

## **2017 BUDGET INITIATIVE**

### **DOWNTOWN LOADING ZONE REFORM**

#### *Pilot Program*

Through a managed pilot, the City of Chicago will convert current business-paid loading zones to user-paid loading zones. Implementation of user-paid loading zones will create higher turnover in loading zones, reduce downtown congestion, optimize curb space and increase safety for cyclists and pedestrians on busy Chicago streets.

#### **Phased-in Approach to Implementation**

Starting in the Loop and Central Business District, the City will convert current pay boxes and update signage on a block-by-block basis. Similar to current loading zones, only commercial vehicles will be allowed to park in these spaces. Commercial drivers will pay through the City's parking app or through the appropriate pay box.

The proposed initial implementation area includes Wards 2, 27 and 42.

The hourly parking rates for the loading zones will be \$14. It is expected that the City will exempt loading zones near certain areas including medical centers, private residences, day care centers, government buildings, churches, hotels and schools. Over time any commercial loading zones at exempted locations will be converted to standing zones. The City anticipates the user-paid loading zone program will generate between \$13 and \$18 million once fully implemented.

#### **User-Paid System Benefits Local Businesses, Carriers and Chicago Residents**

*Benefits to Businesses.* The user-paid system will reduce costs for local business owners, create greater uniformity and fairness in use of zones and eliminate the burdensome application process.

*Benefits to Carriers.* Shifting the responsibility of payment to carriers will create greater turnover and reduce congestion for delivery services on Chicago streets. Additionally, delivery companies will see a reduction in inappropriate uses of loading zones. Greater turnover allows carriers to operate more efficiently, decreasing their time and fuel costs. Delivery companies can use the customer-friendly, mobile application to move swiftly through the zones.

*Benefits to Chicago Residents.* Moving commercial vehicles out of bike lines and pedestrian space, the user-paid system will increase safety for all Chicago residents and visitors. Valuable curb space will be more efficiently utilized and allocated for travelers. A user-paid system will make enforcement easier and more efficient.

Peer City Survey

City	Experience with User-Paid
<b>New York City</b>	<ul style="list-style-type: none"> <li>• In 2004, NYC piloted user-paid approach in Midtown Manhattan, and has since expanded it to cover Manhattan from 14<sup>th</sup> St to 60<sup>th</sup> St and Chinatown</li> <li>• Curbside efficiency results:               <ul style="list-style-type: none"> <li>○ Percent of occupied curb space dropped from 140% (i.e. 40% double-parking) to 95%</li> <li>○ Average parking duration declined from 160 to 45 minutes</li> <li>○ Only 25% of vehicles parked for more than an hour</li> </ul> </li> <li>• Shift to user payment was supported by delivery industry due to its effectiveness in improving access and reducing congestion, and by businesses receiving deliveries. City council received complaints from residents more than from businesses.</li> <li>• One important benefit communicated to commercial vehicle operators and businesses was the ability to deduct the cost of parking as a business expense.</li> </ul>
<b>Washington DC</b>	<ul style="list-style-type: none"> <li>• In January 2015, DC launched citywide user-paid loading zones requiring permit or meter payment</li> <li>• Program offers three options for permit payment: \$323/year, \$25/day or \$2/hour</li> <li>• Pricing equivalent to standard vehicle parking payment structure</li> <li>• Shift to user payment was supported by industry due to extensive outreach and communication during planning process</li> <li>• Loading zones designated by block not business</li> </ul>
<b>Houston</b>	<ul style="list-style-type: none"> <li>• Houston switched to a permitted commercial zone system in order to address misuse by private individuals with trucks who took advantage of zones as free parking</li> </ul>
<b>Seattle</b>	<ul style="list-style-type: none"> <li>• Seattle has had a user-paid system based on annual permits since 1990</li> <li>• In 2015, the city launched a pilot to implement pay-by-phone systems in a select area of the CBD.</li> </ul>