Rush City Neighborhood: A Case Study of Displacement in Progress
Final Version, December 18, 2005

The purpose of this report is to provide background information about the proposed Rush City neighborhood relocation plan and Calvert Park development project to the Neighborhood Law Office, who is representing the Rush City Improvement Association in East St. Louis.

Send all corrections and comments to Stacy Harwood at sharwood@uiuc.edu or call 217-265-0874. Do not circulated, copy or cite.
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**Introduction**

There was a southern feel to the wide streets, the large houses, and the many shotgun shacks. The areas in which black folks lived were divided into distinct neighborhoods, such as Rush City in the southwest, beyond the tracks, where the people were rural, kept farm animals, and still used oil lamps; the more sophisticated Polack Town in the Northeast; Goose Hill, next to the stockyard; and South End. – From chapter 1 in *So What: the Life of Miles Davis* by John Szwed.

Today few people inhabit Rush City neighborhood because of economic disinvestment, environmental pollution and industrial encroachment. Those who remain stay because of the neighborhoods’ strong sense of community and peaceful rural character despite the view of industrial smokestacks in the background. Rush City, sitting on the southwest corner of East St. Louis near Sauget is prime real-estate for industrial development. For the last thirty years, the neighborhood residents have seen their share of proposals to develop the neighborhood as an industrial site, including the 2002 proposal for a $54 million EnviRes facility on a 14-acre tract of land in Rush City.

This year, another offer was made involving the purchase of all property in the neighborhood and a relocation plan for residents. Entropic Ethanol is proposing to develop the neighborhood into an industrial park. The proposal offers to purchase each resident-owners’ property for $50,000. The agreement offers additional financial incentives to purchase homes in a proposed development by Lester Petty & Associate’s, approximately ½ mile from Rush City.

The students in the Neighborhood Planning Seminar at the University of Illinois spent the fall semester of 2005 researching the proposal and attending community and public meetings in the Rush City neighborhood. And after several weeks of observation and exploratory research, students focused on five main topics. They include (1) the Rush City neighborhood context, history, and conditions, (2) environmental conditions and considerations, (3) analysis of the industrial development proposal, (4) analysis of the proposed housing development project, and (5) analysis of the option agreement. This report represents what the students discovered.
I. INTRODUCTION

This report is an attempt to document the history and culture of Rush City (also known as Pearl City), a neighborhood in East Saint Louis, Illinois – a neighborhood in jeopardy of disappearing. Rush City has strong roots as a gateway and as a historically African American community. Though currently declining in population, there is a strong bond between those who still call Rush City home. There is a culture that defines this rural neighborhood. Physical conditions in Rush City are not what you might expect given its proximity to St. Louis, a major midwestern city. Homes in Rush City are few and most are in need of major repair; industry, railroads, and highways surround them. Many residents of Rush City own their property, but make up a small percentage of landholders, as neighboring industries have begun buying land in Rush City at alarming rates.

Information in this report was gathered via neighborhood visits, interviews with residents, and accessing public records, and earlier writings on Rush City, where available. Subsections within this document include: history, census data, physical conditions, and property ownership. The maps below illustrate Rush City’s physical relationship to other neighborhoods.

Image: Rush City Street Map (credit: East Saint Louis Action Research Project, UIUC)
II. HISTORY: RUSH CITY – PAST, PRESENT, AND FUTURE

Rush City (also known as Pearl City) has a long history of being a predominately black American neighborhood located in East Saint Louis, Illinois. During the 1920’s and 30’s, there was a large boom in the residential population of Rush City. Many of these new black residents migrated from Mississippi to Rush City. The population reached an estimated peak of 5000 after the housing boom took place. The population stayed between 3000 to 5000 residents until the late 1960’s. At this time, many white residents began to move to suburbs which offered many black residents living in Rush City the opportunity to occupy the better housing left from the movement of whites out of the city.

Along with the boom in population in Rush City, the City of Sauget, located directly south of Rush City became a major industrial center in the St. Louis area beginning at the turn of the 20th century. As industry continued to grow in Sauget, land became more and more scarce. Since Rush City is located directly north of Sauget, it became an area that could potentially accommodate future industrial expansion. During the late 1960’s when middle-class flight was at its peak, the industries of Sauget had the opportunity to acquire land from the current residents looking for better places to live. As these industries acquired property in Rush City, any structures on that site would be removed. This land acquisition process is still taking place today and is a contributing factor to the current physical state of Rush City.

This once predominately black owned area has drastically changed since the early half of the 20th century. It is true that Rush City can still be classified as a black American neighborhood. However, the population and supporting infrastructure that used to be associated with the Rush City Area has vanished.
Historically African American Neighborhoods
Rush City is located less than 10 minutes away from America’s first all black town of Brooklyn, Illinois, which dates back to 1830. (Cha-Jua). The fact that East St. Louis was so close to Brooklyn may have been a testament to the possibility of true black freedom. It may have been an indicator that not only was the north industrious, but it was also a place where black people could feel safe. Since other southern blacks were able to come and form a viable town, it might have been thought that moving near them would make it that much more comfortable or peaceful or safe for those who were sent to live there. As more and more southern blacks migrated to Rush City, it became known as a place for freedom and opportunity.

Rush City as a Gateway
After driving through Mississippi, Yelvington (1990) wrote: “Human living conditions couldn't have been much worse anywhere. So those who could - sent their children to live in East St. Louis with aunts, uncles, even "foster relatives" to give them an opportunity for a future better than their parents had.” Beginning around 1940, many people moved to Rush City to take advantage of the employment opportunities not available to them in the prejudice south. East St Louis was a place for the former slaves to come and earn a living for themselves. This was a chance for them to have a fresh start away from the south. Rush City was close to the thriving industrial plants in Sauget therefore jobs were plentiful. In the early 1900s it was a popular saying that if you could not get a job in East St. Louis, you couldn’t get a job anywhere. There was a feeling of camaraderie among the residents of Rush City; people helped their neighbors. All of East St. Louis was deemed the land of opportunity. It was their chance for upward mobility.

The Culture of Rush City
World-renowned talents such as Miles Davis, Jackie Joyner Kersee, and Kathryn Dunham were from the city of East St. Louis. The city has so much to be proud of - despite its sometimes notorious reputation. The city of East St. Louis is full of history and culture that corresponds with that of US History, and more specifically black history.

The south was an agrarian society. Slaves and farming were the economic base for the south, while the north had industry as it’s main economic base. Places where black people could find work controlling machines instead of picking cotton were scarce in the south, though Yelvington (1990) recorded that only one in ten of those living in Mississippi were white in the 1940s. The blacks felt very connected to the land, to their agrarian roots, and when they migrated to East Saint Louis, specifically Rush City, they brought their way of life with them. They had gardens and grew much of their own food; they had chickens and other animals outside their homes. Other southern traditions were evident as well.

“Culture is the shared values, behaviors (ways of doing things), and material creations (clothing styles, architecture, tools, art, etc.) that define a society and distinguish one society from another. We create culture and culture creates us.” (Beck, et al) In Rush City, the people naturally express their culture. They speak with a faint southern dialect, they have a strong belief system, and outstanding hospitality. Many can trace their
immediate family members – mother, father, grandmother, and grandfather – to the south. For most Rush City residents, their families came to Rush City from the states of Mississippi and Louisiana.

In a meeting with the Rush City Improvement Association, a resident, said: “I love the way I was raised. Hard times, but we got through it. I wouldn’t trade it for anything.” Another member agrees, “A lot of love…whole place was family…strong backbone…know how to survive…stick together.” Although residents had hard times and had to cope with substandard living conditions, they held to their values and knew how to survive. It was noted that everyone helped everyone in Rush City. People would take in newly arrived relatives until they were able to find a house of their own. A resident noted that everyone was looking out for one another and helping others where they could. Another resident of Rush City, told the story of how she came to live in Rush City and how through the extreme benevolence of her boss and other community members she was able to buy her house after her first one caught fire.

Planning efforts and the affects on Rush City
In 1961, the city council of Rush City enacted the recommendation from the city’s planning report, which changed Rush City from a residential zone to a Heavy Manufacturing and Industry Zone. This action signified the beginning of Rush City’s environmental deterioration that ultimately caused the neighborhood’s population decline.

The document entitled, Rush City Analysis and Proposals, prepared by the Public Administration and Metropolitan Affairs Program of Southern Illinois University, written in 1967, provides insight into the affects of the 1961 ordinance that changed Rush City from a residential zone to a Heavy Manufacturing and Industry zone. The document highlights aspects of Rush City including: how the neighborhood is isolated from the rest of East St. Louis, the low overall housing quality, the neighborhood’s population decline since the 1961 ordinance was adopted, the high level of unemployment in the area, and the fact that most of the residents of Rush City have lived there a long time, adding to the neighborhood’s strong sense of identity.

Neighborhood Organizations
Churches:
Christian based churches are a strong presence in the community. Most of the residents have a strong belief system based in the traditional black Christian church, which uses the Bible as the main text. Therefore, these churches serve dual purposes as the house of worship and a center for community interaction.

Community Gospel Feast Pentecostal Church of Jesus Christ, New Era Missionary Baptist Church (located on Cook Street), Church of God in Christ Congregational, and Rush City Memorial Church of the Nazarene are all churches found in the Rush City neighborhood. In some cases, the pastor of the church serves as a neighborhood leader.
In the case of these Rush City churches, most of them are informal and have activities extending beyond Sunday services. An elder Rush City resident can recount the days when the New Era Missionary Baptist Church would have many youth activities. In the 1970’s, a member of the church would have picnics with 400-500+ people in attendance. She recalled how they would get together with the Church of Jesus Christ and Latter Day Saints for events. She recalled how dedicated the member of the churches were, “Anything that their hands found to do, they would do with all of their heart.” One man would make fish dinners to sell, while others would give gifts. When a resident had lost her home, out of the kindness of their hearts, people would offer her money during church service. Today, the pastor of the New Era Missionary Baptist Church has only been presiding for a few months, but he speaks an encouraging and timely word to the people.

**Rush City Improvement Association (RCIA):**
In contrast to churches, the RCIA was formed to serve the community’s non-spiritual needs. It is still in action and provides any service that they can to the neighborhood.

The RCIA formed 57 years ago and the main participants are older people who are members of the church and community. Although it is not as active as it once was, they still have the strength to make decisions of their own. In one case, they had a meeting and would not allow the university in on it, which shows that they have strength left, even if they are few in number.

The NTAC Newsletter portion on Rush City states, “The Rush City Improvement Association offers several educational and recreational programs for youth at their community center located at 1015 Liberty Street. Youth who attend the center can participate in an after school tutoring program or play on video games or the pool table. On Thursdays youth can watch movies on the big screen television that is in the center. Rush City Improvement Association has conducted several other activities such as passing out blankets to senior citizens during the winter months. On Fridays, the organization sells dinners and on Saturday hotdogs and sandwiches are sold to raise funds. Anyone interested in joining the Rush City Improvement Association is welcomed.” The current president of the RCIA is Donnell Lewis.

**III. CENSUS DATA: POPULATION DECLINE**

**Census Data**
Census data may be one of the best ways to understand what is happening in Rush City and surrounding areas in regards to general demographics, social characteristics, economic characteristics, and housing characteristics. This type of information, gathered every ten years, helps to show any trends that are present in the area through a regimented historical perspective.

Data was collected via the United States Census website and through a 1999 East Saint Louis Action Research (ESLARP) Report in conjunction with the University of Illinois at
Urbana – Champaign. The report has seven areas of focus: demographics, education, employment, income, housing, county business patterns, and loan data. It compares data from 1970-1990 (Hitesh, 1997). The data from these reports was then analyzed with 2000 census data. The census data summary tables are available in the appendix.

Comparing the data, we can ascertain that in the city of East Saint Louis:
- the total population of East St. Louis has declined sharply
- the white population has declined sharply
- the African-American population has risen
- the median age has rising, suggesting an aging population of those staying (24.0 in 1970, 31.2 in 2000)
- unemployment has risen
- managerial jobs have risen
- service, craftsmen, laborers, and operator jobs have declined
- mean travel time to work has increased
- percent below poverty level has slowly decreased
- number of dwelling units has declined, more units have become vacant

In analyzing the census data it is important to note any shortcomings or discrepancies in the data. Rush City (located within 2000 census tract 5045) is such a small area of East Saint Louis, that it is hard to specifically target that area in census searches. It is easier to find the data collectively for East Saint Louis. The census is voluntary, so there is no guarantee that all those in the area have reported to the census, we may be missing some of the residents - that said, it is still one of the best sources of information about trends in East Saint Louis.

IV. PHYSICAL CONDITIONS: THE VIEW FROM HERE

Images help to graphically depict the conditions of Rush City with more clarity than a written description could provide. Images were collected on Saturday, October 15, 2005 during a scheduled University of Illinois at Urbana – Champaign, Urban Planning Course 474 trip. This is an attempt to document an area that has historically been undocumented, and is in danger of disappearing without an acknowledged history. The images, as well as an aerial photo of Rush City, are located in the appendix.

Architectural Styles
Vernacular Houses:
The homes in Rush City have a particular feel to them, a cohesiveness to the regular patterns of the long narrow homes. They can all be termed vernacular architecture. Encyclopedia Britannica (2005) defines vernacular architecture as, “Common domestic architecture of a region, usually far simpler than what the technology of the time is capable of maintaining…vernacular structures are characterized by inexpensive materials and straightforwardly utilitarian design.”
The styles of the houses in Rush City share the same history and circumstance; they were made as well similar design and materials. The local residents made many of the houses in Rush City. The vernacular style of the houses is of an informal design with different sizes and heights, but most began with a simple long rectangle pattern. The homes relate and correspond to each other as they are made of the same materials and have similar physical attributes. This suggests that the local people helped each other when building some of the houses. The homes were constructed to their specific requirements of the residents at that time. As the needs of the occupants changed, so to was the house changed. For example, adding another bedroom as the family grew, or now, adding a ramp as the occupants grow older. As different families moved the occupants of houses changed and so this can be reflected in the houses.

Overall the fabric of the houses is still very similar and the relation and meaning behind them is strong, because they represent people’s hard work. They may not be in the best of condition but their vernacular design is representative of the residents’ history and memories. Examples of vernacular housing in Rush City can be seen in Image 8, Image 14, Image 23, Image 24, Image 38, and Image 44.
Shotgun Houses:
The traditional architectural style most commonly displayed in Rush City is vernacular “shotgun” housing. Typically in the United States these houses are of wood construction. The shotgun house is a type of house that was popular in the United States from just after the civil war until the 1920’s. It is characterized by a narrow one room wide rectangular floor plan without hallways (wikipedia). The term “shotgun” comes because it is said that you could fire a shotgun through the front door and the gun shell would go out the house through the back door. This is because of the minimal amount of walls in the home, and the typical straight connection leading from the front door to the back door.

The “shotgun” style originated in New Orleans and traces its origins to styles of homes built by blacks in Haiti and Africa. It has been suggested that the term shotgun is a corruption of the West African "shogon" which means "God’s House" (wikipedia). The style was very popular in hot areas, particularly in the south, because its length allows for excellent airflow, while its narrow frontage makes it easy to incorporate into dense urban environments.

Examples of “shotgun” housing in Rush City can be viewed in Image 1, Image 2, Image 21, Image 36, Image 37, and Image 42. Also note that many of the shotgun homes could be classified as vernacular housing as changes were made to the structures to satisfy the resident’s needs.
Image 37 from appendix: Side view of a shotgun style home on Sycamore Street.

Image 42 from appendix: Front view of a shotgun style home on Sycamore Street.
**Housing Conditions:**
In general, it appears that many of the homes need repair or major reconstruction. One major addition to this problem was the Mississippi Flood of 1987. Heaving storms in the Mississippi flood plains caused the river’s flood gates to break. This natural disaster further perpetuated the neighborhood’s structural deterioration; the residents’ inability to rebuild is evident. There are a few examples where pre-manufactured homes have been placed in Rush City. They appear to be in fair condition and do not appear to be in need of major maintenance. Not all of the current residents have the financial means to improve the built environment around them.

**V. Property Ownership: Who is your neighbor?**

According to the 2005 Saint Clair County Tax Assessor’s Office, there are 404 parcels of land that comprises the area known as Rush City. Of the 404 parcels of land, there are a number of minor land owners. Rush City Improvement Association (RCIA) owns six (6) parcels. Religious organizations account for ten (10) parcels of land. There are six (6) parcels of land that are either in state or county trusses. The Illinois Central Railroad owns 11 parcels of land. These minor land owners account for 8 percent of the total land in Rush City.

There are three main industrial companies that own land in Rush City. The first is La Bon Vie Incorporated, which owns 10 parcels of land. The second is Ethyl Petroleum Additives, which owns 80 parcels of land. The third is Big River Zinc Corporation, which owns 111 parcels of land. These three major industrial companies own 201 of the 404 parcels, about 50 percent of the land in Rush City. Steve Lechner, who is a member of Lechner Reality Group and an agent for the industrial companies, owns 28 parcels of land. This accounts for 7 percent of the land in Rush City.

Individual property owners, presumably residents of Rush City, own the remaining land. In total, the individual property owners own 142 parcels of land, accounting for 35 percent of the land in Rush City. There are many individuals that own more than one parcel of land, so there are not 142 different individual property owners.

When looking at the current assessed land values for the year 2004, it is seen that the city is not making much income from vacant properties. Since most governmental agencies have to run like a business, it only makes sense the Sauget and/or East Saint Louis would encourage industrial expansion. This would increase the tax revenue significantly.

Many of the residents that currently call Rush City home would move if the conditions were favorable for them. As stated in other sections of this report, there are many air and land pollutions in this area that the residents are aware of. Due to the fact that many of the residents are on fixed incomes, it is nearly impossible for these residents to move. If they did move, many would be placed in a very dire financial situation. Also, there is a general feeling among elderly individuals who feel that they grew up in Rush City and are going to die in Rush City.
VI. CONCLUDING THOUGHTS

Rush City is a community rich in history. As neighboring industry encroaches upon it, it is also a community that is in danger of no longer existing. It is essential that the history and culture of Rush City be documented. Should Rush City cease to exist, it is important that those whose families came through this area have a link to their past. Should Rush City return to its once flourishing past, it will be important for residents to see what strides they have made in rebuilding their community. This document is a start in completing that documentation. The following are recommended for further research:

- Interview senior residents who can recount the history of Rush City (Begin an oral history project)
- Collect historical photos of Rush City (To compare with current photos)
VII. REFERENCES

Books:

Webpages:


Interview with Mr. Suttle. http://web.library.uiuc.edu/eres81705Nix/OralHistory_Suttle.pdf


Race Riot at East St. Louis – 1917 http://www.eslarp.uiuc.edu/ibex/archieve/nunes/esl%20history/race_riot.htm


**Government Reports:**


Public Administration and Metropolitan Affairs Program of Southern Illinois University. 1967. Rush City Analysis and Proposals.

**Photographs:**

I. Introduction

East St. Louis has long been plagued by environmental problems. In this section, we investigate the environmental issues surrounding Rush City. The issues include the current environmental conditions, where the pollution is coming from and what kinds of pollution exist in Rush City, i.e. soil, air, and noise pollution. We also look into the health effects of this pollution, both the physical and legal aspects. Finally, in order to compare Rush City with the proposed site, Calvert Park, we suggest contaminant testing for both sites.

II. Key Polluters

Historically, East St. Louis (ESL) was home to diverse industries such as flourmills, meatpackers and breweries to manufacturers of paint pigments, aluminum and chemicals (Baugher, Timlin and Child 1995). After many changes to the make-up of East St. Louis’ economy, it is now home to a more related set of industries. These industries range from chemical producers to zinc and copper smelters. These manufacturers are primarily located in or near Sauget.

Solutia, formerly Monsanto, is one of the largest chemical producers of the area and ranked fifth among the US corporations for toxic releases during 1995 (Jones 2000). In 2003, Solutia released large amounts of chemicals into the air including, but not limited to, ammonia, benzene and hydrochloric acid (US EPA 2003). According to Scorecard.org, Solutia is in the 90-100 percentile of the dirtiest/worst facilities in the United States.

Big River Zinc, a zinc smelting facility, is one of the top ten facilities for on-site release of chemicals. It was also the state’s third highest source of toxic chemicals released into the environment (Cortner 2003).

Cerro Copper is a copper smelting facility, which released large amounts of copper, lead, nickel, and zinc compounds into the air via smoke stacks (US EPA 2003).

Other facilities in Sauget include: Onyx Environmental Services, a toxic waste incinerator; Afton (formerly Ethyl Petroleum), a chemical plant which specializes in petroleum additives, combustion technology and metalworking additives; Cahokia Marine, an 84-acre distribution, packaging, transportation and warehousing company; American Bottoms Wastewater Treatment Plant; Phillips Petroleum; and four Sauget area landfills.

There are two Superfund sites in Sauget. Superfund is the name for the United States environmental law officially known as the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). When a place is deemed a Superfund, it means that
the site has been investigated and identified as a location for potential hazardous substance releases. The Environmental Protection Agency (EPA) then uses a scoring system to rate whether the site should be placed on the National Priority List (NPL), a list of the most serious sites in need of long-term clean up. The EPA then completes a series of studies to determine the extent of the contamination. A plan of action is decided upon and the EPA implements the specifications for site remediation.

A map of East St. Louis’ Hazardous Waste Sites can be found below. Please note that these are not Superfund sites, but a site for potential hazardous substance release.

As noted above, there are two Superfund sites in Sauget, these are known as Area 1 and Area 2. Area 1 is located entirely in Sauget and includes “three landfills and a buried/backfilled surface impoundment along Dead Creek, segments of Dead Creek that were altered as a result of industrial waste disposal, and releases from these waste disposal areas” (US EPA 2001). The EPA also had the following to say about Area 1:

“The releases of hazardous substances have occurred as a result of the shared waste disposal practices of several different companies since the late 1930s. These releases have commingled and migrated along Dead Creek to a perennial wetland. The site is being proposed to the NPL on the basis that releases of PCBs,
cadmium, copper, lead, mercury, and zinc have been documented in the wetland and in an endangered species habitat. In addition, the releases pose a threat to 13 state or Federally designated threatened or endangered species, over 11 miles of wetland frontage, and recreational and commercial fisheries downstream of the site.”

Since the release of the above-referenced EPA document, Area 1 has been put on the NPL and the site is “being addressed through federal, state, and potentially responsible parties' actions” (US EPA 2005). Area 1 has many constituents and the EPA classifies the following list of companies and locations as being “Part of NPL site”: Krummrich WG Plant (also called Monsanto), Sauget Area 1 – Dead Creek Area G and Segment A, Sauget Area 1 – Sauget Monsanto Illinois landfill, Sauget Area 1 – Waggoner Trucking Co., and three sites in Cahokia.

Area 2 is located in Sauget, East St. Louis and Cahokia and is in the floodplain on the eastern edge of the Mississippi River. The following was stated in a NPL site narrative for Area 2 (US EPA 2001):

“The Sauget Area 2 site is the location of a release of hazardous substances resulting from the treatment and disposal of industrial, municipal, and chemical wastes. The site is being proposed to the NPL because chlorobenzenes, chlorophenols, chloroanilines, nitroanilines, polychlorinated biphenyls (PCBs), and metals have been found on the property, in ground water beneath the property, and in Mississippi River sediments adjacent to the Sauget 2 property. These hazardous substances not only pose a threat to the people who consume fish from the recreation and sport fishing areas near the site, but also threaten wetlands and the endangered and threatened species that inhabit the area.”

As of this report, there is no update on whether or not Area 2 has been added to the NPL.

Pfizer, one of the world’s leading pharmaceutical companies, is located in East St. Louis, northeast of Rush City. It can be located on the Hazardous Waste Site map between the Emerson Park and Lansdowne neighborhoods. It is unclear if this particular location is a Superfund site, however, Pfizer’s website admits to having been involved with Superfund sites. They declare that they are “held responsible for the cost to cleanup such contamination, even though another party caused it.” Pfizer does not indicate the identity of this other party. Although the property Pfizer resides is considered a hazardous site, it poses no public health hazard by way of exposure to the air (IDPH 2001).

Another source of pollution to Rush City comes from the close proximity to railroad lines and highways – this generates air-, noise- and runoff water-pollution.

This is not a comprehensive list of the polluters near Rush City. There are many more in the entire East St. Louis area, but the companies in Sauget appear to have the greatest impact on Rush City, it’s neighbor to the north. This is because the wind usually blows from the west and southwest.
III. ENVIRONMENTAL CONTAMINATION

Current environmental conditions in East St Louis (ESL) and Rush City are rather unfavorable. This is because there are significant deposits of soil contaminates throughout the area. Three major contaminants in the Rush City are lead, cadmium and arsenic.

Lead
There are high levels of lead in the soil of Rush City. Some of the homes in the area are older and used lead-based paints or lead pipes in construction. These historical homes are prone to higher levels of lead exposure. “Soil around private homes built before 1940 has significantly higher levels of lead than homes built between 1960 and 1979” (http://stlcin.missouri.org/cerp/brownfields/eaststlouis.cfm).

Rush City has had an industrial based economy, much like the rest of East St Louis. As a result, the exposure to lead is increased through the smelting process of some industries that encompass ESL.

In a report from Eric Hadley Ives, soil lead levels are described, “Average levels of lead in soils from Rush City north of Cook Street are 313 ppm, while south of Cook Street the average is 1631 ppm”. Refer to map at right. As described in the report, the federal level is 400 ppm. Certain geographic locations contain higher concentrations of this contaminant. Lead exposure and poisoning is a serious concern for residents of ESL.

Cadmium
Cadmium is another harmful element contaminating the soil of ESL. This is introduced to the environment through the burning of fossil fuels as well as the incineration of municipal waste materials. It is also released as an airborne substance by the smelting of zinc, lead or copper ores. Historically, ESL had countless industries that practiced these methods of burning and smelting, so this explains much of the current soil conditions. Today, ESL is strewn with incineration plants as well as zinc and copper manufacturers. The extent to which cadmium is present in the soils of Rush City are as follows, “In the eight samples taken north of Cook Street, the soils of Rush City had an average of 23.4 ppm, with a range of 6.3-13.4 ppm. In the thirteen sample south of Cook Street the average concentration was 319 ppm.”

Source: ESLARP EGRETS Data, Street Map—Rush City
Cadmium is a known carcinogen, or a cancer-causing agent and should be of concern to the community.

Arsenic
A third soil contaminant that should be taken into consideration is arsenic. Again, like the previous contaminants listed, certain areas have higher concentrations than others. Areas south of Cook Street contain an average soil concentration of 78.2 ppm while areas north of Cook Street contain average concentrations of 10.2 ppm. These numbers are significant because the tolerable level of this substance is set at 20 ppm.

These contaminants pose health risks to the community and therefore should be removed. If contaminants cannot be removed entirely, then assistance should be provided to at least lessen the levels to a safer amount.

IV. AIR QUALITY

Note: we only focused on the pollution generated by the factories present in the area, not taking into consideration the highways and the rail system.

East Saint Louis is known for having all three major types of pollution: soil, water and air pollution. The latter is probably the most visible, because a lot of its causes and effects are easily visible, including the factory chimneys that can be seen letting out smoke, and a reddish coating on houses witnessing a high concentration of iron oxide in the air.

General air quality indicators in East Saint Louis may be deceiving. In order to get an idea of the type of data that people are most likely to come across, we first researched information about the air quality in the metropolitan area. The first set of data we collected derived from a website formed by various environmental agencies (including the EPA): AirNow.

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</tr>
<tr>
<td>Chicago, IL</td>
<td>Nov 2</td>
<td>OZONE 22</td>
<td>Particles (PM 2.5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PM 2.5 27</td>
<td></td>
</tr>
<tr>
<td>St. Louis (Metro-east), IL</td>
<td>Nov 2</td>
<td>OZONE 23</td>
<td>Particles (PM 2.5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PM 2.5 26</td>
<td></td>
</tr>
</tbody>
</table>

The concentration of particulate matter 10 (PM 10) is higher in the Chicago metro area than in the East Saint Louis metro area, but the amount of PM 2.5 found in the air is lower in Chicago.
than in East Saint Louis. This depicts the situation as acceptable, which is probably what prevents competent authorities from intervening adequately in East Saint Louis. What this data is doing by analyzing the Saint Louis area as a whole, is neglecting the reality of a highly polluted area like Rush city may be, situated East of the Mississippi river on an area which is way more polluted than its cousin city on the other shore.

**Tudor testing site, East Saint Louis**
There is a testing site dedicated to the city of East Saint Louis, the Tudor testing site, which takes the name from one of the streets it’s located on (Tudor & 13<sup>th</sup>). This is the south end neighborhood, which is situated close to the Rush city neighborhood. It’s the only ozone monitoring site in St. Clair County, as the map from the Department of Natural Resources illustrates below (year 2000).

![St. Louis Ozone Nonattainment Area Monitoring Sites](image)

It is well documented that the existing emission and accidental leaks contribute to the air, soil and water pollution. The chart below shows that in 1996, three of the four air pollutants tested at
the Tudor site measured above the “bearable” concentration permitted by the federal Clean Air Act.

<table>
<thead>
<tr>
<th>Element (air pollutant)</th>
<th>Estimated Annual 1996 Average Concentration (ug/m3)</th>
<th>Measured Annual Average Concentration (ug/m3)</th>
<th>Estimated/Measured Ratio</th>
<th>Measured Concentration Greater Than Clean Air Act Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arsenic</td>
<td>0.00035</td>
<td>0.0020</td>
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</tr>
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<td>yes</td>
</tr>
<tr>
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<td>0.00081</td>
<td>0.0010</td>
<td>0.81</td>
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<tr>
<td>Manganese</td>
<td>0.0034</td>
<td>0.030</td>
<td>0.11</td>
<td>no</td>
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</table>

V. HEALTH CONCERNS

The health of residents in East St. Louis has long been an issue. East St. Louis has the 9th highest rate of death for cities in Illinois. The city has the state’s highest death rates for septicemia, accidents and homicide. East St. Louis ranks in the top 15% for death rates in diabetes mellitus, bronchus and lung malignant neoplasms and diseases of the heart (Illinois Department of Health 2003).

Two of the contaminants that are prominent in East St Louis and Rush City are lead and cadmium. Both are heavy metals and have detrimental biological impacts. For the most part, lead is waste from “combustion of solid waste, coal and oils, emissions from iron and steel production and lead smelters” (EPA, 2005). Lead causes an array of health problems in both children and adults. Also according to the EPA, if one is exposed to lead for a significant amount of time health conditions such as anemia, neurological disorders, brain damage and reproductive effects, i.e. low birth weights for newborns. In S. Clair county, “3, 926 children under the age of six [were] tested for lead poisoning in St Clair County. Of those tested, 481 (12.3%) had blood lead levels above 10mcg/dL, which is the level considered by most health professionals as lead poisoned” (CERP, 2005).

Cadmium results from the burning of waste and fossil fuels. In terms of its affect on the health conditions of people, exposure to cadmium can cause “bronchial and pulmonary irritation” as well as impair the functions of the kidneys. Cancer is also a result of long-term exposure. As with lead, cadmium also causes low birth weights in newborns.

The high levels of pollution in East Saint Louis are fully reflected in the health level of its citizens. Below are three stories of ordinary people living in East Saint Louis, as told by Mrs. Kathy Andria. Ms. Andria is a spokesman for the American Bottoms Conservancy, an organization that is trying to face industry-derived problems in East Saint Louis.
“I have a friend who was in the military and lived in Germany. She has four children. All were healthy in Germany. After moving to the Metro East, three of the four have developed asthma and are now on inhalers. She attributes it to air pollution.”

“Nearly every family in Rush City has cancer of some kind in the family. Most have asthma. I don't have notes readily available with numbers.”

“One couple who had lived in Rush City for many years had asthma as did their son in his 20s. The son told of pickup basketball games during which all of the players got sick during the game, couldn't breathe, threw up from the air pollution. All the kids living in the neighborhood developed asthma.”

VI. RELOCATION AND RESIDENTS’ RIGHTS

It is very difficult to link these cases of asthma and cancer directly to the pollution, however when thinking of the resident’s rights, that is exactly what needs to be documented. If the relocation proposal goes through, the residents who are ill in any capacity will have to think about their rights regarding their health. If they decide to move what will this do to their legal standing if they decide to participate in a class action against the polluting industry? What are the implications if they move to Calvert Park or beyond ESL? To help us look into these questions, Kathy Andria, who is not an attorney, gave us the following starting points.

“If they move, I would think they would lose standing for contamination of their property. They would certainly lose any right to test it for future legal action.”

“If they move to Calvert [Park], I would think they would be vulnerable to a defense attorney saying ‘if you really thought you were getting sick from emissions from my client, why did you move only a few blocks away? Why didn't you move miles away from Sauget/Rush City?’ But if they don't move, that same attorney could ask ‘If you knew my client was damaging your health, why didn't you move.’ If they move miles away they could say, ‘you're no longer affected.’”

“In order to win a lawsuit against a polluter, one would need to show injury or damage--to property or health. And there must be the ability to be compensated by action of the court; money for medical monitor, treatment, moving expenses, shorter lifespan, etc.”

“There is the added problem that because there are so many emission sources in Sauget, it would be difficult to prove which one caused whatever damages are incurred. I'm not saying it's impossible, just difficult.”

Thus, the process of protecting residents seems complicated and challenging. If one were to investigate this further, we would suggest getting legal assistance/advice.
VII. RUSH CITY VS. CALVERT PARK

If the proposal for the development goes through, then we recommend that the residents of Rush City request an analysis of the Calvert Park site, i.e. soil, noise, and air pollution. The distance between Rush City and Calvert Park is not significant. In order to properly compare the two, we would need to have the same type of soil and contaminate testing that was done in Rush City done in Calvert Park. A study on noise and particulate pollution from the railroads and highways should be considered as well.

VIII. CONCLUDING THOUGHTS

One recommendation for further investigation and research are as follows. A map of the current polluters surrounding Rush City should be created to document where the pollution is located. We suggest to obtain new core samples for contaminant testing. This is important because the results of the newly obtained core sample would help to determine whether or not soil conditions have improved, remained constant or worsened since the last cores were obtained. Also, obtaining the report from the Department of Natural Resources through the Freedom of Information Act, which was referenced in the Ives report would be helpful to see whether or not there are trends or data that would further help in aiding this community. We would also recommend testing various locations in Calvert Park to determine what contaminants are present and how extensive the contamination is, if present. If possible we would suggest testing both neighborhoods for organic compounds, not just metals. We also would examine better and more current data on the air quality of the Tudor Air Testing site. The data we found was from 1996. There are many undocumented stories of resident’s health. A recommendation for further investigation would be to continue interviewing the residents. Recording all stories from the past and present to create a database of illnesses for the residents of Rush City.
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Webpages:
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DNR (Department of Natural Resources):
IDPH (Illinois Department of Public Health), Agency for Toxic Substances and Disease Registry. Health assessment conducted by David R. Webb, Environmental Toxicologist, Illinois Department of Public Health,
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I. INTRODUCTION

The Rush City Neighborhood of East St. Louis, Illinois has received a proposal from Ethanol IDEA Entropic, a joint venture industrial company, to build a waste-to-energy industrial development. The desired site contains 52 Rush City residents who are being offered a concurrent option by Lester Petty and Associates to relocate and allow for the development. The following report contains information about Ethanol IDEA Entropic, similar industrial proposals that have been submitted to Rush City in the past, details regarding the process and effects of ethanol production, and the funding that is assisting the proposed development. The purpose of this report is to inform residents about the proposed industrial development, those companies that are involved, and any issues that have been raised during the research process.
II. ETHANOL IDEA ENTROPIC

Ethanol IDEA Entropic is a group of three companies; International Development Engineering Associates (IDEA) Holdings Company LLC, Entropic Energy of Missouri-Illinois LLC, and 2 Management LLC, specializing in agricultural procedures. The collaborating companies are proposing a waste-to-energy facility on a 100 acre site in the Rush City Neighborhood of East St. Louis, Illinois that will include ethanol, livestock, and agriculture production facilities. The proposed industrial development includes an ethanol plant with plans to produce up to 100 million gallons of ethanol per year, a cattle slaughter, processing, and meat packing facility, marketing and distribution facilities for ethanol and meat production, a hydroponics greenhouse to produce and harvest vegetables, and a facility to convert waste to energy through the process of gasification. According to Larry G. Cox, CEO and President of Ethanol IDEA, the development project will cost 400 million dollars and bring in a total of 2,100 jobs; 1000 for the meat packing facility, 1000 at the hydroponics facility, and 100 for technical and operational matters.

Current Proposal
The decision to locate the Entropic Industrial Development in Rush City and Goose Hill is based upon the area’s central, Midwest location, which is prime for distribution purposes, and also the good highway, rail and barge access available there to the St. Louis Metropolitan Service Area. Also, the existing land use present in the area, described in the proposal as “blighted” residential, is to be developed to increase economic development and add thousands of jobs. Austin Marshall, CEO of Entropic LLC, states that the increase in low-to-moderate income housing options and heightened real estate assessment values that will result from the industrial development has gained the cooperation of the City of East St. Louis. The type of cooperation involved is unclear based on the fact that Rush City residents are the ones concerned with the industrial development and they have not yet made a final decision regarding it.

The three main facilities proposed by Ethanol IDEA Entropic are for ethanol, utility, and agricultural purposes. The Ethanol Plant, expected to locate in the southwest quadrant of Rush City, and is projected to have a wide marketing reach, including service to Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Michigan, Nebraska, North and South Dakota, Ohio, and Wisconsin. The Utility Plant will consume all the fuel produced by the Ethanol Plant, reducing the amount of Municipal Solid Waste that is normally directed to the local landfill by 800 tons per day. The agricultural portion of Entropic, including the production of beef and vegetables, will locate in the Goose Hill Neighborhood of East St. Louis in the northwest quadrant of the city. The beef production facility will distribute to the entire United States and the Hydroponics vegetable facility will provide service within a 300-mile radius.

The industrial development’s waste-to-energy conversion concept is explained in four processes. The first is the conversion of ethanol byproducts into nutritious food for cattle in the form of corn syrup and stillage. The second is to recycle livestock waste for fuel in cattle processing operations. The third waste conversion technique takes the low-level waste heat and high-nutrient process water from ethanol production and infuses it into the vegetable greenhouses to increase productivity. The industrial development also proposes redirecting a large portion of
municipal solid waste away from the landfill and into a synthetic coal plant for gasification and use in the Utility Plant.

III. ETHANOL BIOFUEL

What is ethanol?
Fuel ethanol (ethyl alcohol), a clear, colorless liquid, is the result of transforming starch crops into simple sugars by utilizing the processes of fermentation and distillation. Several feedstocks are used to produce ethanol and include corn, wheat, and barley. In addition, trees and grasses, known as “cellulosic biomass”, can be used to produce bioethanol. (www.eere.energy.gov)

What purpose does ethanol serve?
The primary purpose for ethanol is to increase octane levels and provide higher quality emissions of gasoline. When combined with gasoline, a mixture of 85% ethanol and 15% gasoline, the end result is a new fuel type called E85. If higher portions of ethanol are used, up to 95%, the Energy Policy Act of 1992 (EPAc) recognizes the mixture as an alternative fuel. Prior to the EPAc, the Clean Air Amendment of 1990 authorized oxygenated fuel sales in regions with high carbon monoxide levels. Since then, ethanol has been in-demand with approximately 2 billion gallons combined with gasoline each year to produce E85. (www.eere.energy.gov)

How is ethanol produced?
Biological feedstocks with ample amounts of sugar, or readily convertible starch and cellulose, are used to produce ethanol. Some examples of commonly used feedstocks are corn, wheat, barley, sugar beets, sugar cane, trees and grasses. The process begins by grinding up the feedstock (dry-grind milling). Next, the sugar is extracted from the material, or starch and cellulose are transformed into sugar. Microbes continue the process by consuming the sugar (fermentation), resulting in ethanol and carbon dioxide production. Finally, the ethanol is purified to an appropriate concentration. An alternative to dry-grind milling is wet-milling, which involves separating the relevant components in an aqueous solution prior to fermentation. A vast majority of ethanol fuel is produced using corn with dry-grind milling accounting for 67% and wet-milling 33% of production. Dry-grind milling yields approximately 2.5 gallons of ethanol per bushel, whereas wet-milling yields 2.8 gallons per bushel. (Bothast 2005)

Benefits of Ethanol Production
Ethanol production as an alternative fuel source yields several benefits. First, the ethanol and gasoline mixture E85 is easy to use and handle. The equipment used for storage and dispensing of ethanol fuels is comparable in cost and operation with petroleum-based fuels. Second, the use of E85 reduces the overall consumption and dependence on petroleum to operate vehicles. Third, ethanol provides environmental benefits by reducing the amount of negative greenhouse gas emissions from current petroleum fuel sources by 12%-19%. Fourth, with the increased demand for ethanol, many car manufacturers are producing new vehicles designed specifically to run on E85, or operate using one or the other if the situation arises. (www.eere.energy.gov) Finally, the cost-effective and environmentally friendly ethanol production will serve to benefit rapid commercialization of technological advancements. (Bothast 2005)
Consequences of Ethanol Production
Notable consequences of ethanol production as an alternative fuel source involve research conducted by universities and community organizations. The Wisconsin Initiative for Sustainable Local Environments formed in direct opposition to the construction of an ethanol production plant in their neighborhood. Through their research, the group discovered ethanol emissions contribute to ground-level ozone and smog while production plants release volatile organic compounds (VOC’s), airborne particles, and intolerable odors. The group concluded given the resources necessary to produce ethanol, the end result is a net energy waste. (Westerberg 2003)

Two agricultural economists, Chris Hurt and Otto Doering of Purdue University, propose hog and poultry producers, grain elevator operators and grain shippers could possibly be affected in a negative manner. As demand for corn increases to produce fuel ethanol, the hog and poultry industry may decline as the primary corn feedstock resources are depleted. The grain elevator operators potentially suffer as the need for corn storage drops from ethanol production plants using the reserves to make ethanol. In addition, export of corn from ports will decrease as the corn is used internally by the plants. (Leer 2005)

One other issue facing the farm industry is the shift towards unconventional crop rotations of 60/40 corn-soybean away from a 50/50 corn-soybean. “Planting some fields to corn in successive years could have agronomic consequences”, stated Hurt. “Even if the renewable fuel standard is met, ethanol and other biofuels won’t replace fossil fuel in the near term. Ethanol cannot supply all of our liquid needs, but it can contribute to the solution.” (Leer 2005)

David Pimentel and Tad W. Patzek of Cornell University and University of California-Berkeley, respectively, researched ethanol and concluded converting corn, soybeans and sunflowers into a fuel source yields more energy consumption than the resultant fuel generates. “There is just no energy benefit to using plant biomass for liquid fuel,” said David Pimentel. “These strategies are not sustainable.” When energy output and input were compared, the research showed corn needed 29% more energy than fuel generated; switch grass 45% more energy, wood biomass 57%, soybeans 27%, and sunflowers 118%. (Parker 2005)

National Corn-to-Ethanol Research Center, Southern Illinois University
The National Corn-to-Ethanol Research Center (NCERC), located on the campus of Southern Illinois University at Edwardsville, Illinois, is a not-for-profit organization with concentrated research involving ethanol as an alternative fuel source. The NCERC is the sole facility worldwide which totally emulates both dry-grind milling and wet-milling towards commercial application. When information was requested in reference to EnviRes and Entropic, NCERC Director Martha Schlicher commented she was unfamiliar with the two companies:

"I am not familiar with either of the firms that you mention. There is no ethanol production facility in St. Louis. The closest ethanol plant to our facility is Lincolnland Agrienergy in Palestine, IL." (Schlicher 2005)

The group felt this was peculiar since this facility focuses extensive efforts on ethanol research and would be knowledgeable of a potential plant being constructed within a half an hour driving distance from their research facility.
IV. PAST INDUSTRIAL PROPOSALS - ENVIRES

EnviRes is a $58 million coal gasification plant which was interested in setting up in a 20 acre site of East St. Louis riverfront between Interstate 64 and north Winter Street near Sauget. Like Ethanol Idea Entropic, EnviRes claimed to have a revolutionary new coal gasification process which introduced the conversion of ethanol from corn – recycling waste oil and converting high-sulfur coal into clean hydrogen and carbon monoxide synthetic fuel. EnviRes promotes itself on this technology, claiming to be environmentally friendly. The company stated that EnviRes would also hire 30 residents from East St. Louis to benefit the community (Kalosc, 2002). Despite most resources state good advantages for the construction of EnviRes, there were many delays and the company never actually set up. The EnviRes technical report stated a secured local financial support for the project from the East St. Louis TIF District and Enterprise Company. “EnviRes has received substantial community and local governmental support for this project. The East St. Louis Black Chamber of Commerce has endorsed this project. The City of East St. Louis and the Enterprise Community has committed $2.5 million for infrastructure and other cost eligible expenses in support of the project. Other funding especially from the St. Louis Regional Empowerment Zone is expected” (Renner, Malone, and Carty 2002/2003).

EnviRes Chief Financial Officer Bill Renner stated delays in development occurred due to failure in obtaining a state permit to burn hydrocarbons and financial aid of a $3million loan from the St. Louis Empowerment Zone (Fitzgerald, 2005). The department of energy also stated that during the process of construction EnviRes obtained “problems in obtaining a state permit to burn hydrocarbons as well as delays in securing certain funding” (U.S. Department of Energy, 2005). Another source mentioned “environmental injustice” with the prospective location of the company being within close proximity to residential areas, causing “nuisance to the residents of Rush City” (Hermans, 2004). EnviRes has been turned down by Illinois Environmental Protection Agency for an air permit twice. According to research, they were denied permission from the Corps of Engineers or the Metro East Sanitary District to locate next to the levee in the wetlands.

V. ETHANOL INVESTMENT AND PARTNERSHIPS IN EAST ST LOUIS

Government Involvement
Research indicates that there is a significant level of federal involvement within ethanol-based industries in East St Louis; particularly in reference to the US Department of Energy’s clean fuel initiatives (July 26, 2004): through which much funding is being awarded to projects such as the one proposed for East St Louis. This segment is taken from the US Department of Energy’s web page on its clean coal initiative. (www.fossil.energy)

“EnviRes LLC proposed a radically different and potentially lower cost approach to coal gasification that would be commercially demonstrated in a new gasification plant to be constructed in East St. Louis, Illinois. The proposed plant
would use EnviRes Gasification Technology to gasify 1,039 tons per day of Illinois #6 coal for producing separate hydrogen-rich and carbon monoxide-rich streams. The carbon monoxide stream would be used as fuel for a combustion turbine in a combined cycle generating system producing 113 megawatts of electrical power, and the hydrogen would be available for use in fuel cells for both stationary power generation and powering personal transportation vehicles. EnviRes proposed a total cost of $254.2 million for the project, with 50 percent (or $127.1 million) of the cost to be provided by DOE.”

As can be seen, we feel there is much evidence as to the federal government’s ongoing involvement with the development of East St Louis and the proposals which are currently affecting the Rush City neighborhood.

Illinois state government and the local East St Louis city government is also involved with ethanol projects. The city of East St Louis is formally aware of the EnviRes project; as information regarding it was set out in their most recent development plan (2004); which lists beneficiaries as well as funding contributors towards the latest plans for redeveloping the city. (http://hud.gov)

A significant amount of evidence has also been discovered which points towards the integral involvement of the Illinois state government within the ethanol development in East St Louis. The South West Illinois Development Agency (SWIDA) is one such governmental organization who was involved within the EnviRes proposal to move into Rush City. SWIDA dubs itself “a special-purpose governmental unit created and designed to catalyze economic development in Clinton, Madison and St. Clair Counties, Illinois” (www.swida.org); and provides financing and technical assistance, as well as facilitating development opportunities; through the utilization of loans and the establishment of Tax Increment Financing (TIF) districts. One such TIF district was established within the Rush City neighborhood, therefore turning the area into one of prime development potential.

Collaborative Partnerships
Two Universities within Illinois, Southern Illinois University (SIU) at Edwardsville and The University of Illinois at Urbana-Champaign (UIUC), both have research projects involved with the development of clean ethanol-based energy. However, we received no indication that either of these departments has even heard of either EnviRes or Ethanol Idea, much less worked in collaboration with them.
VI. CONCLUDING THOUGHTS

In conclusion to our report on the proposed industrial development of Rush City a number of key issues should be taken into contemplated. The statements included in Ethanol IDEA Entropic’s industrial development proposal should be carefully considered. The information included in the document is broad; the Entropic Company is proposing a set of facilities and plants, various waste-to-energy conversion processes, environmental factors, and financial constituents. The information included fails to address the company’s history or any developments they have developed in the past. This factor questions the expertise, dependency, and financial standing of the companies involved. With many questions still left unanswered after three months of research, the Entropic Industrial Proposal holds no guarantees of being implemented in the way the proposal states.

Based on the preliminary research, it is difficult to advocate for or against ethanol production. With any new technology, or process, there is always risk involved which scientists and researchers do their best to reduce or eliminate through on-going tests. Alternative fuel sources, which reduce our dependence on petroleum-based fuels, are commendable; however, depleting our food sources to power our vehicles seems questionable. With research being conducted on hydrogen- and solar-powered cars, where the energy resources are abundant, why create worry about potential agricultural problems for future generations. Most of the research on E85 resulted in several benefits but, those listed were vague and require more quantitative data as to how exactly ethanol achieves these benefits. However, skeptics of ethanol production plants cite many consequences as a result of the process. Regardless, several factors discovered by party research persuade or dissuade the production of ethanol which could mislead the general public’s understanding and decision-making on the matter.

Researching the monetary funding issues involved within the proposed Rush City industrial development has proved to be extremely problematic, and we do not feel one hundred percent sure that we have gathered anywhere near all the answers. The inevitable question of EnviRes and Entropic, and their backgrounds and financial position, is still dominant throughout our research, as we have been unable to gather any clear-cut answers. What is clear though is that federal, state and local government agencies have set aside a significant sum of money towards the development of ethanol-based industries within the East St Louis area; with many sources indicating that EnviRes is the key benefactor of this money, not the current petitioner, as we have been led to believe: Ethanol Idea Entropic LLC.
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Sherif Botros
Erin Brown
Megan Burgess
Marcus Jones

I. INTRODUCTION

Upon the approval of the Purchase Option, Rush City residents will have the option to be relocated to Lester Petty & Associates’ proposed housing development, called Calvert Park Landing. Through our observations of community meetings and neighborhood tours, the move to Calvert Park could prove to be beneficial to the residents if improvements to the existing proposal were made. Calvert Park Landing is a redevelopment project of the old Calvert Park neighborhood in East St. Louis, and is located 4 blocks from Rush City. East St. Louis residents do not refer to the proposed development as Calvert Park; rather it is a “no man’s land” near a larger neighborhood, called the Southend. One of the challenges of this proposal is to create an identity for the relocated residents of Rush City and to provide them with all of the amenities they currently have in their neighborhood, such as a community center and churches.

II. CURRENT SITE CONDITIONS

The current state of Calvert Park consists of small residential blocks encompassed by industrial and transportation districts. The small neighborhood of Calvert Park consists of approximately 16.5 acres, and is four blocks north of Rush City. The neighborhood is bordered by 8th Street to the north, Brady Avenue to the east, 10th Street to the south and Piggott Avenue to the west. The proposed site is near the overpass for I-64 & I-70. The area was originally developed as a residential area and therefore the infrastructure to support the new housing project is already in place. The location of this site is also near the Denverside neighborhood, where residents, who refused to sell their land several decades ago, are sharing close quarters with the Interstate. There is also a factory located directly across Brady Avenue from the proposed housing site. It is unclear what types of goods are manufactured at this site or the type of production process involved. In our research we were unable to locate any additional information on this property.
From our visits to the site and our analysis of information, Calvert Park has the potential to serve as a viable community for the citizens of Rush City. However, several improvements must be made to the site in order for the potential to be reached. As mentioned above, the Purchase Option states that the site has sufficient infrastructure to support a new community. However, from interviews with residents and an analysis of standing water in East St. Louis, after a decent rainfall, the storm sewers often times become clogged resulting in streets becoming impassible due to high standing water. The standing water is also a sanitary concern, as it can serve as a breeding ground for bacteria and viruses. There is also a considerable amount of vacant and abandoned land in the Calvert Park neighborhood. Negligence by the owners of this property has resulted in tremendous overgrowth of bushes and shrubs, as well as illegal dumping of debris. The evasiveness of shrubs has completely covered the alleyways between blocks in the neighborhood, making these areas dangerous and unusable. The above-mentioned factory is also a concern for the new development. Until further research is done it cannot be determined as to whether this factory is causing unsafe levels of pollution. Nevertheless, it is not desirable to locate housing adjacent to a factory due to the noise, smells and danger of potential spills, leaks, and explosions.

The land in Calvert Park is currently zoned for Residential use. To date, there are houses and citizens residing in Calvert Park. These residents will need to be relocated if Rush City's citizens move in. The existing structures on the parcels will need to be torn down in order for a new neighborhood to be constructed in ordinance with the design proposal. In the proposed future land use, all of the land use changes from Residential use, to Residential Loft Live/Work use. The current proposal for redevelopment of the parcels only accounts for residential use. They do not include any type of work use envisioned by the City of East St. Louis.
Existing Land Use Map from East St. Louis Comprehensive Plan (2000)

Future Land Use Map from East St. Louis Comprehensive Plan (2000)
After having analyzed the existing and future land uses, we feel that the move could be quite a change for the residents. The residents would no longer be in the type of residential neighborhood they were used to and would be in a denser neighborhood containing a mixture of uses. While this type of living has advantages, it might not be agreeable with the residents.

II. FUTURE PLANS

There is a plan for redevelopment of an area near the proposed housing site that is a joint operation between the Illinois Department of Transportation (IDOT) and Missouri Department of Transportation (MoDOT) to create a landmark bridge across the Mississippi River and form a better connection between the two states. The new bridge plan involves upgrading the highway network and implementing new landscaping, while trying to create a relationship with the waterfront. The plans calls for major upgrades to I-70 to accommodate a cable supported bridge stemming from the north side of St. Louis. The new bridge is designed to handle eight lanes of traffic, with shoulders that could potentially add an additional four lanes in the future.

IDOT and MoDOT proposed plan for highway improvements
We feel that the proposed transportation options are a positive improvement for the residents of East St. Louis. Improved conditions in crossing the river will allow for easier access to the Missouri side for jobs and from the Missouri side to Illinois for residential purposes. However, these improvements could change the way East St. Louis operates and should be carefully considered when developing a new neighborhood near any of the highways, such as will be done in Calvert Park.

III. PROPOSED HOUSING ANALYSIS

Analysis of Drawings
The existing plans that are accessible in the August 29th Purchase Option package do not include a scale or north arrow and are difficult to read. The project narrative suggests that the parcel size is 70’ x 150’ which is misleading as it includes the streets leading to garages. In addition, on the current plans, 88 houses are shown, not 90 as is suggested in the narrative. One church, located on 10th Street and Bond Avenue, is shown to remain on the site. The church and community center currently located in Rush City have not been included in the new plan. In addition, the project suggests that any existing houses on the site will be raised.

In our opinion, the plans presented in the purchase option are not professional. They are unclear and generic. Elevations are only presented for one façade of the house and the plans are not easily readable. The church and community center currently located in Rush City should be included in the new plans. Perhaps a zero lot line or clustered development option should be explored to more efficiently use the space available. A zero lot line development means that the dwellings are placed against one of the property lines to permit outdoor space to be grouped and utilized to its maximum benefit. Or, a few houses proposed could be eliminated from the plan to make room for the development of a new church and community center. Furthermore, we feel that it is irresponsible to demolish all homes located in the Calvert Park area. These homes are in decent condition and a community has already been established in this neighborhood. We would instead suggest that infill development take place in Calvert Park and that the new houses fit with the character of the existing homes.
Critique of Design
Furthermore, we question several aspects of this design. First, because of the location of the garage on the opposite side of the house from the front door, the entry that residents with a car will frequently use enters into a kitchen instead of an entry way or parlor. In addition, half of the houses have a majority of their windows on the west side of the house. Next, there seems to be no indication on any of the plans of landscaping. Will
there be landscaping and who will provide it? This is especially important because the houses to the west and all of the homes really, are very close to several busy interstate roads that will be very noisy. Have any provisions been made for this including trees such as evergreens, thicker walls and added noise insulation, or double pane windows, etc.?

We feel that a more defined entry should be included on the garage side of the units. It does not appear that careful attention has been paid to the citing of the homes since they are all the same design although they have different orientations. The positioning of many windows on the west facades, in our opinion, will make the homes very hot in the summer. More windows should be included on the east side where the sun rises, however, west windows allow heat to enter the home after it has been warmed all day and should therefore be carefully considered. We are concerned that very minimal amounts of landscaping are indicated on the drawings and feel that it will be important to establish if landscaping will be included with the construction of the homes. Also, provisions should be made for noise, especially for the homes closest to the interstate. In addition, no fencing or other means of creating private outdoor space has been indicated on the drawings.

**Critique of Site Design**
Unit Evaluation

Floor Plan Option #1 is a one-story unit. It has a lot of edges, sides and corners that do not appear to be in place for aesthetic reasons. The dining room is in an awkward position. The plan is supposed to have three bedrooms, but only two bedrooms are shown. Also, the bedrooms are at the front of the house. Due to all the edges and inefficient planning of rooms, there are no opportunities for cross-ventilation in the house. The kitchen also seems to be close in size to the master bathroom- thus suggesting that either it is too small or the bathroom is too large. Finally, it looks squat in elevation.

The many corners and complex form of unit one may cause it to be expensive to build and heat. Also, we feel that the positioning of the dining room is too removed from the kitchen and too closed off from this space. The fact that two bedrooms are shown and three are listed below the drawing is highly problematic and shows carelessness on the part of the drawing’s author. Also, locating the bedrooms at the front of the house, along the street that will encounter the most traffic, may compromise privacy. There is a lack of opportunities for cross-ventilation in Option #1. This will be unfortunate for residents who would prefer to cool their homes in the summer from a nice breeze rather than by using air conditioning, which is more expensive. Also, we would recommend planning for a smaller master bath so that residents may enjoy a larger kitchen. Finally, Option #1 looks squat in elevation and could be improved by increasing the slope of the roof and varying the façade.
Floor Plan Option #2 is a four-bedroom unit (as well as option 4). Also, there is plumbing on exterior walls in three places. In addition, there is no separation between the kitchen and dining room. The elevation also suggests that there is a window in the closet, which does not seem like the most desirable place to let in natural light. Finally, the large two-car garage completely dominates the back façade.

We wonder if this size of house will appeal to a demographic with a large number of small families and single older people. This option, as well as Options #3 and #4, has stairs that might be difficult to navigate for the older population. Also, the additional square footage adds more space to clean and heat. In addition, the plumbing on exterior walls may cause problems for residents with pipes freezing in the winter. The plan should be reconfigured to move plumbing to an interior wall.
Floor Plan Option #3 is a three-bedroom, two-and-a-half bathroom unit. Also, the walk-in closet and bathroom dominates half the façade on the second floor where sunlight and views would be more optimal for a bedroom. The location of laundry on the second floor would be devastating to residents if it overflowed. The kitchen is not a space separated enough from the adjacent rooms. Plumbing is once again located on an exterior wall.

*We wonder if two-and-a-half bathrooms are really needed or if this is just extra space to clean. Also, while the location of the laundry on the second floor is convenient, it would be expensive to repair if the laundry overflowed, as it would cause water damage on the floor and ceiling of the first floor. The open relationship of the kitchen to the dining and family room may be desirable to some residents, but it does not allow for incompatible tasks to take place with any amount of privacy. A person could not watch television without distracting someone in the kitchen who was trying to listen to music, etc. Lastly, the plumbing may once again cause problems with freezing pipes in the winter.*
Floor Plan Option #4 is very large. It has two patios and a porch, is this much exterior space too much? These exterior spaces would have to be shoveled in the winter. What is the darkened space on the floor plan? Again, there are a lot of edges and plumbing on exterior walls.

*We feel that the size of Option #4 is so large that it may be unaffordable to any of the Rush City residents and may also be expensive to heat and cool. Furthermore, the plan is very difficult to interpret since the darkened in room cannot be read which makes this plan and the other plans difficult to analyze.*
In general, we are surprised that there is only one option for a single-story house when a large number of people living in Rush City are elderly and the family size is small. Furthermore, we wonder how many units are completely handicapped accessible upon construction. It seems as though these homes are not being design with the needs of the residents of Rush City in mind. Perhaps it would be helpful to some residents to explore live/work options for the homes so that residents could start home based businesses. Also, more small units should be included as options.

Calvert Park Alternative Design Plans
The housing proposal was forced on Rush City residents who weren’t involved in the design process as clients or future residents of this project. Since the residents were not able to express their desires for the housing, we wonder how successful the project will be in terms of fulfilling the residents’ physical and social needs. The following survey is the only document that asked residents about their housing preferences. It was only distributed to some of the residents and the housing options listed on it do not match those listed in the purchase option.

![Neighborhood Survey](image)
Also, the proposed site does not have a street hierarchy, as all of the streets are the same width. Designing the more private streets to be narrower will encourage people entering the neighborhood to slow down. This, as well as reducing the number of entrances to the neighborhood, will improve safety for the residents. Moreover, using a grid street pattern misses opportunities to promote a pedestrian-friendly environment and creates a sense of boredom that might be alleviated with a more organic site design. Also, the proposed plan lacks important public spaces such as a small neighborhood park. Thus, we suggest alternatives to the proposed design.

In the following proposed alternatives, we assumed that all the housing at Calvert Park will be torn down as is suggested in the case in the project narrative. We suggest that a community center and church be built on two of the parcels shown.

**Alternative 1**
Alternative 1 consists of 92 parcels that are 70' x 150' ft like the parcels in the proposed layout. This alternative has four entrances, two from 10th street and two from 8th street. Both Converse Ave and Trendley Ave. are preserved in this design. A new street cuts thru the neighborhood in the middle and connects these two streets. The new developed street is to be a semi-public street as it only runs through the neighborhood.

**Alternative 2**
Alternative 2 is a variation of alternative 1 in which we have the same design concept, same number of parcels and same number of entrances. However, in this alternative the inner street takes a curved organic shape providing an exciting experience. This allows more flexibility in incorporating public spaces for the residents such as parks. Moreover, it helps to slow down the ongoing traffic to create a safer environment. In this alternative, there is more variation in the surface area of parcels as well as variation in their shapes.

**Alternative 3**
Alternative 3 consists of 94 parcels, which are four lots more than the proposed layout. A total of six entrances are included; three entrances on 10th street and three entrances on 8th street. Two cull-de-sacs are incorporated in this layout as they are considered a safe place for children to play. None of the existing streets are preserved in this layout, but three new streets are designed instead.

**Alternative 4**
Alternative 4 consists of 92 parcels with two cull-de-sacs. In this alternative, there are no inner streets, reducing the addition of pavement. There are six entrances to the neighborhood and two terminate as cull-de-sacs. Two currently existing streets are preserved in this design layout while two others are slightly altered to form cull-de-sacs.
Proposed Site Plan

- 90 Parcels
- 8 Entrances to the neighborhood
- No Cul-de-sacs
- No Hierarchy in streets
Alternative 1

- 92 Parcels
- 4 Entrances to the neighborhood
- No Cul-de-sacs
- Hierarchy in street
- No public areas
Alternative 2

- 92 Parcels
- 4 Entrances to the neighborhood
- No Cul-de-sacs
- Hierarchy in streets
- Public areas exists
Alternative 3

- 94 Parcels
- 6 Entrances to the neighborhood
- 2 Cul-de-sacs
- Hierarchy in streets
- No Public areas
Alternative 4

- 92 Parcels
- 6 Entrances to the neighborhood
- 2 Cul-de-sacs
- Hierarchy in streets
- No public areas
The following is a comparison between the proposed plan and four alternatives.

Comparison between the Proposed Plan and the 4 Alternatives

<table>
<thead>
<tr>
<th>Comparison Points</th>
<th>Proposed</th>
<th>Alt. 1</th>
<th>Alt. 2</th>
<th>Alt. 3</th>
<th>Alt.4</th>
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<td>Public areas</td>
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Proposed and Alternative layouts evaluation

After introducing and comparing the four alternative site plans, the proposed plan and the four alternatives were evaluated using the “value engineering method” (for more information visit [http://ve.ida.org/ve/ve.html](http://ve.ida.org/ve/ve.html)) to analyze how effective and efficient each alternative is in achieving each and every proposed evaluation criteria. Six evaluation criteria have been selected and rated for the evaluation process, for example safety, existence of public areas, neighborhood identity, lot sizes, etc.

A weight factor is used to evaluate the criteria:
3= Very important   2= fairly important   1= less important

Each site plan is evaluated according to how successful it is in achieving each criterion and rated to the following scale: 3= Excellent   2= Good   1= Poor

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weight</th>
<th>Proposed plan</th>
<th>Alt. 1</th>
<th>Alt. 2</th>
<th>Alt.3</th>
<th>Alt.4</th>
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<td>Neighborhood Identity</td>
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<tr>
<td>Accessibility</td>
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<tr>
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<td>22 27 31 21</td>
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It should be noticed that the proposed plan came up with the least total score. We recommend further exploration of other alternatives for the site plan design for the sake of creating better value for the whole community.

In our opinion, the development for Calvert Park should include resources residents had in Rush City. Among the resources that current Rush City residents have are local pantry, dry cleaners, salon, etc. Since the immediate surroundings of Calvert Park are primarily industrial and transportation uses, there are no grocery stores or other resources readily available to residents of this area. Therefore, we recommend that these types of business be located in the proposed or adjacent to the development. At a minimum, the re-located Rush City residents deserve the few amenities they currently have (community center and churches) in the new development.

IV. DEVELOPER CREDIBILITY

Analysis of Lester J. Petty
According to the minutes of the October 1, 2005 community meeting in Rush city, it appears that Lester Petty was very proud of his profession as he was speaking as an expert in the development industry. He presented himself as an authority who knew a lot about developing new communities and remodeling older ones. He was extremely confident as well. Lester Petty suggested that he has been in this industry for a long time and has a decent portfolio.

Furthermore, concerning Lester Petty’s work experience, he said that he wanted to utilize the latest technology in the house building industry. He spoke about using a panelized system (Insulspan) in the new development at Calvert Park. He described the pre-fab system; “The house walls will be assembled at the manufacturer, shipped pre-assembled and then put together in the site.” He added, “The walls will be 2x6” for the exterior wall and 2x4” for the interior wall.” Petty also compared the new houses he plans to build at Calvert Park to those already in existence in Rush City. He said that, “In Rush City the houses were assembled on site while in Calvert Park it will arrive pre-assembled on the site,….the new houses will have a better truss system compared to the older ones… the new development will have better sewage system and rain gutters.”

Previous Developments and Projects
Lester Petty claims that as demonstrated by his previous work, he is concerned with energy efficiency in buildings and has the ability to build more energy efficient houses for people. Lester Petty said that he built two houses for an oil company called Mointania Oil in addition to three other houses which all proved to be successful projects. He claims that the houses he builds are so tight because he uses 6” stud walls to increase the energy efficiency of the buildings.

An article found in the Belleville news says that Lester Petty plans to build $600 million worth of projects in East St. Louis. The project includes a Hilton hotel, a set of office towers, and an upscale enclave of condominiums. The article’s author said that an O'Fallon real estate investor sued Lester Petty for failing to repay $10,000 that the
Calvert Park Development Corporation and Sphinx Development Corporation are involved with the project. We were unable to find information on the Calvert Park Development Corporation. However, Sphinx Development appears to be a Dallas based real estate company committed to affordable housing provision. The quality of work presented on their website seems to be much higher than the drawings presented in the purchase option. Also, their former projects appear to be well designed and they seem to have a good amount of experience with residential development. After calling Sphinx Development, we learned that they are not involved with this project. They indicated that they have never heard of Calvert Park or Lester Petty. A yellow pages search and other on-line searches do not reveal another company called Sphinx Development.

We question the feasibility of this project due to the repeated dishonesty by Lester Petty. He claimed to have been involved in the design of the Cherry Hills development, and was not. Now, we are unable to find any information on the development corporations associated with the project. Thus, we would not trust any information presented in the future by Mr. Petty without proof.

V. CONCLUDING THOUGHTS

Upon analyzing the current site conditions of Calvert Park, we believe that it holds the potential to house the residents of Rush City if improvements are made. Suggested improvements involve: infrastructure, storm water management, the maintenance of vegetation, and the clean up of vacant land. As for the proposed housing developments, many improvements on layout, size, and content should be addressed to better meet the needs of those individuals and families that will be residing within.

We feel that the move from Rush City to Calvert Park could pose as advantageous for the residents if the new site is designed well and with the future residents in mind. However, the current proposal does not meet all the necessary criteria and several revisions are suggested to make the proposal better. By means of good street design, building affordable, quality housing units, and incorporating ideas and suggestions from the community, this project could be successful for all involved parties. Thus, we would strongly encourage alternative site layouts to be considered. While the block layout is traditional and easy to do, other layouts could prove to be beneficial and better for the purpose of a close-knit neighborhood. Another layout could also provide room for more churches and more convenient amenities such as a community center and a grocery store.

Several positive aspects of the move to Calvert Park should be considered. Moving closer to public transportation and closer to places of work be convenient for the residents and
allow for better access. Likewise, while they will be giving up some of the natural
amenities and rural character provided by Rush City, they will not be far from their
previous neighborhood and will be able to easily access those amenities after the move.
Although there are still many unanswered questions, all efforts have been made to
compile the most complete and up to date information available at the time.

One specific area of possible future research is to investigate the type of factory across
Brady Avenue from site. What type of product is manufactured there? Who are the
owners? What are their plans if the Calvert Park Landing project is approved? Due to the
environmental and health concerns discussed in other areas of this report, these questions
are critical in considering the future health of Rush City residents if they move to Calvert
Park. To assist with future research, a list of follow-up references is included at the end of
this report.
Sources


“Purchase Option August 29, 2005” p. 2-15 – Project narrative description and Calvert Park site plan, site elevations, and plans and elevation for each of four unit types.

http://www.sphinxdevelopment.com - Sphinx Development website including five sections: who we are, housing experience, international, contact us, and home. Contains graphic and text examples of former projects to compare to Rush City proposal. Also contains phone number used to contact representative from Sphinx for phone conversation.

http://www.yellowpages.com - Site used to search for other Sphinx Development Companies and important names throughout the report. Search was not fruitful.

http://www.newriverbridge.com – This website is collaboration between the Illinois and Missouri Transportation Departments. Information on proposed infrastructure improvements and new development can be found here. It contains maps and detailed summaries of the individual projects as well as how they will affect the areas surrounding the projects.

http://www.belleville.com/mld/belleville/business/12569977.htm - Article form a local newspaper posted on Tue, Sep. 06, 2005 reporting on Lester Petty’s other developments in East St. Louis and a case he is involved in.

http://ve.ida.org/ve/ve.html - Website using the value engineering method that lists criteria on how to analyze effectiveness and efficiency as used to evaluate site designs in this report.
I. INTRODUCTION

Entropic Ethanol IDEA, LLC wishes to purchase the land in Rush City from current residents and redevelop the land as an industrial park. There are many concerns about this company – whether it is legitimate, whether it is the same company that tried to come to the area a few years ago using a different name, whether the company is being up front regarding the potential environmental impacts, etc.

This company, in addition to Lester Petty, would like to see the residents move to a new residential development called Calvert Park landing, which is located four blocks north of Rush City. The project narrative states that this development is a joint venture between Sphinx Development Corporation (a residential developer) and Entropic of Illinois-Missouri, LLC (an industrial developer). New homes in Calvert Park Landing will cost between $85,800 and $139,920.

This section will look at the proposed option agreement and its implications for the residents of Rush City.

II. OPTION AGREEMENTS

In general, an option is an agreement to keep open for a set period an offer to sell or purchase property. It is usually a unilateral contract, meaning that one party must perform if the other so decides (Galaty 126). Once the buyer has given consideration to the seller, the option is a legally binding document. After consideration is given, if the buyer does not follow through according to the terms of the offer, he is in breach of contract and is required to pay damages (in this case, earnest money) to the option holder. [Consideration is something of value that gets a person to enter into a contract; generally the owner of property promises to convey marketable title and the buyer promises a certain amount of money for that property (Galaty 124).]

Stipulations should be included in the offer that once the seller has agreed to the terms of the offer, if the buyer (in this case, Lester J. Petty & Associates, Inc.) does not follow through with the terms of the option, he is required to give a monetary amount to the seller (earnest money or damages) for the trouble that has been caused.

Another distinguishing feature of the option provision is that, unlike an ordinary offer, it does not terminate with the death of either the buyer or the seller. The estate of both parties is required to honor any option the parties agree to prior to their deaths (Jennings 337).
When negotiating and drafting the option agreement, the document itself should contain a legal description of the property, complete legal names of all parties involved, signatures of those parties, beginning and ending dates of the option period, exact amounts of money to be paid, how that money will be paid, statements about what happens if the property in question is destroyed during the option period, terms concerning the death of one or both of the parties, recording the option in the public records and its removal if not exercised, procedures and notifications required for exercise, and all terms or provisions of the sales contract (type of deed, insurance, etc.; rights of renters; presence of mortgages during the option period; etc.).

Acceptance of the consideration has certain requirements as well: it must be made by the seller (resident); it must be absolute, unequivocal, and unconditional; and it must be communicated to the buyer (Lester J. Petty & Associates, Inc.).

Proposed Option Agreement
The letter from Lester J. Petty & Associates, Inc. dated August 8, 2005, states that Rush City homeowners could receive $50,000 for their homes, a $10,000 relocation fee, and a $5,000 disposition fee. This money would come from the developers. Each resident could also receive up to $20,000 in TIF (Tax Increment Financing) grants, depending on loan qualifications. On the surface, this means that each household could possibly receive $75,000 for its displacement.

In order to receive this full amount, the owners would have to actually reside in the home (i.e. not be a renter) and qualify for a mortgage of a certain percent of the new home purchase price. There is a correlation between the mortgage amount the household qualifies for and the qualifying TIF grant amount: the less the household qualifies for in a mortgage, the more money it can receive from in TIF funding. This is assuming that TIF grants will actually be used—there are still some questions as to whether this will be the case. Also, federal money cannot be promised until the actual date of the transaction.

In addition, the disposition fee seems to be used mainly for pre-settlement expenses. This money would not come in the form of a check, but more like a “debit” account where the developers would put this money forward and then subtract from it any fees associated with the cost of closing on the new property, such as credit checks, appraisal fees, application fees, title insurance, recording fees, etc.

The relocation fee would only be provided if the household moved to Calvert Park Landing and gave proof to the developers of having done so. This fee would be paid out within six months of closing and/or proof of residence in Calvert Park Landing (see Option Agreement, Paragraph Eight).

There are different monetary amounts available to non-residents as well. If a renter currently occupies a home, the resident would be eligible for the $10,000 relocation fee, and not the actual property owner. For people who own land only, they will be given a monetary amount dependant on the size of the property in question.
Monetary amounts within the Option Agreement break down into several categories:

- Property purchase prices that can be found in “Exhibit A” which is included as an appendix and states $50,000 for improved land (which is land and buildings on that land)
- Unimproved land (land without buildings) will be bought at a price of $0.70 per square foot, which amounts to $30,492 per acre
- Incentive fee of $10,000 if (and only if) household relocates to the Calvert Park Landing neighborhood (this fee does not get paid prior to settlement on the new home, only after showing proof of closing and within six months of that time)
- Relocation fee of $10,000 for relocation expenses
- Closing fee of up to $5,000 for disposition expenses such as title, legal, filing, and transfer fees

In all, it looks like only $60,000 at a maximum would be available to the household to use directly for the cost of the new home, leaving a difference of at least $25,800 in costs for the move.

III. Brokerage and Mortgage Scenarios

Brokerage Scenarios
Historically, brokers worked to bring lenders to perspective homeowners and perspective homeowners to lenders, seeking the best deal for both parties; now, brokers may work in their own interest or in the interest of the lender. According to HUD, mortgage brokers are involved in about sixty percent of all mortgage loan transactions (Renuart 470). Prime, or conventional mortgage rates, are generally offered to individuals with a credit rating above 650 whereas those with a FICO (Fair, Isaac and Company) score of less than 650 generally obtain subprime mortgages. FICO credit scores are the most widely-used to determine mortgage rates. Subprime lenders usually charge higher points and fees than those lenders offering conventional mortgages. Points refer to a certain percentage of the mortgage that lenders charge for its provision. Foreclosure rates are much higher in the subprime market than in the conventional market. African Americans and Hispanics are disproportionately represented in the subprime market, as well as borrowers aged fifty-five and older.

Mr. Ulice Jordan
Lester Petty has offered Ulice Jordan and Mid-America Mortgage Corporation as a potential broker and brokerage firm for the proposed real estate development. Currently we do not have a lot of information on this individual. Mid-America Mortgage Corporation does make subprime loans. Professor Lynne Dearborn of the University of Illinois at Urbana-Champaign, is emailing Susan Simone and Diane Thompson of Land of Lincoln Legal Assistance Foundation, Incorporated to obtain any available information they may have about the Mid-America Mortgage Corporation or Mr. Jordan. The Land of Lincoln Legal Assistance Foundation, Incorporation is a non-profit entity that provides civil legal services to low-income persons and senior citizens in central and southern Illinois.

In the October 1, 2005 meeting, Lester Petty presented himself not only as the developer, but also as a representative of the lender. This causes further concern about the legitimacy of the
Conflict of interest issues arise and makes one wonder about the relationship between (and legality of) Lester Petty, his development company, the lender, and all other involved parties.

Predatory Loans
While it can be argued that there is no formal definition of a predatory loan, the term is most easily described by the following five characteristics:

1. loans that are structured to result in seriously disproportionate net harm to borrowers,
2. harmful rent-seeking,
3. loans involving fraud or deceptive practices,
4. other forms of lack of transparency in loans that are not actionable as fraud, and
5. loans that require borrowers to waive meaningful legal redress (Renuart 474)

Predatory lending falls into three general categories: fraudulent target marketing, abusive loan terms, and fraudulent lender behavior (Dearborn 8). In other words, due to their race, ethnicity, gender, education, or financial background, certain homeowners are targeted by lenders who convince them to borrow money; loans are created that use unlawful practices in order to increase interest rates to benefit the lender; and the lender may employ abusive tactics in order to pressure the perspective homeowner into signing a contract that he or she does not understand.

Possible Scenario
There are several possible predatory loan scenarios, but the following seems to fit the pattern of events witnessed with Lester J. Petty and Associates, Inc. thus far.

A broker agrees with one or more lenders to bring business to an area. This broker then contacts potential borrowers (the residents of Rush City) through the mail, telephone, or door-to-door in order to scope the situation (a new home, buy-out option survey via certified mail, etc.). If homeowners seem interested, the broker then baits them with promises that he cannot fulfill (the relocation of the residents to new housing that they cannot possibly afford in their present financial situations in Calvert Park Landing). The broker tries as best he can to get the homeowner to commit early to a loan, sometimes having them sign a form in which they agree to pay the broker even if the loan falls through. Information is passed from the broker to the lender and oftentimes, the broker is rewarded for securing these loans with a yield spread premium (YSP, an advance payment given to the broker for bringing the lender a loan with an interest rate inflated to an amount higher than the par rate to cover the cost of the fee). Meanwhile, the predatory loan is not generally presented to the borrower until settlement occurs.

While there are some steps that homeowners may take to safeguard against predatory loans at settlement (outlined below), it is difficult to catch changes in the mortgage rates, hidden payments and fees, unbundling, and any other number of possible charges at the time of settlement due to the limited amount of time and large amount of paperwork. It is possible that the Entropic Ethanol IDEA, Inc. buy-out option is really a mortgage loan scam.
Mortgage Scenarios
Care must be taken before agreeing to assume a mortgage. Documents involved in the transaction should be read thoroughly prior to signing, not only by the residents, but by a lawyer or other third party to assure that it does not contain anything detrimental to the borrower.

Mortgage Types Available
- Fully Amortized – a loan where the monthly payment consists of principal and interest that partially pays off both each month over the term of the loan; this is the conventional type of mortgage and assures a constant monthly payment that is known up front
- Adjustable-rate mortgage (ARM) – loan that has a fluctuating interest rate, usually tied to an index. ARMs generally have a base rate and a percentage is added to that rate according to the fluctuations of the index to which it is tied. Care must be taken regarding these types of mortgages: make sure the index is legitimate and make sure that there are not provisions where fluctuations in rates only occur when the rates rise.
- Interest Only – a loan where only interest is paid during the term of the loan with the entire principal amount due with the final interest payment (known as a balloon payment)
- Reverse Annuity Mortgage (RAM) – loan where the homeowner receives monthly payments based on accumulated equity rather than one lump sum; these amounts are repaid at a certain date or upon the owner’s death or sale of the property

TIF Grants
The City of East St. Louis TIF Department could provide approximately $1.06 million as gap financing for the relocation of Rush City residents who purchase homes in Calvert Park Landing. Gap financing, also known as standby financing, is defined in Investment Analysis: For Real Estate Decisions as “an arrangement where a lender agrees to keep a certain amount of money available to a prospective borrower for a specified period of time.” According to the Daily Journal of Commerce, TIF grants are “used to finance public infrastructure and spur economic development and redevelopment of blighted neighborhoods.”

According to Veronica Gonzalez, a former TIF administrator, the proposed TIF grant amount of $1.06 million works out to be approximately $20,000 per unit. This is not possible considering that amount is not being generated by the project.

As of yet (November 16, 2005), there have been no applications for these grants and therefore this money can in no way be guaranteed as being available. More information can be found in the Illinois TIF Act.

Racial Disparities when Obtaining Mortgages
It has been shown historically that African Americans, Hispanics, and the elderly, all else being equal, receive higher rates on mortgages, presumably because of the risk factors involved in making those loans. This can often be seen in the form of predatory lending. Some acts and regulations have been put into place to insure that all costs associated with mortgages are known prior to settlement and that the creation of a mortgage falls within legal frameworks.

- Truth-in-Lending Act – a consumer protection act intended to force lenders to be truthful in their advertising of the cost of a loan; implemented by Regulation Z
Regulation Z – requires credit institutions to inform borrowers of the true costs of obtaining a loan (annual percentage rates); certain advertising triggers disclosures in ads
Real Estate Settlement Procedures Act (RESPA) – a federal statute that regulates the disclosure of closing costs in advance of settlement and prohibiting kickbacks for referring customers to specific title companies
Fair Credit Reporting Act – an act enforced by the Federal Trade Commission, designed to promote accuracy and ensure the privacy of information used in consumer reports
Community Bank Reinvestment Act – federal law establishing record-keeping requirements for lenders’ investments in inner-city areas
Civil Rights Act of 1866 – act that prohibits any racial discrimination in the sale or rental of housing with no exemptions
Executive Order No. 11063 (1962) – prohibits discrimination in housing funded by FHA or VA loans
Equal Credit Opportunity Act (ECOA) – law that prohibits discrimination in lending (including non-housing related) based on race, color, religion, national origin, sex, receipt of public assistance, age, and marital status
Americans with Disabilities Act (ADA) – law that protects rights in employment and public accommodations for individuals with disabilities; requires reasonable accommodations for persons with disabilities
Fair Housing Act – law that prohibits discrimination in the sale or rental of housing based on race, color, religion, national origin, sex, familial status, or disability

Possible Resident Action
While it is impossible to safeguard against all possible types of predatory loans, it is important that residents realize that there are steps that they may take during the closing process of the mortgage to protect themselves against predatory loans. A good faith estimate should be issued to the homeowner forty-eight hours in advance of settlement. Good faith estimates give an estimate of each settlement fee to be charged by third parties and each fee to be imposed by the lender. Legally, it must be given by the lender to the loan applicant within three business days after the loan application. It uses either specific figures (approximations) or ranges of the likely costs to be incurred. Many subprime homeowners are unaware that independent counsel may represent them at the time of settlement. If law students or other legal assistance could be obtained for homeowners at the time of settlement, it may increase the odds of identifying a predatory loan.

Residents also have resources within the metropolitan area available to assist them with the mortgage process. It may not be possible for the residents of Rush City to obtain a market-rate mortgage and avoid using a mortgage broker depending on their household credit ratings. Reputable financial institutions should always be contacted before committing to a subprime loan through a broker. “Don’t Borrow Trouble” is an anti-predatory lending campaign through Freddie Mac that seeks to educate the public and promote alternatives to predatory lending (Freddie Mac is a corporation that buys primarily conventional mortgage loans in the secondary market; it does not guarantee principal or interest payments of these mortgages). Some of the partners in the St. Louis “Don’t Borrow Trouble” Campaign are AARP, the ACORN Housing Corporation, Auer Associates, Beyond Housing/Neighborhood Housing, the Catholic Commission on Housing, the City of Florissant, the City of St. Charles, the City of St. Louis.
Community Development Agency, The Office of Congressman Lacy Clay, Commerce Bank, Consumer Credit Counseling, East-West Gateway Coordinating Council, Equal Housing Opportunity Council, Fannie Mae, FDIC, the Federal Reserve Bank of St. Louis, First Bank Mortgage, Gateway Legal Services, Legal Services of Eastern Missouri, the Missouri State Treasurer, the Office of the Illinois State Treasurer, the St. Louis Association of REALTORS®, St. Louis County Planning, the St. Louis University School of Law, the State of Missouri, the University of Missouri Outreach & Extension Program, US Bank, and the U.S. Department of Housing and Urban Development. There are a few banks affiliated with the St. Louis Campaign that are also listed as members of the Mortgage Bankers Association of St. Louis: Commerce Bank and First Bank Mortgage. As an alternative to using a mortgage broker affiliated with Lester J. Petty and Associates, Inc., these banks could be contacted for information regarding loans, financing, and mortgages. The Land of Lincoln Legal Assistance Foundation may be able to suggest other reputable lenders.

Lastly, an unbiased, third-party should educate the residents of Rush City in the mortgage and home-buying process. While a business student affiliated with the University of Illinois could do so, there are several neighborhood organizations in East St. Louis and the greater St. Louis metropolitan area that could be contacted for assistance with the process in its entirety. The Beyond Housing/Neighborhood Services program, located in St. Louis, Missouri, specifically has a Home Ownership Center with Home Purchase Services (HOPS). HOPS provides training on purchasing a home, one-on-one counseling on budgeting and credit issues, access to favorable home purchase loans, and down payment assistance to homeowners in need of financial assistance. A “Managing Your Money” course is also offered through the Home Ownership Center. This course is offered several times a month in the evenings at the center and explains how to improve your credit and insurance scores, qualify for a market-rate loan, pay off existing debt, pay bills on time, and obtain home insurance coverage. While it may not be possible for residents who work a night-shift to attend this particular course, the HOPS counseling may fit into their schedules.

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IV. PROPERTY TAXES

Taxes in East St. Louis are more than $20 per hundred dollars equalized assessed evaluation. This is more than four times the rate in most other St. Clair County cities, according to ESLARP. There are a few reasons why the taxes are so much higher. One reason is that the city does not have a lot of other revenue coming in, so property taxes are higher to compensate. Another reason is that when numerous properties in an area are receiving exemptions, the tax burden on the remaining properties is increased.

This seems to be part of the ploy (for lack of a better term) by Lester Petty and others. He stated in the October 1, 2005 meeting that by bringing in the new ethanol plant, property taxes would be lowered because of the increased revenue to the locality. See two paragraphs below.

The St. Clair County Treasurer’s Office lists some Illinois property tax exemptions. Senate Bill 1790 is the general owner-occupied homestead exemption. It is available on residential property that is occupied by the owner as the principal dwelling place. The Senior Citizens Tax Assessment Freeze is an exemption available on residential property that is occupied by the owner as the principal dwelling place. The owner must be at least 65 years old with a total annual income of no more than $45,000. The Senior Citizens Homestead Exemption is the same as the Senior Tax Assessment Freeze Exemption, without the annual income qualifier.

There is concern that the property tax values in the new development will be greater than the current rate in Rush City. This is probably true because the value of the property in Calvert Park Landing is greater than the value of the land in Rush City. Based on the information from August 29, 2005, Calvert Park Landing will generate approximately $622,318 annually in real estate taxes. With approximately 90 households, this equates to $6,914 in taxes annually per household. This constitutes approximately thirty percent of average yearly income. The average yearly income is assumed to be $23,000, as reported in the 2000 Decennial Census by the U.S. Census Bureau. Developers would need to assure that residents will be able to receive similar tax abatements to relieve the tax burden they are unable to meet.

V. URA

Rush City is located in an empowerment zone and a TIF district, which allows the developer the capability to receive grants from the government. It is not yet clear whether these grants will be
used. Developers insist Rush City residents will receive a TIF grants to purchase new homes in Calvert Park Landing.

The Uniform Relocation Act (URA) was passed by Congress in 1970 and applies to federally- or state-funded programs. It provides standards for cases that require real estate acquisition or displacement of people from their homes, businesses, and farms. The URA was set up to provide uniform and fair treatment to people being displaced in government-funded projects. It provides these people with assistance in their relocation so that the emotional and financial impact is lessened. The URA makes sure that people being displaced have safe and sanitary housing available within the individual’s financial means. The Act helps people living in substandard housing conditions improve their situation. The URA also makes sure that the agreement goes quickly, smoothly, and is free from any sort of coercion.

The URA does several things to assist in residential displacements. Some of these include: providing relocation advisory services to both tenants and owners, providing a minimum 90 day written notice to vacate prior to requiring possession, reimbursement for moving expenses, and providing payment for the additional cost of renting or purchasing comparable replacement housing. More information on the URA can be found at HUD’s website, under the heading “Homes and Communities”.

At this point, it is not known whether the Entropic Ethanol LLC development will be receiving federal or state funding. If it does receive government funding and since all government-funded projects must follow the URA guidelines, the current purchase option provided by Lester J. Petty & Associates, Inc. must comply with the URA provisions. If the development is not government-funded, the purchase option should still use similar guidelines to the URA because they have been set up to provide a fair standard in the relocation process.

*Lester Petty stated in the October 1, 2005 meeting that if the URA comes into play, the deal he is offering comes off the table. Residents can elect not to conform to the URA guidelines and go with Petty’s offer, but they would be giving up the legal rights contained within the Act.*

**VI. Concluding Thoughts**

With the offer as it currently stands, the houses in Rush City are worth more to the residents than the amount the developer is willing to pay for them. Any counter offer needs to address these monetary concerns and improvements to help ease the emotional and financial stress that will be brought about because of the relocation.

In order to make the purchase of a new home feasible for the residents of Rush City, the purchase option should cover at least the $10,500 total difference between the original offer amount and the cost of a new home in Calvert Park Landing, if not the $25,800 difference in purchase prices.
A Deed for A Deed
The residents of Rush City seem to support the new housing proposal and their relocation, but the primary concern is the new mortgages many will need. Residents would prefer a deed for a deed deal. Most, if not all, of Rush City residents have already paid their current mortgages in full. They also do not have the expendable income to pay for the difference between what they will get for their existing homes and what is required for a new property.

Some precedent can be seen in the HOPE VI projects related to public housing. Deed-for-deed exchanges seem to be fairly common with federally-owned public housing, but not as common with privately-owned housing. There was a federal mandate, one-for-one replacement, which stated that for every federally subsidized housing unit that will be destroyed, a new housing unit must be built in its place. This federal mandate does not seem to be effective.

The HOPE VI projects offered through the U.S. Department of Housing and Urban Development are examples of this sort of one-for-one deal. HOPE VI was set up to drastically change and improve the quality of public housing in the United States. Any Public Housing Authority that has severely distressed public housing units is eligible to apply for help through this program. Using the program as a guideline could help establish positive attributes for a relocation program.

One guideline would be to create an improvement in physical surroundings in the new development, compared to the residents’ current conditions. Another would be to establish positive incentives and comprehensive services, leading to more resident empowerment. Poverty stricken areas can be improved by creating new housing in a more mixed-income community. Another guideline would be to create partnerships with local governments, nonprofit organizations, and private businesses to receive support and resources. The HOPE VI Revitalization Grant funds community and supportive service programs for residents, including those relocated as a result of the revitalization efforts.

There is evidence that the HOPE VI projects do not always meet their goals. An article on the National Housing Institute’s website states that “a close look at the national numbers reveals that HOPE VI developments usually create fewer units than they tear down, and many of the new units aren’t within financial reach of families being displaced (New Hope for Public Housing).” There is also evidence that HOPE VI does not involve much residential participation, in practice. The goal in Rush City should be to involve residents in decisions and make sure new housing is within residents’ financial reach.

Final Suggestions for Counter Proposal
If Entropic Ethanol IDEA, LLC and Lester Petty feel the new industrial development will bring them a great profit, they should be able to offer current residents a home for the home they’re leaving without any financial burden. The residents should be provided with enough compensation to cover the entire cost of their new home, up front, prior to the signing of any documents at the settlement table.
Any counter offer should also provide compensation for the existing non-residential structures in Rush City (community center, churches, etc.). These buildings are very important to the residents of Rush City and they should not be left out of the equation.

Counter offers should also include guarantees that new housing will be 100 percent complete prior to residents being required to move out of their existing homes. Residents are being displaced and they should not have to move into temporary housing prior to moving into new permanent housing.

Another concern is the quality of construction in Calvert Park Landing. To make sure housing is up to standards and codes, a third party organization should inspect all aspects of the building throughout its construction phase prior to resident move-in.

In addition, demolition of structures in Rush City should not be started until all residents have been relocated. The progressive demolition of existing homes could be emotionally harmful if residents are still living in the area.

Some comments have been made that the residents could look for their own developer and relocation sites, possibly in Southern Illinois where home prices and property tax rates are not as high.

VII. REFERENCES

Primary Sources

Interviews and Meetings


Option Agreement Documents

_____ . Letter to Rush City property owners. 2005. 16 (August). [Gives the actual Option Agreement and provides an opportunity for the residents to sign and execute the Option].
Secondary Resources

Journals


Books


Reports


Webpages


