

After delays, \$311 million resort-like SoLa tower project slated to transform Michigan City lakefront

Joseph S. Pete

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A rendering of the SoLa project is shown.

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After delays and setbacks, one of the most ambitious mixed-used developments ever planned for Northwest Indiana is slated to break ground this year.

The 14-story SoLa development overlooking Lake Michigan near the Michigan City lakefront should break ground by this summer at the latest, Mayor Angie Nelson Deutch said. The city recently reached a new agreement with the Chicago-based Farpoint Development group, which includes Scott Goodman, a prominent Chicago developer whose previous Sterling Bay firm developed Fulton Market and the Tyson Food Headquarters in Chicago.

"They're putting up fencing and getting ready to start the fencing for that site," she said.

The estimated cost has risen from \$240 million to \$311 million since the project was first announced in 2022. It was delayed due to a number of factors such as the pandemic, high interest rates, inflation and rising construction costs, which led to one of the financiers falling through. New investors have been lined up, said Clarence Hulse, the executive director of the Economic Development Corporation and a member of Michigan City's redevelopment commission.

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"We've approved new timeframes. They've submitted new financials and are ready to move forward. They have until the end of June. We're excited about the reset. The new financials and timeframe are exciting for us," he said. "It's now \$311 million because the cost of labor and cost of materials have gone up. It will have the same footprint and some minor changes like one pool instead of two."

SoLa, short for South of the Lake, will have boutique hotels, condos, townhomes, upscale restaurants, retail, bars and a rooftop pool overlooking Lake Michigan. The 628,000-square-foot project will be one of the tallest buildings in Michigan City, feature dramatic modern architecture that looks like it would be built in Chicago's Loop and is likely to end up splashed on the covers of local tourism magazines, brochures, websites and other marketing materials.

"It's a large mega-luxury project," Hulse said. "They were supposed to start by the end of June last year but had to come back to the drawing board. The financial costs have gone up. One of the funders left. The market had changed. But they got new funders and are confident at this point about going forward. These are developers who have done billions in projects in Chicago but this is a first for Michigan City and the Region, so it's taking a risk. That was one of the issues. It's a huge undertaking for this area of the country, which has never had anything like this before. It's on the cutting edge. Now half the investors are institutional investors and they have more confidence."

SoLa will be designed by Chicago architect Jackie Koo, who designed the Sable Hotel at Navy Pier and other high-profile projects in the city, including the Wit Hotel and the dual-branded Hyatt Place and Hyatt House Chicago Medical/University District at the former John H. Stroger Hospital of Cook County site.

"It's more than transformative," Hulse said. "It's going to set the tone for Northwest Indiana in the future. It will have a huge effect on the whole Region. It will shape what can happen in Chesterton, Valparaiso, Gary and Hammond. It will set the tone. It's a mixed-used facility with hotels, condos, high-end restaurants and a pool. It's going to set the trend for what's possible in Northwest Indiana in the future."

The project on a 2.8-acre site on Highway 12 is expected to give Michigan City one of the most dramatic skylines in Northwest Indiana. It will tentatively include a TRYP by Wyndham hotel and the SoLa Hotel, a Trademark Collection by Wyndham. The two hotels will have 239 rooms, developer Alan Schachtman told the Michigan City Redevelopment Commission. It will include a 387-space public parking garage and 188 condos, 18 of which will be townhouses.

"In total, it will have a resort feel. It will face the lake," he said. "Obviously, it's going to be a block from the marina, beach and zoo. It will be a great location."

SoLa will include 25,000 square feet of ground-floor retail.

"A lot of that will be food and beverage, some really cool restaurants," he said.

It will be located on an empty field just south of the Lubeznik Center for the Arts where one of Chicago-based artist Matthew Hoffman's You Are Beautiful sculptures had been displayed. Michigan City tore down the Michigan City News-Dispatch building and police station to make way for the redevelopment project.

SoLa will include a four-story rooftop deck with sweeping views of Marquette Park and the Lake Michigan lakefront. The 36,000-square-foot resort-style space will offer views of the Great Lake, the Indiana Dunes National Park and the Chicago skyline off in the distance. The deck will include a restaurant that will be open to the public. People also will be able to rent the space out for weddings, receptions and other special events.

"It will be a very dynamic project with a lot going on," he said.

The deck will have a pool and hot tub with a retractable roof, with cabanas and lounge chair seating. People will be able to get poolside food and beverage service. It also will have year-round outdoor activities with community events like movie screenings, art shows, ice skating and pop-up markets.

The project is projected to draw 100,000 visitors a year and generate at least \$680 million in economic impact over the next 15 years. It would capitalize off existing traffic to Michigan City attractions like the Indiana Dunes National Park, Mount Baldy Beach, the Washington Park Beach, the Blue Chip Casino, Lighthouse Place Premium Outlets and Washington Park Zoo.

Goodman hopes to make Michigan City a beach getaway more like neighboring New Buffalo, just across the state line in Michigan. He hopes to make it popular for both visitors and Chicagoans with summer homes.

"When we think about Michigan City and all the things that are happening with it, Alan and I have been driving by the last 40 years between Harbor Country and Chicago, passing through Michigan City and wondering why there's not more development here. We've always endeavored to be part of that," Goodman told the redevelopment commission. "We've been working for years to get this project off the ground. It's taken some time because of the scope and scale and how unusual it is for the area. We've been focusing on all the good things that are happening whether it's the double track, whether it's the NIPSCO plant that will be decommissioned, whether it's the prison that's going away. There's the National Park."

The project is estimated to create as many as 800 jobs, including 292 permanent jobs. The plan is to get a permit in April or May and start construction in June. It will take about two years to build.

"This is going to be a real public benefit in addition to being a testament to Michigan City's growth," Goodman said. "We know this is going to be transformative for Michigan City and a catalyst for so many things we haven't imagined yet. We're opening the door to Washington Park and the lake and really inviting the public into our amenities, in addition to bringing new things to the community like density as well."

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