

Hard Rock to open downtown hotel in '03

Carbide-Carbon Building set for \$86 mil. conversion

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The landmark Carbide and Carbon Building at 230 N. Michigan, an Art Deco showpiece that fell on hard times, will undergo an \$86 million conversion into a Hard Rock Hotel, developers said Monday.

They said the project is a certainty despite dim short-term prospects for the downtown hotel market. A consultant for the lodging industry, Ted Mandigo, said travel cutbacks have shaved 15 percent from most hotels' per-room revenues here, and recovery might be two or three years away.

But if that scenario holds, the Hard Rock Hotel would open just when the market is headed up. Due for completion in mid-2003, the project's investors include Hard Rock Cafe International Inc. and Chicago-based Mark IV Realty.

There are three Hard Rock Hotels, but this would be the first in a downtown setting. Company executives said they're expanding the brand beyond the restaurant and nightclub business, which includes the Hard Rock Cafe at 63 W. Ontario.

Jim Biggar, senior director of Hard Rock Hotels and Resorts, said rock 'n' roll themes and contemporary styling will be worked into the property, but that the design of the 72-year-old building will be respected. Without adequate renovations, Carbide and Carbon suffered as a marginal office property for the last 20 years.

It's been surrounded by scaffolding for months, causing speculation that financing for the redevelopment had fallen through. Prospective hotel operators, including the Radisson chain, backed away from the property because of high costs that included restoration of its dark green and gold terra cotta.

Biggar said the financing was worked out last spring. Other sources said the investors worked in the meantime to find the equity. U.S. Bank leads a bank group that's providing \$49 million in financing, and the city is offering \$11.1 million in property-tax abatements and incentives, leaving about \$26 million as the investors' portion.

"We have very strong confidence in the city of Chicago and its hotel market," Biggar said. "This is a really great location. We believe in the development in and around that area."

Biggar said the project involves demolishing a small building immediately south of 230 N. Michigan. Replacing it will be a four-story extension of the hotel, with space for a restaurant, bar and a ballroom.

He said he expects room rates to hit \$190 a night. Hotel con-



AL PODGORSKI/SUN-TIMES

The gold leaf on the exterior of the Carbide and Carbon Building adds some glitter to the building's dark features.

Designed by Burnham's sons

Architectural legend holds that the Carbide and Carbon Building was designed to resemble a champagne bottle.

It's a unique presence on the skyline, with dark features contrasting with the grayer eminences of other buildings of the same period.

The 40-story building was designed by sons of city planner Daniel Burnham, Daniel and Hubert. It is characterized by a

polished granite base and intricate bronzework in its lobby.

The building has been a city landmark since 1996. It was a grand location for a corporate office, but the building boom of the 1980s created an abundance of space more attractive to modern businesses. It's been empty for the last few years as developers began shoring up its terra cotta while working on plans to convert it to a boutique hotel.

sultants said the Hard Rock will compete with such music-themed establishments as the House of Blues Hotel and the Hotel Allegro. The House of Blues Hotel is part of the revamped commercial space of Marina City, another project of Mark IV Realty.

City Planning Commissioner Alicia Berg said the subsidies will help the developer restore the facade. She said the Hard Rock will be the first hotel to be built on North Michigan Avenue south of

the Chicago River in 40 years.

The renovation is supervised by Chicago's leading architect, Lucien Lagrange, noted for his design of the Park Hyatt at 800 N. Michigan and for other exclusive high-rises.

Mandigo, president of the Elmhurst-based consulting firm T.R. Mandigo & Co., said the Hard Rock's proximity to two hotels that draw large conventions, the Sheraton Chicago and Hyatt Regency, means it could get overflow bookings.