

# PUTTING PLACES FIRST





# **Putting Places First**

## Targeting Infrastructure Improvements to Spur Investment in Priority Development Areas

**PREPARED BY**  
**THE CENTER FOR NEIGHBORHOOD TECHNOLOGY**

**FUNDED BY**  
**SEARLE FUNDS AT THE CHICAGO COMMUNITY TRUST**

**OCTOBER 2015**

COVER: RIVER STREET IN DOWNTOWN BATAVIA, IL *Photo by David Wilson, Flickr/Creative Commons*

## **CONTENTS**

- 1 Introduction**
- 2 Development Around Transit and Freight**
- 6 Our Transportation System**
- 13 Analysis**
- 21 Best Practices in Targeting Investments**
- 24 Recommendations**
- 28 Acknowledgments**

# INTRODUCTION

In 1909, Daniel Burnham released the groundbreaking *Plan for Chicago*, a bold vision that set the course for the region's growth. Much has happened, for better and for worse, in the century since Burnham's plan. Designing for cars eclipsed designing for people. Suburban sprawl left the city center facing decades of underinvestment. And then those trends started to reverse, thanks in large part to a renewed desire to live in dense, walkable urban neighborhoods. Our region needed a new plan to address the economic and environmental realities of our day, and in 2010 the Chicago Metropolitan Agency for Planning (CMAP) released *GO TO 2040*, the region's first integrated land use and policy plan since Burnham's. *GO TO 2040* outlines a broad suite of strategies that would anchor growth around our transit and freight systems to create compact, walkable communities where people can easily use transit for all their daily needs.<sup>1</sup>

But any plan, no matter how visionary, does little good when left on the shelf. In the five years since *GO TO 2040*'s release, much has been done to start implementation. However, the region's 284 municipalities must still navigate a complex web of funding streams, allocation criteria, and application schedules to get the money they need to play their roles in making this regional vision a reality. The current system does not marshal our resources effectively to do this. We need to reimagine local funding to help communities advance the goals of *GO TO 2040*.

## INFILL DEVELOPMENT

DEVELOPING ON VACANT OR UNDERUSED LAND IN URBAN AREAS INSTEAD OF ON FARMLANDS AND RURAL OPEN SPACES

A key answer comes through **Priority Development Areas (PDAs)**, a commitment across state, regional, and local governments to invest in transportation, housing, and economic development programs *together* and *in the same places* to spark **infill development**—developing on vacant or underused land in urban areas instead of on farmlands and rural open spaces—around train stations and freight yards. Rather than thinly spreading limited public dollars without coordination, public agencies should leverage their resources to implement plans, encourage development around existing transit and freight systems, and maximize return on public investment. PDAs can standardize the criteria across public programs and transform our region's obstacle course of timelines and decisions into a streamlined path that will make the implementation process faster and easier.

This report focuses on this region's complex pipeline of transportation programs and recommends how PDAs could better target them to infill development in existing communities.

1. *GO TO 2040*, Chicago Metropolitan Agency for Planning, <http://www.cmap.illinois.gov/about/2040>.

# DEVELOPMENT AROUND TRANSIT AND FREIGHT

## OUR REGION'S UNFULFILLED POTENTIAL

Communities striving for reinvestment need many different public interventions. Good looking streetscapes should be constructed. Affordable housing must be built at all price points. Environmentally polluted land must be cleaned and prepped for redevelopment. These actions and others must follow infrastructure investments to fulfill a local plan. When PDAs make that happen, and take it to scale across all seven counties and 284 municipalities, our region can encourage more growth around the transit and freight systems, as well as town centers and suburban main streets, and make real progress toward the goals of *2040*.

The Chicago region has a transit and freight network that many other American cities envy. Making it easier for people to use what we already have would mean big savings at all levels. Public agencies, including CMAP, could spend fewer taxpayer dollars on duplicative roads and infrastructure. More people could choose to live without cars, save on transportation costs, and apply that savings to housing, education, health care, childcare, retirement savings, and other essentials. Manufacturers and distributors could shorten truck trips and save fuel by locating closer to the freight rail system. And as the region grows more compactly, those savings would accrue into greater tax and consumer dollars for the local economy and more sustainable regional growth.

Despite having such valuable resources connecting our communities, the Chicago region is falling behind in capitalizing on it. Between 2000 and 2010, it was the only region with a legacy transit system that grew faster *away* from its stations than around them. While our peers, including the San Francisco Bay Area, Boston, and Philadelphia, saw more extensive household growth around their transit systems, Chicagoland saw more sprawl.<sup>2</sup> The current real estate cycle

favors walkable locations and transit across the country, but Chicago's rate of such development still crawls. As a result, developers and investors continue to view the Chicago market less favorably than New York, Boston, or the Bay Area.<sup>3</sup> In an effort to reverse this, the City of Chicago passed a modest zoning ordinance for transit-oriented development in 2013, with a more ambitious expansion that passed in September 2015.

Regionally, however, we keep proposing projects that set us back. The Illinois Department of Transportation spent much of 2013 and 2014 advancing the Illiana Expressway, a financial boondoggle that could lead to development destroying productive farmland 40 miles from central Chicago. Transportation projects like the Illiana spread jobs further apart and shift job growth from one county to another without net gain, all branded as economic development. Our region can only add so much housing and development every year, and if it continues considering projects like the Illiana, it will be even harder to encourage growth around existing infrastructure. We then fall further behind.

Our region *has* built planning programs to grow smartly, though. Early in the implementation of *GO TO 2040*, CMAP recognized that local municipalities needed help creating plans for local infill development and launched the Local Technical Assistance program to design local plans that align with *GO TO 2040*. Since 2011, CMAP has produced 110 plans completed with 50 additional ones in progress and 28 expected to initiate soon. The Regional Transportation Authority's Community Planning program, which provides funding and technical assistance for transit-focused planning and implementation projects (including plans for transit-oriented development), has undertaken 179 plans since 1998. And municipalities produce dozens more without assistance from either of these programs.

2. *Transit-Oriented Development in the Chicago Region: Efficient and Resilient Communities for the 21<sup>st</sup> Century*, Center for Neighborhood Technology. <http://www.cnt.org/publications/transit-oriented-development-in-the-chicago-region-efficient-and-resilient-communities>.

3. *Transit-Oriented Development in the Chicago Region: Efficient and Resilient Communities for the 21<sup>st</sup> Century*, Center for Neighborhood Technology. <http://www.cnt.org/publications/transit-oriented-development-in-the-chicago-region-efficient-and-resilient-communities>.

Despite hundreds of these plans, implementation has been slow. A community may not have the proper zoning in place. Prime infill development opportunities may be split among many owners who increase their asking price when they learn about a plan. Lack of dedicated funding for streetscapes, public space, and truck routes may increase a municipality's reluctance to fund preliminary design and engineering. Or in an attempt to look "development friendly," a town may approve a project that's in opposition to the principles of its plan. These actions send mixed signals to developers, and lead to slow tangible progress on development, a loss of momentum, and disengagement among those who participated in the planning process.

Implementation resources do exist, but a dedicated community must maneuver a complex obstacle course

of funding cycles and political decisions to bundle them together. There are numerous federal transportation programs that can fund streetscapes, station reconstruction, bicycle infrastructure, truck routes, and many other projects that spur economic development. Low Income Housing Tax Credits and state finance programs help ensure that new investment includes working households, families, and seniors. Cook County also provides loan guarantees for TOD and COD real estate projects. But each of these programs operates according to its own schedule and, in many cases, allocation criteria and goals. It shouldn't require a talented urban planner to understand these programs and marshal them together to implement a plan. It should be business as usual.





## WHAT IS **TRANSIT-ORIENTED DEVELOPMENT?**

Transit-oriented development, or TOD, is usually defined as compact, higher-density, and mixed-use development within a 10-minute walk of a transit station. When communities grow around transit, and includes housing all units for all income levels, then:

- It reduces the cost of living by helping households of all incomes own fewer cars, drive them less, and apply the savings to health care, education, or a conventional down payment.
- It connects workers with job opportunities and can help open up new career paths for households without a car.
- It reduces traffic and supports a healthy climate by reducing vehicle miles traveled and increasing transit ridership.
- It grows the tax base by spurring new development in station areas, which were the most resilient place types during the Great Recession.<sup>4</sup>
- It supports diversity by reducing segregation and creating culturally vibrant neighborhoods.



Photo: Thomas Hawk, Flickr/Creative Commons

## WHAT IS **CARGO-ORIENTED DEVELOPMENT?**

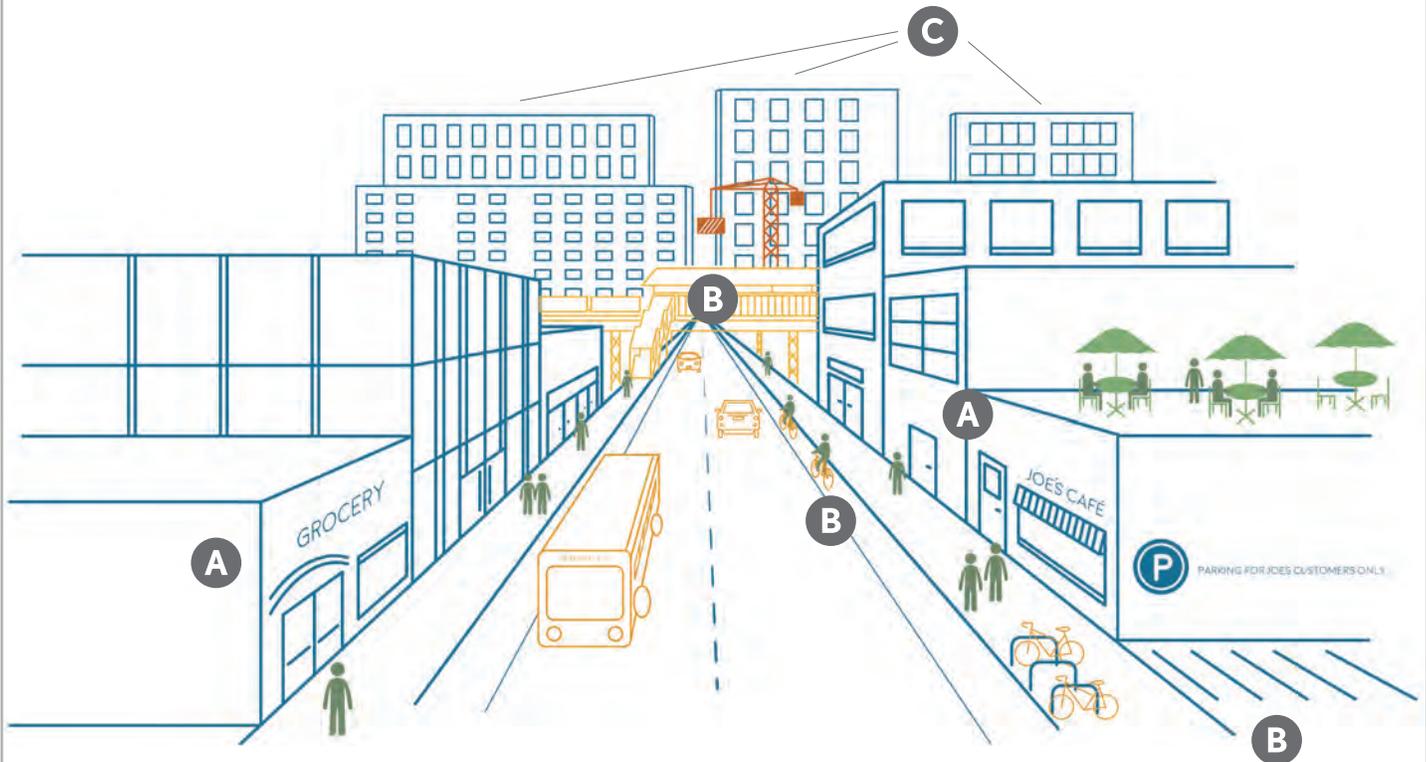
Cargo-oriented development, or COD, integrates freight system efficiency with manufacturing and logistics businesses in ways that drive local economic growth, reduce poverty, improve the environment, and promote public safety. In a COD, manufacturing and logistics businesses are located with access to multiple modes of freight transportation, clusters of complementary businesses, and a ready industrial workforce that can reach the development through public transportation. Investing in COD can also enable:

- Cargo to move as far as possible on rail, the most environmentally efficient form of transportation
- Truck trips to be substantially shortened, reducing fuel use, air pollution, traffic congestion, and damage to roads
- Environmentally contaminated land to be reclaimed while open space is preserved
- Workers to make shorter commutes, frequently by transit, walking, or biking

TOD and COD are not the only infill development opportunities in the Chicago region, but they are critically important. Many Chicago neighborhoods and suburban communities grew up around the railroads that became today's commuter and freight systems, and their TOD station areas and former manufacturing sites are a primary focus of redevelopment opportunity and activity.

## IMPLEMENTING A PLAN

Many federal, state, and regional programs can help implement a local area plan. But because many are not *explicitly* linked to plan implementation, there is a sense that they are hard to secure.



### PROGRAMS TO CONSIDER:

**A**

#### Economic Development

- Tax Increment Financing + Special Service Areas
- Brownfields Programs
- Section 108 Loan Guarantee Program
- Real Estate Tax Incentives
- Private Investment

**B**

#### Transportation

- Surface Transportation Program
- Congestion Mitigation and Air Quality Improvement Program
- Transportation Alternatives
- Collar County Transportation Empowerment Funds

**C**

#### Land Use + Housing

- Low Income Housing Tax Credits
- Energy Efficiency Tax Credits
- Employer-Assisted Housing
- Land Banks + Trusts

4. (Opposite page) "The New Real Estate Mantra: Location Near Public Transportation." Center for Neighborhood Technology. <http://www.cnt.org/publications/the-new-real-estate-mantra-location-near-public-transportation>.

# OUR TRANSPORTATION SYSTEM

## ALL PIPELINE, NO VISION

Rethinking transportation funding is a critical first step in creating a new prioritization system. Local municipalities often use transportation funds for sidewalks, bicycle facilities, crosswalk improvements, station rebuilds, and other infrastructure improvements that can create the connected, walkable communities they outline in their plans. As investors see real progress on making these improvements, they may be more willing to propose real estate projects that help advance the local vision. Regionally, these improvements and the projects they spur can encourage more people to reuse the land around our transit and freight systems, helping to curb the demand for more farmland.

Of course, transportation funds can also be used to make the overall system more attractive for nearby development, regardless of where those improvements occur. Chicago-area agencies must resurface and maintain existing infrastructure, purchase new railcars and locomotives, and separate crossings between cars and trains. Improvements like greenways can connect downtowns, making them desirable places to live and building demand for new real estate. These investments also spur better utilization of existing infrastructure, but they are outside the scope of this report.

Three federal flexible programs can and have been linked to infill development in other regions: the Surface Transportation Program (STP), the Congestion Mitigation and Air Quality Improvement (CMAQ) Program, and the Transportation Alternatives Program (TAP).

### FLEXIBLE FEDERAL TRANSPORTATION PROGRAMS, DEFINED

#### STP

The **Surface Transportation Program** provides federal funding for flexible use. Funds from the program can be allocated for a mixture of infrastructure projects, including bicycle, pedestrian, highway, bridge, and transit programs.

#### CMAQ

The **Congestion Mitigation and Air Quality Improvement Program** supports projects that enhance air quality and diminish transportation congestion to protect public health and welfare. Eligible projects include diesel retrofits, non-recreational bicycle transportation, improvement of traffic flow through high-occupancy vehicle (HOV) lanes, and vehicle inspection and maintenance programs.

#### TAP

MAP-21 created funding for the **Transportation Alternatives Program**. Eligible projects include pedestrian and bicycle facilities, safe routes for non-drivers, historic preservation (of transportation facilities), scenic overlooks, stormwater mitigation, and vegetation management.

## Surface Transportation Program

The Surface Transportation Program (STP) was designed to help local communities meet a variety of surface transportation needs, from the reconstruction and resurfacing of roads to bicycle, pedestrian and transit projects. Its flexibility, year-to-year reliability, and continuity from one federal transportation bill to another have made it a “go to” source for projects that advance local plans. CMAP receives an STP allocation of just under \$125 million per year.<sup>5</sup> IDOT receives just over \$185 million to allocate statewide.

Our region divides STP funds among many different stakeholders. STP has been allocated among 11 regional Councils of Mayors (COMs), as well as the City of Chicago, since 1981. In a vast region of 8.4 million people, with 284 municipalities, some logic exists for local control. After all, the transportation needs of Wicker Park differ from those of Batavia or North Chicago, and the decision makers do too. Suballocation *can* reduce the voices competing for a fixed amount of money, and it can ensure that decision makers program transportation priorities within a geography they know well. It is also easier for residents to have a voice when decisions occur at a local level.

Functionally, however, suballocation ensures that STP money is awarded without a unified strategy or vision. The City of Chicago receives its own suballocation and is free to allocate it according to local priorities. By contrast, suburban COMs are under pressure to deploy money swiftly, so projects selected for STP largely reflect the applications submitted rather than the policy priorities of *GO TO 2040*. For example, in some Councils, mayors and engineers believe that STP dollars should only be allocated to roads at the expense of bikes, sidewalks, transit, and other non-road

projects. Municipalities tend to submit projects according to this conventional thinking, and those are the projects that tend to receive funding. Some scoring methodologies *do* incentivize policy priorities and some COMs *can* nimbly deploy STP for improvements like truck routes when a manufacturer wants to relocate to a site, but overall, the current system prioritizes demand-responsive awards at the expense of broader economic development goals.

The COMs differ in their size and local capacity, which makes it hard to align policy priorities among them. STP allocations also differ significantly in size. An agency with a large allocation, such as DuPage County or the City of Chicago, may find it easy to fund a streetscape or a pedestrian project identified in a local plan. But a Cook County COM may only allocate funds to three to five projects per year and find it harder to consistently justify such projects in its small budget. Moreover, in areas with smaller tax bases, such as southern Cook County, communities have difficulty affording the 30% match requirement and may only advance projects where final funding is most certain. Overall, suballocation leaves many COMs a relatively small amount to work with, reinforcing the perception that STP funding is too scarce to emphasize one need over another and incentivizing municipalities to advance projects based on funding certainty rather than long-term economic impact.

5. “MAP-21 State and Regional Resources”, Chicago Metropolitan Agency for Planning, [http://www.cmap.illinois.gov/documents/10180/32511/Federal\\_Fiscal\\_Resource\\_Table6713.pdf/001221fc-ff11-4ff7-abae-494edad61474](http://www.cmap.illinois.gov/documents/10180/32511/Federal_Fiscal_Resource_Table6713.pdf/001221fc-ff11-4ff7-abae-494edad61474).

## SCORECARD FOR COM METHODOLOGIES

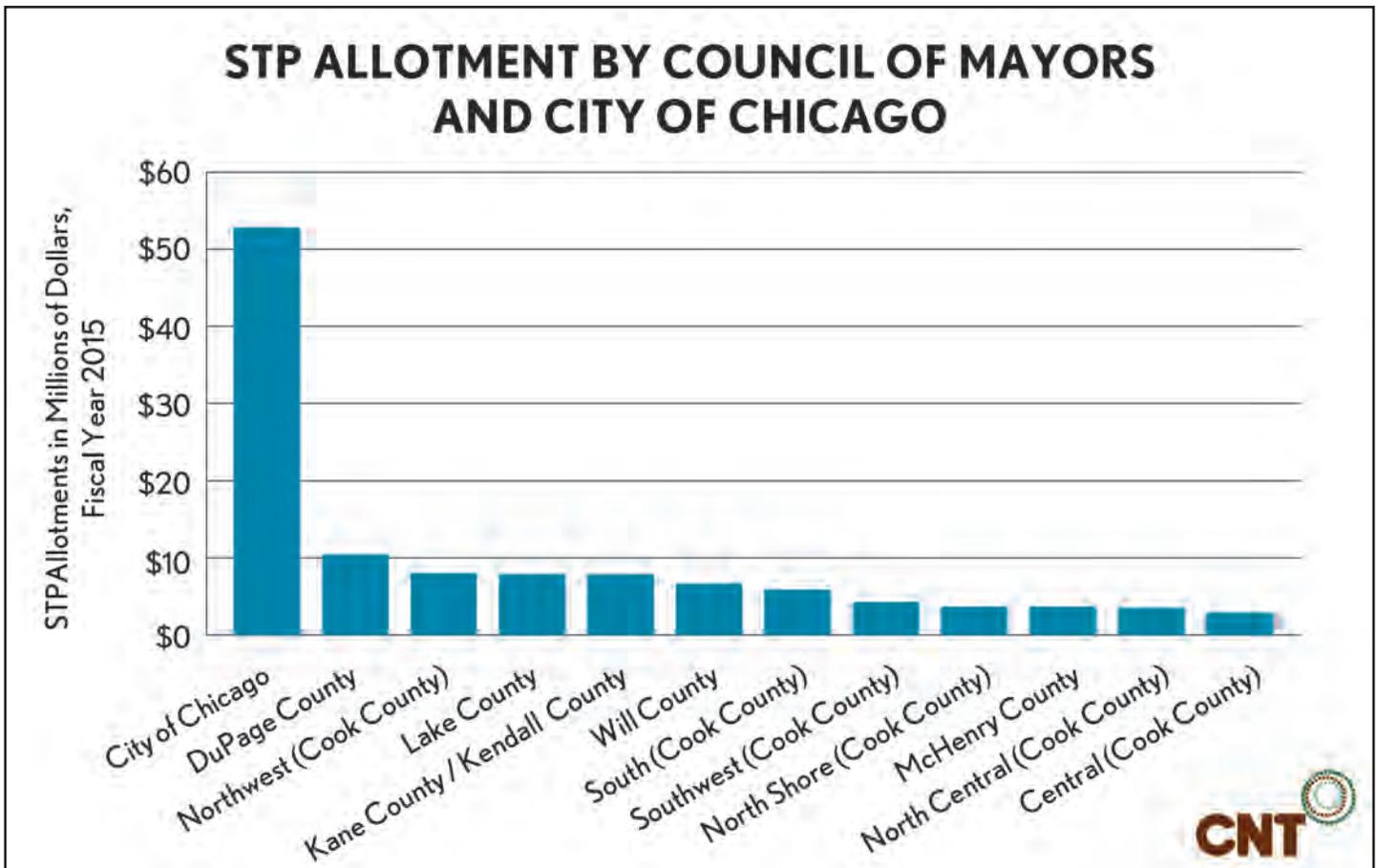
The methodologies for STP allocation differ from one area to the next. Methodologies typically consider many impacts of a transportation project, such as its impact on public safety, traffic volumes, and air quality. Some focus on economic development. Others consider land use. Few focus specifically on the implementation of broader local plans. There are four example techniques that could be used to better align STP with infill development in existing communities, and they are used differently across the region:

- Set-asides for multimodal projects, including transit, bicycle, and pedestrian facilities, as well as improvements to freight intermodal infrastructure, which are often key implementation projects in local plans
- A transparent process that lays out clear criteria and justification for project selection
- A lack of automatic community set-asides and bonuses to ensure that STP investments flow to top economic development opportunities, rather than simply to communities that haven't received a recent award
- Caps on road resurfacing awards that, while critical for ongoing maintenance and an opportunity to add other features such as bicycle lanes, have a more limited economic development impact than more complex and transformational projects

Council of Mayors	Multimodal Set Asides	Transparent Process	No Community Set Asides or Bonuses	Cap on Resurfacing
North Shore		✓		✓
Northwest	✓	✓	✓	
North Central	✓		✓	
Central			✓	✓
Southwest			✓	
South		✓	✓	
Du Page	✓	✓	✓	
Kane/Kendall		✓	✓	✓
Lake			✓	✓
McHenry		✓		
Will				

**FIGURE 1**  
 STP Allotment by Councils of Mayors  
 Source: CMAP

Because Councils of Mayors differ dramatically in the allotment of STP funds they can allocate, it may be harder for them to align the ways they prioritize certain projects or places.



There is growing awareness of this problem. The South Suburban Mayors and Managers Association (SSMMA) has lowered its match requirements for STP to 20% and eliminated match requirements entirely for roundabouts. Cook County has used Motor Fuel Tax (MFT) funds to help some communities cover the match, and the County is

appealing to IDOT to open up more MFT funds to be used this way. Such solutions will give towns low on tax revenue more incentive to pursue innovative projects.

In spite of such efforts, however, the system sustains political peace at the expense of strategic priorities.

## Congestion Mitigation and Air Quality Improvement Program

The Congestion Mitigation and Air Quality Improvement (CMAQ) program was designed for projects that improve air quality and mitigate congestion. Like STP, it is a key resource for projects that help implement infill development plans.

After all, compact development around transit can reduce the need for driving and cut the number of vehicles on the road, improving our region's air quality. As more households live in neighborhoods near jobs, transit, and amenities, they drive less and walk or take transit more, and congestion and auto emissions both decline.

Unlike STP, CMAQ decisions are made at CMAP, which receives approximately \$131 million per year.<sup>6</sup> A Project Selection Committee, which consists of the Council of Mayors, CMAP, IDOT, CDOT, IEPA, and RTA, and meetings are often attended by others involved with transit and road projects. CMAP staff bring a selection of projects to the Committee for review and discussion. The Committee also discusses and approves scoring and methodology changes. This approach creates transparency, but the rigorous discussion it spurs among entrenched interests means that changes end up happening incrementally.

CMAQ funds have often been invested in improvements that do little to catalyze infill redevelopment. In the 2014-2018 program, for example, CMAQ recommended ten intersection improvement projects, and CMAQ has often funded parking near Metra stations. In a limited funding environment, every CMAQ dollar allocated to an

intersection or parking project equals one fewer dollar for TOD or COD projects than can generate bigger benefits by reducing reliance on cars and trucks, lowering air pollution, and better utilizing the infrastructure the region already has to anchor community growth.

CMAQ decisions are increasingly being made to help existing communities meet their infill development goals. In 2013, the RTA launched its Access to Transit Improvement program for projects that implement TOD plans from its Community Planning program. Under the program, RTA solicits applications for small-scale access to transit improvements from communities where it has funded plans through its Community Planning program. Selected projects are then bundled into a single joint CMAQ application. The program helped fund four implementation projects in 2014. Later in 2014, CMAP created new criteria for transit projects that reward communities already zoned for TOD. Local communities responded with 17 improvements identified in an RTA-funded TOD plan, including 11 bundled within the Access to Transit program, and in October 2015 CMAP awarded CMAQ grants to 19 of them. These modest steps are stronger than those taken for STP, but an increased emphasis on land use and economic development would help more places secure the resources they need to implement plans. If that happens, the region can make better progress towards the land reuse goals articulated in *2040*.

6. [http://www.cmap.illinois.gov/documents/10180/32511/Federal\\_Fiscal\\_Resource\\_Table6713.pdf/001221fc-f111-4f17-abae-494edad61474](http://www.cmap.illinois.gov/documents/10180/32511/Federal_Fiscal_Resource_Table6713.pdf/001221fc-f111-4f17-abae-494edad61474)



Photo: travelAtlas, Flickr/Creative Commons

## Transportation Alternatives Program

MAP-21, the last federal transportation bill, created a new bicycle and pedestrian program named the Transportation Alternatives Program (TAP). TAP combined several prior bicycle and pedestrian programs into a single funding stream and moved jurisdiction of the funding from IDOT to CMAP. CMAP's TAP allocation of approximately \$11 million is about a tenth of the allocation for either CMAQ or STP.<sup>7</sup>

Allocation decisions are made entirely through the CMAP programming process and approved through its board and MPO Policy Committee. Because it is a young program with a specific focus, TAP has fewer entrenched stakeholders, which may ease the pressure to thinly spread resources rather than set regional policy priorities. Those priorities currently focus on completing gaps in the trail system rather than development around transit. However, CMAP manages TAP alongside CMAQ, which includes some bonuses for projects that affect land use.

---

In spite of 2040 goals, CMAP and the region's Councils of Mayors have constructed a pipeline and allocation of transportation funding without a clear overall vision or emphasis on the reactivation of land around transit or freight. STP is suballocated in the name of local control, but some COMs don't set clear strategic priorities for how their allocations should be spent, and some don't emphasize infill development as a priority. CMAP does set a clearer vision for CMAQ and TAP in the *GO TO 2040* plan and numerous follow-up resources, but the influence of entrenched interests on programming decisions has led to scoring criteria that only modestly reflect those original goals. At the local level, engineers tend to pursue road capacity and improvement projects because they understand them well, and the pipeline appears to fund them consistently. On the whole, business as usual persists, and progress toward the vision of 2040 remains largely unfulfilled, even as CMAP and RTA innovate new approaches around the margins.

---

7. [http://www.cmap.illinois.gov/documents/10180/32511/Federal\\_Fiscal\\_Resource\\_Table6713.pdf/001221fc-ff11-4ff7-abae-494edad61474](http://www.cmap.illinois.gov/documents/10180/32511/Federal_Fiscal_Resource_Table6713.pdf/001221fc-ff11-4ff7-abae-494edad61474)

# ANALYSIS

## WHERE ARE WE NOW?

Our transportation pipeline doesn't emphasize development around our existing infrastructure. Neither do the projects that our region's transportation agencies initiate. In 2014, CNT analyzed our region's Transportation Improvement Program to determine the extent to which any of these programs really emphasize developing near our transit and freight systems.<sup>8</sup> Overall, our transportation agencies fall short in targeting resources to places with a critical mass of people, jobs, or transit, and to neighborhoods and communities working to achieve investment in line with the infill development goals of 2040.

Although CNT's analysis focuses on the relationship between transportation spending and infill development opportunities, this region's complex transportation priorities go beyond the reuse of land, and improvements affect the real estate market beyond their immediate neighborhoods. A greenway like the Cal-Sag Trail adds to the livability of the area, not just the neighborhoods adjacent to it, and may

help boost the marketability of southern Cook County. Freight improvements, like the rail overpasses proposed in CREATE,<sup>9</sup> reduce delays in Metra and freight rail service and increase the economic viability of downtowns and industrial districts over a large area.

Nonetheless, **transportation programs are not targeted at neighborhoods with households and jobs.** Map 1 shows neighborhoods in our region with three households per acre or higher. These neighborhoods represent 56% of all households in the region. Transportation investments have emphasized neighborhoods in some parts of our region and disregarded them in others, but overall there is no pattern. In areas like Chicago's West Side, southern Cook County, and northwest Cook County, transportation investments have not been programmed in the denser neighborhoods where more households live.<sup>11</sup> STP and CMAQ investments are no different, even though both programs are commonly seen as tools for infill development projects in these neighborhoods.<sup>12</sup>

### WHAT'S AN ACTIVITY CENTER?

As CNT pointed out in *Prospering in Place*, our regional economy thrives when people and jobs are connected by public transportation.<sup>10</sup> Living near transit gives more households freedom to choose the jobs and housing units they want without the expensive burden of auto ownership. Activity centers have some mix of:

- A density of **people and households**
- **Jobs**
- **Transit access** to other neighborhoods and job centers
- **Walkability** that allows families to get to jobs and other amenities on foot and by transit

Every county in our region has places with at least some of these characteristics. The Fox River Valley in Kane County, for example, is dotted with compact and walkable downtowns, though they're not all served by transit. Employment clusters along I-88 and warehousing centers along I-55 have a wealth of jobs, but they're largely car-oriented and lack much residential population. With more real estate investment, they can become balanced places that connect more households to jobs and spur sustainable economic growth.

8. CNT analyzed CMAP's TIP using data from June 13, 2014. CNT aggregated programmed projects by Project ID, included Advance Construction projects, and removed Multi-Year B projects. To ensure better comparative analysis by project size, CNT also removed Major Capital Projects from its universe of projects.

9. CREATE is a public-private partnership between six freight carriers, USDOT, IDOT, Metra, Amtrak, and the City of Chicago. CREATE identified 70 projects that reduce freight and passenger rail congestion as well as delays. According to the Chicago Metropolitan Agency for Planning, 22 of these projects were completed as of February 2015.

10. *Prospering in Place: Linking Jobs, Development, and Transit to Spur Chicago's Economy*, Center for Neighborhood Technology. <http://www.cnt.org/publications/prospering-in-place-linking-jobs-development-and-transit-to-spur-chicagos-economy>.

11. U.S. Census 2010

12. On October 14, 2015, CMAP approved an additional 60 projects to CMAQ for its 2016-2020 program. While this analysis was conducted before those projects were added, they are acknowledged in the narrative.

**FIGURE 2**  
 Transportation Programming and Households Per Acre in 2010  
 Source: *Transportation Improvement Plan, CMAP, June 13, 2014;*  
*U.S. Census Bureau, Decennial Census, 2010*

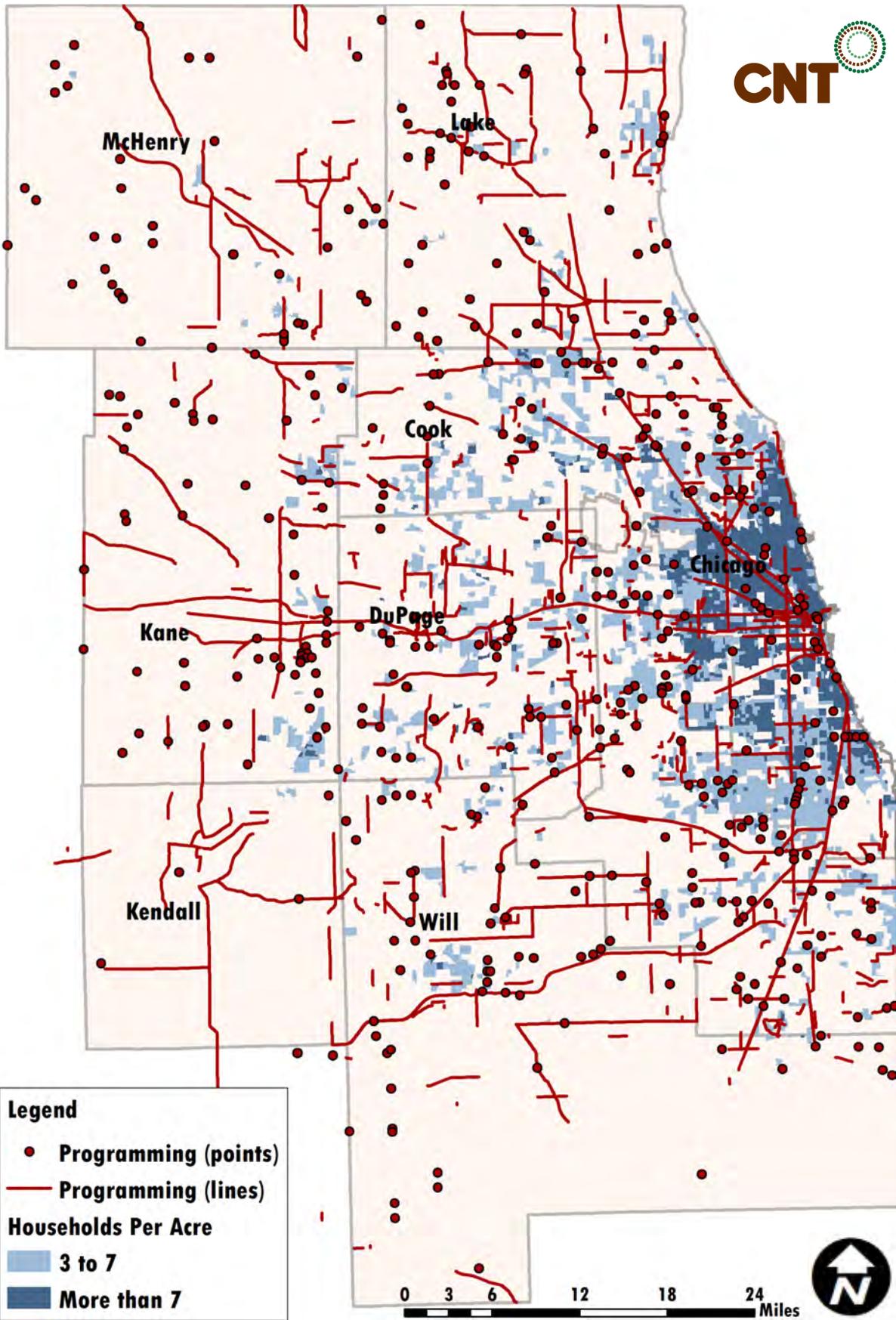
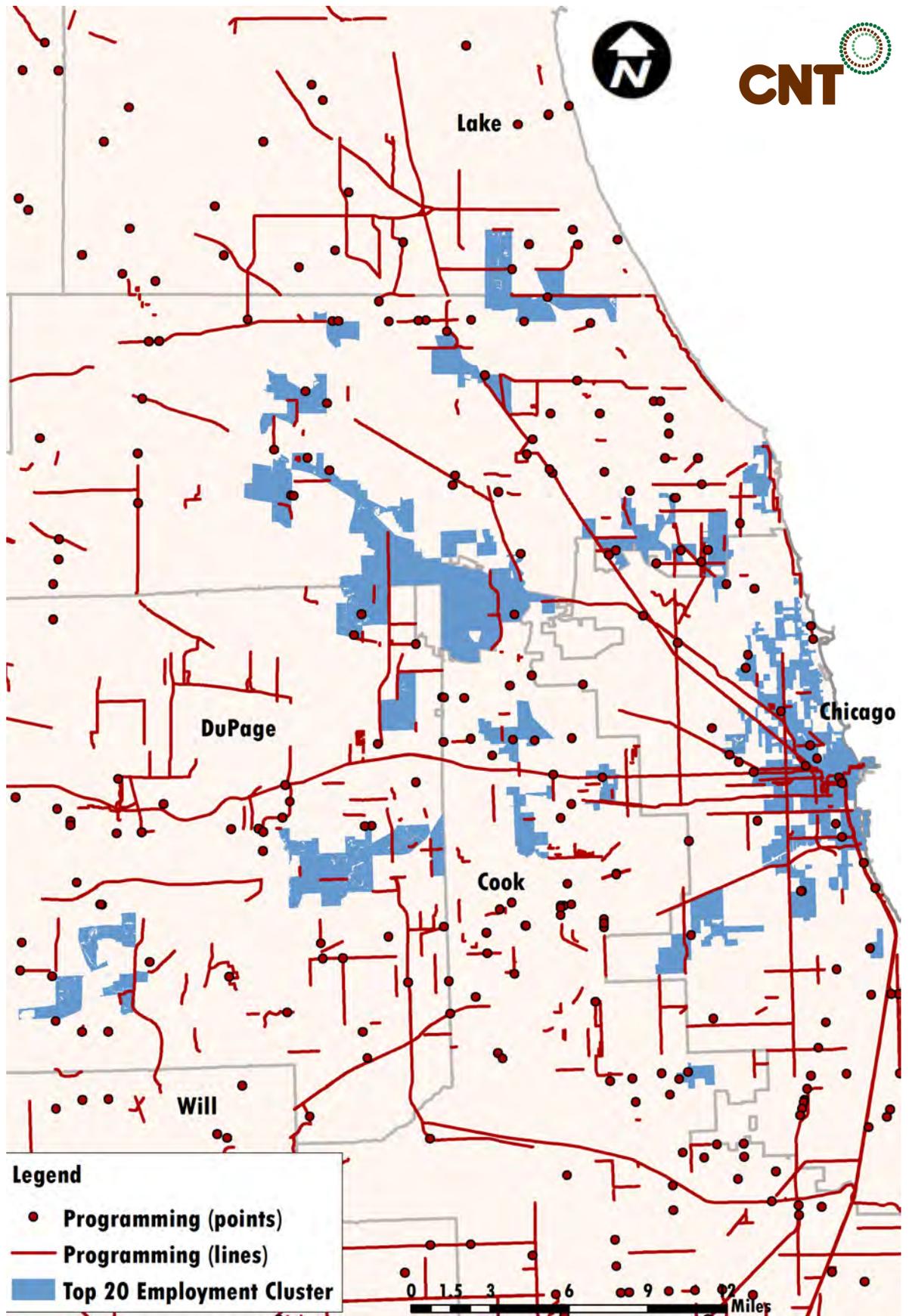


FIGURE 3  
Transportation Programming and Major Employment Centers in 2011  
Source: Transportation Improvement Plan, CMAP, June 13, 2014; U.S. Census Bureau, Longitudinal Employer-Household Dynamics, 2011



**FIGURE 4**  
 Projects by Type Within a Half Mile of CTA and Metra Rail Stations  
 Source: Transportation Improvement Plan, CMAP, June 13, 2014



Our region also falls short in targeting transportation investments to suburban job centers. Map 2 shows transportation investments mapped against the twenty largest clusters of employment with seven jobs per acre or higher, representing 1.5 million jobs, or 42% of the regional total.<sup>13</sup> Although there have been many improvements in the job-rich Chicago Loop, such as the CMAQ-funded construction of an elevated station at Washington and Wabash, there have only been a handful of non-vehicular improvements in suburban job centers. For example, Pace secured \$38.4 million in CMAQ funding for dedicated bus lanes between Schaumburg and Rosemont. But job centers along I-88 have seen no such investment, and no transit improvements have been programmed along the corridor. Transit improvements to suburban job centers need to be a priority throughout the region.

If transportation planners aren't emphasizing people and jobs in their allocations for today, **they are also not prioritizing the plans that will make our region thrive tomorrow.** Take transit-oriented development (TOD), for instance. TOD represents just one kind of real estate opportunity, as many suburban downtowns and corridors lack rail stations. But the sheer scale of the Metra and CTA systems, its 367 stations, and the number of downtowns anchored by them, make it a good proxy for overall infill development opportunities. As noted earlier, the Regional Transportation Authority has undertaken 179 community plans, over 100 of which are focused specifically on TOD. But overall, our transportation priorities do not reflect development around transit.

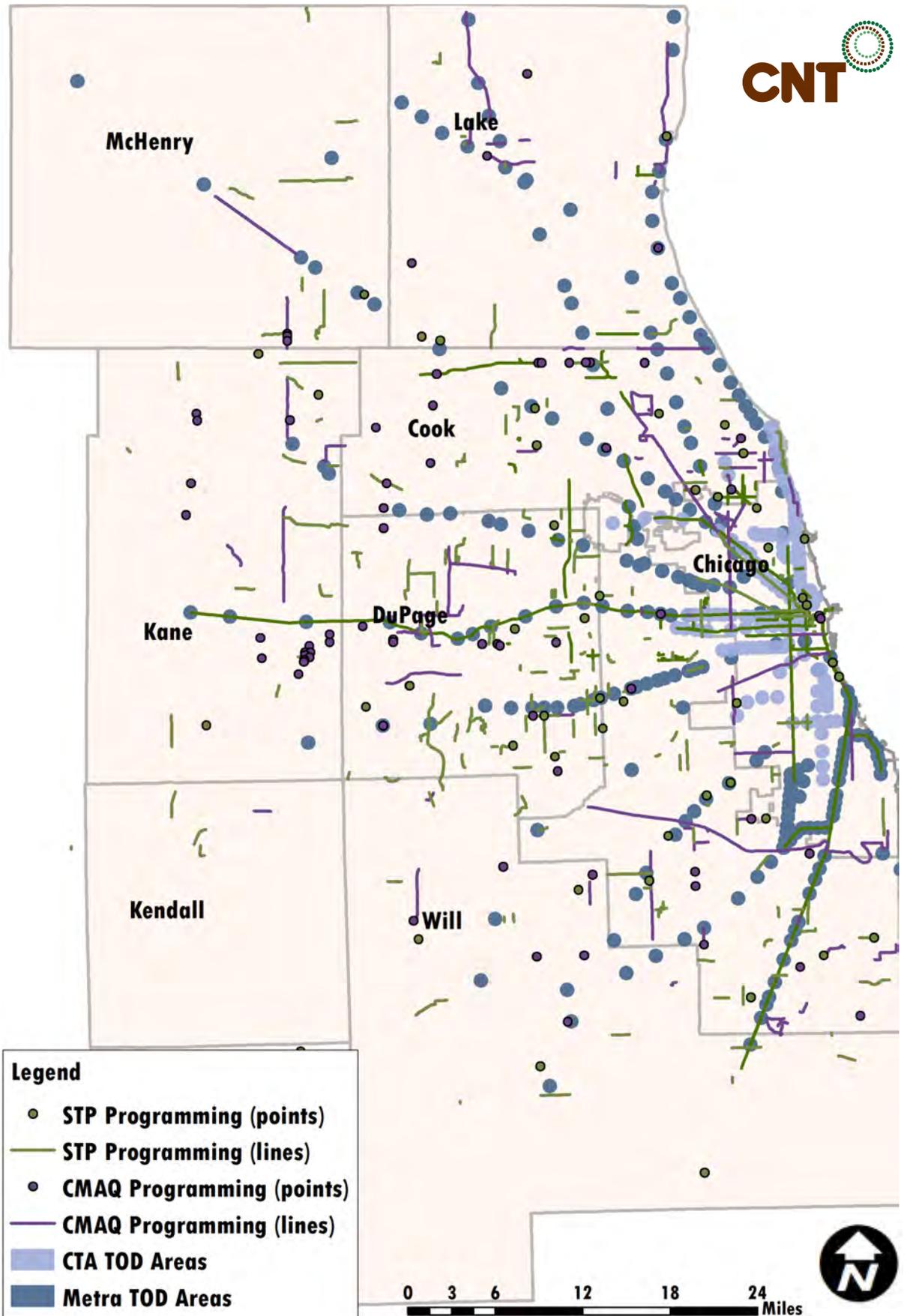
Projects funded by programs like CMAQ and STP have not emphasized TOD equitably across all CTA and Metra lines. 23% of all projects and 67% of funding dollars have been allocated to projects within a ten-minute walk of either system, most of which have been along a few corridors known for development in northern and northwest Cook County and in DuPage County. Along other corridors, including the CTA Orange Line, the Metra Rock Island Line, or the Metra Milwaukee District Line, investment near transit lags significantly.

Moreover, the projects near transit aren't always the ones that support TOD. Out of 212 regional projects programmed within a half mile of transit, nearly three-fourths of them, representing two thirds of funding, were built exclusively for cars and without pedestrians in mind. In these areas, programmers allocated almost as many awards to road resurfacing as to bicycle or pedestrian projects. In some places, like Western Avenue in Blue Island, road capacity expansion can leave behind unfriendly pedestrian environments that make it harder for local businesses to attract customers.

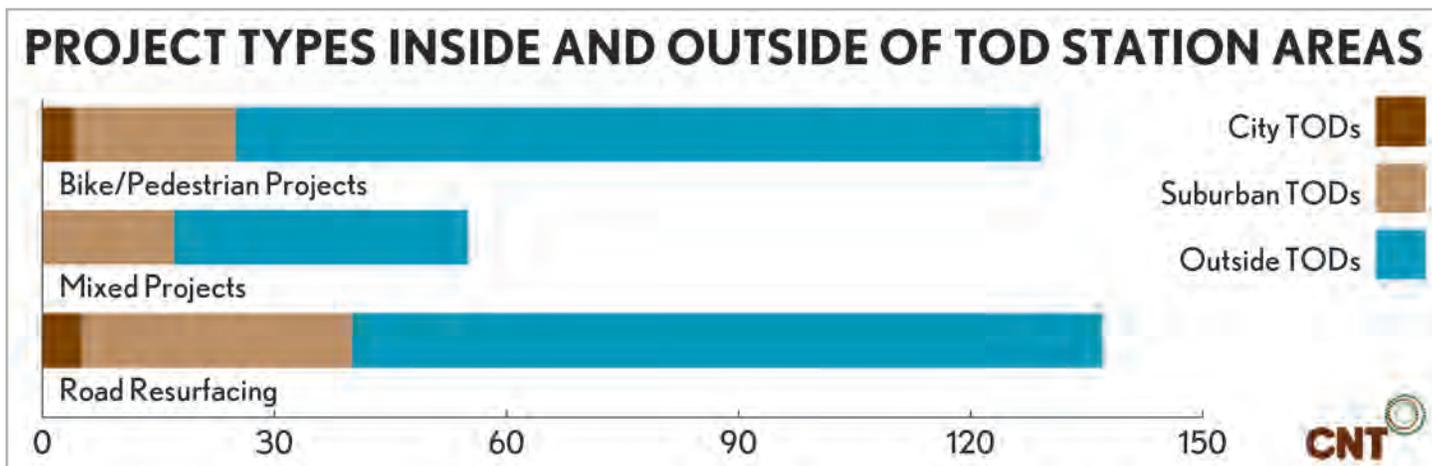
Projects that can support TOD include those serving bicycles and pedestrians, those that improve the urban environment through placemaking, and roads built with people, places, and bikes in mind. Our region is investing in these kinds of projects, but not near transit. Out of 129 projects with a bicycle or pedestrian improvement only 25 were in TOD station areas, representing just 14% of all funding for these projects. Just four were programmed in

13. U.S. Census Bureau, Longitudinal Employer-Household Dynamics, 2013.

FIGURE 5  
 Transportation Programming and Half-Mile CTA and Metra Rail Station Areas  
 Source: Transportation Improvement Plan, CMAP, June 13, 2014



**FIGURE 6**  
 Bicycle/Pedestrian Projects, Mixed Projects, and Road Resurfacing  
 Projects Inside and Outside of CTA and Metra Half Mile Station Areas  
 Source: *Transportation Improvement Plan, CMAP, June 13, 2014*



Chicago neighborhoods. And out of 55 mixed projects with bicycle or pedestrian components, only 17 were in TODs representing 14% of funding. In fact, there have been more road resurfacing projects in TOD areas than bike and pedestrian or mixed-use projects. While resurfacing projects may present an opportunity to add bicycle lanes and improve sidewalks, and can increase the quality of life in a station area, every dollar spent on resurfacing is a dollar not spent on a more transformational project.

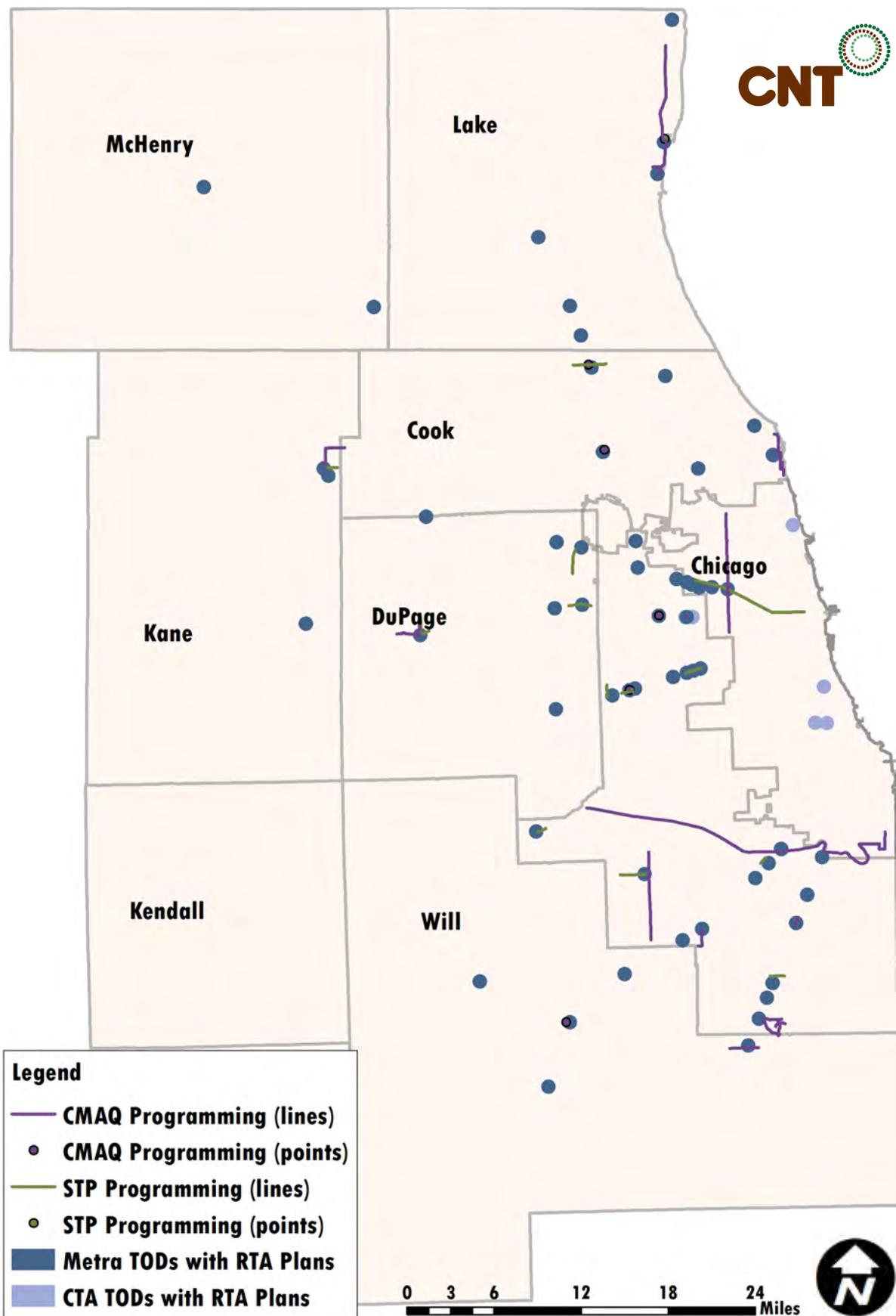
And despite the fact that STP and CMAQ are seen as key implementing resources for TOD projects, just a handful of STP and CMAQ projects have been planned around CTA or Metra rail stations where RTA’s Community Planning program has produced a TOD plan. Some of these projects were developed through RTA’s Access to Transit Improvement program, and in 2015 that program submitted a bundle application to CMAQ for 11 projects. In October 2015, CMAP recommended an additional 8 CMAQ projects evaluated by TOD land use and zoning in the surrounding area. The CMAP Board and MPO Policy Committee approved these projects on October 14.

Not every downtown has a CTA or Metra station, and not every CTA or Metra station serves a downtown. Towns like

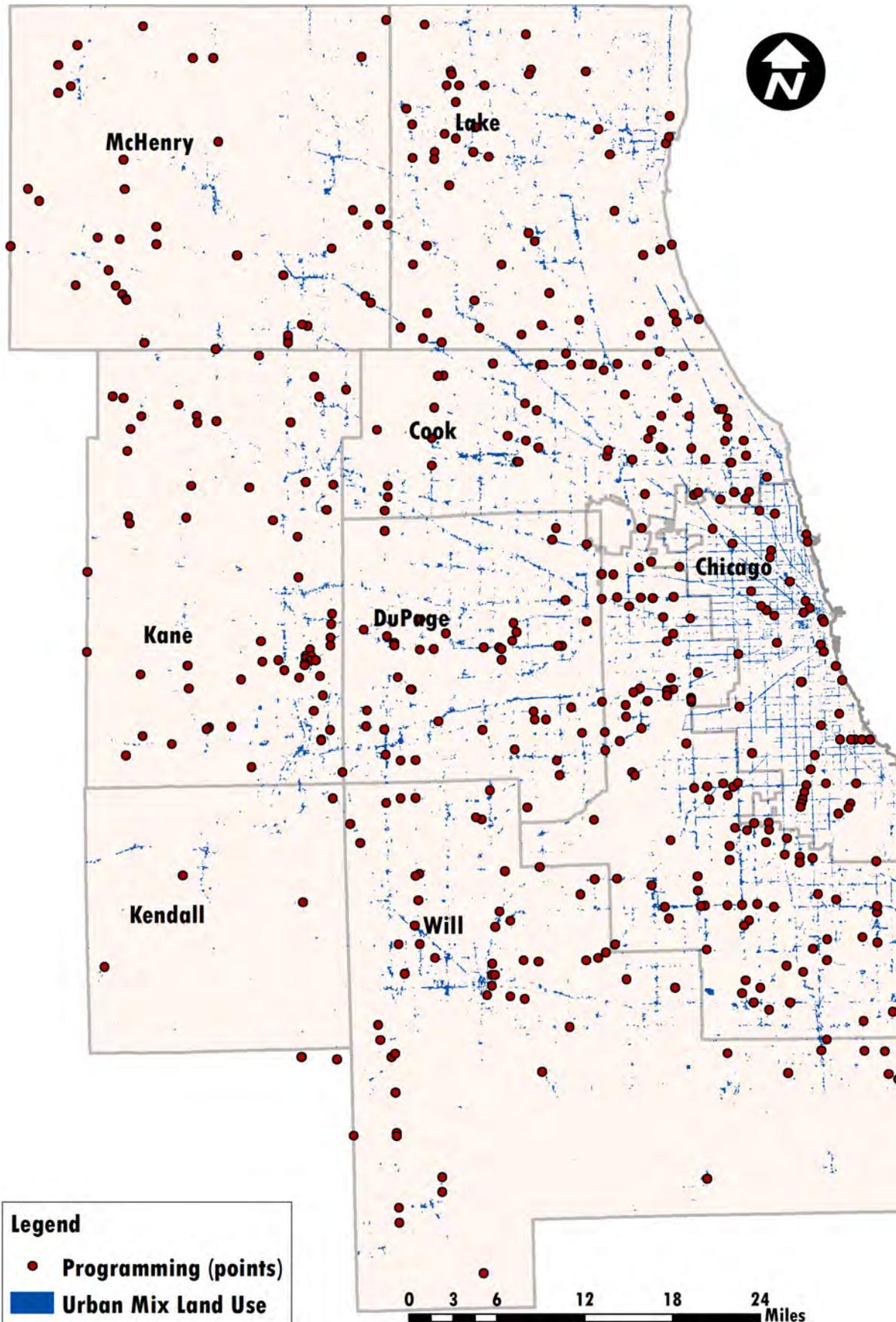
Batavia and Lansing have walkable downtowns that could add more housing and mixed-use buildings, but are only served by Pace. To identify communities that possess historic main street downtowns but lack a CTA or Metra station, CNT used CMAP’s 2005 survey of land use to identify corridors with a mix of land uses. Transportation funding has been targeted to these areas, but not always in ways that can create walkability and encourage a real estate response. Of the 98 projects in mixed-use corridors, eight were bicycle or pedestrian projects, three were roads with an additional bike or pedestrian component, three were transit projects – and 84 were roads without any pedestrian, bike, or transit component at all.

Our current pipeline of transportation programs doesn’t prioritize investments in places with homes and jobs, nor does it target them to key transit areas and mixed-use corridors in ways that encourage more growth in them. It does target them to corridors with a mix of uses and activity, but in many cases, those projects are not the ones to move the needle on the reuse of land in existing communities. Five years after the approval of *GO TO 2040*, our Transportation Improvement Plan still falls short on programming that spurs the development of unused land around train stations – and the increased walking and transit use that it would bring.

**FIGURE 7**  
 STP and CMAQ Programming and Station Areas With an RTA-Funded TOD Plan  
 Source: Transportation Improvement Plan, CMAP, June 13, 2014; Regional  
 Transportation Authority Community Planning Program, 2014.



**FIGURE 8**  
Transportation Programming and Corridors with Urban Mix Land Use, 2005  
Source: *Transportation Improvement Plan, CMAP, June 13, 2014; Regional Transportation Authority Community Planning Program, 2014*



# BEST PRACTICES IN TARGETING INVESTMENTS

In the Chicago region as well as across the United States, communities are taking a different approach to infrastructure.

## Orland Park

### The 143<sup>rd</sup> Street Pedestrian Bridge

Originally built around the automobile, Orland Park has embraced transit-oriented development (TOD) as a way to grow its population and attract a younger workforce to town. It started with two RTA-funded planning projects: *Orland Park Transit-Oriented Development Planning study* and the *Orland Park LaGrange Road Transit Improvement Plan*.

In 2013, Orland Park's first TOD project, Ninety7Fifty on the Park, was opened to the public. Built near Metra's 143<sup>rd</sup> Street Southwest Service station, Ninety7Fifty is a 295-unit, mixed-use luxury apartment project. Across LaGrange Road from Ninety7Fifty sat a second large parcel, also primed for development. However, the challenge was that IDOT controlled LaGrange road. Since the road sees over 50,000 cars a day, Orland Park needed a way to safely connect both sites and make walkable development possible.

Orland Park responded by securing a \$464,000 grant from the CMAQ program to engineer and construct a pedestrian and bicycle bridge between both sites. The bridge is over 200 feet long and connects Ninety7Fifty with 64 miles of paths, trails, and on-street connectors.

The private market responded. In 2013, Orland Park plan commissioners endorsed a plan to build 243 units (63 town houses and 168 apartments) and 76,000 square feet of retail space, including a Mariano's grocery store, on the parcel in a development called Orland Park Crossing.

## Berwyn

### The Depot District

Berwyn's Depot District anchors the LaVergne, Berwyn, and Harlem stations on Metra's BNSF line. In 2008, the City of Berwyn released the RTA-funded *Berwyn: Transit-Oriented Development Study* that master planned the city's three station areas and recommended mixed-use TOD around the Berwyn station, branded as the Depot District. Some progress has been made toward implementing that plan. In 2008, the City built a parking garage with 15,000 square feet of retail and parking spaces for shoppers and commuters. In 2009, a 53-unit condo building was constructed that now has rental units.

But development lagged as the real estate market recovered from the recession. In response, the Berwyn Development Corporation (BDC) proposed a number of improvements around the Depot District to make it more accessible and interesting to walk around. BDC and the City of Berwyn hoped that improvements would convince investors to take a second look at available land. Possible improvements included upgraded street infrastructure, such as bicycle racks, benches, and lighting; streetscaping to make the area more appealing to pedestrian shoppers; shorter crosswalks; and new bus shelters.

In 2013, the Illinois Department of Transportation awarded the City of Berwyn \$1.5 million to add some of these infrastructure elements, make its sidewalks ADA compliant, and retrofit an intersection. The City of Berwyn has also utilized STP and CMAQ grants for the project. These grants only cover the "above ground" components of the Depot District improvements, and the City has leveraged it with a low-interest loan from the Illinois EPA for improvements to sewers beneath the surface. The project will break ground in the fall of 2015.



Photo: David Wilson, Flickr/Creative Commons

## Harvey Sterling Lumber

The southern suburbs of Chicago are home to hundreds of resilient industrial businesses, but the area also contains thousands of acres of industrial land that has become vacant over the last three decades. Many of these vacant properties benefit from excellent access to rail lines and expressways, a surrounding cluster of manufacturing and logistics businesses, and a large local workforce. They are prime candidates for COD, but a range of problems stands in the path of their redevelopment, including brownfield conditions, deteriorated connections to freight infrastructure, and high property taxes.

When the South Suburban Mayors and Managers Association (SSMMA), a COM in southern Cook County, learned that the company Sterling Lumber needed a larger plant to double its output and workforce from approximately 100 to 200 employees, it worked with federal, state, county, and municipal officials to galvanize an array of public resources that made Sterling's growth in Cook County

possible. Through a USEPA Area-Wide Brownfields Assessment program that SSMMA had been managing, local leaders identified an adequate rail-served site that crossed the town boundary between Harvey and Phoenix. Because the site's brownfield condition was known, its remediation and redevelopment could be financed. An IDOT program contributed funding to rebuild the rail spur that connected Sterling's plant to an active rail line. Cook County's Highway and Transportation Department carried out road improvements that connected the site to a truck route.

The Sterling Lumber example shows how COMs can coordinate transportation investments across multiple agencies to achieve redevelopment and job creation. When places like the COD districts of the south suburbs are recognized as high-potential areas to which resources should be committed, 100 Sterling Lumbers and 10,000 jobs can rise from the vacant land.



Photo: John Thomas, Flickr/Creative Commons

## A National Example

### Atlanta's Livable Communities Initiative and Woodstock, Georgia

The Atlanta Regional Commission (ARC), the regional metropolitan planning organization, uses STP to plan and implement sustainable, compact development. ARC's Livable Centers Initiative (LCI) focuses on mixed-use, walkable development in existing town centers and activity corridors. Every year, ARC allocates \$1 million in STP funds to develop "turnkey" plans in these communities that end up ready to be handed to a developer for implementation. ARC has followed that planning investment with \$175 million in infrastructure grants to sustain momentum toward implementation.

ARC was able to use its STP investment to support an urbanist development in Woodstock, Georgia. Thirty miles from downtown Atlanta, Woodstock was a quickly growing community in the early 2000s, but most of its growth was in car-dominated, conventional suburban development. In 2002, ARC began a downtown plan for a 32-acre parcel of land immediately adjacent to its historic but underdeveloped downtown. When a private developer purchased the parcel, Woodstock handed them the LCI plan and asked them to produce the vision.

In tandem with the development, the town applied for a \$1.2 million STP grant, made available through the LCI Implementation program, to rebuild the pedestrian space in the existing Main Street. The Main Street project made parking diagonal, built new lighting, created new pedestrian crossings, reduced car lanes by 30-40 feet and connected to new development with at-grade rail crossings. STP can't fund infrastructure in new subdivisions, so it was supplied by the developer. The STP grant focused on sidewalks on Main Street that connected old and new spaces.

STP investments in the LCI plan and Main Street project have made a tangible impact on downtown Woodstock. The development produced 70 single-family homes, 125 lofts, 130 townhomes, and 100,000 square feet of new retail space. The Main Street project connected new and old and contributed to retail development downtown. Woodstock has found that its downtown has become a resilient producer of revenue; property taxes increased 17% in its downtown while they have been slightly down elsewhere.

# RECOMMENDATIONS

## PRIORITY DEVELOPMENT AREAS TO IMPLEMENT PLANS

The mindset about transportation investment in northeastern Illinois needs to change. If it doesn't, this region will fall short of fulfilling the vision of *GO TO 2040*. Even though stakeholders increasingly agree about the need to stop sprawl, and communities make plans for more compact growth, implementation crawls. Federal transportation programs that could be invested for plan implementation continue to fund the same priorities, over and over again. Gaps in funding exist for projects linked to land use, so towns pursue easier, more straightforward road and resurfacing projects, with little encouragement to change their approach.

Changing direction must start with a commitment to implement plans and prioritize public investments to them. This requires more consistency in all transportation programs and policies to ensure that all future transportation projects have a direct and obvious link to the regional plan. All transportation funding streams should follow similar policy priorities. And they should establish and emphasize Priority Development Areas (PDAs) where local communities have indicated they want to catalyze compact, walkable, and accessible growth in alignment with the principles of *GO TO 2040*.



Photos: GO\_TO\_2040, Flickr/Creative Commons

## **To better target our transportation investments, CNT has the following recommendations:**

### **CMAP should establish Priority Development Areas to target future transportation investments.**

Metropolitan planning organizations in Atlanta, the San Francisco Bay Area, and elsewhere have successfully identified key places for transportation investments, in part by allowing local governments to nominate them rather than establishing them from the top down. CMAP should follow their example. In the Chicago region, PDAs should:

- a. Be nominated by local governments and reflect local aspirations
- b. Be equitably distributed in the city, Cook County, and the collar counties
- c. Reflect areas where local plans, such as those funded by CMAP's Local Technical Assistance program or RTA's Community Planning Program, have made specific recommendations for new residential, commercial, or industrial development

PDAs set explicit, place-based criteria for investment. Creating a voluntary designation process and linking PDAs to existing planning programs would give most municipalities a pathway to establishing one. Establishing PDAs would also encourage transportation programmers to commit to place-based investment.

### **Phase out sub-allocation of STP and invest it in PDAs.**

Sub-allocation is not advancing the goals of *2040*. Policy priorities are unclear and vary between the suburban COMs and the City of Chicago. Some COMs are pressured to deploy money more quickly than strategically, and others lack the clout to more aggressively promote a place-based alternative. In other regions, like the San Francisco Bay Area, metropolitan planning organizations analogous to CMAP control STP, set aside some of its allocation to implement plans, and allow equivalent subregional agencies called Congestion Management Authorities to make award decisions. Our region should follow that example.

### **Slow the funding of resurfacing projects using STP.**

When communities fill potholes, they make a neighborhood more appealing to developers and can even use the resurfacing process to add bicycle lanes. However, every dollar spent filling a pothole is a missed opportunity to fund more transformative projects. A cap on resurfacing projects would incentivize communities to identify other funding opportunities for regular resurfacing needs instead of solely relying on STP.

## Fund preliminary engineering for plan implementation projects.

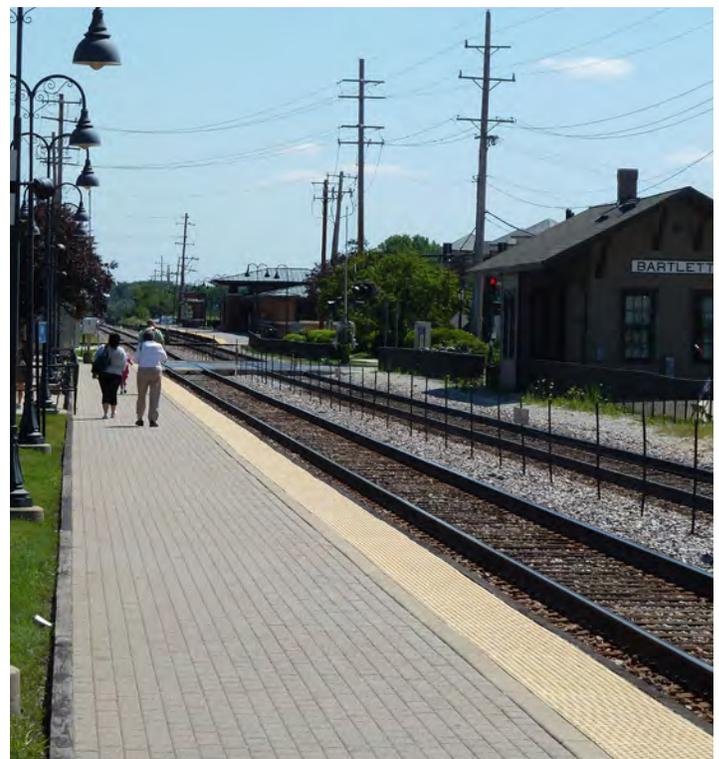
Sometimes, it's easier to do what one knows. In a demand-responsive system, communities are incentivized to pursue funding for "business as usual" projects that they already know how to engineer over innovative ones that could change an urban environment but for which engineering needs are unclear. Because CMAP does not fund preliminary engineering for CMAQ projects, communities with lower tax bases in places like southern and western Cook County may be more reluctant to pay for engineering without a secure commitment to final funding. A preliminary engineering fund primes infill-supportive projects for CMAQ, STP, and other programs, leading to better overall project selection.

## Target CMAQ investments to implement plans in PDAs.

CMAP has taken strides with its Project Selection Committee to target CMAQ programming to communities with both plans and the transit-supportive land use to implement those plans. It is only logical that programming be used to implement plans, and CMAP should go even further. Every CMAQ investment should have an origin in a planning document, and at least one half of CMAQ investments should be targeted to plan implementation in PDAs where communities have a clear economic development vision.

## Target transportation investments at all levels of government to accelerate PDA investments.

It is essential that all levels of government coordinate their transportation investments and emphasize the implementation of plans and investment in PDAs. IDOT should pledge to approve all PDA projects by an accelerated timetable and in full support of the local community and CMAP. County departments of transportation should follow suit. For example, the Cook County Department of Highways and Transportation can help COMs better leverage limited STP dollars by pledging a greater share of Motor Fuel Tax funds to PDAs. Collar counties should pledge to invest their Cook County Transportation Enhancement Funds in PDAs.



These reforms represent the bold action our region needs to prioritize where and how it grows. We have a diversity of plans as regional as *GO TO 2040* and as local as a TOD or COD plan, and we must link our policy dollars to those plans to truly change things. Otherwise, we run the risk of perpetuating the same decisions that spurred sprawl in the first place. Transportation programs have been allocated to preserve political peace, not to spur economic development on underutilized land near the transit and freight systems. And without a stronger link between transportation planning and funding, many of the plans that CMAP and RTA produces will sit on a shelf unimplemented.

By prioritizing the reuse of land around transit and freight in existing communities and by targeting infrastructure investments to those areas, our region can better utilize the system it has and set a stronger framework for growth. Fewer plans will languish unimplemented. More land will see redevelopment. And communities will finally be equipped with the resources they need to grow compactly around transit in accordance with the visionary blueprint outlined in *GO TO 2040*. By reorienting transportation funding around Priority Development Areas, our region can begin to build more places for people (rather than cars), stop sprawl, and invest in a more sustainable future.



## **ABOUT CNT**

As an award-winning innovations laboratory for urban sustainability, the Center for Neighborhood Technology (CNT) is dedicated to taking on big challenges, starting in small places. CNT helps make neighborhoods, cities, and regions work better, for everyone.

## **ACKNOWLEDGEMENTS**

This report was written by Kyle Smith, with analytical support by Jesse Bakker, Francesca Sallinger, and Charlie Tso, and strategic contributions and input by David Chandler, Jacky Grimshaw, Kathy Tholin, and Linda Young. It was copy edited by Manny Gonzales and Liz Miller and designed by Kathrine Nichols.

The research and preparatory work for this report was generously funded by Searle Funds at The Chicago Community Trust.



