



# TARGET SHADOW ANCHORED CENTER

1061 W. Jackson Blvd. & 309 S. Aberdeen St. | Chicago, IL 60607  
**WEST LOOP CHICAGO MSA**



LISTED BY

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— OFFERING MEMORANDUM —

# TARGET SHADOW ANCHORED CENTER

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**WEST LOOP CHICAGO MSA**

**04** | EXECUTIVE OVERVIEW   **06** | PROPERTY OVERVIEW  
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SECTION I

# EXECUTIVE OVERVIEW



## INVESTMENT HIGHLIGHTS

- » **Target shadow-anchored strip center** with plenty of parking in one of Chicago's hottest growing markets.
- » **High-quality, new construction, multi-tenant** retail property – Sherwin Williams, AT&T, Enamel Dental, & Clay-Smith Vet Services.
- » Sherwin Williams and AT&T have **10% rental increases** in the option periods; Enamel Dental has **2.50% rental increases annually**; and Clay-Smith Vet Services has **\$2.75/SF rental increases annually** starting year 5. **Strong annual growth.**
- » Clay-Smith Vet Services has **spent significant money building out its space**, showing strong commitment to the location.
- » **Desirable Lease Structures** – All four Tenants have signed 10-year leases at the location.
- » The subject property is located near Randolph Street in West Loop and in **close proximity to Fulton Market District** which encompasses some of the world's strongest brands such as the **Soho House hotel, WeWork flagship location, Google's Midwest headquarters, McDonald's International headquarters**, and has centered its status as the center of all things creative, innovative, and electric. It is one of Chicago's best destinations for food, hospitality, culture, design, technology, art and business, and considered the **"Epicenter of Chicago"**.
- » **One of Chicago's hottest markets** undergoing robust area densification and growth. 1.8 Million SF of existing office (more than 25,000 daytime employees) with an additional 3.4 million SF under construction or planned. More than 900 hotel rooms existing, under construction or planned, plus an additional 4,500 new apartment units under construction or planned.
- » Fulton Market and the surrounding area has experienced **127% population growth** in the past 15 years. Fulton Market has an **average household income north of \$146,000.**
- » **Densely populated area with robust demographics** – over 967,000 people reside within 5 miles with an average household income of \$115,400+; 430,000 people reside within 3 miles with an average household income of ±\$133,400; about 43,000 people reside within 1 mile with an average household income of over \$150,600.
- » Subject property is located within close proximity to the **United Center, home of the Chicago Bulls (NBA) and Chicago Blackhawks (NHL)**, with a capacity of over 23,500 guests.





SECTION II

# PROPERTY OVERVIEW



## PHYSICAL DESCRIPTION

### PROPERTY NAME

Target Shadow Anchored Center

### ADDRESS

1061 W. Jackson Blvd. & 309 S. Aberdeen St.

### LOCATION

Chicago, IL 60607

### PARCEL

17-17-224-002

17-17-224-001

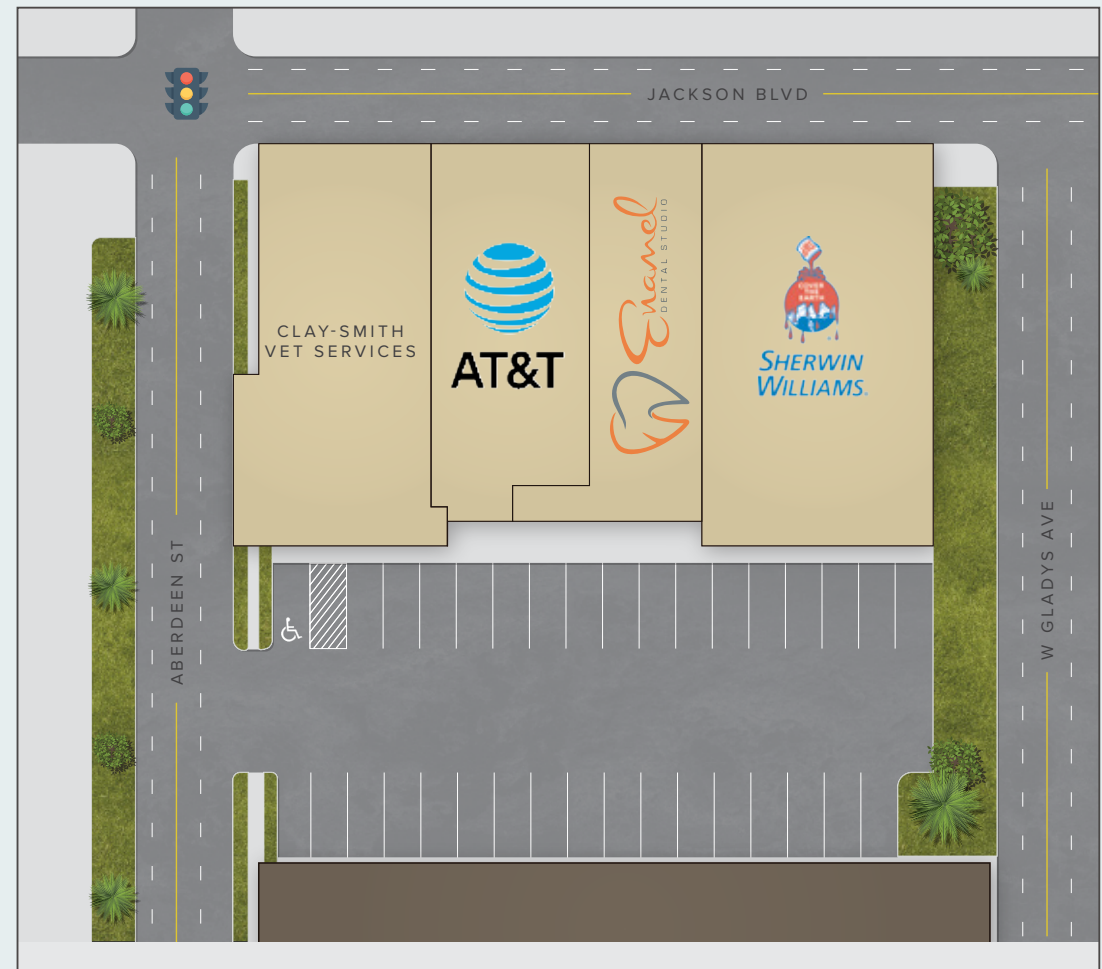
### NET RENTABLE AREA

± 9,145 SF

### LOT SIZE

± 0.41 Acres (18,030 SF)

## SITE PLAN





## SURROUNDING AREA









## SECTION III

# FINANCIAL OVERVIEW





**OFFERING PRICE:**  
**\*\$5,830,000**



**CAP RATE:**  
**\*6.37%**



**NOI:**  
**\*\$371,431**

## RENT ROLL

Tenant	BLDG SF	Lease Start	Lease Exp.	Renewal Options	Monthly Rent	Annual Rent	Net RPSF	Rent Increases	Percentage Rent
ATT	1,956	5/1/15	4/30/25	(2) 5 yrs	\$7,172.00	\$86,064.00	\$44.00	10% in Options	None
Sherwin Williams	3,192	7/27/15	7/31/25	(2) 5 yrs	\$11,484.55	\$137,814.60	\$43.18	10% in Options	None
*Clay-Smith Vet. Services	2,506	*4/1/19	3/31/29	(2) 5 yrs	\$8,718.79	\$104,625.50	\$41.75	See Notes Below	None
**Dr. Choi	1,491	11/18/16	11/30/2026	(2) 5 yrs	\$4,457.47	\$53,489.63	\$35.88	2.5%/ yr	None
<b>9,145</b>						<b>\$381,993.73</b>	<b>\$41.77</b>		

### CLAY-SMITH VET. SERVICES

Period (Months)	Monthly	Annual	Per Foot
1 - 12	\$5,951.75	\$71,421.00	\$28.50
13 - 24	\$6,682.66	\$80,191.92	\$32.00
25 - 36	\$7,413.58	\$88,962.96	\$35.50
37 - 48	\$8,144.50	\$97,734.00	\$39.00
*49 - 60	\$8,718.79	\$104,625.48	\$41.75
61 - 72	\$9,293.08	\$111,516.96	\$44.50
73 - 84	\$9,867.38	\$118,408.56	\$47.25
85 - 96	\$10,441.66	\$125,299.92	\$50.00
97 - 108	\$11,015.96	\$132,191.52	\$52.75
109 - 120	\$11,590.25	\$139,083.00	\$55.50

Rent Increase Detail	
Average (yrs 1-5)	\$88,587.07

Average (yrs 6-10)      \$125,299.99

\*Clay-Smith Vet Services rent is paying about 25% below-market in rent based on tenant contributing a significant capital contribution/TI to the build out of the space. Sales price is based on year 5 NOI of Clay-Smith Vet Services. Seller will rent credit the difference in rent in years 2-4 between when year 5 rent commences and the close of escrow.

\*\*Pricing is based on Dr. Choi's annual rent increases that is set to occur on 12/1/20. The Seller will credit Buyer the difference in rent at closing.

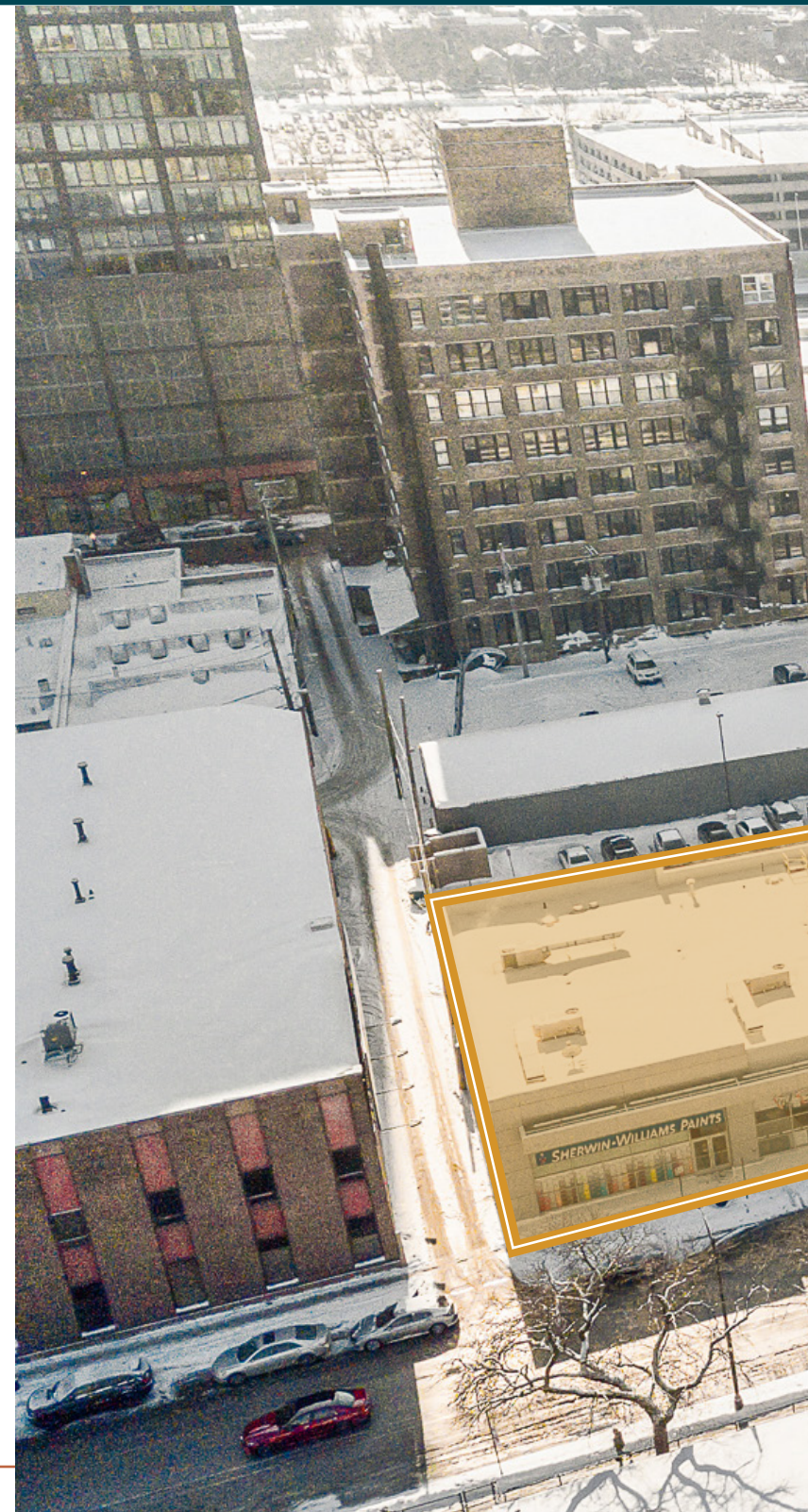


## FINANCIAL OVERVIEW

	Year 1	
	Total	\$/SF
<b><u>Income</u></b>		
Rental Income	\$381,994	\$41.77
Other Income	\$0	\$0.00
Reimbursement Revenue	\$79,493	\$8.69
<b>Effective Gross Income</b>	<b>\$461,486</b>	<b>\$50.46</b>
<b><u>Estimated Expenses 2020 Budget</u></b>		
Est Real Estate Taxes	\$48,267	\$5.28
Insurance	\$5,966	\$0.65
CAM	\$21,978	\$2.40
Management Fees (3% of EGI)	\$13,845	\$1.51
<b>Total Operating Expense</b>	<b>\$90,056</b>	<b>\$9.85</b>
<b>Net Operating Income</b>	<b>\$371,431</b>	<b>\$40.62</b>

*\*All tenants pay an Admin fee on CAM. Slippage is due to 3.0% management fee. Ask agents for lease abstracts.*

*\*\*Property taxes may increase upon a sale.*







ABERDEEN ST

JACKSON BLVD



## PROPOSED VAN BUREN APARTMENT TOWERS



Developer Tandem Partners plans to build 401 apartments and retail space in two towers at 1050 and 1125 W. Van Buren St. Architectural firm Antunovich Associates designed the projects.

The proposed 24-story, 265-foot-tall building at 1125 W. Van Buren St. would feature 200 apartments, seven car parking spaces, 100 bicycle parking spaces, and retail space. About 60 percent of the apartments would be studios, 30 percent would be one-bedroom units and 10 percent would be two-bedroom units, said Joseph Antunovich, president of Antunovich Associates.

## COOK COUNTY BOARD OF REVIEW HAS SLASHED ASSESSED VALUES

The Board of Review, where property owners can appeal their assessments, has slashed assessed values on commercial and industrial properties in seven townships in northern Cook County from the high levels set by Kaegi's office. After granting appeals, the board estimated the assessed value of all the properties at \$3.29 billion, down 32 percent—or more than \$1.5 billion—from the \$4.83 billion value set by the assessor.

That's great news for owners of apartment, industrial, retail and other buildings. They'll pay less—a lot less, in some cases—in taxes than they would have without the board's intervention. "We're very happy about it," says apartment landlord Stuart Handler, CEO of Chicago-based TLC Management. "We hope that it will be a trend that will continue."



## PROPOSED VAN BUREN APARTMENT TOWERS RENDERINGS





An aerial photograph of a dense city skyline, likely Chicago, featuring prominent skyscrapers like the Willis Tower. The image is covered with a semi-transparent teal gradient. A white rectangular frame is centered on the page, containing the text 'SECTION IV' and 'AREA OVERVIEW'.

SECTION IV

# AREA OVERVIEW



# CHICAGO, ILLINOIS

Situated on the southwestern shore of Lake Michigan, the City of Chicago covers an area of 60,000 hectares and sits 176 meters above sea level. Chicagoland is an informal name for the metropolitan area associated with the city of Chicago and its suburbs and has no official definition. The region is often considered to include areas beyond its corresponding MSA, as well as portions of the greater CSA.

Chicago has one of the world's largest and most diversified economies, with more than four million employees and generating an annual gross regional product (GRP) of over \$575 billion, which is more than countries like Sweden and Norway. Having been listed as an alpha global city by the Global Cities Index, it is a key player in every sector from risk management innovation and information technology to manufacturing and health services.

The city is an efficient economic powerhouse, home to more than 400 major corporate headquarters, including 31 in the Fortune 500. Boeing, United Continental Holdings, Inc., Exelon Corporation, R. R. Donnelley & Sons Company, and Archer Daniels Midland are just a few of the Fortune 500 companies based in the area. Motorola Solutions, Inc. intends to move their headquarters from Schaumburg, IL to Chicago in the coming future. McDonald's has become the latest Fortune 500 company to establish its presence in Chicago as it is preparing to move its headquarters from Oak Brook, IL to the windy city by early 2018.

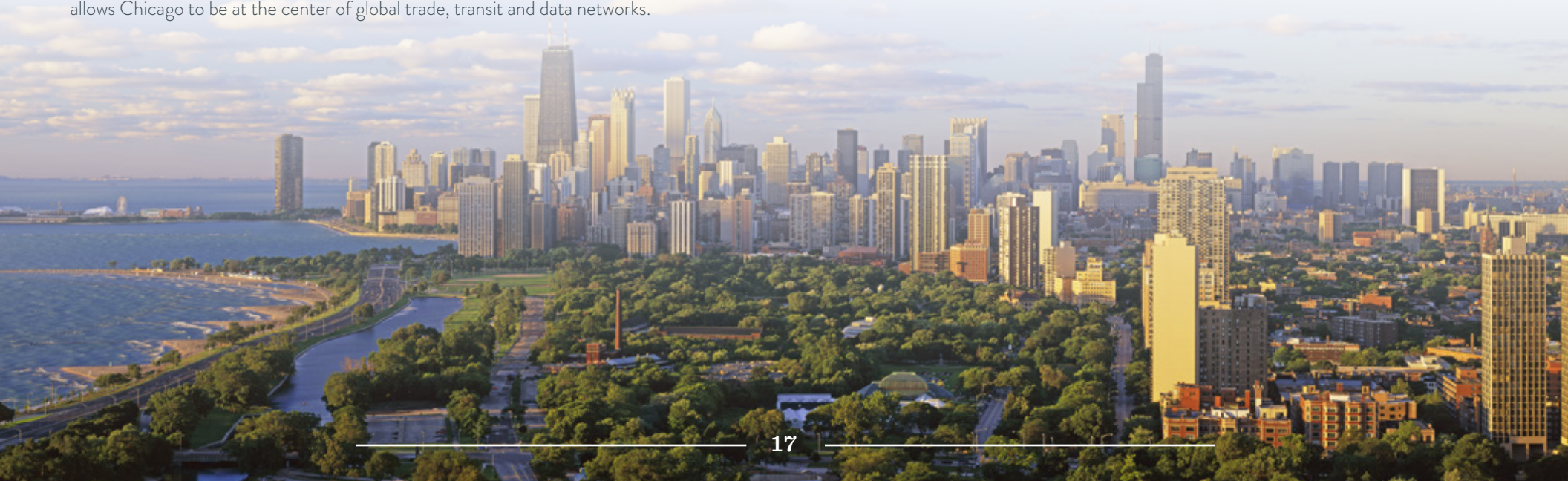
As a multicultural city that thrives on the harmony and diversity of its neighborhoods, Chicago embodies the values of America's heartland integrity. It is this level of diversification that has resulted in Chicago being rated as having the most balanced economy in the United States. Additionally, its central location allows Chicago to be at the center of global trade, transit and data networks.

# DEMOGRAPHICS

Population	1-Mile	3-Mile	5-Mile
2025 Projection	45,052	439,793	976,320
2020 Estimate	43,234	430,060	967,337
2010 Census	36,652	394,733	931,153
Growth 2020-2025	4.21%	2.26%	0.93%
Growth 2010-2020	18.20%	8.99%	3.91%

Households	1-Mile	3-Mile	5-Mile
2025 Projection	23,822	221,420	430,521
2020 Estimate	22,783	214,887	422,704
2010 Census	18,953	191,761	394,541
Growth 2020-2025	4.56%	3.04%	1.85%
Growth 2010-2020	20.36%	12.07%	7.16%

Income	1-Mile	3-Mile	5-Mile
2020 Average Household Income	\$150,593	\$133,434	\$115,423





## WEST LOOP

A transformation — or rather, an explosion — has taken place among the former factories, wholesale markets and warehouses on the edges of downtown. One of Chicago's fastest growing neighborhoods, the West Loop is a study of contrasts. Still somewhat industrial and gritty, the slew of new sleek restaurant openings has centered around Randolph Street and nearby Fulton Market. The aptly named "Restaurant Row" doesn't discriminate against nightlife either so the selection on these few blocks alone is staggering. You can go from sushi bar to sports bar, bakery to brewery, wine tasting to taqueria, butcher shop to champagne salon, late-night diner to futuristic cocktail lounge — all within this stretch. Specialty foods galore

also abound at the nearby Chicago French Market, the city's only year-round, indoor marketplace.

Interspersed among the West Loop luxe lofts and the chic retail boutiques are galleries, design stores and antique sources that give the area its creative-edginess. Sculpture, textiles, folk art, contemporary paintings and European prints are just some of the collections to see in the showrooms. And for more culture, Greektown has a wealth of it. A new museum and cultural center joins the Hellenic bakeries, energetic tavernas and reputable restaurants serving fresh tzatziki, flaming saganaki and gyros — among other traditional eats.

Over the last 10 years, the West Loop has morphed into one of the most happening neighborhoods in town—and it's easy to see why. The former industrial area is brimming with top restaurants and bars, stunning loft apartments and boutique hotels for out-of-towners. The epicenter of the 'hood is "Restaurant Row," a concentration of excellent eateries along Randolph Street and Fulton Market. It's here that visitors can find everything from Michelin-starred restaurants to a fried chicken joint to a hidden ramen shop. Beyond its collection of culinary gems, the West Loop is also home to unique shops, cool attractions and so much more. Check out the best of the neighborhood with our comprehensive guide to the West Loop.



## MARKET OVERVIEW

A longtime domain of family-owned meatpackers and loft condo conversions, the once quiet West Loop and Fulton Market District have undergone a remarkable transformation in recent years. While a handful of food wholesalers still hang on, there's clearly no looking back as the pace of development surges forward.

Already the favorite of tech companies like Google and soon to be home of McDonald's world HQ, the neighborhood west of the Kennedy Expressway has established itself as the hot place to work, live, eat, shop, and stay. The area continues to evolve as an

organic extension of Chicago's central business district with no less than three 500-foot skyscrapers currently in development.

The West Loop is no longer just a trendy spot to grab dinner, but rather a major economic powerhouse for the entire city. The neighborhood has seen an influx of new office proposals in the last six months and was even listed as one of ten official sites submitted by Chicago to Amazon as a location for its coveted HQ2 campus.



# MARKET OVERVIEW CONTD.



**FULTON**

1. Office | 290,000 SF | 2015  
Dyson HQ, Uber, Glassdoor, Skender



2. Office | 500,000 SF | Under Construction  
McDonald's International HQ

**Google**

3. Office | 535,000 SF | 2015  
Google Midwest HQ

**ACE HOTEL**

4. Hotel | 159 rooms | 2017  
Portland-Based Hotel Chain



SOHO HOUSE & CO

5. Hotel | 40 rooms | 2014  
Private Members' Club catering to the creative class

**NOBU**

6. Hotel | 119 rooms | Under Construction  
Hotel Will Feature Nobu Restaurant

**THE HOXTON**

7. Hotel | 182 rooms | Under Construction  
Award-Winning, London-Based Boutique Hotel

**wework**

8. Office | 90,000 SF | 2015  
Shared Creative Office Space | Flagship Location

**THE PARKER**

9. Luxury Multifamily | 227 units | 2016  
Booth Hansen Designed Luxury Apartments



## RECENT DEVELOPMENT PROJECTS

**1KFULTON** | California-based Google now anchors the Sterling Bay development, a first-class office and retail destination. Capitalizing on the momentum of the Google relocation, Sterling Bay has become a leading investor in developing the district.

### ACE HOTEL

**ACE HOTEL** | A boutique hotel, opened in August 2017 offering 159 rooms, a new restaurant concept and a large rooftop lounge space.



**110 N. CARPENTER | MCDONALD'S HEADQUARTERS** moved to former Harpo Studios in a 550,000 SF building, bringing over 2,000 employees.

### NOBU HOTEL

**NOBU HOTEL** | Currently on hold, the Nobu Hotel Chicago with 119 guest rooms and suites will have a 10,000 SF ground floor restaurant situated on Randolph Street's Restaurant Row.

**200 N. GREEN** | London-based, 12-story, 175-room HOXTON HOTEL opened in 2018. The building includes two levels of office space, a rooftop terrace, and 1,200 square feet of retail.

**WEST LOOP COLLECTION** | Five, 5-story buildings with prices ranging from \$989,000 – \$2.075 million.

**1000 W. RANDOLPH** | A 23,000 SF retail and office building located at the intersection of Randolph and Morgan streets.



**1200 W. FULTON MARKET** | Proposed 24-story, 1.2 million square foot development, containing a mix of office, retail, and hospitality uses. The development also calls for the inclusion of a 60-room boutique hotel and 700 parking spaces.

**210 N. CARPENTER** | A 203,000 SF office loft/creative space offering state-of-the-art amenities to be delivered Summer 2018.

**SOHO HOUSE** | A hotel with membership benefits including a rooftop pool and movie theatre located at 113 N. Green Street.

**370 N. CARPENTER** | A 10,300 SF single-tenant building with parking.



**1011 W. RANDOLPH** | Major Retailer, FREE PEOPLE, is the first major retailer to sign a lease for a store, committing to the neighborhood.



**EQUINOX HOTEL** | The New York-based company that runs Equinox fitness club chain plans to open a 58-story hotel with 165 rooms and 370 residential units.

**310 N. PEORIA** | A vertical expansion of an existing boutique hotel project to include 3,000 square feet of ground floor commercial space.

**113 N. MAY** | The 16-story Extended Stay Hyatt Brand hotel is currently in the early stages of construction and is intended to be used as housing for "Hamburger University".

**118 N. ABERDEEN** | The new two-story, 16,500 SF building will be the home to the West Loop Branch Library.

**UNION WEST** | Two new, 15-story apartment buildings with 358 units and 259 parking spaces along with 13,700 SF of retail space.

**1001 W. FULTON** | A new six-story commercial building replacing a vacant lot at the southwest corner of Fulton Market and Morgan Streets.

**ACE HOTEL** | A boutique hotel, opened in August 2017 offering 159 rooms, a new restaurant concept and a large rooftop lounge space.

**167 N GREEN** | 17-story, 725,000-square-foot proposal will feature 129 parking spaces and a "mews" pedestrian connection between Halsted and Green.

**BRIDGFORD FOODS** | Has plans to redevelop its production facility into a mixed-use building. The 17-story tower will contain of ground floor commercial space topped by 250 parking spaces and 314 rental units.



## RECENT DEVELOPMENT PROJECTS (CONTD.)

**330 N GREEN** | 20-story building planned by Sterling Bay. One of three high-rise commercial buildings Sterling Bay is proposing for the 300 block of North Green.

**333 N GREEN** | 19-story office tower with street-level retail and 326 parking spaces. One of three high-rise commercial buildings Sterling Bay is proposing for the 300 block of North Green.

**360 N GREEN** | 21-story office building with 256 parking spaces. One of three high-rise commercial buildings Sterling Bay is proposing for the 300 block of North Green.

**3602 N GREEN** | Proposed 21-story office building.

**345 N MORGAN** | Sterling Bay proposed 9-story movie theater development which would include ground floor retail and multiple levels of parking to be completed in 2020.

**375 N MORGAN** | 10-story office project from Latsko which sports a stepped design with a setback at each level providing tenants with private outdoor amenity spaces.

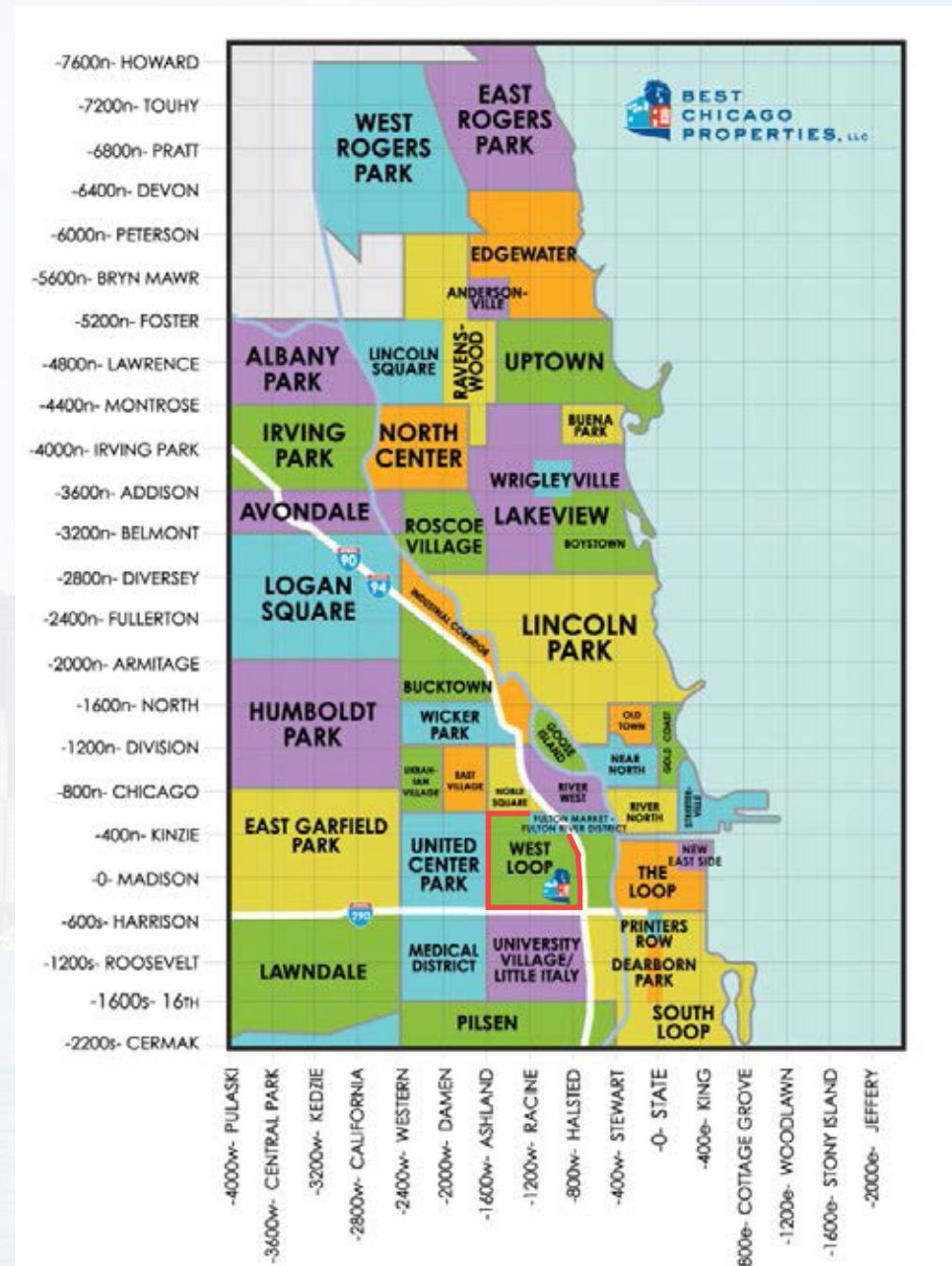
**800 & 810 W FULTON MARKET** | Upcoming multi-level retail space

**801 W FULTON MARKET** | 7-story, 70,000-square-foot office building which will feature 80,000 feet of ground floor retail

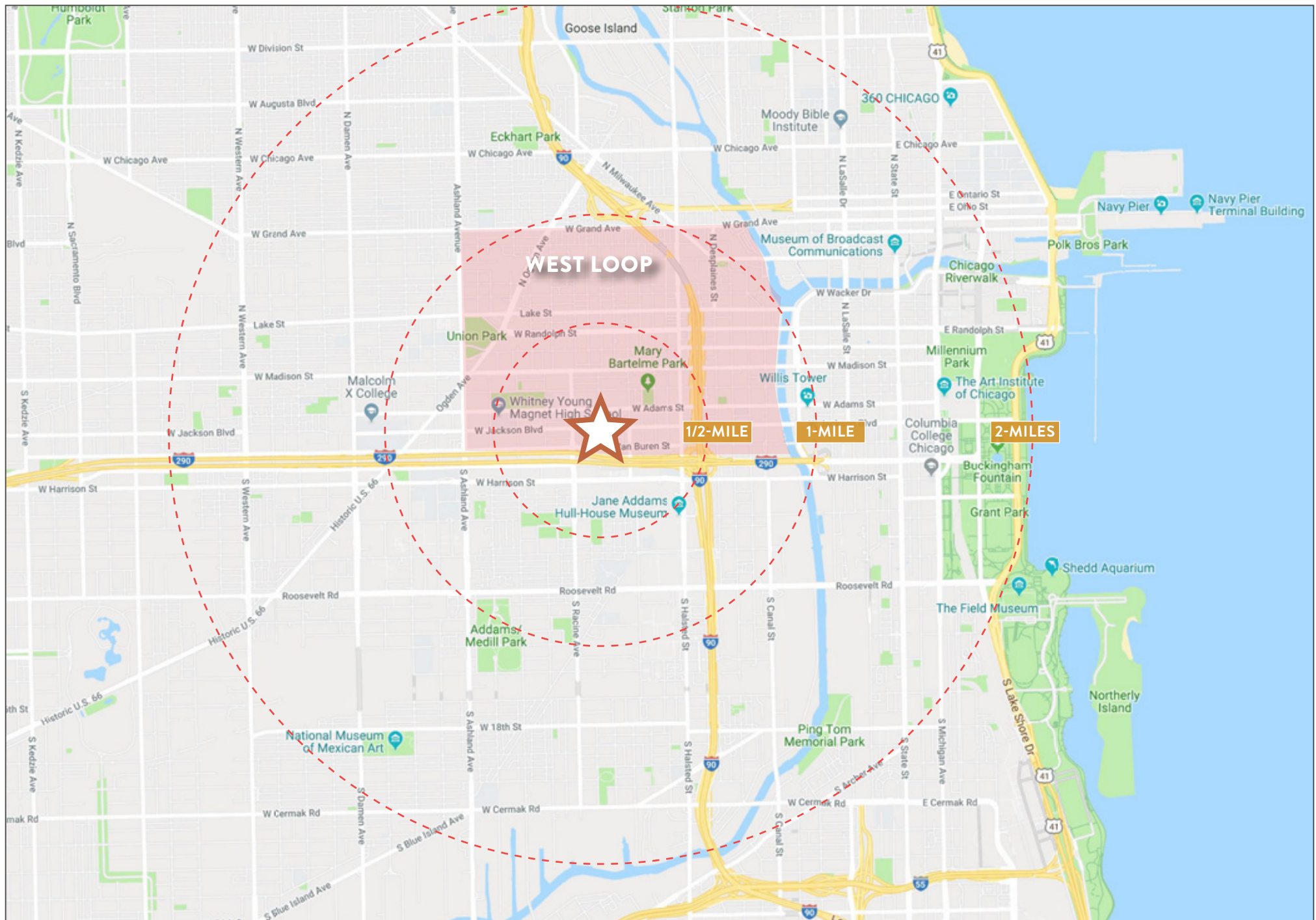
**811 WEST FULTON** | 7-story building leased to women's co-working firm, EvolveHer, Wintrust Financial, BlackEdge Capital, and anchored by Knoll on the ground floor

**816 - 820 W FULTON MARKET** | Mixed-use project expected to contain retail and restaurant storefronts with office space on the upper floors.

**905 W FULTON MARKET** | Combination of two historic buildings to one 5-story commercial building with three distinct facades.









## POINTS OF INTEREST

### NAVY PIER

Navy Pier is Chicago's lakefront treasure on the shoreline of Lake Michigan. The pier encompasses more than fifty acres of parks, gardens, shops, restaurants, family attractions and exhibition facilities. Drawing nearly nine million visitors annually, Navy Pier is one of the most visited attractions in the entire Midwest.

### MILLENNIUM PARK

Located in the Loop community area of the city, Millennium Park is a 25-acre public park that offers awe-inspiring landscape, breathtaking architecture and an iconic collection of public art, such as the iconic Chicago Bean. It is Chicago's premier green space and presents dozens of free events for residents.

### MAGNIFICENT MILE

Adjacent to downtown and one block east of Rush Street, the Magnificent Mile is an upscale section of Chicago's Michigan Avenue, which runs from the Chicago River to Oak Street in the Near North Side. Several of the tallest buildings in the country lie in this district, such as the John Hancock Center and the Trump International Hotel and Tower. Serving as the main thoroughfare between Chicago's Loop business district and Gold Coast, the Magnificent Mile contains a mixture of high-end department stores, restaurants, luxury retailers, residential and commercial buildings, financial services companies and hotels, primarily catering to tourists and the affluent.

### WILLIS TOWER

Still commonly referred to as Sears Tower, the Willis Tower is the second-tallest building in the United States. This bustling community of business, tourism and culture offers breathtaking views of the city from its Skydeck. Visitors can experience the Ledge, all-glass balconies that allow visitors to look through the glass floor to the street 1,353 feet below.

### JOHN HANCOCK CENTER

The John Hancock Center is currently the eighth-tallest building in the country. Equipped with a restaurant and lounge on the 95th floor, the Observatory (360 Chicago), and America's highest indoor swimming pool, the John Hancock Center appeals to residents and tourists alike. From the restaurant, diners can take in views of the city.





## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Target Shadow Anchored Center** located at **1061 W. Jackson Blvd. and 309 S. Aberdeen St., Chicago, IL** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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