

Michigan Avenue: Light, Life and Culture

Chicago, Illinois



Technical Assistance Panel
February 6-7, 2008

ULI Chicago
A district council of the Urban Land Institute



Michigan Avenue

ULI Chicago

ULI Chicago, a District Council of the Urban Land Institute, has more than 1,400 members in the Chicagoland area who come together to find solutions and build consensus around land-use and development challenges. The Urban Land Institute's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

Chicago Loop Alliance - Sponsor

The Chicago Loop Alliance (CLA) represents Chicago's most dynamic mixed-use district and serves the rapidly growing central business area. CLA advocates for Chicago's most appealing historic and contemporary architecture, mainstay retail stores, restaurants, residences, hospitality and entertainment as well as a number of high profile and respected educational and cultural institutions. CLA was formed in 2005 through the merger of the Greater State Street Council and the Central Michigan Avenue Association. Bordered by Dearborn on the west, Lake Michigan on the east, and Wacker drive on the north, CLA's 40-block service area extends south to Congress along Wabash, State and Dearborn, and to Roosevelt along Michigan Avenue. CLA's signature event is Looptopia, the nation's first dusk until dawn artistic celebration, transforming and illuminating the Loop for just one night a year. For more information, visit www.chicagoloopalliance.com.

Technical Assistance Panel Program

Since 1947 the Urban Land Institute (ULI) has harnessed the technical expertise of its members to help communities solve difficult land use, development, and redevelopment challenges. ULI Chicago brought

this same model of technical assistance to the greater Chicago area twelve years ago. Local ULI members volunteer their time to serve on panels. In return, they are provided with a unique opportunity to share their skills and experience to improve their community.

Through Technical Assistance Panels (TAPs), ULI Chicago is able to enhance community leadership, clarify community needs and assets, and advance land use policies that expand economic opportunity and maximize market potential.

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Chicago, Illinois

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Michigan Avenue: Light, Life and Culture *Chicago, Illinois*

Executive Summary

Three pivotal, central blocks of Michigan Avenue from Randolph Street to the Chicago River play a unique role in the City of Chicago. They are a dynamic collision of commercial, cultural and residential forces. And yet this central section of Michigan Avenue has little identity of its own. While tourists from around the globe can visualize Michigan Avenue north of the River, the character of this area is overshadowed by the major destinations of Millennium Park, Art Institute of Chicago and Grant Park to which it links to the south. Millions of commuters, residents and tourists travel these three blocks annually, but it is rarely perceived as being noteworthy. In fact the perception is that where it should be a connecting hub for these surrounding energies, it is instead a “pinch point”. Surrounded by tall buildings, imposing facades, confusing access and absence of nighttime activity keep it from being the vital link that its location suggests it could be.

The Chicago Loop Alliance, Alderman Brendan Reilly, and the City of Chicago Department of Planning and Development enlisted the involvement of the Urban Land Institute Chicago District Council (ULI Chicago) via its Technical Assistance Panel process to begin to formulate a plan to bring vitality and identity to this three-block corridor, adding it to the many commercial and cultural offerings already present in the East Loop, such as Jeweler’s Row and the theater district. Months of planning and preparation were conducted by the sponsors, ULI Chicago and several professionals on a pro-bono basis collected relevant past studies, financial information, base maps, and identification of property owners who would have a stake in the outcome of the assignment to determine their plans and visions.

The ULI Chicago Technical Assistance Panel (TAP) met February 6-7, 2008, and included sixteen real estate development experts, urban planning and design professionals, and community development leaders, who evaluated all of the available qualitative and quantitative information related to the city’s vision and statement of need, and offered objective recommendations. In addition to the expertise on the panel, organizers sought critical input through roundtable discussions with local business and landowners, as well as City plan-

ning leadership. After two full days of discussions about design, use, implementation and finance, the Technical Assistance Panel offered the following key recommendations related to this critical piece of Chicago’s urban landscape:

1. Design and Connections – From Darkness to Light
Develop a holistic approach to the architectural disposition, urban design, streetscape, and programming plan for the three-block corridor.

Specific proposals included the idea to reinforce the north-south connections to Chicago’s preeminent cultural, retail, and open space destinations by:

- Highlighting architectural elements at the intersection of Michigan and Wacker, building on the historic transitions to the North Michigan Avenue Bridge, and the corners at Randolph and Michigan at Millennium Park
- Implementing a unique and contemporary lighting plan, turning the corridor’s liability of feeling somewhat like a cavern into a “tunnel of light” potentially including innovative street lighting, building illumination and lighting in the sidewalks and crosswalks
- Encouraging unique retail destinations, restaurants, cultural institutions, and basic services for the growing residential base in the neighborhood
- Promoting distinct programming that reinforces the diverse nature of the street and adjacent uses including: cultural, educational, artistic, or commercial, such as fashion, boutique retail or dining
- Inclusion of more open space, ranging from the implementation of a planted central median, cohesive and more gracious sidewalk planters to small ‘pocket parks’ and plazas

Strengthen the east-west connections to enliven the sense of place of the corridor and draw people across boundaries:

- Extend the axis of Lake Street from Michigan Avenue to the western edge of the “Lakeshore East” development and improve other east-west connections both for cars and pedestrians, finally overcoming the major barriers imposed by the massing of the buildings and confusing legacy of pathways at Illinois Center
- Improve access from Michigan Avenue through Illinois Center via gracious stairways to the podium level at Water Street, and exploring the possibility of a modern adaptation of the Spanish Steps in Rome at the current site of 321-325 North Michigan
- Enhancing directional signs and “way-finding” graphics throughout the area, and in particular marking the entrances to the Pedway system, the Millennium Park Metra Station, Illinois Center, and Lakeshore East

2. Create a governance and implementation plan:

- Develop a leadership structure and outreach program to the existing neighborhood beginning with the support of Alderman Reilly and including the City’s Department of Planning and Development, identification of a project “champion” to lead the implementation, engagement of key property owners to gain consensus, and convening the land owners and business leaders in the neighborhood to kick-off the process
- The City’s Department of Planning and Development (DPD), the Chicago Loop Alliance (CLA) and the Greater North Michigan Avenue Alliance (GNMAA) could jointly fund an initial planning study (perhaps bolstered by foundation and TIF funds) to confirm the scope of the infrastructure improvements, to define the traffic issues and options, to develop preliminary streetscape and storefront design standards, and to develop branding options
- Consider a Special Service Area (SSA) to support the predevelopment phase, which should focus only on infrastructure development. Build consensus for the scope of the SSA, with participation by the largest property owners in the proposed area, and

coordinate it with the private development currently underway in and around the area

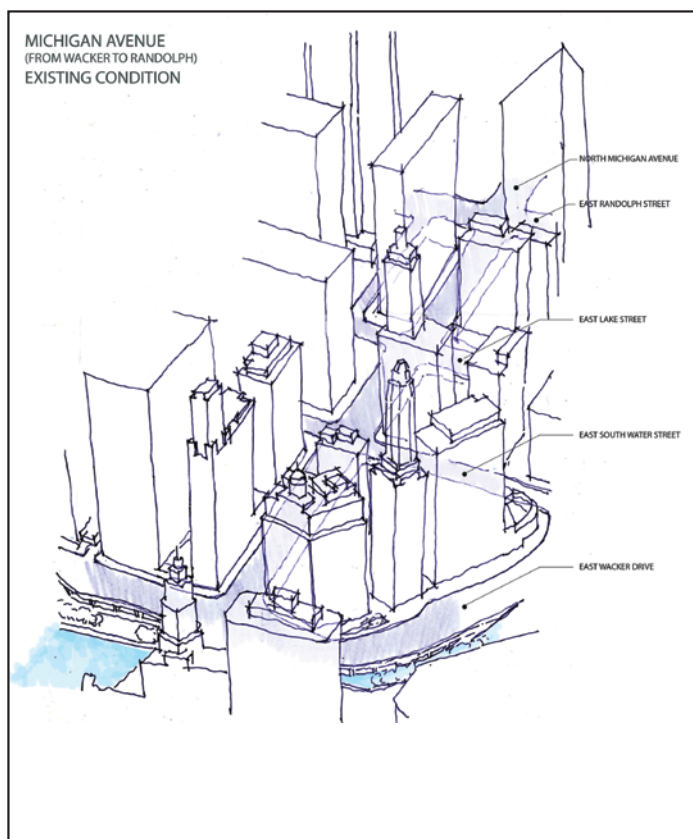
- Create a capital improvement finance plan for the agreed-upon services, financed by the SSA and a bond issue

Background

Michigan Avenue has assumed its place among the great urban streets of the world. From Roosevelt Road to Oak Street, Michigan Avenue pronounces the diversity, vibrancy and dynamism of the City of Chicago. The street is the City’s backbone of culture, community, retail and commerce, serving as both a destination for Chicago’s thriving tourism industry, a major north/south artery for workers throughout the downtown area, and a link to commercial and recreational activities for an ever increasing number of residents.

And yet in many ways Michigan Avenue is two streets. The Chicago River bisects this main thoroughfare just north of Wacker Drive, creating two very distinct urban environments, each of which contributes to the city’s greatness, but with little resemblance to or similarity in character with each other. South of Wacker, Michigan Avenue leads to some of Chicago’s premier destinations, including Grant Park and the Art Institute of Chicago, as well as some of its newest icons in Millennium Park with its Crown Fountain, Cloud Gate and the unmistakable Pritzker Pavilion. North of the river is the Magnificent Mile, with its 3+ million square feet of world class shopping throughout 460 stores, plus several dozen hotels and its own collection of architectural and cultural attractions, drawing an estimated 22 million visitors annually.

Between these two centers of culture, tourism and commercial success are three blocks that are currently a barrier to a unified Michigan Avenue. Directly south of the Chicago River, from Wacker Drive to Randolph Street, these three blocks are without an identity of their own. During the day they are heavily traveled by commuters on their way to jobs at the Illinois Center, and Prudential and Aon Plazas east of Michigan. However, with no signature destination along the three blocks and only a scattering of low to mid range franchise dining and retail establishments, they serve mainly as a through-way for cars and pedestrians. At



Michigan Avenue Existing Conditions

night they go dark, creating an unsettling feeling for pedestrians, and detracting from the overall energy of the area. Despite the presence of classic Chicago architecture, including two Mies van der Rohe designs as part of the Illinois Center, and Alfred Alschuler's London Guarantee Building, the perception is that this corridor has the lowest vitality of any part of Michigan Avenue in the downtown area.

This area is in the midst of great change with the City and individual owners investing substantially in the development in and around the three-block corridor. The City is activating a "river walk" extending through the Central Business District, the first planned node of which is at Wacker and Michigan – the northern end of the three-block corridor. State Street is in the midst of an extensive revitalization effort. Lakeshore East, with public amenities, retail, parks and a school is emerging just a few blocks east of Michigan Avenue. The opening of the Harris Theatre in 2003 extended Randolph Street's Theatre Row across Michigan Avenue into Millennium Park. Doral Plaza is being redeveloped and



Michigan Avenue from Wacker Drive to Randolph Street is not living up to its potential as a vital link between some of Chicago's finest attractions.

expanded as Millennium Park Plaza at Randolph and Michigan, adding a new residential building. The new Modern Wing of the Art Institute of Chicago will bring 264,000 square feet of cultural space in the summer of 2009 and will offer a dramatic bridge directly to Millennium Park. Block 37, southwest on Dearborn and Washington, is bringing over one million square feet of residential, retail and commercial space. The Blue Cross Blue Shield building, just east of Aon Plaza on Randolph, is nearly doubling its height, adding 24 stories and 800,000 square feet of office space. Additionally, the upper floors of the London Guarantee Building are being converted to residential units, and both 200 and 300 North Michigan are in the process of redevelopment.

A Move Toward Revitalization

Recognizing the centrality of the three block stretch of Michigan Avenue from the Chicago River to Randolph Street as the potential home for dynamic retail, commercial and cultural anchors in downtown Chicago, the Chicago Loop Alliance (CLA) and City of Chicago sought the assistance of the Urban Land Institute (ULI) Chicago via its Technical Assistance Panel (TAP) process. ULI Chicago's criteria for selecting communities to work with include the following:

- Strong local leadership capacity
- A clearly defined problem statement, and three to four well-articulated questions to be

addressed during the two-day session

- A clearly defined geographic boundary (a neighborhood, district, corridor, etc.)
- Transferability to other communities in the region.

The Chicago Loop Alliance is a membership organization representing and advocating for the interests of merchants, hotels, banks, restaurants, institutions, real estate companies, not-for-profits, theatres, museums, utilities and others doing business in the Loop. Formed in 2005 through the merger of the Greater State Street Council and the Central Michigan Avenue Association, CLA's service area stretches from Wacker Drive down through the Loop as far south as Roosevelt and as far west as Dearborn, excluding Grant and Millennium Parks.

ULI Chicago's Technical Assistance Panel process is designed to enhance community leadership, clarify community needs and assets, and advance land use policies that expand economic opportunity, maximize market potential, and conserve natural environments. TAPs are typically two-day intensive working sessions where an expert panel of volunteers addresses a problem proposed by the sponsoring organization about a specific development issue or policy barrier within a defined geographic area.

As part of the TAP process, CLA posed the following specific questions related to this three-block area:

1. Can elements of the streetscape – median, landscape planters, lighting, sidewalk – be improved to make the area not only more inviting but SPECTACULAR?

- *Opportunities mid-block between Water and Wacker and Randolph and Lake*
- *Redevelopment of Walgreen's site for residential / hotel*
- *Assemblage of 200 N. Michigan with likely redevelopment*
- *Redevelopment of mid block parcels*
- *Tower on LaStrada site and renovation of Doral*



This critical stretch of Michigan Avenue is at the epicenter of area commercial, residential and hotel development.

2. Can a unique new public/private partnership be created where public money with private capital can do something truly exciting to add vibrancy to this gateway strip?
3. Can public art, a water feature or similar "grand gesture" be added to create an appropriate gateway? Possible themes might include the centennial celebration of Daniel Burnham's Plan for Chicago or the 2016 Olympics bid.
4. Are there specific uses we want to encourage within this area (outdoor cafes as an example)? Does this include modifying allowable signage?

5. Can an exciting new entryway to Illinois Center be created that better ties the inwardly-focused Illinois Center into Michigan Avenue? Better connecting Illinois Center to Michigan Avenue would increase pedestrian counts on Michigan Avenue and reduce the “fortress” perception that accompanies Illinois Center.

After months of preparation, research and expert recruitment, the ULI Chicago Technical Assistance Panel met February 6-7, 2008, to develop ideas to elevate this critical connecting hub to suit its dynamic surroundings. The panel was chaired by Mike Damore Executive Managing Director of Epstein and included a group of real estate development experts, urban planning and design professionals, and community development leaders, who evaluated all of the available qualitative and quantitative information related to the city’s vision and statement of need, and brainstormed, planned and offered objective recommendations. In addition to the expertise on the panel, organizers sought critical input through roundtable discussions with local business and landowners, as well as City of Chicago planning leadership. The roundtable discussions were designed to elicit the full range of stakeholder input.

Exploring the Dynamics at Play

The Technical Assistance Panel immediately recognized that the three-block corridor of Michigan Avenue could not be evaluated in a vacuum. They saw these three blocks as having a critical impact on the surrounding area, both north-south and east-west. As a result, the panel expanded its thought process to the dynamics created by the surrounding blocks and destinations. The panel focused on three major themes in developing its final recommendations:

Connectivity. The panel discussed at length the extent to which the study area needed its own identity, and to what extent that identity should be displayed and promoted. They recognized that because this stretch of Michigan Avenue doesn’t have a singular definable purpose, and because there is a significant east/west dynamic of residents and commuters in addition to the north/south dynamic of tourists and shoppers, a wide continuum of audiences will have a broad collection of perspectives on what the space is and should be. Tourists will look for guidance on where to go next. Shoppers need a reason to continue south of the river. Local employees need easy passage east to west. Residents need dining and basic amenities. As a result, the panel considered a wide continuum of possible planning and design responses. On the most basic level, they envisioned a response as simple as demonstrating the safety of passage through the area at night. A more robust response could include the development of the area as the “Cultural Mile”, or alternatively as a “High Street” of amenities for the surrounding community, or as a “Galleria” with a more cultural/arts focus. An even more assertive strategy would elevate the area to destination status, with unique offerings, marketing, and even a new neighborhood name.



A galleria concept combines connectivity with aesthetic style and commercial presence.

Ultimately, the panel agreed that a more tempered model, such as a galleria or High Street, was the most appropriate response, given the relatively small size of the study area, its location at a very unique cross-roads of the city and the many destinations nearby. On reaching this conclusion, the panel did not suggest that a specific identity needed to be established, but that those concepts best reflected the appropriate balance of use given the dynamics at play. A review of pedestrian statistics, conversations with local stakeholders, and personal experience all pointed to the fact that the area wasn't lacking for traffic, particularly during the day, so a unique destination did not need to be created. Rather, the panel saw the value of the area as a "connector" – not only physically north-south and east-west, but also socially and culturally, connecting retail with art, attractions and programming; connecting residents with necessary amenities; and connecting local businesses and their employees with a sense of place and community. The panel also believed that a modest identity enhancement and a commitment to improving the streetscape aesthetics and invoking this role as a connector would strengthen the corridor significantly.

East /West Linkages. The panel agreed that because of its location and the development happening both within and around it, the study area must be viewed not only in terms of north-south dynamics, but also east-west. They agreed that the study area did not create a continuum of experience from north of the river to Millennium Park, and that a consistent experience is critical, particularly to pedestrian tourism. However, they also recognized a dynamic created by local residents and employees of area businesses that move predominantly in an east-west direction. They were informed about the near-term addition of hundreds of thousands of square feet of residential and commercial development to the east of the study area, most notably in the Lakeshore East development and the expansion of the Blue Cross Blue Shield building. They observed that east-west connectivity was severely hampered by the confusing street patterns east of Michigan Avenue and the Illinois Center complex, with its inward focus and lack of obvious access. The panel believed that facilitating east-west connectivity would encourage residents and office-workers to engage retail and restaurants in the corridor and could eventually lead to future retail development along streets like Columbus Drive and



The "intersection" at Michigan and South Water exemplifies the problems of east-west connectivity.

Stetson Avenue that are now predominantly vehicular traffic. Enhancing east-west connectivity would help to bring the entire area between the river and Millennium Park back into the overall energy and vibrancy of downtown Chicago.

The "intersection" at Michigan and South Water exemplifies the problems of east-west connectivity.

Celebrating Unique Characteristics. The panel agreed that the study area deadened the vibrancy of Michigan Avenue at a crucial point and had the effect of separating the north and south ends of this classic street both physically and psychologically. Despite the presence of some architectural icons, the three-block stretch did little to engage tourists, residents or employees of local businesses. However the panel believed that any plan for revitalizing the area should leverage and celebrate its unique characteristics in creating a more dynamic environment for people to travel through, work in and visit.

The panel observed several such characteristics. On the largest scale, they noted the feeling of compression and release when traveling either north or south – the "canyon effect" that is caused by a significant increase in the scale and density of the buildings along these three blocks as compared to the relative openness and vibrancy of north Michigan Avenue and expanse of Grant Park to the south. This experience of compres-

sion and release is common in transitional spaces, and as one panel member noted was used very effectively by Frank Lloyd Wright at Unity Temple. So the question for the panel became how to engage pedestrians in that transition.

The panel also saw a potential for mixed use residential, office, and retail that could fit the unique market in this section of Michigan Avenue. They observed and heard about a relative paucity of restaurants, particularly of a higher caliber, that could draw residents, tourists and employees alike. Invoking the idea of a neighborhood high street, they saw the potential for amenities for surrounding residents. The panel also explored ideas for establishing a cultural or fashion center in the area – an incubator concept reminiscent of technology parks – or a direct tie to the work being done along the river walk. The panel believed that any or all of these characteristics could be combined to reinforce the idea of this area as a connector - a crossroads - between distinct downtown destinations.

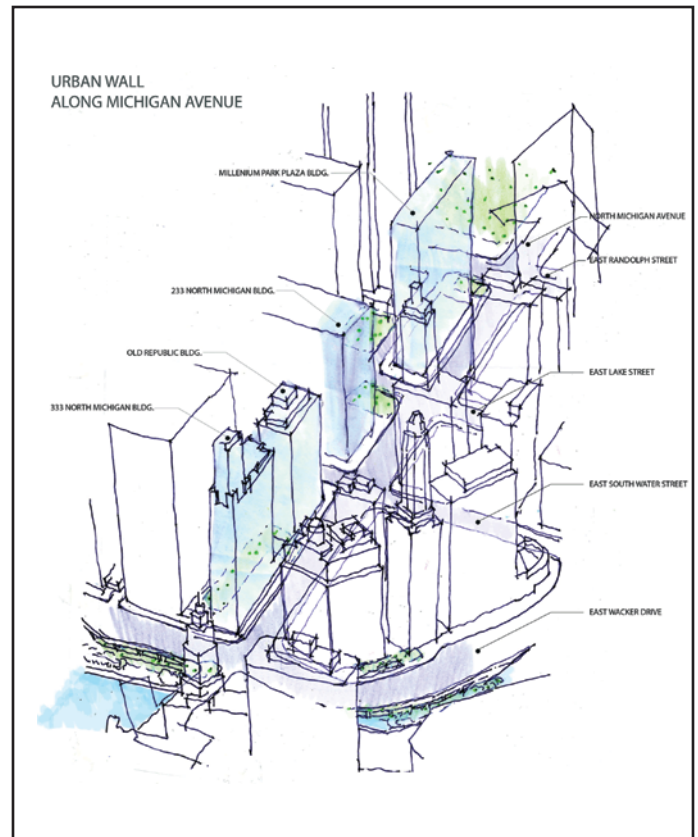
Panel Recommendations

In developing its recommendations to CLA, the panel focused on two broad areas. The first included design, use and implementation. The second focused on process and financing.

Design, Use & Implementation

As described above, the panel focused on the idea of the three-block corridor as a “connector”, with north/south, east/west and social and cultural dynamics at play. They imagined an area that would aesthetically emphasize and complement the vastly different styles north and south, that would encourage east-west movement, but that would also have unique design characteristics that would define the space. The panel looked at the design and use of the area through the following recommendations:

Connectivity. The panel agreed that in many ways the issue of east/west connectivity was more challenging than north/south connectivity. The north/south physical connection already exists via Michigan Avenue, and is well traveled. As a result, the panel first discussed the need for additional methods to ensure safe passage for pedestrians across Michigan Avenue in the east / west direction. The idea was also discussed that visual connections, whether through architecture or lighting or

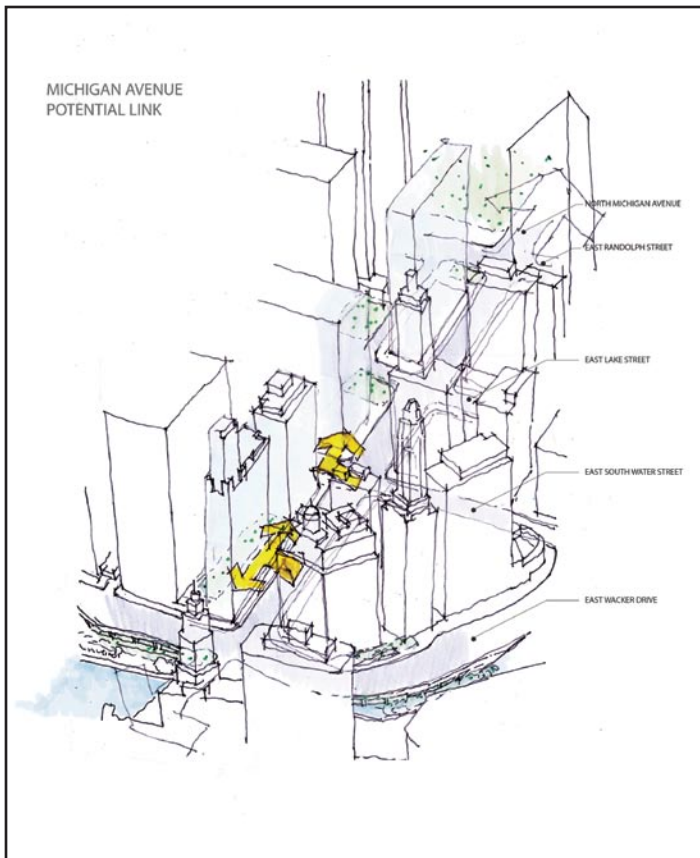


Urban Wall Along Michigan Avenue

a combination of aesthetic factors, could improve the north/south flow. They also saw the potential for anchor boutique stores at the corners of Michigan and Wacker as a means of drawing retail traffic across the river.

East/west connectivity presents a greater challenge because of the perceived “impenetrability” of the Illinois Center complex and the confusion caused by the multiplicity of levels of both pedestrian and vehicular traffic east of Michigan Avenue. The panel observed that navigating Illinois Center, Water Street and East Lake Street was exceptionally confusing, even for those familiar with the area. As a result, enhancing the east/west connection was viewed as a critical component of any development plan.

The panel also pointed out that connectivity to the Pedway system underground, as well as elevated through Illinois Center would enhance the usefulness of the area. They noted that the Pedway system is underutilized, in part because of its confusing layout, but also because points of access aren’t clearly identified and

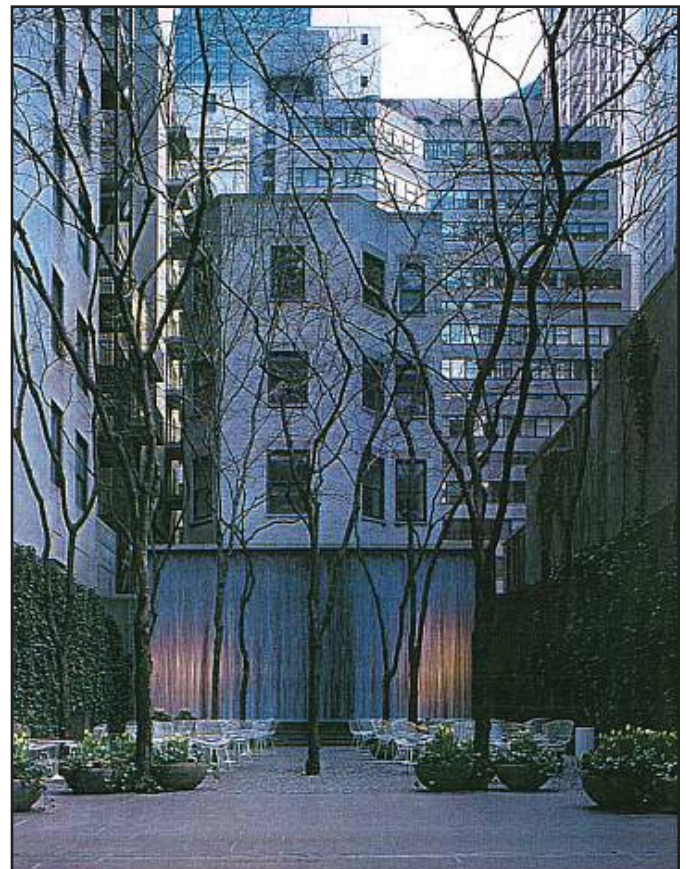


Connectivity will be critical to the success of the study area

that the individual buildings under which it sits close it down after business hours, wasting the resources. Improved way-finding signs would elevate the use and value of the Pedway system. The panel didn't think that the access points to the Pedway were clearly marked, and that even once in the system it was extremely difficult to navigate. They believed lack of way-finding signs contributed significantly to the underutilization of the Pedway, to the detriment of retailers within the system, and adding to the challenge of the east/west pedestrian flow across the corridor and study area.

Identity. The panel agreed the area was too small to create a distinctly named and marketed neighborhood, but they did see opportunities to celebrate the area for what it was -- its density, intensity, compression and release, and its role as a crossroads for tourist, residential, commercial and cultural experiences. Its hallmark of identity should be its very asset – as a central artery to connect in all directions.

Programming / Use. The panel didn't believe that a particular use could be forced on the landowners in the study area, but saw some opportunity in the city promoting and encouraging certain uses that would result in a distinct and unique feel. These uses included a specialty district, including the theme of fashion or other arts, drawing uses compatible with the "Cultural Mile," and promoting boutique retail to draw pedestrians and shoppers to the corridor. The panel suggested that the Chicago Architectural Foundation could serve as the cultural cornerstone of the area with a connection to the new 'Riverwalk' development and CAF's river tours. The panel also suggested a 'restaurant row', noting the relative absence of higher end restaurants in the surrounding area and the proximity to the theatre district. Other suggestions included the creation of pocket plazas or pocket parks, similar to Paley Park in Manhattan, that could enhance green space, provide a small place of respite and mitigate the feeling of compression.



Paley Park in Manhattan is a one-lot oasis from the maelstrom of urban overload.



A contemporary approach to lighting would make the corridor definable from a distance, but with beauty and functionality at the street level.

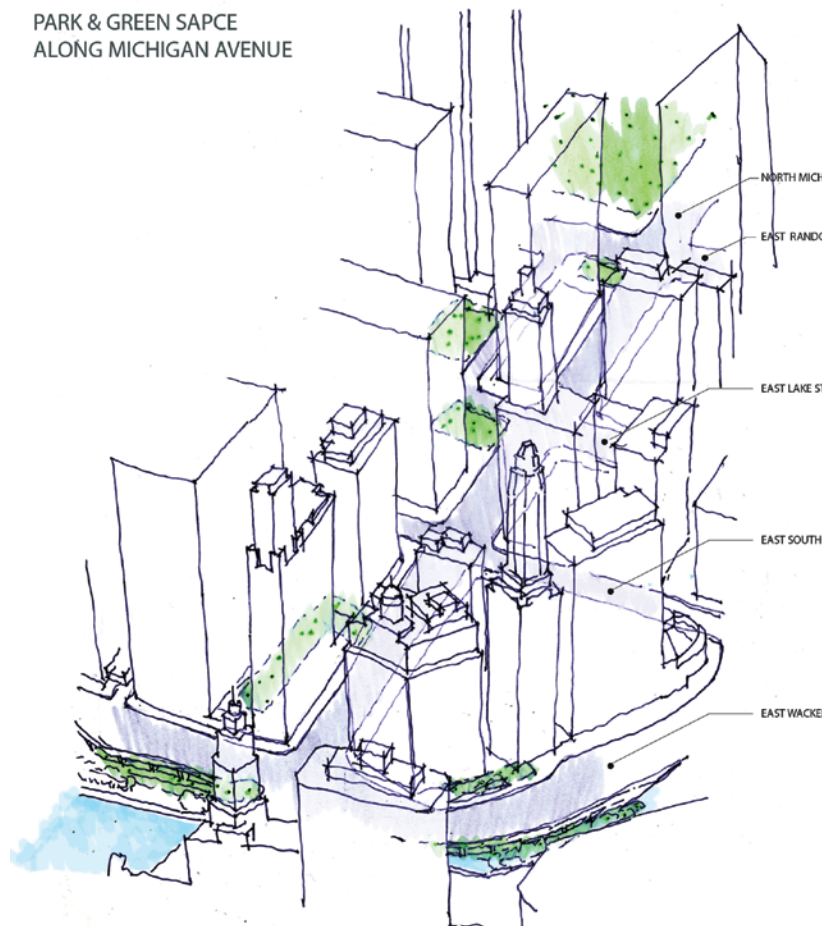
Streetscape. The panel explored the notion of the study area as a galleria – a place that serves to get people from one place to another, but with enough individual character and programming to encourage people to stop and shop or eat, or to just stop and enjoy the city. The panel thought that the multiplicity of uses compelled a strong stylistic approach -- that the space could benefit from an architectural vocabulary that took its cues from the mix of architecture and uses in the area, rather than relying on a more traditional design. The panel believed that more contemporary streetscape elements would complement existing architectural icons and reinforce the area as a transition between the more classical styling north of the river and the modern approaches in Millennium Park.

In keeping with the galleria concept, the panel agreed on the importance of bringing a human scale to the area. They explored streetscape options that included custom street and sidewalk paving throughout the area, green space with trees and planters to echo and create continuity with the green space of Millennium Park, lighting designed to bring the focus closer to street level, the use of planters and sidewalk furniture to create “rooms”, and the use of pocket parks and plazas.

Architectural Control / Guidelines. The panel believed the City should consider establishing storefront design standards for the area, so as

properties are redeveloped they can be done so with a consistent image and character, tied into the overall vision for the corridor.

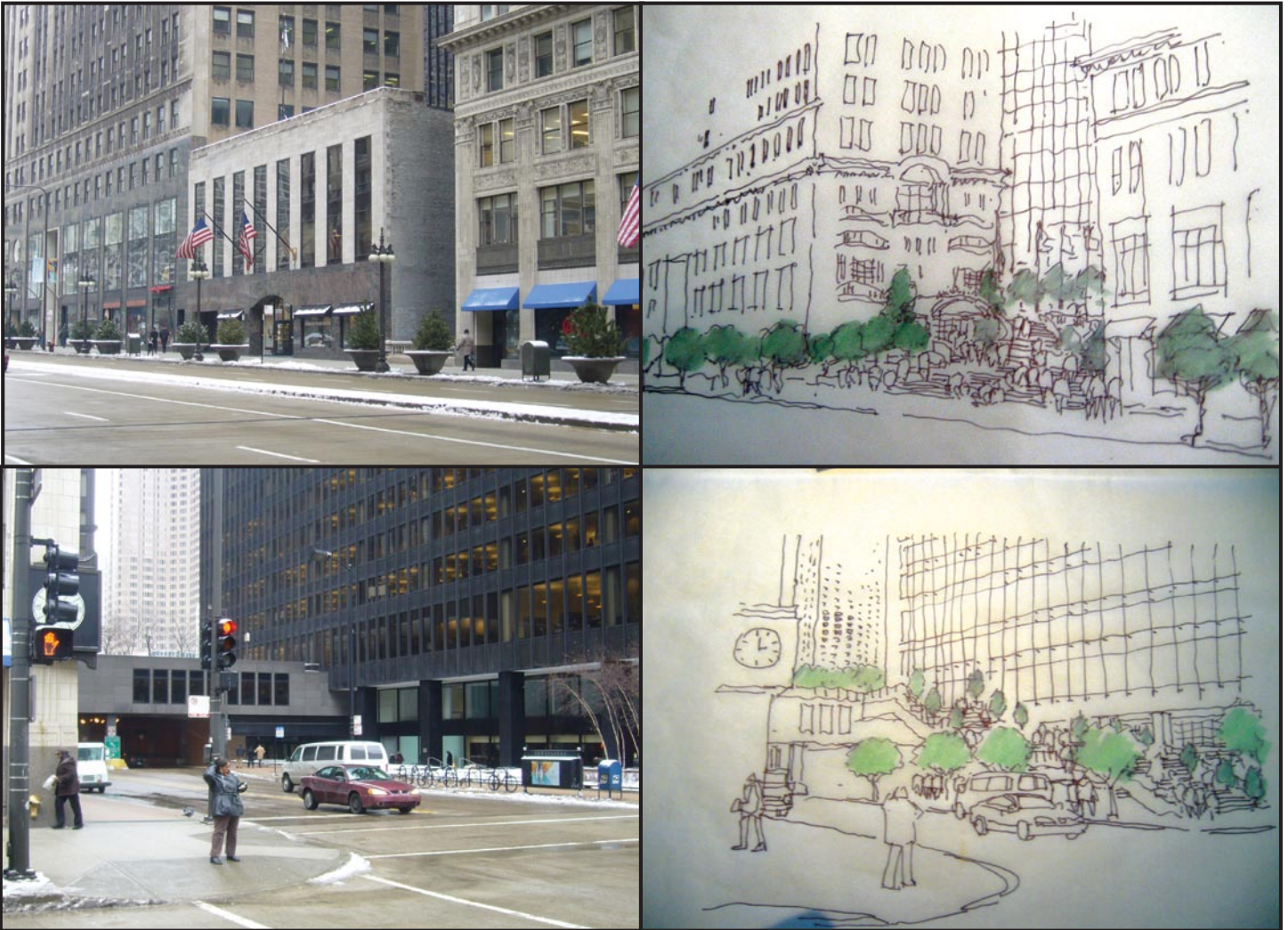
PARK & GREEN SPACE
ALONG MICHIGAN AVENUE



A holistic plan would include connectivity, identity such as custom paving, architectural markers, and green space.

As a result of all of these considerations, the panel recommended that the City develop a holistic master plan for the three-block corridor as a connector between adjacent destinations, including consideration of the architecture, urban design, streetscape, and programming, as well as cultural and commercial uses.

- Establishing “impact retail” at the Michigan Avenue and Wacker Drive corners as a means to encourage north-south pedestrian traffic
- Extending the east/west connection on Lake Street from Michigan Avenue to the western



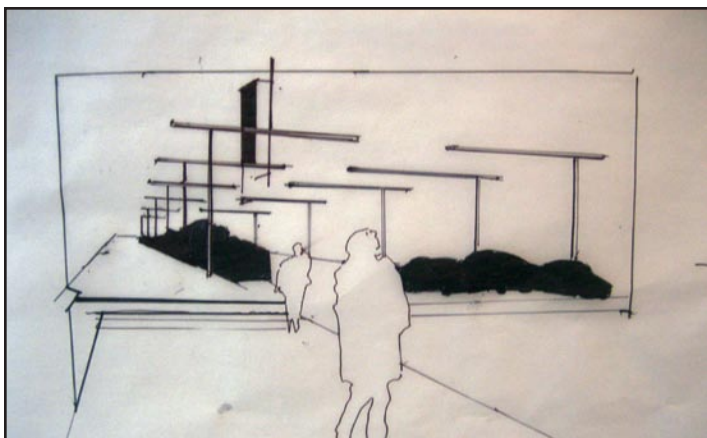
Two sites, at 321-325 N. Michigan, and the intersection of Michigan and Water Street could be enhanced through innovative use of well-designed, attractive stairways and green space to draw pedestrians east to west via the podium at Illinois Center.

This plan must support east/west connectivity as well as north/south connectivity. The plan could include the following:

- Developing architectural markers at the intersection of Michigan and Wacker, or highlight existing markers like the London Guarantee Building, creating continuity north-to-south

edge of the Lakeshore East development, to include discussions with the owners of the Aon Building to remove their Lake Street plaza that currently acts as a visual barrier, and optimally to restore a full street connection between Stetson and Columbus

- Enhancing east-west connectivity by creating obvious access from Michigan Avenue through



A “tunnel of light” could bolster the dynamism of the corridor, literally lighting up the street level through new technology, creating a new urban icon for Chicago.

Illinois Center via stairways to the podium level at Water Street, and also including the possibility of modern interpretation of the “Spanish Steps” in Rome at 321-325 North Michigan that would create an urban respite, a place to gather, and a unique vertical element that would contrast with the flat landscape of most of the City

- Enhancing way finding, via signage or otherwise, throughout the area, to make people aware of nearby destinations and the best routes to arrive at them
- Custom street and sidewalk paving patterns and vertical identifiers to enhance the unique identity of the corridor

- A contemporary street lighting plan that would serve as a visual attractor from a distance. This lighting plan could also include lighting the buildings themselves to mitigate the canyon feeling at night, provide visual interest during the day, and could also including lighting in the sidewalks and crosswalks, taking advantage of new lighting technologies
- Promotion of distinct programming, whether cultural, educational, artistic, or commercial, such as industry-based, boutique retail or dining
- Inclusion of more green space, ranging from a planted central median and more substantial “built in” sidewalk planters to ‘pocket parks’ and small plazas adjacent to the sidewalks in key locations



Extending both the visual and travel axis along Lake Street would enhance east/west dynamics.

Process & Finance. When considering issues of process and finance, the panel identified several key objectives:

- Overlaying value on the area and improving its character in such a way that the community is drawn to support it because of the tremendous positive impact it will have on them
- Improving the overall quality of the urban environment while creating an area of transition from north to south and east to west.

- Integrating this three-block corridor into the surrounding neighborhood
- Reinforce the evolving retail development toward specific cultural or commercial uses
- Developing the branding for the area
- Developing a governance structure that will support the redevelopment of the area over a decade or more

Timeliness. The panel noted that time is a factor in implementation. The land use in the area is changing, with roughly a quarter of the street frontages in the study area either under development or proposed for development. The panel saw this opportunity to leverage current development to achieve the goals of a larger comprehensive plan.

Process. The panel believed that holistic development of the area required first and foremost the support of Aldermanic and City Department of Planning leadership. However, equally important was the identification of a project “champion” who could keep the process moving, could marshal the necessary resources, and who was willing to stick with the process for a decade or more. To engage key property owners, the panel recommended the creation of a public/private Blue Ribbon committee to oversee all development under the plan. The panel also recommended the convening of busi-

ness and property owners to a neighborhood meeting to kick-off the process and discuss the ULI Chicago TAP recommendations.

The panel recommended that the City Planning Department, the Chicago Loop Alliance and the Greater North Michigan Avenue Alliance (GNMAA) jointly fund an initial planning study to confirm the scope of infrastructure improvements, to define the traffic issues and options, to develop preliminary streetscape and storefront design standards, and to develop branding options. The panel also recommended that CLA and GNMAA develop a neighborhood organization governance structure to support the process long-term.

From the City’s perspective, the panel acknowledged that the City may need to explore working with property owners to assemble land to address fractured ownership and disinvestment issues that could hamper implementation of a long-term plan. They also suggested that in the short term the City could enhance the role of the three-block corridor by including it in programming for both north Michigan Avenue and Millennium Park.

Financing. The panel recommended that the City consider a comprehensive financing structure to implement recommendations for public improvement. The mechanism they recommended was a Special Service Area (SSA) and they strongly recommended that the initial phase – the predevelopment phase – be focused

Conceptual SSA Financial Capacity Analysis

Assumptions: Total Non-residential SF: 18,530,419
 Assumed Interest Rate: 5.0%
 Assumed Coverage Requirement: 1.40
 Bond Term: 20 years

<u>SSA Tax Rate per SF</u>	<u>Total SSA Tax per Year</u>	<u>Net Bonding Capacity</u>
\$0.25	\$4,632,605	\$41,237,496
\$0.50	\$9,265,210	\$82,474,993
\$0.75	\$13,897,814	\$123,712,489
\$1.00	\$18,530,419	\$164,949,985

only on those infrastructure development activities that would benefit all of the stakeholders. They noted that considerable time would need to be devoted to building consensus on the boundaries and governance of the SSA, and the special services to be included. They also noted that timing was critical with the extent of redevelopment in play, and recommended a coordination of the predevelopment phase with the concurrent private development.

The panel agreed that consensus-building be led by the Alderman and the largest property owners in the proposed SSA. They thought the cost of the predevelopment phase should be shared among the CLA, the GNMAA and the City, but believed there were opportunities to generate seed capital from key foundations, private enterprise and the City in general. The panel also believed adjacent Tax Increment Finance Districts (TIFs), which are scheduled to end shortly, could be used to support the process, but only for design and planning of infrastructure.

Once consensus is achieved on the scope of the SSA, the next step would be creation of a finance plan for the agreed upon special services. The panel explored financing scenarios, including a special assessment. Based on approximately 18.5 million square feet in the SSA, the potential 20-year gross revenue of a \$1.00 per square foot special assessment in the SSA district would gross \$370 million with a net of nearly \$165 million at an assumed interest rate of 5.0% and a coverage requirement of 1.40. This additional fee on properties would be of direct benefit to property owners and could only be used for improvements in the district.

Once the SSA is established, the City should create a capital improvement plan which most sensibly expends these bond funds, then could go to market with this bond issue in accordance with the plan, expending the resulting funds in a manner which delivers the infrastructure in the most effective manner.

Other options discussed included the possible extension of the existing State Street SSA No. 1 to include the three-block corridor of Michigan Avenue, the adjacent neighborhood to the east to Columbus Drive and also along Wacker east of Columbus Drive encapsulating hotel, commercial and office uses. The revenue from this expanded SSA No. 1

would be used to focus on safety, cleanliness, market awareness, strategic planning and other near term, intermediate term and long term goals.

Conclusion

The panel saw tremendous possibility for the three block corridor of Michigan Avenue just south of the river. They acknowledged that its scale, design and absence of nighttime vitality keep it from being the commercial and cultural crossroads that its location suggests it could be. And yet the panel saw these same qualities as a canvas upon which a unique community with its own style and dynamics could develop over time. The panel noted that the issues associated with the study area were not just north-to-south, but east-to-west as well, and that the freeing of pedestrian dynamics in both directions would help to knit together the very distinct communities and functions in all directions. The panel acknowledged that the investment would be significant and would require infrastructure as well as aesthetic changes, and that the process would need a champion to lead it through a decade or more of activity. The need for a public/private partnership was also emphasized, with the City and CLA working with key business owners and stakeholders to develop a financing plan that would encourage participation because of widespread long-term benefit and value. With these forces brought to bear in accomplishment of a holistic development plan, the panel believed this area could achieve its own level of vitality, supporting the growth and energy of the area, and confirming Michigan Avenue among the great streets of the world.

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