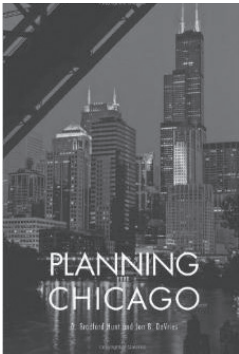


Planning Chicago

by D. Bradford Hunt, Ph.D., and Jon B. DeVries, CRE, AICP (© 2013, American Planning Association, 342 pages)

REVIEWED BY P. BARTON DeLACY, CRE



FEW IN THE REAL ESTATE community will begrudge Chicago its well-deserved reputation for architectural innovation and achievement. The legacy begun by the Chicago School of Architecture, revived mid-century with the modern masterpieces of Mies van der Rohe, continues into the 21st century with Jeanne Gang

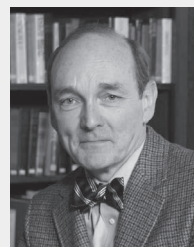
and her signature undulating Aqua tower. Further, most concede that Chicago's downtown core has emerged as the quintessential 24-hour global city; as vibrant and beautiful as it is safe and accessible.

The path to this "post-industrial" viability, one that has evaded older Midwestern venues such as Cleveland, Detroit and St. Louis, was masterful city planning. So argue two urban historians and non-native Chicagoans D. Bradford Hunt, Ph.D. and Jon B. DeVries, CRE, AICP, in *Planning Chicago*. Written with the poignancy of a *New York Times Weekend Edition* essay, *Planning Chicago* is a story well told.

Both Hunt and DeVries are now associated with Chicago's Roosevelt University. Hunt is associate professor of social science and history. He previously chronicled the Chicago Housing Authority in his "Blueprint for Disaster: the Unraveling of Chicago Public Housing." DeVries capped a career as a planner and real estate consultant with Arthur Andersen and later URS to found and direct the Marshall Bennett Institute of Real Estate at Roosevelt.

Published by the American Planning Association, Messrs. Hunt and DeVries' book is no academic tome, but a cautionary tale of missed opportunity. This is because Chicago no longer plans on a regional scale. The City effectively dismantled its planning apparatus to favor balkanized wards where the last word on development is the prerogative of the alderman.

About the Reviewer



P. Barton DeLacy, CRE, FRICS, ASA, MAI, is principal at DeLacy Consulting, LLC, a Chicago-based boutique real estate advisory firm specializing in valuation counsel, property tax consulting and Green Energy Valuation. DeLacy's corporate experience includes practice leadership at Arthur Andersen, Cushman & Wakefield and CBRE.

Focusing on the real estate implications of power generation, DeLacy has built valuation models and studied property value impacts for geo-thermal, solar, wind- and coal-fired power generation. He has also developed adaptive re-use studies for obsolete thermal plants. Published in *The Appraisal Journal*, *Real Estate Issues* and *The Journal of the American Planning Association*, he has prepared testimony for federal and state circuit courts and energy siting councils. He has qualified to testify as an expert witness in tax court in several states.

DeLacy holds a master's degree in Urban Planning from Portland State University and a bachelor of arts degree from Willamette University. He previously served as adjunct professor at the Business School at Portland State University.

Viewing the planning function as becoming both centralized and in retreat, the authors warn that this lack of comprehensive planning adversely impacts the neighborhoods beyond the celebrated Downtown Loop. Outside the core, joblessness and urban decay continue to threaten the long-term health of the city.

Hunt and DeVries find this deeply ironic. Chicago, after all, is the home of Daniel Burnham, considered by many as the father of urban planning. It was Burnham who famously urged in his landmark 1909 Plan of Chicago, that cities should "make no small plans."

The book is set up in four parts. The authors first show that the planning done 40–50 years ago, under the auspices of a growth coalition, has performed well in the central core area. They contend these plans still provide guidance and demonstrate positive impact on the city.

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Yet, moving away from the core, the now prevailing ad hoc, one-off nature of development projects prove less effective without underlying plans.

The book takes on the favored tool of real estate development today in Chicago, the so-called “TIF.” TIF is the acronym for Tax Increment Financing, a local cottage industry. The authors lament that TIF financing has become “the only game in town” for development. In essence, TIFs pledge future property taxes attributed to development projects that would not have otherwise occurred “but for” the TIF.

The authors blame not Chicago so much as a very generous Illinois law. Illinois leaves much to municipal discretion in defining “blight” and criteria for the “but for” test. Further, in Illinois, TIF districts can continue for up to 23 years, much longer than other states. DeVries and Hunt consider the “but for” test weak. Whereas the intent for creating TIF districts was to encourage development of affordable housing or infrastructure improvements, too often the mechanism has been diverted to dubious projects like corporate relocation or hospitality in the name of economic development.

Critics argue that property tax revenues siphoned off to TIF districts could better be spent on schools and unfunded government pension obligations.

While Chicago TIFs provide flexibility to target complex projects, they lack the transparency, scrutiny and prioritization inherent in ordinary capital budgeting. In Chicago, such lack of specificity invites waste, if not abuse. Again, the implication of the authors is that this vulnerability could at least be mitigated within a comprehensive planning framework. Except that Chicago’s planning leadership has been devolved and diffused.

The book critiques neighborhood responses to city hall plans, followed by the mixed experience trying to retain an industrial employment base. It concludes with a review of Chicago in the 21st century. The authors muse that Chicago may be a global city, but one built on sand.

As one who moved to Chicago mid-career from Portland, Oregon, I have found a city whose golden Midwestern skies cast in high relief the best and worst of excess. Where else are good government initiatives never out of fashion? Where else can one learn that however wrong conflicts of interest, cronyism and patronage may seem, in Chicago, they are seldom “illegal?”

Hunt and DeVries bravely call out “the Chicago Way” of planning and development. Too often what gets built, or remains unbuilt, has more to do with money and politics than community need. On occasion interests coalign for the commonweal, but why not confirm such processes with a permanent planning department staffed by professionals?

One does not need to have interests in Chicago to find *Planning Chicago* a seminal text. Chicago has long been defined by its aspirations. It is a global city, but might the process of planning be better employed here to achieve those ambitions? *Planning Chicago* distills this conflict as one of “top down” mayoral dictate and aldermanic privilege versus “bottom up” consensus built from the bones of the city’s complex communities. Planning done properly and in a comprehensive manner, the authors contend, is the best tool for resolving this age-old conflict. ■