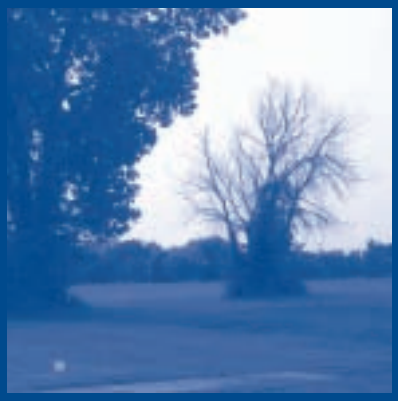
TECHNICAL ASSISTANCE PANEL

JULY 6, 10 AND 17, 2006









CAMPAIGN FOR SENSIBLE GROWTH







ULI

BUILDING CONNECTIONS TO REVITALIZE THE EAST SIDE AND HILL COMMUNITIES

CHICAGO HEIGHTS, ILLINOIS

ULI Chicago
A district council of the Urban Land Institute

ULI Chicago, a District Council of the Urban Land Institute, has more than 1,300 members in the Chicagoland area who come together to find solutions and build consensus around land-use and development challenges. The Urban Land Institute's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI Chicago gratefully acknowledges the support and ongoing assistance of its Sustainers:
Chicago Title Insurance Company
Crown Community Development
Epstein
LaSalle Bank
OWP/P, Inc.
Shefsky & Froelich Ltd.
The Walsh Group
U.S. Equities Realty



The Campaign for Sensible Growth is a coalition of government, civic and business organizations promoting strategies to enhance the economic vitality of the greater Chicago region while preserving open space, minimizing the need for costly new infrastructure, and improving the livability of communities.

More than 200 organizations and 1,000 individuals are members of the Campaign, including ULI Chicago. The Campaign is co-chaired by the Metropolitan Planning Council and the Chicago Metropolitan Agency for Planning.

The Campaign thanks the following supporters of Its technical assistance work:
The Allstate Foundation
Bank of America
Gaylord and Dorothy Donnelly Foundation
The John D. and Catherine T. MacArthur Foundation
McCormick Tribune Foundation
Washington Mutual

BUILDING CONNECTIONS TO REVITALIZE THE EAST SIDE AND HILL COMMUNITIES

CHICAGO HEIGHTS, ILLINOIS

CONTENTS

1 CHICAGO HEIGHTS TECHNICAL ASSISTANCE PANEL

1 PROBLEM STATEMENT

4 THE TAP CHARGE

5 VIEW FROM THE GROUND

6 THE EAST SIDE AND HILL NEIGHBORHOODS

8 SPONSOR PRESENTATIONS AND COMMUNITY INTERVIEWS

10 MOVING FORWARD: LEADERSHIP, LEGACY AND LEVERAGE

24 REACTIONS AND QUESTIONS

25 RECOMMENDATIONS

CHICAGO HEIGHTS TECHNICAL ASSISTANCE PANEL

New First Community Development Corporation (CDC) and the City of Chicago Heights, Ill., approached ULI Chicago and the Campaign for Sensible Growth to conduct a Technical Assistance Panel (TAP) in the summer of 2006. New First CDC was established in 1999 under the leadership of Bishop Robert Sanders. The CDC's mission is to build a sustainable Third Ward community in an under served and disinvested area of Chicago Heights by spearheading neighborhood redevelopment efforts through its plans to build a high-tech Family Learning Center complete with technology and literacy programs, child and elder care services, in addition to mixed-income, single-family affordable housing. Commercial, retail, and light manufacturing development is also in the CDC's plans. At the behest of the CDC, the panelists met July 6, 10, and 17 to address ways to rebuild, strengthen and connect the East Side and Hill neighborhoods to each other and the rest of the city. The panelists took walking tours, interviewed residents and business owners, and brainstormed recommendations.

PROBLEM STATEMENT

The charge of the panel was to strengthen and connect the East Side and Hill neighborhoods and create comprehensive development and implementation strategies for the city and its neighborhoods.

Chicago Heights' elected officials, business leaders, and residents have a tremendous desire to move forward with citywide economic and community revitalization. The city's leadership has also expressed a strong commitment to the redevelopment of the East Side neighborhoods, in particular. New First CDC's parent organization, New First Church of God in Christ, has served the community for over 80 years, having been established in 1920. Having deep roots in the community, New First CDC has embarked upon an ambitious plan to revitalize the community utilizing public and private resources in Phase I of the project to build a high-tech Family Learning Center and develop mixed-income, single-family affordable housing. The rich resources and social capital of New First CDC provides an opportunity to harness the potential within the East Side and Hill neighborhoods.

"I would like to hear thoughts on how we're going to possess the land, not if we're going to do it, because we're going to do it. We want to revitalize and restabilize the community."

BISHOP ROBERT SANDERS

Economically, the community retains a significant industrial sector bolstered by the recent $2 million Federal Express expansion and a $1.3 million renovation of Olympia Foods Industries. At the time of the TAP, the city council was poised to create a TIF district on the East Side to support new industry and business expansion. (The TIF expansion was subsequently approved in August 2006). The community is well positioned to capitalize on its railroad access and intermodal opportunities, as several Class I freight routes converge in the community and are already serving local industries. In addition, new commuter service is proposed for Chicago Heights. In fact, Chicago Heights would be the beneficiary of two new commuter routes: Metra's SouthEast Service (SES) and STAR (Suburban Transit Access Route) lines. The pro-





(Above) Faith-based New First Community Development Corporation is leading redevelopment efforts with the City of Chicago Heights.

Key challenges

- *Economic and social disinvestment*
- *Deteriorated building stock*
- *History of friction and mistrust*

Key strengths

- *Industrial base*
- *Rail lines (commuter and industrial)*
- *Diversity*
- *Community commitment*



(Above) Vacant and architecturally significant buildings pepper the streets of downtown Chicago Heights, which lies adjacent to but disconnected from the East Side and Hill neighborhoods.

posed SES Line would provide new service from Chicago to eight south suburban communities, with a train station planned for Chicago Heights' historic downtown area. Metra's STAR Line, which would eventually establish suburb-to-suburb connections through the northwest, west and south suburbs, would also pass through Chicago Height's downtown area. These two new train stations will likely be positioned near each other (between Halsted Street and Chicago Avenue and Lincoln Highway and 26th Street), creating the potential for a hub of retail and residential development restoring the legacy of downtown. The transportation infrastructure could jump-start private investments, and bring jobs, retail and other transit-oriented development (TOD) benefits to the immediate area.

Other amenities near the East Side and Hill neighborhoods include Prairie State College, Chicago Heights Public Library, St. James Hospital and Health Centers, Olympia Plaza Shopping Center, the adjacent Indian Hills Forest Preserve, Chicago Heights Golf Course, a 12,000-square-foot recreation center, and two baseball fields. Several large employers such as Ford Motor Co., Chicago Stamping Plant, ConAgra Foods, and other manufacturers are also in the vicinity.

A core strength of the city of Chicago Heights is its diverse population and immigrant roots, which are especially prevalent historically within the East Side and Hill neighborhoods. Chicago Heights was the destination of many immigrant groups, attracting Irish, Italian, Slovak and Polish workers in the 1940s and 50s attracted by

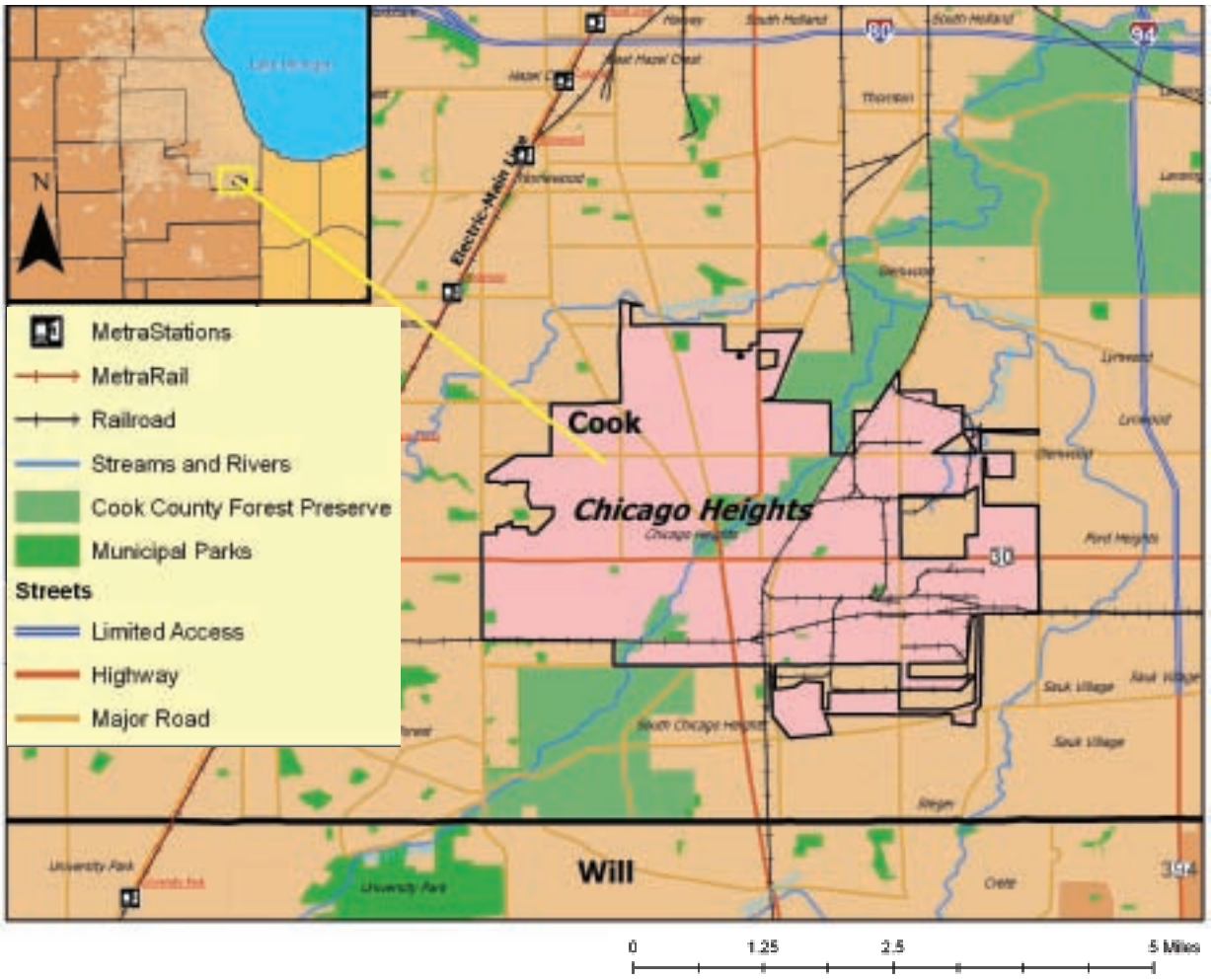


Figure 1: Chicago Heights Regional Map

plentiful manufacturing and industrial jobs. As a result, the city became the quintessential melting pot; a place to raise a family, work, and experience the American dream. Unfortunately, Chicago Heights has suffered serious declines from economic and social disinvestment locally and a shrinking manufacturing sector nationally. The prosperity realized by earlier generations has drastically lessened for the residents residing in Chicago Heights today. Currently, the East Side and Hill neighborhoods, the focus of this report, have felt the strains of decline in manufacturing, although there has been some rebirth of late. The building stock has deteriorated, housing is dormant, and population is declining.

The key challenges facing Chicago Heights are to devise a comprehensive and systematic plan to reinvigorate the community by extending its industrial strengths to housing and retail, and better connect the now-separate East Side and Hill communities into one, vibrant whole.

THE TAP CHARGE

The community specifically asked for the TAP to address the following issues:

1. Recommend ways to strengthen and connect the East Side and Hill neighborhoods:
   - How can the East Side and Hill neighborhoods be encouraged to work together to create one community where two now exist?

2. Recommend development and implementation strategies:
   - What are the roles for New First CDC, as a "senior stakeholder," the City of Chicago Heights, and other major stakeholders?
   - How can New First CDC and the city meaningfully engage the community (including businesses) while responding to the realities of investment economics?
   - Can New First CDC relocate the Housing Authority of Cook County's public housing residents, and, if so, how should that be reflected in the master plan?

3. Assess market potential:
   - What are the key market areas and assets?
   - What types of housing should be built?
   - What types of retail and commercial development should be sought for Lincoln Highway (U.S. Route. 30)?
   - Is there unmet demand or competitive advantages for industrial/business reinvestment?
   - What are the priority sites and best uses for those sites?

4. Recommend planning and design strategies:
   - How can the plan be both internally cohesive and connected to the broader region?
   - How can the plan incorporate design guidelines organic to the area?
   - What should the land preparation strategy be, including funding sources?
   - How much does environmental contamination constrain development?





Decades-long neglect and economic disinvestment led to foreclosure and abandonment of many homes (top) and businesses (above).

VIEW FROM THE GROUND

Chicago Heights is a diverse community of approximately 33,000 people. Established in the early 1890s by a group of Chicago developers led by Charles Wacker, Chicago Heights attracted large-scale heavy industries such as Inland Steel, as well as the Italian, Polish, Irish, and African-American workers to staff the plants. Many of these workers and their families settled in the East Side and Hill neighborhoods, near the factories along State Street. The city enjoyed post-WW II prosperity and the benefits of a solid middle class that a strong manufacturing sector helped create. The thriving downtown included many bustling businesses, as well as the Hotel Victoria, which gained notoriety when the late Supreme Court Justice Thurgood Marshall was denied entry because he was African American (although the hotel later relented).



The once-thriving "heart" of the East Side neighborhood: the intersection of Wentworth and U.S. Route 30.

During the panel tour, area native Eulaletta Johnson-Pickett recalled when Wentworth Avenue, in the heart of the East Side neighborhood, was a bustling strip, with a grocery store, ice cream parlor, tailor shop, tavern, and other businesses. Most people, she said, lived in nearby apartments and worked on the next block in manufacturing plants. "You had a lot of co-mingling here because this was a centralized point," she said.

However, as the steel mills closed their doors, and manufacturing overall declined, the city began to suffer. The area met its demise, said Johnson-Pickett, "when urban renewal came," leading to vacant lots and boarded-up buildings, as the federal government bought houses for less than their market values, promising to replace them with row houses that never materialized. Pillars of the community decamped for other suburbs, Johnson-Pickett explained, and instead of the promised row houses, the government built "middle-income" apartments the middle-class did not want, which were later razed. "Middle-income people did not want to live near the poor," she said. "College-educated people did not return."

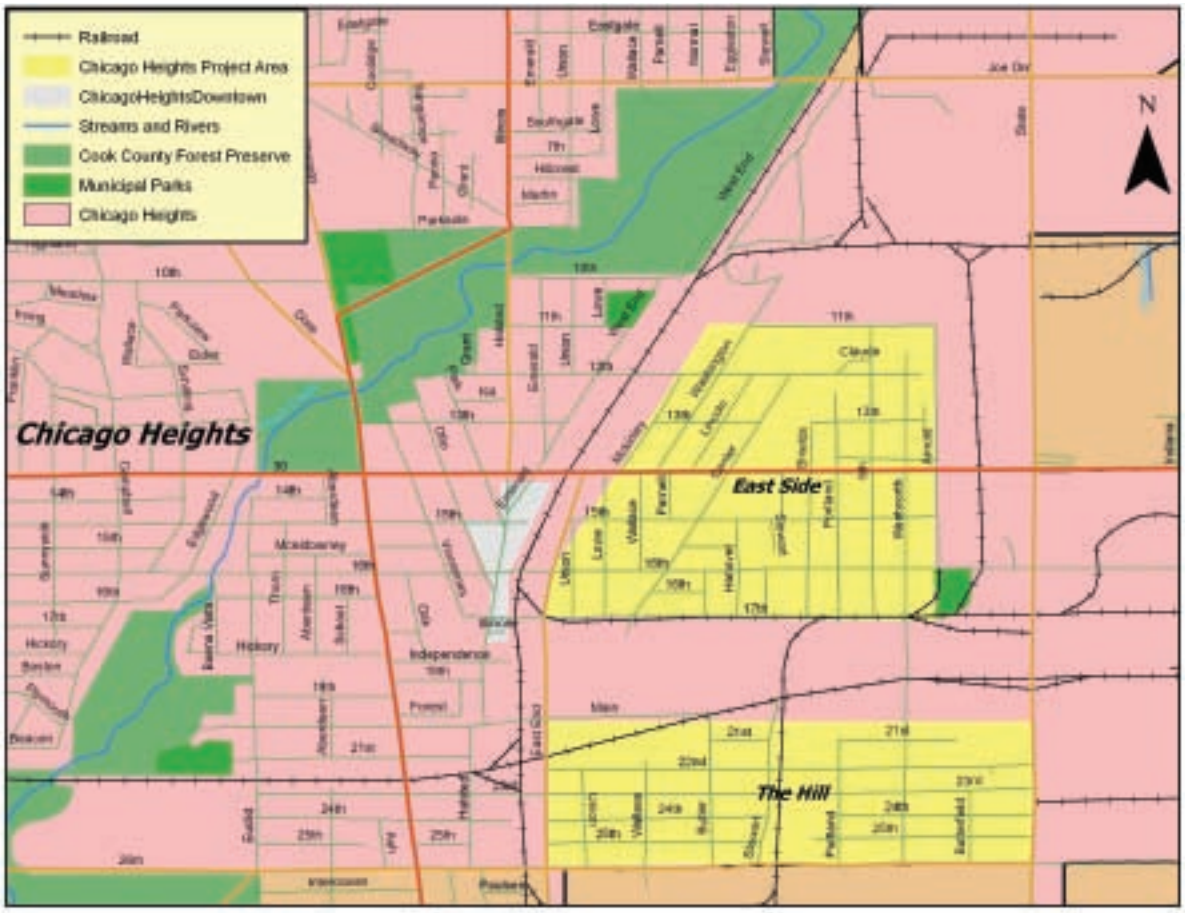
By 2000, Chicago Heights had a population of 32,776, according to the U.S. Census, down from its peak of more than 40,000 residents in 1970. In 2005, the city's unemployment rate was 9.6 percent, nearly 4 percentage points higher than statewide averages. The median household income stood at $36,958 and the median home value was $94,800. The individual poverty rate was 17.5 percent, compared to the national poverty rate of 12.4 percent.

THE EAST SIDE AND HILL NEIGHBORHOODS

The TAP panel recommended building strong connections between the two central neighborhoods of the East Side and the Hill. Bounded roughly by Halsted Street on the west, 17th Street to the south, State Street to the east, and Joe Orr Road to the north, the predominantly African-American East Side neighborhood has suffered continued disinvestment during the past three decades. Many living within the community reside in the Housing Authority of Cook County's public housing complexes. According to the 2000 Census, nearly one-fourth of neighborhood residents were unemployed, nearly half had no high school diploma, and the median household income was 35 percent lower than Chicago Heights' as a whole.

The Hill is immediately south of the East Side, extending south to 26th Street from Halsted to State, yet separated from the East Side by rail lines and 17th Street industries. Historically, the Hill neighborhood was established by the Italian community, and includes the boyhood home of Phoenix Suns' owner Jerry Colangelo. Primarily an Hispanic neighborhood today, it is relatively stable, although it too has suffered from disinvestment. The area is served by small retail and service providers, and has mostly single-family

Figure 2: Chicago Heights Project Area Map



The panel's study area was officially the East Side and Hill neighborhoods — separated by vacant space, industrial properties, and railroad right-of-ways. Very quickly, however, the experts saw the relevance of surrounding rail lines, proximity to downtown, commercial arterials, and the forest preserves.



homes and two and three-flat apartment buildings.

The heavily industrial State Street corridor is the eastern border of both the Hill and East Side. State Street contains several growing small industries, including the Sugar Steel Corp. During a tour of the area, Bishop Sanders pointed to a now-shuttered factory that once made 93 percent of the food processing chemicals in the United States, and a glass factory that once employed hundreds. Joe Kudra, director of economic development for the City of Chicago Heights, provided some encouraging news: although the industrial sector has been in decline, job loss has leveled off. As previously noted, recent investments in the area include the $1.3 million renovation of Olympia Foods Industries and the $2 million expansion of FedEx Freight, which are both at State Street and Joe Orr Road, as well as pending construction of the QCSA Auto Auction on a recently annexed 21.5-acre parcel. The entire city of Chicago Heights is a federal enterprise zone, while the other major incentive to new companies is the Cook County Class 8 South Suburban Tax Reactivation program for tax delinquent commercial and industrial properties.





(Above): The Chicago Heights Hill District — largely Hispanic — includes neighborhood retail and service establishments catering to a local market. (Top) The East Side and Hill neighborhoods are flanked to the east by the heavily industrial State Street corridor.

"We quickly realized that we could not be successful without a more comprehensive strategy. The East Side needs more core housing, retail, and other amenities ... We can't build a $400,000 home in the middle of the projects and expect people to buy it."

Rosa Mason, Executive Director, New First CDC

SPONSOR PRESENTATIONS AND COMMUNITY INTERVIEWS

The challenges in the East Side neighborhood are not to be discounted. "It's a fairly decimated area. It's in horrible condition," said Reginald Waters, director of community relations for New First CDC, during a presentation to the panel. "You don't go to another level, you go to another dimension."

Despite these hurdles, Waters said, New First is moving forward with plans for a community Family Learning Center and "housing that people are proud to come back to." Just south of Lincoln Highway (U.S. Route 30) on Wentworth Avenue, the CDC envisions a senior center, with a social service center nearby. A planned youth center would give neighborhood youth "something to look forward to, something tangible," said Bishop Sanders, who reported the CDC would like to spur additional housing development on the vacant parcels in the area. He also informed the TAP panelists the CDC had already identified a builder, architect and planner willing





to help them move forward, and were "on the brink" of receiving initial funding to begin building, even while continuing to plan. Kudra confirmed the city was "extremely excited about reinvestment proposals and moving forward on the East Side," noting the area's strong industrial sector and predicting the city council would support the creation of a TIF district to spur economic development at an upcoming city council meeting. (The city council approved the TIF on August 22, 2006.)

"However," said Rosa Mason, executive director of New First CDC, "we quickly realized that we could not be successful without a more comprehensive strategy." The East Side would need more housing, retail, and other amenities, with the nearest grocery store 15 blocks away. "We can't build a $400,000 home in the middle of the projects and expect people to buy it."

New First CDC Consultant Toi Hutchison called on the panel and community members to view economic development as a regional issue. She

The panel noted the adaptive reuse potential of old, architecturally significant buildings in and around the study area. (Left) A terra cotta façade on a downtown building is worth preserving. (Above) A corner "gem" in the Hill District.



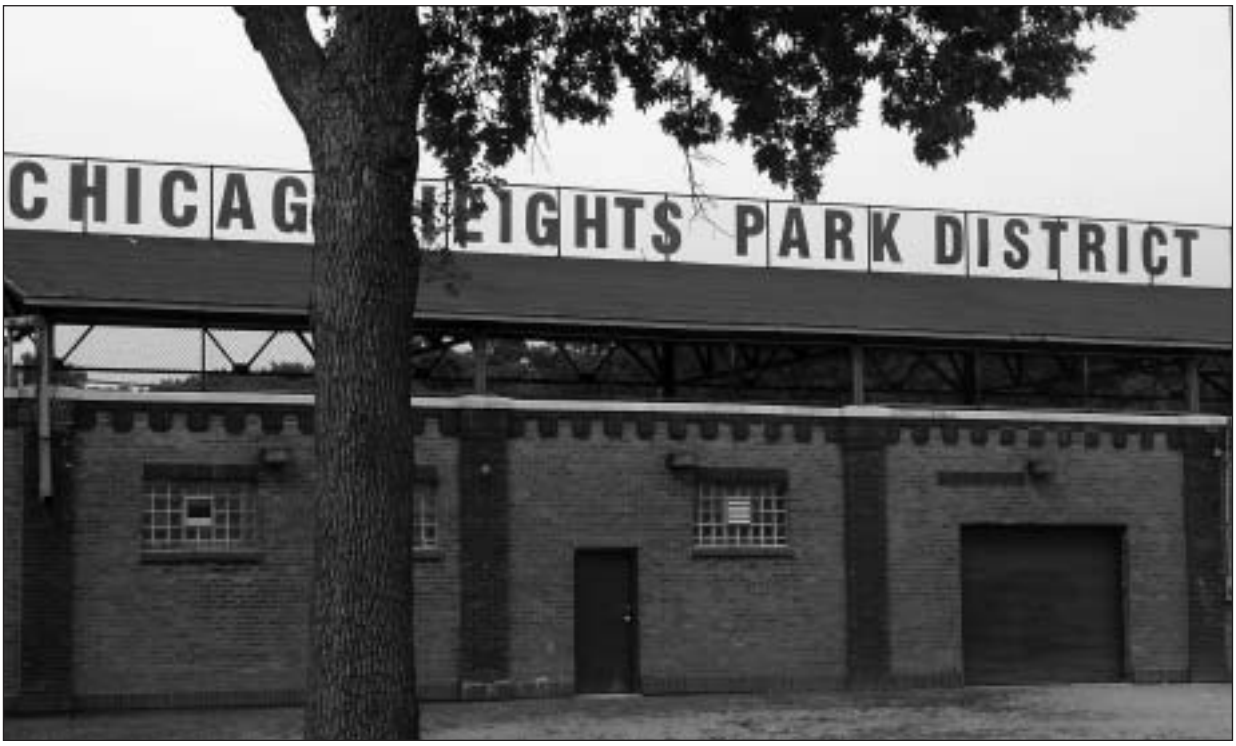
U.S. Route 30 is an east-west arterial that connects the East Side and Hill neighborhoods to the industrial sections on the east and the downtown on the west. The panel recommended major redevelopment activity along the road.

also spoke of the importance of bridging differences in cultures and economies if communities are to work together effectively. The region, she observed, has relatively high poverty rates and high demand for social services, but has had difficulty drawing the same resources as the city of Chicago. "We face many of the same issues [as low-income families in Chicago]. We can't do this on our own. We need broader participation and buy-in. We are all inextricably tied to one another."

Community members noted the potential for reuse of existing, vacant, or older buildings. Then-Third Ward Ald. Kevin Perkins, for example, saw potential in several East Side buildings. He also recognized the need for new retail and commercial development along Lincoln Highway (U.S. Route 30) and pointed to areas along State Street for industrial expansion. Business owners stressed the need to stem business flight from Cook to Will County, and urged the community to create incentives to offset a 3:1 tax ratio and other competitive disadvantages. Kudra, however, reflected that not all businesses need incentives: a recycling plant, for example, recently moved into a low-cost industrial space and hires local people without assistance. A recent study showed that 30 to 35 percent of industry employees in Chicago Heights live in the city. Prairie State College, the nearby community college, also works regularly with businesses to design relevant classes and programs, which can help connect local residents to area jobs.

Housing remains an issue in both neighborhoods. Community members suggested developers could buy old homes, tear them down, and put in new housing for those seeking "starter" homes. Three local employers, including the largest employer in the city, St. James Hospital and Health Centers, offer employer-assisted housing programs to help their employees purchase homes in the area.

The East Side, some community members thought, suffers from the stigma of being a rental community and needs homeownership opportunities to counter that. Two apartment-



building owners agreed there was a stigma to rental properties, yet observed that demand was extremely high, with waiting lists for their buildings. But, in spite of the market demand, their plans to expand rental housing for the community had been met with resistance. They offered that any new development near either of the two proposed train stations would need to be denser and include multifamily housing to attract retailers. "A few single-family homes here and there will not improve the community significantly," said one local housing developer.

Despite these and other hurdles, Bishop Sanders reiterated the community's commitment to moving forward. "We're not saying, 'if' we're going to do it, because we are going to do it. We want to revitalize and restabilize our community." As the city's director of economic development told the panel, "Show us the way, and we'll try to implement it."

MOVING FORWARD: LEADERSHIP, LEGACY AND LEVERAGE

Although the challenges are real, the TAP noted three key strengths on which the community can build: leadership, legacy and leverage. The strong leadership in the CDC and the city can help shape the redevelopment vision and ensure its progress. The CDC can assume a leadership role and position itself for success by building on its deep connections to the community and reaching out to other resources in the community and region. The community's legacy is one of racial and ethnic diversity, with strong working-class roots. This heritage should be reflected within plans to bring back the East Side and Hill neighborhoods to their former glory, embedded in its identity and culture. The community can also take advantage of its many assets, leveraging community commitment, available land, rail lines, strong industrial base,





"Unity in numbers," said the panel — bring together multiple and diverse stakeholders to achieve success, including neighborhood churches (left), and major employers such St. James Hospital (right) and public agencies.

and extraordinary site opportunities to achieve an economic renaissance.

Recommendation 1: Position the CDC for success. The panel recommended the New First CDC begin to position itself as the anchor institution driving redevelopment on the East Side. Specifically, the panel recommended:

- expanding collaborations with a range of service and resource providers, not only in Chicago Heights but throughout the region and state;
- prioritizing projects by working with community stakeholders to gain their input;
- inventorying existing CDC and church-based programs to gauge their impact and connections to other community resources to avoid duplication and allow the CDC to strategically locate services; and
- aligning the CDC's strategic and tactical plans to those of the city and other stakeholders so everyone is literally on the same page.

Recommendation 2: Gain community input, foster collaboration, maximize leadership. The panel advised convening an initial community summit of residents, business owners, and others from both the East Side, the Hill, and beyond to identify main goals and develop a shared vision of desired outcomes for development. Bringing together a variety of constituencies, the summit would help to gain commitment from many voices, building on the city's heritage and current cultural and ethnic diversity. The summit could help marshal resources and unite various community organizations, including faith-based alliances, the Leadership Council, Southland Chamber of Commerce, South Suburban Mayors and Managers Association, Hispanic Leadership Council, and others.

Recommendation 3: Create a comprehensive economic redevelopment strategy. A first step in developing a comprehensive economic strategy is for New First, the city, and stakeholders to review the city's master plan for any zoning or other needed changes. While the Master Plan

Economic Strategies

- *Build on community strengths*
- *Expand the resource base*
- *Develop an implementation structure that is realistic, inclusive, and financially feasible*
- *Look to adaptive reuse*
- *Embrace different cultures*
- *Expand engagement with public and private partners*









The panel recommended creating a comprehensive economic strategy — aligned with a master plan — so investors know how and where the community wants to grow.

may be adequate, what is important is the strong signal to potential investors that there is predictability in the community and a desire to spur growth. In partnership, they should ensure, or create, as predictable and efficient a process as possible for developers and others interested in investing in the community. Public-private partnerships will be key to moving plans forward, as will identifying foundation and government funding opportunities.

The panel recommended an economic strategy for the community that focused on building community strengths, expanding the resource base, and incorporating adaptive reuse of abandoned or underutilized properties. The panel also underscored the importance of drawing on the community's vibrant industrial base, recommending expansion of the industrial focus. "The panel sees the industrial [sector] here as a real opportunity ... a source of tax dollars and jobs," said Sidney Dillard, the panel's chair and senior vice president of corporate finance for Loop Capital Markets. Finally, given the city's limited resources, it should only engage in projects with

a demonstrated need and long-term financing prospects.

Recommendation 4: Assess potential opportunity in brownfield redevelopment. Given the industrial history of the community, its numerous abandoned structures, and the city's incentive programs (enterprise zone, Cook County Class 6b, 7a, 7b, 8 and TIF), the panel recommended expanding the use of brownfield funding and resources. The U.S. Dept. of Housing and Urban Development and Environmental Protection Agency offer programs to help communities redevelop abandoned, idled and underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination.

Well-planned reuse of these abandoned parcels could be a key strategy in revitalization plans for the community, especially as sites for residential growth. The East Side and Hill include or are bordered by industrial properties, and the city has identified roughly 15 potential brownfield sites along State Street, Center Avenue, 17th Street, and East End Avenue. In addition, former gas stations and dry cleaners have left potentially contaminated sites in key redevelopment areas on Lincoln Highway and Wentworth Avenue. Clean-up of these sites could act as catalysts for adjacent property development.

The South Suburban Brownfields Coalition (SSBC), formed to address brownfields in Chicago Heights and elsewhere, received a $240,000 Illinois Municipal Brownfields Redevelopment Grant for site assessments, soil and groundwater sampling, laboratory services, cleanup activities, and participation in the Site Remediation Program (SRP). In 2005, Chicago Heights received a $200,000 Hazardous Assessment Grant from the EPA.

In all but one location, the AMSCO site at the corner of State and 14th Streets, the community



The area's numerous abandoned industrial sites are opportunities for investors in a modern industrial era, who see the potential for rail and highway transport, which generally traverse both neighborhoods.



The panel recommended the city build on its niche as a unique rail and intermodal link based around light industry.

has yet to perform the initial environmental testing for contamination and other hazards. The panel recommended that Assessment Grant funds be used to evaluate those properties with the highest redevelopment potential.

Recommendation 5: Capitalize and build on existing industrial base. Chicago Heights should capitalize on and build from its strong industrial base, which enjoys three significant competitive advantages in attracting industry: convergence of rail car access, highway access, and plentiful land. The State Street corridor has approximately 1,220 acres of vacant land. It also is home to two direct Union Pacific and NAFTA rail lines, and the city has assembled several tax opportunities for business.

The panel recommended the city continue to build on its niche as a unique rail and intermodal link based around light industry. For example, the city could hire an industrial broker to help achieve its full potential. The planned "Chicago Heights Industrial Corridor," in the innermost ring of the industrial area, would allow the city greater control to attract new industry. The corridor would include the M-1 parcel at 12th and Washington Streets. The city should also consider consolidating industrial attraction and retention into a one-stop shop.



Vacant land with excellent access to rail is a rare commodity in the Chicago area, but is available in the study area.

"Chicago Heights has many hidden assets and could be an intermodal hub," said Janet Protas, a partner with Watermark Development/Baum Brothers LLC and one of the TAP panelists. "Think what you can do if you put some dedicated resources into growing this space."

Recommendation 6: Create a diverse housing market. A key goal for the community's housing market is to create a healthy and diverse mix of multi and single-family homes and rental housing with a wide range of price points. The housing should also be well connected to transit, retail, and community facilities such as parks.

MULTIFAMILY RENTAL HOUSING: Multifamily rental housing is in high demand in the area, which could attract a large pool of active, interested investors. Such demand can also help ensure financing, and rentals could be developed to allow residents to "try before they buy," which can further boost homeownership rates. There is ready capital to invest and finance multifamily rental housing. Many of these products can be used within the East Side and Hill neighborhoods to attract families of higher incomes than current residents, and offer existing families that want to "step up" the opportunity to stay in the community rather than look elsewhere for quality housing options. The panel stressed that a dense mix of single- and multifamily homes at various price points will also be critical to successful retail and commercial development near the proposed train stations, as retailers respond to the market created by residents.

The existing Housing Authority of Cook County (HACC) public housing developments (Bergen, Mackler and Sunrise Homes) should be rehabilitated. The façades could be improved and modernized with new materials, and lighting and landscaping updated. The street grid should be extended to better connect the units with the neighborhood, and existing fencing, which currently serves as both a physical and psychological barrier, should be removed. Community-oriented environmental design can also help curb crime and reconnect residents to the larger



A strong, well-maintained, and diverse housing stock is critical for the viability of the East Side and Hill neighborhoods. (Left) The Cook County Housing Authority public housing development is a focal point of the redevelopment vision. The panel recommended a restoration of the development. (Middle and right) Chicago Heights has a stable housing stock in other parts of the city.



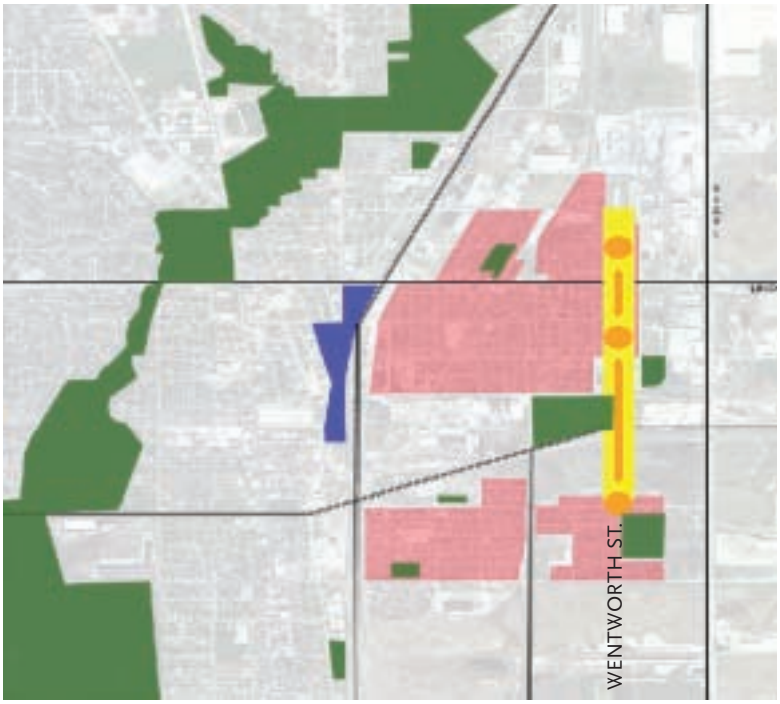


Figure 3: Community Service Corridor

(Top) Rail lines and industrial sites almost entirely. separate the East Side from the Hill District In the map (above), the panel recommended radical improvements to the one through-street — Wentworth — including adding pedestrian facilities and greening.

community. HACC should be directly involved in conducting outreach to tenants, determining the physical condition of the buildings, and addressing management and aesthetics issues.

Senior housing: The panel recommended New First CDC assemble and secure land in the East Side neighborhood, between 5th Avenue and Arnold Street, and from 12th to 15th Street, for its planned senior housing development. The northern portion of the site could be devoted to residential properties and the southern portion to youth services, health care, day care, and the possible relocation site for the church. The centralized locale would integrate seniors into the neighborhood and locate them near services and supports, such as a proposed train station, existing health care, and eventual retail and restaurants. New First should phase in the development, perhaps beginning with a Housing Tax Credit project to prime the residential market, with second and third phases to follow. While tax credit financing subsidizes development costs to create affordable housing, this source of funding can be used to spur mixed-income development that provides housing that serves the income levels of existing residents as well as higher income earners, and may be used to develop affordable senior housing. After housing is established, New First could follow with its planned community center, which would



Where Wentworth meets U.S. Route 30, which are possible sites for new development. The Hill district lies straight ahead on Wentworth.

best be located on Wentworth Avenue (sited between 5th Street and Arnold) along a "community service corridor," linking the East Side and Hill neighborhoods (see figure 3). This centralized location would better connect services to the Hill neighborhood, while guaranteeing access from both communities. The complex should orient outward, toward the community, with parking in the rear.

Recommendation 7: Plan for the retail market to respond to housing development. Retail development on the East Side will likely "follow the rooftops," the panel said. "This is probably not going to be the first part of any development. But it's a necessary part, and it will come," said Protas. Regional intersections along Lincoln Highway, at State Street, Halsted Street, and Chicago Avenue could attract national retailers, while community intersections such as Lincoln Highway at Wentworth could accommodate local stores in smaller spaces. Such an approach will require different planning and marketing "to attract different types of tenants," Protas said.

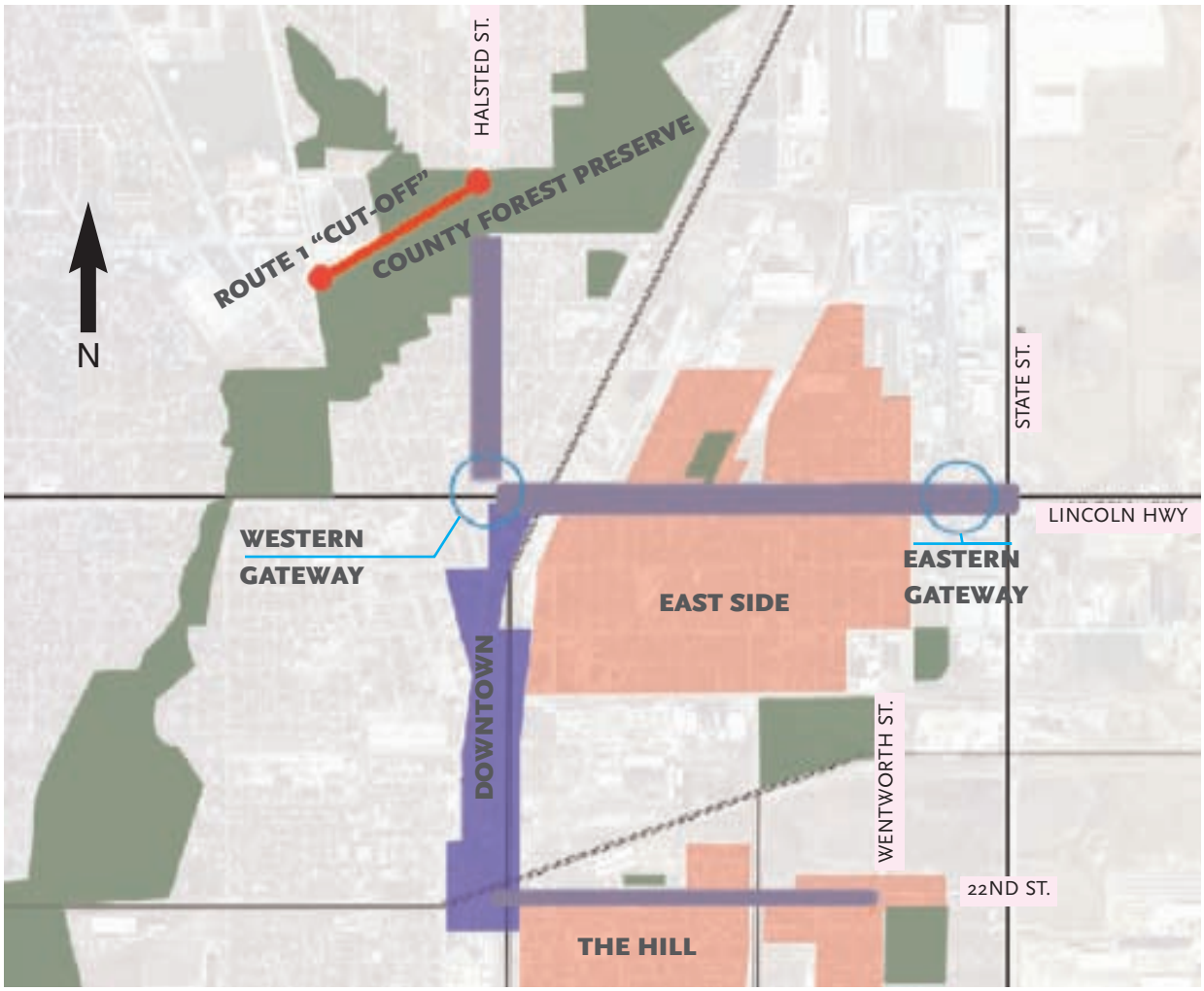
Allowing for added residential density near the proposed train stations downtown, including two and three-flats, would help support retail, and the "transit-oriented, mixed-use development opportunity must not be missed," the panel said. Chicago Avenue and Lincoln Highway, and State Street and Lincoln are key intersections; the latter should be developed with high traffic and parking needs, and a regional consumer in mind; the area has a market for about 22,000 square feet of retail and should not require any mixed use. The retail frontage on Lincoln Highway at Wentworth also needs careful planning; placing the youth and sports facility at that location could serve as an anchor with good visibility. Elsewhere on Lincoln



Looking west along U.S. Route 30 from Wentworth, where the panel recommended major economic development, including a mix of large-scale retail to serve relatively high traffic counts. Downtown Chicago Heights lies straight ahead.

Highway, small, neighborhood-oriented personal and convenience stores would be a good fit. Removing the Route 1 cutoff that redirects Route 1 from Halsted Street to Dixie Highway and diverts about 17,000 vehicles a day away from downtown, could be done through signage and very minor street modification to reroute the traffic downtown. This could significantly boost the traffic counts necessary for retail demand, and improve the economic viability along that failed corridor.

Figure 4: Commercial Corridor



This map shows how U.S. Route 30 (Lincoln Highway) connects industrial State Street (right) to the downtown (shaded "column" at the center) and where the Hill District's commercial 22nd Street (bottom center) also meets the downtown. The angled line with rounded ends (top left) illustrates a traffic diversion around the downtown, essentially cutting daily vehicular trips into the downtown by about 17,000 — not good for business or cultural development. The circles are gateway designations.

The northeast corner of Arnold and Lincoln Highway would be an excellent location for a desperately needed full-service grocery store. The location would likely attract both East Side and Hill residents, as well as those from central and near-west Chicago Heights and the neighboring community of Ford Heights.

In the Hill, 22nd Street could become a viable, smaller-scale neighborhood retail street, as well as be the pedestrian connection for residents to the transit and downtown districts.

Recommendation 8: Connect the communities with development zones, circulation links, and community amenities. How the community is laid out — its use of open space, transit and pedestrian routes — is vital to fostering connections between the Hill and East Side, as well as to creating a vibrant retail and residential com-





U.S. Route 30 is a defining feature in the study area and the East Side's only commercial thoroughfare. To establish a sense of place, the panel recommended gateway designations on U.S. Route 30 at the neighborhood's east and west entrances — Halsted and State Streets, respectively.

"There is great potential to create many different connections, including transit, pedestrian, and open space. These could help tie together currently isolated areas in East Side and the Hill."

Arnie Kakulis, Senior Associate and Planning Manager, OWP&P Architects, Inc.

munity. Planning should focus on connections across and between development zones, pedestrian and vehicle routes, and community amenities. The railway running roughly east to west is currently a physical barrier separating the two communities. However, affordable land and the availability of municipally owned brownfield sites, some of which may qualify for development funding, create the potential for a strong urban fabric connecting the two locations and downtown.

Step 1: Create development zones.
Development zones can be hubs of activity, strategically positioned in different areas of the two communities with clear connections in between. Metra's SES Line train station could spur TOD that helps revitalize the downtown area, as could the STAR Line's station area, although farther off. In addition, the creation of a protected manufacturing district (PMD) or "Chicago Heights Industrial Corridor" (where industrial firms are already located) could help spur industrial development and bolster the tax base.

Lincoln Highway, from the proposed SES Line train station eastward through the East Side to State Street, has "many developable sites," especially near Wentworth. To more clearly identify the area, the community could erect a decorative gateway or similar elements at both ends (see pg. 18). The community could also create a landmark at the railway overpass at the west end. On-street parking, wider sidewalks, street lamps, banner signs, and a tree-lined buffer





The daily diversion of 17,000 vehicles around downtown Chicago Heights (via the Route 1 cutoff to the immediate north), keeps economic and cultural prosperity at bay. The East Side and Hill neighborhoods abut the downtown to the east.

between the sidewalk and roadway would improve both aesthetic appeal and safety, and foster pedestrian activity.

To help lay the groundwork for new development, the panel recommended relocating several facilities. The city should use federal relocation guidelines to phase out the trailer park at the northeast corner of State Street and Lincoln Highway, which prevents the highest and best use of that site. The fire station at that same corner should be moved to Center and Lincoln, unless the industrial area needs a fire station in close proximity. The city could sell the land to finance the relocation. If the move is not feasible, the city should build a police outpost at Lincoln and Center to improve safety. This would enhance pedestrian traffic from the East Side to downtown. The city could also relocate Jirtle Park to the northwest corner of 17th and Wentworth, a site that provides brownfield remediation opportunities and can anchor the newly designated "green pathway" (see Figure 7, pg. 21). The current Jirtle Park at 26th and Union in the southern portion of the Hill neighborhood should be rezoned as part of the PMD for light manufacturing.

Step 2: Create circulation links and amenities. How people and cars move throughout the community is a key element of good planning. Current way-finding signs divert traffic from Halsted Street along the Route 1 cutoff to Dixie Highway, losing thousands of potential customers each day for businesses along Halsted.

The panel recommended several opportunities to build traffic, encourage shopping and dining, and better connect the East Side and Hill communities.

Again, the train stations figure prominently in circulation plans. The panel saw the proposed train stations as hubs, or potentially two nodes, that could become catalysts to downtown and community revitalization, through transit-oriented development investments (see Figure 5 pg. 21). A community circulator trolley could connect downtown, the proposed Metra stations, St. James Hospital, and the industrial jobs along State Street, as well as serve Halsted, Lincoln Highway, Wentworth, and 22nd Street. Improving the safety and appearance of Lincoln Highway and Halsted, and adding traffic-calming devices on Lincoln between Shield and

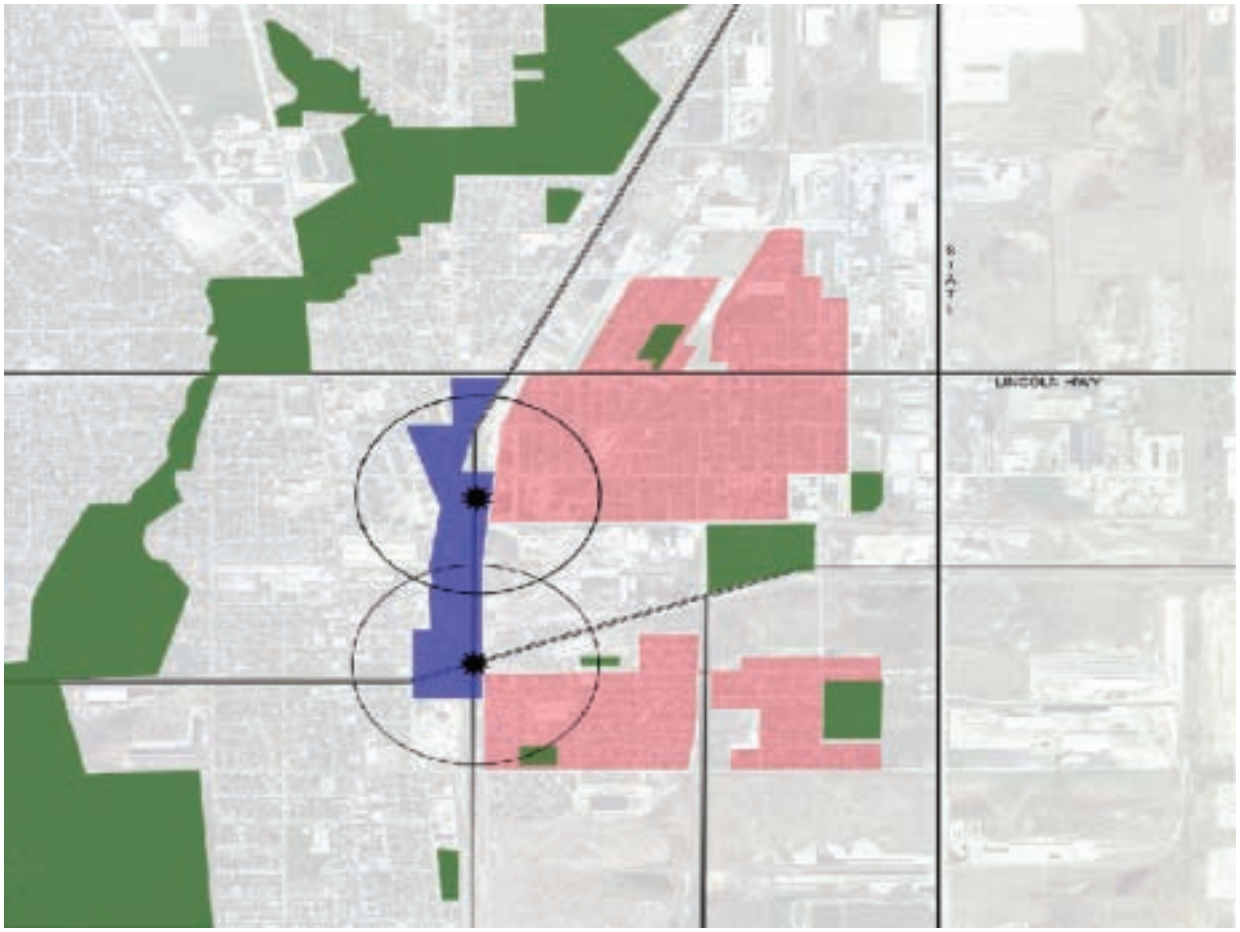


Figure 5: Transit-Oriented Development

The East Side and Hill neighborhoods are inextricably linked to the downtown. The panel recommended holding strong to the long-term vision of transit-oriented development around plans for Metra's SES and STAR Line stations, indicated by the circles.

Center would also benefit development. The community should consider improving the appearance of the Chicago Heights Pace Bus Terminal at 16th and Vincennes, incorporating it into a multi-modal transit center once the Metra station is built and providing easily accessible schedule and fare information to area residents.

Step 3: Create pedestrian routes that connect the East Side and the Hill.

Improving sidewalks and landscaping would help foster connections across and between communities as well. As the only street that ties them together, Wentworth could provide a natural "green walkway" connecting the East Side and Hill neighborhoods. The city could widen the sidewalks, install park benches, and create green space along the street to encourage pedestrian traffic. A relocated Jirtle Park on the northwest corner of 17th and Wentworth could frame this green space. This planned pathway could also connect with the forest preserves northwest of the East Side, a currently underused amenity, with no direct tie to the area (see Figures 6, 7, pg. 22). Creating underpasses and greenways that weave together areas surround-

Figure 6: Pedestrian Connections

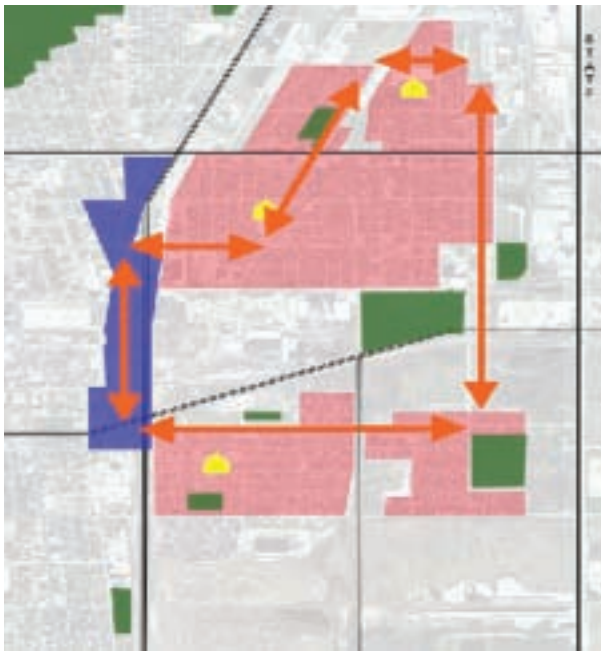


Figure 7 (right): Open Space Connections



Figure 8: Community Hub



Connection was the panel mantra during the two-day intensive session. Recommendations included infrastructure and facilities improvements along logical and viable rights of way to create physical and psychological links between the two neighborhoods and downtown (top left). The "green" connection (top right): Use large sections of Wentworth to link existing and recommended parks and open space in both neighborhoods to the forest preserves to the northwest. Harness the current pedestrian activity along Center Avenue to link schools, a park, and a panel-recommended "community hub (above)."

ing the preserve can help integrate the area. The corridor could also contain the youth and social services facilities, neighborhood commercial properties, parks, and a section of the green pathway.

Additional pedestrian walkways could connect from 26th and Wentworth to the south, northward along Wentworth to 17th Street, westward along 17th to Shield, northward along Shield to 11th Street, and northwestward along 11th to connect to the forest preserve (the latter link may require an easement of the Union Pacific Railroad track). The city could also create biking or walking trails along the rail corridor, which currently separates the East Side and Hill neighborhoods. Creating a recreation path could go far in better uniting the two. The city should also investigate legal means of punishing the "fly dumping" on rail beds and other open space locations.

Another primary pedestrian connection is the stretch along Center Avenue "where people walk already," from the downtown, along 16th Street



The assets of the East Side and Hill neighborhoods include more than industrial land and rail lines. The study area contains a rich blend of parks and open space upon which to build.

northeastward toward 12th Street (see Figure 8, pg. 22). Center Avenue provides an attractive corridor that links both schools in the area. Utilizing its small pocket park, the intersection of Lincoln Highway and Center Avenue could be the location of a community hub, with a farmer's market or other public use facility, tying together transit, newly bolstered retail, and senior and multifamily housing developments on the East Side and closer to downtown.

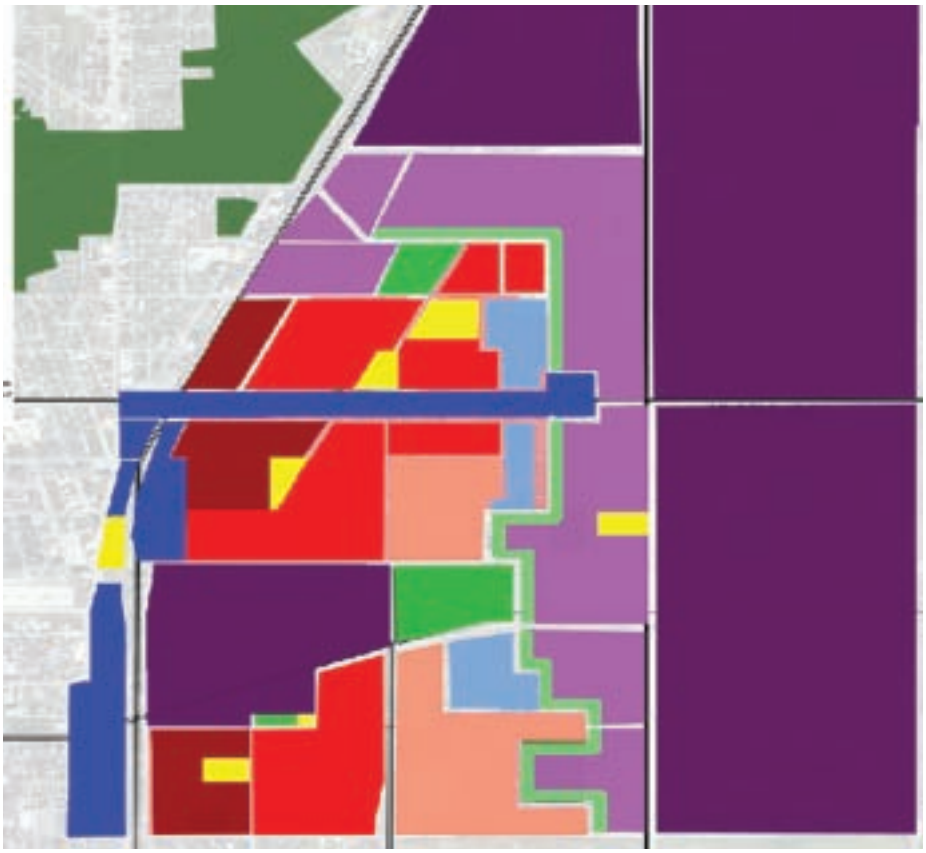
Recommendation 9: Review zoning Zoning is another key tool in sound planning. The panel recommended a proposed zoning map to accomplish several goals (see Figure 9, pg. 24). The city should rezone M-3 heavy industrial areas adjacent to residential streets to M-1 lighter industrial. The city should also create a landscaped buffer around that industrial land to mark the transition from industry to residential, and beautify the area. This buffer might require the city to acquire certain properties through eminent domain or a land swap, which may also increase brownfield remediation opportunities.

Other zoning suggestions included allowing mixed-use development along both sides of Lincoln Highway, from State to Halsted streets, which is already covered under the existing B-district zoning, while taking advantage of brownfield remediation opportunities along that stretch. The M-3 zoning along McKinley to the south of 12th Street and leading to the TOD sites can help link the largely vacant parcels to downtown.

R-4 zoning would be most appropriate along all stronger, higher density edges at major nodes and corridors, such as Lincoln Highway from State to Halsted streets, 22nd Street, and areas adjacent to the TOD zone.

To jumpstart downtown revitalization, the city should create "transit-ready" zoning and assemble land in the downtown area. It should also use zoning to encourage auto-oriented retail and commercial uses at the corner of State and Lincoln Highway and points eastward. This retail could best serve employees of the industries along State Street.

Figure 9: Rezoning



Zoning rewrites are a logical step in community redevelopment. Rezoning recommendations include a mix of residential and commercial zoning for the commercial corridors in the neighborhoods and "transit-ready" zoning downtown. A light industry zoning designation — to accommodate modern industrial uses should buffer residential areas west of State Street.

REACTIONS AND QUESTIONS

Joe Kudra thanked the panel for its work on behalf of Mayor Anthony DeLuca and the city council. "You've certainly given us a lot of food for thought," he said.

Ruth Wuorenma, president of Neighborhood Capital Institute, asked about the city's budget deficit. Although not in the scope of the panel's mission, Panel Chair Dillard said developing the industrial sector could help build the tax base and generate additional income. Panel member Cecilia Mowatt, president of Strategies In Site, Inc., suggested expanding the Chicago Heights Leadership Council "to do more proactive marketing" of the area's logistics and transportation assets. Panelist Alyson Parham, of Partec Consulting Group, suggested New First could tap "a host of resources" to create public-private partnerships that could help spur development.

Mowatt expanded on the recommendation to hold a community summit to identify and understand "who's doing what, what the resources are, [and create] a wish list," she said. "The community is really very well poised based on its legacy." The process of talking and planning, she said, will help tease out commonalities that could create the opportunity for Chicago Heights to brand itself better. "That's the jumping-off point," agreed Dillard. "We'll look forward to hearing about all the great things that will be happening in Chicago Heights."

RECOMMENDATIONS

Recommendation 1: Position the CDC for success. Build on the church's history of 80+ years as a vital community partner and maximize its ties to other leadership entities. Survey its existing programs to gauge their impact, and align the CDC's plans to those of other stakeholders.

Recommendation 2: Gain community input, foster collaboration, maximize leadership. Hold a community-wide summit with citizens and develop a shared vision of community priorities.

Recommendation 3: Create a comprehensive economic redevelopment strategy. Review the city's master plan for any zoning or other needed changes. Ensure or create a predictable and efficient process for developers and others interested in investing in the community. Develop public-private partnerships. The economic development plan should draw foremost on the community's vibrant industrial base. Building on community strengths, expanding the resource base, and incorporating adaptive reuse are also critical. Engage in projects with a demonstrated need and long-term financing prospects.

Recommendation 4: Assess potential opportunity in brownfield redevelopment. Move forward on brownfield remediation by using federal assessment grant funds awarded to conduct environmental impact assessments at several properties with the highest redevelopment potential.

Recommendation 5: Capitalize and build on the existing industrial base. Explore the wealth of underused property and buildings before undertaking any new construction. Define an industrial niche — based on the unique rail and intermodal linkages available for light industry — and package and market its advantages. Create an industrial TIF, and hire an industrial broker to achieve full potential.

Recommendation 6: Create a diverse housing market. Create multi and single-family homes, as well as quality rental housing, at a wide variety of price points, and with connectivity to transit, retail and community facilities. Engage a community builder who can produce financeable multifamily projects. Use Hope VI funds to create mixed-development public and private housing. Address the deteriorating public housing, and stabilize existing residential properties.

Recommendation 7: Plan for the retail market to respond to housing development. Retail will likely "follow the rooftops" housing and industrial development. Focus on a two-pronged approach to retail: national chains in larger spaces and local retail in smaller spaces. Locate a full-service grocery at the northeast corner of Arnold and Lincoln Highway. In the Hill, locate smaller-scale neighborhood retail along 22nd Street.

Recommendation 8: Connect the communities with development zones, circulation links, and community amenities.

1) The possible train station area, and Lincoln Highway from the proposed SES Line train station eastward through the East Side to State Street, are two potential development zones. Relocate Jirtle Park in the Hill to the northwest corner of 17th and Wentworth, as an anchor of a new "green pathway."

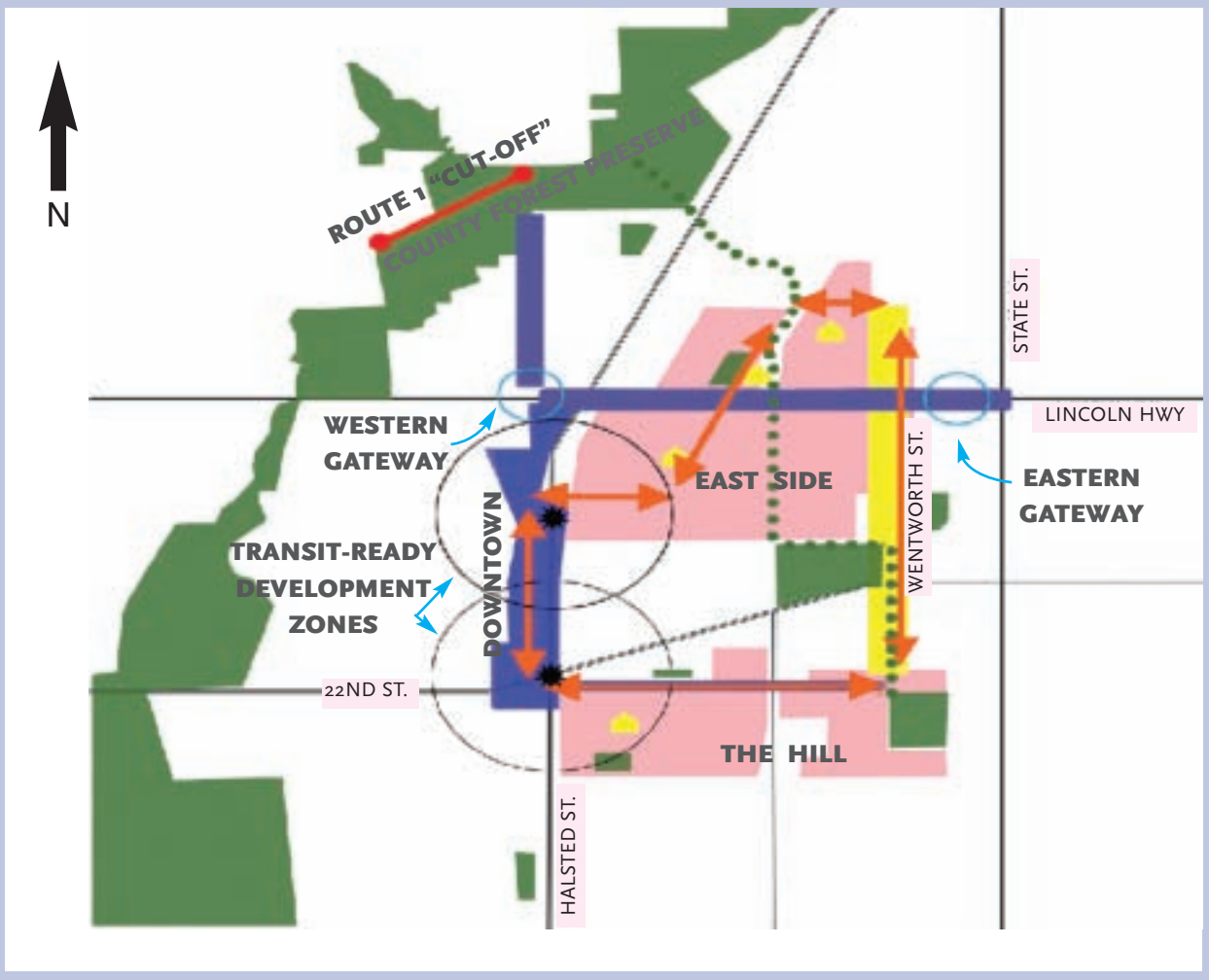
2) The train station also should figure prominently in circulation plans. Develop a community circulator trolley and improve the safety and appearance of Lincoln Highway and Halsted,

and add traffic-calming devices on Lincoln between Shield and Center.

3) Establish greenways, improve landscaping, and create more pedestrian-friendly walkways, focusing first on Wentworth and Center avenues. Wentworth could provide a natural "green walkway" connecting the East Side and the Hill. Create biking or walking trails along the rail corridor.

Recommendation 9: Review zoning. Change M-3 heavy industrial zoning to M-1 light industry adjacent to residential streets, and zone for R-4 along major nodes and corridors. To jumpstart downtown revitalization, create transit-supportive zoning and assemble land in the downtown area.

Figure 10: Connections



This map combines the others in the report to illustrate the necessity of connecting communities and people to achieve growth and prosperity.

ULI CHICAGO AND CAMPAIGN FOR SENSIBLE GROWTH PANEL MEMBERS

Sidney Dillard
Loop Capital Markets
Chicago
Panel Chair

Story Bellows
OWP/P, Inc.
Chicago

Paul Bernstein
MACTEC
Oak Brook, Ill.

Andre Brumfield
Skidmore
Owings & Merrill
Chicago

David Cole
U.S. Department of Housing and Urban Development
Chicago

Kristina Dalman
KB Home
Schaumburg, Ill.

Andrew Geer
Heartland Housing, Inc.
Chicago

Jacquelyne Grimshaw
Center for Neighborhood Technology
Chicago

Arnis Kakulis
OWP/P, Inc.
Chicago

Carrie Makarewicz
Center for Neighborhood Technology
Chicago

Cecilia Mowatt
Strategies in Site, Inc.
Chicago

Alyson Parham
Partec Consulting Group
Richton Park, Ill.

Steve Porras
LR Development Company LLC
Chicago

Janet Protas
Watermark Development/Baum Brothers LLC
Chicago

Henry Webber
University of Chicago
Chicago

CITY AND COMMUNITY REPRESENTATIVES

Mayor Anthony DeLuca
City of Chicago Heights

Joe Kudra
City of Chicago Heights

Rosa Mason
New First Community Development Corporation

Bishop Robert Sanders
New First Community Development Corporation

Reginald Waters
New First Community Development Corporation

CONSULTANTS TO NEW FIRST COMMUNITY DEVELOPMENT CORPORATION

Roberta Nechin
Nechin Enterprises Limited

Ruth Wuorenma
Neighborhood Capital Institute

ULI AND CAMPAIGN FOR SENSIBLE GROWTH PARTICIPANTS

Michael Davidson
Manager
Campaign for Sensible Growth
Chicago

Kristi DeLaurentiis
Manager
Local Government and Community Relations
Metropolitan Planning Council
Chicago

Scott Goldstein
Principal
Teska Associates

ULI Chicago Public Policy Chair
Chicago

Cynthia A. McSherry
District Council Coordinator
ULI Chicago
Chicago

ULI Chicago

Urban Land Institute – Chicago
1700 West Irving Park Road
Suite 208
Chicago, IL 60613
Phone: 773-549-4972
Fax: 773-472-3076
www.chicago.uli.org

Campaign for Sensible Growth
Stronger communities for a stronger region

Campaign for Sensible Growth
25 East Washington Street
Suite 1600
Chicago, IL 60602
Phone: 312-922-5616
Fax: 312-922-5619
www.growingsensibly.org