

FROM Z TO A (Ziock to Amerock)

Top 10 Reasons to Restore 416 S. Main St.

The Friends of Ziock have applied for designation of the Ziock-Amerock building at 416 S. Main St. as a Certified Historic Structure to be listed on the Federal Register. This status will provide the cornerstone of a financial platform to support redevelopment of the property. They intend to assist with creating the environment conducive to private sector activity that will produce property tax revenue and generate new jobs.

- 10. Designation as a Certified Historic Structure allows owners to seek 20% Historic Tax Credits (HTC) on Qualified Rehabilitation Expenses (QREs). If Illinois succeeds in passing a State HTC, that benefit will produce another 25% (net 23%) on top of the federal savings.**
 - ✓ *Federal 20% tax credits are "discounted" by an equity partner (publicly-traded C-corporation) that buys the credits, producing a net around 18%. ("Downtown Developer's Guide", River District, Rockford, Illinois 2005 – Chapter 6)*
 - ✓ *33 of 50 states have an HTC program; 4 others -- including Illinois – have a bill in front of the legislature.*
 - ✓ *HTC expert, Don Longwell (principal, Longwell Law Offices, Grafton, Ohio – member of Heritage IL): "the State HTC is a game changer." Communities successful in redevelopment of large downtown buildings are usually located in states with their own HTC.*

- 9. Other likely government funding sources triggered by the project include New Market Tax Credits (NMTC), Federal Energy Tax Credit and local Rockford Tax Increment Financing (TIF). Government assistance to cover the "gap" (create a viable project that otherwise would not generate market rates returns) could top 50%, even without a state HTC.**
 - ✓ *NMTC – tied to creation of new jobs in distressed sector of the city; this source is set to expire 1 Jan 2012.*
 - ✓ *TIF – portion of anticipated tax increases may be used by the City to help with qualified rehabilitation costs. After initial investments, increased tax revenue will benefit the TIF Fund and ultimately the City coffers. Forms of help include: direct subsidy for extraordinary costs, partial/total land write-downs, public improvements, condemnation powers to assist with property acquisition. ("Downtown Developer's Guide")*

- 8. Greenspace and city-owned property generate no tax revenue for the City. Compare that to developed property, owned by the private sector:**
 - ✓ *With the City of Rockford as owner, the building generates no tax revenue.*
 - ✓ *Property taxes paid on the Amerock Building for 2009 were \$8229 (tax estimated at 10.6 mil)*
 - ✓ *A \$20 million dollar rehabilitation (with the same assessed valuation) would generate \$700,000 in property taxes each year.*
 - ✓ *A \$40 million dollar rehabilitation (with the same assessed valuation) would generate \$1,400,000 in property taxes annually.*

- 7. The greenest construction technique is rehab of a building already standing.**
 - ✓ *"In 2006, officials designed a plan to turn Dubuque [Iowa] into an economically, socially and environmentally sustainable city. A key part of that plan relies on existing historic buildings for both good community design and green-building ideas... Dubuque's stock of old sustainable buildings include a group of commercial buildings – more than 1 million square feet of space – that makes up the Historic Millwork District in downtown Dubuque. These old facilities... once were the driving force behind a thriving timber business. The millwork business is long gone; many of the warehouse and factories sit nearly empty and forlorn. But as part of the city's overall revitalization plan, the warehouse district will capitalize on its old infrastructure, developing a multiuse complex where residents can live, work and play. The... old buildings will... be rehabbed to embody the new principals of smart growth..., the opening wedge of a movement that believes older building stock could be the way to becoming a greener city – a means to becoming sustainable without wasting resources, energy and history.*

More than 200 localities have adopted guidelines requiring that buildings become Leadership in Energy and Environmental Design (LEED) certified – the recognized standard for measuring building sustainability in terms of site development, water savings, energy efficiency, materials selection and indoor environmental quality... In the pursuit of sustainability goals, however, there may be an unintentional focus on new construction. Many believe that to have a green building, everything must grow out of the newest technologies. This approach solves one problem by introducing another: demolishing old buildings is inefficient. When a building is torn down, its "embodied energy" – the energy already exerted to create and gather the materials, and then construct the structure – is wasted. Moreover, materials from that demolished building could end up in a landfill... Many older buildings are as energy efficient as newly constructed facilities. According to U.S. Energy Information Administration data, buildings constructed before 1920 have about the same energy efficiency as buildings constructed between 2000 and 2003... In the LEED guidelines' newest version, the U.S. Green Building Council allows for older and historic structures to achieve additional points toward LEED recognition by giving more weight to categories such as energy efficiency and sustainable sites. "Existing buildings" says Roger Limoges, director of advocacy for the U.S. Green Building Council "are where we are going to see the transformation we need."

("Greening Historic Buildings, Tina Trenkner, 1 April 2010, www.governing.com)

6. **Reported City estimate of \$3 million demolition cost far exceeds costs to secure the building and represents up to 60% of total repair of building exterior.**
 - ✓ Assume \$3 million includes \$2 million for demolition and \$1 million for EPA site remediation.
 - ✓ FOZ preliminary estimate for basic repairs (secure the building, cover window openings, possible roof repair, concrete repair): \$100,000 to \$250,000
 - ✓ FOZ preliminary estimate for complete skin repair (replace windows & roof, complete concrete repair, exterior paint): \$5 million.
 - ✓ Propose CDBG funds could be applied to renovation of this building or other historic downtown sites (Elks Club, Chick Hotel)

5. **Demolition/reconstruction come with greater cost to remediate the site**
 - ✓ Remediation of site after building demolition: assume \$1 million
 - ✓ Remediation of existing building (from previous project proposed budget): \$150,000 (removal of underground tank, asbestos, creosote blocks in wood floor and window glazing; leaded paint, additional option)
 - ✓ Cost to remediate standing building: underground tank, wood floors and asbestos

4. **The likelihood of new high rise construction in the current economic downturn and undervalued real estate market of downtown Rockford is unlikely, at best.**
 - ✓ By Mar of 1910, 14 new buildings were up including Security Insurance (Wyman), the Elks Club, Barnes Drill Co (Chestnut) and B.Z.B. Knitting Co. In addition, another 12 neared completion: Mendelssohn Hall (N. Main), Ziock Bldg (S. Main) Christian Science Church (N. Main) Cotta Transmission (S. Main) and the Woodward Building. (Rockford Register Republic, 3/16/10)
 - ✓ Construction boomed in 1913 with the addition of a new high school, E.B. Co. expansion, Wm. Ziock Building, Rockford Gas, Burson Knitting completed. Plans for 1914 included a massive Nelson Hotel addition, Orpheum Theater, 2 hospital expansions. (Rockford Register Republic, 12/31/1913 "\$2 million spent for Rockford's 1913 Growth")
 - ✓ "Building Trade Confronted by Lack of Labor" in 1919 due to demands of the 13-story Ziock and other major construction projects downtown. (Morning Star, 10/26/1919)
 - ✓ Last private sector new construction downtown was in 1996: the Water Works Parking Lot Building at 100 Park Ave, current home to Hinshaw Culbertson law firm and the RAEDC.
 - ✓ The last high rise was the Luther Center at West State and Wyman in 1979.

3. **One of the original reinforced concrete structures in Rockford, Ziock-Amerock is the only industrial high rise and a key skyline marker. Home to top tier local contributors to industries in which Rockford led the nation during the 20th century (textile hosiery and cabinet hardware), this building inspires awe for its structure and its occupants.**

See attached photo montage "From Ziock to Amerock"

2. **Beauty is in the eye of the beholder. Once the exterior is stabilized, consider the possibilities!**

See attached architectural smf artists' renderings from prior proposed construction projects "...To 21st Century"

1. **City officials and their paid consultants say the building is worth saving!**
 - ✓ "Rockford has a rich history embodied in its historic sites and buildings. In order to protect that visual evidence of its past, the City of Rockford enacted its first historic preservation ordinance in 1978. Since then, it has designated roughly 500 properties as either landmarks or as part of a historic district... Since demolition is an irreversible step, it must be carefully evaluated before being allowed. Demolition of a structure alters forever the character of the site on which it is located; it may also alter the character of a larger area, depending on its size and historic significance. For this reason demolition of a structure in a historic district or any landmark site should only be considered as a last alternative when all other avenues have been exhausted." (Guidelines for Rockford Historic Properties, October 1999)
 - ✓ Two large former industrial buildings... comprise another critical location. The 13-floor Amerock and six-floor Tapco building represent an opportunity for an experienced developer to create a new downtown residential district that would offer amenities of view and proximity to the riverfront and to jobs. Additionally, there is ample vacant land... to develop a new mixed-use center of stores, restaurants, green spaces and residential units." (Project Report, Economic Research Associates, "Rockford Retail & Residential Market Study" pg 52, 3 July 2008) "Redevelop the Amerock and/or Tapco buildings for loft residential." (same report, pg 54)
 - ✓ "Rather than being a financial disincentive, the data we have brought forward shows that the historic district designation is not something to be afraid of" Morrissey said. "To grow jobs in today's marketplace, we have to create the environment that young people want to be in, that families want to live in." (Rockford Register Star, 2 Apr 2009)
 - ✓ "With the pending Amtrak service to/from and through the Rockford Urban area, the Rockford Urban area, the primary station of this renewed route will be located along the SM2 corridor where the CN railroad crosses South Main Street. In the immediate area surrounding this proposed site are several buildings/lots that the city wants to target for adaptive reuse and redevelopment. Specifically these are: 1) Tapco Building; 2) Amerock Building; 3) Barber-Colman area; 4) South Main Village Area and 5) Davis Park. Generally speaking, these lie within ½ mile of where the planned Amtrak train station will be located. The general area is between Montague Street and Cedar Street and the Rock River and Winnebago Street." (South Main St / IL Rte 2 (SM2) Corridor Plan, RFP NO: 410-PW-048, 27 May 2010)

Rockford was not built by politicians and public servants –the founders were often penniless and powerless. What they had was creativity, courage, conviction and the willingness to work years to accomplish their goals!