

Metra Embarks on Retail Project



Metra riders, your long wait for brie and aspirin is near an end.

Seven years after it was proposed, work will get under way soon on a project to transform a 100,000-square-foot concourse at Ogilvie Transportation Center into a mix of stores and restaurants.

The tenants scheduled to arrive at the West Loop train station next summer will be a gourmet food emporium called French Market, a CVS drug-store and Caffe RoM, an Italian-style coffee bar.

U.S. Equities Realty announced Thursday that it secured \$25 million in construction financing from German lender Eurohypo AG for the first phase of MetraMarket, to be located in the concourse under the tracks at the station at 500 W. Madison St.

When it was first conceived several years ago, the project was intended to attract commuters as well as the burgeoning West Loop population of

workers and residents. While the project languished, the area blossomed with office buildings, corporate headquarters and housing.

Since 2000, housing units in the neighborhood—bordered by Kinzie Street, the Chicago River, and the Kennedy and Eisenhower expressways—has grown from 4,035 units to 8,508 units that are expected to be completed by the end of 2009, according to Appraisal Research Counselors.

About 105,000 commuters pass through Ogilvie daily.

Jim Whittington, an executive vice president at U.S. Equities Realty, attributed the project's delay to the complicated nature of the agreements between several parties and to the 11/2 years it took to secure financing.

"We're in a time in our economy when the financial markets are tougher," he said.

Officials could not put a value on the first phase of MetraMarket, except to say that in addition to the \$25 million loan, the project includes \$12 million in tax increment financing from the city, with \$8 million for the first phase, and a long-term lease between Metra and U.S. Equities.

Separately, Metra, which began setting aside funds for the project in 2001, is

investing \$6 million in structural improvements to the space. It conservatively expects to receive \$30 million from rent and a percentage of sales over the next 25 years.

"Given the economy, it's understandable that, financially, the pieces hadn't come together as we'd hoped. But now it's a definite agreement," said Metra spokeswoman Judy Pardonnet. "It will definitely benefit us over many years to come. We need it, without a doubt."

The first tenants will fill about half of the rentable area in the first phase of the project, which runs from Washington Boulevard to Randolph Street.

U.S. Equities also has an agreement with Metra to develop the northern portion of the property, which runs between Randolph and Lake Streets, during the next 10 years. Otherwise, the parcel will revert to Metra.

French Market, the anchor tenant with 15,000 square feet, will sell fresh produce, meat, cheese and baked goods. It will be developed and managed by Bensidoun USA, an offshoot of a Paris-based food market that operates 12 outdoor seasonal markets in the Chicago area.

Potential tenants for the remaining space could include a fine restaurant and a newsstand.