

LINCOLN HIGHWAY LOGISTICS CORRIDOR STRATEGIC PLAN

August 30, 2018

AGENDA

- I. Introductions
- II. Background
- III. Infrastructure and site analysis
- IV. Rail and road development concepts
- V. Financial analysis
- VI. Strategic development plan



BACKGROUND

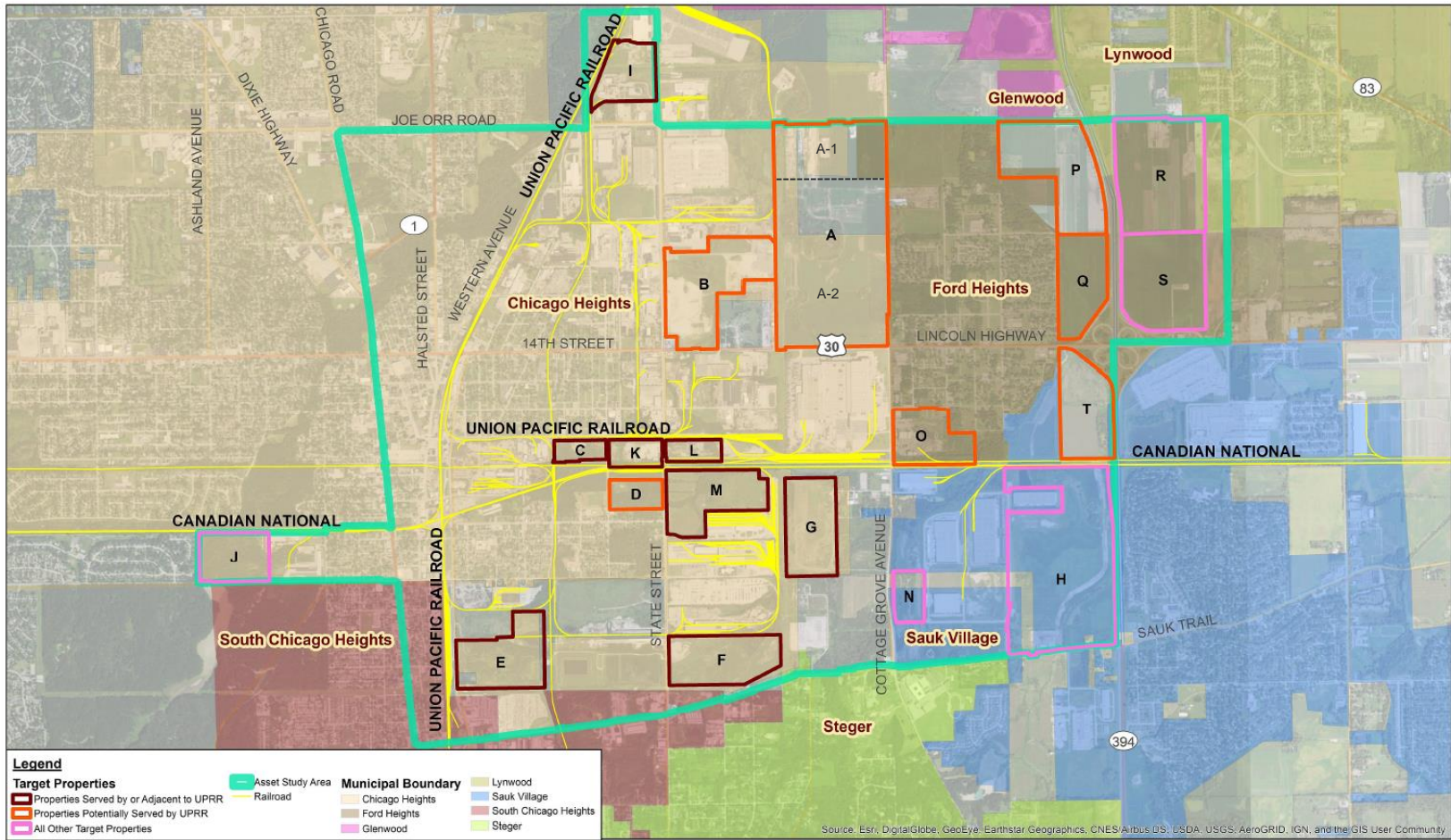
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SCOPE OF WORK

- Commissioned to identify obstacles to redevelopment given access to key rail and road assets
- **Began in January 2017 and concluded in August 2018**
- **Research tasks**
 - Literature review, case studies, and stakeholder interviews
 - Strengths, weaknesses, and commodity flows
 - Preliminary Environmental and Site Assessment and PIN review
 - Funding and financing opportunities
 - Strategic plan



LHLC STUDY AREA & TARGET SITES



LINCOLN HIGHWAY LOGISTICS CORRIDOR STUDY AREA





SITE & INFRASTRUCTURE ANALYSIS

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METHODOLOGY

- **Site-by-site evaluation**
 - Environmental risk
 - Parcel size and ownership
 - Transportation access
 - Readiness (utilities, floodplains, wetlands)
 - Tax environment
 - Zoning/land use
 - Worker access
- **Screening of sites**
 - 21 original sites
 - 8 dropped due to environmental risk, FPDCC ownership, and/or wetland or floodplain coverage
 - 13 remaining sites were ranked



SITE-BY-SITE EVALUATION

Lincoln Highway Logistics Corridor Site Analysis Matrix

	Best comparative performance
	Moderate comparative performance
	Worst comparative performance

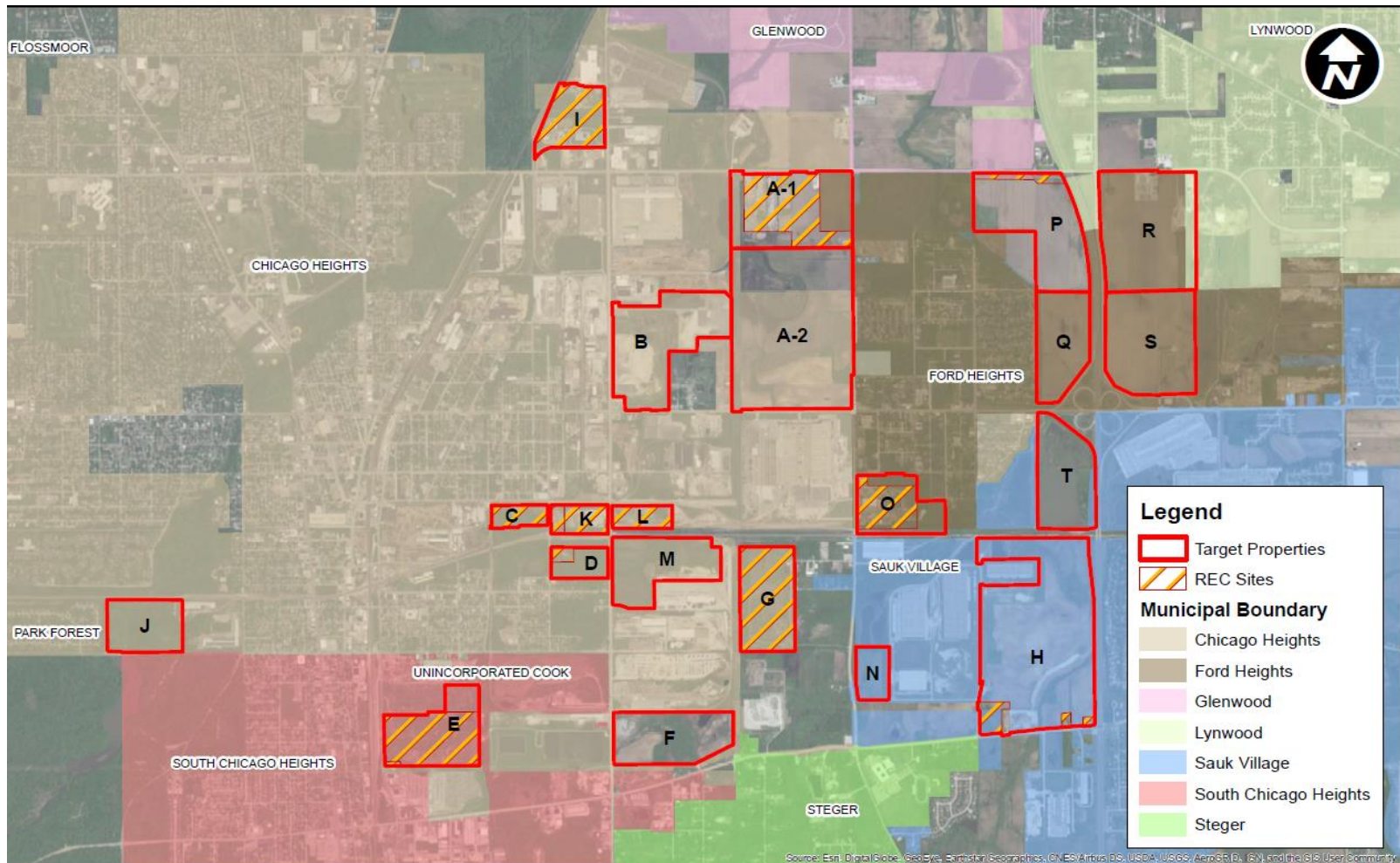
Site	A-1	A-2	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
Environmental Risk - score 1 pt. for REC High Risk, 3 pt. for REC Moderate Risk, 5 pt. for REC Low Risk, 7 pt. for DeMinimis, 9 pt. for no RECs and no DeMinimis - max. 9 points																					
RECs Present	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	No	No
RECs Extent of Risk	Moderate	N/A	N/A	High	Low	High	N/A	High	Low	High	N/A	Moderate	Moderate	N/A	N/A	High	Low	N/A	N/A	N/A	N/A
DeMinimis Present	Yes	Yes	No	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Score	3	9	9	1	5	1	9	1	5	1	9	3	3	9	7	1	5	7	7	7	9
Parcel Size and Ownership - score 1 pt. for less than 20 AC, 2 pt. for 20-49 AC, 3 pt. for 50+ AC, 1 pt. for 5 or more owners per site, 2 pt. for 1-4 owners per site, max. 5 points																					
Municipality	Chicago Heights/ Ford Heights	Chicago Heights/ Ford Heights	Chicago Heights	Chicago Heights	Chicago Heights	Chicago Heights	Chicago Heights	Chicago Heights	Sauk Village	Chicago Heights	Chicago Heights	Chicago Heights	Chicago Heights	Chicago Heights	Sauk Village	Ford Heights	Ford Heights and Uninc.	Ford Heights and Uninc.	Ford Heights/ Lynwood	Ford Heights	Ford Heights
Area (Acres)	78.99	236.98	99.57	13.27	19.55	64.77	64.14	63.02	223.75	41.27	43.17	18.22	15.08	62.59	19.11	49.10	49.10	57.84	124.48	100.01	65.32
# Owners	9	7	2	2	1	3	1	1	1	7	4	3	4	1	1	1	8	4	1	8	3
Score	4	4	5	3	3	5	3	5	5	4	4	3	3	5	3	3	4	5	5	5	5
Transportation - score 4 pts for adjacent or on site rail access, 2 points for rail potential, 0 pts. for no rail potential, 4 pt. for access to IL-394 <2 miles, 2 pt for all others - max. 6 points																					
Rail Potential	0.25 miles	0.05 miles	0.10 miles	Adjacent	Adjacent	Adjacent	Adjacent	Adjacent	Adjacent	On-site	Adjacent	Adjacent	Adjacent	Adjacent	0.25 miles	On-site	No	No	No	No	0.25 miles
Rail Carrier	UP	UP	UP	UP	CN	UP	UP (CN, Bulkmatic)	UP (CN, Bulkmatic)	CN	UP	CN	UP	UP	UP (CN, Bulkmatic)	CN	NS (orphan track)	N/A	N/A	N/A	N/A	CN
IL-394 Access	2.4 miles	1.3 miles	2.5 miles	2.7 miles	2.6 miles	4.0 miles	1.8 miles	1.9 miles	0.9 miles	3.1 miles	4.9 miles	2.3 miles	2.3 miles	2.9 miles	1.2 miles	2.0 miles	1.9 miles	0.2 miles	1.8 miles	0.9 miles	0.3 miles
I-57 Access	8.1 miles	7.2 miles	7.0 miles	6.7 miles	7.1 miles	6.8 miles	8.0 miles	9.0 miles	9.0 miles	7.4 miles	5.6 miles	6.7 miles	6.9 miles	7.5 miles	8.3 miles	9.1 miles	9.2 miles	8.2 miles	9.7 miles	9.4 miles	8.5 miles
Score	4	6	4	6	5	5	8	8	6	6	6	6	6	6	6	6	4	4	4	4	6
Readiness - score 0 pt. for 40% or more Floodplain, 1pt. For 20%-40% Floodplain, 2pt. For less than 10% Floodplain, 1 pt. each for services on or near site - max. 5 points																					
% Floodplain & Wetland	4.2%	6.8%	60.4%	0.0%	2.7%	48.1%	3.8%	0.5%	47.3%	0.0%	28.8%	0.0%	10.7%	16.4%	98.1%	9.3%	0.2%	8.6%	0.0%	0.0%	95.2%
Water Service	None	Intersects w/ 12" (CH); Within 100' (FH)	12" - 16" within 100'	8" within 100'	Intersects w/24"	None	24" within 100'	None	8" - 12" on-site	10" within 100'	None	12" within 100'	Intersects w/24"	24" on-site	8" on-site	Unknown size on-site	Unknown size within 250'	Unknown size within 100'	None	None	None
Sanitary Sewer Service	None	15" Within 100' (CH); Within 100' (FH)	15" - 18" within 100'	6" on-site	8" within 100'	None	4" - 8" within 100'	None	8" - 12" on-site	8" within 100'	None	8" within 100'	18" within 100'	Intersects w/8"	None	Unknown size within 100'	Unknown size within 250'	Unknown size within 100'	None	None	None
Storm Sewer Service	None	None (CH); Within 100' (FH)	60" within 100'	10" - 36" within 100'; 2 inlets	None	None	None	None	12" within 100'	None	None	None	36" on-site; 4 inlets	36" within 100'	36" within 250'	None	Unknown size on-site	Unknown size on-site	None	None	Unknown size within 100'
Score	2	5	3	5	4	0	4	2	3	4	1	5	4	4	1	5	4	5	2	2	1
Tax Environment - score 1 pt. for tax rate 30 or greater; 2 pts. for 20 to 30; 3 pts. for 10 to 20; 5 pts. for less than 10 - max. 5 points																					
Tax Rate	26.890 to 38.591	26.890 to 34.182	33.306	19.129	0.000	0.000 to 12.270	18.095	18.095	0.000 to 18.080	19.399	0.000 to 19.129	0.000 to 19.129	0.000	0.000	15.368	0.000 to 38.591	27.296	38.591	28.896 to 38.591	23.971	27.296
Score	1	1	3	3	5	3	3	3	3	3	3	3	5	5	3	1	3	1	1	3	3
Utility Cost - score 1 pt. for \$10/1000 gal or greater; 3 pt. for \$6-10/1000 gal; 5 pt. for less than \$6/1000 gal water - max. 5 points																					
Water Rate	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$7.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$5.50/1000 gal	\$7.50/1000 gal	\$42.50/1000 gal	\$42.50/1000 gal	\$42.50/1000 gal	\$42.50/1000 gal	\$42.50/1000 gal	\$42.50/1000 gal
Sewer Rate	MWRD*	MWRD*	MWRD*	TCBSD \$1.38/cfw	TCBSD \$1.38/cfw	TCBSD \$1.38/cfw	MWRD*	MWRD*	MWRD*	TCBSD \$1.38/cfw	TCBSD \$1.38/cfw	TCBSD \$1.38/cfw	MWRD*	TCBSD \$1.38/cfw	MWRD*	MWRD*	MWRD*	MWRD*	MWRD*	MWRD*	MWRD*
Score	5	5	5	5	5	5	5	5	3	5	5	5	5	5	3	1	1	1	1	1	1
Zoning/Land Use (Not scored - Zoning and Land Use is generally compatible with proposed uses)																					
Zoning	M-3 Heavy Industrial	M-3 Heavy Industrial	M-3 Heavy Industrial	M-3 Heavy Industrial	M-3 Heavy Industrial	M-2 General Manufacturing	M-3 Heavy Industrial	M-3 Heavy Industrial	M-2 Genl Mfg	M-3 Heavy Industrial	M-3 Heavy Industrial	M-3 Heavy Industrial	M-3 Heavy Industrial	M-3 Heavy Industrial	M-3 Heavy Industrial	M-2 Genl Mfg	M-1 Manufacturing	General Residence (County)	A-1 Agricultural	Missing Zone (County)	General Residence (County)
Worker Accesses (Not scored - all sites have similar access to public transportation and roads)																					
Pace Route	1.8 miles	0.0 miles	0.1 miles	0.4 miles	0.6 miles	0.4 miles	0.2 miles	1.1 miles	0.4 miles	1.2 miles	0.6 miles	0.4 miles	0.6 miles	0.5 miles	0.5 miles	0.5 miles	1.3 miles	0.3 miles	0.9 miles	0.8 miles	0.3 miles
Total Site Score	19	30	23	27	19	34	24	26	23	28	25	26	34	23	17	21	23	20	22	25	

Sites recommended to be removed from consideration: C, E, G, I and O (high risk REC); J (FPDCC site); N and T (floodplains and wetlands)

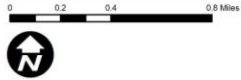
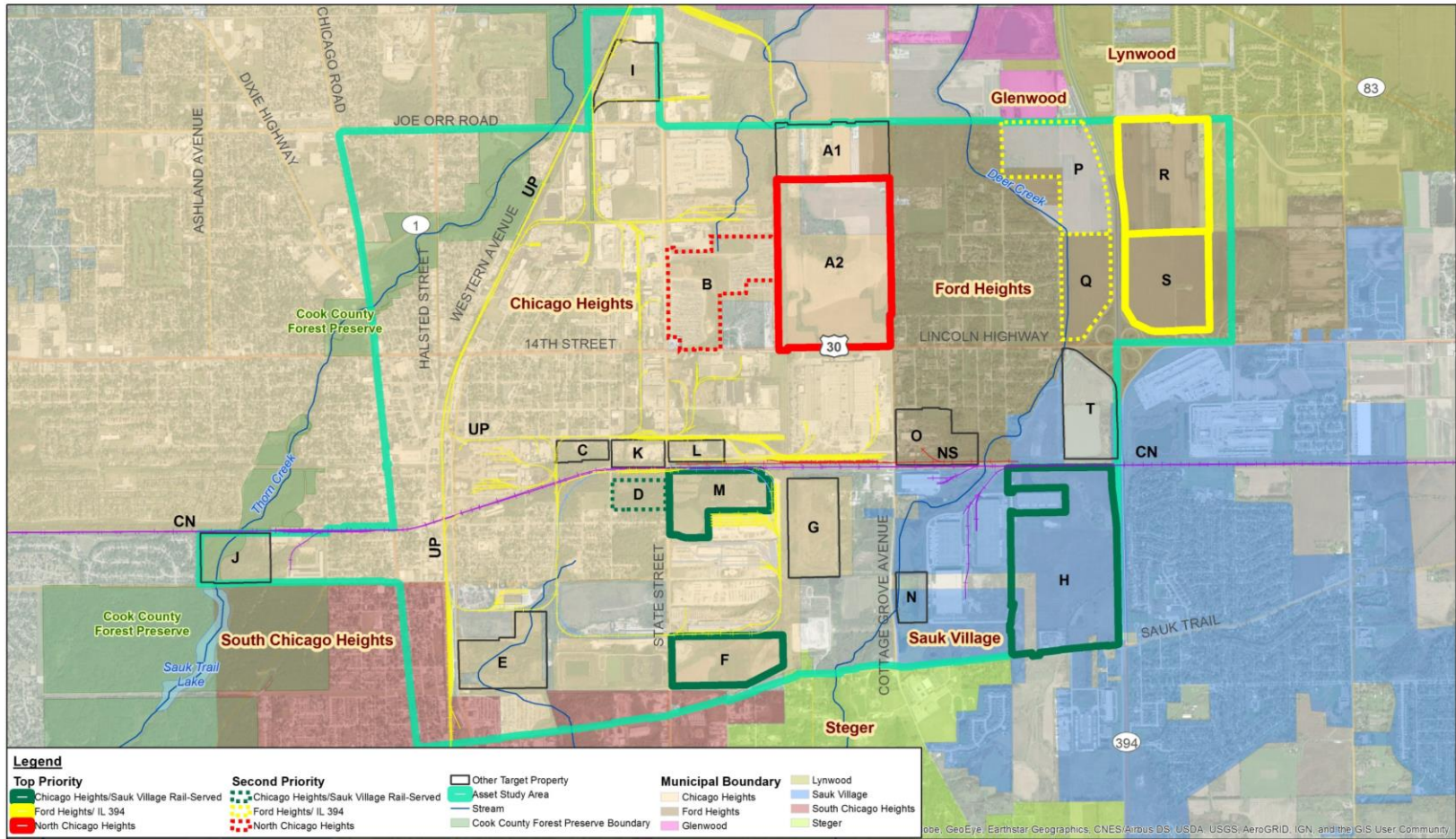
Remaining Target Sites

*MWRD Industrial Sewer Rates include Volume: \$264.28 per million gallons; 5-day BOD: \$223.03 per 1000# of BOD; \$136.48 per 1000# of suspended solids; tax levy of \$0.4158 per \$100 assessed valuation for properties served by District

SITES WITH RECOGNIZED ENVIRONMENTAL CONDITIONS (RECs)



PRIORITY SITES



LINCOLN HIGHWAY LOGISTICS CORRIDOR STUDY AREA

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RAIL AND ROAD CONCEPTS

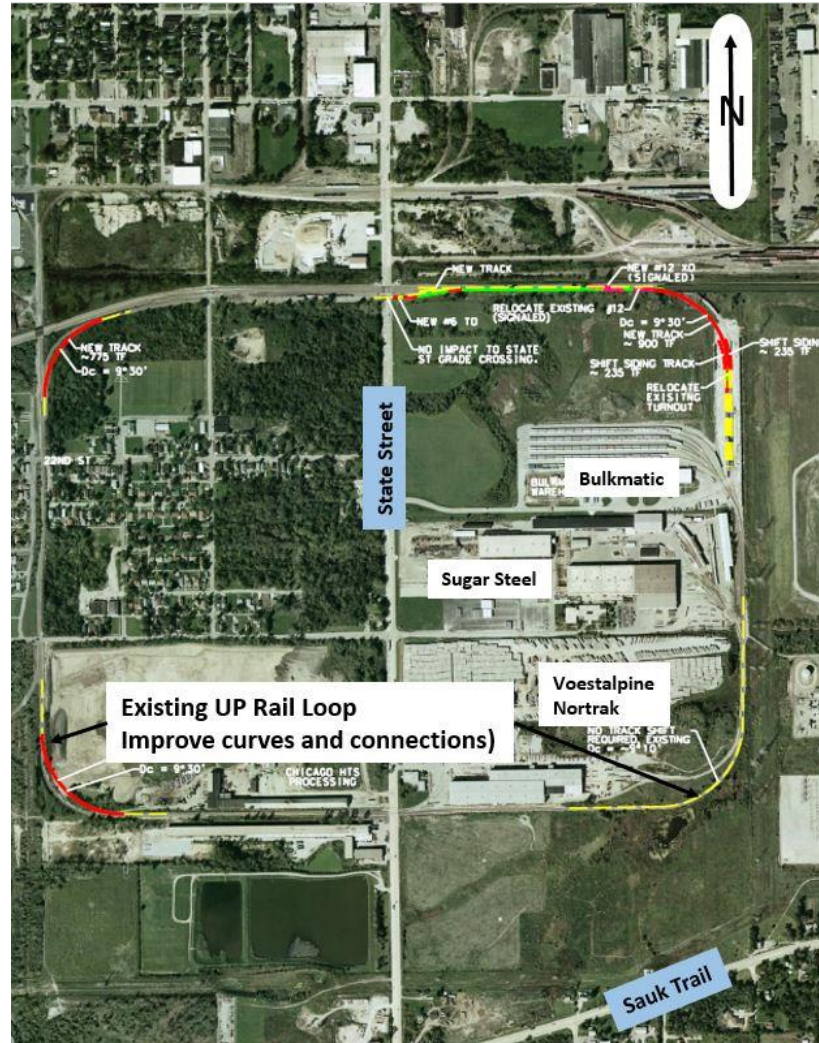
■ Road access

- In general, excellent road access throughout the corridor via I-57, IL 394, US 30/Lincoln Highway, Joe Orr Road, Sauk Trail, and other arterials
- Additional local roadways necessary to access Sites H, P, and Q; road improvements needed to facilitate development of Sites R and S

■ Rail access

- Goal: identify rail improvements that make multiple development sites attractive to end users
- Sufficient customer base would need to be demonstrated to railroad to justify new access
- Rail spur is the industrial user's responsibility to build and maintain
- Concepts discussed preliminarily with CN and UP railroads, both of which see potential in the corridor

RAIL LOOP (CHICAGO HEIGHTS)



ROAD IMPROVEMENTS (FORD HEIGHTS)

- **Improvements to Stony Island Avenue**
 - Joe Orr Road to US 30/Lincoln Highway
 - Existing frontage road under CCDOTH jurisdiction
 - Facilitate development of Sites R and S
- **New access road(s)**
 - Provide access to Sites P and Q
 - Challenging design for connection to US 30 due to proximity to IL 394 interchange and Deer Creek. Further study required.





FINANCIAL ANALYSIS

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METHODOLOGY

- **Develop conceptual cost estimates**
 - Capital cost estimates (e.g., road, rail, utility access; stormwater management) are conceptual and are based on several assumptions
 - Environmental assessment and remediation costs are order-of-magnitude estimates based on PESA results

- **Develop inventory of appropriate funding/financing programs and tax incentives**
 - Federal, state, local, and private
 - Topic-specific (e.g., transportation improvements) and general

- **Match investment needs to opportunities**

ESTIMATED SITE PREPARATION COSTS

Site	A-2	B	D	F	H	M	P	Q	R	S	Item Total
Rail track	\$ 132,800	\$ 166,000	\$ 83,000	\$ 83,000	\$ 83,000	\$ 83,000	\$ -	\$ -	\$ -	\$ -	\$ 630,800
Rail turnout	\$ 200,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ -	\$ -	\$ -	\$ -	\$ 490,000
Roadway Entrance	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 2,000,000
Environmental Assessment	\$ 30,000	\$ -	\$ 20,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 20,000	\$ 50,000	\$ 30,000	\$ 250,000
Environmental Remediation	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 150,000	\$ -	\$ 100,000	\$ 50,000	\$ 100,000	\$ 50,000	\$ 550,000
Storm Detention	\$ 663,000	\$ 120,000	\$ 57,000	\$ 183,000	\$ 357,000	\$ 156,000	\$ 147,000	\$ 156,000	\$ 372,000	\$ 300,000	\$ 2,511,000
Clear/Grub	\$ 221,000	\$ 40,000	\$ 76,000	\$ 61,000	\$ 119,000	\$ 52,000	\$ 49,000	\$ 52,000	\$ 124,000	\$ 100,000	\$ 894,000
Water	\$ 390,100	\$ 49,800	\$ 41,500	\$ 49,800	\$ 41,500	\$ 41,500	\$ 62,250	\$ 49,800	\$ 174,300	\$ 174,300	\$ 1,074,850
Storm Sewer	\$ 451,200	\$ 57,600	\$ 76,800	\$ 336,000	\$ 57,600	\$ 72,000	\$ 96,000	\$ 48,000	\$ 297,600	\$ 297,600	\$ 1,790,400
Sanitary Sewer	\$ 352,500	\$ 45,000	\$ 45,000	\$ 45,000	\$ 37,500	\$ 37,500	\$ 56,250	\$ 45,000	\$ 157,500	\$ 157,500	\$ 978,750
Utility Crossing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 300,000
TOTAL COST	\$ 2,548,600	\$ 736,400	\$ 707,300	\$ 1,015,800	\$ 1,153,600	\$ 700,000	\$ 760,500	\$ 620,800	\$ 1,625,400	\$ 1,459,400	\$ 11,327,800
COST/DEV. ACRE	\$ 11,532	\$ 18,410	\$ 37,226	\$ 16,652	\$ 9,694	\$ 13,462	\$ 15,520	\$ 11,938	\$ 13,108	\$ 11,769	\$ 15,931

FUNDING/FINANCING PROGRAMS AND TAX INCENTIVES

Program	A-2	B	D	F	H	M	P	Q	R	S	Rail Loop
Overall Financing											
Private Financing	•	•	•	•	•	•	•	•	•	•	•
BUILT in Cook Loan Program	•	•	•	•	•	•	•	•	•	•	•
Emerging Business Development Loan Program (EBDL)	•	•	•	•	•	•	•	•	•	•	•
BUILT 50-40 Loan Program	•	•	•	•	•	•	•	•	•	•	•
Private Activity Bonds (PAB) Program	•	•	•	•	•	•	•	•	•	•	•
Environmental Remediation											
Illinois Environmental Remediation Tax Credit	•(A)		•(A)		•(A)		•(A)	•(A)	•(A)	•(A)	•(A)
USEPA Assessment Grant	•		•		•		•	•	•	•	•
USEPA Revolving Loan Fund	•		•		•		•	•	•	•	•
Tax Abatement											
Lincoln-394 Enterprise Zone	•	•	•	•	•	•	•	•	•	•	
Tax Increment Financing (TIF) (B)	0	0	0	0	•	0	0	•	0	0	0
SSA/BID (Potential) (B)	0	0	0	0	0	0	0	0	0	0	0
Class 6b Designation	•	•	•	•	•	•	•	•	•	•	
Class 8 Designation	•	•	•	•	•	•	•	•	•	•	
Class 6b and 8 Temporary Emergency Economic Recovery Modification (TEERM)	•	•	•	•	•	•	•	•	•	•	
Class C Designation	•	•	•	•	•	•	•	•	•	•	
Utilities/Infrastructure											
CDBG Entitlement Program	•	•	•	•	•	•	•	•	•	•	
USACE Section 219	•	•	•	•	•	•	•	•	•	•	
Section 108 Loan Guarantee Program	•	•	•	•	•	•	•	•	•	•	
Rail/Highway Infrastructure											
Illinois Competitive Freight Program	•	•	•	•	•	•	•	•	•	•	•
IDOT EDP/TARP	•	•	•	•	•	•	•	•	•	•	•
Invest in Cook	•	•	•	•	•	•	•	•	•	•	•
Illinois Rail Freight Loan Program	•	•	•	•	•	•					•
Illinois Capital Bill	•	•	•	•	•	•	•	•	•	•	•
CRISI	•	•	•	•	•	•					•
State, County and Local Transportation Programs	•	•	•	•	•	•	•	•	•	•	•



STRATEGIC DEVELOPMENT PLAN

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SUMMARY OF PRIORITY SITES BY CLUSTER

	Sites	Acres	# Owners	Remediation	Tax Scores*	Rail Potential	Cost (ooo)
N. Chicago Heights	Top: A-2	237	7	De minimis	1 (worst)	Yes	\$2,548
	2 nd : B	100	2	None	1 (worst)	Yes	\$736
Chicago Heights - Sauk Village	Top: F, H, M	350	1, 7, 1	None: F, M REC: H	3, 3, 5 (medium, best)	Yes	\$2,869
	2 nd : D	20	1	REC	5 (best)	Yes	\$707
Ford Heights	Top: R [♦] , S [♦]	224	8, 3	De minimis	1, 3 (worst, medium)	No	\$3,085
	2 nd : P [♦] , Q [♦]	107	4, 1	REC: P De minimis: Q	3, 1 (medium, worst)	No	\$1,381

*Tax scores range from Highest (worst) = 1 to Lowest (best) = 5

♦ Optioned sites

ACTION PLAN (LEAD/INVOLVED PARTIES)

■ Corridor-wide priorities

- Tax rate reduction (**Cook County**, municipalities, SSMMA)
- Branding/marketing: Turn strategic plan into a glossy publication (**CCDOTH**, CCBED, municipalities, SSMMA, CSEDC, CMAP)
- Workforce training (**CCWFP**, community colleges)
- Pre-certification of sites for railroad access (**CCDOTH**, CCBED, railroads)

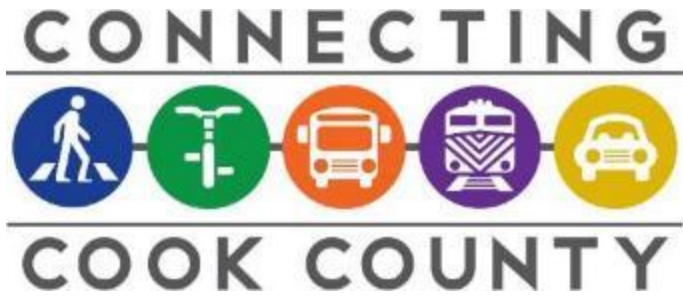


ACTION PLAN (LEAD/INVOLVED PARTIES)

- **Priority sites (A-2, F, H, M, R, and S)**
 - Environmental assessment and remediation (**CCDES**, municipalities)
 - Parcel assembly (**Land banks**, municipalities, private developer)
 - Land preparation (**Land banks**, MWRD, TCBSD, municipalities)
 - Utilities (**Municipalities**, MWRD, TCBSD, CCBED, private developer)
 - Road access (**CCDOTH**, municipalities, private developer)
 - Rail access (**CCDOTH**, CCBED, industrial users, municipalities)
 - Incentives (**CCBED**, municipalities, SSMMA, CSEDC)
 - Funding and financing (**CCDOTH**, CCBED, SSMMA, CSEDC, CMAP)
 - Management (**CCDOTH**, CCBED, municipalities, et al)
- **Second (B, D, P, and Q) and third (A-1, E, others) tier sites**
Same tasks and implementers as the priority sites

PROPOSED IMPLEMENTATION TIMELINE

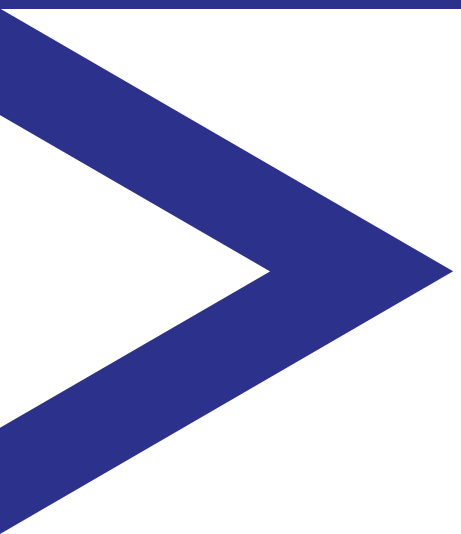
Lincoln Highway Logistics Corridor - Conceptual 5-year Implementation Schedule	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Task																				
Top Priority (Overall Tax Rate Reduction, Marketing + Sites A-2, F, H, M, R and S)																				
o Tax Rate Reduction for LHLC Study Area																				
o Environmental Assessment and Remediation																				
o Marketing - All Priority Sites																				
o Parcel Assembly																				
o Land Preparation																				
o Utilities																				
o Incentives																				
o Road Access																				
o Rail Access - Sites A-2, F, H, M																				
o Funding and Financing																				
o Management																				
2nd Priority (Sites B, D, P and Q)																				
o Environmental Assessment and Remediation																				
o Parcel Assembly																				
o Land Preparation																				
o Utilities																				
o Incentives																				
o Road Access																				
o Rail Access - Sites B and D																				
o Funding and Financing																				
o Management																				
3rd Priority (Training + Certification + Sites A-1, E, others)																				
o Environmental Assessment and Remediation for Brownfield Site																				
o Training																				
o Certification																				



THANK YOU

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Superintendent

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