

# Coalition for a Lakeside CBA

Alliance of the SouthEast • 9204 S. Commercial Avenue, Suite 301 • Chicago, IL 60617 • Office: (773) 221-8908

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The Coalition for a Lakeside CBA wants Lakeside Development to be successful. We define “success” as a development that:

- employs a large number of local residents throughout the development process,
- offers training to residents and partnerships with schools to ensure local residents qualify for jobs offered at the development including both pre- and post- construction,
- provides affordable housing that is available to current residents,
- offers tax relief to long-term residents to avoid displacement and gentrification, and
- is environmentally sustainable and healthy for the existing community as well as the community within the development.

## **Training and Jobs**

The proposed Lakeside Development (LD) aligns with Title 23 Highways, CFR 230-101 thru 415. This CFR defines the federal compliance regulations, penalties and “Collective Bargaining (Benefits) Agreements (CBAs)” to initiate special provisions for the existing, local population occupying the communities affected by the proposed development. Not only does Title 23 affect residents in or near the development, it also defines and includes the role of working with the unions, Illinois Road Builders Association (IRBA), Illinois Department of Transportation (IDOT) and Chicago Department of Transportation (CDOT), prime and subcontractor’s inclusiveness to participate with the residents affected by the project.

It is the intention of the Coalition for a Lakeside CBA (the Coalition) to develop a CBA that is comprehensive in defining the expectations and performance measurement outcomes for training, apprenticeships, engineering, project management, scheduling, financing, insurance, architects, surveyors, urban planning, and all skill-based construction trades associated with the LD.

“Priority Area,” or impact area, is defined as the following community areas: South Chicago, South Shore, East Side, South Deering, Hegewisch, Chatham, Calumet Heights, and Hyde Park, represented by zip codes: 60617, 60649, 60633, 60637, 60619, 60615.

“Target Hires” refers to job applicants from the Priority Area that are one or more of the following: unemployed, underemployed, minorities, women, handicapped, formerly incarcerated, and veterans.

“Underemployed” is defined as an individual who is at least 18 years old and who is currently employed in a job paying less than Living Wage and/or is regularly scheduled to work less than full-time.

The CBA should include:

## **Training and recruitment**

1. Apprentice training in all trades by percent of construction categories; Internships and mentoring for construction engineers, superintendents, OSHA safety and project managers, etc.

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2. Community employment initiative that facilitates training, recruitment, and employment of local residents and fosters relationships with construction-related employers and residents in the priority area. Developer shall work with designated representatives from the Coalition, as well as organizations designated by the Coalition, which may include the Black United Fund of Illinois and the Institute for Workforce Education, a division of St. Augustine College, which will run the recruitment and training of Target Hires.
3. The Developer shall supply sufficient funds in cooperation with St. Augustine College, the Black United Fund of Illinois, IDOT, the Mayor's Office of Workforce Development, the City Colleges of Chicago and others to establish a Workforce Development Program with initial funds allocated during the first year for new hires. Funds to be used for training programs as well as financial assistance for new, pre-apprentice trainees, such as stipends.
4. When the Developer receives TIF or other government money for the Lakeside Development, the Developer shall establish a training and workforce development fund to cover the cost of all recruitment, screening, assessment, placement, training and tracking, performance, measurement and reporting for all workforce development initiatives, apprentice training, basic education and certification for all applicants for hire. The Developer shall allocate sufficient funds for job fairs, and other events and support service that promote local hiring.
5. The Developer shall encourage the General and Sub Contractors to establish an Apprenticeship Training Program and shall use reasonable efforts to cause the Contractors to sponsor and hire apprentices living in the target area at Davis Bacon Wages. The US Department of Labor shall be asked to determine full compliance.

## Contractors

6. Bid letting incentives creating virtual dollars as leverage to contribute lower contractor bid amount for honoring the Coalition's Community Benefits Agreement (CLCBA). Contractors bidding on the site shall supply to the Project Manager an Apprenticeship Utilization Plan for each trade category and give consideration to bidders who exceed standards. Contractors will provide monthly utilization reports identifying and documenting sponsorships and new hires, meet monthly with the Project Coordinator to verify compliance and information about Apprenticeship and Local Worker Programs.
7. Incentives for contractors who exceed hiring/subcontracting requirements to highlight good business practices and encourage local businesses to hire locally. All Apprentices and Journeyman shall be selected by the contractors from the impacted communities. Contractors shall receive additional compensation from a fund to be established by the Developer for each person hired from the affected area and from the target groups, and retained for a period of at least six months. Hires shall comply with all uniform standards including all bonafide work rules, union dues, safety and attendance requirements as equitably applied to all apprentices, subject to independent third party review.
8. Creating financial mechanisms by leveraging funds from Tax Increment Financing (TIF) and

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- federal, state and city incentives to assist Minority, Women, or Disadvantaged Businesses Enterprises (MBEs, WBEs and DBEs) with union signatory capacity as a subcontractor.
9. Requirements for the prime and subcontractor(s) to work with all government agencies to create liaisons for bonding capabilities to bridge MBEs, WBEs, and DBEs.
  10. In order to encourage MBE, WBE, and DBE participation, the Developer will make diligent effort in good faith to ensure a majority of contractors are MBEs, WBEs or DBEs. Employer makes this requirement part of any contract or agreement with any third party that will operate its business at or provide services to the Development.
  11. Developer will support and work with all areas of local government to enforce or enrich the intent of the CBA, including :
    - a. Efforts of contractors to provide sponsorships for apprentices,
    - b. Establishing a mentoring/protege program for sub-contractors, and
    - c. Establishing a bonding/risk management program to assist MBEs, WBEs, and DBEs.
  12. Unbundling contracts to open bidding to smaller MBEs, WBEs, and DBEs.
  13. Provisions to limit the use of temp agencies
  14. Neutrality agreement with employers concerning unions.

## Hiring practices

15. Each employer will provide the designated training and recruitment organizations with a list of required positions specified by categories of employment, at least six months prior to the required commencement of employment.
16. Hiring will be focused locally and the developer and all contractors and subcontractors procured by the developer will commit that in the first two years 25% of those hired will be Target Hires and after the first two years 51% of those hired will be Target Applicants.
17. Creating good wage, full time jobs being a priority, in the first two years the developer and all contractors and subcontractors procured by the developer will ensure that more than 25% of new hires will be hired as Full Time employees and after the first two years, 51% of new hires will be hired as Full Time employees.
18. The Developer shall request through its lease agreements with all tenants a list of all jobs openings, positions, job descriptions and qualifications related to job duties and report the number of applicants referred and hired.
19. Prior to the grand opening, the Developer shall coordinate each year at least one job recruitment event and shall invite and use necessary incentives and penalties to encourage each Tenant, Contractor and Sub Contractor to offer applications for all available positions, to attend the event, and to offer employment to all qualified and certified applicants.
20. No pre-screening of job applications for prior criminal records or credit history.

## Living wages

It is vital that developments funded in part by public money through Tax Increment Financing foster the public good by ensuring all jobs created by the development pay a living wage, and not a poverty wage.

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A living wage is defined as a minimum of \$10.80 per hour as of September 2013, and is calculated based on the annually published federal poverty guidelines from the United States Department of Health and Human Services.

1. All employees, including all subcontracted employees, employed in the development of Lakeside should be paid the higher of either the prevailing wage or a living wage to be recalculated annually. Employees include full time, part time, temporary, seasonal, contracted and subcontracted employees, as well as all employment positions after construction including retail, security, custodial and clerical workers.
2. The living wage requirements should be part of any contract or agreement with any tenant or permanent employer, including retailers, security providers, parking services, landscaping services.

## Wage Theft

Wage theft is when employers cheat employees out of their earned wages, by not paying them according to the law (e.g. minimum wage or overtime) or not paying them for any work completed. A 2010 Chicago study found that in a given week, approximately 146,300 workers in Chicago and suburban Cook County have at least one pay-based violation. Extrapolating from this figure, front-line workers in low-wage industries lose more than \$7.3 million per week as a result of employment and labor law violations.

The Coalition supports “good employers” who respect the rights of workers and work towards creating a friendly, safe, and prosperous workplace environment

1. Both any individuals that are contracted by McCaffery to perform any services as well as future businesses that are brought in, follow state and federal laws by paying workers their earned wages.
2. Contractors and subcontractors have had no previous wage/hour violations.
3. Contractors and subcontractors have no history of violating city, state, or federal laws in previous public contracts.

## Affordable Housing/Tax Relief

1. Per 2010 Census, only 1 in 4 families in Chicago possess the income level to meet 100% AMI (Area Median Income) as set by the federal government. Whereas this figure is approximately \$75K for a family of four, the surrounding areas statistics show a median income range of between \$29K and \$50K. Rental income set at 60% AMI would be require an income of approximately \$44K. Therefore, **we believe affordable units will be needed that reach below 60% AMI and should include 30-50% AMI as well.** Affordable housing needs to include **housing that is affordable to local residents in the neighborhoods surrounding the development in the**

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## **priority area.**

2. A significant (no less than 30%) of the housing developed should be attainable to the family incomes for the surrounding neighborhoods.
3. Affordable housing unit types should include all a variety of sizes including, individual/smaller family units and larger size family units (3-4 bedroom units). Not more than 25% of all units provided should be senior housing. Also, a significant amount (at minimum 50%) of affordable housing must include units with 3-4 bedrooms as the average for the priority area is 70.8% for three or more bedrooms in owner-occupied housing.
4. Families paying more than 30% of their income are considered cost-burdened household income should be spent on housing. Housing types should include not only subsidized affordable housing (i.e. CHA), but also affordable unsubsidized units. The area is very diverse and many families may not qualify for or possess subsidies. Furthermore, various demographics have been historically under-represented in many subsidized programs (i.e. section 8 vouchers) due to their inability to qualify. To maintain the diversity of the area, affordable units need to be available in both subsidized and unsubsidized means. Additionally, affordable housing needs to include plans for students, seniors, CHA housing, and the formerly incarcerated.
5. Affordable housing should be integrated throughout the site and intermingled with market rate housing.
6. As the property develops, property taxes will likely increase at a greater rate each year. This is understandable and will assist in improving the overall infrastructure needs of the area. There needs to a stabilizing method to assist existing long-time (10yrs +) homeowners who may be affected by this surge. This could include options such as inclusion in the City of Chicago's land trust or other deed-restrictive methods that will cap local longtime resident's property taxes (and their resale value as well).
7. As the current TIF agreement for the property includes the diversion of taxes above the initial tax rate amount be used only for the project; a portion (no less than 30%) of these monies should be reserved for the creation of Affordable Housing and services. These funds shall be retained on an ongoing basis in an effort to make development of Affordable Housing Projects economically feasible and continuously integrated throughout the project.

## **Education**

The Lakeside Development will be the largest local source of jobs in the region and has the potential to revitalize the region. Our students need to be prepared for the jobs that will be offered in the development. The Coalition is interested in partnerships between local schools and McCaffery and other development partners to prepare students for jobs in the development, particularly around technology (including green technology) and science.

1. The site should include a community center, using green technology, that will:
  - be used to provide programs to students in neighborhood elementary and high schools

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- and community residents in the target area and
- include surrounding green space to be developed as community park space.
- a. The center should include:
  - i. Technology Wing to provide training and opportunities to use technology to further education & employment opportunities. E.g. STEM, computer programming, and green technology workshops.
  - ii. Art Wing for art and music programs for students in elementary and high schools to encourage development and growth in art appreciation.
  - iii. Drama Wing
  - iv. Health Education & Training Wing to hold physical, health, and educational programs/activities. Summer programs / summits that include: STEM, indoor and outdoor recreational activities for youth.
  - v. Movie Theater
- b. The developer will assist in the sustainability of the community center through the following:
  - i. Reinvesting in the target area
  - ii. Providing funding for STEM programs and workshops provided in the center.
  - iii. Engaging companies that received TIF funds that are no longer building on Lakeside Development to contribute funds to support community programs.
- 2. The developer will assist with securing connections with businesses to develop and/or support current programs in high schools in the target area that will increase high school graduation rates, linking students to college, job training and employment opportunities. Programs include:
  - a. College to Careers /(ECSS) programs in which students will continue education and launch career paths, high school graduations with industry certifications, significant college credit, and or Associate’s Degree.
  - b. High schools training program, in which students will be trained in skilled trades as part of the commitment to continued education and employment for youth.
  - c. Mentoring programs linking high school students with employees in participating companies in the fields of technology, project management, green technology, providing them internship and entrepreneurship opportunities.
  - d. Provide scholarship opportunities for youth.

## **Environment**

### **Immediate area in and around Lakeside development**

The first set of environmental concerns is with the site itself. Although the EPA gave a “No Further Remediation” letter in 1999, there are unanswered questions concerning some portions of the site.

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1. The barge slip, which has been closed to the public for years, has now become a popular fishing spot. To ensure that the waters are safe as a food source, the water and the fish to be tested for common types of pollution, including heavy metals such as arsenic. If the area is found to be hazardous, it needs to be sealed off, posted, and promptly remediated, with hiring preference to go to local contractors.
2. The site of the former power plant, located south of the ore walls at the eastern end, has never been tested for PCB's or other contaminants, even though the demolition was performed after the 1999 NFR letter. The site has blowing dust and rubble of unknown content. This material needs to be tested. It is possible that remediation could be as simple as covering the area with a layer of soil and then establishing prairie grasses or other suitable vegetation. The public needs to be fully informed of the test results and consulted in remediation decisions. Preference in hiring and contracts should go to targeted individuals and companies.
3. Large areas of the entire site are currently not vegetated. Shortly after the mill was closed, US Steel scattered seeds of sweet clover and other plants which could grow in the sparse conditions on the site. Over the years a thin layer of actual soil was created, with vegetation that held the soil and reduced windblown dust. After the reconstruction of Route 41, some areas that had been disturbed were not seeded over. These areas should be seeded with some hardy clover, prairie grass, or wildflower mix in order to reduce dust. Again, preference in hiring and contracts should go to targeted individuals and companies.
4. The Bush neighborhood is located directly to the west of Lakeside and is in the path of prevailing winds, so dust from any construction at Lakeside will likely impact air quality in Bush. Dust monitors need to be placed around the populated area, and response to complaints of dust need to be prompt.
5. US Steel/ McCaffery currently own about 30 lots in the Bush community itself. It has a responsibility to maintain these lots and several times in recent years has sprayed herbicide in order to save on mowing costs. Residents of Bush have been neither notified nor consulted. The company has also not told us what chemicals are being used. The developer should hire targeted individuals to maintain these sites in an environmentally responsible manner or allow these lots to be used in the Interim Open Space Plan.
6. Underneath the Bush neighborhood, diesel fuel has been found to be flowing from south to north, starting at 86<sup>th</sup> and Buffalo and extending about half a block to the north. The level is low, and not considered a hazard. However, the direction of flow was not expected by the engineers who did the sampling after the EJ&E railroad swapped a parcel of land with US Steel, and this raises questions about underground water in general. In order to address this issue as well as aforementioned issues, community residents from Bush need to be hired as an environmental ombudsmen. At least one person needs to be bilingual Spanish/English. Additionally, any environmental studies completed of the site, in the past or in the future, should be released to the public (e.g. available on a public website), including the IEPA's information collected when the site was remediated.

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## South Chicago and South Shore Communities

1. Communities of South Chicago and South Shore will not experience the same level of dust exposure, but traffic patterns, and therefore vehicular emissions, will be affected. Areas of traffic congestion in affected communities need to be addressed, particularly around schools and parks where children spend time outdoors.
2. Vacant areas not slated for prompt development should be used as urban forestry sites, or vegetated in other ways that will mitigate the Urban Heat Island Effect, consistent with Chicago's Climate Action Plan. Such treatment will also improve local air quality and absorb excess storm water. Targeted individuals and companies need to be given hiring and bidding preference on this work.

## Green technology

The developer has made public commitments to green technology and LEED-certified building, but there is no plan in place for adjacent communities to share in these beneficial developments.

1. The developer should provide technical assistance and support for local initiatives, such as the following.
  - a. Existing housing in adjacent area needs to be retrofitted for energy efficiency and remediated for lead where appropriate. A local survey of prime solar energy opportunities on residential, commercial, and public buildings should be performed so as to develop aggressive energy generation strategies at the community level.
  - b. Selected buildings in affected communities should be slated as Green Rehab Pilot Projects both for training targeted workers and housing interim community center functions.
  - c. Education and training for targeted individuals to participate in the above.
2. Rain water diversion and flood prevention strategies appropriate to local conditions need to be developed and implemented.

## Green space

Due to the long timeline associated with the development, large portions of Lakeside will not be developed for years. These areas, as well as some areas outside the development, should be part of an Interim Open Space Plan that will:

1. Provide passive and active recreation opportunities for current and future residents.
2. Provide habitat and feeding areas for wildlife, especially migratory birds.
3. Integrate and connect local neighborhoods to new open space areas with pedestrian and bicycle paths.
4. Be developed in conjunction with local environmental, civic, and educational organizations, including Coalition of Lakeside CBA members.
5. Allow local participation in Urban Agriculture and Community Gardening.



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## Cultural, Historical, and Artistic Concerns

1. On the Southworks site, the ore walls have attracted attention from many visitors for their architectural and historic character.
  - a. These ore walls need to be preserved in their entirety, not only for their historic value, but also for their outdoor recreational potential.
  - b. The tunnels through some of the walls, where steelworkers took shelter from the prevailing winds off Lake Michigan, have wonderful potential for a sheltered outdoor steel workers' museum.
2. The unique cultural nature and diversity of this district, and its importance to the adjacent communities, should be featured in publicity about the Lakeside development.

## **Bridging the Digital Divide: The Southeast/Far Southeast Side Digital Literary Network**

The Southeast Side Digital Empowerment Network is comprised of local non-profit training centers, educational institutions, and businesses who are actively working toward the establishment of a digital infrastructure on the Southeast Side. The southeast side of Chicago includes a rich array of neighborhoods, which support local businesses, schools, hospitals, private and public institutions which can potentially employ thousands of people.

Critical to the economic development of the Southeast/Far Southeast Side needs a robust technology-driven infrastructure, which includes:

1. High-speed broadband (fiber-optic and wireless) connectivity and access (as has been referenced in the gigabit speed connectivity proposed for the upcoming South Works data center), which can provide fast low cost access across the community;
2. Tech-driven training curriculum in local high schools and colleges, which can prepare residents with marketable skills for high-paying jobs in information technology, app development, programming, systems design, network installation, maintenance and Security.
3. The acquisition and deployment of technology resources in local grammar schools and high schools that support distance learning, online learning, video conferencing, online learning and other tech-based capacity-building educational initiatives supporting a digital pathway from cradle to college.

As we work toward the establishment of a digital infrastructure on the Southeast Side, we would like to see McCaffery and Associates and the South Works project to support all these initiatives.

## **Community Board**

The Coalition for a Lakeside CBA wants a long-term partnership with McCaffery Interests Inc. We want to make sure that the CBA is successful over the long-term. We want to be able to address any issues that may arise and make any adjustments necessary to make the partnership between McCaffery

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Interests and the community truly successful. The CBA should include provisions for:

1. A long-term community oversight board to follow up on employment and contract provisions as well as overall objectives. Measurements include: prime contractor and sub-contractor participation as well as certified payrolls for zip codes: 60617, 60649, 60633, 60637, 60619, 60615 to verify local workers are hired.

## **Wall**

The Coalition wants to have an integrated area between the new development and the existing neighborhoods. In order to do this, the wall separating the areas must be removed by the completion of the development.