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Chicago Infrastructure's new CEO, Stephen S. Beitler, is ready to build on his past and city's future

Starting Monday, he launches Mayor Rahm Emanuel's attempt to guide the city toward private investment in big-ticket public projects

February 03, 2013 | Kathy Bergen and Melissa Harris, Chicago Tribune reporters

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Stephen S. Beitler was a Green Beret, building roads in Panama, parachuting into harm's way and testifying on Capitol Hill. He took on strategic roles at Helene Curtis and later Sears, Roebuck, then plunged into the complex worlds of private equity and venture capital.

Starting Monday, he becomes chief executive of the Chicago Infrastructure Trust — a position likely to be a lightning rod for controversy as the nascent not-for-profit, formed at Mayor Rahm Emanuel's behest, attempts to guide the city toward private investment in big-ticket public works projects that have the potential to transform the city's economic landscape.

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With Chicagoans still stewing over the steep parking rate hikes that followed the privatization of meters during former Mayor Richard Daley's tenure, winning support for future public-private partnerships will be a challenge. But with the city still digging out of its deficit position, officials say it is essential to find alternative ways to fund critical upgrades if the city is to regain some of the economic momentum lost in the past decade.

James Bell, chairman of the five-member trust board appointed by Emanuel in June, thinks Beitler has the mettle for the task. "Quite frankly, his background is diverse and includes

areas of experience that are directly applicable — both in the private finance arena and in his start-up experience," Bell said.

Beitler's engaging personality and ability to translate arcane financial information also played into the decision, said Bell, a former Boeing Co. executive.

A retired lieutenant colonel, Beitler, 56, steps into the \$170,000-a-year post leaving behind any day-to-day involvement in Dunrath Capital Inc., a venture capital firm he founded in 2002 after five years at a private equity firm. Its latest fund has \$100 million invested in security, safety and defense products.

At least at the start, he will be a one-man band at the trust, whose start-up funding comes from the city, which has budgeted \$2.3 million for a variety of expenses. His initial goals, he said, are to help craft a strategic approach and to study best practices in regions with greater experience in public-private partnerships, including Canada, western Europe, Australia and India.

After that getting through the start-up phase, he said, the aim is to "do projects that will make a difference." The trust is intended to function as an independent agency that will help the city craft deals, which ultimately will require city council approval.

Beitler, a Highland Park resident, was hired by the trust board after a three-month search by Spencer Stuart, done pro bono. Emanuel did not participate in the hiring process, Bell said, though he was kept informed.

Beitler is no stranger to the political world. He and his wife, Debbie, who died of breast cancer a year and a half ago, contributed tens of thousands of dollars to campaigns of both Democrats and Republicans, at the state and federal levels. He also was a founder of the Illinois Venture Capital Association and its political action committee.

Years ago, through mutual friends, he struck up a friendship with Emanuel, who previously served in the Clinton and Obama administrations. "I've had dinner with the mayor and his wife, and other mutual friends, but like a decade ago," he said.

The Beitlers were early backers of President Barack Obama's political career, joining many prominent Chicagoans on the finance committee for Obama's 2004 run for the U.S. Senate.

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He also has contributed to the campaigns of his friend Republican U.S. Sen. Mark Kirk.

Politics never entered into the infrastructure trust's hiring process, said Beitler, who is no relation to well-known Chicago developer J. Paul Beitler.

"I don't think they had any idea what my affiliations were," he said.

Bell concurred: "We weren't even aware of it."

Beitler steps into his new role after a period of self-reflection following the loss of his wife. During the years of her illness and after her death, he had pulled back from much of the day-to-day work at Dunrath Capital to devote time to his family. This fall, their twin daughters, Grace and Elinore, headed off to their freshman year at college.

"I've been trying to figure out what I was going to do when I grow up — that kind of thing," Beitler said during an interview with the Tribune. "And this struck me as being an interesting thing to do."

His moves are likely to draw intense scrutiny, not only because of the residual anger over the city's parking meter deal, but also due to concerns about whether a not-for-profit will keep the public fully informed about potential transactions and their expected financial impact on the city and taxpayers.

The ordinance that created the infrastructure trust requires it to hold open meetings and share documents in accordance with the same laws that apply to government entities, he said.

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