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West Pullman businesses kick special services district to curb

DAVID ROEDER

droeder@suntimes.com

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The businesses in West Pullman that were threatened with extinction by taxation have been heard. The community's alderman, Carrie Austin of the 34th Ward, is moving to repeal a special service district that caused the businesses' property tax bills to skyrocket.

The problem particularly hit businesses along South Halsted. I saw bills for several properties that doubled or nearly tripled for the most recent installment of the bills, due last Dec. 13, with the increases mostly traced to the new taxing district. Business owners said that with times already hard in a neighborhood plagued by crime, the higher taxes could force them to shut down.

Austin championed the district, called Special Service Area 46, to provide security and beautification for business strips in her ward. At a community meeting Thursday, Austin publicly addressed the controversy for the first time.

"We created this in order to be a helpmate to the businesses," Austin told business owners and community residents summoned to discuss the matter. But she said that once the tax bills arrived, she realized something was badly amiss. "Had I known in advance that that would have occurred, I would have dispelled it [the district] myself."

Austin said she had introduced an ordinance to repeal SSA 46 and expects the City Council to vote on it Feb. 9. But she also wants to keep the goal of neighborhood improvement alive and asked the property owners to consider a cheaper version of the SSA. She's asking property owners to sign a petition for or against establishing an SSA.

She said she had expected a typical business to see a tax hike of perhaps $1,500 to pay for the enhanced services. Many, however, saw an increase in the tens of thousands.

Austin said the city hadn't been able to calculate the impact of a higher multiplier, a state-ordered increase in all Cook County property assessments.

Most business owners said they were happy with Austin's decision but want to make sure an expensive taxing district doesn't come back in some other form.

"I have no criticism of the idea. It's just unaffordable as presented," said Thomas Jundanian, president of the rug dealer K.A. Pridjian & Co. at 11600 S. Halsted, who said his most recent bill nearly doubled.

"I'm happy we're not going to be taxed out of existence," said Gary Ettema, an owner of Action Auto Rebuilders Inc. at 11934 S. Halsted. "I think Ms. Austin's heart is in the right place."

LAGRANGE LOWDOWN: Lucien Lagrange, the prominent Chicago architect who has taken his firm into bankruptcy, said Tuesday he will sublease office space from the firm VOA Associates Inc. at 224 S. Michigan. But Lagrange said he's not going to work for that firm, or for anybody else, and insists he is retiring.

Lagrange was the city's foremost architect for high-end condos during the last building boom, but he said he had to take his firm into bankruptcy when work dried up and a Saudi Arabian client couldn't pay a $1 million bill. Chicago architects have speculated on whether he'll work for another firm, but Lagrange refuted that notion. "As of Jan. 27," he said, "I will not do work for anybody because I will have no more liability insurance."

Lagrange said he needed to sublease 10,000 square feet for himself and the records of his firm, Lucien Lagrange Architects Ltd., as the bankruptcy proceeds. He added that the space wasn't hard to find. "Architects all have excess space," he said.

RANDOLPH REBOOT: After a hiatus of more than two years, an affiliate of Village Green Cos. is moving forward with a renovation of the landmark building at 188 W. Randolph. The Jazz Age tower, rich in terra cotta detail, will become an apartment building with private club-like amenities.

Ken Barnes, principal of Randolph Tower Development LLC, said the $146.6 million project has secured a debt package that includes $50.5 million in state-issued bonds, $34 million in tax-increment financing from the city and backing from a consortium of banks. Barnes said his partnership has $20 million of equity in the deal.

The 45-story building made news in 2001, when its crumbling facade became a danger and Mayor Daley branded its former owner a "slumlord." Village Green executives bought it out of bankruptcy in 2005 for $10 million.

Barnes said that while the facade previously was stabilized, work on the exterior has resumed and interior demolition has started in earnest. He said lower floors should be ready for tenants in about 13 months, and the entire project should take about two years.

The building will offer 313 units, 20 percent to be priced at subsidized rents. Barnes said the subsidized units will start at $630 a month, and the market rate units are projected to start at $1,250 a month.

The building will open against competition from newly built structures that have just opened or are close to it. "We think our building enjoys a competitive advantage based on the historic nature of the property," Barnes said.
