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## Reinsdorf-led firm plans apartments near United Center

By Micah Maidenberg  December 26, 2012

A Northbrook apartment investor that recently started pushing into development has zeroed in on a site for its second rental project, this time not far from the United Center on the Near West Side.

Michigan Avenue Real Estate Group, whose partners include Chicago Bulls and White Sox owner Jerry Reinsdorf, wants to construct a four-story, 52-apartment building on an empty lot at 1615 W. Warren Blvd., according to zoning documents a company venture filed last month with the city. The property is about four blocks east of the **United Center**, which Mr. Reinsdorf also co-owns.

Michigan Avenue's project on the Near West Side is something of a pioneering move, as big stretches of the neighborhood remain dominated by parking lots serving the nearby stadium. The area hasn't attracted the same level of retail as West Loop, though a Pete's Fresh Market-anchored shopping center at Western and Madison avenues broke ground earlier this year.

Northbrook-based Brinshore Development LLC is the only firm that has built new, market-rate rentals in the area in recent years, said Brinshore Principal Richard Sciortino, building 78 units so far. The construction was part of the Chicago Housing Authority's **transformation effort**.

Mr. Sciortino said Michigan Avenue should be able to attract renters working in the medical district and employees of Loop-based companies who could commute on the Green Line. The Ashland el stop is three blocks north of the Warren Boulevard site.

"There's definitely plenty of demand to serve that number of units," according to Mr. Sciortino, who said his apartments are 97 percent occupied.

Yet rental rates in buildings west of Ashland Avenue are about 10 percent lower than they are in the core of the West Loop, said David Rutenberg, a principal at Chicago-based Marc Realty Residential LLC, which is leasing out several **ex-condominium buildings** on the Near West Side.

"Everyone knows Ashland is the cutoff of the West Loop," he said. "Will it ever get to Damen? That is the question."

Ald. Walter Burnett (27th) said area residents were supportive of the project at a recent community meeting because it would rid the neighborhood of a vacant lot.

Michigan Avenue hopes to charge \$1,400 for a one-bedroom rental, and \$2,200 for a two-bedroom unit, he said.

Messages left with a Michigan Avenue executive were not returned. Mr. Reinsdorf, Thomas Meador and Robert Judelson, who worked together at Balcor Co. in the 1980s, **founded the firm in 2009** after the housing bust to buy distressed condo projects.

Michigan Avenue made a move into development this summer, seeking permission from the city to build an **81-unit** apartment project at Madison and Aberdeen streets in the West Loop.

A Michigan Avenue affiliate recently spent \$3.5 million to buy the parcels for the West Loop development, financing the acquisition with two loans totaling more than \$5.5 million, county records show

Ronald Mensching, vice president for business services for National University of Health Services in Lombard, which owns Michigan Avenue's prospective development site on the Near West Side, confirmed the half-acre property is under contract. He declined to disclose the price. The lot has been empty since 2011, he said.

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