AN ORGANIZATIONAL FRAMEWORK FOR A MULTI-JURISDICTIONAL ECONOMIC DEVELOPMENT ORGANIZATION: A CASE STUDY OF INNER-RING SUBURBS IN ILLINOIS

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TABLE OF CONTENTS

CHAPTER 1
Introduction………………………………………………………………1
Problem Statement…………………………………………………………3
Hypothesis Statement……………………………………………………6
Methodology………………………………………………………………6

CHAPTER 2
Introduction to Economic Development………………………………..10
The Landscape of Local Economic Development Strategies……………12
The Conventional Approach……………………………………………13
The Entrepreneurial Approach…………………………………………20
The Mutualistic or Regional Approach…………………………………23
What Role can Mutualism have in Local Economic Development………24

CHAPTER 3
Mutualism in Practice ……………………………………………………28
Identifying the Framework for Mutualism between
Oak Park, Berwyn and Cicero…………………………………………37

CHAPTER 4
Existing Conditions………………………………………………………42
Comparing the Efforts and Structure of the Oak Park, Berwyn and
Cicero to the Potential for Northlake, Schiller Park and Franklin Park…62
Summation of all Influencing Forces and Organizations………………70

CHAPTER 5
Proposed Institutional Structure for Economic Development………74
501(c)3 Organization Relationship to the Case Study Communities……81
Proposed Staff and their Respective Duties……………………………82
Underlying Rationale of Staff and Services Offered……………………98
Funding……………………………………………………………………99
Monitoring and Evaluation of Agency Performance……………………100
Final Thoughts……………………………………………………………104

APPENDIX
A - Questions asked to representatives of Northlake, Franklin Park
and Schiller Park…………………………………………………………113
B - Questions asked to representatives of Oak Park
Berwyn and Cicero…………………………………………………………115
CHAPTER 1

Introduction

Many communities approach economic development as a competition with their neighboring communities resulting in increased municipal expenditures in incentives to attract new businesses or developments. At the same time communities have to commit large expenditures to maintain high levels of economic development activity in order not to lose existing businesses to other neighboring municipalities/regions. Despite such efforts, there are no guarantees that a community will be successful with its economic development program. To be more efficient in pursuing economic development and to help curb uncertainties, some municipalities are now choosing to cooperate with other municipalities, government agencies and companies to share resources and risks.

1 Economic development activity is generally defined as the actions a municipality engages in to either: attract, market, retain, expand, negotiate, create incentives, administer incentives, and communicate with related professionals in an effort to redevelop, grow or expand the businesses and commercial opportunities that operate within a specific municipal boundary.
This research will be referencing the planner’s role in government operations and explain how planners can provide guidance and encourage competitive communities, particularly smaller communities, to work together to attract business as a region. The specific goal of this research is to identify a framework for municipalities to: communicate with one another, establish agreements to work with each other on commonly shared values, utilize tools for mutual cooperation and establish benchmarks for measuring success. A case study of Franklin Park, IL Northlake, IL and Schiller Park, IL are used for this study. Since smaller communities have difficulty providing enough financial incentives to attract businesses, alternative strategies will be explored. The case study communities are smaller as compared to other municipalities in the region such as Des Plaines, IL, Mount Prospect, IL, Elk Grove Village, IL and Wood Dale, IL; therefore the need exists for the three communities to work together in order to be attractive to potential businesses and developers on a regional level.

Initial ground work for mutualism and collaboration had already been established in the Northeastern region of Illinois at a council of government level regarding economic development and land use. According to Lindstrom (1998) the nine councils of government had reached an understanding that if any part of the region is to thrive, especially in a global economy, then every region needed to benefit in economic development to some degree. Thus the nine councils of government cooperated to promote economic development and establish
agreements to their benefit. Lindstrom (1998) pointed out that the councils of government started as a call from the federal government for local governments to work with neighboring jurisdictions for transportation and land use matters, but this initial goal grew to include a need to expand their capabilities such as lobbying state legislators for more control over federal allocations. Swanstrom (1996) argues that newer collaborative councils of government work in an apolitical, consensual and non-confrontational model.

Efforts like these usually are the key to starting cooperative endeavors. Olberding (2002) for example, pointed out that if there has been a strong tradition of regional cooperation, then those same communities are more susceptible in engaging in economic development activities as a region. This study examines the concept of mutualism at the local level by showing the importance of having smaller municipalities work together as a regional entity rather than as single municipalities. Pursuing economic development opportunities as a regional entity can be possible by establishing a framework for a multi-jurisdictional economic development organization for the three communities of Franklin Park, Schiller Park and Northlake.²

**Problem Statement** – Franklin Park, IL Northlake, IL and Schiller Park, IL have been witnessing a decrease in economic development activities including the loss

² Mutualism, cooperation and collaboration are used interchangeably in this study.
of businesses to other communities. These three communities all surround O’Hare International Airport which is also bordered by several other communities that are constantly competing for manufacturing, transportation and other businesses that center on O’Hare (see figure 1 below).

![Figure 1 - Illustrates the proximity of the three towns to O'Hare Airport – drawing not to scale - diagram obtained from the Cook County Department of Geographic Information Systems](image)

Due to their size, Franklin Park, Schiller Park and Northlake do not necessarily have the capacity and finances to provide large incentives to attract businesses as compared to larger communities in the area. For example, according to a Franklin Park representative, the Village has not set aside funds to provide direct incentives to firms in their budget. However, staff time is utilized to try and pursue economic development opportunities. Sometimes these efforts blossom into a potential business or project and other times nothing comes about from the efforts.

3 (J. Eder, personal interview, July 15, 2011)
These three communities have lost businesses in the last five years. Franklin Park, IL has lost 37 businesses from 2006 to 2011. Based on information provided by representatives from Schiller Park, IL and Northlake, IL they lost approximately 11 businesses from 2006 to 2011. Cumulatively the three town-area lost an estimated 3,158 jobs between 2006 and 2011. Most notably, businesses like Rubicon Technologies moved to Batavia, IL from Franklin Park, IL taking with them 75 high tech jobs, Ace Metal Crafts, a manufacturing employer that occupied a 50,000 sq. ft. facility in Franklin Park, IL for over 50 years moved to a 83,000 sq. ft. facility in the bordering town of Bensenville, IL and Entenmann’s Bakery located in Northlake closed their facility, laid off 333 employees and moved operations to New York. The current, average vacancy rate for industrial land uses in the Chicagoland area is 12% or 153 million sq. ft. of available industrial space. Therefore, the opportunity for an existing business in these three towns to move to a facility in another community is rather high.

If these communities are to sustain a healthy business climate, then alternative approaches to economic development must be considered. A collaborative effort

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4 Business loss numbers based on comparison of active business lists from 2006-2011. No active program exists at the Village to monitor business loss; however, the active business list is updated regularly and was thoroughly analyzed for the production of these numbers.

5 The number of business lost from Schiller Park was obtained through a Freedom of Information request and Northlake’s number of lost businesses was obtained from J. Sherwin, personal interview, October 5, 2011.

on the part of these three communities provides them with a greater competitive strength to both retain businesses and attract new ones.

**Hypothesis** – The development of an independent, multi-partner economic development organization, between Franklin Park, IL Northlake, IL and Schiller Park, IL will provide a more effective and efficient way to promote economic development than the current approach.

**Methodology**
This study utilizes qualitative research and the case study approach to assess capacity for inter-jurisdictional collaboration. Data for this study is gathered through key informant interviews including mayors of the study area communities, Community Development Directors, stakeholders in the three case study communities and economic development professionals who are knowledgeable of multi-jurisdictional agreements/organizations. A qualitative approach is warranted for this type of study because of the need for in-depth analysis to identify the barriers to, and potential outcomes in the formulation of this type of organization.
In-depth interviews are thus utilized to provide a rich set of responses that could not be accomplished with other study methods. Similarities and differences in the responses of the commonly asked questions used to solicit information from key stakeholders provided the basis for modeling the economic development institutional framework.

A two step process was used in the study. The first involved a review and assessment of the intergovernmental agreements between Oak Park, IL, Berwyn, IL and Cicero, IL; three communities which have been engaged in joint efforts at the local level. The objective of the first step was to better understand the opportunities and obstacles that intergovernmental cooperation brings to communities that pursue such an approach. Lessons learned from the Oak Park, Berwyn and Cicero efforts were useful in the development of a similar approach to economic development in Schiller Park, IL, Franklin Park, IL and Northlake, IL.

The second step involved an assessment of the organizational structure for economic development in the case study communities. This assessment and interviews with key stakeholders in the communities provided the information needed to model an institutional framework for a joint economic agreement for Franklin Park, IL, Schiller Park, IL and Northlake, IL.
Five in-depth interviews took place in the three town study area as well as in Oak Park and Berwyn, IL to gain a comprehensive understanding of the mutualistic efforts between the case study localities. The specific people interviewed are: the Senior Planner for Village of Oak Park, IL, the Project Manager for Berwyn Development Corporation, the Mayor (the only economic development expert for the City of Northlake, IL), the Community Development Director for the Village of Schiller Park, IL and the Community Development Director for the Village of Franklin Park, IL. The Mayor of Northlake, IL was interviewed as well as the respective economic development practitioners and city planners for each community. To assess the interviewees responses for comparison, a few questions were asked to all. Questions for the representatives of the Franklin Park, Schiller Park and Northlake included:

- What are your views on local government economic development partnerships?
- What potential barriers do you see possibly hindering these mutualistic efforts?
- What monitoring mechanisms would you like to see in place in order to maintain the mutualistic efforts?

Questions for the representatives from Berwyn and Oak Park included:

- How has your local government/agency faired in the mutualistic efforts so far?
What barriers existed that had to be dealt with before the mutualistic efforts took place?

Who represented the local government/agency when the initial meetings between the various parties took place?

What capacity issues has your local government/agency seen since the mutualistic efforts took place?

Did the mutualistic efforts involve Cook County?

What are the plans for the three municipalities following the implementation of the mutualistic efforts?

Were there any planners involved in establishing the mutual efforts?

Were there any skills or insights that planners provided that was pivotal to establishing the framework for the mutualistic efforts.

These questions provided information for assessing the accomplishment of economic development cooperation in Berwyn, Oak Park and Cicero and for the proposed institutional framework in Franklin Park, Schiller Park and Northlake.

Before we consider the outcomes of the study, we first discuss the context of this study within the economic development literature. This is the subject of chapter two.
CHAPTER 2 LITERATURE REVIEW

Introduction to Economic Development

Wolman and Spitzley (1996, P. 116) define economic development “as an increase in the economic well-being of area residents, usually manifested by positive changes in the level and distribution of area employment”. They also argued that most literature on local government economic development does not elaborate on the definition of economic development (1996). Thus, multiple actors may use the word economic development, but they may not be communicating an accurate account of their intentions to other stakeholders. Generally there are two main types of economic development both of which involve increasing the number of employees and wealth inside of a community. Other authors have categorized the types of economic activities that local governments pursue to include: support services for revitalization, project coordination, financial assistance, capacity building, promotion, service coordination, and incentives (Feoick 1987 and Matulef 1987).
Most economic development activities are pursued to encourage growth in one particular community or to increase the social status of one jurisdiction. Furthering this idea, Peterson (1981) compellingly argues that cities compete against one another like private firms when pursuing economic development; cities have a unitary interest in the well-being of their economy and in attracting economic development. In the pursuit of economic development, cities may risk large amounts of public funds and staff time to attract, retain, help expand or develop businesses to further the city’s economic development agenda.

Despite the long established field of economic development, Rubin (1988) noted that this field is filled with uncertainty due to several factors. Economic development assistance is a risky business and subsidies that are provided by cities may end up costing tax payers more than they receive back (LeRoy, 1994; Mier, 1993; Portz, 1990). For example, a municipality may provide more subsidies to a firm than is needed to attract it out of fear that another municipality may be offering a better package to the same company. Also the jobs created may not meet the expectations of the municipality providing the incentive.

Local economic development efforts have increased since the 1970s due to four overarching events: i) increased availability of capital, ii) increased pressures due
to the national de-industrialization of urban areas, \textit{iii}) economic restructuring on a global scale which is also moving America towards a de-industrialization era and \textit{iv}) national economic subsidies which are no longer being offered as they were decades ago (Wolman and Spitzley 1996; Jones and Bachelor, 1984; Jones and Bachelor 1993; Clarke and Gaile 1989; Kantor and David 1988; and Judd and Parkinson 1990). Thus the burden of creating jobs at the national level has now been transferred to the local level. With the increased competition at the local level, the dynamics of local economic development has changed over the course of the last thirty years.

\textbf{The Landscape of Local Economic Development Strategies}

There are several approaches to local economic development: i) the conventional approach; ii) the entrepreneurial approach and iii) the “mutualism” or regional approach to economic development. In the conventional approach, local governments provide incentive to firms to entice them to locate within the locality. This approach prevailed right up to the 1980s. After the 1980s, the main purpose of local government economic development activities have typically been geared towards creating wealth, lowering unemployment, increasing property values and increasing profits for local businesses (Bartik, 1991). Many factors influence the type of economic development activities to pursue and the degree of the government actions/intervention. The following paragraphs explore these
influences and how they affect local municipalities’ economic development activities, strategies and overall choices.

The Conventional Approach

Economic development policies, transactions and strategies have largely entailed a local, competitive approach versus a regional approach resulting in large efforts from municipalities to fight over potential developments. Additionally local governments promote competition through the use of incentives sometimes regardless of the uncertainty (Sullivan, 2002). Howard (1994) contends that incentive competition is irrational and that corporate welfare that is gained on the private side sometimes produces a zero-sum or negative sum gain for the local government providing the incentives. Towns and cities that have provided incentives may not even necessarily need to provide incentives or other assistance in order to attract a particular firm or project. Although planners, particularly economic development practitioners, realize the uncertainty and risks involved with offering subsidies, it is the political forces that shape the direction of economic development activities and generally decide what ‘fish’ to go after (Rubin, 1988).
According to Bartik (1991), mayors have assumed even more responsibility for economic development since the 1970s, the beginning point of the de-industrialization era. Local economic development can be paired with the success of a mayor or other elected official as a political tool (Cable, Feiock, and Kim 1993; Peterson 1981; and Elkin 1987). Around re-election time a mayor is not only up against the competition of other local figures for the political power, but he/she is also up against his/her economic record of job creation.

This dynamic has placed a large burden on the local political leaders that may lead to large, unnecessary expenditures to provide economic development incentive. Despite the efforts of a municipality’s mayor, Rubin (1988) points out that the municipal or non-profit economic development specialists are conducting many of the economic development transactions or negotiations. There will usually be a political connotation associated with the outcome of pursuing economic development activities, regardless of who pursues them. When economic development activities do not manifest into a positive outcome for the particular municipality, and the community spent a lot of government funds in terms of municipal employee time and incentives, then the mayor is the person who most likely will take the blame, regardless of whether the mayor had anything to actually do with the particular transaction (Bartik, 1991).
Allmendinger and Chapman (1999) argued that priorities must be established in order to create effective local economic development approaches and strategies. Allmendinger and Chapman (1999, Pg. 178) favor the export approach to economic development when they noted; “Remaining at the heart of much local economic development theory and practice, however, is the view that sectors should be prioritized according to their ability to export, and that there is a ‘hierarchy of sectors’”. This rationale parallels the conventional approach of economic development; municipalities want to attract businesses that can potentially yield the most exports and bring in the most wealth. However, this view has slightly changed given the shift from the industrial economy to the service economy in the last few decades.

While the assessment of local government prioritization is an influencing factor on how economic development activities are pursued, the actors who handle local economic development activities are also worth examining. One major task of local governments is to attract businesses to their town, but municipal representatives generally do not behave like a business; this is where economic development coordinators step in. Economic development coordinators work for the municipality, but work with business representatives when formulating potential transactions. Hence, economic development coordinators work differently as compared to other municipal representatives which can create an awkward working environment.
In summation, economic development coordinators think in business terms and municipal representatives generally think in terms of the best interest of the community. Rubin (1988), for example, noted that economic development practitioners felt that their jobs were full of uncertainty. He further argues that economic development practitioners believe that no other municipal representative understands their job. While the economic development practitioners represent a particular municipality; they have to understand the specifics of real estate development, the interested business and try to appease the politics and the potential businesses moving to the community at the same time. Wolman and Spitzley (1996) noted that the environment in which economic development activities take place influences the actions and efforts that come out from that particular environment.

Thus, if the environment at the local government is in disarray due to conflicting interests from the various actors, then the production of successful economic development activities may be limited. Economic development practitioners not only deal with conflicting perspectives in the municipal environment, but they also must face uncertainty when it comes to negotiating with private firms because they deal with the asymmetry of knowledge.
Asymmetry of knowledge and competition amongst other governments add to the overarching pressure that any economic development practitioner faces (whether they are an elected official or a practitioner with a background in economic development). Despite these uncertainties and pressures, local governments create reactionary strategies when faced with newer, competitive economic development strategies from neighboring localities; one such reactionary strategy is where businesses and government form partnerships which will reduce risk and lawfully conceal policy making decisions (Spindler and Forrester, 1993).

Local government structure also influences the approach of economic development activities. Feoick and Clingermayer (1986) found that local governments with a mayor-council form of governments were more likely to adopt tax abatement policies compared to council-manager forms of government. This is because the proximity to political events plays a part in where and how economic development activities take place. Reese (1993) argues that mayors may act on the fear from political pressure and from upcoming local elections and that mayors seem to play a central role in economic development activities (Schumaker, Bolland and Feoick 1986; Feiock and Clingermayer 1986, Jones and Bachelor 1993). And mayors are usually pro-business actors since businesses can help the mayor financially advance his/her political goals/agenda (Feiock and
Clingermayer 1986). Feiock and Clingermayer (1986) argue that businesses really only need to deal with one central authority, or a strong executive and not a number of elected officials in order to further a local government’s agenda. Therefore, the need for an economic development practitioner that is knowledgeable in the fields of business operations and governmental affairs is necessary for a municipality to formulate a healthy environment for attracting and retaining businesses.

Local government agencies cannot make policy changes and implement new strategies in secret like private firms. Thus, municipalities represent the public’s interest in an open environment. Feiock (2002, Pg. 129) states, “Citizens’ willingness to [provide incentives] must be communicated to public leaders in an open and public forum”. Structurally, this puts the public at a disadvantage. Feoick also points with caution that private developers can use this information to their advantage because local governments cannot reciprocally gather information about the wants/needs of the interested private developer.

In Illinois, the Freedom of Information laws, also known as the sunshine laws, are particularly hurtful to municipalities’ business attraction strategies because
business and developers can obtain information on contracts entered into by a community and their potential competitor. Specifically, businesses can easily extract the negotiation tactics of a particular municipality by analyzing prior development agreements by requesting a Freedom of Information Act application.

Municipalities cannot reciprocate this same action on private firms because private firms do not face the same transparency laws as municipal governments. Hence, Jones and Bachelor (1993) observe that local governments may be attracting businesses with a blindfold due to the lack of private firm knowledge; they will not know who and how to attract to their community in some cases. According to a survey conducted in 1998, over 80% of local governments use subsidies as part of their overall strategy to promote economic development where the most popular types of subsidies offered included tax abatements, low interest loans, infrastructure improvements and tax increment financing (Sullivan, 2002). From a developer perspective, there are many locations available to develop, but only a few sites may match the necessary building requirements for the project specifications. It is this scenario that heightens cities’ competitiveness and essentially requires them to provide incentives in order to be considered for the particular development (Feiock, 2002).

As we’ve seen, there are several limitations to using the traditional approach for local economic development including: the uncertainty of outcomes, asymmetry of knowledge and sunshine laws that disadvantage local governments as compared to the private sector. In the conventional approach, local governments hand out incentives to attract firms to operate in their jurisdiction, but local governments are now using their government operations to set up new efforts to reshape their local economies. They do this by partnering up in public-private ventures and by making government structures more flexible to stimulate newer enterprises. This entrepreneurial approach is discussed next.

The Entrepreneurial Approach

In response to the urban growth machine models and to the lackluster responses to the conventional approach in capturing economic development opportunities, some local governments are adopting an entrepreneurial approach of governing by either joining public-private partnerships or are creating flexible frameworks to work like a private firm. With an entrepreneurial structure some municipalities have created their own economic development opportunities ranging from the creation of small business incubators to operating large business parks (Sullivan, 2002). There are many actions that governments can partake in that result in adopting an entrepreneurial approach. These entrepreneurial actions range in size
and scope, but the overarching concept is to create their own economic development opportunities by operating like a business.

The shift of economic development activities from a national level to the local level in the 1970s has placed a burden on local leaders from all municipalities to compete for jobs and development projects. Stone (1989) chronicled in his study, the role of Atlanta businesses in helping to determine the city’s local economic agenda. He found an overwhelming sense of influence of businesses in directing local policy where both businesses and government officials shared the same ideologies in which an ‘urban regime’ was created. Molotch (1998) furthered this concept by arguing that cities acted as urban growth machines in order to raise land values which ensure more taxable revenues for the city.

Kantor and David (1988) also witnessed this approach and reported that local governments are dependent on businesses to provide jobs to local citizens and to pay local taxes which takes the tax burden off local residents. These regimes are a conglomeration of politicians, businesses and other influential characters that all operate for the cause of economic growth. While these partnerships may present a positive gain for the local economy and showcase the power of partnership between business and governments, they do not work in every government structure and can leave many stakeholders out of the equation.
If municipalities are to consistently pursue an entrepreneurial approach towards economic development, then the government structure must be set up in a way to perform similar to a private firm or at least adopt a flexible framework. Governments need to ensure that they are equipped with staff in order to handle new tasks such as managing a multi-partner project and monitor the success rates of multi-jurisdictional programs. Agranoff and McGuire (1998, Pg. 69) further the logic for flexible government agency frameworks by stating, “The performance of a particular policy sector is dependent on the effectiveness of organizational and network design, development of the capacity to organize and manage these processes is critical to both public policy and management”.

Before municipalities can pursue economic development opportunities in an entrepreneurial approach, they may have to either amend their government structure from a traditional set up to a form that mimics a private firm or adopt a policy direction of willingfully working with neighboring municipalities. The latter is the mutualistic approach that we will be discussing next.
The Mutualistic or Regional Approach

Intergovernmental mutualism is a collaboration between local municipalities that share a particular asset where each contributing municipality can benefit by working with the other localities in order to further their economic development goals rather than competing against each other. The Chicago region has been promoting this approach in order to enhance the metropolitan area’s business environment through the formation of the Chicagoland councils of government (COGS). These COGs have increased their mutualistic efforts since their inception by increasing staff size and their commitment to the organizations they represent by creating a membership process (Lindstrom 1998). The increasing presence from the councils of government shows that there is room for mutualistic efforts despite the large Chicago metropolitan area and fierce level of competition amongst local governments.

If smaller municipalities are to be represented in regional economic development activities and break the sequence of competitive activities; then mutualistic efforts need to be pursued to effectively capture economic development activities. All the partnering communities need to be of a cooperative mindset that reflects all the shared values in the partnering communities. For municipalities to go from a competitive approach to a mutualistic one, government interactions should embrace mutualistic activities such as intergovernmental agreements, cost sharing
and joint ventures. Gordon (2007) argued that cooperative efforts are best implemented if there is already an atmosphere of cooperation and if there are commonalities between communities.

Some municipalities are also following the entrepreneurial approach of cooperation to reduce risk in pursuing economic development opportunities just like it is done in the private sector (Oliver, 1990; Schoorman, Bazerman, & Atkin, 1981). When smaller communities work together when negotiating large development projects, their collaborative bargaining efforts may help them in their bargaining power than if they go it alone. Feiock (2002) suggested that in order for governments to bargain with developers at a near equal playing level, the metropolitan or the regional level should take on development competition rather than the individual municipality.

What Role can Mutualism have in Local Economic Development?

The economic development concept of mutualism came about as a reaction to the many approaches (both successful and unsuccessful) that local governments have practiced over the years. Stone (1989) argues that local governments need the cooperation of businesses (or potential businesses) in order to further public interests such as job creation and increased wealth. In a capitalistic market, many
strategies are pursued to enhance one’s individual gain and increase another party’s loss, but cooperation rather than competition can yield a win-win outcome for all involved parties (Gordon, 2009).

The dominant forces behind cooperation in smaller communities are financial constraints and issues of economies of scale matching up with a communities growth needs (Morgan and Hirlinger 1991). For example, when potential infrastructure costs exceed the fiscal capacity of a particular community and a neighboring municipality has the same intentions of growth, then voluntary cooperation can help to spread the infrastructure costs among the municipalities. As Hawkins (2009) rightly observed, joint service agreements make the most sense when a community cannot “go it alone” on any given service or infrastructure.

Cooperation does not necessarily mean just sharing service or construction costs. Gordon also argues that one of the most successful cooperative efforts is marketing (2007). Marketing may be one of the largest expenditures of local governments/economic development agencies which includes booth fees at trade shows and advertisements in related reading material. Feiock and Park (2005)
point out that cooperative efforts can start out small such as sharing marketing/advertising costs for developable land. Local governments/agencies could pair up at trade-shows, share ad space costs and cut other promotional costs. The appearance of being able to work with neighboring communities shows prospective developers and company selection committees that it may be a good place to conduct business (Gordon, 2007).

Lackey, Freshwater and Rupasignha (2002) found several barriers to forming cooperative efforts based on competitive predispositions which included: lack of advocates for cooperation, suspicion of neighbors, and differing levels of resources to allocate towards cooperative efforts from all partners. However, the need to cooperate at a regional level has increased overtime (Gordon 2009). Fleischmann, (2000) and Gordon (2007) argued that many municipalities can benefit from their neighbors through cooperative efforts which include: combining resources, cutting similar/overlapping costs, building off each other’s strengths and learning from one another while working together. Feiock and Park (2005) argue that more cooperative actions arise when several benefits are realized and present including: low transaction costs, monitoring is in place and agreements are easily enforced. Bowman (1988) noted that if each community can see the benefit from voluntarily cooperating with neighboring communities versus competing against each other, then they are more likely to cooperate with the
neighboring jurisdictions. We now turn to an exemplary case of municipal mutualism as practiced in Illinois by the City of Berwyn, the Village of Oak Park and the Town of Cicero.
CHAPTER 3 MUTUALISM IN PRACTICE

The suggested Economic Development Organization for this study is similar to the concept of intergovernmental agreements. Many municipalities venture into intergovernmental agreements with neighboring jurisdictions if it is generally felt that all participating communities will benefit from it. The City of Berwyn, IL, the Village of Oak Park, IL and the Town of Cicero, IL formed an intergovernmental agreement in order to redevelop a shared corridor. However, the efforts associated with this agreement were innovative and won national recognition. The efforts and structure involved in redeveloping the Roosevelt Road corridor warrants examination to help inform the proposed organizational structure for Franklin Park, IL, Schiller Park, IL and Northlake, IL.

The City of Berwyn was represented by the Berwyn Development Corporation (BDC) throughout the intergovernmental efforts. The BDC is a 501(c)3 public
private partnership that provides many services to the City of Berwyn. The BDC mainly provides technical assistance towards economic development activities, but also provides planning and zoning expertise and serves as the umbrella organization for the local chamber of commerce. This organization was formed in the 1970s from the efforts of economically conscious residents and business owners. Since then the BDC has grown into an organization that serves the business needs of the community by also establishing TIF districts, creating low-interest commercial loan opportunities and seeking grant opportunities to enhance the business and built environment. There are 10 full-time staff members that serve Berwyn’s 56,000 residents and all businesses that are found within its jurisdiction (only three of these staffers are urban planners). According to a Berwyn Development Corporation representative, the BDC has four top priority areas to help the Berwyn business community thrive. The Roosevelt Road corridor is one of their four priority business areas, but the BDC knew that they can enhance the Roosevelt Road businesses by working with the neighboring municipalities that share this corridor.

Roosevelt Road (State Route 38) is one of the major routes that starts in Chicago and winds its way westward for 89 miles. The stretch of Roosevelt Road that runs
through these three municipalities carries 59,000 cars passing through every day\(^8\). Despite the high traffic counts, the developments along this road were poorly maintained and had sporadic, suburban-style development\(^9\). This area of Roosevelt Road is highly urbanized with a large number of structures built over 50 years ago.

The need for improvement along this corridor was apparent to all three communities based on a 2003 report fund by the Illinois Tomorrow Grant Program which recommended that Roosevelt Road communities work together to adopt a unified vision for the corridor before any major enhancements take place\(^10\). Initially Oak Park and Berwyn started working together, by carrying official discussions in their respective Village and City Board Meetings. Eventually the discussion led to the establishment of a commission and an oversight committee for the intergovernmental efforts. Cicero eventually became involved with intergovernmental negotiations at a later point. The need to make Roosevelt Road a vibrant corridor where pedestrians, cars, businesses and residential units can integrate in a unified manner was a commonly shared vision

by all three communities making the initial intergovernmental agreement in 2006 a fairly smooth process.\textsuperscript{11} They all needed improvements on their section of Roosevelt Road, but pursuing such costly improvements alone was not financially feasible.

The mutualistic efforts led to physical and synonymous steps taken by all three communities, specifically: in 2007 design plans for streetscape improvements and new consistent zoning regulations for all three communities were authorized; in 2008 all three communities adopted streetscape design plans; in 2009 unified zoning regulations were approved and in 2010 construction started. The total construction cost was approximately $8.2 million, but Illinois Department of Transportation put forth $7 million for the project and the three communities contributed the remaining $1.2 million.\textsuperscript{12} An Oak Park planner interviewed for this study mentioned that all three communities investigated ways to pay for the remaining amount that would still benefit all three communities; one thought was to pursue funding to add sustainable/green elements to the corridor which may have covered the $1.2 million difference.\textsuperscript{13}

\textsuperscript{11} (C. Failor, personal interview March 25, 2011) and (T. Angell, personal interview March 27, 2011).
\textsuperscript{12} (C. Failor, personal interview, March 25, 2011)
\textsuperscript{13} (C. Failor, personal interview, March 25, 2011)
The Roosevelt Road Plan that was adopted by all three communities was the guiding light for cooperation for these three communities where normally all three localities (as well as other neighboring communities) have typically competed against one another for businesses. Oak Park, Cicero and Berwyn were able to set aside their differences and worked together on this project because of an effort from staff members to educate the elected officials on the benefits of working together. According to an Oak Park representative, staff from both the Berwyn Development Corporation and staff from his office (the Village of Oak Park) put forth significant efforts to advise elected officials towards working across jurisdictional boundaries and establishing an Intergovernmental Agreement for the Roosevelt Road Corridor.

For cooperation to become reality, staff expended a significant amount of energy to establish the oversight committee, draft the IGA where all three communities could agree on the conditions, educate the public and elected officials on the vision and then maintain the efforts throughout the entire process. Despite the volume of work involved, an Oak Park planner said that it was “an enjoyable process”.14 All three communities split the amount of work as evenly as possible, but according to the Oak Park planner involved with these efforts, this project took approximately 20% of his work time. He furthered his comment on the

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14 (C. Failor, personal interview, March 25, 2011)
work load by mentioning that there were three major elements to these mutualistic efforts in which all involved parties relied upon to continue moving forward. These efforts included: the creation of a cohesive overlay district (form based code), the creation of a streetscape to unify the properties from all three municipalities and then pursue various means of acquiring funding to pursue such a project. While outside firms were hired to create the corridor plan and the unified form base code for the area, it took a significant effort from staff of these three communities to jointly create the wants, needs, goals and objectives for the project.

The mutualistic efforts did not just involve the municipal governments, but also a number of business organizations, and other government agencies. Firstly, Roosevelt Road is a state route that is controlled by Illinois Department of Transportation (IDOT); if any changes are to occur on any state route, then the changes must be accepted by IDOT. Additionally, if any improvements are to be made to a state owned road, the local agency requesting the enhancements will have to pay for the enhancements; the decision to choose the contractor and execute the construction phase is directed by IDOT.
There were a few aspects of the corridor project that IDOT did well on according to an Oak Park planner. IDOT went forward with the idea of installing three lighted cross walks for pedestrians on Roosevelt Road where street light intersections did not exist.\footnote{(C. Failor, personal interview, March 25, 2011)} This proposed idea was to take the opportunity to enhance the pedestrian safety of Roosevelt Road and remove the stigma that this road is only for vehicles. Furthermore, IDOT representatives understood that this particular stretch of Roosevelt Road is in a highly urbanized area which warranted a context sensitive design.

While IDOT was cooperative in the negotiation efforts, an Oak Park representative mentioned that not all parties were involved in the decision making process. For example, the contractor hired by IDOT did not receive high praise from Oak Park officials. The contractor selected did “sub-par” work in the Village of Oak Park in the past and it was decided that they would not be selected for other work that is funded by the Village.\footnote{(C. Failor, personal interview, March 25, 2011)} This is part of the reality of dealing with multi-partner efforts. In some cases, one entity may have more power in making a decision over another which may create tension. While all entities will not always agree in cases where decisions carry a large weight, like physical construction, the impact of a decision can alter the willingness of an entity to work with another. An Oak Park representative mentioned that Roosevelt Road
was “run down” and that all three communities were very willing to put forth any effort in order to revamp this stretch of road so “they worked with what was given to them”.\textsuperscript{17}

Another organization that was involved in the mutualistic efforts was the Roosevelt Road Business Association (RRBA). This organization crosses municipal boundaries and represents the business interests for dozens of establishments in these three communities as well as Forest Park, IL. RRBA was very involved in the corridor reconstruction process from the start. The President of RRBA sat in as one of the 13 members in the oversight committee according to an Oak Park interview. Residents from all three communities were also a part of the oversight committee to represent the residential needs of the corridor. Both the RRBA and the residents acted as an advocacy entity and as advisors to the municipalities according to an Oak Park representative.

All three communities were reportedly pleased with the end result and with the efforts put forth to achieve the corridor improvements. There is still competition amongst the communities to attract businesses to the renovated corridor, but the

\textsuperscript{17} (C. Failor, personal interview, March 25, 2011)
renovated corridor would not have been possible if not for the mutualistic efforts described earlier. According to a Berwyn Development Corporation (BDC) representative the competition amongst the three communities is very apparent, especially between Oak Park and Berwyn.\textsuperscript{18} Berwyn boasts a TIF district on their side of Roosevelt Road while Oak Park does not. An Oak Park representative mentioned that Oak Park is completely bonded out at the moment and cannot establish a TIF district on Roosevelt Road to help businesses in this area.\textsuperscript{19} Since the beginning of 2011, there have been four new businesses that either remodeled and/or opened up on the Berwyn side of Roosevelt Road which utilized TIF district funds, according to a BDC representative.\textsuperscript{20} Village of Oak Park representatives believe that there will be an economic spillover effect from the Roosevelt Road improvements. If there are new businesses that are looking to open up and that do not require a lot of funds to improve properties then Oak Park will be just as viable as Berwyn or Cicero to attract businesses.

All three communities will benefit or have benefitted from this partnership, but as for continuing the mutualistic efforts in order to pursue other common interests, the future is uncertain. Both an Oak Park representative and Berwyn Development Corporation (BDC) representative alluded to future cooperative efforts, but as for the Roosevelt Road Project, once all invoices are fulfilled and

\textsuperscript{18} (T. Angell, personal interview, March 27, 2011)
\textsuperscript{19} (C. Failor, personal interview, March 25, 2011)
\textsuperscript{20} (T. Angell, personal interview, March 27, 2011)
all activities completed, the Intergovernmental Agreement will be dissolved. A BDC representative also mentioned that there is a large sense of competition with other localities regarding business attraction which makes it hard to form intergovernmental agreements. He mentioned in representing Berwyn’s interest that there are more competitors for businesses than just Cicero and Oak Park. Mutualistic efforts will only work when the communities that share a particular asset also share a common value or vision of what to do with this asset and voluntarily realize that they can benefit from cooperation versus competition (also they may realize that they may have too much to lose if they fail in their competitive efforts).

Identifying the Framework for Mutualism between Oak Park, Berwyn and Cicero

The entire project from inception to corridor/streetscape improvement spanned over eight years. Roosevelt Road, the asset that led to the mutualistic efforts, was identified by a 2003 report mentioning the need to physically improve Roosevelt. The report came from the Illinois Transportation Enhancement Program (ITEP), a state level report. ITEP is a state level grant program that works to enhance facilities around state routes. Projects that are eligible for this program include: pedestrian and bicycle facilities, historic preservation and improvements of scenic
and aesthetically pleasing areas. It is interesting to note that a state agency initially identified the need for these three communities to work together and adopt a unified vision in order for the potential project to be successful, even though this was a state owned and maintained road. IDOT realized that any decision to alter Roosevelt Road would impact all three communities.

The idea of including Oak Park, Berwyn and Cicero in all phases secured a cohesive project that potentially enhanced the relationship between the local agencies and the state level agencies. Thus, an outsider perspective may be an appropriate and needed action to address a potential partnership with local agencies. As noted in Chapter 1, Lindstrom (1998) pointed out that the federal government recommended that the nine councils of government of Northeastern Illinois should be formed to collectively decide on land use and transportation issues. These partnerships are usually not established through casual observation, but identified through studies, long term observations or proposed changes such as new highways or public facility expansions (i.e. convention centers, airports etc).

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Generally partnerships between communities can be established informally or formally. If an informal relationship is established, then no resources are typically shared and intergovernmental agreements are not adopted. If a formal relationship is to be established, then there are a few activities that need to occur which include: an agreement/contract to be signed by all parties, a resolution by all entities with enumerated powers should be passed declaring the commitment to the partnership, either an oversight/blue ribbon committee or a commission made up of community members needs to be formed, official public notices need to go out for committee/commission meetings, agenda and minutes have to be created for every meeting held and financial accounts may need to be established depending on the type of work the partnership will be conducting. Formal relationships are needed if any sort of risk is involved, especially financial risk. The Berwyn, Oak Park and Cicero partnership is an official agreement that enabled the communities to share risk since the onset. Once all invoices are paid and the projects are completed, the shared risk is dissolved.

The Berwyn, Oak Park and Cicero partnership established an official/formal framework of cooperation through an intergovernmental agreement that was accepted by all three municipalities. The Berwyn, Oak Park and Cicero kept their partnering efforts official by holding oversight committee meetings were established, notifying the public of the meetings, publically posting the
resolutions and kept minutes of the meetings. Personnel time was shared as equally as possibly. According to an Oak Park representative, all work was distributed to each town in some manner. Specifically, Cicero attorneys drafted the Intergovernmental Agreement, Oak Park and Berwyn staff handled committee meeting agendas and minutes; additionally, Berwyn staff worked on marketing ventures such as composing and filing an award application with the International Economic Development Council in the category of “Excellence in Economic Development”. This publicity is attached to a national organization where thousands of related professionals have access to the aforementioned organization.

The uniqueness of this opportunity was itself an asset for all three communities. Roosevelt Road is a major commercial corridor for all these communities; however, since each community controls such a small portion, working together as one decision making body increased their ability to make a bigger impact on the overall business attraction environment. These efforts could not have been replicated by each individual municipality. Additionally, it is the adoption of the same form based code that became an asset to each community. Now that all redevelopment efforts will follow a set standard design and will be in-keeping with the newly created pedestrian scale atmosphere, all three communities can

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(C. Failor, personal interview, March 25, 2011)
focus on retaining the small service businesses that exist in the area. A Berwyn Development Corporation representative mentioned that Roosevelt Road is a prime corridor for small independent businesses, and if something was not done to enhance this corridor, then retaining these businesses would be rather difficult. The benefit of the collective actions has not been fully reported. The construction of the corridor finished in August 2011, but the signs of improvement are immediate with the opening of two new restaurants and two smaller businesses.

Planners played a pivotal role in establishing this intergovernmental agreement and in carrying out the project. The biggest task that was overcome according to both Oak Park and Berwyn Development Corporation representatives was gaining the trust from all sides. To get three communities to agree on a unified vision, a unified zoning and a budget is a rarity in the Midwest according to a Berwyn Development Corporation representative. Traditionally, Midwest towns have focused on improving the environments within their own jurisdiction. However, given the urbanized setting at hand, the need to move forward on such an endeavor was necessary. Planners were on hand from Oak Park and from Berwyn to be the educators and the facilitators of negotiation.
CHAPTER 4 CASE STUDY COMMUNITIES

Existing Conditions

All three municipalities are similar in demographics, land use composition and industrial base. Franklin Park, Illinois (population 18,333), Northlake, Illinois (population 12,232), and Schiller Park, Illinois (population 11,793) are all inner-ring Cook County suburbs of Chicago that border O’Hare International Airport and have benefited from an active service oriented and industrial base. Over half of Franklin Park’s land use that is dedicated for industrial, retail and commercial uses totals 55%. Schiller Park has approximately 26% (this figure is excluding Forest Preserve land) and Northlake has approximately 35% of their land in commercial, retail and industrial land uses. All municipalities have seen a decline in number of businesses in the past thirty years. Franklin Park, for example, has seen a decline in total number of employees working inside the municipal boundaries at an estimated high of over 100,000 workers in 1970 to approximately 22,100. Most of these jobs were in manufacturing, according to an
economic study of Franklin Park (Real Estate Planning Group, 2002). In the same study, 82% of jobs located in Franklin Park were manufacturing (44%) and wholesale firms (38%).

Franklin Park is considered a commuter municipality since there are more workers in the community than its residential population. Franklin Park has attracted businesses from other parts of the Chicagoland region as a place for work; making business retention a high priority for municipal representatives.23

All three towns are part of the O’Hare corridor, which is nationally recognized as a major area of manufacturing and transportation jobs (see figures 2 and 3 below for proximity to O’Hare Airport and their location in Cook County). Despite the decline in industrial jobs, the industrial sector still accounts for over $1.5 trillion of America’s GDP in 2006 and the O’Hare corridor is a large contributor to this figure.24

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23 (J. Eder, personal conversation, June 25, 2010)
Figure 2 - This shows all three municipalities in relationship to Cook County Illinois. Source: Cook County Department of Geographic Information Systems.
Figure 3 Municipality boundaries in relationship to O’Hare Airport located to the north of the three communities
Source: Cook County Department of Geographic Information Systems.

Figure 4 Source: 2000 & 2010 US Census
All three communities are relatively close in demographics including ethnicity as shown in figures 4 through 6 above. However, Schiller Park and Franklin Park have a majority of residents as Caucasian in 2010, while Northlake contained a higher Hispanic population than Caucasian population (52.9% to 40.6% in 2010). These three communities also have similar per capita incomes and manufacturing is the leading employment sector for all three communities. While all three have relatively low unemployment, they all have a per capita income below the
national average of $27,041 in 2000. This fact may indicate that while many of the residents hold manufacturing positions, they are not necessarily very high paying positions. All three communities share a similar land area; Franklin Park is 4.4 square miles, Schiller Park is 4.1 square miles and Northlake is 3.1 square miles. All three communities with their respective boundaries are shown below in figures 7 through 9.

Figure 7 - Boundaries of Schiller Park, IL (4.1 square miles) Source: Google Maps
Industrial companies operate in this region of the metropolitan area due to the large infrastructure capacity including roads, water, highways, large air operations and rail access. State agencies realize that a large amount of commerce takes place in this region of the state. Plans are currently underway to increase highway
connectivity to this region by connecting the Elgin-O’Hare expressway to O’Hare Airport and extending a route from I-90 (Jane Adams Tollway) to the I-290 (Eisenhower Expressway).

Illinois Department of Transportation has been in phase II of this transportation project and toll fees are earmarked to rise by 60% in January 2012 to pay for this project. These new routes are to enhance the connection of the O’Hare business corridor to the O’Hare Airport expansion which is adding a western terminal specifically for commercial shipments, which the new highway connections will benefit from. Properties in the path of the proposed expansion are currently being purchased from Illinois Department of Transportation. IDOT is also paying for the moving fees incurred on the impacted businesses. These impacted businesses are free to move to communities other than their hometown. Therefore there is lots of competition for these relocating businesses. Franklin Park is the only community out of the three that is losing properties due to the design of the highway expansion project. These three communities also constantly compete with other municipalities in the region and nationally for relocating firms as well as trying to keep their existing businesses in town.

All three municipalities are land-locked and are either fully developed or near fully developed, with several vacant/abandoned properties. One of the most
notable vacant properties is Motorola’s former world headquarters located in Franklin Park, IL. This 400,000 sq. ft. complex with 300,000 sq. ft. of office space and 100,000 sq. ft. of manufacturing space has been vacant for over two decades and multiple redevelopment efforts have failed to revive it.\textsuperscript{25} All three municipalities have properties similar to the aforementioned example and are looking to increase redevelopment activity or are looking for companies to fill the vacancies.

While all three communities contain industrial space, their respective economic base varies. Northlake is reliant upon big box retail and mid-size industrial, Franklin Park relies on the industrial base (both large and small business outlets) and Schiller Park relies on industrial and travel based service businesses such as hotels (see figure 10 below for visual representation of each communities’ strengths and economic base).

\textsuperscript{25} (J. Eder, personal interview, July 15, 2011).
<table>
<thead>
<tr>
<th>Types of businesses found in each community in ranking order</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Small Service Office/Retail</td>
</tr>
<tr>
<td>Jr. Box Retail (10,000 to 30,000 sq. ft.)</td>
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<tr>
<td>Big Box Retail (30,000 sq. ft. and up)</td>
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<tr>
<td>Class A Office Space</td>
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<tr>
<td>Small Industrial/Condo Space 5,000 sq. ft. and below</td>
</tr>
<tr>
<td>Moderate Industrial (5,000 to 15,000 sq. ft.)</td>
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<tr>
<td>Large Industrial (15,001 and up)</td>
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*Figure 10 – Source: Information obtained through personal interviews: (J. Eder, personal interview, July 15, 2011), (G. Sakas, personal interview, July 3, 2011) and (J. Sherwin, personal interview, March 28, 2011) and through observations.*

Economic development incentives are available for these three communities to attract development and businesses. Franklin Park, Northlake and Schiller Park
all have the ability to utilize a countywide tax program called the 6B tax credit. This tax credit allows developers/businesses to either renovate or rebuild abandoned or dilapidated structures with a multi-year tax credit. A number of steps must be followed to obtain approval including gaining approval from the Cook County municipality, hiring residents of Cook County and paying a living wage to a certain percentage of workers.

These three communities have a history of competing with each other for businesses. One recent example of this competition involves Franklin Park and Schiller Park. Life Fitness has been located in Franklin Park, IL for over 20 years. The company recently went through a 6B tax credit process and spent $5 million renovating its facilities. However, Schiller Park was able to attract Life Fitness’ corporate offices to Schiller Park, although the company kept all other operations in Franklin Park. The high paying positions did not move far, but this deal took a lot of daytime buying power out of Franklin Park by moving to Schiller Park.

Also all three municipalities specifically pursue economic development in a unique fashion with different municipal/political actors. Figures 11 through 13 below showcases several elements including the lead actor(s) in charge of economic development activities, the primary economic development activities
each municipality pursues and the follow up activities that the particular municipality engages in.

Figure 11 – Source: J. Sherwin, personal interview, March 28, 2011.
Figure 12 – Source: J. Eder, personal interview, July 15, 2011 and based on direct observations.
As can be seen by the figures 11 through 13 above, all three towns have similarities and differences when handling economic development activities. Attending trade shows, administering tax increment finance districts, recruiting developers, working on 6B tax abatement applications, site marketing and monitoring existing economic conditions are the activities that all three municipalities pursue.

One of the highest priority economic development activities that the three municipalities share is working on 6B applications. If a developer/business wants to redevelop a vacant property in a Cook County municipality and receive a
property tax credit for improving the property, then the developer/business has to work with the municipality to pass a resolution in order for Cook County to receive the 6B application and consider the property tax credit. A resolution at the local municipal level must pass before a 6B application is to be submitted to Cook County. After a municipality passes a resolution supporting the application, it is then sent to Cook County for additional review and processing. All approved applications are then sent to Cook County Assessor’s Office where the tax credit is activated for the subject property.

The Cook County 6B tax incentive is widely popular with these three communities due to its high success rate. The latest example is a multi-million dollar project for the creation of a new corporate campus for Hill Group, the largest employer in Franklin Park. This company went through Franklin Park’s 6B review process and has purchased the adjacent property to expand office space and manufacturing space.26 The new 24 acre campus will add approximately 40,000 sq. ft. of additional space and 200 more jobs to the community. Hill Mechanical currently employs 900 workers. The company will save an estimated $14 million over the course of 12 years due to the tax credit.

If a local municipality does not have the capacity to review and pass a resolution supporting a 6B application, then no 6B applications can be associated with

26 Information obtained based on conversation with Hill Mechanical representatives June 18, 2010.
redevelopment projects. The absence of 6B applications in municipalities of Cook County would significantly hinder redevelopment efforts since this is the main tool for many communities to attract new businesses. The municipal employees reviewing 6B applications should have an understanding of both economic development and the administrative process/capacity. All three communities have projects associated with 6B applications.

Structurally, Franklin Park, IL reviews 6B applications differently compared to Schiller Park and Northlake. Franklin Park’s review process entails a two step process with a staff review that is paired with a hearing in front of the Economic Development Commission (EDC). Cook County 6B applicants must be present in the EDC meetings in order for questions to be answered. If the EDC approves the application, then it goes to Village Board for a resolution to be passed. The Village of Schiller Park and City of Northlake, IL review 6B applications in a one step process where the applications go straight to Village Board and City Council respectfully to either deny or approve a resolution to support a specific application.

Since there is a lack of consistency in reviewing the applications, there is some need of further analysis in terms of efficiency. Franklin Park’s review process with the Economic Development Commission members, local business owners
with financial and economic development background, adds another layer of expertise, but also adds a layer of time to a proposed project. The Economic Development Commission members typically have a thorough background. A municipally approved application can take up to 6 months when it reaches Cook County. 27 6B applicants have to submit the proposed improvements to a property, if they are to rehabilitate the proposed property. However, Franklin Park does not have any enforcement policies. Schiller Park and Northlake also do not have any enforcement policies set in place for ensuring that all 6B applications fulfill all the renovations that were proposed in the application. 28 This lack of enforcement stems from a lack of staff time to follow up on the proposed changes.

Staff time seems to be an issue with all three municipalities. The City of Northlake may have the most limited capacity to pursue economic development activities since the Mayor is the only person who works on such activities. According to the mayor, the City of Northlake does not have an economic development related person; hence, they are limited in their recruitment capacity despite enjoying a large retail base that includes: Home Depot, Value City Furniture, Aldi, Wal-Mart, Sam’s Club and Office Depot. 29 He argues that developers usually come to him instead of the City of Northlake because of their

27 (J. Eder, personal interview, June 10, 2010).
28 Information obtained through personal interviews: (J. Eder, personal interview, June 10, 2010), (G. Sakas, personal interview, July 3, 2011) and (J. Sherwin, personal interview, March, 25, 2011).
29 (J. Sherwin, personal interview, March 25, 2011)
proximity to Interstate 294, O’Hare Airport and the railroad infrastructure, but he mentioned that he could benefit from some economic expertise. The mayor is willing to work with other communities to advance transportation and infrastructure upgrades which can help Northlake’s economic opportunities (as shown in figure 11). Currently, the City of Northlake is working with the City of Elmhurst on co-designing a multi-million dollar on-ramp, off-ramp that will benefit both communities by increasing transportation opportunities. Since he is the sole economic development agent for the City of Northlake and he is the mayor, his capacity to deal with comprehensive and strategic economic opportunities may be limited due to other obligations.

Schiller Park and Franklin Park have at least one dominant figure and a secondary figure; Schiller Park’s and Franklin Park’s dominant figures are their respective community development director. Franklin Park’s secondary figure is their mayor and Schiller Park’s secondary figure is their village manager. Franklin Park’s mayor assists with networking opportunities that are related to economic development activities while Schiller Park’s village manager assists with economic development activities in relation to policy direction. Schiller Park and Franklin Park both have two economic development actors, but the Village of Franklin Park’s secondary actor is the mayor and the person holding this position can change every four years; therefore the consistency of this position’s strength
in economic development decisions will not be stable. Franklin Park’s main economic development actor works on business retention and large scale industrial developer recruitment. Schiller Park’s main actor is the community development director who approaches development with a “pipes in the ground” approach. He believes more in assisting with infrastructure improvements rather than providing intangible incentives to businesses and developers.\(^{30}\)

Chamber of Commerce organizations exists in all three towns. Franklin Park and Schiller Park have a joint chamber of commerce called the Franklin Park Schiller Park Chamber of Commerce.\(^{31}\) This organization was formed to take advantage of the similarities in their industrial base and residential demographic characteristics, but the chamber of commerce has limited functions and also includes members that operate in jurisdictions in other parts of the Chicago metropolitan region. Northlake, IL has established a separate chamber of commerce as part of city operations. The chamber of commerce is open only to Northlake businesses.\(^{32}\)

Franklin Park has another economic related organization called the Economic Development Commission (EDC). The EDC is made up of Franklin Park

\(^{30}\) (G. Sakas, personal interview, July 3, 2011.)
business owners and managers that act as an advisory council for Village operations. As discussed earlier, the EDC is also the organization that reviews and either initially approves or denies 6B tax credit applications for developers or business owners who want to build/redevelop qualified properties in Franklin Park, IL. This commission works with village officials on an economic development program called the Business Retention Visit, where an EDC member and a member from the village visit various business owners inside of Franklin Park’s jurisdiction and checks up on their operations. This program has been in existence for over 10 years. At this time, they offer assistance or knowledge that can help the business stay in the community. In summation, all three municipalities do not offer any direct monetary assistance to attract business/developments other than TIF funds for public infrastructure upgrades.

With all the economic development programs in existence in the three communities, there have been some major developments taking place. Northlake, IL recently had Microsoft open up one of the largest data centers in North America and Schiller Park has introduced a new 200 room hotel to the community with two restaurants and had another 110 room hotel go through a multi-million dollar renovation within the last seven years. At the same time, there have been projects that have fallen through. Recently, a 6B application fell through because the potential company that was to move to Franklin Park was also in discussion with representatives from Merrillville, IN. The company was offered a better deal
than what the Village and County were working on and hence decided to locate to Merrillville.

Despite the hardest efforts of the existing economic development representatives, the capacity to attract businesses and deal with the pressures of other communities luring potential employers out of the area may be too much to handle. All three towns may never witness the large industrial developments that they once enjoyed 30 or 40 years ago, but the need to continue aggressively pursuing businesses and redevelopment opportunities still exists. However, since two of the three communities have staff members with economic development background, there is the possibility of sharing staff expertise to increase each community’s bargaining powers through cooperation. The resources that Franklin Park, Schiller Park and Northlake contain will be compared to Oak Park, Berwyn and Cicero example examined in the next section to assess the potential that these three communities can harness by working together.

Comparing the Efforts and Structure of the Oak Park, Berwyn and Cicero to the Potential for Northlake, Schiller Park and Franklin Park

The comparison of the Oak Park, Berwyn and Cicero (OPBC) efforts to the future efforts of Northlake, Schiller Park and Franklin Park (NSPFP) is important in
order to help adapt the successes of the OPBC efforts and transplant them to a successful NSPFP. Particular attention will be given to Berwyn due to the existence of the Berwyn Development Corporation, a separate entity from the City of Berwyn that focuses solely on business attraction and retention services.

While Oak Park, Berwyn and Cicero (OPBC) differ from Northlake, Schiller Park, and Franklin Park (NSPFP) by demographics, income levels, building density and land use composition, there are several similarities that warrant the comparison for the purposes of this study. The first major similarity is the element of shared values and assets; while OPBC shared the same interest of improving the Roosevelt Corridor to enhance the business and residential environment, NSPFP share the same interest of enhancing their industrial base to enhance the economic, transportation and service needs of O’Hare International Airport.

Both OPBC and NSPFP have cross jurisdictional business organizations (i.e. Roosevelt Road Business Association and the Schiller Park, Franklin Park Chamber of Commerce). Additionally, both entities either acknowledge or acknowledged that their shared assets were in need of improvement, specifically, the physical condition of Roosevelt Road needed improvement and the business base for NSPFP that was on the decline for several decades. In order for
Roosevelt Road improvements to occur at the local level, the three municipalities had representatives work behind the scenes to establish the structure of these efforts. The mutualistic efforts can be seen in the streetscape details where pedestrian scale emblems were installed on pedestrian scale lighting and other streetscape fixtures (see figure 14 below).

![Figure 14 - This design is located on all the new street furniture and lighting on the improved portions of Roosevelt Road. Source: Oak Park website. Retrieved on October 16, 2011. Webpage http://www.oak-park.us/community_services/Planning_Roosevelt_Road.htm](http://www.oak-park.us/community_services/Planning_Roosevelt_Road.htm)

The efforts of these three communities reached national attention where the Roosevelt Road enhancements received special recognition from the International Economic Development Council (IEDC). IEDC Chair William Best remarked about the great achievement of this partnership and projection by declaring in a written statement: “We recognize the City of Berwyn, Town of Cicero, and Village of Oak Park for providing successful strategies to promote new paradigms in economic development in this period of global recovery” (Oak Park website.
Retrieved on October 16, 2011. Webpage http://www.oak-park.us/community_services/Planning_Roosevelt_Road.htm. He furthered his praise for this project by declaring, “Our awards honor organizations and individuals for their efforts in creating positive change in communities”.

The City of Berwyn, Town of Cicero, and Village of Oak Park are showing that they are at the forefront of the economic development profession and are using innovative and effective practices that can be replicated in other communities. While the NSPFP efforts will center on the improving their business environment, as compared to OPBC improving the Roosevelt Road corridor, there are elements that NSPFP which can borrow from the OPB partnership in order to successfully attract the attention of businesses. Successfully utilizing contemporary techniques for capturing economic development opportunities in a unique manner can bring national recognition just like OPBC.

In terms of length of time regarding these mutualistic efforts, the Roosevelt Road project was considered a short term agreement in comparison to the longer term goal for the Franklin Park, Schiller Park and Northlake efforts as recommended in

33Oak Park Planning Department http://www.oak-park.us/community_services/Planning_Roosevelt_Road.html Retrieved on: March 20, 2011
this study. Despite the time difference, there are several elements that can be transferred to the future partnership of Franklin Park, Schiller Park and Northlake including: sharing staff time and knowledge, sharing municipal facilities for hosting meetings and sharing the distribution of work as any additional needs come along. According to an Oak Park representative, all three communities shared meeting venues and staff workload as evenly as possible and this helped sustain the trust that staff worked so hard to harness.34

Other elements of the OPBC government structure which can be transferred into the Franklin Park, Schiller Park and Northlake partnership includes the organizational framework of the Berwyn Development Corporation (BDC). The BDC is not officially a part of the City of Berwyn’s staff; however, the organization does receive funding from the City of Berwyn to help cover operating costs. The BDC mainly provides: business related services such as establishing TIF districts, low interest commercial loans, technical expertise regarding economic development and also planning and zoning services. The City of Berwyn does not provide the aforementioned services as part of their city operations; hence, they turn to the BDC for economic development and planning expertise.

34 (C. Failor, personal interview, March 25, 2011)
The Berwyn Development Organization’s (BDC) uniqueness stems from a push from conscientious business owners and citizens in the 1970s over concerns that the business community of Berwyn was not fully represented by the City of Berwyn as noted by a BDC representative. This organization later gained 501(c)3 status which allows them to raise funding to pursue economic development. Additionally, this organization operates on a separate budget from the City of Berwyn’s budget. The City of Berwyn pays for the BDC’s services, but the BDC does not just serve the City of Berwyn. Berwyn’s Chamber of Commerce activities go through the BDC. While this organization is comprehensive and business friendly, it took years from inception of this group to obtain a 501(c)3 status and to eventually offer all the existing services. The BDC generates revenues for their organization mainly through service invoices; their largest client is the City of Berwyn, where they pay the BDC with TIF funds categorized as ‘consulting services’. With the 501(c)3 status the BDC can create other revenue generating opportunities such as fundraisers to add to their staff or even assist with attracting economic development opportunities.

While the BDC structure is unique and flexible, there are a few limitations associated with their 501(c)3 status. The major downside for the BDC is that as a 501(c)3 organization, they cannot give direct subsidies to attract businesses.

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35 (T. Angell, personal interview, March 27, 2011)
BDC can direct TIF funds towards providing businesses with infrastructure upgrades, but these businesses have to be located in one of their four TIF districts in order to receive TIF funding. Despite the lack of direct assistance, the BDC does offer secondary services which can be just as valuable as direct subsidies to potential businesses. These secondary services include: budget analysis, business plan analysis, building improvement grants (if located in a TIF district), assisting with small commercial loans and seeking alternative funding sources for businesses. These services work well with the small, independent business environment. According to a BDC representative, the majority of their businesses are small independent shops; therefore these services are targeted towards retaining the small independent businesses.37 He further argued that there is a large sense of competition with all the neighboring municipalities in the small business market.

Another downside to the BDC is the consistency of their revenue stream. According to a Berwyn Development Representative, the BDC offers many services, but the workload varies throughout the course of the year and he added that the organization just downsized due to insufficient revenues.38 The BDC had 10 staff members; now they contain 9 staff members with the recent downsize. Originally, the ratio of staff members to businesses represented was

37 (T. Angell, personal interview, March 27, 2011)
38 (T. Angell, personal interview, October 30, 2011)
approximately 1 staff member to 33 businesses; now the ratio is 1 staff member to 44 businesses.

While limitations exist in the Berwyn Development Corporation set up, there are still positives that help place emphasis on the business environment over the political environment. This set-up reduces political pressures while increasing staff’s efforts on creating a business friendly environment through the existence of a Board of Directors. The Board of Directors are volunteers and are either local citizens or business owners/managers of Berwyn businesses. Staff has to report to the BDC Board of Directors instead of the City of Berwyn’s political leaders. This set-up is arguably the closest way to eliminating the political pressure from the health of the local economy. Additionally, the unique set up between the City of Berwyn and the Berwyn Development Corporation (BDC) allows for adaptability in the services they provide to their businesses and citizens as well as still being able to work with municipalities in traditional intergovernmental agreements. Specifically, the BDC can provide new services and obtain newer staff to carry out these staff due to the potential of having larger allocations than the City of Berwyn with the opportunity to raise additional funds through fundraising efforts. The City of Berwyn can easily hire newer staff and offer newer programs, but it will be the taxpayers paying for the additional overhead. In the case of the 501(c)3 they can offer these services to the Berwyn community and the taxpayers may not necessarily be paying for them.
Summation of all Influencing Forces and Organizations

There are several resources that have been identified for Franklin Park, Schiller Park and Northlake (NSPFP) to utilize when adopting a new multi-jurisdictional economic development organization. NSPFP can utilize the example of Northeastern Illinois Councils of Government as inspiration and guidance towards framing initial discussion and for sustaining the organization as a long-term commitment. Again, Northeastern Illinois has generally been experiencing a decline in industrial jobs, but the nine area councils of government (COGs) mentioned earlier, have been working together to increase the economic activity for this part of the state. The COGs work on a regional level and not a local level; hence there are a few pieces of their model that are worth adapting when creating a model for Franklin Park, Northlake and Schiller Park. NSFP need to take the COG elements of collaboration, economic development marketing/strategies and increasing capacity to conduct economic development activities into consideration when forming the new organization.

The main features of OPBC efforts that can be transferred to the proposed NSPFP organization include: the initial discussion efforts that were led by staff, identifying the need to work together in order to accomplish what could not be accomplished alone, sustaining the cooperation efforts throughout the entire
process, the educational efforts from staff to make the cooperation efforts smooth and continuous, sharing the staff workload as evenly as possible, sharing the responsibilities of hosting the committee meetings in all three towns to emphasize the sense of equality, sharing staff knowledge and expertise and sharing the risk and finances needed for the project and the eventual adoption of the intergovernmental agreement from all three municipalities.

Other examples that were mentioned in this study to assist with the formation and sustain the efforts of the multi-jurisdictional economic development organization for Franklin Park, Schiller Park and Northlake include the existing cross boundary efforts of the Franklin Park Schiller Park Chamber of Commerce, the shared assets between NSPFP and the acknowledgement of the number of businesses lost in the three communities to serve as a motivation to continue these efforts. Figure 15, displayed below, showcases all the identified influencing factors and organizations that are assisting with the formation of the new multi-jurisdictional economic development organization.
Influencing Factors from other Entities in Developing a New Multi-Jurisdictional Economic Development Organization

Influential Forces
Groups and Activities

- Loss of Industrial business and jobs between Northlake, Schiller Park and Franklin Park and increasing competition from neighboring municipalities
- Existing mutualistic efforts between Schiller Park and Franklin Park from the shared Chamber of Commerce
- Assets that Northlake, Franklin Park and Schiller Park share
- Mutualistic Efforts from Northeastern Illinois Council of Governments to jointly pursue economic development opportunities
- Intergovernmental Agreement and efforts between Oak Park, Berwyn and Cicero to share finances and risk in order to rehabilitate Roosevelt Road
- 501(3)c organizational status and model of Berwyn Development Corporation to better represent Berwyn business community

New Organization

- Use the loss of industries and jobs as motivation to pursue economic development activities in an alternative fashion
- Use existing mutualistic efforts between Schiller Park and Franklin Park as a starting point for Northlake, Schiller Park and Franklin Park to start a
- Use shared assets such as location to O’Hare Airport as platform for mutualistic efforts
- Use mutualistic efforts from NE Illinois Council of Governments as model for sustaining long term commitment
- Use innovative practices from the Oak Park, Berwyn and Cicero intergovernmental efforts as a model to pursue innovative services for the new organization
- Use structure of Berwyn Development Corporation as a model for the new 501(c)3 organization

Figure 15 - Diagram showcasing all associated elements that will assist with the formation of the economic development organization.
All three communities already pursue economic development opportunities and they are all situated in a great location. Businesses locate to this region of the O’Hare corridor for its proximity to customers and accessibility to the major transportation routes. One Franklin Park business owner even noted that his two largest customers are located in neighboring Northlake, IL.³⁹

Despite the positive attributes, there are several issues with these communities that hinder them from capturing economic development opportunities. These include a lack of direct incentives to businesses and insufficient funding for marketing their community. Thus, these communities are severely limited in their ability to capture economic development opportunities.

³⁹ (R. Muck, personal conversation, June 25, 2010)
Franklin Park, Schiller Park and Northlake all face the same issues with their business environment; they have been losing businesses since the 1970s. The three communities have typically used conventional methods of attracting businesses that have not always resulted in success. These three communities need to apply newer techniques in order to retain businesses and enhance their ability of capturing economic development opportunities, specifically through collaborating with each other. Through extensive research in contemporary literature regarding mutualistic efforts at the local level and through in-depth interviews from local practitioners, a framework has been laid out for these communities to work together, share resources and share in the success of an enhanced business environment.

**Proposed Institutional Structure for Economic Development**

It is recommended that all three communities adopt a new multi-jurisdictional economic development organization by establishing a new 501(c)3 public-private partnership using the Berwyn Development Corporation framework as a model. By so doing, the communities can reduce their risk of pursuing economic development opportunities, just like when private organizations cooperate with other private organizations to pursue new activities and reduce risk (Oliver, 1990; and Schoorman, Bazerman, & Atkin, 1981). Already the three communities
share some commonalities that can enhance their ability to pursue mutualistic economic development activities. The recommended organization, its structure, the staff involved and their activities is showcased in the diagram below.

Figure 16 - Recommended structure of 501(c)3 organization.
The diagram shown above showcases the organizational structure when it is fully operational. However, if this multi-jurisdictional economic development organization is to breathe life, then there are numerous steps that need to take place involving some government restructuring from all three case study municipalities. Thus transition from the existing economic development structure to this suggested organization will take time.

The restructuring transition will specifically involve the initial negotiations for the intergovernmental agreement to establish the recommended multijurisdictional economic development organization. All three towns will have to negotiate the specific powers that all three communities will have to transfer to the new organization which will entail planning and zoning activities and all economic development responsibilities.

Identifying all the values and assets that these three communities share will help the negotiations and efforts when working with each other. If all three communities focus on enhancing their business environment, then this will help establish the foundation for this organization and will also help initial
negotiations. Staff from all three communities and business leaders in the three communities needs to be selected to start initial discussions towards drafting an intergovernmental agreement. Additionally a charter and a common vision should also be pursued to eventually launch this partnership into the new organization.

After the 501(c)3 organization has been established, then all three communities need to work on the specifics of financial allocations. To maintain fairness, all three communities should extend all their allocations towards planning, zoning and economic development activities and reallocate it towards the start-up capital for the 501(c)3 organization. The initial investment should help hire staff, establish an office and help initiate all the services that are described below. Additional revenues will come in when the new staff starts contracting out their services, membership fees are paid and grant allocations are possibly directed towards the organization.

Another task from the three communities to help give this organization life is to entrust nine citizens or local business owners/managers to the Board of Directors. Again to maintain fairness, all three communities will get three seats to fill. A Chairman of the Board will be elected internally, when all the Board of Directors seats are filled. The Board of Directors will have constant contact with the staff
and with the municipalities to ensure that all involved parties are working towards the same goal. Eventually all involved parties will realize that a 501(c)3 organization will be an optimal decision as compared to their conventional approaches.

A 501(c)3 community development organization allows for expanded activities versus traditional government departments. Specifically, a 501(c)3 can raise funds through fundraising efforts and membership fees where a municipality cannot. These additional funds can be used to hire more staff and expand the organization’s services to help attract businesses. This is a dramatic improvement from the existing economic development structure where each government sets aside limited funding to pursue economic development activities. By allocating these funds to a 501(c)3 organization and combining them with additional fundraising revenues, each community enhance its ability to undertake economic development promotion.

In order to adopt a new multi-jurisdictional organization and increase each community’s economic development activity, the communities will have to make several internal changes. For one, the policies of all three municipalities need to be amended to make them more flexible. According to Blakely and Bradshaw (2002), one key component when looking at policies in creating a positive
business climate is creating or amending policies that are guiding development. Policies can easily become barriers and create red tape if they become too technical, or extract too much effort for an entrepreneur to start-up a business or relocate.

A willingness to amend policies and procedures from all three communities will be needed if businesses are to take this partnership seriously. There have been efforts to already rework internal procedures from the communities in order to become more business friendly; for example, Northlake has streamlined their permit process in order to help developers reduce administrative costs and Franklin Park has reorganized their building permit process in order to encourage new development.

The specific programs and policies that all three communities need to amend are numerous. The first specific element for all three towns is to amend the development review process to a matching cycle. If a development proposal needs a conditional-use or a variance, the planning process slows down the construction time table. In fact, the average planning review process takes 90 days at the Village of Franklin Park. Some potential business owners cannot
complete the review process and occupy a building in a timely manner. Therefore, all municipalities have to reorganize and expedite the planning review process in order to accommodate the potential business owners and developers.

All three communities also need to agree upon the same incentive offerings so as to not create tension and competition amongst themselves and to focus more on improving the business environment as a region. Northlake offers free building permits to large developments and the other two communities do not. If Northlake is to continue offering this incentive, then the other two communities must also offer this type of incentive. All three communities already offer the Cook County 6B Tax Abatement incentive and also utilize Tax Increment Financing funds in their respective towns; these incentives should not change.

In order for all three communities to be flexible, they must partially redistribute their planning, zoning and economic development powers that are delineated in the State of Illinois Constitution to the new 501(c)3 organization. While, this is a hurdle in the formation of the 501(c)3 organization, the three communities can be reassured that they will still have the power to put conditions on development proposals that are in line with their comprehensive plan and community values.
Staff will only make recommendations on staff reports regarding specific development proposals; it is up to the Planning and Zoning Commissions of the respective community to enforce their zoning code and allow for developments to commence.

Planning and land use activities are important to include in the new organization because staff can predict emerging trends in the business and development fields and can then recommend changes to all the municipalities to amend their land use policies and direction in order to parallel these trends. Moreover, to add additional flexibility to the planning review process; there should be planning and zoning meetings every two weeks for all three communities to ensure that when a planning application comes in, the applicant does not have to wait an additional month to have their case presented because they missed the submission deadline by one day.

**501(c)3 Organization Relationship to the Case Study Communities**

Alleviating the three case study communities of their planning, zoning and economic development responsibilities can lead to skepticism from municipal representatives, the businesses and the public. Therefore, the Board of Directors
should be established as part of the organization to monitor the agreement and the organization. The main purpose of the Board of Directors will be to show that the mutualistic efforts are both helping to increase local economic development activity and to increase efficiency amongst the three municipalities. The initial Board of Directors will be appointed by municipal representatives from each community. Each town will be required to appoint three people to the board, selected to represent residents, business owners and managers from each of the towns. These members will be responsible for directing the organization’s vision and direction. The planning and zoning units within each community will be maintained at the individual community level.

**Proposed Staff and their Respective Duties**

The formation of a 501(c)3 entails a hierarchical layout of the proposed staff and the services that will be offered. The staff make up for this organization is directly linked to the activities offered. In order for the existing partnership to capture economic development opportunities successfully, staff expertise should include skills in business operation, finance, grant writing expertise, marketing, real estate development, public policy, experience in government relations, information technology/multi-media expertise and public relations expertise.
To make the aforementioned services possible, the staff and their respective duties for the recommended organization will be delineated in this section. The staff will be headed by an Executive Director and a Deputy Director as identified in figure 16. To keep this organization accountable to all three communities, the Executive Director will be hired by the Board of Directors. This board will be appointed by each community and will have nine members as described earlier. The executive staff members will be responsible for leading the staff, evaluating the organization’s progress and reporting to the Board of Directors. This set up mimics the Berwyn Development Corporation model which puts emphasis on performance and not on political affiliation.

The Executive Director will be the new central contact person for all three communities. As Feoick and Clingermayer (1986, p. 215) observed, “A strong executive is particularly advantageous to business interests, since these interests need only deal with a single central authority, rather than with a number of elected officials” (1986, pg. 215). With this new organizational structure, business leaders and developers can come directly to the Executive Director and not have to worry about the politically charged decisions from a mayor when discussing business opportunities.
The new organizational structure provides a centralized economic development organization for the multiple communities and is a ‘one stop shop’ for economic development activities. If it is to be successful, then the Executive Director of this recommended organization has to be a strong executive. Thus, he should have power to negotiate and enter into contracts with businesses on behalf of the three communities. Such contracts will however need to be voted on and approved by the Board of Directors to whom the Executive Director reports. Other responsibilities of the Executive Director should include: recruiting new businesses, working with other municipalities on intergovernmental agreements, representing the recommended organization in public, monitoring the work of the staff with their respective projects and consistently monitoring the organization’s budget and revenue streams.

A Deputy Director position is recommended for this organization to assist with the Executive Director’s duties. This person assists the Executive Director in their day to day running of the organization and will be directly in charge of: Tax Increment Financing administration, planning and zoning service the business retention program and assist with the Chambers of Commerce activities. Thus the Deputy Director needs to be well-rounded in: contemporary planning practices, economic development activities, business/financial operations and have expertise in Chamber of Commerce operations.
The new organization will make business retention one of the highest priorities due to the persistent competition from other municipalities in the region. However, due to 501(c)3 limitations, businesses cannot be offered grants from the recommended organization. The 501(c)3 organizations pursued for this study models the Berwyn Development Corporation and this organization cannot give away direct incentives to business because they are limited as to how they can distribute their revenues as directed by the Internal Revenue Service; therefore, they cannot offer direct incentives to attract businesses.\(^\text{40}\) To curb the lack of direct financial assistance, the organization can offer a variety of technical services that can equal in value to a business receiving a loan. One such service that can be offered is to have a Business Retention Visit program.

This program already exists at the Village of Franklin Park where the Community Development Director visits with the various businesses in the community and offers any assistance that he can provide such as relocation assistance, contact information on potential customers and information on grants that the businesses are eligible for. A member of the Economic Development Commission comes along on these visits to offer business advice if the business owner or manager has

\(^{40}\) (T. Angell, personal interview, October 30, 2011)
questions or comments about running their business. This program has been in operation for 11 years and over 150 businesses have been a part of this program.

The Executive Director and the Deputy Director will coordinate with each other on several activities to ensure that the overall organization is working optimally. These coordinated efforts include: ensuring that all staff are working efficiently, draft annual reports, attend the large trade shows to market the available sites/buildings to potential businesses and developers, attend the Board of Directors meetings together and lead multi-staff projects such as the business cluster service. These two positions will also share Cook County 6B Tax Abatement application review duties. The 6B applications are the existing main tool that all three communities utilize to attract new businesses and developers; therefore it is imperative that both staff members have responsibilities in this area. The staff will work diligently with the associated community in the 6B review process to ensure that the project goes through the pipeline in a timely manner.

Availability of key information to attract newer businesses will be one of the top strategies of this organization. Understanding what businesses are located in this region can help shape what companies and industries to target in recruitment efforts. If there are service industries that cater to an existing industry that is
located inside of the region and they are not operating within the region, then the economic development specialist and the executive staff will be in charge to use this information to recruit missing businesses.

One of the flagship activities for gathering information is the business cluster list. This business cluster service will have to entail efforts from multiple staff where an active business member listing melds with the type of business; again there are over 1,000 businesses between the three communities, there is not one single person that knows every business. Hence, that is where this feature is important. It is logical to connect businesses to each other for various reasons such as keeping the existing business activity local, increasing the interconnectivity of the region, and encouraging businesses of like characteristics to relocate to this region because of the established network of complementary businesses. This project will have to call on the Deputy Director, the Economic Development Specialist, the Information Technology Specialist and the Administrative Assistant in order to create and maintain this service.

There are several other advantages to this feature. This feature could help businesses relocate to this area because they could be close to their existing
customers as well as potential new customers. All three towns contain a cluster of similar businesses. For example, there are three record management companies currently operating in Franklin Park. If a company services one of these companies and does not know that the other two are located in such close proximity to their existing customer, then they may be losing out on a newer and larger customer base.

Additionally, an in-town business database should be established to show how much business is conducted between the in-town businesses to showcase the magnitude of activity generated within these three communities. As mentioned earlier a service repair shop has been in business in Franklin Park for forty years and their two biggest customers are in neighboring Northlake. Businesses’ names will not be given away so as to protect the privacy of these companies.

Planners need be involved in the newly created organizational structure since they share a common goal of bettering communities, according to an Oak Park representative\(^\text{41}\). An economic development planner will be particularly useful in this organizational structure.

\(^{41}\) Interview with Oak Park Planner March 25, 2011
This position is the first position listed under the senior staff level. The economic development coordinator will essentially operate the business interaction aspects of the organization which include: recruiting (along with the Executive Director), offer in-town/region relocation assistance, negotiating terms on large development projects (such as infrastructure improvements), offering start-up business assistance and assisting with economic development marketing. Active recruitment is a top priority for all three communities yet there is no singular existing staff member that consistently pursues recruitment efforts. Therefore, this change will make an immediate and positive impact for all three communities.

The recommended organization will also provide a service to the three communities that they may not have pursued much before, marketing. There are numerous venues that many communities attend to attract businesses such as the annual International Council Shopping Center trade show where registering for a booth alone for the Spring conference can range from $1,000 to $3,000 (ICSC.org). This cost is before registration and before travel expenses are incurred.
If the cost of attending these shows is shared amongst the three municipalities through the recommended organization, then they all can benefit from each others’ resources. To continue the equal representation of each community, all the marketing tools (i.e. vacancy property listings) will provide a uniform set of information for all three municipalities. This will streamline information availability and enable potential investors to determine the sites that best meets their needs.

Marketing needs to be a high priority since all the three communities are located in the inner-ring of the metropolitan area and must be competitive as compared to the other 200 municipalities in the Chicagoland region. There are so many benefits to these three municipalities. For example, they are all within very close proximity to the City of Chicago and O’Hare Airport which can cut down transportation costs for potential businesses.

The next position in the senior staff level is the project manager. This position is pivotal to ensuring that the communities’ needs are being represented throughout the development process for the incoming projects. The project manager will review development proposals and work with the Deputy Director regarding land use and planning related concerns when reviewing the development proposals.
Additionally, the project manager will also be in charge of coordinating with the grant administrator to compose and administer relevant grants that will advance the regional economy. Grants that will be pursued include the categories of: workforce development, sustainable building elements and start-up business assistance. The grant administrator and the project manager will work closely with all businesses to compose grants for their organization and educate the recipients on all the details for the grant proposal. Most of the work for grants is actually maintaining the paperwork after the grant has been awarded. Therefore, the emphasis for training the recipients will be on maintaining the paperwork needed to submit to the grant giver. Assisting business owners with grant composition will be a great service added to the organization, but there will be no limit on the amount of grants that staff works on. A fee will be charged for staff services.

The project manager will also be a coordinator with general fund raising responsibility. Fund raising will be critical to the operation of this organization. If the high quality services are to be offered continuously then a constant stream of revenues need to come in to sustain these services. While fund raising may be time consuming, it is a necessity because the 501(c)3 organization is formed with
the anticipation of generating more funding than what the municipalities could on their own.

Starting the mid-level staff tier is the business expert/advocate. This position and the community outreach coordinator will work hand in hand to teach small businesses and area start-up businesses several aspects of business operations which include: budgeting, financial analysis, reinvestment strategies, optimizing operation expenditures and how to form joint ventures with other companies to pursue new research and activities. Most of these activities will be conducted in seminars and this provides an opportunity to influence new businesses to become members (another revenue source for the organization). The Business Expert will also work with the Information Technology Specialist on the organization’s flagship website.

The information technology specialist (IT specialist) may have one of the most important responsibilities when it comes to first impressions with potential businesses and developers. His or her role is to construct, operate and maintain all the elements on the organization’s website. One of the first services provided after the organization is fully established would be the construction of a
comprehensive website that provides the first level of contact online to potential developers and businesses and also acts as the first stop for existing businesses in need of technical assistance.

The existing websites for the economic development activities for all three communities are limited. This new website will be a major advancement for the three communities because the primary focus will be to showcase all the new services that the organization will offer. It will also showcase the communities’ will to capture economic development opportunities and be the bridge for communication between the business community and the staff at the organization.

The website will be free to everyone and should have a member log-in function so as to allow access to even more data to the business members. Additionally, this website should be developed as a top search item when business owners and developers are searching for new business opportunities on sites such as crains.com, google.com or other related sites. Search engines like Google usually charge for certain websites to be placed at the top of a search list when a specific term is typed in, but it can be money well spent if large corporations move to the area.
This website should also offer unique features such as a regularly updated market share analysis and a database of all the secondary service businesses located in the area. Specifically, this website will categorize all the business members and showcase their services to all website visitors. The website will be designed with businesses in mind by regularly consulting with area business leaders to obtain their input on the services offered on the website.

As for the business relocation services offered on the website, there should be an active real estate listings section. Detailed information should be provided for each potential development and redevelopment site, especially whether tax incentives such as tax increment financing are available for the site. Nearby communities, such as Mount Prospect, IL, generally update their active real estate listings and vacancies on a quarterly or semi-annual basis, but the recommended organization should emphasize their service advantages by updating their vacancy listings on a monthly basis. Advertising on their website how often their lists are updated will show potential businesses and developers that they are working hard to deliver a pro-business climate by providing this comprehensive list on a regular basis.
There are many more elements that can be added to the website, but the overall emphasis of the website should be an introduction of what the actual recommended organization staff can offer when a business is ready to start discussing relocating or a developer is ready to start building. The website will list all the services offered, but a business owner or developer cannot experience the magnitude of the services until they experience them in person with the recommended organization staff.

A Grant Administrator is the next staff position offered at the mid-level. Again the grant administrator will work with the project manager on grants, but the grant administrator will work on actual grant compositions. The grant administrator will seek out grants that the 501(c)3 organization can apply for, but will also seek out and post grant opportunities that relate to the member businesses.

Grant composition may be the best value service provided because some businesses are eligible for high efficiency lighting grants or work-force development grants where the federal government may pay for improvements to their business, but the business must first go through the federal grant application process. Since most businesses do not have staff members to provide them with this service, it would seem logical to then hire a consultant to fill out the application for the particular business. While the recommended organization
cannot directly hand out grants to businesses, offering grant composition services is the closest substitute to direct subsidies which could actually result in hundreds of thousands in potential grant funding.

It is also recommended that a Community Outreach Coordinator is hired for the organization. This person will work with the three municipalities in addressing their concerns about issues related to the 501(c)3 mission. There are numerous activities that the community outreach coordinator should pursue in order to add value to the 501(c)3’s existence and to create awareness in the business community about the services that they offer. These activities include: visiting businesses as part of the business retention program, consistently visit with municipal leaders to ensure that their concerns and comments are addressed and understood, engage with civic organizations (such as the Rotary Club) and working with other staff members to ensure that all the services offered are described clearly to all members. The community outreach coordinator should work on marketing brochures and pamphlets to hand out to interested parties that will educate them on the 501(c)3’s services.

The community outreach coordinator will also be given the responsibility to work with each community to streamline and unify services across all three
communities in order to have a similar business development process. Northlake and Franklin Park have already streamlined their building permit process in order to help business develop in their communities; now it is the duty for the community outreach coordinator to find additional areas in the community development process that can be streamlined and/or unified to deliver faster services to potential businesses.

The entry level positions entail an urban planner and an administrative assistant. These two positions will assist all other positions with activities ranging from reviewing development proposals to answering rudimentary questions to assisting with maintaining office operations. The largest activities that the administrative assistant will help with are coordinating the fund raising events. The main fund raising events will include an annual luncheon with a per-plate charge and hosting educational seminars for a nominal fee. These events will need coordination for set up, creating invitations, maintaining records for attendance and working with the staff to create agendas.

All the efforts of the staff will be towards advancing the business environment of these three communities. The number of staff and activities may vary over time,
but the staff and their duties described above will make these three communities a better place to do business.

**Underlying Rationale of Staff and Services Offered**

There are many planners in this organization for a reason. Since Planners are hired to be representatives of the municipality and understand the community character and needs, they can be a great asset in attracting economic development opportunities while still keeping these within budget for the communities. Additionally, planners generally share the same professional value of advancing their respective community’s goals through continually monitoring changes in the communities’ value system. Therefore the planners will be pivotal to maintaining the cooperative efforts and adapting to market and/or community trends.

Planners fulfill such a role with this type of organization because Planners’ general strengths include: communication, understanding complex relationships, consistently studying patterns and establishing recommendations to adjust to changes and working with a diverse range of professionals. It is also imperative for Planners to play a role in forming multi-jurisdictional organizations because
the community values and priorities of the businesses need to be represented in the common interests of the recommended organization.

**Funding**

Lindstrom (1998) found that membership services were established in some of the Northeast Illinois partnerships when economic development activities were pursued by multi-jurisdictional organizations. A membership fee gives an entity a sense of ownership and belonging. The Berwyn Development Corporation charges a fee to its business members as a source of revenue in order to offer high quality services to its members. Fees charged will be determined largely by the success and reputation of the newly formed organization. The benefit to the businesses becoming members is increased exposure of their name and products on the recommended organization’s regional website. If there are new businesses considering a move to Franklin Park, Schiller Park or Northlake, then membership fees should be waived for the first year in order to show a willingness to work with the new business. However, if the new business requires technical services from the recommended organization staff members, such as 6B Cook County application review, then they may have to be charged by the hour.
Monitoring and Evaluation of Agency Performance

In order to understand the impact this new organization will have on the case study communities there must be outcome measures that are established against which annual reviews of the organization’s performance are compared. Thus establishing benchmark indicators should be a priority when initially designing this organization otherwise there will be no means to measure progress. One of the main indicators should be a feedback mechanism to gauge the level of satisfaction of businesses that interact with the organization. Such a survey will ask questions about the organization’s efficiency in dealing with their needs, the overall impression of staff knowledge and helpfulness and the overall satisfaction with the organization’s services. These results will be evaluated every quarter and the Board of Directors will have the results to look over and help redirect staff as needed.

Another success indicator will be the establishment of an existing business survey tool where random, existing businesses (that are also members of the recommended organization) will be selected to answer a survey about the business climate, the ease of operating their business in one of the three communities and what the recommended organization does well and what can be improved upon to help businesses thrive. This survey can be either administered
online, through paper format or even through Business Retention Visits by the Executive Director.

Also if this organization is to be successful over the long term then it will have to continuously monitor market conditions and change its services accordingly. In order for the region to stay competitive, this one-stop-shop organization must also constantly update local information including: labor market statistics, the demographics and spending potential, unemployment figures, free school lunch percentages, new regional assets (like the O’Hare Airport expansion project) and other relevant information that affect the business climate in the three communities.

A final measuring tool will be the recommended organization’s annual report. This report will enumerate all the jobs created or saved, all industrial and commercial space rehabilitated and the number of new businesses moving into one of the three communities. The annual report will be drafted and delivered by both the executive director and the deputy director to the Board of Directors and discussed in an open public forum where members of the communities can participate in.
The annual report will be the largest document to showcase the success or failures of the 501(c)3 organization. This report will be a comprehensive display of all the programs and activities pursued by the staff. Specifically, each staff member will be responsible to document their work and maintain data on the successes or failures of their work. The main highlight indicators attached to this report include several activities; one of these indicators is businesses retain in a given period. This can be obtained through working closely with commercial brokers to identify companies that are interested in leaving town; staff will then meet with the business leadership of the company considering the move and work with them to either find a more suitable location in one of the three locations or even offer assistance going through the Cook County 6B application process to enhance their existing building in order to maintain their presence in their respective community. Sometimes businesses just move and there is nothing that anyone can do to convince them otherwise; this figure will have to be presented in the annual report.

Businesses attracted will be another success indicator posted on the annual report. This figure will be broken down by company size and ranging from small (1 to 19 employees) to moderate (20-99 employees) to large businesses (100+ employees).
This figure will show that the efforts of the 501(c)3 organization are paying off if more than 80 businesses are added each year since this seems to be the number of businesses that all three communities add per year combined.

Employment and wealth figures will be reported on a bi-annual basis to showcase how all the staff’s efforts are resolving. There are over 40,000 residents living in the three community area; therefore, it is expected that income levels will not drastically change in a short period of time. If this organization is to sustain long term efforts, then the bi-annual figures can be compared so as to show the progress made over time. Additionally, employment figures will also be collected on an annual basis and compared overtime. Both these figures require staff time that is not offered by the US Census Bureau. However, these figures will be beneficial to the 501(c)3 organization so as to assist with redirecting services if these figures do not look favorable.

Finally the number of incentives given out per year will be showcased in the annual report. This organization can only give away incentives to businesses that will locate in one of the TIF districts. These figures will vary significantly throughout the years due to the size of projects anticipated. One year, one of the
communities can have a $30 million reinvestment project and they may not witness a project of that magnitude take place for quite some time. However, the annual report will have a figure showcasing how much grant money was allocated to businesses that utilized staff expertise from the 501(c)3. The annual report will detail what grants were pursued and what the grant money was used for; this figure can motivate other businesses to seek out the grant composition service from staff and grow their business in the community.

**Final Thoughts**

Franklin Park, Schiller Park and Northlake have an active business market, but the fact that all three communities have lost a number of businesses to neighboring municipalities, calls for an alternative path to pursuing economic development. This research has examined the existing organizational structure and identified some of the obstacles to achieving the full potential of these communities for economic development. The proposal is to create a new intergovernmental economic development organization with a 501(c)3 status. The 501(c)3 option minimizes the politics involved in local economic development by creating an organization that is outside the political systems of the three communities and focuses its activities on business development.
The Berwyn Development Corporation made such a move in the 1980s and their business climate has blossomed. Additionally, the 501(c)3 organization is adaptable enough that it can transition with the ever changing market. It will certainly be an arduous process to have all three localities transition from their existing approaches to the new approach of pursuing economic development activities, but the efforts will be worthwhile.

Although this proposal is tailored to Franklin Park, Northlake and Schiller Park, IL, it has utility and applicability to all inner-ring suburbs that are losing businesses to the newer, outlying communities. Because many of these are smaller communities with limited resources, or may not have funds to devote to subsidizing businesses to locate in them, working with other communities can help decrease the cost of economic development to these communities. To do so, communities that naturally compete with each other would have to set aside their differences and cooperate with each other to make such a strategy work to the benefit of all.
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Appendix A - Questions asked to municipal representatives of Franklin Park, Schiller Park and Northlake

Can you provide your background for context?

Where does economic development rank as a priority for your municipality? And for the residents of your locality?

When ranking the priorities of your job, where would economic development fall under?

Can you elaborate on the economic development activities that are pursued within your municipality?

As Community Development Director/Mayor, can you describe your role in your municipality’s economic development activities?

Who else deals with economic development activities and what are their responsibilities?

Are there any other planners or economic development planners on staff?

Are there any other agencies with overlapping economic development activities that you deal with on a regular basis?

Does your municipality provide direct economic incentives for any type of business?

Has your municipality engaged in any inter-governmental agreements or mutualistic efforts with any other municipality?

What economic development activities take place in your respective community and who is involved with the economic development activities?

With your understanding of Franklin Park, Schiller Park and Northlake, can you rank which community contains the following types of businesses: small service/office retail, junior box retail, big box retail, Class A office space, small industrial (business condos), moderate industrial businesses and large industrial businesses?
Are there overlapping agencies that have economic development functions, which help your municipality on a regular basis?

What intergovernmental efforts does your municipality currently partake in?

Have there been any capacity issues carrying out these intergovernmental efforts?

Is there room for a regional economic development approach for your municipality and its neighbors?

What advantages would such an approach provide?

What obstacles do you see when attempting to attract businesses using a regional economic development approach?

What are your thoughts of having your municipality joining in on a multi-jurisdictional economic development organization with the two other case study communities where the three communities share resources to collectively attract businesses in this area versus going to the DuPage County communities that border O’Hare Airport?

Do you believe that your community will benefit from such an organization where if your community were to be involved?

What resources is your municipality willing to providing and what strengths could representatives from your municipality bring to this potential organization?

Since the basis of attracting employment and retail opportunities comes with a territory of competition how do you see mutualism incorporated to highly developed/capitalistic scenario?

In your experiences and opinion, will having a mutualistic approach to attracting businesses decrease overall spending for all participants?

Can you identify all the businesses that left your community in the past five years? What communities did these businesses relocate to?
Appendix B - Questions asked to representatives of Oak Park and the Berwyn Development Corporation

Can you provide your background for context?

In your experiences with the localities and agencies you worked for, how often did you engage in cooperative efforts with neighboring towns?

How has your municipality fared in the intergovernmental agreement with the other municipalities in the Roosevelt Road efforts?

When creating an intergovernmental agreement with the other communities involved in the Roosevelt Road improvements, who represented each town to conduct initial discussions?

Was a steering committee formed for these efforts?

Who sat in on the steering committee?

Were these meetings open to the public?

Were there any planners involved in this process?

Did planners provide any insight as to how the formation should occur?

Was there anything unique that resulted from Planners’ insight?

Were there any major hurdles that the three municipalities had when working on the negotiation?

If so, how did the resolution come about?

Are there any capacity issues for carrying out the agreement?

Since all three communities have a different, logistical stake from this agreement where Oak Park is looking to benefit from the aesthetic component and Berwyn has the TIF district on this corridor, do you think all the communities will obtain their intended outcome based on the mutualistic efforts?
What plans are there for the three towns once the Roosevelt Road corridor plan is completed and implemented?

Was there any assistance or efforts given by Cook County or from the State of Illinois to help harness this relationship?

How were the administrative costs distributed between the three towns?

Were there any private partners or NGO partners in this process other than the consultants who worked on the uniform based code?

Was there any financial assistance from the State of Illinois (IDOT etc)?

How much does your municipality spend on providing incentives to small businesses, marketing and for technical support, or what percentage of the Community and Economic Development budget does your organization/municipality spend on marketing, incentives and technical skills?

What approach does an economic development planner usually have when a potential development comes in and is also considering a neighboring municipality?

How would this approach change is some sort of mutualistic agreement/organization was in place?

How would you, the planner, approach the assurance of other members of a multi-economic development organization in order to work equally?

In your opinion, would a mutualistic approach versus a competitive approach increase capacity in government spending or reduce capacity?

In your opinion, how easily obtainable are mutualistic efforts for other communities especially for those located in Cook County that are similar in land use composition and demographics?