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Alter looks to kick-start big suburban plans

By [Ryan Ori](#)



Renderings of the Downers Grove office buildings.

Photo by Alter Group

Real estate developer Alter Group is revising its name, while also dusting off some blueprints from years past.

Founded by the late William Alter in 1955, the firm is now known simply as Alter, a name change that is part of a rebranding to reflect the slimmed-down company's altered approach, the Skokie-based company said.

As part of the new approach, Alter is looking to step up the development and sale of 1,200 acres of land it owns, mostly in the Chicago area, Executive Vice President Richard Gatto said.

Its immediate focus is on large land parcels in north suburban Grayslake and west suburban Downers Grove, he said.

"Our objective in the next few years is to jump-start some of our undeveloped land and put it into production," Gatto said.

In years past, when Alter was a larger company with its own construction operation, the focus was on securing tenants for buildings that Alter would build itself. Now, Alter is seeking tenants or land buyers that want to do their own projects, Gatto said.

"We'll sell land to developers, we'll do some spec and we'll do some build-to-suit," Gatto said. "Instead of being a vertically integrated company, we're looking to be a lot more flexible and nimble. It's a way to be more competitive."

Alter is planning \$20 million in infrastructure, such as sewer and water access, to start a long-planned development of about 680 acres in Grayslake, where it hopes to begin about 2 million square feet of warehouse development by 2017, Gatto said.

"I think we'll need to foster some activity, so we'll end up doing some spec," construction without tenants signed in advance, Gatto said.

The Cornerstone business park in Lake County could, in a later phase, include office and retail structures, if a discussed Interstate 355 extension near the land comes to fruition, Gatto said.

A [previous Cornerstone plan](#) included residential development, but that aspect has been scrapped, Gatto said.

Cornerstone is along Peterson Road and Illinois Route 83, west of Interstate 94.



An industrial building Alter is considering using in Grayslake.

"If 355 does go forward and the expressway is there in five to seven years, we could get more retail and offices uses there," Gatto said. "The first phase is going regardless. Industrial development can be supported by the current road configuration."

In Downers Grove, Alter is focused on securing office tenants for about 60 acres it owns along Lacey and Finley roads. That land is just north of the Corridors I, II and III office buildings Alter developed in the 1990s and early 2000s and later sold.

Alter resumed actively marketing the new Corridors phase to potential tenants [in 2013](#), but is now expanding its search to potential buyers of some of the land, Gatto said. Alter wants to add more than 500,000 square feet of office space on the property, Gatto said.

"The new construction that's been done since the recession has been single-tenant, build-to-suit projects," Gatto said. "So we're looking to be a player in land sales, yet in the same breath we're looking for tenants for Corridors IV."

President Michael Alter, the son of the founder, in 2014 [disclosed plans](#) to slim down the company, sell off buildings and start new projects with joint venture partners and new investors, saying at the time that the company had no clear successor. William Alter died in 2008, and Michael Alter's children did not plan to take over the business, he said at the time.

Alter offered its 50 development-business employees retirement and severance packages. The company now has about 35 workers in the Chicago and Phoenix areas, not including a separately operated property management company, Gatto said.

Alter sold a [River North office building](#) to a German investor for \$75 million last year, when Alter also [re-leased](#) most of the 150,000 square feet Google vacated in a nearby building at 20 W. Kinzie St. in a move to larger space in Fulton Market.

Alter is seeking River North sites for office developments, but “it's very difficult to assemble anything,” in the tech-centric neighborhood, Gatto said.