



2300 South Cicero Avenue,  
Cicero, IL 60804  
Chicago MSA



**MID-AMERICA®**  
Real Estate Corporation

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*For more information, contact:*

**Wes Koontz**

Mid-America Real Estate Corp.  
Vice President, Net Lease Director  
Direct: 630.954.7395  
WKoontz@MidAmericaGrp.com

**Christian Tremblay**

Mid-America Real Estate Corp.  
Broker  
Direct: 630.481.4010  
CTremblay@MidAmericaGrp.com





# INVESTMENT OVERVIEW

## SUBJECT OFFERING

Mid-America Real Estate Corporation is pleased to present Planet Fitness, located at 2300 South Cicero Avenue in Cicero, IL. The property is located approximately 8 miles west of Downtown Chicago and is comprised of a 15,100 square foot free-standing retail building, situated on a oversized 1.37 acre parcel. Planet Fitness has been occupying this site for over 8 years and recently exercised an option early, increasing their firm term to 11 years. The site's location in a densely populated urban area, favorable parcel size and shape with 460 feet of frontage and limited competition combined with a proven nationwide fitness concept make it an excellent net lease investment opportunity.

## PROPERTY DETAILS

PRICE:	\$4,249,000
CAP RATE:	6.75%
ANNUAL RENT	\$286,800
TERM:	11 YEARS
SQUARE FOOTAGE:	15,100 SF
LOT SIZE:	1.27 ACRES
PARKING SPACES:	110







## KEY FEATURES

**RECENTLY EXTENDED LEASE, HIGH PERFORMING LOCATION AND RENTAL INCREASES** – Planet Fitness recently exercised an option early, increasing the firm term remaining on the lease to 11 years. The lease features strong 10% increases every 5 years during the primary term and option period. This club regularly has an abundance of cars in the parking lot as a visual testament to the high performing location. This Planet Fitness location is operated by PLNTF Holdings LLC, which is headquartered in Indianapolis and operates franchised Planet Fitness health clubs. It is one of the largest and fastest-growing franchisors of Planet Fitness with over 80 total locations throughout the United States.

**SIGNALIZED CORNER, EXCELLENT TRAFFIC, VISIBILITY & ACCESS** – Planet Fitness is located at the signalized intersection of Cicero Avenue (32,900 VPD) and West 23rd Street, less than 1/8 of a mile from the signalized intersection of Cermak Road (26,400 VPD) and Cicero Avenue, which are the two main thoroughfares through this strong trade area. Customers also have direct access to the property from both Cicero Avenue and West 23rd Street. This helps regulate traffic flow, and creates many opportunities for customers to turn in and visit the subject offering.

**DENSELY POPULATED URBAN LOCATION BORDERING THE CITY OF CHICAGO** – Cicero is a densely populated infill area immediately west of Chicago's border. There are over 174,000 people within just 2 miles of the Planet Fitness, and no other large retail trade areas to service this population. This dense customer base makes the property well poised to hold long-term value for Planet Fitness and virtually any other retail, medical or service use.

**LIMITED COMPETITION WITH ZERO NATIONAL FITNESS CONCEPTS WITHIN 2 MILES** – Planet Fitness is the only national fitness concept operating within 2 miles of the site giving them dominant market share of the trade area. Furthermore, there is very little mid-box vacancy and developable land within the surrounding trade area providing significant barriers to entry for any of Planet Fitness's competitors.

**SOARING 25+ FT PYLON SIGN WITH 460 FEET OF FRONTAGE ALONG CICERO AVENUE** – The site has excellent visibility to customers with over 460 feet of frontage along Cicero Avenue and it shares a traffic signal with the large Hawthorne Works Shopping Center across the street. The property also features one of the largest pylon signs in the surrounding trade area providing further visibility to the site.

**ADAPTABLE REAL ESTATE PROVIDES INVESTOR WITH COVERED LAND PLAY** – The subject offering is comprised of a 15,100 square foot, free-standing retail building situated on a large rectangular shaped 1.37 acre parcel. The property boasts a signalized corner, two points of access and over 460 feet of frontage along Cicero Avenue. It is also located close to multiple access points of public transportation, including a CTA bus stop adjacent to the property and the Cicero - 21<sup>st</sup> Pink Line train station that has more than 385,000 annual riders. The building size can accommodate a variety of different tenants, which provides numerous backfill options. The unique layout of the parcel provides the ability to redevelopment the site with multiple free-standing buildings. Overall, the building size and parcel layout provides investors with tremendous upside potential and the ability to redevelopment the property.

**MAJOR RETAIL TRADE AREA** – The site is surrounded by national and regional retailers and is immediately adjacent to a dominant shopping center home to Cermak Fresh Market, Harbor Freight, Dollar Tree, AMC Theaters, Famsa and Foot Locker. The wider trade area includes Sam's Club, Walmart, Target, Home Depot, Menards, Aldi, Ross, Five Below, Walgreens, Burlington Coat Factory, Food 4 Less (Kroger Owned) etc.

**STRONG ECONOMIC REGION** – The subject offering is located in the Chicago MSA, home to 9.5 million people making it the 3<sup>rd</sup> largest MSA in the nation. It encompasses fourteen counties in Illinois, Indiana, and Wisconsin, covering over 9,581 square miles of land and water. The Chicago MSA has a very stable and diversified economy that is home to a wide array of industries including: financial services, education, transportation, manufacturing, insurance, pharmaceuticals, technology and healthcare. In total, the Chicago MSA has an annual GDP over \$737 billion with an unemployment rate of 4.1%.

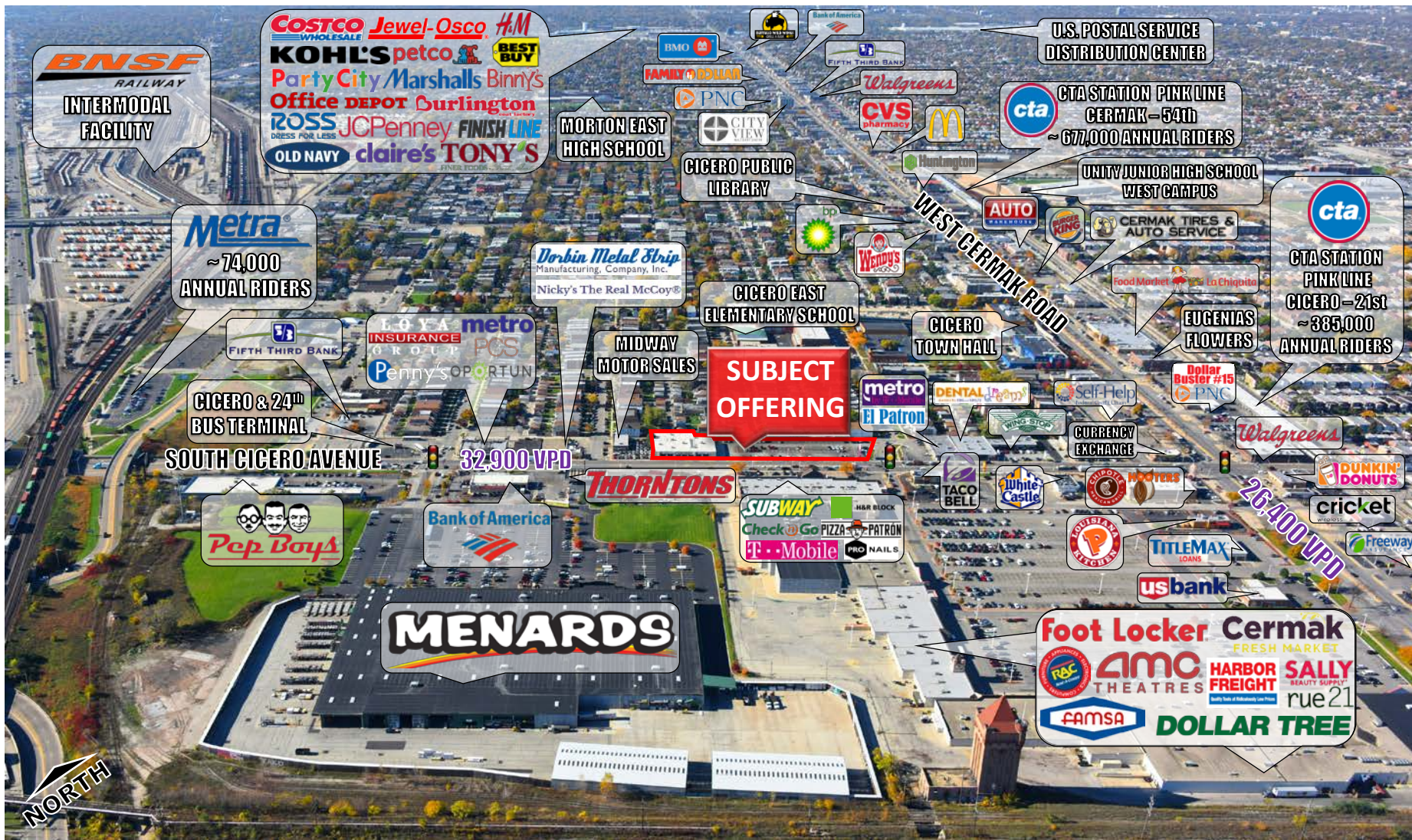


# NORTHEAST FACING AERIAL





# WEST FACING AERIAL







**INDUSTRIAL AREA**

**HAWTHORNE RACE COURSE**

**CHICAGO MIDWAY INTERNATIONAL AIRPORT**  
~23 Million Annual Visitors

**BNSF RAILWAY**  
**INTERMODAL FACILITY**

**Metra**  
~74,000 ANNUAL RIDERS

**CICERO & 24<sup>TH</sup> BUS TERMINAL**

**32900 VPD**

**SOUTH CICERO AVENUE**

**MIDWAY MOTOR SALES**

**SUBJECT OFFERING**

**CICERO EAST ELEMENTARY SCHOOL**  
~900 STUDENTS

**NORTH**

**Businesses and Landmarks:** ZAPATA ACADEMY, Sam's Club, Target, Five Below, Food 4 Less, Ross Dress for Less, dds discounts, IHop, Dunkin' King, BMO, McDonald's, KFC, O'Reilly, Little Caesars, Pep Boys, Bank of America, Thornton's, Menards, Foot Locker, Cermak Fresh Market, AMC Theatres, Harbor Freight, Sally Beauty Supply, rue21, Dollar Tree, FAMSFA, Taco Bell, Walmart, Sherwin Williams, Sonic, Fuller's Carwash, Presenius Kidney Care, T-Mobile, Subway, Penny's, Fifth Third Bank, Dorbin Metal Strip Manufacturing Company, Inc., Nicky's The Real McCoy, Metro PCS, El Patron, Dental Pearls.



# SITE AERIAL







This map of Cicero, IL, illustrates the distribution of fitness centers relative to a central point. Three concentric circles are drawn, representing distances of 1.5 miles (yellow), 3 miles (purple), and 4.5 miles (dark purple). The map shows a grid of streets with major thoroughfares like I-55 and I-43 highlighted. Neighborhoods such as Oak Park, Forest Park, Berwyn, Laverne, and Brighton Park are labeled. Numerous fitness centers are marked with logos, including Planet Fitness, XSPORT FITNESS, and others. The density of fitness centers increases as the distance from the center increases, particularly in the areas surrounding the 3-mile and 4.5-mile circles.





# LEASE ABSTRACT

Tenant:	PF Cicero, LLC	Insurance:	Tenant maintains insurance
Address:	<a href="#">2300 S Cicero Ave, Cicero, IL 60804</a>	Taxes:	Tenant pays directly
Lease Type:	NN Lease	Utilities:	Tenant pays directly
Term:	11 Years	Estoppel:	Within 10 days after notice from Landlord
Lease Expiration	12/31/2030	Tenant Maintenance:	Tenant responsible for maintaining and repairing utility systems, non-structural portions of the exterior & interior of building, windows & doors, landscaping and parking lot
Year Built:	1996 / 2010 R	Landlord Maintenance*:	Landlord responsible for maintaining and repairing the roof* and all exterior and structural portions of the building
Building Size:	15,100 SF	Sales Reporting:	On or before February 28 <sup>th</sup> annually
Land Area:	1.27 Acres		
Options:	One (1) – Five (5) Year Option		
Annual Rent:	\$286,800		
Monthly Rent:	\$23,900		
Rental Increases:	10% +/- increases every 5 years		

\*New Roof as of April 2016 with 15 year warranty in place





# PRICING

Price: \$4,249,000  
Cap Rate: 6.75%

# FINANCIAL SUMMARY

Years	Dates	Annual Base Rent	Monthly Rent	Yield	Rental Increase
1-6	1/1/2020 – 12/31/2025	\$286,800	\$23,900	6.75%	-
7-11	1/1/2026 – 12/31/2030	\$317,100	\$26,425	7.46%	10.56%
Average Yield Throughout Primary Term				7.11%	
Option 1					
12-17	1/1/2031 – 12/31/2035	\$348,780	\$29,065	8.21%	10%

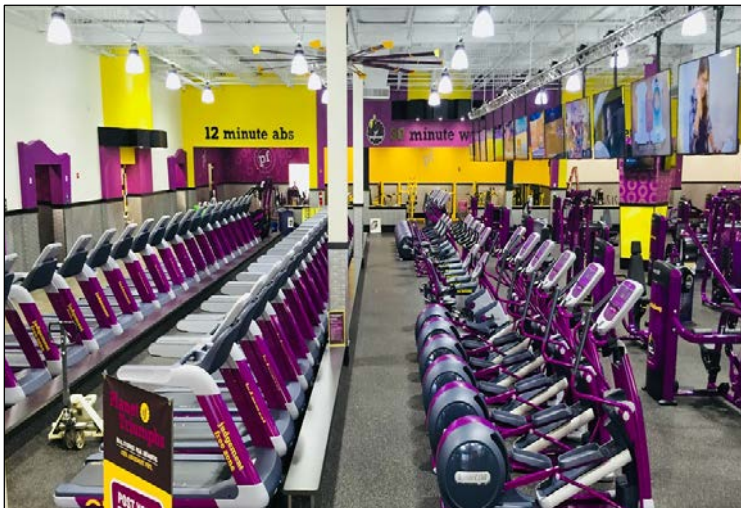




## TENANT OVERVIEW

Planet Fitness was founded in 1992, by Marc and Michael Grondahl in Dover, New Hampshire. The fitness concept began when the Grondahl brothers purchased a struggling gym and implemented a low-cost business model that focused on providing a high-quality fitness experience at an affordable cost. The brothers quickly recognized the huge opportunity to create a non-intimidating, judgement free zone gym environment that caters to occasional or first-time gym members rather than traditional gym members. In 2003, Planet Fitness began to pursue a franchise expansion strategy by opening its first franchise location in Florida. Over the past 17 years, Planet Fitness has grown rapidly into a nationwide fitness concept that currently has over 1,850 locations that are primarily owned and operated by franchisees. Today, it is one of the world's largest fitness clubs with over ten million members across the United States, Canada and Mexico.

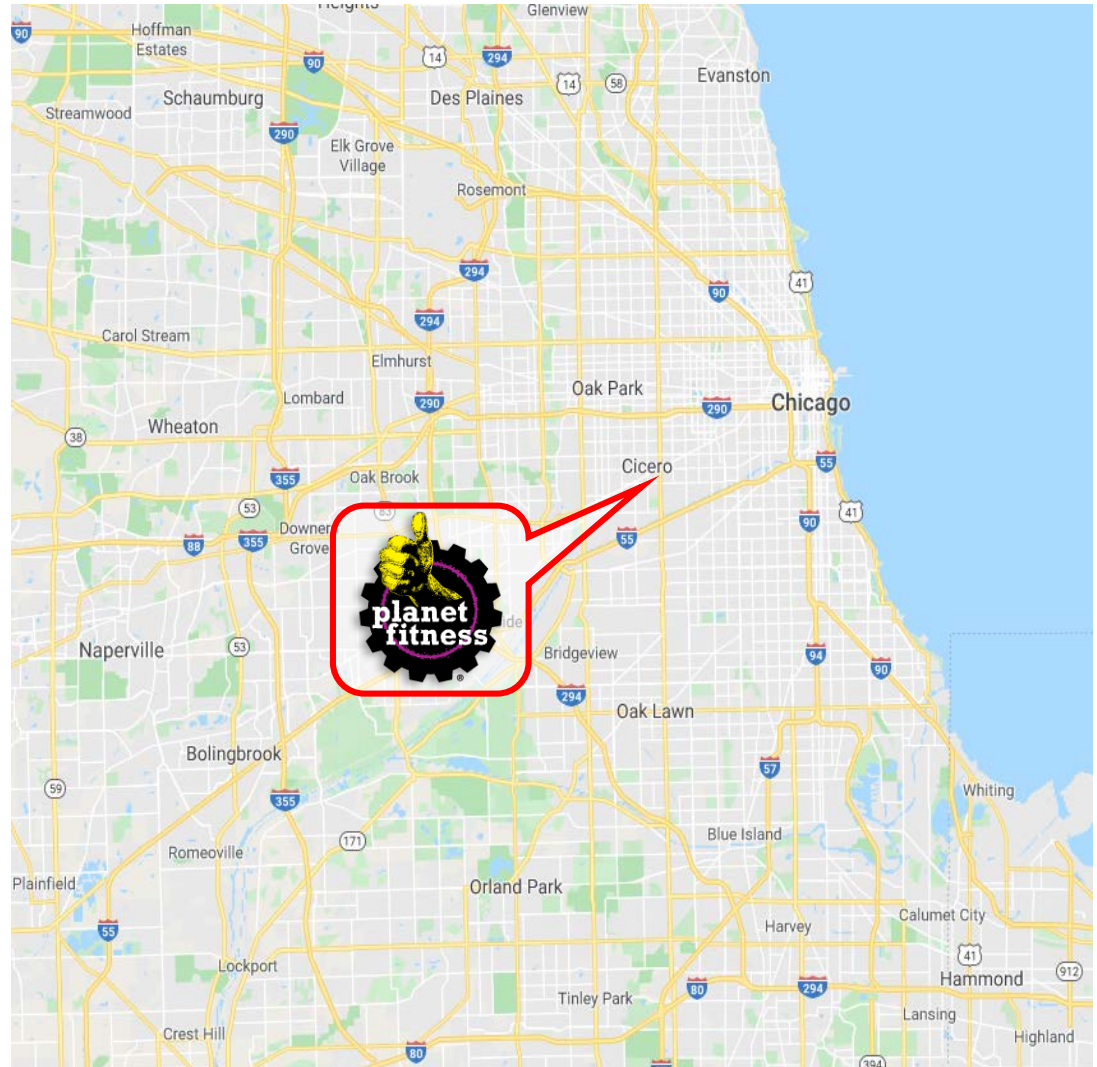
Founded in 2010, PLNTF Holdings LLC is headquartered in Indianapolis and operates franchised Planet Fitness health clubs. It is one of the largest and fastest-growing franchisors of Planet Fitness with 80 total locations. Over the past 10 years, PLNTF Holdings LLC has focused on acquiring Planet Fitness clubs into high-quality retail locations in different markets in order to diversify geographically. The company currently operates Planet Fitness health clubs in multiple states including: Indiana, Illinois, Virginia, Mississippi and Alabama.





## CICERO OVERVIEW

The city of Cicero is a dense, urban infill area located in the southwest region of the Chicago MSA. Cicero was formally incorporated in 1867 and has a population over 82,000 people. It is located less than 9 miles southwest from downtown Chicago. Cicero is composed of eight neighborhoods, with their own unique district names and characteristics. The subject offering is located in the eastern quadrant of Cicero off South Cicero Avenue, which is the primary thoroughfare through Cicero's main trade area. Cicero is conveniently located 4 miles south of Midway Airport, which serves over 23 million passengers and provides \$7.5 billion in economic activity per year. The city is bordered to the north by Dwight D. Eisenhower Expressway (Interstate 290) and to the south by Stevenson Expressway (Interstate 55). These two major arterial routes have a combined traffic count over 400,000 VPD. They are among the main traffic corridors in the Chicago MSA for the transportation of goods as well as for people who commute to work in downtown Chicago. The city has a stable consumer base of working-class families. Overall, many families choose to live in Cicero given its relatively low cost of living, ample job opportunities, and easy access to major arterial routes.







## CHICAGO MSA OVERVIEW

The City of Chicago is the third largest city in the nation and is the economic and cultural capital of the Midwest. The Chicago Metropolitan Statistical Area ("MSA") encompasses fourteen counties in Illinois, Indiana, and Wisconsin. It covers 9,581 square miles of land and water and is the third largest MSA in the nation with over 9.5 million people. The region was established at a natural portage between the Great Lakes and the Mississippi Valley and has served as the pivotal link in the nation's water, rail, and aviation networks. The Chicago MSA is a leader in financial trading, higher education, logistics, health care, manufacturing, and cultural institutions and is home to the headquarters of thirty-four Fortune 500 corporations, including Boeing, Walgreens, Kraft Foods, McDonald's, Motorola, and United Airlines. The city of Chicago is an approved investment market for the vast majority of public, institutional, and private real estate investments firms.

Chicago has developed from America's industrial capital into one of the nation's most dynamic and diversified economies, with strengths in financial services, transportation, insurance, pharmaceuticals, and retailing. In addition, Chicago is home to four of the nation's largest financial exchanges, including the Chicago Board of Trade, the Chicago Board Options Exchange, the Chicago Mercantile Exchange, and the Chicago Stock Exchange. Major U.S. money center banks and nearly ninety foreign banks, including more than forty full-service branches, have operations in Chicago. These institutions serve as a major source of investment capital for the Midwest, providing clients with access to the Euro-Markets and facilitating both imports to the Midwest and exports of the region's products overseas. Public employment and services are provided by six county governments, 270 cities and villages, and nearly 1,000 schools, park, and other special-purpose districts.





# DEMOGRAPHIC OVERVIEW

Population	1 Mile	2 Miles	3 Miles
2019 Population	45,614	177,657	349,444
2024 Projected Population	45,347	176,259	346,871
Workplace Establishments	770	2,624	5,805
Estimated Daytime Population	37,427	144,736	297,314
Households	1 Mile	2 Miles	3 Miles
2019 Households	12,373	49,552	102,173
2024 Projected Households	12,303	30,660	101,331
Persons per Household	3.70	3.57	3.28
Income	1 Mile	2 Miles	3 Miles
Average Household Income	\$51,219	\$50,926	\$56,239
Median Household Income	\$39,131	\$38,516	\$40,283
Per Capita Income	\$13,903	\$14,116	\$16,469

DEMOGRAPHIC PROFILE WITHIN 2-MILE RADIUS:



POPULATION  
177,657



HOUSEHOLDS  
49,552



AVERAGE HH INCOME  
\$50,926



# LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 2300 S Cicero Ave, Cicero, IL 60804 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.

# LEGAL DISCLAIMER

**Representation** The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

**Americans with Disabilities Act** The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

**Hazardous Materials Disclosure** Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

**Remedies** If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.



*For further information contact the owner's exclusive representatives:*

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