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CONTACT: Cathy Kwiatkowski, CMS
Cathy.Kwiatkowski@illinois.gov

**Governor Pritzker Announces Executed Agreement for the Sale of the
James R. Thompson Center (JRTC)**

State of Illinois advances the sale of the property to JRTC Holdings, LLC

CHICAGO – Governor JB Pritzker and the Illinois Department of Central Management Services (CMS) announced today that the sale of the James R. Thompson Center at 100 West Randolph Street has reached another major milestone by executing the Purchase and Sale Agreement with JRTC Holdings, LLC.

“I’m pleased to announce that we have finalized a purchase sales agreement for the James R. Thompson Center, not only saving taxpayers \$800 million but also adding vitality to Chicago’s LaSalle Street corridor by honoring the original design through a modern lens,” **said Governor JB Pritzker.**

In December 2021, the State announced the selection of JRTC Holdings, LLC as purchaser of the building, following the competitive Request for Proposal process. As part of this public-private partnership structure, the State will receive a \$70 million up-front payment for the purchase of the property while retaining approximately 425,000 sq ft of newly renovated, Class-A office space. The Purchase and Sale Agreement, executed in advance of the legislative deadline outlined in SB 886 (Public Act 100-1184), establishes the terms and conditions for the transfer of the property. The financial closing and transfer of title on the property is anticipated to be completed in the summer of 2022. The State and the purchaser are working together to finalize the floor plans and interior design to be occupied by the State.

The execution of the Purchase and Sale Agreement is a significant milestone and represents our commitment to renovate and reposition this iconic building into one of the premier Class A office buildings in the city with the latest building systems and technologies to promote the health, wellness, and comfort of its occupants,” **said Michael W. Reschke, owner of JRTC Holdings LLC, the buyer, and Chairman & CEO of the Prime Group, Inc.** “Our investment will anchor and support the Loop’s continued economic revitalization and will boost the much-anticipated renaissance of the LaSalle Street corridor.”

CMS continues to realign the State’s real estate portfolio to maximize space utilization in state-owned and leased properties. The effort to identify efficiency improvements, space consolidation and the cost avoidance, including avoiding the backlog of required JRTC capital improvements, will result in over \$800 million in taxpayer savings.

“The sale of the operationally and financially inefficient JRTC has been talked about for nearly two decades,” **said Director of CMS Janel L. Forde.** “This project demonstrates how innovative approaches can attract private investment and result in partnerships that provide substantial financial benefit to the State and its taxpayers.”

Two determining factors in the State’s decision to sell the JRTC were the prolonged deferred maintenance backlog as well as high operating expenses. The estimated cost to bring the JRTC into a state of good repair currently exceeds \$325 million, and is projected to increase to over \$525 million, if not addressed by 2026. Additionally, the State is paying more than \$17 million annually due to the building’s operational inefficiencies. Under the Purchase and Sale Agreement, JRTC Holdings, LLC will replace the building envelope and mechanical systems and make the necessary interior repairs to transform the building to a multi-tenant, mixed-use Class A office building.

“The State of Illinois secured attractive office space while reducing its footprint by nearly 650,000 square feet and annual operating expenses by over \$10 million through creative procurement strategies and negotiation,” **said Chief Operating Officer of CMS and JRTC Project Executive Ayse Kalaycioglu.** “The State’s effort to optimize its portfolio will result in more than \$800 million savings as well as office space better suited for modern government.”

According to JRTC Holdings, LLC, the JRTC renovation is expected to begin later this year following the financial closing and take approximately two years to complete. The scope of work will include replacement of the exterior curtain wall with new, energy-efficient glass, enclosure of the office floors from the atrium with a new glass partition, private lobby and a dedicated secure entrance for the State offices, replacement or upgrades to the building systems including the heating, ventilation, and air conditioning, and full renovation of the State’s offices on floors 4 through 9.

A portion of the State workforce will remain in the JRTC and the State will also relocate operations there from the terminated Loop leases into temporary occupancy floors. JRTC Holdings, LLC and the State are developing plans to ensure continuity of State and retail operations during construction. The proposed renovations will not require any shutdown to Chicago Transit Authority operations. The developer has also committed to a minimum of 26% Minority and 6% Women Business Enterprise contract participation and developing an internship program with the general contractor.

About JRTC Holdings, LLC:

JRTC Holdings, LLC is owned and controlled by Michael W. Reschke. Since 1982, Mr. Reschke has served as Chairman, Chief Executive Officer or Managing Partner of various affiliated entities that developed over \$12 billion of real estate projects across the United States. Under the leadership of Mr. Reschke, The Prime Group, Inc. became one of the pre-eminent real estate development companies in the country achieving repeated recognition for its dedication to world-class architecture, innovation, and state-of-the-art technology in its developments. Past projects including 77 W. Wacker, 180 N. LaSalle, Citadel Center, IBM Plaza, and 33 W. Monroe demonstrates their commitment to, and knowledge of, the Chicago real estate market including the Central Business District (CBD). The proposed team includes Jahn Architecture and Clark Construction to modernize and renovate the existing structure into a high-quality office building that places a premium on the JRTC’s location and access to public transportation.

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