



Chicago Brownfields INITIATIVE

RECYCLING OUR PAST, INVESTING IN OUR FUTURE



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Success doesn't just happen. Planning, vision, hard work and investment led to the success of the Chicago Brownfields Initiative. The Initiative recycles neglected properties to invest in the City's future; it is part of a continuous process of reusing, repurposing and renewing a limited and most precious commodity — our land.

The City of Chicago has created the most aggressive program in the nation to reverse the urban blight associated with brownfields — abandoned, potentially contaminated properties — and transform them into new industrial facilities, green spaces, affordable housing, and technological and manufacturing centers.

Chicago has been successful in redeveloping properties in some of the City's most challenging areas and economically disadvantaged neighborhoods. Its efforts have opened new horizons for distressed communities and created industrial developments as well as healthier and safer neighborhoods where people live, work and play. The City has attracted not only local companies, entrepreneurs and not-for-profit organizations, but also large corporations and Fortune 100 companies to properties once passed over for redevelopment because of the stigma of environmental contamination.

THE VISION

The Brownfields Initiative originally focused on industrial and economic redevelopment, job creation, and tax revenues while addressing environmental problems. The vision expanded to include the creation of green and open areas, affordable and energy efficient housing, parking and government office space, and more breathing room for the City's population.

The Initiative was guided by an interdepartmental team of project managers from the Mayor's Office and the City Departments

of Environment, Planning and Development, Law, and the Office of Management and Budget. They're now joined by staff from the Departments of Buildings, Housing, Transportation, Chicago Park District and others, all working to improve the quality of life for all Chicagoans through the brownfields revitalization.

The Chicago Brownfields Initiative makes brownfields redevelopment as attractive as developing any other desirable property. "These contaminated places, these eyesores in

the community, will become productive land the City of Chicago has to offer to interested developers," says David Reynolds, First Deputy Commissioner for the Department of the Environment. Thanks to the expertise the City has developed and shared, the marketplace is nearing the point where redeveloping a brownfield is just like obtaining a building permit — another component of the redevelopment process.

Brownfields Funding Leveraged

| | |
|---|---------------|
| General Obligation Bonds | \$2.0 Million |
| U.S. HUD Section 108 Loan Guarantee | \$74 Million |
| Brownfields Showcase Community Designation U.S. EPA | \$691,000 |
| U.S. EPA Brownfields Cleanup Revolving Grant | \$500,000 |

Since its inception, the Brownfields Initiative has helped the City increase its tax base by more than one million dollars annually, and more than three thousand jobs have been created and retained.

“The City of Chicago has taken leadership in addressing barriers to redevelopment of brownfields that have helped bring City sites back into the tax rolls; and has advocated successfully for state legislation which benefits other areas as well.”

— Scott Goldstein, Vice President for Policy and Planning of Metropolitan Planning Council

THE PILOT AND THE SHOWCASE

The City began its brownfields program in the mid-1990s by investing \$2 million from General Obligation Bonds to redevelop five brownfield properties. The Brownfields Pilot was a resounding success, coming in well under budget, creating 239 jobs, retaining another 950 jobs that Chicago would have lost had the companies that built on the sites moved from the City as some had planned, and producing over \$337,000 in annual tax revenues.

Contributing to Chicago's ability to fuel interest in redeveloping brownfields are the City's efforts to leverage money from federal agencies. Following the success of its Brownfields Pilot, Chicago secured \$74 million in Section 108 loan guarantees from the U.S. Department of Housing and Urban Development (HUD). Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development,

housing rehabilitation, public facilities and large-scale physical development projects.

In 1997, Chicago was designated a Showcase Community by the U.S. Environmental Protection Agency (U.S. EPA), which carried with it \$691,000 in grants and services, and led to other sources of funding. Chicago leveraged these funds to attract further public and private investment in its Brownfields Initiative. Part of the U.S. EPA Showcase funds facilitated the environmental assessment of

more than 30 sites, some of which are featured in this report.



Chicago Center for Green Technology's roof top garden
Above left: New housing going up along 63rd Street



HOW BROWNFIELDS WORK: An Overview

1. Sites are evaluated based on access and control, cleanup cost estimates and developmental value.
2. City acquires the site through negotiated purchase, lien foreclosure or tax reactivation on property that has been tax delinquent for two years or more.
3. Site is added to the city's "investment portfolio" of sites.
4. Risk assessments are performed.
5. Any hazardous waste is removed immediately.
6. Cleanup strategies and cost estimates are then determined.
7. City enrolls all its sites in Illinois EPA's Site Remediation Program.
8. On successful completion of the program, the IEPA issues a "No Further Remediation" (NFR) Letter.
9. Sites are marketed for redevelopment.

Hands On: HERE IS HOW IT WORKS

Brownfield sites are evaluated based on access and control, cleanup cost estimates and developmental value. If a brownfield has industrial, commercial or residential development potential, the City can acquire the site through negotiated purchase, lien foreclosure or tax reactivation on property that has been tax delinquent for two years or more.

Once the nature of the site's contamination is assessed, the City may choose to add the property to its "investment portfolio" of acquired sites.

On occasion, the assessment is done during the acquisition.

After the initial assessment, a risk assessment is performed if needed, and cleanup strategies and cost estimates are then determined. Hazardous waste is removed immediately. Remaining contaminants can be addressed in many ways, depending on time, funding, and, primarily, on future development.

The City enrolls nearly all its sites in the Illinois EPA (IEPA) Site Remediation Program, a voluntary cleanup program that establishes

investigation and cleanup guidelines. The guidelines consider the intended use of the redeveloped site, the potential for exposure to contaminants and actual site conditions; the remediation objectives for a day care center or housing development, for example, are different than if the site were to be redeveloped as a parking lot or industrial facility.

On successful completion of the program, the IEPA issues a "No Further Remediation" (NFR) letter stating the cleanup is satisfactory for the site's intended use and the owner has no additional responsibility after com-

pleting the approved cleanup plan. As a site owner, the City knows that developers and end-users who purchase these properties want the release from liability that is provided by NFR status.

The City maximized its U.S. EPA Showcase funds

by directing a good deal of the money to assess more than 30 sites, rather than allocating all of the money toward assessment and cleanup of a few sites. This resulted in the immediate commercialization of several sites that needed no cleanup. ♡



Bodywork shop owner Constantinos Tsingos (left) hopes to benefit from the new California Avenue Business Park
Above left: Workers cleaning up a site

ECONOMIC OPPORTUNITY CHICAGO: CITY of PROSPERITY

Chicago is the nation's number one manufacturing center, in terms of employment and gross regional product. But to be number one is not easy. To spur private investment, the City of Chicago has identified nearly

two dozen Industrial Corridors, many of which have been designated tax increment financing (TIF) districts.

The City has acquired large sites within these corridors to develop

industrial parks. Many of the properties in these parks are former brownfields, now places of productive industry. In addition to TIF district designation, designations such as Federal Empowerment Zone or State

Enterprise Zone may provide companies relocating to these areas significant additional annual incentives.

Generating new property tax revenue from manufacturing

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CALIFORNIA AVENUE BUSINESS PARK: *The Crown Jewel Of The Western Ogden Corridor* 927 South California Avenue

A showpiece of economic development in the Western Ogden Industrial Corridor, this industrial park is expected to generate nearly 600 jobs and annual tax revenue of \$2.3 million. But the California Avenue Business Park's impact on the area will go far beyond the creation of jobs and tax revenue.



Future site of a vibrant business park

| California Avenue Business Park | | | | |
|---------------------------------|--|--------------------------------|-------------------------------|--------------|
| TOTAL AREA (Acres) | CONTAMINANTS REMOVED | DEMOLITION & REMEDIATION COSTS | ESTIMATED ANNUAL TAX REVENUES | JOBS CREATED |
| 37 | 964 tons of contaminated soil 11 USTs | \$1,862,800 | \$2.3 Million | 600 |

The business park will transform 37 acres of land blighted by waste and illicit behavior into a vibrant and dynamic business district that will include a regional facility for Brink's, Incorporated.

The City acquired 65 separate parcels of mixed-use land and has undertaken an ambitious effort to redevelop the area in conjunction with CenterPoint Properties. Environmental assessments identified soil containing hazardous lead and chromium, and underground storage tanks. During the clean-

up, 964 tons of contaminated soil and 11 underground storage tanks were removed. The site's excavations were backfilled with clean crushed stone from another of the City's brownfields.

The night into day transformation of the business park, just three miles from downtown, brought a great deal of confidence to the industrial corridor, the results of which will be seen for years to come. Construction of the site's first building, the 75,000-square foot Brink's facility, began in June 2003.

facility expansions or company relocations is a long-term and direct benefit of redeveloping brownfields. Additionally, focusing on urban areas for job creation preserves green space, slows suburban sprawl and limits development of productive farmland. Since its inception, the

Brownfields Initiative has helped the City increase its tax base by more than one million dollars annually, and more than three thousand jobs have been created and retained.

Today, developers, the banking community, and others in the pri-

vate sector are taking on brown-field projects with less trepidation. They are using tax incentives and other financial tools such as environmental insurance, which is very reliable in quantifying cleanup costs. Furthermore, the private sector understands better the IEPA's Site Remediation

Program and what is needed for liability protection from the state. In participating with the City in its Brownfields Initiative, these groups are gaining more experience, and they will lead the marketplace in privately developing brownfields. An example of this is the Ford

CHICAGO CENTER FOR GREEN TECHNOLOGY (CCGT):

A World-class Model for Energy Efficiency and Environmentally Friendly Design

445 N. Sacramento Avenue

445 North Sacramento is a place where amazing things have happened. A few years ago it was an environmental mess. Today, it stands proud as one of Chicago's models for environmentally sound, "green" design and a state-of-the-art building. From the building's use of vegetable oil for hydraulic fluid in the elevators, to the skylights taking advantage of the natural light from the smallest possible openings, the CCGT building is an inspiring project for Chicagoans.



Entrance to the state-of-the-art "green" building

"If the City doesn't take responsibility and invest in long-term projects like this one, who will?" says David Reynolds, First Deputy Commissioner, about the CCGT project, once just a mountain of construction and road debris that rose as high as 70 feet in the 17-acre site belonging to the bankrupt Sacramento Crushing Corporation.

Before the visions, ideas, and inspirations for the CCGT project could come to life, the City had to dispose of 250,000 cubic yards of construction and demolition debris and crush 589,000 tons of concrete that had been dumped on the

| Chicago Center for Green Technology | | | |
|-------------------------------------|--|------------------|--------------|
| TOTAL AREA (Acres) | CONTAMINANTS REMOVED | REMEDIATION COST | JOBS CREATED |
| 17 | 250,000 cubic yards of debris & 589 tons of concrete | \$9 Million | 38 |

property. Even these materials had an aspect of "green" — what was clean was reused in City infrastructure projects.

The green design of CCGT, or Chicago Green Tech as it is commonly referred to, is environmentally friendly throughout. One third of the materials used to build the Center were recycled: flooring was made from scrap cork and rubber, tile made from recycled glass. The Center generates about

20 percent of its energy from the sun and is nearly twice as energy efficient as a similar-sized conventional building.

The building is now the home of Spire Solar Chicago, a solar panel manufacturer; the training and demonstration facility for Greencorps Chicago, a City community landscaping and job skills program; and WRD Environmental, an ecological design and environmentally responsible landscape consulting firm.

Motor Company Supplier Park, privately co-developed by CenterPoint and Ford Land on a 155-acre brownfield site adjacent to Ford's Chicago Assembly Plant. The project includes four buildings totaling 1.65 million square feet. The facility will open in stages beginning in late 2003

and the expansion is expected to create up to 1,000 jobs when the plant is fully operational.

"The decision to develop a brownfield is never entered lightly," says Ed Harrington, Development Manager, CenterPoint Properties. "The

availability of land is what drives brownfield development. Chicago has a long history of industrial associations, so companies that need to be close in to the City will likely face a site that needs cleanup. The City of Chicago and IEPA do a good job, really taking the developers

and associated parties through the process step by step. Because we've all become more sophisticated in looking at risks and doing our homework to minimize risks and liabilities associated with the sites, we'll continue to privately develop these sites — no hesitation."

Solar panels manufactured at CCGT are used in six of the nine major Chicago museums, and many Chicago Public School buildings. The City is one of the leaders nationwide in its use of solar energy.

In redeveloping the site, the City retained 450 jobs from a neighboring company that was planning to leave Chicago altogether. CCGT created 38 new jobs, and the entire redevelopment has the potential of creating 200 more jobs. Additionally, Greencorps Chicago serves over 200 community groups each year through workshops and gardening materials. In

2002, the Chicago Center for Green Technology was a winner of the prestigious Phoenix Award for Excellence in Brownfield Redevelopment.

CCGT's building became the third in the country to receive the Platinum LEED Award. LEED, Leadership in Energy and Environmental Design, is a rating system from the U.S. Green Building Council, a national organization of manufacturers, design professionals, financiers and environmental groups.

With its dozens of innovative features like a pine-based, light-colored parking lot, a roof top

garden that absorbs heat in the summer, rainwater collection tanks and solar panels throughout the facility, CCGT is a world-class model for sustainable development, energy efficiency and environmental stewardship.

The CCGT building is an integral part of the City's plan to generate 20 percent of its electrical power from alternative sources.



Solar panels along the CCGT building's roof

Future returns notwithstanding, it's particularly important to consider job creation from the outset of a brownfield's designation — not just in its post-development use. Using a public process for selection, the City of Chicago contracts with local companies for research, remediation, construction and other work. The City uses minority owned and disadvantaged businesses as much as possible. This practice helps these firms develop experience and establish a financial base to be able to further invest in their own businesses and compete against majority firms.

The City requires participation of at least 16.9% minority owned business enterprises (MBE) and 4.5% of women owned business enterprises (WBE) for its projects, with the goal of attaining 25% MBE and 5% WBE. The Brownfields Initiative, surpassing these requirements, encourages and hires MBE and WBE companies to grow with the City and the program.

"We started with the City years ago, mostly hauling rubble from brownfields," says Larry Huggings, President of Riteway Construction, a minority owned

firm. "Working with the City of Chicago is exciting and very challenging; the City upholds very high standards of performance. But we worked hard and proved ourselves and won more business from the City. We're now involved in many aspects of demolition and cleanup both on brownfield sites and other developments across the City. We've hired more local workers; we're upgrading our fleet of haulers. Who knows if we would have gotten to this place otherwise?" ♡



At work in StyleMaster's manufacturing facility
Above right: CEO Martha Williams surrounded by some of StyleMaster's products

"There is no question that redeveloping brownfields is good business, although you have to know whether the business has financial viability. Every company has to know where to draw the line between revitalization and financial responsibility, but the City provides many incentives for us to redevelop the land."

— Jim S. Cross
CenterPoint Properties,
Developing brownfields for 40 years

GATEWAY PARK INDUSTRIAL COMPLEX:

Envisioning a Better Future
76th and Albany Streets

Home to a 62-acre economic engine in Chicago's Southwest side, Gateway Park used to be covered with hundreds of tons of concrete, broken asphalt and auto parts piled four stories high, and represented one of Chicago's most turbulent stories of economic turmoil and corruption. But now it is a symbol of entrepreneurial success, with half the site having been developed and the remainder in the process of development.

| Gateway Park Industrial Complex | | | | |
|---------------------------------|----------------------------------|--------------------|-----------------|-----------------------|
| TOTAL AREA (Acres) | CONTAMINANTS REMOVED | REMEDATION COST | JOBS CREATED | POTENTIAL NEW JOBS |
| 62 | 600,000 cubic yards of debris | \$26 Million | 200 | 250 |

The Greater Southwest Development Corporation and the City of Chicago dedicated themselves to finding a private partner for the redevelopment of the site. Gateway Park, LLC, a partnership between Martha Williams of StyleMaster and other investors, together with local and federal agencies, transformed the site into a dynamic industrial park. Sites like the Gateway Park are examples of a City government willing to invest millions to provide the infrastructure and

neighborhood anchors that these communities need and deserve.

This property had been the home of a drive-in theater and a flea market after the mid-1900s. From 1980 to the mid-1990s, 600,000 cubic yards of concrete, asphalt, construction and demolition debris, soil, rubbish, and hazardous automobile shredder residue found their way into the site to form what was considered an environmental disaster.



StyleMaster sits on a former brownfield

The site had a parade of potential owners but the environmental stigma of the site prevented them from buying it or getting involved. "They just couldn't envision the site actually being clean," stated Ms. Williams, who grew up in the Robert Taylor Homes, a City housing project, at the groundbreaking ceremony in 2000.

Good actions and good policy bring good results. Williams' company, StyleMaster, a producer of injection molded plastic products, built a 660,000

square-foot manufacturing, warehouse and distribution facility on a 30-acre parcel of Gateway Park, creating 300 jobs in the process. A 740,000 square-foot expansion is planned for the near future. StyleMaster's neighbors in the industrial corridor, including Tootsie Roll, Nabisco and Sweet Heart Cup, as well as area residents, have greatly benefited from the redevelopment.

"The Chicago Brownfields Initiative demonstrates new innovative approaches and solutions now and for the future."

– Gerald J. Roper
President and CEO of
Chicagoland,
Chamber of Commerce

ATA'S CHICAGO AIRLINE TRAINING CENTER:

Landing Confidence

72nd Street & Kostner Ave. / 7101 S. Cicero Ave.

What was once a 26-acre trucking facility near Midway Airport will become an 188,000 square-foot training and operations facility that will house several Boeing 737 Next Generation Flight Simulators and a Boeing 757 Full Flight Simulator. The new complex, developed by ATA, will include a hotel and restaurant, aircraft-cabin simulators, a water-safety training pool, crew-trainer administration space, and state-of-the-art training devices for pilots, flight attendants, maintenance, line, and customer service personnel — all of this on a former brownfield.



Underground storage tank being removed from site
Above right: The new ATA training center will inject new life into the area

Two buildings, erected in the 1960s, were demolished for the construction of the new facilities. The property has been undergoing environmental remediation. This includes removal of several underground storage tanks and treatment for contaminated soil. Most of the cleanup expenses have been paid by the site's former owner and by the Department of Defense, which years ago oversaw a military aircraft engine manufacturing operation

| ATA | | | | |
|-----------------------|-------------------------|-------------------------------|-----------------|------------------|
| TOTAL AREA (Acres) | CONTAMINANTS REMOVED | INVESTMENT IN NEW FACILITY | JOBS CREATED | JOBS RETAINED |
| 26 | more than 10 USTs | \$110 Million | 2,000 | 2,500 |

at the site. The City of Chicago will help leverage the project with \$14 million in TIF assistance.

The City's commitment to invest \$793 million to modernize Midway Airport was key in ATA's decision to invest in the \$110 million training facility that will stimulate

the economy on the southwest side of Chicago and result in approximately 2,000 new jobs within four years of the occupancy of the training center. As a result of this project, an additional 2,500 jobs will be retained within the City of Chicago.

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 399:

Organizing Rebirth
2242 S. Grove Street

The future headquarters and state-of-the-art training facility for the International Union of Operating Engineers, Local 399, will rise from what had been a large industrial printing plant. Union members, primarily operating and stationary engineers responsible for building operations and maintenance, will occupy the new facility on the site of the City of Chicago's first building implosion.



| Operating Engineer Headquarters Local 399 | | | |
|---|--|--|-----------------|
| TOTAL AREA (Acres) | CONTAMINANTS REMOVED | REMEDIATION COST (Not Including Demolition) | JOBS CREATED |
| 6.3 | Debris, radioactive soil, USTs and 2,990 tons of contaminated soil | \$1,030,000 | 25 |



Chicago's first building implosion
Above right: Site before cleanup

Located within the Pilsen Industrial Corridor and along the Chicago River, the six-acre site was home to a wholesale grocery and also a stone cutting operation around the turn of the previous century, but for 50 years, until 1977, this was the site of Cuneo Press. When the company closed, the facilities were abandoned, and in the ensuing years, the buildings, full of debris, sustained heavy fire and water damage. The site had become an illegal waste dump and the buildings' crumbling façade became both an eyesore and a danger to

the industrial community surrounding the property. Environmental assessments determined a host of contaminants on site, some hazardous, some not. The hazardous materials, which included a portion of the property contaminated with radioactive waste, were removed with the assistance of the U.S. Army Corps of Engineers at a cost of \$1,030,000. The City prepared for the next step in clearing the property of the buildings that remained.

Rather than standard demolition, a costly and





Work has begun at the International Union of Operating Engineers' site

time consuming process, the buildings were candidates for implosion, essentially collapsing the buildings onto their own footprints. In 1995 the buildings were safely and efficiently demolished in an implosion that lasted less than 10 seconds at a cost of \$1.364 million.

In redeveloping the property, the City replaced and rebuilt the property's infrastructure including water, sewer, power and

storm water management. It also constructed a new road and relocated the railroad tracks that cut through the site.

The Army Corps of Engineers also partnered with the City to reconstruct the retaining wall at the shoreline along the river, replacing 300 feet of deteriorated wooden pilings to stabilize the area along the water's edge and create open space with plants and bushes.

Construction on the \$4 million, 30,000 square-foot Operator's Union training facilities will begin in the summer of 2003. Six classrooms, office and lab space are planned and the site will have parking for 300 students. It is expected that as many as 3,500 students of building trades will receive training at the facility each year. For businesses in nearby Chinatown, it will be a positive development.



Future headquarters of the International Union of Operating Engineers Local 399

SOUTH CHICAGO AND SOUTH WORKS:

The Road to Development: From U.S. Steel to Solo Cup
3333 E. 87th Street

When a steel manufacturing facility on Chicago's lakefront began to phase out operations in the 1970s and 1980s, the job loss to the local community was devastating. Encompassing an area bigger than downtown Chicago, the 573 acres where U.S. Steel stood is the largest vacant site within City limits. Its three miles of Lake Michigan shoreline, rail lines in and out, as well as its prime docking space, make it one of the most appealing development opportunities in the country.

The site is now clear of all production facilities, but the foundations of more than 100 structures remain just beneath the surface, and an immense set of ore storage walls remains. U.S. Steel voluntarily completed cleanup of the site between 1992 and 1997, and the IEPA has determined that the site is remediated to residential standards, meeting the needs of the industrial property

as well. The entire site has been issued a NFR letter from the IEPA.

The City of Chicago has been very creative in redeveloping this property and leveraging financing dollars. The Army Corps of Engineers traded a parcel of land to the City in exchange for a parcel that the Corps could use as a stonedock for large stones needed in lakefront stabilization efforts along Lake Michigan. The original

| South Chicago and South Works | | | |
|-------------------------------|------------------------|-----------------|------------------|
| TOTAL AREA (Acres) | INFRASTRUCTURE COST | JOBS CREATED | JOBS RETAINED |
| 573 | \$143 Million | 550 | 450 |

Army Corps parcel will now become a part of the Phase I Lakefront Park development. The entire Lakefront Park will consist of 100 acres of the former U. S. Steel site.



Lake view of former U.S. Steel site



Prime docking space at the former U.S. Steel site

The exchange required the City to clean up the Army Corps' parcel, while the Army Corps committed to building a road to serve their new docking area.

Now the City is working closely with Solo Cup Corporation to redevelop this site for a major manufacturing and distribution facility, which consolidates three existing Solo Cup plants at the new lakefront site. This new development will retain 450 existing jobs and create 550 new jobs

at this location.

The City designated the 119 acres purchased by Solo Cup as a TIF district and created a second adjacent TIF district for the betterment of the surrounding neighborhood.

The Department of Planning and Development along with the Chicago Park District will be working with current and future developers on site to develop the entire lakefront park as a major public benefit to the community.

New roads are also being developed as part of the redevelopment strategy of the U.S. Steel site. 87th Street has been extended on site to reach the lakefront park parcels, Avenue O and Harbor Drive have been rebuilt as industrial access roads to serve the Solo Cup truck traffic, and new ramps on the Chicago Skyway at 92nd St. provide better access to the site and to the community overall. The most visible road improvement will be the relocation of U.S. Route 41. The route

currently travels south through a very active residential community. The relocation of the route at 79th Street onto the U.S. Steel site will provide a boulevard style roadway through the site and will create access on the

north that has never existed at this location.

The total cost of this public infrastructure will be approximately \$143 million.

“The notion of leveraging private sector capital with public infrastructure investment is a win-win situation for the community, the employers, the employees, and the City.”

– Carolyn D. Nordstrom
President of Chicago United

WEST PULLMAN BUSINESS PARK:

From Blight to Opportunity
120th and South Halsted Street Area

The West Pullman Business Park, located 15 miles south of Chicago's central business district, is currently being developed as an accessible, secure and attractive location for industrial and related business investment.

| West Pullman Business Park | | | | |
|----------------------------|------------------|---------------------|--------------|---------------|
| TOTAL AREA (Acres) | REMEDIATION COST | INFRASTRUCTURE COST | JOBS CREATED | JOBS RETAINED |
| 200 | \$5 Million | \$7 Million | 105 | 40 |

This 200-acre site has a history of industrial use dating back to the 1850s. The decentralization of industry and disinvestment has resulted in vacant land, vacant or underutilized buildings and deteriorated public infrastructure, contributing to the environmental contamination.

The City's effort in the area, beginning in 1996, has included several thousand tons of soil remediation and the demolition of a number of major building complexes, covering approximately 70

acres, at a cost of approximately \$5 million. In addition, the city did a market study of the area, and obtained designations for TIF District, Redevelopment Project Area, and Illinois Enterprise Zone, together with \$20 million in HUD Section 108 Loan funds for land acquisition, environmental testing and remediation, and infrastructure improvements.

To date the City has acquired 85 acres of land and is currently processing and evaluating proposals for the industrial development of an additional 53 acres. In addition, the City has completed the reconstruction of



Former Ingersoll Products office building on 120th St. in the West Pullman Business Park

2 miles of roadway, including the replacement and upgrade of water and sewer lines, new street lights, sidewalks and trees at a cost of \$7 million. A Chicago business will build and relocate into a new facility on a 9-acre site in West Pullman, retaining 40 jobs and creating 105 jobs in the process.

The City is in the process of enrolling the properties it owns into the IEPA Site Remediation Program. To date the City has received an NFR letter for one property and has draft NFR letters pending for two other sites.

“Brownfields are as much a real estate transaction and economic development issue as they are an environmental issue.”

– William J. Trumbull
Deputy Commissioner, City of Chicago,
Department of Planning and Development

NEIGHBORHOOD REVITALIZATION CHICAGO: CITY of RENEWAL

Chicago's revitalization efforts have been especially successful in reinvigorating neighborhoods and restoring once thriving communities. Even rundown residential areas surrounding commercial and industrial districts are being transformed into desirable housing that is safe, affordable, and close to shopping, entertainment, transportation and workplaces.

JUBILEE FAMILY RESOURCE CENTER/ CAROLE ROBERTSON CENTER FOR LEARNING:

Creating a Brighter Future
3701 W. Ogden Avenue

First came a priority; then a partnership and a plan. Next was process — practiced and repeatable — all leading to the prize.

The winner is the North Lawndale community, and the prize is the Jubilee Family Resource Center/Carole Robertson Center for Learning. On a former one-acre brown-field stands a 20,000 square-foot childcare center. Thirty-eight new jobs were created at the Center, which provides full day/full year child care, and Head Start, Infant Toddler, and Youth Alternatives programs to over 200 children.

In the mid 1990s, the Lawndale Christian

Development Corporation (LCDC), a community organization focused on economic development and housing improvement in the North Lawndale area, had plans for a childcare center, but its vacant land was presumably contaminated.

The LCDC teamed with Illinois Facilities Fund (IFF), a not-for-profit organization that offered financing and technical expertise and the Carole Robertson Center, a not-for-profit social services agency.



Two of the 200 children being served at the Carole Robertson Center for Learning with their mother

| Jubilee Family Resource Center/ Carole Robertson Center for Learning | | | |
|---|---|--------------------|---|
| TOTAL AREA (Acres) | REMEDATION | REMEDATION COST | JOBS CREATED |
| One | 2 USTs, 3,700 tons of soil and 22 hydraulic lifts removed | \$238,244 | 38 Employees Serving 200 Children |

Together, they approached the City with plans for the Center to be built on LCDC's brownfield property. The City embraced the opportunity. The City acquired the LCDC sites, along with several adjoin-

ing parcels, and eventually transferred the property back to LCDC for \$1.

"This is a great story of City departments working together and with public and private entities," said

“We are impressed with the City of Chicago’s commitment to brownfields redevelopment and its use of innovative and cooperative approaches with other institutions, agencies and communities.”

— Edward Mensah, Ph.D., Health Economics and Information Management, University of Illinois at Chicago

Gabriella Defilipio, project manager, Illinois Facilities Fund. "The Department of Planning and Development contributed cleanup funding, and the Department of Environment (DOE) did the initial environmental assessment with EPA Showcase Funds and managed the entire remediation process. The DOE helped map out a strategy and a timeline that unfolded exactly as they said — these are the benefits of working with experts."

The environmental assessments on the property that was once the site of an auto repair shop

pointed to soil and possible groundwater contamination from underground storage tanks. When remediation began, what was thought to be six hydraulic lifts turned out to be 22, and there were two underground storage tanks, not one. The City spent \$238,244 on remediation activities, including excavating and removing 3,700 tons of contaminated soil. The rest of redevelopment cost \$3.7 million.

The City of Chicago worked hand in hand with the partners, helping them work through IEPA’s Site Remediation Program and cleanup

processes, including the concept of engineered barriers. They demonstrated to the organizations as well as the key financier of the redevelopment that they could close on the loan with the plan in place but before having the IEPA No Further Remediation letter in hand.

This first brownfield undertaking was a learning process, certainly, but the IFF has since completed two more, one in Chicago and one in west suburban Elgin, each easier than the previous one.

The City hopes the success of this project will spur other community groups and not-for-profit organizations to look to brownfield redevelopment.

The community provided feedback on redevelopment plans and the facility itself. The facility’s programs address neighborhood needs, which include those of Latino and African-American families.

The initial funding was leveraged to secure \$1.5 million in Empowerment Zone funding; a \$653,000 commercial bank loan; a \$550,000 IFF loan; a \$326,000 Department of Housing no interest loan; a \$315,000 Department of Human Services grant; and the rest through IFF fundraising efforts.



View of 63rd Street at Columbia Pointe; Bottom: Theodore Baughn and Kendall Cunningham, new residents of Columbia Pointe

COLUMBIA POINTE:
A Proud Past. A Bright Future
 63rd and Woodlawn Avenue

On a warm afternoon, yellow daffodils at ground level are complemented by yellow hard hats at roof level as a group of construction workers busily shingle a row of just-built houses along 63rd Street.



Being marketed as "A Proud Past. A Bright Future," the Columbia Pointe Housing project is the result of four neighborhood organizations coming together to build a place to live for local neighbors in need of a home. The first phase of construction of 32 units is almost complete, and the houses are already being sold. Phase Two will begin soon and will see 27 homes constructed.

The City of Chicago has invested close to \$480,000 to research and remedy the environmen-

| Columbia Pointe | | | |
|--------------------|--|-------------------|-----------------------|
| TOTAL AREA (Acres) | REMEDATION | REMEDICATION COST | FAMILIES IN NEW HOMES |
| 5.5 | 2,245 tons of contaminated soil and an underground, 1500-gallon tank removed | \$480,000 | 59 |

tal damage in the site. Approximately 245 tons of lead-impacted soil and an underground, 1500-gallon heating oil tank were removed from the site of what had been a laundromat, hardware store, public library, and other commercial shops. An additional 2,000 tons of soil with a high level of chemicals typically found in the Chicago area

(polynuclear aromatic hydrocarbon compounds, or PNAs) were removed before plans for development could commence.

Today the smell of fresh wood and paint is in the air around the new homes. What once was a neglected commercial property, long vacant and an eyesore, has blossomed with the community.

PARNELL PLACE/SAFE HOMES FOR KIDS:

Embracing Chicago's Children
76th and Parnell

This abandoned, blighted property sat mostly vacant and in poor condition for years. The site has been used for industrial and commercial purposes since before 1895. Historical operations included a carriage and automobile manufacturer and warehouse, and a painting and metal refinishing company. The site was contaminated by chemicals associated with these historical activities. But upon this site, the City is creating a community, and it will be a jewel when completed.



Neighbors welcome similar new construction in the area

| Parnell Place/Safe Homes for Kids | | | |
|-----------------------------------|---|-------------------|-----------------------|
| TOTAL AREA (Acres) | REMEDATION | CONSTRUCTION COST | FAMILIES IN NEW HOMES |
| 7 | 2,300 tons of contaminated soil removed | \$8,240,000 | 42 |

Never before residential, yet located within a low density residential neighborhood, the seven-acre property called Parnell Place is the site of new, affordable homes for community residents, themselves first time home buyers. The New Homes for Chicago program provides ownership opportunities for Chicagoans with moderately-priced, owner-occupied one and two family homes. When completed, six single-family and 18 two-flat homes will be available.

The new community will also embrace the Chicago's Safe Homes for Kids program. This program is an innovative effort to keep siblings together with a foster family in a single family as opposed to living in group homes or being placed

with different families. At Parnell Place, 12 single family foster care homes and four two-flats will be mixed in the larger development of single family homes, giving foster families a greater sense of community. S.O.S. Children's Village, a Nobel Prize - nominated not-for-profit group, will provide long-term management and support services for the families in the Safe Homes for Kids program.

In a monumental effort assisted by numerous City departments, the project moved remarkably quickly — less than a year to take the project from planning to reality. The departments found creative solutions to a variety of redevelopment issues.

This project is a wonderful example of local, state

and federal agencies working together. The U.S. EPA Emergency Response Section played an important role during the investigation process by evaluating (and subsequently removing) approximately 15 drums left on site in a previously heavily wooded area. In addition, they aided in the remediation process to remove 2,300 tons of hazardous lead-contaminated soil from the site. At the state level, the IEPA is working in tandem with City departments on the voluntary

Site Remediation Program, ensuring appropriate completion of the project timelines.

Because the City had completed the environmental investigation on the north portion of the property, it applied for NFR status for that portion first. This was an important decision because it resulted in the ability to speed the construction process by almost five months. The decision made sense since the south portion of the site was designated for

open green space and would contain almost no infrastructure with the exception of a very small portion of the site.

As part of the site's remedial approach, a three-foot barrier is being installed to eliminate exposure to contaminated soil, which is allowed to remain on-site. Since the site lacked water and sewer lines, this engineered barrier has reduced the time and resources that would be expended on excavating for the infrastructure, as it will be installed above ground and subsequently covered by the barrier. The fact that the contaminated soil will stay on site also reduces the overall redevelopment cost of the site, since there are no expenditures for excavation, transportation and disposal.

Clearly, the community is the largest stakeholder in this redevelopment. Neighbors are enthusiastic that the site is being returned as a useful and



non-commercial property. Parnell Place will also have a community center that could provide day care, after-school programming, education and family oriented activities to the greater community.

Infrastructure work on the site will begin in the summer of 2003 and home construction will begin in the fall. Families will take ownership the following spring. The development will be completed in the spring of 2005.

“It gives me enormous pride, having been raised in this neighborhood, gone to college and come back, to contribute to the development of the area. By doing business with my company the City has given me a golden opportunity to help rebuild the community and hire workers from the area.”

– Cortez A. Carter
Managing Member, Quest Development, LLC



Cortez A. Carter, Managing Member, Quest Development, LLC

BRONZEVILLE:

A Neighborhood Reborn
707-755 East 40th Street

Forty years ago, M.C. Johnson came to Chicago from Mississippi and lived in Bronzeville, an African-American community known for its rich culture. Years later, Johnson, like many others, left the neighborhood due to its stagnation and lack of reinvestment.

| 707-755 East 40th Street | | | |
|--------------------------|---|---------------------|--------------------------|
| TOTAL AREA (Acres) | REMEDIATION | REMEDIATION COST | FAMILIES IN NEW HOMES |
| 1.5 | 5,900 tons of contaminated soil removed | \$264,000 | 33 |

Today, Johnson, a retired teacher, and his wife and three children make their home in Bronzeville again. For the last forty years, Mr. Johnson lived in different parts of the City and today he is happy to return to this neighborhood. Of the 33 families who will reside in this development, 16 formerly lived in Bronzeville. The new construction is backed by the Genesis Housing Developing Corporation (GHDC).

A faith-based organization, GHDC is composed

of the Holy Angels and St. Elizabeth Catholic Churches, St. James United Methodist Church and Blackwell AME Zion Church. Holy Angels Church and its school, which Marence, Mr. Johnson's 12-year old son attends, is right across the street from their house.

Rev. Robert Miller, GHDC's Chairman of the Board, and Donnie Brown, its Executive Director, are well known in their community for their dedication to building affordable housing for



33 families will live in this new development on 40th Street

local residents. The organization also provides job training and financial literacy seminars.

"Developing these brownfields is a great idea," says 4th Ward Alderman Toni Preckwinkle from her busy office on 47th Street. "It provides resources for unproductive land like this lot that had been vacant for a number of years." The City of Chicago invested approximately \$264,000 to remove 5,900 tons of soil from the site that had

been contaminated with arsenic and other dangerous chemicals. Because the redevelopment will be a residential community, additional cleanup activities were required. Housing construction began once the NFR letter was received.

These homes are also part of the City's New Homes for Chicago Program. The development has 27 homes, of which 21 are single-family houses and six are two-flat buildings.

STRATEGIES FOR SUCCESS CHICAGO: CITY of OPPORTUNITY

Lessons Learned

With nearly 50 sites under development at any given time, the experience and insights gained from the City of Chicago Brownfields Initiative is invaluable to cities and municipalities with brownfield redevelopment programs. The following are key elements Chicago has used in mastering the program.

✦ BROWNFIELD FORUM

Early on, with the financial support of the MacArthur Foundation, Chicago convened a task force, The Brownfields Forum, to review the public and private policy process and outline the barriers to brownfield

development. The Forum was comprised of more than 100 representatives from government, business, finance, environmental, community and civic organizations. The group made more than 50 recommendations for improvement, many of which

have been implemented by the City of Chicago and other participating departments and agencies and incorporated in the concept of the voluntary IEPA cleanup program as well.

✦ MULTIDISCIPLINARY TEAMS AND PARTNERSHIPS

Participation and collaboration from a variety of City departments is a crucial success factor. Brownfield redevelopment involves difficult real estate transactions and economic develop-

INTERNATIONAL AMPHITHEATER

A Place of Nostalgia

4160-4244 South Halsted

The City acquired this 12-acre site in 1999 and demolished the deteriorated International Amphitheater in 2000. The site is located within Chicago's famous Stockyards, now an industrial corridor. The International Amphitheater hosted the 1968 Democratic National Convention, and the Beatles once played there. The International Amphitheater was a place of nostalgia and history.

Today, it's a place of opportunity where 90 new jobs will be created and 217 jobs will be retained. This site is the future home of Aramark, a company that will build a 125,000 square foot manufacturing and warehouse facility. This rede-



Construction has begun at the new Aramark manufacturing facility



Architectural rendering of the new Aramark facility

ment issues as well as addressing environmental concerns. Successful projects require multiple resources from a range of participating City departments. Additionally, the City has fostered partnerships with state and federal agencies including the IEPA and U.S. EPA, Army Corps of Engineers, the General Services Administration, the Departments of Commerce, Defense, Health and Human Services, Justice, and Labor,

NOAA, and USDA, as well as Chicagoland YMCA, The University of Chicago and The University of Illinois.

COMMUNITY INVOLVEMENT

Community support and involvement are vital to the success of ongoing brownfield redevelopment. Communities are identifying brownfield sites as well as potential development activities.

"The City encourages communities to advise and comment on these local issues," said 10th Ward Alderman John Pope.

"We've had the most success in partnering, truly working as a team, with the property owner, developer, and representatives from the City. Redevelopment plans need to benefit everyone, so it becomes imperative that the people who will be directly affected are involved. This means residents, the local labor

force, store owners, schools, every voice that makes up a neighborhood."

Another example of community involvement is Local Industrial Retention Initiative (LIRI) organizations. They are community development professionals working across the City in close collaboration with manufacturing companies and the City to prepare specific improvement plans.

Continued on page 24 >

velopment is an example of how environmental insurance is being applied to brownfield sites to ease the uncertainty of the remediation and revitalization process. The site had a transformer that was leaking oil and 520 linear feet of asbestos-containing pipes. Under the environmental insurance policy, the company will pay the first \$500,000 for the cleanup, the City will pay anything above

that up to \$1,500,000 and the insurance will cover the remediation costs in excess of this amount. Aramark chose the site over two others in the region and will work with local schools and the Chicago Park District to improve the area.

THE CHICAGO JOB CORPS CENTER

Developing Skilled Workers
3350 S. Kedzie Avenue

The Chicago Job Corps Center, a job training facility and residence, sits upon this 17.5-acre campus, once a parcel of undeveloped but contaminated land along the Chicago Sanitary and Ship Canal. A \$2 million public investment by the City of Chicago led to a \$25 million vocational school built by the U.S. Department of Labor, which runs the Job Corps facility.



A partnership between the City of Chicago and the U.S. Department of Labor led to the creation of the Chicago Job Corps Center

✦ FINANCING

Chicago has taken on some ambitious brownfield projects and some ambitious financing, notably the \$50 million HUD Section 108 loan. Borrowing against development can be a bigger financial risk than the environmental one. The clock immediately starts ticking on the time to develop and create jobs, generate property tax, and repay the loans. Indeed, some sites have big risk profiles, but the City views these cleanup and development efforts as the right thing to do. Following Chicago's lead, other cities have explored the use of HUD Section 108 Loan Guarantees to fund brownfield projects or restore wetlands and ecosystems adjacent to brownfield sites.

Brownfield developers can take advantage of a number of incentives enacted to reduce the financial burden of remediation and redevelopment:

- *Property Tax Abatements.* The City's assertive use of targeted property tax abatements has allowed developers to finance deals that otherwise would have been cost-prohibitive.
- *Federal Tax Initiative.* The Federal Tax Initiative is a deduction against taxable income applicable to remediation costs.
- *Illinois Tax Incentive.* The Illinois Tax Incentive is a transferable tax credit of 25 percent against eligible remediation costs.
- *Cook County Property Tax Incentive.* Cook County has a property tax incentive that reduces the assessment rates of brownfield redevelopment to 16 percent of the market value for up to five years resulting in a 55 percent annual tax savings. This county incentive can be extended for an additional 10-year period if combined with other programs.

- *Tax Increment Financing (TIF).* TIF is a method of funding public and private investment in blighted areas in need of municipal intervention. In order to stimulate new development in these areas, TIF allows for the capture (for a period of 23 years) of all new tax increment revenues generated by that new development to fund public improvements or to repay, over time, the municipal commitment made to private developments.

As new private investments add new tax increment to the area, these revenues are placed in a special fund that can only be used for public and private purposes as permitted by the TIF Act (State legislation). TIF is a tool municipalities can use to generate new private investment in areas where it would not likely occur in the current marketplace. TIF does not, as a direct result of this new private investment, raise the taxes of other adjacent properties as a result.

✦ ENVIRONMENTAL INSURANCE

This is a new tool that principally benefits the private sector — the City has never bought it, but some deals have hinged on it. The insurance protects in two ways, offering a cost cap if cleanup exceeds estimates, and offering protection against unexpected conditions — if an underground storage tank is found where it wasn't expected, for example.

Environmental insurance is another tool that makes these projects more certain by helping a developer better quantify costs, as was the case with the California Avenue Business Park development. And although no EPA Showcase funds were spent on The International Amphitheater/Aramark site, development was contingent upon the availability of environmental insurance.

LEGISLATION

Chicago's experience has had a direct impact on legislation: state and local laws and economic incentives have been developed to encourage brownfield redevelopment. For example, environmental, water and demolition lien statutes are used in judicial sales, and the City's eminent domain reform, used in the majority of negotiated sales, makes site acquisition less difficult.

A 1995 state law that changes liability standards for redeveloping Illinois' contaminated sites has sparked developers' interest in brownfields. The law limits their liability for pollution they did not cause.

The role of local officials is also important in the redeveloping of sites. Aldermen contribute to changes in legislation for the acquisition authority of the parcels. They also help with the creation of new zoning and,

oftentimes, with the designation of developers and the negotiation of contracts for development.

Contracts between the City of Chicago and developers always contain "clawback" provisions — contingency clauses under which the entity developing the land may not back out of the deal unless it compensates the City for the expenses made to accommodate its needs. These provisions have teeth to hold companies, developers and the City accountable to one another.

PRIORITIZATION OF SITES

Cities must prioritize which sites to proceed with based on a number of factors, including ease of acquisition, availability of funding, complexity of cleanup, redevelopment potential and timing. Of course, a major consideration is the contamination itself — depending on the type of contamination, the environmental condition of a site often worsens over time.

SIMULTANEOUS ENVIRONMENTAL ASSESSMENTS

Chicago's large brownfield portfolio didn't limit its development progress. By conducting initial environmental assessments simultaneously on numerous sites, the City quickly had an overall view of sites that would require further action. This method also allowed for assessment of the scale of contamination in numerous sites. As a result, the sites that didn't require cleaning could move right from assessment to development. The benefit of such a method is that while some projects had to follow the established pace of sampling, risk assessments and remediation, others could fast-track to marketing and redevelopment.

COORDINATED, INNOVATIVE CLEANUP TECHNOLOGIES

Like most cities, Chicago employs the standard cleanup methods of excavation, landfilling and capping. Through the matching of remediation to industrial use standards and the use of engineered barriers and institutional controls which direct the redevelopment restrictions the City places on a site, cleanup costs are minimized. In addition, the City has explored a number of new technologies including in-place oxidation, bioremediation and phyto-remediation. These methods take longer, so they are not always practical, but they are less costly.



Future site of the California Avenue Business Park

THE FUTURE OF BROWNFIELDS

The return on our efforts and investments in Chicago can be measured not only in dollars, but also in the pride, confidence and spirit of its residents. The Chicago Brownfields Program is an investment that will continue to contribute toward making this beautiful place the City of yet another century.

The City of Chicago has led the brownfield movement by example. In 2000, Mayor Richard M. Daley, while President of the U.S. Conference of Mayors, made brownfields a national priority. The innovations and successes developed here can be transferred to other cities or municipalities.

The Brownfields Initiative's next steps are to increase the effectiveness of land use; to encourage our communities to take an active role, becoming even more involved in revitalizing their neighborhoods; and to attract more developers to see what investing in the future is all about.

Chicago is on its way to becoming the greenest city in the nation. This

means a constant renewal of its land and resources. Every dollar going into a brownfield site is an investment that will bring a return not only of more jobs, neighborhood revitalization and increased tax revenue, but of a more livable city with a brighter future as well. ♡

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RECYCLING OUR PAST, INVESTING IN OUR FUTURE

