

MetraMarket Bags \$25 Million Construction Loan



Despite a difficult environment for accessing debt for commercial real estate projects, about \$25 million in construction financing has been secured for MetraMarket, a retail development in Chicago's West Loop.

U.S. Equities Realty, the project's Chicago-based developer, says that the 100,000-square-foot MetraMarket (pictured) will get under way sometime next month. Located within the Ogilvie Transportation Center complex--also known as Northwestern Station--the development will sport street-level shops and restaurants in two currently underutilized city blocks between Washington, Lake, Canal and Clinton streets. The development will be under the 16 rail lines of the station, which are elevated at that point.

Ogilvie is a major commuter rail hub connecting Downtown Chicago with the city's northern and northwestern suburbs, and about 105,000 people pass through the station every day, according to Metra, the transit authority that operates the fa-

cility. That figure represents an increase of over 10 percent from this time last year, a fact probably attributable to the recent spike in gas prices.

U.S. Equities arranged the construction loan through Eurohypo AG, a German bank, and has secured tax increment financing from the City of Chicago as well. Headquartered in Eschborn, Germany, Eurohypo specializes in real estate lending worldwide. In 2007, the company made new commercial real estate finance commitments of about 36.8 billion euros (\$54 billion).

"We've worked with Eurohypo over the years on other successful projects," Jim Whittington, executive vice president & managing director of finance and investment for U.S. Equities, told *CPN*. "That relationship was invaluable in the process of obtaining financing in this difficult market."

MetraMarket has been in limbo for most of this decade. Metra originally approved the development in the spring of 2001, but the post-Sept. 11 real estate slowdown put the project on long-term hold.

In a sense, however, the delay has made the development more attractive. Since U.S. Equities conceived the project, the area has experienced significant commercial and residential growth. "The neighborhood has always had great potential, but now it's much more fully realized than even a few years ago," said

Whittington.

Currently, more than 500,000 people work and over 41,000 people live within one mile of property, and more than a dozen office buildings are within walking distance--some of which were completed in the last seven years, as the West Loop experienced a real estate expansion in the mid-2000s. There are also more than 2,450 apartment units to the area, including the soon-to be completed K Station complex.

The first phase of MetraMarket, 66,000 square feet, is already more than 50 percent preleased, and Whittington reported that negotiations are well under way with additional tenants. The development's anchor will be the 15,000-square-foot French Market, which will feature both farmers and resellers selling produce, meat, fish, cheese and baked goods. Bensidoun USA, which is owned by Bensidoun, one of the largest operators of food markets in France, will operate the shop. Bensidoun has opened more than 80 similar concepts in and around Paris, plus 12 outdoor markets in the Chicago area and other markets elsewhere in North America.

The development will also feature a 14,000-square-foot CVS pharmacy, and coffee and sandwich purveyor Caffe RoM, which will occupy 2,900 square feet with access from both Canal Street and Metra's commuter concourse.