

# ICONIC CHICAGO LOOP RETAIL

Bank of America, Dunkin' Donuts, AmeriCash Loans, Verizon

# 105 W MADISON STREET CHICAGO, ILLINOIS

NET LEASE INVESTMENT OFFERING

# THE Boulder GROUP

Bank of America  AmeriCash Loans  DUNKIN' DONUTS  verizon 





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# DISCLAIMER STATEMENT



*Bank of America, Dunkin Donuts, AmeriCash Loans, Verizon*

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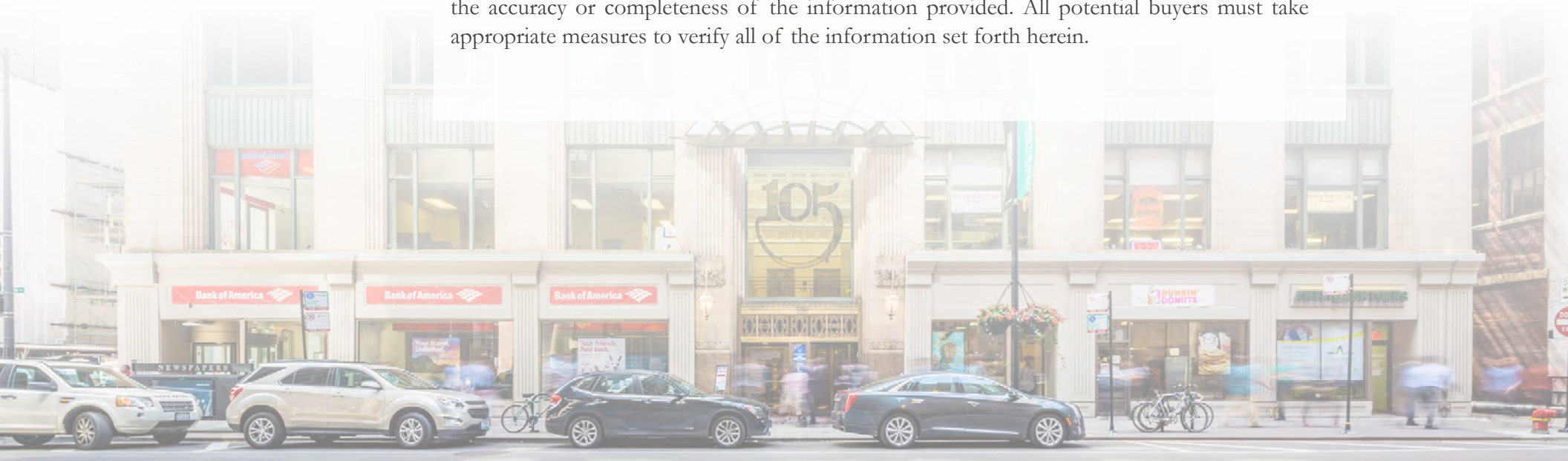
NET LEASE INVESTMENT OFFERING

**DISCLAIMER  
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.





# EXECUTIVE SUMMARY

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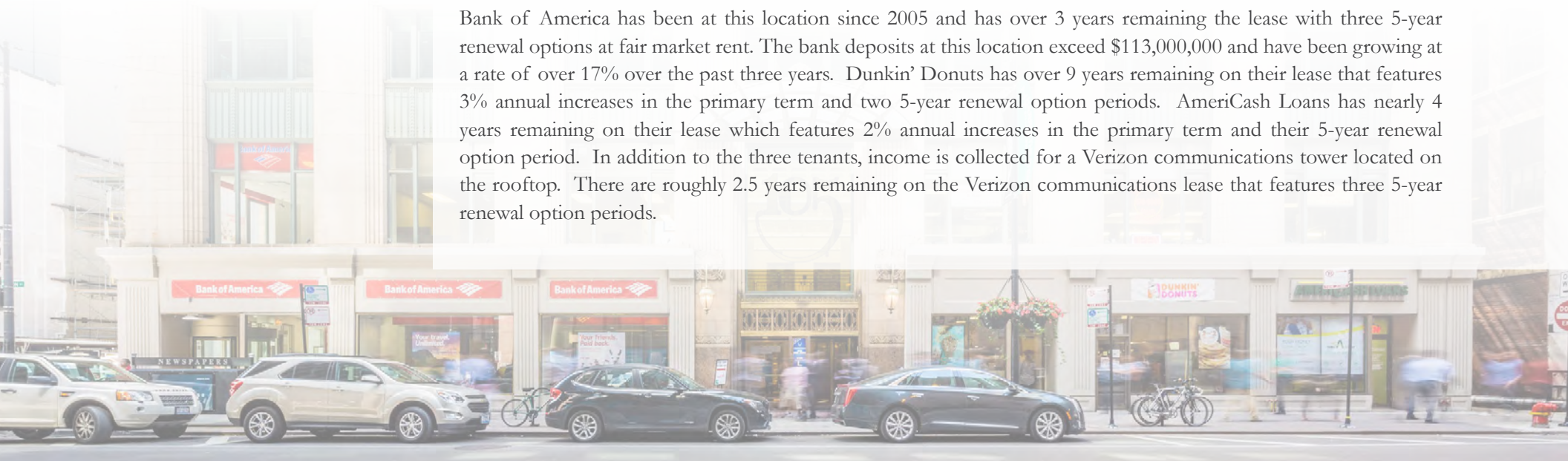


EXECUTIVE  
SUMMARY:

The Boulder Group is pleased to exclusively market for sale the fully leased four-tenant retail condominium located at 105 W Madison Street. 105 W Madison Street is a multi-tenant high-rise mixed-use, office and retail building located in the Chicago Loop in the heart of one of the world's busiest urban financial centers. The retail space is occupied by Bank of America, Dunkin' Donuts, AmeriCash Loans and complimented with a Verizon communications tower. The retail property is positioned in a densely populated urban in-fill location with significant barriers to entry and exceptional frontage on two of Chicago's most prolific streets.

The property is strategically located on the southwest corner of the signalized intersection of Madison Street and Clark Street in the heart of the primary business and financial district of Chicago. The daytime population within a one mile radius of the property is in excess of 549,000 people. The property is situated within steps from multiple CTA "L" stations (Chicago's elevated train and subway system) and is within a 15-minute walk of the four downtown commuter rail stations that serve the metro area. Some of Chicago's most visited tourist attractions are located within blocks from the location such as Millennium Park, Willis Tower, The Art Institute of Chicago and Buckingham Fountain. The surrounding area is densely populated with over 64,645 people living within a one mile radius earning an average annual household income in excess of \$140,700 per year.

Bank of America has been at this location since 2005 and has over 3 years remaining the lease with three 5-year renewal options at fair market rent. The bank deposits at this location exceed \$113,000,000 and have been growing at a rate of over 17% over the past three years. Dunkin' Donuts has over 9 years remaining on their lease that features 3% annual increases in the primary term and two 5-year renewal option periods. AmeriCash Loans has nearly 4 years remaining on their lease which features 2% annual increases in the primary term and their 5-year renewal option period. In addition to the three tenants, income is collected for a Verizon communications tower located on the rooftop. There are roughly 2.5 years remaining on the Verizon communications lease that features three 5-year renewal option periods.



INVESTMENT  
HIGHLIGHTS:

**Strategic Location**

- Located at ‘main and main’ within the Chicago Loop, the primary business and financial district of Chicago
- Central downtown location within blocks of Chicago’s most notable tourist attractions
- Daytime population in excess of 549,000 people within a one mile radius
- Situated within steps from multiple CTA “L” stations with a combined rider total of 11.8 million people (2016)
- Within a 15-minute walk of the four downtown commuter rail stations that serve the metro area

**Rare Investment Opportunity**

- Iconic retail in a core urban location
- Exceptional frontage along Madison Street and Clark Street, two primary thoroughfares
- Densely populated urban in-fill location
- Significant barriers to entry
- Newly renovated west retail spaces

**Strong Operating History**

- Tenants have operated at the location for more than ten years
- Rental escalations in primary terms and renewal option periods
- Bank of America deposits exceed \$113,000,000 with double digit annual growth
- Minimal landlord responsibilities

**Desirable Market**

- Chicago is the most populous city in the Midwestern United States
- Chicago attracts over 50 million domestic leisure travelers, 11 million domestic business travelers and 1.5 million overseas visitors
- Chicago hosts 12 Fortune Global 500 companies and 17 Financial Times 500 companies





**PROPERTY OVERVIEW:**

Price:	\$10,800,000
Cap Rate:	5.88%
Net Operating Income:	\$634,649 *
Year Built / Renovated:	1929 / 2016
Lease Type:	NN (Condominium Interest)
Rentable Square Feet:	6,700 SF
Address:	105 W Madison Street, Chicago, IL 60602

*\* Refer to Cash Flow Projections on page 11*





# FINANCIAL OVERVIEW



*Bank of America, Dunkin Donuts, AmeriCash Loans, Verizon*

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**RENT  
ROLL:**

Tenant	Lease Expiration	Square Feet	Base Rent	Next Increase	Rental Escalations	Renewal Options
Bank of America*	10/31/2020	4,700 SF	\$398,090	Renewal Option	FMV	Three 5-Year
Dunkin' Donuts	11/30/2026	1,300 SF	\$115,000	12/1/2017	3% Annually	Two 5-Year
Americash Loans	6/30/2021	700 SF	\$72,432	7/1/2018	2% Annually	5-Year
Verizon Communication	2/28/2020	-	\$29,526	Renewal Option	None	Three 5-Year
<b>Total:</b>		<b>6,700 SF</b>	<b>\$615,048 **</b>			

CAM/Insurance

Each tenant (excluding Verizon) pays their proportionate share of CAM and Insurance expenses based on their percentage occupancy of the entire building (125,729 SF)

- Bank of America - 3.74%
- Dunkin' Donuts - 1.04%
- AmeriCash Loans - 0.56%

Taxes

The Retail Condominium and Upper Floors have separate Tax PINs. Tenants (excluding Verizon) pay the following allocations:

- Dunkin' Donuts - 19.40% of Retail Tax PIN
- AmeriCash Loans - 10.45% of Retail Tax PIN
- Bank of America - 3.74% of both Tax PINs

\* Bank of America has the option to terminate the lease with 6 month written notice and must pay a cancellation penalty equal to the unamortized brokerage commission paid by Landlord

\*\* Full analysis of Cash Flow Projections on page 11

**CASH FLOW  
PROJECTIONS:**

**Income**

Base Rent	<u>\$615,048</u>
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**Recoveries**

Operating Expenses	\$104,047
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Real Estate Taxes	<u>27,064</u>
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<b>Total Recoveries</b>	<b>\$131,111</b>
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<b>Gross Rental Income</b>	<b><u>\$746,159</u></b>
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**Expenses <sup>1</sup>**

CAM	\$(38,235)
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Utilities	(35,235)
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Taxes (Retail Condo)	(33,703)
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Insurance	<u>(4,338)</u>
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<b>Total</b>	<b><u>\$(111,511)</u></b>
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<b>Net Operating Income</b>	<b><u>\$634,649</u></b>
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1) 2016 Actual Expenses.



# PROPERTY OVERVIEW



*Bank of America, Dunkin Donuts, AmeriCash Loans, Verizon*

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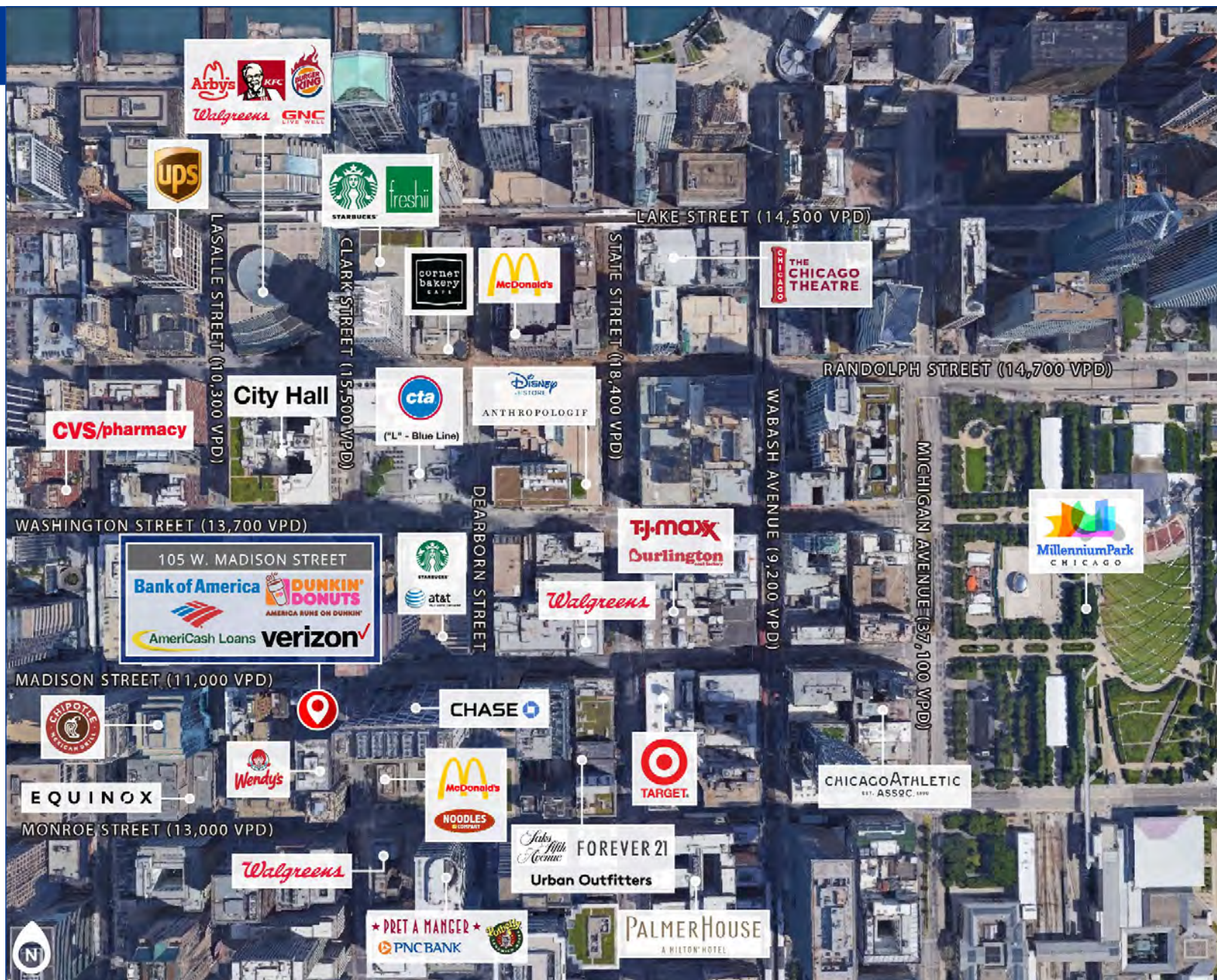
PROPERTY  
PHOTOGRAPHS:



**LOCATION AERIAL:**

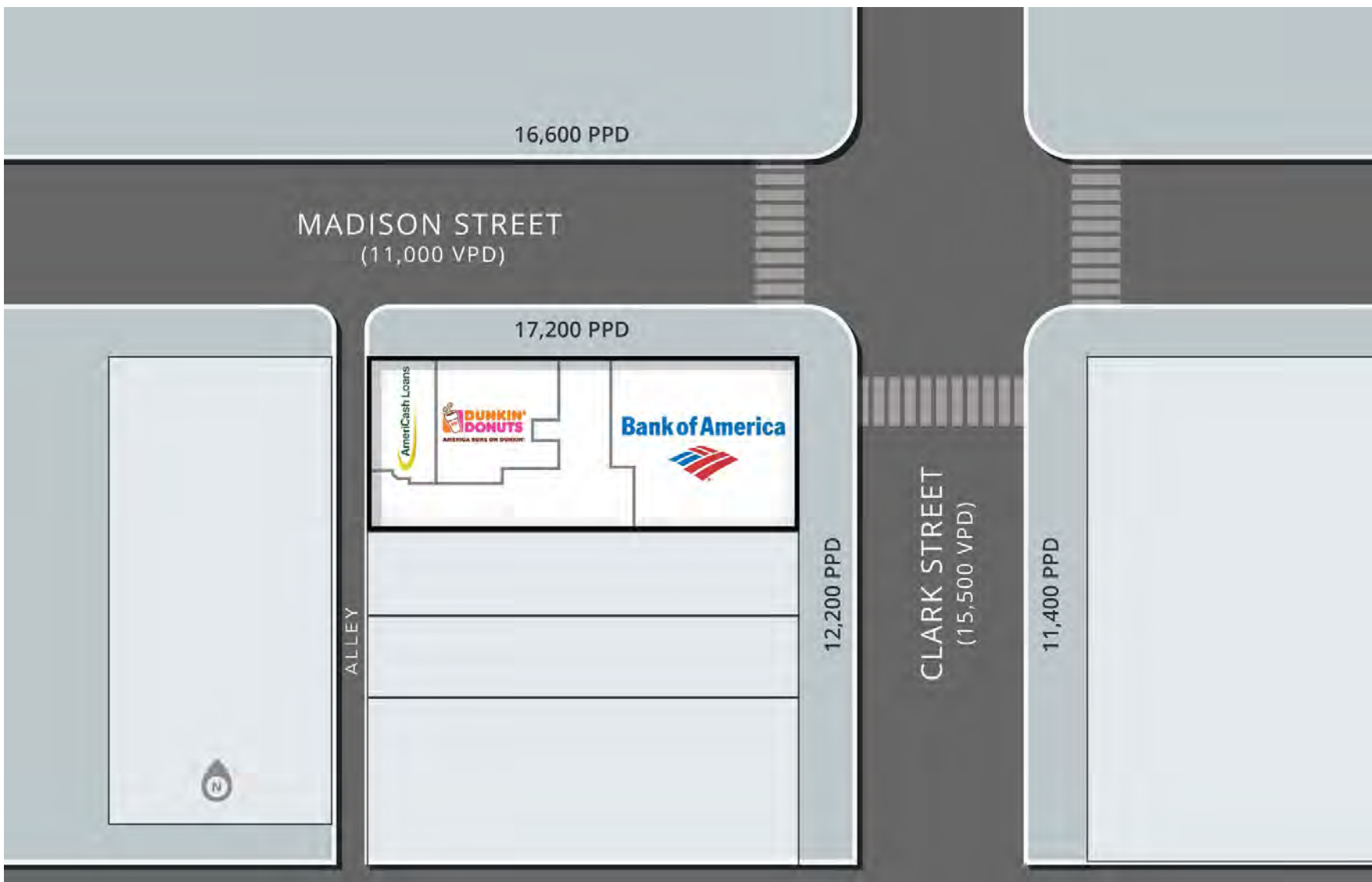


**LOCATION AERIAL:**



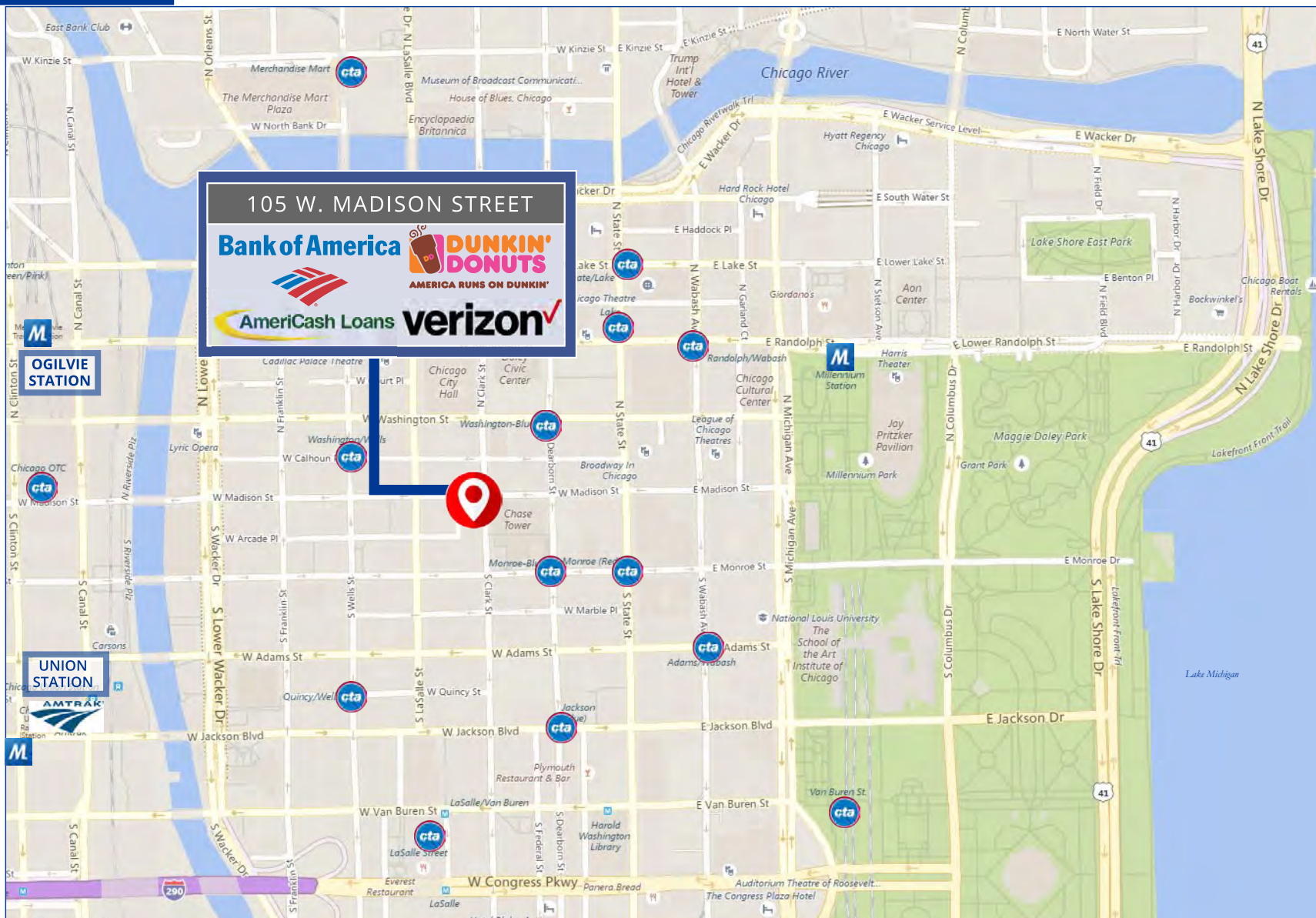


**SITE PLAN & TRAFFIC/  
PEDESTRIAN COUNTS:**



*\* Weekly Pedestrian Counts, Chicago Department of Transportation*

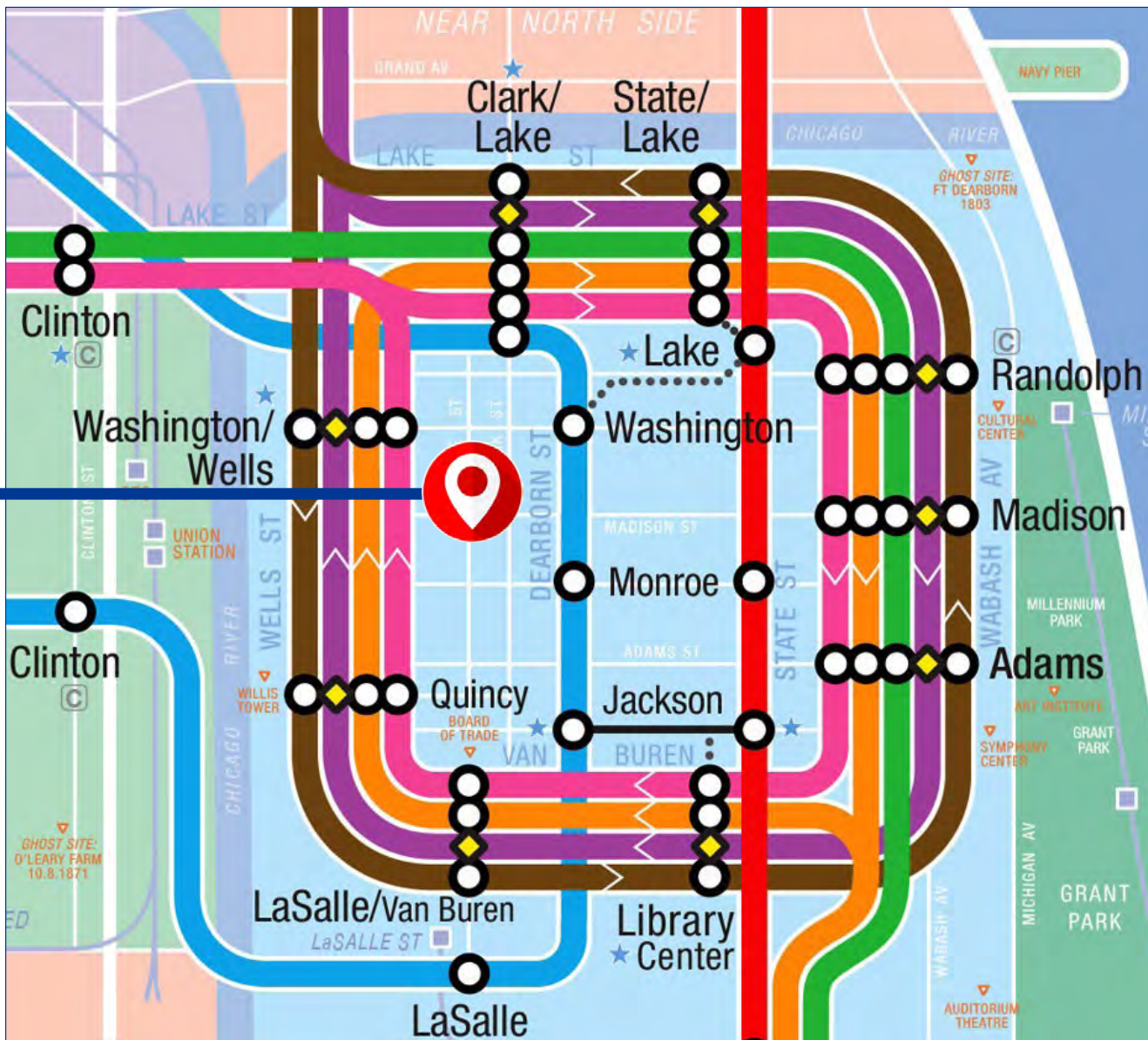
**LOCATION MAP:**



**TRANSPORTATION MAP:**

105 W. MADISON STREET

NEARBY STATIONS RIDER TOTALS	
<b>WASHINGTON/WELLS:</b> (Brown/Purple/Orange/Pink)	2,301,981
<b>WASHINGTON</b> (Blue)	3,804,955
<b>MONROE</b> (Blue/Red)	5,694,302



# MARKET & TENANT OVERVIEWS

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**DEMOGRAPHIC REPORT:**

Population	0.5-Mile	1-Mile	3-Mile
Total Population	11,497	74,584	332,196
Total Households	6,174	45,150	174,950

Income	0.5-Mile	1-Mile	3-Mile
Median Household Income	\$93,533	\$95,954	\$78,264
Average Household Income	\$133,984	\$140,706	\$119,748



TENANT  
OVERVIEW:

### Bank of America

Bank of America Corporation, through its subsidiaries, provides various banking and financial products and services for individual consumers, small and middle market businesses, institutional investors, corporations, and governments in the United States and internationally.

The company's Consumer & Business Banking segment offers traditional and money market savings accounts, CDs and IRAs, checking accounts, and investment accounts and products, as well as credit and debit cards; and lending related products and services, working capital management, and treasury solutions. This segment provides its products and services through operating 4,600 retail financial centers, 15,900 ATMs, call centers, and online and mobile banking platforms.

The company was founded in 1874 and is based in Charlotte, North Carolina. It is ranked 2nd on the list of largest banks in the United States by assets. Bank of America is the 26th largest company in the United States by total revenue and was ranked #11 on the Forbes Magazine Global 2000 list of largest companies in the world. Bank of America is publicly traded on the New York Stock Exchange using the symbol "BAC". It is an investment grade rated company with a Standard & Poor's rating of "BBB+".

Bank of America has occupied their current space at 105 W Madison Street since 2005. Bank of America has deposits of \$113,353,000, a 17.5% increase since 2014.

Website:	<a href="http://www.bankofamerica.com">www.bankofamerica.com</a>
Standard & Poor's Rating:	Investment Grade: BBB+
Stock Symbol:	BAC (NYSE)
Number of Locations:	4,600+
Headquarters:	Charlotte, North Carolina

# Bank of America



TENANT  
OVERVIEW:

**Dunkin' Donuts**

Dunkin' Donuts is a market leader in the coffee, donut, bagel and muffin categories. In 1950 Bill Rosenberg opened the first Dunkin' Donuts restaurant in Quincy, Massachusetts, with the goal to “make and serve the freshest, most delicious coffee and donuts quickly and courteously in modern, well-merchandised stores.” Rosenberg licensed the first of many franchises in 1955. Dunkin' Donuts has earned the No. 1 ranking for customer loyalty in the coffee category by Brand Keys for eleven years running.

The company has more than 11,300 restaurants in 36 countries worldwide. As of 2014, Dunkin' Donuts is owned by Dunkin' Brands Group Inc., which also owns Baskin-Robbins. The company is headquartered in Canton, Massachusetts. Dunkin' Brands Group Inc. is publicly traded on the Nasdaq Stock Market using the symbol “DNKN”.

The Dunkin' Donuts lease is guaranteed by Seva Companies LLC who operates more than 45 restaurant locations in the Midwest. Dunkin' Donuts was originally in the basement of the property and moved the store street-side in 2015. The space was fully renovated to accommodate Dunkin' Donuts.

Website:	<a href="http://www.dunkindonuts.com">www.dunkindonuts.com</a>
Founded:	1950
Number of Locations:	11,300±
Stock Symbol:	DNKN (NASDAQ)
Headquarters:	Canton, Massachusetts



TENANT  
OVERVIEW:

**AmeriCash Loans**

AmeriCash Loans is a leading provider of alternative consumer financial services. The company offers short-term financial products. Their short-term lending product portfolio is comprised of: installment loans, signature loans, and other related financial services. AmeriCash was founded in 1997 in Des Plaines, Illinois where it still has their headquarters. The company has 67 locations in Illinois, Wisconsin, Missouri, Oklahoma and South Carolina.

Website: [www.americashloans.net](http://www.americashloans.net)  
Founded: 1997  
Number of Locations: 67  
Headquarters: Des Plaines, Illinois





TENANT  
OVERVIEW:

### Verizon

Verizon Communication Inc., based in New York City and incorporated in Delaware, was formed on June 30, 2000, with the merger of Bell Atlantic Corp. and GTE Corp. The mergers that formed Verizon were among the largest in U.S. business history, culminating in a definitive merger agreement, dated July 27, 1998, between Bell Atlantic and GTE. GTE and Bell Atlantic had each evolved and grown through years of mergers, acquisitions and divestitures. Each had proven track records in successfully integrating business operations.

Verizon Communications, Inc. is a publicly traded company on the New York Stock Exchange (VZ) with a market capitalization in excess of \$205 billion. Verizon Communications Inc. is an investment grade rated company with a Standard and Poor's rating of BBB

Verizon Wireless is a wholly owned subsidiary of Verizon Communications. Verizon Wireless provided wireless services to over 130 million subscribers. It is the largest wireless telecommunications provider in the United States. Headquartered in Basking Ridge, New Jersey, the company was originally a joint venture of American telecommunications firm Bell Atlantic, which would soon become Verizon Communications, and global British telecommunications company Vodafone. Verizon Wireless has over 2,330 locations.

Website:	<a href="http://www.verizon.com">www.verizon.com</a>
Standard & Poor's Rating:	BBB+
Stock Symbol:	VZ (NYSE)
Market Capitalization:	\$205 billion
Number of Locations:	2,330+
Number of Subscribers:	Over 130 Million

The Verizon logo, featuring the word "verizon" in a bold, lowercase, sans-serif font, followed by a red checkmark symbol.

LOCATION  
OVERVIEW:

### Chicago Loop

The Loop is the central business district of Chicago. It is one of the city's 77 designated community areas. The Loop is home to Chicago's commercial core, City Hall, and the seat of Cook County. In the late nineteenth century, cable car turnarounds and prominent elevated railway encircled the area, giving the Loop its name.

The community area is bounded on the north and west by the Chicago River, on the east by Lake Michigan, and on the south by Roosevelt Road. The Loop is the second largest commercial business district in the United States. Some of the corporations the Loop hosts include the Chicago Mercantile Exchange, the world's largest options and futures contracts open interest exchange; the headquarters of United Continental Holdings, one of the world's largest airlines; AON; Blue Cross Blue Shield; Hyatt Hotels Corporation; BorgWarner, and other major corporations.

The Loop is home to 500 acre Grant Park; State Street, which hosts a historic shopping district; the Art Institute of Chicago; several theaters; and numerous subway and elevated rapid transit stations. Other institutions in the Loop include the Willis Tower, once the tallest building in the world, the Chicago Symphony Orchestra, the Lyric Opera of Chicago, the Goodman Theatre, the Joffrey Ballet, the central public Harold Washington Library, and the Chicago Cultural Center.



## LOCATION OVERVIEW:

### Chicago, Illinois

Chicago is the most populous city in the Midwestern United States and the third most populous city in the United States with 2,700,000 residents. Chicago is the county seat of Cook County, the second largest county in the United States. The Chicago MSA is the third most populated metropolitan area in the United States with 9,580,567 residents. The MSA covers over 1,300 square miles and six counties. Chicago has many nicknames, the best-known being the Windy City.



The Chicago metropolitan area is home to the corporate headquarters of 66 Fortune 1000 companies, including Boeing, McDonald's, Motorola, Discover Financial Services and United Airlines. Chicago is a major hub for industry, telecommunications and infrastructure and O'Hare International Airport is the second busiest airport in the world in terms of traffic movement.

The metro is a major financial center in North America, and is home to the largest futures exchange in the United States, the CME Group. Chicago is third in the world on the Global Financial Centers Index which ranks the competitiveness of financial centers based on people, business environment, market access, infrastructure and general competitiveness. As of 2016, Chicago had the third largest gross metropolitan product in the United States at \$640 billion.

The city of Chicago also hosts 12 Fortune Global 500 companies and 17 Financial Times 500 companies. The city claims two Dow 30 company: aerospace giant Boeing, which moved its headquarters from Seattle to the Chicago Loop in 2001 and McDonald's, who's in the process of moving their headquarters from the Chicago suburbs to the Chicago West Loop. One additional Dow 30 companies, Kraft Foods is in the Chicago suburbs, as are Sears Holdings Corporation and the technology spin-offs of Motorola. The headquarters of United Continental Holdings, are in the United Building and its operations center and its United Airlines subsidiary are in the Willis Tower in Chicago.

Chicago attracts over 50 million domestic leisure travelers, 11 million domestic business travelers and 1.5 million overseas visitors. These visitors contributed more than \$14 billion to Chicago's economy. Upscale shopping along the Magnificent Mile and State Street, thousands of restaurants, as well as Chicago's eminent architecture, continue to draw tourists. The city is the United States' third-largest convention destination. A 2011 study by Walk Score ranked Chicago the fourth most walkable of the fifty largest cities in the United States.

[www.cityofchicago.org](http://www.cityofchicago.org)

## SURROUNDING ATTRACTIONS:

### Millennium Park

Millennium Park is a public park located in the Loop, originally intended to celebrate the second millennium. It is a prominent civic center near the city's Lake Michigan shoreline that covers a 24.5-acre section of northwestern Grant Park. The park has received awards for its accessibility and green design. Because the park sits atop a parking garage and the commuter rail Millennium Station, it is considered the world's largest rooftop garden. Millennium Park has free admission and features the Jay Pritzker Pavilion, Cloud Gate, the Crown Fountain, the Lurie Garden, and various other attractions. In 2017, Millennium Park became the top tourist destination in Chicago, the Midwest, and placed among the top ten in the United States with 25 million annual visitors.



### The Art Institute of Chicago

The Art Institute of Chicago, founded in 1879 and located in Chicago's Grant Park, is one of the oldest and largest art museums in the United States. Recognized for its curatorial efforts and popularity among visitors, the museum hosts approximately 1.5 million guests annually. Its collection—stewarded by 11 curatorial departments—is encyclopedic, and includes iconic works such as Georges Seurat's *A Sunday on La Grande Jatte*—1884, Pablo Picasso's *The Old Guitarist*, Edward Hopper's *Nighthawks*, and Grant Wood's *American Gothic*. Its permanent collection of nearly 300,000 works of art is augmented by more than 30 special exhibitions mounted yearly that illuminate aspects of the collection and present cutting-edge curatorial and scientific research.

## SURROUNDING ATTRACTIONS:

### The Aon Center

The Aon Center (200 East Randolph Street) is a modern supertall skyscraper in the Chicago Loop completed in 1974. With 83 floors and a height of 1,136 feet, it is the third tallest building in Chicago. It is the headquarters for Jones Lang LaSalle and Aon's US operations.



### The Chicago Theater

The Chicago Theatre is a landmark theater located in the Loop of Chicago. Built in 1921, the Chicago Theatre was the flagship for the Balaban and Katz (B&K) group of theaters run by A. J. Balaban, his brother Barney Balaban and partner Sam Katz. Currently, Madison Square Garden, Inc. owns and operates the Chicago Theatre as a performing arts venue for stage plays, magic shows, comedy, speeches, and popular music concerts. The distinctive Chicago Theatre marquee, “an unofficial emblem of the city”, appears frequently in film, television, artwork, and photography.

### The Palmer House Hilton

The Palmer House is a famous and historic hotel in Chicago in the city's Loop area. Currently operating as the Palmer House - A Hilton Hotel, it is a Historic Hotel of America member, the official program of the National Trust for Historic Preservation. The Palmer House Hotel was the nation's longest operating hotel with 1,641 guest rooms for over a century.



## SURROUNDING ATTRACTIONS:

### **Monroe Harbor**

Monroe Harbor is located in the heart of downtown Chicago and its 824 mooring cans combine to create the central panorama of the Chicago skyline. Iconic to the Chicago Harbors, Monroe has a strong community of long-time boaters many of whom love the nostalgia and history of this harbor at the foot of the city. Monroe is home to the Chicago Yacht Club, one of the oldest and most respected yacht clubs in the world. Chicago Yacht Club hosts many world class competitions, including its signature Chicago Yacht Club Race to Mackinac (333 miles across Lake Michigan) and numerous North American and World Championships.



### **Buckingham Fountain**

Buckingham Fountain is a Chicago landmark in the center of Grant Park. Dedicated in 1927, it is one of the largest fountains in the world. Built in a rococo wedding cake style and inspired by the Latona Fountain at the Palace of Versailles, it is meant to allegorically represent Lake Michigan. It operates from April to October, with regular water shows and evening color-light shows. During the winter, the fountain is decorated with festival lights.

*Bank of America, Dunkin Donuts, AmeriCash Loans, Verizon*

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