

Mayor Emanuel's Industrial Corridor Modernization

Kinzie Industrial Corridor

Fulton Market Innovation District Plan Implementation

October 10, 2017



Rahm Emanuel, Mayor

David Reifman, Commissioner
Dept. of Planning and Development

- dpd@cityofchicago.org
- cityofchicago.org/dpd

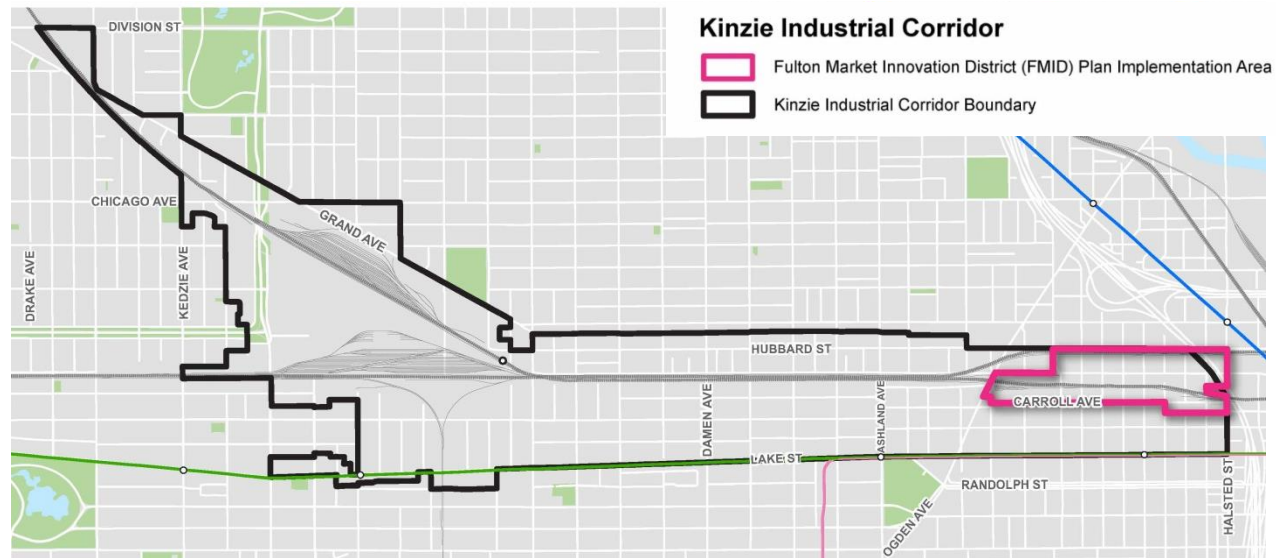
Agenda

6:00: Presentation

1. **Background/Recap**
 - **Fulton Market Innovation District (FMID) plan**
2. **Implementation of the FMID plan**
 - **Current Proposal**
 - **Planned Manufacturing District Repeal Factors**
3. **Next Steps**
 - **Review Process**

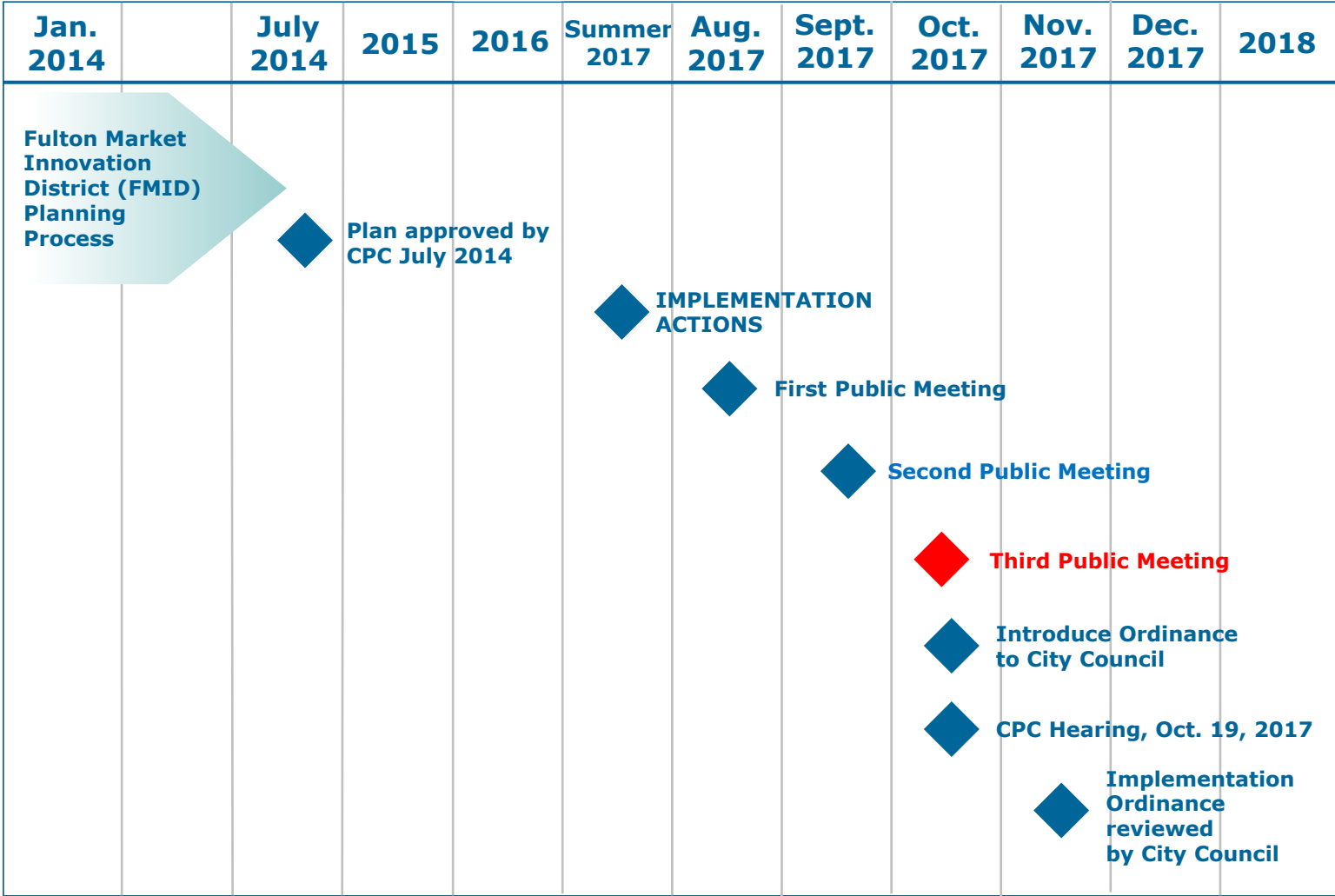
6:30: Q and A

7:00: One on One



Proposed Zoning Changes (East Kinzie)

Proposed Schedule for Implementation



Fulton Market Innovation District Plan



Fulton Market Innovation District (FMID) Plan



Approved by the Chicago Plan Commission in July 2014, the Fulton Market Innovation District plan outlined **a vision to preserve existing jobs while accommodating private sector investments that reinforce the area's expanding role as an innovation-driven employment center.**

FMID Key Actions

The plan identifies **seven key actions** that serve to guide City policies and investment within the area:

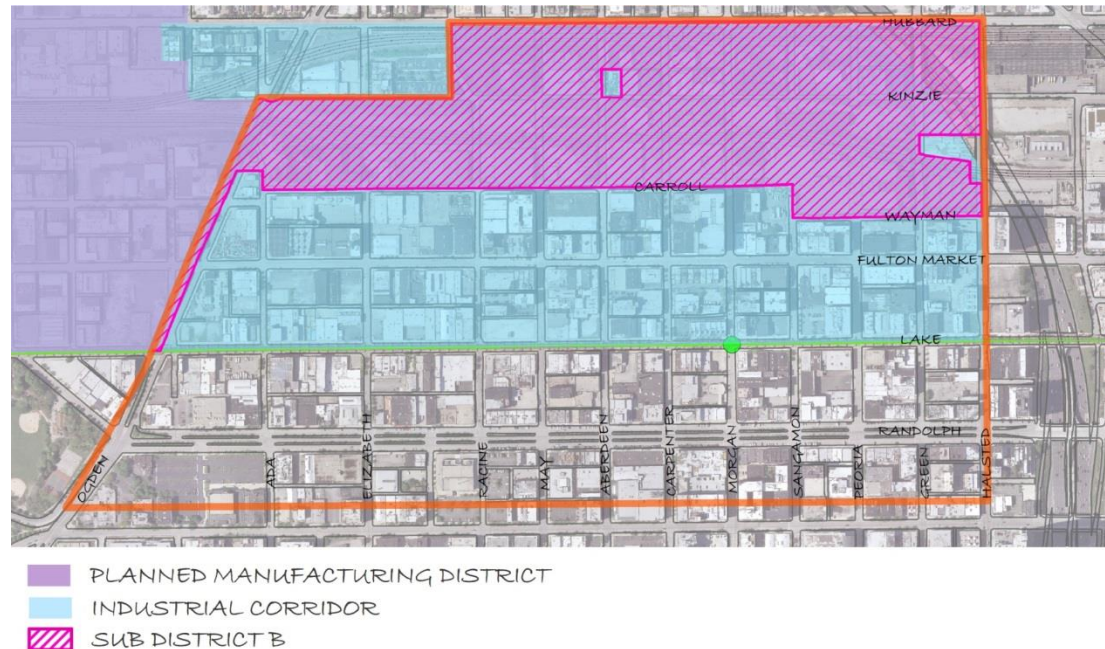
1. **Adopt a land use map for the Fulton Market Innovation District to minimize future land use conflicts and maximize the production of real and virtual products**
2. **Establish Subdistrict B within the Kinzie Planned Manufacturing District**
3. **Adopt general design guidelines**
4. **Coordinate public infrastructure investments to create a cohesive district identity and support ongoing private investment projects.**
5. **Invest in facilities for regional food products, traditional wholesale businesses and associated historic buildings**
6. **Encourage programming and events on food and Chicago's role within the regional and nationwide food systems**
7. **Establish a historic district within a portion of the Fulton Market Innovation District**

FMID Key Actions

Purpose: provide adequate space for a broader range of businesses, while still protecting against the potentially negative impacts of housing, entertainment, and lodging uses.

➔ **New tools to meet the same purpose, and strengthen industrial and commercial corridors citywide:**

- Zoning Overlay District to guide new development and expand business uses
- Industrial Corridor System Fund
- Neighborhood Opportunity Fund



Implementation of FMID Plan Key Action

To implement the FMID plan's vision to preserve existing jobs while accommodating private sector investments that reinforce the area's expanding role as an innovation-driven employment center, the City proposes an ordinance to:

- 1. Repeal a portion of the existing Planned Manufacturing District 4 identified in the FMID plan as Subarea B to accommodate modern business uses.**
- 2. Designate the Kinzie Corridor Overlay District to guide future development.**
- 3. Apply the new Industrial Corridor System Fund to this area, which would support industrial projects throughout the city.**
- 4. Apply the City's existing Neighborhood Opportunity Bonus to the area.**

Proposed Zoning Changes

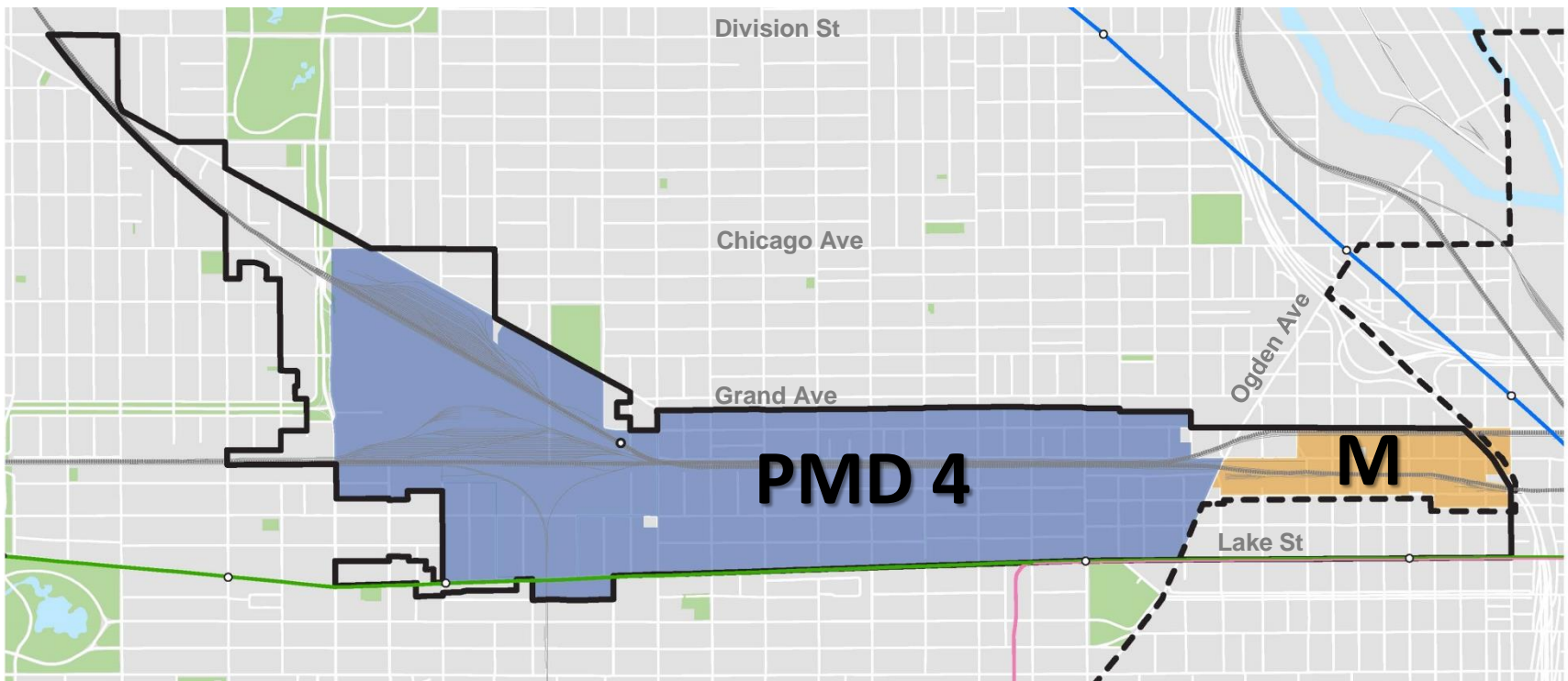


Proposed Zoning Changes

1. Repeal portion of existing PMD 4, east of Ogden Avenue

- Portion of existing PMD repealed to previous Zoning Districts (predominantly manufacturing zoning districts)

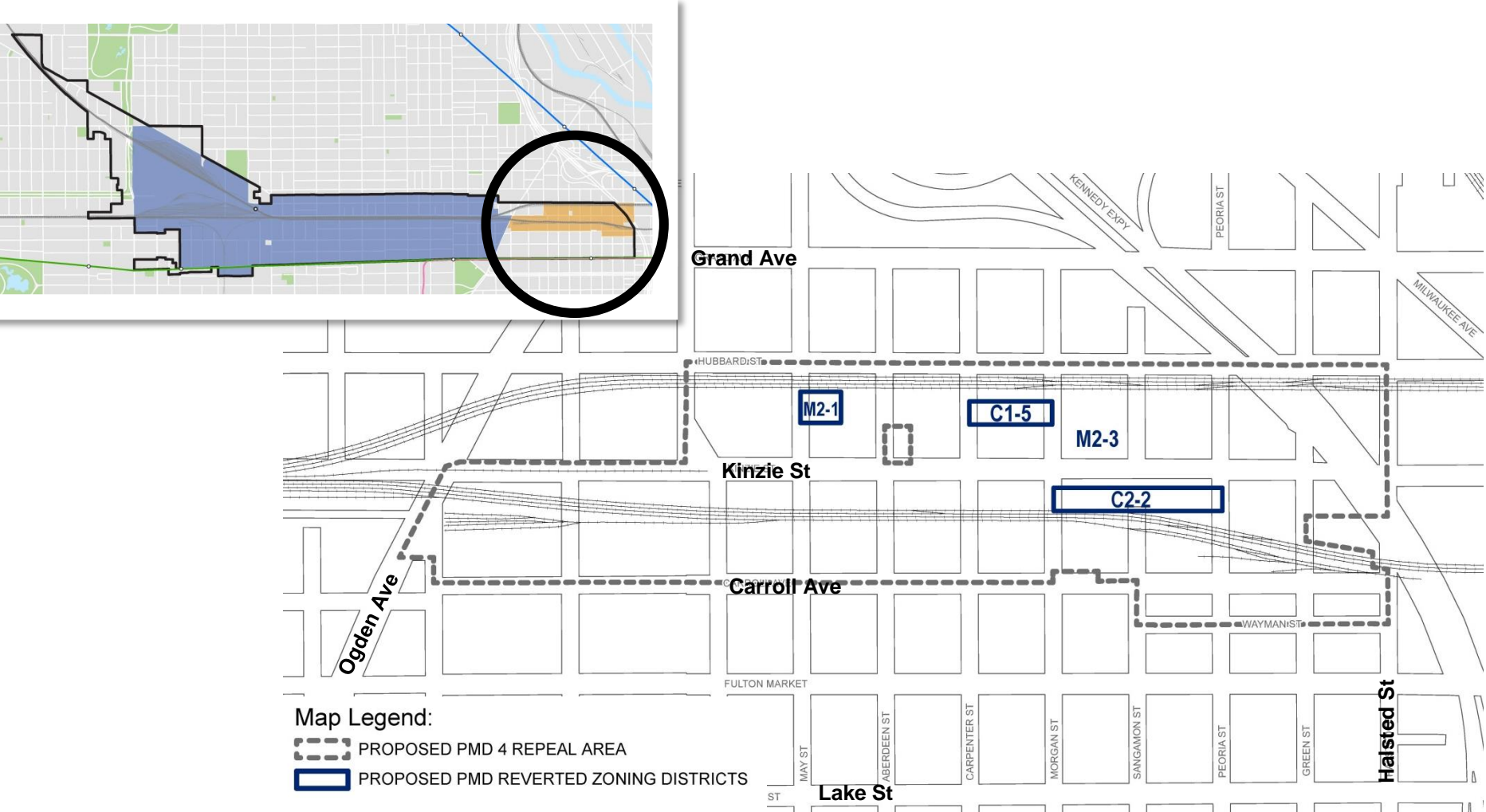
Maintain existing PMD 4 west of Ogden Avenue



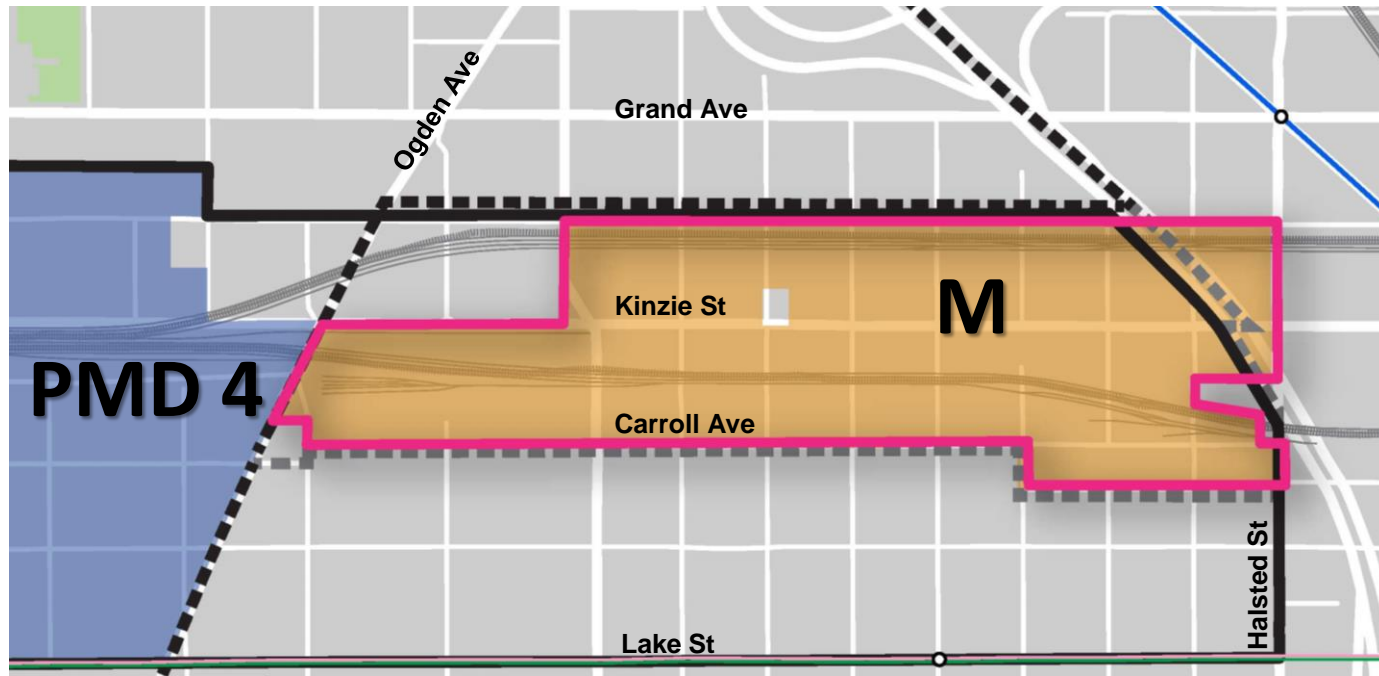
Proposed Zoning Changes

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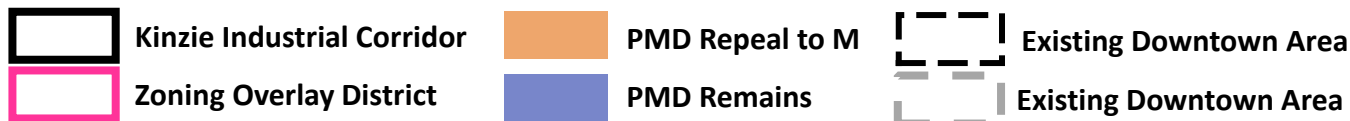
- Portion of existing PMD repealed to previous Zoning Districts (predominantly manufacturing zoning districts)



Proposed Zoning Changes



2. **Establish a Zoning Overlay District to supplement base regulations:**
- Permits existing uses
 - Prohibits residential uses
 - Limits future zoning amendments to Downtown Zoning (DS and DX)
 - Applies the Industrial Corridor System Fee for future zoning changes

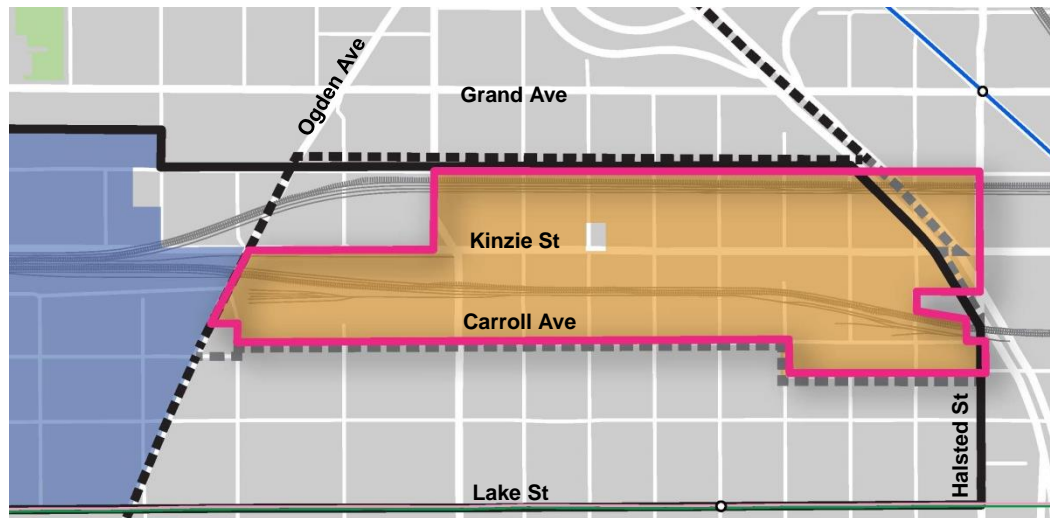


Proposed Zoning Changes

2. Establish a Zoning Overlay District to supplement base regulations:

Limit future, private zoning amendments to Downtown Service (DS)* and Downtown Mixed-Use (DX)* districts

- Each proposed zoning change application will be reviewed on a case-by-case basis by DPD staff and through the public review process



*POS and T available for public uses; Planned Development thresholds apply

Proposed Zoning Changes

3. Apply the new Industrial Corridor System Fund to this area

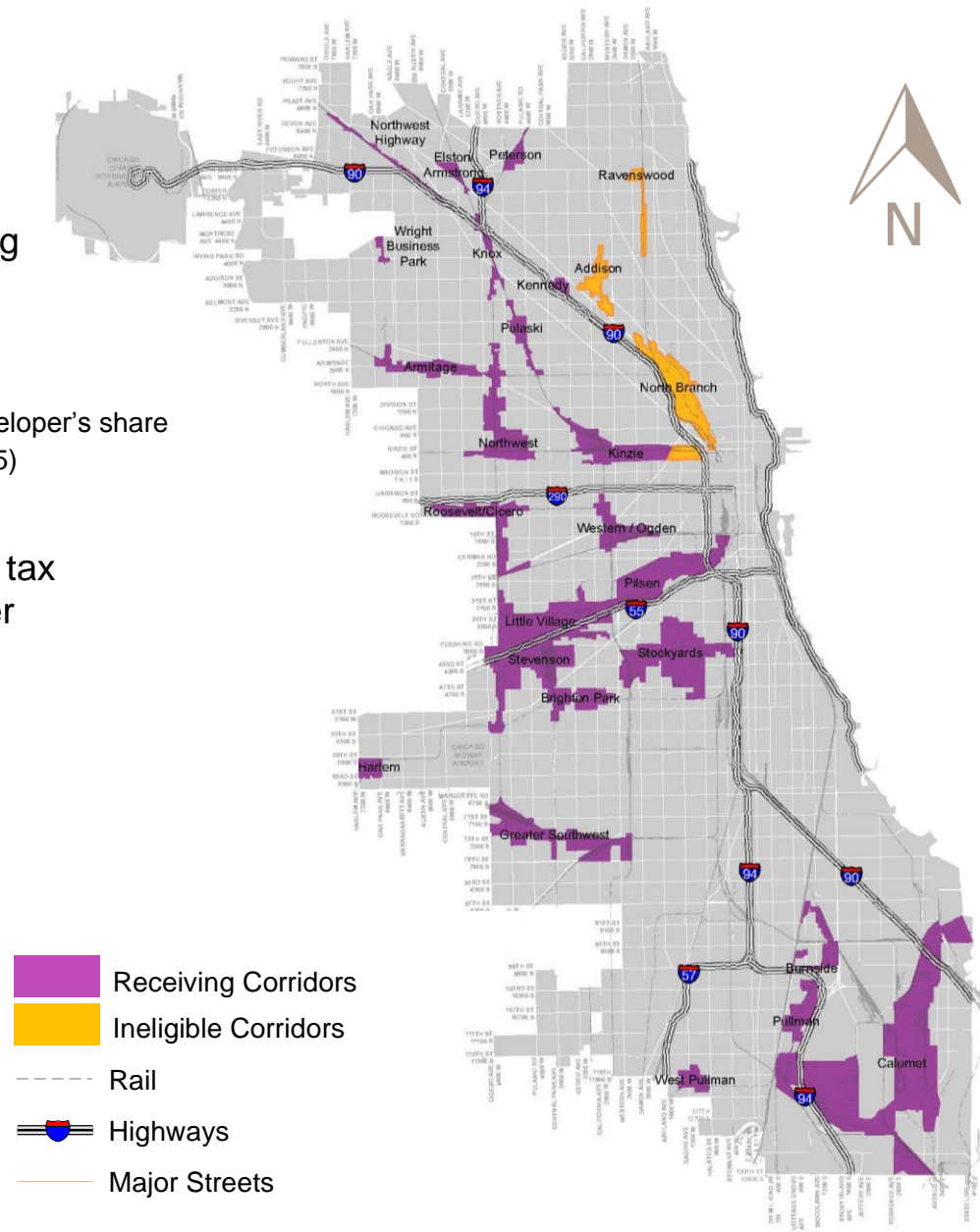
The fee would apply to any project within a conversion area that requests a further zoning change from a pre-PMD zoning district to an allowed nonmanufacturing district

$$\text{Fee} = \text{Industrial site replacement need} \times \text{Industrial site replacement cost (\$49.00)} \times \text{Developer's share (0.25)}$$

Use of Fee: To increase jobs and enhance the tax base across the City, funds will be used in other Industrial Corridors for:

- Infrastructure and utilities
- Environmental remediation
- Acquisition of industrial property
- Rehabilitating buildings

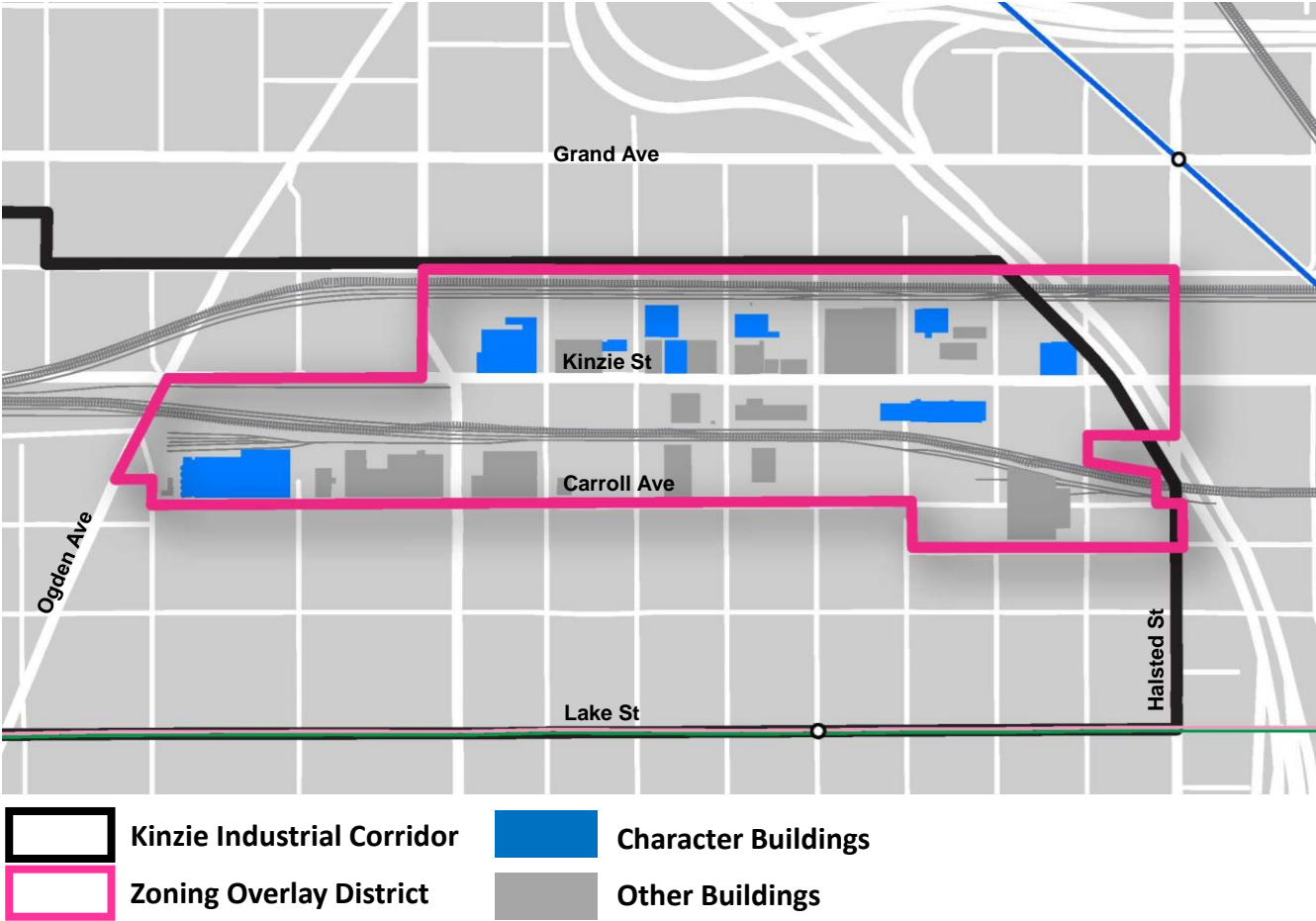
New fee could generate tens of millions of dollars; 100% to be allocated for industrial development in other parts of the city



Proposed Zoning Changes (East Kinzie)

3. Apply the new Industrial Corridor System Fund to this area

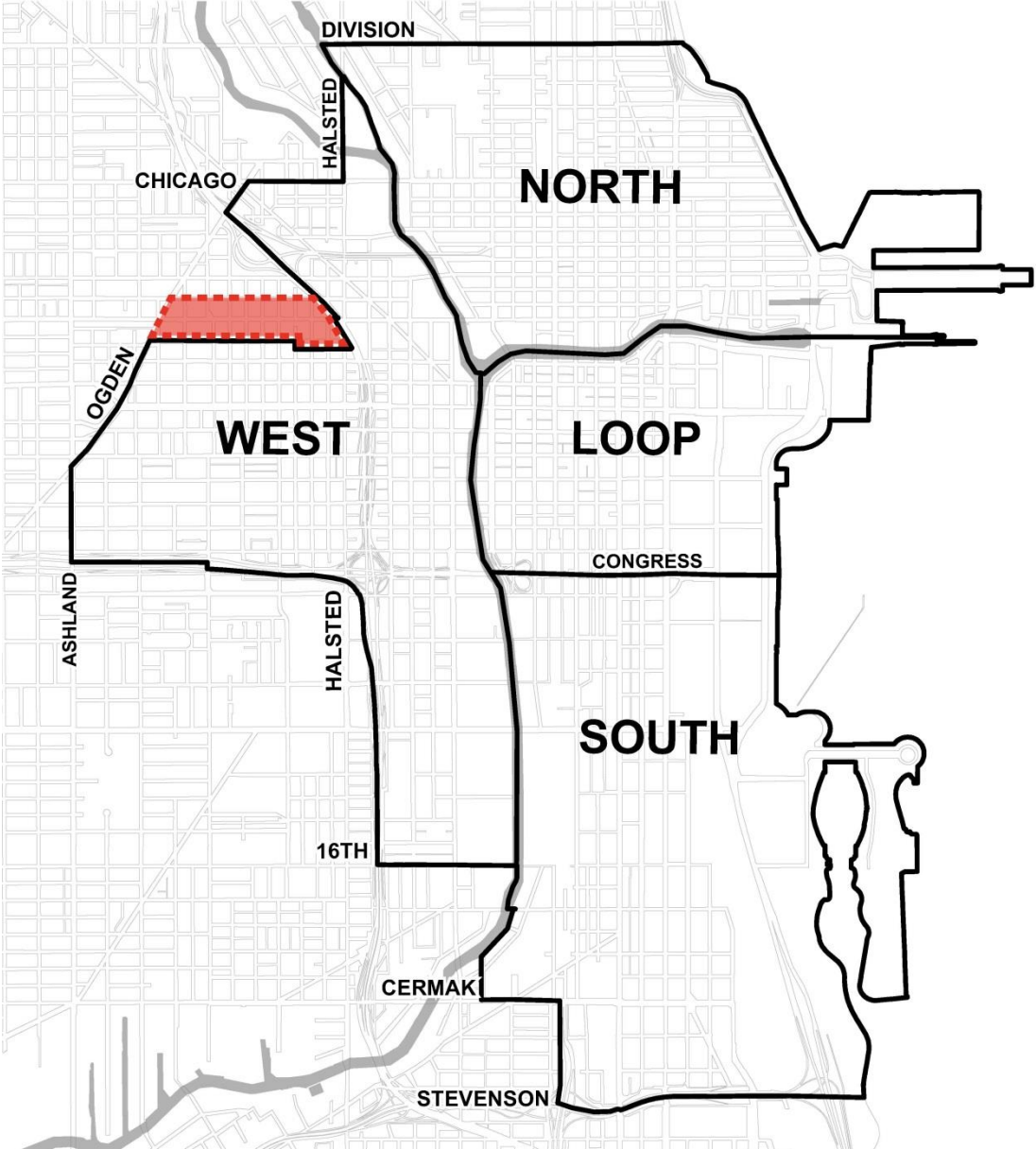
Character Buildings – Not subject to fee if converted to office under existing zoning



Proposed Zoning Changes

4. Apply the City's existing Neighborhood Opportunity Bonus to the area.

-  Downtown Submarkets
-  Expanded Neighborhood Opportunity Bonus area



Implementation of FMID Plan Key Action

- **Section 17-13-0711 of the Chicago Zoning Code requires the Chicago Plan Commission (CPC) to monitor the effectiveness of all PMDs and make recommendations as needed.**

- 1. Repeal a portion of the existing Planned Manufacturing District 4 accommodate modern business uses.**
- 2. Designate the Kinzie Corridor Overlay District to guide future development.**
- 3. Apply the new Industrial Corridor System Fund to this area, which would support industrial projects throughout the city.**
- 4. Apply the City's existing Neighborhood Opportunity Bonus to the area.**

Planned Manufacturing District Review

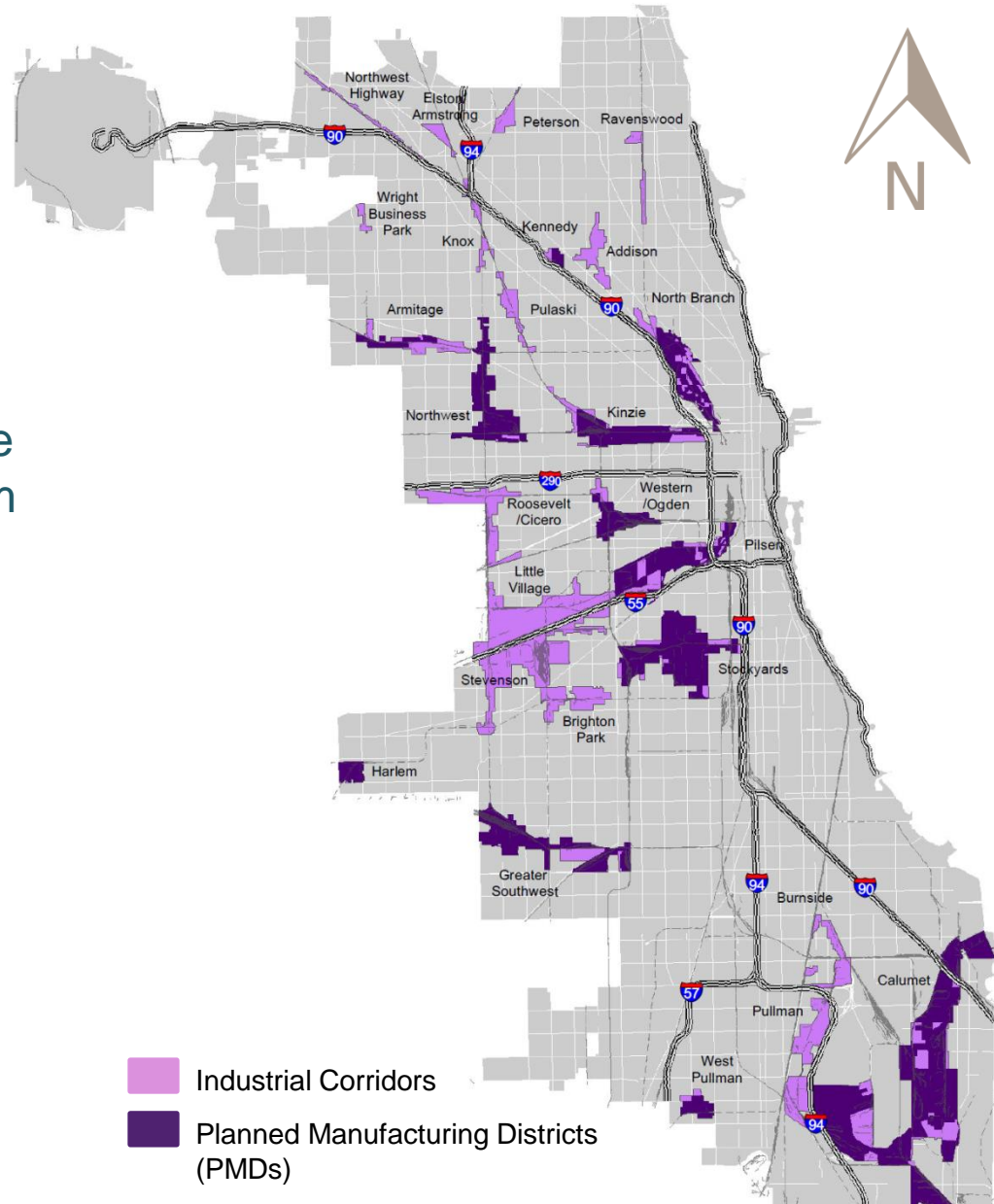


PMDs Across the City

Purpose of the PMD:

1. foster the city's industrial base
2. maintain the city's diversified economy for the general welfare of its citizens;
3. strengthen existing manufacturing areas that are suitable in size, location and character and which the City Council deems may benefit from designation as a PMD;
4. encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments; and
5. help plan and direct programs and initiatives to promote growth and development of the city's industrial employment base.

The Chicago Plan Commission is responsible for on-going review of the continuing effectiveness of PMDs.

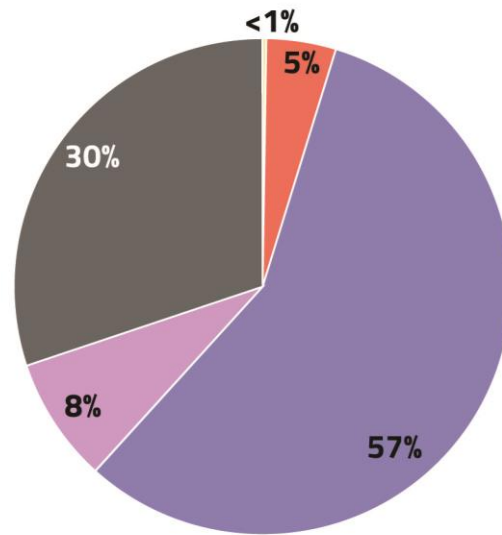


PMD Review

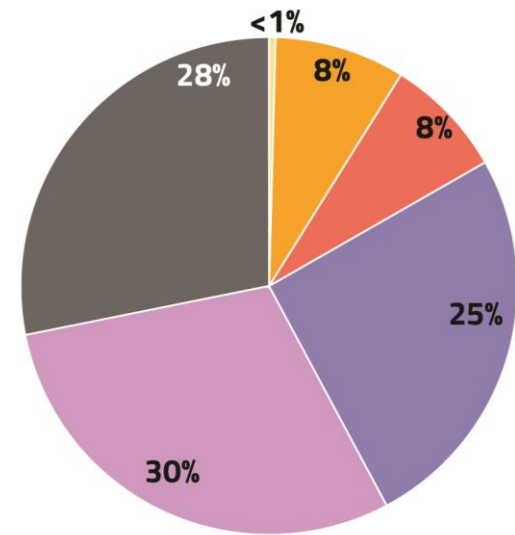
PMD LAND USE

Between 1990 and 2017, land uses in the portion of PMD 4 east of Ogden Avenue have shifted away from heavy industry.

- Manufacturing uses *decreased* from 57% to 25%
- Commercial uses *increased* from 5% to 16%
- Transportation uses *increased* from 8% to 30%



1990 Land Use



2017 Land Use

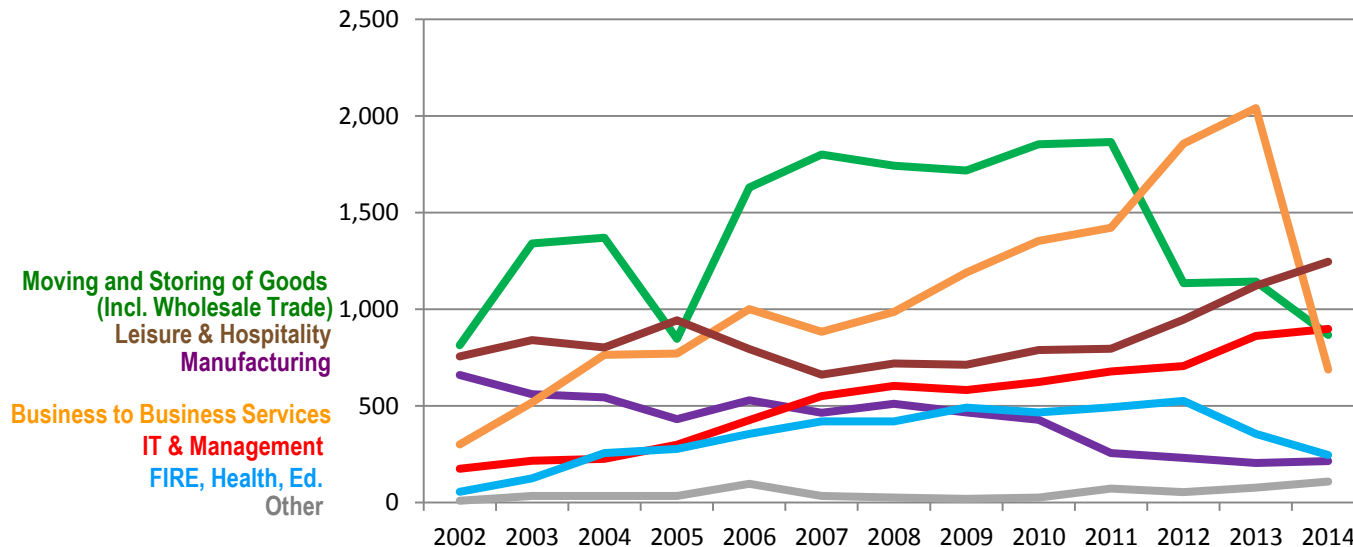
1. CMAP Land Use Inventory
2. Chicago Department of Planning and Development

PMD Review

PMD EMPLOYMENT

Between 2002 and 2014, **employment** in the portion of PMD 4 east of Ogden Avenue **has shifted away from traditional industrial uses.**

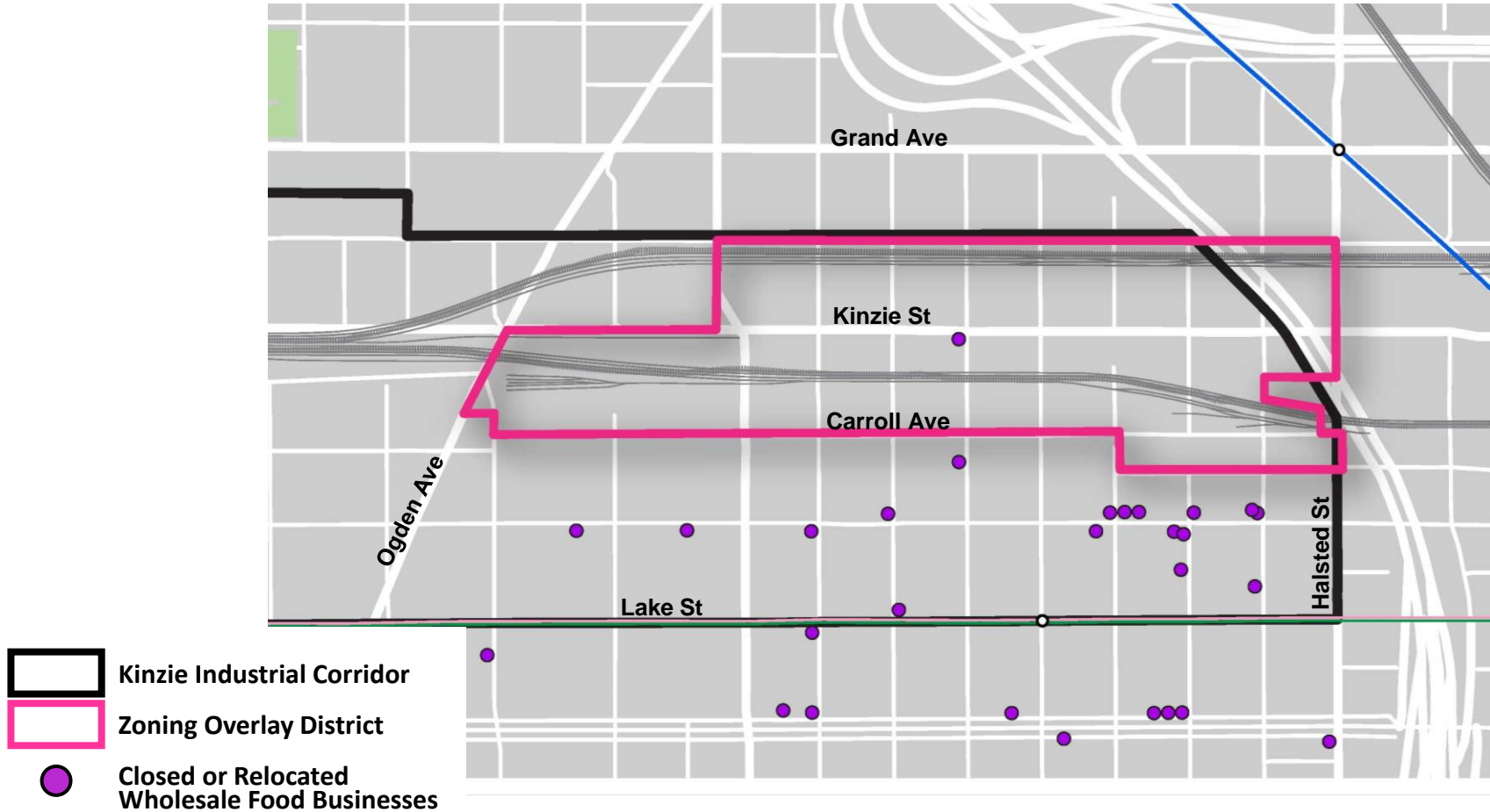
- Manufacturing jobs *decreased* 68%
- Information, Technology and Management *increased* 413%
- FIRE, Health, Ed *increased* 347%
- Leisure & Hospitality *increased* 65%



PMD Review

AREA BUSINESSES

Between 2013 and 2017, over 30 wholesale food businesses in Fulton Market have closed or relocated to other Industrial Corridors



PMD Review

MODERN BUSINESS DISTRICTS

Modern business districts **contain a mix of land uses that contribute to new jobs in a diverse economy, including office space, modern manufacturing and support services**

Three case studies:

- South Lake Union in Seattle
- The Seaport District in Boston
- Pittsburgh along the north and south banks of the Monongahela River



PMD Review

Purpose of the PMD:

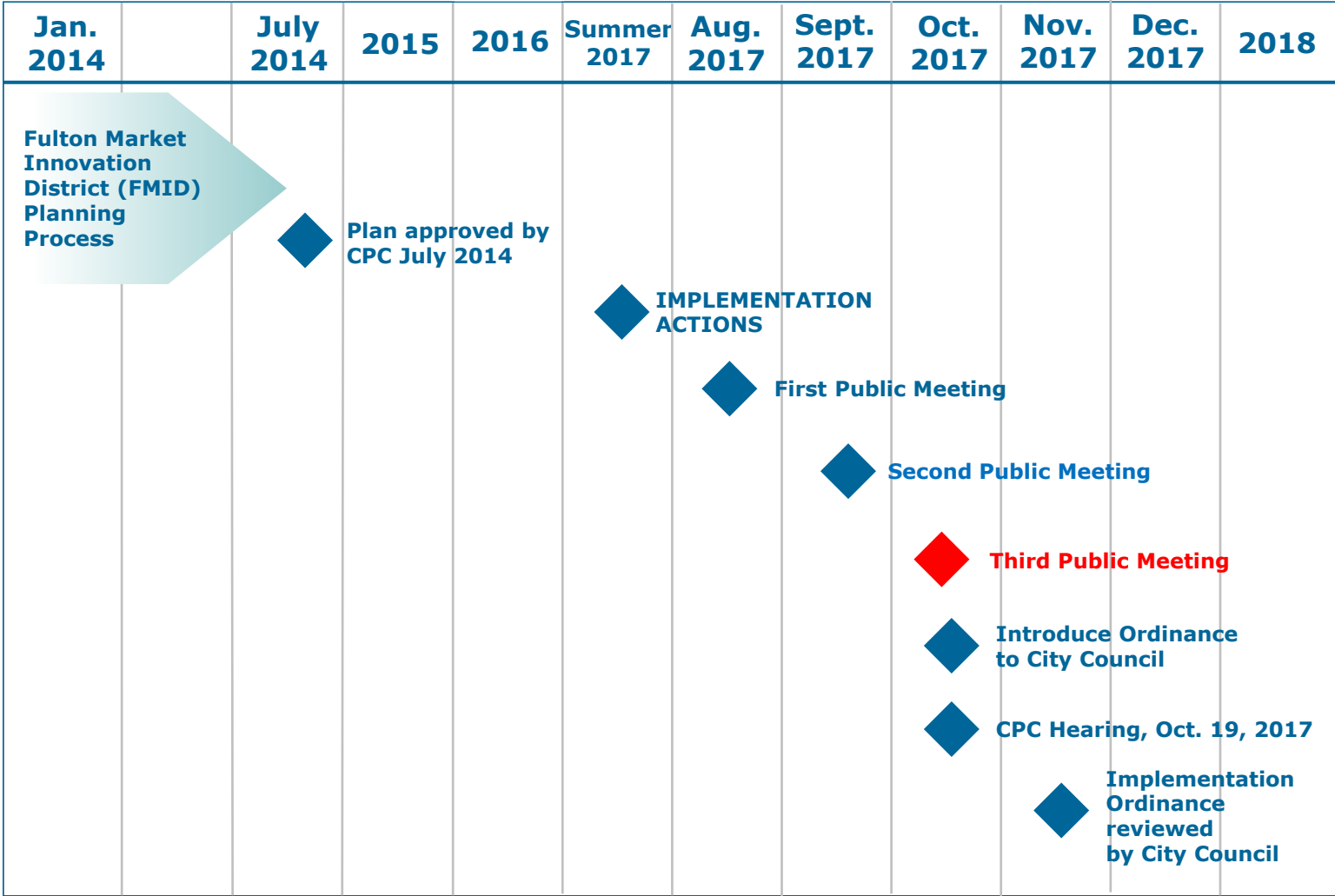
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|---|---|
| 1. Foster the city's industrial base | Manufacturing uses, jobs and businesses have been moving away from the portion of PMD 4 east of Ogden Avenue |
| 2. Maintain the city's diversified economy for the general welfare of its citizens | Repealing the portion of PMD 4 east of Ogden Avenue would allow new types of technology or modern manufacturing businesses to be sited and grow in the city |
| 3. Strengthen existing manufacturing areas that are suitable in size, location and character and which the City Council deems may benefit from designation as a PMD | The character of the portion of PMD 4 east of Ogden Avenue, along with the surrounding Fulton Market area, has changed in the past decades with traditional industrial uses, jobs and businesses no longer being the primary use type in the area |
| 4. Encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments | The environment of the Kinzie Industrial Corridor east of Ogden Avenue, including the area designated PMD 4, has not been stable or predictable – land uses, jobs and businesses have shifted greatly over the past decades |
| 5. Help plan and direct programs and initiatives to promote growth and development of the city's industrial employment base | Updated business districts are needed to draw modern manufacturing, technology and office uses to the city |

Next Steps



Proposed Zoning Changes

Proposed Schedule for Implementation



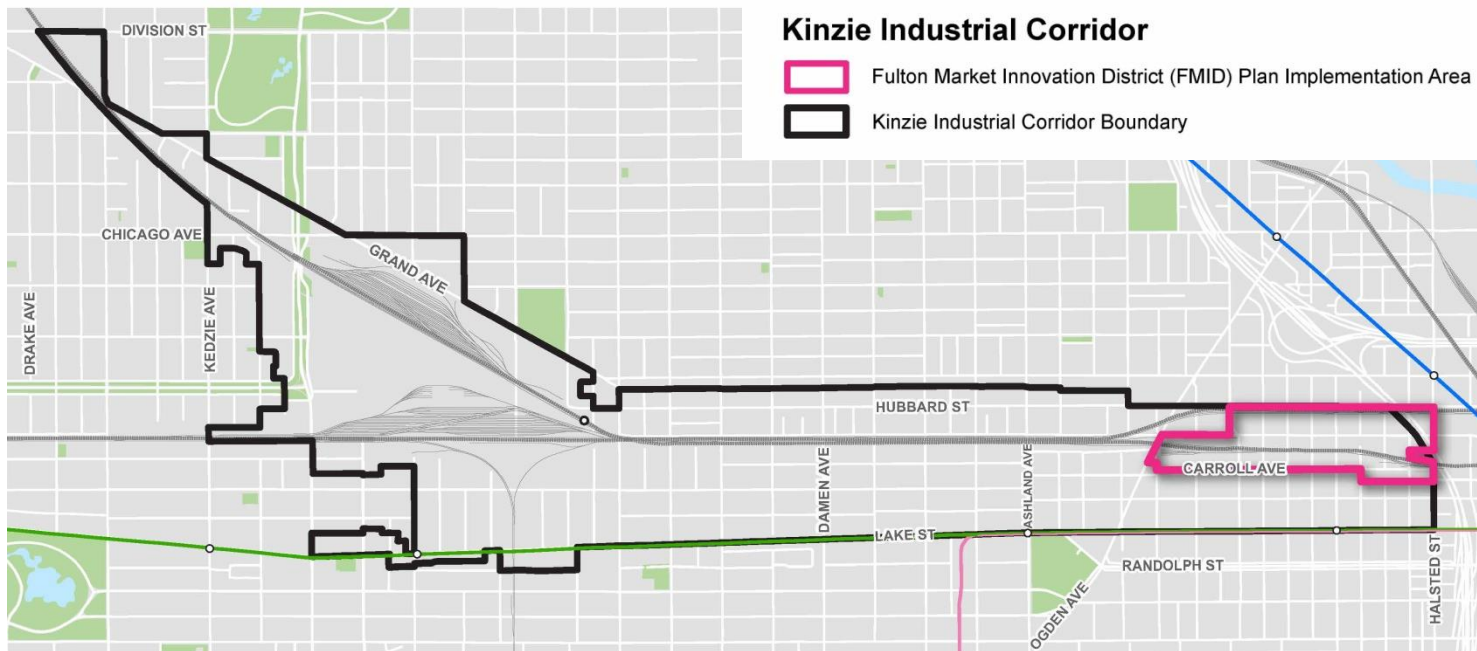
Next Steps

Step 1: Implementation of the Fulton Market Innovation District (FMID) plan

- Chicago Plan Commission meeting October 19th, 10:00am
- Contact DPD with comments and questions
 - dpd@cityofchicago.org

Step 2: Kinzie Industrial Corridor Study

- Public process to begin in January



Kinzie Industrial Corridor Study

Proposed Schedule for Kinzie Industrial Corridor Study

