

# **Bond Case Briefs**

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## **CONCESSIONS - ILLINOIS**

### **Independent Voters of Illinois Independent Precinct Organization v. Ahmad**

**Appellate Court of Illinois, First District, Sixth Division - June 20, 2014 - N.E.3d - 2014 IL App (1st) 123629**

Taxpayers challenged Chicago's concession agreement with Chicago Parking Meters (CPM), pursuant to which the City transferred to CPM its metered parking system and all revenue produced from the parking meters for 75 years, in exchange for a one-time payment of \$1.15 billion.

The circuit court granted summary judgment in favor of the City and taxpayers appealed.

The Appellate Court held that:

- The concession agreement did not violate the Public Purpose provision of the Illinois Constitution; and
- The concession agreement, which was authorized by the Metered Parking System Ordinance, was in accordance with the Home Rule provision of the Illinois Constitution because the City expressly retained all its police powers over the parking meter system.

"... we certainly understand the argument made by plaintiffs that the concession agreement transferring the City's control of the metered parking system to CPM for 75 years should not have been so hastily entered into and that the accompanying Metered Parking System Ordinance should not have been enacted. However, arguments about why the concession was a bad deal for the City do not provide a basis for invalidating the concession agreement and the adopting Ordinance."

"The City of Chicago, as do other governmental units throughout the state and country, faces fiscal challenges. There is no doubt that when presented with an opportunity to receive over \$1.15 billion to be put to use for the public purposes and benefit, the City saw a chance to ease its financial burdens. The concession agreement allowed the City to transfer responsibility for the upkeep and maintenance of the parking meters and the risk of fluctuating revenues from the meters. The City preserved its police power, although at a cost. The City also preserved its right to collect fines from the parking meter violations to be used for public purposes and which constitute millions in revenue. Despite these benefits received by the City, the concession agreement has been criticized and subjected to healthy debate. We urge the City and the City Council to debate and act wisely in the future when seeking to ease the financial crisis."