

3.6 Socioeconomics

The Study Area consists of the Chicago metropolitan area, which includes the City of Chicago and approximately 60 smaller communities in southeast Lake, Cook, DuPage, and Will counties in Illinois and Lake County in Indiana.¹ The Study Area encompasses the greater Chicago metropolitan area because of the strong social and economic ties among communities within the metropolitan area and the commuting and employment connections among these communities. The potential effects of the Proposed Action are not limited to the communities directly adjacent to the EJ&E or CN rail lines, but could directly affect residents or workers in other parts of the Study Area.

The Chicago metropolitan area generally has a strong, vibrant, and growing economy. However, not all areas are experiencing the same level of economic growth. The suburbs to the northwest of Chicago have experienced tremendous prosperity, while the historically industrial areas southeast of Chicago, such as Gary and Hammond, Indiana, have lagged economically. Even communities with relatively high median incomes and property values in Illinois have areas where poor physical conditions are reflected in lower than average property values (Lake County, Illinois 2007a).

The EJ&E rail line began operation in 1891, and the majority of residences and businesses in the Study Area were built after the line was constructed. Most residential, industrial, or commercial areas were built around the EJ&E rail line, and the line is a component of the local society and economy.

3.6.1 Population

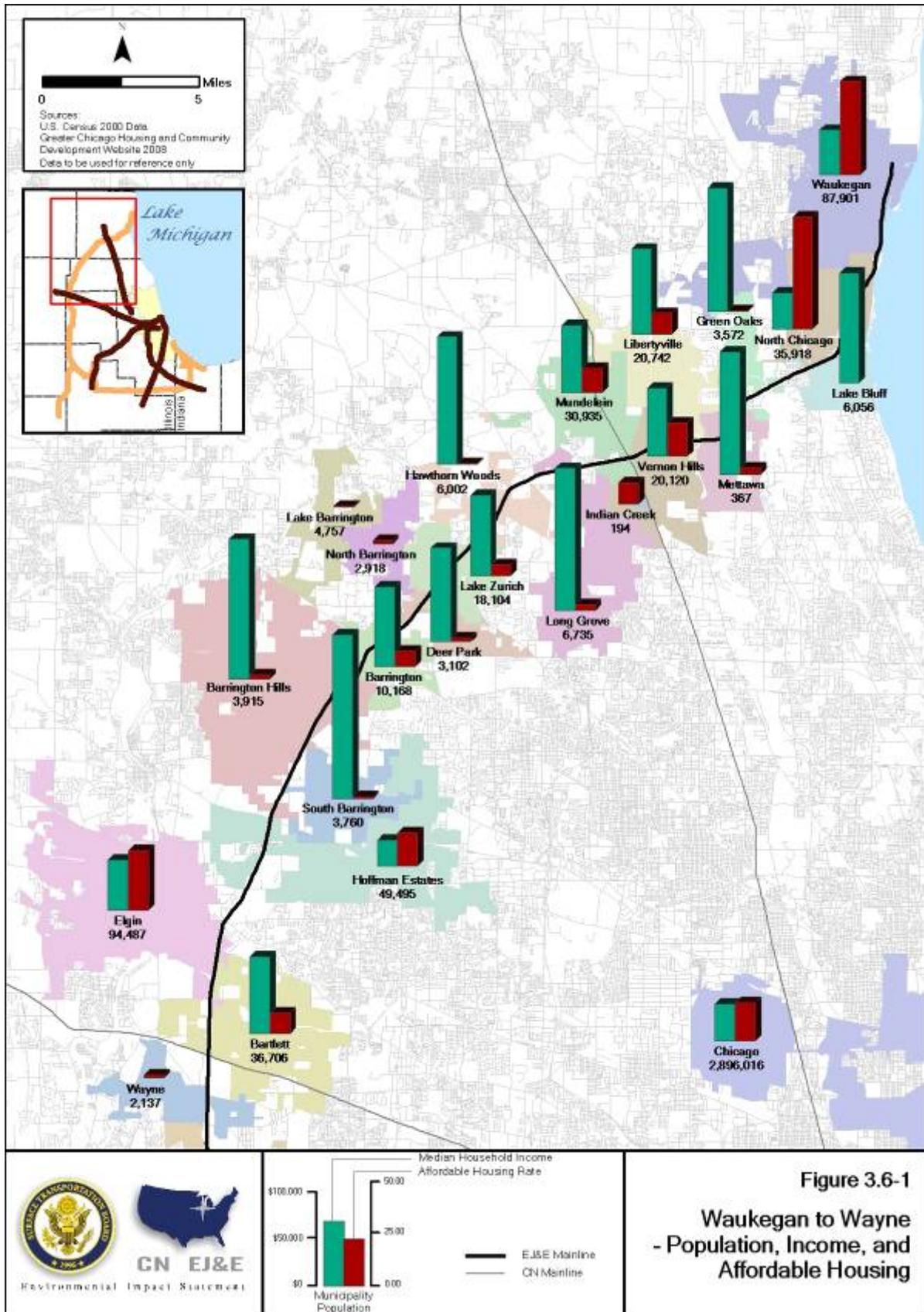
3.6.1.1 *Local and Regional Population*

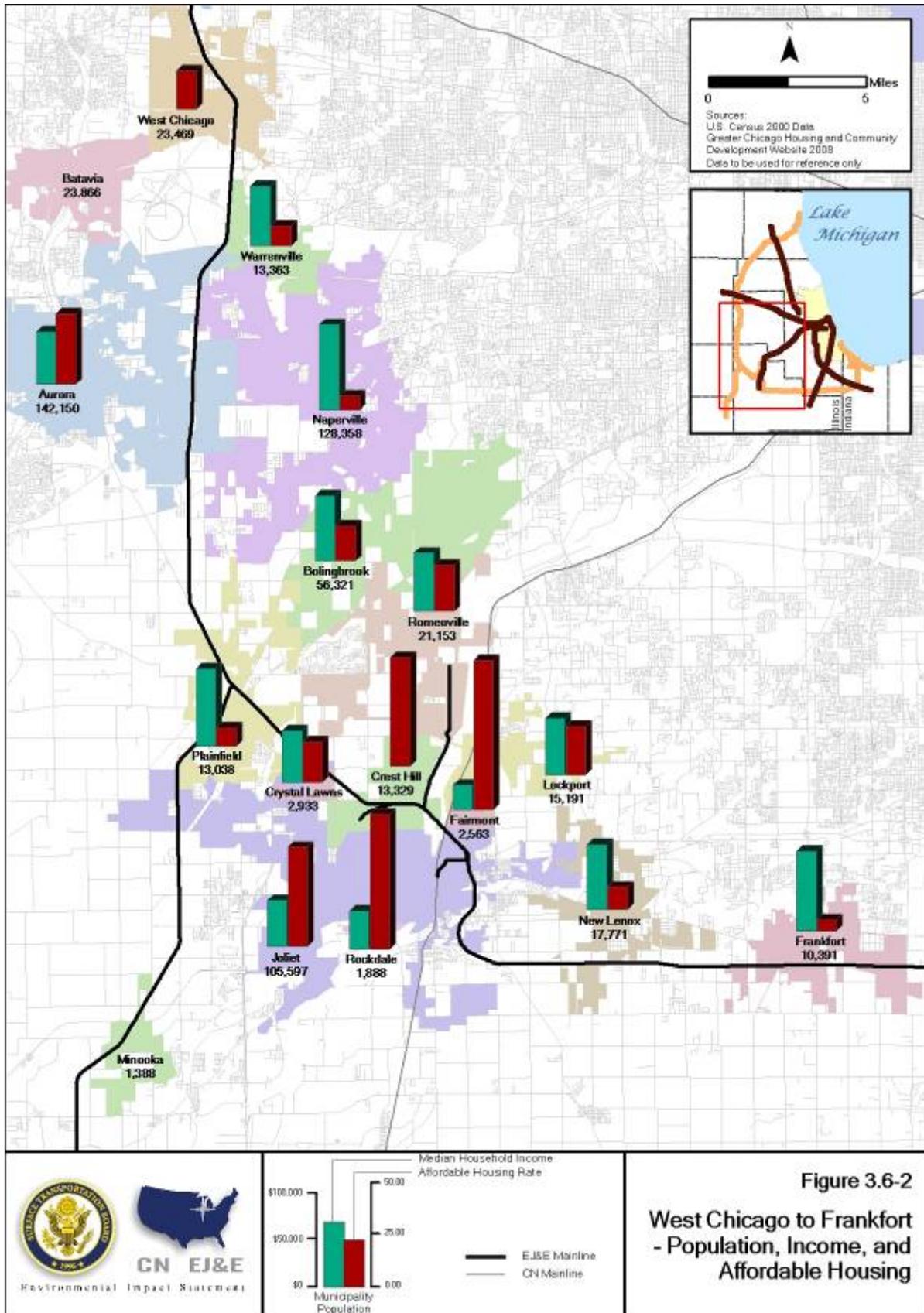
The Chicago metropolitan area (Study Area) includes the City of Chicago; several moderately sized municipalities; a large number of smaller incorporated and unincorporated communities; and agricultural land. Chicago has a population of 2,896,016; four other municipalities in the metropolitan area have populations greater than 100,000: Gary, Indiana (102,746), Joliet, Illinois (106,221), Naperville, Illinois (128,358), and Aurora, Illinois (142,990) (U.S. Census Bureau 2000). The communities in the Study Area vary in size and population, but most are well-developed, established communities.

In the most recent census, year 2000, the population of the Chicago metropolitan area was 7,912,088. The vast majority of residents (5,376,741) lived in Cook County; none of the other four counties had a population greater than 1,000,000 (U.S. Census Bureau 2000). Figure 3.6-1 through Figure 3.6-3, below, show population, income, and housing affordability rates for communities within the Study Area.² The height of the graphs for income and affordable housing rates represents a direct comparison of a city's status to other sites in the Study Area. The population bars are intended to show the relative size of each city and are not to scale.

¹ One of the alternative designs for the Munger connection includes a small portion of land in Kane County, Illinois. Information for Kane County is not included in the discussion below because of the limited scope of work within the county, lack of potential effects of the Proposed Action on the county, and the possibility that including information for Kane County would distort the discussion presented below.

² Information presented in these figures was obtained from a variety of sources that track and compile data differently or may not account for unincorporated communities. Therefore, some data in these figures may not be available for each community.





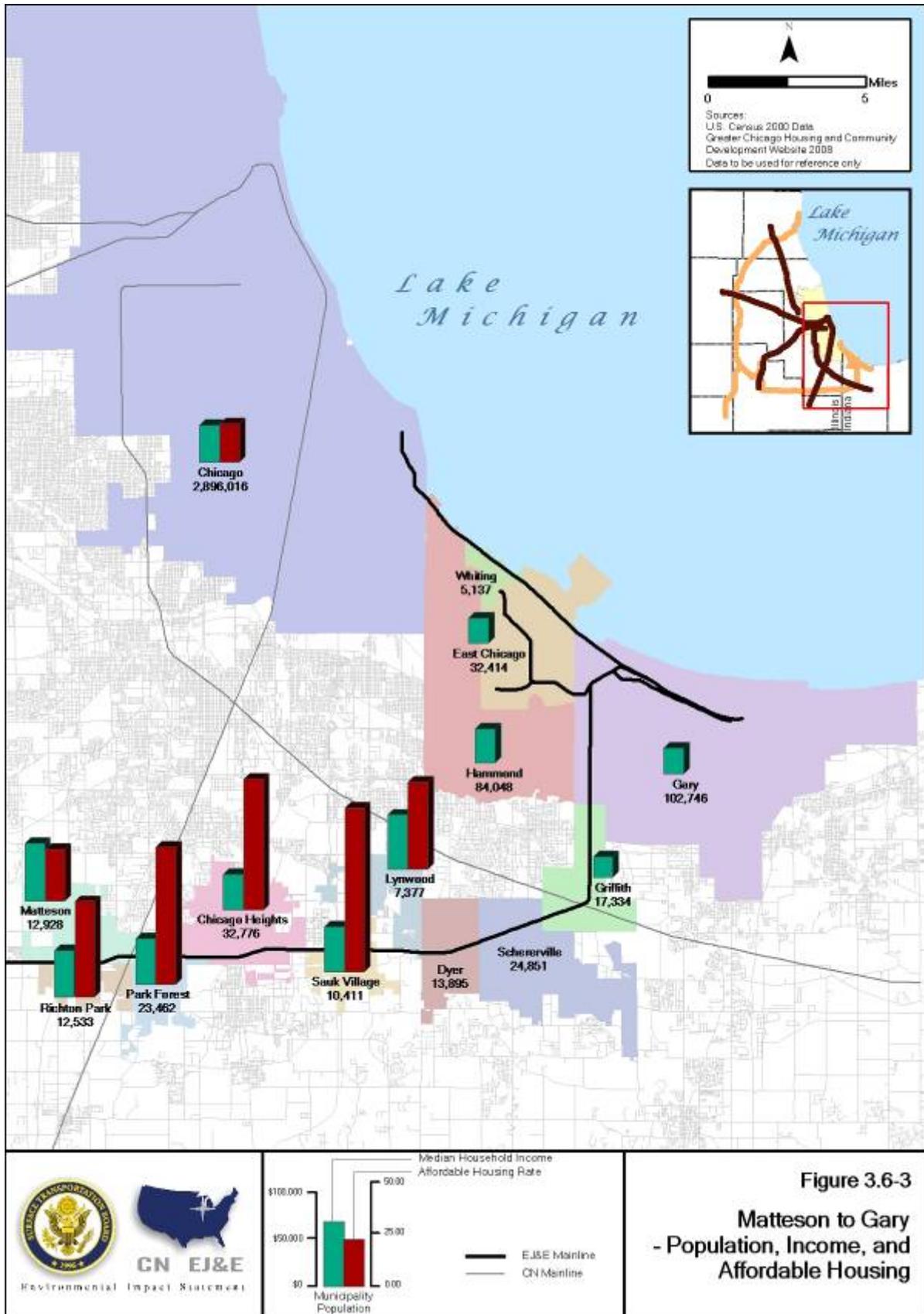


Figure 3.6-3
Matteson to Gary
- Population, Income, and
Affordable Housing

3.6.1.2 Projected Population Changes

The western and southern portions of the Study Area are experiencing rapid growth, and large tracts of land, often agricultural, have been converted to residential and commercial development. The areas along the EJ&E rail line from Joliet, Illinois to Gary, Indiana include older, established residential and commercial areas where less rapid growth is expected. However, the population of Will County, Illinois, in the southwest portion of the Study Area, is projected to increase by more than 100 percent between 2000 and 2030, as areas farther from Chicago are developed (Northeastern Illinois Planning Commission [NIPC] 2006). Table 3.6-1, below, lists the communities in the Study Area that the Northeastern Illinois Planning Commission expects to increase by more than 100 percent in population between 2000 and 2030. During this period, the population is expected to increase by more than 400 percent in the communities of Frankfort, New Lenox, and Plainfield, Illinois. The population of the Chicago metropolitan area is predicted to grow by approximately 24 percent, to nearly 10 million, during this period. This analysis considers a community to be experiencing rapid growth if the population is expected to more than double in 30 years (NIPC 2006).

City	Average Annual Population Growth (%)	30-Year Growth Rate (%)
Frankfort,	14.5	436
New Lenox	13.6	410
Plainfield	13.4	404
Richton Park	6.4	192
Matteson	6.2	187
Hawthorn Woods	5.5	165
Lockport	4.6	138
Wayne	4.0	122
Lynwood	3.7	112
Romeoville	3.5	107

Source: NIPC, *Northeastern Illinois Planning Commission 2030 Forecasts of Population, Households and Employment by County and Municipality*, available online at http://www.cmap.illinois.gov/2030_forecasts.aspx, September 27, 2006.

Other communities along the EJ&E rail line are projected to experience much lower rates of population growth between 2000 and 2030. Illinois communities with low rates of population growth (less than 0.5 percent per year) are listed in Table 3.6-2, below.

City	Average Annual Population Growth (%)	30-Year Growth Rate (%)
Rockdale	-0.01	-1
Barrington	0.1	2
Libertyville	0.1	3
Waukegan	0.1	5
Indian Creek	0.2	8
Chicago Heights	0.3	10
Mundelein	0.3	10
Park Forest	0.4	10
Chicago	0.4	12
Warrenville	0.4	12
Hoffman Heights	0.4	13
Lake Zurich	0.4	13

Source: NIPC, *Northeastern Illinois Planning Commission 2030 Forecasts of Population, Households and Employment by County and Municipality*, available online at http://www.cmap.illinois.gov/2030_forecasts.aspx, September 27, 2006.

Although the population of Lake County, Indiana, grew by 2 percent between 2000 and 2006, the population of Gary, Indiana, decreased 11.7 percent from 1990 to 2000 and by an additional 2.7 percent between 2000 and 2003. Other towns in Lake County, Indiana, also experienced minor population losses between 1990 and 2000, including Hammond (84,236 to 83,048), Griffith (17,916 to 17,334), and East Chicago (33,892 to 32,414) (U.S. Census Bureau 2000). Population in Lake County, Indiana, is expected to grow at an annual rate of 0.18 percent (20-year growth rate of 3.7 percent) between 2005 and 2025 (Indiana Workforce Development 2008a).

3.6.2 Economics and Employment

3.6.2.1 General Economic Climate

The Illinois Department of Commerce and Economic Opportunity (IDCEO) describes the general economic climate of the Chicago metropolitan area as “located at the industrial and geographic heart of the nation.... One-fifth of the U.S. Gross National Product is produced in the Midwest and nearly half of all the goods and services created in the U.S. are produced within one day’s drive of the [Illinois] state line” (IDCEO 2007). Rail shipping is critical to the economy of the area and the state; Illinois ranks fourth among states in value of manufacturing shipments (IDCEO 2007).

Major industries concentrated in Illinois include chemicals, primary metals, industrial and farm equipment, electronic equipment and appliances, electronic components, food processing, and printing. Illinois leads the nation in the production of construction machinery, cookies, candy, service industry machines, and heating and air conditioning components. The state also leads the nation in the production of farm machinery, cereals, plastic products, and machine tool products (IDCEO 2007). The most recent census, 2000, reported 4,297,686 jobs in northeastern Illinois (U.S. Census Bureau 2000). Table 3.6-3, below, presents historic employment totals for the five-county region.

Table 3.6-3. Historic Employment Totals by County in Northeastern Illinois and Lake County, Indiana^a

County /Metro Area	Employment			
	1990	1995	2000	2005
Lake County, Illinois	276,849	292,819	325,926	342,977
Cook County, Illinois	2,422,169	2,510,221	2,596,408	2,420,303
DuPage County, Illinois	436,136	489,770	511,994	495,852
Will County, Illinois	174,505	207,973	267,410	319,603
Lake County, Indiana	230,157	188,606	199,556	212,360
Illinois	5,560,548	5,857,677	6,176,837	6,112,981
Indiana	2,509,700	2,662,514	2,894,131	2,942,200
U.S.	139,380,900	148,982,800	166,758,800	Not Applicable^b

Sources: Illinois Department of Employment Security, *LMI [Labor Market Information] Source*, retrieved on February 29, 2008, <http://lmi.ides.state.il.us/>, March 2006.
Northwestern Indiana Regional Planning Commission (2007d), *Census Changes*, retrieved on March 11, 2008, <http://www.nirpc.org/Census-DemoIntro.html>, 2007.

Notes:

^a Non-farm employment only

^b The national employment total for 2005 is not included because Hurricane Katrina severely reduced employment in the U.S. during the last quarter of 2005 and skewed employment data

Retail sales in the Chicago metropolitan area account for 4.1 percent of all sales in the U.S. Chicago ranks third among metropolitan statistical areas in this category and has sales larger than 28 states (IDCEO 2007). Retail sales in 2003 totaled \$90.7 billion (Crain's Chicago Business 2004).

As of March 2008, the national economy appeared to be slowing after several years of robust growth. In the Chicago metropolitan area, the demand for commercial property has continued to be strong, and vacancy rates are at five-year lows, "though the first sign of slowing may have come this (fourth) quarter in the net absorption figure, a key gauge of demand for office space, which was the lowest it's been all year" (Baeb 2007).

3.6.2.2 Current Employment by Industry

As shown in Table 3.6-4, below, occupations in the transportation and material moving sector provide the fourth-leading source of employment in the Chicago metropolitan area³ behind office and administrative support, sales and sales-related, and production occupations.⁴ Employment in the transportation and material moving sector includes all forms of rail and highway transportation, as well as taxi drivers, airline pilots, sailors, and parking attendants. White-collar jobs, such as office, sales, management, and computer technology, make up the majority of employment in the Chicago metropolitan area. The transportation and material moving sector accounts for roughly 8 percent of total employment in the Chicago metropolitan area. There are more than 183,000 construction workers in the Chicago metropolitan area. A greater percentage of workers around Gary, in the southeast portion of the Study Area, are employed in the transportation and material moving sector (9.1 percent) than in Lake County, Illinois, in the northwest portion of the Study Area (6.8 percent) (U.S. Department of Labor, Bureau of Labor Statistics 2008).

³ The U.S. Department of Labor, Bureau of Labor Statistics regards Chicago, Naperville, and Joliet as one metropolitan statistical area, and Lake County, Illinois, and Gary, Indiana, as two separate areas. The information above, therefore, encompasses the Study Area as well as other areas outside the Study Area.

⁴ Production operations include a wide variety of occupations related to assembling products, such as foodstuffs, machinery, or textiles.

Occupation Title	Chicago Metropolitan Area (all areas combined)	Chicago, Naperville, Joliet Metropolitan Statistical Area	Lake County, Kenosha, Illinois-Wisconsin Metropolitan Division	Gary, Indiana Metropolitan Division
All Occupations	4,413,800	3,753,920	387,950	271,930
Office and Administrative Support	772,770	664,030	65,910	42,830
Sales and Sales-Related	483,220	409,190	45,590	28,440
Production	374,230	315,150	36,040	23,040
Transportation and Material Moving	357,660	306,590	26,340	24,730
Food Preparation and Serving-Related	324,390	271,340	27,700	25,350
Education, Training, and Library	271,830	227,830	26,980	17,020
Business and Financial Operations	247,770	217,870	22,320	7,580
Healthcare Practitioner and Technical	219,390	187,340	15,420	16,630
Management	195,310	169,600	17,230	8,480
Construction and Extraction	183,320	148,000	17,090	18,230
Building and Grounds Cleaning and Maintenance	154,560	128,700	16,060	9,800
Installation, Maintenance, and Repair	151,580	120,410	16,300	14,870
Computer and Mathematical Science	114,570	102,380	10,190	2,000
Protective Service	108,980	97,770	5,500	5,710
Personal Care and Service	108,420	90,520	9,790	8,110
Healthcare Support	98,130	83,830	7,070	7,230
Architecture and Engineering	64,410	54,300	6,440	3,670
Arts, Design, Entertainment, Sports, and Media	52,850	46,610	3,990	2,250
Community and Social Services	46,740	39,800	3,710	3,230
Legal	40,080	38,690	NA ^a	1,390
Life, Physical, and Social Science	38,710	31,720	5,790	1,200
Farming, Fishing, and Forestry	2,390	2,250	NA ^a	140

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Occupational Employment and Wages, May 2006," *Occupational Employment Statistics*, retrieved on March 18, 2008, <http://www.bls.gov/oes/current/oesrcma.htm>, January 22, 2008.

Note:

^a Estimate not released due to small number of employers.

Table 3.6-5, below, presents information on specific occupations within the transportation and material moving sector. Heavy truck and tractor-trailer drivers account for 54,460 jobs⁵ and constitute a major source of employment in the transportation sector. In 2006, mean hourly wages for heavy truck and tractor-trailer drivers was \$18.07 and mean annual income was \$34,940 (U.S. Department of Labor, Bureau of Labor Statistics 2008).

The Federal government generally does not provide census, occupational, or employment information when there are limited numbers of residents or employers in an area. The U.S. Department of Labor, Bureau of Labor Statistics also does not provide data for many rail occupations in the metropolitan Chicago area; statewide data are the best available. As shown in Table 3.6-6, following Table 3.6-5, there were more than 6,000 railroad workers in Illinois in 2006, and 440 rail yard workers in the Chicago metropolitan area (shown in Table 3.6-5). These positions paid a mean hourly wage of between \$14.85 for rail yard workers and \$32.55 for locomotive engineers (U.S. Department of Labor, Bureau of Labor Statistics 2008).

Occupation Title	Chicago Metropolitan Area (all areas combined)	Median Hourly Wage	Mean Hourly Wage	Mean Annual Wage	Chicago, Naperville, Joliet Metropolitan Statistical Area	Lake County, Kenosha, Illinois-Wisconsin Metropolitan Division	Gary, Indiana Metropolitan Division
Transportation and Material Moving Occupations	357,660	\$12.91	\$15.73	\$32,710	306,590	26,340	24,730
Truck Drivers, Heavy and Tractor-Trailer	54,460	\$19.89	\$18.07	\$34,940	44,700	3,570	6,190
Rail Yard Engineers, Dinkey Operators, ^b and Hostlers ^c	440	\$14.85	\$17.60	\$33,642	440	NA ^a	NA ^a
Transportation Workers, All Other	60	\$15.32	\$17.87	\$37,160	NA ^a	60	NA

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Occupational Employment and Wages, May 2006," *Occupational Employment Statistics*, retrieved on March 18, 2008, <http://www.bls.gov/oes/current/oesrcma.htm>, January 22, 2008.

Notes:

- ^a Estimate not released due to small number of employers.
- ^b Dinkey operators use small locomotives to maneuver rail cars within the yards.
- ^c Hostlers operate locomotives around a shop area, taking them in and out of the shop for repair.

⁵ Local or delivery truck drivers are a separate category and are not included in the 54,460 heavy truck and tractor-trailer drivers.

Occupation Title	Employment	Mean Hourly Wage	Mean Annual Wages
Locomotive Engineers	2,030	\$32.55	\$67,710
Railroad Brake, Signal, and Switch Operators	2,080	\$27.64	\$57,490
Railroad Conductors and Yard Masters	2,470	\$30.63	\$63,700

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Occupational Employment and Wages, May 2006," *Occupational Employment Statistics*, retrieved on March 18, 2008, <http://www.bls.gov/oes/current/oesrcma.htm>, January 22, 2008.

In addition to the transportation employees in Illinois, there are an additional 260,000 transportation workers in Indiana, including 53,000 heavy and tractor-trailer truck drivers and slightly more than 2,000 railroad workers. Table 3.6-7, below, presents jobs and the hourly and annual wages for each category.

Occupation Title	Employment	Mean Hourly Wage	Mean Annual Wages
Transportation and Material Moving	263,630	\$14.18	\$29,490
Truck Drivers, Heavy and Tractor-Trailer	53,030	\$18.32	\$38,110
Locomotive Engineers	1,840	\$23.78	\$49,450
Railroad Brake, Signal, and Switch Operators	190	\$22.13	\$46,020
Railroad Conductors and Yard Masters	NA ^a	\$26.84	\$58,880

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Occupational Employment and Wages, May 2006," *Occupational Employment Statistics*, retrieved on March 18, 2008, <http://www.bls.gov/oes/current/oesrcma.htm>, January 22, 2008.

Note:

^a Estimate not released due to small number of employers.

3.6.2.3 Income Levels

According to the 2000 Census, the median household income in the Study Area ranged from highs of \$170,755 in South Barrington, Illinois, \$148,150 in Long Grove, Illinois, and \$145,330 in Barrington Hills, Illinois, to lows of \$21,590 in Griffith, Indiana, \$27,195 in Gary, Indiana, and \$26,538 in Hammond, Indiana. Median household income in 2000 was \$38,625 in Chicago, \$47,711 in Illinois, \$41,567 in Indiana, and \$44,334 in the United States (U.S. Census Bureau 2000). Figure 3.6-1 through 3.6-3, above, present income information for the Study Area.

3.6.2.4 Current and Historic Unemployment Rates

The unemployment rate in the state of Illinois was 5.7 percent in 2005. In 2005, unemployment rates for the counties in the Study Area ranged from a low of 4.7 percent to a high of 6.5 percent (Illinois Department of Employment Security 2006; Northwestern Indiana Regional Planning Commission 2007d). In April 2008, the unemployment rate in the six-county area that comprises northwestern Indiana was 4.8 percent and 4.7 percent for the state of Indiana (Indiana Workforce Development 2008b).

3.6.3 Tax Base

3.6.3.1 Property Values

The various communities in the Study Area exhibit a broad range of property values. In 2000, the median value of an owner-occupied home was \$823,300 in Mettawa, Illinois, \$678,800 in South Barrington, Illinois, and \$661,500 in Barrington Hills, Illinois, contrasted with values of \$53,400 in Gary, Indiana, \$77,300 in Sauk Village, Illinois, and \$78,400 in Hammond, Indiana. The median value of a home in Chicago was \$132,400 in 2000. The median value of an owner-occupied home in the United States was \$119,600, \$130,800 in Illinois, and \$97,500 in Indiana (U.S. Census Bureau 2000). In general, the northwest suburbs of the Chicago metropolitan area have the highest property values, and the older, industrial areas in the southeast portion of the Study Area have the lowest property values.

Rents for commercial properties in the suburban areas of Chicago have held relatively steady at about \$20 per square foot since 2000, and in 2007 the overall rent per square foot in the suburban Chicago areas was \$20.42 (Crain's Chicago Business 2007). Between 2000 and 2007, commercial property rents within the downtown Chicago business district fluctuated between slightly more than \$20 per square foot and the recent high of \$28.55 (Crain's Chicago Business 2007). Downtown commercial rents dropped after 2001 and were fairly constant until 2007, when rents jumped by more than \$5 per square foot.

As to be expected in a developed, open market, rents for commercial space in the Chicago metropolitan area have followed vacancy rate fluctuations. Between 2000 and 2007, vacancy rates for commercial space in suburban Chicago ranged from a low of 10 percent in 2000 to a high of nearly 20 percent in 2003. The current vacancy rate for suburban commercial space is 15.6 percent. The vacancy rate for downtown Chicago office space is 13 percent. Vacancy rates ranged from less than 10 percent in 2000 to more than 15 percent in 2003 (Crain's Chicago Business 2007). There does not appear to be published data about the availability of or rental rates for commercial properties in Lake County, Indiana, and a review of commercial real estate websites on June 3, 2008, found a total of two commercial properties available in the city of Hammond, Indiana, and one in Gary, Indiana.

As with prices of residential properties, market prices for vacant land vary greatly in the Chicago metropolitan area depending mainly upon location and adjacent amenities such as shopping centers, and proximity to freeways and public transit. In November 2005, the estimated value of undeveloped land in the Chicago metropolitan area was between \$15 and \$25 per square foot (Supreme Realty Investment 2005).

Three counties within the Chicago Metropolitan Agency for Planning (CMAP) planning area have large percentages of their land in agricultural production. McHenry County, Illinois, has 61 percent of its land in use for agricultural purposes; Kane County, Illinois, 60 percent, and Will County, Illinois, 50 percent (CMAP 2006a). As a result of increased prices for farm commodities, the value of agricultural land in Illinois and Indiana increased by 10 percent and 17 percent, respectively, from 2006 to 2007 (Federal Reserve Bank of Chicago 2008). Farmland prices in northern Illinois averaged \$9,900 per acre for excellent quality farmland and \$5,000 per acre in central Illinois for excellent farmland (AgProfessional 2007).

Based on a review of U.S. Department of Agriculture (USDA) data regarding the value of farmland in the United States, the value of farmland in Indiana is similar to farmland values in Illinois (USDA 2007).

3.6.3.2 Property Tax Rates

Local governments in Illinois and Indiana are authorized to collect property taxes on real property (land and buildings).⁶ Real property in Illinois is assessed at 33.4 percent of market value, except in Cook County, where residential assessment is 16 percent, industrial assessment is 36 percent, and commercial assessment is 38 percent. Statewide property tax rates average approximately 8.86 percent of actual real property value statewide (IDCEO 2005). Property tax rates in the Study Area outside Cook County, Illinois, range from a low of 6.25 percent in Lake Zurich, Illinois, to 8.94 percent in Mundelein, Illinois. Tax rates in Cook County are higher because the assessment rate is lower; property tax rates within the Study Area range from 10.58 percent in Matteson, Illinois, to 17.79 percent in Park Forest, Illinois. Property tax caps are in effect in many Illinois counties, limiting increases in property tax rates to the rate of inflation or 5 percent, whichever is lower (IDCEO 2005).

Property taxes in Indiana are determined by multiplying the local tax rate by the assessed value, after deductions, such as for senior citizens or the blind. The county auditor then applies the state homestead credit and property tax replacement credit to arrive at total tax the property owner will owe the county. Within the Study Area, gross tax rates in Indiana range from 2.46 percent in Schererville to 8.34 percent in East Chicago. The gross property tax rate in Gary, Indiana, is 7.95 percent (Purdue University, Department of Agricultural Economics, Cooperative Extension Service 2005).

Cook County, Illinois, generates nearly 33 percent of all property taxes raised in Illinois, more than \$5 billion in 2004 from property taxes. DuPage, Lake, and Will counties, Illinois, generated more than \$1 billion of property taxes each (Illinois Revenue 2008).

A total of \$971,800,493 in property taxes was levied in Lake County, Indiana, for 2007, an increase of 9.2 percent from 2006 (Indiana Department of Local Government Finance 2008).

3.6.3.3 Local Taxing Districts

There are 5,691 taxing districts in Illinois, including 627 in the four Illinois counties within the Study Area. Taxing districts raise revenue to fund local governments, schools, fire protection, parks, hospitals, and airports. Special districts may include those that collect taxes for forest preserves, street lighting, museums, or a broad array of other governmental purposes.

There are 88 taxing districts in Lake County, Indiana, that include cities, towns, and townships as well as schools, airports, and libraries. Other taxing districts include redevelopment areas, such as the Gary and Hammond, Indiana, redevelopment commissions, and conservancy districts (Indiana Department of Local Government Finance 2008).

3.6.4 Local Businesses

According to CMAP, the Chicago metropolitan area is “a major center of the global economy” and “has strengths in technology, freight, manufacturing, and tourism. The region is home to headquarters of 30 Fortune 500 companies and 12 Fortune Global 500 companies. According to World Business Chicago, the region features 98 corporate headquarters, second nationally to New York. Twenty-five percent of the largest 100 employers in the region are in electronics, computers or telecommunications” (CMAP 2006a).

In 2007, *Crain's Chicago Business* listed more than 170 publicly held firms with annual revenues of more than \$5 million headquartered in the Study Area (Chicago Traveler 2008). Sixty-four of these firms have headquarters within the Chicago city limits, and 19 are located within the communities

⁶ The tax rate information presented is a simplified discussion that does not include details about adjustments or deductions.

adjacent to the EJ&E rail line. Some of these are large, well-known national firms such as Sears, OfficeMax, and CDW Corporation.

Lake County, Indiana, also is home to several major employers and large corporations. The steel industry employs more than 15,000 workers, and the health maintenance, oil refining, and gaming industries also employ a large number of workers (U.S. Department of Labor, Bureau of Labor Statistics 2008).

The majority of community businesses located along the EJ&E rail line were established after the rail line started operation in 1891, and business operations have developed around the EJ&E rail line and the rail crossings. The EJ&E rail line also pre-dates the majority of retail businesses, and shopping patterns likewise developed around the rail line and the rail crossings.

3.6.5 Housing

3.6.5.1 Housing Availability

The current housing market in the Chicago metropolitan area mirrors the national market. After several years of strong demand and increasing prices, the housing market recently slowed and prices have fallen. Nationally, new home sales fell by 22.4 percent to a 13-year low in January 2008 (National Association of Realtors 2008; Goldman 2008). Home prices fell by 15.1 percent in December 2007 compared with the same month a year earlier (Goldman 2008). The national median sale price for a new home was \$216,000 in January 2008, compared with \$254,400 a year earlier (Goldman 2008).

In the Chicago metropolitan area, developers and real estate agents sold 3,796 new single-family homes during the third quarter of 2007, down 34 percent from the same period in 2006 (Gallun 2007). During January 2008, new home sales were down 34 percent compared with January 2007, although this decrease was attributed to “extreme winter weather.” The median home sale price in the Chicago metropolitan area was \$239,700 in January 2008, down 2.2 percent from the same time in 2007 (Crain’s Chicago Business 2008).

Vacancy rates for owner-occupied homes rose to 2.7 percent nationally during the fourth quarter of 2006, an increase of 50 percent from 2004 and the first time in 50 years that the rate has been above 2 percent (U.S. Department of Commerce 2007). The housing market has been further depressed by an excess supply of new homes; the existing inventory of new homes would require an estimated 10 months to sell. Restrictions on home buyers also affect the housing market by reducing the pool of potential buyers: “lenders have tightened their loan criteria amid the subprime lending crisis” (Gallun 2007).

The weak general housing market, in turn, has affected the market for multi-family rental units and condominiums. Rents for Class A apartment buildings⁷ in downtown Chicago fell by 4.3 percent between the third and fourth quarters of 2007, and vacancy rates rose to 8.7 percent from 5.4 percent during the same period (Gallun 2008). While the demand for apartments is slowing, the supply of new apartments continues to grow as new units are finished and become available. Downtown developers will complete a record 1,676 new apartments in 2008, and active projects will continue to come online well into 2009 (Gallun 2008). Also, a record 5,900 condominiums will be completed in 2008, and as the market for owner-occupied units slows, additional condominiums will be added to the rental market, further depressing rents and increasing vacancy rates (Gallun 2008).

⁷ The Building Owners and Managers Association defines Class A buildings as prestigious buildings competing for premier renters with “above average rental rates for the area along with high-quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence” (Officefinder 2008).

3.6.5.2 *Affordable Housing*

Affordable owner-occupied housing is defined as decent, safe, and sanitary dwelling units available at a cost of no more than 30 percent of gross household income to households at or below 80 percent of the county median income. Rental housing is affordable if it is available at a cost of no more than 30 percent of gross household income to households at or below 60 percent of the county median income. According to the most recent 2000 U.S. Census, more than 1.8 million housing units were in the Study Area in 2000. Within the Illinois communities along the EJ&E rail line, the percentage of affordable housing units (as a percentage of total housing units) ranges from a high of 81 percent in Sauk Village to a low of less than 1 percent in Green Oaks, Hawthorn Woods, and Lake Barrington. Slightly more than 19 percent of housing in Chicago is classified as affordable. Twenty-six communities have low rates of affordable housing (defined as less than 20 percent of the total units), 12 have moderate rates of affordable housing (between 20 and 60 percent), and five communities have rates of affordable housing greater than 60 percent (Greater Chicago Housing and Community Development Website 2008). Affordable housing appears to be more common in the older, industrial areas of Chicago and less available in the newer, suburban developments.

In 2004, Indiana ranked seventh in the United States in terms of affordable housing (Kostelac 2005). Only 24.5 percent of Indiana homeowners spent more than 30 percent of their income on housing, compared with a national average of 32.4 percent (Kostelac 2005). In 2004, vacancy rates in Lake County, Indiana, were 2.8 percent for owner-occupied residences and 6.8 percent for rental units (U.S. Census Bureau 2004). Housing is affordable in Indiana because the state had the lowest rate of housing value appreciation in the country between 1999 and 2004 (Kostelac 2005).

3.6.6 *Communities and Community Cohesion*

3.6.6.1 *Communities within Study Area*

The Study Area comprises the City of Chicago and approximately 60 communities surrounding the Chicago metropolitan area, as shown in Figure 1.1-1, Project Vicinity, in Chapter 1. The Study Area consists of a central urbanized area, downtown Chicago, with a relatively high population density and surrounding counties that have strong social, economic, and cultural ties to the central urbanized area, as measured by commuting patterns, employment locations, and sense of place.

3.6.6.2 *Community Cohesion*

Community cohesion is the ability of people to communicate and interact with each other in ways that lead to a sense of community, as reflected in the ability of the neighborhood to function and be recognized as a singular unit. Cohesion may be described as “the quantity and quality of interactions among people in a community, as indicated by the degree to which residents know and care about their neighbors and participate in community activities” (Litman 2007). Community cohesion is dependent upon a number of considerations, including (Litman 2007):

- Population density
- Patterns of growth
- Mix of land uses
- Scale of development
- Public services (shops, schools, parks)
- Transportation infrastructure
- Connectivity, including roads and sidewalks
- Street design
- Coordinated planning process
- Public spaces

While cohesion depends upon larger-scale issues such as population density, land-use patterns, and scale of development, what makes a community a place where people want to live, work, and play often depends on amenities offered. Parks, community events, gathering places, clubs and organizations, sidewalks, and family-oriented activities are examples of how interaction and communication can define community cohesiveness.

Community cohesion in communities with older population may be more sensitive because these areas are potentially less mobile or automobile dependent (Donnelly and Majka 1996). Low-income or minority populations may also be more sensitive to changes within their communities because these groups have a much smaller “spatial sphere of social activities” than other groups because a greater proportion of their family and friends live near their place of residence (Donnelly and Maika 1996). This often leads to strong community cohesion.

Many other factors determine the level of community cohesion. These include community facilities such as parks and schools, and the community’s demographic composition. Section 3.6.7, Community Facilities and Public Services, below, presents information about existing facilities such as community makeup, parks, hospitals, fire and police stations, and schools. Specific demographic data related to environmental justice concerns, such as low-income and minority populations identified within the Study Area, are addressed below in Section 3.7, Environmental Justice, below. Based on these criteria, most of the communities in the Study Area appear to have a high level of community cohesion and a strong sense of place.

The EJ&E rail line is part of the historic and evolving landscape and is a component of the existing levels of community cohesion within the Study Area. The EJ&E rail line has been in continuous operation since 1891 (see Chapter 2, Section 2.1.3, EJ&E Rail System, for a more complete history of the line) and is an existing condition of the Study Area. The EJ&E rail line predates many of the communities listed above, as well as the majority of commercial, industrial, public spaces, or residential development adjacent to the line. The communities within the Study Area have grown up around the EJ&E rail line, and settlement patterns reflect the presence of the rail line. Communities developed their facilities, services, and infrastructure with the EJ&E rail line in place. Projected population growth rates vary widely within the project area and growth, or lack thereof, can be expected to alter community cohesion (Litman 2007). The transformation of agricultural land to suburban residential or commercial also can be expected to alter community cohesion and an existing sense of place. The existing systems of roads and sidewalks were developed to enable movement across the EJ&E rail line; delays caused by train traffic are an existing condition that has been assimilated or otherwise accommodated by residents over time. For detailed information about the existing transportation system and traffic delays, see Section 3.3, Transportation Systems, and Table 3.3-3, Existing Vehicle Delays at EJ&E Highway/Rail At-Grade Crossings, above.

Train-related noise is also a long-term, existing condition for the community facilities and public services described in detail in Section 3.6.7, Community Facilities and Public Services, below. See Section 3.10, Noise and Vibration, below, for a detailed discussion of the existing noise conditions within the Study Area.

As the population of the Study Area communities grows, vehicle delays are expected to worsen and become a greater annoyance to local residents, and have greater potential to disrupt community cohesion. Population growth and increased densities will continue to place more houses closer to the rail line, and increase the number of people subjected to train noise at home and in public spaces.

3.6.7 Community Facilities and Public Services

The Study Area includes many parks and recreation facilities and community and public services. Community facilities and services are important to an area's identity and often are surrounded by businesses catering to their users. Performance halls, senior centers, recreational centers and sports fields, and farmers' markets are examples of public venues that uniquely shape the characteristics of a community. Transportation projects often create changes in access or travel delays for vehicles going to and from these facilities. Figure 3.6-4 through Figure 3.6-7, below, illustrate the locations of these services and facilities, including fire stations, police stations, medical centers and hospitals, schools, and parks, in the vicinity of the proposed connections between the CN and EJ&E rail lines.

3.6.7.1 Community Facilities

Parks and schools are community facilities that play a large part in determining the quality of life in a community. Parks provide recreation and opportunities to connect with other community members; schools are a vital part of a thriving and cohesive community where children and adults come together. Approximately 26 parks in Illinois and 11 parks in Indiana are within 500 feet of the CN and EJ&E rail lines. Section 3.5.5, Public Lands, above, provides information for local parks along the EJ&E rail line. Twenty schools in 17 communities are within 500 feet of the EJ&E rail line.

3.6.7.2 Public Services

Public services in the Study Area include 377 fire stations, 135 police stations, and 84 hospitals serving 98 communities. Because emergency vehicles could be delayed at highway/rail at-grade crossings, Section 3.3.2, Emergency Response, above, identifies the existing emergency services and their locations with respect to the EJ&E rail line. Appendix C, Rail Safety Analysis, shows the locations of the emergency service providers.

