



7TH ANNUAL REAL ESTATE CHALLENGE

Pershing Road Development

OVERVIEW OF THE CHALLENGE

The Harold E. Eisenberg Foundation's Annual Real Estate Challenge matches teams from selected universities in a competition focusing on a high profile development/redevelopment project in the Chicago Metropolitan area. Each team is assigned the same Case Site and provided the same essential information and/or assumptions about the Property. The students' development plan must constitute a comprehensive analysis and conclusion of how to maximize the potential of the Property from both a quantitative (financial) and qualitative (feasibility) standpoint.

CHALLENGE PHILOSOPHY

The philosophy of the Challenge is in line with the Harold E. Eisenberg Foundation's mission to support real estate students through educational opportunities. In this hands-on learning experience, all participants emerge as winners. Each Challenge offers unique and valuable industry insight to the students and their respective schools. The spirit of the program is to provide professional exposure and a "real world" experience for the students.

CHALLENGE CASE SITE

The 2017 Challenge will focus on a parcel of City of Chicago and Imperial Realty Company-owned land that was formerly the home of the U.S. Sixth Army Headquarters and Quartermaster Depot and the headquarters of Chicago Public Schools, bordered by a train depot to the south, S. Western Blvd. to the west, S. Ashland Blvd. to the east, and W. Pershing Rd. to the north. The Challenge is composed of three buildings formerly home to the Chicago Public Schools headquarters, six buildings used for industrial space, a building used for City of Chicago Department of Streets and Sanitation, the W.F. Hall Self Storage facility, a historic clock tower, and a parking lot on the west side of the site.



The three CPS buildings are on the National Register of Historic Places and the clock tower within the Challenge Site may be repurposed, however the exterior façade must retain its original (restored) appearance. The adjacent National Latino Education Institute and Chicago Indoor Sports facilities are separately owned and are not included as a part of the Challenge Site

ADDITIONAL CONTEXT

Student development teams will submit their plans to purchase and redevelop an industrial site that was once among the busiest in the United States. As part of the preparation for future development, the City of Chicago has budgeted \$41 million towards upgrades to both Pershing Crossing and the supporting infrastructure, including the installation of dark fiber on a SONET Ring and a redeveloped streetscape with attractive new sidewalks and streetlights. ComEd has committed to providing tenants 20mW of power on day one of occupancy, and the building offers virtually unlimited capacity for additional distribution circuits at source substations. Students should assume that the site is environmentally clean and will require no further action in order to be buildable.

SITE HISTORY

The Central Manufacturing District served the City of Chicago and the United States as the epicenter of military innovation, materials and goods manufacturing, and economic growth for the majority of the 20th century. Once home to more than 250 large manufacturing companies in addition to the US Army, the bustling district declined with the development of Interstate-highway suburban industrial parks. As the earliest planned industrial district in the United States, the larger buildings in the site have exterior brick and masonry walls which are 12 inches thick as well as reinforced concrete floors which were designed to carry a minimum floor load of 300 lbs. per square foot.

CHALLENGE REQUEST FOR PROPOSAL

Each team acts as a separate development company responding to a Request for Proposal (“RFP”) from the City of Chicago and Imperial Realty Company to purchase the site and to redevelop it into a dynamic project. Proposals should outline a transformative development plan that would redevelop the District into a dynamic real estate project with the most optimal financial returns for the sellers. The City of Chicago and Imperial Realty Company are looking for teams to submit proposals that are both realistic but also metamorphic for the area in the years to come.

Submissions should present a detailed analysis incorporating a creative yet feasible financing plan, and should thoughtfully address scope, timeline, infrastructure considerations, connectivity to the neighborhood, operations/maintenance, impact and fringe benefits – among other factors. Submissions should consider both timing and phasing as it relates to the construction of the Challenge Site.

PARTICIPATING TEAMS

DePaul University
Marquette University

Roosevelt University
University of Illinois at Urbana-Champaign

University of Missouri
University of Notre Dame

INDUSTRY ADVISORS

Peter Borzak, Pine Tree
Peter Caruso, JLL
John Jaeger, CBRE
Jim Kurtzweil, Clark Street Real Estate
Steve Leonard, Strategic Real Estate Services
Ken Marino, Grobmar Real Estate Investments

Mike Marous, Marous Company
John Oharenko, Berkadia
Seamus O’Mahoney, Bank of America, Merrill Lynch
Patrik Modig, JLL
Nick Smith, Ernst & Young

JUDGES

Paul Fishbein, Partner, Merit Partners, LLC
Benet Haller, Principal Advisor, Urban Design & Planning at City of Chicago
Alfred Klairmont, President, Imperial Realty Company
David Neilson, Market President, Old Second National Bank