

# OVERVIEW

## THE CITY AND ITS PATTERNS

Blue Island is a 4.5 square mile, 170-year-old city of 23,500 people that touches the southwest corner of Chicago. Blue Island grew up as a transportation and industrial center with a main street that met local commercial needs. The present land use and infrastructure of Blue Island reflects this legacy:

*Industrial Pattern:* The northeast, west, and south edges of Blue Island are industrial areas, home to 98 industrial businesses that employ approximately 3,400 workers. These areas are served by several arterial highways, two expressways, five freight railroads, an intermodal freight terminal, and the Calumet Sag Channel that runs through the middle of town. While Blue Island retains a strong industrial base, plant closures over the last three decades have weakened it. Some 220 acres of vacant industrial land currently sit idle.

*Main Street Pattern:* Blue Island's central business district (locally called "uptown") follows a traditional pattern of businesses lined along a main street (Western Avenue) and serving the convenience retail and professional service needs of local residents and visitors. Uptown contains institutions that draw people to Blue Island, most notably St. Francis Hospital. The Pronger Smith Clinic, a branch of Moraine Valley Community College, quality restaurants and shops (especially a set of regionally well-known antique stores) also attract visitors. A pair of Metra commuter stations on Vermont Street just east of uptown, from which passengers may access three rail lines and different Chicago Loop destinations, also brings hundreds of commuters to the Uptown area daily. An active Chamber of Commerce and a dedicated Main Street Association have worked to preserve historic buildings and foster a value-added traditional atmosphere in uptown. But Blue Island has no department stores; these have been replaced by large shopping centers in nearby towns, and the main street district is not as busy as it once was or as its buying power and anchoring institutions suggest it should be today.

Blue Island is creating this economic development plan to revitalize the city's economy by building on its strengths. The core strategy of this plan applies two economic development concepts to Blue Island's situation:

- *Transit-Oriented Development (TOD)* involves the integrated development of homes, retail and service businesses, a pleasant walking environment and other public amenities within a half-mile radius of a public transit station. (This radius around the Vermont Street stations encompasses the entire main street/uptown district.)
- *Cargo-Oriented Development (COD)* entails the development of manufacturing and distribution businesses in select locations that benefit from access to multiple types of freight transportation, proximity to complimentary businesses, and a large local industrial workforce. (Each of Blue Island's three industrial areas possesses the basic assets for a COD.)

# MARKET CONDITIONS AND OPPORTUNITIES

**Blue Island's market opportunity for TOD** is determined by these facts:

- The city's population and property values are growing rapidly. (e.g., the average home price rose by 39% and equalized assessed value grew by 17% since 2000.)
- Blue Island has more buying power per square mile (and so more capacity to support local businesses) than most south suburbs because its population is somewhat more dense. Workers and visitors drawn to Blue Island increase this buying power.
- None of the 25 large shopping centers within a five-mile radius of Blue Island are located in the city. The established position of nearby towns would make competition in the large shopping center arena difficult for Blue Island.
- Blue Island's main street district, with its historic preservation, anchoring institutions, and quality businesses gives the city a market identity in a niche that is difficult to replicate and has few competitors in the south suburbs.
- The dual Metra stations on Vermont Street should provide an important asset to Blue Island's main street district, but the actual contribution of these stations is less than it might be for two reasons: (1) The allocation of surrounding land for industrial uses or surface parking prevents hundreds of households from living in and contributing to this desirable area. (2) Conditions for walking in the station area and to the main street district are unpleasant and perceived as dangerous because of poor street and rail crossing design.
- The center of the main street district also presents uncomfortable situations for walking customers, e.g., crossing shopping streets that are fast one-way highways, finding little greenery or inviting public space.

Blue Island needs to overcome these problems of land use, residential density, and street design in order to prosper with a main street market identity and valuable transit resource.

**Blue Island's market opportunity for COD** is determined by these facts:

- Large economic trends associated with long-distance sourcing of products and just-in-time manufacturing and stocking, are making access to freight infrastructure more important than it has been for two generations, especially in the Chicago region, which is the hub of the North American freight transportation system.
- Despite decades of contraction, concentrations of businesses in several industrial fields occur in the Blue Island area. Their presence can help to attract similar businesses.
- Relative to other Chicago area communities, Blue Island workers are appropriately educated and prepared for industrial work. They are more likely to have a high school or community college education and industrial work experience.
- Despite Blue Island's assets for COD, any industrial project in Blue Island must overcome three serious obstacles:
  - Brownfields conditions real and perceived;
  - Cook County tax rates that are higher than those of any other Illinois county;
  - The perception that Cook County industrial property values will not appreciate.

As a result of these impediments, approximately 223 acres of land in Blue Island are now vacant. Approximately 150 of these acres are in contiguous blocks. In some cases additional vacant acres are adjacent in neighboring towns.

In Blue Island the industrial development opportunity is to use the advantages of access to freight infrastructure, existing business concentrations, and a ready industrial workforce (the elements of

a COD), with a careful application of incentives from the public sector, to overcome impediments and restore more than 150 acres of vacant land to productive use.

## **COMMUNITY PLANNING INPUT**

This economic development plan is being created through a community-based approach in which all Blue Island residents are invited to participate. The planning process involves direction by a group of community leaders, a series of four large community meetings, and other channels. To date, two large and one smaller community meeting have been held in which more than 100 residents provided input for the draft plan proposals.

In the first meeting residents learned about the concepts of TOD and COD and shared information and opinions through a series of exercises. In a structured discussion they expressed their opinions about the strengths, weaknesses, opportunities, and threats (SWOT) facing Blue Island. Then in an Image Preference Survey™, residents responded to photos as means of expressing their preferences for different types of buildings and streetscapes. The second community meeting presented the results of the first session and used them as guidelines for an interactive charette process in which participants, in tables of 4-8 people identified areas they wanted to develop and how to develop them using maps, markers, and tracing paper.

Input from these meetings is incorporated in the preceding information about the city and its markets, and residents' vision for change is reflected in the proposals for TOD and COD outlined on the following pages. After this draft plan has circulated in Blue Island for several weeks, it will be reviewed in a third meeting where residents will say whether or not the draft accurately presents their concerns and aspirations for the community. The plan will be revised in light of this input. Then the corrected plan will be presented for conformation and adoption in a fourth meeting.

## **AREA & PROGRAM DEVELOPMENT PROPOSALS**

The Blue Island Plan presents nine basic proposals for development: proposals for development in three sectors of the TOD area, proposals for COD in all three of the city's industrially zoned areas, proposals for three city-wide programs that will guide and support development in TOD and COD areas.

### **Transit-Oriented Development (TOD) Proposals**

*In the south station residential district, within a quarter-mile of the Vermont Street Metra stations, this plan proposes development of more than 400 quality condominiums and town homes overlooking the Calumet Sag waterfront, creation of a nature and recreation trail along the Cal-Sag Channel, establishment of a safe and pleasant pedestrian environment, and 37,000 s.f. of commercial space along a corridor of mixed use development connecting the stations to the main street district. Land for these improvements will be made available primarily by relocating highly valued industrial businesses from this area to land that better serves their needs and from shifting Metra surface parking to the industrial land that will be vacated. Up to 40 private homes would*

also need to be replaced by denser housing, with their present owners paid fair market value plus relocation costs.

*In the hospital district and northern part of uptown* this plan would create an improved environment for institutional and commercial development by measures that include: shifting parking lots from Western Avenue to "interior block" parcels, facilitating the development of mixed use buildings (with first floor retail and apartments or offices above) to increase residential density, establishing a town square on expanded park land, changing Western and Gregory Avenues from one-way to two-way streets, and adding greenery, improved lighting and crosswalks to the streetscape. Feasible and desired enterprises would be attracted to this upgraded mixed-use retail district including specialty clothing stores, children's product stores, a book store, a live theater, and additional or expanded quality restaurants.

*In the south main street area* the primary task will be to rebuild the Gregory and Western intersection to allow two-way traffic flow. This will entail addressing the Gregory overpass, either by retrofitting it as a street friendly to pedestrians and the surrounding landscape or by demolishing it. When this is accomplished, it will be possible to build a significant commercial or mixed use development overlooking the Cal Sag on the east side of Gregory at Vermont. It will also become feasible to stimulate the development of the James Street and Old Western Avenue neighborhoods by measures that include: extending the Cal Sag nature trail, facilitating the development of quality housing, and building a pedestrian and bicycle bridge across the channel.

## **Cargo-Oriented Development (COD) Proposals**

*In the northeast industrial sector* this plan seeks the redevelopment of 115 acres of vacant industrial land (90 acres of it owned by the City of Blue Island) at a site with excellent access to I-57 and freight railroads. This development will offer desirable sites to industrial businesses relocating from the TOD area, and should generate about 680 new industrial jobs. Businesses will be built along a dedicated truck road through industrial land, eliminating more than 5,000 heavy truck trips per month through Blue Island streets. Current limited uses of some of this land, for a soccer field and for outdoor industrial storage, must be relocated before these parcels are developed.

*In the west industrial sector*, which runs along Wireton Road, Blue Island's border with Alsip, and the Indiana Harbor Belt (IHB) Railroad line, a primary objective is to locate complimentary ethanol and energy generating gasification plants on the old Premcor oil refinery site in neighboring unincorporated land. This development would establish a new employment center on the border of Blue Island and could lead to lower energy costs for Blue Island businesses. Whether or not these plant developments occur, the City will work with the marketing department of the IHB to fill in some six acres of vacant industrial land with businesses that would benefit from this location's access to rail.

*In the south industrial sector*, between 135<sup>th</sup> and 139<sup>th</sup> Streets, this plan proposes the redevelopment of some 60 acres of contiguous, vacant industrial land in an area served by several freight railroads. Development of the logistics/manufacturing enterprises for which this land is suited should generate approximately 600 new industrial jobs. In another part of the industrially zoned south sector, the City would need a long-term plan to relocate several dozen households to residential neighborhoods before the entire sector could be used for industrial development.

## **City-wide Program Proposals**

*Zoning and Design Standards:* Blue Island's current zoning code does not include provisions for the type of intensive mixed use development that is necessary for TOD, nor design guidelines that would support commercial development of consistent quality and pedestrian-orientation in the main street district. Current ordinances also do not provide for buffering of industrial from residential neighborhoods that is desirable for COD. The City, therefore, needs to revise its zoning code and establish commercial design standards. This work should be one of the prime responsibilities of a city planner who should be hired to execute major tasks of this plan, along with the city's project management consultant and a planning commission of citizens. Because zoning code and design standards development is a major task, interim guidance based on this plan should be issued for the consideration and specifications of projects in the short term.

*Worker Training and Job Placement:* This plan seeks to maximize the number of city residents employed in Blue Island's current and new businesses. A proposed means of accomplishing this objective is a worker education, training, and referral service of benefit to local employers. To develop this service the City will need to establish a network of partnerships: with local education and training institutions, with community organizations for outreach, and with a public employment referral/placement agency.

*An intra-city public transportation system* is proposed as a way to support main street district development, industrial employment, transportation savings for many Blue Island households and improved local and regional air quality. To create this system the City will work with Pace to establish a shuttle bus service linking the Vermont Street Metra station(s) and the main street shopping and hospital district, with employment centers and residential neighborhoods. The City will also work with the Center for Neighborhood Technology to introduce a car sharing service, with the Transportation Operations office of the Chicago Area Transportation Study (CATS) to coordinate car and van pooling networks, and with the Chicagoland Bike Federation and the League of Illinois Bicyclists to plan a useful network of bicycle paths.

## **Resources for Development**

The City of Blue Island will strive to fund and execute all of the proposals of this plan through a series of partnerships with private developers and investors and with public agencies at the county, regional, state and federal levels. This plan identifies more than 20 distinct public programs through which the City can secure funds, professional services, or incentives for private investment to carry out different aspects of its plan, but this list of programs is far from exhaustive. The sections of the plan that describe individual proposals discuss some of the potential sources of public support that are most applicable to that proposal. Appendix D of the full Blue Island Economic Development Plan provides a more comprehensive list of relevant public development resources identified through this planning effort.

## **Cumulative Costs and Benefits of Proposed Development**

In a plan with so many variables only rough estimates of costs and benefits can be made at this time. Recognizing these limitations, careful estimates were made in order to indicate the financial

scale of this plan, the likely proportions of public and private investments needed to carry it out, and the level of benefits flowing to Blue Island if the plan is executed successfully. In summary these estimates indicate the following requirements for implementing the Blue Island Plan over ten years:

- Total investment needed to implement this plan: \$250 to \$255 million.
- Investment expected from the private sector: \$234 million or 94% of the total to \$232 million or 91% of the total.
- Investment from public sources other than the City of Blue Island: \$10.9 million or 4.4% of the whole to \$12.2 million or 4.8% of all investment.
- Investment by the City of Blue Island: \$6.3 million or 2.5% of the total to \$10.0 million or 3.9% of all investment. The City's net investment (after revenues from property sales) is projected to fall within a range of \$3.6 million to \$5.1 million. These projected investments do not include land swaps.

The estimated benefits of achieving the plan's development objectives include:

- The creation of 1,700 to 2,100 permanent jobs in Blue Island or adjoining communities.
- The addition of 900 households to the Blue Island community and some \$44 million to \$49 million in annual purchasing power to the Blue Island economy.
- Approximately \$3 million in increased annual property tax revenue and \$3.4 to \$4.4 million in annual sales tax revenue for the public bodies of Blue Island.

## IMPLEMENTATION

### Development Functions and Roles

As the preceding project descriptions and estimates indicate, the City of Blue Island will implement this plan primarily by working and investing as a catalyst of private and public resources. Carrying out this role for nine concurrently advancing projects will require the coordinated efforts of elected officials, professional staff and consultants, and residents. The concluding section of the plan describes the roles and internal management arrangements of this cooperative effort. Some key features of these arrangements are highlighted in the following points.

*Plan Implementation Management (City Planner):* The professional in this new position will have the responsibility for moving the implementation of this plan forward on a day-to-day basis. He or she should be the primary author of proposals for funding, cooperative development agreements, and requests for proposals involved in the plan's implementation. He or she should routinely manage the network of relationships that is critical for the plan's realization.

*Project Review and Management (Project Management Consultant):* The City has engaged a Blue Island professional firm with a combination of expertise in city planning, architecture, engineering, and project management, to review serious proposals for development, to assist approved projects as they go forward, and to ensure that quality standards are met in the execution of projects.

*Community Participation and Ancillary Development Roles (Not-for-Profit Organizations):* Not-for-profit organizations may perform some development functions that the City cannot carry out

as effectively or flexibly. They may call on their members to volunteer in development efforts, bring significant groups of citizens into discussions of development policy and options, and solicit some philanthropic and public funds to support development more readily than the City.

*Community Oversight and Participation in the Development Process (Development Commission and Plan Commission)* The City Council will establish two citizen commissions. A “Development Commission” will organize stakeholder participation in actions taken to implement the Blue Island Plan. This commission will include standing committees working with staff to achieve each of the major aspects of the Plan. Every resident who wants to play a constructive role in the development effort is needed and can find a place in one of the committees of the Development Commission. The functions of the Development Commission are distinct from those of the “Plan Commission”, which will be responsible for the evaluation and approval of individual projects, in keeping with the Plan, as they are proposed by developers.

*Evaluation and Strategic Planning (Center for Neighborhood Technology (CNT)):* Given adequate funding from its financial sponsors, CNT proposes that during the next two years its staff will attend regular meetings of Blue Island’s Working Group and Steering Committee, coordinate semi-annual reviews of progress in implementing the Blue Island Plan and draft semi-annual updates of the plan document, and devote over 500 hours per year of professional time to development tasks selected by the City.

*Leadership and Executive Management (Mayor of Blue Island):* The Mayor will be the executive of the professional development team and the leader of the voluntary effort to implement the Blue Island Plan.

*Leadership and Fiscal Discipline (City Council of Blue Island):* Initially the City Council will adopt the Blue Island Plan as the City’s primary development policy. The Council will allocate the City’s resources for implementation of the plan as they are needed and vote on major implementation decisions including amendments to the plan.

## **Evaluation and Revision of the Blue Island Plan**

Any complex plan that extends over years requires periodic review and revision. This is especially true for a program such as the Blue Island Plan that involves alternatives for achieving major objectives and requires public and private partnership, accordingly:

- *The plan should be revised semi-annually.* Recommendations for revisions of the plan should be determined in quarterly meetings of the full Development Commission. A winter revision should be modest and tactical. A summer revision of the plan should follow from an annual meeting to review the development process and the plan. All community residents should be invited and encouraged to attend the annual summer meeting. With the benefit of the input from this broad group, changes in outlook and basic strategy may be considered in revisions of the plan.
- *The City will also secure bi-annual evaluations of the plan from objective reviewers* who might come from a university, a public policy institute, a consulting firm, or a public agency in a distant location.
- *Substantive amendments to the plan will be approved by the City Council.*

## **NEXT STEPS**

This document is a draft of the Blue Island Plan that will be reviewed by the Working Group for the plan's development, by advisors to the City and CNT, and by community residents in a large public meeting. The draft will be revised in light of these reviews. When the Working Group is satisfied that public comments have been adequately addressed, the plan will be recommended to the Blue Island City Council for its adoption. Upon acceptance by the Council, the document will become the Blue Island Economic Development Plan and the primary economic development policy of the City.

Upon adoption, the development scenario described in this plan will be implemented, beginning with a press conference and launch celebration.