

CASE STUDY

PITTSBURGH, PA

In 2009, the City of Pittsburgh faced with a growing pension fund deficit considered privatizing the municipal parking system. A Request for Qualifications for a Concession Lease Agreement was issued, much like the one the City of Chicago had issued in 2008. In 2010, after receiving multiple offers, the City Council rejected a high bid of \$451.7 million rather than enter into a 50 year concession. Chief among the many of City Council's concerns was that the agreement consisted of an initial five year schedule of significant rate increases followed by rate increases tied to the Consumer Price Index for the remaining forty-five years.

Project Scope

After the concession lease was rejected by City Council, the Pittsburgh Parking Authority was challenged with implementing a metered system modernization plan similar to the one proposed by the privatization bidder. However, the City Council was resolute in that rate increases would be less when compared to the privatization plan. However, unlike the Chicago privatization where the entire metered parking system was purchased and installed in less than a year, the Parking Authority's financial and staffing resources were limited.

Challenges

1. Create a new System Modernization Plan which included:
 - > Create a Task Force
 - > Undertake a Comprehensive System Assessment
 - > Enforcement integration (if any) Back office system evaluation
 - > Write and Issue An RFP for Pay by Plate Pay Stations
 - > Create a Transition Plan to prioritize the roll-out due to budgetary restraints
2. Maintain parking patron confidence in the new system
 - > Revise policy and procedures to quickly address issues such as transaction latency, license plate input errors, reduce pay station down time and repairs, etc.

RESULTS

After the privatization plan was scrapped in 2010, the City council passed a five year schedule of parking meter rate increases to help subsidize the modernization. As mentioned earlier, the rates were significantly lower than those proposed under the privatization plan. For example, by 2015 the City Council schedule would keep meter rates:

- > 50% lower at over 3,000 metered spaces area
- > 33% lower at 1,500 metered spaces
- > 3.3% lower at 755 downtown metered spaces
- > No annual across the board CPI increases

5 Year Transition Overview					
Year	Metered Spaces	Pay Stations	Singles Space Meters	Enforcement Type	Meter Violation
2010	8,707	Pay and Display 38	6,755	Handheld	135,410
2015	9,173	Pay by Plate 956	253	LFR	124,912

Nevertheless, even with the 8% decrease in meter violations, Parking Court revenues have been relatively uniform from 2010 through 2014 averaging \$9.45 million annually and exceeding \$10.2 million in 2015. More importantly, overall meter parking system revenues have grown substantially even while enforcement staffing

has remained relatively flat and in fact even reduced in 2015. The expansion of the Residential Parking Program (RPP) to several neighbourhoods across the City without the need to increase enforcement staffing is another indicator of the Pay by Plate/LPR Enforcement success story.

Year	System Description		System Financial Performance			Enforcement Staffing	
	Metered Spaces	RPP Zones	Meter System Revenues	Combined On & Off Street	% of Revenue	F/T	P/T
2008	8,550	28	\$6,170,000	\$32,637,000	19%	24	21
2012	8,707	29	\$9,643,480	\$38,476,874	25%	24	21
2015	9,173	39	\$17,111,656	\$51,911,935	33%	23	19