

Mayor Emanuel's Industrial Corridor Modernization

Kinzie Industrial Corridor

May 16, 2018



Rahm Emanuel, Mayor

David Reifman, Commissioner
Dept. of Planning and Development

- dpd@cityofchicago.org
- cityofchicago.org/dpd

Agenda

6:00: Presentation

1. Background

Industrial Corridor Modernization Initiative

Introduction to this city-wide initiative

2. Kinzie Industrial Corridor

Two Different Processes:

Step 1: Implementation of the Fulton Market Innovation District (FMID) plan

Overview of FMID plan and completed implementation process



Step 2: Kinzie Industrial Corridor Study

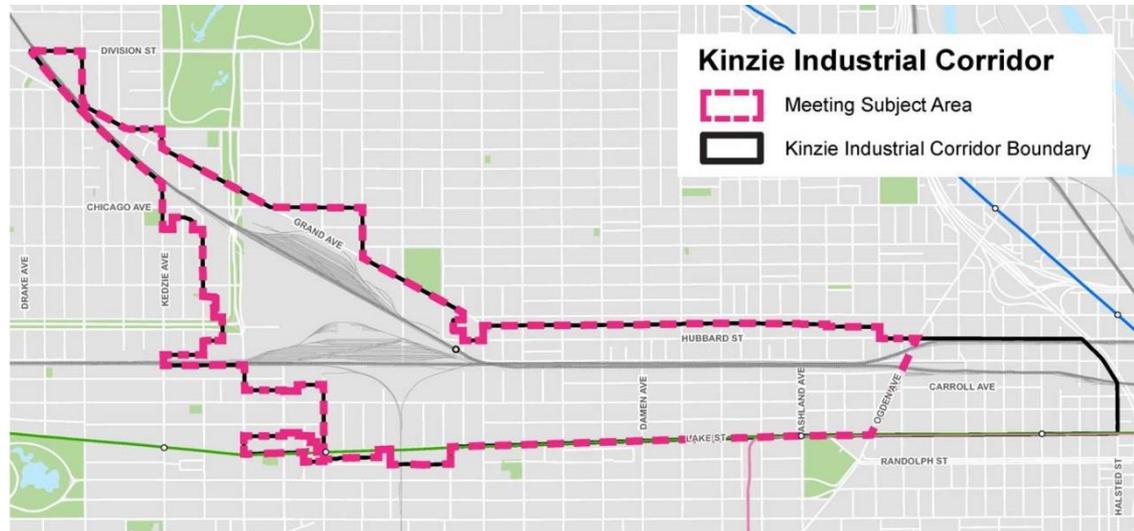
Data collection and planning process

3. Next Steps

Future meetings

6:45: Q and A

7:15: One on One



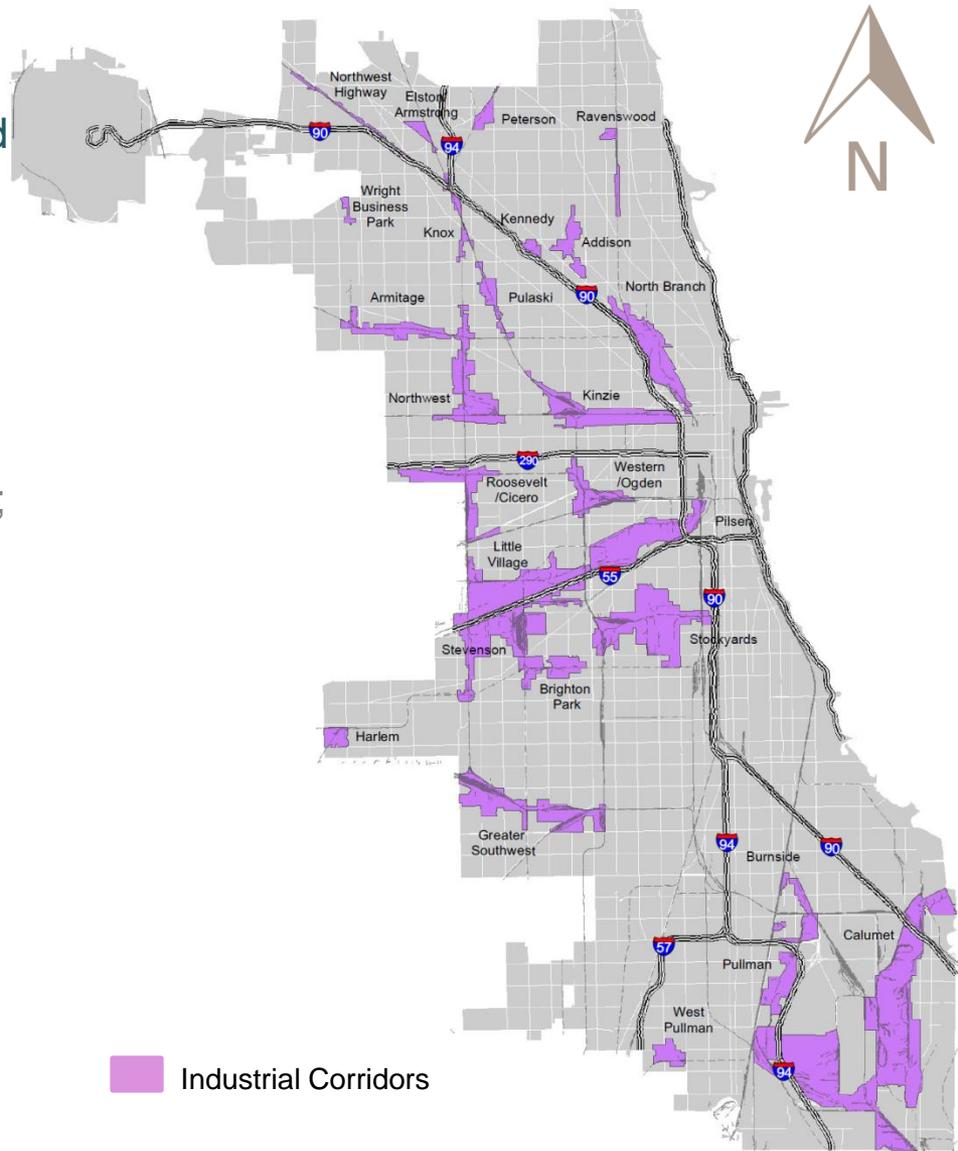
Mayor Emanuel's Industrial Corridor Modernization Initiative

Mayor Emanuel's Industrial Corridor Modernization Initiative is a public planning process to refine land use policies for continued growth and private investment in the City's Industrial Corridor system. **The Initiative's goals are to:**

1. unleash the potential of select industrial areas for advanced manufacturing and technology-oriented jobs while reinforcing traditional industrial activities in other areas;
2. maintain and improve the freight and public transportation systems that serve industrial users;
3. support new job growth and local job opportunities; and
4. leverage the unique, physical features of local industrial corridors to foster demand.

Completed Plans and Planning Processes Underway:

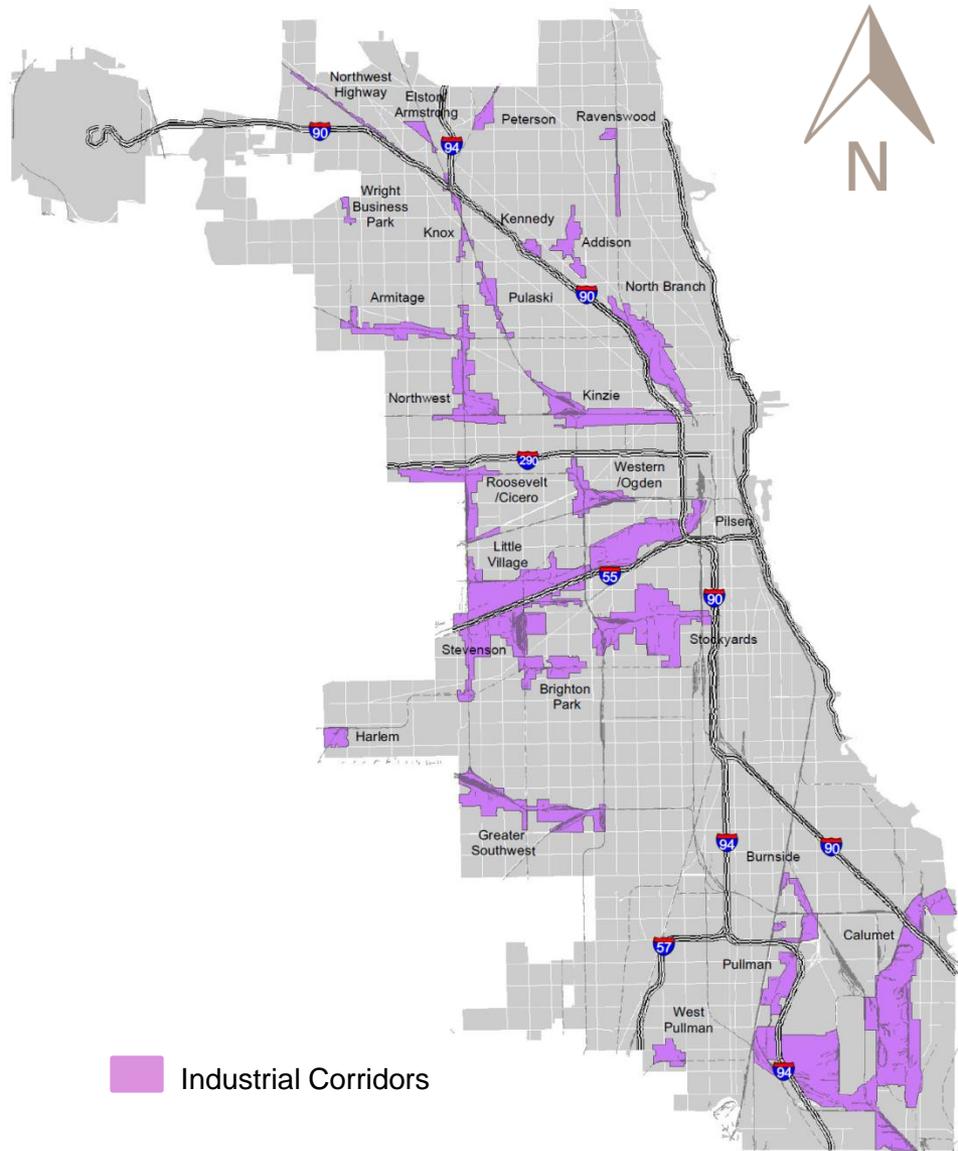
- **North Branch (Completed 2017)**
- **Kinzie (east of Ogden Ave)(Completed 2017)**
- **Little Village (Underway)**
- **Ravenswood (Underway)**



Establishing the Industrial Corridor System

Beginning in the early 1990's Industrial Corridors were established as a planning and development tool.

- Chicago's 26 Industrial Corridors contain about 12% of the city's land
- Range in size from 70 to 3,500 acres
- Offer industrial land for new and expanded manufacturing and related uses



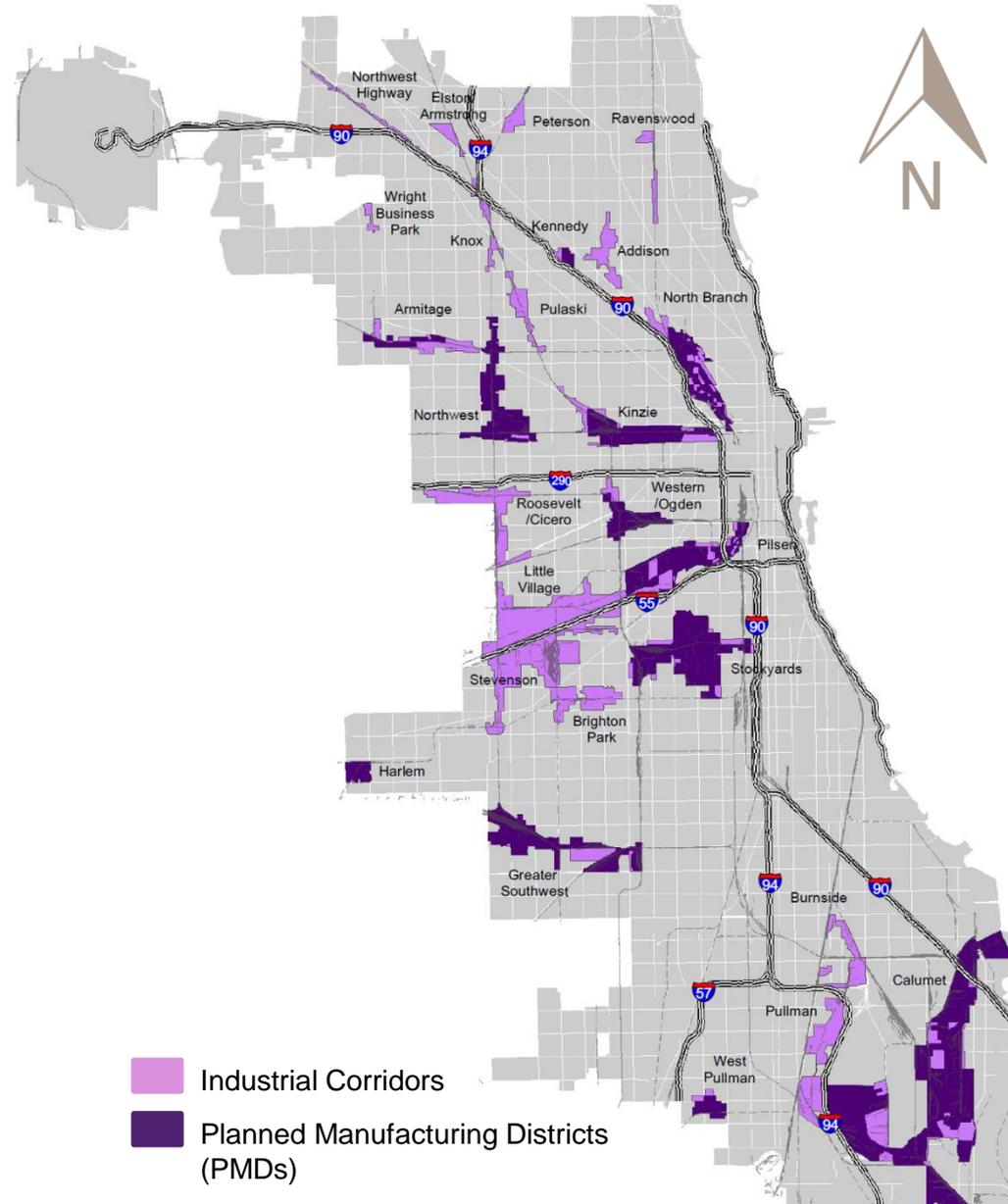
PMDs in the Industrial Corridor System

From 1988 through the 1990's, a new zoning tool called a **Planned Manufacturing District (PMD)** was created.

Purpose of the PMD:

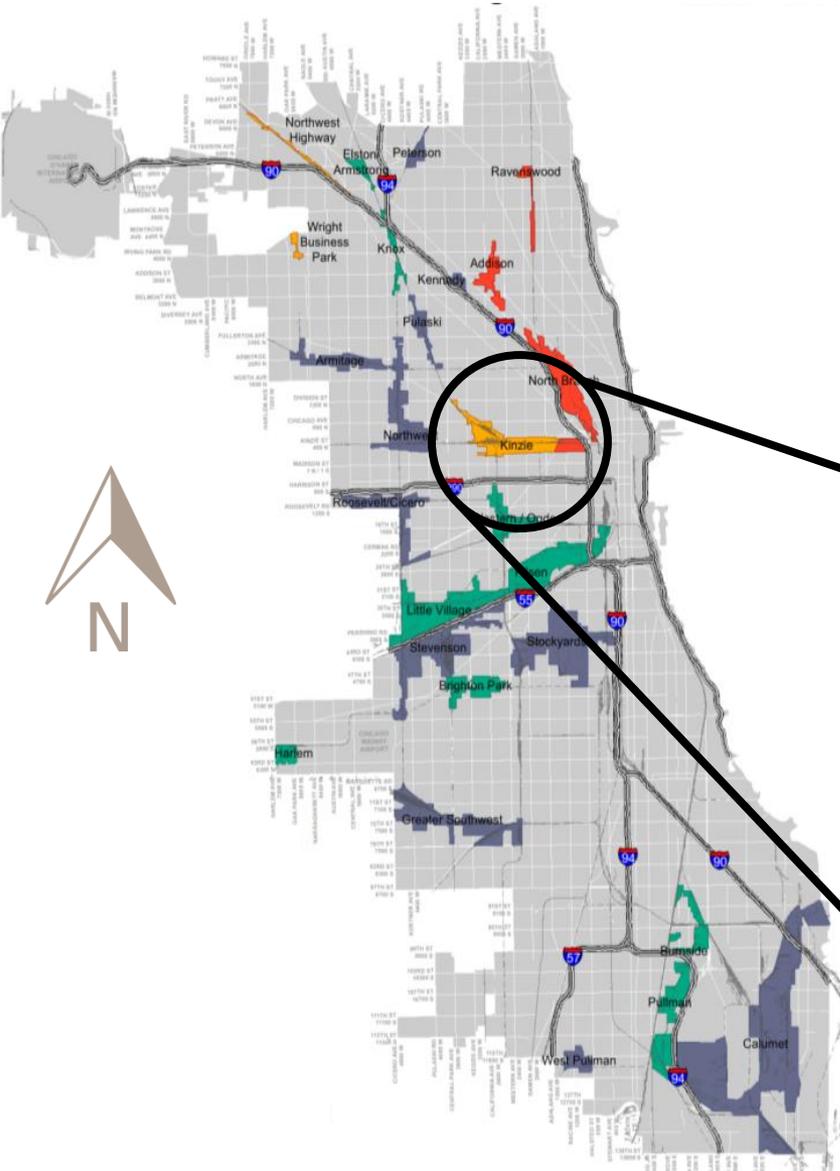
- foster the city's industrial base
- maintain the city's diversified economy for the general welfare of its citizens;
- strengthen existing manufacturing areas that are suitable in size, location and character and which the City Council deems may benefit from designation as a PMD;
- encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments; and
- help plan and direct programs and initiatives to promote growth and development of the city's industrial employment base.

The Chicago Plan Commission is responsible for on-going review of the continuing effectiveness of PMDs.

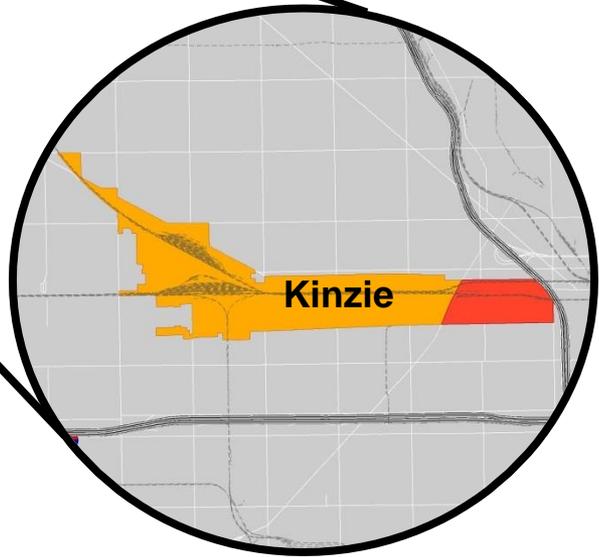


Employment Trends in the Industrial Corridor System

Core Job Employment Trends 2002 - 2014



- Manufacturing**
(Largest number of jobs are in manufacturing and are stable or growing)
- Manufacturing and Moving & Storing Goods**
(Largest number of jobs in both manufacturing and the distribution and storage of goods and are stable or growing)
- Business to Business**
(Largest number of jobs are in business support services and are stable or growing)
- Info & Tech**
(Largest number of jobs are either information technology and management or business support services and are stable or growing)



Fulton Market Innovation District Plan



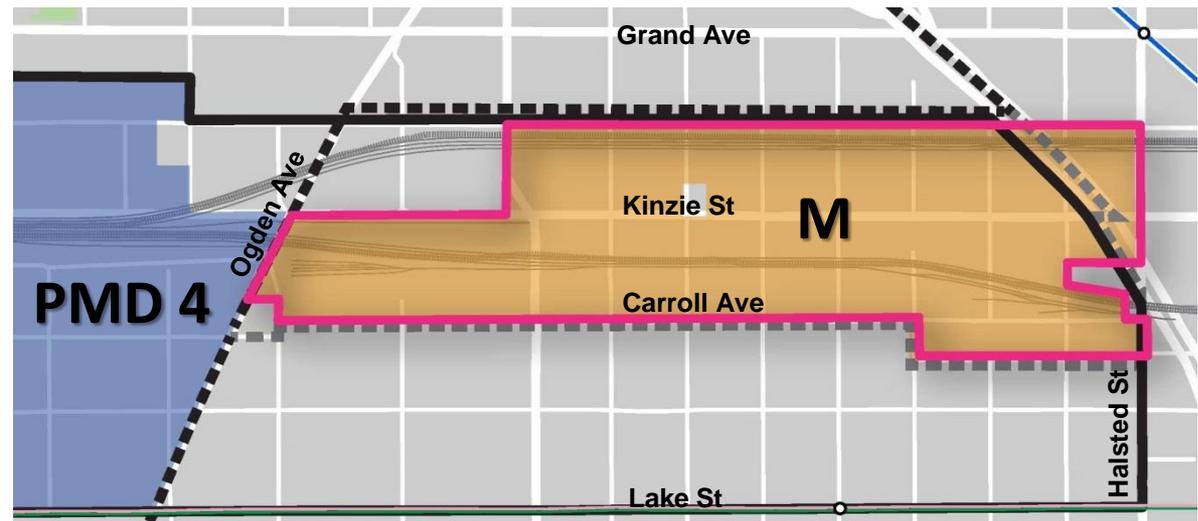
Fulton Market Innovation District (FMID)

- **The Fulton Market Innovation District plan (2014)** outlined a vision to preserve existing jobs while accommodating private sector investments that reinforce the area's expanding role as an innovation-driven employment center.



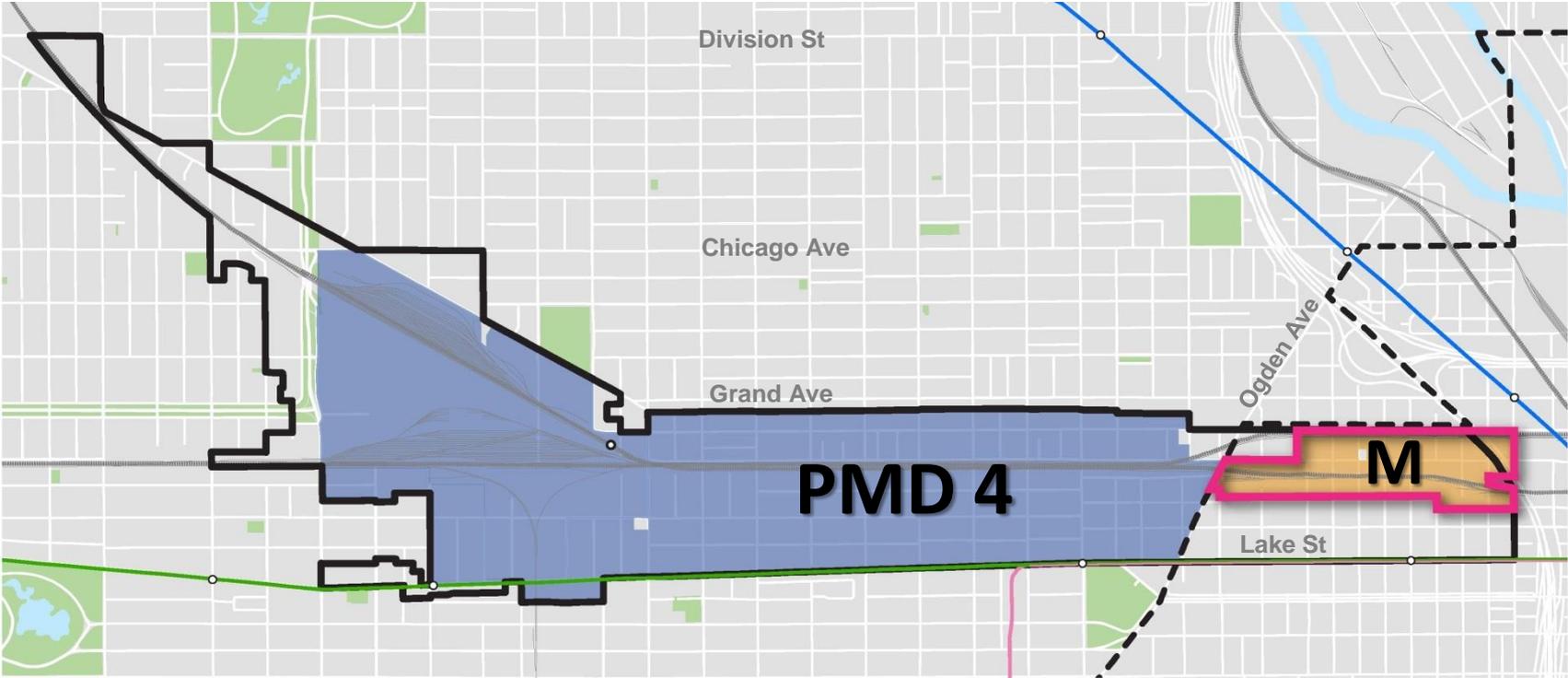
- **The Fulton Market Innovation District Plan Implementation (2017)**

1. Repeal a portion of the existing Planned Manufacturing District 4.
2. Designate the Kinzie Corridor Overlay District.
3. Apply the new Industrial Corridor System Fund to this area.
4. Apply the City's existing Neighborhood Opportunity Bonus to the area.



Existing Zoning

PMD 4 west of Ogden Avenue is maintained



-  Kinzie Industrial Corridor
-  Zoning Overlay District
-  PMD Repeal to M
-  PMD Remains
-  Downtown Area

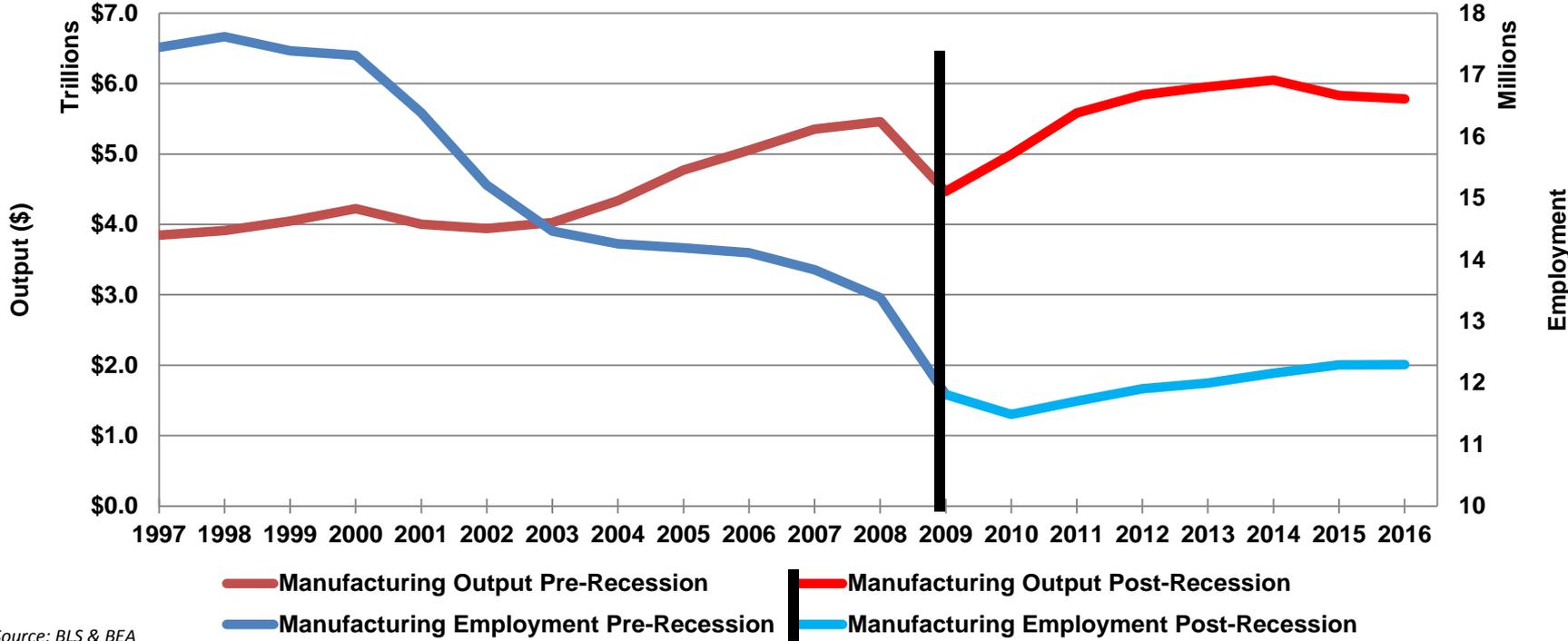
Kinzie Industrial Corridor

Employment Trends



National Manufacturing Trends

National Manufacturing Employment & Output: Pre & Post-Recession

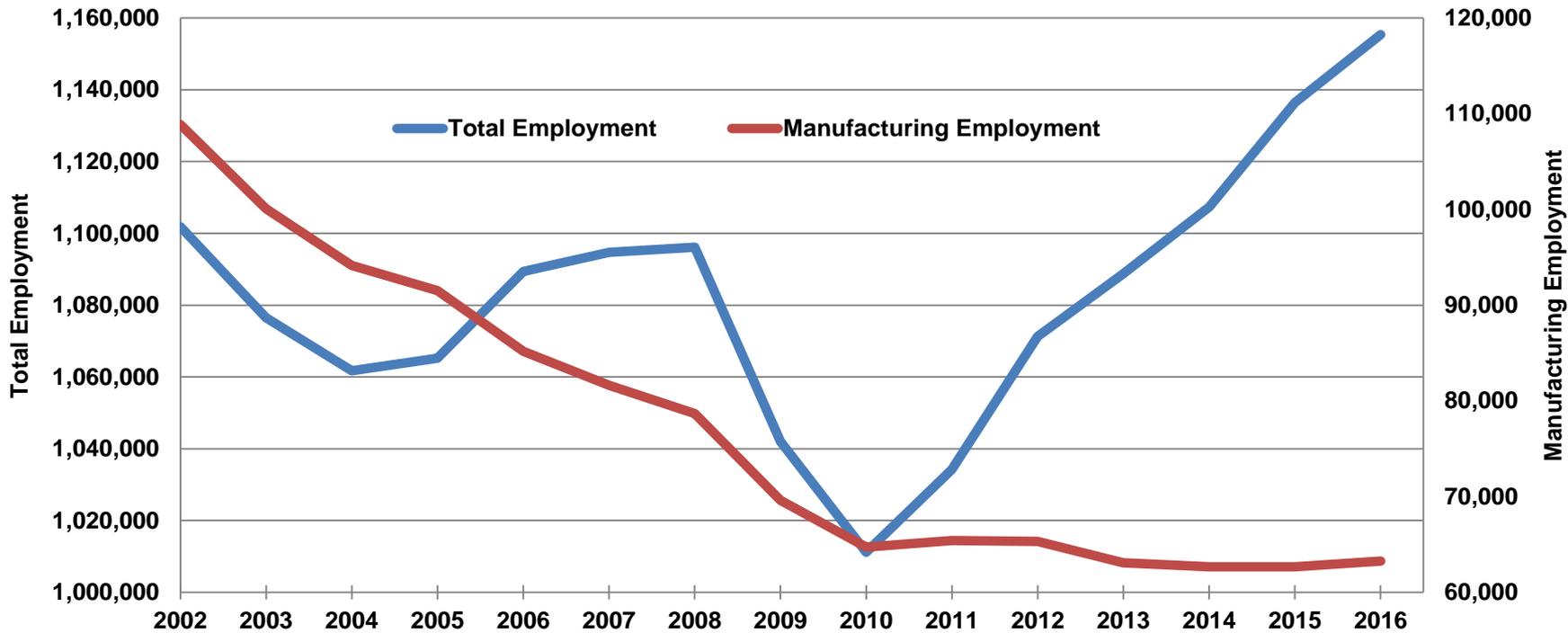


Source: BLS & BEA

- Since the recession, there has been modest employment growth with dramatic output increases per worker, that is, companies need fewer people but are able to produce more

Chicago Employment

City of Chicago Employment Analysis



Source: Illinois Where Workers Work

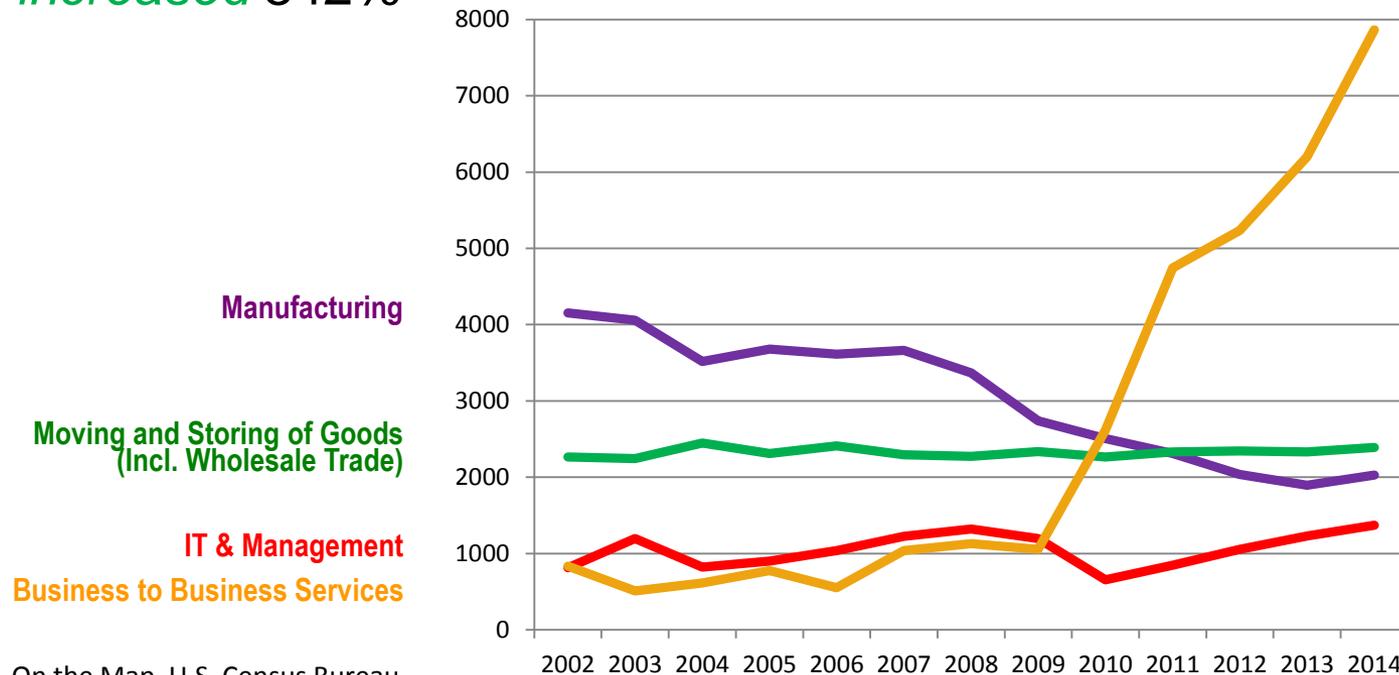
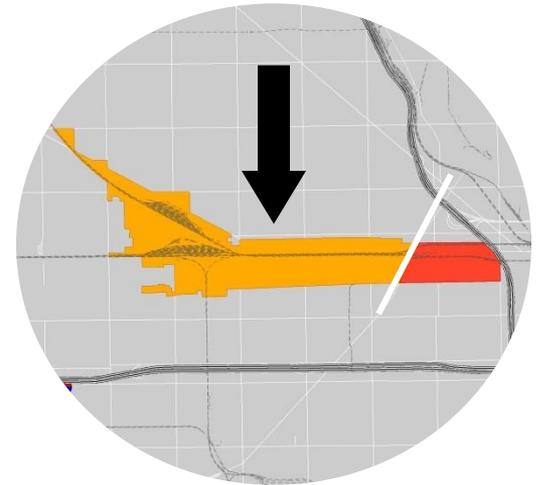
- **Chicago has recovered from the recession in total employment**
- **Manufacturing has declined since 2000, but appears to be stabilizing**

Employment Trends in the Industrial Corridor

Core Job Employment Trends 2002 – 2014

Kinzie Industrial Corridor: **West of Ogden Avenue**

- Manufacturing jobs *decreased* 51%
- Moving and Storage remained stable
- Information, Technology and Management *increased* 68%
- Business to Business Services *increased* 842%



Kinzie Industrial Corridor Employment

Moving and Storing of Goods, Construction & Utilities

Examples:

- Wholesale
- Transportation
- Warehousing
- Construction
- Utilities



Business Support Services

Examples:

- Building and facility management services
 - Janitorial
 - Landscaping
- Business services
 - Staffing agency
 - Billing/collections
- Waste management



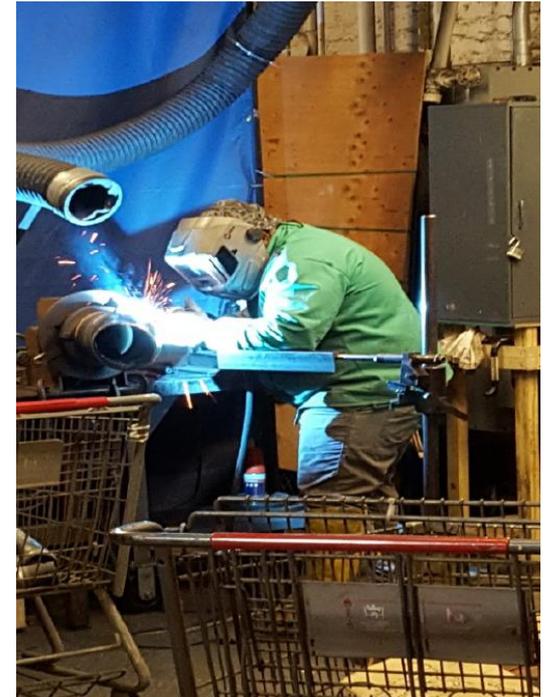
Kinzie Industrial Corridor Market Research



Kinzie Industrial Corridor Market Research

Kinzie Industrial Sectors Analysis

1. Industrial policy analysis in other U.S. cities:
 - The cities in the case studies show that policies largely aim to protect industrial areas.
2. Conduct interviews with Kinzie businesses to find out about:
 - Local, regional or national trends impacting businesses
 - Company location
 - Physical structure of the Kinzie corridor as it relates to operations
 - Future plans
 - Truck operations



Industrial Policy Analysis in U.S. Cities

Case Studies

- Identified districts in other cities that have similar characteristics
 - Proximity to City Center
 - Jobs composition
 - Development pressure
- Reviewed applicable policies, jobs composition and real estate characteristics compared to the Kinzie Industrial Corridor



 3-mile radius from CBD



All cities studied placed value on preserving space for manufacturing and industrial uses

Kinzie Industrial Corridor Research

Preliminary interview results

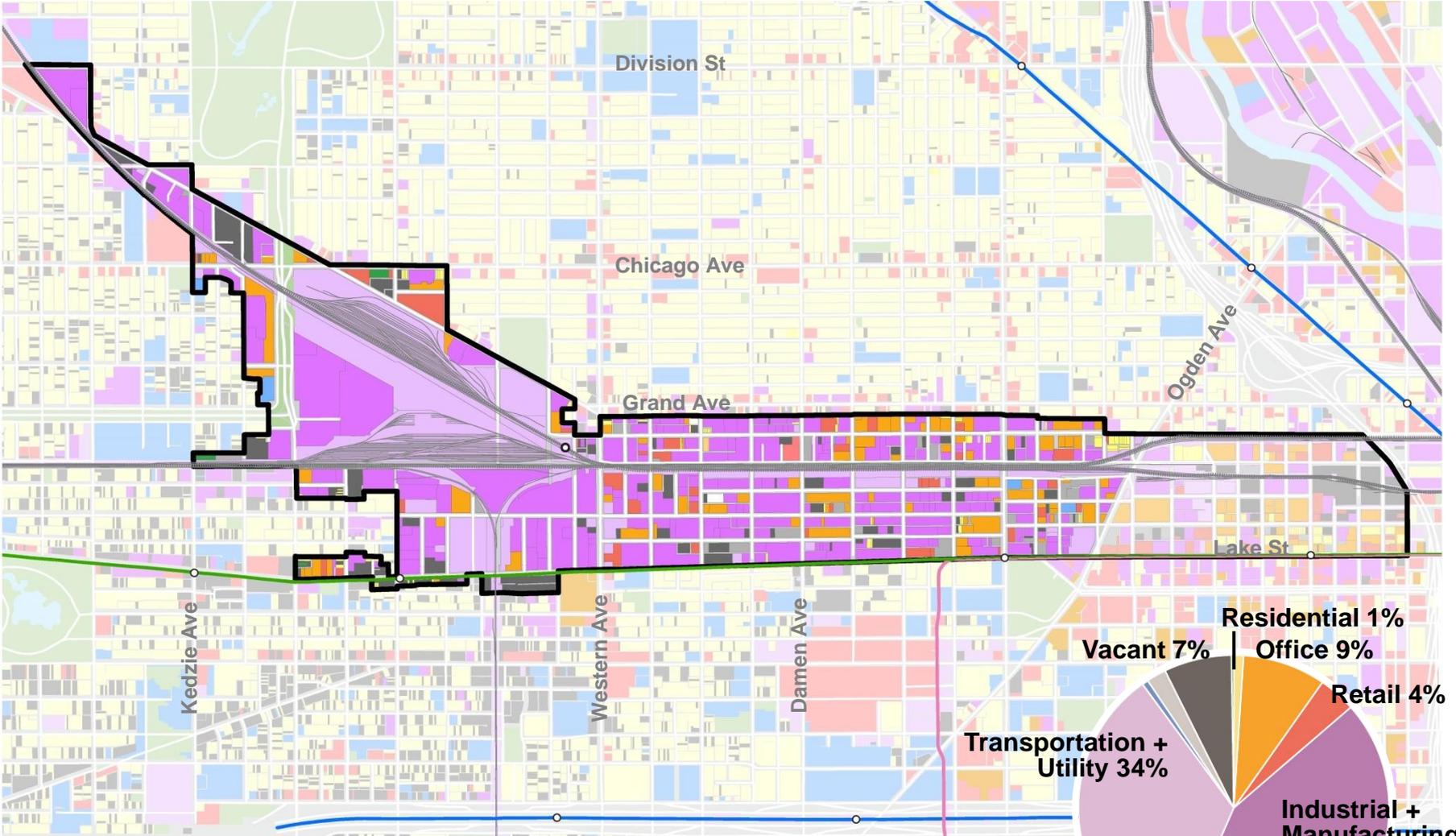
- 10 Initial interviews completed representing roughly 400 corridor jobs
- Focused on manufacturers and business support services
- What we have heard so far:
 - Connectivity to downtown matters
 - Good access for owners and employees
 - Many businesses plan to add jobs or expand
 - Some infrastructure challenges for truck movements and parking
 - Challenges with existing buildings and loading/unloading trucks
 - Concerns about increasing real estate pressure



Kinzie Industrial Corridor Land Use



Land Use Data



2018

Land Use Data



Residential



Commercial - Office

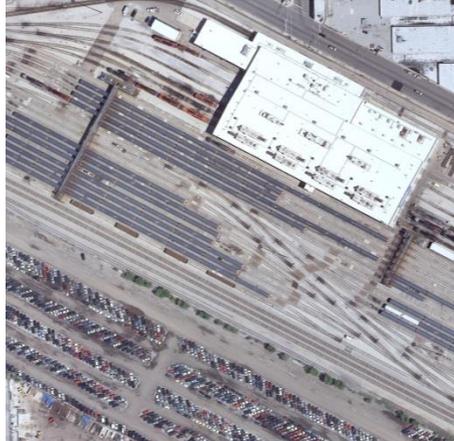


Commercial - Retail

**Industrial +
Manufacturing**



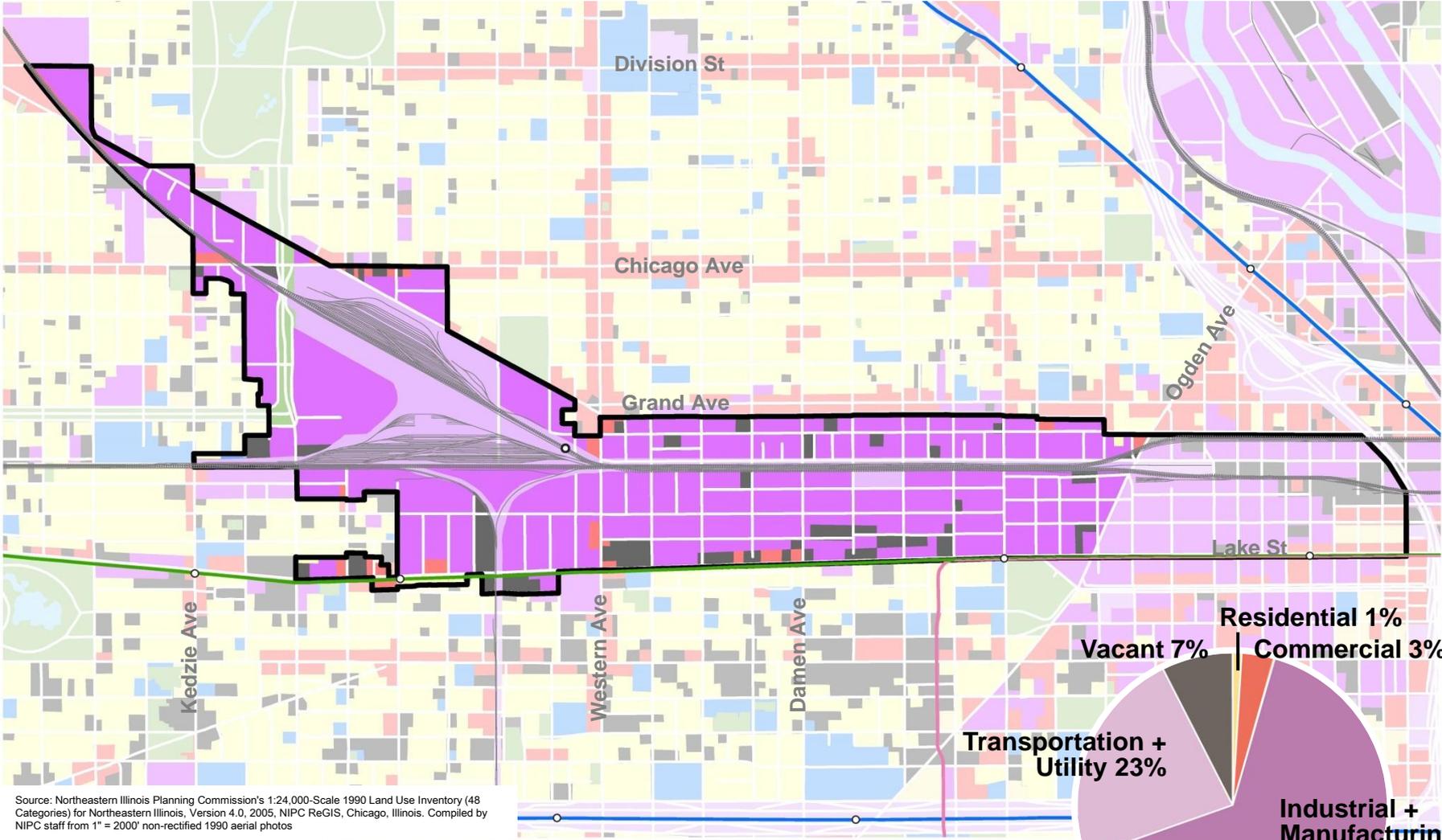
**Transportation +
Utility**



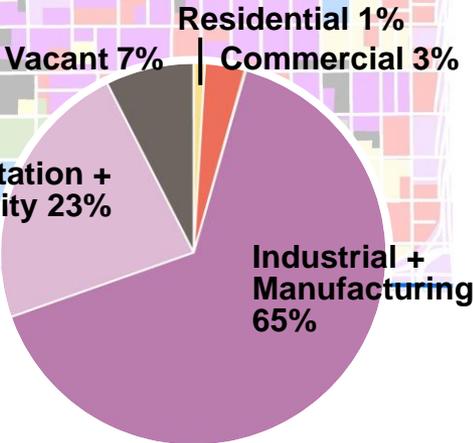
**Vacant
(Buildings + Land)**



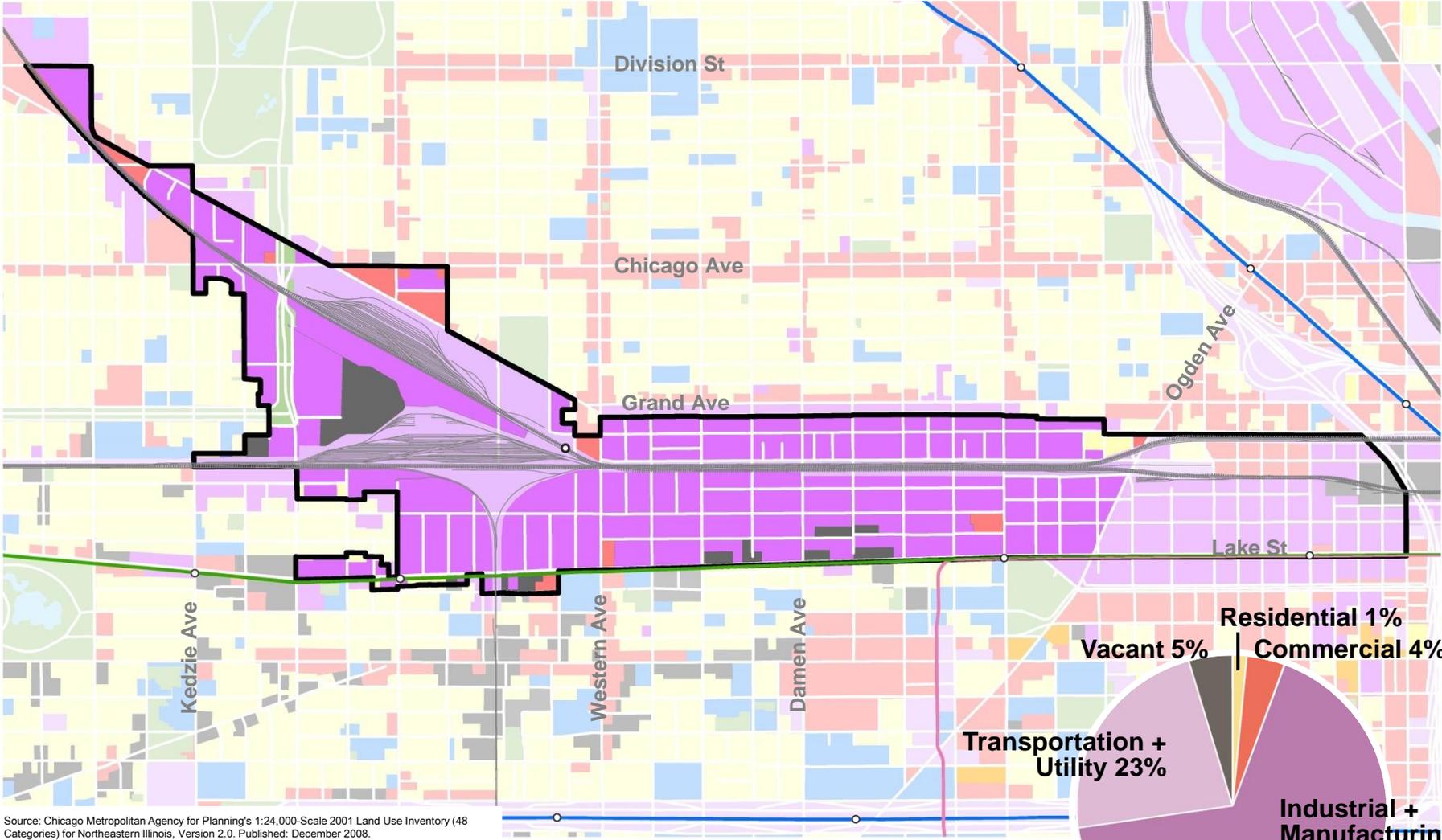
Land Use Data



1990



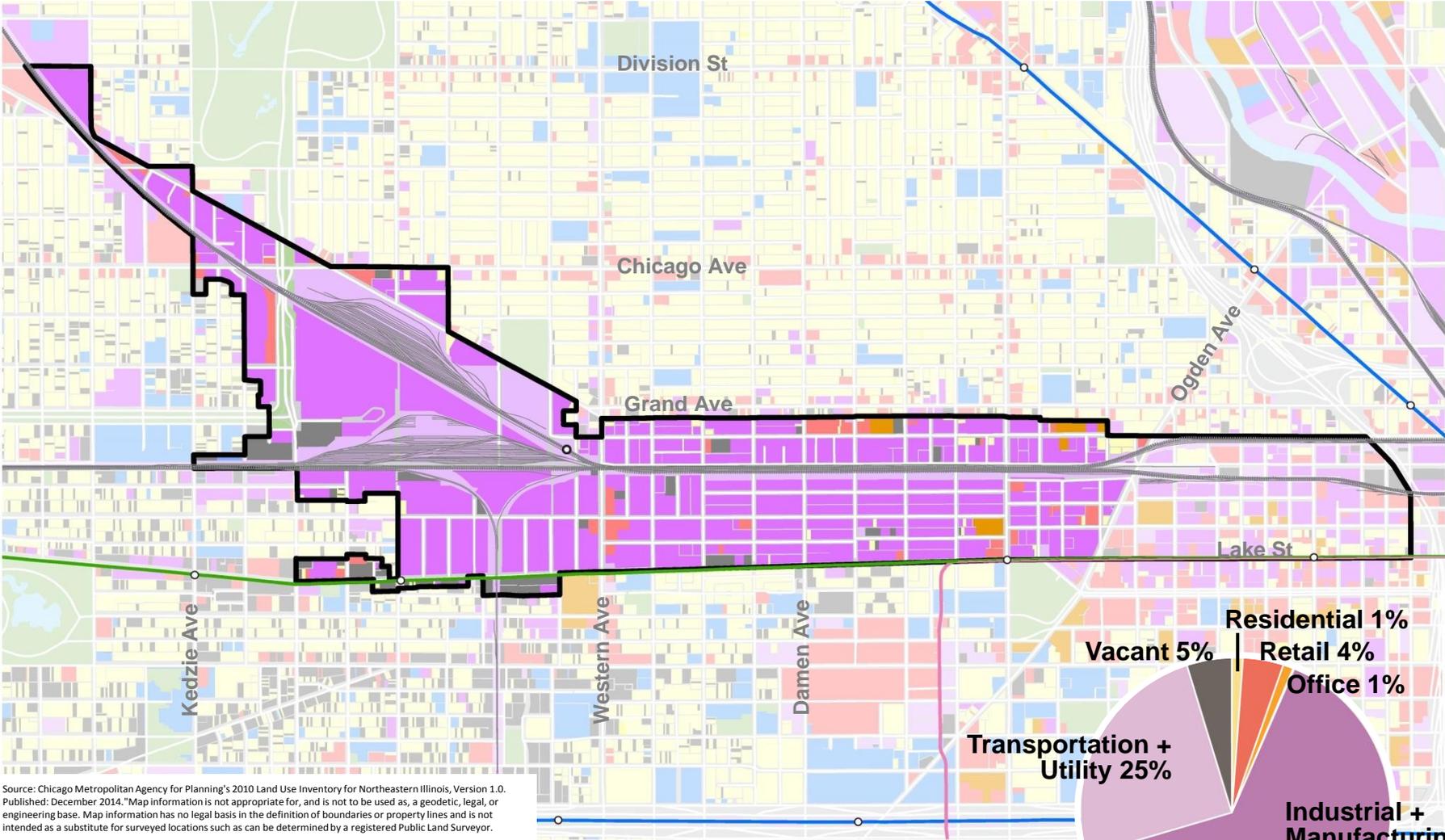
Land Use Data



Source: Chicago Metropolitan Agency for Planning's 1:24,000-Scale 2001 Land Use Inventory (48 Categories) for Northeastern Illinois, Version 2.0. Published: December 2008.

2001

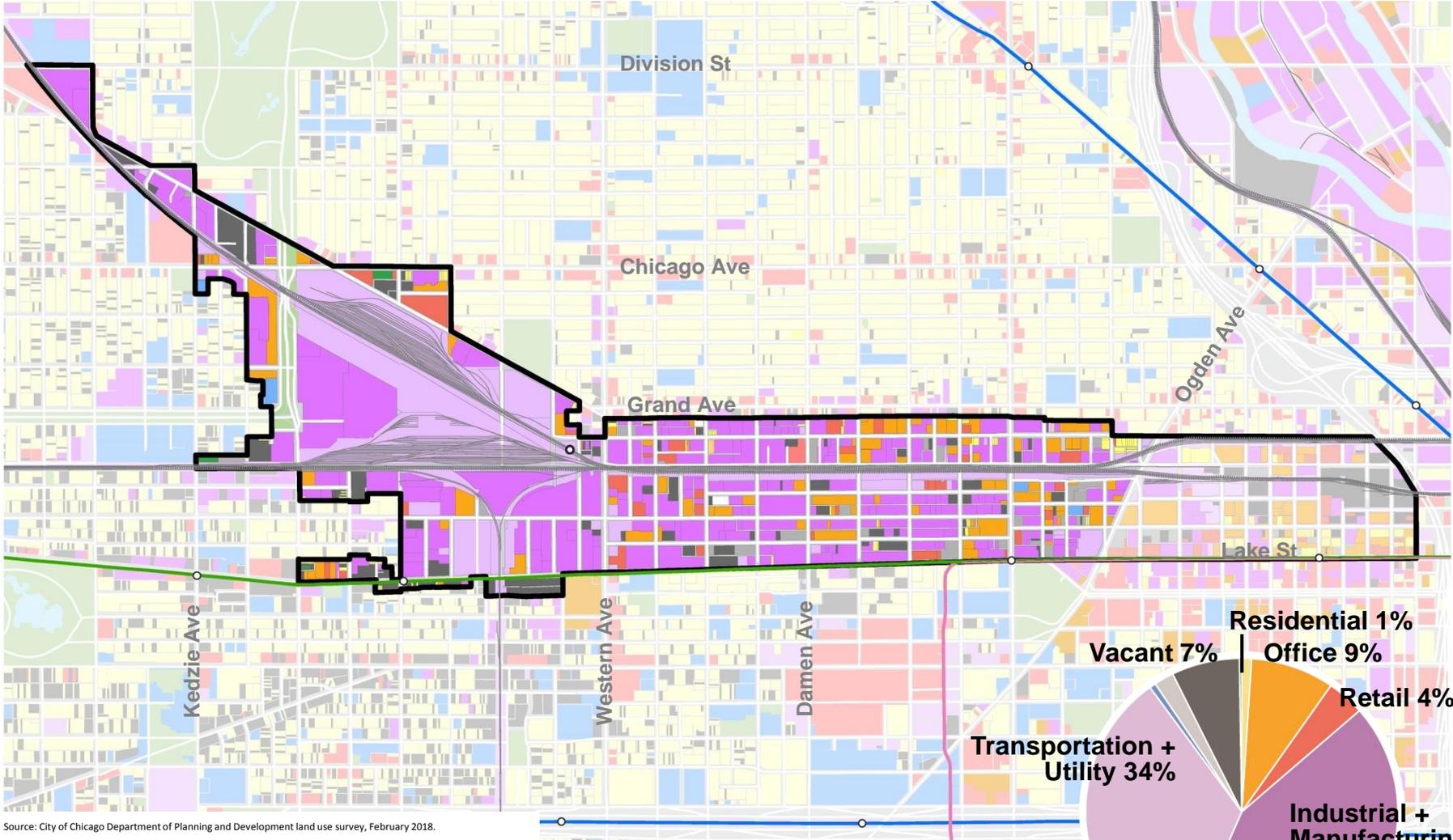
Land Use Data



Source: Chicago Metropolitan Agency for Planning's 2010 Land Use Inventory for Northeastern Illinois, Version 1.0. Published: December 2014. "Map information is not appropriate for, and is not to be used as, a geodetic, legal, or engineering base. Map information has no legal basis in the definition of boundaries or property lines and is not intended as a substitute for surveyed locations such as can be determined by a registered Public Land Surveyor."

2010

Land Use Data



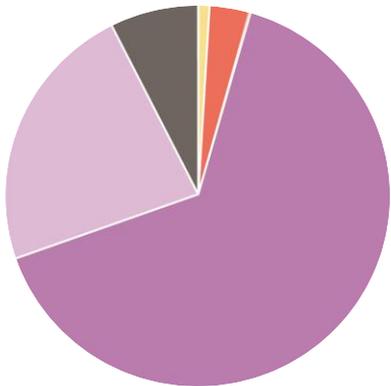
2018

Land Use Data

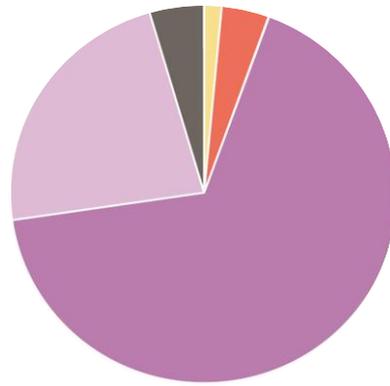
Land Use Trends 1990 – 2018

- **Land uses have remained stable**
 - Increase in Transportation and Utility uses mostly due to change in how uses were categorized
 - Commercial uses increased from 3% to 13% of land area

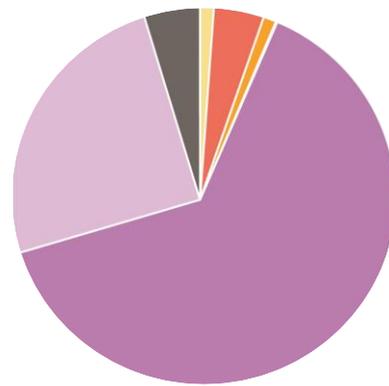
1990



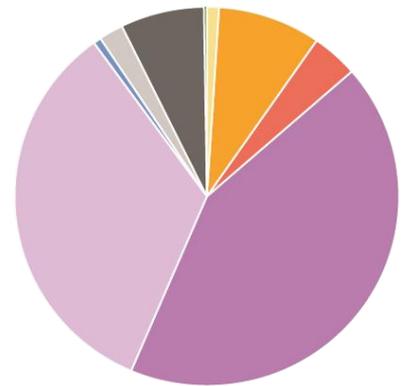
2001



2010



2018



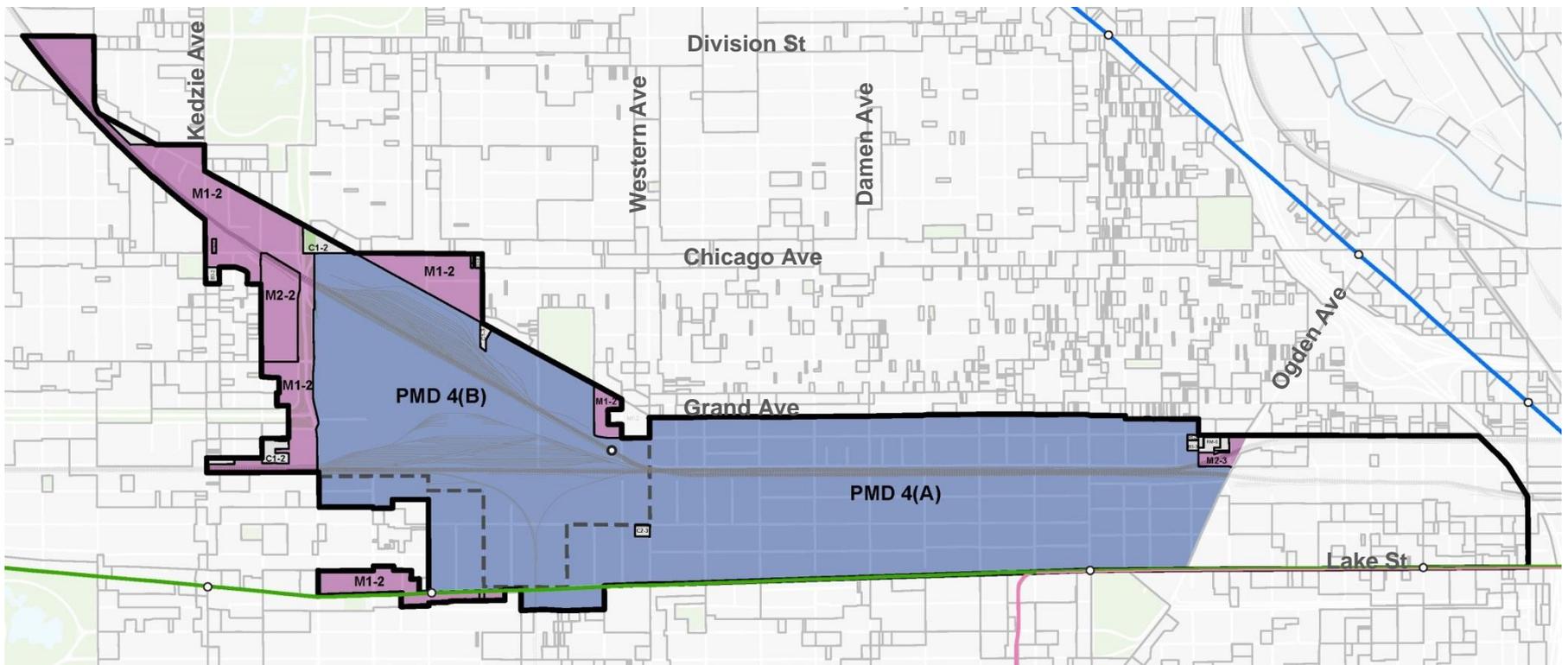
Kinzie Industrial Corridor Existing Zoning



Existing Zoning

Predominantly zoned for Manufacturing

- M1 and M2 districts
- Planned Manufacturing District (PMD) 4



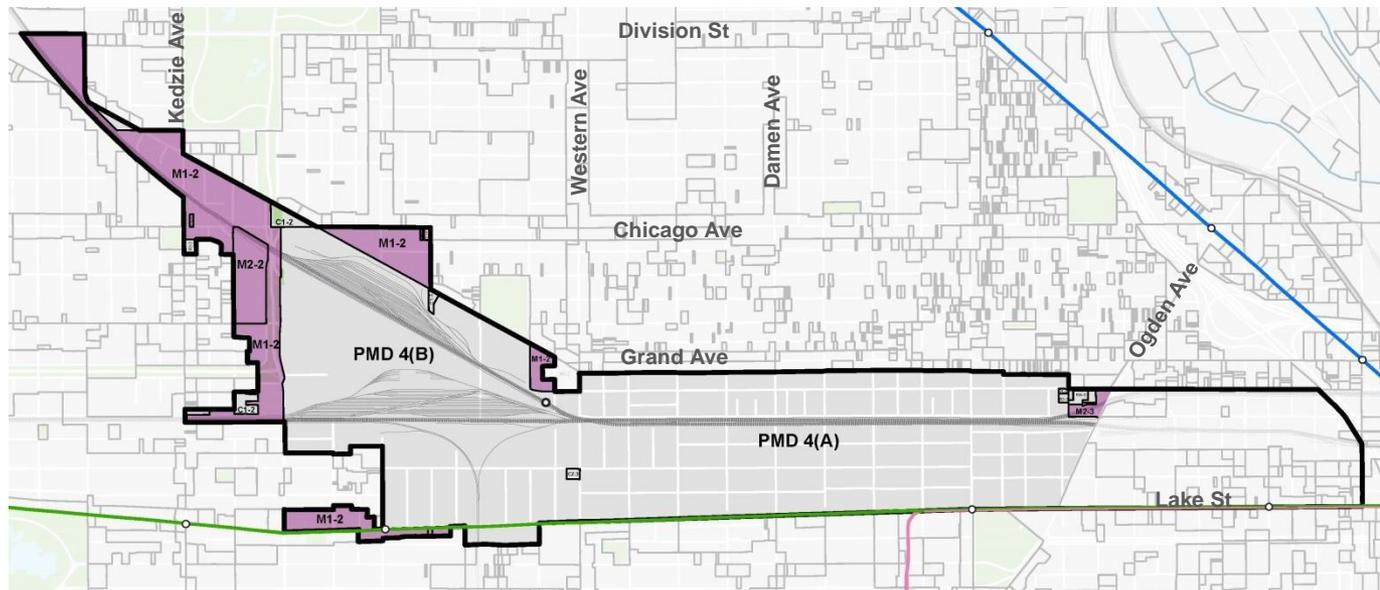
Existing Zoning

M1 and M2 Districts: Limited and General Manufacturing

Intended for low- or medium-impact manufacturing, wholesale, warehousing and distribution in enclosed buildings.

- Select Permitted Uses:

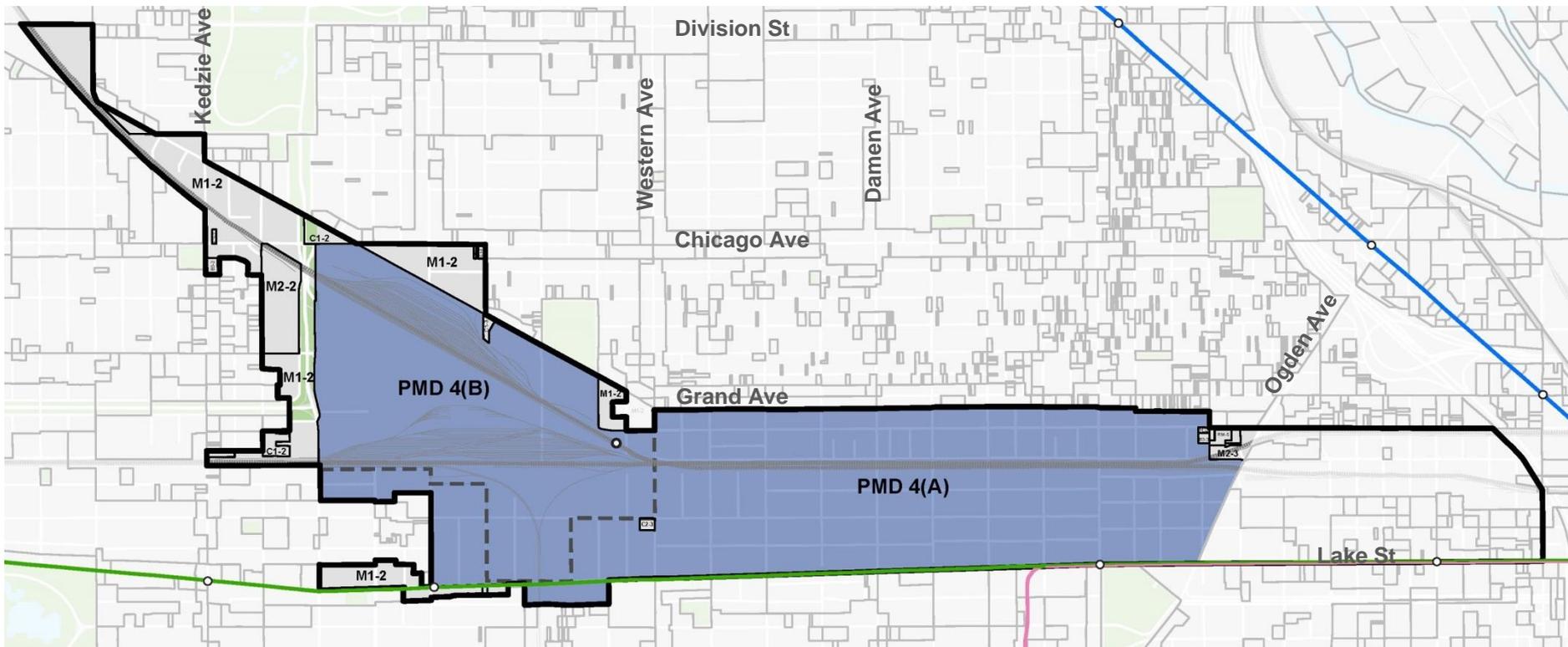
- Artisan, Light and General manufacturing (examples include food producers, breweries and product manufacturers)
- Warehouses/Distribution
- Office
- Restaurants and Bars (4,000sf or less)
- Retail (only for products made on site)



Existing Zoning

Planned Manufacturing District (PMD) 4

- Intended for manufacturing, utility, wholesale, warehousing, distribution and some waste-related uses.
- PMD 4 has two sub-areas that each permit different uses.



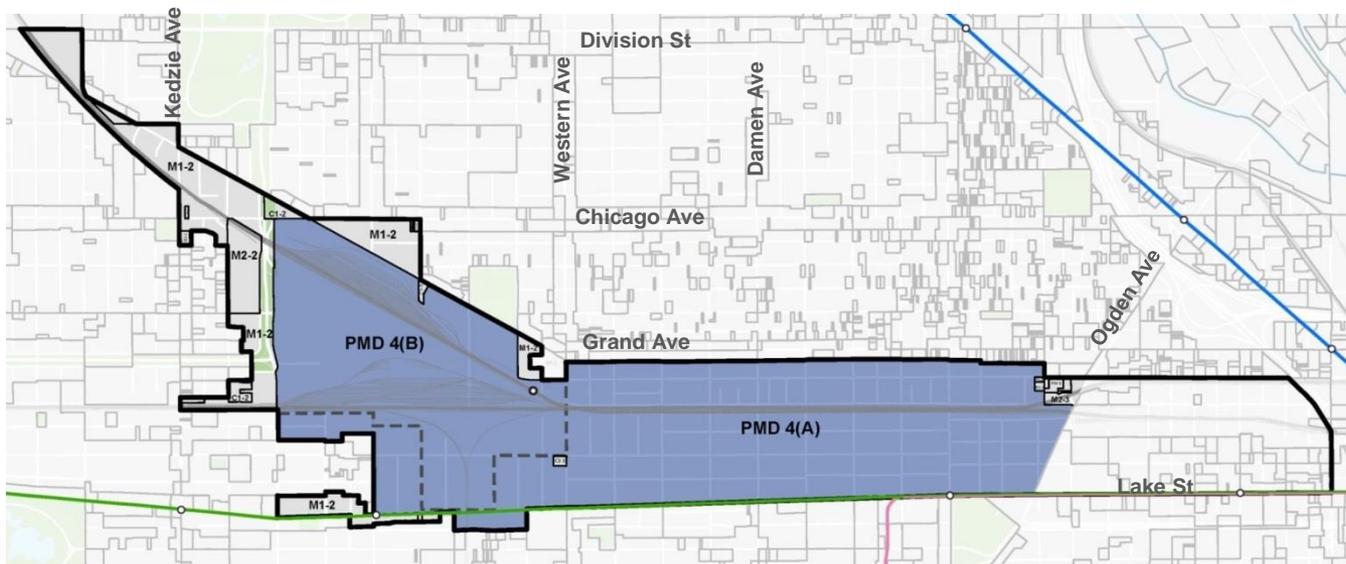
Existing Zoning

PMD 4 (A)

- Select Permitted Uses:
 - Artisan and Light Manufacturing
 - General Manufacturing (examples include manufacturing of textiles, leather, wood products, paper, plastics and rubber products and primary metals)
 - Warehouses/distribution
 - Office (9,000sf or less)
 - Restaurants and Bars (4,000sf or less)

PMD 4 (B)

- Select Permitted Uses:
 - Artisan and Light Manufacturing
 - General Manufacturing
 - Intensive Manufacturing (examples include manufacturing of cement, chemicals, paint, petroleum products, coal products and plastic)
 - Waste-related uses as a Special Use
 - Warehouses/distribution
 - Office (9,000sf or less)
 - Restaurants and Bars (4,000sf or less)



Kinzie Industrial Corridor

Transportation Improvements



Transportation Improvements

Chicago Department of Transportation (CDOT) is currently undertaking transportation and transit improvements in the Kinzie Industrial Corridor



New CTA Damen Green Line Station

The \$60 million Damen station will improve public transit options for businesses and industries along the Kinzie Industrial Corridor, visitors to the United Center, and nearby residents.



Lake Street Resurfacing

The Lake Street project will fully reconstruct a half-mile stretch of Lake Street from Ashland to Damen. It will improve access for trucks in the Kinzie Industrial Corridor by increasing the vertical clearance under the tracks, and will also begin the foundation for the new CTA Damen station.

Kinzie Industrial Corridor

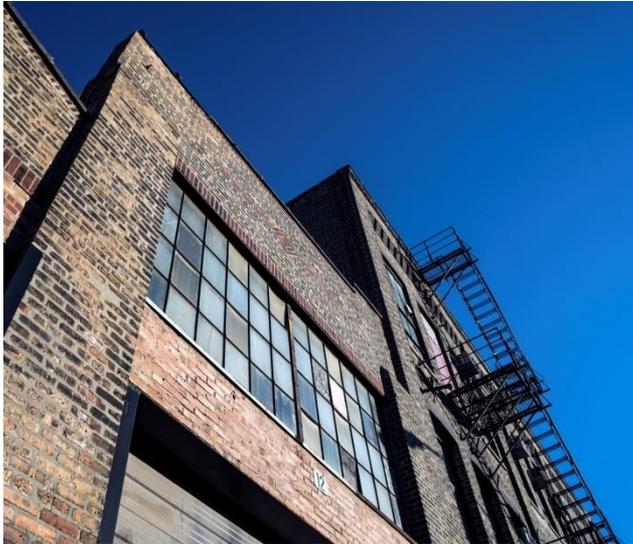
Industrial Character



Industrial Character and Sustainability

DPD in process to hire firm to survey buildings in Industrial Corridor

- Analyze and categorize buildings to understand history and built character of corridor
- Research building system and code requirements for the sustainable reuse of buildings for existing permitted uses
- Develop incentives to reuse buildings
- Make recommendations as to the appropriateness of future landmark designations

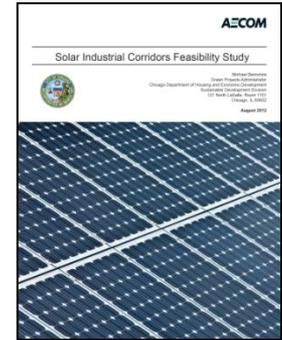


Preliminary Findings will be shared in next public meeting this summer

Industrial Character and Sustainability

Clean energy sources: Solar potential

- **Industrial Corridor Solar Study:** Assessed typical construction typologies for industrial buildings in Chicago and highlighted typical conditions for each structure type and implications for roof-mounted solar power installations
- **Chicago SunShot Initiative:** City received a \$750,000 grant from Dept. of Energy to lower the non-hardware costs of solar installations through streamlining permit processes, updating zoning policies and coordinating with ComEd
- **Future Energy Jobs Act (State of IL):** Strengthen and expand the Renewable Portfolio Standard to ensure stable, predictable funding for renewable development, providing \$180M per year – growing to \$220M per year – in funding for renewable resources, including new wind power, large-scale solar power, and rooftop and community solar.



Kinzie Industrial Corridor Proposed Goals



Proposed Kinzie Industrial Corridor Goals



Maintain and grow the Kinzie Industrial Corridor as an important **economic engine and job center** that provides vital support to local, regional, national and global businesses.



Support improvements to the multi-modal **transportation network** so that it more efficiently serves industrial users, area employees and residents.



Consider urban design guidelines to encourage the reuse of existing buildings in an efficient and sustainable way and for new development that complements the **history and character of the corridor**.

Kinzie Industrial Corridor Next Steps



Next Steps

Step 1: Collect feedback on data and goals

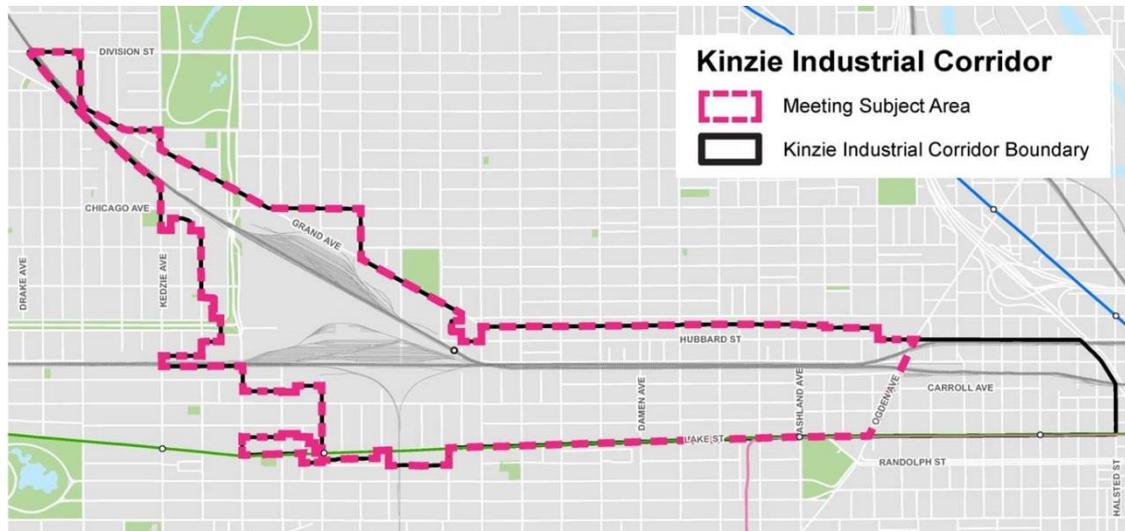
- Contact DPD with comments and questions
 - dpd@cityofchicago.org

Step 2: Hold Follow-up Public Meetings

- DPD will analyze comments and new data and update the community in future public meetings

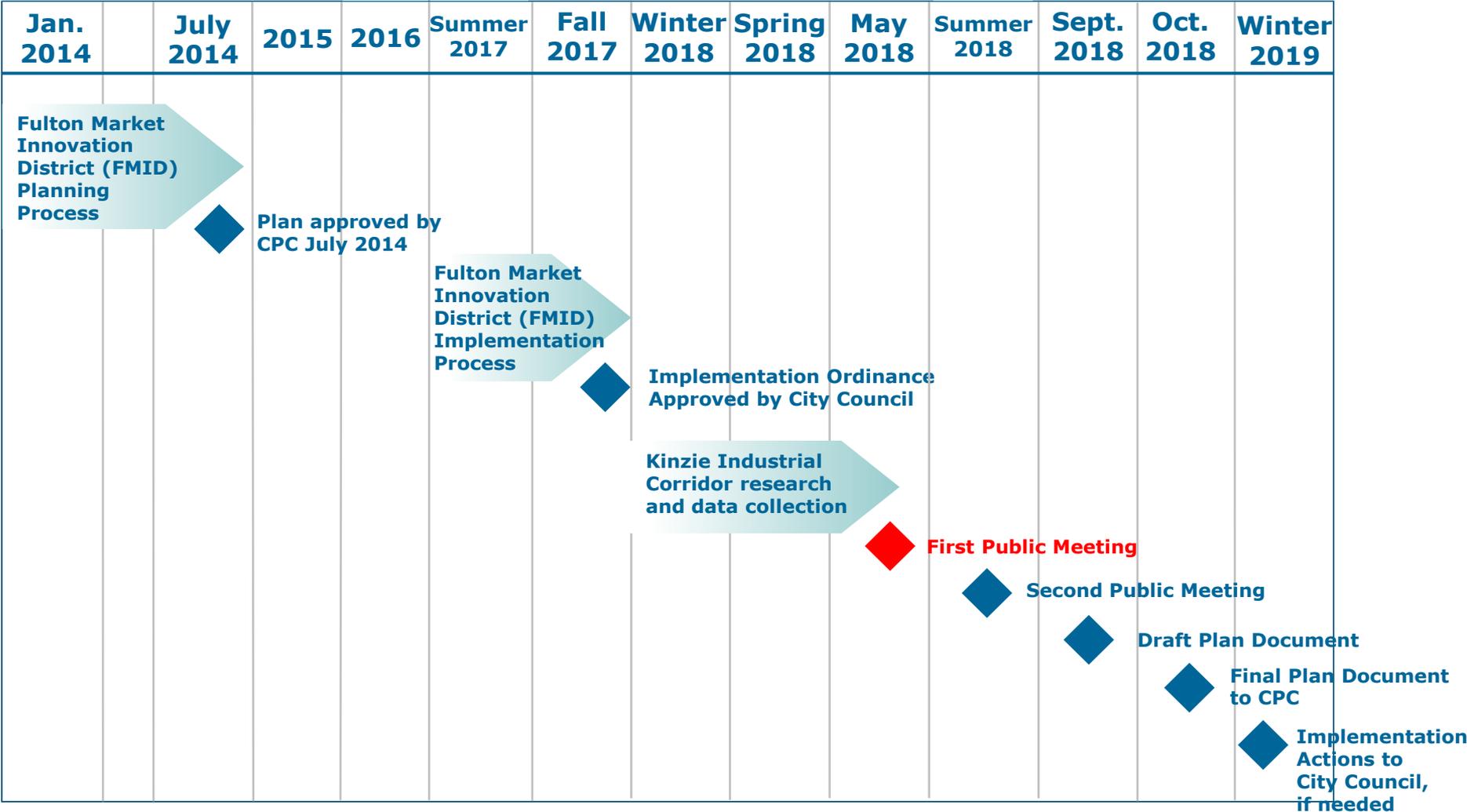
Step 3: Finalize Plan

Step 4: Implement Actions Outlined in Plan

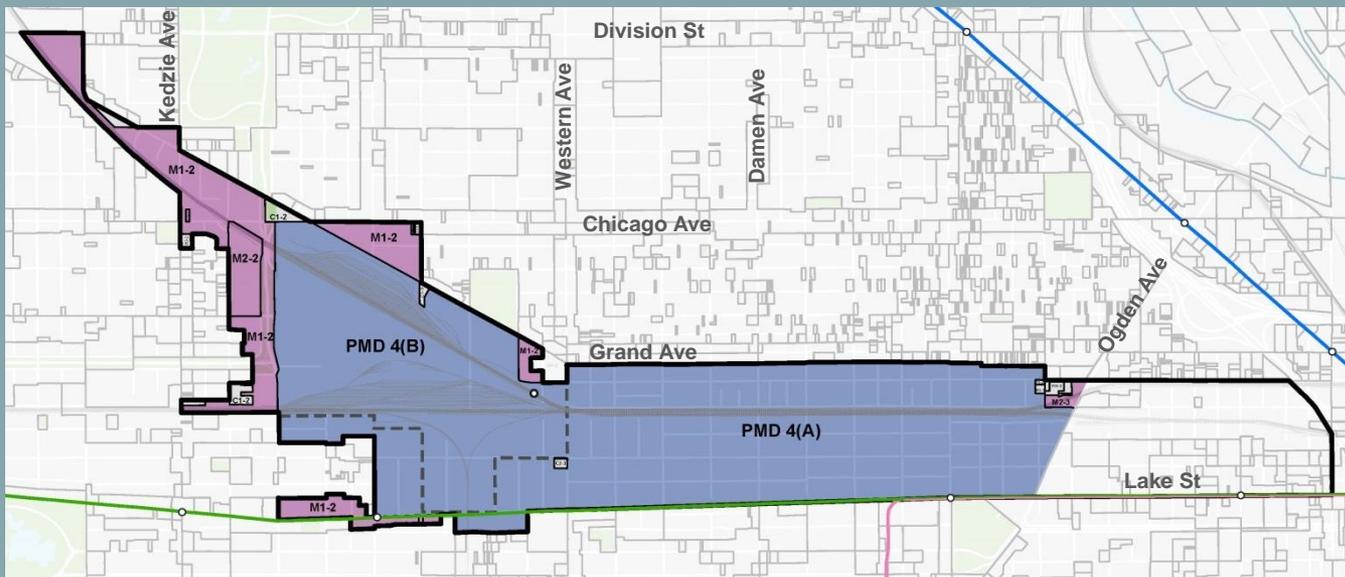
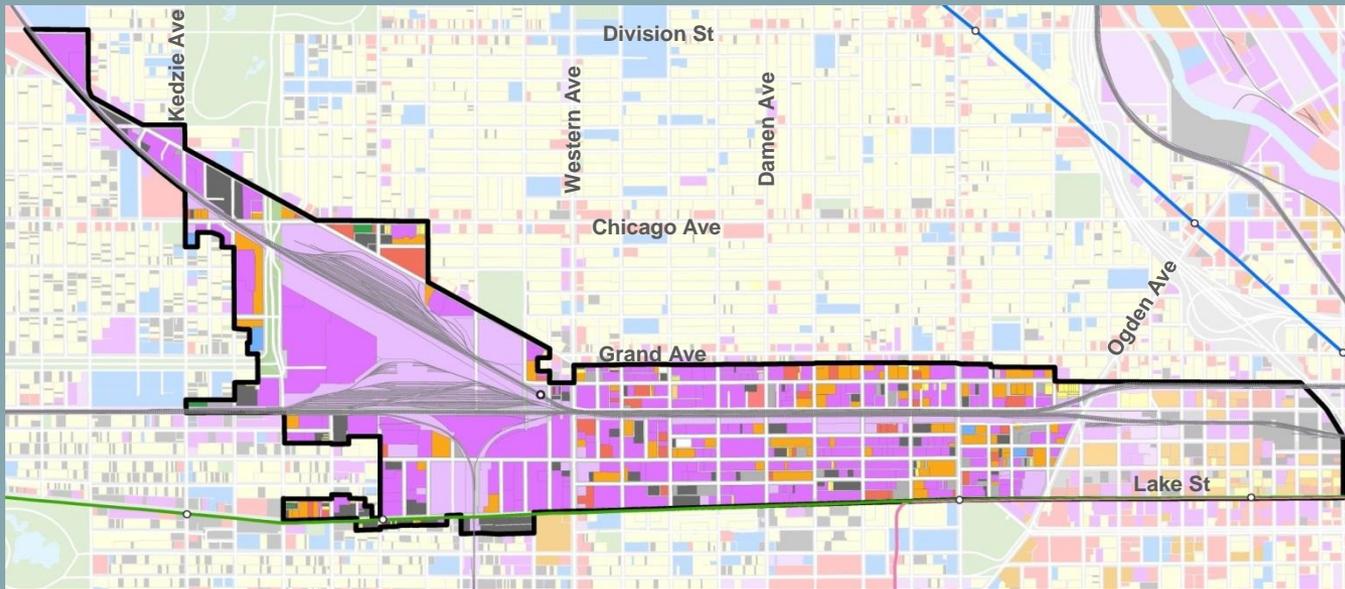


Proposed Schedule

Proposed Schedule for Implementation



Questions and Comments



- Review today's presentation and other related documents at cityofchicago.org/dpd
- Email DPD at dpd@cityofchicago.org with comments or questions
- DPD Project Manager: Erika Sellke
312.744.9146
erika.sellke@cityofchicago.org