



August 12, 2008

Ms. Suzi Schmidt
Chair
Lake County Board
18 North County Street
10th Floor
Waukegan, Illinois 60085

Re: Request for Lake County Brownfield Fund Intergovernmental Effort City of North Chicago—Sheridan Crossing Development NW corner of Martin Luther King Dr. and Sheridan Rd.

Dear Ms. Schmidt:

The City of North Chicago gratefully requests the County's continued financial assistance using Lake County Brownfield Grant Funds for our important project:

Environmental Investigation/Cleanup of Former Lavin, Vacant Lot Properties Sheridan Crossing Towne Center Development

NW corner of Martin Luther King Dr. and Sheridan Road, North Chicago, IL.

This application addresses the 13 points of information requested in the County's application guidance.



1. Name of Local Government

City of North Chicago
1850 Lewis Ave.
North Chicago, Illinois 60064

Staff Contact:

Joseph Napolitano, AICP
Director of Community Development
Phone: 847/596-8671
Email: josnap@northchicago.org

The City of North Chicago has made excellent use of Lake County Brownfield grant funds and City matching funds to transform the highly industrialized site and prepare it for marketing to private sector developers. In late August and September 2008 we will fully expend remaining funds from the 2007 Grant as we complete soil cleanup work on the Frontage Property. This continued \$100,000 funding request for 2008-2009 work will further prepare the property for redevelopment.

2. Public / Private Partners in Project

- City of North Chicago
- County of Lake
- Lake County Urban League
- Lake County Community Action Project
- North Chicago Chamber of Commerce
- North Chicago Industrial Council
- USEPA
- Illinois EPA

3. Narrative Description of Development/Redevelopment/Renovation Project

Sheridan Crossing Pre-Development Phase Near Completion

The City of North Chicago is near completion on pre-development site preparations for the 32-acre properties proposed for commercial redevelopment at the northwest corner of Martin Luther King Drive and Sheridan Road now referred to as “Sheridan Crossing Towne Center.”



Important Milestones Completed

- Major Property Acquisitions Completed
- All Building Demolition Completed
- New Infrastructure Work Completed
- Key Environmental Cleanups Completed
- Frontage Property Soil Disposal Started

Property Acquisitions

The City of North Chicago has now acquired and assembled all of the major properties necessary to create the contiguous 32-acre parcel for Sheridan Crossing at a cost of more than \$6 million. The site is bordered by the EJ&E rail line to the north/northwest, Sheridan Rd. to the east, a vacant developable site to the west and Martin Luther King Dr. on its south border. The City is in the process of conducting due diligence for acquisition of a 4-acre vacant lot parcel adjacent to Pettibone Creek. This final parcel may provide important green space and storm water management features for the Sheridan Crossing Towne Center Development.

Demolition Work

The City completed 3 phases of building demolition totaling over \$2 million. Substantial industrial structures, smoke stacks, furnace kilns, material hoppers and related facilities representing over 100 years of industrial site development have been cleared from the site. Over \$400,000 of asbestos abatement was completed to facilitate demolition.

New Infrastructure in Place

The site is now serviced by a newly constructed 24-inch sanitary sewer and a 16-inch water main which was completed in Fall 2006 at a cost of \$3 million. A new \$5 million signalized intersection and at grade rail line crossing was completed at the intersection of Martin Luther King Dr. and Sheridan Rd.

Lake County Brownfield Grant Funding for 2008-2009 Work

The scope of County Brownfield Grant fund work proposed by North Chicago for 2008-2009 will include:

- Excavation, treatment and off-site landfill disposal of lead-contaminated sediment from two (2) stormwater ponds located on the former Lavin Smelter property.
- Environmental testing of soils for contaminants beneath numerous foundations and floor slabs at the former Lavin Smelter property.
- Environmental Phase I & II work at the 4-acre vacant lot parcel adjacent to Pettibone Creek planned for acquisition by the City.
- Continue post-cleanup engineering and administrative work with IEPA to attain the NFR letter for the Frontage properties along the Sheridan Rd. commercial strip.
- Capping of surface contaminated areas of the Former Fansteel Property.

4. Anticipated Cost of Remediation & Cleanup

The implementation of this environmental work will result in water and soil quality improvement for Lake County and further facilitate cleanup and redevelopment. Table 1 defines the anticipated County Brownfield Grant work tasks and budget for the **North Chicago Sheridan Crossing properties.**

**Table 1
 County Grant/Matching Expenditure Estimate**

Task	Estimated Cost:
Remediation of lead-contaminated sediment in two (2) storm water ponds located on the former Lavin Smelter property.	\$ 75,000
Environmental testing of soils for contaminants beneath numerous foundations and floor slabs at the former Lavin Smelter property.	\$ 40,000
Environmental Phase I & II work at the 4-acre vacant lot parcel adjacent to Pettibone Creek planned for acquisition by the City.	\$ 25,000
Continue post-cleanup engineering and administrative work with IEPA to attain the NFR letter for the Frontage properties along MLK/ Sheridan Rd.	\$ 20,000
Capping of surface contaminated areas of the Former Fansteel Property.	\$ 40,000
Total Estimate	\$200,000
Matching Funds	\$100,000
County Grant Request	\$100,000

5. Total Project Costs

The Sheridan Crossing Project is anticipated to be a \$21 million redevelopment project having County-wide benefits.

6. Amount of County Brownfield Funds Requested

The City requests \$100,000 of County Brownfield Funds for this project.

7. Detail of Other Local Funds to be Used as Part of Project

The City will match this funding with TIF monies set-aside for the Sheridan Crossing Towne Center Redevelopment work.

8. State/Federal Funding

The properties have not received State or Federal Funding that will accomplish the tasks outlined herein.

9. Location of Property

- Figure 1 shows the location of the property.

10. Listing of Contaminants

Chemical groupings measured in soil on the Properties that may impede redevelopment objectives included:

- Volatile Organic Compounds (VOCs)
- PCBs
- Semi-Volatile Organic Compounds (SVOCs)
- Heavy Metals (lead, cadmium and zinc)

11. Copies of Engineering Studies

Existing environmental studies are available upon request.

12. County Funds to be Reimbursed if Provided for Phase I and/or II Studies and Project Completion is Not Finalized.

The City is confident that this project will be completed and that work conducted under this project will be beneficial to the Sheridan Corridor redevelopment by removing environmental conditions on the property and preparing the property for developer interest.

13. County Brownfield Funds to be Contributed on a Reimbursement Basis

The City of North Chicago effectively manages several reimbursement-type grant programs and has a demonstrated proficiency in administratively tracking and documenting eligible reimbursement costs.

The City of North Chicago appreciates the County's review and consideration of this Brownfield Grant request. We would be pleased to discuss the project and answer any questions the County's Community & Economic Development Committee may have related to this Brownfield Grant request. Please do not hesitate to contact Joseph Napolitano and at 847/596-8670.

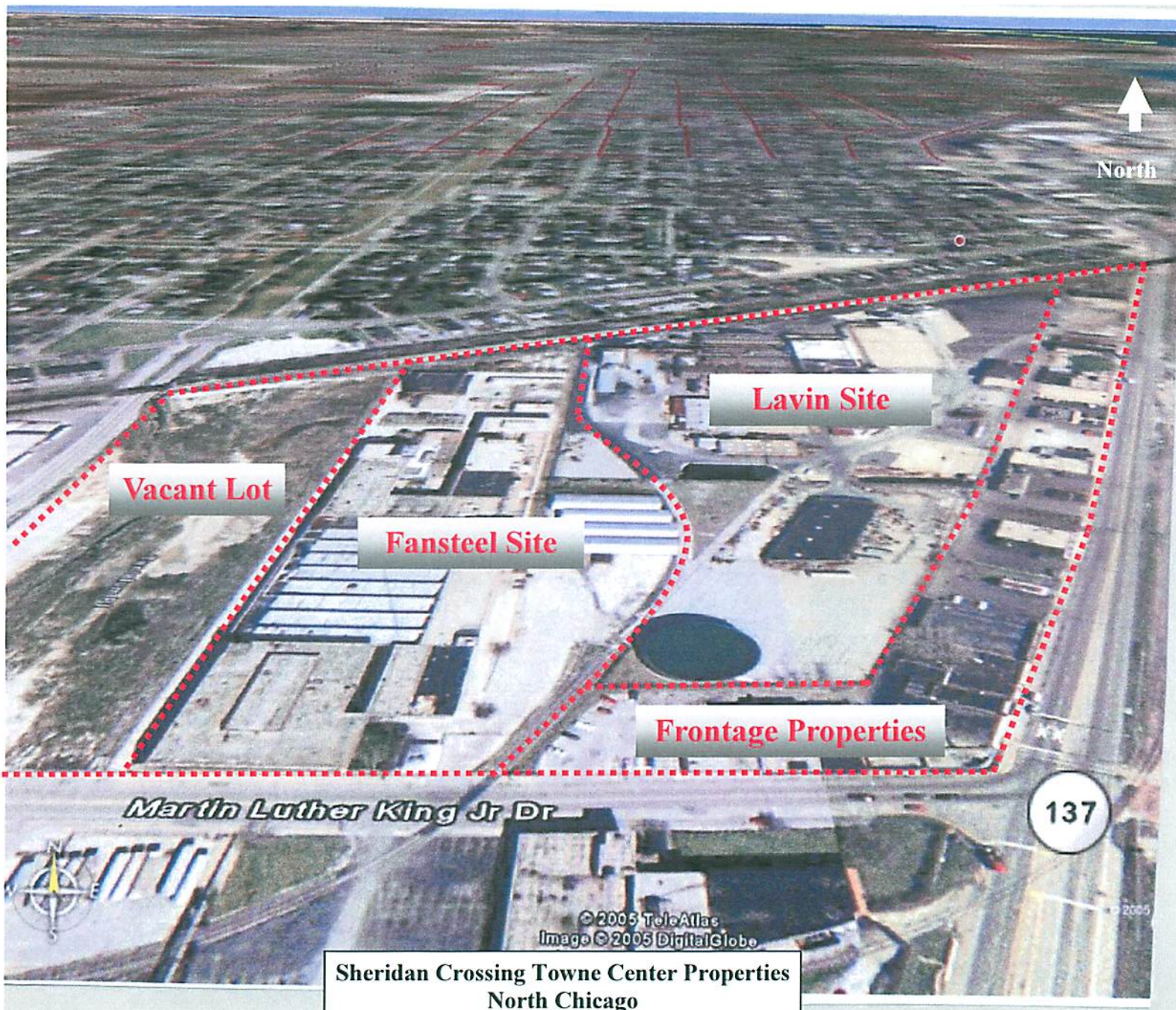
Sincerely,
City of North Chicago



Leon Rockingham, Jr.
Mayor

cc: Gary Gibson, County Administrator's Office

Enclosure
Figure 1



Sheridan Crossing Towne Center Properties
North Chicago