

Some Answers to Questions not Included in the IU Parking Privatization FAQ of 12/14/12

1. How much has IU already spent or committed to spend on outside consultants in connection with the parking privatization/monetization scheme?

The University has committed to paying **Goldman Sachs (GS) \$125,000**, plus expenses, including attorney fees, to “assist the University in its evaluation of P3 [public-private partnership] opportunities.”¹

Because GS has a clear conflict of interest in its dual role of providing advice about the transaction and profiting from the transaction if it goes forward, IU has contracted with **Walker Parking Consultants** to prepare a technical study of the current parking infrastructure on the Indianapolis and Bloomington campuses, including the current condition of facilities, anticipated capital expenditures, and suggestions for improvements. In addition, Walker will produce a “Parking Revenue Study” looking at past rates, analyzing supply and demand, and creating a “30+ year revenue forecast model.”² These two studies by Walker will cost the University an additional **\$137,500**.

Therefore IU will spend **over a quarter of a million dollars (\$262,500)** *before* a decision has been made on whether or not to privatize parking.

2. How much more will IU pay to Goldman Sachs and Walker if the parking monetization scheme moves forward?

If the University goes ahead with the parking deal, it will pay GS **\$3 million, plus 1.7% of all revenues over \$250 million** for “financial advice and assistance.”³

Walker will receive an additional **\$50,000 -- \$90,000** for a study detailing the duties of the private parking contractor, with the price dependent on the level of detail required.

Therefore, if IU privatizes parking, it will have spent **at least \$3,312,500** *before* the first dollar of our parking fees goes to an outside contractor.

3. How can we have a voice in this decision?

According to the IU FAQ (#12) “public forums or town hall meetings will be scheduled to distribute information and gather input” ***only after a decision has already been made*** to privatize parking.

¹ “Letter of Engagement” between IU and GS (10/30/12).

² “Professional Services Agreement Between the Trustees of Indiana University and Walker Parking Consultants” (12/12/12).