



Amalgamated Bank of Chicago sells State street headquarters to Tishman Realty and AXA Real Estate

March 26, 2015

Amalgamated Bank of Chicago has sold its long-standing headquarters building at 100-112 S. State Street to a joint-venture between Tishman Realty Corporation and AXA Real Estate, on behalf of one of its clients, for \$35 million. The bank will lease back the space until early September, when it plans to move to newly built-out headquarters at 30 N. LaSalle Street. At that time, Tishman and AXA Real Estate will pursue a complete repositioning of the two separate buildings by converting them into a premier retail space that will meet the requirements of potential premium retail tenants.

The sale encompasses approximately 80,600 square feet in two adjacent buildings built in the early 1900s. The bank currently occupies all of the space except for a 4,600-square-foot Men's Wearhouse store at 112 S. State. The buildings are located in the heart of Chicago's Loop, which is one of the city's principal downtown shopping neighborhoods. The 100 S. State building consists of six floors, including a lower level, a ground-floor retail banking lobby and offices above. The 112 S. State building – formerly the ornate Orpheum Theatre – features a large ground-floor space with high ceilings and three levels above that. After 43 years at this location, the bank placed the property on the market in October of 2014 and began receiving offers in November.

"We are very pleased with the sale," said Robert M. Wrobel, Chairman and CEO of Amalgamated Bank of Chicago. "State Street has served us very well for many years, but it was time to find a new home in the heart of the financial district. The move will provide us with a more contemporary and efficient use of space that will allow us to even better serve our customers."

"We are excited to take control of this truly special property as part of Tishman's enhanced presence in Chicago," said David Rothenberg, President of Tishman Realty Corporation. "There is no other spot along this iconic shopping corridor that offers this kind of retail and branding opportunity for tenants. Our two properties are surrounded by offices, residences, hotels and a large student population, plus the Red Line is directly in front of the building, making this the ideal location for any retailer."

As part of its strategy of sourcing value-add investment opportunities for its clients, Tishman Realty, together with AXA Real Estate, will execute a major redevelopment project to create 73,700 sq. ft. (c.6,847 sqm) of new retail and office space at this prime location in central Chicago. The buildings at 100 and 112 S. State Street will provide the unique opportunity for a 50,000 sq. ft. built-to-suit flagship tenant that cannot be duplicated elsewhere on State Street. Alternatively, there is the potential to create a multi-tenant opportunity with two ground-floor tenants of 4,300 sq. ft. and a third 4,600 sq. ft. tenant with internal access to 28,000 sq. ft. on floors two and three. The two buildings combine for 120 feet of frontage on State Street and 116.6 feet of frontage on Monroe providing an incomparable branding opportunity for façade design and merchandising.

This transaction falls within AXA Real Estate's value-add investment strategy and demonstrates the team's expertise in sourcing and executing transactions that offer substantial value enhancement opportunities.

"At 100-112 S. State Street, we have identified an opportunity, through a number of asset management initiatives, to add value to a well-located retail asset in one of Chicago's leading shopping destinations. This project also allows us to build upon our successful relationship with Tishman and is a good example of our strategy of penetrating new geographies by partnering with market-leading local firms," said Steve McCarthy, U.S. Head of Asset Management & Transactions at AXA Real Estate. "The successful execution of this transaction extends the breadth of AXA Real Estate's activities in the U.S., allowing us to demonstrate our expertise in both raising and investing capital in this market, in addition to utilizing our expert asset management capabilities, as we continue to grow our global operations."

With 185 downtown employees, the bank will open a retail banking center on the ground floor of 30 N. LaSalle, with corporate offices on the 37th and 38th floor, for a total of about 60,000 square feet. Amalgamated also has a branch in west suburban Warrenville, which will not be affected by the sale or the move.

Cushman & Wakefield represented the bank for both the sale of the State Street property and the lease on LaSalle Street. Paul Bryant from Mid-America Real Estate Corp. will represent Ownership as the listing broker for the retail space.