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Morningside Chosen as Preferred Developer for Hahn Street

Negotiations begin for a six-story apartment/retail development in downtown Elmhurst. A four-story plan was eliminated from consideration.

Posted by [Karen Chadra](#) (Editor) , January 28, 2014 at 04:51 AM



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vin on Monday ultimately voted in favor of negotiating at York and Hahn Street. (Credit: Karen Chadra)



On the heels of a city presentation to make the case for a [six-story Addison Avenue parking garage last week](#), Elmhurst City Council members this week voted on another proposed six-story development downtown.

Aldermen have chosen Morningside Group as the preferred applicant for the Hahn Street development, a 10-acre parcel between York and Addison, just south of North Avenue. In doing so, they also voted to remove from consideration Morningside's proposal for a four-story development and only consider the [developer's six-story plan](#) when negotiating a contract.

The project proposes 207 apartments, about 12,000 square feet of ground-floor retail, 456 residential and 162 public parking spaces, a civic plaza, and a courtyard with swimming pool. Morningside was one of two finalists for the project.

While aldermen said the city "couldn't lose" by choosing either [Lincoln Properties five-story proposal](#) or Morningside's plan, the latter had an edge with the majority of council members even though [Lincoln's plan was shown by consultants to be a better investment for the city](#).

Seventh Ward Alderman Mark Mulliner, in making a motion to accept Morningside's six-story plan, said the decision comes down to more than just "dollars and cents." He said the developer better represents the vision for the future of Elmhurst.

"We have a great opportunity here," he said. "We have to make a decision on what our vision of the downtown is going to be."

Second Ward Alderman Norman Leader agreed. Hahn is the gateway to the downtown, and the decision "should not be based on dollars alone," he said.

"Make no mistake. Tonight is a historical event," he said. "Decades from now, people not yet born will comment on our judgment or lack of. None of us will ever pass this way again. We have a once-in-a-lifetime opportunity to create a project that will be the light, life and celebration of our city."

Third Ward Alderman Dannee Polomsky also favored Morningside, although she initially wanted to vote only on choosing a developer, not on the height of the development at this stage. She said Morningside "better understands the needs and priorities of our community" based on a proposed style that will "complement neighborhoods and attract tenants."

First Ward Alderman Marti Deuter also liked Morningside's design over Lincoln's, saying the dollars can be worked out through negotiations, but it's harder to get the design right.

"The finances are critically important, but the building, itself, will endure" for many decades. She pointed to a "timeless style," high-quality building materials, deep setbacks, highly visible store fronts and ease of parking.

Not all aldermen were in favor of Morningside's plan, however. Lincoln's anticipated [\\$3.5 million benefit to the city and taxpayers](#) outweighs aesthetics, 4th Ward Alderman Kevin York said.

"It's hard to ignore those numbers," he said. "You can tweak the aesthetics."

Lincoln is asking for \$2 million less from the city in incentives than Morningside and returning about \$1.5 million to the city in revenue via the land purchase and permit fees. The numbers break down as follows:

- Lincoln is willing to pay \$2.5 million for the land; Morningside is offering \$1.275 million.
- Lincoln is asking for \$500,000 in TIF assistance; Morningside wants \$2.5 million.
- Lincoln is willing to pay the roughly \$400,000 in permit fees, Morningside is asking to have them waived.

Second Ward Alderman Bob Dunn said the Lincoln proposal is "quite functional and very attractive."

"I would be happy to have either," he said. "But to be good stewards of taxpayer money, and looking at the financial implications, I think Lincoln has a slight edge."

Seventh Ward Alderman Pat Wagner said it most definitely is about the numbers.

"If it's not about the numbers, what is it about?" he said. "The financial benefit to the residents (comes from) the Lincoln property, not Morningside."

The final vote to approve Morningside as the preferred applicant was 9-4. Aldermen Mulliner, Leader, Polomsky, Deuter, Steve Hipskind, Scott Levin, Jim Kennedy, Diane Gutenkauf and Michael Bram voted in favor of Morningside. Aldermen Dunn, Wagner, Michael Honquist and Kevin York voted no. Fifth Ward Alderman Chris Healy was absent.

Gutenkauf and Bram said they voted in favor of Morningside largely because it offered a four-story plan for Hahn. Bram said Morningside is "significantly over the top" in terms of requested incentives, but he is willing to support it "mainly because of their willingness to provide a four-story proposal."

But after the vote, Levin quickly moved to strike the four-story plan from consideration. He said if council members were against a five- or six-story building, they should have said so "a long time ago."

"The four-story option is not viable," he said, referring to an approximately \$8 million differential between it and the five- or six-story proposals.

Having one proposal also will clarify negotiations with the developer, he said.

"It is difficult to proceed with negotiations when the developer doesn't know what we're talking about," he said.

But the development is not just about economics, Gutenkauf said, adding she doesn't want Elmhurst looking like Arlington Heights, Evanston or Oak Park.

"It's about the relationship with the buildings around it and the potential for future construction in the downtown. Six stories is too big, too tall, too massive," she said.

"I want us to be very clear that we have made a deliberate decision by rejecting the building that comes in under the criteria the city has so carefully established. This project will fundamentally change the character of downtown and will have a relationship with the other very large project we're proposing (Addison parking deck) that will shape the community moving forward."

Bram said totally eliminating the four-story option would have future costs.

"If we build something over-congested that doesn't fit well, what are the down-the-line costs? How often will we be rerouting traffic, dealing with accidents, pedestrian conflicts?" he said, adding he would like to consider a five-story compromise.

The motion to eliminate the four-story option passed 11-2, and city staff has been instructed to move forward with negotiations with Morningside. Mayor Steve Morley encouraged staff to negotiate as quickly as possible.

"The city started acquiring property (for the development) in 2001," he said. "It is well past time we put a shovel in the ground."

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