

LINCOLN HIGHWAY LOGISTICS CORRIDOR STRATEGIC PLAN

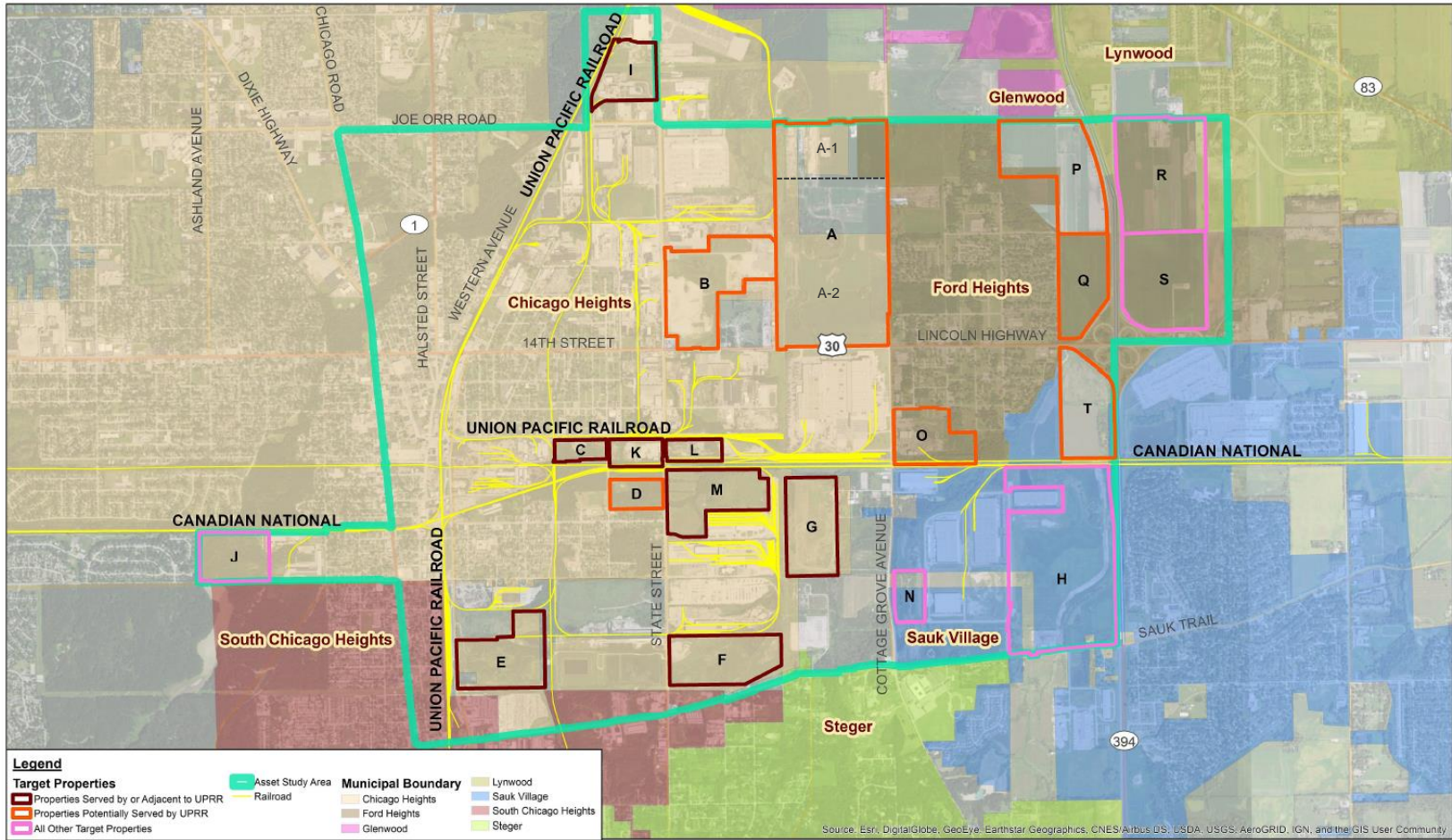
*CMAP Land Use and Housing Committee
July 2, 2019*

BACKGROUND

- Commissioned to identify obstacles to redevelopment for large sites with strong road and rail access
- 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

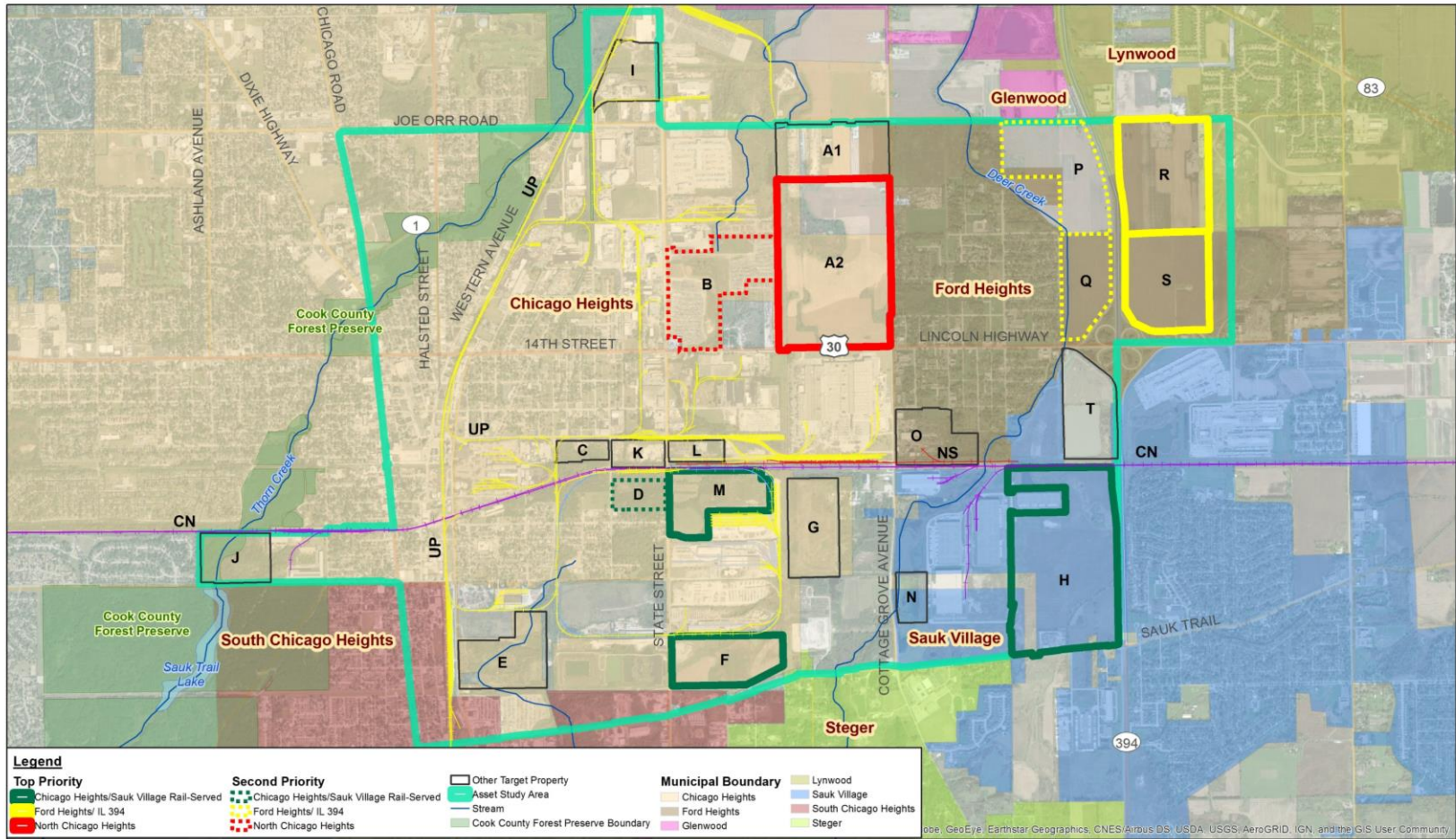
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METHODOLOGY

- **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



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 along IL 394 and within Sauk Village LogistiCenter

■ 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
- Two rail concepts discussed with CN and UP railroads, both of which see potential in the corridor



IMPLEMENTATION EFFORTS

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ACTION STEPS TO DATE

- **Corridor-wide improvements**
 - Property tax analysis and legislation
 - Marketing brochure
 - US EPA brownfield assessment and cleanup grant
- **Site-specific improvements**
 - Preliminary engineering for road and rail extensions in Sauk Village
 - Utility extensions to Ford Heights sites
- **Outreach events**



US EPA BROWNFIELD GRANTS

- In 2018, the Department of Environment & Sustainability was awarded 2 grants:
 - \$600,000 Assessment Grant
 - \$750,000 Revolving Loan Fund
- Provides funding opportunities to improve the environment and economic development in LHLC
- Partnered with Chicago Heights, Ford Heights, and Sauk Village

PROPERTY TAX ANALYSIS

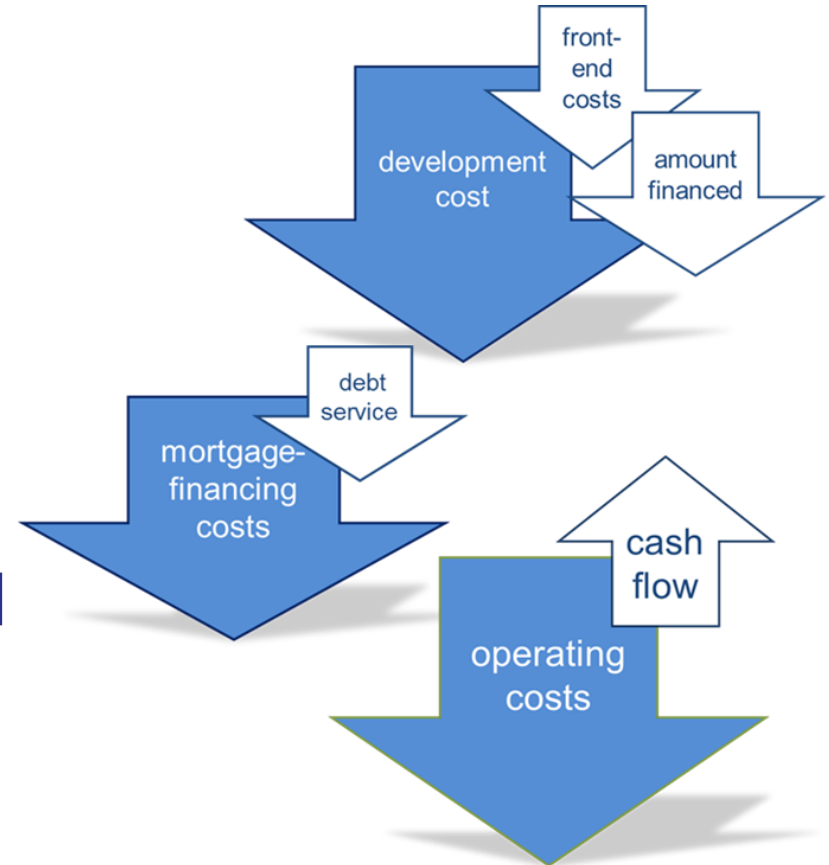
- **Industrial properties are the cornerstone of LHLC's tax base**
 - Generate almost 70% of all revenues
 - Represent high-revenue properties
- **Priority sites offer catalytic development opportunity**
 - Large sites suitable for industrial development
 - Currently generate little revenue
- **Lack of competitive tax rates**
 - Rates in the LHLC range from 11.86% to 34.37%, well above peers in Will County or NW Indiana
 - Existing Cook County tax incentives insufficient to bring rates to competitive levels
- **Tax relief legislation**

ECONOMIC DEVELOPMENT TOOLS

- **BUILT In Cook Loan Fund**
- **Private Activity Bonds**
- **Property Tax Incentives**
- **Property Assessed Clean Energy (PACE)**
- **Enterprise Zones**
- **Industrial Growth Zones**
- **Opportunity Zones**

ECONOMIC DEVELOPMENT TOOLS

- **Multiple tools can be layered together for:**
 - Acquisition of land and buildings
 - Rehabilitation and new construction
 - Purchase of machinery and equipment
 - Assessment and remediation
 - Environment friendly improvements




MARKETING AND OUTREACH


- **Industrial Real Estate Conference**
- **Select USA**
- **Local and sub-regional economic development events**
- **Business community**
- **Real estate brokerage community**

MARKETING BROCHURE

Metro Chicago's Lincoln Highway Industrial Corridor



Prime Sites
Unmatched Road and Rail Access
Robust Investment and Incentives



Strategic Location



Chicago is the strongest distribution location in the U.S. The region's interstates, railroads, inland waterways, airports, and waterways connect our businesses to national and international markets.

The Lincoln Highway Industrial Park is one of the few corridors in Cook County with large, undeveloped sites and excellent rail and highway access.

"The Lincoln Highway Industrial Corridor is an ideal location for my state-of-the-art machinery and fabrication business. The proximity to customers, rail and highway access, and a well-trained workforce can't be matched. I've been doing business here since 2005 and I see many opportunities for growth in the corridor!"
- Nick Stevens, Vice President, JM Industries, Chicago Heights

"Union Pacific Railroad moves a ton of freight, more than 440 million, in a single gallon of diesel fuel, making us an environmentally responsible and efficient source for Lincoln Highway Industrial Corridor companies. Its area and its business, moving the goods Americans use every day, while enabling sustainable economic growth."
- Jimmy Dicker, Executive VP, President, Marketing and Sales, Lincoln Pacific Railroad

Regional Economic Strengths

The Chicago Southland is home to the region's leading companies in various economic sectors, including:

- Transportation, Distribution, and Logistics
- Metals, Machinery, and Equipment Manufacturing
- Chemical and related Materials Manufacturing
- Food and Beverage Manufacturing and Packaging

The Southland outperforms in these industrial sectors compared to the greater Chicago region.

For example, employment in the Metals, Machinery, and Equipment Manufacturing and in the Food and Beverage Manufacturing sectors in the South Suburbs has increased. In contrast, employment in these sectors located in the Chicago region has decreased over the same period of time.

Successful Surrounding Businesses

The Lincoln Highway Industrial Corridor is currently home to over 150 manufacturing, industrial, and logistics companies employing over 4,000 well-trained workers.

Industrial Sectors of Lincoln Highway Businesses (%)



Sector	Percentage
Manufacturing	19%
Transportation, Distribution, and Logistics	19%
Chemicals, Stone, Concrete, and Other	19%
Food and Beverage	19%
Other	19%

The Lincoln Highway Industrial Corridor is Chicagoland's premier location for manufacturing, industrial, and transportation companies.

- Boasts 1,000 acres on nine sites** ready for industrial development.
- Strategically located** just miles from four major interstates and with direct access to the Union Pacific and Canadian National railroads, sitting at the crossroads of the nation's road and rail networks.
- Business incentives and improvements to local infrastructure** from municipal, county, state, and federal governments highlight the region's commitment to recruiting businesses.
 - Business Financing** - Low-interest financing through the BUILT in Cook program and capital gains protections in Opportunity Zones.
 - Fee Reductions and Tax Exemptions** - Tax relief for sites in Enterprise and Industrial Growth zones.
 - Infrastructure Improvements** - Funding and financing to support local road, rail, and utility improvements.
 - Environmental Assessment** - Grants for environmental assessments and loans for cleanup, if needed.
- Abundance of job training services** available throughout the corridor, including from the Chicago Cook Workforce Partnership, community colleges, and nonprofit providers such as C&L, Inc.

"I have made the economic development of the south suburbs a priority. Cook County and its partners are firmly committed to the development of the Lincoln Highway Industrial Corridor into a manufacturing and logistics center and maintaining the region's preeminent position as the transportation hub of the nation."
- Bill Duckowski, Cook County Board President

Development Opportunity - Site B

Lincoln Highway Industrial Corridor Chicago Metropolitan Area

Largest available site in the Lincoln Highway Industrial Corridor with approximately 237 acres, including 145 acres under single ownership.

Site Specifications:

Location: 750 Jon Dr Road, Chicago Heights, IL
Access: 236.98
Highway Access: Access to I. 394 - 1.3 miles
Access to I-57 - 7.2 miles
Rail Access: Direct rail access; requires 0.25-mile rail spur extension
Transit Access: Pace Route 337 - 0.0 miles
Utilities: Water - Interacts with 12" (C&I) within 300' (FPI)
Sanitary - 18" within 100' (C&I) within 300' (FPI)
Storm - None (C&I), WBNH 100" (FPI)

Site Benefits:

- Adjacent to US 30 providing direct access to I. 394 expressway
- Union Pacific tracks could be extended to provide service
- Vacant site with no existing buildings
- Located in Enterprise and Opportunity zones

Existing Zoning:


 M-3 Heavy Industrial
of Owners: 5
Recognized: None present
Environmental Condition:
Natural Wetland: - 0.21 acres
Resources: Floodplain - 0.03 acres
% of Site as Natural Resources = 0.2%

Municipal Contacts:


Jack Hynes
Economic Development Consultant
City of Chicago Heights
Phone Number: 708-755-3102
Email: jhynes@chicagoheights.net



Site B Images



Looking northwest from U.S. 30, Lincoln Highway and Cottage Grove Avenue

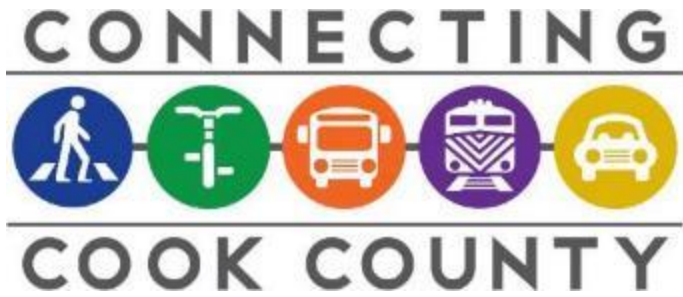


Looking northwest over U.S. 30, Lincoln Highway

Drone photos taken January 2019

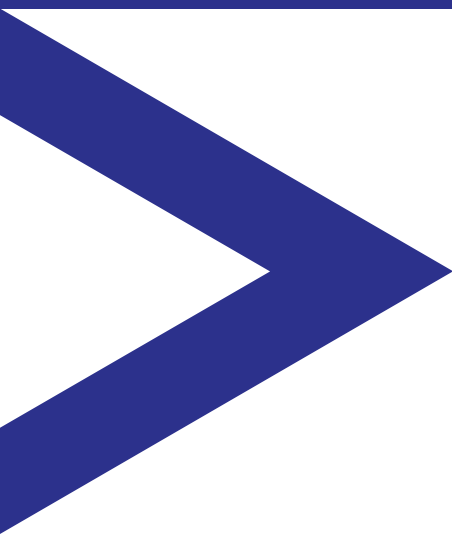
MOVING FORWARD

- **Continue to develop ongoing initiatives**
 - Refine tax relief proposals
 - Scope and secure funding for infrastructure needs
- **Implementation remains a collaborative effort across Cook County agencies, municipalities, and local economic development groups**
 - Seek industry feedback and build new partnerships with local businesses
 - Cook County agencies on call to deploy existing tax incentive, workforce development, and land banking tools as needed



THANK YOU

- Alex Beata, Freight Transportation Manager, CCDOTH
 - 312-603-7710
- Meisha Holmes, Economic Development Program Manager, CCBED
 - 312-603-1051
- Jessica Schumacher, Solid Waste Coordinator, CCDES
 - 312-603 -8244



<https://www.cookcountyil.gov/service/lincoln-highway-industrial-corridor>