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CITY OF CHICAGO

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**CITY COUNCIL PASSES MAYOR EMANUEL'S PROPOSED CHANGES TO PARKING METER DEAL
TO PROVIDE NEEDED RELIEF ON SUNDAYS, \$1 BILLION IN REDUCED PARKING METER
CHARGES AND CONVENIENT PAY-BY-CELL OPTION**

*\$20 Million in Annual Savings; Free Sundays in Neighborhoods, and Convenient Pay-By-Cell Option
Part of Landmark Deal*

Today in a 39-11 vote, the Chicago City Council approved Mayor Rahm Emanuel's proposed improvements to the despised parking meter contract. The proposed changes will provide for free parking in Chicago neighborhoods on Sundays and will introduce a pay-by-cell option that will provide convenience for parkers choosing to use it. The settlement of outstanding legal disputes will eliminate and protect taxpayers from the threat of more than \$20million of estimated additional charges per year over the remaining 71 year life of the contract, which in today's dollars would be over \$1 billion.

"These changes will help provide some much needed relief from this horrible deal, and I commend the City Council for supporting it," said Mayor Emanuel. "While we can't get out of this deal or make it disappear, we had a responsibility to do whatever we can to fight for our taxpayers and to make a little lemonade out of a giant lemon. We made a choice to preserve \$20 million a year for 71 years to invest in City services, not line the pockets of Wall Street investors."

The proposed settlement agreement reached between the City and CPM and the proposed amendment to the parking meter contract was announced by the Mayor on April 29, 2013 and introduced to the City Council on May 8, 2013 for its thorough review. In contrast to the original deal, which allowed for just three days of review, the City Council had 30 days to review the proposed agreement and amendment. That review included over 20 hours of Aldermanic briefings, multiple one on one meetings with aldermen and civic leaders, and four full Finance Committee hearings providing the public the opportunity to comment on the changes. In addition, in response to Aldermanic requests, the Mayor's team had an independent analysis conducted by Navigant, a global analytic firm, which reaffirmed the City's analysis was accurate, reasonable and conservative.

These revisions were the result of Mayor Emanuel's directive to his financial, technology and legal teams to obtain the tools and strategic positioning necessary to effectively manage the contract for the benefit of taxpayers and motorists.

The resulting dispute resolution and agreements include three important changes to the current parking-meter construct:

Taxpayers Will See \$1 Billion Reduction in CPM Billing:

CPM would release more than \$1 billion in estimated future charges to the City. The City received invoices totaling \$49 million for the two-year period ending March 31, 2013. As part of the settlement, the City would pay \$8.9 million for those two years, in line with its accounting of the amounts due to CPM under the original contract. These amounts were contemplated by the original transaction to compensate either the City or CPM for the City closing or adding parking spaces or changing periods of stay, hours of operation or parking rates. The \$40 million difference between what was invoiced and what would be paid under this agreement translated into over \$1 billion in estimated future charges in today's dollars to the City over the life of the contract that will no longer be payable.

Thanks to Mayor Emanuel's directive to his financial and legal team, the City is now in a position to access, control and process the data necessary for determining amounts due to or from the City under the contract. Previously, CPM had been performing its own calculations and submitting them to the City for review. Going forward, the City will perform the calculations and present them to CPM.

Free Sundays: Metered parking spaces in Chicago neighborhoods will now be free on Sundays. This will provide a much-needed benefit to people attending religious services and to those enjoying all that our neighborhoods have to offer on Sundays. Neighborhoods affected are those south of Roosevelt, west of Halsted and north of North Avenue. Free Sundays are expected to go into effect by the end of summer 2013.

Convenient Pay-By-Cell Option: CPM will introduce a new pay-by-cell convenience option. For those that choose to use it, this new feature will eliminate the need for parkers to visit the pay box, print a parking receipt and then place the receipt in their windshields. Instead, parkers will be able to simply enter a pay box number visibly posted on street signage into a cellular phone application without the need for a receipt. Parkers choosing to pay-by-cell will see a convenience charge of 35 cents applied to purchases of less than two hours at one time. Their phones will operate as their payment method and individuals can create an account with an initial balance of \$20. The pay-by-cell option will be available by the summer of 2014. The pay-by-cell feature is entirely optional.

Parking Hour Extensions: In connection with the agreement, the City has agreed to extend metered parking by one hour for all blocks where metered parking currently ends at 9:00pm (from 9:00pm to 10:00pm). The area bordered by the Chicago River to the South, the lake to the East, Division Street to the North and the Chicago River to the West will extend meter times by three hours (from 9:00pm to Midnight.) Residential streets where meters currently run until 6:00pm will not see their hours of operation extended.

In addition to these three major points, the settlement agreement and amendment provide for numerous measures designed to improve the dispute process and improve communications and operations between the City and CPM going forward.

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