

# Troubled waters?

Long the butt of dirty jokes, the Chicago River is finally sprucing up. But just how the waterway is developing—and who stands to profit from it—is making waves across the city.

By **John T. Slania**

Illustration by **Wayne Potrue**



**W**illiam B. Ogden, elected the first mayor of Chicago in 1837, understood the potential of improving the Chicago River. Ogden led a public crusade to acquire property where the river meets Lake Michigan. He tore down the whorehouses, gambling dens and shanties, and took possession of the land by eminent domain. He lobbied to dig the Illinois and Michigan Canal, which enabled ships to travel from the Chicago River to the Mississippi River. He hired crews to dig a straight channel around a crook in the Chicago River's North Branch, creating a speedy shortcut for shipping traffic. (When the new canal and the bow in the river were connected 1 1/2 miles to the north, it created Goose Island.)

While lauded for his public service, Ogden also harbored private interests. In each instance, he owned land where the river upgrades were made. The improvements also aided his various business investments, which included lumber, brick making, railroads and brewing beer.

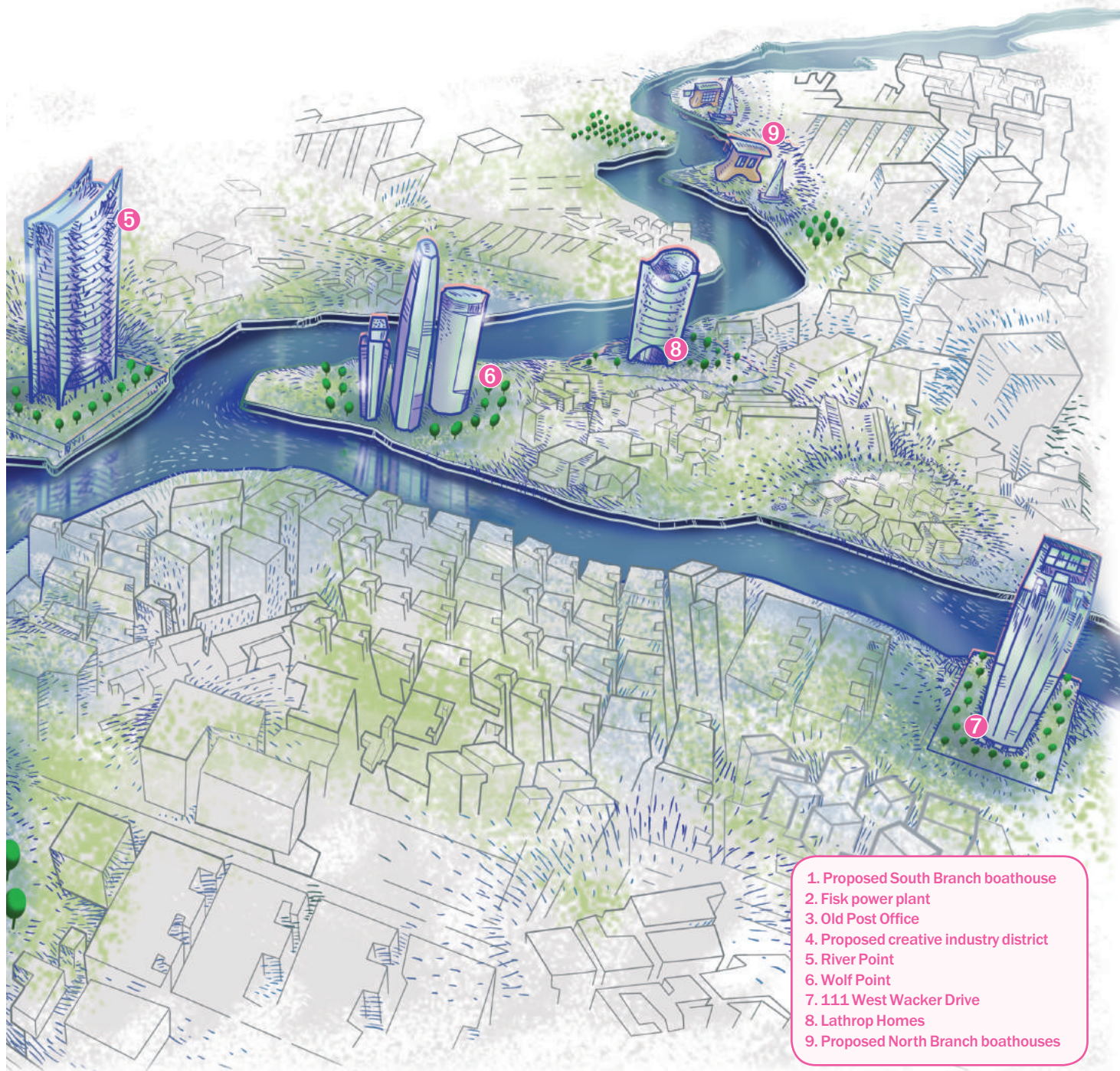
No one is accusing Mayor Rahm Emanuel of the chicanery of his predecessor. But Emanuel knows that his campaign to improve the environmental and recreational quality of the Chicago River is good business.

"Lake Michigan is part of our front yard, and the Chicago River is part of our backyard," Emanuel said in a written statement to *Time Out*

*Chicago*. "Improving our waterways will further the economic development of our city, as well as maintain the quality of an important asset to our city." The mayor's enhancement plans call for more restaurants, riverwalks, public parks and boathouses along the Chicago River, while continuing to push federal and local agencies to improve the water quality.

Brunches, boats and water that's a normal shade of blue. Who could argue with that?

But at the same time, the city is throwing its weight behind several new real estate projects on the river, the first significant developments since the recession took its grip in 2008. And that's where the complaints start:



- 1. Proposed South Branch boathouse
- 2. Fisk power plant
- 3. Old Post Office
- 4. Proposed creative industry district
- 5. River Point
- 6. Wolf Point
- 7. 111 West Wacker Drive
- 8. Lathrop Homes
- 9. Proposed North Branch boathouses

Wealthy downtown condo owners are concerned that new river developments will increase traffic congestion and block their views.

Affordable-housing advocates are worried that a renovation of a riverside public housing project on the North Side will displace low-income residents; back downtown, they're troubled that city tax increment financing funds are going to deep-pocketed developers.

Recreationalists who stroll the riverwalks, or float on their kayaks and sailboats, worry that towering new developments will limit public access to the water.

And environmentalists, pointing to the green muck still floating on parts of the river, say efforts

to clean up the water are moving too slowly. They complain that water treatment plants still dump partially treated sewage into the river, and sewer water flows into the river after each heavy rain. An EPA mandate, issued in May 2011, that the river's water be made clean enough for people to swim in may not be achieved until at least 2029, when Deep Tunnel, a \$4 billion reservoir project designed to eliminate sewage from flowing into the river, is completed.

"When you read the mayor's plan, all these constituencies happily coexist. The reality is, they don't always agree," says Sharon Haar, a professor for the School of Architecture at the University of Illinois at Chicago.

How the conflict plays out will depend largely on Emanuel's ability to balance these interests. If he can keep them working together, the mayor has a better chance of building on Ogden's legacy, using the river to wave in new businesses and new jobs to Chicago.



The tension between private interests and public sentiment has taken center stage on two scruffy parcels of green space near the Merchandise Mart, at the confluence of the river's Main, South and North branches. These small pieces of land, where crooked trees and patches of wild grass conceal urban eyesores such as parking lots and railroad



**WATER FIGHT** A proposed development on Wolf Point, a 4-acre land parcel in front of the Sun-Times building, is worrisome for local condo residents who would lose their views.

tracks, are separately owned by two politically connected businessmen seeking to build gleaming high-rises: Wolf Point and River Point.

The River Point project is a 45-story office tower planned for the river's southwest bank near Lake and Canal Streets. The 2½-acre site is co-owned by Larry Levy, the longtime Chicago restaurateur (Spiaggia, Fulton's on the River) who also operates food concessions at Wrigley Field, United Center and U.S. Cellular Field. The 900,000-square-foot building is being developed by Hines, which has built four projects along the river, including 333 West Wacker, the curved green reflective high-rise just east of the River Point property.

Meanwhile, plans have been announced for a \$1 billion office and apartment project on Wolf Point, a nearly 4-acre site on the north bank in front of the Sun-Times building. Plans call for a 50-story apartment building to be built first, followed by two office towers standing 80 and 65 stories. The family of Christopher Kennedy—former president of Merchandise Mart Properties—owns the land.

It didn't take long for the protests to start once these projects were announced. At River Point, the city is spending \$29.5 million in TIF funds to help pay for public improvements, including a 1½-acre park. TIF districts are supposed to finance improvements to blighted areas using the increased tax revenues that come from new development. In this case, the city and the developer are splitting the \$60 million cost to build a tunnel for railroad tracks so commuter trains can continue to rumble through. The public park will sit atop the tunnel.

In early August, a coalition of grassroots community organizations protested outside Levy's Fulton's on the River restaurant, which overlooks the river on LaSalle Street. They argued that TIF

funding shouldn't be awarded to well-connected developers for a prime real estate project.

"TIF districts are meant to be used to develop low-income, blighted neighborhoods. The riverfront downtown is not blighted," says protest organizer Amisha Patel, executive director of Grassroots Collaborative, a collection of 11 local community organizations and labor unions that fight for policy change to help low-wage service employees, senior citizens, the homeless and more. "People in low-income neighborhoods don't have the connections that downtown developers do."

Levy makes no apologies for the arrangement. "I don't think they understand how TIFs work. All the city is allowing us to do is use a portion of the incremental increase in property value to cover the railroad tracks and build a public park. The economics don't make sense without covering the railroad tracks. It will be done without one penny of public money," Levy says.

Still, Levy does have friends in high places. Illinois State Board of Elections records show that over the past two years, Levy has contributed \$3,500 to the campaign of 42nd Ward Ald. Brendan Reilly, whose jurisdiction includes River Point. Levy also has been a big donor to former Mayor Richard M. Daley and Illinois House Speaker Michael Madigan, state records show. Levy refused to respond to questions about his political donations.

Reilly, who has the final call on zoning in his ward, defends the TIF financing, saying the undeveloped site will reap huge property tax revenues once the office building is completed.

"The River Point project was approved five years ago, but it took a long time to determine how much the city should contribute. It was a thoughtful process," Reilly says. "My job is to find common ground between the developers and

the community. There are a lot of competing interests. It's a delicate balancing act."

Across the river, the howls over plans for three skyscrapers to be built on Wolf Point come mostly from condo owners in the Residences at RiverBend at 333 North Canal Street. Their eastward views would be blocked by the high-rises. But they're also concerned about the increased traffic that would come by putting a combined 3 million square feet of office and apartment space on Wolf Point.

"We'd be naive if it were only about the views. If you're part of the neighborhood here and you deal with all the traffic each day, you understand why we're concerned about the increased density from this project," says Ellen Barry, who lives in the Residences at RiverBend and is president of the opposition group Friends of Wolf Point, which was formed in May and represents residents of the River North and Fulton River District neighborhoods.

Barry believes the odds may be stacked against opponents because of Kennedy's connections. "The name *Kennedy*—whether that's going to warrant some special treatment, I don't know," she says.

Christopher Kennedy, son of the late Robert F. Kennedy, certainly has loyal Democratic ties. A longtime resident of Chicago, Kennedy has contributed a modest \$200 to Emanuel's campaign, according to data from the Illinois Campaign for Political Reform, and a more sizable \$2,250 to party heavyweight 14th Ward Ald. Edward Burke and \$9,500 to Illinois Attorney General Lisa Madigan since 2002, according to Illinois State Board of Elections records.

Magellan Development Group, a financial backer of the Wolf Point project, recently made a \$5,000 contribution to Reilly's campaign, state records show. Additionally, Magellan principals Joel and David Carlins and Jim Loewenberg each gave Reilly \$1,500, state records indicate.

## Around Town

Kennedy, who didn't return calls and e-mails requesting comment about his political donations, attended a July meeting of Friends of Wolf Point to discuss traffic and parking concerns, and to tout the positives, including nearly 2½ acres of public open space.

*Development:* That's never been a dirty word in Chicago. People are proud of that legacy, and should be. It has resulted in some outstanding architecture," Kennedy says in a later phone interview.

"At the same time, we can't live in isolation," Kennedy says. "The business community, the government, the environmentalists, the recreationalists, need to work together for what's best for the river."

Reilly, who has held one community meeting on Wolf Point, says he understands the concerns of residents, and anticipates more public discussion before he makes any zoning decisions on that project.

"The main concerns are about lost views, density and traffic. Frankly, it's on me to get it right," Reilly says.



While there are turbulent waters on the river's Main Branch, high-profile projects on the North Branch are also causing conflict. Residents of Bucktown, Logan Square and Roscoe Village are making waves about a proposed redevelopment of the Chicago Housing Authority's Julia C. Lathrop Homes project on the river near Diversey and Clybourn Avenues. Lathrop Homes consists of 925 low-rise brick units with fine ornamental details. Built along the river in the 1930s, it features generous green open space and gardens. It recently was listed on the National Register of Historic Places. As part of the CHA's Plan for Transformation, a development team has been selected to come up with a plan for a mix of affordable and market-rate housing units. The lead developer is Related Midwest, supported by a team that includes Magellan, Heartland Housing, Bickerdike Redevelopment and Ardmore Associates. Related Midwest is also building a 60-story luxury apartment building along the Chicago River's Main Branch at 111 West Wacker Drive, and Related president Curt Bailey has contributed \$5,000 to Reilly and \$1,500 to Emanuel, state campaign finance records show.

The Lathrop Homes redevelopment plan has created much tension in an affluent area of the city where housing prices continue to rise. A two-bedroom condo in the neighborhood can sell for \$350,000 to \$450,000. Some residents would like to see more market-rate housing on the prime 32-acre site than the plans call for. While more than 80 percent of the Lathrop units sit vacant, the remaining low-income residents want to stay.

"When Lathrop was built, the river was dirty and the area was industrial. Now that's changing and the river is a huge asset," says Kerry Dickson, senior vice president of Related Midwest.

The challenge for the development team is addressing the desires of the divergent voices in the community, Dickson says, which will be done through an ongoing series of public meetings.



Rendering of a proposed boathouse in Chinatown's Ping Tom Park



Rendering of a luxury apartment building at 111 West Wacker Drive, to be completed in 2014

"Public housing tends to be isolated from the surrounding community by physical and social barriers. We're trying to break down the barriers," Dickson says.

Ald. Proco "Joe" Moreno, whose 1st Ward includes Lathrop Homes, lauds the CHA for keeping the planning process transparent. "With most developments, it's 'Here's the plan.' We did the opposite. We told the community, 'You come up with the plan,'" Moreno says.

Meanwhile, Emanuel is planning to create more public access by building two boathouses on the North Branch, one at River Park in Lincoln Square and another at Clark Park in North Center. The boathouses will cost \$4 million each and are being designed by noted architects Jeanne Gang and Chris Lee, with help from students at the Illinois Institute of Technology.

Similar plans are being made for the river's South Branch, where boathouses will be located at Ping Tom Park in Chinatown and near 28th and Eleanor Streets, between Bridgeport and Pilsen. These projects are viewed as a needed boost for the South Branch, which has never shaken its reputation as "Bubbly Creek" from the days when the Union Stock Yards meat-packing plants dumped animal parts into the river. Concrete sea walls and imposing steel bridge spans limit public

access to the South Branch, but some see it as the next logical place for development.

"It's still an industrial remnant, with a lot of vacant factory and railroad land. But it clearly could be an asset for neighborhoods like Bridgeport, Chinatown and Pilsen," says Skidmore, Owings & Merrill architect Philip Enquist, who recently led a Harvard University urban design class in a project to envision the future of the South Branch.

Prime sites for development include Chicago's Old Post Office at Congress Parkway and the river, where British developer Bill Davies hopes someday to build 16 million square feet of residential, retail and entertainment space. Farther south in Pilsen, 25th Ward Ald. Danny Solis is hoping that a cluster of early-20th-century industrial buildings in the Cermak Road Historic Bridge District can be converted into a "creative industry district" for use by architects, graphic designers and fashion merchandisers. Meanwhile, in August, Midwest Generation shuttered its controversial Fisk coal-burning power plant on the river, opening up further development opportunities down the road, Solis says.

"I think this will be the next big development area for the river," Solis says of his South Side ward. "I think we have to be wary of shysters who come along trying to make a quick buck. They can't just plant a flag and put up a number of units. There has to be a plan to integrate the community and make the river accessible to the public."

Opinions like these are encouraging to those who aren't seeking to gain notoriety or profit from the Chicago River cleanup, but simply want to see its water quality improved for recreation and the environment. Consider Margaret Frisbie, executive director of Friends of the Chicago River, who has worked for 12 years to improve the water quality. She knows the city has a long way to go before it achieves the EPA's mandate. Still, Frisbie thinks Emanuel has the right idea.

"We're seeing a real shift in how people feel about the river. We just don't see it as a sewage conveyance. We see it as an asset," Frisbie says. "Advocacy groups, the EPA and the mayor understand it. Developers are not advocating for improved water quality as much as they see value in it. But that's a start."