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EDITORIAL: Nickel, diming and quartering the public

Windy City privatization scheme props up big government

By [THE WASHINGTON TIMES](#)

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It's not often that prominent rivals for public office find themselves in full agreement on a contentious policy issue. Yet those hoping to take the reins of Chicago's political machine in elections next month - including former [White House\(/topics/white-house/\)](#) Chief of Staff [Rahm Emanuel\(/topics/rahm-emanuel/\)](#) - are eager to distance themselves from an infrastructure privatization deal dreamed up by outgoing Democratic kingpin [Richard M. Daley\(/topics/richard-m-daley/\)](#). The longtime mayor's scheme has proved to be a nightmare.

Nothing better exemplifies the "live for today" attitude adopted by state and local government officials than the resurgence of so-called "public-private partnerships," where jurisdictions sell or lease assets in return for a pile of cash. From the Windy City to the Old Dominion, political leaders are proving all too willing to sell their constituents down the river for this short-term gain.

That's what happened in December 2008 when [Mr. Daley\(/topics/richard-m-daley/\)](#), with essentially no public notice, rammed through a 75-year agreement leasing his city's parking meters to a group owned by [Morgan Stanley\(/topics/morgan-stanley/\)](#) in return for a \$1.2 billion up-front payment. The deal allows [Morgan Stanley\(/topics/morgan-stanley/\)](#) to pocket every quarter popped into a Chicago meter between now and the year 2083. Though [Mr. Daley\(/topics/richard-m-daley/\)](#) touted the long-term benefits of this financial windfall, that money has dried up.

Instead of repairing roads and building bridges, more than a billion has already been spent patching holes in the municipal budget. The next mayor will only have a few million left to spend from the lease proceeds. Instead of making the hard choices required to align revenue with expenses, [Mr. Daley\(/topics/richard-m-daley/\)](#) was able to avoid all the hard choices and even boost 2011 spending by \$49 million. That meant [Mr. Daley\(/topics/richard-m-daley/\)](#) could leave office without angering any special interests with cuts that many of his colleagues have been forced to make.

If only the public could escape similarly unscathed. Chicago residents looking to catch a movie downtown better have reinforced pockets, as the meters now require a half-pound stack of 40 quarters to park. This already sky-high rate is set to increase on a regular, unending schedule. Candidates looking to replace [Mr. Daley\(/topics/richard-m-daley/\)](#) as burgomaster have heard the local ire and strongly oppose the lease - now that it's too late to do anything about it. Former Sen. Carol Moseley Braun, Illinois Democrat, wants to break the contract and hope the court agrees with her that the deal was a "rip-off" and not enforceable. [Mr. Emanuel\(/topics/rahm-emanuel/\)](#) said he has a "problem" with the meter deal.

Some conservatives are eager to embrace any project carrying the label of "privatization" or "public-private partnership," even when pushed by a Democratic big-city mayor. The reality is that many of these ideas turn out to be nothing more than the outsourcing of tax increases to a private firm. In this case, Chicago residents could end up paying \$9 billion in private meter fees in return for the billion dollars [Mr. Daley\(/topics/richard-m-daley/\)](#) spent by the end of his term in office. If voters don't force change at the ballot box, they won't have any change left in their pockets.

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