

CHICAGO METROPOLIS 2020

Preparing Metropolitan Chicago for the 21st Century

by
Elmer W. Johnson

A project of
The Commercial Club of Chicago

in association with
The American Academy of Arts and Sciences

January 1999

THE COMMERCIAL CLUB OF CHICAGO

The Commercial Club of Chicago was founded in 1877 in order “to advance the public welfare and the commercial interests of metropolitan Chicago by co-operative effort, social intercourse, and a free interchange of views.” Election to membership is “limited to residents of the Chicago metropolitan area who shall be deemed qualified by reason of their personality, general reputation, position in their business or profession, and service in the public welfare.” The Civic Committee, whose responsibilities are to consider needs and plans for the development of the Chicago metropolitan area, is appointed annually by the Chairman of the Club.

THE AMERICAN ACADEMY OF ARTS AND SCIENCES

The American Academy, founded in 1780, is an international learned society with a threefold mission: to recognize excellence in science and scholarship, the arts, and public affairs; to promote the life of the mind and the dissemination of knowledge; and to bring together the resources of the intellectual community to address issues in the public interest. Its headquarters are located in Cambridge, Massachusetts, and it maintains regional centers at the University of Chicago and the University of California, Irvine.

PROJECT DIRECTOR

Elmer W. Johnson is a partner in the law firm of Kirkland and Ellis and a former Executive Vice President and Director of General Motors Corporation. He is a Fellow of the American Academy of Arts and Sciences and a Trustee of and an occasional moderator for The Aspen Institute. He has been a member of The Commercial Club of Chicago since 1978 and is a member of its Civic Committee.

ACKNOWLEDGMENTS

To achieve the best possible conditions of living for all the residents of metropolitan Chicago, we, who live in this region, must carry out two tasks simultaneously. First, we must continue to take seriously our lives as members of particular localities within the region, building stronger communities and neighborhoods. Second, we must learn to do something well that we have so far been doing only in bits and pieces, namely, we must think and work together as a region. Chicago Metropolitan 2020 (the plan) focuses mainly on the second of these two tasks.

The subject of “regionalism” has been around for a long time, and The Commercial Club of Chicago is deeply indebted to those who have focused on this subject over the last few decades. In the 1970s, for example, Portland, Oregon, embarked on innovative programs to create urban growth boundaries and curtail sprawl, and the Twin Cities in Minnesota began to create mechanisms for tax-base sharing in that metropolitan region. The Urban Land Institute has focused for many years on the policy implications of the changing land-use patterns in metropolitan America. A few years ago, the Regional Plan Association for the New York-New Jersey-Connecticut metropolitan area issued a 250-page document entitled “A Region at Risk.” It sets forth a comprehensive plan for rebuilding the quality of life and the economic competitiveness of this large metropolitan area. Earlier, the Bank of America and certain other organizations issued a study on the costs of urban and suburban sprawl in California.

In our own metropolitan area, two organizations deserve special mention. First, the Metropolitan Planning Council has taken the lead over the last decade in making the case for regional cooperation and identifying the critical issues. And the Federal Reserve Bank of Chicago for many years has convened forums and conducted studies on the concerns of the larger region. The knowledge and expertise of their staffs have been indispensable to the development of this plan. Among the many other organizations who are devoted to various aspects of the region’s economic, environmental, and social well-being, and whose leaders have given wise counsel to the

formed organizations within the last five years to address regional issues from a moral perspective – organizations such as the Metropolitan Alliance of Congregations, United Power for Action, and Protestants for the Common Good.

We would be remiss if we did not take notice of the many efforts in the public sector to educate the region's civic and political leaders and the broader public as to regional issues concerning land use and transportation, e.g., the recent undertaking of the Northeastern Illinois Planning Commission (NIPC) to develop a regional growth strategy and the development over the last few years of a regional transportation plan of the Chicago Area Transportation Study (CATS), working in close cooperation with NIPC to the end of ensuring that transportation and land-use issues were considered on an integrated basis. And there have been joint efforts on the part of public and private sector organizations— e.g., *The Regional Greenways Plan*, which is a joint project of NIPC and the Open Lands Project, a consortium of private sector organizations. The principal purpose of that plan is to fill critical gaps in the existing open space system. Other key organizations serve to facilitate cooperation among political officials at the regional and subregional levels. The most important of these are the Metropolitan Mayors Caucus (which is regionwide) and the DuPage Mayors and Managers Conference, the South Suburban Mayors and Managers Association, and the Northwest Municipal Conference.

The members of the Commercial Club have learned from a number of initiatives

Rusk, Consultant and former Mayor of Albuquerque, and Saskia Sassen, Professor of Sociology at the University of Chicago. Their advice has been invaluable.

We are grateful to the large number of individuals from academia, business, government, and other civic associations, who attended many of the committee meetings and helped identify key issues and alternative policy responses. Lawrence Christmas, former President of the Northeastern Illinois Planning Association, served as a consultant throughout the period in the areas of transportation, land use, housing, and governance. Other key advisers included Timothy Bramlett, Anthony Bryk, Julian D'Esposito, Jacques Gordon, J. Alfred Hess, Jr., James Houlihan, Howard Krane, Therese J. McGuire, Robert Miller, Dawn Clark Netsch, Paul Nowicki, Rebecca Riley, Debra Schwartz, Joyce Skoog, Mary Ann Smith, Deborah Stone, Steven Tozer, Mary White, Wim Wievel, and Paula Wolfe.

The project has been generously funded by the Chicago Community Trust, the Energy Foundation, the John D. and Catherine T. MacArthur Foundation, and the McCormick Tribune Foundation.

Author's Note: The author wishes to express his gratitude to Richard L. Thomas,

TABLE OF CONTENTS

	Page
INTRODUCTION	1
PART I: GOALS, CHALLENGES, AND GUIDING PRINCIPLES	11
Chapter One: <i>Investing in Children</i>	13
Chapter Two: <i>Moving People and Goods</i>	27
Chapter Three: <i>Land Use and Housing</i>	37
Chapter Four: <i>Governance and Taxation</i>	45
Chapter Five: <i>Economic Well-Being</i>	59
PART II: RECOMMENDATIONS	67
Chapter Six: <i>Public Education and Child Care</i>	69
Chapter Seven: <i>Transportation, Land Use, and the Environment</i>	79
Chapter Eight: <i>Neighborhoods and Housing</i>	89
Chapter Nine: <i>The Governance of the Region</i>	95
Chapter Ten: <i>The Region's Economy</i>	103
PART III: OUTREACH AND IMPLEMENTATION	113
Chapter Eleven: <i>Chicago Metropolis 2020</i>	113
BIBLIOGRAPHY	115
APPENDIX	120

McHenry County

Woodstock

Lake County

Waukegan

North Chicago

Mundelein

Crystal Lake

Buffalo Grove

Highland Park

Palatine

Wheeling

Northbrook

Elgin

Hoffman Estates

Mt. Prospect

Glenview

Wilmette

Schaumburg

Des Plaines

Park Ridge

Niles

Evanston

Hanover Park

Elk Grove Village

Skokie

Kane County

Bartlett

Carol Stream

Addison

St. Charles

Glendale Heights

Geneva

Elmhurst

Glen Ellyn

Lombard

Wheaton

Oak Park

Chicago

DuPage County

Maywood

Cicero

Berwyn

Aurora

Downers Grove

Naperville

Woodridge

Burbank

Oak Lawn

Bolingbrook

Cook County

Orland Park

Calumet City

Oak Forest

Harvey

Tinley Park

Lansing

Joliet

Chicago Heights

Will County

services; efficient, world-class regional infrastructures and government services; and a strong industrial base of advanced, innovative companies.

Managerial, technical, and professional people, now more footloose than ever before, choose to live in a particular region based on the quality of the firms that are recruiting them; the quality of the region's suburbs and neighborhoods in which they can afford to reside; their proximity to high quality medical, educational, and cultural institutions; the beauty and excitement of the central city; their access to open space and recreational amenities; and their personal safety.

This new era of competition among regions calls for strategies that take account of the economic interdependency of the different parts of metropolitan Chicago:

The transportation system. The economic vibrancy of the metropolis depends on ready access to people, goods and services, jobs, and education.

The productivity of the growing minority population. The region's minority population is expected to grow by 1.5 million between now and 2020. The labor force increases will come mostly from minority groups.² The prosperity of the entire region will be greatly enhanced if the report's strategies for greater equality of educational opportunity and improved job training are implemented.

The need of employers for regional pools of talent. An enterprise of significant size requires a large metropolitan area in order to attract employees with the diversity of skills it requires. Thus, for example, 40 percent of workers in both suburban Cook and DuPage Counties live outside those counties. And the Village of Schaumburg, with more than 55,000 employees, imports 84 percent of its workers from other communities.

The dependence of many high-income suburbanites on downtown Chicago. Suburban residents earn nearly \$14 billion a year at jobs in Chicago, almost twice as much as Chicago residents earn in suburban jobs. At the same time, young business executives and professionals who are recruited for jobs in downtown Chicago are drawn to the region by the high quality of residential life both in Chicago's neighborhoods and in the suburbs.

But, of course, we are more than economic ants busily working on an ever-growing ant hill. Economic growth is not an end in itself and cannot be the only criterion governing our strategies for the region. Our interdependence extends far beyond the economic realm. For example:

The environment. In our daily lives, all the region's residents depend on a common base of natural and man-made resources: land, air, water, and the built environment.

² The Northeastern Illinois Planning Commission has forecast that the metropolitan population will grow from 7.7 million in 1998 to 9.2 million in 2020. Hispanics are projected to account for close to two-thirds of the increase, and blacks for almost a third. Asians will account for most of the balance, and the white population will remain about the same.

Cultural, educational, and medical facilities. City residents enjoy suburban music festivals, forest preserves, zoos, and arboretums; and suburban residents are the region's major users of downtown Chicago's chief cultural offerings. A number of universities based in Chicago have suburban campuses that capitalize on the educational resources of the parent institutions. The major teaching hospitals train most of the physicians and surgeons who practice in the region's hospitals. Patients from the entire region are treated at hospitals that specialize in certain surgical procedures.

The spreading effects of the physical and social isolation of poor minorities. We have created an increasingly polarized society. The poor live mainly in the central city and inner suburbs, while the more affluent live chiefly in the central core of the city and in the outer suburbs. When a substantial minority of the population is shut out, isolated, and without hope, the economic and social well-being of the whole region is threatened.

The fate and future of everyone in this region is inherently connected. There is a common interest, a common good, and it cuts across municipal boundaries and binds us all into one metropolitan community. In this era of unprecedented prosperity, we would be a hollow and near-sighted people indeed if we were to neglect issues concerning human dignity and equality of opportunity, community and environmental integrity, and the ideals and civilizing purposes of a great metropolitan region.

about the quality of life and equity of opportunity that will be required to assure the economic vitality of the Chicago region.

This plan calls for a set of public sector interventions that are quite different from the kinds of public works programs proposed in the Burnham Plan. Our recommendations pertain in large part, but by no means wholly, to the sorts of nonphysical infrastructures that economists and philosophers, from the time of Adam Smith down to the present, have recognized as providing the indispensable background conditions for a dynamic market economy and a good society: a good educational system, a fair and efficient tax system, and wise policies of other kinds.

As in the case of the Burnham Plan, the new plan speaks not to what is achievable at the moment, but to what is vital for the long term: in short, to direct the development of the region, to paraphrase Daniel Burnham, toward an end that must seem ideal, but is practical. It takes stock of the strengths on which the region must build, the new opportunities that it must exploit, and the serious obstacles that must be overcome.

Building on the Region's Strengths

We are in the enviable position of building on a great legacy: the beauty of Chicago's lakefront, unique among all the cities bordering on the Great Lakes; the regional network of rivers, streams, and greenways; the quality and variety of suburban attractions such as the Brookfield Zoo, the Morton Arboretum, the Chicago Botanical Gardens, Ravinia Park, and the major forest preserves; the growth in recent years of suburban institutions devoted to art, music, and the theater; the extensive mass transit infrastructure that we still enjoy; the importance of the region as the nation's single most important airline and railway hub; the excellence of the region's universities and medical institutions; the economic diversity and strength of the city and the several regional centers; the cultural vitality and architectural splendors of downtown Chicago and the pedestrian liveliness of its streets; the enduring strength and richness of the region's ethnic neighborhoods; and the strong tradition of its civic associations in cooperating with political leaders to advance the common interests of all parts of the region.

One of the things that distinguishes the region from most other large metropolitan areas and accounts for many of its unique strengths is the major role played by the public sector in shaping the physical environment of downtown Chicago and the lakefront, much or most of it in pursuance of the Burnham Plan. It is naive to think that the private market, by itself, could have created a center of such beauty and vibrancy. In recent years, we have experienced something of a Burnham-like renaissance of interest in and near the lakefront: a newly transformed Navy Pier; the re-routing of Lake Shore Drive to create a campus for the three museums located on the near south side (the Field Museum of Natural History, the Shedd Aquarium, and

the Adler Planetarium)⁵; the recent completion of a beautiful lighted walkway on the north side of the Chicago River, stretching from Michigan Avenue for several blocks to the east; the new Museum of Contemporary Art on the near north side; a breathtaking transformation and expansion of the Chicago Symphony's concert hall and related facilities; and most recently, Mayor Daley's unveiling of a \$150 million "Lakefront Millennium Project," intended to enhance park, recreation, cultural, and

tions and reasons for proximity have changed greatly. For most of the last two hundred years, the industrial revolution was the great urbanizing force in this country. Manufacturing and packing plants had to be located near ports and freight rail terminals in the center city, where the workers were forced to live in crowded conditions. It created a terrible tension between the city as economic engine and the city as center of culture, intellectual excitement, beauty, and community. It is only in the last few decades that there have been both the technology to make the emissions from factories and cars much less noxious and foul-smelling and also the transportation flexibility to locate heavy manufacturing facilities far away from city centers.

Today, proximity matters more than ever, but for very different reasons. Information technologies have made large metropolitan areas with vital regional centers the favored location for knowledge-based industries by reason of their heavy dependence on “smart” buildings wired with high speed communications lines and other digital amenities and their need for ready access to skilled workers, suppliers, and research universities. As Michael Porter, professor at Harvard University, has recently observed, “Cities are aligned with the nature of modern competition, with its emphasis on fluidity, information flow, and innovation. Cities are centers of knowledge and expertise, the most precious assets in the global economy.”

Overcoming the Obstacles

These are exciting possibilities, but three major obstacles threaten the goals of the plan.

The first concerns the need to ensure that all the region's children have access to good health care and a high quality education from infancy to age 18 and that all the region's adults have access to high quality workforce development programs that will enable them to develop their work skills to the fullest. The new international economic order is placing ever greater premiums on educated skills. This is an exciting development, provided we take seriously the ideal of equal opportunity.

The second obstacle is posed by the spatial transformation of the metropolis. A totally new urban form has emerged across America over the last three or four decades: a dispersed and stratified agglomeration of people that is neither village nor city. The old central city was hollowed out as middle- and upper-income households prospered and were able to realize their dream of each owning a couple of motor vehicles and living in a detached single-family home in a safe and pleasant suburb with neighbors of similar socioeconomic characteristics. Employers followed along, and sophisticated providers of goods and services created new "edge" cities where they could best cater to their segmented markets. The technological, market, and demographic forces that accounted for these new spatial patterns show no signs of abating.

The benefits to the majority have been accompanied by serious costs, borne mostly by those living in distressed areas of the central city and in the worse-off suburbs. Yet, increasingly, many of the costs are being felt by the entire metropolitan region. The key problem is the bias in our governance and tax framework that often discourages localities from acting in the regional interest. This bias is exacerbated by the sheer number of autonomous governmental units in the region and the lack of a coordinating mechanism with significant authority to address regional issues.

In part, decisions as to urban form should be collective and deliberated at the metropolitan scale, rather than wholly the inadvertent product of private market and local zoning decisions within a flawed policy framework.

The third obstacle is posed by the high levels of concentrated poverty and racial and social segregation in our region. It is true that the size of the underclass seems to be shrinking. As African-Americans have succeeded in their struggle to achieve equal liberties and opportunities, they have made great progress in the workplace.

Four out of five poor whites live in mixed-income neighborhoods within the region, but only one in five poor blacks do. The hyperconcentration of the minority poor, combined with the technological transformation of the economic order, has created levels of joblessness, social isolation, and family and community dysfunction that have severely handicapped their life chances.

The Six Committees and the Organization of the Plan

The plan is based on the work of six committees, composed of members of the Commercial Club, established in the Fall of 1996. Each committee was assigned responsibility for one of the following areas: economic development, education, governance, land use and housing, taxation, and transportation. The chairs and vice chairs of these six committees and the members of the steering committee are listed in the Appendix.

During the first year of the project, the six committees held numerous meetings. More than 200 members of the Club were engaged in these meetings, working with outside experts. In addition, four meetings of the full membership were held during the first year to consider key issues and react to committee reports. Based on those reports and the members' comments, the author prepared draft chapters which were considered by all the members in a series of meetings held during the second year. Numerous other meetings were held with local and regional policymakers and stakeholders, including a three day retreat in May 1998, where more than 120 regional leaders and their spouses gathered to review and comment on an overview of the draft plan. Throughout this interactive process, the draft chapters were periodically revised by the author in consultation with the six committees. The final document was unanimously approved by the members at a meeting held on November 19, 1998.

The plan is divided into three parts: goals, challenges, and guiding principles; recommendations; and outreach and implementation. Metropolis 2020, the organization described in Part III, is f]TJloeity fnd commeducuring the p,ing mintizduring

PART I

GOALS, CHALLENGES, AND GUIDING PRINCIPLES

For the most part, the achievement of the plan's goals for the region is up to individuals, families, neighborhoods, and business enterprises in the free and vigorous pursuit of their private interests. But there are three basic supporting roles that government must perform. First, government must provide the kinds of background conditions and public services (e.g., physical infrastructure systems and their maintenance, educational systems, police and fire protection, and related tax and governance arrangements) that enable individuals, groups, and enterprises to flourish.

Second, state government should impose rules of the game to ensure that home builders operate in a free market system in meeting the demand for housing throughout the region and to discourage municipalities from using their zoning and other laws to undermine such a market. Third, state government must provide the kinds of policy frameworks and public services that facilitate the collective efforts of citizens to focus on the common good (e.g., the environment) and that enable and encourage the least advantaged citizens to better their condition.

In performing these roles, government should exhaust the possibilities of harnessing the energy of the private sector, whether through marketlike incentives, or subcontracting, or privatization, so that individuals and enterprises are strongly motivated to correlate the pursuit of their private interests with the larger public good, so that the costs of government are minimized, and so that the efficiencies of the private sector are fully exploited.

No functions should be performed by government that can better be performed in the private sector; and no functions should be carried out by federal, state, or regional government if those functions can be well performed by local government.

In brief, then, these are the principles that have guided the members of the Commercial Club in addressing the challenges presented in Part I.

Chapter One

INVESTING IN CHILDREN

Nothing affecting the region's economic vitality in the next century will be as important as the quality of health care, nurture, and education provided to the region's children. This chapter focuses on those challenges. First, there must be continuous improvement in all the region's public schools for students in grades K through 12 and for radical improvement in the educational effectiveness of its lowest performing schools. The second challenge is to design and implement a system that gives every child, no matter how poor, access to good health care. Third is the need for care and programs for infants and preschool children, especially those in low-income families.

Public Education

The goal is to ensure that all the region's children have equal access to a high quality education from infancy to age 18. There are three principal reasons why this goal has not been achieved.

First, educational funding is heavily dependent on local property taxes, and some property-rich districts spend nearly four times as much per student as the poorest districts, creating large differences in teacher salaries and physical facilities and class size. The plan proposes reforms in the property tax-system to bring about a more equitable scheme of funding public education.

The second reason is the failure, particularly in Chicago but also in many suburbs, to properly educate and train well-qualified persons as principals and teachers in sufficient numbers to make a difference, to introduce ongoing mechanisms for professional development and incentives for superior performance, and to establish effective systems of governance that combine high levels of accountability and professionalism. There has been tangible progress in the city of Chicago in addressing this second set of problems, but much remains to be done. The plan proposes far-reaching reforms to bring about a much more results-oriented approach to school performance. Third, most of the lowest performing schools are located in severely disadvantaged neighborhoods. Thus, achieving the goal of equality of educational opportunity entails long-term strategies aimed at increasing economic and social opportunities for poor minorities. Many would add a fourth factor: widespread racial and income segregation.

Background

More than 1.2 million students are currently enrolled in primary and secondary public schools throughout the region. In 1996–97, the public school population in the six-county area was as follows: the city of Chicago, 421,300; suburban Cook County, 356,400; and the collar counties, 453,300. About 166,000 children (three-fourths of them in Chicago) attended parochial schools in the region in that school year, and perhaps another 10,000 attended other private schools. In 1990, non-whites accounted for about 40 percent of the elementary school population in the region, and they are expected to account for 57 percent by the year 2020. The most dramatic growth will be in the Hispanic student population which is expected to increase by 272,000, or 120 percent between 1990 and 2020. These regional figures mask the fact that in Chicago 89 percent of the student population is non-white.

The responsibility of the region's public systems of elementary and high schools, ideally, is to equip students with the basic knowledge, skills, and attributes that will enable them to develop good work skills and live richly satisfying lives; that will prepare a substantial portion of them for some form of higher education; and that will prepare all of them to be good citizens and neighbors, nurturing parents, and individuals capable of making positive contributions to their communities.

A century and a half ago, Horace Mann, the great evangelist for the common school and secretary of education in Massachusetts for 12 years, articulated the strong connection between education and economic prosperity. In response to hard-headed businessmen of his time, who doubted the value of universal education, Mann conducted extensive investigations showing the vast difference in productive capacity between educated and uneducated workers. He concluded that “the aim of industry is served, and the wealth of the country is augmented, in proportion to the diffusion of knowledge.” Mann summarized his educational credo as follows: “That political economy which busies itself about capital and labor, supply and demand, interest and rents, favorable balances of trade, but leaves out of account the element of a widespread mental development, is nought but stupendous folly.”⁸

In Mann's time, the country was undergoing a fundamental change from an agrarian to an industrial economy, and the need for new kinds of educated work skills had become acute. In a parallel way, we are currently moving from an industrial economy to one that is much more knowledge-based. Thus, his words are as timely now as they were in the 1830s when he wrote them. In today's global marketplace, the competitive advantage of our region depends more than ever on the skills and capabilities of our workers in comparison with those of workers in other important economic regions of the world. Given America's increasing outplacement

⁸ The quoted statements in this paragraph are drawn from pp. 110 et seq. of a biography of Mann written by Robert B. Downs. *Horace Mann: Champion of Public Schools*. (New York: Twayne Publishers, Inc., 1974). A century and a half later, a great economist observed that the most important achievement of modern economic growth is undoubtedly the increase in the stock of human capital. “[T]he development and transmission of practical knowledge and intellectual skills are at the heart of economic development . . .” Theodore W. Schultz, *Investing in People: The Economics of Population Quality* (Berkeley: University of California Press, 1981), p. 47.

of low-skill work to other countries and the use of new technologies that reduce the need for low-skill labor in this country can cocreas0 -1.]TJT*Tw(832low-sproportiontechhigh-w

COMPARATIVE PERFORMANCE OF PUBLIC ELEMENTARY SCHOOLS

Median Household Income (1990) of School Districts	Below 40th percentile	40th–60th percentile	Above 60th percentile	All Schools
Below \$35,000 Chicago	346 (85%)	28 (7%)	32 (8%)	406
Below \$35,000 Other	57 (73%)	14 (18%)	7 (9%)	78
Above \$35,000	20 (8%)	52 (21%)	178 (71%)	250
Total: 6 counties	423 (57%)	94 (13%)	217 (30%)	734

COMPARATIVE PERFORMANCE OF PUBLIC HIGH SCHOOLS

Median Household Income (1990) of School Districts	Below 40th percentile	40th–60th percentile	Above 60th percentile	All Schools
Below \$35,000 Chicago	57 (90%)	3 (5%)	3 (5%)	63
Below \$35,000 Other	20 (80%)	4 (6%)	1 (4%)	25
Above \$35,000	14 (13%)	20 (19%)	74 (69%)	108
Total: 6 counties	91 (46%)	27 (14%)	78 (40%)	196

Progress in Chicago

Despite this gloomy snapshot, the Chicago system, which includes most of the low-performing schools serving the bottom tier of household income, has made remarkable progress over the past decade. One of the reasons is a series of legislative reforms by the State of Illinois which has ultimate responsibility under the 1970 Constitution to provide “for an efficient system of high quality public educational institutions and services” pursuant to “a fundamental goal of the people of the State,” which is “the educational development of all persons to the limits of their capacities.” These reforms were stimulated in large measure by vigorous and sustained advocacy on the part of a wide array of business and civic leaders, as well as concentrated efforts by parents, community-based groups, and education-related organizations throughout the state.

In 1988, the General Assembly adopted the Chicago School Reform Act which established as a goal the achievement of Chicago students at national norms, reallocated state compensatory education funds to schools on the basis of low-income student enrollments, and provided for school-based decision-making units empowered to hire and fire a principal, to adopt a spending plan for a school’s newly acquired discretionary funding, and to create and carry out a school improvement plan. The 1988 reforms were based on the idea that expanded engagement of local participants in the school’s work would create a base of local leadership that would sustain a serious focus on school improvement. These reforms have gone a long way in improving community relations, parent involvement, school safety, and, in many cases, particularly at the elementary school level, academic performance.

In 1995 (with further enhancements in 1997), the General Assembly amended the Chicago School Reform Act to confer on the mayor of Chicago direct responsibility for the school system, with power to appoint the members of the new Reform Board and certain of the top officers; to constrain influence of the system’s unions; and to greatly simplify the system’s finances. The Act replaced the fifteen-member Board of Education with a five-member Chicago School Reform Board of Trustees (seven members after July 1, 1999). It also altered the board’s authority over budget and management decisions, giving the board the funding flexibility necessary to balance the budget. Most of the local decision-making powers created by the 1988 reforms were left in place, but the central system was given new authority to engage underperforming schools.

On July 1, 1995, Mayor Daley appointed a Reform Board of Trustees and a strong management team. Since then, the new administration has eliminated a \$1.3 billion four-year budget deficit and negotiated a four-year contract with the Chicago Teachers Union. It has instituted policies requiring daily homework assignments; put an end to the long-standing practice of social promotions; instituted summer school programs for 100,000 students; and revised the school promotion policy so as to require summer school for underachieving students in the third, sixth, eighth, and ninth grades. These are just a few of the many reforms that have raised the level of accountability among students, teachers, and principals and that have improved the physical facilities of the system.

By the middle of 1997, these measures, along with the cumulative effects of the past decade's widespread reform efforts, were beginning to show results. *The New York Times*, on June 6, 1997, reported:

Judging from the scores on standardized tests administered to all eighth graders, the approach seems to be working. Of the 473 elementary schools, 393 had better math scores this year than last year, and 271 had better reading scores. Improvement in scores was also recorded at the vast majority of schools that had been placed on probation a year earlier.

Notwithstanding the progress of the Chicago Public School system in rebuilding public trust, imposing strong financial controls, and introducing academic discipline, most of the schools, particularly the high schools, are still operating below a minimally acceptable level of performance.¹⁰

The 1997 Legislative Reforms

In late 1997, the State legislature amended a number of education acts. The new law applies to all public elementary and secondary schools throughout the state. It provides a more adequate floor for school funding and enhances managerial options respecting administrators, teachers, and students. It also makes clear that the Illinois State Board of Education (ISBE) can overrule a local school board on a charter school disapproval and then step into the oversight role of the local board.

The new law establishes a statewide foundation level of funding of \$4,225 per student in the first year (1998–99), increasing by \$100 in each of the two succeeding years. In addition, the law provides for poverty grants to districts based on concentrations of poverty, initially from \$800 per pupil to \$1,900, depending on the degree of concentration. These amounts will increase slightly over the next two years.

The law also provides \$1.4 billion in critically needed funds to repair the state's crumbling schools and to build new facilities. While the provisions for allocating these funds have flaws, the substantial commitment of resources to capital needs is a major accomplishment. The new law also earmarks \$30 million for a low-interest loan program to help non-wealthy school districts to buy computer hardware.

The managerial reforms include the following:

- Beginning on January 1, 1999: the ISBE, in consultation with the State Teacher Certification Board, has the *power and authority to set standards* for teaching, supervising, or holding other certificated employment in the public schools. In essence, the ISBE, if it chooses to exercise this new authority, can do a far better job of screening out

¹⁰ See chapter 7 ("Major Lessons from the Initiating Phase of Chicago School Reform") of an excellent book by Anthony S. Bryk, Penny Bender Sebring, David Kerbow, Sharon Rollow, and John Q. Easton, entitled, *Charting Chicago School Reform: Democratic Localism as a Lever for Change* (Westview Press, 1999).

unqualified applicants for both the Initial Teaching Certificate, valid for four years, and also for the first Standard Teaching Certificate, valid for five years. Thereafter, the Standard Teaching Certificate is renewable for successive five-year periods *based on proof of continuing education or professional development*.¹¹

- The ISBE is to establish and implement an alternative route to teacher certification for persons who have graduated from an accredited college or university, who have had five years of relevant job experience, who complete certain intensive course and mentoring requirements, and who pass the requisite tests respecting basic skills and subject matter knowledge.
- The probationary time for tenure is increased from two years (three years in Chicago) to four years.
- School boards may either hire administrators and principals for one-year terms or contract with them for terms up to five years, but in the latter case, the year-to-year continuance of the contract must be geared to agreed-upon indicators of student performance and rates of academic improvement.
- Suspended or expelled students are barred from participating in all school activities and from access to school property.
- School districts with grades 9 through 12 must establish a “no pass-no play” policy under which a student who fails to maintain a minimum grade point average or a specified minimum grade in each course is suspended from participating in athletic or extracurricular activities until grades improve.

Of all these provisions, the most significant in terms of improving student achievement are those pertaining to the Initial Teaching Certificate and the first Standard Teaching Certificate. They enable the ISBE to upgrade the quality of the teaching staff by screening out both unqualified applicants for the initial certificate and poorly performing teachers who apply for the standard certificate. To do so, the ISBE will need to depart sharply from its deeply entrenched practices of the past several decades. Moreover, it will remain extraordinarily difficult to terminate a bad teacher after he or she once receives an initial Standard Teaching Certificate, given the ease of renewal and the bureaucratic roadblocks with which a principal must contend in the course of the termination process.

The other promising provision is the “Alternative Route to Teacher Certification”

means for significantly increasing the numbers of well qualified teachers by attracting bright, highly motivated people who have worked for a period of time in other endeavors and who would like to become teachers, provided they are not frustrated at the outset by inappropriate red tape and excessive emphasis on education methodology.

Recent Developments Within the Illinois State Board of Education

All public primary and secondary schools in the state are under the oversight of the ISBE. The ISBE was created by the State Constitution, which provides that the Board “may establish goals, determine policies, provide for planning and evaluating education programs and recommend financing.” But it is the School Code of 1961, as amended,¹² which sets out the detailed powers and responsibilities of the Board and of each school district board. That code, much like the Internal Revenue Code of the United States, currently runs well over 1,000 pages in length. This is in sharp contrast to the much briefer set of laws covering higher education in Illinois.

Whereas the boards of trustees of the state’s public colleges and universities are given broad discretion in managing the affairs of their respective institutions, the School Code lays down a “complicated array of certificates and endorsements through a cumbersome structure of administrative approvals and variations on these approvals.” For decades the Board has required its approval of all teacher preparation programs at all Illinois institutions of higher education “in a process that is time consuming for each institution, but which rarely if ever [results in an instance of disapproval.]” These approved teaching programs are designed “without substantial involvement of practicing teachers . . .” While 43 states require professional development for renewal of standard teaching certificates, the Board has never undertaken any such effort, and aside from a “course counting approach,” the only real requirement for certificate renewal is the payment of a few dollars in annual fees. Finally, a bureaucratic culture of long standing has made it next to impossible to terminate bad teachers; and the Code, by failing to specify the areas that should be nonnegotiable (such as flexible work rules), permits school districts and unions to enter into contracts that undermine the possibilities of educational excellence.¹³

Notwithstanding many hopeful signs and sincere efforts by past state superintendents to transform the agency, the question is whether any state superintendent, no matter how visionary and forceful, can overcome the feudalism of a bureaucratic staff. Many of the personnel have been in place for decades and owe their job security to legislative members, on both sides of the aisle, with whom they stay in close communication.

¹² Illinois Revised Statutes, chapter 105.

¹³ The statements in quotes in this paragraph are from *Rising to the Challenge: The Future of Illinois Teachers*, August 1996, prepared by the University of Illinois at Chicago and Illinois State Board of Education Task Force on Teacher Preparation, Certification, and Professional Development, pp. 4–7.

The Heart of the Matter

Much remains to be done, but the educational reforms of the last ten years have laid the beginnings of a foundation for addressing the challenges before us:

- to attract, train, retain, and motivate a critical mass of teachers who become so adept at their profession, so competent in the subjects they teach, and so effective in motivating their students, that many or most of the students become engaged in the learning process to their full capacities, even those who must overcome significant obstacles to achievement by reason of family and neighborhood circumstances;
- to enable an increasingly diverse immigrant student population to participate fully in the social and economic mainstream of America;
- to upgrade the institutions that educate the region's new teachers so that they attract better qualified students and so that their graduates are better prepared to teach;
- to create a mutual support system among teachers within each school so that the more able, experienced teachers are enabled and expected to coach and mentor younger teachers and to identify those teachers

across much of the nation, is highly centralized, and it focuses on regulating various dimensions of school life: teacher certification, minimum hours of daily instruction and number of days in the school year, graduation requirements in terms of the number of specific courses passed, and so forth. “The assumption behind this approach is that if every school in the state utilizes minimally acceptable inputs, acceptable student learning will result and differences in student achievement will reflect either

knowledge they require to teach differently and to produce different results for students.”¹⁷ But if schools are to work toward the kind of professionalism and teacher

worked full-time or part-time in 1965, fully 53 percent were in the labor force in 1991. In 1995, 60 percent of women with children under age six worked, and 75 percent of women with children ages 6 to 17 worked. Eight out of ten employed mothers with children under six are likely to use some form of nonparental child care arrangement. Based on 1993 data, child-care centers represent 30 percent of the primary child-care arrangement, followed by nonrelative family child-care (21 percent), grandparents (17 percent), father (16 percent), other relatives (9 percent), and mother (6 percent).

The quality and affordability of preschool care and education is a regional issue. First, the effectiveness of the region's public-education system and its workforce development programs depends heavily on the quality of care and nurture that preschool children receive, either at home or in an institutionalized setting. It is estimated that 35 percent of children who show up in kindergarten classrooms are not ready to learn.

Second, the productivity of low- and middle-income working parents of preschool children, not to mention the quality of their lives, is seriously affected when they are under financial and psychological stress because their children are enrolled at high cost in facilities of poor quality.

Both low-income and middle-income parents are adversely affected by: (1) the cost of child care, which can make employment less attractive; (2) the quality of the child-care providers; and (3) the availability of child care, especially near or in the family home, and on evenings and weekends.

The cost of child care is usually prohibitive for those who need to or are required to work by federal law. In 1995, a single mother earning the minimum wage brought home only \$8,840. To procure a formal child-care arrangement, she would have to spend 38 percent of that income. The majority of the women who will be required to move from welfare to work have more than one child, doubling and sometimes tripling the cost of child care. One third of poor mothers are not in the labor force because of child-care problems.

The other key problem is the paucity of qualified child-care professionals. The turnover rates among child-care providers exceeds 40 percent annually. Low wages, poor benefits, and limited professional esteem are the major barriers to attracting qualified people to the field of early childhood development. Yet, teaching preschool children may require more skill and education than teaching at the elementary school level. A revolving door of teachers is not very reassuring to children or very healthy for their social development. Insecure children may grow up to be insecure adults, unable to thrive in a school or work environment.

Financing Child Care

State of Illinois

In the fiscal year ending in 1999, the State of Illinois will spend \$391.5 million on child care, up from \$280.6 million in 1996. This increase, combined with stricter eligibility and co-pay requirements, has enabled the state to eliminate the waiting list for subsidized care and provide child-care assistance for all families below 50 percent of the state median income in 1997, which was approximately \$22,000 per year for a family of three.

Private Employers

In the past five years, major corporations have invested more than \$350 million nationally (perhaps as much as \$25 million in our region) in child-care initiatives. Most of these funds have been targeted to start new child-care centers, recruit new family child-care homes, and improve the quality of child care. Less frequently, employers have established dependent-care assistance plans that help reduce the cost of child care by reducing employee tax burdens or providing more flexible working arrangements. Few employers actually subsidize the weekly cost of child care for their employees.

It is in the long term interests of private employers to provide child-care assistance to employees. When a parent is worried about the quality of their child-care arrangement, they are more distracted and less focused. Also, child-care programs can be an effective recruiting tool. More generally, the quality of the future workforce depends as much on the quality of early childhood care as on the quality of the public-school education.

The Accreditation and Licensing System

In Illinois, there are 323 child-care centers that have been accredited by the National Association for the Education of Young Children (NAEYC), based on stringent quality standards. The 323 NAEYC accredited centers meet the highest standards of care and early education, but unfortunately they represent only a small fraction of the licensed centers in the region. In Cook County alone, the Department of Child and Family Services (DCFS) has licensed 1,196 day-care centers and another 2,449 day-care homes (each typically caring for 3 to 12 children). Licensing standards, set at the state level, are primarily based on health and safety criteria that are geared to minimal levels of custodial care, not to quality of educational nurture.

Chapter Two

MOVING PEOPLE AND GOODS

The region's future depends on a personal transportation system that enables the region's residents, across the spectrums of age and income, to move about in ways that are safe, convenient, and comfortable. They should be able to view clear skies and clean air and pleasant environments for walking and bicycling. They should have access to a wide range of housing choices in locations that enable them to reduce the number and length of their daily trips. The various modes of transportation in the region should be complementary, encouraging people to switch easily from one mode to another, and utilizing fully the advantages of all modes. Public transit must be safe and its use encouraged by land-use policies that promote higher-density, mixed-use developments around important rail and transit stations.

Chicago has long been at the crossroads of America, and in the new era of global markets, it is more important than ever to provide ease of intermodal connection among all modes of freight transportation and to anticipate and provide for the region's growing demand for air service.

This chapter is divided into three sections: personal mobility within the region; freight transportation to, from, and within the region; and air and rail transport of people to and from the region.

Personal Mobility within the Region

Private motor vehicle use now accounts for more than 90 percent of all personal surface travel in this region. In 1990, 68 percent of all commuting trips in the region were made in solo driven vehicles, up from 58 percent in 1980.

The continued dispersion of jobs away from the center city will tend to intensify our automobile dependency. The Northeastern Illinois Planning Commission (NIPC) projects the addition of 1.8 million people and 1.4 million jobs between now and 2020 and predicts that this growth will take place largely outside the Chicago city limits, as shown below:

<u>Subregion</u>	<u>1990 Jobs</u>	<u>Growth to 2020</u>	<u>% Growth</u>
City of Chicago	1,480,000	260,000	18
Suburb. Cook Co.	1,290,000	480,000	37
DuPage Co.	530,000	285,000	54
Other Counties	545,000	410,000	75

A fourth problem, arising out of the region's heavy reliance on the motor vehicle, is that of air pollution. The Chicago area is the nation's second most serious non-attainment region in terms of the number of days each year in which the area fails to attain National Ambient Air Quality Standards for ozone. Motor vehicles account for about one third of this problem. Despite the billions of dollars that have been spent on revolutionary new vehicle and fuel technologies over the last two or three decades, the problem has not been solved because: (1) about half of all new vehicles sold are light trucks, vans, and recreational vehicles, which are held to far less stringent fuel efficiency and emissions standards than are cars; (2) the increas-

Public transportation in the six Illinois counties of the region is the operating responsibility of three divisions of the Regional Transportation Authority (RTA) of northeastern Illinois:

- The Chicago Transit Authority (CTA) provides bus and rapid-transit service generally within the city of Chicago and to 38 suburban municipalities.
- The Commuter Rail Division (Metra) provides commuter rail service connecting downtown Chicago with 68 other Chicago locations and 100 suburban communities.
- The Suburban Bus Division (PACE) provides fixed-route bus, paratransit, and vanpool services to 235 communities throughout the suburbs and from suburban locations to the city of Chicago.

The public-transit system's capital assets have a current replacement value of approximately \$19.2 billion, but most of its track, bridges, and other structures are at least 50 years old. While the typical equipment life span of these assets is 30 to 35 years, the funding reinvestment cycle is currently running at about 85 years. The capital needs of the system for the years 1996 through 2020 are projected at \$15 billion, to bring the system to a state of good repair, and to maintain it in that state, once achieved. Only \$10 billion of this amount is funded in the Regional Transportation Plan (RTP), described in the next section. With a \$5 billion shortfall,

1996, the numbers are not significant. A major penetration of the market for these programs will require unprecedented marketing initiatives.

The 2020 Regional Transportation Plan

In August 1997, the Chicago Area Transportation Study (CATS) issued a comprehensive regional transportation plan entitled, *Destination 2020*, a long-term regional transportation plan (the 2020 RTP). CATS is the organization recognized by the United States Department of Transportation as the “metropolitan planning organization” whose plans are prerequisite to the qualification for federal funding of surface-transportation projects in this region.

The 2020 RTP, developed over a three-year period, proposes a coordinated multi-modal ground-transportation system to maintain the region’s existing transportation investments and serve its future travel needs through 2020. It is a fiscally constrained plan. The Regional Transit Authority (the RTA) has stated that in addition to the \$10 billion (between 1996 and 2020) earmarked by CATS for transit capital maintenance, another \$5 billion will be needed to bring the entire transit system to a state of good repair, and the Illinois Department of Transportation (IDOT) has observed that the amounts earmarked for highway capital maintenance (\$17.7 billion) will keep the system at the current level of repair but not improve it.

The proposed highway projects would expand the existing expressway-system lane miles by 16 percent (to accommodate the continued outward expansion of the region’s growing population) and would expand the rail transit-system track miles by 14 percent.

The 2020 RTP was a good statement of needed transportation improvements, but it does not constitute a strategic assessment of regional needs. Instead, it consists of a collection of projects that underwent a process of public and technical scrutiny that established some degree of merit but nevertheless reflected the results of a political bargaining process among project sponsors within the CATS forum.

A greater priority should be given to public transit. The revenues available for funding capital maintenance and new projects for roads and transit in the plan (averaging about \$1.4 billion per year in 1995 dollars) are inadequate to sustain and improve the regional transportation system. An additional \$500 million per year, earmarked primarily for transit projects, must be raised from a combination of taxes and fees directed at the private motor vehicle.

That \$500 million per year, together with the bonding authority of the several appropriate governmental units to facilitate front end loading, would bring transit to a state of good repair. Road maintenance could be accelerated, and the unfunded capital projects proposed for further study in the 2020 RTP, many of which are vital to the region, could be built.

Recent suggestions of converting the tollway system to freeways would greatly exacerbate the funding shortfall and should be rejected. To the contrary, future tollway bond indentures should be written to permit tollway revenues, in excess of funding needs, to be used to subsidize mass transit.

Freight Transportation and the Challenge of Intermodalism

While it will take decades to bring about a good intermodal personal mobility system for the region, freight intermodalism on an international scale is already well under way. One of the challenges for metropolitan Chicago is to figure out how it can most profitably exploit its historic position as railway hub of the nation and reposition itself as one of the world's major intermodal centers for the transfer of goods between different rail carriers; between rail and truck; between air transport and both truck and rail; and between water transport and both rail and truck.

Chicago, as an intermodal center, is currently defined mostly in terms of its importance as the nation's hub for the transfer of rail cars between railroads and as hub for the transfer of trailers itsecess of

There are other problems with the switching process. When a train enters the track of another railroad, whether for interchange, tracking rights, or merely crossing, the operator must conform to the yard rules of the host railroad. Unlike air travel, there are no common terminals operated by a dispassionate authority using

consisting of four Illinois, four Indiana, and three Chicago representatives. In February 1992, the Policy Committee selected the Lake Calumet site, but the Illinois Senate would not approve legislation enabling Chicago to proceed with development. Later in 1992, the Governor decided to continue with Phase II of the study – preparing a master plan and an environmental assessment – focusing on Peotone as the preferred site.

There may be no more dramatic instance of the clash between the general interests of an entire metropolitan region and the special interests of particular segments of the region (here defined to include part of Indiana) than that posed by the issues of whether and how to expand existing airport capacity and of whether and where to build a new airport. Besides the political tensions and stalemates, there are other serious obstacles: a long period of time (8 to 15 years) is required to plan and develop a new airport; the airlines are generally quite resistant to the addition of a new airport, largely because of high initial costs, scheduling complexities, and also because it eases the entry of new competitors; community concerns over noise generally call for extensive land takings and controls; these land takings often involve coordination among numbers of political jurisdictions, and the opportunities for litigation are rife. Thus, it comes as no surprise that the new Denver Airport is the first major airport to have been built in the United States since the 1974 opening

A number of studies have looked at the feasibility of creating a high-speed, Chicago-hubbed rail network. Such a network would connect Chicago's downtown

Chapter Three

LAND USE AND HOUSING

A powerful complex of forces has transformed the metropolitan landscape over the last few decades, and these forces show no signs of abating. One aspect of the transformation is the territorial expansion of the region at a rate far in excess of the rate of population growth and in a manner commonly called “low-density sprawl.” The other, sometimes called “social segregation,” is the growing division of residents into distinct geographic areas and political units within the region based on their socio-economic and ethnic or racial characteristics.

In 1970, Chicago accounted for 48 percent of the region’s population and nearly 60 percent of its jobs. Twenty years later, the city had 38 percent of the people and 37 percent of the jobs. Whereas northwest suburban Cook County and DuPage County each had about 10 percent as many jobs as did Chicago in 1970, today they each have grown to about 40 percent as many. Despite this dispersion of jobs, none of the new job regions has nearly the employment density of Chicago’s central area (bounded by Division Street on the north, 26th Street on the south, and Halsted on the west) measuring 4.75 square miles and accounting for about 550,000 jobs. The next most dense employment region is the O’Hare area of about 50 square miles, accounting for about the same number of jobs.

Many would cite the benefits that have been conferred on the majority of households and businesses as a result of the spatial transformation. *Households and businesses in the better-off suburbs* perceive that they are getting safer and more manageable communities, responsive government, good schools, proximity to nature, clean air, less noise, more housing and land for the money, car access to retail outlets where bulky parcels can be conveniently loaded and taken home to attached garages, better access to skilled labor, lower local taxes, lower land and building costs, plentiful parking, and easy access to airport and truck routes. *Many households and businesses in Chicago* notice less congestion, more efficient government as the city has engaged in healthy competition with suburbs, lower land costs and increased opportunities for city renewal, and a sharper focus on the postindustrial purposes of cities.

But these benefits have been accompanied by some very serious costs, borne mostly by those living in distressed areas of Chicago and in the worse-off suburbs. Yet, increasingly, many of the costs are being felt by the entire metropolitan region—

open spaces. Worst of all, the spatial transformation has made poverty concentration and social segregation possible on a scale and to a degree unprecedented in the nation's history.

The tragedy is that these costs, for the most part, are not inherent in the dispersal process itself but are rather the consequence of a policy framework that was never designed to accommodate the spatial transformation outlined above. The present mix of governance, tax, and other public policies, and the attitudes of people concerning the need for fairness in land use and housing policies have played a pernicious role in determining the particular lines of dispersal that we have pursued. Changing those policies and attitudes will lead to a more sustainable, efficient, and equitable use of land and existing infrastructure:

- the region will become known not only for downtown Chicago, but also for its several transit-oriented, regional centers outside Chicago, centers containing pedestrian-friendly cores and a rich mixture of diverse uses;
- the private sector will be encouraged to renew older communities with existing infrastructure, and it will be discouraged from building new developments that require high-cost, inefficient extensions of public infrastructure;
- the region will be laced with greenways and preserves containing savannas, prairies, forests, flood plains, and wetlands, and the region's rivers and streams will provide many public recreational benefits;
- a much wider array of housing opportunities throughout the region will enable people to live in proximity to their work if they so choose, thereby reducing congestion and environmental harm and enhancing productivity;
- government-assisted family housing will provide training and counselling services that enable families to move up and out so that such housing is transitional;
- residents may choose to stay in their home community through each of their various life stages, thanks to a wider choice of available housing options, and no citizen will be denied housing opportunities due to ethnicity or race;
- central city and suburbs will compete, not for tax dollars, but for recognition for excellence in community design and liveability.

Consider how Randstad Holland has developed over the last half century. Randstad Holland, meaning the ring city, is that complex urban agglomeration located in the provinces of North and South Holland. The Randstad is made up of 15 or 20 cities, almost all of which have ancient origins. It is comparable in population and territorial size to metropolitan Chicago, but the distribution of residential life and

economic activity is quite different. Unlike the Chicago region, the growth and dispersion of economic activity in the Randstad has taken place not in a growing amorphous ring around one city. Rather it has been distributed among four major cities – Amsterdam, Rotterdam, The Hague, and Utrecht – and among another dozen or so smaller cities which together take the shape of a large horseshoe. The heart of the horseshoe is protected agricultural space. In short, it is one of the world's few multicentered metropolises and one of the few metropolises that has done a superb job of protecting important agricultural lands and open space.

In part, this phenomenon is a matter of historical accident. Yet the economic and

expansion. As a result, suburban northeastern Illinois is less densely developed than even Los Angeles.

This dominant vision, Downs says, is badly flawed:

Excessive travel. Chapter Two summarizes the implications of excessive travel in terms of congestion, environmental harm, diminished productivity, and reduced time with family.

High infrastructure costs. Unlimited low-density development entails infrastructure costs that are far higher per capita than in the case of more compact developments. One study concluded that the street, utility, and school capital costs of noncontiguous, low-density (fewer than three dwelling units per acre), single-family development are more than 50 percent higher per capita than those of contiguous development with equal proportions of conventional single-family housing, single-family cluster units, townhomes, garden apartments, and high-rise apartments.²¹ Moreover, the excessive building of new fringe area communities can ultimately lead to the deterioration or even abandonment of much of the existing infrastructure in older communities whose populations are declining. Chicago and inner ring suburbs have become burdened with abandoned, under-utilized and contaminated properties known as brown-fields. There are approximately 2,000 of them in the city alone.

Loss of open space. Unlimited low-density development entails the excessive loss of farmland and important natural open space. Between the years 1970 and 1990, northeastern Illinois lost 440 square miles of farmland, an amount equal to twice the land area occupied by the city of Chicago. Moreover, new suburban development often encroaches on flood plains.

The minority poor remain concentrated in the central city and inner ring suburbs despite the continuing decentralization of economic opportunities. This is partly because the new jobs in the outer suburbs often are inaccessible except by private motor vehicle and require skills that the poor do not have. Further, many municipalities use their zoning ordinances and building codes to block the construction of affordable housing in proximity to the new entry-level jobs.

Finally, there are the disastrous consequences of the Public Housing Act of 1949, which instituted and funded the massive public housing projects of the 1950s and 1960s in the large cities of the United States. Little did the policy-makers dream that these projects would become permanent warehouses for the minority poor.

Surely, this program represents one of the greatest failures in domestic public policy of the last 50 years. Nowhere has the extent of that failure been more evident than in Chicago. As of late 1998, the Chicago Housing Authority (CHA) owned about 40,000 public housing units, of which 26,000 were occupied and 6,000 were available for occupancy. Most of the 26,000 units, 90 percent of whose occupants are black, are contained in a handful of grim, mostly high-rise buildings clustered on the near south, near north, and near west sides of the city. In addition, the CHA administers over 23,000 other apartment units under the Section 8 certificate and voucher programs.

In the region as a whole, there are roughly 150,000 subsidized units, of which about 100,000 are in Chicago. Thus the CHA manages less than half of the total subsidized units in the region. The rest are managed by the housing authorities of the six counties and by a host of nonprofit and for-profit owners. As large as is the total of subsidized units, there are about 3.5 families eligible for subsidized housing for every family fortunate enough to be accepted. These other households must find their way in the private rental market, often by doubling up in older, run-down units, the bulk of which are in Chicago.

In 1998 Congress enacted a new law requiring demolition of all CHA units where the cost of fixing and managing them compares unfavorably to the alternative costs of the voucher program. A very substantial portion of the units fail under this test and are being deprogramed. The households affected will be given vouchers and told to find housing in the private housing market; or to the extent the CHA receives federal funding, newly constructed units will be offered to these residents.

During the 1980s, rents rose faster than incomes, and the supply of affordable rental housing decreased through abandonment, demolition, condominium conversion, and price increases. In Chicago, low-income renters lost access to 125,000 low-priced units. As federal policy moves toward increased reliance on vouchers,

²² Some of the most rapid increases in concentrated poverty have occurred in African-American neighborhoods in the central city. Of the ten community areas that represent the historic core of Chicago's Black Belt, eight had rates of poverty in 1990 that exceeded 45 percent, including three with rates higher than 50 percent and three that surpassed 60 percent. In 1970, only two of these neighborhoods had poverty rates above 40 percent.

government faces the overwhelming obstacle of how to increase the supply of housing for the increasing number of voucher holders. The institutional impediments to builders who stand ready to meet the demand for such housing are several: zoning and lot size requirements; the widely and strongly held belief throughout the region that rental housing brings in an unsavory element; inadequate counselling of voucher holders to prepare them as responsible inhabitants of private sector housing; and the bias against developments that might have an adverse effect on the locality's tax base.

Chapter Four

GOVERNANCE AND TAXATION

The challenges described in the prior chapter have all been rendered much more daunting by virtue of a governance and tax system in which hundreds of autonomous municipalities within the region compete for property tax base. Local

Little if any pressure has been put on state government to intervene in the locally controlled system of land annexation and development because of the mutuality of interests among expanding municipalities, local landowners, and developers. But that must change or the continued cumulative effect of many municipalities making the same kinds of decisions over many years will be extremely harmful to the interests of the region as a whole.

For example, if one municipality declares its desire to remain exclusively a place for large-lot single-family residences except for a new industrial park intended to improve its tax base, little harm is done. If many municipalities follow this same course of action, the cumulative effects are to limit the availability of housing for middle- and lower-income households throughout the region, to exacerbate the geographic mismatch between jobs and housing, to reduce the utility and economic viability of public transportation, to increase auto traffic, to reduce air quality, and accelerate the loss of valuable agricultural lands and environmentally important open spaces. The most socially distressed suburbs are hit with declining tax bases as residents and businesses locate in communities with a more favorable combination of high tax base, low tax rates, and high quality services. The frequent result is a vicious downward spiral: the distressed locality is forced to raise its tax rates, and this then encourages even more businesses and residents to consider relocating.

There are nearly 1,300 units of local government in our region, including six

be given to local government and that governmental units having regionwide powers should be established only to deal with critical regionwide issues.

The overarching principle in the development of the recommendations is timeless, and it applies to complex organizations and governments of any kind. It is sometimes referred to as the principle of subsidiarity: “the notion that action should be taken at the lowest level of government at which particular objectives can adequately be achieved.”²⁴ More specifically, matters of local responsibility should be borne by local governments that are close to their constituencies. The corollary to that principle is that regional and state authorities should perform two roles in regard to the governance of the region. First, they should have responsibility for those matters that are clearly regional in scale and cannot be effectively addressed by any locality (e.g., regional transportation infrastructure systems). Secondly, with respect to those matters that are primarily local but that are likely to have a substantial impact on other parts of the region, there should be a framework that provides strong

Existing Mechanisms for Regional Cooperation

Kennedy, Stevenson, and Dan Ryan Expressways. When the proposed crosstown expressway failed to be implemented, most other proposals for urban expressway corridors were likewise shelved. Suburbanites also have often blocked new expressways such as the proposed Fox Valley Expressway. The exception is the North-South Tollway, a suburban expressway that was recommended by CATS and has been partially implemented. Proposed extensions are still under study.

NIPC, too, was extremely limited in its early days, both by the scarcity of funding and by politics, to the point that several years passed before it was able to prepare the comprehensive and functional plans called for in its enabling legislation. NIPC's initial plans promoted compact suburban growth mainly along public transportation corridors, a design concept strongly endorsed in this report. Since NIPC's plans are only advisory, and it has no executive powers, this initial comprehensive plan could not win the approval of the many municipalities who had their own agendas and had no incentive to consider the region's needs as a whole.

Both agencies have since progressed to the point where their plans and policy recommendations are taken seriously by state agencies and by local units of government. For example, the establishment by the Illinois Department of Transportation of the Strategic Regional Arterial Highway system and IDOT's subsequent roadway improvements were pursuant to the planning efforts of CATS. In the case of NIPC, the most recent example has been the broad acceptance of the Regional Greenways Plan, developed jointly by NIPC and Open lands.

A third agency, the Regional Transportation Authority (RTA), is not primarily a planning agency, although one of its functions is to coordinate operating and capital expenditures among its three service boards that operate the public transit systems in the region: CTA, Metra, and PACE. The RTA has the unenviable task of maintaining and expanding public transportation services in a region that continues to pursue low-density development, thereby undermining the viability of most forms of public transit. The RTA is empowered to carry out a regional planning and coordination function for public transportation, but it does not pursue this function with vigor. For instance, one of the RTA's widely discussed objectives was to develop a regional fare and transfer policy. This has not yet been accomplished. The RTA does a creditable job of exercising financial oversight over the three operating entities. It also acts as a conduit for the regional sales tax and for state and federal operating and capital subsidies.

The relationships among CATS, NIPC, and the RTA have been outlined in an inter-agency agreement and by their federal, state, and local funding sources. Consequently, there is little duplication of activities. But the very fact of the fragmentation of planning functions among these agencies has weakened their capacities to address complex issues involving intricate connections between transportation and land-use policy.

The problems with CATS and NIPC also arise out of their resource limitations and their lack of implementation authority. Each of them can engage in facility plan-

ning, but neither has the ability to directly implement its own plans or to assure that the results of its efforts will not be undercut by the actions of other governments. For example, the Illinois Toll Highway Authority is not legally required to defer to the plans developed by CATS.

NIPC's level of funding places it on a par with some of the country's smaller metropolitan planning agencies even though its challenges are far more complex. Moreover, NIPC's dependence upon voluntary contributions and consulting contracts often places it in conflict-of-interest positions (e.g., when it is asked to review a policy, plan, boundary change, or state or federal grant request submitted by one of its funding sources). Even so, a number of suburban governments have argued that NIPC has interfered with their authority to plan and regulate development as they see fit.

Finally, at both NIPC and CATS, the political bargaining process continues to

al oversight in northeastern Illinois respecting the expansion of suburban growth through the extension of wastewater services except for the Illinois Commerce Commission's regulation of private utilities. Clearly, a comprehensive state policy is needed with respect to governing the extension of wastewater services and such related matters as stormwater management, water supply, the protection of critical open spaces, the premature development of prime agricultural lands, and the containment of suburban sprawl.

General Approach to Tax Reform

Metropolis 2020 has focused primarily on the local property tax and secondarily on the state and local sales tax, the taxes that give rise to most of the fiscal disparities among the different parts of the region and create the most serious hurdles in the way of achieving the plan's economic and social goals.

The Local Property Tax System

The property tax is by far the most important source of revenue for local governments of every variety, and it is the only significant local funding source for school districts. Because localities are entitled to fund their operations by levying a tax on the assessed value of their respective property tax bases, there are wide disparities in education funding, as noted in Chapter One. Moreover, as discussed earlier, local governments have perverse incentives under the system to compete for high-end residential and commercial developments and shun the development of affordable housing, especially housing for middle- and low-income families with school-age children. The cumulative effects are serious.

Cook County is the only county in the state that uses differing percentages of value in arriving at assessments for various categories of property. In addition, there is a systemic undervaluation of residential property in Cook County. For example, residential property is assessed, on average at 9 percent of market value compared to a statutory 16 percent rate in Cook County. As a result, the state imposes a high equalization factor to all categories of property in Cook. Briefly, this classification system results in over-assessments on business properties and under-assessments on residential properties. All other counties assess, or at least purport to assess, all properties at a uniform percentage of value. As a result, a business located in Cook may pay property taxes that are three or more times what it would pay if its operations were located in one of the collar counties.

State and Local Sales Taxes

Local governments rely on the property tax and state aid as their primary sources of revenues. But local sales taxes are also important for many cities. The state's gen-

eral sales and use tax is a tax on the retail sales of various goods, excluding (most notably) food for home consumption and drugs, that disproportionately impacts the poor. It does not cover services of any kind. Yet, services comprise an increasingly important component of personal expenditures in today's economy. They are

Needless to say, no tax system has yet been devised that meets all of these criteria. In developing any tax reform proposal, trade-offs must be made. If we are concerned with a tax pertaining to the funding of education and therefore the life chances of children, we should be willing to sacrifice on the scores of efficiency and simplicity, if necessary, to achieve more equity. But, in general, to the extent the designers of a tax reform proposal take these criteria seriously, the confidence of taxpayers in the system and the competitiveness of the regional economy are enhanced.

Policy Concerns with the Present System of State and Local Taxation in Light of the Criteria

In 1995, \$12.9 billion in property taxes was collected by local governments in Illinois, more than double the amount of revenue from the state sales tax and nearly double the amount from the individual income tax. Property tax revenues in Illinois are about 20 percent higher than the national average on a per capita basis. Excessive reliance on the local property tax, as presently constituted, exacerbates resource inequities among localities and school districts; it generates intergovernmental conflict; it has perverse effects on economic development; and it contributes to flight from the city and to sprawl. However, as has been noted, these consequences have much more to do with the manner by which the tax base is allocated among districts than its actual size.

The Local Property Tax and Education Funding

Historically, the property tax has been one of the most difficult of all taxes to administer, given the multiplicity of assessing and taxing bodies. While the techniques of assessment have improved markedly in recent decades, especially in regard to residential properties, the assessment process will never be an exact science. What is the value of a Sears Tower?

Property value is initially determined in the five collar counties by township assessors and in Cook County by the county assessor. The assessment process is complex, and competition among assessment districts results in pressure on assessors to undervalue property. State boards of equalization have not been successful in stopping political undervaluation. In addition, the appeal procedure is cumbersome and usually requires an initial appeal within the county. Although ultimately taxpayers have the right to take their case to court, the process is daunting. Before going to court, the taxpayers must pay the tax, and even then, the burden of proof remains on their shoulders.

On the other hand, the tax has some features that make it especially suitable to supporting the large number of overlapping taxing units that exist in the region. Every parcel of real estate is visible, in a fixed location, and even the smallest governmental unit has taxable property within its jurisdiction. Because the tax is levied

against the property, not a person, it is unnecessary to know or locate the owner to levy the tax. And collection is relatively easy, because taxes are a lien on property, and good title to property cannot be issued until all outstanding taxes are paid.²⁷

One of the chief virtues of the property tax system is its ability to weather economic storms. It provides a comparatively stable stream of revenue in good times and bad. Also, as the economy expands and the need for more services arises, wealth (and therefore the tax base) tends to rise. Thus it rates high on responsiveness.

In some respects the property tax is highly efficient in that it acts much like a benefit tax or user fee for consumers of local services such as police and fire protection. More generally, it has been argued that the property tax in a metropolitan area having many municipalities is a highly efficient tax. The argument is that competition among local governments results in an efficient allocation of public resources; that the threat of out-migration of residents forces local governments to produce government goods and services at minimal cost; that residents are enabled to select

ties in school support figures. Property wealth per pupil ranged from \$5,000 in poor districts to \$1.2 million in wealthy districts.

Despite these egregious facts, the court held that questions relating to the quality of education are solely for the legislative branch to answer because courts are incapable of defining “high quality public educational institutions and services,” and that solutions to problems of educational quality should emerge from a spirited dialogue between the people of the state and their elected representatives. In a lone dissenting opinion, Justice Charles Freeman wrote: “Out of fear of entering a ‘political thicket’ . . . the majority completely abdicates its constitutional duty to interpret the Illinois Constitution.”

In 1997, the State legislature amended the education laws to provide a more adequate floor for school funding, as described in Chapter One, but there continue to be large fiscal disparities among school districts.

The Inequity of the Sales Tax System

How does the present sales tax system measure up against the criteria set forth above? In general, a sales tax system compares favorably with an income tax or

industries and, more commonly, to individual firms. The other is a general tax structure that encourages and does not unduly inhibit development. Metropolis 2020 favors the second of these two approaches but supports the use of targeted tax approaches, such as tax increment financing (TIF), where they can be justified on the basis of remediating blighted areas that would not otherwise be developed. One problem is that TIF and other special subsidies are often used as general spurs to economic development, even on greenfield sites. Another is that they often benefit new businesses at the expense of existing businesses. Such practices then end up compensating for the deficiencies in the general tax structure when a reform of that structure is by far the preferable course of action. They can also have a negative impact on other taxing districts such as schools.

The Exacerbating Effects of the Cook County Classification System

Cook County, alone among the counties of Illinois, assesses commercial properties at more than double the percentage of value used for residential property. Specifically, in Cook taxes are levied on various percentages of property value ranging from 16 percent on residences to 38 percent on commercial properties.²⁸ The other 101 counties levy (or purport to levy) taxes on a uniform percentage of value (33 $\frac{1}{3}$ percent).

State law mandates that an equalization factor be applied to every county in the state so that the aggregate real property tax in every county, on an overall basis for all kinds of property, is 33 $\frac{1}{3}$ percent of assessed value. In recent years the equalization factor for Cook has been over two (in part by reason of the underassessment of residential property), with the result that many businesses in the county have seen their equalized assessed valuation doubled to 76 percent of real value and have ended up paying very high property taxes, especially when compared to businesses located in the suburbs where all property owners are statutorily assessed at 33 $\frac{1}{3}$ percent and where the equalization factor is usually one. The result is the further exacerbation of the competition among localities for commercial development and flight to other counties, as described above.

The Need for Administrative Reform and Professionalization

The time is ripe for administrative reform. We now have a greater than ever capacity to appraise property and to evaluate the results of that process, thanks to the emergence of computer-assisted methodologies. Computerization also gives taxpayers much easier access to information. These new methodologies will require assessors to be board-certified appraisers using national standards for assessment. In Chapter Nine, we recommend that the assessment function be centralized at the

²⁸ While these are the percentages that Cook purports to use, in practice it values all categories of properties at still lower percentages of market value, on average, thus requiring a high state equalization factor.

county level (as it now is in Cook) and that the office of assessor be an appointive rather than an elective position as is now the case. To the charge that centralization will violate cherished principles of local autonomy, the answer is that centralizing the purely administrative act of assessment of property removes the grounds for one of the frequent criticisms of the property tax: the lack of uniformity in both the assessment and collection process.²⁹

²⁹ Fisher, *op. cit.*, Note 27, p. 209.

Chapter Five

ECONOMIC WELL-BEING

Twenty years ago Jane Jacobs wrote *Cities and the Wealth of Nations*. The point of the title was that cities at their best are the great wealth generators of the nations in which they are located, far out of proportion to the populations they contain. She went on to show why some cities are so much more productive than others and why some fall so suddenly from positions of preeminence. If she were writing such a book today, it would be entitled, *Metropolitan Regions and the Wealth of the World*, and she would proceed to explain why our region and perhaps another dozen regions in the world are such unique centers of wealth creation. She would stress again how once-great regions can lose their dynamism, and vice versa.

Over the last 15 years, the number of jobs in the region grew by nearly 30 percent while the population grew by only 6 or 7 percent. The unemployment rate for the region is now 4.5 percent, compared to 6.7 percent ten years ago. We do not know when another major economic downturn might occur, but there is every reason to believe that over the long term we can continue to grow in jobs and productivity and in terms of quality of life, provided we are not lulled into a false sense of security.

One of the great things about the Chicago region has been its periodic bursts of self-renewal, from the aftermath of the Great Fire of 1871 down to the present time. However, when things are going as well for the vast majority of us as they are today, it is hard to perceive that anything could ever go wrong or to see that there are problems that need fixing before they damage our competitive standing or quality of life and become far more difficult and costly to repair.

An analogy from the corporate world well demonstrates the dangers of complacency. In the early 1980s, when General Motors Corporation still had 45 percent of the car market in the United States, no one could have anticipated that GM was about to be dealt one devastating blow after another, first by the Japanese and later by Ford and Chrysler whose viability had been threatened by the economic downturn of 1980–82. While they were taking strong measures to avoid disaster and regain their competitive edge, GM had grown comfortable. By the end of that decade GM's share of the market was down to 32 percent.

This region is facing a similar challenge. Twenty years hence, if we do the right things now, the region will be one of the ten or fifteen great metropolitan centers of the world economic order that is emerging. If we fail, historians could then look back on metropolitan Chicago as the region that once served as the financial, marketing, and insurance center for the powerful agro-industrial complex of the Midwest but that lost its way in the closing years of this century because its leaders lacked a sense of vision, because they failed to understand the altered structure of the world economy, and because they failed to develop and act on strategies for adapting to the new order.

One of the chief aims of Metropolis 2020 is to ensure that we do not become comfortable in this current era of unparalleled prosperity. The plan focuses chiefly on the physical and institutional infrastructures and policy frameworks pertaining to transportation, land use and housing, education, governance, and taxation. The economic goals of the plan are to alter these background conditions in ways that will enable and encourage the residents of metropolitan Chicago and its employers to meet the challenges of the new world order in which region competes against region and to bring about a high and sustainable level of prosperity.

The first five challenges, already covered in this plan, are as follows: the need for uniform, regionwide excellence in public education and early child care; the need for state-of-the-art surface and air transportation systems; the need for “smart growth” land-use policies and equitable housing policies; the need for fundamental reform of the state and local tax system; and the need for governance reform.

Three additional challenges are identified in this chapter. As in the case of the first five needs, these challenges arise out of our changed and changing circumstances. The first five challenges entail strategies that call for implementation efforts stretching out over the next decade or more, but the following needs can be successfully addressed over the next several years:

The first step may be to place unemployed and welfare-dependent citizens in low-skill, low-wage jobs, but the ultimate aim is to move them into jobs that provide

Government can best focus on basic education, on the funding of training programs, on transitional financial support, and on providing a well-functioning job matching facility.

Job training is the primary obligation of employers. For one thing, employers can adapt and improve upon the “German model” whereby businesses actively participate, help fashion curriculum, and fund secondary “school-to-work” type programs. Second, business has the opportunity in this region to work much more intimately with community colleges so as to ensure that they are teaching the technical skills that are most in demand in the workplace.³⁰

The Need for Systemic Reform

Currently, nearly \$600 million is spent each year on public sector job training in the state, with nearly 50 percent of the funds being channeled to the community college system. Additionally, there are 56 different government funding sources for job training in metropolitan Chicago alone. This highly fragmented “system” creates significant duplication, massive inefficiency, and a web of bureaucratic requirements that are burdensome for all involved: job seekers, service providers, and potential employers. The absence of uniform standards or consistent evaluations makes it impossible to compare results among various programs. Moreover, present performance criteria tend to stress short-term job placement and ignore long term retention or income gains, heightening the probability that participants will obtain low-wage, dead-end jobs.

Thus, the need is for a comprehensive and coordinated workforce development system that will more effectively draw upon the distinctive resources of employers, labor organizations, community-based organizations, the community college system, myriad state agencies (e.g., the Department of Employment Security, the Department of Commerce and Community Affairs, the Department of Human Services, the State Board of Education), as well as the Mayor’s Office for Workforce Development in Chicago and various county agencies across the region.

The Need for the Region to Prepare for its New Role in the Economic Order

The new economic order is characterized by global markets, advanced information and communications technologies, and a strong service orientation. In this new order, metropolitan Chicago must go beyond its traditional roles in international trade, banking, tourism, and conventions and meet three conditions. First, it must serve as a site for the coordination and control of complex organizations running

³⁰ Over the last few years, the Illinois Community College System has developed a “Workforce Preparation Action Plan.” One of the initiatives under this plan (termed Education to Careers) calls for state and local partnerships of business, labor, and education to prepare young people with the basic academic and technical skills needed for careers in skilled and profitable jobs. The program includes school-based learning and career counseling, work experiences integrated with educational programs, and activities that connect educators and employers. These and other initiatives under the plan are in the early stages of operation, and they should be monitored by Metropolis 2020 to assess their effectiveness.

dispersed networks of factories, offices, and service and distribution outlets. Large and medium-sized corporations, with their worldwide span of activities, need to be headquartered in Chicago or in one of the region's other principal centers of business activity with easy access to O'Hare Airport and to a world-class communications infrastructure.³¹ These firms rely on a wide variety of specialized service firms that are found mainly in downtown Chicago but also in the other regional centers. This points to the second condition. Our region must provide the ideal environment

The three conditions outlined above will be met only as the cumulative result of pursuing the overall plan embodied in this document.

The Need for a Centralized Database and a Marketing Strategy

The development of a regionwide database for analyzing the metropolitan economy and its individual communities is essential for existing and prospective employers seeking hard-to-get information as they decide to locate new or expanded operations in the region. It would also be used to fashion a more detailed,

and the recommended increase in taxes to provide more equitable access to education and to fund the Regional Coordinating Council proposed in Chapter Nine could be substantially offset by government streamlining initiatives called for in that chapter. In the second place, even though it is unlikely that we will achieve tax neutrality within the first several years of implementation efforts, the residents of the region should expect to enjoy rich dividends from the recommended investments to develop people's skills, to improve the transportation system, to enhance the wise use of natural resources, and to moderate fiscal disparities. These dividends will be realized in terms of increased human productivity, quality of life, equity of opportunity, and stronger communities.

Chapter Six

PUBLIC EDUCATION AND CHILD CARE

Public Education

Toward More Equitable Tax Funding

Fiscal disparity among school districts is not the only reason for the differing

level of reliance on local property taxes. The new state funding should be derived from some combination of the following:

- (1) A new statewide property tax levied on a specified portion of the growth in the equalized assessed valuation of commercial-industrial

system that informs the public how the schools and the students are performing from year to year, and releasing the names of the schools that are on the academic watch list; (4) overseeing, whether through independent boards or otherwise, establishment and implementation of standards for licenses, license renewal, and advanced certification of teachers, together with standards for preservice, induction, and ongoing professional development programs, as recommended in the 1996 Task Force Report cited in Part I; (5) setting general policies supportive of the decentralized, performance-based approach; (6) assisting school districts in implementing partnerships that will integrate preparation, induction, and professional development opportunities for teachers, again as proposed in the aforementioned Task Force Report; (7) providing an assistance function that enables, but does not require, schools to select from a list of qualified intermediate providers (independent contractors) of the kinds of services needed by schools in helping them to improve their performance; (8) providing a research and development function that helps schools to become aware of, and implement, new technologies and innovative ideas for improving their performance; and (9) overseeing the state funding of public schools.

The truth is that if the School Code were revamped along the above lines, it would probably make sense to eliminate the ISBE and create a new cabinet Secretary of Education with broad responsibility over the whole continuum of education from prekindergarten age through university graduate school ages. A single cabinet would focus more intently on how the colleges and universities can best meet their responsibility for training able teachers for the public schools.

Increasing the Supply of Well-Qualified Principals and Teachers

Horace Mann was obsessed with the need in his time to make the teaching profession more attractive to able young men and women. During his first year in office, he noted the “extensive want of competent teachers for the common schools” and concluded that “the teachers are as good as public opinion has demanded.” If they become teachers at all, “it is only for a brief period, and for some collateral purposes and when their temporary end is gained, they sink [the profession] still lower by their avowed or well-understood reasons for abandoning it.”³³

Mann’s observations are as timely today as they were in the 1830s. In fact, most of our recommendations are aimed primarily at making the positions of principal and teacher much more attractive as a long-term career to people who have a high 3Term carementate hoow thinerom013 Tw(tea-garten age 268 tempoher muy for a r muyfro

understands that its future depends on how well it recruits the next generation of top talent. The senior-most officials and every school principal in the district should be intimately involved in the task of attracting able teachers.

Third, we urge local school districts, in exercise of their existing powers, to adopt performance-based bonus systems that will reward the teachers in those schools who achieve high-stretch goals for student performance. The performance bonus could be granted to the school on the basis of individual performance or distributed among the teachers in equal amounts. State funding for such bonus plans should be directed to schools in distressed neighborhoods. In addition, private sector funds should be raised for this purpose, following New York City's example.

Fourth, we must radically upgrade the institutions that teach the teachers and eliminate superficial curricula requirements. Students spend excessive time taking required courses in educational theory; they are discouraged from pursuing interdisciplinary approaches; they are not adequately trained in the educational uses of technology; and they are subjected to the latest educational fads. The ISBE has the formal authority to make the curricula requirements more substantive and exciting for college students of ability, but it has not exercised the will to convert any but a few of the teachers' colleges to this way of thinking0003 Tcwilu0.029rag000hers' coJT*0.0433

Overhauling the System of Teacher Certification and Tenure

The ISBE should exercise its newly granted power and authority to implement the 1997 Amendments concerning teacher certification, using performance-based measures to screen out unqualified applicants for the initial four-year certificate and to prevent poorly performing teachers from obtaining the five-year Standard Teaching Certificate. The potential of these new tools for changing the current culture of “teachers for life” cannot be overestimated. The question is whether the ISBE has the will to use them as forcefully as possible.

The ISBE, in carrying out its teacher certification responsibilities, should utilize the standards developed by the Interstate New Teacher Assessment and Support Consortium, for new teachers, and by the National Board for Professional Teaching Standards, for teachers in the field. These two sets of standards represent a major breakthrough, and they have been adopted in a number of other states.³⁵

Targeting the Low-Performing Schools

We propose a set of near-term strategies for improving student performance at the lowest-performing schools: a benchmarking system that uses updated IGAP standardized tests (aligned with revised state standards for what students are expected to learn in each grade) to measure student progress; salaries for the most outstanding teachers and principals that are competitive with those paid in the rest of the region; an incentive system, aligned with these goals, that rewards and recognizes those schools that meet the student performance goals assigned to them; a sophisticated mentoring and coaching system, using outside proved experts, to improve the management skills of principals and the teaching and technology skills of the teachers and to help them learn from those schools that have been most effective in improving their performance; the infusion of new blood into the teaching staffs of these schools, in part by special use of the new alternative route program to bring in highly-qualified and committed second-career teachers; a peer review system and a streamlined dismissal process that will facilitate the termination of the very substantial numbers of bad teachers who undermine educational goals and demoralize the many teachers who take their jobs seriously; and finally, the greater utilization of such accountability mechanisms as probation, remediation, and restructuring. The administrators and teachers of a school threatened with being reconstituted have a powerful incentive for taking corrective measures.

recore6centivremedir8egies for imaim comtmlinengeathe finequaborhre
W

Addressing Urgent Capital Needs

Over the next seven to ten years, at least \$10 billion will be required to finance the renovation, construction, and equipment of school facilities in the region. Certain of the tax-reform recommendations partially address this need. In addition there are other mechanisms to help local districts finance capital improvements, e.g., the reallocation of general state aid to provide a guarantee of last resort, or the establishment by the state of a capital investment trust fund. We simply must maintain facilities and equip every school in the region with current information and communications technologies.

Enhancing School Choice

There is no single approach to solving the educational problems of large urban school systems, but the expansion of choice programs would inject market forces to propel the more fundamental systemic changes we seek. Among the options that should be considered and actively pursued are: liberalizing the existing charter-school legislation in Illinois; enacting an inter- and intra-district public school choice program consistent with the above recommendations respecting local school autonomy and parental choice within the public-school system; and greater choices for students to attend private schools that would include vouchers or tax credits. While there is still much to learn about the efficacy of such choice programs, and efforts will be required to ensure that the least advantaged are given genuine access to such options, we should move forward expeditiously to expand such alternatives. A pilot private-school choice program should be developed in the near term. Any such effort should include a strong research component to evaluate the program's effectiveness and careful assessment of the educational outcomes.

The Care and Nurture of Children

Chicago Business Collaborative for Dependent Care

Private employers should work closely with the Chicago affiliate of the national American Business Collaborative for Quality Dependent Care (ABC), which is the Day Care Action Council. The objective of this collaboration is to pool resources to increase the availability of quality child-care services in this region. Through ABC, companies in the Chicago metropolitan area can secure expert advice on how to conduct employee needs assessments and then develop strategies for dependent care. In the process, employers learn how to identify potential community vendors, whose services mirror employees' child-care needs.

State Initiatives

At the state level, incentives need to be in place to encourage centers and family child-care networks to improve their quality. The state should pay a higher rate of reimbursement for services rendered to those centers and family child-care homes with NAEYC accreditation, referred to in Chapter One. As part of the licensing process for centers and family child-care homes, the state should include quality standards such as lower child to adult ratios, curriculum designed to stimulate children and teach them basic skills, and avenues for parental involvement. Finally, the Illinois legislature needs to appropriate funds on an annual basis for quality enhancement and capacity building. We recommend increasing the quality/capacity building set-aside to 10 percent of total child-care budget, or \$40 million for fiscal year ending in 2000. This appropriation could be used to: invest in facilities and training for all types of providers; develop and expand family day care home networks; pay a higher rate to programs that are open at nontraditional hours; provide incentives to serve special needs kids; and pay a higher rate to providers who have demonstrated excellence through accreditation. The City of Chicago's joint initiative with area foundations to invest \$16 million over the next five years to improve the quality of child-care centers through the NAEYC Accreditation Project is laudatory.

Making Child Care More Affordable

Metropolis 2020 recommends that businesses in the Chicago metropolitan region help support their employees with families through employee benefit programs. For example, Con Agra Refrigerated Foods has instituted a model program which combines partnerships with child-care centers near their plants and a pretax dependent-care assistance plan (DCAP). Con Agra makes a contribution for the start-up costs of the centers and pays for a portion of the weekly cost of care for each of its employees. The employee's portion of the cost of care is deducted from their paychecks and placed in a DCAP. In addition, companies can offer temporary disability insurance and expanded parental leave to parents of newborn infants. Given the scarcity, poor quality, and relative expense of child care for infants and toddlers, paid or unpaid parental leave could offer parents an alternative to reliance on such care.

Metropolis 2020 also recommends that companies study the option of offering child care subsidies in their menu of employee benefit options. This may enable two-parent working families to maximize their benefit plan options. It may be less beneficial to single-parent families who will most likely need to select medical insurance as their major benefit.

The State of Illinois should ease the eligibility requirements for child care subsidies, particularly for low-income parents who are enrolled in training programs to improve or acquire employment skills. The state should also liberalize its subsidy programs so as to enable low-income parents to buy child care with 75 percent of the providers in their communities. The cost of raising the basic rate ceiling to the

75th percentile would be approximately \$100 million per year in new child-care subsidies. Higher ceilings are especially needed to afford access to licensed and accredited programs offering child care at nontraditional hours.

Redesigning Health-Care Delivery for Poor Children

We do not have the answer to the question of how to ensure that children from the time of birth, no matter how poor, are provided with adequate health-care services.³⁶ But we must find that answer if we are to realize the goals of this plan: to ensure the economic vibrancy of the region and to bring about the best possible conditions of living for all its residents. Fortunately, this region is rich in the resources and expertise required to find that answer and develop an agenda of private and public sector actions. To this end, we recommend that Metropolis 2020 begin by appointing a task force in consultation with the Chicago Health Policy Research Council. This Council is associated with the University of Chicago and is composed of a broad-based coalition of health care leaders throughout the region.

³⁶ Irving B. Harris, *Children in Jeopardy: Can We Break the Cycle of Poverty*. (New Haven: The Yale Child Study Center, 1996). Mr. Harris, a long-time member of the Commercial Club, focuses on the first several weeks and months of a child's life in which the quality of care and nurture it receives makes a critical difference in its life chances.

Taxing motor vehicles to subsidize transit is justified, because it ensures that the vast majority of residents – including people who are elderly, young, poor, or disabled – enjoy a basic level of urban mobility and also because mass transit reinforces the vibrancy of high-density centers both in the central business district of Chicago and also, increasingly, in retail/employment clusters in other parts of the region.

The revenue raising measures we propose will send the right signals to vehicle users and thereby encourage them to consider other mobility options and housing choices. As explained in the next subsection, they will also begin to raise the revenues required to adequately maintain the region’s road system and enable the RTA over time to restore the region’s transit system to a state of good condition.

Improving Public Transit

With the increased revenue sources, the region can not only pursue the transit projects identified in the 2020 RTP; it can assign higher priority to transit than does the 2020 RTP. By making transit a much more attractive option while also increasing the costs of driving, commuters will tend to change their habits, and the region’s systems will gradually become more viable and begin to cover a larger proportion of their variable, if not fixed, costs. But for the foreseeable future, rail and other mass-transit systems will in most cases continue to require heavy subsidization.

One of the best ways to improve the attractiveness of transit is to provide connections between high activity centers: adding pedways from the Northwestern and Union stations to the CTA and the existing pedway system; developing a rectangle of dedicated bus lanes and new busways (streets or lanes for buses only) in the central business district of Chicago to link the train stations, the business offices and hotels in the Loop and North Michigan Avenue area, and the convention center; building more park-n-ride parking lots and garages to connect to the RTA system; and developing intermodal stations where Metra and CTA trains are adjacent such as at 35th and LaSalle Streets and at 35th Street and Archer Avenue.

In the same vein, the CATS proposal for adding two lanes to the thirteen-mile segment of I-90 (at a cost of \$130 million) should be rejected. Instead, that right-of-way should be used for a new transit line that would extend the CTA Blue Line to Elk Grove, Schaumburg, Rolling Meadows, and beyond. These two lanes are the only available corridor for transit.³⁸

Priority should be given to public transit in this corridor of high job concentration. It would also allow for an intermodal connection (estimated to cost over \$50 million) from the O’Hare people mover to the CTA and Metra. The most important

³⁸ The 2020 RTP, in “Corridors for Further Study,” identifies 20 transportation corridors for further study. Because of fiscal constraints, none of them is the subject of recommended transportation improvements. One of these corridors is the I-90 Transit Corridor, which contemplates a new transit line from the Blue Line River Road station to the EJ&E commuter rail line. In the absence of an existing right-of-way, the plan acknowledges that “identifying an acceptable alignment may be difficult.” We agree, and we believe that the \$650 million estimate for this expansion could be quite low. That is precisely why we propose using the I-90 corridor for transit, not for more vehicle lanes.

benefits of this new link would be (1) to accommodate persons traveling from the north or northwest to O'Hare, (2) to provide better access to jobs located northwest of the airport, and (3) to provide easy access from the airport to the west Loop business district and to the convention center via new dedicated bus lanes from Union Station. This proposal should be reinforced with other, complementary strategies to encourage transit use.³⁹

Van and car pools. Employers, unions, and community associations should work together to establish information facilities and provide incentives so that neighbors and fellow employees are motivated both to use public transit and to enter into ride-sharing arrangements. Also, local governments should provide preferential parking for high occupancy vehicles. In addition, we support the idea of experimenting with ramp bypass lanes to give priority to buses and high occupancy vehicles as they proceed into the main traffic flow over single occupant vehicles.

Paratransit. Given today's decentralized urban living patterns, a strong case can be made for transit services using vans, taxis, shuttle buses, and jitneys that do not follow fixed routes. They would provide noncapital-intensive alternatives to the monopoly of local transit authorities. A central switchboard and computer would match drivers and riders. When a person requests a ride, there would be a real-time matching with a van company or, as a last resort, a taxi. Local regulations that prohibit or sharply restrict the establishment of private express commuter buses, jitneys, or van services would have to be abolished.

Privatization. Public transit would also be improved if public agencies contracted with private firms to provide publicly sponsored and subsidized transit services in high-density areas. Cost savings of 20 to 30 percent

transportation increases, transit use will remain low as long as riders are apprehensive about their personal safety.

Moderating Mobility Needs

Exploiting Communications Technologies

We have only begun to recognize, much less exploit, the opportunities for moderating transportation needs through the application of computer and communications technologies. For example, while the productivity of people in the workplace will always require considerable face-to-face interaction, employers should look for creative ways in which to train employees to increase their effectiveness through telecommuting. As computer networking becomes more commonplace, this evolution can take place without public policy intervention. If only a small fraction of the nation's workforce were enabled to work from their homes for only one day each week, the social concerns of the motor vehicle would be greatly alleviated.

Communications technologies could significantly moderate mobility needs in other arenas such as education, shopping, entertainment, and the common pursuit of hobbies.

Land-Use and Housing Strategies

One of the costs of low-density development is the amount of vehicle travel it entails: the long distances people must travel between home, work, shopping, and play. The strategies that we recommend for addressing these and other policy concerns associated with sprawl are aimed in part at achieving land-use and housing patterns over the long term that require much less travel. These strategies are set forth below.

Moving Toward Intelligent Transportation Systems

For the near term, Intelligent Transportation Systems (ITS) encompass a broad set of advanced technologies for collecting and using traffic and travel information to assist drivers in many ways. These systems have the ability to guide private vehicles around congested areas, improve their night vision, and warn drivers of impending collisions.

Advocates of ITS technology believe that it will someday be the basis of an automated highway system. Vehicles that operate as individual automobiles in the local street environment could become components of a high-speed, high-capacity, high-safety automated road system when engaged in longer trips on expressways. Because such an automated highway would have several times the capacity of the traditional roadway, much less urban space would be devoted to today's costly, disruptive urban freeway structures. It would have a safety level commensurate with

the automated air transportation system, thereby removing a major deficiency of current vehicle technology placing high priority on mass and crashworthiness. Thus, an urban vehicle mix could be established, dominated by smaller, lighter cars that consume much less energy and emit much fewer pollutants.

Of course, there is ample reason to proceed with caution. For example, the safety consequences could be horrendous in the event the automated highway proved not to be fail-safe. Also, increasing the carrying capacity of arterial roads could present new challenges for urban core areas that are unable to cope with present levels of parking and local traffic. Yet, ITS has tremendous potential. Metropolis 2020, in consultation with the Metropolitan Mayors Caucus, should appoint a task force to work in consultation with experts in ITS technology, to the end of designing a state-of-the-art urban transportation system for the next century.

Freight Transportation

The following recommendations respecting freight transportation are aimed at achieving three objectives: (1) strengthening the competitive advantages available to Chicago-area businesses; (2) improving the connectivity between freight modes to increase intermodal efficiency; and (3) minimizing negative impacts of goods movement on the region's personal mobility system.

Develop Intermodal Freight Centers Linked by Dedicated Freightways

The present archaic complex of railroad yards and switching systems for transferring railcars, trailers, and containers between these yards should be rationalized into a half dozen or so super intermodal centers linked by dedicated freightways in an environment separated from personal vehicles. The I-55 Corridor would be a logical place to begin given the close proximity of a large number of intermodal yards and rail lines. The network could be financed in part through user fees.

It is recommended that a study be commissioned, perhaps jointly by the city, the state, and the private sector, to examine whether the intermodal freight centers could be financed by selling off excess acreage after consolidation of the rail yards, and to determine if the condemnation power of the city might be appropriately used to create some of these new freight centers.

Without detracting from the huge investments in freight operations at O'Hare, other studies should be undertaken to assess increasing air freight capacity in the region by utilizing regional airports with excess capacity, particularly the Gary site, which has access to transportation links, proximity to a region with substantial under-employment and space for expansion of runways. A study should determine whether and to what extent the Gary site can be so exploited without conflicting with the air space requirements of Midway. Another study should consider whether the Port of Chicago and the Burns Harbor, Indiana port administration should be combined into

one Chicago Port Authority in order to eliminate duplication and coordinate economic development, port investments, and intermodal facility investments.

Near-Term Strategies

In the meantime, we recommend that three near-term strategies be pursued. First, top priority should be given to the city of Chicago (where most of the switching yards are located) for upgrading connections between intermodal hubs, air freight centers, port facilities, and other major freight facilities and the interstate highways, including elimination of low clearance obstructions, and improvement of turning capabilities at key intersections. Prioritization of projects should be established under the CATS funding process.

Second, the appropriate governmental units should reduce the number of highway/rail grade crossings in the region and improve the remaining crossings across the region to improve safety, expedite train movements, and reduce traffic congestion.

Third, increased fees on truck and rail movements should provide most of the wherewithal for building dedicated truckways and otherwise easing the movement of rail and truck traffic. These measures would at the same time improve car and bus mobility.

Fourth, a central control and monitoring facility is needed for all rail activity (both commuter and freight) in the Chicago Terminal District. At present all railroads do their own monitoring with very little advance communication and planning, and the result is unexpected, lengthy delays at track crossovers.

Air Transportation

Expand Capacity at O'Hare to Maintain Our Preeminence as a Domestic Hub and Build on our Potential as an International Gateway

If the Chicago region is to reach its potential as an air transportation center, O'Hare's aviation capacity must grow significantly and in a manner consistent with all safety requirements. We must therefore begin immediately either the construction of an additional runway or the reconfiguration of the existing runways to provide for more runways in parallel than in the existing configuration.

Support General Aviation

The planned closing of Meigs Field in 2001 demands an immediate data-based evaluation of Chicago's future general aviation needs and a comprehensive study to determine where the growing volume will be accommodated in the next two decades given the city's planned elimination of 14,000 general aviation operations from Midway and O'Hare and the need to relocate 50,000 operations of Meigs. A state-

of-the-art downtown heliport should be constructed (possible sites include the top of the old post office, the Jardine filtration plant, and Meigs Field), and its impact on the volume of fixed-wing business flights then should be built into the volume model and forecasts for general aviation.

Land Banking for Third Airport

Although there is wide variability among state, federal, and city of Chicago aviation-demand projections, all of the forecasts support the need for a significant increase in point-to-point air capacity over the next 20 years. Land banking through options or purchase for a third airport at Peotone should proceed so as to facilitate transportation planning for the next 20 to 30 years. While reviewing the feasibility of Peotone as the site for future point-to-point airport capacity in Chicago may be beneficial, allowing the State of Illinois to preserve future flexibility is justified. No passenger facility or other O'Hare revenues should be used for this purpose and construction should not begin until needed. Further, it is important to understand that capacity added to Midway or a third airport cannot be a substitute for required capacity at O'Hare.

Support Common Planning Data

It is essential that the state of Illinois and city of Chicago reach consensus over basic aviation issues such as forecasts of future demand and required capacity at Chicago metropolitan area airports. They should use NIPC data to reach a consensus on future airport capacity requirements. If the state and city cannot reach agreement, then NIPC should develop forecasts of future airport-capacity needs which should set priorities for capital projects involving changes in regional airport capacity.

High-Speed Rail

The Chicago Metropolis 2020 Council should establish a task force to evaluate the studies of high-speed rail completed to date and to assess (1) the levels of ridership and revenues that would be required to yield an adequate return on capital investment, (2) the market demand for this service, and (3) the indirect economic and social benefits, if any, in reducing short-haul air traffic and providing easy connections between the city centers of the metropolitan regions in the system. Based on that assessment, the task force would determine whether to support efforts to secure the necessary federal funding and encourage the prompt development of such a network. The task force should weigh heavily the impact of any high-speed rail proposal on Midway Airport and its continued importance as a major anchor to the economic well-being of the surrounding area.

Protecting Open Space and Preserving Farmland

The Regional Greenways Plan

The Regional Greenways Plan, which is a joint project of NIPC and the Open Lands Project, is strongly endorsed. The plan's mission is to protect and connect a 4,300-mile system of stream-based and land-based greenways, with almost 2,000 miles of trails. The Greenways system builds on a major recommendation of the Burnham Plan, namely the protection of the several major water-related corridors through acquisition of hundreds of small, strategically located plots throughout the metropolitan area.

Since most of the Greenways system is dependent on the participation of major landowners and businesses located along the corridors, it is recommended that the state create appropriate incentives to encourage these individuals and businesses to make land easements available to help create these greenways. The benefits of expanding our regional greenway system will be less flooding, cleaner stormwater runoff, better water quality in our streams, broader biodiversity, less investment in public and private infrastructure, more recreational opportunities, better health and mental well-being, more attractive local and regional landscapes, higher property values, a sense of cooperation while preserving open space, and a legacy for those who will follow.

The Chicago Wilderness Program

Metropolis 2020 strongly supports the Chicago Wilderness, a program of the Chicago Region Biodiversity Council, which is a partnership of public and private organizations that have joined forces to protect, restore, and manage the natural ecological communities of the region. The Chicago region is the most populous metropolitan area in the Midwest. At the same time, it is home to some of the rarest and most biologically diverse natural communities in the world. The region's landscape includes unique natural communities ranging from dunes complexes along the shores of Lake Michigan to wooded communities along major waterways to scattered remnant prairies and savannas. Its rivers and lakes support one of the most diverse collections of wetlands on the continent. Protecting and restoring ecological health holds the promise of long-term sustainability in terms of both biology and a foundation for enhanced quality of life and economic health.

The challenge is to protect key areas not yet in public ownership and enlarge and manage the protected areas to the extent that they can support the full range of

NEIGHBORHOODS AND HOUSING

Improving Housing Conditions for Poor Minorities

The following strategies are aimed at 1) creating greater opportunities for low-income households to live in mixed-income developments, and 2) affording them much greater freedom to choose to live in communities outside the poverty-concentrated areas in which so many of them now seem destined to exist. The first proposal is for strategies (supply-side strategies) that focus on the redevelopment and modernization of public housing and that encourage public-private partnerships to develop and manage new subsidized units. Second, there is a need for strategies (demand-side strategies) that concentrate on enlarging the geographic choices of poor households through vouchers and counselling. Neither set of strategies, by itself, is likely to effectively address the challenges of housing the urban poor; both are required for meaningful progress.

Supply-Side Strategies

The strategy here is to destroy the existing stock of high-rise public housing, move to a new era of mixed-income and mixed-use developments, and put an end to the terrible physical isolation of poor African-Americans. Metropolis 2020 urges the CHA to proceed expeditiously with the three interim models that it has concluded will be most effective in improving the quality of life of the residents. The Cabrini-Green model will lease a certain percentage of the newly developed units in the prime Near North location for sublease to tenants who are displaced by the planned demolition of one third of the buildings. The Henry Horner model scatters public housing units across the Westhaven neighborhood where 50 percent of the households have one member who holds a full-time job, earning fifty to eighty percent of the median household income for the region. The other half of the Westhaven residents are very low-income families. The Robert Taylor model is a plan to create an industrial park to improve economic conditions of residents while carrying out a ten-year project to demolish the 28 identical 16-story buildings, a project that should be accelerated to allow its residents to be relocated as quickly as possible to other public housing units or given vouchers for private market rental units.

The federal government will have to carry out its commitment to see the Chicago Housing Authority into this new era. Accordingly, the CHA should close roughly 1,500 units per year over the next ten years. Because the market will not absorb all the families with vouchers, the CHA should secure at least 400 additional units per year on average over the next several years. This will require annual funding of roughly \$40 to \$50 million. Relocation assistance, job training, and counselling are essential for the 11,000 families who will have to move over the next few years. The CHA's experience, under the Section 8 program, shows that participants are more

likely to make significant relocations after they have been in the training and counselling program for a year. The cost of such a program will be about \$2.6 million per year. This cost includes counselling, incentive payments (e.g., paying security deposits for families willing to move to less concentrated neighborhoods), and assistance in closing old utility accounts. The CHA should demolish that half of the family housing stock that has been determined to be uninhabitable and inappropriate for rehabilitation. The CHA has the funds for demolition, but only if the federal government absorbs the costs of keeping the buildings in habitable condition while they await demolition. The CHA must continue to receive the present annual grant of \$120 million to cover the capital and security costs for the 40,000 units owned by it.

Demand-Side Strategies: Improving Household Mobility

Demand-side strategies focus on empowering project residents to make housing choices that will improve their circumstances. The current trend of economic development has not produced many employment opportunities in the inner city. Rather, the evidence to date is that only public or publicly financed facilities are located there on any significant scale.

Metropolis 2020 recommends that the federal government expand the existing Section 8 certificate and voucher programs in this region, provided that the state first takes appropriate action (1) to provide the level of counselling, training, and technical assistance that is required to accommodate the enhanced voucher funding; and (2) to require every locality in the region to comply with uniform building code and zoning requirements that would open the way for the construction of substantially more rental housing and thereby encourage housing choices in stable communities with access to jobs, transportation, and other services.

Increasing the Range of Housing Opportunities Throughout the Region

A New State Building Code

Local building codes, with their many special requirements, often pose serious obstacles to the development of affordable housing throughout the region. In some cases, municipal building codes undermine the goals of energy conservation. Accordingly, we call for the adoption of a statewide building code that would supersede all local building codes.

Employer-Assisted Housing

Traditionally employers have invested in relocation assistance for top management, but an increasing number of employers are also instituting services for nonmanagerial and hourly employees. Employer-assisted housing programs can both address labor shortages and the jobs/housing mismatch as well as: help working families attain decent, affordable housing; reduce turnover, hiring, and training costs; increase productivity; minimize employee lateness/absenteeism; boost employee morale and loyalty; and improve the employer's public image.

There are a variety of models for assisting employees in identifying housing resources. Some employers actively advocate particular housing developments that would help their employees, while nonprofit groups provide counselling and better access to affordable mortgages to area employees.

A New Commercial Compact

Metropolis 2020 intends, early on, to establish a task force to develop and test the viability of a proposal for a new social compact that would be entered into by major employers in the region. The compact would obligate the signators to give strong weight, in arriving at decisions respecting the location, relocation, and expansion of new offices and facilities in northeastern Illinois, to the following factors:

- (1) Whether the locality has provided for the creation of adequate amounts of housing that are affordable by middle-income households

(those with incomes between 80 percent and 120 percent of the median household income in the region); and

(2) Whether the locality is exerting reasonable efforts (a) to curtail unlim-

Metropolis 2020 recommends that corporations and foundations headquartered in this region facilitate the creation of strong networks (including shared computer learning centers) among CDCs in both the city and suburbs in order to build coalitions that can make sustainable economic and social prosperity a reality in the region.

Building Creditworthiness

Individual Development Accounts (IDAs) are a new mechanism established by the federal government as a national pilot project to foster asset accumulation among welfare recipients, the working poor, and others who lack the resources to participate in traditional savings and investment programs.⁴¹ The two Chicago institutions

Fair Housing

Private-sector groups are urged to continue to press for vigorous enforcement of

THE GOVERNANCE OF THE REGION

This chapter presents two recommendations respecting the governance of the region: the creation of a new regional coordinating mechanism for enabling and encouraging the myriad of general purpose governments in the region to think and act as a region in respect to critical regional issues; and the establishment of a task force to conduct a study and make recommendations for the streamlining of government in the region, with emphasis on reducing the number of special districts.

A Regional Coordinating Council

One of the most important recommendations in this plan is the proposal for a regional coordinating mechanism that can deal effectively with the interrelationships among policies and practices concerning transportation, land use, housing, and the environment. Without such a mechanism, we cannot go very far in meeting the challenges described in Part I.

The State of Illinois is the source of substantially all regional and local planning and regulatory functions pertaining to land use and the environment. As a practical matter, given its financial role, it also controls all significant transportation planning functions in the region. Because northeastern Illinois contains over two-thirds of the state's entire population, the issues that are significant to this region are important to the state as a whole. Yet the State of Illinois has not addressed these regional concerns in any systematic or comprehensive fashion. Absent from the vast array of state policies and programs affecting the four areas of transportation, land use, housing, and the environment is a framework that strongly motivates counties and municipalities within the region to correlate their local goals with the larger public interest of the region and to do so in a manner that recognizes the inter-relationships among these four areas.

The Enabling Legislation

The proposal that follows would fill this gap, utilizing an incentive-based approach. We considered and rejected the alternative "command-and-control" approach of a regional growth boundary or a regional authority to regulate municipal annexations. We believe that this more drastic approach, while successful in other parts of the United States, would not be appropriate for this region. The proposed statutory framework would reward local governments for exercising their land-use powers in a regionally coordinated manner, oriented toward common goals.

Specifically, we recommend that the State of Illinois establish a new Regional Coordinating Council (RCC). The statute would begin with certain findings: that the

region is confronted with increasing social and economic polarization; that uncoordinated growth, together with a lack of common goals respecting conservation and the wise use of land, pose a threat to the environment, sustainable economic development, and the health, safety, and high quality of life enjoyed by residents of the larger region; that transportation and land-use planning need to be much more closely integrated; and that it is in the public interest to experiment with pilot projects that price motor vehicles and their use in ways that will more nearly reflect the true costs of this form of travel and that could ultimately raise revenues for improving public transportation and making it a more attractive alternative or supplement to private vehicle travel.

The statute would set forth the following purposes (the “Purposes”) to be served by the RCC: bring about efficient multimodal transportation systems; encourage the availability of housing for all economic segments of the population in all parts of the region; moderate disparities in fiscal capacity and service quality among the municipalities in the region; encourage redevelopment in older urban areas that merit reinvestment; encourage conservation development and the retention and enjoyment of open space and agricultural lands, natural habitat, and parks; and encourage the preservation of lands, sites, and structures that have historical significance.

The key idea behind the proposal for the RCC is that it will provide strong incentives to counties and municipalities to use their powers in ways that advance the Purposes. The chief incentive mechanism will be the RCC’s bond-issuing function. In addition, the RCC will have other powers and responsibilities to be exercised on its own initiative to advance the Purposes and address critical regional issues that cannot otherwise be addressed.

The Incentive Program

Bonds would be issued by the RCC only upon its approval of an application by one or more counties and/or municipalities pertaining to newly expanding portions of the region, urbanized areas which are economically distressed or possibly the creation of an intermodal center at a train station. Bond proceeds could be used for the building or rehabilitation of various kinds of infrastructure such as highway, parking, and sanitary or stormwater sewers; for the preservation of open space; and for land purchase.

To qualify for RCC bond financings, the applicant(s) would be required to have in force local zoning ordinances and building codes that are consistent with state standards as they pertain to the adequate provision of housing opportunities; adequate local regulations in effect with reference to water resource management; an effective and vigorously enforced fair housing ordinance; and a comprehensive plan, periodically updated, that addresses the goals and that is consistent with NIPC

2020 forecasts as periodically updated by the new RCC.⁴⁵ These realistic projections of population growth would help to constrain overly ambitious planning in developing areas.

The statute would require the RCC to establish a mechanism for public participation and hearings in order to generate public understanding of the Purposes as they are given specificity in the RCC's strategic plan.

The RCC would seek to reinforce and accelerate the already evolving practice of intergovernmental planning for land use, transportation, and development standards in the region. The RCC would encourage municipal and county governments to enter into joint planning agreements by offering a variety of grants and other benefits in return for planning and corresponding actions.

Counties that adopt state-qualified plans could expect all agencies of state government to recognize, and avoid conflict with, such plans in the course of performing their normal functions.

Under the new framework, the RCC would actively encourage counties and municipalities to negotiate intergovernmental land-use agreements. Counties and municipalities entering such agreements would gain similar assurances of "no conflict" with future state agency actions. The state would utilize the services of the RCC as facilitator of inter-municipal agreements.

In order to reinforce the legal framework for the intergovernmental agreements called for above, this new statutory framework would clarify and reinforce the authority of local governments to enter into such agreements. A serious barrier to such cooperative agreements would be removed by implementation of the tax reforms recommended elsewhere in this document.

Other Powers and Responsibilities of the RCC

In addition to the incentive program outlined above, the RCC would: (1) be responsible for developing and periodically revising a long-term strategic plan for the region respecting transportation, land use, housing, wastewater services, stormwater management, and water supply, and such other matters as it may deem appropriate in order to give specificity to the Purposes; (2) have power, in connection with new developments, to deny access to sewer systems and wastewater treatment facilities, but only where such access would have a substantial, adverse regional impact; (3) have discretion, within specified limits, to require the regional registration of vehicles and to adopt and implement pilot projects for pricing motor-vehicle travel (and parking) in high-density areas so that vehicle users more nearly pay the true costs of this form of mobility and so as to begin to raise a new source of revenue for improv-

⁴⁵ These forecasts were recently prepared as a basis for testing and justifying the 2020 RTP. The numbers endorsed by the Commission reflect both municipal and county input, and they reinforce a policy of effectively encouraging infill and redevelopment while deterring sprawl.

ing public transit; and (4) to receive and distribute revenues to be used to moderate disparities in fiscal capacity between the richest and poorest municipalities in the region. The vast middle, say 80 percent of the cities and villages, would be unaffected by this last function.

Funding the RCC

This document is intended as a strategic guide not as a detailed blueprint. Accordingly it does not quantify the funding needs of the RCC. It does consider a number of possible funding approaches. One possibility is a new statewide sales tax on a carefully defined category of personal services. It does not make much sense to tax a pair of shoes but not a haircut. The state would retain a small portion to cover its administrative costs. The bulk of the revenues, to the extent generated in the six-county region, would be distributed to the RCC. The tax rate would depend in part on whether it is designed as part of an overall scheme to reduce the sales tax rate on goods.

A second possible source of funding for the programs outlined above could be derived from a new state-adopted "shared sales tax system," applicable only to the region. Under such a system, the amount returned to any one municipality would not exceed in any year a specified sum, say \$200 per resident, plus 50 percent of any receipts over that amount, thereby preserving an important incentive to pursue local economic development. The other 50 percent of the excess, if any, would go to the

One possible source of funding would be an increase in auto-related taxes and license fees, to be used only for public transportation. As a first step, the state might increase its annual license fees for vehicles in the six-county region by an average of \$50 per vehicle. The license fee for any particular vehicle might range from \$25

the question of accountability since trustees might have allegiances to their respective political entities that override the regional interest.

A third alternative, the one we recommend, would be a confederation approach giving votes to each of the 270 municipalities in accordance with their relative populations and to the six counties in accordance with the populations of their unincorporated areas. An appointed blue-ribbon nominating commission would select 45 candidates for the 15 offices, taking into account the distribution of the population across the region.

Governance is an art, and the devil is in the details. Should there be a blue-ribbon nominating commission, perhaps appointed by the governor? Should the chairman of the board be an appointee of the governor? Is cumulative voting desirable? How do we ensure that there is fair geographic representation? These and many other questions will need to be addressed in the process of designing a definitive proposal.

It could take years of vigorous effort to bring about the establishment of the RCC as proposed. As a first step toward this ultimate objective, we recommend moving immediately toward a consolidation of CATS and NIPC and transferring to the new planning agency all the planning functions of the RTA. The consolidated agency's first mission would be to prepare a strategic regional-transportation and land-use vision. The vision should begin with a consideration of the vision offered in this plan. Further inputs would be provided by the current effort of NIPC to develop a new regional growth strategy and by a consortium of civic and environmental organizations, including NIPC. With regard to transportation, the new strategic vision would address the key issues: the proper balance between expenditures on highway improvements and those for public transportation; the appropriate level of transportation expenditures in support of exurban expansion versus expenditures required to support city and suburban infill and redevelopment; and means of funding.

This agency's scope of planning authority should cover all areas currently within the jurisdiction of CATS, NIPC, and the RTA, and it should bring a much more intense focus on the interconnections between transportation and land-use planning. After it develops its initial vision for the region, it would turn its attention to preparing the successor to the 2020 Regional Transportation Plan, based on that new vision. The agency would be federally designated as the Metropolitan Planning Organization for this region and thus charged with maintaining the region's short-range transportation improvement program and identifying those capital projects that are to receive priority federal funding. Also, the agency would be responsible for allocating, on the basis of published criteria, the new transportation revenues identified in the chapter on transportation. The agency would have authority to initiate capital improvement projects of strategic importance to the region as well as to approve toll highway expansions within the six-county area. Eventually, it would be assigned responsibility for airport planning and the planning and coordination of freight movement within the region.

Neither NIPC's nor CATS' functions are adequately funded at this time. Funding for the new agency should be set at a level that eliminates the need to seek voluntary contributions. There are a number of models nationally which could work well. Some metropolitan agencies are funded in part by state appropriations. Others have been assigned a small proportion of one or more regional tax levies. Still others receive revenue through a legislated local contribution formula.

This proposed agency, representing the first step toward establishing a full-fledged RCC, would assure closer contact and cooperation among those at both the state and local levels now responsible for separate but overlapping planning, spending, and regulatory functions. Likewise, the new agency would generate cross fertilization of thinking among several related professions (e.g., highway engineers and environmental planners) and a greater sharing of the research information and analytical technologies now housed in separate agencies. In this way, the planning agency would prepare the way for the full blown proposal of a new RCC, described above.

Streamlining Local Government

Effective and efficient government in the region is undermined by a system of 1,246 local governments, many of which continue to exist because reform efforts are ignored by the public and resisted by officeholders whose jobs would be threatened by any streamlining effort. Metropolis 2020 intends to appoint a task force that combines members having astute political sensitivities with members from the business community who have a sharp nose for cost control and corporate simplification.

Such a task force would design strategies for implementation of the new reforms over a period of several years so as to minimize the motivation of current officeholders to try to defeat the reforms. The major aim of this study should be to substantially reduce the number of special districts in the region. There are now 558 of these single purpose governments, such as fire protection districts, mosquito abatement districts, library districts, sanitary districts, and so forth. The task force should weigh various alternatives: consolidations; eliminating some of them and either outsourcing their functions to the private sector or transferring their functions to general purpose governments (counties, townships, or municipalities); or some combination of the above. There are extraordinary opportunities for savings— e.g., the closer collaboration and sharing of resources with respect to fire, police and correctional services, including equipment, information technologies, personnel and facilities; and the regionalization of such functions as long-range planning for and operation of juvenile and adult detention facilities.

THE REGION'S ECONOMY

All the recommendations in Part II are aimed generally at strengthening the economic and social well-being of the region's residents. In this last chapter we conclude with several more targeted recommendations for strengthening the economy of the region.

Improving the Region's Workforce-Development Programs

The region must consolidate and coordinate existing workforce-development programs and funding streams. No regionwide plan for workforce development currently exists and the present array of governmental programs creates undue duplication and inefficiency, often undermining potentially useful collaboration among providers. Mayor Daley's recent decision to create a cabinet-level post, Commissioner of Workforce Development, is a step in the right direction. This commissioner will oversee the consolidated operations of two preexisting entities, the Workforce Board and the Mayor's Office of Employment and Training. This type of consolidation needs to be significantly widened to include other programs across the metropolitan region.

There is also a pressing need for universal, performance-based standards for the evaluation of education and training programs, particularly those offered by community colleges. These standards should pertain to placement rates, wage levels, and long-term retention results. Also, a coordinated, long-term tracking system should be developed to enable the state, county, and local government agencies and/or training vendors to document work histories, retention rates, and promotion and wages of employed and unemployed service recipients, including youth.

Coordination between business, social service organizations, and academically oriented community colleges is also necessary to promote the relevance of training to a range of employment opportunities. In addition, training programs for new workers should take place at work where the social and behavioral aspects of workplace participation can best be learned. Community colleges should give credit toward degrees for completion of approved on-the-job training programs.

Services to address major employment barriers other than skill deficits must be adequately funded. These include many issues addressed elsewhere in the plan such as child care, transportation, and affordable housing. Retention efforts should also be expanded and adequately funded. These include re-placement, career development, and additional post-placement support services (e.g., mentoring).

Two broad tax-reform studies were completed just prior to the publication of this plan: one under the direction of James M. Houlihan, Cook County Treasurer, and the other conducted a Governor's Commission on Property Tax Reform, chaired by Timothy S. Bramlet, President of the Taxpayers' Federation. Metropolis 2020 should establish a task force to assess these studies and work toward solutions.

Strategies for Enhancing the Region as a High-Technology Center

Among all economic regions in the United States, the Chicago area currently ranks fourth in high-technology employment, ahead of Boston, Seattle, and Research Triangle Park. The region's seven largest technology-intensive sectors are telecommunications, life science, electronics, computer software, information technology and services, advanced materials, and environmental technologies. The region's strength in these areas is owing largely to the region's pool of highly skilled talent and a vital research and development infrastructure, two of the key elements for supporting technology-based economic development. The other elements include (1) an adequate supply of capital for all stages of growth, particularly the early stages; and (2) an effective marketing program that communicates the region's strengths. These are the two areas our region most needs to address.

There are now under way a number of initiatives that respond to these needs. First, the city of Chicago is establishing an incubator-support facility for start-up firms in the software sector. This facility will entail an information technology center. Second, the Illinois Coalition⁴⁸

In recent years, the city has intensified its efforts to promote industrial growth by upgrading the physical environment of industrial areas and assembling land for use as industrial parks.⁴⁹

two-and-a-half times higher than for the region, likewise for the percentage of people living below poverty. More than 40 percent of adults are without a high school education. Given these statistics, it is clear that specific strategies to improve the economic viability of these neighborhoods are necessary. As many studies have shown, the economic health of the region and the urban core are intricately linked.

These neighborhoods, located to the west and south of the central business district, exhibit a number of competitive advantages as business locations.

A recent study of businesses in Chicago's distressed neighborhoods identified a number of strategies for growth in four business clusters – strategies that would create employment for the local residents. These included (1) Manufacturing – retaining existing businesses by proactively addressing company expansion issues, expanding site availability, and increasing cost competitiveness vis-a-vis the suburbs; (2) Commercial Services – positioning inner-city companies to provide outsourced services to professional and business services firms as well as the tourism and convention businesses located in the Loop; (3) Retail – meeting the estimated \$1.5 billion unmet demand for retail goods and services in these neighborhoods; and (4) Transportation – improving the competitive position of the Port of Chicago and developing employer-driven training programs for the region's intermodal truck/rail centers, which are already experiencing a shortage of qualified workers.⁵¹

Creating a Centralized Database and Fashioning a Competitive Strategy for the 21st Century

In 1997, the Civic Committee of the Commercial Club and the Chicagoland Chamber of Commerce formed, and have since funded, a new nonprofit organization, "World Business Chicago" (WBC). During 1998, WBC created a sophisticated economic-development database for metropolitan Chicago (on an expanded nine-county basis). The data was built up from local sources to encompass meaningful information on the entire region. It is being augmented by other relevant data sources throughout the region as well as pertinent external sources. It is well organized and covers data necessary to evaluate individual sub-areas as well as the entire region. It also contains economic information on metropolitan areas with which we compete for investment. The results from this year long effort are being placed on a web site. All the data is available to public and private organizations at no charge.

This database should be the starting point for developing a competitive strategy for the 21st century. What is needed is a comprehensive, strategic study of the region's economy and industry clusters, which would identify the region's strengths,

⁵¹These are just some of the opportunities identified in an excellent pro bono study recently conducted by the Chicago office of the Boston Consulting Group in conjunction with and on behalf of the Initiative for a Competitive Inner City (ICIC, a nonprofit organization founded by Professor Michael Porter of the Harvard Business School). The findings and recommendations of this study are set forth in a report, dated February 1998. The task force referred to in the text will be working with the city and various nonprofit organizations to exploit the opportunities for creating wealth in these neighborhoods.

weaknesses, opportunities, and threats in a systematic format. Such an effort would include a competitive analysis of what other metropolitan regions are doing to improve their economic development prospects, and the efficacy of the Chicago region's efforts in comparison. Moreover, such a study would identify the special needs and opportunities that exist in specific industry groups that are critical to the region's growth prospects.

As the information system is further refined, it should go beyond economic and demographic information and inform fledgling entrepreneurs precisely which organizations provide what kinds of services. Small and medium-sized businesses usually do not have the resources to acquire this type of information on their own.

This type of database should highlight innovative programs. For example, programs in the education and training areas might help employers meet their workforce needs. Small businesses are often unfamiliar with existing workforce training programs. This information gap is particularly critical given that small and medium-sized businesses are often the best employment prospects for entry-level workers.

At present there are more than 70 economic development organizations in the region. Many of them work in ignorance of one another's actions and objectives. One of the earliest tasks of WBC has been to coordinate the activities of the various economic-development agencies in the region, creating the mutual trust and confidence required to build a unified database and a coordinated marketing program. WBC now has a regional advisory committee comprised of representatives of these agencies and organizations. This committee provides a direct communications link between these agencies and the planning, programs, and initiatives of WBC.

Positioning the Region as a Center for Entrepreneurship

Entrepreneurship is critical to the continued vibrancy of the region. It is well-established that small and mid-sized companies account for the great bulk of all private-sector job growth. Moreover, branches or plants of out-of-state companies generate much less employment growth than home-grown, single-unit companies. These small, young, single-unit companies that are the source of future growth, are the domain of entrepreneurs. Therefore, it is imperative to effectively position the region as a center for entrepreneurs.

Between 1991 and 1995, companies with 19 or fewer employees experienced employment growth at over ten times the rate for companies with 5,000 or more employees.

A number of studies of entrepreneurship have been conducted over the last several years. The key findings of these studies are as follows:

- New enterprise development usually occurs within regional industrial clusters, with each cluster requiring a customized strategy for development.

- Many cities and states have aggressive programs and strategies for enhancing the growth of new business.
- Fourteen of the top 20 entrepreneurial hot spots are in regions west of the Mississippi River. The Rocky Mountain area is especially rich in entrepreneurial enterprises. Our region, which is not on the list of the top 20, is rated about average in terms of its attractiveness to entrepreneurs. Although the diversity of its economy is regarded as an overall strength, finding educated workers here remains a problem.

There are five key components of a good support environment for entrepreneurship: capital access, technology transfer, skills development, a support network, and communications. Fortunately, the six-county area possesses portions of each of these fundamental characteristics.

In respect to access to equity capital, it is widely perceived that high-growth and high-technology start-ups find it difficult to get seed and early stage capital, and information on sources of such capital is not readily available. Accordingly, we recommend the establishment of a facilitation office, funded through a private/public partnership. One of its roles would be to provide a value-added matching service between entrepreneurs and sources of early stage capital appropriate to their business requirements. Also, industry groups should push for the expansion of existing matching programs in the technology and manufacturing areas and create additional programs to target the region's other clusters.

Universities in this region have not done as good a job of exploiting technology transfer opportunities as other world-class educational institutions.⁵² It is recommended that a forum be organized to bring academics/administrators from universities with nationally recognized technology transfer programs together with their counterparts at universities in this region. Further, each local university should develop a technology transfer blueprint. These programs will be successful only with the support of the president, the university's board, and the passionate commitment of a faculty champion.

In the matter of skills development, innovative features of university entrepreneurship programs elsewhere in the nation (e.g., student competitions that provide networking opportunities, and coordination of seed capital for qualified student ventures) have not been adequately adopted by our local universities and colleges. We urge our local universities and colleges to benchmark themselves against world-class entrepreneurial curricula at other universities and seek to improve their programs accordingly. We believe that community colleges are ideally suited to reach into the entrepreneurial community and provide practical, hands-on skills development for operators of small businesses. The facilitation office recommended above should ensure that the new programs are well publicized.

⁵² An excellent example is the Cambridge Technology Group, a private company located on the campus of Massachusetts Institute of Technology.

At present, the entrepreneurial network in the region is quite limited, and the facilitation office recommended above should take a leadership role in improving network connectivity, outreach, and accessibility, and forging linkages with existing network organizations such as the Chicagoland Chamber of Commerce.

There is a strong need for a greater communications focus on the region's unique characteristics as a major urban center that is supportive of the needs of entrepreneurs. The facilitation office recommended above should have a public-relations arm, responsible for channeling to the media relevant stories on entrepreneurial success and the importance of entrepreneurial activity to the region.

Marketing the Chicago Region as a Place in Which to Live and Work

The region needs to be much more aggressive and unified in promoting and marketing its considerable advantages, both internally and externally. This marketing effort needs to make certain that the region is always on the short list as a desirable place to run and operate a business and as a place to live.

For two years running, Chicago has been the top major metropolitan area in the United States in this regard, although on a relative basis (i.e., based on population size), some smaller cities have outperformed Chicago.

The region has a number of key attractions, as described in the Introduction. Metropolitan Chicago is an attractive location where young professionals want to work and live. Both to keep its best young people here and to attract others who will drive our economic growth in the future, we must improve on that attractiveness. The secret to doing so lies in developing toward a community of the whole rather than remaining the preserve of isolated communities.

Over the last year WBC has embarked on an aggressive effort to attract global companies to this region. It began by conducting a comprehensive review of economic-development marketing efforts in other domestic locations as well as in London, Singapore, Tokyo, Frankfurt, and other international cities. WBC identifies target companies using peer-to-peer contacts and a wide variety of other sources. It then communicates with these companies using letters of introduction from business leaders; arranging trade missions and marketing trips; employing telemarketing techniques; and publishing brochures, articles, and speeches.

WBC's principal brochure contains a fact book with detailed statistics concerning the region. It has been translated into Japanese and will be translated into other languages as appropriate. Each of the nine counties in the expanded metropolitan area is in the process of preparing an insert on itself for inclusion in the brochure.

Metropolis 2020 should establish a continuing task force to assess the progress of WBC and determine whether to recommend additional marketing efforts to supplement those of WBC in niche areas.

PART III

OUTREACH AND IMPLEMENTATION

Chapter Eleven

CHICAGO METROPOLIS 2020

In the course of the study project leading up to the issuance of this plan, the members of the Commercial Club have reached out to many in the public, private, and nonprofit sectors including religious leaders, leaders in government and higher education, and to the many outstanding civic organizations throughout the six-county region. We have profited greatly from their insights and suggestions.

We each have differing and complementary roles to play in working toward the goals of the plan. Faith communities have been involved in almost every major struggle for justice in our region and in the nation, and have historically been able to facilitate racial integration when others have failed. The most important breakthroughs in this area have occurred by reason of grassroots efforts. We urge these communities to educate and sensitize all residents of the region to their moral and social obligations to take the initiative in bringing about an era of greater mutual understanding among people of different ethnic and racial backgrounds.

Educators can enable their students to see the implications of these ideals for the life of the community and the health of the economy. Business, labor, civic, and government leaders can create the sort of public/private partnerships that served us so well in the early decades of this century. Such partnerships are more essential today than ever, given the devolution of federal powers and responsibilities now under way.

To these ends, and given the fact that this plan is intended to serve as springboard for generating public discussion and policy reform in the state and in the region over the next 20 years or more, the Club is creating a new entity under the name Chicago Metropolis 2020 (Metropolis 2020). Metropolis 2020 will bring the resources and participation of the business community together with other outstanding regional civic organizations and governmental leaders that have both the expertise and commitment to help promote and implement the goals of the plan. It will convene these organizations and their leaders and seek to unite them in a common mission to enhance the region's position as one of the world's foremost economic centers and as a place known worldwide for the quality of life and equity of opportunity that its residents enjoy.

Metropolis 2020's functions will be to (1) identify research needs and contract with appropriate institutions to meet these needs; (2) create an outreach program to enlist further suggestions and support of other groups, and to create awareness of the plan among the region's residents; (3) establish task forces to address specific issues;

(4) build coalitions with other organizations and leaders in support of the recommendations set forth in the plan; and (5) develop and work toward the adoption of definitive legislative reforms and private sector proposals based on the plan's recommendations.

Metropolis 2020 will have an executive council appointed by the Club. Council members will be drawn both from the Club's membership and from other organizations in the region. This committee will oversee the affairs of Metropolis 2020. This council will have a nonexecutive chairman and a president and chief executive officer. The president will hire and oversee a small staff.

The executive council will appoint an advisory group consisting of 50 to 60 persons. This umbrella group will assure representation and participation from a wide range of regional interests. It will ensure that a variety of viewpoints are heard. This group will be involved in the process of prioritizing, refining, and implementing specific policy recommendations.

The executive council will also appoint task forces from time to time to focus on particular reform efforts. They will be composed of a diversity of leaders having expertise and/or influence in the relevant areas. Metropolis 2020 will also contract with other groups to tap the best experts in the most effective manner.

Metropolis 2020 is still in the early stages of organization. Over the next few months, the Commercial Club will finalize the membership of the executive council and advisory group and the composition of the initial task forces.

[T]here is no stronger appeal made to the American citizen of today than comes from the call of one's native or adopted city to enter upon the service of creating better surroundings not only for one's self, but for all those who must of necessity earn their bread in the sweat of their brows. Nor is the call of posterity to be denied. To love and render service to one's city, to have a part in its advancement, to seek to better its conditions and to promote its highest interests, these are both the duty and the privilege of the patriot of peace.

– Daniel H. Burnham

BIBLIOGRAPHY

Altshuler, Alan A. *The Governance of Urban Land: Critical Issues and Research Priorities*. Faculty Research Working Paper Series. Harvard University. John F. Kennedy School of Government, 1993.

Altshuler, Alan A., and Jose A. Gomez-Ibanez. *Regulation for Revenue: The Political Economy of Land Use Exactions*. Washington, D.C.: The Brookings Institution. Cambridge: The Lincoln Institute of Land Policy, 1993.

America's New Economy and the Challenge of the Cities. A HUD Report on Metropolitan Economic Strategy. U.S. Department of Housing and Urban Development, October, 1996.

Barnett, Jonathan. *The Elusive City*. New York: Harper & Row, 1986.

Bendixson, Terence. *European Cities*. Brussels: Association des Constructeurs Europeens d'Automobiles, 1994.

Banham, Reyner. *Los Angeles: The Architecture of Four Ecologies*. London: Penguin Books, 1971.

Beyond Sprawl: New Patterns of Growth to Fit the New California. 1995. A report sponsored by Bank America Corporation and three other organizations calling for managing growth in California in order to improve the state's competitiveness and quality of life. Much of the basic research behind the report was prepared by Steven Moss and his associates at the consulting firm of M. Cubed which produced a much longer working paper in June 1994 entitled *California at a Cross-Roads: The Costs of Sprawling Land Use Patterns*.

McKnight, John. *The Careless Society: Community and Its Counterfeits*. New York: Basic Books, 1995.

Rothblatt, Donald N., and Andrew Sancton, eds. *Metropolitan Governance: American/Canadian Intergovernmental Perspectives*. Institute of Governmental Studies Press, University of California, Berkeley; Institute of Intergovernmental Relations, Queen's University, 1993.

Rusk, David. *Cities Without Suburbs*. Washington: The Woodrow Wilson Press, 1993.

Rybczynski, Witold. *City Life: Urban Expectations in a New World*. New York: Scribner, 1995.

Sassen, Saskia. *The Global City*. Princeton: Princeton University Press, 1991.

_____. *Cities in a World Economy*. Thousand Oaks, CA: Pine Forge Press, 1994.

Savitch, H. V., et al. "Ties That Bind: Central Cities, Suburbs, and the New Metropolitan Region," in *Economic Development Quarterly*, November 1993.

Sennett, Richard. *The Fall of Public Man*. New York: W. W. Norton & Company, 1974.

Stone, Deborah C. June. *Creating a Regional Community: The Case for Regional Cooperation*. A Report of the Metropolitan Planning Council's Regional Cooperation Initiative, Chicago, Illinois, 1995.

Summers, Anita A. *A New Urban Strategy for America's Large Cities*, June 20, 1994. Prepared in connection with a Conference on the National Urban Policy Report held at Wayne State University on March 18-19, 1994.

Summers, Anita A., Paul C. Cheshire, and Lanfranco Senn, eds. *Urban Change in the United States and Western Europe: Comparative Analysis and Policy*. Washington, D.C.: The Urban Institute Press, 1993.

Thomas, Keith. *Man and the Natural World*. New York: Pantheon Books, 1983.

Venturi, Robert, et al. *Learning from Las Vegas*. Cambridge: M.I.T. Press, 1972.

Vergaro, Camilo Jose. *The New American Ghetto*. New Brunswick: Rutgers University Press, 1995.

Voith, Richard P. "City and Suburban Growth: Substitutes or Complements?" *Business Review*, Federal Reserve Bank of Philadelphia, September/October, 1992.

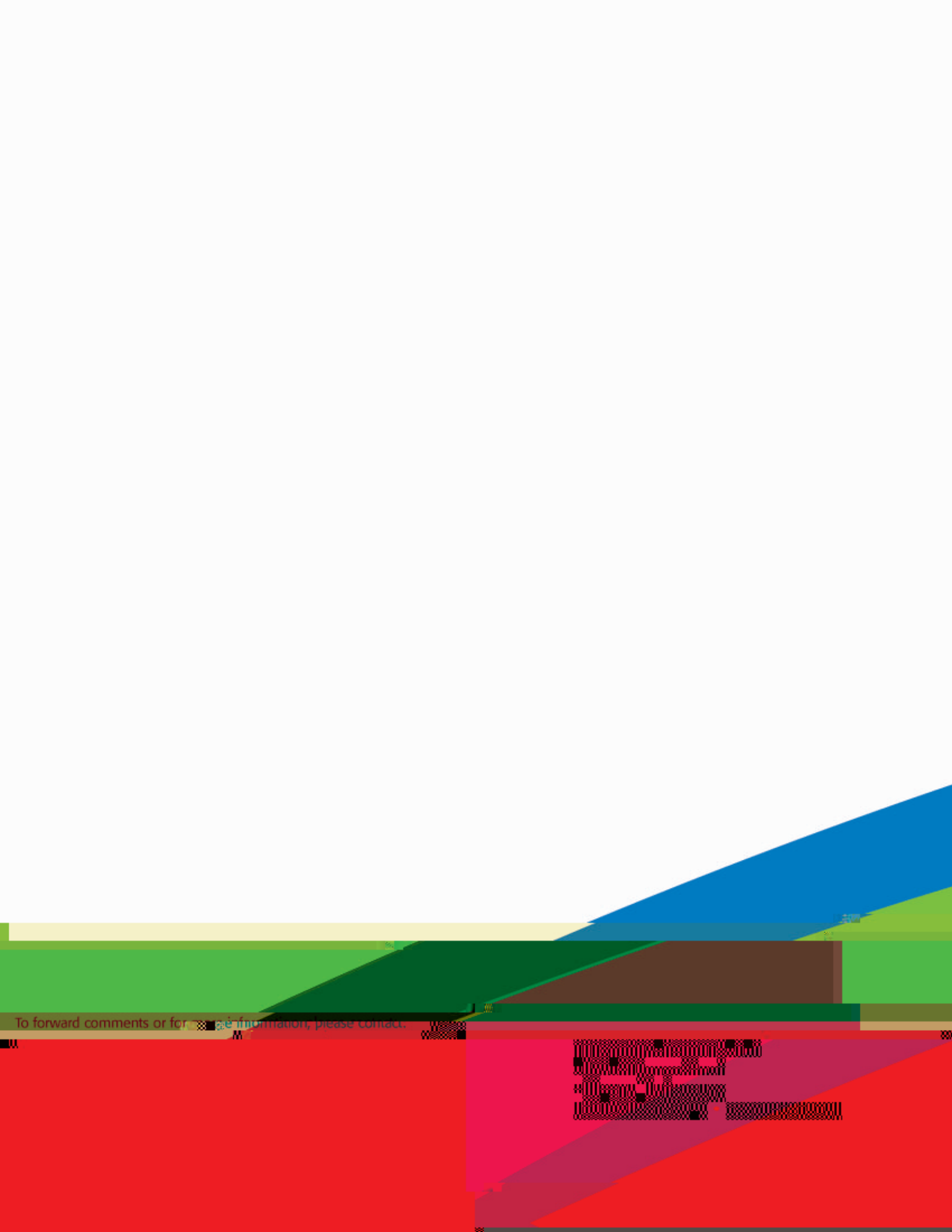
Webber, Melvin M., ed. *Explorations into Urban Structure*. Philadelphia: University of Pennsylvania Press, 1964.

Weber, Max. *The City*. New York: The Free Press, 1921 (1958).

Widmayer, Patricia, and Gary Greenberg. "Putting Our Minds Together: The Digital Network Infrastructure and Metropolitan Chicago." A Report for the Metropolitan Planning Council. Evanston: Northwestern University, September 1998.

Wiebe, Robert H. *The Segmented Society: An Introduction to the Meaning of America*. New York: Oxford University Press, 1975.

Wilson, William Julius. *The City and the Suburbs*. Cambridge, MA: Harvard University Press, 1988.



To forward comments or for more information, please contact:

Dr. [Name]
[Address]
[City, State, Zip]
[Phone Number]