Prime Downtown Chicago
Redevelopment Opportunity

ENGINEERS BUILDING

314-316 S FEDERAL STREET
CHICAGO, ILLINOIS, 60604

Colliers
INTERNATIONAL

Exclusive Agent

Colliers International ("Seller's Agent") is the exclusive agent for the owners and sellers ("Seller") of 314-316 S Federal Street ("Property"). Please contact us if you have any questions. No cooperating brokerage commission shall be paid by Colliers or the Seller. Buyer's broker, if any, shall seek commission compensation from the Buyer only.

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Investment Opportunity

COLLIERS INTERNATIONAL is pleased to exclusively offer for sale, an exceptional historic redevelopment opportunity located at 314-316 S Federal in Chicago, IL. Located in the heart of the notable Chicago 'Loop' submarket, the Property offers the unique ability for an investor to immediately rehab and reposition a seven story, walk-up style boutique building in one of the historically strongest areas in Chicago.

314-316 S Federal is an exemplary candidate for redevelopment. Its 2,500 SF rectangular floor-plates lay out well for office, residential, or hospitality use and the property offers proximate access to Chicago's best amenities as well as direct access to the Loop and financial district.

In a submarket that has seen new inventory limited to Class-A Luxury office and residential towers, absorption has remained strong over the last four quarters for B and C buildings and demand is projected to outpace supply over the next several years making downtown Chicago and the South Loop one of the most stable multifamily markets in the Chicago metro area. The strength of 314-316 S Federal Street's proximity to the downtown Chicago CBD speaks to the long-term viability and growth of this asset.

INVESTMENT HIGHLIGHTS

- Historic Tax Credits available
- Rare loop adaptive reuse redevelopment
- Immediate access to CTA transportation
- Tremendous accessibility
- Access Chicago's best recreational amenities

SUBMARKET HIGHLIGHTS

- High Average HH Income – $152,221
- Density – 17,642 population (half mile)
- Daytime Employment (half mile) – 314,735

The Property's proximity to area recreation and transportation is excellent:

Chicago Loop................................	Immediate
Michigan Avenue	Immediate
CTA Train System...........................	Immediate
CTA Bus System.............................	Immediate
Lake Shore Drive	Immediate
I-290...	Immediate

INCREDIBLE ACCESS TO PUBLIC AND PRIVATE TRANSPORTATION

The property has incredible access to public and private transportation and is within walking distance to a multitude of CTA 'L' lines and busses. The property is also within immediate proximity to I-290, I-94, and Lake Shore Drive which offers incredible access to area employment and a direct thoroughfare to the Chicago Metro Area

Property Information

314-316 S Federal Street, Chicago, IL 60604

Year Built: 1912

Landmark Status: Orange Rated

Gross Bldg. Area: 17,500 SF | 2,500 SF Floor Plates

Net Rentable Bldg. Area: 15,400 SF *estimated at 12% circulation loss post construction*

Zoning: DC-16

Bldg. FAR: 7

Tax PIN: 17-16-232-014-0000

Parking: None, grandfathered & garage next door

Walk Score: 99

Transit Score: 100

PROPERTY STACKING PLAN
7th Floor – 2,500 SF
6th Floor – 2,500 SF
5th Floor – 2,500 SF
4th Floor – 2,500 SF
3rd Floor – 2,500 SF
2nd Floor – 2,500 SF
Ground/1st Floor – 2,500 SF

Building History *(former St. Hubert's Old English Grill)*

Saint Hubert's heads are above the doors at 314 South Federal Street. The building is in a style reminiscent of an olde English chapel with vaulted, leaded glass windows and stone tracery. It was built for a posh business restaurant called Saint Hubert's Old English Grill. According to a 1943 Chicago Tribune article, "St. Hubert's specialized in 'genuine English food served in a genuine English atmosphere.' The waiters wear red coats… English prints, piped, mugs and china fill St. Hubert's… one document [is] framed in a choice spot. It is an original poster rallying volunteers to Gen. Washington."

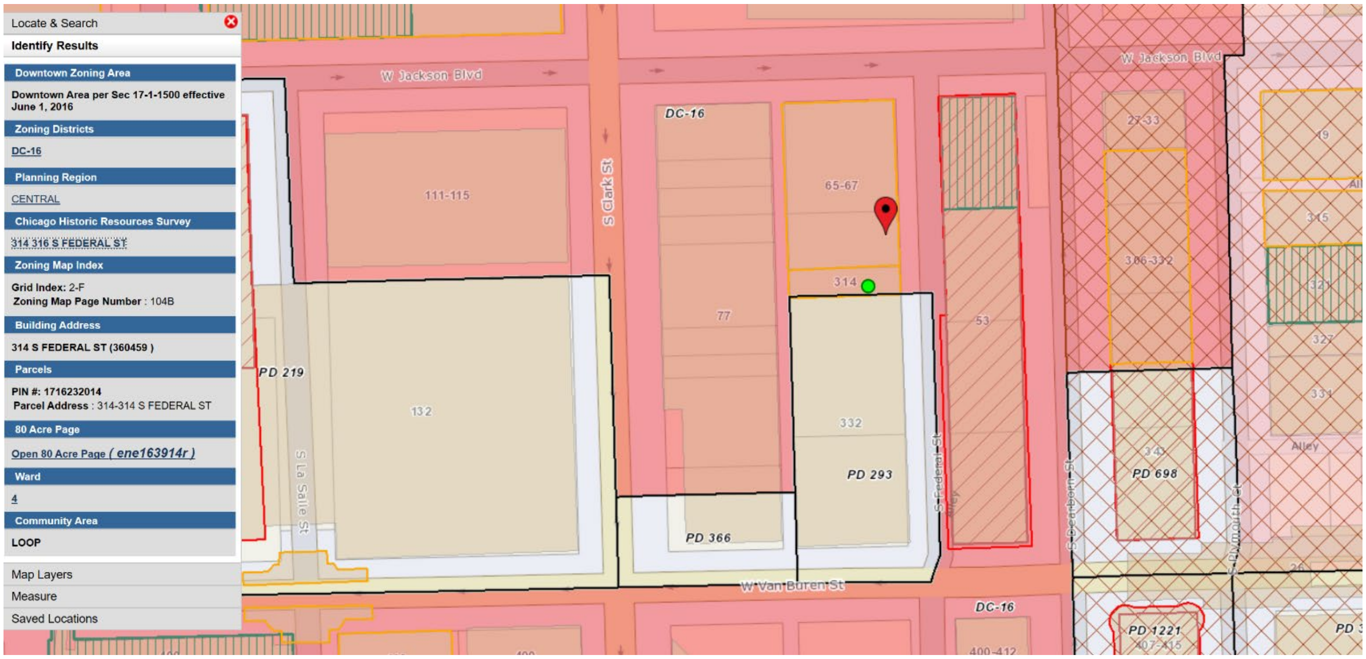
Hubert's was founded by an Englishman with the last name of Abson, in the year 1877. It started as a quaint little family restaurant and patrons could watch the owners peeling vegetables and making the meal right in front of them. The restaurant is named after Saint Hubert because he is the patron saint of hunters. Accordingly, all of the entrees are meat dishes. No fish.

In addition to famous people, the restaurant was the home to a famous group. The Adventurer's Club got its start here, founded by an Associated Press correspondent assigned to President Roosevelt as he toured the world. In 1953, this is the place where the Brooklyn Dodgers celebrated winning the National League pennant over the Chicago Cubs.

Zoning Analysis

The subject area is comprised of one parcel totaling approximately 2,500 sf of land area including a vacant office building comprised of approximately 17,500 sf of building area.

Parcel 1: 17-16-232-014-0000



Chicago Affordable Requirements Ordinance (ARO)

The City of Chicago's Affordable Requirements Ordinance requires residential developments that

a) A zoning change is granted that increases project density or allows a residential use not previously allowed or

b) The development is a "planned development" within the downtown area; to provide a percentage of units at affordable prices. The ordinance applies to residential developments of 10 or more units and requires that developers provide 10 percent of their units at affordable prices.

Transit Oriented Development

In 2015, Chicago extended the 'Transit Oriented Development' ordinance by expanding the distance from transit that falls within the 'TOD' zones in order to spur development near public transportation. As shown in the map above, the property falls under the extended area, allowing for a decreased parking requirement, thus further incentivizing a development and allowing for an increased purchase price.

Historic Tax Credits

Federal Historic Preservation Tax Credits

The Federal Historic Preservation Tax Credit Program provides federal income-tax incentives for the rehabilitation of historic income-producing properties. The Illinois Historic Preservation Agency, Preservation Services division, administers it for Illinois properties.

Under the provisions of the Tax Reform Act of 1986, a 20% tax credit is available for the substantial rehabilitation of commercial, agricultural, industrial, or rental residential buildings that are certified as historic. The credit may be subtracted directly from federal income taxes owed by the owner. (Note: The U.S. Internal Revenue Service is the final judge of economic matters relative to certified rehabilitations. Therefore, it is advisable that you consult with a tax accountant or lawyer before completing your tax return.)

Federal and local tax incentives available for rehabilitation of historical buildings

314-316 S Federal is eligible to receive substantial tax credits and reduced real estate taxes if the property meets local and federal guidelines for redevelopment / rehabilitation expenditures. The two primary programs benefitting the property include the Federal Historic Rehabilitation Tax Credit and the Cook County Class L Property Tax Incentive.

The 20% Federal Rehabilitation Tax Credit is a dollar-for-dollar federal income tax credit equal to 20% of the construction costs for rehabilitating an income-producing property. This credit may be used by the building owner or sold to a tax credit investor.

The Class L Property Tax Incentive reduces the property tax rate for 12 years for rehabilitating a landmark building in a commercial or industrial use.

Overview of historic rehabilitation tax credit

The rehabilitation tax credit is an indirect federal subsidy used to finance the rehabilitation of historic structures. Eligible taxpayers receive the incentive by claiming an investment tax credit on their federal income tax returns. The rehabilitation tax credit generally offsets taxes dollar-for-dollar because it is a tax credit, not a tax deduction. The rehabilitation tax credit equals 20% of all qualified rehabilitation expenditures on any building that is a certified historic structure. A certified historic structure is defined as a building listed in the Department of the Interior's National Register of Historic Places, or located in a National Register historic district and certified by the Secretary of the Interior as contributing to the significance of the district. Ownership may claim the credit after the rehabilitation expenditures are placed in service, however, the building must remain in productive use and the entity owning the building must not sell the property for a period of five years from the date it was placed in service.

In order to qualify for the credit, a property must meet four tests. First, the building must be "substantially rehabilitated.' Second, the building must have been placed in service before the beginning of the rehabilitation. Third, depreciation (or amortization in lieu of depreciation) must be allowable with respect to such building. Fourth, the building must be located in the United States or in a territory or possession of the United States.

Class L Property Tax Incentive

Cook County offers the Class L property tax incentive to encourage the preservation and rehabilitation of landmark commercial, industrial, and income-producing not-for-profit buildings. Owners can have their property tax assessment levels reduced for a 12-year period provided they invest at least half the value of the landmark building in an approved rehabilitation project.

Under the Class L incentive, the assessment levels for the improvement or building portion of the assessment are reduced to 10 percent for the first 10 years, 15 percent in year 11, 20 percent in year 12, and back to the regular assessment level in year 13.

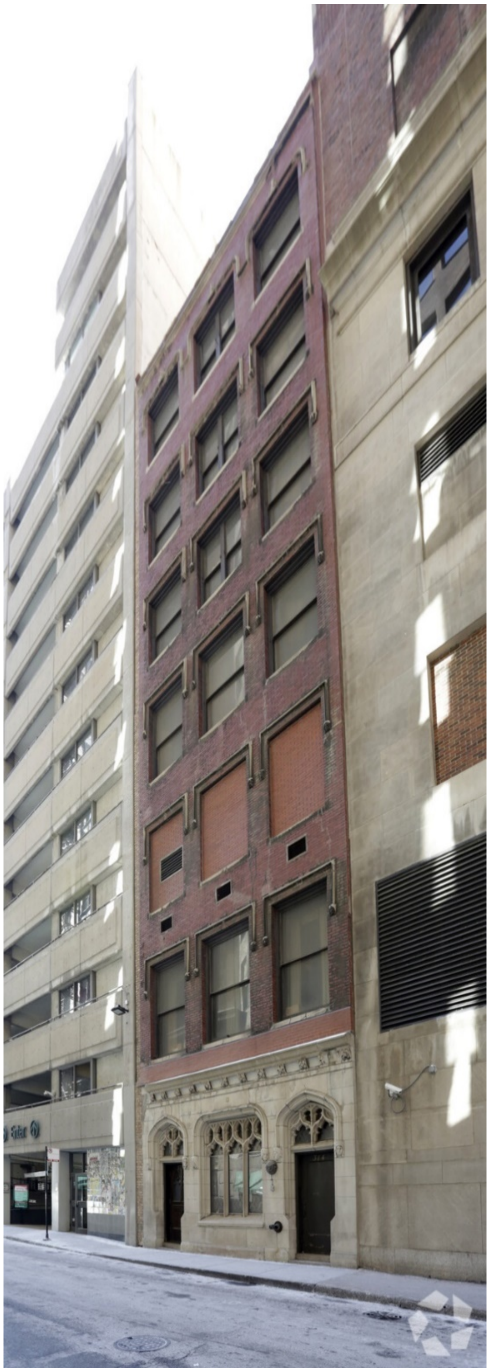
While the Class L incentive is a Cook County incentive program, the City of Chicago must support granting the incentive. For more information about the incentive and requirements, contact the Historic Preservation Division.

Historic Preservation Division
Department of Housing and Economic Development
33 N LaSalle St. #1600
Chicago, IL 60602
312.744.3200

Recent Comparable Adaptive Reuse Sales

DATE	ADDRESS	YEAR BUILT	CLASS	BLDG SF	PRICE	PRICE PER SF	CONVERTED TO	ZONING
7/16/18	731 S Plymouth**	1896	C	162,000	$23,300,000	$143.83	RESIDENTIAL	DX-12
1/11/18	2222 S Michigan	1926	C	115,000	$10,000,000	$86.96	MIXED-USE	DX-5
1/9/18	400-420 N May	1930	C	75,000	$15,250,000	$203.33	RESIDENTIAL	M1-2
12/29/17	1329 N Elston	1930	C	150,000	$15,000,000	$100.00	MIXED-USE	PMD
11/27/17	820 S Michigan**	1971	C	110,000	$11,000,000	$100.00	RESIDENTIAL	DX-16
12/30/16	1279 N Milwaukee	1985	C	138,000	$14,000,000	$101.45	RESIDENTIAL	PD 300
12/15/16	1308 N Elston	1910	C	70,000	$11,500,000	$164.29	OFFICE	M3-3
9/30/16	57 E 21st St	1908	C	80,000	$5,850,000	$73.13	RESIDENTIAL	DX-5
9/22/16	1901 S Sangamon	1910	C	103,587	$5,000,000	$48.27	OFFICE	M1-2
9/6/16	1220 W Van Buren	1912	C	115,000	$11,275,000	$98.04	OFFICE	DX-5
7/28/16	330 N Green St	2004	B	76,432	$12,500,000	$163.54	OFFICE	PD140
7/14/16	330 S Wells	1927	C	118,088	$10,072,000	$85.29	RESIDENTIAL	DX-16
2/26/16	30-32 E Adams	1925	C	136,800	$14,300,000	$104.53	RESIDENTIAL	DX-16
2/3/16	924 W Randolph	1955	C	101,703	$30,538,971	$300.28	MIXED-USE	C1-2
1/20/16	2101 S Wabash	1898	C	50,000	$4,250,000	$85.00	RESIDENTIAL	C3-4
12/7/15	168 N Michigan	1911	C	104,000	$20,000,000	$192.31	HOTEL	DX-16
3/24/14	32 W Randolph	1922	C	226,666	$12,000,000	$52.94	RESIDENTIAL	DX-16
2/26/14	407 S Dearborn**	1894	C	157,406	$13,300,000	$84.49	STUDENT	DX-16
1/9/14	39 S LaSalle	1893	C	209,597	$22,000,000	$104.96	HOTEL	DX-7
12/30/13	11 S LaSalle	1916	C	290,000	$37,000,000	$127.59	HOTEL	DX-16
7/26/13	360 N Michigan	1923	C	260,823	$53,000,000	$203.20	HOTEL	DX-16
4/30/12	100 W Monroe	1927	C	130,976	$12,750,000	$97.35	HOTEL	DC-16
10/21/11	203 N Wabash	1928	C	137,364	$14,800,000	$107.74	HOTEL	DX-16

Exterior Views



The South Loop

314-316 S Federal Street is nestled in the historic confines of the South Loop

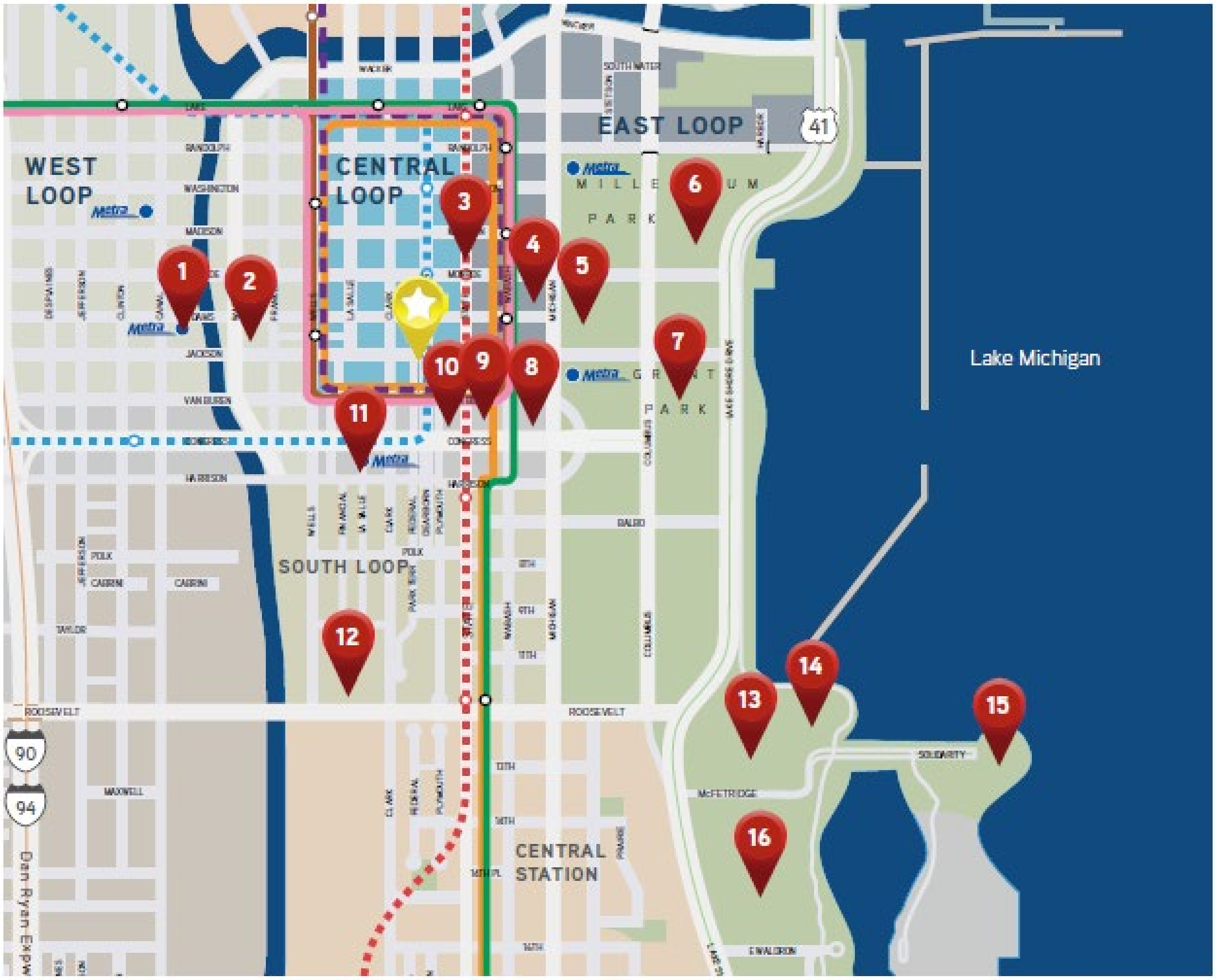
Aptly described as a tightly knit, urban hub, the South Loop is brimming with fine dining, a unique literary culture, and boutique shopping. The area is also known as the nation's largest "College Town", with upwards of 98,000 college students attending classes amongst 30 post-secondary institutions, downtown Chicago and the South Loop offers one of the largest concentrations of students throughout the United States, and a demand base which remains unfulfilled by the current supply of nearby student housing options.

Given its central location within this submarket, 314-316 South Federal offers almost every desired amenity in the immediate vicinity for a truly convenient lifestyle. Within a short walking distance are favorite Chicago destinations such as Grant Park, the Museum Campus, Soldier Field (home of the Chicago Bears), the Art Institute of Chicago, Millennium Park and the Lake Michigan shore with numerous walking and biking paths. Plentiful shopping abounds on both State Street and Michigan Avenue.

314-316 S Federal is also just a short ten-minute walk to the "Loop", home to Chicago's central business district with millions of square feet of office space, providing a competitive advantage in attracting residents who prefer to walk to work rather than hassle with other forms of transit. Public transportation is easily accessible with multiple bus and train routes available just steps away and less than a 5-minute walk to multiple CTA "L" train stops located blocks away which feature direct access to O'Hare and Midway International Airports. There is also convenient access to Chicago's interstate highway system via the Congress Parkway entrance to the Eisenhower Expressway, which is located only four blocks away and makes the location popular for reverse commuters.

The walk-to-work environment as well as immediate accessibility to Chicago's best amenities has both millennials and baby boomers flocking to the growing South Loop as the population increased 110% between 2000 - 2010 and an additional 18% since.

Points of Interest



1 Union Station	7 Grant Park	12 Roosevelt Collection
2 Willis Tower	8 Roosevelt University	13 The Field Museum
3 State Street Retail Corridor	9 Robert Morris University	14 Shedd Aquarium
4 National Louis University	10 Harold Washington Library Center	15 Adler Planetarium
5 The Art Institute of Chicago	11 LaSalle Street Metra Station	16 Soldier Field
6 Millennium Park		

Confidentiality & Disclaimer Statement

This Offering Memorandum contains select information pertaining to the business and affairs of the property at 314-316 S Federal Street, Chicago, IL. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained Colliers from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness or this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

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1) The Offering Memorandum and its contents are confidential;

2) You will hold it and treat it in the strictest of confidence; and

3) You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of 314-316 S Federal Street, Chicago, IL or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.