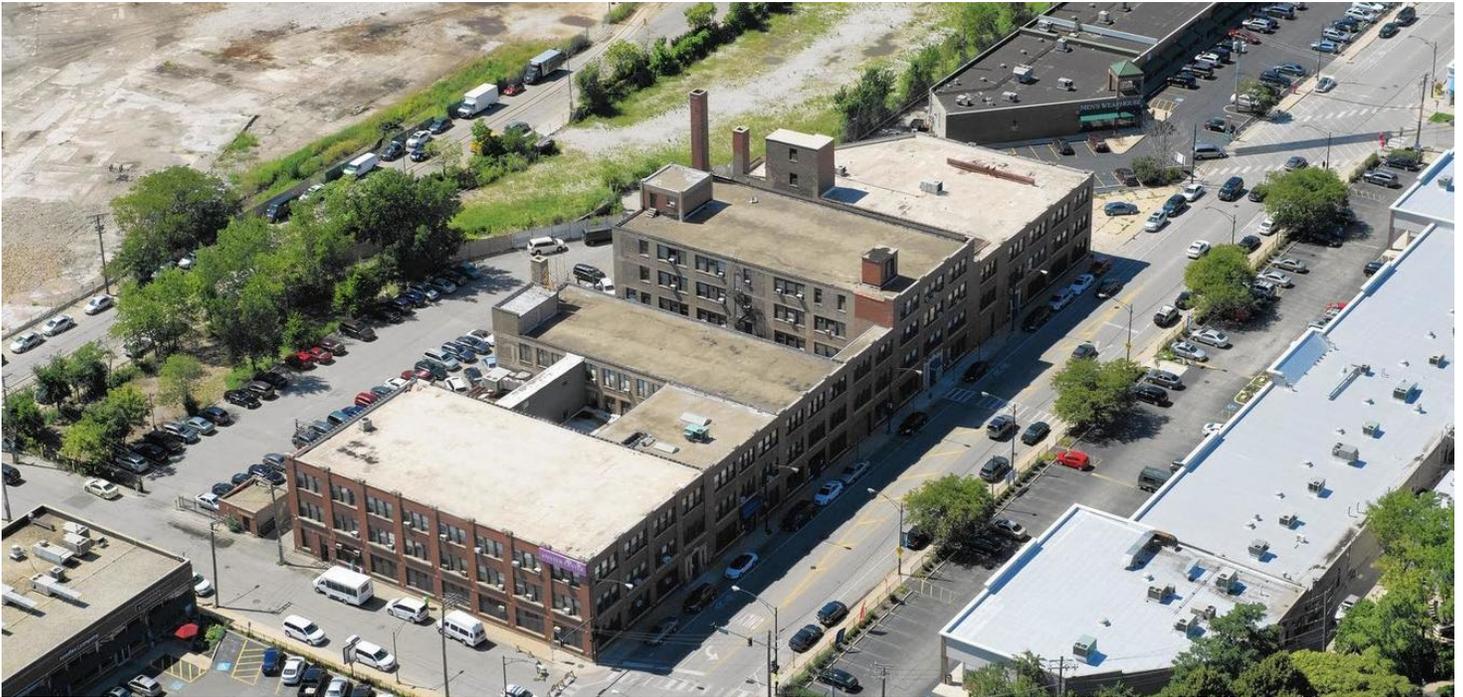


## Boosted by zoning changes, Anixter Center selling Clybourn buildings



By Ryan Ori | Contact Reporter



*The Anixter Center has a deal to sell one Clybourn Avenue building, and on July 19, 2017, it put this larger building across the street, at 2032 N. Clybourn, on the market. The buildings are just east of the former A. Finkl & Sons steel plant, where a multibillion-dollar mixed-use project is planned. (Jay Rubinic/Rubicin Photography)*

A nearly century-old nonprofit organization has agreed to sell one Clybourn Avenue building to a developer while putting a larger structure across the street up for sale in deals that could bring in well over \$20 million combined.

The properties owned by Anixter Center, which serves people with disabilities, could help set the bar on property values in a 3.7-mile stretch of longtime industrial properties along the Chicago River where the city is in the final stages of approving zoning changes to allow previously forbidden uses such as residential development. The North Side buildings are within the 760-acre North Branch Industrial Corridor and happen to be alongside the largest property that's planned for redevelopment: the former A. Finkl & Sons steel plant. Developer Sterling Bay is planning a multibillion-dollar mixed-use development of more than 40 acres once used by Finkl and adjacent businesses along the river.

"There's been so much interest focused on Finkl Steel, so you're next to the prettiest girl at the dance," broker Tom Kirschbraun, a managing director at Jones Lang LaSalle, said of the Anixter buildings. Kirschbraun and fellow JLL brokers Daniel Reynolds and Lindsey Fahey are representing Anixter Center in the two deals. After putting a four-story, 27,000-square-foot office building at 2001 N. Clybourn Ave. up for sale last year, Anixter Center has a contract to sell it to Chicago developer R2, said R2 Managing Principal Matt Garrison. He and Kirschbraun declined to say the price, which is believed to be more than \$3 million.

Meanwhile, JLL on Wednesday began marketing the 154,000-square-foot building at 2032 N. Clybourn Ave. for sale on Anixter's behalf. That property, made up of several three- and four-story brick buildings that were later connected, could sell for more than \$20 million, Kirschbraun said. The sales will help fund social services Anixter provides to 8,000 people, mostly on the North Side and in Skokie and

Evansville, said Teresa Garate, the organization's president and CEO. Anixter would, for example, like to add more housing for homeless, mentally ill and developmentally disabled clients, Garate said. Workers in the smaller Clybourn building will move across the street and to a building on Clark Street in Rogers Park that Anixter owns, she said. Once both buildings on Clybourn have sold, workers could move to other buildings Anixter owns and to yet-to-be-identified space it will lease, Garate said. The 97-year-old nonprofit has about 400 full- and part-time workers, she said. Garate said much of the Clybourn space is unused at a time when property values are expected to rise because of the zoning changes. "Now is the time to do it and see what the market can bear," she said.

***"It seems as if values are beginning to rise. What you're seeing is a positive response by the market to the pending ordinance codifying the (zoning) changes."***

R2, which owns about 500,000 square feet of loft office space and 15 acres of development sites in the Clybourn Corridor and across the river on Goose Island, plans to upgrade the 2001 N. Clybourn building and lease the space to new office tenants. Since 2032 N. Clybourn is one of the first deals to hit the market amid the city's zoning changes, and because buyers are likely to seek city approval for new uses, the property could be a test case for future deals.

"I think it makes both (of Anixter's) properties more valuable," said Mike Drew, a principal at Structured Development, a longtime real estate investor in the area that previously attempted to buy the larger Anixter building. "It seems as if values are beginning to rise. What you're seeing is a positive response by the market to the pending ordinance codifying the (zoning) changes."