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Public/Private Partnerships: Thinking Regionally, Acting Locally

Over 100 professional planners, community and economic developers, and city and village administrators attended a summit that was held at the ComEd Commercial Center in Oak Brook, Illinois on June 3rd, 2008. The event focused on Public/Private Partnerships: Thinking regionally, acting locally. The panel included Greg Hummel, Partner, Bell, Boyd & Lloyd, LLP, Roger Dahlstrom, Senior Research Associate, Northern Illinois University, Adam Prager, President of Prager Company, and Michael Kirchhoff, Vice President of Retention and Recruitment, Kansas City Economic Development Corporation.

Each panelist focused on different aspects of public/private partnerships highlighting key features to implementing and promoting partnerships locally and regionally.

Greg Hummel defined Public/Private Partnerships as "creative alliances formed between a government entity (ies) and private developers to achieve a number of common purposes." He gave a menu of options on how to develop these partnerships and they are as follows - Public/Private partnerships are most effective when preliminary meetings are conducted, the public policy is clarified, and a term sheet is created. Preliminary meetings between key players about a project helps establish a context for a project, identifies roles, potential problems, and develops synergies between all partners. This establishes transparency throughout the process and the public has an opportunity to comment on or define the impact of a development. The term sheet helps clarify roles and responsibilities, especially when financial incentives are involved. He gave a couple of examples such the Northwest Steel and Wire Factor in Sterling, IL where a public/private partnership provided leverage to turn a faltering steel mill into a mixed-use development and created new jobs for displaced workers.

Roger Dahlstrom focused on a municipal approach to developing partnerships and stressed the importance of dialogue. He highlighted common pitfalls communities get into in an effort to generate revenue. Some of these included offering incentives with out conducting a cost/benefit analysis, promoting residential development to attract commercial development and ignoring long term fiscal balance, or establishing commercial development quotas for land developments. The audience was advised that rather than shooting at everything that flies, communities should leverage public/private partnerships by linking economic development to the comprehensive plan. When a community establishes economic development goals for the long-term plan they can then monitor progress towards those goals, land-use decisions can be viewed within a broader context, and communities can evaluate the use of incentives. In this way the public sector can view development actions in the context of the entire community rather than one development at a time, private sector gets early, accurate guidance and has the opportunity to operate in a more predictable environment thus creating a more transparent information base.

Adam Prager described five overarching components needed to develop successful partnerships. 1) The focus and intent must be clear, articulating the benefits while

accomplishing short-term objectives and long-term goals. 2) Partnerships require balanced governance that represents the community, business, organizations, etc. 3) Partnerships should hold itself accountable and use appropriate metrics to gauge outcome and output. 4) Economic Development initiatives should be viewed as a discipline under which other activities operate (i.e. workforce development, finance, etc.) eliminating duplication and coordinating efforts. 5) Appropriate resources should be leveraged by establishing a funding cycle that coincides with a strategic plan, this will allow outcomes to fit the process and allow staff to focus on the plan rather than raising money. He concluded with reminding attendees that public/private partnerships are a team-approach and each organization plays a major role in assisting in economic development efforts.

Mike Kirchhoff discussed how public/private partnerships are important for regions in their marketing strategies and used two successful entities — the Milwaukee 7 and Kansas City Area Development Council (KCADC) as examples. He highlighted the importance of a regional approach in marketing a region and the need to send a unified message. The continuity of effort is important and usually best led by the private sector (business leaders throughout the region) with the input of the public sector throughout the region (municipalities and counties). Continuity is enhanced when there is a statement of ethics which clearly outlines the roles and responsibilities of the public and private sectors, when a protocol for handling deals is established, and a blend of public and private funding for marketing is available. These efforts will lead to developing a regional brand identity, ensuring that the public/private collaboration conveys a clear concise regional message. He concluded by reminding the attendees that it is important to work together to stand up for, and promote the region.

For more details or to access the PowerPoint presentations, please visit us at: http://www.cmap.illinois.gov/economic/events.aspx. If you have any suggestions for future topics please contact Brian Rademacher at brademacher@cmap.illinois.gov or call (312)386-8668.

These workshops are designed to offer practical advice to municipal officials, economic developers, planners and village administrators to provide practitioners with best practices in planning and economic development to coordinate local and regional planning efforts.