



# University of Illinois at Chicago South Campus Development CHICAGO, IL

2007 COMMUNITY IMPACT WINNER

***Key Project Lesson: Brownfield redevelopment can meet a range of community and economic goals, including affordable housing and job creation, while being sensitive to historic and cultural traditions.***

## Overview

In the heart of Chicago, where land is scarce and mixed-income housing is needed, a new community has formed. Until recently, the 68-acre former Maxwell Street market district was the site of deteriorating and mostly abandoned industrial, commercial, and residential facilities. Now cleaned and redeveloped, the new University Village area features student housing, academic buildings, shops, restaurants, and family homes in an attractive setting that also is generating new economic activity near downtown. This 10-year, \$525 million brownfield project ties engineering technology to urban revitalization and provides a model for public-private partnerships looking to convert mixed-use brownfield sites into a campus-style environment and attract new residents to central city areas.

## Featured Partners

- University of Illinois at Chicago (UIC)
- Camp Dresser & McKee Inc.
- Foley & Lardner LLP
- South Campus Development Team, LLC (SCDT)

## Primary Reason for Redevelopment

The site chosen for redevelopment is in a prime location in a historically significant, busy, and highly developed Chicago neighborhood adjacent to the downtown Loop area. However, the area had been in decline for more than 30 years. The site's owner, the University of Illinois at Chicago (UIC), needed on-campus housing and other facilities, including a new performing arts center and administrative space. As it was planning for its own needs, UIC knew that the development also could be done in a way that would transform the rundown neighborhood into a new community with private residences, retail shops and restaurants, playing fields, and other amenities that would attract residents and businesses. UIC would benefit, too, by creating a safe and livable community surrounding its Chicago campus.

## Approach

UIC began acquiring land in the Maxwell Street district in 1999, and remediation and redevelopment activities began shortly thereafter. UIC's visionary effort required an act of the Illinois Legislature and close coordination and cooperation between the project team, the city of Chicago, existing landowners, private developers, and the Illinois Environmental Protection Agency (IEPA). UIC conducted extensive public outreach and worked hard to preserve the rich history of the area—including arranging maintenance of the famous hot dog stands that had defined Maxwell Street for generations of Chicagoans while allowing UIC to reshape itself as a campus of the future. Abandoned historic buildings were rehabilitated, and old facades were transferred to new structures.

The project involved comprehensive site investigations and an accelerated cleanup schedule that featured extensive outreach to a wide range of end-users and community organizations. Working with IEPA, the project team implemented a two-phase remediation effort, which involved adapting the conventional site remediation program approach to meet the tight project schedule and minimize interruptions to and from the surrounding community, and obtaining a "No Further Remediation" (NFR) letter through the IEPA's voluntary site remediation program.

During the site investigation, soil and groundwater samples were collected to determine whether contaminants were present at concentrations above IEPA's Tiered Approach to Corrective Action Objectives (TACO) standards. The results identified volatile organic compounds, polynuclear aromatic hydrocarbons (PNAs), and metal compounds associated with historic operations in the area, all with concentrations above residential remediation objectives. Based on these conditions, the project team worked creatively with IEPA and developed a human health risk-based analysis that led to engineered barriers consisting of 12-inches of clean soil in the unpaved areas of the site, with institutional controls provided through the homeowner association rules. In addition, interim engineered barriers were used to allow expedited construction and conveyance of the new homes and retail structures from UIC to the developer, and ultimately to the homeowners.

## Innovative Techniques

The South Campus Development Project was characterized by several financial and regulatory innovations. The project leveraged over \$600 million in investment, including more than \$80 million from the public infrastructure budget and tax increment financing. About \$225 million in revenue bonds covered campus projects, such as student residences and parking. These bonds will be repaid with revenue from student fees and retail revenues.

The project achieved new levels of regulatory cooperation that included securing NFR letters. This was achieved through a dynamic process that included such innovations as a human health risk-based analysis, an alternative engineered barrier design, institutional controls, including homeowner covenants, alternative groundwater modeling techniques, and temporary engineered barriers. These innovations reduced clean-up costs, allowed for concurrent cleanup and initial construction, and expedited property conveyance from UIC to developer, and when construction was complete, to businesses and homeowners. The efficiencies of scale using these measures were possible, in part, due to the large size of the project.

## Challenges

The project team faced a number of unique challenges throughout the project. The greatest challenge was the need for ongoing and extensive coordination between UIC, the private developer (SCDT) and their respective consultants, IEPA, and the end purchasers for most project activities. The coordination effort required a great deal of flexibility and accountability on the part of all parties involved. Other unique challenges included:

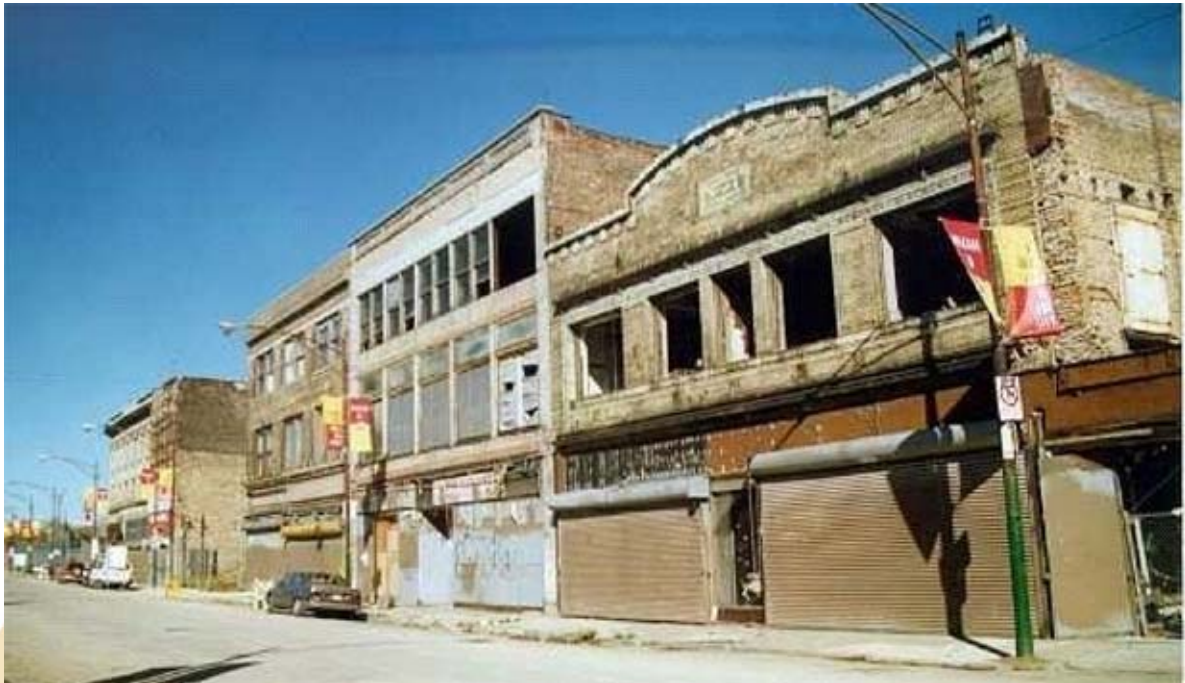
- Over 24 acres of contamination with multiple contaminants and multiple sources of contamination
- A phased remediation approach to correlate with the developer's construction schedule.
- Coordination of the remediation activities with the development schedule and needs
- Modification of prearranged cleanup plans when undocumented underground obstacles, such as utilities and building foundations, were encountered.
- Creation of developments sensitive to the storied history of Maxwell Street and in line with the vision and demands of the developer and UIC.

## Benefits

UIC's South Campus Development Project has helped to create a new community that is centered adjacent to its campus, just outside of downtown Chicago. This project has helped address UIC's shortage of on-campus housing and has eased the city's current demand for mixed-income residential space. More than \$300 million has been invested in 892 new residential units, and 21 percent of these townhouses and condominiums have been designated as affordable housing. In addition, development of additional private housing is underway in the surrounding four-block area.

The project also provided a variety of economic and social benefits, including 600 new permanent jobs, and provided a wide range of other tangible social, economic, and cultural benefits. The South Campus community features almost 50 new retail shops and restaurants that draw residents and other consumers to its walkable streets. Adding to the attraction, 30 percent of the site is now green space with playing fields, walking paths, courtyards, and patios available to the surrounding neighborhood.

**Before**



**After**



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<b>Names of Participants:</b>	University of Illinois at Chicago, Camp Dresser & McKee Inc., Foley & Lardner LLP; South Campus Development Team, LLC
<b>Number of Acres:</b>	68 acres, 24 acres remediated
<b>Former Uses:</b>	residential units, four multi-story industrial warehouse buildings, a UPS terminal, gas stations, auto repair shops, various retail facilities, junkyards, coal and glass companies, and waste material facilities including a car battery reclamation site.
<b>Current Uses:</b>	on-campus housing, retail, restaurants, private residential
<b>Former number/Types of jobs:</b>	400, warehousing
<b>New number/Types of jobs:</b>	600, retail/restaurants
<b>Type of Site:</b>	mixed-use urban site
<b>Regulatory Program:</b>	Illinois Site Remediation Program (a Voluntary Cleanup Program)
<b>List of Major Contaminants:</b>	benzene – up to 3 x the Remediation Objective (RO), ethylbenzene – slightly exceeded RO, xylenes – up to 5 x RO, antimony – up to 30 x RO, arsenic – up to 2 x RO, cadmium – up to 2 x RO, chromium – up to 1.5 x RO, lead – up to 60 x RO, mercury – up to 2 X RO, selenium – up to 3 x RO, thallium - up to 2 x RO, PNAs
<b>Magnitude of Contamination:</b>	site-wide over 24 acres and up to 15-feet deep
<b>Greatest Challenges:</b>	magnitude of contamination with multiple contaminants, coordination of remediation activities to meet development schedule and needs
<b>Length of Time to Remediate Site:</b>	phased implementation over 7 years
<b>Primary Reason for Redevelopment:</b>	location, need for housing and university space
<b>Years Abandoned or Challenged:</b>	since 1970s
<b>Cleaned up under Consent Decree:</b>	no
<b>List of Financial Assistance:</b>	tax increment financing (TIF)
<b>New Tax Revenues:</b>	\$113 million over life of TIF
<b>Community Outreach Activities:</b>	outreach to local businesses
<b>Innovative Environmental Regulatory Techniques:</b>	a human-health based risk analysis, alternative groundwater modeling, and interim engineered barriers
<b>Innovative Remediation Techniques:</b>	a 12-inch clean soil barrier with a homeowner covenant
<b>Land Conservation:</b>	additional open space and recreational areas
<b>Sustainable Development:</b>	consistent with many of the pilot LEED-ND standards