

DRIVING BUSINESS ~ Not enough parking...to build or not to build is the question...

It sounds simple enough. To address perceptions over not enough parking in downtown Roanoke, why not build another garage?

The decision is more complicated than you think. First and foremost, there's the cost and more importantly the space utilization of existing garages. If existing garages are strategically located and under-utilized, there is no reason to construct another garage due to perceptions about parking supply. It's really all about weighing costs and benefits along with supply and demand.

PARK Roanoke operates 7 garages and 5 surface lots with over 4,000 parking spaces in the downtown area. When adding this total to on-street parking and privately owned parking facilities, there are over 7,100 parking spaces downtown for public use. So the supply is robust for a city of Roanoke's size.

In some parts of the country, the value of an off-street parking space equals the price of an average home. In June 2013, a single parking space sold for \$80,000 to a person who paid cash on the spot. The parking space was in a prime location and adjacent to a condominium complex in San Francisco. A few years ago, a parking space sold for \$95,000 in the same city, but that's nothing compared to Boston. Also in June 2013, a double parking spot in an upscale Boston neighborhood sold for \$560,000 at auction.

The National Parking Association's *Parking In America: Annual Review of Parking Rates in the United States and Canada* reported that condominium parking space prices range from \$17,000 to \$100,000 with an average price of \$45,400. Parking spaces definitely have value!

The cost to build a parking garage can vary widely, depending on location, size, and materials used in construction as well as land and financing costs. The National Parking Association reports above ground parking space costs of up to \$45,000 per space with an average close to \$20,000 per space. Surface parking lot construction costs range from \$1,000 to \$15,000 per space with an average of \$5,000 per space. For underground structures, the cost is significantly higher with costs ranging from \$45,000 up to \$100,000 per parking space. Consider this: when the rate for parking is \$6 per day per space and the cost to construct that parking space is \$40,000, then a car would have to park in that spot each and every day for over 18 years to break even for the one space alone. It's safe to say most garage parking spaces cost more to construct than the cars occupying them!

The largest parking structures in the world include the parking area at West Edmonton Mall in Alberta, Canada, with 20,000 spaces; the parking area at Seattle-Tacoma International Airport with 13,000 spaces and McNamara terminal at Detroit Metro Airport with 11,500 spaces. By comparison, the City of Roanoke has seven garages ranging from 200 to 860 parking spaces each averaging about 515 spaces per garage with a total of over 4,000 spaces.

So why are the construction costs so high? These costs vary widely depending on location, number of square feet per parking space, type of construction (precast concrete versus structural steel), architectural design, and methods of finance. Costs are also influenced by the topography of the site as well as building code, ventilation, ramp, and accessibility requirements. The costs grow even larger when you add fire suppression sprinklers, elevators, façade work, and equipment for access and revenue control. Lighting is a major cost element, along with signage, waterproofing, roofing, earthwork, and landscaping. Costs are also affected by architectural elements such as LEED design and impervious surface elements. Another factor influencing cost is the use of the structure, whether it is only for parking or for mixed use such as retail.



The City of Roanoke has invested significant dollars in developing its robust system of off-street parking. When attracting businesses and employers to Roanoke, ample parking is a necessary component of the overall economic environment. Whether it's about businesses deciding to locate to our area, tour groups visiting the many cultural experiences and festivals, or residents enjoying the shopping and dining downtown, parking is key ingredient to a successful downtown. Public parking supports commerce and retail activity; it also increases property value. As the front door to our downtown – parking is the first and last experience that visitors have. That's why so much care is taken to ensure that the City of Roanoke's parking resources are strategically located, marketed, and well maintained. Dollars generated by the parking system pay for all debt service costs associated with the financing of these structures. Debt service payments are due and paid annually over a period of 20 to 30 years which further emphasizes the need for careful planning and decision making.

To build or not to build is a complex investment decision for any locality and Roanoke is no exception.



The offices of PARK Roanoke are located at 117 Church Avenue, S. W., directly across the street from The Texas Tavern.