

Team tapped for Reese redevelopment

By Alby Gallun June 02, 2017

City officials have picked a group of firms to redevelop the former site of the Michael Reese hospital into tech and retail space, homes and a hotel, a long-awaited project that could bring billions of investment dollars to Bronzeville.

A development team including Draper & Kramer, Farpoint Development and Chicago Neighborhood Initiatives would manage the massive project south of McCormick Place, according to a deal to be announced this morning.

Skidmore Owings & Merrill would serve as the architect consultant for the development, which would include the 49-acre Michael Reese site, at 2900 S. Ellis Ave., and a 28-acre property to the east owned by the Metropolitan Pier & Exposition Authority, which owns McCormick Place.

The city bought the Michael Reese site in 2009, with plans to build an Olympic village there. But the property has sat fallow since the city lost its bid to host the 2016 Olympic games, and the city, now saddled with about \$73 million in debt on the property, has spent the past several years trying to figure out what to do with it.

The new plan is short on specifics. Initially, the project could include a logistics center for McCormick Place truck traffic, potentially with new meeting space, according to a statement from the city. Later phases include "more than 5 million square feet of technology-oriented commercial spaces, retail uses, homes and a hotel, depending on market demand," the statement said.

Draper & Kramer is a longtime Chicago developer whose projects include the massive Lake Meadows and Prairie Shores housing projects nearby. Farpoint is a new Chicago-based firm led by Scott Goodman, a co-founder and former executive at Sterling Bay. Chicago Neighborhood Initiatives is a non-profit best known for a major development in Pullman that includes a Method soap factory and Whole Foods distribution center.

Rounding out the development team is Chicago-based McLaurin Development Partners, which built a Target store on the site of the former Cabrini-Green housing complex on the North Side, and Bronzeville Community Development Partnership, a neighborhood non-profit.

"Over the next 10 years this team will work with the community and the city to deliver a once-in-a-lifetime redevelopment that will generate economic opportunities and growth in Bronzeville and in neighborhoods throughout the city of Chicago," Mayor Rahm Emanuel said in the statement.

The development group still needs to negotiate a formal redevelopment agreement with the city and convention authority. The developers would pay \$144.5 million for the two properties, according to the statement.

The city says the project will generate more than 24,000 permanent jobs and more than 12,000 construction jobs. City officials see it as an opportunity to build off the momentum in McCormick Square, the name the convention authority has given to the neighborhood around McCormick Place. A 1,200-room Marriott Marquis hotel and a sports and events center will open there later this year.

"This is a great opportunity to continue needed economic development south of the McCormick Square campus," Lori T. Healey, CEO of the authority, said in the statement.

This story has been corrected to reflect that the project would include a hotel and to describe Chicago Neighborhood Initiatives as an independent non-profit.

