



President Preckwinkle to Advance Transformational Redevelopment of Old Cook County Hospital and Excess Real Estate

Finance Committee, then Board to consider team to lead mixed-use project

A private redevelopment agreement and land lease for Old Cook County Hospital and adjacent land will be presented to the Cook County Board of Commissioners April 13 and referred to the County Board's Finance Committee following conclusion of an extensive Request for Proposal (RFP) process.

Civic Health Development Group (CHDG) has been selected to redevelop Old County Hospital and set the stage for dramatic economic development in the medical campus and neighboring area. CHDG will invest approximately \$600M in the redevelopment and will pay at least \$2M in annual rent to the County over the term of the lease.

“This project creates and fosters true urban transformation in the heart of our County,” said President Preckwinkle. “New residential, retail, office and hotel construction will create a vibrant mixed-use community enhancing the adjacent Illinois Medical District and Chicago’s near West Side.”

Pursuant to the agreement, redevelopment and construction of the old building would begin in 2017. The Old Cook County Hospital’s unique beaux arts façade will be restored and preserved as part of the project.

Seven development teams were finalists in the RFP process, which included submittals from both international as well as local developers.

Principal equity team members of CHDG are:

- **MB Real Estate Services, Inc.** – Chicago-based commercial real estate firm which has successfully managed the development of numerous historic adaptive reuse projects, including the first-ever Hyatt Centric hotel, the award-winning Chicago Motor Club building rehabilitation and conversion to hotel, and the recently announced redevelopment of the Oriental Theater building.
- **Walsh Investors LLC** – The infrastructure investment arm of The Walsh Group. The Walsh Group is a Chicago-based general contracting, construction services, and design-build firm that has been performing work in the City of Chicago since 1898.
- **Plenary Group USA Ltd.** – A North American development and financing group with an established track record throughout North America and Australia.
- **Granite Companies, LLC** – A Chicago-based, African-American development and construction company.

Development of Old Cook County Hospital through a long-term land lease will allow the County to retain ownership of the land. This affords the development team the opportunity to restore the historic building and add amenities such as hotels, housing, retail, pocket parks and infrastructure. New conference, office, high-tech research facilities and parking will serve Illinois Medical District’s (IMD) stakeholders.

Three subsequent phases of development will add further mixed-use elements including residential and retail infill around the existing parking garage, and transform the land north of the historic building by framing and leveraging the façade of the old building.

“Seeing the old historic façade of the 1914 hospital building come alive again with housing hospitality and dining totally transforms the entire IMD and surrounding institutional and residential communities” said Commissioner Robert Steele, in whose district Old County Hospital is located.

“Landmarks Illinois has been advocating for the preservation of Old Cook County Hospital since 2001. We are ecstatic that the County’s leadership has found a viable means to save the historic building and at the same time inspire a transformational redevelopment for the city’s near West Side,” said Bonnie McDonald, President, Landmarks Illinois.”

The redevelopment project requires no capital investment or direct subsidy from the County. After review by the Board’s Finance Committee, the full Board may vote on the Redevelopment Agreement at its May 11 meeting.

Project construction will meet the County’s MBE/WBE, local hiring and prevailing wage requirements and/or goals. The project is expected to create more than two thousand temporary and permanent jobs. The team will work closely with the Chicago-Cook Workforce Partnership on outreach and training, with a focus on hiring within the community.

President Preckwinkle expressed her gratitude to the architects, community organizations and neighboring residents who participated in a charette called “Unlocking the Value”, which kicked off the redevelopment process in September 2014. Information obtained from the charette helped inform County officials and added to the quality of proposals submitted.

Redevelopment of the Old County Hospital is one component of an ambitious plan for County property on the Central campus. Two parallel RFP solicitations — one for a new clinical and professional building for the Cook County Health and Hospitals System and one for the market rate mixed-use project at Old County— were issued in November 2014 and January 2015 respectively.

When combined, the two developments will create a state-of-the-art medical campus adjacent to a vibrant, mixed-use community.