

Redevelopment

What to do when the location is right but the building is obsolete



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Available land sites continue to become scarce, and as the saying goes “they aren’t making any more land.”

One way the real estate industry is reacting to this is to push even further out and away from Chicago. Contrary to this push to exurbia, an increasing number of developers are looking at existing sites with redevelopment in mind.

Redevelopment projects are on the rise in markets where there are established communities with strong demographics of labor forces, good interstate access, availability of public transportation and visibility. Some examples of such markets are Bedford Park, Franklin Park, Bensenville, DesPlaines, and Elk Grove Village. The challenge (or opportunity, depending on how you look at it) with these markets is that much of the existing product does not meet today’s standards. The natural response is to simply redevelop the site. In theory, redevelopment is a simple proposition. Step 1.

Purchase and demolish the existing facility. Step 2. Construct a new facility. In practice, it is much more complex.

From a design and construction perspective, these projects offer many unique challenges. Some of the complexities in redeveloping a site can be the presence of hazardous material, lack of stormwater detention, insufficient infrastructure, no as-built documentation, zoning complications and constrained site geometry. Therefore, the key to success on these projects is to assemble your team early to help manage these intricacies. Start with a qualified design-builder who will take the lead on the project and bring together the appropriate team members to assess the existing conditions and help develop a plan that will achieve the desired result.

The first step in the redevelopment of a facility is to identify the product type that is desired for the site in question. Many developers have this vision prior to the acquisition of a property. It is important to identify approved uses for the zoning district as well as understand the local ordinances relative to the type of structures and materials that are allowed. Once this is determined, documentation of the existing site/structure needs to be assembled. Accurate documentation of existing conditions is an important part of a successful redevelopment. However, in many older developments as-built documents are unavailable or inaccurate. In this case on-site surveys and assessments are required. This can be achieved by employing a registered surveyor, architect or engineer to do on-site measurements to re-create the existing conditions.

After the necessary information is gath-

ered and prepared, the proposed building design can be overlaid on the plan showing the existing conditions and your design builder can determine what (if anything) can be re-used. In many cases foundations can be re-used, curb cuts can remain and water, sewer, electric, phone and gas mains can also be re-used. This phase will take time, detailed engineering/design effort and an experienced design-builder, but it may save a substantial amount of money on the project. On the MRC Polymers project at 31st and Pulaski, Principle Construction Corp. was able to re-use existing foundations, parking lots and utilities. The re-use of the parking lot was one of the keys to the success of the project because it enabled the site to be “grandfathered,” therefore eliminating the requirement to construct additional stormwater detention. Without this creative guidance the project would never have been economically feasible.

After a schematic site plan is established, it is recommended that a meeting be held with the municipality to discuss the plan. Many cities welcome this meeting and it is extremely beneficial to hold it early in the project. A well managed meeting will inform you as to what the village will or will not allow you to build before you get too far into the process. This step can get your project to market quicker by minimizing the resubmittal process.

Following the creation of a schematic plan and preliminary feedback from the city, further development of architecture and engineering can proceed. An evaluation of the existing infrastructure should be made to determine what utilities can

over

be re-used vs. what needs to be brought in new. In addition, the ingress and egress points of the site plan should be verified.

An environmental assessment needs to be performed to ascertain if any hazardous material exists such as lead, PCBs, asbestos, etc. The presence of these items may scare a developer away from a site, but many times they are manageable through the implementation of specific measures. Many times, if properly managed by a qualified design-builder, the correction of these items adds very little cost to the overall project. On the AAA Cooper project in Bensenville, Principle Construction properly managed the remediation of lead and other contaminants on the site with minimal increase in cost or headache to the client.

Lastly, there are many opportunities to salvage and/or re-use materials already existing on a site to maximize the project's cost-effectiveness. Steel and timbers can be salvaged and resold to help offset costs. Concrete and asphalt may be crushed and re-used as base material for roads, parking lots and concrete slabs, or it may be used as haul roads to improve site access. A good design-builder will always investigate these opportunities for their clients. Most recently Principle



Principle Construction crushed and recycled the concrete and asphalt, and salvaged and resold the steel and brick on this Bedford Park redevelopment, resulting in cost savings and environmental benefits.

Construction employed this money-saving tactic to redevelopment projects for Seefried Properties and ABF Freightways in DesPlaines and First Industrial in Bedford Park. Concrete and asphalt were crushed and recycled, and steel and brick were salvaged and resold to secondary markets, all of which resulted in substantial savings to our client as well as creating an environmentally friendly construction project.

When looking at what a site has to

offer, an out-dated building should not be avoided, but rather investigated to ascertain its true potential for redevelopment. If the location and demographics are desirable, then redevelopment is an option, and if done correctly, can be a winner. Just remember that the key is to bring on your qualified design-builder early and you will be on your way to a successful redevelopment.

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