

CMAP Agenda for the Illinois General Assembly, 99th Session 2015

The Chicago Metropolitan Agency for Planning (CMAP) annual legislative agenda serves as a tool for the Illinois General Assembly, relevant state agencies, the Governor, and CMAP partners. It describes priorities based on recommendations of the GO TO 2040 comprehensive regional plan and on related CMAP research. For more information about CMAP's policy statements and adopted positions, please visit www.cmap.illinois.gov/about/legislative-policy-statements.

FUND 2040

Current funding mechanisms in Illinois are inadequate to support improvements that are crucial to our economic competitiveness. While increased state and federal investment is critical, at best it is likely to meet only our maintenance needs. Other U.S. metropolitan regions are far ahead of ours in raising local revenues for infrastructure projects with long-term benefits of livability, mobility, and the economy. These urban areas are using their regional revenues to make investments that give them a distinct competitive advantage over metropolitan Chicago.

Our region needs to create FUND 2040 for prioritized projects that support implementation of the GO TO 2040 regional plan. The agency is building a broad coalition that will call on the General Assembly to authorize our region to create sustainable funding for infrastructure. This program is not intended to solve all of the region's anticipated needs. But the funds would help a significant number of prioritized projects move toward completion while leveraging private and public funding sources. And the program will be an important down payment to help ensure that some especially important projects can move forward to drive economic growth for years to come.

The CMAP-led coalition will propose legislation to add a mere quarter-cent to the sales tax in northeastern Illinois. To cover the costs of administering the \$300 million fund, each year CMAP would reserve three percent, which would also match the agency's federal transportation dollars and provide important planning support for local governments. Competitive proposals would be reviewed annually by CMAP, using regionally accepted performance-based criteria through a non-partisan process that builds on the agency's reputation for equity and transparency. Eligible types of capital infrastructure would include:

- *Transportation system projects that reduce congestion, improve access to transit and jobs, and/or enhance the freight network.*
- *Parks system projects that improve residents' access to recreation and enhance communities' livability.*
- *Stormwater projects that improve the region's ability to avoid flooding of communities and pollution of groundwater.*

Robust, Performance-Based Transportation Investments

Transportation funding in Illinois faces significant challenges. The traditional state revenue sources -- the motor fuel tax and vehicle registration fees -- have lost significant purchasing power over the last 20 years. Further, the motor fuel tax faces long-term threats to its viability as vehicles become more fuel efficient and travel behavior changes. The Chicago region's transit system remains critically underfunded and lacks a stable source of non-federal capital funding. Similarly, freight issues must be better incorporated into capital programming processes.

Approximately every ten years, the state provides a major capital program for transportation and other purposes. While these resources are welcome and necessary, their timing is unpredictable and their duration is brief. The most recent program, *Illinois Jobs Now!*, relied in part on speculative, inadequate new revenue sources, reducing the state's ability to finance the program. Contrary to GO TO 2040, these sources were also unrelated to use of the transportation system.

Investment decisions in Illinois are governed largely by arbitrary formulas like the "55/45 split," which sends 45 percent of highway funds to northeastern Illinois and 55 percent downstate. A more transparent, performance-based approach would ensure that limited resources are steered toward the most critical projects, also shedding light on how investment decisions are made.

CMAP supports increasing the motor fuel tax by 8 cents and indexing it to inflation in the near term but recognizes the need to develop a sustainable, long-term revenue source -- based on transportation user fees -- to replace the motor fuel tax.

CMAP supports new, sustainable revenues for transportation. CMAP also supports a dedicated source of capital funding for transit and a greater focus on improvements to the freight system.

CMAP supports legislative initiatives that encourage a commitment by transportation implementing agencies to use transparent, performance-based capital programming.

Innovative Tools for Transportation Investment

While enhanced transportation revenue sources would do much to move Illinois in the right direction, new tools are still needed to better manage the transportation system and develop complex projects. These tools focus on facility-specific approaches to raise revenues or finance projects, ensuring a closer connection between benefits received and costs paid by users of the transportation system.

Through **congestion pricing**, express toll rates rise and fall with traffic levels, encouraging more efficient use of the system while also raising revenues. **Value capture** strategies recognize that transportation investments increase property values and business activity, tapping into these sources to pay for upfront construction costs. **Public-private partnership (P3)** strategies can reduce costs and accelerate project delivery by tapping into private-sector expertise and financing. But as GO TO 2040 explicitly states, such agreements must be carefully structured to protect the public interest.

CMAP supports legislative initiatives that require IDOT and the Illinois Tollway to implement congestion pricing on new highway capacity, and to allow them to strategically price components of the existing highway network.

CMAP supports legislative initiatives that enable multijurisdictional value capture districts for transportation, while also ensuring equity considerations for underlying jurisdictions and the region's taxpayers.

CMAP supports legislative initiatives that require increased transparency and safeguards to protect the State of Illinois from undue financial risk in P3 projects.

State Tax Policy

The Chicago region's ability to make infrastructure and community investments recommended in GO TO 2040 is significantly shaped by fiscal and tax policy decisions made at the state level. CMAP is specifically interested in how tax policy influences the region's overall economy, including the commercial, industrial, and residential development of communities. State tax policies can sometimes distort land use decisions rather than allow markets or quality of life factors to guide them, and the same policies can inadvertently foster unproductive competition among local governments over economic development opportunities, to little or no overall regional benefit.

CMAP supports comprehensive reforms of state tax policy to broaden the tax base, encourage effective local land use decisions, and reduce the focus on intrastate and intraregional competition over economic development.

Water Supply Planning and Management

CMAP's Water 2050 plan emphasizes the need for better management of the region's water resources. The Lake Michigan Water Allocation Program, which provides water for nearly 70 percent of residents in the region, is undergoing revisions that may require the Illinois Department of Natural Resources (IDNR) and its regional partners such as CMAP to help implement new allocation rules and provide technical assistance to water utilities. However, the state currently does not have a dedicated revenue stream for a water supply planning and management program. With new funds, the state could formalize water planning within IDNR, support regional planning groups such as CMAP, and dedicate a portion to the Illinois State Water Survey's (ISWS) Illinois Water Inventory Program (IWIP).

CMAP supports new, sustainable revenues to support state and regional water planning for IDNR, ISWS, IWIP, and regional partners.

Transparency and Accountability

Data sharing through transparent, open governance improves efficiency and accountability. Further, CMAP relies on other agencies' data to complete its own work in planning, policy, and transportation programming. By sharing their data in a timely manner, usable format, and accessible location, public agencies also communicate clearly how they make decisions to establish policies, prioritize projects, and administer funding.

CMAP supports legislation to increase data and information sharing by requiring state and local agencies to make their programs and policies more transparent to the public.

About CMAP

The Chicago Metropolitan Agency for Planning (CMAP) was created in 2005 through state statute (70 ILCS 1707) and is the federally designated Metropolitan Planning Organization (MPO) for the seven counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will. Its state and federal mandates require CMAP to conduct comprehensive regional planning, prioritize transportation investments, provide technical assistance for communities, and compile data resources that enhance decision making.

CMAP developed and now guides implementation of the region's GO TO 2040 comprehensive plan, which was adopted unanimously in October 2010 by leaders from across the seven counties, and updated in 2014. To address anticipated population growth of more than 2 million new residents, GO TO 2040 is an innovative, policy-based plan that establishes coordinated strategies to help the region's 284 communities address transportation, economic development, open space, water, energy, housing, and other quality-of-life issues. In 2013, CMAP received the American Planning Association's first-ever National Planning Excellence Award for a Planning Agency.

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See www.cmap.illinois.gov for more information.

CMAP State Legislative Principles: Illinois General Assembly 2015

The State of Illinois is key to the successful implementation of GO TO 2040, metropolitan Chicago's comprehensive regional plan. State government allocates billions of dollars each year across various program areas and plays a significant role in operating and maintaining the transportation system, promoting economic development, and maintaining and preserving natural resources. However, the state's ongoing fiscal challenges continue to crowd out many of these investment priorities.

The Chicago Metropolitan Agency for Planning (CMAP) intends its state legislative principles to guide and inform partners, the Governor, legislators, state agency directors, and others about CMAP policy positions in the 99th General Assembly. Generally speaking, CMAP is most interested in legislative initiatives that have regional or statewide impacts, or those that could serve as precursors to broader, more comprehensive legislation. This detailed framework is a companion to the shorter state legislative agenda that CMAP prepares each year.

The remainder of this document describes CMAP's legislative principles organized around the twelve recommendations included in GO TO 2040. Also, please see <http://www.cmap.illinois.gov/about/legislative-policy-statements> for the agency's 2015 Legislative Agenda and periodic Legislative Updates.

Pursue Coordinated Investments

GO TO 2040 emphasizes effective, collaborative approaches to common problems, many of which are felt most keenly at the metropolitan scale. With a region as large and diverse as northeastern Illinois, implementation of the plan's recommendations will require that leaders recognize the interdependence of our communities and work across political boundaries to address issues facing multiple jurisdictions. To support coordinated investments, GO TO 2040 recommends taking a regional approach, promoting comprehensive solutions, and increasing the coordination and consolidation of local services.

Legislative Principles

CMAP supports efforts that invest more in metropolitan areas, comprehensive planning initiatives, and grant greater decision making authorities to regional level governance.

CMAP supports efforts that improve the coordination and alignment of programs, regulations, and funding across state agencies, ensuring a comprehensive perspective in decision making, and generating more efficient outcomes.

CMAP supports local government efforts to evaluate and implement the appropriate consolidation or coordination of local services, empowering them to solve problems with innovative solutions, and improve intergovernmental collaboration.

Invest Strategically in Transportation

The future prosperity of Illinois depends on strategic transportation investments, yet our investments are often predicated on arbitrary formulas rather than measures of need or impact. GO TO 2040 supports a more transparent, performance-driven approach for programming transportation investments. Further, transportation implementers should prioritize projects that maintain and modernize the existing system, while expensive new capacity projects should be built only when the need is great.

In addition to emphasizing strategic transportation investments, GO TO 2040 recommends increasing transportation funding through several new or expanded sources, and notes that user fees should be structured to track with the inflation of construction costs over time. While not representing a new source of revenue, the appropriate application of **public-private partnerships** can reduce costs and accelerate project delivery by providing a greater role for the private sector in project development and potentially in financing, operations, or maintenance. Due to their complexity and potential risk, GO TO 2040 states clearly that such agreements must be structured carefully to protect the public interest.

New revenues must be generated through efficient, sustainable user fees that better reflect the broader social costs of transportation and that better link costs paid with benefits received. Through **congestion pricing**, toll rates rise and fall with traffic levels, encouraging more efficient use of the system while also raising revenues. **Value capture** strategies recognize that transportation investments increase property values and business activity, tapping into these sources to pay for upfront construction costs.

Legislative Principles

CMAP supports legislative initiatives that create a transparent, performance-based funding process for state transportation investments and involves collaboration with MPOs and other stakeholders.

CMAP supports legislative initiatives that increase the existing motor fuel tax to support the transportation system and index it to inflation. CMAP also supports efforts to develop a sustainable, long-term replacement to the motor fuel tax based on transportation user fees.

CMAP supports legislative efforts to permit and encourage innovative transportation funding sources such as congestion pricing and value capture. Further, CMAP continues to support the judicious application of public-private partnerships, so long as the public interest is adequately protected.

Increase Commitment to Public Transit

Public transportation is essential to the future economic prosperity of our region. After decades of underinvestment, substantial funding is needed just to adequately maintain the system, and even more is required to modernize the system to world-class standards. While the top priority of GO TO 2040 is to maintain and modernize the existing transportation system, the plan also recommends a limited and conservative approach to expansion of service in the region. Further, GO TO 2040 encourages the state to support transit-oriented development through its transportation, housing, and economic development investments. It also recommends securing

new sources of revenue to support transit, including dedicating a portion of any proposed gas tax increase, as well as some portion of future congestion pricing revenues.

Legislative Principle

CMAP supports legislative initiatives that provide more resources for the maintenance and modernization of our transit system, encourage innovative transit financing, and provide for reasonable expansion of the transit system.

Create a More Efficient Freight Network

Metropolitan Chicago is the nation's freight hub, and the state plays a vital role in maintaining this position. In partnership with the federal government and the region, the state should make a high priority of implementing the CREATE program, a collection of 70 rail projects aimed at improving freight mobility in the Chicago region. Truck traffic is also a major challenge for the region. The state can take a leadership role in identifying opportunities for dedicated freight corridors, streamlined truck permitting, better cataloging and coordination of truck routes, and access improvements to intermodal facilities. Further, GO TO 2040 supports better integration of freight needs into existing capital programming approaches.

The CMAP Board convened the Regional Freight Leadership Task Force as a group of public and private stakeholders to investigate funding and governance issues facing the regional freight system. State action is needed to fulfill the task force recommendations, which include robust and comprehensive freight planning; new, dedicated funding sources for freight investment in northeastern Illinois; and an ongoing commitment and capacity to implement freight plans.

Legislative Principles

CMAP supports legislative initiatives that fund CREATE, provide regional trucking improvements, and better integrate freight issues into existing capital programming processes.

CMAP supports efforts that continue to develop the Regional Freight Leadership Task Force recommendations which include freight planning in northeastern Illinois, dedicated funding for freight, and implementation of freight plans.

Achieve Greater Livability through Land Use and Housing

The state has an important role to play in helping communities achieve the principles of livability -- healthy, safe, and walkable communities that offer transportation choices for access to schools, jobs, services, and basic needs. More coordinated investment in the areas of transportation, housing, environmental, and economic development is critical to promoting sustainable, livable communities. Recognizing that they face common challenges like foreclosure prevention or prioritizing investments in affordable housing, many of the region's communities have created collaborative approaches to address these problems. However, state funding is often available only at the municipal level, limiting the ability of these collaborative approaches to receive funding and carry out multijurisdictional strategies.

Legislative Principles

CMAP supports legislative initiatives that align funding across various state agencies for planning, local technical assistance, and capital investments that align with GO TO 2040's livability principles.

CMAP supports legislative initiatives that either expand eligibility for existing resources or provide new funding or assistance to multijurisdictional organizations seeking to address shared housing and land use problems.

CMAP supports legislative initiatives that promote reinvestment in existing communities – specifically initiatives that are competitive, offered on a statewide or regional basis, allocate funds based on need, and are based on comprehensive evaluation criteria considering the interconnected focus areas of transportation, housing, the environment, and economic development.

Manage and Conserve Water and Energy Resources

The conservation of water and energy is a top priority for GO TO 2040. Over the next 30 years, these resources will likely become more constrained, affecting the region's economy and quality of life. The energy priorities in GO TO 2040 are focused on reducing demand and increasing efficiency, as well as the use of renewable energy options. The state can support energy conservation by providing funding, financing mechanisms, and local technical assistance.

Priorities for water efficiency and supply planning are outlined in the Water 2050 plan. New, sustainable funding is needed to support water supply planning and investment in water infrastructure. Pricing can help ensure the prudent management of water infrastructure, particularly through a shift toward paying for the full costs of water service delivery through user fees. Furthermore, many communities lose a considerable amount of treated water through leaks in their systems, wasting ratepayer and taxpayer dollars. This water loss should continue to be addressed through technical assistance, audits, and infrastructure improvements. At the same time, such technical assistance may be needed to help prepare local water suppliers for drought. The Illinois State Water Survey should continue its data collection, analysis, and education efforts on surface and groundwater supply – the Survey informs areas of the region that withdraw groundwater at unsustainable rates. Additionally, portions of northeastern Illinois suffer from chronic, destructive, and costly flooding. While there are many low-capital solutions to flooding, some problems can only be solved by a commitment to investing in flood control and improved stormwater management.

Legislative Principles

CMAP supports initiatives that help manage water and energy demand, help rehabilitate existing infrastructure, and incorporate more efficient, renewable energy options and technologies.

CMAP supports initiatives that establish new, sustainable funding for water infrastructure, water supply planning, and flood protection and that promote full-cost pricing of water infrastructure.

Expand and Improve Parks and Open Space

A top priority of GO TO 2040 is to expand the green infrastructure network, an inventory of the most significant locations in northeastern Illinois targeted for conservation. To do so, CMAP recommends making significant, priority-based investments in parks and open space. The state can play a critical role in this effort through IDNR's open space acquisition and management programs. Major benefits will follow from investing in the green infrastructure network, including enhanced quality of life and property values, improved public health through the promotion of active lifestyles, and the protection of ecosystem services like biodiversity, water supply, flood storage, and water purification. GO TO 2040 recommends preserving an additional 150,000 acres of land by 2040 through a collaborative, multi-organizational, public-private approach.

Legislative Principles

CMAP supports legislative initiatives that coordinate open space investment to create a connected green infrastructure network and prioritize preservation of the most important natural areas.

CMAP supports legislative initiatives that increase funding to provide parks and conserve land, invest in the establishment of new parks, and provide connections through greenway trails.

Promote Sustainable Local Foods

Illinois has some of the most fertile soils in the country, yet most of the money spent on food feeds the economies of other states and nations. The state can support the economic and environmental benefits of local food production through its policies, regulations, and direct procurement. Further, the state can support a variety of demonstration programs to provide better food access in disadvantaged communities.

Legislative Principle

CMAP supports legislative initiatives that facilitate sustainable local food production; increase access to safe, affordable, and healthy foods; and improve local food-related data, research, training, and information sharing.

Improve Education and Workforce Development

The quality of our workforce is among the most important factors in maintaining a strong economy. The state plays a critical role in workforce development through coordinating and funding the public education system and workforce training. GO TO 2040 emphasizes the importance of strengthening workforce development programs to ensure that the region's pool of workers is prepared to meet the needs of current and future employers. Better information networks can help measure, track, and analyze performance to support this goal.

Legislative Principles

CMAP supports legislative initiatives that align workforce development, education, and economic development initiatives to measure outcomes, as well as efforts that improve data-driven decision making.

CMAP supports legislative initiatives that improve the flexibility and delivery of workforce development services, including the strengthening of sector-based and community-focused provision of services.

Support Economic Innovation

Innovation plays a major role in sustainable economic prosperity and enhancing global competitiveness. The region's propensity to innovate -- develop new products, technologies, processes, business models, and markets -- results in goods and services that are faster, cheaper, and better. However, a variety of innovation measures indicate that the region and state's innovative capacity is lagging behind that of peers. Serious action to increase economic innovation will be necessary to keep the region thriving and globally competitive.

GO TO 2040 suggests that the state should use enhanced data to evaluate financial incentives and programs and target them toward the attraction and retention of innovative industries that provide good jobs. The state can strengthen its focus on nurturing regional industry clusters by working with industry coalitions to secure and leverage public and private funding.

Legislative Principle

CMAP supports legislative initiatives that evaluate and monitor economic development programs, identify successful approaches, and target investments toward the region's industry clusters.

Reform State Tax Policy

Metropolitan Chicago's ability to make infrastructure and community investments recommended in GO TO 2040 is significantly shaped by fiscal and tax policy decisions made at the state level. CMAP is specifically interested in how tax policy influences the overall economic well-being of the metropolitan region, including the commercial, industrial, and residential development of our communities. State tax policies sometimes distort land use decisions rather than allow markets or quality of life factors to guide them. In particular, the sales tax can foster competition among local governments for the attraction or retention of sales tax-generating businesses, to little or no overall regional benefit. In Illinois, the sales and income tax bases remain relatively narrow, stifling the ability of tax revenues to keep pace with broader economic trends.

Legislative Principle

CMAP supports legislative initiatives that reform state tax policy through careful expansion of the sales and income tax bases, as well as the careful modification of state revenue sharing structures with local governments to encourage regional collaboration and broader GO TO 2040 development goals.

Improve Access to Information

Data sharing through transparent, open governance improves efficiency and accountability. CMAP relies on other agencies' data to complete its own work in planning and transportation programming and policy; its work depends on the timely reporting of data in a usable format and accessible location. Transparency in data is essential for understanding how government

operates, and helps policymakers at all levels of government make better and more informed decisions.

Legislative Principle

CMAP supports legislation to increase data and information sharing by requiring state and local agencies to make their programs and policies more transparent to the public.

About CMAP

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Implementation of GO TO 2040 remains the top priority for CMAP. The agency provides extensive support to communities through its Local Technical Assistance (LTA) program. So far LTA has funded more than 150 projects in which counties, municipalities, and nongovernmental organizations are planning for increased livability, sustainability, and economic vitality. The program helps address significant demand in the region for updating local comprehensive plans, ordinances, and related planning activities. Though its three-year U.S. Department of Housing and Urban Development grant expired in December 2013, CMAP is continuing the LTA program with new funding from the U.S. Department of Commerce Economic Development Administration and the Illinois Attorney General national foreclosure settlement fund, among other local sources.

GO TO 2040 recommendations also guide the allocation of federal transportation dollars in northeastern Illinois through the following programs that CMAP administers:

- The Congestion Mitigation and Air Quality Improvement (CMAQ) program supports surface transportation improvements, which currently total \$465 million over five years (FY 2014-18).
- The Transportation Improvement Program (TIP) accounts for all federally funded and otherwise regionally significant projects, totaling \$12.5 billion from FY 2014-19.
- The Surface Transportation Program (STP) works with subregional Councils of Mayors to allocate these funds, which totaled \$129 million in fiscal year 2014.

- The Transportation Alternatives Program (TAP) was initiated in 2013 following passage of the federal Moving Ahead for Progress in the 21st Century (MAP-21) transportation bill. Through a competitive project-selection process, it provided \$17 million over two years to support non-motorized transportation.

CMAP conducts extensive, data-driven research and analysis related to policy objectives in GO TO 2040, including diverse economic factors such as workforce, innovation, and tax policies. The agency's series of drill-down reports has examined the resurgence of advanced manufacturing and its intersection with the region's freight cluster. CMAP helps to coordinate efforts to build partnerships involving the institutions that provide education and training and the industries that need a reliable pool of highly skilled workers. CMAP's research also sheds light on the impacts of state and local tax policies.

See www.cmap.illinois.gov for more information.