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# Massive life sciences building planned for Fulton Market

**The 500,000-square-foot project stands to add to an emerging cluster of lab buildings in the trendy former meatpacking district.**

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*A rendering of the proposed life sciences building at 400 N. Elizabeth Street.*

Veteran Chicago developer Mark Goodman wants to build a massive life sciences lab building along the western edge of the Fulton Market District, a project that could boost an emerging cluster of properties for pharmaceutical and biotechnology research in the trendy former meatpacking corridor.

In one of the most ambitious proposals to date for a new life sciences development in the city, Goodman this week presented plans to a West Loop neighborhood group committee for a 19-story, 500,000-square-foot lab and office building at 400 N. Elizabeth St., a spokeswoman for the firm confirmed in a statement.

Goodman is expected to file a zoning application in the weeks ahead for the project, adding him to the short list of developers making big bets on Chicago as a burgeoning destination for early-stage life sciences companies. Biotech and pharmaceutical startups born at local universities have historically relocated to more mature life sciences markets with more high-quality lab buildings when they grow. But developers have avoided adding more life sciences-specific buildings because they are far more expensive than other commercial buildings and difficult to repurpose when tenants move out.

That has started to change over the past two years, especially in Fulton Market, where Dallas-based developer Trammell Crow is building a 425,000-square-foot lab space building two blocks east of Goodman's proposed site and is converting much of an office building at 1375 W. Fulton Market into lab space. Now Goodman aims to add to that inventory with the neighborhood's biggest life sciences project yet.

"We've assembled a 'dream team' of experts, from environmental specialists to geotechnical and structural engineers to electrical and traffic consultants, to ensure we design and deliver a best-in-class facility that propels Chicago to the forefront as a top-tier life sciences hub," Goodman said in the statement. "Endowed with a technical workforce, skilled scientists, top-notch research hospitals and universities, infrastructure and capital for high-tech start-ups and a vibrant urban locale, the city already has the essential elements to attract life sciences investment and this building completes the offering, giving Chicago a competitive edge over coastal life sciences hub cities, such as Boston and San Francisco."

Why biotech is a bright spot on Chicago's real estate scene now

If he wins community and City Council approval for a project slated to cost \$218 million to build, Goodman would pay \$30 million for the Elizabeth Street property from a venture of Chicago-based Peppercorn Capital, according to Cook County property records and an offering memorandum from brokerage CBRE obtained by Crain's. Goodman's venture is seeking at least \$82 million in equity financing for the project, which would take 18 months to complete once construction begins, according to the memo.

Peppercorn, which is led by prolific West Loop landlord Phil Denny, bought the property for \$7.1 million in 2014, property records show. The 62,000-square-foot site today has a 36,000-square-foot brick building that previously housed a Lakeshore Beverage distribution facility. Denny declined to comment.

A Goodman spokeswoman said the project is slated to be developed on speculation, or without tenants signed, and that "there are discussions underway with various parties" to line up construction financing.

Working in Goodman's favor in seeking financial support for the project is that Trammell Crow has had early success luring pharmaceutical companies to its Fulton Market lab buildings. Chicago-based injectable drug maker Xeris Pharmaceuticals last year leased space at 1375 W. Fulton, where it is relocating its research and development team from San Diego. Life sciences startup incubator Portal Innovations cut a ceremonial ribbon today on a new space it has opened at the 14-story building, where Mayor Lori Lightfoot was on hand to mark the occasion.

"Chicago is on the map and growing as a life sciences innovation hub and center," Lightfoot said at the event.

A 2020 CBRE analysis found that bioscience companies midway through last year were seeking 658,000 square feet of lab space in the Chicago area, up from 175,000 square feet 18 months before. Venture capital investment in U.S. life sciences companies during the 12 months ended June 30 was \$17.8 billion, an all-time record for any year-long stretch, according to CBRE.

Designed by architecture firm Solomon Cordwell Buenz, Goodman's proposed building sandwiched between Metra rails at the northwest corner of Elizabeth and Kinzie streets would include three levels of concealed parking with more than 200 spaces, according to the CBRE document. It would also be adjacent to a location that Chicago Department of

Transportation officials and other Fulton Market developers have eyed for years for a potential new Metra station that would serve the rapidly-changing western end of the gritty-turned trendy neighborhood.

Developer Sterling Bay—which is planning to break ground this summer on its own life sciences lab building at Lincoln Yards along the North Branch of the Chicago River—has helped lead the push for a new Metra station near Goodman's site. Sterling Bay is pursuing plans to redevelop the former Archer Daniels Midland wheat mill at 1300 W. Carroll Ave., immediately south of the tracks from Goodman's proposed building.

The Elizabeth Street project wouldn't be Goodman's first in Fulton Market. He purchased an AmeriGas propane fueling and tank exchange station at 310 N. Sangamon St. in 2018 and later partnered with New York developer Tishman Speyer to redevelop the site with a 13-story, 270,000-square-foot office building that was finished earlier this year without any tenants announced.

Goodman, who launched his namesake real estate firm in 1978, is known locally for his redevelopment of the office building at 550 W. Jackson Blvd. in the early 2000s. The company has also invested in or owned other large downtown properties, including buildings at 181 W. Madison St. and 225 W. Washington St., according to its website.