

# Transportation Enhancement Districts (TED): A Tool for Change

- 1. What is a Transportation Enhancement District (TED)?** A TED is a tool that helps communities manage the local parking inventory, generate revenue and finance community improvements to enhance access and use of a neighborhood commercial district.
- 2. Why should we try this in Chicago?** Many residents, customers and businesses complain about the difficulty in finding parking in their neighborhood commercial district. This program would increase the number of available spaces, through more frequent turnover of spaces.
- 3. How would you do that?** By raising the parking rates. Metered curb parking is relatively inexpensive, typically .25 an hour. In many communities it costs a person less to drive to work, park in front of the store, and feed the meter all day, than take the CTA or some other form of transit. Curb side metered rates generally do not often reflect the convenience of an on-street location versus an off-street lot.

To stimulate more turnover, metered parking rates would be set at a level that would lead to a 15% vacancy rate in spaces. The goal is to find the price that will fill most, but not all the spaces.

- 4. How do you establish a TED?** In response to a local initiative, the City would establish a TED through a public process within a defined geographic area similar to the way the City currently establishes a TIF or an SSA.
- 5. How do you manage a TED?** A TED would be governed by a Commission appointed by the City, similar to the City's management of Special Service Areas (SSAs) The Commission has the responsibility to develop programs and policy for the use of the TED funds and annually contracts with a "service provider" such as a local community organization to implement the programs.

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. This annual plan would outline the proposed budget, community process and improvements or projects for the coming year.

- 6. What is the impact of a TED?** With an increase in curbside parking rates, there will be more turnover at the metered spaces; significantly multiplying available spaces for customers.

For example instead of one car parking for 8 hours (\$2.00) you could have 8 cars parked for 8 hours (\$8.00). This new revenue can fund programs and improvements to enhance access, use, mobility and parking within the district, without a property tax increase.

- 7. Does this require any special equipment?** Establishment of a TED can work in tandem with multi-space Pay & Display meters, which the City has already begun to install throughout the city. P & D equipment maximizes customer convenience, leads to an increase in the number of curbside spaces and facilitates proper management and accountability of revenue. Such equipment allows for variation in the rates based on time of day or day of the week. Further the use of such equipment increases the number of spaces per block by 10-15%.

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8. **What about enforcement?** Good enforcement is essential to the success of the program. The cost of additional enforcement personnel could be funded by parking revenue proceeds.
9. **What about the revenue that the city already receives?** The City would continue to receive all of the revenue that it currently receives. All new revenue would be split between the City and the community.
10. **Can you give an example?** In the Hyde Park community's 53<sup>rd</sup> Street business district there are about 250 curb-side parking meters, priced at .25 an hour that generated, according to the Department of Revenue, approximately \$118,000 in 2005.

If a TED was created and meter rates were increased to a \$1.00 an hour the annual revenues would increase to \$469,000. The City would then receive the \$118,000 it receives now plus 50% of the remaining \$351,000. The City would then receive \$293,734 and the local community would receive \$175,600 for local improvements.

11. **Why not just raise the rates?** The distinguishing feature of a TED is revenue sharing which facilitates both community and political support.
12. **What would a community do with the money?** Communities could utilize TED revenues to support a broad range of programs and services to support:
  - Pedestrian mobility and safety,
  - Access, wayfinding (signage) and circulation,
  - Public way maintenance, beautification and improvement,
  - Use of alternative modes of transportation, and
  - Parking enforcement, facilities and improvements

13. **What about Tax Increment Financing districts and Special Service Areas?** A TED would be an additional tool for commercial revitalization. TIFs are primarily development finance tools, and SSA's require a property tax. Neither vehicle provides a direct way to address the parking problems in neighborhood commercial districts.

14. **Will this solve all of a community's parking issues?** There are many options for a community to consider. A TED is one approach. No single strategy will solve all problems. It is best to consider solutions as part of an overall parking management plan.

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