

# Action Committee for Transit

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P.O. Box 7074, Silver Spring, MD 20907

February 18, 2009

Mr. Phil Andrews, President  
Montgomery County Council  
100 Maryland Ave.  
Rockville, MD 20850

Subject: Transportation Demand Management, OLO Report 2009-6

Dear Mr. Andrews:

The Action Committee for Transit has read with great interest the [report](#) on Transportation Demand Management prepared by the Office of Legislative Oversight. We agree entirely with the report's key finding that the county's current parking policies are at cross-purposes with its transportation policies. We strongly endorse the recommendations for a halt to the parking subsidies currently provided by county parking districts and for elimination of minimum parking requirements in Metro station planning areas.

These recommendations take on added urgency due to the current fiscal crisis. The county could immediately gain some \$8 million in annual revenue by discontinuing the transfer of parking fines to the parking districts. The current system of charging below-market hourly rates and making up the difference with fines is unfair to drivers as well as bad policy. To balance their budgets, and to create turnover of on-street parking spaces, the parking districts are compelled to harass drivers with draconian enforcement of unreasonable time limits. We recommend replacing this policy with "performance parking" that combines four- or five-hour limits on short-term spaces with market-based pricing. This policy mix would increase the availability of on-street parking and reduce the hassle of parking while generating additional revenue.

We have additional specific comments on the OLO report which are attached.

Sincerely,



Ben Ross  
President

cc: County Executive Leggett  
Dr. Royce Hanson, Chair, Planning Board

## SPECIFIC COMMENTS ON OLO REPORT 2009-6

**Page 8** - The needs of the mobility-impaired are a reason to make our infrastructure less-automobile oriented, not more so. Many of the mobility-impaired are unable to drive an automobile.

**Pages 9, 39** - The discussion of “market pricing” is incomplete. Under current circumstances, government regulation compels supply of parking in excess of economic demand. The market-clearing price in this circumstance is substantially less than the market equilibrium price in which marginal revenue is equal to marginal cost. The construction cost of a new underground parking space is around \$40,000. If developers seek a cap rate of 6%, a new parking space would have to yield \$2400 per year in revenue after operating expenses and taxes. If taxes are \$500 per year, operating expenses are \$80 per month, and occupancy is 80%, the market equilibrium price for an underground parking space would be \$400 per month. Any price below this level is a subsidized price.

**Page 9** - Housing market conditions are not beyond county control. The county could increase the supply of housing near Metro stations through planning and zoning decisions.

**Page 22** - Why is Wheaton Plaza not within the boundaries of the Wheaton transportation planning area? The current design of this site is highly inappropriate for this location, and therefore it should be subject to especially stringent controls to reduce automobile use.

**Page 33** - It is stated that the TMDs promote use of car-sharing services such as zipcars. However, the Dept. of Transportation does not rent parking spaces to car-sharing services. This is another example of DOT actions that are inconsistent with county policies and create traffic congestion.

**Page 44** - In FY04, the tax subsidy to the Bethesda parking district represented 22% of the district's revenues. In FY08, this increased to 26%. Why are we increasing parking subsidies?

**Page 52** - The statement that parking revenue supports TMDs is incorrect. The parking fees paid to the parking districts do not even cover the districts' operating expenses. The money that the parking districts transfer to TMDs is derived from real-estate taxes and from general fund subsidies via appropriations and the transfer of parking fines.