

# ROGERS PARK BUILDER

SPRING 2001

## An Act of Faith: Al Goldberg's Investment in Art Oriented Building Pays Off

Al Goldberg has a vision for the development and growth of Rogers Park and he is not afraid to put his money where his vision is. In 1999 Al invested in a two-story building on the southeast corner of Morse and Glenwood which had become an eyesore – a haven for drug dealers, prostitutes and gang activities.

Al, a vice president of Hallmark & Johnson Properties, specializing in the sale of apartment and commercial real estate, knew further that Rogers Park has a large artistic community and there is a perpetual shortage of quality, long term space for arts use. So under the name of ArtSpace RP, Al created a development with the goal of building a long-term artistic community to perpetuate the arts in Rogers Park in a space specifically designed for artists.

The first step was the complete restoration and renovation of the building facade. Working with DevCorp North and the City Planning Department, Al was able to take advantage of the City Facade Rebate program to assist in the design and renovation of the facade. Under this program Al was able to obtain a rebate of up to \$5,000



*Forming a fitting backdrop to developer Al Goldberg, is the ArtSpace RP building on the corner of Morse and Glenwood, which Al developed as a focal point for artists in Rogers Park. Building, formerly a haven for prostitutes and gangs, is now in the forefront of upscale properties heralding the rebirth of Morse Avenue.*

per unit, for the maximum rebate of \$40,000.

The result: a bright, spacious second floor layout of three "live-work" apartments and six studios. There are also ten storefronts on the ground floor. To date eight of the nine second floor studios are rented. And eight of the ten storefronts are leased. Not bad for a project which began in January of 1999.

One of the storefronts, Inclusion Arts Gallery, serves as a co-op for display of the work of member artists in the Chicago arts scene. Says Al: "One benefit for the artist tenants in the building is that they can participate at a discounted rate. The color and lights and professional quality artwork have really added a new dimension to the Morse Avenue sensibility. If you are a Rogers Park booster, come and buy some art."

One studio remains available at \$495 a month, and two storefronts are available for lease at \$15 a square foot, taxes included.

Al sees the development of ArtSpace RP as a first step in the restoration of Morse Avenue to its former status as a vibrant shopping area of Rogers Park. He points to other encouraging developments including the rehabilitation of the building at 1530 W. Morse as a center for senior citizens, the construction of

(continued on page 2)

## Twenty Units Sold at Lakeview Pointe – Former Shell Site

In December, SMB Development acquired the new 57-unit project to be built at the site of the former Shell Gas Station. The development, the Residences of Lakeview Pointe, is located on Sheridan Road, just south of Evanston.

SMB is a well-established developer responsible for several significant developments including the Madison Club, Tuxedo Park and the Prairie Homes of Dearborn Park.

According to the Alderman's office, the alley north of the project must be vacated, permits must be obtained and there are adjustments to be made to the building plans before work can proceed on the development.

Janet McCoy, broker agent of Century 21 SGR, notes that there are two townhouses (one of which is sold) of more than 3,000 square feet each. The remaining unit is priced at \$799,000.

The duplexes, which comprise the center section of the complex, are approximately 2,000 square feet each and sell for approximately \$450,000 to \$500,000 each. Four are unsold.

Finally, there are 38 condos in the West section of the complex of from 1,200 to 2,100 square feet each. These sell for approximately \$279,000 to \$466,000 each. Fifteen of these units are sold and two reserved.

The townhouses, three stories each, have three or four bedrooms and three and a half baths, private patio and a balcony, and a two-car garage. Features of the duplexes include three bedrooms, two and a half baths, a family room, deeded parking, private patio and roof deck access, while the condos feature two bedrooms and two baths, deeded parking roof deck access, and a balcony or terrace. In addition, several three bedroom, three bath penthouse condos are available.

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## Fate of New Rogers Park Firehouse Seen to Rest with Alderman Moore

The outcome of a controversial new fire house for Rogers Park rests largely on Alderman Moore's decision. There is little doubt that the existing fire station on Greenleaf, built for horse-drawn equipment in 1915 has long been rendered obsolete. But when fire officials and members of the city's Public Building Commission surveyed the community for a suitable site, they recommended the Clark Street Mega Mall as the best location. That decision proved quite controversial with some thinking that the Mega Mall is an eyesore and others believing that the jobs of the Mall vendors must be protected.

The choice is between the Mega Mall, which houses more than 50 Asian, Hispanic, and various other shopkeepers, and another site just north of the Mega Mall which includes a now defunct supermarket and a few other stores. The Alderman is expected to name his choice for the location as this issue goes to press.

## Crain's Sees Rent Increase Linked to Vaulting Gas Prices

Relative to escalating natural gas prices is an article which appeared in the March 3rd issue of *Crain's Chicago Business*. Because of the skyrocketing gas costs this winter, the article says, tenants can expect to see rent hikes ranging from 10 percent in such trendy neighborhoods as Bucktown and Lakeview to an average of about 6 to 8 percent for the rest of the city.

In his column in the Spring edition of Rogers Park 2001, Michael Glasser described the double impact of higher gas prices and increased property tax assessment: "I hope many landlords in the RPBG will do what we can to be mindful of tenant's situations, while at the same time the tenants will understand ours."

(For related story, see story on "Gas Crisis" on page 5).

(*"An Act of Faith"* continued from cover)

the 1,000 student Field School annex at the corner of Morse and Clark, and the rehabilitation of another building at 1624 W. Morse Avenue by Carl McElroy as further evidence of the rebirth of Morse Avenue.



Was ArtSpace RP worth the effort? Al answers with a resounding yes. "The restoration of this particular building helped nurture this building and this corner. It is a key factor in the health and recovery of Morse Avenue," says Al.

Surrounded by a few samples of art objects to be found at the Inclusion Gallery is Alan Goldberg, developer of the ArtSpace Building, at Morse and Glenwood. The totally renovated building houses nine second floor "live work" studios for artists, as well as ten storefronts, nearly all of which are leased.

"Since we installed new lighting on the building and had new storefront windows installed, people no longer have a fear of walking on this street and that is gratifying."

"Although there is much to be done to revitalize Morse Avenue, I think this renovation project will stimulate further investment in the real estate and businesses of the Morse/Glenwood community," he says. To help further those goals Al is active in the Morse Avenue Streetscaping Committee. He recently assumed the chairmanship of the Rogers Park Builders Group Membership Committee and is also active in the Howard area as a member of the Howard Area Redevelopment Committee.

Al can be contacted at Hallmark & Johnson at (847)933-9000, x211.

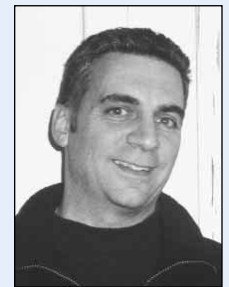
## NO HALFWAY MEASURES FOR THIS BUILDERS GROUP STALWART

Marty Max does not believe in halfway measures. Marty, the new Builders Group Vice President, explains his philosophy and those of his partners in MLC Properties like this: "We provide housing for all economic levels and treat all residents with respect."

His firm owns and manages their own buildings, including more than four buildings in Rogers Park representing about 130 units. The properties include everything from SROs to prime real estate. In recent years, his company has been involved in several condo conversions in Albany Park and Logan Square. "We have taken buildings which were deteriorated and gang infested and turned them into assets of the community," he said.

A liberal arts graduate of Northern Illinois University in DeKalb, Marty became interested in real estate about five years ago. He became active in the Builders Group only two

years ago, participating wholeheartedly in the Planning & Development and the Membership Committees.



Marty and his wife, Jodi, parents of three children, two girls and a boy, live in Highland Park. Marty values the Builders Group most for keeping him abreast of what's going on in Rogers Park. Attendance at board meetings and participation in committee activities provides an opportunity to meet and network with other developers and real estate brokers.

For the future, Marty sees the Builders Group concentrating even more than it has on the problems of landlords and in residential and commercial developments.

## New Condo Conversions Underway

New condo developments continue apace in Rogers Park. Several new developments, reported in recent weeks, include one by Connie Abels, of RE/MAX NorthCoast Realty, who has begun marketing of a six-unit condo conversion at 7640 N. Greenview. Included in the development are four units with two bedrooms and two baths with private garage, and featuring jacuzzi bath units, marble counters and a fireplace. Prices for these 1,500 square foot units start at \$215,000 per unit.

In addition there are two three-bedroom, three-bathroom duplexes with wet bars, a second fireplace and private garage and all of the other features listed above. The 2,500 square foot units start at \$310,000 each.

Connie further reports that only one of four condos at 6924 N. Sheridan, across from Leon's, remain. She describes the 2,700 square foot unit as "stunning" containing all of the features for bathroom and kitchen which customers want and two-car parking. The unit is priced at \$389,000. Connie can be reached at (773)465-REMAX.

Meanwhile Sharon Kozak, of Coldwell Banker, reports on two recent condo developments that she represents. In the first, Ibrahim Shahideh of Arthur Seeley LLC, is offering 17 totally rehabbed units in West Rogers Park, at 2021 W. Arthur. Included are 15 two-bedroom and one-bath units priced from \$149,000-\$187,000. In addition there are two spacious garden apartments priced at \$116,000 to \$135,000. The developer is a U.S. distributor of an Italian kitchen and bath line. Kitchens feature Rancucine cabinetry, laminate countertops and bath accessories. Baths feature Tendra Dorica pedestal sinks, imported cabinetry and porcelain tile.

Sharon further noted that Columbia by the Lake, an IDM Enterprise condo development, first marketed in October, is now 80 percent sold. The 12 unit conversion, located across from Starbuck's and the Village Theater, at 6741-43 Sheridan Road, contains units ranging in size from 2,200 square feet, which are priced at \$159,000 to \$310,000. Features include private and rooftop decks, spacious layouts, hardwood floor and birch cove moldings. For information and to arrange for showings of either development, contact Sharon at (773)761-6064.

Finally, Michelle Browne of Mak Browne Associates, reports that only two of seven townhouses at 1306-1312 W. Pratt remain unsold.

One is a two-bedroom, two-bath unit and the other a two-bedroom, three-bath unit. Both are two blocks from the lake, have two-car garages, outside deck, and private yard. Other features include natural stone floors and granite counter kitchens. "These are full luxury apartments," said Michelle. Prices are \$305,000 and \$309,000 respectively. For information contact Michelle at (773)348-3900, x247.

## Gateway Centre: Rounding Into Shape

Real progress is being made in the Gateway Centre. According to Ken Govas, Executive Director of DevCorp North, co-developer with Urban Investment Trust of the Centre, here are a few accomplishments of recent months and several expected for the near future:

- The 650 car tri-level parking garage is nearing completion and plans to move motorists currently parking on the nearby lot into the new structure are moving ahead.
- This will free up land which in turn will serve as a new building to house a Bally's fitness center and a Marshall's retail store. Both units are expected to occupy about 30,000 square feet of the new structure.
- Three retail stores, including a Payless Shoe Store and two clothing stores have already opened in a new retail building just south of Howard Street. Other stores expected to occupy this building in April include a General Nutrition Center (GNC) and a Sally's Beauty Supply store as well as three smaller stores.
- Runge's Auto and Tire, a fixture in Rogers Park for the past 40 years, is expected to move into a part of the parking structure ground floor in April.
- Also scheduled to occupy ground floor space in the new garage will be new offices for the CTA.
- This in turn will free up space to build a new 15,000 square foot building just west of the present CTA L station after CTA trailers are withdrawn from the property. Work on the new structure, estimated to house seven or eight retail stores, will start in April.
- Scheduled to start in June or July is a new bus staging area on Paulina. Temporarily there will be a bus turnaround, but eventually there will be lanes for bus and car traffic to move up and down Paulina.
- Govas noted plans are also moving ahead on the design of the new \$21 million L station. Alderman Moore is scheduling dates for input of community leaders on how the new station should be designed.

Govas also indicated that the new Gateway Bar & Grill, an integral part of the Centre, formerly known as "My Place for," has completed a \$120,000 exterior renovation and improvement, part of the cost of which will be recovered under the city's new Facade Rebate program.

## Blend of New and Old in 2001 Executive Committee

Elected to a third term as RPBG President at the February board meeting, Michael Glasser is excited to see a blend of new and old blood on the Executive Committee of the RPBG Board.

Assuming new Executive Committee positions for 2001-2002 are: Marty Max, Vice President; Jake Weiss, Public Relations Chair; Al Goldberg, Membership Chair, and Mark Kruse, Fundraising Chair.

Retaining Executive Committee positions, but in different capacities are: Laurene Huffman, from Vice President to Planning & Development Chair; Tom Heineman, from Assistant Editor to Treasurer; and Jim Stoller, from Public Relations Chair to Events Chair.

Retaining their positions on the Executive Committee are: Mike Luckenbach, Outreach Chair; Carla Price, Arts Chair; and John O'Leary, Secretary.

Our sincere thanks to outgoing Executive Committee members: Dan Dooley, Membership Chair; Tim Flentye, Treasurer, and Jim Klutznick, Fundraising Chair, for the outstanding work they have performed during their terms.

Said newly-installed vice president Marty Max: "I am excited to see this blend of new and old on the Executive Committee. New members bring new ideas and enthusiasm, and current members assure continuity for the new year. I look forward to a very strong year with our new Executive Committee."

*("Lakeview Pointe" continued from cover)*

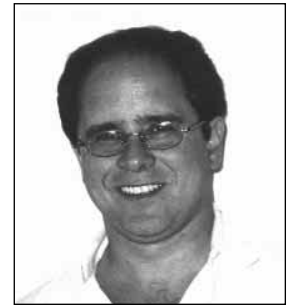
All units are furnished with lavish, state-of-the-art garbage disposal, and oak or ceramic tile floors. Furnishings for the living rooms and bathrooms are equally lavish.

Ms. McCoy indicated that the development is proceeding according to schedule. The first phase, which will house the condo units furthest west, is scheduled for completion in Spring of 2002. Phase 2, the mid-section duplexes, will be completed by the Fall of 2002. The townhouses are scheduled for completion by the Spring of 2003.

For information, contact Ms. McCoy at Century 21 SGR at (773) 755-7919 or visit their web site at: [www.lakeviewpointe.com](http://www.lakeviewpointe.com).

## As I See It...

by Mike Glasser  
President, Rogers  
Park Builders Group



**WANTED:  
Business People  
(Armchair Investors Need Not Apply)**

Spring is here and if you are like me, you are counting the days until you can turn off your building's furnace. With prices triple norm, this year's gas bills severely impacted cash flow. For many of us it was an unexpected hit – we are recalculating our building's operations, figuring out how and if we will cash flow this year.

Our experience this past winter reminds us that real estate investment is not for the faint or light-hearted. It was a nasty business reminder that real estate is not an armchair investment. Rather, owning real estate is a business – and one needs to be a seasoned business person in order to succeed in it.

What words of advice do Builders Group members offer real estate investors?

First, owning real estate is capital intensive. Be sure that you have the capital resources to handle rough spells – because you will have them. Owning investment real estate is tantamount to riding a roller coaster; often it requires an unexpected infusion of cash to ease the downward ride. The adage is true: it takes money to make money. Don't over leverage – perhaps purchase that smaller property and leave some cash in the till for that unexpected hot water tank that will go down on Christmas Eve. If you have the resources to weather the storm, prepare to enjoy the exciting and potentially lucrative ride back up.

Second, stay abreast of market conditions. Even if you are not actively involved in the day-to-day operation of your property, understand the market. That is why investors greatly value membership in organizations like the Rogers Park Builders Group. At monthly meetings, our members learn what's happening in the community, hear speakers address timely development and management issues, and benefit enormously from networking opportunities. Ask our members: Is there a better way to understand the Rogers Park real estate market than being involved in our organization? Plus, the food is pretty good.

Third, to succeed in real estate, you have to enjoy it. Often real estate investors feel isolated. We encounter problems (should we call them challenges?) and devise solutions almost single-handedly. It can be a lonely process. Going to monthly meetings is almost therapeutic. Suddenly, you realize that you are not alone in dealing with the challenges that you experience with fellow members, which opens many doors and adds immeasurably to the quality of our professional lives. If you are not enjoying your investment (i.e., you are losing money and/or community residents are besieging you with complaints), someone you know through the organization might buy your property from you, or alternatively, you might meet a qualified broker who can help you meet your goals.

Contrary to the perception of many, membership in the Rogers Park Builders Group is not reserved to established investors. Our organization – and in turn – the Rogers Park community flourishes with new members. Everyone benefits. Please feel free to contact our Membership Chair, Al Goldberg at (847)933-9000, x211, e-mail [hitsrce@wwa.com](mailto:hitsrce@wwa.com) if you would like to learn more.

# Your Stake in the Gas Crisis: An Interview with Yehuda Jay Draiman, U.S. Gas, Electric & Telecommunications

With natural gas prices reaching epic proportions in recent months, the *Builder* spoke with Jay Draiman, a leading broker of natural gas and utilities, to see what landlords, developers and property owners can do to lessen the impact of a rapidly worsening gas situation.

**The Builder:** As far as gas is concerned, can you briefly review what gas prices have been in recent months – specifically in December, January and February?

**Draiman:** Well, prices peaked in January. And December prices were somewhere in the upper \$.60s, \$.70s per therm and in January they went anywhere from between \$1 to \$1.20 per therm. So that by January gas prices had tripled over the previous year.

**The Builder:** And how does it look as far as February and March are concerned?

**Draiman:** February was down by about 25 percent. March has seen a further decline of approximately 15 percent. I estimate that the price of natural gas will settle somewhere between \$.58 to \$.62 per therm, roughly double the cost of gas last year, for the near future.

**The Builder:** We understand that Peoples Gas Co. was agreeable to setting the price of gas at around \$.34 per therm and they were rejected by the Commerce Commission, is that right?

**Draiman:** The problem was due to several factors – it was not just the city or Peoples Gas. Peoples Gas wanted to set a price that it felt was reasonable so that they could buy gas at a fixed price for the next year or so about 18 months ago. This was a tariff item which had to be filed with the Commerce Commission, and there was a lot of discussion back and forth about setting a price for gas. At that time Peoples Gas was asking for a fixed price of about \$.34 a therm. But the market was going for about \$.25 or \$.26 a therm. So many people were against setting a price which they felt was 40 percent too high. As a result, they were unable to fix a price and the deal fell through.

Peoples Gas was actually willing to guarantee the consumers gas at the price of \$.34 a therm, which as we know today would have been terrific, but hindsight is always easy to come by when you are dealing with such emotional issues.

**The Builder:** What are some of your suggestions for helping to keep gas costs as low as possible?

**Draiman:** Number one, make sure that your boilers are firing properly. Make sure that the insulation is proper, which does not necessarily mean that you will pay less for gas, but it does make for greater comfort for the tenant. This could mean physical insulation or storm windows or replacement windows that help to block the wind from coming in.

While this will not necessarily save the building owner more money, it will give the tenant more of a comfort level so that they do not have winds coming through the windows.

When you figure the cost of installing the insulation against the total income, you won't save any money, but if your tenant is comfortable, you won't get many complaints.

Also, they are saying that you may not see a dollar per therm next winter, but you may see another \$.80 per therm for next winter. So some are talking about the possibility of trying to lock in prices now for at least the next 12 months at anywhere between \$.50 and \$.60 a therm. And this can be done very simply through our office.

This would be for one year only. You don't want to do that for any longer a period, because we are hoping that production will catch up with demand by the Spring of 2002 and by then prices should be winding down somewhat.

**The Builder:** You also mentioned that in the East many buildings have dual gas and oil heating systems. Can you explain the advantages of that, please?

**Draiman:** Yes, that's true. On the East Coast, there are a lot of buildings that have boilers which work on both natural gas and oil. If natural gas is cheaper than oil, they use natural gas and vice versa. As a result of lower natural gas prices at the time, they were all using natural gas. This put a greater strain and demand on natural gas prices. And of course, you have to realize that the electric company is using more than a third of the natural gas production in the United States. So if we have another very hot summer, you are going to see another big increase in the cost of natural gas because the electric companies are using so much natural gas to make electricity.

**The Builder:** Do you have any further suggestions as to how landlords can help to control the escalating prices of natural gas?

**Draiman:** For one thing, you should make sure that all radiators are properly vented and the pipes leading to the radiators – those with number 5 vents on the pipelines – are also properly vented. Also make sure that every one of the radiators is very slightly tilted to the valve so that when the steam evaporates, the water drains right back down into the system. That way you don't get that banging noise on the radiators, which is caused by improper drainage – caused when the steam is hitting the water and it is coming back down in the system.

The most efficient heating that you can have is hot water heating. And it's the most economical of all forms of heating.

Finally, make sure that you have good control of your boiler – so that they do not get off calibration. If the boiler controls are out of calibration, you could wind up wasting between 15 to 20 percent of your gas.

*Jay Draiman can be reached at (847)982-1130.*

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.

**OUR MISSION**

- Terry Sacks, Writer/Editor
- Michael Wallk, Chairman-Governmental Affairs
- Jake Weiss, Chairman-Web Development
- Jim Stoller, Chairman-Communications
- Laurene Huffman, Chairman-Planning and Development
- Carla Price, Chairman-Arts
- Michael C. Luckenbach, Chairman-Outreach
- Mark Kruse, Chairman-Fundraising
- Al Goldberg, Chairman-Membership
- John O'Leary, Secretary
- Tom Heineman, Treasurer
- Marty Max, Vice President
- Paul Goguen, Past President
- Mike Glasser, President

**RPBG Executive Committee**



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**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

**Edgewater-Uptown Builders Association (EUBA) and the RPBG Relax and Network at Mia Francesca**



A chance to relax and to network in pleasant surroundings was offered members of EUBA (Edgewater Uptown Builders Association) and the RPBG at the recent reception held at Mia Francesca on Bryn Mawr. Shown are Rae Ann Ceerle, EUBA past president; Mike Glasser, RPBG President; and Mike Luckenbach, RPBG Outreach Committee Chairman.

**RPBG SALUTES**

Our hats off this month to the Lifeline Theater, one of Rogers Park's leading theaters and a pioneer in good, solid theater that has spread far the served Rogers Park well. In recent years, Lifeline has featured such plays as *The Silver Chair*, *The Two Towers*, and *A Wrinkle in Time*. Currently, Lifeline is drawing rave reviews for *Jane Eyre*, an adaptation of Charlotte Bronte's book of the same name. It also has an active schedule of plays for youngsters six and up, as well as those featured on the main stage for adults.

And every so often, it produces plays which the entire family will find enjoyable. For demonstrating what value a community theater can be, we salute this month, Lifeline Theater, 6912 N. Glenwood.

- The Editors