

Part 1: The Promise Of Regional Planning

Overview:

- Fiscal crises could last as long as a decade.
- How your community changes during this decade indicates how well it can compete and grow in the 21st Century economy.
- This energy-efficient economy requires us to invest today in transportation and support these systems with more compact communities.
- Citizens indicate they want leaders to provide more transit and compactness.
- **The Go To 2040 Plan** is the region's roadmap so you can lead your community to that prosperous future.
- Participate now and throughout 2010 as this **Plan** develops the region's Preferred Scenario (by February), revises the Plan based on your feedback and approves it (by October).

Introductory question. Whether we are public servants or public citizens, we gain perspective on our daily work by asking this question: "Why should we commit valuable time to this 2040 planning process?"

Understandably, it is hard to spend time talking about 2040 when most local governments are scampering to balance the books for 2010. But balance in 2010 or subsequent years will not be possible unless we first know why costs and revenues cannot balance and what the solutions are. The **2040 Plan** offers those solutions.

This 5 Part series will help you understand the role of The 2040 Plan in helping local government balance their books better in 2011 and for the next 30 years.

First, let us understand the fiscal crisis better. I sympathize with local managers and officials. Because Illinois' government is higher in the taxation food chain, its problems compound local shortages. And while having a new Governor improves our chances of righting the fiscal ship, the state still has too much water sloshing around in its hull... and this should make every local agency nervous.

If it helps, recognize that we are not alone: fiscal woes are systemic to other states. The length of local agencies mid-term fiscal woes can be grasped when listening to the Executive Director of the National Association of State Budget Officers: "This is an awful time fiscally. But, we're even more worried about 2010 to 2014."

This fear is supported by a study from the Rockefeller Institute showing that states' revenue in the 1990 and 2001 recessions returned to pre-recession levels after an average of 58 months, or almost five years. Because today's recession runs much deeper and income and sales taxes were a bigger source in 2007 and are now more depleted than previous recessions, the recovery of tax revenue could take 60% longer or worse. Since our recession started in 2008, this means revenues will stay shrunk until 2015 or longer.

When we factor in rising service costs and an eventual inflation, one suspects deficits loom larger and longer for municipalities; especially since their taxing authority ultimately depends on a stable state.

Since Illinois is now one of the worst-managed states, a short-term balancing of local budgets only buys time against today's perplexing pressures. Compounding these drops in local revenue and rising needs for services, the squeeze of a depression on property values makes proper budgeting nearly impossible. Fiscal realities, in truth, are very grim for too long a time.

To break away from these compounding and confounding deficits, let us raise another question: how can local governments ask households to have fewer services, take on more responsibilities and pay higher taxes? Taxpayer responses usually are, let's say, unpleasant.

However if there is a mid-term strategy that compensates taxpayer sacrifice and offers the plausible promise of making life better, then your service to the public can have a happy note. *The 2040 Plan* is that happy note.

Now, here is the good news. It begins if you agree that planning produces higher quality lives for our families, friends and neighbors. The good news continues when you agree that effective planning also produces a growing economy which, in turn, gives every family a better chance to improve its balance sheet..., which, in turn, makes paying higher taxes easier.

And if we recognize regional solutions are our best investment to lower costs, improve services and improve household balance sheets, then regional planning becomes a midterm strategic tool to attack broken budgeting at its root.

In short, regional planning invests. As such, *Go To 2040* is a valuable asset to help return local governments to fiscal health. But of course, you and your community have to invest time in that asset... or *The Plan* will yield you less.

While essential, planning, I admit, can be boring stuff. To make it interesting, we should follow the path laid out for us by our region's leaders. They have organized the Centennial celebrations of the 1909 Plan so we can adapt Burnham's urging to develop plans that "stir men's blood." While the 1909 Plan helped transfigure Chicago's industrial chaos into a successful city, today's leaders advocate that we build infrastructure to improve our competitiveness and quality of life.

As a primary example, a plan with more compact communities can offer transportation options bearing many benefits. Such a plan will improve public health and safety through reduced accidents, congestion and pollution. But, compactness also reduces transportation and housing costs, which eventually builds household wealth, which, in turn, eases resistance to taxes. And much more so than sprawl, compact neighborhoods will yield higher net tax revenues long-term.

Finding these win-win policies gives me good cause to volunteer time for CMAP's Citizens Advisory Committee, write this 5 Part series and, hopefully, organize a citizens' webpage. Hoping that you involve your time more, I share my storyline because it is common to many of us who have lived in both urban and suburban communities. And I flatter myself to think that my storyline is more personable than, well, just talking about regional planning.

Roots In 3 Counties. I was born and raised in suburban DuPage, have lived over 15 years in urban Cook and, own land in ex-urban Kendall where I will be buried with my father and his three earlier generations.

... With Communities Shaped By 3 Economies. In the following 3 Parts, I offer my quick analysis about how each county's development patterns support the 3 economies spanning our lifetimes: the industrial, the consumer and the emerging sustainable economy.

This exercise suggests how the development patterns that made Chicago the world's leading industrial metropolis through the 1960s must be adapted before we can compete and produce wealth better than any region in the energy-efficient economy. While Chicago's compact development makes it easier to prosper faster, Chicago's strategic strength makes it easier for suburbs to prosper; recreating the same dynamic of 100 years ago.

Of course, becoming the world's best region in the new economy is ambitious stuff. And this is a big topic. To keep it as short as possible, I cut to the conclusion.

Since 64% of the region lives in the suburbs, the suburban transition to the new economy probably holds the keys to the region's future success. While local communities' transition will be accelerated by Chicago's success, these suburbs still will have to change their ordinances to give citizens what they want: compact communities that support transportation options.

Remaining entries to the series, to be posted during November...

Part 2 explores the advantages that Chicago has in leading the region to substantial prosperity in the 21st Century.

Part 3 explores how changes in the suburban Heartland of DuPage County can serve as an example for other post-war communities also developed in the second half of the century just passed.

Part 4 suggests how the metropolis' newest county, Kendall, can be built from the ground up as a 21st Century sustainable county.

Part 5 ties together all these themes and suggests how they can be reflected in the Preferred Scenario of the 2040 Plan.



In this 1915 drawing, Chicago's industrial era had started its middle stages and was ready to overtake other regions of the world. Back then, most communities were compact since only the rich could afford an automobile. Thus, transit was essential and walking was the usual for neighborhood errands. This development pattern usually had rectangular blocks, alleys and narrower tree-lined residential streets; all creating compact communities and pleasant-to-walk-to nearby stores and schools. Since compactness reduces transportation and housing costs, families typically built assets more easily and often could move further out to newer neighborhoods. (Image courtesy of Metropolis 2020 from page 143 of "Metropolis 2020: The Chicago Plan for the 21st Century" published by University of Chicago Press.)



This 1999 rendition pictures the very different development that accelerated in the post-war era that coincided with the consumer economy and its chief product, the car. We can see how the automobile allowed the region to sprawl. But there are consequences. Capital costs for roads, utilities and schools are roughly 50% higher in suburban development during this time than those earlier communities built with a

mix of housing that has balanced proportions of single family homes, townhomes and apartment buildings. Also households by 1999 had spent over 10% more on transportation than during the 1950s when the consumer economy began. These and other factors led many analysts to suspect that suburban development was not sustainable. The current depression in housing indicates the analysts are correct. (Image courtesy of Metropolis 2020 from page 143 of "Metropolis 2020: The Chicago Plan for the 21st Century" published by University of Chicago Press.)



In the 2020 best-case future, you can see more compact development; perhaps in response to the public feedback preferred in CMAP workshops in the summer of 2009. To understand how this compactness improves a household's ability to pay higher taxes, a recent study showed that households in transit-rich neighborhoods spend 14% less than those who are auto-dependent. Add to this savings whatever government savings garnered from the lower capital costs of compact development and you begin to see how communities can prosper if they are part of a regional plan. (Image courtesy of Metropolis 2020 from page 143 of "Metropolis 2020: The Chicago Plan for the 21st Century" published by University of Chicago Press.)