PARKING

PROPERTY TAX

Detroit has some of the highest property tax rates in the country

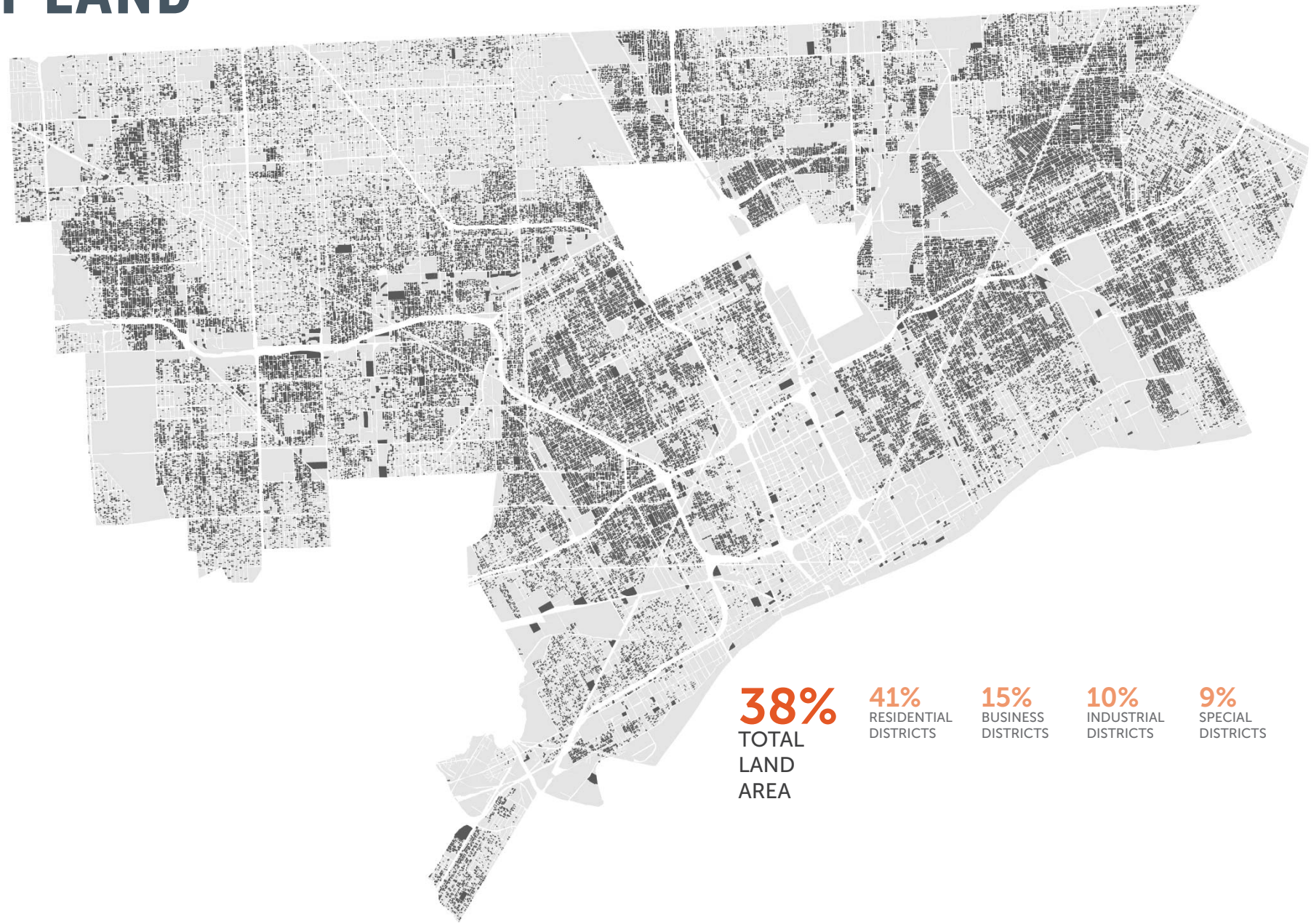
Highest and Lowest Effective Property Tax Rates on a Median Valued Home (2018)

Highest Property Tax Rates				Lowest Property Tax Rates			
1	Aurora (IL)	3.65%	*Why:* High property tax reliance	49	Cheyenne (WY)	0.64%	*Why:* Low property tax reliance
2	Bridgeport (CT)	3.44%	*Why:* High property tax reliance	50	Denver (CO)	0.56%	*Why:* Low property tax reliance, classification, high home values
3	Detroit (MI)	3.28%	*Why:* Low property values	51	Charleston (SC)	0.51%	*Why:* Classification shifts tax to business, High home values
4	Newark (NJ)	2.96%	*Why:* High property tax reliance	52	Boston (MA)	0.48%	*Why:* High home values, Classification shifts tax to business
5	Milwaukee (WI)	2.57%	*Why:* Low property values	53	Honolulu (HI)	0.31%	*Why:* High home values, low local gov't spending, classification

Highest and Lowest Effective Property Tax Rates on $1-Million Commercial Property

Highest Property Tax Rates				Lowest Property Tax Rates			
1	Providence (RI)	3.85%	*Why:* High property tax reliance	49	Honolulu (HI)	1.02%	*Why:* High property values, Low local gov't spending
2	Detroit (MI)	3.83%	*Why:* Low property values	50	Fargo (ND)	0.97%	*Why:* Low local gov't spending, Classification
3	Chicago (IL)	3.55%	*Why:* High local gov't spending, Classification shifts tax to business	51	Virginia Beach (VA)	0.96%	*Why:* Low local gov't spending, High property values
4	Bridgeport (CT)	3.46%	*Why:* High property tax reliance	52	Seattle (WA)	0.90%	*Why:* High property values, Low property tax reliance
5	Aurora (IL)	3.34%	*Why:* High property tax reliance	53	Cheyenne (WY)	0.63%	*Why:* Low property tax reliance

VACANT LAND



38% TOTAL LAND AREA

41% RESIDENTIAL DISTRICTS

15% BUSINESS DISTRICTS

10% INDUSTRIAL DISTRICTS

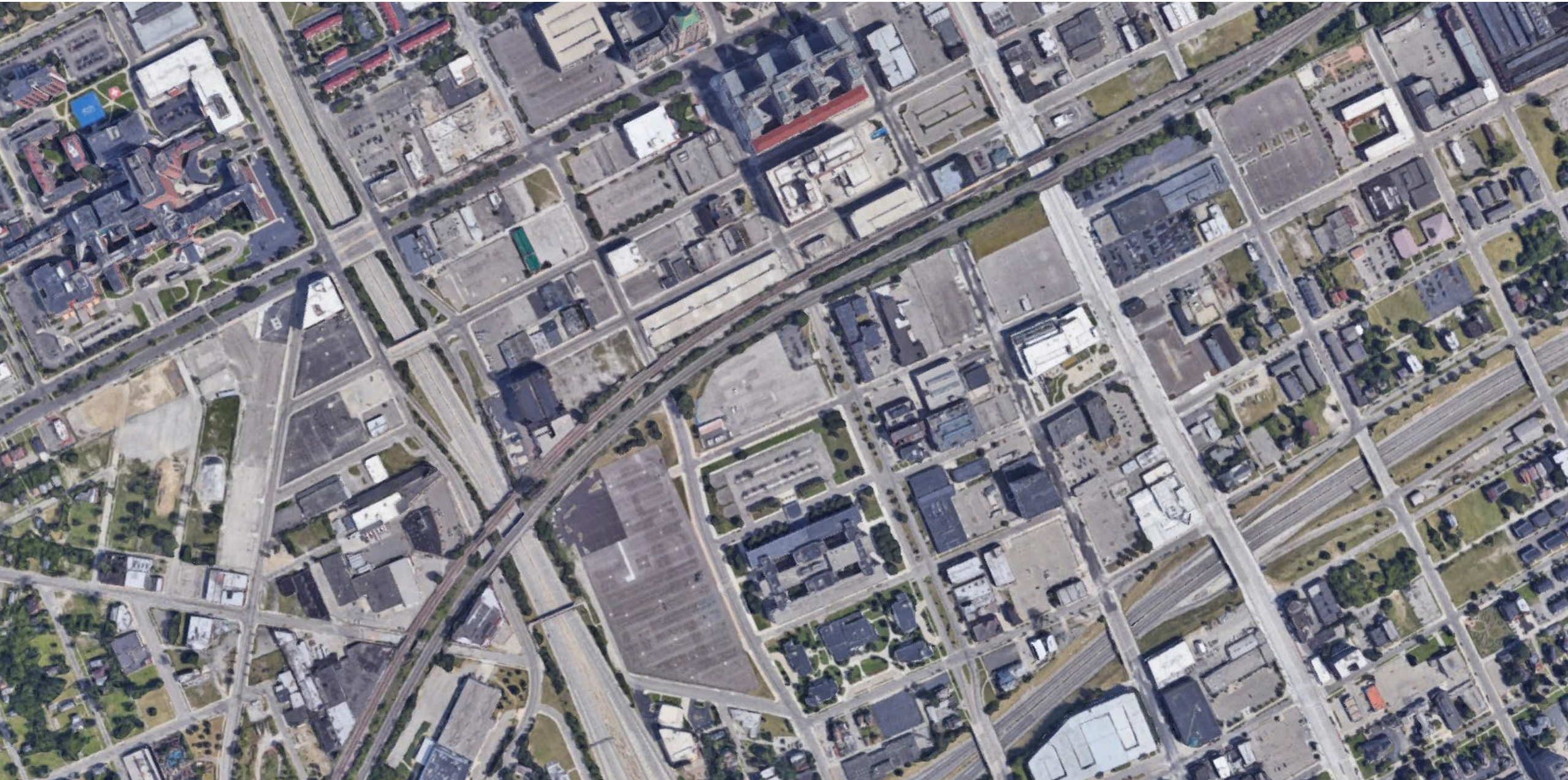
9% SPECIAL DISTRICTS

VACANT LAND

OVER SUPPLY OF PARKING: GRAND RIVER & 7 MILE

OVER SUPPLY OF PARKING: GRAND RIVER & 7 MILE

OVER SUPPLY OF PARKING: "TECH TOWN"



OVER SUPPLY OF PARKING: "TECH TOWN"

OVER SUPPLY OF PARKING: CORKTOWN

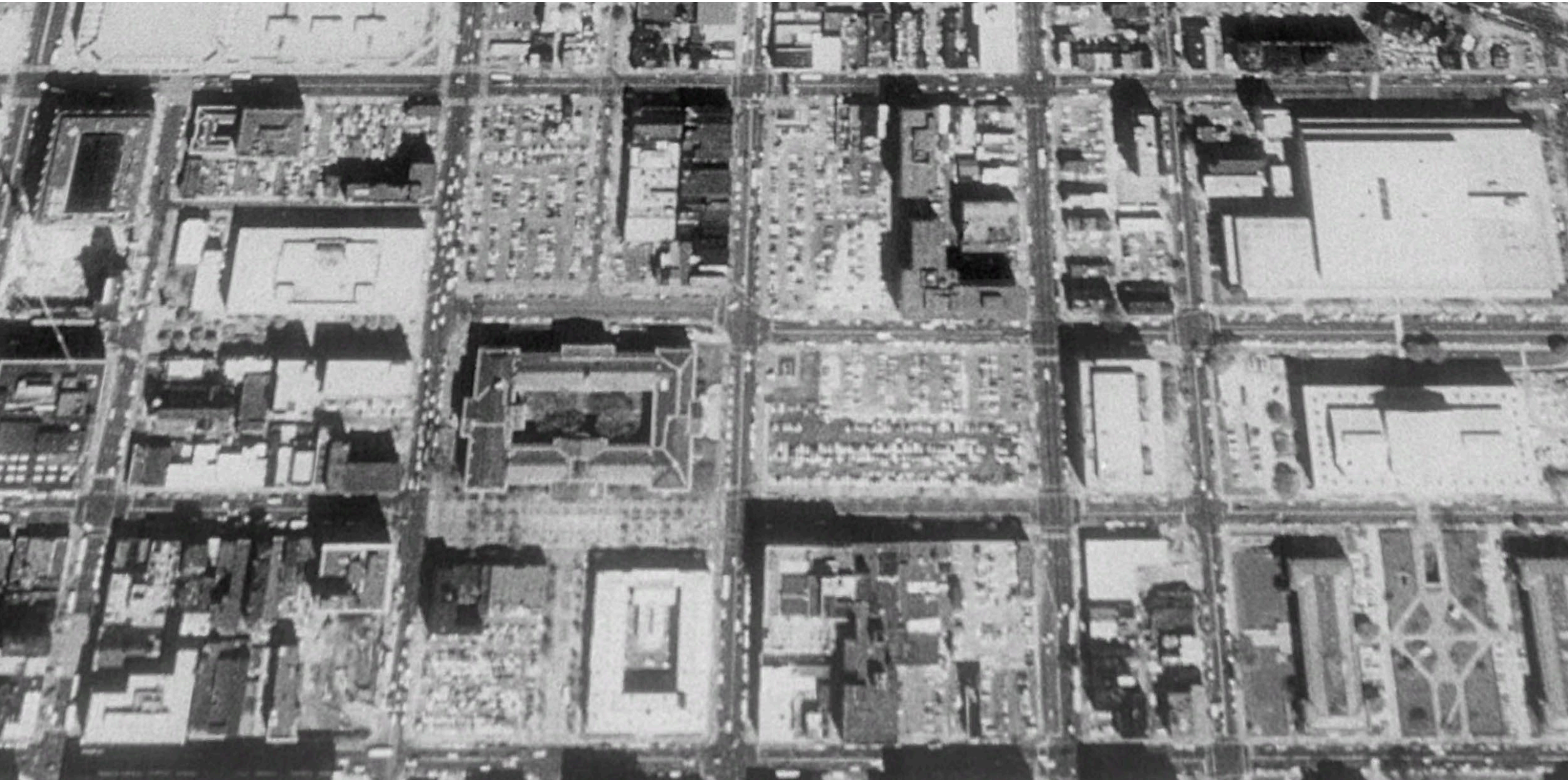
OVER SUPPLY OF PARKING: CORKTOWN

OVER SUPPLY OF PARKING: BERLIN (1953)

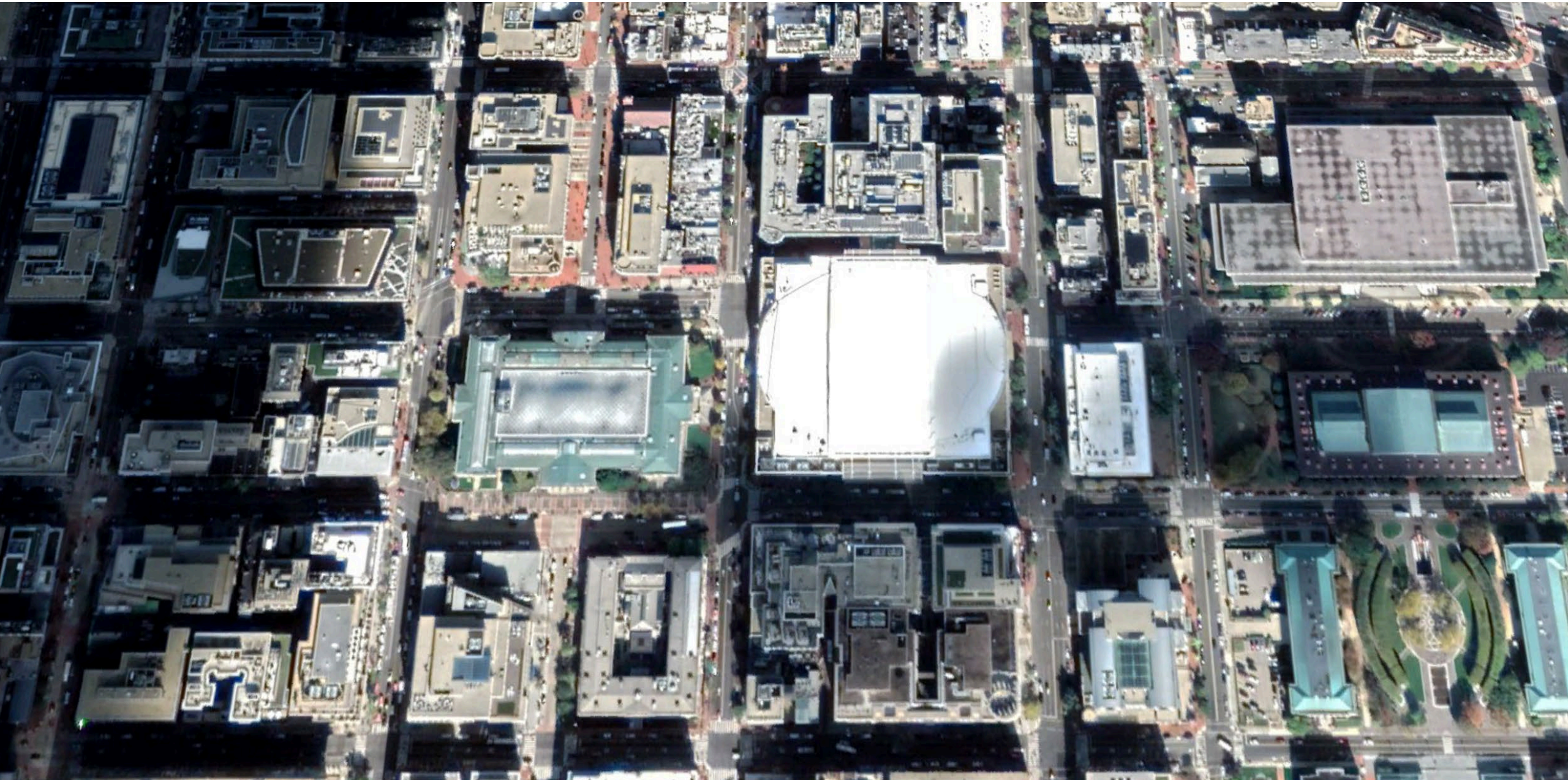
OVER SUPPLY OF PARKING: BERLIN (TODAY)

OVER SUPPLY OF PARKING: BERLIN (TODAY)

OVER SUPPLY OF PARKING: WASHINGTON DC (1988)

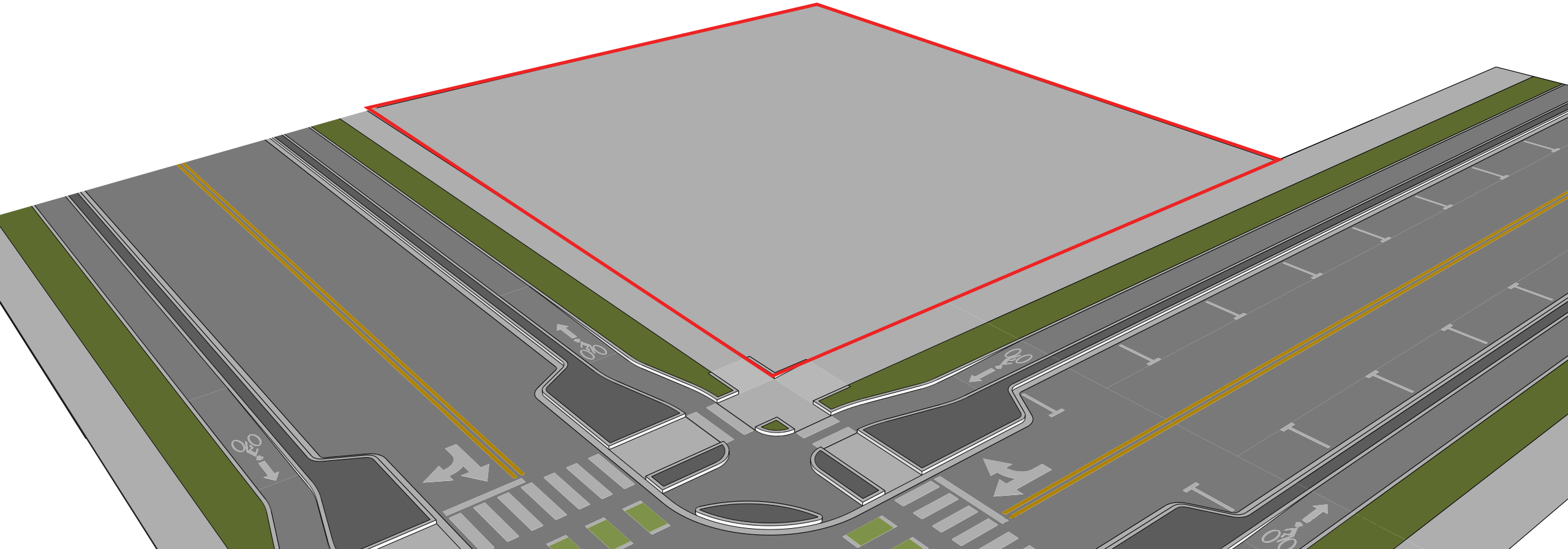


OVER SUPPLY OF PARKING: WASHINGTON DC (TODAY)



EFFECT OF PARKING ON DENSITY & AFFORDABILITY

- **Lot Size:** 120' x 130'



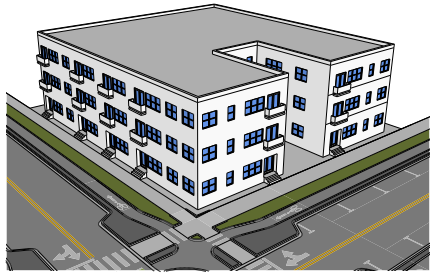
EFFECT OF PARKING ON DENSITY & AFFORDABILITY

- **Lot:** 120' x 130'
- **Units:** 10 Townhouses (≈2,200 SF)
- **Parking:** 2/unit (20 parking spaces)

EFFECT OF PARKING ON DENSITY & AFFORDABILITY

- **Lot:** 120' x 130'
- **Units:** 35 (≈800 SF)
- **Parking:** None

EFFECT OF PARKING ON DENSITY & AFFORDABILITY



	Parking Option	No Parking Option
Land Cost	$100,000	$100,000
Land Cost per Unit	$10,000	$2,857
Average Unit Size	2,200 SF	800 SF
Unit Portion of Shared SF	N/A	140 SF
Units Provided	10 units	35 units
Hard Cost per SF	$150	$150
Construction Cost per Unit	$330,000	$141,000
Hard Cost per Unit	$340,000	$143,857
Improvement Value	$3,400,000	$5,035,000

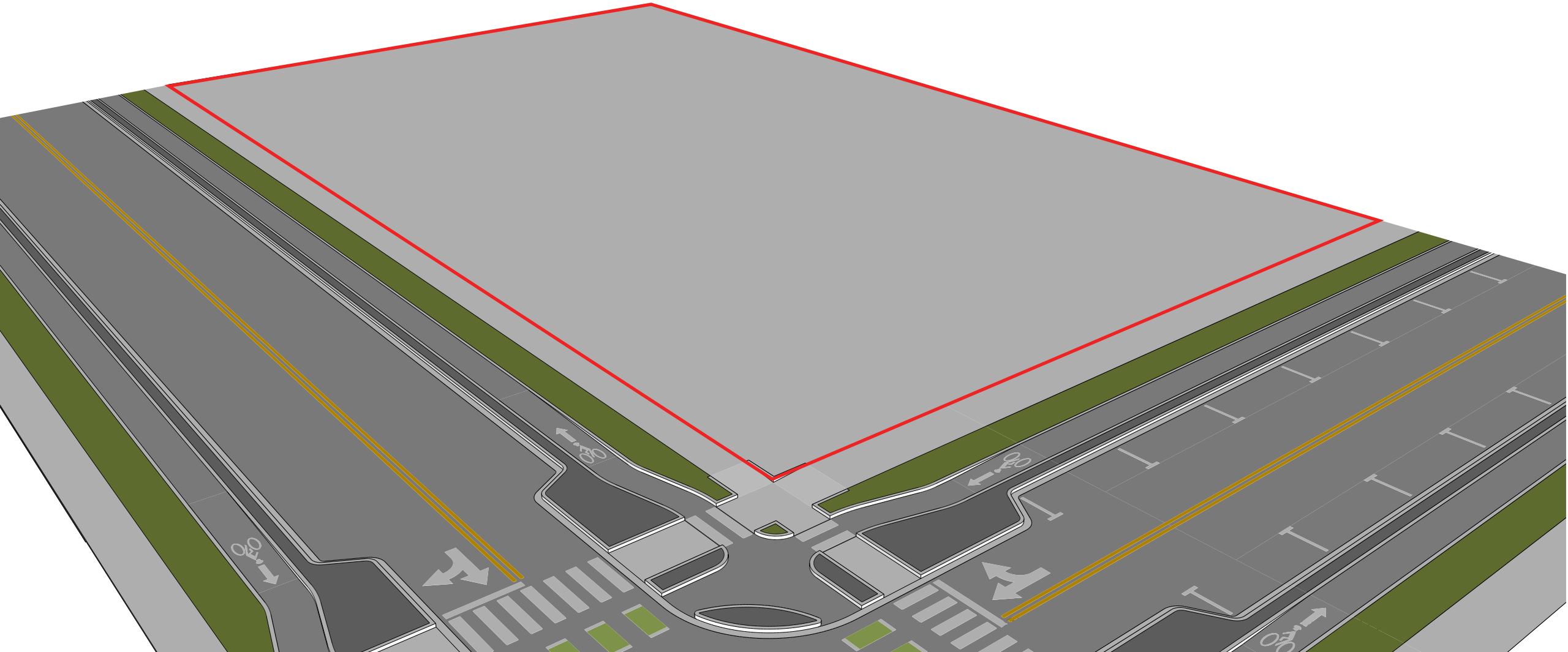
EFFECT OF PARKING ON DENSITY & AFFORDABILITY

New development is not easily accessible to existing residents

- Detroit had the fastest rent increase in the country when measured as a percentage of income. *(Smart Asset, 2018)*
- Median rent is $850 per month.
- Median home value is $34,814.
- Townhouse on the left currently on the market for $1.5 Million.

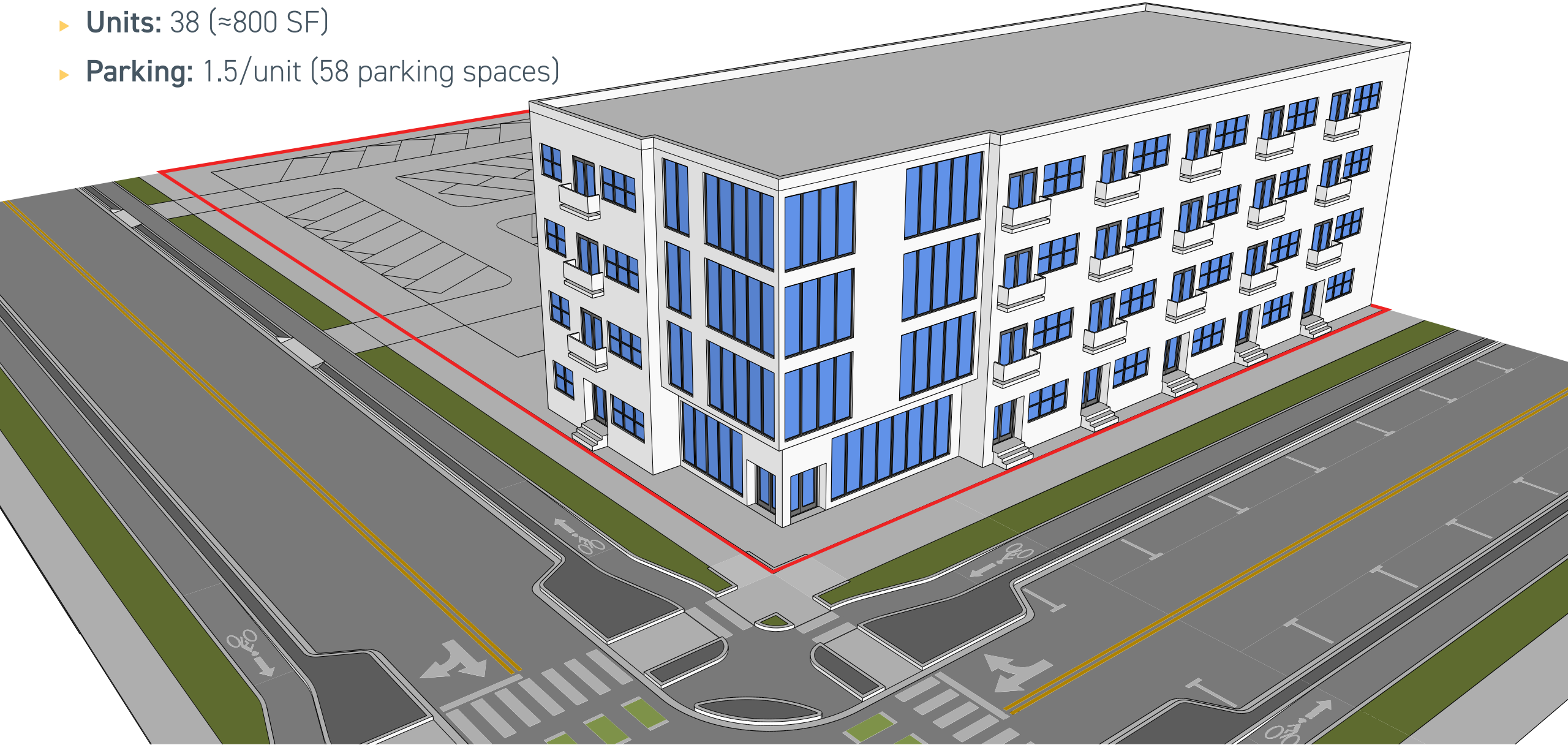
EFFECT OF PARKING ON DENSITY & AFFORDABILITY

- **Lot:** 150' x 250'



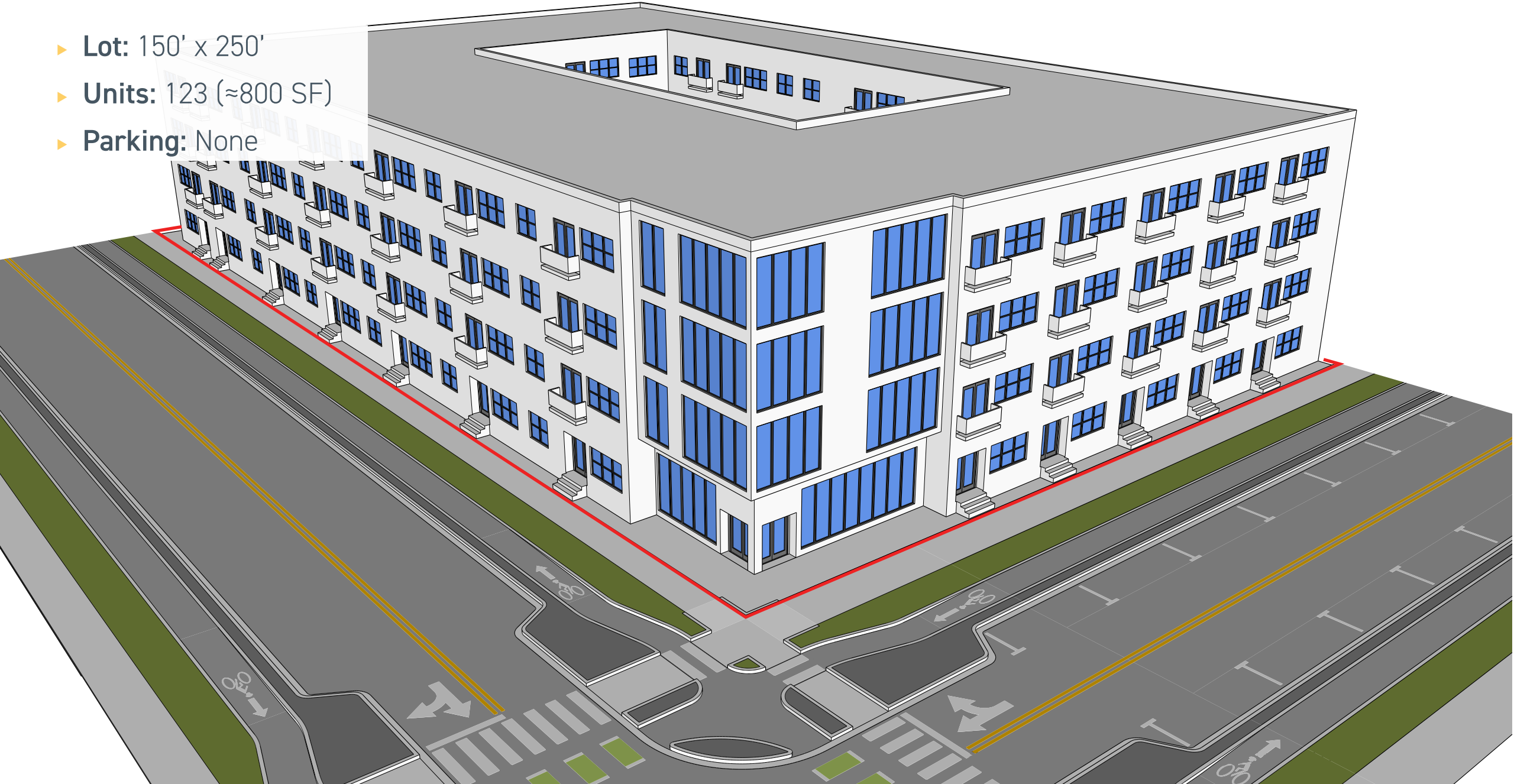
EFFECT OF PARKING ON DENSITY & AFFORDABILITY

- **Lot:** 150' x 250'
- **Units:** 38 (≈800 SF)
- **Parking:** 1.5/unit (58 parking spaces)

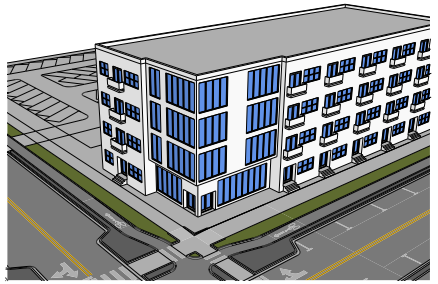


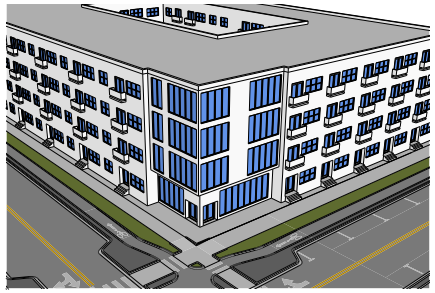
EFFECT OF PARKING ON DENSITY & AFFORDABILITY

- **Lot:** 150' x 250'
- **Units:** 123 (≈800 SF)
- **Parking:** None



EFFECT OF PARKING ON DENSITY & AFFORDABILITY





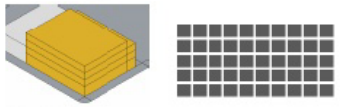
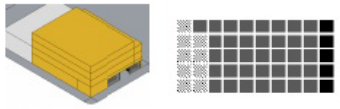
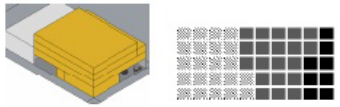
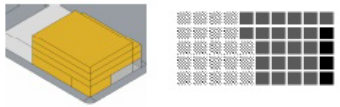
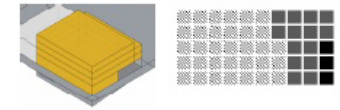
	Parking Option	No Parking Option
Land Cost	$250,000	$250,000
Land Cost per Unit	$6,579	$2,033
Average Unit Size	800 SF	800 SF
Unit Portion of Shared SF	140 SF	140 SF
Units Provided	38 units	123 units
Hard Cost per SF	$160	$160
Construction Cost per Unit	$150,400	$150,400
Hard Cost per Unit	$156,979	$152,433
Improvement Value	$5,965,200	$18,749,200

EFFECT OF PARKING ON DENSITY & AFFORDABILITY

Parking forces projects to trade a higher number of affordable units for fewer luxury houses

- Parking creates spacial constraints, reducing the total number of units
- Higher cost units are required to pay for the cost of building parking on-site

Cost of Onsite Parking + Impacts on Affordability

	Development Prototype		# of Units	# of Parking Spaces	Parking Spaces per Unit	% of Ground Floor used for parking	Parking Cost as a Percentage of Total Construction Cost	Construction Cost	Potential Monthly Rental Range (550 sq ft apartment)*	Monthly Rent Increase as a percentage above No Parking Development Prototype
A	No Parking		50	0	0	0%	0%	4.3 M	*$800 - $1,150*	-
					A building with no parking is able to utilize the full capacity of the development on the site (factoring in assumptions outlined in Methodology). In this scenario fifty units and zero parking spaces are constructed.					
B	Tuck-Under		45	9	0.25	33%	4%	4.3 M	*$850 - $1,200*	6%
					A building with tuck-under parking is able to utilize nearly all development capacity, with a loss of 5 residential units. In this scenario 45 units and 9 parking spaces are constructed. There is a moderate rental rate increase associated with this scenario to accommodate the cost associated with providing tuck-under spaces and loss of potential residential units.					
C	Surface		30	19	0.6	47%	2%	2.8 M	*$1,200 - $1,800*	50%
					A building with surface parking is able to utilize 50 percent of development capacity. In this scenario 30 units and 19 parking spaces are constructed. There is a rental rate increase associated with this scenario to accommodate for the opportunity cost associated with not producing 20 units.					
D	Podium		42	22	0.5	66%	10%	4.3 M	*$950 - $1,350*	19%
					A building with podium parking utilizes 75% of the ground floor to provide parking. In this scenario 42 units and 22 parking spaces are constructed. There are negative impacts to ground floor activity and street frontage which may have a direct impact on surrounding businesses, pedestrians, and street character due to additional curb cuts and loss of continuous storefront/first floor character.					
E	Mechanical		46	23	0.5	40%	22%	5.4 M	*$1,175 - $1,660*	47%
					A building with mechanical parking utilizes 40% of the ground floor to provide parking. In this scenario 46 units and 23 parking spaces are constructed. Mechanical parking is a space-efficient parking alternative as it stacks parking spaces with the aid of mechanical systems. As a result, more parking spaces can be constructed in a smaller space; however, it adds significant cost, at $45,000 a space.					
F	Underground		44	33	0.75	20%	28%	6.5 M	*$1,300 - $1,900*	63%
					A building with underground parking is challenged given the limitations of the 10,000 sq foot lot. The practicality of producing underground parking is challenged given the short bay width (less than 100') and limitations to circulation between levels. In this scenario 44 units and 33 parking spaces are constructed. The rental increase can be attributed directly to the cost of providing underground parking at a cost of $55,000 a space.					

Housing Unit
Housing Unit w/Parking Space
Housing Unit Not Built as a result of providing parking

- *Based on Results of Envision Tomorrow Return on Investment Model & Analysis.*
- *Developments with a Return on Investment of 7 to 10% are reported.*

Cost Comparison: Parking Prototype Impacts on Form and Affordability
Prepared by Bureau of Planning and Sustainability

Page 6

AUTOS INDUSTRY

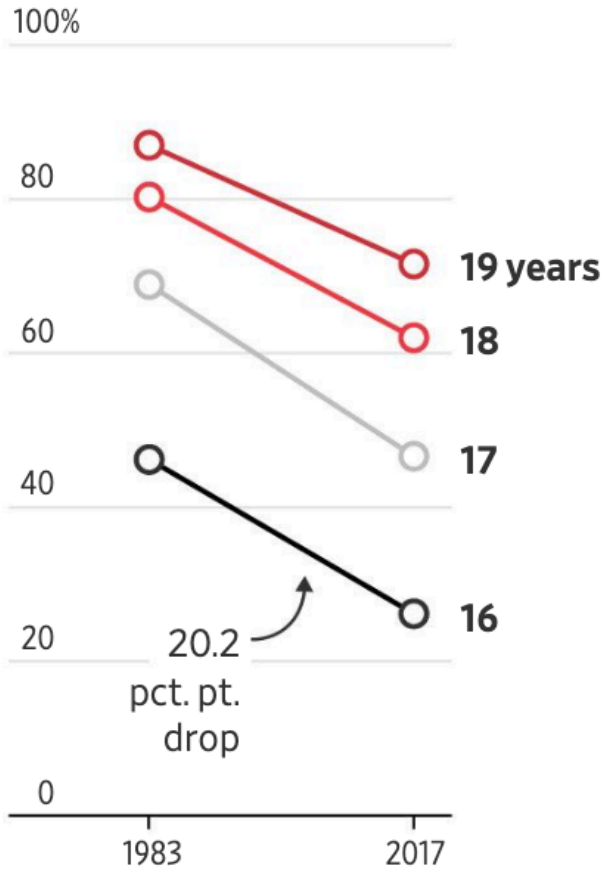
Driving? The Kids Are So Over It

In a challenge for Detroit, teens put off getting their licenses and buying cars.

Wall Street Journal: April 2019

The share of 16-year-olds getting their licenses has nearly halved since the 1980s.

Percentage of licensed drivers by age



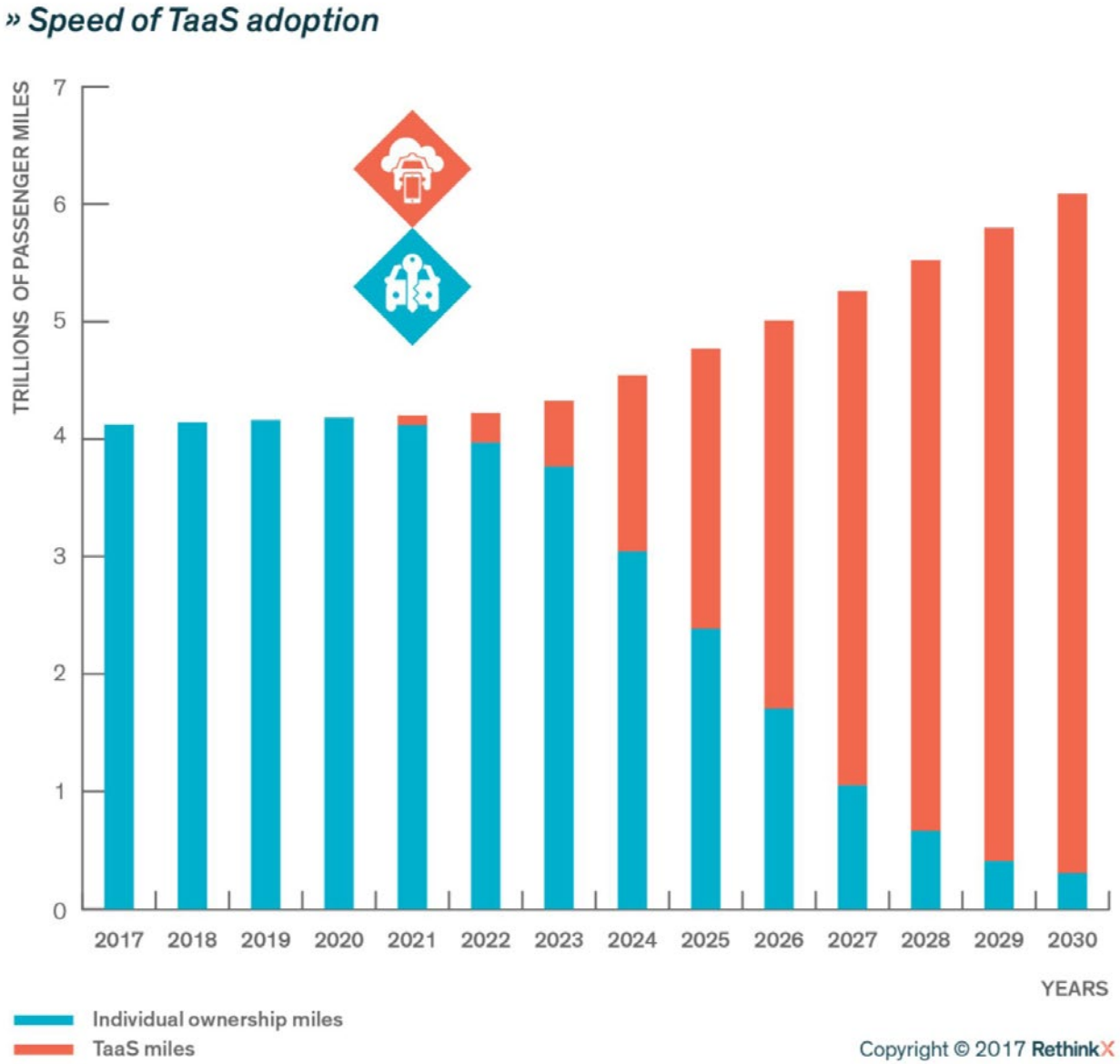
*J.D. Power estimates that **Gen Zers** will purchase about **120,000 fewer** new vehicles this year compared with **millennials in 2004**, when they were the new generation of drivers—or **488,198** vehicles versus **607,329** then.*

***Cost is increasingly a challenge**. The average price paid for a new vehicle was **$32,544 in 2018**, up from **$25,490** a decade ago, according to J.D. Power. The average monthly payment on a new-car loan reached $535 a month last year, or more than 10% of the median household income, a level most Americans can't afford, said Cox Automotive.*

*On top of the shortage of small cars, **auto makers are also packing more technology** into vehicles, contributing to rising prices. The new extras also make cars more expensive to repair, **helping to drive up car-insurance costs**, another deterrent for many teens and 20-somethings*

Wall Street Journal: April 2019

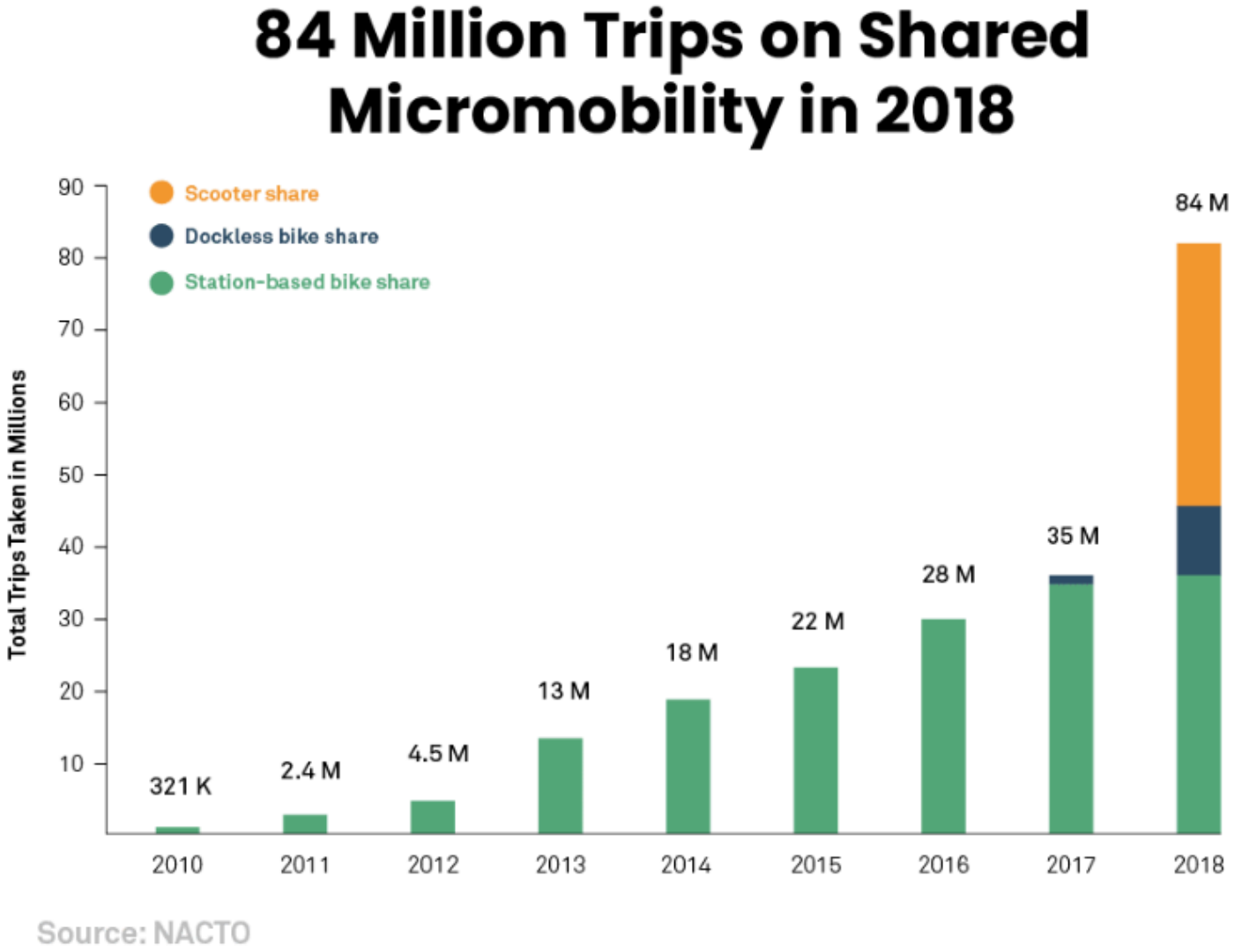
TRANSIT AS A SERVICE (TAAS)



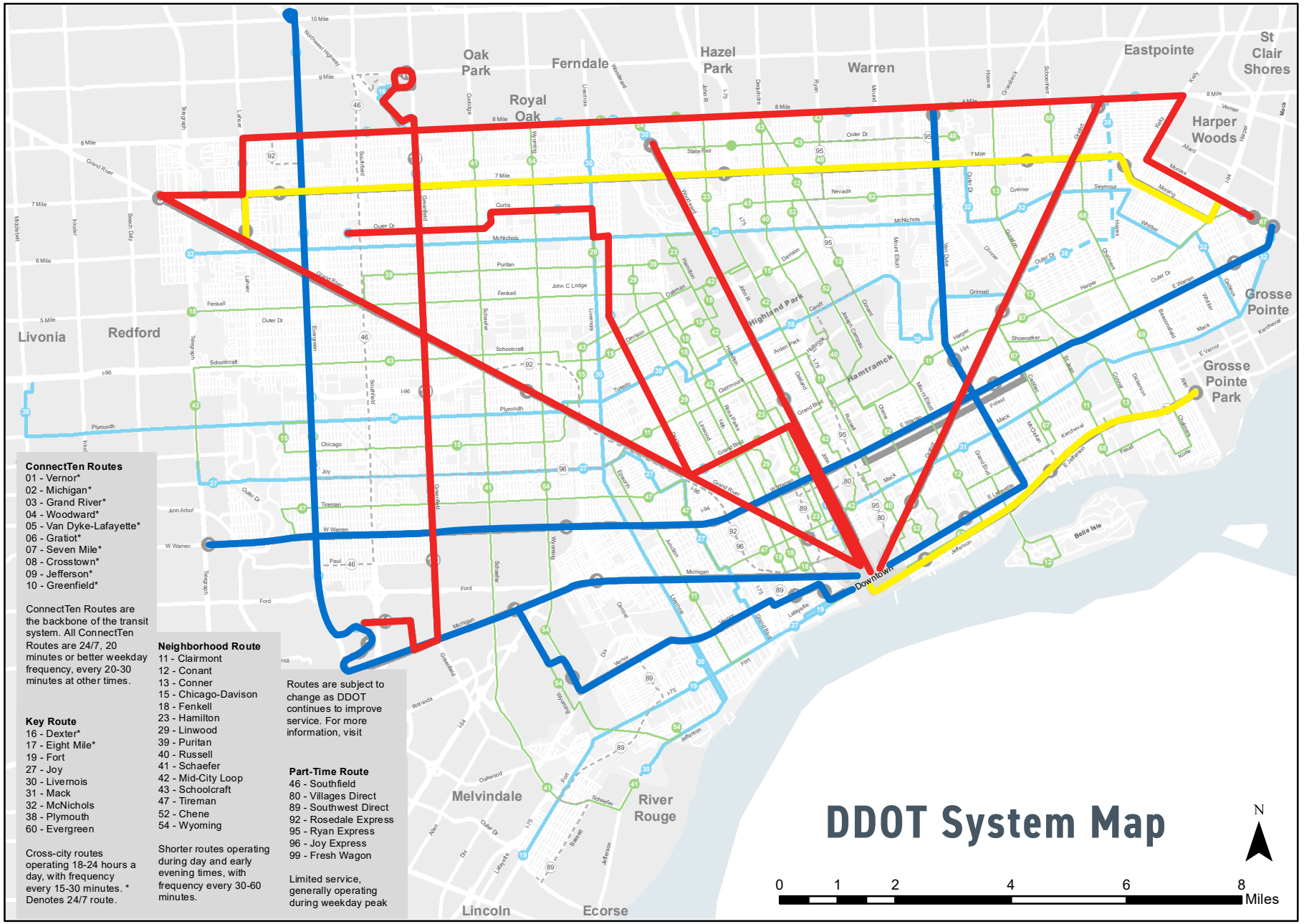
Shift away from personally-owned modes of transportation and towards mobility provided as a service.

- Uber/Lyft
- Maven - GM car share
- Whim (Helsinki) - App for all your transportation needs (public transit, bikes, taxis, rental cars)
- Self-driving cars

MICROMOBILTY



TRANSIT



ConnectTen Routes
01 - Vernor*
02 - Michigan*
03 - Grand River*
04 - Woodward*
05 - Van Dyke-Lafayette*
06 - Gratiot*
07 - Seven Mile*
08 - Crosstown*
09 - Jefferson*
10 - Greenfield*

ConnectTen Routes are the backbone of the transit system. All ConnectTen Routes are 24/7, 20 minutes or better weekday frequency, every 20-30 minutes at other times.

Key Route
16 - Dexter*
17 - Eight Mile*
19 - Fort
27 - Joy
30 - Livernois
31 - Mack
32 - McNichols
38 - Plymouth
60 - Evergreen

Cross-city routes operating 18-24 hours a day, with frequency every 15-30 minutes. * Denotes 24/7 route.

Neighborhood Route
11 - Clairmont
12 - Conant
13 - Conner
15 - Chicago-Davison
18 - Fenkell
23 - Hamilton
29 - Linwood
39 - Puritan
40 - Russell
41 - Schaefer
42 - Mid-City Loop
43 - Schoolcraft
47 - Tireman
52 - Chene
54 - Wyoming

Shorter routes operating during day and early evening times, with frequency every 30-60 minutes.

Routes are subject to change as DDOT continues to improve service. For more information, visit

Part-Time Route
46 - Southfield
80 - Villages Direct
89 - Southwest Direct
92 - Rosedale Express
95 - Ryan Express
96 - Joy Express
99 - Fresh Wagon

Limited service, generally operating during weekday peak

FREQUENCY

- 10-15 min
- 16-19 min
- 20 min

- 6 bus lines run between 10-15 min.
- 12 bus lines run 24/7

			Monday - Friday: Week Day			Saturday		Sunday/Holiday	
Route Type	Line	M-F:Hours	M-F: Peak	M-F: Off-Peak	M-F: Evening	S: Day	S: Evening	Day	Evening
ConnectTen	1-Vernor	24/7	20		45	25	45	55	55
ConnectTen	2-Michigan	24/7	20	35	50	30	30-60	35	35-65
ConnectTen	3-Grand River	24/7	10	15	30	20	30-60	30	30-60
ConnectTen	4-Woodward	24/7	10		30	10	30	20	30-60
ConnectTen	5-Wan Dyke/Lafayette	24/7	20	30	30-60	35	35-60	50	60
ConnectTen	6-Gratiot	24/7	12		30-60	30	30	30	30
ConnectTen	7-Seven Mile	24/7	15-20		30-60	40	40-60	45	45-60
ConnectTen	8-Warren	24/7	20	30	60	45	60	45	60
ConnectTen	9-Jefferson	24/7	17	35		25	30-60	35	35-60
ConnectTen	10-Greenfield	24/7	15		30-60	20	30-60	30	35-60
Key Routes	16-Dexter	24/7	12	15	30	30	60	30	60
Key Routes	17-Eight Mile	24/7	15	25	45	25	50	35	55
Key Routes	19-Fort	4:30am-12:00am	25	35	60	40	60	60	60
Key Routes	27-Joy	5:30-11:00pm	30	50	60	60	60	60	60
Key Routes	30-Livernois	6:00-9:45pm	30	60		60	60	60	60
Key Routes	31-Mack	4:45-12:45am	20	30	30-60	30	60	55	55
Key Routes	32-McNichols	5am-1:45am	35	50		40	60	60	60
Key Routes	38-Plymouth	4am-12am	45		60	60	60	60	60
Key Routes	60-Evergreen	5:15am-11pm	20	30	60	35-60	35-60	60	60

WHY NO PARKING MINIMUM ?

» **Supports More Affordable Housing**

- Parking requirements forces projects to trade more affordable units for fewer luxury units

» **Promotes a Stronger Tax Base**

- Less surface parking means higher project value

» **Improves Public Health**

- Less surface parking lots, better urban form, more walking is good for all of us!

» **Supports Local Business**

- More people to support local shopping, dining and entertainment

» **Reduces Carbon Footprint**

- Increases population within walking distance of frequent transit service