

PROJECT PROFILE

IN BRIEF

Project Components

- A twenty-three thousand (23,000) square foot, three-story center, likely to become a national model for smart, green building. Located at a transit stop, with employment counseling services, a computer technology center, daycare center, dry cleaners, sandwich shop, a financial services center and additional retail space.

Completion

May 2005

Development Team

- **Owner and Co-Developer**
Bethel New Life is a faith-based community development corporation serving the city's West Side, having brought in over \$120 million in investments, developed more than 1,000 units of housing and placed more than 5,000 people in jobs since its founding in 1979.
- **Co-Developer**
Matanky Realty Group, Inc. is a full service real estate firm offering expertise in commercial brokerage, shopping centers, land acquisition, development, redevelopment, real estate consulting and management.
- **Architect**
Farr Associates
- **Contractor**
Phoenix Builders



BETHEL CENTER

West Garfield Park, Chicago



PROJECT DESCRIPTION

The Bethel Center, built with a bridge connecting it to the Lake Street El platform, incorporates the components of green technology and transit-oriented development. These aspects complicated the financing and development process, but promise to reduce energy costs, provide transit accessibility, and be good for the environment. The Center houses Bethel's Employment Services, where area residents can receive employment counseling and access to a computer lab (community technology center), with desktops, fax machines, and copiers, to aide in job searches and technology training supported by LISC/Chicago. A new Child Development Center provides daycare services for 106 children. Two West Side residents are the owners of a new Subway store on the Center's first floor, one of 6 retail spaces. A dry cleaners occupies another retail space and two more will be used for a financial services center (a joint effort between Thrivent Financial for Lutherans, First Bank of Oak Park and Bethel) that will begin occupancy in January 2006.

SITUATION

For many years the CTA Green Line stop on the corner of Lake and Pulaski was in a dilapidated condition. Nonetheless, its location in the heart of the Garfield Park neighborhood made it an important community resource, with more than 2,500 people getting on and off at the stop each day. In 1992, when the CTA announced plans to close the stop, community residents rallied together and successfully lobbied to keep the Lake & Pulaski stop operational. The success of these efforts opened Bethel's eyes to the possibility of transit oriented development and smart, green construction to house a much-needed commercial center. Bethel had previous experience in energy efficient housing and was developing over 100 new homes within walking distance of the transit stop. The development of a smart, green building connected to the transit stop as the anchor development was a logical next step in a multi-phased plan for commercial development. The Project was completed in May 2005.

SOLUTION

The building is a model of environmentally friendly design. Its green features make it eligible for a Gold Certification, a high level of recognition in the US Green Building Council's LEED Building Rating System. Super-insulated walls and the light color of the building optimize energy efficiency. Trees on the site reduce heat absorption. A specialized Heat Recovery Unit (HRU) system, high efficiency HVAC unit and automatic light dimmers reduce the energy demand of the building as well. These environmental features create a potential energy cost savings of 50% compared to average commercial buildings. The building's roof is also put to use: half is a rooftop garden, resulting in reduced storm water run-off and a decrease in heat absorption in the summer and loss in the winter. The other half of the roof is covered by photovoltaic cells collecting solar energy.

At least 25% of the building materials contain recycled content and 20% of the materials were shipped from within 500 miles of Chicago. Fifty percent of the wood used on the project originated from forests grown and harvested using environmentally conscious methods. None of the paint, carpet, adhesives and wood products emit potentially toxic fumes. All rooms have direct line of site to the outside made possible by using skylights, light wells, and interior windows.

FUNDING

With support from Bank One and State Farm Insurance Companies, LISC provided Bethel with \$117,000 in start-up and operating grants for the Employment and Community Technology Center. The project also received financial support from the City of Chicago (Empowerment Zone), the Illinois Department of Commerce and Economic Opportunity, the Chicago Department of Environment, Commonwealth Edison, U.S. Bank, Illinois Clean Energy Foundation and the U.S. Department of Health and Human Services. Take-out financing is being provided by the innovative use of the New Markets Tax Credit financing, a new investment tool of the Community Development Financial Institutions Fund (CDFI).

ABOUT LISC

LISC/Chicago organizes capital and other resources to support initiatives that will stimulate the comprehensive development of healthy, stable neighborhoods and foster their connection to the socioeconomic mainstream of the metropolitan region. Since 1980, LISC/Chicago has infused more than \$120 million into housing and economic development, leveraging an additional \$2.4 billion in total community investment. The results are quantifiable: nearly 20,000 units of affordable housing and 4 million square feet of commercial space have been developed. LISC/Chicago's proven strategies and innovative market-oriented approach to community development make it the preferred intermediary for investors who are committed to Chicago and its neighborhoods.

“The Bethel Center is designed to make it easier for residents to have access to resources; to help them find jobs, and to help them ease the strains of work life. Not only is this building sensitive to community needs, it is also attuned to the environment, combining green technology with transit oriented development concepts. It is also the anchor for further development in the community.”

— Steven McCullough, President, Bethel New Life

Responsibilities

Bethel New Life

- Acquired and held land
- Created concept plan
- Assembled development team
- Obtained public approvals, funding and financing
- Oversaw design and construction
- Ensured high level of community hiring for permanent retail jobs
- Enlisted community support and interest
- Developed day care and employment programs at site

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- Marketing and lease up of retail space

Project Cost

\$4.5 million

Market Population

Serving the neighborhoods of West Garfield Park, Austin, South Humboldt Park and East Garfield (200,000+)

Funding

- LISC/Chicago (\$117,000 start-up and operating grants for the Employment and Community Technology Center)
- City of Chicago Empowerment Zone (\$1,680,000)
- Illinois Department of Commerce and Economic Opportunity (DCEO) (\$1,300,000 in grants)
- Chicago Department of Environment (\$430,000 grant)
- Commonwealth Edison/DCEO (\$400,000 grant) for photovoltaic cells
- U.S. Bank (\$1 million construction loan)
- U.S. Department of Health and Human Services (Pre-development grant \$100,000)
- Illinois Clean Energy Foundation (\$100,000 grant)
- Community Development Financial Institutions Fund (take out financing \$1,600,000)

Annual Net Rental Income

\$210,000

Annual Debt Service

\$70,000

Yearly Cash Flow

\$6,000

Debt Coverage Ratio

1.1