



NET LEASE INVESTMENT OFFERING

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

HARBOR FREIGHT TOOLS (RECENT LEASE EXTENSION)
3550 GRAND AVENUE
GURNEE, IL 60031 (CHICAGO MSA)

THE
Boulder
GROUP



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EXECUTIVE SUMMARY

The Boulder Group is pleased to exclusively market for sale a single-tenant Harbor Freight Tools property located within the Chicago MSA in Gurnee, Illinois. Harbor Freight recently removed a sales threshold termination clause and extended the lease, demonstrating their commitment to the location. The tenant recently executed a lease extension, extending the lease through June 2034 and added an additional option term, again, demonstrating long-term plans for the location. There are more than 11 years remaining on the lease with 7.5% rental escalations every five years and three 5-year renewal options.

The 20,568 square-foot property is located along Grand Ave (28,500 VPD), a primary east-west thoroughfare, and is immediately east of Highway 41 (37,900 VPD). Retailers in the trade corridor include Jewel-Osco, TCF Bank, Walgreens, Fifth Third Bank, Starbucks and McDonald's. Gurnee is best known for being the location of Six Flags Great America and Gurnee Mills. Gurnee Mills is a 1,936,000 square foot shopping center with more than 200 specialty stores including but not limited: Dick's Sporting Goods, Macy's, Burlington, Floor & Décor, Value City Furniture, Marshalls & HomeGoods, and many more. Six Flags and Gurnee Mills together draw over 26 million visitors annually. There are 171,738 people living within five miles of the property earning an average household income of \$94,544.

Harbor Freight Tools USA, Inc. is a private retailer of discounted tools based in the United States. It offers automotive tools; air and power tools; shop equipment; tool storage solutions; generators; welders; lawn and garden tools; and hand tools. Harbor Freight Tools USA, Inc. was founded in 1977 and currently has over 1,300 locations. Harbor Freight Tools is rated B1 by Moody's.



INVESTMENT HIGHLIGHTS

- New lease extension through June 2034 demonstrating long-term plans for the location
- 7.5% rental escalations every five years and in each renewal option
- Located along Grand Ave (28,500 VPD), a primary east-west thoroughfare, and is immediately east of Highway 41 (37,900 VPD)
- The tenant recently reworked the lease to extend the primary term and added an additional option term
- Retailers in the trade corridor include Jewel-Osco, TCF Bank, Walgreens, Fifth Third Bank, Starbucks and McDonald's
- Gurnee is best known for being the location of Six Flags Great America and Gurnee Mills, a 1,936,000 square-foot shopping center, the two together draw over 26 million visitors annually
- Gurnee Mills is the largest outlet and full-price shopping destination in Illinois. Gurnee Mills provides the ultimate indoor shopping experience with nearly 200 stores including Dick's Sporting Goods, Macy's, Burlington, Floor & Décor, Value City Furniture, Marshalls & HomeGoods, and many more
- 171,738 people living within five miles of the property earning an average household income of \$94,544
- Harbor Freight Tools is rated B1 by Moody's



PROPERTY OVERVIEW

Price:	\$1,763,486
Cap Rate:	7.00%
Net Operating Income:	\$123,444 \$132,702 - July 1, 2029 \$142,655 - July 1, 2034 (Option 1) \$153,354 - July 1, 2039 (Option 2) \$164,856 - July 1, 2044 (Option 3)
Lease Expiration Date:	June 30, 2034
Renewal Options:	Three 5-Year
Tenant:	Harbor Freight Tools USA, INC.
Year Built:	1975
Lease Type:	NN (Roof, structure, parking lot replacement* & HVAC repair in excess of \$2,500)/
Building Size:	20,568 SF
Land Size:	1.52 AC

**Tenant maintains parking lot*











DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
Total Population:	8,743	100,707	171,738
Total Households:	3,194	35,203	58,246

INCOME

	1-Mile	3-Mile	5-Mile
Average Household Income:	\$62,175	\$59,764	\$67,403
Median Household Income:	\$89,504	\$82,773	\$94,544



CITY OF GURNEE, ILLINOIS

Gurnee is a village in Lake County, Illinois, United States. Its population was 31,295 as of the 2010 census. It borders the city of Waukegan and is a part of the Chicago metropolitan area. It is best known for being the location of Six Flags Great America and Gurnee Mills, together drawing over 26 million visitors annually.



CITY OF CHICAGO, ILLINOIS



The Chicago metropolitan area, also colloquially referred to as Chicagoland, is a metropolitan area in the Midwestern United States. Encompassing 10,286 sq mi, the metropolitan area includes the city of Chicago, its suburbs and hinterland, spanning 14 counties in northeast Illinois, northwest Indiana, and southeast Wisconsin. The MSA had a 2020 census population of 9,618,502 and the combined statistical area which spans up to 19 counties had a population of nearly 10 million people. The Chicago area is the third-largest metropolitan area and the fourth largest combined statistical area in the United States. It is also the fourth-largest metropolitan area in North America, the largest within the Great Lakes megalopolis, and its urban area is one of the forty largest in the world.

The Combined Statistical Area's population has now started to increase according to the 2020 Census towards the 10 million people mark. The metropolitan area has seen an increase of Latin American residents, and the Asian American population also increased according to the 2020 Census. The metropolitan area represents about 3 percent of the United States population.

The Chicago metropolitan area has one of the world's largest and most diversified economies. It is a key factor of the Illinois economy with more than six million full and part-time employees and generating an annual gross regional product (GRP) of \$692 billion in 2021. The region is home to more than 400 major corporate headquarters, including 31 in the Fortune 500 such as McDonald's, United, and Blue Cross Blue Shield. For six consecutive years, Chicagoland was ranked the nation's top metropolitan area for corporate relocation.

The Chicago area is home to a number of the nation's leading research universities including the University of Chicago, Northwestern University, University of Illinois at Chicago, DePaul University, Loyola University and Illinois Institute of Technology. The University of Chicago and Northwestern University are consistently ranked as two of the best universities in the world.

There are many transportation options around the area. The Chicago Transit Authority serves primarily the city proper, and Pace buses, Metra, Amtrak, the South Shore Line and others provide commuter services for the suburbs, with some connections within the city.



HARBOR FREIGHT TOOLS

Harbor Freight Tools USA, Inc. retails discounted tools in the United States. It offers automotive tools; air and power tools; shop equipment; tool storage solutions; generators; welders; lawn and garden tools; and hand tools. The company offers its products through retail stores and online. It serves automotive and truck repair shops; government agencies; schools; manufacturers; contractors; and tool enthusiasts. Harbor Freight Tools USA, Inc. was founded in 1977 and is based in Calabasas, California.

Website: www.harborfreight.com
Type: Private
Headquarters: Calabasas, California
Number of Locations: 1,300+
Credit Rating: B1 (Moody's)
Number of Employees: 25,000

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES



CONFIDENTIALITY & DISCLAIMER

The information contained in the foregoing Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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