

January 31, 2017

## WGN-TV studio sells for \$22 million

By RYAN ORI | [Twitter](#) [Google+](#)



A developer has paid more than \$22 million for the WGN studio on the North Side, where the television station will remain as a long-term tenant.

Chicago-based R2 today completed the purchase of the facility at 2501 W. Bradley Place, R2 Managing Principal Matt Garrison said.

The seller was Chicago-based broadcast company Tribune Media, which signed a 10-year lease for WGN to remain as a tenant, Garrison said. The \$22.25 million sale-leaseback deal includes two five-year extension options, he said.

It is the latest of several moves by Tribune Media to cash in on its extensive real estate holdings, including last year's sale of the Tribune Tower to a venture of Los Angeles-based CIM Group. That sale price was \$205 million or \$240 million, depending on unspecified future conditions.

*"It's almost 10 acres of land on the North Side, where you don't see too many sites of that size become available," Garrison said. "A lot of good things could happen with a 10-acre site in the long term."*

R2's partner in the deal is Chicago energy magnate Michael Polsky. They also have a venture to redevelop a former post office in Milwaukee into offices and retail space.

The partners are buying the approximately 131,000-square-foot building as a potentially decades-long investment, Garrison said. They'll collect rent from Tribune Media for at least the next 10 years, and potentially much longer.

The facility has "mission-critical" technology for WGN, Garrison said.

Should the TV station move out farther down the road, the venture could redevelop the 10-acre site into potential uses including offices, homes or retail, Garrison said. The property is along the western edge of the North Center, Lakeview and Roscoe Village neighborhoods.

"It's almost 10 acres of land on the North Side, where you don't see too many sites of that size become available," Garrison said. "A lot of good things could happen with a 10-acre site in the long term."

"We're going to get paid a solid long-term yield. Our goal is to get in the path of progress and get paid to wait until a value creation opportunity occurs in the future."

A Tribune Media spokesman did not immediately respond to a request for comment. Departing Tribune Media CEO Peter Liguori has led a push to sell off valuable real estate in Chicago and other cities.

Before selling the Tribune Tower on Michigan Avenue, Tribune Media formed a venture with Chicago developer Riverside Investment & Development to redevelop a former printing facility along the Chicago River. Just north of there, Tribune Media is considering a potential sale or partnership to eventually redevelop a massive riverside site that includes the Freedom Center printing facility, where the separately owned Chicago Tribune and other publications are printed by parent Tronc, formerly known as Tribune Publishing.

After the Tribune Tower sale, Tribune Media last year signed a lease to move its headquarters across the river to the office tower at 303 E. Wacker Drive.

Tribune Media spokesman Gary Weitman confirmed the WGN sale but describes Crain's reporting of a potential sale or redevelopment of the Freedom Center property as "completely inaccurate."