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THE ADMIRAL at the Lake

June 9, 2006

Mr. Joseph Trendl
Zoning Delegate
Carmen-Winona Neighborhood Association
Carmen- Winona Development Committee

941 West Winona, Suite 1 W
Chicago, IL 60640-3228

Dear Mr. Trendl and Our Neighbors:

On behalf of The Admiral at the Lake, I respect and share your pride in our unique neighborhood and believe strongly that we must work in partnership toward enhancing our community. *Agreed, we must work in partnership toward enhancing our community. So all are clear; by community, I am speaking of the Carmen-Winona neighborhood. As stated in numerous conversations and our letter of May 15, 2006, my neighbors and I remain committed to doing just that.*

I appreciate your candor in expressing your feelings about our plans to provide quality housing for seniors in a letter to me dated May 15, 2006. Although we may have differing viewpoints, we are united in our common goal of working toward the betterment of the immediate neighborhood and surrounding community. *Differing viewpoints are fine and expected. Working toward the betterment of the Carmen-Winona Community is our only goal.*

Before addressing specific concerns however, I must first take a moment to clarify a very troubling statement contained in your letter - that being your belief that I said 'none of the current residents of The Admiral will be returning to The New Admiral.' This is absolutely untrue. On the contrary, we have made a multi-million dollar commitment to transition residents to our new community when it is completed. The well-being, comfort and safety of our residents are our first concern, always, and your indication that we would treat them other than with the utmost respect is highly disturbing. I apologize if anything I said during our many conversations led you to believe otherwise.

This paragraph was written by Mr. Brichacek as a rebuttal to our letter of May 15, 2006. In which we wrote, "At our most recent meeting we learned from Mr. Brichacek that, in fact, the current residents have mostly run out of money and will be dispersed to other institutions in the area, or that the Admiral may purchase a building in the area to house them. It was stated that none of the current residents will be returning to the "NEW Admiral".

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We question the wisdom of this thought process, finding it to be deplorable and degrading to the current resident population. We must also then wonder if the Admiral allows for its own residents to be treated in this manner, would they think likewise in their dealings with the Carmen-Winona neighbors.”

Apparently now, we are to read and believe that this was not stated. This deserves some explaining at length. At the meeting between the Admiral Principals and the Carmen Winona Working Committee on May 3, 2006; I (Joseph Trendl<JRT>) asked the following of Mr. Brichacek<GB>:

***JRT:** You stated that in order to obtain the bond underwriting, you must pre-sell 70% of the new building's units.*

***GB:** That's correct.*

***JRT:** Can you tell us where you are with those sales numbers?*

***GB:** We're right at 140 or the 70% needed. Now we don't have the same confidence that Greystone has in all those pre-sells actually converting to final sales; we feel that the actuals will be less than what Greystone is saying, but for the pre-sell now, we are at 140 units or the percentage we need.*

***JRT:** How many of the current residents help make up that 70% number?*

***GB:** Actually, none. Our residents have essentially run out of money and they won't be part of the new Admiral.*

***D. Brown:** What will happen with these people?*

***GB:** We will seek out other places for them to live....*

***JRT:** like the Breakers?*

***GB:** That's another possibility sure, or we may buy a building in the area.*

***D. Brown:** There is a building on Kenmore just south of Winona on the west side of the street that the Alderman closed a while back that with some fixing up, could be beneficial (at this point Graham Grady, Atty, asks Don for the specifics on this building as he writes his notes and thanks Don for the heads up).*

The 4 committee members, Joe T; Don B; Karen F; and Michael R; upon exiting the meeting at the close; all began to speak of the legacy residents and the statement of them running out of money.

To think that 4 people who attended the same meeting all misheard the very same statement, simply defies all credulity.

Per The Admiral website, current residents are told that they will be offered residency at The New Admiral, provided they sign new contracts (and presumably satisfy new financial criteria). It is our supposition that Mr. Brichacek armed with the knowledge that the current residents can't afford the New Admiral; simply told us that they can't afford it; without realizing how it sounded.

The disparity in our differing viewpoints on this subject highlights the need for us to come back to the table to discuss how we can continue to work together toward the ultimate benefit of the entire neighborhood. *Agreed, and we have stated repeatedly, that there needs to be more honest dialogue between us to ensure that any project is beneficial to our communities.*

From the moment we first came to realize we would no longer be able to provide for the changing needs of our residents and sustain operations within our current

facilities, we have looked at all development options with an eye toward what is best for our residents, for their families, and for our community. *Admiral business decisions; the whys and what-fors; are not in our purview but the solutions to the company's problems are, if and when they involve altering our neighborhood.*

We believe our community is in need of a modern residential community designed specifically for older adults. This is evidenced by the fact we have received a high level of initial interest in The New Admiral from people living right here in our neighborhood. *While we can neither concur nor dispute the fact that there is a high level of interest in the New Admiral from Carmen-Winona residents (which is what we are using as the definition of people in our neighborhood), it seems that it would be easy enough to tally. Merely look at how many 60640 zip codes are amongst the pre-sales and draw a percentage from the whole to show us.*

In fact, 90 percent of the older adults who have expressed interest in our project currently reside within a three mile radius of The Admiral. Specifically, 145 out of 162 interested parties, a vast majority. *Again, without supporting collateral, we can neither concur nor deny, but the same methodology above can be used here as was previously stated. Suffice to say that at the May 3, 2006 meeting, Don Brown, asked where the Admiral found the majority of its pre-sales were coming from; Mr. Brichacek stated that they were not from our area, but were from areas south of here and named, Lakeview, Gold Coast and Downtown. So I guess the questions to be asked are: Where is the center of your 3 mile radius? Please define 'interested parties'. Is the definition different from 'pre-sales'? Have things changed to something different than that to which you spoke back on May 3rd?*

Since the start of this project, we have been forthcoming about our ideas, goals and plans every step of the way, not only with the Carmen-Winona Neighborhood Association, but with all of our neighbors in the 48th Ward. Additionally, we have appreciated input and feedback from Alderman Smith and her team. *Forthcoming? This essentially is a he said/she said argument. The working committee was informed on May 3rd that the re-presented plans of the same structure, despite our input was to be put forth again to the community for a viewing. This seemed as an exercise in futility since on the Admiral's own website under the heading PLANNING FOR THE FUTURE; there is a posting in April stating that the plans for the new structure were complete and look for floor plans of this exciting new development by end of Summer 2006. We were being asked to comment on something that was already deemed complete.*

Since we first began sharing information with you about the project in October of 2005 I have appreciated your input during our many interactions, and I have been pleased by your often encouraging and positive response to our plans. I look forward to continuing the dialog we've maintained during the five times we have met in the last eight months. Before doing so, however, I feel it is necessary to clarify our position on the many issues outlined in your letter. *Let us only comment on the number of meetings. As written, an outsider or the ward office may conclude that there have been many meetings (5 in 8 months per this letter) and our response was positive. Here are the actual meeting milestones:*

October 6, 2005-Admiral (Glenn Brichacek) first informs the Carmen Winona Block Club officers of its plan for a new development. Details were sketchy, no renderings

shown, as the project was not finalized per Mr. Brichacek. We expressed our unwillingness to allow a skilled care center to be built on Winona Street.

October 20, 2006-The Admiral and its project principals meets with the greater Carmen-Winona community at the Admiral to share its plan, and explain that there is nothing yet concrete, it is still a work in progress. The community is decidedly negative and has voiced its opinion strenuously against the skilled care center on Winona Street.

January 24, 2006-The Admiral and its project principals meet with the greater Carmen-Winona community to share the development's rendering and plans to build, taking the skilled care center off the table with respect to its being built on Winona. A working committee of Don Brown, Karen Furnweger, Michael Risselada and Joe Trendl was formed. The directive from Glenn Brichacek was that this committee would meet every 3 weeks with the Admiral and be part of the process to develop this complex.

March 1, 2006-The Admiral and its project principals meet for the first time with the working committee. A presentation of the building shown to the community on January 24, was discussed and some alternatives were presented by the Working Committee to try and find a solution to the projects bulk on our neighborhood.

May 3, 2006-The Admiral and its principals meet for the second (and to date last) time, with the Working Committee. It was explained that none of our alternatives were suitable and please re-present the January 24th presentation to your community, which we did and responded its results in a letter dated May 15, 2006, re-iterating our community's unchanged stance.

I tell all in this detail so that any outsider reading this will note that while yes we have met 5 times over 8 months, it's a bit out of context, as put forth by Mr. Brichacek. Our letter stated that on meeting a calendar timeline of every 3 weeks, proposed by Mr. Brichacek, the Working Committee should have by now met to discuss the Admiral development some 5/6 times this year to date.

Parking and Traffic

The community's expressed concern that an increase in residential units at The New Admiral would lead to an increase in parking problems led us to redesign our initial plans to not only provide enough parking for each unit, but additional parking spaces that we want to make available to the public as well. Our latest development plans show a total of 300 parking spaces, an addition of 50 spaces from the original design. Our current plan is to offer surplus space to residents and businesses immediately next to our facilities, including residents and other members of the Carmen-Winona Neighborhood Association. ***Yes, there is a planned increase of 50 parking spaces over the original design, but there is also an increase in the number of units from 240 to 289. I would surmise that a number of these 'new' units would require parking and most likely therefore use up the 'extra' spaces that Mr. Brichacek alludes to. At the May 3rd meeting, when asked this very question, Mr. Brichacek was very vague, since he wasn't sure how many of the new spaces would be taken up now how many would be left open for neighborhood use as of that date. It would also seem reasonable to believe that a larger complex with more residents, along with a larger pool of guests and additional supporting staff would translate into increased traffic flow and full usage of projected parking spaces.***

At present, The Admiral does not have enough parking available for our residents, let alone the surrounding community. The new project will provide a benefit currently unavailable in the neighborhood - a benefit to be enjoyed by our immediate neighbors. *I refer the reader back to my comment above.*

When the new project is completed, traffic congestion in and around The Admiral and surrounding neighborhood is not expected to be exacerbated during rush hour because most of our residents are retirees) and because our staff shift times will most likely not take place during the heaviest traffic periods. *This is simply a statement of no consequence, since it is an unknowable until a true study is done; which ideally can't happen until the Admiral is ready to tell us what will be its shift times, how many employees per shift, etc. If we are to understand that the company's employees will be regulated to something of an 'off-rush hour time frame' it simply leads one to believe that the neighborhood will endure the regular 2 daily rush hour patterns and then an additional 3 'off rush hour patterns a day (assuming a company running 24 hours a day), and then at 7 days per week. All of this has been asked and not answered since the beginning of this process.*

Additionally, it has always been our intention - as stated in our presentations to community groups several times - that we would undertake the cost for a traffic study to be conducted in and around the area. That study is now in progress. We expect to have the results in a matter of weeks, and we look forward to sharing that information with you for the benefit of our community. We are committed to working through any and all traffic and parking issues in concert with our neighbors. *A traffic study must be done for this development process. We await the results.*

Massing, Height and 'Bulk' - Interestingly none of these 3 specific items is discussed by Mr. Brichacek, as this is the source of most of the pain.

As you are aware, after our neighbors expressed concerns about the original design that featured a health center on Winona Street, we went back to the drawing board to completely overhaul our project, bearing a large increase in cost and a significant set back in project timing in order to do so.

We did this as a *direct response* to the concerns of the Carmen-Winona Neighborhood Association. *What is factual is the fact that we expressed our unwillingness to have the skilled care center on Winona.*

Yes it was pulled out of the planning and moved to Foster.

But the truth here is the Winona skilled care center was on the 'work in progress' original concept to which Mr. Brichacek stated at each occasion in our two, October 2005 meetings that no plans were yet concrete. For Mr. Brichacek to now say it was removed at considerable cost of time and money in order to satisfy the neighborhood is simply misleading the reader.

As of the October 20th meeting to the community it was still not a lock, simply a concept.

I must digress to inform all that I, at the invitation of UCC, met with UCC and the Admiral Principals for a development presentation on November 17, 2005.

At that time, a presentation of the complex in its present form was shown, we were asked not to share the information as it was not in stone either, despite the fact that this proposal was approved by the Admiral board that very afternoon.

This new presentation had the skilled care center moved to Foster where it remains today. A loss of time and money? Somehow, the current design was drawn between October 21, 2005 (the day after the Admiral/Community meeting) and November 16, 2005 (the day before the UCC/Admiral meeting---presupposing its being done for the meeting of UCC on November 17th).

Further, while it may be true that the Admiral may have wanted to originally build on Winona, the opposition was too great against, and we are continually being cast back their withdrawing of the Winona proposal as some sort of capitulation to the neighborhood.

Point in fact, at the March 3rd meeting between the Admiral Principals and the Working Committee; a representative (Gene) of Greystone Partners was also in attendance; who explained to us that the Winona proposal was undoable.

The footprint was too small for what was needed and that there was no perfect way to connect the Foster campus with the building on Winona.

So while we all remain thankful for the skilled care center not being built on Winona, the truth is far, far different than what is suggested here by Mr. Brichacek.

Additionally, we have addressed other concerns related to the development in the following ways:

Light

*Shadows: A shadow study was conducted earlier this year by our architect partner, Perkins & Will. It noted that due to the orientation of our currently proposed structure, there will be no significant increase in shadow-casting across the neighborhood. *If the shadow study spoken of here by Perkins & Will is the same as shown to the community on January 24th we all agreed back then, that these types of studies can be interpreted to reflect essentially whatever the buyer of the study wants.**

Loss of ambient light: Perkins & Will undertook considerable research on Chicago building codes to address this issue. What they discovered is there is no standard concerning ambient light for new construction taking place in the city. With that knowledge, they went in search of a city that did have a code and found it in Vancouver. When they went back to apply the standards set forth in that city to our proposed project, they found that it already met or exceeded them.

We asked for an ambient study as that is truly a quality of life issue. Apparently according to Perkins & Will there are no building codes in Chicago that address this issue.

One was found; due to the diligence of Perkins & Will and presented to us using information gleaned from one of the Working Committee's building height approximation studies. When a possible error was noticed and questioned by Michael R., it was stated that "we used your drawings".

If this was to be a true and honest study to measure of the effect of loss of ambient light on our neighborhood due to the scale of this complex; Perkins & Will should

have taken steps to verify; by using a professional survey; to ensure that all buildings were to the correct scale.

Wind

Since the project began, it has always been our intent to conduct a wind study, even though this is not a requirement for new construction in the city of Chicago, and the findings on potential wind patterns are not expected to be significantly different from what our neighborhood experiences now.

We have discovered that a wind study will cost about \$50,000. If it would provide a level of comfort to our immediate neighbors for us to conduct this study, we can do so. Or, we could earmark that money for a community enhancement to be enjoyed by us all. Options might include the development of a park, the upgrading of an existing park, improved neighborhood landscaping or some other project everyone could benefit from. We look forward to your input on this idea and hope we can work together to come up with a mutually beneficial solution. *The neighborhood was told that we would have a wind study at our very first community meeting with The Admiral preceding any development. It cost \$50,000. I would have thought that it would have been spelled out in the Perkins & Will agreement.*

Now there is a willingness to extend \$50,000 to the community to enhance the park areas; in lieu of the study?

First I feel as if this is an attempt to buy our integrity.

Second, the pragmatist in me says that its highly unlikely that sum of money would be placed in the Block Club's coffers, so it would have to go to the 48th Ward office, since, the Park District will not accept donations to a specific park or area, but only to the general body to then be doled out as the Park District sees fit---so its unlikely we would benefit from that. Having it accepted by the 48th Ward, gives us a chance, but the reality is that the money would be sprinkled throughout the Ward and not Carmen-Winona specifically.

No thank you.

Noise

Nearby residents have expressed concerns about the potential for increased noise from emergency vehicles in the neighborhood. This is not an expected by-product of the new development, as the number of assisted living and healthcare units will remain the same as they are in our current structure. *More word play." Noise levels are expected to stay the same as in the new structure, as the number of units of assisted living and healthcare units will remain the same as in our current structure." Let us all remember that a skilled care center is being built because the current structure does not have this type of facility.*

How then can this statement even try and come across as factual.

There will be an increased level of skilled care, that is not currently employed and regrettably but factually, this level of care level will by its nature cause more ambulance traffic associated with it and hence more noise—how much more in

unknowable at this time. But increase in ambulance traffic and the accompanying noise levels is a perfectly reasonable assumption----and not at all dependant on the number of units. Nowhere here is the added noise from the 24 hour a day, 7 day a week, parking structure addressed.

Construction Materials

We are planning to use masonry and stone as building materials for the first five floors of the new development - the same materials discussed since the beginning of the project. What has changed is only from floor six and above.

In our initial enthusiasm about the redevelopment, we did express a desire to be able to use stone and brick for the first five floors, and then build with concrete panels for the remainder. As construction estimates began to come in, we discovered this was cost-prohibitive and altered our plan to construct with poured concrete at floor six and above. The poured concrete will be scored and finished to look like masonry. From the street level, there will be an almost undetectable difference in our original plans related to building materials.

A desire to upgrade being followed by a realization of budget constraints is common with any project. There was never an intention to mislead. In fact, the intention was the exact opposite: to be inclusive and open with the community in the early stages, thereby allowing neighbors to witness the project's evolution. *Things change. Of course they do, but were we notified as to the change when it was made? NO. Don Brown asked specifically about façade and materials, at the May 3rd 2006 meeting and we were told that the builder, Bovis suggested the changes due to escalating costs. We have not been presented with an updated rendering utilizing the new materials. More to the point, as we have not been presented with a rendering of just what this development will look like from a street-side vantage point, we have no point of reference to better visualize the impact of lesser grade material usage. Also what was originally termed 'traditional Chicago architecture' congruent with the surrounding architecture seems to have now morphed into something of a more modern-look building with a large usage of painted concrete along with the introduction of painted metal grill work in an attempt to hide the parking levels rather than the 'light capturing mesh' that was originally introduced. These are the same type exterior cladding systems that are being used in downtown high-rise developments in order to keep them in budget and are not at all compatible with the context of our historic Chicago neighborhood.*

Number of Units

In addition to being very open on the use of potential building materials, we were also forthcoming about different ideas on units, building layouts and amenities during the early planning stages.

The original design presented last fall, before we went back to the drawing board to develop a completely new design in order to address neighborhood concerns, did call for around 240 residential units. The redesign offered us the ability to alter the original number of units, and we did so for many reasons, not the least of which was our desire to avoid pricing ourselves out of the neighborhood. As a long-standing community asset, we hope that if our neighbors want to look at The New Admiral as an option, we will have the ability to offer them an affordable home. *The building layouts have not changed since the November 17, 2005 UCC meeting. As far as pricing itself out of the market, according to the sales office*

material gathered, a 750 square foot unit will carry an implied value of \$299,000. Along with that amount a monthly assessment of about \$1895 which entitles the resident to linen service once per week, and 1 meal a day, security and group transportation as well as use of the company's amenities (garage cost has not yet been determined per information I gleaned from the sales office). While I believe that market forces will ultimately dictate these levels, the initial does appear to be out of line with the current Carmen-Winona property price points. But this is not something we need concern ourselves with; they are worth whatever anyone chooses to pay. Again, the comment that the company went back to the drawing board to come up with a new design to satisfy our concerns is not factual.

The original design was simply a concept per Mr. Brichacek as stated to us at the October meetings.

Greenery

Our campus is fortunate to have an abundance of greenery that is enjoyed not only by our residents, but also by our neighbors and visitors, as it offers an attractive gateway into our community. We are committed to keeping the garden area largely intact in its existing size, shape and location.

It was our desire to preserve this green space that led us to our Current project design, which mostly sits on the same footprint as our current structure. Additionally, it is our intention to incorporate terraced gardens on some of the upper floors.

It is also why we chose to build the new structure up, and not out, as had been suggested by some of our neighbors. Increasing ground level density would have decreased the amount of green space in a significant manner. *First, the use of the term 'gateway' is directly taken from Carmen-Winona correspondence of December 2005. While everyone is interested in green space, the Admiral's current-future garden area benefits only those in its gated community. The Admiral is private property, a closed, gated community and not frequented by the neighbors of Carmen-Winona. Desiring to have it remain is certainly an espousal of the Alderman's office and it is by her direction to not have the current space used.*

But not better utilizing it in some portion, form or fashion, to help remove some of the bulk and mass from our neighborhood, does not benefit us.

There is an immense park just yards away from the Admiral property that is open to all and provides plenty of green space.

Neighborhood Utilization and Community Benefits

From the beginning, plans for The New Admiral have always included designing common spaces to serve and enhance the community. Our commitment to offering our neighbors access to a number of facilities currently unavailable in the neighborhood has not wavered.

Many options abound, and we have shared our thoughts with all of the community groups we have spoken to. In addition to enclosed parking, ideas on the table include: access to our fitness center, pool, spa, wellness room and salon; physician or other health services; street level retail and/or restaurant options; and a university-affiliated center for lifelong learning.

We are excited about the opportunities and will continue to explore a range of options that will be beneficial not only to our residents. but also to the community at large.

I hope I have been able to clarify our intentions for the new project. As a neighborhood institution for more than 45 years, we have great pride in, and respect for, our surroundings including the businesses, community groups and individuals within it

It is our intention to preserve the qualities that have defined The Admiral for Generations - providing quality care for residents, a needed and valued service to the community, and a commitment to those who can not afford to pay for their retirement all the way through to the end of their life. *In the beginning it is true that there was talk of many common elements that could perhaps be used by the neighborhood. Since then and stated to the working committee on May 3, the only things that remain of the retail spaces are a medical care/rehab institute and a university extension center. There was still talk of maybe/possibly, parking spaces offered; if there are any left and the possibility of our neighbors over the age of 55 being able to use for a fee, on an off hours basis the fitness center/pool complex that will be built. There are as of this writing no firm plans for any of this. The bistro/possible coffee shop/possible jamba juice point of destination retail was withdrawn by Mr. Brichacek at our May 3rd meeting. His builder, Bovis said the cost was too great and there would be no feasible/economical way to vent these types of establishments.*

The Admiral at The Lake has been a home for Chicago's seniors for almost 150 years. We pride ourselves on the ability of our organization to grow and develop, making changes to meet the current and future needs of our residents while enhancing their quality of life. *The proper corporate name for this company is "The Old Peoples Home of the City of Chicago" and as such, it is in fact, the oldest non-profit senior residence in the city. It is d/b/a (doing business as) The Admiral at the Lake---- since it moved from the south side of Chicago to its current location and buying the Admiral residential hotel property and then assuming the name. Just so we are completely aware, the d/b/a has been serving the needs of its residents at this location for some 45 years, about the same amount of time that quite a few of our neighbors have been residing in Carmen-Winona.*

Our current facilities are no longer serviceable, and the new development is the next phase in our evolution. Our position as a good neighbor is something we take very seriously, and that is why we have invited surrounding residents and community leaders to play an active role in the planning process.

We have been encouraged by your input and support throughout this process, and we look forward to having the opportunity to further this dialog in an effort to find a solution that best serves our neighborhood. *Last, while Mr. Brichacek states he has invited surrounding residents and community leaders to play an active role in the planning process, the sound is much better than the reality. Being a member of the 48th Ward, in order to develop property, one must garner the active participation and support of the surrounding associations and community leaders. The term active participant is also a misnomer since, to date we have been charged with simply listening to plans and designs that were completed months in advance. Our stance is that the current design is simply too large for our neighborhood. As a pro-development community, we*

again express our intent to remain at the table as vocal, active participants throughout the discussion process; through Zoning and Planning; no matter how long this takes to get it right to ensure the betterment of our neighborhood with this and all projects in the area. We appreciate Alderman Smith reiterating her support of our neighborhood's position at our meeting on June 5, 2006. Michael Risselada and I were present at this meeting.

I will contact you in the coming days to schedule a meeting with the Carmen-Winona Development Committee. *We await further discussions.*

Glenn Brichacek, Ph.D. President/CEO
The Admiral at the Lake



cc:

Don Brown, President
Carmen-Winona Neighborhood Association
Carmen-Winona Development Committee

Karen Furnweger
Carmen-Winona Neighborhood Association
Carmen-Winona Development Committee

Michael Risselada
Carmen-Winona Neighborhood Association
Carmen-Winona Development Committee

Carmen-Winona Neighborhood Association
Sylvia Moore, Vice President
Deborah Uhlman, Secretary

Alderman Mary Ann Smith. 48th Ward

48th Ward Zoning and Planning Committee

Carmen Winona Neighborhood Association

Ms. Andrea Hasten, Chairperson, The Admiral at the Lake

Board of Directors, The Admiral at the Lake

Mr. Graham Grady, Bell~ Boyd and Lloyd