



Metropolitan**Planning**Council

2009 Policy Agenda

Planning for Prosperity

2009 POLICY RECOMMENDATIONS

The Metropolitan Planning Council is advocating for the following policy recommendations in 2009:

The State of Illinois and federal government must adopt transparent and complementary systems for prioritizing capital investments.

Healthy metropolitan areas offer a range of housing and transportation choices. Illinois can lead the nation by using federal and state funding to reward coordinated regional planning and spur local investments that are consistent with regional plans.

Long-range federal transportation, environment and housing plans – currently created in isolation – should be coordinated.

Illinois must identify a state framework for coordinating growth, not only to build more attractive communities, but also to stretch limited funding to achieve multiple goals.

Illinois must approve a new state capital investment plan, guided by criteria, to repair existing infrastructure, improve transportation choices, connect regional assets, and reduce energy consumption, greenhouse gas emissions, and water loss.

Local municipalities working across political boundaries to address shared concerns should be rewarded with additional and more flexible funding.

Greater interagency coordination at the local, state and federal levels is needed to help create more economically vibrant and sustainable communities in Chicagoland. Illinois must fully finance the Local Planning Fund, which not only fosters interagency coordination in Illinois, but also provides resources to developing and redeveloping municipalities.

Illinois should develop a statewide framework for regional water supply planning and become a model for other states.

Illinois must recommit to being a steward of open space by rewarding strategies that recognize the economic benefits of ecosystems and preserve and protect them for future generations.

Illinois should enact legislation allowing the targeted use of Public Private Partnerships (PPPs) to supplement traditional infrastructure funding sources.

Governments at all levels need to use limited taxpayer dollars wisely, by targeting modest public investments to programs proven to leverage private sector investment.

LETTER FROM THE PRESIDENT

In this weakened economy, one thing is clear: It is time to rethink, retool and reinvent. In partnership with new leaders in Washington, D.C., and Springfield, Ill., the Metropolitan Planning Council (MPC) is ready to intensify its efforts to develop and advocate for federal, state and regional policies that will make this globally significant region more competitive, equitable and sustainable.



For 75 years, MPC has been a dynamic force for balanced growth and positive change throughout Chicagoland and beyond. Working in a nonpartisan and inclusive manner, we've built an impressive track

record of developing sound policies and identifying solutions to strengthen the tri-state region.

In 2009, as MPC celebrates its own milestone anniversary, Chicagoland commemorates the centennial of Daniel Burnham's historic Plan of Chicago. In the spirit of that era – and in acknowledgement of the breadth and enormity of challenges facing the nation today, from a deep recession to climate change – we recommit to Burnham's charge to "make no little plans."

The following pages lay out new investment strategies and priorities that will brace our region against the harsh economic headwind, and ensure we invest our limited resources wisely – netting short-term economic gains and building a foundation for long-term sustainability.

We invite you to join us: If you are an employer or a worker, please contact your local mayor, legislators, and members of Congress to tell them you support these changes. If you are an elected or appointed official, we hope you will champion these ideas. Together, we can put our region on the path to prosperity.

Sincerely,

A handwritten signature in black ink that reads "Maureen Barritt".

President

Metropolitan Planning Council

A FOUR-POINT PLAN FOR PROSPERITY

1 Let the sun shine in.

Maintain, enhance, expand

\$8.8 billion

Annual capital spending needed, over the next five years, to address Illinois' immediate transportation needs

Source: Transportation for Illinois Coalition

\$10 billion

The region's current five-year need for transit capital investment

Source: Regional Transportation Authority's *Moving Beyond Congestion* report

Unprecedented voter turnout in November proved the American electorate wants to participate in its government. President Barack Obama's campaign, transition and economic recovery Web sites ushered in a new era of transparency by giving Americans opportunities to ask questions and weigh in on proposed policy solutions. In Illinois, where extensive corruption has forced changes in state leadership, voters are clamoring for increased accountability. In this dire economy, when municipal, state and federal budgets are squeezed even tighter, all investments must demonstrate significant returns. Residents will not allow their tax dollars to fund a "Bridge to Nowhere" or relocate the gridlock of the Hillside Strangler a mile down the Eisenhower to Mannheim Road.

It's time to let the sun shine in – to restore voter confidence, encourage active participation at all levels of government, ensure we spend limited resources wisely, and build communities that attract workers and residents.

MPC strongly recommends Illinois, other states, and the federal government adopt transparent and complementary systems for prioritizing capital investments – and strongly supports the Transportation Investment Accountability Act, introduced as HB2359 by Ill. Rep. Kathy Ryg (D-Vernon Hills), that would do just that. The old way of doing business – earmarking and deal-making – must give way to regional business plans based on objective criteria. Illinois alone has hundreds of infrastructure projects queued up on its wish list. The best of the bunch not only will create jobs, but also develop 21st Century growth industries; link the location of jobs, worker housing, and shipping; and produce long-term energy and climate benefits.

For more information ...

GO TO 2040, metropolitan Chicago's first truly comprehensive planning campaign, cmap.illinois.gov/blog.aspx

It is essential future state and federal project rating and selection processes work in concert with metropolitan planning organizations (MPOs), including northeastern Illinois' Chicago Metropolitan Agency for Planning (CMAP). Through its GO TO 2040 regional planning process, CMAP already is engaging Chicagoland residents with a blog, community meetings, and surveys to collaboratively craft a vision for a more sustainable pattern of regional growth. This vision will guide public and private investments that strengthen the region, which should be supported by state and federal investments, as well.

Recommended reform: Illinois should adopt an investment plan for capital funding informed by metropolitan planning organizations (MPOs).

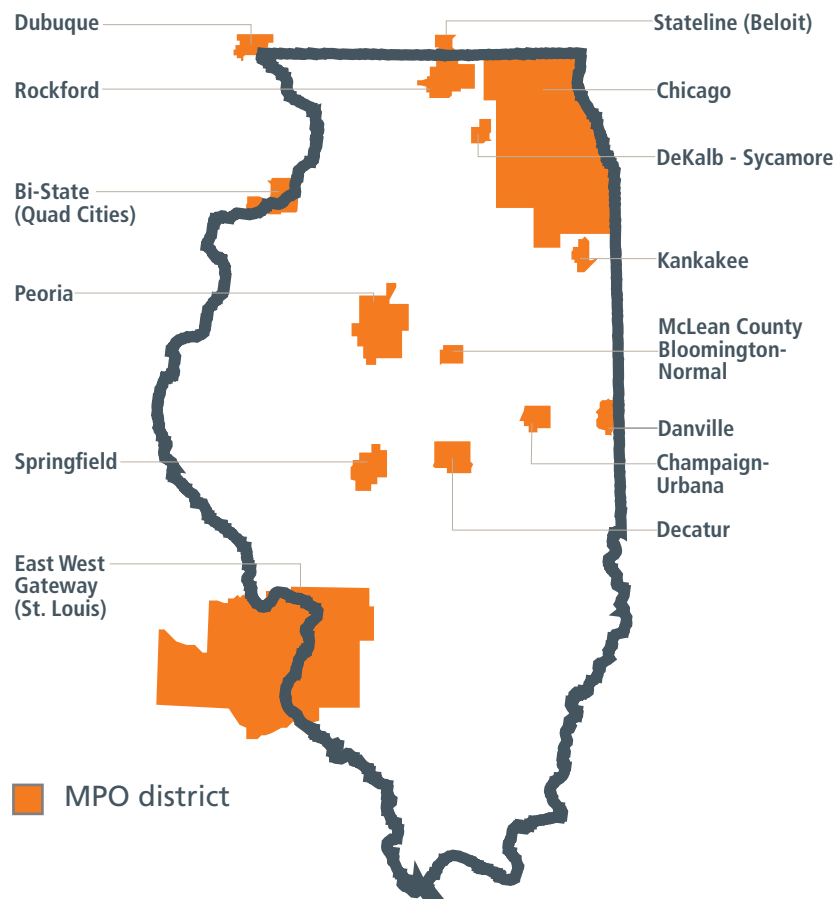
Illinois' 14 MPO districts represent 78 percent of the state's residents, making MPOs ideal partners in state planning.

Given Illinois' fiscal state, it is critical to reap the highest value for every taxpayer dollar spent. All projects vying for capital funding should be weighed against criteria based on statewide goals. A criteria-driven system will make it clearer to Illinois taxpayers why their tax dollars are being funneled toward a specific project. A more open and honest way of making capital investment decisions in Illinois means all communities' projects would be measured against the same yardstick: the have-nots will have as good a chance to compete as the have-lots.

Right now, 17 other states have some form of rating system for transportation projects, many of them in the Midwest, including Ohio, Michigan and Wisconsin.

For more information ...

Visit the Metropolitan Planning Council Web site, metroplanning.org, and download the 2008 report *Putting Illinois Back on the Map*.



A FOUR-POINT PLAN FOR PROSPERITY

2 Break out of silos.

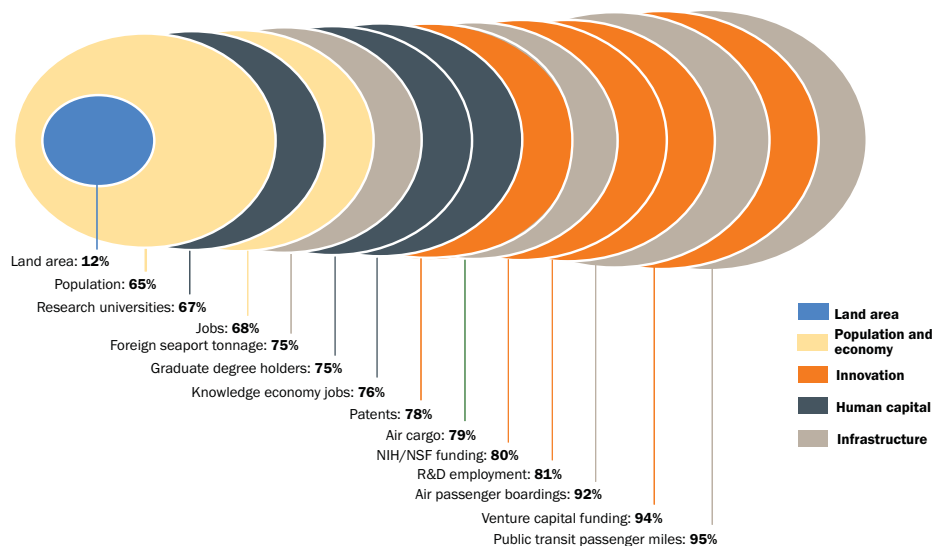
Time, money and resources are squandered when development and investment decisions are disjointed – and in this economy, we cannot afford to waste any of it. Yet across our tri-state region, people experience disconnection in their daily lives that result directly from uncoordinated policies, agencies and funding at all levels of government. When shopping for a home, a service sector worker cannot find something affordable and attractive anywhere near work. A health care worker must drive a measly two miles from home only to park her car in a Metra lot, commute to work on the train, and return home after a long day with no choice but to get back in her car to run necessary errands.

Fact: Major metros aggregate drivers of prosperity and generate 75 percent of U.S. GDP.

Percentage of national activity in 100 largest metro areas, various indicators

Collectively, the nation's top 100 metros take up only 12 percent of the land mass in the United States, but account for an astounding 65 percent of its population, 68 percent of jobs, and 75 percent of the U.S. GDP.

Source: The Brookings Institution, 2005



Chicagoland by the numbers

78.5

Percent of Illinois GDP produced in metropolitan Chicago

Source: The Brookings Institution, 2007

78

Percent of Illinois population living in metropolitan Chicago

Source: Illinois Census, 2008

MPC supports federal, state, regional, and local planning that eschews traditional silos in favor of coordination and innovation, including:

- making federal policies flexible enough to adapt to unique metropolitan dynamics;
- breaking down funding silos that traditionally have targeted one asset, such as transportation, in isolation from another, such as housing; and
- encouraging Chicago-area communities to work much more efficiently through interjurisdictional agreements.

One of the fundamental issues frustrating the efforts to address the global problems of the 21st Century is that the scale of our issues – economic vitality, global warming, the housing crisis – is mismatched to political boundaries and institutions. For example, the top 100 U.S. metropolitan areas account for some 65 percent of population, 68 percent of jobs, and 75 percent of U.S. GDP, but few federal dollars are linked to achieving better regional outcomes. When they occasionally are linked (such as around regional air quality), the outcomes and deadlines typically are disconnected from other federal priorities, resulting in mixed messages to investors, employers and consumers.

Federal programs dealing with housing, transportation and energy issues remain largely divorced from each other, precluding integrated problem solving. Although the U.S. Dept. of Housing and Urban Development has articulated bold plans to increase homeownership opportunities, promote affordable housing, and strengthen communities, federal transportation policies undermine these goals. For example, while federal transportation policy continues to disproportionately invest outside of the core areas of metropolitan America, federal housing policy continues to favor the concentration of affordable housing in central cities. Similar funding silos and competing priorities exist at the state level.

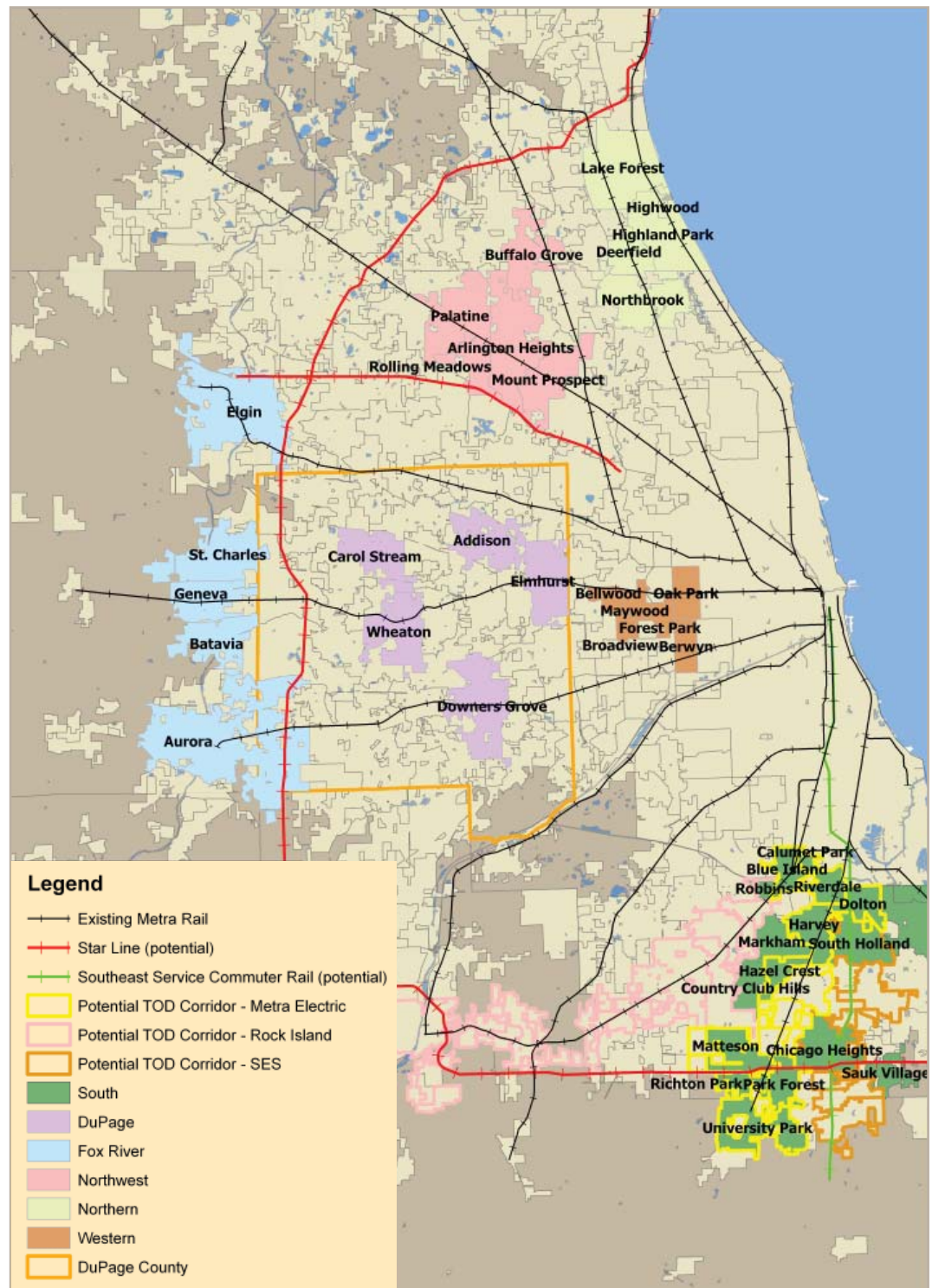
During his campaign, President Barack Obama outlined several proposals to address this lack of coordination and unleash the growth potential of metropolitan areas, including establishing a White House Office of Urban Policy. This new office – expected to report to former MPC Board member Valerie Jarrett – would strengthen the partnership between the federal government and metropolitan areas, and begin to bridge the gaps responsible for reductionist policies and investments. **Healthy metropolitan areas offer a range of housing and transportation choices. Illinois can lead the nation by using federal and state funding to reward coordinated regional planning and spur**

Recommended reform: Encourage communities to work together.

Ten clusters of northeastern Illinois communities are pooling resources to address shared housing challenges.

Local municipalities working across political boundaries to address shared concerns should be rewarded with additional and more flexible funding. This map shows clusters of communities in the north, northwest, west, far west, and south suburbs that, with MPC assistance, are pooling resources and leveraging additional support from the private sector to address common issues.

These communities are taking a prudent approach to meeting local and regional demands for workforce housing, expanded transit, transit-oriented development, and new jobs. In 2009, their efforts are expected to produce models for the rest of Illinois and the nation.



local investments that are consistent with regional plans. As the drivers of the national economy, metropolitan areas should have the tools to make crucial housing, water, transportation, and other infrastructure investment decisions that are necessary to keep our nation moving forward.

To strengthen investments, MPC recommends long-range federal transportation, environmental and housing plans – currently created in isolation – be coordinated. At the very least, the agencies responsible for each plan should be required to work together to show how investments support comprehensive objectives and a unified vision. Better yet, agencies and their partners should work together to create one coordinated housing and transportation plan; the federal government would then reward projects that meet multiple goals, such as enhanced funding for projects that preserve and expand multi-family properties near transit. Large pots of federal funds – for instance, the billions for infrastructure expected to be authorized through a new federal surface transportation package in 2009 or 2010 – should be conditioned on achieving economic stability in our communities and energy independence as a nation.

Rather than forcing cookie-cutter approaches, a significant portion of federal funds should be reserved for competitive planning and implementation grants that would leverage additional private resources and challenge regions, cities and the private sector to shape their own, place-based solutions.

Such changes at the federal level would encourage Illinois and metropolitan Chicago to break out of their own silos. MPC recommends Illinois start by identifying a state framework for coordinating growth, not only to build better communities, but also to stretch limited funding to achieve multiple goals. Likewise, any new state capital package must be implemented with objective criteria to identify innovative, cost-effective projects that provide the greatest return on investment.

Illinois should reward municipalities that are working across political boundaries to address shared concerns by providing them with additional and more flexible funding. MPC is advising clusters of communities in the north, northwest, west, far west, and south suburbs as they pool resources and leverage additional support from the private sector to tackle common issues. These communities are taking a prudent approach to meeting local and regional demands for workforce housing, expanded transit, and new jobs; in 2009, their efforts are expected to produce models for the rest of Illinois and the nation.

3 Invest in competitive, sustainable and equitable regions.

In these lean times, it is reassuring to itemize Chicagoland's many assets. At the crossroads of the nation, where six Class 1 railroads and several interstates meet the shores of Lake Michigan, metro Chicago is the U.S. transportation hub, which attracts and supports a wide range of industries. The second-largest Great Lake not only serves as a shipping route, but beckons people from Chicago, across the country, and around the globe to play on its shores. It's arguable that Chicagoland's finest resource is its diverse residents – who are as sensible, hard-working and driven as they are creative, innovative and visionary.

Making the most of Chicagoland's existing infrastructure, natural resources, and human capital is essential to keeping the region competitive, sustainable and equitable.

Infrastructure

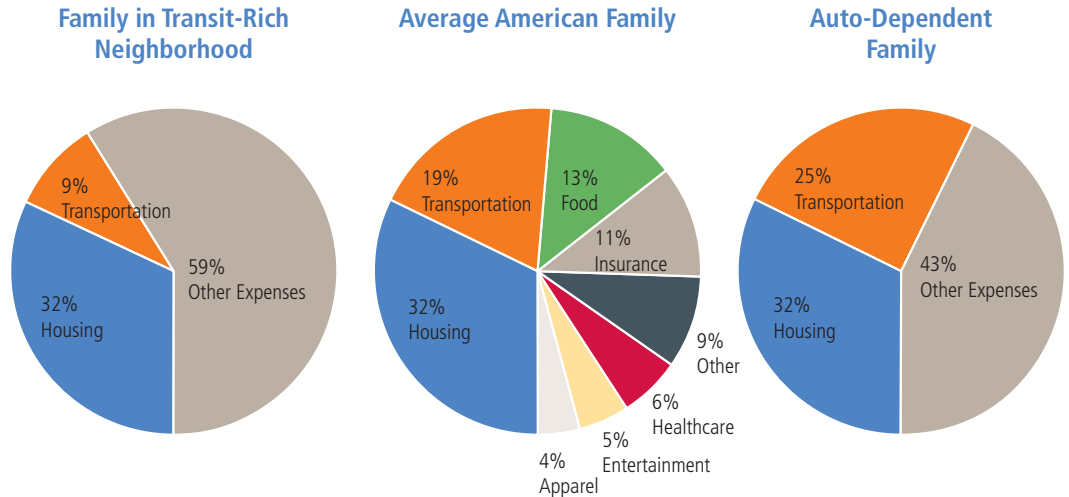
Among the essential "building blocks" of a healthy economy and successful communities are strong transportation networks that connect people to jobs, schools and affordable housing options. Record-high gas prices in 2008 highlighted the need for more communities designed to give people real transportation choices, so every trip need not be by car. Even as fuel costs fluctuate with the economy, conserving energy remains central to addressing national security and climate change. **In 2009, MPC will continue to advocate for focused investment to repair existing infrastructure, improve transportation choices, connect regional assets, and reduce energy consumption and emissions.**

Opportunities include rethinking the federal surface transportation package and a long-overdue state capital plan for Illinois. Both must be based on innovative regional growth plans that use objective investment criteria. These funding packages also should reward creative, but proven strategies such as

Fact: Transit helps families stretch their budget.

Transportation and housing costs account for 41% of household expenses for families living near transit, 51% for average American families, and 57% for families living in auto-dependent neighborhoods.

Source: Center for TOD Housing + Transportation Affordability Index, 2004
Bureau of Labor Statistics



Recommended reform: Explore new revenue raisers for Illinois.

Illinois could be generating billions more for needed capital investments.

As lawmakers consider a new state capital investment plan for Illinois, MPC is urging them to base funding decisions be based on objective criteria that measure how well a specific project achieves statewide goals, such as reducing congestion, helping people live near work, and reducing emissions.

MPC also recommends adjusting current taxes and fees to raise the funds needed for a long-overdue capital plan. Additional revenue must be directed to transportation investments, not the general revenue fund.

For more information ...

Visit the Metropolitan Planning Council Web site, metroplanning.org.

| MENU OF CAPITAL PLAN REVENUE OPTIONS | CURRENT AMOUNT RAISED FOR TRANSPORTATION PER YEAR | POTENTIAL ANNUAL AMOUNT RAISED PER YEAR |
|-----------------------------------------------------------------|---------------------------------------------------|-----------------------------------------|
| Broaden the sales tax to include services, reduce sales tax .5% | \$0 | \$822 million |
| Motor fuel tax increase of 5 cents (1 cent = \$65 million) | \$1.235 billion | \$1.56 billion |
| Increase sales tax on motor fuel by .02 % | \$0* | \$150 million |
| Raise drivers license fee from \$10 to \$35 every four years | \$21 million | \$73.5 million |
| Weight-based vehicle registration fee | \$1.005 billion | \$1.33 billion |
| Total | \$2.261 billion | \$4.567 billion |

* CURRENTLY, \$600 MILLION IS RAISED BY THE SALES TAX ON MOTOR FUEL AND DIRECTED TO THE GENERAL REVENUE FUND.

Value of transit

14.8 million

Number of households expected to want to live within a half-mile of rail by 2025 – more than twice the number living there today

Source: Reconnecting America, 2004

8 to 30%

The above-market value of land near transit stops

Source: "The Market for Transit-Oriented Development: Niche or Mainstream?" Planetizen, April 4, 2007

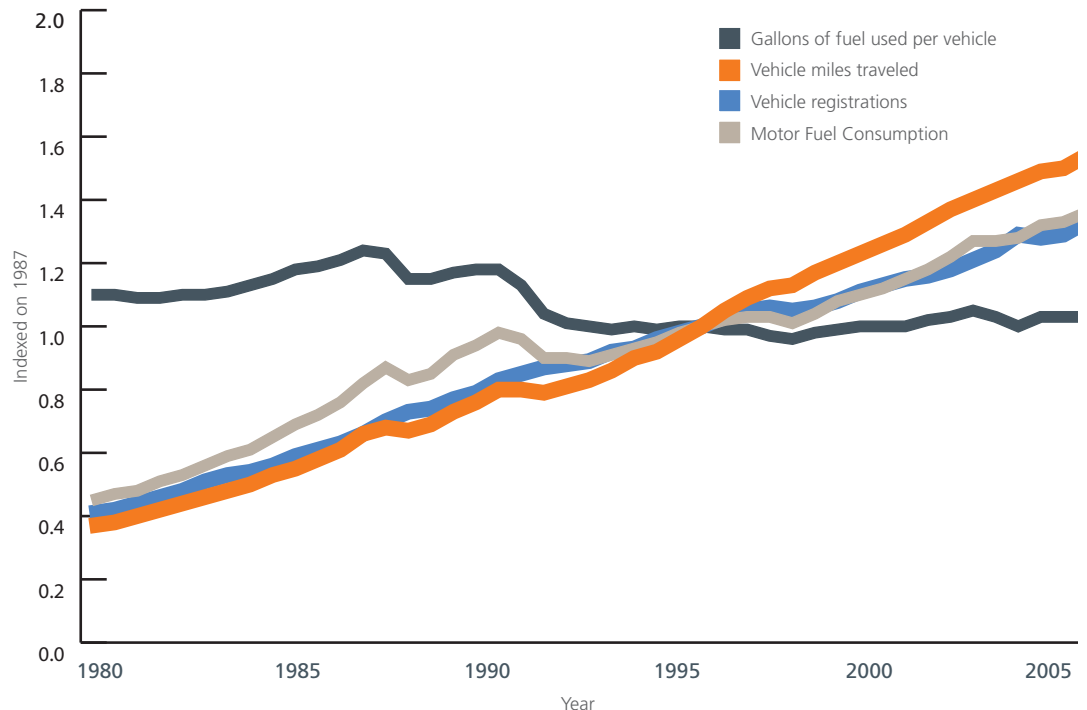
bus rapid transit (BRT) connected to mixed-use redevelopment. Currently being explored by Chicago and several suburbs, BRT has fixed stations that can attract new storefronts, increase the land value around stations, and bring new life to streets and neighborhoods along the routes. BRT is also three times faster and eight times cheaper to build than a new rail network, and takes comparable amounts of people off the roads – a benefit with real value, given that MPC's 2008 research documented Chicagoland traffic congestion costs at some \$7.3 billion a year.

Transit investments also can benefit the housing market, still reeling from foreclosures: Homes near a fixed transit route hold their value better than those near roads alone. Thus, it's no surprise market research shows a majority of future homebuyers want to purchase smaller homes in neighborhoods with nearby jobs, activities, and multiple transportation options. The potential for change is profound, given that two-thirds of development expected to be on the ground in 2050 is not yet built. Many developers in the Chicago region

Recommend reform: Reduce vehicle miles traveled.

Revenues from the gas tax are decreasing, even as Americans buy more cars and drive more miles.

Nationally, transportation accounts for one-third of CO₂ emissions. Experts predict emissions will rise exponentially as the population grows, and more and more people drive to get where they need to go. While advancements in vehicle and fuel technology help cut back on the volume of emissions released into the atmosphere, they cannot alone meet 2050 climate change goals. Americans need alternative options to meet their travel needs and cut back the number of miles they drive. By creating a vehicle miles tax, revenues can be invested to support transit improvements and create more transportation options for people.



Source: Federal Highway Administration, Highway Statistics, 2005

want to meet this demand, but they need local, regional and state agencies to align regulations and resources to support attractive, mixed-use development. **Greater interagency coordination at the local, state and federal levels is needed to help create more economically vibrant and sustainable communities in Chicagoland. Illinois must fully finance the Local Planning Fund, which not only fosters interagency coordination in Illinois, but also provides resources to developing and redeveloping municipalities.**

Natural Resources

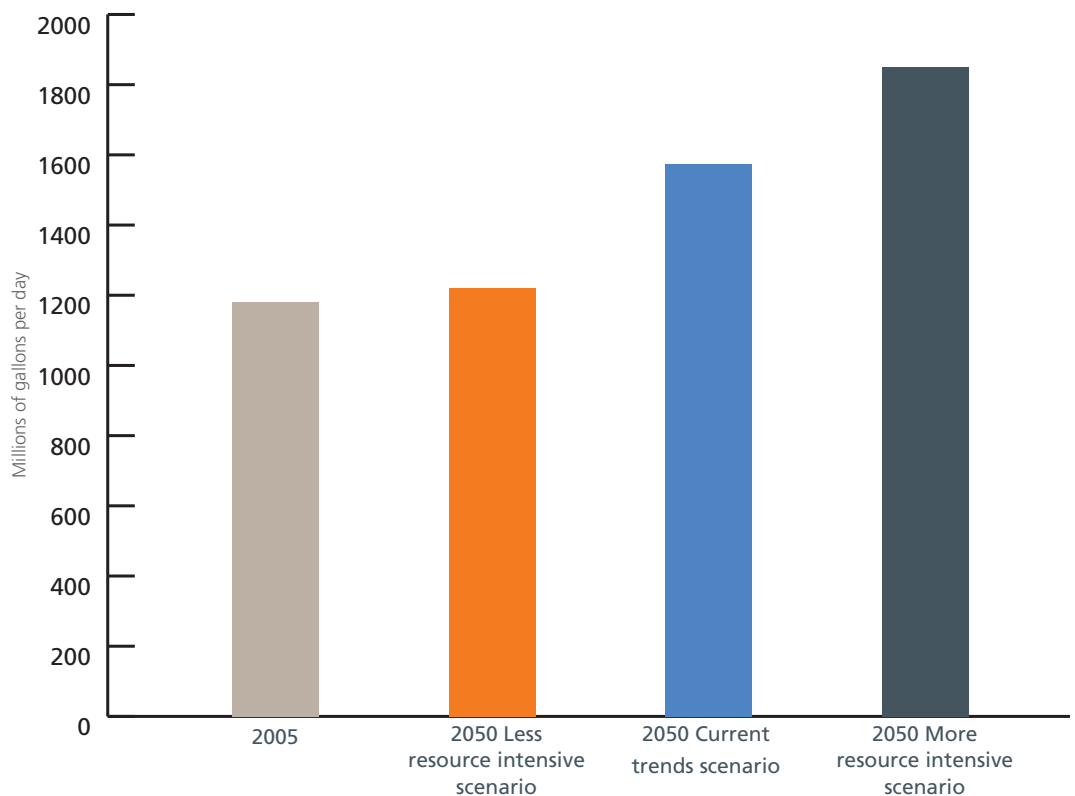
In October 2008, then-President George Bush signed the Great Lakes Compact, which reinforced limits on future diversions of water from Lake Michigan and the rest of the Great Lakes. *Troubled Waters*, a 2005 report by the Metropolitan Planning Council and Openlands, shows the population served by public water systems that tap Lake Michigan water is expected to increase by approximately 12 percent by 2020.

Fact: Illinois can conserve water through coordinated planning.

Northeastern Illinois' public water supply, total withdrawals: 2005 vs. 2050 Scenarios

Through conservation, infrastructure improvements, and statewide regional planning, Illinois can maintain current water withdrawal levels despite projected population growth.

Source: Dziegielewski and Chowdhury, 2008



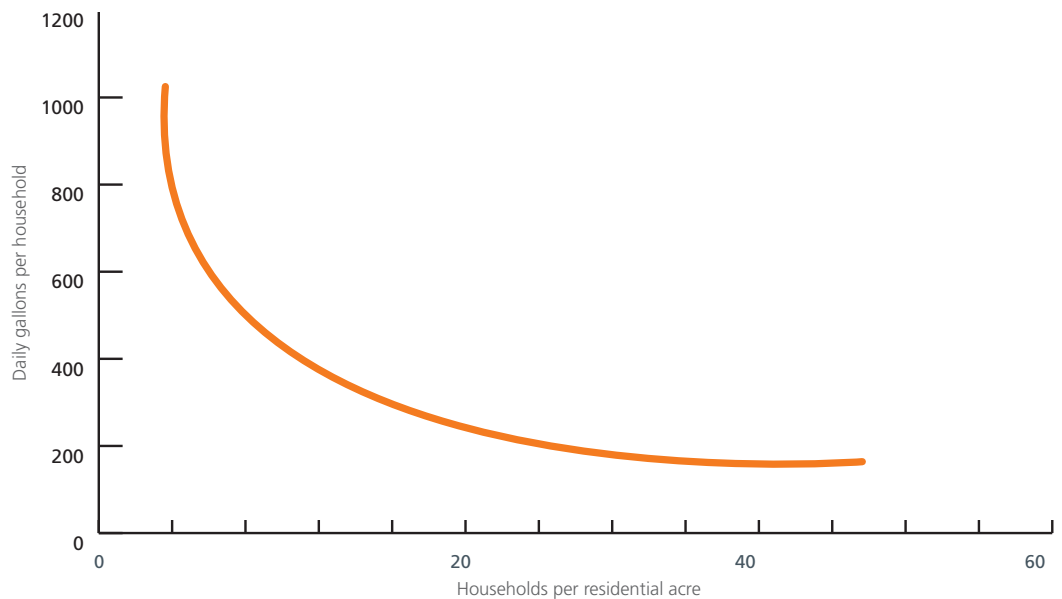
Now is the time for planning to ensure the region has enough clean water to support population and job growth. For starters, the Chicago region needs a plumber. Far too many communities have woefully outdated and inefficient water piping systems, leading to substantial – and costly – leakage.

Conservation also is important, but curbing consumption will require more than turning off the faucet while brushing our teeth: Communities in which homes, jobs, parks, schools, and stores are within walking distance use less water per household. MPC and Openlands have been advocating for Illinois to develop a statewide framework for water supply management and become a model for other states.

Fact: Households in more compact communities use less water.

Very few states require land use to be factored into water decisions, even though the two are closely connected. Data shows households in communities with more homes per acre use less water than those in less dense neighborhoods.

Source: San Francisco League of Conservation Voters, 2009



Unfortunately, progress has been slow. Two pilot regional planning efforts – in northeastern and east central Illinois – have produced regional water demand analyses, but the state cut funding for equally important analyses of regional water supply. Counties, municipalities and foundations did successfully cobble together resources to complete the supply side study, but sustained commitment from the State of Illinois is necessary to ensure these

For more information ...

Visit the Metropolitan Planning Council's Web site to download *Troubled Waters* and *Changing Course*: metroplanning.org

two pilots, as well as more to follow, have the support and funding necessary to plan our state's water future. This spring, MPC and Openlands will release a report recommending strategies to support and strengthen critical water supply planning.

In 2008, Illinois also shortsightedly slashed funding dedicated to protect and preserve natural areas, including watersheds, forest preserves, and state parks. **Illinois must recommit to being a steward of open space, by rewarding strategies that recognize the economic benefits of ecosystems.**

While there is no magic bullet for addressing climate change, fortunately, the same steps we need to keep this region socially equitable and economically competitive also will make it more environmentally sustainable. A balanced distribution of affordable housing results in people being able to live closer to where they work. A modern transit network that connects job centers to homes will help people get out of their cars and lower their transportation costs. Encouraging denser communities and infill development preserves green spaces that trap carbon emissions.

Through careful planning, Illinois can create model communities for other states to replicate. The federal government can promote these models through legislation that will shape the nation's energy future and response to climate change.

Human Capital

To compete in the global marketplace, we must effectively prepare our current and future workforce. For more than a decade, Illinois' investment in public education has failed to keep pace with inflation. Despite progress in raising the state's foundation (or minimum per pupil funding level), comprehensive education quality, accountability and funding reform proposals have not garnered adequate legislative support. Failing to provide all Illinois students with a high-quality learning environment shortchanges their opportunities, their futures – and the future prosperity of the entire state. **MPC will continue to advocate for dramatic statewide education reforms and adequate funding to support all Illinois public schools.**

Moreover, to ensure the long-term economic competitiveness of the entire Chicago region, both the workforce needs of employers and the daily living needs of the workforce itself need to be met. Employers need workers competent and skilled in the latest technologies and techniques, as well as workforce training institutions that can adapt to meet the needs of emerging sectors of the economy, including health research, logistics, and green jobs. That requires common goals and coordination among employers, workforce development centers, community colleges, English language centers, and other educational institutions. At the same time, the workforce needs quality affordable housing, transportation connections to and from employment centers, educational opportunities, a healthy living environment, and other quality-of-life necessities. Workforce systems are inherently regional, and thus must be addressed regionally. MPC will continue to increase its engagement with employers educators, and policymakers to pursue regional solutions to workforce issues.

4 Encourage private sector investment.

Housing help from employers

In 2007 and the first three quarters of 2008 ...

\$2,373,980

Amount spent by employers to assist their employees with new home downpayment/closing costs

\$47,552

Amount spent in the same period by Illinois Housing Development Authority to match certain employer dollars for downpayment/closing costs

\$1 : \$50

For every employer-assisted housing dollar spent by the state, an employer spent \$50

Even as the economy struggles, our growing regional population is demanding smarter investments to expand and improve transportation options, and create more quality housing near jobs and transit.

Yes, the private sector is reeling from the recession. However, savvy investors are exploring infrastructure for its stability and growth potential. Given the scarcity of public funds available to make even the most essential transportation investments, **MPC supports the targeted use of Public-Private Partnerships (PPPs) to supplement traditional transportation funding sources.** Currently illegal in Illinois, PPPs could fund a new road, train line, freight corridor, or bridge, freeing up limited public funds for other worthy projects.

Likewise, **MPC advocates for the wise use of limited taxpayer dollars by targeting modest public investments to programs proven to leverage private sector investment.** The proposed Housing America's Workforce Act would address the nationwide shortage of workforce housing near jobs by providing federal incentives to employers investing in housing solutions through employer-assisted housing (EAH). Like MPC's EAH model in Illinois that inspired it – and a growing number of nationwide EAH efforts sparked by MPC – this bill has great potential to help reverse the national housing crisis.

CONCLUSION

Through careful planning and innovative strategies that make the most of limited financial resources, we can respond to pressing issues facing families, businesses and communities – and pave the way toward long-term sustainable growth in metropolitan Chicago. Guided by a powerful combination of common sense and best practices with a high return on investment, and in partnership with new leaders in Washington D.C. and Springfield, Chicagoland can move to the head of the class.

MPC's 75-year track record chronicles a history of forging consensus and implementing solutions. Even during bleak times, we keep our eyes on the future. In 2009, we will continue to work with Chicago-area civic, business and government leaders to align priorities and shape a regional vision that maximizes investments, strengthens competitiveness, improves community livability, and builds prosperity.

Do you want to...

- ...let the sun shine in?
- ...break out of silos?
- ...invest in competitive, sustainable, and equitable regions?
- ...encourage private sector investments?

If so, then join the Metropolitan Planning Council in advancing its four-point plan for prosperity. Visit metroplanning.org to get involved in building a stronger Chicagoland region today.



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Or, visit the Metropolitan Planning
Council's online Newsroom,
metroplanning.org/newsroom

Since 1934, the Metropolitan Planning Council (MPC) has been dedicated to shaping a more sustainable and prosperous greater Chicago region. As an independent, nonprofit, nonpartisan organization, MPC serves communities and residents by developing, promoting and implementing solutions for sound regional growth.