



offering
memorandum

CBRE

605
NORTH *Clark*



EXECUTIVE *Summary*

CBRE, as exclusive agent, is pleased to announce the opportunity to acquire 605 N Clark, a 22,000-sf building situated on a 13,980 sf site at the highly visible and heavily trafficked intersection of Clark and Ohio in the heart of River North. The building is currently leased to Rainforest Café whose parent company is Laundry's, until 2022, proving excellent cash flow for the next three years on a site that is well poised for development. Highlights of the offering are as follows:

MARQUEE LOCATION WITH POTENTIAL TO UP-ZONE

The property boasts a first-rate location amongst some of the largest and most prominent developments in all of Chicago. With a current zoning classification of DX-7, the site is conducive to a myriad of development schemes.

COVERED LAND PLAY Rainforest Café is a subsidiary of Laundry's, Inc. a major national restaurant chain, rated B2 by Moody's. Their lease runs through January of 2022, allowing an investor to accumulate cash flow, limit risk and provide current yield until a redevelopment strategy is ready to be executed.

STEPS FROM CHICAGO'S MAGNIFICENT MILE Michigan Avenue, located just 4 blocks east, is the highest grossing retail thoroughfare in Chicago featuring a plethora of international brands including Burberry, Ralph Lauren, Apple, Hugo Boss, Rolex, Salvatore Ferragamo, Gucci and many more.

CENTRALIZED, TRANSIT-ORIENTED LOCATION Two blocks east of the property is the Grand and State Red Line stop of the CTA which sees 4,057,428 annual ridership.

POTENTIAL OFFICE/RESIDENTIAL DEVELOPMENT





STRONG MARKET FUNDAMENTALS

retail

- Retail sales within 0.5 miles of the property totaled \$2.1 billion in 2018
- River North is a hub for retail activity, with 3.6M square feet of rental space
- Food and beverage sales totaled \$811 million in 2018
- McDonald's, directly across the street from the property, recently completed its redevelopment of its flagship store, and Starbucks is opening its Reserve Roastery by the end of 2019

residential

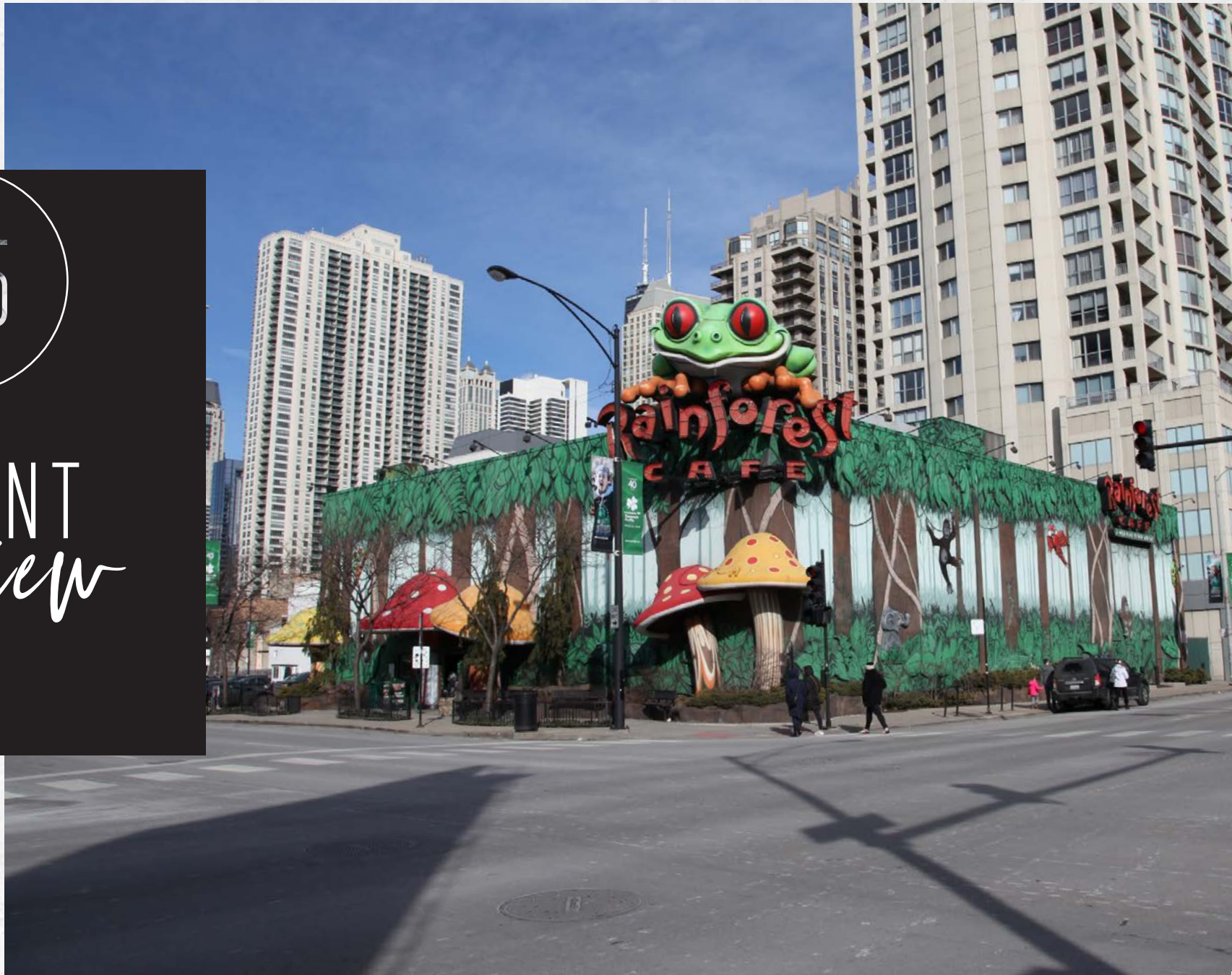
- The market features 10,268 existing units, with another 1,893 planned or under construction
- 80% of the population within half a mile of the property are renters
- Luxury apartment buildings such as 640 N. Wells, 805 N. LaSalle and 347 W. Chestnut fetch rents exceeding \$4 per square foot

office

- During the last eight years, River North has transformed into one of the hottest tech-submarkets in the country.
- Between 2016 and 2018, average rents in River North rose by 10.6 percent to reach \$42.41 psf, outpacing the city's 5.8 percent rent growth rate during the period.
- River North has seen a 90% asking rent increase since 2010. This has led to an explosion in new development, including the new Salesforce Tower at Wolf Point, which will be more than 1 million square feet. In total, nearly 3 million square feet of office development is planned or under construction.

605

TENANT Overview



RAINFOREST CAFÉ

RAINFOREST CAFÉ

- Founded 1994 in Bloomington, MN
- 20 restaurants in the United States and 5 international locations
- Tropical rainforest-themed with water features, plant life and animals figurines
- All locations feature restaurant and gift shop
- Subsidiary of Landry's, Inc.

LANDRY'S, INC. - PARENT COMPANY

- Founded: 1980
- Headquarters: Houston, Texas
- Privately-owned hospitality group with locations in 35 states and 10 countries
- Owned by President & CEO Tilman Fertitta, who took company public in 1993 with a valuation of \$30 million
- In 2010, Fertitta acquired all outstanding shares of company stock, and by 2011, the company's value rose to more than \$1.7 billion
- Owns and operates more than 600 restaurants, hotels, casinos, aquariums, amusement piers, and other properties worldwide, including:

LANDRY'S RESTAURANTS

Atlantic Grill	Dos Caminos	Morton's The Steakhouse
Aquarium Restaurant	The Crab House	The Oceanaire Seafood Room
Babin's Seafood House	Fish Tales	Peohe's
Big Fish Seafood Bistro	Fisherman's Wharf Seafood Grill	Rainforest Cafe
The Boathouse	The Flying Dutchman Restaurant & Oyster Bar	Red Sushi
Bill's Bar & Burgers	Gandy Dancer	River Crab
Blue Fin	Grand Concourse	Rusty Pelican
Blue Water Grill	Grotto	Saltgrass Steak House
Brenner's Steakhouse	Joe's Crab Shack	Simms Steakhouse
Brenner's on the Bayou	La Griglia	Strip House
Brick House Tavern + Tap	Mai Tai Bar	T-Rex Cafe
Bubba Gump Shrimp Company	Mastro's Restaurants	Trevi
Cadillac Bar	McCormick & Schmick's	Vic & Anthony's Steakhouse
Charley's Crab	Meriwether's	Willie G's Seafood & Steaks
Chart House	Mitchell's Fish Market[57]	Yak & Yeti
Claim Jumper		

Lease abstract

LEASE ABSTRACT

Lease Expiration date: 1/31/2022

Extension: Tenant has one, 5-year option that was exercised on January 31, 2017.

Building SF: 22,000

Commencement Date: 01/09/1997

Base Rent: 2/1/17 - 1/31/22 - \$66,929.53 monthly, \$803,154.36 annually, \$36.50 PSF

Percentage Rent: 7% of gross sales in excess of \$8,031,543

Tenants Proportionate Share: 100%

Permitted Use: The Leased Premises shall be used and occupied only for the purpose of operating a full service, thematic, sit-down family restaurant, with associated retail sales, and uses incidental thereto and for no other use.

Taxes: Tenant shall pay, as additional rent for the Leased Premises, all taxes and assessments, general and special.

Insurance: Tenant shall procure and maintain policies of insurance at its own cost and expense.

Repairs and Maintenance: Tenant shall keep, maintain and repair the entire exterior and interior of the Leased Premises, specifically including, without limitation, the foundation, walls and roof, in good condition and repair. As used herein, each and every obligation of Tenant to keep, maintain and repair shall include, without limitation, all ordinary and extraordinary structural and nonstructural repairs and replacements.

Utilities and Services: Tenant shall purchase all utility services, including but not limited to fuel, water, sewerage and electricity.

Removal of Tenant's Property: Upon the termination of this Lease by lapse of time, Tenant shall remove Tenant's articles of personal property incident to Tenant's business "Trade Fixtures." If Tenant does not remove Tenant's Trade Fixtures within thirty days after the expiration of the Lease term, Landlord may take possession of such property.



PROPERTY DESCRIPTION

PROPERTY ADDRESS:	605 North Clark St
PROPERTY TYPE:	Retail
BUILT:	1996
COUNTY:	Cook
LAND AREA:	13,980
BUILDING SF:	22,000
REAL ESTATE TAX PIN (S):	17-09-233-012-0000 / 17-09-233-013-0000 / 17-09-233-022-0000
FRONTAGE:	N Clark: 115' W Ohio: 140'
ZONING:	DX-7

TAXES

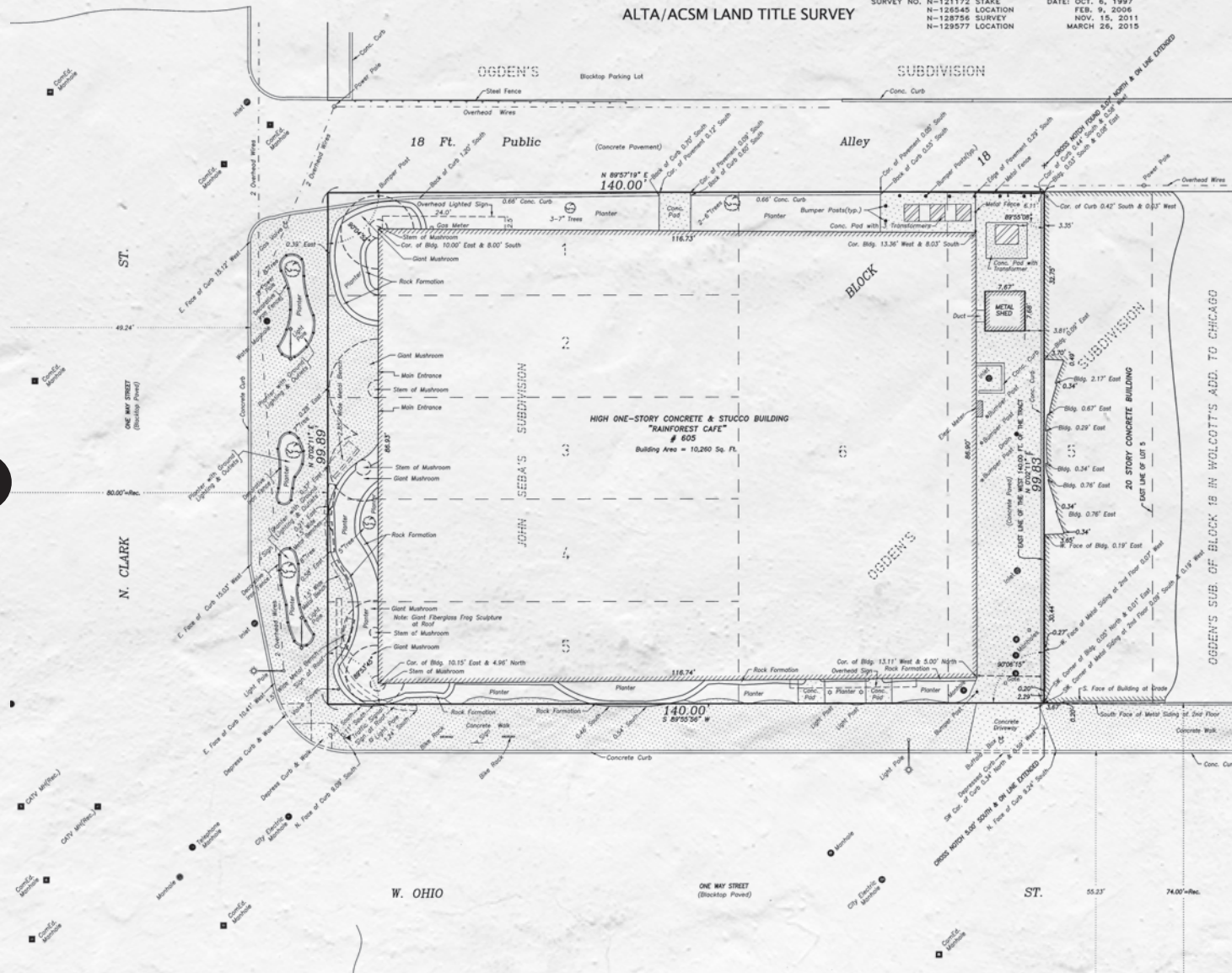
PARCEL	2016	2017
17-09-233-012-0000	\$119,254.69	\$128,174.64
17-09-233-013-0000	\$69,205.90	\$74,382.41
17-09-233-022-0000	\$78,912.31	\$84,814.78
TOTAL:	\$267,372.90	\$287,371.83

survey

ALTA/ACSM LAND TITLE SURVEY

SURVEY NO. N-121172 STAKE
N-126945 LOCATION
N-128756 SURVEY
N-129577 LOCATION

DATE: OCT. 6, 1997
FEB. 9, 2006
NOV. 15, 2011
MARCH 26, 2015



zoning analysis

Zoning district	DX-7 (Existing)
Ward / Alderman	42 / Alderman Reilly
Site Area	13,980 sf (per survey)
Permitted Uses	Dwelling units above the ground floor; most commercial uses, including office, retail, restaurants, hotels, other uses
Max. Floor Area Ratio (FAR) / Floor Area	7.0 (97,860 sf)
Neighborhoods Opportunity Bonus	<p>Max. Bonus: 4.5 (62,910 sf) Max. FAR: 11.5 (160,770 sf) The cost of the bonus is calculated at the time of building permit. The cost of the bonus is calculated as follows: [Cost] = [Bonus Square Footage] x .8 x [median land price] The current median land cost in this submarket is \$43 per square foot. Cost of Max. Bonus: \$2,164,104 (62,910 * \$43 * .8)</p>
MLA and Maximum Number of Residential Units	<p>145 sf per dwelling unit 90 sf per efficiency unit Max. 40% efficiencies Projects that use the Neighborhoods Opportunity Bonus are eligible to reduce MLA requirements by up to 30% No efficiencies/No bonus: 96 40% efficiencies/No bonus: 113 No efficiencies/Max bonus: 137 40% efficiencies/Max bonus: 162</p>
Affordable Requirements Ordinance	<p>Affordable housing requirements will apply to a residential project if (1) the project is approved as a PD and/or (2) the property is up-zoned from the DX-7 district. Rental: Of the 10% requirement, 25% must be provided on-site or within 2 miles of the residential project. A fee in lieu of \$182,748 per unit may be paid for the remaining 75%. Owner-Occupied: There is an option to pay a fee in lieu of \$234,962 per unit for the entire 10% requirement.</p>

Mandatory PD Thresholds	<ul style="list-style-type: none"> • Use of Bonus • 155'+ residential building height • 180'+ non-residential building height • Non-accessory parking exceeding 250 spaces
Maximum height	None, subject to mandatory PD thresholds.
Required setbacks	None, except for floors containing dwelling units, then 30' rear setback is required
Required on-site open space	36 sf per dwelling unit
Parking requirements	<p>Residential: Minimum: 0.7 spaces per dwelling unit. Maximum: 1.1 per dwelling unit for dwelling units containing less than 1,600 square feet of floor area; 1.5 per dwelling unit for dwelling units containing 1,600 square feet of floor area or more. Non-Residential: Minimum: none, except hotels with meeting/banquet space, theaters, etc. Maximum: Office: 1 space per 2,800 sf Retail: 2.5 per 1,000 sf Restaurant: 3 per 1,000 sf (inquire for other uses)</p>
Available Parking Relief	The Property is within 1,320' of the Grand Red Line CTA entrance. Parking requirements may be reduced by 50% by-right and by up to 100% upon approval of an administrative adjustment (non-residential) or special use, Type 1 re-zoning or planned development (residential)
Bicycle Parking	<p>Residential: 1 per 2 auto spaces Non-residential: None To the extent that the parking reductions available for transit-served locations are utilized, at least one bicycle parking space for each automobile parking space that would otherwise be required under the applicable standards must be provided</p>
Required loading	<p>Residential: 25,000 sf to 199,999 sf, one berth (10' x 25') 200,000 + sf, one berth per 200,000 sf (10' x 25') Retail: 10,000 sf to 24,999 sf, one berth (10' x 25') 25,000 sf to 49,999 sf, two berths (10' x 50') 50,000 sf to 99,999 sf, three berths (10' x 50') Office: One berth per 100,000 sf (10' x 25') (inquire for other uses).</p>

river north notable comps

Novel Coworking
420 W Huron
\$33 PSF
30,918 SF

Parc Huron
Apartments

Green Door
Tavern
Bernie's
Cuvee

Club Lago

Cryo-Effect
165 W Superior
\$60 PSF
2,233 SF

Brehon Pub

Chicago
Cafe Iberico
Superior

ZED451

Shadowbox
675 N Wells
\$57 PSF
3,482 SF

Whole Foods

TRIO Salon

True Foods
9 W Erie
\$85 PSF
8,580 SF

FedEx Office

AIR Aerial
Fitness
Hutch
American Cafe

Float Sixty
Spybar
River North
CrossFit

Union Sushi
+ BBQ Bar

Fogo de Chao
Erie

Kerryman
Irish Bar

Walgreens
Chicago
Chop House

Brightwok
631 N State
\$95 PSF
1,500 SF

Sweet Green
621 N State
\$80 PSF
2,350 SF

Wahlburger
2 E Ontario
\$85 PSF
5,147 SF

WeWork
515 N State
\$28.50 PSF
122,350 SF

WeWork
330 N Wabash
\$29.50 PSF
67,162 SF

RCP
353 N Clark
\$42 PSF
27,341 SF

605

Gallery on Wells
637 N Wells
Studio | SF: 452 | PSF: \$4.05
1 Bedroom | SF: 598 | PSF: \$3.67

Municipal Bar
+ Dining Co.

Al's Beef
Flamingo
Rum Club

McDonald's

US Post Office

Starbucks

Bed, Bath
& Beyond

Corey's NYC
Bagel

Cantina Laredo

Hampton Inn

El Hefe

Rossi's

Public House

Harry Caray's

House of
Blues

The Smith
400 N Clark
\$59 PSF
10,500 SF

Blue Mercury
350 N Clark
\$125 PSF
3,707 SF

Leap
222 Merchandise Mart
\$41.23 PSF
11,675 SF

Allstate
222 Merchandise Mart
\$44 PSF
57,112 SF

Hubbard221
221 W Hubbard
Studio | SF: 439 | PSF: \$4.33
1 Bedroom | SF: 711 | PSF: \$3.42

Chicago Cut

River Roast

Moe's Cantina

Old Crow
Smokehouse

Hannah's
Bretzel

Hi-Vibe

Lou Malnati's
Pizza

Slurping Turtle

Hubbard Inn

Hubbard

Sunda

Illinois

Tanta Chicago

Fado Irish Pub

GT Fish & Oyster

O'Leary's Pub

Flamingo

Al's Beef

Sound Bar
Y Bar

Wildfire

Whole Foods
Corporate Office

Trophy Room

LaSalle

Portillo's

Clark

Walgreens

Dearborn

Redhead
Piano Bar

Eggsperience
Cafe

Starbucks

Jewel-Osco

Bed, Bath
& Beyond

Corey's NYC
Bagel

Cantina Laredo

Hampton Inn

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notable lease comps

OFFICE

ADDRESS	TENANT	RENT (PSF)	SF
420 W Huron	Novel Coworking	\$33.00	30,918
222 Merchandise Mart	Leap	\$41.23	11,675
330 N Wabash	WeWork	\$29.50	67,162
515 N State	WeWork	\$28.50	122,350
353 N Clark	RCP	\$42.00	27,341
222 Merchandise Mart	Allstate	\$44.00	57,112

RETAIL

ADDRESS	TENANT	RENT (PSF)	SF
675 N Wells	Shadowbox	\$57	3,482
2 E Ontario	Wahlburger	\$85	5,147
350 N Clark	Blue Mercury	\$125	3,707
631 N State	Brightwok	\$95	1,500
165 W Superior	Cryo Effect	\$60	2,233
400 N Clark	The Smith	\$59	10,500
621 N Clark	Sweet Green	\$80	2,350
9 W Erie	True Foods	\$85	8,580

RESIDENTIAL

ADDRESS	APARTMENT TYPE	RENT (PSF)	SF
637 N Wells	Studio	\$4.05	452
	1 Bedroom	\$3.67	598
221 W Hubbard	Studio	\$4.33	439
	1 Bedroom	\$3.42	711
311 W Illinois	Studio	\$4.55	425
	1 Bedroom	\$3.31	753
	2 Bedroom	\$3.80	1,400



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