

INVESTMENT PROPOSAL

H E E F R e a l E s t a t e C h a l l e n g e

A P R I L 1 5 ^{t h} 2 0 2 3



Harold E. Eisenberg Foundation



934

THE BOATYARD



THE ANCHOR

1001



CATALYST DEVELOPMENT LLC

MEET OUR TEAM



NICOLAS PAVIET

Head of Finance



NICK ROSS

Head of Development



MORITZ SEBAN

Head of Operations



PATRICK SINWELSKI

Project Manager



SHAWN GREGOIRE

Project Manager



**“The best way to
predict the future is to
create it.”**

- Peter Drucker



P r o j e c t O v e r v i e w

THE SITES



"The Boatyard"

934 N North Branch

2.89 Acres / 125,875 sf / PMD 3

FAR 3.0

"The Anchor"

1001 N North Branch

1.44 Acres / 62,615 sf / PMD 3

Total square footage of the building: **250,000**

NEIGHBORHOOD



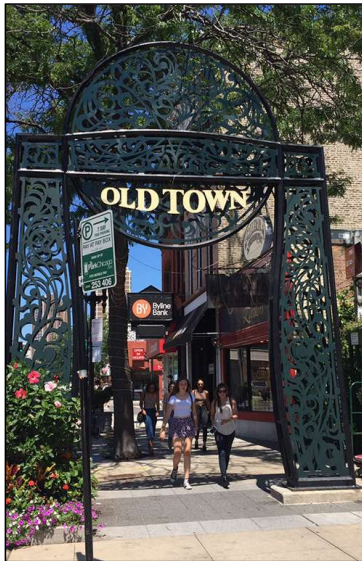
Businesses





SURROUNDING NEIGHBORHOODS

The sites are surrounded by some of Chicago's most affluent residential neighborhoods



Old Town



7 Min



14 Min



7 Min



River North



9 Min



17 Min



7 Min



Lincoln Park



13 Min



18 Min



13 Min



Fulton Market



8 Min



12 Min



7 Min



Wicker Park



13 Min



21 Min



14 Min

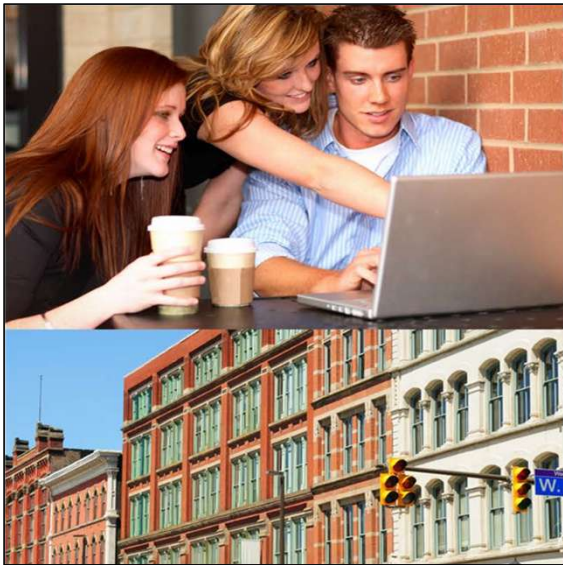
Neighboring Demographics

- There is a population of 302,366 people within a 2 mile radius of Goose Island, with a total of 168,634 households
- The median age of this population is 36.3, with an average household income of **\$184,389**.
- Over the next 5 years, the population is expected to remain steady with a slight growth of 1%
- Our target audience is primarily educated with 46% having at least a Bachelor's degree, and the current per capita income is \$103,638





TAPESTRY SEGMENTATION



LAPTOPS & LATTES

Our second-largest demographic at 28% of the population, these mid-30 year olds have a high labor force participation, are very health conscious with daily exercise and emphasis on nutrition, and more than 75% holding a bachelor's degree or higher.



METRO RENTERS

Largest proportion of our demographics at 51%. 80% of this population are renters, are very well-educated, prefer environmentally safe products, and show interest in the fine arts.



TRENDSETTERS

Our third most prominent demographic at 11% of the population primarily live in upscale, multi-unit residence buildings, rely heavily on public transportation, travel often, and place a high emphasis on their image.



SWOT ANALYSIS

S

W

O

T

Strengths

"Hole in the Donut"
+
River Access
+
Sustainable Usage
of Existing
Building
+
Community and
Alderman Support

Weaknesses

Limited
Opportunities Due
to Current Zoning
Regulations
+
Surrounding
Industrial Uses
+
Rising Construction
Costs

Opportunities

Potential
Entertainment Hub
+
Set The Tone For The
Future of The Island
"Live, Work, Play"
+
Easy Access
+
Potential Zoning
Changes

Threats

Difficult Market
Conditions
+
Weak Demand For
Office Spaces
+
Political Risk
+
Competition

RECENT/FUTURE PROJECTS



Lincoln Yards



The Salt Shed

NORTH &
CLYBOURN
CORRIDOR

The Boatyard
&
The Anchor



Halsted Point

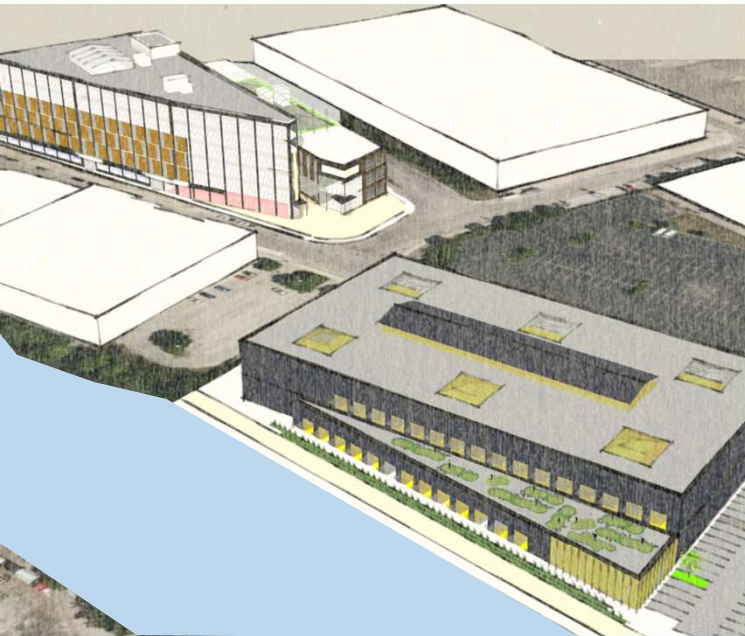
WILLIAM
GOUDY



Bally's Casino



P r o p o s e d R e d e v e l o p m e n t



The Boatyard & The Anchor

Our Vision

The Place to Be!



The Boatyard concept should go along with all the other proposed projects in the surrounding area, and there is no usage for residential.

Our concept for The Anchor allows a temporary usage that generates solid income to wait out for the office demand to grow back to previous levels. Waiting increases the odds to get an anchor office tenant.



Exciting Tenants

Now and later

Due to our tenant mix, Goose Island will develop as the place to be now and even more in the future!



PROJECT TIMELINE

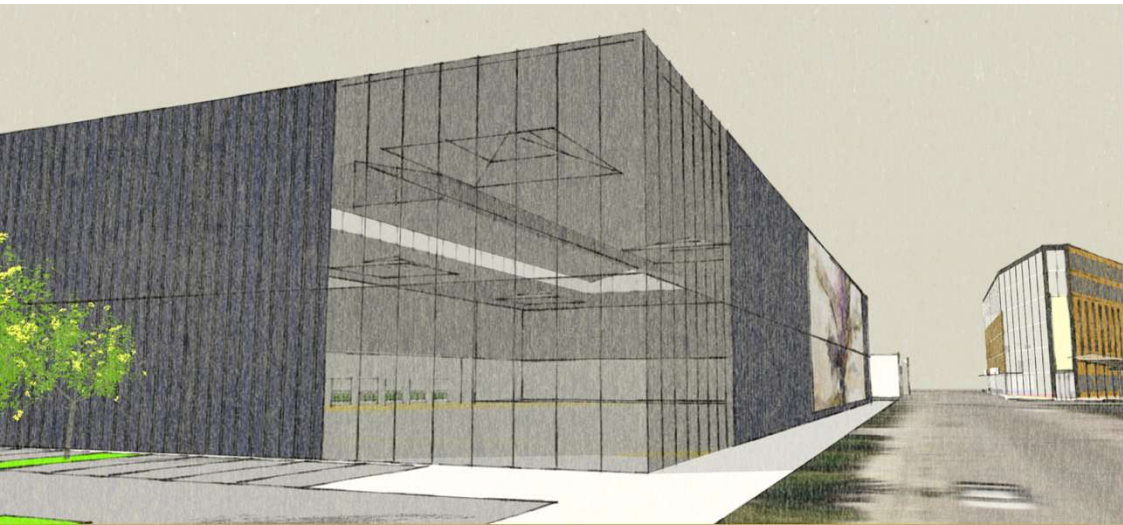
	2024	2025	2026	2027	2028	2029
Phase 1						
Phase 2						

Phase 1: Construction of 934 & Rehab of 1001

- Commencement of construction on Jan 1st, 2024 for both sites
- Live! to be the single tenant on 934 after 18 months of construction
- Shell construction & rehab to take 12 months on 1001. Shell construction will get the space to a "white box" status
- Industrial and storage tenants to move after 12 months
- Retail tenants to move after 18 months post completion of their specific buildout

Phase 2: Interior build-out office space on 1001

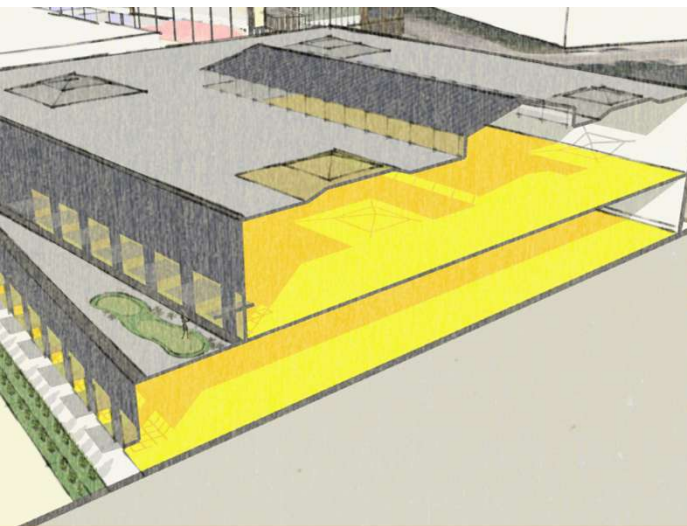
- U-haul's Short term lease expires and they vacate the space
- We convert the U-haul storage space to Commercial Office space
- Remaining tenants in the space stay the same
- Construction begins in January of 2027 - Estimated Completion in mid 2027
- Phase 2 allows for the delivery of prime commercial office space when the Goose Island market gains momentum



934 N Branch

THE BOATYARD





The Boatyard
INTERIOR RENDERINGS

Live!





Tenant Vision

Live!

Entertainment

Live! is among the highest profile sports and entertainment destinations in the country. Live! has now grown to one of the best entertainment operators delivering a unique blend of excitement, customer service, and best-in-class design and amenities.





The Boatyard

FLOOR 1

Outdoor Space: Parking 26,000 SF / 90 Spaces

Riverwalk & Access to Water Taxi 14,500 SF

Indoor Space: Live! 1st Entertainment Floor 52,550 SF

Loading / Service / Lobby 9,500 SF

Total Building Area:



The Boatyard

FLOOR 2

Outdoor Space: Mini Golf / Terrace 5,950 SF

Indoor Space: Live! 2nd Entertainment Floor 52,700 SF

Loading / Service / Lobby 900 SF

Total Building Area:

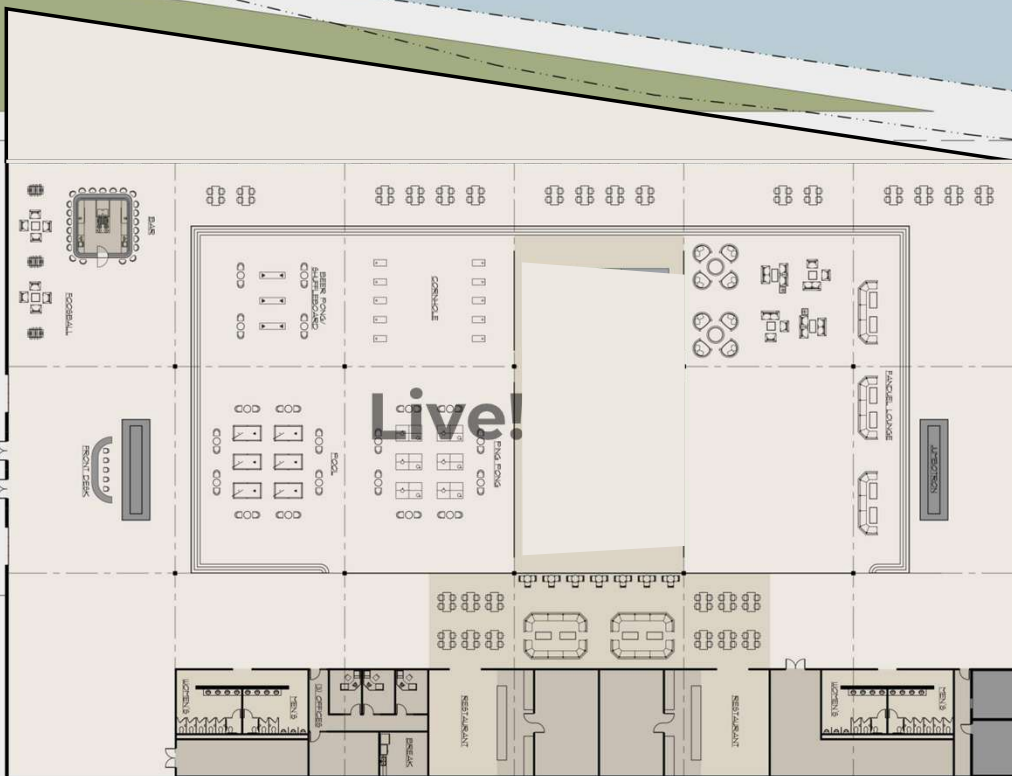
Kendall
College

Parking

20

40

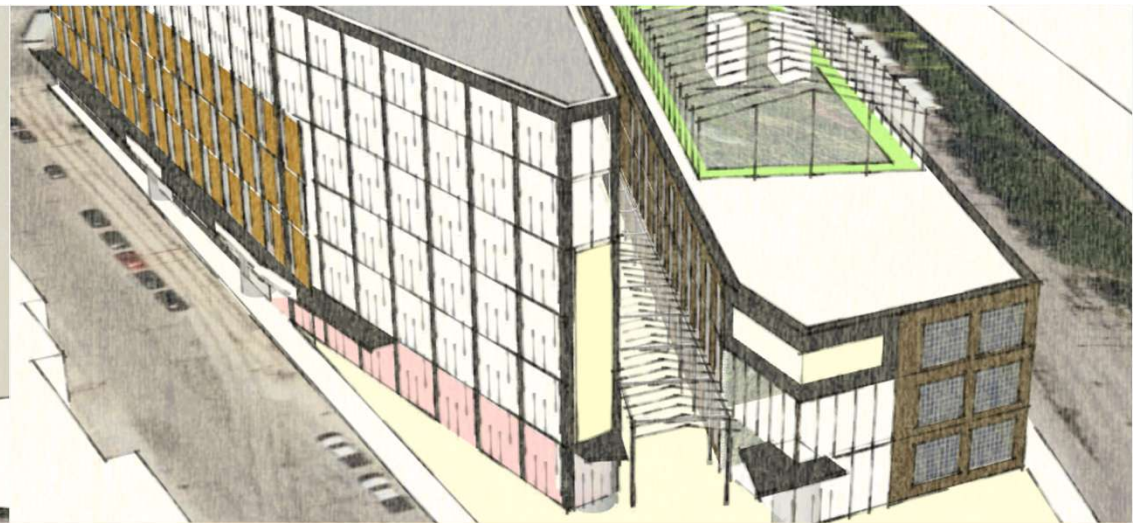
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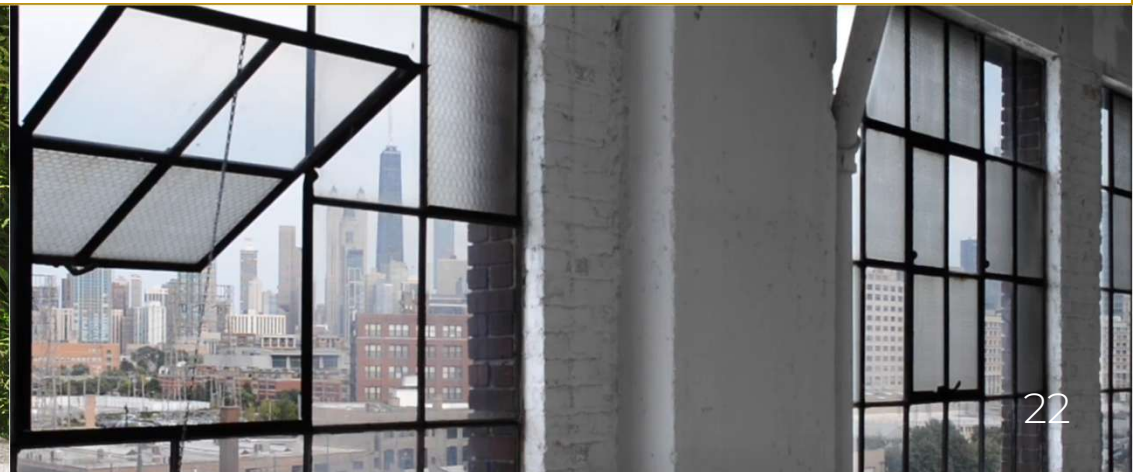
The Boatyard

FLOORPLAN





1001 N Branch
THE ANCHOR



FLOOR 1



20,500 SF



23,400 SF



6,800 SF
+
Outdoor
Space

FLOOR 2



31,200 SF



23,400 SF

Urban Farming



Tenant Vision

SUMMER HOUSE

Restaurant

Summer House is the place where summer never ends. Bright and airy beach house decor fill the restaurant's aesthetic from top to bottom with warm, sunshine vibes around every corner. From retractable glass ceilings to private courtyards, dining rooms at Summer House are meant to be all-seasons-friendly all year round.



Tenant Vision

ACE BOUNCE

Restaurant

Built for play and coming together with friends, AceBounce is the perfect spot for a night of laughter and fun around a table. We offer Ping Pong, Shuffleboard, Beer Pong and Wonderball set against a stunningly designed interior





Tenant Vision

CLOUD KITCHENS

Ghost Kitchens

Ghost kitchens are commercial kitchens built for food delivery. They're located within the delivery radius of a high volume of online customers, rather than high foot traffic areas. With ghost kitchens, there's no physical storefront or dining area, so you only need a few back-of-house staff members to fulfill online orders.



CLOUD KITCHENS



Tenant Vision

YELLOW HAMMERS

Urban Growing Space

Yellow Hammer Farms is paving a new way forward for the urban farming model in Birmingham, Alabama. Our community is hungry for fresh, nutritious, accessible produce. We're here to satisfy that hunger in a way that puts people and the planet first.





Tenant Vision

U-HAUL

Self Storage

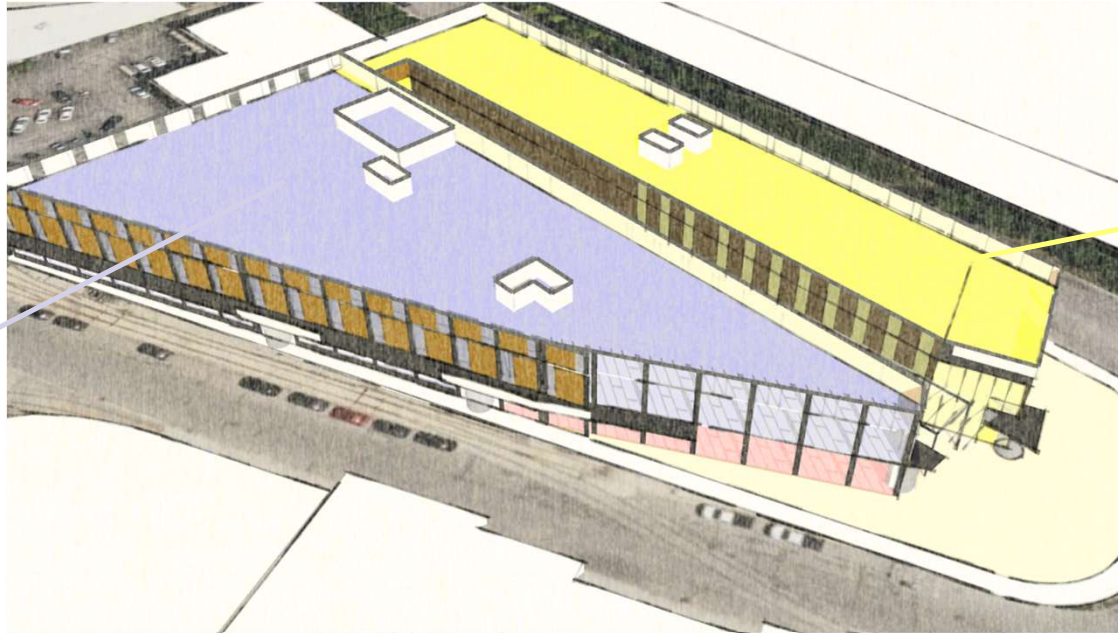
Climate controlled storage units keep your items protected from the weather and humidity. Facilities are kept between 65 to 85 degrees year-round. Learn more about climate control storage and if it's the right fit for you.



FLOOR 3



31,200 SF



24,100 SF

FLOOR 4



31,200 SF



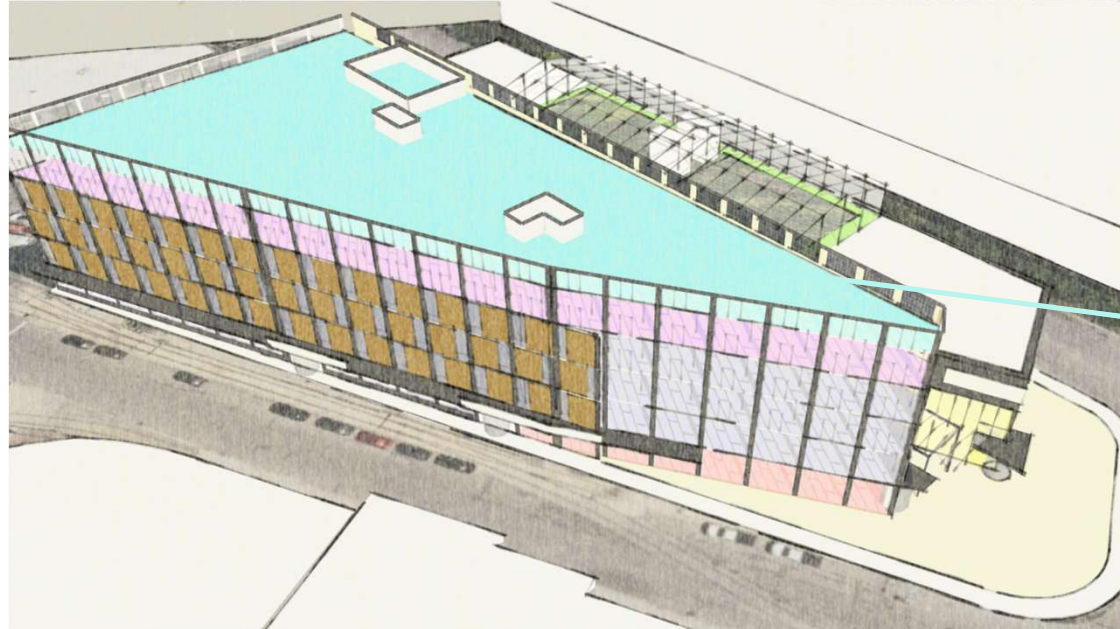
9,400 SF

FLOOR 5

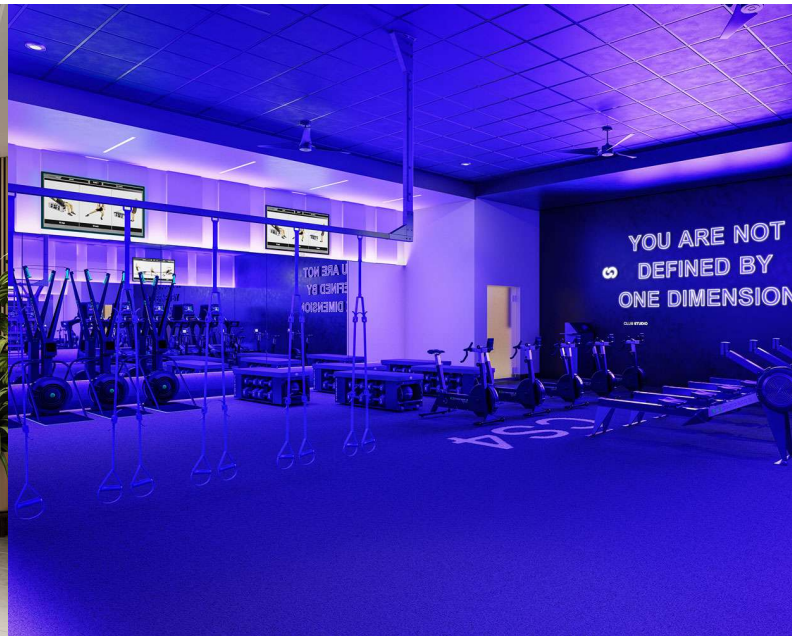


31,200 SF

FLOOR 6



31,200 SF



Tenant Vision

CLUB STUDIO FITNESS

Fitness & Wellness

Luxury fitness chain that is successfully established and wants to be a part of this exciting and developing area.

LETTERS OF INTENT



While working on the perfect concept for both sites, we were able to negotiate and provide the following LOIs for our proposed tenant mix. These represent the base assumptions for our financial analysis.

601 E. Pratt Street, 5th Floor
Baltimore, MD 21202

Dear Roosevelt University Development Team,

Thank you for reaching out concerning the location at 934 N North Branch, Chicago, IL. After reviewing the proposed deal fundamentals, including the pro forma and renderings with Live! occupying 105,000 square feet of new construction on 2 levels, we would like to provide our continued support for the project.

As you know, Live! Hospitality & Entertainment is one of the largest and most successful developers and operators of restaurant and entertainment concepts in the United States. Recognized as a leader in the food, beverage and entertainment industries, Live! Hospitality & Entertainment has created and developed multiple award-winning concepts including growth brands Sports & Social and PBR Cowboy Bar, branded concepts such as NBC Sports Arena and Budweiser Brew House, concert and special event venues such as Arlington Backyard and The Hall, and in partnership with premier chefs and celebrities like Guy Fieri and Troy Aikman. Its portfolio of over 100 concepts can be found at the front door of professional sports stadiums and arenas, high profile entertainment districts, and world-class casino resorts around the country. Live! Hospitality & Entertainment is a division of The Cordish Companies, one of the oldest and largest real estate development companies in the country now in its fourth generation of privately held family ownership. For more information, please visit www.visitlive.com.

With appreciation,

SCOTT STEENROD
Chief Operating Officer
ssteenrod@livehospitality.com



Yellow Hammer Farms
702 3rd Avenue N.
Birmingham, AL 35203

March 23, 2023

Roosevelt University Development Team,

We appreciate the conversation we had about the potential space of your facility at 1001 North Branch Street, Chicago, IL 60642. We had a meeting with our management team and have decided that it would be beneficial to form a partnership with your development team. Yellow Hammer Farms was established in 1993 in Tyler, North Carolina and has since relocated to Birmingham, Alabama while maintaining a strong presence in the Southwest with plans for expansion. We look forward to establishing our footprint in the great city of Chicago and teaming up with the Roosevelt University Development Team.

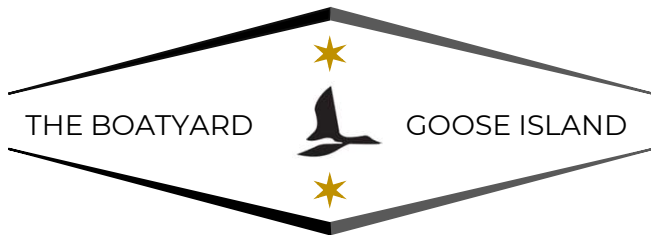
Sincerely,

Yellow Hammer Farms
(205) 820-9430
<https://www.yhfarms.com/>

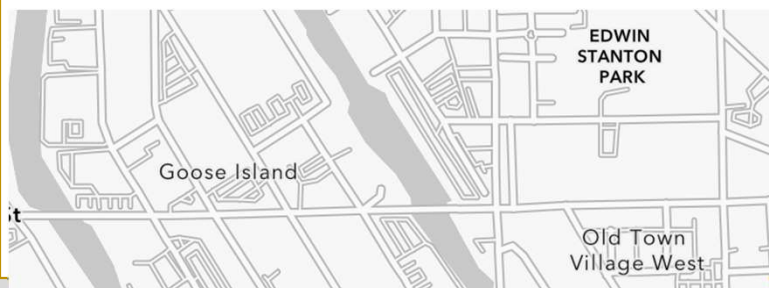
The Boatyard & The Anchor

BRANDING IDEAS

Your Place to Be!



Directions & How to Get There?



Target Groups

Residents of Surrounding Neighborhoods

Tourists Visiting Chicago

Office Tenants

We have decided to hire CBRE as a broker for the leasing of the office space. They have a great knowledge of the area as they are representing several landlords on and around Goose Island.

We have decided to hire a local retail brokerage firm, Stone Real Estate, to represent us in case one of the current tenants was to end their lease. Since the retail is what brings this special energy to the sites, we want to work with brokers who understand our vision.

CBRE



Financial Analysis

The Boatyard-934 N Branch



Sources & Uses		
<u>USES OF CASH</u>		
Site Acquisition		\$11,000,000
Transaction & Closing Costs	1%	\$110,000
Loan Origination Fee	0.50%	\$148,983
Hard Costs		\$29,863,064
Soft Costs		\$5,972,613
Developer Fee	5.00%	\$1,493,153
Carrying Costs -- Operating Expenses		\$25,000
Carrying Costs -- Interest Reserve		\$1,018,340
Total Acquisition and Building Cost:		\$49,631,153
<u>SOURCES OF CASH</u>		
Acquisition Debt:		\$29,778,638
Equity:		\$19,852,425
Total Cash Sources:		\$49,631,063

The Boatyard-934 N Branch



Square Foot Cost Estimate Report

Estimate Name:	The Boatyard		
Building Type:	Factory, 3 Story with Stucco & Concrete Block / Reinforced Concrete		
Location:	CHICAGO, IL		
Story Count:	3.00		
Story Height (L.F.):	16.00		
Floor Area (S.F.):	105,000.00		
Labor Type:	STD		
Basement Included:	No		
Data Release:	Year 2023		
Cost Per Square Foot:	\$190.34		
Building Cost:	\$21,888,744.60		



Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

Cost Type	Build Out Cost Per sf	Square Footage	Total Costs
Shell Construction	\$190.34	105,257	\$21,888,744.60
Parking	\$30.00	26,081	\$821,551.50
Exterior Terrace	\$10.00	5,964	\$62,622.00
Riverwalk	\$30.00	14,570	\$458,955.00
Total:			\$23,231,873.10

Cost Type	TI's Per sf	Square Footage	Total Costs
Live!	\$60.00	105,257	\$6,315,420.00

Total Hard Costs:	\$29,547,293
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Financing Assumptions	
Construction Loan	
Loan-to-Cost:	60%
Loan Proceeds:	\$29,778,637.91
Rate: SOFR + 300 basis points	3.00%
Loan Term in Months:	18



Pro Forma Cash Flow

Pro Forma Cash Flow					Sell After Year 2	
Income	Year 0	Year 1	Year 2	Year 3		
Live!		\$0.00	\$1,999,883.00	\$4,059,762.49		Occupancy Rate
Gross Income		\$0.00	\$1,999,883.00	\$4,059,762.49	Live!	95%
Adjustments for Vacancy		\$0.00	-\$99,994.15	-\$202,988.12		
Effective Gross Income		\$0.00	\$1,899,888.85	\$3,856,774.37		
Operating Expenses (All Leases are NNN)						
Insurance		-\$10,000.00	-\$2,500.00	\$0.00		
Property Taxes		-\$15,000.00	-\$3,750.00	\$0.00		
Total Expenses		-\$25,000.00	-\$6,250.00	\$0.00		
Net Operating Income		-\$25,000.00	\$1,893,638.85	\$3,856,774.37		
Cash Flow from Capital Event (Less Cost of Sale)			\$58,800,400.50 -\$617,404.21			Unleveraged IRR
Net Cash Flow	-\$11,000,000.00	-\$25,779,042.12	\$47,224,614.09			20.86%
Debt Service		\$0.00	\$0.00			
(Less Loan Payoff + early repayment fee)			-\$27,900,212.30			Leveraged IRR
Total Cash Flow After Debt Service	-\$11,000,000.00	-\$8,877,425.27	\$32,176,442.85			35.37%

Tenancy/Space Assumptions (Live!)

Square Footage	Rent NNN/sf/year	Move in after
105,257.00	\$38.00	18 months

Exit Cap Rate

6.50%

37

The Boatyard-934 N Branch



Key Investment Metrics	
Total Cost	\$49,631,063
Total Equity	\$19,852,425
Stabilized NOI	\$3,856,774
Return on Cost	7.77%
Deal Level Leveraged IRR	35.37%
Deal Level Equity Multiple	2.38x
Disposition Price	\$58,800,401

Waterfall Returns



- We decided to select option 2, which consisted in purchasing the land from R2 and the single waterfall
- We believe this is the best approach for our sponsorship and investment group and for the Seller (R2)

Equity Contributions	%	Amount
General Partner (GP)	8,0%	\$1,531,011
Eisenberg Capital	92,0%	\$17,606,628
Total Equity	100,0%	\$19,137,639

Promote Structure			
Hurdle 1 (Preferred Return)	Up to 8,0% IRR to LP	<u>Promote</u>	<u>Partnership</u>
Hurdle 2	> 8,0% IRR to LP up to 12,0% IRR to LP	10,0%	90,0%
Hurdle 3	> 12,0% IRR to LP up to 15,0% IRR to LP	30,0%	70,0%
Hurdle 4	> 15,0% IRR to LP	40,0%	60,0%

Returns	Contributions	Profit	Total	IRR	EM
General Partner (G	\$1,531,011.00	\$3,938,415.00	\$5,469,426.00	101.47%	3.57x
Eisenberg Capital	\$17,606,628.00	\$8,522,337.00	\$26,128,966.00	24.58%	1.48x
Project Level	\$19,137,639.00	\$12,460,752.00	\$31,598,392.00	32.14%	1.65x

The Anchor



Phase 1 - Sources & Uses

USES OF CASH

Site Acquisition		\$16,000,000
Transaction & Closing Costs	1%	\$160,000
Loan Origination Fee	0.50%	\$251,449
Hard Costs		\$44,436,000
Soft Costs		\$12,957,538
Developer Fee	3.00%	\$1,333,080
Carrying Costs -- Interest Reserve		\$1,953,008
Carrying Costs -- Operating Expenses Reserve		\$278,000

Total Acquisition and Renovation Cost: \$77,369,075

SOURCES OF CASH

Acquisition Debt:	\$50,289,899
Equity:	\$27,079,176

Total Cash Sources: \$77,369,075

Phase 2 - Sources & Uses

USES OF CASH

Hard Costs	\$8,736,000
Soft Costs	\$2,547,418

Total Acquisition and Renovation Cost: \$11,283,418

SOURCES OF CASH

Acquisition Debt:	\$0
Equity:	\$11,283,418

Total Cash Sources: \$11,283,418

The Anchor-1001 N Branch



Phase 1			
Tenant Mix	TI Build out cost per sf	Square Footage	Total Cost for Build Out
Yellow Hammer	\$55.00	43,000.00	\$2,365,000.00
Ace Bounce + Darts Cor	100.00	18,000.00	\$1,800,000.00
Ghost Kitchens	\$50.00	26,000.00	\$1,300,000.00
SummerHouse	\$175.00	6,000.00	\$1,050,000.00
Storage	\$25.00	128,000.00	\$3,200,000.00
Collab Studio Fitness	\$65.00	32,000.00	\$2,080,000.00
Shell Construction Cost	\$130.00	253,000.00	\$32,890,000.00

Phase 2			
Tenant Mix	Hard Build out cost per sf	Square Footage	Total Cost for Build Out
Office Tenant 1	\$65.00	128,000.00	\$8,320,000.00

Phase 1		
Hard Construction Costs		
Total Hard Costs		\$44,436,000.00
Hard Cost Contingency	5%	
Soft Construction Costs		
Total Soft Costs		\$12,957,537.60
Soft Cost Contingency	5%	

Phase 2	
Hard Construction Costs	
Hard Costs	\$8,736,000.00
Soft Construction Costs	
Soft Costs	\$2,547,417.60

Phase 1 - Financing Assumptions	
Construction Loan 1	
Loan-to-Cost:	65%
Loan Proceeds:	\$50,289,899
Rate:	SOFR + 3.00%
Loan Term in Months:	20
Refinancing Loan	
Exit Cap Rate for Refinancing - 2026	7.20%
Valuation of the building - 2026:	\$94,803,204
Loan-to-Value:	75%
Loan Proceeds:	\$71,102,403
Rate:	6.00%
Loan Term in Years:	25
Debt Service Coverage Ratio	1.59

The Anchor-1001 N Branch



Tenancy/Space Assumptions					
Location	Tenant	Intended Use	Square Footage	% of total usable sf occupied	Rent NNN/sf/year
Phase 1					
3 Story - Floor 2-3-Rooftop	Yellow Hammer Farms	Urban Farming	43,000.00	17.00%	\$30.00
3 Story - Floor 1	Ace Bounce + Darts Concept	Entertainment	18,000.00	7.11%	\$40.00
6 Story - Floor 1	SummerHouse	Restaurant	6,000.00	2.37%	\$45.00
6 Story - Floor 1	Ghost Kitchen	Industrial Kitchens	26,000.00	10.28%	\$35.00
6 Story - Floors 2-3-4-5	U-Haul Self-Storage	Storage	128,000.00	50.59%	\$25.00
6 Story - Floor 6	Club Studio Fitness	Gym Space	32,000.00	12.65%	\$38.00
Phase 2					
3 Story - Floor 2-3-Rooftop	Yellow Hammer Farms	Urban Farming	43,000.00	17.00%	\$30.00
3 Story - Floor 1	Ace Bounce + Darts Concept	Entertainment	18,000.00	7.11%	\$40.00
6 Story - Floor 1	SummerHouse	Restaurant	6,000.00	2.37%	\$45.00
6 Story - Floor 1	Ghost Kitchen	Industrial Kitchens	26,000.00	10.28%	\$35.00
6 Story - Floors 2-3-4-5	Office Tenant	Office	128,000.00	50.59%	\$35.00
6 Story - Floor 6	Club Studio Fitness	Gym Space	32,000.00	12.65%	\$38.00

The Anchor-1001 N Branch



Key Investment Metrics	
Total Cost	\$88,652,492
Total Equity	\$38,362,594
Stabilized NOI	\$8,996,396
Return on Cost	10.10%
Deal Level Leveraged IRR	35.19%
Deal Level Equity Multiple	2.45x
Disposition Price	\$132,299,946

Waterfall Returns



- We decided to select option 2, which consisted in purchasing the land from R2 and the single waterfall
- We believe this is the best approach for our sponsorship and investment group and for the Seller (R2)

Equity Contributions	%	Amount
General Partner (GP)	8,0%	3.295.366
Limited Partner 1	92,0%	37.896.704
Total Equity	100,0%	41.192.070

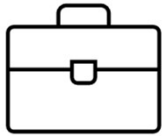
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Hurdle 2	> 8,0% IRR to LP up to 12,0% IRR to LP	10,0%	90,0%	
Hurdle 3	> 12,0% IRR to LP up to 15,0% IRR to LP	30,0%	70,0%	
Hurdle 4	> 15,0% IRR to LP	40,0%	60,0%	

Returns	Contributions	Profit	Total	IRR	EM
General Partner (GP)	\$3,287,366.00	\$18,920,736.00	\$22,208,102.00	66.95%	6.76x
Eisenberg Capital	\$37,896,704.00	\$34,375,137.00	\$72,179,841.00	25.60%	1.91x
Project Level	\$41,184,070.00	\$53,295,874.00	\$94,387,944.00	31.94%	2.30x



COMMUNITY BENEFITS

These are the most impactful changes/benefits that will be created through our vision and usage concept. In combination with the expected projects around our sites there is more to come!



Jobs

Not only will both sites create jobs during the construction, but also stable and safe jobs that are essential for a growing neighborhood.



Sustainability

With our urban farming tenant, we try to value sustainability and bring environmental benefits to Chicago.



RE Taxes

Our project will bring significantly more real estate taxes than before. Sales taxes will also be generated.



Integrative

Considering all projects that are taking off within a near radius of the Boatyard, our concept will perfectly fulfill present and future needs.

T h a n k Y o u



Harold E. Eisenberg Foundation





Special Thanks



- The Harold E. Eisenberg Foundation
- Collete English Dixon (Roosevelt University)
- Jon Dennis (Roosevelt University)
- Zeb McLaurin (McLaurin Development)
- Andrew Savory (Core Spaces)
- Richard Whitney, Steve McFadden, & Bradley Schlosser (Fitzgerald and Associates)
- Jonathan Achs, Bradley Schulze, & Michael J. Baumstark (Cornerstone Architects, LLC)
- Michael Kritzman (Core Spaces)
- Angela Aeschliman & Bob Papineau (The Missner Group)
- Marv Tseu (Vertical Harvest Farms)
- Tom Sitz (Cushman & Wakefield)
- Geoff Ruttenberg (Third Generation Partners)
- Tyler Quast (Blue Star Properties)
- Kelly Clancy & Jeffrey Hubbeling (Lettuce Entertain You)
- Rick Jeschke (W.E. O'Neil Construction)