

EQUITY | SOUTH SIDE ASPIRATIONS

PULLMAN'S PROGRESS HOLDS LESSONS

Neighboring Far South Side communities are eager to replicate the historic area's success. Can they pull it off? | PAGE 13



Kip Brown is among the Roseland residents wanting to see stepped-up investments in the Far South Side community.

JOHN R. BOEHM

Sterling Bay asks teachers to save Lincoln Yards

The North Side megaproject is just one financial pain point for the high-flying real estate developer

BY DANNY ECKER

Sterling Bay is trying to strike a deal with the Chicago Teachers' Pension Fund to bail out Lincoln Yards, a move that could help jump-start the stalled North Side megadevelopment, inflict hefty losses on the original backers of the ambitious \$6 billion project and offer the developer a lifeline amid a financial storm that threatens its control over major pieces of its high-profile local portfolio.

With the real estate firm under growing pressure to raise money to recapitalize the 53-acre mixed-use campus planned along the Chicago River between Lincoln Park and Bucktown, the pension fund's investment committee voted during a May 23 meeting to investigate an opportunity to become Sterling Bay's primary financial partner on the development, according to a video of the public meeting and investor documents obtained by Crain's.

The pitch to the \$12.1 billion



NATHAN MANDELL

Sterling Bay CEO Andy Gloor speaks during a May 2 Crain's Power Breakfast event.

fund, as laid out during the meeting by Sterling Bay CEO Andy Gloor: Buy into Lincoln Yards at between \$100 and \$150 per square foot — potentially a more than \$300 million commitment — to replace the project's existing financial backers at steep discounts and help inject life into a stagnant development that could generate billions of dollars in new tax revenue for the city over the next couple of decades.

The fundraising push comes as Sterling Bay grapples with

See **STERLING BAY** on Page 22

McDonald's franchisees push for more power

A group representing about half of McDonald's restaurant owners squares off over new performance standards, franchise renewals and spending mandates

BY ALLY MAROTTI

McDonald's franchisees are making an unprecedented bid to alter the balance of power in their relationship with the Chicago-based hamburger giant.

Leading the push is the National Owners Association, an independent franchisee advocacy group that launched about five years ago and represents roughly 1,000

of McDonald's 2,000 franchisees. Advised by a well-known franchise lawyer, NOA is backing state legislation that gives franchisees more protection and is working to get the Federal Trade Commission to rewrite franchise rules in their favor.

McDonald's and its franchisees have always had their ups and downs, but experts say the latest faceoff goes deeper than familiar debates over new product of-

ferings and store upgrades. This time, franchisees are trying to gain more control in a partnership long dominated by the company.

"It's not just a menu or restaurant format topic," said RJ Hotovy, head of analytical research at location analytics company Placer.ai. "This is a little bit more personal."

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BLOOMBERG

ONE CITY | 50 WARDS

Ex-Chicago Inspector General Joe Ferguson explains the benefits of a city charter. **PAGE 4**



THE TAKEAWAY

Marc Brooks on what sparked his entrepreneurial spirit. **PAGE 6**



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THE TAKEAWAY

Marc Brooks

Brooks is **founder, president and CEO of Chicago's Hyde Park Hospitality**, whose services range from airport concessions to commercial food services and facilities management. The firm, which made last year's Crain's Fast 50 list of Chicago's fastest-growing companies, counts among its clients Meta and Aramark. On the drawing boards this year: the first Chick-fil-A at O'Hare Airport, opening by the end of the year, and the projected doubling of the firm's 600-strong workforce. Brooks lives with his wife in Chicago, and they own a second home in Los Angeles. Their daughter is 20 months old, and Brooks also has two older daughters, 22 and 20. | **By Laura Bianchi**

What is driving Hyde Park Hospitality's growth?

We are opening several Chase Sapphire airport lounges, and we are picking up new dining accounts with Aramark.

What sparked your entrepreneurial spirit?

Growing up in Hyde Park, I was surrounded by strong, African American leaders, educators and entrepreneurs, including my father (Frank Brooks). He built Brooks Sausage from scratch, one of the largest minority suppliers to McDonald's. After he sold it, he launched Brooks Foods, which grew to more than \$100 million in annual revenue. That set the tone and tempo.

A pivotal career moment?

When my father died in 1999. He was my mentor, confidant and business adviser, someone who would lecture me, but was always there. Reality kicked in when I realized I needed to fend for myself.

Why didn't you take the reins at his company?

The timing was wrong. I had started a venture a few years before his passing, and then my stepmother ran his company and eventually it was sold.

Your greatest hurdle?

There are countless hurdles for people of color, whether that's access to capital or talent, having a seat at the table when deals are cut up, or receiving positive media coverage. My major goal is to provide jobs, mainly for people of color. Seventy-five percent of my leadership is made up of women and minorities.

The downside of the hospitality business?

Staying in shape! I'm always tasting, smelling and seeing food. To battle the bulge, I do cardio, light weightlifting, boxing and yoga stretch. After 10 years of working with a boxing coach, I can tell you it's one of the most rigorous cardio and mental workouts you'll get.

An embarrassing moment?

Inadvertently walking into the women's restroom at a client's business. I was focused on my phone and didn't realize my mistake until I saw some ladies at the sinks. They really cracked up when they saw the look on my face.

What do you collect?

African American and contemporary art.

One of your favorite artists?

Kehinde Wiley from New York. He's known for his naturalistic paintings of Black people.

A favorite charity?

Hugs No Slugs, founded by Aleta Clark. She promotes nonviolence in underprivileged Chicago neighborhoods and helps feed those without homes. I underwrote her food program for 35 people this year.

