

How Does Chicago Work?

THE CRITICAL QUESTIONS

Alliance for Regional Stewardship

As described by John W. Gardner, “boundary crossers” are those leaders who come together to cross current economic, social, environmental and governmental boundaries to resolve agreed upon problems, and in doing so, influence others and change the way regional opportunities and problems are approached.

During the summer of 2005, the Alliance for Regional Stewardship (ARS) assessed the strength of boundary crossing in Chicago. Based on personal interviews with 20+ regional leaders and a review of key indicators, ARS reports on how Chicagoland addresses critical challenges.

The Chicago metropolitan region is a great laboratory for regional decision-making. It shares many characteristics with similar areas in the U.S. — a strong central city, rapidly growing suburban communities, a leadership elite, and strong civic infrastructure. It also faces many of the same challenges: antiquated tax structures to finance education and transportation, jobs-housing imbalances among communities, racial and ethnic disparities, and growth management.

Metropolitan Chicago has determined that it cannot solve many of its challenges without using regional approaches. In the last five years in particular, there has been a strong push to examine issues from a regional perspective. Acceptance that the area is one region with a shared future is growing.

As much progress as the region has made, metro Chicago’s regional decision-making approach remains fragmented. In the absence of a strong institutional

mechanism that can implement decisions, regional decision-making depends on coalitions formed around specific topics. The process is networked rather than institutional — dependent on a “lattice of relationships” among key leaders. This fragmented approach can result in only incremental benefits.

Like many major metropolitan areas, metro Chicago struggles with how to institutionalize regional decision-making without creating a new layer of government. There is a strong sense among the region’s leaders that it needs to use its existing institutions more effectively and broaden the base of collaborative problem solving to be more inclusive rather than relying on the same players.

The following questions were asked of Chicago’s leaders to get a sense of how regional issues are being addressed, how decisions are being made, and where collaboration is taking place.

How are major decisions made in the region?

The Chicago metropolitan region is comprised of 272 municipalities and nearly 1000 other taxing authorities, spread across a 100-mile corridor from northwest Indiana to southeast Wisconsin. The ad-hoc system relies heavily on people who have known each other for a long time; it is surprisingly bi-partisan, with leaders coming together depending on the particular issue on the table. As one observer noted, “What marks the region . . . is its level of involvement and the power of its players.”

It may be tempting to view the City of Chicago as being the “500 pound gorilla” that calls the shots on regional issues. However, this city v. suburbs view is too simplistic. Metro Chicago’s suburbs have evolved into economic engines in their own right. Clustered in corporate corridors in Lake and DuPage counties and around O’Hare International Airport, they support two-thirds of the region’s jobs. Fluid alliances are formed around common issues.

But ultimately, decisions tend to be made by local governments or in Springfield, the state capital. No regional government mechanism in metro Chicago can pass laws. On regional issues, decisions are usually made through consensus, achieved locally and then taken to the legislature where the implementation mechanisms — usually funding — are realized.

However, of late there are more vehicles for regional decision-making, including business and civic organizations such as the Metropolitan Mayors Caucus, Metropolis 2020 and the Metropolitan Planning Council (MPC). But there’s a sense that they tend to push their own agendas on regional issues rather than taking a consensus approach. They engage in consensus building only when their agendas break down.

By many accounts, the perception is that metro Chicago hasn’t been able to escape the top-down decision-making model from its legacy of the strong mayor and long history in industrial manufacturing. It’s widely viewed that Mayor Daley “has liberalized and democratized the back room, but it’s still a back room approach to decision-making.” This may be perception more than reality. As one leader noted, “any significant advance in public policy and public understanding is the result of many players and actors. You can’t accomplish big things unless there are many participants and a lot of buy in.”

If there is the perception — in Chicago and other major metropolitan areas — that only a few have a role in the process, it may discourage broader participation in the process. One Chicago business leader noted that

“efforts that begin by trying to forge a consensus usually fail because they are reduced to the lowest common denominator. It works for trivial issues, but not much else. For big, important issues, like spending money or changing law, it never starts out as a consensus building process. It starts out as a political process where someone or a group takes a position that if acted on will disturb the status quo. That brings the opposition out. Then the coalition building begins and the struggle for support forms ‘groups that matter.’”

What are the best examples of regional institutions and successful collaboration?

While metro Chicago has no one institutional collaborative problem solving mechanism, many organizations — government, business and civic — recognize the value of regional thinking and action. Metro Chicago leaders don’t want unified regional government, nor do they want additional regional institutions. However, there is a growing recognition that the region needs to use its existing institutions more effectively.

New regional institutions include the **Regional Planning Board**, which resulted from the merger of the Northeast Illinois Planning Commission (NIPC) — the comprehensive planning agency for the six county region — and the Chicago Area Transportation Study (CATS), which serves as the region’s official Metropolitan Planning Organization (MPO). This new agency goes a long way to creating an institutional structure for regional planning and decision-making for transportation and land use issues. It remains to be seen how effective the new organization will be.

The **Metropolitan Mayors Caucus**, founded in 1997 to forge cooperation among the region’s 272 municipalities, addresses issues related to economic development, affordable housing, infrastructure, transportation and education funding. By most accounts, it has made real progress on policy issues over the past five years. The Caucus is not necessarily the initiator of public policy, tending instead to respond to issues brought to it from civic organizations, supporting those on which it can achieve consensus. This consensus approach causes the Caucus to stay away from such controversial issues as locating a new airport or financing transportation, but it has been effective on issues such as air quality and railroad crossing safety. Mayor Daley is widely given credit for founding the Caucus; his continued support and active participation is viewed as going a long way to its viability as a collaborative policy body.

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Less formally, there is a high level of cooperation among the business/civic organizations, with the “Usual Suspects Group” — the executive directors of these organizations — meeting for quarterly dinners. While there is some competition for funding among these groups, they’ve embraced the motto of “no permanent friends, no permanent enemies”; cooperation among them is issue-based.

One leader noted, “the real progress in the last five years has been, first, to legitimize the idea of the region. There is growing recognition and acceptance of the fact that we are one region with one future. The second success is that more organizations and individuals are taking up the cause and are willing to fight for what they believe in. This has led to progress on a number of fronts.” Success stories include:

- The Regional Planning Board;
- The Metropolitan Mayors Caucus Affordable Housing Plan, which developed policy strategies that have been adopted by councils of government and NIPC in response to a state law that stipulates that ten percent of local communities’ housing stock be affordable;
- Regional transit revenue sharing to aid the Chicago Transit Authority;
- Storm water management legislation in which northeastern Illinois counties must have the same regulations in order to prevent developers from playing one county off another;
- The Coalition on Educational Funding Reform, while not yet achieving specifics, has acknowledged that there needs to be a change from dependence on property tax to other revenue streams to remove the funding disparities.

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Has the region faced up to issues of race and diversity?

Metro Chicago has been tagged as one of the most racially segregated regions in the country, and racial issues tend to be “one of the dominant, persistent issues” in the region. As one leader noted, “segregation is the shadow side of strong ethnic neighborhoods. The problem now is that they’re pockets of poverty rather than strong communities.”

Also, great demographic shifts are underway in the third ring of older suburbs. “The more difficult urban problems are on more plates than in the past.” Southern and western suburbs are seeing the influx of

African-American and Latino populations with little interaction among races and ethnicities. Moreover, these suburbs lack the capacity to work effectively with diversity. There are no regional institutions and virtually no sharing of resources among communities to deal with these issues.

Metro Chicago’s racial segregation poses serious challenges for the region — especially the challenge of having minorities benefit as the region’s economy grows. Jobs tend to be growing in the northwest portion of the metro area, while the ethnic minorities concentrate in the southern and western portions. While leaders bemoaned the segregation and its associated gentrification, they had no answers as how to address these issues.

What are the main problems/challenges facing the region?

Many of the remaining critical challenges facing metro Chicago are similar to those facing other major metropolitan regions. Fragmented institutions preclude serious action by agencies and organizations. Heavy reliance on sales and property taxes and development fees drive competition among local entities. The fragmentation works against collaboration. Municipalities compete for the same things in terms of development, leading to over-saturation of certain kinds of development. Moreover, scandals at the city and state levels in hiring and contracting result in a loss of confidence in government ethics and a cynical public. “Public cynicism and lack of engagement is more of a problem than corruption.”

One of the major issues in metro Chicago is education finance. According to one interviewee, there are “enormous funding disparities between wealthy and poor school districts. The reliance on property taxes to fund education is universally viewed as a contributor to these disparities.”

In transportation finance, the old funding mechanisms are falling apart. A sales tax supports all three transit systems in metro Chicago — CTA, Metra and Pace. However, it is widely believed to be inadequate.

Growth management also poses a problem for the region. There are no natural barriers to impede growth. Even the lakefront hasn’t stopped growth; land has been filled in for development. A critical challenge is how to put in place tools for the outer suburbs to control sprawl. A related issue is economic development and job growth: “we need to channel jobs to where people already live.”

Another economic development challenge is more attitudinal — what one leader mentioned as “the

Midwestern tendency toward caution and social conservatism, which drags on the region's rapid response to change. What made Chicago a great American city is causing it to fall behind."

What are the biggest obstacles to regional collaboration?

While there is a positive sense that metro Chicago is thinking — and acting — more regionally, there is some concern that the ad hoc nature of addressing regional issues will continue. One leader noted the need for a "cultural transformation in Chicago. The question is whether incremental positive changes can create a tipping point for the region." This ad hoc approach was also cited as a zero sum method to regional decision-making — an "I win; you lose gamesmanship that occurs among local governments," especially as it applies to decisions regarding development.

Many interviewed felt that metro Chicago needs to institutionalize its growing commitment to regionalism. The fact that collaboration is based more on personalities and relationships than on institutional processes is seen as a hindrance of progress. "At the end of the day, there are too few institutions that are regional in character." However, no one had a workable solution.

Finally, new revenue sources and methods of sharing were required for metro Chicago to effectively address its toughest challenges. "It's easier to collaborate when times are good. Tough times make communities hunker down."

Ancillary Issues: Universities and Foundations in Civic Life

With some exceptions, metro Chicago's universities appear to be "largely AWOL on civic issues." There is little involvement of the key institutions in the region. The universities tend to be more research than action oriented. One exception raised was the Great Cities Institute (GCI) at the University of Illinois, Chicago. GCI takes a more interdisciplinary approach to urban issues and problems facing metro Chicago. Its agenda appears to focus on "applied urban research;" however, it has the "connections to place students in key positions and do important work" in communities throughout the region.

Chicago's foundation community is "moving the ball" relative to regional issues. The John D. and Catherine T. MacArthur Foundation, headquartered in Chicago, is a leader in the intellectual understanding of how regions work. However, as one civic leader noted, MacArthur's presence in Chicago is both a "blessing

and a curse." While it provides some support to programs in metro Chicago, especially in the area of affordable housing, its presence discourages roles by other national foundations.

Other significant, locally active foundations in the Chicago area include The Joyce Foundation, the Chicago Community Trust, and the McCormick Tribune Foundation.

One last issue raised was how the region's leaders handled bad news. Were problems that emerged viewed as opportunities to address or just "swept under the rug"? Follow-up interviews noted that metro Chicago leaders have a "very strong 'can do' spirit; they don't take defeat well." They recognize that policy initiatives take time, and often, more than one effort to resolve. However, if there is initial failure, "the hand wringing doesn't last long. We pick ourselves up and get back to it."

Editors' Note: Abridged from a report commissioned by PEL-Southeastern PA, September 2005.

10 LESSONS for BOUNDARY CROSSERS

1. The "table" gets larger — and rounder.
2. The only thing more challenging than a crisis may be its absence.
3. The agenda gets tougher.
4. There is no magical leadership structure — just people and relationships.
5. No one's excused.
6. Sometimes the old ways still work.
7. Collaboration is messy, frustrating, and indispensable.
8. Government always needs reforming, but all the reforms need government.
9. Place matters.
10. It's never over.

Source: *Boundary Crossers: Case Studies of How Ten of America's Metropolitan Regions Work, 1997*