

GAZETTE

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FREE

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ONIAC honors veterans, families.
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Legislators need to have a spine: Editorial.
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Firefighter Jason Mayoski remembered.
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Italian American Sports Hall of Fame sale pending?
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Free building energy analysis offered for landlords.
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New elevator expands Notre Dame Church accessibility.
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IDOT officials seek ways to improve the Circle expressway interchange

By Patrick Butler

Several dozen local business and community leaders and highway engineers got their first look at five preliminary concepts for relieving the bottleneck where the Eisenhower, Dan Ryan, and Kennedy Expressways merge at the Circle interchange on the Near West Side.

The Aug. 30 meeting at the Marriott Hotel, 625 S. Ashland

Ave., was described by organizers as a once-in-a-lifetime opportunity for commuters, community residents, and assorted stakeholder businesses and institutions in the community to have their say on expressway reconfiguration.

Experts such as project manager Steve Schelke of the Illinois Department of Transportation (IDOT) and AE Consultants' Mark Lucas were on hand to answer

questions and encourage everyone to put paste-up notations on maps concerning what they considered the biggest trouble spots. Schelke said the Federal Highway Administration considers the interchange the nation's slowest bottleneck.

"This is one time I don't want to see us as number one," Schelke said. "I'd rather be 150th or not even on the list."

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West Loop development to include park

By Monica M. Walk

A building project on the Chicago River is bringing a new public park and river walk to the West Loop area—along with renewed scrutiny on Chicago's tax increment financing (TIF) program.

Mayor Rahm Emanuel hailed the development as the largest real estate project launched in Chicago in the last five years. The 45-story office tower, rising at 444 W. Lake St. along the west bank of the river near Canal Street, was designed by Pickard

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Troy T. Heizeroth

BATTLE OF FORT DEARBORN—Area organizations commemorated the 200th anniversary of the Battle of Fort Dearborn at the site of the 1812 battle at 1800 S. Prairie Ave. and in the Chicago Women's Park and Gardens. Soldiers in current and 1812 uniforms were part of the solemn ceremonies.

Amendment may remove public workers' pension protection

By William S. Bike

If approved by voters, Constitutional Amendment #49, which will be on the November 6 ballot, could empower the Illinois General Assembly to modify pension benefits for State employees, including those at the University of Illinois at Chicago (UIC), and allow other legislative bodies in Illinois to modify pensions of public employees, including City of Chicago workers, "any way they want," said Jack Hall, president of the Illinois Central

College Annuitants' Association.

"If this amendment passes, it will do away with the contract protection clause in the current Illinois Constitution, which states that a contract cannot be impaired," Hall said.

The amendment, said Anders Lindall, director of public affairs for the American Federation of State, County, and Municipal Employees (AFSCME) Council 31, "could be broadly applied to all public employees—teachers, police, firefighters, librarians, child

protection workers—every public employee."

Currently, the Illinois Constitution states in Article XIII, Section 5, that "Membership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired."

Amendment #49 is about 700 words long, but its crux is that it

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West Loop development to include public park, river access; TIF use controversial

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Chilton Architects and is being developed as an Ivanhoe Cambridge/Hines/Levy joint venture.

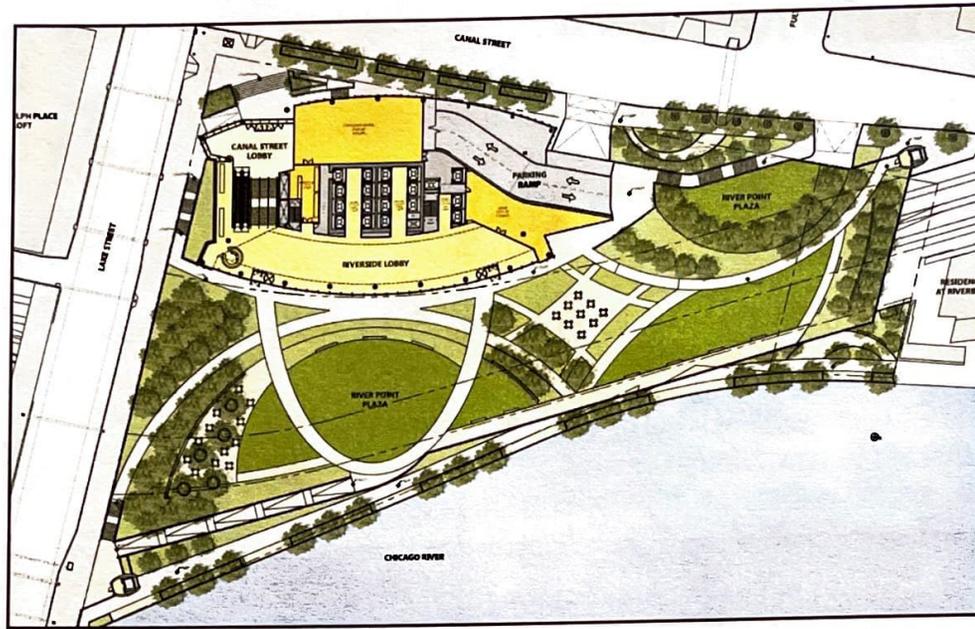
A unique attribute will be a 1.5-acre public park atop an existing nearby rail infrastructure, connecting to the Chicago Riverwalk. The park will be paid for, in part, with \$29.5 million in TIF resources from the City of Chicago. TIF is a method to use future gains in taxes to subsidize current improvements, including redevelopment and infrastructure.

TIF funding questioned

Community activists object to the River Point TIF funding, however, and have held rallies and marches to draw attention to the situation.

"TIFs are tax dollars pooled for development, to spur growth in low-income neighborhoods," said Amisha Patel, executive director of Grassroots Collaborative, which organized protests including a march from the Lake Street building site to the mayor's office. Grassroots Collaborative unites 11 membership organizations in Illinois to create policy change on local and state levels.

"The LaSalle Central TIF District is not a struggling neighborhood by



A building project on the Chicago River is bringing a new public park and river walk to the West Loop area.

any stretch," Patel said. "LaSalle Central TIF is the poster child of what is wrong with the TIF system. Its beneficiaries include the Lyric Opera, United Airlines, and the Miller-Coors Corp.

"It does not make sense to give money to developers when our neighborhoods struggle for quality green space," Patel continued, noting that residents from the Brighton Park neighborhood attended the rallies and cited specific renovation needs for blighted Kelly Park. "These are our tax dollars. We have a budget crisis in schools. The City

says it is broke. It's not broke, but gives money away to developers downtown, instead of in neighborhoods where it is needed. Corporate welfare here is real."

City spokespersons and the developers counter that the project will create 1,000 construction jobs and then house another 3,400 permanent jobs.

"Our perspective is that these jobs would be created without our money," Patel said. "So, let's create jobs to create construction, but create more jobs in neighborhoods."

Differing view

Greg Van Schaack, Hines senior managing director, offered a differing view, saying TIF funds allotted to the River Point park project will turn a rough shore with exposed rail into both a neighborhood and tourist attraction.

"We had two choices: to ask for TIF funds to help pay for half of the park or not build any park because we couldn't afford it," Van Schaack said.

"People don't understand that the TIF is entirely funded by the tax increment on this building alone," he said. "We did not take money from the TIF pools. We are feeding ourselves."

Currently, Van Schaack reported, the site generates \$200,000 in annual taxes. When the building is complete, he expects real estate taxes will be \$8 to \$10 million per year.

"So, we're taking a small percentage of that increase to fund the \$29.5 million TIF," he said. "We pay for half, and the City pays for half. The TIF is funded by our improvement to the site."

The TIF funding is not immediate, according to Van Schaack.

"We don't receive the TIF until we finish and taxes are paid," Van

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Schaack said. "Until then, we pay all of it. It's no risk to the City at all. If construction costs more, the TIF stays the same. If it costs less, then the TIF will drop. It's a no-risk business deal for the City."

Construction continues

Van Schaack said the developers are pleased to create a city green space unlike others in the downtown area, along with an office building that he described as "reasonably sized and transit-oriented" with access to Metra and the Chicago Transit Authority.

"Think of area office buildings: none have a \$60 million park in front," he said. "This location interacts more with the neighborhood than office buildings do. For the city, if you look west down the Chicago River or past the bridges, you see a hole in the skyline. Our goal is to create the most iconic project along the river. It will have the most dramatic views in the area, to compare to along the lakefront. With the river walk down to the river, there is nothing else like it in the city.

"We are excited to be part of the neighborhood and to supply an

amenity to the neighborhood, to supply customers to restaurants and businesses," said Van Schaack, adding that conversation with a flagship tenant is in process.

The Lake Street site is located in the 42nd Ward, represented by Alderman Brendan Reilly.

"I am proud to have ushered this project through the City Council and believe it will be a significant asset to downtown Chicago," Reilly stated. "Working with local stakeholders, we facilitated a transparent process resulting in an excellent project at this premier location on the Chicago River. Hines will deliver a world-class office building while decking over and concealing railroad tracks with a beautiful 1.5-acre park for public use. This level of public collaboration is the winning formula we've established to facilitate responsible development and create thousands of jobs downtown in Chicago's 42nd Ward."

The River Point project is on schedule and expected to open during the first quarter of 2016.

As construction continues, Patel said her organization will continue to pressure City Hall. "Our objective is to shut down the

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LaSalle Central TIF,” she said. “We haven’t done that yet, but we move forward our message. Because of our organization, reporters now mention if TIF money is used in new construction. A few years ago, this was not the case.”

For more information, visit

Reilly’s website at www.ward42chicago.com/pending_development_proposals.html; Hines’s sites at www.chicagoriverpoint.com/home.html and www.hines.com/property/detail.aspx?id=1946; and Grassroots Collaborative’s site at www.thegrassrootscollaborative.org/in-the-news.
