

OFFERING MEMORANDUM

ESSENTIAL SERVICES CENTER: OSF HEALTHCARE/IHOP/POTBELLY

7601 S. Cicero Ave, Chicago, IL 60652



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CONFIDENTIALITY DISCLAIMER

Landmark Commercial Real Estate Services, LLC d/b/a Landmark Investment Sales ("BROKER") has been retained by the Owner to sell the 100% fee simple title of this asset. The Broker is the exclusive agent for the sale of this asset. The Broker has prepared the Property Information with information provided by the Owner, from sources deemed to be reliable. The Potential Purchaser will conduct its own due diligence of The Property, independently and without reliance upon BROKER of the Owner. Information furnished herein, the Offering Memorandum (the "OM") is intended solely for the Potential Purchaser and its affiliates ("Recipients") for its review of the acquisition of OSF HealthCare at Ford City Mall 7601 S Cicero Ave, Chicago, IL ("Property").

All information in the OM ("Confidential Information") shall be deemed confidential. Confidential Information shall not include any information which is generally available to the public or which becomes available to the Recipients on a non-confidential basis from a source that is or was under no obligation not to disclose such information.

In consideration of Broker and disclosure of the confidential information, the recipient shall not at any time, attempt in any manner to deal directly in any manner or circumvent Broker.

Unless otherwise agreed in writing or required by law, the Recipients will not use, disclose, or reveal any Confidential Information for any purpose other than in connection with the proposed transaction to any persons or entities other than those employees, officers, directors, bankers, advisors, representatives, or agents (collectively, "Representatives") who clearly need such access to perform their employment, fiduciary or contractual duties to the Recipient and to actively and directly participate in the evaluation of the Confidential Information. Additionally, Recipients shall not directly contact anyone directly associated with the Property without the express written consent of the Owner or Broker.

Recipients agree not to contact or initiate contact with the Tenants, at any time, either directly or indirectly. Unless such approval is specifically granted in written from the Owner or Broker.

This agreement shall be governed by the laws of the Michigan, and in any action brought to enforce the terms hereof, Recipients hereby irrevocably consents to jurisdiction and venue in the Circuit Court for the County of Oakland, State of Michigan, or the United States District Court, whichever the Owner may elect. The invalidity or unenforceability of any provision of this agreement as applied to a particular occurrence or circumstance shall not affect the validity of or enforceability of any of the other provisions of this agreement or the applicability of such provisions as the case may be. This agreement shall inure to the benefit of and may be enforced by the Owner and its successors and assigns and shall be binding on the Recipients, its officers, directors, partners, agents, members, representatives and successors in interest. If any portion of this agreement becomes the subject of litigation or arbitration, the prevailing party in such suit or proceeding shall be entitled to reimbursement for its reasonable costs, expenses and attorney's fees incurred, including those incurred in connection with any appeals. A copy of this agreement delivered by facsimile transmission shall be binder on both parties.

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OSF
HEALTHCARE



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In cooperation with IL licensed broker:

Joshua Joseph | Frontline Real Estate Partners

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MICRO AERIAL



OFFERING SUMMARY

PROPERTY DETAILS

Address: 7601 S. Cicero Ave,
Chicago, IL 60652

Building Size: 10,992 SF

Land Area: 1.592 AC

Year Built: 2005

Occupancy: 100%

TENANT SUMMARY

Tenant	SF	Annual Rent	PSF	EXP
IHOP	4,852	\$189,228	\$39.00	3/31/2028
Potbelly	3,020	\$100,506	\$33.28	2/29/2025
OSF Healthcare	3,120	\$140,400	\$45.00	2/28/2031

PRICING

NOI: \$388,689

Cap Rate: 7.00%

Asking Price: \$5,552,700

INVESTMENT HIGHLIGHTS

ESSENTIAL STABLE TENANCY WITH STRONG HISTORICAL SALES

- New lease just signed with OSF Healthcare (135 locations, 21,500 employees) – this location will be acting as an Urgent Care. Rent is expected to commence on March 1st
 - Potbelly (474 locations) and IHOP (3,652 locations) remain dominant, internet resistant concepts.
- Both Potbelly and IHOP (18-unit franchisee) enjoy higher than average historical sales (contact broker for additional information).

DENSE INFILL LOCATION

- The subject property sits in the middle of a strong retail corridor as an outparcel to the Ford City Mall (666,295 SF).
- Other surrounding retailers include; Costco, Best Buy, Marshalls, HomeGoods, Harbor Freight, Kohl's, and a to be built Chick-fil-A restaurant just south of the subject property.
- The estimated population within a five-mile radius of this property is 619,168 people.

EXCELLENT VISIBILITY & CO-TENANCY

- The subject property maintains strong visibility from the road as it faces Cicero Ave (45,992 CPD).
- Other fast casual restaurants that sit adjacent to the subject property are Chipotle and Chick-fil-A, two leaders in their respective markets.

CHICAGO MIDWAY AIRPORT

- The subject property is situated approximately 2 miles from Chicago Midway International Airport.
- Over 22 million passengers traveled through the international airport in 2018 creating an increase in traffic within the trade corridor

VIEW NORTHEAST



IN-PLACE PROFORMA

Tenant Name	Pro-Rata Share	Square Feet	Minimum Rent			Reimbursements				Total Gross Revenue	psf	Commencement Date	Expiration Date
			Monthly	Annual	psf	CAM	Real Estate Taxes	Insurance	Total Reimb.				
IHOP	44.14%	4,852	\$ 15,769	\$ 189,228	\$ 39.00	\$ 10,911	\$ 12,130	\$ 1,456	\$ 24,497	\$ 213,725	\$ 44.05	3/8/2018	3/31/2028
Potbelly	27.47%	3,020	8,375	100,506	33.28	6,791	7,550	906	15,247	115,753	\$ 38.33	2/23/2005	2/29/2025
OSF Healthcare	28.38%	3,120	11,700	140,400	45.00	-	-	-	-	140,400	45.00	EST: 3/1/2021	2/28/2031
Total	100.00%	10,992	\$ 35,844	\$ 430,134	\$ 39.13	\$ 17,702	\$ 19,680	\$ 2,362	\$ 39,744	\$ 469,878	\$ 42.75		
Vacant	0.00%	-											
Occupied	100.00%	10,992											

Estimated In Place			
	Annual	psf	
Revenue			
Base Rental	\$ 430,134	\$ 39.13	
CAM Reimbursement	17,702	1.61	
Real Estate Tax Reimbursement	19,680	1.79	
Insurance Reimbursement	2,362	0.21	
Total Gross Revenue	\$ 469,878	\$ 42.75	
Credit / Vacancy Loss (5.00%)	(23,494)	(2.14)	
Total Net Revenue	\$ 446,384	\$ 40.61	
Operating Expenses			
CAM	\$ 10,992	\$ 1.00	
Real Estate Taxes	27,480	2.50	
Insurance	3,298	0.30	
Management Fee (3.00% of TGR)	13,726	1.25	
Non-Reimbursable (\$0.20/sf)	2,198	0.20	
Total Operating Expenses	\$ 57,694	\$ 5.25	
Net Operating Income	\$ 388,689	\$ 35.36	



OSF HEALTHCARE



OSF HealthCare is a not-for-profit Catholic health care organization that operates a medical group, hospital system, and other health care facilities in Illinois and Michigan. Headquartered in Peoria, Illinois, OSF HealthCare is owned and operated by the Sisters of the Third Order of St. Francis.

TENANT:	OSF HealthCare
FOUNDED:	1877
WEBSITE:	https://www.osfhealthcare.org/
2019 TOTAL ASSETS:	\$4.2 Billion
2019 OUTPATIENT VISITS:	1,753,176
2019 NUMBER OF PATIENTS SERVED:	866,868
LEASE COMMENCEMENT:	Estimated March 1, 2021
LEASE EXPIRATION:	Estimated February 28, 2031

2019 REVENUE	LOCATIONS	TOTAL EMPLOYMENT
\$3.0 Billion	135, including 14 hospitals	21,500

POTBELLY



Potbelly Corporation is a sandwich concept offering simple, irresistible food served by friendly people in a warm and welcoming environment. Their unique combination of product, people and place is how we are differentiated to create a devoted base of Potbelly fans. They offer toasty warm sandwiches, craveable salads and hand-dipped milkshakes made fresh-to-order and our cookies are baked fresh each day. Potbelly's employees are genuinely nice people that engage with customers to customize each sandwich while still providing fast service. The shops feature the warmth of a potbelly stove and vintage décor inspired by each neighborhood to create a local and welcoming atmosphere.

TENANT:	Potbelly Sandwich Works
TENANT ENTITY:	Potbelly Sandwich Works, LLC
NASDAQ:	PBPB
2018 NET INCOME:	\$10.62M
2018 TOTAL ASSETS:	\$153.22M
WEBSITE:	https://www.potbelly.com/
LEASE COMMENCEMENT:	2/23/2005
LEASE EXPIRATION:	2/29/2025

2018 REVENUE	LOCATIONS	TOTAL EMPLOYMENT
\$433.63M	474	7,000

IHOP



IHOP (International House of Pancakes) is an American multinational pancake house restaurant chain that specializes in breakfast foods. It is owned by Dine Brands Global—a company formed after IHOP's purchase of Applebee's, with 99% of the restaurants run by independent franchisees.

While IHOP's focus is on breakfast foods, it also offers a menu of lunch and dinner items. The company has 1,822 locations worldwide, including 159 that are owned by area licensees and 1,663 that are franchised. While many of its locations are open 24 hours a day, 7 days a week, the chain's minimum operating hours are 7:00 a.m. to 10:00 p.m.

TENANT ENTITY:	Flip 3132, Inc.
GUARANTY:	18-unit operator personal guaranty
WEBSITE:	https://www.ihop.com/en
LEASE COMMENCEMENT:	3/8/2018
LEASE EXPIRATION:	3/31/2028



DETAILED RENT ROLL

Tenant Name: Potbelly Sandwich Works

Tenant Entity:	Potbelly Sandwich Works, LLC
Gurantor:	N/A
Demised Premises:	3,020 SF
Permitted Use:	The sale at retail of specialty submarine sandwiches and deli or gourmet sandwiches and, as incidental thereto, (a) the sale at retail of milkshakes, ice cream, custom juice drinks (known as smoothies), salads, beverages, coffee, breakfast sandwiches and other breakfast items, all for on and off-premises consumption and (b) the sale at retail of branded T-shirts, hats, mugs and other branded accessories; provided, however, that the display of branded T-shirts, hats, mugs and other branded accessories shall not exceed an area, in the aggregate, that is more than ten percent (10%) of the Floor Area of the Leased Premises, and for no other purpose.
Exclusive Use:	A tenant which sells made-to-order "sub" sandwiches that are freshly prepared on premises.
Co-tenancy:	None
Termination Right:	None
Percentage Rent:	An amount equal to for each lease year gross sales in excess of \$1,827,100 during the third period multiplied by 5%.
Sales Reporting:	Within twenty (20) days after the end of each calendar month included in the term, Tenant shall deliver to Landlord a written statement certified by Tenant.
Administration Fee:	Operating costs includes Landlord's administrative costs and overhead costs in an amount, in the aggregate, equal to 15% of the total of all other Landlord's operating costs.
Expense Reimbursement Cap:	Operating costs per annum in any given calendar year shall not increase by greater than five percent (5%)
Notice Date:	10/30/2024
Current Term:	\$ 91,335.00 \$30.24 PSF (Current - 2/27/2020)
First Option (already exercised):	\$ 100,505.60 \$33.28 PSF (3/1/2020 - 2/27/2025)

Tenant Name: IHOP

Tenant Entity:	Flip 3132, Inc.
Gurantor:	Personal guaranty by Saluddin S. Janmohammed & Victoria Janmohammed
Demised Premises:	4,852 SF
Permitted Use:	The operation of a casual, sit down, full service restaurant offering for sale only those items set forth on the menu attached hereto as Exhibit C.
Exclusive Use:	None
Co-tenancy:	None
Termination Right:	None
Percentage Rent:	Tenant shall pay, as Percentage Rent, five percent (5%) of the amount by which Tenant's gross sales exceed \$2,750,000 for that renewal year.
Sales Reporting:	Within twenty (20) days after the end of each calendar month included in the term, Tenant shall deliver to Landlord a written statement certified by Tenant.
Administration Fee:	None
Expense Reimbursement Cap:	Operating costs per annum in any given calendar year shall not increase by greater than three percent (3%)
Notice Date:	10/3/2027
Current Term:	\$ 189,228.00 \$39.00 PSF (Current - 3/31/2023)
	\$ 208,150.80 \$42.90 PSF (4/1/2023 - 3/31/2028)
First Option:	\$ 228,965.88 \$47.19 PSF (4/1/2028 - 3/31/2033)
Second Option:	\$ 251,867.32 \$51.91 PSF (4/1/2033 - 3/31/2038)

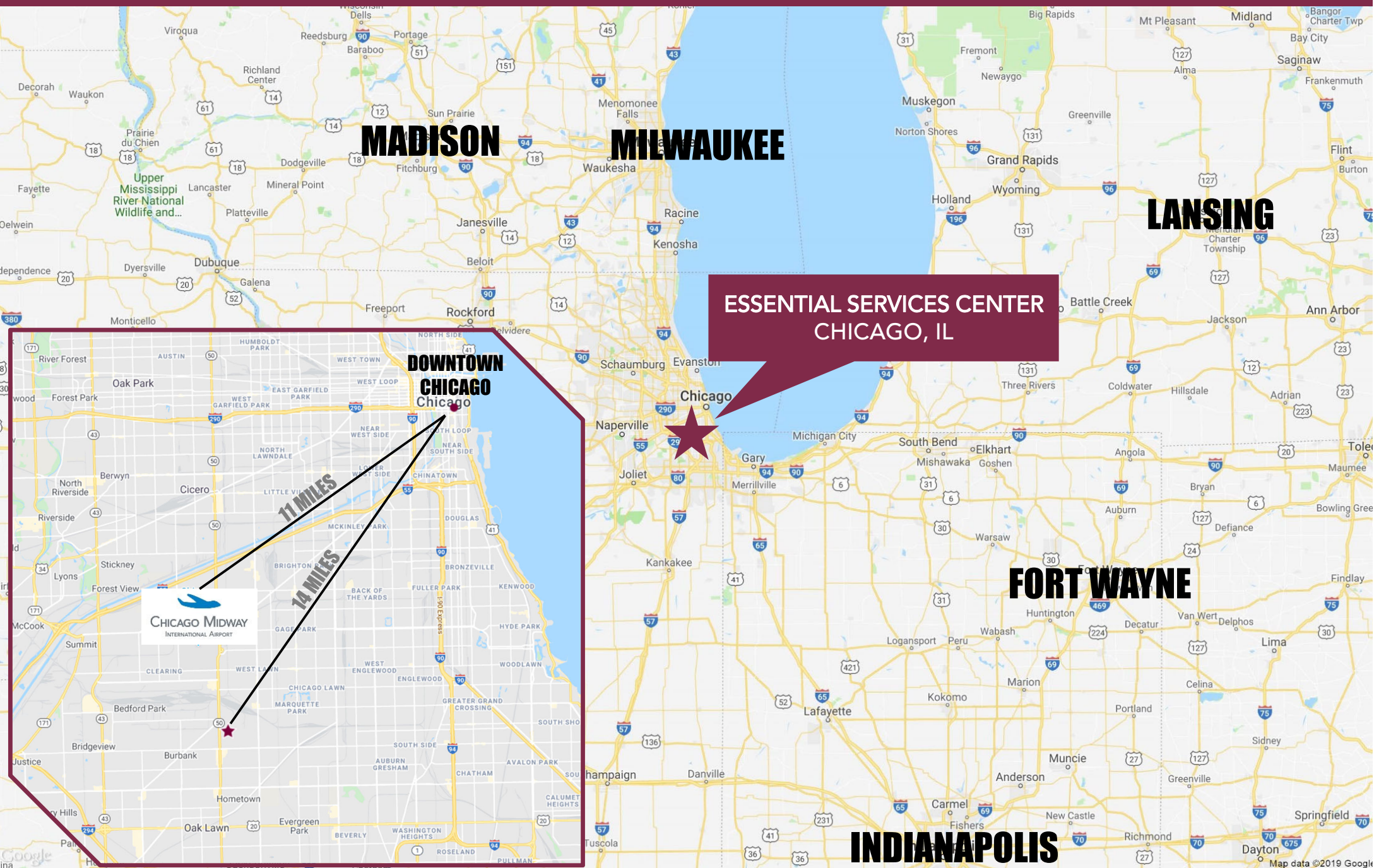
DETAILED RENT ROLL

Tenant Name: OSF Healthcare

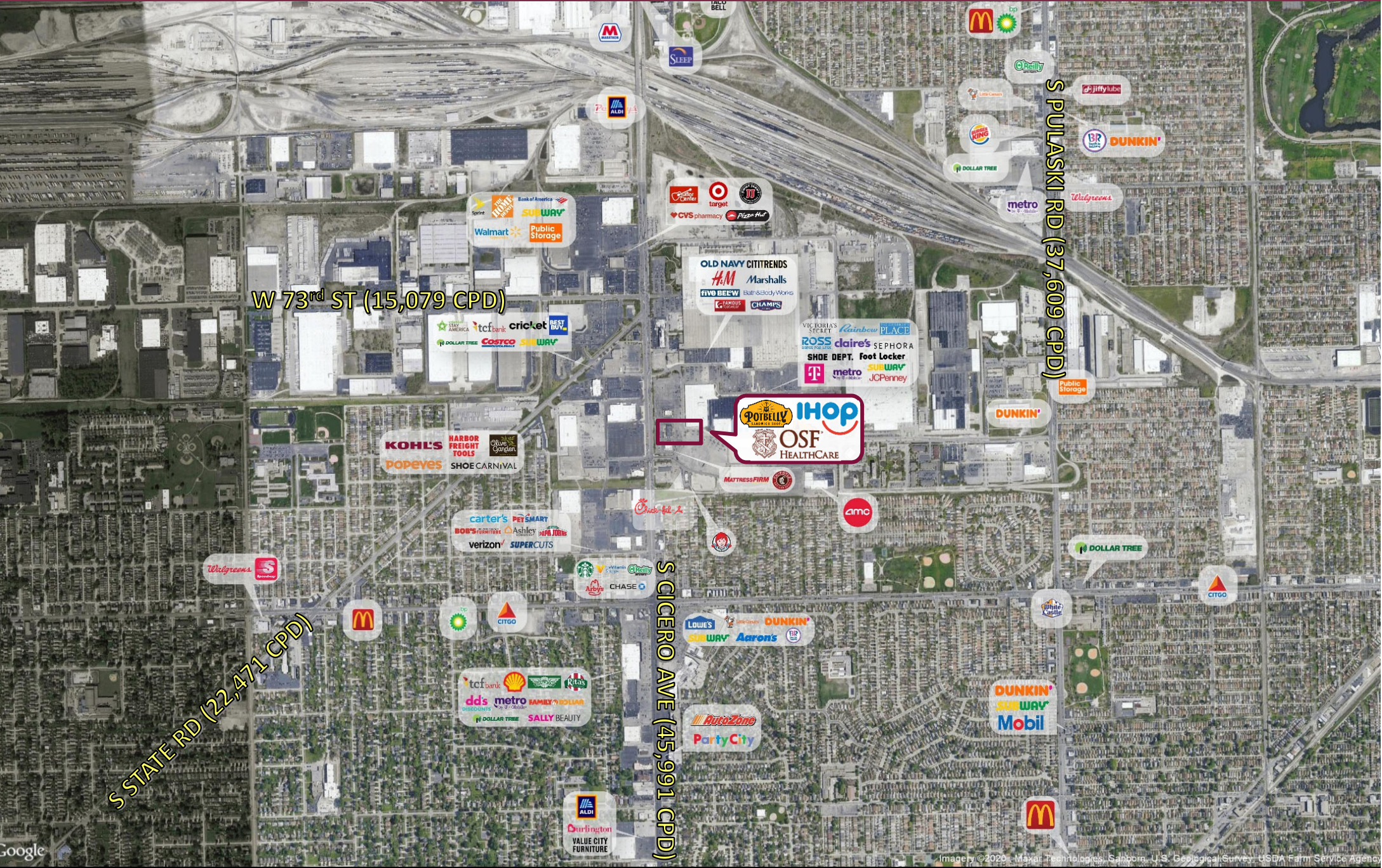
Tenant Entity:	OSF Healthcare		
Guarantor:	N/A		
Demised Premises:	3,120 SF		
Lease Type:	Gross Lease		
Permitted Use:	The premises shall be used solely for conducting business therein as an "Urgent Care Medical Facility"		
Exclusive Use:	LL shall not lease to any tenant with an "Urgent Care Medical Facility" Use		
Co-Tenancy:	None		
Termination Right:	None		
Percentage Rent:	None		
Sales Reporting:	None		
Administration Fee:	None		
Expense Reimbursement Cap:	N/A		
Notice Date:	180 Days prior to lease expiration		
Current Term:	\$140,400	\$45.00 PSF	(Est. 3/1/2021 - 2/28/2026)
	\$154,440	\$49.50 PSF	(Est. 3/1/2026 - 2/28/2031)
Option 1:	\$169,884	\$54.45 PSF	(Est. 3/1/2031 - 2/28/2036)
Option 2:	\$186,872	\$59.89 PSF	(Est. 3/1/2036 - 2/28/2041)



LOCATION MAP



MARKET AERIAL



CHICAGO, IL

DENSE POPULATION

- **Chicago** is the most populous city in Illinois, as well as the third most populous city in the United States.
- With an estimated population of 2,705,994 (2018), it is the most populous city in the Midwest.
- The metropolitan area, at nearly **10 million people**, is the third-largest in the United States.

STRONG ECONOMIC BASE

- The Chicago area has one of the highest gross domestic products (GDP) in the world, **generating \$680 billion in 2017**.
- The city has one of the world's most diversified and balanced economies, not being dependent on any one industry, with no single industry employing more than 14% of the workforce.



Downtown Chicago



Navy Pier



3.90%

UNEMPLOYMENT RATE
(as of July 2019)



619,168

PEOPLE
(5-mile radius)



\$69K

AVG. HH INCOME
(5-mile radius)

MAJOR EMPLOYERS

CHICAGO, IL

ADVOCATE HEALTH CARE

- Advocate Health Care is the largest health care provider in Illinois and the largest accountable care organization in the US.
- With more than **25,000 employees** and **4,600 affiliated physicians**, Advocate Health Care operates 10 acute care hospitals, including two children's hospitals and a specialty hospital for extended care needs, three large medical groups, and comprehensive home health and hospice services.

COOK COUNTY

- It is the second-most populous county in the United States after Los Angeles County, California. More than 40% of all residents of Illinois live in Cook County.
- Cook County's population is larger than that of 28 individual U.S. states, and the combined populations of the seven smallest states.
- There are 135 incorporated municipalities partially or wholly within Cook County, the largest of which is Chicago, which is home to approximately 54% of the population of the county.

THE UNIVERSITY OF CHICAGO

- With over **16,400 students**, and **15,400 employees**, the University of Chicago is one of the largest employers in Chicagoland.
- The University of Chicago is a private research university in Chicago, Illinois. Founded in 1890, the school is located on a 217-acre campus in Chicago's Hyde Park neighborhood.
- The University of Chicago holds top ten positions in various national and international rankings.



Advocate Health Care Children's Hospital

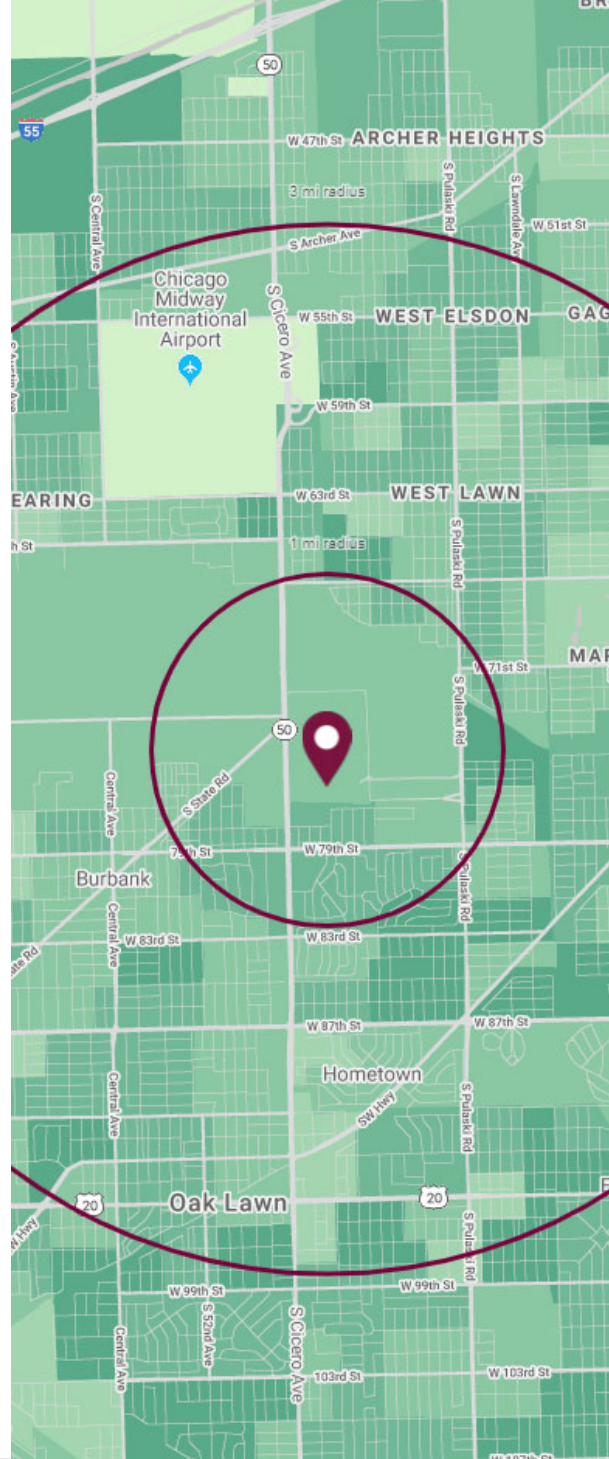


Cloud Gate, ie. "The Chicago Bean" at Millennium Park



The University of Chicago Medical Campus

DEMOGRAPHICS CHICAGO, IL



POPULATION

	1 MILE	3 MILE	5 MILE
2019 Estimated Population	15,430	229,071	619,168
2024 Projected Population	14,679	221,906	612,672
2010 Census Population	15,851	234,084	628,972
2000 Census Population	14,007	228,683	649,728
Projected Annual Growth 2019 to 2024	-1.0%	-0.6%	-0.2%
Historical Annual Growth 2000 to 2019	0.5%	-	-0.2%

HOUSEHOLDS

2019 Estimated Households	4,871	74,746	209,174
2024 Projected Households	4,799	74,822	213,792
2010 Census Households	4,717	72,462	201,849
2000 Census Households	4,635	74,908	211,197
Projected Annual Growth 2019 to 2024	-0.3%	-	0.4%
Historical Annual Growth 2000 to 2019	0.3%	-	-

RACE

2019 Est. White	58.5%	54.0%	50.3%
2019 Est. Black	10.6%	19.3%	27.2%
2019 Est. Asian or Pacific Islander	2.7%	2.1%	2.2%
2019 Est. American Indian or Alaska Native	0.6%	0.6%	0.5%
2019 Est. Other Races	27.6%	24.0%	19.8%

INCOME

2019 Est. Average Household Income	\$79,194	\$73,353	\$69,653
2019 Est. Median Household Income	\$64,533	\$60,532	\$58,115
2019 Est. Per Capita Income	\$25,003	\$23,974	\$23,583

BUSINESS

2019 Est. Total Businesses	514	5,186	13,982
2019 Est. Total Employees	15,354	69,221	165,986

OUR TEAM

**FOUNDED IN DETROIT. BUILT NATIONWIDE.
8 MILLION SQUARE FEET AND OVER \$1 BILLION SOLD**



DANIEL H. KUKES

PRINCIPAL | dkukes@landmarkcres.com

Daniel Kukes is a Principal and Co-Founder of Landmark Investment Sales. Daniel specializes in the sale of retail shopping centers, medical office, and single tenant net lease investment properties across all property types. He currently represents some of the nation's largest institutional real estate funds, private equity group, and high net worth investors in acquiring and listing investment properties all over the country. Since 2010, Daniel has closed deals totaling over 8,000,000 SF valued at over \$1,000,000,000. Daniel joined Landmark in 2009 as an Associate Broker. He began his real estate career at NAI Farberman where he focused on shopping center leasing and retail tenant representation. After five years at NAI Farberman, Daniel joined DAP Investments as a partner responsible for retail development, acquisitions and leasing. While there, he developed several single tenant and shopping center projects in Michigan and Illinois. Daniel is a graduate of Michigan State University with a Bachelor of Arts degree in Pre-Law & Society.



MAXWELL E. LIPPITT

SENIOR ASSOCIATE | maxlippitt@landmarkcres.com

Maxwell Lippitt graduated from Michigan State University in 2016 with a Bachelor of Science degree in Economics. Max was an intern in Landmark's Investment Sales department during the summer of 2015. Upon graduating, Max became an associate broker at CBRE specializing in the disposition of single tenant medical, retail, and office properties. While at CBRE, Max researched, sourced, and tracked thousands of investment properties while building strong relationships with a wide variety of property owners all across the country. At Landmark, he will continue his growth as an Investment Sales Broker providing unique opportunities to buyers and sellers while offering exceptional service.



KEVIN J. BAKER

PRINCIPAL | kbaker@landmarkcres.com

Kevin Baker is a Principal and Co-Founder of Landmark Investment Sales. Kevin specializes in the sale of retail shopping centers and single tenant net lease investment properties across all property types. He currently represents some of the nation's largest institutional funds, private equity funds, and high net worth investors in listing investment properties all over the country. Since 2010, Kevin has closed deals totaling over 8,000,000 SF valued at over \$1,000,000,000. Prior to 2010, Kevin worked extensively at Landmark as a broker specializing in tenant representation and landlord representation completing in excess of 100 lease & sale transactions. Kevin joined Landmark in 2005 as a Sales Associate. Prior to Landmark, Kevin attended Michigan State University and University of Michigan-Dearborn where he studied finance. Kevin began his real estate career in 2001 when he founded Baker Real Estate Holdings, specializing in acquisition and management of a student housing portfolio at Michigan State University.



JASON GREENSPAN

DIRECTOR | jgreenspan@landmarkcres.com

Jason Greenspan graduated from the University of Michigan in 2012 with a Bachelor of Arts degree in Political Science and Sociology. Jason also received a Juris Doctor in 2015 from Michigan State University College of Law where he concentrated in business and corporations. He passed the Michigan Bar Examination in July 2015. Starting in 2011, and while in law school, Jason interned at Landmark Investment Sales identifying, sourcing, and underwriting investment grade properties. With law school behind him and six years of experience in real estate investment sales, Jason has participated in the closing of over \$150,000,000 and continues to source investment opportunities across the country. Jason specializes in the representation of buyers and sellers of institutional grade single tenant properties, high profile unanchored retail centers, grocery anchored centers, and power centers.