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By: Michael C. Davids

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For more information on Lake Point Tower contact ASA SHERWOOD, President, FirstService Residential 325 W. Huron, Suite 600 | Chicago, IL 60654 Direct 312.335.5621 Email asa.sherwood@fsresidential.com

ELENA LUGO, LEED AP O+M Director, Marketing & Operations, FirstService Residential Direct 312.335.5603 | Email elena.lugo@fsresidential.com

## Lake Point Tower Looks Toward the Future

The list of words used to describe Lake Point Tower (LPT) is as long as the building is tall. Breathtaking, elegant, unique, spectacular, sleek, shiny, modern, gem, classy, landmark, masterpiece and world class are just a few of the terms that have been used to describe LPT.

**L**ake Point Tower is an iconic building on Chicago's lakefront and was conceived and developed by William F. Hartnett, Jr. and his partner, Charles Shaw, Jr. The design professionals consisted of lead architect George D. Schipporeit; John Heinrich, architect and co-designer; William Schmidt, the structural engineer and senior professional associated with Lake Point Tower; and Alfred Caldwell, landscape architect of the building's celebrated park.

The building features a three-wing design and a 120-degree angle between the wings so that the apartments do not face each other. The design also provides that less surface area is exposed to direct wind loads in comparison to conventional rectangular designs. It is possible to view the bronze curtain walls of Lake Point Tower from all sides. The plan to construct two other similarly shaped towers on both sides was never realized. It is the only skyscraper east of Lake Shore Drive and offers unobstructed views of Lake Michigan and is situated directly west of Navy Pier, Chicago's number one tourist attraction.

Ground was broken in 1965 for Lake Point Tower and it was completed in 1968. At the time, LPT was the highest apartment building in the world, reaching a height of 645 feet, with 70 stories (3 Commercial; 1 Park, 65 Residential, and 1 machinery). LPT was converted to condominiums in 1988 and the owners' association took control from the developer in September, 1989. There were originally 879 units as studio, 1 BR, 2BR, 3 BR, penthouses. There are now 758 owner resident units, with 127 combined units. The count changes from time to time, as it does not require a structural change to combine or un-combine units.

### Structurally Speaking

The building's structure consists of curtain wall (bronze aluminum); double-paned glass windows (11,310 total) of 44" X 60", 3/16" bronze sheet outside and 3/16" clear sheet inside; and concrete. LPT's architecture notables include:

- » World's tallest all-residential building, 1968-1993
- » World's tallest reinforced concrete building, 1968-1971

» Chicago's tallest all-residential building, 1968-2003

Presently is the 7th tallest building in Chicago (in terms of # of floors—70); while it is the 31st tallest in Chicago, in terms of actual footage (685 feet)

The structural design for Lake Point Tower utilized innovative engineering with these features:

- » Use of a dual wind-carrying system;
- » Omission of core walls for the top 12 floors;
- » Use of high strength materials to reduce the sizes of columns, core walls and the foundation; and
- » Use of a grade beam and caisson system that provides an efficient transfer of wind base shear for a tall building with no basement.

A unique automatic window washing machine affixed to the building is used to provide monthly window cleaning. Each unit has individual heating and air conditioning units. Common areas are heated and cooled by chillers and boilers.

There are seven high-speed passenger elevators and two high speed service elevators.

### Outstanding Amenities

Without leaving the building, residents can access a 2.5 acre private outdoor park, barbecue area, state-of-the-art fitness facility, indoor and outdoor pools, restaurant, grocery store, personal-business center, dry-cleaner, hair salon, laundry room, tailor and parking garage. 24-hour doormen

Photos compliments  
of Lake Point Tower  
Condominium Association



## LPT Standing Commissions:

- » **Finance** – reviews monthly financial statement, prepared budget, reviews investment options
- » **Communications** – oversees the publication of the monthly newsletter; posts messages on the electronic bulletin boards and LPT web site ([www.LakePoint-Tower.org](http://www.LakePoint-Tower.org)), and manages the LPTCA Facebook, Twitter, Flickr, and other social media accounts
- » **Events** – oversees community events such as Memorial BBQ, Ice Cream Social, Halloween Party and Annual Holiday Party
- » **Health and Wellness** – suggests improvements to the Health Club
- » **Safety and Security** – attend community events, CAPS Meetings, evaluate safety and security systems and suggest improvements from time-to-time; oversees the major video and access system upgrades
- » **Skyline Park** – was involved with the major park renovation; oversees maintenance
- » **Valet Parking** – reviews operations and finances of the Valet Parking

## AdHoc Commissions:

- » **Elevator** – reviewed the current maintenance agreements and helped to select a new firm to maintain LPT's 11 passenger and freight elevators on an ongoing basis
- » **Grocery Store** – reviews and find ways to improve the services provided
- » **Hallway Remodeling** – formed in early 2013 to select and implement a new modern design for the look-and-feel of LPT's 65 Residential floor lobbies and the 195 individual hallways on those same 65 floors; this \$10.5 million project is nearly completed, following a 100-day construction process. The commission is scheduled to terminate at the end of this fiscal year (30th June 2014).
- » **Package Room** – formed in 2014 to review the current system and find ways to efficiently handle the growing need due to increased online purchasing by residents
- » **Technology** – formed in 2013 to focus on how to move the "1990s" technology deployed in the building up to modern times.

and security are provided. Two dramatic waterfalls (recently renovated) and seating areas greet residents and guests upon entry to the lobby. Residents also enjoy the use of a second floor activity/meeting room with free Wi Fi as well as a large indoor promenade located on the third floor.

Cite, a restaurant and bar on the top floor of the 70-floor residential tower, boasts spectacular views of the city and lake and serves gourmet French/American cuisine. The restaurant and lounge are open to the public.

Its prime urban location offers easy access to Navy Pier, Millennium Park, Grant Park, Ohio Street beach and a host of cultural activities. The condominium building is next to a lakefront path – extending 15 miles north and 15 miles south – for walking, running and biking.

## Governance

Lake Point Tower Condominium Association was incorporated in 1988. The LPT Board consists of 9 members, four of which hold officer positions: President, Vice-President, Treasurer, and Secretary. Keith Powell is the current President.

The terms are staggered: 3 board positions are elected for 2-year terms on any odd numbered calendar year, and 6 positions are elected for 2-year terms on even numbered calendar years.

LPT has seven standing committees and currently has five AdHoc Committees.

Just like any other condo association, LPT's volunteerism tends to be directly proportional to the number and extent of controversial issues. In

recent years, "we have witnessed a notable increase in the number of candidates for the Board due to a major hallway renovation project. Otherwise, when things are running smoothly, volunteers seem to dwindle," says Joanna Cochico who is LPT's General Manager.

On average, approximately 1,200 residents call Lake Point Tower home and the Association is made up of a very diverse group of people in terms of age, ethnicity or background. "One thing they have in common is their passion about the building in maintaining and keeping up with the advances of technology, preserving the architecture, amenities and common areas," says Cochico.

## Finances

The total budget for FY2015 (July 1, 2014 to June 30, 2015) is \$7,750,673, of which \$4,862,953 is for operating, \$2,277,000 is for reserves and \$610,720 are cable and internet pass-through's.

Assessments range from \$330 - \$2,500 per month and delinquencies have been kept under 1%. There has not been a special assessment since 2002 (paid in 2003). LPT obtained a \$10.5 million loan to fund the Spring 2014 Hallway Remodeling project and this loan is scheduled to be paid back over a 10-year commitment, which started in March 2014. With the Capital Reserve budgets projections planned at a high-level for the next 20 years, including the Hallway Loan repayments, LPT is not anticipating (nor planning) any special

assessments in the foreseeable future.

- » Studios usually sell in the \$250,000 - \$300,000 range
- » 1 Bedroom usually sells in the \$300,000 - \$400,000 range
- » 2 Bedrooms usually sell in the \$500,000 - \$650,000 range
- » 3+ Bedrooms usually sell in the \$650,000+ range

## Property Management

FirstService Residential (FSR) has been the property management agent for Lake Point Tower since August, 2011. FirstService Residential's President Asa Sherwood, commented on their affiliation with LPT, "Lake Point Tower is a jewel in Chicago's vast skyline and also has a special place within our portfolio of communities. Lake Point Tower is a great example of a well-run business, asset, and landmark. Their success lies in the fact that the Board and Management work together cohesively for the betterment of each resident and the community as a whole. I can't thank our Management Team enough for bringing a higher level of service to the Lake Point Tower residents every day."

Dan Chalifoux who is Director of Portfolio Management for FirstService also commented, "the unique location of Lake Point Tower attracts a clientele that is looking for a high value quality of life experience. For me, the greatest satisfaction of

➤ Shown here is one of the newly remodeled hallway and floor lobby areas.

## Summary of Recent Projects at Lake Point Tower

- » **HVAC** - upgrades have been done from 2005-2014 including air handlers, controls, heating units, and chiller replacement (\$2.26mil).
- » **Plumbing** - Several plumbing related upgrades were done in 2011 including Waste Pipe Replacement (\$1.85mil), Fire Pump Replacement (\$400,000), and outdoor pool boiler conversion (\$127,000). In the past two years, additional plumbing work included men's steam room repairs, women's steam room repairs and jockey pump replacement.
- » **Skyline Park** - From 2011-2013, Skyline Park work included repairs to the BBQ area, duck pond waterfall, drainage and irrigation, stonework, flashing and membrane, and replanting of trees, bushes, and flowers; (\$1.5mil)
- » **Roof** - In 2013, tower roof repairs (metal flashing, membrane, inspection) were completed, (\$47,500)
- » **Lobby Renovation** - In 2009, various lobby improvements included terrazzo refinishing, new doorman station, renovation of 2 water walls, new furniture, and upgrades to mailroom lobby, (\$1.05mil)
- » **Health Club Upgrade** - In 2013, the LPT health club exercise equipment was upgraded by Direct Fitness Solutions, (\$150,000)
- » **Cable Wiring Infrastructure Upgrade** - In 2013, home-run wiring was installed by Comcast, (\$2mil built-in the contract)
- » **Laundry Room Purchase & Renovation** - In 2013, the Board purchased one previously privately owned (and extremely run down) commercial laundry room, which we enhanced greatly in many ways. It now has all new machines—32 washers & 33 dryers; updated seating area with 72-inch flat screen TV with Comcast cable and free WiFi for Internet. This new laundry room provides the association with about \$45,000 in income annually.



photo credit: Bob Elmore & Assoc. Photography

- » **Hallway Renovation** - In 2014; Hallway renovations included LED lights, carpet, paint, cable/fire alarm molding, artwork \$10.8mil; Designer: WEA Design; General Contractor: Bulley & Andrews
- » **Technology Enhancements (~\$100,000 total)** - In 2014, Technology enhancements completed included: Build-out of a formal Server Room with modern technical infrastructure (computer racks, UPS batteries & backup systems, special air conditioning, extra power, etc.) to ensure that

all of our new systems and servers are properly supported. This project included the installation of 10-gigabyte switches and routers, along with new CAT-6 wiring throughout the building (from the server room to the Doorpersons' lobby desk, to the Laundry Room, to the Health Club, to the 2½ acre park (for Residents' WiFi Internet access and to support our new video systems, to the Security Guard station, to the Loading Dock, etc.).

managing Lake Point Tower has been participating in the execution and continual refinement of long term capital investment programs. The Association's goals are to not only properly maintain the physical asset but to continually look for ways to refine the quality of life of its residents, keeping Lake Point Tower a leader in high-rise living. In my 20+ years of experience, I have learned it is paramount that we help our Board of Directors and owners define how they want their future to look. We are there to help make that future happen."

Board President Keith Powell adds on the subject of management, "The LPTCA Board of Directors believes that the working relations and experiences of the current LPT Management team are very good. The Board is pleased with the work ethics and additional efforts put forth by the Management team, and has been equally pleased with the professionalism of the Management team in place. There are no replacements anticipated in the foreseeable future of our current excellent FSR Management team led by Johanna Cochico and Marguerite Batau."

### Resident Services

Lake Point Tower has an on-site property management office as well as a full-time staff of 43 on site. LPT's Chief Building Engineer, Mike Brown, was the recipient of two FirstService Residential (our Management firm) awards in December: the first for the "Best Maintained High Rise Building" in

their very large portfolio of buildings; and the second for being the FirstService Residential "Chief Engineer of the Year". Maintenance, security, safety and resident convenience are some of the primary areas of focus for the building's staff. The doormen, security and maintenance staff are all on duty 24 hours as is the valet parking staff.

Lake Point Tower has a state of the art alarm/voice communication system. "LPTCA takes matters of life safety and protection with great urgency," says Cochico. As soon as the Chicago Life Safety Ordinance passed in 2005, "the Association immediately hired professionals to evaluate and effectuate changes for compliance." The fire alarm notification system was upgraded, including new speakers in stairways, in all elevator cabs, and some commercial tenant spaces. A fire department 2-way voice system with headsets was installed in emergency stairs at every 5th floor landing. Board and Management made sure that all common area doors, as well as individual unit doors are compliant with the closure, fire-rating and other requirements.

Common area doors are secured by electronic entry control with key fobs while a closed circuit TV system offers security and also allows board meeting to be televised.

Monthly rental parking is available and there is also a separate garage association that residents can purchase garage space in. The garage association is somewhat unique in that it has a separate board of directors. One particular owner in the

garage association has a unique display of collectable automobiles displayed in 6 garage units (that were combined) and are now decorated as a shrine to vintage cars.

To accommodate many bicyclists in the buildings, LPT has a free secure bike storage room for residents and additional fee based up-scale bike storage is also offered.

A loading dock and receiving room serve resident needs Monday to Saturday.

### Proactive Maintenance & Restoration

According to Cochico, "The building construction held up very well in the last 45 plus years. This is partly due to proper maintenance and proactive approach with capital improvements and repairs." LPT has done a variety of maintenance and restoration projects in recent years including HVAC, plumbing, roofing, tuckpointing, landscaping as well as common area improvements to the lobby, Skyline Park, health club, maintenance shop, packing room, laundry room, grocery store and hallways.

Other recent technology enhancements were the addition of 2 large screen monitor devices for projecting documents and presentations at Board and other Management meetings and replacement of all Management Office computers with the latest in laptop hardware and software technologies (e.g., Windows Surface PC devices, Microsoft Office 2013, Project 2013, Visio 2013,



etc.) The Architects of the technology enhancements were headed by a very technical Board member (Mark Skoog; he also works for Microsoft Corporation), whose public Technology Commission (one of the established Board Commissions) worked out the details.

### Hallway Renovation Project

One of the biggest undertakings in recent times was the renovation of the hallways of 65 residential floors at LPT (195 hallways that are 3.125 miles in total length).

The project scope included the installation of LED lights, carpet, paint, cable/fire alarm molding, artwork in the lobby area on each floor and hallways on those same floors. New hardware for all resident and stairwell doors was also installed. "This really required a huge amount of teamwork and outstanding efforts by the LPT board, Hallway Remodeling Commission, property management and maintenance team, our designer and general contractor," states Powell. "And no small measure of patience and understanding by our residents."

The project started in March with the removal of the asbestos from the freight elevator area of each floor. Next was the demolition work on each floor (again starting at the top of the building and working (down) at a rate of 2 floors per day; this work was done in early April. Two "test" floors were completed so that the board and management could view and evaluate various design aspects of the project. Several key adjustments were made to

the design at this point including the artistic elements of the project. The actual reconstruction of each floor also began in April, with approximately 10 floors in process at anytime. The reconstruction work including the LED Lights, carpet, paint, molding and artwork was completed by the end of May. It was a very intensive project with as many as 182 FTE's (workers) in the building at the same time at the project's peak.

The next phase was the complete replacement of all door hardware—doorknobs, locks, knocker, peephole, and the installation of a new electronic component as well. LPT residents can now enter their units with use of key fobs, key cards, or wrist bands in addition to traditional key type entry.

At this point, the project is in the final "punch list" stage and the goal of having this massive project completed before summer begins was met. "This project is really a highlight of 2014 for the LPT board, adds Powell. "In addition to the modernization and visual improvements, the installation of the LED lights has thus far resulted in a \$9,000 per month savings on average in our electricity costs."

National Cooperative Bank (NCB) provided \$10.5 million in financing for Lake Point Tower Condominium to fund a large hallway repair/replace-ment project. Jared Tunnell, a Vice President with the division at NCB that focuses on loans and cash management solutions for housing communities, arranged the loan for the condominium commu-

nity. "We are thrilled we were able to work closely with the community, board of directors and its property management team to secure a loan that will help Lake Point maintain its status as one of Chicago's premier residences," said Mr. Tunnell.

### Special Challenges

When asked about special challenges facing LPT Powell related, "The past few years have been difficult ones with the City of Chicago, as the City faces extreme budget issues of its own due to poor civic planning. As such, large condominium associations such as Lake Point Tower are viewed as "great places to raise income for the City" and City policies often reflect this attitude. He continues. "We are experiencing this quite a bit in terms of the repeated inspections that often result in non-sensical "findings" that clearly would generate extra revenues without adding any value to the safety of our building. We see this as well with the State Fire Marshall's long-running push to try to get sprinkler systems installed in every residence and all of the hallways and lobbies within the high-rise condos throughout the State of Illinois." Additional legal fees have been accumulated fighting this issue (which has since been resolved).

### Awards & Media Notoriety

LPT has received numerous awards for its architecture, including the Chicago Chapter AIA Distinguished Building Award (1969), Honor Award (1970), the American Institute of Architects

National Honor Award (1970),

Chicago Chapter AIA 25 Year Award (1994), and the American Institute of Architects Ranked #73 of 150 favorite buildings in the United States.

At least 8 movies have been filmed at LPT including Straight Talk (1992),

While You Were Sleeping (1995), and Meet the Parents (2000). Famous Residents include a host of Chicago sports and TV celebrities as well as movie stars and famous businesspersons.

In conjunction with LPT's 40th anniversary, the Chicago Architecture Foundation published a book on the building, Lake Point Tower: A Design History, authored by architect Edward Windhorst and architectural historian Kevin Harrington.

The condo association also produced a 40th Anniversary webpage on their site, an Anniversary Blog, a YouTube video entitled Lake Point Tower: Condos with Spectacular Views and an 8-page, full color brochure, "Lake Point Tower: A Chicago Landmark."

According to Powell, "Another media high point for the LPT Board, was getting Lake Point Tower as the focus of a 3½-minute spotlight on ABC 7 Eyewitness News' Judy Hsu "Top of the Morning" program that aired on April 29th. Her show has been highlighting many of the iconic buildings around the Chicago area, so of course LPT was an obvious selection (in our humble opinion). Bob Mack (Board VP) and I represented LPT on the show, which included short interviews and ABC filming from multiple locations inside the building and out."

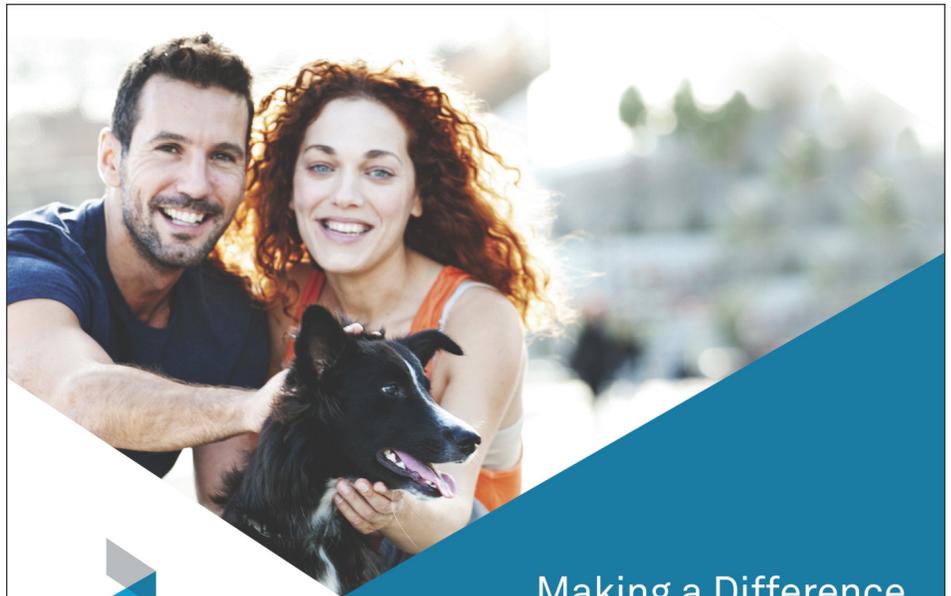
**Look Toward the Future**

Looking toward the future, Powell contends, "the board has perhaps a few major issues facing

it—the largest of which are the rapidly rising costs due to Chicago's union-created pension struggles." This year alone LPT was hit with a 100% increase in pension-related charges for one of the unions whose members work in the building, along with a 50+% increase for another one. "We expect labor costs to continue to out-pace normal COLA increases for several of the coming years." He added that other issues in terms of rising costs are likely going to be in the utilities (gas, electricity, and phone) and use taxes areas (for example, the current Illinois Governor just proposed a 56%

increase on cell phone usage).

Beyond immediate cost increases, "the largest issue that we have is age—parts of our building infrastructure are nearing 50 years old, so the next worries will be on "what breaks next"? Though we have a great management team in place and the Board is extremely proactive on maintenance projects, there is always the wonder of 'could there be an unforeseen problem lurking just around the corner.'" ■■



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**BOARD PRESIDENT**

**Keith Powell**

Keith Powell and his wife and 2 children (twins - 1 Boy, 1 Girl) have lived in a two bedroom condo at Lake Point Tower since 2003. Mr. Powell

is a professional technical salesperson for Microsoft Corporation; focused specifically on selling Business Productivity Solutions (Exchange, SharePoint, Lync, Yammer, Office 365, etc.) in the Midwest area.

Keith enjoys spending time with his 10½ year old twins— biking along the lakefront path, as well as trying out the latest science experiments. He also likes long distance running for relaxation and plans to run in the Chicago Marathon again this Fall (his 2nd time).



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