Overall design and development plan

The Chicago River has historically been a physical separation between the Lincoln Park and West Town neighborhoods. Located between these two neighborhoods, the sites we want to develop have always had an industrial function because of their strategic position alongside the river. Since 1988, these specific sites are classified with a planned manufactured district (PMD) zoning. This specific industrial planning regulation has created a gap between the neighborhoods and amplified the socioeconomic and sociodemographic differences between the riverbanks.

The Assembly Line project has been developed around the idea of creating connections. It is as much a meeting place between neighborhoods as it is a high-efficiency manufacturing district with a 21st century twist. This project breaks away from Chicago’s squared landscape to welcome a new multi-disciplinary neighborhood. The different projected sites of the Assembly Line will guarantee a mix between ideas and capital, industries and community, and between producers and markets around business opportunities, innovation, arts and urban agriculture.

The first phase of the project will provide 1,649 housing units (affordable, workforce, rental and for-sale), 107,200 square feet of office spaces, 261 market rate and affordable retail units, and 23 workshop spaces. Other particularities of the first phase include the construction of a 75,000 square foot hotel with full services, 56,250 square feet of meeting spaces, a startup incubator, an elementary school, a greenhouse and 2,161 underground parking spaces. The second phase of the Assembly Line incorporates 1,016 additional housing units of different types, 131,000 square feet of office spaces, 338 retail stores and 89 workshop units. The second phase also offers a hotel with limited services, a 17,640 square foot indoor farmers’ market, a library and 1,693 underground parking spaces. Finally, the third phase of the project will add 355 housing units, 409,200 square feet of office space, 338 retail stores and 1,300 underground parking spaces. At the beginning of the 7th year, the overall infrastructure will be fully operational for everyone to enjoy. The colorful opportunities made accessible by the Assembly Line project provide new ideas, capital, arts, residence, leisure, and business opportunities.

The various cultural aspects of our site are aimed to inspire people from diverse backgrounds, no matter their interests; the library, the art taking place in the workshops, the innovative startup incubator and the business opportunities enable ideas and thoughts to be shared. The proposed neighborhood will be an exciting place to live, with plenty of space for leisure activities, an all-year-round farmers’ market selling food grown directly on-site, and plenty of retail stores, cafes, bars, and active transportation opportunities.

The Assembly Line is in the heart of a vibrant community. On the edges of the North Chicago River, the people from Lincoln Park and West Town meet to exchange ideas and experiences. The Assembly Line’s workshops take the site’s manufacturing past and give it a 21st century twist. Artists, designers and creators can co-create in this inspiring environment.

The numerous different approaches and disciplines that meet create fruitful opportunities.

At the heart of the Assembly Line, the start-up incubator reunites people with ideas and people with capital to invest. The proximity of the incubator with the workshops creates a vibrant harmony within the line. An entrepreneur can meet potential clients in the meeting places, have an office at the incubator, start production in the workshops and live just a corner away.

The Assembly Line project will be completed in cooperation with Sterling Bay, which will give us the chance to reach a bigger guaranteed amount so we can have more equity to develop the whole Assembly Line project.

Financial Plan

The Assembly Line is installed in one of the most vibrant communities of the United States. With an average yearly growth of 6%, the real estate market is in-demand. The population of the neighborhoods is mostly young and the triple barrier made by the highway, the railway and the river currently makes it difficult for them to meet with the richer and older population of Lincoln Park. The Assembly Line reunites these populations so they can help each other realize their dreams and assures a mix between the different populations of the West Town, Lincoln Park, Logan Square and Near North Side neighborhoods.

The large number of available offices in Chicago’s suburbs makes the Line’s offices a top choice for companies that have their employees’ wellness in mind. The currently offered facilities are often expensive, with annual leases starting at 30$ per square foot. The Line counts on its affordability and many services to attract companies.

The Assembly Line’s development, divided in three distinct phases, is proposed by an innovative collaboration between Windy Crew Investors and Sterling Bay. The first phase will be erected from year one to year three on blocks B and C as well as on the former Finkle Steel site. These sites would have been previously decontaminated in year zero. The first two blocks will be equity from Windy Crew Investors. The former Finkle Steel site will be used in the same manner by Sterling Bay. These equity sources will allow us to finance up to 17% of our overall project as well as giving us more loan possibilities. The rest of our project will be mostly financed with those loans. The second phase will be developed within the years four and five on the Fleet and Facility Management’s actual site and on the General Iron riverside. These two sites will be acquired at market value and decontaminated at the end of phase one in order to develop it at the beginning of the second phase. The Elston Metal Tanks Area and the Home Depot site will only be developed in the third phase of our project. These two sites will be acquired at market value and developed within years six and seven of the project. The Assembly Line will be fully operational from year eight.

The overall unleveraged IRR index of the Assembly Line is highly positive with a ratio of 20.3%, which assures us of the profitability of this development opportunity. The LVR ratios at the end of each phase are low, respectively 54.3%, 35.4% and 26.5%. Because of these low ratios, our project can be considered low risk and this will give us the opportunity of obtaining a long-term loan with a low interest rate. We also estimate that the Assembly Line project will have an overall asset value of 3.79 G$ after its 10th year, which is 1.6 times more than the total development costs. Furthermore, the value of the project at year 10 will be eight times bigger than the initial value at year 0. In other words, the value jumps from 473 M$ to 3.79 G$.

For the city of Chicago, our estimation of the potential fiscal revenues is highly positive. From year 0 to year 10, the city can reach approximate revenues of 381.7 M$ from the promotor, 194.6 M$ from buyers and 116.9 M$ from land acquisition. We also estimate the costs for the city at around the Assembly Line project would be around 43.8 M$. The overall effect of the development of this site would be about 649.3 M$ for the Chicago administration.