



# Chicago Metropolitan Agency for Planning

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September 19, 2019

The Honorable Jonathan Carroll, Chair  
Property Tax Relief Task Force-  
Government Consolidation Subcommittee  
Illinois General Assembly  
231-E Stratton Office Building  
Springfield, Illinois 62706

Dear Chairman Carroll:

Thank you for the opportunity to share our research and perspectives today. We applaud the subcommittee's efforts to study the benefits of local government consolidation, and the impacts this may have on important issues affecting residents, such as easing the property tax burden and improving public service delivery.

I am here on behalf of the Chicago Metropolitan Agency for Planning, or CMAP. CMAP was created in 2005 by the Regional Planning Act (70 ILCS 1707) and serves as the federally designated Metropolitan Planning Organization for the seven counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will, we represent 284 of the state's municipalities. CMAP's work is focused on conducting comprehensive regional planning, producing objective policy analysis, providing local planning assistance to communities, and helping to prioritize the region's investments in infrastructure.

ON TO 2050, the region's comprehensive plan, was adopted in October 2018. The plan includes recommendations on a wide range of topics affecting the region, from mobility to governance to the environment. As part of the process of developing ON TO 2050, we considered the resource and staff constraints many communities face. We also examined how local governments could work together to meet their planning goals, enhance public services, and invest in infrastructure. Through our local planning work, we had found that many communities lacked the resources and capacity to pursue their planning goals and provide the quality of services and infrastructure they wanted to. To take a deeper look at local government capacity, we conducted several focus groups with topical experts and held 53 workshops with 430 municipal staff, in addition to the overall stakeholder outreach for ON TO 2050 that engaged more than 100,000 residents.

From this process, we developed a range of recommendations, including modernizing how the state provides revenues such as sales or use taxes directly to local governments. Many communities that receive lower levels of state revenues have high property tax burdens. To continue our research on this topic in the coming year, we are examining how other states provide revenues to local governments to ensure all local governments have the fiscal support they need.

Today, I want to focus on [ON TO 2050's recommendation](#) to encourage more partnerships and consolidation among local governments. Collaboration can provide numerous potential benefits to local residents and businesses, including improved capacity and resources, greater efficiency, enhanced service quality, and cost savings. In many cases, governments are already sharing services or engaging in joint projects. Such partnerships would allow communities access to professional staff and higher quality services to improve the lives of residents than smaller governments could provide on their own.

Communities throughout the state are already finding locally appropriate ways to create partnerships and share resources. Lisle-Woodridge and Darien-Woodridge fire protection districts have implemented an agreement to share staffing and resources. After completing a consolidation study, the entities decided to operate jointly because they were not ready to consolidate. They are continuing to work on aligning operations and administration.

CMAP has also helped local governments pursue partnerships. Oswego, Montgomery, and Yorkville, with assistance from CMAP's Local Technical Assistance program, developed the Lower Fox River Partnering Initiative. This partnership oversees long-term cooperation among the communities including activities like shared staff, equipment, and service provision across multiple departments. Right now, CMAP is engaged in a coordinated investment study in McHenry County, where our local planning staff is working with all levels of local government to explore what partnerships might work best in their context. These efforts will improve residents' quality of life by lowering costs, streamlining, or otherwise improving service delivery.

ON TO 2050 envisions partnerships, sharing of services and infrastructure projects, and consolidation on a spectrum, where communities proceed as appropriate in their own context, understanding that their context could change over time. The success of partnerships and consolidation efforts in particular depends on support of local residents and civic leaders, as well as unique local conditions.

In recent years, the State of Illinois has created statutory processes to consolidate individual units of government, but these processes have not yet been widely used. Taking advantage of these tools can require up-front investment in studies and sometimes equipment upgrades, which local governments do not always have the expertise, available funding, or time to pursue. The state needs additional programs and resources to implement consolidation and other partnerships. Last spring, CMAP published a report examining how other states support local government partnerships and consolidation. We found that several states, such as New York and Pennsylvania, run grant or loan programs to support these efforts.

A state-funded grant program could more comprehensively support local efforts and best practices, such as feasibility studies or public engagement. A program like this also could study and report on metrics for tracking outcomes and measuring government performance pre- and post-consolidation, including enhanced services, improved infrastructure, and fiscal impacts.

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A program should prioritize communities in disinvested areas with lower low levels of revenues, staff, or tax base, where many property taxpayers also face extremely high composite property tax rates.

One challenge that a program could take on is supporting the consolidation of two neighboring governments with very different tax bases or service levels, which can create an increased burden for property taxpayers in one of the districts. We have seen this issue come up in the past; however, solutions are available. In New York, the state provides property tax grants to newly consolidating units, and we think Illinois could leverage grants like this to offset any increases in property taxes.

Local governments that are already sharing services, implementing infrastructure projects together, or engaging in joint contracts have proven that they are capable of working together to provide more efficient government and effective services for residents. At the state level, in addition to ensuring that statutes facilitate consolidation efforts, a state-led program would help encourage these partnerships by providing resources to initiate studies and pursue implementation.

Thank you to the committee for your time and attention to this important topic.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lindsay Hollander".

Lindsay Hollander  
Senior Policy Analyst

LH/sew