

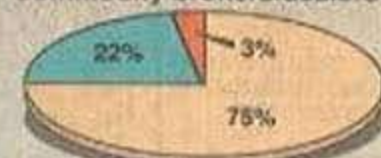
October 23, 1989

Growing influence of Wacker Drive

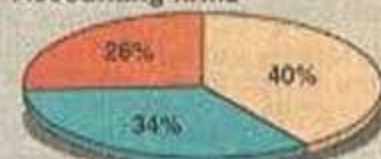
In percent of offices downtown

Wacker Drive
LaSalle Street
Michigan Avenue

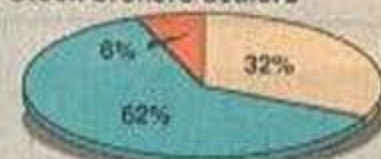
Commodity brokers/dealers



Accounting firms

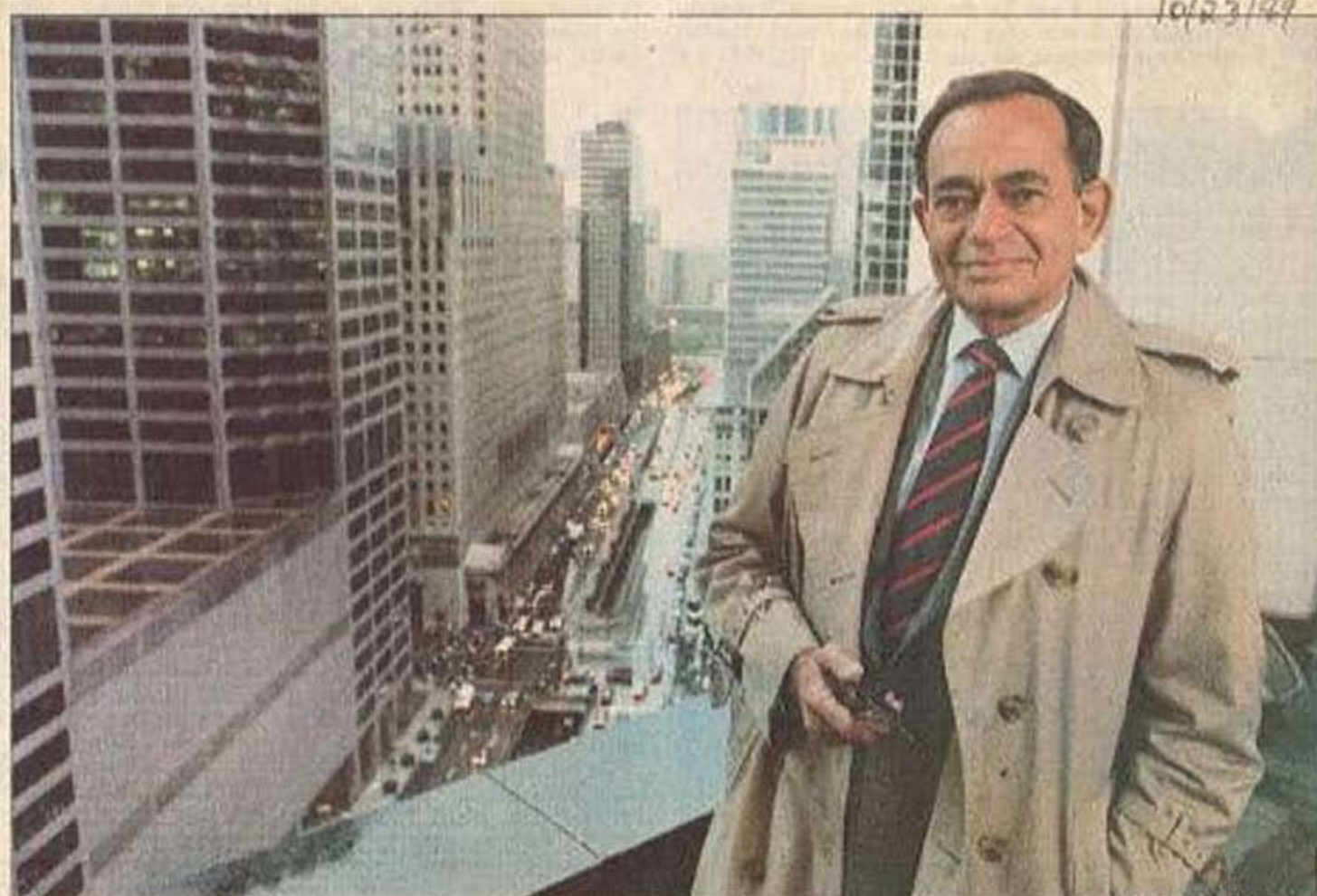


Stock brokers/dealers



New construction

In percent of total since 1980

Chicago Tribune Graphics
Source: Grubb & Ellis

Leo Melamed, special counsel to the Chicago Mercantile Exchange, at the Merc's twin towers on Wacker Drive.

Wacker Drive becoming city's new LaSalle Street

By Stanley Ziembra

Wacker Drive, the expansive boulevard of modern office towers that follows the Chicago River downtown, is gradually replacing LaSalle Street as Chicago's main financial drag.

Wacker, which has emerged since 1980 as the city's premier location for office construction, is home to more commodity brokerages and accounting firms than is LaSalle Street.

Also, the L-shaped thoroughfare is second only to LaSalle Street in the number of banks, stock brokerages and stock and commodity support firms.

"There's no question that Wacker Drive is emerging as the premier location for the city's growing financial industry," said Marvin Sotoloff, executive vice president of the Palmer Group Ltd., a Chicago-based real estate firm that is developing a 30-story office building at 225 W. Wacker Dr. Many tenants of the tower will be financial firms, including a branch of Japan's Fuji Bank.

"All you have to do is walk down Wacker west of State Street to see the tremendous amount of new construction that has been going on on the street and the multitude of financial firms that have relocated to [Wacker] from LaSalle Street and other streets in the heart of the Loop," Sotoloff said.

A just-finished study of the location of financial firms downtown shows that 75 percent of all commodity brokerages and dealerships and 40 percent of the Loop's accounting firms have offices on Wacker Drive.

By contrast, LaSalle Street has only 22 percent of the commodity brokerages and 34 percent of the accounting firms downtown, according to the survey by the Chicago office of Grubb & Ellis, a San Francisco-based real estate firm.

"Real estate people in recent years have touted Wacker Drive as the new financial center in the city," said Sam M. Budwig Jr., vice president of marketing for Metropolitan Structures, the Chicago-based development firm that, along with Chicago's JMB Realty, built the twin-tower Chicago Mercantile Exchange Building at 10 and 30 S. Wacker Dr.

"A lot of us, however, felt that the claim was perhaps wishful thinking. Now, we have the facts to support it. Wacker Drive is now Chicago's financial seat."

But others in the real estate industry here are not ready to write LaSalle Street's obituary and proclaim Wacker Drive the new Midwestern king of financial strips.

LaSalle Street is still home to more stock brokerages, banks and securities and commodities support firms than any other downtown thoroughfare, they point out.

Moreover, LaSalle Street likely will always be perceived as Chicago's main financial strip, regardless of how many financial firms and banks move to Wacker, they add.

"LaSalle Street's canyon-like environment and compactness and the fact that it is anchored by major bank buildings,

the Board of Trade Building, the Chicago Board Options Exchange and the Midwest Stock Exchange gives it the feel of a financial street," said Goldie B. Wolfe, president of Goldie B. Wolfe & Co., a Chicago commercial real estate brokerage whose clients include financial firms who make their homes on Wacker and LaSalle.

"Wacker Drive, on the other hand, is adjacent to the river and runs east and west as well as north and south, giving it a much more expansive feel," she noted. "Furthermore, no one type of business activity dominates the thoroughfare. It's home to several insurance companies, major corporations and even advertising firms in addition to banks, law firms and financial service firms."

According to the Grubb & Ellis survey, 62 percent of all stock brokerages in Chicago are on LaSalle, while 32 percent are on Wacker.

In addition, nearly half (47 percent) of the firms downtown that provide consulting services and other support functions to the securities and commodities industries here remain on LaSalle Street, the study found. Wacker Drive has 30 percent of such firms, the study determined.

"As long as the Board of Trade and the city's largest banks are located on or near LaSalle, it will remain the hub of the city's financial market," Wolfe said.

"Wacker Drive is emerging as a premier financial strip, but it is because it has the room to accommodate the growth taking place in the city's financial marketplace," Wolfe said. "There's one parcel on LaSalle Street available for development. There are 7 to 10 parcels along Wacker Drive."

Those who perceive Wacker as

the city's new financial center say the Chicago Mercantile Exchange's decision 10 years ago to build a \$300 million, 40-story twin office tower and trading floor complex on Wacker has sparked the migration of financial firms.

The first office tower and a 10-story trading floor center opened in December, 1983. The second tower, which like the first, flanks the trading center, opened in December, 1987.

The Merc directly employs more than 900 people. More important, it continues to be the magnet that attracts commodity brokerages, foreign bank branches and other kinds of financial service firms to Wacker Drive, said Metropolitan Structures' Budwig.

"Their decision to locate on Wacker Drive changed the character of both Wacker Drive and LaSalle Street," Budwig said. "LaSalle Street used to be the city's financial capital, but no more."

Leo Melamed, special counsel to the Merc and chairman of its executive committee, said the Merc has never regretted its move to Wacker from nearby Franklin Street.

"We located on Wacker because we wanted a site and a building that would give the exchange the look of an institution that was looking to the future," said Melamed. "Wacker Drive was where Chicago's future architectural designs were emerging. It was obvious to us that it was the place to be."

The futures market, said Melamed, has become Chicago's most important industry. "It's to Chicago what the stock exchange is to New York, what oil is to Texas and what wheat is to Kansas," he's fond of saying. Wacker Drive, consequently, has benefited from the exchange's presence, he points out.

"Our exchange has made this city and this street the world capital for financial markets," he said.