

Late News

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LOCAL PHONE COS. RAISING RATES HERE

Since Illinois regulators granted SBC Communications Inc. a 30% boost in wholesale rates in June, seven competitors have increased their charges for basic local telephone service by comparable amounts, according to the Illinois Coalition for Competitive Telecommunications, a Chicago-based advocacy group. New Jersey's AT&T Corp., Virginia's MCI Corp. and Pennsylvania's CoreComm Communications Inc. are among the carriers that have notified the Illinois Commerce Commission they are boosting rates for local residential service. On June 9, regulators granted the Texas-based Baby Bell a \$4 increase in the rates it charges competitors to rent its network, to just over \$16 per line per month.

PEOTONE BACKERS LINE UP FUNDING

The South Suburban Airport Commission organized by U.S. Rep. Jesse Jackson Jr. to create a new airport near Peotone is slated to sign a contract Monday with two private developers pledging to finance and build the initial runway and terminal. Contingent on state and federal approval, which is probably at least a year away, an aide to the Chicago Democrat says the roughly 40-page document is a "binding commitment" by Pennsylvania-based real estate developer LCOR Inc. and the engineering firm SNC-Lavalin of Canada to put about \$200 million in equity and debt into the project. The signing ceremony is scheduled to take place after Rep. Jackson touts his plan at a nearly sold-out breakfast meeting of the City Club of Chicago. A spokesman for the Illinois Department of Transportation says the state still wants the Jackson group to "come together as one" with Will County, which has a competing plan for the airport.

OFFICE MARKET: 303 W. Madison for sale

CB Richard Ellis Investors LLC is seeking a buyer for a 310,000-square-foot office building it owns at 303 W. Madison St. Home to law firms Novack & Macey and Litchfield Cavo, the 26-story tower is about 81% occupied, said Kim Robare, the building's leasing agent and vice-president in the Chicago office of Los Angeles-based CB Richard Ellis Inc., the seller's parent. He did not provide an expected price for the building, which last sold in 2000 for about \$46 million.

HARRAH'S: Leans away from renewing casino bid

Harrah's Entertainment Inc. will likely not renew its \$520-million bid for Illinois' 10th casino license, a company spokesman said. Las Vegas-based Harrah's and Chicago-based Midwest Gaming & Entertainment LLC have been mulling whether to renew their bids for the license currently held by Emerald Casino Inc., in bankruptcy since 2002. Both companies lost out in the license bidding to Mississippi-based Isle of Capri Casinos Inc., but if state gaming regulators reject Isle's application, they could award the license to Harrah's or Midwest. Harrah's officials won't decide whether or not to renew until Wednesday, when the original bid expires. An official at Midwest Gaming, which bid \$476 million for the license, declined to comment.

AIRPORTS: City awards Wi-Fi concession

The Chicago Department of Aviation recently selected Chicago Concourse Development Group to provide high-speed wireless fidelity service, or Wi-Fi, at O'Hare International and Midway airports, starting next year. Under the 10-year deal, which requires City Council approval, Chicago Concourse would pay the city \$1 million to \$1.5 million annually for the concession, a department spokeswoman said. The city has not set a price for passengers but airports around the country charge between \$6 to \$10 per day for Wi-Fi service, the spokeswoman said. Currently Wi-Fi service is available only in airline VIP lounges at O'Hare. Chicago Concourse is a joint venture between E-Communications and **Concourse Communications** Group LLC, a Chicago-based company that operates wireless networks at airports in New York, Detroit, the Twin Cities and Newark, N.J.

NEOPHARM: Management fires back at founder

NeoPharm Inc. warned shareholders of the Lake Forest biotech firm that a proxy battle mounted by founder and former Chairman John Kapoor is ``a campaign to regain the chairmanship of your board and take control of your company without paying for it by holding out the prospect of unrealistic reductions in the company's costs." In a filing with the U.S. Securities and Exchange Commission late last week, NeoPharm says Mr. Kapoor, a director and major shareholder, has not responded to ``repeated requests" to specify how he'd cut cash losses nearly in half to \$30 million a year, as proposed in his bid earlier this month to replace four of the firm's six board members. A spokesman for Mr. Kapoor says he has no plans to drop any drugs in development but would cut ``waste." NeoPharm is ``always looking for ways to cut costs," says Chief Financial Officer Larry Kenyon.

SARA LEE: Takes `tagless' tug-of-war to court

Sara Lee Corp. sued Jockey International Inc. for using the words ``tagless" and ``go tagless." The rival underwear makers both sell T-shirts and other items without tags in the back, but Chicago-based Sara Lee claims the right to use the terms to promote its wares. Sara Lee holds a trademark on ``go tagless" and has applied for one on ``tagless." In U.S. District Court in North Carolina, Sara Lee's Winston-Salem-based apparel division asked the judge to order Jockey to stop using the terms and turn over to Sara Lee three times the amount of any ``gains, profits and advantages" reaped from their use. ``We will always vigorously defend our trademarks," a Sara Lee spokeswoman said. A spokeswoman for Jockey, based in Kenosha, Wis., didn't return a call seeking comment.

FMC TECHNOLOGIES: Houston move officially acknowledged

Securities Exchange Commission filings by FMC Technologies Inc. confirm what the company has until now been unwilling to acknowledge: The oil industry equipment maker moved its headquarters to Houston from Chicago earlier this year. The first official acknowledgement of the move came in the company's annual report filed with the U.S. Securities and Exchange Commission in March, which lists Houston as FMC Technologies' headquarters. In August 2002, when rumors were swirling that the city was about to lose another corporate headquarters, an FMC Technologies spokesman told Crain's: ``There is no truth to the rumor we're relocating our headquarters." Late last week, a Houston-based spokesman said, ``Over the last couple of years we've been transitioning our headquarters to Houston to be closer to our primary energy base." CEO Joseph Netherland lives in Houston. About 80 workers remain in Chicago.

EAST LOOP: Park Millennium likely to fetch \$150 mil.

The Park Millennium, a 480-unit luxury apartment building in the East Loop, is up for sale. Archstone-Smith Operating Trust, the Colorado-based real estate investment trust that owns the 52-story tower, has hired Holliday Fenoglio Fowler L.P. to sell it, said Matthew Lawton, senior managing director in the Chicago office of the Dallas-based real estate firm. He declined to disclose a list price, but the property at 222 N. Columbus Drive is expected to fetch as much as \$150 million. Completed in 2002, the building cost \$113 million to build. It's 91% occupied.

PARKING: Downtown rates jump

Daily parking rates in downtown Chicago have averaged \$22.50 this year, up 25% from \$18.00 in 2003, according to a recent survey by Colliers International, a Boston-based real estate firm. Monthly parking rates for unreserved spaces rose to \$263, up nearly 11% from \$238 in 2003.

CORRECTIONS

Britannica Centre, an office building at 310 S. Michigan Ave. being converted into condominiums, has been renamed Metropolitan Tower on the Park. A Sept. 6 story referred to the building by its former name. . . .A Sept. 6 story incorrectly identified the union that represents mechanics at United Airlines. It is the Aircraft Mechanics Fraternal Assn.