

The LaSalle Residences

A Presentation to the Community and the City of Chicago Department of Planning for the Conversion of 208 South LaSalle to Multifamily with Affordable Housing.

March 2nd, 2023.

Presented by:



THE PRIME GROUP, INC.

On behalf of: UST Prime III Office Owner, LLC



Subject Property: 208 South LaSalle Street

The Vertically Subdivided, Fee Simple Ownership of the Ground Floor and Floors 13 through 17 (currently historic office).

Location:

Located on the most historic and prominent block in the LaSalle Street Historic District, the 1.2 million SF, 22-story building occupies a full city block, bordered by LaSalle Street to the east, Wells Street to the west, Adams Street to the north, and Quincy Place to the south. The entrance of The LaSalle Residences will be from the main LaSalle Street entrance. The building is adjacent to the CTA's Historic Quincy Street Station.



 *Location of 208 South LaSalle.*

About the Proposer & Team:

Owner: UST Prime III Office Owner, LLC, an affiliate of Michael W. Reschke and The Prime Group, Inc.

Developer: The Prime Group, Inc. (www.primegroupinc.com)



Architecture: Lamar Johnson Collaborative / Lucien LaGrange Studios. (www.theljc.com)



Engineering: Cosentini Associates, Inc. (www.cosentini.com)



General Contractor: W.E. O'Neil Construction Company. (www.weoneil.com)



About The Prime Group, Inc.:

Michael W. Reschke serves as Chairman and Chief Executive Officer of The Prime Group, Inc. (“Prime”) and its various affiliates, a Chicago-based national real estate development and investment firm. Mr. Reschke founded The Prime Group, Inc. in 1982 and for the last four decades, has directed and managed the development and acquisition of over \$12.0 billion of institutional-quality real estate projects across the United States. Under the direction and leadership of Mr. Reschke, The Prime Group, Inc. and its affiliates became one of the pre-eminent real estate development companies in the country, having achieved repeated recognition for its dedication to world-class architecture, innovation, and state-of-the-art technology in all of its developments.

Most recently, an affiliate of Prime acquired the 1.2 million RSF James R. Thompson Center office building at 100 West Randolph from the State of Illinois. Prime is undertaking a full renovation and transformation of the property to the highest-Class A office standards pursuant to a build-to-suit agreement with its future occupant – Alphabet, Inc., d/b/a Google. A Prime affiliate also acquired the former BMO office campus and is renovating the west tower (115 South LaSalle) for the State of Illinois, and is planning the adaptive reuse of the east towers (111 West Monroe) into a mixed-use residential and hotel complex.



Thompson Center – Alphabet, Inc / Google



115 South LaSalle – State of Illinois.

Relevant Experience of the Proposer: UST Prime III Office Owner, LLC, an affiliate of The Prime Group, Inc.

Over the last four decades, Prime and its affiliates have been committed to both the development of new trophy assets in the Central Loop as well as the redevelopment of Chicago's treasured historic assets, particularly in the LaSalle Street Historic District.

In 1996, Prime purchased 208 South LaSalle at a time when the building was over 90% occupied with over 60 office tenants. In 2007, after the departure of ABN Amro as the anchor tenant, Prime commenced a 15-year redevelopment plan for the historic property that continues today.

From 2008 to 2010, Prime developed and opened the award-winning and much acclaimed 610-room J.W. Marriott Hotel in the lower twelve floors of the building. At that time, the success of the new luxury hotel proved there was a pent-up demand for a luxury hotel product in the Central Loop.

Later, in 2022, Prime developed and opened The LaSalle Hotel, a 232-key luxury hotel on the uppermost five floors of the building, thereby furthering Prime's commitment to redeveloping, investing and owning institutional-quality hotels in the LaSalle Street Historic District.



The J.W. Marriott (610-keys), Opened November 2010.

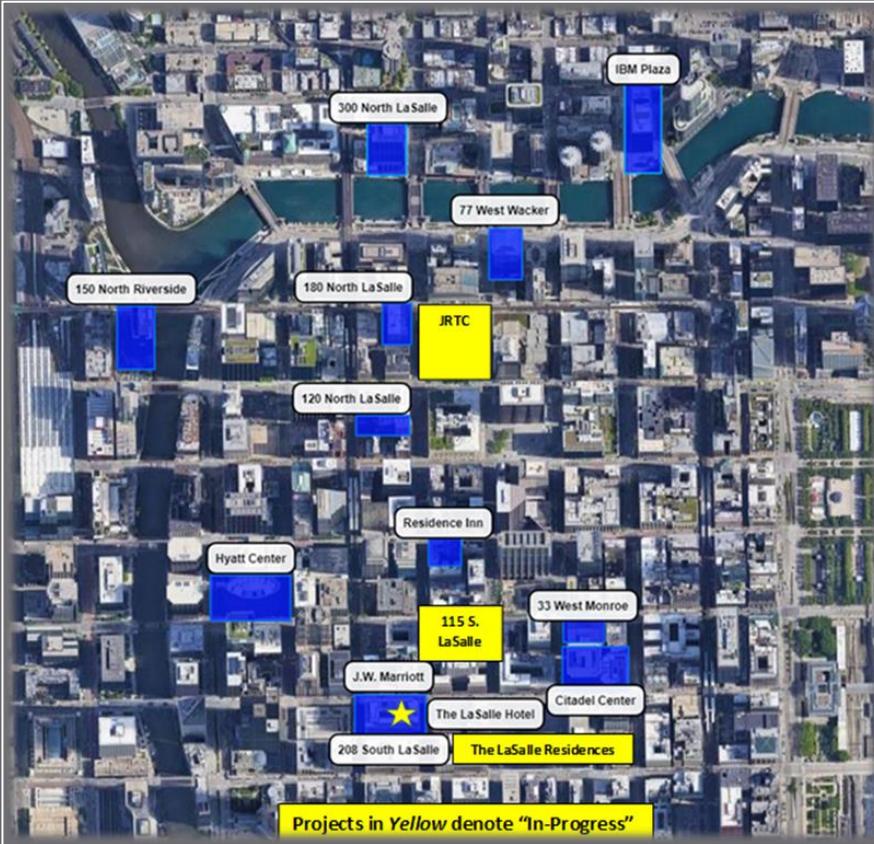


*The Residence Inn (381-keys),
Opened October 2015.*



*The LaSalle Hotel (232-keys),
Opened June 2023.*

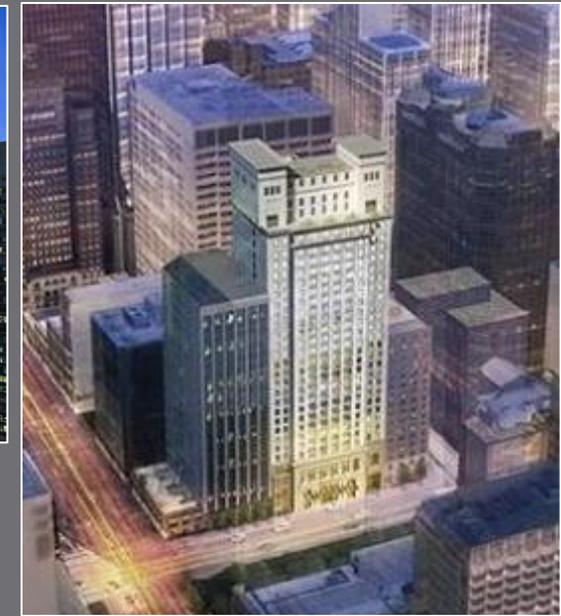
Relevant Experience of the Proposer: UST Prime III Office Owner, LLC, an affiliate of The Prime Group, Inc.



77 West Wacker



131 South Dearborn



150 East Ontario – RIU Hotel



180 North LaSalle



11 South LaSalle – Residence Inn

Completed to Date:

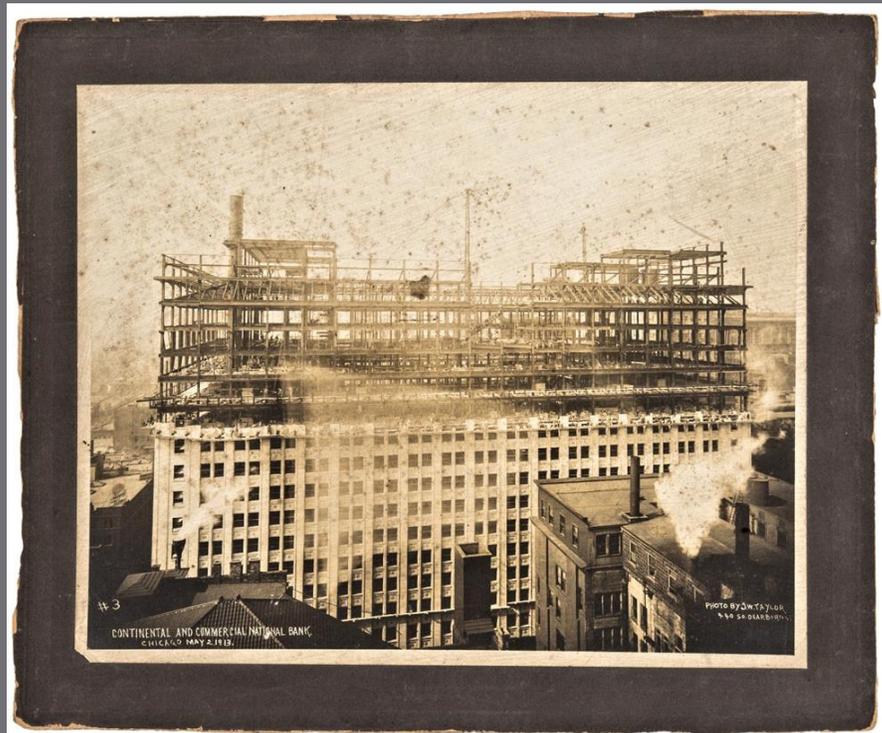
Hotel:	Office:	Land:
J.W. Marriott - 135 W. Adams (610-keys)	77 W. Wacker (985,000 RSF)	300 N. LaSalle
The LaSalle Hotel - 208 S. LaSalle (232-keys)	180 N. LaSalle (780,000 RSF)	71 S. Wacker (Hyatt Center)
Residence Inn - 11 S. LaSalle (381-keys)	Citadel Center (1,525,000 RSF)	150 N. Riverside
	208 S. LaSalle (210,000 RSF)	
	IMB Plaza (1,200,000 RSF)	
	33 W. Monroe (1,000,000 RSF)	
	120 N. LaSalle (Corporate Office)	

Under Construction or Propose d:

RIU Grand Plaza - 150 E. Ontario (390 keys)	Hotel - New Construction
100 W. Randolph (Google) (1,200,000 RSF)	Office Rehab
115 South LaSalle (State of IL) (650,000 RSF)	Office Rehab
The Residence Inn Magnificent Mile (289-keys)	Hotel Conversion/Rebranding
The Monroe Hotel & Residences - 111 West Monroe (635,000 SF)	Adaptive Reuse: Office to Apartments/Hotel
The LaSalle Residences (222,500 SF)	Adaptive Reuse: Office to Apartments

History Context of 208 South LaSalle:

208 South LaSalle was designed by the world-famous architect, D.H. Burnham & Co., and was constructed between 1911 and 1914 for the Continental and Commercial National Bank, one of the largest national banks in the country. The Property was added to the National Register of Historic Places on February 14, 2007, and was designated a Chicago Landmark on December 12, 2007.



The construction of 208 South LaSalle, May 2nd, 1913.



LaSalle Street Façade circa 2022.

About the Project:

The LaSalle Residences (the “Project”) consist of the adaptive reuse and conversion of approximately 222,500 square feet of historic office space located on the ground floor and floors 13 thru 17 into 280 upscale apartments, including 84 affordable units.

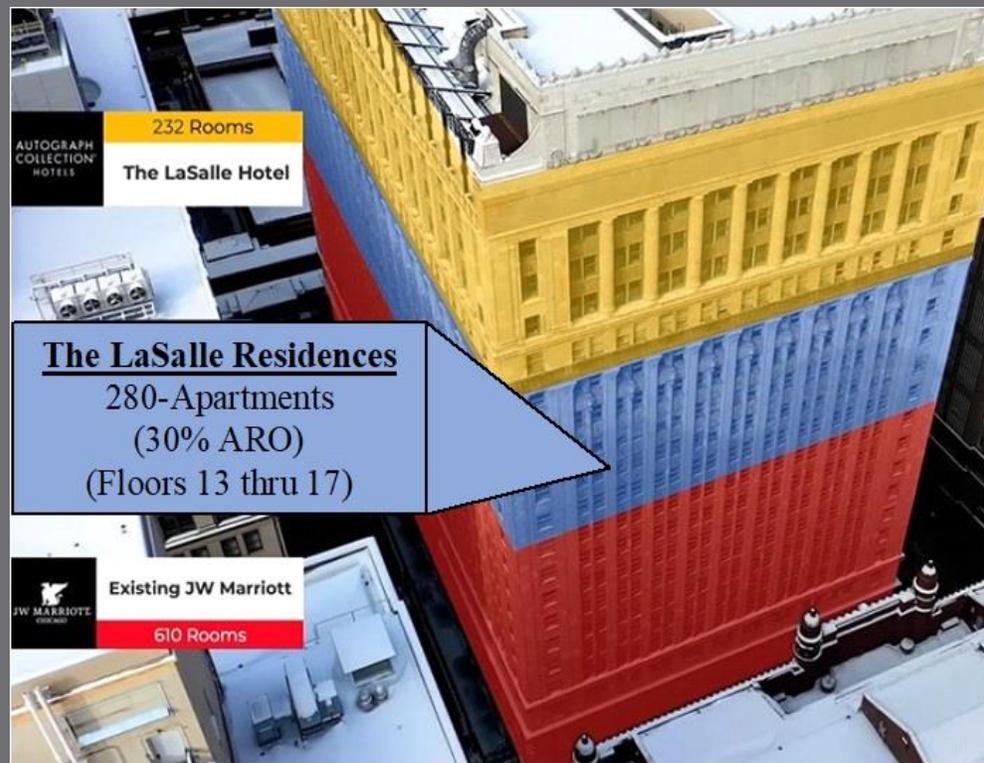
A portion of the 6,900 SF ground floor retail space which is planned for a full-service restaurant on LaSalle Street.

The LaSalle Residences will feature on-site amenities for its residents that will include state-of-the-art fitness facilities and a tenant lounge with generous space for social gathering, co-working, meetings and events.

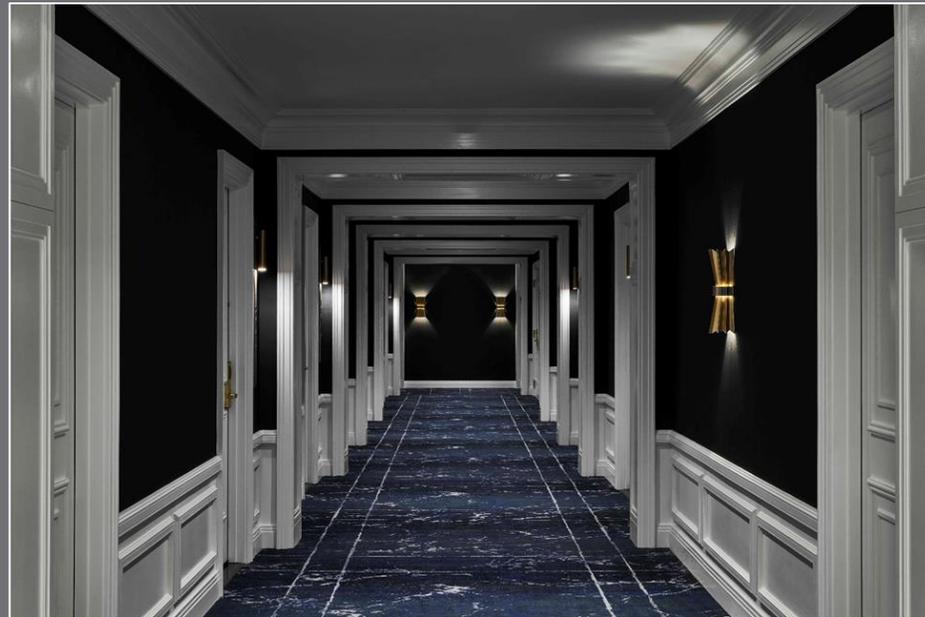
The total project cost is \$130.0 million (\$464,286/unit):

		<u>%</u>	<u>Per Unit</u>
Tax-Exempt Housing Bonds	\$ 74,000,000	56.9%	\$ 264,286
Low Income Housing Tax Credits	10,000,000	7.7%	35,714
TIF Proceeds	33,000,000	25.4%	117,857
Sponsor Equity	13,000,000	10.0%	46,429
Total Capitalization	\$ 130,000,000	100.0%	\$ 464,286

Address:	208 South LaSalle, Chicago, Illinois 60604.
Site Area:	61,000 SF.
Property Area:	222,500 SF (Floors 13-17, and partial ground level).
Zoning:	PD 291 (underlying DC-16).
Community Area:	Loop.
Ward:	42nd (Ald. Brendan Reilly).
TIF District:	LaSalle Central Redevelopment Project Area.
PINs:	17-16-220-009-0000; 17-16-220-010-0000; 17-16-220-014-0000; 17-16-220-016-0000; 17-16-220-017-0000; 17-16-220-019-0000.

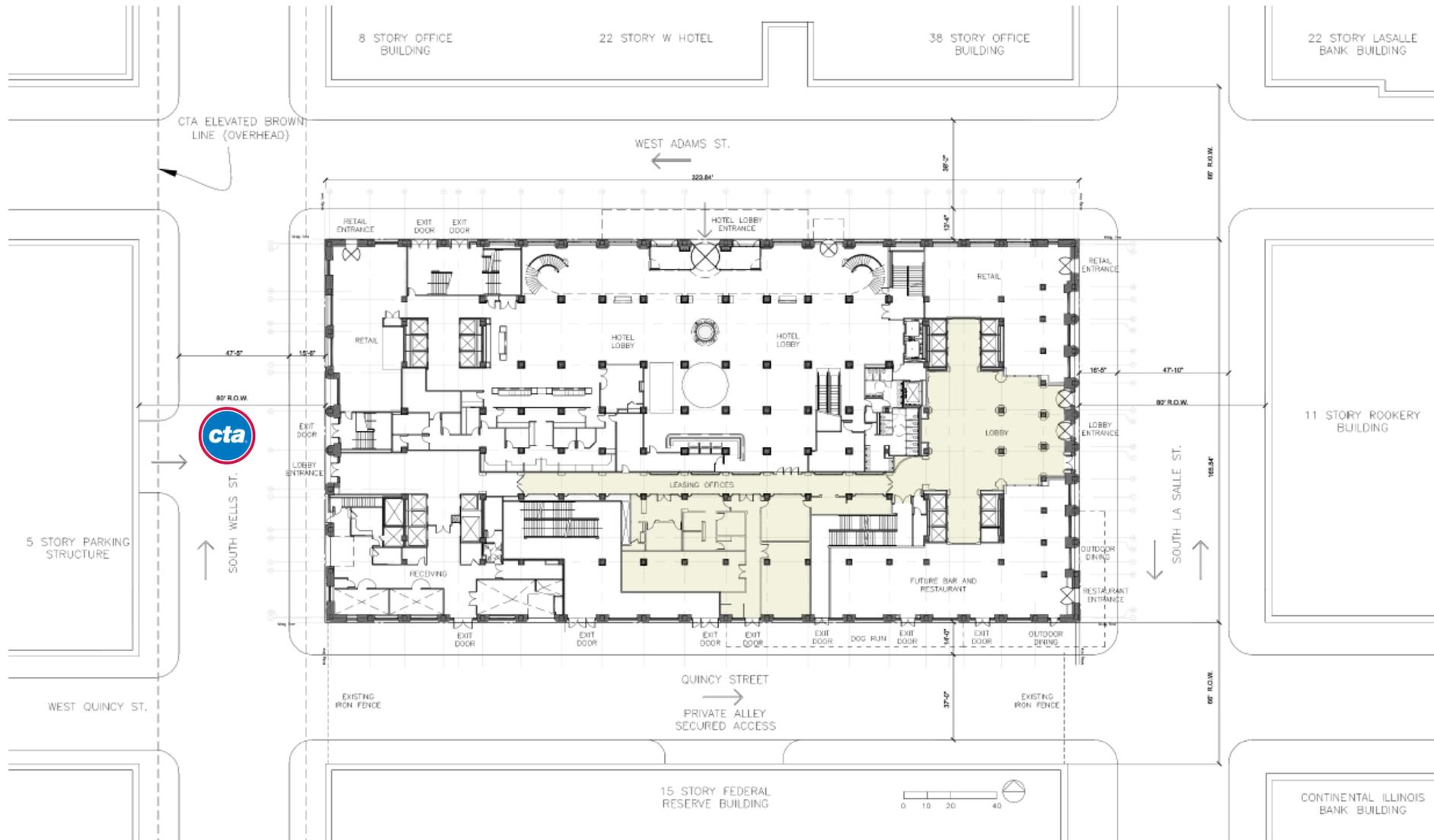


Stacking Plan of the Vertically Subdivided Entities within 208 South LaSalle.



Existing Entrance on LaSalle Street and Ground Floor Lobby for The LaSalle Residences (shared with existing hotel).

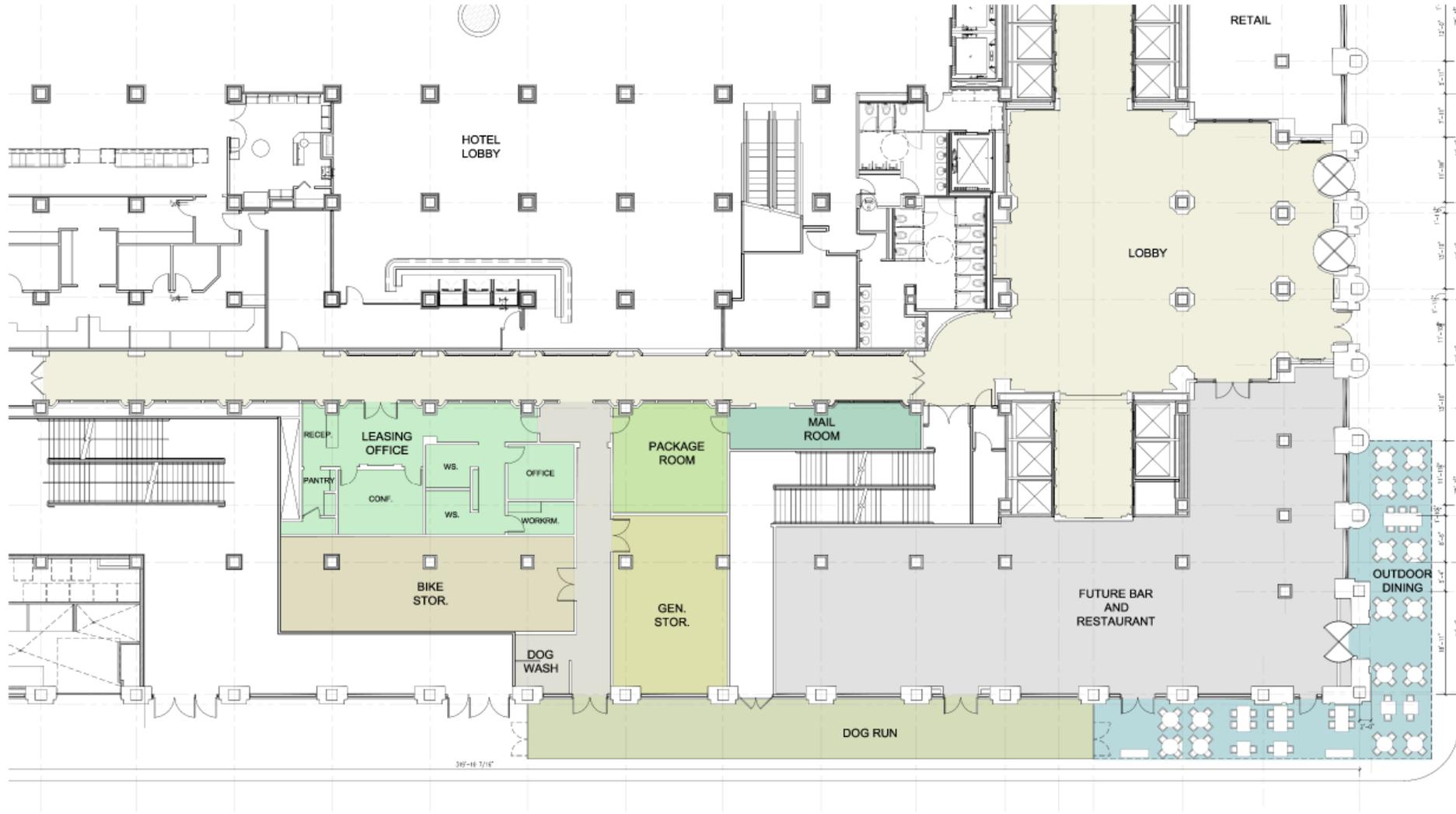
Examples of Interior Finishes and Design – Apartment Corridors & Units.



CONCEPT DESIGN STUDY
12.20.2022

SITE PLAN

© Lamar Johnson Collaborative 2022



GROUND FLOOR PLAN

CONCEPT DESIGN STUDY
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Unit Mix by Type:

The LaSalle Residences (the “Project”) consist of the adaptive reuse and conversion of approximately 222,500 square feet of historic office space located on the ground floor and floors 13 thru 17 into 280 upscale apartments.

The Project will include a 30% affordable housing allocation (84 units) with income limits based on an average 60% of AMI.

	<u>Quantity</u>	<u>Type</u>	<u>Avg. RSF/Unit</u>	<u>Total RSF</u>
	90	Studio (Type A)	400	36,000
	21	Studio (Type B)	450	9,450
	27	One Bed - Courtyard (Type C)	530	14,310
	73	One Bed (Type D)	580	42,340
	20	One Bed + Office (Type D)	625	12,500
	30	Two Bed (Type F)	900	27,000
	19	Two Bed (Type G)	1,242	23,600
Total Units	<u>280</u>		Total (SF)	<u>165,200</u>
Number of Floors:	<u>5</u>		Per Floor (SF)	<u>33,040</u>
Avg. Units Per Floor	<u>56</u>		SF/Unit (Avg.)	<u>590</u>

	<u>Total Units</u>	<u>%</u>	<u>Market Rate</u>	<u>Affordable Rate*</u>
Studio	111	39.6%	78	33
One Bedroom	120	42.9%	84	36
Two Bedroom	49	17.5%	34	15
	<u>280</u>	<u>100.0%</u>	<u>196</u>	<u>84</u>

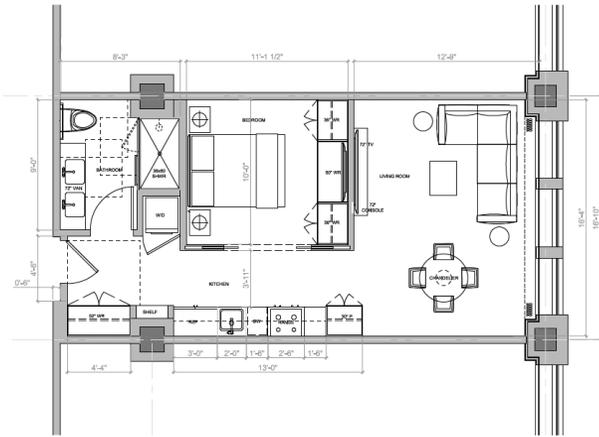
**Affordable units subject to 40-80% of AMI (weighted avg. of 60% of AMI)*



LEVEL 13 FLOOR PLAN

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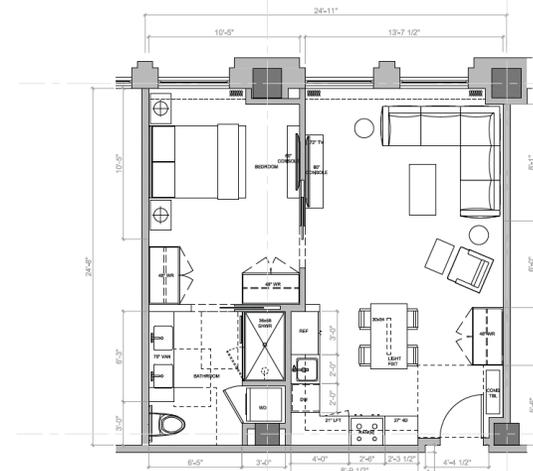
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TYPE C
1 BEDROOM
530 SF

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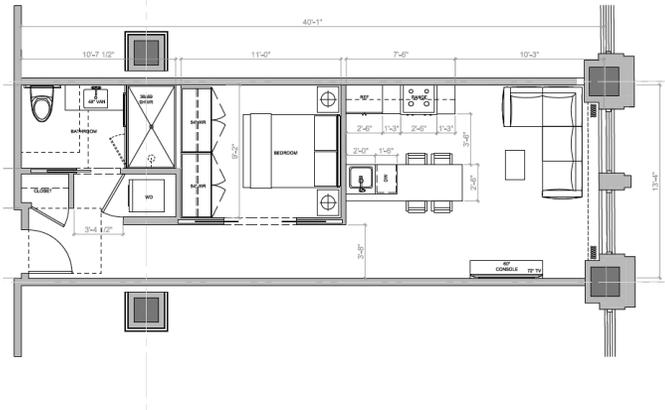
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TYPE D
1 BEDROOM
620 SF

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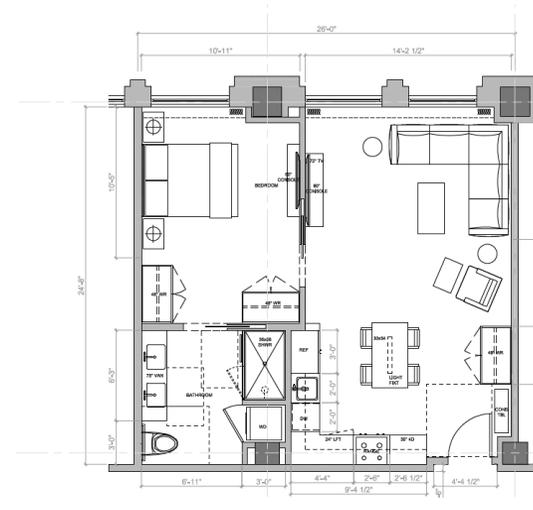
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TYPE D
1 BEDROOM
530 SF

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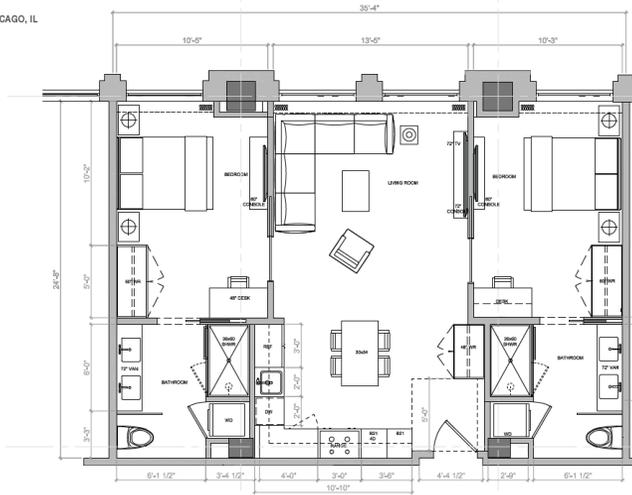


TYPE E
1 BEDROOM
645 SF

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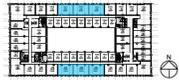
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THE LASALLE RESIDENCES | CHICAGO, IL



LJC¹

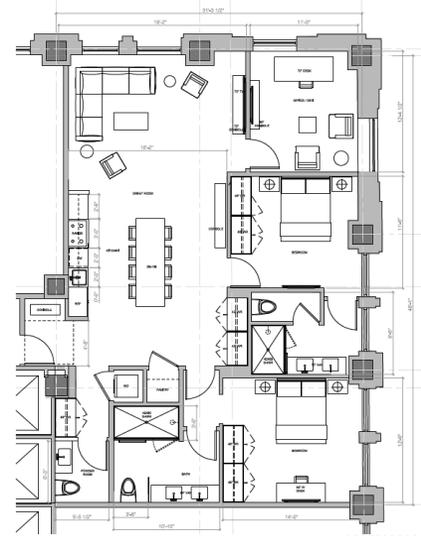
TYPE F
2 BEDROOM
900 SF



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THE LASALLE RESIDENCES | CHICAGO, IL



LJC¹

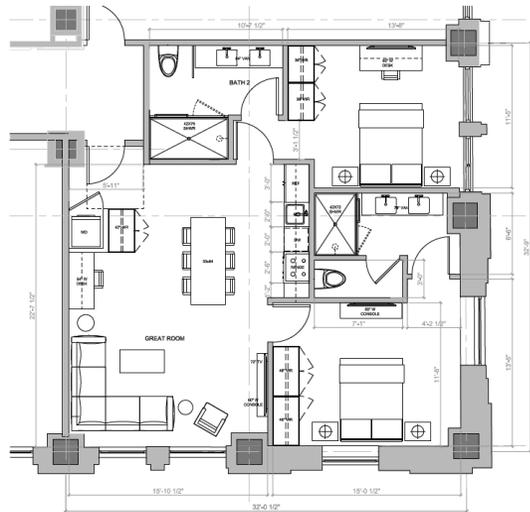
TYPE G
2 BEDROOM + DEN
1430 SF



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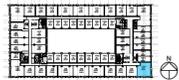
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THE LASALLE RESIDENCES | CHICAGO, IL



LJC¹

TYPE G
2 BEDROOM
990 SF



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THE LASALLE RESIDENCES | CHICAGO, IL



LJC¹

TYPE G
2 BEDROOM
1200 SF



CONCEPT DESIGN STUDY
12.20.2022

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Proposed Sources & Uses:

<u>I. Stacking Plan (SF)</u>	<u>Total SF</u>
Ground Floor Lobby, Mail, Storage & BOH	3,100
Ground Floor Retail	6,900
Floors 13-17: Apartments (5 floors @ 42,500 SF) (280 units)	212,500
Total	222,500
<u>II. Project Budget (000's)</u>	<u>Total</u>
Acquisition of Building	\$ 44,500,000
Demolition & Permits (212,500 GBA @ \$6.50)	1,380,000
Hard Costs (222,500 GBA @ \$265.00)	58,962,500
Hard Cost - Contingency	5,896,000
Construction Management Fees	600,000
Architectural & Engineering Fees	2,100,000
Other Consultants	200,000
Interior Design	400,000
Development Fee	3,250,000
Project Administration & Management	1,200,000
F&E Allowance	600,000
Retail Tenant Allowance (6,900 SF @ \$100/ SF)	690,000
Low Voltage & OSE	500,000
Legal Fees	500,000
Financing Fees & Costs	2,000,000
C.P. Interest Reserve	2,960,000
C.P. Insurance	300,000
C.P. Real Estate Taxes	500,000
Marketing & Models / Pre-Opening	1,200,000
General Contingency	2,261,500
Total Project Budget	\$ 130,000,000
<u>III. Capitalization</u>	
Tax-Exempt Housing Bonds	\$ 74,000,000
Low Income Housing Tax Credits	10,000,000
TIF Proceeds	33,000,000
Sponsor Equity	13,000,000
Total Capitalization	\$ 130,000,000
Total Budget Per Unit	\$ 464,286

Public Benefits

Preservation:

The continued historic preservation of the Building through adaptive reuse to high-demand multifamily apartment use.

Sustainability:

The Project includes the replacement of all MEP systems with modern energy efficient equipment, and the replacement of the existing single-pane windows with energy efficient insulated glass.

Economic Impact of Housing Creation:

The addition of housing units will support a diversified downtown economy. No longer a “9 to 5” district, the Loop will become a full-service neighborhood.

Job Creation:

The Project will create over 240 construction jobs, and at completion, over 220 on-going annual impact jobs.
(Gruen & Gruen Report, December 2022).

Equity and Inclusion:

The Proposer and its affiliates have a long and proven track record of diversity and inclusion in the development of its many projects over the last four decades. The Project will continue this commitment and will meet all city, state and federal diversity and inclusion requirements including the award of no less than 26% of all construction contracts to minority-owned business enterprises and not less than 6% to women-owned business enterprises.



Maintained Historic LaSalle Street Facade.



The LaSalle Residences