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CRAIN'S LIST: Money managers rode markets higher in '21. **PAGES 8-9**



GHOST KITCHENS ARE FOR REAL

Surging growth in restaurants without dining rooms shows they're more than a pandemic phenomenon. Established restaurateurs fear an Uber effect. | **BY ALLY MAROTTI**



Jasiman Griffin-Green launched the Jars by Jasiman dessert shop at CloudKitchens in Bronzeville last year.

JOHN R. BOEHM

Virtual restaurants opened at twice the rate of traditional eateries in Chicago last year, as new technology and COVID-19 combined to reshape the city's dining scene.

Chicago got 700 new virtual restaurant brands in 2021, compared with only 350 brick-and-mortar ones, according to market research firm Datassential. Only Los Angeles added more, with over 1,000 new

virtual restaurant brands. Often called "ghost kitchens," virtual restaurants operate without dining rooms, reaching customers via online ordering and delivery services. Some, like Uber founder Travis Kalanick's CloudKitchens, provide kitchens to dozens of restaurants under one roof. Others, like Lettuce Entertain You's Ben Pao, operate

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MOST GHOST KITCHENS TOUT THEIR ABILITY TO REDUCE BARRIERS FOR ENTREPRENEURS WHO DON'T HAVE THE CAPITAL TO OPEN A TRADITIONAL RESTAURANT.

Boeing's comeback is in her hands

For the aerospace giant to rebound, Elizabeth Lund has to churn out a lot of 737s and 787s

BY JOHN PLETZ

When Elizabeth Lund was growing up in Tulsa, Okla., she tagged along with her older brother, begging to play tackle football against the boys in their neighborhood.

"He said: 'If you don't catch the ball, you don't get to play,'" she says. "You rise to the level. It was tough love from an early age. That's helpful in life."

So she wasn't intimidated years later, when she moved from an engineering office to the factory floor at Boeing. Today she's responsible for production of all the company's commercial jets and is the highest-ranking woman in Boeing's commercial aircraft business.

Lund's new role as senior vice president and general manager of airplane programs is crucial to Boeing's effort to pull

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Don't demolish that house. Dismantle it.

Deconstruction offers an eco-friendly twist on teardowns

BY DENNIS RODKIN

The two men working among the uncovered rafters of a single-story structure on Hibbard Road in Winnetka on a recent afternoon weren't building a house. They were unbuilding one.

A family paid just under \$2.8 million last May for the 5,700-square-foot house, intending to replace it with a new one that's three times as big. They could have had a conventional demolition crew knock down

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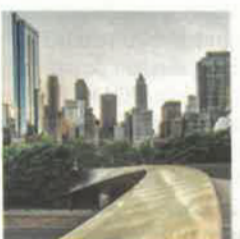
"Building houses must be fun," says Steve Filyo, head of BlueEarth Deconstruction, the St. Charles firm that's taking apart the house, "but unbuilding them is much cooler."

JOHN R. BOEHM

GREG HINZ
Making odds on who will win the city's casino horse race. **PAGE 2**



YOUR VIEW
The mayor's office on Chicago, two years after COVID. **PAGE 10**



Here's an eco-friendly alternative to demolishing a house: Deconstruction

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the old house quickly and truck the debris away, as the owners of a nearby property did this year.

Instead, these owners, who bought the 1.78-acre property through a trust that conceals their names, are having the old house deconstructed by hand, all the way down to the concrete foundation.

"Building houses must be fun," says Steve Filyo, head of BlueEarth Deconstruction, the St. Charles firm that's taking apart the house, "but unbuilding them is much cooler."

That's because roughly 80% of the materials in this house, from raw wiring and pipes to finished cabinetry and flooring, can be reused instead of going to a landfill.

NEW SEQUENCE

Deconstruction of houses isn't new, although a Winnetka buildings official says this is likely the first "down to the ground" deconstruction in that town. What's new is the sequence of events, devised for this pilot effort in Winnetka expressly to make deconstruction more appealing to the families who build new homes on old sites. If it works, several industry sources say, far more people will do it, mitigating a key concern with home teardowns: the environmental impact of throwing most of the old house away.

Deconstructing the Hibbard Road house will take about two months, Filyo said, compared to about a week for conventional demolition.

"A lot of people who tear down a worn-out old house want to do the right thing," says Jodi Murphy, whose La Grange Park firm, Murco Recycling, does a less-comprehensive version of home deconstruction she calls "soft stripping."

"They want to see as much of the old house reused as you can do," Murphy says. "But when it comes down to, 'Do I pay thousands of dollars in carrying costs for months while it's deconstructed or (for) weeks while it's demolished?' sometimes they can't afford to do the right thing."

Filyo says an appraiser estimated that the house on Hibbard Road contains reusable building materials worth at least \$225,000. The property owners will donate the materials to a nonprofit that specializes in reuse. Assuming they're in a tax bracket of 35% or more, the donation value will get them a tax break worth about \$70,000. The cost to deconstruct the house is about \$110,000, which makes the net cost of deconstruction \$40,000. That's a savings compared to an estimated \$50,000 to \$60,000 for conventional demolition.

The sticking point is the slow speed of by-hand deconstruction. In Winnetka and several other high-end suburbs with numerous teardowns, the process is elongated by a single rule: A demolition permit for the old



Gary Beyerl, from left, Steve Filyo and Ed Twohey at the Hibbard Road property in Winnetka. Beyerl and Twohey are with BBA Architects; Filyo is head of BlueEarth Deconstruction.

house and a building permit for the new house have to be issued at the same time.

"We don't want to end up with a hole in the ground if building doesn't happen," says David Schoon, Winnetka's community development director. That means properties like the one on Hibbard Road sit untouched for months, while architects draw up plans and building officials scrutinize them.

"That whole time, the family's clock is ticking, ticking," says Murphy, who is not involved with the Hibbard Road project. If taking down the old house can't even start until plans for the new house are approved, the family incurs not only the additional carrying cost, but also the frustration of waiting to start building.

For this property, BlueEarth and the new home's architects, Gary Beyerl and Ed Twohey of South Loop firm BBA Architects, secured permission from Schoon's department to uncouple the two permits and get a demo permit ahead of a building permit. That seemingly small bureaucratic change, Twohey and Beyerl both said, may make a big difference for families planning teardowns. The architects could not estimate what the property owners will save in carrying costs.

If success with this pilot results in Winnetka opening up its permit rules, "we'll see more people saying, 'Let's not throw so much (of the old house) away,'" Beyerl says.



PHOTOS BY JOHN R. BOEHM

Schoon says that in Winnetka, about two dozen teardowns typically happen each year, with "maybe two or three more per year" during the white-hot housing market of the pandemic era.

Of the two dozen, Schoon said, two or three use some level of deconstruction, such as Murphy's "soft-stripping," where high-end cabinets, mantelpieces, landscape stone and other nice finishes are sold for reuse.

WIN-WIN

If getting a tax deduction for donating materials they'd otherwise have landfilled sounds like a sweet deal for the homeowners, it's beneficial on the other end, too, where remodelers and oth-

ers buy the donated materials.

Ken Ortiz, head of the Midwest division of The ReUse People, says "there's more than enough demand" for the materials he'll get from the Hibbard Road project and others. The nonprofit organization has a 25,000-square-foot warehouse and lumberyard, the ReUse Depot on Madison Street in Maywood, where it pays market-price rent and sells donated materials, most at about 20% of market prices, he says. (Highly desirable items like rare, old-growth wood go for full market value.)

The stockpile of some 250,000 items appeals not only to homeowners and contractors trying to cut costs, Ortiz said, but to theater companies looking for

vintage-looking interiors. Little lasts in stock for more than three years, he said.

"Eventually everything does sell," Ortiz says. "As long as it's reusable, we can sell it."

That's where the appraiser's role is crucial, Filyo says. He works with several who have expertise in analyzing what materials in a building can and can't be reused, and at what price. Usually 80% or more can be reused, which Beyerl says is a pleasant surprise for clients who expected to see most of the debris trucked off to landfills.

If the Hibbard Road project brings down the cost of deconstruction a little further, the surprise factor may go up and the amount of landfilled waste down.