

Public Comment
On
Proposed Bridge Industrial Development
May 10, 2023 – May 11, 2023

Daniel Nakahara, AICP

From: Jennifer Goldstone <jgoldstone@hgslegal.com>
Sent: Wednesday, May 10, 2023 5:23 PM
To: Daniel Nakahara, AICP
Subject: Fwd: Offices touted for apartments

[EXTERNAL EMAIL]

Hi Dan- this was sent to just me and should be sent to all the commissioners. Thank you

Jennifer LaMell Goldstone, Esq.
Horwitch Goldstone & Shaw LLC
Telephone: 773-315-3039

Sent from my iPhone

Begin forwarded message:

From: "Howard S. Dakoff" <hdakoff@lplegal.com>
Date: May 10, 2023 at 2:39:01 PM CDT
To: jgoldstone@hgslegal.com
Subject: Offices touted for apartments

Jen:

The best repurposing of large office parcels is multi family apartments... See today's Crain's.... Skokie doing it right.... (obviously smaller Parcel than Baxter, but still instructive).

Related, I presume you read the other day in Crain's the article that Naperville is not supportive of industrial repurpose of office buildings parcel ...

May 10, 2023 09:18 AM UPDATED AN HOUR AGO

Offices near Old Orchard touted as apartment redevelopment

DANNY ECKER





CoStar Group

Old Orchard Towers.

As the owner of Westfield Old Orchard plans hundreds of apartments to breathe new life into the shopping mall, the owner of an office complex down the street is playing up its property as an even bigger residential redevelopment project that could bring as many as 597 new apartments to Skokie.

Chicago-based real estate firm Zeller has hired brokers from Cushman & Wakefield to sell the Old Orchard Towers office property at 5202 Old Orchard Road in the northern suburb, according to a marketing flyer. There is no asking price listed for the 10-acre site, which the flyer says includes a 355,195-square-foot office complex that is 65% leased to 15 tenants.

But marketing materials make it clear that Zeller sees no future for the building as offices. Instead of framing it as an opportunity for a buyer to bring in new tenants, it is actively trying to empty out the property, the flyer said, amid decimated demand for workspace following the COVID-19 pandemic. That move, in theory, would allow a buyer to demolish the building to make way for what could be a big apartment complex along the west side of the Edens Expressway.

"Ownership is working to deliver an unencumbered asset as of the end of 2024 and investors are asked to underwrite accordingly," the flyer said, suggesting two potential redevelopments of the site into a pair of apartment buildings. One concept shows a 597-unit plan including a 20-story building, while the other includes buildings rising 12 and 14 stories that would have a total of 543 units.

The marketing effort highlights the depressed state of the suburban office market while remote work bludgeons landlords. Outdated suburban office buildings today have little chance of being revived for their traditional office use, so many are being framed as opportunities for developers to turn them into something else. Other large office properties and campuses that are now vacant or underutilized are poised to be razed in favor of industrial warehouses, single-family homes or other residential uses with rosier outlooks as the public health crisis wanes.

Zeller is also taking a cue from Old Orchard mall, where owner Unibail-Rodamco-Westfield [plans to build](#) a 300-plus unit apartment complex on the mall's campus to bring in new foot traffic after the closure of its Bloomingdale's and Lord & Taylor anchor department stores. Suburban apartment rents [rose to a record high](#) last year as a strong local job market fueled demand for apartments.

Against that backdrop, Zeller is wagering it will have a better chance to attract buyers for Old Orchard Towers if it can clear a path for one to redevelop it. But it's unclear whether it will even be able to hold onto the property much longer. A \$59.6 million mortgage that a Zeller venture took out against the property in 2018 is slated to mature next month, according to Cook County property records. With limited revenue in place, the building is likely worth far less than the balance of the loan today.

The Zeller venture [paid \\$64 million](#) for the building in 2007 and most recently refinanced it with the 2018 loan, which was packaged with other loans and sold off to investors, making some of the building's financial information publicly available.

Bottom of Form

A May 2022 DBRS Morningstar report on the loan said Old Orchard Towers was on track to generate \$2.6 million in net operating income last year, which would cover only 63% of Zeller's annual debt service. National Louis University was the largest tenant in the building until its lease for nearly 88,000 square feet expired in July 2021, according to the report. Health care consultancy Sg2 leases nearly as much space through the end of 2024, the report said, but the company recently moved out as part of a [consolidation of offices](#) by its parent company at the Old Post Office downtown.

AERIAL VIEW FROM NORTHWEST



Spokesmen for Zeller and Ares Commercial Real Estate Management, which is overseeing the loan on behalf of investors, declined to comment.

Working in Zeller's favor in the sales effort is that the village of Skokie is on board with the Old Orchard Towers property being transformed into a residential complex. That could help buyers clear a major hurdle, as major redevelopments of outdated office properties in other suburbs have drawn mixed reactions from municipalities and their residents. Some shun the idea of large new residential projects, fearing they will overstress local schools and services like police, fire, water and sanitation.

But Skokie Community Development Director Johanna Nyden said in a statement that the suburb "welcomes the opportunity to bring new residents to Skokie's Old Orchard Corridor, one of the region's top shopping and dining destinations with convenient access to downtown Chicago and the North Shore. Redeveloping Old Orchard Towers for residential use complements Westfield's plans to add thousands of square feet of mixed-use residential and medical office space at nearby Old Orchard shopping center, adding momentum to the exciting economic development occurring in our village."

The Old Orchard Towers sales effort comes as another local real estate firm looks to turn a property just south of the office complex into apartments. Chicago-based Trilogy Real Estate Group owns more than 60% of the 277 units in the [Optima Old Orchard condo complex](#) just south of Old Orchard Road and wants to buy the rest to convert the building into rental units. That

effort, which has faced some opposition from vocal residents in the building, also got more difficult recently when Skokie raised the share of units a buyer would need to acquire to complete a bulk purchase of the property.

Old Orchard Towers was completed in 1981 as the headquarters of drugmaker G.D. Searle, which at the time was led by CEO Donald Rumsfeld after his first tour as U.S. secretary of defense. Pfizer, which acquired Searle in 2003, sold the office complex the next year for \$16 million to real estate investors that poured money into renovations and leasing efforts and eventually sold it to Zeller when the property was 75% leased.



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From: Crain's Real Estate Report <crainschicago@e.crainalerts.com>
Sent: Wednesday, May 10, 2023 1:02 PM
To: Howard S. Dakoff <hdakoff@lplegal.com>
Subject: Offices touted for apartments | Big-box glut shrinks | Lincoln Yards

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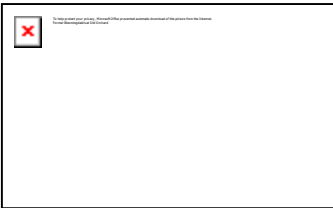
Chicago Real Estate Daily

Wednesday, May 10, 2023



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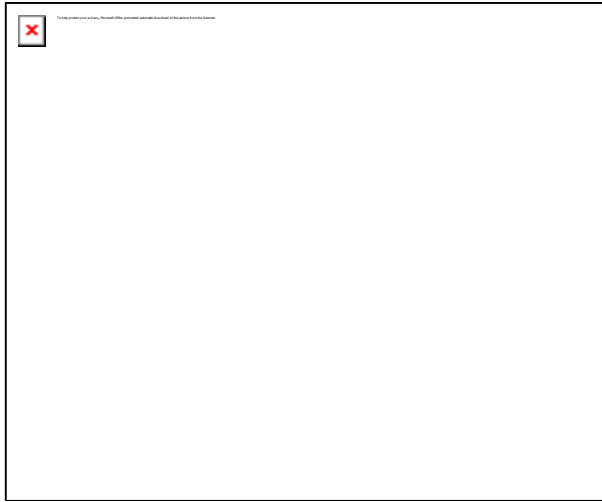
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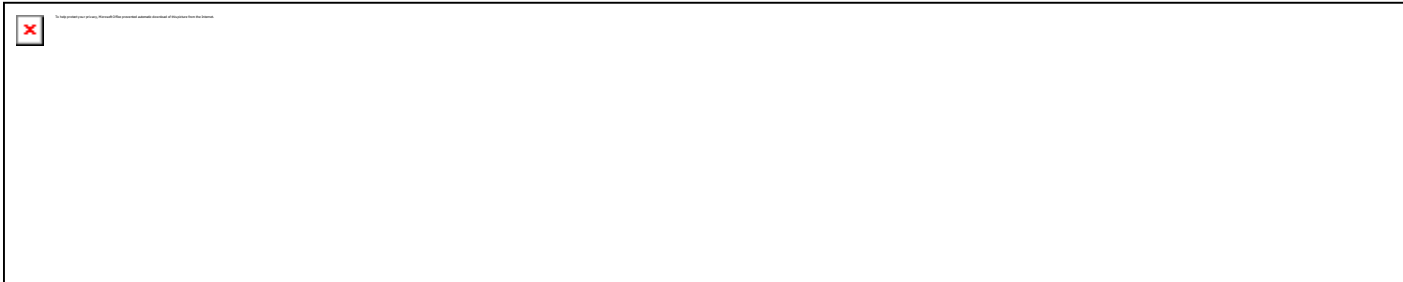
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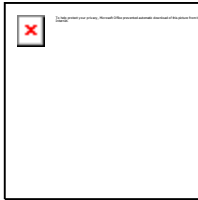
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Daniel Nakahara, AICP

From: Rabbi Shmuel Notik <rabbishmuelnotik@gmail.com>
Sent: Wednesday, May 10, 2023 3:54 PM
To: Plan Commission Comment
Cc: Daniel Nakahara, AICP
Subject: [PUBLIC COMMENT] Please Reschedule May 25th Hearing

[EXTERNAL EMAIL]

Dear Honorable Members of the Deerfield Planning Commission,

I turn to you today regarding the public hearing set to take place before the commission on Thursday, May 25th.

As the property owner at 20550 Saunders Road, directly facing the Baxter site, I came to the public hearing on April 27th in order to share my thoughts regarding the Bridge Industrial proposal and how it would impact my family and our use of the property. As it turned out, the meeting could not go forward due to capacity issues and was therefore rescheduled and broken down into two parts, on May 11th and May 25th respectively.

I greatly appreciate and commend your commission's commitment to ensuring that everyone who wishes to attend or comment will be able to do so, and I am thus very appreciative of all the efforts being made, including the rescheduling and moving to a larger venue.

However, I understand that there will be no comments by the public on May 11th, only on May 25th. That very same evening, May 25th, is actually the onset of the Jewish holiday of Shavuot. As an observant Jew, this precludes me from participating in the hearing. I therefore respectfully request that this hearing be rescheduled to another date.

Furthermore, as a practicing Rabbi in the neighborhood, I know that there are many other Jewish residents of Deerfield who would like to celebrate this holiday and the May 25th date is therefore problematic for them as well. And the same obviously applies to many Jewish residents of the other towns near the Baxter site. It would thus be most appropriate to reschedule the hearing to a date that would not interfere with anyone's religious practices or preferences.

Thanking you for your consideration,
Rabbi Shmuel Notik

Daniel Nakahara, AICP

From: Kathryn Romanelli <kmr512@comcast.net>
Sent: Wednesday, May 10, 2023 5:38 PM
To: Plan Commission Comment
Cc: Daniel Nakahara, AICP
Subject: [PUBLIC COMMENT] Opposition to the Baxter/Bridge peoposal

[EXTERNAL EMAIL]

I am writing this email to emphatically state that I am opposed to the Baxter/Bridges proposal for the Baxter property. Industrial complexes like this should never be built so close to a large residential community. You know all the reasons as well as I do. This is a terrible idea!!!

Kathryn Romanelli
2314 Glen Eagles Lane
Riverwoods

From: **Brittany Andersen** <brittanylandersen@gmail.com>

Date: Wed, Apr 19, 2023 at 6:03 PM

Subject: Oppose redevelopment plan of the Baxter property to a large distribution/logistics company

To: <plancommissioncomment@deerfield.il.us>

Hello,

We are Deerfield residents and strongly oppose the proposed plan for a large distribution company with hundreds of trucks a day to be zoned for the former Baxter property. One of the reasons we moved to and value living in Deerfield is for cleaner air and safety which would be greatly reduced with such a large increase in the number of trucks per day in our town.

Brittany and Adam Andersen

Daniel Nakahara, AICP

From: Heather Mintz <heather.l.mintz@gmail.com>
Sent: Thursday, May 11, 2023 10:26 AM
To: Plan Commission Comment
Cc: Daniel Nakahara, AICP
Subject: [PUBLIC COMMENT] Re: Baxter International Redevelopment

[EXTERNAL EMAIL]

Good morning,

I want to express my disappointment about the timing and location of tonight's meeting. Selecting DHS as the location at the same time as other school functions will highly limit parking and those of us who do not live close and have small children will be unable to attend. It feels purposeful to depress turnout and it is extremely disappointing that the Village would proceed this way. There are so many people in this community who oppose this rezoning and industrial development, but your choice of date, time, and venue with no overflow parking options will skew attendance and you will not see the full force of opposition, which is not fair to the community at large.

Thank you,
Heather Mintz
1022 Central Ave

On Mon, Apr 24, 2023 at 11:03 AM Heather Mintz <heather.l.mintz@gmail.com> wrote:

Good morning,

I am a resident of Deerfield (1022 Central Ave) and I would like to express my deep reservations about the proposed Bridge International redevelopment of the Baxter site. We are a small village and this proposed development would not add anything of value for the families who have chosen to build our lives and community here. The development will significantly add to traffic and pollution and will make Deerfield substantially less attractive to the young families who have chosen our town as home in the recent years. The possible addition of hundreds of trucks that would use roads in residential areas where our children walk and play is a scary and awful thought. Additionally, we already have a huge issue with trucks getting stuck under the Deerfield Road overpass - this will absolutely compound this problem with extra truck traffic in close proximity.

There are so many better, more resident-friendly ideas for what this area could be developed into. We have SO few nice, sit-down restaurant options for dinner in Deerfield and no cocktail or sports bars-- it would be amazing to have some options added so we don't have to leave our village to patronize high end choices for drinks and dining. I also know that most families leave Deerfield for things like gymnastics, dance lessons, swim lessons, etc - a complex that has offerings for young kids and families.

We are a wonderfully family-friendly, environmentally-friendly community right now - this proposed development would go against everything we love about Deerfield. Please do not allow this to go forward. There are so many other options that would benefit, not hurt, our community.

Thank you for your consideration,
Heather Mintz
440-781-2619

Daniel Nakahara, AICP

From: JOHN PELTS <jpelts@aol.com>
Sent: Thursday, May 11, 2023 9:11 AM
To: Plan Commission Comment
Cc: Elissa Pelts; Daniel Nakahara, AICP
Subject: [PUBLIC COMMENT] Baxter

[EXTERNAL EMAIL]

Our names are John and Elissa Pelts. We live at 164 Oakmont Dr in Deerfield. I overheard someone saying that he knows a Baxter person with a high up position and that they purposely made their traffic studies on days they knew there would be little to no traffic. We are very much against this proposal.

Kind Regards,

John

Sent from my iPhone

Daniel Nakahara, AICP

From: Courtney Resnick <courtney.n.gray@gmail.com>
Sent: Thursday, May 11, 2023 9:58 AM
To: Plan Commission Comment
Cc: Daniel Nakahara, AICP
Subject: [PUBLIC COMMENT] Baxter/Bridge Proposal

[EXTERNAL EMAIL]

To the Deerfield Plan Commission,

My name is Courtney Resnick and I am a resident of Riverwoods. We have three children, one will be at Carouso next year and two at Wilmot. We have lived in Riverwoods since 2014. We love the quiet setting but tremendously value the larger Deerfield community and it's amenities. The two villages are tied together as classmates and neighbors.

Our family is very much concerned about the proposed Baxter/Bridge development but also hopeful as the village has the opportunity to prevent an inappropriate business from entering due to the required zoning change. Villages often cannot control who and what sets up shop except in cases such as this.

Changing the zoning to heavy industrial use very much goes against the feel of our communities as well as having broader health and traffic issues. Although the location falls on the west side of the interstate and not directly adjacent to Deerfield residents it will primarily impact Deerfield residents as traffic will exponentially increase on Lake Cook Rd east of I-294. Trucks will be directed to take 41 when approaching from the north. As such, all of the pollution and traffic noises will directly negatively impact Deerfield residents north of Lake Cook Rd between 41 and 294. This is of course in addition to the businesses along this corridor who did not sign on to work along a high use truck route.

I am very excited about the potential rezoning proposed for the Walgreen campus to residential and entertainment with the hopes of making Deerfield a destination like Wheeling and Buffalo Grove. After reading comments from some of the previous Commission meetings, I understand that there were some concerns about how the increased traffic and entertainment may have a negative impact on the neighborhoods across Lake Cook Road. I'm not sure why the same consideration is not being made for the heavy truck traffic that will be coming through there if the Baxter/Bridge project is approved.

The Baxter/Bridge rezoning also directly impacts and is completely contradictory to the proposed rezoning plan for the Walgreens campus. Promoting the former Walgreens space as an outdoor village center, similar to what Wheeling has accomplished and what Buffalo Grove is working on, is a wonderful and exciting opportunity but who is going to want to eat outside or be at an outdoor space with hundreds of semi trucks zipping by on a newly created suburban interstate?

Further with all of the increased traffic on Lake Cook Road, specifically during rush-hour times, residents of Deerfield and Highland Park that commute on I-294 are going to need to find less busy options. Deerfield Road will become a traffic jam and cars will be speeding through the neighborhoods north of Lake Cook Rd trying to avoid the truck traffic.

A tremendous responsibility falls within the hands of every plan commission as one decision can reshape an entire community. I hope that due conversation, consideration and research goes into this proposed zoning change so that this planning commission's legacy is one of positive growth. We all want Deerfield to be a destination community for residents, commercial and entertainment businesses. Does heavy industrial use align with that?

Thank you for your consideration.
Courtney Resnick

Daniel Nakahara, AICP

From: Harry Steindler <hsteindler@michaelsilver.com>
Sent: Thursday, May 11, 2023 1:33 PM
To: Plan Commission Comment
Cc: Daniel Nakahara, AICP
Subject: [PUBLIC COMMENT] Comment on Baxter / Bridge situation

[EXTERNAL EMAIL]

Someone asked me how I would vote on the proposed development. Certainly I would like to hear the petitioner's case and questions and responses from everyone involved, including the community. I do think though that I would look at our current Comprehensive Plan and respond that Bridge's planned warehouse / trucking development does not fit our plan and I would suggest that for many factors the Village needs to look at all alternatives for the property. In fact, I think we should seek to work with Baxter to see what kinds of alternative buyers or other alternative uses of the land might be. I think that next step should include marketing and promotion of Deerfield, meeting with leasing agents and developers and citizen groups to find out what we can do to bring a development to his property that would be a true win for the people and other businesses in Deerfield as well as our neighbors in Riverwoods – other office developments, Thorngate residents, Center for Enriched Living, etc.

Baxter leaving opens a wonderful opportunity to make our community even better than it is. Accepting the first offer that comes along, especially one that has met with such universal distain (and doesn't fit our Comprehensive Plan makes no sense. Finally, allowing the development of 1.5 million sq feet of warehouse / trucking space will likely have an adverse effect on future development or movement in that area. Will this development negatively effect a possible sale of the Horizon Therapeutics property if and when that becomes a reality? Will it affect leasing in the Parkway North office community? It will certainly effect Thorngate owners and their ability to get market value for their homes. Will it effect house sales or the desirability of Clavinia? Especially homes on We-Go Court / Forsythia?

There are a mess of considerations here and I think the overriding one is that this development, rightfully doesn't fit our master plan. That, in and of itself, would lead me to vote no.

Thanks for listening and for all the work you do.

Harry

Harry Steindler, CPA

Partner

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