

Logan Square
Corridor
Development
Initiative

Vision Driving Development



Project Background

Communities too often are put in the position of reacting to a development proposal, rather than working to attract development that fits the local vision. The Metropolitan Planning Council (MPC) is reversing this dynamic through the Corridor Development Initiative, a three-part, participatory planning process that helps local residents understand issues such as density, affordable housing, mixed-use design, and the true cost of development, while establishing priorities to guide future development in a neighborhood.

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Special thanks to Logandale Middle School for providing space for the Logan Square CDI meetings.

Thank you to our funders

Bank of America
The Chicago Community Trust
Northern Trust



From the Alderman

The Logan Square neighborhood is a wonderful place to live, boasting a rich history and one of the most diverse communities in Chicago. Named after General John A. Logan, who served in the Civil War and later in Congress, the neighborhood is centered around its namesake public “square” and the Illinois Centennial Monument. Designed by Lincoln Memorial architect Henry Bacon, it was built in 1918 to commemorate the 100th anniversary of the State of Illinois. Our historic districts include landmarked homes, beautiful tree-lined boulevards, and a six-corner intersection of Milwaukee Avenue, Kimball Avenue, and Diversey Avenue.

The long-time home to successive immigrant populations, Logan Square has been a port-of-entry into the American dream for generations. As a self-defined working-class community, it features a thriving ethnic and economic mix, surrounded by marvelous cafés, eclectic boutiques, and turn-of-the-century architecture. The CTA Blue Line has stops along Milwaukee Avenue at California Avenue and Kedzie Avenue, which makes the community convenient for residents and visitors alike.

As alderman of the 35th Ward, public engagement has been central to my commitment to this community. Prior to taking office in 2003, I worked with local activists to successfully place this ward-wide advisory referendum on the ballot:

“Shall the alderman of the 35th Ward hold open public meetings on all proposed zoning changes to get input from residents, business owners and community organizations before deciding whether to support or oppose a zoning proposal?”

The result was 6,126 in favor and 238 against.

After taking office, I immediately involved residents and held public meetings on all development proposals requiring a zoning change. This practice has become part of the neighborhood culture. During the summer of 2009, we took it a step further. We invited the Metropolitan Planning Council (MPC) to lead our community through the Corridor Development Initiative (CDI) process with a focus on Milwaukee Avenue. The difference between the CDI approach and our ward’s regular public meetings is that instead of residents reviewing development proposals, the residents were creating them. Through a series of community meetings, residents learned about urban planning principles, building design, and project financing. The MPC staff is to be commended for their professional facilitation of the meetings.

Our ideas, efforts and values are documented in this publication as a guideline for future development along Milwaukee Avenue. I am proud to serve such a dynamic community, where the people are actively committed to improving its character, image, and quality of life.

A handwritten signature in black ink, appearing to be 'Rey Colón', written in a cursive style.

Ald. Rey Colón
City of Chicago, 35th Ward

From the Logan Square Corridor Development Initiative Steering Committee

In the summer of 2009, Ald. Rey Colón (35th Ward) and the Metropolitan Planning Council hosted the Logan Square Corridor Development Initiative (CDI), an interactive, participatory planning process for neighborhood residents. The goal of the Logan Square CDI was to create a set of development priorities for Milwaukee Avenue, and arm residents with an understanding of development finance and design to enrich their vision for development along the corridor, preparing them to effectively respond to development proposals in the future. Through a series of three meetings, more than 100 Logan Square residents worked with volunteer architects and developers to create practical development recommendations for parcels along Milwaukee Avenue.

This publication summarizes the three meetings and development recommendations created by residents. It is intended to be used by Ald. Colón, local residents, and other stakeholders to provide developers, investors and others interested

in development along Milwaukee Avenue with an understanding of the type of development the community wishes to see. The development recommendations in this report represent an array of community ideas for future commercial and residential use, height, and general building design. Aside from those concerning building bulk and general types of building use, the recommendations are open to interpretation according to specific development plans and architectural styles.

The report is divided into three sections: history of Logan Square, description of current and past planning efforts, and an overview of the development recommendations created during the Logan Square CDI.

As the market begins to recover, we look forward to working with residents and developers to turn some of these proposals into reality.





Advisory Committee comprised of residents and representatives from community organizations.

In 2004, residents worked with the Chicago Dept. of Planning and Development, Chicago Park District, and Chicago Dept. of Transportation to create the Logan Square Open Space Plan. It addresses the lack of open space in the neighborhood by identifying opportunities for future green space, including a linear park on the abandoned Bloomingdale rail line, and improving Logan and Palmer squares. Recommendations for Milwaukee Avenue include pedestrian improvements along the corridor, and creation of a plaza at the intersection of Milwaukee and Kedzie avenues. The Logan Square Open Space Plan was approved by the Chicago Plan Commission in July 2004.

In 2005, the Logan Square Neighborhood Association and LISC's New Communities Program released Logan Square's Quality of Life Plan, *A Place to Stay, a Place to Grow*. This document was the result of a multi-year planning process that engaged hundreds of residents. It outlines strategies to guide development in Logan Square, paying specific attention to preserving affordable housing options and revitalizing commercial corridors.

In 2008, the Chicago Plan Commission adopted the Milwaukee Avenue Corridor Plan. It was the result of collaboration between residents, city agencies, and professional planners, and identifies ways to strengthen and guide development along Milwaukee Avenue through preservation, renovation, or redevelopment. The plan focuses on Milwaukee Avenue between Western and California avenues, which borders to the south the study area for the Logan Square CDI.

Logan Square's many historic buildings are another important part of the neighborhood's identity. In February 2005, the Chicago City Council designated the "Milwaukee-Diversey-Kimball District" as an official Chicago Landmark District. As the name implies, the district encompasses the six-point intersection at Milwaukee, Diversey and Kimball avenues, and consists of seven historically significant commercial buildings that were designed using prominent architectural styles, including Classical Revival and Art Deco, and feature glazed terra cotta detailing. These buildings also are some of the tallest structures in the area.

Shortly after the designation of the Milwaukee-Diversey-Kimball district, the City Council added the "Logan Square Boulevards District" to the Chicago Landmark Districts list, in November 2005. The finely crafted homes along Logan, Kedzie, Palmer and Humboldt boulevards were built primarily between 1880 and 1930, and were designed in a wide variety of architectural styles. When combined with the beautifully landscaped boulevards and other significant structures, including the Illinois Centennial Monument in Logan Square, this historic district has a distinctive sense of place.

Logan Square Corridor Development Initiative

Ald. Colón invited the Metropolitan Planning Council (MPC) to host the Logan Square CDI as a way to proactively involve residents in the planning process before development occurs. (MPC borrowed the format from Minnesota's Corridor Development Initiative). A steering committee consisting

of residents and representatives from community organizations oversaw and helped guide the Logan Square CDI process.

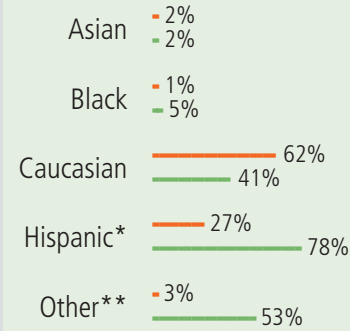
At the first of three meetings, there was a discussion of current land use tools and policies in the neighborhood, and community members were asked to identify goals, challenges and opportunities for future development. During the second meeting, residents used blocks representing standard residential and commercial building sizes to “build” the type of development they would like to see for three sites in the neighborhood. Volunteer architects and developers, recruited by MPC, were present to sketch the buildings and test financial feasibility. The end result of this second meeting was a set of development proposals that reflected resident wishes. The final meeting featured a panel of developers who assessed the development proposals created during the second meeting and answered resident questions.

Through the CDI process, residents gained an understanding of the “rules and tools” of real estate development, which prepares them to respond to development proposals in the future. By working with neutral-party architects and developers, residents also created realistic development recommendations that can guide future development efforts in their neighborhood.

“The Logan Square CDI was an opportunity for residents to come together, share their ideas for the future of the neighborhood, and have a forum for communicating the type of development they want to see in Logan Square,” said Lynn Stevens, Logan Square CDI Steering Committee member.

Demographic Analysis

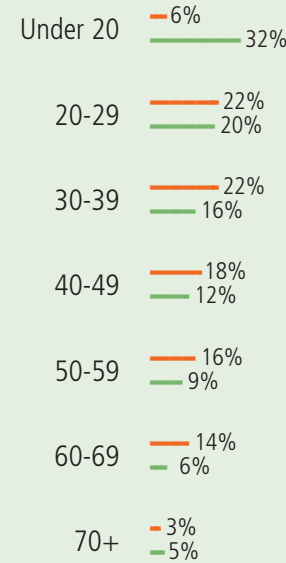
Ethnicity/Racial Background



**Census 2000 based data is not directly comparable to participant responses because of the difference in race and ethnicity categories. ‘Hispanic’ is not considered a race category, so Hispanic individuals self-select into other race categories. Thus, some portion of the ‘White’ category is Hispanic — the same is true for ‘Black,’ ‘Asian,’ and ‘Other.’ ‘Hispanic’ was its own category in the CDI keypad poll question regarding participants’ ethnicity/racial background.*

***Includes ‘Native American/Alaska Native,’ ‘Other Racial Background,’ and ‘Multi-racial’ categories from the CDI keypad polling; includes ‘Other’ category from U.S. Census.*

Age



Gender



Key

- CDI Meeting Attendees
- Logan Square neighborhood



Community outreach was conducted through community groups, media, flyers, and word of mouth. Members of the steering committee were asked to reach out to their own organizations, as well as other groups, businesses, schools, churches, and block groups in the community. In total, approximately 80 groups were contacted with information about the CDI.

MPC promoted the meetings on its blog and Facebook page, while Ald. Colón and the Logan Square Neighborhood Association (LSNA) also included information on their web sites and in newsletters to their constituents. Committee member Lynn Stevens posted meeting details both on her blog, *Peopling Places*, and the Logan Square Yahoo group. *Our Village*, a local newspaper, printed three articles about the meetings during the course of the CDI.

A concerted effort was made to attract a representative sample of the resident population to the meetings. Due to the neighborhood's high Hispanic and Polish populations, flyers detailing the meetings were designed in English, Spanish and Polish, and disseminated by steering committee members to their respective constituencies and contacts. Quarter-page flyers also were handed out to shoppers at the local farmers' market. All of the CDI meetings were bilingual in English and Spanish; presentations were projected side by side in the two languages, and translators were available for monolingual Spanish speakers.

“Development Tools” Presentation Summary: First Meeting, July, 2009

Development Incentives

The City of Chicago offers a number of financial incentives for rehabilitation of historic properties, both for commercial and residential uses. They include tax rehabilitation credits, reduced or frozen property tax rates, and permit fee waivers. There also are credits available for rehabilitation that include affordable housing elements, such as the Historic Rehabilitation Tax Credit paired with the Low-Income Housing Tax Credit.

Affordable housing resources can be used to support broader development goals, particularly in today's economy. State and federal affordable housing standards are determined based on percentages of the median income for the greater Chicago region:

Percentage of Logan Square Households in Income Categories (All Household Sizes)

17.2%*	5.2%*
Moderate	Low
\$60,300-\$90,480/year	\$45,240/year
80%-120% of AMI	60% of AMI
Affordable Monthly Rent	Affordable Monthly Rent
\$1,567-\$2,352	\$1,176
Approximate Affordable	Approximate Affordable
Homeownership Price	Homeownership Price
\$167,500-\$251,333	\$125,667
6.4%*	33.9%*
Very Low	Extremely Low
\$37,700/year	\$22,600/year
50% of AMI	30% of AMI
Affordable Monthly Rent	Affordable Monthly Rent
\$980	\$588
Approximate Affordable	Approximate Affordable
Homeownership Price	Homeownership Price
\$104,722	\$62,778

* Logan Square household income from 2000 Census; income limits in this column are \$60,000-\$99,000 for Moderate; \$45,000-\$49,999 for Low; \$35,000-\$39,999 for Very Low; and \$24,999 and below for Extremely Low.

Zoning

Milwaukee Avenue is zoned primarily B (Business) and C (Commercial). These districts are intended to accommodate retail, service and commercial uses, and ensure business and commercial zoned areas are compatible with the character of existing neighborhoods. This includes mixed-use buildings, as well as neighborhood scale and car-oriented businesses with building heights up to seven stories.

Parking

Parking is a challenge in many urban communities. Often attention is put on how to add more parking rather than how to get more people to local destinations. Ultimately, retailers want to make certain patrons can get to their places of business efficiently, and adding new parking without a thoughtful plan can have negative effects on neighborhood walkability and other quality of life issues. In areas such as Milwaukee Avenue, with thriving nearby residential neighborhoods and adjacent rail and bus access, there are opportunities for creative solutions to increase access and bring more people to the area. Concepts to consider include bolstering alternative forms of transportation, as well as shared parking strategies and appropriate pricing to encourage the continuous recycling of parking spaces.

Area Median Income (AMI)

Government agencies use the median income for families in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the AMI in the current year, and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example 80% of the AMI is a common income level for participation in workforce housing programs. In 2009, Metropolitan Chicago's AMI for a family of four was \$75,400.

Logan Square Corridor Development Initiative Priorities

At the first meeting, community members were asked a series of questions about their ideas for the future of Milwaukee Avenue in Logan Square. Through these answers and the development scenarios created during the second meeting, residents identified several themes for the future of the neighborhood. They had a strong desire to maintain and preserve the historic buildings, provide a variety of housing options for all income levels, and see new buildings that are similar in height or one to two stories taller than current buildings. Mixed-use development, with retail or businesses on the ground floor and residential units above, also was a priority for residents.

According to polls conducted at the meetings, the community currently visits Milwaukee Avenue for a variety of reasons, ranging from patronizing the restaurants and bars that line the street, to shopping in the stores, to catching public transportation. When asked how they would like to use Milwaukee Avenue in the future, community members prioritized enhancing the retail and dining options along the corridor, with a preferred focus on locally owned businesses. They also would like to see more green space. Residents were divided about the amount of parking on the street, with the majority feeling the parking is sufficient; there was a strong minority who wanted additional parking options.

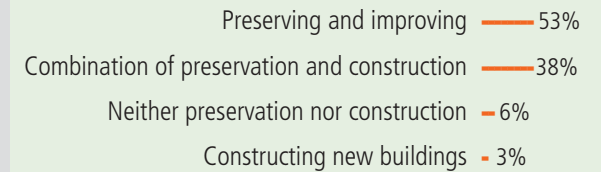
By the final meeting, 88 percent of the residents felt they had a better understanding of development, finance and design, and 68 percent said they had more clarity about the type of development they would like to see along Milwaukee Avenue.

Results from keypad poll at the first meeting

How would you like to use Milwaukee Avenue in the future?



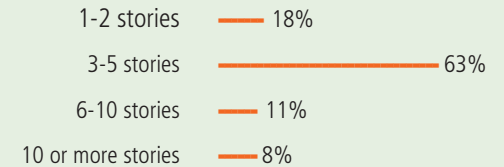
How should our community focus efforts on Milwaukee Avenue property?



Please choose the top two income levels that new housing should serve along Milwaukee Avenue



What average height do you envision for new buildings along Milwaukee Avenue? (asked at third meeting)



(sample size = 70 people)

Community-Generated Development Recommendations

The following development plans were generated by community members during the Logan Square CDI meetings. Residents developed these recommendations based on their ideas for height and layout of residential, commercial and green space, and conceptual architectural style and massing. Though they are specific to three sites on Milwaukee Avenue — 2500 North (MegaMall), 2860 North (former Dale Theater/Abt Electronics site), and 2746 to 2778 North (the block containing Pay/Half and the Gap Outlet), they are intended as a guide for the entire Milwaukee Avenue corridor.

The Logan Square CDI volunteer real estate advisors used some assumptions in calculating the cost of each proposal. Though these are based on current conditions in Logan Square, they do not take into account the complexity of certain types of development. For example, financing affordable housing is complicated and could not be captured completely in the 15 to 20 minutes residents had to develop these plans. As a result, the financing results should be taken as a guide for how the proposals could work, with the recognition that there are variables that could impact the financing.

It also is necessary to note the Logan Square CDI was done during a period of economic recession. Given that the proposals were created using current market conditions, this does impact the way they may be used in the future. Also, for this reason, the development assumptions used are listed here.

Assumptions

The following assumptions were used to calculate the cost for each development concept.

Land Price PSF	\$25	Affordable Sales 1BR	\$160,833
Market Sales Price per sq. foot (PSF)	\$260	Affordable Sales 2BR	\$180,833
Developer Return	15.0%	Affordable Sales 3BR	\$201,000
Average Parking Space Area	350	Affordable Rental Studio	\$75,000
Sale of Parking Spaces	\$15,000	Affordable Rental 1 BR	\$80,000
		Affordable Rental 2 BR	\$90,000
		Affordable Rental 3 BR	\$100,000
Rental		Affordable For Sale Construction Costs	
Rents	\$1,800	(Hard and Soft) PSF	\$185
Occupancy	95.0%	Rental Construction Costs	
Expense Ratio	35.0%	(Soft and Hard) PSF	\$180
Cap Rate	8.0%	Condo Construction Costs	
Affordable Rental		(Soft and Hard) PSF	\$190
Rents	\$849.00	Retail Construction Costs	
Occupancy	0.95	(Soft and Hard and TI) PSF	\$150
Expense Ratio	35.00%	Above Ground Parking (Hard) Construction	\$50
Cap Rate	8.00%	Underground Parking (Hard) Construction	\$115
Retail			
Square Feet per Unit	1,360		
Efficiency	97.0%		
Rent	\$20		
Closing Costs/Commissions	6.0%		
First Year Leasing Commission	8.0%		
Last 9 Years Leasing Commission	3.0%		
Occupancy	90.0%		
Cap Rate	9.0%		

Development Concepts

All of the proposals created during the second meeting, in Aug. 2009, are included in this report and arranged according to site. The order in which the plans for each site appear is significant. After the third meeting residents were given the chance to vote for their three favorite proposals. The proposal for each site that received the most votes appears first in this report. For example, the Dale Theater/Abt Site plan that received the most votes is the first plan in the Dale Theater/Abt section.



Dale Theater/Abt Site

Pay/Half to Gap Site

MegaMall Site

Dale Theatre/Abt Concepts

2860 N. Milwaukee

The Dale Theatre/Abt site represents a new opportunity for development in the neighborhood. In the spring of 2009, the historic theater building that was on this site was demolished, opening the door for new development opportunities on this corner lot. The Dale Theatre/Abt site also represents a typical lot size in Logan Square, which means the proposals generated for the Dale Theatre/Abt can easily be transferred to other parcels along Milwaukee Avenue.



Dale Theater/Abt Site



Development Features

- Mixed-use building with ground floor retail and upper residential floors.
- Pocket park on corner between buildings.

Development Figures

No. Stories: 4
 Total Res. Units: 12
 Affordable Rental: 12
 Commercial Spaces: 6
 Total Parking Spaces: 20
 Total Cost: \$5,157,674
 Loss: \$2,783,073
 Loss Percentage: 54%

Dale Theater/Abt Site



Development Features

- Multi-family buildings facing Wolfram.
- Park at the corner of Milwaukee and Wolfram.

Development Figures

No. Stories: 2
 Total Res. Units: 8
 Affordable For-Sale: 8
 Commercial Spaces: 0
 Total Parking Spaces: 8
 Total Cost: \$2,866,721
 Loss: \$1,420,057
 Loss Percentage: 27.5%

Dale Theater/Abt Site



Development Features

- Ground floor commercial spaces with residential upper floors in building facing Milwaukee.
- Staggered residential buildings facing Wolfram with green space between.
- Green roof on mixed-use building.
- Pocket park on corner between buildings.

Development Figures

No. Stories: 2-3
 Total Res. Units: 8
 Affordable For-Sale: 8
 Commercial Spaces: 8
 Total Parking Spaces: 22
 Total Cost: \$4,743,521
 Loss: \$1,388,940
 Loss Percentage: 26.9%

Development schemes with multiple scenarios indicates schemes where residents worked with the developers and architects to refine the numbers in an attempt to be more financially feasible.

Dale Theater/Abt Site



Development Features

- New building in one of two incarnations: mixed-use with ground floor commercial or all residential.
- Park on Wolfram side of site.

Development Figures
Scenario 1
No. Stories: 3
Total Res. Units: 10
Affordable For-Sale: 5
Affordable Rental: 5
Commercial Spaces: 0
Total Parking Spaces: 10
Total Cost: \$3,251,051
Loss: \$1,953,653
Loss Percentage: 60.1%

Development Figures
Scenario 2
No. Stories: 3
Total Res. Units: 10
Affordable For-Sale: 10
Commercial Spaces: 3
Total Parking Spaces: 10
Total Cost: \$4,189,451
Loss: \$1,665,652
Loss Percentage: 51.2%

Dale Theater/Abt Site



Development Features

- Two mixed-use buildings with ground-floor commercial space and upper-floor residential units.
- Space between buildings for possible pocket park.
- Green roofs.

Development Figures
Scenario 1
No. Stories: 2-3
Total Res. Units: 21
Affordable For-Sale: 16
Market-Rate For-Sale: 5
Commercial Spaces: 4
Total Parking Spaces: 24
Total Cost: \$7,867,267
Loss: \$1,665,038
Loss Percentage: 51.2%

Development Figures
Scenario 2
No. Stories: 2-3
Total Res. Units: 21
Affordable For-Sale: 6
Market-Rate For-Sale: 15
Commercial Spaces: 10
Total Parking Spaces: 24
Total Cost: \$7,945,467
Loss: \$298,825
Loss Percentage: 9.2%

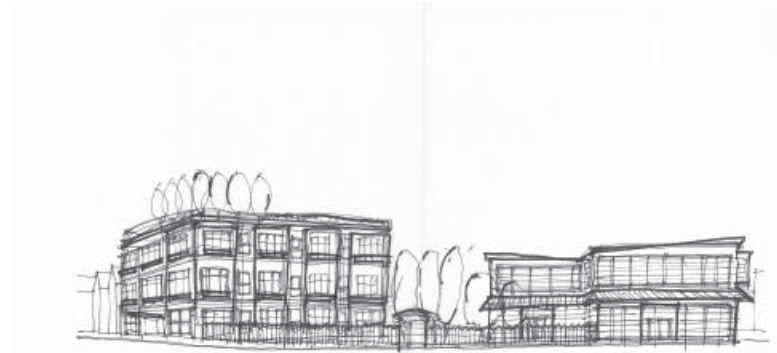
Dale Theater/Abt Site



Development Features

- Mixed-use buildings with ground floor commercial spaces and residential upper floors.
- Five two-story buildings surrounding an inner private courtyard.
- Green roof on three-story building.

Dale Theater/Abt Site



Development Features

- Two-story mixed-use building with courtyard facing Milwaukee.
- Three-story mixed-use building facing Wolfram.
- Green roof on three-story building.

Development Figures

Scenario 1

No. Stories: 2-3
 Total Res. Units: 12
 Market-Rate For-Sale: 12
 Commercial Spaces: 4
 Total Parking Spaces: 15
 Total Cost: \$5,136,821
 Loss: \$396,143
 Loss Percentage: 12.2%

Development Figures

Scenario 2

No. Stories: 3-4
 Total Res. Units: 12
 Market-Rate For-Sale: 12
 Commercial Spaces: 10
 Total Parking Spaces: 31
 Total Cost: \$6,544,421
 Loss: \$372,805
 Loss Percentage: 11.5%

Development Figures

Scenario 1

No. Stories: 2-3
 Total Res. Units: 16
 Market-Rate For-Sale: 16
 Commercial Spaces: 10
 Total Parking Spaces: 35
 Total Cost: \$7,813,562
 Loss: \$379,706
 Loss Percentage: 11.7%

Development Figures

Scenario 2

No. Stories: 2-3
 Total Res. Units: 16
 Affordable For-Sale: 1
 Market-Rate For-Sale: 15
 Total Parking Spaces: 35
 Commercial Spaces: 10
 Total Cost: \$7,805,742
 Loss: \$506,613
 Loss Percentage: 15.6%

Pay/Half to Gap Concepts

2746 to 2778 N. Milwaukee

In recognition of the presence of historic buildings along Milwaukee Avenue, this site includes a landmarked building. Residents were encouraged to think creatively about future uses for the historic buildings, and to think creatively about new development opportunities for the Pay/Half location, especially as it relates to the Logan Square Blue Line entrance located next to the store.



Pay/Half to Gap Site



Development Features

- Office and retail space on first and second floors.
- Residential units on third and stepped-back fourth floors.
- 'Element of interest' at corner of Milwaukee and Spaulding.
- Green space on roof and in front of building.

Development Figures

Scenario 1 Pay/Half Building only

No. Stories: 3-4
 Total Res. Units: 20
 Affordable For-Sale: 2
 Market-Rate For-Sale: 18
 Commercial Spaces: 15
 Total Parking Spaces: 43
 Total Cost: \$10,186,875
 Loss: \$702,785
 Loss Percentage: 6.9%

Development Figures

Scenario 2 Pay/Half Building only

No. Stories: 3-4
 Total Res. Units: 20
 Affordable For-Sale: 10
 Market-Rate For-Sale: 10
 Commercial Spaces: 15
 Total Parking Spaces: 43
 Total Cost: \$10,124,315
 Loss: \$638,817
 Loss Percentage: 6.3%

Pay/Half to Gap Site



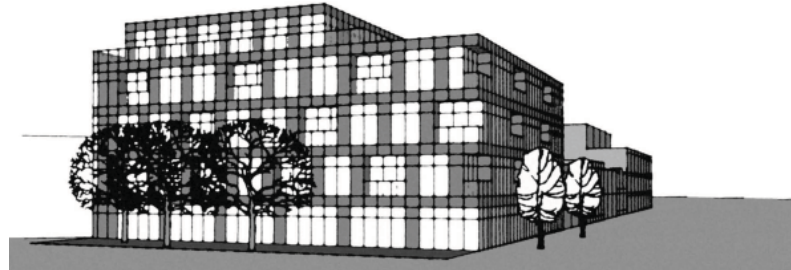
Development Features

- Office and retail space on first and second floors with residential units on third floor.
- Green space next to Blue Line entrance on Spaulding.
- Green space on roofs of new building and existing two-story historic structures.
- Gap building to house artists' studios, community & nonprofit space, cultural activities, etc.

Development Figures
Scenario 1
Pay/Half Building only
No. Stories: 3
Total Res. Units: 10
Affordable Rental: 10
Commercial Spaces: 12
Total Parking Spaces: 30
Total Cost: \$6,025,060
Loss: \$2,376,799
Loss Percentage: 23.3%

Development Figures
Scenario 2
Pay/Half Building only
No. Stories: 3
Total Res. Units: 10
Affordable Rental: 5
Market-Rate For-Sale: 5
Commercial Spaces: 12
Total Parking Spaces: 30
Total Cost: \$6,225,774
Loss: \$905,955
Loss Percentage: 8.9%

Pay/Half to Gap Site



Development Features

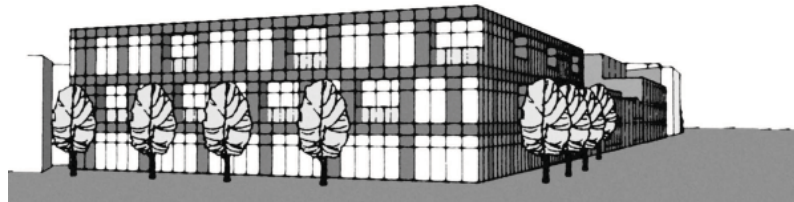
- Mixed-use building with commercial spaces on ground floor facing Milwaukee and Spaulding.
- Residential units on second through stepped-back fifth floor.
- Pocket park next to Blue Line entrance at Spaulding.

Development Figures
Pay/Half Building only
No. Stories: 4-5
Total Res. Units: 40
Affordable For-Sale: 20
Market-Rate For-Sale: 20
Commercial Spaces: 10
Total Parking Spaces: 39
Total Cost: \$15,017,567
Loss: \$846,497
Loss Percentage: 7.3%

Development Figures
Gap Outlet and historic buildings only
No. Stories: 2-3
Total Res. Units: 34
Affordable For-Sale: 17
Market-Rate For-Sale: 17
Commercial Spaces: 25
Total Parking Spaces: n/a
Total Cost: \$16,550,746
Loss: \$4,752,849
Loss Percentage: 28.7%

The development schemes for the Pay/Half to Gap Outlet site have two scenarios. One reflects the numbers for the proposed development on the Pay/Half site only, and the other reflects the proposal for the Gap Outlet and adjacent historic buildings.

Pay/Half to Gap Site



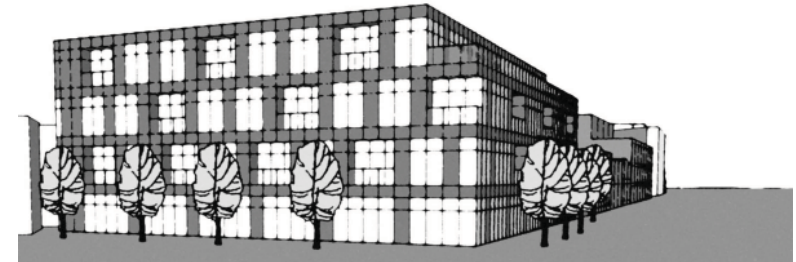
Development Features

- Mixed-use building with commercial spaces on ground floor and residential units on second and third floors.
- Private interior courtyard with access from building and alley.
- Green roof.

Development Figures
Pay/Half Building only
No. Stories: 3
Total Res. Units: 20
Affordable Rental: 10
Market-Rate Rental: 10
Commercial Spaces: 10
Total Parking Spaces: 29
Total Cost: \$8,716,714
Loss: \$2,901,588
Loss Percentage: 24.9%

Development Figures
Gap Outlet and historic buildings only
No. Stories: Existing (2-3)
Total Res. Units: 34
Affordable Rental: 17
Market-Rate Rental: 17
Commercial Spaces: 25
Total Parking Spaces: n/a
Total Cost: \$16,550,746
Loss: \$4,752,049
Loss Percentage: 28.7%

Pay/Half to Gap Site



Development Features

- Mixed-use building with commercial spaces on ground floor facing Milwaukee and Spaulding.
- Residential units on second through stepped-back fourth floor.
- Private interior courtyard with access from building and alley.
- Green roof.

Development Figures
Pay/Half Building only
No. Stories: 3-4
Total Res. Units: 26
Market-Rate For-Sale 26
Commercial Spaces: 10
Total Parking Spaces: 32
Total Cost: \$10,872,850
Loss: \$478,394
Loss Percentage: 4.1%

Development Figures
Gap Outlet and historic buildings only
No. Stories: Existing (2-3)
Total Res. Units: 34
Market-Rate Rental 34
Commercial Spaces: 25
Total Parking Spaces: n/a
Total Cost: \$17,082,506
Loss: \$901,226
Loss Percentage: 5.4%

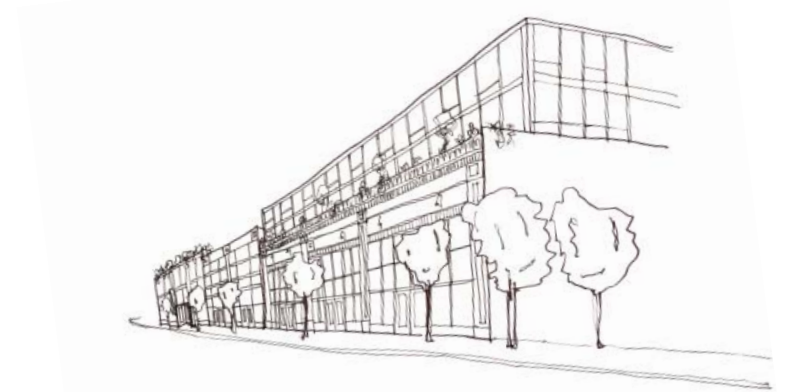
MegaMall Concepts

2500 N. Milwaukee

At almost a full city block, the MegaMall site is a significant opportunity for redevelopment in Logan Square and has the potential to be a gateway to the neighborhood. The existing MegaMall structure, a portion of which is unusable due to fire damage, currently houses small businesses, and many emphasized the importance of working with the small business owners to incorporate them in a new development. All of the proposals generated for this site include new buildings. Given the size of this location, it is difficult to transplant the recommendations to other areas along the corridor. The proposals for this site were fairly specific and unique.



MegaMall Site A



Development Features

- Theater building on south end of site.
- Mixed-use buildings with ground-floor retail and residential above; space between buildings to ensure visibility for commercial tenants.
- Open “European-style” marketplace with central green space and pedestrian paths lined with retail/restaurants.
- Park on north end of site.

Development Figures

Scenario 1

No. Stories: 2-4
 Total Res. Units: 8
 Market-Rate Rental: 4
 Market-Rate For-Sale: 4
 Commercial Spaces: 8
 Total Parking Spaces: 109 (surface)
 Total Cost: \$14,596,661
 Loss: \$3,127,937
 Loss Percentage: 15.7%

Development Figures

Scenario 2

No. Stories: 2-4
 Total Res. Units: 8
 Market-Rate Rental: 4
 Market-Rate For-Sale: 4
 Commercial Spaces: 8
 Total Parking Spaces: 109 (below)
 Total Cost: \$19,869,274
 Loss: \$8,400,550
 Loss Percentage: 42.3%

Development schemes with multiple scenarios indicates schemes where residents worked with the developers and architects to refine the numbers in an attempt to be more financially feasible.

MegaMall Site A



Development Features

- Entrances at mid-block and from train.
- Park space on site.
- Green roof.
- Reuse of some elements of existing building.
- Existing MegaMall vendors ensured retail space in new development.
- Include community space, grocery store, and daycare.

Development Figures

Scenario 1

No. Stories: 2-3
 Total Res. Units: 24
 Affordable For-Sale: 6
 Affordable Rental: 6
 Market-Rate Rental: 6
 Market-Rate For-Sale: 6
 Commercial Spaces: 56
 Total Parking Spaces: 168
 Total Cost: \$30,699,413
 Loss: \$4,327,481
 Loss Percentage: 14.1%

Development Figures

Scenario 2

No. Stories: 2-3
 Total Res. Units: 44
 Affordable For-Sale: 6
 Affordable Rental: 6
 Market-Rate Rental: 6
 Market-Rate For-Sale: 26
 Commercial Spaces: 56
 Total Parking Spaces: 232
 Total Cost: \$44,659,810
 Loss: \$10,688,576
 Loss Percentage: 34.8%

MegaMall Site B



Development Features

- Commercial and retail spaces with some storefronts facing Milwaukee.
- Youth skate park on south end.
- Accessible green roof.
- Surface parking spaces on backside underneath the cantilevered upper levels of the building.
- Existing Megamall vendors ensured retail space in new development.

Development Figures

No. Stories: 2-3
 Total Res. Units: 0
 Commercial Spaces: 108
 Total Parking Spaces: 286
 Total Cost: \$27,863,206
 Loss: \$2,106,329
 Loss Percentage: 6.9%

Notes from the Developers

At the final meeting, residents were invited to talk to a volunteer panel of developers about the development recommendations created during the second meeting. The following are major themes discussed.

The panel of developers, Stephen Porras of Axia Development, Matthew Hickey of Bank of America, and Martin Stern of U.S. Equities Realty, LLC, urged residents to think about increased density along Milwaukee Avenue. According to them, as a major thoroughfare with existing public transit options, a variety of retail and business uses, and wide width, taller buildings are appropriate. In addition, increased density makes a proposal attractive to developers because it is less expensive to construct buildings with more units per square foot. The developers also encouraged residents to think about

ways to bring people to Milwaukee Avenue, including continuous storefronts and activities clustered around the train stations. They questioned designs that incorporated green space that broke up otherwise continuous commercial frontage or were at prime commercial corners.

In terms of housing options, the developers recognized residents wanted a variety of housing options, but stressed that in the current economy, rental apartments provide the best option for financing. Apartments can be converted to condominiums and for-sale housing later, given changes in the market. According to Mr. Porras, the general rule of thumb for successful mixed-income buildings is 80 percent of the units at market rate and 20 percent as affordable housing. However, this mix often makes it difficult to get Low-Income

Housing Tax Credits, a key financial resource for affordable housing development.

Porras, Hickey, and Stern agreed the MegaMall site provided some unique opportunities. They urged residents to think about redeveloping it, either by renovating the existing building or building a completely new development, to create a strong entry point for the neighborhood. The proximity of this site to the California CTA Blue Line stop and its prominent visibility coming off Fullerton along Milwaukee makes this site a significant development opportunity. The size of the lot could absorb a large-scale anchor store, which could attract more people to the corridor and neighborhood, in turn boosting the local economy.





The Corridor Development Initiative can work in any community in the Chicago region.

If you would like to host a Corridor Development Initiative in your community or want to learn more about the Logan Square CDI, please contact:

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