

# DAVID GROSSBERG

## A 'Gentle Giant' Whose Work Leaves a Big Footprint on Chicago

by Melissa Birks



Russia, 1880s: Some 2.5 million people leave the politically troubled empire in a wave of emigration that lasts until the early 1900s. Among them are David Grossberg's ancestors. They would first settle in Chicago's south side and eventually migrate northward.

Berkeley, California, 1968: The University of California at Berkeley is a hotbed of student protest at the height of the Vietnam War. Gathering no headlines: The campus housing cooperative, the nation's largest group housing cooperative. The co-op's board president, David Grossberg wades into the basics of real estate development.

Chicago, Illinois, 2007: From his **Schiff Hardin LLP** office on the 69th floor of the Sears Tower, Grossberg points to buildings, some still capped with cranes and other construction equipment, that sprout upward like fast-growing teenagers. They are developments that he shepherds as a real estate lawyer, developments that are changing Chicago's landscape in ways that his ancestors could not have imagined.

"That's one thing I enjoy" about real estate law, Grossberg says. "Being involved in making contributions to Chicago and how it changes."

### Deep roots

Grossberg grew up in Glencoe. While he and

wife Robyn, a teacher, call the suburb of Winnetka home, his passion for urban development in general and the city of Chicago in particular is as clear as the view from his office window.

"We have deep roots. My kids went to the same high school I went to, the same one my wife went to and my father went to," says Grossberg, whose father sells insurance and whose great-grandfather was a prominent lawyer who lived in in Hyde Park.

At Berkeley, Grossberg's days on the co-op board were busy as the group snapped up properties, including two failed sorority houses, and transformed them into student cooperative housing and built a HUD-subsidized apartment project.

Standing 6-foot-7-inches tall, Grossberg had other business at Berkeley as well, albeit temporary. He was recruited as a walk-on for the basketball team. He played one year, as a freshman, but his talents "didn't evolve enough." Only two years ago did the 57-year-old stop playing pick-up basketball with buddies, when the injuries (knee, shoulder, finger) started taking too long to heal. He still runs.

Tim Anderson, president of Focus Development Inc., a major client, sees how the moniker "silent giant" could apply to Grossberg. "He's a tall guy, but he has a calm demeanor

which I think helps in negotiations. It's probably the reason he's such a clear thinker. ...Intimidating? No, I don't think he's intimidating. He more intimidates by his intellect than his height."

If Grossberg's basketball skills didn't "evolve," his interest, and his skill, in real estate law did.

After receiving his A.B. from Berkeley in 1972, Grossberg came home to attend law school at the University of Chicago. Earning his J.D. in 1975, Grossberg started his career as a litigator but always remained intrigued with real estate and eventually drifted out of litigation.

"The condo boom in Chicago started in the late '70s; it was a new thing," Grossberg says. "I wanted the opportunity to become a real expert in it when that all started. That has carried through my career, that expertise."

Dan McLean, president of MCL Companies, met Grossberg nearly 30 years ago. A colleague of Grossberg's had spoken at a seminar on condos, but, as McLean explains, "We were too small. He passed us off to David, who was a young lawyer in the firm. We were small potatoes at the time." As Grossberg moved to different firms, "We followed him."

Today MCL develops billions of dollars of real estate assets nationwide. Grossberg landed at Schiff Hardin nine years ago and heads the firm's Real Estate Group.

Grossberg and Robyn have two sons. Jonathan, 24, is a third-year law student at Cornell, while 22-year-old Sam studies computer science at Princeton.

"When the kids were little," Grossberg says, "I'd take the family in the car and show them the projects I was working on. They'd get to know the city from my doing that."

"You get a sense of ownership in the growth of a city by being involved in it."

### A view to the south

Looking out his office window, Grossberg points south to the burgeoning Museum Park development. Grossberg recalls visiting the same property as a teen. In those days, the railroads consumed 80 of those acres and Grossberg was simply a younger brother seeing his older brother off to college on trains that departed from the site.

Today, he's helping Enterprise Companies orchestrate the biggest residential development

in Chicago, east of Michigan Avenue at Roosevelt Road. When complete, its multiple high-rises will include 3,000 condominium units and the address of One Museum Park, with 72 stories, will be the tallest building south of the Loop. Museum Park started about six years ago and Enterprise expects it to be complete early in the next decade, says Ron Shipka Jr., company principal.

Grossberg works with Enterprise on, among other projects, its University Commons development, near the University of Illinois Chicago campus between Morgan Street and Racine Avenue and 14th and 16th Streets. In the works for about five years, University Commons represents the largest historic renovation in the country, Shipka says.

Enterprise has been a client for some 20 years. In that time, Shipka says, Grossberg has changed more than the city's landscape. He's also helped transform Enterprise from a "ma and pa" operation to the city's leading residential developer.

"If I were to sum up David, it would be a brilliant mind, a practical mind, and a very down-to-earth outlook on things," Shipka says. "His ability to walk into a high-powered loan negotiation, or his ability to sit down with somebody that is not at his level and yet be able to carry on a conversation, be able to get down to that person's level and make that person feel comfortable, it's a very rare trait. Lots of times you see attorneys with ego. He's kind of the anti-ego."

## A view to the north

Looking north, Grossberg sees rooftops of MCL Co.'s River East project, near where the Chicago River meets Lake Michigan. Again, Grossberg's work entrenches him in the city's history.

The river was crucial as Chicago became a major lumber and meatpacking powerhouse in the 19th century. But by the 1870s, as the city grew, commercial waste dumped in the river ruined the city's drinking water and led to public health concerns. It was here, in the late 1800s, that the city performed an engineering feat that still resonates in Chicago lore today: The Sanitary and Ship Canal used a system of locks to divert the river's flow from Lake Michigan backwards into the Des Plaines River.

River East, when complete, will include a 70-story condominium, four mid-rise condominium towers, a multiplex-anchored retail center, and an Embassy Suites hotel. The development represents one of many collaborations between Grossberg and MCL, including condos in Las

Vegas, Charlotte, N.C., and Atlanta.

"He's not a deal killer," McLean says of Grossberg. "He works to make a deal if it's in the best interest of myself...Some lawyers are negative and work to actually kill deals. Sometimes...they are actually so obnoxious on behalf of the client that they kill deals. David is very in tune, very analytical as to what the client wants."

If anybody is the "hot head" in negotiations, McLean says, it would be him. Grossberg is the calming influence.

"I've only seen him angry one time in 30 years," McLean says, and he can't even remember the incident.

"He's terrific to work with. He's level headed, cool, calm. He doesn't lose his temper... He's just got that kind of temperament. And he's very analytical. He has a business mind besides a legal mind. Some guys are good lawyers but don't know [anything] about the business."

## Reshaping downtown Evanston

Out of view from Grossberg's office window but no less significant, downtown Evanston is being transformed through complex private-public ventures that Grossberg helped lead.

The Church Street Plaza features a movie theater, restaurants and retail. Sherman Plaza has 253 condos, 150,000 square feet of retail space, and 1,580-car parking garage for the public and the condo residents. Both projects aim to infuse Evanston with the energy and commerce brought by residents, shoppers and merchants.

The Church Street project initially garnered criticism from residents who worried it would change the center city's character, Grossberg recalls. "People are probably sorry they opposed it; it changed the character of downtown Evanston—what it has done is for the better."

The Sherman Plaza project was noteworthy because it involved tearing down an old parking garage that interrupted the retail pedestrian traffic flow in downtown. The new garage, in particular, demanded a labyrinthine financing deal between the city, lenders and Focus Development.

"David had to really manage that, very complex negotiations," says Focus Development's Anderson. "Beyond that, it does get tense; people take positions that don't appear to be rational. David has to drive our position to get them to understand our concerns. He's real solution-oriented where I might have to be peeled off the ceiling."

Grossberg recalls the project as "a lot of

negotiating...working to get the pieces to fit together. On a project like that, you're developing a sort of private government regarding how the condo, the retail, and the garage work together. You've got to set up a private government: Who takes care of what? What happens if this happens? It took several years to get that launched."

Six years from the time Sherman Plaza was conceived, the condominiums are nearly full, Anderson says. He lauds Grossberg for ushering the project through.

"We had some deadline issues with financing. He was always focused on making sure that happened. He was very accessible; we talked from our homes."

## Of character and culture

Shipka, from Enterprise, credits Grossberg for turning his company into a "truly professional organization. Without that, we couldn't be where we are today."

Another place where Enterprise and Grossberg are today is in the neighborhood surrounding the Scottish Rite Cathedral, immediately west of the Michigan Avenue shopping district. In partnership with Mesirow Stein Real Estate, Enterprise is choreographing an effort that includes, among condominium-retail high-rises, preserving the landmark Neoclassic cathedral built in 1925 at 929 N. Dearborn St.

"I've never ever seen him raise his voice, lose his temper or be out of line. I think that really goes to the character of the person," Shipka says. "He's never offensive, never rude, he's always successful. Where do you find that today?"

For Grossberg, a key to being successful in his field is understanding not just legal issues that his clients face, but the real estate issues as well.

It helps that he has an appetite for understanding what makes cities work.

In Evanston, for instance, "part of what you're doing is paying attention to why some things work for real estate and why others don't."

And of course, there's Chicago, which Grossberg and his wife visit frequently, for the opera, the theater, restaurants—in short, for culture.

"I think it's exciting to see a city evolve," he says. "Chicago is so much healthier than other major cities in America, and I think urban redevelopment has played a role in making Chicago a place where people want to live in instead of flee from." ■