded, they raised the price by \$0.25. And if they were under occupied, they would lower the price by \$0.50, because it turned out, people thought that the prices would skyrocket.

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Donald Shoup

But after two years of slowly, getting towards the right price of \$0.25 an hour, increasing every three months, that the total meter revenue declined by 4%. And that's because so many of the spaces were, under occupied in the morning. You see whole blocks that were charging \$1.50 an hour, and there's not a single car parked there.

00:16:38:27 - 00:16:57:22

Donald Shoup

So they began reducing the price of parking for the price had been too high and increasing it, on spaces that had been priced too low, with a maximum of \$6 at the at the peak. And after they did all that, the total revenue was about the same.

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Diniece Mendes

We're entering into a new era of urban parking with increasing popularity of micromobility options and ride sharing services. How do you see the future of urban parking evolving?

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Donald Shoup

Well, I think the proper management of curb parking will benefit, certainly bike sharing, certainly car sharing, it will definitely benefit car sharing. I think charging the right prices for curb parking is like urban acupuncture. A small touch in a small part can benefit the whole body. And another medical analogy that is crowded curb spaces with cars cruising for parking.

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Donald Shoup

We haven't talked about that yet, but all the curb spaces are filled, a lot of cars are driving around hunting for parking. There was a study now that the Upper West Side found that it caused something like 300,000 additional vehicle miles traveled in the 16-block area. Of course, they were just hunting for parking that would disappear.

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Donald Shoup

And another medical analogy. Streets of the city are like blood vessels in the human body, and crowded curb parking is like plaque on the insides of these blood vessels that accumulate, and

slow the blood flow and lead to strokes. So, I think that charging for the right price for curb parking will clean out all the plaque in the arteries of the city.

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Donald Shoup

There are two ways to make the city healthy I think. One is through urban acupuncture. The other one is cleaning out the excess plaque in all the streets.

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Diniece Mendes

Let's stick with that analogy around sort of healthier cities as sort of arteries. What do you think are some of the biggest cultural shifts needed to move the needle on parking policy?

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Donald Shoup

Well, I think that the parking benefit districts are the key to everything. You don't have to convince anybody that they should charge market prices for curb parking. They'll decide for themselves. If you give people the right incentives, they will make the right decisions. Free curb parking is the worst incentive you could give. The bigger the city, the denser the city, the worse free curb parking is.

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Donald Shoup

So I think a pilot program carefully put together and, carefully, evaluated, would show how to make it work. Can we charge by the minute very easily? And the technology of parking is so much better, especially with license plate recognition. And that new cars in Europe now have the method of payment for parking in the dashboard of the car.

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Donald Shoup

You know, the car is just as connected as your telephone is. It knows where it is, and knows what the prices are for everything for parking prices. And, that when you arrive at your destination, you just touch on the screen saying, "I'm starting to pay for parking," and when you move out, you stop paying for parking. So, it will be almost effortless, not confusing to the drivers.

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Donald Shoup

It'll be a while before all cars have this, but all cell phones have it, and I think that it will become more like, something that people won't even notice. You know when a new technology for cars comes a long like automatic transmissions or power steering or power brakes. They seemed miraculous. Everybody thought they were just optional add-ons for expensive cars.

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Donald Shoup

But now you take it for granted. You don't even think of it. You don't even think you're using power steering. And I think where parking fades into the background, in terms of pricing, people will say "of course you pay for parking," and I don't have to do anything, then I think that that New York will be, infinitely better than it is now.

00:21:14:23 - 00:21:33:24

Diniece Mendes

Well, Donald, we really appreciate your time with us today and sharing the Shoup Dogma with our listeners. Before we sign off, we just wanted to ask you, what is something about the future of transportation that you are most enthusiastic about?

00:21:33:26 - 00:21:49:27

Donald Shoup

Parking! Well, I think one reason that parking has been neglected, certainly by planners, is that, the transportation planners don't think about curb parking, because nothing is moving.

00:21:50:00 - 00:22:23:25

Donald Shoup

And urban planners don't think about for parking, because it is in the roadway. Nobody seem to be responsible for thinking about parking. But I've been thinking about parking for 50 years, and I was successful, because it's such a low status thing to study all the universities. There's national affairs and international affairs seem important, state affairs are a big step down, local affairs seem like they're parochial. What's the least prestigious thing to study at the local government?

00:22:23:25 - 00:22:50:01

Donald Shoup

It would be sewage and parking. So I was a bottom feeder for about 50 years. I didn't have any competition. Yeah, well, that's why there aren't that many people you can interview. But now there's a feeding frenzy down there. Everybody's interested. And that's why I'm on your podcast. People are realizing there's a lot of food down there, and the city would be much more livable if we don't always want to park free.

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Diniece Mendes

We agree. Well, Donald, we really appreciate your time. And talking about your perspectives around parking policy and your enthusiasm. So thank you.

00:23:04:05 - 00:23:14:19

Emily Weidenhof

Yeah. And thank you for helping us see all the value we should be getting from our streets to make them more livable for all New Yorkers.

00:23:14:22 - 00:23:20:11

Donald Shoup

Well, thanks for inviting me. And, I hope my perspective will become your perspective.

00:23:20:14 - 00:23:28:00

Donald Shoup

And I hope these ideas get turned into practice in New York.

00:23:28:02 - 00:23:49:13

Ydanis Rodriguez

Hi. My name is Ydanis Rodriguez, commissioner of the New York City Department of Transportation. Thank you for listening to Curb Enthusiasm by New York City D.O.T. This episode was produced by Michael Santos with video support from Sigurjon Gudjonsson, Juan Vega, and Nazareth Battice. Theme music by Michael Santos. Curb Enthusiasm is available on Spotify, Apple Podcasts, and other major streaming platforms.

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Ydanis Rodriguez

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