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# Plan to sell River North site opens schism among Episcopalians

St. James Cathedral contends a potential sale of the Episcopal Diocese of Chicago's headquarters next door would burden it with millions of dollars in additional costs that could put the church's future in jeopardy.

ALBY GALLUN  

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65 E. Huron.

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The Episcopal Diocese of Chicago could pocket multiple millions of dollars by selling its River North headquarters, a tantalizing site for a high-rise developer.

But its **decision to put the property on the market** is facing resistance from an unlikely neighbor: St. James Cathedral, the flagship of the diocese just to the west. It's complicated, but St. James leaders contend the cathedral would get a raw deal in a potential sale, burdening it with millions of dollars in additional costs that could put its future in jeopardy.

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“The Cathedral Chapter is taken aback at (the bishop and trustees of the Episcopal Diocese of Chicago’s) apparent resolve to move forward in a way that, in all probability, will leave St. James Cathedral dramatically disadvantaged, and quite possibly facing closure,” the chapter writes in a memo to leaders of the diocese.

That’s a dire prediction for the oldest Episcopal church in Chicago. It traces its roots back to the 1830s, when Juliette Kinzie led the group that founded St. James just a few blocks from its present-day location. Built in 1875 in the Gothic style, the current church was designated the cathedral of the diocese in 1955.

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The property in dispute is next door, at 65 E. Huron St., the home of the Chicago diocese’s headquarters, a five-story building completed in 1967. A developer could raze the building and build a tower on the 22,300-square-foot property with apartments, condominiums, a hotel—or a combination of all three.

Just a block west of North Michigan Avenue, it’s an “incomparable amenity-rich location in one of the nation’s truly international cities,” touts a breathless brochure from CBRE, the brokerage hired to sell the property.

The diocese cut a deal to sell the property about two decades ago, back during the condo boom. LR Development, now Related Midwest, proposed [a 67-story building](#) with 256 condos, 126 hotel rooms and a Canyon Ranch spa on the site. But the Chicago developer never sold enough condos to obtain construction financing and scrapped the project after the condo market went bust.



St. James Cathedral.

Development in downtown Chicago, especially when it comes to apartments, has bounced back since the beginning of the COVID-19 pandemic. But it's unclear how aggressively developers will bid on the River North property amid soaring inflation, rising interest rates and growing worries that the economy will slip into a recession.

The new plan to sell the property has been in the works [since at least 2020](#). The headquarters have become a financial burden on the diocese, costing about \$750,000 to maintain, Bishop Jeffrey D. Lee wrote in a 2020 letter to members of the Chicago diocese.

Those costs “place an increasingly unsustainable burden on the diocesan operating budget,” he wrote. “Put simply, maintaining an underused diocesan headquarters in an expensive building on prime real estate is not good stewardship of diocesan assets.”

St. James leaders don't object to a sale of the headquarters, but they take issue with the terms that affect the cathedral. Some historical background: In the 1950s, St. James donated to the diocese more than half of the assets, including land and development rights, that comprise the property targeted for sale, according to a statement from the cathedral chapter.

If the property were sold, the cathedral would be responsible for additional maintenance and renovation costs and new mechanical systems, the statement says. Many of those expenses are shared between the diocese and St. James today. St. James also would need to obtain new office and parish hall space to replace what it currently uses at 65 E. Huron.

St. James would receive some money from a sale of the Episcopal headquarters, but not enough to cover the additional costs, according to the memo to the diocese leadership. The letter didn't spell out financial details.

“Based on the professional advice we have received about the likely sale price of the site, due to current market conditions, the income you intend to pass to the Cathedral at some unstated point in the future will not adequately address the significant financial requirements you now seek to impose on the Cathedral,” the memo says. “This reality causes the Cathedral Chapter grave concern that the current mission and ministry of the Cathedral will be placed at very serious risk, and that it may not be possible for us to remain viable.”

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