

<http://www.chicagotribune.com/business/chi-wed-mcpier-1210-dec10,0,4371334.story>

McPier hires team to design, build Hyatt expansion

Walsh Construction to add 594 rooms for \$163.3 million

By Kathy Bergen | Tribune reporter
December 10, 2008

The long-planned expansion of the Hyatt Regency [McCormick Place](#) moved ahead Tuesday with the hiring of a team to design and construct a second tower.

The Metropolitan Pier and Exposition Authority, which owns the hotel and the adjoining convention center, selected a group headed by Walsh Construction to add 594 rooms to the 800-room hotel at a cost not to exceed \$163.3 million.

The Walsh group's proposal translates to a per-room cost of \$274,891, second-highest among the three bidders. The decision was based on the quality of the proposals, rather than on cost, said Ted Tetzlaff, board chairman of the authority, known as McPier.

"Our customers have said, loud and clear, that they need additional hotel rooms," Tetzlaff said. "And to compete with large convention venues such as Las Vegas and Orlando ... we need this step."

The McPier board still has to approve a financing plan, which is expected early next year. If the General Assembly approves the agency's debt-restructuring request, it would have the capacity to issue bonds for the project, Tetzlaff said. If not, it can issue bonds backed by project revenues or go to private-market financing, he said.

Tetzlaff expressed confidence the authority would be able to secure financing, despite the sour economy and strapped credit markets. Construction could start next year and be complete in 2011, he said.

A group led by Clark Construction offered to build a 567-room tower for \$161.6 million, or \$285,034 per room.

A team headed by James McHugh Construction proposed building 550 rooms for \$143.8 million. But the authority adjusted the proposal upward, to \$146.3 million, because it would have required temporarily closing a parking garage, cutting revenue for the agency.

The winning team includes several other companies, such as Thompson, Ventulett, Stainback & Associates Inc., which was McPier's architectural consultant on the West Building.

kbergen@tribune.com