# HOMAN



portfolio



# FOR SALE



LARGE SCALE REDEVELOPMENT OPPORTUNITY INCLUDING THE FORMER SEARS ROEBUCK AND ALLSTATE HEADQUARTERS BUILDINGS



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# Executive Summary



**Incredible opportunity** to redevelop the historic former Sears Headquarters in Chicago. The portfolio consists of the former Sears Administration Building (3333 W Arthington), the former Allstate office building (3245 W Arthington), a large parking structure (3240 W Arthington) and a developable land site (3201 W Arthington).

**333 W ARTHINGTON** was designated a Chicago landmark in 2002 and is also on the US National Register of Historic Places. The 5-story, 239,000 SF building has undergone extensive demolition and is ready for new interior buildout.

**3745 W ARTHINGTON** is a 11-story, 292,000 SF shell building that could be redeveloped as a variety of uses.

**3240 W ARTHINGTON** is 3.5-story 247,000 SF parking structure.

**3201 W ARTHINGTON** is 167,000 SF of developable land.

**The portfolio** is available as a single purchase or can be divided. With a variety of potential uses, this portfolio is conveniently located only four blocks to the Kedzie-Homan Blue Line CTA Station, as well as four blocks from I-290 freeway. With the Chicago Loop only four miles away, this portfolio benefits from its location.



**Property Information** 



### Portfo<mark>lio</mark> Overview

# HOMAN SQU are portfolio

## 3333 w arthington

**SIZE:** 239,000 SF

- 5-STORY SHELL BUILDING
- FORMER SEARS ADMINISTRATION BUILDING
- NATIONAL REGISTRY OF HISTORIC PLACES
- · CHICAGO LANDMARK

CLICK FOR EXCLUSIVE
3333 ARTHINGTON SALE OM



**SIZE:** 292,000 SF

- 11-STORY SHELL BUILDING
- FORMER ALLSTATE HEADQUARTERS BUILDING

CLICK FOR EXCLUSIVE
3245 ARTHINGTON SALE OM

## 3240 w arthington

**SIZE:** 247,000 SF

• 3.5-STORY PARKING GARAGE

## 201 w arthington

**SIZE:** 167,000 SF

LAND SITE



## Portfo<mark>lio</mark> Highlights

# HOMAN



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- » Large scale redevelopment opportunity in Homan Square consisting of 2 buildings, a parking structure and land.
- » Sears, Roebuck and Company Administration Building is a landmarked five-story masonry building, occupying about 3/4 of the block facing West Arthington between South Homan and Spaulding with a classical revival façade.
- $\ensuremath{\text{\textit{»}}}$  The opportunity also includes the 11-story former Allstate Headquarters
- » Walking distance to the Kenzie-Homan CTA Blue line stop and easy access to the I-290 Expressway.

- Administration Building was designed and constructed as the executive headquarters for Sears, Roebuck and Co. in 1905, and it continued that function until 1973, when the company moved to the Sears Tower (now Willis Tower) in downtown Chicago.
- The Administration Building was designated as a Chicago Landmark in 2002.
- » Additional land for parking or ground-up development available as part of the site.

## Expenses



#### **PORTFOLIO EXPENSES**

\$20,000
\$9,000
\$15,000
\$8,000

Total Expenses: \$52,000

## PORTFOLIO TAXES (2022 - paid in 2023)

16-14-415-021-0000 (3240 W ARTHINGTON - GARAGE)	\$44,116.00
16-14-417-004-0000 (3245 W ARTHINGTON - ALLSTATE)	\$195,912.24
16-14-417-005-0000 (3201 W ARTHINGTON - LAND)	\$32,107.79
16-14-417-007-0000 (3333 W ARTHINGTON)	\$202,373.55
16-14-417-008-0000	\$2,753.57

Total Taxes: \$477,263.15

Additional Photos

HOMAN



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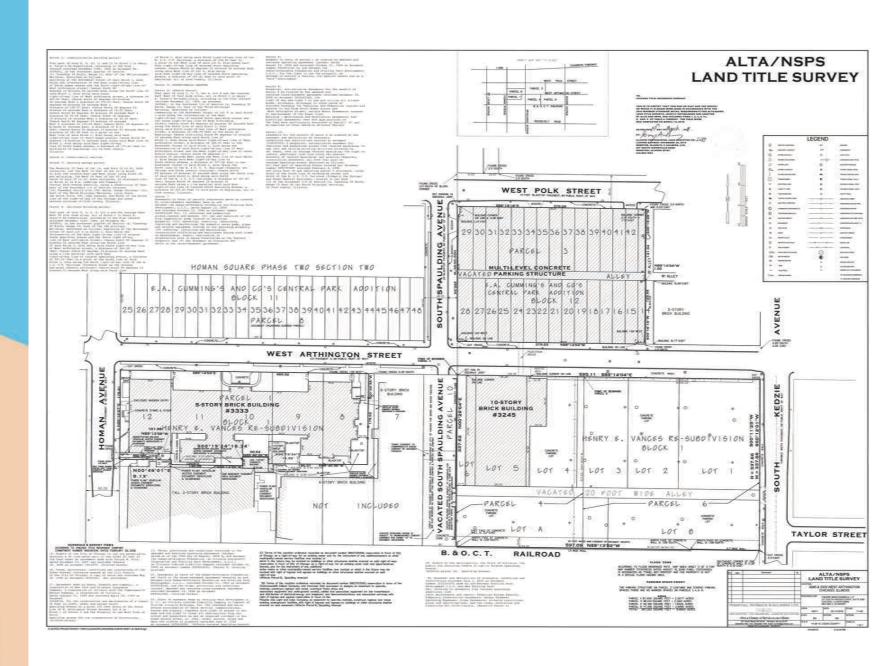


#### Survey

# HOMAN

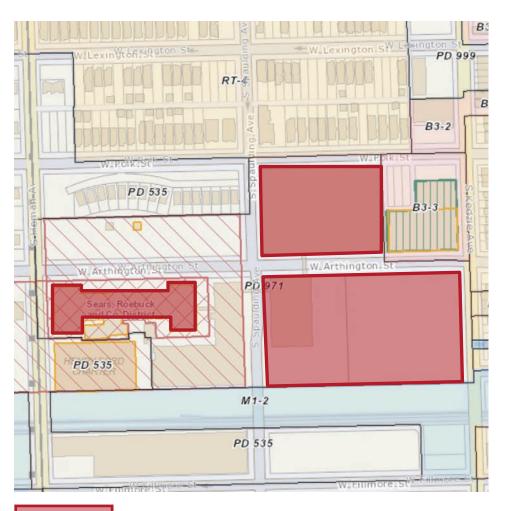
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portfolio



# Zoning Details





#### **Zoning Summary**

According to the City of Chicago, the Homan Square Portfolio has a **PD-971** zoning designation, which indicates the following:

#### PD-971 Zoning District Title:

Tall buildings, campuses, and other large developments that must be negotiated with city planners. Developers gain freedom in building design, but must work with city to ensure project serves and integrates with surrounding neighborhood.

Homan Square Portfolio

# Potential Tax Incentives 1 of 2 HOMAN SQU are portfolio

#### NATIONAL REGISTER OF HISTORIC PLACES

#### Historic Preservation Tax Incentives

A 20% income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be "certified historic structures." The State Historic Preservation Offices and the National Park Service review the rehabilitation work to ensure that it complies with the Secretary's Standards for Rehabilitation. The Internal Revenue Service defines qualified rehabilitation expenses on which the credit may be taken. Owner-occupied residential properties do not qualify for the federal rehabilitation tax credit. Learn more about this credit before you apply.

#### **OPPORTUNITY ZONE**

Opportunity Zones are an economic development tool that allows people to invest in distressed areas in the United States.

Their purpose is to spur economic growth and job creation in low-income communities while providing tax benefits to investors.

Low-income communities and certain contiguous communities qualify as Opportunity Zones if a state, the District of Columbia or a U.S. territory nominated them for that designation and the U.S. Treasury certified that nomination. Following the nomination process, 8,764 communities in all 50 states, the District of Columbia and five U.S. territories were certified as Qualified Opportunity Zones (QOZs).

# Potential Tax Incentives 2 of 2 HOMAN SQU are

#### **QUALIFIED CENSUS TRACT (QCT)**

Low-Income Housing Tax Credit Qualified Census Tracts must have 50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more. Difficult Development Areas (DDA) are areas with high land, construction and utility costs relative to the area median income and are based on Fair Market Rents, income limits, the 2010 census counts, and 5-year American Community Survey (ACS) data.

The U.S. Department of Housing and Urban Development (HUD) designates QCTs for the Low-Income Housing Tax Credit (LIHTC) Program, and HUD is a primary source for determining eligibility of census tracts for QCT designation. These tracts are designated periodically as new decennial census data become available or as metropolitan area definitions change.

# Other Potential Incentives

1 of 2



Status	Name	Description	Administered by	Incentive typ
		North Lawndale - Prioritization and planning initiative to focus public and private in specific areas and	*	**
		strengthen existing commercial corridors. Contact a DPD planner if you are proposing a project here.	City of Chicago Department of Planning & Development	
'es	INVEST South/West	These areas are also prioritized for Chicago Recovery Plan (CRP) grant programs. Targets: mixed-use	(DPD)	planning
		Homan Arthington - Grant money from the city to fund new construction or renovation of buildings, and to		
		preserve or create jobs. Not eligible for Small Business Improvement Fund grants (SBIF). This TIF district		
'es	TIF District	expires on 12/31/2022	Local municipality	grant
	TH BIOLINE	An Opportunity Zone is an area where investors can re-invest capital gains, via Qualified Opportunity	200al Mariolpanty	grant
		Funds, and receive a federal (IRS) tax break after 10 years. See all Opportunity Zones. More infoTargets:		
'es	Opportunity Zone	residential, commercial, industrial, mixed-use	Internal Revenue Service (IRS)	tax credit
<del>C</del> S	Opportunity Zone	State and local tax breaks for job preservation or job creation initiatives. Learn more about the benefits for	internal Neverlue Service (INS)	tax credit
		eligible projects, including exempting building materials from State of Illinois sales tax of 6.25% and	IIIiii- Dart of Barrary (IDOD) IIIii- Dart of	
		exempting real estate transfer tax (RETT/PTAX/MyDec) for sales of property in Chicago used primarily for	Illinois Dept. of Revenue (IDOR), Illinois Dept. of	
		commercial or industrial (see 3-33-060 in the Municipal Code). In Chicago I (2021)More infoTargets:	Commerce & Economic Opportunity (DCEO), Chicago	
'es	Enterprise Zone	residential, commercial, industrial, mixed-use	Dept. of Planning & Development, and local jurisdictions	tax break
		The Illinois Housing Development Authority has areas where it targets some of its homeownership		
		programs. For example, the Mortgage Credit Certificate (MCC) program (in Chicago it's called Tax Smart)		
		has higher income limits in these targeted areas. In both, including the Mortgage Revenue Bond (MRB)		
		program, the first-time homebuyer requirement is waived. Potential CRA credit. The targeted area		
'es	IHDA Targeted Area	includes this Census tract: 17031843000Targets: residential, home ownership	Illinois Housing Development Agency (IHDA)	bonus
	ii ib/t taigotea/iica	Also in a "severely distressed" Census tractThese federal tax credits are used to incentivize commercial	Community Development Financial Institutions (CDFI)	Bondo
		and mixed-used development in distressed communities. For mixed-use, buildings or structures that	Fund via Community Development Entities (CDEs) and	
		, , ,	, , , , , , , , , , , , , , , , , , , ,	
,	N M I I T O I''	derive 80% or more of their gross rental income from renting apartments are ineligible. (Read	local banks. The Chicago Development Fund in Chicago	
'es	New Market Tax Credits	independent research about NMTC.)More infoTargets: mixed-use, commercial, retail	is a CDE.	tax credit
		As part of the Inflation Reduction Act, a higher energy credit is available for qualified solar and wind		
		facilities, and energy storage, that are placed in low-income communities. These areas are identical to		
		those used in the New Markets Tax Credit (NMTC) program. The standard investment tax credit is six		
		percent while the bonus tax credit is worth 10 additional percentage points. If the new facility is placed on		
		an eligible rental residential building, or where at least half the benefits will accrue to low-income		
	IRA solar & wind bonus	households, the bonus tax credit is worth 20 additional percentage points. More infoTargets: mixed-use,		
'es	credit	residential	Internal Revenue Service (IRS)	tax credit
		A Qualified Census Tract (QCT) is one where people have trouble paying rent, and where projects with	()	
		financing that will use Low Income Housing Tax Credits (LIHTC) can be scored higher by the state. New		
'es	Qualified Census Tract	Markets Tax Credits (NMTC) are also targeted for these areas. More infoTargets: residential	Illinois Housing Development Agency (IHDA)	tax credit
65	Qualified Cerisus fract	, , ,	illinois housing Development Agency (InDA)	tax credit
		An Environmental Justice Community designation is solely for the Illinois Solar For All program, which will		
		help homeowners and non-profit organizations participate in adding solar panels and powering homes		
		with solar electricity. EJCs are Census block groups that are in the top 25 percent of high scores of		
	Environmental Justice	exposure to pollutants, proximity to hazardous sites, and a lower socioeconomic status. Illinois Solar For		
es	Community	All is managed by Elevate Energy.More info	Illinois Solar For All (ISFA)	tax credit
		A Low-Income Community designation is related to the Illinois Solar For All program, which will help		
		homeowners and non-profit organizations participate in adding solar panels and powering homes with		
		solar electricity. LICs are Census tracts where at least half of the households earn an income of 80% or		
		less of the Area Median Income (AMI). Illinois Solar For All is managed by Elevate Energy. Potential CRA		
'es	Low-Income Community	credit.More info	Illinois Solar For All (ISFA)	tax credit
00	2017 Indome Community	An underserved area is a Census tract in Illinois that meets one of four tests. In these areas, the income	minolo ocial i oi i ili (ioi i i)	tan ordan
		tax credit offered through the Economic Development for a Growing Economy Tax Credit Program		
	Underserved area (EDGE)	(EDGE) is increased. Enhanced credits are also available for data center tax credits, and apprenticeship	Illinois Department of Commerce & Economic	
'es		tax credits.More infoTargets: small business	Opportunity (DCEO)	tax credit

# Other Potential Incentives

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		Single-family houses, including condos, owned by the U.S. Department of Housing and Urban		
		Development (HUD) located in a Revitalization Area are eligible for discounted sale through special		
		programs, including Asset Control Area (ACA) and Good Neighbor Next Door (GNND). Potential CRA		
		credit.Data: The homeownership rate in this block group is 6% and the metropolitan area's		
		homeownership rate is 61%. The median household income in this block group is \$13,491.Targets:	U.S. Department of Housing and Urban Development	
Yes	HUD Revitalization Area	residential, home ownership	(HUD)	subsidy
		To assist communities in identifying racially/ethnically-concentrated areas of poverty (R/ECAPs), HUD has		
		developed a Census tract-based definition of R/ECAPs. The definition involves a racial/ethnic		
		concentration threshold and a poverty test. Some housing authorities may consider this status in a		
		Qualified Allocation Plan (QAP) and Low Income Housing Tax Credit (LIHTC) application. Targets:		
Yes	R/ECAP area	residential	Department of Housing & Urban Development	tax credit
		The federal government has a goal to award three percent of contracts to certified businesses in		
Yes	HUBZone	HUBZones.More infoTargets: businesses	U.S. Small Business Administration	dbe
		Disproportionately Impacted Areas are low-income areas that have had high rates of COVID-19 cases.		
		Businesses in these areas can receive priority when applying for a Illinois Business Interruption Grants.		
		They must have experienced extreme hardship, demonstrated by experiencing eligible costs or losses in		
	Disproportionately Impacted	excess of the grant amount since March 2020, or had property damage in the May 2020 civil unrest.More	Illinois Department of Commerce & Economic	
Yes	Area (COVID-19)	infoTargets: commercial, retail	Opportunity (DCEO)	grant
		R3 grants fund programs in Illinois communities that have been harmed by violence, excessive		
		incarceration, and economic disinvestment. The program is funded by taxes on recreational/adult use		
		cannabis (marijuana) sales.More infoTargets: nonprofit organizations, local units of government, tax-		
Yes	Restore Reinvest Renew (R3)	exempt faith-based organizations, businesses, other community organizations	Illinois Criminal Justice Information Authority	grant
		A low-moderate income area is one of five area designations in the Chicago Affordable Requirements		
	Affordable Requirements	Ordinance (ARO) 2021, which is used to determine the in lieu fee. See the full map of ARO 2021 areas.		
Yes	Ordinance (ARO)	Potential CRA credit.Targets: residential	City of Chicago Department of Housing (DOH)	regulation
		Chicago can issue grants from the Neighborhood Opportunity Fund (NOF) into this area. The NOF is		
		funded by payments from property developments in downtown that purchased density bonuses through	City of Chicago Department of Planning & Development	
Yes	Investment Zone	the Neighborhood Opportunity Bonus.More infoTargets: small business, retail, commercial	(DPD)	grant

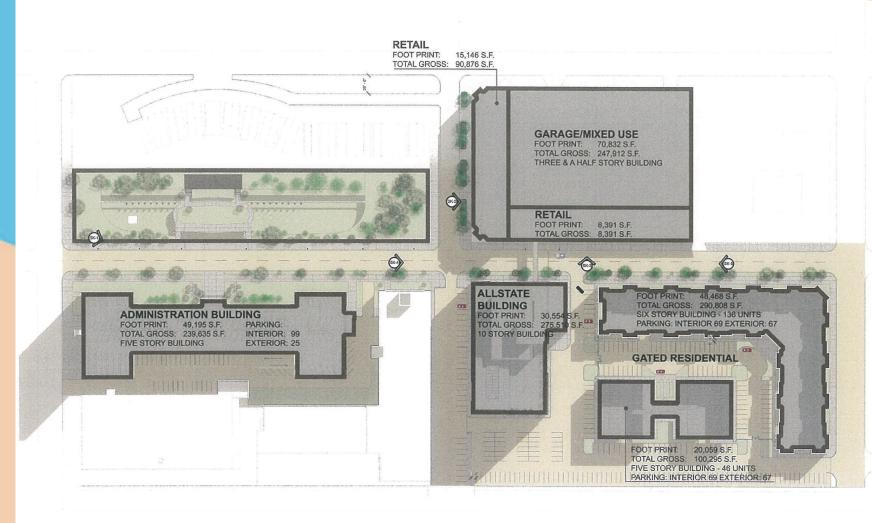
Source: Chicago Cityscapes

## Poten<mark>tial</mark> Development Plan

# HOMAN



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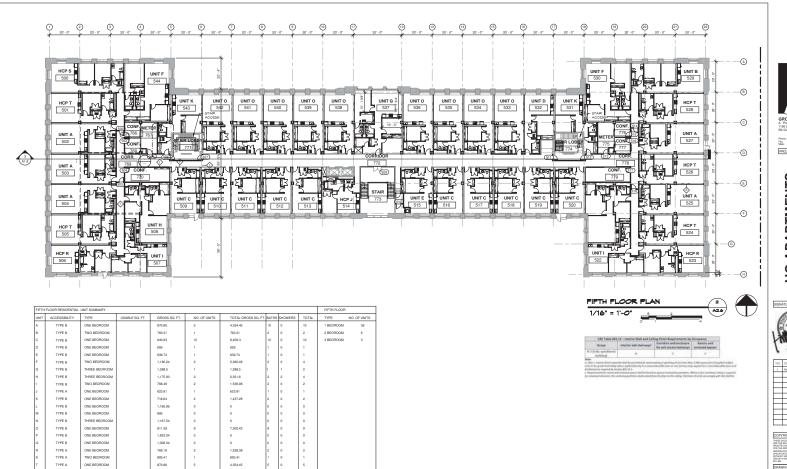


## **Potential Typical** Floorplan (3333 W Arthington)

## HOMAN



TWO BEDROOM





A2.6

# History

## HOMAN



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THE FORMER SEARS, ROEBUCK and Company campus in Homan Square, Chicago has a rich history dating back to the early 20th century.

Sears was founded in Chicago in 1894 as a mail-order retailer catering to rural America. It opened free-standing stores starting around 1925 and by the 1960s was the largest retailer in the world.



GENERAL VIEW OF SEARS, ROEBUCK & CO.'S PLANT, CHICAGO. Nimmons & Fellows, Architects of Original Plant. George C. Nimmons & Company, Architects of Additions to Original Plant.

The area that would become Homan Square was largely undeveloped farmland in the early 1900s. In 1905, Sears, Roebuck and Company opened its first office and warehouse on the site. Over the next few years, the company purchased the surrounding land in the area to expand its operations. At the time, it was the largest mercantile institution in the world and the additional 457,000 SF of land was purchased for \$183,742 in 1905.

In the 1920s, Sears began construction on a massive new complex in Homan Square. The complex, which would eventually cover 55 acres, was designed to house the company's entire mail-order operation. Over the next few years, several buildings were constructed, including a power plant, a printing plant, and a massive warehouse.

History 2 of 2

HOMAN

During World War II, Sears converted much of its Homan Square complex to war production. The company produced a variety of goods for the war effort, including parachutes, munitions, and gas masks. After the war, Sears resumed its mail-order business and continued to expand the Homan Square complex.

In the 1960s, Sears began to face increased competition from discount retailers and saw a decline in its mail-order business. In response, the company began to shift its focus to retail stores. When Sears moved to the Sears Tower in 1973, most of the North Lawndale facility was vacated.



SUNKEN GARDEN IN FRONT OF THE ADMINISTRATION BUILDING OF SEARS, ROEBUCK & CO.'S PLANT, CHICAGO. Nimmons & Fellows, Architects of Original Plant. George C. Nimmons & Company, Architects of Additions to Original Plant.



BOUNDARIES: KEDZIE AVE HARVARD ST. CENTRAL PARK AVE. AND CHICAGO TERMINAL

It is estimated the Administration Building received about two carloads of mail orders per day. Additionally, the Administration Building housed all of the executive and administrative documents of the highest importance to the company, which is why it was crucial to construct the building with the best building materials available at the time in an attempt to make the building fireproof.

It is estimated that 7,500 employees passed through the entrance of the Administration Building each day. Significant thought and financial resources were considered in designing the building and marble lobby. The frieze of the Administration was inspired by the scheme of marble inlay of San Miniato in Florence, Italy.





**Market Information** 



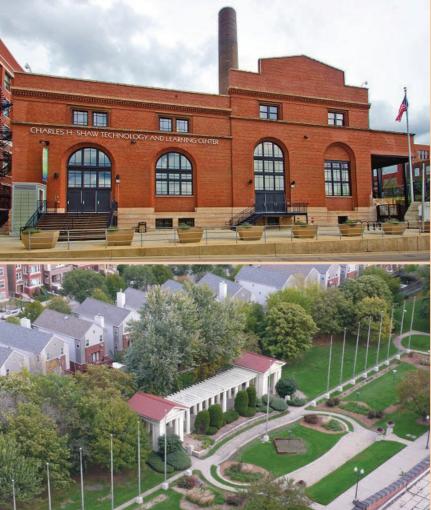
Sub-Market Information

HOMAN



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#### **Homan Square**

The site of the former Sears headquarters was redeveloped beginning in 1988 as Homan Square. The redevelopment of parts of this site have included new construction of owned and rental mixed-income housing; adaptive reuse and restoration of historic properties for use as community center, school, and other facilities; a new community pool and recreation center; and associated retail.

Homan Square is often used as an example of the revitalization of North Lawndale. The former Sears tower was rehabbed and reopened to the public as "The John D. and Alexandra C. Nichols Tower" in 2015. It now houses non-profit groups and youth association offices. The 3301 W Arthington was also successfully redeveloped an 181 unit residential building in 2017.



New Altenheim Line Trail

HOMAN



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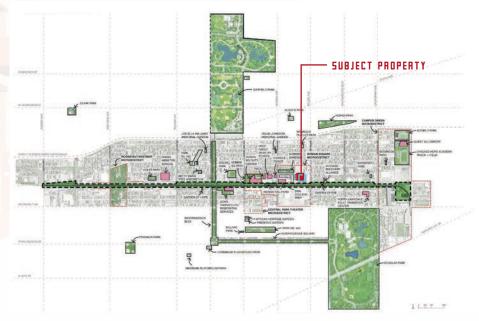


#### **HOMAN SQUARE FOCUS AREA**

by the Anchored historic Sears campus, the long-term transformation of the Homan Square neighborhood will be complemented by investment in the trail, with the re-use of existing structures like the former Sears Administration & Allstate buildings, and new development of surface parking lots. Housing and loft office spaces will create an environment where residents can live, work and shop. Direct connections to the elevated trail at Central Park Avenue, Homan Avenue and Kedzie Avenue will provide new recreation, wellbeing, arts and culture, and connectivity resources for current and future residents. Homan Square will also be joined to the nearby Focus Areas at Lawndale Plaza and Central Park Theatre.



THE STUDY AREA



THE TRAIL

Source: https://www.chicago.gov/city/en/depts/dcd/supp\_info/altenheim-line-planning-study.html

# Sears Sunken Garden Redesign



THE FRIENDS OF SEARS SUNKEN GARDEN IS WORKING WITH PIET OUDOLF, ROY DIBLIK AND COMMUNITY MEMBERS TO RESTORE THE HISTORIC LANDMARK GARDEN.

The Friends of Sears Sunken Garden (FSSG) was established as a 501c3 nonprofit organization in 2021. FSSG is dedicated to the restoration of the historic Sears Sunken Garden located on the former campus of Sears, Roebuck & Co. The Sears headquarters was completed in 1907 on the west side of Chicago in what is now known as Homan Square.

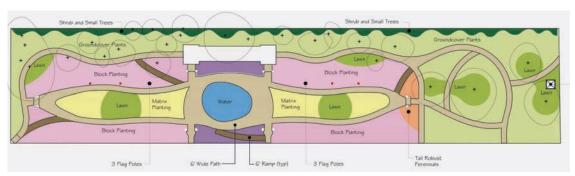
The design team selected for the restoration includes world-renowned garden designer Piet Oudolf, and plantsman and designer Roy Diblik. Oudolf is well known as the planting designer for the Lurie Garden in Chicago's Millennium Park and the High Line in New York City. Located directly across the street from 3333 W Arthington, the restoration and redesign of this historic garden will enhance the entrance to the property.











source: https://searssunkengarden.org/visit/

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