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Proposed zoning change threatens South Loop project

(Crain's) — Newly elected 2nd Ward Alderman Bob Fioretti has introduced a zoning change that would shrink a controversial South Loop condominium project, potentially triggering a lawsuit from the developer.

Coming three months after Mr. Fioretti defeated incumbent Madeline Haithcock in a runoff election, the move suggests that developers will face closer scrutiny than they have in the ward, an area that has added thousands of condos over the past several years.

During the campaign, Mr. Fioretti accused Ms. Haithcock of being too cozy with developers, and he refused to accept donations from them.

Now, the alderman is trying to undo a zoning change that the City Council passed last fall with That move allowed Kargil Development LLC to build the X/O Condominiums, a 490-unit project at 1712 S. Prairie



Kargil's X/O Condominium project

Ave. Plans call for two towers, one 450 feet tall and the other 310 feet-much bigger structures than permitted under the old zoning.

Mr. Fioretti introduced a measure at Thursday's City Council meeting that would "downzone" the property to allow towers of just 225 feet, effectively restoring the original zoning.

"Architecturally it's a beautiful structure but it just doesn't belong there," he says. "I want to make sure we have good balanced development throughout the ward."

Kargil Principal Keith Giles says he's "perplexed and dismayed" by the change, calling it "unethical and wrong."

"I think it sends a horrible, horrible message to the development community when within weeks of being elected he can just change the zoning because he has some opinion about what's right and what's wrong there," says Mr. Giles, who hasn't seen Mr. Fioretti's proposal.

A spokeswoman for the Department of Planning and Development, which signed off on the first zoning change, was unavailable for immediate comment.

Designed by renowned Chicago architect Lucien Lagrange, X/O's contemporary glass towers would sit across the street from the landmark Glessner House in the Prairie Avenue Historic District. Though two neighborhood organizations supported the project, a block of residents formed a third group, the Prairie District Neighborhood Alliance, last year to fight the development, arguing that it would overwhelm the neighborhood.

The condos have sold well, with buyers signing contracts for about 200 units valued at about \$100 million, Mr. Giles says. X/O is expected to be worth about \$270 million when it's sold out.

Mr. Giles estimates that the downzoning proposal would reduce the size of the project by about 100 units, assuming City Council passes it and it withstands legal scrutiny.

Asked if he plans to sue over the move, Mr. Giles says: "I'm going to confer with my lawyers obviously, but this project's moving forward. We have spent millions and millions of dollars on this project. There is no turning back now."

Courts have generally ruled for developers in downzoning cases if the developers can establish that they had a "vested right" to build by spending a significant amount of money on a project before the city changed the zoning.

It's a familiar concept to Mr. Fioretti, a lawyer who once worked on a high-profile case arguing against a proposed condo tower on Lake Shore Drive in the Gold Coast.

"I'm not one that likes to see litigation," he says, "but I think that everybody believes that this is an inappropriate structure at this location."