

ON TO 2050 Strategy Refinement and Development:

Reinvestment and development recommendations from
Tax Policies and Land Use Trends,
Reinvestment and Infill, and
Lands in Transition

April 12, 2017

Agenda

- I. Brief overview of strategy papers
- II. Key findings
- III. Interrelated strategies
- IV. Goals of ON TO 2050
- V. Questions



Tax Policies and Land Use Trends Strategy Paper



Development in the region:

Key findings

Where did growth and development occur?

What factors influence where development occurs?

What are potential impacts?



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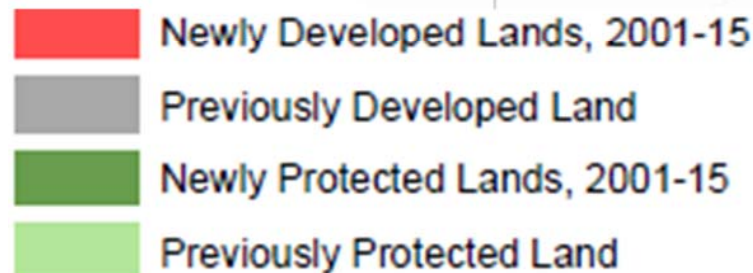
What are potential impacts?



Significant growth at the edge

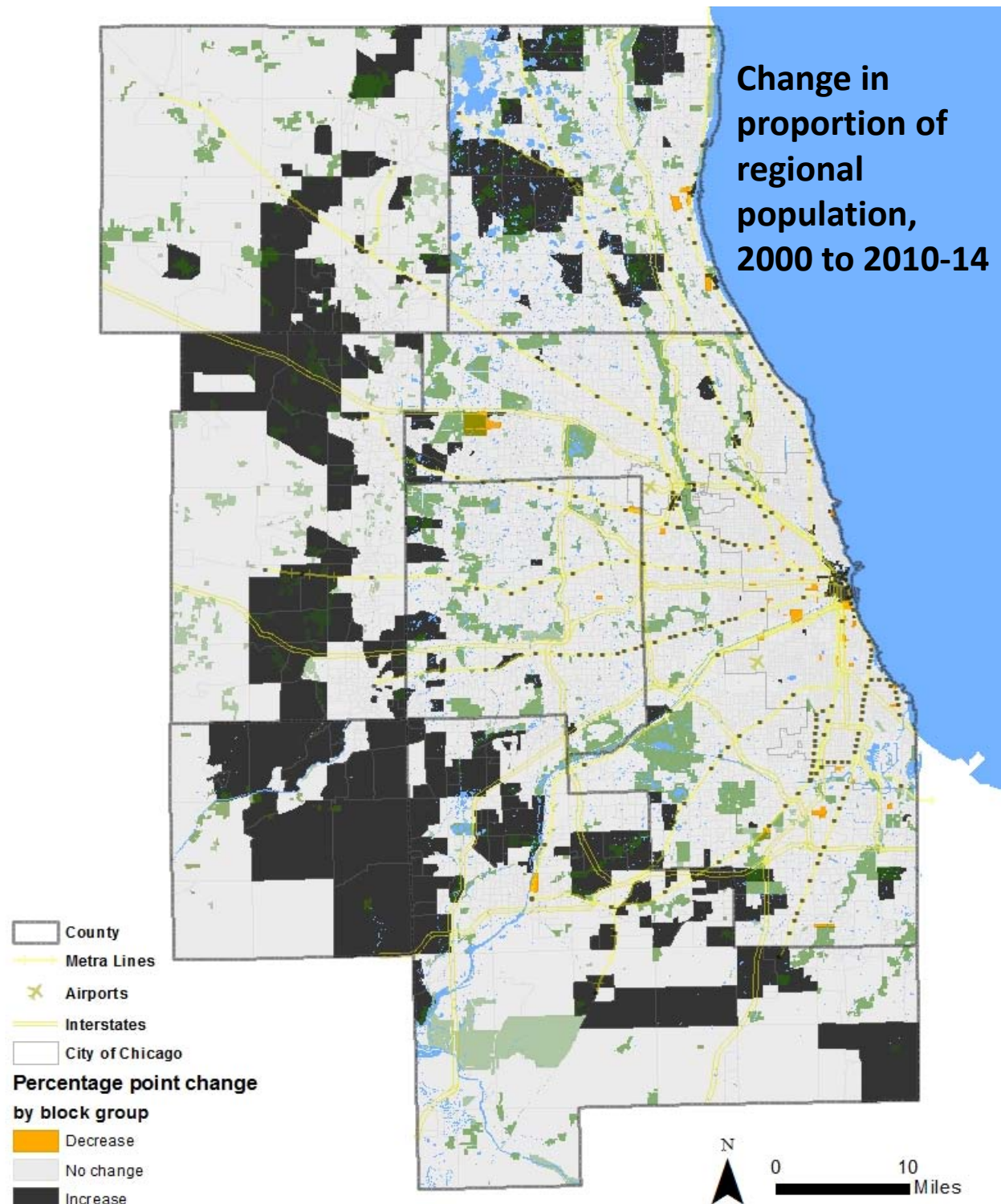
Developed 140,000
acres of previously
agricultural or natural
lands from 2001-2015

Newly developed
and newly
protected lands in
the Chicago region,
2001-2015.



Significant growth at the edge

Areas at the edge of the region experienced highest growth in proportion of the total population.

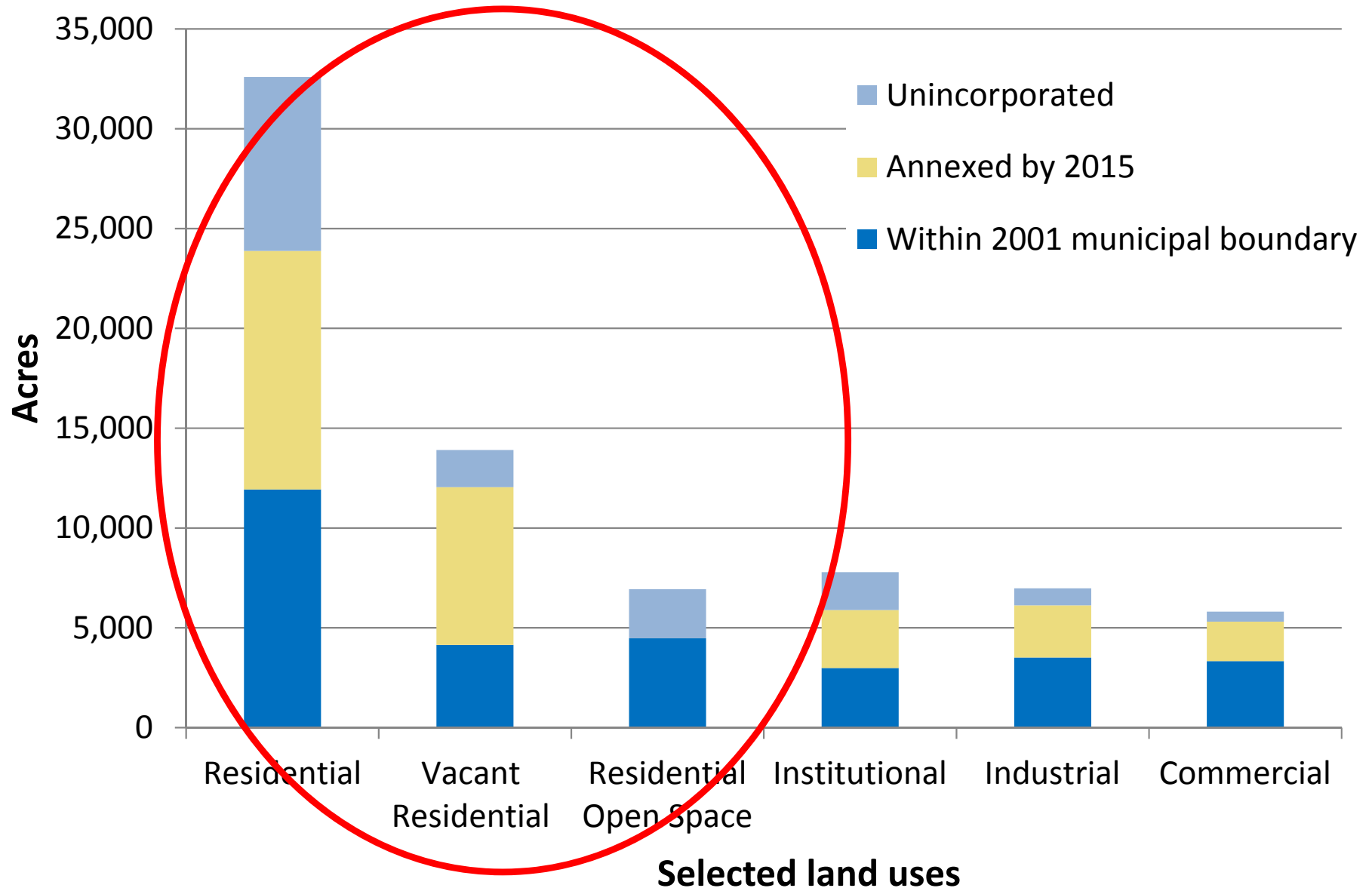


Source: CMAP analysis of U.S. Decennial Census 2000 and American Community Survey 2010-14 data



Most greenfield development is residential

Select land uses of newly developed lands by jurisdictional location, in acres, 2001-2015.



Development in the region:

Key findings

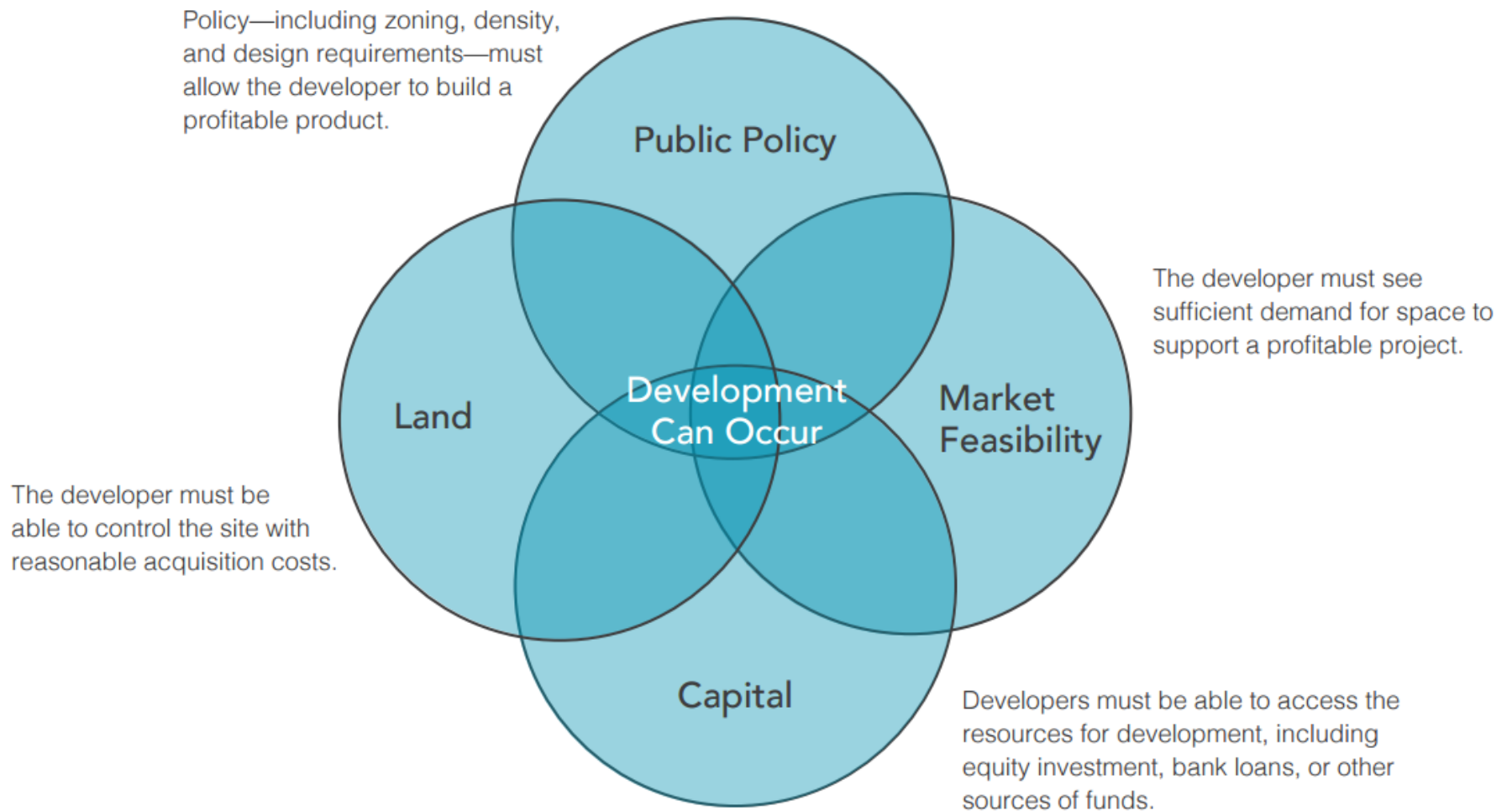
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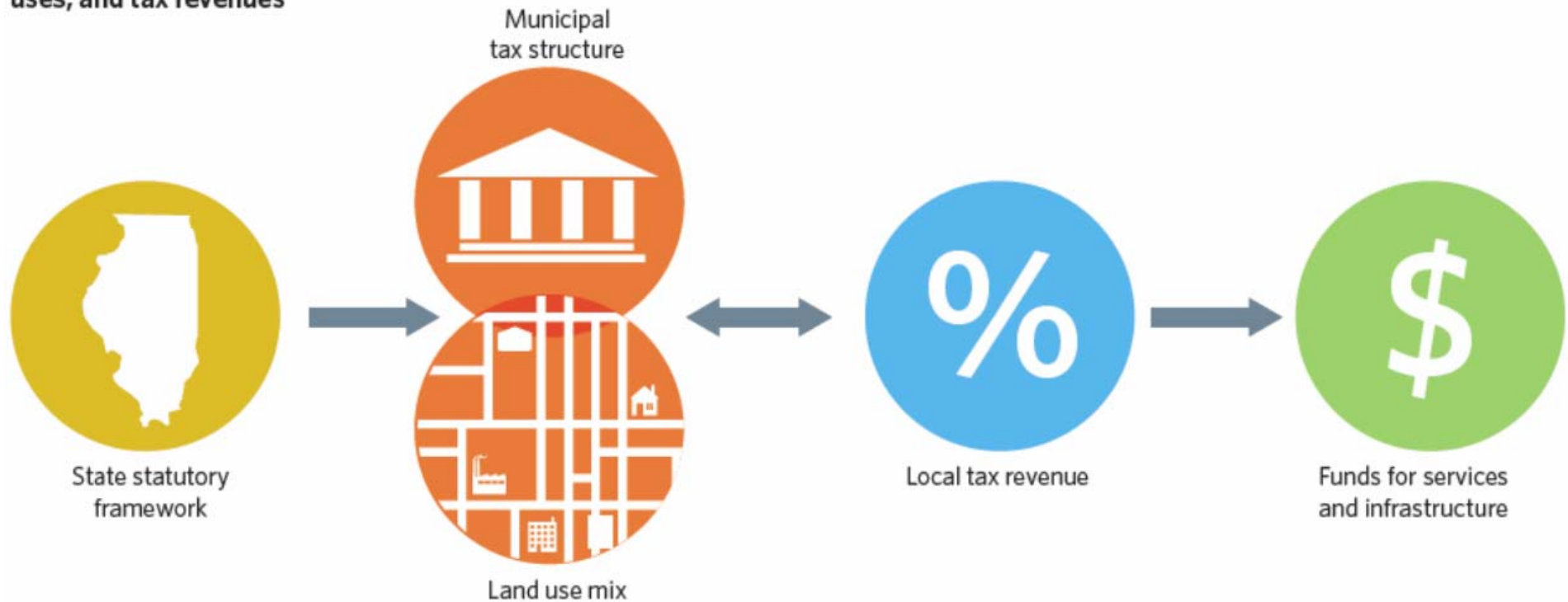
Community goals or development priorities are not always aligned with market realities



Tax structure can influence development decisions and land use mix

The relationship between municipal tax structures, land uses, and tax revenues

Source: Chicago Metropolitan Agency for Planning.



Development in the region:

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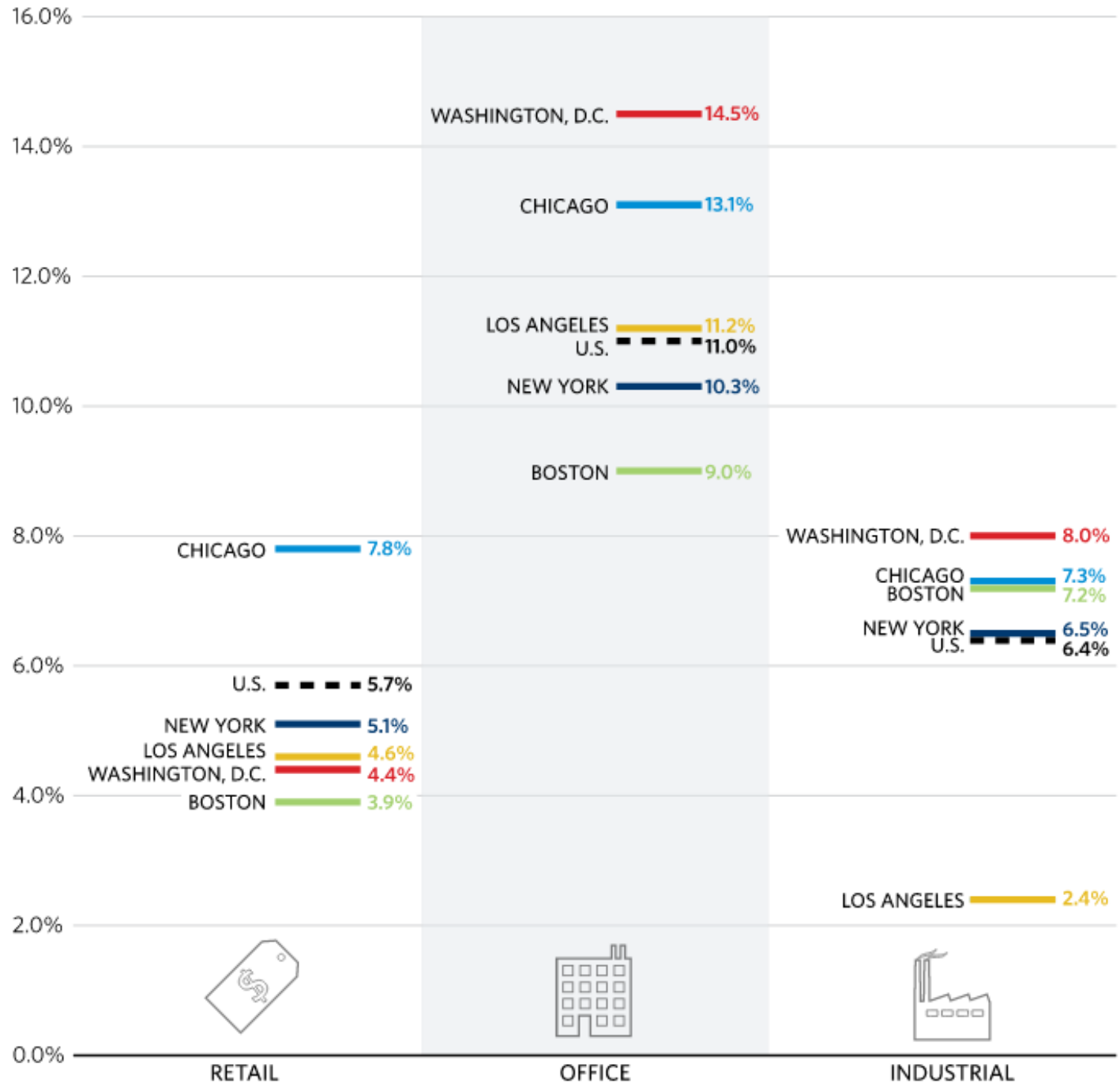
What are potential impacts?



Retail vacancy is particularly high in the region

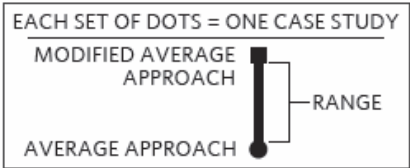
Non-residential vacancy rates in select regions,
2015 Q4

Note: The industrial category includes flex spaces.
Source: Chicago Metropolitan Agency for
Planning analysis of CoStar data.



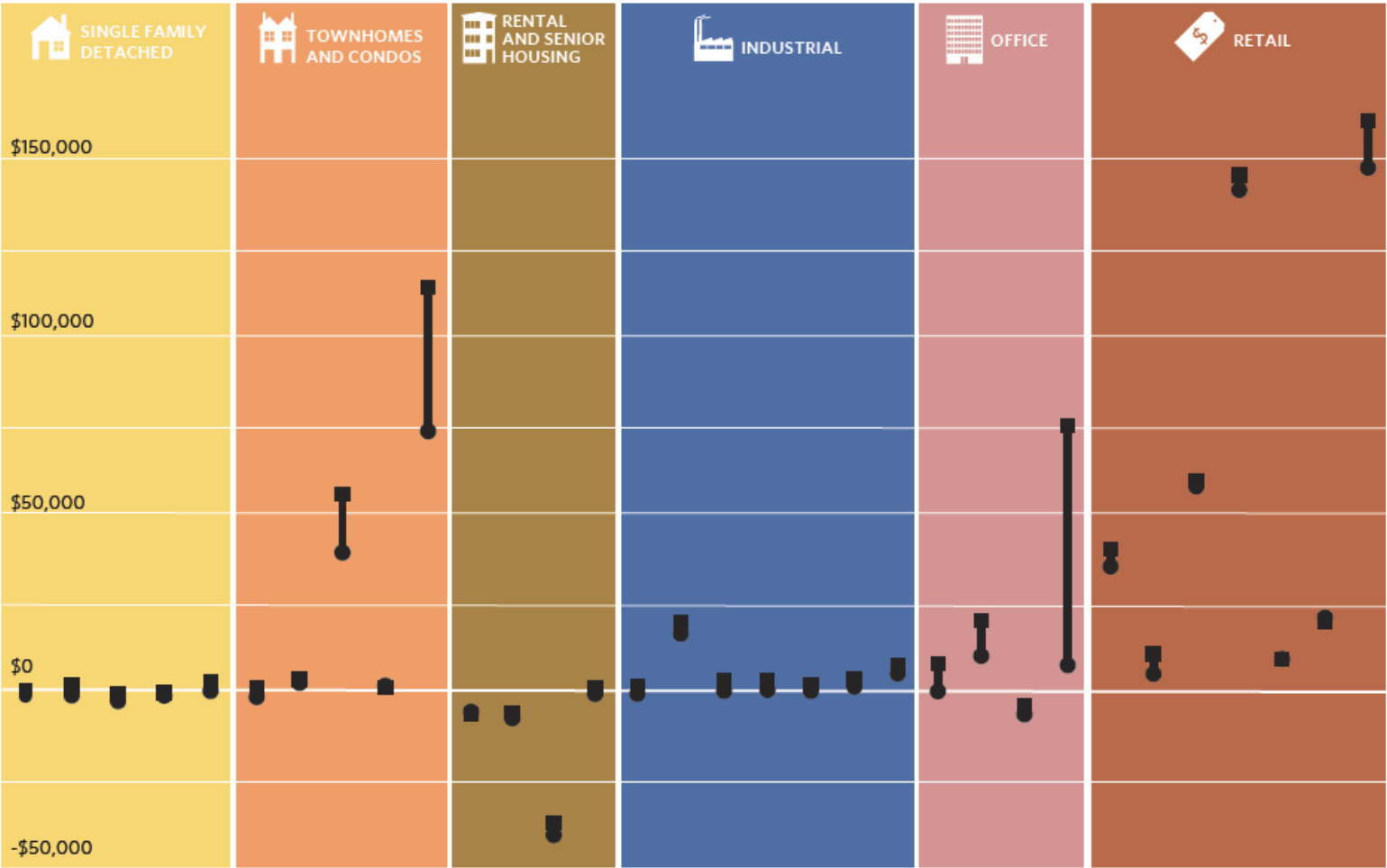
Because some development does not generate sufficient revenue, some municipalities struggle to pay for infrastructure improvements

Municipal net fiscal impact per acre by project and land use



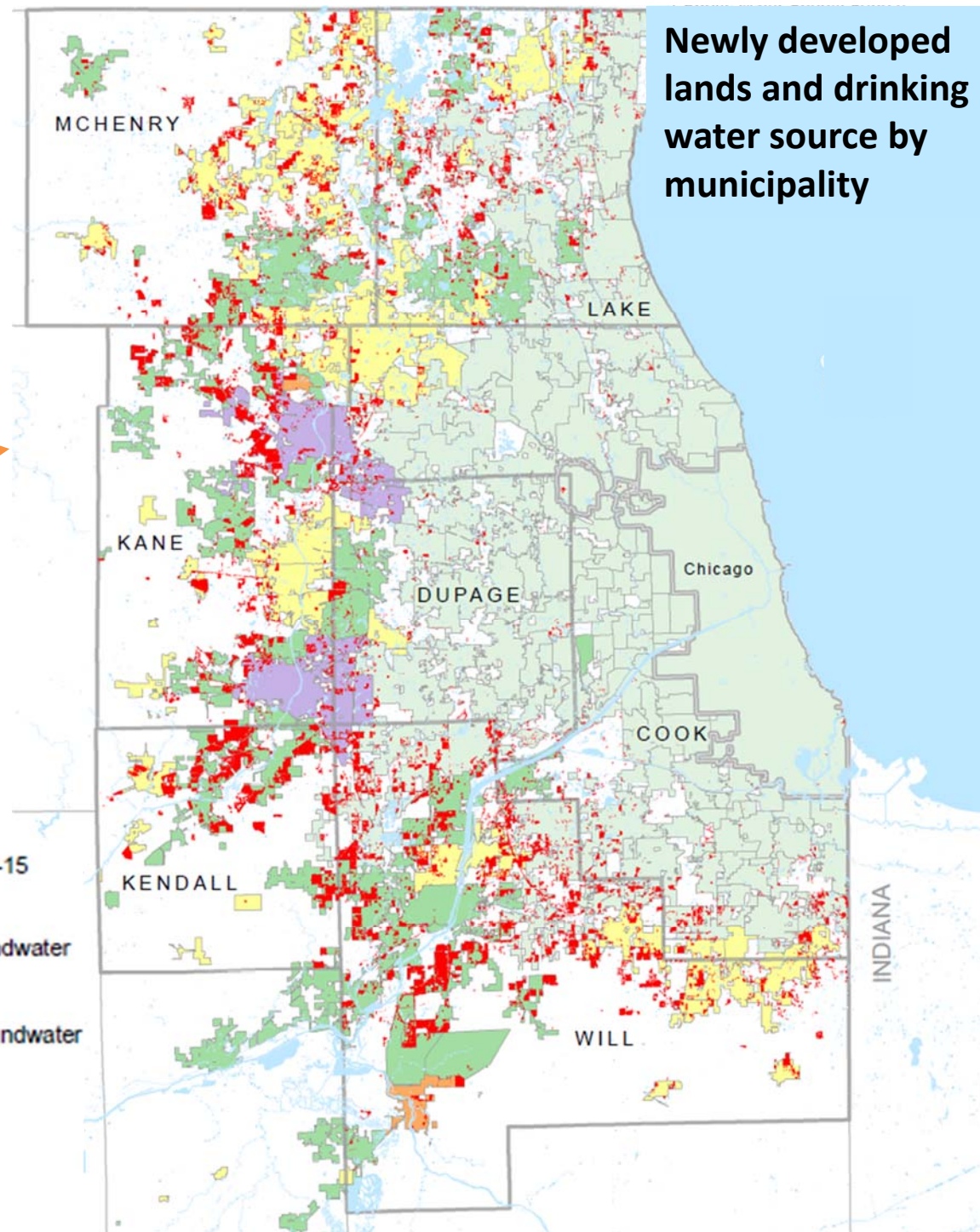
Note: The average cost approach calculates a per capita and/or per-employee cost of services, while the modified average cost approach estimates what proportion of municipal budgets would be unaffected by a new development and calculates the per-capita or per-employee cost excluding the existing excess capacity. Bottom of range represents the average cost approach, top of range represents the modified average cost approach.

Source: Chicago Metropolitan Agency for Planning analysis of SB Friedman data.



Environmental and infrastructure impacts

- Loss of agricultural and natural lands
- Increased reliance on constrained water sources
- Underutilized existing infrastructure capacity



How can ON TO 2050 promote better development decisions?



Ensure communities can support desired land use mix

- Implement state tax policy reforms that allow municipalities to generate sufficient revenue from all land uses
- Balance development-specific and broad revenue sources for long term fiscal stability



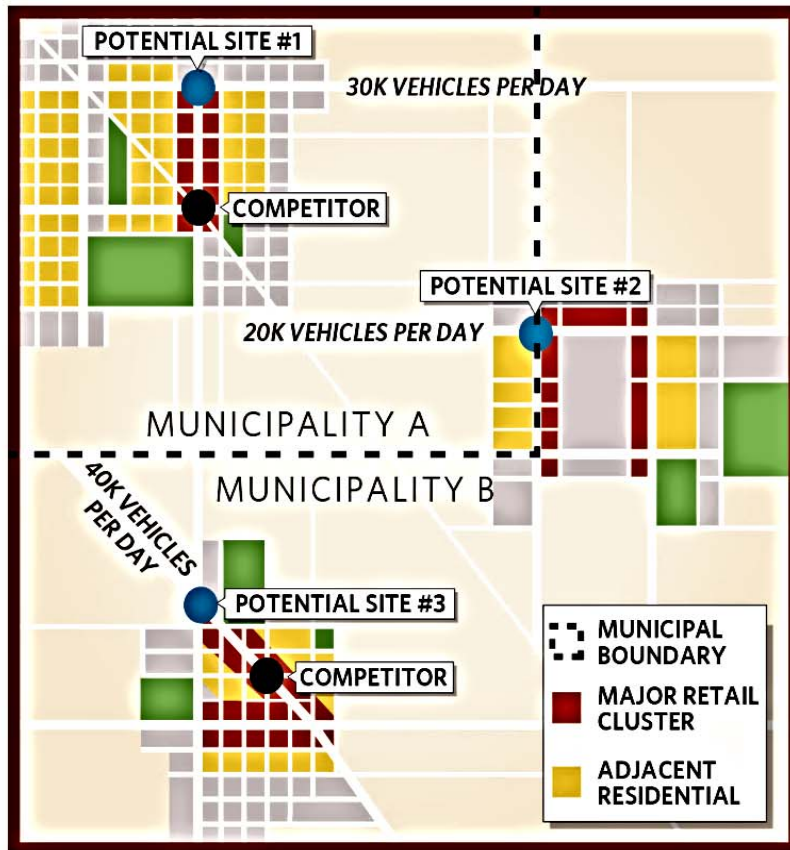
Municipalities should assess impacts of development on planning goals

- Consider long-term infrastructure costs of development decisions, particularly for expansion
- Establish criteria for economic development incentives
- Perform fiscal impact analysis to properly employ development-specific revenue agreements



Plan for market feasible development

Retail site selection considerations within a market area



No municipal control

- Company strategy
- Existing distribution network
- Demographics within site market area
- Location of competition, retail clusters, existing stores
- Lease/purchase price

Some municipal control

- Traffic, access, and visibility
- Required on-site and off-site improvements
- Taxes
- Pre-development timeline

Total municipal control

- Zoning
- Other regulatory processes

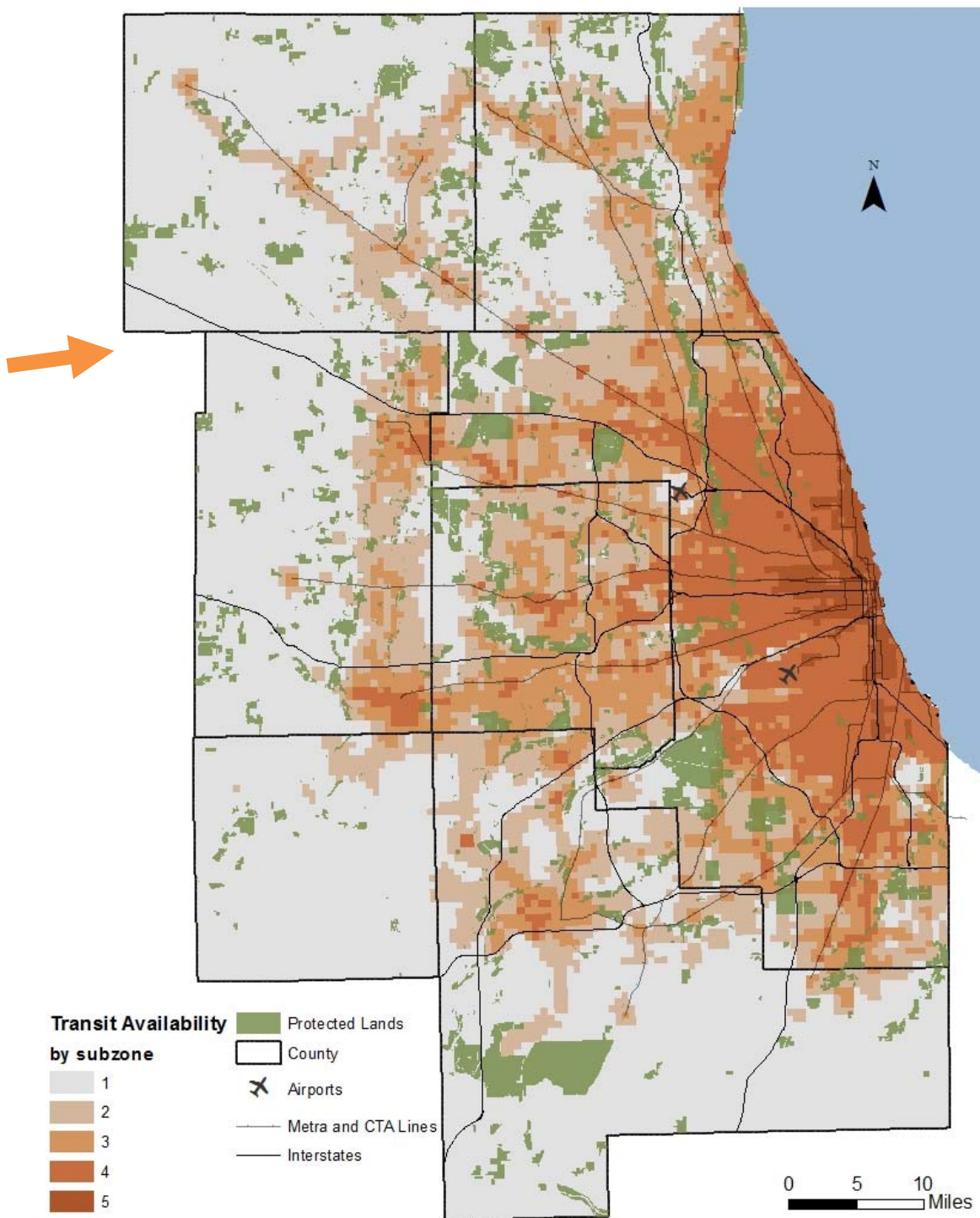
Source: Chicago Metropolitan Agency for Planning analysis.



Direct funding and assistance to critical reinvestment areas

- **Transit served areas** and mixed-use areas
- Economic activity areas
- Disinvested areas

Regional Transit Availability, 2013

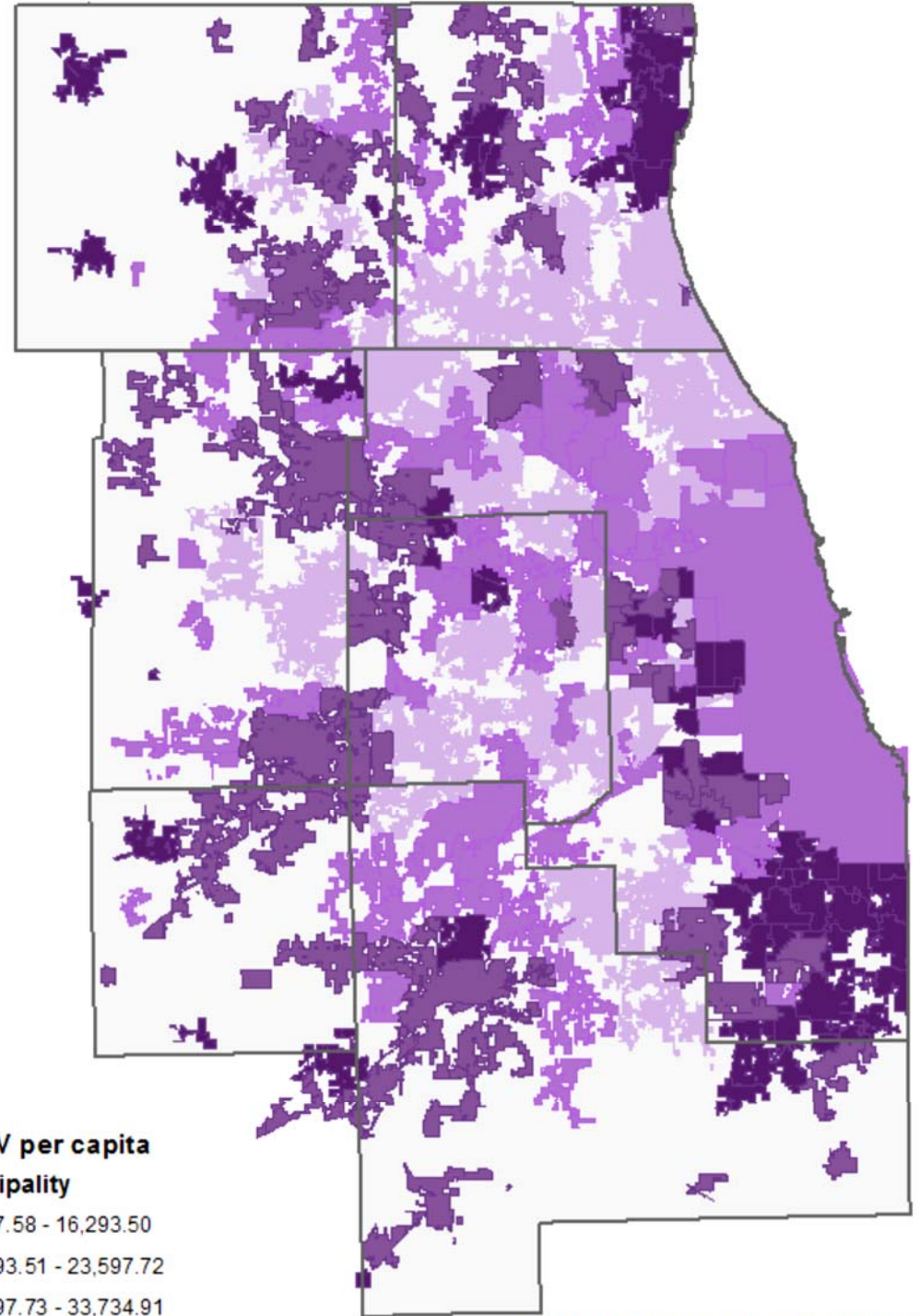


Explore new or expanded approaches to assist areas experiencing disinvestment

Characteristics of disinvestment include

- Derelict building and infrastructure
- Weak markets
- Low municipal and tax capacity

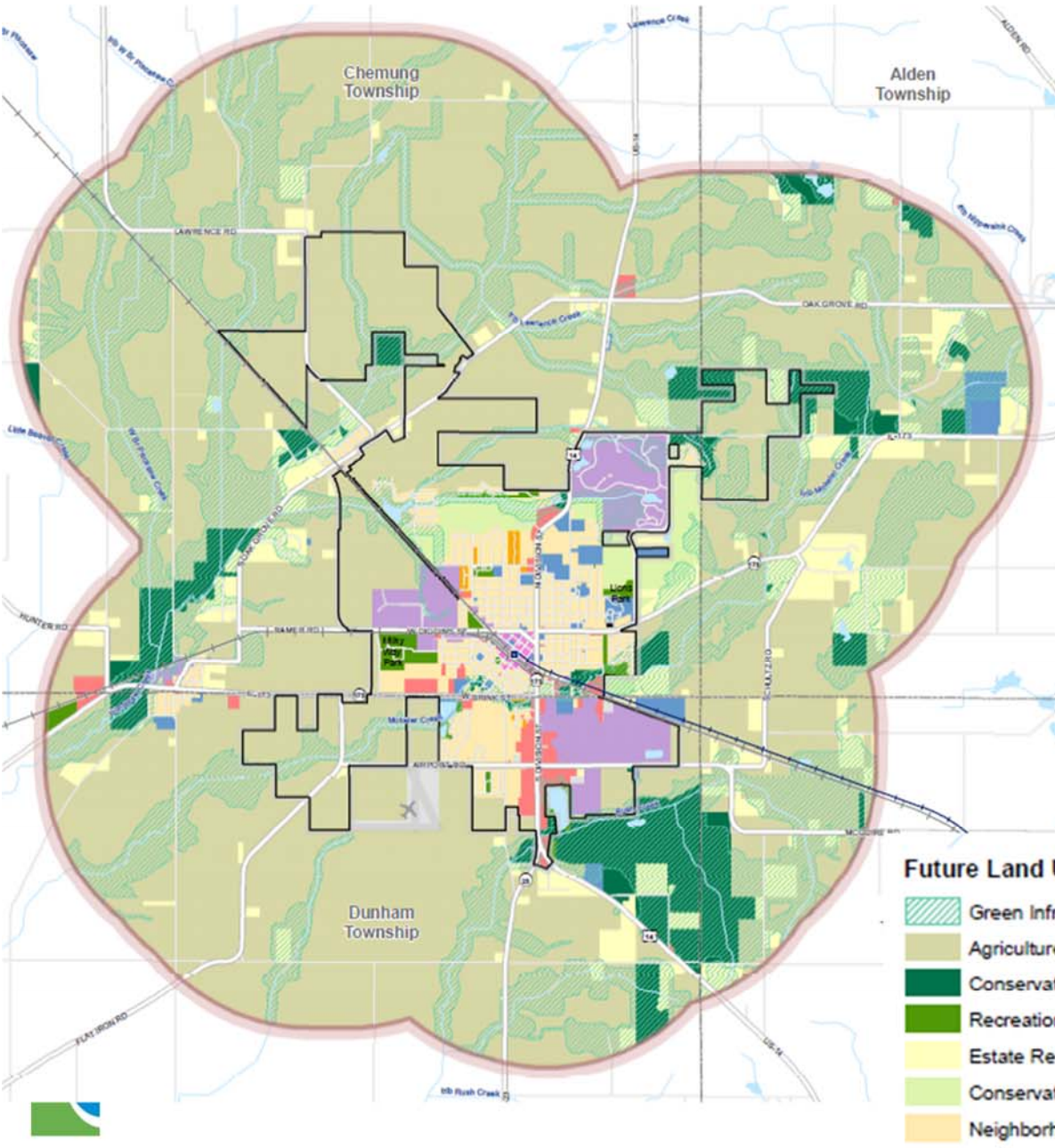
Total EAV per capita
by municipality



Source: Chicago Metropolitan Agency for Planning analysis
of American Community Survey 5-year estimates 2010-14 and
Illinois Department of Revenue data



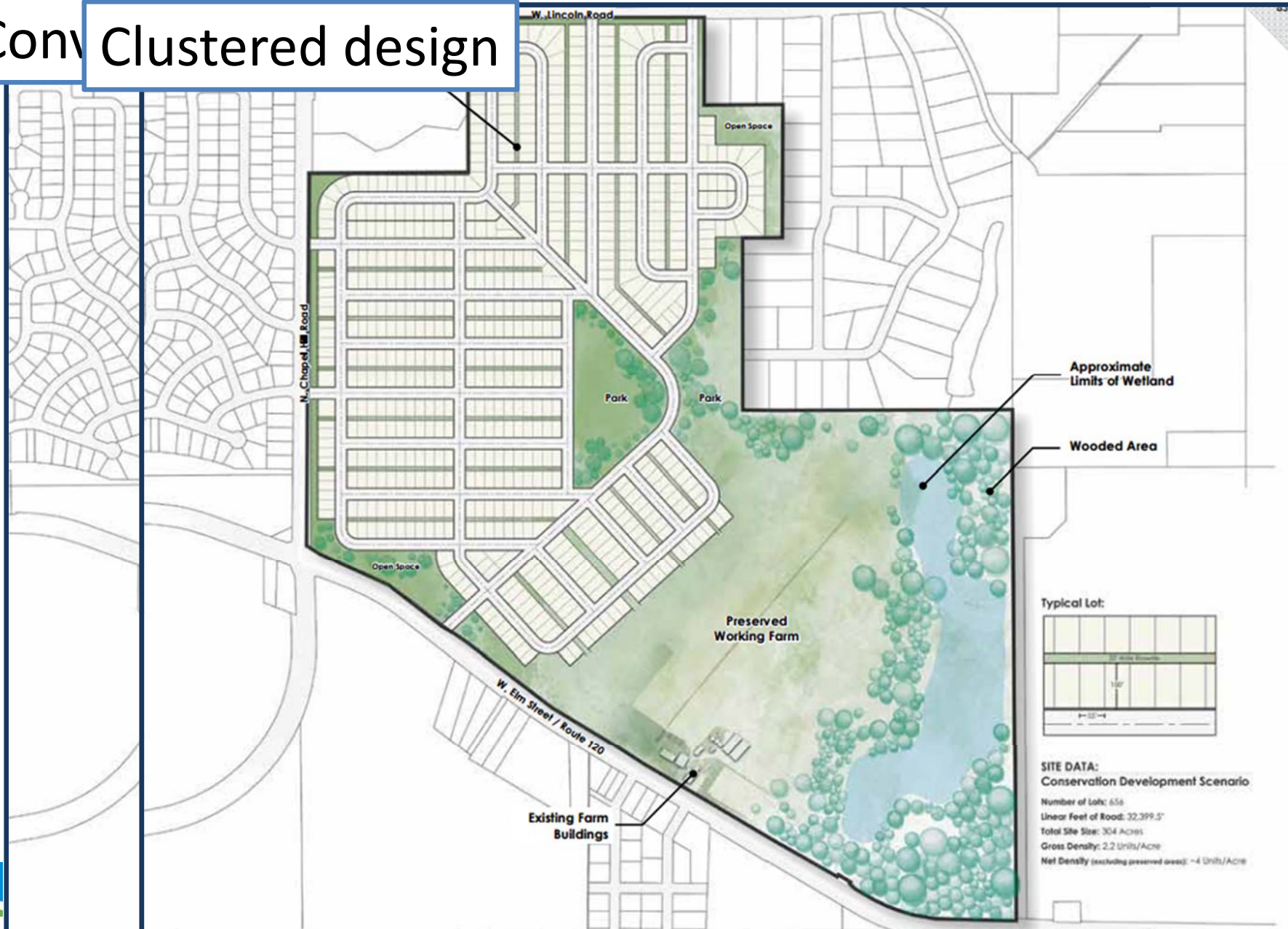
Enhance resource considerations in development decisions for greenfields



- Identify and protect agricultural and natural assets in plans and ordinances
- Encourage compact and clustered development designs

Enhance resource considerations in development decisions for greenfields

Conv Clustered design



Coordinated Growth Areas Layer

- Identify areas that may experience greenfield development.
- Encourage implementation of previous strategies, which help maintain agricultural and natural assets and promote more cost-effective expansion if it occurs.



ON TO 2050 priorities

- Conservation and water
- Reinvestment and infill
- Inclusive growth
- Housing choice
- Regional economy
- Flooding and climate change
- Transportation
- Collaboration and capacity



Questions

- What strategies are we missing?
- Which strategies should be expanded or changed?
- How can these strategies be adapted to help municipalities plan? Would it be helpful to have a spatial component?
- Given the strategies that came out of this research, what should be recommended in ON TO 2050?



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