



# LaSalle Street Reimagined

*@ the Intersection of History, Innovation, and Equity*

10/18/2022 Pre-Submission Conference



# Agenda

- 1 Welcome + Introductions**
- 2 LaSalle Corridor Data**
- 3 LaSalle Street Reimagined Overview**
- 4 Invitation for Proposals**
- 5 Q + A**



# Webinar Format Agreement



1. This is a Zoom webinar format and this meeting is being recorded.
2. The recording will be available on DPD's webpage: **[www.Chicago.gov/lasallestreet](http://www.Chicago.gov/lasallestreet)**
3. Please use the **Zoom Q&A function** for any questions during the webinar.
4. All questions and ideas are valid.
5. Questions may be responded to from city staff either in writing or verbally during this meeting.

# LaSalle Corridor Data

Chicago's Central Business District and Downtown are home to 244,455 residents.

Over the past 30 years, Chicago's downtown has grown faster than any other US city. *(Source 2020 Census)*



**Historic Character: 59%** of the buildings pre-date 1940

**Office Monoculture: 85%** of the real estate is for office use

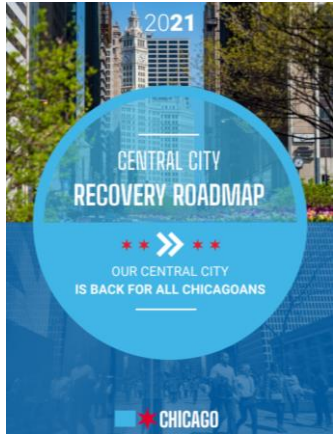
**Retail Vacancy: 36%**, highest compared to other submarkets (22-23% State Street, Michigan Avenue, and West Loop)

**Office Vacancy: 26%**, highest compared to other submarkets (21% State Street, 16% Michigan Avenue, 15% Fulton Market, 18% South Wacker)

**Lack of Affordability: No ARO units** in corridor

**100% Transit Served Location:** parking not required via administrative adjustment

# ★ Planning Work Completed



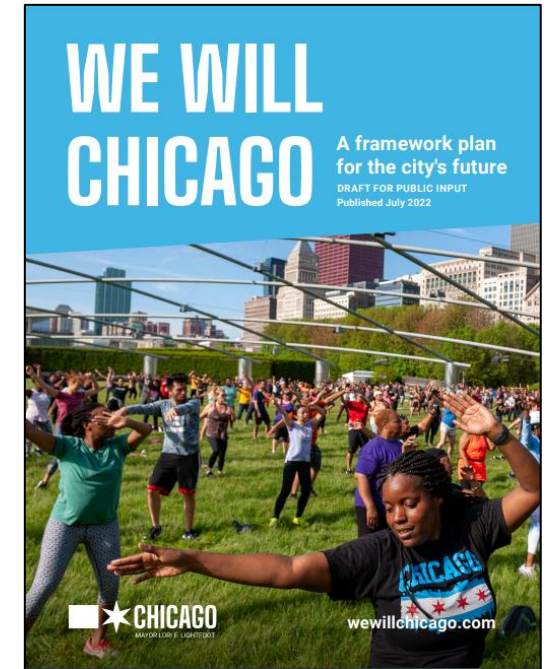
**2020-2021:** Lightfoot Administration publishes the Central City Recovery Roadmap, a collaboration with over 150 stakeholders to identify 90 action items.



**Q1-Q2 2022:** Chicago DPD sponsors Urban Land Institute to do a Technical Assistance Panel on Repositioning LaSalle Street, engaged with over 70 stakeholders and experts.



**Q1-Q3 2022 AECOM's Market Analysis:** Market analysis supports investments for multi-unit residential, dining/entertainment, and tourism/cultural uses.



**2019-2022:** We Will Chicago's key principles are **Equity** and **Resiliency**, with eight pillars, draft goals and objectives. The draft document will be updated after the public comment period and presented to CPC for adoption in early 2023.

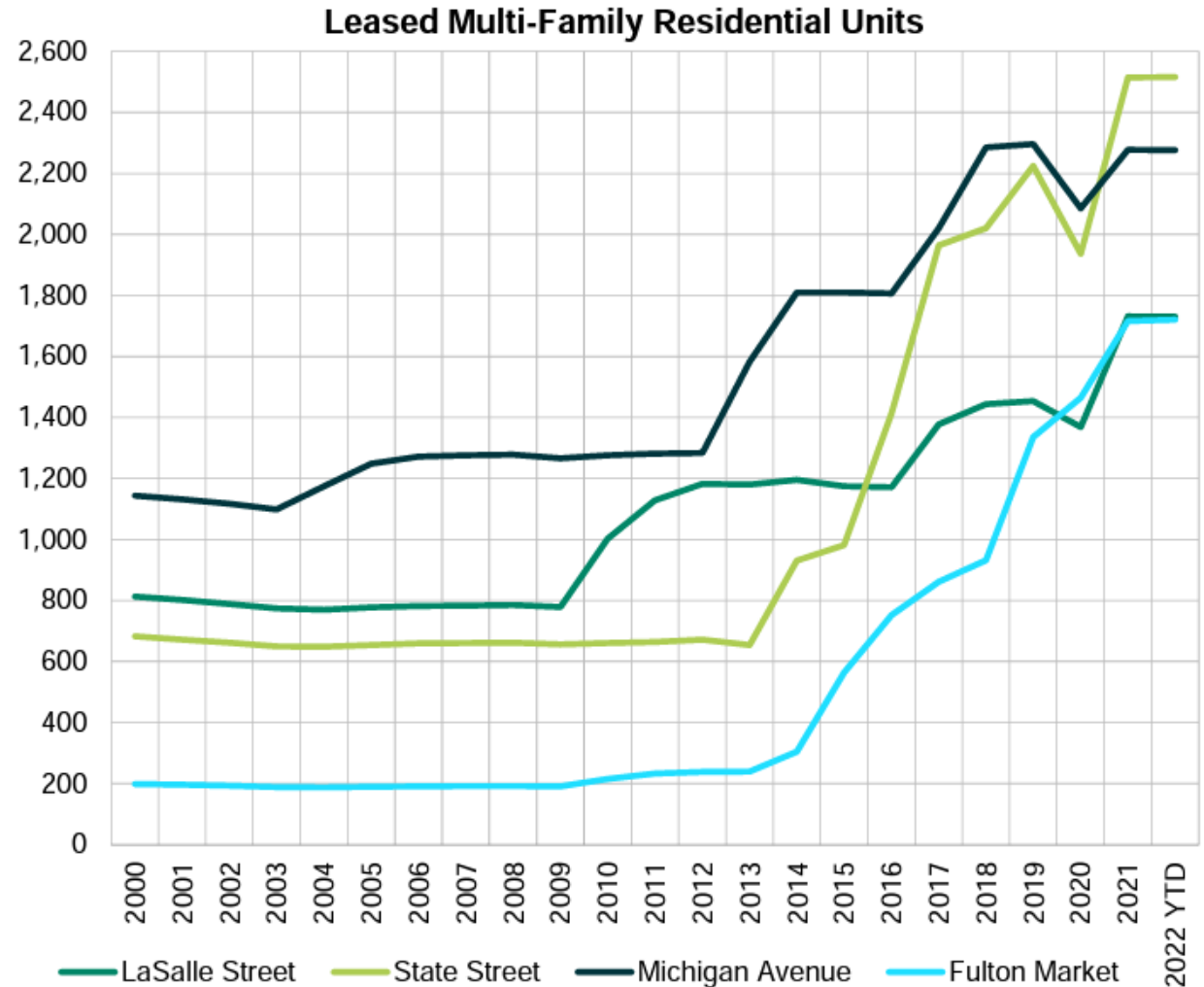
# ★ Residential is a Good Investment

- The volume of leased multi-family residential units has **increased by 113%** within the LaSalle Street Corridor since 2000.<sup>1</sup>
- The LaSalle Street Corridor has seen a **53% increase** in rent per square foot for multi-family residential units from 2000 to 2022.<sup>1</sup>
- The LaSalle Street Corridor rental rate per square foot (\$2.91) is almost **65% higher** than the rental rates for the Chicago Metro Area (\$1.88).<sup>1</sup>
- The **median rent is \$2,205** and **median household income is \$126,433** in the Loop Community Area.<sup>2</sup>
- Since 2010, the Loop Community Area grew more than any other Chicago community area, with its population **increasing by nearly 45%**.<sup>3</sup>

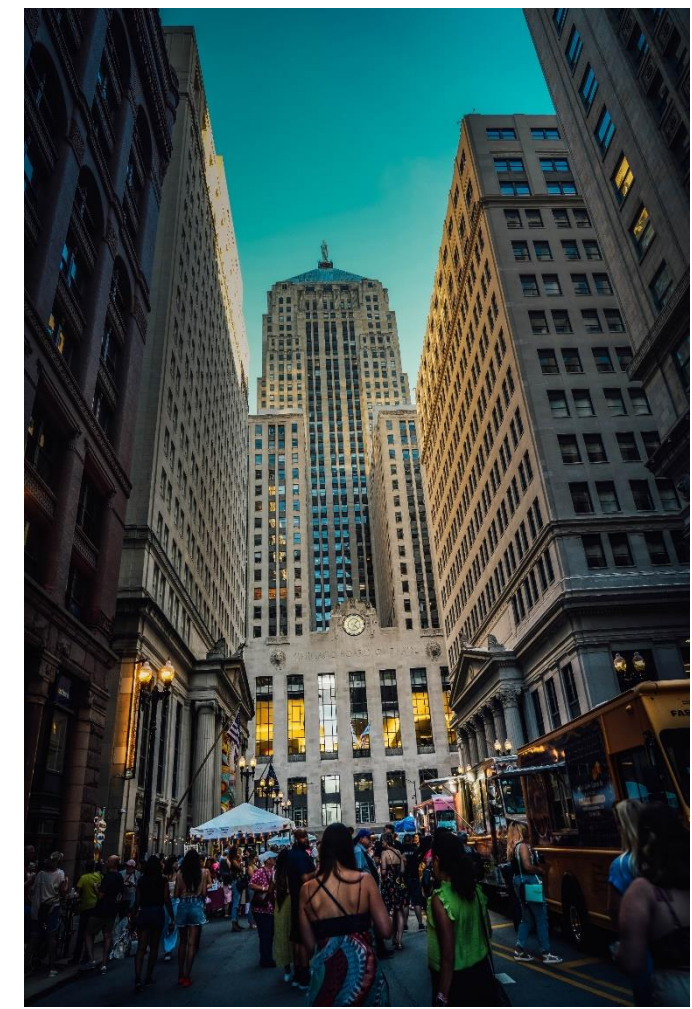
1. LaSalle Street Corridor Business Support Study (AECOM)

2. Loop Community Profile (World Business Chicago)

3. The Chicago Loops' New Demography (Chicago Loop Alliance)



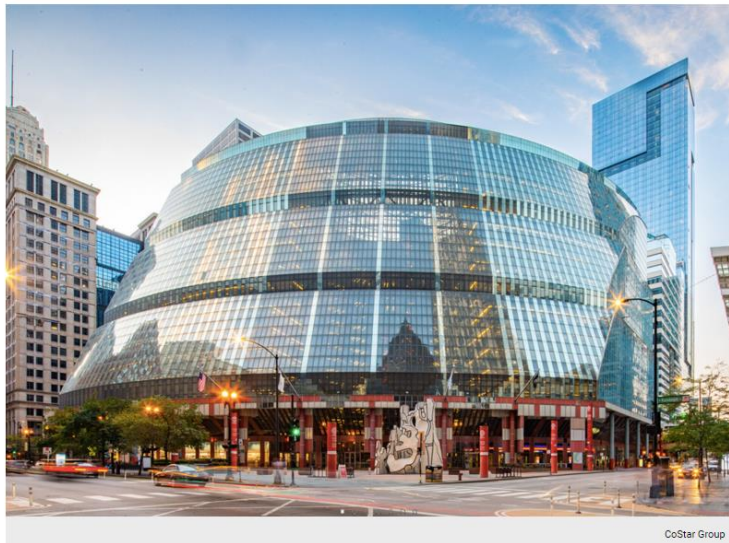
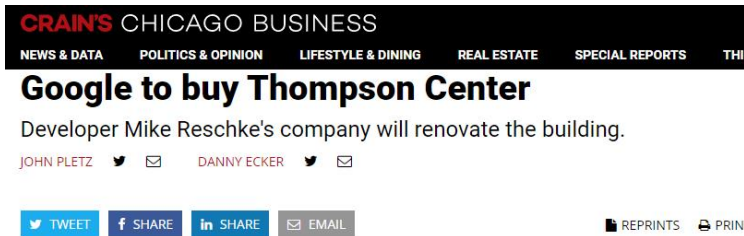
# ★ 2021-22 Completed Short-Term Activations



2021 Lunch on LaSalle and “Be Part of the Art” by BOMA Chicago and Torque with support from building owners and City of Chicago, Pride crosswalk by CDOT

2022 Activate event sponsored by CLA with support from City of Chicago

# ★ Recent News – largest downtown deal and largest corporate expansion in Chicago history!



*“These transactions are transformative for the State and the City and will create key anchors for the future success of Chicago’s downtown district and LaSalle Street for many more generations.”*

Michael W. Reschke, Manager of JRTC Holdings, LLC

*“The Thompson Center gives us presence in the central business district, enabling us to get in on the ground floor of revitalizing the Loop with its unparalleled access to public transit which is so important to today’s hybrid workforce.”*

Karen Sauder, President of Global Clients and Agency Solutions and Site Lead of Google in Chicago

Google to own a renovated Thompson Center with occupancy expected in 2026. State to own 115 S. LaSalle with occupancy expected in 18 months for 1,700 employees.



# LaSalle Street Reimagined

## @ the Intersection of History, Innovation, and Equity

This is a new downtown initiative to create a place for innovation rooted in the principles of equity and resiliency for a corridor that has the highest retail and office vacancy rates in the Central City.



Global Innovation



Public Realm Enhancements



Neighborhood-Oriented Business Growth



Affordable Housing Expansion



Historic Building Sustainability

# ★ City-Assistance to Support 3 Goals

## GOAL 1

Support historic conversions to create affordable housing

## GOAL 2

Support cultural and dining businesses

## GOAL 3

Create an inviting and forward-thinking street



# Goal 1

## ★ Support more affordable housing

- As part of an **Invitation for Proposals (IFP)** the City seeks **up to 3 adaptive reuse proposals** that include **a minimum of 30% of affordable units on-site for households earning average income of 60% AMI.**
- Projects must be **located on or within a block of LaSalle Street**, with a priority for adaptive reuse of historic buildings.
- Other priorities for city assistance include providing a **grocery store and activation of grand interior spaces.**
- The City desires to have developers agree to **exceed the City's 26/6% M/WBE goals for construction.**

### Next steps:

- **Developers to respond to IFP issued on 9/26 and submit by noon Dec 23, 2022.**

**Leads: DPD/DOH**

# Goal 2

## ★ Support cultural and dining businesses

- Initial round of grants for the blocks fronting LaSalle Street to **support small-scale cultural and dining attractions from expanding neighborhood businesses.**
- A short-term **customized program in grant awards and wider eligibility.**
- Once this customized program and funding is approved by City Council, the program would be administered by SomerCor as part of the **DPD's Small Business Improvement Fund (SBIF).**

**Next steps:** DPD to submit SBIF amendment ordinance and funding allocation for **City Council approval by end of 2022, targeting first allocation round in 2023.**

**Lead:** DPD

SBIF funds are available to eligible business and property owners in TIF districts with SBIF authorization and available funds.



+  **LaSalle Street**

# Goal 3

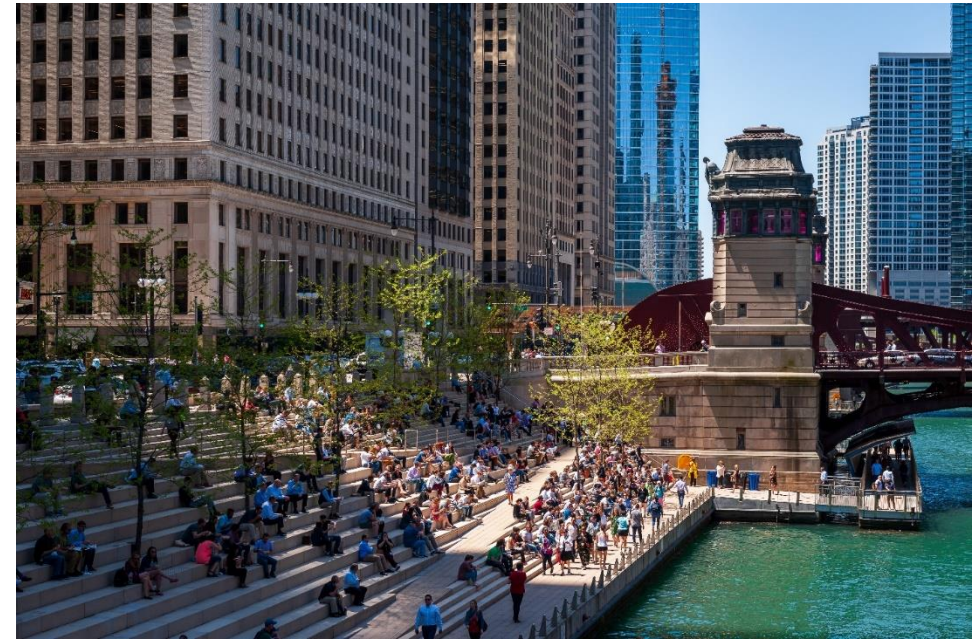
## ★ Create an inviting and forward-thinking street

CDOT will conduct an **engineering assessment** of existing physical and structural conditions on LaSalle Street.

This analysis will inform a **call for a world-class design team** to design a safe, inviting, and innovative LaSalle Street public realm:

- to stitch together **significant civic and cultural assets** along the corridor such as the Riverwalk and City Hall.
- to help **connect the public realm to grand lobbies and halls** inside historic buildings.
- to appropriately **illuminate historic buildings and the street.**

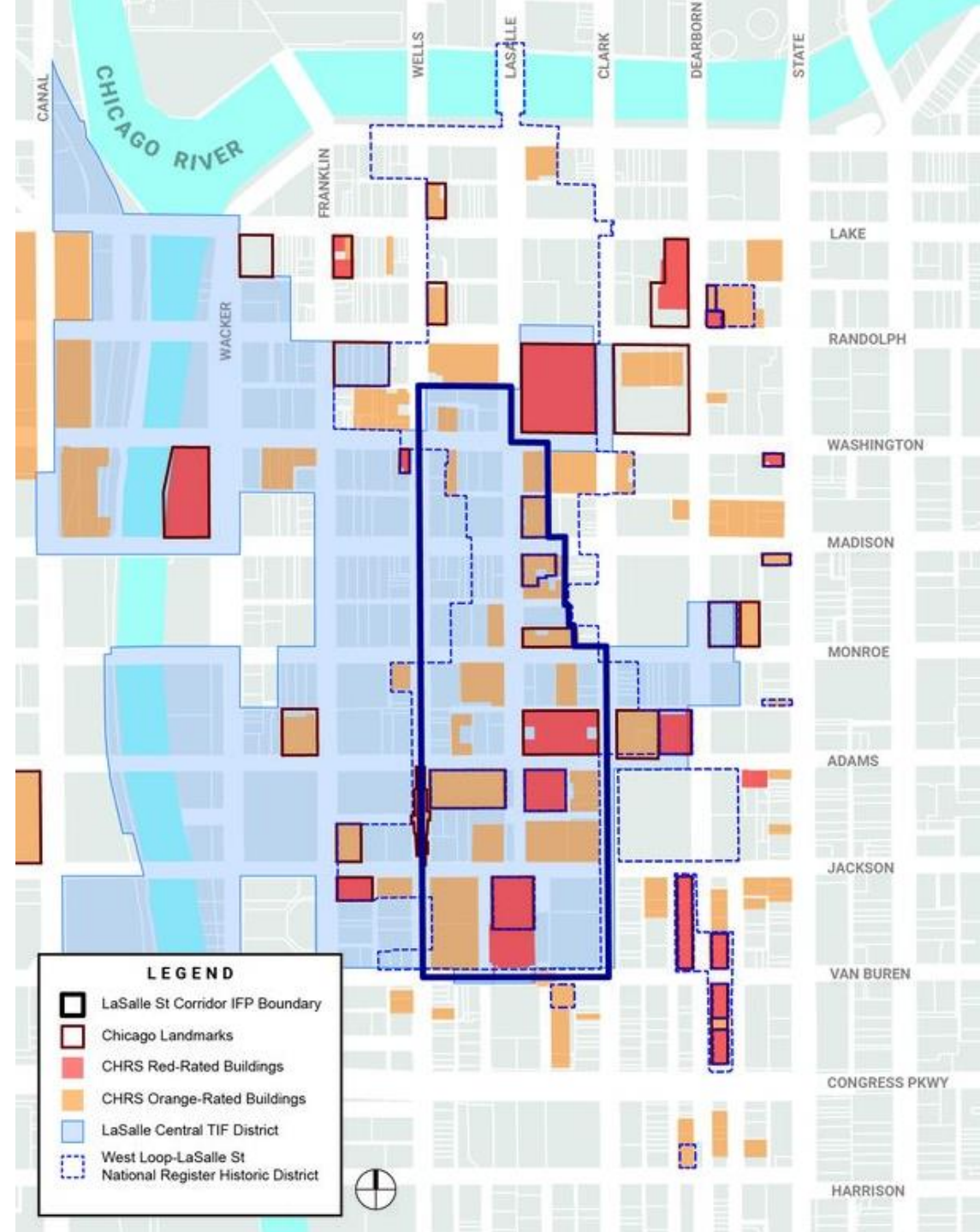
**Lead: CDOT will coordinate with CTA, other public agencies and property owners.**



# ★ Invitation For Proposals

## Eligible Buildings

- Must be located within the IFP Boundary shown on map
- Priority will be given to designated or eligible to be designated Chicago Landmarks, contributing buildings to the West Loop - LaSalle Street National Register, buildings rated “orange” by Chicago Historic Resources Survey



# Affordable Housing Program

- 30% of the units on-site shall be affordable for households with a range of incomes averaging 60% of the Area Median Income
  - 1 person household at 60% AMI is \$43,800
  - 2 persons household at 60% AMI is \$50,040
  - 3 persons household at 60% AMI is \$56,280
  - 4 persons household at 60% AMI is \$62,520
- Unit mix sizes to range from studios to 3-bedroom units reflecting the proportional mix of the market rate or unrestricted units
- Other program priorities for City-funded assistance includes providing a grocery store and locally-owned cultural and dining businesses
- Schedule an intake meeting with DOH and complete DOH Proforma

# ★ Zoning + Sustainability

- DC-16 allows residential uses above the ground floor by-right; restaurants, retail, indoor entertainment, lodging, and venue uses are also allowed by-right, both at and above the ground floor.
- The entire LaSalle Street corridor qualifies as a Transit Served Location (TSL).
  - Parking requirements can be reduced to zero via Administrative Adjustment.
  - No additional parking or loading requirements are required for rehabilitation of a designated Chicago Landmark.
- The expansion or change of use in any existing building will be governed by the applicable portions of Section 17-8-0515
- Minimum lot area (density) reductions may be considered for buildings which are non-conforming for purposes of floor area (building bulk) based on the calculations provided in Section 17-4-0404-B, as follows:
  - For each one percent increase in floor area awarded through the floor area bonus provisions of Sec. 17-4-1000, the minimum *lot area* per unit standard is reduced by one percent. The minimum *lot area* per unit reduction may not exceed 30 percent, regardless of the floor area bonus granted.
- Substantial Renovation Projects receiving TIF need to meet 50 points from the Sustainable Development Policy



# ★ Minority Participation for City-Assisted Projects



Must comply with City of Chicago's minority participation construction hiring requirements: at least 26% of the qualified project costs must be paid to MBE firms and at least 6% paid to WBE firms.



Must pay prevailing wage rates for all construction jobs.



Chicago residents must perform at least half of all construction-worker hours.

**The City desires for teams to exceed the above minimum requirements and will consider this as part of the evaluation of selected projects.**

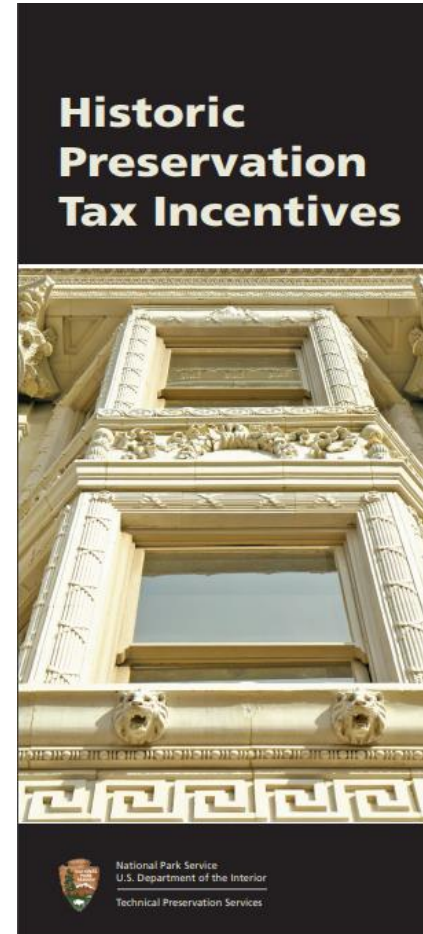
# ★ Available Incentives

## Cook County, State, and Federal Tax Incentives:

- 20% Federal Rehabilitation Tax Credits
- Affordable Illinois (HB2621)
- Class L tax incentive for retail/office/hotel uses

## City of Chicago Incentives

- Tax Increment Financing from LaSalle Central Redevelopment Project Area
- Low Income Housing Tax Credits
- Chicago PACE



## New Illinois law aims to expand affordable housing through \$75M investment, tax credits

Jerry Nowicki Capitol News Illinois  
Published 3:30 p.m. CT July 29, 2021

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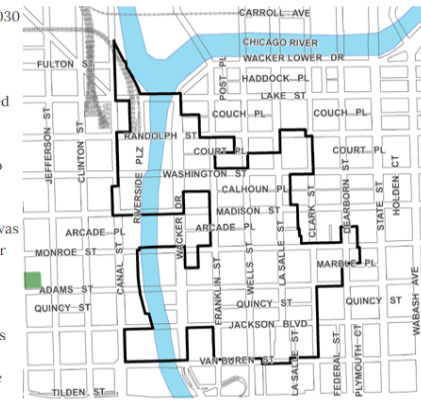


Karen Davis, deputy director of the Illinois Housing Development Authority, speaks at a bill signing event for a measure increasing tax incentives for building affordable housing in Illinois. She said 250,000 affordable housing units are needed in Illinois to meet demand. At left is Gov. JB Pritzker. [Blueroomstream.com](#)

## LaSalle/Central TIF

Designation: 2006 Expiration: 2030

Located within the Loop and Near West Side community areas, the LaSalle/Central TIF is characterized by older commercial buildings and mixed-use structures, many possessing excess vacancies due to ongoing economic and geographic shifts involving central business district office properties. The TIF was designated to provide resources for their rehabilitation for current and new uses, especially projects that involve the district's numerous historic structures. Additional goals include high-quality retail development, improvements to the Chicago River seawall, new and improved open spaces, enhanced transit stations and public right-of-ways, and improvements to streets



# ★ Precedent Randolph Tower City Apartments

**188 W. Randolph (City Council RDA Approval in 2010):** 310 units with 20% affordable, 9,500 SF of ground-floor retail, 2<sup>nd</sup>-floor office space, and residential amenities. Total Project Costs of \$145M, of which \$34M was subsidized by the Randolph Wells TIF (23.4% of TPC).





# IFP Goals + Evaluation Criteria

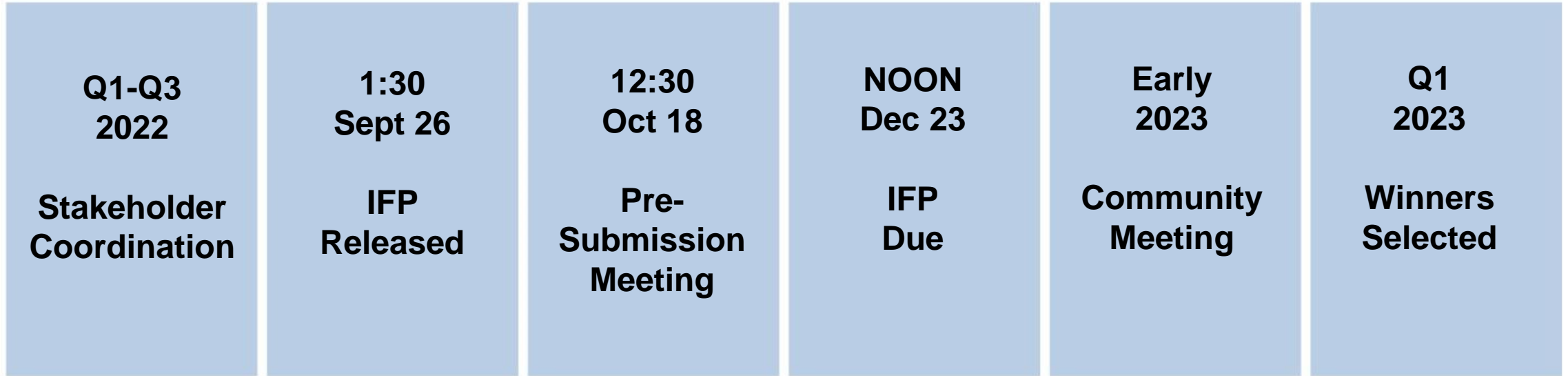
## Four IFP Goals:

1. Support the revitalization of historic buildings and their grand interior spaces
2. Convert underutilized office spaces into residential uses and provide more affordable housing
3. Activate vacant ground-floor spaces with locally-owned shopping, cultural and dining amenities
4. Improve the participation of minority-owned and women-owned businesses in downtown redevelopment proposals.

## Three Evaluation Criteria:

1. **IFP Goals & Catalytic Impact:** attainment of IFP goals, innovation, potential to catalyze other corridor investments
2. **Team Composition:** competence and experience with similar scope of work, historic rehabilitation commitment and track record, minority participation
3. **Economic Feasibility:** financial qualifications and viability of project, ratios of public assistance and equity contribution relative to TPC

# IFP Timeline



**Q2-Q3 2023**  
CDC + City Council Approval of  
Redevelopment Agreements

**2024-2026**  
Adaptive Reuse/Rehabilitation of  
Winning Projects

# Questions?

**Schedule Meetings with DPD, DOH, SHPO**

**Share Proposal with 42<sup>nd</sup> Ward Office**

**IFP Deadline: Noon December 23, 2022**

**Please email comments or questions to**

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