

2011 Project Highlights

Department of

Housing and Economic Development

CONTENTS

INTRODUCTION	3
ECONOMIC DEVELOPMENT	4
Harper Court Resurrection University Gateway Plaza Green Exchange Accretive Health Hellenic Museum Logan Theater WaterSaver Faucet WMS Gaming CVS Pharmacy TIFWorks Small Business Improvement Fund	5 6 7 8 9 10 11 12 13 14 15
AFFORDABLE HOUSING	16
North and Talman III Casa Maravilla Independence Apartments Dr. King Legacy Apartments Hope Manor Apartments Zapata Apartments Viceroy Apartments Hairpin Lofts Chicago Low Income Housing Trust Fund	17 18 19 20 21 22 23 24 25
PLANNING AND ZONING	26
Metra-Milwaukee District West Line Plan Planned Development Designations Rosehill Nature Preserve Calumet Open Space Reserve Bloomingdale Park and Trail Honore Street Farm Chicago Motor Club Brewery Tied Houses	27 28 30 31 32 33 34 35
DEPARTMENT AGGREGATES	36

City of Chicago

Department of Housing and Economic Development

Andrew J. Mooney, Commissioner Michael Jasso, Economic Development Deputy Commissioner Lawrence Grisham, Housing Deputy Commissioner Patti Scudiero, Planning and Zoning Deputy Commissioner

Communications and Outreach Division 121 N. LaSalle St. #1000 Chicago, IL 60602 (312) 744-4190 www.cityofchicago.org/hed

Spring 2012



Mayor Rahm Emanuel

INTRODUCTION

The "2011 Project Highlights" booklet is an overview of Department of Housing and Economic Development (HED) projects that were either started or substantially completed during our inaugural year leading Chicago's planning, housing and economic development functions.

Largely coinciding with Mayor Rahm Emanuel's first year in office, 2011 was characterized by new government efficiencies, coordination, and progress. Merged from separate departments, HED's staff of approximately 225 development professionals worked with unprecedented cooperation to create jobs, expand housing options, and foster quality of life improvements citywide. These projects, along with others moving forward in the months ahead, will reinforce Chicago's legacy as one of the great cities of the 21st century.

The 2011 highlights are arranged in sections that correspond to the department's bureaus of Economic Development, Affordable Housing, and Planning & Zoning. The bureaus jointly worked with private developers, delegate agencies, elected officials and other community stakeholders to ensure each project provides tangible benefits for the City's most important asset: its people.

Sincerely,

Andrew J. Mooney, Commissioner

Department of Housing and Economic Development

Economic Development

HED's economic development programs and initiatives are designed to support business investment throughout the city.

While many projects broke ground and opened for business in 2011, one of the most significant developments was the work of the TIF Reform Task Force, which this summer issued comprehensive recommendations to make Chicago's Tax Increment Financing (TIF) program more accountable, efficient, and responsive to development opportunities. The recommendations established a foundation for new performance metrics that will be used to justify future projects, along with reformed compliance and monitoring guidelines that will reinforce the transparency and accountability of future TIF program expenditures.

As in previous years, about 50 percent of 2011 TIF expenditures--approximately \$120 million--supported private developments involving mixeduse, commercial, residential, industrial and institutional uses. Allocated through 15 TIF redevelopment agreements approved by City Council, the projects are cumulatively valued at \$550 million and involve 1,300 jobs, or approximately one-third of all the jobs that HED's business incentives helped to retain or create during the year.

HED's most popular small business tool, the Small Business Improvement Fund (SBIF), expanded from 82 to 84 TIF districts in 2011. In the process, the program provided more than \$11.4 million in grants for 250 projects, including new windows, floors, roofs, signs, tuckpointing, building

expansion and related upgrades to business properties across the city.

Other 2011 economic development efforts included approximately 20 property tax reductions for commercial and industrial buildings. Approved in conjunction with business expansion projects, the reduced tax rates will save participating property owners more than \$17 million over the next 12 years and enable them to retain and create 2,500 jobs.

The past year also saw a renewed commitment to industrial businesses that have long supported Chicago's middle-class workforce. In April, the department initiated a "Chicago Sustainable Industries Strategy," which is the city's first effort to align the economic, social and environmental aspects of Chicago's manufacturing sector as part of a comprehensive plan for industrial growth. In determining what government resources provide the greatest value to Chicago manufacturers and the more than 100,000 jobs they represent, the strategy will address how local companies can become more export-oriented to bring new dollars into the Chicago economy; and how the City can help workers develop skills for the industrial jobs of tomorrow. Subsequent to additional research and development that's being funded through a federal grant, the process is intended to culminate with the strategy's adoption by the Chicago Plan Commission.

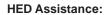


Harper Court

53rd Street and Lake Park Avenue

Community Area: Hyde Park Status: Under construction

The 1.1 million-square-foot Harper Court mixeduse project broke ground in November following a multi-year community planning process. The \$106 million, 3.3-acre complex includes 250,000 square feet of office space, 131 hotel rooms, 425 residential units, parking and public open spaces. Developed by Vermilion Development, the project is expected to create 800 construction jobs and 500 permanent jobs after it opens in phases starting in 2013.



- Request for Proposals
- \$20 million TIF
- Land write-down
- Planned Development designation



Resurrection University/ Saints Mary and Elizabeth Medical Center

1431 N. Claremont Ave.

Community Area: West Town Status: Under construction

The \$13.7 million renovation of five floors of the Saints Mary and Elizabeth hospital building will accommodate the relocation of Resurrection University's school for nursing and allied heath professionals from Oak Park. The 38,000-square-foot renovation will provide classrooms, a student lounge, cafeteria, conference rooms, offices and an operating room simulator. The school plans to nearly double enrollment to 500 students while adding 27 positions to its 50-person staff at the new location.





Gateway Plaza

Monroe and Halsted streets

Community Area: Near West Side

Status: Under construction

In replacing a surface parking lot, the 95,000-square-foot Gateway Plaza retail complex will include a 71,000-square-foot Mariano's grocery store, parking for 220 vehicles, and additional commercial spaces for a variety of tenants. The \$42 million project will create an estimated 250 temporary jobs during construction and 200 permanent jobs upon completion.

HED Assistance:

- \$7 million TIF
- Planned Development designation





Green Exchange

2545 W. Diversey Ave.

Community Area: Logan Square **Status:** Substantially complete





Accretive Health

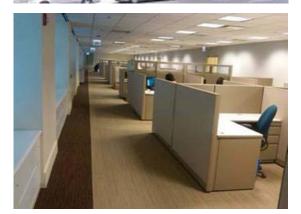
231 S. LaSalle St.

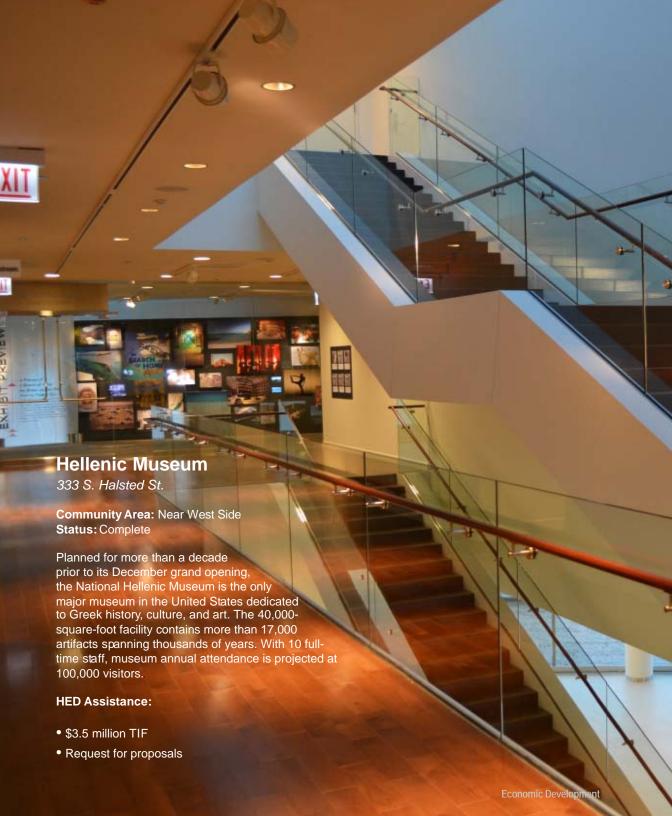
Community Area: Loop Status: Substantially complete

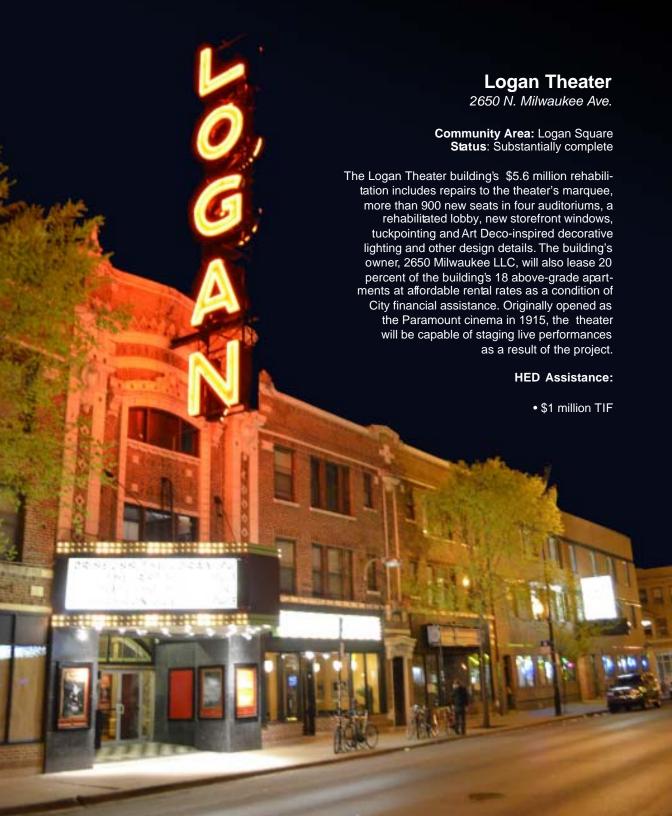
With 650 new workers to be trained on-site over the next 10 years, Accretive Health's new operational processing facility represents the largest TIF commitment for human capital development in the City's history. More than half of the entry-level, medical billing positions are anticipated to involve Chicago residents. The \$9.5 million project includes a build-out of 44,000 square feet of commercial space to accommodate the new workers.

HED Assistance:

• \$6 million TIF









WaterSaver Faucet Co.

701 W. Erie St.

Community Area: West Town Status: Under construction

WaterSaver Faucet's \$26.2 million factory expansion project is creating a state-of-the art, 120,000 square-foot facility for the manufacture of laboratory grade faucets and valves. Designed to increase the company's production capacity, the project includes a new roof and new mechanical electrical, plumbing, and fire protection systems. It will create 200 temporary construction jobs and preserve the company's 160 permanent jobs.

HED Assistance:

• \$5.2 million TIF

• \$2.1 million property tax incentive





12 Economic Development





CVS Pharmacy

3100 W. Madison St.

Community Area: East Garfield Park

Status: Complete

The first retail construction of its type on the West Side in decades, CVS' 13,000-square-foot store provides goods, services, and pharmaceuticals for area residents. With a landscaped parking lot and a 75 percent green roof, the store's fall opening on long-vacant, City-owned land created 12 permanent jobs.

HED Assistance:

• Land write-down









TIFWorks Employee Training Program

The TIFWorks program expanded into 78 Tax Increment Financing (TIF) districts in 2011, more than double the number of districts in 2010. The program also expanded its scope in 2011 by focusing on multiple-employer training projects, enabling numerous companies with similar needs to participate in joint training exercises. Over the year, more than 1,500 employees from 127 businesses participated in the program.

Notable 2011 projects included Howe Corp., which trained 24 employees on new ice machine manufacturing software, and Newark Group, which trained 34 employees on paperboard manufacturing efficiencies.

Small Business Improvement Fund (SBIF) Program

HED's Small Business Improvement Fund expanded from 82 to 84 TIF districts across the city in 2011, enabling more than \$11.4 million in grants for a variety of building improvement projects.

The 250 projects, valued at more than \$24.7 million, included new windows, floors, roofs, signs, tuckpointing, building expansion and related improvements.

Notable projects completed in 2011 included the gut rehab of a former furniture showroom in Lincoln Square for a new health club, and a gut rehab of an Edgewater fine dining establishment.





Affordable Housing

HED's housing programs are intended to maintain Chicago's affordability, preserve neighborhood housing options, and mitigate the nation's foreclosure crisis on local homeowners.

In addressing housing affordability in 2011, HED committed more than \$355 million in loans and tax credits to support the construction and preservation of nearly 7,900 affordable rental units. Staff also allocated \$16 million through HED housing programs to repair or modify nearly 1,900 owner-occupied homes.

In addressing the local impact of the nation's foreclosure crisis, HED restructured its efforts by focusing City resources in specific markets, versus the wider geographic approach of previous years that resulted in limited improvements at the local level. The new Micro-Market Recovery Program, launched in June, is targeting nine pilot areas characterized by high concentrations of foreclosures and vacancies. The areas include portions of Auburn-Gresham, Belmont-Cragin, Chatham, Chicago Lawn, Englewood, Humboldt Park, Grand Boulevard, West Pullman, and West Woodlawn.

In moving the Micro Market program forward, HED staff and neighborhood-based, non-profit partners are identifying the banks and mortgage holders within each target area and seeking cooperation in restructuring loans, maintaining properties, and providing new resources to slow ongoing disinvestment. Staff are also leveraging the resources of neighborhood-based capital partners, including Community Investment Corp., Neighborhood Housing Services, LISC, and the

MacArthur Foundation. Funding will be layered with the City's own recovery resources, including the Neighborhood Stabilization Program, which is allocating \$169 million in federal funds to reoccupy vacant and foreclosed properties. Nearly 400 homes entered the program in the last 12 months.

Despite reduced foreclosure rates compared to previous years, the foreclosure crisis continues its pervasive influence in virtually every Chicago neighborhood. Last year, more than 100 apartment buildings went into foreclosure every week in Chicago, resulting in evictions and widespread vacancies. HED intervened where possible, especially through the Troubled Buildings Initiative, which put foreclosure-threatened buildings in the hands of receiverships. Through December, HED kept more than 900 rental units occupied through the initiative, and the department expects to preserve an equivalent number of units next year.

To help new and existing property owners understand their responsibilities, HED co-hosted 100 homeowner seminars with the assistance of delegate agencies across the city. HED also mailed approximately 1,500 early warning notifications to owners within days of the foreclosure process being initiated in Circuit Court. The notice provided valuable time for owners to seek solutions from HED and its partners to enable them to remain in their homes.







North and Talman Phase III

2656 W. North Ave., 1615 N. Talman Ave., 1620 N. Talman Ave., 1619 N. Washtenaw Ave.

Community Area: West Town Status: Under construction

North and Talman Phase III is the final phase of a block-long, 110-unit affordable housing development involving new and rehabilitated buildings. The \$13.3 million, Hispanic Housing Development Corp. project includes the adaptive re-use of a vacant, four-story warehouse as 33 rental units and the construction of three twoflats on adjacent land provided by HED.

HED Assistance:

- \$2.4 million TIF
- \$140,000 tax credit equity
- Land write-down
- Planned Development designation

Casa Maravilla

2015 S. Morgan St.

Community Area: Lower West Side

Status: Complete

Casa Maravilla created 73-units of affordable senior apartments in the Pilsen neighborhood. Developed by The Resurrection Project and dedicated in March, the \$20.2 million project includes a Senior Services Center operated by the Chicago Department of Family and Support Services. The five-story structure joins a housing campus that includes Casa Morelos, a 45-unit, mixed-income rental building, and Alivo Medical Center, which serves local residents.

HED Assistance:

- \$13.3 million tax credit equity
- \$4 million loan
- Planned Development designation







Independence Apartments

927 S. Independence Ave.

Community Area: North Lawndale

Status: Complete

Independence Apartments represents the fifth phase of the redevelopment of Sears, Roebuck and Co.'s former West Side headquarters.

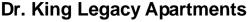
Opened in September, the \$8.8 million, 42-unit rental project includes a variety of affordable apartment sizes for families. It was developed by the Shaw Co. in partnership with the Foundation for Homan Square. Previous phases included more than 300 units of rental and for-sale housing, as well as the renovation of existing Sears properties into schools, commercial spaces, and park facilities.

HED Assistance:

• \$3.1 million loan







1550 S. Hamlin Ave.

Community Area: North Lawndale

Status: Complete

The April opening of Dr. King Legacy Apartments completed the first phase of a plan to create a historic district where Dr. Martin Luther King lived with his family in 1966. The \$17 million, 45-unit affordable rental project by Lawndale Christian Development Corp. includes 6,000 square feet of commercial space along 16th Street. Future phases include a new park, cultural center, library, and a memorial to Dr. King's life and legacy.

HED Assistance:

- \$4.9 million loan
- \$6.9 million tax credit equity
- Planned Development designation



Affordable Housing



Hope Manor Apartments

3053 W. Franklin Blvd.

Community Area: Humboldt Park

Status: Completed

Hope Manor Apartments is dedicated for the exclusive use of homeless veterans in Chicago. Developed on formerly City-owned land by Volunteers of America of Illinois in cooperation with the Illinois Housing Development Authority and the U.S. Department of Veterans Affairs, the four-story structure includes 30 studio apartments, 10 two-bedroom units, and 10 three-bedroom units. The \$14 million project offers an innovative combination of housing and social services to former armed forces members who need assist ance trasitioning to civilian life.



- \$1.5 million loan
- · Land write-down





Zapata Apartments

3230 and 3503 W. Armitage Ave., 1955 N. St. Louis Ave., 3734 W. Cortland St.

Community Area: Logan Square **Status:** Under construction

Following a five-year community planning process, Zapata Apartments broke ground at four locations that had been vacant since the 1980s. Being developed by Bickerdike Redevelopment Corp., the \$25 million project will create 61 affordable one- to three-bedroom units for community residents earning no more than 60 percent of the area median income.

HED Assistance:

- \$13.9 million bond issue
- \$7.6 million tax credit equity
- \$4.6 million TIF
- \$1 million loan









Viceroy Apartments

1517-21 W. Warren Blvd.

Community Area: Near West Side

Status: Under construction

The former Viceroy Hotel is being converted into 89 affordable housing units with on-site social services for low-income renters by Heartland Housing Inc. in partnership with First Baptist Congressional Church. The six-story structure, which originally opened in 1930 as the Union Park Hotel, was designated an official City of Chicago landmark in 2010. Office space, a coffee shop, community garden and adjacent parking are included in the \$23 million project.

HED Assistance:

- \$13.1 million tax credit equity
- \$3.8 million TIF
- Land write-down







Chicago Low Income Housing Trust Fund

As the largest rental subsidy program of its type in the nation, the Chicago Low Income Housing Trust Fund (CLIHTF) committed more than \$15 million to provide rental subsidies on behalf of 2,800 households in 2011.

The subsidies provide ongoing support for approximately 5,000 people living in 55 of Chicago's 77 community areas, including formerly homeless individuals and families, people living with HIV/AIDS, female-headed households, and veterans.

Eighty percent of the apartments in the program are in buildings with only one subsidized unit, and more than one-third of CLIHTF tenants are children. The average annual subsidy in 2011 was \$476 per month.



Planning and Zoning

HED's land use activities are designed to maintain and improve the character and viability of local neighborhoods.

Among the planning projects that staff initiated in 2011 are commercial corridor studies of 63rd Street in Greater Grand Crossing, the six-corners intersection in Portage Park, and a portion of Broadway in Uptown and Edgewater. Planners are studying local pedestrian activity and public transit resources in each area to identify strategies that promote convenient, walkable neighborhoods.

Another new planning effort called "Green Healthy Neighborhoods" is generating a land use plan for Greater Englewood, Washington Park, Woodlawn and a portion of New City. Initiated in July, its goal is to improve the areas' vacant lots in ways that benefit residents, businesses and institutions, primarily through urban agriculture, stormwater management, and other endeavors that promote sustainable investment.

As part of an ongoing analysis of Chicago's land and physical assets, staff completed significant inventory projects in 2011. One was a comprehensive inventory of all of Chicago's green roofs, which were determined to encompass more than 101 acres on 359 buildings, more than any city outside of Germany. Another was an open space study that identified 13,390 acres of public parks and green space within city limits. As the most accurate assessment of open space resources to date, it will help guide future open space investments by the City and Park District.

Among the open space development projects that moved forward in 2011 is the former Celotex industrial site in South Lawndale, which the department acquired in October for future development as a 21-acre public park. HED also leveraged 12 other park projects through open space impact fees involving the construction of new multi-unit residential buildings in local neighborhoods.

In addition to planning for Chicago's future, HED also works to protect its past. The department's preservation staff provided technical assistance to the owners of dozens of historic buildings and coordinated the designation of 14 properties as official City of Chicago landmarks. Staff also completed a National Register of Historic Places nomination for the 22-mile Chicago Park Boulevard System Historic District, which will enable more than 2,000 property owners to apply for tax benefits on eligible rehabilitation projects.

In managing the City's zoning code in 2011, HED staff processed more than 20,000 zoning permits, coordinated the Zoning Board of Appeals' review of several hundred zoning projects, and presented more than 40 map amendment and Planned Development (PD) designations to the Chicago Plan Commission that were subsequently approved by City Council.





Metra-Milwaukee District West Line Plan

Northwest Side

Status: Complete

Community Areas: Galewood, Monteclare

Adopted in December, the Milwaukee District West Line Plan has three main purposes: to increase the visibility of five Northwest Side Metra stations; to make recommendations for appropriate private development around each station, and look for ways to provide information about the stations at nearby Chicago Transit Authority (CTA) bus shelters. By being transit-friendly, the study is intended to produce strategies that will enhance station access and ridership along the Metra route.

HED assistance:

Chicago Plan Commission adoption

Planned Development Designations

To ensure Chicago's largest and tallest development proposals are designed in appropriate context with surrounding neighborhoods, HED coordinated 44 Planned Development (PD) designations in 2011. Approved by the Chicago Plan Commission and City Council, the proposals included new retail facilities, recreational centers, educational institutions, hotels, high-rises and a variety of other structures.

The PD process ensures adequate public review, encourages unified planning and development, promotes economically beneficial development patterns, allows design flexibility, and protects the city's natural resources.











28 Planning and Zoning















Rosehill Nature Preserve

5800 N. Western Ave.

Community Area: Lincoln Square **Status:** Under development

Following the acquisition of 20-acres of an unused portion of Rosehill Cemetery in the fall, HED is planning the development of new trails, wildlife viewing platforms, new entrances and other amenities as part of a new, publicly accessible nature preserve. The centerpiece will be an existing 4.5-acre pond that will be dredged as part of a comprehensive effort to improve the natural habitat for fish, birds and other wildlife. Once complete, the site will be transferred to the Chicago Park District.

HED Assistance:

- \$3 million TIF
- \$4.7 million tax exempt bonds

PATIES

THORNDALE

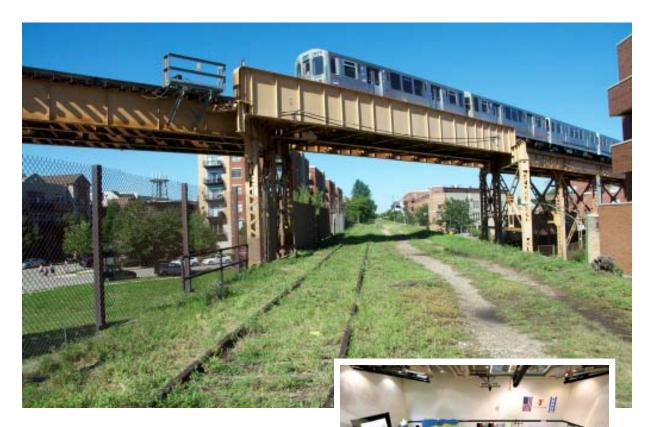
ARDMORE

AREA

AR

30 Planning and Zoning





Bloomingdale Park and Trail

1600-3700 West Bloomingdale Avenue

Community Area: Logan Square

Status: Moving forward

A series of community outreach meetings between September and December moved the proposed Bloomingdale linear park into the forefront of Chicago's open space planning for the Northwest Side. Originally proposed in the 2004 "Logan Square Open Space Plan" and to be largely financed through federal transportation funding, the former railroad embankment and eight adjacent entry points are being designed to include suggestions from walkers, runners, bicyclists and artists. The park will create 15 acres of public open space upon completion.

HED Assistance:

- · Land use planning
- · Land assembly





Honore Street Farm

5800 blocks of South Wolcott and Honore streets

Community Area: Englewood **Status:** Under development

Chicago's newest organic farm is being made possible through the October sale of 10 parcels of City-owned land for agricultural uses. The farm will produce organic fruits and vegetables that will be sold on site and at farmers markets by Growing Home, an organic farming business that provides transitional job training to homeless and low-income individuals. The NeighborSpace land trust will own the property and Growing Home will manage it as Honore Street Farm, which will serve as an extension of the organization's nearby Wood Street Farm.

HED Assistance:

Land write-down







Chicago Motor Club

68 E. Wacker Place

Community Area: Loop Status: In process

The Commission on Chicago Landmarks cited the Chicago Motor Club building as an exceptional example of an Art Deco-style skyscraper and recommended it for a landmark designation in July. Built in 1928, the building was the longtime headquarters of the nationally prominent Chicago Motor Club. The recommendation is anticipated to be introduced to City Council in early 2012 in advance of the building's adaptive reuse as a residential high-rise.

HED Assistance:

• Landmarks Commission recommendation









Brewery-Tied Houses

Citywide

Community Area: Various

Status: Complete

Collectively representing a unique period of neighborhood development, eight taverns and a stable built by the Schlitz Brewing Co. were honored with individual landmark designations throughout the year. Developed at the turn of the last century as Schlitz and other brewers adopted the "tied house" system to directly sell their products to tavern patrons in Chicago, the buildings' ornate designs helped define the character of many neighborhoods while reflecting other important aspects of local history.

HED Assistance:

Landmarks Commission recommendation













Department Aggregates

Affordable Housing Assistance

- 7,900 affordable rental units
- 1.881 affordable homes
- •\$355 million in financial support

Chicago Community Land Trust

- 185 homebuyer trainees
- 6 first-time homebuyers
- 0 homes lost to foreclosure

Chicago Low Income Housing Trust Fund

- \$15.8 million in financial subsidies
- 5,000 residents
- 2,880 households
- 500 participating buildings

Construction/Compliance

- 26 construction projects
- 27% MBE participation
- 6.5% WBE participation

Customer Service & Outreach

- 21,000 customer service requests
- 900 FOIA requests
- 200 community meetings

Delegate Agencies

- 92 Commercial Support Services
- 42 Special Service Areas
- 31 Housing Service Providers
- 18 senior assistance providers
- 16 Local Industrial Retention Initiative
- 8 homeowner counseling providers

Emergency Assistance

- 550 new furnaces, roofs, porches
- \$6.6 million project costs

Historic Preservation

- 1,987 permit reviews
- 14 landmark designations
- 14 preservation awards

Neighborhood Stabilization

- 351 acquired units in 46 properties
- 113 units rehabbed in 18 properties
- 20 units sold in 14 properties

Open Space

- 12,000 acres inventoried
- 650 acres transferred
- 60+ acres acquired
- 12 school gardens
- 6 community gardens
- 1 urban agriculture site

Personnel

- 224 employees
- 21 divisions
- 3 bureaus

Planned Development Designations

- 44 PD applications
- 95 Part II permit reviews

Property Tax Incentives

- \$17 million in owner tax savings
- 13 6(b) and 7(b) tax incentives
- 6 Class C and L incentives

Real Estate

- 51 land sales
- 10 land-write-downs

Residential Building Repairs

- \$3.6 million in financial support
- 480 projects for seniors
- 360 improved properties

Small Business Grants

- \$24.7 million total project costs
- \$11.4 million in grants
- 250 projects

Tax Increment Financing

- \$558.2 million private funds
- \$118 million in TIF funds
- 1,300 permanent jobs
- 15 redevelopment agreements

TIF Works

- \$4.6 million in funding
- 1,500+ employees trained
- 127 businesses

Troubled Buildings Initiative

- 1,128 recovered multi-family units
- 879 new multi-family units
- 51 condo units