

Kennedys, developer plan big Wolf Point project

(Crain's) – A joint venture including the Kennedy family and a Texas developer aims to transform a long-vacant riverside property just west of the Merchandise Mart into a massive hotel, residential and office project anchored by an 89-story skyscraper.

Wolf Point, site of planned development
Photo by Erik Unger

The development on the four-acre parcel known as Wolf Point would reshape the skyline along the Chicago River, creating a bookend to the 92-story tower Donald Trump is building farther east.

The project includes three high-rises containing 850 condominiums, 650 apartments, 350 hotel rooms and about 1 million square feet of office space, according to a person familiar with the plan.

Renowned architect Cesar Pelli has designed the project for the development venture, a group that includes the Kennedys, the property's longtime owners; Hines Interests L.P., a Houston-based

company known in Chicago for developing high-end office towers; and Habitat Co., a Chicago-based residential developer.

Jutting out into the river where its north and south branches meet, Wolf Point is a prime development site, promising spectacular views, a rare commodity in an increasingly crowded downtown. The property's only big drawback is its poor access, with Orleans Street, a one-way, northbound thoroughfare, offering the only way to get on and off the property.

Though the Kennedys sold the Merchandise Mart and neighboring Apparel Center in 1998, they retained ownership of Wolf Point, teaming up later with Chicago-based Jones Lang LaSalle Inc. on a proposed 3-million-square-foot mixed-use complex on the site. Yet that plan, which included the Mart's owner, New York-based Vornado Realty Trust, never came to fruition.

The current proposal would include an 89-story tower on the southern tip of Wolf Point with 400 condominium units, 650

apartments and about 350 hotel rooms, according to the person familiar with the plan. A roughly 40-story office building with 1 million square feet of office space would rise on the east end of the site, and a 56-story, 450-unit condo high-rise would stand on the west end, the person says.

A spokeswoman for Christopher Kennedy, president of Merchandise Mart Properties Inc., the Vornado unit that runs the Mart, declines to comment. Mr. Kennedy, the son of the late Robert Kennedy, also represents the family's interests here, which dates to the 1940s, when his grandfather Joe Kennedy bought the Merchandise Mart.

Habitat CEO Valerie Jarrett referred questions to Mr. Kennedy. A Hines executive referred a call to Mr. Kennedy.

The joint venture faces a slumping condo market and apartment, hotel and office sectors that are on the path to being overbuilt. But with planning in the preliminary stages, it's likely that construction wouldn't start for a few years, when market conditions could be different.