

A TECHNICAL ASSISTANCE PANEL REPORT

The Pullman State Historic Site

Chicago, IL

October 17-18, 2011



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Institute**

Chicago

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Technical Assistance Panel Program

The Technical Assistance Panel (TAP) allows local communities an opportunity to access strategic advice from experts in development that they could not obtain through any other process.

The goal of the panel program is to convene a multi-disciplinary ULI-member team of experts to examine complex land use challenges and help sponsors find creative, practical and implementable solutions based on community realities and best practices.

The panel process brings together perspectives from current market, land use and design, financing and development strategies. TAPs are typically two-day intensive working sessions addressing land challenges proposed by the sponsoring organization - a local government, non-profit organization, or developer - about a specific development issue or policy barrier within a defined geographic area.

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Report Cover Photo: "Visual Interpretations of Pullman", 1996. Completed by students from the American Academy of Art.

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Pullman: Select Historic Highlights

- 1879 George Pullman purchases 400 acres of land to construct his factory and the industrial town of Pullman
- 1881 Hotel Florence is completed
- 1882-84 Phase 1 of Pullman is completed
- 1884-85 Phase 2 of Pullman is completed
- 1889 Pullman is annexed to Chicago
- 1894 Labor Strike
- 1898 Illinois Supreme court forces Pullman Company to sell all non-industrial property
- 1957 Pullman Incorporated closes factory
- 1960 Pullman Civic Organization is formed and successfully halts the construction of an industrial park
- 1969 Beman Committee, a part of the Pullman Civic Organization, successfully organizes to designate the Town of Pullman as an Illinois Historic District
- 1970 The town is designated a National Historic Landmark District
- 1972 The southern part of the District is designated as one of the first landmark districts by the City of Chicago
- 1991 The state of Illinois purchased the Hotel Florence and the Pullman Factory Clock Tower and Administration Buildings under the auspices of the Illinois Historic Preservation Agency (IHPA) for the development of the Pullman State Historic Site. Extensive preservation and restoration work by IHPA began on the Hotel and Factory site in 2000 and continues today.

Information courtesy of the City of Chicago Department of Housing and Economic Development, Historic Preservation Division.



Hotel Florence circa 1890.



The Factory Complex circa 1890.



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The Pullman State Historic Site is an extremely important resource to the State of Illinois, nation, and the world. It is unique in the fact that the site has seminal significance in at least five different areas of American history: urban planning, labor, transportation, architectural, and African American history. As steward of the Factory Complex and the Hotel Florence, the Illinois Historic Preservation Agency contracted the Urban Land Institute Chicago District Council to help identify short and long term strategies to rehabilitate the site.

- After careful deliberation and discussion with sponsors and community members and a thorough analysis of available information, the panel recommends a mixed-use, phased redevelopment as the most feasible option to re-energize the Pullman State Historic Site.
- A comprehensive long-term management and use plan for the site should be developed.
- A mission-driven partner or partners who have redevelopment of Pullman's historic districts as their central focus, and who can facilitate the mixed use of the site, should be identified.
- Pursue public and private partnerships, as they are critical to successfully promote, operate, and foster redevelopment of the site.

The full list of recommendations can be found in the report.

Since the ULI Chicago TAP convened in October 2011, IHPA has been working to implement several of the recommendations outlined in this report. Stabilization rehabilitation has commenced at the Hotel Florence, and an important step was taken to achieve two recommendations - pursuing national partnerships and connecting the Pullman community - in January 2012, when U.S. Congressman Jesse Jackson introduced federal legislation to add the Historic Pullman District to the list of National Parks.

This is just the beginning. As additional recommendations are implemented over the following months, we look forward to working with the entire Pullman community, neighboring redevelopment efforts, and public partners at every level to preserve the Pullman legacy and reactivate the Pullman State Historic Site.

Sunny Fischer
Chair, Illinois Historic Preservation Agency

Catherine Shannon
Acting Director, Illinois Historic Preservation Agency

Charge to the Panel

The historic community of Pullman on Chicago's far southeast side is renowned as one of America's first and most important model company towns and for the seminal role it played in the nation's urban planning, labor, transportation, architectural, and African American history. The town was erected in the 1880s by industrialist George M. Pullman for his Pullman Palace Car Company, which produced luxurious sleeper cars that revolutionized nineteenth-century rail travel.

The centerpiece of the Pullman Company's sprawling industrial complex was a three-story Administration Building with a distinctive clock tower and flanking factory wings. The "crown jewel" of Pullman was the spectacular Queen Anne-style Hotel Florence. Starting in the 1940s, the Pullman Company migrated to modern manufacturing facilities to the east of its aging industrial complex, which was demolished. Its signature clock tower building with flanking wings survived, but was vacated in 1957. The Hotel Florence was operated as a single room occupancy boarding house at that time. These buildings, along with the Rear Erecting Shops and the Hotel Annex, were purchased by the State of Illinois in 1991 and together comprise the 13.5 acre Pullman State Historic Site (PSHS).

The long dormant Factory Complex experienced a devastating arson fire in December 1998. Heavy damage was inflicted on the Administration Building as well as its South Factory Wing, which was demolished. The North Factory Wing was subsequently stabilized and the Administration Building was reconstructed, both of which currently exist as unimproved shells. The Hotel Florence operated as a museum and restaurant since the 1970s—was closed by the State in 2000 in preparation for a multi-year structural repair project. Despite considerable expenditures by the State (approximately \$25 million) to acquire and stabilize these buildings over the past twenty years, they remain deteriorated and largely vacant.

To address the collective concern over the long dormant site, the Illinois Historic Preservation Agency (IHPA), with support from 9th Ward Alderman Anthony A. Beale and the Historic Preservation Divi-

sion of the Chicago Department of Housing and Economic Development, asked the Urban Land Institute Chicago District Council (ULI Chicago) to convene a Technical Assistance Panel (TAP). The scope of work focused on evaluating adaptive-reuse options that maintain the historic legacy of the famous Factory and Hotel Complex and dovetail with the significant revitalization efforts underway in Pullman and surrounding neighborhoods.

The Pullman TAP met October 17-18, 2011 to identify redevelopment ideas for the Pullman State Historic Site. The panel was chaired by Michael Szkatulski, Senior Managing Director of Mesirow Financial Real Estate Consulting, Inc., and included a group of seven leading experts in real estate development and finance, urban planning and design, historic preservation, and architecture. Together, they reviewed available information related to the State's vision and Scope of Work, and produced collaborative, objective recommendations. The panelists benefited from a bus tour of the site and its environs and received critical input through interviews and a reception with community residents, business owners, and representatives from local redevelopment organizations. Additional information was obtained through presentations by Chicago 9th Ward Alderman Anthony A. Beale, officials from the Illinois Historic Preservation Agency and Chicago's Department of Housing and Economic Development.

The Scope of Work posed to the Pullman TAP panel by IHPA:

- What options are available for potential redevelopment and adaptive reuse of the Pullman Factory Complex and the Hotel Florence Complex?
- What are the opportunities, implications, and prerequisites of that redevelopment strategy for:
 - Adjacent open space
 - Existing community redevelopment efforts
 - Prospects for 111th Street and Cottage Grove corridor redevelopment
- What funding sources, public policies, and land use opportunities should be considered in the redevelopment of each Complex?

Community Redevelopment

Redevelopment of the Pullman State Historic Site will take place within a community poised for transition and experiencing an exciting array of reinvestment projects, including:

The North Pullman Tax Increment Financing District and its related \$500,000 Neighborhood Improvement Program, which will generate funds for infrastructure improvements and help spur investment of the area's existing buildings and vacant properties.

The first phase of Chicago Neighborhood Initiatives' (CNI) Pullman Park development, which will feature a new Wal-Mart and other big box retailers along the Bishop Ford Expressway at 111th Street. U.S. Bank has committed \$16.5 million in financing for the first phase, which will benefit from a \$4.6 million grant from the State of Illinois for infrastructure improvements. Future plans for this mixed-use development include hotels, restaurants, affordable homes, and park and recreational opportunities. CNI has also acted as a Neighborhood Stabilization Program (NSP) developer, rehabbing housing in North Pullman (lower right photo).

Rehabilitation of historic housing in North Pullman by the Neighborhood Housing Services (NHS) Redevelopment Corporation, including the conversion of a deteriorated 18-unit single room occupancy building at 10461 Corliss Street into six high-quality apartments at a cost of \$950,000 (lower left photo).

The planned rehabilitation of the Pullman Wheelworks by Mercy Housing Lakefront in 2012. This former industrial plant was converted into a 210-unit residential property in 1980 and over the years has become a deteriorated and destabilizing force in the community. This project has recently been certified by the Illinois Historic Preservation Agency and the National Park Service for federal rehabilitation tax credits.

The Millennium Reserve surrounding the Pullman District - a federal, state and local partnership for restoration of over 15,000 acres of open space in the Calumet region of Chicago.

Opening of a \$10 million Chicago Family Health Center at 556 E. 115th Street, which provides important services for medically underserved and uninsured residents in Pullman and nearby communities.



10461 Corliss St., 2011.

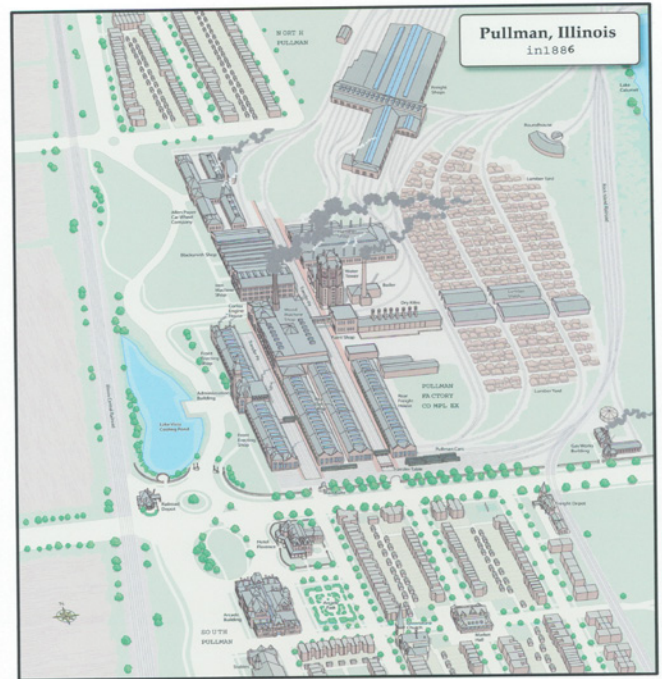


10742-44 South Champlain Ave., 2011.

History and Background

Pullman was America's first planned company town where all buildings—industrial, commercial, recreational, and residential—were integrated into one master plan for the purpose of providing ideal conditions for workers and their families. Designed in the 1880s by architect Solon S. Beman and landscape designer Nathan F. Barrett, Pullman was touted as “The World’s Most Perfect Town” in its heyday. Its public image crumbled during a bitter strike that resulted in the national railroad boycott of 1894, a watershed moment in the organized labor movement. In 1898, the Illinois Supreme Court’s anti-trust decision forced the Pullman Palace Car Company to dispossess of all non-industrial property. Later, the company became the largest employer of African Americans in the nation and a landmark labor agreement with the company established union rights for the Pullman Porters.

In 1960, a proposal by developers to demolish Pullman’s Factory Complex, Hotel Florence, and surrounding historic residences for a light industrial park mobilized residents to establish the Pullman Civic Organization (PCO). The neighborhood was saved, and in 1973 the PCO established the not-for-profit Historic Pullman Foundation, which purchased the Hotel Florence and began operating the first and second floors as a restaurant and museum. The Administration Building and its North Factory Wing stood vacant and deteriorating from 1957 until the 1998 arson fire, while the South Factory Wing was used by various steel interests during that time. The precarious state of the Factory Complex following the fire spurred Governor George Ryan and Mayor Richard J. Daley to appoint a Task Force in 1999 to develop recommendations for the future of the site. Its June 2000 report advised that both the Factory Complex and the Hotel Florence be redeveloped as a history center and cultural tourism attraction to complement surrounding economic revitalization efforts.



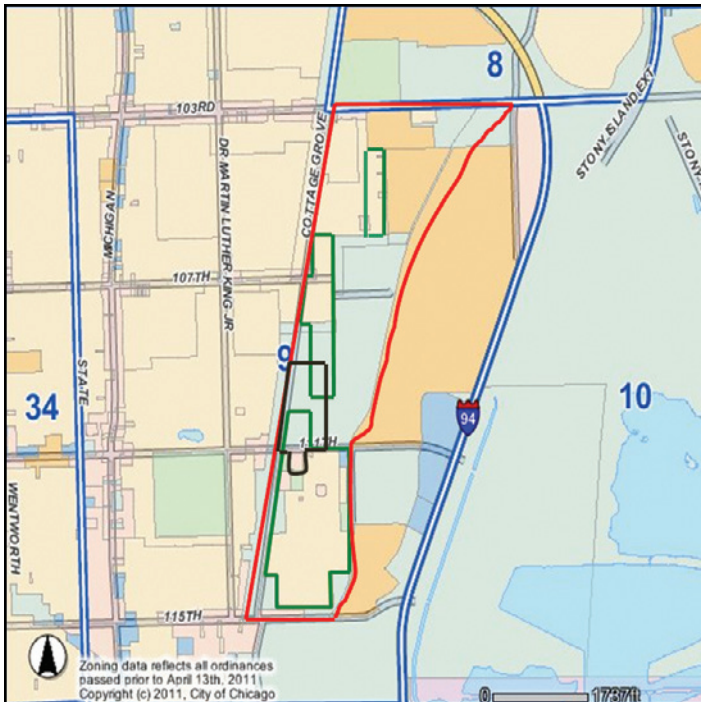
“World’s Most Perfect Town”, company town plan, 1886.



Historic Pullman photo featuring the Hotel Florence and the Factory Complex, circa 1890.

Although a total of \$25 million in state/federal funds has been spent by the State of Illinois to acquire and stabilize the Factory and Hotel Complexes since 1991, substantial additional funding is needed to further stabilize and reactivate the buildings. The Illinois Historic Preservation Agency (IHPA), which administers the site, does not have funding now or in the foreseeable future to undertake further restoration, aside from the \$3.5 million currently being spent on the Hotel Florence. Accordingly, it is interested in considering proposals from private or other public sector users to redevelop and operate the buildings either under a license, lease, contract, or other appropriate long term arrangement and thereby return this important site to productive use.

The Pullman neighborhood was listed on the National Register of Historic Places in 1969 and designated a National Historic Landmark in 1970. South Pullman was designated a Chicago Landmark District in 1972. North Pullman was designated a Chicago Landmark District in 1994. The two landmark districts were renamed the Pullman District by the Chicago City Council in fall 1999.



Historic Boundaries.

Map Legend:

Black - IHPA Pullman State Historic Site
Red - National Historic Landmark District
Green - Chicago Landmark District



Rear Erecting Shops, 2011.

The Buildings

Located fifteen miles south of Chicago's Loop, the Pullman State Historic Site is comprised of two distinct parcels at the major intersection of 111th Street and South Cottage Grove Avenue in the Pullman community area. The Factory and Hotel Complexes total 13.5 acres: 12.5 and 1 acre(s) respectively. All of the buildings date to 1881 except the Hotel Annex, which dates to 1914. They exist in deteriorated condition due to decades of vacancy, underutilization, and deferred maintenance. None of the buildings are currently permitted for permanent occupancy.



North Factory Wing and Administration Building, 2011.

Factory Complex

The Factory Complex buildings consist of 3 buildings with unheated masonry shells featuring a total of 89,900 sq. ft. (Administration Building: 27,000 sq. ft., North Factory Wing: 26,300 sq. ft., Rear Erecting Shops: 36,600 sq. ft.) and are zoned for industrial use. The three-story Administration Building is topped by a not-for-occupancy tower and was originally used as the main manufacturing offices of the Pullman Palace Car Company. The adjacent one-story North Factory Wing and the Rear Erecting Shops were used for passenger car assembly. All three buildings were vacated in 1957 and have remained unoccupied since that time with the exception of the North Factory Wing, which is regularly used for tours and special programs. The grounds of the Factory Complex are used extensively for community gardening and beekeeping activities.

Following the December 1998 arson fire, the roof and structural framing of the Administration Building were destroyed, and its walls and clock tower were heavily damaged. The North Factory Wing's roof and bracing were also damaged in the fire. The building underwent select stabilization and reconstruction from 1999 - 2003. The roof assembly of the Rear Erecting Shops was deconstructed in 2001 and the building is threatened with collapse due to deteriorated masonry. No additional rehabilitation work is currently planned for the Factory Complex.

Hotel Complex

The Hotel Florence and Hotel Annex feature a very different set of circumstances and opportunities. The two buildings contain a total of 44,500 sq. ft. (Hotel Florence: 28,500 sq. ft., Annex: 16,000 sq. ft.) and are zoned for hotel use. The four-story Hotel Florence features original doors and windows and primarily intact historic interiors. Repairs undertaken since its closure by the State in 2000 have included much-needed stabilization and mechanical work. The State of Illinois is spending an additional \$3.5 million for rehabilitation to provide improvements needed to re-occupy the ground floor public spaces. Work is expected to take place through the end of 2012 and will include historic rehabilitation of interior and exterior finishes, partial slate roof replacement, new ADA washrooms, mechanical upgrades, and elevator upgrades designed to satisfy "E" Class Business Occupancy requirements.

The Hotel Florence was erected as a high quality hotel but served as a single room occupancy boarding house for much of the 20th century. Its 1973 purchase by the Historic Pullman Foundation saved the hotel from likely demolition and it has served as the emotional center of the community since that time. The hotel remains largely vacant, with the exception of office and storage space used by the IHPA Site Superintendent and local organizations.

The four-story Hotel Annex features original windows and storefronts that were used until the 1990s. The building is currently vacant and its minimally intact historic interiors exist in very poor condition. However, it is constructed in such a manner that it could be renovated to create larger, open spaces.



Queen Anne-style Hotel Florence, 2011.

Illinois Historic Preservation Agency Stabilization Projects

Below is a summary of investments made by the State of Illinois since purchasing the Pullman Factory and Hotel Florence sites in 1991.

1991 IHPA purchased the Factory and Hotel Florence sites, \$2.048 million
 1992 emergency roof repair, \$229,000
 1992 asbestos removal, \$136,000
 1994 stabilize structure, \$3.769 million
 2001 stabilize & renovate, \$3.909 million
 2001 emergency asbestos removal, \$58,000
 2001 emergency stabilization, \$134,000
 2001 stabilization, \$507,000
 2002 factory stabilization, \$7.474 million
 2002 emergency structural repair, \$678,000
 2002 emergency stabilization, \$715,000
 2005 emergency repairs and stabilization of the Annex Building, \$1 million
 2007 emergency electrical, \$122,000
 2011 hotel restoration, \$3.5 million
 2012 car & factory restoration (anticipated), \$1.6 million

TOTAL \$25.879 million*

**Total does not reflect operating expenses, salaries or local repairs.*

Dynamic Array of Opportunities and Challenges

In two full days of discussion - including exposure to many diverse groups of Pullman residents and other community stakeholders - the panel first evaluated overall opportunities and challenges related to the Pullman State Historic Site.

Site Opportunities

The surrounding community has a strong sense of ownership and multiple visions for the site's redevelopment. Diverse community groups commit considerable time and resources to support local neighborhood and community redevelopment efforts, most of which are connected in some way to the historic site and its buildings.

The potential international significance of the Pullman site could support redevelopment as a cultural tourism destination, with its interpretive themes of urban planning, labor, architectural, landscape, and African American history.

The panel heard first-hand of the historic separation between north and south Pullman, and more recent initiatives - many connected to current uses of the site - which are attempting to bridge the long-standing physical and symbolic separations.

The relatively well-maintained masonry shell and the large, open spaces of the Factory Complex could be redeveloped for a multitude of alternative uses. As a National Historic Landmark, the property is eligible for historic preservation tax incentives.

The site enjoys excellent vehicular access and connections to public transportation, located a few blocks west of the Bishop Ford (I-94) Expressway and adjacent to the 111th and 115th Street Metra commuter train stations, although the 111th Street stop is flag-only.

The large-scale Pullman Park development, under construction just to the east of the site, will bring a

number of new services and jobs to the neighborhood and impact the character of 111th Street as it matures.

The rich history of Pullman offers a wide diversity of themes for potential interpretation and, local advocates believe, positions the site to serve as a catalyst for additional community reinvestment and an attraction for a vast constituency of local, national, and international visitors.

Several potential user groups have stepped forward with ideas/concepts for adaptive re-use of the historic buildings that include gallery space, business incubator space, or a community theater.

The site is located in close proximity to a number of light industrial businesses that appear to be committed to the community, and there may be opportunities for expansion of these types of businesses in the immediate area.

Major institutional developments bracket the historic neighborhood of Pullman, such as the recently developed District Police Station on 111th Street to the east, the Harborside Golf Center across the expressway, Reverend Meeks' House of Hope to the southeast, and the Gwendolyn Brooks College Preparatory Academy, located just west of the neighborhood.



Historic housing stock, 2011.

Site Challenges

Although there is considerable community support and resource commitment to redevelopment efforts, there is no unified development organization or authority that can speak for the entire community, nor does the community possess the authority or resources necessary to sponsor redevelopment efforts of the scale being considered.

Current and foreseeable market conditions do not support demand for privately developed new, commercial, or for-sale residential properties.

The site's previous industrial use will trigger an environmental review. A Phase I environmental study has not yet been administered, and would be advisable in advance of a Request for Proposal. The potential for historic archaeology also exists, and a historic archaeology assessment would also be a desirable document to have before issuing a Request for Proposal. The potential for site disturbance and excavation varies considerably between the Hotel Florence site and the Factory Complex.

Any new construction should be compatible with the historic character of the area, and all rehabilitation work will have to conform to the Secretary of the Interior's Standards for the Rehabilitation of Historic Structures.

The improvements that were made to the rear erecting shops on the factory site after the 1998 fire have reached the end of their expected "life." There is danger of additional deterioration if actions are not taken to address the near term evaluation and stabilization.

Numerous studies and plans exist for the Pullman area in general, and these properties in particular, the most recent being the 1993 study by Camiros Ltd. titled, *The Pullman State Historic Site: Opportunities for the Future*. However, the State does not have a specific management and use plan for the site, nor have they identified priorities for its redevelopment, making it difficult for potential respondents to estimate construction costs or to identify the appropriate stewardship of the site.

The constrained size of the 13.5-acre site limits large-scale usage.

There are multiple identities for the site due to its diversity of significant themes (urban planning, the railroad industry, organized labor) and conflicting local visions of small-scale use versus aspirations of national and international prominence.

Community Vision

Community stakeholders that participated in interviews and attended a local reception identified a range of visions concerning the PSHS (see below), but one common theme was the desire to use the redevelopment of the Factory Complex, which physically divides the north and south sides of Pullman, as a means to bring the two areas together.

Factory Complex

Museum to address various themes (*urban planning, labor, transportation, architecture, African-American history*)

Light industry, such as a brewery

Obama Presidential Library

Artist live-work space

National/local exhibit space/art gallery

Community Center

Historic preservation training/study center (*Possible satellite of Campbell Center for Historic Preservation, based in Mt. Carroll, Illinois*)

Urban gardening center

Hotel Complex

Restaurant/cafe

Urban Inn/bed and breakfast

Office space for local community groups

Artist live-work space (*Annex*)

National/local art gallery (*Annex*)

Potential Redevelopment Options

Given the challenges that the panel identified for the site, and the reuse visions heard from the broad array of stakeholders, two potentially feasible redevelopment scenarios emerged. Mixed-use, phased revitalization of the sites would accommodate multiple uses preferred by the community and local organizations, and could reactivate the entire site for productive use over time. However, this option would require complex financing. Reuse as a museum would further brand the site a cultural tourism destination and honor the legacy of the Pullman story, but would meet significant challenges for funding and would take years to realize.

Option A: Mixed-Use Redevelopment for Hotel and Factory Complex

This was the option supported by the majority of community stakeholders, as it would allow the site to be reactivated quickly while incorporating a variety of uses that would address both local visions and national aspirations for the site.

Opportunities

- Mixed-use redevelopment would engage local stakeholders in a substantial way while offering opportunities to draw visitors and resources from a wide range of constituencies outside the community, including birders, artists, and transportation and labor-history enthusiasts.
- The potential exists to engage several partners, including the Historic Pullman Foundation, City of Chicago, arts and not-for-profit organizations, the Illinois Historic Preservation Agency and others, each of whom can bring substantial strengths to the table.
- This option could be undertaken in a phased manner, allowing the buildings to return to productive use more quickly, and is more feasible given the foreseeable economic climate.
- Mixed-use redevelopment would involve minimal disruption to the historic fabric of the buildings and could be tailored to historic rehabilitation standards.
- The State could indirectly sponsor private rede-

velopment by consolidating its own office needs into a portion of the historic site. Lease payments from the State to a private party would enable a developer to attract the capital needed after basic environmental and archaeological surveys are performed.

- The State could move forward with a limited solicitation for the improvement and operation of a commercial restaurant/meeting facility in the Hotel Florence public spaces after completion of the \$3.5 million work already committed.

Challenges

- Mixed-use development would require a customized approach to programming and fundraising at the Hotel and Factory Complex.
- A capable and mission-driven partner is essential to manage the site's redevelopment for a range of uses and above all to honor its historic legacy while meeting the needs of the community.
- A potentially complex sub-lease structure would need to be developed as well as innovative approaches to attract outside capital.
- It is unlikely that successful redevelopment could be entirely funded through private sources. Many of the proposed uses do not produce the cash flow necessary to attract sufficient capital.

Option B: Labor/Transportation Museum

This option was recommended in the June 2000 report produced by the Pullman Factory Task Force and is supported by some community stakeholders who have aspirations of national and international prominence for the site.

Opportunities

- A national museum would provide for reuse of a large portion of the site and could potentially attract large-scale funding from transportation/labor interests.
- This use would create a major national/international tourist destination in Pullman and enhance the revitalization efforts underway in the community and surrounding area.
- The potential exists to engage public and private

partners, including the National Park Service, City of Chicago, and national/local labor organizations.

- The Factory Complex exists as a masonry shell and the Hotel Annex features an open plan, making these structures build-out ready.

Challenges

- The cost to reconstruct the South Factory Wing and rehabilitate the entire Administration Building and North Factory Wing to accommodate museum standards would be substantial and require a significant champion and focused advocacy efforts.
- Fundraising for this effort would be especially challenging given the lack of public funds and limited private funds available due to foreseeable economic conditions.
- This option would require a mission-driven partner with the capacity to manage the entire site's redevelopment as well as considerable financial resources.
- A museum of national magnitude would take years to realize, during which time the site would remain dormant.
- The scale of any new development is limited due to the site's 13.5-acre size. The design of any new construction should be compatible with the historic character of the area and all rehabilitation work will have to conform to the Secretary of the Interior's Standards for the Rehabilitation of Historic Structures. However, since the Administration and North Wing are only shells, there is significant freedom of design that could be incorporated.

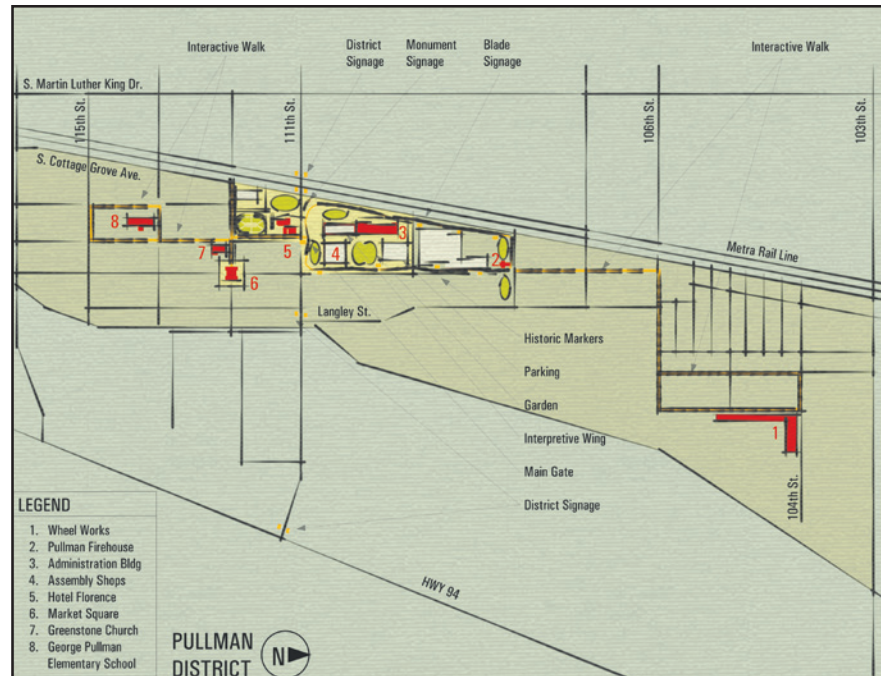
Other Options Considered

Several community stakeholders brought forth the concept of locating the Barack Obama Presidential Library on the Pullman site as a means of connecting the historical site and buildings with a compatible use and funding source. Of the three options, this offers the only comprehensive approach in terms of redevelopment of the entire site. However, the North Factory Wing is unlikely to be large enough to accommodate the requirements of a presidential library and museum. Several interest groups will be promoting alternative locations around the country for the Presidential Library, and the ability to compete among this

field will require resources that are not apparent in the community. A presidential library would compete with the diverse history of the Pullman site and complicate interpretive efforts, and actively pursuing this alternative would essentially stop any other re-use scenario from developing for several years.



Historic assets include (from top to bottom) Market Hall, Pullman Fire House, and historic housing stock, 2011.



The vision of the panel included cohesive branding for the entire community, an interpretive trail to tie together each end of the site, and site enhancements throughout the Factory Complex.

Recommendations

After discussion with sponsors and community members, analysis of available information and extensive deliberation, the panel recognized mixed-use, phased redevelopment as the most feasible option to reactive the Pullman State Historic Site. The panel felt the most meaningful way to preserve and honor the legacy of the buildings should be through their use as public spaces, and that redevelopment should be approached through an economic and community development lens rather than forensic preservation of historical artifacts.

To make this vision a reality, the panel recommended focusing resources on short-term, low-cost steps to reactivate the Hotel Complex as a community-asset, like a restaurant. It also advised creating and implementing district-wide improvements for wayfinding, streetscaping, and design treatments to cohesively identify the Factory and Hotel Complex as part of the larger National Historic Landmark District, which includes historic housing and other important public buildings, such as the Market Hall, former Stable Building, Firehouse, and Greenstone Church. The panel recommended that the IHPA undertake Phase I environmental and archaeology assessments of the site. This information should be part of any future Request for Proposals.

A comprehensive, long-term management and use plan for the Pullman State Historic Site should be created, in order to ensure that expenditures undertaken by the State will enhance the site's long-term redevelopment. This plan would serve as a guide for future stewardship and quantify/prioritize the needs of the redevelopment.

The State should identify, through a Request for Proposal process, a mission-driven partner to manage the site's redevelopment. Qualified respondents should have the redevelopment of the Pullman State Historic Site as their core mission, have proven real estate development and operations experience that includes working with historic buildings, enjoy community trust, and have the ability to coordinate programming and financing for each phase of redevelopment. Moreover, they should actively seek to involve the entire Pullman community at various stages of the enterprise.

Reuse Vision

One theme that ran through the two days of interviews and discussions was the difference in scale and identity between the Hotel and Factory Complexes. The Administration Building and adjacent North Factory Wing together comprise a large-scale structure that is closely identified with the national themes of Pullman and is therefore appropriate for museum, tourism or interpretive activities. In contrast, Hotel Florence is much smaller in scale, features historically intact interiors, and has a strong connection with the community. Panelists felt that the hotel's potential uses should be geared to Pullman residents who already have a great sense of ownership of the building and have served as its long-time stewards.

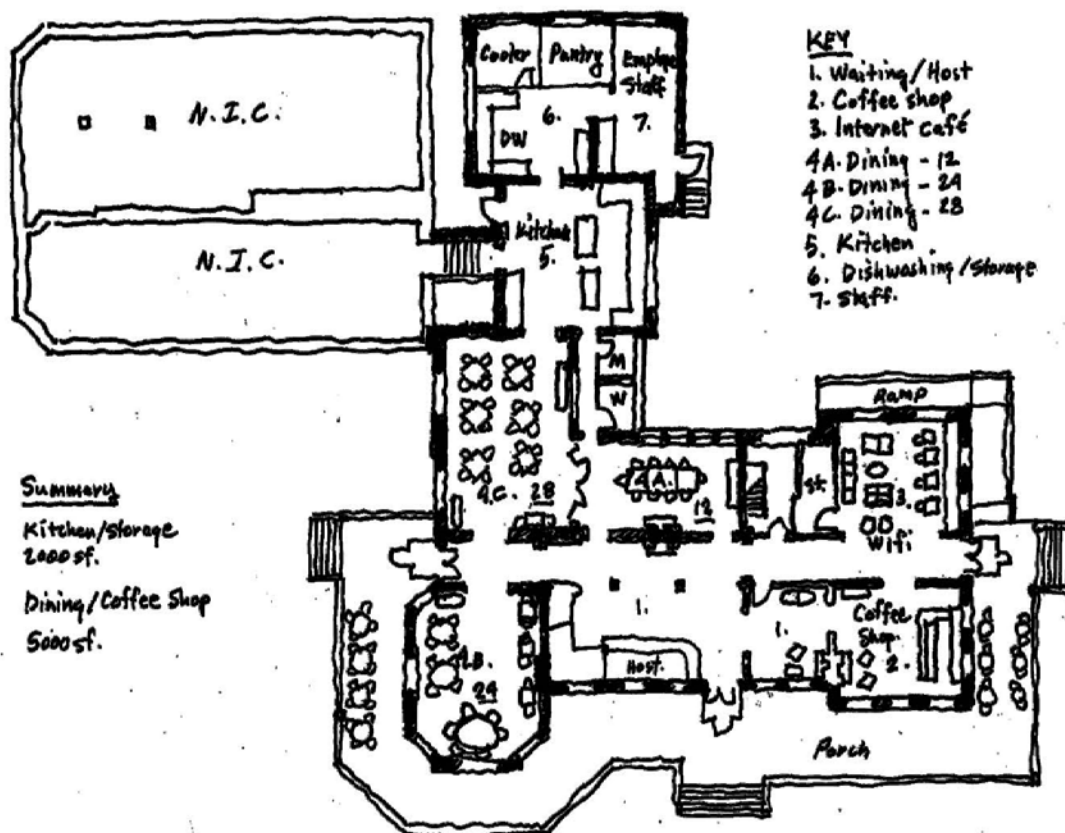
Hotel Complex Buildings

Panelists recommended a phased approach to redevelopment of the Hotel Complex, with an immediate focus on reactivating the first floor of the visually prominent Hotel Florence.

A \$3.5 million renovation of the Hotel Florence began in November 2011 and is expected to be completed by the end of 2012. Work includes updating the mechanical, electrical, plumbing, sprinkler and HVAC systems. Restoration of historic building assemblies is also underway, including roof, stone, brick, windows, doors, porches and decorative plaster components. The first floor lobby and public rooms will be restored to their original appearance. The hotel will be made ADA accessible with the installation of an elevator and stair lift.

A café should be opened on the first floor of the Hotel Florence and non-State funding options explored for its operation, including the possibility of a long-term lease if the lessee provides kitchen upgrades. A Request for Proposals could be issued as a way to gauge what other compatible interests might be available for the operation of this space.

The second and third floors should be preserved until significant additional resources are secured. Long-



Rendering of potential floor plan for the Hotel Florence restaurant.

term reactivation could include reestablishing the building as an urban inn or office space for local organizations or government agencies.

Similarly, the circular floor plans of the Hotel Annex could accommodate various long-term uses such as artist live-work spaces, community group offices, a banquet facility, or meeting space.

The current non-historic structures directly southwest of Hotel Florence could be replaced to unify the green space currently fronting and directly south of the Hotel. This enlarged open space could be activated for more intensive community uses, such as concerts. The Pullman Historic Foundation and the Chicago Park District, which own the two parcels, should be contacted to gauge their willingness to participate in this venture.

Factory Complex

Given the likely historical excavation and environmental remediation that needs to occur on the Factory Complex, the panel recommended short-term actions to make it more accessible to the public. These include removing the surrounding fences and encircling the entire site with an interpretive trail that features wayfinding and signage. Long-term, each segment of the Factory Complex could be reactivated in a separate phase, beginning with the Administration Building and North Factory Wing, which serve as the site's most prominent visual landmarks.



Example of wayfinding element.

The lack of specific plans regarding renovation work made it difficult for panelists to estimate potential costs, although the figures of \$150 to \$200 per square foot were discussed as feasible. A potential future use program is outlined as follows:

Administration Building: The first floor could be used as a Visitors Center with bathrooms and a small gift shop, while offices for on-site staff as well as a local archive and research center could be established on the two upper floors.

North Factory Wing: The large size of this 26,300 square foot wing allows sufficient space for a small-scale museum to interpret Pullman's history and major themes. It could possibly display Robert Todd Lincoln's rail car and include some type of performance space. Many of the artifacts that could populate a Pullman museum are owned by the Pullman Historic Foundation and are in storage.

Rear Erecting Shops: This building could house additional uses, including potentially income generating ones. Feasible re-use ideas include light manufacturing, large-scale exhibition space, storage space for local organizations, or an educational use, such as an historic preservation resource center.

Factory Complex Site: Enhancement of the site surrounding the Factory Complex is critical to strengthening the visitor experience. Ideas include re-creation of the original park-like setting along the front (Cottage Grove Avenue) end of the Complex as well as the original stone entrance gate along 111th Street. The south end of the site could feature community gardens and apiaries, thereby incorporating existing uses, while visitor and bus parking could be installed along the rear portion of the site. A pedestrian trail encircling the entire factory site would provide both interpretation and a much-needed physical linkage between north and south Pullman.

Museum operation is another cost that the redevelopment entity should carefully consider. Based on the comparable historic-themed museums listed in the call-out box on pg. 16, it is reasonable to assume that operating a museum could easily cost in excess of \$2 million in expenses each year above receipts from gift shop and admissions. This is an annual expense that would need to be filled with grants and fundraising. Thus, the museum is not a net revenue generator that could pay for any renovations, whether \$1 million or \$10 million.

One option the operator could consider is strategic partnerships with entities such as the Chicago Architecture Foundation. This partnership could give CAF another key property/area for their tours, create a link for the site to the center of the City, and build off an existing organizational infrastructure.

Urban Design Treatments along 111th Street and Cottage Grove Corridors

Panelists recommended the development of coordinated urban design treatments between the city, state, and national historic district borders and the larger community of Pullman in order to “brand” the neighborhood and create a high-quality experience

for visitors traveling to the site, which is not currently well marked or visually defined. Of special importance is the creation of a linear corridor along 111th Street, from the Bishop Ford Expressway to Cottage Grove Avenue, through gateway identifiers, signage, way-finding, streetscaping, landscaping, street lighting, and improvements to the 111th Street train station. Partnerships would need to be forged with the Pullman Park development, City of Chicago (Police, Parks, Streets and Sanitation), the Regional Transportation Authority, and other land owners along this thoroughfare, which also offers the opportunity for new retail development in keeping with the character of the Pullman Historic District.

Museum Feasibility

To provide parameters for operating costs for the museum use, the panel pulled the following comparables:

The Chicago Architecture Foundation (CAF) is located in the Loop and provides guided walking and boat tours featuring key Chicago architectural buildings and sites. The annual budget of this 501(c)3 organization is almost \$10 million, of which almost \$7 million is derived from fees paid by its 240,000 annual visitors. The remainder of the revenue comes from public and private grants. CAF’s central location is an important element in attracting national and international tourists, and over 500 volunteers help to keep their expenses low.

The Frank Lloyd Wright Preservation Trust (FLW Trust) is a 501(c)3 organization focused on interpreting three key sites associated with the famed architect: his Home and Studio in Oak Park, the Robie House in Hyde Park, and the Rookery Building in the Loop. Guided tours are \$15 for adults and \$12 for children and seniors; discounted packages are available. They provide educational programs for children and adults and sponsor a variety of special events and facility rentals. Most of their revenue is from tours and educational programs (\$2.2 million) and merchandise sales (\$2.6 million). The largest expense line items are personnel (\$2.9 million) and cost of goods sold (\$1.4 million). The difference between program receipts and operating costs is made up with memberships and donations.

The Dusable Museum is a 501(c)3 organization that is focused on interpreting the African American experience in the context of the south side of Chicago. Admission to the museum in Chicago’s Washington Park neighborhood is \$10 for adults, \$7 for students and seniors, and \$3 for children. Facility rentals range from \$600 to \$3,600 for spaces of varying sizes. The program receipts from admissions and the gift shop are approximately \$250,000 per year. Their total annual budget is about \$3 million, of which the largest expense is \$1.3 million in personnel. They cover the operating gap with grants that total between \$800,000 and \$2.4 million from private sources and between \$1.2 million and \$2 million from public sources. They have been working to expand their facilities for several years.

The National Museum of Mexican Art promotes Latino art in the Pilsen neighborhood on Chicago’s near southwest side. The museum, a 501(c)3 organization, has an annual budget of approximately \$4.6 million. Admission is free, but there is a gift shop. Program revenue is only \$350,000 of the total budget, the rest consists of grants and donations.

Action Steps

Redevelopment of the Pullman State Historic Site requires a comprehensive approach that considers near-term investments within the long-term vision, is responsive to the community, clarifies the State's obligations, and is respectful of the site's historic significance.

- Identify and partner with an experienced real estate development party to manage redevelopment of the site. The partner will likely be mission-driven, and should have the redevelopment of Pullman's historic districts as their central focus.
- Work in partnership with the development party and alongside the community to develop a long-term, comprehensive site management and use plan and coordinate site activities.
- Investigate resources to perform phase I environmental and archaeological studies to determine the extent of historic and environmental remediation that needs to occur. If possible, undertake remediation, as private capital is more likely to be attracted to a redevelopment project in which these factors are known.
- Coordinate district-wide site improvements, wayfinding signage, and streetscaping throughout the historic districts.
- Explore innovative local, state and national partnerships for redevelopment:
 - Approach the State of Illinois Central Management Services (Bureau of Property Management) and/or City of Chicago Public Building Commission to identify potential synergies and efficiencies, such as locating city and state agency staff at or near the Pullman assets. This self-supporting mechanism could reduce the rent budget of the other agencies, and potentially help bridge the financing gap for the site.
 - Discuss partnerships with adjacent public landholding stakeholders, such as the Chicago Park District, Chicago Police Department, Streets and Sanitation, and the Regional Transportation Authority. These partnerships could be as simple as coordinating improvements to the public way that coincide with Pullman's design treatments (including landscaping, wayfinding, and streetscaping) and should include strong political sponsorship.
 - Explore federal partnerships with agencies such as the National Park Service.
- Customize public-private financing strategies for both the Factory and Hotel Complexes with the lead developer/operator of the site. Any potential

users of the site that could generate long-term revenue streams should be identified.

- Prepare for incremental progress and a long-term reactivation strategy.

Potential Funding Sources

Additional types of resources that could be brought to the site's redevelopment should be identified and pursued. Panel members identified a range of potential funding sources, which are listed below.

Federal Programs/Agencies

20% Historic Preservation Tax Credit
New Markets Tax Credits
National Park Service

Other State Agencies

Illinois Bureau of Tourism
Illinois Department of Transportation
Illinois Department of Natural Resources

Capitalized State Lease Payments

State leasing a portion of the site

Adjacent Stakeholders

Entities: Chicago Park District, Regional Transportation Authority
Resources: North Pullman Tax Increment Financing District, Alderman's discretionary funding

Industry Interests

Labor / Rail

Mission Driven Angel Investors

Foundations / Endowments

Conclusion

The Pullman State Historic Site remains dormant and underutilized, its buildings continue to deteriorate, and community members are impatient from decades of volunteer stewardship. The community is poised to make the transition to the next stage of development. The overall consensus among the sponsors of the Pullman TAP, Alderman Beale, and local stakeholders is that now is the time for immediate action to begin the process of reactivating the site.

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