

# Back in the Loop

**After two decades of living in the past, Chicago's Presidential Towers repositioned itself into relevancy.**

*BY LAUREN BOSTON*

It was a place of refuge, of big shoulder pads and bad hair. In the 1980s, it was the mall. When Chicago's Presidential Towers was built mid-decade, the pedestal that formed the base of four, 50-story apartment towers was designed to look and feel similarly—like one virtually self-contained, inward-facing mall structure. Debbie Gibson could have sung “Only in My Dreams” in the lobby.

Fast-forward nearly 20 years, and Presidential Towers' state-of-the-art turned into not-so-smart. The malls were vacant, and so, too, was much of the building's 135,000 square feet of dated retail space. Like so many washed-up pop stars of the '80s, the 2.7 million-square-foot community had a serious image problem.

“The city blocks surrounding the towers were vacant at acquisition, and the building had a very uninviting brick façade with one main entry to all of the retail inside, as well as the apartments above it,” says Lela Cirjakovic, Senior Vice President of Operations for Waterton Associates, whose company acquired the community in 2007. “The apartments were not renovated since 1985. Presidential Towers was no longer relevant.”

It was time for a makeover.









Presidential Towers' renovations averaged \$9,600 per unit. Above show kitchens pre- and post-rehab.

## A Second Act

You couldn't miss Presidential Towers if you tried. The community spans two city blocks in Chicago's downtown Loop and West Loop neighborhoods. It includes 2,346 apartments in 49 residential stories, in addition to the retail space on the ground level and 1,159 parking spaces.

In other words, it's huge.

But as Cirjakovic and her team began renovating the community, they soon realized its central—and commanding—presence was both a blessing and a curse.

"With one main entry to the residential

towers, the space served as a public corridor and short-cut for pedestrians," Cirjakovic says. "Everyone used to come in the lobby because you couldn't access any of the retail from the street. We wanted to eliminate the mall structure to reduce the traffic in the main lobby and create separate entrances for prospective and current residents."

In phase one, Waterton Associates reconfigured the retail component of the Towers and turned a once intimidating façade and loading dock into a contemporary and desirable exterior.

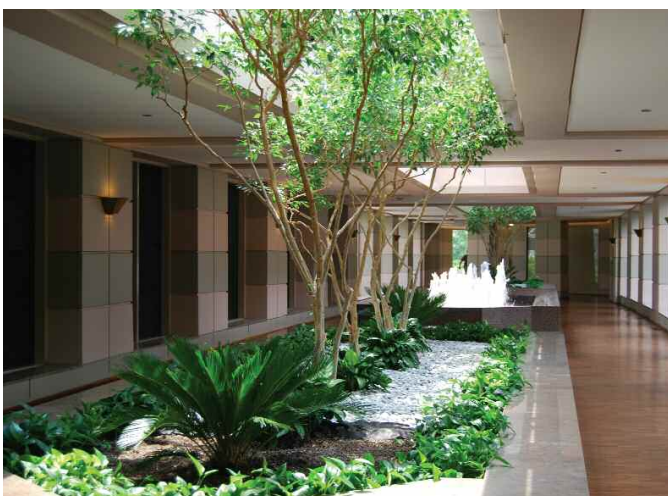
But before the heavy lifting began, Cirjakovic says her team sought to "over-

communicate" with residents—a hefty task with over 2,000 apartment units.

"We used email, but also put flyers in easily accessible areas of the building, such as elevator lobbies and laundry rooms, so residents could stay in the loop if they didn't read their email," she says.

Additionally, Waterton Associates developed a running list of FAQs on its website, and used the construction walls in the lobby to communicate what was happening behind the space in a fun and informal way.

"The work was so intrusive, noisy and dusty that we thought it would be a great



Outdated fountains and planter boxes were replaced with seating areas for residents to socialize.



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**“We thought the most important thing was to have our staff facing the residents, answering questions...”**

—Lela Cirjakovic  
Senior Vice President of Operations, Waterton Associates

idea to have a customer-facing team of employees available in the lobby as residents were coming home,” Cirjakovic adds. “We thought the most important thing was to have our staff facing the residents, answering questions and handing out giveaways and retail coupons, rather than hiding behind the construction.”

Presidential Towers’ permanent leasing office moved to the center of the building, and separate entrances were created for residents and prospective residents to reach the residential floors, as well as an indoor lap pool, two-story athletic club, Walmart Neighborhood Market, dry cleaner and several restaurants also located onsite.

## Putting a Name to a Face

With the first phase underway, Waterton Associates’ stakeholders began several rounds of brainstorming to identify the true end goal of the repositioning, as well as their strategy needed to market the renovations.

Cirjakovic says Waterton hired a firm to survey current residents, as well as prospective residents throughout Chicago. They assumed they’d find people who didn’t think Presidential Towers was a quality brand.

“Instead, we found that while many people didn’t know the community by its formal name, everyone knew it by location and its large towers,” Cirjakovic says. “We found significant value in that, and decided to build on that brand and keep the name. Chicagoans had an impression of what Presidential Towers was [in the 1980s] and we were being discounted compared to the competition based on that.”

In addition to revitalizing the retail space, Waterton Associ-



A customer-facing team greeted residents during the renovations.



ates recaptured much of the dead space on the third level by removing fountains and planter boxes—staples in any respectable '80s mall. What previously functioned as a pedestrian walkway for residents going from the lobby to their apartments now features seating to encourage socialization.

"We've energized the place and created areas for residents to congregate with friends or check the Internet, and that's been the biggest change," Cirjakovic says. "Today's renters are much more social and we took dated common space and catered to that."

In addition to public meeting spaces, surveys also revealed that residents valued having a large health club onsite—not a small fitness center. Cirjakovic says her team knew that, but it drove home the importance of Presidential Towers' "full-service" offerings.

Other shared amenities now include two outdoor decks—one a quiet Zen garden, the other a barbecue grill area—an updated media center and laundry room, and a children's playroom.

"We're ever-evolving," says Cirjakovic, who partnered with Chicago Social to host several outdoor parties and reintroduce Presidential Towers to the marketplace. "Our challenge in Chicago was taking what people thought of us and moving it to what we actually are."

## A Star is (Re)born

Presidential Towers' renovations—averaging \$9,600

per unit—did not come without their share of challenges. Namely, Cirjakovic says unforeseen conditions during the construction phase led to additional work and costs.

"Anything construction-related is always a challenge, though, because so much is involved," she says. "Any time 'unforeseen conditions' was uttered, I just thought, 'Oh, God...'"

And then of course there was the Great Recession.

Waterton Associates purchased the property in 2007, when—despite Presidential Towers' outdated look and feel—occupancy



Presidential Towers spans two city blocks in Chicago's West Loop neighborhood.

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was strong. When the economy plummeted the following year, Cirjakovic says occupancy was hit hard, as was the case in most markets nationwide. Today, it's at 95 percent for both retail and residential.

Such strong occupancy can be attributed to top-to-bottom renovations—or rather, bottom-to-top. After reconfiguring the retail and common area components of this mixed-use community, updating Presidential Towers' apartment units was the next point of focus.

Today, approximately 70 percent (1,600) of the units have been renovated as residents move out to include new countertops, cabinets, flooring and light fixtures. Cirjakovic says what hasn't changed are the two things you won't find in most new communities—a tremendous amount of storage and closet space, and floor-to-ceiling windows.

Yet perhaps the most significant change was Presidential Towers' push for LEED certification.

"It was one of the most exciting and challenging projects that I've personally worked on," says Cirjakovic, whose team focused their efforts on reduced water and energy consumption, as well as using sustainable cleaning products and energy-efficient lighting. "I think when renters are making a decision, LEED makes us relevant, particularly against new product."

However, Cirjakovic says the biggest cultural shift was the final decision to make Presidential Towers non-smoking. Resi-

dents were surveyed beforehand, and just 3 percent indicated they would move if the building was non-smoking.

"That was not significant to us," Cirjakovic says. "It was the last big decision we made during our repositioning and we received an overwhelmingly positive response. Dealing with residents in the past who were offended by smoking was a huge challenge. Additionally, Presidential Towers hosts an American Lung Association event each year. This only made sense."

The decision paid off. Presidential Towers was recently awarded a 2014 Impact Award by the American Lung Association of Greater Chicago. The community was recognized for its plan to transition to 100 percent smoke-free by 2015, as well as its continued partnership in the "Fight for Air Climb," the largest event of its kind in Chicago. Since the first Presidential Towers stair climb in 2009, the event has raised a total of \$1.574 million for lung disease research.

With so many improvements—including an ultimately successful LEED Silver certification—Cirjakovic says she is always looking to leverage what is happening in the city, as well as the neighborhood, to ensure Presidential Towers is as relevant today as it was in 1985.

The same can't be said for Ms. Gibson. ■

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