

# **Notes on Chicago's Metered Parking Concession**

**David Zavattero  
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

# Background and Objectives

- ▶ **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

Parking Meter Rates per Hour

| Zone | Current |        | Future Rates |         |         |         |         |
|------|---------|--------|--------------|---------|---------|---------|---------|
|      | Rate    | Spaces | 2009         | 2010    | 2011    | 2012    | 2013    |
| 6    | \$ 0.25 | 23,877 | \$ 1.00      | \$ 1.25 | \$ 1.50 | \$ 1.75 | \$ 2.00 |
| 5    | \$ 0.50 | 6,280  | \$ 1.00      | \$ 1.25 | \$ 1.50 | \$ 1.75 | \$ 2.00 |
| 4    | \$ 0.75 | 558    | \$ 1.00      | \$ 1.25 | \$ 1.50 | \$ 1.75 | \$ 2.00 |
| 3    | \$ 1.00 | 3,992  | \$ 2.00      | \$ 2.50 | \$ 3.00 | \$ 3.50 | \$ 4.00 |
| 2    | \$ 1.50 | 12     | \$ 2.00      | \$ 2.50 | \$ 3.00 | \$ 3.50 | \$ 4.00 |
| 1    | \$ 3.00 | 895    | \$ 3.50      | \$ 4.25 | \$ 5.00 | \$ 5.75 | \$ 6.50 |

(Dardick)

# Congestion Pricing – 2

| <b>Zone</b>          | <b>% of Meters</b> | <b>2010 Rate/HR</b> | <b>2011 Rate/HR</b> | <b>Metered Hours *</b>             |
|----------------------|--------------------|---------------------|---------------------|------------------------------------|
| <b>Res (4,5,6)</b>   | <b>81%</b>         | <b>\$1.25</b>       | <b>\$1.50</b>       | <b>9am–6pm</b>                     |
| <b>Bus/Com (2,3)</b> | <b>16%</b>         | <b>\$2.50</b>       | <b>\$3.00</b>       | <b>8am–9pm</b>                     |
| <b>Loop (1)</b>      | <b>3%</b>          | <b>\$4.25</b>       | <b>\$5.00</b>       | <b>24/7<br/>(–50%<br/>9pm–8am)</b> |

**\* Duration typically 2 HRS, extended for special uses**

# Revenues and Income

## City Operated / Private Operated

Table 6

### Revenue Margin Calculation (in Millions)

|                        | 2006    | 2007    | 2009* | 2009* |
|------------------------|---------|---------|-------|-------|
| Operating Revenue      | \$ 21.9 | \$ 22.9 | \$ 48 | \$ 48 |
| Funds Generated        | \$ 16.6 | \$ 18.9 | \$ 44 | \$ 42 |
| Operating Expense      | \$ 5.3  | \$ 4    | \$ 4  | \$ 6  |
| Income as % of Revenue | 75.8%   | 82.5%   | 91.7% | 87.5% |

\*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 \$1 B 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

# Chicago On-Street Parking Zones

## 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

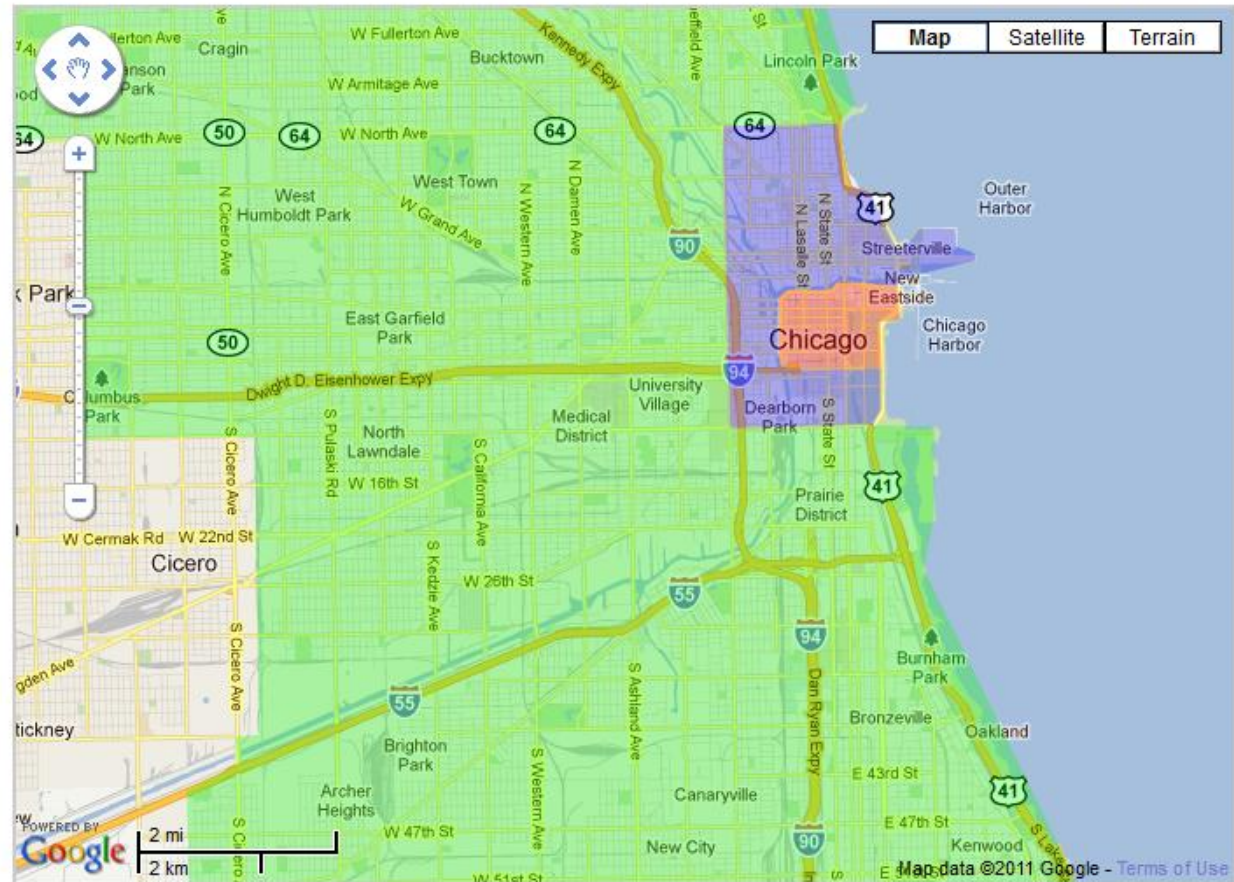
- Street Address
- Meter/Paybox Id

Search

## Legend

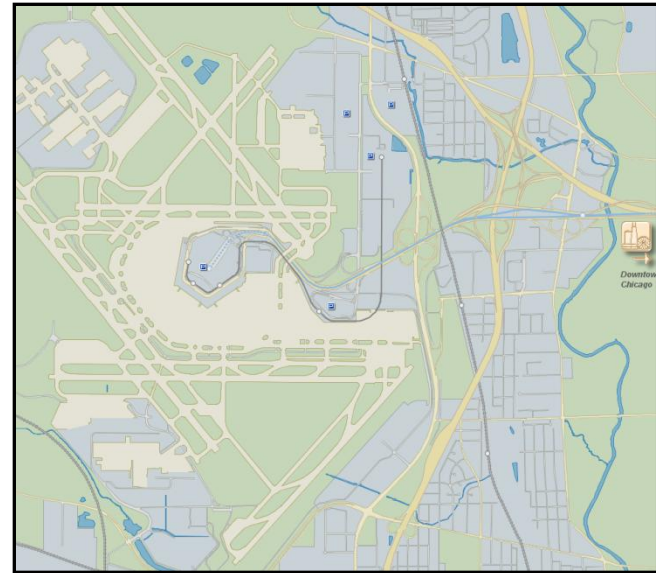
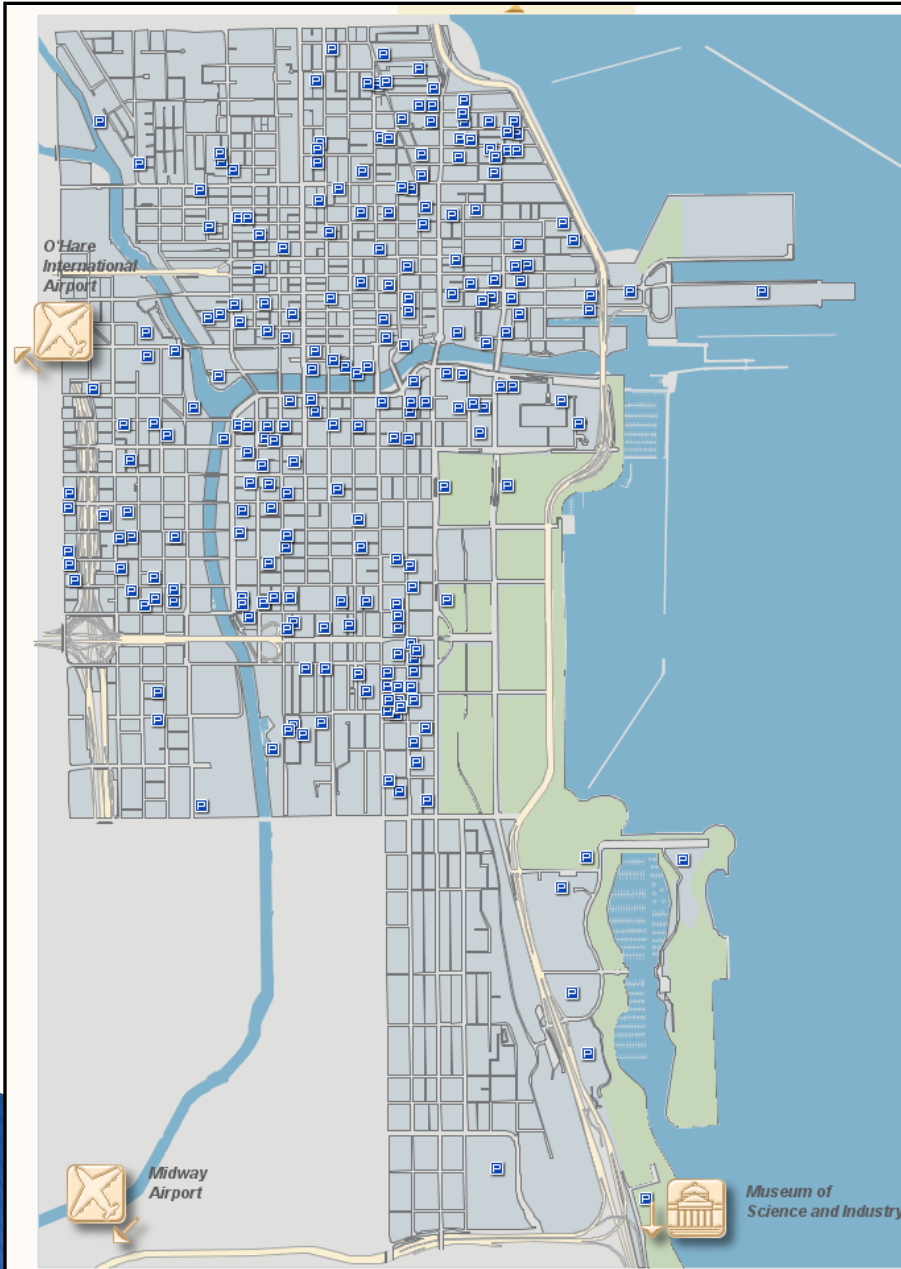
Regions

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



[www.chicagometers.com](http://www.chicagometers.com)

# Chicago Off-Street Parking



[www.Chicagoparkingmap.com](http://www.Chicagoparkingmap.com)

Go to street...

At Intersection with...

Landmarks...

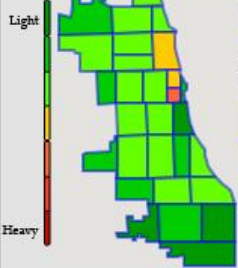
Last Updated: September 16, 2011 8:38 AM



Map Satellite

### Arterial Congestion Outlook

Current Typical



### Map Options

#### Arterial Traffic

- Street Speeds
- Congestion
- Traffic Counts (ADT)
- Signals
- Red-light Cameras
- Pedestrian Counts
- City Boundary

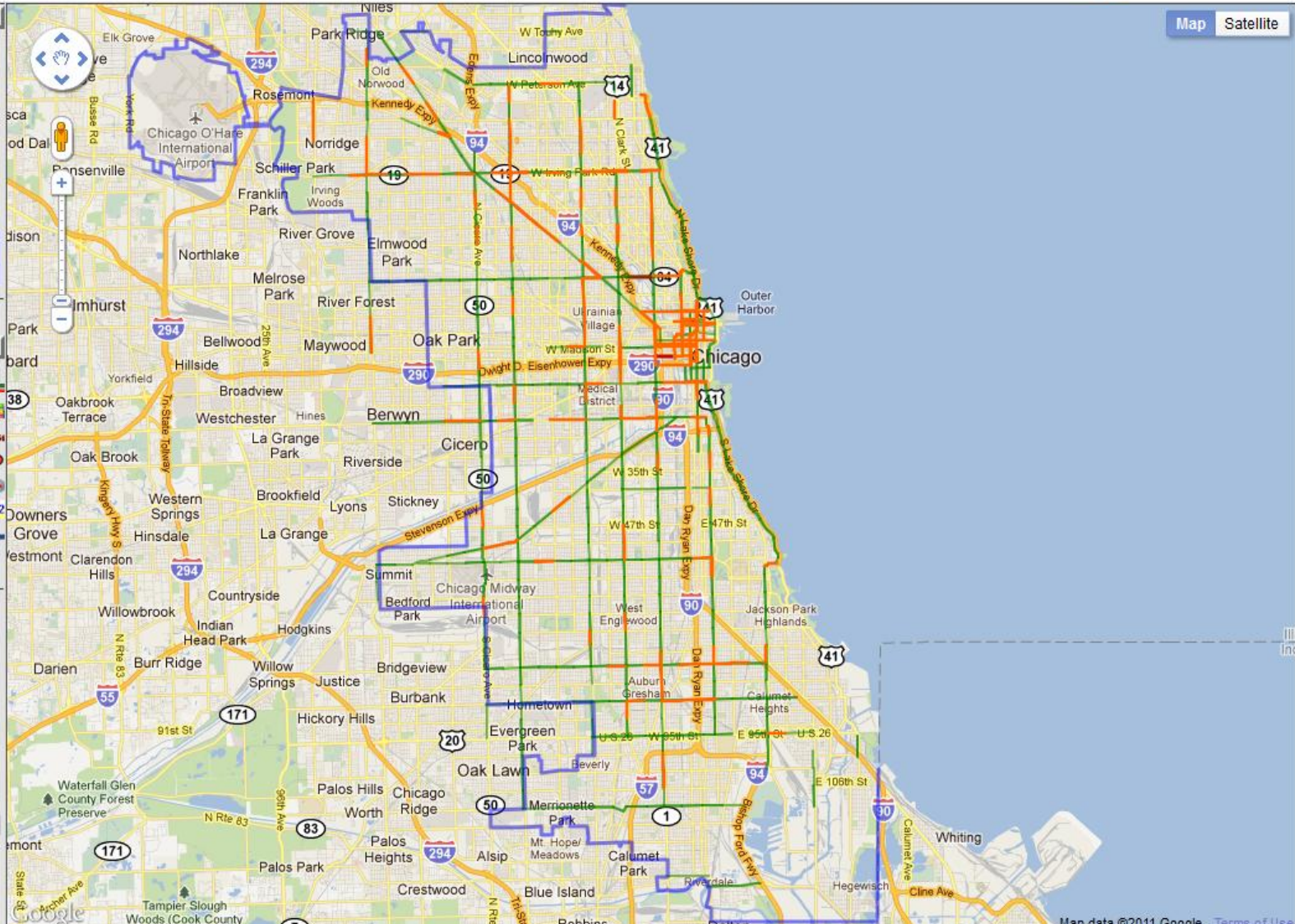
Click on icons on map for details

#### Speed Legend

- Over 20 mph
- 10 to 20 mph
- below 10 mph

More traffic counts and signal locations revealed on the map as zoom level increases to 16.

Current Zoom Level: 11



Map data ©2011 Google - Terms of Use

[About this Site](#)

[Website Help](#)

[Disclaimer](#)

Thanks,

[David.Zavattero@ex.cityofchicago.org](mailto:David.Zavattero@ex.cityofchicago.org)

