

# ATI PHYSICAL THERAPY

3082 CATON FARM RD | JOLIET, IL 60435



OFFERING MEMORANDUM

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



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# EXECUTIVE OVERVIEW

ATI PHYSICAL THERAPY



## INVESTMENT SUMMARY

Matthews™ is pleased to exclusively offer a freestanding ATI Physical Therapy on a long-term corporate guaranteed NNN lease featuring minimal landlord responsibilities located in Joliet, IL – the 2nd largest suburb in Chicago MSA (#3 in U.S.), the 3rd largest city in the state, and the County seat for the thriving Will County. ATI Physical Therapy has operated out of this location for over 19 years and recently extended their lease for an additional 12-years taking their term out until March 2032. There are annual contractual rental increases of 2% every year during the tenants' base term, as well as in their lone remaining 5-year option term.

The surrounding area has experienced meteoric population growth between 2000-2020 boasting a 47% growth rate within a 5-mile radius. Joliet is the 2nd largest suburb in Chicagoland, the 3rd largest city in the state, and the County seat for the thriving Will County. The Property features a strong middle-upper income demographic customer base with more than 202,000 residents in a 5-mile radius with average household incomes in excess of \$91,000.

The Property is being offered "free and clear" of any existing debt, providing an investor with a fantastic opportunity to obtain historically attractive financing.



### LIST PRICE

\$3,670,000



### CAP RATE

5.25%



### NOI

\$192,584



### GROSS LEASABLE AREA

±7,612 SF



## INVESTMENT HIGHLIGHTS



### INDUSTRY LEADING NATIONAL TENANT

ATI Physical Therapy is an American provider of physical therapy services based in Bolingbrook, Illinois. Founded by exercise physiologist Greg Steil in 1996 as one clinic in Willowbrook, IL, ATI now has more than 899 locations in the United States. ATI specializes in research-based physical therapy, workers' compensation rehab, employer worksite solutions, sports medicine, home health, and other specialty therapies. ATI Physical Therapy is the largest physical therapy company under one brand name in the U.S. Boston-based private equity behemoth Advent International has been the owner since 2016. Until just recently taking the company public. On June 16th, 2021, ATI Physical Therapy completed a merger with special purpose acquisition company (SPAC), Fortress, taking the company public (NYSE: ATIP) at a valuation in excess of \$2 billion.



### LONG-TERM NNN LEASE WITH 2% ANNUAL INCREASES – MINIMAL LANDLORD RESPONSIBILITIES – CORPORATE GUARANTEED

ATI is on a long-term corporate guaranteed NNN lease with annual increases and featuring minimal landlord responsibilities. There are annual contractual rental increases of 2% every year during the tenants' base term running through 3/31/2032, as well as in their lone remaining 5-year option term. Not only does this provide an investor with durable cash flow for the next 10+ years, but with 2% annual increases it also provides a hedge against future inflation.



### RECENT COMMITMENT TO THIS LOCATION – SIGNIFICANT OPERATING HISTORY

ATI Physical Therapy has operated out of this location for over 19 years and recently extended their lease for an additional 12-years taking their term out until March 2032.



### REGIONAL LOCATION WITH SIGNIFICANT POPULATION AND JOB GROWTH

The Property is primarily located between two of the hottest industrial submarkets in Chicago – the I-80 and I-55 industrial corridors. The surrounding area has experienced meteoric population growth between 2000-2020 boasting a 47% growth rate within a 5-mile radius. Joliet is the 2nd largest suburb in Chicagoland, the 3rd largest city in the state, and the County seat for the thriving Will County.



## INVESTMENT HIGHLIGHTS



### **CHICAGO MSA – 3rd LARGEST MSA IN THE UNITED STATES**

The Property benefits from its positioning with the Chicago MSA – 3rd largest MSA in the U.S. featuring more than 9.5 million people.



### **DESIRABLE DEMOGRAPHICS**

The Property features a strong middle-upper income demographic customer base with more than 202,000 residents in a 5-mile radius with average household incomes in excess of \$91,000.



### **RECENT CAPITAL IMPROVMENTS**

The Property features minimal deferred maintenance having experienced recent capital improvements with the roof having been replaced in 2019 (20-year warranty).



### **E-COMMERCE RESISTANT – HIGHLY SOUGHTAFTER MED-TAIL TENANT**



### **UNENCUMBERED ASSET**

Offered free and clear of any existing financing, a new investor can take advantage of historically low interest rates and ample availability in the capital markets.





**JOLIET MALL**  
SHOPPING MALL

**JCPenney**

CINEMARK  
H&M  
MAURICES  
ETC.

**POTTERY  
BARN**



**JOLIET COMMONS**  
SHOPPING CENTER



APPLEBEES  
CHICK FIL A  
ROSS  
STEAK N SHAKE  
ETC.



**CRYSTAL SQUARE**  
SHOPPING CENTER

**DOLLAR GENERAL**

**LOUIS JOLIET POINTE**  
SHOPPING MALL



BATTERIES PLUS BULBS  
BOB'S DISCOUNT FURNITURE  
FIVE GUYS  
PLANET FITNESS  
SPIRIT HALLOWEEN  
XFINITY STORE  
ETC.



ESSINGTON RD  
± 18,000 VPD



CATON FARM RD  
± 10,000 VPD







ESSINGTON RD  
± 18,000 VPD



FIRE STATION  
OF JOLIET



GRAND PRAIRIE  
ELEMENTARY

CRYSTAL SQUARE  
SHOPPING CENTER



CATON FARM RD  
± 10,000 VPD

DOLLAR GENERAL





# FINANCIAL OVERVIEW

ATI PHYSICAL THERAPY



## ANNUALIZED OPERATING DATA

	ANNUAL NOI	MONTHLY NOI	\$PSF/YR
4/1/2022* - 3/31/2023	\$192,583.60	\$16,048.63	\$25.30
4/1/2023 - 3/31/2024	\$196,435.27	\$16,369.61	\$25.81
4/1/2024 - 3/31/2025	\$200,347.84	\$16,695.65	\$26.32
4/1/2025 - 3/31/2026	\$204,382.20	\$17,031.85	\$26.85
4/1/2026 - 3/31/2027	\$208,492.68	\$17,374.39	\$27.39
4/1/2027 - 3/31/2028	\$212,603.16	\$17,716.93	\$27.93
4/1/2028 - 3/31/2029	\$216,865.88	\$18,072.16	\$28.49
4/1/2029 - 3/31/2032	\$221,356.96	\$18,446.41	\$29.08
Option 1 (4/1/2032 - 3/31/2033)	\$225,771.92	\$18,814.33	\$29.66
Option 1 (4/1/2033 - 3/31/2034)	\$230,287.36	\$19,190.61	\$30.25
Option 1 (4/1/2034 - 3/31/2035)	\$234,893.11	\$19,574.43	\$30.86
Option 1 (4/1/2035 - 3/31/2036)	\$239,590.97	\$19,965.91	\$31.48
Option 1 (4/1/2036 - 3/31/2037)	\$244,382.79	\$20,365.23	\$32.10

\*Seller will provide a rent credit at closing for any shortfall between the closing date and 4/1/2022.

## TENANT SUMMARY

Tenant Trade Name	ATI Physical Therapy
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof and Structure	Landlord Responsible
Original Lease Term	5 Years 3 Months

Lease Commencement Date	6/1/02
Lease Expiration Date	3/31/32
Term Remaining on Lease	± 10.5 Years
Increase	2% Increases Annually
Options Remaining	One, 5-year option



CATON FARM ROAD  
±10,000 VPD







N

CATON FARM RD



IMAGES HAIR  
STUDIO

BETTY'S

LAVISH LIFE  
COSMETICS

CUTTIN' LOOSE  
BARBERSHOP



TIP & TOES SPA

EN LAI CHINESE

ALISHAS CREATIONS

 **OCCUPIED**

 **VACANT**

 **NAP**



**SKY ZONE**





# TENANT OVERVIEW

ATI PHYSICAL THERAPY





#### COMPANY NAME

ATI PHYSICAL THERAPY

#### LOCATIONS

899+ LOCATIONS

#### REVENUE

\$420 MILLION

#### OWNERSHIP

PUBLIC (NYSE: ATIP)

## ATI PHYSICAL THERAPY

Among the top leaders in the industry, ATI has built a differentiated platform in therapy that is focused on their patients. A progressive vision: with exceptional, patient-centered care, trusted expertise, and remarkable outcomes, our goal is to exceed customer's expectations – every day, in every clinic. ATI is a nationally recognized rehabilitation provider, specializing in research-based physical therapy, works' compensation rehab, employer worksite solutions, sports medicine, home health, and a variety of specialty therapies.

Founded in Willowbrook, Illinois in 1996, this Assessment Technologies Inc. developed its internationally recognized F.I.R.S.T. (Functional Integration of Rehabilitation and Strength Training) program from the collaborative efforts of a broad swath of medical professional expertise. ATI focuses on teamwork, communication, quality of care, and a friendly atmosphere as its core values.

Named the “Best Physical Therapy Practice in the Nation” by ADVANCE Magazine for its exceptional performance in areas including patient care and growth, employee training and retention, community presence, clinical facilities, and company expansion. ATI is one of the first physical therapy companies in the country to achieve URAC Core Accreditation, a mark of distinction that recognizes their commitment to quality healthcare. With more than 899 clinics across 25 states, ATI, Inc. has no plans to slow down its meteoric growth as a leader in patient-focused physical rehabilitation.

On June 16th, 2021, ATI Physical Therapy completed a merger with special purpose acquisition company (SPAC), Fortress, taking the company public (NYSE: ATIP) at a valuation in excess of \$2 billion.

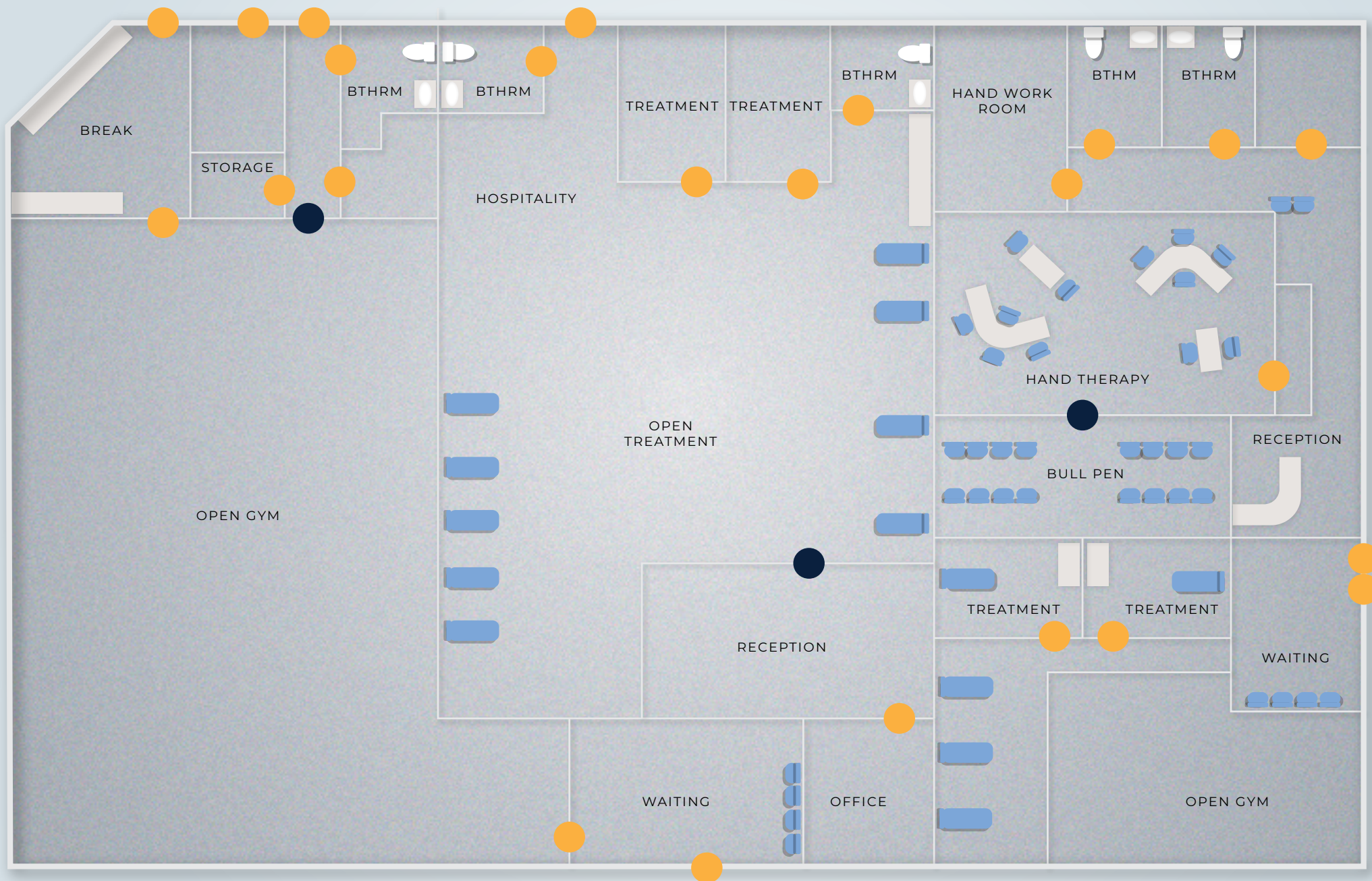




# FLOOR PLAN

● ENTRANCE/EXIT THRU DOORS

● OPEN DOORWAY ENTRANCE/EXIT







# AREA OVERVIEW

ATI PHYSICAL THERAPY



## JOLIET, IL

Joliet is a city in Will and Kendall counties in Illinois, 30 miles southwest of Chicago. Known as the "Crossroads of Mid-America," an array of companies have selected Joliet for over a century due to its access to multi-modal infrastructure and diverse local economy. A prominent industrial sector is driving job creation and economic growth.

Joliet hosts an emergent retail presence supported by a growing trade area and an office market anchored by government presence and complimented with a rise in private investment and headquarters. The entertainment section attracts regional and international travelers by capitalizing on numerous tourist destinations and year-round events, festivals, shows and concerts.

The downtown area of Joliet has slowly attracted new businesses to the area. The main attractions in Joliet's city center are the Harrah's Casino, Joliet Slammers baseball (DuPage Medical Group Field), Hollywood Casino, and the Rialto Square Theatre, also known as the 'Jewel of Joliet', and has been called one of the world's 10 most beautiful theaters.

## DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	9,064	76,151	201,978
2021 Estimate	9,128	76,040	201,138
2010 Census	9,509	75,788	197,560
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	3,089	27,824	67,942
2021 Estimate	3,110	27,782	67,686
2010 Census	3,239	27,708	66,662
INCOME	1-MILE	3-MILE	5-MILE
Avg HH Income	\$95,756	\$89,600	\$94,301



# CHICAGO

40 MILES





## CHICAGO, IL

Chicago, located in northeastern Illinois, is the state's largest and the country's third most populous city. The greater Chicagoland area encompasses northeastern Illinois and extends in southeastern Wisconsin and northwestern Indiana, representing the third-largest metropolitan area in the United States and the most dominant metropolis in the Midwest region. Chicago's triumphant economy is powered by its strong manufacturing presence in a variety of industries such as food products, candy, pharmaceuticals, communication equipment, scientific instruments, automobiles, and raw metals. Since its founding, the city has proven to be an essential manufacturing hub for the nation's top-performing companies with its central location allowing Chicago to be at the center of global trade, transit, and data networks.

Chicago's industry mix most closely matches the nation's, with no single industry employing more than 12% of the workforce. Additionally, 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 with an extremely high satisfaction rating.





## ECONOMY

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 moved its headquarters from Oak Brook, IL to the windy city in early 2018.

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## HIGHER EDUCATION

Chicago has been a world center of higher education and research with several universities inside its city limits. Most notably, Northwestern University and the University of Chicago are two top universities that call the city home.

Northwestern University is a large, private research university based in Evanston with a comprehensive doctoral program. Attracting over \$650 million in sponsored research each year, Northwestern has the eighth largest university endowment in the country.

The University of Chicago is one of the world's leading and most influential institutions of higher learning. Its main campus is located seven miles south of downtown Chicago in the Hyde Park and Woodlawn neighborhoods. The University of Chicago has many prominent alumni, including 92 Nobel laureates that have been affiliated with the university as professors, students, faculty or staff.



## A CITY IN A GARDEN

The beauty of Chicago lies not only in its magnificent architecture, but also in the city's vast preserved green and open spaces. Chicagoans have over 580 parks and 8,300 acres of green spaces at their disposal. With beaches, ice rinks and bike paths, there's no shortage of outdoor recreation for Chicagoans.

## 606/BLOOMINGDALE TRAIL

A \$95 million conversion of a former rail line to a 2.7-mile elevated park that extends through four vibrant, Chicago neighborhoods. An expansion will include 32 acres of linear park space along the Chicago River, 10 acres of sports and recreational fields and 17 acres of wetland park.

## CHICAGO RIVERWALK

An award-winning \$108 million, 1.25-mile promenade along the south bank of the Chicago River downtown. Future expansion will extend the Riverwalk south an additional 1.8 miles from Lake Street to Ping Tom Memorial Park in Chinatown.

## LINCOLN PARK

Lincoln Park, on Chicago's North Side, attracts 20 million visitors annually. They come to see the nation's oldest zoo to explore exotic plants at the grand Victorian glass conservatory, enjoy plays at the outdoor theater, row along the canal, stroll through the North Pond Nature Sanctuary and Butterfly conservatory, picnic on the playing fields, and frolic on North Avenue Beach.

## JACKSON PARK

Jackson Park offers more than 500 acres of mature parkland along the lakefront, containing flower gardens, watercourses to wooded isles, sports facilities, stocked fish ponds, 18 miles of walking and biking paths—and it's the future site of the Barack Obama Presidential Center.







## 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.



## 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.

## 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.



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **ATI Physical Therapy** located at **3080-3084 Caton Farm Rd, Joliet, IL 60435** ("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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