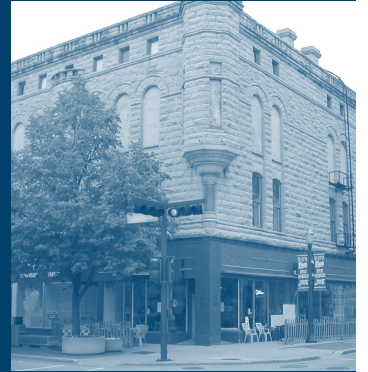
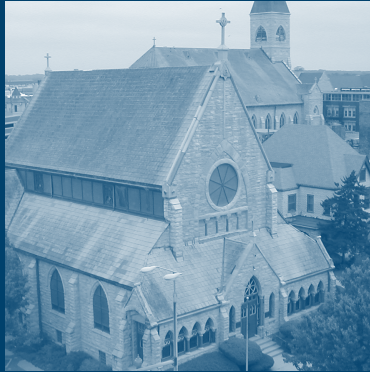


MAY 19-20, 2004



JOLIET, ILLINOIS

DOWNTOWN REDEVELOPMENT STRATEGY

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Executive Summary

Joliet, Ill., was a boomtown in the early to mid-20th Century, drawing its strength from its manufacturing and mill base and from its government center as the seat of southwest suburban Will County. As an early rail center, Joliet had 455 manufacturing plants in 1900 that turned out products valued at \$27.7 million. Its steel and iron mills produced products valued at an additional \$13.3 million. Caterpillar Tractor, the EJ&E Railroad, and American Steel and Wire were other major sources of industrial sector employment. During this time period, retail outlets that spanned food, automotive and general merchandise prospered. With the 1960s' interstate highway links to Chicago, there seemed to be no limit on the possibility for growth.

The growth of the city continued apace until the mid-1970s, when Joliet's lively downtown area began to lose jobs, stores and population to the rapidly expanding west side of town. The west side offered an attractive alternative to the traditional downtown, with its openlands for shopping malls and more modern single-family housing. Also in the mid-1970s, the city of Joliet was hit with the loss of many industrial jobs. Like many older manufacturing-based cities and towns, by the early 1980s its unemployment rate spiked at 26 percent. Downtown became a ghost of its former self, no longer home to the region's businesses and shoppers.

By the late 1980s, the city's leaders recognized the need to redevelop the faded downtown area. Their vision was captured in the 1990 Joliet City Center Development Plan.

The first prong of the redevelopment strategy was to bring money, jobs and major attractions to the town. After bringing a Harrah's Casino to the downtown, the city leveraged gambling and other entertainment revenue to bring complementary major projects, including the Joliet Speedway on the south end of town, where NASCAR races are held, and Silver Cross Field, a minor league baseball stadium that opened downtown in 2002.

The second prong involved reinvestment in infrastructure, building sewer systems and curbing along streets where none had existed. The third was to crack down hard on high-crime neighborhoods ringing the downtown.

Between the casino, the ballpark and the refurbished Rialto Square Theatre, city leaders envisioned an entertainment district that could draw people downtown. These major draws have helped revive the area's restaurant and bar scene, with more than 20 new establishments, including four that opened in the spring of 2004. The city also has sponsored several festivals to attract people downtown, including a Christmas event the Friday night after Thanksgiving, "Waterway Days," and a fourth of July fireworks celebration.

Continued annexation to the west in the 1900s boosted the city's population from 76,000 to 125,000 between 1990 and 2003, and has made Joliet the fastest growing city east of the Rocky Mountains and the 10th fastest nationally. Some 2,000 homes are built each year, and the city has gotten involved by buying up derelict properties in older neighborhoods – typically erstwhile single-family homes that were "chopped up" to make several apartments – and then reconvert them and selling them to families. Rapid Hispanic in-migration has added to a diverse mix that long included whites and African-Americans.

The Charge

While celebrating the city's recent growth and successes, city leaders realized that the lively retail district that characterized Joliet in the mid-20th Century has not reappeared. They have been searching for ways to attract shops to vacant commercial spaces, as well as the residential development needed to support such establishments. Accordingly, village officials asked the Urban Land Institute (ULI) Chicago and Campaign for Sensible Growth to organize a panel of experts that would make recommendations on how to proceed with "Phase II" of the Joliet City Center redevelopment.

A two-day Technical Assistance Panel (TAP) was convened on May 19 and 20, 2004. The TAP brought together developers, financiers, architects, lawyers, planners and consultants to think about how to develop the retail and housing markets in downtown, including infrastructure that might be needed, and the roles that the city's Des Plaines River waterfront, shuttered USX plant north of downtown, and Latino business district east of downtown might play in the overall redevelopment strategy. The TAP also considered the incentives the city might offer to support developers, as well as next steps in marketing.

The panel reviewed detailed briefing books, met with village officials and residents, toured the village on foot and by bus, and deliberated the issues internally before developing a presentation for officials and local residents given at the end of day two.

Major Recommendations

The panel recommended an overall vision for Joliet that hinged upon its identity as an historic riverfront community. The group saw strengths in the city's hard-working, caring, diverse, proud population; its location at the heart of Will County, with many transportation links to the Chicago region; its physical assets that include architecturally significant buildings, riverfront vistas, and newly improved infrastructure; and the diverse uses that range from business and government to entertainment and retail. To create jobs and housing, the panel encouraged adaptive reuse of vintage buildings along with new construction and to embrace the city's natural diversity, creating a "pioneer friendly" environment with improved transportation linkages to Chicago and enhanced riverfront use. The residential market could include downtown workers, commuters, empty nesters and seniors, in addition to "urban pioneer" types.

The panel suggested myriad retail uses that could be attracted to downtown, including card and ice cream shops, convenience grocery, drug stores, dry cleaning, florists, hardware, bookstore, child care and coffee shops. They recommended conducting an inventory of vacant retail space and updating the demographic data for downtown and its surrounding neighborhoods since the 2000 Census. For the short term, the city should

focus on such customer bases as employees, entertainment seekers and people in the surrounding neighborhoods, offering sufficient incentives and maintaining significant flexibility to draw an anchor attraction like a Starbucks or other recognizable franchise coffee shop. Residential growth and greater tourism can be nurtured in the longer run. Along the riverfront, mixed-use developments should be combined with a riverwalk that would allow public access.

To ensure community-wide buy-in to the updated vision, the panel urged city leaders to solicit participation from all communities in Joliet, spanning downtown business owners; neighbors in the nearby St. Patrick's and Cathedral District neighborhoods as well as on the west side; African-Americans and Latinos in addition to whites; and such key institutions as Joliet Junior College, which could offer a broader range of classes. The inclusion of all groups will help ensure the retail and housing vision is broadly enough shared to create success, the panel said.

The city should define what "success" in the downtown is. The panel discussed at least 10 to 100 new residential units per year in low- to mid-rise developments, along with retail based on varied use and square footage of probably 15,000 or below. City leaders should engage real estate advisors who are experts in retail and housing to assist in creating the request for proposals (RFP) and evaluating responses. The panel felt the city should target the riverfront and Cass-Chicago street areas within the next 12 to 18 months, move on to other housing in 18 to 24 months, and determine what to do with the USX and other northern industrial sites in two to three years.

A listing of the panel's major recommendations can be found at the end of the full report.

Full Report

ULI Chicago/Campaign for Sensible Growth Technical Assistance Panels (TAPs) are two-day sessions during which ULI Chicago members, selected for their expertise, come together to provide independent advice on land-use and development issues. Prior to each panel, the community develops a problem statement that identifies issues to be addressed; panelists analyze the problems and then offer recommendations at a public meeting. The TAP program both furthers the Campaign's goal of coordinated planning for growth and provides ULI Chicago members and other professionals with a way to give back to a local community. In addition to the Joliet panel, ULI and the Campaign will conduct a session in west suburban Elburn on Sept. 29-30, 2004, and southwest suburban Midlothian at the end of 2004 or beginning of 2005.

The sponsors for the Joliet panel were the Joliet City Center Partnership, a downtown business group and a subsidiary of the Will County Chamber of Commerce, and the City of Joliet. The City Center Partnership was created in 1990 to implement the City Center Plan. It has helped to bring significant investment to the area, including the Harrah's Casino and Hotel, minor league baseball stadium, 61-unit apartment rehab, 50,000-square-foot office building, and additional office and courtrooms for Will County. But the downtown area continues to lose retail establishments and faces demands for affordable housing. Among the partnership's and city's goals for downtown are new market-rate housing, mixed-use developments along the riverfront, a major hotel with convention/meeting space, and re-use of the former USX site.

Problem Statement

The sponsors asked the panel to address the following questions:

(1) What is the appropriate retail market and niche(s) for Joliet City Center?

- (2) What housing needs and market can the downtown fill?
- (3) What infrastructure improvements need to be made to improve traffic patterns, parking, signage, etc., to meet market and community needs?
- (4) What role can the growth of Latino businesses in the Collins Street area and the availability of the USX site play in the redevelopment strategy?
- (5) What is the recommended layout and use for the waterfront area?
- (6) What criteria should the City of Joliet use to offer incentives, and what incentives would be the most meaningful to meet the community's vision for City Center?
- (7) What steps should the City of Joliet take to move forward with the market study, physical plan and connections to neighborhoods?

The TAP participants received a detailed briefing binder before the panel that contained a wealth of information about Joliet. This included a community history, a 2004 community profile, the section of the village code pertaining to the central business district, a summary of recent accomplishments, maps and pictures of downtown and the surrounding area, the full text of the 1990 development plan, information about the tax-increment financing (TIF) district in the downtown area, a market study about the feasibility of a convention center that was completed in 2000, a market study about residential development completed in 1997, and several newspaper clippings about downtown redevelopment efforts.

Village Presentations

On the first morning, the panel heard a presentation from three city leaders: John Mezera, city manager; Tom Mahalik, vice president, Center for Economic Development; and Don Fisher, City of Joliet, director of planning and development. Panel Chair James Matanky, president of the real estate firm Matanky Realty Group, kicked off the proceedings by telling the leaders that Joliet has a lot to offer and he hoped panel members "can approach with an open mind" the challenges it still faces. Scott Goldstein, chair of the ULI Chicago Public Policy Committee and vice president of policy & planning for the Metropolitan Planning Council, told the panel that Joliet had been chosen because of the

unique redevelopment opportunities it presents and the leadership it possesses to follow through with the recommendations.

Mezera summed up the city's progress by saying that probably 85 to 90 percent of outstanding, basic infrastructure issues had been resolved during the past several years but it has not "gotten to the thrills" yet. The city has worked hardest on three issues:

- **The economy**, which had bottomed out at 26 percent unemployment in the early 1980s, has revived somewhat due in part to the creation of the Center for Economic Development, which Mezera described as a "one-stop shop" for business and employment needs.
- **Infrastructure**, on which the city has spent hundreds of millions of dollars since 1990, for example, by installing sewers, curbs and gutters in neighborhoods that had not had them. "We're near the end of that task," Mezera said.
- **Image**, which has been helped, but not yet enough, by the closing of the Joliet Correctional Center. The city has worked to improve its image by using entertainment venues like the racetrack and casino, which have "huge marketing budgets," Mezera said. "It's been very, very good for us. Now, the fun really starts."

Fisher described the city's recent history in more detail. After reaching its nadir in the late 1970s and early 1980s, and following a difficult period of high debt, crime and infrastructure problems, a quarter-century later Joliet is the fastest-growing city east of the Rocky Mountains and the 10th-fastest-growing nationally, he said. The population grew from 76,000 to 125,000 from 1990 to 2003, with new homes on the far west side and much infill development during the past four to five years. The revenue from riverboat gambling has funneled money toward not only streets and sewers but also lighting, parks and other quality of life amenities. The potential market for retail development can draw from 91,000 people who live within three miles of the center of downtown, 140,000 people within five miles, and 317,000 people within 10 miles, he said. The lack of adequate retail is striking. For example, there is not even a major super-market within this market area.



The Joliet YMCA is being redeveloped for senior housing.

The city government itself has worked hard to establish an identity as an entity "that can get things done," working smoothly with developers as opposed to being a "bureaucratic, red-tape-type community," Fisher said. He called the ballpark – which grew out of a market study originally focusing on building a convention center – "the best asset Tom [Mahalik] and I have" to draw potential business people from all over the Chicago area, particularly the southwest suburbs. "They come to downtown, and conclude, 'this [downtown Joliet] isn't what I thought it was,'" Fisher said. Mahalik noted that the 20 restaurants and bars, some of which moved in from the west side, also serve as drawing cards, "which is a big turnaround for us because people wouldn't come downtown before," he said. Other gains have been made through the four recreational trail systems in Will County that begin and end downtown, as well as the Christmas parade and other downtown festivals.

The city and City Center Partnership strongly believe a market for housing exists downtown. Fisher pointed to a 61-unit apartment rehabilitation accomplished through historic tax credits and TIF incentives that filled up within three months. He added that the market rate units sold quicker than the subsidized ones. The city and part-



Harrah's Casino (inset) is considering adding an additional hotel tower. In jeopardy is Christ Episcopal Church (above), currently vacant and for sale.

nership have adopted the philosophy of, "Let's be patient," he said. "When the market's ready, things will be done well." Another project, on the commercial side, is the redevelopment of a former department store into class "A" office space and a soon-to-be opened nightclub, Fisher said. Mahalik described the city's acquisition and redevelopment of this site as "one of the turning points" in convincing people it was worth investing money in the downtown area. Fisher credited the mayor and city council for taking a "bold risk" and being "patient enough" to find the right use.

Just north of downtown is the 80-acre former U.S. Steel site, which the city and partnership envision as a spot ripe for a mixed-use development. Given the "lack of land for large projects, for the most part," the right development could catalyze "the renaissance of the east side of Joliet," Fisher said. USX is currently finalizing the environmental impact statement for the site, which probably will require some cleanup. The redevelopment could

improve the overall quality of retail on the east side, which consists mainly of "mom and pop" stores.

Other specific development issues the city and partnership have to address include the desire of Harrah's to expand with a new hotel; the appropriate use for a 3 1/2-acre riverfront site north of Cass that could be used for housing; the best way to undertake transit-oriented development given the proposal for a 19-story tower near Union Station; and how to preserve older, architecturally significant buildings.

In response to questions from panel members, Fisher said the daytime population in downtown is between 6,000 and 7,000, many of whom are female office workers. He mentioned a greeting-card shop and a woman's clothing store as examples of the type of retail shops the city would like to attract. Mezera said the city would like to re-create the good mix of retail it had in the 1950s and 1960s. The city developed its entertainment district first because that seemed easiest, and is now turning to housing and retail. Fisher noted that residents of adjoining neighborhoods probably would use the retail if it were "the right thing," but the city is convinced it needs to develop a certain number of housing units in the downtown to make retail viable. That explains much of the attractiveness of the 19-story, 120-unit Union Station condo tower proposal, Fisher said, which could "jump-start" retail development with its own shops on the ground floor, attracting mostly younger and older adults without children, who want an urban-type lifestyle and commute by train to Chicago.

Village Tour

Panelists took a combined bus and walking tour of the downtown area to capture a first-hand sense of the various projects and parcels of land village leaders had discussed. Led by Fisher and Mahalik, the tour went through the Joliet Area Historical Museum and Route 66 Welcome Center. Panelists viewed exhibits about the history of Joliet that included a downtown street scene with the type of bustle city leaders hope to recreate. Across the street from the welcome center, panelists saw a proposed renovation of the old YMCA building into tax-credit-funded senior housing. Down the street, the panelists toured the Friends of Public Art

gallery facility, which houses an organization that creates murals throughout the city and region. The city hopes to redevelop aging, nearby single-family homes into live-work spaces for artists.

Along the river, the group saw the triangular-shaped parcel that the city is “holding for the right project,” Fisher said. Nearby properties to the south that include a garage and pawn shop are privately owned, he said, but the city could potentially fold them into its riverfront redevelopment plans.

From the roof of the Harrah’s building, panelists could see the Christ’s Episcopal Church, vacant and for sale, that the casino has indicated an interest in purchasing and demolishing to build its planned addition of about 200 rooms. Given the architectural and historic significance of the building, however, there have been suggestions to wrap the hotel around the church and preserve the building. The bird’s-eye view from the roof also gave panelists a broader sense of the riverfront, where the city is working to acquire lots and residents are beginning to fish after decades of avoiding it “because it was a sewer,” Mahalik said. “The Deep Tunnel project in Chicago saved it.”

The panelists also had a chance to tour some of the area’s other entertainment venues. Silver Cross Field, built after several commercial buildings and warehouses were torn down, is constructed of steel and stone and

represents the city’s commitment to its architecture, Fisher said, noting it spent \$3 million more than required for that reason. “The ballpark speaks for itself,” he said. The group saw the lobby of the Rialto Square Theatre (a performance was in session in the auditorium itself), which features a high-dome and intricate frescoes. Manager Randy Green said the 1926 vaudeville house, nearly torn down in the 1970s before its restoration and reopening in 1981, attracted a total of 259,000 people to 286 events in 2003. The theater’s budget is \$3.1 million, he said, of which \$550,000 is city subsidy. Panelists also walked past the new addition to the Burnham-designed library, another instance where the city spent money for better architecture, and saw a comedy club and nightclub that were set to open soon.

Interviews with Local Leaders

The panel members met with several groups of citizens and business owners to hear their perspectives about downtown Joliet. Individuals were asked to share their vision for downtown Joliet – what is working, what can be changed, and what they would like to see in the future. Local leaders included representatives of the ballpark, Catholic Charities, small business owners, neighborhood leaders, the prospective developers of a condominium-hotel and a high rise condominium project, Harrah’s Casino, Joliet Junior College, and Joliet Central High School.



Silver Cross Field has won awards for its excellent design. Its location downtown is the first major attraction since the casino was built.

Comments from local leaders covered the entire spectrum of public opinion, often focusing on the improvements downtown has experienced in the past decade, but noting there is still much to do.

Interviewees lamented that there are still few options for shopping and a lack of a positive identity for downtown. Some wanted to slow traffic and add visual gateways to encourage residents of the west side and other thru-traffic to stop in downtown. A typical comment was “I know it’s safe.



The Rialto Square Theater is a destination point for tour groups from around the country.

The perception is what's killing us. People are thinking back 20 years."

A developer of condominium-hotels said he would like to build a project that connects to the Rialto Square Theatre. He believes Joliet could attract more business people to stay overnight if it had a high-end hotel, saying that it's "far enough down the road" from Chicago that people doing business on the southwest end of the region would stay there. A salesman, who is also an elementary school district board president, said he thought the downtown could become a good market for commuters to Chicago who want a real estate "steal" with prices that might be less than half those found in Lincoln Park.

Leaders from the junior college said their downtown campus is not the main campus, mostly offering courses for GED and ESL, as well as culinary arts. While the culinary arts program operates a banquet service, they said the downtown does not have adequate hotel facilities for them to develop a wedding-related business. They said they have seen double-digit enrollment increases across the board, with the allied health area particularly booming, but they have limited capacity physically and have people on waiting lists.

A former chair of the City Center Partnership said he thinks the downtown is in the very early stages of gentrification. "We're trying to create a neighborhood. It goes

at a snail's pace," he said. "Ten years ago you could shoot a cannon off after five o'clock and not hit anybody." But the entertainment sector has moved forward, he said, and now, "We need to work on the residential, period," with city money to aid the process along. He said the city should take advantage of such amenities as the train station and a navigable waterway.

A representative from Harrah's discussed the difficulties of expanding in Joliet considering the increased tax on casinos that was passed last year. They stated that there would be no major expansion, hotel or marketing, until the marginal tax rate is reduced, and that they are currently marketing customers to go to the Harrah's East Chicago instead, where taxes are lower.

Final Presentation to the Community

The panel worked all afternoon and most of the second day, debating what they had heard from the city leaders and other participants, settling on the findings of fact, and developing answers to the questions posed by the community. The panel then delivered a presentation to the sponsors, interviewees and public at the end of the second day.

The panel made recommendations in three areas:

(1) a Market Study of both retail and housing; (2) a Physical Plan and Connections to Neighborhoods, which considered infrastructure improvements, as well as the best role for the Collins Street, USX and waterfront areas; and (3) an Implementation Strategy, which covered both the appropriate use of incentives and the marketing aspects.

Panel Chair James Matanky began the presentation with general thoughts from the panel. He said they formulated a vision of Joliet as an historic, riverfront community. "That's a great selling point, something you are and something you can work on." The notion of Joliet as a "regional center" for Will County was more "ambiguous," Matanky said. The drawing power of downtown

could lend itself to more specific language than the “if it’s fun, it’s in Joliet” slogan.

Joliet is one of the few true towns in the area, with transportation links, architecturally significant buildings and the riverfront, along with more recent calling cards like the ballpark, casino and ready sites for development. Given how relatively inexpensive real estate remains, Matanky said, the panel suggested adaptive re-use of vintage buildings into mixed-use developments. The 7,000 people in downtown during the day “should be able to buy a card, fill a prescription, drop off their cleaning.” The panel also believed Joliet should promote ethnic festivals to reflect the region’s diversity, as well as a “pioneer-friendly, entrepreneurial spirit. People have to be willing to take a chance,” he said.

Market Study

Panel member Maxine Mitchell, president of Applied Real Estate Analysis (AREA), Inc., presented the results of the panel’s market analysis, which she said would provide a “reality check” and identify the opportunities, incomes and niches that can be workable in the community. The retail analysis looked first at the types of uses that could

be supported in the short run by people already based in the downtown, such as county and city employees, people interacting with the court system, and entertainment seekers. Then, the panel suggested, the city could expand the focus to other users.

Given current rents of \$12 to \$16 per square foot and a high vacancy rate, the city needs to be flexible in attracting an anchor or multiple-mini-anchors, and be mindful of “catalysts that could build on the attractiveness and unique character of downtown Joliet,” Mitchell said. She suggested offering “generous incentives, especially at first” that could include such vehicles as TIF funds or rent abatements. The city’s initial action plan should encompass a more in-depth market analysis, an inventory of vacant retail space and asking rates, an updated demographic package that shows household income and buying power, and an attempt to tell the city’s “good news” story that Joliet could use to target retailers at the International Council of Shopping Centers (ICSC) show and other venues.

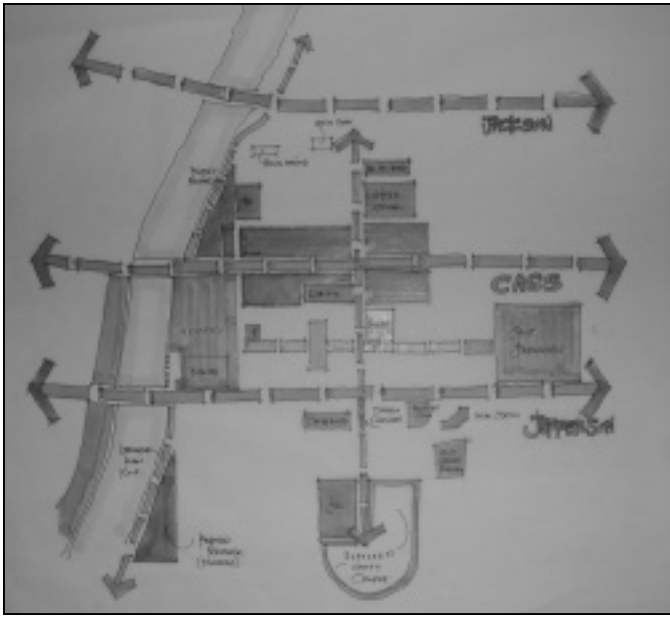
“Not everything can be done overnight,” Mitchell said. To serve the existing population, “you need some of the underlying support services that are not glitzy but pull the whole package of the downtown together.” Longer term, as housing developments go forward and more baseball fans seek to explore the

downtown area, the city can seek retailers that need a broader customer base such as major clothiers. Related to that, the city should consider a mixed-use development along the riverfront near Cass Street that would provide a “gateway to downtown,” along with a “comprehensive plan so you can make sure people look out onto the river and can access the river.”

On the residential side, Mitchell put forth the panel’s recommendation that the city target such demographics as people who work in downtown Chicago; young professionals who “want the more urban experience;” commuters who want



The upper floor of this treasured limestone building can be restored for housing.



Downtown Joliet's resurgence is co-dependent on retaining a government center, reinvesting in the Collins Street Corridor, and appropriately redeveloping the USX site.

proximity to Union Station; “empty-nesters who want to be closer to conveniences and are willing to give up that single-family home;” and seniors. Adaptive re-uses of existing buildings can help get “cost-effective, attractive housing into the marketplace quickly,” she said, including such possibilities as loft-style conversions in previously commercial buildings that become live-work arrangements for artists. New construction should “fit into the fabric of downtown Joliet,” meaning low- to mid-rise condominiums and townhouses.

Price sensitivity will be important in helping to draw people to living downtown, Mitchell said. This means keeping units smaller than typical single-family homes, in the 800- to 1,500-square-foot range. “You need to make sure they’re affordable until people know what’s here,” she said. Conversions of upper stories of commercial buildings also will help create affordability and increase the area’s “vitality,” she said. Mitchell concluded by emphasizing that a more complete market study is needed, beyond what the panel was able to focus on during its two-day visit.

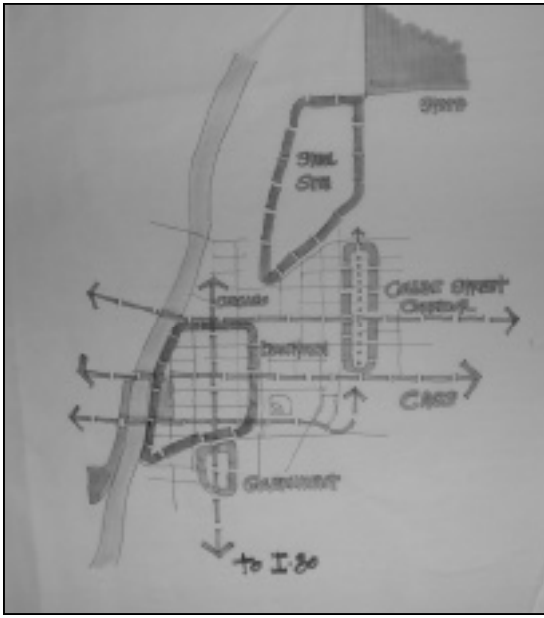
Physical Development and Connections to Neighborhoods

Jon Talty, president of Otis Koglin Wilson Architects, Inc., presented the panel’s thoughts on physical development through drawings he prepared. Talty started with the “macro” view to put in perspective the larger pieces that make up downtown. The panel focused on the core area defined by Jackson, Cass and Jefferson streets, as well as the river and train tracks. Members also gave consideration to the USX site northeast of downtown, state-owned property just north of that, and the growing Latino business community in the Collins Street corridor on the near east side. “That will play a major role in the growth and development of downtown Joliet,” he said. Another key will be the expanding government buildings that will “anchor the south end of downtown.”

On a more “micro” view, Talty presented finer details of what the panel thought the city could do to improve its physical environment. The panel recommended converting Cass Street into a slower-moving, two-way street with “teaser” parking that would help newer entertainment and retail establishments to capture people’s attention, he said. The current pattern of one-way streets “does a great job of getting you through, but it doesn’t make you stop and slow down,” Talty said. “We decided to focus on what is the core of downtown, from a retail and entertainment standpoint.”

A mixed-use, retail gateway at the river would anchor a retrofitted Cass Street as one enters downtown, creating a place where people would find destination stores so they could park and walk around the downtown. Creating the pedestrian right-of-way near the river would “give back the riverfront to the people ... so they can enjoy the amenity,” he said. The triangular-shaped plots of land alongside the river could be ideal for lower-density housing such as townhouses, “a little different type of product” that could be carried north and south of downtown as plots of land became available, to “stretch the fabric” of the downtown area in terms of residential development.

Chicago Avenue is a very pedestrian-friendly street, he said, but the 1970s-era planning, with its gentle



Panelists recommended establishing a downtown core at Cass and Chicago streets and making Cass two-way to draw people downtown and slowdown traffic.

curves and pavers, could use updating, including reintroducing parking.

On another front, Talty noted that directly between the major amenities of the ballpark and the casino is a hulking, 1970s-era parking deck “that we’ve all come to know and love,” he said with a wry smile. The panel suggested creating a pedestrian linkage between the two, anchored by converting the surface level parking between the garage and Chicago Street into a public park. Efforts could also be taken to make it easy for pedestrians to walk through the garage and to lighten up the look of the garage with murals and other aesthetic devices on the façade. “It would be a nice amenity to further anchor the downtown,” he said. That could help underscore the emphasis on Cass and Chicago streets and encourage potential retailers “to become part of that fabric, rather than shotgun sites across the city,” he said. “That really demonstrates that this is Main Street, that this is where it all begins.”

Talty re-emphasized the panel’s feelings about the need for architectural standards. “You’ve got to distinguish yourselves,” he said. “You have something [historic buildings and a downtown character] other people wish they had.” He suggested hiring a professional services firm to help establish such guidelines.

Lastly, Talty encouraged city leaders to continue to be creative in finding ways to draw pedestrians onto the streets, through public displays of artwork, live bands, and attractions related to the history of Route 66, which passed through downtown Joliet. “We want to invite pedestrian traffic,” he said. “We want to encourage street life to occur. We want to get people outside.”

Implementation Strategy

Tina Dalman, partner with law firm Gardner, Carton & Douglas LLP, and Paul Shadle, attorney with Piper Rudnick LLP, presented the panel’s suggested implementation strategy. Dalman said the panelists “hope we have new ideas, or fresh approaches to old ones. You’ve had great successes in the last 15 years.” She encouraged Joliet to celebrate those successes and move on to “Phase II” of its downtown redevelopment by first performing a national search for peer communities after which to model itself. “That will help you identify what you want to be and what you don’t want to be,” she said.

In addition to maintaining its architectural heritage, Joliet’s downtown must reflect its ethnic diversity if the redevelopment is ultimately to be successful, Dalman said, adding that this is for reasons that go beyond mere political correctness. “If you bring people into the process early on, you will create new users for the downtown,” she said. The city should think in terms of all demographic categories, for example, those who perhaps live in nearby towns but drive to the train station to commute to Chicago. “Capture retail activity before and after their commutes,” she said.

The city cannot simply wait for the market to work its magic, Dalman said. She noted that many other nearby communities such as Naperville and Bolingbrook have been proactive in the early phases of downtown redevelopments. Joliet’s leaders must work to identify and control key sites and work with developers, she said. She listed the Cass-Chicago retail corridor, riverfront, and USX property as especially vital. The city should identify and recruit developers of mixed-use properties in downtown areas, who are “very specialized” in what they do. The next



Chicago Street's retail is starting to come back, but its look should be updated and "teaser" parking should be introduced along the street.

step would be to generate and issue RFPs for those sites.

Dalman emphasized that the USX site is potentially fateful for downtown. "What goes on at that site could wipe out all opportunities downtown," she said. "You need to enhance what happens downtown."

Shadle covered the issue of financing, encouraging city leaders to "identify a full palette of development incentives." He acknowledged this would involve a traditionally fiscally conservative municipal government taking some risks, but said the panel felt it was "a fiscally responsible way of leveraging development. It's important to give an up-front financial incentive." Shadle suggested using funds from TIF, gaming revenues and federal Small Business Administration, among other sources, to "go right to the real dollars to get investments moving forward" through public-private partnerships.

Dalman added, "When we say, 'aggressively use all aspects of TIF dollars [to attract retailers],' we mean

that towns across America are all competing for those same retailers." Joliet is well-run and in terrific financial shape, she said, but it needs to "take risks and make investments in a success."

Since "you can't do everything at once," the panel laid out a proposed time-line. The city should take six to 12 months to refine its vision, goals and benchmarks and to set priorities for redevelopment, he said. Leaders should hire a real estate adviser and issue RFPs for the Cass-Chicago and riverfront sites within 12 to 18 months, for other housing developments within 18 to 24 months, and for the USX and other northern properties in two to three years.

Matanky concluded the presentation by urging city leaders to produce marketing materials promoting the Cass-Chicago hub "immediately." He said they should envision a downtown that, in the not too distant future, would have "more people living here, more services available here, more retail stores open here, and a more inviting environment for residents, businesses and shoppers."

Questions and Answers

The panel then answered questions from city officials and residents. City Councilman Timothy Brophy asked why the city should target artists for rehabilitated housing. Panelist Peter Levavi, senior vice president for development at Brinshore Development, said that vacant units above storefronts are undervalued, and it would give the city a chance to start with less expansive, less risky housing product. Panelist Paul Roldan, president of Hispanic Housing Development Corporation, noted that a main artist's strip in Oak Park holds art auctions and other activities that draw people into the area. "That's part of your challenge, is to get folks into old Joliet to see what's here," Roldan said.

Don Fisher commented that he “enjoyed” the focus on Cass Street, saying that “it’s started to happen on its own,” but “we need to focus on it.” He said he found the two-way idea “interesting.” John Mezera asked what the panel would recommend putting in the USX site that wouldn’t sap the downtown. Although specific ideas were not formally part of the panel’s charge, members had privately contemplated a mid-density, single-family housing project of about 800 homes with neighborhood retail, “something that will service residents of the east and northeast side,” Matanky said. Dalman suggested four to six housing units per acre with “ancillary retail services for that community” like a grocery store. Matanky said, “If you put a Target in that site, any small retailer that’s going to take a chance in downtown wouldn’t have much of a chance.”

Brophy asked where the city should start with RFPs. Matanky suggested focusing on retail near Chicago and Cass along with a residential site, possibly on the riverfront. Brophy asked whether the city had been wrong to focus on residential development rather than retail. “We’re saying that you can do this simultaneously,” Levavi said. Shadle added, “We are suggesting that you focus on sites.” And panelist Jerry Szatan, principal of Szatan & Associates consulting firm, said, “We did address timing. Some of these [RFPs] are manageable for the short term. The riverfront development would be more significant.”

Panelist Lyneir Richardson, vice president of urban land development for General Growth Properties, strongly urged city leaders to attend the International Council of Shopping Centers’ convention in Las Vegas, saying that 90 percent of retail deals are struck there. “Go and say, ‘We have opportunities here.’ Go and talk to all the target retailers,” he said. Matanky added, “You move it forward a little faster. You find them instead of them finding you.” Richardson also underscored Dalman’s point about taking into account all stakeholders, suggesting that city leaders follow the model of Joliet Central High School, which is one-third apiece white, African-American and Hispanic. “You really have to be proactive about getting all the stakeholders involved so it’s part of everybody’s success,” he said. “Celebrate

‘Phase I.’ But we may need to identify a new set of leaders.”

Mezera asked the panel how the city should approach chain retailers like Starbucks or Barnes & Noble – directly or with a developer? “I would go directly to retailers,” answered panelist Andy Witherell, principal of Witherell Real Estate. “That way you’re going to get the whole story on what the barriers are to bringing them into downtown.” An audience member who worked on redeveloping downtown Evanston said that city had pooled landlords into a public-private partnership called EvMark, which marketed properties together and coordinated rents. Similarly, the city of Joliet should leverage its investment in City Center Partnership and market the downtown, including building on the base of the fledgling artist district which has attracted people to the area.

Richardson said the benchmarking process would be important, emphasizing that Joliet should undertake a national search for communities with similar assets and history, which have progressed further in their redevelopment efforts, and “figure out how they got to where they did.” John Oharenko, senior vice president of GMAC Mortgage Corp., said the city needs to sell its story as the 10th fastest growing city in the country, which means foot traffic could potentially be heavy if all those feet got moving in the right direction.

Roldan predicted the city would need to subsidize earlier developments, but could probably do so less as time goes on. He suggested an “open-book relationship” with developers so there is a mutual understanding of risks involved and a collaborative attitude. “You’re in this together,” he said. “If this development fails – especially with the first developments – everybody loses. You don’t get a second strike. This isn’t baseball.”

Panel Recommendations

Retail and Mixed Use

- Concentrate first on retail development, changing Cass Street to two-way and attempting to cluster shops near the intersection of Cass and Chicago streets, rather than continuing to "shotgun" them wherever they happened to go. Retail could then expand outward from that core.
- Consider a major mixed-use development along the east side of the river, north of Cass, incorporating retail and housing development that would anchor the riverfront and serve as a gateway to downtown from the West Side.
- Seek to attract mostly smaller, niche, independent retailers at first – with larger franchises to come later – and a housing mix with varied price points for townhomes and low- to mid-rise condominium developments.

Housing

- Focus initially on a housing market below \$200,000 to entice residents to move downtown.
- Develop transit-oriented housing near Union Station, the terminus for two Metra lines, in keeping with the nature of the surrounding community design.
- Convert upper stories of existing building stock to residential.

Community Linkages and Character

- Create a pedestrian linkage between the Harrah's Casino and the ballpark, and convert surface-level parking next to the parking garage in the center of downtown to a green space to serve new residential development. Conduct a parking study to understand usage and suggest alternative plans that will not block the middle of town.
- Attract pedestrian traffic onto the street with events such as public artwork, live music, and attractions related to the history of Route 66.
- Preserve the older, architecturally significant buildings that other communities would love to have and formulate design standards for new ones.
- Rework the first round of infrastructure improvements to eliminate the meandering streetscape and overgrown trees – improving access and visibility.
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Development Process

- Issue RFPs for key sites in part to understand what the development community considers feasible, including the Union Station area, riverfront and USX land.
- Ensure that big box development on the USX site does not diminish retail efforts downtown by focusing on housing convenience shopping, leaving the major retail push in the downtown.
- Be prepared to "heavily incentivize" the first wave of development and then be able to do so less and less, similar to what many other communities have done. Continue to control key sites until suitable development is presented.
- Produce marketing materials and sell the area to developers through such venues as the annual International Council for Shopping Centers convention in Las Vegas.
- Find communities around the country to compare practices for downtown redevelopment.



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