



Absolute NNN | Corporate Guarantee (S&P: BBB) | Over 10+ Years Remaining



In Association with ParaSell, Inc. | A Licensed Illinois Broker #478027307

OFFERING MEMORANDUM
WAUKEGAN, ILLINOIS (CHICAGO MSA)



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



TABLE OF CONTENTS

Offering Summary	3
Investment Highlights	4
Site Plan / Parcel Map	6
Aerial Overview	7
Regional Map	10
Tenant Profile	11
Area Overview	13
Demographics	16

EXCLUSIVELY LISTED BY:

Eric Wohl

Executive Vice President
ewohl@hanleyinvestment.com
949.585.7673

CJ Kiehler

Associate
ckiehler@hanleyinvestment.com
949.585.7608

Scott Reid

ParaSell, Inc.
broker@parasellinc.com
949.942.6585 | IL Lic #478027307

In Association with ParaSell, Inc. | A Licensed Illinois Broker #478027307

OFFERING SUMMARY

LOCATION

CVS Pharmacy
10 S Lewis Avenue
Waukegan, IL [Chicago MSA] 60085



OFFERING SUMMARY

Price:	\$5,265,000
Net Operating Income (NOI):	\$302,715
Capitalization Rate:	5.75%
Price per Square Foot:	\$356
Net Rentable Area:	14,800
Year Built:	1999
Lot Size (Acres):	1.27

LEASE TERMS [1]

Lease Commencement:	12/1/2006
Lease Expiration:	1/31/2032 [2]
Lease Type:	Absolute NNN
Renewal Options:	Ten 5-Year [3]

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.
(2) Rent Holiday from January 2029 - January 2032. Seller to put full rent credit of \$908,144 into escrow account.
(3) Option 1 rent is fixed at 90% of NOI. In Option 2, Tenant can either (i) extend at the same 90% of NOI (subject to conditions - contact agent for details) or (ii) extend at FMV, per an appraiser (contact agent for details).
(4) Tenant has the Right of First Refusal (ROFR) during only the Extension Periods and has 20 days to respond.



Quick Facts

4.5M

CUSTOMERS SERVED BY
CVS PHARMACY DAILY

75

MAJOR HEALTH
SYSTEM AFFILIATIONS

9.9K+

RETAIL LOCATIONS
IN 49 STATES

INVESTMENT HIGHLIGHTS

- **Absolute NNN Corporately Guaranteed CVS Pharmacy (S&P: BBB)**
 - Absolute NNN lease with zero landlord responsibilities
 - Over 10 years remaining with ten 5-year options to extend
 - Investment grade credit tenant (S&P: BBB)
 - Drive-thru equipped providing ease and convenience to customers
 - Over 9,900 retail locations in 49 states
 - #4 company on the Fortune 500 list
- **Located at Highly Trafficked Signalized Intersection:** Situated at the intersection of Washington Street and South Lewis Avenue with a combined 39,400 cars per day
- **Large Pylon Signage and Excellent Accessibility:** The site has excellent exposure and accessibility from both adjacent roads including a large pylon sign on Lewis Avenue, increasing visibility to drivers passing by



INVESTMENT HIGHLIGHTS

- **Close Proximity to Two Hospitals:** Less than a half mile from Lake Behavioral Hospital (146 beds), and 2.4 miles from Vista Medical Center – East (228 beds)
- **Strong Demographics Surrounded by Dense Residential:** Over 106,000 residents in a 3-mile radius – Closest CVS to downtown Waukegan/Waukegan Harbor and the surrounding neighborhoods
- **Nearby National/Credit Tenants:** Nearby retailers include The Home Depot, Ross Dress for Less, Lewis Fresh Market, Save-A-Lot, dd's Discounts, and more
- **1.5 Miles from Waukegan Train Station:** Just west of the Metra Union Pacific North line that travels to downtown Chicago in 1 hour and 11 minutes
- **Bedroom Community to Chicago:** Waterfront community just north of Chicago allowing residents to easily commute in and out of the city (50 minute drive time)



SITE PLAN / PARCEL MAP



AERIAL OVERVIEW



AERIAL OVERVIEW



AERIAL OVERVIEW



REGIONAL MAP



TENANT PROFILE



CVS Pharmacy is the largest pharmacy chain in the United States by both number of locations and revenue. The retail store sells prescription drugs as well as a wide assortment of general merchandise including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods. The company also provides healthcare services through its 1,100+ MinuteClinic walk-in medical clinics and its Diabetes Care Centers, both of which are usually located within or right outside of CVS stores. The company also operates an online retail pharmacy website at CVS.com.

Nearly 10,000 community locations make it possible for 85% of the U.S. population to live within 10 miles of a CVS Pharmacy. Each day, 4.5 million customers are served at a CVS, and MinuteClinics see more than 50 million patients annually. CVS Pharmacy is estimated to be responsible for 38% of all retail prescriptions filled in the United States. Throughout the pandemic, CVS has administered over 32 million COVID-19 tests and 34 million vaccines.

Parent company CVS Health is the 4th largest U.S. corporation by revenue on the Fortune 500 list, earning \$268.7 billion in 2020—a 4.6% increase over 2019. Meanwhile, the company's closest competitor (Walgreens) ranked 16th for the same time period. CVS Health boasts 97 straight quarters of dividends paid. The company employs 256,000 people throughout its enterprise and is headquartered in Woonsocket, Rhode Island.

Company Type: Public [NYSE: CVS]
Locations: 9,943
Website: www.cvs.com | www.cvshealth.com

#4
Fortune
500 List
Fortune (2021)

#7
Global
500 List
Fortune (2021)

#32
World's Most
Admired Companies
Fortune (2021)



TheStreet

CVS Health Stock Leaps on Q3 Earnings Beat, 2021 Profit Outlook Boost

By Martin Baccardax | November 3, 2021

CVS Health Corp. [CVS] - Get CVS Health Corporation Report posted stronger-than-expected third quarter earnings Wednesday, and lifted its 2021 profit forecast, as COVID vaccinations powered solid gains in retail and pharmacy sales.

CVS said adjusted earnings for the three months ending in September were pegged at \$1.97 per share, up 18.7% from the same period last year and firmly ahead of the Street consensus forecast of \$1.78 per share. Group revenues, CVS said, rose 10% from last year to \$73.8 billion, again topping analysts' estimates of a \$70.5 billion tally.

Same store sales were up 9.6% from last year, CVS said, while pharmacy store sales rose 8.8%, both benefiting from the group's administering of 11 million COVID vaccinations and a further 8 million tests over the three month period.

Looking into the final months of the 2021 financial year, CVS lifted its forecast for adjusted earnings, which it now sees in the region of \$7.90 to \$8.00 per share, a 20 cents per share improvement from its prior forecast, with cash flow from operations in the region of \$13 billion to \$13.5 billion.

"We outperformed expectations once again and continue to lead the way in changing how, when and where care is delivered for millions of Americans," said CEO Karen Lynch. "Our services are responsive to evolving consumer needs, from administering millions of COVID-19 tests and vaccines to offering primary care accessible from virtually anywhere, and our touchpoints allow for unmatched impact."

[CLICK FOR ARTICLE](#)

AREA OVERVIEW

Waukegan, Illinois

- Largest city in Lake County; located within the Chicago MSA in the northeastern corner of Illinois with 4 miles of Lake Michigan shoreline
 - 37 miles north of downtown Chicago; 50 miles south of Milwaukee; 10 miles south of the Wisconsin-Illinois state line
- 10th most populous city in the state with 89,320 residents
- #44 “Best Lake Towns to Live In” - Stacker (2020)

ECONOMY

- Top talent, advanced manufacturing innovations, leading-edge technology, reliable infrastructure, affordability, and location are among the many factors driving local economic growth
- Life sciences is the county’s largest economic sector with global leaders like Abbott, AbbVie, Astellas Pharma US, Baxter International Inc., and Horizon Therapeutics
 - \$11.9 billion gross regional product generated by the life sciences/biopharma cluster in 2018
- Advanced manufacturing employs 51,000 in Lake County (1 in 7 workers), generating \$35.7 billion in economic output per year and accounting for more than 27% of Lake County’s domestic product
 - 2nd largest manufacturing county in the state
- The only deep-water harbor between Chicago’s South Side and Milwaukee; \$7 billion annual export revenue
- 46% of county residents have a Bachelor’s Degree or higher, 13% higher than the national average
- Largest employers include Lake County (1,718), Southwire Co. (1,500), Medline Industries Inc. (850), Vista Medical Center East (838), Lake Behavioral Hospital (800), and Jewel-Osco (515)

DEVELOPMENTS

- **Lakefront/Downtown Redevelopment** - Plans to bring 4,000 homes and 1 million square feet of retail, hospitality, entertainment, education, and cultural activity to the downtown and lakefront districts
- **Casino Project** - The city is currently reviewing bids for its casino license; Applicant proposals range from \$375-420 million for the project which will include a resort, casino, spa, and other amenities



WAUKEGAN HARBOR



WAUKEGAN MUNICIPAL BEACH



LUDLOW MANUFACTURING



#44 “Best Lake Towns to Live In” - Stacker (2020)

AREA OVERVIEW

Chicago MSA

- Home to one of the most iconic city skylines in America, nestled against 26 miles of uninterrupted shoreline of Lake Michigan in northeastern Illinois
- 3rd most populous MSA in the U.S. with 10 million residents
- #1 “Best Big City in the World” - Conde Nast Traveler (2017-2021)
- #3 “America’s Best Cities” - Resonance Consultancy Report (2021)
- #1 “Best Food & Drink City in the World” - Time Out (2019)

ECONOMY

- Strong and stable economic conditions, diverse workforce, business-friendly environment, and quality of life make Chicago a relocation hotspot that will allow the metro area to continue to outperform most parts of the U.S. for decades to come
 - #1 “Top Metro Areas for Corporate Relocations and Investment” - Site Selection Magazine (2013-2021)
- The Chicago Loop is the 2nd largest commercial business district in the U.S. behind only Midtown Manhattan
- 4 million employees produced \$709 billion in gross regional product in 2019, one of the highest in the world
- Home to 27 Fortune 500 companies including AbbVie, Boeing, Exelon, Kraft Heinz, and McDonald’s
- 400 startups launched annually on average
- Among the world’s most diversified and balanced economies, with no industry employing more than 12% of the workforce
 - Manufacturing, printing and publishing, finance and insurance, and food processing are key sectors
 - Tech is the fastest-growing industry sector; one of the largest tech talent pools in the U.S. (344,000)
 - Ranked #4 in U.S. and #13 globally in KPMG’s Tech Innovation Hub study (2021)
- 2nd largest securities brokers, dealers, and exchanges cluster in the U.S.
- 3rd largest distribution cluster in the U.S.
- #1 “U.S. City for Venture Capital Returns” - Pitchbook (2020)



Home to 27 Fortune 500 Companies



DOWNTOWN CHICAGO



BOEING INTERNATIONAL HEADQUARTERS



MCDONALD'S HEADQUARTERS

AREA OVERVIEW

DEVELOPMENTS

- 13 megaprojects are in various stages throughout the city
 - **One Central** - A 20-year, \$20 billion project with 9 new skyscrapers constructed over the Metra tracks; 4 residential towers with 9,000 residences, 1 hotel tower, and 4 commercial towers
 - **The 78** - An approved 62-acre mixed-use plan for 13 million square feet of buildings expected to house 10,000 residential units among other things; estimated project cost of \$7 billion
- **O'Hare International Airport Expansion** - An 8-year, \$8.5 billion project adding 35 new gates and 3.1 million square feet of terminal space, a 72% increase
- **Uber Freight Headquarters** - A \$200 million investment creating an engineering hub in the Old Post Office; was completed in September 2021

TRANSPORTATION

- The city is an important component of global distribution with its large port, convergence of 6 Class I railroads, massive airports, and extensive highway system
 - The largest hub and busiest rail freight gateway in the U.S. as 6 of the U.S.'s 7 Class I railroads converge
 - 25% of all U.S. freight traffic moves through Chicago
 - **O'Hare International Airport (ORD)** - World's 2nd busiest airport by aircraft movements
- Metra (rail service), Amtrak (long distance commuter rail), and Pace (bus service) serve the city efficiently

TOURISM

- 58 million visitors in 2019 made the city the 2nd most visited city in the nation
- Ranks 3rd in the U.S. for the number of conventions hosted annually

EDUCATION

- 600 public schools, 400 private schools, and 30 universities and colleges are located within the city
 - **The University of Chicago** - A private university with 6,734 undergraduates and \$8.6 billion endowment
 - #6 "Top National Universities" - U.S. News & World Report (2020)



Chicago Transit Authority Named #1 Transit Agency in the U.S.



"GLOBAL TERMINAL" O'HARE EXPANSION



MILLENNIUM PARK



UNIVERSITY OF CHICAGO - LIBRARY

DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2025 Projection	23,846	106,626	158,433
2020 Estimate	23,954	106,760	158,721
2010 Census	24,331	107,974	160,976
2000 Census	25,430	109,649	161,653
HOUSEHOLDS			
2025 Projection	6,754	33,072	49,401
2020 Estimate	6,789	33,097	49,271
2010 Census	6,846	33,145	49,159
2000 Census	7,268	34,392	49,488
2020 EST. POPULATION BY SINGLE-CLASSIFICATION RACE			
White Alone	10,238	43,878	77,567
Black or African American Alone	3,272	22,953	29,665
American Indian and Alaska Native Alone	311	1,185	1,460
Asian Alone	699	4,366	9,079
Native Hawaiian and Other Pacific Islander Alone	24	85	159
Some Other Race Alone	8,393	29,508	33,522
Two or More Races	1,034	4,826	7,373
2020 EST. POPULATION BY ETHNICITY (HISPANIC OR LATINO)			
Hispanic or Latino	17,595	60,837	71,453
Not Hispanic or Latino	6,359	45,923	87,268
2020 EST. AVERAGE HOUSEHOLD INCOME			
	\$58,558	\$65,915	\$82,906

WAUKEGAN SNAPSHOT



158,721
POPULATION (5-Mile)



85,708
DAYTIME POPULATION (5-Mile)



\$82,906
AVERAGE HOUSEHOLD INCOME (5-Mile)



\$164,027
AVERAGE HOME VALUE (5-Mile)



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

EXCLUSIVELY LISTED BY:

Eric Wohl

Executive Vice President
ewohl@hanleyinvestment.com
949.585.7673

CJ Kiehler

Associate
ckiehler@hanleyinvestment.com
949.585.7608

Scott Reid

ParaSell, Inc.
broker@parasellinc.com
949.942.6585 | IL Lic #478027307

In Association with ParaSell, Inc.
A Licensed Illinois Broker #478027307

The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

Copyright © 2021 Hanley Investment. Information herein has been obtained from sources deemed reliable, however its accuracy cannot be guaranteed. The user is required to conduct their own due diligence and verification.



\$8.1 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database

GlobeSt.com™

GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.



\$2.8 BILLION IN RETAIL SOLD
over 450 transactions in last 36 mos.