

# Transportation Enhancement Districts for Chicago

*An innovative proposal to manage the local  
parking inventory, generate revenue, and  
finance community improvements*

## Typical conditions in neighborhood shopping areas:

- Residents, customers and businesses perceive a 'parking problem'
- Little turnover in spaces



## Existing conditions *(continued)*:

- No rationale for the current rate structure
- Curb side metered spaces in the center of the shopping district are often priced at .25 an hour
- Off-street lots (less convenient) are often priced at a lower rate
- Existing rates do not reflect the convenience of curbside parking.

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## Existing conditions *(continued)*:

- There are peak times when existing parking options are insufficient.



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**A new parking paradigm has emerged that emphasizes management and market solutions to address local parking problems.**

*(Parking Management Best Practices, Todd Litman, 2006 and The High Cost of Free Parking, Donald Shoup, 2006)*

## **What are some of these management solutions?**

- Establishing a Transportation Enhancement District (TED)
- Shared parking
- Regulating time intervals and pricing curb spaces at a level that discourages meter feeding and all-day parking.
- There are many options for a community to consider. No single strategy will solve all problems. It is best to consider solutions as part of an overall parking management plan.

## What is a Transportation Enhancement District (TED)?

- TEDs are a tool that help a community manage the metered parking inventory,
- And, generate revenues to support local improvement programs and services.



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## How does a TED help manage parking?

- Parking experts recommend that charging the 'right price' will lead to an 85% occupancy rate.
- The 'right price' should be high enough to lead to a shift in meter usage, transportation modes and destinations.

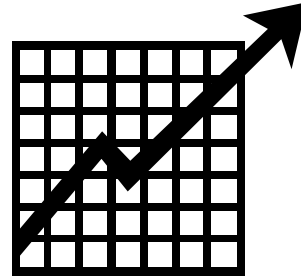
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## If parking rates go up, will businesses loose customers?

- Experiences around the country have demonstrated that an increase in parking rates alone, does not negatively impact sales.
- In fact when Pasadena, CA installed meters, as part of a commercial revitalization plan, retail sales increased dramatically.
- In Hyde Park, the metered City of Chicago lot remained full even when rates were raised to a \$1.00 an hour.



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## Are there any TEDs in existence?



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Turning Small Change into Big Changes

- Yes. TEDs are utilized in several cities throughout the country, including: San Diego, CA Pasadena, CA, Portland, OR, Redwood City, CA and Austin, TX
- San Diego's program includes a district for the downtown area as well as several neighborhoods. In FY-05 the neighborhood districts generated between \$23,000 to \$1,770,000 each.

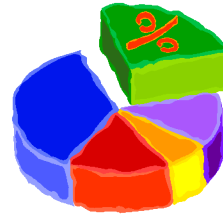
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The distinguishing feature of a TED is revenue sharing which facilitates both community and political support.

- Parking revenues earned by the City from the meters, within the district, are *shared* between the municipality and the local community.



Communities have used meter revenues to support:

- Parking facilities and improvements
- Improved access & circulation
- Pedestrian mobility and safety
- Marketing materials promoting alternative modes of transportation.



## Meter revenues can support:

- Sanitation services
- Beautification programs



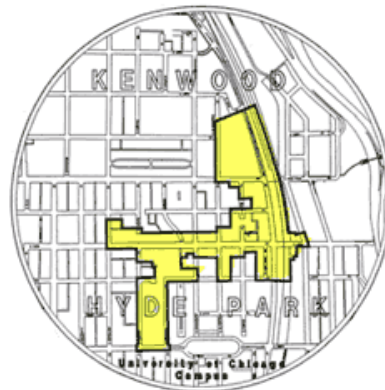
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## How do you create a TED?

- In response to a local initiative, the City establishes a TED within a defined geographic area similar to the way the City currently establishes a TIF or an SSA.



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## How do you manage a TED?

- A TED is governed by a Commission appointed by the City, similar to the management of Special Service Areas (SSAs)
- The Commission develops programs and policy for the use of the TED funds
- The Commission annually contracts with a “service provider” such as a local community organization to implement the programs.



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## How do these districts work?

- Each TED develops and submits an annual budget and plan for the upcoming year to the relevant departments and City Council for review and approval. Again, similar to the SSA process.
- This annual plan would outline the proposed budget, community process and improvements or projects for the coming year.

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## What is the impact of TEDs?

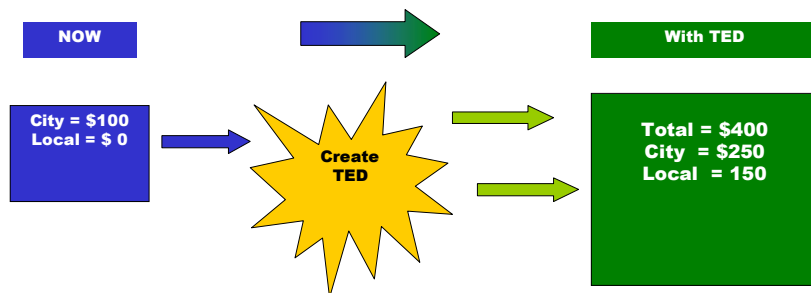
- *With an increase in curbside parking rates, significant new revenue can be generated for both the city and the local community – without a tax increase.*

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## Example of impact of TED on Revenue Stream



## How does one manage and account for the revenue?

- Establishment of a TED works best with multi-space Pay & Display meters.
- P & D equipment maximizes customer convenience, leads to an increase in the number of curbside spaces and facilitates proper management and accountability of revenue.



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## Don't forget

- Enforcement is key.



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It makes *cents* to raise metered parking rates.

## Conclusion

- TEDs can help neighborhood business districts address parking issues.
- TEDs can generate new revenue for the City and local communities.
- TEDs create an equitable source of revenue for community improvements.

Thank You

