

# Pritzker family financing plan to convert Evergreen Park golf course

By: Eddie Baeb December 13, 2010



A local developer with backing from the billionaire Pritzker family has bought a 95-acre golf course in south suburban Evergreen Park with plans to build a grocery store-anchored shopping center there that would be about half the size of a regional mall.

The acquisition by little-known Sterling Bay Cos. is by far the biggest land purchase for retail development since the onset of the recession, commercial real estate observers say. The roughly 400,000-square-foot project would be the largest retail development since 2008.

Yet the deal comes at a time when scant demand from retailers has driven rents down and pushed up the number of empty storefronts.

"There's not a lot of new development being proposed," says Wendell Hollan Jr., an Oak Brook-based first vice-president at real estate firm CB Richard Ellis Inc. who specializes in retail properties. "It's going to be challenging."

The deal also marks a resolution to a battle that's raged for more than a decade between the village and Anna May "Babe" Ahern, the 103-year-old who owns and still operates the Evergreen Country Club, which borders Chicago along Western Avenue at 91st Street.

Last year, Ms. Ahern prevailed in a lawsuit challenging the village's attempt to force the sale of the property for \$5 million. A Cook County jury found that the village should have to pay \$25 million, the amount a developer offered in 1999 before the village scuttled the deal by denying a zoning change.

Ms. Ahern, a legendary South Sider known for her fiery demeanor and stories of rubbing shoulders with gangsters, says in a statement e-mailed to *Crain's* that she is "happy" because the sale allows her to re-open the course next spring. Ms. Ahern has run the course, which her family opened around 1920, her entire adult life.

"This is my inheritance," Ms. Ahern told the *Chicago Tribune* after her legal victory over the village last year. "I know every blade of grass by its first name."

Under the sale agreement, which closed last month, Sterling Bay paid \$7.5 million, which sources say is an initial payment. The company financed the purchase in part with a \$5.2-million loan from Pritzker Realty Group LLC.

A spokeswoman for Pritzker Realty referred calls to the developer.

## UNIQUE PROPERTY

Sterling Bay Principal Scott Goodman says he's had his eye on the golf course for years and began working on a development there last spring. He confirms that he has had talks with Milwaukee-based grocer Roundy's Supermarkets Inc. and Grand Rapids, Mich.-based Meijer Inc., which is opening grocery stores in Chicago suburbs.

"We think it's a very unique piece of property that doesn't come available very often," Mr. Goodman says. "It's already a mature market that the retailers understand."

The plan is to build as much as 400,000 square feet of retail space, bigger than the 280,000-square-foot Block 37 vertical mall in downtown Chicago, which opened late last year.

The Sterling Bay project would be the largest retail development built in the Chicago area since 2008, when the 600,000-square-foot Arboretum of South Barrington opened.

On the golf course land, the retail development is slated for the eastern half, while the western portion, away from Western Avenue, would remain open space, Mr. Goodman says.

That would likely appease concerns of Evergreen Park residents, who objected to the density of the 1999 plan. The village wanted to buy the property so that it could remain green space, Mayor James Sexton says.

"This, at least from what (Sterling Bay) is talking about, is a much less intrusive development," Mr. Sexton says. "We'll take it through the process and see what happens from there."

Chicago-based Sterling Bay's proposal would seem like a blow to the Plaza, a long-struggling regional mall at 95th Street and Western Avenue. The Plaza's ownership is in default on its loan and is looking to "de-mall" the property by attracting tenants like those targeted by Sterling Bay.

"I think this is going to be a very tough sled for" Sterling Bay, says Bruce Provo, one of the Plaza's owners. "I'm not overly concerned because of what a Herculean task I see it as in this environment."