

PROJECT PROFILE

IN BRIEF

Project Components

- 28,000 square-foot, two-story center providing healthcare services and health-related employment training through two anchor tenants:
 - o Cook County Ambulatory Care Network
 - o Fresenius Medical Care

Completion

July 2004

Development Team

- **Developer**
Westside Health Authority (WHA)
- **Developer Consultants**
Coniston Consulting
- **Architect**
Schroeder Murchie Laya Associates Ltd.
- **Contractor**
JIRSA Construction

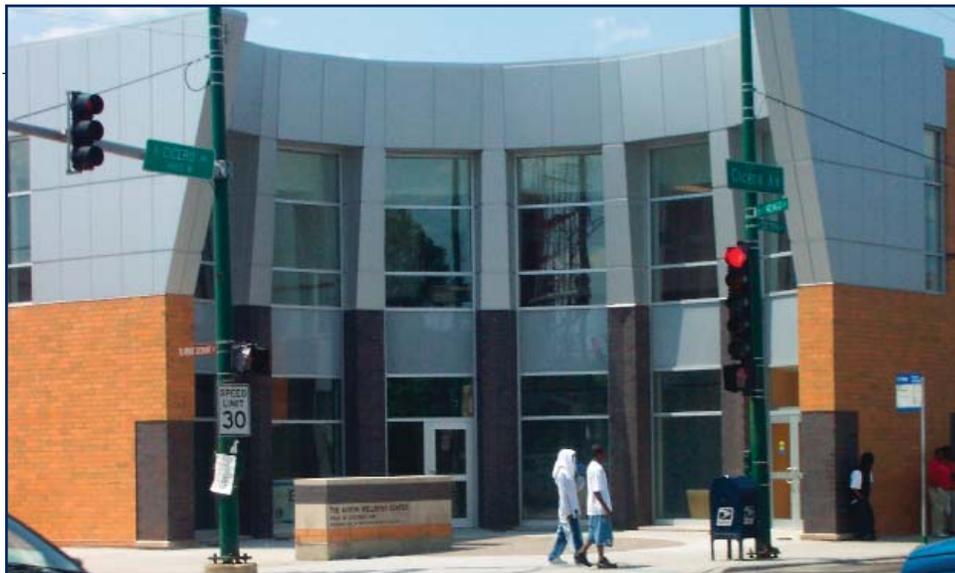
“ The residents of Chicago's West Side are creating a stronger and safer community for themselves every day and this center is a perfect example. Local residents knew better than anyone what they needed most - jobs and healthcare. WHA worked with them to address those needs, and now the community is enjoying the fruits of its labor - a center providing consistent quality healthcare and greater job opportunities.”

- Jacqueline Reed, Executive Director
Westside Health Authority



AUSTIN WELLNESS CENTER

Chicago, Illinois



PROJECT DESCRIPTION

The Austin Wellness Center is the first new human services building constructed in Chicago's Austin neighborhood in forty years. It addresses the needs of the area's 114,000 residents in two critical areas - healthcare and jobs. The Center's clinic and dialysis units offer area residents consistent quality healthcare close to home, and a proposed technology center is expected to offer residents and local business owners training in health-related, computer-based job skills and access to an employment database. A non-profit organization, Westside Health Authority, conceived of the Center and managed all aspects of its development, with assistance from LISC/Chicago, and funders like the City of Chicago.

SITUATION

Chicago's Austin neighborhood is in a prime location for development, lying between the city's downtown and its increasingly wealthy Western suburbs. As affordable rent seekers push further westward from the Loop, the neighborhood is seeing new buildings rise and property values increase in step. Amidst this, the local community development corporation, the Westside Health Authority, recognized residents' pressing need for jobs and healthcare options. To address these concerns, it embarked on a plan to create the Austin Wellness Center.

SOLUTION

The journey began in 2000 as the Westside Health Authority worked to assemble partners and funding for its project - the non-profit's first real estate venture.

The group received predevelopment funds and technical assistance from LISC/Chicago with the support of the Aon Corporation. LISC introduced WHA to two experienced developers, Glenn Azuma and Cliff DiLorenzo of Coniston Consulting, who assisted WHA with completing a feasibility study, attracting a top-notch architect, attracting and negotiating leases with anchor tenants, and selecting a general contractor and sub-contractors. The consultants also helped maintain and reduce costs by working closely with the contractors in material purchasing and with the anchor tenants in planning their space build-out.

Through a relationship with Cook County, WHA secured the County's Bureau of Health Services as an anchor tenant. It also attracted Fresenius Medical Care and filed a certificate of need with the state for a dialysis center.

The site, at the intersection of Cicero and Chicago Avenues, was selected because it was central to the neighborhood and on a deteriorated corner near major bus routes. Part of the site was owned by the City of Chicago. WHA acquired one of the privately owned parcels of land and the city's Department of Planning contributed two other private parcels, valued at \$630,000. The cost for construction, tenant improvements, and site work was \$4.6 million, contributing to the project's total cost of \$7.1 million.

In late December 2002, WHA broke ground on the center, and in August 2004, Cook County Board President John H. Stroger, Jr., Chicago Mayor Richard M. Daley and other community leaders cut the ribbon at the official opening of the new Center.

RESULTS

Today, the Center serves the critical healthcare and employment needs of Chicago's 114,000 West Side residents and acts as a stabilizing force in the community.

The Austin Cook County Health Center provides comprehensive affordable health services, including pediatrics, OB/GYN, family practice, geriatrics, internal medicine, After Hours Center, optometry services, audiometry screening, podiatry, substance abuse programs and mental health services. The FMC Austin Kidney Dialysis Center hosts a 16-station hemodialysis unit, in operation six days a week, and the proposed WHA Employment and Training Center will allow residents and small businesses access to and training on computers and an employment database.

EMPLOYMENT DIVERSITY

The development generated roughly 150 jobs, including 52 construction positions and approximately 100 permanent positions. Many of the jobs have gone to local residents because of WHA's commitment to hiring minorities and community residents. Fifty-five percent of the center's sub-contractors were African-American, and 37% were from the city's West Side. Thirty-two of 52 construction positions were filled by West Side residents. The number of jobs will be further enhanced by the opportunities residents will have through the proposed employment placement and skills training center.

FUNDING

To fund the project, WHA raised \$7.1 million from both private and public sources. LISC/Chicago, with support from the Aon Foundation, provided a \$50,000 grant, a \$98,000 property acquisition loan and an \$85,000 predevelopment recoverable grant, the latter of which was rolled into a \$185,000 loan at construction closing, to be repaid over five years."

LISC's initial investment spurred other contributions, including a \$2.5 million grant from the City of Chicago Empowerment Zone, \$2.9 million in 501(c)(3) bonds and a \$1.6 million capital campaign. The Austin community raised \$67,000 through potluck dinners, auctions and rummage sales. LaSalle Bank provided credit enhancement for the 501(c)(3) bonds.

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 \$100 million into housing and economic development, which has leveraged an additional \$2.4 billion in community investment, generating nearly 17,000 units of affordable housing and 4 million square feet of commercial space.

Responsibilities

Westside Health Authority

- Acquired and held land
- Created concept plan
- Secured community consensus
- Obtained public approvals, funding and below-rate financing
- Coordinated design and construction
- Oversaw leasing

Coniston Consulting

- Completed feasibility study
- Attracted a top-notch architect
- Attracted and negotiated leases with anchor tenants
- Selected a general contractor and sub-contractors
- Maintained and reduced costs

Project Cost

\$7.1 million

Market Population

114,079

Funding

- City of Chicago (\$2.5 million Empowerment Zone grant)
- 501(c)(3) Bonds (\$2.9 million)
- LISC/Chicago (\$283,000 loans)
- Capital Campaign (\$1.6 million)
 - o Chicago Community Trust (\$500,000)
 - o State of Illinois "Build First" grant (\$500,000)
 - o Polk Bros Foundation (\$200,000)
 - o Unicom/ComEd (\$100,000)
 - o Bank of America (\$50,000)
 - o Aon Corp. (via LISC) (\$50,000)
 - o Northern Trust Foundation (\$50,000)
 - o Field Foundation (\$40,000)
 - o People's Energy (\$25,000)
 - o Montgomery Foundation (\$10,000)
 - o Firststar Bank (\$5,000)
 - o Austin community at large (\$67,000)

Annual Net Rental Income

\$683,693

Annual Debt Service

\$308,879

Yearly Cash Flow

\$320,502

Debt Coverage Ratio

2.04