

**SUMMARY OF GROWTH & DEVELOPMENT TRENDS
For THE CENTRAL AREA OF CHICAGO**

Prepared for
The Parking Industry Labor Management Committee (PILMC)

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Background

Metro Transportation Group, Inc. was retained by the Parking Industry Labor Management Committee (PILMC) to identify current growth and development trends for the Central Area (CA) of Chicago. Metro conducted this review with the assistance of Wilhelm & Conlon Public Strategies, and Mr. Siim Soot, former director of the Transportation Center at the University of Illinois at Chicago. The review of growth and development trends was conducted by researching available public documents and reports, as well as other sources such as census data and various surveys. At the request of the PILMC, the review included no interviewing of, or coordination with, City of Chicago (or any other agency) staff.

Although other sources were also used, this review relied heavily on the City of Chicago Central Area Plan. This is due to its being current—it is still in draft form and is in the process of being adopted. Its focus on the downtown area of Chicago is consistent with the interest of the PILMC for this research effort.

Summary of Key Issues

The review revealed several key issues or trends of interest to the PILMC:

1. The Central Area is projected to experience tremendous growth over the next 20 years, including new office space (28 to 37%), retail (55 to 78%), residential (71%), hotels, museums, cultural institutions, and meeting space (McCormick Place expansion).
2. Growth will generate tremendous increase in travel demand into the Central Area, projected to be between 166,000 to 272,000 new work trips each day (28 to 41%).
3. Non-transit work trips are projected to increase 50,00 to 70,000 by 2020. Accounting for walking, biking and ridesharing, this would mean 40,000 to 60,000 new vehicles driven to work by 2020.
4. The availability of cost affordable parking options will help determine the character and extent of future growth in the Central Area.
5. It is not feasible to add significant capacity to the roadway system. Thus, new demand must be met by transit, shifting travel outside of the peak periods (rush hour), or by new Central Area residents walking to work.
6. There is not enough transportation funding projected over the next 20 years to meet the needs of current demand, let alone demand generated by growth.
 1. CDOT & RTA project \$7 billion needed region wide over next 20 years just to serve current demand.
 2. Improvements needed by growth identified in Central Area Plan by 2020 will require \$2.25 to \$3.5 billion beyond funding needed by current transportation demands.
 3. Total projected needs of \$9.25 to \$10.85 billion with the growth.
 4. Only \$5 billion projected to be available over next 20 years.
 5. Thus, given current funding expectations, significant increases in capacity will not be likely.
7. The parking industry may be able to target new types of parking demand via pricing and/or marketing efforts, including: vehicles arriving off-peak, Central Area residents, tourists

The following provides a more detailed summary of the research results:

Growth In Central Area

The Central Area contains (2000)

- 107 million square feet of office
- 9 million square feet of retail
- 56,000 dwelling units

Projected by 2020 to

- Add 30 to 40 million square feet of office (28% to 37%)
- Add 5 to 7 million square feet of retail (55% to 78%)
- Add 40,000 dwelling units (71%)

Growth Office vs., Transit Capacity

- 1980 to 2000 Office grew by 40 million square feet (greater than the total office space in 1960)
- In 2000, there was 107 million square feet
- Minimal new transit capacity added into Central Area during that time (See Below)

Growth in Trips & Work Trips Entering Central Area

- Central Area Plan projects between 188,000 to 272,000 new workers to be added by 2020
- Resulting in 166,000 to 240,000 new work trips each day
- A growth of between 28% and 41%

Roadway Capacity

- The Central Area Plan states “It is not feasible to add significant capacity to the roadway system due to the prohibitive cost of creating additional or expanded right-of-way and adverse environmental impacts.”
- Further “Some improvements eliminate bottlenecks & speed traffic flow” but “Most of the additional trips must be accommodated on mass transit.”
- The transit improvements currently planned or funded will not likely be able to serve all of the additional trips targeted for transit.

Growth in Retail

- In 1980 the Central Area contained 7.2 million square feet
- In 2000 the Central Area contained 9.2 million square feet
- 45% of the growth (900,000 square feet) occurred in the Michigan Ave corridor
- Central Area Plan projects growth of 250,000 to 350,000 square feet per year to 2020, for an increase of 5 to 7 million square feet by 2020

Growth in Hotels

- McCormick Place expansion 2.2 million square feet now—Add 800,000 square feet by 07 to 3 million square feet
- 1980 to 2000 hotel rooms added 300 per year--6000 rooms
- Even with growth—occupancy rose between 1980 & 2000
- 13 hotel projects under construction or planned adding 5700 rooms
- Central Area Plan projects adding 500 to 600 rooms per year to 2020

Museums/Cultural Institutions

- Recently completed/under construction/planned expansions
 - Adler--expansion done & more by 2005
 - Art Institute—new wing by 2006 \$175 million
 - Field Museum—current & planned expansion \$250 million
 - Shedd—current \$110 million and another \$110 million by 2012
 - Millennium Park
 - Central Area Plan projects 85,000-100,000 square feet of growth per year by 2020

Parking Industry Target Tourists

- Hotel & Museum growth will attract more tourists
- Tourist less likely to travel during peak & are less familiar with transit options

Growth in Residential

- Residential dwelling units add 56% from 1980 to 2000
- Added 23,000 dwelling units
- Central Area Plan projects 1800 to 2200 new dwelling units per year to 2020
- Add 40,000 dwelling units 2000 to 2020

Potential Shift Parking Industry to Serve Residential Demand

- The parking industry could target Central Area residents instead of commuters.
- Residents would generate much less peak hour traffic than commuters
- More likely to use cars on off-peak and weekends

Guiding Theme

- The Chicago Central Area Plan, and public policy makers in general, are setting objective of reducing portion of travelers using private vehicles and increasing transit use. Parking cost and availability is being considered as a means to achieve this shift.

Mode Split

	2000	Increase	2020
1000's of trips inbound worktrips	588	166 - 240	753 - 827
Inbound transit trips	432		
Inbound work using transit	305	116 to 168	421 - 473
Portion of work trips using transit	52%	70%	56% - 57%

- Over 50% of Central Area work trips are made by transit
- Greater in the Loop & less in the outer areas

Transit Capacity

- Projected growth in work related transit trips of 116,000 to 168,000 by 2020.
- Majority of Transit improvements are the following
 - Improvements to existing lines (new station or station upgrade)
 - More efficient circulation within the Central Area (New Busways, West Loop Transit Center)
 - Will not provide enough capacity to serve all projected new riders

Projected Increase in Parking Demand

- Non-transit work trips are expected to increase by 50,000 to 70,000 by 2020.

- Walking, biking, and ridesharing will account for some.
- Thus, if growth occurs as projected in the Central Area Plan, 40,000 to 60,000 new vehicles would be driven to work by 2020
- The above number assumes a significant increase in transit capacity. Without the transit capacity increase, growth in parking demand could be even higher.

Central Area Share of Chicago Region Office

- Central Area represents 55% of Chicago region current office market
- Central Area claimed only 40% of growth 1980 to 2000
- Central Area is not getting its share of regional growth in office

Funding

- Improvements needed by growth identified in the Central Area Plan by 2020 will require \$2.25 to \$3.5 billion beyond funding needed by current transportation demands
- CDOT & RTA project \$7 billion needed region wide over next 20years just to serve current demand
- Projected needs of \$9.25 to \$10.85 billion with the growth
- Projected \$5 billion to be available will not even cover current needs

Potential New Parking Market

- Provide paid off-street parking for buses
- CDOT & Police would like to keep buses off streets (traffic ops & Aesthetics reasons)
- CDOT & Police could help to enforce use of new off-street bus parking

1998 Vehicle Ownership Study

- Surveyed number of vehicles owned per dwelling unit in variety of neighborhoods in the Central Area
- Average of .59 vehicles per dwelling in study area
- Specific neighborhoods ranged from .51 to .72 vehicles per dwelling
- Study recommended to account for visitors, .75 to .9 parking spaces per unit would be sufficient
- As residential growth takes place, parking could be provided to serve this new demand