

Chicago Through a Policy Lens

Essays By Class of 2023 Students Majoring in Public
Policy Studies at the University of Chicago

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Introduction

Jim Leitzel

In academic year 2022/2023 the Public Policy Studies undergraduate major at the University of Chicago introduced a new option for fourth-year students to complete their required “Capstone” experience. The idea was to allow them to marshal and showcase their skills within a single quarter-long course – christened the Policy Project Seminar. The initial offering of this new Capstone course took place in the Autumn quarter of 2022, and Chicago-related policy became the organizing theme. The students in the Project Seminar were tasked with generating a lengthy policy essay and an associated op-ed, both with a Chicagoland angle. Most of them chose topics for which they had little in the way of previous experience, and they had only ten weeks to produce something valuable. As the essays collected here demonstrate, the students rose to the challenge.

I had the honor of coordinating that initial Project Seminar, and I also was blessed with the support of Public Policy’s outstanding Instructional Assistant, Ms. Esther Ng. The essays that comprise *Chicago Through a Policy Lens* benefitted from Ms. Ng’s careful readings, helpful comments, and editorial suggestions. On behalf of myself and all our classmates, Thank You, Esther!

The students who “penned the appended” essays graduated from the University of Chicago in 2023 and are now entering the next stage of their upward trajectories. As members of the Class of 2023, they are the final cohort (of many) to undertake their full four years of study at the University of Chicago’s “Boyer College”: Professor John Boyer has just moved to a new position on campus after having spent more than 30 years as the Dean of the College! The inimitable Dean Boyer presided over a remarkable growth and renaissance of the College of the University of Chicago. Our Project Seminar classmates, like so many others, owe him our profound gratitude. So thank you, Dean Boyer: we dedicate this initial Public Policy Project to you, with best wishes for your own new trajectory.

Finally, thank you to the students who took on the challenge of participating in a new experiment, one that shared a premise with our incipient essays, that it would somehow converge upon something valuable in the doing, a result of human action, but not of human design. Well done: you build better than you knew.

CHAPTER ONE

Chicago's Leaded Legacy: Past, Present, and Future

Brianna Gonzalez

Following the Flint Water Crisis of 2014-2016, concerns of lead in drinking water heightened nationwide. Due to the increased attention on the issue of water quality, many residents began to reevaluate Chicago's surprisingly extensive leaded water infrastructure. In Spring of 2016, Mayor Rahm Emanuel and various city departments announced additional precautionary measures to the city's water testing protocol, while applauding the city for "exceeding current state and federal regulations as well as industry standards" ("Mayor Emanuel...").

That same year, Chicago Public Schools (CPS) announced it would test all its schools for lead in the water. The first round of testing consisted of 324 schools that were built before 1986 and had pre-K programs, and results revealed that 113 schools had levels above the 15-ppb federal action level ("Water Testing Program"). Following the school district's water testing activities, the Chicago Park District announced it, too, would launch a pilot program to test water quality in its parks. A year later, the Park District continuously ran water fountains for a month after 300 of the 1200 the water fountains tested indicated elevated lead levels ("Chicago to Replace..."). Continuously running a tap, otherwise known as flushing, is done to prevent lead build-up and makes water safer to drink ("EPA in Illinois"). Several outdoor water fountains were found to be connected to lead service lines, but Park District officials decided to keep them in operation, as the water threat did not exceed the federal action level (Eng 2021).

Lead concerns aren't exclusive to public, city-owned properties: many Chicago residents have lead service lines connecting their homes and apartment buildings to the city's main water supply. The preponderance of lead service lines exists because of a longstanding city code, finally abandoned in 1986, that required the use of lead service lines (Shapiro et al.). Water tests conducted for Chicago residents between 2016 and 2021 indicated that approximately 1,000 out of 24,000 tests detected lead levels above the 15 parts per billion (ppb) federal limit (McCormick et al.). The tests were voluntarily undertaken by residents, so the results exclude the vast majority of city homes. About 71% of the tested homes showed lead levels at 1 ppb, which poses

a threat to the development of children's brains; children are particularly susceptible to harm from lead exposure (McCormick et al.).

With lead found in schools, parks, and various homes, Chicago residents are consistently being exposed to water sources containing the toxic metal. Both elevated and low lead concentration levels are consequential, and as more lead sources are being uncovered, an evaluation of the city's efforts to protect its residents from lead is necessary. The city's seeming lack of urgency to replace lead service lines has been emphasized by its slow replacement rates and overall failure to promote its resources aimed at countering lead. Left untreated, the lead problem that lies underneath the city will continue to harm residents of Chicago, and, in particular, will hinder the development of children.

Historical Background on Lead

For centuries, versatility and low cost made lead a popular choice for a multitude of uses, including lead plumbing systems, lead-based paints, and leaded gasoline. Although the first documented case of lead toxicity dates to the Roman Empire, it wasn't until the twentieth century that lead's harmful effects were acknowledged on a wider scale (Morris). Lead's toxicity was most notable in children, and by the late 1960s, the country could no longer deny the effects of lead on child development (Morris). Consequently, federal policies of the late twentieth century targeted the most common pathways of exposure: inhalation and ingestion (Tarragó and Brown). Lead-based paint was banned in 1978, lead service lines in new plumbing additions were banned in 1986, and leaded gasoline was banned by 1996 (Zaleski). These federal policies, however, failed to remove existing sources of lead inside public and private buildings and, in particular, from water service lines. As a result, leaded water infrastructure continues to pose dangers today.

Chicago's tap water meets federal and state quality standards when it is first prepared: there is no lead found in Chicago water when it leaves the water treatment plant. Lead enters the drinking water as it travels through city pipes; water dissolves lead in plumbing, and although the city adds phosphate to its water to avoid leaching, water that sits in pipes for long periods of time without being used will cause lead to dissolve into and contaminate the water ("Lead-Safe Chicago").

Health Effects of Lead

The Environmental Protection Agency (EPA) and Centers for Disease Control and Prevention (CDC) believe that there is no safe level of lead exposure. The prolonged presence of lead in the body can produce toxic effects such as high blood pressure, kidney disease, heart disease, and fertility issues (“Lead: Health Problems”). Neurological effects such as cognitive problems, impaired executive function, and abnormal social behavior have been linked to lead exposure – and children suffer from these effects at much lower blood-lead levels than adults (Tarragó and Brown). Lead is especially dangerous for children as it inhibits them from absorbing essential minerals such as iron, zinc, and calcium, which aid in proper brain and nerve development (Tarragó and Brown). As a result, there is no positive blood-lead level that does not pose a risk to a child's development.

The severity of harm from lead in the Chicago environment can best be seen by examining the impact of lead exposure on children. A 2015 study that linked the Chicago Birth Registry, Chicago Blood Lead Registry, and 3rd grade Illinois Standard Achievement Test scores for almost 60,000 children born in Chicago found that early childhood exposure to low levels of lead is associated with poorer academic performance (Evens et al.). The Chicago Health Atlas defines childhood lead poisoning as occurring in children ages 1-5 when they have a blood lead level at or above 5 micrograms per deciliter. In 2020, there were 1,081 reported incidents of child lead poisoning (Chicago Health Atlas).

Chicago’s Lead Politics

Given lead’s dangers, one might wonder why the city of Chicago continued to install lead service lines well into the mid-1980s. (Most major cities discontinued the use of lead pipes in favor of copper pipes by the 1960s (McCormick and Uteuova)). A significant factor in Chicago’s decision to accumulate approximately 400,000 lead service pipes appears to be the political clout of the Chicago Plumbing Union. Until the federal ban on lead pipes in 1986, the Chicago city code required homes and small apartment buildings to use lead service lines to connect to the water system (McCormick and Uteuova). The city code also required these pipes to be installed by a licensed union plumber, as lead pipes necessitate fittings that must be assembled by skilled plumbing professionals, whereas copper pipes do not (Bukro). These plumber-friendly codes were enforced by Chicago mayors presumably in hopes of gaining the electoral support of the Chicago Plumbing Union, as well as other labor unions.

Unsurprisingly, efforts to change the city code were unsuccessful and met with resistance from union leaders, who seemingly had a financial interest in the matter (Bukro).

Overview

With approximately 400,000 lead service lines, Chicago is the city with the most lead drinking water pipes in the United States (Eng 2021). According to the 2021 Service Line Material Inventory Report, there are an additional 118,746 service lines of unknown material, suggesting that Chicago could have more lead service lines than previously thought (“Illinois Service Line Report”). The 2021 Illinois Lead Service Line Replacement and Notification Act requires that Chicago remove all lead service lines by 2077. Prior to this state-level mandate, Chicago launched its Lead-Safe Chicago project, which consists of two initiatives: the Equity Lead Service Line Replacement Program (Equity LSLR Program) and the Homeowner-Initiated Program. These programs are meant to overcome the difficulties of lead service line replacements (LSLRs), focusing on alleviating the financial burdens of this large-scale infrastructural reform.

With the implementation of the Equity LSLR Program and the Homeowner-Initiated Program, Mayor Lori Lightfoot promised to have replaced 650 lead pipes by the end of 2021. As of December of 2022, the city has only replaced 280 (Chase). Of the 280 LSLRs, 225 were done through the Equity LSLR Program. So far, the implementation of the two city programs has been disappointing, having only replaced less than one-tenth of one percent of Chicago’s lead service lines.

This chapter will analyze why the city is failing to meet its proposed project timeline, and craft policy recommendations to address the challenges. To identify potential policy improvements, comparisons will be drawn to the completed lead service line replacement programs of Madison, Wisconsin and Newark, New Jersey. As the first major city in the United States to launch a full LSLR program, Madison is a noteworthy model to draw from. The city began replacing its 8,000 lead service lines with copper in 2001 after multiple properties tested for elevated lead levels (“EPA Seeks...”). Madison’s controversial program addressed resident reluctance and aimed to minimize costs. Another notable predecessor is Newark. Like Illinois, the state of New Jersey passed a bill (in 2021) requiring the complete removal of all lead service lines; however, the New Jersey legal timeframe is ten years, much shorter than that in Illinois. After Newark made headlines with its own lead crisis, the city replaced almost

its complete inventory of 23,000 lead service lines with copper pipes in just two years (Armstrong).

Additionally, this chapter identifies the obstacles that Chicagoans face in accessing aid to replace their lead service lines. The program application process has proven to be quite burdensome for Chicago residents, who decry the city's inaction and its lack of transparency. Routes of increasing lead understanding will also be discussed as a means to increase program participation. Ensuring that Chicagoans are aware of waterborne lead and its consequences is necessary as the city faces many more decades of potential lead exposure.

Lead-Safe Chicago: Equity Lead Service Line Replacement and Homeowner Initiated

It can cost up to \$27,000 to replace lead service lines in private homes, a price that would have to be shouldered by Chicago homeowners themselves (Shapiro et al.). An analysis of voluntary water tests conducted between 2016 and 2021 found that nine of the ten zip codes with the highest percentages of elevated lead levels were communities with predominantly Black and Hispanic populations (McCormick et al.). These zip codes consist of low-income communities in the South and Northwest parts of Chicago. To help low-income residents replace their lead service lines, the city of Chicago initiated the Equity LSLR Program, which provides eligible residents with grants to fully cover the price of service line replacement. Eligible houses must be single-family or two-flat, owner-occupied; they must submit water samples for free lead testing, and have a household income below 80% of the area median income ("Lead-Safe Chicago"). Starting in 2022, houses were no longer required to demonstrate elevated levels of lead to qualify, though priority is given to houses that have elevated lead levels or households with children under the age of 18 ("Lead-Safe Chicago"). Residents are also required to submit a multitude of supporting documents that include identification information for all household members, property information (property deeds, estate tax bills, utility bill copies, etc.), and income information for all household members ("Lead-Safe Chicago"). The second program, the Homeowner-Initiated Program, waives permit fees for eligible homeowners who would like to hire a contractor to remove an existing lead service line, saving homeowners up to \$3,100 ("Lead-Safe Chicago"). Under this program, replacements are paid for entirely by homeowners.

Lead-Safe Chicago expects to launch in 2023 a Daycare LSLR program. This project will provide daycares licensed by the Illinois Department of Children and Family Services and located in low-income neighborhoods with free LSLRs (“Lead-Safe Chicago”). Public information for this program is scarce, with no online application available, nor are eligibility requirements posted. Daycares are encouraged to send their contact information to the Department of Water to be considered for the program. There's no indication on the Lead-Safe Chicago website that any replacements under this program have started. In an article published in December of 2022, Water Commissioner Andrea Cheng expressed that the Daycare LSLR program aims to complete 120 replacements in 2023 (Chase). The Lead-Safe Chicago website also gives no indication if this program is meant to be geared towards licensed home daycares or childcare centers (or both). Ensuring that the Daycare LSLR Program is an option available to all childcare facility types is important to eliminate all sources of lead exposure for children. Lead service lines in home daycares impact multiple children, and not just the family that resides at the location.

Arduous Application Process

Past applicants have found the application process to be difficult. Residents have raised issues over the multitude of documents that must be submitted, as well as the faulty nature of the online application portal that often crashes during attempts to submit the paperwork (McCormick et al.). According to Megan Vidis, a spokesperson from the city’s Department of Water Management (DWM), approximately 800 households applied to the program in 2021 – but only 300 households submitted the required documentation with their application to qualify for the program (Cherone 2021). The large volume of incomplete applications suggests that the documentation requirements present a significant challenge to many of the households seeking the replacement of their service.

Lack of Communication / Promotion Efforts

The application process has also been marked by a number of features that have engendered further confusion and frustration. Originally, the city had assured residents they could begin to apply for the Equity LSLR program before the end of 2020, but the application portal did not open until March of 2021 (Monica 2021). Applicants have also reported long wait times for responses and, in some instances, no response at all (McCormick et al.). This reality conflicts with the program’s

statement that once a DWM staff member receives all required documents, they will mail out a status letter within two weeks (“Equity LSLR Application”).

Furthermore, the communication between the city and residents on the status of the program has been underwhelming. On the Lead-Safe Chicago website, there is no section dedicated to how the program has been doing so far; numbers regarding how many lead service lines have been replaced are not easily accessible to the public. A large portion of the information regarding the progress of the replacement plan has come from journalists reaching out to the Department of Water Management for comments. An April 2022 hearing on the lead replacement program in Chicago featured Commissioner Cheng, who participated in a US Senate Committee on Environment and Public Works hearing, chaired by Senator Tammy Duckworth, (D-Ill.) in April of 2022. The public was not able to attend this hearing, though a recording was later uploaded (“Implementation of Drinking Water...”). The lack of an open public hearing prevented Chicago residents from having the opportunity to ask their own questions regarding the Lead-Safe Chicago plan and discuss issues they are experiencing with the city officials present. No report has been forthcoming regarding where LSLRs have occurred, rendering it impossible to determine if the distribution of replacements has been equitable across Chicago communities. The question of whether the city is replacing lead service lines in the areas most impacted by lead exposure is thereby left unanswered.

In an informational session with the Chicago Bungalow Association, Commissioner Cheng reported that the city has been hosting community events to aid residents with their application at locations such as libraries (“LSLR Info Session”). Even so, residents will find it difficult to access these community outreach events when there is little city effort to announce them. A search through the city’s social media pages does not reveal any publicity for these events, nor is there a section dedicated to promoting outreach on the Lead-Safe Chicago website.

The City’s Logistical Challenges

Although city officials have not explicitly addressed the underperformance of the programs, Commissioner Cheng has cited issues such as state health codes requiring the replacement of sewer drains during service line replacements, residents’ reluctance to allow city construction on their property, and the cost of replacement (McCormick et al.). Indeed, cost is the issue most emphasized when discussing the challenges the city is facing in replacing lead service lines. Due to the scale of

Chicago's leaded infrastructure, the city estimates that the cost to replace lead service lines over the next 50 years is \$8 to \$10 billion ("Implementation of Drinking Water..."). In the April 2022 Senate Hearing, Commissioner Cheng addressed the need for federal funding to aid the city's efforts.

The precise mechanics of service line replacement construction present another difficulty. The two primary construction methods are "open cut" and "trenchless" installation ("LSLR Executive Summary"). Open cut installation requires digging a trench from the water main to the lead service line; this trench, stretching from the road to the residence, is quite disruptive and more costly than the trenchless option ("LSLR Executive Summary"). Nonetheless, trenchless construction is not feasible under current rules: trenchless construction on public right of way property is prohibited because it presents a risk of damaging other buried utilities ("LSLR Executive Summary"). The city's inability to use less expensive and faster methods partially accounts for the expensive nature of service line replacements in Chicago.

Lead Awareness

Another challenge of the Lead-Safe Chicago program being voluntary is that many residents do not know if their homes have lead service lines. Chicago currently provides its residents free water testing kits upon request, and residents can choose to mail in their water samples after collecting them or have a DWM worker pick up the test kit. The DWM states that it might take several weeks for residents to receive their results, depending on demand (Lead-Safe Chicago). In 2019, 7,364 kits were requested between April and July, residents sent back 3,695 samples to the DWM, but only 2,188 households received results (Cherone 2022). Although the Equity LSLR program no longer requires residents to have elevated lead levels to qualify for a free removal, evidence of an existing lead service line on the property is necessary for the city to get involved. This includes water testing kit results that indicate some level of lead or a licensed plumber's inspection of the service line. The slow response rate regarding the free water testing kits makes it difficult for residents to test their water quality and figure out if they face an immediate lead issue. This complication is especially important considering that problems caused by low levels of lead are difficult to trace, as most symptoms of low-level lead blood poisoning (abdominal pain, headaches, tiredness) can be caused by other issues ("Lead: Health Problems"). Even so, chronic exposure to lead has dangerous effects on one's health. The fact that

lead can be undetectable unless there's extremely high levels that discolor the water makes lead an insidious toxin.

Another difficulty regarding awareness of lead in one's home is the lack of lead disclosure laws in Chicago. Although there is a federal law that requires homeowners to inform potential buyers about the existence of lead-based paint hazards in the house, there is no such law for lead service lines. Additionally, tenants who rent a new unit do not receive a pamphlet regarding the potential dangers of lead pipes, unlike the ones required for lead-based paint. The EPA "Protect Your Family From Lead in Your Home" brochure highlights lead-based paint dangers, with much less prominent mention of the possibility of lead pipes in one's home ("Protect Your Family From Lead").

Case Study: Madison, Wisconsin

The full-service line replacement program in Madison, Wisconsin presents applicable solutions to the Equity LSLR program's logistical and participation challenges. Due to the passage of the Environmental Protection Agency's Lead and Copper Rule, Madison began testing various old homes in 1992 and frequently found elevated lead levels ("EPA Seeks..."). Per the Lead and Copper Rule, the city was required to bring levels down with a corrosion control treatment (CCT) of the city's choosing that would diminish the lead in the water ("EPA Seeks..."). Abigail Cantor, an independent consultant and chemist, was hired by Madison Water Utility (MWU) and found that the most common option of using phosphoric acid was not feasible for Madison due to the risk of contaminating area lakes and watersheds ("EPA Seeks..."). Cantor's recommendation to Madison was to replace all its lead service lines when she first presented her findings to MWU in 1994. For years, however, the MWU and Department of Natural Resources (DNR) went back and forth on how to abate lead, until the DNR relented and allowed the MWU to move towards full lead service line removal ("EPA Seeks..."). Despite facing relentless opposition from residents concerning service line removals due to skepticism about the dangers of lead and disagreements over using public money to partially fund private lead service line removals, the city managed to replace virtually all its lead service lines in a little over a decade ("EPA Seeks...").

How did Madison achieve this feat? To circumvent resident reluctance to remove their private lead service lines, the MWU worked with Madison's Common Council in 2000 to establish an ordinance regarding lead service lines. Madison

General Ordinance 13.18 required property owners to self-inspect or have a licensed plumber inspect and identify the material of their private service line and replace any lead ones (“MGO 13.12”). The ordinance also established that the city would provide financial assistance that covered half the cost (up to \$1000), and specified different time schedules, depending on the type of property, for owners to replace their lead service line (“MGO 13.12”). The ordinance also included a penalty of \$50-\$1000 a day for non-compliance in removing a private lead service line by the date MWU requested and/or for filing a false statement regarding the material of one’s service line (“MGO 13.12”). The total cost of the project over the span of 12 years was \$15.5 million for the city, not including the cost to homeowners (“Information for...”). To minimize costs and disruption, MWU avoided partial service line replacements by withholding requests for a private lead service line removal until the city could concurrently replace the public side (Theising). Furthermore, MWU and contractors made efforts to replace service lines in neighboring properties in succession as this also reduced costs (Theising).

Madison’s early removal of nearly all its lead service lines had implications for the rest of the nation. It bolstered the idea that local governments could address their lead problems by treating the issue at its root rather than relying on CCTs to limit the harms of lead service lines. As with Madison, Chicago’s water quality test results present a serious health hazard – a hazard that CCTs can in some circumstances control but not eliminate. The only viable long-term solution to Chicago’s waterborne lead is an efficient full LSLR program. By providing financial assistance to remove private lead service lines regardless of income eligibility, Madison ensured that residents would be less reluctant to replace their existing lead service lines. Chicago’s Equity LSLR program requires residents to apply, and the timeline and logistics can be discouraging to residents. The extensive list of necessary application materials inhibits many Chicagoans from completing their application and getting their lead service line replaced. Partial subsidies that would be available based only on a certification of a lead service line could incentivize more Chicago residents to remove their lead service lines.

Another key takeaway from Madison is that increasing efforts to remove neighboring lead service lines in succession can help alleviate the cost of LSLRs. Commissioner Cheng has acknowledged that block level replacements reduce the cost of LSLRs for Chicago (“Implementation of Drinking Water...”). Program participation among neighboring homeowners is necessary for block-level

replacements, emphasizing the need for high participation in the program. Conscious efforts to review and approve Equity LSLR applications for neighboring properties will facilitate city scheduling for these sorts of replacements.

Case Study: Newark, New Jersey

A review of a second city's full-service line replacement program can provide further insight on how to increase program participation for Chicago. In 2016, Newark experienced a water crisis due to tests indicating elevated lead levels in drinking water at several public schools. New Jersey's water distribution system utilizes two water sources, the Pequannock Water Treatment Plant (WTP) and the Wanaque WTP, which employ different CCTs (Stratton et al). The water treatment performed at Pequannock WTP was revealed to be ineffective due to its CCT, which caused widespread lead pipe corrosion and elevated lead levels throughout Newark (Stratton et al). City officials were heavily criticized for their initially slow response, as there was hesitancy on the city's side to admit that there was a problem to begin with (Armstrong). Although the issue was first raised in 2016, it was not until 2019 that the city started to distribute bottled water and begin an aggressive LSLR program (Armstrong). One motivating factor in the city's aggressive response was an EPA threat to impose penalties under the Safe Drinking Water Act "should the city not promptly undertake" its recommended action items (Lopez). Public attention to Newark's crisis spurred city action, as did state legislation passed in New Jersey. The state's bill to replace all lead service lines provided a 10-year timeframe for complete LSLR and, additionally, public water systems had only six months to deliver an initial service line inventory identifying the locations of all known lead service lines ("New Jersey Assembly Bill 5343").

Beginning in March of 2019, the city of Newark began replacing lead service lines at no cost to homeowners (Armstrong). City Ordinance No.6PSF-M, known as the Lead Service Lines Prohibited Ordinance, mandated homeowners to choose between a free LSLR done by the city or replacing the service line at their own cost and expense ("Chapter 16:23"). The only way that homeowners could exclude themselves from the requirement was by submitting written proof from a licensed plumber that there was no lead service line on the property. To overcome resident reluctance to consent to the city's replacement activity, the ordinance authorized the city to access private property and complete the LSLR without the consent of the owner if proof of exemption was not submitted within 90 days. If a resident failed to

sign up for the LSLR Program or replace their own service line, and prevented access to their property for city contractors (“Chapter 16:23”), they would be considered non-compliant. The penalties for noncompliance included a fine of \$250 - \$1000, or imprisonment not exceeding 90 days, or community service not exceeding 90 days (“Chapter 16:23”).

Each LSLR cost the city \$5,000 to \$10,000 and, according to the program’s website, it has replaced 23,186 lead service lines as of October 2022 (“City of Newark...”). The effort to replace all lead service lines consisted of construction workers going block-by-block and replacing about 125 service lines each day – a massive project that required temporary roadblocks and traffic reroutes (Armstrong). The city utilized the “pull through” method to remove its lead pipes, a method that requires some excavation but is generally trenchless as it avoids digging across yards and streets (Armstrong).

Newark’s aggressive LSLR program suggests that compulsory action with stricter timeframes is necessary to seriously address a city’s lead problem. Despite a slow start, Newark has had significantly faster replacement rates than Chicago. The city of Chicago needs to reevaluate its replacement rates and question why it was only able to replace 280 lead service lines in two years when it had received federal grants to cover the cost of a proposed 650 service lines (Cherone 2022). An increased sense of urgency seems requisite for Chicago officials and contractors regarding LSLR removal efforts.

Takeaways

In both Madison and Newark, the cities enacted an ordinance mandating removal of lead service lines that included penalties for noncompliance and guaranteed either full or partial financial assistance. Although the Illinois House Bill requires Chicago to remove all lead service lines in the next 50 years, the city itself has passed no ordinance similar to Madison’s or Newark’s regarding its lead legacy issue. The responsibility for service line removal has been passed on to homeowners, but there is no deadline for when homeowners must replace their lead lines other than a vague deadline of 2077 for the city. The lack of urgency is exacerbated by the lack of financial assistance. In this regard, Madison’s and Newark’s decision to provide financial assistance to its residents for LSLRs without the need of applying to a program is another notable suggestion for Chicago.

The ordinances in Newark and Madison also targeted homeowner reluctance to remove their lead service lines. Both cities were empowered to impose fines if homeowners refused to comply with their respective LSLR programs, whereas Chicago's Lead-Safe program remains voluntary. In the Senate Hearing of April 2022, Water Commissioner Cheng cited resident reluctance to participate in the Lead-Safe Chicago as an issue but maintained that the city would rather explore other options before it turned to any sort of compulsory ordinance ("Implementation of Drinking Water..."). In Newark, homes that were suspected to have a lead service were mailed instructions with how to complete the Right-of-Entry form online, and given paper versions that they could mail to the Department of Water Sewer Utility ("Registration and Right of Entry"). In Chicago, no such outreach regarding Lead-Safe Chicago's Equity LSLR program has occurred. The lack of publicity for the Equity LSLR could be a potential barrier as residents might not be aware that they can even apply for this aid.

Neither Madison nor Newark required owners to reside on their properties at the time of LSLRs to be eligible for their programs ("Chapter 12:63" & "MGO 13.12"). In contrast, Chicago's program excludes rental homes: eligible homes must be owner occupied (Lead-Safe Chicago). Excluding rental properties precludes the cost-saving strategy of scheduling LSLRs for neighboring properties. Should the city want to explore block-level LSLRs, it needs to be cognizant of what properties are eligible for LSLR, regardless of whether the property is owner or renter occupied.

Madison, Newark, and Chicago all had their own motivations for requiring LSLRs, but the common factor was elevated lead levels revealed in water testing results. The city government responses ranged from denial to proactive resolutions. Whereas officials in Newark initially refused to address their problem, Madison hired consultants like Cantor pushing the city and its residents to remove lead service lines before more cases of elevated lead water were seen. Chicago has an opportunity to treat the problem with the attention it deserves before it becomes a comprehensive crisis, as it did in Newark. Overall, the Madison and Newark case studies show that Chicago can and should be more aggressive in its LSLR programs.

Recommendations

Mayor Lightfoot notes that a succession of Chicago mayoral administrations have been "kicking the can down the road" in regards to Chicago's lead legacy (Cherone 2021). In comparison, Lightfoot is the first mayor to address this issue by

implementing a program that is meant to help homeowners replace their lead service lines. Lead-Safe Chicago is the first step in Chicago's attempt to address its legacy issue, but the program has been riddled with both internal and external complications. Although there are logistical challenges beyond the scope of the city's control (such as the need for more federal grants), there are other considerations that policymakers and program staff can look to to minimize costs and increase resident participation.

Expanding Eligibility: Owning vs. Renting

A key feature of Lead-Safe Chicago is that it is intended to be equitable by targeting the disproportionate rates of lead exposure in Chicago. The city's decision to make the Equity LSLR Program available only for homeowners who reside on their property, however, is an impediment to equity. Racial and ethnic minorities, and those with lower incomes, are more likely to rent rather than own homes (DeSilver). By requiring homeowners to live on their property to be eligible for a LSLR grant, the city is placing the onus of delivering safe water on landlords, who are unlikely to take on a costly construction job. The expensive nature of LSLRs might particularly discourage landlords from taking on the responsibility by themselves if they are not the ones being exposed to lead. Due to the non-compulsory nature of Chicago's LSLR programs, landlords have no external motivation to replace their lead service lines unless their property has tested for elevated lead levels and has been reported to the city. Consequently, low-income tenants have no pathway to remove lead service lines in their rental properties, even if it is low-income populations that are disproportionately affected by this crisis. By expanding Equity LSLR program eligibility to houses that are not owner occupied, Chicago could eliminate more sources residential lead exposure. Expanding program eligibility to rental properties protects low-income residents who have limited housing options by offering more aid for landlords to provide safe housing.

Addressing Resident Reluctance

The Lead-Safe Chicago program is voluntary, and Commissioner Cheng has discussed that Chicago would like to explore additional avenues to overcome resident reluctance before enforcing a mandatory right-of-entry ordinance such as that adopted by Newark (Implementation of Drinking Water...). What could these further avenues involve?

A potential tool to counter resident reluctance is to incorporate lead service lines into real estate disclosure laws. For example, property owners could be required to test their water and inform potential buyers and/or tenants of the test results before any new purchase or leasing transactions are finalized. (This obligation would be similar to federal laws that require property owners to disclose lead-based paint hazards.) Lead disclosure laws would encourage homeowners to proactively identify and replace their lead service lines if they wish to sell or rent their property. Although such a disclosure mandate would not require homeowners to replace their lead service lines, it would foster greater transparency regarding the lead status of a building and allows potential residents to make an informed decision on whether they wish to live in a property with water-based lead exposure.

Disclosure could also be mandated with respect to the composition of water-line pipes. That is, the city could require homeowners to verify and report their service line material, such as lead or copper. (The resulting data would also respond to the requirement in Illinois law for Chicago to inventory its lead service lines). A template exists in an ordinance from Madison, which gave residents 90 days to inspect their service lines and submit information on the material to the city (“Chapter 16:23”). Awareness of one’s lead service line material can incentivize owners who learn that their service line is lead to undertake a LSLR. Homeowners previously unaware of the dangers of lead and or its presence within their homes will be forced to confront issues with their water infrastructure.

Adopting Cost-Effective Strategies

Another reform that could facilitate implementation of Chicago’s Equity LSLR and target the cost problem is allowing trenchless construction on public right-of-way property. The program acknowledges that trenchless construction is less expensive than open-cut construction, but regulations bar the technique from being used in the city. According to Commissioner Cheng, a large contributor to cost is the fact that “open cut” trench methods add 35 percent to 50 percent to the overall cost of service line replacements (Implementation of Drinking Water...). Additionally, the disruptive nature of trench methods and the inconvenience caused some residents to turn down LSLRs on their property. Local regulations prohibit the city from using trenchless construction due to the possibility of impacting other buried utilities, but this potential problem has been surmounted in other cities’ LSLR programs (“LSLR

Executive Summary”). Safety regulations short of a ban could control the risks of trenchless construction, while offering considerable cost savings.

In combination with less expensive construction methods, Chicago could also reduce costs by strategically completing LSLRs in spatial clusters. Replacements in the city of Madison often occurred sequentially along a given street by intentionally focusing on specific neighborhoods, one at a time (Theising). Chicago could minimize costs by enacting a similar strategy, and this would have the additional benefit of prioritizing the most affected neighborhoods. (As mentioned before, there is no public record regarding where Chicago has completed replacements under the Equity LSLR program.) Conducting multiple neighboring replacements can limit the cost associated with construction.

Increasing Lead-Safe Chicago Publicity

Although Commissioner Cheng discussed community outreach events regarding the Equity LSLR Program, the fact remains that they have not been well publicized, as their lack of online traces attests. Most residents have not been aware of these community outreach efforts and were not able to procure help in completing the application and submitting associated documentation. A section on the Lead-Safe Chicago Website, the city’s hub for information regarding the program, could be dedicated to community outreach events, increasing communication between the Department of Water Management and residents. To overcome possible technological barriers, the city could also mail brochures describing the Lead-Safe Chicago Program to properties, to make sure some sort of non-electronic information is available to residents.

Conclusion

Chicago’s lethargic efforts to replace lead service lines demonstrate that the Lead-Safe Chicago program needs serious attention. A lack of public participation in the Equity LSLR program – a program that is of almost pure benefit to families by abating lead in their homes – signals that the city needs to seriously troubleshoot its application process and promotional efforts. If residents are consistently failing to submit documentation or are confused about requirements due to a lack of access to information sessions, then these aspects need to be reformed.

Chicago is still in its early phases of implementing the Lead-Safe Chicago program. Fortunately, this means that the city has time to explore solutions to its

current difficulties and make the program successful. Even with a relatively distant state-imposed deadline of 2077 to remove all of its estimated 400,000 lead lines, the city still needs to complete LSLRs at an enhanced rate. Most citizens cannot afford the expense of a service line replacement, so many will rely on programs like the Equity LSLR or the Homeowner's Initiative to abate lead in their homes. A compulsory ordinance to remove lead service lines would be the most direct and effective way to aggressively target Chicago's lead legacy issue, but unless the city pledges to subsidize lead service line removals for those who need it, an ordinance of this nature would be inadvisable.

To faithfully protect the health of Chicago residents, the city needs to prioritize its full-lead service line removal plan and proactively minimize the threat of waterborne lead. Left untreated, Chicago's extensive leaded water infrastructure will pose a danger for generations to come.

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CHAPTER TWO

The Role of the Cook County Assessor in Mitigating and Correcting a Long History of Housing and Property Tax Inequity

Kristina Kim

While not every person is responsible for paying property taxes, each of us is directly and indirectly impacted by this revenue source. Property taxes form the financial backbone of local governments, adding up to almost three-fourths of local tax revenues¹ – revenues which are used to finance K-12 education, police and fire departments, parks, and other services. Property taxes also impact housing supply and residential mobility. Since the taxes are based on a property's assessed value, any change in value also affects the transfers of existing properties and new investments. As such, property taxes both determine and reflect a community's vitality. Drastically dropping property values can be a signal of neighborhood deterioration and divestment; alternatively, fast rising property values can point to gentrification and the subsequent displacement of long-time residents who can't keep up with the increasing property tax levies.

Historical Context to Housing in Chicago

Chicago has been a notable site of inequitable housing policies, both informal and formal. Today's residential patterns result from decades of racial and ethnic segregation, predatory lending, racial covenants, and state-sponsored displacement. One real estate practice called 'blockbusting' is said to have originated specifically in Chicago. This phenomenon involved real estate agents and building developers convincing white residents to sell their property for an incredibly low price and then selling it to Black families at inflated rates. Agents were able to coerce these sales by convincing white residents that Black people were moving into their neighborhoods. The blockbusters used a variety of tactics to bolster their fearmongering: hiring Black women to push baby carriages in white neighborhoods, hiring Black men to drive through white neighborhoods with music blasting, paying Black youths to stage street brawls, buying houses and buildings and intentionally letting them deteriorate, and so

¹ Loughhead, 2019.

on. The gradual disappearance of white people from areas with growing racial or ethnocultural diversity describes a pattern known as ‘white flight’ or ‘white exodus.’ Blockbusting is one tactic used to encourage white flight, with the specific distinction that it was orchestrated by real estate developers who banked on white people’s fear of non-whites in their neighborhoods and profited by manipulating both white and Black families looking for decent housing.

A July 2022 study from Cook County Treasurer Maria Pappas’s office details how mid-20th century “federal government-sanctioned housing discrimination” led to “urban decay and the ensuing exodus of Blacks from Chicago and other major U.S. cities.”² These findings are connected to the city’s long-standing practices of redlining neighborhoods with majority Black populations, a tool that banks used to make mortgage loans approvals. Potential borrowers for home purchases in redlined areas either faced higher interest rates or straight up loan refusals. This artificial barrier to financing greatly limited the housing market for racial minorities – a situation that lenders and developers exploited for their own financial gain.

According to a report by the Samuel DuBois Cook Center on Social Equity at Duke University and the Nathalie P. Voorhees Center at the University of Illinois-Chicago, an estimated \$3-4 billion in wealth was lost due to predatory housing contracts between the 1950s and 1960s³. Because Black Chicagoans had no means of formally accessing the wealth that comes with homeownership, they were easy targets of predation through abusive, informal contracts. While they made large down payments and faced monthly installments with high interest rates, the borrowers could not claim full ownership until the contract was paid in full and all conditions were met. The contract seller received the down payment and monthly remittances, while still holding the deed to the property. This continued ownership and the one-sided contract terms allowed the seller to find reason to evict the buyer at some point. The buyers were then left with no accumulated home equity, along with no protection from the law to constrain such manipulative practices. Contract buying affected 75 to 95 percent of homes sold to Black families between 1950-1960s⁴ and was especially prominent on the West and South Sides of Chicago.

² Pappas, Page 1.

³ Samuel DuBois Cook Center on Social Equity. 2019. Page 9.

⁴ Samuel DuBois Cook Center on Social Equity. 2019. Page iii.

Overt redlining and predatory contract selling were ended decades ago; their effects, however, continue to reverberate, limiting the economic and housing opportunities for Black and Brown Chicagoans today. The longstanding homeownership that has played an outsized role in providing families with generational wealth was not available on equal terms to racial minorities, who therefore are still playing catch-up with their white counterparts.

Today's Property Tax System

According to the Census Bureau, and calculations by the Tax Foundation for the 2016 fiscal year, Illinois ranks 9th highest in state and local property tax collections per capita⁵. Illinois' most populated county, Cook County, encompasses 5,173,146 people⁶ and 1.8 million parcels of property in the City of Chicago as well as some neighboring suburbs to the North and South⁷. While property taxes are collected and distributed by the Cook County Treasurer, the process goes through four other agencies before reaching the Treasurer's Office: the Cook County Assessor's Office (CCAO), the Cook County Board of Review, the Illinois Department of Revenue, and the Cook County Clerk⁸. While each agency has considerable influence on the property tax system, our inquiries will be focused on the Assessor's Office and their role in shaping a just property tax system.

The Cook County Assessor is an elected official with a four-year term and no cap on reelections. Historically a Democrat-dominated position, the 2022 election favored incumbent Fritz Kaegi (D) and secured him a second term, lasting through 2026. An asset manager for over twenty years, Kaegi's initial candidacy for Cook County Assessor in 2018 was his first run for public office. With a largely self-financed campaign, endorsements from the *Chicago Sun-Times*, *Chicago Tribune*, *Daily Herald*, and various politicians, and a slogan of "No favoritism, just fairness," Kaegi managed to oust two-term incumbent Assessor Joseph Berrios in what the *Chicago Tribune* described as a "rare toppling of the machine"⁹.

⁵ Loughhead, 2019.

⁶ Illinois Demographics, 2021.

⁷ Cook County Assessor's Office. *About Page*.

⁸ Cook County Assessor's Office. *About Page*.

⁹ Chicago Tribune, 2020.

Unlike Kaegi, Berrios holds a long resume of political posts including Chairman of the Cook County Democratic Party (2007-2018); Commissioner of the Cook County Board of Review (2nd district, 1998-2010); Commissioner of the Cook County Board of Appeals (1988-1998); and, member of the Illinois House of Representatives (9th district, 1981-1987). From a working class Puerto Rican family, Berrios grew up in the Cabrini-Green public housing high-rises and worked several “low-skilled” jobs before breaking into politics. One of Berrios’s early mentors, former State Senator Edward Nedza, would later be indicted and convicted for using his political office for illegal financial gain. Over his numerous positions and terms, Berrios also became the focus of FBI investigations¹⁰ as well as the subject of a four-part investigative journalism report spearheaded by the *Chicago Tribune* and ProPublica Illinois¹¹. The Trib/ProPublica reporting found that under Berrios, the Cook County property tax system, through its assessment and appeals process, disproportionately burdened lower-income residents.

Berrios’s political fundraising and his official duties also seemed to intersect. During his tenure on the Board of Appeals, Berrios accepted hundreds of thousands of dollars a year from lawyers who appealed property tax assessments before the Board¹². Berrios’s subsequent position as Commissioner of the Board of Review also saw him collect over \$3 million in political contributions, of which 64 percent came from the 15 property tax law firms that gained the most for their clients (in the form of tax reductions) between 2006 and 2008.

Berrios’s connections to law firms specializing in property tax work were part of what, at the time, was a broader phenomenon. The law firm of Madigan and Getzendanner was heavily involved in property tax appeals, while its senior partner Michael J. Madigan was one of the most powerful politicians in Illinois: Madigan served in the Illinois House for 50 years (1971-2021), including about 36 years as Speaker. Madigan and Berrios were close political allies. (On March 2, 2022, Madigan was indicted on federal racketeering charges.) Other major property tax appeal law firms with ties to politics were those of Patrick J. Cullerton (brother of Illinois State Senator John Cullerton) and Chicago Alderman Edward M. Burke. These law firms won huge tax breaks for their commercial real-estate clients, bolstering a lucrative

¹⁰ Berg, 2019.

¹¹ Grotto, 2017.

¹² Hinz, 2010.

business that suggests potential conflicts of interests with their partners' public responsibilities.

Berrios continued to accept sizable donations from tax attorneys during his 2010 campaign for Cook County Assessor, prompting the Cook County Board of Ethics to send letters to 15 tax attorneys warning that their donations exceeded county campaign contribution limits. Berrios's strong political connections and significant campaign funds helped him to election victory as Cook County Assessor, withstanding the fervent disapproval from various editorial boards: the *Chicago Tribune* named Berrios "a terrible candidate for the powerful office of assessor" due to "his disregard for basic ethical principles" and "patent conflicts of interest"¹³; the *Daily Herald* labeled Berrios as "the very antithesis of what the office needs,"¹⁴ and a *Chicago Mag* profile outlined him as "a consummate insider in Illinois politics" and "a vivid example of the clout-infested politics for which Illinois is famous."¹⁵

Fast forward to the 2018 local elections. Frederick "Fritz" Kaegi unseats Berrios in the Democratic primary and goes on to win the general election. Kaegi's campaign slogan "No favoritism, just fairness" and his stated values for equity and transparency were a direct contrast to Berrios's track record, especially as Berrios's administration came under fire from various directions, most notably the Trib/ProPublica four-part investigative article "The Tax Divide." By the time of the election, many Chicagoans believed that Cook County's property tax assessment system disproportionately favored the wealthy and politically connected over average homeowners and lower-income residents. Essentially, the need for government revenue from property taxes renders the system to be a sort of zero-sum game: "when one type of property is declared exempt from taxation, a different kind of property must make up the lost taxes."¹⁶ In Cook County, the Assessor's Office was consistently under-taxing more valuable homes and commercial properties, which pushed the tax burden onto everyone else. Kaegi promised to overhaul the entire system -- an ambitious task for a four-year position, where three of those years are spent with sequential reassessments of regional properties. Kaegi had about a year to

¹³ Chicago Tribune, 2010.

¹⁴ Daily Herald, 2010.

¹⁵ Bernstein, 2010.

¹⁶ Bender, 2022.

implement systemic changes in preparation for the 2019 reassessment of the North suburbs.

Campaign Promises

When asked by the *Chicago Sun-Times* (one of his endorsers) how he would improve the county's tax assessment process, Kaegi responded with the following five priorities: fairness and accuracy through better data, transparency, ethics reform, outreach and accountability, and automatic renewal of senior exemptions. While all five of these "promises" will be explored, we will focus on the CCAO's efforts toward (1) ethics reform, (2) fairness and accuracy through better data, (3) shifting the tax burden from residential properties to non-residential, and (4) outreach and accountability.

Ethics Reform

On Day One, Kaegi's office terminated any employees whose positions were due to favoritism or nepotism¹⁷. This office cleansing was the first step of an overarching 100-day plan¹⁸ intended to correct past practices of questionable ethics.

Cronyism and patronage are not new phenomena in Chicago public offices. The court-ordered Shakman decrees of the early 70s took on long practices of patronage hiring and politically-motivated firings. Under the Shakman decrees, the Assessor's Office has been put under supervision multiple times, with the most recent renewal of oversight occurring in 2012, during Berrios's tenure. A report by the Chicago Tribune found consistent patterns of political hiring and disregard for Shakman reforms; a top-level aide in Berrios's office noted that "the general impression of the employees in the office was that employment actions were based on nepotism, favoritism, or politics."¹⁹

November 1, 2022 marked the official end to anti-patronage supervision of the Assessor's office. Kaegi argued that his office has complied with hiring rules outlined in the Shakman decrees and should be freed from the imposed oversight. The federal judge hearing the motion concurred and removed the decree.

¹⁷ Cook County Assessor. *Medium*. 2019.

¹⁸ Cook County Assessor. *Medium*. 2019.

¹⁹ Chicago Tribune. December 21, 2017.

Fairness and Accuracy through Better Data

Real estate assessments result from the accumulation of multiple data sets detailing property characteristics and transactions, which are used to determine a property's market value. Technological advancement helps make the relevant information more accessible with emerging tools such as geographic information systems, 3D modeling, and improved mortgage databases. The public sector, however, is often a late adopter of technological improvements²⁰.

Early in Kaegi's term of office, the Assessor's Office requested an official audit from the International Association of Assessing Offices (IAAO); the results of the audit have since been publicized, both in their entirety and in a digestible summary on the Assessor's Office blog²¹. The IAAO's top recommendations were to: acquire high-quality data, increase staff and development, adapt more technology, and improve valuation methods. The common theme across these suggestions was to increase the office's capacity. The IAAO found that the CCAO had only 1/3 of the recommended number of employees working on residential assessments and only 25% of the valuation staffers needed for field checks. The IAAO's suggestions, however, are bound to run up against the CCAO budget.

Kaegi turned to the Illinois State Legislature to help address some of the IAAO's recommendations. He became a staunch advocate for the Data Modernization Bill, which would have granted his office the ability to collect operating income and expense data for income-generating, commercial properties. Kaegi identified the collection of this information as a crucial step toward accurate and fair assessments: "Collecting income and expense data up front -- on an anonymized and bulk basis -- would bring Cook County (and other counties in Illinois who choose to opt-in to this practice) in line with professional practices used by Assessors in at least 17 other states."²² While the bill passed the bi-partisan Senate in 2019, the bill languished in the House until January 13, 2021, where it ultimately died²³.

Despite the disappointing outcome for the Data Modernization Bill, Kaegi's office boasts about their steady progress toward more accurate assessments. A May

²⁰ Ovide. *NYT*. 2021.

²¹ Cook County Assessor, 2019.

²² Cook County Assessor's Office. May 23, 2019.

²³ Illinois General Assembly, Bill Status of SB1379.

16, 2022 update from his office reported that appeals in Chicago declined by 28% (almost 35,000 fewer appeals) compared to 2018: “A drastic reduction in appeals shows we are creating more accurate assessments for most property owners – homeowners and commercial property owners alike,” Kaegi said. “For property owners who felt they were overassessed in the past, the 2021 assessments appear to have corrected those concerns.”²⁴

Digital Advancement

One unalloyed improvement under Kaegi’s tenure has been the vast digitization of records and forms. In 2021, the CCAO was recognized by the National Association of Counties for its work in transforming their paper-driven operations onto “more user-friendly digital platforms.”²⁵ This advance meant that for the first time in the CCAO’s history, applications for both property tax exemptions and assessment appeals were fully accessible online²⁶. Launched in 2020, the digital transition proved especially timely with the onset of Illinois’ Stay-at-Home order in response to Covid-19.

Erroneous Exemptions

Even as Berrios’s old system is being revamped, assessments are not problem-free. At the end of 2021, three years after Kaegi’s election, journalists discovered that the CCAO was approving faulty tax exemptions. For six years, Berrios and then Kaegi had been granting a senior citizen tax exemption to Joseph J. Lombardi, a known mobster who died back in 2013²⁷. In Lombardi’s case, applications on his behalf continued to be filled out and his death did not raise any red flags within the CCAO’s database. This mistaken granting of an exemption presents a problem for Kaegi’s advocacy for automatic renewal of senior exemptions, which he previously indicated could rely on the state’s tracking of deaths and changes of ownership. On the other hand, Kaegi’s team was the one to flag and correct this long-standing error, so perhaps it is not a matter of more errors occurring under their watch, but rather more errors being identified under their system.

²⁴ Cook County Assessor’s Office. May 16, 2022.

²⁵ Cook County Assessor’s Office. July 22, 2021.

²⁶ Cook County Assessor’s Office. July 22, 2021.

²⁷ Novak, 2021.

Other “erroneous exemptions” during Kaegi’s term include homeowners who received breaks they did not qualify for or were mistakenly granted -- as in the case of three Cook County homeowners who received veteran tax breaks, despite not applying for the benefits nor ever serving in the military. The mistakes have some lasting impact. One owner of a Berwyn two-flat gave notification of the tax error, and “got the assessor to remove the disabled veteran exemption that reduced his tax bill last year to zero — but then the assessor made the same mistake again this year.”²⁸

It’s unclear whether these mistakes are longstanding or new errors introduced under Kaegi’s oversight, but such mistakes continue to cost the CCAO time and money. Since 2015, 13,349 homeowners have been given tax breaks they should not have received, and were then asked by the CCAO to repay a cumulative \$48.4 million, including penalties and interest²⁹. According to records from the Assessor and the Cook County Treasurer’s office, “two-thirds of that money has been repaid in full or partial payments, but 2,170 others have paid nothing.”³⁰ These mistakes may be relatively inconsequential, a small number compared to the 1.8 million parcels of property that are handled under the Assessor’s Office, but they are still noteworthy as areas of concern.

Well-Intentioned, but Miscalculated Pandemic Relief

During the height of the pandemic, the CCAO’s quest to support low-income homeowners may have been well-intentioned, but was reported to be poorly executed. Kaegi “tried projecting unemployment neighborhood by neighborhood and using that estimation of pandemic-related job losses to adjust how much he’d lower every homeowner’s property assessment ... but in Grand Crossing, one of Chicago’s poorest neighborhoods, homeowners saw small increases because Kaegi’s office estimated it would face the same level of unemployment from the pandemic as the wealthy suburb of Winnetka.”³¹ Others, like Mayor Lori Lightfoot in the Logan Square neighborhood, saw their bill decrease by 11%.

Although the *Chicago Sun-Times* described Kaegi’s Covid-19 adjustment as a “botched” effort, an Op-Ed from *South Side Weekly* later pointed out how *CST*’s

²⁸ Novak, 2021.

²⁹ Novak, 2021.

³⁰ Novak, 2021.

³¹ Novak, 2022.

conclusion may have been jumping the gun. *SSW* journalist Curtis Black explains that since sales data were not updated to reflect Covid-19, Kaegi used data sets that tracked how unemployment rates impacted property values, and on average reduced home assessments by ten percent (like Mayor Lightfoot's home). As for commercial properties, they were adjusted depending on the status of their respective industries, along with correcting for their historic under-assessments for years. Black writes: "In the following months, housing prices rebounded, as new at-home workers sought more space. But assessments are required to be based on current market conditions, not predictions of future trends. The housing market may be more or less voluble or even irrational, but assessments are a snapshot of values at a particular moment in time." Kaegi's assessments were more-or-less accurately calculated for the housing market at the time, and could (and should) not predict rapid changes as they unfolded in the pandemic-affected economy.

But even with those rapid market changes, Kaegi's assessment adjustments did not result in proportional impacts on the actual property tax bills that property owners received. While the *CST* cites double-digit assessment decreases for high-value properties like Mayor Lightfoot's, they don't mention how Lightfoot's tax bill only went down by 1.4 percent (from \$9,407 to \$9,272)³². Another example is Governor Pritzker, who saw an eight percent assessment reduction, but whose bill actually went up by over \$9,000³³.

In conclusion, assessments and actual tax bills do not always travel together in a proportional fashion. A homeowner who sees an increased assessment will still see a reduced bill if commercial properties, for instance, see even larger assessment increases. In any event, headline-grabbing claims about lower assessments for some wealthy property owners are not capturing the reality of either tax bills or the movement to undo historical favoritism towards high-value commercial properties.

Shifting the Tax Burden

Part of Kaegi's ambitions to close the income and racial inequities of property taxes involved shifting 9% of the property tax burden from homeowners to businesses, since homeowners and small businesses, particularly minority populations,

³² Black, Curtis. *South Side Weekly*.

³³ Black, Curtis. *South Side Weekly*.

have been “picking up the tab” for big properties.³⁴ Kaegi predicts that this 9% shift could “translate into an additional \$500 million staying in Chicago’s neighborhoods.”³⁵

Accurately assessing commercial properties, however, is no easy feat. Unlike residential parcels of property, whose value is compared to similar homes in the same neighborhood, commercial properties require other valuation measurements such as the total annual revenue generated by a building and the associated costs. The resulting Net Operating Income (income minus expenses) is then used with a benchmark capitalization rate (“cap rate”) to generate an estimated market value. A property with a cap rate of five percent, for example, would have an estimated market value that is twenty times its Net Operating Income. According to Kaegi, his predecessor (Berrios) left no documentation on how his office was determining each commercial property’s cap rate, while significantly undervaluing commercial properties all over Cook County³⁶.

Backlash from Commercial Property Constituents

Unsurprisingly, the commercial real estate sector has not been fully supportive of Kaegi’s approach, which is aimed at shifting more of the tax burden in its direction. Since the CCAO began overhauling the old system, their reforms and assessments have received scrutiny from multiple business-focused news outlets.

In a March 2022 op-ed in *Crain’s Chicago Business*, Farzin Parang, Executive Director of the Building Owners and Managers Association of Chicago, called out Kaegi for “piling additional tax burden onto businesses during the pandemic[;]... The idea that those empty office buildings are somehow worth twice what they were before the pandemic defies logic.”³⁷ Parang uses statistics from the State’s Department of Revenue to compare the accuracy of Berrios’s 2018 assessments with Kaegi’s 2019 versions. In this case, assessment accuracy is based on sales ratio studies: a comparison between property values as determined by assessors and the values of the same property as established by sales prices. The closer to 100%, the more accurate the assessment. The resulting graph makes a case that the CCAO under Kaegi may be widening the tax divide between single-family homes and commercial

³⁴ Cherone, 2022.

³⁵ Cherone, 2022.

³⁶ Cherone, 2022.

³⁷ Parang, 2022.

properties, but in the direction where the commercial sector is relatively disadvantaged. Nonetheless, there are at least two issues with respect to the data that could use further clarity. First, Cook County’s assessments occur on a three-year cycle: the City of Chicago (2018), the North suburbs (2019) and the South suburbs (2020). To compare Berrios’s 2018 to Kaegi’s 2019 assessment is essentially comparing the City of Chicago to the North suburbs, for which multiple discrepancies exist. The number and types of parcels in the City of Chicago versus the North suburbs are not on a comparable scale.

The second part of Parang’s argument that could use more nuance is the data source. He cites that the “County Assessment Accuracy” scale uses sales ratio studies to compare with 2018 and 2019 assessments. Sales ratio studies are an important tool assessors’ use to measure level and uniformity of assessed values to current market values. They are not, however, the only factor that goes into calculating the total assessment. To use sales ratio studies as the sole analytic tool without noting their limitations can be misleading.

Finally, a non-data related point is that Parang might not be a neutral observer, given his political ties to Kaegi’s opponents. The Building Owners and Managers Association of Chicago, for which Parang is the Executive Director, has donated to support both Berrios (back in 2008) and Kari Steele, who ran against and lost to Kaegi in the 2022 Democratic primary³⁸.

Outreach and Community Engagement

When working against decades of housing inequity, how does one holistically address such grievances? For Kaegi, shifting the tax burden that was disproportionately affecting minority homeowners was not enough. Kaegi’s initial campaign for Assessor included a plan “to educate residents across the county on the services, exemptions, and benefits that are available to them—and keep them updated on the progress we are making—through public forums, seminars, and in quarterly and annual reports.”³⁹

On the education front, the CCAO’s outreach team, headed by Kelwin Harris, the Director of Outreach and Engagement, launched a series of Racial Equity and Real Estate Conversations in early 2020 for both the public and their own internal

³⁸ Illinois Sunshine.

³⁹ Chicago Sun-Times Editorial Board. October 3, 2018.

development. The range of programming includes “book readings, film screenings, and panel discussions with historians, practitioners, and authors who are knowledgeable about housing, real estate, and racial equity.”⁴⁰ Some of those notable guests have included: Alden Loury (Senior Editor of *WBEZ*’s Race, Class, and Communities); Tonika Johnson (Social Artist and Founder of The Folded Map Project); Courtney Jones (President of Dearborn Realist Board, the oldest African-American Real Estate Trade Organization); and Bruce Orenstein (filmmaker of *The Color Tax* and professor at Duke University). Recorded versions of events have been archived on the CCAO social media and website⁴¹. The initiative earned the Assessor’s Office the 2022 Achievement Award from the National Association of Counties⁴², a notable accolade for Kelwin Harris, Kaegi, and the CCAO.

Other outreach efforts by the CCAO include educating Cook County residents on the often-intimidating assessment and appeals process. In addition to the 100+ informational videos the CCAO has recorded and chronicled on their Facebook page⁴³, they have also hosted over 250 events (both in-person and virtual) concerning township-specific property tax assistance, property tax exemptions, filing online appeals, and more⁴⁴. Their videos have garnered hundreds, and often thousands, of online views – a decent marker of their usefulness. By demystifying the assessment and appeals process, residents and homeowners are better equipped to challenge inaccurate assessments and navigate the appeals process with more confidence. Traditionally, property tax lawyers have been a near requisite for challenging assessments; now, the appeals process can be completed without legal counsel. Providing open-source knowledge and step-by-step walkthroughs brings Cook County residents one step closer to exerting their own agency. These measures also weaken the public’s reliance on property tax lawyers, who have benefited from people not knowing how to navigate the property tax system.

⁴⁰ Cook County Assessor’s Office. “Racial Equity and Real Estate Conversations”

⁴¹ Cook County Assessor’s Office. “Racial Equity and Real Estate Conversations.”

⁴² National Association of Counties.

⁴³ Cook County Assessor’s Office. Videos. *Facebook*.

⁴⁴ Cook County Assessor’s Office. Past Hosted Events. *Facebook*.

Closing Remarks

Kaegi ran on an ambitious reform plan and his first four years in office could be qualified as a success. Progress was made on ethics reform, better data, shifting the tax burden, and expanding community engagement. The next improvements might prove more difficult, especially as the Assessor's Office is only one piece of the property tax system. Nonetheless, there's plenty the CCAO can focus on that's within their control – tackling erroneous exemptions and continuing outreach and public education are two examples. Decades of inequities cannot be overcome in a day, or even one term in office, but progress can be continuous.

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Editorial note: For a related op-ed in the *Chicago Policy Review*, please see <https://chicagopolicyreview.org/2023/01/23/more-assessors-should-follow-cook-countys-online-initiatives/>

CHAPTER THREE

Gerrymandering of Chicago Wards

Anonymous

While Pool Noodle, Water Slide, and Lobster might elicit fun memories of a Florida summer for many Chicago residents, the City Council's extensive gerrymandering is overwriting such memories. These evocative terms have been used to describe the shapes of Ward 36 (Pool Noodle and Water Slide) and Ward 2 (the crustacean).¹ Approved in May 2022, the controversial ward map for the city of Chicago allows for 16 Black-majority wards, 14 Latino-majority wards, and 1 Asian-American-majority ward.² The reason for controversy? the disproportionate growth of different racial populations in the city and, according to the Latino Caucus of the Chicago City Council, the lack of equal consideration in redistricting, which resulted in only one more Latino seat than their previously designated number.³ Still, in a 43-7 vote, the map was approved.

What is Gerrymandering?

Gerrymandering is the manipulation of the borders of a constituency to favor a certain party's electoral outcome or dilute the voting power of a particular group, whether racial, linguistic, or another.⁴ The etymology of the word comes from Governor Elbridge Gerry's 1812 redrawing of a Massachusetts Senate election district,

¹ Ward, J. (2022, August 30). *Chicago's proposed 'Pool noodle' ward slammed by current alderman, roasted on social media*. Block Club Chicago. Retrieved October 18, 2022, from <https://blockclubchicago.org/2022/05/10/chicagos-proposed-pool-noodle-ward-slammed-by-current-alderman-roasted-on-social-media/>

² Board, C. S. T. E. (2022, May 13). *City Council's ward remap gives Chicago another 10 years of gerrymandered mess*. Times. Retrieved October 18, 2022, from <https://chicago.suntimes.com/2022/5/12/23065497/city-councils-ward-remap-black-latin-caucus-census-gerrymandered-mess-editorial>

³ *Chicago City Council votes 43-7 to approve new ward map after racially polarizing debate*. WTTW News. (n.d.). Retrieved October 19, 2022, from <https://news.wttw.com/2022/05/16/chicago-city-council-votes-43-7-approve-new-ward-map-after-racially-polarizing-debate>

⁴ Encyclopædia Britannica, inc. (n.d.). *Gerrymandering*. Encyclopædia Britannica. Retrieved October 18, 2022, from <https://www.britannica.com/topic/gerrymandering>

which looked like a salamander to cartoonist Elkanah Tisdale⁵; hence, "Gerry-mander." Historically, states and cities redraw their maps following a census to appropriately represent the population changes. In practice, what is an "appropriate" redistricting is often only so from the point of view of the current majority political party: "Rather than voters choosing their representatives, gerrymandering empowers politicians to choose their voters."⁶ This reversal of the redistricting process creates a situation whereby a party temporarily holding the political reins can cement its power. While some redrawing is a necessary response to population shifts, using tactics to benefit a particular political party hampers the proper, intended functioning of a democracy.

Methods of Gerrymandering

Traditionally gerrymandering is practiced through three methods:⁷

1. "Cracking" involves splitting a group of people with similar characteristics into multiple districts to undermine their voting power.
2. "Packing" refers to the process of joining together population sets in such a way that they possess a majority within their (often oddly shaped) districts and, therefore, have the power to elect the leader of their choice.
3. "Stacking" involves diluting the voting powers of minorities by placing them in districts with large populations of a political majority – in the typical case, Black and Brown people are wedged into a district with an overwhelmingly White population.

Even as a governing political party declines in overall popularity, strategic cracking, packing, and stacking can help maintain their hold on power.

Unequal Impact of Gerrymandering

Communities of color frequently bear the brunt of redistricting or re-warding (which is not the same as rewarding, in meaning or outcome). Redrawing constituency lines that are discriminatory against a particular race is prohibited by law. According to

⁵ Magazine, S. (2017, July 20). *Where did the term "gerrymander" come from?* Smithsonian.com. Retrieved October 18, 2022, from <https://www.smithsonianmag.com/history/where-did-term-gerrymander-come-180964118/>

⁶ 7971, & 206. (2022, October 5). *Gerrymandering explained*. Brennan Center for Justice. Retrieved October 31, 2022, from <https://www.brennancenter.org/our-work/research-reports/gerrymandering-explained>

⁷ *Cracking, stacking, and packing: What are they and why do they matter?* MyLO. (2021, September 2). Retrieved October 18, 2022, from <https://my.lwv.org/georgia/cracking-stacking-and-packing-what-are-they-and-why-do-they-matter>

the *Voting Rights Act of 1965*, Section 2, “No...standard, practice, or procedure shall be imposed or applied by any State or political subdivision to deny or abridge the right of any citizen of the United States to vote on account of race or color”.⁸ Simply put, it is unconstitutional to practice racial gerrymandering. However, the 2019 Supreme Court case, *Rucho v. Common Cause*,⁹ mandates that partisan gerrymandering is “a political question beyond the reach of federal courts.” And while race-based gerrymandering is prohibited, majority-minority districts can be created to make it possible that minorities can elect leaders of their choice; this process is not gerrymandering, it reflects an underlying purpose for redistricting: making sure the elected body is representative of the community.

Majority-minority districts are Congressional districts where most constituents are a part of a racial or ethnic group that is a minority in the broader constituency.¹⁰ These districts are structured such that the citizens of these Congressional districts have a reasonable chance of electing representatives of their own group. Majority-minority districts are safeguards against unconstitutional, racial gerrymandering (whereas partisan-influenced redistricting is considered non justiciable by the Supreme Court). The correlation between people of a particular race and their alignment with a specific political party complicates the situation, and hence, partisan gerrymandering disproportionately impacts the voting power of racial and ethnic minorities. That is, partisan gerrymandering prevents communities and groups from having equal opportunities to influence the choice of their political representatives; indeed, this inequality is the strategic purpose underlying gerrymandering.

Both the Democratic and the Republican parties have practiced partisan gerrymandering in the past. However, favorable conditions at the time of redrawing have made Republicans more successful in their recent endeavors: Republicans were in power when the maps were being drawn and that gave them a competitive advantage over the Democrats in several states. For example, in 2011, in the state of Michigan, at the time of map redrawing, the Republicans not only controlled the state

⁸ Voting rights act. Ballotpedia. (n.d.). Retrieved November 12, 2022, from https://ballotpedia.org/Voting_Rights_Act

⁹ 588 U.S.; 139 S. Ct. 2484; 204 L. Ed. 2d 931

¹⁰ *Majority-minority districts*. Ballotpedia. (n.d.). Retrieved October 18, 2022, from https://ballotpedia.org/Majority-minority_districts

legislature but also the governor's office.¹¹ Further, unlike the people supporting the Democratic party, who tend to concentrate in urban areas, the people supporting the Republican party are spread far and wide in suburban and rural areas. This population spread makes it easier for the map drawers to pack and crack.

How Is Redistricting Performed?

Since the process of redistricting is similar at all levels of the government -- i.e., Congressional redistricting is like redistricting of wards -- analyzing the politics behind this process at the state or national level can offer insights into how it's done in the city of Chicago. This analytical approach can help in crafting a policy that can make ward redistricting an equitable process.

According to Ballotpedia, the various methods of redistricting fall into three categories:¹²

1. The legislature, which constitutes all elected members of the state House, is responsible for drawing maps.
2. A commission holds the final authority on how to redistrict. This commission can be of two types:
 - a. A politician commission where members can also hold office and run for elections.
 - b. A non-politician commission where members cannot hold an elected office during their tenure on the commission.
3. A hybrid type where the legislature and a commission have a joint responsibility to draft and implement a map.

In most states, the elected legislatures are responsible for drawing Congressional district boundaries, which provides the incumbents with some influence that can be used to extend their tenures or support the dominance of their parties. Some of the states where the legislatures are responsible for redistricting include Wisconsin and Pennsylvania.¹³ In other states, Supreme Court decisions and

¹¹ Business Insider. (n.d.). *Analysis: Partisan gerrymandering has benefited Republicans more than Democrats*. Business Insider. Retrieved November 2, 2022, from <https://www.businessinsider.com/partisan-gerrymandering-has-benefited-republicans-more-than-democrats-2017-6>

¹² *State-by-state redistricting procedures*. Ballotpedia. (n.d.). Retrieved October 18, 2022, from https://ballotpedia.org/State-by-state_redistricting_procedures

¹³ *Redistricting in Wisconsin*. Ballotpedia. (n.d.). Retrieved October 18, 2022, from https://ballotpedia.org/Redistricting_in_Wisconsin#State_process; *Redistricting in Pennsylvania*. Ballotpedia. (n.d.). Retrieved October 18, 2022, from https://ballotpedia.org/Redistricting_in_Pennsylvania#State_process

the public-support for more equitable mapping have led to the formation of independent redistricting commissions, with a diverse set of members that more accurately mirror the community. States have started resorting to commissions for both Congressional redistricting and for state-office district boundaries. States like Connecticut, Indiana, and Ohio¹⁴ have a system in which a commission -- officially known as the "backup commission" -- can take over in case the state legislature cannot reach a redistricting decision for Congressional districts.¹⁵ The inability to finish and approve the line-drawing by a certain deadline, for instance, might authorize action by the backup commission. Some states employ an alternative backup system: Oregon, for instance, empowers the Secretary of State to step in when the legislature deadlocks regarding the final version of the map.

The state of Illinois offers another hybrid approach. The main responsibility for redrawing the electoral lines lies in the hands of the legislature. The governor has the right to veto the map. However, if this process fails to produce a map, an eight-member backup commission takes over. If this commission is still unable to decide on a map, "the Illinois Supreme Court must select two individuals (from different political parties) as potential tiebreakers. The secretary of state must then appoint one of these individuals to the backup commission to break the tie."¹⁶

Seven states have independent commissions for Congressional redistricting, including the states of Arizona, California, Michigan, and New York.¹⁷ The significant number of states with independent commissions indicates an interest in reducing the political influence over redistricting.

¹⁴ *Connecticut*. All About Redistricting. (2021, July 15). Retrieved October 18, 2022, from <https://redistricting.ils.edu/state/connecticut/?cycle=2020&level=Congress&startdate=2022-02-15>; *Indiana*. All About Redistricting. (2022, January 20). Retrieved October 18, 2022, from <https://redistricting.ils.edu/state/indiana/?cycle=2020&level=Congress&startdate=2021-10-04>; *Ohio*. All About Redistricting. (2021, February 6). Retrieved October 18, 2022, from <https://redistricting.ils.edu/state/ohio/?cycle=2020&level=Congress&startdate=2022-02-19>

¹⁵ *Who draws the lines?* All About Redistricting. (2021, August 4). Retrieved October 18, 2022, from <https://redistricting.ils.edu/redistricting-101/who-draws-the-lines/#backup+commissions>

¹⁶ *Redistricting in Illinois*. Ballotpedia. (n.d.). Retrieved November 2, 2022, from https://ballotpedia.org/Redistricting_in_Illinois

¹⁷ *Who draws the lines?* All About Redistricting. (2021, August 4). Retrieved October 18, 2022, from <https://redistricting.ils.edu/redistricting-101/who-draws-the-lines/#independent+commissions>

Commissions and Redistricting

The trend of having commissions do the redistricting has been prevalent since the late 1950s;¹⁸ however, certain milestones thrust commissions into the limelight. Before the prevalence of commissions, the responsibility of redistricting generally fell on the legislature. The most famous argument concerning non-political commissions was noted in the 2015 US Supreme Court case *Arizona State Legislature v. Arizona Independent Redistricting Commission*.¹⁹ The Arizona legislature argued that it was unconstitutional to let a body of non-elected members decide on electoral borders. The Court, however, ruled 5-4 in favor of the commission. Justice Ruth Bader Ginsburg, with the support of Justices Breyer, Kagan, Sotomayor, and Kennedy, famously wrote "that the voters should choose their representatives, not the other way around. The Elections Clause does not hinder that endeavor."²⁰

The opposing argument was made in an essay by Susan Myrick²¹ of the Civitas Institute, a conservative think tank in North Carolina. Myrick said that faceless bureaucrats should not decide the fates of constituency-boundaries through an opaque process; rather, the legislature, which can be held accountable for its misadventures by the people, rightly holds the redistricting power. Even so, confidence in the virtues of electoral competition might be tempered by the consideration that gerrymandering takes place essentially only once a decade, and if successful, reduces the competitiveness of elections.

Yet another mechanism for map drawing exists in Maryland, where a 9-person group assists the Governor in drafting a plan for both Congressional and state legislative districts; the plan is then forwarded to the legislature for approval.²² Maryland's approach is paralleled in some other states, where advisory commissions

¹⁸ Beth Hladick, B. W. (n.d.). Creation of redistricting commissions. Retrieved November 6, 2022, from <https://www.ncsl.org/research/redistricting/creation-of-redistricting-commissions.aspx>

¹⁹ 576 U.S. 787 (2015)

²⁰ *Supreme Court of the United States*. (n.d.). Retrieved October 19, 2022, from https://www.supremecourt.gov/opinions/14pdf/13-1314_3ea4.pdf

²¹ Myrick, S. (2018, May 10). Susan Myrick. Civitas Institute. Retrieved October 18, 2022, from <https://www.nccivitas.org/author/susan-myrick/>

²² *Cracking, stacking, and packing: What are they and why do they matter?* MyLO. (2021, September 2). Retrieved October 18, 2022, from <https://my.lwv.org/georgia/cracking-stacking-and-packing-what-are-they-and-why-do-they-matter>

and non-politicians contribute to suggesting district boundaries, but where the final decision lies in the hands of the legislature.

Recent Legislation in the US Congress

Multiple options, then, are available for redistricting, and letting the legislature take it on is a popular choice. But reformers, concerned about the threat that gerrymandering poses to a fair electoral process, often propose using an independent commission instead. The independence of the commission would seem to preclude partisan motives from driving the line drawing. Certain proposals tabled in the U.S. Congress have the goal of advancing the establishment of redistricting commission in all states. In the 117th Congress, Bill H.R.1, the For the People Act of 2021, requires "states to establish independent redistricting commissions to carry out Congressional redistricting;" the bill has passed the House and was received by the Senate on March 11, 2021, according to Congress' bill-tracking website.²³ (A similar objective exists in a Senate version, Bill S.1, For the People Act of 2021).²⁴ Further, the Bill H.R.80 of the 117th Congress (the "John Tanner Fairness and Independence in Redistricting Act" (2021-2022)) states:

1. "Each state must establish an independent redistricting commission to develop redistricting plans that meet specified criteria. If such a plan is not enacted into law, a state's highest court may select a plan developed by the state's commission. If the state court does not select a plan, a U.S. district court must develop a plan.
2. The Election Assistance Commission must make payments to states to carry out redistricting."²⁵ (According to Congress' bill-tracking website, the bill was introduced on March 1, 2021, and then referred to the Subcommittee on the Constitution, Civil Rights, and Civil Liberties)

Financial compensation for an independent redistricting body avoids creating an "unfunded mandate," where states would be forced to bear the costs of setting up

²³ *H.R.1 - 117th Congress (2021-2022): For the People Act of 2021*. (n.d.). Retrieved October 19, 2022, from <https://www.congress.gov/bill/117th-congress/house-bill/1>

²⁴ *H.R.1319 - 117th Congress (2021-2022): American Rescue Plan Act of 2021*. (n.d.). Retrieved October 19, 2022, from <https://www.congress.gov/bill/117th-congress/house-bill/1319>

²⁵ *H.R.80 - John Tanner Fairness and Independence in Redistricting Act*. (n.d.). Retrieved November 12, 2022, from <https://www.congress.gov/bill/117th-congress/house-bill/80>

these commissions; however, ironically, this bill which granted sufficient funding didn't have enough momentum to pass through the houses and reach the Oval Office. The consistent introduction of bills that require independent redistricting commissions indicates a willingness on the national level to see some change. Such national trends have the capacity to push public opinion and Chicago aldermen into implementing something similar.

Redistricting in Chicago

The new ward map of Chicago includes designated districts that ease the path for certain minorities to elect alderman of their choice. For example, the Asian-American ward near Chinatown makes it easier for the people of the ward to elect an Asian-American alderman – a result that might have been hard to achieve had the area been split into multiple wards, in none of which would Asian-Americans constitute a majority of the electorate. Ward designations and the subsequent boundary decisions were undertaken by the City Council through a "backroom deal"²⁶ when the alternative to this mechanism was a city-wide referendum. Avoiding the referendum required the approval of 41 Aldermen (40 out of 50 aldermen + 1).²⁷ This level of support had to be reached within a tight, couple-of-days' timeline and was achieved after a complex set of opaque negotiations that will probably never see the light of day.

Several organizations have popped up in the city of Chicago and other large metropolitan areas asking for new processes for redrawing ward boundaries. The Chicago Community Trust, one of the more active participants in this issue, published an article calling for a remapping process that is "Transparent, Incorporates Community Voice, and Strengthens Resident Representation."²⁸ The article was written by a lifelong resident of Englewood, Alex Ivory.

²⁶ Byrne, J. (2022, May 11). *Chicago ward map proposal blasted as 'backroom deal' and a loss for city's Latinos; agreement means voters won't decide on new boundaries*. Chicago Tribune. Retrieved October 18, 2022, from <https://www.chicagotribune.com/politics/ct-chicago-ward-map-deal-20220510-yvfcvjqmvdckfrdrzjfcub6my-story.html>

²⁷ Rhodes, D. (2022, May 10). *11th-hour remap deal emerges with 41-plus votes, dimming threat of referendum*. Block Club Chicago. Retrieved October 18, 2022, from <https://blockclubchicago.org/2022/05/09/11th-hour-remap-deal-emerges-with-41-plus-votes-dimming-threat-of-referendum/>

²⁸ Bandera, M., & Ramirez, A. (2022, May 7). *The importance of a city ward remapping process that is transparent, incorporates community voice, and strengthens resident representation*. The Chicago Community Trust. Retrieved October 18, 2022, from <https://www.cct.org/stories/the-importance-of-a-city-ward-remapping-process-that-is-transparent-incorporates-community-voice-and-strengthens-resident-representation/>

Redistricting in Chicago (Englewood and Lincoln Park)

The most observable example of a neighborhood multifurcated into several districts is that of Englewood, which is a predominantly African American south side neighborhood -- nearly 92% of Englewood's population is African American.²⁹ Englewood's 3.09 mi² area is non-uniformly divided into 5 wards, each with its own Alderman.³⁰ Lincoln Park, one of the more affluent neighborhoods on the north side of the city, at 3.17 mi² is similar in size to Englewood. Lincoln Park is predominantly white (80.0% of residents), and it primarily falls within one district (Ward 43).³¹ The contrast between ward representation in Englewood and Lincoln Park signals common occurrences for some communities being oddly distributed into various wards, while others are kept together. An argument made by one Alderman in favor of communities being divided into various districts is that there is no choice: Chicago has 77 communities and 50 wards, so it is mathematically impossible to keep communities from fragmenting into multiple wards.³² (Communities, here, refer to areas with similar historical evolution and general similarity. The mission of designation of communities in Chicago was led by sociologist Robert E. Park and the designated areas of these communities usually don't change.) The alternative of offering one ward per community runs up against the problem that communities with a large population would be effectively underrepresented under such a system. Further, this alternative is precluded by a legal maximum of 54,000 constituents in a Chicago ward, a cap on the number of people a ward can contain.³³

Not only are some wards fragmented, but the shapes of the fragments are also occasionally quite wild, in the spirit of the original gerrymander. The creation of oddly shaped wards has helped aldermen retain their seats and power and been used to

²⁹ CMAP Community Data snapshot | Englewood - Illinois. (n.d.). Retrieved October 29, 2022, from <https://www.cmap.illinois.gov/documents/10180/126764/Englewood.pdf>

³⁰ Stecklow, S. (2019, January 30). *Without representation*. South Side Weekly. Retrieved October 18, 2022, from <https://southsideweekly.com/without-representation-englewood-ward-gerrymandering/>

³¹ CMAP Community Data Snapshot | Lincoln Park - Illinois. (n.d.). Retrieved October 29, 2022, from <https://www.cmap.illinois.gov/documents/10180/126764/Lincoln+Park.pdf>

³² *Chicago ward, Community Area, and neighborhood maps*. City of Chicago: Chicago Ward, Community Area, and Neighborhood Maps. (n.d.). Retrieved October 18, 2022, from https://www.chicago.gov/city/en/depts/dgs/supp_info/citywide_maps.html

³³ *Ask Geoffrey: Why is Chicago divided into 50 wards?* WTTW News. (n.d.). Retrieved November 2, 2022, from <https://news.wttw.com/2019/02/27/ask-geoffrey-why-chicago-divided-50-wards>

punish recalcitrant City Council members. Clayton Guse of Time Out New York writes "Alderman Bob Fioretti annoyed [then Mayor] Rahm [Emanuel] so much that he was mapped out of his own ward."³⁴

Redistricting in Chicago (4th Congressional District)

Gerrymandering practices also have their defenders, even disinterested defenders. Liliana Scales³⁵ of the Chicago Sun Times is of the opinion that certain ward creations are done with good intent, to help minorities effectively elect a leader of their choice. One example from the city's past is of the 4th Congressional district, which resembled, well, earmuffs. Illinois's rising Latin-American population amounted to almost 20% of the state population by 1990; a somewhat proportional presence of Latinx representatives seems like a reasonable aspiration. The creation of the earmuff-shaped ward in the early 1990s helped the members of the Latinx community elect a representative of their choice, which would not have been likely with more standard district shapes.

The 4th Congressional district was not redistricted to protect an incumbent or to try to dilute minority votes. It was devised, rather, with the notion of promoting Latinx representation in the Illinois Congressional delegation. This remapping was achieved after activism by the Illinois Latino Committee for Fair Redistricting and the Mexican American Legal Defense and following the decision in a crucial 1991 legal case, *Hastert v. State Board of Elections*.³⁶ The plaintiffs in *Hastert* argued that the proposed updated maps of the city didn't adequately represent the population changes. The courts ruled in their favor, and Illinois ended up with the 4th district being created as a super-majority Latin-American district, clubbing populations from the Chicago neighborhoods of Humboldt Park, Pilsen, Logan Square, and Little Village.

The map also retained the pre-existing African-American districts. Without the drawing of these "earmuffs", the Latin-American community in Illinois would have

³⁴ Guse, C. (2015, October 31). *Chicago's most gerrymandered wards*. Time Out Chicago. Retrieved October 21, 2022, from <https://www.timeout.com/chicago/blog/chicagos-most-gerrymandered-wards-040115>

³⁵ Chicago Sun-Times. (2020, March 12). *Why Chicago's 4th Congressional district - those 'earmuffs' - are about fairness and not gerrymandering*. Times. Retrieved October 21, 2022, from <https://chicago.suntimes.com/2020/3/11/21164850/illinois-4th-Congressional-district-gerrymandering-voting-rights-act-census-liliana-scales>

³⁶ 777 F. Supp. 634 (N.D. Ill. 1991)

had a muted representation in Congressional elections. The strange borders of the 4th Congressional district, along with the rest of the district boundaries, were endorsed by the Federal Court, as meeting: “the constitutional requirements of population equality and fairness to racial and language minorities, while achieving a politically fair projected distribution of congressional seats across party lines.”³⁷ The 4th district is a case of non-partisan line drawing, and it falls within the legal bounds of the Federal Voting Rights Act as it helps empower the voice of minorities.

Prison Gerrymandering

A secondary issue that stems out of gerrymandering concerns prison populations. In general, prisoners cannot vote. Yet, if they are included in the population of the district that contains the prison, the non-incarcerated population that is eligible to vote receives an enhanced voice. “Residents of districts with prisons are able to elect the same number of representatives despite in reality having comparatively fewer voting-eligible members of their community.” Anamosa, Iowa acts as a good example to show how prison gerrymandering dilutes the votes of those districts without prisons. Anamosa, in 2005, had 4 wards with 1400 individuals each.³⁸ Of these wards, one ward had 1300 incarcerated individuals, who had no right to vote. So, it left the ability to elect an alderman for that ward to those 100 individuals (1400 total residents with voting rights – 1300 incarcerated individuals without voting rights). Each vote in the other districts represented 1 in over 1300 eligible voters, compared to 1 in 100 eligible voters in the ward with the prison.

As for the City of Chicago, the location of the Cook County prison and the dubious consideration of inmates as official voters in the prison’s district were noted by Joel Jacobs in Medill Reports. When the redistricting was performed in 2011, the map drawers included a hook-like extension within the borders of the 24th county. “As a result, jail inmates accounted for approximately one in six people in the new

³⁷ Chicago Sun-Times. (2020, March 12). *Why Chicago's 4th Congressional district - those ' earmuffs' - are about fairness and not gerrymandering*. Times. Retrieved October 21, 2022, from <https://chicago.suntimes.com/2020/3/11/21164850/illinois-4th-Congressional-district-gerrymandering-voting-rights-act-census-liliana-scales>

³⁸ Kaplan, A. (2022, June 20). *Alisa Kaplan: Is Chicago's government structure in need of an overhaul? New Project gives us hope for reform*. Chicago Tribune. Retrieved October 29, 2022, from <https://www.chicagotribune.com/opinion/commentary/ct-opinion-chicago-reform-charter-ethics-joe-ferguson-20220620-cmyhloglincyzh55zetosycmze-story.html>

24th Ward.”³⁹ With almost 5,500 inmates (on average), this magnifies the power of each eligible voter, since the wards were drawn based on populations of 54,000 people each. The recommended suggestion in the Medill Reports to deal with prison gerrymandering is to considering prisoners to be a resident of the ward where their permanent address is located. This approach was included in the Bill HB0203 introduced in Illinois’ 101st General Assembly, the “No Representation Without Population Act.” The bill would require the Secretary of State to “reflect the incarcerated persons at their residential address, rather than the address of the facility in which the person is incarcerated.”⁴⁰ The latest action on the bill was “Session Sine Die” in the House on January 13, 2021. (Sine Die “is used to describe an adjournment when the date to reconvene is not specified.”)⁴¹ Addressing prison gerrymandering while dealing with partisan gerrymandering is important for increasing electoral equity.

Redistricting in Large Cities (Other than Chicago)

To understand how the process of redistricting of wards takes place in cities of similar size, demographic, and urban-suburban divide, I compare the recent electoral maps of the cities of Las Vegas, New York, Los Angeles, New Orleans, San Diego, Jersey City, and Houston.

Las Vegas

What happens in Vegas should not necessarily stay in Vegas, especially when it comes to some meaningful parts of their redistricting practices. The city charter of Las Vegas mandates that “the community’s wards must be within five percent population of one another.”⁴² This five percent number is in line with the recommendations from the 2020 Census: Redistricting File (Public Law 94-171 Dataset) that “requires the

³⁹ *As ward redistricting approaches, where will jail inmates count?* Medill Reports Chicago. (2020, January 28). Retrieved October 29, 2022, from <https://news.medill.northwestern.edu/chicago/as-ward-redistricting-approaches-where-will-jail-inmates-count/>

⁴⁰ Illinois General Assembly - bill status for HB0203. (n.d.). Retrieved October 29, 2022, from <https://www.ilga.gov/legislation/BillStatus.asp?DocNum=0203&GAID=15&DocTypeID=HB&LegID=114071&SessionID=108&SpecSess=&Session=&GA=101>

⁴¹ Lang, T. (2015, January 5). What is a sine die adjournment? Congressional Institute. Retrieved November 12, 2022, from <https://www.congressionalinstitute.org/2015/01/05/what-is-a-sine-die-adjournment/>

⁴² *Home*. City of Las Vegas. (n.d.). Retrieved October 21, 2022, from <https://www.lasvegasnevada.gov/News/Blog/Detail/redistricting#:~:text=Redistricting%20is%20a%20process%20where,%2C%20Dec%2C%205%2C%202021.>

Census Bureau to provide states the opportunity to identify the small area geography for which they need data in order to conduct legislative redistricting.”⁴³ Furthermore before they advanced the proposed map to the City Council in 2022, a 3-member panel of Vegas lawmakers discussed the proposed map in a public hearing. The intention of this hearing? To incorporate the suggestions of the public in the map confirmation process.

New York City

The Big Apple, on the other side of the country, also has practices that the city of Chicago could emulate; for instance, the New York City charter mandates that the redistricting of the city be done by an independent redistricting commission after every decennial census.⁴⁴ A set of public meetings and hearings also offer the public the opportunity to contribute to the redistricting process. A July 15, 2022 hearing, for example, was slated "to hear testimony from the public concerning the adoption of a [redistricting] resolution."⁴⁵ NYC's process of adoption of the map is fascinating: the commission, upon utilizing the detailed set of facts from the census and factoring in the laws, drafts a map and sends it to the City Council. The Council can only object to the plan once, which is accompanied by them sending their recommended modifications back to the commission. After the final plan is confirmed, neither the mayor nor the City Council can object to the confirmed plan. An interesting caveat in this situation here is that the members of the Council are appointed by the mayor from both the Republican and Democratic parties and are expected to work in the Council while putting their political affiliations aside. (Are people successful in divorcing their political identity from the self that drafts the commission?) Most recently, a plan was submitted to the City Council on October 6, 2022, to provide districts for the next 10 years. This back-and-forth process between the Council and the commission takes about 10 months.⁴⁶

⁴³ Bureau, U. S. C. (2021, October 8). *2020 census: Redistricting file (public law 94-171) dataset*. Census.gov. Retrieved October 26, 2022, from [https://www.census.gov/data/datasets/2020/dec/2020-census-redistricting-summary-file-dataset.html#:~:text=Public%20Law%20\(P.L.\),order%20to%20conduct%20legislative%20redistricting](https://www.census.gov/data/datasets/2020/dec/2020-census-redistricting-summary-file-dataset.html#:~:text=Public%20Law%20(P.L.),order%20to%20conduct%20legislative%20redistricting).

⁴⁴ *Chapter 2-A - districting commission*. A. (n.d.). Retrieved October 22, 2022, from <https://nyccharter.readthedocs.io/c02A/>

⁴⁵ *Participate*. july-15-2022-hearing. (n.d.). Retrieved October 21, 2022, from <https://www1.nyc.gov/site/districting/public-meetings-hearings/july-15-2022-hearing.page>

⁴⁶ *Home*. Citizens Union. (n.d.). Retrieved October 21, 2022, from <https://citizensunion.org/2022-city-Council-redistricting/>

Gerrymandering can still find a way in through loopholes in the New York city system: strange boundaries are far from unknown in the metropolis. A July 2022 preliminary map created by the redistricting committee was replete with oddities, such as connecting an upscale neighborhood of Manhattan with an area in Queens, and “cracking” some Latin-American neighborhoods.⁴⁷ The safeguards that are in place seem to establish effective limits on gerrymandering in New York City; the City Council of Chicago could take inspiration from the New York City process.

Jersey City

Close to New York City is Jersey City, which also relies on a commission for redistricting. The Governor of New Jersey appoints 6 members to the Council: 3 Democrats and 3 Republicans. It is interesting to note that only the two major parties get such representation; I believe this is due to the comparative, miniscule representation of the other parties. Additionally, the most populated and the least populated districts must differ in populations by no more than 10%. One ironic detail of Jersey City redistricting is that if an incumbent alderman no longer resides in the ward they have been representing because of post-census district boundary changes, they become ineligible to run in their “old” ward until they move back within the new borders.⁴⁸ To avoid such awkward relocations from happening, some cities require the redrawn borders to generally to cohere with salient existing separators, such as major roadways and neighborhood boundaries.

Los Angeles

Redistricting in Los Angeles was connected to a national news story in October 2022. The City Council President of the City of Los Angeles stepped down, on October 12, 2022, upon being pressured by her former Council colleagues and President Joe Biden in response to racist remarks made during the redistricting

⁴⁷ Mays, J. C. (2022, September 20). *The redistricting mess comes to New York's City Council*. The New York Times. Retrieved October 21, 2022, from <https://www.nytimes.com/2022/09/20/nyregion/redistricting-city-Council-nyc.html>

⁴⁸ *City Ward redistricting*. The City of Jersey City. (n.d.). Retrieved October 21, 2022, from <https://www.jerseycitynj.gov/CityHall/CityCouncil/citywardredistricting>

process.⁴⁹ The City Council, after this news, began the process of modifying the city charter to install an independent commission for future redistricting.⁵⁰

San Diego

San Diego's charter also requires the creation of a redistricting commission every 10 years, with the condition that it remains independent of both the City Council and the mayor's office. The commission mandate is to avoid gerrymandering, to ensure that the elected body is representative of the city, while still responding to the population shifts recorded in the census figures. The charter also indicates that "identifiable communities of interest" are to be preserved.⁵¹

Houston

For redistricting after the 2020 census, the Houston City Council invited boundary suggestions from the people: "Residents may also submit their own redistricting plan to the Planning & Development Department by July 20."⁵² Redistricting in Houston was performed not only using the inputs from the public but also other contributory parties like the Planning and Development Departments, demographers, and the city's Legal Counsel.

New Orleans

New Orleans, Louisiana, has taken a data-intensive approach to redistricting. The city charter requires the City Council to redistrict within 6 months of the census results being updated. The objective is to ensure that the 5 Council districts are equal in size and allow representation for the constituents of those districts. To ensure that these constraints are met, the city of New Orleans has partnered with a Geographic

⁴⁹ Los Angeles Times. (2022, October 12). *Nury Martinez resigns from L.A. City Council in wake of Audio Leak Scandal*. Los Angeles Times. Retrieved October 22, 2022, from <https://www.latimes.com/california/story/2022-10-12/la-me-nury-martinez-resigns>

⁵⁰ Romine, T., & Salahieh, N. (2022, October 19). *La City Council elects new president amid the fallout from leaked racist audio*. CNN. Retrieved October 21, 2022, from <https://www.cnn.com/2022/10/19/us/los-angeles-city-Council-new-president-after-scandal/index.html>

⁵¹ *Redistricting commission*. The City of San Diego. (n.d.). Retrieved October 21, 2022, from <https://www.sandiego.gov/redistricting-commission>

⁵² *City Council redistricting*. Let's Talk Houston. (n.d.). Retrieved October 21, 2022, from <https://www.letstalkhouston.org/redistricting>

Information System (GIS) and data analytics firm named FLO Analytics.⁵³ With the support of FLO's data scientists, GIS professionals, and experts, the City Council outsources some elements of the redistricting process, which are then complemented by inputs from the public and approved by the Council.

Technology and Gerrymandering

Worryingly, gerrymandering has become more sophisticated, as highly capable technology is being employed to reliably identify district bounds that are favorable to the party in power – to the detriment of representative democracy and the well-being of the community. Using data science on the outcomes of census reports and then drawing districts to benefit a particular body has the potential to yield outcomes that are designed to misrepresent society. Biased line drawing traditionally took place by hand, and later was enhanced with some inputs from computers. With the advancement of computing technology, which can handle more sophisticated software such as GIS, the process became almost fully digitized, needing minimal manual input. The GIS software company Caliper played a critical role in aiding this transition, by fomenting a sharp reduction in the cost of cartographical technology. The game-changer in the computerization of gerrymandering was the introduction of the Maptitude software by Caliper; this powerful, low-cost mapping tool became a favorite for party-biased remapping exercises.⁵⁴

Wasted Votes and the Efficiency Gap

Better data and data processing is a major factor in increasingly biased political representation. In Wisconsin, for example, Republicans received 48.6% of votes statewide in the 2012 elections, but they were rewarded with 60% of the seats.⁵⁵ This increased gap was also considered an outcome of the “wasted votes.” Wasted votes are those votes that don't help to elect a candidate. For example, if 3 candidates A, B, and C, get 1000, 500, and 50 votes respectively, wasted votes would equal 550 votes

⁵³ *New Orleans City Council*. Redistricting - New Orleans City Council. (n.d.). Retrieved October 22, 2022, from <https://Council.nola.gov/redistricting/>

⁵⁴ II, V. R. N. (2017, October 31). *How redistricting became a technological arms race*. The Atlantic. Retrieved November 12, 2022, from <https://www.theatlantic.com/politics/archive/2017/10/gerrymandering-technology-redmap-2020/543888/>

⁵⁵ Ingraham, C. (2021, November 24). *Analysis | why the Supreme Court's decision to review Wisconsin's gerrymandering is such a big deal*. The Washington Post. Retrieved October 29, 2022, from <https://www.washingtonpost.com/news/wonk/wp/2017/06/19/why-the-supreme-courts-decision-to-review-wisconsins-gerrymandering-is-such-a-big-deal/>

since they didn't help elect a candidate. Also, from a broader definition, 499 votes for A were wasted since they only needed 501 votes to win. These wasted votes are a product of a measurement mentioned by Eric McGhee and Nicholas Stephanopoulos called the "Efficiency Gap." This gap "represents the difference between the parties' respective wasted votes in an election, divided by the total number of votes cast."⁵⁶ This number is further used to measure the extent of gerrymandering practices in place.

Project Redmap and the Need for Human-Technology Interaction

The difference in population representation and its subsequent conversion to seats in the legislature, achieved through partisan gerrymandering, has been an outcome of a structured program called "Project Redmap." Redmap (from Redistricting Majority Project)⁵⁷ was initiated by the Republican Party in 2010 to employ technologically advanced methods to increase Republican control of political districts through remapping. Not surprisingly, on the receiving end of this project are the political minority communities that get gerrymandered through data-driven cracking, packing, and stacking.

Data science has been proven to be helpful in producing unrepresentative legislatures, but the tool itself could be put to the service of fair and transparent redistricting. The important questions to consider in this case are: how much of this process is being publicly shared? Are the outcomes of the data analysis available publicly? And is there a feedback mechanism to ensure that public opinion is factored in after the council receives initial approval? While every process has its flaws, transparent and technologically sound approaches would advance the objective of reducing partisan gerrymandering.

Independent, non-political commissions appear to constitute current best practice in terms of producing equitable redistricting outcomes. Most US jurisdictions, however, continue to employ systems that are more receptive to partisan manipulation. The independent body's mandate would be to produce a new map that reflects demographic changes, while being uninfluenced by political interventions and partisan preferences. While it is true that utilizing technologically advanced methods to redistrict is an ideal way to progress, it is important to have a commission approve

⁵⁶ Efficiency gap. Ballotpedia. (n.d.). Retrieved November 13, 2022, from https://ballotpedia.org/Efficiency_gap

⁵⁷ Kolbert, E. (2016, June 20). The G.O.P. plan that turned America red. The New Yorker. Retrieved November 13, 2022, from <https://www.newyorker.com/magazine/2016/06/27/ratfcked-the-influence-of-redistricting>

the map, so that it also factors information, which Artificial Intelligence potentially ignores, like the desire of historic communities and neighborhoods to be within the same wards and therefore be represented by one alderman.

Establishing a Commission for Redistricting in Chicago

Chicago does not have a charter that provides detailed rules for city government. Most government practices are either based on tradition or improvisational response to situations. A Chicago Tribune article by Alisa Kaplan⁵⁸ argues that Chicago-specific problems could be a result of the unique (perhaps outmoded?) structure of City governance. While the institution of a City Charter for Chicago might allow for wholesale changes, smaller steps could still improve the redistricting mechanism.

Chicago Advisory Redistricting Commission (CARC)

Fortunately, several activist organizations in the City of Chicago have made the equitable redistricting of wards their priority. The most prominent organization is “Change Illinois”, and its project is called the “Chicago Advisory Redistricting Commission,” or CARC. Change Illinois, a coalition of activists, CEOs, policy advocates, and community organizers, aims to make the government more efficient and make elections more “ethical”.⁵⁹ To address the process of gerrymandering, they created an independent group of non-political people to draft a citizen-led map: the group claims to have no political ties to either the mayor or the aldermen and actively seeks public input. Furthermore, to make more people understand the significance of this project, Change Illinois cites examples like park maintenance, light repair, crime, and CTA station renovations, which usually lie under the discretion of the aldermen, as key issues that could remain unaddressed if redistricting dilutes the vote within a neighborhood.

The Advisory Redistricting Commission has its own charter, which seems to have been derived from a variety of successful examples.⁶⁰ The charter states that the

⁵⁸ Kaplan, A. (2022, June 20). Alisa Kaplan: Is Chicago's government structure in need of an overhaul? New Project gives us hope for reform. Chicago Tribune. Retrieved November 13, 2022, from <https://www.chicagotribune.com/opinion/commentary/ct-opinion-chicago-reform-charter-ethics-joe-ferguson-20220620-cmyhloglincyzh55zetosycmze-story.html>

⁵⁹ Chicago Advisory Redistricting Commission. (n.d.). Retrieved October 29, 2022, from <https://chicagoswards.org/>

⁶⁰ *The commission*. Chicago Advisory Redistricting Commission. (n.d.). Retrieved October 29, 2022, from https://chicagoswards.org/the-commission#block-yui_3_17_2_1_1627670839332_42472

Commission should consider public input, follow the redistricting criteria mentioned in the charter, and “act with integrity, fairness, and efficiency.” This body is comprised of 13 independent commissioners, each representing a different community. The only criterion for commissioner eligibility is that the candidate must have been a continuous resident of the city for the last 5 years; however, there are many criteria for disqualification, such as: being a candidate for an electoral post, being a member of a political party, being a lobbyist, or having an immediate family member who meets any of the disqualifying criteria. Selection of commissioners from a list of recommended candidates is also undertaken by an independent body, which must keep the diversity of races, economic backgrounds, geographical area, and so on, within consideration. The selectors are required to interview all the recommended candidates. Commissioners who do not attend at least 75% of the commission meetings are removed. The rather strict and specific criteria for the selection of commissioners is intended to ensure the legitimacy of the body and those in it.⁶¹

Operations of CARC

Change Illinois is financing the operations of the Advisory Redistricting Commission in its entirety, including the costs related to hiring legal counsel, tech staff, mapping experts, administration, compensation to the commissioners, and programming. The Advisory Redistricting Commission is meant to carry out its operations as if it’s a public body: hold meetings that are accessible to the public, abide by the Illinois Freedom of Information Act, and have no communication, outside of the public meetings, between members and people who have an interest in influencing the map in unfair ways. In particular, seeking public input is considered a crucial part of the map re-drawing process.

Adoption of the Commission’s map also involves a multi-step, formal process. The Commission releases the first draft of the map for comments from the public, which are taken into consideration and a revised map is prepared and released. More back and forths might follow, whereupon the refined draft is recommended to the City Council. But not just the map: “the Commission shall also release data used to create or evaluate the map as well as a brief report outlining how the map was drawn.” This data release also involves disclosing the adopted criteria, which according to the Advisory Redistricting Commission is, in the order mentioned on their charter: 1.

⁶¹ *The commission*. Chicago Advisory Redistricting Commission. (n.d.). Retrieved October 29, 2022, from <https://chicagoswards.org/the-commission>

Equal Population, 2. Geography and Continuity, 3. Communities of Interest (with factoring in situations where communities have active relationships with political parties), and 4. Compactness, while maintaining the rules and regulations stipulated in the federal and state laws and constitutions.

Conclusion

Chicago possesses immense potential to experiment with policies that help elect a government body that is representative of the diverse population of the city. Transitioning into a situation where an independent, non-political body performs redistricting would be the most effective solution to counter partisan gerrymandering. Furthermore, seeking inspiration from cities and states that have enacted such committees (and included these practices in their charter) would be a meaningful point of departure. Gaining the support of non-profit organizations that have long established records in promoting fair redistricting would also be worth undertaking. Lastly, setting up a timeline to ensure that a strong system is in place before the next redistricting seems like the best method to ensure that the redistricting maintains the integrity of each vote.

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Editorial note: For a related op-ed in the *Chicago Policy Review*, please see <https://chicagopolicyreview.org/2023/01/23/chicago-policy-vs-council-politics/>.

CHAPTER FOUR

Guaranteed Income Programs

Jeesu Choi

Following the economic devastation caused by the coronavirus pandemic, guaranteed income programs have recently gained significant traction across U.S. cities and counties. Chicagoland is hosting two pilot guaranteed income experiments. One pilot is being conducted by the city of Chicago, and a second pilot is being undertaken by Cook County, which includes the city of Chicago and some nearby suburban areas. Both Chicago and Cook County target low-income households, offering help in the form of direct monetary relief to poor families who might be disproportionately impacted by the pandemic.

Chicago Resilient Communities Pilot

The program run by the city of Chicago is called the “Chicago Resilient Communities Pilot,” and it gives \$500 monthly cash to more than 5,000 households for a year. The program opened for applications in April 2022 and disbursed its first payment in July 2022 (Malagón, 2022). The 5,000 recipients were selected by a lottery from 176,000 applicants (Cherone, 2022). The eligibility requirements are: residence in Chicago; 18 years old or older; suffering from pandemic-related hardship; having a household income at or below 250% of the federal poverty level (for a family of four, the income threshold is \$55,575 per year) (Sun-Times Media Wire, 2022).

The median household income of applicants is \$14,000; 61% of the participants live below the poverty line (100% FPL), and 38% of participants earn less than half that amount (at or below 50% FPL) (Cherone, 2022). 67% of the participants identified as Black, followed by 23% as Latino, 16% as White, and 3% as Asian; 70% of them were women, and 17% suffered from a disability (Mayor’s Press Office, 2022). More than 16,000 applicants reported that they were experiencing homelessness and/or housing insecurity, and 83% of the applicants who were experiencing housing insecurity are Black (Patterson & City Bureau, 2022). Within the Chicagoland area, the South and West Side had the highest concentration of people who applied to the program, while downtown and Chicago’s Northwest side had the fewest registrations.

The goal of the Chicago Resilient Communities Pilot is to target payments to individuals who are living in poverty. Furthermore, it aims to help those people who were specifically adversely impacted by the economic fallout from COVID-19. People of color have borne the economic cost of the pandemic disproportionately. Furthermore, Black women are often the last to recover from economic recessions and suffer from higher unemployment than other groups (Wilcox, 2021). Mayor Lori Lightfoot of Chicago explained that this guaranteed income pilot dedicates \$31.5 million out of \$1.2 billion of the Chicago Recovery plan to “promote safe and thriving communities and an equitable economic recovery from the pandemic” (Mayor’s Press Office, 2022). The program serves as a commitment to end poverty locally, and “put residents at the center of the City’s economic recovery” (City of Chicago, 2022).

According to Chicago’s Department of Family and Support Services (DFSS), which is one of the major partners of the pilot program, the program received at least 300 applicants from all 77 of Chicago’s communities (Patterson & City Bureau, 2022). The lottery was quite competitive, with 35 applicants for each available spot (Patterson & City Bureau, 2022). The large number of applicants reflects the needs of Chicagoans, which are not fully met by the pre-existing social safety net: 18% of Chicagoans live in poverty, and 44% of them live just on the edge of poverty (Sun-Times Media Wire, 2022).

The city’s stark income disparity is widespread. Chicago’s mayor, Lori Lightfoot highlighted the extent of need: “Over 200,000 Chicagoans live in extreme poverty. Meaning their income is less than \$6,795 a year—or \$13,875 for a family of four. Those are devastating numbers. Imagine that for a moment, and trying to keep a family of four fed, clothed, safe and healthy on roughly \$13,800 a year. It’s virtually impossible” (Sun-Times Media Wire, 2022). The economic inequality task force provides data that 500,000 Chicagoans, or 18% of the population, live below or at the poverty level, and a quarter of households owe debts that exceed their assets (Chicago Resilient Families, 2019). 44% of Chicagoans were unable to meet basic needs in 2017, before a pandemic that brought widespread job losses, greater health risks, a crippling economic outlook, and further racial disparities (Chicago Resilient Families, 2019).

Lightfoot noted that many households are “one job loss and one medical emergency away from financial peril,” and particularly through this Chicago Resilient Communities pilot, she hoped to enhance the social safety net in the face of the unprecedented pandemic that led to chronic unemployment and lost wages (Sun-

Times Media Wire, 2022). The mayor and city officials believe that this additional income every month can make a substantial difference for the working poor who are “living on the cusp of financial ruin” and help tackle poverty locally, especially to help “working families [stay] afloat as the city continues its pandemic recovery” (Gunderson, 2021).

Mayor Lightfoot threw her support to a guaranteed income pilot in September 2021, after Alderman Gilbert Villegas of the 36th Ward urged the City Council to implement a similar program earlier that year. He and a small group of Aldermen proposed a \$50 million guaranteed income program (Gunderson, 2021). Villegas emphasized how a cash transfer program helped him considerably in his childhood. After his father passed away, his mother struggled to support her two sons. Through Social Security survivor benefits, however, his family fortunately received a monthly \$800 check, which helped support the childcare expenses and gave his mother the freedom to work just one job instead of two (Guarino, 2021).

Alderman Villegas considers himself to be a “product” of this cash transfer program; his brother entered the Marines Corps at the age of 18 as a form of “payback” for the assistance they received from the federal government (Guarino, 2021). The Alderman said that the checks “allowed my mom to work with dignity and gave her the flexibility to work to better the neighborhood. [Basic incomes] are types of human infrastructure investments that we need to take a look at when we talk about investing in infrastructure” (Guarino, 2021). Now, as the Alderman of the 36th Ward, Villegas hoped to give back to the community in a similar light, especially in a post-pandemic era in which thousands of families are struggling to make ends meet. The passing of Mayor Lightfoot’s 2022 budget in October 2021 confirmed that the Alderman’s dream came to fruition (even if it was just for one year), and as of September 2022, 5,000 Chicago residents have received at least one payment, and the payments will continue to roll out for the next twelve months (Malagón, 2022).

The University of Chicago Inclusive Economy Lab—based at the Harris School of Public Policy—is the pilot’s official partner to evaluate this cash benefits program. The lab will survey 3,000 out of the 5,000 recipients of the program; participation is voluntary, and people who choose to part of the survey can receive a stipend for their participation (Mayor’s Press Office, 2022). The Inclusive Economy Lab will evaluate the program’s success, study the impact of guaranteed income to promote household well-being, and determine ways to improve future programs like the pilot. Carmelo Barbaro, who is the Executive Director of the Inclusive Economy

Lab, said, “One of the great things about this program is that it’s very large and ambitious—the largest guaranteed income pilot in the country in terms of participants. That will allow us to speak with much more precision and confidence to questions about who benefits the most or how people might benefit differently from participating” (Office of Civic Engagement, 2022). The Inclusive Lab will take on an integral role to test whether a guaranteed income can reduce poverty locally, and it will be important in building a field of practice that could provide a foundation for a guaranteed income program to be implemented on the federal level.

The pilot program’s official partners include the DFSS, GiveDirectly, and the YWCA of Metropolitan Chicago. DFSS is an entity that connects Chicago families to resources that build stability and support the well-being of Chicagoans, while providing direct services through its community service centers and senior centers (City of Chicago, 2022). The YWCA of Chicago plays a role by ensuring that the Chicago Resilient Communities Pilot is accessible to people in all parts of the Chicago community, including those who may struggle to obtain documentation and/or have language barriers (Office of Civic Engagement, 2022). GiveDirectly, which was founded by Harvard and MIT alumni in 2009, is backed by Google’s philanthropic arm and has administered more than \$550 million to more than 1.25 million families in Africa (Singh, 2022). Betting on its expertise in administering cash transfers, it was selected as a partner to oversee the selection of recipients and the implementation of the pilot.

The participants can receive the monthly \$500 no-strings-attached payment via a direct deposit, or a prepaid debit card administered by GiveDirectly, and they have the flexibility in choosing their preferred method of payment—easing access to unrestricted payments (Singh, 2022). The city officials deliberately made it a “cash transfer” program to enable the flexibility necessary for recipients to thrive on their own terms. During the pandemic era, the city officials witnessed how the federal stimulus checks and the expanded Child Tax Credit payments served as a lifeline for many low-income households to fulfill basic needs like food, rent, and utilities; now, those officials have instituted a pilot program which itself provides cash, which is flexible, efficient, and enables choice (Singh, 2022). Getting cash into people’s hands not only entrusts people’s discretion to make their ends meet, empowering the members of the community, but it also is betting that a simple and powerful cash transfer can help residents achieve financial stability.

In the end, the guaranteed income pilot in Chicago hopes to achieve four objectives: (1) provide relief to low-income households that were particularly adversely impacted by the pandemic; (2) improve the overall well-being of the recipients by bringing financial stability; (3) foster the city's capacity to appropriately serve its constituents by expanding its existing safety net; and (4) implement and evaluate a guaranteed income pilot that will contribute to a fuller and evidence-based national conversation and bring a level of nuance to those discussions (City of Chicago, 2022).

Cook County “Promise” Program

Experiments in guaranteed income are sprouting in cities and counties nationwide, and the Chicagoland area is launching another guaranteed income pilot program in December 2022 on top of the existing Resilient Communities pilot. From the \$1 billion funds received from the American Rescue Plan Act (ARPA) under the Biden administration, Cook County is allocating cash to the poorest families in the community through the largest publicly funded guaranteed income pilot program in history (Ceruleo, 2022).

The Cook County “Promise” Program is part of the County's effort to “pursue inclusive economic and community growth by supporting residents, growing businesses, attracting investment, and nurturing talent” as outlined in its policy roadmap (Cook County Government, 2022). The guaranteed income pilot program supports the “Vital Communities” pillar; other projects under the pillar include abolishing medical debt, providing small business support, investing in the Southland, and enhancing housing security (Cook County Government, 2022).

The Cook County Promise Guaranteed Income Pilot will send monthly payments of \$500 to 3,250 residents for two years. Eligible applicants were adult Cook County residents who live at or below 250% of the federal poverty line—that is, the program selects residents earning no more than \$33,975 a year, or \$45,775 for a family of two, or \$69,375 for a family of four (Malagón, 2022). The application window was open from October 6, 2022, to October 21, 2022, and participants in the Chicago Resilient Communities Pilot are not eligible for the Cook County version (Liederman, 2022).

More than 200,000 people applied for 3,250 spots in Cook County's Promise Pilot program (Quig, 2022). According to the County, the median household income of an applicant is \$15,000, and the average applicant household has two and a half

people. More than one-third of applicants are unemployed; more than one-fourth recently delayed medical care last year due to cost; and, 10 percent report unstable housing situations (Liederman, 2022). Amongst those 200,000 people who applied, 10,000 applicants will be selected via lottery for the next round. Upon verification of their information, the final 3,250 recipients will be selected to participate in the “Promise” program (Liederman, 2022).

Partnered with GiveDirectly, the \$42.0 million project will distribute \$500 monthly checks to 3,250 of the county’s neediest families (Cook County Government, 2022). GiveDirectly is working with AidKit to reduce friction for its applicants through its digital portal. GiveDirectly has extensive experience designing and implementing cash transfer programs, and AidKit would play a role as GiveDirectly’s complementary platform (Edinger, 2022). Applicants were also able to receive in-person assistance with submitting their applications.

As with Chicago’s guaranteed income initiative, Cook County is piloting a cash transfer scheme with confidence that recipients are well-positioned to make their own financial decisions (Noel, 2022). Cook County President Toni Preckwinkle points out that bureaucratic red tape has often been part of transfer programs because of a lack of trust in the ability of poor people to make good judgments (Quig, 2022). Now, however, Cook County is taking a step to “reframe the way we think about government assistance and is proud to be leading the way in the American guaranteed income movement” (ABC7 Chicago Digital Team, 2022). Denise Barreto, Cook County Director of Equity and Inclusion added, “The reality is we’ve had Band-Aids and initiatives throughout the years ... but folks that are living in poverty are some of the most resourceful people in this country. So what better way to invest in them than directly investing in them and letting them decide what to do with it? We know that they’re going to enrich their families, and this is going to make communities better” (Gunderson, 2022). Cook County believes that direct cash support will be the most effective way for its constituents to make ends meet.

Unemployment in Chicago decreased in 2022, while the minimum wage rose to \$15.40-a-hour. Inflation, however, reached a 40-year high, and income inequality rose (Patterson & City Bureau). Cook County President Toni Preckwinkle said that more than one-third of the county is eligible for the program and “lots are in need in this difficult moment” (Quig, 2022). Cook County has committed to extending the guaranteed income program beyond its pilot with county funds to “provide a stable financial foundation for residents who need help the most” (Liederman, 2022).

Preckwinkle noted that \$13.2 million of revenue can be generated from cannabis taxes, and as the number of dispensaries grows and revenue is expected to increase 14% annually through 2027, the county can use this revenue to finance the Promise program and look at other revenue streams to meet needs accordingly (Quig, 2022).

As with the Chicago pilot program, the University of Chicago Inclusive Economy Lab is involved in researching and evaluating the Cook County “Promise” program. The Executive Director of the University of Chicago Inclusive Economy Lab said that their goal is to “generate evidence [that] guaranteed income programs hold promise for improving economic mobility and promoting racial equity” (Liederman, 2022). The County and the labs will work in conjunction to “learn how guaranteed income impacts participants, as well as the local economy and community” (Liederman, 2022).

Guaranteed Income (GI): What is It and How Does it Differ from Other Programs?

Guaranteed Income, or GI, is a constant, unconditional cash transfer program targeted towards a certain population. The targeting explains how GI differs from Universal Basic Income (UBI), which provides cash to all citizens. While each GI program is unique in the way in which they determine eligibility, most U.S. pilots generally target households under a certain poverty level, along with some other requirements (DiBenedetto, 2022).

The word “unconditional” in describing GI entails that the guaranteed income program is not tied to any work requirements (Jain Family Institute, 2022). In this respect, GI differs from the Earned Income Tax Credit (EITC) or (in some states) Medicaid because these programs provide benefits only to those who worked (Darling, 2022). Proponents of unconditional transfers highlight the danger of welfare programs being closely tied to work requirements (Macaluso, 2021). These types of social welfare programs neglect the needs of certain groups; their assistance might not be enough to counter the effects of the recession and provide a social safety net for those who need it.

A guaranteed income program differs from Negative Income Tax (NIT) because it is not means-tested in the sense that support is reduced as the recipient becomes wealthier (Jain Family Institute, 2022). Having a means-tested program can pose risk because it may disincentivize people who are receiving food stamps or housing vouchers from working (Jain Family Institute, 2022), and even reduce the

work incentives with an NIT. Furthermore, people can be dissuaded from reporting rising income if their benefits will fall. A guaranteed income program is a stream of cash transfers that provide support without a means-test and can eliminate these potential concerns (Jain Family Institute, 2022).

Furthermore, most U.S. guaranteed income pilots provide direct monetary relief in the forms of direct deposit, cash, or a pre-paid debit card. While the amount of cash transfers varies depending on the demographics, local poverty rate, and cost of living in the region, their goal is to provide direct monetary relief to households with no-strings-attached to help offset some burden (Jain Family Institute, 2022). Handing out cash is more empowering than programs like Supplemental Nutrition Assistance Program (SNAP) because there is more flexibility. SNAP recipients receive a pre-paid card specifically for purchasing food at authorized retail stores (USDA, 2021). On the other hand, receiving cash is better than getting food stamps because recipients have the freedom to use funds as they see fit. This can be empowering, and the results could manifest in the forms of more investment in their education, more time spent with their family and children, and/or better employment opportunities by leveraging the funds received by the government (Jain Family Institute, 2022).

Basic income involves a no-strings-attached cash transfer that is independent of work requirements or one's level of income. There are three main types of basic income: partial basic income, full basic income, and the well-known Universal Basic Income (UBI). Partial basic income is not sufficient to meet all basic needs, while recipients receiving full basic income can live off the cash transfers alone (The U.S. Basic Income Guarantee Network, 2011). (UBI is a full basic income that everyone receives.) Full basic income might greatly discourage some households from working, but partial basic income, like that of Chicagoland's two pilot programs, would not be as susceptible to that disincentive: the cash transfers do not completely cover the costs of living, though they do help recipients fulfill their basic needs (Fabbri, 2018).

In summary, the Chicago Resilient Communities program and Cook County Promise Guaranteed income program are guaranteed, partial basic income programs that provide unconditional cash transfers, irrespective of means or work status. The selected recipients receive a monthly, unconditional cash transfer of \$500, and they have the freedom to use the funds as they best see fit. The transfers in the Chicagoland pilots are not enough to cover all costs associated with the recipients' basic needs: a \$500 monthly payment won't cover all of a household's rent or mortgage, food, and clothing expenses. Strong incentives to work are still in place.

Furthermore, while UI provides everyone with a guaranteed payment, Chicagoland's GI pilots provide income to specific groups based on financial need – in particular, low-income households who were disproportionately impacted by the pandemic. The U.S. economy in 2022 met the usual criterion for a recession, with GDP declining for two consecutive quarters. It will be worth learning how the GI recipients have done during these difficult economic times, and if unconditional cash transfers can create a stronger and more-thriving community in Chicagoland.

History of Guaranteed Income

The idea of handing out money has long been suggested as a solution to entrenched poverty and inequality in the United States. Almost a century ago, especially after the Great Depression, people like Huey Long advocated for guaranteed income. Through his “Share Our Wealth” plan during the Great Depression, Long, who at the time was a prominent U.S. Senator, proposed a resolution that guaranteed a minimum annual income of \$2,000 for all households in the United States that were making less than one-third of the national average income. Long believed that the country's economic collapse during the Great Depression was a byproduct of widening inequality, and he sought to reduce inequality through his “Share Our Wealth” proposal. His plan garnered lots of support nationwide, drawing more than 7.5 million followers by the summer of 1935. Long was assassinated in September 1935, and his plan was never adopted (Patterson & City Bureau, 2022).

Also during the Great Depression, Francis Townsend generated considerable support for his old-age pension scheme, which proposed to pay a \$200 monthly stipend to retired people over 60 years of age (Patterson & City Bureau, 2022). The idea was to combat widespread poverty among the elderly, and also to stimulate the economy: a condition of the disbursements was that the money had to be quickly spent. Though the Townsend Plan itself was not adopted, President Roosevelt partially incorporated the idea in the Social Security Act of 1935, in which some retirees could collect a retirement benefit of \$35 per month. Unlike Townsend's proposal, however, a long work history was a condition for receiving Social Security benefits (Social Security History).

In the 1960s, civil rights leader Martin Luther King advocated for guaranteed income as a solution to poverty. Dr. King said in a 1967 speech, “The dignity of the individual will flourish when the decisions concerning his life are in his own hands, when he has the assurance that his income is stable and certain, and when he knows

that he has the means to seek self-improvement” (Konish, 2022). Furthermore, in his march known as the “Poor People’s Campaign,” Dr. King called for a “program that would provide either jobs or income for all Americans” to ensure a basic standard of living (Voelz, 2014). The rationale for a basic guaranteed income often comes down to ensuring that people have both the freedom and the flexibility to choose their own path. Progressives like Dr. King sought to alleviate poverty and help reduce the stark income inequalities through the guaranteed income program, while simultaneously promoting justice and equality (Patterson & City Bureau, 2022).

Conservatives, as well as progressives, have supported the implementation of a guaranteed income. In 1969, Republican President Richard Nixon advocated for the creation of a guaranteed minimum income system that would ensure every American family of four had at least \$1,600 per year—at a time when the median household income was about \$7,400 (Beake, 2018). President Nixon’s proposal to pay an unconditional minimum income to poor households passed in the House but not in the Senate. Throughout the history of the United States, attempts have been made to uplift people out of poverty, and to this day, city and state officials are experimenting with the concept of unconditional cash transfers to find a solution to address poverty.

Comparison: Other Guaranteed Income Pilots in the U.S.

Even before the initiation of the two pilot programs in the City of Chicago and Cook County, guaranteed income programs had been gaining traction nationwide. Numerous cities, counties, and organizations launched different pilots to disburse cash, and while they each had a unique approach to how the money was distributed, the end goal is the same: they hope to give relief to people suffering from poverty and obtain evidence about whether the guaranteed income program works.

Guaranteed income pilots differ with respect to the size of the transfer; the targeted population; duration; and region. Major U.S. guaranteed income pilots include (Lucas, 2022):

1. Y Combinator Research: 100 families receive \$1,500/month from September 2016 to September 2017
2. Phoenix, Arizona: 1,000 families receive \$1,000/month for a year starting in late 2021
3. Compton, California: 800 families receive payments between \$300-\$600/month starting October 2020

4. Los Angeles, California: 3,200 participants receive \$1,000/month from January 2022 to March 2023
5. Los Angeles County, California: 1,000 participants receive \$1,000/month for 3 years beginning in August 2022
6. Stockton, California: Participants receive \$500/month for two years starting in 2019
7. Baltimore, Maryland: 200 parents between the ages of 18 and 24 receive \$1,000/month for two years starting in August 2022
8. Cambridge, Massachusetts: 130 single-parent households receive \$500/month starting in September 2021

Perhaps the most prominent example of a version of a guaranteed income policy in the US is the Alaska Permanent Fund Dividend. The plan was implemented in 1976 and distributes cash generated from the oil revenues to all Alaska residents. Every Alaskan receives \$1,000 to \$2,000 annually—though recipients must have lived within the state for a full calendar year (State of Alaska, 2021). The results from the Alaska Permanent Fund Dividend show promise; an analysis by Professor Ioana Marinescu of the University of Pennsylvania School of Social Policy & Practice highlights some key findings. First, the cash disbursements do not affect the employment rates of Alaskans: the average Alaskan work as many hours as people in other comparable U.S. states, such as Utah or Wyoming. Further, part-time employment increase with the cash dividend (Marinescu, 2017). Furthermore, the research asserts that receiving basic income tends to increase education for disadvantaged youth (Marinescu, 2017). Therefore, the common argument against basic income, that it will disincentivize work, does not appear to be the case in Alaska, which supports the narrative that guaranteed income works. Second, basic income tends to increase education for disadvantaged youths (Marinescu, 2017).

Poverty is associated with social pathologies such as crime, drug abuse, and poor health—problems which, among other things, can cost taxpayers billions of dollars every year (Greenwell, 2022). Providing no-strings-attached cash transfers to the poor can be a worthwhile strategy that can lead to reductions in other public assistance programs and be beneficial for overall societal well-being. These numerous pilots provide an opportunity to see if alleviating poverty by transferring money to the poor is a viable, even a preferred, option. So far, the results of the various pilots show that, in overall terms, the cash grants are beneficial; for instance, some children attend

school more regularly, parents pursue continuing education opportunities more readily, and families have greater access to more nutritious food.

Comparison: Stockton, California & Compton Pledge

In 2019, Stockton, California offered one of the first city-led cash assistance programs to its residents. The pilot was initially intended to last for 18 months, but officials extended the duration to two years due to the pandemic (Mathewes, 2021).

About a quarter of Stockton's residents live in poverty—similar to Chicago's 20% (SEED, 2021). Stockton city officials hoped to reduce poverty while “giving people the dignity to make their own choices” and incentivizing people to spend more time with their families and communities (Treisman, 2021).

The Stockton Economic Empowerment Demonstration, or SEED, is one of the first nation's guaranteed income demonstrations. It was founded in February 2019 by then-Mayor Michael Tubbs. SEED received a \$1 million grant from the Economic Security Project and \$200,000 from private donations (Norwood, 2021). Their team randomly selected 125 people in poor neighborhoods in Stockton to receive a \$500 monthly stipend via a prepaid debit card. The amount of \$500 was deliberately selected in such a way that it cannot fully replace the household's other income but can help with core needs, such as food.

Through a randomized controlled trial, the University of Pennsylvania's Center of Guaranteed Income Research tried to determine how GI affected financial well-being, mental health, feelings of agency, and other factors. The researchers tracked data related to the participants' monthly purchases and how the extra income boosts their well-being and their employment prospects (Greenwell, 2022).

SEED results showed promise. Data highlighted that those who received the stipend were more likely to become employed full-time—12% of recipients transitioned into a full-time role compared to only 5% for those without the stipend (SEED, 2021). The \$500 boost in monthly income allowed participants to have better job prospects since recipients were able to look for jobs more easily without worrying about the loss in pay. In fact, researchers determined that full-time employment rose for the beneficiaries of the guaranteed income (Treisman, 2021).

Not only did the guaranteed income program lead to a better outcome in terms of employment, but it also positively impacted participants' physical and mental health (Treisman, 2021). Health improvements are also suggested by the SEED analysis that found that participants had decreased feelings of anxiety and depression as the extra

cash decreased the overall financial volatility in their life (SEED, 2021). 50% of the recipients were also better prepared for \$400 emergency expenses—compared to 25% in the control group (SEED, 2021).

Furthermore, another common misconception is that people will use the money to buy drugs, alcohol, or other “nonessential” purchases. Rather, the SEED spending data demonstrated that people primarily spent money on necessities like food—followed by expenses on utility and transportation (Mathewes, 2021). Families wisely leveraged this income to strive for better lives. The data reveal that GI programs can help establish a stable economic foundation and may be an effective way to distribute dollars to combat entrenched poverty and inequality.

The Stockton pilot program is over, but people confirmed that the program works. In fact, not only did this guaranteed income pilot program work, it also showed that even a small \$500 no-strings-attached cash payment can make a substantial difference in alleviating financial difficulties for many households. Data showed that guaranteed income can pull people out of poverty, lead to better employment prospects, and improve health outcomes and well-being. With the confidence that the guaranteed income program works, officials announced a new Compton Pledge—which selected 800 recipients to begin in March 2021—to study under what conditions the program is the most effective (Greenwell, 2022). For instance, how frequently should cash be distributed, and how should the transfers be made?

Analysis of Recurring Unconditional Cash Transfer Using the 2021 Child Tax Credit (CTC)

Studying the behavioral effects of a large nationwide cash transfer program can provide a glimpse into the behaviors of recipients of guaranteed income programs. The guaranteed income pilots in Chicago and Cook County resemble the temporary expansions of the Child Tax Credit (CTC) in many ways. Before the temporary expansion of CTC, families who did not work or had zero income were unable to claim the Child Tax Credit. In early 2021, however, President Biden drastically expanded CTC such that low-income parents—regardless of their employment status—receive \$3,600 per child every year (Pilkaukas et al., 2022).

The 2021 expansion of CTC can be seen as a monthly, unconditional cash transfer since it is not tied to any work requirement and is not means-tested. It closely resembles the guaranteed income program in Chicago and Cook County in that 1)

recipients must make under a certain threshold of income, 2) recipients receive a monthly payment from the government, and 3) recipients can receive payments regardless of their employment status. Hence, findings from the CTC might lend insight into the effects of the guaranteed income programs in Chicago and Cook County.

The 2021 CTC expansion provided many low-income families with *entirely new* income support of \$500 monthly from July 2021 to December 2021.

Furthermore, this additional transfer of cash is not contingent upon any work requirements. Pilkauskas et al. (2022) analyze the impact of the 2021 temporary expansion of the Child Tax Credit on low-income households with children, using a broad set of economic well-being indicators, including material hardship, use of friends and family for assistance, and employment. Overall, the study demonstrated that the 2021 monthly CTC reduced the number of hardships families experienced, including diminished food insecurity and fewer medical hardships, without altering labor supply (Pilkauskas et al., 2022).

The Center on Poverty and Social Policy at Columbia University further analyzed the expanded CTC. The research showed that the extra income led to greater financial stability and had a negligible impact on the parents' employment status (Parolin et al., 2022). The tracked expenses showed that the majority of the CTC income was spent on food, followed by bills, clothing, rent payments, school expenses, and debt payments (Parolin et al., 2022). Furthermore, the researchers found that after the CTC payments were discontinued in December 2021, the monthly child poverty rate increased from 12.1 percent to 17 percent in January 2022—3.7 million more children were in poverty following the expiration of the temporary expansion of CTC (Parolin et al., 2022). Once again, little to no effects on labor supply were noted.

Other studies related to unconditional cash transfers also support these findings. Economist Ioana Marinescu of the University of Pennsylvania studied the effects of an unconditional cash transfer by reviewing empirical results from U.S. and Canadian negative income tax experiments, the Alaska Permanent Fund Dividend, and the Eastern band of Cherokee's casino dividend program. Her study concluded that cash transfers had no statistically significant effect on employment, and it also “can improve health and educational outcomes, and decrease criminality and drug and alcohol use, especially among the most disadvantaged youths” (Marinescu, 2017).

Conclusions

Chicago Resilient Communities Pilot and Cook County Promise Pilot are both hoping to make a substantive difference in people's lives and support the narrative that guaranteed income works. Both pilots launched at historically large scales—and while a large scale comes with the challenge of a price tag of \$30 million annually, various guaranteed income programs over the years have shown promising results.

Among the potential benefits of guaranteed income relative to alternative safety net programs is flexibility: cash payments provide scope for recipients to seek new opportunities in areas that are particularly important to them, including childcare, higher education, or working toward higher-paying jobs. Guaranteed income programs have demonstrated positive effects on people's well-being, with little evidence of any substantial disincentives to work. The evidence that is eventually collected from the Chicagoland projects will be important in seeing if these good outcomes continue to appear in larger-scale settings, and if they can justify the costs. It may be that the social costs of poverty are so extensive that in the long run, the most cost-effective approach to poverty is to eliminate it via unconditional cash transfers.

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CHAPTER FIVE

A Stadium-Sized Dilemma

Mark Siedentopf

Overview

When a sports team moves to a new city, it sparks excitement for many different reasons, whether it is due to residents gaining a new team to cheer for or the economic opportunities that will theoretically be created. What is given less thought and attention, however, is the city on the losing end of the stick who no longer hosts the team it once supported, morally, financially, and even sometimes fanatically. The Chicago Bears are among the latest North American major sports teams who are unhappy with their current stadium situation and have begun exploring options for a new place to call home. While sports franchise relocations are nothing new, the potential departure of the Bears is unexpected given the Bears history in Chicago. The Bears controversially made an intra-Chicago move to Soldier Field about fifty years ago, and their renewed wanderlust is once again awakening public debate about what should happen, creating a situation that must carefully consider economic and social factors.

The Bears lakeside home at Soldier Field underwent a major renovation in 2003, resulting in the football team agreeing to a new lease running through 2033. The lease, however, can be broken as soon as 2026 if the team were to pay an “improper relocation” penalty. At roughly \$86 million, this penalty amounts to 150% of their remaining obligations.¹ Although it is doubtful that the Bears will remain for the duration of their lease, team officials have repeatedly stressed they will honor their contract with the Chicago Park District (the city entity that owns Soldier Field). What is clear is that the franchise is not looking to extend their contract or negotiate for another renovation. Instead, they are beginning the process of completing a move to Arlington Heights – a suburb 26 miles north of Chicago – after signing a purchasing agreement for the Arlington International racecourse property for nearly \$200 million.² The looming relocation involves plans to build a new, privately-owned stadium that will become the focal point of a larger development in the area.

¹ Armentrout, “Bears Could Owe Nearly \$90M for Breaking Soldier Field Lease.”

² Chicago Bears, “Chicago Bears Open Letter Regarding Arlington Park,” n.d.

Chicago city officials' responses suggest they do not want to see the team leave and will do everything in their power to convince them to stay. Even so, it does not appear that the Bears are using the threat of relocation to obtain a "sweetheart" deal – something Chicago White Sox owner, Jerry Reinsdorf did more than thirty years ago.³ Team officials have openly communicated they no longer want to stay at Soldier Field, but that is not stopping the city from preparing to enhance the facility as part of a major overhaul of the larger "Museum Campus" area where the stadium is located. In any event, enticing the Bears to stay in Soldier Field is likely to come at an unnecessarily high cost to the city – a cost that likely would not offer much of a return on the investment and, thus, one the public may not want to bear.

History of Soldier Field

Driving north towards the city on Jean-Baptiste Pointe DuSable Lake Shore Drive produces picturesque views of Chicago's skyline to the west while also offering wonderful lakefront vistas on the east. Those lakefront views are interrupted near downtown, however, by the impossible-to-miss stadium known as "Soldier Field." This stadium, originally named Grant Park Stadium, dates back nearly a hundred years: it opened in 1924 and has since held numerous memorable sporting events, from boxing matches to outdoor hockey games. In recent decades, Soldier Field has become primarily associated with collegiate and professional football games.

Once listed as a National Historical Landmark, the lakeside stadium resides within Chicago's Museum Campus, a 57-acre park that is home to attractions such as the Field Museum of Natural History and the Shedd Aquarium.⁴ At the time of its construction, Soldier Field was one of the nation's largest stadiums, with capacity often exceeding 100,000 spectators.⁵ Meanwhile, the modern sports stadium 'construction boom' began in the late 1970's and has continued to this day. Each new stadium combines high seating capacity with significant amenities that feature state-of-the-art technology and a plethora of revenue-boosting luxury suites. By the late 1990's it became obvious that Soldier Field was no longer the marvel it once was and was quickly falling behind other new or refurbished stadia in terms of seating capacity and upscale features. Recognizing their landmark stadium's relative decline, the city determined it was time for an overhaul; in 2003, major renovations brought modern upgrades and elevated the stadium closer to the NFL norm, where it has remained

³ Damstra, "30 Years Later, Taxpayers Still on the Hook for White Sox Stadium."

⁴ "The Museum Campus."

⁵ "Soldier Field: About."

for the last 20 years (though the NFL stadium norm has continued to progress to even higher standards since).

The 2003 Renovations

Mayor Richard M. Daley announced renovation plans in 2000 as part of a wider Chicago Lakefront improvement plan, which included major upgrades to Soldier Field.⁶ During this time, it was becoming common for NFL teams in lucrative markets to shoulder most of the construction or refurbishment costs for their privately-owned stadiums. Meanwhile, for the few NFL teams playing in publicly owned stadiums – such as the Bears whose home field is owned by the Chicago Park District – the common practice was for a referendum to be held. Typically, voters were asked whether they approved of the idea (i.e., using public funding to support the stadium) and, more importantly, were supportive of the public financing that would be dedicated to the improved facilities. Oddly, this referendum process never took place in the case of Soldier Field; rather, the city challenged the proposed referendum in court, where it was subsequently blocked. Thus, taxpayers were never allowed to voice their opinions via a ballot, even though much of the burden of paying for the renovations would likely fall on them over the next 30 years.⁷ At the very least, the provision of city funds for the Soldier Field renovation meant there was less money available for other worthy, and arguably more important, projects.

While the Soldier Field renovation plans were controversial, the city emphasized the project's economic benefits (along with new amenities such as additional parkland near the stadium) to justify its commitment of public funds. In a city with a long history of a political machine that was adept at serving its own interests, the city's claims were worthy of skepticism. Nonetheless, the planning was expedited, and the ensuing renovations were completed in record time compared to similarly ambitious stadium projects elsewhere. Alas, the result of this 'efficient' refurbishment was a stadium that was widely viewed as unsatisfactory.

The ultimate funding of the upgrades proved different from what was perceived at the outset. The Chicago Bears themselves were devoting \$200 million to the project, an amount that was unprecedented at the time. It was discovered, though, that the Bears employed a combination of external and new revenue sources for all but \$30 million of their expenditures: the rest was covered by the other 31 NFL team owners (the external contributors) and from the Bear's sales of "personal seat licenses" to season ticket holders

⁶ Martin, "Bears Play, Public Pays."

⁷ Ibid

(the new revenue source). The city's contribution was itself unprecedented: it came to \$432 million, which was \$26 million over budget, though officials were happy not to draw attention to the cost. In plain terms, the Bears, a private entity, received a massive public subsidy with a high amount of risk attached to it.

Not only did the Bears greatly benefit from the generosity of the city, they continue to reap rewards: their value rose 40 percent between 2021 and 2022, to \$5.8 billion.⁸ Despite annual revenues of around half a billion dollars in 2021 (and operating income exceeding \$150 million), the Bears pay only \$6.48 million in rent to the Chicago Park District each year – an amount barely sufficient to cover the stadium's maintenance costs.^{9,10,11}

Chicago's contributions to the renovations will not be paid off until at least 2033. The funds were to be collected through an extension of a two-percent city hotel tax levied by the Illinois Sports Facilities Authority. This tax had originally been put in place to pay for another Chicago stadium, (the new) Comiskey Park, which opened in 1991 and is now formally named Guaranteed Rate Field. Traditionally, cities or states do not cover the costs upfront; rather, they finance stadiums by issuing public bonds that are paid back through some sort of additional tax. While introducing, increasing, or extending a tax (such as a hotel tax) is not uncommon, this financing method is not without its risks. In particular, the tax revenues might prove insufficient to pay off the bonds each year, necessitating that cities devote other sources of revenue to the bond payments. In the case of the Soldier Field renovation bonds, they were designed to involve higher payouts over time, with their highest level attained after 2030.¹²

After nearly 20 years of paying off those original issued bonds, the fine print is finally becoming a little clearer. What has been discovered is not good: there is still \$640 million owed on that renovation project that remains in everyone's distant memory: around \$120 million more than what the city initially put towards the project! Laurence Msall, notes that the way the project was financed is partially behind the making of this extraordinarily expensive project and that part of the reasoning was because there was not enough money to pay the principal on the bonds that were used. The stadium deal has been refinanced three separate times in order to avoid the backloaded nature of the debt. Though part of the troubles were exacerbated by the COVID-19 pandemic which caused hotel tax revenues to essentially vanish, the ISFA has been making these moves in order to let (non-hotel)

⁸ Gough, "Chicago Bears Franchise Value from 2002 to 2022."

⁹ Gough, "Chicago Bears Revenue from 2001 to 2021."

¹⁰ Gough, "Chicago Bears Operating Income from 2001 to 2021."

¹¹ Chamberlain, "Bears Going Public with Plan."

¹² Costin, "Stadium Subsidies Are a Horrifically Bad Deal for Taxpayers."

taxpayers off the hook – something they should’ve never been on the hook for in the first place.¹³ Once paid in full, the deal will come out to a whopping total of \$1.19 billion, which is vastly greater than the amount that taxpayers were told the project would cost.¹⁴

One of the main rationales for pursuing Soldier Field renovations was to give the city new opportunities to host major sporting events such as the Super Bowl by increasing seating capacity. Enhancing the ability to host mega events is a popular tactic that is often used by promoters of stadium upgrade projects. They argue that high-profile events raise the status of a city, boost national and global recognition, and escalate the business prospects as well as the self-esteem of a community.¹⁵ The Super Bowl is a prime example as it typically is not only the most watched North American sporting event each year, but also the most watched television show in any category. In other words, the Super Bowl will undoubtedly attract millions of eyes to the stadium which hosts the game. Evidence suggests that hosting this game, however, does not have a tangible effect on general economic measures like the per-capita income in the metropolitan area that hosts it.^{16,17}

Despite the interest in attracting major events, the Soldier Field renovations *dropped* seating capacity to around 63,500 (making it one of the smallest in the NFL) and failed to add a roof to the stadium, making it ineligible for hosting major indoor events such as the NCAA Final Four. Further, the original plan for the renovations promised an additional 19-acres of parkland to be created around the stadium though only about 10 acres have turned out to be usable by the public. The rest of that parkland is used only for landscaping purposes – a fact that was known by proponents of the upgrade but was not made explicit to the public. Finally, many Chicagoans and other commentators were unimpressed by the new architectural design of the stadium, which “placed a glass and steel saucerlike structure atop the limestone.” A 2022 article has described the architectural design as equivalent to “crashing a spaceship into the Parthenon” to create a colossal eyesore.¹⁸ To make matters worse, much of the original structure, which had been dedicated as a war memorial (hence the name Soldier Field), was destroyed in the renovation. The final cherry on top was that the rebuilt stadium was so thoroughly altered that it was stripped of its National Historical

¹³ Spielman, “Hotel Tax Revenues Fall \$29M Short; Chicago Taxpayers Could Be on the Hook to Make up Difference on Soldier Field Bonds.”

¹⁴ Rogers, “Taxpayers Still Owe \$640M on 2002 Soldier Field Renovation.”

¹⁵ Coates and Humphreys, “Do Economists Reach a Conclusion on Subsidies for Sports, Franchises, Stadiums, and Mega-Events?”

¹⁶ For example, boosters have claimed that hosting the Super Bowl will generate nearly \$300 million of new income, but actual estimates associate the Super Bowl with only around \$30 million of economic activity to the city.

¹⁷ Coates and Humphreys, “The Economic Impact of Postseason Play in Professional Sports.”

¹⁸ Rogers, “Taxpayers Still Owe \$640M on 2002 Soldier Field Renovation.”

Landmark status – the only recognizable original features still standing are the large columns facing the city.¹⁹

Now, 20 years after the controversial and expensive renovations, Chicago is once again facing a difficult decision with far greater consequences: lose their NFL team or shell out even more cash to please that team. And in keeping with the Bears' recent on-field performances, winning outcomes seem unlikely.

A Prelude to Discussions in 2022

During the 2003 renovation discussions, the PR and Communications firm Burson-Marsteller wrote a memo in which they stated: “The problem with the current debate is that it is too often about the Chicago Bears and not about the future of Chicago and its prized lakefront.”²⁰ The lakefront, of course, is directly implicated in any decisions affecting Soldier Field. But the large public funds that are at stake are quite relevant for Chicago's future more broadly: these funds have opportunity costs as the public money could be redirected to other projects that might be better investments socially. It is rare, however, that these opportunity costs are given detailed, explicit consideration or shared with the public.

With respect to the 2022 discussion about Soldier Field and the Bears, the chatter once again is not centered on what's best for Chicago, though the possible consequences of Soldier Field being unoccupied by an NFL team form a central element of contention. Now that losing the Bears seems quite likely, the city needs a contingency plan for what to do with the stadium.

Indications are that city officials and others, such as the Illinois Sports Facilities Authority, are not yet ready to give up hope that the team can be convinced to stay.²¹ Mayor Lori Lightfoot wants the Bears to stay; she has proclaimed them to be Chicago's obvious number one choice for playing their home games in the city. Nonetheless, Mayor Lightfoot suggests that if the Bears do in fact leave, plans would be made to try to persuade another NFL team to move into the city. This floating of the idea of replacing the Bears may be more of a negotiating tactic than a serious strategy, however, as there are many hurdles in the way of attracting another NFL team. Most teams dissatisfied with their home accommodations focus on improvements to their current stadium or new construction within their current cities, not relocating. Furthermore, there are rules within the NFL guidelines that require unanimous approval from all 31 owners for a team to move. The

¹⁹ Rogers, “Taxpayers Still Owe \$640M on 2002 Soldier Field Renovation.”

²⁰ Martin, “Bears Play, Public Pays.”

²¹ The Illinois Sports Facilities Authority (ISFA) was convened in 1987 by the Illinois General Assembly and was tasked with handling the construction and renovation of professional sports stadiums within the state of Illinois. The ISFA was the authority which approved the financing scheme for the 2003 renovations to Soldier Field that was discussed on page 5.

fallout from moving can be quite intense, so the NFL owners might balk at approving another team moving into Chicago – and the Bears would be one of the teams with veto power.

Lessons to be Learned While Forging Ahead

Other cities have experienced the (sometimes) wrenching reality of losing their NFL franchise; for instance, St. Louis used to be the home city for what are now the Los Angeles Rams. (St. Louis has been on both sides of NFL team relocations. The St. Louis Cardinals (1960-1987) football organization relocated from Chicago, only to then relocate to Arizona, where the team remains today. St. Louis currently does not host an NFL team.) While St. Louis made multiple attempts to negotiate an updated stadium, their renovations fell short of what they had promised, which was a stadium ranking in the top 25% of NFL homes.²² The Los Angeles Rams now play in a privately-owned stadium worth over \$5 billion.²³ And while the stadium is privately owned, it is not free of public subsidy; for instance, Rams ownership is allowed to retain the sales tax revenue generated on stadium premises.²⁴ Meanwhile in St. Louis, the unloved stadium the Rams once called home is being used for public events such as volleyball tournaments and concerts. Unfortunately, the generated revenues don't come anywhere close to covering the city's debt on the stadium. Instead, at the time of the Rams departure, local taxpayers were left to pay the \$144 million balance while the local government was left to decide whether to pay off bonds, shoulder maintenance costs, or pay a demolition fee after the team left.^{25,26}

In the wake of the Rams relocation, St. Louis pursued legal action against team owner Stan Kroenke. They were seeking \$1 billion (stemming from lost amusement, ticket, and earnings tax revenue) following the Rams departure.²⁷ The city believed Kroenke had been plotting a move almost as soon as he bought the team in 2010, arguing he saw a more profitable market in LA. Leaving the impression that negotiations were conducted in bad faith, Kroenke essentially confirmed his lack of interest in staying in St. Louis in a 29-page letter to the city criticizing it for slow economic growth and a shrinking population. He

²² Breech, "St. Louis Approves \$150M for New Stadium; Goodell Not Happy with Plan."

²³ Phillips, "New Report Ranks the 30 Most Expensive Sports Venues."

²⁴ Boehm, "The Super Bowl Will Be Played in the Most Expensive Stadium Ever Built. Taxpayers Didn't Pay a Dime."

²⁵ The situation has since changed after there was a settlement agreement between the NFL and St. Louis where the city received compensation to assist with maintenance costs and repay lost revenue.

²⁶ Respaut, "With NFL Rams Gone, St. Louis Still Stuck with Stadium Debt."

²⁷ Associated Press, "\$790M Settlement Reached in Lawsuit over Rams' St. Louis Departure."

further suggested that St. Louis was simply struggling overall, making it incapable of supporting three professional sports teams.^{28,29}

The city's lawsuit alleges that the league blindly followed Kroenke's wishes and ignored much of its own relocation guidelines.³⁰ Meanwhile, those on the side of the Rams and the NFL point out the guidelines are not iron-clad – insinuating there are ways to work around their own guidelines to support a team's relocation if there is a potential move which can make the league wealthier. After a four-and-a-half-year dispute, the league's owners agreed to a \$790 million settlement between them and the city, with Kroenke alone covering \$571 million.³¹ One ESPN headline (ironically) reads: "Owners to OK Stan Kroenke \$571 million repayment to NFL" – as if he was the one who came up with the idea to just hand over that much money to the city he once scorned.³² Despite the Bears attempting to avoid such drama, it could still trigger a vote permitting them to relocate. Previously, all owners were willing to grant such approval for relocation, yet a payout of this size to the abandoned city may make them hesitant to approve such a move in the future.³³ It would be surprising to see matters get this ugly between the Bears and City of Chicago, but the headache that was caused between the Rams and St. Louis is one that should make any team think twice before moving.

Continuing with New Plans

Almost as if the previous failed renovations and issues facing other cities have not provided any lessons, Chicago city officials and Mayor Lori Lightfoot continue to push for a new deal to be made to appease the NFL franchise. Their public confidence that they can convince the Bears to stay was exhibited by their release of a 50-page proposal in June 2022 which offers three different Museum Campus renovation options.³⁴ The recommendations originated from the Museum Campus Working Group, which was assembled in early 2022 and consists of 23 members with various backgrounds and connections to the city. While the group was tasked with envisioning a new future for the Museum Campus as a whole, one of the main priorities was envisioning a new future for Soldier Field. In the three proposals for Soldier Field that were ultimately unveiled, there was a common theme – any upgrades

²⁸ St. Louis is also home to the St. Louis Cardinals who are part of Major League Baseball and the St. Louis Blues who are part of the National Hockey Association.

²⁹ Frankel, "Why the entire city of St. Louis is furious at the Rams' owner."

³⁰ See note 24 above.

³¹ Wickersham, "Sources: Owners to OK Stan Kroenke \$571M repayment to NFL." *ESPN*

³² *Ibid.*

³³ The NFL did approve the Chargers moving from San Diego in 2017 and the Raiders moving from Oakland to Las Vegas, however this was before the lawsuit between St. Louis and the Rams organization was settled.

³⁴ Office of the Mayor, "Mayor Lightfoot Announces Three Options for Proposed Renovations to Soldier Field."

would revolve around the possibility of enclosing the stadium with a dome. The addition of the dome would not intrude on what are viewed as the iconic features of the stadium, unlike the previous renovations.³⁵ All of the plans would also upgrade other moneymaking amenities such as increased capacity, additional luxury suites, more flexible event space, and additional concessions areas.³⁶

Although not clearly specified in the Museum Campus Working Group document, there have been reports that the proposal also includes an estimated cost for the three different options which ranges between \$900 million and \$2.2 billion. What is left out of the document published by the Museum Campus Working Group and the official report published by the city of Chicago, though, are any suggestions on how the renovations would be paid for. Nonetheless, if one of the options is adopted, Chicago taxpayers can be sure that their money will, in some form, be going towards the Museum Campus instead of other public needs.

The renovation cost is enormous, and Chicago's budgetary position is already dismal. Indeed, Chicago may have to get creative with how they raise the funds as the city is currently cash-strapped and facing larger financial needs elsewhere like improving funding for low-income schools or public transportation. The release of the mayor's 2023 Budget Recommendation shows that the city has been rebounding nicely since the pandemic – but in this case a nice rebound means a budget deficit of only \$127.9 million for the 2023 fiscal year.³⁷ While the mayor had suggested increasing property taxes to decrease the relatively large shortfall in the city's budget, she reversed course, noting revenue projections were “substantially better” than expected. Battling to stay afloat with the current costs the city is facing, it is hard to imagine that there is enough funding as things stand to overhaul Soldier Field, much less the Museum Campus as a whole.

Though it is possible to receive assistance for infrastructure projects from the federal government (in the form of tax-exempt bonds) or the state of Illinois, the availability of these options is far from assured. Furthermore, the hotel tax gambit is less attractive given the sharp drop-off in tourism since the COVID-19 pandemic, especially when the tax to pay off previous debts on Soldier Field has proven to be insufficient, causing the deal to be refinanced several times. Other cities have taken the path of increasing city sales taxes, rental car taxes, or earmarking the revenues from cigarette/alcohol taxes.³⁸ Collecting proceeds

³⁵ Feurer, “Lightfoot unveils proposal for Soldier Field dome, 2 other renovation options as Bears consider move to suburbs.”

³⁶ Ibid.

³⁷ Office of Budget and Management, “2023 Budget.”

³⁸ Watson, “Pay to play: How 21 NFL stadiums have been financed.”

from the legalization of sports gambling and the forthcoming casino in Chicago's River West neighborhood could also be an option for financing another stadium remodel. In any event, the city will undoubtedly propose some significant public subsidy for Soldier Field, regardless of whether the state of Illinois chips in or not. It remains to be seen whether the city's offer will surpass the \$423 million spent in 2003, as well as how much money the Bears will be willing to contribute.

Despite the NFL enjoying an all-time high in its popularity across the globe, league officials are painfully aware that dynamics can shift quickly. Even with some of the best stadiums in North America, the increasing costs of physically attending a game have made watching the contests from home a far more appealing option to many fans.³⁹ The NFL still benefits from remote spectators through their massive media rights and broadcasting deals, but the potential insecurity of game attendance may be on owners' and city's minds as their billion-dollar investments may not be as welcome as they hope.⁴⁰

Minnesota presents prolific examples of when dissension from taxpayers about funding another new stadium falls mostly on deaf ears. The state hosts a professional team in every major North American sport – baseball, football, ice hockey, soccer, and basketball – with each team playing in its own stadium. In fact, from 2009 to 2019, six different sports stadiums have been constructed or significantly remodeled throughout Minnesota, at a total cost of \$2.19 billion.⁴¹ While these new or renovated stadiums are concentrated in the Twin Cities, the state, along with the cities of Minneapolis and St. Paul, seemingly ignored public concerns about the commitment of public funds for these projects. Legislators have been creative, however, in finding ways in which they raise funds for the stadiums, such as casino tax revenues (mainly from pull tabs), increasing cigarette/liquor taxes, increasing motel taxes, and even raising local taxes by small margins.⁴² And the stadium deals just kept coming, despite significant public opposition.⁴³

The main supporters are likely aware of what is at stake in situations like Chicago's: find a way to make the renovations happen or lose the NFL team they have already poured hundreds of millions of dollars into. Supporters of renovating Soldier Field seem most concerned with pleasing the team and figuring out the rest – the details of the source of public funds – later. Mayor Lightfoot believes the proposed Soldier Field improvements will

³⁹ According to Statista, the average cost of attending a Chicago Bears game in 2021 was the fourth highest in the league at just over \$660 for a family of four. (<https://www.statista.com/statistics/202584/nfl--fan-cost-index/>)

⁴⁰ Boom, "No Property Tax Hike In Mayor Lightfoot's Election Year Budget."

⁴¹ "All the Sports Stadiums in Minneapolis (History, Cost, and Trivia!)."

⁴² Minnesota Legislature, "Minnesota Issue Resource Guides: Financing Professional Sports Facilities."

⁴³ Jerome, "Foundations of Publicly Subsidized Sport Stadiums: The Case of U.S. Bank Stadium."

enhance the fan experience, whether at a football game or events such as concerts. Nevertheless, the question as to whether the city's benefits from the stadium upgrade will exceed the costs remains. The Bears will play at the most thirteen home games in a year; that is, the stadium will be used for its primary purpose some thirteen days annually.⁴⁴ The stadium could surely stand to benefit from drawing a crowd to fill its 60,000-plus seats on a much more regular basis.

More frequent use of a major asset like a large stadium would presumably bolster the claims of those suggest that stadiums spur economic growth through job creation, generating new spending, and attracting new tourists. Some projections even go as far as saying these projects are effectively self-financing for cities, given the increase in economic activity.⁴⁵ Nevertheless, study after study has shown that stadiums do not result in a net increase in economic vibrancy, and in some cases, may even have a negative impact. Cities and states, however, seem to keep falling for the rosy projections which are typically propagated by those vying for financial support.⁴⁶ Expert opinions tend to be more along the lines of a version of "take whatever number the sports promoter says and move the decimal one place to the left."⁴⁷ Then, you should have an economic impact number, one-tenth of that claimed, that is much closer to the likely outcome.

Economists often go even further, suggesting that even one-tenth of the promoter's claimed benefits might still be an overestimate. Their informed skepticism does not mean that stadiums don't provide any public benefit to residents; indeed, they certainly do. These benefits are often intangible, taking the form of "amenity values" or "feel-good effects." Amenity values are the benefits that people get from feeling the neighborhood is more pleasant, as would occur with a public park, say, and might even boost civic pride. The unity provided by a hometown sports team and the pride connected to its success can be quite powerful, and can raise the profile of a city, "putting it on the map," as it were. Amenity values are hard to measure; however, typical estimates of amenity value would justify only some 5 to 15 percent of the costs of a stadium. Cities or states, which sometimes voluntarily cover two-thirds of the cost of a multi-billion-dollar sports stadium, cannot justify their largesse through increased amenity values.⁴⁸

⁴⁴ An NFL team can play a maximum of 13 home games per year, with a minimum of 10: 1-2 preseason games, 8-9 regular season games, and up to 3 playoff games.

⁴⁵ Zimbalist and Noll, "Sports, Jobs, & Taxes: Are New Stadiums Worth the Cost?"

⁴⁶ Baade and Dye, "Sports Stadiums and Area Development: A Critical Review."

⁴⁷ Garofalo and Waldron, "If You Build It, They Might Not Come: The Risky Economics of Sports Stadiums."

⁴⁸ Matheson, "Is There a Case or Subsidizing Sports Stadiums?"

Academic Literature on Stadiums

In North America, the National Football League (NFL), National Basketball Association (NBA), National Hockey League (NHL), and Major League Baseball (MLB) are known as the four major sports. There are 111 stadiums across the four leagues which together have cost several billions of dollars. The size and prominence of these infrastructure projects have sparked substantial research interest. For decades now, most economic studies are strikingly consistent in their findings: it is typically a poor investment to publicly subsidize sports stadiums.⁴⁹

Relevant studies have been completed since 1988, with researchers often examining whether the factors that were promoted in stadium proposals make an actual positive impact following completion.⁵⁰ Baade (1996) examines the effects of sporting industries on a metropolitan area's per capita income and employment, concluding that professional sports facilities and franchises have no statistically discernible positive impact on real per capita income or employment.⁵¹ The following year, Baade and Sanderson (1997) came together to once again examine the employment levels related to sports facilities. Echoing the results of previous studies, the two authors find that newly constructed stadiums or the addition of sports teams in a metropolitan area have little effect on employment.⁵² Furthermore, Miller (2002) looks at how the construction industry is impacted through stadium projects (given common promotional claims that the urban economy will see an increase in employment). The results for two separate facilities both indicate no statistically significant impact on construction employment.⁵³

While everyone understands the influx of construction jobs accompanying a stadium project are only temporary, they sometimes assume that once these large-scale projects are completed, the spending in the local areas will increase through a "multiplier effect."⁵⁴ (The use of multiplier effects can seem like a fudge factor, in that the spending that does not take place when tax revenues are diverted to a stadium project have their own multiplier effects, the loss of which is generally not accounted for as a cost of the stadium project.) Other studies focus on factors such as redistribution effects (which are typically not the primary economic impacts examined). Santo (2005) and Austrian & Rosentraub (2002) come to a similar conclusion, that redistributive effects suggest that public subsidies to stadium projects

⁴⁹ See note 49

⁵⁰ Baade and Dye, "An Analysis of the Economic Rationale for Public Subsidization of Sports Stadiums."

⁵¹ Baade, "PROFESSIONAL SPORTS AS CATALYSTS FOR METROPOLITAN ECONOMIC DEVELOPMENT."

⁵² Baade and Sanderson, "The Employment Effect of Teams and Sports Facilities."

⁵³ Miller, "The Economic Impact of Sports Stadium Construction: The Case of the Construction Industry in St. Louis, MO."

⁵⁴ Wolla, "The Economics of Subsidizing Sports Stadiums."

are more justifiable if they take place in areas that suffer from underdevelopment.^{55,56} A large difference between Soldier Field compared to other stadia in metropolitan areas is that it is located in a relatively isolated area – albeit one of the prime real estate locations in Chicago. Also, being part of the larger Museum Campus – which is recognized as one of Chicago’s main tourist attractions – this area already garners considerable attention in terms of improvements and enhanced development. There are many areas of Chicago that are in greater need of redevelopment than the Museum Campus, especially if taxpayer money will be utilized.

Where Does Arlington Park Stand?

The Bears’ sights are set on Arlington Heights, and they have stated that if they were to build a new stadium there, it would be privately funded. For Arlington Heights taxpayers, this may come as a relief: the price tag on NFL stadiums is continuously rising with the last seven newly built stadiums costing over \$1 billion each.⁵⁷ Furthermore, seeing stadium deals in Chicago suburbs Bridgeview and Hoffman Estates quickly turn sour, village residents may be reluctant to approve the funding.^{58,59}

Privately funding a new stadium of current NFL quality appears to be fairly unrealistic when taking a deeper look at the Bears financial situation. The team is ranked as the seventh-most valuable NFL franchise at just over \$4 billion.⁶⁰ The family that owns the Bears, the McCaskey’s, rank as only the 28th (out of 32) wealthiest team owners, with almost all that wealth supposedly tied to the Bears franchise itself.⁶¹ Previous privately-owned and funded stadiums have all been backed by owners among the top ten of the wealthiest owners in the league. These private investments are not exactly rare, but they do involve massive costs with uncertain benefits, which is a risk that the McCaskey’s may, understandably, be unable to afford. Alternatively, maybe they view owning their own stadium in combination with their team to be a prudent investment. There is some speculation the next generation of the McCaskey’s are eyeing a possible sale of the team, and perhaps a stadium would entice premium purchase offers. (Or perhaps the McCaskey’s simply desire to own the stadium the

⁵⁵ Austrian and Rosentraub, “Cities, Sports, and Economic Change: A Retrospective Assessment.”

⁵⁶ Santo, “The Economic Impact of Sports Stadiums: Recasting the Analysis in Context.”

⁵⁷ Wartman, “Here’s How Much Each NFL Stadium Cost to Build.”

⁵⁸ Ecker, “Chicago Fire leaving Bridgeview.”

⁵⁹ Bernstein, “Sears Helped Build a Giant Entertainment Arena. Now, a Suburb Pays Millions to Keep it Running.”

⁶⁰ Ozanian and Settimi, “The NFL’s Most Valuable Teams 2021: Average Team Value Soars To \$3.5 Billion As League Shrugs Off Pandemic Year.”

⁶¹ Garrett, “NFL’s Richest Owners Ranked From 32 to 1 (Updated 2022).”

Bears play in for the first time since 1921 – when the team was located in Decatur, Illinois.⁶²) An element of stadium economics that has not yet been mentioned is licensing and sponsorship deals: the Pittsburgh Steelers, for example, reportedly sold the naming rights to their stadium for fifteen years to *Acrisure* for \$10 million to \$20 million per year; previously, the stadium was known as ‘Heinz Field’ since opening in 2001.^{63,64} Currently, 28 out of the 30 NFL stadiums have agreed to naming rights’ partnerships with companies, which is an easy way to secure funding that can then be re-invested into stadium amenities.⁶⁵ In Soldier Field’s case (the stadium is one of the two stadiums that does not have a corporate sponsor), those rights belong to the Chicago Park District; though naming rights were not a part of the 2003 renovation agreement, the Bears would almost certainly capitalize on this opportunity should they build a privately-owned stadium.⁶⁶

Arlington Heights residents have been reassured that their tax money will not go towards financing a new Bears stadium itself, but this does not absolve them of all financial commitments to the project. Bears board chairman, George McCaskey, has stated he is pursuing a public financial commitment to assist with the public infrastructure costs, rather than asking for tax dollars for the stadium.⁶⁷ Furthermore, he has made it clear that without this crucial financial support from the Village, the plans would be unable to move forward.⁶⁸ This news instantly brought mixed reactions from Bears fans in Arlington Heights and other political advocacy groups. Americans for Prosperity, a group founded by the Koch brothers, even went so far as to propose an ordinance that aims to prevent Arlington Heights from luring businesses to the community with tax money.⁶⁹ One member of the group noted that “If they’re truly going to be an economic benefit to the northwest suburbs and Arlington Heights, they shouldn’t need taxpayers’ subsidies.” The proposed bill had the potential to throw a wrench into the new stadium plans before they even materialized, while also increasing the likelihood that state-level legislation could be brought to bear. A recent Arlington Heights Village Board meeting considered the no-subsidy proposal, but it was unanimously rejected – a rare win for the team.⁷⁰

⁶² Ruthhart, “What are the costs if the Bears bail on Chicago for Arlington Heights?”

⁶³ Dunn, “Acrisure: The Steelers’ Stadium Naming Rights Partner Explained.”

⁶⁴ “Steelers & Acrisure Announce Partnership for Stadium Naming Rights.”

⁶⁵ Shea, “From Paycor to Acrisure to Lambeau, Here’s How Each NFL Stadium Got Its Name.”

⁶⁶ “Stadia Mania: The Business, Civic and Legal Issues Of New Stadium Construction - Part I.”

⁶⁷ Chamberlain, “No Public Cash for Bears Dome.”

⁶⁸ See note 3

⁶⁹ Nguyen, “Proposal Could Complicate Chicago Bears' Plans to Explore Arlington Heights Stadium Project.”

⁷⁰ Neveau, “Arlington Heights Village Board rejects ban on tax incentives.” One question that I won’t look at in-depth is whether the case for public subsidies would be significantly strengthened if the Bears were perennial Super Bowl

While the ordinance itself was attempting to stop the village from giving any corporate welfare incentives to the Bears in exchange for relocating to Arlington Park, such subsidies are part of a wider debate on public support for corporations. In Illinois, Tax Increment Financing (TIF) districts are one of the most commonly used vehicles for public support for companies. The essential idea behind a TIF district is that a locale will designate an area for redevelopment (in this case, Arlington Park) and when the development occurs, it is expected that property values will increase. As these values go up, so do the property (or other) tax collections, and the increased revenues (for a specified number of years) are earmarked to subsidize the projects within the TIF district. That is, the tax increases that accompany higher property values are not available to local schools or public services; rather, the money accrues to the earlier private investors.⁷¹ In short, TIF districts can attract increased private investment by a promise to share some of the public gains of that investment with the investors.^{72,73}

Evidence suggests that redevelopment via TIF districting often does not work, and might even lead to reduced economic growth in the districts. Nearly \$2 billion per year is collected in property taxes to fund these Chicago-area programs that supposedly promote economic development and job creation.⁷⁴ A 2019 study shows that TIF districts in Chicago demonstrate “a decrease in employment while also seeing a decrease in the number of establishments relative to those municipalities that did not use TIF.”⁷⁵

At this point, there is no final determination as to whether the Bears will build a stadium in Arlington Park and to whether any such stadium will be the hub of a grand redevelopment plan. Nonetheless, the Bears do envision a sprawling commercial and entertainment complex on the 326 acres of property.⁷⁶ Further, the team has produced a report stating the economic benefits of the proposed development would amount to nearly \$10 billion – a number that many believe is overstated and simply nowhere near the actual economic impact.⁷⁷ Perhaps the recommended shift in the decimal place is appropriate here – though \$1 billion is still nothing to sneeze at.

candidates instead of perennial candidates for the first overall draft pick. Note, however, that the arguments suggesting extreme caution before committing large subsidies to sports complexes generally are independent of win-loss records.

⁷¹ “Tax Increment Financing (TIF) - TIF 101: The Basics.”

⁷² Many advocates claim this is simple in concept, yet it is difficult for the public to understand and has even caused controversy in many of the states which heavily use this method of funding new projects.

⁷³ “What Is TIF and How It Works.”

⁷⁴ Weber, “The Impact of Tax Increment Financing (TIF) in the Chicago Region – Results from Two Recent Studies.”

⁷⁵ Ibid

⁷⁶ See note 3

⁷⁷ See note 13

Multiple economic analyses have examined the impacts of a team relocating to a new area. One study [Lertwachara and Cochran (2007)] worryingly confirms a previous study [Coates and Humphreys (1999)] in which the findings point out that a new team has an adverse impact on local per capita income in both the short and long term. For residents of Arlington Heights, this should not come as welcome news, especially if the Village and its leaders determine the Bears project to be worthy of tax dollars. The Village and its leaders will have many different factors to mull over before moving forward on a deal with the Bears, but the recent history of failed stadium deals in the Chicago suburbs alone should be a cause for concern, one that is compounded by the continuing poor outlook for the long-term results of the Soldier Field 2003 renovation.

A Quick Aside on Bridgeview and Hoffman Estates

As noted, the Chicago suburbs of Bridgeview and Hoffman Estates both embraced stadium deals that turned out poorly. In conversations with public financing being used in Arlington Heights for a Bears new stadium (though it would only be to finance improving critical infrastructure), critics continue to bring up the 2006 stadium deal in Bridgeview. The village backed the stadium through issuing \$135 million in public bonds to construct the facility, but in 2017, the bond's rating plummeted to "junk status," causing the nominal debt to nearly double to \$260 million.^{78,79} With Bridgeview's revenues averaging \$33 million annually, the stadium now absorbs a crippling 37% of the village budget.⁸⁰

The Hoffman Estates situation is less dire than Bridgeview's, but nonetheless the stadium is not meeting the revenue it was supposed to generate, and again demonstrates what can happen when a small village tries to lure private corporations with incentives. Finished in 2006, the Sears Centre (now named Now Arena), was supposed to be a project that primarily relied upon private financing: Hoffman Estates took a minority stake, assisting in 25% of the total costs. Then in 2009, with the Sears Centre on the brink of default, the village took it over and assumed sole responsibility for the arena. While village ownership has facilitated greater accessibility for citizens and the hosting of local events, these benefits do not justify the costs of the arena, which take up around 14% of the entire village's budget.⁸¹

The Bridgeview and Hoffman Estates arenas, sold to the public as mainsprings for economic development, have become costly drains on local revenues. Local leaders may

⁷⁸ Bessler, "As the Chicago Bears Prepare to Present Stadium Plans, Opposition Growing over Taxpayer Funding."

⁷⁹ Rogal, "Funding Sports Stadiums Can Be A Perilous Path For Cities Seeking Visibility."

⁸⁰ Ibid

⁸¹ See note 61

have good intentions when handing out subsidies to private corporations for sporting complexes, but there is a plethora of evidence suggesting these deals are high risk. Arlington Heights could easily fall victim to such risks, even if taxpayer money will not be directly used for a new stadium for the ~~Chicago~~ Arlington Heights Bears.

What Can Realistically Be Done?

When all the dust is settled, it is likely that the third largest city in the United States may no longer have an NFL team playing in it after 2033. Some may view this as a loss for the city, sport, and team, but not having an NFL team (or having only a nearby team) can easily be a better outcome than overpaying for a team. If the Bears stay in Chicago at Soldier Field, it would likely be because the city agrees to pay for a hefty portion of renovations to the stadium and Museum Campus to keep them there. If the Bears move to Arlington Heights, they will be playing in a team-owned, state-of-the-art stadium that likely also receives some form of public subsidy. Either way, the team will be playing in a stadium of much higher quality than what they are currently playing in. Some will argue that a Bears departure would prove to impose a major economic hit on the city. But any such fear is overblown -- and public subsidies to renovations could easily make it the case that it is keeping the team in Chicago will have a negative economic impact. The potential costs of losing the team, even if they are not negative, are also not large. One 2015 report from Michael Leeds that studied the economic state of sports in Chicago found that “If every sports team in Chicago were to suddenly disappear, the impact on the Chicago economy would be a fraction of 1 percent.”⁸² At best, the positive economic impact of the Chicago Bears is relatively small, and their departure would not be a loss that would cripple the city. In fact, subsidizing them to stay may have more of a deleterious effect.

From the vantage point of today, it seems that the renovations of Soldier Field in 2003 were largely a mistake. This realization should shake any confidence one might have in further publicly-financed stadium improvements aimed at consoling the privately-owned team. Though it would be nice for the Bears to stay in Chicago, this scenario does not seem to be the wisest move for either party. And Arlington Heights should beware of becoming another cautionary tale of stadiums not living up to their economic promise. For the sake of taxpayers in either Chicago or Arlington Heights, let's hope that history does not once again repeat and that the impacts of a subsidized new stadium will be positive rather than negative.

⁸² Bergman, “The NFL in L.A.? Get Ready for Near Zero Economic Impact.”

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CHAPTER SIX

Doubling Down: The Bally's Casino Project

Katelyn Wang

Executive Summary

After 30 years in the making, Chicago is finally set to get its first legal casino.¹ Bally's Corporation's plan to develop and operate the Chicago casino in River West, at the current *Chicago Tribune* publishing facility site, promises economic and financial benefits for the city, including \$200 million worth of annual tax revenue.² Nonetheless, the casino development remains controversial, in part due to potential adverse effects such as increased traffic, higher crime rates, and greater risks for problem gambling. This chapter will assess the value that the casino brings to the community through an analysis of the legislation and its social and community ramifications, ultimately demonstrating the progress that needs to be made before the casino constitutes an asset rather than a liability. Additionally, I will compare the Chicago casino project to the introduction of legal casinos in other major United States cities, like Detroit and Philadelphia, to gain a better understanding of urban casino openings and their long-term effects.

Background

In June of 2019, Illinois legislators passed a gambling-expansion bill that approved the construction of up to six new casinos in the state, including what will become Chicago's first-ever legal casino. This policy, referred to as the Illinois Gambling Expansion Act, also allows for the 10 existing casinos in Illinois to increase their slot machines and table games by almost 70%.³ The legislation is noteworthy given its multifaceted efforts to expand casino gambling within the state of Illinois. Furthermore, the unprecedented authorization of a Chicago casino reflects a growing

¹ Shia Kapos, "Lightfoot, Daley celebrate casino vote," Politico, last modified May 26, 2022, accessed October 14, 2022, <https://www.politico.com/newsletters/illinois-playbook/2022/05/26/lightfoot-daley-celebrate-casino-vote-00035320>.

² Lori E. Lightfoot, *Casino Recommendation Report*, [Page #], May 5, 2022, accessed October 14, 2022, <https://www.chicago.gov/content/dam/city/sites/chicago-casino/pdfs/Casino-Recommendation-Report.pdf>.

³ Christopher Palmeri and Elizabeth Campbell, "Chicago Will Get a Casino as Part of Illinois Gambling Expansion," Bloomberg, last modified June 3, 2019, accessed October 6, 2022, <https://www.bloomberg.com/news/articles/2019-06-03/chicago-will-get-a-casino-as-part-of-illinois-gambling-expansion>.

nationwide trend to try to drive economic development through the establishment of urban casinos in large metropolitan cities.⁴

Following the adoption of the Illinois Gambling Expansion Act, five proposals by three firms were submitted to build Chicago's first casino; the winning bid was selected in May of 2022. The winner, Bally's \$1.74 billion proposal to build a casino at the site of the current *Chicago Tribune* printing plant and newsroom in River West, intends to open the new gambling facility by 2026.⁵ The casino is expected to have 3,400 slots and 173 table games, along with an accompanying resort along the Chicago River.⁶ In the meantime, Bally plans to open a temporary casino at the downtown River North site of the Medinah Temple, which could open as early as June of 2023.⁷

A General Evaluation of Costs and Benefits of Casinos

Community Benefits

The establishment of a casino in Chicago is expected to boost the city's economy and funnel approximately \$200 million of annual tax revenue into the underfunded police and fire pension funds.⁸ This dedicated revenue stream from what will be the largest casino in the state is meant to provide long-term support for Chicago's financial future and mitigate the need for increased property taxes.⁹ Given the COVID-19 pandemic's severe disruption of the city's economic landscape, the casino is seen as serving as a "catalyst for the City's recovery" that will ensure "investment and tourism to the city in its post pandemic future."¹⁰ The increased economic activity and jobs secured by Bally's commitment to hiring a 60% minority

⁴ Katie Pyzyk, "US cities look to casinos for economic development," Smart Cities Dive, last modified June 1, 2022, accessed October 14, 2022, <https://www.smartcitiesdive.com/news/us-cities-look-to-casinos-for-economic-development/624417/>.

⁵ Heather Cherone, "City Officials Detail Proposals for Chicago Casino-Resort, Vow Fast-Paced Process to Pick Winner," WTTW News, last modified November 19, 2021, <https://news.wttw.com/2021/11/19/city-officials-detail-proposals-chicago-casino-resort-vow-fast-paced-process-pick-winner>.

⁶ Heather Cherone, "Mayor Lori Lightfoot's Casino Pick Gets Cool Reception from Chicago City Council Members," WTTW News, last modified May 9, 2022, accessed October 6, 2022, <https://news.wttw.com/2022/05/09/mayor-lori-lightfoot-s-casino-pick-gets-cool-reception-chicago-city-council-members>.

⁷ Robert Channick, "Bally's expected to buy Freedom Center site 'this week' for planned Chicago casino," *Chicago Tribune* (Chicago, IL), October 10, 2022, <https://www.chicagotribune.com/business/ct-biz-ballys-casino-buy-freedom-center-chicago-20221010-kpy3i7schfhvzlvsumv672lhq-story.html>.

⁸ Cherone, "Mayor Lori," WTTW News.

⁹ "Illinois Casinos," Play Illinois, accessed October 14, 2022, <https://www.playillinois.com/casinos/>.

¹⁰ Lori E. Lightfoot, *Casino Recommendation Report*, [Page 5], May 5, 2022, accessed October 14, 2022, <https://www.chicago.gov/content/dam/city/sites/chicago-casino/pdfs/Casino-Recommendation-Report.pdf>.

workforce are hoped to create thousands of jobs for the people of Chicago. As part of their licensing agreement, Bally's also signed a labor peace accord with the unions that represent gaming and hospitality workers in the city, giving the workers a chance to earn relatively high union wages and benefits.¹¹ Furthermore, the location of the Bally's casino offers an opportunity to effectively make use of currently uninviting riverfront space. Some river preservationists have placed their hopes on the casino development for increased public access to the North branch of the waterway, further promoting ongoing efforts for riverfront beautification.¹²

Tax revenue from gambling in Illinois increased 39% in the 2022 fiscal year to a record total of \$1.9 billion. The revenue from casino receipts, however, has remained below pre-pandemic levels, maintaining a 20% drop-off since alternative forms of non-casino gaming – in particular, low-stakes video gaming machines – were legalized a decade ago for bars, restaurants, and gas stations across the state. The city of Chicago itself bans non-casino video gambling, so the new casino will not face direct and nearby competition from these types of electronic gaming machines.¹³

Community Costs

The proposed temporary and permanent casino sites in the city of Chicago each come with their own set of concerns. The ramifications of the casino sites for the greater Chicago community include traffic, neighborhood fit, crime, and problem gambling concerns.

I. Traffic

The current plan involves a temporary casino at the Medinah Temple in the River North neighborhood, leading to a significant debate surrounding increased traffic in an already densely populated area within the city center. While a recent traffic study performed by Bally's finds that the increased traffic in the area can be mitigated, critics have questioned the validity of the study and its assumptions

¹¹ Bob Reiter, "Chicago casino is right on time for first responders' pensions," *Chicago Tribune* (Chicago, IL), May 23, 2022, accessed October 12, 2022, <https://www.chicagotribune.com/opinion/commentary/ct-opinion-chicago-ballys-casino-pensions-first-responder-economy-20220523-j25zf2h3nndgpe35nwsvf476ri-story.html>.

¹² Steve Johnson, "The plan for a downtown Chicago casino now has a surprising ally: river lovers," WBEZ, last modified September 6, 2022, accessed October 14, 2022, <https://www.wbez.org/stories/ballys-chicago-casino-plan-wins-river-preservationists/122476e2-0885-45ca-b410-b8b3458d26d5>.

¹³ Robert McCoppin, "As Chicago antes up in casino business, new sites in suburbs and across Illinois aim to build their own markets: 'Convenience is a major factor,'" *Chicago Tribune* (Chicago, IL), October 31, 2022, <https://www.proquest.com/docview/2730251064/7E68E7363E3A41E4PQ/1?accountid=14657>.

involving mass transit.¹⁴ Specifically, the study heavily relies on customers' use of public transportation, instead of driving, for travel to and from the River North temporary casino location. Crime on Chicago Transit Authority properties, buses, and station, has increased in recent years; the 593 violent crimes reported in 2019 marks the highest number in any year in the past two decades.¹⁵ The dissuasion of CTA ridership that has followed, however, is not accounted for in the traffic study calculations.¹⁶ Critics of the Bally's traffic study argue that an independent review is necessary to ensure the feasibility of introducing the temporary casino to the downtown area, especially since there were no studies conducted prior to the selection of the Medinah Temple location.¹⁷ Downtown Alderman Brendan Reilly criticized the Bally's report as "seriously flawed, overly vague and clearly written for the sole purpose of concluding a casino will work at Medinah Temple."¹⁸ The traffic concern extends to the permanent casino site, since that, too, is already a congested area of the city, and one that lacks convenient access to train and highway connections.¹⁹

II. *Neighborhood Disruption*

In town halls regarding the establishment of the Bally's casino, local residents of the permanent River West development site voiced their concerns regarding the construction of a casino in a long-established neighborhood.²⁰ "I like to visit you in Las Vegas, not in my backyard," said one resident.²¹ With many local businesses already struggling to survive the economic fallout from the pandemic, the act of bringing a large, competing hospitality option into the city is a concern. Not only might existing Chicago restaurants and entertainment facilities lose customers to the

¹⁴ Tara Molina, "Alderman Wants Independent Review of Traffic Study That Gave Bally's Temporary Casino Plan a Green Light," CBS News, last modified October 3, 2022, accessed October 8, 2022, <https://www.cbsnews.com/chicago/news/alderman-wants-independent-review-of-traffic-study-that-gave-ballys-temporary-casino-plan-a-green-light/>.

¹⁵ Elliott Ramos, Sharda Gray, and Michele Youngerman, "Violent crime is spiking along the CTA train system: A look at the numbers," *CBS News Chicago* (Chicago, IL), October 15, 2022, accessed November 10, 2022, <https://www.cbsnews.com/chicago/news/heres-whats-going-on-with-crime-on-the-cta/>.

¹⁶ Molina, "Alderman Wants," CBS News.

¹⁷ Molina, "Alderman Wants," CBS News.

¹⁸ A.D. Quig, "Downtown alderman blasts traffic study on Medinah Temple casino as 'seriously flawed,'" *Chicago Tribune* (Chicago, IL), September 30, 2022, accessed October 14, 2022, <https://www.chicagotribune.com/politics/ct-medinah-temple-casino-traffic-study-20220930-twl5ydxirnf7tirgfj7qtjwc4a-story.html>.

¹⁹ "Where we are as a murky casino process closes," *Crain's Chicago Business* (Chicago, IL), May 2, 2022, <https://www.proquest.com/docview/2659705521/1700C52D9B3544CAPQ/6?accountid=14657>.

²⁰ Jill R. Dorson, "'We Don't Want Your Casino,' Chicagoans Tell Bally's At Town Hall Meeting," USBets, last modified May 13, 2022, accessed October 12, 2022, <https://www.usbets.com/nimby-chicago-residents-ballys/>.

²¹ Dorson, "'We Don't," USBets.

casino, they also might have increased problems with hiring workers – and this is happening when short-staffing already is rampant. The “fit” of a casino with the “older, established community” of River West is also a key point of contention among locals.²² City Council’s recent approval of plans to bring in 2,200 apartments and a hotel within walking distance of the Bally’s casino is an example of the major development’s impact on the area.²³ A survey conducted by members of the River North Residents Association, a bordering neighborhood advocacy group, demonstrates this lack of community approval, with over 80% of the 2,300 respondents opposing the Bally’s casino.²⁴

The construction and successful operation of the casino will be less disruptive when there is a harmonious coexisting relationship with neighbors. In the case of the River West location, some of the neighbors are industrial businesses that have been in the district for decades. A casino-induced surge of new residents and visitors to the area, if not handled properly, can lead to protests and strikes.²⁵ John Bosca, a former head of the Neighbors of River West community group and a member of Chicago Mayor Lori Lightfoot’s advisory group expresses the community concern: “I’m not afraid of the casino as long as (Bally’s and city officials) realize we have to play in the sandbox together...If we can’t play nice in the sandbox, then nobody wins.”²⁶ Thus, part of the social costs of Chicago’s first casino, it seems, could be increasingly discontented neighbors. Mayor Lightfoot possesses the delicate task of managing community relations in River West and securing the wellbeing of all parties involved.

Bally’s recent \$200 million purchase of Freedom Center means the city’s printing presses might have to relocate²⁷ – and probably to a site more geographically

²² Dorson, “We Don’t,” USBets.

²³ Quinn Myers, “2,200 Apartments And Hotel Are Coming Near Bally’s Chicago Casino Site In River West,” Block Club Chicago, last modified October 27, 2022, accessed November 10, 2022, <https://blockclubchicago.org/2022/10/27/2200-apartments-and-hotel-are-coming-near-ballys-chicago-casino-site/>.

²⁴ Melody Mercado, “Disappointed But Not Surprised’: Outraged Alderman, Neighbors Pledge To Lobby Against Bally’s As Chicago’s 1st Casino,” Block Club Chicago, last modified May 6, 2022, <https://blockclubchicago.org/2022/05/06/disappointed-but-not-surprised-outraged-aldermen-neighbors-pledge-to-lobby-against-ballys-as-chicagos-1st-casino/>.

²⁵ Danny Ecker, “Grit vs. glitz: River West braces for a casino: Bally’s stands to turbocharge the transformation of the historically industrial neighborhood, raising questions about the future of manufacturing on the increasingly affluent North Side,” *Crain’s Chicago Business* (Chicago, IL), October 17, 2022, <https://www.proquest.com/docview/2726496990/1700C52D9B3544CAPQ/1?accountid=14657#>.

²⁶ Ecker, “Grit vs. Glitz.”

²⁷ Robert Channick, “Bally’s to close on Freedom Center site purchase for \$200 million,” *The Chicago Tribune*, last modified November 10, 2022, accessed December 2, 2022, <https://www.chicagotribune.com/business/ct-biz-ballys-nexstar-chicago-casino-site-purchase-sale-leaseback-20221110-hfommxsgx5genbc2vq254gq47m-story.html>.

removed from the city.²⁸ The 41-year-old production plant currently prints the *Tribune* and *Sun-Times*, as well as international papers like the *Wall Street Journal* and the *New York Times*, for local delivery. The site is currently headed towards demolition to make way for the casino development, leaving the future of Chicago's printing presses largely unknown.²⁹ The preservation of the Medinah Temple also presents a concern given its status as a designated Chicago landmark since 2001. Residents fear that the arrival of the temporary casino site in the River North space will require tampering with the building's architecture, which features copper domes, a third-floor ceiling, and stained-glass windows.³⁰

III. *Public Safety and Crime*

Additional public safety concerns for residents have the potential to present serious community costs connected to the new casino. Despite Bally's \$2 million annual safety plan that addresses public safety within the neighborhood, aldermen Reilly and Hopkins claim that the casino will lead to spiked crime levels in already dangerous areas.³¹ Chicago's history of organized crime renders it especially susceptible to the poorly-regulated vices that might accompany (and perhaps include) gaming, making it crucial that public officials ensure that everything remains aboveboard.³² The Illinois Gaming Board, a state agency that "has historically been understaffed and underfunded," will be taking the reins on regulating the Chicago casino. The Illinois Gambling Expansion Act, however, drastically increased the agency's responsibilities and led to a notable decrease in the Gaming Board staff.³³

For instance, casinos are at risk of becoming sites for money laundering, which is the act of taking illegally obtained money and "cleaning" it through transactions that

²⁸ Justin Kauffman, "Chicago May Lose Its Printing Press," *Axios Chicago*, last modified October 28, 2022, <https://www.axios.com/local/chicago/2022/10/28/chicago-may-lose-printing-press>.

²⁹ Channick, "Bally's to close," *The Chicago Tribune*.

³⁰ Mary Norkol, "Community meeting aims to ease fears about Medinah Temple's temporary future as casino," *Chicago Sun Times* (Chicago, IL), July 19, 2022, <https://chicago.suntimes.com/2022/7/19/23270833/details-take-shape-on-historic-medinah-temple-latest-incarnation-as-temporary-casino>.

³¹ TRD Staff, "Chicago casino opponents reject Bally's \$2M annual safety plan," *The Real Deal*, last modified May 20, 2022, accessed October 14, 2022, <https://therealdeal.com/chicago/2022/05/20/ballys-agrees-to-pay-2m-annually-for-public-safety-opponents-say-its-not-enough/>.

³² Dan Petrella, "Chicago has a sordid history of organized crime. So how will regulators make sure the city's new casino is on the up-and-up?," *Chicago Tribune* (Chicago, IL), May 15, 2022, <https://www.proquest.com/docview/2664486128/C9E14C66940D4FA4PQ/1?accountid=14657>.

³³ Petrella, "Chicago has a sordid."

make it look like it was earned legally.³⁴ At casinos, large amounts of dirty money can be converted into chips or deposited into a betting account, then cashed out after a short while in the form of a check. The regulatory limitations on the number of casino licenses also imply that by operating within a less-than-fully competitive industry, casino owners might be able to garner extraordinary profits. The potential for these excess profits has long been a lure for unsavory if not outright criminal businesspeople. In 2001, plans were well along for the siting of a casino in Rosemont, a Chicagoland suburb near O'Hare airport. The village of Rosemont itself had spent tens of millions of dollars to build a large parking garage next to the site of the intended casino. The Illinois Gaming Board scuttled the plans when it revoked the casino's license on the basis that the owners of the casino possessed and failed to disclose ties to organized crime. A two-decade long legal battle ensued, with Rosemont incurring millions of dollars in additional spending on legal fees.³⁵

Jeff Cramer, a former federal prosecutor who has participated in casino investigations addresses the potential for mob infiltration in the upcoming Chicago casino: "You want to make sure the city is not in business with some nefarious individuals...You don't want to find out after the fact."³⁶ While regulators are likely to focus their efforts on preventing known mobsters from getting involved, recent years show international criminals have been increasingly participating in casino-based money laundering schemes. The vetting process for Illinois casino owners includes a thorough examination of criminal and financial records, and a license can be withheld for anything that would "dishonor or harm the reputation of, or result in adverse publicity for, the state of Illinois and its gaming industry."³⁷ Despite the rigorous background check conducted on casino ownership applicants, Cramer suspects that the risks may be beyond the control of Illinois regulators. "The risks are far more dangerous now because you've got, again, international money launderers, not just some two-bit organized crime people trying to get involved in a casino," said Cramer.³⁸

³⁴ Brooke Keaton, "How Money Laundering Really Works & Why It's A Problem In The Gambling Industry," Casino.org, last modified November 25, 2021, <https://www.casino.org/blog/how-money-laundering-really-works/>.

³⁵ Philip Conneller, "Rosemont, Illinois Gets \$2.8 Million from Backers of Failed Emerald Casino," Casino.org, last modified December 5, 2020, <https://www.casino.org/news/rosemont-illinois-gets-2-8-million-from-backers-of-failed-emerald-casino/>.

³⁶ Petrella, "Chicago has a sordid."

³⁷ Petrella, "Chicago has a sordid."

³⁸ Petrella, "Chicago has a sordid."

IV. *Problem Gambling*

Opponents of gambling often say that increased gaming outlets foster dangerous behaviors such as problem gambling, also known as gambling addiction. A 2013 study identified statistically significant correlations between casino proximity and problem gambling in 5 out of 8 cross-sectional studies. The researchers also found that the opening of a new casino led to increased problem gambling among local residents within the first year.³⁹ A more recent study from 2021 conducted at California State University San Marcos examined the effect that physical proximity to casinos had on problem gambling, specifically in college students. Analyzing the consequences of having twelve casinos within sixty miles of campus, the study found that there was a significantly higher frequency of problematic gamblers in the area compared to the national average. The researchers conclude that the dense proximity of casinos promotes problem gambling.⁴⁰

A 2021 statewide study published by the Illinois Department of Human Services (IDHS) found that roughly 4% of adults (about 383,000 people) in the state are considered to have a gambling problem. An additional 761,000 adults, or 7.7%, are estimated to be at risk for developing a gambling problem.⁴¹ The report also found that in an average year, problem gamblers reported spending an average of about \$16,750 on gambling.⁴² From 2018 to 2020, the number of treatment-related services for disordered gambling more than doubled, pointing to a drastic rise in people receiving treatment for problem gambling in the state. Nonetheless, the study finds that only a little over 20% of treatment-seeking problem gamblers seek help from a mental health professional. Instead, they are most likely to rely on family members and friends.⁴³ These statistics suggest that barriers to accessing treatment for gambling addicts continue to exist in Illinois.

Across the United States as a whole, the IDHS study also found that people from Indigenous, Black, Hispanic, and Asian backgrounds were at higher risk of

³⁹ Henry H Y Tong and David Chim, "The relationship between casino proximity and problem gambling," *Asian Journal of Gambling Issues and Public Health* 3 (February 20, 2013), <https://ajgiph.springeropen.com/articles/10.1186/2195-3007-3-2>.

⁴⁰ D. Sciglimpaglia, EK Tarr, and GH Brodowsky, "Does Easy Access to Casinos Influence Addictive Gambling Behavior by College Students? The Potential Role of Tribal Gaming in America," *Journal of Addiction and Addictive Disorders*, August 17, 2021, <https://www.heraldopenaccess.us/openaccess/does-easy-access-to-casinos-influence-addictive-gambling-behavior-by-college-students-the-potential-role-of-tribal-gaming-in-america>.

⁴¹ Illinois Department of Human Services, *2021 Statewide Assessment of Gambling and Problem Gambling in Illinois*, [Page 3], accessed November 12, 2022, <https://weknowthefeeling.org/wp-content/uploads/2022/04/Illinois-Problem-Gambling-Assessment.pdf>.

⁴² Illinois Department of Human Services, *2021 Statewide*, [Page 17].

⁴³ Illinois Department of Human Services, *2021 Statewide*, [Page 13].

developing problem gambling.⁴⁴ The disproportionate effect that problem gambling has on marginalized communities illustrates the broader racial inequities at play. Acculturative stressors, racial discrimination, and gambling as a form of escape are a few of the factors that may explain this disparity.⁴⁵ Furthermore, problem gambling is more common “among individuals with lower income, education level, and school GPA,” making vulnerable persons particularly at risk with the establishment of the new Bally’s casino.⁴⁶ The expansion of gambling availability in Illinois magnifies the importance of understanding how problem gambling affects different groups, in order to provide adequate prevention and treatment.

Urban Casinos

In the past few decades, gambling has become an increasingly popular, widespread, and socially acceptable activity in the United States.⁴⁷ According to an annual report published by the American Gambling Association in September of 2022, 42 percent of American adults participated in some form of gambling in the past year -- not including the lottery, which is the most popular type of gambling in the US. Additionally, 34 percent of Americans visited casinos, a 6 percent increase from 2021.⁴⁸ Paulette J. O’Gilvie’s 2022 study analyzes the “influx of urban casinos in major metropolitan cities” in the northeastern United States since the early 2000’s, linking accessibility, availability, and acceptability to the proliferation of casinos in urban communities.⁴⁹ The continuous growth of the casino industry, however, may eventually lead to problems for existing establishments. New York City, one of the last major untapped gambling markets in the country, is now in the process of getting its first legal full-service casino. A *New York Times* article published in June 2022 points to the “overstated” tax revenue projections and economic benefits that tend to “fade over time,” pointing to casinos in other urban areas as evidence.⁵⁰ Furthermore,

⁴⁴ Illinois Department of Human Services, *2021 Statewide*, [Page 3].

⁴⁵ Illinois Department of Human Services, *2021 Statewide*, [Page 10].

⁴⁶ Illinois Department of Human Services, *2021 Statewide*, [Page 3].

⁴⁷ “Health Correlates of Recreational Gambling in Older Adults,” *The American Journal of Psychiatry*, September 1, 2004, <https://ajp.psychiatryonline.org/doi/full/10.1176/appi.ajp.161.9.1672>.

⁴⁸ American Gaming Association, *American Attitudes on Casino Gaming 2022*, September 7, 2022, accessed November 8, 2022, <https://www.americangaming.org/resources/american-attitudes-on-casino-gaming-2022/>.

⁴⁹ Paulette J. O’Gilvie, “The Impact of Casino Proximity on Northeast Urban Communities: A Literature Review,” *Humanities and Social Sciences Communications* 9 (February 1, 2022): accessed October 12, 2022, <https://www.nature.com/articles/s41599-022-01055-1>.

⁵⁰ Nicole Hong and Dana Rubinstein, “Where Could a Casino Be Built in New York City? What We Know,” *The New York Times* (New York, NY), October 21, 2022, accessed November 8, 2022, <https://www.nytimes.com/article/nyc-casino-tracker.html>.

the dependence on gambling revenues leaves states in vulnerable positions when casinos are at risk for bankruptcy; in Delaware and Rhode Island, the states had to provide financial incentives for casinos to remain open.⁵¹

The high saturation of casinos and their growing presence in urban areas has led to “cannibalization,” a term used to describe the trend where newcomers to the casino scene take significant shares of gaming revenue from their nearby competitors.⁵² Whereas in 1978 the only states with commercial casinos were Nevada and New Jersey, in 2021 there were 44 states with physical commercial and/or tribal casino gambling venues.⁵³ In less than a decade, the arrival of casinos in Pennsylvania in 2006 contributed to casino revenues being cut in half in neighboring Atlantic City, New Jersey. Along with dropping revenues, an estimated 10,000 jobs were eliminated from what since 1978 has been a major go-to spot for casino gambling on the East Coast.⁵⁴ Pennsylvania’s success in diverting visitors from Atlantic City has brought in more than \$1.25 billion in net gaming receipts in the first quarter of 2022, making it the second-highest revenue earning state from gambling and sports betting.⁵⁵ A 2018 report by Moody’s Investors Services shows that the opening of three casinos in upstate New York within a year led to increased state gaming revenues, but also resulted in multiple venues failing to achieve their revenue projections.⁵⁶

The suburban casinos outside of Chicago, however, remain confident in their ability to thrive given their “state-of-the-art facilities” and convenient locations near busy expressways, despite the planned 2026 arrival of Bally’s glitzy casino.⁵⁷ In addition to the Chicago venue, up to 5 new casinos are in the works following the Illinois Gambling Expansion Act. Their locations in the north and south suburbs of the city, as well as Aurora, Elgin, and Joliet, put them at a considerable distance from the city and therefore should be able to attract their own local base of visitors.⁵⁸ Chris Grove, a partner at a gaming-focused research firm in California, is placing his bets on

⁵¹ John Wolfson, “America’s Casino-Saturation Problem,” *The New Yorker*, November 18, 2014, accessed November 8, 2022, <https://www.newyorker.com/business/currency/americas-casino-saturation-problem>.

⁵² Sara Foss, “Foss: Casino Cannibalization Continues,” *The Daily Gazette*, accessed November 6, 2022, <https://dailygazette.com/2019/01/23/foss-casino-cannibalization-continues/>.

⁵³ American Gaming Association, *State of Play*, December 31, 2021, accessed November 4, 2022, <https://www.americangaming.org/state-of-play/>.

⁵⁴ Henry Grabar, “Full House,” *Slate*, last modified May 26, 2022, accessed November 2, 2022, <https://slate.com/business/2022/05/casinos-new-york-city-chicago-philadelphia.html>.

⁵⁵ Grabar, “Full House,” *Slate*.

⁵⁶ Stephen Williams, “Moody’s Report Finds Casinos ‘Cannibalizing’ Revenues,” *The Daily Gazette*, January 25, 2018, accessed November 2, 2022, <https://dailygazette.com/2018/01/25/moody-s-report-finds-casinos-cannibalizing-revenues/>.

⁵⁷ McCoppin, “As Chicago.”

⁵⁸ McCoppin, “As Chicago.”

the success of the suburban Illinois casinos: “Each has a relatively distinct core audience it will market to.” Grove adds, “I also don’t think it’s the logic for Chicago to be drawing from the suburbs...Convenience is a major factor.”⁵⁹ Grove also recognizes the looming fear of oversaturation of the market but suggests that investors would not embark on these sizable capital expenditures without foreseeable growth.⁶⁰

While a goal of the Chicago casino is to drive revenue towards the city -- especially given the \$331 million that Chicago residents annually spend at Indiana casinos -- it is likely that the Chicago casino will displace some bettors from nearby casinos located in Illinois as well as in neighboring states.⁶¹ From a tax revenue standpoint, an ideal Chicago casino would attract new visitors from outside of the state, though Illinois’ gambling history shows that it mostly serves a local market. Perhaps a high-amenity Chicago casino will become a major visitor destination, but the more likely scenario, given the easy accessibility of casinos in Indiana, Wisconsin, Iowa, and Missouri, is for Chicagoland residents to constitute the bulk of the customer base.⁶²

The Chicago casino will compete not just with nearby casinos but also with local entertainment alternatives. For this reason, casinos in urban areas rarely lead to marked economic development. Economist Ernest P. Goss comments on the reality of casino competition and economic outcomes: “New casinos not only pull gamblers from other casinos, they pull non-casino revenues from other outlets...As a result, most casinos today do not represent economic development engines.”⁶³ Boise State University Professor Jonathan Krutz conducted a study of casinos in 39 states over the span of 15 years and found that local economies with casinos did not experience faster growth than those without casinos.⁶⁴ Krutz’ findings suggest that casinos are more of a substitute for existing businesses rather than a generator of economic growth.⁶⁵

⁵⁹ McCoppin, “As Chicago.”

⁶⁰ McCoppin, “As Chicago.”

⁶¹ Todd Shriber, “Bally’s Strikes Labor Accord for Chicago Casino,” Casino.org, last modified October 18, 2022, accessed November 4, 2022, <https://www.casino.org/news/ballys-announces-construction-labor-agreements-for-chicago-casino/>.

⁶² McCoppin, “As Chicago.”

⁶³ Grabar, “Full House,” Slate.

⁶⁴ Nicole Hong, “If New York City Gets Las Vegas-Style Casinos, What Else Will It Get?,” *The New York Times* (New York, NY), June 4, 2022, accessed November 4, 2022, <https://www.nytimes.com/2022/06/04/nyregion/nyc-casinos-gambling.html>.

⁶⁵ Hong, “If New York.”

Case Study: Detroit

Since the legalization of casino gambling in Detroit was approved in 1996, its impact on the city in the past 26 years can be examined as a possible blueprint for what a casino might mean for Chicago.⁶⁶ In addition to the geographical proximity that Detroit shares with Chicago as another metropolitan city in the Midwest, Detroit in 2011 was the largest city in the United States with casino gambling.⁶⁷ Consequently, Detroit presents an ideal opportunity to study the social effects of casino gambling.

Detroit is home to three casino establishments: MotorCity Casino Hotel, MGM Grand Detroit, and Greektown Casino. In 2021, the three casinos paid \$102.6 million in wagering taxes to the State of Michigan on revenue from slots and table games and \$160.8 million in taxes and development agreement payments to the City of Detroit.⁶⁸ The 2021 aggregated casino revenue itself came to \$1.294 billion, beating the 2020 results that were heavily impacted by the pandemic, but falling short of 2019's record total of \$1.454 billion.⁶⁹ (Detroit lost \$600 thousand in gambling tax revenue for each day that casinos were closed amid shutdown orders during the coronavirus pandemic).⁷⁰ The entirety of the state tax revenue collected from casinos in Michigan, 8.1% of the casinos' adjusted gross revenue, goes towards the School Aid Fund for statewide K-12 classroom education. The city of Detroit additionally collects 10.9% of the casinos' adjusted gross revenue. These funds support a variety of programs, such as those promoting public safety, anti-gang and youth development, and community

⁶⁶ "20 Years After Casinos Approved in Detroit, Expert Looks Toward City's Gambling Future," *CBS News Detroit*, May 4, 2016, accessed November 2, 2022, <https://www.cbsnews.com/detroit/news/20-year-after-casinos-approved-in-detroit-expert-looks-toward-citys-gambling-future/>.

⁶⁷ Fayette Martin, Peter A. Lichtenberg, and Thomas N. Templin, "A Longitudinal Study: Casino Gambling Attitudes, Motivations, and Gambling Patterns Among Urban Elders," *Journal of Gambling Studies* 27 (2011), accessed November 1, 2022, <https://link.springer.com/article/10.1007/s10899-010-9202-4>.

⁶⁸ "Detroit casinos produce \$1.29 billion in aggregate revenue during 2021," Michigan Gaming Control Board, last modified January 11, 2022, accessed November 4, 2022, <https://www.michigan.gov/mgcb/whatsnew/detroit-casinos-produce-1-29-billion-in-aggregate-revenue-during-2021#:~:text=During%202021%2C%20the%20three%20Detroit,slots%20and%20table%20games%20revenue.>

⁶⁹ Jordyn Grzelewski, "Detroit casinos report \$1.29 billion in revenue for 2021, up more than 100% from 2020," *The Detroit News* (Detroit, MI), January 11, 2022, accessed November 4, 2022, <https://www.detroitnews.com/story/business/2022/01/11/detroit-casinos-report-1-29-billion-revenue-2021/9173678002/>.

⁷⁰ Justine Lofton, "Detroit lost \$600K in tax revenue every day casinos were shuttered, industry leader says," *MLive*, last modified October 27, 2020, <https://www.mlive.com/news/2020/10/detroit-lost-600k-in-tax-revenue-every-day-casinos-were-shuttered-industry-leader-says.html>.

economic development.⁷¹ Like Chicago, the gambling tax revenue in Detroit is also meant to provide relief for taxpayers from certain fees imposed by the City.⁷²

An assessment of how casino gaming affected crime rates in Detroit provides a realistic prediction for what citizens of the city of Chicago can expect with the opening of Bally's. News headlines in local outlets point to the presence of violent crimes directly targeting casino visitors, such as the 2019 crime spree where perpetrators would carjack the victims after bumping into their cars upon their departure from the casino in order to rob them.⁷³ These incidents, however, do not provide information on broader crime trends in the city and do not establish that more casinos mean more crimes. While most people assume that crime increases within the host community and surrounding areas following the opening of a casino, a paper by Omar Moufakkir published in the *UNLV Gaming Research & Review Journal* finds that the total volume of crime in Detroit in fact did not increase.⁷⁴ Moufakkir's findings, based on Index Crimes tracked by the Uniform Crime Reporting Program, suggest that certain types of crime increased slightly, largely related to the increased number of tourists coming into the city during that period, while others decreased. Moufakkir ultimately concludes that "there is no alarming indication to suggest that the volume of crime has increased when the casinos opened in the city."⁷⁵

Another source of contention lies in the risk of stimulating problem gambling. After almost two decades of a voluntary lifetime ban policy (a self-exclusion agreement) in an attempt to prevent problem gambling, the state of Michigan signed a new law in 2020 that gives people the opportunity to remove their name from the "Disassociated Persons List" after five years. Richard S. Kalm, the executive director of the Michigan Gaming Control Board, cites this policy change as having the potential to attract more gambling addicts to self-enroll in the list.⁷⁶ The notion is that

⁷¹ "Revenues and Wagering Tax Information," Michigan Gaming Control Board, accessed November 2, 2022, <https://www.michigan.gov/mgcb/detroit-casinos/resources/revenues-and-wagering-tax-information#:~:text=The%20State%2FCity%20Wagering%20Tax,statewide%20K%2D12%20classroom%20education.>

⁷² "Revenues and Wagering," Michigan Gaming Control Board.

⁷³ Simon Shaykhet, "Crime ring targeted high rollers at Detroit casinos for carjackings, robberies," *WXYZ Detroit* (Detroit, MI), May 16, 2019, accessed November 2, 2022, <https://www.wxyz.com/news/crime-ring-targeted-high-rollers-at-detroit-casinos-for-carjackings-robberies>.

⁷⁴ Omar Moufakkir, "An Assessment of Crime Volume Following Casino Gaming Development in the City of Detroit," *UNLV Gaming Research & Review Journal* 9, no. 1 (2005), accessed November 4, 2022, <https://digitalscholarship.unlv.edu/cgi/viewcontent.cgi?article=1164&context=grrj>.

⁷⁵ Moufakkir, "An Assessment."

⁷⁶ Candice Williams, "Self-banned for life from Detroit casinos? Not anymore," *The Detroit News* (Detroit, MI), October 29, 2020, accessed November 3, 2022, <https://www.detroitnews.com/story/business/2020/10/29/self-ban-casinos-can-be-reversed-after-five-years/6060046002/>.

people suffering with gambling problems might be more willing to self-exclude if the exclusion did not have to be lifelong. The lifetime ban attracted only 4,825 concerned gamblers over its two decades of existence. (Kalm also acknowledges the potential risk of people with gambling problems requesting removal from the list and falling back into the same habits they sought to counter or prevent by self-excluding to begin with.⁷⁷) With 153 self-enrollments processed in 2022, a 4% increase since the previous year, there is hope that the reduced duration will make self-exclusion more attractive.⁷⁸

Case Study: Philadelphia

In 2021, Pennsylvania set a record for its gaming tax revenue: gambling provided more than \$1.93 billion for the state. Of Pennsylvania's five highest-earning casinos, three of them are located in the Philadelphia area.⁷⁹ The growing financial success of Philadelphia's casinos provides an optimistic precedent for Chicago's upcoming casino development. Gambling tax revenues in the state of Pennsylvania go towards a variety of purposes, including "property tax reduction, economic development, boosting the state's horse racing industry, and the state's general fund."⁸⁰

Alan Greenberger, the deputy mayor for economic development when Philadelphia's first casino opened in 2010, acknowledges the financial improvements made to the sewer system and the hundreds of local workers employed because of the casino project – but he also notes the cost. "A lot of people are working, which is good...But they're working for an operation that is probably taking revenue in from people who are least likely to afford it," says Greenberger.⁸¹ Further, the low wages of many casino employees limit the potential for their employment to spark long-term economic growth. The Bureau of Labor Statistics reported the median annual salary in

⁷⁷ Williams, "Self-banned for life."

⁷⁸ "Michigan Gaming Control Board Disassociated Persons List Statistics," chart, Michigan Gaming Control Board, accessed November 4, 2022, [https://www.michigan.gov/mgcb/-/media/Project/Websites/mgcb/Responsible-Gaming-DPL-Reports/DPL_Totals_graph_07-01-](https://www.michigan.gov/mgcb/-/media/Project/Websites/mgcb/Responsible-Gaming-DPL-Reports/DPL_Totals_graph_07-01-2015_457976.pdf?rev=b9a6ae9bbc814dbeb0c53c048a2e2647&hash=6FA9A10594D06FFA08B87D0136CB7E14)

2015_457976.pdf?rev=b9a6ae9bbc814dbeb0c53c048a2e2647&hash=6FA9A10594D06FFA08B87D0136CB7E14.

⁷⁹ Ryan Mulligan, "In a record-breaking 2021 for Pennsylvania gaming, these casinos brought in the most revenue," *Philadelphia Business Journal* (Philadelphia, PA), January 24, 2022, [Page #], accessed November 1, 2022, <https://www.bizjournals.com/philadelphia/news/2022/01/24/revenue-casinos-ranked-2021.html>.

⁸⁰ A Record Jackpot: PA Gambling Revenues Top \$5 Billion for the First Time, " *Pittsburgh Post-Gazette* (Pittsburgh, PA), July 19, 2022, accessed November 2, 2022, <https://www.post-gazette.com/business/development/2022/07/19/gambling-pennsylvania-casinos-gaming-control-board-table-games-slot-machines-sports-betting-tax-revenue-online-fantasy-sports-contests/stories/202207190104#:~:text=Tax%20revenues%20fueled%20by%20gambling,and%20the%20state's%20general%20fund.>

⁸¹ Hong, "If New York."

2021 for an employee working in a gambling establishment to be \$29,120 across the United States.⁸² In regard to the social benefit, Greenberger also argues that the two casinos in the city had little impact on Philadelphia's "character of life," in part due to their locations being on the outskirts of the city.⁸³ Philadelphia has been able to avoid a conflation of its identity with casino availability.

An area of concern for casinos in Philadelphia is the record number of unattended children being left in cars. The high risk of danger when leaving children alone in the car includes the possibility of heatstroke in the summer and hypothermia in the winter. Nonetheless, 26 individuals have already been placed on the exclusion list for this type of child neglect during casino visits, and regulators are understandably concerned.⁸⁴ Casinos have been taking extra measures to prevent child abandonments including the provision of childcare centers and the installation of special infrared cameras to identify the existence of occupants in parked cars. The unfortunate need for these types of measures to protect the children of gamblers is a lesson that Chicago regulators should ponder and prepare for.

The Role of Chicago Politics

Chicago Mayor Lori Lightfoot has been an ongoing proponent of the Gambling Expansion Act, citing it as a chance to create job opportunities in the city and generate tax revenue for Chicago's depleted pension funds.⁸⁵ Furthermore, Lightfoot explicitly offered her endorsement of Bally's bid, as "the strongest financial offer to the city and the highest minimum capital investment."⁸⁶ The timeline for City Council approval of Bally's casino bid was also expedited by Lightfoot, despite opposition from Council members such as Alderman Brian Hopkins, who publicly expressed his discontent regarding the frenzied rush of casino-related documents flowing in.⁸⁷

⁸² Hong, "If New York."

⁸³ Hong, "If New York."

⁸⁴ Chris Imperiale, "PA Casinos Dealing with Record Number of Unattended Children Left in Cars," Play Pennsylvania, last modified October 27, 2022, accessed November 2, 2022, <https://www.playpennsylvania.com/unattended-children-in-cars-pa-casinos-record-high/>.

⁸⁵ Palmeri and Campbell, "Chicago Will," Bloomberg.

⁸⁶ Mitchell Armentrout and Fran Spielman, "Bally's River West casino proposal gets city nod," Chicago Sun Times, last modified May 5, 2022, accessed October 12, 2022, <https://chicago.suntimes.com/2022/5/5/23058317/chicago-casino-ballys-lightfoot-selection-river-west-tribune-site>.

⁸⁷ Fran Spielman and Mitchell Armentrout, "Lightfoot rushing to get City Council approval of Bally's casino bid next week," Chicago Sun Times, last modified May 20, 2022, accessed October 14, 2022, <https://chicago.suntimes.com/2022/5/20/23132781/chicago-casino-vote-ballys-city-council-committee>.

A special City Council Casino Committee, chaired by City Council Zoning Committee Chairman Tom Tunney, was established by Lightfoot in March of 2022, during the casino site selection process.⁸⁸ The purpose of this committee was to oversee all casino-related decisions, but by the time Bally's proposal was chosen, the City Council Casino Committee had only met once and failed to weigh in with their preferred site. Though Mayor Lightfoot had promised that "each and every single member" of the Committee would have "ample opportunity" to participate, the award to Bally's took place in an unusually rapid way. Speculation arose suggesting that Lightfoot's interest in hearing additional perspectives, whether from Council members or the community, was limited.⁸⁹ The Mayor was also criticized by some Council members for failing to provide transparency in what Lightfoot herself described to be "one of the most important decisions that this body is going to be involved with, maybe in a long time, if ever."⁹⁰ Alderman Ray Lopez described the special Committee as a "stacked deck and an affront of democracy," illustrating the perceived lack of inclusivity and transparency in the conversation surrounding the forthcoming casino.⁹¹

A few weeks after Bally's filed its casino license application with the Illinois Gaming Board in August 2022, Mayor Lightfoot formed a new Casino Community Advisory Council, made up of four neighborhood representatives and 15 issue experts. The remit of the committee was to foster community feedback as the approval process advanced, regarding both the permanent and temporary casino sites.⁹² Despite Lightfoot's efforts, skeptical responses from city representatives put into question the perceived legitimacy of the advisory group. Having served as a member of Lightfoot's previous casino committee, Hopkins described the new Advisory Council as "nothing but a façade of political cover."⁹³ Tunney, on the other

⁸⁸ Fran Spielman, "After narrowing potential sites to three, Chicago mayor accused of 'stacking the deck' on casino committee," CDC Gaming Reports, last modified March 23, 2022, accessed October 14, 2022, <https://cdcgaming.com/brief/after-narrowing-potential-sites-to-three-chicago-mayor-accused-of-%CB%9Cstacking-the-deck-on-casino-committee/>.

⁸⁹ Spielman, "After narrowing," CDC Gaming Reports.

⁹⁰ Spielman, "After narrowing," CDC Gaming Reports.

⁹¹ Fran Spielman, "Lightfoot accused of 'stacking the deck' on Chicago casino committee," Chicago Sun Times, last modified March 23, 2022, accessed October 14, 2022, <https://chicago.suntimes.com/city-hall/2022/3/23/22992706/chicago-casino-site-selection-three-locations-special-city-council-committee-named-tunney-lightfoot>.

⁹² Fran Spielman, "Lightfoot Creates Casino Advisory Council," Chicago Sun Times, last modified September 8, 2022, accessed October 7, 2022, <https://chicago.suntimes.com/city-hall/2022/9/8/23343328/chicago-ballys-casino-advisory-council-created-lightfoot-river-west#:~:text=Mayor%20Lori%20Lightfoot%20created%20a,billion%20casino%20in%20River%20West>.

⁹³ Spielman, "Lightfoot creates," Chicago Sun Times.

hand, offered a more optimistic outlook by describing the Council as a “gesture of good faith engagement with neighbors most impacted by the casino.”⁹⁴

Indeed, Lightfoot’s ongoing role in advancing Bally’s casino has been met with outrage from some River West residents and City Council members, who have accused the mayor of placing her own interests above the community’s. Given her intention to run for reelection in 2023, Lightfoot has high stakes resting upon the success of her backed casino policy.⁹⁵

Conclusion

The casino landscapes in Philadelphia and Detroit can serve to inform Chicago’s planning for the forthcoming Bally’s casino. For instance, Detroit’s experience with its original voluntary lifetime self-ban policy suggests the wisdom of exclusion programs with options for shorter durations. With problem gamblers comprising an estimated 4% of people in the state of Illinois, it is especially critical that Bally’s takes steps to prioritize the wellbeing of its customers;⁹⁶ the disproportionate number of people impacted by problem gambling in poor and marginalized communities intensifies the need to be proactive in limiting disordered gambling.⁹⁷ While Philadelphia’s financial success serves as a testament to the economic benefits provided by casinos, the restricted potential for economic growth given the low wages among casino employees indicates the need for assuring that benefits flow to minority and underprivileged workers.

As demonstrated by this look at the major potential costs and benefits of the Chicago casino, significant progress needs to be made before the casino will be ready to operate in a capacity that produces a net benefit to the city of Chicago. The disproportionate effect that gambling has on marginalized populations makes it imperative that the harmful effects of the casino are mitigated prior to the opening of the casino. Given the high stakes involved, the mayor, the City Council, and the members of the community should be active in pushing for policies that ensure that Chicago’s casino is beneficial for Chicago’s residents. The City must therefore slow

⁹⁴ Spielman, "Lightfoot creates," Chicago Sun Times.

⁹⁵ Melody Mercado, "'Disappointed But Not Surprised': Outraged Alderman, Neighbors Pledge To Lobby Against Bally's As Chicago's 1st Casino," Block Club Chicago, last modified May 6, 2022, <https://blockclubchicago.org/2022/05/06/disappointed-but-not-surprised-outraged-aldermen-neighbors-pledge-to-lobby-against-ballys-as-chicagos-1st-casino/>.

⁹⁶ Illinois Department of Human Services, 2021 *Statewide*, [Page 3].

⁹⁷ Illinois Department of Human Services, 2021 *Statewide*, [Page 3].

down its current approval processes surrounding the upcoming temporary and permanent casino sites to ensure that the decisions being made do not come at the expense of people's wellbeing.

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CHAPTER SEVEN

Environmental Racism in Chicago: A Case Study of the Crawford Coal Plant Implosion and Replacement Plan

Tanya Joshi

Introduction

Through most of the 20th century, Chicago's role as a transportation and materials-processing hub made it among the worst cities in the United States for air pollution. By the 1990s, Cook County, which Chicago is part of, ranked amongst the bottom 10% for air quality nationally.¹ Today, pressure to implement policies that will improve the environment is becoming increasingly prevalent in Chicago. In 2021, Mayor Lori Lightfoot invested \$188 million in climate and environmental justice programs, the largest investment in Chicago's history. Through initiatives such as the Chicago Climate Action Plan, intentions for 100% renewable energy usage by 2026, and \$46 million earmarked for planting 75,000 trees by 2027, the city is taking major strides in enhancing the environment.² Despite the attention given to environmental improvements, however, underprivileged Black and Brown communities are often not the recipients of the resulting gains. Environmental racism is the "phenomenon of disproportionate exposure to toxic and hazardous waste in low-income minority communities due to the inequality of environmental policymaking and laws."³ Environmental racism in Chicago will be examined through a case study of the botched Crawford Coal Plant Implosion in Little Village, a predominantly low-income Latino neighborhood in the Southwest side of Chicago.

Environmental Racism in Chicago

Southern and Western parts of Chicago have always been disproportionately affected by environmental pollution. The US Environmental Protection Agency's (EPA) 2020 'Air Quality and Health' Report shows that 44% of Latinx communities

¹ King, Katherine E. "Chicago Residents' Perceptions of Air Quality: Objective Pollution, the Built Environment, and Neighborhood Stigma Theory." *Population and Environment*, U.S. National Library of Medicine, Sept. 2015, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4627697/>.

² Read mayor Lightfoot's 2023 budget speech. Crain's Chicago Business. (2022, October 3). Retrieved October 31, 2022, from <https://www.chicagobusiness.com/politics/chicago-mayor-lori-lightfoots-2023-budget-speech#:~:text=So%20far%2C%20we%20have%20invested,bold%2C%20equitable%2C%20climate%20goals.>

³ Rasof, Sophie. "Environmental Racism in Chicago." *Environmental Racism in Chicago*, Mar. 2022,

and 25% of Black communities live in areas that are at high risk of respiratory illness due to toxic air quality -- as opposed to 21% of the white population.⁴ According to the EPA, 77% of the toxic substances released into Chicago's air in 2017 were emitted in residences located in these underprivileged communities. High emission areas include largely Black neighborhoods like Englewood and Roseland on the South Side and predominantly Latino neighborhoods like Little Village, Pilsen, and McKinley Park on the West Side.⁵ Chicago's 'Air Quality and Health Report' indicates that the West and South Side of Chicago face disproportionate air pollution second only to regions adjacent to major highways. An unequal distribution of foul air is also seen in residents' own perceptions. A study of 3000 Chicago residents conducted in 2015 showed that while 43.3% of black and 43.5% of Hispanic populations reported their air quality as 'poor/fair' only 27.2% of the white populations did the same.⁶ As income inequality in Chicago continues to rise, the burden of environmental pollution continues to fall on the poor.

Little Village Background

Little Village or 'La Villita' is a predominantly Hispanic neighborhood with a population of 71,000 people and is located in the South Lawndale community. The racial breakdown of the population is 82% Latinx, 14% Black and 4% white, making it Chicago's most densely populated Latino neighborhood.⁷ Little Village is a leading port of entry for Mexican immigrants into the Midwest and the second largest one in Chicago after Pilsen. The community has a median household income of \$31,500 -- approximately half that of Chicago's \$62,100 -- with its bottom 20th quartile averaging just a little over \$15,700.⁸ 24% of the neighborhood's population lives in poverty, compared to 17% in the rest of Chicago. Furthermore, only 14% of the residents have

⁴ *Air Quality and health - chicago*. (2020). Retrieved October 31, 2022, from https://www.chicago.gov/content/dam/city/depts/cdph/statistics_and_reports/Air_Quality_Health_doc_FINALv4.pdf.

⁵ Shelton, Deborah L. "The Repercussions of Environmental Hazards on Chicago Communities." *Crain's Chicago Business*, 12 Oct. 2022, <https://www.chicagobusiness.com/equity/chicago-communities-environmental-justice-battles>.

⁶ King, Katherine E. "Chicago Residents' Perceptions of Air Quality: Objective Pollution, the Built Environment, and Neighborhood Stigma Theory." *Population and Environment*, U.S. National Library of Medicine, Sept. 2015, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4627697/>.

⁷ "Race and Ethnicity in Little Village, Chicago, Illinois (Neighborhood)." *The Demographic Statistical Atlas of the United States - Statistical Atlas*, <https://statisticalatlas.com/neighborhood/Illinois/Chicago/Little-Village/Race-and-Ethnicity>.

⁸ "Little Village Today: Enlace Chicago." *Enlace*, <https://www.enlacechicago.org/little-village-today#:~:text=Little%20Village%20is%20the%20principal,American%20and%2037%25%20foreign%20born>.

an education beyond high school, the lowest of any district in Chicago.⁹ Little Village is the third most polluted community in Chicago, trailing only its nearby Southside neighbors, Pilsen and McKinley Park. Lead presence in the air here is currently four times that of the national average, no doubt thanks to the light and heavy industries along the neighboring industrial sector that have been leaking volatile particulate matter into the air since the Industrial Revolution.¹⁰

The Crawford Coal Plant Shutdown

One of the largest polluters in Little Village was the Crawford Generating Station. The coal-fired power plant, formerly located on 3501 South Pulaski Avenue, was built in 1924. The plant was on a 72-acre plot, provided storage for over 300,000 tons of coal, and had a production capacity of 805 MWh.¹¹ It was owned and operated by Midwest Generation, a subsidiary of Edison International (a California Public Utility). The plant was very hazardous, releasing toxic emissions from the smokestacks, which were unofficially nicknamed ‘cloud factories’ by residents. In fact, the 2011 NAACP report ‘Coal Blooded: Putting Profits Before People in Illinois’ ranked Crawford as the highest environmental justice offender in the US, due to its pollution output and proximity to communities of color.¹² According to residents, this pollution especially intensified in the summer and winter months when the plant increased energy production.

A study published by the Harvard School of Public Health found that the Crawford plant, along with the Fisk generating station in Pilsen, were linked to 41 premature deaths, 2800 asthma attacks and 550 emergency room visits in the surrounding communities while they were in operation.¹³ According to the US Environmental Protection Agency (EPA) the Crawford Coal Plant, again along with

⁹ *Little village today: Enlace Chicago*. enlace. (n.d.). Retrieved October 31, 2022, from <https://www.enlacechicago.org/little-village-today>.

¹⁰ Eilbert, Natalie. “Pilsen and Little Village Neighborhoods Have Struggled against Big Industry for Decades.” *Medill Reports Chicago*, 4 Dec. 2020, <https://news.medill.northwestern.edu/chicago/pilsen-and-little-village-neighborhoods-have-struggled-against-big-industry-for-decades/>.

¹¹ Michael Hawthorne and Kristen Mack, “Chicago’s 2 coal-fired plants to shut down sooner than expected,” *Chicago Tribune*, Feb. 29, 2012.

¹² Patterson, J., Fink, K., & Wasserman, K. (n.d.). *Coal Blooded: Putting Profits Before People*. climateaccess.org. Retrieved October 31, 2022, from <https://climateaccess.org>. The average annual income in the 3 mile radius surrounding the Crawford site is \$13,097, 48% of Illinois’ average, further demonstrating the very vulnerable communities that live in its vicinity.

¹³ “The Dirtiest Plant in Chicago.” *NBC Chicago*, NBC Chicago, 13 Apr. 2010, <https://www.nbcchicago.com/news/local/chicago-politics/the-dirtiest-plant-in-chicago/1870978/>.

Pilsen's Fisk plant, were Chicago's largest sources of industrial heat-trapping carbon dioxide, releasing 4.2 million metric tons in 2010 alone.¹⁴ It is estimated that the Crawford and Fisk plants combined caused \$750 million-\$1 billion in health damages to residents from 2002-2010. This estimate includes deaths, along with nonfatal heart attacks, asthma attacks, and chronic bronchitis.¹⁵

Crawford's harmful effects led to community outrage. Starting in 2009, several grassroots organizations filed petitions urging Crawford to tighten its environmental protection policy and upgrade its outdated pollution-control technology. Widespread public pressure was growing, too: a poll of 600 registered voters conducted in 2011 showed that 72% would support a plan to reduce soot pollution from the plant¹⁶. On February 12, 2012, after many months of negotiation, then-Mayor Rahm Emanuel, with the support of 35 aldermen, determined that Midwest Generation had a week to strategize pollution control plans either through installation of new technology or switching to a less polluting fuel. Midwest Generation ultimately determined that the costs to clean up and upgrade their technology would be excessively high and decided to shut the Crawford plant.

Botched Coal Plant Implosion and Replacement Warehouse

From 2012 through 2014, Midwest Generation decommissioned the coal plant. This process included removal of coal and coal ashes, removal of hazardous substances, and the cleaning and emptying of oil and chemical storage tanks.¹⁷ Following the decommission, Midwest Generation sold the property, and it changed hands again when Hilco Redevelopment Partners purchased the plant in late 2017.¹⁷ Hilco is a real-estate investment redevelopment company founded in 2013. Hilco's plan was to redevelop the plant into a 1 million square foot Target warehouse and distribution center called 'Exchange 55', named after the Interstate 55 highway, 0.3 miles away from the site. After the EPA's approval of Hilco's 'Sampling and Analysis Plan' of demolition, Hilco began demolition of the plant in June 2019. This

¹⁴ Michael Hawthorne, [http://www.chicagotribune.com/news/local/ct-met-greenhouse-gases-20120122,0,6304228.story "Coal plants dominate list of Chicago's biggest polluters," Chicago Tribune, Jan. 22, 2012.

¹⁵ *Coal Plant Shutdown*. LVEJO. (n.d.). Retrieved October 31, 2022, from <http://www.lvejo.org/our-accomplishments/coal-plant-shutdown/#:~:text=Faced%20with%20expensive%20requirements%20to,the%20Crawford%20and%20Fisk%20plants>.

¹⁶ Richart, P. J. (2021, April 26). *Poll: Chicagoans want city to reduce pollution*. Eco. Retrieved October 31, 2022, from <https://ecojusticecollaborative.org/poll-chicagoans-want-city-to-reduce-pollution/>.

¹⁷ *Former Crawford Power Plant Site - Hilco Development Partners Chicago*. Illinois.gov. (n.d.). Retrieved October 31, 2022, from <https://www2.illinois.gov/epa/topics/community-relations/sites/hilco/Pages/default.aspx>.

demolition was halted after a worker fell to his death on December 30, 2019, though it resumed in early 2020.¹⁷

On April 11, 2020, to clear land for a new Target warehouse, Hilco imploded the 400-foot smokestack from the Crawford plant.¹⁸ The demolition was a debacle. Many residents received little or no advance notice concerning the implosion. Worse still, the implosion released large masses of dust, asbestos and other particulate matter into the atmosphere, covering the neighboring communities in a thick cloud of dust. Six blocks of houses near the site were coated in plumes of dust following the event and dust was reported to have traveled into homes as far away as East Garfield Park, 4.5 miles from the implosion site.¹⁹ The very dirty air from the implosion was associated with an influx of health problems amongst the residents, including a long-running increase of reported asthma.

In the aftermath of the botched implosion, and much against the wishes of many residents, Hilco began development of their 1.3 million square foot Target warehousing and distribution facility. The Target warehouse was officially opened on August 1, 2021 and now supports over 80 Chicago-area stores in their supply chain. It is currently the largest warehouse in Chicago.²⁰ Hilco even received a \$19.7 million tax break connected to the redevelopment.²¹ While this was a job-creating opportunity for local residents who would receive employment from the facility, many remain unhappy about the further deterioration of air and land quality in the region owing to the large volumes of waste product and diesel released by the warehouse transportation trucks. It is currently estimated that two diesel trucks pass through the Interstate 55 intersection neighboring the warehouse every minute from 7-11 am and one from 3-5pm. The trucks servicing the new warehouse would only add to this count.²²

¹⁸ A video of the implosion can be viewed at https://www.youtube.com/watch?v=UzkFYVsNRFE&t=27s&ab_channel=AlejandroReyes.

¹⁹ Pena, M. (2021, June 9). *Planned explosion covered little village in dust during respiratory pandemic - why did the city let it happen?* Block Club Chicago. Retrieved October 31, 2022, from <https://blockclubchicago.org/2020/04/12/extremely-angry-lightfoot-blames-developer-for-massive-little-village-dust-cloud-alderman-apologizes/>

²⁰ Hernandez, Acacia. "New Target Warehouse in Little Village Draws Environmental Concerns despite Job Creation." *WTTW News*, Aug. 2021, <https://news.wttw.com/2021/08/04/new-target-warehouse-little-village-draws-environmental-concerns-despite-job-creation>.

²¹ Graf, Carly. "Tax Breaks for Hilco, Diesel Trucks for Little Village." *South Side Weekly*, 5 Mar. 2019,

²² Pena, M. (2021, April 29). *Target set to hire 2,000 employees for controversial Little Village Warehouse*. Block Club Chicago. Retrieved October 31, 2022, from <https://blockclubchicago.org/2021/04/29/target-reportedly-set-to-hire-2000-employees-for-controversial-hilco-warehouse/>

The Crawford generating plant, the shocking and severe dust storm stemming from the smokestack implosion, followed by the warehouse redevelopment that greatly increased local truck traffic, all have compromised the Little Village environment, and are suggestive of environmental racism. Four factors can be identified that have led to this environmental negligence towards the Little Village community.

Low Government Intervention in Corporate Exploitation of Community

Seven months before the Little Village smokestack implosion, employees from the Chicago Department of Health warned their supervisor, John Kryl, that proceeding with the planned implosion could cause almost ‘cataclysmic’ harm to Little Village and its neighboring communities. About 7 weeks before the event there was evidence indicating that a massive release of dust from an event like the implosion would be an ‘unavoidable byproduct’.²³ Local inspectors advised the implementation of several major measures to lessen the risks associated with the implosion. These measures included saturating the surrounding area with water in order to repress the release of floating dust and particulate matter. Additionally, collection of weather data including wind direction and speed was strongly encouraged. If the event was determined to direct large amounts of dust towards the Chicago river and residentially populated areas, the implosion was to be postponed.²³ Government officials relayed the inspector’s advice to Hilco consultants.

Despite the message being relayed, strict implementation of risk-reducing measures was not enforced. A summary of the Inspector General Joseph Ferguson’s report detailed the city public health commissioner’s “abdication of responsibility and willful bureaucratic negligence [allowing] the demolition contractor to proceed unchecked with minimal dust mitigation measures, including a failure to soak the ground prior to the implosion.”²³ On the day of the implosion there was also a mild wind blowing towards the Little Village community, which should have been sufficient to postpone the event. Instead, the implosion took place, with debris smothering the neighborhood.²⁴ Even though the necessary precautions were not

²³ Chase, Brett. “Seven Months before Smokestack’s Botched Implosion Smothered Little Village in Dust, Chicago City Inspector Issued Dire Warning.” *Times*, Chicago Sun-Times, 5 Aug. 2022, <https://chicago.suntimes.com/2022/8/5/23292152/hilco-crawford-coal-plant-implosion-warning-john-kryl-dust-cloud-little-village>.

²⁴ Rogers, Phil. “Little Village Residents Slam Lack of Discipline for Smokestack Implosion.” *NBC Chicago*, NBC Chicago, 20 Jan. 2022, <https://www.nbcchicago.com/investigations/little-village-residents-slam-lack-of-discipline-revealed-in-oig-report-on-hilco-smokestack-implosion/2732733/>.

taken, Little Village Alderman Michael Rodriguez, who only learned of the implosion plan a week in advance, indicated that Hilco had met all the City of Chicago requirements for the demolition to be conducted appropriately.²⁵

Following the implosion, Hilco paid \$68,000 for allowing the dust cloud to penetrate the surrounding neighborhood. Additionally, Illinois Attorney General Kwame Raoul, with the support of Alderman Rodriguez, filed a lawsuit against Hilco and their contractors for violating the state's air pollution laws in the smokestack demolition. This suit resulted in an additional payment of \$370,000 to be imposed, going towards Little Village's Community Health and Wellness Program to address asthma, diabetes and hypertension.¹⁷ (This amount of compensation from Hilco to the community is significantly lower than what Hilco has provided in response to lawsuits faced on some of their other similar projects. For example, after the botched demolition of a retired steel building in Maryland in 2015, the company and its partners were required to contribute \$3.375 million to environmental projects in the community, in addition to their \$375,000 fine.²⁶) Environmental coalitions estimate that the value of damages to public health due to the Crawford plant implosion are around \$2 million in the short run and upwards of \$5 million in the long run.¹⁷ While Hilco has agreed to pay the low fines, they have not admitted to any wrongdoing or mismanagement in the outcome of the implosion.

The city government was quick to issue a statement holding Hilco responsible for the implosion, but did not comment on their own involvement with Hilco leading up to the implosion.²⁵ Additionally, Hilco had initially received a \$19.7 million (60% of total) tax break for their warehouse development project from the city to promote 'business sentiment'. When Mayor Lightfoot was asked about the status of the redevelopment tax break, she stated that there was no basis for rescinding the tax subsidy.²⁷ Here, it seems like the Chicago government is more interested in business

²⁵ Pena, M., & Boyle, C. (2020, May 15). *After old Crawford coal plant smokestack blown up, Little Village residents worry about dust during global pandemic*. Block Club Chicago. Retrieved October 31, 2022, from <https://blockclubchicago.org/2020/04/11/old-crawford-coal-plant-smokestack-blown-up-sending-dust-into-little-village-during-global-pandemic/>

²⁶ Wood, P. (2019, June 5). *Former Sparrows Point Mill Owner fined for environmental violations during demolition*. Baltimore Sun. Retrieved October 31, 2022, from <https://www.baltimoresun.com/maryland/baltimore-county/bs-md-co-sparrows-point-fine-20150403-story.html>

²⁷ Morell, C. (2020, April 13). *City won't rescind a tax break for the developer behind a botched little village demolition, mayor says*. WBEZ Chicago. Retrieved October 31, 2022, from <https://www.wbez.org/stories/city-wont-rescind-tax-break-for-developer-behind-little-village-demolition-lightfoot-says/42d5eb5e-9a7d-4bcd-870f-e1910f723216>

development rather than prosecuting environmental wrongdoers. More importantly, the city's disengagement and leniency in imposing regulations could lead to further overexploitation of vulnerable communities by private entities down the road.

The Value Assigned to Little Village Citizen's Lives?

The handling of the implosion seems to show insufficient engagement with, and a lack of empathy towards, the Little Village residents. First, Hilco conducted the implosion during the COVID-19 pandemic. COVID-19 disproportionately affected poorer Black and Brown neighborhoods.²⁸ One in six COVID cases in Chicago were linked to the Cook County Jail, which is located in Little Village.²⁹ During 2020, Little Village's population was already extremely vulnerable and in a severe public health crisis. (In fact, Little Village had over 300 deaths and over 15,000 reported cases of COVID in 2020, making its zip code the leader in confirmed COVID cases in the state of Illinois.) Inexpertly imploding a defunct generating plant's smokestack, and replacing it with a large warehouse that, with its associated trucks, might also be a major neighborhood polluter, -- and doing this in the face of considerable community dissent during this time shows a seeming lack of understanding for vulnerable populations.³⁰

The city of Chicago is not awash in glory over the Little Village redevelopment, either. Mayor Lightfoot and Alderman Rodriguez distanced the city from a role in the pandemic-era implosion, arguing that while the city did not support the implosion, it was ultimately Hilco's decision and that the city was 'taking all the necessary precautions'.¹⁷ Again, a disconnect is suggested between the city's limited involvement and the risk the citizens faced.

After the implosion, environmental activists urged the city to pay for public air monitoring systems and air filtration for residents living near the site of the dust storm. A major petition, signed by over 50,000 people, demanded that the city should use Hilco's \$19,500 fine to fund these environmental initiatives. Furthermore, there was an expectation among many Little Village residents that the city would subsidize

²⁸ *Covid-19 reveals health and economic inequities among Latinos*. COVID-19 Reveals Health and Economic Inequities Among Latinos. (n.d.). Retrieved October 31, 2022, from <https://www.bcbsil.com/newsroom/category/community-health/covid-19-latino-disparities>.

²⁹ Williams, T., & Ivory, D. (2020, April 8). *Chicago's jail is top U.S. hot spot as virus spreads behind bars*. The New York Times. Retrieved October 31, 2022, from <https://www.nytimes.com/2020/04/08/us/coronavirus-cook-county-jail-chicago.html>.

³⁰ Wire, Sun-Times Media. "Two Years after Botched Implosion, Groups Call for Air Filtration for Little Village Residents." *FOX 32 Chicago*, FOX 32 Chicago, 9 Aug. 2022, <https://www.fox32chicago.com/news/two-years-after-botched-implosion-groups-call-for-air-filtration-for-little-village-residents>.

medical care required by residents due to the implosion, and provide high quality protective masks for the residents to deal with its aftermath.³¹ This expectation was not realized: reports indicate that the city distributed 2-3 disposable masks per household and those too, only to communities directly in the path of the dust cloud.³¹ Furthermore, air filtration or monitoring systems have yet to be installed in the community.

This desultory city action can be contrasted with the manner in which toxic emissions from General Iron's metal recycling plant were dealt with. The plant, located in Lincoln Park on the North Side of Chicago, was found in violation of ordinances controlling dust and odor emissions. General Iron paid a penalty of \$18,000 for the mishandling. City officials used a portion of the fines to purchase two field olfactometers (devices that measure odors) for the site to prevent similar mishaps in the future. In addition to those fines, General Iron spent more than \$300,000 on additional mitigation measures, including \$179,000 for dust mitigation and \$128,000 on explosion prevention measures. General Iron presents an example of an environmental infraction being met with measures that indicate care for the community and a heightened level of gravity. It seems as though the value implicitly assigned to the lives and comforts of Lincoln Park dwellers was somehow higher than that assigned to Little Village residents, even though the Lincoln Parkers were plagued with less severe challenges.³²

Lack of Transparency Between the Government and the Residents

Another significant policy shortcoming is a lack of transparency between the government and the citizens. Prior to the implosion, communication with the Little Village residents was extremely poor. There was no public meeting to broadcast a warning. When Alderman Michael Rodriguez learned about the forthcoming implosion, he asked Hilco to notify residents via letters in English and Spanish. Apart from this Rodriguez was not involved in Hilco's communication nor was there oversight by the government of letters sent by Hilco.

³¹ Wire, S.-T. M. (2022, August 9). *Two years after botched implosion, groups call for air filtration for Little Village residents*. FOX 32 Chicago. Retrieved October 31, 2022, from <https://www.fox32chicago.com/news/two-years-after-botched-implosion-groups-call-for-air-filtration-for-little-village-residents>.

³² Wetli, P. (n.d.). *General Iron to pay \$18K in fines as relocation to southeast side looms*. WTTW News. Retrieved October 31, 2022, from <https://news.wttw.com/2020/11/03/general-iron-pay-18k-fines-relocation-southeast-side-looms>.

A canvassing team led by Hilco dropped flyers at homes in the near vicinity of the site, excluding residents who lived a little further away, but were still affected by the dust from the implosion. These flyers were put through fences and stuck to poles in the neighborhood mere hours before the implosion. Many residents mistook these warnings for junk mail. The implosion notice was also posted on Hilco's project website, though without any encouragement to residents to access the website. According to an informal survey of 100 people by the Little Village Environmental Coalition, 38% of the population was unaware of the planned implosion and said they didn't receive the flyers³³. The morning of the implosion, many unaware residents were hurried off the streets near the smokestack. For many others, the blast served as their only notification. This created a lot of fear and panic during the implosion.

The shortfall in communication and transparency by Hilco and the city government increased the impact of the implosion on residents.³⁴ After the fact, the Chicago government also refused to disclose whether Hilco responded to their email detailing instructions on mitigating the effects of the implosion. This lack of transparency fosters citizen suspicions of the extent of the city's complicity in the demolition, an undermining of trust.

Other post-implosion events also remain cloaked in secrecy. In June 2020, the City Inspector General prepared a report on the implosion. This report contains vital information about air quality after the implosion, noise levels during the implosion, released particulate matter, along with a general evaluation. Though a summary of the report was made public, Mayor Lightfoot's administration has refused to release the report itself, despite community petitions and protests..³⁵ Illinois law permits the withholding of documents unless they contain 'sustained findings' of a 'felony or conduct associated with death. The implosion does seem to be associated with health problems for individuals, and possible even with a fatality: the Chicago Environmental Justice Network has found that the death of an elderly resident was directly linked to the contaminated cloud from the implosion, while several citizens

³³ Pena, Mauricio. "Planned Explosion Covered Little Village in Dust during Respiratory Pandemic - Why Did the City Let It Happen?" *Block Club Chicago*, Block Club Chicago, 9 June 2021, <https://blockclubchicago.org/2020/04/12/extremely-angry-lightfoot-blames-developer-for-massive-little-village-dust-cloud-alderman-apologizes/>.

³⁴ Pena, M. (2021, June 9). *Planned explosion covered little village in dust during respiratory pandemic - why did the city let it happen?* Block Club Chicago. Retrieved October 31, 2022, from <https://blockclubchicago.org/2020/04/12/extremely-angry-lightfoot-blames-developer-for-massive-little-village-dust-cloud-alderman-apologizes/>

³⁵ Cherone, H. (n.d.). *City panel calls for Lightfoot to release full probe of botched smokestack implosion*. WTTW News. Retrieved October 31, 2022, from <https://news.wttw.com/2022/07/15/city-panel-calls-lightfoot-release-full-probe-botched-smokestack-implosion>

claim to have suffered adverse health effects due to the implosion.³⁶ Nonetheless, the city government continues to block the release of the Inspector General's report. This lack of transparency makes it difficult to gauge the extent of damage and helps to sustain a generally hostile relationship between the community and the city government.

False Promises and Under Delivery

With respect to site redevelopment, both Hilco and the government made promises to Little Village residents that ultimately were not kept. When the new warehouse was announced, concerned residents were given one reassurance: Hilco would strive to make the new facility more environmentally friendly. These efforts would include the installation of solar panels, LED lighting and charging stations for electric vehicles along with planting 700 trees in the area. Most importantly, the project promised to replace a large portion of the warehouse's diesel-fueled fleet with electric trucks.³⁷ Electric vehicles can drastically reduce air pollution of substances like NO_x, PM_{2.5} and other particulate matter while also cutting noise pollution as opposed to conventional trucks. While 20% of the fleet parking spots developed were for electric vehicles, it was later established that Target 'does not have solid plans' to implement an electric fleet but would look into it. As a result of this vague and unfulfilled promise, the facility is not as environmentally attractive as residents were led to believe it would be.³⁸

Furthermore, the warehouse originally promised that it would hire local workers, providing 2000 jobs for the community, a significant economic boost. Many residents currently have long commutes to their workplaces, while receiving low wages and virtually no health benefits. A job at the warehouse facility would improve all of these conditions: decrease commutes, provide employee health insurance plans, and pay a minimum wage of \$18/hr as an operator. However, in August 2021 Target

³⁶ Ferguson, J. (2022, August 15). *Chicago needs to clear the air in little village over the Hilco implosion*. Chicago Tribune. Retrieved October 31, 2022, from <https://www.chicagotribune.com/opinion/commentary/ct-opinion-chicago-hilco-little-village-transparency-inspector-general-20220815-rl17v5ozr5afzo2wscqwlkpvq4-story.html>

³⁷ Henderson, A. (2021, June 21). *Electric Trucks won't deliver environmental justice, say warehouse neighbors*. Energy News Network. Retrieved November 1, 2022, from <https://energynews.us/2021/06/14/electric-trucks-wont-deliver-environmental-justice-say-neighbors-of-chicago-warehouse-site/>

³⁸ Pena, M. (2021, September 1). *Target Building Truck Storage Facility near little village warehouse - but won't answer public's questions about it*. Block Club Chicago. Retrieved November 1, 2022, from <https://blockclubchicago.org/2021/09/01/target-building-truck-storage-facility-near-little-village-warehouse-but-wont-answer-publics-questions-about-it/>

revealed at their community meeting that out of the 700 employees they had hired to date, only 112 of those were from the Little Village zip code of 60623 -- about 16% of the employees. This local hiring is much lower than the 35% that Target had promised and the 50% that advocacy groups had been demanding.

To act on their promise of local employment, Target partnered with Central States SER and Instituto del Progreso Latino, workforce development organizations for Latin Americans, to host two job fairs during the first week of August 2021. City Bureau attended one of the fairs, and after speaking with a number of prospective applicants, found that they were dismayed with the lack of engagement during the event. The general experience seemed to be that the event was like that of an ‘application fair’ where attendants were given instructions on how to fill out the online application form. These instructions often offered no new information. More importantly for the applicants, many qualified potential employees never heard back after applying.³⁹ To test whether the application process was biased, a City Bureau reporter applied for the position at the career fair; the reporter possessed no warehouse operation experience, but received an employment offer within a week, without any interviews. A senior distributor at Target claimed that the career fair was very successful and led to a lot of new hires, though he refrained from disclosing the actual numbers. Again, it seems that an under delivery on promises leads to a lack of trust between private entities and already overburdened communities.³⁸

The Crawford Generating Station site has been an environmental problem for Little Village for years. First, the coal-burning plant itself created severe local hazards. Neighborhood pressure eventually led to the plant’s closure. The plant sat dormant for 12 years prior to the bungled implosion. During this period of dormancy, there were many proposals for new, and cleaner, uses of the land, including an 850,000 square feet greenhouse, a hub for street food vendors, and a solar-powered generating facility to replace the coal-powered plant.⁴⁰ These land uses would reduce local pollution and increase environmentally protected areas. . In comparison, residents of the North side of Chicago seem to do better at having their preferences met when it comes to land use within their neighborhoods: the North side has four times as many community spaces (including parks, monuments, and tourist attractions) than the

³⁹ Younan, A. (2021, November 11). *Activists demand half of target warehouse jobs go to Little Village residents*. South Side Weekly. Retrieved November 1, 2022, from <https://southsideweekly.com/activists-demand-half-of-target-warehouse-jobs-go-to-little-village-residents/>.

⁴⁰ Lydersen, K. (2021, February 15). *Chicago coal plant site to become logistics hub; local leaders furious*. Energy News Network. Retrieved November 1, 2022, from <https://energynews.us/2018/02/12/chicago-coal-plant-site-to-become-logistics-hub-local-leaders-furious/>.

South Side.⁴¹ Despite years of community protest, the Target warehouse was built without resident input – the administration of Mayor Rahm Emanuel gave permission for a warehouse on the Crawford site. Alderman Rodriguez was not responsible for approving the Target warehouse, though he has expressed positive sentiment towards the job creation it would bring. Rodriguez was able to come to an agreement with Hilco prohibiting large diesel trucks from using the neighborhood streets, only entering through the adjacent highways.⁴² This prohibition was a small relief for community members, though the ban is more effective in theory than in practice.

An Implosion Gone Right: Indiantown Cogeneration Plant Comparative Case Study

Not all demolitions and redevelopments have to be highly controversial. To get a better understanding of a successful implosion that received community support we can examine the 2021 case of the Indiantown (Florida) Cogeneration Plant implosion. The plant was owned by Florida Power & Light (FPL) and located in Indiantown in Martin County, Florida. FPL is Florida's largest electricity producer, serving a majority of the Atlantic Coast and Gulf Coast south of Tampa Bay. The plant had been built in 1995 and used as an energy supplier for over 20 years. The implosion brought down a 495-foot chimney stack, along with a lengthy coal shoot, in about eight seconds (video link [here](#)).⁴³ The old site will be replaced with a \$100 million solar energy plant.⁴⁴ The destruction and redevelopment process in Indiantown has not been as controversial despite redevelopment trajectory that parallels that in Little Village. Why?

Community Consideration in Replacement Plan: A large reason the Crawford redevelopment did not garner local support was because the residents were unhappy with the environmentally problematic replacement. While the residents wanted a

⁴¹ Theodos, B., & Hangen, E. (2022, October 27). *Data and evidence to advance upward mobility and equity*: Urban Institute. Data and evidence to advance upward mobility and equity | Urban Institute. Retrieved November 1, 2022, from <https://www.urban.org/>.

⁴² Pena, M. (2021, July 28). *As target warehouse opens on Little Village Hilco site, alderman celebrates new jobs - while activists vow to keep fighting*. Block Club Chicago. Retrieved November 1, 2022, from <https://blockclubchicago.org/2021/07/28/as-target-warehouse-opens-on-little-village-hilco-site-alderman-celebrates-new-jobs-while-activists-vow-to-keep-fighting/>

⁴³ MiamiHerald. (2021, June 19). *Watch Florida Power & light implode its coal-fired power plant in Indiantown*. YouTube. Retrieved November 1, 2022, from https://www.youtube.com/watch?v=FUvoFhvkcho&ab_channel=MiamiHerald

⁴⁴ Ruiz, L. (2021, June 17). *FPL blows up its last coal-fired power plant; announces plans for its newest Solar Center*. Treasure Coast. Retrieved November 1, 2022, from <https://www.tcpalm.com/story/news/2021/06/16/fpl-implodes-indiantown-last-coal-plant-170-pounds-explosives/7658846002/>

facility that would benefit the community in an environmentally respectful way — such as a greenhouse, a hub for street food vendors, or a solar farm -- they received a massive Target warehouse instead. In contrast, the Indiantown Coal Plant was replaced with a \$100 million solar facility, one with 300,000 panels on a 500-acre site. The electricity generated from this site will power 15,000 homes with green energy, enough for the entire town of Indiantown along with some additional neighborhoods. The plant, once completed, is also expected to generate \$200,000 to \$300,000 in tax revenue per year, which can be reinvested into the communities – a nice complement to the \$100 million to \$150 million in savings from switching to clean energy over the next 9 years.⁴⁵ Thus, an alternative that was beneficial both economically and environmentally in the long-run replaced the old generating plant, leading to strong community support.

Transparent Communication and Efficient Process of Execution: Residents were disappointed with the lack of clear communication connected to the Little Village implosion. Notification was insufficient and intended safety precautions were not explained. In contrast, communication was executed more clearly in the Indiantown implosion. Journalists and news agencies were allowed onto the site for news reporting in the pre-implosion period. Engineers were hired to clean up the site according to EPA standards before the demolition and they disclosed exactly how the implosion would take place, including details on the location and quantities of explosives to be used. News of the implosion was broadcast on television and radio stations in the weeks leading up to the implosion, in addition to the posting of flyers locally.⁴⁶ In the case of Little Village’s implosion, details on the implosion process have yet to be disclosed. The Indiantown transparency seemed to build trust with the community and the aftermath of the implosion did not bring with it a slew of complaints.

⁴⁵ Ruiz, L. (2022, August 15). *FPL to build solar-energy center just outside Indiantown; fourth in Western Martin County*. Treasure Coast. Retrieved November 1, 2022, from <https://www.tcpalm.com/story/news/2022/08/15/fpl-build-fourth-solar-energy-center-western-martin-county/10251688002/>

⁴⁶ Eppinger, K. (2021, June 16). *FPL's last coal-powered plant imploded*. WPTV News Channel 5 West Palm. Retrieved November 1, 2022, from <https://www.wptv.com/news/region-martin-county/indiantown/fpl-plant-implosion>

Quick and Efficient Implosion Response: Little Village's Crawford coal plant was shut in 2012, following years of community protests against the plant. The implosion took place eight years later and the blast was botched. As in Little Village, protests centering on health and environmental issues also contributed to the closing of the Indiantown coal plant; however, the Florida process was much smoother. FPL acquired the plant in 2017 and immediately reduced the operating scale for the next two years -- after which it stopped generating power completely. By the time the plant had shut down there were already plans to utilize the land for a renewable energy development project.⁴³ The Indiantown plant was formally closed on January 1, 2021, demolished in June of 2021, and construction of the renewable energy facility started by the end of the same year. Further, many of the materials from the demolition process are being recycled (before the land completely clears in 2023).⁴⁷ Thus the Indiantown implosion demonstrated an efficiency and accountability that were lacking in the Crawford plant implosion, smoothing the transition from the old, outdated facility to the new (and greener) one.

Reliable Company with Positive Track Record: When FPL undertook the Indiantown solar project they already had prior experience with successfully decommissioning and removing coal plants and with building solar facilities. In August 2018, for instance, FPL successfully imploded the Cedar Bay Generating Plant in Jacksonville. FPL currently owns 41 solar centers in Florida; it is the largest solar generator in the state. The new Indiantown solar center will be FPL's third in western Martin County alone. Currently, FPL is over 40% of the way through its 30-by-30 plan to put 30 million solar panels in the state of Florida by the year 2030.⁴³ This history of successful plant implosions and solar center developments in the transition to clean energy is reassuring.

Hilco's track record does not seem as impressive. In fact, in July of 2020, shortly after the Crawford implosion, Hilco conducted another troubled implosion, this one at the Hudson Generating Station in New Jersey. Here, unnotified residents were terrified that the early morning sound and dust emanated from a bomb,

⁴⁷ FPL Newsroom. Florida Power & Light Company (FPL): FPL Newsroom. (n.d.). Retrieved November 1, 2022, from <https://newsroom.fpl.com/2016-06-20-FPL-announces-plans-to-buy-and-phase-out-another-coal-fired-power-plant-saving-customers-millions-of-dollars-and-preventing-millions-of-tons-of-carbon-emissions>.

something like 9/11. Hilco might have some work to do to reassure local residents prior to their next implosion.⁴⁸

Policy Implications

Crawford's botched smokestack implosion is an example of a preventable tragedy caused by negligence, rather than a random mishap. The determinants of the Little Village tragedy and the environmental racism that it represents can be utilized to improve public policies and lessen the prevalence of this racism.

The preparatory process for the implosion was insufficiently rigorous, even rather casual. The implosion was not adequately regulated and residents were notified in a hasty and ineffective manner. Environmental impacts of development processes in the South and West side should receive more oversight to prevent similar fiascos. The existing permit system can be extended for this purpose. This written contract should contain detailed environmental measures that the corporation should follow along with quantitative metrics to determine compliance. In the case of Crawford or similar implosions, a minimum number of gallons of water, for instance, to be spread around the site of implosion, could be a term in the permit. The permit should be approved by the Department of Buildings and the Bureau of Environmental Health and Safety Management. These city organizations should also be legally obliged to oversee the implementation, with regular reporting to the city government and local Alderman. Stricter permitting ensures that, as in the Indiantown implosion, specialists are responsible for overseeing progress and ensuring that projects that are environmentally harmful are either reevaluated or halted.

The fines for the botched implosion were quite low compared to the damage that it caused to the environment, and also low relative to fines for other construction transgressions. Such leniency shown to projects polluting vulnerable communities is a characteristic of environmental racism. Low fines do not provide the private sector with enough incentive to expend sufficient resources to rein in their harmful behavior. A schedule of fines could even be included in permits. These fines should be high enough that under most circumstances the firm will choose to comply with the permit requirements rather than pay the fine. Making the fines public information ensures

⁴⁸ Pena, M. (2021, April 2). *3 months after little village dust disaster, Hilco implosion terrifies New Jersey Neighbors: 'what they did was unconscionably wrong'*. Block Club Chicago. Retrieved November 1, 2022, from <https://blockclubchicago.org/2020/09/01/3-months-after-little-village-dust-disaster-hilco-implosion-terrifies-new-jersey-neighbors-what-they-did-was-unconscionably-wrong/>.

that the developers are aware beforehand of the implications of inadequate performance, and that the public sees the extent to which their interests are protected in the permit process.

Currently, environmental harms are concentrated in the South and West sides of Chicago. Perfect equality is not achievable, but at least every neighborhood should meet high environmental quality standards. Maximum emission limits within neighborhoods can be set, and monitoring equipment including olfactometers and PPM calculators should be installed throughout the city. The neighborhood-specific regulations ensure that areas that already suffer from concentrated pollution can be protected against new, high polluting projects. Data on current emission levels in each neighborhood should be publicly available.

For new private development projects in predominantly lower income neighborhoods, monthly meetings between the private entity and community members should be facilitated by the government. Most of Hilco's communication with community members was indirect, channeled through the Alderman. This separation allowed Hilco to avoid disclosing the specifics of their plan, and possibly even contributed to deflecting accountability for their actions. Mandatory monthly meetings involving elected community leaders, grassroot organizations, residents, and the private developers can ensure full transparency and the airing of public concerns. The meetings themselves can be recorded and made publicly available, making it harder for developers to ignore public commitments. Such transparency will help build trust between developers and the underrepresented Chicago communities affected by their projects.

Conclusion

The Hilco implosion was a preventable disaster that occurred for a variety of reasons that suggest a lack of consideration for underprivileged communities. With better legislation, improved safety protocols, transparency, and community involvement, the implosion could have been conducted in a manner that was much safer. Chicago communities deserve these improvements.

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CHAPTER EIGHT

Shifting Sentiments: How Chicago Views Policing

David Calahan

Introduction & Background

Chicago has historically terrible community-police relations. The most notorious instances of police misconduct carried out against Chicagoans were committed by Jon Burge and his “Midnight Crew” from 1973-1991.¹ During that period, Burge was promoted five times from uniform officer to commander – while Burge and his team electrocuted, beat, and burned false confessions out of over one hundred black and brown men. Because his conduct was covered up for such a long time, when he was finally ousted, the statute of limitations for most of his crimes had already passed. As a result, instead of being brought up against hundreds of criminal assault, negligence, and torture charges, Burge was simply charged with perjury for lying about his actions. He spent *four* years in jail from 2011 to 2014, during which he continued to collect his \$36,000 Chicago Police Department (CPD) pension.² Upsettingly, this story and ones like it are not outliers for CPD, and they are not a thing of the past.

For almost a decade, then-officer Ronald Watts, his partner Kallatt Mohammed, and members of the gang tactical team under his command cooperated with a drug ring running out of Ida B. Wells Homes, a public housing facility on the South Side. Watts and his team were accused of “taxing” drug dealers as compensation for knowingly turning a blind eye to their illegal activities and silencing residents who could potentially threaten the operation.³ Watts and Mohammed would plant drugs on residents who did not blindly comply with their orders to have them

¹ Evans, Maxwell. “Chicago Police Torture Archive Documents Decades of Abuse from Jon Burge and His ‘Midnight Crew’.” *Block Club Chicago*, Block Club Chicago, 5 Feb. 2021, <https://blockclubchicago.org/2021/02/05/chicago-police-torture-archive-documents-decades-of-abuse-from-jon-burge-and-his-midnight-crew/>.

² Moore, Natalie Y. “How Chicago’s Survivors of Police Torture Won Reparations.” *The Marshall Project*, The Marshall Project, 30 Oct. 2018, <https://www.themarshallproject.org/2018/10/30/payback>.

³ Kalven, Jamie. “Abuses by Ex-Chicago Cop Ronald Watts Are a Gross Injustice That Has Ripped a Hole in Our City.” *Chicago Tribune*, 21 Oct. 2022, <https://www.chicagotribune.com/opinion/commentary/ct-opinion-ronald-watts-chicago-police-abuses-prairie-courts-four-20221021-ikztf12ndrdednr7k7ehkqcpe-story.html>.

arrested. During the decade that they continued this practice, CPD's bureau of internal affairs and the FBI dragged out multiple open-ended investigations. In 2011, during one of these investigations, Watts and Mohammed were caught stealing \$5200 in an FBI sting operation. The two were convicted on a single charge of stealing government property and received sentences of 22 and 18 months respectively. Aside from these charges (and convictions), no other charges were brought against Watts and Mohammed or any officers who worked with them. Instead, 15 of the officers implicated were put on desk duty pending further investigation. Five of those officers have retired and have begun collecting their pensions prior to the investigation's conclusion, while the ten others remain fully employed and on city payroll. Today, because of Watt's false evidence and testimony, more than 200 convictions have been thrown out, with more convictions being re-evaluated still today.⁴

In 2014, (now former) officer Jason Van Dyke shot 17-year-old Laquan McDonald 16 times in the back within the period of 14 seconds. Initially formal reports of the incident claimed that McDonald lunged at Van Dyke and, as a result, the shooting was deemed to be justified. Van Dyke's partner Joseph Walsh⁵ corroborated this report, and, because the dash camera footage was hidden by CPD officials for over a year, for 13 months Van Dyke continued his position as a patrolling officer. After a hard-fought court ruling however, the dash camera footage of the shooting was released and it was made clear that Van Dyke shot McDonald as he was walking away, not during the erratic assault that McDonald and Walsh reported. Van Dyke was convicted of second-degree murder and was released for that murder *after six years*. Walsh was convicted of nothing.

These are a few in a long list of many horror stories created by CPD officials with new ones emerging seemingly every day. In 2021 alone, 4,036 complaints were filed against CPD officials: crime in the city as a whole has followed the same trend with a 35% increase in reported crimes compared to 2021. The department clearly has

⁴ Loevy, Debra. "Watts Team Scandal." *The Exoneration Project*, 13 Sept. 2022, <https://www.exonerationproject.org/stories/watts-team-scandal/#:~:text=Disgraced%20former%20Chicago%20Police%20Sergeant,mass%20exoneration%20in%20Chicago%20history>.

⁵ Tarm, Michael, and Don Babwin. "3 Chicago Officers Acquitted of Covering up 2014 Shooting of Teen." *Las Vegas Review-Journal*, 18 Jan. 2019, <https://www.reviewjournal.com/news/nation-and-world/3-chicago-officers-acquitted-of-covering-up-2014-shooting-of-teen-1575762/>.

a conduct problem which has blossomed into an optics issue as well.⁶ But despite those crime rate increases and CPD's ugly history, feelings of safety and trust in CPD have been steadily rising within certain areas of the city in the recent past.⁷

CPD partners with Elucd, a third-party survey company, to collect and release data on community sentiment towards police focusing on two factors: trust and safety. On a monthly basis, Elucd surveys 1500-2000 residents from across the city to gather data and consolidate scores. The trust score is based on the responses (on a 1-to-10 scale) to two survey items asking residents to rank how much they agree with the statements: The police in my neighborhood treat local residents with respect; and the police listen to and take into account the concerns of local residents. The safety score is based on responses (on a 1-to-10 scale) to the question: When it comes to the threat of crime, how safe do you feel in your neighborhood? These scores are then averaged and multiplied by 100. So, for example, a trust score of 45 means that the average response to the two trust questions was 4.5/10.

There are two considerations to take into account when evaluating these scores. The first comes from the nature of survey-based studies, specifically ones implemented by, or on the behalf of government officials. Retired Chief Cameron S. McLay explained this issue in *Sentiment Analysis: The Missing Link in Police Performance Management Systems*:

there is a level of trust involved in someone simply completing a survey. Those who distrust government and police and feel alienated from the larger community, often will not participate at all. Many people have no confidence that their efforts will yield positive outcomes, and some may even fear their participation may be used against them.⁸

This reluctance of some people to participate in police trust surveys suggests that the scores collected by Elucd are not based on a fully representative pool of respondents; further, the implication is that if a representative set of responses could be collected, they would result in lower trust & safety scores for CPD.

⁶ "Fanning the Flames of Distrust." *Crain's Chicago Business*, 6 Dec. 2021, <https://www.chicagobusiness.com/opinion/reporting-chicago-police-department-should-not-add-mistrust>.

⁷ "Chicago Police Sentiment Dashboard." *Chicago Police Department*, <https://home.chicagopolice.org/statistics-data/data-dashboards/sentiment-dashboard/>.

⁸ McLay, Cameron. "Sentiment Analysis: The Missing Link in Police Performance Management Systems." *Policechiefmagazine.org*, <https://www.policechiefmagazine.org/sentiment-analysis/>.

The second consideration in interpreting the safety and trust scores is that the subjectivity of the 1-10 ranking system makes it difficult to perform any comparative or precise quantitative analyses. What is a 6 to one person could be an 8 or a 4 to another. Nonetheless, though the two considerations warn against over-interpretation of the monthly aggregate scores, monthly changes are still helpful for identifying how general sentiments are shifting over time. (That is, there is no reason to think that the non-representative sample problem, nor the subjectivity of the ranking numbers issue, change over time; so, marked changes in the aggregate scores over time are most likely capturing altered sentiments towards the police.) The department's aggregate safety and trust score in South Side (Area 4) increased from 47.5 in 2019, to 52.5 in 2022. In North Side (Areas 3 & 5) the aggregate trust score of the department dropped from 66.25 in 2019 to 60.75 today.

The change in sentiments could potentially be easy to understand when breaking down Elucd's aggregate scores. Within the North Side region, citizen trust in the police as an institution is stronger than their feelings of safety within Chicago in general, but, compared to the South Side, both the trust and safety scores have been high on the North Side. But with steady increases in crime within the city, increased uneasiness from Northern residents reduces their feelings of safety to a larger degree than on the South Side, where residents already felt unsafe; as a result, CPD's scores fall more drastically on the North Side. North Side residents had more safety & trust to lose, while sentiments on the South Side, which started off low, increased but still remained low in relative terms.

The improvement on the South Side's scores is less easy to understand. For every year that complaints against CPD officials were tracked and publicly distributed (starting in 2019 and continuing today), racial bias allegations were the most commonly reported concerns. With that in mind, the increased trust in CPD stemming from residents on the South side, which is populated primarily by Black and Brown residents, is confounding. Further, if the above hypothesis is correct, and North Chicago's decreased trust & safety score is a result of decreased feelings of safety, understanding South Chicago's increase is even more confusing. On the South Side, trust scores were constantly lower than safety scores. Decreased feelings of safety presumably would have lowered CPD's aggregate score on the South Side, in the same way it did in the North -- especially considering the recent national resurgence of distrust for police stemming from the murder of George Floyd and the subsequent national outrage.

Overall, positive sentiments towards police are still stronger in North Chicago, but in the recent past, South Chicago residents' sentiments have improved. South Chicago is still the most heavily policed region in the city, with the highest arrest rates, and the most misconduct allegations levied against the police. North Chicago experiences the opposite kind of treatment. Identifying why sentiments have shifted in each area could help to guide future policy aimed at improving the efficacy of police investigations, as well as improving industry retention.

Despite the recent drops in violent crime (perhaps as a result of increased policing and public aid programs targeted towards South Chicago residents¹³) non-violent crime rates have increased in the recent past. In part due to these increases and the decreased feelings of safety on the North side of Chicago, large companies are criticizing the city and in some cases moving away. Mirroring the general decline in feelings of safety on the North Side, many business leaders have emphasized a decreased sense of safety:

“We have violent crime that's happening in our restaurants ... we're seeing homelessness issues in our restaurants. We're having drug overdoses that are happening in our restaurants,” he said last month at the Economic Club of Chicago. “So we see in our restaurants, every single day, what's happening in society at large.” - CEO of McDonalds Chris Kempczinski.⁹

Multiple large corporations including Tyson, Boeing, Caterpillar, and Citadel have already announced moving their headquarters from the city -- with fear of increased crime sometimes cited as a factor:

“If people aren't safe here, they're not going to live here,” he said. “I've had multiple colleagues mugged at gunpoint. I've had a colleague stabbed on the way to work. Countless issues of burglary. I mean, that's a really difficult backdrop with which to draw talent to your city from.” - CEO of Citadel Ken Griffin.¹⁰

In addition to corporate distancing, some Chicago business leaders report concerns about the effects of crime on Chicago's travel industry. Today tourism-

⁹ Valinsky, Jordan. “Tyson Foods Joins Several Other Big Companies Leaving Chicago. What's Going on?” *ABC7 Chicago*, 7 Oct. 2022, <https://abc7chicago.com/big-companies-in-chicago-leaving-news-jobs/12303608/>.

¹⁰ Roeder, David. “Ken Griffin Pulling Citadel out of Chicago.” *Times*, Chicago Sun-Times, 24 June 2022, <https://chicago.suntimes.com/business/2022/6/23/23180173/ken-griffin-citadel-leave-chicago-miami>.

related employment has only risen to 60% of pre-pandemic levels, while total tourism spending is estimated at \$9.8 billion, about half that of 2019.¹¹ The president of the Illinois Hotel and Lodging Association, Michael Jacobson, emphasized the importance of fixing Chicago's dangerous image, "The Chicago economy can't afford for hotels to fail. It can't afford for tourism to go down, so that's why we need to figure out a solution to this issue." Understanding these decreased feelings of safety could help to direct policy aimed at maintaining and recovering the strength of Chicago's business sector.

Further, understanding what factors increase feelings of trust towards the police can help to improve feelings of safety within communities that have been historically abused by CPD, as well as increase CPD's ability to function effectively in the city.

I was talking to some community members, and we were all shot at, and I was like "Yo, did you see what type of car that red car was there?" And they're like: "Red car? That car was blue" I'm like "Yo, the car that just shot at us was red man, I couldn't tell what type of Ford it was." And they were like: "Nah, man, it was blue man, you better check your facts." So even when we collectively, police officers and committee members, were shot at, community members were still providing false information. - Officer Anonymous, 2020.

When community members distrust the police, investigatory impediment is an unavoidable outcome. Despite the fact that tools like Police Observation Devices and ShotSpotter grant CPD an increased level of independence in investigations, much of their work still relies on reports and interviews from local residents. Without resident trust and support, much of the work police officers hope to do is rendered impossible. With this in mind, identifying what factors lead to increased feelings of trust could improve efficacy of CPD.

With the goal of maintaining improved sentiments in South Chicago, and reversing the trends in the North, this chapter seeks to identify what initiatives or events, CDP organized or not, occurred within both regions to shift sentiments for its residents in favor of, or against the police. Understanding these sentiments would allow Chicago policy makers to better orient legislation aimed at attracting and

¹¹ Mayor Press Office. "Mayor Lightfoot Releases the Chicago Building Decarbonization Working Group Recommendations Report." *Chicago Records 86% Increase in Tourism in 2021 Compared to 2020*, 15 June 2022,

maintaining business connections in the city, and improving CPD efficacy. In order to identify these factors, this chapter will make use of interviews of local residents and community leaders, as well as analyze crime and sentiment data collected by CPD. It will conclude by summarizing community-police relational tensions and offering policy recommendations aimed at increasing feelings of trust and safety throughout the city.

Why the Shift?

The shift in sentiments between North and South Side Chicago seem to have occurred for opposite reasons. North Side residents have experienced a change in perception towards CPD and Chicago in general. While South Side residents have experienced a change in quality of life, which has improved their sentiments towards their communities and the police presence within them.

South Side

Substantive Change

In 2020, following massive national outrage towards the conduct/efficacy of the police, and a 9%¹² increase in shootings in the city compared to the previous year, Chicago Mayor Lori Lightfoot announced the development of a new plan aimed at improving Chicago's emergency response procedures. The plan's primary goal is to decrease violent crime in 10 community areas on the South and West side of Chicago. In 2019, 50 percent of the city's shooting victimizations occurred within only 10 of Chicago's 77 community areas. These communities are where low educational attainment, poor healthcare availability, and poverty are concentrated in the city. The plan, called Our City Our Safety (OCOS), outlines four major goals:¹³

- 1) **Prevention Activities** involve creating spaces for locals to occupy their free time and develop community: streets, libraries, parks, etc. Reclaiming public spaces like these allows for stronger community ties to form and also creates safe

¹² Struett, David, and Madeline Kenney. "Violent Death of Chinese Student in Hyde Park Sparks Calls for Action - but Few Specifics on How to Combat City's Rising Crime." *Times*, Chicago Sun-Times, 11 Nov. 2021, <https://chicago.suntimes.com/crime/2021/11/9/22772821/university-chicago-shooting-dennis-shaoxiong-zheng-hyde-park>.

¹³ City of Chicago. *OUR CITY, OUR SAFETY: A Comprehensive Plan to Reduce Violence in Chicago*. <https://www.chicago.gov/content/dam/city/sites/public-safety-and-violenc-reduction/pdfs/OurCityOurSafety.pdf>.

spaces for young people to occupy outside of school. This goal aims to prevent cycles of crime and violence from ever starting.

- 2) **Intervention Activities** involve facilitating access to resources like behavioral health services, living wage jobs, and officials who are dedicated to engaging with those who are at the highest risk of violence involvement. These resources will be organized and distributed by a comprehensive street outreach and victim support network that emulate similar programs implemented in cities like New York City¹⁴, Los Angeles¹⁵, and Oakland¹⁶. This goal aims to stop cycles of crime and violence that have already begun.
- 3) **Community Empowerment** involves reinforcing and financing already existing block clubs, non-profit organizations, etc. that are run by community stakeholders who are dedicated to protecting and improving their communities. This goal aims to bolster pre-existing intervention programs, and solidify long lasting support systems stemming from local leadership (as opposed to government initiatives).
- 4) Notably, the fourth goal, **Relationship-Based Policing**, is not expanded upon anywhere in the official report released by the city.¹⁷ No actionable steps were cited. No specific changes were promised. Nevertheless, Relationship-Based Policing it is still touted as the fourth pillar of the Our City, Our Safety plan with its aim of increasing police legitimacy in South and West side areas.

The plan has a 411.6 million dollar budget allocation split into six main parts:

- 1) Community Development - \$114.6 million

¹⁴ Department of Homeless Services. "Street Outreach." *Street Outreach - DHS*, <https://www1.nyc.gov/site/dhs/outreach/street-outreach.page>.

¹⁵ Hess, Nathan et al. *Unsheltered in Los Angeles: Insights From Street Outreach Service Data*. 24 Feb. 2021, <https://www.capolicylab.org/wp-content/uploads/2021/02/Unsheltered-in-Los-Angeles.-Insights-from-Street-Outreach-Service-Data.pdf>.

¹⁶ Hill, Angela. "New Group of Street Outreach Workers Trains to Face Oakland's Toughest Neighborhoods." *East Bay Times*, East Bay Times, 15 Aug. 2016, <https://www.eastbaytimes.com/2011/02/02/new-group-of-street-outreach-workers-trains-to-face-oaklands-toughest-neighborhoods/>.

¹⁷ City of Chicago. *Our City Our Safety: A Comprehensive Plan to Reduce Violence in Chicago*. <https://www.chicago.gov/content/dam/city/sites/public-safety-and-violenc-reduction/pdfs/OurCityOurSafety.pdf>.

- 2) Crisis Intervention - \$85 million
- 3) Job assistance - \$80 million
- 4) Affordable Housing & Homeless Programs - \$62 million
- 5) Health and Welfare programs - \$40 million
- 6) Small Business Aid - \$30 million

In 2022, when asked about the state of her neighborhood, one CPS student explained:

Student: Okay, sometime back, our neighborhood was not safe at all. People used to carry guns around small kids doing drugs and stuff like that. So literally, I guess a number of guns are off the streets. The youth here have gotten something better to do with their lives, rather than drugs. And, yeah, I guess we're maintaining peace.

Interviewer: Wow. Do you have any idea how they managed to accomplish this?

Student: Yeah. A lot of community-based organizations have been formed and let's also say the neighbors are willing to cooperate with the government. That is, when it comes to ratting out those people that have those guns with themselves. Yeah.

Here we can see multiple OCOS pillars cited, and, notably, an acknowledgement of recent, and impactful change. Despite the fact that crime has increased recently on the South Side, sentiments of safety and trust in CPD have increased as a result of increased governmental intervention. CPD has a conduct problem, which has resulted in an optics problem, but increased funding from the city for violence prevention/intervention programs can hopefully improve both. The shifts in sentiments on the South Side are because substantive change is occurring, and in order to continue improving those sentiments that change needs to continue and evolve.

North Side

2020 Protests

In 2019, before the national outrage that erupted in 2020, many South Side residents already had negative perceptions of the police. As a result, instead of

worsening opinions of police, for many South Side residents, the 2020 police protests only reaffirmed their opinions. The protests and the ‘new’ issues they brought to light had little effect on trust scores for the already distrustful. Many of the injustices widely known by low-income black and brown citizens were brought to the national stage for the first time. So while South Side residents saw the murders of people like Breonna Taylor and George Floyd as two tragic additions to a long list of police atrocities, the largely white middle-to-high income North Side residents saw totally new domestic human rights violations¹⁸. They started off with better opinions of the police, which allowed their sentiments to drop more severely once those opinions were challenged.

Inflated Sense of Insecurity

While many North Side residents share similar opinions to Michael Jacobson, crime in Chicago as a whole has actually been steadily declining. These feelings of unsafety make even less sense when comparing levels of violent crime on the North and South Side. Areas on the North Side have homicide rates of ~3 residents per 100,000, which is notably lower than rates in less notoriously dangerous cities like Campaign and Springfield. It is also significantly lower than rates on the South Side which can reach upwards of ~150 residents per 100,000¹⁹. Despite these stark differences in safety, slight increases in non-violent crime on the North Side have caused many residents to experience inflated senses of insecurity. 35th president of the Cook County Board of Commissioners, Toni Preckwinkle spoke on this, pointing out “that residents in more affluent neighborhoods are now getting a taste of what it has been like to live in the Chicago ZIP codes that have heard gunfire and feared carjackings for years”.²⁰ Perceptions of police are decreasing because North Side residents have a low tolerance for crime. As a result, slight increases in nonviolent crime rates on the North side have strong effects on safety scores, even if those increases are marginal.

¹⁸ Stafford, Kat. “AP-Norc Poll: Sweeping Change in US Views of Police Violence.” *AP NEWS*, Associated Press, 18 June 2020, <https://apnews.com/article/us-news-ap-top-news-racial-injustice-politics-police-728b414b8742129329081f7092179d1f>.

¹⁹ HENDERSHOT, STEVE. “All Big Cities Have a Violence Problem. Chicago’s Is Different.” *Crain’s Chicago Business*, 24 Oct. 2022, <https://www.chicagobusiness.com/craains-forum-safer-chicago/chicago-violence-problem-debate-safety-inequality>.

²⁰ <https://www.chicagotribune.com/opinion/editorials/ct-editorial-toni-preckwinkle-endorsement-cook-county-president-20221017-4563c2yizrey3nuqyhdst4vhla-story.html>

Policy Recommendations

Multiple positive steps have been taken to improve the quality of life and security of residents in South Side and, as a result, improved trust & safety sentiments followed. Notably, despite the fact that this chapter is focused on sentiment analysis, it is important to acknowledge that pure optics are not what should be focused on here. The noticeable changes in sentiments on the South Side have not been caused by PR campaigns or Officer Friendly programs²¹, but by tangible change. In order to keep improving sentiments, impactful organization, resources, and legislation need to continue to be developed for and distributed to South Side residents. With this in mind, initiatives started by the Our City, Our Safety plan should continue to be supported, and further expanded.

South Side

Relationship-Based Policing

While the OurCity, Our Safety plan cites relationship-based policing as a necessary component of violence reduction, the plan never commits to any actionable steps towards that goal. Instead, weak, ambiguous claims are made. For example:

Therefore, we must simultaneously find ways to respond to the violence that is occurring now, by incorporating relationship-based intervention models and through community partnership with law enforcement.²²

In order to encourage healthy and productive interactions between community members and the police, real commitments need to be made and a cultural shift needs to occur. The image of CPD officers and the departmental policies that shape that image, needs to shift away from community control and towards protection and development. Officers need to view themselves as civil servants first and law enforcers second in order to fully address community concerns. There are multiple

²¹ Chicago Police Department. "Officer Friendly Program Policy Draft." *Chicagopolice.org*, 1 Dec. 2020, <https://home.chicagopolice.org/reform/policy-review/office-of-community-policing-policies-for-public-review-and-comment/officer-friendly-program-policy-draft/>.

²² City of Chicago. *Our City Our Safety: A Comprehensive Plan to Reduce Violence in Chicago*. <https://www.chicago.gov/content/dam/city/sites/public-safety-and-violence-reduction/pdfs/OurCityOurSafety.pdf>.

ways to attempt to induce this culture shift and the first is getting officers more connected with the community.

Chicago Police Officer Pete Kalenik offers an understanding of how existing systems prevent these kinds of connections from occurring.

As a general patrol officer on the midnight shift, where you would say the normal community is sleeping, right. *So it's very difficult to engage in community policing myself, I took initiative to perform those types of activities outside of duty hours.*

According to Kalenik, with some exceptions, officers are generally assigned districts and schedules based on seniority. More senior officers receive preferential treatment which leads to an imbalance in which younger officers work more frequently, in more dangerous districts, and at later, more dangerous times. Kalenik described this system and explained how easily it could reinforce paranoia and cause bias to form, further separating officers from the communities they police. As a result, when the assignment system places junior officers in the worst conditions, their perceptions of the job and the communities they police is significantly negatively skewed: worsening community-police ties. In order to avoid this, some power should be taken away from senior officers who are currently allowed to disproportionately claim ideal assignments.

Officers should have a main district that they most frequently patrol which will allow them to gradually develop needed relationships with community members. Further, the timing of their shifts should change every once in a while. Officer Kalenik described the difference between patrolling at night and during the day:

Instead of beginning my day at 10 pm. I was beginning my day at 6 pm. During the daytime, when it was summer, *and I was like, wow.* There were kids waving at me. Like, there are people playing basketball. There were people barbecuing in the park, like, *this is nice. This is not what I've been accustomed to, for the last six years.*

This shift in schedule allowed Kalenik to form a different, less negatively skewed, perspective of his community. It also allowed him to have positive, non-criminal interactions with community members. In order to allow officers to reorient their perspectives of the community and begin to develop strong personal connections, officers should be assigned to irregular patrol times or districts. For example, every

week, if an officer would normally work night shifts in Forest Glen, instead, for a day they will work day-shifts in Englewood.

Further, efforts to connect community members with department officials should be a required part of the job. Alderman Leslie Hairston spoke on the value of this highlighting the importance of restoring community-police relations. As noted previously, there is a significant amount of negative history between the police and Chicago residents, specifically black and low-income residents, so attempting to bridge the gap is difficult. However, she started effectively bridging that gap with simple get-togethers:

Something that I've been doing for the past 20 years, 20 plus years, with the community is trying to foster that relationship between the community and the police department, at least the people that patrol our streets. And so, you know, pre COVID, we would have the beat officers, and we'd have the community come out to, you know, Promontory Park, and we'd do a cookout. Just, you know, *have a beat meeting out there to foster good relationships...understanding that this perception is there, but also trying to change that perception.*

This kind of direct positive engagement needs to be mandated at a departmental level. If a shift in assignment scheduling changes how officers view their communities, this kind of event takes the next step to shift how officers view their community members. This would allow officers to develop stronger community connections by forcing them to interact with, and view community members as regular people or even friends, instead of potential or active threats. These two steps are small but should begin allowing for officers and community members to develop stronger relationships.

Intervention Activities

UCPD Commanders Marcelis and Kalenik both discussed how uncertainty is a fear-inducing, albeit, inherent aspect of policing that separates them from their community members. Lack of effective training, lack of information when addressing calls, and conflicting responsibilities all lead to uncertainty and that uncertainty breeds paranoia and division. Kalenik described it like this:

In all those scenarios, *you don't know what you're responding to.* Like, it might come out one thing, and you get there and it's something totally different. You thought it was something that wasn't a big

deal, you get there, and there's blood everywhere. You thought something was a super big deal, and oh, the person's gone already. *So you're in this hyper state of vigilance and it's nothing.*

This is just one example of how uncertainty can lead to paranoia but a fix that could address multiple issues with uncertainty is triage.

When asked what ideal policing would look like, Commander Marcelis described a multifaceted triage system and notes from her discussion focused on:

Having way more community involvement and organization - triage centers that take calls and determine need for police based on calls to service - hybrid policing approach - mental health and behavioral health professionals.

In this scenario, a call to 911 would connect you with an operator who would gather detailed information and then determine the appropriate department to contact based on intel received. If there is an active shooter, send the police. However, if someone is injured, only send an ambulance. If someone is having a panic attack, only send a mental health professional. This kind of system would allow officers to enter into situations with far more understanding than they would have had previously. It would also reduce the amount of untrained officer interactions. Both of these effects would lessen officer uncertainty and subsequently reduce paranoia.

North Side

What Not to DO

If North Side residents are primarily influenced by surface-level public relations issues (slight shifts in crime statistics or media coverage, political trends, etc.), working to alter their opinions might require less investment or actual change. Some surface-level steps being taken right now by CPD include the reintroduction of the Officer Friendly program starting in 2020. This public relations effort is described in a policy draft quoted below:²³

II. Policy

²³ "Officer Friendly Program Policy Draft." *Policechiefmagazine.org*, 1 Dec. 2020, <https://www.policechiefmagazine.org/sentiment-analysis/>.

The Department is currently presenting the Officer Friendly Program curriculum to kindergarten through third grade students. The forty to fifty minute session will be taught only by uniformed police officers trained to present the Officer Friendly curriculum...By introducing kindergarten through third grade students to a personable uniformed Chicago police officer, the program aims to both enhance students' safety and to foster an ongoing relationship of trust between police officers and children who will soon be young adults.

III. Goals

The long-term goals of the Officer Friendly Program are to:

A. enhance student safety by providing instruction in general safety.

The students will:

1. learn how to identify a police officer, a firefighter, and a paramedic...

10. identify trusted adults such as teachers, police officers, etc...

C. make available officers who can act as mentors and provide mentoring for students as needed...

D. develop a positive relationship between members of the Chicago Police Department and young members of the community.

This kind of intervention is meant to influence (or indoctrinate) citizens at a young age. When the program was more widely implemented in the 1970s & 80s, it worked to paint the picture of a benevolent, trustworthy officer: a picture that would remain unchanged for many white, middle-to-high income residents, whose interactions with the police ended after these staged discussions. This could partially explain why the older, richer, and whiter North Side residents had trust & safety sentiments that started off so high. They were artificially raised by Copaganda.

While this strategy was effective in the past, the effectiveness and morality of the program is being brought more into question today.²⁴ Officer Friendly and programs like it have recently fallen under the umbrella term Copaganda:

²⁴ Bastian, Casey. "Would the Real Officer Friendly Please Stand Up?" *Criminal Legal News*, 15 Nov. 2020, <https://www.criminallegalnews.org/news/2020/nov/15/would-real-officer-friendly-please-stand/>.

Copaganda can come in multiple forms. It's often recognised in fictional, positive depictions of police in film and TV. In these areas, the role of the police is seen as one that protects the people, rather than being the wing of the state that enforces the law (regardless of the morals of said laws).²⁵

Police officers are not required to “protect and serve”²⁶ and oftentimes they do the opposite. The false image of the infallible neighborhood hero is not in line with reality and any initiative aimed at reinforcing that false reality is Copaganda. For many this false reality is easily accepted, but for others the effect is much less palpable.

Even at the height of the program's implementation “Black children had less favorable attitudes before and after the program.”²⁷ The treat of police violence is something entrenched in the average black child from a young age,²⁸ and a 40-minute presentation is not enough to erase that. With schools becoming less segregated, with black culture becoming more accepted, and with the most recent national outrage towards the police, this kind of program would face much more of a challenge in the modern day.

What to DO

Instead of investing in the kind of intervention that re-enforces a false reality, CPD should focus on reinforcing an accurate one. North Side residents have an inflated sense of insecurity, and instead of brainwashing them and their kids, CPD officials should be focused on promoting positive facts: social media announcements about corruption reduction (potentially with the support of the Civilian Office of Police Accountability), articles discussing reduced crime rates, advertisements

²⁵ Willow, Francesca. “What Is Copaganda, Why It's Important to Recognise It & How to Respond.” *ETHICAL UNICORN*, 25 Aug. 2022, <https://ethicalunicorn.com/2022/08/25/what-is-copaganda-why-its-important-to-recognise-it-how-to-respond/>.

²⁶ McMaken, Ryan. “Police Have No Duty to Protect You, Federal Court Affirms Yet Again.” *Mises Institute*, 20 Dec. 2018, <https://mises.org/power-market/police-have-no-duty-protect-you-federal-court-affirms-yet-again>.

²⁷ Onion, Rebecca. “Officer Friendly and the Invention of the ‘Good Cop.’” *Slate Magazine*, Slate, 27 Aug. 2020, <https://slate.com/human-interest/2020/08/officer-friendly-police-copaganda-history.html>.

²⁸ Guardian Readers. ““They Are Taught to Fear Us’: Guardian US Readers on Explaining the Police to Their Black Children.” *The Guardian*, Guardian News and Media, 30 Apr. 2021, <https://www.theguardian.com/us-news/2021/apr/30/guardian-readers-on-explaining-the-police-to-their-black-children>.

highlighting crime reduction initiatives, etc. Better than indoctrination, but not going as far as telling the full truth (there is no point in recommending something that will not happen), CPD officials should focus on sharing as much positive, accurate, information as they can to offset North Side residents' paranoia.

Improving Elucd Tracking

Anatomy of Public Sentiments

While Elucd's survey questions could address some aspects of public sentiment, the three questions alone are not enough to sufficiently reflect the sentiments of Chicagoans. With the goal of more effectively capturing sentiments in the future so as to better develop policing practices and programs, Elucd should ask respondents to rank their feelings on three additional questions, each of which helps to fully encompass three components vital to sentiment evaluation. These three components, outlined by retired police chief Cameron McLay, are: Quality of Life, Quality of Service, Perceptions of Procedural Justice.²⁹

Quality of Life

Quality of Life refers to citizens' general feelings of security within their community. This component is based on questions like: are crime rates high, is there excessive loitering, is drug activity clearly present etc. But because police intervention is the only government service readily available at all times, many citizens look to police departments to also address noncriminal concerns like disease rates, infrastructure upkeep, and traffic or parking problems. Boiling it down, how comfortable you feel where you live and regularly travel to define how you evaluate the police's ability to protect your quality of life. This component is partially accounted for by Elucd's safety score.

Quality of Service

Quality of Service refers to citizens' general feelings of police efficacy within their community. This component is measured through questions like: are police responsive to community concerns, are they fulfilling their roles effectively, etc. This second component can be complicated when there are inconsistencies among views

²⁹ McLay, Cameron. "Sentiment Analysis: The Missing Link in Police Performance Management Systems ." *Policechiefmagazine.org*, <https://www.policechiefmagazine.org/sentiment-analysis/>.

of the purposes of policing. Many police precincts evaluate the efficacy of their department based on crime rates, and identify decreased crime rates as sufficient indicators of efficacy. As mentioned previously, however, many community members expect the role of policing to extend beyond criminal issues. For many people, if their quality of life is viewed as inadequate, the quality of police service is as well. Further, even if levels of criminal activity are how some community members evaluate effective policing, this issue is further complicated by the fact that government measured crime rates do not have to be accurate reflections of actual criminal activity. For example, within a specific region, recorded crime rates fall when fewer police reports are made, even if crime itself remains unchanged. Decreased measured crime rates could also indicate growing distrust of the police, so community members are less likely to report crimes. Decreased measured crime rates could also indicate increased levels of control by criminal organizations; community members might become too scared to contact the police for fear of retaliation by local criminal actors. This component is partially accounted for by Elucd's trust score.

Perceptions of Procedural Justice

Perceptions of Procedural Justice are defined by citizens' general feelings of police legitimacy within their community. This component of sentiment analysis is based on questions like: do police carry out their roles with care and without bias, are they respectful of community members, etc. McLay elaborates:

When police provide people with the chance to explain their perspectives (voice), treat people well (respect), make decisions in an unbiased manner (fair) and are honest and transparent in their actions (trustworthy)—police will be viewed as treating people with procedural justice.

This component is partially accounted for by Elucd's trust score.

Expanded Sentiment Tracking Questions

Life - Service - Legitimacy

Trust

1. The police in my neighborhood treat local residents with respect?
2. The police listen to and take into account the concerns of local residents?
3. The police in my neighborhood are honest about their intentions?

Safety

4. When it comes to the threat of crime, how safe do you feel in your neighborhood?
5. When it comes to everyday life, how comfortable do you feel in your neighborhood?
6. The police presence in my neighborhood is justified and helpful?

Question 3

The two preexisting questions associated with trust allowed for Elucd to evaluate direct actions, respectful & attentive conduct, however, despite the fact that this is supposed to be a trust score, neither question allows residents to actually rank their trust in police. Residents who distrust CPD, but have never had the direct personal interactions necessary to speak on their respectfulness or attentiveness, would be completely ignored by Elucd's current line of questioning. Question 3 allows residents to respond directly to the trustworthiness of police.

Question 5

The safety question allows residents to report the sentiments towards some level of police efficacy and personal security, however it is too narrow in scope. Police are supposed to address issues of crime but they are also expected, through departmental mandate or just public opinion, to keep the peace and support community stability. Question four allows residents to report, not only on their feeling towards crime, but also on the general, non-criminal welfare of their community. Are roads patched? Are dilapidated homes foreclosed and boarded up? Is there excessive light, noise, or particle pollution present? Each of these issues and more are associated with residents' feelings of safety and police efficacy, and yet Elucd's current line of questioning encompasses none of them.

Question 6

This final question allows residents to partially weigh in on all three components: identifying the necessity of police presence, the effectiveness of it, and the perceived legitimacy of it. In the original line of questioning, there was no opportunity for residents to indicate whether or not the police were necessary, whether or not they were legitimate or trustworthy. If there are four officers consistently patrolling the block, doing nothing of importance, that reflects negatively

on CPD for multiple reasons and, this scenario and more like it, should be able to be tracked.

Editorial note: For a related op-ed in the *Chicago Policy Review*, please see <https://chicagopolicyreview.org/2023/01/23/shifting-sentiments-public-opinion-on-policing-in-chicago/>.

CHAPTER NINE

A Survey of Chicago’s “Preschool for All” Universal Preschool Program and Policy Recommendations for Improvement

Celeste del Valle

¹Free and accessible early childhood education has long been an enticing public benefit for Chicago parents. In fact, during his hotly contested reelection campaign in 2018, former mayor Rahm Emanuel made universal preschool a part of his platform, promising that by 2021, all of Chicago’s four-year olds would be able to attend full-day preschool, free of cost to their parents.²

The Case for Early Childhood Education

Just how have the youngest Chicago citizens become central to the city’s politics? The answer lies in the vast potential social gains that increased access, enrollment, and attendance of preschool can yield for cities. Receiving a high-quality preschool education correlates with sustained positive educational outcomes throughout a child’s educational career.³ Years down the road, students who were enrolled in preschool programs tend to attend school more regularly, exhibit fewer disciplinary issues, and score higher on standardized state exams than do children who did not attend preschool.⁴ Other advantages of preschool that manifest years later include improved social skills, enhanced understandings of social norms, and more positive perceptions of school.⁵ Building social skills and an understanding of social

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²Vevea, Becky. “Emanuel Promises Free Preschool as Race for Mayor Heats Up.” WBEZ Chicago. WBEZ Chicago, May 30, 2018. <https://www.wbez.org/stories/emanuel-promises-free-preschool-as-race-for-mayor-heats-up/a9f24956-5007-40d7-90de-6d713e694237> .

³ Linda Bakken, Nola Brown & Barry Downing (2017) Early Childhood Education: The Long-Term Benefits, *Journal of Research in Childhood Education*, 31:2, 255-269, DOI: 10.1080/02568543.2016.1273285

⁴ Linda Bakken, Nola Brown & Barry Downing (2017) Early Childhood Education: The Long-Term Benefits, *Journal of Research in Childhood Education*, 31:2, 255-269, DOI: 10.1080/02568543.2016.1273285

⁵ Linda Bakken, Nola Brown & Barry Downing (2017) Early Childhood Education: The Long-Term Benefits, *Journal of Research in Childhood Education*, 31:2, 255-269, DOI: 10.1080/02568543.2016.1273285

norms at an early age improves self-awareness, self-confidence, and relationship-building and decision-making skills,⁶ allowing students to navigate the adversities they may face as they move through their education and allowing them to build impactful relationships with their teachers and peers.

The positive impacts of early childhood education reach beyond the classroom. Children who receive high quality early childhood education are less likely to enter the criminal justice system later in life, and their families are less likely to be in need of interventions from Child Protective Services.⁷ Children who receive quality preschool education are also more likely to enter the workforce as adults in comparison to those who do not attend preschool.⁸ For students coming from disadvantaged families and communities, quality preschool has even shown to be associated with positive family-wide and generational impacts: having just one student in a household enrolled in a quality early education program is strongly associated with improved educational outcomes for their siblings, and the children of adults who received a quality preschool education are less likely to grow up in poverty and more likely to have positive educational outcomes.⁹

These benefits appear to arise from the improved quality of family and community life seen in the households of children who attend early education programs, and do not simply reflect pre-existing family affluence.¹⁰ The substantial, compounded, long-term benefits to individuals, families, and societies that is

⁶ Linda Bakken, Nola Brown & Barry Downing (2017) Early Childhood Education: The Long-Term Benefits, *Journal of Research in Childhood Education*, 31:2, 255-269, DOI: 10.1080/02568543.2016.1273285 and “What Is Social-Emotional Learning and Why Is It Important?,” ViewSonic Library (ViewSonic Library, October 14, 2021), <https://www.viewsonic.com/library/education/what-is-social-emotional-learning-and-why-is-it-important/>.

⁷ Robert Lynch and Kavya Vaghul, “The Benefits and Costs of Investing in Early Childhood Education,” The Washington Center for Equitable Growth (The Washington Center for Equitable Growth, September 11, 2018), <https://equitablegrowth.org/research-paper/the-benefits-and-costs-of-investing-in-early-childhood-education/>.

⁸ Robert Lynch and Kavya Vaghul, “The Benefits and Costs of Investing in Early Childhood Education,” The Washington Center for Equitable Growth (The Washington Center for Equitable Growth, September 11, 2018), <https://equitablegrowth.org/research-paper/the-benefits-and-costs-of-investing-in-early-childhood-education/>.

⁹ Ann Schimke, “Preschool Has Enduring Benefits for Disadvantaged Children - and Their Children, New Research Finds,” Chalkbeat Colorado (Chalkbeat Colorado, May 14, 2019), <https://co.chalkbeat.org/2019/5/13/21108132/preschool-has-enduring-benefits-for-disadvantaged-children-and-their-children-new-research-finds>.

¹⁰ Ann Schimke, “Preschool Has Enduring Benefits for Disadvantaged Children - and Their Children, New Research Finds,” Chalkbeat Colorado (Chalkbeat Colorado, May 14, 2019), <https://co.chalkbeat.org/2019/5/13/21108132/preschool-has-enduring-benefits-for-disadvantaged-children-and-their-children-new-research-finds>.

correlated with a child's enrollment in and attendance of a quality early childhood education program means that the large upfront cost of providing high-quality universal preschool ultimately pays for itself due to the associated decline in use of other social services later in life.¹¹

History of Early Childhood Education in Chicago

Chicago's history with early childhood education programs began in 1967 with the creation of the Child-Parent Center (CPC) Program. This program, funded by the federal government's 1965 Elementary and Secondary Education Act, became the second federally-funded early childhood intervention in the United States. The CPC program opened 24 centers throughout the Chicago Public School system, with the goal of serving low-income school districts and creating accessible avenues for parent involvement in their child's education from an early age. In response to activism and successful coalition-building by advocates of early childhood education in the 1980's, Chicago established its first state-funded public preschool for children considered to be at-risk due to their socioeconomic status. Throughout the early 2000's, advocates of universal preschool lobbied for free, high-quality preschool for all three- and four-year-olds, arguing that funding such programs should be a priority for Illinois, despite the state's struggles with a budget deficit. Coalitions such as the Day Care Action Council of Illinois, the Ounce of Prevention Fund, Parents United for Responsible Education, and Voices of Illinois Children drew on the results of a long-term study that showed "that every dollar spent on preschool saves \$7 down the line on special education, welfare and criminal justice,"¹² advocating for the idea that, in the long run, investing in early childhood education ultimately saves money for Illinois. As a result of this advocacy, former Illinois Governor Rod Blagojevich signed the "Preschool for All" bill in May of 2006. This bill budgeted for the allotment of 10,000 preschool seats for 3 and 4 year olds in Illinois, free of cost, and included plans to expand both the funding and number of seats available in the program each fiscal year. Priority for

¹¹ Robert Lynch and Kavya Vaghul, "The Benefits and Costs of Investing in Early Childhood Education," The Washington Center for Equitable Growth (The Washington Center for Equitable Growth, September 11, 2018), <https://equitablegrowth.org/research-paper/the-benefits-and-costs-of-investing-in-early-childhood-education/>, and Cassie Walker Burke, "Big Day for Preschool: Illinois Governor Says State Universal Pre-K Coming in 4 Years; Chicago Invests \$77 Million in Early Learning," Chalkbeat Chicago (Chalkbeat Chicago, March 22, 2019), <https://chicago.chalkbeat.org/2019/3/22/21107167/big-day-for-preschool-illinois-governor-says-state-universal-pre-k-coming-in-4-years-chicago-invests>.

¹² Debra Williams, "Demand, but no money, for universal preschool," *The Chicago Reporter*, August 22, 2005, <https://www.chicagoreporter.com/demand-no-money-universal-preschool/>.

getting a seat through Preschool for All was given to children in poverty and children facing language barriers or developmental disabilities. The program’s budget expanded year after year, and by 2009, the state of Illinois was serving 95,000 three- and four-year olds with a budget of \$380 million. However, the nation-wide economic distress caused by the Great Recession led to Illinois’s education budget being slashed, and by 2014, Preschool for All’s state budget had shrunk by 25%, and the program was only able to serve 70,000 students.¹³

In response to slow economic recovery from the Great Recession, former Chicago Mayor Rahm Emanuel expanded the availability of free preschool seats through the use of a controversial “pay-for-performance” financing scheme called a “social impact bond” in 2014. Under this financing plan, a \$17 million social impact bond, financed by the Goldman Sachs Social Impact Fund, Northern Trust, and the J.B. and M.K. Pritzker Family Foundation, was invested into existing Chicago Public School preschool programs in order to increase the number of free half-day preschool seats to 2,600 over the course of four years.¹⁴ This system operated using a sliding scale payment method, meaning low-income families were able to enroll their children in preschool for free, while middle- and high-income families paid for preschool on a sliding scale based on household income. However, as a result of the sliding scale payment scheme, many middle-income families still faced financial barriers to enrollment, as the price tag on paid preschool was still too steep for many. In addition, the social impact bond’s focus on half-day preschool programs turned out to be a barrier to enrollment for many families, who could not coordinate the logistics of picking up a child from preschool in the middle of the day due to their work schedules.

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Sidebar on Social Impact Bonds

Social impact bonds are a type of financing tool that has proliferated since the 2008 financial crisis. The Organization for Economic Co-operation and Development (OECD) defines a social impact bond:

¹³ Advance Illinois, *The State We’re In 2014: A Report Card on Public Education in Illinois*, <https://files.eric.ed.gov/fulltext/ED573252.pdf>.

¹⁴ See, for example, Melissa Sanchez, “For the Record: Paying for preschool with social impact bonds,” *The Chicago Reporter*, November 3, 2014, <https://www.chicagoreporter.com/record-paying-preschool-social-impact-bonds/>.

A bond-issuing organization raises funds from private-sector investors, charities or foundations. These funds are distributed to service providers to cover their operating costs. If the measurable outcomes agreed upfront are achieved, the government or the commissioner proceeds with payments to the bond-issuing organization or the investors.¹⁵

Under this framework, social impact bonds operate by aligning profits with outcomes; in other words, private investors only get a return on their investment based on if or how well the program they invested in achieves specific, measured outcomes that are agreed upon by the parties involved when the deal is crafted.¹⁶ This takes financial risk of new social programs away from governments, and instead places the burden on private investors, in turn motivating investors to aid in crafting effective programs while allowing governments to pilot new policies without spending taxpayer dollars.¹⁷

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In 2018, following payouts to the organizations that invested in the social impact bond and a rising demand for full-day preschool programs over half-day programs, former Mayor Rahm Emanuel announced that Chicago would offer full-day universal preschool for every 4-year-old in the city by the 2021-2022 school year.¹⁸ In order to accommodate more free full-day preschool seats for 4-year-olds, Chicago would only offer free half-day seats for 3-year-olds, and would slowly phase out the sliding-scale payment method. In the fall of 2019, Chicago Public Schools added 100 preschool classrooms across 28 community areas, amounting to an additional 3,700 full-day seats becoming available to 4-year-olds. While Chicago Public Schools faced setbacks to completing the implementation of universal preschool due to the

¹⁵ “Understanding Social Impact Bonds - OECD,” OECD L.E.E.D. Programme (OECD, 2016), <https://www.oecd.org/cfe/leed/UnderstandingSIBsLux-WorkingPaper.pdf>.

¹⁶ “Impact Bonds,” The Government Outcomes Lab (University of Oxford, 2022), <https://golab.bsg.ox.ac.uk/the-basics/impact-bonds/>.

¹⁷ Albertson, Kevin, Chris Fox, Chris O’Leary, and Gary Painter. “Social Impact Bonds: More Than One Approach.” *Stanford Social Innovation Review*, 2018. <https://doi.org/10.48558/0A7P-HK87>.

¹⁸ Vevea, Becky. “Emanuel Promises Free Preschool as Race for Mayor Heats Up.” WBEZ Chicago. WBEZ Chicago, May 30, 2018. <https://www.wbez.org/stories/emanuel-promises-free-preschool-as-race-for-mayor-heats-up/a9f24956-5007-40d7-90de-6d713e694237>.

COVID-19 pandemic, universal full-day preschool for four-year olds became available in 64 of 77 Chicago community areas in the 2022-2023 school year, with plans for universal preschool to become available for all 77 community areas by the 2023-2024 school year. In an effort to further increase preschool accessibility to Chicago's neediest families, the greatest increases in available preschool seats occurred in community areas with lower average household incomes on the West and South Sides.¹⁹

Preschool for All Curriculum

Preschools that are a part of Chicago's universal pre-k program follow broad curriculum guidelines that were set by the Illinois State Board of Education in 2013 called the Illinois Early Learning and Development Standards (IELDS). Developed with the expertise of childhood development researchers and professionals, the revised guidelines were created to aid in aligning the universal preschool curriculum with the Illinois K-12 curriculum, with the goal of preparing Preschool for All students for their future years in school. The IELDS detail early childhood development benchmarks for seven school subjects: Language Arts, Mathematics, Science, Social Studies, Physical Development & Health, the Arts, and Social/Emotional Development. The IELDS are "broad statements that provide teachers with reasonable expectations for children's development in the preschool years" meant to provide a "developmentally appropriate set of goals and objectives for young children."²⁰ The Illinois State Board of Education explicitly states that these guidelines are not to be used as a curriculum or assessment tool, but rather, as a decision-making tool for teachers to determine the appropriate curriculum for their own specific classrooms.

In conjunction with the Illinois Early Learning and Development Standards, Chicago Public Schools primarily utilize the Creative Curriculum for Preschool, a curriculum developed by a company called Teaching Strategies.²¹ This curriculum is

¹⁹ "Pre-K Enrollment Policy & Access in Chicago," Start Early (Start Early, September 21, 2021), <https://www.startearly.org/resource/pre-k-enrollment-policy-access-chicago/>.

²⁰ Illinois State Board of Education. Illinois Early Learning and Development Standards, September 2013.

²¹ Cassie Walker Burke, "Here Are 12 Things Chicago Parents Want to Know about Universal Pre-K," Chalkbeat Chicago (Chalkbeat Chicago, May 30, 2019), <https://chicago.chalkbeat.org/2019/5/30/21108243/here-are-12-things-chicago-parents-want-to-know-about-universal-pre-k>.

considered a “whole-child” curriculum, which research has linked to improved classroom cultures.²²

Financing

In March 2019, Illinois Action for Children and Chicago Early Learning published the paper “Chicago’s roadmap for implementing universal pre-K: A plan for investment in Chicago’s early learning system.” This plan details how the city of Chicago plans to go about scaling the funding of its universal preschool program to reach full implementation of guaranteed access to full-day preschool seats for all of Chicago’s four-year-olds. As the baseline funding for universal preschool expansion, Chicago used \$22.2 million, or 60%, of the Early Childhood Block Grant that Chicago was allocated by the state of Illinois for fiscal year 2019-2020.²³ Also beginning in fiscal year 2019-2020, Chicago Public Schools used “increased” funding from the city’s Evidence Based Funding Formula to expand preschool classrooms based in public schools.²⁴ In order to support its expansion of universal preschool programs in Community-Based Organizations, Chicago used the remaining 40% of its Early Childhood Block Grant allocation in conjunction with \$35 million in funding from the federal Head Start program. Over time, preschool programs located in Community-Based Organizations will have funding schemes and funding increases determined through partnerships between each Community-Based Organization and the Chicago Department of Family and Support Services.²⁵

Barriers to Efficacy of Chicago’s Preschool for All Program

Enrollment

Despite Chicago’s steady, significant steps forward in making early child education *accessible* for every four-year-old in Chicago, actual *engagement* in universal

²² Jade M. Jenkins, Greg J. Duncan, Anamarie Auger, Marianne Bitler, Thurston Domina, Margaret Burchinal, Boosting school readiness: Should preschool teachers target skills or the whole child?, *Economics of Education Review*, Volume 65, 2018, Pages 107-125, ISSN 0272-7757, <https://doi.org/10.1016/j.econedurev.2018.05.001>.

²³ City of Chicago Office of Mayor Rahm Emanuel. Chicago’s Roadmap for Implementing Universal Pre-K: A Plan For Investment in Chicago’s Early Learning System, March 2019.

²⁴ City of Chicago Office of Mayor Rahm Emanuel. Chicago’s Roadmap for Implementing Universal Pre-K: A Plan For Investment in Chicago’s Early Learning System, March 2019.

²⁵ City of Chicago Office of Mayor Rahm Emanuel. Chicago’s Roadmap for Implementing Universal Pre-K: A Plan For Investment in Chicago’s Early Learning System, March 2019.

preschool programs has consistently fallen short among the city’s most disadvantaged communities. Without sustained engagement in preschool programs, the benefits of universal preschool access are far less likely to be achieved.

Enrollment rates in universal preschool programs have been an issue throughout Chicago’s efforts to expand its preschool programs. In 2013, when the city of Chicago began preparing to enact universal preschool, researchers were enlisted to identify the areas of Chicago that were most in need of more accessible preschool in order to determine where free preschool programs should be added first. These “high-priority” groups were deemed to be groups for which preschool would provide the greatest benefit and included students of color, students speaking a language other than English, and students residing in low-income neighborhoods with high rates of unemployment. Full-day preschool programs were opened and half-day programs were converted to full-day programs in close proximity to where high-priority groups reside.

Researchers theorized that the increase in full-day programs and closer proximity of preschools to high-priority groups were the key factors that would drive an increase in enrollment.²⁶ At first, this approach fulfilled its goal. High-priority groups were more likely to enroll in preschool programs by the 2015-2016 school year;²⁷ however, as universal preschool rolled out across Chicago, classrooms struggled to fill their newly available seats. Enrollment in Chicago Public Schools steeply declined across all Pre-k and K-12 grades during the COVID-19 pandemic. Low-income community areas and community areas with populations that are majority Black and/or Hispanic have been slower to recover their enrollment rates.²⁸ In fact, many preschools on the south and west sides of Chicago have filled less than 60% of their available seats, with some individual schools reporting enrollment to be

²⁶ Stacy B Ehrlich et al., “Closer to Home: More Equitable Pre-K Access and Enrollment in Chicago” (Chicago, Illinois: UChicago Consortium on School Research, 2020), pp. 1-50.

²⁷ Stacy B Ehrlich et al., “Closer to Home: More Equitable Pre-K Access and Enrollment in Chicago” (Chicago, Illinois: UChicago Consortium on School Research, 2020), pp. 1-50.

²⁸ Nereida Moreno, “Why Aren't More Chicago Parents Going for Free Universal Preschool?,” Chicago Sun-Times (Chicago Sun-Times, September 2, 2022), <https://chicago.suntimes.com/education/2022/8/27/23324104/universal-preschool-prek-cps-free-chicago-public-schools-cofi-community-organizing-family-issues>, and Sarah Karp, “Enrollment in Chicago Public Schools Could Drop by as Much as 15,000 Students This Fall,” WBEZ Chicago (WBEZ Chicago, August 12, 2022), <https://www.wbez.org/stories/k-12-enrollment-in-chicago-public-schools-could-drop-by-as-much-as-15000-students-this-fall/3a82b081-9f16-4560-ad8f-584c52d7499e>.

as low as 31% of capacity.²⁹ In contrast, in more affluent community areas such as Central Chicago and Chicago's North Side neighborhoods, preschool enrollment rates are at or above 70%, with the Northwest Side reporting their preschool enrollment rate to be 78%.³⁰

To combat low enrollment rates in specific community areas, CPS launched a new preschool enrollment portal during its spring enrollment period for the 2022-2023 school year. The portal was developed to streamline access to all of the city's family and child programs, including Preschool for All, and to create a central location for parents to see all childcare and early education programs they have access to.³¹ Additionally, the city has launched marketing campaigns for its Preschool for All programs, placing ads on TV, websites, CTA, and on billboards. These campaigns also promoted preschool enrollment through back-to-school events staged by aldermen and city agencies where families were given access to tablets to enroll their children in preschool on the enrollment portal. Chicago Public Schools were also given funding to partner with community organizations that work to increase preschool enrollment by conducting door-to-door outreach in neighborhoods that struggle with enrollment.³²

Parent Perceptions of Safety

One barrier to parents enrolling their children in Chicago's preschools are parents' perceptions of school safety.³³ Since children are not required to be enrolled in school in the state of Illinois until they are six years old, parents who perceive their

²⁹ Nereida Moreno, "Why Aren't More Chicago Parents Going for Free Universal Preschool?," Chicago Sun-Times (Chicago Sun-Times, September 2, 2022), <https://chicago.suntimes.com/education/2022/8/27/23324104/universal-preschool-prek-cps-free-chicago-public-schools-cofi-community-organizing-family-issues>.

³⁰ Nereida Moreno, "Why Aren't More Chicago Parents Going for Free Universal Preschool?," Chicago Sun-Times (Chicago Sun-Times, September 2, 2022), <https://chicago.suntimes.com/education/2022/8/27/23324104/universal-preschool-prek-cps-free-chicago-public-schools-cofi-community-organizing-family-issues>.

³¹ Koumpilova, Mila. "Chicago Hopes New Portal Will Boost Preschool Enrollment - despite First-Day Glitches." Chalkbeat Chicago. Chalkbeat Chicago, April 19, 2022. <https://chicago.chalkbeat.org/2022/4/19/23032736/chicago-public-schools-pre-kindergarten-applications-enrollment>.

³² Nereida Moreno, "Why Aren't More Chicago Parents Going for Free Universal Preschool?," Chicago Sun-Times (Chicago Sun-Times, September 2, 2022), <https://chicago.suntimes.com/education/2022/8/27/23324104/universal-preschool-prek-cps-free-chicago-public-schools-cofi-community-organizing-family-issues>.

³³ Nereida Moreno, "Why Aren't More Chicago Parents Going for Free Universal Preschool?," Chicago Sun-Times (Chicago Sun-Times, September 2, 2022), <https://chicago.suntimes.com/education/2022/8/27/23324104/universal-preschool-prek-cps-free-chicago-public-schools-cofi-community-organizing-family-issues>.

would-be preschool as an unsafe environment often prefer to keep their children at home rather than send their child to a preschool program. In general, parents perceive their child's schools to be safe when they have positive relationships with caring adults in the school, when they believe that their child will be protected from the negative behaviors of their peers, and when they perceive the school environment as a place that prioritizes their child's education.³⁴ Further, actual school safety is improved when these parameters are met. In a study that investigated the factors that most contributed to student safety in Chicago schools, the quality of relationships between school staff and parents and between school staff and students was what most strongly defined the safety of any particular school.³⁵ Student perceptions of safety increased based on the extent to which adults they trusted were present,³⁶ indicating the need for sufficient numbers of school staff and teachers in order for other staff and teachers to feel less overwhelmed.³⁷

Parent Perceptions of Early Childhood Education

A parent's decision to enroll their child in an early education program such as preschool is also strongly influenced by the parent's existing perceptions of early childhood education.³⁸ Parents who believe that their investment in early childhood education has an impact on their child's development were more likely to enroll their children in preschool. A parent's socioeconomic background greatly influences whether they believe that their investment in early childhood education will help to create positive outcomes in their child's development, with parents who come from high socioeconomic status being most likely to believe in this connection. However, parents' beliefs surrounding early childhood education were found to be malleable, as

³⁴ Shumow, Lee, and Richard Lomax. "Predicting Perceptions of School Safety." *National Institute of Mental Health*, 2001.

³⁵ Matthew P Steinberg, Elaine Allensworth, and David W Johnson, "Student and Teacher Safety in Chicago Public Schools" (Chicago, IL: University of Chicago Consortium on School Research, 2011).

³⁶ Matthew P Steinberg, Elaine Allensworth, and David W Johnson, "Student and Teacher Safety in Chicago Public Schools" (Chicago, IL: University of Chicago Consortium on School Research, 2011).

³⁷ Matthew P Steinberg, Elaine Allensworth, and David W Johnson, "Student and Teacher Safety in Chicago Public Schools" (Chicago, IL: University of Chicago Consortium on School Research, 2011).

³⁸ Jing Tang, Rena A. Hallam & Ginnie Sawyer-Morris (2021) Preschool Parents'

one study showed that parent beliefs in the importance of preschool were able to be altered with intensive interventions that taught parents about the impact of early education.³⁹

Universal Preschool Case Study: Washington, D.C.

History

Washington, D.C. is the only city in the United States that has successfully implemented universal, full-day preschool for all three- and four-year-olds. Advocacy campaigns to make preschool free and accessible to all of D.C.'s citizens began in 2006, and the legislative framework for what eventually become the Pre-K for All DC began being drafted in 2007 through the partnership of DC Council Chair Vincent Gray and the Pre-K for All DC Campaign. Upon the completion of the draft legislation in 2008, Pre-K for All DC organized a public hearing where over 50 stakeholders—including advocates, parents, and early childhood education experts—had their testimonies heard. Ultimately, in May of 2008, the DC Council unanimously passed the Pre-K Enhancement and Expansion Act of 2008.⁴⁰

Initially, D.C.'s primary universal preschool advocates, an organization called the Pre-K for All DC Campaign, debated whether to advocate for a policy that focuses on providing preschool access for four-year-olds or for a policy that aims to provide access for all three and four year olds, and also debated whether the bill should prioritize the enrollment of children from families with low income. The campaign chose to advocate for a program that was inclusive of both three and four year olds and decided against advocating for a bill that prioritized the enrollment of low-income children. The advocates believed that this strategy would allow for the broadest public support of the bill possible, despite the fact that it would take longer to bring a more income- and age-inclusive policy to scale.⁴¹ The strategy proved successful: the 2007-2008 school year enrolled 68% of D.C.'s four-year-old population and 33% of the city's 3-year-old population, and by the 2016-2017 school year, 88%

³⁹ John List, Julie Pernaudet, and Dana Suskind, "It All Starts with Beliefs: Addressing the Roots of Educational Inequities by Shifting Parental Beliefs," 2021, <https://doi.org/10.3386/w29394>.

⁴⁰ Bernardine Watson, "A Case Study of Preschool for All DC Campaign," *Foundation for Child Development*, November 2010.

⁴¹ Courtney Rozen, "On Its Tenth Anniversary, Here's Where D.C.'s Free Preschool Program Stands," DCist (DCist, March 15, 2019), <https://dcist.com/story/19/03/15/on-its-tenth-anniversary-heres-where-d-c-s-free-preschool-program-stands/>.

of all four year olds and 66% of all three year olds in D.C. were enrolled in preschool services.⁴²

Pre-K for All DC: The Program

In crafting its universal preschool legislation, the District of Columbia placed great care in maintaining high quality standards across its mixed-delivery system of providing early childhood education. Community-Based Organizations, District of Columbia Public Schools, and public charter schools that offer universal preschool are required to meet certain quality standards that include: 1. Compliance with adult-to-child ratios in classrooms, 2. Consistent use of a curriculum model that complies with D.C. Early Learning Standards, 3. Accreditation of the program by an acceditor approved by D.C.’s Office of the State Superintendent of Education, 4. Utilization of assessment tools that align with the school’s chosen curriculum, 5. Hiring teachers that hold a bachelor’s degree and have taken courses in early childhood education, 6. Paying teachers wages that are equivalent to D.C. K-12 public school teachers based on their years of teaching experience, 7. Implementation of professional development and training plans for teachers and assistant teachers, 8. Provide ample opportunities for parent involvement, 9. Develop a plan for the inclusion of children with disabilities that meets the D.C. Office of the State Superintendent standards and is in accordance with federal law, 10. Provide safe, secure, and developmentally appropriate classroom spaces, 11. Ensure at least 2 hours of play time, including 45 minutes of outdoor play time, 12. Maintain a process for continuous classroom assessments and improvements, 13. Provide comprehensive health and supportive services for all children enrolled in the preschool program.⁴³

Washington, D.C.’s preschools utilize the Creative Curriculum for Preschool at the majority of their school sites.⁴⁴ Creative Curriculum for Preschool describes itself as “an early childhood curriculum that focuses on project-based investigations as a means for children to apply skills and addresses four areas of development:

⁴² Allison Friedman-Krauss, W. Stephen Barnett, and Karin A. Garver, “The State of Preschool 2018” (New Brunswick, NJ: National Institute for Early Education Research, 2019).

⁴³ D.C. Office of the State Superintendent of Education. Pre-K Enhancement and Expansion Funding High-Quality Designation Application, 2019.

⁴⁴ “Early Childhood Academic Programs,” Early Childhood Academic Programs (OSSE, 2022), <https://dcps.dc.gov/page/early-childhood-academic-programs>.

social/emotional, physical, cognitive, and language.”⁴⁵ The curriculum is centered on group activities that address these developmental areas. This curriculum also provides teachers with progress assessment tools, teaching strategies, family engagement techniques, classroom organization tools, and information on child development.⁴⁶ In addition to this more standard curriculum, the District of Columbia has three schools that offer Montessori preschool classrooms with curriculum set by the American Montessori Society and has eight schools that have adopted a Spanish/English Dual Language model in addition to the standard Creative Curriculum.⁴⁷

Officially, the District of Columbia utilizes a mixed-delivery service for its universal preschool program—programs can be based out of Community Based Organizations, D.C. Public Schools, or D.C. public charter schools. However, 94.6% of the District’s preschool seats were located within D.C. public schools or public charter schools.⁴⁸ This, in conjunction with D.C.’s pre-k curriculum that is designed to align with and prepare students for the District’s K-12 standards, allows students to become well-acquainted with the school environment that they are likely to matriculate into upon their completion of preschool.⁴⁹

Washington, D.C. finances its universal preschool programs through a mixture of several funding streams, with a paradigm that focuses on maintaining the quality of all available preschool programs. First, similar to the majority of other states with universal preschool programs, the District of Columbia allocates general revenue funding derived from taxes and fees levied by the state government towards its preschool programming.⁵⁰ This type of funding, however, requires frequent re-authorization and is susceptible to budget cuts during the annual state budget allocation process. To combat budget uncertainty, Washington D.C. has elected to

⁴⁵ U.S. Department of Education Institute of Education Sciences. The Creative Curriculum for Preschool, March 2013. https://ies.ed.gov/ncee/wwc/Docs/InterventionReports/wwc_creativecurriculum_081109.pdf.

⁴⁶ U.S. Department of Education Institute of Education Sciences. The Creative Curriculum for Preschool, March 2013. https://ies.ed.gov/ncee/wwc/Docs/InterventionReports/wwc_creativecurriculum_081109.pdf.

⁴⁷ “Early Childhood Academic Programs,” Early Childhood Academic Programs (OSSE, 2022), <https://dcps.dc.gov/page/early-childhood-academic-programs>.

⁴⁸ D.C. Office of the State Superintendent of Education. Fiscal Year 2017 Pre-K Report, December 2017.

⁴⁹ Conor P Williams, “When Public School Starts at Age 3,” The New York Times (The New York Times, July 9, 2019), <https://www.nytimes.com/2019/07/09/opinion/free-pre-k-washington.html>.

⁵⁰ Stone, Diana. “Funding the Future: States’ Approaches to Pre-K Finance 2008 Update.” *Washington Appleseed*, February 2008.

expand the district’s Kindergarten through 12th grade school funding formula to include preschool, thus allowing preschools access to the district’s funding for public education. Tying public preschool budgets to public K-12 budgets allows D.C.’s preschools to benefit from the strong popular and political support for funding that the K-12 budget enjoys, ensuring that preschool funding will only decline if all general education funding declines.⁵¹

Notably, Washington, D.C. has also elected to combine the federal funding it receives through Head Start with the District’s own local funding. The unified budget helps assure sufficient funds for preschool, while also contributing to enhanced integration of low-income families – the demographic that Head Start targets – with the wider school community.⁵² This integration is desirable, as it has been shown to be strongly correlated with improved learning outcomes for low-income children.⁵³

Another funding strategy employed by the District of Columbia to ensure consistent quality of its preschool programs is the Pre-Kindergarten Enhancement and Expansion Funding program (PKEEP). PKEEP was designed to provide another source of funding for preschool programs that are based in Community Based Organizations, or CBOs, rather than those that are based in D.C.’s public schools. In order to access these funds, CBOs must meet the District of Columbia’s standards for being a “high-quality” preschool program,⁵⁴ which incentivizes CBOs to maintain high program standards. As of 2018, these funding streams allowed the District of Columbia to spend \$18,580 per child enrolled in preschool, an amount that far exceeded the national average expenditure of \$5,943 per child enrolled in preschool.⁵⁵

Washington, D.C.’s three and four year olds gain enrollment in a preschool program through the District’s unified school placement lottery system called

⁵¹ Stone, Diana. “Funding the Future: States’ Approaches to Pre-K Finance 2008 Update.” *Washington Appleseed*, February 2008.

⁵² Conor Williams, “Laboratories of Democracy: Washington, DC, Showed How to Do Universal Pre-K Right,” *Vox* (Vox, August 5, 2019), <https://www.vox.com/the-highlight/2019/8/5/20748833/washington-dc-pre-k-free-public-universal>.

⁵³ “The Benefits of Socioeconomically and Racially Integrated Schools and Classrooms,” The Century Foundation (The Century Foundation, April 14, 2021), <https://tcf.org/content/facts/the-benefits-of-socioeconomically-and-racially-integrated-schools-and-classrooms/>.

⁵⁴ D.C. Office of the State Superintendent of Education. Pre-K Enhancement and Expansion Funding High-Quality Designation Application. 2019.

⁵⁵ Allison Friedman-Krauss, W. Stephen Barnett, and Karin A. Garver, “The State of Preschool 2018” (New Brunswick, NJ: National Institute for Early Education Research, 2019).

MySchoolDC, where parents can rank up to 12 preferred schools.⁵⁶ The majority of the DC Public Schools that host universal preschool programs give preference to students who live in close proximity to the school,⁵⁷ providing guaranteed access for 3 and 4 year old students that apply to in-boundary schools.⁵⁸ Through the MySchoolDC lottery system, 65% of applicants are placed with one of the 12 schools they listed, and more than 50% of applicants were placed with a school that they ranked as one of their top three choices.⁵⁹ A study by the Urban Institute found that both the participants in the school lottery system and the classroom demographics that are created by the lottery system parallel the demographics of all three and four year old in the District of Columbia, indicating that the school lottery system provides equal access to preschool programs for D.C.'s families.⁶⁰

Observed Impacts of Preschool for All DC

A. Increase in maternal work force participation

A study by the Center for American Progress found that as a result of the rollout of Preschool for All DC's guaranteed two years of universal preschool, labor force participation among mothers of preschool children has increased by 10%.⁶¹ Pre-policy, D.C.'s maternal labor force participation rate was about 65%; post-policy

⁵⁶ Martin Austermuhle, "What You Need to Know about the D.C. School Lottery," WAMU (WAMU, October 18, 2021), <https://wamu.org/story/19/03/28/after-five-years-is-d-c-s-school-lottery-working-for-families/>.

⁵⁷ Conor Williams, "As D.C. Feels Gentrification Pressures, New Study Finds Its Pre-K Lottery Provides Equal - but Not Necessary Equitable - Access," The 74 Million (The74Million, September 8, 2020), <https://www.the74million.org/article/as-dc-feels-gentrification-pressures-new-study-finds-its-pre-k-lottery-provides-equal-but-not-necessary-equitable-access/>.

⁵⁸ "Early Childhood Academic Programs," Early Childhood Academic Programs (OSSE, 2022), <https://dcps.dc.gov/page/early-childhood-academic-programs>.

⁵⁹ Martin Austermuhle, "What You Need to Know about the D.C. School Lottery," WAMU (WAMU, October 18, 2021), <https://wamu.org/story/19/03/28/after-five-years-is-d-c-s-school-lottery-working-for-families/>.

⁶⁰ Conor Williams, "As D.C. Feels Gentrification Pressures, New Study Finds Its Pre-K Lottery Provides Equal - but Not Necessary Equitable - Access," The 74 Million (The74Million, September 8, 2020), <https://www.the74million.org/article/as-dc-feels-gentrification-pressures-new-study-finds-its-pre-k-lottery-provides-equal-but-not-necessary-equitable-access/>.

⁶¹ Rasheed Malik, "The Effects of Universal Preschool in Washington, D.C.," Center for American Progress (Center for American Progress, September 26, 2018), <https://www.americanprogress.org/article/effects-universal-preschool-washington-d-c/>.

implementation, that number had grown to 76.4% participation in 2016.⁶² At present, mothers of preschool-aged children in the District of Columbia now show similar labor force participation rates as mothers with children enrolled in elementary school.⁶³ Percentage increases of maternal labor force participation rate varied across income groups:

Women in families with incomes below the federal poverty level saw the biggest overall increases in labor force participation; rates for this group climbed 15 percentage points to 55 percent. Meanwhile, families with incomes above the federal poverty threshold but lower than 500 percent of the poverty level—about \$125,000 for a family of four in Washington, D.C.—did not exhibit increases in maternal labor forces participation. These families have consistently had high rates of maternal labor force participation in recent years, with about 75 percent participating in the labor force. However, at the top of the income distribution, mothers in families earning more than 500 percent of the poverty level are now participating in the labor force at rates comparable to their male counterparts—at roughly 88 percent. Between 2008 and 2016, the maternal labor force participation rate for these high-income women increased by 13 percentage points.⁶⁴

Increases in maternal labor force participation rates improve the economic health of families, especially that of families consisting of a single mother with young children.⁶⁵ This change in employment patterns also demonstrates one way that a high-quality universal preschool program can pay for itself, as it shows that “when

⁶² Rasheed Malik, “The Effects of Universal Preschool in Washington, D.C.,” Center for American Progress (Center for American Progress, September 26, 2018), <https://www.americanprogress.org/article/effects-universal-preschool-washington-d-c/>.

⁶³ Rasheed Malik, “The Effects of Universal Preschool in Washington, D.C.,” Center for American Progress (Center for American Progress, September 26, 2018), <https://www.americanprogress.org/article/effects-universal-preschool-washington-d-c/>.

⁶⁴ Rasheed Malik, “The Effects of Universal Preschool in Washington, D.C.,” Center for American Progress (Center for American Progress, September 26, 2018), <https://www.americanprogress.org/article/effects-universal-preschool-washington-d-c/>.

⁶⁵ Rasheed Malik, “The Effects of Universal Preschool in Washington, D.C.,” Center for American Progress (Center for American Progress, September 26, 2018), <https://www.americanprogress.org/article/effects-universal-preschool-washington-d-c/>.

policy supports the employment choices of parents with young children, the benefits almost always outweigh the costs in the form of higher earnings, a larger tax base, and better long-term outcomes for children.”⁶⁶

B. Learning Outcomes of Preschool for All DC students

Though Preschool for All DC has not yet been in place long enough for the long term impacts of the program to be sufficiently measured, the short term impacts of universal preschool on Washington, D.C.’s students are readily apparent. For example, in 2018, a report by the D.C. school district showed that less than half of 3 year olds entering D.C. preschool programs were able to meet benchmarks for early literacy. Two years later, when these same preschool students were about to enter kindergarten, the majority of students met kindergarten-ready benchmarks: 86% met cognition benchmarks, 83% met language metric benchmarks, and over 75% met benchmarks regarding the sound-to-letter matching skills that enable children to gain literacy during kindergarten.⁶⁷ For comparison, about 75% of Illinois kindergarteners fail to meet similar benchmarks upon their entry to kindergarten.⁶⁸

Comparative Case Study Discussion: Chicago and Washington, D.C. Universal Preschool Programs

In this chapter thus far, I have given a brief history of early education programs in Chicago, Illinois and Washington, D.C. I have also provided key program details of each city’s universal preschool program, including topics such as financing, curriculum, teachers, and student eligibility & enrollment. In this section, I will directly compare and contrast these aspects of each city’s universal preschool program, which will provide context for the overall findings and policy recommendations I will set forth in later sections.

⁶⁶ Rasheed Malik, “The Effects of Universal Preschool in Washington, D.C.,” Center for American Progress (Center for American Progress, September 26, 2018), <https://www.americanprogress.org/article/effects-universal-preschool-washington-d-c/>.

⁶⁷ Conor P Williams, “When Public School Starts at Age 3,” The New York Times (The New York Times, July 9, 2019), <https://www.nytimes.com/2019/07/09/opinion/free-pre-k-washington.html>.

⁶⁸ Catherine Henderson, “In the Second Year of Statewide Assessment, Three out of Four Illinois Children Still Aren’t Kindergarten Ready,” Chalkbeat Chicago (Chalkbeat Chicago, June 25, 2019), <https://chicago.chalkbeat.org/2019/6/25/21121057/in-the-second-year-of-statewide-assessment-three-out-of-four-illinois-children-still-aren-t-kinderga>.

A. Financing

Chicago, IL and Washington, D.C. utilize similar methods to fund their universal preschool programs. Both cities expanded the evidence-based school funding formulas that they already used to finance their K-12 public schools to include preschool. This is an essential step towards ensuring the continued quality and existence of each city's universal preschool program, as this financing method is far less likely to be subject to budget cuts than other areas of city budgets, as K-12, and in this case, PreK-12 funding enjoys consistent, strong bipartisan support. In addition, Chicago and D.C. have both elected to incorporate their federal Head Start funds into their universal preschool financing by using Head Start to provide the funding needed to run universal preschool programs in Community-Based Organizations. Integrating Head Start programs with universal preschool programs allows both cities to provide parents with streamlined access to early education options. This common-sense policy move expedites and simplifies the otherwise complicated process of enrolling a child in universal preschool, which is a major barrier to enrollment faced by parents.

Although universal preschool financing methods between the two cities are similar, Washington, D.C. and Chicago diverge greatly in the amount of funding their programs receive. The District of Columbia spent a total of \$18,580 per child enrolled in preschool during the 2017-2018 school year; in the same report and school year, Illinois spent about \$5,219 per child enrolled in preschool.⁶⁹

B. Curriculum

A significant way in which Washington, D.C. ensures the high quality of its early education programs is through its curriculum. The District of Columbia's preschools craft their curriculum with the guidance of the Creative Curriculum for Preschool, a curriculum that is highly popular across the country for its holistic approach and comprehensive guidelines for creating academic activities, building positive relationships between students and teachers, and constructing a classroom environment that is highly conducive to learning and stimulating students' interests.⁷⁰

⁶⁹ Allison Friedman-Krauss, W. Stephen Barnett, and Karin A. Garver, "The State of Preschool 2018" (New Brunswick, NJ: National Institute for Early Education Research, 2019).

⁷⁰ "Early Childhood Academic Programs," Early Childhood Academic Programs (OSSE, 2022), <https://dcps.dc.gov/page/early-childhood-academic-programs>.

⁷¹ Chicago Public Schools have widely adopted the Creative Curriculum for Preschool as well, although preschools within its universal preschool programs are only officially required to use curriculum that aligns with the Illinois Early Learning and Development Standards.⁷²

C. Teachers

Washington, D.C. requires each preschool classroom to employ at least one teacher and one assistant teacher.⁷³ Washington, D.C. preschool teachers in district and charter schools are required to hold a bachelor's degree with significant coursework or a major in early childhood development and/or closely related topics such as family studies and special education.⁷⁴ If a candidate for a preschool teacher position holds a bachelor degree in a different field, they must successfully complete D.C.'s Early Childhood Praxis Exams. Assistant teachers are required to hold at least an associate's degree in early childhood education or a closely related field, or must hold an associate's degree in an unrelated field along with completing nine school credits in early education courses.⁷⁵ Similarly, Chicago Public School early educators must hold at least a bachelor's degree with significant coursework in early childhood education.⁷⁶

The District of Columbia has expanded their K-12 teacher pay scale to include preschool teachers; in other words, D.C.'s preschool teachers can expect to earn the

⁷¹ "The Creative Curriculum," The Creative Curriculum | Child Care Center | Marquette University (Marquette University, 2022), <https://www.marquette.edu/child-care-center/curriculum.shtml>.

⁷² Cassie Walker Burke, "Here Are 12 Things Chicago Parents Want to Know about Universal Pre-K," Chalkbeat Chicago (Chalkbeat Chicago, May 30, 2019), <https://chicago.chalkbeat.org/2019/5/30/21108243/here-are-12-things-chicago-parents-want-to-know-about-universal-pre-k>.

⁷³ D.C. Office of the State Superintendent of Education. Pre-K Enhancement and Expansion Funding High-Quality Designation Application. 2019.

⁷⁴ D.C. Office of the State Superintendent of Education. Pre-K Enhancement and Expansion Funding High-Quality Designation Application. 2019.

⁷⁵ D.C. Office of the State Superintendent of Education. Pre-K Enhancement and Expansion Funding High-Quality Designation Application. 2019.

⁷⁶ "Early Childhood Education Jobs and Degree Requirements in the Illinois: How to Become a Preschool Teacher in IL: Job Description," Requirements for Early Childhood Education Jobs in Illinois (PreschoolTeacher.Org, November 23, 2021), <https://www.preschoolteacher.org/illinois/>.

same amount of money as their grade school counterparts.⁷⁷ In addition to preschool teachers' base salaries, the District of Columbia recently began the Early Childhood Educator Pay Equity Fund, through which the city's early childhood educators can apply for additional payment of up to \$14,000.⁷⁸ The city of Chicago has not made preschool teacher pay information available to the public.

D. Eligibility & Enrollment

In Washington, D.C., all three- and four-year-olds are eligible to enroll in full-day universal preschool programs.⁷⁹ The vast majority of three- and four-year-olds in D.C. elect to enroll in preschool: in 2015, 64% of D.C.'s three-year-olds and 86% of D.C.'s four-year-olds were enrolled in the city's universal preschool program.⁸⁰

In Chicago, four-year-olds are guaranteed access to full-day preschool programs, while three year olds are not guaranteed full-day preschool seats, but are offered half-day seats as they become available.⁸¹ In comparison to Washington, D.C., Chicago's universal preschool program has relatively low enrollment rates: about 61% of Chicago's four-year-olds were enrolled in preschool in spring of 2020.⁸² No data is available regarding the percentage of Chicago three-year-olds that are enrolled in preschool, as universal preschool is not guaranteed to the Chicago's three-year-olds.

⁷⁷ Conor Williams, "Laboratories of Democracy: Washington, DC, Showed How to Do Universal Pre-K Right," Vox (Vox, August 5, 2019), <https://www.vox.com/the-highlight/2019/8/5/20748833/washington-dc-pre-k-free-public-universal>.

⁷⁸ "OSSE Invites Early Childhood Educators in DC to Apply for Pay Equity Funds," OSSE Invites Early Childhood Educators in DC to Apply for Pay Equity Funds (OSSE, August 23, 2022), <https://osse.dc.gov/release/osse-invites-early-childhood-educators-dc-apply-pay-equity-funds>.

⁷⁹ Courtney Rozen, "On Its Tenth Anniversary, Here's Where D.C.'s Free Preschool Program Stands," DCist (DCist, March 15, 2019), <https://dcist.com/story/19/03/15/on-its-tenth-anniversary-heres-where-d-c-s-free-preschool-program-stands/>.

⁸⁰ Carolyn Phenicie, "Washington, D.C. - the Pre-K Capital Where Nearly All 4-Year-Olds (and Most 3-Year-Olds!) Go to School," The 74 Million (The74Million, May 22, 2016), <https://www.the74million.org/article/washington-dc-the-pre-k-capital-where-nearly-all-4-year-olds-and-most-3-year-olds-go-to-school/>.

⁸¹ Nereida Moreno, "Why Aren't More Chicago Parents Going for Free Universal Preschool?," Chicago Sun-Times (Chicago Sun-Times, September 2, 2022), <https://chicago.suntimes.com/education/2022/8/27/23324104/universal-preschool-prek-cps-free-chicago-public-schools-cofi-community-organizing-family-issues>.

⁸² Linda Jacobson, "New Study Finds Expanding Full-Day Pre-k Boosts Enrollment, Attendance," The 74 Million (The74Million, February 23, 2022), <https://www.the74million.org/article/new-study-finds-expanding-full-day-pre-k-boosts-enrollment-attendance/>.

Policy Recommendations for Chicago's Preschool for All Program

The mere implementation of a universal preschool program is not enough to produce the improved academic outcomes, broad positive societal impacts, and other long-term benefits that outweigh the costs that universal preschool programs promise. According to a study by the Upjohn Institute, “a 1-percentile increase in 4th grade test scores raises lifetime earnings by about \$4,000,” thus, “if pre-K boosts average test scores by just 1.4 percentiles, the expected future earnings gains are enough to pay for the cost” of a universal preschool program.⁸³ In keeping with the patterns and impacts we have observed in Chicago and Washington D.C.'s universal preschool programs, and with the consideration that the quality of a universal preschool program is the primary factor in achieving the desired program outcomes, in this section, I will put forward policy recommendations with the goal of improving the quality of Chicago's universal preschool program.

Expand access to full-day programs to three year olds

Currently, Chicago only guarantees full-day preschool seats to four-year-olds; three-year-olds are not guaranteed a seat, and typically, they are offered half-day seats in response to their request.

Whether a parent is able to enroll their child in a full-day or half-day program is a significant factor when thinking about the accessibility of universal preschool programs. From the perspective of working parents – who are most likely to benefit from universal preschool and who have thus far been the target population of Chicago's universal preschool program – the logistics of coordinating childcare is complicated by sending their child to a half-day preschool program. In Chicago, half-day programs are offered for approximately 2.5 to 3 hours at the beginning of the typical school day; this means that if enrolled in such a program, parents would have to pick up their child from school in the middle of the day, then coordinate care for their child for the remainder of the day or for the remainder of the time that the parent is at work. Facing such complications as a result of participating in Preschool for All programs may disincentivize parents from participating in the program at all, and may even disincentivize them from enrolling their child once they are four years old (and guaranteed a full-day seat) due to past negative experiences with the program.

⁸³ Bartik, Timothy J. and Brad J. Hershbein. 2018. "Pre-K Effectiveness at a Large Scale." Policy Brief. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. <https://doi.org/10.17848/pb2018-2>

Studies that compare the impacts of full-day versus half-day preschool programs on future academic performance have also yielded results that suggest that full-day programs are associated with stronger positive impacts on school performance in comparison to half-day programs.⁸⁴ Teachers reported positive effects of full-day preschool on students' cognition, literacy, math, and physical development, and evidence suggests that these effects are still present upon a child's entry to kindergarten.⁸⁵

Due to the evidence that suggests that students see significantly improved academic outcomes when they are enrolled in full-day preschool programs, and due to the fact that parents are more likely to see their needs met by full-day preschool programs, Chicago Public Schools should direct resources towards increasing full-day program capacity for both three- and four-year olds.

Increase Teacher Pay

The quality of a specific preschool program is strongly related to the amount of compensation that the teachers within that program receive. According to the U.S. Department of Education and the U.S. Department of Health and Human Services:

Low earnings and insufficient resources for professional development can fuel turnover, which increases program costs... Evidence shows that when children are enrolled in centers where there is lower turnover and where providers earn higher wages, they spend more time engaged in positive interactions and developmentally appropriate activities with peers and teachers, which contributes to healthy development and school readiness. Staff turnover also undermines continuity of care, such that when providers leave, children's secure attachments and relationships are interrupted, which can influence their social-emotional and behavioral development.

The national median salary for preschool teachers in 2015 was \$28,570, while the median salaries for kindergarten and elementary school teachers were \$51,640 and

⁸⁴ Atteberry, Allison, Daphna Bassok, and Vivian C. Wong. (2019). The Effects of Full-day Pre-kindergarten: Experimental Evidence of Impacts on Children's School Readiness. (EdWorkingPaper: 19-79). Retrieved from Annenberg Institute at Brown University: <http://www.edworkingpapers.com/ai19-79>

⁸⁵ Atteberry, Allison, Daphna Bassok, and Vivian C. Wong. (2019). The Effects of Full-day Pre-kindergarten: Experimental Evidence of Impacts on Children's School Readiness. (EdWorkingPaper: 19-79). Retrieved from Annenberg Institute at Brown University: <http://www.edworkingpapers.com/ai19-79>

\$54,890, respectively. In Illinois, preschool teachers made a median salary of \$28,670, while their elementary school counterparts made \$55,320. In our case comparison city, Washington, D.C., preschool teachers were paid \$39,940 while elementary school teachers made \$67,090.⁸⁶ The District of Columbia pays their preschool teachers using the same payscale that is used for K-12 teachers,⁸⁷ which aids in curbing teacher turnover rates, thus improving the overall quality of their universal preschool program. In order to boost program quality, Chicago Public Schools should follow in D.C.'s footsteps and align the compensation of their preschool teachers with that of their K-12 teachers.

Implement quality standards for pre-k classrooms

In the case study of Washington, D.C.'s universal preschool program, we saw that the district had implemented quality standards that each publicly funded preschool must adhere to quality standards that include parameters for teacher qualifications, preschool curriculum, use of class time, and requirements for parent involvement and professional development for teachers. Through my research, I was unable to identify or locate comparable quality standards within Chicago's Preschool for All policy. As such, I recommend that Chicago Public Schools implement quality standards to ensure that students in all preschool centers have access to high-quality care. In addition, I recommend that Chicago Public Schools make these standards well-known to parents, such that they can recognize when/if the preschool their child attends fails to meet quality standards.

Conclusion

High-quality early childhood education programs have the potential to create both short-term and long-term positive impacts on an academic, individual, and societal level. Accessing such impacts, however, requires universal preschool programs to maintain high levels of quality through multiple avenues. Ultimately, though Chicago has made strides towards providing universal access to full-day preschool programs for four-year-olds, the city needs to continue to work to expand

⁸⁶ U.S. Department of Health and Human Services. High-Quality Early Learning Settings Depend on a High-Quality Workforce, June 2016. <https://www2.ed.gov/about/units/ed/earlylearning/files/ece-low-compensation-undermines-quality-report-2016.pdf>.

⁸⁷ Conor Williams, "Laboratories of Democracy: Washington, DC, Showed How to Do Universal Pre-K Right," Vox (Vox, August 5, 2019), <https://www.vox.com/the-highlight/2019/8/5/20748833/washington-dc-pre-k-free-public-universal>.

program access to three-year-olds, as well as take steps to improve and ensure the quality of all of the city's preschool classrooms.

Editorial note: For a related op-ed in the *Chicago Policy Review*, please see <https://chicagopolicyreview.org/2023/04/25/educating-the-future-not-reinventing-the-wheel/>.

CHAPTER TEN

From the Burnham Plan to the Bean: A Survey of Pivotal Industrial Planning Policies in Chicago

Olivia Padilla

If you asked any Midwesterner a century ago what Chicago's economy is known for, they likely would have responded "industry and manufacturing of course!" with a look that expressed this answer should be a given. But Chicago is now firmly a Rust-belt city, its glory-days of industry are well behind it, and the answer to this same question is not immediately obvious. With an economy presently much more diversified than it once was, Chicago can be as easily described by its role as a financial center or publishing hub as it can be characterized by its relatively diminished industrial districts. How did we get here? What is left of Chicago's industrial legacy and what vision do city planners have for industry's future?

Chicago is notorious for its entrenched political machine, and examining the history and evolution of Chicago's industrial policies and planning vision reveals that many of the city's pivotal planning moments have been dictated more by the political directives of various mayoral administrations than they have been the result of rational or socially-minded policy investigation. This chapter affirms this characterization by firmly situating each policy discussed within its political context. Further, by focusing on the history of industry in Chicago, this chapter endeavors to determine what is unique about the evolution of the city's urban planning ethos.

Drawing from a broad review of urban planning history, this chapter provides a sketch of four distinct generations of Chicago's industrial history from the beginning of the twentieth century to the present, primarily focusing on the political and social forces which motivated cycles of development, decline, redevelopment, and relocation of industry.¹ Each of these eras is characterized by a pivotal policy or planning movement which left its mark on Chicago's industrial landscape. I begin with a brief

¹Most of the historical literature on this subject has been produced by Joel Rast, Robert Lewis, and Robert Giloth. It is with gratitude and respect for their comprehensive work that I draw on their accounts.

summary of the first half of the twentieth century's major planning movements, starting with the 1909 Plan of Chicago and ending with the military-industrial complex that emerged in Chicago during mobilization for WWII. Though this period begins well over a century ago, it is important to consider how these events set the stage for the subsequent urban crisis and suburbanization of the metropolitan area as these social phenomena significantly affected the siting of Chicago's industry in the post-war decades. In the second section, I discuss the various ways urban renewal programs failed to adequately revitalize Chicago's declining industrial base and the role of machine politics played in prioritizing the development of the downtown area. Third, I mark a departure point in Chicago's industrial planning policy with a proposal for Planned Manufacturing Districts and designated industrial corridors under Mayor Harold Washington's administration. Though Washington was only in office for four years, his inauguration interrupted the momentum of the Daley regime which had prioritized a corporate-center development strategy at the expense of neighborhood economic development. Finally, I turn to the twenty-first century and look at how globalization has shaped Chicago's service-dominant, multi-sector economy.

By investigating the circumstances under which each of these pivotal planning movements came into being, this chapter will provide insight into what produced the distinct industrial planning policies of each era and what issues current planners inherit from the built environments their predecessors produced. A comparison between different eras of industry will also uncover which issues regularly attend the cycle of industrial development and redevelopment in Chicago's physical and sociopolitical environment, thus helping planners better anticipate future problems. Simultaneously, this survey of historical literature elucidates what is unique about Chicago's current state of industry and what new planning priorities shape current visions of Chicago's industrial future.

Chicago Industry in the Early Twentieth Century

The beginning of the 20th century was a time of rapid industrialization, urbanization, and immigration which fueled huge growth of American cities. The marvelous change wrought over the American landscape in just a few decades was both a source of great pride and significant anxiety for Chicagoans as they saw their city transformed from a modest trade center to a great Midwestern metropolis whose influence extended throughout the entire region. However, as urban populations soared, concerns about blight, traffic congestion, and overcrowded slums in the dense

urban core took centerstage in public discourse. The city appeared to be disorganized, chaotic, and in urgent need of intervention to alleviate overcrowding and unwholesome conditions in housing, lots, and streets.² This was the consequence of unfettered early 20th-century industrial capitalism: how land was used was largely decided by uncoordinated private developers who actively opposed and ignored zoning initiatives which might have prevented them from building cheap housing on crowded, undersized lots adjacent to sites of industry.³ As a result, Chicago resembled a messy patchwork of industrial areas, slums, commercial districts, and streets situated in confusing relation to each other; living and working conditions were suboptimal and manufacturing sites were a rueful eyesore.

The 1909 Plan of Chicago—also known as the Burnham Plan—was conceived of by the city’s civic leaders in response to these issues. Published by the Chicago Plan Commission, the plan outlined a grand vision of which entailed a total aesthetic transformation of Chicago and its surrounding region, including proposals for improved transportation systems, expanded gardens, parks, and lakefront lands, and new cultural and civic buildings and monuments. Notably, the plan gave little thought to replanning the location of the city’s industrial base other than dictating the removal of blight from the city center. Though the plan excited many, it ultimately failed to garner enough support to induce comprehensive redevelopment.⁴ However, though the Plan was never fully implemented, it remained an influential aspiration as the city continued to struggle with issues attendant with density and blight.

Through the economic troubles wrought by WWI and the Great Depression, city and civic planners would continue to appeal for organized redevelopment as they emphasized the benefits of redevelopment to the business community in the city. Mainly, planners argued for the implementation of land zoning regulations which would allow them to limit the construction of tenement-style housing and dictate the location industry in the city.⁵ Though some balked at the idea of increased regulation, most business and upper-class property owners understood that slum clearance and industry zoning would protect and potentially increase the value of their lands.⁶ As

² Sert, *Can Our Cities Survive?*, 3-5, 15.

³ Moses, “Slums and City Planning,” 63-65.

⁴ Foglesong, 212-213.

⁵ Foglesong, 218-219.

⁶ Foglesong, 223.

outlined in the Chicago Plan, private interests involved in the commercial district of Chicago's downtown area especially stood to benefit from new zoning regulations since the removal of dilapidated properties and noxious industry made new prime real estate available for speculation.

Implicit in this approach to zoning policy were many classist and racist notions of how a modern city should be structured and what inequalities were natural and acceptable. Theoretically zoning regulations could have been used to holistically address the inciting issues of overcrowding and congestion, but instead, zoning was used by the city to clear slums from high-value areas without addressing the larger causes of congestion or much consideration on how displaced peoples would fare when relocated to the urban periphery.⁷

The First World War and the Depression had put a halt to Progressive-era interventions and public investments into Chicago's industry for much of the 1920s and 30s, but World War II reversed this situation. The expansion of factory space for the production of wartime materials was a priority for the militarized United States. Second only to New York in terms of its industrial economy, Chicago was considered to be an enormous asset to mobilization efforts because it had long been a locus of both vital trade routes and industry dominance and benefited from a resource-rich hinterland. By the end of the war, Chicago's military-business alliance had invested almost \$1.4 billion in new factory space, \$10 billion in new supply contracts, and manufacturing jobs almost doubled from 616,000 to more than a million within Chicago's industrial economy.⁸ These massive expenditures made Chicago the largest recipient of wartime funding.⁹

During WWII the United States federal government acted to mobilize industrial resources across the nation. Lewis describes how in this period Chicago's manufacturing resources were sites of intensive public investment and embodied capital that was uniquely valuable to the nation's emerging military-industrial complex.¹⁰ This was a very different conception from the pre-war period when industry was seen mainly as the domain of individual capitalist ventures and symbolic

⁷ probably need a citation here

⁸ Ibid, 56.

⁹ Ibid, 65.

¹⁰ Robert Lewis' *Calculation & Industrial Property* (2016) provides a robust history of "industrial sites as spaces of calculative militarization and the economic, social, and political processes that are mobilized to organize society around military action and violence" (18).

of American progress led solely by the free market. Across the nation, World War II changed the way industrial property was financed, owned, and controlled through the initiation of robust business-government partnerships. Despite a steady decline in industry during the previous decades, by 1941 Chicago exemplified the new wartime industrial landscape as the city was transformed both physically by wartime revitalization of certain manufacturing districts and politically as new complex relationships and interests formed between public, military, and private entities in the efforts to facilitate the mobilization.¹¹

Wartime investment was seen by Chicago city planners as an opportunity to relocate industry within the urban landscape and thus realize an organized pattern of land use that had been a general planning aspiration since the blight issue was first articulated in the Progressive era. For example, in 1942 the Chicago Plan Commission celebrated a newly established chain of modern manufacturing plants on Chicago's western periphery which were financed in large part by public money and would be converted to private enterprises after the war.¹² This new development reinforced the desired trend of relocating heavy industry to the periphery where empty land was plenty enough for continued expansion so that inlying districts could be rebuilt for light industry and commercial and residential uses.

In order for Chicago's productive capacities to be adequately militarized, a coalition of political and business leaders first had to be worked out. Lewis details how this new institutional framework began to take shape in 1939 as different business and city organizations tried to control the extent to which private capital was made available for military appropriation.¹³ Some organizations, like the Illinois Manufacturer's Association (IMA) represented the conservative interests of older firms who were protective of their established capital and generally reluctant to allow government intervention in private industry. Soon though, these conservative elements were overwhelmed by an alliance of various state and city defense committees coordinated by the Chicago Association of Commerce. This coalition represented the evolving military-industrial complex which merged the interests of newer industrialists and investment banks looking to profit off of wartime expansion, political interests who stood gain from Chicago's position as a privileged wartime

¹¹ Lewis, *Calculation & Industrial Property*, 57.

¹² Chicago Plan Commission, "Industrial and Commercial Background for Planning Chicago," 2.

¹³ Lewis, *Calculation*, 65-70.

asset, and military interests who recognized the advantage of Chicago's centrality to coordinating war activities.¹⁴ By the end of the war, Chicago had more than six hundred sites dedicated to wartime industry financed by public money.¹⁵

Chicago's Post-war Urban Renewal and Machine Politics Through the 1970s

The first of Chicago's industrial redevelopment initiatives emerged from the urban renewal movement which swept through the nation in the post-war period. Urban renewal as an official federal policy was implemented through the Housing Act of 1949 which sought to address the depopulation of cities as people flocked to the suburbs in the post-war period. For the first time, the federal government was able to direct funding to aid municipalities in clearing their slums, redeveloping blighted land, rehabilitating economically distressed neighborhoods, administering planning commissions, and enforcing zoning codes.¹⁶ The urban renewal movement renewed attention to some of the same issues that plagued Chicago in the early decades of the twentieth century: slum clearance and the redevelopment of economically valuable land once again becoming chief topics in the public discourse.

The Housing Act also greatly empowered local and state governments to use eminent domain as the primary mechanism for appropriating land and carrying out the urban renewal objective. However, land seizure was not necessarily carried out solely to address isolated areas of blight in the city, as planners and business leaders desired to entirely restructure the built environment to delineate discrete zones of specialized commercial, industrial, and residential activity. Precise legal definitions of "urban blight" vary. Gordon notes that localities often stretch the definition of blight to cover projects of diverse scope and vision in an effort to secure public funding for their plans.¹⁷ However, a notion of what urban blight meant to planners, politicians, and city leaders can be drawn from postwar discourse between various interest groups in Chicago. There was a compelling financial incentive to flip blighted land within high-value areas such as Chicago's downtown; blighted land came to be viewed by planners as an economic absurdity because it cost the city significant public money to

¹⁴ Ibid.

¹⁵ Lewis, *Calculation*, 152.

¹⁶ Collins & Shester, "Slum Clearance and Urban Renewal in the United States", 239.

¹⁷ Gordon, "Blighting the Way," 305.

sustain in its dilapidated state but was producing practically no revenues in turn.¹⁸ This profit incentive embedded in the renewal efforts eclipsed any notions of renewal being a tool for public welfare or racial justice for working-class people located in these slums. Chicago is an especially egregious example of this, as city leaders excessively leveraged their powers of eminent domain, specially crafted zoning laws, and a liberal interpretation of what land they deemed blighted to clear desirable downtown land of its inhabitants which exacerbated racial and class segregation in Chicago.

In the background of urban renewal efforts a population shift from central urban areas into suburbs was occurring. Lewis explains how Chicago was subject to a wider phenomenon that industrial cities were experiencing: cities were being de-industrialized as firms moved to the suburbs and the metropolitan areas of the Sunbelt where they could start fresh away from the sprawl of blighted land in urban centers.¹⁹ In other words, industrial decline in Chicago was inextricably linked to the trend of rapidly progressing suburbanization across the country. The economic boost from the war did little to change Chicago city leaders' dejected regard of suburbanization and industry decentralization. In the Progressive-era, the relocation of industry and people to the city's suburbs was seen as a sign of Chicago's decline. In the post-war period, it was clear that suburbanization was part of a larger national trend, and city leaders became preoccupied with preventing or reversing decline through renewal projects meant to make the urban center attractive to investors.²⁰

The failures of urban renewal meant that blight continued to be an issue in Chicago through the latter-half of the twentieth century. Rast identifies two early post-war planning approaches to addressing blight.²¹ The first approach was backed by downtown business interests and argued that redevelopment should begin first in the central business district and then work outward from that point. This approach viewed the neighborhoods surrounding downtown merely as potential residential areas for high-income downtown workers and supported the displacement of current poorer residents within those areas. Proponents of this strategy pointed to a recent

¹⁸ Gordon, 310.

¹⁹ Lewis, *Chicago's Industrial Decline: The Failure of Redevelopment, 1920-1975*, 116 - 120.

²⁰ Mayer et al., *Chicago: Growth of a Metropolis*, 375-376.

²¹ Rast, "Creating a Unified Business Elite: The Origins of the Chicago Central Area Committee." *Journal of Urban History* 37, no. 4 (2011): 586-587.

pronouncement by the Chicago Plan Commission which designated a 23 mile corridor surrounding the central business district as “blighted” or “near-blighted” and thought that these areas would be better used for middle and high-class housing.²² The opposition approach “recognized near-downtown neighborhoods as places of both residence and employment, independent of downtown” and advocated for a revitalization plan which sought to preserve the self-contained economic unit of the neighborhood.²³ In other words, redevelopment efforts should expand neighborhood-level employment opportunities for current residents. The proponents of this strategy protested that the first development strategy centered on corporate interests, enacted gentrification, and required the wrongful displacement of poorer residents in the slum areas surrounding the near downtown area.

The post-war period of urban renewal was also an interesting time of regime change, coalition building, and machine politics within Chicago. Rast explains how ambitious renewal policies at this time could only succeed when “city officials across the country formed sustained, multi-issue alliances with local business leaders around urban renewal and development.”²⁴ Within the Chicago political machine, civic leaders quickly realized that the formal powers of the city government mattered very little when opposed by powerful and diverse political and business interests. The fragmentation of power in a political machine system resulted from the tradition of entrenched ward bosses and the various uncoordinated bureaucratic authorities carrying out their separate functions.²⁵ Administrative reforms were proposed by business and redevelopment leaders who stood to benefit from the new planning vision, but they were vehemently opposed by machine politicians who were reluctant to cede power and administrative authority.²⁶ As a result, it was impossible to avoid accommodating the machine within these political coalitions.

Redevelopment planning in Chicago in the 1950s through the 1970s was dominated by a “corporate-center” strategy overseen by Mayor Richard J. Daley’s

²² Chicago Plan Commission. “Master Plan of Residential Land Use of Chicago” (1943), 69.

²³ Rast, 586.

²⁴ Rast, “Regime Building,” 174.

²⁵ Ibid.

²⁶ Rast, “Regime Building,” 175.

three-term administration.²⁷ This strategy, as eventually laid out in a 1958 plan submitted to the Mayor's office by the Department of City Planning, would use urban renewal funds and private partnerships to encourage commercial, residential, cultural, and recreational activities in the central area.²⁸ Importantly, during the decades of the Daley machine, contentions between different redevelopment initiatives were maintained in the public discourse by civic associations representing business interests, not formal city planning departments. The Chicago Plan Commission was beneath the city council and had to depend on its relationships with various influential aldermen to secure its funding and plan authorizations. Business leaders in the city wished to put forth their own plans without having to pander to the city's political machine.²⁹ Two coalitions arose in this environment, each representing different interests and different conceptions of how post-war redevelopment should relate to Chicago's central area: the South Side Planning Board wanted a new expanded industrial district on the Near South Side, while the Near West Side Planning Board wanted to use redevelopment to support the revitalization of the downtown area. A final private coalition was formed in 1956 to represent downtown interests, the Chicago Central Area Committee (CCAC) sought to work behind the scenes to obtain consensus among downtown business leaders. The CAC worked with Mayor Daley's Department of City Planning to produce the 1958 Plan, which favored downtown interests.³⁰ An investment and construction boom in downtown Chicago followed the 1958 plan. During the following year, eight major office and residential building projects equal to \$130 million were announced.³¹ Over the following five years, private construction activity in the central area totaled \$662 million.³²

Ultimately, faith in urban renewal was short-lived and by 1960 many viewed the federal government's approach and execution of the program as a failure. The priority of urban renewal was slum clearance and the provision of public housing for low-

²⁷ Vitello Diego Danilo. "The evolution process of Chicago's industrial land-use policy." *Urban Research and Practice* 11, no. 4. Routledge. (April 2018): 481.

²⁸ Chicago Department of City Planning. *Development Plan for the Central Area of Chicago: A Definitive Text for Use with Graphic Presentation*. Chicago. (1958): 3-8.

²⁹ Rast, 601.

³⁰ Rast, 595.

³¹ Ibid.

³² Ibid.

income families; arguably it is this narrow focus which limited the ambitious urban redesign from being significantly carried out. Legislative and bureaucratic inefficiencies also hindered progress. The initial Housing Act provided little actionable framework, requiring dozens of amendments in the following decade, and administrative oversight was split between many different federal and state agencies.³³ However, these governing issues attend many federal welfare programs and are not unique to the Housing Act.

Urban renewal failed because the housing program was seen as a separate issue from the much-needed renewal of nonresidential areas. Leach reflects in 1960 on how the selective scope of the Housing Act failed to consider how important renewing all parts of the metropolis, meaning the city proper and its urbanized peripheries, saying, “residential areas obviously cannot be divorced from the commercial and industrial areas where people shop and work.”³⁴ Financing a holistic urban renewal was also difficult because many metropolitan areas, Chicago’s included, sprawled well outside of their municipality’s jurisdiction and had no corporate entity to which federal dollars could be granted.³⁵ By solely focusing on slum clearing, the federal government failed to grasp the importance of regional renewal in the post-war era. Overall, the post-war federal urban renewal program failed to adequately address urban blight and instead became characterized by “tax-hungry city officials” and “institutional imperialists” seeking to build wealth in the inner cities at the expense of the displacement of poor residents into deficient public housing projects.³⁶ In this way, once the war mobilization was over, the primacy of Chicago’s industry receded from public priority as city leaders focused on other developments.

Retaining Industry and Reinvesting in Chicago Neighborhoods in the 1980s

In the 1980s progressive regime change set forth Chicago’s industrial policies; Harold Washington was elected as the city’s first African-American mayor in 1983 on a platform dedicated to reducing the inequalities which burgeoned under the Daley machine. Additionally, the new administration had to address a changing economy. Chicago’s share of national manufacturing employment decreased from 4.9 percent in

³³ Leach, 779-780.

³⁴ Leach, 779.

³⁵ Leach, 782.

³⁶ Teaford, 448.

1970 to 3.4 percent in 1987.³⁷ At the same time, the service economy was growing, the replacement of manufacturing jobs by service jobs firmly situated Chicago in its post-industrial era. Policy makers at the time agreed that this was an undesirable trend which defied conventional wisdom: manufacturing had been considered to be the prime mover behind all employment growth, and if the employment base was overtaken by lower-paying service jobs then significant income distribution impacts could be expected.³⁸ However, as Clavel and Giloth recount, Washington did not allow his inherited economic situation to stop him from pursuing reforms to benefit disinvested communities. Washington was responsible for renewed interest in industrial planning policies as Chicago sought to “retain manufacturing jobs, typically higher paying than other blue collar sectors, in the face of regional and national decline.”³⁹ The following section lays out Mayor Washington’s truly unique and progressive plans for “decentralized development” which set itself in stark contrast to the planning policies of the previous decades.⁴⁰

Beginning in the seventies, the encroachment of real estate development across Chicago pushed up property values such that many existing manufacturers were priced out and potential industries looking to relocate to the city’s industrial areas were discouraged from doing so. By the 1980s it was believed that industrial decline in the city center was caused in large part by “the presence of residential property in proximity to manufacturing” which caused higher taxes for adjacent manufacturers.⁴¹ Furthermore, the immediate post-war health of Chicago’s manufacturing sector was due in large part to the “availability of natural resources, easy access to waterways and railroads, and close proximity to major consumers located in the Midwest and East.”⁴² These environmental and infrastructural advantages which made Chicago attractive to manufacturing investment prior to the 1970s had significantly declined by the time Mayor Washington took office. Increased costs for energy inputs also discouraged manufacturing growth. The availability of cheap oil in the post-war period allowed

³⁷ Israilevich & Mahidhara, “Chicago’s economy: Twenty years of structural change,” 1990, 16.

³⁸ Ibid.

³⁹ Clavel & Giloth, “Manufacturing and National Urban Policy: Clues from Chicago in the 1980s,” 2011.

⁴⁰ Robert Mier and Kari Moe. “Decentralized Development: From Theory to Practice,” in *Harold Washington and Neighborhoods*, ed. Pierre Clavel and Wim Wiewel . 64-99.

⁴¹ Danilo, 482.

⁴² Israilevich & Mahidhara, 16.

highly energy intensive industries like steel and automobiles to benefit from low electricity costs. But oil price hikes in 1973 and 1979 coupled with the passage of stricter environmental regulations and requirement of pollution control devices imposed new, significant capital costs on mature Chicago industries.⁴³ The changing economic context impacted productivity across the board and contributed to a decline in manufacturing employment. These changes in Chicago's labor base were leading a national trend: 1980 saw the city's service employment surpass manufacturing employment a full two years before national employment numbers reached the same tipping point.⁴⁴

Chicago in the 1980s was a decade of deindustrialization and socioeconomic dislocation. Doussard describes this period as significant departure point from Chicago's past "Fordist mode of urban growth, along with its attendant ensemble of Keynesian-welfarist regulation."⁴⁵ In other words, a city which had grown up under the logics of mass production and large-scale, capital-intensive industrialization was now under pressure to get ahead of the wave of deindustrialization and restructure its economy. A wave of plant closings by many of Chicago's signature firms (U.S. Steel Corporation, Beatrice Foods, Nabisco, Campbell Soup Company, Schwinn, Playskool, Stewart Warner, General Mills, Swift Co., and Sunbeam) proved that Chicago could no longer support the manufacturing base it once did.⁴⁶ The first major wave of deindustrialization occurred from 1979 to 1986, during which the Chicago metropolitan area lost 358,000 manufacturing jobs and per capita incomes fell by 6.6 percent.⁴⁷

When Mayor Harold Washington's administration published its *Chicago Works Together: 1984 Development Plan* (CWT) it was apparent that a new era in the city's industrial planning policy was evolving. As explained in the previous section, the Daley regime prioritized real estate development primarily in the downtown areas. The biggest way that Mayor Washington departed from this position was by

⁴³ Ibid.

⁴⁴ Israilevich & Mahidhara, 15.

⁴⁵ Doussard, "After Deindustrialization: Uneven Growth and Economic Inequality in 'Postindustrial' Chicago," 2009.

⁴⁶ Rast, *Remaking Chicago: The Political Origins of Urban Industrial Change*, 1999.

⁴⁷ Wiewel, "Industries, jobs, and economic development policy in metropolitan Chicago: An overview of the decade," 1990.

prioritizing employment opportunities over other kinds of economic development like real estate. He especially emphasized the importance of keeping established industries and manufacturing employers within neighborhoods rather than continuing the cycle of industrial displacement which left behind blighted and disinvested communities. Washington's hallmark policy vision, which called for a "more balanced growth between economic sectors, and between the downtown area and the rest of Chicago's neighborhoods," was hugely important for creating an "innovative industrial policy that planned for both industrial retention and growth."⁴⁸

The CWT also sought to facilitate communication and cooperative planning between community, labor, manufacturing, and small business interests and more traditional economic development interests like corporations and downtown development leaders.⁴⁹ With the creation of specialized task forces, the Local Industrial Retention Initiative (LIRI), and the Local Employment and Economic Development Council (LEED), Mayor Washington's administration opened up planning roles to community-based organizations. Washington recognized that institutionalizing neighborhood concerns within the city government would empower both place-based manufacturers and working-class residents.⁵⁰ Giloth credits Mayor Washington with creating a new policy development experience for the city in three significant ways:

(1) it shaped a more open, transparent, and participatory governance approach; (2) it generated substantive impacts for people, business and neighborhoods; and (3) it surfaced policy and administrative issues and tension points that remain unresolved for today's equity advocates.⁵¹

This more participatory planning process was a world of difference from the patronage system, inefficiency and budget excess, and disconnection from public economic development investments that the preceding Daley administration oversaw.

Beyond reforming the political process in Chicago, Mayor Washington also oversaw the inception of a novel industrial planning policy: planned manufacturing districts (PMDs). Amidst of the real estate boom of the 1980s, industrial land along

⁴⁸ Danilo, "The evolution process of Chicago's industrial land-use policy," 478.

⁴⁹ Giloth, 242.

⁵⁰ Stone, *Urban Neighborhoods in a New Era: Revitalization Politics in the Postindustrial City*, 218.

⁵¹ Giloth, 242.

the North Branch of the Chicago River (which had historically been an industrial corridor) was being sold and developed into large one-story commercial buildings and existing multi-story buildings were converted to lofts and office space. A coalition of manufacturers, advocacy groups, the LEED council, and the City Department of Planning and Development proposed PMDs as a new land use policy which would protect industrial corridors from being overtaken by restricting residential development.⁵² Proponents of the policy argued that “one of the strengths of PMD is preventing piecemeal zoning or spot zoning”⁵³ Additionally, PMDs are a targeted zoning tool that can safeguard industrial areas located where gentrification processes are most threatening.⁵⁴

Between 1984 and 1988, Robert Giloth, Washington’s Deputy Commissioner of Economic Development, and LEED Council Executive Director Donna Ducharme led a research team and coalition building efforts which made the case for PMDs. The first area of the city to receive attention by PMD proponents was the Clybourn Corridor located along the North Branch of the Chicago River in the Lincoln Park neighborhood. Rast details how the North River Corridor, which had historically been zoned for manufacturing, became an important site of contention between real estate interests and Washington’s new planning direction.⁵⁵ Real estate developers made a persuasive case that industry was Chicago’s past, and PMDs were “politically misguided efforts to restrict property rights and interfere with market forces.”⁵⁶ Even some manufacturers whose longevity was being defended by Washington felt some pressure to cash in their real estate holdings as property values continued to rise.⁵⁷ There was also significant pushback from downtown development interests, and in the beginning stages of the PMD proposal Washington was hesitant to entirely alienate this powerful political bloc lest he be accused of leading an anti-growth agenda.⁵⁸

⁵² Chicago Department of Planning and Development, “The Geography of Production: Chicago and its Industrial Corridor System,” 2022.

⁵³ Danilo, 482.

⁵⁴ American Planning Association, 2006.

⁵⁵ Rast, 1999, 113-117.

⁵⁶ Rast, 1999, 117.

⁵⁷ Rast, 1999, 119.

⁵⁸ Danilo, 481-482.

Ultimately, the political impetus for PMDs had to come from community groups like the LEED council and labor unions supported by their employers; it was not until widespread support was secured that Washington publicly announced his administration's support for PMDs.

Unfortunately, the progressive planning vision of Washington did not last long after his death in 1987, just three weeks after his endorsement of the Clybourn Corridor PMD proposal. As his governing coalition broke apart, much of the political will to maintain cooperative partnerships between various community and corporate stakeholders dissipated. For example, the proposition to pass zoning laws which would establish the Clybourn Corridor strictly as a manufacturing district were readily stalled by a city council which favored real estate interests. Scholars have noted that Washington's administration's failure to institutionalize its progressive policies meant that reform of the Chicago growth machine was only temporary. However, while it is disputed whether Washington achieved actual regime change, it is important to credit the progressive mayor with introducing the notion of balanced growth between neighborhood and downtown corporate interests.⁵⁹

The Post-industrial City

The election of Mayor Richard M. Daley in 1989 saw a return from Washington's participatory planning process model to a development agenda that privileged real estate and downtown interests. However, community support for PMDs continued to grow and after a concerted public messaging effort by PMD advocates, the public consensus on PMDs favored industrial zoning protection. From 1988 through 1990, Daley approved zoning protections which created the Clybourn, Goose Islands, and Elston PMDs within the North Branch Industrial Corridor. To this day, the PMDs include a core and buffer zones, which "reflects the belief that commercial uses allowed in the buffer zones are less disruptive than residential uses."⁶⁰ By 2007, twelve more PMDs were established, constituting the modern industrial corridor system Chicago has today. A 2005 evaluation of PMDs' effect on employment reported that "in an area of the city that, but for the PMDs, would have likely transitioned from industrial to residential. With respect to overall job and

⁵⁹ Rast, 2001.

⁶⁰ Chicago Department of Planning and Development, 2022, 6.

business creation and retention, the PMDs have performed remarkably well.”⁶¹ However, certain changes in the manufacturing economy were inevitable and irreversible, the downsized sector would never reach its post-war employment heights again. The same report reveals that a diversification of manufacturing was occurring within the established PMDs, and these new firms were less likely to be involved in traditional heavy manufacturing. The report's concluding recommendation was that “PMDs should be preserved as long as they are necessary to protect owners from encroachment by incompatible land uses. PMDs should be reconsidered only when owners of industrial property cease operations.”⁶²

The second Mayor Daley remained in office for twenty-two years, and at first it seemed his administration would take after his father's and occupy itself primarily with real estate growth and flashy development projects in the downtown area. Spinney describes what planning vision guided these developments:

His [Daley's] strategy involved remaking the downtown into a trendy twenty-first century destination for sightseers, convention-goers, international conferences, and relocating corporate offices...he made Chicago into a “City of Spectacle.”⁶³

As an example, within the first two years of his election, Daley secured financing for a \$150 million renovation of Navy Pier, a \$987 million expansion of McCormick Place convention facility complex, and the \$175 million United Center. In contrast to the pessimism which lamented the decline of manufacturing in the 1980s, by the mid-2000s Chicago's post-industrial transition was considered to be a success as it enjoyed a “prominent place in the new economies of culture, knowledge, and finance” and embraced an “economic future that is based on advanced corporate services, real estate, and tourism.”⁶⁴ The completion of the Loop's Millennium Park in 2004 exemplified this new era of the city.

⁶¹ “Curbing Industrial Decline or Thwarting Redevelopment? An Evaluation of Chicago's Clybourn Corridor, Goose Island, and Elston Corridor Planned Manufacturing Districts,” A report prepared by The University of Wisconsin-Milwaukee Center for Economic Development for the City of Chicago, 2005.

⁶² Chicago Department of Planning and Development, 2022, 6.

⁶³ Spinney “Glamorous and Grim” in *City of Big Shoulders : A History of Chicago*, 2020, 182.

⁶⁴ Doussard, 186.

Daley defended his agenda by arguing that it was time for Chicago to adapt to changing economic realities instead of trying to resurrect the old manufacturing economy. However, Daley also recognized that the political terrain his father enjoyed had fundamentally changed. Coalition-building incentives like patronage jobs, city contracts, and other material incentives which fueled the Chicago machine in the period of urban renewal became increasingly scarce by the late 1970s; meanwhile under Washington significant ideological shifts achieved staying power and neighborhood organizations had attained a legitimacy and presence in city policy discussions that they were intent on keeping. Faced with an empowered opposition and the need to build coalitions with neighborhood and labor interests, Daley reconsidered his campaign stance against PMDs. In 1990 announced that he supported the planning process for the Goose Island and Elston Corridor PMDs and intended to establish more.⁶⁵ Between 1988 and 2007 Daley's city council approved fifteen PMDs, these protected zoning areas were the beginnings of Chicago's present-day industrial corridor system.

Writing in 2005, Rast expressed concern about the PMDs established after the first three, saying that the first three zones "...were developed through a broad-based community planning process."⁶⁶ The first Clybourn, Goose Island, and Elston PMDs each took several years to establish in order to build sufficient support among diverse stakeholders within the relevant neighborhoods. Clavel and Giloth similarly criticize Daley, noting that under his administration "More PMDs were established, but they were not as well nurtured."⁶⁷ Daley may have liked PMDs as a policy, but he did not encourage a participatory policy making process. Instead the city took a top-down approach towards establishing its later PMDs with a new financial instrument: tax increment financing (TIF).

As a policy instrument the Daley administration welcomed TIF as the new urban renewal. Tax increment financing is a technique for financing a capital project from the same stream of revenue generated by the project.⁶⁸ The creation of a TIF district sets a baseline amount of tax revenue equal to what it currently generates; this

⁶⁵ Rast, 2001, 185.

⁶⁶ Rast, "The Politics of Alternative Economic Development: Revisiting the Stone-Imbroscio Debate," 2005, 24-25.

⁶⁷ Clavel & Giloth, 2015, 30-31.

⁶⁸ Healey, "Urban Revitalization and Tax Increment Financing in Chicago," 1999.

baseline guarantees an amount of taxes the city will receive from that area for the life of the TIF. TIF funding assists the development of dilapidated properties in the district, and with more development the value and tax revenue from those properties increases. The "increment" above the baseline is then supposed to be solely used for redevelopment activities in the TIF district. This continues until the TIF expires or the city's investments are repaid, after which all property tax revenues are again shared by all of the local taxing bodies. Ideally, TIF acts as a valuable community development tool for attracting development that will generate new taxes. Under Daley, TIF revenues were in principle supposed to have been directed toward redevelopment in PMDs, but Fitzgerald and Leigh report that only 15 of over 110 TIF projects were industrial.⁶⁹ Much like the misdirection of urban renewal funds under the first Mayor Daley, TIF was primarily used for residential and high-end commercial development, because that was the best bet for generating the financing.⁷⁰

Any judgment of Mayor M. Daley's industrial redevelopment leadership must be mixed. On the one hand, Daley adapted himself to accept some of the progressive political changes that Washington led; throughout his tenure Daley continued to create PMDs and provide TIF financing for industrial redevelopment projects. On the other hand, "by the end of Daley's mayoralty, it appeared that the corporate center approach was hegemonic."⁷¹ Clavel and Giloth look back on industrial redevelopment under Daley, saying,

Chicago's comprehensive industrial retention strategy did not emerge as a totality; rather, it evolved over time. Each program was the brainchild of a new mayor or commissioner ... It was only after several years ... that the separate programs were linked to form a comprehensive strategy.⁷²

For better or worse, Mayor Daley's actions set the trajectory for Chicago's development goals in the 21st century and relegated industry to the margins of policy importance.

⁶⁹ Fitzgerald & Leigh, *Economic Revitalization: Cases and Strategies for City and Suburb*, 2002, 106.

⁷⁰ Clavel & Giloth, 2015, 30.

⁷¹ Clavel & Giloth, 2015, 31.

⁷² Fitzgerald & Leigh, 106.

Future of Industrial Policy in Chicago

By the time of the mid-2000s recession, optimistic evaluations of the service economy had soured. In the midst of financial meltdown, President Obama championed a labor platform which called on America to return to “making things.”⁷³ Chicago would once again recenter its focus to its industrial base as embodying the city’s renewal aspirations.

Mayor Rahm Emmanuel took office in 2011, and, recognizing the need for a comprehensive investigation of the state of industry in Chicago, his administration released its hallmark industrial policy, the 2016 Industrial Corridor Modernization Initiative (ICMI). The Chicago Department of Planning and Development’s website explains,

the goals of Chicago’s industrial corridor modernization efforts are intended to unleash the potential of select industrial areas for advanced manufacturing and technology-oriented jobs while reinforcing industrial activities in other areas. The purpose is to support new job growth and local job opportunities as well as leverage the unique, physical features of these corridors to improve viability and foster demand.

What exactly this initiative requires in terms of concrete policy direction remains to be seen. The city of Chicago describes the initiative as a

multi-year process incorporating community-based goals, market data, infrastructure assessments, financial planning, and other criteria into framework plans that will guide future public and private investments within each unique corridor.⁷⁴

This initiative continued largely unchanged under Mayor Lori Lightfoot, whose administration was likely more concerned with other pressing issues like policing and the COVID-19 pandemic. Since 2016, the ICMI has mainly been a city government-led public review process that focuses on “modernizing restrictive zoning in these corridors and benefiting the entire city with new opportunities for investment, neighborhood jobs and economic development.” This language appears to eschew the

⁷³ Alliance for American Manufacturing, “President Obama’s Manufacturing Job Legacy,” 2020. <https://www.americanmanufacturing.org/press-release/president-obamas-manufacturing-job-legacy/>

⁷⁴ www.chicago.gov. “Industrial Corridor Modernization Initiative,” April 2022.

example set by Washington's participatory planning process. Danilo has pointed out that despite the modernization process concerning all 26 Chicago Industrial Corridors, the Chicago Department of Planning and Development has given priority to the modernization process of four industrial corridors located in proximity to the downtown area. They say,

For Chicago, adopting the innovation district model implies repealing the PMD tool in order to convert industrial lands into a co-localization of high-tech companies, offices, retail, residential and recreational spaces.⁷⁵

Looking back on the decades since WWII, it seems that Mayor Washington's approach to industrial policy was anomalous, in that it was not determined to focus on growth-dependent alliances between downtown corporate interests and real estate ventures. While it is beyond the scope of this chapter to speculate on the future of coalition-building around Chicago's industrial policy, the directives set forth by the ICMI suggests that Washington's style of collaborative planning is a thing of the past. Instead, current industrial corridor modernization efforts will be led by a top-down approach where political and administrative practices direct private and public coalitions over the interests of neighborhood organizations.

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⁷⁵ Danilo, 485.

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