

Hines plans office tower along river

Chicago has about 5 million square feet of new office space under construction, and that soon could be 6 million.

A 1 million-square-foot, \$400 million office tower is being planned that would overlook the Chicago River at 200 N. Riverside Plaza if Houston-based Hines Interests LP can find an anchor tenant.

"I'm confident the tower will attract a great company looking for a headquarters with a corporate campus, because it's a unique design at a large riverfront location near public transportation," Gregory Van Schaack, Hines senior vice president in charge of development in Chicago, said Tuesday.

"We believe that the Chicago River corridor is the prime spot for corporate Chicago because it has permanent water views, natural light and is now a 24/7 neighborhood, with other offices, hotels, restaurants and housing," Van Schaack said.

"Clearly, there's demand for a new generation of office towers since most of the 5 million square feet under construction is leased."

Hines hopes to develop the 50-story tower in a partnership with Chicago food-service entrepreneur Larry Levy.

Adjoining the curved-glass and metal-clad tower designed by Pickard Chilton Architects Inc. of New Haven, Conn., would be a 200-room hotel.

The complex would occupy an unusually large, 111,205-square-foot triangular site bordered by the river and Canal and Lake Streets. It would feature a 51,000-square-foot, landscaped public plaza that would cover Metra train tracks; a winter garden; and stairs that lead down to a river walkway.

If Hines can lease 350,000 square feet for rents in the range of \$45 to \$50 a square foot a year, it plans to start construction

early in 2009 and complete it in mid-2011. Likely tenants include law, accounting and investment banking firms, Van Schaack said.

The problems roiling the nation's tightening debt market won't affect the project because Hines has pension fund-backed partners that are able to finance projects with little or no debt.

"Our development funds have a lot of flexibility," he said.

Hines is building another office tower at 300 N. LaSalle St. that is about 75 percent leased. Last year, it sold a tower it developed at 1 South Dearborn St. for \$422 a square foot, a record price for the city.