

*REAL IMPACT.
REAL STORIES.*





VISION

Our vision is a resilient Great Lakes region with a healthy ecosystem, a strong economy, and vibrant communities.

MISSION

Our mission is to work in partnership with business, government, and communities in the Great Lakes region to create and implement innovative, market-driven solutions that build environmental resilience, economic vitality, and healthy communities.

THEORY OF CHANGE

Society is positively impacted through an integrated focus on environment and economy with change fueled by public policy, business practice, and community engagement.

LOOKING FORWARD: A MESSAGE FROM BILL SCHLEIZER



It's quite exhilarating for me to welcome you to our FY16 annual report. In my 12 years at Delta Institute, I've woken up almost every day inspired by the belief that by rolling up our sleeves, working together, and asking big questions we can come up with new ideas to create a vibrant Great Lakes region.

Forward. The motto of my home state of Wisconsin. Wisconsinites are known for their hard-working and resilient disposition, their practical outlook on life, and a proud history of progressive experimentation (also, a love of dairy, beer, football, and cold weather). Growing up in central Wisconsin, those values shaped my worldview and curiosity about how things work and interact with each other. Eventually, this curiosity drew me to an ecology degree and a master's in environmental analysis and decision making (skills that are put to good use every day here at Delta).

Forward Momentum. The problems facing the Great Lakes region are complicated. With climate change impacts, threats, and strained resources, we can no longer deny the urgent need to tackle the problems

that our landscapes and communities face. We have to gain momentum, find creative ways of planning and doing, and account for the impact our decisions have on people and planet. That's why we use a systems approach to problem-solving here at Delta. We examine how decisions are made, policies are created, and practices are implemented to identify the most effective leverage points to achieve the best possible outcomes.

Forward Together. Partnership is central to Delta's mission — and with the complexity of the challenges we face, collaboration is an absolute necessity. None of the work highlighted in this report was accomplished by us alone. In the last year, we partnered with community-based organizations, government agencies, impact investors, peer nonprofits,

businesses, universities, and even utilities to work towards realizing our vision of a more resilient Great Lakes environment and economy.

I invite you to join us in collaboration. Team up with us on projects, connect us to your colleagues, join our events to learn about the problems we're trying to solve, and help us create impact by supporting our work.

I can't wait to see what we can accomplish moving *forward together*.

— Bill Schleizer, CEO, Delta Institute

FOSTERING RESILIENCE IN THE STEEL CITY



One of 12 houses awaiting deconstruction in Gary, Indiana.

In cities and communities that have been left behind by industry and are struggling to make a comeback, Delta is spurring revitalization efforts that are creative and community-led to create positive economic, social, and environmental impacts.

Gary, Indiana is an extreme example of a post-industrial city. Over the last 50 years, Gary has lost nearly 100,000 residents. This exodus has created a significant problem of blight and vacancy.

Pastor Brenda Jones Burch, lifelong Gary resident and member of Delta

Institute's local project advisory committee, witnessed first-hand the city's transitions: "I've lived through many of the stages of Gary's evolution—from vitality to degradation, from segregation to enforced curfew, civil rights sit downs, redlining, and the flight away. From the businesses moving to malls, to the ghost town and vacant properties and neglect. And I'm still here, because I love the city."

From Delta's perspective, Gary's 6,000 vacant homes contain lumber and architectural elements that have a market value of roughly \$12 million, and those materials have the potential to jumpstart a reclaimed building materials market that can employ local residents and generate much-needed economic activity.

In 2015, Delta launched a partnership with the City of Gary to demonstrate how deconstruction can help post-industrial cities meet several key goals, such as removing blight, creating economic opportunity, and diverting waste from landfills. By the end of 2016, 12 homes will be deconstructed, and the materials from those homes will be harvested for resale and reuse.



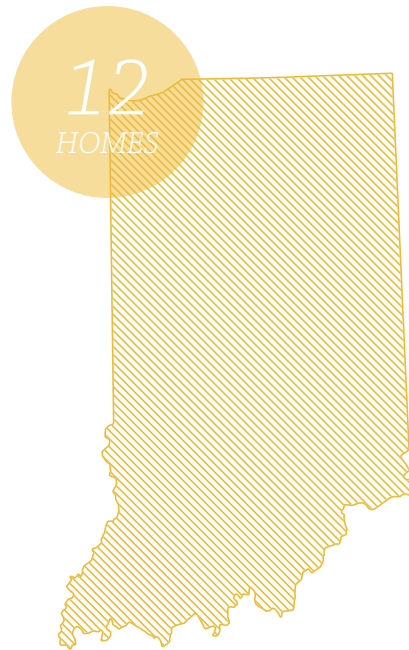
"If we can reclaim those materials, as well as revitalize the city, that's a win-win."

— PASTOR BRENDA JONES BURCH, FROM GARY, INDIANA



Creating community resilience through deconstruction

By the end of 2016, **12 homes will be deconstructed** in Gary, Indiana, and the materials from those homes will be harvested for resale and reuse.



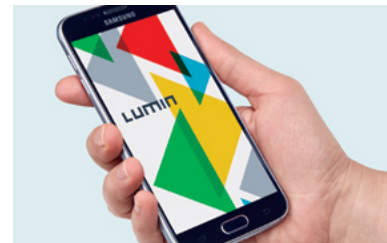
From Delta's perspective, Gary's 6,000 vacant homes contain lumber and architectural elements that have a market value of roughly \$12 million.

For people like Pastor Burch, the removal of these vacant structures is a welcome change. "Vacant properties are unsafe for everyone. They need to be removed," said Burch. "If we can reclaim those materials, as well as revitalize the city, that's a win-win."

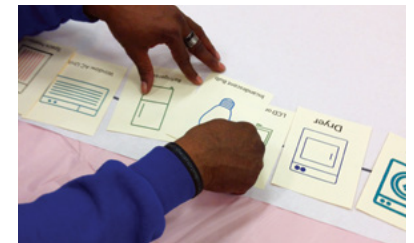
Pastor Burch is optimistic about the future of the city. "People like me see beyond the blight and vacant properties; we also see those who stay, those who fight to revive and revitalize this land full of natural resources; those who offer a beacon of hope for Gary, Indiana, for generations to come."

While the revitalization of Gary is a long-term and multi-faceted effort, Delta is fortunate to have local partners like Pastor Burch working alongside us. "Let's get these (Delta) projects started," said Burch. "I want to live to see Gary's evolution from degradation to vitality."

BRINGING THE BENEFITS OF SMART TECHNOLOGY TO CHICAGO CONSUMERS



The Lumin app uses smart meter data to empower users to stay on top of their energy bills.



Lumin workshops teach users how to reduce their energy use.

Many low- and moderate-income consumers in Chicago and beyond struggle with unpredictable energy bills. For these consumers, it's too easy to fall behind on payments and too difficult to find assistance within a system that's not set up for them.

Even someone like Maxine, who budgets every month, gets surprised now and then. Maxine has lived all 59 years of her life in Chicago. Each month, she diligently sets aside money for her utility bills, including electricity. But this past July—the hottest month on record—her bill was twice the amount it normally is at that time of year. She had to make cuts to other parts of her budget to avoid falling behind on her energy bill.



"If I knew how much I could spend, I would be stress-free."

— MAXINE DAVIS, FROM CHICAGO, ILLINOIS

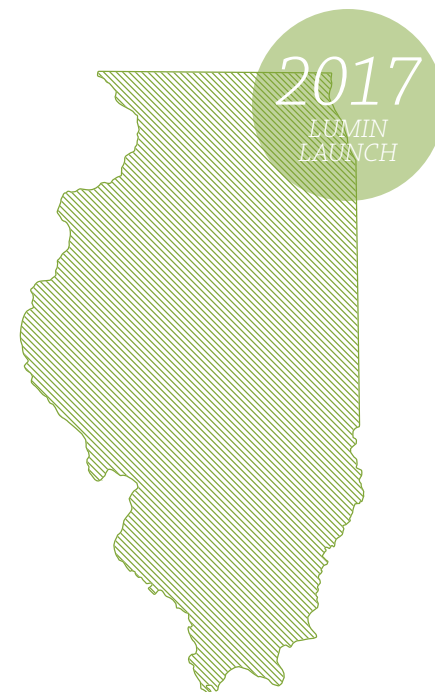


Advancing energy innovation

Lumin empowers users to stay on top of their energy bills by providing real-time bill estimations based on usage, as well as flexible payment options.

It's for people like Maxine that Delta created Lumin, an innovative, SMS-based service that uses smart meter data to empower low-income consumers in Chicago to pay their energy bill in a way that's convenient for them, instantly access financial assistance when they need it, and reduce their energy use.

Developed in partnership with design firm IDEO and based on conversations with hundreds of Chicago residents like Maxine, Lumin empowers users to stay on top of their energy bills by providing real-time bill estimations



based on usage, as well as flexible payment options. If Maxine falls behind, she can ask for help with a text and receive instant approval without having to leave her house. A small subsidy will be applied to her account, keeping her lights on and providing her with peace of mind.

Maxine looks forward to signing up as a Lumin member in 2017 when the beta version is rolled out: "I would put my two extra paychecks a year into that account. If I knew how much I could spend, I would be stress-free."

ENSURING A JUST TRANSITION FROM COAL IN RIVER ROUGE, HEART OF INDUSTRY



The DTE Energy plant in River Rouge, Michigan, will be retired between 2020 and 2023.

For communities like River Rouge, Michigan, an industrial downriver suburb of Detroit, the closure of their coal-fired power plant is just one more economic hit the city has had to face in recent years.

The bridge that connects Detroit to River Rouge and its main street has been closed for the past three years, reducing economic activity and forcing some main street storefronts out of business. In June 2016, the closure of the community's coal plant was announced.

According to the city's mayor and tireless cheerleader, Michael Bowdler, the city is defined by its industrial roots and its small-town feel. "We've always had industry around us — limestone, gypsum, steel, coal. We're blue collar. My family moved to River Rouge when I was 2 months old. I love this community. I can go to the local hardware store and spend a half hour talking to everyone who comes in."



"I want to work with someone with a lot of experience and knowledge, and that's why I feel really comfortable working with Delta."

— MAYOR MICHAEL BOWDLER, FROM RIVER ROUGE, MICHIGAN



Supporting a just transition from coal

Delta Institute is helping River Rouge — together with four other nearby communities and labor and environmental groups — to apply for federal economic development funding to **help the city and region adapt.**



The DTE Energy plant opened in 1957 and employs approximately 110 workers. While the company said the employees will be transferred to a new plant, Mayor Bowdler still anticipates an impact on their economy. "[The coal plant closure] will have an effect on our whole supply chain — like people filling up at our gas station. I wish we could keep the plant and switch it over to natural gas, but [DTE Energy hasn't] told us what they're going to do with it."

Delta is helping communities like River Rouge across the country to plan for the closure and reuse of their plants in a way that promotes environmentally sustainable and socially equitable economic development.

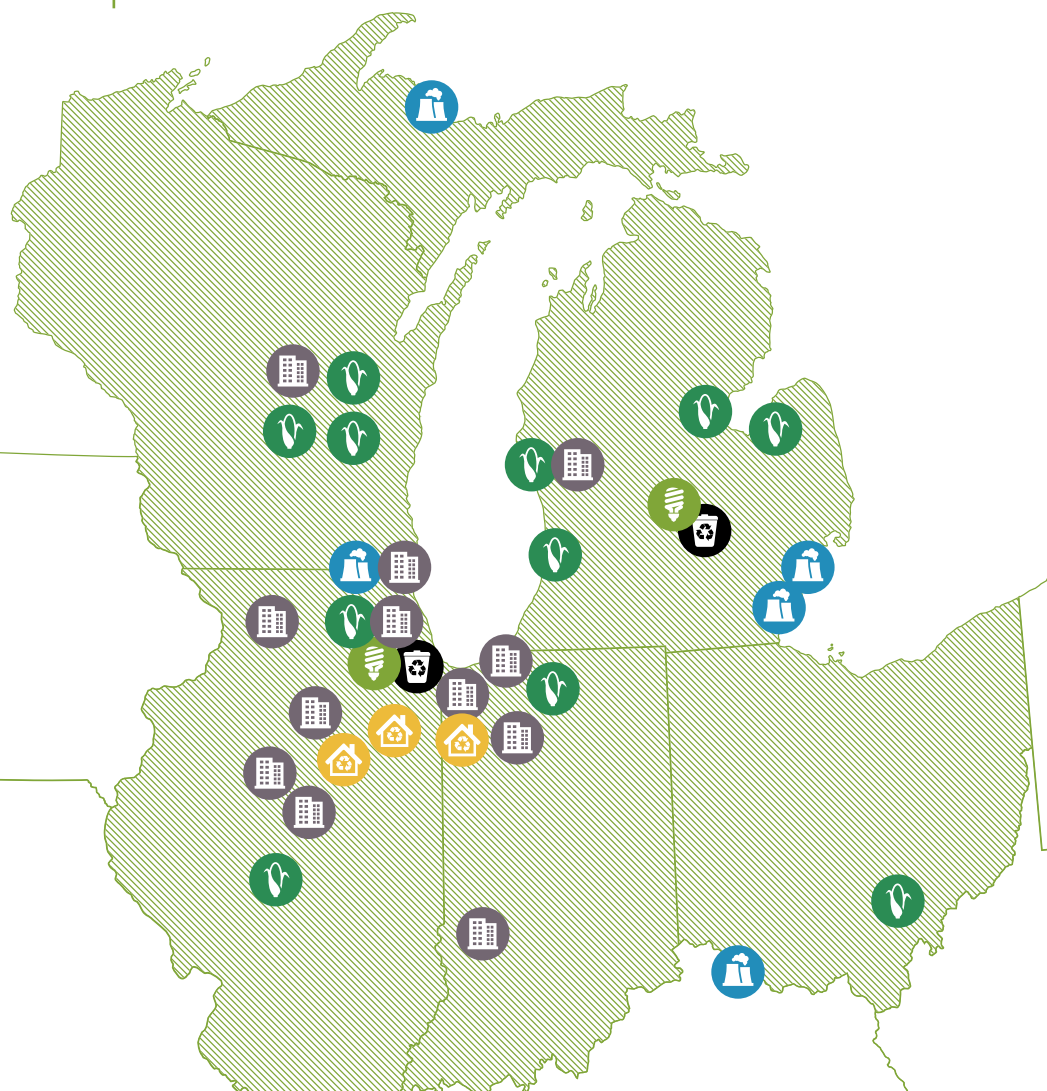
With support from the Just Transition Fund, Delta Institute is working with the City of River Rouge to plan for these changes, and, together with four other nearby communities and labor and environmental groups, apply for federal economic development funding to help the city and region adapt. "This is going to have such a big impact on our community," said Mayor Bowdler. "I want to work with someone with a lot of experience and knowledge, and that's why I feel really comfortable working with Delta."

Ultimately, Mayor Bowdler is optimistic about the community's future and sees potential to attract developers to the coal plant site, which is positioned

right along the Detroit River, as a hub for shipping or international freight. "There's water and rail service on the site. Wayne County just reopened the bridge to Detroit, and now we're starting to show some life. New good things are on the way."

River Rouge is one of 31 communities whose coal plants have been announced to close in the next six years. Delta is helping communities like River Rouge across the country to plan for the closure and reuse of their plants in a way that promotes environmentally sustainable and socially equitable economic development.

FEATURED PROJECTS AND THEIR IMPACT WITHIN THE GREAT LAKES



Advancing energy innovation

Geography: Chicago, Illinois; Lansing, Michigan

Impact: Delta is working with commercial, institutional, and residential stakeholders to advance smart energy solutions that help building managers and consumers better manage their energy use, increasing efficiency and reducing greenhouse gas emissions.



Promoting sustainable agriculture and healthy watersheds

Geography: Chicago and Central Illinois, Illinois; Michigan City, Indiana; Muskegon, Saginaw Bay, Saugatuck, and Sebawaing, Michigan; Appleton, Fond du Lac, and Green Lake, Wisconsin; Ohio River Basin, Ohio

Impact: Delta is collaborating with public and private sector partners regionally and nationally to catalyze stewardship of our land and water resources. By enabling impact investing into sustainable agricultural practices, informing USDA's strategy for climate-smart agriculture, and supporting the full valuation of ecosystem services, this work is achieving measurable improvements in soil and water quality and building regenerative regional food systems.



Diverting waste from landfills

Geography: Chicago, Illinois; Lansing, Michigan

Impact: Delta is conducting research and piloting programs that aim to transform waste material from an environmental liability into an economic asset. Through this work, we're reducing the amount of waste sent to landfills and creating the framework for a smarter, more efficient waste system.



Activating urban landscapes

Geography: Chicago, Cook County, Freeport, LaSalle, Streator, Waukegan, and Will County, Illinois; Hobart, Gary, Michigan City, and Sullivan, Indiana; Muskegon, Michigan; Kimberly, Wisconsin

Impact: Delta is empowering communities to activate vacant and underutilized property with green infrastructure, phytoremediation, and brownfield redevelopment strategies. These tools and solutions are reducing blight, mitigating flooding and the spread of pollutants via stormwater, beautifying streetscapes, increasing property values, and creating healthier communities.



Creating community resilience through deconstruction

Geography: Joliet and Park Forest, Illinois; Gary, Indiana

Impact: By designing programs to deconstruct vacant homes and harvest materials for reuse, Delta is helping struggling cities transform blight into opportunities for workforce development, building materials reuse markets, and environmental sustainability.



Supporting a just transition from coal

Geography: Waukegan, Illinois; Marquette, River Rouge, and Trenton, Michigan; Cincinnati, Ohio

Impact: Delta is helping coal plant communities across the country navigate the closure and potential reuse of their plants in a way that promotes environmentally sustainable and socially equitable development. Through this work, we're facilitating the transition from fossil fuels in a way that ensures coal plant communities are not left behind economically, socially, or structurally, but can thrive in a post-coal economy.

ACKNOWLEDGEMENT OF FUNDERS, CLIENTS, SPONSORS, AND INDIVIDUAL DONORS

Funders, clients, and sponsors

Alliance for the Great Lakes
BMO Harris Bank
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The Chicago Community Trust
Citi Foundation
City of Gary Redevelopment Commission
City of Miami Office of Sustainable Initiatives
Cleveland Botanical Garden
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Cook County Land Bank Authority
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Environmental Defense Fund
The Field Museum of Natural History
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Serena Sturm Architects
South Suburban Land Bank and Development Authority
Taylor Communications
Tuscola County Office of Emergency Management
U.S. Bank
USDA Forest Service
USDA Natural Resources Conservation Service
US EPA
US EPA Great Lakes National Program Office

WattTime
Weaver Consultants Group
West Michigan Shoreline Regional Development Commission
Wicker Park Apartments
Winrock International

Individuals

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Paul DeCotis
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Julia Parzen
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Henrietta Saunders & Richard Day
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Nicolette Stosur-Bassett
Kyle & Michelle Wilkinson
Katie Yocum Musisi

Delta Innovators

Annual gifts of up to \$999

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Michael & Helen Arkes
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Adam Yalowitz
James & Kathy Yocum

FINANCIALS

FY16 Revenues

Foundation: **\$1,270,513**

Government: **\$386,745**

Earned Income: **\$407,956**

Contributions & Other: **\$885,727**

TOTAL:
\$2,950,941

FY16 Expenditures

Program: **\$1,241,809**

Fundraising: **\$43,644**

Administrative: **\$957,659**

TOTAL:
\$2,243,112

FY16 ORGANIZATION STAFF LIST, BOARD MEMBER LIST, AND ASSOCIATE BOARD MEMBER LIST



The Delta Emerging Leaders went on a planning retreat in early 2016.

Staff

Ryan Anderson | Ecological Economist
 Brian Bonanno | Project Manager
 Martin Brown | Technical Associate
 Kevin Dick, LEED AP O+M | Director of Strategic Priorities
 Kelly Farley | Past Director of Finance and Operations
 Helen Behnke-Hanson | Grants Administrator
 Helen Hardy | Director of Finance and Operations
 Nishaat Killeen | Communications and Development Associate
 Colleen McGinnis | Technical Associate
 Katie Yocum Musisi | Director of Communications and Development



Delta staff and volunteers clean up Montrose Beach in Chicago for the Love Lake Michigan campaign.

Todd Parker | Senior Manager
 Jean Pogge | Past CEO
 Eve Pytel | Director of Strategic Priorities
 Margaret Renas, PE, LEED AP O+M | Senior Manager
 Bill Schleizer | CEO
 Katherine Schultz | Finance and Operations Administrator
 Ben Shorofsky, EIT, LEED AP O+M | Technical Associate
 Ryan Smith | Project Manager
 Daniel Swick | Senior Technical Associate
 Megan Walton | Administrative Assistant
 Cindy Winland, AICP | Director of Strategic Priorities
 Donna Ducharme | Senior Advisor

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