

LASALLE STREET

Building a Thriving Future
CHICAGO - IL



Chicago

FEBRUARY
2022

Technical Assistance Panel
REPORT



ULI

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The LaSalle Street TAP took place on January 11 and February 28, 2022 in Chicago, Illinois.

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ON THE COVER: LaSalle Street South View

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PHOTO CREDIT: CHICAGO LOOP ALLIANCE



Chicagoans enjoying activation events designed to attract people back to the Loop.

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INTRODUCTION

LaSalle Street, from Wacker Drive to Jackson Boulevard, is a grand, iconic Chicago corridor. Historically Chicago's financial and legal district, LaSalle Street has lost large banking, legal, and corporate tenants in recent years, but it is still home to many prestigious institutions. Its towering facades and ornate lobbies are among the city's finest architectural treasures, with eight of the buildings along the corridor designated as individual Chicago Landmarks and the entire corridor included on the National Register as the West Loop-LaSalle Street Historic District. But with office vacancies at historic highs and more major employers poised to depart, the district needs to be repositioned to ensure a strong, thriving future.

Even before the pandemic, LaSalle's aging buildings were losing large tenants to more modern office spaces elsewhere in Chicago's central area. Bank of America moved to an airy office tower on North Wacker Drive. Cboe Global Markets left the Board of Trade Building for the freshly renovated, light-filled Old Post Office building on Van Buren Street. BMO Harris moved from LaSalle

Street to their new building at Union Station during the first quarter of 2022. The shift to work-from-home during the COVID-19 pandemic exacerbated these challenges—many LaSalle Street property owners have been unable to backfill office vacancies as their large tenants moved out. As a result, their operating incomes are plunging, leaving some in or on the brink of foreclosure. At the end of 2021, according to CoStar data, nearly 25% of the total office space on LaSalle, amounting to approximately 5 million square feet, was vacant.

As businesses move off LaSalle Street and the return to office for most workers continues to be slow, retail vacancies are also rising. Empty storefronts and low pedestrian traffic make the area feel less safe, further deterring new businesses, visitors, and the return of workers even as the pandemic ebbs. As space goes unused, the city loses revenue from property taxes and sales tax. Meanwhile, retail and office vacancies continue to climb. Without intervention from the city, this downward spiral could persist for years to come.

PHOTO CREDIT: PATRICK L. PYSZKA, SAMUEL SOTELO-AVILA, CITY OF CHICAGO



Chicago City Hall at Washington Street and LaSalle Street.

Despite many challenges, LaSalle Street holds enormous potential for reinvention as a vibrant live-work-play neighborhood in the downtown, accessible and welcoming to all Chicagoans. Its central location and outstanding transit connectivity to the entire Chicago region via train and bus, provides easy access to jobs in the downtown and throughout the region. World class recreational and cultural amenities, such as the Riverwalk, the Loop Theater District, Millennium Park, and the Art Institute are only a short stroll away. A coordinated effort by public and private sector partners, coupled with the right incentives, can help transform LaSalle Street into a vibrant urban destination and repurpose some of the excess, outdated office space in its architecturally significant buildings into new uses, including residential units at price points accessible to Loop workers at different income levels.

Bringing new uses and amenities such as pedestrian plazas, local restaurants, cafes, and shops on LaSalle Street would not only make it a great place to live and visit, but it would also make it more attractive to office workers. Today’s employers, seeking a hiring edge with younger employees, are moving to more-lively

areas with eclectic restaurants and bars like the Fulton Market in Chicago’s West Loop.

A significant investment in LaSalle Street—including residential conversions, a redesigned streetscape, and new retail and dining options would help LaSalle transition from its current “9-to-5” environment to a vibrant 18-hour district with a mix of uses. This would also greatly enhance LaSalle’s appeal as an office destination, encouraging private property owners to upgrade aging buildings.

Recently renovated LaSalle Street buildings, with their relatively affordable rents and outstanding access to public transportation, could be very attractive for small and mid-sized businesses, which make up the largest share of Chicago employers.

CHICAGO LOOP ALLIANCE

Chicago Loop Alliance (CLA)’s mission is to create, manage and promote positive and inclusive programs that attract people to the Loop and accelerate economic recovery. The Loop’s boundaries are the Chicago River to the north and west, Ida B. Wells Drive on the south and Lake Michigan on the east (Figure 1).

CLA is a non-profit, membership organization with over 300 members representing the Loop’s business, civic, and cultural institutions. CLA is also the sole service provider for State Street Special Service Area (SSA) #1-2015, and the Chicago Loop Alliance Foundation produces public art projects and events to enrich the Loop’s public spaces and create an inclusive, vibrant downtown.

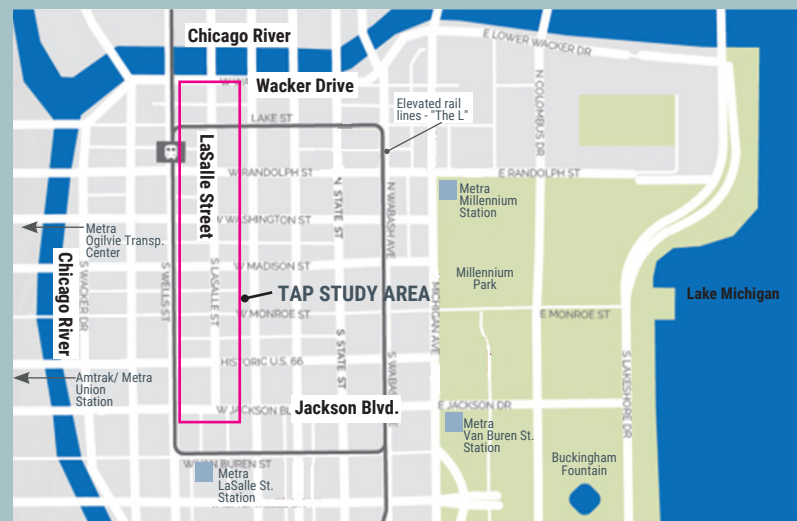


Figure 1. The TAP study area location within the Loop.

THE TECHNICAL ASSISTANCE PANEL

Recognizing the need to address the declining economic conditions on LaSalle Street as part of its Central City recovery efforts, the Chicago Department of Planning and Development (DPD) and the Chicago Loop Alliance asked the Chicago District Council of the Urban Land Institute (ULI Chicago) to conduct a Technical Assistance Panel (TAP).

On January 12, ULI Chicago convened a two-day TAP; members of the TAP were charged with devising strategies to create a stronger, revitalized corridor along LaSalle Street. The panel brought together 11 industry professionals with expertise in various aspects of planning and real estate. In advance of the TAP, panelists reviewed extensive briefing materials that included socio-economic data for the study area,

existing plans and initiatives underway, and best practices from cities across the world. Activities during the TAP included a walking tour of LaSalle Street and interviews with nearly 70 stakeholders including business and property owners, residents, civic leaders, and city officials. The panelists worked collaboratively over the two TAP days to develop the recommendations presented in this report.

CENTRAL CITY RECOVERY ROADMAP

City of Chicago released the Central City Recovery Roadmap in 2021 to guide the recovery of Chicago's central area, which like other Chicago neighborhoods, was hit hard in 2020 by the pandemic and civil unrest. Recognizing that the socio-economic activity generated in the central area is foundational to the success of the entire city, the Roadmap presents a detailed yet flexible recovery strategy that includes sending a clear message that the central city is safe and open for business, deepening civic and public engagement, and making targeted service, program, and capital investments in the central area. Strengthening key commercial corridors—LaSalle Street, North Michigan Avenue, and State Street—has been identified as a key priority in the Recovery Roadmap. ULI Chicago has also completed a TAP for North Michigan Avenue; the TAP report is available at: <https://chicago.uli.org/programs/uli-in-the-community/city-of-chicago/north-michigan-avenue/>



More information on Central City recovery is available at: https://www.chicago.gov/city/en/depts/dcd/supp_info/central-city-recovery.html

SCOPE OF WORK

The panel was charged with answering the following questions posed by the TAP sponsors, The Chicago Department of Planning and Development and the Chicago Loop Alliance

1. What is the vision for LaSalle Street?

- What are opportunities to update the corridor’s historic identity as Chicago’s Financial District?
- What are opportunities to build upon LaSalle Street’s assets to create a thriving “live-work-play” environment in downtown Chicago?
- What are the priority sites for repositioning?

2. How can LaSalle Street successfully navigate changing preferences for office uses that have created significant office and retail vacancies along the corridor?

- What mix of uses would be desirable and sustainable along LaSalle Street?
- What are opportunities for renovating/updating and for adaptive reuse of older buildings facing high levels of vacancy?

3. What development and design strategies – street-level retail and amenities such as activated plazas/ parks, public art, and enhanced pedestrian/ bike connectivity – can help create a more vibrant and attractive street environment along LaSalle?

4. What land use regulatory mechanisms could help facilitate the repositioning and reuse of existing buildings along LaSalle Street? Are there any specific regulatory processes that should be studied and revised to ensure the continued vitality of LaSalle Street?

5. Is there a need for financial incentives to support existing uses and attract desired future improvements and uses?



PHOTO CREDIT: CHICAGO LOOP ALLIANCE

ULI Chicago panelists on a walking tour of the study corridor with the Chicago Loop Alliance and City of Chicago representatives.

PANEL FINDINGS

A Need for Intervention

An early conclusion of TAP members was that LaSalle Street will see revitalization with or without interventions such as a master plan or financial incentives. For the right price, investors will acquire and rehabilitate these well-located, architecturally significant buildings. However, members of the ULI Chicago panel believe that strategic intervention by the City and the provision of targeted financial incentives, including Tax Increment Financing (TIF), will accelerate the timeline for revitalization of LaSalle Street, limit the devaluation of property along it, and with it, maximize the generation of retail sales and property taxes.

Additionally, intervention by the City can do more than boost public revenue—it can steer revitalization to achieve public goals and benefits beyond what the private market can deliver on its own. Excess space in

LaSalle’s often obsolete yet beautiful buildings can be repurposed to create not just market-rate residences, but also units for Loop workers and families at various income levels. Similarly, including office spaces with

In LaSalle Street, Chicago has a historic opportunity to build a more-inclusive, accessible, and sustainable downtown for all Chicagoans, but the private or the public sector cannot do it alone. A collaborative partnership between the public and private sectors working towards this shared future vision offers the best chance for success.

PHOTO CREDIT: JUAN VILLAFANE



The southern end of LaSalle Street, once bustling with activity, now appears desolate even on a weekday morning.

lower rents and business support services can make it possible for small businesses to locate downtown. In addition to generating construction jobs, repurposing LaSalle Street buildings with a mix of uses can promote and add long-term jobs at various income-levels, strengthening Chicago's economy. Reinvesting in existing buildings is also more environmentally sustainable, and exceptional access to public transportation and nearby amenities means that most users will be able to walk and bike, further reducing

carbon emissions. According to Walk Score, the LaSalle Street corridor has a Transit Score rating of 100/100 and a Walk Score ranking of 98/100, making it a rider's and walker's paradise¹.

The ULI Chicago Panel's findings and recommendations for building this new future for LaSalle Street are presented in the following pages.

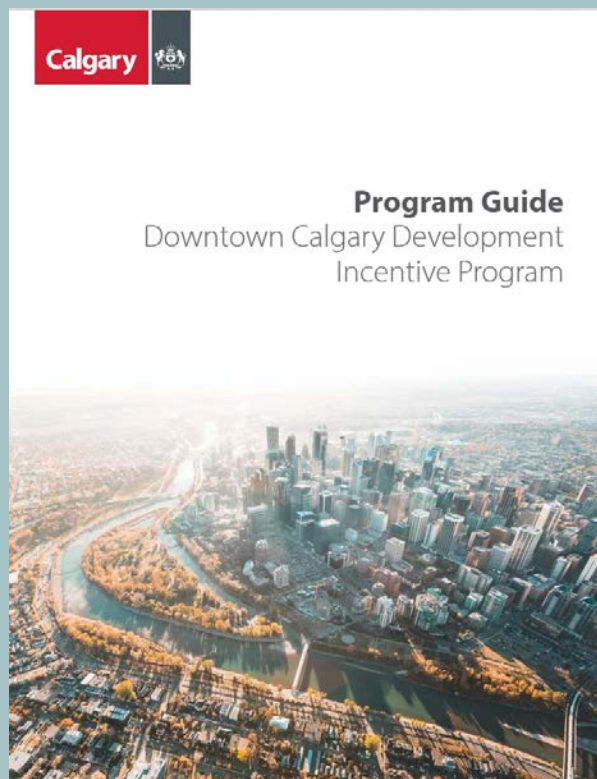
1. <https://www.walkscore.com/score/w-monroe-st-and-s-lasalle-st-chicago-il-60603>

DOWNTOWN CALGARY: DEVELOPMENT INCENTIVE PROGRAM

The City of Calgary, Canada adopted a new downtown plan in 2021. The plan identified the need to transform the City's downtown into a more balanced mix of uses to address growing office vacancy due to rise of work from home during the COVID-19 pandemic, but also shifting industry trends. To jumpstart the shift from "vacancy to vibrancy," Calgary launched a Development Incentive Program with two primary objectives:

- Reducing downtown vacancy through the removal of office space, and
- Increasing vibrancy through the addition of residential and non-office uses.

The first phase of the program, funded up to a \$100 million by Calgary City Council, is focused on residential conversions within the downtown core. Eligible property owners can apply for a grant of \$75/square foot of the area of the existing office space to be converted, up to a maximum of \$10 million per property. The first three projects approved under this grant program will deliver 400 units to downtown Calgary; additional projects are under review. Calgary is also getting ready to launch the second phase of the program that will likely include conversion to other uses besides residential.



More information on the program is available at: <https://www.calgary.ca/pda/pd/downtown-strategy/downtown-calgary-development-incentive-program.html>

LaSalle Street's older buildings have an abundance of obsolete space.

Many of LaSalle's historic, architecturally significant buildings were built for major financial institutions and therefore designed to look like fortresses, projecting strength and security. Thick walls, imposing columns, small windows, all hallmarks of LaSalle Street's iconic buildings, do not support an active street environment and natural light is often limited even on upper floors. Modern-day office space preferences have shifted towards open, airy spaces with an abundance of natural light and windows with views, making much of the existing office space inventory on LaSalle obsolete. The landmark status² of many of these buildings restricts alterations to the building exterior, making it extremely challenging, if not impossible, to modify windows or add other openings. Additionally, many LaSalle Street buildings have aging and inefficient HVAC and other

2. Eight buildings on LaSalle Street are designated Chicago landmarks. Many buildings on LaSalle Street are also identified as contributing to the West Loop-LaSalle Street Historic District which was added to the National Register of Historic Places in 2013.

building mechanical systems, which can be costly to upgrade to meet modern wellness and energy efficiency standards.

LaSalle Street has a monoculture of office use.

LaSalle Street, since the onset of the COVID-19 pandemic, feels desolate, even on weekdays during the daytime. This is partly due to many office workers still working from home, but also because the street lacks a mix of uses that could make it an active destination. Well before the pandemic, LaSalle Street was defined by a monoculture of office (Figure 2). Between Washington Street and Jackson Street, 88 percent of building space is devoted to office use³ and there are only a few shops, restaurants, or other active uses at the street level. During interviews with area employers and workers, we heard repeatedly that to entice workers back to the office instead of continuing to work from home, companies are discovering that they need to offer higher-level of amenities—both within the building and

3. Riverside Investment & Development analysis of CoStar data.

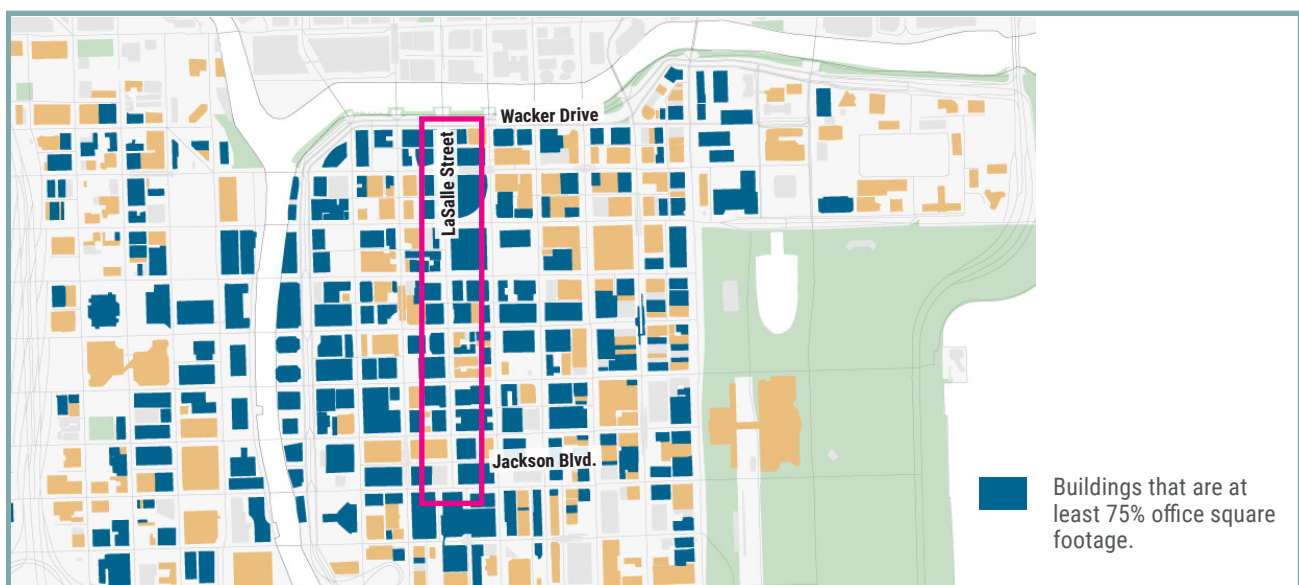


Figure 2. Downtown Chicago is dominated by office use: an analysis of CoStar data showed that 68% of all real estate in the downtown is dedicated to office use.

Source: Badger, Emily and Bui, Quoc Trung. "The Downtown Office District was Vulnerable. Even Before COVID." *The New York Times*, July 7, 2021, <https://www.nytimes.com/interactive/2021/07/07/upshot/downtown-office-vulnerable-even-before-covid.html>.

in the surrounding neighborhood. Workers are more likely to make the commute downtown when they feel safe and can enjoy unique experiences such as lunch at a local chef's restaurant, after-work drinks with friends, or catch a show. To enhance its competitiveness, LaSalle Street will need to do more than simply fill vacant storefronts, it will need to reinvent itself as a vibrant destination for office workers, residents, and after-hours visitors.

LaSalle Street has many assets.

While LaSalle Street has lost some of its luster, it is still an awe-inspiring corridor with many unmatched assets which should be leveraged for its revitalization.

Central location. LaSalle Street's central location in the Loop, with excellent transit access, makes it a very attractive location for businesses and residents. In addition to CTA trains and buses, Metra commuter trains that connect the corridor to the entire Chicago region, are located only a short walk away. Even as many corporate offices have moved out, government offices continue to be a stabilizing force on LaSalle. On the Corridor's north end are Chicago's City Hall, the

Cook County Building, and the State of Illinois offices in the soon-to-be-renovated James R. Thompson Center. The Federal Reserve Bank anchors LaSalle Street's south end and many other city and county offices are a short walk away. All these institutions will continue to drive activity on LaSalle Street. The north end is anchored by the Riverwalk, a beautiful outdoor public space with a variety of food concessions, that attracted more than 750,000 visitors in 2019⁴.

Lower rents. Rents on LaSalle Street are lower compared to the newer office buildings in the central area. While it is likely that with increased remote work, less office space will be needed in the future, tenant demand for well-located office space will persist. With improvements to building infrastructure and addition of new amenities, while still maintaining relatively affordable rents, LaSalle Street can be a very attractive option for small and medium size companies looking to locate or expand in the downtown.

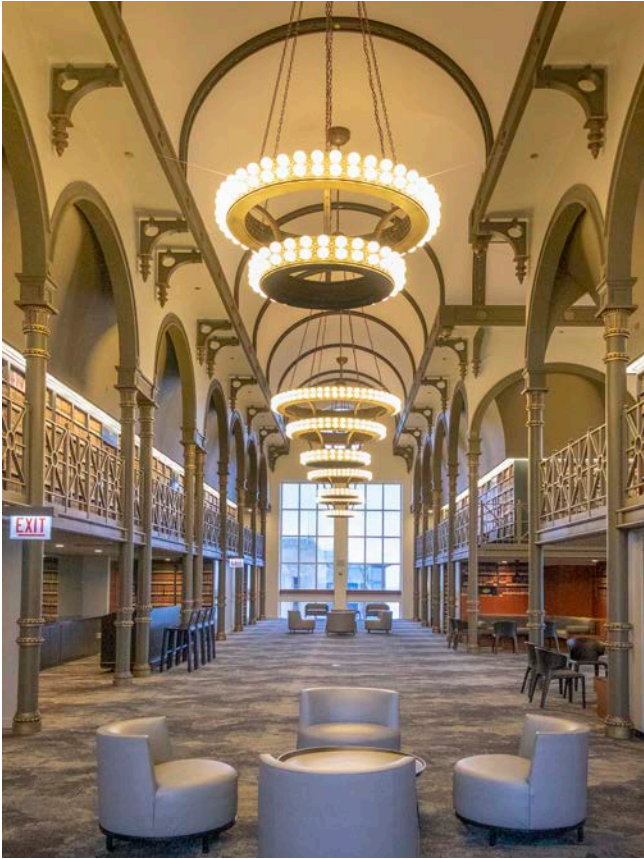
4. "Mayor Lightfoot Announces Chicago Riverwalk Generated \$16.5 Million In Revenues During 2019 Season." *City of Chicago*, December 31, 2019, https://www.chicago.gov/city/en/depts/mayor/press_room/press_releases/2019/december/RiverwalkRevenue2019.html Press Release.



The Riverwalk, with a variety of food and beverage concessions and activities like kayaking and boat tours, is a significant attraction at the north end of the LaSalle Street corridor.

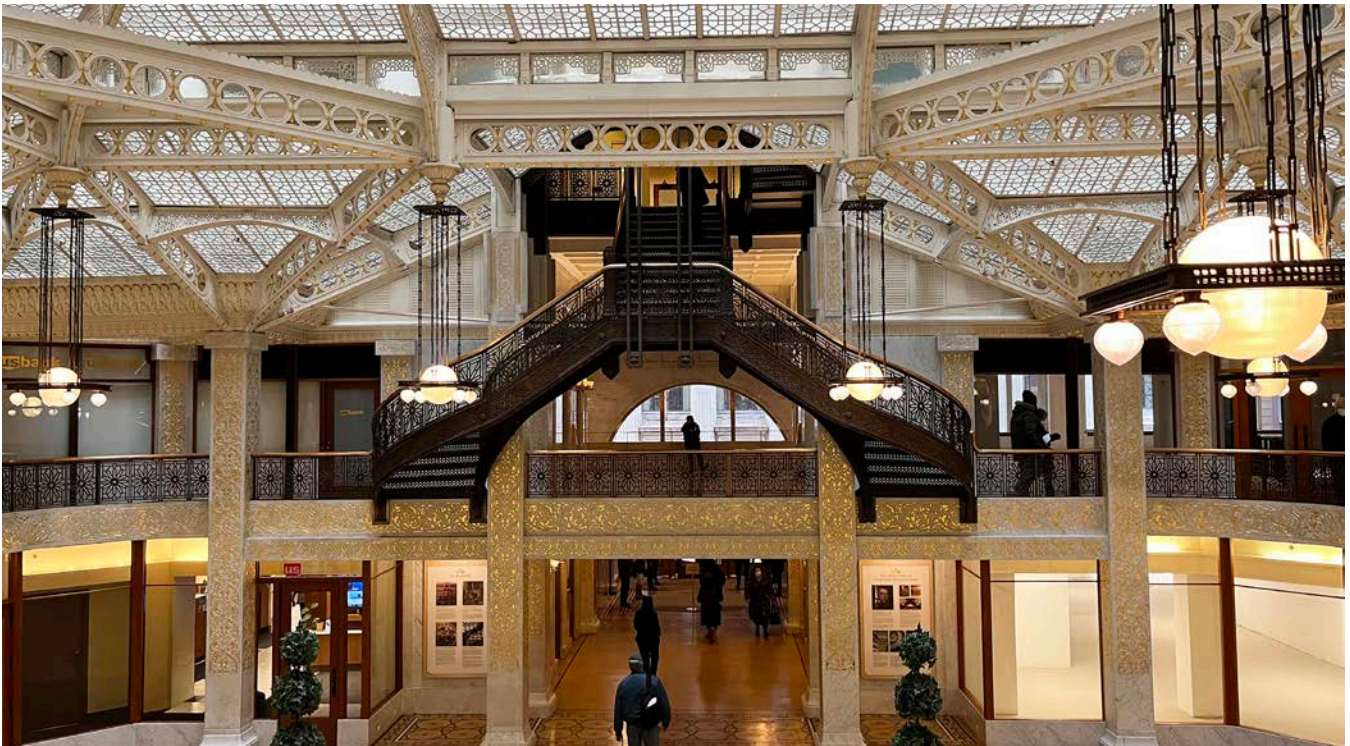


LaSalle Street has excellent rail and bus transit access connecting it to rest of the city and the region. One of the busiest stations in the CTA system is located at Clark and Lake Streets at the north end of the corridor.



Beautiful interior spaces. Many LaSalle Street buildings are older with obsolete office space, but they also have magnificent interior spaces – lobbies and banking halls with beautiful architectural details are hidden inside these buildings, away from the public view. “Opening-up” these spaces and programming them with retail, restaurant or entertainment uses would allow not just a select few, but the public to experience their architectural splendor, helping make LaSalle Street a premier destination for visitors, residents and office workers.

New investments. LaSalle Street’s potential is evident in the promising recent investments along the corridor. A historic office building at 29 South LaSalle Street reopened as a luxury apartment building called “The Millennium on LaSalle” in 2021. A new luxury hotel, “The LaSalle”, is slated to open at 208 South LaSalle in 2022 and will include a new restaurant and lounge. Also, in 2022, a private developer bought the James R. Thompson Center building from the State of Illinois and is planning an extensive rehabilitation to attract new



Many LaSalle Street buildings have unique and architecturally significant interior spaces such as the Library at 190 South LaSalle (top) and the lobby of the Rookery Building (bottom). Making these spaces more widely accessible would draw more people to LaSalle Street.

office tenants and other users to the corridor. The State is expected to retain office presence in the renovated Thompson Center building.

Residential conversion makes financial sense.

With changing preferences for modern office space and with the rise of work-from-home, much of the existing vacant office space on LaSalle is likely to remain empty. Repurposing some of this obsolete office space into other uses, especially residential, can make great financial sense. Firstly, removing excess office space should stabilize and increase the market value of what remains. And even though in Cook County, residential property is taxed at a lower rate than commercial property, residential conversions of underutilized/vacant office space can increase property value substantially, thereby resulting in increased property tax revenues (Figure 3).

Additionally, residential conversion adds vibrancy to the street during and outside of business hours, attracts neighborhood amenities that generate yet more tax revenue, and can improve overall neighborhood safety. While office vacancies in Chicago are high, apartments

have seen strong tenant demand, following an initial dip in occupancy 2020 with the onset of COVID. The National Association of Realtors recently reported that Chicago is ranked third among major U.S. cities in potential for office-to-residential conversions⁵.

5. Rodkin, Dennis. "How a droopy office market will likely mean new life for vintage buildings." *Crain's Chicago Business*, November 21, 2021, <https://www.chicagobusiness.com/residential-real-estate/downtown-chicago-office-market-weakness-could-spur-residential-conversions>



The "Millennium on LaSalle" apartment building is an adaptive reuse of the vacant former office building at 29 South LaSalle Street.

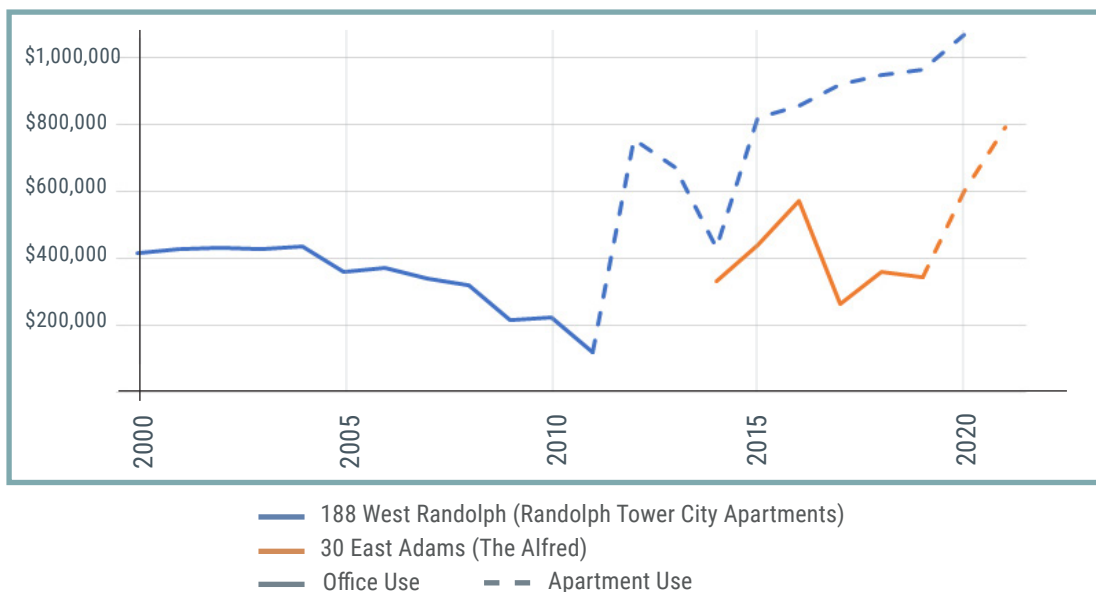


Figure 3. Property Tax Collections Over Time. Property tax collections increased for both buildings after their conversion to apartment use despite difference between office and residential tax assessment ratio.

Source: Prepared by ULI Chicago panel based on data collected by O'Keefe Lyons and Hines LLC.

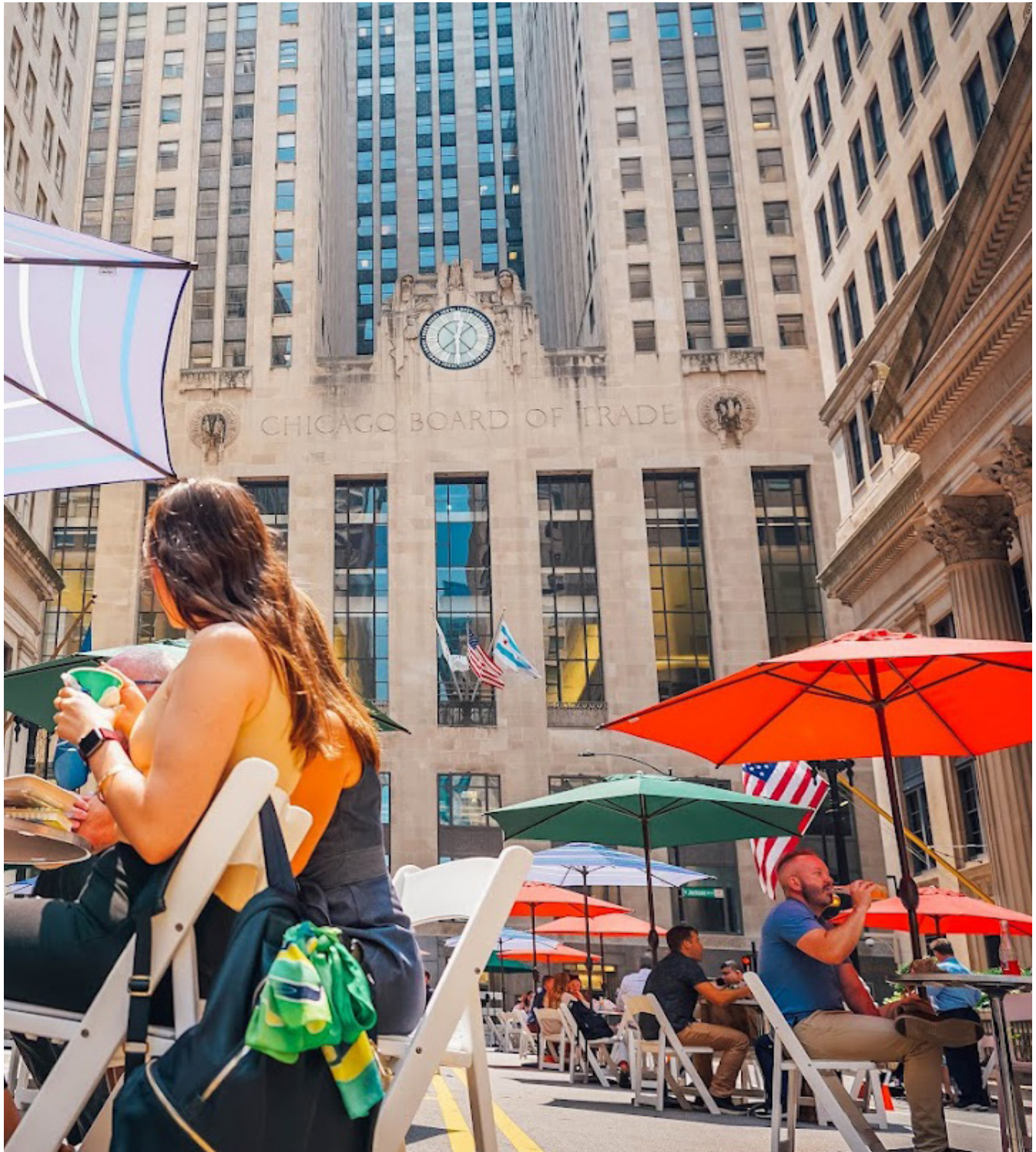


PHOTO CREDIT: ERIC MASI / TORQUE

The “Lunch on LaSalle” activation program organized by BOMA Chicago in partnership with the City of Chicago, drew crowds to food trucks and live music on the closed LaSalle Street in front of the Board of Trade Building each Tuesday in August 2021.

PANEL RECOMMENDATIONS

1. Create “The LaSalle Landmarks Innovation District (LLID),” a new neighborhood in the heart of downtown Chicago.

LaSalle Street’s decline as a financial center presents Chicago with an unprecedented challenge and opportunity. The corridor’s historic buildings are iconic and magnificent, but many of them are underutilized and require significant renovations to meet modern-day office and retail space standards. Repurposing excess office space for new uses and reimagining public space along the street, including opening the beautiful but “hidden” interior spaces within these privately owned buildings to wider use, will help create a more dynamic, inclusive, and safer LaSalle Street.

With a shared vision and strategic investment, LaSalle Street, once a bastion of the elite, can be transformed into the “LaSalle Street Landmarks Innovation District (LLID)” – a vibrant new neighborhood, which embraces its past and historic landmarks to create a safe, shared, and lively place for all of Chicago. Key features of the LLID include:

- Transition from the current office monoculture to a true mixed-use district inclusive of residents at different income levels and businesses of all sizes.
- A pedestrianized streetscape and more interconnected buildings with activated street-level spaces.
- A neighborhood integrated with rest of downtown and the City’s neighborhoods.

In addition to bringing much needed vibrancy to LaSalle and enhancing safety, by repurposing excess office space, the LLID will enhance the value of remaining office space on LaSalle. Focusing on recruiting smaller, local businesses and entrepreneurs could help strengthen connections between the neighborhoods and downtown. Providing new housing at various price-points will allow households at different income levels to live in the Loop, making it a live-work-play destination for a wide array of Chicagoans. By repurposing existing buildings in a high transit-served location with extensive infrastructure, the LLID will also advance Chicago’s sustainable development goals.

The LaSalle Landmarks Innovation District can help advance many important policy goals and generate additional tax revenue that can be reinvested throughout the City. Strategies for creating the framework for a LaSalle Street Landmarks Innovation District to drive public-private partnerships and spur investment, are presented in this section.

1a. Repurpose Obsolete Spaces to Accommodate New Uses.

As discussed earlier, repurposing obsolete office space to attract new uses is key to LaSalle Street’s revitalization. The panel recommends the following mix of uses for LLID:

Rebalanced Office. Office remains a key land use on LaSalle Street but should be repositioned to attract small- to medium-sized tenants, including local entrepreneurs.

Intensified and Broadened Residential. Most residential units in downtown Chicago, including the newly opened Millennium on LaSalle apartments, are

high-end and out of reach for many Loop workers. Much of the obsolete office space should be retrofitted to create new residential units that serve a wide range of incomes and needs. Larger units for families, live-work spaces, and student housing at different price points would make the Loop more affordable to Chicagoans in different life stages and with different backgrounds. Achieving greater housing affordability in the downtown is also a priority for the City.

Expanded Neighborhood Services. Services such as schools, grocery stores, medical offices, cafes, and restaurants should be incorporated in the LLID to support existing and attract new residents and

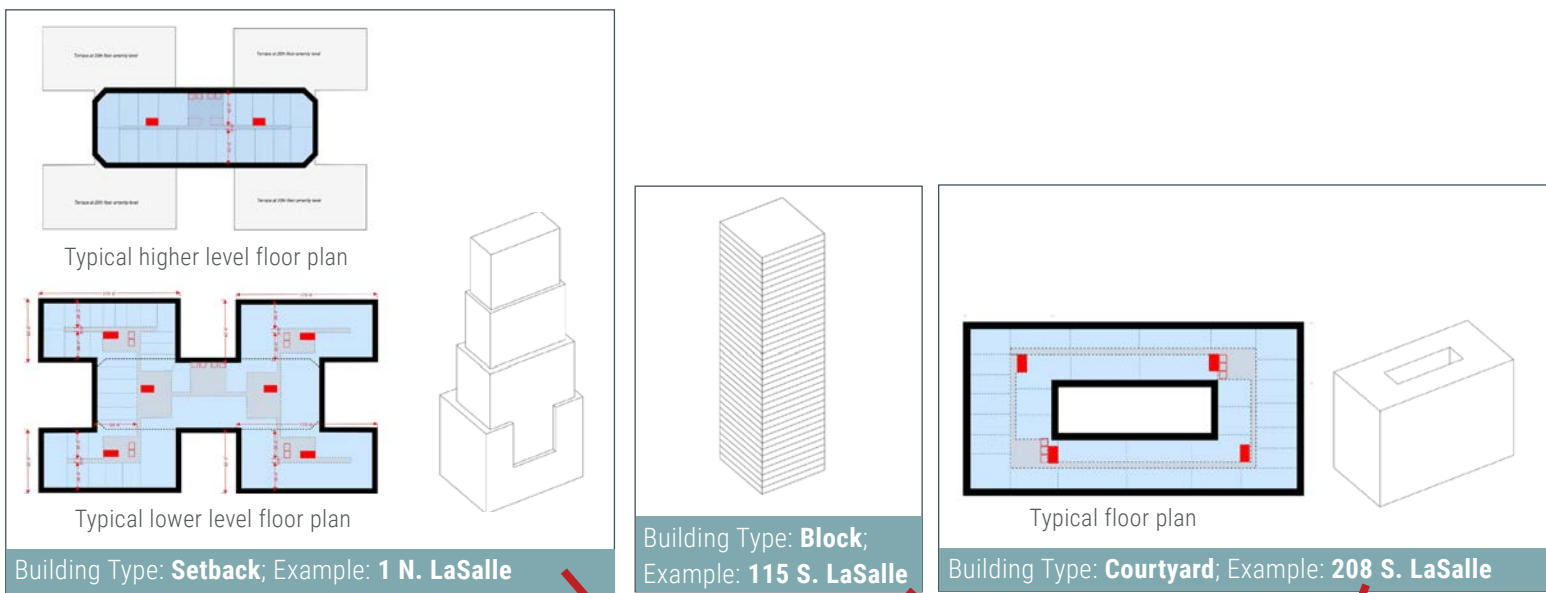


Figure 4. Typical building types along LaSalle Street.

workers to LaSalle Street. Because many of these uses do not require the same access to natural light and ventilation as residential uses, they are particularly suitable for buildings with deeper floorplates.

Strengthened Regional Draw. In addition to expanding neighborhood-level services, some vacant office space can be repurposed as regional attractions. These could include art and culture destinations such as galleries and spaces for performance and immersive experiences, and satellite campuses for higher-ed uses. Interior spaces in some of the larger LaSalle Street buildings could be suitable for these types of conversions as they do not typically require natural light and ventilation.

LaSalle Street is characterized by large buildings, some with one million square feet or more. These unique buildings pose different opportunities and constraints for adaptive reuse and will have to be evaluated individually for their reuse potential. However, broadly, the street has three main types of buildings—setback, courtyard, and block, illustrated in Figure 4. Most of these buildings can be retrofitted for a wide range of uses (Figure 5).

Setback and courtyard buildings are best suited for residential use because of greater access to light and ventilation. The deep interior spaces of block buildings can be used for other purposes such as grocery stores, schools, and health centers.

	Converted Use	Setback	Block	Courtyard
Residential Uses	Multi-family	●		●
	Student Housing	●		●
	Senior Housing	●		●
	Live-Work	●		●
Other Adaptive Uses	Hotel	●	●	●
	Laboratory		●	
	Co-working	●	●	●
	College / Grade School	●	●	
	Arts / Culture Hub	●	●	●
	Medical office/ urgent care	●	●	●
	Grocery	●	●	●

Figure 5. Potential adaptive reuse opportunities for typical building types along LaSalle Street.

Note: Adaptive reuse of each building will need to be evaluated based on its specific conditions and is not limited to the uses listed above.

ADAPTING OLDER BUILDINGS TO NEW USES: SELECTED CASE STUDIES

The Chicago Athletic Association Hotel | Chicago

Restoration of the historic Chicago Athletic Association building, located on Michigan Avenue, across from the Millennium Park, into a hotel has resulted in its transformation from an exclusive, member-only club into uses accessible to general public. The hotel lobby, restaurants and bars, including the fast casual restaurant Shake Shack, invite people in, allowing them to experience and enjoy the grandeur of the building and its unique and diverse spaces.

PHOTO CREDIT: THOMAS HART SHELBY-GOAT RODEO PRODUCTIONS



PHOTO CREDITS: BRAD POGATETZ PHOTOGRAPHY FOR HARTSHORNE PLUNKARD ARCHITECTURE



Crosstown Concourse | Memphis

The Crosstown concourse, formerly a distribution center for Sears' mail order catalog business, has been retrofitted into a vibrant mixed-use center in the heart of the Crosstown neighborhood in Memphis. More than a million square feet of transformed space in the Crosstown hosts a range of uses including apartments, a high school, health center, YMCA, and several retail and restaurant businesses. Strategically designed interior cut-outs and lights wells helped bring natural light and openness into the building's deep floor plates.



Aurora Arts Center | Aurora

The Aurora Arts Center, a hub for arts education and experiences, was created by retrofitting and restoring two historic buildings in downtown Aurora. Providing a variety of educational, rehearsal, and performance spaces at the lower levels and artist residences at higher levels was made possible by the creative repurposing of interior spaces, including punching through ceilings to attain needed heights.



PHOTO CREDITS: THE COMMUNITY BUILDERS

Apple Fifth Avenue | New York City

An elegant glass cube serves as the entrance for Apple's flagship store in New York City located under the plaza of the General Motors building. The glass cube creates space for a new, vibrant use while maintaining the architectural integrity of the building façade and the plaza.



1b. Reimagine and Activate Public Space.

Repositioning buildings experiencing high levels of vacancy is critical, however focusing on individual buildings is not enough to ensure a strong future for LaSalle Street. When choosing where to live, work, and play, people seek out attractive, lively, and high-amenity neighborhoods. Therefore, revitalizing LaSalle Street requires an investment in the corridor itself – in its public places, its street-level experiences, and how it connects with its surroundings.

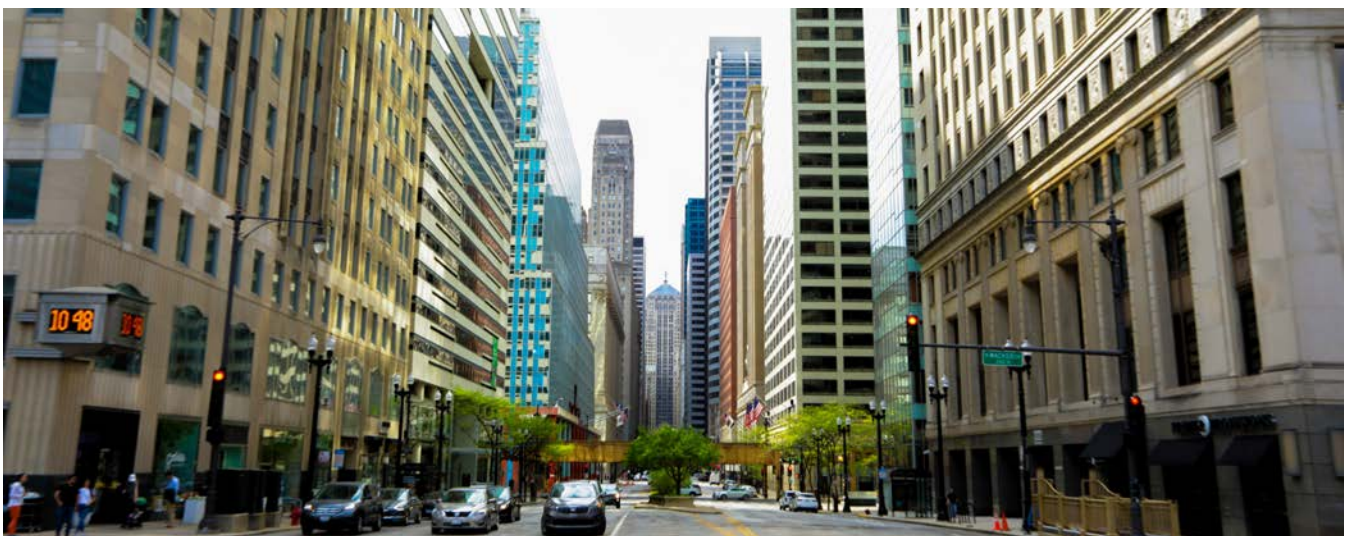
A reimagined LaSalle Street is rich with possibility. In partnership with private property owners, the architecturally stunning yet underutilized historic lobbies and banking halls in LaSalle Street buildings could be opened to a wider public use with stronger connections to the outside. The street right-of-way could be repurposed to prioritize pedestrians with pedestrian-only plazas at strategic locations, and these indoor-outdoor spaces could be filled with small local vendors, local art, flexible seating, and live entertainment. Coordinated leasing could ensure that spaces inside the buildings and in the outdoor pedestrian plaza are programmed with complementary businesses representative of different Chicago neighborhoods. Elite spaces once meant to exclude could become vibrant places accessible and inviting to everyone.

Three Distinct Zones

Within the seven-block long study corridor from Wacker Drive to Jackson Street, LaSalle Street changes in character; the Panel has identified three distinct zones with specific recommendations for each zone (Figure 6). The most-extensive improvements are recommended for the southernmost zone between Monroe and Jackson.

Zone A: Wacker Drive to Washington Street. Between Wacker and Washington, LaSalle Street feels more open and airier, helped by the fact that this section of LaSalle Street was widened decades ago. It also has much more vehicular and pedestrian activity likely due to the presence of many government offices and a major CTA station, as well as its proximity to the Chicago Riverwalk. This zone would be the gateway from the north side into the LaSalle Street Landmarks Innovation District; adding wayfinding signage would help visitors navigate their way here from the Riverwalk and other Wacker Drive locations. Enhancing the green median would make the streetscape more pedestrian-friendly.

Zone B: Washington Street to Monroe Street. Farther south into Zone 2, sidewalks on LaSalle Street start to narrow. Widening the sidewalk by reducing street parking and adding green plantings to soften the streetscape would enhance the public realm in this zone. Flexible outdoor seating would encourage



LaSalle Street at Wacker Drive, South View.

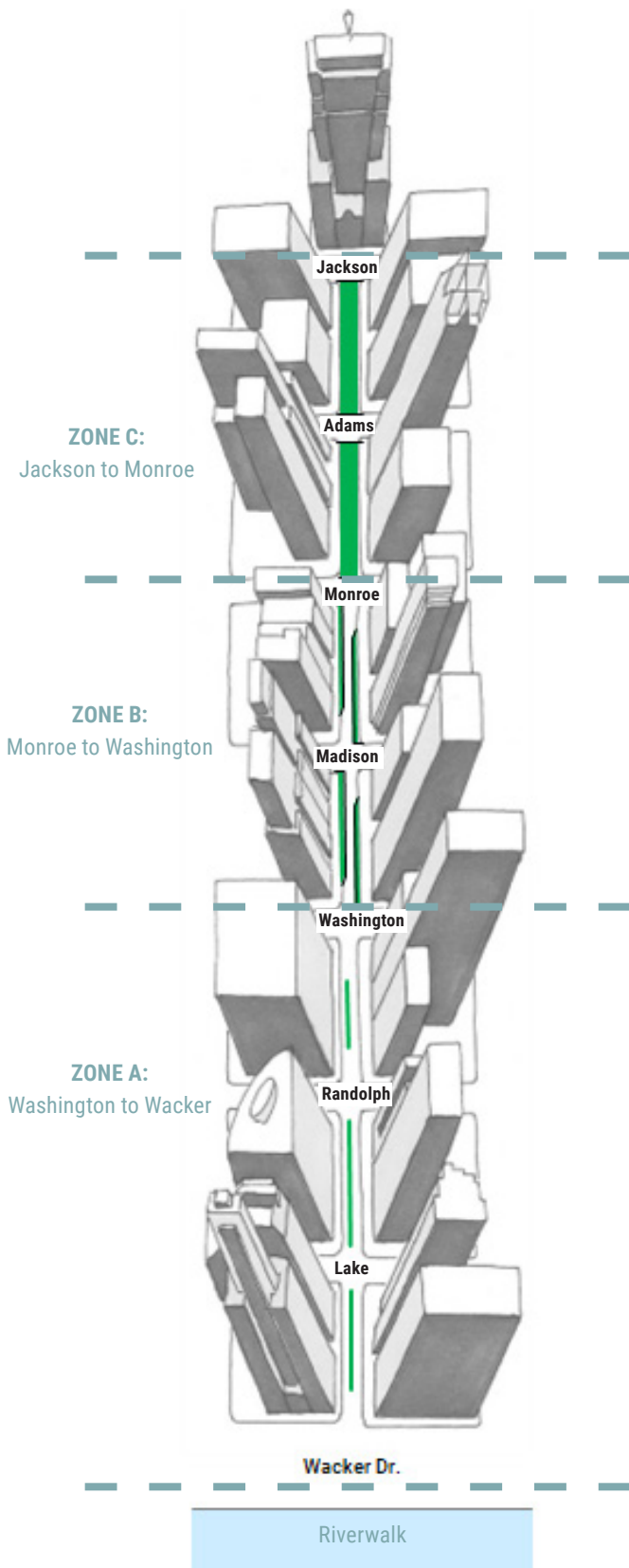


Figure 6. LaSalle Street changes in character through the study area, creating three distinct zones, each presenting their own opportunities and challenges.

people to sit and linger over coffee or lunch, promoting an active street environment.

Zone C: Monroe Street to Jackson Boulevard. The two blocks at the southernmost section of the study corridor, which dead ends at the iconic Board of Trade building, have the least amount of vehicular and pedestrian activity. To many, this section of LaSalle feels like a desolate or dark “canyon” defined by tall buildings on either side. But it also presents the greatest opportunity for catalyzing the rejuvenation of LaSalle Street. This zone would be the heart of the LaSalle Landmarks Innovation District anchored by a new public plaza defined by LaSalle’s landmark buildings on the sides, and with the Board of Trade building as a dramatic backdrop. Concentrated investment in this zone can transform the street into a vibrant public plaza integrated with LaSalle’s architecturally stunning buildings, creating a uniquely Chicago destination like the Riverwalk on the northern end.

The panel recommends a three-phase strategy for activating LaSalle Street between Monroe and Jackson as the center of a safe, shared, vibrant LLID.

Phase 1. Pedestrianize LaSalle Street.

While traffic would continue to flow east and west, LaSalle Street itself from Monroe Street to Adams Street and from Adams Street to Jackson Street should be closed to non-emergency vehicular traffic to create a unique pedestrian plaza with exciting activations that would attract people to LaSalle and encourage them to stay.

Because LaSalle Street dead ends at Jackson Boulevard at the base of the Board of Trade Building, it carries relatively less vehicular traffic on these two blocks. Yet, pedestrianizing will impact some services including bus transit and loading/delivery access. To ensure continued high-quality bus service to the corridor and convenient loading access to buildings, the City will need to coordinate closely with CTA and area property owners. Members of the TAP believe that the bold move of pedestrianization is necessary

to deliver a much-needed jolt to reenergize LaSalle Street and reshape its image as a truly desirable environment for office workers, residents, and visitors. Quick interventions, as described below, build on recent successes and can be implemented at minimal cost to activate the plaza and present a preview of what a vibrant, activated LLID could be:

- **Lighting.** To highlight and brighten the new plaza, catenary lights could be strung between the light posts. In the darker months, LaSalle Street could become a destination for light shows

that illuminate building facades, similar to the successful "Art on the Mart" light installation on the Merchandise Mart building.

- **Painted Street.** While landmark status limits modification to building facades on LaSalle, the street itself could become a colorful, live canvas for art designed by local artists and it can be changed seasonally.
- **Alley Activations.** Alleys off LaSalle Street could be festively lit and decorated with murals,



Pop-up activations, such as the parklet with outdoor dining in Long Beach, California, can energize the street and boost area businesses.



Piazza della famiglia, a 10,000 square foot plaza created by pedestrianizing Date Street, is the heart of San Diego's Little Italy neighborhood.



Fête des Lumières or the Festival of Lights, attracts 3-4 million visitors to Lyons, France every December to enjoy the City's beautifully illuminated monuments and creative light installations.

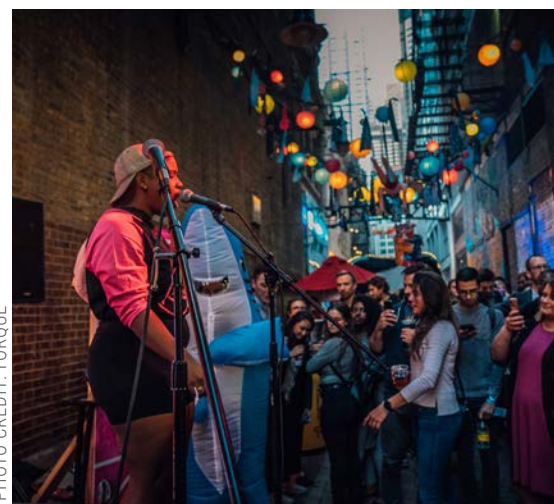


PHOTO CREDIT: TORQUE

Art and live music are key components of CLA's alley activation events in downtown Chicago.

to create unique urban nooks off LaSalle and enticing connections from neighboring streets.

- **Pop-Up Activations.** Within the plaza, vendors representing small businesses from different Chicago neighborhoods could sell unique items, and food & beverages at pop-up kiosks.
- **Flexible Seating.** Providing tables and chairs

that allowed for flexible seating arrangements will encourage visitors to linger on the street and patronize nearby businesses.

- **Removeable Bollards.** To protect pedestrians on the new plaza from traffic and still allow for emergency access, devices such as removeable bollards could be installed at the street edges.



CONCEPT SKETCH CREDIT: GOETTSCHE PARTNERS

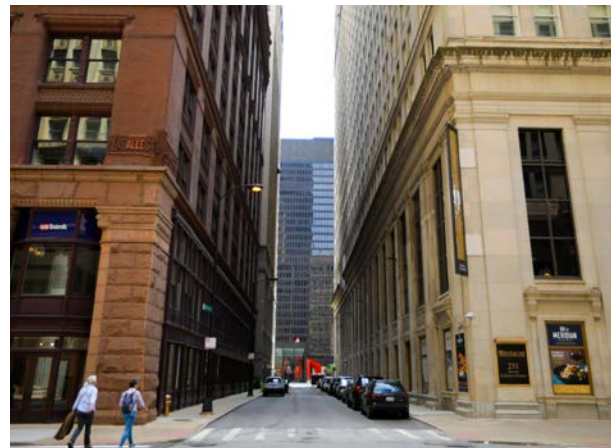
Phase 1 interventions, focused on creating an activated pedestrian plaza at the southern end of LaSalle Street, can transform this awe-inspiring yet desolate section of the street (top) into a vibrant urban place (bottom) signaling the renaissance of LaSalle Street.

Phase 2. Reveal and Activate Historic Spaces, Expand the Public Realm.

LaSalle Street is home to some of the most beautiful and historic interior spaces in the city. These include a stunning two-story sky-lit lobby in The Rookery at 209 South LaSalle Street designed by Frank Lloyd Wright and the soaring Wintrust Grand Banking Hall in the Central Standard Building at 231 South LaSalle. Yet these spaces and others so important to Chicago's history are hidden from public view behind imposing facades or in some cases closed to the public altogether. Strategies for expanding access to these spaces and creating a stronger interconnected public realm along LaSalle Street, as illustrated in Figure 7, include:

- Encourage public uses for privately-owned lobby and other interior spaces.** The City should incentivize property owners to incorporate public uses such as restaurants, galleries, lounges, and interconnecting walkways to increase public access to these inspiring spaces. For example,

a new dining and meeting establishment, called "The Exchange" in the Railway Exchange Building at 224 S. Michigan Avenue, has transformed beautiful interior spaces in one of Chicago's most iconic, historic buildings into four unique restaurant spaces.



Side streets and alleys off LaSalle Street, such as Quincy Street pictured above, offer an opportunity to establish stronger interconnections with adjacent streets, and to create unique urban spaces and intimate nooks within LaSalle's streetscape defined by monumental buildings.

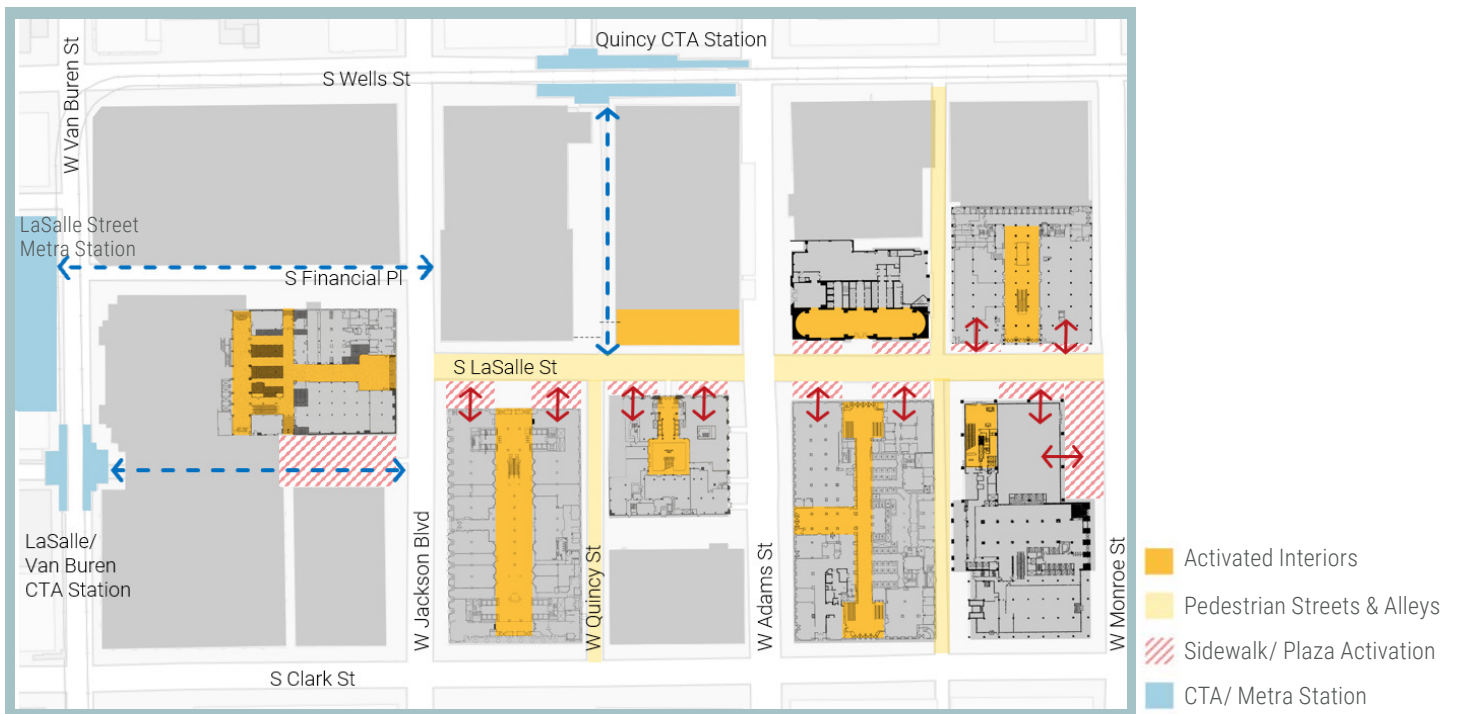


Figure 7. Pedestrianized streetscape, activated interior spaces, and stronger indoor-outer connections can help strengthen and energize the public realm along LaSalle Street.

- **Create Digital Experiences.** To enhance visitors' experience on LaSalle Street, especially around the newly created pedestrian plaza, signage on and inside landmark buildings could provide QR codes linking to interesting facts about the building's history or specific features. Some QR codes could also link to clips of the many movies filmed on LaSalle Street.
- **Establish a Master Lease to Coordinate Retail and Food & Beverage (F&B) Offerings.** To curate multiple spaces under different ownership with complementary local Chicago restaurants and retail offerings, the panel recommends identifying a seasoned F&B/ retail operator to work with individual property owners. Property owners could sign individual leases with the "master operator" to meet their unique requirements while allowing coordinated F&B/ retail offerings on the street. Conducting an RFP process with a team

comprised of City of Chicago staff and existing property owners could shorten the timeline for selecting the master lease operator.

- **Encourage Flexibility in Adapting Historic Landmarks to Modern-Day Uses.** As property owners seek to adaptively reuse historic landmarks along LaSalle, the City should work with them to clarify the best potential alterations to exterior facades to help activate the street. Wider entryways and glazed openings strategically punctuating the 30-foot-high blank walls typical of LaSalle buildings, would strengthen the exterior-to-interior connection along LaSalle leading to a more-vibrant street environment. In some instances, relief from the City's signage ordinance might be needed to help direct people to restaurants and other uses inside buildings – lack of street level openings means that these uses might not be easily visible from outside.



The beautiful, public access lobby of 135 South LaSalle provides a sheltered walk between adjoining streets.



The 3 Arts Club Cafe at RH Chicago (left) and The Exchange in the Railway Exchange building (right) offer unique dining experiences in beautiful spaces within historically significant buildings.



PHOTO CREDIT: PAUL DE SANTIS



PHOTO CREDIT: CHICAGO LOOP ALLIANCE

The award-winning “Sundays on State” activation, organized by the Chicago Loop Alliance (CLA) with support from the City of Chicago, closed State Street to vehicular traffic on several Sundays in Summer 2021 for live performances, dining, and shopping. The events drew residents and visitors from all over Chicago, returning pedestrian visits to and above pre-pandemic levels and boosting sales for local merchants. More information on the impact of Sundays on State is available at: <https://loopchicago.com/in-the-loop/the-impact-of-sundays-on-state/>. CLA expects to bring back a bigger and better version of Sundays on State in Summer 2022.

Before the pandemic, CLA’s “ACTIVATE” event brought music, art, and performance to alleys in downtown Chicago. The LaSalle Landmarks Innovation District (LLID) should build upon these and other public space activations that have already been successfully implemented in downtown Chicago.

Phase 3. Create a Four-Season Amenity for All of Chicago.

Based on the success and lessons learned from the first two phases, additional investments should be made to solidify LaSalle Street's pedestrian plaza as a destination that can be enjoyed throughout the year by residents and visitors.

Improvements such as heated pavements, fueled by clean, renewable energy sources such as geothermal,

can help create a warm, inviting environment during the winter months. Additionally, installing a glass canopy-like structure(s) over the plaza would maintain a view of the landmark buildings while providing shelter from rain and inclement weather, perhaps even creating a warmer micro-climate allowing people to enjoy the outdoors. Property owners and the City could conduct a design competition to invite the creative community in Chicago to design the canopy structure.



CONCEPT SKETCH CREDIT: GOETTSCHE PARTNERS

An artistically designed clear canopy structure, in addition to a dramatic visual focal point, would provide protection from inclement weather thereby enhancing the year-round appeal of the pedestrian plaza while maintaining the architectural character of LaSalle Street's historic streetscape.

2. Getting It Done

Transforming LaSalle Street into a vibrant and inclusive live-work-play neighborhood will require a coordinated effort by the City, private property owners, and dedicated organizations such as The Chicago Loop Alliance (CLA). Key implementation steps are provided below.

2a. Develop a Framework Plan.

The City should work closely with property owners and CLA to develop a framework plan for LaSalle Street's future. Public and private partners working together towards a shared vision gives revitalization efforts the best chance for success. The framework plan is a key first step, as it can help coordinate investments by individual property owners and begin to create a cohesive "district-feel" on LaSalle. The framework plan should also guide public infrastructure improvements and help determine the provision of financial and other incentives by the City to encourage redevelopment. We recommend building on the master plan being developed by the LaSalle Street Revival Initiative, a recently formed consortium of private developers, investors, and property owners focused on revitalizing LaSalle Street.

2b. Develop the Leadership Structure.

Recognizing that revitalization of LaSalle will require a long-term commitment and dedicated stewardship, the City should partner with Chicago Loop Alliance and other industry organizations, including Building Owners and Managers Association of Chicago (BOMA Chicago), and property owners to develop the leadership structure for the LLID. Clearly defining roles and responsibilities and appointing a point-person to coordinate and lead revitalization efforts, including navigating multiple public sector entities and private interests, will be key for implementation.

2c. Align Regulatory Framework.

The City should align its regulatory framework to achieve its goals for a revitalized LaSalle, as articulated in the framework plan.

The corridor's current zoning designation of Downtown Core District (DC-16) is largely supportive of LaSalle Street's revitalization. DC-16 allows for most uses that should be considered for repurposed office space – including entertainment, day care, food and beverage retail sales and above-grade residential. Six of the major LaSalle Street buildings are Planned Developments and any change-of-use within these buildings might require amendments to the Planned Development agreement, which will be guided by Chapter 17-8 of Chicago Zoning Ordinance. City and property owners should work together to streamline any required amendments to facilitate change of use for these buildings.

2d. Provide Financial Incentives.

Repositioning LaSalle Street buildings for modern-day uses and creating street-level amenities to create a mixed-use district, will require significant financial resources. Without financial assistance from the City, the private market will not be able to deliver a true mixed-use, mixed-income, vibrant neighborhood on LaSalle. Providing lower-cost and family-sized residential units would be especially challenging without financial incentives.

Existing programs such as the Federal Historic Preservation Tax Credits, Cook County's Class L

property tax incentives, Low-income Housing Tax Credits (LIHTC), and the recently passed affordable housing property tax incentive, are all important financial resources, but are not likely to be sufficient on their own. These financial incentives come with complex stipulations, but also importantly, they are building specific – they cannot be used to fund improvements to the public realm. The panel therefore recommends that the city expand the use of the existing LaSalle Central Tax Increment Financing (TIF) district to help fund:

- Corridor-wide public infrastructure improvements to create the urban mixed-use environment necessary for LaSalle’s success and the larger downtown.
- Additional housing units for middle- and lower-income households currently priced-out of the central area.
- Spaces for small, local businesses – allowing access to growth and development opportunities that might not be available in neighborhood locations.

2e. Support Business Improvement District (BID) Legislation.

A BID, funded by an additional tax levy on the district’s property owners, can help pay for on-going maintenance of streetscape improvements, activation programming, and public safety investments—all of which will be needed for the long-term success of LLID. City should continue to work towards getting BID enabling legislation approved at the State level so downtown neighborhoods like LaSalle Street, as well as other parts of the City, can access this important tool.

Repositioning LaSalle Street buildings will require significant financial resources and without financial assistance from the City, the private market will not be able to deliver a true mixed-use, mixed-income neighborhood on LaSalle.



As BMO Harris Bank moves its U.S. headquarters to a new downtown building, 115 South LaSalle, like many other LaSalle Street buildings, it faces significant vacancy and drop in operating income, creating an urgent need for intervention.

Bold and strategic street level activations combined with updated, activated interior spaces can provide a much-needed jolt, helping spark the renewal of Chicago's iconic LaSalle Street corridor.



INSET PHOTO CREDIT: ERIC MASI / TORQUE

"Be Part of the Art" by BOMA Chicago and Torque with support from building owners and the City of Chicago, engaged local artists to bring new street art to LaSalle. Inspired by stunning interior architecture hidden from public view within the Central Standard building, Pilsen artist Ceaser Perez created a vibrant display visible from the street. QR codes (inset) were included to provide a more complete digital experience of the building's architecture and history.



PHOTO CREDIT: BEACON CAPITAL PARTNERS

Modern amenity spaces, such as the lounge in 190 South LaSalle Street, can enhance the appeal of LaSalle Street buildings for a range of office tenants, especially small and medium-sized businesses.



PHOTO CREDIT: PURPLE PHOTO CO

After-hours programming such as the Chicago Loop Alliance's alley activations, can help LaSalle transition from its current "9-to-5" office monoculture to a vibrant, 18-hour district.

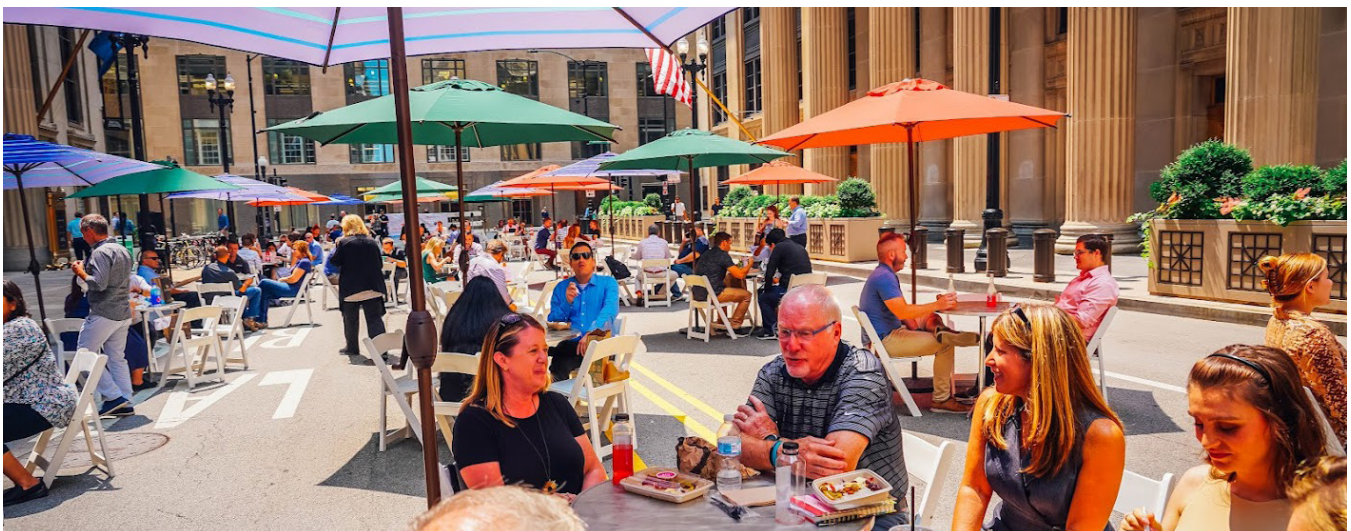


PHOTO CREDIT: ERIC MASI / TORQUE

Food trucks and live performances can liven up the daytime experience on LaSalle Street providing an added incentive for workers to commute to their downtown offices instead of working from home.

GETTING STARTED

Reenergizing Chicago's LaSalle Street corridor and building a future beyond its storied past as Chicago's Financial and Legal District, is critical for the vitality and economic health of downtown Chicago and the City as a whole.

A revitalized LaSalle Street can support jobs at different income levels in a variety of industries including office, retail, and hospitality and it can be a catalyst, spurring additional investment in adjoining neighborhoods. Halting the downward spiral of vacancy and divestment on LaSalle and shifting towards a growth and rejuvenation trajectory, will require concerted and sustained effort on the part of public

and private sector stakeholders. Working in partnership with the Chicago Loop Alliance (CLA), the City should take a leadership role in bringing together these key stakeholders and jumpstarting the revitalization of LaSalle Street.

Developing a framework plan based on a shared vision for the future of LaSalle or the "LaSalle Landmarks Innovation District" as defined by the ULI Chicago Panel, is a critical first step towards repositioning LaSalle Street. A framework plan will help the City prioritize infrastructure improvements on LaSalle and provide strategic financial incentives, including TIF funds, to advance its goal of building a more inclusive Chicago with stronger ties between the downtown and neighborhoods. A framework plan can also help guide and coordinate private investment in individual properties to create a cohesive, interconnected district.

In addition to developing the necessary framework plan, the City should partner with CLA and other key stakeholders to immediately implement street and plaza activations at the south end of the corridor. Relatively easy to implement, these activations will help generate renewed excitement for LaSalle, demonstrate commitment on the part of key stakeholders, and most importantly, provide a preview of a reenergized, reinvented LaSalle Street.



PHOTO CREDIT : LUMAS

An illustration of a potential lighting installation to spark renewed excitement and mark the beginning of a new era for LaSalle Street.

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