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Date: December 9, 2016

To: [Timothy J. Frenzer, Village Manager](#)

From: [John Adler, Director of Community Development](#)

Subject: [Linden Station](#) Transit Oriented Development (TOD) Study

Please find attached a TOD study of the Chicago Transit Authority's (CTA) Linden Station property. The study was completed by the University of Illinois at Chicago (UIC) TOD studio class. The study was completed for the CTA and provides redevelopment scenarios for station's 2.1 acre southwest parking lot. In developing the scenarios the students reviewed the historic usage of the Linden Station's parking lots.

The CTA reviewed the study and authorized its release. It is expected that the CTA will use the study to gauge interest in the potential redevelopment of a portion of the southwest parking lot.

2016

UIC TOD Studio



**Transit Oriented Development
University of Illinois at Chicago**



**Linden Station, CTA Purple Line
Wilmette**

**Ashland/63rd Station, CTA Green Line
Englewood**

Funded by:

Chicago Transit Authority (CTA)

Regional Transportation Authority (RTA)

Metropolitan Transportation Support Initiative (METSI)

2016 UIC Transit Oriented Development (TOD) Studio

The UIC Transit Oriented Development (TOD) Studio is composed of advanced graduate students in Urban Planning. The Studio members have diverse backgrounds in architecture, landscape architecture, economic development, and transportation.



Left to Right: Shubhayan Ukil, Thomas Kirn, Luis Uresti, Yuanjun Zang, Natalie Hamilton, Anthony Jones, Pin-Jung Ho, Kimberly Phillips, Thomas Bothen, Alderman Toni Foulkes, Kristin Johnson (CTA), Jim Keene , Roy Rothschild, Lauren Klabunde, Stina Fish (CTA)



Alderman Foulkes speaks to the TOD Studio and local merchants in her Englewood office



John Adler, Wilmette development director



Studio advisors Paul Cohen and Fran DeCoste

Thank you!

In addition to advanced graduate students, the UIC TOD Studio has depended on seasoned real estate professionals and local stakeholders to guide research and concept development.

Alan Bombick, 1955-2016

It is with sadness that the UIC TOD Studio marks the passing of Alan Bombick, an architect who was a regular visitor to the Studio and a gentle and thoughtful presence.

Chicago Transit Authority

Stina Fish
Kristin Johnson
Carole Morey
María-Teresa Román
Leslie Boucree

Ray Henderson, real estate developer
Max LeSueur, LeSueur Systems, LLC
Mike Mallon, Draper & Kramer
Tony Manno, CMAP
Laurie Marston, former Wilmette Development Director

Regional Transportation Authority

Jessica Hector-Hsu
Michael Horsting

James Matanky, Matanky Realty Group
Cecile De Mello, UIC MUPP 2014
Cathy Pratt, Wintrust Bank

Advisors, Lecturers, Stakeholders

John Adler, Wilmette Development Director
Bob Bielinsky, Wilmette Village President
Alan Bombick, LEGAT Architects
Paul Cohen, Sherwyn Real Estate Development
Fran DeCoste, TR Advisors, LLC
Toni Foulkes, Alderman 16th Ward
Yonah Freemark, Metropolitan Planning Council
Tim Frenzer, Wilmette Village Manager

Akhter Sadiq, Ace Hardware
Steve Schlickman, UIC
Michael Szkatulski, RMC International
Barry Sharkey, Rainbow Foods
Kyle Smith, CNT
Julie Yusom, Wilmette Chamber of Commerce
Julie Wolf, Wilmette Trustee
Ruth Wuorenma, Neighborhood Capital Institute
Ujamaa Community Land Trust

To the Chicago Transit Authority,
Regional Transportation Authority,
and the Metropolitan Transportation Support Initiative,

It has been a pleasure to work again with the CTA and also to be joined, this year, by the RTA. On behalf of the talented graduate planning students, Graduate Assistant Lauren Klabunde, and the professional advisors and community stakeholders who volunteered their time to the UIC TOD Studio, we are pleased to submit this report on transit oriented development.

We were charged with sharing recommendations to capture financial value and add vibrancy to two stations: Linden Station on the Purple Line in Wilmette and Ashland/63rd Station on the Green Line in Englewood. To undertake this work, the students formed into two teams. Pin Jung Ho, Shubhayan Ukil, Yuanjun Zang comprised the Purple Team; and Natalie Hamilton, Anthony Jones, Mimi Phillips, Roy Rothschild and Luis Uresti comprised the Green Team. Both teams undertook community, market and site research; assessed parking and financial values; and made preliminary and, then, final presentations to CTA/RTA officials and community leaders.

Thank you for your sponsorship and the opportunity to serve you.

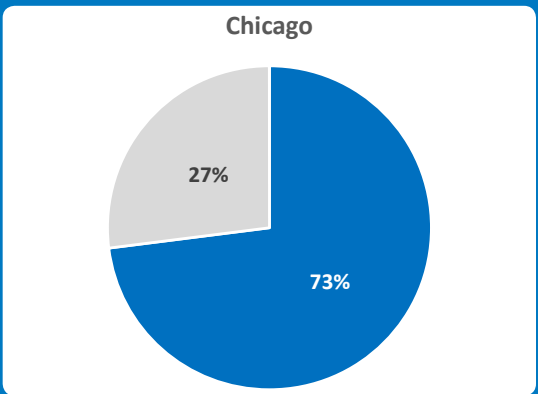
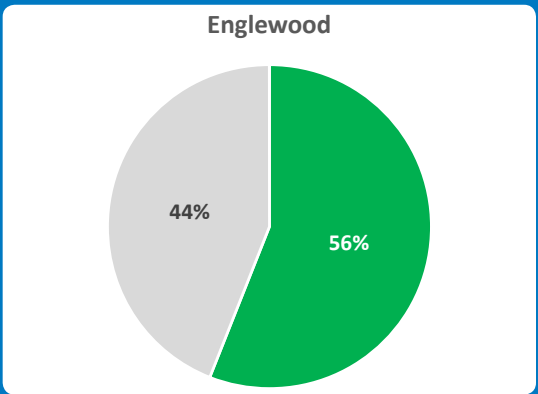
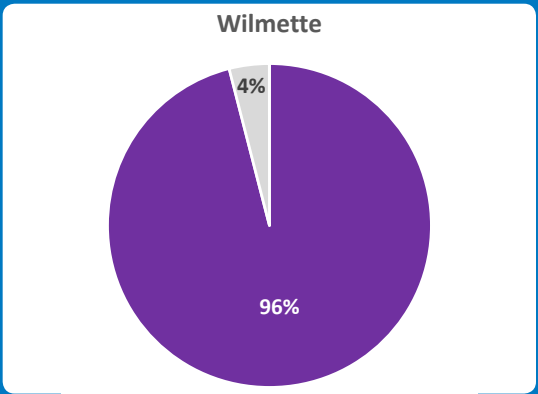


Jim Keene
Visiting Program Director
Transit-Oriented Development



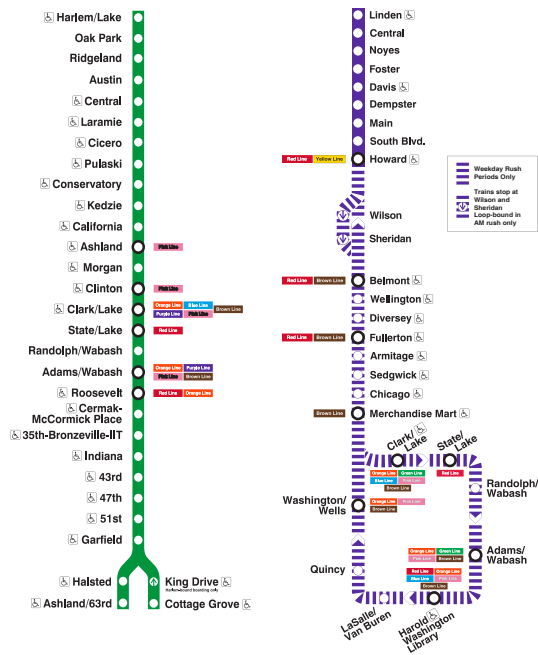
Thomas Bothen
Adjunct Lecturer

Individual Vehicle Ownership

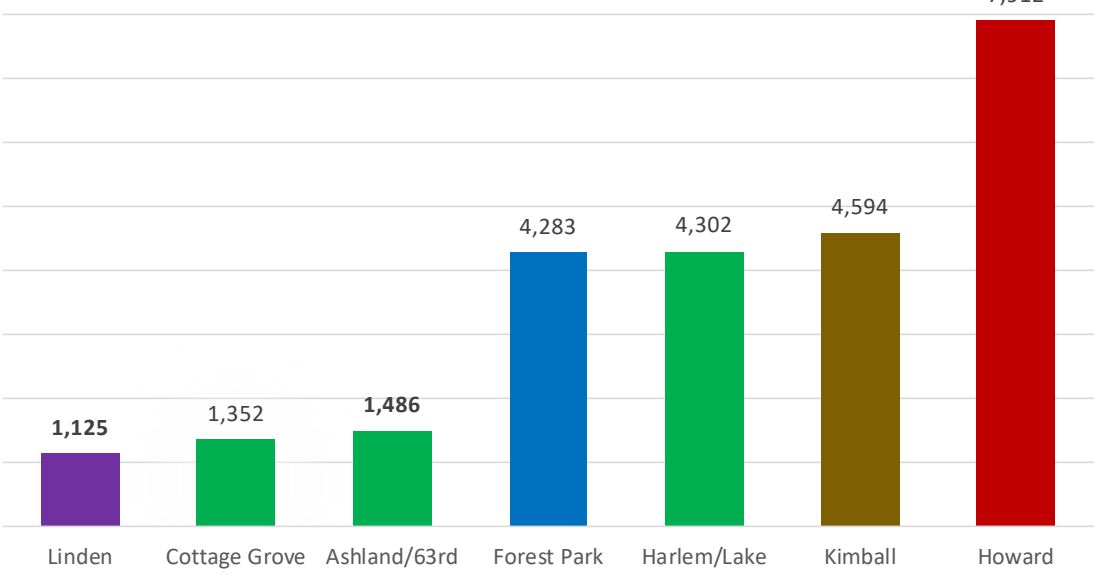


Source: U.S. Census Bureau, 2005-2009 American Community Survey

The CTA Green Line Ashland/63rd and Purple Line Linden Station are both end of the line station terminals, are well-served by bus service and draw about 100 vehicles a work day to CTA-owned commuter parking stations. But both stations lag other end-of-the-line stations in terms of ridership. Moreover, the communities are strikingly different in terms of income, property values and car ownership.



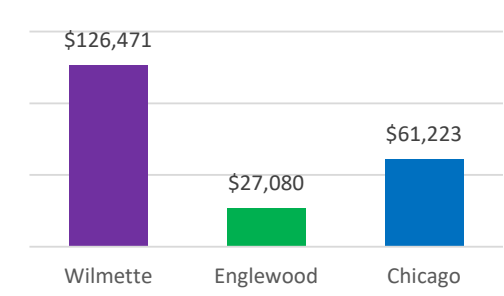
Average Weekly Ridership End of the Line Stations



Source: <http://www.transitchicago.com/> March, 2016

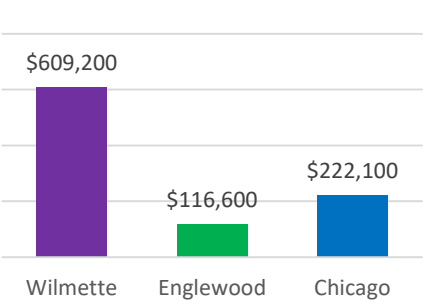
Please note: O'Hare and 95th end of the the line stations are omitted here

Median Household Income



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

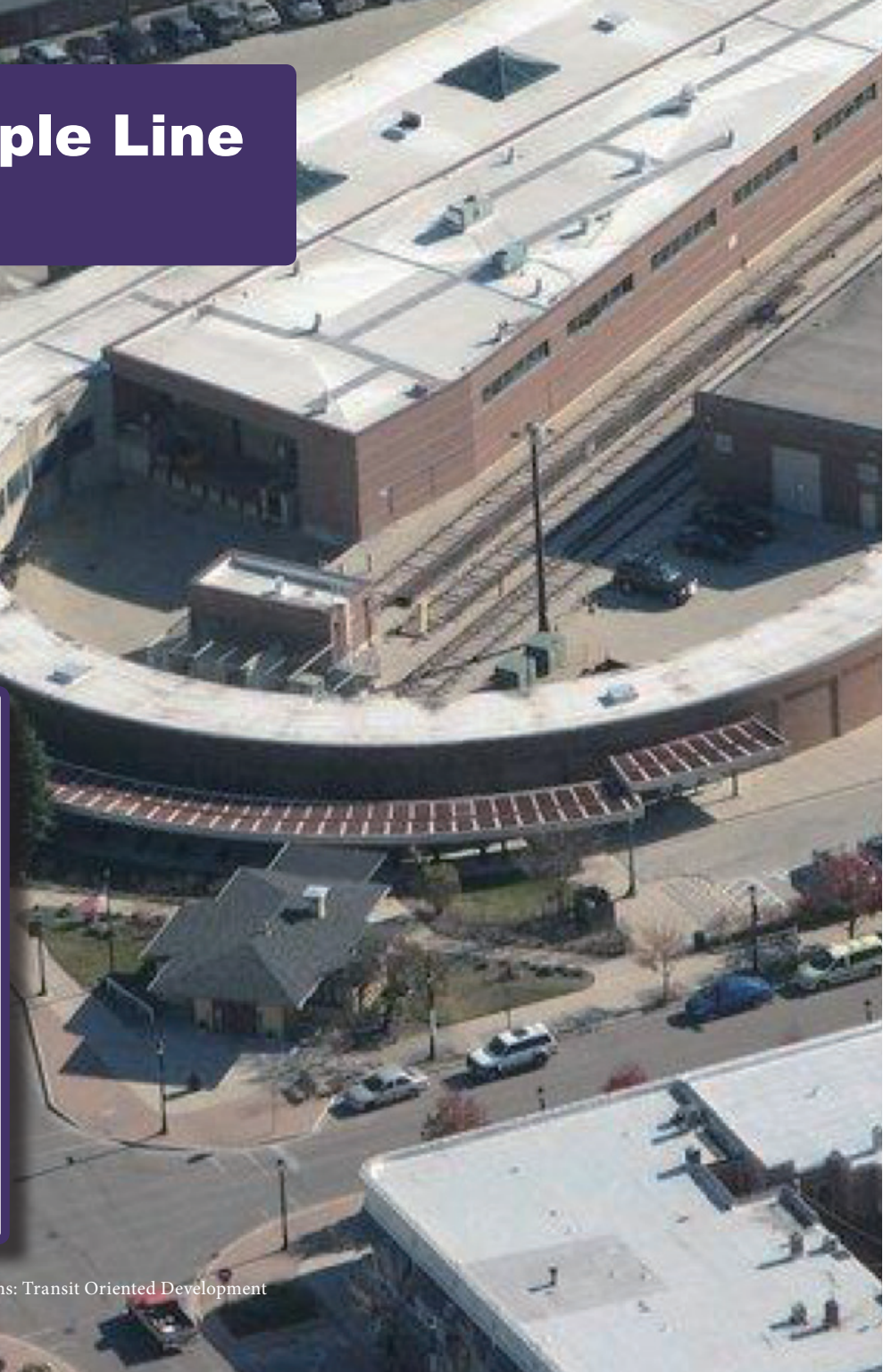
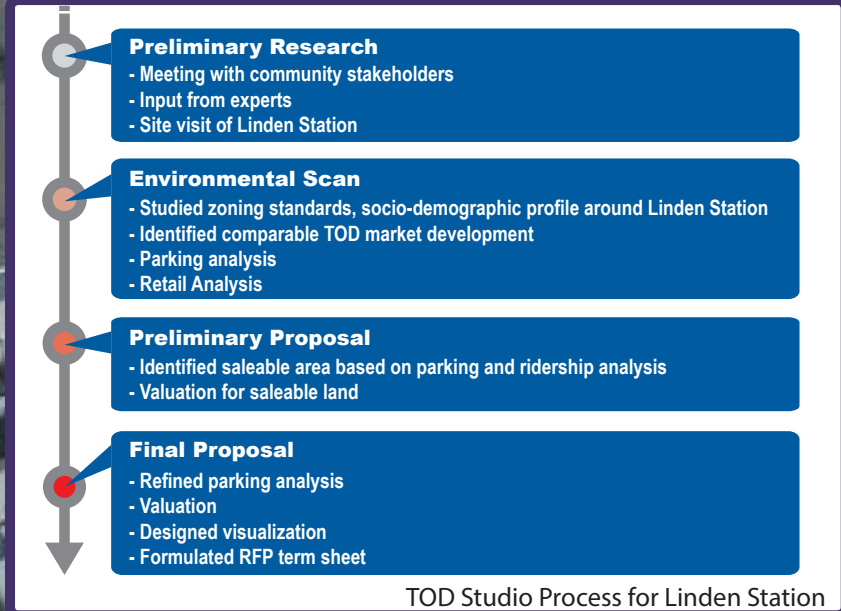
Median House Value



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

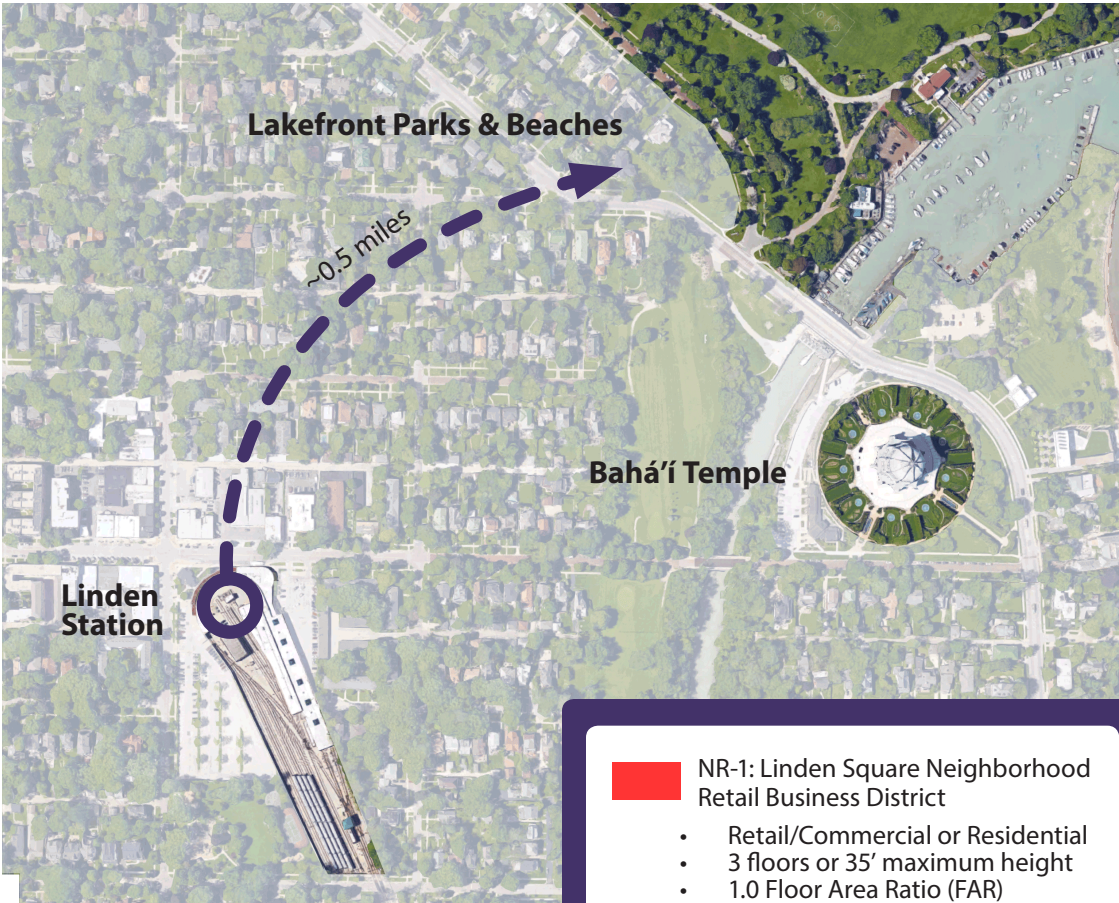
Linden Station, CTA Purple Line

The Village of Wilmette



Located north of Chicago, the CTA’s Linden Station is at the end of the CTA Purple Line in Wilmette, a wealthy North Shore suburb. Linden is presently served by three Pace bus lines and has a surplus of parking in two lots on a total site that comprises 5.4 acres. All of the site infrastructure was rebuilt in 1993, but the original depot building that opened in 1921 still stands and is protected as a historic structure.

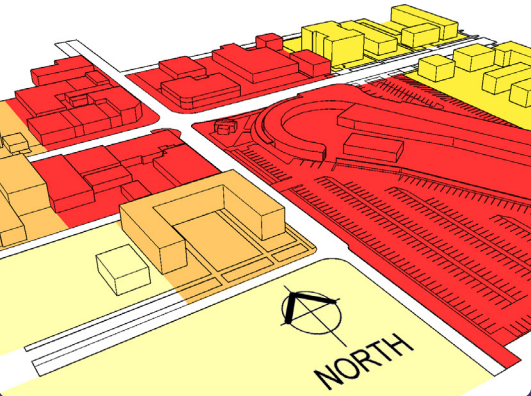
Wilmette is served by Metra Service in downtown Wilmette, a little over 1 mile away from Linden. Linden Station and the properties at 4th Street & Linden Avenues lie within the Village of Wilmette’s NR-1 Linden Square Neighborhood Retail Business District that is depicted in the image at right. Known as “4th & Linden,” as well as “Linden Square,” the retail district suffers from competition from retail districts to the north, west and south. Linden Station is about ½ mile from lakefront parks and beaches, is two blocks from the Bahá’í Temple, and the surrounding neighborhood is primarily single family homes. 96% of Wilmette households own vehicles, compared to 73% of Chicago households.



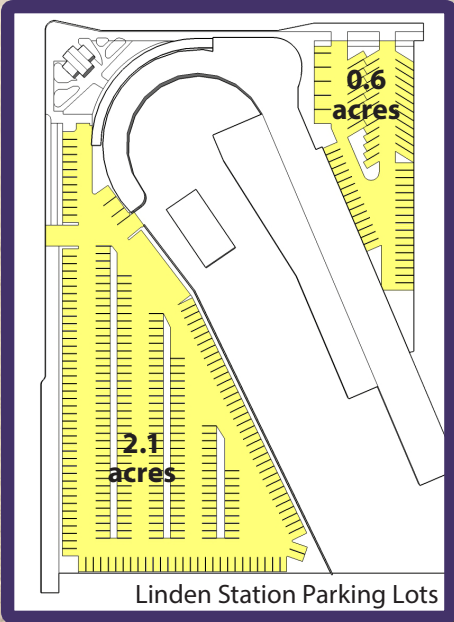
Linden Station Area Attractions
Source: Google Maps, 2016

In meetings with community officials and other stakeholders, the UIC TOD Studio heard of the importance of a public process in reviewing a potential development, of the potential for zoning relief and that the community believed that the Linden Station retail district would benefit from increased density.

- NR-1: Linden Square Neighborhood Retail Business District
 - Retail/Commercial or Residential
 - 3 floors or 35’ maximum height
 - 1.0 Floor Area Ratio (FAR)



Linden Station Area Zoning
Source: Village of Wilmette Website, 2014



West Parking Lot, Linden Station

Surplus Parking Capacity

Linden Station has surplus parking capacity. Chart #1, for example, illustrates that, in 2014, not in a single month did the average monthly parking utilization exceed 50%. It is noted that in the following year, in 2015, parking utilization did exceed 50% during the months of July and September; but average monthly parking utilization also dropped below 20% for one month (January) in 2015, which never occurred in 2014.

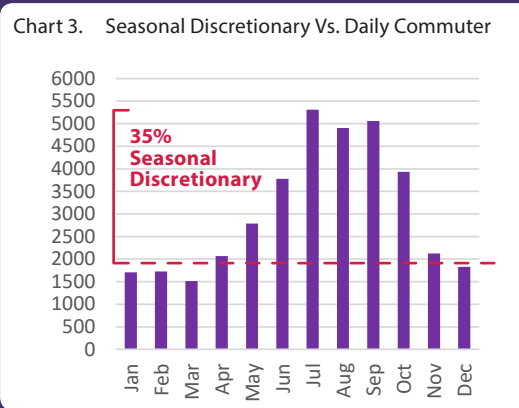
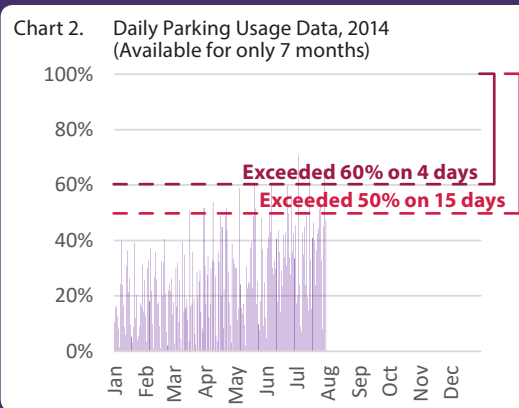
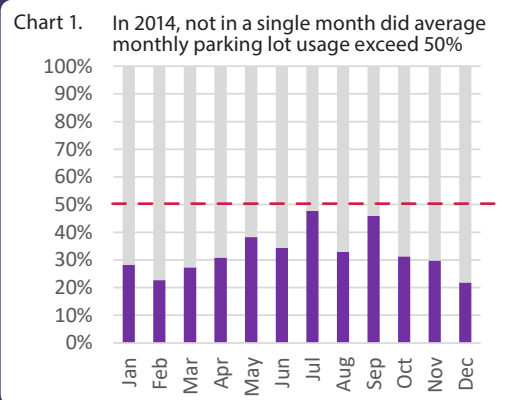
Our analysis was constrained because daily parking data was available only for 7 months during 2014 and not at all during 2015, as the Village elected to discontinue daily collections. Such daily parking data is important to supporting a determination of the amount of parking capacity that should be retained to accommodate CTA riders versus the amount of parking that is unnecessary and that the CTA might identify as property available for a development on the site. Averages can obscure variance during the month.

As shown on Chart #2, during the seven month period, parking utilization exceeded:

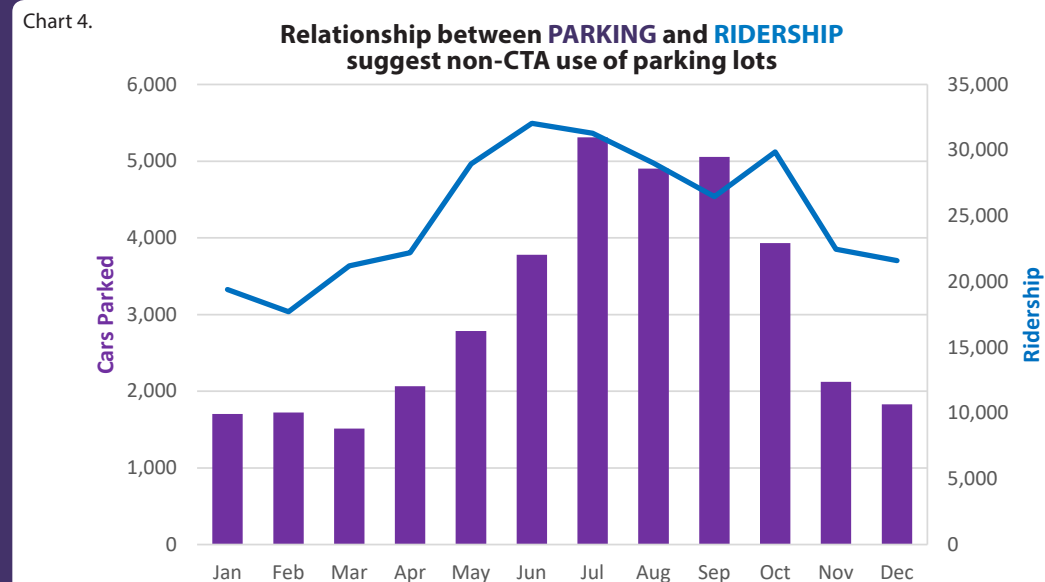
- 60% utilization on 4 days and
- 50% utilization on 15 days.

Were the CTA to have reduced parking to accommodate 50% or 60% of current capacity, on these 4 or 15 days, riders seeking a parking spot would have been unable to park. Because street parking adjacent to the station is restricted to two hours, these customers might resort to parking a few blocks away or might elect to not utilize CTA. Were the CTA to reduce parking to 50%, the seven months of data from 2014 indicates an average of 24 cars could not be accommodated on those days. At 60%, an average of 47 cars could not be accommodated.

Chart #3 indicates seasonality. Over the course of the year, about two-thirds of the utilization is attributable to daily commuter parking. About one-third of the utilization is attributable to summer and early fall discretionary activities.



Source: Linden Station Parking Revenue, Village of Wilmette, 2014



It is apparent that the CTA Linden Station parking spaces are sometimes used by customers who do not enter Linden Station to ride the Purple Line. The Village 4th of July celebration and Northwestern football home games are examples of events that fill the parking lot for customers who do not use the CTA. In the chart to the left, the absence of a gap between parking (in purple) and ridership (in blue) during July, August and September suggests non-transit use of the parking lots.

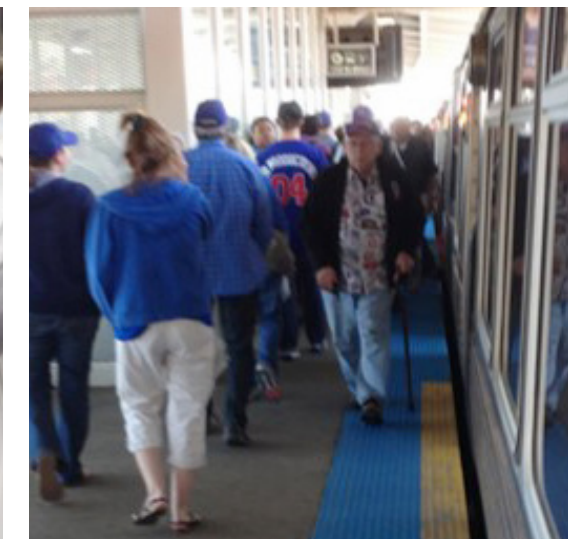
Source: Linden Station Parking Revenue, Village of Wilmette, 2014; Chicago Transit Authority

Go Cubs Go!

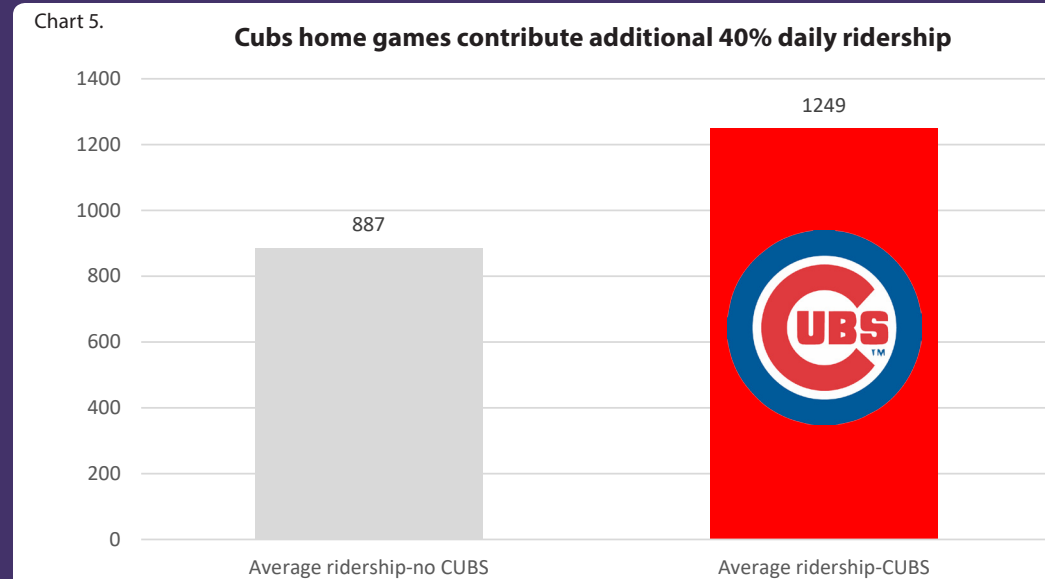
The UIC TOD Studio sought to identify the drivers behind the seasonal discretionary parking and found reason to believe that Chicago Cubs home games, the Village July 4th lakefront fireworks celebration, Northwestern home football games, St. Patrick's Day, Chicago Bears home games and Chicago lakefront festivals all could be associated with increased parking utilization.

Cubs home games are the strongest single driver of seasonal discretionary trips.

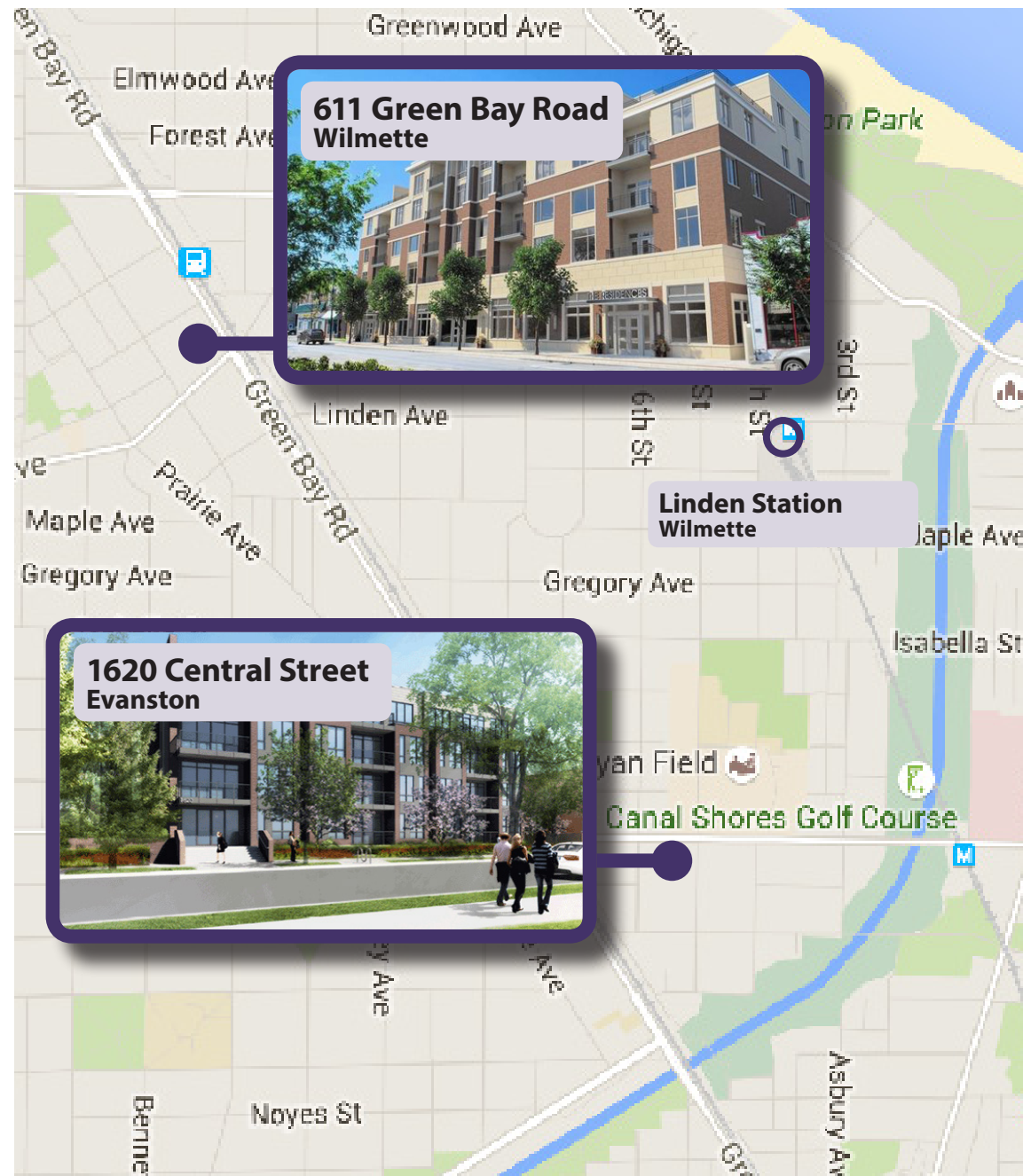
- Based on the average daily ridership during the major league baseball season (April to October) from 2001 to 2015, there is 40% extra ridership at Linden Station on Cubs home game days.
- The Cubs game day extra ridership amounts to an additional 360 riders, approaching 1% of Wrigley Field capacity of 41,268.
- UIC TOD Studio analysis indicates that Cubs home games contribute 10% of the total Linden Station ridership for the whole year.



✓ UIC TOD Studio analysis also shows that the better the on field performance of the Cubs (in terms of won-lost record), the greater the benefit in CTA ridership at Linden.



Source: Linden Station Parking Revenue, Village of Wilmette, 2014; <http://www.baseball-reference.com/>



Strong Real Estate Market

The UIC TOD Studio identified two nearby 2015 land sales to serve as comparables for the purpose of valuing a multi-use development at Linden Station:

- 611 Green Bay Road, Wilmette** is a five-story, 75-unit apartment and retail building across the street from the Metra Station in downtown Wilmette, slightly more than one mile from Linden Station. The property was sold for \$3.1 million by the Village to a private developer. At 40,076 square feet, the sale price equates to \$79.34 per square foot.
- 1620 Central Street, Evanston** is a four story, 47-unit rental apartment building under construction less than one mile from Linden Station. The site is close to both an Evanston Metra Station, as well as the CTA Central Street Station in Evanston. The property sold for \$2.85 million, which, at 31,994 square feet, amounts to \$89.07 per square foot.

Certainly, there are differences between the Linden Station site and 611 Green Bay in Wilmette and 1620 Central in Evanston:

- A development at Linden will be immediately adjacent to track infrastructure and studies have shown a slight discount in market value for sites so close to a station due to noise or other factors.
- Notwithstanding the prior point, the Linden site is a more quiet neighborhood than either Green Bay Road or Central Street properties.
- Moreover, the Linden site is much closer to lakefront beaches and parks which can command a market premium.
- Residents may place a premium on residency in the New Trier School District associated with the Linden site in Wilmette over Evanston.

Other significant differences that bear on the valuation of the Linden site for development are zoning and retail demand.

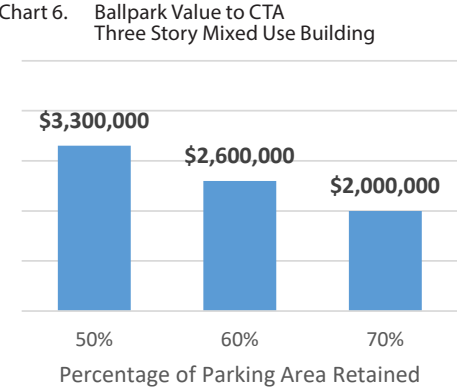
- Unlike the 611 Green Bay site that is located in downtown Wilmette with retail and commercial demand, the Linden site retail market is weak, plagued by store closings and vacancies.

- Zoning for 611 Green Bay and 1620 Central allow for higher buildings (5 and 4 stories, respectively) than “by right” development at Linden. The UIC TOD Studio’s meetings with Wilmette Village trustees and staff indicate an openness to consider accommodating an additional floor for a new development at Linden. In fact, across the street from Linden station are 4 and 5 story structures, so there is precedent.

For purposes of valuing the site to inform CTA’s decision of whether to advance a TOD project at the site, the UIC TOD Studio estimated the value of Linden at \$56 per square foot. This number is a mid-point between the two comparables of 611 Green Bay and 1620 Central and also adjusts for a 3 story structure (vs. 4 and 5 stories at 1620 Central and 611 Green Bay). Our analysis will also consider the potential valuation of a 4 story structure at Linden.



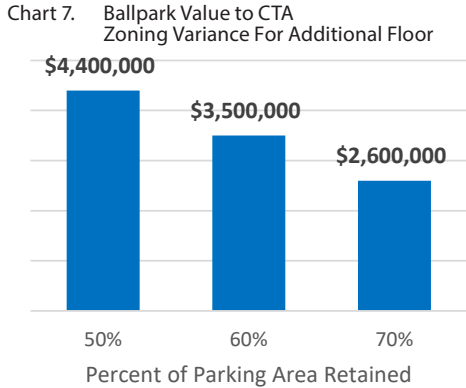
Weak retail demand shows through storefronts on Linden Avenue.



Surplus Land Value \$2-4 Million

Based on a land value for development of \$56 per square foot, the UIC TOD Studio valued the surplus parking capacity at Linden Station on the assumption that the CTA would sell off unneeded parking for development that could add density and vibrancy to the retail district with new housing and residents. The CTA could benefit from both the sale proceeds of the surplus land, as well as the additional ridership.

The Studio assumed that the CTA would retain 60% of the current parking spaces, plus or minus 10%. As indicated in Chart #6, the value to CTA amounts to about \$2.6 million were the CTA to retain 60% of the current parking capacity. Retaining more parking, say, 70% of current parking capacity, would reduce



CTA's sale proceeds by about \$0.6 million to \$2.0 million. Or, alternatively, retaining less parking, say, 50% of the current capacity, would result in CTA receiving greater sale proceeds, about \$3.3 million in total.

The UIC TOD Studio drew a potential site plan for the Linden Station site (shown on the following page) that demonstrates that a new development of more than 40,000 square feet can be configured on the site in a manner that retains parking of about 60% of the current capacity.

The site plan shows two different structures, so as to allow access by CTA maintenance equipment to the track infrastructure. Other configurations are possible and will ultimately be set forth by the developer that acquires the property from CTA.

Chart #7 shows the value of a potential zoning variance to allow an additional floor – as much as an additional \$1 million in sale proceeds to CTA. Village officials told the UIC TOD Studio that a 4 story building at the Linden site “fit” the neighborhood. Presently across the street from Linden Station stand both 4 and 5 story buildings.

There is no easy answer to determining the “right” amount of parking capacity for CTA to retain at Linden Station. It is evident that there is surplus parking and that the community and CTA can benefit from the sale of surplus land for development. New residents of a Linden Station development will create additional CTA ridership. It is estimated by transit professionals that as much as 10%-15% of residents in new TOD structures contribute new ridership. The UIC TOD Studio estimates that, were CTA to retain 60% of the parking capacity, that the expected gain from new residents could exceed potential loss of ridership due to parking constraints more than three fold.

In a preliminary presentation with CTA, CTA officials raised the question of parking demand and requirements for residents of a new structure at the site. There is a possibility that a portion of

development’s ground level could be set aside for resident parking. Retail stores could still front the street, with parking accessed from the rear.

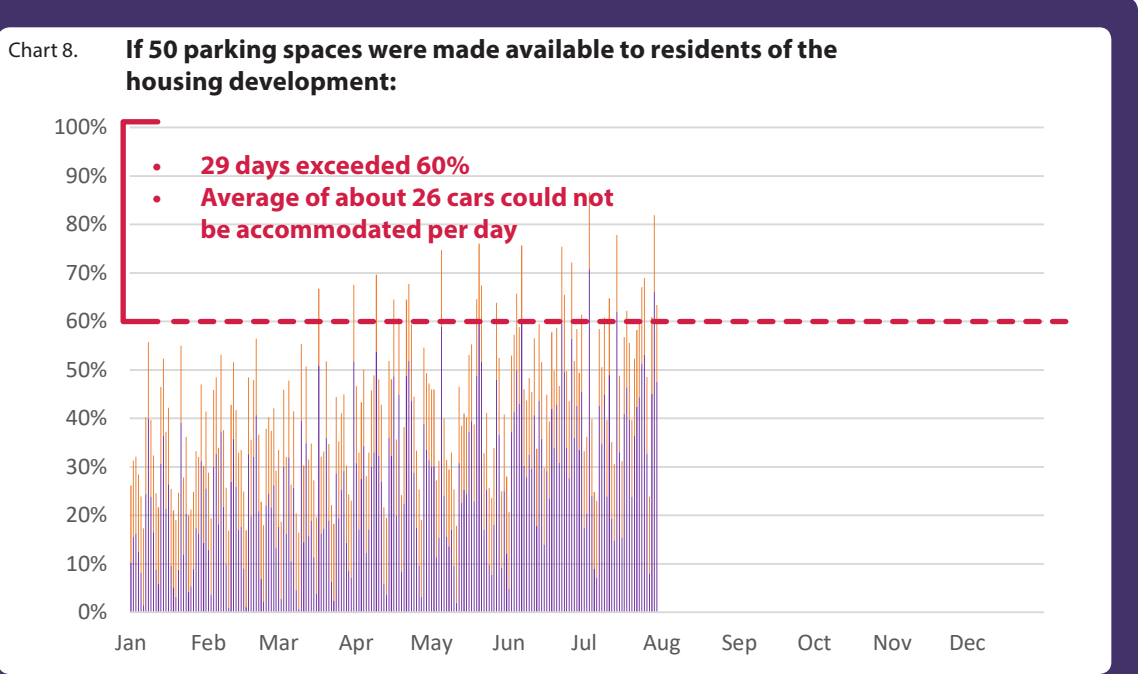
Peak demand for commuter parking (weekdays) and residential parking (evenings and weekends) are somewhat complimentary. It is the extraordinary summer and fall events that would create the greatest conflicts. Wilmette residents already find that, for Northwestern football home games, for the July 4th celebrations and even for great beach days, that hundreds of cars fill block after block of street parking. Were the entirety of the residential parking of a new Linden Station TOD project incorporated in a down-sized Linden parking lot, Chart #8 indicates that (over a 7 month period) an average of 26 cars would spill over on to the streets over 29 days.

This is modest (if it even occurred) compared to the hundreds of vehicles on the streets during the special events like July 4th and football games. Ultimately, the developer that acquires the surplus property is likely to supply a traffic study to the Village to support its development. CTA’s decision, at this juncture, is to determine the amount of parking that it seeks to maintain.

The developer that acquires the property also will ultimately be the entity that interfaces with the Village to request a zoning modification for an additional floor and potentially other accommodations. Given that “up-zoning” could contribute as much as \$1 million in sale proceeds to the CTA, the CTA sale process should be structured to allow the developer sufficient time to secure Village approvals. Village officials expressed that, in their view, a period of nine months would be sufficient for a developer to engage with the community and secure necessary Village approvals. Conditioning the

closing of the sale by CTA on the winning developer to secure a zoning variance would result in the value of the “up-zoning” to be imbedded in the bid price, meaning CTA captures the additional value.

As set forth on the following page, the CTA sale process should also consider a co-marketing or other arrangement with Wintrust Bank that owns the historic Linden Station depot.



Source: Linden Station Parking Revenue, Village of Wilmette, 2014

Community Vibrancy

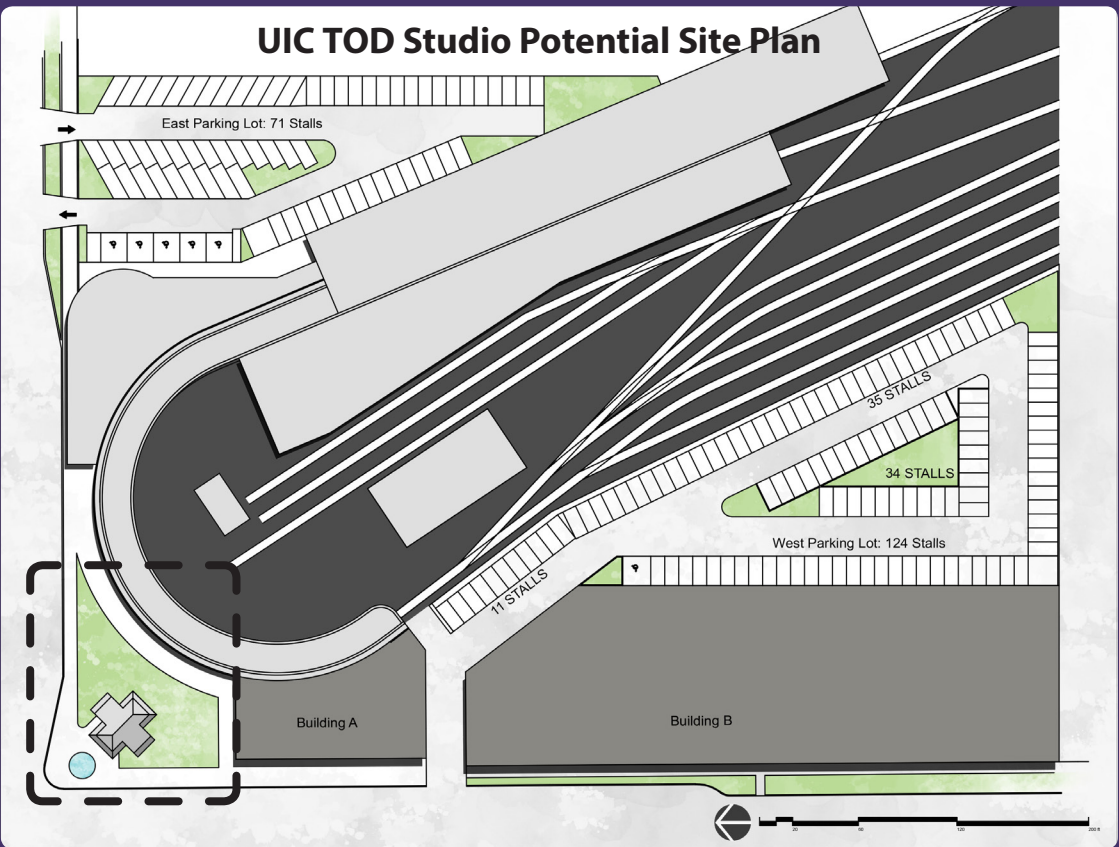
The historic 'L' station depot is subject to a long-term agreement between CTA and Wintrust Bank, which has leased the structure to the Wilmette-Kenilworth Chamber of Commerce which utilizes the space for its administrative offices.

Because the historic Linden depot is both at the intersection of 4th & Linden

and adjacent to the station entry, it is a strategic parcel that can contribute to community vibrancy. There is substantial public space adjacent to the historic building, including oversized sidewalks, a covered walkway to the station entry, and open space between the structure and the station. Since most of the commuters utilizing the station

pass by the historic depot, it would seem that there is no better site in the retail district for a retail establishment serving coffee, ice cream or sandwiches. The adjacent public space could be activated with a small fountain, outdoor plaza and other features to make it a neighborhood gathering spot.

The UIC TOD Studio reached out to Wintrust Bank to gauge interest in potentially entering into a co-marketing agreement with CTA, such that a developer could bid on both the CTA parcel and the historic depot at the same time. The studio found that the bank is interested to explore a co-marketing or other agreement whereby the bank's structure (on CTA-owned land) might be incorporated in a forthcoming procurement for the sale or lease of the property by CTA subject to the bank's current lease arrangement with the Wilmette Chamber of Commerce.



Rendering by UIC TOD Studio



Linden Depot Historic Station Entry, 2016



Linden Depot Historic Station Entry



Site Rendering by UIC TOD Studio

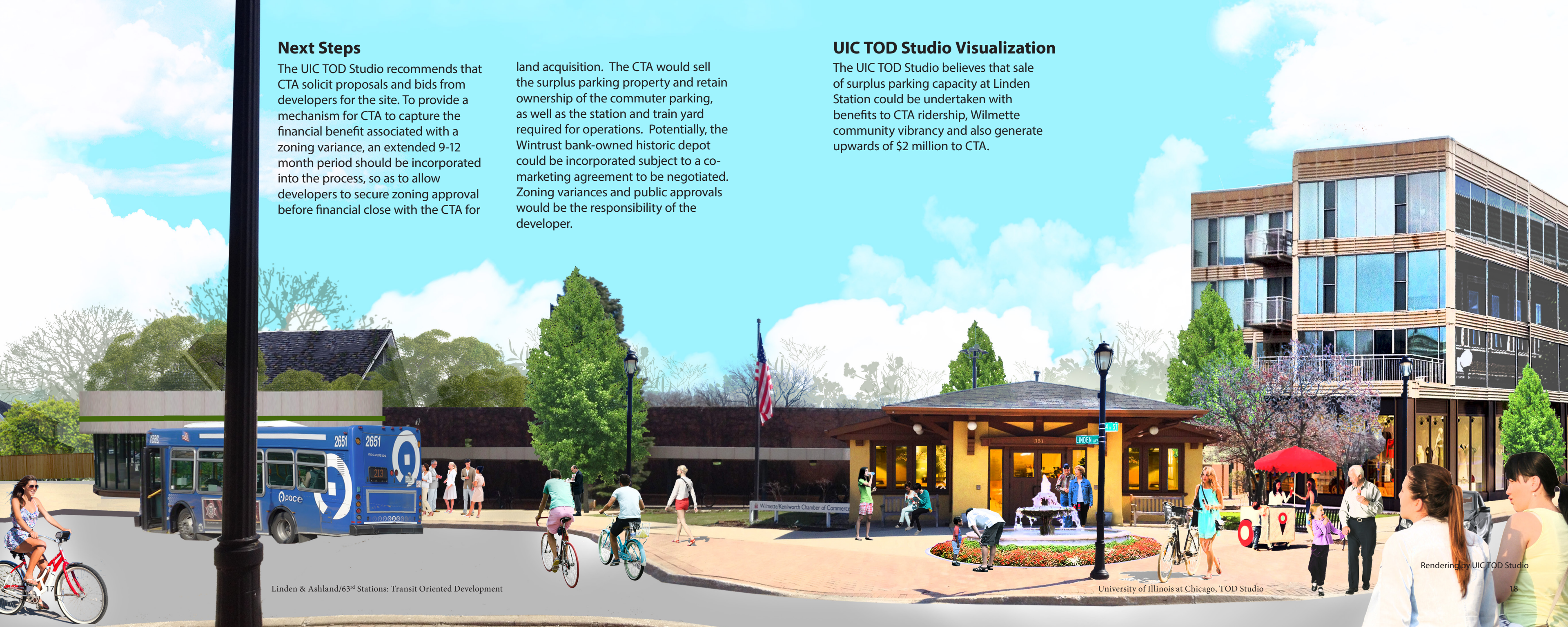
Next Steps

The UIC TOD Studio recommends that CTA solicit proposals and bids from developers for the site. To provide a mechanism for CTA to capture the financial benefit associated with a zoning variance, an extended 9-12 month period should be incorporated into the process, so as to allow developers to secure zoning approval before financial close with the CTA for

land acquisition. The CTA would sell the surplus parking property and retain ownership of the commuter parking, as well as the station and train yard required for operations. Potentially, the Wintrust bank-owned historic depot could be incorporated subject to a co-marketing agreement to be negotiated. Zoning variances and public approvals would be the responsibility of the developer.

UIC TOD Studio Visualization

The UIC TOD Studio believes that sale of surplus parking capacity at Linden Station could be undertaken with benefits to CTA ridership, Wilmette community vibrancy and also generate upwards of \$2 million to CTA.



Ashland/63rd Station, CTA Green Line West Englewood Community Area



Linden & Ashland/63rd Stations: Transit Oriented Development

The CTA Ashland/63rd Station is located on Chicago’s south side, in West Englewood, one of the 77 designated community areas, bounded by Garfield Boulevard to the north, Racine Avenue to the east, the CSX and Norfolk South rail tracks to the west and the Belt Railway to the south. The station is the end of the line for the west branch of the CTA Green Line on Chicago’s south side; the other branch, south of Garfield, goes east to Cottage Grove. There are two connecting bus routes at Ashland/63rd: the #9 Ashland Bus and the #63 63rd Street Bus. First opened in 1969, the station site is slightly more than 2 acres, including parking for 235 cars.



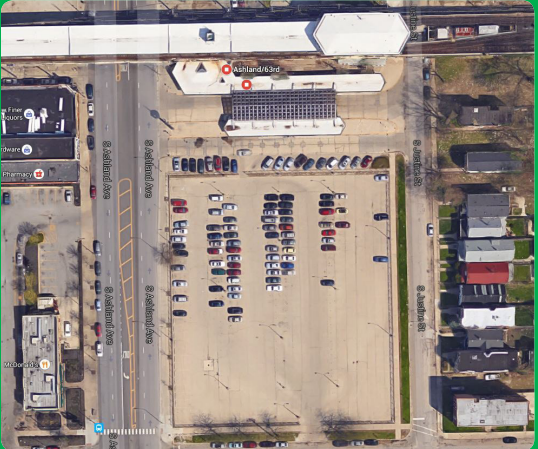
Source: City of Chicago Data Portal, 2016



Ashland station, alternately known as the Englewood Transit Terminal, opened in 1969.



West Englewood was a thriving community in 1921, with 63rd Street ranking as the 2nd busiest commercial corridor in Chicago.



Ashland Station’s parking lot holds a maximum capacity of 235 cars.

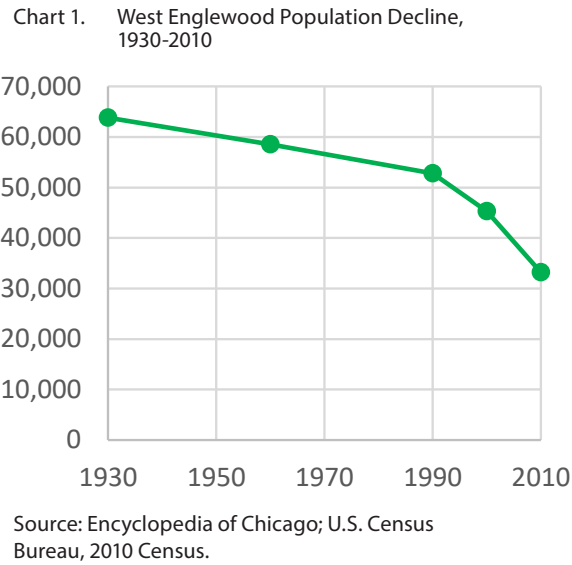
Transit Dependency

West Englewood began to experience severe population and economic decline beginning in the late 1970s. Today, it is among the most disadvantaged neighborhoods in Chicago:

- average median household income is about half the Chicago average
- over 32% of residents live below the poverty level – about twice the Chicago average
- over 34% of residents are unemployed – more than three times the Chicago average
- 30% of residents do not have a high school diploma – about 50% more than the Chicago average
- West Englewood ranks 8th highest for violent crimes out of the 77 designated community areas in Chicago

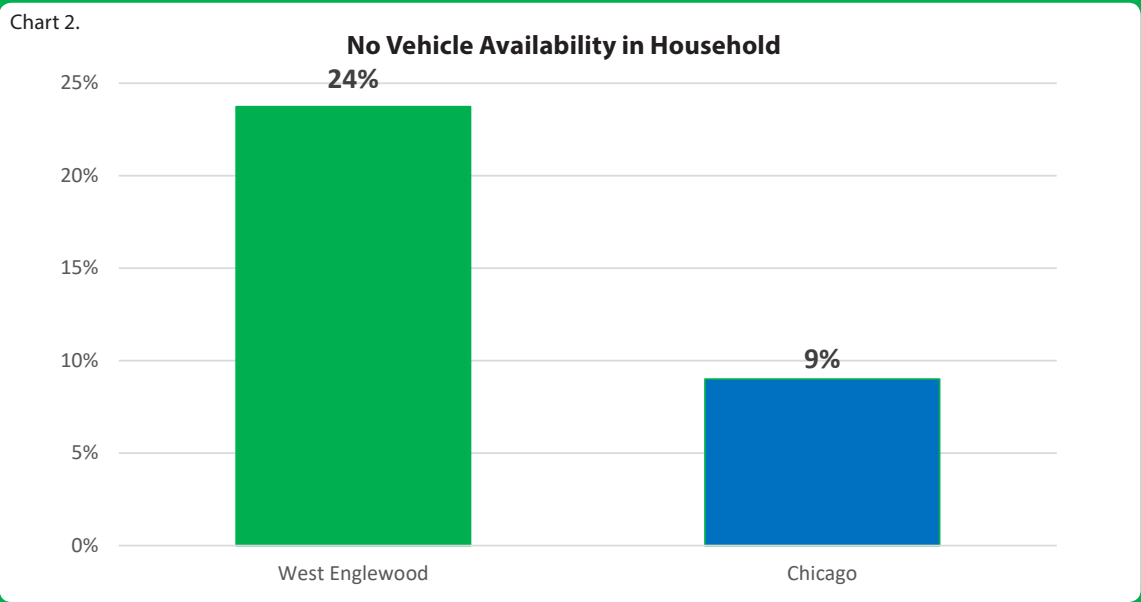
The Studio found West Englewood to be transit dependent. Twenty-four percent (24%) of households are without access to a car, more than about two and half times that of most Chicago community areas. From the TOD Database, the Studio found that workers in all industries living in West Englewood are more likely than those living elsewhere in Chicago to take transit to work – more than double the city average.

Given the community’s transit dependency, the reliability and frequency of CTA Green Line service bears directly on the quality of life in West Englewood, as a large percentage of residents rely solely on public transit. Because the Green Line south side service is split between the West and East branches, service is scheduled every twenty or thirty minutes per hour depending on time of day and the day of the week. Given this level of service frequency at Ashland/63rd, service or other delays bear greatly on the community.

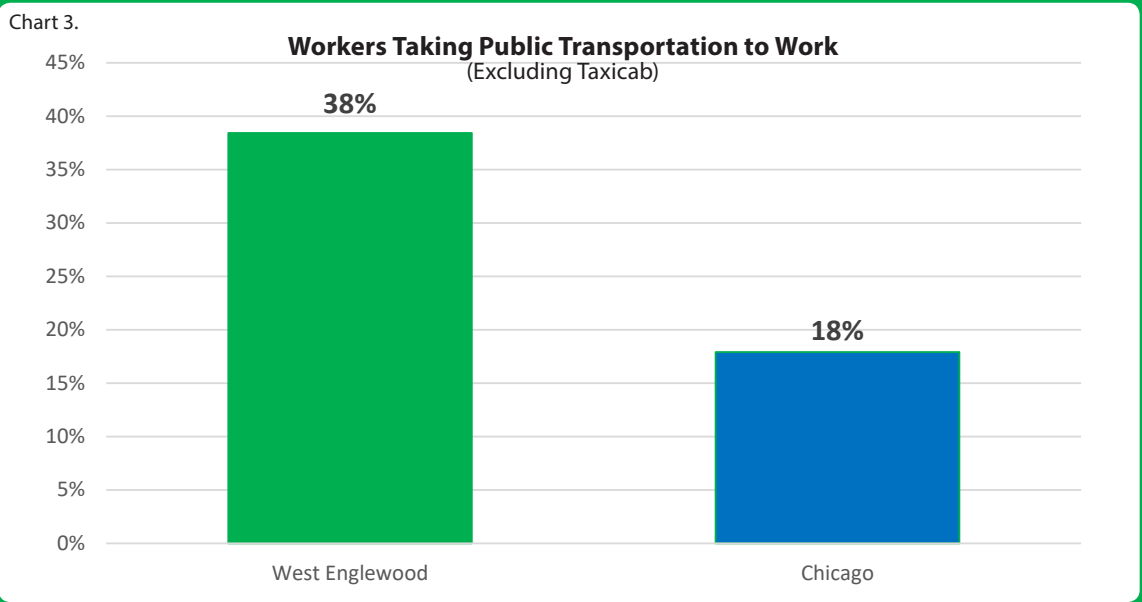


Of note also, is that Studio interviews with community residents indicated concern over the lack of retail stores and basic services. Retail and sit down restaurants are also lacking, and residents expressed that it was not uncommon for residents to travel 4 miles or greater to Hyde Park, the Ford City Mall and more distant shopping areas for basic services. This bears heavily on the one-third of residents that lack access to a car (See map to the left)

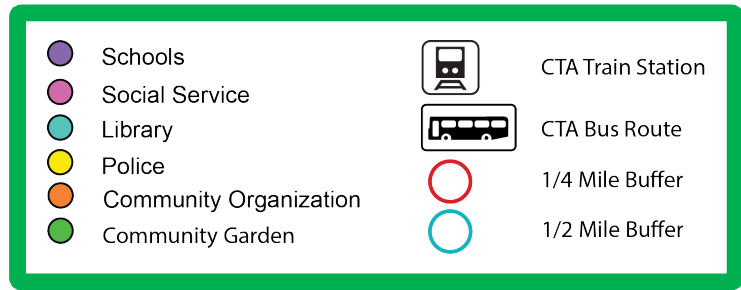
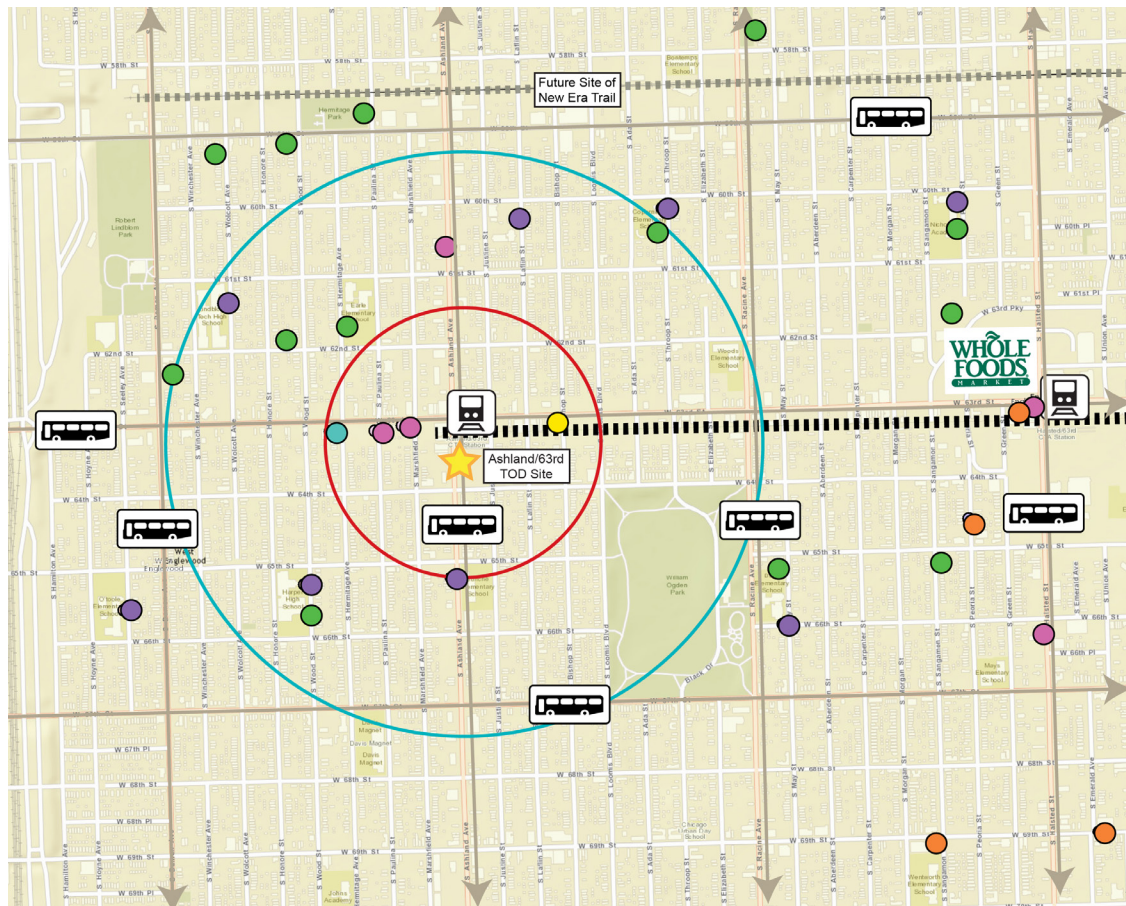
Transit Dependency



Source: U.S. Census Bureau, 2005-2009 American Community Survey; TOD Database (CNT)



Source: U.S. Census Bureau, 2005-2009 American Community Survey; TOD Database (CNT)



UIC TOD Studio graphic
Source: City of Chicago Data Portal, 2016

Engaged Community

The Studio found strong community organizations engaged to rebuild the neighborhood physically, culturally and spiritually. Teamwork Englewood is an example. This organization was formed in 2003 under the New Communities Program sponsored by Local Initiatives Support Corporation (LISC) and the MacArthur Foundation. Teamwork Englewood held several community engagement meetings this past spring, including one meeting (pictured to the right) that attracted a couple hundred residents. Through a community survey that identified critical needs, Teamwork Englewood has formed task forces addressing:

- public safety/crime
- jobs/economic development
- education/ youth services
- housing/ public spaces and
- health/wellness

These needs were also confirmed directly by the UIC TOD Studio. In a kickoff meeting with the Studio, Alderman Foulkes and local merchants explained that improved lighting near the Ashland/63rd CTA station is vital to the safety of CTA riders and the surrounding

businesses. In the picture at the right, Akhter Sadiq, owner of Ace Hardware, expressed to the Studio the need for more lighting and safety.

Population has declined substantially, but the number of housing units has declined as well, which is leading to affordability problems. Every census tract in the community lost housing between 2000 and 2010. Moreover, the number of West Englewood residents who earn between \$25-\$50,000 a year spending more than one-third of their income on housing more than doubled from 2000-2010. While no residents earning \$50-\$75,000 a year were rent burdened in 2000, nearly 30% were rent burdened by 2010.

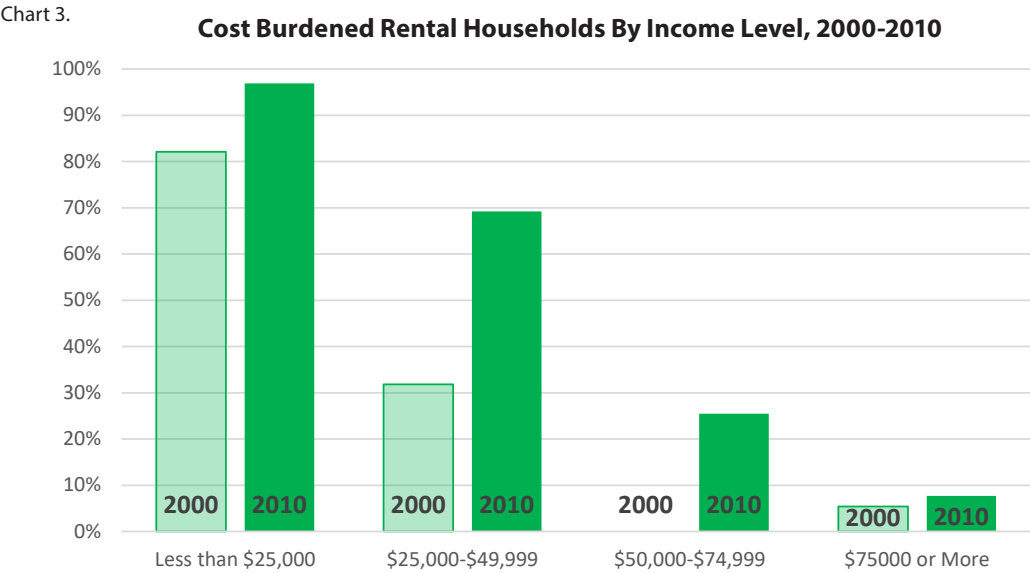
The Studio found the neighborhood to be rich with such assets as its parks, library, numerous schools, churches and its community organizations. There is excitement about the possible New Era Trail (a rails-to-trails recreational trail) and the emergence of community gardens, like I Grow Chicago.



Ace Hardware merchant Akhter Sadiq speaks to the UIC TOD Studio.



Teamwork Englewood community meeting. Source: <http://www.teamworkenglewood.org/news/browse.html?date-range=all>



There has been a severe decrease in housing affordability, especially among middle class renters. Source: ChicagoRehab.org, West Englewood, 2013



CTA Englewood Terminal

CTA Parking Lot

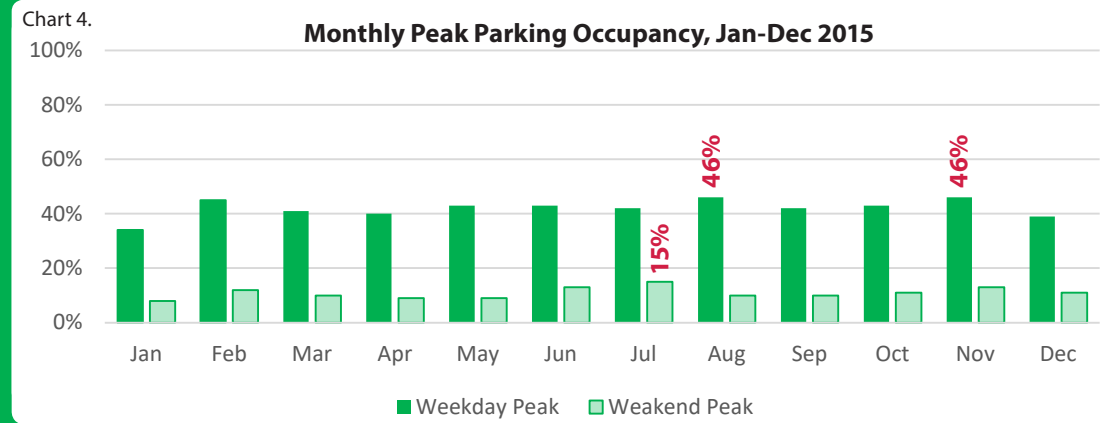


Surplus Parking Capacity

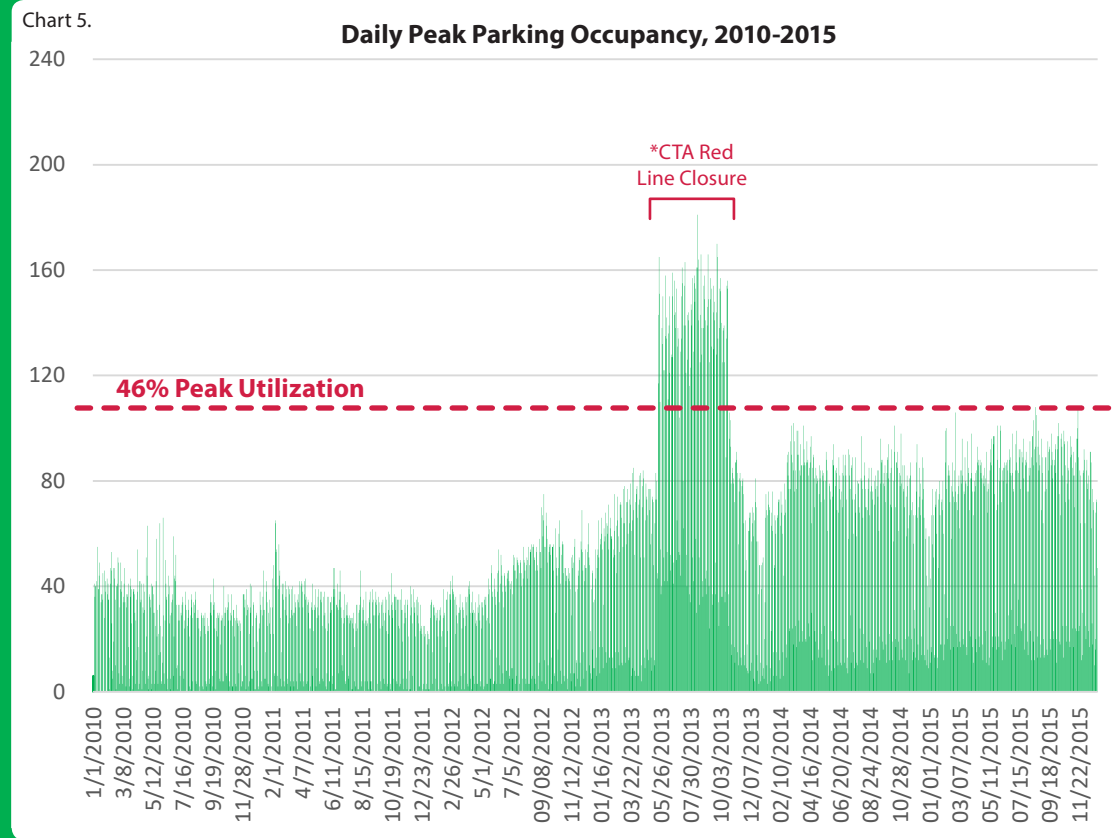
Ashland/63rd Station has surplus parking capacity.

- Chart #4 contrasts the weekday and weekend utilization on a monthly basis. Weekend use never exceeded 15% of capacity.
- Chart #5 illustrates that parking utilization never exceeded 46% of capacity over the past five years -- except during a brief period due to a CTA Red Line construction-related disruption. On average only 46 vehicles occupy the lot.

The UIC TOD Studio analysis indicates that about half of the parking capacity could be sold off without impacting ridership. The CTA commuter lot at the Ashland/63rd Station has an approximate area of about 2.08 acres (90,880 square feet) and is designed to hold a max of 235 vehicles. As much as a full acre (64,000 square feet) conceivably could be developed.



Source: Ashland/63rd Parking Occupancy, Chicago Transit Authority



Source: Ashland/63rd Parking Occupancy, Chicago Transit Authority

West Englewood
Real Estate Market

As the UIC TOD Studio researched the Englewood market, it became apparent that there is little current, private-sector development demand for the CTA property at Ashland/63rd Station. Jones Lang LaSalle recently marketed the parcel both on their website and

with a sign on the lot, but received very little interest. The site is zoned C1-2 -- neighborhood commercial and allows for dwelling units above. To arrive at a basis for an estimate for the land value associated with the surplus parking at the Ashland/63rd Station commuter lot, the UIC TOD Studio looked to a number of indicators.

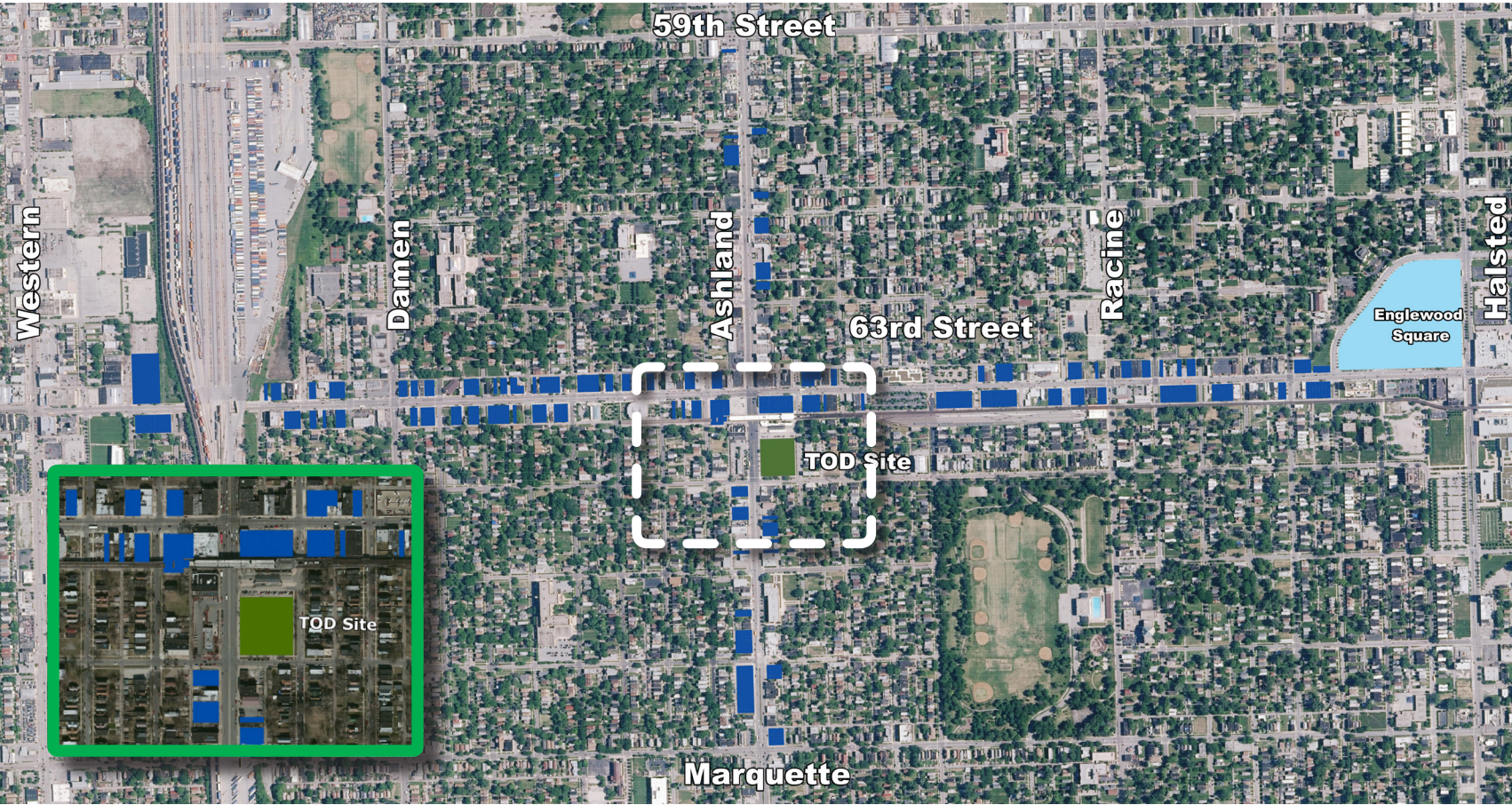
Firstly, on behalf of CTA, an appraisal was undertaken in 2010 by Renzi & Associates, a commercial real estate appraisal and consulting firm. The Renzi appraisal considered five properties that it deemed comparable to a parcel of 28,000 square feet (0.64 acres) at the Ashland/63rd Station site. Renzi’s comparable properties ranged from \$12.16 to \$22.25 and the firm put forth

an appraisal of the CTA’s parcel at \$15.00 per square foot. Because of the limitations of a 2010 appraisal, along with concerns with the properties selected by Renzi as peer properties, the UIC TOD Studio sought other market indicators.

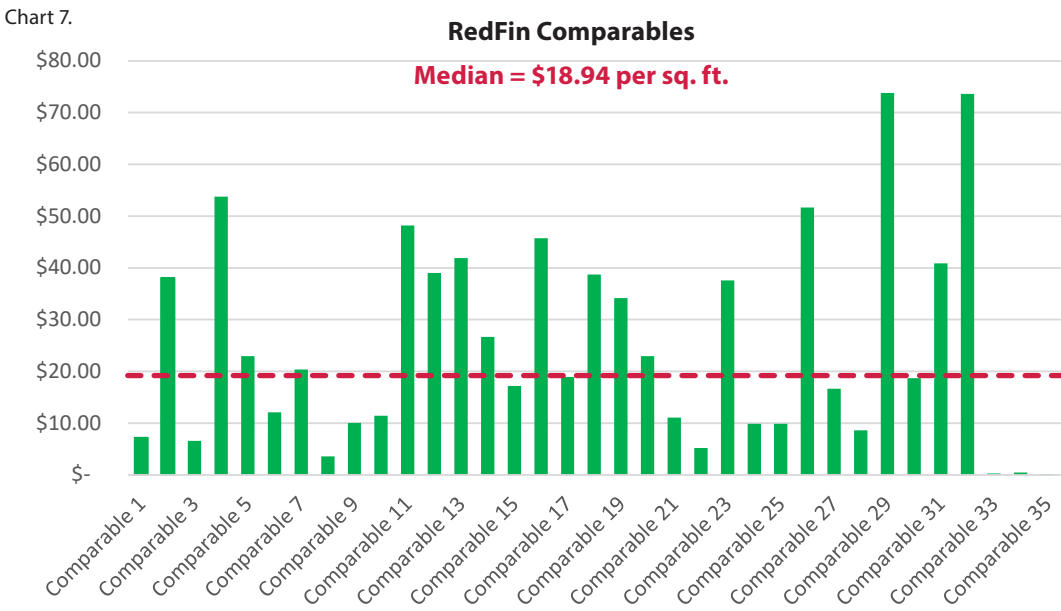
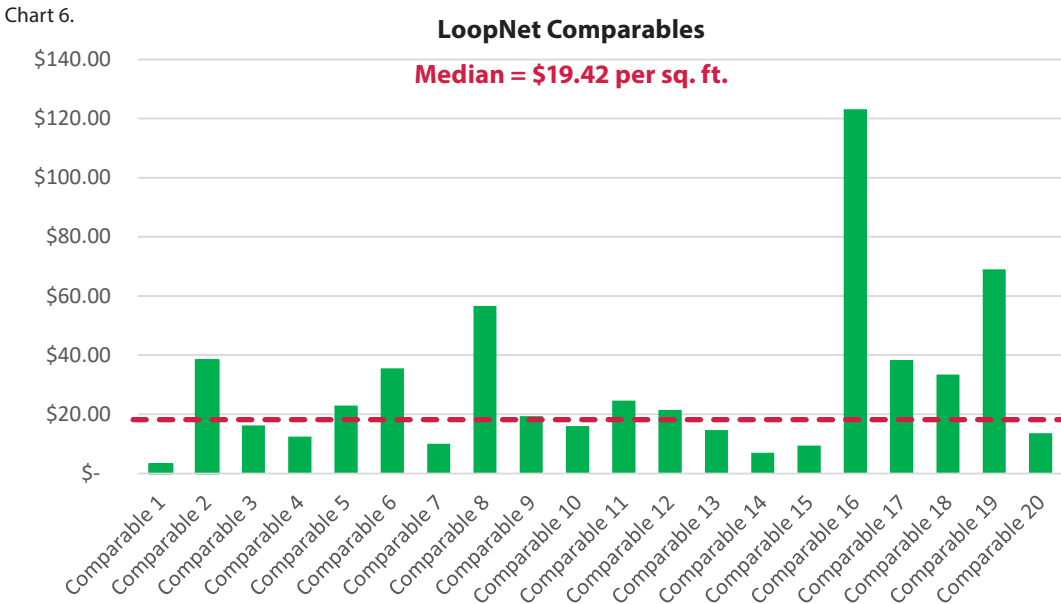
Secondly, there is a staggering supply of vacant land in West Englewood along 63rd St. and Ashland Ave corridors -- close to 24 acres -- as researched and illustrated on the map on the opposite page that was created by the Studio. The map depicts 203 vacant properties in blue and the Ashland/63rd Station in green. The station parking lot is among the largest available sites while traffic counts show that Ashland exceeds Englewood other major north-south commercial corridor (Halsted). Studio research shows about half of the corridor to be vacant lots.

As a third indicator of value, the UIC TOD Studio looked to market offerings and sales for properties in West Englewood through online sources:

- LoopNet.com describes itself as the “#1 commercial real estate service online”
- RedFin declares that “you’ll see every agent-listed home for sale first on RedFin, the most popular brokerage website in the U.S.”



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
Linden & Ashland/63rd Stations: Transit Oriented Development



The Studio selected specific properties based on location, size, zoning and land usage, and date of sale. Specifically excluded were non-commercial properties.

Chart #6 shows the distribution of offering prices on LoopNet of 20 commercial properties, by price per square foot. These are offering prices, i.e. listings, as opposed to actual sales. Of the twenty properties selected by the Studio, the average listing per square foot was \$22.43 per square foot; the median was \$19.42; the range from \$3.20 to \$123.19 per square foot.

The highest listing, it should be noted, was a former a Dollar General site on the southwest corner of Ashland and 63rd. The Studio reached out to the listing agent, who reported that the offering price was based on the traffic volumes at the intersection and the expected construction of a fast food restaurant at the southeast corner of the intersection, understood to be a Checkers. Based on our discussion with the listing agent, we think it should be regarded as an outlier, unlikely to be a true value indication.

Chart #7 shows the results of the analysis of the comparable properties on RedFin. Unlike the LoopNet data, these figures

reflect actual sales. RedFin includes residential properties, but the Studio limited the universe to only those properties believed to be commercial. Thirty five were included, with an average sale price of \$22.26 per square foot and a median of price of \$18.94 per square foot.

Given the weak real estate market demand in West Englewood, it is difficult to value the CTA property at Ashland/63rd. There are many vacant properties and few properties that are directly comparable. With appreciation for the limitations of the exercise, but, so as to gauge the financial value that CTA might potentially capture through the sale of a parcel of approximately one acre at the Ashland/63rd Station site, the UIC TOD Studio looked to all of the indicators:

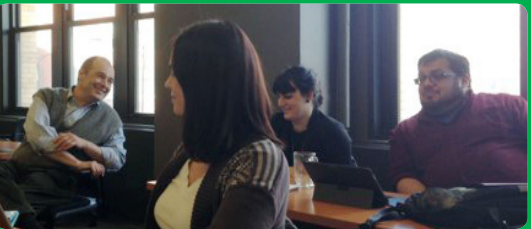
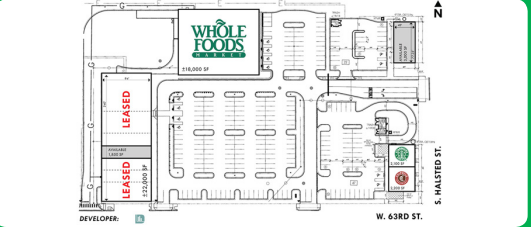
- the 2010 appraisal (\$15.00 per square foot) and
- current listings (\$19.42 per square foot median) on sales (\$18.94 per square foot median) on RedFin.

In the context of these value indicators, a price of \$16.00 psf applied to a one acre parcel of land that represents surplus parking capacity at Ashland/63rd would generate about \$700,000.

Developers that have advised the Studio expressed skepticism that CTA would be able to sell the parcel at this price. In view of this uncertainty, given the brokerage, legal, request for proposal preparation, and other costs that the CTA would face in selling the property that would reduce the net proceeds to CTA, the UIC TOD Studio has looked to alternative methods for transit oriented development.

Englewood Square

Located just one 'L' stop east at the Green Line Halsted Station, is a new 5 acre development in Englewood that will include 40,000 square feet of retail, including an 18,000 square foot Whole Foods Market. James Matanky, leasing agent for the project, visited the Studio to talk about development in the community. The Englewood Square development benefited from upwards of \$10 million in public funding from the City of Chicago. The Ashland/63rd Station is located in the 63rd/Ashland TIF district and is eligible for New Market Tax Credits.



Englewood Square leasing agent, James Matanky (left), at the UIC TOD Studio.

TOD In Low Income Neighborhoods

Although it is unlikely that the Ashland/63rd Station site could be advanced solely through market-driven, private investment, there are many examples of TOD projects that have advanced through alternative means.

A study by the Center for Transit Oriented Development of TOD in low income or ethnically diverse neighborhoods highlighted key implementation barriers and mechanisms:

Site Control and Land Assembly

The Center for TOD found that effective TOD is found when projects are able to control land assembly to develop a site and able to control its long term use.

- ✓ CTA controls the Ashland/63rd Station site and there is a potential to acquire additional vacant land in close proximity.

Community Participation

The Center found that “community engagement throughout the planning and development process can help ensure lasting community benefits.”

TOD at the Transit District Scale

The Center’s report observed that “often, transit-oriented development is conceived and implemented at the project scale. However, individual projects are often more successful and effective realizing community goals if there is a larger neighborhood planning effort to identify appropriate land use mix, physical improvements, and policy mechanisms at the scale of the transit district.”

Providing Affordable Housing

Affordable housing is an essential component to low income TOD because it allows the developers access to broader range of finance options. Upwards of ten separate funding sources have been used to finance one TOD project with affordable housing.

- ✓ West Englewood has experienced a severe decrease in housing affordability, especially among middle class renters (housing needs are demonstrated on page 24).

Needed Infrastructure Improvements

The Center noted that TOD in “older, built-out communities (like West

Englewood) often face the need for infrastructure upgrades both to the neighborhood infrastructure (pedestrian amenities, plazas, utilities) and to the transit stations themselves to improve accessibility”.

- ✓ Alderman Foulkes and local merchants have raised the need for lighting and other improvements to enhance safety.
- ✓ Direct station access to the Pulaski Station on the CTA Green Line for the Bethel New Life Center was cited.

Case Study:
Fruitvale Transit Village - BART
Oakland, California



In 1991 BART planned to build a multi-story parking garage next to its Fruitvale Station. Members of the surrounding community, however, opposed the construction of this new facility as they believed it would increase traffic congestion, air pollution, and crime. They also believed the new facility would physically separate the neighborhood from the station. BART withdrew its plans when it realized it did not have community approval and allowed a local community development corporation, the Unity Council, to step in and play the lead role in the community engagement process.

A partnership between BART, the Unity Council and the City of Oakland facilitated enough funds and grants for development of the Fruitvale Transit Village. This is a prime example of a successful TOD in a low income neighborhood. Instead of a multi-story parking garage, it is a large mixed-use site with affordable, senior, and market rate housing, plus a diverse mix of retail and community services.

- Developer**
Fruitvale Development Corporation
- Organizations**
- Unity Council - community development corporation
 - Fruitvale Policy Committee - partnership comprised of Unity Council, BART and the City of Oakland
 - Fruitvale Development Corporation - a subsidiary of the Unity Council, formed to serve as the developer for Fruitvale Transit Village and manage the contracts

- Request for Proposal**
None. Fruitvale Dev Corp served as the developer for this project.
- Funding Sources**
- Community Development Block Grants
 - FTA Planning Grant
 - FTA Flexible Funds
 - FTA's Livable Communities Initiative
 - TIF Funds
 - LISC Bridge Loan
 - HUD Enhanced Enterprise Comm Econ Dev Initiative Grant
- Year Completed**
2004 (1st Phase was opened)

Case Study:
Enterprise Block - MBTA
Brockton, Massachusetts



significant new construction investment in Downtown Brockton in a generation,” according to the Downtown Brockton Urban Revitalization Plan.

After assembling land across the street from an MBTA commuter rail station, the Brockton Redevelopment Authority conveyed the land to a non-profit developer, Trinity Financial, through an RFP process. The developer then layered over 10 sources of financing in order to complete the deal. The result is a mixed-use, mixed-income development in an underserved community that is designed to meet multiple community needs, including affordable housing, retail and social services. The project is currently being built in phases. The first phase, the Centre 50 and Enso Flats developments, was completed in 2015 and includes 113 apartments of which over 50% are affordable, as well as commercial and retail space, government services, green space and a park.

- Developer**
Trinity Financial
- Organizations**
- Brockton Redevelopment Authority
 - Brockton 21st Century Corporation
 - Brockton Gateway Transformative Development Initiative (TDI) Partnership
- Request for Proposal**
Yes.
- Funding Sources**
- New Market Tax Credits
 - Tax-Exempt Bonds
 - MassHousing Funds
- Year Completed**
2015 (Phase I. Phase II is ongoing)

The Enterprise Block Redevelopment was led by the Brockton Redevelopment Authority. Once the capital of the shoemaking industry in the U.S., Brockton experienced industrial decline as factories gradually closed down and moved overseas. In time, the neighborhood surrounding the Enterprise Block development was full of numerous vacant lots and abandoned buildings. Brockton has a 47% poverty rate, income levels at 26% of area median income, and a 33% unemployment rate. This is a TOD project with a specific focus on community development and revitalization and “represents the most

Case Study:
Bethel Center - CTA
Chicago, Illinois



conception to completion of the project in 2005. The project included 9 different layers of financing.

The finished project is a mixed-use development that includes an employment services center, a child development center, a locally-owned Subway franchise and one of the few financial services centers in the surrounding neighborhoods. The development also includes many green building features and is LEED Gold Certified.

Developer
Bethel New Life and Phoenix Builders

- Organizations**
- Bethel New Life
 - LISC Chicago
 - Matanky Realty Group
 - Farr and Associates
 - Public Agencies

Request for Proposal
None.

- Funding Sources**
- US Bank
 - LISC Chicago
 - Illinois DCEO grants

Year Completed
2005

The development of the Bethel Center was driven by the Bethel New Life Community Development Corporation in the West Garfield Park neighborhood. Bethel New Life assembled the land and then was a partner with numerous for-profit, non-profit and government agencies in order to provide social services and amenities to the underserved area around the Pulaski Green Line CTA Station.

This project occurred due to the broad partnership formed by these entities and the leadership of Bethel New Life, which played a pivotal role from

Case Study:
Sylvan Hills - MARTA
Atlanta, Georgia



The Lakewood-Fort McPherson station, located on the southern outskirts of Atlanta, was one of ten stations MARTA looked at as a potential TOD. Much like West Englewood, the station is surrounded by a low income, low density neighborhood. Once a more stable neighborhood, the area is now marked by vacant properties and foreclosed homes. The area is the home of Fort McPherson, a military base that was selected to close by the Base Realignment and Closure Act in 2005. The station officially closed in 2011, leading to the elimination of 4,000 jobs.

The station serves as a park-and-ride for MARTA, but there is potential for

- Developer**
Columbia Residential
- Funding Sources**
- Low Income Housing Tax Credits
 - Tax-Exempt Bonds
 - Other Public Sources

Year Constructed
2008

redevelopment on the vacant and underutilized land. In 2005, MARTA was able to sell a large portion of its underutilized parking lot through its joint development program to Columbia Residential. Columbia proceeded to build a 192 unit housing development named Sylvan Hills.

Sylvan Hills is a mixed income housing development that was built to meet Americans with Disabilities Act requirements. Though the site was developed by a private, for profit entity, there were many aspects that led to their proceeding with Sylvan Hills. The station is located in the

Compellton Road Tax Allocation District, and financing for construction came partially from tax-exempt bonds, Low Income Housing Tax Credits and other local subsidies. Partners in this venture included not only MARTA and Columbia Residential, but also Invest Atlanta, Forest City, and the Atlanta Regional Commission.

Sylvan Hills now provides affordable housing in an area that was experiencing decline in close proximity to a rail station which provides access to more employment opportunities. This mixed-income housing structure was meant to be the first phase in rebuilding the neighborhood. MARTA has laid out plans for future potential development in the surrounding area, while also focusing on other TOD sites in close proximity. Future development will depend on the repurposing of Fort McPherson itself, community input, as well as the success of developments in process at neighboring sites.

Path Forward

The process to solicit TOD development by a community development corporation, non-profit entity or for-private developer of affordable housing is similar to the process to solicit market-driven, 100%-privately financed TOD. The CTA role to bring about a TOD project at Ashland/63rd can be limited to

- declaring surplus land available for development,
- soliciting interest among developers, and then
- contracting with a successful developer.

CTA will not be financing or driving a community development-driven TOD project, but the CTA will need to serve as a bridge to development -- just as it does with other TOD projects. Modifications to the process for this type of TOD include:

- broadly recruit interest among potential developers, whether not-for-profit or for-profit;
- avoid barriers to entry that might preclude community groups
- stipulate a robust community engagement process

- set a timeline that accommodates a developer's assembly of myriad financing sources, as much as a full year, according to some professionals, i.e. a longer period than for 100% privately-financed TOD.

CTA can stipulate a basis of selection that addresses:

- commuter access (pedestrians, bicycles, feeder transit, drop off, as well as park and ride),
- community needs (safety, streetscape, community vibrancy, affordable housing, social services, etc) and
- MWBE, local hiring provisions and other public policy provisions
- other needs identified through community engagement.

A Potential Timeline

Fall, 2016

CTA initiates community outreach and recruitment of community development corporations (CDCs), non-profit organizations and other potential developers to respond to forthcoming RFP.

Winter, 2016

CTA issues Request For Proposals for sale/lease of property.

May, 2017

Proposals Due

January, 2018

CTA announces winning developer bid and proposal. CTA receives good faith deposit.

July, 2018

CTA closes on sale/lease (extendable at CTA's discretion)

2018-2019

Construction

2018-2019

Project Opening

Right Now!

When the UIC TOD Studio met with CTA and RTA mid-term to discuss Ashland/63rd, CTA officials challenged the students to come forward with "interim" solutions – solutions that could be implemented "right now" to improve the quality of life in the community, as well as CTA ridership. Lighting improvements were suggested by Alderman Foulkes and creative placemaking suggested by community groups. Because no more than 15% of the parking lot is utilized on the weekends according to the UIC TOD Studio analysis, temporary placemaking initiatives targeted for weekend use seem particularly promising.

Lighting Improvements



Iconic Lighting: Burry Port, UK, Burry Port Station footbridge



LED Understructure Lighting: Louisville, KY, George Rogers Clark Memorial Bridge



Interactive LED Lighting: Chicago, IL, Wabash Avenue

Creative Placemaking



Deacon St. & Windcrest Terrace Street Painting: Halifax, NS; Canada



Pop-up Family Movie Night: NoMa TOD neighborhood, Washington D.C.



Repurposed Shipping Containers: Cleveland, OH

Comprehensive Interim Solution: Case Studies
Community Economic Development



The Spot 4MKE:
Milwaukee, WI
Creative Entrepreneurial Spaces

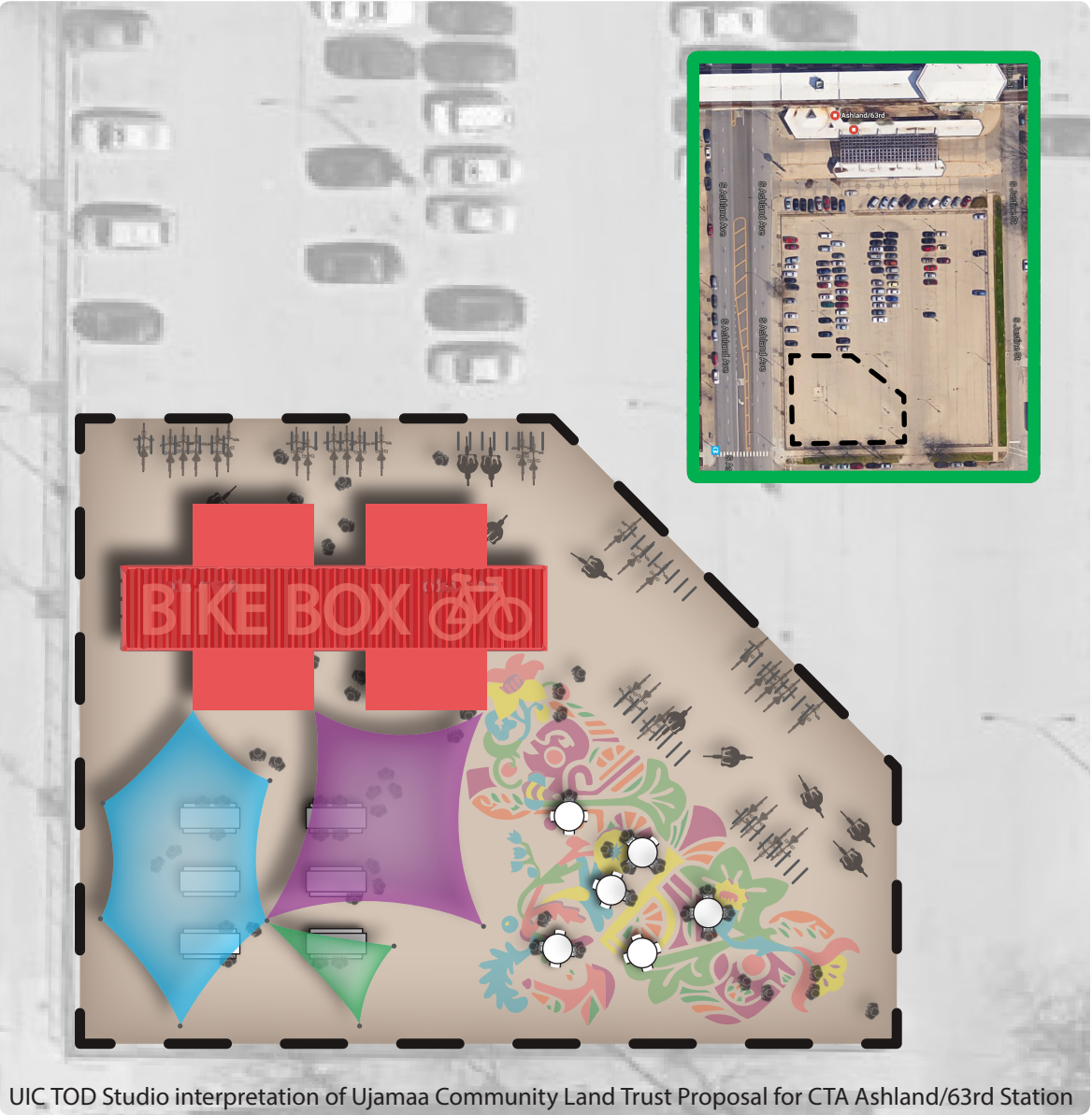
After gaining community input over almost 18 months from hundreds of Milwaukeeans, this creative placemaking initiative received seed funding provided by Southwest Airlines with in kind consulting support from Project for Public Spaces as a part of the “Heart of the Community” grant program. Locally implemented and programmed by Creative Alliance Milwaukee, the goal is to empower creative and innovative business models, artists, creatives and underserved communities with the opportunity to showcase their talent and ideas to maximize the chance for success of startups, entrepreneurs, etc.



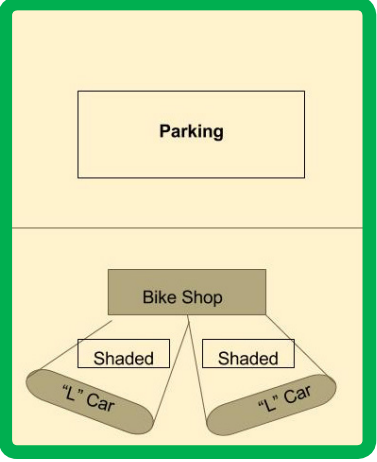
63rd Ave Station Area Planning:
Brooklyn Park, MN
Local Ethnic Retail Spaces

The 63rd and Bottineau Boulevard Local Ethnic Market is a concept that the Hennepin County Bottineau LRT Community Works program has planned to occupy an underutilized parking area of an existing bus loop. The aim is to create short-term commercial activity near the METRO Blue Line station by developing county-owned land into retail space for local, independent , ethnic businesses. The project will require public financial support.

Comprehensive Interim Solution
Ujamaa Community Land Trust Proposal + TOD Studio Interpretation



Original Ujamaa Proposal



Surplus Parking Space
Bike Activation & Community Activity Zone

Ujamaa Community Land Trust (Ujamaa) is a local non-profit organization working to preserve land and culture. Ujamaa leverages resources to acquire, restore, and revitalize Englewood through village building and working with residents to re-imagine the neighborhood. After having a conversation with students at a Teamwork Englewood public meeting, Ujamaa was inspired to show the Studio how they would temporarily activate the space for the community if it was made available by the CTA.

Photo Attributes:

Wilmette

https://www.mwrd.org/irj/go/km/docs/documents/MWRD/internet/News&Media/Newsroom/Media/Coverage/img/2015/image_1115018.jpg

https://encrypted-tbn0.gstatic.com/images?q=tbn:ANd9GcT20bxE2lcZfbwDkRz2D7m9CI2kV61jk_Q24VvfYI0ytHB6NERt

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<http://www.chicago-l.org/stations/ashland-63.html>

<https://theatretalks.wordpress.com/2012/08/22/theatres-63rd-street-chicago-illinois-1922/>

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<http://www.brooklynpark.org/file.aspx?DocumentId=3609>