



ROGERS PARK BUILDER

WINTER 2008

www.rpbg.org

Record High Turnout Drawn to Trends in Real Estate Workshop

A record-high 85 people attended the 6th annual workshop on **Trends in Real Estate** held at St. Scholastica Academy last January. **Mike Glasser**, past president of the Rogers Park Builders Group, originator of all the workshops held to date, acted as host. Preceding the workshop was a delicious dinner hosted by **George Cyrus** and **Peter Lazzari**.



One of eight tables of participants attracted to the workshop on "Trends in Real Estate" who tussled with questions concerning various facets of real estate in Rogers Park. A record high 85 turned out for the event.

Following the format of previous years, participants were assigned to various tables, each with its own moderator, where they discussed a series of questions all impacting the future of real estate in Rogers Park. The questions had to do with the following: **National Trends** (sale of new construction condos, direction of the stock market; unemployment, and interest rates); **Local Trends** (value-price/unit) of apartment buildings, apartment rentals and cost per square foot of apartment buildings. Moderators guided the discussions at their tables and later convened as a group to answer questions on how their groups arrived at certain conclusions.

The table moderators included, **Jack Markowski**, president, **Community Investment Corporation**; **Robert Webster**, former head of **Citibank** real estate (US Division); **Stacie Young**, **DePaul University**; **Doug Imber**, president, **Essex Realty**; **Dan Starzyk**, senior vice president, **Community First Bank**; **Gregory Altman**, property manager, **Wellington Mortgage**; **Jim Stoller**, president, **The Building Group**, and **Ken Sproul**, president, **SMB Development**.

Following the table discussions, in a session presided over by George Cyrus, the moderators were convened to explain how their tables arrived at certain conclusions.

On the whole there was little variation in the answers to most questions. For example, in the question asking what the Dow-Jones Average would be in three years, answers ranged from 11,500 to 14,250, but three tables had the same answer of 13,000.

Similarly, the question dealing with what the rental of an apartment on Sheridan Road would be in 2010 drew three similar answers of \$850 a month. Here the answers ranged from \$815 to \$900 a month.

Answers dealing with unemployment for January 2009 ranged from 4.66 percent to 6 percent. The answers to question three dealing with the interest rate on apartment buildings in 2010 ranged from 5.6 percent to 6.77 percent.

Question four dealing with the rate per square foot on condos in 2010 drew answers ranging from \$210 to \$253 per square foot. Question five dealing with the time it would take to market a given condo in Rogers Park in 2010 ranged from 105 to 146.6 days. Question six on the average price of an apart-

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Lawyer Shares Some Tips on How to Beat Foreclosure

A recent article in the *Sun-Times* states that in 2006 there were nearly 29,000 foreclosures in the Chicago area alone. And in that same story, it said, during the next two years, 20,000 to 30,000 people are expected to lose their homes.

Certainly, there are many factors that comprise these rapidly rising figures – loss of job, illness, getting in over your head, etc. But one of the main factors causing the foreclosure spike, according to **Erica Minchella**, an attorney specializing in mortgages and foreclosures and a new member of the RPBG, is sub-prime loans.

Sub-prime loans, as defined by the *Sun-Times* article, refers to adjustable rate loans starting at two to three percent over the prime interest. Nearly two million Americans are believed to hold such mortgages, the article states.

Ms. Minchella explained that there are several options that the person facing foreclosure can follow. First, she said, they can do nothing. She explained that it will take six to nine months for the lender to complete the foreclosure. During this period the homeowner can live in their home rent free for nine months, if they choose. Lenders – mostly banks and insurance companies and some private parties – may not choose to go after the homeowner and this will lengthen the period that the homeowner can live in their home rent free.

Also, there are cases where a year after foreclosure, buyers can get right into business and obtain a loan without any problem.

Next, the home or condo owner in trouble can talk to their lender about a "forbearance" agreement. Here the bank or lender will hold off on the foreclosure as long as you are making your current mortgage payment and there is an agreed upon figure on what you owe.

Then too you might want to give the lender a deed to stave off foreclosure. This will avoid having a foreclosure on

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Plan to Erect 24-Unit Condo at Howard & Damen Gets Community Green Light

A proposal to put up a 24-unit condo on the corner of Howard and Damen in Rogers Park has won widespread community support.

In a meeting at Potta-wattomie Park called by Alderman Joe Moore to determine the community's reaction, residents cheered a proposal by **Gus Rizakos** to a zoning change that would enable him to erect the new development at 2001-09 W. Howard Street. Included in the proposal is a provision for 18 underground parking spaces, with six additional enclosed spaces on the first floor. Space for three quality retailers, such as a Starbucks or a cellular phone store, is proposed for the ground floor.

Moore asserted that his office has been in contact with Rizakos for the past five years about the property redevelopment.

He indicated that he will decide on the proposal after his Zoning Advisory Committee has had a chance to discuss it.

Outlook Brightens for Two Building Complex on Morse and Lunt

A two-building Rogers Park complex long described as "troubled" will be restored as a vital part of the neighborhood thanks to the new owner, **Newcastle Limited**. The well established Chicago real estate firm recently acquired the two structures at 1350 W. Morse and 1345 W. Lunt.

The buildings, each consisting of 55 rental units, are located just east of the Morse El station, along Glenwood Avenue. According to Ald. Joe Moore, the complex had been the site of gang and drug activity for some time before an undercover police raid in 2006. After the raid, the property was placed in the City's Strategic Task Force program.

The task force can require building owners to evict problem tenants, conduct criminal background checks of prospective tenants, enhance building security enforcement, and in extreme cases, sell the property.

"The sale to Newcastle places the building in the hands of an experienced real estate advisory and investment firm with a strong record throughout Chicago and its suburbs," said Moore.

"Newcastle's philosophy is to maintain ownership of the rental property over the long term," added Newcastle vice president, **Peter Tortorello**. "We are committed to improving and managing properties in a way that enhances the community." Since purchasing the properties, Newcastle has replaced the roof and windows, and plans further renovations inside and out. Occupancy is scheduled for the fall of 2008.

Director of the Month: Dan Starzyk, Rising to the Fore in His Chosen Career – Banking

Dan Starzyk's career in banking has been exactly like his favorite sport – mountain biking – upward and steady.

Starting as a personal banker in 1988 for **Uptown National Bank**, where he remained for sixteen years until a year after it was bought out by another bank, he was promoted several years after starting a job running the entire retail banking operation. In 1993, he switched to commercial banking including commercial lending and commercial real estate, ultimately winding up in running the Lending Department for Uptown.

He became vice president of Commercial Lending when Uptown was sold to **Bridgeview Bank** and left in April of 2004 to join an associate of his from Uptown, **Steve Olson**, and an official of a suburban bank, **Mark Straub**, in founding a new bank, **Community First**, when it opened in temporary quarters at 7425 N. Western, in November 2005. One year later, the bank moved to its new quarters at 7555 N. Western. Community First Bank is a full service banking operation with Community First not only in its name but uppermost in its mission statement.

Dan is especially proud of the handsome 9,000 square-foot facility, which includes a community room, three drive-ups, an ATM, and plenty of free parking. He stresses that the bank does all sorts of lending from real estate lending to lending for non-profits, business expansion and

land acquisition, as well as home equity and consumer lending.

Dan's other hat is working as the bank's compliance officer. Here he deals with the various examiners and regulating bodies on the lending front, as he puts it, and on the compliance front.

He holds a bachelors degree from Northern Illinois University in DeKalb as well as an MBA degree from DePaul University.

Besides serving as a director of the Rogers Park Builders Group, Dan is an active member and past vice president of **EUBA** (Edgewater Uptown Builders Association) and has served as an active president and board member of the **Andersonville Chamber of Commerce**. In addition, he has served as treasurer and board member of the **Ravenswood Industrial Council**.

Dan has been working with Romanian and American officials for the past five years on adoption of two children – a boy, 5, and a girl, 7, who are siblings. The struggle continues to this day, but Dan hasn't given up hope and is looking forward to the day when his children will be able to live on American soil.



Elizabeth Vitell Joins RPCC Staff as New Executive Director

By Steven M. Cain,
Commercial Term Lending Washington Mutual Bank

Elizabeth Vitell, who has extensive experience in both the public and non-profit sectors, has been appointed the new Executive Director of the Rogers Park Community Council. Liz, as she calls herself, holds both a B.A. in Spanish Literature from Mundelein College (now a part of Loyola University) and a J.D. from DePaul University.

A practicing attorney for 15 years, she worked most recently as the regional director of Latin America for the International Justice Mission in Washington, D.C. Prior to that she was the head of the Crime Compensation Bureau, of the Illinois Attorney General's office.

A Rogers Parker for many years, Liz was familiar with the RPCC having served as a board member for five years before moving to Washington, DC. "I am delighted to be able to move back to Rogers Park and assume a new position with the Community Council," she said.

Her immediate focus will be to familiarize herself with the organization. She then would like to expand the services

offered by the Council and the demographic reach of the organization. She would in addition like to see the Council add advocacy work to the social services the organization presently provides.

But first she wants to explore the Rogers Park community to assess the area's "base-line" needs and to insure that the Council serves as wide a cross-section of the Rogers Park community as possible. To that end, she plans to talk with other community groups as well as eventually conduct door-to-door interviews with community residents to learn about what residents want and need by asking them to identify their top three concerns.



Jarvis Square Taking Shape as New Wine and Food Shop Opens



Eric Aubriot, one of several owners of the Taste, the new wine and spirits store at the intersection of Jarvis and Greenview. Taste is now a key member of the Jarvis Square shopping Center.

Add one more step forward in the completion of Jarvis Square, the new shopping center located at the confluence of Jarvis and Greenview. **Taste**, as it's called, is located at 1506 Jarvis. With bulging racks of wines, Taste features wines from twelve countries, including Italy, France, and Spain.

According to **Steve McMillan**, one of the owners, most of the wines selected are not available elsewhere and are being offered at affordable prices. Along with wine, the shop features a complete line

of spirits – gin, vodka, tequila, etc. In addition, said McMillan, every Monday and Friday evening from 6 to 9p.m., Taste features wine tastings. Patrons are able to taste several wines to see which they prefer – and it's FREE!

In the way of foods, Taste stocks gourmet chocolate, cookies, biscuits, olives and smoked salmon, among others. It also features made to order panini sandwiches and home-made soup of the day.

Another owner, **Sandra Carter**, stresses that Taste is happy to host holiday parties and other private events. The owners are all restaurant entrepreneurs, or businessmen who either are or have been in the restaurant business. One of the owners, for example, is **Debbie Evans**, who owns the **Celtic Knot** in Evanston.

Taste is open from 11a.m. daily to 9p.m. except Sundays, when it closes at 6p.m. and Tuesdays, when the shop is closed the entire day.

New Gale School Community Center Nearing Completion

Ring up another victory in Roger Park's efforts to make this a destination all will be glad to live in. The Gale School Community Center is nearing completion as this issue goes to press. It is located at 1610 W. Howard Street.



The \$6 million project is the culmination of years of effort by **Alderman Joe Moore** of the 49th ward, **State Sen. Carol Ronen** (17th District), **State Rep. Julie Hamos** (18th District), **The Rogers Park Community Council**, **Family Matters** and the **Chicago Park District**, and the **Howard Area Community Center** among others.

Nearing completion as we go to press is the Gale School Community Center, a community recreational building, which among others will offer a full-size gym which houses two basketball courts, and two club rooms.

According to **Michael Land**, associate to Alderman Moore, the Center features include a full-size gym which houses two regular basketball courts, two club rooms, men's and women's locker rooms fully accessible to people with disabilities, and two administrative and business offices. In addition, it boasts several environmentally friendly features such as low-consumption water fixtures, and a partial green roof to hold and return rain water to the atmosphere.

According to Land, financing was arranged through the good offices of the park district, the city and the state as follows: \$950,000 from the state; \$1 million from the park district; \$1 million from the city; \$500,000 from the Seabury Foundation

The balance came from funds that Ald. Moore was able to assemble from various contributions. The result: a shining new community center which will be accessible to all.

As **Kim DeLong**, founding executive director of **Family Matters**, put it, "residents, community organizations, and our elected officials working together for the betterment of the community."

Builders Group Loses Two Highly Regarded Friends



News of the deaths of two community leaders who were highly regarded by the Builders Group has been recently received. They are **John Pritscher**, a man who was well thought of in the real estate commu-

nity, who died from complications of prostate cancer. He was 67. And **Mary Jo Doyle**, 68, founder and executive director of the **Rogers Park/West Ridge Historical Society**, who served the community in many capacities, also died of cancer.

Pritscher, a staunch believer in affordable housing and a former priest, was the president of the **Community Investment Corporation (CIC)** from 1986 until his death.

Pritscher worked with the **U.S. Department of Housing and Urban Development** and the **Model Cities** program in Chicago prior to taking the administrator's position at CIC. At that time, the CIC worked with a lending pool of \$18 million and seventeen investors.



As CIC grew, president Pritscher, working with about 45 investors, most of them banks and other financial institutions, strived with property owners and landlords, to find ways to repair downgraded properties which were repairable.

Under his leadership, the CIC supervised the distribution of more than \$920 million in loans to rehab almost 40,000 housing units in the Chicago area at a total project cost of \$1.4 billion.

Ms. Doyle, a graduate of **St. Scholastica Academy**, was a long-time employee of **A.C. Nielsen** and **Washington National Insurance Co.** She was recently honored by the Chicago City Council as one of the founders of the Rogers Park/West Ridge Historical Society. Survivors include several nieces and nephews.

Pritscher is survived by his wife, Sally, three children, Sarah, Elizabeth, and Daniel, and several grandchildren. **John G. "Jack" Markowski**, former Chicago Commissioner of Housing, was named Pritscher's successor.



BY MARTY MAX
President, Rogers Park Builders Group

As I See It A Case of Sharing the Risk

The great thing about writing this column is that it allows me, as a landlord, to vent my frustrations. As is true of most landlords in Rogers Park, I like to offer some of our apartments as subsidized housing. For the sake of this column, when I say "subsidized," I refer to any agency that helps a tenant to find an apartment and pays for all or part of the rent. A few examples of such agencies are, CHAC, World Relief, Thresholds, Teenage Living, Housing Opportunities for Women, etc.

Some of these agencies pay the entire amount of the rent for the term of the lease. Some, however, pay only a portion of the rent only part of the time. Some of these agencies ask the landlords to give their clients a second chance, and a few have problems or have had problems that might disqualify tenants they support from renting an apartment.

The landlords of the Rogers Park Builders Group welcome the opportunity to support all of these agencies. But there's a problem. Some of the agencies, once the tenant has moved in, have moved on and no longer provide the landlords the support they need concerning the tenant.

Then, too, some of the tenants are behavioral problems; some are rent problems. Housing Opportunities for Women, for example, pays the entire rent for the tenant. More importantly, they offer continued support for both the tenant and the LANDLORD. If the landlord does have a problem with a tenant, whatever that may be, they will be actively involved in helping the landlord to resolve the problem. A win-win situation for both the agency and landlord.

But my experience with some of these other agencies has not been so good. Some are supported by foundation money and/or government funds that run out. We can be a few months into the lease when the funds run out, and we, the landlords do not get paid what is owed us. We call the agency and are told they are working on it, but the program has run out of money. Now, what do we do?

Another real life example concerns CHAC. A CHAC tenant's apartment had lead paint before we bought the building. The problem was corrected and the apartment passed inspection with CHAC and the Chicago Department of Health. However, for whatever reason, the information was lost and CHAC stopped paying the rent on the apartment. And because the rent was being paid after the inspection, CHAC also stopped paying the rent for three other tenants in the building. So, until the problem is resolved, I am out rentals for four tenants in the building for two months. Unfortunately, the tenant also loses out because we have had to file five-day evictions notices and even have had to evict these tenants.

More important than the money issue is the tenant behavioral problem. We had one agency place a tenant in one of our buildings who was nothing but trouble, which is NOT the norm. This tenant was dealing in drugs and was bringing undesirable people into the building. We received very little help from the agency and had to go through the entire eviction process, including waiting for the sheriff, before this problem could be resolved.

What's my point here? It's simple. If the agencies are going to ask landlords for housing? If the agencies are going to ask the landlords to support their programs and give their clients a second chance, then the agencies, and for that matter the entire court system, has to support the landlord when they have a money issue or a tenant issue PERIOD. Why should the landlord take all the risk?

Wishing you a Happy and Healthy New Year!

The Story Behind a Rogers Park Landmark: The Annual Production of Handel's Messiah

Fifteen Years Ago Rogers Park residents, Pat Skalka and Frank Maguire, held a phone conversation about special events that could be held in connection with the holidays. That conversation germinated in the idea of Rogers Park holding its own performance of Handel's "Messiah." The article which follows provides additional background on how this idea evolved into the popular and very special event the Messiah has become. Pat is no longer directly involved in this production, but we had a nice conversation with Frank Maguire.

The Builder: Tell us a little about how "The Rogers Park Messiah" got started.

Maguire: Pat and I held a conversation at the beginning of 1992 about our block club and in the course of our conversation, we talked about the holidays, and what we might do in the way of special events, musical or performance, or otherwise. I hated not being able to attend the sing-alongs of the Messiah in Lincoln Park or Downtown. And Pat regretted being unable to attend the Evanston performance of the Messiah. So, it was really Pat's idea and she said, why don't we have an event right here in Rogers Park? We can do it, you know. Well, you have to have some naivete to pull this off and you also needed some energy, which we had. The following day she called me and we talked about it some more and as the conversation progressed, we realized that St. Ignatius Church had a choir – not very well developed – but nevertheless a choir. So we went to that parish. And, Mary Hopkins of our block club, had an uncle, David Bowman, who had been the pastor there and had just left and was replaced by Rev. Dick Baumann. And we lucked out. We got the go-ahead. It's a beautiful place for a performance and acoustically it's nearly perfect.

The Builder: How many people can the sanctuary seat for a performance of the Messiah?

Maguire: My guess would be around 700 people.

The Builder: And have you been getting sellouts all of the time?

Maguire: No, not all of the time. There have been times when we had literally Standing Room Only crowds, and that was for the third to the seventh year. The first year we just hoped we would cover our costs and that some people would show up and we did

A recent shot of the Messiah presentation, a community highlight for the Christmas season for the past fifteen years. Frank Maguire (inset photo)



that. Also, we found that we were fortunate to have the help of certain people who had acted, sung or performed and this was just a lucky coincidence.

The Builder: And were these all professional singers?

Maguire: These were all professional soloists. The forty person chorus were volunteers. But as soloists we had Stephen Powell, who has sung the national anthem at Blackhawk games. We've had people from the Metropolitan Opera Company. We've had Robert Gibson and Alfreda Burke who were both soloists in several productions and who had astonishing voices and Peter van de Graff, a well known local soloist who is also an announcer on radio station WFMT. And many others of this caliber. Also our own Anne Marie Lewis, who lives right here on Sherwin and who has sung in Carnegie Hall in New York.

Our chorus includes not only people from the parish church but from neighboring churches as well and represents other religious denominations and other singing groups such as Congregation B'nai Zion, when it was still open.

Also, I should mention that ten percent of our ticket sales goes every year to various community groups such as the 24th district explorer group. It is called "Good Tidings from the Messiah Dividend."

The Builder: What are your plans for the future?

Maguire: In the future, we might want to consider retaining the principal parts of the Messiah and intermingling this with some additional carols. Because, there are undoubtedly some people who are getting tired of seeing the Messiah year after year. But we would have to get the permission of the congregation. It has meant a lot, not just for Rogers Park, but for the community relations of the church itself. We've had several former members of St. Ignatius rejoin the church as a result of their attendance at the Messiah, and it has solidified the role of the church in the hearts and minds of all of the performers.

("Real Estate Workshop" continued from cover)

ment in a multi-unit building in 2010 ranged from \$65,000 to \$75,000. Question seven on the cost in 2010 of a four-room, one-bedroom apartment rental ranged from \$815 to \$900 per month. Finally, answers to question eight dealing with the cost of an affordable apartment in a building in which the owner participates in a government rent subsidy program for a family of four ranged from \$769 to \$1,131 per month.

Discussions were lively and bright throughout. "This was by far the most spirited workshop we have had in the five years we have had these programs," said president, Marty Max, thanking all who participated in the session, "and we look forward to presenting these discussions for many years to come."

("Foreclosure Tips" continued from cover)

your record. But this works only if there is a single lender and no liens against the property. In this case you must find another source of a loan to maintain possession of the home.

Also, there is the strategy of fighting the foreclosure if you feel that there is something wrong with the foreclosure documentation – the amount being claimed for instance or some other action by the lender. You can then seek to stop the foreclosure.

Finally, there is the possibility of selling "short". In this case you have a buyer for the property but the amount they offer is short of the appraised value of the prop-

erty. Ms. Minchella strongly advised that the buyer not use this strategy since the only ones who benefit are the realtor and the attorney. Also, selling short can definitely hurt the lender's credit rating.

She added that now real estate is a buyer's market – buyers are setting the price, not the sellers.

And there is always the possibility of bankruptcy, which could be very helpful to those facing foreclosure and is worth a separate article.

As to foreclosures, the further the mortgage goes into foreclosure, the less likely they will come out of it, said Ms. Minchella.

OUR MISSION

The Rogers Park Builders Group's mission is to encourage and support responsible residential and commercial property 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.

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New Century Public House and Theater Aims for Green Certification

The new **Century Public House and Theater**, 1328 Morse, as the name suggests a 99-seat restaurant and a 299-seat music venue, is going green. Its groundbreaking was held in October.

Just establishing a new restaurant and entertainment venue for Morse Avenue is exciting enough, let alone the commitment of the owners, **Andy McGhee** and his son, **Devin**, to making it green as well, said Alderman Joe Moore. To achieve this laudable goal, the McGhees plan to use highly reflective materials for the remaining part of the roof. The ventilation system is designed to recoup the waste heat that is emitted off of the stage lighting, and will be "demand controlled" so that the HVAC system is used as seldom as possible when the theater is occupied.

To further enhance the system, the McGhees plan to install code-required insulation and LED lights will be used for much of the stage lighting.

Perhaps the greenest part of the project is the building's reuse. While the interior is almost entirely new, the exterior walls are being preserved. The original terra cotta detail on the upper front façade is being renovated and the lower half is being recreated.

For all of this effort, the McGhees hope to obtain LEED Silver Certification to make the new theater and restaurant one of only a handful of LEED certified buildings in the nation.