



OFFERING MEMORANDUM



FEDEX SHIP CENTER

ELK GROVE VILLAGE, IL (CHICAGO MSA)

Marcus & Millichap
THE SULO GROUP

O'Hare International
Airport

Subject Property

FedEx
Ship Center



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FEDEX SHIP CENTER

1200 Devon Ave
Elk Grove Village, IL 60007

FINANCIAL SUMMARY

Price	\$4,229,000
Cap Rate	5.50%
Net Operating Income	\$232,587
Building Sq Ft	36,395 Sq Ft
Year Built	1987
Lot Size	+/- 3.57 Acres

LEASE SUMMARY

Lease Type	Double Net
Tenant	Federal Express Corporation
Guarantor	Corporate
Roof and Structure	Landlord Responsible
Primary Term	10 Year
Lease Commencement Date	7/2/1986
Rent Commencement Date	12/1/2016
Lease Expiration Date	11/30/2026
Term Remaining	6+ Years
Rental Increases	No
Renewal Options	Two, Five-Year

OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1-10	\$232,587	5.50%
Options	Annual Rent	Cap Rate
11-15 (Option 1)	Fair Market Rent	Fair Market Rent
16-20 (Option 2)	Fair Market Rent	Fair Market Rent

Base Rent	\$232,587
Net Operating Income	\$232,587
Total Return	5.50% \$232,587

LEASE ABSTRACT



LANDLORD RESPONSIBILITIES

During the extended term and any renewal terms, landlord shall correct all defects in, and maintain in good condition and repair, (i) the structure of the building, including the roof, roof membrane, gutters, drains, downspouts, foundation, footings, floor slab, columns, and load-bearing and exterior walls, but excluding windows, window glass, plate glass, doors, and overhead doors, (ii) the parking areas, drives, and curbs situated on the land on which the premises is located, (iv) electrical, mechanical, plumbing, and drainage works leading up to, from and under the land on which the premises is located. If, in order for a structural component of the building to remain in good condition, replacement of that component becomes necessary, landlord's obligation with respect to that structural component includes the obligation to replace it.

TENANT RESPONSIBILITIES

Except as otherwise provided in this amendment, tenant shall be responsible for maintaining in good condition and repair at its expense (i) the interior of the premises, including windows, window glass, plate glass, doors, and overhead doors, (ii) the lawn and landscaping, (iii) the snow and ice clearance, (iv) the HVAC system and equipment, and (v) systems and components within the premises, including, without limitation the plumbing, electrical, mechanical, and HVAC systems. Notwithstanding anything contained herein to the contrary, tenant will maintain in force a service contract that provides for the routine maintenance of the HVAC system serving the premises. If, following notice from landlord, tenant fails to make any necessary repairs or performs any necessary maintenance for which tenant is responsible, landlord may cause the repairs or maintenance to be performed and landlord's costs of doing so will be payable as additional rent within 30 days of landlord providing to tenant an invoice for such repairs or maintenance. Provided the HVAC service contract is maintained by tenant, landlord shall be responsible for any necessary repairs to, or replacements of, the HVAC systems.

LIABILITY INSURANCE

Tenant further agrees that it will at all times during the term of thereof, at its sole cost and expense, carry and maintain, for the benefit of landlord, landlord's agent and tenant, comprehensive general public liability insurance against claims for personal injury, including death and property damage.

TAXES AND ASSESSMENTS

Tenant further agrees to pay as additional rent for the demised premises, all taxes and assessments, general and special (including assessments levied by any property owner's association), water rates, utilities and all other impositions, ordinary and extraordinary, of every kind and nature whatsoever, which may be levied, assessed or imposed upon the demised premises or any part thereof or upon any building or improvements at any time situated thereon, accruing with respect to general real estate taxes (which Illinois are payable in the year following that for which they are assessed and accrued), or becoming due and payable.

ESTOPPEL CERTIFICATES

Tenant Agrees that at any time and from time to time, upon not less than 20 days prior written request by landlord, it will execute, acknowledge and deliver to landlord, or landlord's mortgagee, a statement in writing certifying that this lease is unmodified and in full force and effect.

TENANT OVERVIEW



Revenue:	No. of Team Members:	Year Founded:	Headquarters:	Website:
\$69.7B (2019)	490,000	1971	Memphis, TN	www.fedex.com

FedEx Corporation (S&P: BBB; NYSE: FDX) provides transportation, e-commerce, and business services in the United States and worldwide. The company operates in four major segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Services. FedEx Express (\$37.3B in fiscal 2019) invented express distribution and is the industry's global leader, providing rapid, reliable, time-definite delivery to more than 220 countries and territories, connecting markets that comprise more than 90 percent of the world's gross domestic product within one to three business days. FedEx Express operates one of the largest civil aircraft fleets in the world and the largest fleet of wide-bodied civil aircraft; it also carries more freight than any other airline. FedEx Ground (\$20.5B in fiscal 2019) services include small-package day-certain delivery to businesses in the U.S. and Canada and to 100% of U.S. residences using a large fleet of trucks which are owned by the independent owner/operators and drivers are independent contractors who control individual delivery routes and territories. FedEx Freight (\$7.6B in fiscal 2019) service offerings include priority services when speed is critical and economy services when time can be traded for savings, processing over 110,000 shipments a day using 370 service centers. FedEx Freight also offers freight delivery service to most points in Puerto Rico and the U.S. Virgin Islands. FedEx Services (\$1.7B in fiscal 2019) provides sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and certain back-office functions that support our transportation segments.

The FedEx Corporation was founded in 1971 and is headquartered in Memphis, Tennessee. The company produces annual revenues in excess of \$69.7 billion, has a current net worth of more than \$17.8 billion, and employs 490,000 people. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities.



SITE PLAN

SITE PLAN KEY

Parcel Outline

Lot Size

+/- 3.57 Acres

Building Sq Ft

36,395 Sq Ft

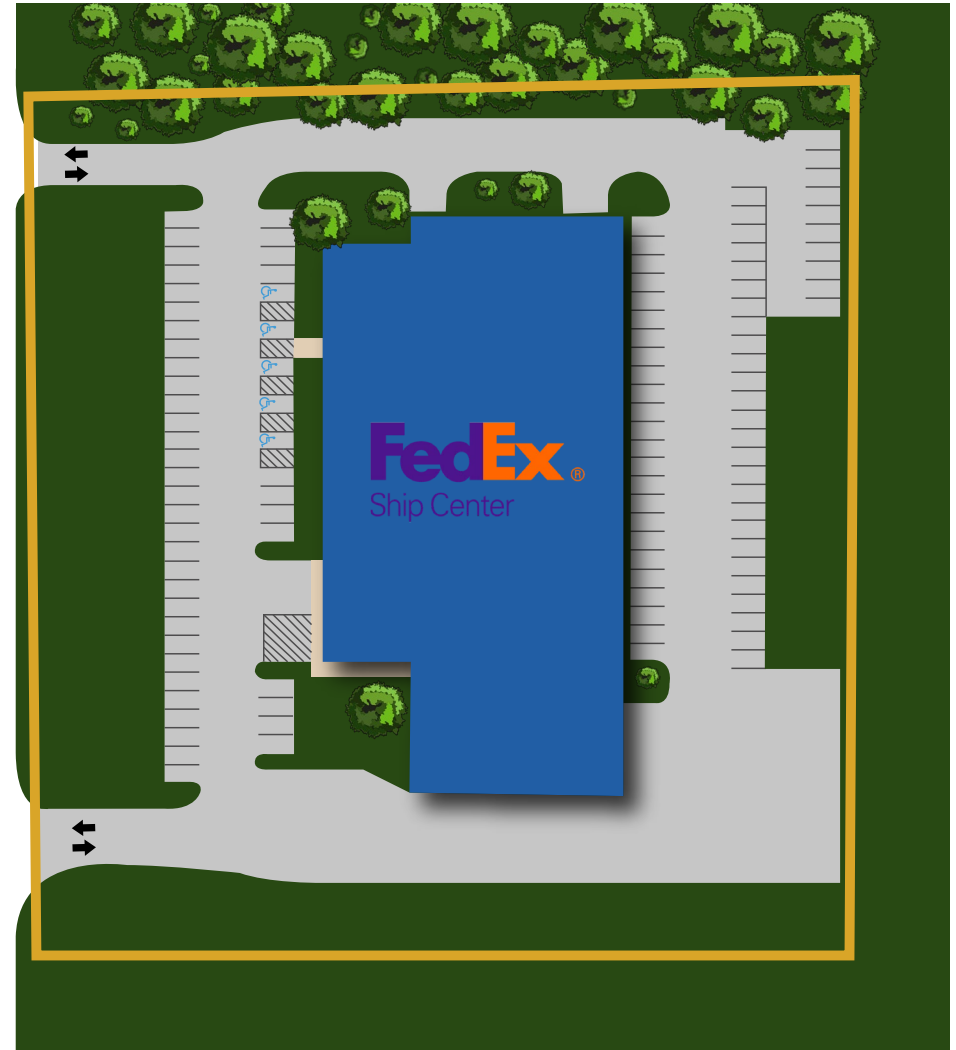
Ingress/Egress



Devon Ave

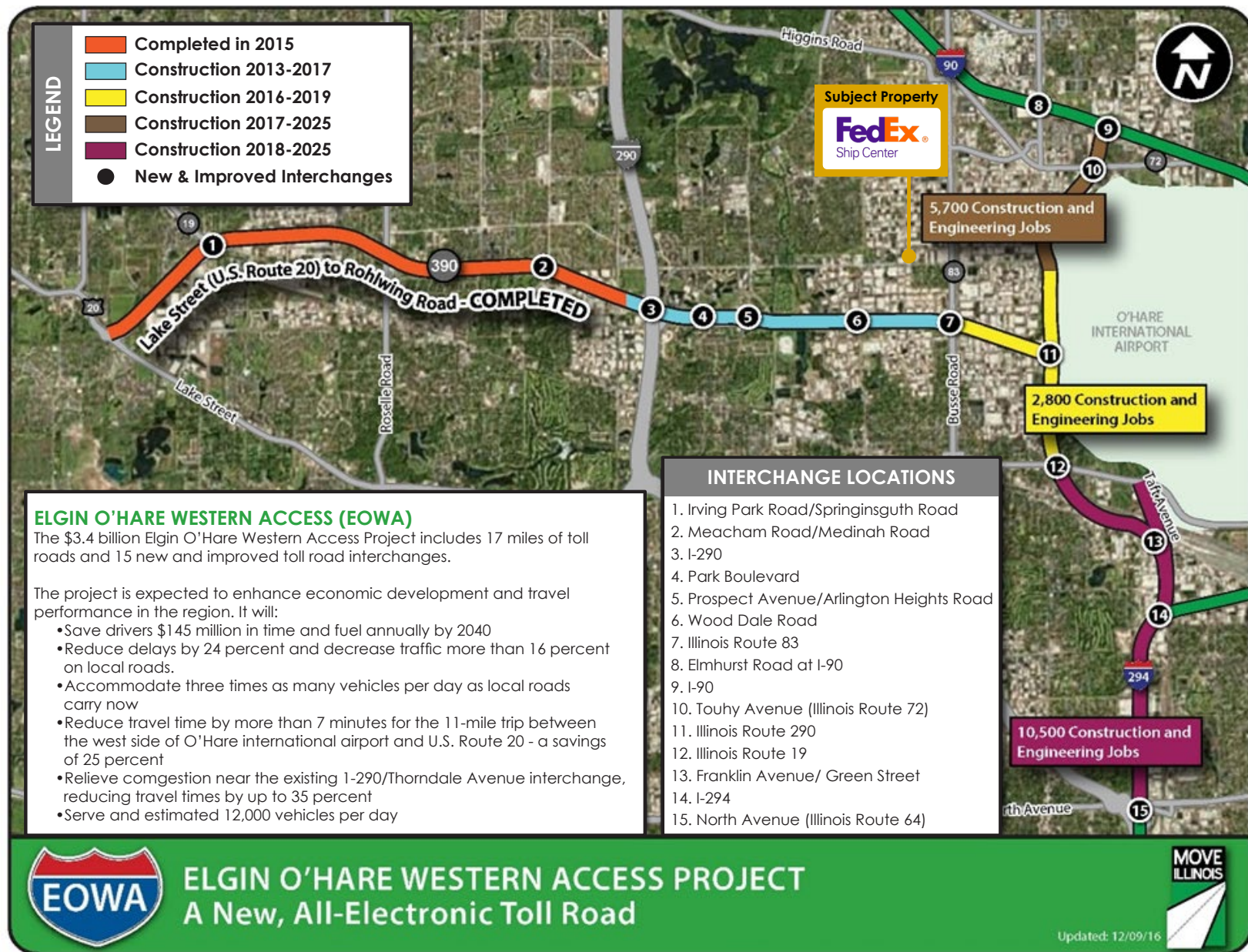


16,272 Daily

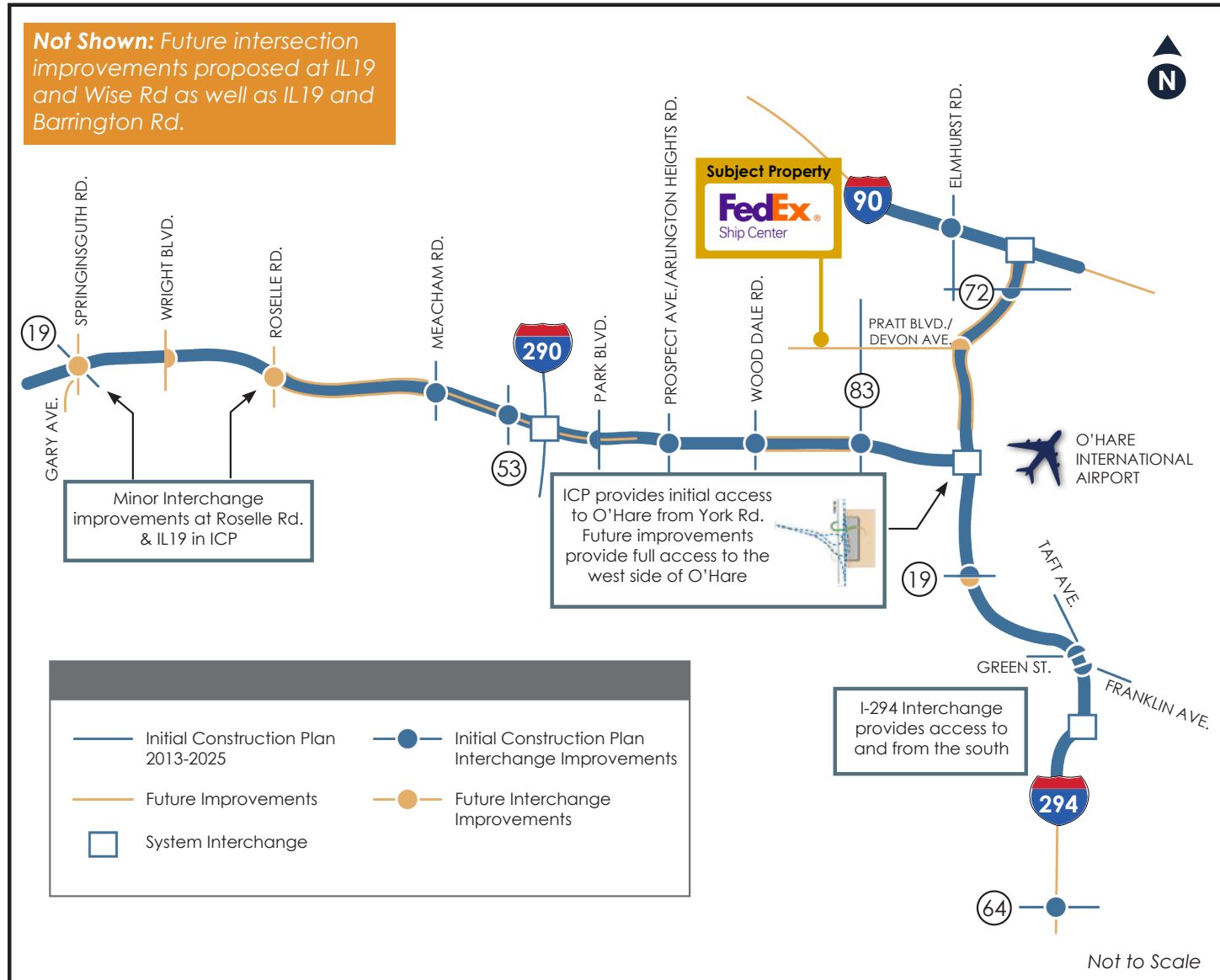




ELGIN O'HARE EXPANSION PROJECT

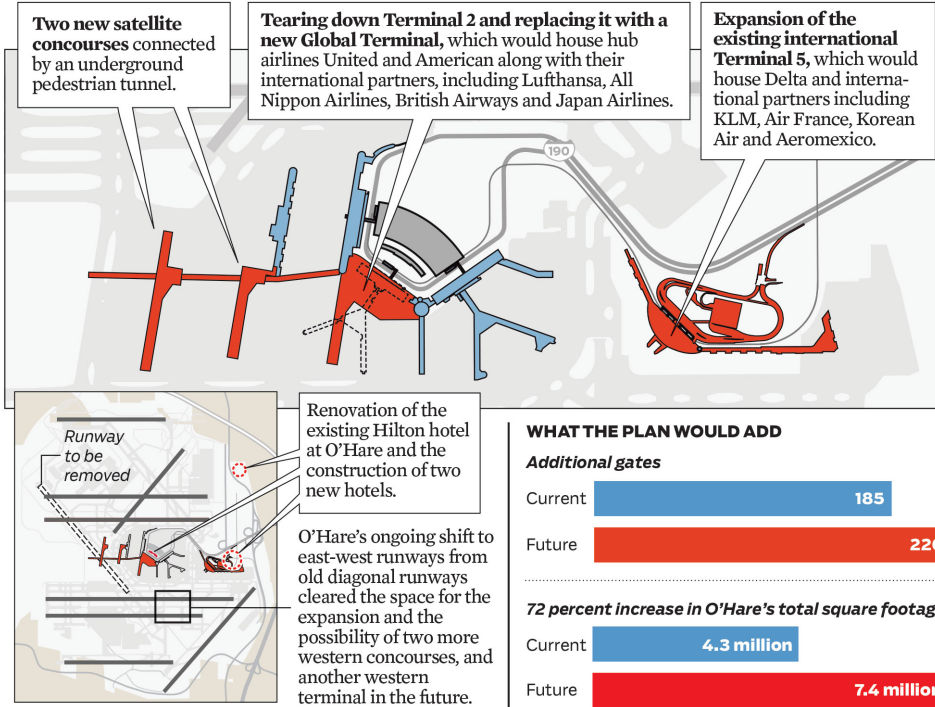


ELGIN O'HARE EXPANSION PROJECT



O'HARE AIRPORT EXPANSION PROJECT

WHAT PHASES OF THE CONSTRUCTION WOULD INCLUDE



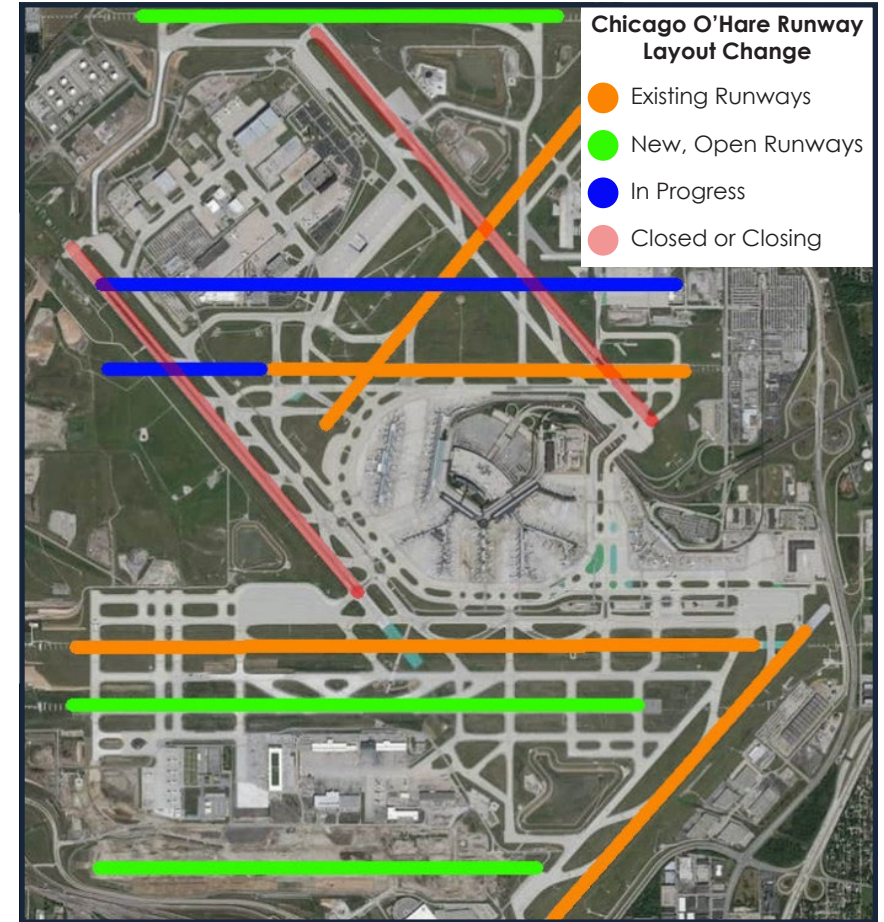
WHAT THE PLAN WOULD ADD

Additional gates

Current	185
Future	220

72 percent increase in O'Hare's total square footage

Current	4.3 million
Future	7.4 million



O'Hare's \$8.5B expansion project breaks ground on last runway extension

A big expansion project is nearing the end at O'Hare International Airport as Mayor Lori Lightfoot and Senator Dick Durbin join airport officials for a groundbreaking Friday morning. Construction is already underway on the final runway to be built in the O'Hare Modernization Program.

The city said the project means more planes can take off here at the world's busiest airport. The FAA said the expansion has already allowed dozens more planes to take off each hour. The city has been in the process of shifting and extending the runways for more than a decade, and expects to complete the remaining runway work in the next two years. Leaders called this modernization and the ongoing O'Hare 21 project vital to keeping Chicago at the center of the flying world. The city said these upgrades are creating over 60,000 new jobs, some of which will be around a decade.

Other upgrades under the O'Hare Modernization Project include a new global terminal, as well as other improvements. The council's Finance Committee also approved a measure to borrow \$4 billion to start the eight-year project in March. The project would expand O'Hare's capacity and improve travelers' experience. It would be the largest and most expensive revamp in the airport's history.

Gates would increase from 180 to 220, reducing flight delays and expanding travel options for customers. New self-service technologies will allow passengers to quickly check in for their flight and drop off their bags. Security screening updates aim to enhance security and further reduce passengers' wait times. Terminal 2 would be replaced with a new global terminal, and Terminals 1, 3 and 5 would be substantially expanded. All the improvements are expected to be completed by 2026. The city believes the new O'Hare will pump \$50 million into the Cook County economy annually.

Source: <https://abc7chicago.com/travel/ohare-construction-underway-for-last-runway-extension/5646427/>



Microsoft inks \$52.2 million deal for data center in Elk Grove Technology Park

One of the biggest names in technology is one of two firms planning to open data centers in the Elk Grove Technology Park, village officials confirmed Wednesday.

Redmond, Washington-based Microsoft Corp. recently closed on a \$52.2 million purchase of more than 36 acres in the 85-acre tech park site, according to real estate transfer documents released under the Freedom of Information Act.

That deal was coupled with Atlanta-based T5 Data Centers' \$29 million purchase of a 164,000-square-foot data center shell that's already been constructed at the park, documents show.

The properties are being sold by Brennan Investment Group, the Rosemont-based developer that's already completed four industrial buildings since breaking ground on the massive \$1 billion development in 2018.

Elk Grove Village officials for months have hinted that a big announcement was to come about data centers at the sprawling property, which includes the former Busse family farm and is roughly bounded by Higgins Road, Lively Boulevard, Oakton Street and Stanley Street.

Source: <https://www.dailyherald.com/business/20200122/microsoft-inks-522-million-deal-for-data-center-in-elk-grove-technology-park>



Microsoft plants seeds for data center at former suburban farm

The company paid \$52.3 million for 37 acres in the Elk Grove Technology Park, while T5 Data Centers acquired a new building there for \$29 million.

Some big data centers could soon sprout from a former 86-acre farm in Elk Grove Village recently transformed into an industrial park.

Microsoft paid \$52.3 million for 37 acres within the Elk Grove Technology Park in the northwest suburb, while T5 Data Centers has acquired a new 164,000-square-foot building in the park for \$29 million, according to real estate filings with the state. The two deals mark a big step forward for Rosemont-based Brennan Investment Group in its \$1 billion push to redevelop the former Busse Farm into a destination for industrial and high-tech companies.

The deals may also be an early sign that state tax breaks for data centers approved last year are having their desired effect. The measure, part of a \$45 billion state capital bill, provides a sales-tax exemption and income-tax credits for companies that invest at least \$250 million in new data centers in Illinois.

Source: <https://www.chicagobusiness.com/commercial-real-estate/microsoft-plants-seeds-data-center-former-suburban-farm>

LOCATION OVERVIEW



Elk Grove Village is home to the largest industrial park in North America. Over 3,600 businesses are located in its 5.4-square-mile (14 km²) business park adjacent to O'Hare International Airport. The community is served by several Interstate highways including I-90, I-290/I-355/Route 53 combination, IL-390, and the soon to be completed I-490 Western O'Hare Bypass.

Elk Grove Village is also home to Alexian Brothers Medical Center (ABMC) hospital, which is the largest employer in the community with over 2,200 workers. There are a number of other well-known corporations including Apple Vacations, the American Academy of Pediatrics, Illinois Tool Works (ITW), ADP, CitiGroup, Symons, and Pepsi Cola Distribution. The headquarters of United Airlines was in the unincorporated area of Elk Grove Township until it moved to downtown Chicago; the Elk Grove office is still in use as United's Operations Center.

With Chicago only about 26 miles away it is a quick trip into the city with endless things to do. Catch a sports game as Chicago is home to the Chicago Cubs, White Sox, Chicago Blackhawks, and Chicago Bears. Grab a bite to eat at one of the many restaurants, catch a play, shop along the 13-block stretch of the Magnificent Mile, visit Lincoln Park Zoo or step onto a ledge that is more than 100 stories up above Chicago in the Willis Tower.

It's always a great time to be in Chicago. Each season brings something new, from a magical holiday market in the winter to massive music festivals in the summer, cool architecture events in the fall to the Chicago river dyeing in the spring. Not only is the downtown architecture a site to see, but so are the many parks and beaches that call Chicago home.

Source: <https://www.choosechicago.com/>



DEMOGRAPHICS



POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	1,953	58,438	205,788
2018 Population	1,974	59,385	208,769
2023 Population	2,089	60,145	209,243

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2010 Households	686	22,069	76,989
2018 Households	695	22,513	78,388
2023 Households	734	22,955	79,159

INCOME	1-MILE	3-MILE	5-MILE
Median Household Income	\$72,140	\$66,376	\$69,675
Per Capita Income	\$29,399	\$33,784	\$35,010
Average Household Income	\$83,517	\$89,053	\$93,057

POPULATION

In 2018, the population in your selected geography is 208,769. The population has changed by 0.02% since 2000. It is estimated that the population in your area will be 209,243 five years from now, which represents a change of 0.23% from the current year. The current population is 49.75% male and 50.25% female. The median age of the population in your area is 40.0, compare this to the Entire US average which is 38.0. The population density in your area is 2,652.96 people per square mile.

HOUSEHOLDS

There are currently 78,388 households in your selected geography. The number of households has changed by 0.99% since 2000. It is estimated that the number of households in your area will be 79,159 five years from now, which represents a change of 0.98% from the current year. The average household size in your area is 2.65 persons.

INCOME

In 2018, the median household income for your selected geography is \$69,675, compare this to the Entire US average which is currently \$58,754. The median household income for your area has changed by 22.43% since 2000. It is estimated that the median household income in your area will be \$81,047 five years from now, which represents a change of 16.32% from the current year.

The current year per capita income in your area is \$35,010, compare this to the Entire US average, which is \$32,356. The current year average household income in your area is \$93,057, compare this to the Entire US average which is \$84,609.

RACE & ETHNICITY

The current year racial makeup of your selected area is as follows: 73.15% White, 2.17% Black, 0.02% Native American and 11.48% Asian/Pacific Islander. Compare these to Entire US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 24.85% of the current year population in your selected area. Compare this to the Entire US average of 18.01%.

HOUSING

In 2000, there were 54,970 owner occupied housing units in your area and there were 22,651 renter occupied housing units in your area. The median rent at the time was \$744.

EMPLOYMENT

In 2018, there are 240,177 employees in your selected area, this is also known as the day-time population. The 2000 Census revealed that 65.17% of employees are employed in white-collar occupations in this geography, and 34.74% are employed in blue-collar occupations. In 2018, unemployment in this area is 4.43%. In 2000, the average time traveled to work was 28.8 minutes.

