

**NET LEASE PROPERTY GROUP — MIDWEST**  
OFFERING MEMORANDUM



**ENGINEERING SYSTEMS, INC.**

4215 Campus Drive | Aurora, IL 60504 (Chicago MSA)





# AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

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## CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii)

you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

## DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be

made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

ALL PARCEL LINES ON SITE PLAN AND AERIALS ARE APPROXIMATE.

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# THE OFFERING

CBRE's Net Lease Property Group – Midwest is pleased to present the opportunity to acquire 100% fee interest in a 47,418-square foot office/warehouse building occupied by Engineering Systems Inc. ("ESI"). ESI has been a tenant since 2010 and recently extended their lease through December 2028. The lease includes two additional three-year renewal options and strong 2% annual rental increases.

The asset was built in 2010 and is situated within Meridian Business Campus, an established office/industrial park that has been in the area for over 50 years and is home to over 40 national and local companies. ESI is well located three miles southwest of a full access interchange with Interstate 88 (139,300 VPD) off Route 59 (55,000 VPD) and just over one mile southwest of the Route 59 station on Metra's BNSF commuter retail line. It is also minutes from the dominant Fox Valley retail corridor which is home to over 8 million square feet of retail space. All of these factors make this an attractive investment opportunity for qualified investors.



Offering Price:	\$8,130,000
Cap Rate:	7.00%
Current Annual Rent:	\$569,019
Lease Structure:	NN
Lot Size:	±4.576 Acres / 199,329 Square Feet
Building Size:	47,418 Square Feet
Tenant:	Engineering Systems, Inc.
Original Lease Commencement:	October 1, 2010
Lease Expiration:	December 31, 2028
Lease Term Remaining:	9 Years, 10 Months
Renewal Options:	Two, 3-Year Options
Rental Increases:	2% annual increases in base term and option terms
Landlord Responsibilities:	Capital Expenditures, Roof and Structure
Tenant Responsibilities:	CAM, Insurance and Taxes
Management Fee:	2% of rental rate
CAM:	Tenant reimburses CAM charges for their parcel; however, there is a 4% annual non-cumulative cap.

## RENT SCHEDULE

Lease Dates			Monthly Rent	Annual Rent
1/1/2019	to	12/31/2019	\$47,418.00	\$569,016.00
1/1/2020	to	12/31/2020	\$48,366.36	\$580,396.32
1/1/2021	to	12/31/2021	\$49,333.69	\$592,004.28
1/1/2022	to	12/31/2022	\$50,320.36	\$603,844.32
1/1/2023	to	12/31/2023	\$51,326.77	\$615,921.24
1/1/2024	to	12/31/2024	\$52,353.30	\$628,239.60
1/1/2025	to	12/31/2025	\$53,400.37	\$640,804.44
1/1/2026	to	12/31/2026	\$54,468.38	\$653,620.56
1/1/2027	to	12/31/2027	\$55,557.74	\$666,692.88
1/1/2028	to	12/31/2028	\$56,668.90	\$680,026.80



# INVESTMENT HIGHLIGHTS



## LONG TERM COMMITMENT:

ESI has been a tenant at this location since 2010 and recently signed a 10-year extension through December 2028, demonstrating a strong commitment to the site. The extension includes strong 2% annual rent increases as well as two, 3-year options to extend.



## EXCELLENT LOCATION AND STRONG TRAFFIC COUNTS:

ESI is well located three miles from Interstate 88 (113,800 VPD) and less than two miles from the heavily trafficked intersection of Aurora Road (19,600 VPD) and Route 59 (55,000 VPD). The asset is also two miles from the Route 59 station on Metra's BNSF commuter rail line. The BNSF is Chicago's busiest commuter rail line with an estimated 16 million passengers annually.



## HUGE DAYTIME POPULATION:

ESI is located within the Meridian Business Campus which was founded in 1968 and is home to over 40 local and national companies. The Interstate 88 office corridor contains over 14 million square feet of GLA, the majority within a few miles of the Route 59 interchange. There are approximately 143,000 employees within a five-mile radius of the asset.



## RARE NAPERVILLE/AURORA INVESTMENT OPPORTUNITY:

With 2018 populations of 204,000 and 147,000, Aurora and Naperville are the second and fourth largest cities in Illinois, respectively. Aurora and Naperville have experienced tremendous growth in population. Since 2000, Aurora has grown 41% and Naperville has grown 14%. Both populations are expected to experience continued growth over the next five years. Rarely does such a unique opportunity become available in these highly desirable, institutional-quality markets.



## OUTSTANDING DEMOGRAPHICS:

The asset benefits from a dense, affluent trade area with a stable customer base. Within three miles of ESI is a population base of 79,500 with an average household income of \$118,700; within five miles is a population base of 250,700 with an average household income of \$114,300.



## CHICAGO MSA ADVANTAGE:

Chicago is home to the third largest economy and is the third most populous MSA in the nation (Chicago MSA Population: 9.68 million). The city's vibrant business climate, central geographic location, diversified economy, and available human resources have helped Chicago achieve a prominent position as a world class city in finance, international trade, manufacturing, transportation, culture, and the arts.



# AERIAL VIEW LOOKING SOUTHEAST





# REGIONAL MAP







Engineering Systems Inc. (“ESi”) is an engineering and scientific investigation and analysis firm. With 17 locations across the country, ESI has worked with clients and on projects in all 50 states, as well as with numerous companies, organizations and governments internationally. The company currently has locations in 14 states and the District of Columbia. Founded in 1987, ESI’s leadership strives to make the company a leader within the industry by providing advanced technology, quality personnel, and state-of-the-art facilities as well as training programs in order to address the latest needs and advances.

ESi’s technical expertise, practical experience, technological resources, and extensive diagnostic, analytical, and physical testing capabilities empower them to provide their clients with the most comprehensive and efficient solutions across dozens of industries. ESI has more than 160 in-house technical personnel, including licensed Professional Engineers (P.E.’s) and advanced degrees (both M.S. and Ph.D.), litigation experience, and industry expertise. ESI professionals have the ability to handle large and small-scale projects with areas of expertise including biomechanics & safety, electrical & electronics, fire & explosion investigation, industry support services, materials science & engineering, mechanical systems, oil, gas & industrial, products, structures & civil engineering, transportation, and visualization.





# PROPERTY DESCRIPTION

## Location

4215 Campus Drive  
Aurora (DuPage County), Illinois 60504

## GLA

47,418 Square Feet

## Land Area

± 4.576 Acres / 199,329 Square Feet

## Year Built

2010

## Parcel Number

07-16-302-012

## Parking

143 parking stalls; 3.0 spaces per 1,000 SF of GLA

## Frontage/Visibility

ESI is located on the south side of Campus drive with ± 675 feet of frontage.

## Access

The site is located approximately three miles south of Interstate 88 and is easily accessible via Route 59 and Eola Road. Direct access to the site is provided via ingress/egress points on Campus Drive.

## Flood Zone

According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 1703200015D dated January 5, 1989. Zone X, an area that is determined to be outside the 100-and 500-yearflood plains.





# SITE PLAN





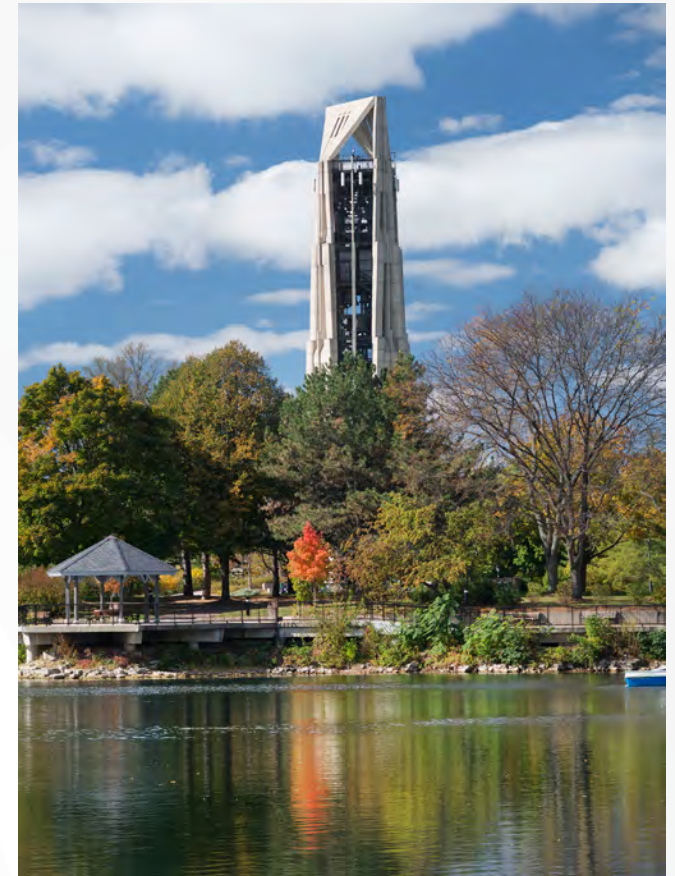
# AURORA/NAPERVILLE OVERVIEW

Located 35 miles west of Chicago, ESI is located in the Aurora/Naperville area which is home approximately 351,000 people. Naperville and Aurora have ready access to a variety of public transportation, housing and employment options. The area is positioned along interstate I-88, and easily accessible to I-55, I-294, I-355 and I-290 which provide access to the entire Chicago market and to O'Hare International and Midway airports. The Metra BNSF railroad runs just north of ESI and provides commuter train access for over 5,500 riders per day, to downtown Chicago and the western suburbs.

This vibrant, thriving area consistently ranks as a top location in the nation in which to live, raise children and retire. With populations of 204,000 and 147,000, Aurora and Naperville are the second and fourth largest cities in Illinois, respectively. Aurora and Naperville have experienced tremendous growth in population, since 2000, Aurora has grown 41% and Naperville has grown 14%. Both populations are expected to experience continued growth over the next five years. Aurora and Naperville pride themselves on the highly educated and executive nature of its residents, demonstrated by average household incomes of \$90,244 and \$149,909, and average home values of \$231,179 and \$445,525, respectively.

The catalyst for the growth and success of the Naperville/Aurora area is its position in the heart of the East-West Corridor, oftentimes known as the "High Tech Corridor," which stretches from Oak Brook on the east to Aurora on the west. This office corridor consists of nearly 41 million square feet of Class A, B and C office space, running east-west along I-88, the major interstate highway serving the far western suburbs of the Chicago market. The East-West Office Corridor is the largest of all the Chicago suburban office markets, encompassing 38% of all the suburban space. The area's diversified employer base features high technology firms, retailers and factories, as well as small and home-based businesses. Key employers with major headquarters include McDonald's, Navistar, Nalco, Ace Hardware, Tellabs, Nicor and Calamos. The more immediate western sector of this office market spans from Route 53 in Lisle to Orchard Road in Aurora and includes over 15 million square feet of office space. This office market serves as home to significant occupiers looking for larger spaces and proximity to the highway. ESI is located within Meridian Business Campus which was founded in 1968 and is home to over 40 local and national companies.

Chicago's central location makes it a focal point for conveyance and logistics and its industrial market is far from slowing down. It is the largest in the country with approximately 1.3 billion square feet only to be trailed by Los Angeles, which has an industrial base of 1 billion square feet. Reaching historically low vacancy rates coupled with high demand, Chicago industrial growth is expected to continue in the foreseeable future. ESI is located within the Far West Suburbs industrial submarket which consists of over 68.5 million square feet. Of the 68.5 million square feet, 68% of the square footage is located in Naperville/Aurora. The Far West Suburbs submarket, of nineteen submarkets, makes up 5.4% of the metros inventory and has an extremely low vacancy rate of 2.8%.





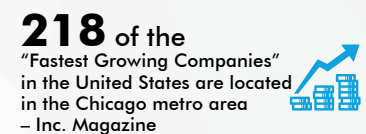
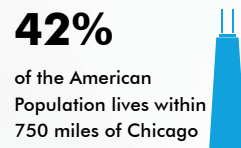
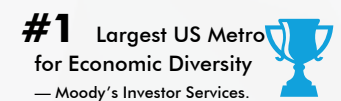
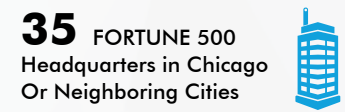
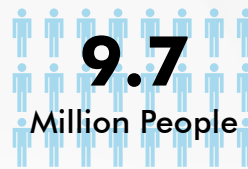
# CHICAGO MSA OVERVIEW

Chicago is one of the most attractive and dynamic markets in the nation. Chicago boasts an attractive retail market, with the third largest economy in the nation and over \$123.5 billion in annual retail sales (2017 metro Chicago sales; Melaniphy). The market's vibrant business climate, central geographic location, diversified economy and available human resources have helped Chicago achieve a prominent position as a world-class city in finance, international trade, manufacturing, transportation, culture and the arts.

The Chicago MSA has matured into a broad-based and diversified economy that was rated the #1 Largest US Metro for Economic Diversity by Moody's

Investor Services. Chicago has one of the world's largest economies with nearly 4.6 million employees and a gross regional product of more than \$640 billion, which places the Chicago economy as the 22nd largest in the world. Due to this economic diversification, Chicago Tends to experience fewer seasonal and cyclical peaks and valleys and is somewhat insulated against major downturns.

The Windy City, as it has been nicknamed, welcomes in over 52 million international and domestic visitors each year who come to see attractions including Chicago's numerous parks, art galleries, architectural wonders, professional sports teams, universities, and more.



# CHICAGO MSA OVERVIEW

## WHY CHICAGO?

- Chicago has a strong, globally diverse economy larger than that of many countries.
- Chicago's industry mix most closely matches that of the nation, with no single industry employing more than 20% of the workforce.
- Chicago is one of the most cost-effective cities in the world for doing business, ahead of New York and Los Angeles, according to KPMG.
- Chicago's affordable cost of living and world-class cultural and recreational opportunities make it an excellent value for the city's vibrant and diverse workforce.
- Chicago is a central transportation hub with direct flights between more than 200 cities worldwide, and direct connections to six major U.S. Interstates.
- Chicago is hub of international business activity, with more than 1,800 foreign-based companies and more than \$100 billion in foreign direct investment.

## DEMOGRAPHICS

The Chicago metropolitan statistical area is home to over 9.68 million residents, making it the third most populous MSA in the nation. The population is projected to grow 1.53% over the next five years to 9.83 million. Residents earn an average household income of \$92,004; more than 8% higher than the state average of \$84,983 and nearly 14% higher than the national average of \$80,675.

## TRANSPORTATION

Chicago is one of the primary transportation hubs in the United States. Chicago is home to O'Hare International Airport, the 3rd busiest airport in the nation. According to the Chicago Department of Aviation, in 2016 the airport serviced nearly 78 million passengers to and from 208 destinations around the world via more than 48 passenger carriers. Chicago is also home to Midway International Airport, which serviced more than 22 million passengers via five passenger carriers to 75 destinations in the US, Mexico, Jamaica, the Dominican Republic and Canada.

Several major interconnected expressways and interstate highways pass through the Chicago area. Interstates 80, 88 and 290 are the main east/west routes. Interstates 55 and 57 provide access to the south and southwestern suburban areas. Communities to the north and northwest are accessed via Interstates 90 and 94. North/south travel between the western suburbs is facilitated by Interstates 294 and 355.





# CHICAGO MSA OVERVIEW

## DEEP AND EDUCATED LABOR POOL

The Chicago MSA is well education with 60 colleges and universities in the area. Chicago also has a higher population under the age of 24 than New York, San Francisco, Washington D.C., Los Angeles, Boston, and Philadelphia.

## TOP 10 GRADUATE BUSINESS SCHOOLS

RANK	SCHOOL
1 (Tie)	Harvard University, Boston, MA
1 (Tie)	University of Pennsylvania (Wharton), Philadelphia, PA
3	University of Chicago (Booth), Chicago, IL
4 (Tie)	Massachusetts Institute of Technology (Sloan), Cambridge, MA
4 (Tie)	Northwestern University (Kellogg), Evanston, IL
4 (Tie)	Stanford University, Stanford, CA
7	University of California-Berkley (Haas), Berkeley, CA
8	Dartmouth College (Tuck), Hanover, NH
9	Yale University, New Haven, CT
10	Columbia University, New York, NY

Source: US News & World Report, 2017

**#2** Best City to Get a College Degree  
- The A.T. Kearney Global Cities Index



**65,000**  
in downtown  
Chicago alone



**60 Colleges**  
or Universities  
in the Chicago  
MSA



**325,000**  
Students

ALL LOCATED WITHIN THE CHICAGO MSA



**LOYOLA**  
UNIVERSITY CHICAGO

*Preparing people to lead extraordinary lives*

**UIC** UNIVERSITY OF ILLINOIS  
AT CHICAGO



**DEPAUL UNIVERSITY**



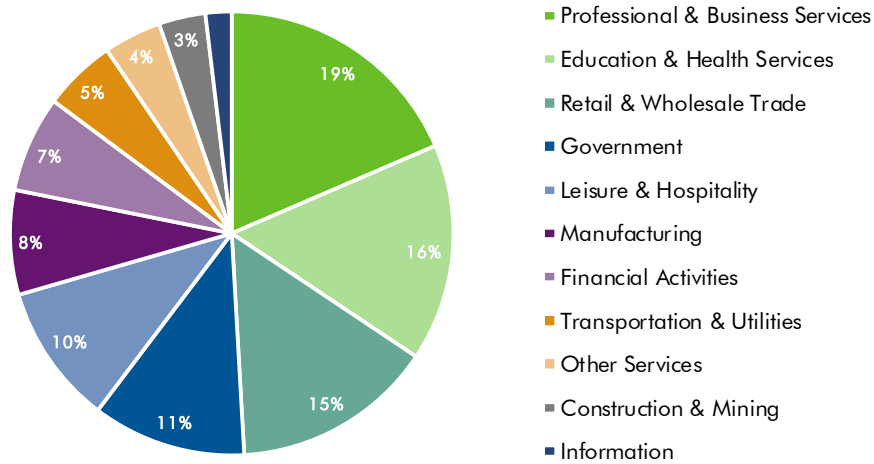
THE UNIVERSITY OF  
**CHICAGO**



# CHICAGO MSA OVERVIEW



FEB 2018 ESTIMATED EMPLOYED POPULATION BY OCCUPATION



## FORTUNE 500 COMPANIES IN THE CHICAGO MSA

RANK	COMPANY	LOCATION	REVENUES (\$M)
19	Walgreens Boots Alliance	Deerfield, IL	\$118,214
27	Boeing	Chicago, IL	\$93,392
45	Archer Daniels Midland	Chicago, IL	\$60,828
65	Caterpillar	Deerfield, IL	\$45,462
79	Allstate	Northbrook, IL	\$38,524
81	United Continental Holdings	Chicago, IL	\$37,736
92	Exelon	Chicago, IL	\$33,531
110	AbbVie	North Chicago, IL	\$28,216
111	Abbott Laboratories	Abbott Park, IL	\$27,390
117	Mondelez International	Deerfield, IL	\$25,896
121	US Foods Holding	Rosemont, IL	\$24,147
131	McDonald's	Oak Brook, IL	\$22,820
172	Sears Holdings	Hoffman Estates, IL	\$16,702
189	CDW	Lincolnshire, IL	\$15,192
204	Illinois Tool Works	Glenview, IL	\$14,314
263	Discover Financial Services	Riverwoods, IL	\$11,545
283	Baxter International	Deerfield, IL	\$10,561
287	W.W. Grainger	Lake Forest, IL	\$10,425
300	LKQ	Chicago, IL	\$9,848
320	Tenneco	Lake Forest, IL	\$9,274
321	Conagra Brands	Chicago, IL	\$9,239
342	Navistar International	Lisle, IL	\$8,570
349	Univar	Downers Grove, IL	\$8,254
356	Jones Lang LaSalle	Chicago, IL	\$7,932
357	Anixter International	Glenview, IL	\$7,927
392	Dover	Downers Grove, IL	\$7,830
406	R.R. Donnelley & Sons	Chicago, IL	\$6,940
436	Packaging Corp. of America	Lake Forest, IL	\$6,445
443	Motorola Solutions	Chicago, IL	\$6,380
446	TreeHouse Foods	Oak Brook, IL	\$6,307
450	Old Republic International	Chicago, IL	\$6,263
454	Arthur J. Gallagher	Rolling Meadows, IL	\$6,160
471	Ulta Beauty	Bolingbrook, IL	\$5,885
478	Ingredion	Westchester, IL	\$5,832
486	Northern Trust	Chicago, IL	\$5,716



# AERIAL VIEW LOOKING SOUTHWEST



UNITED STATES  
POSTAL SERVICE



FedEx

glanbia  
nutritionals

EOLA ROAD  
34,900 VPD



MAGNETROL  
LEVEL MATTERS

CANO  
Container Operations



DocuMail Pro

FGS

ACM  
TECHNOLOGIES, INC.

Amerisafe

Cabot  
Microelectronics

BRIGHTON-BEST  
INTERNATIONAL



INTERNATIONAL PAPER

TYC GENERA

Imports Exports Logistics, Inc

BYTEGRID

COJE LAW Woodruff Johnson & Eoars  
LAW OFFICES

acharya  
LAW OFFICES  
dyson

ESi

Metra  
The way to really fly.  
BNSF COMMUTER  
RAIL LINE



# AERIAL VIEW LOOKING NORTHEAST



INTERSTATE 88  
113,800 VPD

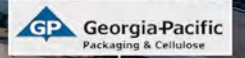
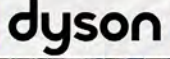
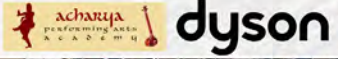
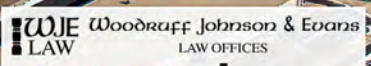
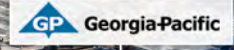
BRISTOL STATION  
APARTMENTS

COUNTRY WOOD  
APARTMENTS

RAILWAY PLAZA  
APARTMENTS

AURORA ROAD  
19,600 VPD

ROUTE 59  
55,000 VPD





# AERIAL VIEW LOOKING NORTHWEST



EOLA ROAD  
34,900 VPD

CANO

JACKSON  
MOVING STORAGE

NAPA  
AUTO PARTS

O'Reilly  
AUTO PARTS

AURORA ROAD  
19,600 VPD

KESON  
HARDWARE

Amerisafe

BRIGHTON-BEST  
INTERNATIONAL

Imports Exports Logistics, Inc

DocuMail Pro FGS ACM  
TECHNOLOGIES INC

Cabot  
Microelectronics

INTERNATIONAL PAPER

Metra  
The way to really fly.  
BNSF COMMUTER  
RAIL LINE

C.H.  
HANSON  
Since 1886 • Tools For Generations™

ESi

TYE GENERA

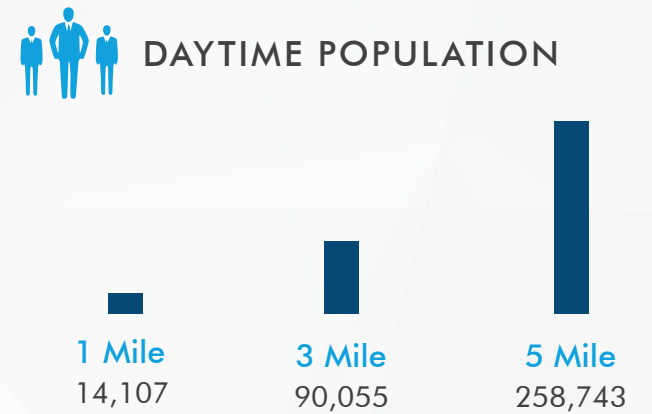
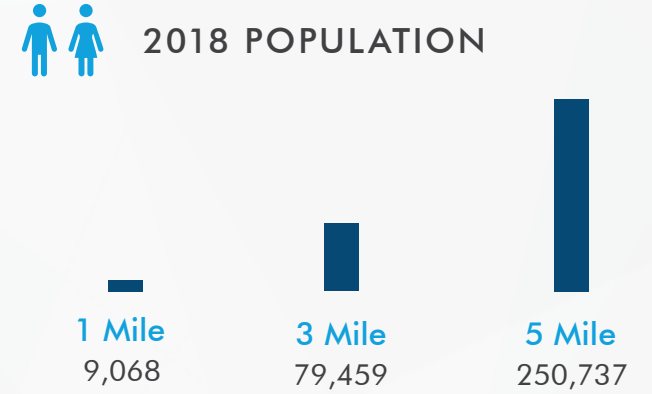
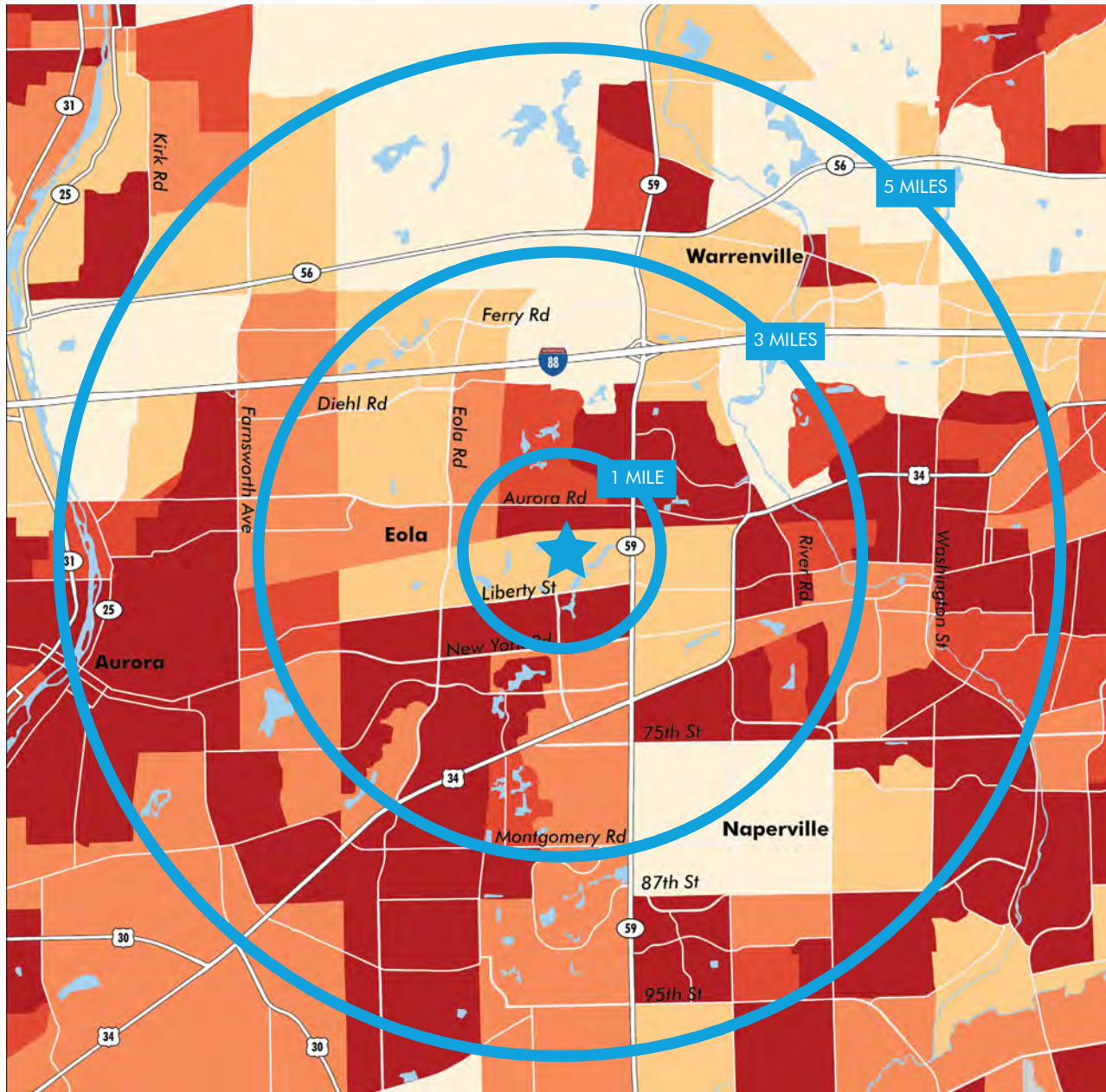
glanbia  
nutritionals

THE  
HARTFORD

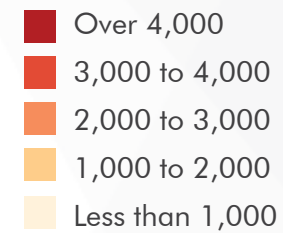
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acharya performing arts  
dyson



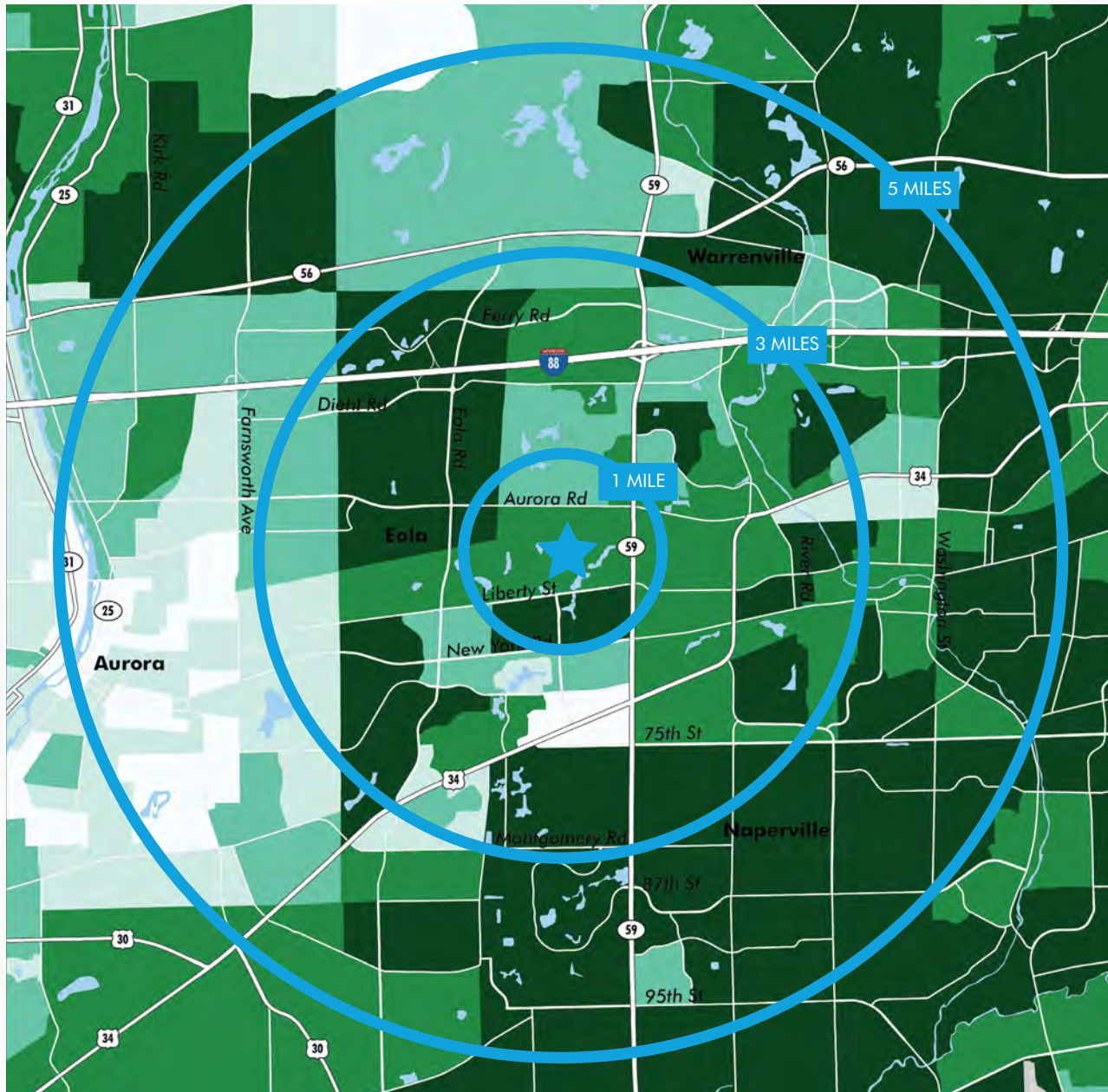
# POPULATION CONCENTRATION MAP



### POPULATION PER SQUARE MILE—2018



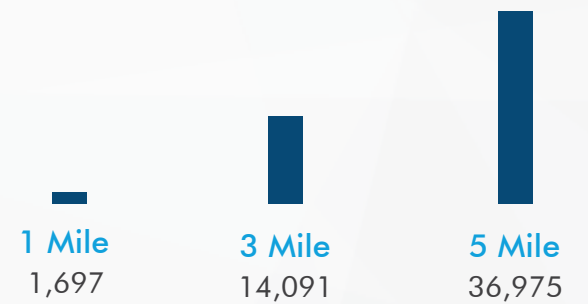
# HOUSEHOLD INCOME MAP



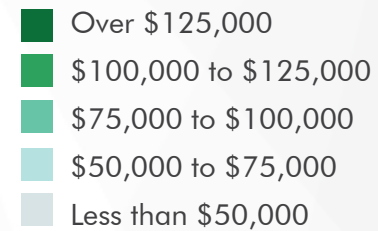
## AVERAGE HOUSEHOLD INCOME



## HOUSEHOLDS EARNING OVER \$100,000 ANNUALLY



## AVERAGE HOUSEHOLD INCOME—2018





# ENGINEERING SYSTEMS, INC.

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