

# FULTON MARKET INNOVATION DISTRICT

*A plan to coordinate economic growth, preservation,  
design, and public improvements*

*DRAFT*

CITY OF CHICAGO



CHICAGO DEPARTMENT OF  
PLANNING & DEVELOPMENT

Inside cover

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# The Fulton Market Innovation District

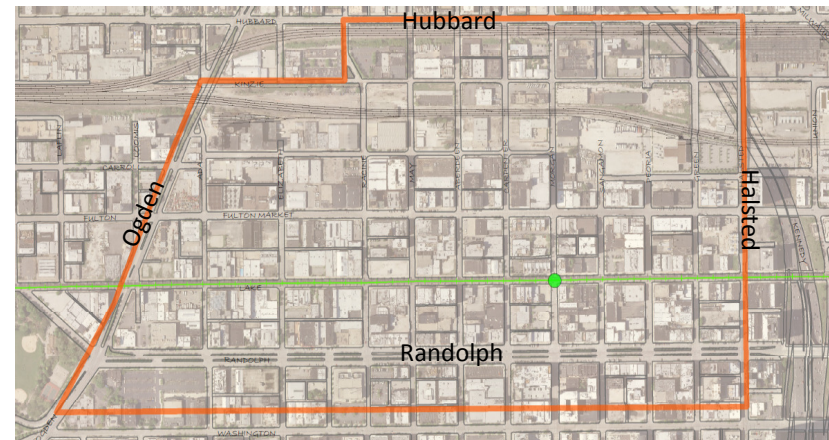
*A land use plan for coordinated economic growth*

Chicago's Fulton Market area is a place in which traditional and innovative businesses coexist amid an evolving mixed-use landscape on the edge of downtown. To ensure the area continues to serve the needs of both existing and new companies, the City of Chicago is implementing a strategic land use plan that preserves the area's fundamental characteristics while providing a framework for sustainable economic growth and investment.

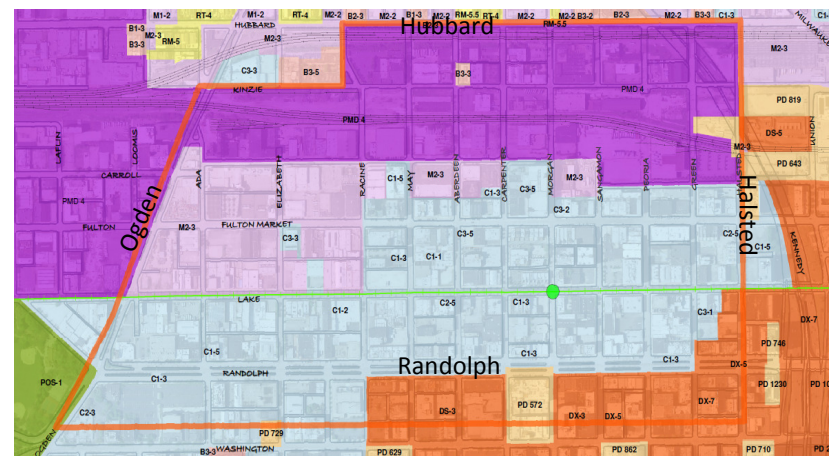
Roughly bounded by Hubbard Street, Halsted Street, Randolph Street and Ogden Avenue (Map 1), the 217-acre area is home to meat packers, food distributors, and manufacturers, along with a growing number of innovation-driven firms, restaurants, retailers, and leisure-oriented businesses that collectively employ approximately 10,000 people. More than 500 technology-related jobs expected to move into the area within the next two years will reinforce its role as an innovation-driven employment center.

The strategic plan is intended to preserve existing jobs while accommodating private sector investments that reinforce the area's expanding role as an innovation-driven employment center. The "Fulton Market Innovation District" plan will also ensure that new development projects serve their intended purposes without detracting or impeding the often disparate needs of other businesses and community stakeholders.

At the request of local landowners, roughly half of the planning area is zoned C-1, which restricts most uses to small scale business endeavors (Map 2). The northern half of the area is zoned for manufacturing. Future development proposals are expected to exceed the C-1 district's parameters, necessitating the need for broader development guidelines that accommodate future needs while also protecting the fundamental characteristics of the area, particularly its historic role as a home to light industries and food-oriented businesses.



Map 1: Fulton Market Innovation District boundary



Map 2: Existing zoning in the Fulton Market Innovation District

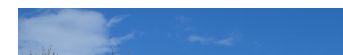
The zoning of the Fulton Market Innovation District is predominantly a mix of manufacturing and commercial districts which allow for smaller-scale development.

The Fulton Market Innovation District plan consists of a land use map, a historic district designation, design guidelines, and a suite of public investments.

- The land use map guides height, density and use parameters for future construction projects, ensuring that proposed zoning changes are made in context with four specific subareas within the Fulton Market area, including portions of an existing City of Chicago Industrial Corridor and Planned Manufacturing District.
- The historic district designation preserves the area’s industrial character by protecting key buildings from demolition or significant alteration while providing investment incentives to their owners.
- The design guidelines ensure new construction or redevelopment projects maintain the area’s unique visual identity associated with food wholesaling and light industry.
- The public improvements will address critical infrastructure issues as well as create gateways and other visual cues that reinforce the sense of place within the district, along with specific improvements that support the area’s unique association with food, including an incubator facility to foster locally produced and regionally distributed meats, vegetables and other items.

Unlike other innovation-oriented employment districts across the country in which public entities own the land and buildings, Fulton Market Innovation District properties are almost exclusively owned by individuals, businesses and organizations. The plan’s goals and objectives rely on select City of Chicago development tools and regulations to succeed, including economic development subsidies, historic preservation regulations and incentives, zoning, and public investment.

The plan does not propose wholesale zoning changes within the study area. The plan’s design guidelines apply only in the event of a new construction or redevelopment within the area. Development proposals would be assessed for compatibility by community stakeholders and elected officials, with final approval from City Council. The historic district has a special set of guidelines and standards. These additional rules would apply to substantial changes or additions to existing buildings and new developments proposed within the historic district. Proposals will require additional approval by the Commission on Chicago Landmarks.



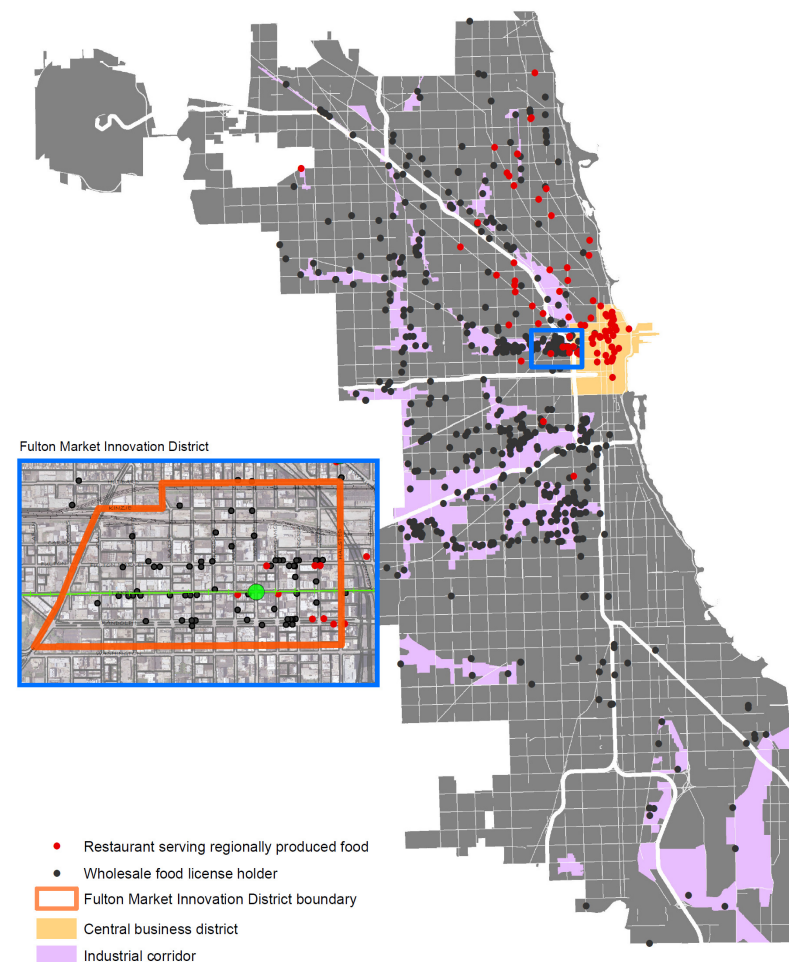
# A Place of Innovation

Poised for continued business growth, the Fulton Market area is an ideal location for Chicago's first self-proclaimed "innovation district." Innovation districts are a relatively new type of business center that are attractive to companies that leverage technology to produce real and virtual goods. Innovation districts also possess traditional industrial and supportive services that offer urban vibrancy and authenticity that attract new economy companies. The concentration of innovation-oriented firms in select parts of Boston, Brooklyn and other cities reflect this trend, one that will significantly expand in the Fulton Market area with the arrival of 500 Google employees in 2015.

Innovation districts share other common characteristics, including protections for manufacturing uses, proximity to a central business district, unique natural or cultural features, public infrastructure investments, and technology-oriented anchors. The Fulton Market Innovation District possesses all these criteria, plus proximity to affordable, youth-oriented neighborhoods like Wicker Park, Ukrainian Village and Logan Square, which reinforce the area's viability for innovation firms and their workforces.

Many of the current buildings and businesses within the Fulton Market Innovation District reflect the area's 150-year association with food entrepreneurship and broader themes about the city's economic history. The uses and buildings convey Chicago's importance as a wholesaling center that distributed the agricultural bounty of the heartland across a rapidly growing region. They also reflect Chicago's importance for meat processing and distribution while exemplifying the importance of manufacturing to the city's development.

Though the term Fulton Market is used colloquially to reference the entire planning area, the name formally applies to a corridor of meat processors and distributors on the district's eastern end. The last remaining market district in the city, the meatpacking area is centered along Fulton Market Street, which once housed satellite facilities for industrial meatpacking giants like Armour, Swift, Morris and other companies. Today, wholesalers continue to occupy Fulton Market buildings. Several of these wholesalers, along with a number of area restaurants, source their raw materials from small farmers that specialize in organic, pesticide free, and/or humanely raised products, reflecting the area's ongoing association with market-driven innovation, and representing a unique nexus between traditional wholesale food purveyors and restaurants that serve regionally sourced food (Map 3).



Map 3: Wholesale food license holders and restaurants serving regional products



The meatpacking district's success is partly due to easy access and egress by shippers and receivers and its proximity to businesses and consumers. The concentrated location also offers relatively insulated work areas in which to operate without conflict from non-compatible uses involving housing, lodging, and certain retail uses, especially during early morning hours when sidewalks and other public spaces are utilized by food companies for operational needs.

As of 2011, 63% of the jobs in the Fulton Market Innovation District were involved in the making or handling of real and virtual products. (Appendix I). A portion of the innovation district has a Planned Manufacturing District (PMD) zoning designation, one of 15 PMDs in Chicago. The purpose of a PMD is to provide land use stability to serve the needs of both traditional and advanced manufacturers and other production-oriented companies. As of 2011, 90% of the jobs in the PMD portion of the innovation district were involved in the making or handling of real and virtual products. As the Fulton Market Innovation District evolves, the PMD will continue to provide an affordable environment that's free from disparate uses that are incompatible with the making and distribution of real and virtual products.

Approximately 18 percent of the jobs in Fulton Market Innovation District are related to leisure and lodging activities, many of which are located adjacent to industrial companies within the southern half of the area. Since the early 1990s, the southern portion has become increasingly associated with fine dining, entertainment venues, art galleries, and special events, making it today one of the most eclectic concentrations of culturally focused entrepreneurship in the city.

Public streets and private parking lots in the southern portion are also used for events like the annual Taste of Randolph food and music festival; the annual Guerilla Truck Show designer products event; and the bimonthly Randolph Street Market festival featuring various vintage goods.

The southern half of the Fulton Market Innovation District includes the majority of the approximately 125 properties proposed to be included in a formal historic district. The designation of the "Randolph-Fulton Market Historic District" will protect the exteriors of key buildings from significant alteration or demolition, ensuring the heart of the area would maintain its traditional appearance and visual influence on local streetscapes. A special set of design guidelines will be mandatory for new construction projects within the historic district.



The unique urban setting and pedestrian scale of the Fulton Market Innovation District are largely attributed to ongoing private demand in the area, a trend which was facilitated by various public improvements over the previous two decades. The most notable investments include a \$5.9 million streetscape project in 1996, which beautified Randolph Street west of Halsted Street, and the new \$38 million Morgan CTA station in 2013, which provided mass transit into the heart of the area. The latter project will continue to drive demand for nearby real estate, a trend exacerbated by Google's announced move to Morgan Street and Fulton Market in 2015.



## Key Actions

### 1. Designate a historic district within a portion of the Fulton Market Innovation District

The Randolph-Fulton Market Historic District recommendation being considered by the Commission on Chicago Landmarks should be finalized and forwarded for adoption by City Council to preserve the historic core of the innovation district. The City Council designation would also provide new financial incentives for building rehabilitation and maintenance needs. Encompassing 47 acres, the Randolph-Fulton Market Historic District focuses exclusively on architecturally significant buildings and others that best represent the area's industrial growth and association with food production and distribution (Map 4). Like all historic districts, the designation would be limited to the exterior elevations of properties to allow flexibility to adapt the interiors for new uses that align with market demands.

### 2. Adopt design guidelines

Design guidelines should be finalized and adopted by the Chicago Plan Commission to guide the treatment of properties and streetscapes throughout the Fulton Market Innovation District in order to preserve and enhance its unique character (Appendix II). The guidelines are intended to strengthen the identity of the area and support existing uses, while encouraging new, compatible development. Renovation of existing buildings for contemporary use is encouraged and new construction and additions are allowed, pending compliance with zoning and land use parameters.

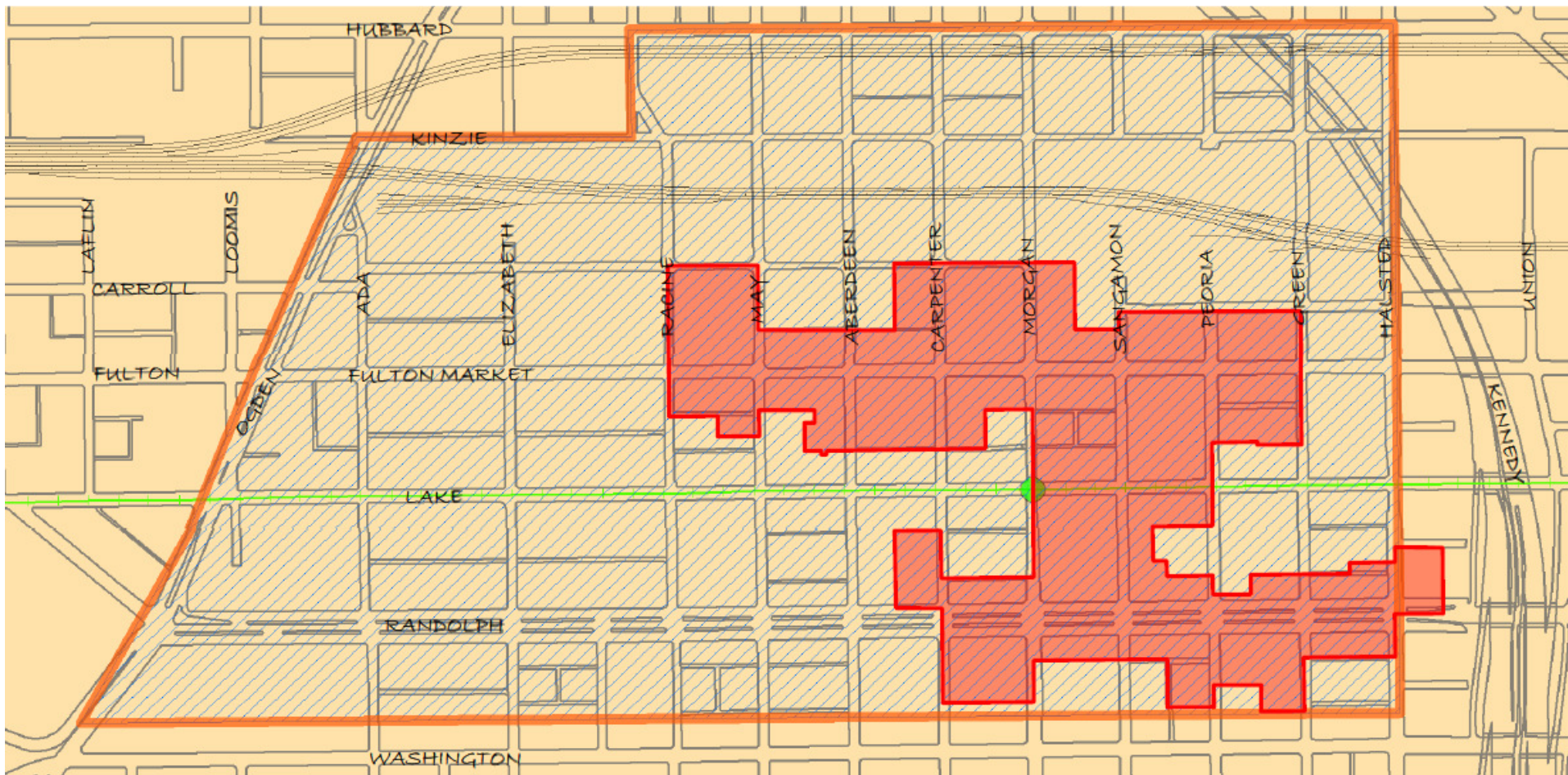
For properties outside of the historic district but within Fulton Market Innovation District, the General Design Guidelines are recommended for all new construction and rehabilitation projects. Compliance will be monitored by City of Chicago zoning and land use staff, which reviews all zoning change applications within the city. Specific recommendations will be made, as appropriate, to property owners as part of the zoning change review process. Property owners should reference the guidelines prior to pursuing a building permit within the innovation district.

#### *Historic District Properties*




For properties within the Randolph-Fulton Market Historic District, compliance with the Randolph-Fulton Market Historic District Design Guidelines is required for all new construction and rehabilitation projects. These guidelines will be adopted by the Commission on Chicago Landmarks. Compliance will be monitored by City of Chicago historic preservation staff, which reviews building permits for all properties subject to the City's landmarks ordinance. Property owners should reference the Randolph-Fulton Market Historic District Design Guidelines prior to pursuing a building permit within the historic district.







Map 4: Fulton Market Innovation District— Design Guidelines applicability

-  Fulton Market Innovation District boundary
-  New **development** should follow the Design Guidelines in Appendix II
-  New development and renovations in the proposed Randolph—Fulton Market Historic District will be required to comply with the Randolph—Fulton Market Historic District Design Guidelines to be adopted by Commission on Chicago Landmarks

### 3. Adopt the Fulton Market Innovation District Land Use Map to minimize future land use conflicts and maximize the production of real and virtual products

The Fulton Market Innovation District Land Use Map (Map 5) provides specific land use parameters for future zoning changes within the district. Its height and density standards for four key subareas are to be used by the Chicago Plan Commission, City Council, and community stakeholders to assess the appropriateness of future zoning change proposals. The four specific sections of the map include:

#### *Innovative Industries Subarea*

Located within and adjacent to the Kinzie Industrial Corridor and Planned Manufacturing District (PMD), the Innovative Industries Subarea is primarily occupied by manufacturing, industrial, and distribution-oriented companies. Land use parameters for the subarea will protect the viability of existing companies and the area's role as a jobs center, especially involving its burgeoning role as a home to innovation and technology-driven companies. New residential development is prohibited and retail establishments are limited to stores that sell goods produced on-site. New construction is limited to low-rise buildings.

Typical uses include: Manufacturing, artisanal manufacturing, industrial, business and industrial services, food purveyors, food truck commissaries, shared kitchens, printing facilities, commercial photography studios, offices, high-tech offices, data storage centers, business trade schools, warehouses, employment agencies, construction offices, small-scale restaurants, coffee shops, taverns, and other small-scale commercial uses that support these trades, such as barber shops and dry cleaners.

Building scale: One to approximately four stories.

#### *Fulton Market Subarea*

Located along Fulton Market Street, the historic core of the Fulton Market Innovation District has provided meat and food-related services to the city for more than 150 years. The land use map provides for uses that are compatible with the operation of food production and distribution-related enterprises. Existing residential uses are allowed to remain but new or expanded residential development is prohibited. Retail is limited to smaller-scale businesses, including stores that sell goods produced off-site. Building heights are limited to the existing scale of the street wall along Fulton Market Street. New uses should renovate and incorporate existing buildings, especially within the historic Randolph—Fulton Market Historic District.

Typical uses include: Manufacturing, artisanal manufacturing, wholesaling, food purveyors, butcher shops, grocery stores, offices, high-tech offices, co-working offices, restaurants, coffee shops, bakeries, taverns, art galleries, art studios, apparel shops and bike shops.

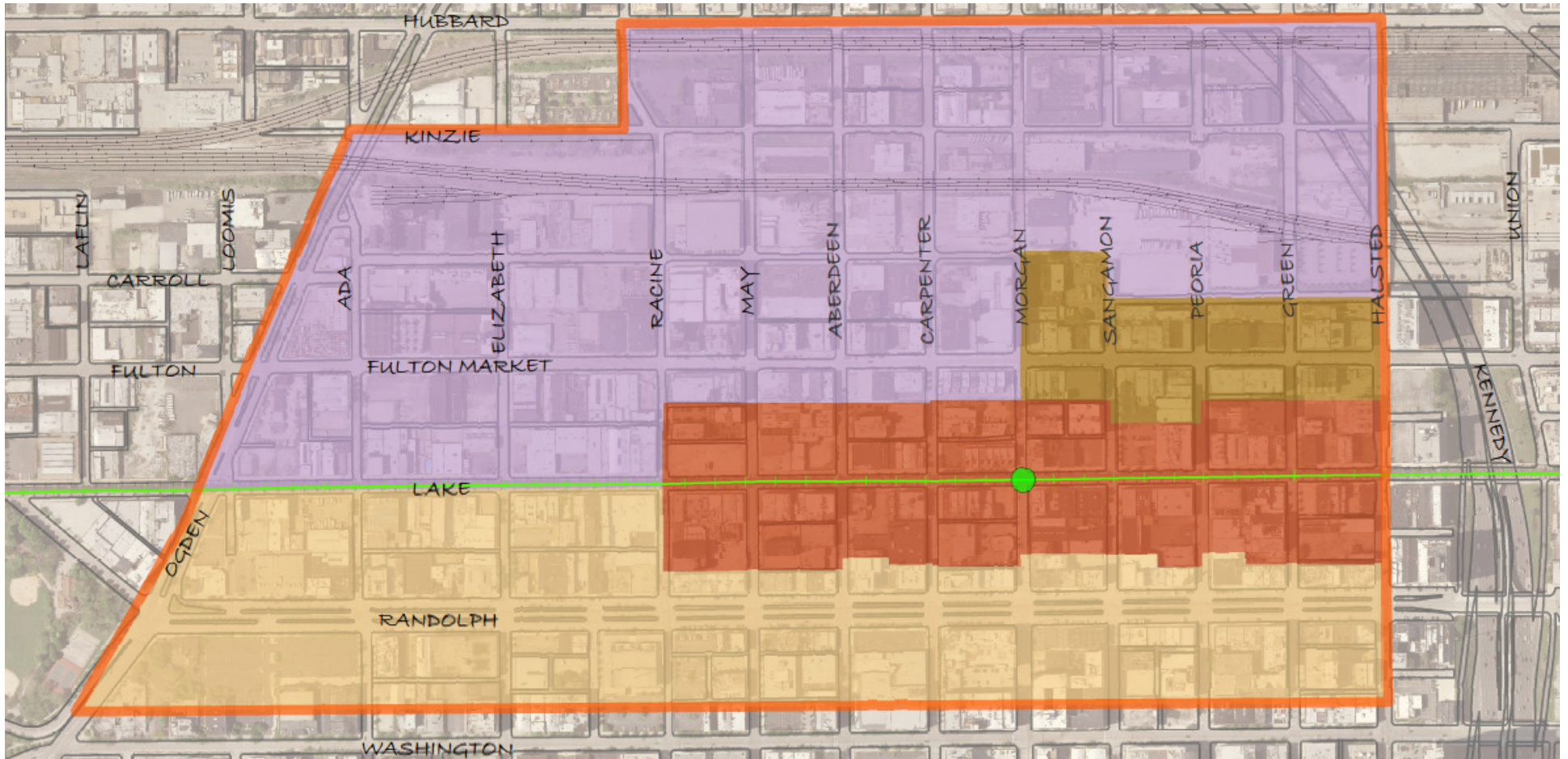
Building scale: One to three stories; large floor plates.

#### *Leisure and Lodging Subarea*

The Leisure and Lodging Subarea straddles the Lake Street public transit corridor and the new Morgan Street CTA station, which provides opportunities for increased density and height through Transit Oriented Development provisions within the Chicago zoning code. Lake Street also functions as a service road for many industrial companies within the district, providing for larger scale development projects that could face adjacent side streets. Mid-rise buildings are permitted, including structures with non-accessory parking that could accommodate patrons of nearby restaurants, entertainment venues and hotels.

Typical uses include: Retail, restaurants, salons, personal services, food purveyors, art galleries, art studios, entertainment venues, hotels, residential (above the first floor), offices, high-tech offices, and bicycle stations.

Building scale: Three to approximately eight stories or more.



Map 5: Fulton Market Innovation District Land Use Map

- INNOVATIVE INDUSTRIES
- FULTON MARKET
- RANDOLPH ROW
- LEISURE & LODGING
- FULTON MARKET INNOVATION DISTRICT BOUNDARY

*Randolph Row Subarea*

As one of the most popular destinations for restaurant-goers in Chicago, Randolph Street is lined with restaurants and other hospitality oriented businesses that provide eclectic diversity for the entire Fulton Market area. Located at the southern portion of the district, the subarea also contains entertainment venues and culturally aware businesses that draw visitors from outside of the neighborhood. New uses should renovate and incorporate existing buildings, especially within the historic Randolph—Fulton Market Historic District.

Typical uses include: Full-service restaurants, coffee shops, taverns, boutique hotels, entertainment venues, retail, offices, personal services, food purveyors, butcher shops, groceries and residential (above the first floor).

Building scale: Two to approximately five stories.

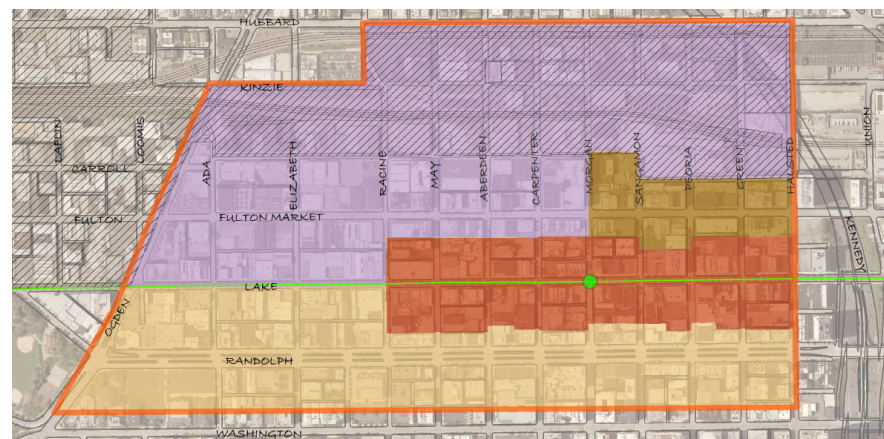


**4. Establish Subdistrict B within the Kinzie Planned Manufacturing District (PMD)**

A new PMD subdistrict should be designated within the Kinzie PMD to reinforce the area’s expanding role as an innovation-driven employment center (Map 6). The purpose of the subdistrict is to provide adequate and affordable space for a broader range of businesses within a portion of the PMD, while still protecting against the potentially negative impacts of housing, entertainment, and lodging uses. B subdistricts provide for a wide range of retail and commercial uses while still accommodating the industrial and employment-based goals of the PMD. No residential uses are allowed.

**5. Invest in facilities for regional food products, traditional wholesale businesses and associated historic buildings**

To complement the Fulton Market area’s association with food production, distribution, and consumption, a facility should be established within the PMD to serve as an artisanal food incubator and a regional food wholesale and processing facility for use by local chefs, restaurant owners and other food entrepreneurs. The facility could be modeled after the existing incubator in the Kinzie Industrial Corridor that successfully supports various industrial and food processing niches within the local economy. In addition, the City should expand assistance to existing wholesale and manufacturing companies within the Kinzie Industrial Corridor by increasing the Small Business Investment Fund (SBIF) and TIFWorks.



**Map 6: Fulton Market Innovation District Land Use Map and Kinzie Corridor Planned Manufacturing District**

- INNOVATIVE INDUSTRIES
- RANDOLPH ROW
- LEISURE & LODGING
- FULTON MARKET INNOVATION DISTRICT BOUNDARY
- PMD 4: Kinzie Corridor
- FULTON MARKET

**6. Coordinate public infrastructure investments to create a cohesive district identity and support ongoing private investment projects.**

The Fulton Market Innovation District land use plan will provide the framework for capital improvements in the area. Streetscape improvements focused on pedestrian safety and business loading operations will be initiated for the length of Fulton Market Street. To inform additional improvements, a traffic and curbside use study will begin in the fall of 2014 to address the wide range of users and the changing character of traffic throughout the day. In conjunction with the streetscape work on Fulton Market, sewer and water mains in the area will be evaluated and improved.

**7. Provide programming and events on food and Chicago's role within the regional and nationwide food systems**

The Fulton Market Innovation District's long association with food provides unique opportunities for public events and programming that contribute to the local economy. Given the existing food focus and proximity to downtown and public transit, the Fulton Market Innovation District is an ideal area for a seasonal, outdoor farmers market and/or an indoor market that caters to the public, chefs, or both. A potential market steward could be an organization like Green City Market, which is a 16-year old, not for profit organization that operates a farmer's market from May through December in Lincoln Park. The organization is investigating the feasibility of a second market in Chicago, with a primary objective of enhancing access and convenience in order to better connect local producers to downtown restaurateurs. Additional regional and sustainable food programming activities should be explored for opportunities involving pop up exhibits, podcasts/walking tours, demonstrations (cooking, preserving, drying herbs, etc.) and opportunities to learn about how food gets from regional farms and producers to the table.



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APPENDIX I

DPD staff used 2011 Census Bureau employment data to categorize the jobs within the Fulton Market Innovation District using a methodology developed for the *Chicago Sustainable Industries* plan.<sup>i, ii, iii</sup> Job categories were grouped into 1) Real & Virtual Products, 2) Business and Institutional Services and 3) Leisure and Lodging Services and are detailed below.

Employment data for selected sectors within the Fulton Market Innovation District and Kinzie Planned Manufacturing District

Area	Real & Virtual Products			Business & Institutional Services					Leisure and Lodging Services			Other	TOTAL			
	Manufacturing	Moving, storing goods & Construction	Information, Technology & Management	Education Services	Finance & Insurance	Real Estate	Health Care & Social Assistance	Retail	Arts, entertainment, recreation	Accommodations, Food service						
Fulton Market District	855	2350	3011	63%	561	313	132	532	10%	278	273	1255	18%	358	4%	9918
Within PMD only	78	1422	57	90%	83	2	8	1	5%	19	3	1	1%	52	3%	1726

NAICS groupings for analysis of employment data within the Fulton Market Innovation District are as follows: **Real & Virtual Products** = Manufacturing; Moving or storing goods (Utilities, Construction, Wholesale Trade, Transportation & Warehousing, Administrative Support, Waste Management & Remediation; Information, Technology & Management (Information, Professional, Scientific & Technical Services, Management of Companies and Enterprises). **Business & Institutional Services** = Educational Services; Finance & Insurance; Real Estate (Real Estate, Rental & Leasing); Health Care and Social Assistance. **Leisure and Lodging Services** = Retail; Arts, Entertainment & Recreation, Accommodations & Food Service. **Other** = Other Services (Except Public Administration). Note the following NAICS codes were excluded from analysis due to zero counts: Agriculture, Forestry, Fishing and Hunting; Mining, Quarry & Oil and Gas Extraction; Public Administration.

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- i. U.S. Census Bureau, Center for Economic Studies, OnTheMap application and LEHD Employment Statistics. <http://onthemap.ces.census.gov/>.
  - ii. DPD GIS Shapefiles were used to define the area selection and to extract employment data for the Fulton Market Innovation District and segment of PMD 4.
  - iii. In 2012, Jon DeVries, who chaired the Land Use Task Force for the *Chicago Sustainable Industries* plan, and his colleague John McDonald, both professors at Roosevelt University, analyzed employment data for 24 Chicago industrial corridors to assess industrial land use policy. Employment sectors were divided into three land-use categories using NAICS data: Manufacturing (including wholesale trade, transportation and warehousing, and administrative support and waste management services); Retail trade (including arts, entertainment and recreation and accommodation and food service); and Office employment (including 7 sectors of private employment).