

## Unrealized Assets

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### INTRODUCTION

Increased traffic congestion in the Chicagoland region is resulting in lower air quality and a declining quality of life as residents spend more and more time idled in traffic. At the same time, the city is forecasting a \$500 million budget deficit by the year's end. Though these two problems might seem unrelated, they share a common solution -- thoughtful transportation planning and management through market-based parking pricing.

Valuing on-street parking spaces based on prevailing market values has been shown to improve traffic flow, mitigate poor air quality, and encourage active transportation choices. When the resulting revenue is then invested in funding for sustainable transportation options, a world-class transportation network emerges. Chicago has failed to recognize the essential connection between competitively priced parking prices and reinvestment in public and non-motorized transportation options.

In 2009 the City of Chicago leased 36,000 parking spaces in three of the city's densest areas to a private parking management company for the next 75 years. The city received a \$1.2 billion upfront payment in exchange for revenue they generate over this time period. As a result, planners and neighborhoods have lost control over one of their most powerful urban planning and revenue generating tools. Our primary investigation focuses on how the parking lease came about

and what the implications are. Research outcomes include three main policy solutions that the City, local villages, and major employers can enact now in order to salvage innovative parking schemes that support public health, economic activity, and clean air: Implement market-rate parking policies; Pilot market-rate pricing and transportation reinvestment in areas not covered by the Chicago meter lease; and Offer employee cash-out instead of parking subsidies.

## ACTIVE TRANSPORTATION ALLIANCE

The mission of Active Transportation Alliance (Active Trans) is to make bicycling, walking and public transit so safe, convenient and fun that we will achieve a significant shift from environmentally harmful, sedentary travel to clean, active travel. We advocate for transportation that encourages and promotes safety, physical activity, health, recreation, social interaction, equity, environmental stewardship and resource conservation.

Active Trans works to build a region where 50% of all regional trips are easily made by bicycling, walking, or transit, with 50% fewer automobile crashes. To achieve this vision, we advocate policies that make driving less of a subsidized norm, and make bicycling, walking and transit more appealing and normative. For the most part, our resources, our energy, and our strategy has been to work on the side of the equation that makes these modes more appealing. However, for significant modeshift to take place, we must encourage our region to reduce subsidies for driving and free up resources for alternative transport.

## THEORY AND FRAMEWORK

Underpriced curb parking is a hidden source of traffic congestion and stimulates the most inefficient form of urban transportation. Underpriced parking encourages drivers to cruise for cheap parking, which harms everyone's health and safety, slows down automobiles and buses behind the cruiser, and provides little benefit to the cruiser. It is a danger to bicyclists and pedestrians because cruisers focus on finding the right spot, not on whether a pedestrian is crossing the street.

The cost of parking is bundled into the cost of everything from movies to toothpaste. In other words, costs of constructing and maintaining parking spots are passed on to customers in the form of inflated prices. This bundled pricing unfairly charges those who are too poor to drive or choose not to drive by making everyone in the store subsidize those who drove. Unbundling the cost of parking more fairly charges people for parking based on use instead of spreading the cost of building and maintaining parking spaces to everyone.

So how do we know how much parking should cost? Active Transportation Alliance believes that curb parking should cost the least amount possible to ensure that drivers can always find a spot without cruising. This would result in fewer vehicle miles traveled, less congestion, and greater curbside turnover for local business. When each side of the street always has one available parking space, the meters are at 85% capacity. Meter rates can vary by time of day based on demand, and would reflect different prices for residential and commercial land use mixes.

Furthermore, Active Trans suggests policies that link increased meter to investment in socially and politically optimal transportation modes like bicycling, walking, and transit. Increased meter fees support smoother sidewalks, pedestrian-scale landscaping, crosswalk striping, and even storefront improvements for local businesses.

## CURRENT POLICY

In part, the problem with our current parking situation is a failure of urban planning. Planners and politicians simply follow one golden rule of 4 spaces per 1,000 feet or copy requirements from other cities. Where did that ratio come from? Most planners, engineers and developers do not know. It has just always been done that way. Now, it is codified into municipal codes and zoning requirements so that developers are incentivized to provide parking. As a result, there is abundant under-priced parking and, 78% of Chicagoland commuters drive to work and many then park for free. Furthermore, the people with the most control over land use decisions, transit operations, and parking almost all drive to work and park for free, and that may influence their perspective on the relative parking needs of the region.

Expensive parking development requirements mean that developers must build parking spots into their new development *whether they are needed or not*. They must follow an arbitrary zoning code, which can increase the development cost by \$15-\$30,000 per space. These spaces, when provided for free, still cost money. That money translates into higher rents for local businesses, which in turn must raise prices in order to stay in business. This creates an enormous subsidy by all customers that benefits only the ones who park for free.

Off-street parking spaces cost \$10,000-\$30,000 apiece to build. These spaces, when provided to consumers for free, still cost money to build and maintain by the developer and property owner. That money translates into higher rents for the businesses, which in turn must raise prices commensurately to maintain their margins. This creates an enormous subsidy paid by all customers that benefits only the ones who park for free.

An added cost is the impact on land use and cascading impacts on the revenue of local taxing bodies. Parking garages and surface parking lots disrupt the urban fabric and the pedestrian experience, making such areas less desirable for dense, pedestrian-oriented retail, thereby leading even people bound for that destination to drive. As more land is converted to parking, there are fewer trip generators to cause people to travel to the area in the first place. Off-street parking garages sit on valuable land and derive their profit exclusively from the demand created by non-parking uses around them – no one piles into the car to head down to the exciting Parking Garage District. At minimum, such off-street parking should be taxed commensurately to the revenue foregone by local taxing bodies should that land have been developed for commercial or residential use. Real estate should not be allocated to subsidize parking immediately next to every destination.

#### WHAT TO DO

Spending curb-parking revenue on public amenities that draw customers is a key element in a successful parking pricing policy. Instead of directing parking meter revenue to the municipality's general operating fund -- or in Chicago's case, a privately held consortium -- increased revenues go to filling potholes, repairing sidewalks, planting trees, replacing streetlights, and funding more efficient transportation options. When customers understand and see that their parking fees are improving the pedestrian experience and making it easier to find parking, they are more likely to support market-rate pricing policies.

#### CHICAGO'S PARKING METER LEASE DETAILS

In December 2008 the Chicago City Council voted to lease Chicago's entire parking meter system to Morgan Stanley for approximately \$1.2 billion dollars for the period of 75 years. This

case study examines Mayor Daley's administration's process for the privatization of the meters, the lease agreements, and urban planning implications.

## THE PROCESS

During the last five years the Daley administration has relied on leasing out Chicago's public assets to fill gaps in the existing budget and to bolster the city's financial resources in hopes of obtaining the 2016 Olympic bid. Since 2005 the city has leased the Chicago Skyway for \$1.83 billion over 99 years; four parking garages under Millennium and Grant Park for \$564 million over 99 years; and attempted to enter into contracts to lease Midway Airport for \$2.5 billion over 99 years, a deal that fell through due to the plummeting economy. The parking meter lease is the latest lease deal and has been accompanied by unprecedented outcry over the loss of government control of these assets.

The privatization of public assets is in itself controversial, particularly when these assets are revenue generating such as the meters. According to DePaul Professor Dr. H. Woods "The argument in favor of selling public assets is that a lot of the assets aren't tied to the core functions of the government, or that there are cost inefficiencies associated with them. Parking [policy] ought to be a core function of the city, and there are no appreciable operating efficiencies to be gained [with this lease]."<sup>1</sup> This lease agreement compromised the city's ability to adjust parking policy; because of the agreement terms, meters will be the primary consideration in the planning of our city streets. Everything else, from traffic flow to pedestrian, bicycle and transit facilities may only be considered after meters and their corresponding income has been considered.

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<sup>1</sup> Reader Fail pt 2

The Inspector General reported on June 2, 2009 that in order for a public private partnership (PPP) to be successful it must have “informed deliberation, transparency, and full analysis of the public interest considerations,” none of which is evident in the Chicago parking meter lease deal. The report also identified the following concerns about public-private partnerships: “the failure of governments to thoroughly review the costs and benefits of a PPP before deciding to lease public assets” and “the temptation of entering into PPPs in order to receive large, upfront payments that solve short-term financial problems, without considering the long-term implications of the deal,”<sup>i</sup> both of which influenced the meter deal.

The history of the realization of this parking meter lease is necessary to understand the lack of public and aldermanic involvement in the lease process. Reviewing the process also highlights the complete lack of discussion and consideration of the impact this deal will have on Chicago’s urban landscape.

In February 2008 the city released a Request for Qualifications (RFQ) for bidders interested in leasing out the meters. Though not public at the time, ten private firms submitted qualifications in March (see appendix A for list of bidders), including the final bidders Morgan Stanley and Macquarie. In November 2008 the budget department received the initial bids from Morgan Stanley at \$1,008,500,000 and Macquarie at \$964,226,025. The city’s rules state that when two bids are within 10% of each other, the city may request a final bid from each firm. According to budget department spokesperson Lisa Schrader, “we open the envelopes and the winning bidder is the highest bidder.”<sup>ii</sup> Upon final submission on December 1, 2008 Morgan Stanley was victorious with a bid of \$1,156,500,000, beating out Macquarie at \$1,019,022,803. Within hours of receiving the winning bid the Mayor filed paperwork to hold a special city council meeting

three days later for the “sole purpose” of approving the lease.<sup>iii</sup> Before the lease agreement went to vote at city council, Mayor Daley held a press conference on December 2 announcing Morgan Stanley as the triumphant firm. Morgan Stanley developed a larger group of investors and renamed the group Chicago Parking Meter, LLC’s (CPM, which was not included in any of the initial bid documents).

On December 2, Aldermen were invited to a meeting to review the lease basics. Aldermen received the “Chicago Metered Parking System Long-term Concession Briefing,” an eight-page summary that laid out the general details of the agreement including a broad explanation of the terms and rough distribution of where the income would go. The Aldermen did not receive a copy of the lease, nor were they given a funding schedule, maps of where the meters are located, maps of where the rate hike zones are located, or the city’s financial analysis of how they determined the worth of the meters.

Before the full city council could vote on the agreement the finance committee had to pass an ordinance. At this December 3 finance committee meeting several aldermen had still not seen the lease that they were meeting to discuss. When alderman challenged the budget committee on the seemingly unnecessary rush to push the ordinance through, chief financial officer Paul Volpe responded that the city had to act immediately to capitalize on the all-time low interest rates. The aldermen on this committee continued to challenge Volpe on the miniscule timeframe but by the end of the meeting the finance committee passed the ordinance.

On December 4<sup>th</sup> the full city council minus Ariel Reboyras (30<sup>th</sup>), Helen Shiller (46<sup>th</sup>), George Cardenas (12<sup>th</sup>), Isaac Carothers (29<sup>th</sup>) and Sandi Jackson (7<sup>th</sup>) met to vote on the lease. By this meeting most of the alderman had all received the eight page summary but most had not read the

actual lease itself, some had not received a copy of the lease, and none had received the “Summary of Preliminary Valuation” prepared by William Blair & Company, the city’s financial research firm that included the analysis of the meters’ projected value. Some aldermen admitted to not fully understanding the lease terms while others openly admitted to not reading it. Alderman Mell of the 33<sup>rd</sup> ward said “How many of us read the stuff we do get, OK? I try to. I try to. I try to. But being realistic, being realistic, its like getting your insurance policy. It’s small print, OK?”<sup>iv</sup>

Other alderman took a critical view on the impending lease. Alderman Scott Waguespack (32<sup>nd</sup> Ward) and staff prepared a financial analysis of their own that projected the worth of the meters, projecting \$4 billion value. The budget department argued that Waguespack’s numbers were inaccurate without seeing them and when Waguespack requested the city’s financial analysis they stated that he could only review them *after* the vote.

Out of the 50 Aldermen on the city council only five voted against the ordinance: Billy Ocasio (26<sup>th</sup>), Scott Waguespack (32<sup>nd</sup>), Rey Colon (35<sup>th</sup>), Leslie Hairson (5<sup>th</sup>), and Toni Preckwinkle (4<sup>th</sup>). The Aldermen who voted for the lease argued that it was necessary to fill the \$500 million budget deficit. The Aldermen who voted against the lease argued that they had insufficient time to analyze the deal and that they were concerned about citizen backlash. Ocasio said, “I’m sorry, but there are too many people in our city living paycheck to paycheck.”

On February 13, 2009 the city finished the legal paperwork and the deal was complete; meter prices begin to rise in mid-February.

## THE LEASE

The agreement leases out all of Chicago's entire Metered Parking System, including 34,500 on-street meters and 1,240 spots in 18 city lots, to Chicago Parking Meters, LLC (Morgan Stanley Infrastructure Funds) for a one-time, upfront lump sum of \$1,156,500,000. Chicago Parking Meters, LLC (CPM) will collect revenue from meter payments and Chicago's Department of Revenue will continue to collect money generated from ticketed meters.

Under the lease, CPM is responsible for maintenance and operation of the new system. CPM is required to pay for all capital improvements in the system, including the transition from typical meters to "Pay and Display" boxes that accept credit cards and cash as opposed to just quarters by 2011. In addition to the existing City of Chicago parking meter enforcement, CPM has hired private meter enforcement to increase the number of tickets written with the intention that greater enforcement will result in more incentive to pay the meter.

## FUTURE METER PRICING

CPM released a five-year schedule detailing the rate increases for meters throughout the city. After five years, "the system value will be adjusted by inflation through the addition of meters, expansion of hours or rate increases." 17,000 meters are located in neighborhoods where meters are currently priced at \$0.25/hour they will raise %700 over the course of five years to cost \$3.00/hr. Meter rates in the loop will reach \$6.50 during that time period (see table below).

Area	2008 (before increase)	2009	2010	2011	2012	2013	After 2013
Loop	\$3.00	\$3.50	\$4.25	\$5.00	\$5.75	\$6.50	Adjusted annually by inflation

Non-loop CBD	\$1.00	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	Adjusted annually by inflation
Neighborhoods	\$0.25	\$1.00	\$1.25	\$1.50	\$1.75	\$2.00	Adjusted annually by inflation

Source: Chicago Metered Parking System Concession Agreement – Exhibit A Metered Parking System

Meters will also collect fees on Sundays, whereas they previously were free on Sundays and hours of enforcement will be extended from 9 AM – 6 PM to 8 AM – 9 PM in some areas and to 24 hours in others. The five different zones that are used in the city’s calculations are based on density. The chart below is the hours and rates that William Blair & Company used to calculate the value of the metered system.

Type of Meter	2009 Hourly Fee	Total Hours per year (2008 – prior to the lease agreement)	Total Hours per year (per lease agreement)
Neighborhood	\$1.00	106,523,730	117,356,238
CBD	\$2.00	18,732,260	25,984,113
Loop	\$3.50	4,083,488	5,143,580
Neighborhood (late-night, half-price)	\$0.50	0	11,709,316
CBD (not-loop) (late-night, half price)	\$1.00	0	156,577
Loop (late-night, half-price)	\$1.75	0	4,099,273
<b>Total</b>		<b>129,341,477</b>	<b>164,449,097</b>

Source: <http://www.chicagoinspectorgeneral.org/pdf/IGO-CMPS-20090602.pdf>

The money will go here:

**The implications**

There are many negative and long-lasting implications from the parking meter lease. The overarching impact is that the City has essentially lost control over pricing of the meters and placement of the meters. As William Blair & Company stated, “Value is linked to control. Maximizing prepaid rent depends on the City’s willingness to concede its interest in future revenues derived from its system.” But in order to maximize profits the city not only gave up control of future revenues but just as importantly, if not more, gave up all control of the public right of way on any streets with parking meters.

This agreement makes it impossible for the city to test any new hourly meter rates for “price elasticity of demand,” a measure of how consumers react to a change in price. That’s limiting because the right price for parking is quite intricate: the ideal hourly rate for parking (where spots are 85% full, and drivers can always find a parking spot), might vary depending on exact location, residential/commercial mix, time of day, and nearby events.

The lease does allow for the city to change meter rates, locations and hours of operation, however, “if the concessionaire’s revenues are negatively impacted through any of these actions, the city will be financially responsible for the loss of revenue.”<sup>v</sup> The cost to the city for temporary removal of parking meters is based on “the *maximum* utilization of a comparable meter in a comparable parking meter area multiplied by the applicable rate in effect for such removed or unusable meter or metered space during the entire time that the meter or metered space is disabled or removed.”<sup>vi</sup> This means that in order to remove meters the city would have to pay CPM the revenue that they would receive if a car were parked in the space for 24 hours a day in the central business district.

When Alderman Waguespack asked to revert the hours of meter enforcement for 270 meters in his ward to what they had been before the lease – from 8 AM-9 PM seven days a week back to 9 AM – 6 PM Monday through Saturday - the city said the move was legally permissible but would cost the city \$608,753 over the period of three years. So while the city technically retains control over these spaces, any move to remove or adjust parking will financially penalize the City.

This means that every potential project on a street with meters, including Bus Rapid Transit, bicycle lanes, sidewalk expansion, streetscaping, pedestrian bulb-outs, loading zones, rush hour parking control, mid block crossing, and temporary open spaces are dictated, controlled and limited by parking meters. These restrictions severely limit innovative planning for bicyclists, pedestrian and transit users.

The loss of the potential for bus rapid transit on most streets over the next 75 years is one of the most disappointing losses from the term of the lease. If the city estimates that Waguespack's time restrictions on meters would cost \$608,753 over three years for 270 meters, the cost of removing parking or placing rush hour parking controls over the length of a potential route such as Western Avenue would be staggering.

What will happen is that Chicago will have some of the highest parking prices in the nation, but the benefits of the revenue will not be returned to the district in which those prices are charged. A key element of competitive, fair parking strategy is that the increased revenues are used to generate a healthier, more pedestrian friendly and appealing environment in which it is expensive to park. However, the city will not reap

any of those benefits and that is one of the reasons why citizens are so upset about the parking lease. The prices are going up, but they will not see the benefit in increased sidewalk cleaning, pothole mending, or tree planting.

## DATA COLLECTION RESULTS

Active Trans gathered data on how these prices affect driving behavior and we found that the current price of on-street parking meters in Chicago – a bustling, commercially vibrant area- isn't quite right.

We collected data in early May from 11 a.m. to 1 p.m. to determine how close the hourly rates (now set by LAZ Parking) get the us to 85 percent capacity, or one free parking spot on each side of the street.

**Method:** We observed parking in free zones, \$1/hour parking zones and in \$2/hour parking zones. Data is from all blocks enclosed by Wells, Division, Sedgwick, and North Avenue.

**The results:** What we found wasn't that people were abandoning street parking for bikes and roller skates but rather that most blocks were overfilled with abundant illegal parking!

Results from the most expensive to the least expensive spots follows.

- \$2/hour parking on Wells from Division to North (northbound and southbound) was extremely overfilled with 100% full with vehicles squeezed into loading zones and bike lanes. That pattern indicates that the price is too low (since vehicles cannot find a spot) and that enforcement is needed for illegal parkers.
- On Division from Sedgwick to Wells, both eastbound and westbound spots were 10% full. That's 90% vacant! At \$2/hour, the price is too high.
- One good block was on the 1300 and 1400 blocks of Wells, where north and southbound meters were 78% full, quite close to the 85% ideal capacity.
- \$1/hour parking on the 1600 Block of Wells was 92% full with 6 illegally parked cars, indicating that \$1/hour is close to being the right price (very close to 85% capacity).

Active Trans recommend an approach that takes into account intricacies that drive parking behavior and demand. Technology that can implement variable pricing based on time of day is already there. If LAZ Parking were to use this technology to find the right price, there would be fewer cars parked in the bike lanes, less traffic cruising for fewer miles to find the perfect parking spot and more customers at local businesses

#### UNIVERSITY OF CHICAGO CASE STUDY

Private campuses have the possibility of parking policy innovations, and University of Chicago's Transportation and Parking Services has been a leader in managing the demand for parking by both making parking less attractive and making other modes like bicycling, walking, and transit more attractive. According to the Transportation and Parking Services' Director, Brian Shaw, "a guiding principle is to develop programs and policies which help to mitigate the demand for

parking by creating greater utilization of alternate systems and approaches.” This section highlights some of their key wins.

All bus transportation on the University of Chicago campus complies with the Americans with Disabilities Act (ADA). This transportation includes new CTA routes 170, 171, 172, 173, 174, and 192, multiple evening shuttles, and the SafeRide shuttles. Ridership on the University of Chicago CTA routes has doubled from 2006 through 2009. University of Chicago uses parking revenue to offset some of the bus operational costs. The rest comes from departments and the central administration.

The University also offers a progressive parking demand management strategy called “Employee Cash Out.” Cash out is done in lieu of giving a faculty member a parking space for free. Employees may have the value of the parking spot put into their paycheck pre-tax, and then use the money to pay for parking, or transit costs. They may also keep the money as taxable income if they bike or walk. This doesn’t cost the University or the employee anything as they can buy parking or transit pretax.

New parking requirements are determined by the planned development ordinance that covers the University. The University submits a Transportation Management Plan every 2 years to determine its parking demand and whether its existing off street supply is sufficient. The city provides the parking ratios required by different classification of University populations and for residential properties. The University gets credit for its parking demand management programs and efforts. The calculations of the ratios, parking demand management and supply determine if the University had enough parking or needs to create more off-street parking.

The University of Chicago example has diverted countless trips from driving to walking, bicycling, and transit because in the words of the Director of Transportation and Parking Services, Brian Shaw, “Free parking is a myth. It’s a fallacy.”

#### SUBURBAN TRAIN STATION CASE STUDY

In Naperville, a parking structure adjacent to Metra’s busiest line, Route 59 train station will be charging for premium parking. Each parking spot will cost \$8,900 initially, but once half the 167 available spots are sold, the price jumps to \$9,600. The lot is expected to open by June 30. Both Naperville and Aurora operate public parking lots with thousands of spots on both sides of the train tracks, but that isn't enough to keep up with demand. While the waiting time for a parking permit on the Naperville side of the station is a couple of years, commuters who want a spot on the Aurora side currently wait up to five years.

#### EXISTING POLICY OPTIONS

Despite the monopoly on Chicago’s curbside parking meters, there are multiple policy options available for combining “carrots and sticks” to achieve a harmonious, smooth-flowing traffic nirvana in our region. Installing market-rate curb pricing policies, testing market rate pricing with transportation reinvestment in suburban pilot areas, and offering employees cash out options instead of offering blanket free parking are three policies that are both financially feasible and politically palatable.

#### POLICY 1: IMPLEMENT MARKET RATE CURB PRICING

Market rates reduce cruising times, increase business turnover, and reduce emissions from cruising. An immediate action item is to identify the correct hourly market rate for each Chicago block based on location, time and land use. We invite Chicago Parking Meters LLC to use that information to implement block-by-block variable hourly meter rates. It is in the concessionaire's best interest financially to have right-priced parking. Where it's overpriced, empty meters don't generate revenue. Where meters are underpriced, it's in their best interest to stimulate healthy turnover by raising rates. In addition to an improved public image, better profits should make the case to improve meter management.

Right-priced parking would also ensure the parking stays mostly full with some available spaces, which would allow as many people as possible to take advantage of parking and shopping.

We also see policy opportunity for villages and towns in our region that are not governed by Chicago's parking meter lease. We suggest that villages and towns pilot market-based curb-parking schemes that combine the wisdom of urban planning with maximum curbside business opportunity. One of the best incentives for this is that neighborhoods, businesses, and business districts may have the choice of offering it. It is not a blanket policy or a regional mandate. Neighborhoods and business districts may roll out block-by-block pricing and make adjustments as the market allows. For example, neighborhood based curb parking: in Uptown during concurrent shows at the Aragon, Rivera, and Green Mill, nonresidents use streets as a parking lot. But what if residents parked for free and nonresidents paid fair market price? It's good for politicians because they do a public service without inconveniencing their constituency. This translates to less congestion, more trip changing, and fewer crashes.

## SOLUTION 2: USE CURB REVENUE TO REINVEST IN TRANSPORTATION CHOICES

Investing in good transit, bicycle, and pedestrian facilities is key to a strong parking policy. It is socially and financially irresponsible to limit people's options (such as the opportunity to park) without providing equally attractive alternatives. Active Trans recommends that suburban areas that are not governed by the Chicago parking meter lease immediately take steps to pilot market-rate curb pricing and use increased revenue to fund real transportation choices like bicycling, walking and transit. They will save money, improve business districts, and make their village increasingly attractive. Bicycling, walking, and transit should be better funded and encouraged in order to build strong, complex, economically competitive regions.

### SOLUTION 3: OFFER EMPLOYEE CASH OUT

Employee cash out provides an elegant solution for employers who wish to provide employees with transportation options that can increase their satisfaction and even improve employee wellness and morale, all at no cost to the company

### CONCLUSION

Market-based curb policies reduce traffic, conserve energy, improve air quality, reduce commodity costs, and increase public revenue. Furthermore, charging fair-market prices for parking reduces vehicle miles traveled, increases carpool trips, off-peak travel, and trips by bicycling, walking and transit. A key element of those policies is that the increased revenues fund a strong mix of transportation choices. In Chicago, this is an interesting time. Chicago's parking meter lease is one of the most complex thickets we have seen: increased meter rates may be reducing vehicle miles traveled and having positive effects on curbside turnover, but the rates do not have built-in flexibility to reflect market needs, nor do increased rates fund local improvements like better bus service or bicycle parking.

This is the time to evaluate on-street parking wherever possible with regard to sustainable, revenue-generating uses that encourage bicycling, walking and transit and reduce crashes. It is urgent that our region take charge of the parking they can control and use the tool as it should be used: as a primary determinant of urban transportation, business generation, and regional health.

Appendix A– List of firms that submitted qualifications

Abertis-Saba

ACS-Lehman Brothers

Chicago OnStreet Alliance (Macquarie)

Cintra-Dornier

CPS

JPMorgan Chase

Mad Park

Kenny Project Services/Plainfield Asset Management/Impark

Morgan Stanley

Worldwide Park

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<sup>i</sup> Report of Inspector General's Findings and Recommendations: An Analysis of the Lease of the City's Parking Meters, June 2, 2009, p 4

<sup>ii</sup> Joravsky, Ben, and Mick Dumke. "The Story of Chicago's Parking Meter Lease." Chicago Reader 9 Apr. 2009.

<sup>iii</sup> *ibid.*

<sup>iv</sup> "City Council approves parking meter deal." Chicago Tribune 4 Dec. 2008.

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<sup>v</sup> Waguespack, Scott, Patryk Piwinski, and Paul Sajovec. Chicago Metered Parking System Concession: An Analysis of the Long Term Leasing of the Chicago Parking Metered System. Rep. 2009.

<sup>vi</sup> Parking meter lease, p 43