

# **The Case for Transit-Oriented Development in the Greater Roseland Area**

**A report prepared for Developing Communities Project**

Prepared by

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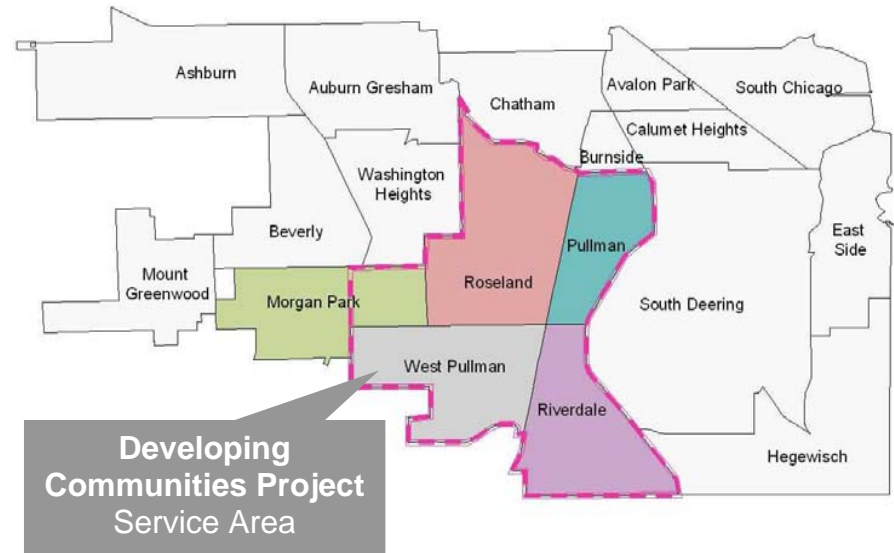
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**Developing Communities Project (DCP)** is the largest faith-based community-organizing agency on Chicago's far South Side. DCP is a coalition of churches, community organizations, schools, and block clubs that provides leadership training and educational skills to residents of the Greater Roseland community. DCP reaches 2,500 people annually through its leadership development, community organizing, educational programs, conventions, assemblies, and congresses. For the past 20 years, DCP's mission has been to organize community leaders and residents in the Greater Roseland communities of Roseland, Pullman, West Pullman, Riverdale and Morgan Park to be effective advocates in reclaiming their communities from the forces of social stagnation and economic decline that began in the 1980s. Deindustrialization of the area's manufacturing base displaced significant segments of the labor force, changing Greater Roseland forever. From its beginning, economic development has been DCP's top priority.

The **Nathalie P. Voorhees Center for Neighborhood and Community Improvement** was established in 1978 as a technical assistance and applied research center in the College of Urban Planning and Public Affairs at the University of Illinois at Chicago. Its mission is to improve the quality of life for all residents of the metropolitan area by assisting community organizations and local government entities to revitalize the many and varied communities in the City of Chicago and surrounding area.

### Greater Roseland Community



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## OVERVIEW

**Past.** For more than 30 years, transit money and plans have “passed by” the Greater Roseland community. Millions of dollars have been spent on building new highways, supporting transit to and from Chicago’s suburbs, revitalizing existing Chicago Transit Authority lines and even building a new CTA line to Midway Airport (Orange Line). In the mean time, economic development and employment opportunities have continued to expand in the north, northwestern and western areas of the region. All this time residents have been asking the City and the CTA to extend the Red Line south so that they could have access to opportunities that others have. This is especially important for those without automobiles, which is one out of every four households living in the Greater Roseland community.

**Present.** In 2002, plans to extend the CTA Red Line were revealed and Developing Communities Project began a grassroots campaign to educate and engage residents in the discussion and planning process. Among the three alternative routes being considered, Developing Communities Project is advocating for a route that will go through the center of their service area. Based on US census data, this route has the potential to benefit thousands more people than the other alternatives being considered. In particular, this route has more people who are likely to use transit including youth, seniors, people with disabilities, workers (with and without access to cars). It also has great potential to help rebuild the local economy of the community and improve the quality of life for current and future residents.

**Future.** Transit-oriented development (TOD) is promoted as a means to mitigate a multitude of problems found in older urban areas including sprawl, pollution, disinvestment, poverty and unemployment. The logic behind TOD is simple. Development near transit provides people access to a variety of retail goods and services. This can include a range of housing options at a high enough density to assure enough residents to support new retail development. In short, it’s about creating both supply and demand. In Greater Roseland, there is real potential for a synergistic and catalytic effect if the CTA extends the Red Line through the community and TOD is pursued. Consumer data for the community shows a clearly unmet demand for a wide range of retail including grocery. Connecting retail development to transit will also create access for consumers outside the community, which in turn can increase CTA ridership and consumer spending in the community.

While TOD is appealing, it has a limited track record of successes to draw from. Still, there are lessons learned that can be of use to DCP and the Greater Roseland community if TOD is pursued. This includes: 1) engaging the community early in developing a clear vision and plan for TOD; 2) understanding all potential stakeholders’ interests; 3) identifying barriers that might hinder investor interest; 4) being proactive in seeking out community support for use of public resources; 5) using TIF to maximize and diversify funding options; and 6) seeking out early an anchor that can then create interest among investors and banks.

## INTRODUCTION

This report was produced to assist Developing Communities Project (DCP) in its efforts to pursue Transit-Oriented Development (TOD) opportunities as a means to link jobs and economic development for residents in the Greater Roseland area. The time for this kind of thinking is ripe. President Bush recently signed into law the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2005: A Legacy for Users (SAFETEA-LU), which includes authorization to complete a preliminary engineering study on extending the Chicago Transit Authority Red Line from its current terminal at 95<sup>th</sup> Street and the Dan Ryan Expressway to 130<sup>th</sup> Street and Doty (near Stony Island Avenue).<sup>1</sup>

Extension of the CTA Red Line presents an important, timely and critical opportunity for policy makers and elected officials in the region to begin addressing serious and long-standing transportation needs for the citizens of the South Side of Chicago and Cook County. This report provides data that demonstrates not only the need for this extension of services but also how it might produce more impact depending on route selected and if transit-oriented development is integrated into the extension plans.

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<sup>1</sup> See Title III – Public Transportation. Sec. 3043. Project Authorization for New Fixed Guideway Capital Projects. (c) Preliminary Engineering, p. 270 (42) Chicago CTA—Red Line Extension.



### ***Benefits of extending the CTA Red Line to 130<sup>th</sup>***

The Red Line already has the highest ridership rates when compared to all lines, with the largest numbers entering/exiting the system at 95<sup>th</sup> Street. Extension of this line will produce benefits to existing riders and should bring in new riders.

*Existing riders:* Extension will mean getting current riders to destinations south of 95<sup>th</sup> Street faster than currently using bus and/or walking and will help ease the congestion at 95<sup>th</sup> Street.

*New riders:* Extension to 130<sup>th</sup> will help thousands of very low-income adults who do not have access to a car get connected to employment opportunities in the region. It will also allow thousands of people who do have cars to take transit rather than drive thus helping to reduce the high levels of congestion produced by drivers every day, reduce the number of traffic accidents, and provide a public transit alternative to rising gas prices.

### CTA Red Line Extension Fit with Existing Plans.

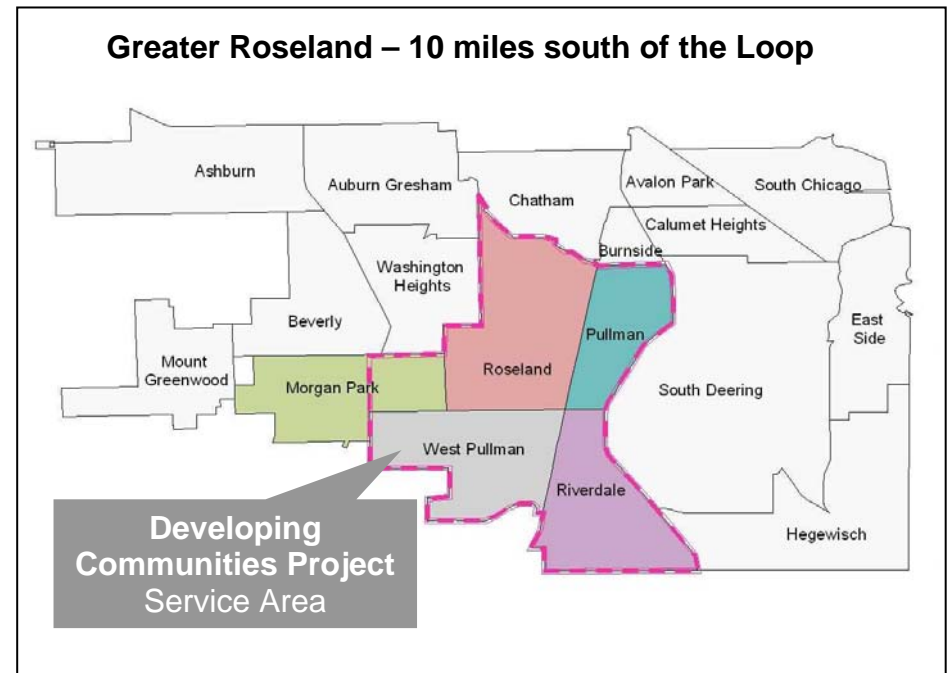
Many planning documents aimed at shaping the future of our region emphasize the importance of transit as a means to reduce pollution, increase access to opportunities for lower-income people and to improve the existing flow of people in and out of the region but also anticipate continued population growth. As Metropolis 2020 describes:

*A prosperous region must be able to move people and freight efficiently with a transportation system that conserves open space, respects air quality, and encourages land-use decisions that are consistent with vibrant, healthy communities. A region that is serious about broad access to economic opportunity should provide quality housing near job centers for workers of all income levels.*

Along these lines, **Northeastern Illinois Planning Commission's 2040 Framework** promotes creating "livable communities" where there is a "jobs housing balance" measured in terms of the job opportunities and sufficient numbers of affordable housing, and the ability to access via good transportation the goods and services that improve quality of life.

More specifically, the Chicago Area Transit Study's **Shared Path 2030 Plan**, completed in October 2003, recommends extending the CTA Red Line:

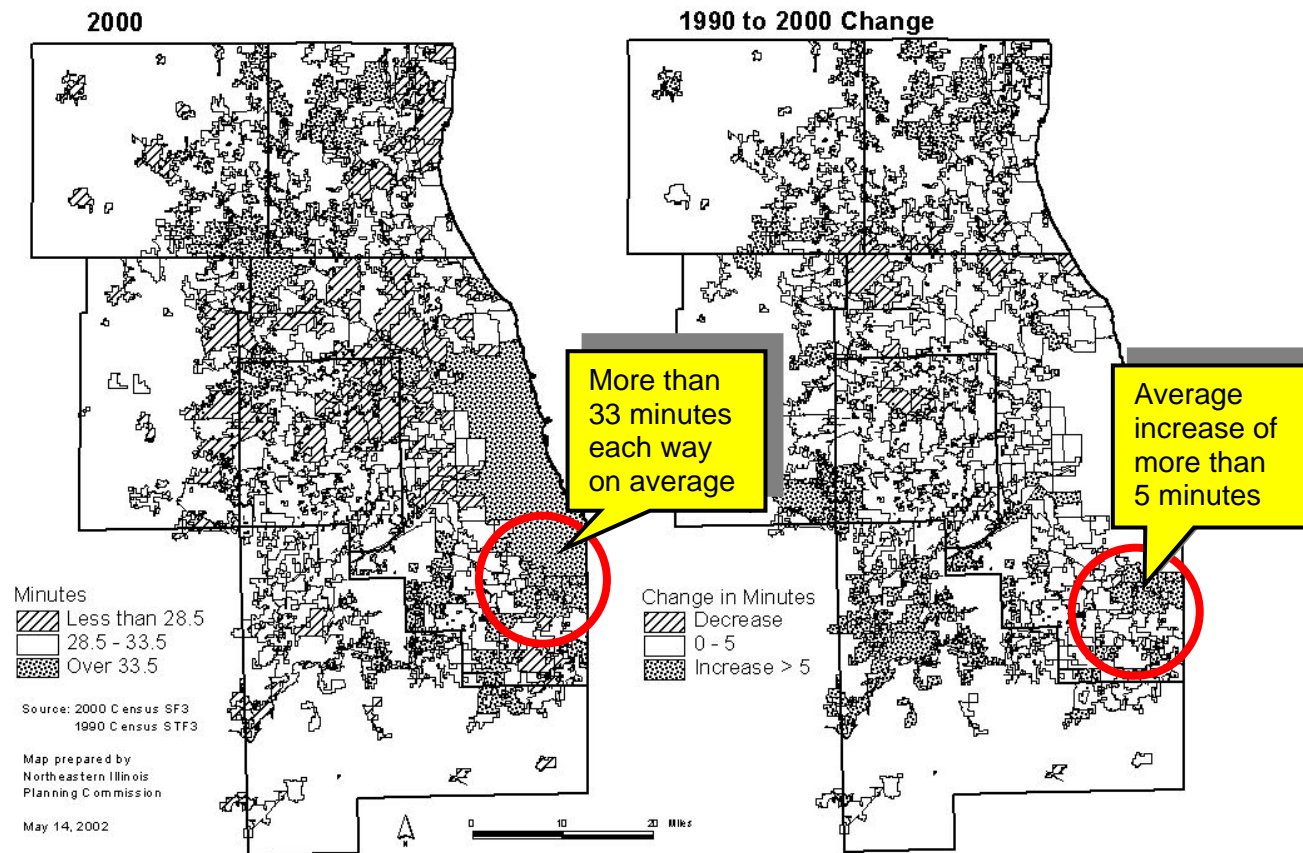
***to increase accessibility for residents of Chicago's far south side and southern suburbs...and to relieve congestion, reduce travel time and improve access to jobs for lower income residents. The proposal should also promote economic development on Chicago's south side and in suburban areas (author's emphasis) (p. 142).***



**Travel time and congestion.** Based on data from the US Census, the average commute time in Chicago and south Cook County is now over 33 minutes on average one-way. This is an increase of more than 5 minutes for residents in southern Cook County—just south of the

City. This means that more cars are on the road coming from the far south side of the region, even Indiana, bringing workers into the City and to employment centers north and west who could instead ride the CTA if it were available further south.

## 6 County Region Travel Time to Work by Place of Residence, 2000



Source: <http://www.nipc.org/>

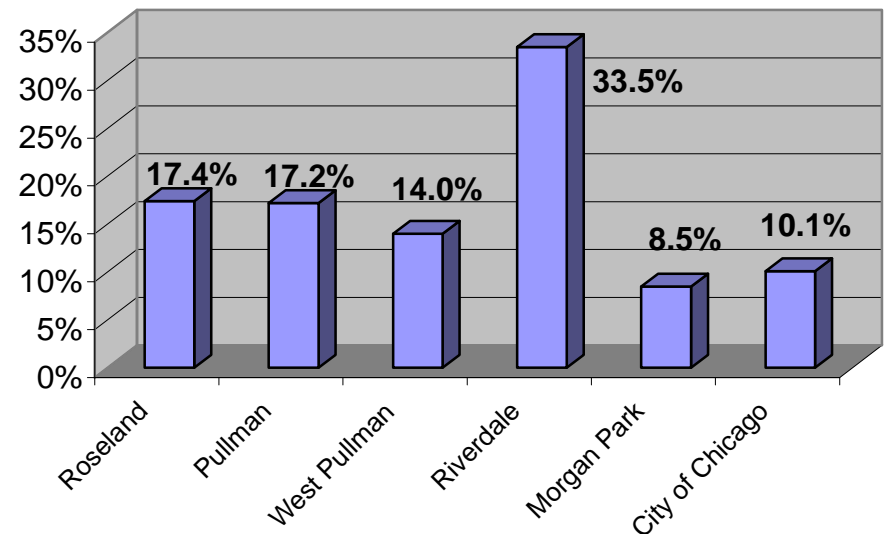
## EQUITY AND ECONOMIC DEVELOPMENT POTENTIAL

Extending the Red Line—and transit expansion in general—offers opportunity for residents to have improved “car-free” access to parts of the region and creates greater potential for economic development. Both are needed on Chicago’s far South Side.

**Connecting to Jobs.** The region has seen incredible growth in terms of job creation and wealth over the past decade; however, it has not necessarily been equally and equitably distributed. As Metropolis 2020 illustrates, while Chicago remains a primary employment center, the region has seen most growth in employment outside the city, primarily in the north, northwestern and western suburbs. This means that people on the south side of Chicago and the region are not easily reaping the benefits of this growth, unless they travel great distances to get there. For most on the far south side, owning an automobile will be the advantage in finding good paying jobs. For those who cannot afford a car, getting to many of these locations may be easier than others via transit, with existing Metra lines. However, this does not currently include people in the Greater Roseland area. Instead, residents here who do not own an auto—which is about 25 percent of the population—have only the CTA and for most, this means relying on the bus, which is not only slower than fixed transit, it can also be unreliable due to varying traffic and weather conditions.

**Creating jobs.** Obviously, extending the Red Line creates great potential to connect residents who are either unemployed or underemployed to job opportunities outside the community. However, equally important is the potential for economic development that comes with new transit. Transit-oriented development, which is the deliberate planning and development of an area to provide a mix of housing, work, shopping and entertainment options near transit, can also create jobs for people in the area.

**Greater Roseland Unemployment, 2000**





**Responding to Unmet Consumer Demand.** TOD can actually help respond to some of the unmet demand for consumer goods in the Greater Roseland area. Currently, there is an incredible (estimated) leakage of consumer spending. What this means is that based on consumer spending patterns in Roseland, Pullman, West Pullman, Riverdale, and Morgan Park—a total of \$1.24 billion or \$340 million per square mile—there is an incredible amount of money being spent *outside* these community areas. This includes grocery shopping, which is something that every family needs to do.

In addition, TOD can potentially give more residents in Greater Roseland area more expendable income by reducing transportation costs. Currently, residents spend \$5,000-\$8,000 annually on transportation costs. As gasoline prices are expected to continue to rise, transportation costs will increase for families who drive. Transit could offer a more cost effective means for getting to and from work, and TOD can offer many people the option for either using transit or walking to do their shopping instead of driving.

### Consumer spending in Greater Roseland area communities (Millions \$)

	ROSELAND	PULLMAN	WEST PULLMAN	RIVERDALE	MORGAN PARK
TOTAL CONSUMER EXPENDITURES	\$493	\$96	\$314	\$81	\$256
TOTAL RETAIL SALES	\$151	\$36	\$54	\$9	\$144
EXPENDITURE LEAKAGE	\$342	\$60	\$260	\$72	\$112
PERCENT OF TOTAL	69%	62%	83%	89%	44%

Source: MetroEDGE, Chicago Department of Planning and Development

### Reclaiming Retail

In 2003, Greater Roseland residents spent an estimated \$1.24 billion on retail goods and services, with \$846 million spent ***outside*** the community.

## CHANGE IN CHICAGO – CONNECTING GREATER ROSELAND TO OPPORTUNITY

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The City of Chicago is markedly different from twenty and even just ten years ago. Whole neighborhoods have been “turned around” with the investment of public and private dollars, while others have become targets for speculation, as investors try to predict the next hot neighborhood. Poor African American neighborhoods, long the victims of disinvestment, are now seeing private investment that is not only unprecedented, but also truly transformative, as witnessed in the near west and south sides of Chicago where public housing is coming down and being replaced with mixed-income developments.

In nearly all these neighborhoods, new construction and renovation has produced homes selling well above the city median and many averaging close to half a million dollars. However, as the recent study *Gentrification in West Town: Contested Ground* completed by the UIC Nathalie P. Voorhees Center illustrates, these changes are not without consequence.<sup>2</sup> These changes, which have been brought on by an influx of private capital and often spurred by public activities, force low-income households to relocate, often involuntarily to other communities. In turn, many of these families end up sending children to a new school, spending more time commuting to work, more money on public transportation to get to services, and potentially moving into poorer living conditions in order to keep housing costs down.

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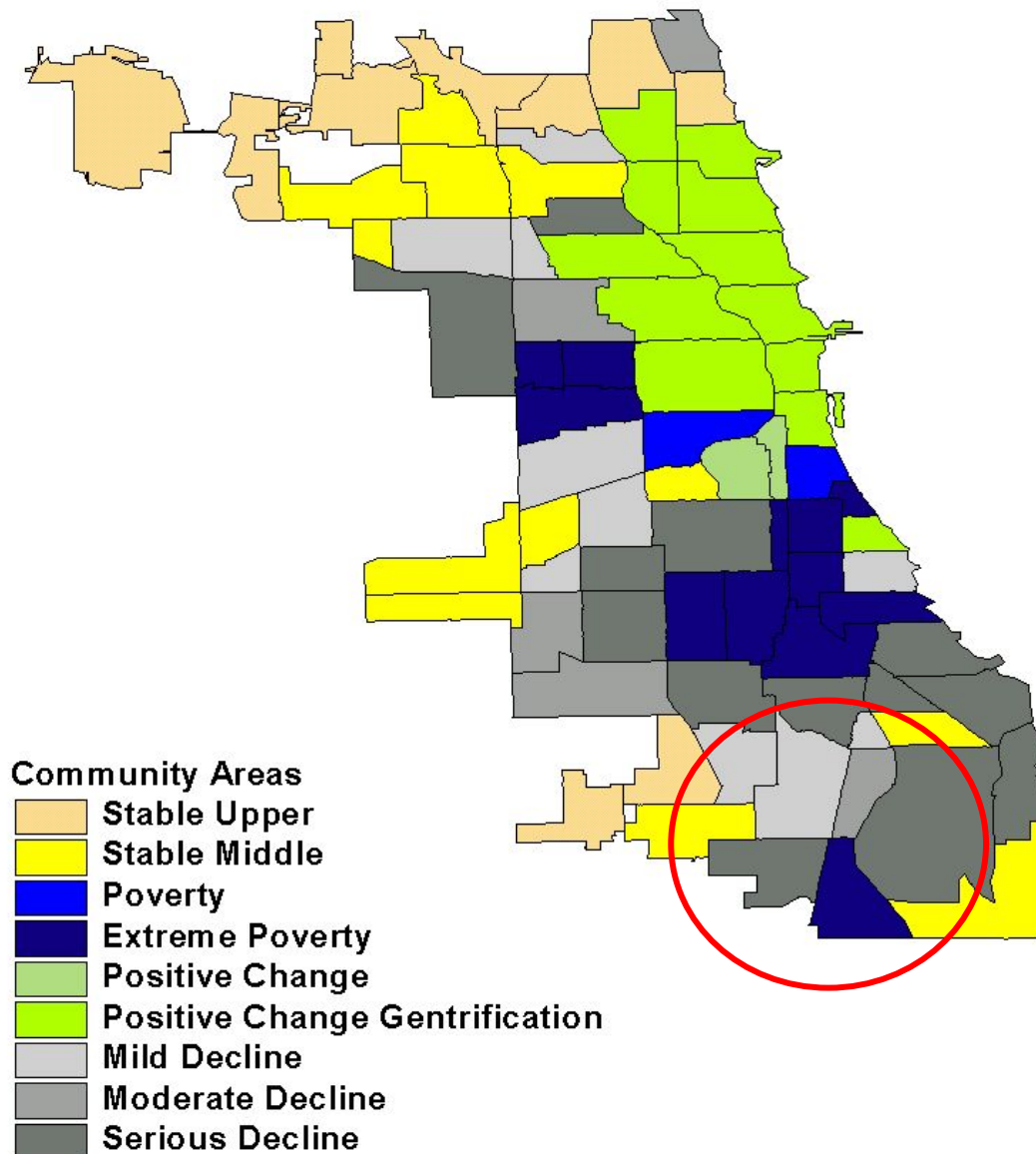
<sup>2</sup> John Betancur, Isabel Domeyko, and Patricia Wright. 2001. *Gentrification in West Town: Contested Ground*. Nathalie P. Voorhees Center, University of Illinois Chicago.

The Nathalie P. Voorhees Center for Neighborhood and Community Improvement has been studying the changes occurring in Chicago’s community areas, documenting and assessing the impact of “market driven” development, and specifically “gentrification” that has occurred since 1970. In the Spring of 2003, at a conference entitled *Interpreting Neighborhood Change*, a series of maps were produced to illustrate how the city had changed over time across many dimensions and particularly as it related to gentrification.

The following map shows how some neighborhoods have or have not changed since 1970 in relation to indicators of gentrification (see more detailed explanation of maps in Appendix). A second map shows how the concentration of poverty has both changed and remained the same over time. When looking at these maps, we were struck by the evidence of disinvestment and overall uneven development despite the growth in income and reduction in poverty overall *citywide*.

Even more striking was the sustained levels of disinvestment and poverty found in many more communities, suggesting that despite the overall growth in the economy, population, and private investment during the 1990s, the “rising tides” were not lifting all boats (see *Families in Poverty* map). This is true for the Greater Roseland area, where poverty in most community areas has been between 10-25 percent since 1980, and higher in Riverdale.

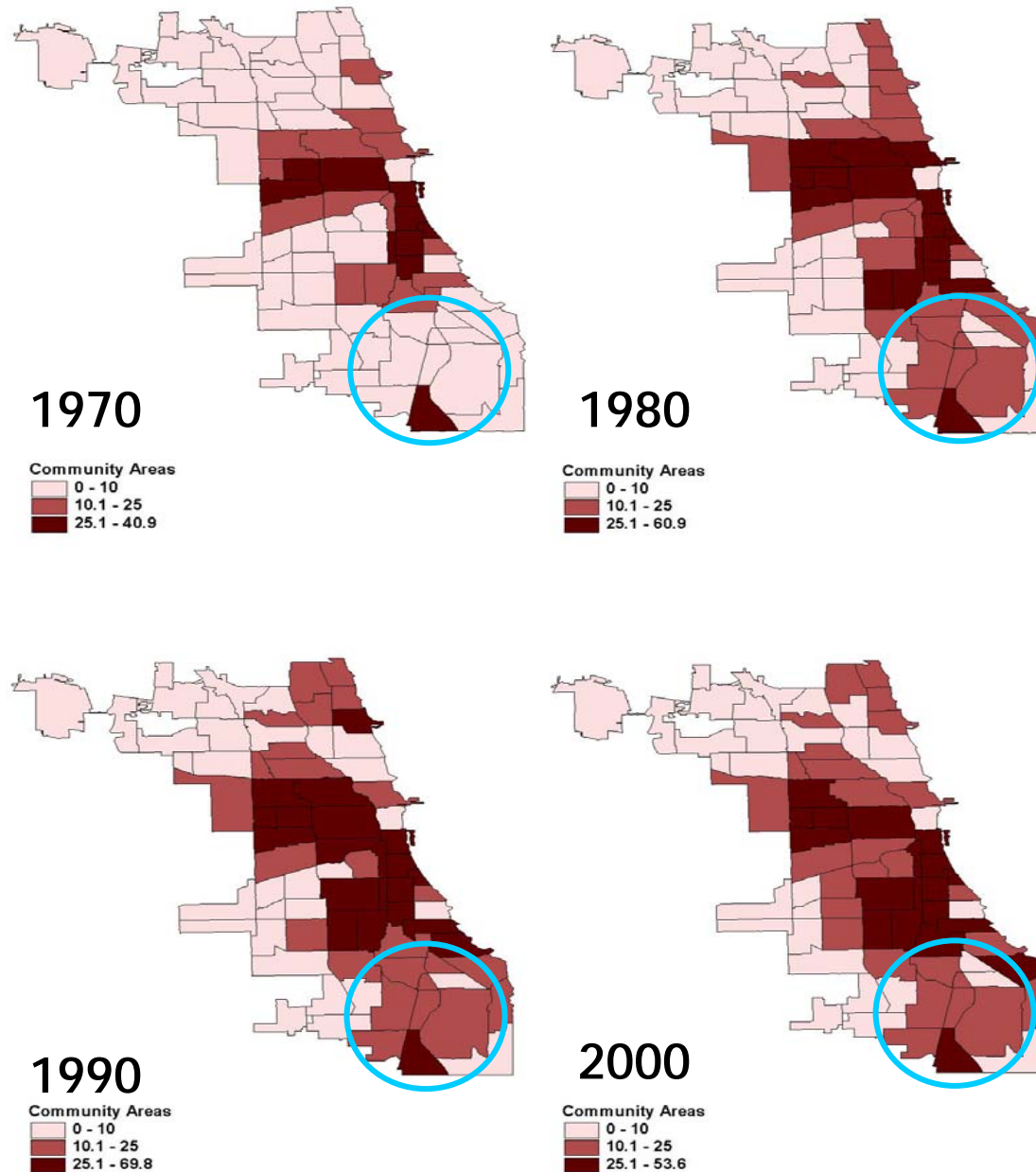
## Change and Gentrification in Chicago's Community Areas, 1970-2000



### Indicators of Gentrification

Median family income (+)  
 % families below poverty (-)  
 Median house value (+)  
 % owner-occupied housing (+)  
 % White (+)  
 % African American (-)  
 % Latino Population (-)  
 % children age 5-19 (-)  
 % 65 years or older (-)  
 % professionals & managers (+)  
 % adults w/college degree (+)  
 % children in private schools (+)  
 % female-headed households w/children (-)

## Families in Poverty in Chicago Community Areas, 1970-2000



FAMILY POVERTY RATE, 2000	
<i>Roseland</i>	14.2%
<i>Pullman</i>	18.4%
<i>West Pullman</i>	19.3%
<i>Riverdale</i>	53.6%
<i>Morgan Park</i>	9.3%
<i>Chicago</i>	16.6%

**Using our gentrification analysis, we identified different types of communities that were not gentrified:**

1. Imminent gentrification. These low-income community areas are seeing gentrification—evidenced by escalating housing prices, rehabilitation, condominium and loft conversions, and new construction—at the block level or in small clusters. Typically located adjacent to gentrifying neighborhoods, these communities have some desirable features such as lakefront location or access to downtown, but are also characterized by diversity and disparity. Examples include Rogers Park and Humboldt Park.
2. Latino in-movers. Some non-gentrifying neighborhoods have become places of refuge for low-income people who have been pushed out of gentrifying neighborhoods. In Chicago, Latinos are a large portion of the people who have been displaced by gentrification. Between 1990 and 2000, Latinos moved out of gentrifying areas such as West Town and Logan Square, to northwest side communities such as Belmont Cragin and Hermosa, and to southwest side communities including New City/Back of the Yards, Gage Park, and Brighton Park. These areas have a significant percentage of owner occupied single-family homes (35-55%) and have generally seen the Latino population increase from 30-40% in 1990 to 50-80% Latino in 2000.
3. African-American renters. Other non-gentrifying neighborhoods appear to be places of refuge for very low-income people who have been pushed out of public housing by the CHA redevelopment. Common features of these neighborhoods include being 90-100% African American, a majority of housing units occupied by renters, and high poverty rates, such as **Riverdale**. This is a vulnerable population group because low-income renters may be easily displaced, whether as a result of public housing transformation or private investment.
4. Long-term Latino communities. Considered “ports of entry” for Latinos with especially large numbers of Mexican immigrants, these neighborhoods are mostly renter-occupied and high density. Overcrowding and housing affordability are concerns, as well as displacement of low-income renters. This includes Pilsen (Lower West Side), which has already experienced gentrification on its east side, and Little Village (South Lawndale) where many Pilsen residents are moving.
5. African-American homeowners. Homeowners in these neighborhoods did not experience the dramatic increase in their property values that characterized the economic boom of the 1990s. These south side neighborhoods experienced serious economic decline with the loss of manufacturing jobs that began in the 1970s. Examples include **Roseland, Pullman, and West Pullman**.

In 2004, the Voorhees Center sought and received funding from the Chicago Community Trust to work with community-based organizations like Developing Communities Project to help develop “place-based” strategies that could change the status quo in the “type” of community they work in.<sup>3</sup> Rather than just producing plans for redevelopment of commercial strips or for building new affordable housing, we wanted to help residents develop action plans to take on broader policy issues that directly impact what does or does not happen in their communities. Guiding this process is the belief that development will benefit residents in these communities if they can control how and when it happens, and to do that they need good information in order to negotiate with a whole range of players in the development process.

Change is a product of large-scale forces (post-industrialization, globalization), policy initiatives (local, state and federal) and the actions or inaction of community members (individuals, groups). Activity along any of these three dimensions can trigger decisions to invest in some areas and not in others. In turn, we may see changes in population and housing across communities because of these decisions. The Red Line expansion is a significant initiative that has the potential to benefit residents and improve the economy of Greater Roseland. Equally important, the Red Line expansion can help connect residents in and around the area more easily to different destinations and vice versa.

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<sup>3</sup> Support from Searle Funds at The Chicago Community Trust (#2004-00540). The Center is also working with three different organizations in the other community types.

### **Boom for Whom?**

The residents of Greater Roseland sit in the most job inaccessible community in Chicago. While entry-level job growth in the City’s central business districts and northwest suburbs posted record expansion in the 1990s, the transportation deficit of Greater Roseland residents put these jobs out of reach. Public housing residents in Riverdale’s Altgeld Gardens were as outside of the jobs boom of the 1990s as the poor could be. This was due to one problem—the lack of adequate public transportation to where the jobs are.

*Developing Communities Project*

### **From Victims of Change to Agents of Change**

Historically, inner-city communities have been the victims of massive transportation projects (e.g., urban expressway systems) that either displaced residents, or that cut right through thriving communities, leaving them to wither on the vine.<sup>4</sup> The Red Line Extension is an ambitious new “transit linked” jobs and economic development project for connecting moderate and low-income communities on Chicago’s far South Side to the employment and business subcenters of the north and northwest metropolitan area. With the Red Line Extension, DCP now has an opportunity to use transportation planning and infrastructure construction to spur sorely needed economic development in an urban/suburban region that is traditionally overlooked.

*Developing Communities Project*

<sup>4</sup> See Thomas W. Sanchez, Rich Stolz, and Jacinta S. Ma. 2003. “Moving to Equity: Addressing Inequitable Effects of Transportation Policies on Minorities,” The Civil Rights Project at Harvard & Center for Community Change, Cambridge, MA.

## BRIEF HISTORY OF THE RED LINE EXTENSION

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- 1967 The Dan Ryan Expressway was constructed, which displaced many thriving and long-standing African-American communities along its path, and concurrently, facilitated the out-migration of mostly white, middle class residents to the suburbs.
- 1969 The Dan Ryan Line entered service on September 28 as part of the West-South Route (Lake-Dan Ryan) service. The line was constructed for the CTA by the City of Chicago's Public Works department (currently Chicago Department of Transportation), expanding rapid transit service four miles further south than it had previously gone.<sup>5</sup>
- 1973 Plans to extend the line are developed but tabled because they needed "more study." This continues for the next 30 years.
- 1993 The Dan Ryan Line was rerouted and now comprises the south end of today's Red Line.
- 1998 The 2020 Regional Transportation Plan included a proposal to extend the Red Line south from the present 95th Street terminal to the vicinity of 108th/Stony Island via the Bishop Ford Freeway.
- 2002 **Developing Communities Project** begins organizing the community with the goal of reaching half of the 130,000 people in Greater Roseland through grassroots strategies to get support for the Red Line to extend through their community.
- 2003 RTA's Draft 2030 Shared Path regional transportation plan released and DCP provides public comment.
- 2003 DCP held a public meeting with CATS (May) and with NIPC (September); 200 residents attend each.
- 2003 The CTA proposed a different route for the Red Line extension. Instead of the previously proposed route along the Bishop Ford highway, the CTA proposed that the extension pass through the Roseland community via the Union Pacific right-of-way, south along Stewart Avenue and southeast to 118th and Calumet in Kensington. From there, it would follow the South Shore Line right-of-way to 130th and Doty, at the Bishop Ford highway.<sup>6</sup> Chicago Area Transportation Study (CATS) selects Red Line Extension to be a capital project of the Regional Transportation Plan (October).
- 2003 DCP launches petition drive to get an advisory referendum on the ballot to extend the Red Line; 6,000 residents sign and it is put on the November 2004 ballot.
- 2004 Referendum is supported by nearly 39,000 voters in the 9<sup>th</sup> and 34<sup>th</sup> wards—a record turnout for a referendum in Chicago.
- 2005 Feasibility study by Parsons Brinckerhoff begins for CDOT
- 2005 SAFETEA-LU passed by Congress (July) and signed into law by President Bush (August).

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<sup>5</sup> From <http://www.transitchicago.com/news/motion/red/danryan/>

<sup>6</sup> <http://www.chicago-il.org/plans/2020plan.html>

## MOVING FORWARD

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Since it's opening, residents of the South Side have wanted to see the Red Line extended further south. Over the years, there have been efforts to push this vision along but with little success. Southsiders were usually competing with projects in the Loop and suburbs, and transit projects in general were often losing to highway construction plans. Finally, in the late 1990s, the Regional Transit Strategy included a proposal to extend the Red Line to 108<sup>th</sup> Street. However, this proposal had limited support. The location for the new station was in a low density and populated area, which while mitigating potential displacement, it also meant fewer likely riders of the extended line. A proposal to change the route to go through the Roseland community plus extending it down to Altgeld Gardens generally solved this problem. Momentum for the extension picked up as community organizing efforts brought more residents to the table, appearing at hearings on the 2030 Shared Path regional transportation study, at DCP community meetings with transportation officials and at the ballot box to pass an advisory referendum (see Red Line Extension History).

Now, the Red Line extension has been put on the “fast track” as one of the designated New Start projects in Illinois (see overview in Appendix). The first phase requires an analysis of the alternatives in order to evaluate the mode and alignment options in the community to determine the “benefits, costs and impacts of transportation options” so that a path for extension can

be selected. The second phase, which produces a preliminary engineering report to guide the environmental review of the selected path, is included as an “authorized project” in the new *Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2005: A Legacy for Users (SAFETEA-LU)*.

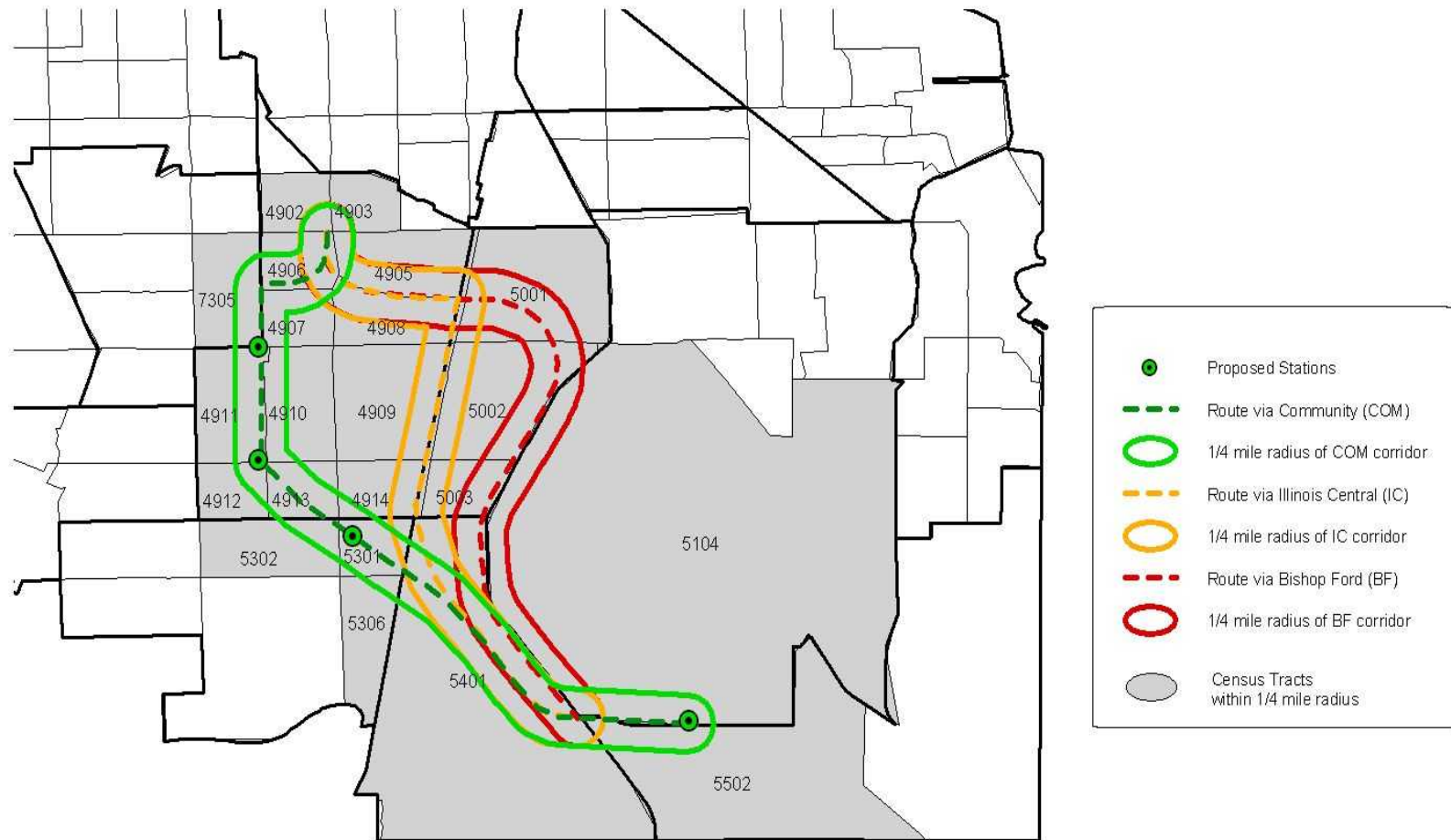
Currently, three options are being examined for the Red Line (see map) by Parsons Brinckerhoff for the Chicago Department of Transportation (CDOT). A fourth option, which is to “do nothing” (i.e., merely increase existing bus service), is also possible at this time. Each has different potential benefits and impacts to consider. For this report, we are interested in seeing who would benefit and how based on the location for each option. The three tables below compare selected census data for each route.

The **Community Route** has the largest population overall (72,000 people in 22,100 households) and the largest proportion of family households (77%). This route also has the largest number of people employed (22,800). The Community route also has:

- the largest number and proportion of households below poverty (5,000; 23%);
- more seniors (8,600) and “soon-to be” seniors (7,000);
- more people who are disabled (30,600); and
- a higher number (30,600) and proportion (43%) of people with disabilities.



## THREE ALTERNATIVE ROUTES



## Selected demographics, 2000

	Community Route		Bishop Ford		IC Route	
	#	%	#	%	#	%
Population	72,052		39,333		57,048	
Households	22,130		13,340		19,052	
Family households	17,019	77%	9,814	74%	13,974	73%
Nonfamily households	5,111	23%	3,526	26%	5,078	27%
Families with Children < 18	7,378	33%	4,561	34%	6,318	33%
Households Below Poverty	5,084	23%	2,987	22%	4,129	22%
Total Employed	22,835	32%	12,903	33%	18,795	33%
"Soon-to-be" Seniors 55 to 64	7,059	10%	3,699	9%	5,476	10%
Seniors 65 years +	8,659	12%	5,186	13%	6,849	12%
Total Disabled	30,617	42%	16,043	41%	23,052	40%

Source: US Census, 2000.

## Average travel time to work, one-way, 2000

Commute Time	Less than 30	30 to 44 mins	45 to 59 mins	60 to 89 mins	90 or more mins	Work at Home
Community Route	6,671	5,686	3,424	4,049	2,571	434
Bishop Ford	4,069	3,413	1,856	2,111	1,234	220
IC Route	6,061	4,582	2,874	3,139	1,840	299

Source: US Census, 2000.

## Means of transportation to work, 2000

Means of Transportation to Work	Car, truck, or van		Public transportation				Other mode	
	Drove alone	Carpooled	Subway or Bus	Elevated Railroad	Taxicab	Walked	Other means	
Comm. Route	12,694	3,277	3,830	1,368	567	61	452	152
Bishop Ford	7,385	1,599	2,053	843	470	13	269	51
IC Route	10,644	2,431	2,955	1,275	622	56	409	104

Source: US Census, 2000.

<sup>7</sup>The numbers for each route are based on aggregating data from all census tracts that are approximately within 1/2 mile (1/4 mile on either side) along each of the proposed routes.

## Comparing Alternatives

The data presented here illustrates who is living along each route.<sup>7</sup> Based on population size, the Community route has greater potential to benefit more people in the Greater Roseland Area, as well as generating more ridership and revenue for CTA. There are more transit users along the Community route, many whom rely on the bus to get to and from work but may prefer to take transit. Further, this route also has more people who drive to work (and often alone)—all potential *new* transit riders.

As the next section will illustrate, a particular strength of the Community Route is the potential for transit-oriented development (TOD), which can help residents and can help jump-start the Michigan Avenue Tax Increment Financing (TIF) district.

## TRANSIT-ORIENTED DEVELOPMENT

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Transit Oriented Development (TOD) can be defined as “the creation of compact, walkable communities centered around high quality train systems. This makes it possible to live a higher quality life without complete dependence on a car for mobility and survival.”<sup>8</sup> In more precise terms, TOD is development that is “within a half mile radius of rail or rapid bus stations, encourages walking and cycling, has a mix of retail, commercial and residential uses, and a diversity of housing types suited to a mix of generations and incomes.”<sup>9</sup> This is meant to distinguish TOD from development that just happens to be near transit.

This section explores TOD in the context of the Greater Roseland community. While TOD aims to solve many contemporary urban problems -- sprawl, traffic congestion and poor air quality, to the shortage of affordable housing and the need for reinvestment in urban core communities. And while there is a great deal of interest in TOD for these reasons, the data and evidence to support the many positive claims is limited. Still, a number of case studies do provide evidence that TOD, if done with careful research and planning, can produce results.<sup>10</sup> However, when comparing these cases to the Greater Roseland area, many do not always translate directly since most the research has focused either on development occurring around existing transit

or in more affluent suburban locations, where the primary concerns are getting residents to accept affordable housing (often higher density) and to actually use transit. Conditions in Greater Roseland are almost the inverse—affordable housing already exists and people already use transit. The problem here is that the transit is less than optimal (i.e., buses instead of fixed rail) and due to a long period of disinvestment, there are fewer options for residents to purchase consumer goods and services in the area.

What makes TOD an interesting proposition in the Greater Roseland community—and particularly in conjunction with extending the Red Line—is the potential synergy effect that can benefit both the community and the CTA. As illustrated earlier, there already is unmet demand for retail. Assuming much of this unmet demand is among people who may also be transit users or potential transit users if the Red Line were extended through their community, we might also assume new retail development will not only draw customers but also assure ridership on the extended line. In other words, unlike suburban areas, where ridership and consumer demand both have to be cultivated, the conditions in Greater Roseland suggest that people are ready to ride the train and shop near their homes.

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<sup>8</sup> TransitOrientedDevelopment.org.

<sup>9</sup> NewUrbanism.org.

<sup>10</sup> See Appendix for cases studies and citations

## TOD Goals

Many TOD goals can help the Greater Roseland community to reclaim itself from the “forces of social stagnation and economic decline that began in the 1980s” through economic development.

***TOD is “a multi-faceted tool that can be used to address some of our most pressing problems, and it holds the promise of making the American way of life more sustainable.”<sup>11</sup>***

**Stabilizing demand for goods and services.** Key to successful development is making sure there is demand. A concern in older communities that have lost population is being able to convince businesses that there is sufficient demand to provide a return on their investment. Advocates of TOD contend that the areas surrounding fixed rail (and often light rail stations specifically) offer greater certainty and therefore less risk to the development community, as a station is unlikely to move or cease its operations. On the contrary, bus routes are perceived to be more flexible and less certain over long periods of time (e.g., 30+ years).<sup>12</sup>

**Increasing employment.** Transit can increase opportunity for people to work by creating a means to connect people to jobs in other areas where there are more employment options, as well as give people a more stable and faster means of getting there. TOD can create jobs in the community, often in retail and entertainment, which is needed in Greater Roseland. TOD assumes

there will be a sufficient number of people to support this kind of development that will be using transit and/or living near the commercial development around transit stops. It is also presumed and generally supported by the research that a successful TOD effort will develop a “community-oriented downtown” with housing, local-serving shops, and community facilities arranged along pedestrian-friendly streets. The mix should offer goods and services the community needs but should not compete with stores at larger regional shopping malls. This can include grocery, health and beauty supplies, clothing and hardware stores, as well as more “boutique” type shops that sell gifts, cards, coffee, and books.<sup>13</sup>

**Increasing property values.** Development can improve property values if the scale is significant. This is important in Greater Roseland where disinvestment and limited development over time have kept housing and land values below city median in some parts of the community. A caution, though, is that new development can also cause taxes to rise quickly, which can place a burden on owners and renters. It is important to remember that TOD aims to not only encourage development, but more importantly, to promote the type of development that will benefit the community. This means that while development is a goal, attention must be given to producing and maintaining a diversity of housing types suited to a mix of generations and incomes.

<sup>11</sup> Glorlal Ohland. “Transit-Oriented Development in Four Cities.”

<sup>12</sup> [www.todadvocate.org](http://www.todadvocate.org).

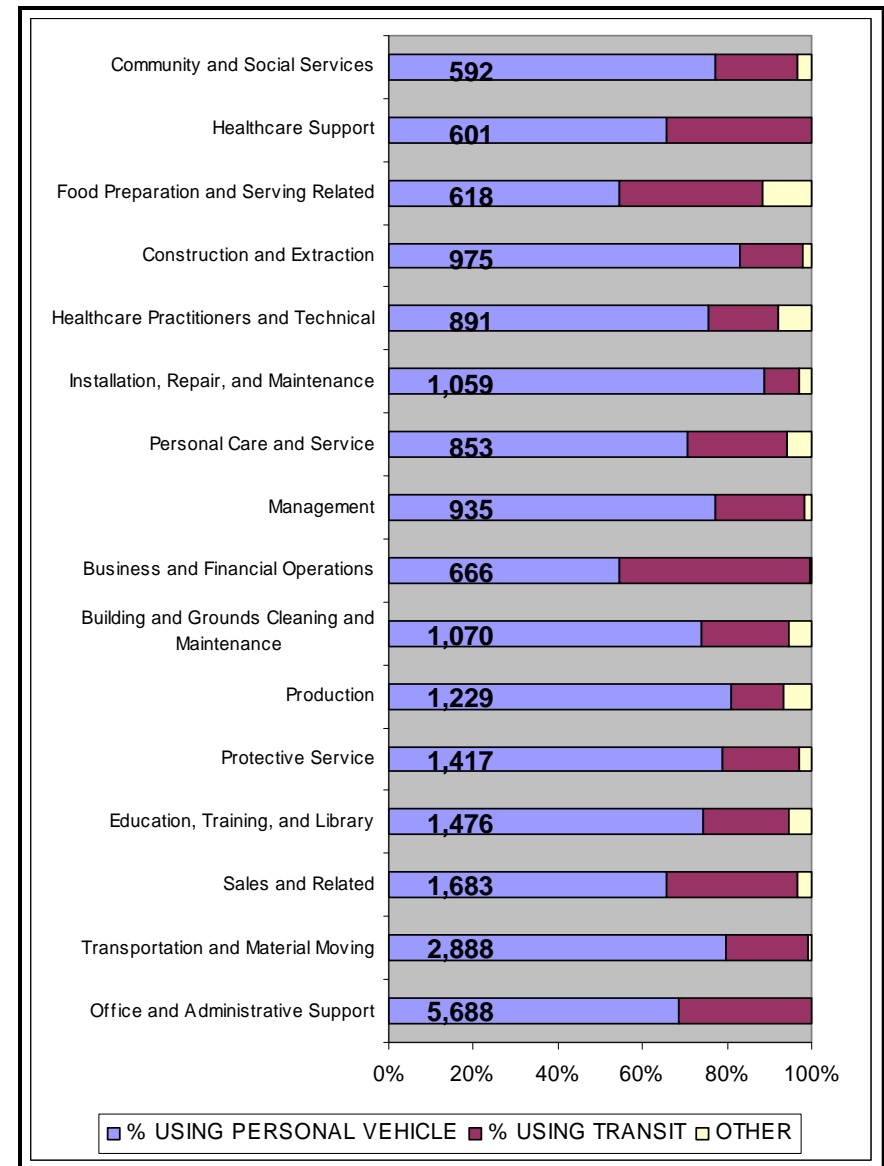
<sup>13</sup> Gloria Ohland. “Transit-Oriented Development in Four Cities.”

**Decreasing sprawl.** As housing prices continue to climb in the Chicago region, we are seeing more people moving further out from the urban core to find affordable housing. Many small rural communities are now seeing development of significant scale. Will County is the fastest growing county in the region and one of the fastest growing in the US with a 40% increase in housing units between 1990-2000. TOD aims to help older communities that are often being by-passed by families seeking affordable housing—which Greater Roseland does have—by making them accessible and more attractive. Assuming the goal is development without displacing existing residents, it is important to focus on making the community better for existing residents and seeing newcomers as an additional benefit of TOD that can also benefit the region.

**Reducing traffic congestion and pollution.** Riding transit can reduce congestion and the overall pollution levels but a critical shift in behavior is needed in order to see significant results. For example, when the Orange Line was opened, the CTA did a survey and found that an estimated number of riders that had previously driven cars avoided about eleven miles from origin to destination on average, which meant a reduction in car emissions.<sup>14</sup> Looking at the number of people in the Greater Roseland area who drive to work – about three-fourths of all employees—there is potential to reduce both pollution and congestion, especially if the extension to 130<sup>th</sup> encourages drivers from southern Cook County and eastern Indiana to take transit.

<sup>14</sup>LaBelle, Sarah, and Darwin Stuart. "Diverting Auto Users to Transit: Early Lesson from CTA's Orange Line." Market Research Department, Chicago Transit Authority, January 1995. <http://ntl.bts.gov/DOCS/cta.html>

**Workers Travel Mode to Work by Occupation, 2000**



## TOD Challenges

While all the above are good goals, the ability to make transit oriented development happen and be successful requires paying attention to and dealing the potential pitfalls of TOD, and specifically addressing up-front many of the barriers that often prevent success. It also means keeping sight of the community's goals so that they are not trumped by the goals of developers and other actors in the TOD process.

A key point to remember is that Developing Communities Project is not a developer, but rather a facilitator of change vis-à-vis its leadership development, community organizing, educational programs, conventions, assemblies, and congresses. A key role that DCP can play in the process is making sure that the community is involved early on and specifically in helping to shape the TOD vision and the plan. This also includes getting involved early in the transit planning process as well to assure that there is synergy but also community input from the start in determining the location of stations, orientation and traffic flow, and other factors that can affect utilization and ridership rates. Further it is critical to get community engaged early to get buy-in and support, which can prevent problems in the future.

**“...a carefully crafted community plan adds certainty to development review by establishing a lucid vision for development around a transit node. Having broad-based community buy-in is also essential.”**

*Transit-Oriented Development in the United States:  
Experiences, Challenges, and Prospects*

### TYPICAL BARRIERS ENCOUNTERED

**1. Fiscal.** Mixed use development in general is considered higher risk based on its perceived “market viability” and the lack of conventional financing. While this is changing as more projects are completed, it is still a challenge to get investors and lenders especially without some level of public funding on the table (see below).

**2. Organizational.** As with any development that brings multiple parties to the table, there will be potential for structural impediments within and across agencies that can slow down and even prevent development from happening.

**3. Political.** While development is usually something positive in a community, a challenge many TOD projects encounter is the “Not In My Back Yard” (NIMBY) response to proposals that will increase density in an area. This is more common in suburban areas where existing density is relatively low, but can also occur in any community where change is being proposed that might increase the number of people living or visiting an area.

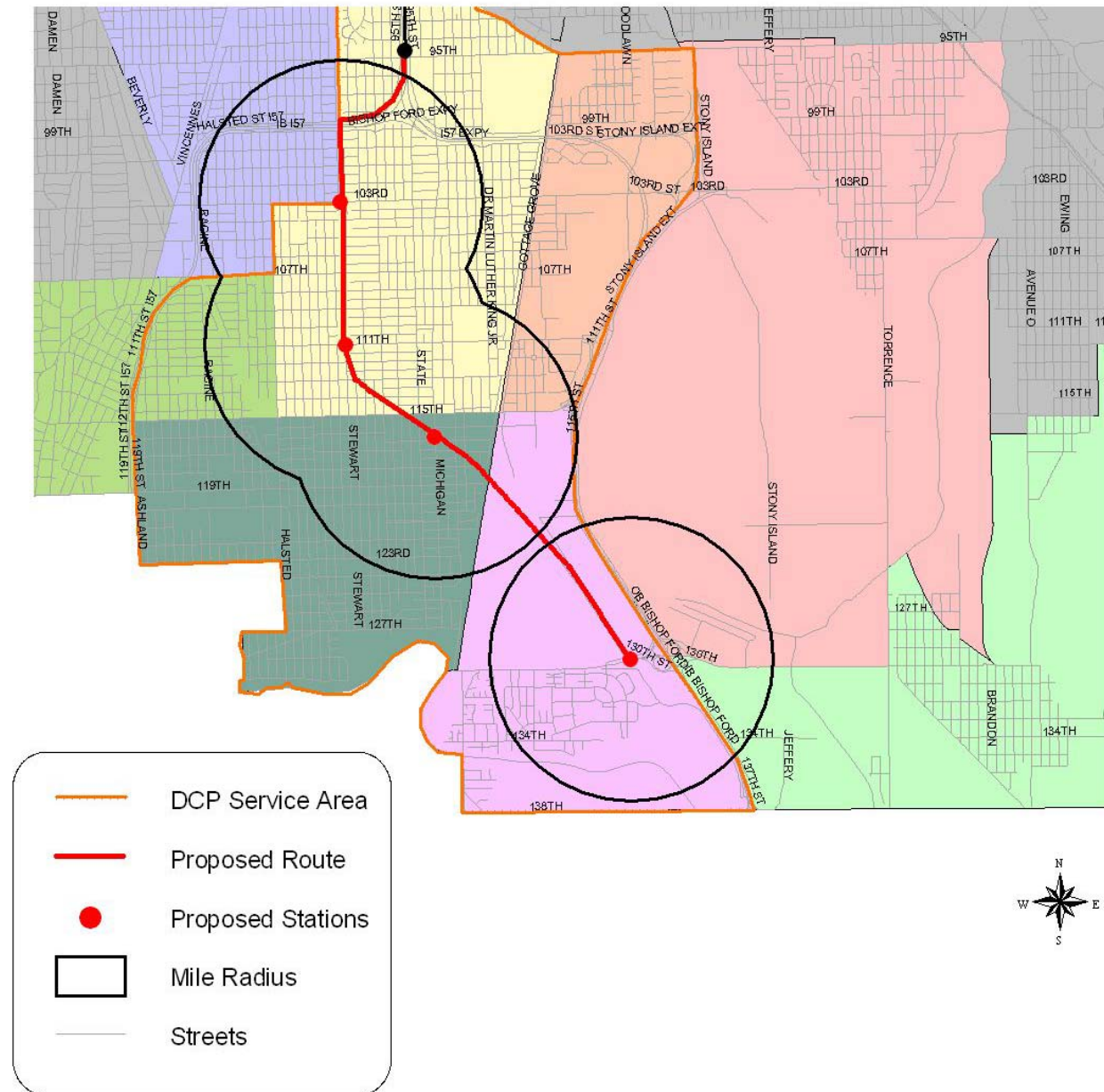
From *Transit-Oriented Development in the United States: Experiences, Challenges, and Prospects* Transit Cooperative Research Program, Transit Research Board, 2004. [www.TRB.org](http://www.TRB.org).



## OPPORTUNITIES AND CHALLENGES IN THE GREATER ROSELAND AREA

The Community Route is 6.1 miles long and follows the existing Chicago and Western (CWI) Railway and the South Shore Line (SS). There are four proposed stations: 103<sup>rd</sup>, 111<sup>th</sup>, 115<sup>th</sup>/Michigan and 130<sup>th</sup>/Stony Island. A mile radius is drawn around each station.

As the following charts and maps illustrate, there are many community amenities and resources within walking distance of these proposed stations.



The total population in the Greater Roseland Area has been steadily dropping since 1970 to a current estimate of 130,000 people. The area has undergone a demographic shift, from a fairly diverse community in the 1970s to now near homogeneity. The Greater Roseland area is home to African Americans predominantly, although the Latino population has increased 0.4 % to 2.7% over the decade.

Greater Roseland	1970	1980	1990	2000
<b>Population</b>	159,757	162,471	143,244	133,328
% White	50.3%	9.7%	8.1%	6.7%
% Black	47.2%	87.4%	89.4%	89.5%
% Latino	2.1%	2.4%	2.3%	2.7%
% Elderly (age 65+)	9.4%	6.4%	9.0%	11.5%
% Children (5-19)	31.5%	32.3%	25.8%	26.0%

Source: US Census

**When compared to Chicago, less than half (46%) of the population is below the City median (about \$40,000). In other words, the Greater Roseland community is relatively mixed when it comes to income distribution. This means a wider range of retail consumers.**

The Greater Roseland area is home to mainly low- and moderate-income people of color, with nearly 15,000 people over the age of 65 and another 35,000 youth. While more than 72% of households earn less than the 2000 HUD Area Median Household income of \$67,900, there are several thousand families with incomes above the region's median income. All are potential consumers and beneficiaries of transit oriented development.

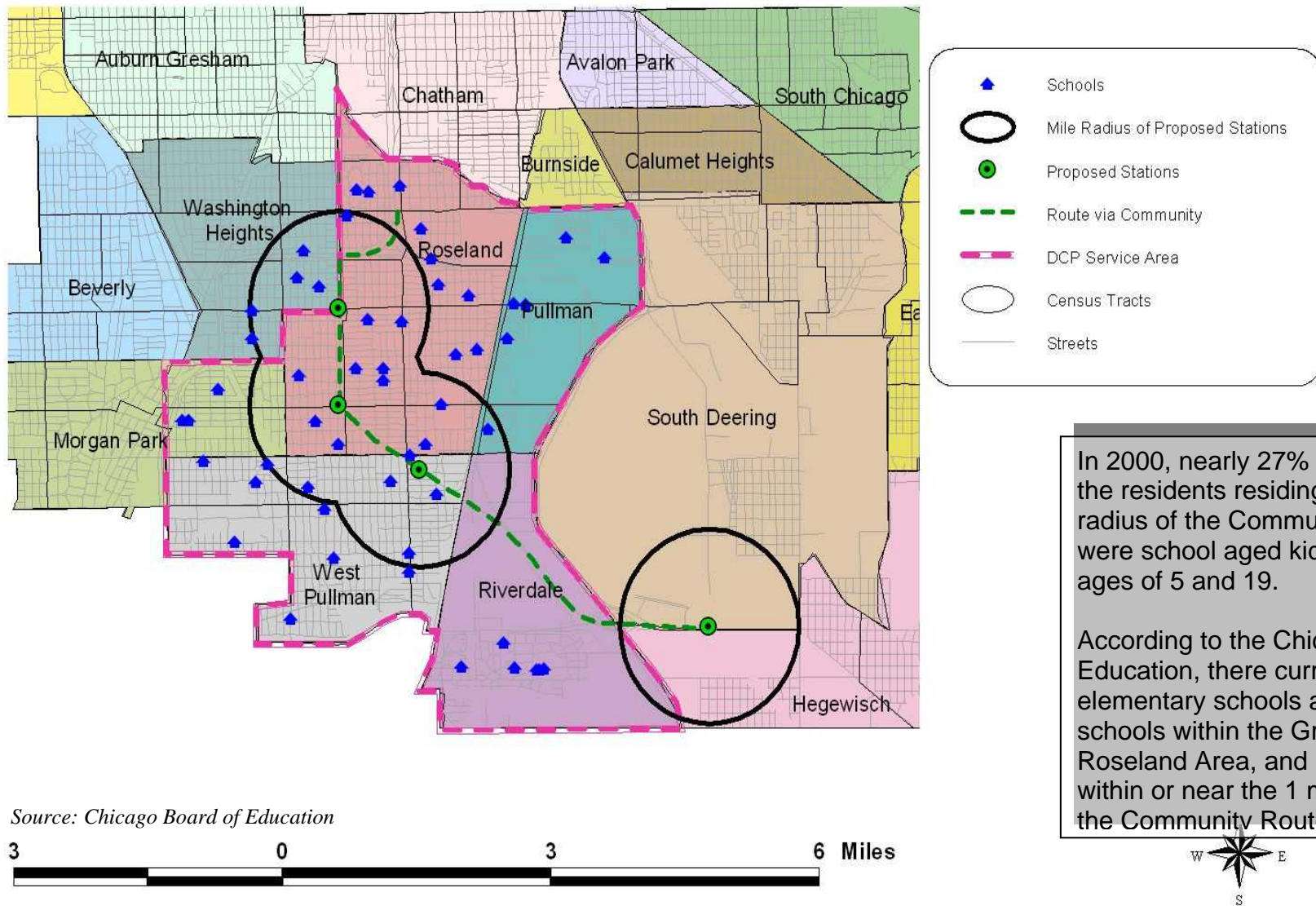
Greater Roseland	Total	Percent
<b>Total:</b>	32,045	100.0%
<b>Less than \$10,000</b>	3,768	11.8%
<b>\$10,000 to \$14,999</b>	1,820	5.7%
<b>\$15,000 to \$19,999</b>	1,652	5.2%
<b>\$20,000 to \$24,999</b>	1,780	5.6%
<b>\$25,000 to \$29,999</b>	2,026	6.3%
<b>\$30,000 to \$34,999</b>	1,913	6.0%
<b>\$35,000 to \$39,999</b>	1,880	5.9%
<b>\$40,000 to \$44,999</b>	1,899	5.9%
<b>\$45,000 to \$49,999</b>	1,754	5.5%
<b>\$50,000 to \$59,999</b>	2,865	8.9%
<b>\$60,000 to \$74,999</b>	3,612	11.3%
<b>\$75,000 to \$99,999</b>	3,695	11.5%
<b>\$100,000 to \$124,999</b>	1,909	6.0%
<b>\$125,000 to \$149,999</b>	663	2.1%
<b>\$150,000 to \$199,999</b>	478	1.5%
<b>\$200,000 or more</b>	331	1.0%

← CITY Median

← REGION Median



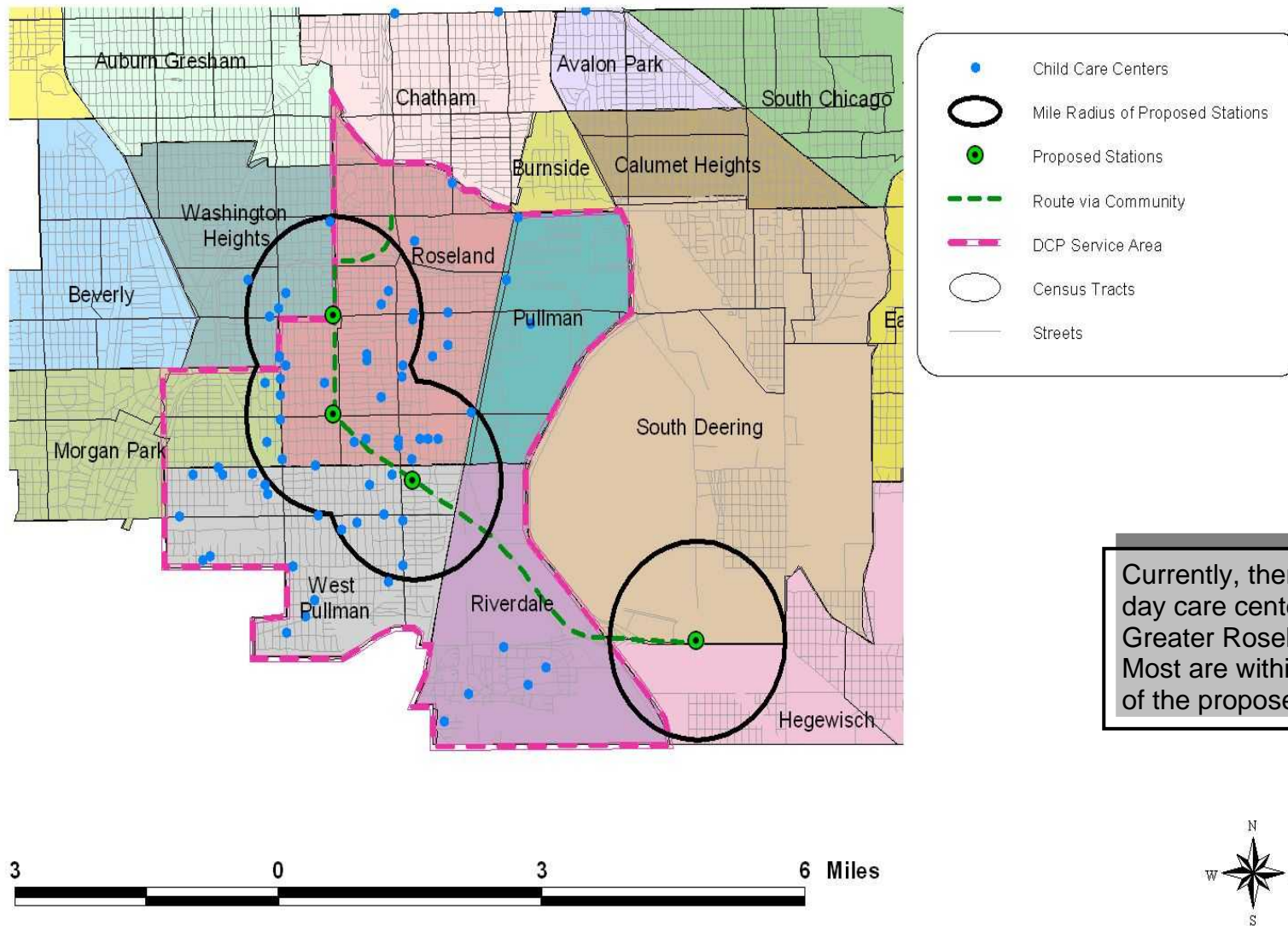
# SCHOOLS



In 2000, nearly 27% (or 26,914) of the residents residing in a 1 mile radius of the Community Route were school aged kids between the ages of 5 and 19.

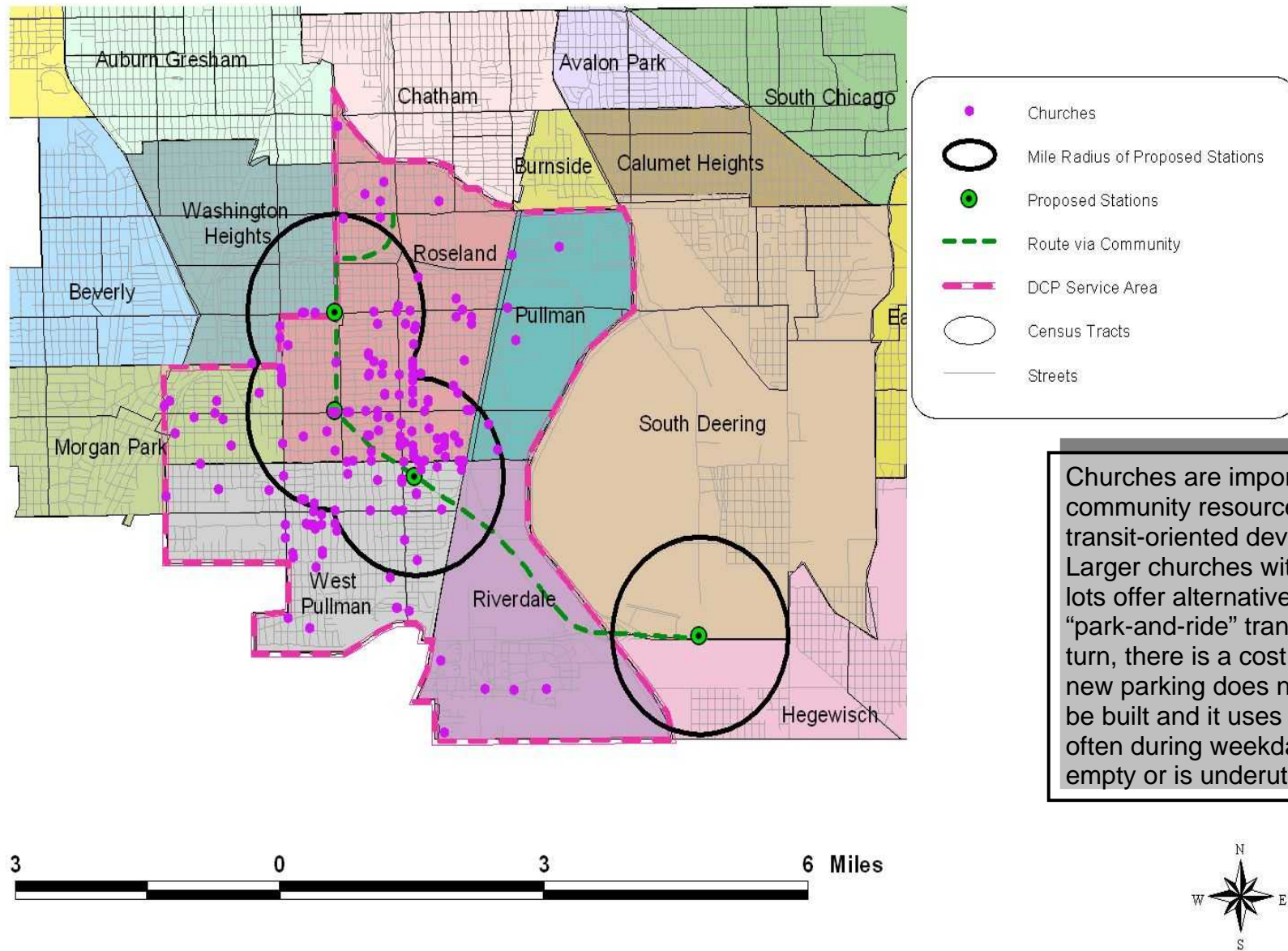
According to the Chicago Board of Education, there currently are 24 elementary schools and 5 high schools within the Greater Roseland Area, and most are within or near the 1 mile radius of the Community Route

## CHILD CARE CENTERS





# CHURCHES

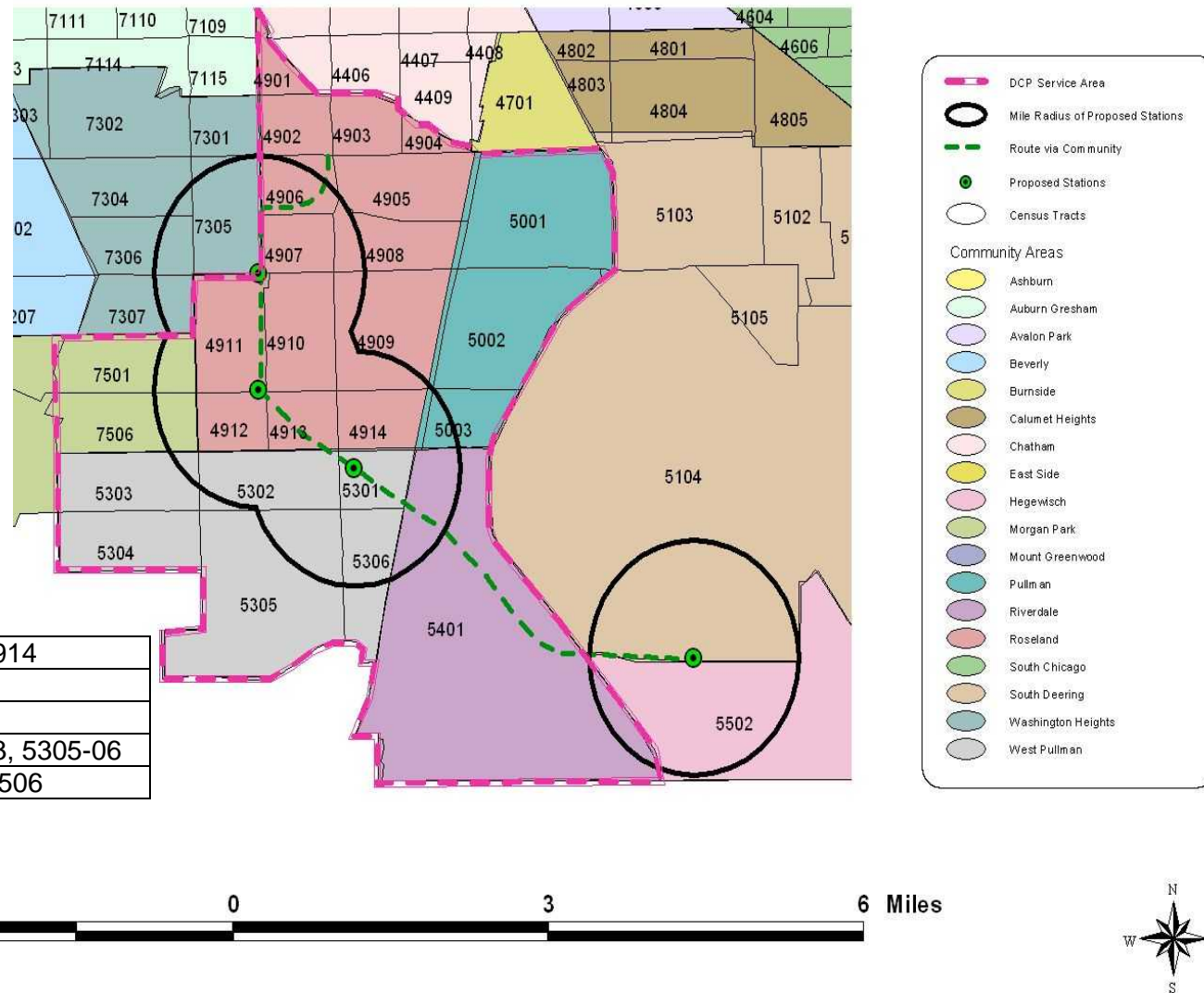


Churches are important community resources in transit-oriented development. Larger churches with parking lots offer alternative sites for “park-and-ride” transit users. In turn, there is a cost savings if new parking does not have to be built and it uses space that often during weekdays sits empty or is underutilized.

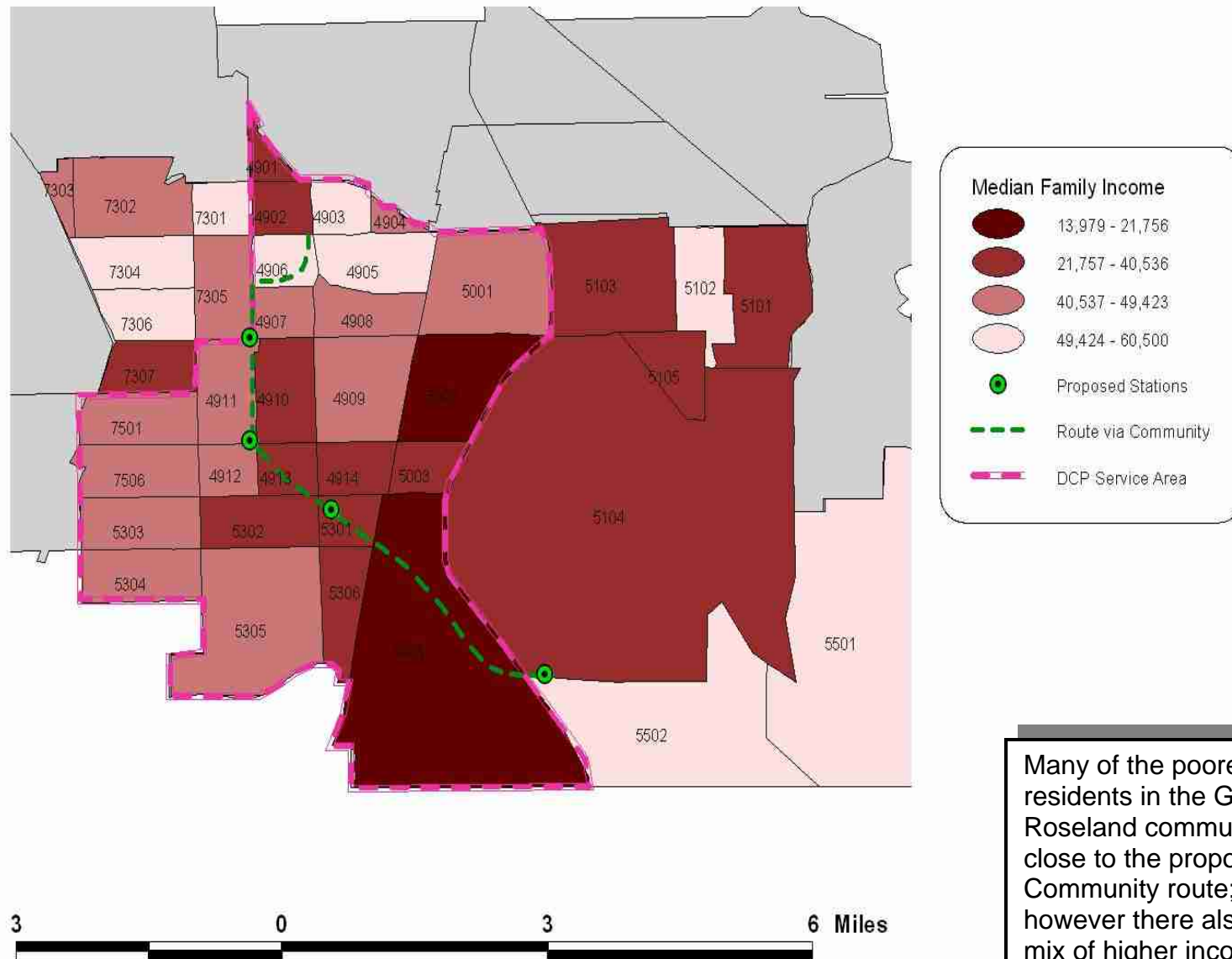
## DEMOGRAPHICS

Within the communities of Roseland, Pullman, Riverdale, West Pullman and the eastern portion of Morgan Park, there are 19 census tracts fully and/or partially within a 1 mile radius of the proposed station. The census and transportation data that follows is based on these census tracts.

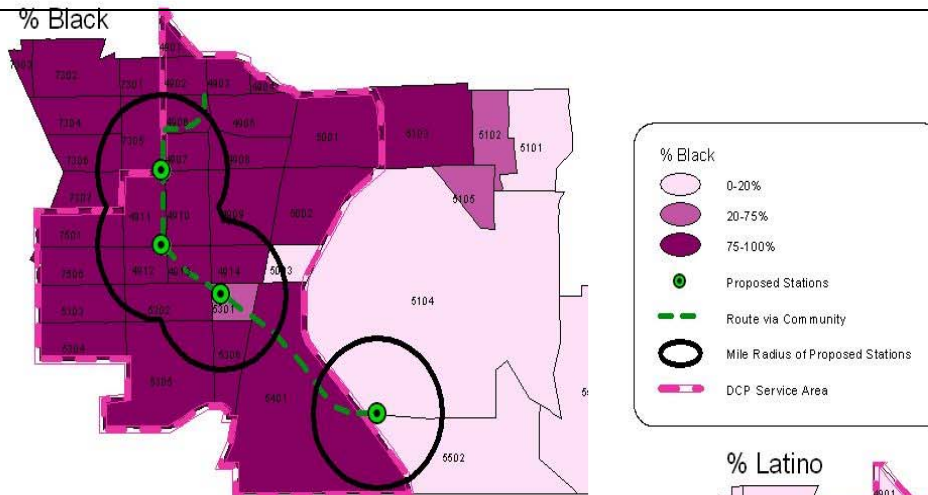
<b>Roseland</b>	4905-4914
<b>Pullman</b>	5003
<b>Riverdale</b>	5401
<b>West Pullman</b>	5301-03, 5305-06
<b>Morgan Park</b>	7501, 7506



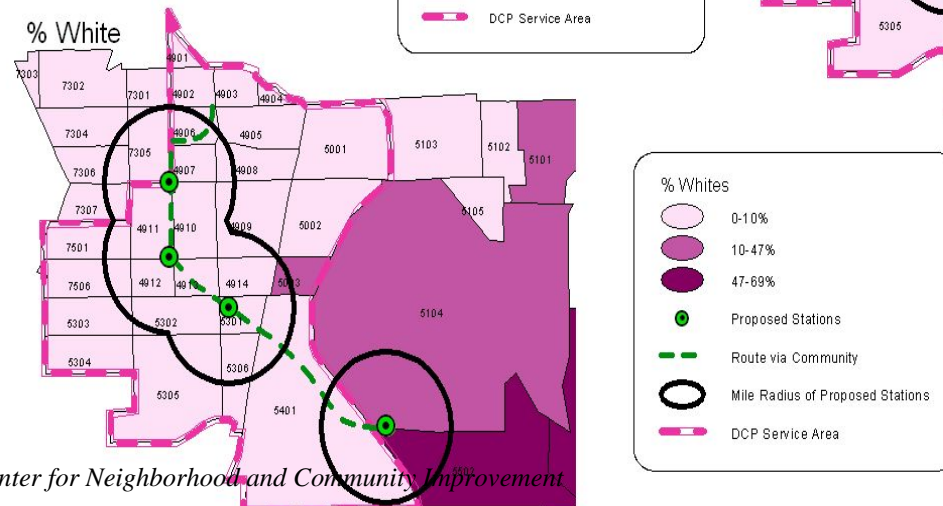
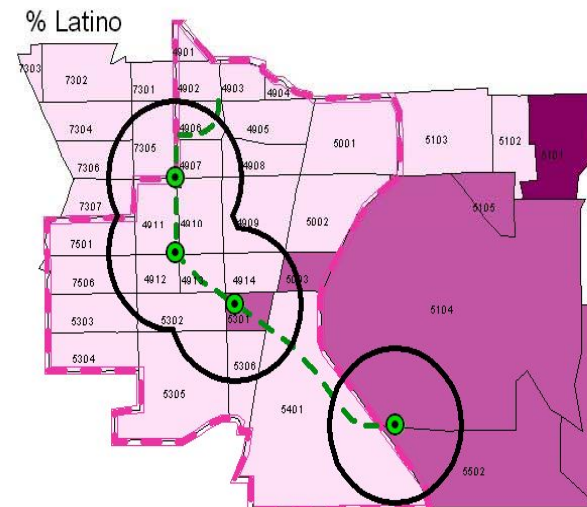
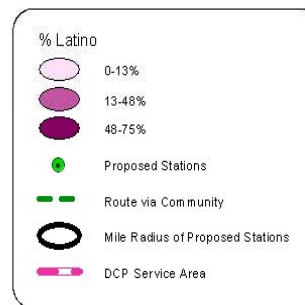
## INCOME



## RACE / ETHNICITY

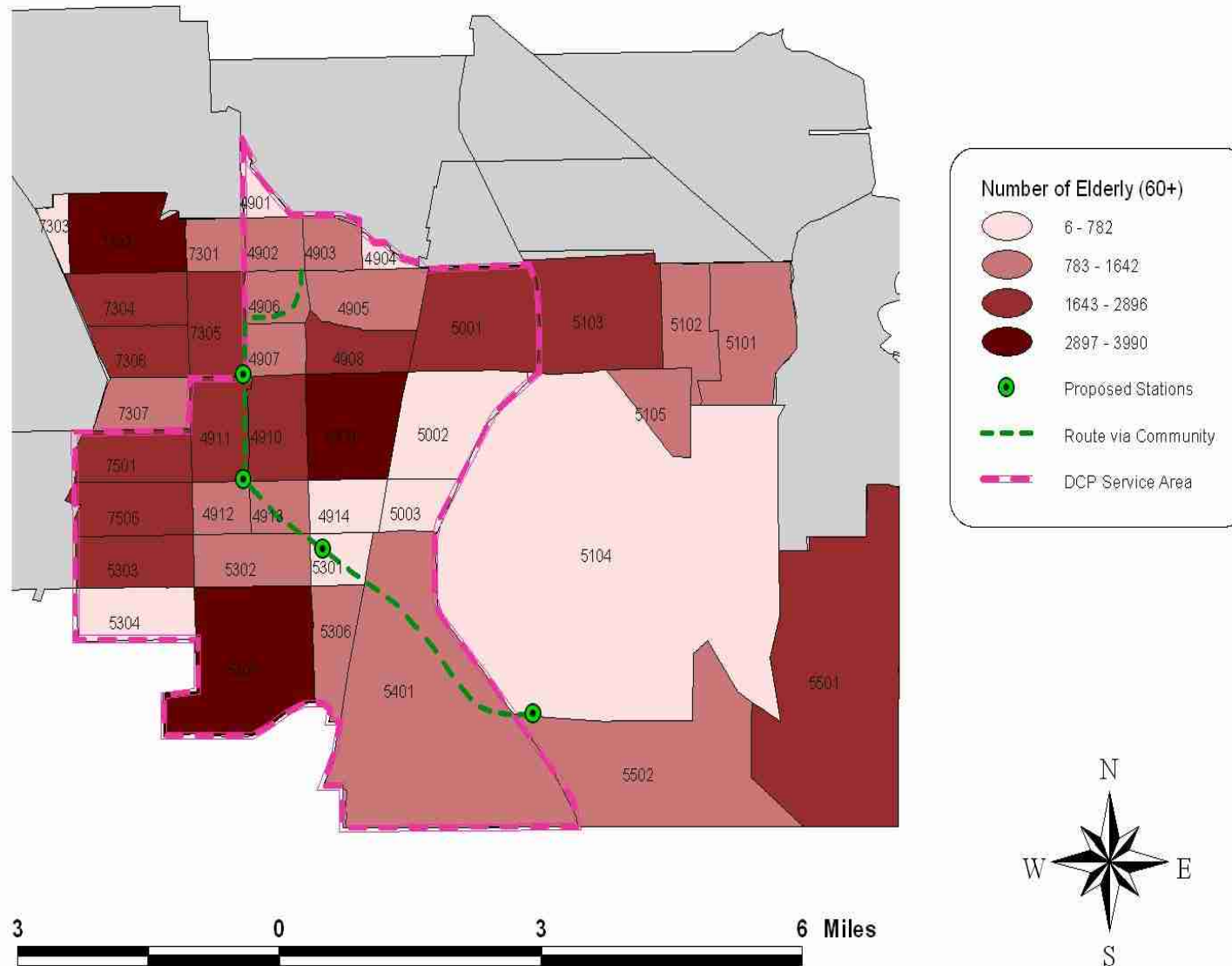


While the Greater Roseland area is predominantly African American, there are nearly 1,700 whites with most living in tract 5003, and about 3,000 Latinos with 2/3 living in tracts 5301 and 5003.

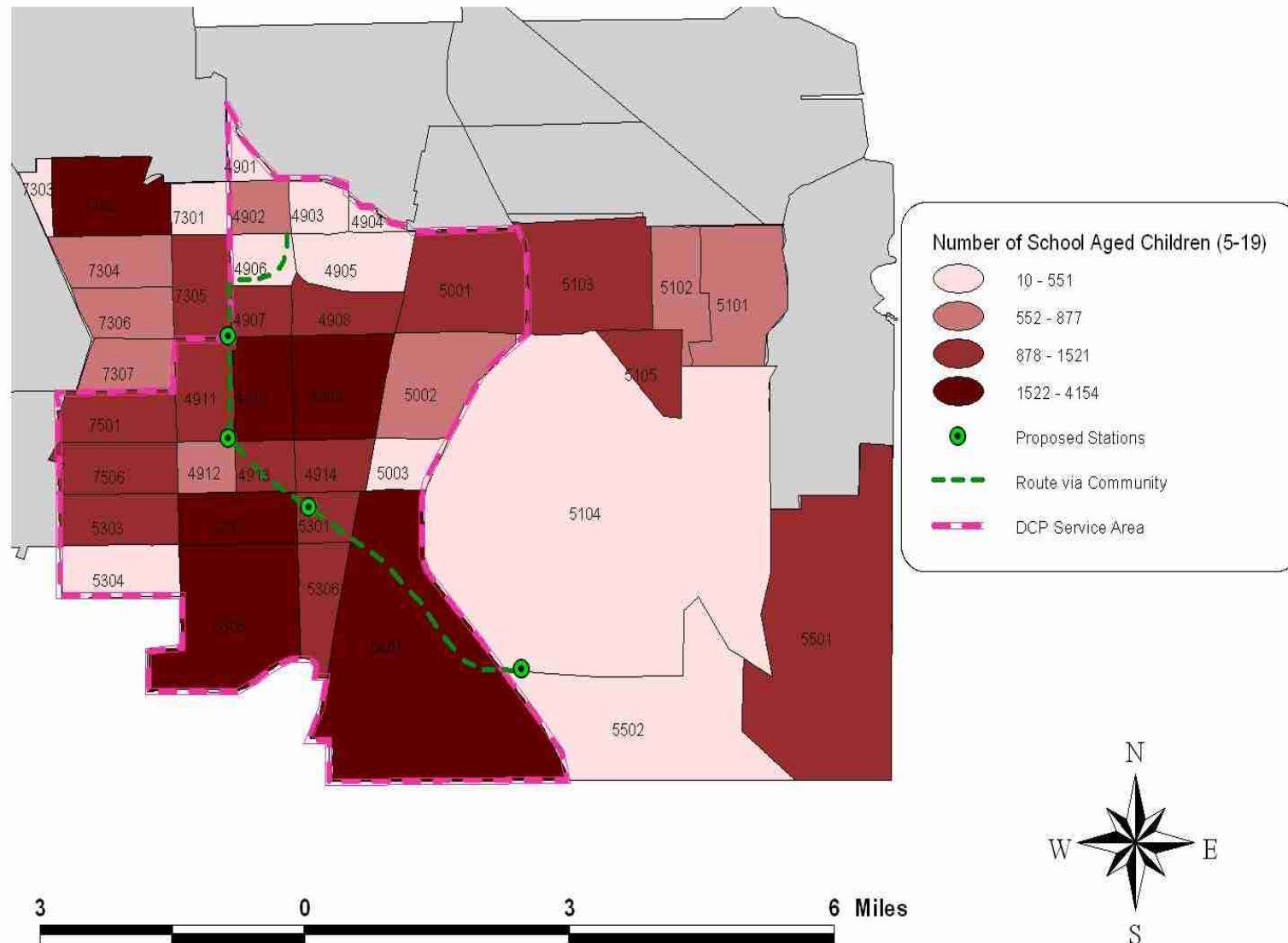




# SENIORS

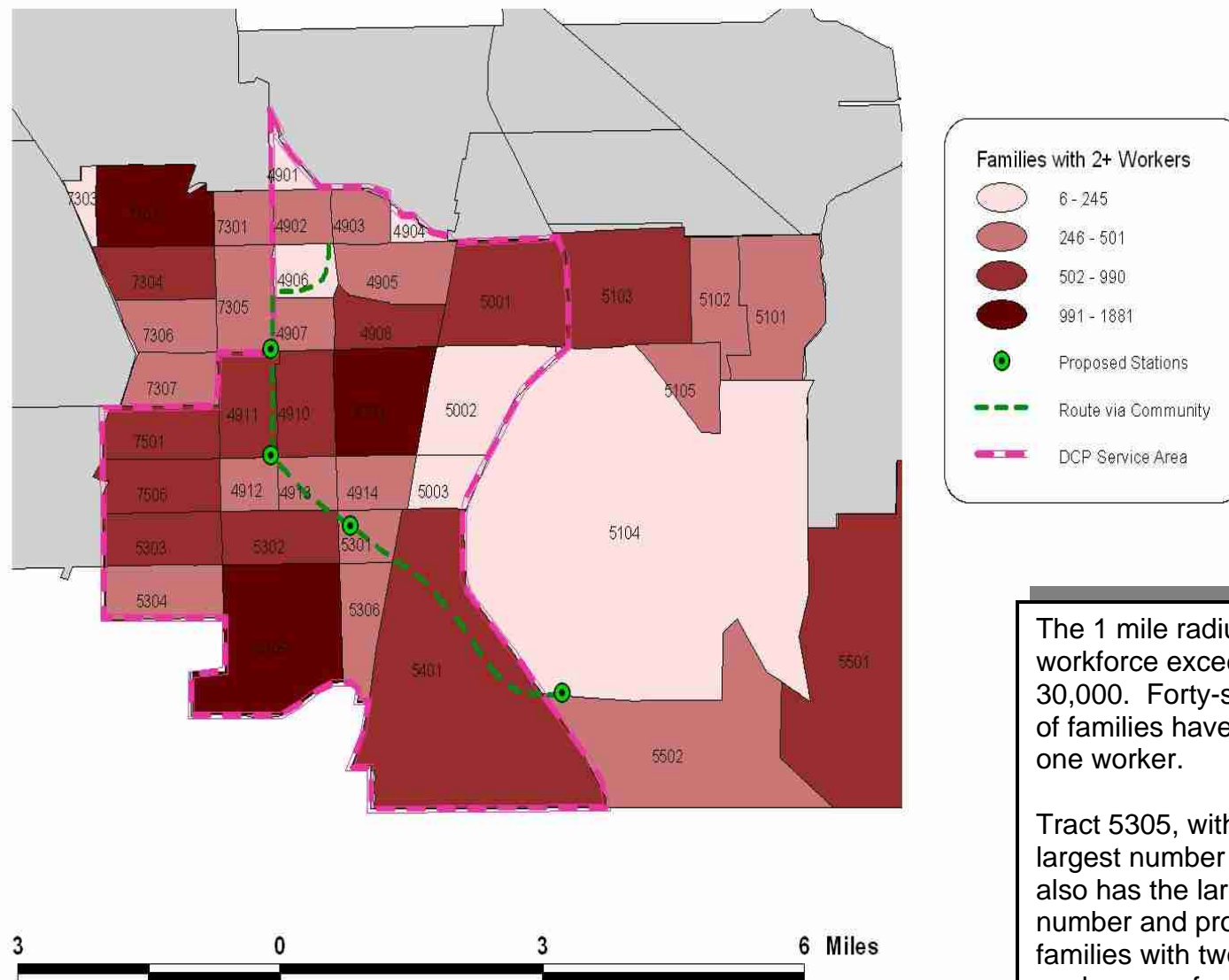


## CHILDREN





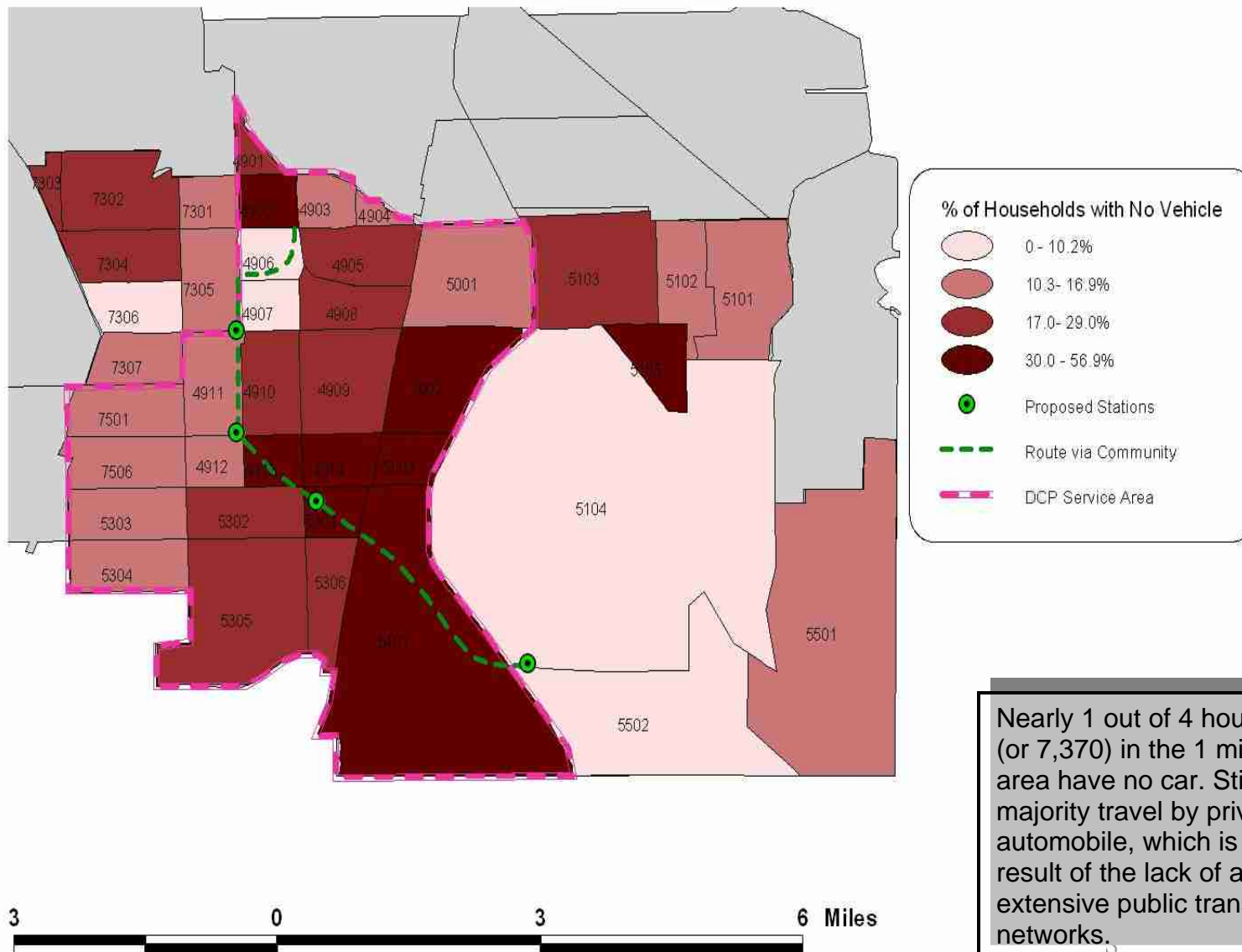
## EMPLOYMENT



The 1 mile radius area workforce exceeds 30,000. Forty-six percent of families have more than one worker.

Tract 5305, with the largest number of workers also has the largest number and proportion of families with two or more workers per family (nearly 1.900).

## TRANSPORTATION



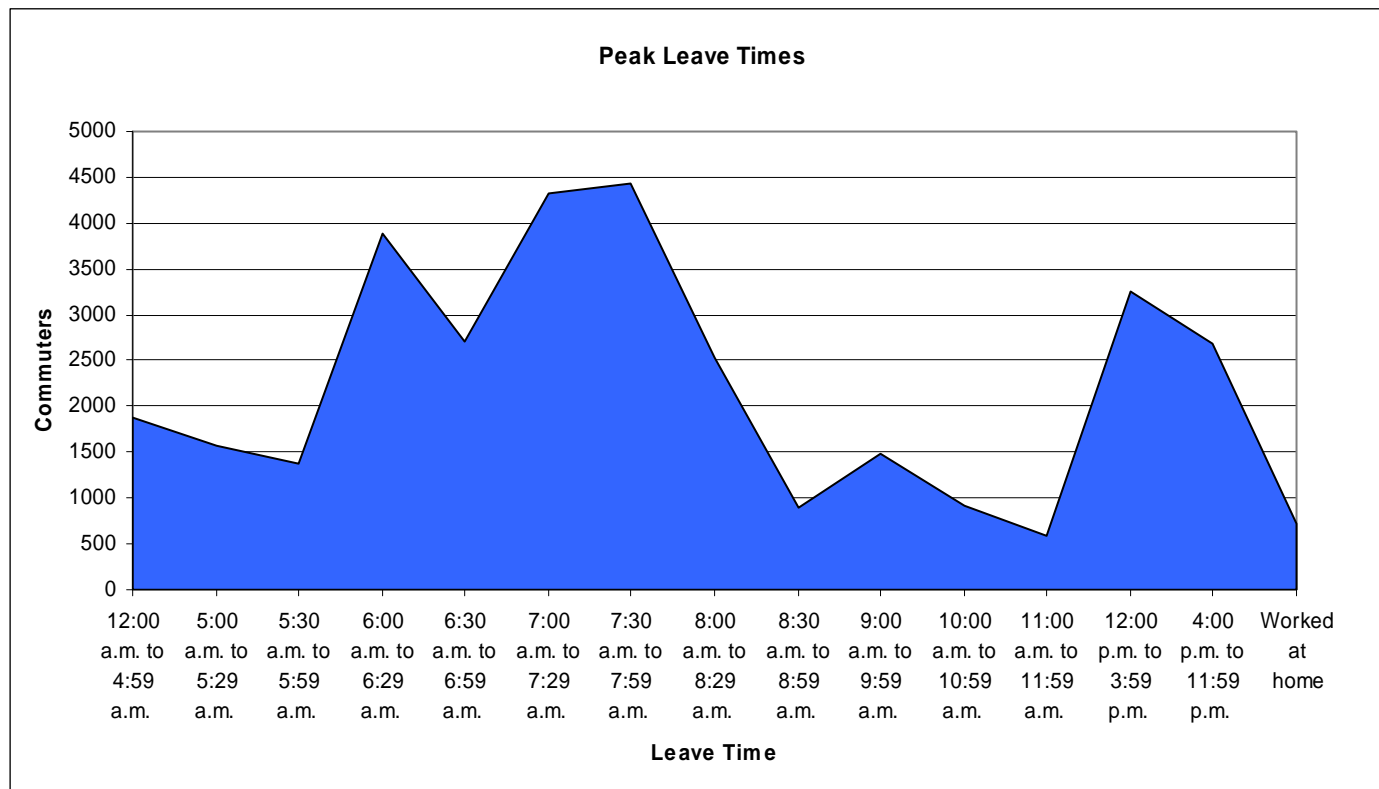
## TRANSPORTATION

A smaller percentage of residents reported taking the bus, subway, or Metra to work, while a very small percentage of people were able to walk to work.

Of those who used a private vehicle to commute to work, the vast majority chose to drive alone, outnumbering carpoolers nearly 4 to 1. Commute times tend to be long

for residents in the 1 mile radius area, 18% of commuters travel between 60 to 89 minutes.

Perhaps as a result of longer commuting times, 20% of commuters leave for work between 6:00-7:00 and 26% leave for work between 7:00 and 8:00 a.m. When you look at travel times by means of transportation, 47% of commuters that travel 60 minutes or more are taking public transportation.



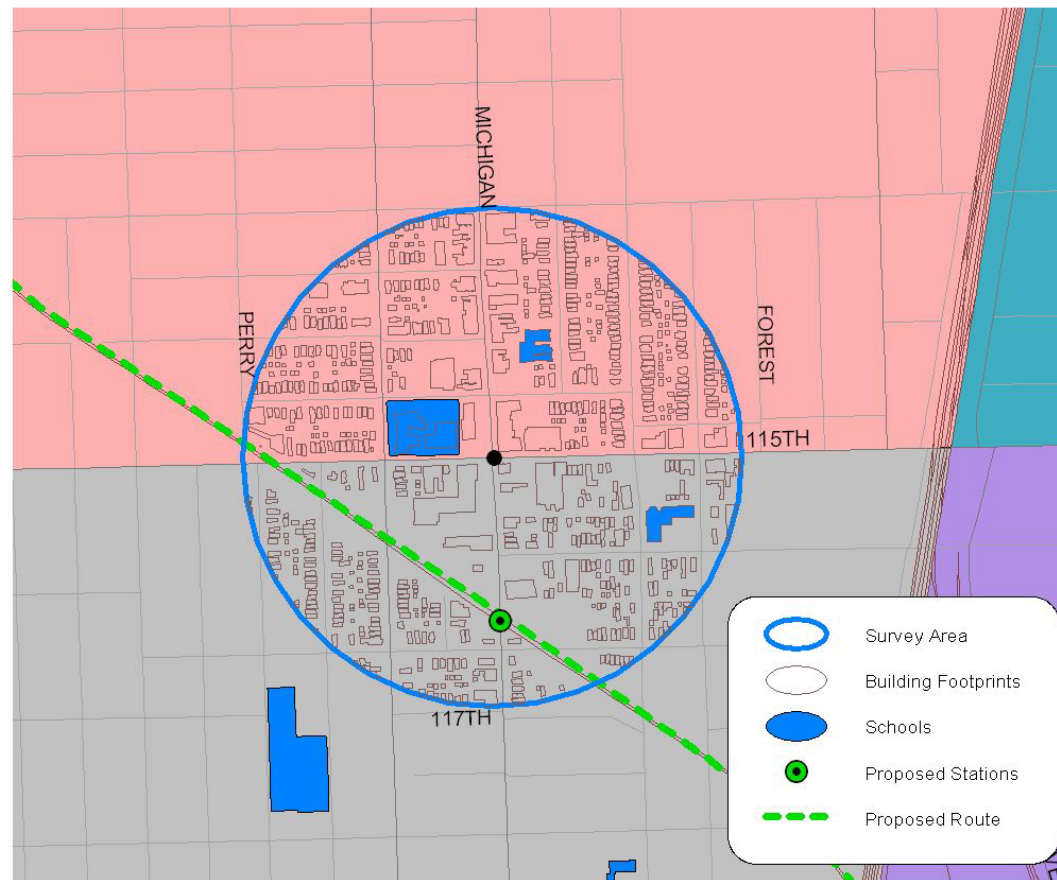
## 115<sup>TH</sup>/MICHIGAN: TRANSIT ORIENTED DEVELOPMENT POTENTIAL

The intersection of 115<sup>th</sup> and Michigan Avenue presents a good opportunity for transit-oriented development. While there are some existing local establishments, there also clearly is room for development.

A survey of retail establishments at the intersection of 115<sup>th</sup> and Michigan revealed opportunities for TOD. While an active area based on the number of people on the street, there are many vacant buildings, lots and retail space available in walking distance (roughly 1/4 mile) of this intersection.

Based on the large number of people living in four census tracts near this stop (about 16,725 people), this site represents a significant number of potential consumers for retail and transit. In this section, we examine both existing conditions and data on consumer behavior to help clarify potential for development.

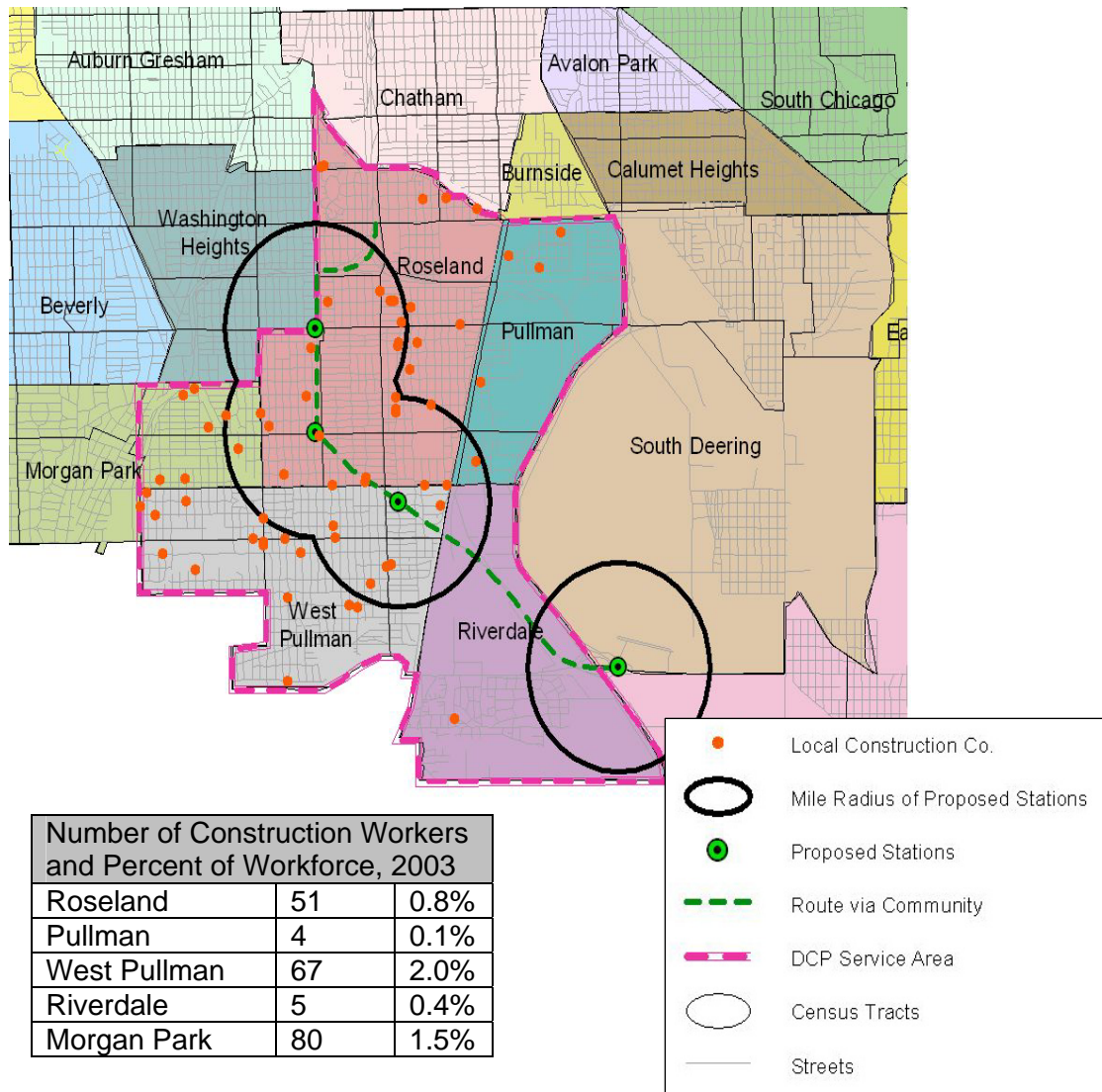
### 115<sup>th</sup> and Michigan Avenue



**Employment Opportunities.** TOD has the potential to create new jobs for people in the community. Often we think of the jobs created via economic development in terms of permanent positions in these new commercial establishments. However, another angle to consider is the jobs that will be created via the extension of the Red Line, which is a long-term project with significant opportunities for minority and women-owned businesses to participate in construction contracts. (based on Chicago Prospector's examination of the workforce by SIC codes). The following map shows the location of the many different businesses that are engaged in construction or related businesses in the Greater Roseland area. This includes plumbing to general construction, all of which could be utilized for the expansion project (See appendix for details).

Though not all will be qualified, these represent a ready-to-tap collection of local contractors to solicit for bids, which can potentially lead to a contract. Also, there are over 200 construction workers in the Greater Roseland area (based on Chicago Prospector's examination of the workforce by SIC codes).

**Location of Existing Construction firms in Greater Roseland area**

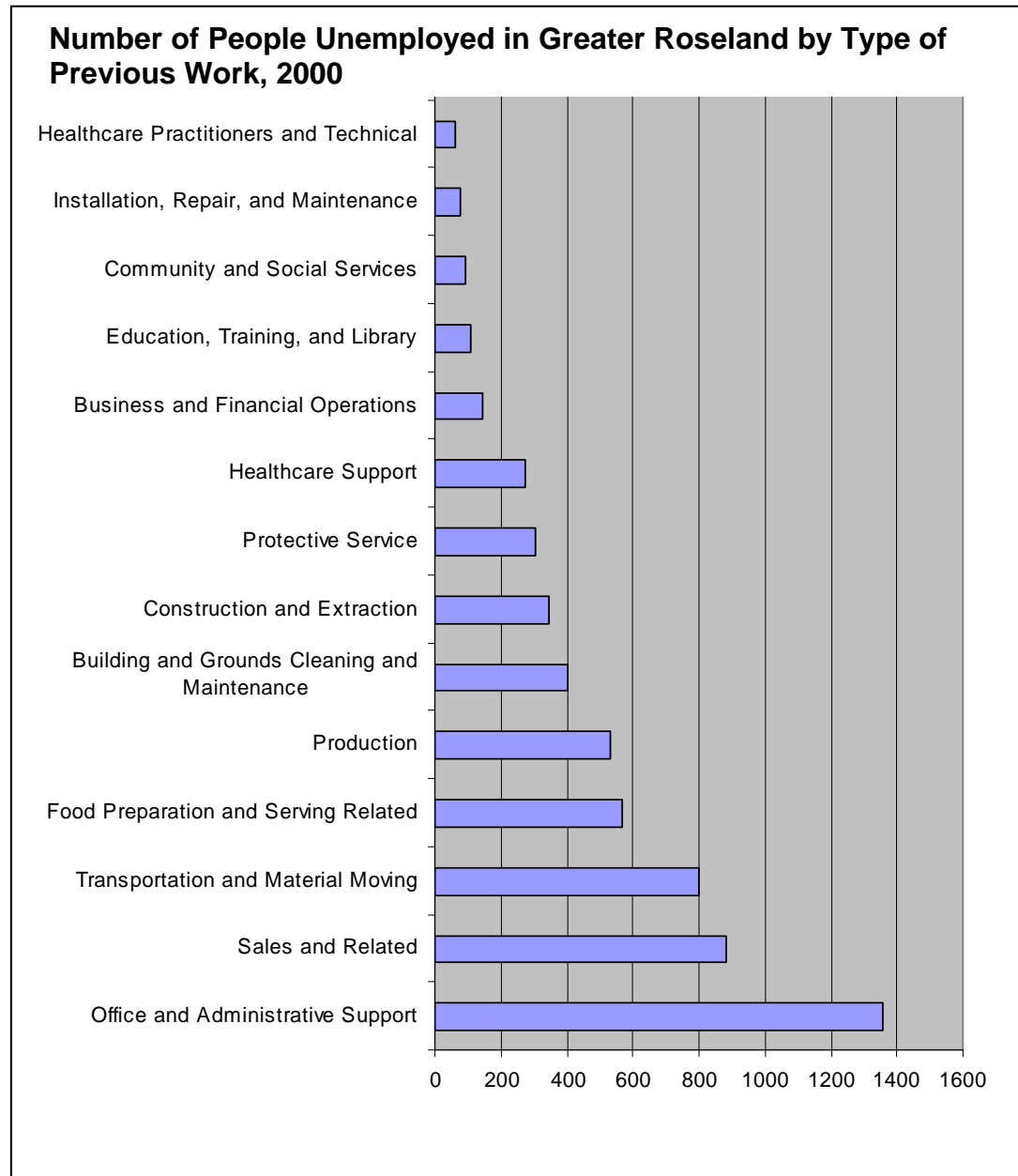




**Workforce Development.** Based on the 2000 Census, a large number of the people who were unemployed in the Greater Roseland community had been working primarily in low-wage and/or low career potential jobs prior to becoming unemployed. As the chart indicates this includes nearly 1,400 people in office and administrative support and nearly 900 people in sales and retail. Most of the people in these two occupation categories had limited education (no college) and the majority was women.

While these numbers are from five years ago, they are not likely to have changed significantly in terms of the distribution across types of occupations given the fact that unemployment rates have increased since 2000.

This data suggests that if one goal of TOD is helping people get back to work, and hopefully in a more secure and better position, then there is going to be a need for training and education programs, particularly if the types of jobs created require specific skills and knowledge.



## EXISTING COMMERCIAL AND RETAIL CONDITIONS

There are a total of 187 sites within a ¼ mile distance of this intersection, including 87 businesses and retail establishments, 13 places of worship, and 70 vacant lots, buildings and storefronts in the survey area. Based on an analysis of what currently exists at this intersection, there are a variety of small establishments offering goods and services to the community but also a lot of vacant buildings and land that could be developed for TOD.

**Commercial/Retail Establishments.** The following table lists the types of businesses located within the area of study, as well as the number, total square footage of space and estimated revenues generated by that business type.<sup>15</sup> As the table indicates, there are a variety of commercial establishments within the study area. The predominant businesses are hair salons (unisex and women's), furniture stores and shops that sell "miscellaneous" items often including furniture, and a few clothing shops. There are five small restaurants and one pizza parlor. In terms of services, there is variety but often only one business; so for example, there is one dry cleaner, one auto repair, and one shoe repair shop in this area. There also is a school and two day care providers plus a public health clinic and pharmacy, and a dentist. Places of worship dominate this intersection with thirteen properties—the largest use type with nearly 63,000 square feet of building space and more than 88,000 square feet of land.

<sup>15</sup> A complete list of all establishments by address has been provided to DCP.

### METHOD—Determining retail sales

Voorhees Center staff and a community volunteer used a short survey to collect parcel level information including name, address, and types of business in June of 2005. This data was entered into a spreadsheet and then the Cook County Assessor's website was used to obtain the property index number (PIN), land square footage and the assessed value of the property for most properties. City NEWS on the Center for Neighborhood Technology's website was accessed to obtain floor space square footage, taxpayer name and for address verification.

To calculate the annual revenues per square foot by type of establishment, we used the Urban Land Institute's *Dollars and Cents of Shopping Centers, 2004*. The multipliers in this book are based on national averages for the type of store in several different types of shopping centers, including urban neighborhood commercial strips and suburban shopping malls. Because these numbers are based on national averages, many of the stores in the target area may actually have lower revenues per square foot than these numbers. After estimating the total square feet of space for each of the types of stores, the square feet were multiplied by revenues per square feet (from ULI) to get total estimated annual revenues for the stores by type at the 115<sup>th</sup>/Michigan intersection.

## Estimated retails sales and consumer expenditures for businesses at 115<sup>th</sup> and Michigan Avenue, 2003/4

	SIZE OF SPACE			REVENUES		PRIMARY MARKET (station area)		SECONDARY MARKET (whole route)	
Business Type	# of Properties	Square Footage Lot (Est.)	Square Footage Building (Est.)	Median Sales Volume per Square Foot*	Total Sales Volume	Consumer Expenditure	Spending Gap (Surplus)	Consumer Expenditure	Spending Gap (Surplus)
Auto Repair	1	7,000	1,400	\$218	\$304,836	\$7,657,037	\$7,352,201	\$38,588,903	\$38,284,067
Bar	1	2,900	1,400	\$254	\$355,740	\$1,037,666	\$681,926	\$5,384,746	\$5,029,006
Beauty Supply	1	3,000	2,000	\$193	\$386,820	\$1,970,645	\$1,583,825	\$10,103,971	\$9,717,151
Dry Cleaner	2	11,200	7,900	\$130	\$1,028,343	\$723,966	<b>(\$304,377)</b>	\$3,778,781	\$2,750,438
Family Wear	3	10,800	5,300	\$243	\$1,288,006	\$7,496,400	\$6,208,394	\$36,576,789	\$35,288,783
Furniture	6	26,700	27,200	\$225	\$6,111,296	\$3,763,526	<b>(\$2,347,770)</b>	\$19,177,596	\$13,066,300
Gym	1	3,000	2,400	\$147	\$352,104	\$200,387	<b>(\$151,717)</b>	\$1,013,234	\$661,130
Home Improvements	1	4,600	3,400	\$418	\$1,420,520	\$6,795,714	\$5,375,194	\$34,227,635	\$32,807,115
Medical	5	26,100	25,800	\$325	\$8,385,000	\$12,332,024	\$3,947,024	\$61,469,105	\$53,084,105
Miscellaneous	6	27,800	18,600	\$244	\$4,535,238	\$16,675,494	\$12,140,256	\$82,297,728	\$77,762,490
Telecom Store	1	3,700	1,100	\$57	\$63,173	\$6,005,270	\$5,942,097	\$30,629,320	\$30,566,147
Pizza	1	5,000	6,300	\$201	\$1,264,221	\$6,503,294	\$5,239,073	\$33,164,569	\$31,900,348
Restaurant w/o Liquor	5	19,600	12,700	\$194	\$2,465,832	\$5,824,298	\$3,358,466	\$30,309,181	\$27,843,349
Service Station	2	5,600	1,900	\$1,302	\$2,473,363	\$7,766,149	\$5,292,786	\$39,119,396	\$36,646,033
Shoe Repair	1	3,800	3,100	\$107	\$331,948	\$10,623	<b>(\$321,325)</b>	\$54,482	<b>(\$277,466)</b>
Supermarket	3	11,300	7,000	\$354	\$2,475,480	\$24,514,450	\$22,038,970	\$120,023,984	\$117,548,504
Video store	2	8,000	16,100	\$106	\$1,700,965	\$972,372	<b>(\$728,593)</b>	\$4,894,993	\$3,194,028
Unisex & Women's Hair	9	40,400	34,300	\$142-168	\$5,212,813	\$1,792,821	<b>(\$3,419,992)</b>	\$9,164,909	\$3,952,096
Currency Exchange	1	9,000	8,700	DK	DK	DK	DK	DK	DK
Insurance	2	7,400	3,500	DK	DK	DK	DK	DK	DK
Parking	3	15,600	-	DK	DK	DK	DK	DK	DK
Day Care	2	6,200	4,800	DK	DK	\$1,340,825	DK	\$6,527,425	DK
Realtor	1	3,900	2,100	DK	DK	DK	DK	DK	DK
School	1	26,900	-	NA	NA	NA	NA	NA	NA
Worship	13	88,700	62,900	NA	NA	NA	NA	NA	NA

\*Urban Land Institute. "Dollars and Cents of Shopping Centers- 2004." Based on Gross Leasable Space (GLA) in US Neighborhood Shopping Centers  
DK = Don't Know and NA = Not Applicable



**Consumer Demand and the “Retail Gap”.** A “retail gap” in a market area is defined as the difference in the amount of consumer spending by residents of the area and the revenues earned by the retail stores in the area. A retail gap or “leakage” means that residents are spending money outside of the market area on goods and services as evidenced by more expenditures than revenues for a specific type of establishment. Evidence of a gap or leakage suggests that residents are not able to satisfy their demand for a particular product or service by shopping locally and therefore have to go elsewhere to purchase the product or service they are seeking. While in some cases, consumers’ prefer to travel outside their community for some retail goods and services, most people would like the option to shop closer to home for products that are of comparable quality and price since it can save travel time and money.

The estimated retail gap is a standard method used by neighborhood planners to identify potential types of businesses that can be attracted to increase the economic development of the area. Efforts to “spur” development look at these data to see what potential there might be to “capture” in the form of consumer expenditures in order to enhance economic development *within* the community. Based on 2003 consumer spending for residents living within one-mile (primary market) of the stop at 115<sup>th</sup> and along the proposed route (secondary market), there is a lot of leakage when compared to retail sales volume.

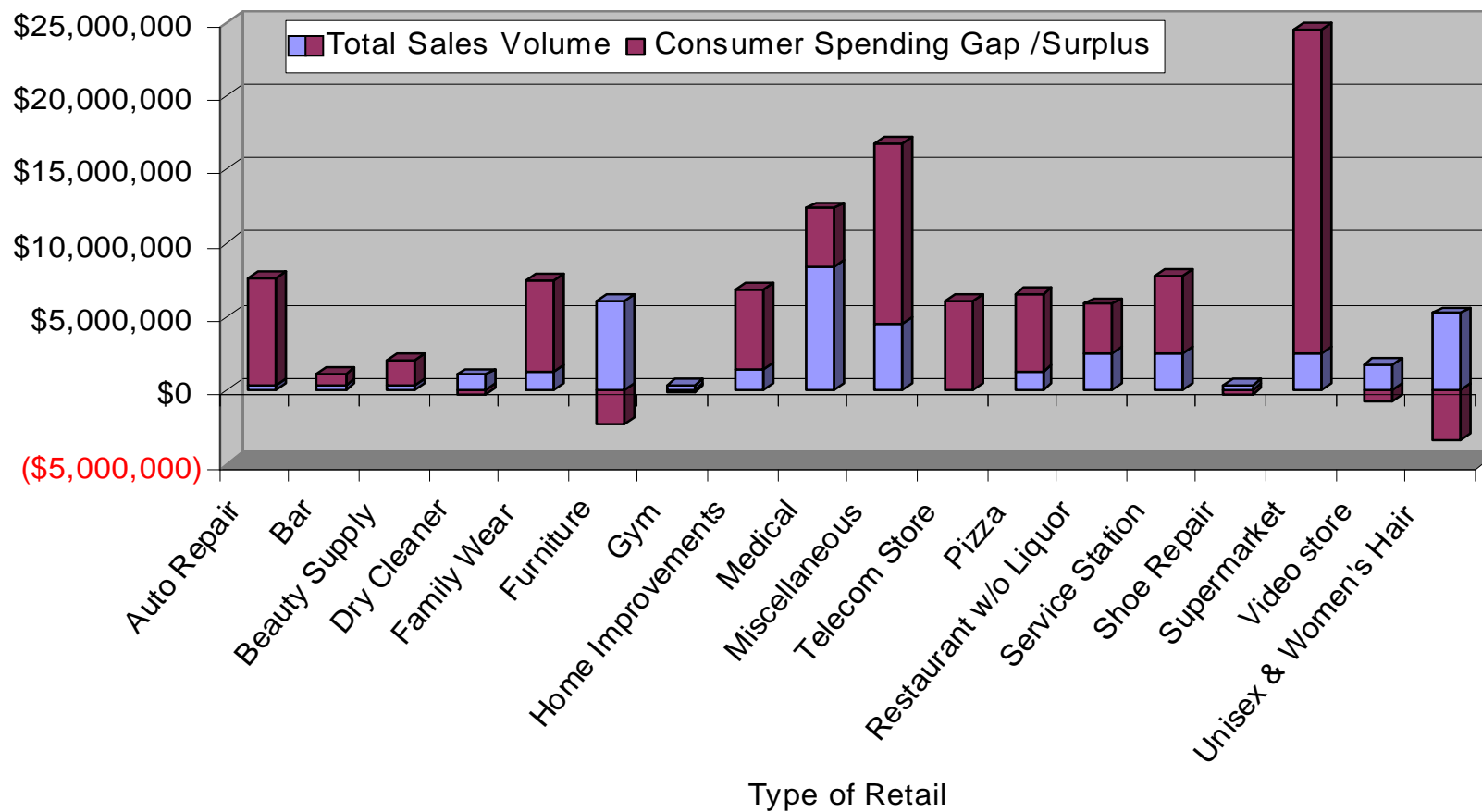
#### **METHOD—Determining consumer spending**

Consumer spending is the same as consumer expenditures – it’s what people spend money in when they shop. Data on consumer expenditures in this report come from Claritas, a for-profit company that produces proprietary data for market research. This expenditure data is aggregated by census tract and updated annually and then made available for purchase.

For this report, we have identified a primary and secondary market. The primary market is made up of four census tracts within the 1-mile radius of the 115<sup>th</sup>/Michigan intersection (4913, 4914, 5302, 5302). The secondary market is all census tracts along the transit corridor within 1 mile of transit including the primary market (4909-4914, 5002-03, 5301-02, 5305, 5306 and 5401).

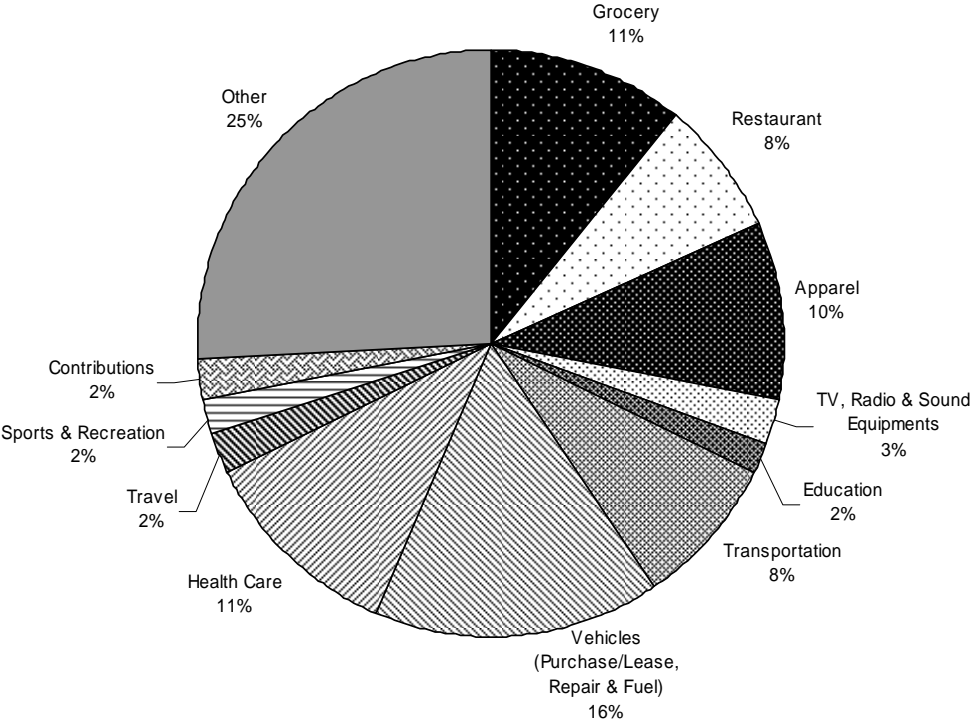
Most striking is the spending gap or leakage of over \$22 million annually for groceries in the primary market area. The figure on the next page shows for all retail types the gap where spending exceeds sales volume (purple bar above the line) and the surplus where sales volume exceeds spending (purple bar below the line). Also, to put consumer spending in a context, the pie charts that follow illustrate how consumer expenditures along the proposed route (secondary market) compare to the City of Chicago. Generally speaking, there is not much difference overall, though people in the community spend more on health care and less on transportation and restaurants.

## Consumer Expenditure Compared to Total Sales Volume

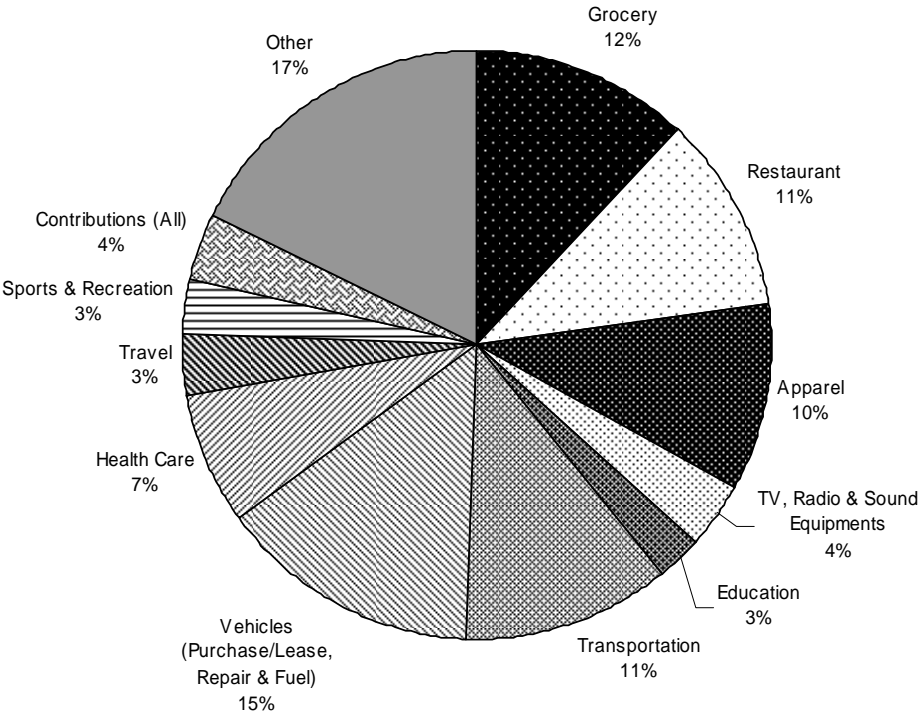


# Comparison of 2003 Consumer Spending

Community Route



City of Chicago



**Vacant Buildings and Land.** The intersection of 115<sup>th</sup> and Michigan has a lot of potential for development based on the vacant land and buildings. The table below summarizes the total number of buildings, storefronts and lots that were vacant at the time of the survey (June 2005).

Type	Number	Estimated Square Footage
Vacant Building	22	195,300
Vacant Lot	33	200,200
Vacant Retail Space	15	65,300

The amount of space (total square footage) is an estimate based on what information is available from the Cook County Assessor.<sup>16</sup> In some cases, we could only estimate size since the building or site that is vacant was included in a single property with multiple addresses on the assessor's list. DCP has a complete list of all properties by type.

There is 200,000 square feet of vacant land spread across 33 parcels and another 195,000 square feet of space in 22 vacant buildings plus 65,000 square feet of vacant retail space (15 buildings). In addition, the target area has 34 residential properties, primarily along 115<sup>th</sup> west of Michigan Ave.

<sup>16</sup> Can be easily accessed via CityNEWS at <http://www.newschicago.org/>.

**VACANT LOT = A site with no existing building on it.**

However, it does not mean that there has not been some sort of structure or improvement made in the past. This is important to keep in mind since a developer will want to know what, if any, remediation might be required and generally any background information on the site including any liens, back taxes owed and other issues related to previous owner actions (or inaction).

**VACANT STOREFRONT/SPACE = A site that has an occupied building with a vacant space in it.**

Generally these are storefronts in buildings that have housing units above or other commercial space that is occupied. In some cases, it is hard to determine the exact amount of vacant space from the County Assessor's office data, so an estimate is made. Also, while we can attain the name and contact information for the person who pays taxes on the property, this may or may not be the contact person for finding information about the space or for leasing. In some cases, it is best to check on the front of the building to see if contact information is given specifically for leasing information, or the management company.

**VACANT BUILDING = A complete building with no visible signs of tenants or active use.**

In some cases, these buildings may be for lease (whole or partial) or for-sale. It is best to check on the building for contact information about leasing or purchase. As with vacant land, you will want to get any background information on the site including any liens, back taxes owed and other issues related to previous owner actions (or inaction).

## Development Potential

- The vacant buildings on the southwest corner present a good opportunity for large retail development including grocery and even a “big box” store or strip shopping center with limited parking.
- The vacant lot on the southeast corner also presents development potential of pedestrian focused retail and/or restaurant or fast food.
- At either corner, there is potential for a bank, which is clearly lacking in this area leaving residents with little option but either using the currency exchange on the northeast corner of 115<sup>th</sup> and Michigan, or going outside the area, often many miles, to find a bank branch.
- Vacant storefronts offer the opportunity for targeted infill business development, focusing on business that need less than 10,000 square feet and more likely between 1,000 and 5,000 square feet. As the chart illustrates, this can include retail establishments selling gifts and cards, books, flowers, pet supplies, household and small appliances, bicycles, and prepared food including take-out and sit-down restaurants and coffee and specialty food shops. All are generally considered to be good retail to include in a TOD strategy.

### Typical size of neighborhood retail shops

Type of Establishment	Median Sq. Ft
Supermarket	34,187
Dollar store / general merchandise	7,377
Restaurant without liquor	2,500
Restaurant with liquor	3,200
Sandwich shop	1,400
Pizza	1,550
Fast food	1,400
Telephone store	1,600
Hair salon (women)	1,204
Dry cleaning	1,450
Hair salon (unisex)	1,260
Video rental	3,992
Mailing / packaging	1,395
Nail salon	1,133
Finance company	1,676
Insurance	1,200
Medical and dental	1,575
Discount department store	20,000
Office supplies	8,993
Automotive	3,720
Furniture	4,916
Sporting goods	8,465
Books	10,093
Pet shop	7,995

Source: *Dollars and Cents*, ULI, 2004

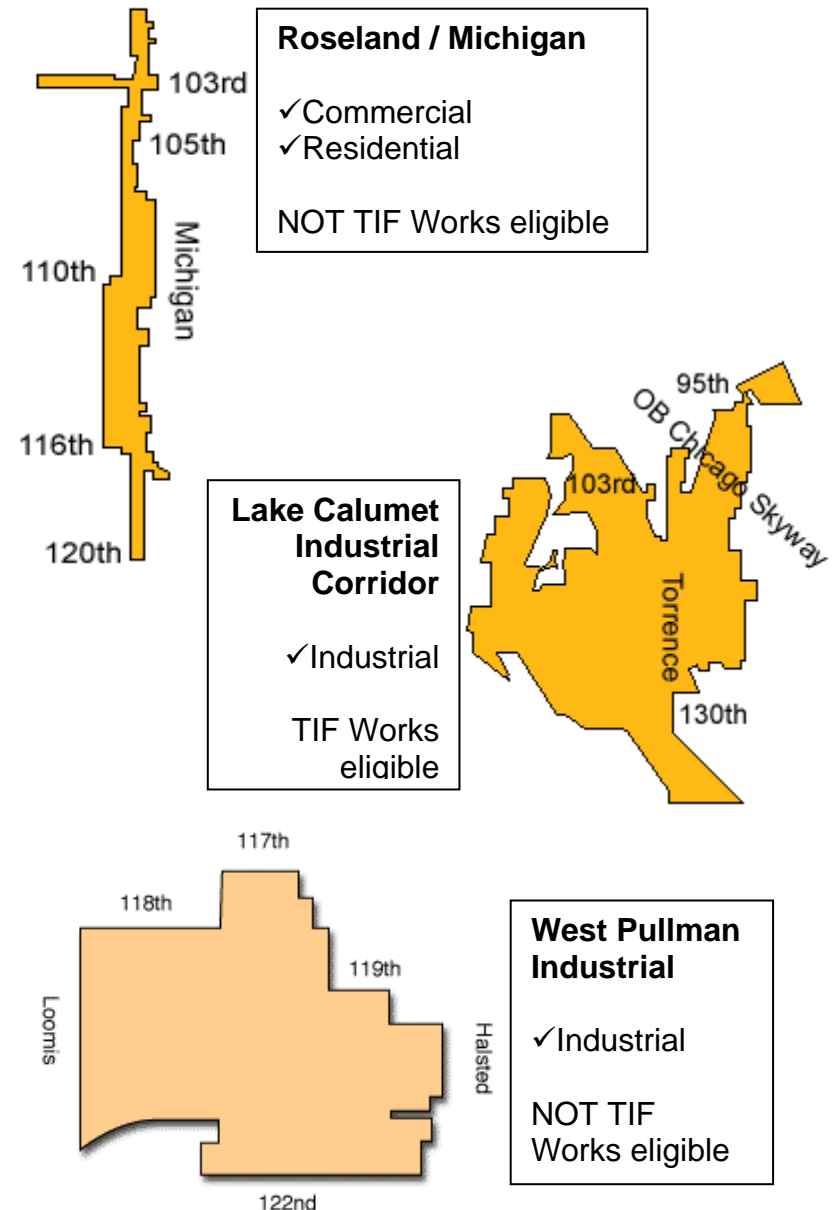
## TAKING ADVANTAGE OF TAX INCREMENT FINANCING

Tax Increment Financing (TIF) is a tool used in Chicago and around the US to generate funds for economic development projects in a community. The funds come from the taxes generated because of new development, which would not occur “but for” the TIF being designated. The “increment” – the amount of new taxes coming in because of the development – is then used to do more projects over the course of the TIF’s life, which is 23 years. This includes infrastructure improvements, land assembly and many other activities that help development to happen. Also, through TIF Works, there are additional opportunities to use TIF for workforce development.

TIFs, when designated, will also have a plan for how the increment will be used and will be classified as either for industrial, commercial and/or residential use. Currently, there are more than 120 TIFs in Chicago and three in the DCP service area—two industrial and one for commercial and residential use.

By its very nature, TIF initially requires some infusion of funds to get the process going. Generally, there are two ways of doing this in Illinois, either self-financing (e.g., developer uses own money) or through use of a bond. The latter provides the ability to “front-fund” a project and can help to “jump-start” a project that otherwise might not happen if the self-financing route is taken. An example of this is in the Lake Calumet TIF, where a \$2 million TIF bond was issued to help in the expansion of the Keebler facility (see <http://www.ncbg.org/> for more detail).

An important feature of TIF designation and any accompanying debt is that neither requires a public referendum or voter approval. This means that a bond can be issued without going to the people for voter approval.



**TIF and Transit-Oriented Development.** TIF is a tool for revitalization that can be tapped for funding related to enhancing transit. With regard to transit, TIF dollars can be spent on:

- New stations including land acquisition, building demolition, financing, legal and planning costs;
- Transit-oriented development in and around public transportation stations; and
- Bus shelters.

The City of Chicago has funded 3 transportation projects (all in the Loop) with TIF dollars totaling \$38.7 million, although all TIF districts with transit facilities are eligible (see Appendix for more details). None of these were to extend existing services.

An important benefit of the 115<sup>th</sup> and Michigan intersection is that it is part of the Roseland/Michigan Avenue TIF. The purpose of TIF designation is to revitalize commercial, industrial, or residential areas. So far, however, there has been little activity in the TIF established in 2002.

With regard to using TIF in the Red Line extension project, there are two possible approaches: funding the extension itself and funding TOD. In either case, it is possible though not necessarily feasible to use bonds to front-fund development. What is likely to affect feasibility is the willingness of city officials to pursue this strategy.

**Using TIF to Fund the Red Line Extension.** As noted already, TIF money can be used for new station development and land acquisition. While there are no legal reasons why TIF funds cannot be used to extend the Red Line, there is no precedent in Chicago for doing this either, so it is difficult to gauge how it might work. A key challenge is determining what the funds will be used for and by whom. Generally, intergovernmental agreements (e.g., between CTA and City) can be complicated and difficult. Still, this does not preclude looking at TIF as an option, especially since at least one station along the Community Route is in the Roseland/Michigan TIF district.

**Using TIF to Fund TOD.** Clearly, this is allowed under TIF and given the general nature of how TIF funding is typically used—economic development projects—there are many examples around the city to learn from even if not transit-oriented. As with all TIF development, careful planning and implementation is needed, with good community input in driving the plan. This is important since once approved, the ability to alter the plan is limited.

*With consistent community participation, TIF can be a tool for implementing a community-based revitalization plan through encouraging affordable housing development, improving parks and schools, fixing basic infrastructure, putting vacant land to productive use, creating good-paying jobs, and meeting other local needs. Neighborhood Capital Budget Group*



## BUILDING SUPPORT FOR TRANSIT AND TRANSIT-ORIENTED DEVELOPMENT

Historically, transportation planning has not been a very good example of involving community in the process. This has been changing slowly over the last decade or so. The Intermodal Surface Transportation Equity Act (ISTEA) of 1991 greatly enhanced the public's role in transportation projects and processes. ISTEA required transportation agencies to encourage public involvement early in the process and allow sufficient time for public comment and agency response. Thus, if the community is involved in the early stages, costly changes in the late stages of the project can be prevented.

Along these lines, transit should complement comprehensive community plans, and it is the role of planners and community members to advocate for their synthesis. Recent research by Roseann O'Laughlin on efforts to redevelop the Brown and Blue Lines here in Chicago and several other large transit projects around the country provides insight into what communities can do to assure their involvement in major transit decisions is meaningful and effective.<sup>17</sup>

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<sup>17</sup>O'Laughlin, Roseann. "Rails, Roads, and Community: The Role of Community Organizations in Transportation Projects." Thesis, UIC. May 2004.

Action	Advice for Use
Coalition building	Use caution to ensure that participation is satisfactory and meaningful
Become knowledgeable of the planning process	Understand the entire transportation planning process and learn to become involved early and often
Attend meetings and participate with sophistication	Attend as many meetings and hearings as possible and always speak sophisticatedly of issues and concerns. Earn the respect of transportation planners and decision makers.
Participate in charrettes	Charrettes are designed to incorporate those who know the community best- residents- in a problem solving session.
Use of the media	The media can be a powerful ally, but be cautious as not to damage long-term relationships with elected officials and transportation agencies.
Letter writing campaigns	Do not underestimate the power of a strong letter writing campaign. Ensure the letters are directed to the persons able to make decisions and that letters are tactful and direct, to avoid placation.
Protests	Marches and protests draw attention but should be done with caution as disruption can alienate decision makers and fellow coalition members
Create newsletters, listservs and websites	These are effective at reaching large audiences and rapidly relaying project changes and concerns.

## RECOMMENDATIONS

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Developing Communities Project has already done a great deal of work to build support for extending the Red Line. Transit-oriented development is another strategy that can enhance this work but also complement and further justify extending the Red Line through the Greater Roseland community. The following recommendations aim to help DCP move forward TOD as a strategy for development in conjunction with the extension.

### Organizing and community building

- **Expand outreach to potential allies.** This includes groups in the Greater Roseland community that are not currently active with DCP and/or interested in the Red Line extension but that are likely to be interested once educated about the issues. This also includes a growing number of organizations that are either pro-transit, anti-sprawl, and/or pro-environment.
- **Develop coalition of supporters.** Building on current outreach efforts, DCP should continue to expand its circle of transit supporters. This should be done strategically. The important thing is to know the agenda of any potential supporter and make sure it fits with the goals of DCP and the community.
- **Begin educating and organizing TOD stakeholders.** Stakeholders include a wide range of participants. A consistent theme in “successful” TOD cases is getting buy-in from different stakeholders. This should begin by first understanding stakeholders’ positions should a TOD plan be developed.

### Planning

- **Develop a TOD vision and plan for the 115<sup>th</sup> / Michigan intersection.** Development at this intersection is needed and developing a TOD plan—or at least a vision—can better position the community in its effort to get the Community Route selected when the alternatives are considered. While the goal is to make this a TOD, there are clearly unmet consumer needs that can be addressed.
- **Identify potential anchor for the development.** Although it may be early in the process, exploring options for an anchor does not hurt and may even jump-start development if there is interest. Key here is doing this in conjunction with or following the TOD planning process, since it should be part of the vision for the intersection and the community; it needs to be an anchor that will attract and not discourage other retail tenants.
- **Get community support for use of TIF money and other public funding to support TOD along the Community Route.** While not required, most research shows that this can be a good strategy. As with the referendum to support extension of the Red Line, such a strategy can send a clear message of community commitment but also it can be a means to reach out and educate the community about TOD, and engage them in the planning process when that occurs. However, such a pro-active measure must be done with consideration of timing and time it takes.