

James Felt Creative Counseling Award - 2013



Bredemann Reservoir/ Shops and Residences of Uptown Park Ridge, IL

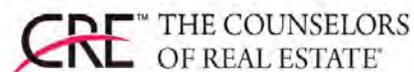
Presented to

Stephen B. Friedman, AICP, CRE

April 30, 2013



Contact:
Grace Kim
312.384.2423
gkim@sbfriedman.com



Contact:
Carol Scherf
312.329.8429
cscherf@cre.org

JAMES FELT CREATIVE COUNSELING AWARD SUBMISSION - 2013
Stephen B. Friedman, CRE, President
SB Friedman Development Advisors, Chicago, IL

Executive Summary

Title of the Assignment

City of Park Ridge, Illinois, Bredemann/Reservoir Area Developer Solicitation and Selection

Background, Property Description and Special Features



Uptown Park Ridge – 2002

SB Friedman Development Advisors (“SB Friedman”) was engaged to assist the City of Park Ridge in soliciting developers for Target Area 2 of its Uptown Master Plan, generally known as the Bredemann/ Reservoir Area. Stephen B. Friedman, CRE, president of the firm, served as Project Director for this assignment. At the time of the consultant selection, the City Council consisted of 14 aldermen, one of whom was Michael MaRous, CRE, serving in his civic capacity.

As a Sub-Area Plan for Uptown was being completed by Trkla Pettigrew Allen and Payne in the early 2000s, the City purchased two car dealerships in what was called Target Area 2 to pursue redevelopment. It also determined that its existing reservoir was leaking and might be moved. The site is located at a six-way intersection, heavily traveled. At the time the project began, the pedestrian environment would have been charitably described as “hostile” despite the proximity to the public library, the iconic Pickwick Theater and a traditional walking downtown. Given these factors, the City was able to establish a Tax Increment Financing (TIF) District in 2003 to aid in their redevelopment efforts.

While the City worked on land acquisition to complete the site and on the complex engineering and financing issues to move the reservoir, it moved forward with proactively pursuing mixed-use development of the site. Around this time, they engaged *SB Friedman Development Advisors*.

Process and Conclusions

Friedman assembled a planning team to work on establishing a viable development concept for the site so that developer solicitation would be based upon a realistic and approved vision. Working with the City, HKM Architects and Planners, and Parsons Transportation Group, Friedman evaluated the development potential of the site. Key issues were the relationship of the site



to the Pickwick Theatre, complex traffic patterns and establishing a walkable downtown environment.

The adjacent block that included the existing public library was considered off-limits for development. Earlier market studies were updated and expanded.



Through a series of studies, the concept of organizing the downtown around a “city commons” that encompassed the library block was introduced, making this site a focal point since it could not be developed. A number of ways to tame traffic at the intersection were also identified. We worked through several issues related to height, design, materials and uses in a series of sessions with both staff and the City Council.

As these studies were being conducted, the mayor resigned for reasons unrelated to this project and Michael MaRous, CRE, was elected Mayor. Shortly after the first workshop with the City Council, 7 of the 14 members of the City Council were replaced as a result of contested elections.

Several additional sessions, involving both old and new aldermen, were held to establish a common understanding of the potentials of the site, balancing market reality, site capacity and community goals.

These sessions focused on helping the alderman, particularly the new ones, understand the true potentials of the site. Some alderman wanted the site to be a “life-style center.” The sessions helped to demonstrate that the entire downtown would be a “life-style center,” not just a single site. Other alderman could not conceive of quality architecture and were shocked that the “visual preference” slides we showed were of newly constructed buildings, not ones dating from the 1920s. Through this process of consultation, education and collaboration, we led the Council to understand the role of the site and to endorse the development guidelines. The site was to be a mixed-use complex with retail that complemented and strengthened downtown, condominiums and townhouses on its edge closest to an adjacent park. The site needed to park itself and provide 100 additional spaces, principally underground using the pit left by the removal of the reservoir.

In September 2003, the City Council unanimously approved the issuance of the Request for Developer Qualifications and Proposals (RFQ/P).

The RFQ/P was released in early September 2003 and attracted 19 responses. The development teams were evaluated based on their experience with similar projects and financial capacity. This is a crucial step in *SB Friedman’s* process. At this stage, we do not want to be distracted by design or “eye candy.” Developers need to demonstrate experience and financial strength to carry out the project through an extended period before they will be able to close on public land and have collateral for a loan. Five development teams were short-listed and submitted full proposals.

We then evaluated the full development proposals for Target Area 2 based on their fit with City goals and development guidelines, site planning and design quality, architectural design quality, and economic benefits. In order to evaluate economic benefits to the City, we conducted a financial analysis that

owner of a retirement center that was intentionally excluded from the project. Friedman’s involvement from this point on was intermittent, including such items as evaluating the need to change retail strategies when a bookstore dropped out, evaluating fees in-lieu of sales tax, etc. The “settling-up” on the profit-sharing agreement occurred in 2011 with the developer having achieved a profit but not at a level sufficient to trigger sharing with the City.

This \$120 million mixed-use project known as the Shops and Residences of Uptown is complete and substantially sold out or leased. It has had a catalytic impact on the surrounding area and succeeded in its broader goal of creating a vibrant, life-style retail, Uptown Park Ridge. It consists of: 189 for-sale residences, including a variety of housing options; approximately 70,000 sf of retail; and parking for more than 650 cars, on the site of a former water reservoir and two car dealers.

- Total Residential Units: 189
- Total Square Feet: 383,788
- Total Parking: 702
- Residential Construction Cost PSF: \$142
- Residential Sales Price PSF: \$284
- Total Market Value: \$116 million
- **Total Project Cost: \$120.5 million**

The process used in this project and other similar assignments by Friedman is depicted below and described more fully in an article from Public Management magazine included as part of this submission (see Section 8).



10-STEP DEVELOPER SOLICITATION PROCESS



Critical counseling skills related to development programming and guidelines, consensus building with public officials, managing developer solicitation, financial analysis and deal structuring were involved.

The success of the project was the result of a team effort by city staff, elected officials, the consultant team and ultimately, the developer. The complete list of participants is as follows:

For the City:

Mayor Michael MaRous, CRE
Timothy Schuenke, City Manager
Juliana Maller, Assistant City Manager
Randall Derifield, Community Development Director
Joe Saccamono, Public Works Director
Everette “Buzz” Hill, City Attorney
SB Friedman Development Advisors
Klein, Thrpe & Jenkins
Vistara Construction
HKM Architects
Parsons Transportation Group

For the Developer:

E.R. James Partners
Mid-America Real Estate
Valenti Builders
The Lakota Group
OKW Architects
SpaceCo
KLOA
The Laube Company
Piper Rudnick

Creativity Quotient and Results

The project has been transformative to Park Ridge’s Uptown area (their traditional downtown). By providing an iconic “twin” to the historic Pickwick Theater, it draws the sides of an intersection of major arterial roadways together to form a cohesive, walkable area.

The project has brought to Uptown key regional and national chain retailers including Trader Joe’s, Jos. A. Bank Clothiers, Chicos, and several restaurants. These, in turn, have helped attract additional retailers across Northwest Highway as well as patronage to the retailers on Prospect, the traditional retail street.

The residential component includes an extensive green roof, and uses energy-efficient engineering and building components, and local materials.

The design of the project and changes to traffic at a very difficult and trafficked intersection also has enhanced the transit-supportive character of the area. The addition of a traffic light allows pedestrians to access the Metra Station and library areas. As the project provides additional public parking

principally underground, partly using the excavation of the former reservoir, this is a key linkage. The signal also allows changes in turning movements, which improves the pedestrian environment at a very difficult six-way intersection.

The development has achieved the community goal of turning Uptown into a true community downtown and life-style center, replacing underutilization by car dealers and transforming the environment of the site and surrounding area. The project itself is a financial success for both the developers and the City. It was still selling and leasing when the recession took hold, but was successfully completed by the original developer.

The project has won several awards including: the 2008 Gold Award from the Illinois Chapter of the American Planning Association; the 2008 award in the Neighborhood, District and Corridor category from the Congress for the New Urbanism; the 2009 Edie Award for Environmental Excellence presented by the Illinois Chamber of Commerce and Illinois Development Council; and the 2012 ULI Chicago Vision Award for Suburban Development.

Date Assignment Completed

The core assignment was completed in the fall of 2009, with the review of profit sharing completed in 2011.

UPTOWN PARK RIDGE

BEFORE, DURING and AFTER...

Aerial Photos



2002



2004



2006



2008

UPTOWN PARK RIDGE

BEFORE
Site Photos



UPTOWN PARK RIDGE

DURING
Site Photos



UPTOWN PARK RIDGE

DURING
Site Photos



UPTOWN PARK RIDGE

DURING
Site Photos



UPTOWN PARK RIDGE

AFTER
Site Photos



UPTOWN PARK RIDGE

AFTER
Site Photos



UPTOWN PARK RIDGE

AFTER
Site Photos



CITY OF PARK RIDGE, ILLINOIS
Bredemann/Reservoir Area Developer Solicitation and Selection

Chronology

October 2002	<i>SB Friedman Development Advisors</i> engaged to assist the City of Park Ridge in soliciting developers for the Bredemann/Reservoir Area
November 2002	Site tour, interviews and goal-setting
November 2002 - December 2002	Review and update of market factors
January 2003	Site analysis and creation of illustrative plan
April 2003	City Council Workshop #1
May 2003	City Council Workshop #2
September 2003	RFQ/P released to solicit developer qualifications
November 2003	Review of qualifications/Shortlist five to request proposals
March 2004	Proposals received, reviewed and reduced to three
May 2004	Final recommendation made by <i>SB Friedman Development Advisors</i> City Council selects a preferred developer (PRC Partners)
June 2004	Negotiations with PRC Partners commence
December 2004	City Council approves the redevelopment agreement
June 2005	Groundbreaking
2009	Construction completion
2011	Review and “settling up” of profit-sharing agreement