

**RESOLUTION FOR HEARINGS REGARDING
THE AGREEMENT TO LEASE
CITY OF CHICAGO PARKING METERS**

WHEREAS, In February 2008, the City of Chicago issued a request for qualifications inviting firms to present credential for leasing the rights to the City of Chicago's 36,000 parking meters; and

WHEREAS, In March 2008, ten firms submitted packets setting forth their qualifications for leasing the city parking meters; and

WHEREAS, Only two firms ultimately submitted official bids for leasing the parking meters—Morgan Stanley and the Macquaire Partnership; and

WHEREAS, On December 2, 2008, Mayor Richard Daley announced that the City of Chicago entered an agreement to lease the parking meters to Chicago Parking Meters, LLC, a newly created entity led by Morgan Stanley, for \$1,156,500,000; and

WHEREAS, The agreement called for a graduated increase in parking rates, with the greatest increase occurring in the central business district; and

WHEREAS, The agreement also called for upgraded parking meters that would accept both coins and credit cards eliminating the need for drivers to carry with them large amount of quarters; and

WHEREAS, On December 4, 2008, the Chicago City Council held a Special Meeting called by Mayor Daley for the sole purpose of authorizing the agreement; and

WHEREAS, Despite concerns expressed about the lack of time to fully consider the agreement, the City Council overwhelmingly approved the measure; and

WHEREAS, In February of this year, the City of Chicago finalized the agreement with Chicago Parking Meters, LLC and transferred day-to-day management of the parking meter system to LAZ Parking; and

WHEREAS, LAZ Parking immediately began posting rate increases on parking meters, first in the downtown business district and then expanding outward to the city's residential neighborhoods; and

WHEREAS, As soon as LAZ Parking began to implement the new rates, City Hall and aldermanic offices were flooded with complaints from motorists who reported broken parking meters that were unable to handle the flood of extra quarters required by the new rates and the lack of adequate signage advising them of the new rates; and

WHEREAS, City work crews have been dispatched to repair the broken parking meters even though the agreement clearly assigns Morgan Stanley and LAZ Parking the responsibility for repair and maintenance of the parking meters; and

WHEREAS, The rush to approve the agreement and the resulting chaos in implementing the transfer of the parking meters to Morgan Stanley and LAZ Parking has raised serious questions about the process leading to the lease agreement and the inexcusable deficiencies in the implementation of the agreement; now, therefore,

BE IT RESOLVED, That the City Council Committee on Finance shall conduct hearings into the process leading to the parking meter lease agreement with Morgan Stanley, the deficiencies in the implementation of the agreement, and the steps that will be undertaken to remedy these deficiencies; and

BE IT FURTHER RESOLVED, That officers in position of authority at Morgan Stanley, Chicago Parking Meters, LLC and LAZ Parking appear before the City Council Committee on Finance to address these and other concerns raised about the agreement, and

BE IT FURTHER RESOLVED, That Paul Volpe, the Mayor's Chief of Staff and Chicago's Chief Financial Officer, appear before the City Council Committee on Finance together with other city officials knowledgeable with the process leading up to the agreement to address issues surrounding the agreement, including, but not limited to:

- The criteria employed for determining the qualifications of the firms bidding on the parking meter contract.
- The financial analysis employed for determining what would constitute an acceptable bid amount.
- The reasons that only two companies ultimately bid on the contract even though ten companies submitted packets to have their qualifications reviewed.

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