

Thor Equities and the Revitalization of State Street

“Our company’s acquisition of the Palmer House and its return to grandeur is demonstrative of the reawakening of the downtown area...clearly a new chapter is being written in downtown Chicago’s history. We believe Thor Equities is leading the change.”

- Joseph Sitt, CEO Thor Equities

State Street and Potter Palmer

Businessman, Potter Palmer, was a key player in the rise of State Street at the turn of the century. Not only did Palmer establish his first business venture in downtown Chicago when he opened the dry goods store, Potter Palmer & Company in 1852, he demonstrated dedication to the street – reopening the Palmer House in 1873 after the original 1871 property had been destroyed in the Chicago fire. In addition, Palmer was responsible for:

- Bringing in business partners, Marshall Field and Levi Leiter to help ease his work burdens at Potter Palmer & Company in 1865.
- Convincing Marshall Field to move onto State Street in 1879.

By the turn of the century the Palmer House had become a city hotspot and attracted the cultural elite who favored the grandeur and prestige of the Palmer House. The hotel became a lively social epicenter of the city and helped make State Street a premiere entertainment and shopping destination.

State Street’s Downturn...and New Vision

By 1979, after decades of continued decline, Mayor Jane Byrne closed State Street to automobile traffic with a nine-block “transit mall” in an effort to revitalize downtown shopping. However, it did little to bring shoppers to the Street with the new options on Michigan Avenue.

In 1993, Mayor Richard M. Daley approved the “State Street Development Plans and Urban Design Guidelines,” reopening automobile traffic to the street and using State’s historic retail reputation as a guideline for the street’s economic re-growth.

Today, according to the National Register of Historic Places, State Street is home to many of Chicago’s architecturally, culturally and historically significant buildings.

Key Facts about retail on State Street:

- State Street’s shopping district stretches from Wacker to Congress Parkway for a total of 2.8 million square feet of retail space.
- With renovation and redevelopment efforts taking place on State, the demand for retail space increased by 10 percent in 2006. Concurrently, rent for retail spaces jumped from a low \$88 a square-foot to a high \$150 a square-foot.
- In 2006, specialty store vacancies fell to 4.1 percent, their lowest since 1990.

Thor Equities – Success on State Street

Potter Palmer’s role in making State Street a lively social center has now become Thor’s vision in revitalizing the historic hotel.

Thor Equities has been working on revitalizing development along State Street for more than seven years, quietly redeveloping marquee buildings and creating new retail opportunities. Searching out key retail and mixed-use properties that have tremendous potential with significant repositioning and redevelopment to achieve investor value, Thor Equities’ work in Chicago has included:

Year	Property	The Story
2001	26-34 South State Street	Shortly after redevelopment, Thor executed a lease with one of the top three largest teen shopping brands nationwide, Forever XXI, stimulating other investment to State Street, including Urban Outfitters.
2004	36 South State Street	Thor converted the Art Institute space into a mixed-use development of residential and retail. Completed in 2007, it includes retailers such as Blick, Zales, and T-Mobile, and 14 floors of residential condominiums.
2005	Palmer House	As soon as Thor purchased the property it began renovations, while keeping the Palmer House open, maintaining its title as the longest continuously operating hotel in North America.