

AVISON
YOUNG

The Hub

I-39 I-88

A MODERN INDUSTRIAL FACILITY
IN ROCHELLE, ILLINOIS

AUGUST 2018





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EXECUTIVE SUMMARY





OPPORTUNITY SUMMARY

Avison Young has been appointed by Nippon Sharyo Manufacturing, LLC to sell a two-building, corporate campus. The buildings comprise approximately 810,555 square feet and are situated on approximately 57 acres. The campus is located at 1600 Ritchie Court, Rochelle, IL and consists of two separate, rail-served, crane buildings on contiguous land parcels.

The facilities were previously used to manufacture top quality railcars. They are equipped with a full complement of sophisticated machinery, from laser cutting machines and radial arm drills along with brake presses and paint spray booths. The facilities have a total of 38 cranes and a significant amount of valuable, in-place infrastructure.

The Opportunity – Speed to Market

Manufacturing companies will be able to “plug and play,” bringing their products to market months (or years) ahead of the competition due to the amount of in-place infrastructure. This short lead time - from making the decision to purchase the property, to opening the doors of a new plant, to producing their products - will allow a nimble operating team to time the market, reduce risk of uncertainty and begin booking profits.

Location – Rochelle, IL

The city of Rochelle is a very business-friendly community. Throughout the last decade alone, over \$1.2 billion in capital investments and \$50 million in infrastructure investment has taken place throughout the region. Both the UP and BNSF railways intersect and service the Rochelle area. The campus is located in the Lee-Ogle Enterprise Zone and has the resources in place to assist Users in their pursuit of economic incentives. Jason Anderson, City of Rochelle Economic Development Director, is dedicated to assisting in this process. He is a part of “Team Rochelle”, which is a partnership between the City, area businesses, elected officials, and State and Federal economic development agencies, who are committed to keeping Rochelle and the Rochelle Area financially attractive to future Users.

TRANSACTION TIMETABLE

- Offering Memorandum Available, Equipment Disposition Process Commences, and Tours Begin: **August 2, 2018**
- Property Tours: **Ongoing**
- Targeted Offers Due: **November 2018**
- Targeted Closing Date: **February 1, 2019**

TERMS OF OFFERING

- Subject to Offer

NIPPON SHARYO COMPANY OVERVIEW

Nippon Sharyo LTD, was established in Japan in 1896. The company is a leading manufacturer of railway parts and expanded into construction equipment, steel structures, transportation equipment and agricultural plants in the 1960's. The company currently employs approximately 1,850 people worldwide.

Nippon Sharyo USA was established in 1982 in New York as a subsidiary of Nippon Sharyo LTD. The company manufactures top quality passenger railcars which have been delivered to 1,000 customers throughout North America. In 2010, the company reorganized, creating two subsidiaries: Nippon Sharyo Manufacturing, LLC and Nippon Sharyo Engineering and Marketing, LLC. In tandem with the reorganization, the company increased their presence within the United States and built a new production facility in Rochelle, Illinois.

LOCATION / PROPERTY OVERVIEW

The company operates two production facilities located in Rochelle, Illinois. The East Building, completed in 2012, is located on 34.92 acres along both the I-88 and I-39 expressways. The East Building comprises approximately 480,845 square feet. The West Building, completed in 2014, is located on an adjacent, 22.16-acre site and comprises approximately 329,710 square feet. The East and West Buildings have abundant office space, 34,000 square feet and 28,995 square feet, respectively. These facilities were designed to manufacture 120 new passenger railcars annually.

EXECUTIVE SUMMARY



PROPERTY OVERVIEW



PROPERTY INFORMATION

The subject property was built in two phases for Nippon Sharyo, America Corporation, by Kajima Construction Company, to accommodate a state-of-the-art railcar manufacturing plant. The first phase, which is designated as the East Building, was completed in 2012. The second phase, which is designated as the West Building, was completed in 2014.

The East Building – 480,845 sf on 34.92 acres with 34,000 sf of office space

The West Building – 329,710 sf on 22.16 acres with 28,995 sf of office space

UNIQUE FEATURES

Rail Service

- The East Building features interior railcar spots and (2) two interior transfer carts to easily move cars between multiple rail tracks on approximately one mile of 115 pound track, with 187 switches.
- The West Building has the capacity to install rail
 - 1,000 ft. of 1,500 Volt electrical Test Track for trains (East Building)

In Place Processing Features

- There are (4) four 200-HP compressors in the East Building and (3) three 200-HP compressors in the West Building with an on demand system throughout both plants.
 - Four (4) separate natural gas lines come into the West building at 5 lb. capacity
 - In place State of the Art underground water/oil separation system (both buildings)
- Hazmat Room

Other Unique Assets – Ranging in Value of Over \$35mm in Machinery, Equipment and Other Assets

- Airfloat Transporter Systems
- Large Carbottom Annealing Furnace
- Drive-Thru ABS Blast System
- Spray Systems Paint and Cure Booth
- (2) 100' P&H Transfer Cars
- InterClean Rail Car Leak Test System
- Mettler Toledo Inline Rail Scales
- Large Catwalk System for Custom Fabrication
- (3) Sets of SEFAC Mobile Power Lifters
- (5) Dener CNC 7-Axis Press Brakes up to 660 Ton
- (3) 4,500 Watt Mitsubishi Lasers with Sheet Loaders
- (2) Accushear Shears – ½" Capacity
- Vertical and Horizontal Hydraulic Presses up to 200 Ton
- Eckold Kraftformer
- Arku Precision Parts Leveler
- Multiple Genesis Robotic Spot Welding Systems
- (2) Trackmobile Rail Car Movers
- Over \$1MM in Shop and Support Equipment
- Quality and Inspection Department
- (200+) Miller MIG/TIG Welders and Taylor-Winfield Spot Welders

For questions on machinery & equipment, please contact:

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Overhead Cranes – East Building

- The building has 15 cranes, ranging from 5.5 U.S. ton to 33 U.S. ton capacities with hook heights up to 30 feet.
- Ceiling heights range from 34' to 45'.
- Bay sizes are up to 80' wide.
- Floors are 8" thick and have a minimum of 5,000 PSI.

Overhead Cranes – West Building

- The building has 23 cranes, ranging from 5 U.S. ton to 12 U.S. ton capacities with hook heights up to 30 feet.
- Ceiling heights range from 34' to 40'.
- Bay sizes are up to 80' wide.
- Floors are 8" thick and have a minimum of 5,000 PSI.

Electrical Power – East Building

- Outfitted with (4) four MSB positions with 4,000 amps / 480 volt / 3-phase and (1) one MSB WLD Position with 2,000 amps / 480 volt / 3-phase transformers.

Electrical Power – West Building

- Outfitted with (5) five MSB Positions with 4,000 amps / 480 volt / 3-phase transformers and a complete buss duct system.

Fiber Optic

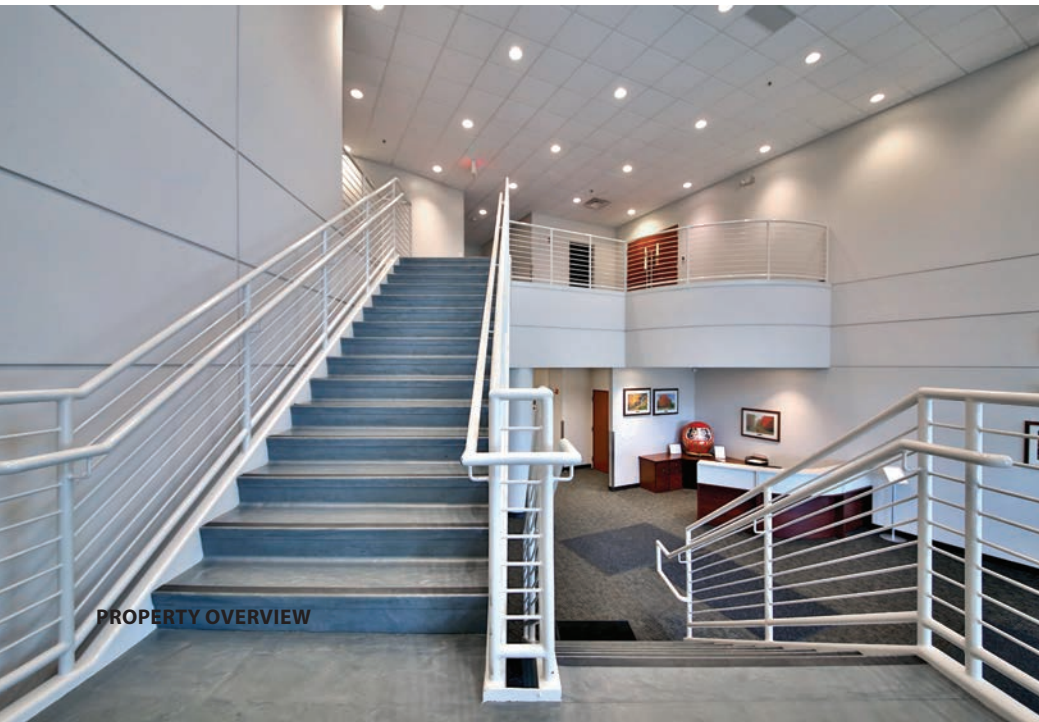
- Both buildings have fiber optic service provided through Rochelle Municipal Utilities (RMU).

PROPERTY OVERVIEW



ADDITIONAL FACILITY FEATURES

- **State-of-the-Art Security:** Eight-foot security fencing, lighting and full gate inspections provide a secure, theft-resistant environment for customers' cargo while at the terminal.
- **Automated Gate System:** (AGS) employed to expedite ingate/outgate process. OASIS software utilized to maximize terminal efficiencies and provide customers visibility of their shipments at all times.
- **U.S. Customs Capability:** Expedited customs clearance and inspection upon train arrival and container availability.
- **Refrigeration Capability:** On-site refrigerated container/trailer capabilities to fully support customer refrigerated requirements.
- **Administrative Office Space:** On-site office space available for customers' administrative staff to better coordinate daily operations.
- **24-Hour, Seven-Day-a-Week Operations:** Enhanced customer and motor carrier operational convenience and flexibility.
- **Interstate Access:** Convenient access to Interstates I-39 and I-88, with toll-free north/south interchange. Eliminates delays due to traffic congestion on other capacity-constrained highway routes.
- **Access to Major Industrial Park:** Allows for industry growth in close proximity to Global III. Minimizes costs associated with motor carrier operations.



THE PROPERTY

East Building – Crane Equipped and Rail Served

- Total Size: 480,845 sf
- Total Office: Two floors totaling over 34,000 sf
- Total Acreage: 34.92 acres
- Built: 2012
- Real Estate Taxes: \$0.69 psf (2017)
- Rail: 1 mile of 115 pound track installed with 187 switches and 2 interior transfer carts
- Rail Providers: Union Pacific and BNSF
- Frontage: I-88 & I-39
- Zoning: I-2
- Construction: Precast panels
- Roof: Pitched Roof
- Floors: 8" thick reinforced concrete and minimum of 5,000 PSI
- Clear Height: 34' - 45'
- Bays: Range from 80' x 33' to 80' x 25'
- Cranes: 15 total; (3) 5.5 U.S. ton; (6) 8.2 U.S. ton; (3) 15 U.S. ton; (1) 22 U.S. ton; (2) 33 U.S. ton; with hook heights up to 30'
- Power: (4) Four MSB Positions at 4,000 amps / 480 volt – 3 phase
(1) One MSB Position at 2,000 amps / 480 volt – 3 phase
- Loading: 2 docks
7 (14' X 16') DID
- Lighting: 1000 Watt Metal Halide

THE PROPERTY

West Building – Crane Equipped

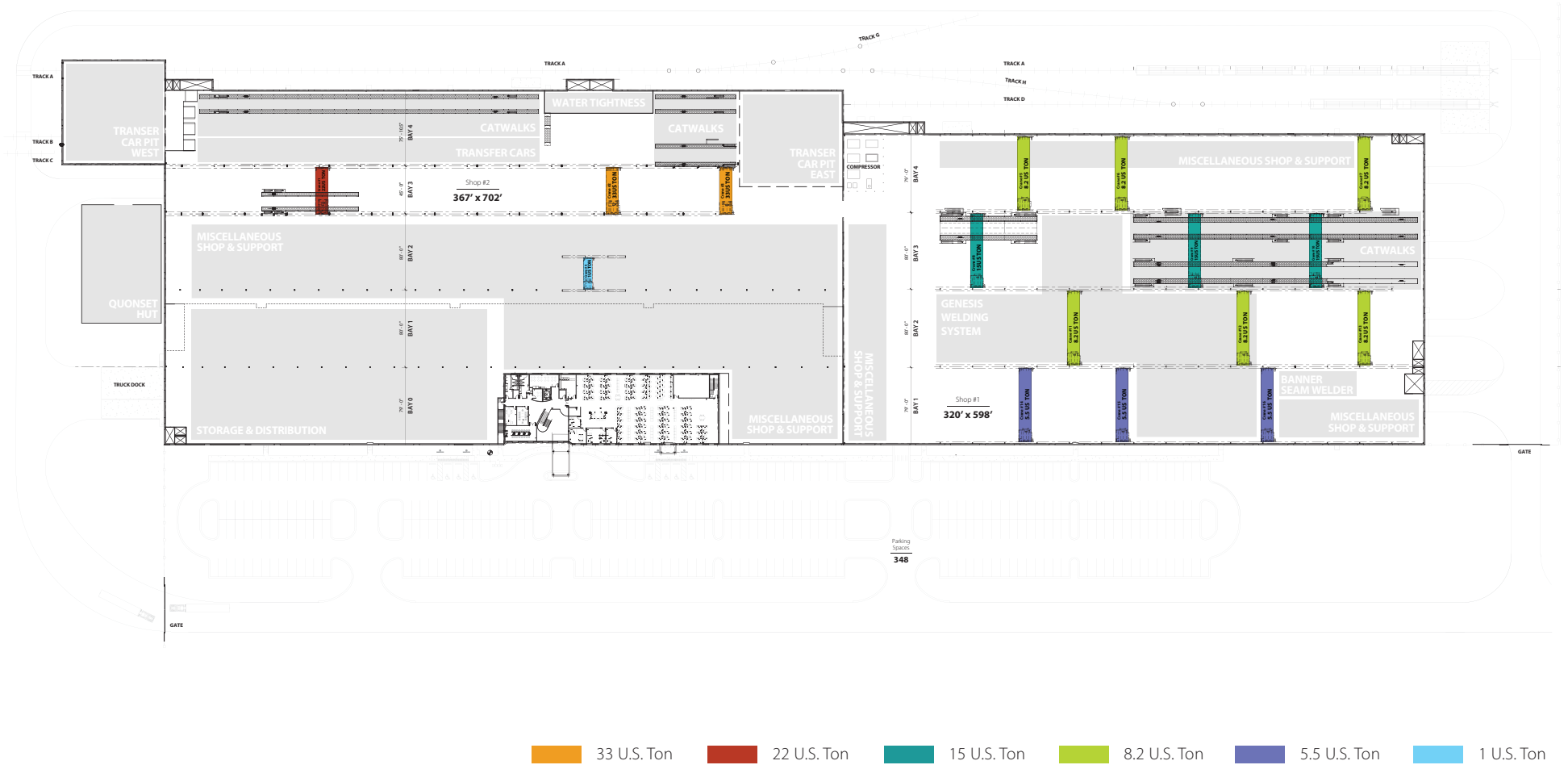
- Total Size: 329,710 sf, plus 600 sf of storage
- Total Office: One floor totaling 28,995 sf
- Warehouse Mezzanine: 28,598 sf unfinished space
- Total Acreage: 22.16 acres
- Built: 2014
- Real Estate Taxes: \$0.78 psf (2017)
- Rail: Available
- Rail Providers: Union Pacific and BNSF
- Frontage: I-88 & I-39
- Zoning: I-2
- Construction: Precast panels
- Roof: Pitched Roof
- Floors: 8" thick reinforced concrete and minimum of 5,000 PSI
- Clear Height: 35' - 40'
- Bays: 1 - 80' x 33'
- Cranes: 23 Total; (14) 5 U.S. ton; (8) 10 U.S. ton; (1) U.S. 12 ton; with hook heights up to 30'
- Power: (5) Five MSB Positions at 4,000 amps / 480 volt – 3 phase
- Loading: 7 docks
7 (14' X 16') DID
- Lighting: T-5 in Warehouse
T-8 in Office

SITE PLAN: EAST BUILDING

Total Size: 480,845 SF

Total Office: 33,238 SF

Total Acreage: 34.92

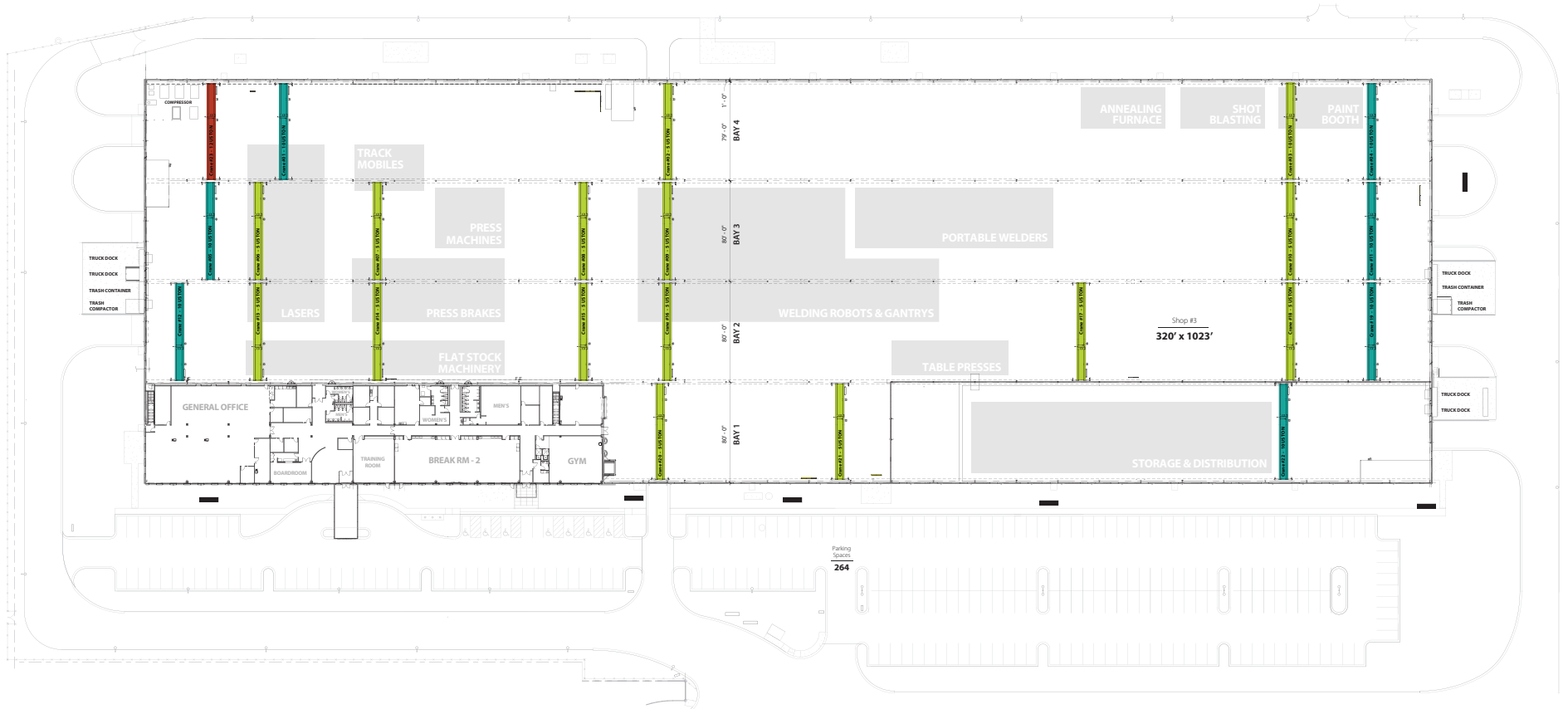


SITE PLAN: WEST BUILDING

Total Size: 329,710 SF

Total Office: 28,995 SF

Total Acreage: 22.16



12 U.S. Ton 10 U.S. Ton 5 U.S. Ton

MARKET ANALYSIS





NATIONAL INDUSTRIAL OVERVIEW

The 12-billion-square-foot (bsf) U.S. industrial market ended first-quarter 2018 with an impressive 5% vacancy rate overall even while a significant amount of new construction was delivered. E-commerce and last-mile distribution hubs near population centers, data centers and bio-tech facilities continue to be prevailing demand generators. Developers are seeking to meet strong tenant demand by creating the most efficient product possible through innovation and technology. Replicating a model that is occurring elsewhere in the world, Prologis developed the country's first multi-level distribution warehouse on the West Coast. Innovative design may be the answer to land constraints in primary markets across the U.S. as more multi-level facilities are in the works in major East Coast markets such as New York. Obsolete or vacant properties of all types are being repurposed for industrial uses. Supply-chain logistics, technology and the availability of affordable power – in the form of electricity or other energy sources – will be key components in the long-term health of the industrial sector.

Net absorption was 232 million square feet (msf), or 1.9% of inventory, across all U.S. markets during the 12-month reporting period ending with first-quarter 2018. The same six markets that saw occupancy gains of 10 msf or more during the previous 12-month period all achieved the feat once again in the period ending March 31, 2018: Los Angeles (26 msf), Dallas (22 msf), Chicago (22 msf), Atlanta (19 msf), Detroit (17 msf) and New Jersey (12 msf).

New nationwide supply was driven by innovation and quality demands. Overall, 209 msf was added to U.S. inventory in the 12 months ending first-quarter 2018, an increase of 14 msf compared with the previous 12-month period. An astonishing 30 msf of new product was added to the Los Angeles market, and 22 msf was completed in Dallas. Deliveries in Philadelphia represented a significant change year-over-year as 16 msf was delivered – compared with just 3 msf in the prior 12-month period. At the end of the first quarter of 2018, there was 204 msf under construction. Five markets had more than 10 msf under construction: Los Angeles and Dallas (24 msf each), Philadelphia and Atlanta (17 msf each) and New Jersey (12 msf).

CHICAGO INDUSTRIAL OVERVIEW

Chicago's economic climate continued to trend upward throughout the first quarter of 2018. As of January 2018, metropolitan area unemployment dropped 60 basis points (bps) year-over-year to 5.4%; however, this is higher than the United States unemployment rate which is 4.5%. Over the same period, the construction, financial services and manufacturing industries saw the most job growth. These sectors added a collective 10,300 jobs year-over-year, accounting for 44% of the total jobs added. Air cargo tonnage at both of Chicago's major airports has increased dramatically over the last year. As of January 2018, the tonnage increased 6.9% year-over-year—up from 143,097 tons in January 2017 to 152,967 tons. This is expected to increase as Chicago's O'Hare International Airport is slated for a major \$8.5 billion renovation.

The Chicago industrial market, comprising over 1.1 bsf, continued to witness a declining vacancy rate across most major submarkets during the first quarter. Construction activity began to slow after a record-breaking number of deliveries hit the market throughout 2017. Investment activity slowed when compared to previous quarters. Transactional volume recorded a 13% dip in value from the fourth quarter 2017. Private capital was by far the largest investor in industrial product, comprising 67% of total funds invested.

Infill development is picking up across the market, predominantly within the O'Hare submarket. This is due to increased demand as well as a lack of land sites available. Leading the charge are CenterPoint Properties and Bridge Development which have a combined 1 msf of product currently under construction. Brennan Investment Group recently acquired an 85-acre land site in Elk Grove Village. The firm is proposing 1.2 msf across nine buildings, ranging from 73,000 to 240,000 square feet (sf). The first phase of the project is expected to break ground by mid-2018. Elk Grove Village is the largest community within the submarket, home to several thousand businesses and provides direct access to all major roadways as well as O'Hare International Airport.

Due to increased demand, Chicago's vacancy rate dropped 40 bps from year-end 2017 to 5.9%. Most major submarkets witnessed a decrease in vacancy, while only six of the nineteen submarkets recorded an increased vacancy rate. Submarkets which posted the largest decreases were Southern Wisconsin, I-90 West/Elgin corridor and the I-55 corridor—down 220 bps to 3.4%, down 120 bps to 7.4% and down 120 bps to 11.6%, respectively. There has been record-breaking construction activity within the I-80 corridor. 8.1 msf has been added to the submarket over the last 12-months and has increased vacancy by 70 bps to 7.6% from year-end 2017.



Leasing activity across the market saw an uptick during the first quarter of 2018. There were 273 recorded lease transactions totaling 7.5 msf. This correlates to a 36.4% jump when compared to last quarter. Submarkets which saw the most activity were the I-55 corridor, I-80 corridor and O'Hare submarket— recording 1.3 msf, 1.2 msf and 748,870 sf, respectively. Of the leases signed this quarter, manufacturing-related businesses accounted for 50.8%, while transportation-related business accounted for 28.0%.

The largest lease transaction during first quarter was third-party logistics provider Kenco's lease of 599,317 sf at 5800 W Industrial Dr in Monee. Other notable lease transactions include Uline's lease of 417,384 sf at 11559 80th Ave in Southern Wisconsin's Pleasant Prairie. The building was built on a speculative basis in 2017. This marks the third building that the tenant will occupy within CenterPoint's Lakeview Corporate Park. RJW Transport has leased 356,621 sf at 2601 Internationale Pkwy in Woodridge. Royal Box has leased 323,343 sf at 1531 S 54th Ave in Cicero.

The Chicago market witnessed an increase in delivered product during the first quarter of 2018—up 58.8% to 2.7 msf. The average building size was 196,176 sf. Nine of the 14 delivered properties were speculative, totaling 2.2 msf. 56% of all space delivered was in the I-80 and I-55 corridors. The largest building delivered to the market this quarter was 30260 Graaskamp Blvd in Wilmington. The 810,000-sf speculative building is located within the I-80 corridor and was developed by Ridge Development. The property remains vacant.

There are currently 33 properties under construction for a total of 9.9 msf, a 49% decrease year-over-year. Most construction is located within the I-80 and I-55 corridors, representing 62% of total construction. The largest project to have broken ground during the first quarter was CT Realty Advisor's Interchange 55 Logistics Park in Romeoville. This 112-acre site will be home to two new speculative buildings, adding 1.3 msf to the submarket. The O'Hare submarket saw an 82% increase in construction year-over-year.

Investment within industrial product dipped slightly during the first quarter of 2018. There were 90 properties that traded with a transactional volume of \$1.2 billion. This represents a 13% drop from the fourth quarter of 2017. The average price psf was \$74.

The largest investment sales transaction during the first quarter was 1685 N Throop St in Chicago. The 410,000-sf property was fully vacant at the time of sale and traded for \$104,700,000 or \$255 psf. The purchaser, Sterling Bay, plans to redevelop the site into a mixed-use project which will predominately focus on office and multi-family. The site was owned by the City of Chicago, which recently changed the zoning allowing for redevelopment of the site.

CITY OF ROCHELLE OVERVIEW

The City of Rochelle, located just 82 miles west of Chicago and 25 miles south of Rockford, was once known as the “Hub City” since its location serves as the crossroads of several major transportation avenues. Both the BNSF and Union Pacific Railways converge at the Rochelle Global III Intermodal Terminal. This facility spans 1,200 acres and has a capacity to handle upwards of 25 trains daily with 3,000 containers/trailers. Rochelle is situated along both I-39 and I-88 which run north/south and east/west, respectively.

Rochelle is home to 9,574 people. There are approximately 466 businesses located within the city which employ 6,184 people. Rochelle is home to 45 industrial properties, totaling 6.1 msf of space. Vacancy stood at 2.8% as of the first quarter 2018—a decrease of 80 bps year-over-year. The last major lease transaction to have occurred within the market was Del Monte Foods which renewed their 312,750 sf at 501 S Stewart Rd. Construction has remained stagnant over the past several years, with the last delivery occurring in 2014. There are currently 23 land sites available for sale within Rochelle, totaling 1,478 acres, the largest site being 183 acres.



29.5%
EDUCATED
POPULATION

29.5% of the area population have an associates degree or higher, with 17.4% having a bachelor’s degree or higher.

466
BUSINESSES
LOCATED
IN ROCHELLE



There are 466 businesses located within Rochelle that employ 6,184 people.

\$157,825

STRONG HOME VALUES

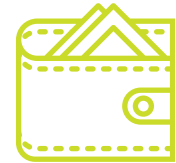


The average home value within the City of Rochelle is \$157,825, which is expected to rise 11.6% to \$176,166 over the next five years.



\$64,494

AVERAGE HOUSEHOLD INCOME



The average household income is \$64,494. More than 53.2% of area residents earn over \$50,000.



“HUB CITY”

Rochelle is known as the “Hub City” because of its location at the intersection of several major transportation routes. Rochelle is crossed by interstates 88 and 39, as well as railways UP and BNSF.



20.5%
MANUFACTURING

20.5% of the population is employed within the manufacturing industry.

5.1%
UNEMPLOYMENT



Source: Esri 2017

INCENTIVES

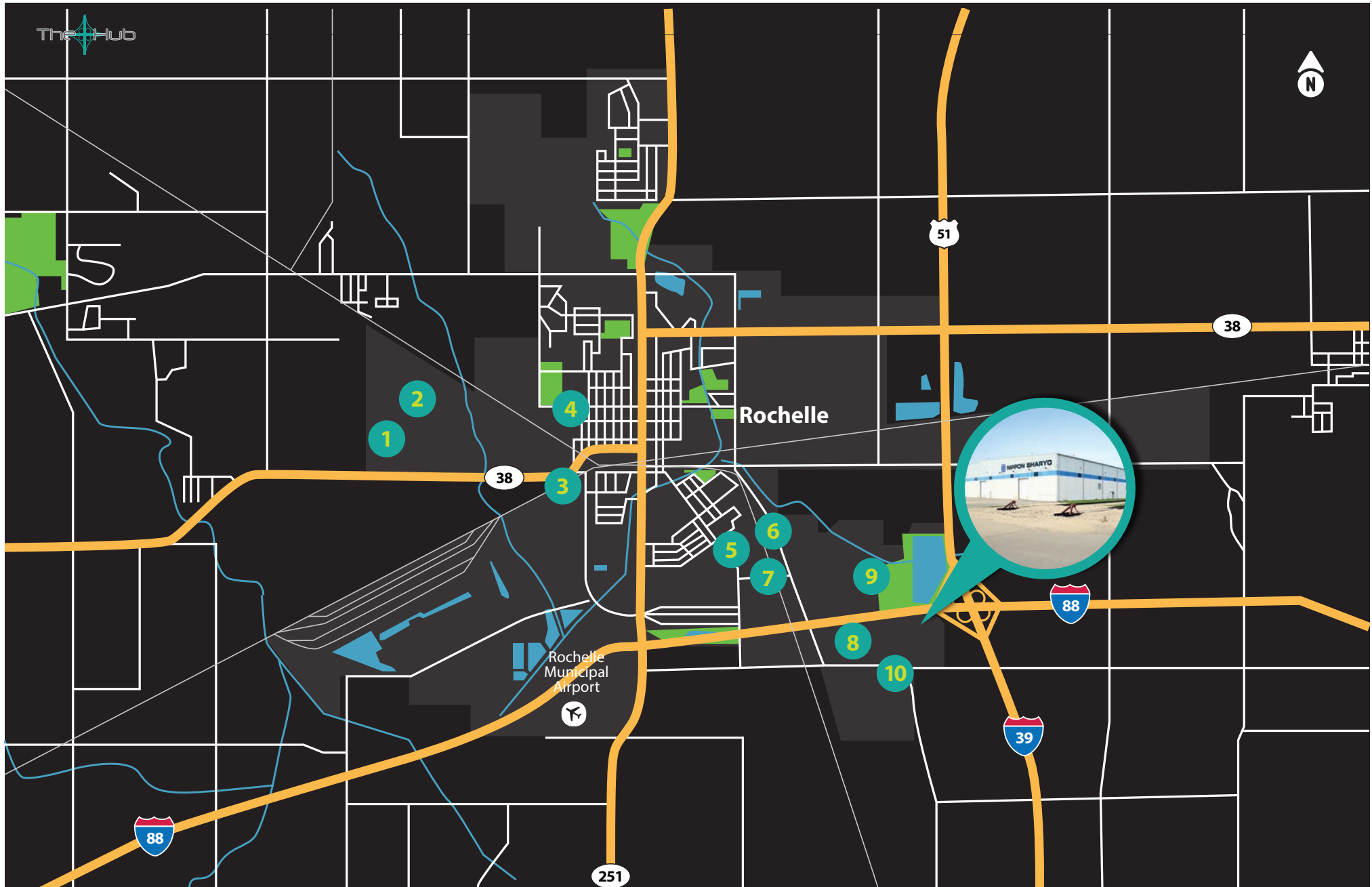
The property is located in the Lee-Ogle County Enterprise Zone. Companies that effectively negotiate and implement business incentives save between 10% and 20% of the project's up-front investment. The City of Rochelle and the Lee-Ogle County Economic Development representatives are well-prepared to assist companies in their pursuit of economic incentives.

Types of Incentives

- Income Tax Credits
 - Negotiated, non-negotiated, pre-approved, refundable, and transferable.
- Property Tax-based Incentives
 - Abatements, PILOTS, TIF, exemptions
- Sales Tax Incentives
 - Exemptions and rebates
- Grants
 - Training, infrastructure, capital, closing funds
- Financing
 - Tax-exempt, NMTCs, below market interest loans, forgivable loans
- Utilities
 - Rebates and reduced economic development rates

Incentive Process

- Incentive Opportunity Assessment
- Incentive RFP
- Initial Meetings/Site Visits
- Financial Modeling of Short-List Sites (Tax Burden – Net of Incentives)
- Final Negotiations
- Site Decision
- Applications, public approvals
- Agreements
- Securing benefits through on-going reporting and compliance
- Lee-Ogle Enterprise Zone



MAJOR COMPANIES IN ROCHELLE

- | | | | | |
|--|---|---|--|---|
| 1. RC2
101 Centerpoint Drive, Rochelle, IL
400,393 SF | 3. Del Monte Foods
1421 Jack Dame Drive, Rochelle, IL
408,641 SF | 5. Cain Millwork, Inc.
100 Cain Parkway, Rochelle, IL
182,100 SF | 7. LaGrou Distribution Inc.
1025 S Main Street, Rochelle, IL
241,000 SF | 9. Americold Logistics
1010 Americold Drive, Rochelle, IL
277,141 SF (currently expanding) |
| 2. Mighty Vine
222 Centerpoint Drive, Rochelle, IL
310,671 SF | 4. Siligan Containers
400 N 15th Street, Rochelle, IL
220,900 SF | 6. Rochelle, Foods, Inc.
1001 S Main Street, Rochelle, IL
398,000 SF | 8. Del Monte's Food
501 S Steward Road, Rochelle, IL
312,750 SF | 10. Bay Valley Foods
1800 S Steward Road, Rochelle, IL
938,790 SF |

DEMOGRAPHICS & LABOR

The table below presents current demographic data for residents in the area.

	Five Miles	Ten Miles	Fifteen Miles
Population			
2010 Total Population	13,142	19,676	64,672
2017 Total Population	13,102	19,463	63,916
2022 Total Population	12,823	19,149	63,726
2017 Total Daytime Population	13,712	18,269	54,847
Workers	6,979	8,515	22,886
Residents	6,733	9,754	31,961
Housing Unit Summary			
2010 Households	5,469	8,008	24,786
Owner Occupied Housing Units	59.7%	65.0%	50.8%
Renter Occupied Housing Units	33.3%	28.2%	42.3%
Vacant Housing Units	7.0%	6.8%	6.9%
2017 Households	5,520	8,081	24,955
Owner Occupied Housing Units	57.0%	61.8%	48.4%
Renter Occupied Housing Units	35.9%	30.6%	44.1%
Vacant Housing Units	7.1%	7.6%	7.5%
2022 Households	5,580	8,229	25,344
Owner Occupied Housing Units	55.1%	59.6%	47.0%
Renter Occupied Housing Units	35.4%	30.1%	44.0%
Vacant Housing Units	9.5%	10.3%	9.0%

DEMOGRAPHICS & LABOR

	Five Miles	Ten Miles	Fifteen Miles
Median Household Income			
2017	\$51,373	\$53,915	\$45,444
2022	\$53,970	\$57,246	\$47,517
Median Home Value			
2017	\$145,488	\$153,495	\$167,224
2022	\$150,654	\$162,621	\$176,684
Per Capita Income			
2017	\$24,885	\$26,055	\$23,017
2022	\$28,189	\$29,729	\$25,645
Median Age			
2010	36.3	37.4	26.0
2017	37.1	38.4	27.3
2022	37.2	38.7	28.0

DEMOGRAPHICS & LABOR

	Five Miles	Ten Miles	Fifteen Miles
2017 Households by Income			
Household Income Base	5,129	7,465	23,079
<\$15,000	8.3%	8.3%	16.9%
\$15,000 - \$24,999	10.0%	9.3%	11.3%
\$25,000 - \$34,999	12.6%	11.6%	11.4%
\$35,000 - \$49,999	17.2%	16.0%	13.8%
\$50,000 - \$74,999	21.5%	21.3%	17.3%
\$75,000 - \$99,999	12.6%	13.1%	11.4%
\$100,000 - \$149,999	12.8%	14.5%	12.7%
\$150,000 - \$199,999	3.8%	4.2%	3.7%
\$200,000 +	1.1%	1.6%	1.6%
Average Household Income	\$63,763	\$67,497	\$60,202
2022 Households by Income			
Household Income Base	5,049	7,383	23,067
<\$15,000	8.1%	8.0%	17.2%
\$15,000 - \$24,999	9.2%	8.6%	10.9%
\$25,000 - \$34,999	11.6%	10.6%	10.7%
\$35,000 - \$49,999	16.4%	15.1%	12.9%
\$50,000 - \$74,999	20.8%	20.2%	15.7%
\$75,000 - \$99,999	13.0%	13.4%	11.4%
\$100,000 - \$149,999	13.9%	15.9%	14.2%
\$150,000 - \$199,999	5.4%	5.9%	4.9%
\$200,000 +	1.6%	2.3%	2.1%
Average Household Income	\$71,830	\$76,606	\$67,282

DEMOGRAPHICS & LABOR

	Five Miles	Ten Miles	Fifteen Miles
2017 Population by Age			
Total	13,101	19,465	63,917
0-14	20.5%	19.9%	15.7%
15-24	12.8%	12.4%	30.6%
25-34	14.1%	13.5%	13.4%
35-44	12.2%	12.1%	9.5%
45-54	12.9%	13.5%	10.0%
55-64	12.2%	13.2%	9.6%
65+	15.2%	15.4%	11.2%
18 +	75.6%	76.2%	81.2%
2017 Population by Race/Ethnicity			
Total	13,101	19,463	63,915
White Alone	83.1%	85.8%	78.5%
Black Alone	2.4%	1.9%	9.9%
American Indian Alone	0.4%	0.3%	0.3%
Asian Alone	0.7%	0.6%	3.1%
Pacific Islander Alone	0.0%	0.1%	0.0%
Some Other Races Alone	11.0%	9.3%	5.9%
Two or More Races	2.3%	2.0%	2.2%
Hispanic Origin	24.8%	20.5%	13.3%
Diversity Index	56.7	50.3	51.7

DEMOGRAPHICS & LABOR

	Five Miles	Ten Miles	Fifteen Miles
2017 Civilian Population 16+ in Labor Force			
Civilian Employed	92.8%	93.7%	92.6%
Civilian Unemployed (Unemployment Rate)	7.2%	6.3%	7.4%
2017 Civilian Population 16+ by Industry			
Total	6,459	9,809	32,693
Agriculture/Mining	3.9%	4.8%	2.7%
Construction	4.6%	5.3%	4.6%
Manufacturing	19.4%	17.5%	11.7%
Wholesale Trade	3.1%	3.2%	2.7%
Retail Trade	15.2%	13.2%	13.1%
Transportation / Utilities	10.0%	9.7%	6.3%
Information	1.0%	1.0%	1.2%
Finance / Insurance / Real Estate	3.7%	4.0%	3.7%
Services	37.4%	38.9%	51.3%
Public Administration	1.8%	2.3%	2.8%

TRANSPORTATION



FALL HAZARD
WHEN NO RAILCAR
IN STATION
ENTRY FORBIDDEN

NEARBY RAIL ACCESS

Union Pacific Railroad

One of America's most recognized companies, Union Pacific Railroad connects 23 states in the western two-thirds of the country by rail, operating 8,500 locomotives over 32,100 route-miles, providing a critical link in the global supply chain. In the last 10 years, 2008-2017, Union Pacific invested approximately \$34 billion in its network and operations to support America's transportation infrastructure. The railroad's diversified business mix is classified into its Agricultural Products, Energy, and Industrial and Premium business groups. Union Pacific serves many of the fastest-growing U.S. population centers, operates from all major West Coast and Gulf Coast ports to eastern gateways, connects with Canada's rail systems and is the only railroad serving all six major Mexico gateways. Union Pacific provides value to its roughly 10,000 customers by delivering products in a safe, reliable, fuel-efficient and environmentally responsible manner.

BNSF Railway Company

The BNSF Railway Company is the largest freight railroad network in North America, followed by the Union Pacific Railroad (UP) in second place, its primary competitor for Western U.S. freight. BNSF is one of seven North American Class I railroads and has 44,000 employees, 32,500 miles (52,300 km) of track in 28 states, and more than 8,000 locomotives. It has three transcontinental routes that provide rail connections between the western and eastern United States. BNSF trains traveled over 169 million miles (272 million km) in 2010, more than any other North American railroad. The BNSF and UP have a duopoly on all transcontinental freight rail lines in the Western U.S. and share trackage rights over thousands of miles of track.

City of Rochelle Railroad – Dual Access Rail Service

The City of Rochelle Railroad (CIR) was formed in 1986 when the City of Rochelle saw the need for better switching service for local firms and for future growth of the industrial sector in Rochelle. Over the years, customers asked to be able ship and receive via both the Union Pacific (UP) and the Burlington Northern Santa Fe (BNSF) Railroads. As demand increased for better service and a more competitive environment, the City of Rochelle expanded the CIR system which has allowed rail served industries to enjoy lower costs and better efficiency in shipping and receiving from both the Union Pacific and the Burlington Northern Santa Fe.

Currently the City of Rochelle Railroad serves over 2,030,000SF of Class A warehouses of which 1,010,000SF are freezer/cooler facilities. In total, 12 facilities ship or receive with the UP and BNSF through the CIR system and the number is increasing. In 2012 the City of Rochelle Railroad switched 4000 inbound rail cars of freight and 2013 is projected to see a 25% increase in traffic. There are no added switching fees to rail served industries for CIR switching service.

Currently the CIR system includes 12 miles of track with plans to construct an eight acre rail storage yard on Steward Road along with 3,500 ft. double track extensions to the mainline. The CIR system is also now capable of handling unit trains which can be stored and/or switched in and out of Rochelle. The Burlington Junction Railway (BJRY), rated as one of the top switching operators in the U.S. today is under contract with the City of Rochelle to provide switching services on the CIR. The BJRY has 3 engines, and up to two switching crews serving customers in Rochelle.

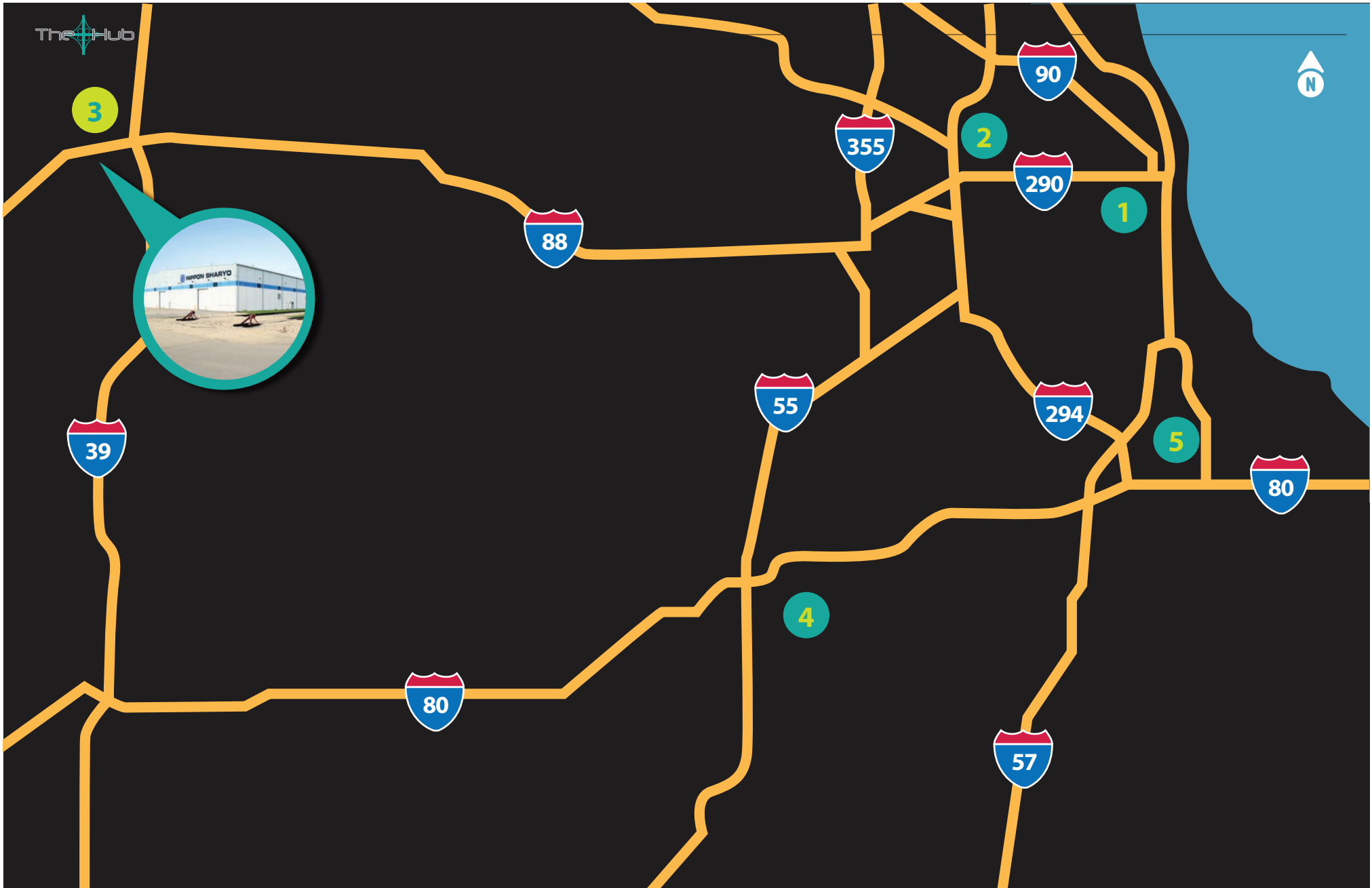
ROCHELLE GLOBAL III INTERMODAL TERMINAL

1,200 acres 720,000 lift capability 10-lane gate entrance 7,200-unit container/trailer yard at full build-out

This facility provides the capacity necessary to improve the efficient interchange of shipments to and from rail connections, and expedite the operations of over 25 trains and 3,000 containers/trailers daily

INTERMODAL TERMINAL FEATURES

- **Four Loading Tracks (expandable to five tracks):** Allows for expedited loading/unloading capability resulting in improved container/trailer availability.
- **10-Lane Gate Entrance:** Improved gate capacity to minimize motor carrier congestion and improve gate/terminal throughput. Improves truck turn times resulting in lower drayage costs.
- **720,000 Lift Capability and 4,000 Parking Spaces:** Improved capacity and more efficient terminal operations, for faster container/trailer availability.
- **Locomotive and Car Facilities:** Full maintenance and fueling capabilities on-site to maximize railroad asset efficiency and improve cycle times, resulting in more reliable service.



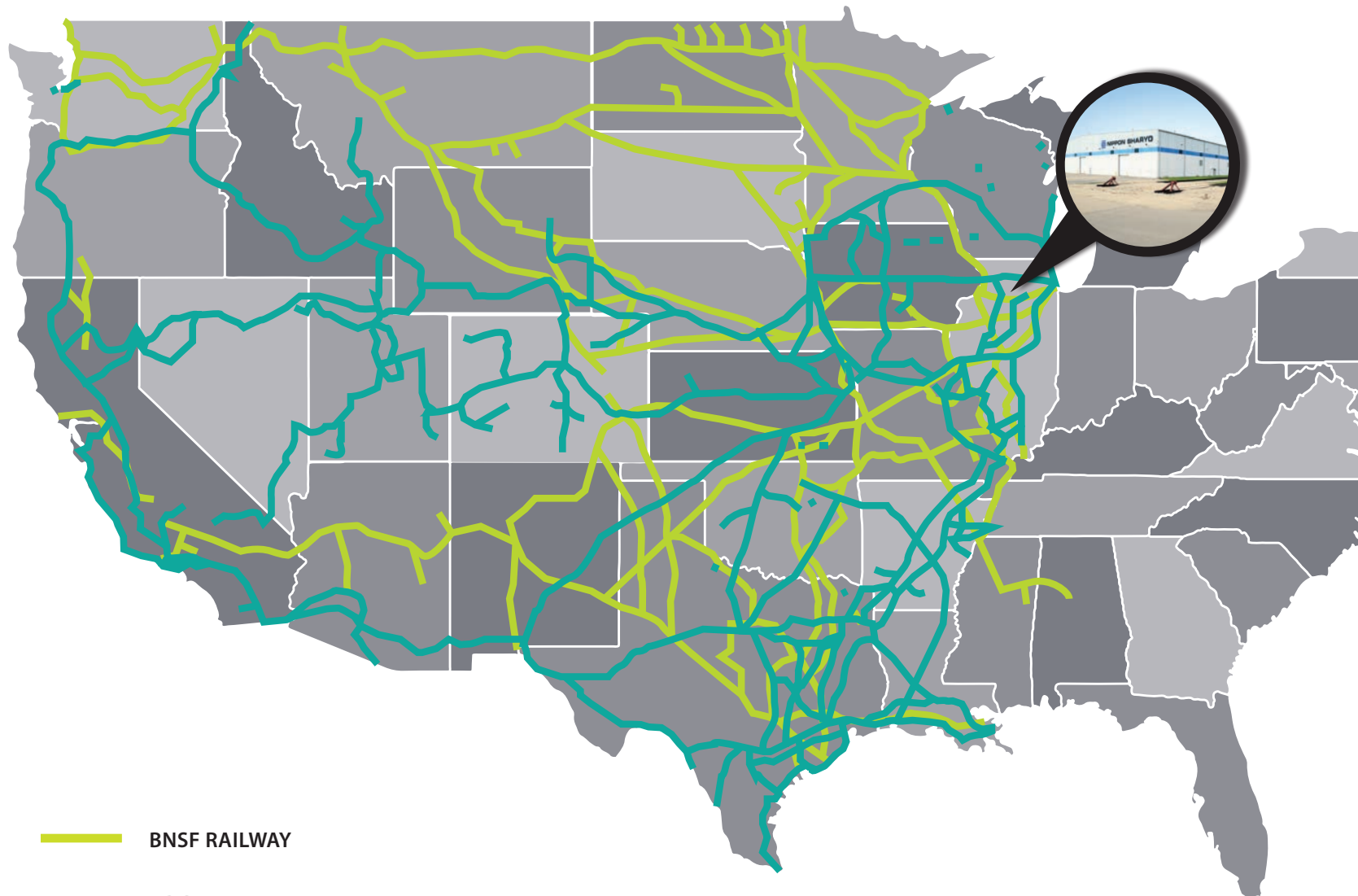
AREA
INTERMODAL
LOCATIONS

TRANSPORTATION

- 1 Global I
- 2 Global II
- 3 Global III
- 4 Joliet Intermodal Terminal (Global IV)
- 5 Yard Center

24 Miles

Interstate Highway



— BNSF RAILWAY

— UP RAILWAY

RAIL LINES

BNSF

With a history dating back more than 160 years to 1849, BNSF Railway (BNSF) operates over a 32,000-mile network covering the western two-thirds of the United States. Headquartered in Ft. Worth, TX, BNSF operates in 28 states and two Canadian provinces, and employs more than 38,000 people.

Founded
1849

Employees
38,000

Miles of Track
32,000

UNION PACIFIC

Part of America's first transcontinental railroad, today Union Pacific (UP) is the largest railroad in North America. UP operates over 32,000 miles of track in 23 states across the western two-thirds of the United States. Headquartered in Omaha, NE, the railroad employs 43,500 people.

Founded
1848

Employees
43,500

Miles of Track
32,000



DISTANCES FROM PROPERTY TO MAJOR METRO CITIES

Chicago, IL	82 miles
Milwaukee, WI	120 miles
Des Moines, IA	256 miles
Indianapolis, IN	257 miles
St. Louis, MO	264 miles
Detroit, MI	359 miles
Louisville, KY	390 miles
Kansas City, MO	449 miles,
Nashville, TN	490 miles
Memphis, TN	550 miles

DISTANCES FROM PROPERTY TO NEARBY AIRPORTS

1. O'Hare International Airport	77 miles
2. Midway International Airport	84 miles
3. Quad City International Airport	96 miles
4. Rockford International Airport	26 miles
5. General Mitchell International Airport	117 miles

NEARBY AIRPORTS

O'Hare International Airport (ORD)

(ORD), usually referred to as O'Hare Airport, Chicago O'Hare, or simply O'Hare, is an international airport located on the far Northwest Side of Chicago, Illinois, 14 miles northwest of the Loop business district, operated by the Chicago Department of Aviation and covering 7,627 acres. O'Hare has direct flights to 217 destinations in North America, South America, Asia, Africa and Europe.

As the first major airport planned post-war, O'Hare's innovative design pioneered concepts such as concourses, direct highway access to the terminal, and underground refueling systems. It became famous as the first World's Busiest Airport of the jet age, holding that distinction from 1963 to 1998; today, it is the sixth-busiest airport, serving 79.8 million passengers in 2017. Today, Terminals 2 and 3 remain of the original design, but O'Hare has been modernizing the airfield since 2005 and is beginning an expansion of passenger facilities that will remake it as North America's first airport built around airline alliances.

O'Hare is unusual in that it serves a major hub for more than one of the three U.S. mainline carriers. It is United's largest hub in both passengers and flights, while it is American's third-largest hub. It is also a focus airport for Frontier Airlines and Spirit Airlines.

Miles to Rochelle: 77 miles

Chicago Midway International Airport (MDW)

(MDW) is a major commercial airport on the southwest side of Chicago, Illinois, located eight miles from the Loop. Established in 1927, Midway served as Chicago's primary airport until the opening of O'Hare International Airport in 1955. Today, Midway is the second-largest airport in the Chicago metropolitan area and the state of Illinois, serving over 22 million passengers in 2015. Traffic is currently dominated by low-cost carrier Southwest Airlines; Chicago is Southwest's largest focus city. The airfield is located in a square mile bounded by 55th and 63rd Streets, and Central and Cicero Avenues. The current terminal complex was completed in 2001. The terminal bridges Cicero Avenue and contains 43 gates with facilities for international passengers. Stevenson Expressway (I-55) and the CTA Orange Line provide freeway and rapid transit access to the Loop.

Miles to Rochelle: 84 miles

Quad City International Airport (MLI)

(MLI) is a public airport in Rock Island County, Illinois, three miles south of Moline. It is owned and operated by the Metropolitan Airport Authority of Rock Island County. It is partly in Blackhawk Township and partly in Coal Valley Township. In 2012, it was named “Illinois Primary Airport of the Year”. Currently, MLI is the third-busiest commercial airport in Illinois – served by American Eagle, United Express, Delta Connection, and Allegiant Air. MLI earned the international designation for being an official port of entry and having a U.S. customs port of entry. A Foreign Trade Zone and U.S. Customs Office are located at the airport, enabling international inbound and outbound shipments. There are no commercial passenger flights to or from any international locations, but some private aircraft (e.g., those owned by Deere & Company) do make non-stop, international flights.

Miles to Rochelle: 96

The Chicago Rockford International Airport (RFD)

(RFD) is located 68 miles northwest of Chicago and encompasses over 3,000 acres. RFD is home to 30 industrial tenants and the largest regional parcel-sorting facility in the UPS system - the only facility of its type that handles coast-to-coast cargo. The airport has progressively evolved from a general aviation facility to a dynamic commercial service airport

RFD is presently ranked as a Top 25 US cargo airport and the 215th largest passenger airport. Currently, Allegiant Air offers non-stop flights to: Orlando/Sanford, Las Vegas, Clearwater/St. Pete (Tampa Bay Area), Fort Myers/Punta Gorda, and Phoenix/Mesa. Apple Vacations offers seasonal service to Cancun, Punta Cana, and Jamaica. Depending on the season, up to 31 flights depart from RFD each week.

RFD is an international airport capable of landing aircraft in Category III conditions. These state-of-the-art facilities, when coupled with runway lengths of 10,000 ft and 8,200 ft, allow RFD to land any jet aircraft operating in the world today - even under the most adverse conditions. RFD’s modern two-story 50,000-sf terminal building has a “hassle-free” environment with jet bridge boarding. RFD is a United States Customs Port of Entry, home to 30 industrial tenants and the Authority is grantee for Foreign Trade Zone #176. The diverse activities at RFD cause it to have a greater economic impact on the region it serves than any other commercial service airport in the State of Illinois, excluding the city of Chicago’s system of airports.

Miles to Rochelle: 29 miles

General Mitchell International Airport (MKE)

(MKE) covers 2,180 acres and has five asphalt and concrete runways ranging from 4,183 ft to 9,990 ft. A helipad measuring 100 by 100 ft is on the south side of the airport property. The 07R/25L runway has an overpass with Howell Avenue (WI-38) running underneath. For the year ending June 30, 2017, the airport had 112,169 aircraft operations, an average of 307 per day: 54% commercial airline, 33% air taxi, 11% general aviation and 2% military. In May 2018, there were 98 aircraft based at this airport: 29 single-engine, 35 multi-engine, 24 jet and 10 various military aircraft. In April 2017, all airlines housed in Concourse E began moving to Concourse C. This will allow the airport to remodel the concourse and move International Arrivals processing into the terminal. Following redevelopment of Concourse E, the current International Arrivals Building just north of the main terminals will close.

General Mitchell International Airport has 38 gates of which 31 are equipped with jet bridges on two concourses in one terminal. All international arrivals lacking border preclearance must pass through the International Arrivals Building.

Miles to Rochelle: 118 miles



100 - MILE TRUCK DELIVERY



WISCONSIN

MICHIGAN

ILLINOIS

INDIANA

LEGAL DISCLAIMER



CONFIDENTIALITY MEMORANDUM AND DISCLAIMER

Avison Young has been engaged by the Owner as the exclusive agent for the sale of 1600 Ritchie Court in Rochelle, Illinois.

The Property is being offered for sale in an “as-is, where-is” condition. The Owner and Avison Young make no representations or warranties as to the accuracy of the information contained in this document. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interests described herein. Neither the enclosed materials nor any information contained herein are to be used for any other purpose or made available to any other person without the express written consent of the Owner. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Avison Young as a “Registered Potential Purchaser/Investor” or as “Buyer’s Agent” for an identified “Registered Potential Purchaser/Investor”. The use of this document and the information provided herein and other documents provided is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Avison Young prior to delivery of this document.

The enclosed materials are being provided solely to facilitate the prospective Purchaser/Investor’s own due diligence, for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Owner or Avison Young or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries of any legal or other documents contained herein are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither Avison Young nor the Owner shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties should make their own investigations, projections and conclusions without reliance upon the material contained herein.

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By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in strictest confidence and shall be returned to Avison Young or the Owner promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Owner or Avison Young; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Owner or Avison Young or

as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Avison Young. The Owner will be responsible for any commission due to Avison Young in connection with the sale of the Property. If the prospective purchaser is exclusively represented by a Broker or Agent, the Broker(s)/Agent(s) names must be disclosed to Avison Young in writing prior to offer submittal. Avison Young will agree to cooperate with named Broker(s)/Agent(s) and will share the commission fee (per a separate agreement). Each prospective purchaser will be responsible for any claims for commissions by any other broker or agent in connection with a sale of the Property, if such claims arise from acts of such prospective purchaser or its broker/agent's authority to act on its behalf and have not been disclosed in writing to Avison Young prior to offer submittal. If you have no interest in the property at this time, please return this Offering Memorandum immediately to:

Avison Young

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Rosemont, IL 60018

Attention:

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**AVISON
YOUNG**



The Hub

I-39 I-88

A MODERN INDUSTRIAL FACILITY
IN ROCHELLE, ILLINOIS

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