

August 21, 2009

This week, the political organization known as the Independent Voters of Illinois – Independent Precinct Organization (IVI-IPO) filed a lawsuit against the City of Chicago to challenge the City's parking meter concession agreement.

The lawsuit is wholly without merit, both factually and legally, and the City will vigorously defend against it. In their press conference and legal filings, the organization made a number of misstatements of fact, and their allegations have been both erroneous and irresponsible.

First, the City did not delegate the ability to set rates for parking meters, as the organization and its counsel assert. The parking meter concession agreement and the City's Municipal Code are clear: the setting of meter rates is a reserve power of the City. That power cannot be assigned to the concessionaire, Chicago Parking Meters, LLC (CPM). Changes to the rate structure and hours of operation can be implemented, but only through action by the City. CPM is obligated to abide by these decisions. CPM's activities are limited to the operation, management, rehabilitation, and collection of the parking meter system.

Second, the concession agreement is an agreement to operate the meter system over 75 years. It is neither a sale nor a lease, as the organization wrongly suggests. The public way was not sold nor leased to CPM. CPM has no ownership interest or lease right to the roads or sidewalks. While ownership of the equipment was transferred, the City will own any and all improvements made to the system by CPM upon expiration or termination of the agreement.

Third, the IVI-IPO's claim that the City should not enforce parking meter violations or assist with the maintenance of parking meters has no foundation. The City maintains a responsibility for traffic management, and remains fully engaged in ensuring parking meters and their enforcement are utilized as tools to carry out this responsibility in the public interest.

By limiting the time a vehicle may park in a particular space, parking meters create turnover and increase availability. When there are available spaces to park, there is less cruising for parking. Cruising leads to increased congestion and pollution. The maintenance and enforcement of parking meters plays a vital role in reducing congestion and travel times, promoting local businesses, and cutting pollution.

Fourth, the City bears the financial costs of meter removals today, just as it did before the parking meter concession was approved. Historically, the City has always had the risk of negative revenue impacts when meters were removed. The City continues to bear that risk.

CPM, on the other hand, bears the risks associated with reductions in vehicle use and increases in walking, biking, and the use of public transportation. Reductions in parking meter utilization and the resulting revenue are CPM's burdens, not the City's. The IVI-IPO's assertions to the contrary are wrong.

Lastly, the City has not delegated its police powers, as the organization incorrectly asserts. Revenue from parking violations is retained solely by the City of Chicago. Although CPM could assist the City with enforcing meter violations, subject to strict operational standards, all of the revenue derived from parking meter enforcement belongs to the City.

For more information about the parking meter concession agreement, please visit www.cityofchicago.org/revenue and select the "About Parking Meters" icon.

Sincerely,

Gene Saffold
Chief Financial Officer
City of Chicago