

As Work Space, Old Post Offices Have a Timeless Allure

Square Feet

By MICAH MAIDENBERG FEB. 13, 2018



The Old Chicago Main Post Office has sat vacant since 1997, but is finally being redeveloped into an office building. Credit Whitten Sabbatini for The New York Times

The Postal Service moved out of its longtime main post office in downtown Chicago in 1997, but ideas for remaking the Art Deco behemoth never gained traction. The huge building sat vacant, a far cry from the time when workers could sort up to 35 million letters a day there and residents posted mail in its elegant lobby, an airy space with stone floors and decorative panels.

Now, the real estate firm 601W Companies is taking a crack at reviving it. With a \$500 million construction loan in hand, 601W is transforming a place once known for catalogs and stamps into a 2.8-million-square-foot office building called, simply enough, the Post Office.

The project is one of several major postal building redevelopments in the works around the country, including in New York and Houston. With their central locations and warehouse areas that can be converted into new uses, older postal facilities are seen as tantalizing candidates for transformation.

“Truly unique post-industrial space can’t be replicated, especially in great locations,” said Matt Garrison, a managing principal at R2 Companies, a Chicago real estate company that bought a 1.1-million-square-foot postal distribution center in downtown Milwaukee from an investor in 2015. “It’s very finite in supply. That’s what makes the spaces special and unique — you can’t fabricate it.” R2 plans to redevelop the property in Milwaukee primarily as an office building, though the Postal Service is still using it.

Penn Station: A Place That Once Made Travelers Feel Important JAN. 3, 2015 In Chicago, 601W bought the old postal structure in May 2016 from a British investor. Since then, workers have been replacing windows, hauling away debris and preparing to install new building systems inside.

The redevelopment will turn former mail-processing areas into uncommon

office spaces, taking advantage of expansive spaces with 19-foot-high ceilings, said Brian Whiting, president of Telos Group, a Chicago brokerage firm looking for tenants to fill the building. The biggest floor space stretches 285,000 square feet.

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“It’s very simple,” Mr. Whiting said. “We’re building a building to attract a younger work force that is calling for more open, collaborative, neighborhood-feeling space.”

Amenities will include a “Gatsby-esque” lounge, a big gym and a quiet working area modeled after a university library. The former lobby will serve as the main entrance for office workers.

The scale of the property, about three city blocks long, will allow for “environments that smaller buildings can’t possibly do,” Mr. Whiting added. “It literally allows us to create an entire neighborhood in the building, or multiple neighborhoods in the building to give people that work community they’re really looking for.”

Two developers, the Related Companies and Vornado Realty Trust, are making a similar bet on the James A. Farley Building in Manhattan, a building completed in 1913 that features a facade with Corinthian-style columns along one side. Across Eighth Avenue from Pennsylvania Station, the property will be turned into a train hall named after Senator Daniel P. Moynihan, who died in 2003.

Amtrak and the Long Island Rail Road will use the rail capacity that Skanska, the Swedish construction contractor, has been constructing at the site. Vornado and Related will focus on about 588,000 square feet in the building’s second through fifth floors and on bringing in new tenants to retail areas on the first and concourse levels. The Postal Service will retain offices on the third floor.

The prospect of converting the upper-floor mail-processing areas into offices made the Farley property stand out, said Andrew Rosen, a senior vice president at Related. Such spaces are rare in New York, he said, but in demand from technology, media and other companies.

“It’s two full city blocks. It’s up to 200,000 square feet on a floor and a really open space with great light” and transportation links, Mr. Rosen said. “You end up with something that’s very unique.”

Lovett Commercial, a developer in Houston, plans to turn the former Barbara Jordan Post Office near that city’s downtown into a commercial hub as well. Lovett acquired the property, built in 1962 in the Brutalist style, from the Postal Service in 2015.

The building is “sort of a relic of Houston’s golden age,” said Kirby Liu, director