

JAMES/KILMER RESIDENT TOWN HALL MEETING NOTES

Meeting Date: Tuesday, June 24, 2014

Meeting Purpose: Presentations to James/Kilmer Unit Owners regarding the Clark and North Redevelopment Project

Meeting Chair: Judy Barnes, Board President

Presenters: Noah Szafraniec, Supervising Zoning Plan Examiner, Department of Planning Development, Bureau of Zoning and Land Use.
Howard Weiner, Chicago Development Partners, LLC, Glenn Emig, Partner, and Gabriel Martinez, legal counsel

Ms. Barnes opened the meeting at 6:36 p.m., explained the meeting's agenda, and introduced Mr. Szafraniec as the City's Project Manager assigned to the Redevelopment Project. She explained that Mr. Szafraniec would provide information about the Planned Development application and approval process, but would not comment on or answer any questions specifically about the Clark and North Redevelopment Project.

NOAH SZAFRANIEC

I review the submittal package and mitigate the City's concerns about a project and how it relates to the code requirements and Planned Development process.

At this meeting, I will explain what a Planned Development (PD) is, what the review process is, and what a PD application would include.

The city's Zoning Code defines a Planned Development as a Special Zoning District, typically established due to size, use, scale, complexity or location. This allows the project to be reviewed comprehensively and on a larger scale, taking into account how it would fit in the context of the surrounding neighborhood. The project must be substantially in conformance with the underlying zoning designation at the time the PD is applied for.

The Clark and North parcel is now zoned as a B3-5 district, a business district, which allows for retail commercial space on the ground floor of a building and residential units on the remaining floors.

There are specific standards and guidelines in the review process, according to the City's zoning ordinance, that will ensure that various factors are considered during the entire review process. Unit owners have been provided with a link to the City's website, on which they may view the *Department of Planning Development Manual*, which includes a timeline for the review process as well as a list of items required to be in an application.

The standards on which the review is based:

- Use
- Density and intensity
- Transportation
- Traffic circulation and parking – enlisting the help of the Chicago Department of Transportation (CDOT) to issue a review of the site plan
- Pedestrian orientation and access – also reviewed by the Mayor's Office of People with Disabilities

- Urban design; context within the neighborhood
- Building design
- Green design; sustainable design
- Parks, open space and landscaping, when applicable
- Provision of public, social and cultural amenities
- Promotion of public safety and security
- Prioritization of the reuse of historically significant buildings; this is applicable to the Clark and North PD because of the landmarked Village Theater façade
- Protection and enhancement of waterways, when applicable; the Clark and North area is in the Private Use Zone of the Lakefront District

The PD review process:

- Intake Meeting. Before submitting a PD application, the applicant submits a brief general overview of the type of project proposed for an area, and receives basic, preliminary feedback from the Department of Planning Development (DPD).
- Based on the feedback, the applicant submits an official, three- or four-page final application, which receives a much more thorough review. This is signed, notarized, and filed with the City Clerk's office. It is then sent to the City Council, which defers it to the Committee on Zoning, with a copy sent to the DPD. The Department conducts internal review discussions, which may result in comments forwarded to the applicant, as well as comments from CDOT, MOPD [?], the Chicago Fire Department, and the Law Division, which reviews economic disclosure statements from the applicant.
- The Project Manager then discusses the comments with the developer and solicits his response to them. There may be one, two or several meetings with the developer, as well as possibly one or more community meetings.
- When the DPD understands all the ramifications of the PD, the applicant assembles an Application Packet consisting of the actual items that will be presented to the public at a Plan Commission hearing and that is also called a "City Council Documentation," which will be published in the City Council Journal if the project is approved. The items included typically are:
 - Elevations
 - Floor plans
 - Site plans
 - Green roof plans
 - Zoning analysis
 - Specific PD statements, a very basic step that is included in the Appendix of the Manual previously mentioned. The statements demonstrate enforcement of the review standards listed earlier, such as green, sustainable design, requirements of the Mayor's Office of People with Disabilities, CDOT, etc. These are memorialized in the PD statements and become law, to hold the developer responsible to meet the actual development plan proposed to the City. The only way a developer can alter what has gone through the Plan Commission and become part of the City Council Journal is go through various process. If the change is minor, there is a process called a Minor Relief Letter, by which the City determines that everything that is proposed is in substantial compliance with the PD. If there are

more significant changes, such as number of building stories, they must be submitted to the Plan Commission for review, and require new public notices, public hearings, and reconsideration of the application.

Once the Plan Commission votes on the project submitted to it, the PD is submitted to the DPD, which is the ruling body. The DPD then makes a recommendation, called an “amendment application,” to the Committee on Zoning, and the aldermen who sit on that committee vote on the application at a public meeting. If the amendment application is approved, it is submitted to the City Council for a vote and passage, after which it would be published in the City Council Journal and would become law.

Owner Process Questions to Noah:

Q: How can a developer get a height exception, an increase in a proposed building’s height, through the PD process and through an amendment process?

A: The Zoning Code specifically states that in a B3-5 zone, the developer is entitled to a height of 80 feet, but can exceed 80 feet if the Plan Commission reviews and approves the request. This a development right, not an exception, allowed by the Zoning Code.

Q: Can the community request a zoning reduction, to 60 feet?

A: Only the alderman or the developer can apply for a zoning amendment, not the public. The alderman can submit an ordinance, or the developer can submit for a map amendment. Every property in the City has a zone associated with it, and developments are proposed based on the zoning rights that the property owner has at the time the property is being developed. Zoning changes do occur and can affect negotiations between properties that have not been bought and sold, but the property in question is zoned B3-5 and has been for a long time, and the PD application is based on that zoning designation.

Q: Which alderman will make that decision?

A: For zoning purposes, this property is in the 2nd Ward, Alderman Robert Fioretti. The situation depends on whether he chooses to make an amendment application. If he chooses to, he can appear before the Plan Commission. The Plan Commission’s hearings are public; anyone can attend them.

Q: Is there an upper limit on the height allowed in a B3-5 zone?

A: Substantial compliance, based on the criteria already mentioned: use, density and intensity, transportation, traffic circulation, parking, pedestrian orientation, urban design, building design, sustainable design, parks, open space, landscaping, promotion of public safety. All of those things are taken into account when an application is submitted. In regard to context, [this penthouse] is on the 45th floor of this building, which has set the context for this neighborhood in terms of height. It cannot be expected that no one else is entitled to anything more than five stories when the zoning allows a height of at least 80 feet.

Q: When is notice of the hearing published?

A: Fifteen days prior to the public meeting, published by the City in the Chicago *Sun-Times*. Earlier notice is not practical owing to changes in submissions resulting from the review process.

Q: How is the community involved?

- A: The community has the ability to take on a proposal, reach out and speak to the development team through its attorneys, condo associations, neighborhood groups. Many projects change after community involvement. [Gives recent example that resulted in a revised proposal and a community support letter.] It is hoped that the local alderman would present the community's views. Anybody is entitled to communicate with the City and attend the public meetings. The DPD encourages all developers to meet with the community early and often in the process. The City and the community are going to have to live with the development.
- Q: Does the City perform other traffic studies besides the traffic study submitted by the developer as part of the application?
- A: Yes, the DPD enlists the assistance of CDOT to review the proposals and the developer's traffic study; CDOT can properly review and interpret all the data presented in the traffic study.
- Q: Were the traffic studies performed during periods of heavy use?
- A: Typically, traffic studies are conducted at various times of the day and of the year.
- Q: Why do you say that James House sets a precedent for building height?
- A: James House contributes to the context of the area. The DPD looks at how the proposed development fits in with the entire neighborhood. There are other tall buildings in the area, such that it would be unfair to restrict the height of new developments that are subject to the same or similar rules and regulations under the zoning ordinance. This developer is entitled to 80 feet or more, in this area's context. There are at least ten buildings taller than that in the area.
- Q: Has interference by construction equipment and activities been measured?
- A: Construction traffic will be reviewed and approved through the CDOT; there will have to be plan in place for access, staging, etc. There are requirements for what can and cannot be blocked or areas that can and cannot be used. Access to the James/Kilmer buildings cannot be impeded.
- Q: Will the Plan Commission consider the 200 preschoolers that use the daycare facility?
- A: The Commission is well aware of the daycare center. The applicant's proposal has taken it into consideration. The daycare center is responsible for its drop-off and pick-up zones, and the developer is responsible for making sure the project does not impede them.
- Q: During construction, how will residents, the Fire Department, emergency vehicles, etc., gain access to the J/K buildings?
- A: That is a question for the developer. The DPD has not seen the latest development plan or a staging plan as yet. CDOT, the CFD and the Mayor's Office for People with Disabilities all review access points for residents, emergency vehicles, etc.
- Q: Does the Plan Commission have to know the answers to some of these questions before they approve the PD application?
- A: I've just explained what the procedures and policies are. Yes, all these items are reviewed. [Repeats previous remarks about various reviewing bodies.]

Ms. Barnes thanked Mr. Szafraniec for his presentation.

HOWARD WEINER, GLENN EMIG

I have prepared three slides to illustrate the changes that have been made to the Planned Development that was filed in February 2014. Most of the changes were covered in the letter that was distributed to the residents. Over the last three months, the Planning Department has been reviewing what has been submitted. The Mayor's Office for People with Disabilities and the Fire Department have approved the 125-foot building, and CDOT has approved parts of the proposal for the 125-foot building. We are no longer seeking to build a 125-foot building. We do not yet have the staff recommendation from the Department of Planning.

In Chicago, the height of a building is measured from the ground to the ceiling of the top-floor unit. The Latin School has a height of 62 feet, but the top of the building is 80 feet, because in addition to the ceiling of the top floor, there are structures that add to the height, such as parapet walls, elevator penthouses, protruding staircases, roof pitch, etc. Thus, a building has two heights: its approved height and its actual finished height.

We are now proposing a 105-foot building whose highest point will be 117 feet, including the items in the roof.

[Mr. Weiner described the elements of his "Best and Final" proposal; see below. Additional notes follow the illustrations.]

	Planned Development Application	“Best & Final”
Units	122 Rental	48 Condominium (33 Currently Planned)
Parking Provided	.45 per unit	1.2 per unit
Vehicle Trips/Day	338 Fully Leased 260 w/vacant theater	166, 50% reduction 166, 36% reduction
Vehicle Entrance Vehicle Exit	Germania Place Sandburg Terrace	North Ave. (w/CDOT approval) Sandburg Terrace
Developer Funded Site Improvements	Widen North Ave Sidewalk 2’ Germania Loading Dock	Widen North Ave Sidewalk 2’ Germania Loading Dock Remove Sandburg Parkway Move on-site utilities underground
Improvement Allowances	None	\$400,000 Exterior \$250,000 Interior Use Determined by James/Kilmer

Design	Brick & Stone	Brick & Stone
		
Height	125 Feet Per Code 140 Feet Maximum	105 Feet Per Code 117 Feet Maximum

Units: We have applied for 48 units, six units per floor on eight floors, although current plans call for four units per floor, for 33 units [including the unit above the Village Theater, mentioned later]. This is because it will take two and a half years to complete the project, and if the planned 33 units are too large for market conditions at the end of that time, they will be designed to be smaller, with more per floor.

Parking: Condos usually require more parking space per unit. The James/Kilmer garage is available for overflow parking, which would benefit J/K economically.

Vehicle Trips/Day: 166 with either a fully leased property or with the theater vacant. There is less Latin School traffic in the summer, and there is more Germania Club traffic on weekends than on Monday nights. The traffic study and CDOT advise that there will be a negligible impact on area traffic, with an average of one extra car every 20 minutes. The January traffic study has been updated, using 48 condo units instead of 122 rental units, and it shows fewer trips per day. A top priority has been to minimize traffic impact.

Vehicle Entrance: CDOT first disapproved the North Avenue entrance, then approved it, then disapproved it again. Alderman Fioretti has agreed to meet with CDOT to discuss the matter, but its decision will be final. If CDOT does not ultimately approve the North Avenue entrance, vehicles will both enter and exit the building via Sandburg Terrace.

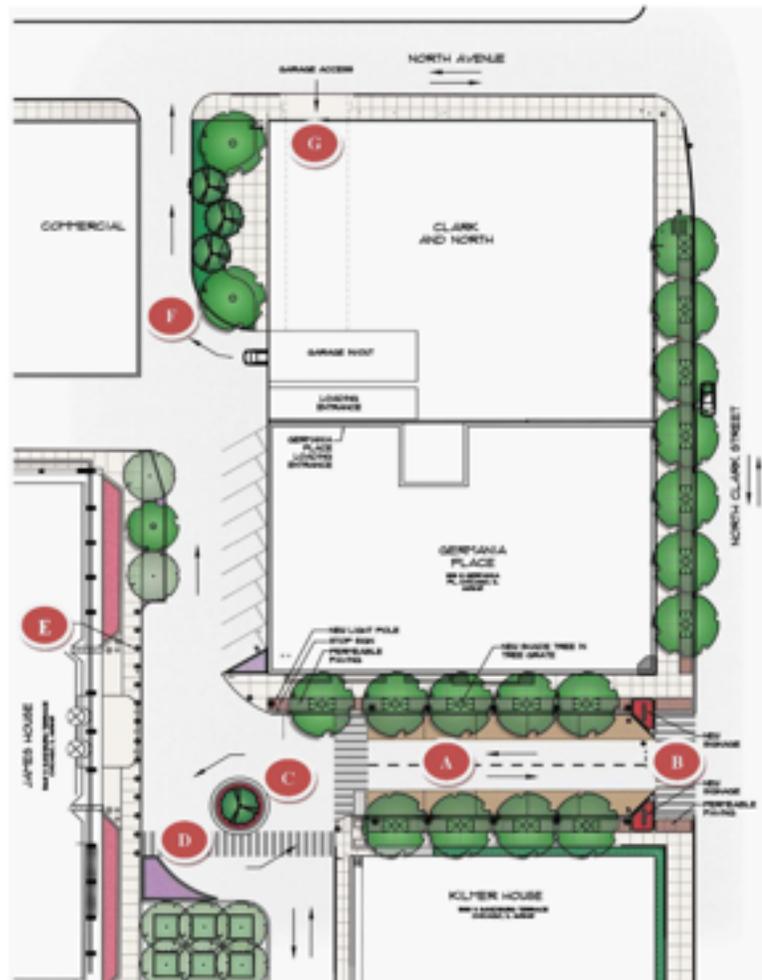
Developer-Funded Site Improvements: CDOT has approved widening the North Avenue sidewalk by two feet. The Germania loading dock would be inside the building.

Improvement Allowances: We met with Jacobs/Ryan Landscape Architects last year and asked for ideas for the approach to Sandburg to improve curb appeal, and address traffic issues and access for the physically challenged. We A list of suggested improvements was developed, and there was much debate about them among James/Kilmer residents. The result was to create an allowance and leave decisions about the improvements to the J/K residents. On April 30, Alderman Fioretti suggested an additional allowance for interior improvements, to which we agreed.

Design: The proposed building will be either stone and brick, or all stone.

Proposed Site Improvements:

- A** Removal of median on Germania Place to improve visibility and emergency access
New paving to clearly identify loading area and handicapped parking.
- B** New signage pylons on Clark St. to improve visibility of Germania Place and James House.
- C** Replace fountain with planting bed and sculpture to reduce maintenance costs.
- D** New crosswalks to improve access for the physically challenged.
- E** Expanded landscaping to enhance James House entrance.
- F** Remove existing parkway to reduce loading congestion, new parkway at north end of property, new loading dock for Germania Building, relocate overhead power and cable underground. Add more auto loading spaces.
- G** New building entrance on North Ave reducing rentable retail area and creating one way exit northbound in Sandburg Terrace.



This slide shows the list of improvements suggested by Jacobs/Ryan last October, and also shows which have been approved and which have not. CDOT has not approved removing the Germania Place median to improve access (“A”). [See note above with regard to CDOT’s approval of “G.”] We will continue to press for CDOT’s approval of a North Avenue entrance to the building. [Mr. Weiner reviewed the list of improvements shown on the slide.]

Ms. Barnes explained the use of the cards for questions. Mr. Weiner introduced Mr. Emig and Mr. Martinez. Mr. Emig introduced himself and explained his relationship with Mr. Weiner. He asked that follow-up questions also be written on cards and submitted, and then read the questions for Mr. Weiner to answer.

Owner Project Questions to Howard:

Q: If the rental building is built, will some units be set aside as submarket (Section 8) housing?

A: We have asked for J/K's approval of the proposed building. If it is not approved, we can't predict at this time what will be built. Under Chicago code, when building population density is increased, the development must meet Section 8 affordable housing requirements, either by setting aside ten percent of the units [as Section 8 housing], or by paying the City \$100,000.00 times ten percent of the units. In addition, if a property is zoned for manufacturing or other nonresidential use, and residential units are added, the developer would be subject to the Affordable Housing Act requirements. However, we are not upzoning the property from manufacturing, the property already permits residential use, so we are not required to provide Section 8 housing.

Mr. Szafraniec: If the alderman rezoned the property to B3-3, the PD could be submitted, upzoning the property to B3-5, which would result in a Section 8 housing requirement. Also, the City of Chicago does not involve itself in any negotiation of community benefits or development allowances. None of that will be recorded as part of the ordinance.

Mr. Emig: We will, however, engage in a contract with James/Kilmer that is legally binding so that the improvements will be completed.

Q: What happens if the J/K ownership and Board reject your 105-foot proposal? Is an 80-foot building a certainty? Are there other options?

A: If the 105-foot building is not approved, we would end discussions and figure out what to do. We might create another Planned Development, we might return to the plans for a 125-foot building and try to get City approval for that, but we have not decided what we would commit to if the 105-foot building is not approved.

Q: Why must the new building exceed the current zoning height?

A: As I've said before, the building needs to give a good impression, to have "presence," to stand out. At 80 feet, it would work well as a rental building, but not as a condominium building. It should be higher than the Latin School. There will be one floor of commercial units, and eight floors of residential units.

Q: What's the purpose of the \$650,000.00 allowance?

A: To improve the neighborhood and the James/Kilmer buildings.

Q: How did the approved zoning go from 80 feet to 105 feet?

A: The zoning that exists is 80 feet, unless it is done as a Planned Development. Zoning defines a number of things, such as how many units can be put in a building, because there has to be certain amount of land area for every unit. It defines how big each unit can be, or what the total buildable area of the building is. It also defines height and parking. We have stayed within every component of a B3-5 zoning. We are proposing 33 units instead of the permitted 145 units. We're at roughly 127,000 [square] feet instead of roughly 150,000 [square] feet. We have stayed under the maximum of everything we are permitted to do; because of that, we are asking to go 25 feet higher than what is permitted. This is under a Planned Development and is what Mr. Szafraniec already explained.

Q: Even if we say "No" to the taller building, do you still plan to submit the taller building to the Plan Commission?

- A: We haven't decided. We have much time and money already invested in the site, we will build on the site, and our first choice remains building something we can all be proud of. We know that the view from the ground to the 15th floor on the east side of James House will be blocked; some of those views are already blocked and more will be. The City takes the position that views are not protected. We are trying to improve the neighborhood as well as we possibly can, through the allowance, the improvements that we will be making, and the buyers that we will bring in. It's your choice, not mine.
- Q: Please describe the back of the building: what will be seen from the west and from the south?
- A: The south elevation, up to the height of the Germania building, will be concrete block. Above the Germania building, the south and west sides will be brick and stone, like the rest of the building – perhaps all stone. The roof will have a green roof. The view will be greatly enhanced.
- Q: Up to what James House floor will your tall and short buildings, including the roof, be?
- A: At 117 feet, we will probably obstruct [the view] up to the 15th floor, somewhere between the 14th and the 15th floor. Unfortunately, you have low ceilings compared to a number of buildings around here. The 80-foot building will obstruct [the view] for about three floors fewer.
- Q: What will the development do to the value of the James House units?
- A: It will probably improve it. Some units will not be affected. I did an extensive study of everything that was sold in this building in the last three years on the west and east sides. The east side units are larger. We think that having a \$60 million condominium building in the area will reflect positively on James House, especially if we succeed in improving the streetscape with the allowances.
- Q: How would you widen the North Avenue sidewalk? By moving the building back, or taking space from the street?
- A: We will take the space from the street. CDOT has reviewed our plans and asked our traffic engineers to measure each of the lanes on North Avenue. They concluded that there is enough space to avoid an adverse impact on the traffic flow.
- Q: What happens if you cannot get approval from CDOT for a vehicle entrance on North Avenue?
- A: The building will be entered from Germania and Sandburg Terrace. Again, it's 35 [?] units, and many residents will take public transportation. One reason for buying here is the convenience of travel to downtown, and the area has a walk score of 97.
- Q: Which site improvements will be included in a shorter building, such as the inside loading dock?
- A: If we do the 80-foot building, the loading dock will be put in Germania and the number of parking spaces on the west side of the building will be increased. I believe we will remove the parkway and locate the utilities underground. We have considered other types of buildings, but it is likely that we would erect a residential building.
- Q: Can the new building include a restaurant?
- A: In all likelihood, no. The land is being purchased from Potash brothers, who have stipulated that there be no restaurant in the new building, among many other stipulations. Also, because of the Latin School, no liquor can be served at that corner. Even an Elly's-type restaurant would be our last choice, mostly because people don't want to live above a restaurant. We are thinking in terms of a bank or a medical

facility or a spa. The existing tenants have the right of first refusal in the new building, at the same rents as they are now paying.

Q: Is there anything we as residents can do to encourage CDOT to allow a North Avenue entrance to your building, for instance, petitions, etc.?

A: We have a good chance if we get the alderman's help. It would be something for the alderman to handle, not residents.

Q: Is your previous building, SkyBridge, condo or rental?

A: Condo.

Q: How many condos have you seen selling for \$1.4 million in this neighborhood?

A: At State and Elm, there are 36 units that start at \$2.4 million, and they are 80% presold. Another project at 328 Wisconsin was announced about 14 days ago and is sold out; the units start at \$1.8 million and go to \$3.6 million. This building will have four units per floor, each with access to a private elevator. The demising walls will be masonry, and there will be no common bedroom walls.

Q: Would you sign an agreement committing to keeping his units condominiums even if you cannot sell them?

A: We have created the flexibility we need to make the units and the price points smaller by proposing 48 units.

Q: Is there any possible chance of changing the existing developer's planned structure, its height?

A: Yes, but the building would have to be rental.

Q: If you cannot sell the proposed units at \$1.4 million, will you default to making the building a rental one?

A: Before we start construction, we will have to have a presale requirement. The construction lender will require the sale of 25% to 30% of the units before agreeing to finance the construction. If we do not achieve that, we will have to rethink the building, but we have demonstrated demand. There are two unit sizes – 2,400 square feet and 2,900 square feet – so all the units will be in a relatively narrow price range.

Q: Will you be able to have input as to the type of tenant in the old Ace space, adding to congestion?

A: That building is up for sale. I will have no input on what goes into that Ace space.

Unit Owner in response to question from Mr. Weiner: There is a rumor that some type of health club or workout facility will occupy that space.

Q: Who will be responsible if your construction causes electrical [or] sewage [problems], the blocking of your equipment for digging or sinkholes, dust, noise. Our garage is leaking and sinking with the pool on top. How can we expect our safety

A: If we do damage to your building, we will be responsible, which is why we maintain sizable insurance coverage. The Fire Department review of the proposal assures that there will be access for emergency vehicles when the building is completed, and the CFD has approved the plan. Also, during construction, the City is informed when there will be any temporary obstruction, and emergency vehicles will never be impeded.

- Q: What is the time frame for construction and where will the equipment be stored?
- A: The time frame is 13 months or less. We will use “just in time” equipment and material delivery from a rented staging area nearby. We might use the 20-foot alley for access during construction.
- Q: You are offering J/K \$625,000.00 for improvements. You will sell 33 condos for \$56.1 million and 48 units for \$81.6 million. The J/K number should be much bigger.
- A: It’s \$650,000.00. We think the plan is fair and reasonable. We are not partners, we are neighbors.
- Q: Your slide show referred to the Village [Theater] as “vacant.” Will the theater (as opposed to the façade) survive the development?
- A: The building is 30 feet deep and will remain intact. The Landmarks Commission has given us permission to tear down the existing auditoriums and build in their place. We will build 100 feet back from Clark Street. The Village Theater will have even more presence than it did in the original plan. The first floor will be used for retail; the second floor will be one unit with maybe a 4,000 or 5,000 square foot garden that the east side of the [James House] building will overlook.
- Q: Northwestern Hospital maintains a website for its construction and sends notices on street closures, noise, etc. Can you establish such a website so we can access construction info?
- A: Yes.

Mr. Weiner: I have proposed meeting with residents in the lobby on Thursday from 5:00 to 7:00 and on Saturday morning from 7:30 to 9:30. Thanks to everyone for your time, patience and concern. We want to build a great building.

Additional Project Questions:

- Q: How would you suggest that the people who have lake views now who will no longer have lake views after you build whichever building you’re going to build should think about this project?
- A: The property is too valuable to stay as is. Views are not protected. [Gives examples of other blocked view situations.] The streetscape will be improved, as will congestion.
- Q: Who will pay the taxes on the \$650,000.00 allowance?
- A: If you decide on what exterior improvements you want before we begin construction, we will create them, so there will be no \$400,000.00 allowance and therefore no tax consequences.

Board Treasurer Betty Latson: Right now we do not think that we will be taxed, for two reasons: first, the way we do our taxes, we think that there’s a tax-loss carry-forward, and second, how we would allocate our capital expense. We would have to make sure that we do everything correctly.

Mr. Weiner: We will certainly cooperate in any way we can to make sure you get the maximum benefit.

- Q: Who put a value on the improvements? Was there an independent estimate on them?
- A: No, because we did not know what the improvements were. Again, we can do the improvements, and make the dollars go further, if you decide what they should be before construction begins in six or eight months.

Q: If you do not get approval for the North Avenue entrance, will the entrance on Sandburg Terrace be for both foot and vehicular traffic?

A: Vehicular traffic only.

Q: How high will the unit ceilings be?

A: Ten feet.

Q: Does the 13-month construction time frame include demolition?

A: Yes.

Ms. Barnes thanked Messrs Weiner, Emig and Martinez, and the meeting concluded at 8:04 p.m.