Notes on Chicago’s Metered Parking Concession

David Zavattiero
Deputy Director
Chicago Department of Transportation
Parking Operation and Management

- Limited staff to operate, monitor, manage, maintain, enforce
- Insufficient resources to modernize, upgrade parking collection equipment
- Diffuse responsibilities across many departments and agencies
- Align expertise, resources, and responsibilities to achieve performance goals
Chicago Privatization History

- **Chicago Skyway, 2005**
  - 7.8 mile highway and toll bridge to Indiana
  - 99 year lease to Cintra, $1.8B payment

- **Millennium and Grant Park, 2006**
  - Four parking garages downtown
  - 99 year concession to Morgan Stanley, $563M payment

- **Metered Parking, 2008**
  - 34,500 on-street metered spaces and 1,240 metered spaces in 18 metered lots
  - 75 year concession to Chicago Parking Meters LLC, $1.156M payment
Market–based pricing to provide optimal use of parking and transportation system
  ◦ Rates had not been raised on 75+% of parking meters in over 20 years
  ◦ Close gap between off–street and metered pricing

Provide resources to invest in neighborhoods

Provide for capital improvements
  ◦ Install new technology – Pay & Display boxes to replace coin meters

Off–load risks associated with utilization, technology, uncertainty
Key Conditions – 1

- Six pricing zones
- Meter rate increase schedule
- City retains authority
- Operator retains concession meter revenue
- Operator responsible to upgrade technology as per schedule
- Operator responsible for enforcement
- Violation revenue goes to City
- Formula to add, replace lost spaces
Key Conditions – 2

- Nearly 33,000 Concession Meters
- Approx. 800 Reserve Meters
- "True-Up" Provisions
- By end 2010 – 32,000 ‘Dumb’ meters replaced with over 4,000 ‘Smart’ Pay & Display boxes
- All meters must be replaced by 2011 for cashless payment system that accepts credit and debit cards
- Solar powered, wireless communications
## Congestion Pricing – 1

Table 3

<table>
<thead>
<tr>
<th>Zone</th>
<th>Current Rate</th>
<th>Current Spaces</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>$ 0.25</td>
<td>23,877</td>
<td>$ 1.00</td>
<td>$ 1.25</td>
<td>$ 1.50</td>
<td>$ 1.75</td>
<td>$ 2.00</td>
</tr>
<tr>
<td>5</td>
<td>$ 0.50</td>
<td>6,280</td>
<td>$ 1.00</td>
<td>$ 1.25</td>
<td>$ 1.50</td>
<td>$ 1.75</td>
<td>$ 2.00</td>
</tr>
<tr>
<td>4</td>
<td>$ 0.75</td>
<td>558</td>
<td>$ 1.00</td>
<td>$ 1.25</td>
<td>$ 1.50</td>
<td>$ 1.75</td>
<td>$ 2.00</td>
</tr>
<tr>
<td>3</td>
<td>$ 1.00</td>
<td>3,992</td>
<td>$ 2.00</td>
<td>$ 2.50</td>
<td>$ 3.00</td>
<td>$ 3.50</td>
<td>$ 4.00</td>
</tr>
<tr>
<td>2</td>
<td>$ 1.50</td>
<td>12</td>
<td>$ 2.00</td>
<td>$ 2.50</td>
<td>$ 3.00</td>
<td>$ 3.50</td>
<td>$ 4.00</td>
</tr>
<tr>
<td>1</td>
<td>$ 3.00</td>
<td>895</td>
<td>$ 3.50</td>
<td>$ 4.25</td>
<td>$ 5.00</td>
<td>$ 5.75</td>
<td>$ 6.50</td>
</tr>
</tbody>
</table>

(Dardick)
## Congestion Pricing – 2

<table>
<thead>
<tr>
<th>Zone</th>
<th>% of Meters</th>
<th>2010 Rate/HR</th>
<th>2011 Rate/HR</th>
<th>Metered Hours *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Res (4,5,6)</td>
<td>81%</td>
<td>$1.25</td>
<td>$1.50</td>
<td>9am–6pm</td>
</tr>
<tr>
<td>Bus/Com (2,3)</td>
<td>16%</td>
<td>$2.50</td>
<td>$3.00</td>
<td>8am–9pm</td>
</tr>
<tr>
<td>Loop (1)</td>
<td>3%</td>
<td>$4.25</td>
<td>$5.00</td>
<td>24/7 (−50% 9pm–8am)</td>
</tr>
</tbody>
</table>

* Duration typically 2 HRS, extended for special uses
## Revenues and Income

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2009*</th>
<th>2009*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$21.9</td>
<td>$22.9</td>
<td>$48</td>
<td>$48</td>
</tr>
<tr>
<td>Funds Generated</td>
<td>$16.6</td>
<td>$18.9</td>
<td>$44</td>
<td>$42</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>$5.3</td>
<td>$4</td>
<td>$4</td>
<td>$4</td>
</tr>
<tr>
<td>Income as % of Revenue</td>
<td>75.8%</td>
<td>82.5%</td>
<td>91.7%</td>
<td>87.5%</td>
</tr>
</tbody>
</table>

*Revenues for 2009 are projected based on meter rate increases and operating expenses are estimated.*
Privatization Process

- **Requested qualifications**
  - Received qualification statements from 10 prospective bidders in March 2008
  - Six determined qualified
- **Conducted outside financial analysis**
- **Requested bids**
  - Two proposals submitted, within 10% of each other
- **Requested best and final offer**
  - Offers were increased
- **Selected winning bidder**
- **City Council passed Ordinance Dec. 2008**
Concerns, Lessons

- **Did City get fair price?**
  - Avoided $40+M to install Pay&Display boxes
  - Third-party estimated $1B threshold asset value

- **Did City give up control?**
  - Retains control over public way, meter rates
  - Enables congestion pricing

- **Did City use revenue to fill budget gap?**
  - Established $400M long-term revenue replacement reserve fund

- **Was process transparent?**
  - Opportunity for greater discussion
Find Parking

Enter a Chicago street address (without the City, State) or a Meter/Paybox Id in the field below and click Search to search for nearby Pay Stations.

PLEASE NOTE: When searching by “Street Address,” spelling, cardinal direction and word spacing in accordance with official street names is required for the best search results. For example, a location on “North La Salle” needs the direction, as well as the two-word spelling of La Salle.

Search By
- Street Address
- Meter/Paybox Id

Search

Legend

Regions
- **Loop**
  - $5.00 per hour
- **Central Business District**
  - $3.00 per hour
- **Outer Chicago**
  - $1.50 per hour

www.chicagometers.com
Chicago Off-Street Parking

www.Chicagoparkingmap.com
Thanks,

David.Zavattero@ex.cityofchicago.org