

ROGERS PARK BUILDER

FALL/WINTER 2000

RPBG Focuses on Commercial Revitalization of Howard Street

Which way Howard Street in the next decade? This was the subject of discussion at the RPBG Board meeting held September 26th. To discuss this topic, some of the top players in Rogers Park were assembled, including Ald. Joe Moore, Ken Govas, of DevCorp North, Jay Johnson, of Urban Residential Services, Ald. Ann Rainey, of Evanston, Michael Land, of Ald. Moore's Office, Erica Pascal, Hispanic Housing Development Corp., Sue Guderley, of the Evanston Planning Department, Don Hohanadel of the Chicago Planning Department, Jeff Frankwick, of the Chicago Equity Fund, and B. J. Thomas, of Animal Affinity and the Howard Street SSA.

The consensus seemed to be that while Howard Street has made dramatic strides in the past ten years, given the flurry of activity in surrounding residential areas, Howard Street will emerge as a viable commercial corridor in the near future.

Typical was the response of Jay Johnson, of Urban Residential Services, which is associated with Urban Investment Trust, the developer of Gateway Centre. Johnson was involved in the recent rehabilitation and development of the Howard Theater and the adjoining Howard Square Development, which encompasses the Wisdom Bridge and Lerner Press buildings, into a residential and commercial complex. He noted that only a few years ago, property on Howard Street was going for virtually nothing. Today realtors and investors are scrambling for any property which may be available on Howard, from the lake west to Ridge.

As the discussion shifted to Howard Street west of Clark Street, Ald. Ann Rainey, of Evanston asserted that although the city has been preoccupied with efforts to bring about what she called a "renaissance" of the downtown area, the problems of helping Howard Street, particularly the Evanston side, to realize its full potential, have been uppermost in her mind for years.

She noted that in recent years Evanston has taken steps to curb street crime. It has stationed police officers on each of the side streets off the Evanston side of Howard Street and is planning to develop a surveillance unit at Damen and Howard. She agreed that appearance and the image presented is of utmost importance in realizing the full revitalization of the area. Such programs as the Howard Street SSA, under which Howard Street merchants on both sides of the street pay for advertising, street banners, street cleaning, and the streetscaping program recently introduced on the Chicago side of Howard are of utmost

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Community Task Force Stabilizing Kakvand Properties

Cooperation of various Rogers Park agencies and civic groups, including the Rogers Park Builders Group, as well as Alderman Moore, has apparently brought down the curtain on one of the most outrageous and damaging practices to hit the community in recent years.

According to Mary Jane Haggerty, community housing organizer of the Rogers Park Community Council, who has been closely monitoring the situation since it first came to light in 1998, the alleged perpetrator of the scheme is a local developer and businessman, Michael Kakvand. To put it briefly, Kakvand and his associates were allegedly behind the purchase of 12 buildings containing 153 units in Rogers Park in 1998 and 1999, which were then sold as individual condos.

The units were purchased by a number of individuals who apparently did not occupy any of the units. Currently, nearly all of the buildings are being foreclosed by the banks which financed them. Eight of the buildings are vacant and two with tenants are without management.

Many of the vacant buildings are open and subject to break-ins, brawls and drug activity. According to Ms. Haggerty, a concerted effort is underway to obtain responsible ownership for the buildings and to resolve the many related problems which have resulted.

The city's Law Department and the RPCC are working together, according to Ms. Haggerty, to bring the lenders, their attorneys and realtors marketing the foreclosed properties together in an effort to bring the condo units together into individual apartment properties.

Alderman Moore has organized a working group comprised of nearly all of the community, city and law enforcement agencies involved. The group meets monthly to determine strategies and future actions.

The Builders Group has held several meetings to bring this scam to the attention of members. In the course of several meetings, the RPBG has worked with State Reps. Harry Osterman and Julie Hamos, State Senator Carol Ronen, and

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The Gale School Playground Build-Up Day

The RPBG proudly co-sponsored the Gale School Playground Build-Up this past August 26th, which drew more than 400 volunteers. This photo was one of more than dozens taken by Gale School 5th Graders as part of the Gale School Camera Project with funds donated by the RPBG. Some 26 Gale School students participated in the project, which was supervised by Audrey and Mike Patton, RPBG members.



AROUND THE NEIGHBORHOOD

Developers to Offer Home Ownership to Those of Modest Income

The Chicago Equity Fund, a local syndicator of tax credit investments and the Hispanic Housing Development Corp., a respected developer of affordable housing and an RPBG member, are going ahead with plans to build two affordable housing projects in the north of Howard area.

Under the proposed plan, CEF will convert a 49-unit building at 7715-21 N. Hermitage, into 30 one and two-bedroom condos, priced at \$30,000 to \$104,000 per condo for one-bedroom depending on household income and the number of people in the household. Two bedroom condos would range in price from \$54,000 to \$109,000 again depending on household income and the number of people in the household. The units are expected to be ready for occupancy early next year.

The Hispanic Housing building on the other hand consists of 22 two and three-bedroom apartments, which would be converted into 21 condo apartments. Two bedroom units are priced to sell at \$42,000 to \$72,500, depending on the buyer's income and family size, while three bedroom units will sell for \$52,500 to \$82,500. Both units would be well below the market rate value of \$82,500 for a two bedroom unit and \$92,500 for a three-bedroom unit.

Both the CEF and the Hispanic Housing programs will offer financing through the City of Chicago's *New Homes for Chicago*, which provides subsidies for people of modest means who are interested in becoming first-time homeowners.

Fall Tour Shows Off Area's Grand Old Homes

The many charms and elegance of some of Rogers Park's grand old homes was readily apparent to dozens who participated in the annual Fall House Tour sponsored by the Rogers Park/West Ridge Historical Society on September 24th.

This year's tour focused on a number of homes in the Birchwood Beach area, bounded by Touhy Avenue north to Birchwood and from the Lake west to Clark Street. It is one of Rogers Park's oldest areas, with a fascinating history of its own. Virtually all of the homes retain elements of the original architects and builders' ideas and what rehabilitation has been done by current and previous owners has been done with taste and refinement to heighten and in some cases add to the original features of the homes.

The Downs Moulton home for instance was designed by an associate of Frank Lloyd Wright's, Walter Burley Griffin in 1908. A perfect example of the Prairie School of architecture, the house features casement windows that are part of the walls, a low pitched pyramidal roof and a low, impressive chimney. The current owners have for the past two years begun an extensive renovation process in a effort to do a sympathetic restoration.

The Maguire/Walker home on the other hand is a fine example of an Arts and Crafts American four square home. Many such homes were built at the turn of the century in the Birchwood Beach area.

Each of the homes visited featured spacious rooms, high lofty ceilings, and in most cases built in pantries with lighting fixtures not often encountered today.

Included in the tour was a visit to the North Shore School, one of Chicago's oldest private schools, originally built as the Birchwood Country Club. The tour also included a stop at St. Paul's Church By-The Lake, an Episcopalian church built in 1925 in neo-English Gothic style with coat of arms, arched windows and wooden beamed ceilings.

According to Mary Jo Doyle, the Society's executive director, the tour was one of the best and most successful in recent years. It is the fifth time since the tour began that it has focused on specific neighborhoods within Rogers Park.

The RPBG contributed \$500 to the support of the Society, one of numerous community and civic events it funds every year.

("Kakvand Properties" cont. from cover)

U.S. Rep. Jan Schakowsky in the various stages of the scam, as it developed. And RPBG member Angela Maurello, who represents CIC, Community Investment Corp., advises that her organization is working with several of the foreclosed buildings to install good management for the properties.

"Currently, we are in the fact finding stage," said Cary Steinbuck, RPCC Executive Director. "I know that there are various developers who are looking to purchase some of these buildings. We are trying to come up with solutions to make sure that these buildings provide quality housing."

NEIGHBOR PROFILE

QUIET, BUT HIS WORDS CARRY WEIGHT

You might say that John O'Leary speaks softly and carries a big stick. He doesn't speak often, but when he does, his words carry a special weight borne of experience and the knowledge that he knows of what he speaks.

John, a founding member of the Rogers Park Builders Group, served as Chair of the Planning and Development Committee for a number of years. It was largely under his leadership that the Builders Group has focused on the north of Howard area as one of its primary targets for redevelopment. He is currently our able and hardworking secretary.

A 1980 graduate of Northwestern's law school, John also holds a masters of law degree in real estate from John Marshall. A practicing attorney, he heads his own law firm, specializing in construction law and real estate development.

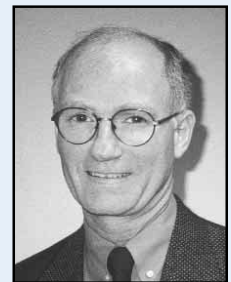
John is active in the Association of Subcontractors of Chicago and the Chicago Home Builders Association. As a member of the Chicago Bar Association, he is on the Mechanics Lien & Construction Law Committee. He

is also a member of the Forum on Construction Law of the American Bar Association.

A vigorous proponent of the future of Rogers Park, he is owner and part owner of five properties in Rogers Park. In partnership with RPBG board member Tom Heineman and several neighbors, he pioneered the development of a six-unit condo in the North of Howard area which in turn triggered the development of an estimated 50 additional condos in the area in recent years.

He sees our role in Rogers Park as encouraging more responsible development and in promoting home ownership in the area. To him the current economic upturn is an opportunity to create more jobs and to encourage more long-time commitments to the area.

You can reach John at his own web site: olearylawfirm.com.



Condo Market Still Surging Upward

The market for condos and townhouses in Rogers Park continues on an escalator ride upward as is evident from several new developments in the works or already completed. RPBG members are involved in all of the deals listed.

For one, Michelle Browne of Mak Browne and Associates, is offering a new 20-unit condo conversion – Estes 2000 – located on the corner of Estes and Damen.

The condos, which she describes as inexpensive, have “all the bells and whistles.” She adds: “They are a real buy at this time when there is so little available.” Units offer between 800 and 1,200 square feet each, washer and dryer, choice of marble countertops, new chef’s kitchen, in unit laundry, and new windows. Prices range from \$85,000 for a one-bedroom, one bath unit to \$166,000 for two bedrooms and two baths.

Also reporting excellent results is Connie Abels, of RE/MAX NorthCoast Realty. According to Ms. Abels, six of seven units of a luxurious condo conversion at 6926 N. Sheridan, were sold out within a few months of being placed on the market. The units, Sterling Manor Condos, are what Connie described as grandiose and offer 2,700 square feet of space, three bedrooms and three baths. Features include a top of the line kitchen, wood burning fireplace, and a two-car garage. Only one unit remains unsold, Connie reported. The upper floor condos went for \$419,000 each while those on the lower floors sold for \$379,000 each.

Tom Drake, of the Drake Group, is developing a luxurious 22-unit condo conversion at 1517 W. Jonquil, the Berkshire. Features include off-street parking, new windows, electric system, new stainless steel kitchen appliances, and a security system. Prices range from \$106,000 for a one bedroom, one bath unit to \$199,000 for a two bedroom, two bath duplex. Of the 22 units offered, Drake reports 20 are under contract and nine have been closed. The property is being marketed by Builders Group member, Tony Marchese, of the Cardinal Group.

Marchese is also agent for Drake’s 13-unit condo conversion at 1514 W. Northshore, which offers all of the niceties that people want, he said. Units, which include deluxe cabinetry and tile kitchens, start at \$136,000 for two bedrooms and one bath to \$220,000 for four bedrooms and three baths. Of the 13 units offered, nine have been sold to date.

Of a three-unit lavish condo conversion offered by Tim Flentye at 7730 N. Eastlake, all are under contract, except the basement, which is still available. Tim reports that the third floor unit was priced for \$407,000 and with upgrades sold for \$430,000 setting a new condo sq. ft. benchmark of over \$200. Amenities for each condo include more than 2,000 square feet of space, granite bath and granite counter tops, steam shower, whirlpool bath, rooftop deck and a wood-burning fireplace.

Sharon Kozak, of Coldwell Banker, invites readers to tour what she terms, “a spectacular vintage condo conversion,” Columbia by the Lake, 1148 W. Columbia. Twelve two, three, and four bedroom condos featuring extraordinary architectural detail are on display. A limited number of duplex units feature a family room and three plus baths. The units feature a lake view from private and common roof decks and range from 923 to 2,200 sq. feet. Prices range from \$159,900 to \$299,900. Call Sharon at (847)465-4344.

(“Commercial Revitalization” cont. from cover)

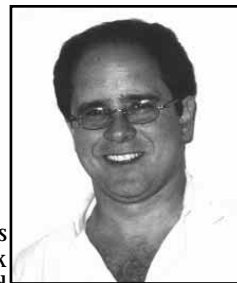
importance, she emphasized. B. J. Thomas, owner of Animal Affinity, the pet shop on Howard near Damen, agreed that crime is still a factor, but he emphasized that if shop owners conduct their businesses in a businesslike manner and refuse to let loiterers and gang members take over their stores, they will not bother store owners.

A voice of optimism that keynoted the discussion was sounded by Ald. Moore who noted the challenge of leading a community such as Rogers Park, composed of diverse economic, racial and ethnic groups, to realization of their dreams. It is a constant struggle, he noted, but one which is being won each day. He cited tremendous strides in the revitalization of Howard Street, which he described as a key to the continued growth of the entire Rogers Park community. Gateway, the recent expansion of Gale School, and the park surrounding it, the recent playground build-up event which drew more than 400, streetscaping and beautification of Howard Street, are steps in the right direction.

As RPBG President Mike Glasser put it: “Since the Builders Group began in 1992, Howard Street has been the key to the continued vitality and viability of Rogers Park.” He paid tribute to the many courageous and talented leaders who have played pivotal roles in Howard Street’s revitalization, and looked forward to their continued leadership and inspiration in years to come.

As I See It...

by Mike Glasser
President, Rogers
Park Builders Group



Many Builders Group members involved in the rental business talk about what it takes to attract “good tenants” into the neighborhood. We also remain mindful that we need to attract “good developers.” Regretfully, this past year we again learned about the consequences when a “bad” developer purchases a series of buildings.

Fortunately, the story I will share with you appears to have a good ending – about how the Rogers Park community is rallying together to deal with the horrible problems associated with the “bad” developer, and tried to rectify the problems he caused.

Over the past two years, Residential Realty obtained or marketed twelve multifamily properties, which Residential in turn, deeded into separate condominium units and sold off to a variety of purchasers, each of whom paid inflated prices for the units, each purchase financed by out-of-state banks. None of the purchasers ever occupied the units. In fact, most, if not all, of the purchasers disappeared and the lenders were left with no one paying the mortgages. Consequently, nearly 150 condo units went into foreclosure and each of the twelve buildings fell into various states of disrepair, with no owner present to be accountable for the condition of the properties. Soon gang and drug activity infested many of the buildings. A community crisis was at hand.

As unprecedented as was this situation, equally unprecedented was the swiftness and apparent effectiveness of the community response. Various community leaders and organizations selflessly banded together and in conjunction with the Alderman’s office and other City agencies, including the City Law Department and the Police Department, are putting forth a zealous effort to redress the horrible problems apparently caused by Residential. The Rogers Park Community Council (RPCC) and the Alderman’s office are taking the lead in assembling a task force that meets regularly to deal with this problem, and months later, well ahead of anyone’s expectations, we are starting to see the results. Several of the buildings are now boarded and secure, with responsible developers positioning themselves to take a controlling interest and to stabilize them. The City and the Alderman’s task force are engaged in a difficult process to see that the remaining properties get into good hands, a process complicated by difficulties ascertaining who owns the individual units.

What impresses me most is that throughout this crisis, everyone has maintained a solutions oriented approach, always being sure to keep his or her ego in check. Community leaders have risen to the occasion, working together to meet the challenge at hand. The Builders Group offers kudos to the many people who have tirelessly and unselfishly worked toward resolving these problems. Of the many people participating in this process, I would like to single out Mary Jane Haggerty and Alderman Moore and his staff (particularly his Chief of Staff, Kevin Cosgrove) for committing a huge amount of time and energy toward resolving the problem.

I am proud the Rogers Park Builders Group has contributed to this process. Admittedly, we play a smaller “behind the scenes” role, bringing together various real estate professionals and legislators to offer community leaders their professional expertise and support. One of our board members, Angela Maurello of CIC, is actively involved, attempting to work out solutions for several of the more challenging properties.

I am confident that the community will draw on this same solutions oriented approach as we confront future challenges.

OUR MISSION

The Rogers Park Builders Group's mission is to encourage investment, development, and ownership in the Rogers Park community. Looking far beyond bricks and mortar, the RPBG initiates and supports collaboration on city and community actions to create a destination community.

RPBG Officers

- Mike Classer, President
- Michael Wallik, Immediate Past President
- Paul Goguen, Past President
- Laurene Huffman, Vice President
- Tim Flentye, Treasurer
- John O'Leary, Secretary
- Dan Dooley, Chairman-Membership
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c/o Mary Jane Sacks • 1708 W. Jarvis Avenue • Chicago, IL 60626
 Phone/Fax (773)743-7453 • e-mail: tjacks@aol.com
 Website: www.rogerspark.com

Please send information about becoming a member of the Rogers Park Builders Group

Name _____

Address _____

City/State/Zip _____

Phone (daytime) _____

Phone (evening) _____

I'm interested in: _____

Comments _____

Mail to: Mary Jane Sacks, Administrative Director
 Rogers Park Builders Group
 1708 W. Jarvis Avenue • Chicago, IL 60626
 Phone/Fax: (773)743-7453
 e-mail: tjacks@aol.com
 Website: www.rogerspark.com

2nd Annual Joint Meeting with EUBA (Edgewater-Uptown Builders Association) and the RPBG



Part of the more than 100 who attended the combined meeting of the Rogers Park Builders Group and EUBA (Edgewater-Uptown Builders Association), held this past August at the Uptown National Bank. In the foreground are Al Goldberg and Steve Livaditis, both board members, and to Al's left is Dorian Bezanis, an RPBG Sponsor-Member. The event featured a cocktail reception at the bank and a lecture and tour of the Riviera Theater.

Season's Greetings

With the Holiday Season just around the corner, we want to take this opportunity to wish our members the very warmest Thanksgiving Greetings and the Happiest of Channukahs, and Merriest of Christmases! May the spirit of the fellowship and goodwill kindled by these holidays serve as inspiration in the months to come.

- The Editors