



CENTER FOR NEIGHBORHOOD TECHNOLOGY

Including the Community Energy Cooperative and I-GOSM

2004 ANNUAL REPORT



A Message from the President

DEAR FRIENDS:

People often ask me how we work here at CNT, and while there are always exceptions, our activities do generally follow a pattern. Most of our projects begin with an analysis of a problem. We look at data. We try and understand how some issue looks geographically, in different places and at different scales. We ask ourselves if there are hidden or underutilized assets that can be brought to bear on the problem in new ways, especially in ways that take advantage of market dynamics. Sometimes we launch a demonstration economic development venture. Other times we develop a web-based decision-support tool. And we always use the research to support our advocacy and public policy work.

Most of the initiatives you'll read about in this report combine some or all of these activities—a research and analytic component; a demonstration component; and an advocacy component. And at any given moment different projects find themselves in different places. Some are scaling up. Some are operational. Some are spinning off to assume lives of their own. Some are winding down. In all cases and at all stages, we are constantly learning.

When I reflect on 2004, I see these cycles, like I do every year. But one of the noticeable differences between 2004 and any other is that these cycles were happening against the backdrop of a national election in which the urban issues CNT works on were almost completely ignored. This is no doubt, at least in part, a reflection of what many believe—that cities are the past and that we are now a suburban nation. Maybe, but it is extremely hard to imagine that given the geopolitical, environmental and economic conditions in which we find ourselves,



cities are not also the future. They certainly are in the developing world, where rapid urbanization has pushed the world population beyond a major milestone—half of us now live in cities.

Cities can be our future in the U.S., too. How can we address climate change? Cities. How can we reduce our petroleum dependency? Cities. How can we lower our rising cost of living? Cities again. Cities and their urbanized regions contain a set of conditions and assets that can be applied to foster greater sustainability, environmental and economic. And that's where we come in. We at CNT have been working for twenty-eight years to identify these urban assets and transform them in ways that improve the environment, strengthen the economy and reduce the cost of living.

We hope you enjoy this report and see in the pages that follow how the work we are doing is contributing to a more sustainable planet and a better quality of life.

Sincerely,

Scott Bernstein
President

A Message from the Chairman



FELLOW STAKEHOLDERS IN THE WORK OF CNT:

CNT is an extraordinary and visionary organization that has continued to evolve and grow over the quarter century since its founding, and 2004 was no exception. As suggested by Founder and President Scott Bernstein's message, the vision and mission of CNT are truly expansive and involve concepts with planetary implications. Thus, we are all stakeholders in its work.

But there are many worthy organizations with grand visions. CNT is different because it effectively addresses the complexities of urban ecology from a perspective that is both interdisciplinary and intellectually rigorous. In other words, CNT's approach to understanding and solving difficult problems affecting our environment, our economy and the quality of our daily lives is reality-based. This is evident in the innovative programs that put CNT's insights and innovations to the test in real-world applications.

Early in 2005, Bob Lieberman left CNT to accept an appointment as a member of the Illinois Commerce Commission. As CNT's chief executive, Bob provided inspired leadership for seven years during which CNT continued its long record of positive contributions to the quality of life in the Chicago region and achieved greater recognition nationally as an innovator and contributor to enlightened public policies affecting transportation, energy, the environment and urban economic development.

Kathryn Tholin agreed to serve as interim CEO, as CNT's staff, officers and Board of Directors began to address the challenges and opportunities that always accompany changes in top management. Under her leadership, the vision, experience and dedication of CNT's

entire management team have enabled CNT's important work to go forward smoothly. During this transition period, CNT is continuing to build on its legacy of innovation and the strong foundation that was in place at the end of 2004.

The committee established by the Board to oversee the leadership transition has been working with CNT's officers and has received valuable input from staff and external constituencies as it works to identify and address CNT's organizational and leadership needs for the future. This collaborative process has already yielded significant operational improvements and sharpened CNT's organizational focus. We are confident that CNT will emerge from 2005 with another year of solid accomplishments to its credit and, more importantly, will be well prepared and poised for even greater achievements going forward. We hope and trust that you will share our enthusiasm and commitment to CNT's mission in the years to come.

Sincerely,

George Vinyard
Chairman of the Board of Directors

Mission

Founded in 1978, CNT fulfills its mission by developing and applying strategies that make more efficient and productive use of the undervalued resources in and inherent advantages of the built and natural systems that together create the urban environment.



The Center for Neighborhood Technology is an independent non-profit organization that works to promote more livable and sustainable urban communities.

CNT works across disciplines and issues—including energy, transportation and land use, air quality, health and natural resources—and engages in three primary activities:

Researching & analyzing urban problems and developing information resources, including web-based tools, to change how residents, policymakers and market actors understand and act in response to those problems.

Designing and operating demonstration projects and ventures to address those problems in innovative ways.

Building coalitions to advocate for public policies that could help solve those problems.

CNT is home to two non-profit affiliates that were launched by CNT to advance its mission:

Community Energy Cooperative, a membership organization that develops and implements new initiatives to help consumers and communities control energy costs and reduce energy use.

I-GOSM, a membership-based car sharing organization that provides hourly rental of a fleet of cars located across Chicago and, increasingly, its suburbs.



CNT's long-term goals are to increase household wealth & regional productivity; improve environmental quality; and build stronger and more equitable local economies.

Highlights



CNT and its affiliates had many significant achievements in 2004. Five notable ones are below.

CNT's Community Energy Cooperative received the first annual Inspiring Efficiency Innovation Award from the Midwest Energy Efficiency Alliance for the Cooperative's Energy-Smart Pricing PlanSM (ESPP). ESPP is a market-based electricity pricing program, operated in partnership with the region's electric utility, ComEd, which helps consumers reduce their electricity demand and save money.

Nobel Laureate Vernon Smith, an economics professor at George Mason University, hailed the ESPP program as a national model for electricity demand reduction. Smith, who discussed the value of market-based pricing like that employed by ESPP as a tool for increasing efficiency and empowering consumers, addressed the February *Making Electricity Markets Work for Everyone* forum, which targeted key energy industry stakeholders.

The CNT-led Chicagoland Transportation & Air Quality Commission (CTAQC) saw years of public policy work come to fruition in the form of two important bills passed in the Illinois Legislature. One bill would merge the region's land use and transportation planning agencies and the other would target funding for pedestrian safety. CTAQC also celebrated its tenth

anniversary with an energetic regional congress keynoted by U.S. Representative Jan Schakowsky and featuring a plenary with Carol Marin of Chicago's NBC affiliate.

CNT received Chicago Mayor Richard M. Daley's GreenWorks Award for the innovative green renovation of its early twentieth-century headquarters building. Dozens of groups and individuals toured the building, once a weaving factory, which awaits certification by the U.S. Green Building Council (USGBC) to formalize its place among the greenest buildings in the country. The USGBC Chicago Chapter also awarded CNT the *Enviromotion Award* to recognize a number of CNT programs that benefit the environment.

After six years as a CNT project, Faith in Place became an independent organization in late 2004. Faith in Place is building a network of clergy, lay leaders and congregations committed to religious leadership toward a sustainable future. It continues to work with area religious congregations of all faiths to conserve energy, support renewable power and help sustainable local farmers to stay on their farms.

Launching

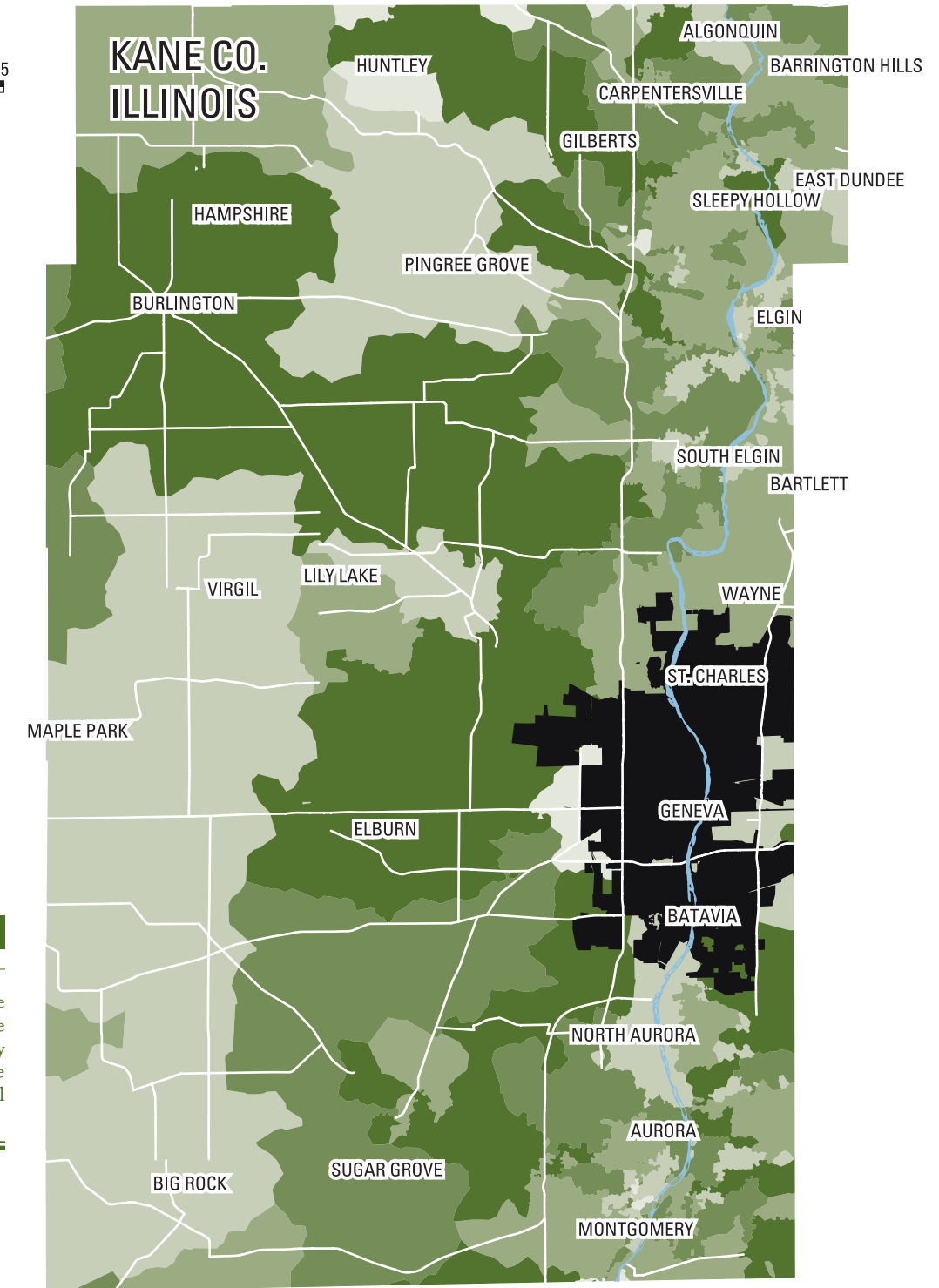
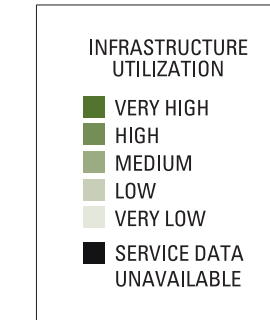
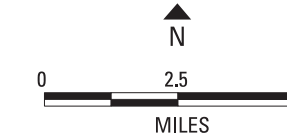
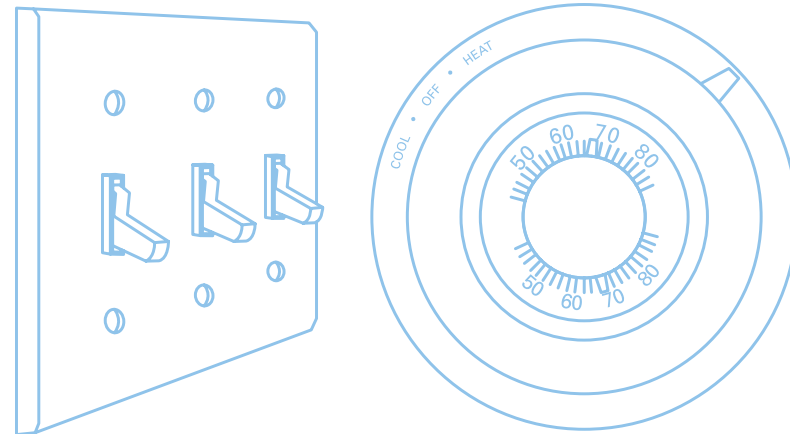


CNT launched several new and exiting initiatives in 2004.

Smart Growth in Older Communities is an economic development initiative to demonstrate how to create jobs, housing and local services by transforming underutilized but abundant rail assets—passenger and freight—in the southern and western parts of the Chicago region. After a research and analysis phase in which CNT identified five older suburbs with rail assets that might be ripe for redevelopment, CNT began working with the village of Blue Island on a community planning process to set the redevelopment process in motion.

The Green Infrastructure Demonstration Project is testing the efficacy of using green infrastructure—the network of parks, open spaces and and natural areas—to address water quality and stormwater runoff issues. As part of the project, CNT developed a flood mitigation plan for the Farmer/Prairie Creek area, a two-mile long portion of northern Cook County that suffers more than \$2 million in flood damage every year. The plan, which took shape based on input from residents, the Lieutenant Governor’s Office, State Representative Elaine Nekritz and watershed and other community organizations, relies on the use of strategically placed rain gardens and other natural features to mitigate flooding. Additional demonstrations are planned.

Kane County Energy Solutions is a project of the Community Energy Cooperative to help Kane County residents, businesses and governments plan for the rapidly growing county’s energy future. CNT used research and analysis to help engage stakeholders in the county to identify strategies for using energy efficiency and demand reduction to lower the economic costs and environmental impacts of the area’s growing energy needs.



KANE COUNTY ELECTRIC INFRASTRUCTURE UTILIZATION

Through 2030, rural Kane County is projected to experience a large population growth. This same part of the county also happens to be where the electrical infrastructure, as this map illustrates, is already stressed due to high demand or inadequate facilities. A major challenge facing the county is how to plan for this new population in ways that will not overburden or overbuild the utilities’ electrical systems.

Growing to Scale



CNT nurtured and grew several of its demonstration projects and ventures in 2004.

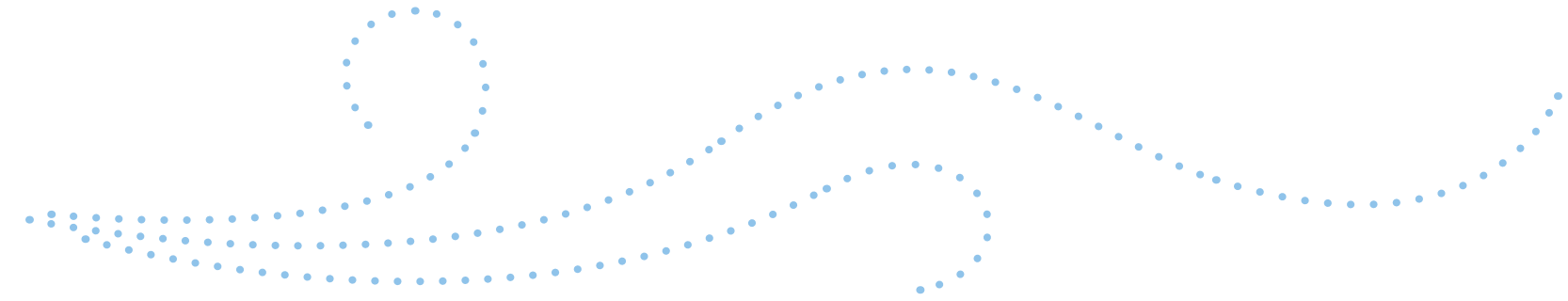
I-GOSM, CNT's car sharing program that provides Chicagoans with a new mobility option, experienced amazing growth in 2004, doubling both membership and cars in its fleet. I-GO ended the year with 20 cars dispersed across 12 Chicago neighborhoods serving a membership of almost 1,000.

In 2004, I-GO also:

- Established strategic partnerships with LaSalle Bank and the CTA, the latter of which donated parking spots located near transit stops.
- Received press coverage from all major Chicago TV stations and newspapers, including three-time coverage from Channel 7's Roz Varon.
- Celebrated new service in downtown Chicago via the placement of 2 cars—including the first hybrid in the fleet—in Millennium Park. Then Chicago Department of Transportation Director of Transportation Planning LuAnn Hamilton and then Chicago Department of Environment Commissioner N. Marcia Jimenez were on hand to show City of Chicago support for the program.

"I learned about I-GO...at the point when I was dreading the thought of buying a car and living in the city; having to deal with insurance, gas, tickets, city stickers, parking, etc. Now I have the ease of having a car without the cost and hassles. Being an I-GO member has changed my life."

—William Swartwood, I-GO Member



The Wireless Community Network Project, which is testing the feasibility of providing affordable wireless broadband service at a neighborhood scale, launched four pilot networks across Illinois. Lieutenant Governor Pat Quinn keynoted the launches in Chicago's Lawndale neighborhood and in southern Illinois' West Frankfort. The project also garnered the attention of national policy groups working to ensure that unlicensed telecommunications spectrum—currently under threat—remain available to community-based media projects like this one.

"I think the Wi-Fi program in Lawndale is great. It gives lower-income families...a chance to get...broadband that we could not afford. And the job opportunities are endless...What better way to bring a community together."

—Rogers Wilson III, Resident Participant in the Lawndale Network



Learning & Building Knowledge



2004 was a year of learning, acquired not only through traditional research, but through CNT's demonstration projects and advocacy and policy project work. Four key learnings are below.

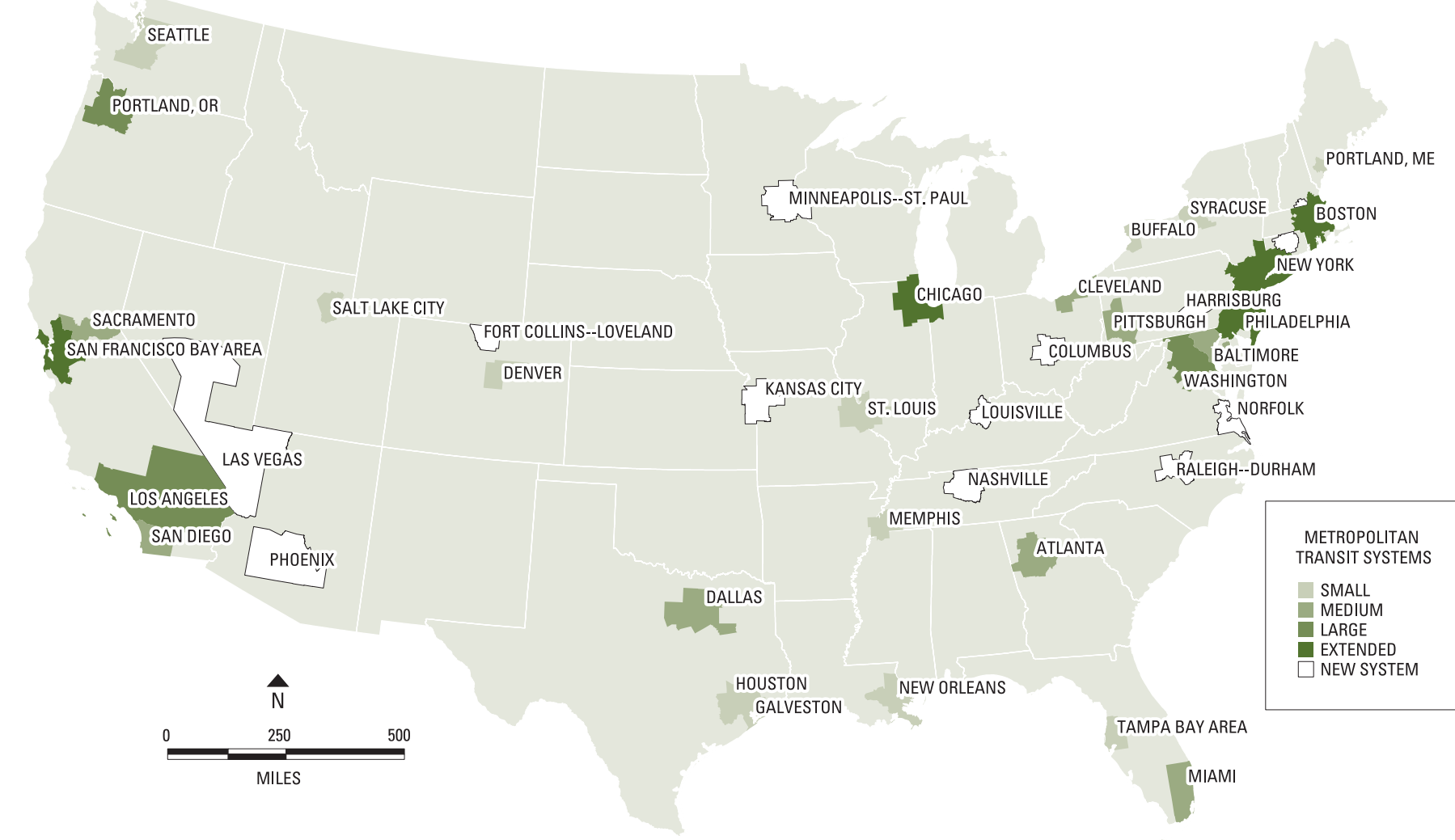
Given good information and price signals, consumers can and will become more energy-aware and practice more energy-efficient behavior. This is one of the findings of an ongoing evaluation of the Community Energy Cooperative's innovative Energy-Smart Pricing PlanSM (ESPP). ESPP 2004 participants—1,200 residential electricity customers paying hourly market-based rates—reduced their usage at peak times when the grid is most stressed, while reducing their overall electricity costs by 12 percent on average. The majority also said they were paying more attention to the efficiency of energy-using products and appliances.

Transportation costs are contributing to regions becoming increasingly expensive. This is certainly true in Atlanta, and was one of the findings of *Making the Case for Mixed-Income and Mixed-Use Communities*, a collaborative report of the Atlanta Neighborhood Development Partnership, Inc. CNT contributed an analysis of the region's housing and transportation costs and found high costs, in part, were driven by a very high car ownership rate—2.27 cars per household, on average. The report argues for addressing these high costs by creating mixed-income communities around transit stops and going forward with plans for more transit.

There is an opportunity in the Chicago region to help residents and households, especially lower-income ones, comprehensively save money on basic services like energy, telecom and transportation. That was the conclusion of a research project to determine the feasibility of combining a number of CNT's resource-efficiency programs, like I-GO and ESPP, in order to make these programs into powerful tools to decrease household expenses and build household assets. In partnership with the Illinois Department of Human Services, planning began for a demonstration program to apply these findings in Chicago's Pilsen and Lawndale neighborhoods.

Demand for compact housing near transit is likely to more than double by 2025, presenting a huge opportunity for municipalities and transit agencies to reorient their communities around transit. This was the finding of *Hidden in Plain Sight: Capturing the Demand for Housing near Transit*, commissioned by the Federal Transportation Administration to assess for the first time the market for transit-oriented development (TOD). CNT completed the study in partnership with the Center for Transit-Oriented Development (CTOD), co-founded by CNT to help better leverage existing and new transit investments by spurring more development around transit stops.

METROPOLITAN TRANSIT SYSTEMS



Twenty-eight metropolitan areas across the U.S. either have a fixed-rail transit system or have one planned in the near future. The map is coded to indicate the size of the transit system.

While it is not surprising that New York, Boston, Philadelphia, Chicago and San Francisco have extensive systems, note the number of small and/or new transit systems that blanket the U.S. from coast to coast.

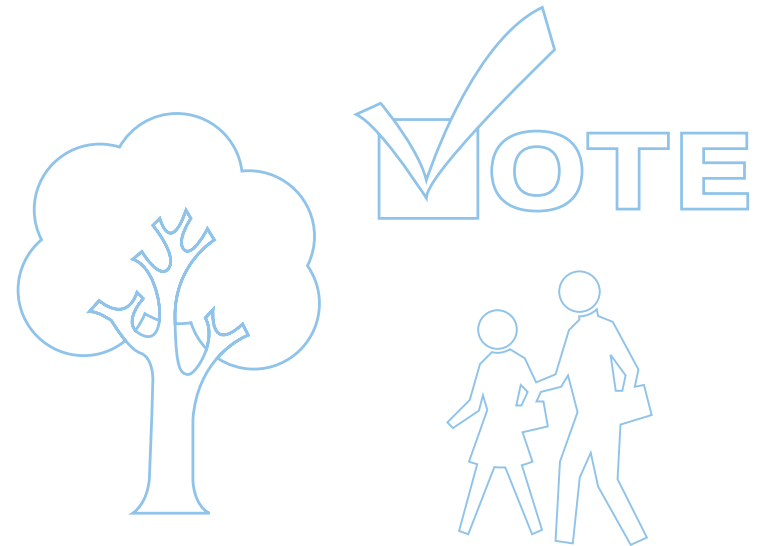
Collaborations



Working together with other organizations has been a hallmark of how CNT has operated since its founding. In 2004, CNT shared in a number of fruitful collaborations.

- With Openlands Project, CNT completed the first phase of the NATURAL CONNECTIONS mapping project to identify all the green infrastructure in the region spanning from southeastern Wisconsin to northwestern Indiana in order to promote conservation, restoration and management, especially across borders. This was the first time such a comprehensive endeavor—collecting massive quantities of data from many different organizations and modifying it all to conform to the same standard—has been undertaken in the region. CNT applied its technical expertise in geographic information and web programming to make this possible. The next phase of the project will expand the geographic boundaries and create an interactive website.
- With the Metropolitan Mayors Caucus, City of Chicago, U.S. Environmental Protection Agency Region 5 and Illinois Environmental Protection Agency, CNT reached out to households and businesses in Pilsen as part of the CLEAN AIR COUNTS campaign, a regional initiative to reduce ozone-causing emissions, thereby improving air quality and promoting economic development.

- CNT worked with the League of Women Voters of Chicago to launch I AM THE GOVERNMENT, a project to increase civic participation among young people (age 18 to 25). The project recruited more than 300 pollwatchers for the 2004 presidential election. One of the primary recruiting tools for this endeavor was the website, which CNT designed.



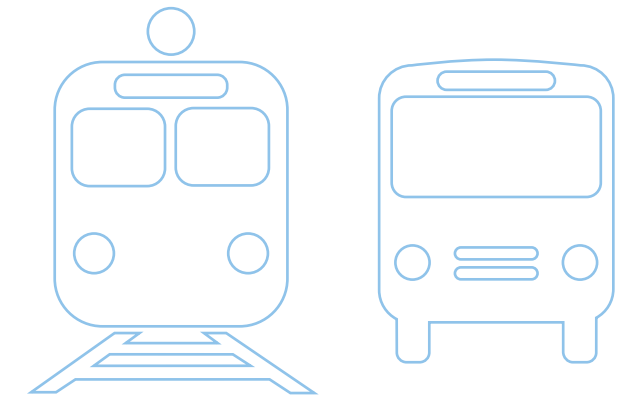
Strategic Partnerships



CNT has ongoing long-term relationships with a number of organizations with complementary missions.

- With the CENTER FOR TRANSIT-ORIENTED DEVELOPMENT, CNT conducted a number of studies for communities seeking to maximize transit resources through more targeted development near transit, especially development that can serve low- and moderate-income households. Studies were undertaken for the Bay Area, Seattle, Minneapolis-St. Paul, Denver, New Mexico and Australia.
- With RECONNECTING AMERICA, CNT continued to promote a national policy for intercity transportation. The partners used the findings of its late '03 report *Missed Connections: Financing Intermodal Transportation* to educate policy-makers about what resources could be used to connect the separately functioning air, rail, bus and highway systems into a more integrated and efficient transportation network.

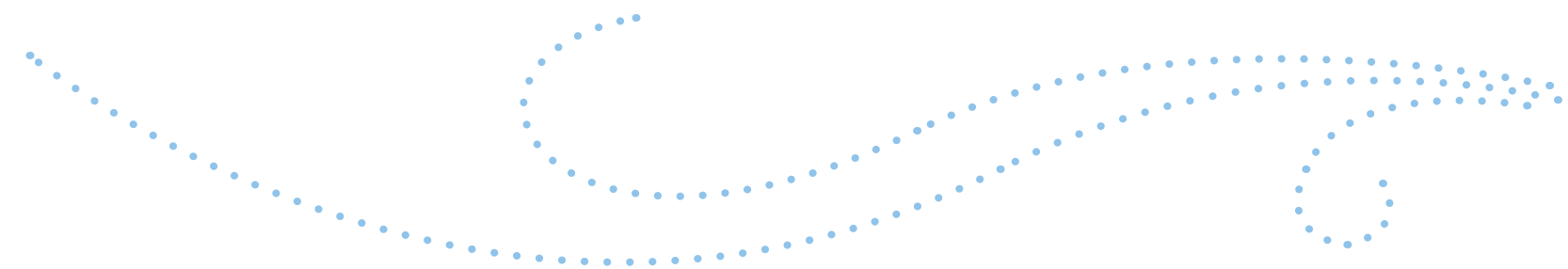
- As a leader in the SURFACE TRANSPORTATION POLICY PROJECT coalition, CNT spent much of 2004 working to educate constituents about the federal “highway bill,” up for reauthorization after lapsing in 2003. Specifically, the coalition worked to preserve basic federal protections, for example, citizen participation in transportation plans being “early and continuing.” The coalition also helped build public understanding about the importance of efficient, intermodal transportation to reducing the cost of living.



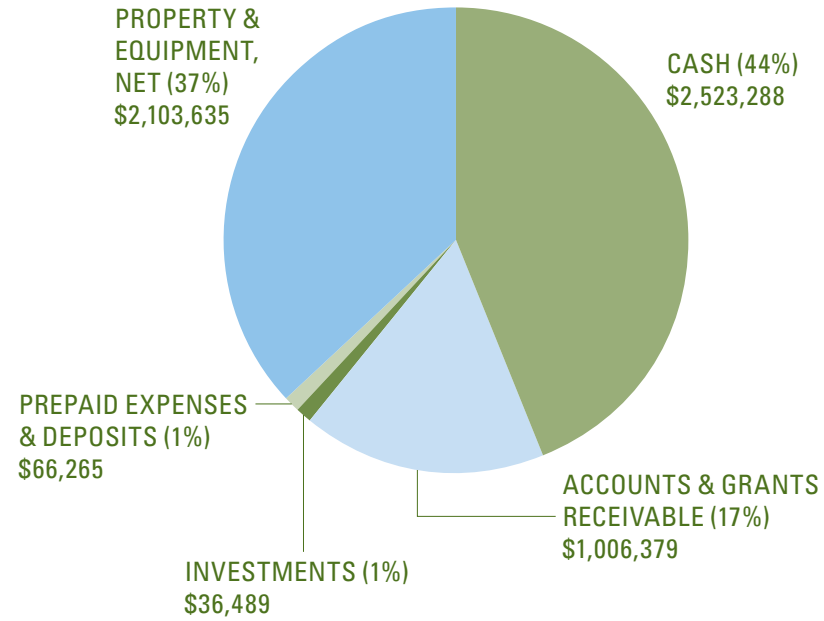
Financial Performance



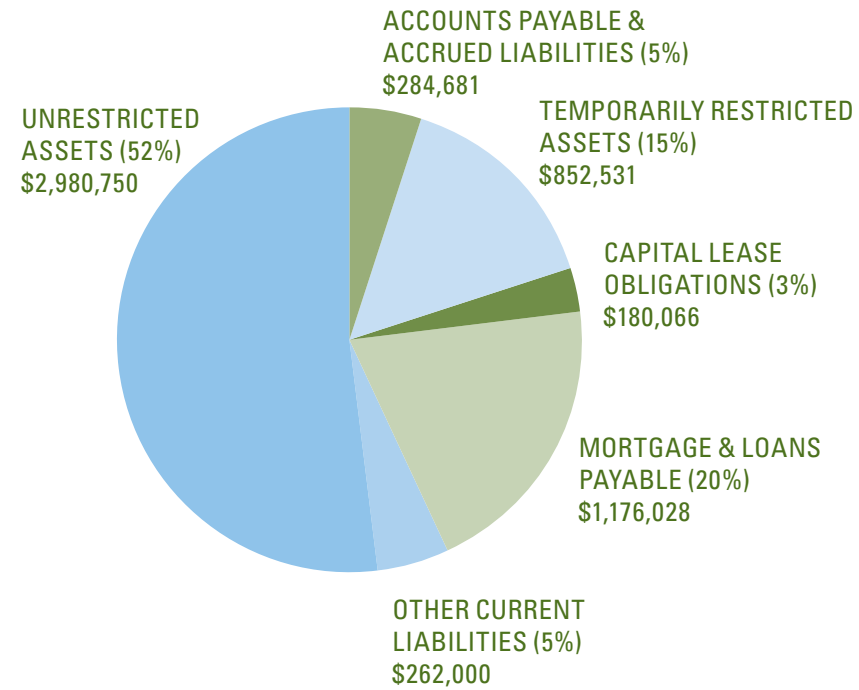
Consolidated Audited Financials: CNT, the Community Energy Cooperative & I-GO
Year Ending December 31, 2004



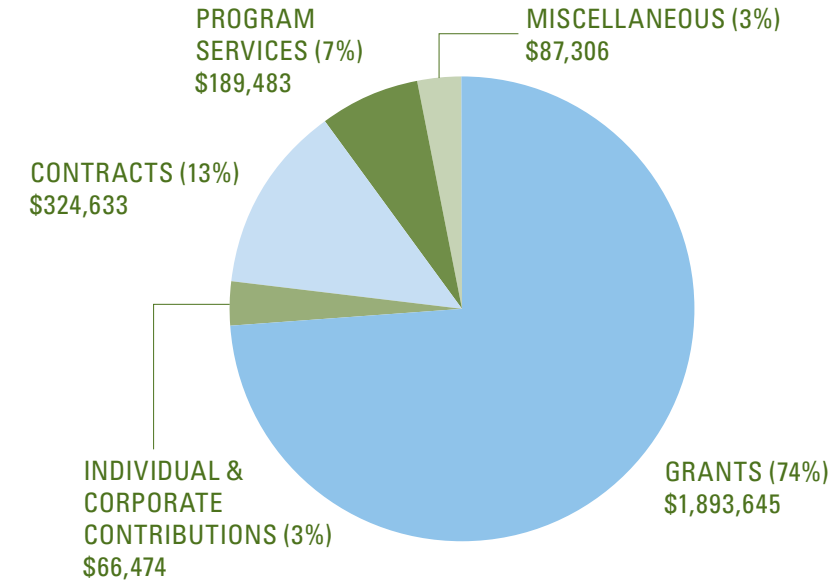
TOTAL ASSETS = \$5,736,056



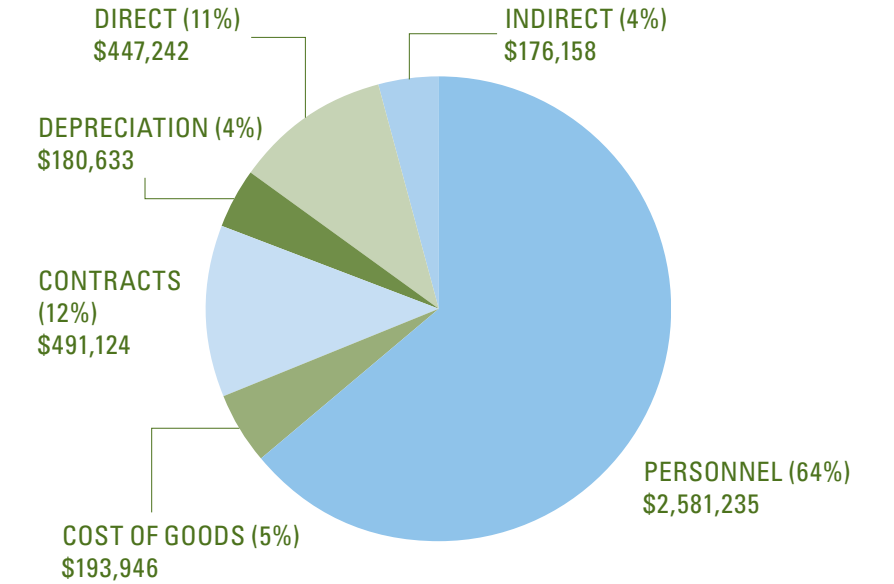
TOTAL LIABILITIES & NET ASSETS = \$5,736,056



TOTAL REVENUE = \$2,561,541



TOTAL EXPENSES = \$4,070,338*



*The Community Energy Cooperative recognized \$1,983,514 in grant revenues in prior years that were applied to 2004 expenses.

Supporters



The following generous individuals and organizations contributed to CNT and its affiliates between January 1, 2004 and December 31, 2004.

Individual Donors

John Alschuler • Miriam Apter • Jane Balaban • Kay Berkson • Barbara Birmingham • J. Stanley Black • Timuel Black • Linda Bolte • Bruce Boyer • Jonathan Boyer • Valerie Browne • Wiley Buck • Christopher Burgess • Daniel Casey • Betsy Clayton • John Cleveland • J.S. Cole • Ellen Craig • Barbara Flynn Currie • Charles Dahlgreen • Paula Dempsey • Hank Dittmar • Jane Easterly • Gordon Edwards • Arthur Elstein • Bruce Enenbach • Joan Engel • Theodore Ernst • Kay Forest • Peter Gilbertson • Edward Gogol • Sherry Goodman • Jill Graham • Dale Griffin • Devin Griffin • Gaylyn Grimm • Ann Hallett • Janet Hanley • Harriet Hausman • John Houghton • Robert Houston • Charles Ice • Linda Jacobson • G. Alex Johnson • Chris Johnson • Nancy Juda • Mary Keehn • Sylvia Kellogg • Helen Kessler • Robert Koehler • Charles Lange • Ann Lennartz • Ralph Lerner • Allan Lindrup • Rochelle Lodder • Michael Longo • Ann Maine • Richard Martin, Jr. • Laurie Marston • Clark Maxfield • John McKnight • Dorothy McMahan • Eva Mendelson • Barbara Moore • Susan Mudd • Herbert Neil, Jr. • Mary Nelson • Julia Parzen • Susan Pastin • Art Perez • Roderick Petrey • Rita Picken • Suzan Pinsof • Peter Plastrik • Oren Pollock • Elizabeth Postell • Susan Price • George Ranney, Jr. • Lenore Reif • Elanor Reiter • Frederic Rizzo • Sue Rizzo • Jill Rohde • Andrea & Michael Rohrbeck • Mike Rosenthal • Marcy Rumsfeld • David Scheibelhut • Gordon Schiff • Sheila Schultz • Terry Schy • Ellen Seidman • Bette Sikes • Clara Simpson • Cynthia Skrukud • Ada Skyles • Daniel Slattery • George Smerk • Lois Snyder • Judith Stockdale • William Sturm • Joseph Szabo • Kathryn Tholin • Darrell Thornley • Mary Tucker • Randy Twilley • George Vinyard • Burton Wax • William Weaver • Robert Weissbourd • Arnold Widen • Peter Wilson • Sarah Wolf • Ann & Arnold Wolff • Richard Wray • Jeanne Zasadil • David Zattero • Steven Zemelman

Every effort has been made to ensure the accuracy of this list. Please accept our sincere apology for any omission or error.

Organizations

Al Raby School for Community & Environment
Bowman-Melton Associates, Inc.
Chicago Wilderness
Clean Air Counts
Democratic Club of the 50th Ward
Earth Share of Illinois
Environmental Design Associates
Foresight Design Initiative
Illinois Trails Conservancy
Lottie Nath Fund/Marjorie N. Ettliger
Nathan Kipnis Architects, Inc.
Public Allies
Regina Webster & Associates, Inc.
San Francisco Community Power Cooperative
Sachnoff & Weaver
Work Welfare and Families

Government Agencies

City of Chicago Department of Environment
City of Chicago Department of Transportation
City of Elgin
National Academy of Sciences, Transportation Research Board
National Park Service
Northeastern Illinois Planning Commission
State of Illinois Department of Commerce & Economic Opportunity
State of Illinois Office of the Lieutenant Governor
U.S. Department of Agriculture
U.S. Department of Commerce

Corporations & Foundations

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American Endowment Foundation
Boeing Company
Big Cat Foundation
ComEd
Friedman Family Foundation
Ford Foundation
Grand Victoria Foundation
Illinois Clean Energy Community Foundation
Illinois Conservation Foundation
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<http://www.cnt.org>



Learn more about the work discussed in these pages and other CNT projects and activities at the following locations on the internet.

Affiliates

Community Energy Cooperative
energycooperative.org

Energy Smart Pricing Plan
energycooperative.org/energy-smart-pricing-plan.php

Kane County Energy Solutions
energycooperative.org/kane-county-energy-solutions.php

I-GO
igocars.org

Information & Participation Tools

CityNews
newschicago.org

Civic Footprint
civicfootprint.org

Green Infrastructure Valuation
greenvalues.cnt.org

Natural Connections
greenmapping.org

Travel Matters
travelmatters.org

Demonstrations & Coalitions

Chicagoland Transportation & Air Quality Commission
cnt.org/tsp/trans/ctaqc

Clean Air Counts
cleanaircounts.org

Smart Growth in Older Communities
cnt.org/smart-communities

Wireless Community Network Project
wcn.cnt.org

Strategic Partners

Center for Transit Oriented Development
reconnectingamerica.org/html/TOD/index.htm

Reconnecting America
reconnectingamerica.org

Surface Transportation Policy Project
transact.org



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