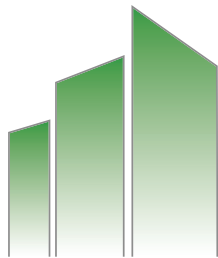




Downtown Aurora Site Analysis



CATON
COMMERCIAL
REAL ESTATE GROUP

WWW.CATONCOMMERCIAL.COM

1296 RICKERT DR, SUITE 200, NAPERVILLE, IL 60540

815-436-5700

Prepared by:

Christina Caton Kitchel
312-545-1035
Christina@CatonCommercial.com

Autumn Psaros
574-707-5434
Autumn@CatonCommercial.com

December 1, 2020

RE: Consultant Considerations for Downtown Property Listing

To Mayor Richard C Irvin and Aurora City Council

In December 2019, Invest Aurora hired Caton Commercial Real Estate to consult on an analysis of available properties in the Downtown. Invest Aurora staff had identified a trend that could potentially lead to cannibalization of new and existing businesses in the Downtown. The City had made a number of significant investments into the downtown over the past 2-3 years, and we wanted to ensure that our future attraction efforts did not negatively impact the businesses that were already located in the area. Using data from a survey conducted in 2018 and with the Caton team's retail real estate expertise, this analysis was to identify potential uses to meet the demands from that survey. This analysis would also identify opportunities to fill in any gaps in the retail, restaurant and services business mix in the downtown area.

As a part of our analysis of available properties in the downtown, the team also evaluated seven city-owned properties and what their highest and best use would be. Again, using data from our survey, comparable real estate sales and leases in the surrounding area, our team created the document you have in the packet originally submitted for Finance Committee. This document provides examples of the types of businesses, not recommending these specific businesses, but the types of businesses that would complement the existing business mix in the downtown. This document also provides data on suggested lease rates, tenant improvement expenses and recommendations on whether the City should lease or sell.

It was at the conclusion of this process in June that Invest Aurora would make the recommendation for the City of Aurora to continue our partnership with Caton Commercial Real Estate. The following are the criteria Invest Aurora used in making this recommendation:

- Recent leasing activity in the downtown
- Broker's lists of represented tenants
- Current activity in the downtown and around town

In addition to these criteria, Invest Aurora evaluated if the broker(s) were a local firm and had a strong understanding of suburban downtown markets, and of the western suburbs.

After evaluating five firms on all of these criteria consideration, Invest Aurora made the recommendation to move forward with Caton Commercial Real Estate as the master listing agent for this pilot program.

Thank you for your time in this effort.

Bryan Gay

43 W. Galena Blvd. Aurora, IL 60506

630.256.3160

info@investaurora.org

investaurora.org



Executive Summary

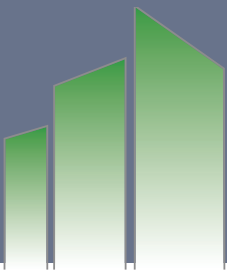
Caton Commercial Real Estate Group has been collaborating with Invest Aurora to formulate a strategic plan to revitalize the City's downtown Aurora surplus properties. Together, we have analyzed seven (7) properties referenced on the map provided herein to assess the condition of the space, quantify efforts needed to bring it to a marketable delivery, and to identify what uses/tenants would be the best fit within each location and the downtown as a whole.

From that initial evaluation, we believe that going to market with the four (4) buildings which we have proposed is a good start to transitioning the excess property of the City from vacant spaces to viable new businesses during a time of rebuilding through this pandemic. These properties were chosen for the ease of entry for the tenant to open, location within the downtown and clear end user visualized. If the wide ranges of location and/or square footage options from these first four (4) properties do not fit a specific need or use of an interested, qualified prospect, we will be able to present the additional properties as alternatives. Our primary objective is to showcase the attraction of new businesses to the downtown area to encourage future redevelopment of the remaining buildings.

As we will discuss in next few pages regarding these first buildings, Caton will continue to work with Invest Aurora in determining highest and best use for each of these spaces. Similar to our approach regarding the restaurant space adjacent to the Paramount, we will start by developing a marketing plan around the targeted tenant uses and potential options in the immediate area. We were able to secure Amy Morton and her brand in that location by knowing exactly what caliber of restaurant we were looking for and how to best deliver the space for her success. Each of the properties has an ideal target list, an analysis of current downtown users vs surplus/leakage of dollars in the downtown currently. This helps to shape what is feasible while avoiding over saturating the market with too many repeat businesses.



After creating the lists of prospects, we will complete our marketing materials to highlight the best of downtown Aurora and these sites to submit to prospects. We will also be working with Invest Aurora to create window wraps of the available spaces highlighting uses we are targeting (i.e. bakery or Italian restaurant) in a visual along with the For Lease information. This will give an immediate visual improvement to spaces that have been sitting vacant and overlooked on a daily basis. Our platform at Caton Commercial will also utilize social media and a database of over 4,000 developers, tenants, brokers and owners to highlight the opportunities in downtown Aurora.

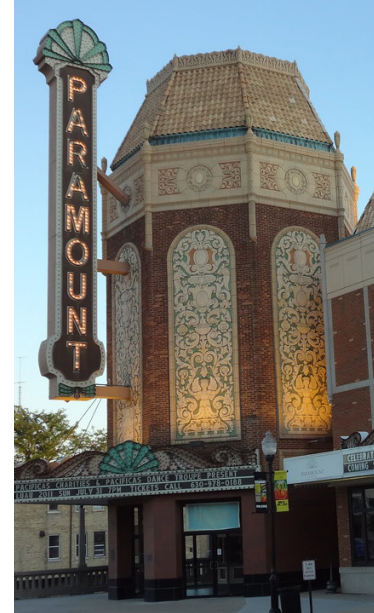


Executive Summary

The balance of the properties not in our first target group, namely; 5, 13 and 15 S Broadway will be part of a secondary push of properties. We toured these properties with City staff and an architect to obtain a thorough understanding of each property and the existing condition. These buildings will take major renovations and significantly more capital investment to bring them up to rentable/useable space. With the constraints of rental rates in the downtown, our suggestion would be to put those buildings on the market with guidelines for potential investors to purchase, revitalize and rent.

It is our recommendation to bring the 4 buildings to market and capitalize on the tenants that are looking to reposition post COVID. We are looking to create additional amenities to the downtown to the growing population of downtown residents and workers looking to live, work and play in the immediate community.

We appreciate the opportunity to work with the City of Aurora and Invest Aurora. We are excited to continue our efforts to bring unique opportunities to the downtown and further add to the momentum of new and existing businesses choosing and committing to Aurora and the community as a whole.



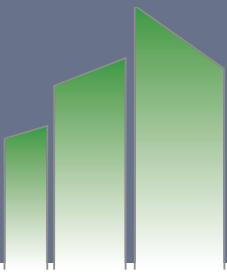


- 1 - FOR SALE - 35 W. New York St
- 2 - FOR LEASE - 5 E. Downer Pl
- 3 - FOR LEASE - 33 S. Broadway
- 4 - FOR LEASE - 51 E. Galena

HOLLYWOOD
Casino
AURORA


CATON
COMMERCIAL
REAL ESTATE GROUP

DOWNTOWN AURORA
PORTFOLIO OF COMMERCIAL PROPERTIES



Property Overview

1



35 W. New York St

2,700 SF Building

Two Stories with Full Basement

Built in 2010

Masonry Construction

Pricing Recommendation:

Rental Rate: Mid Teens psf + NNNs

Sale Price: Priced For Redevelopment

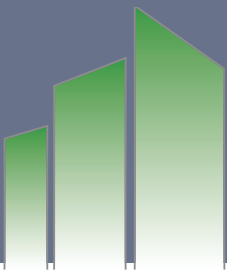
Located in the heart of downtown, this property benefits from east/west New York St. traffic enhanced by Stolp Island. 35 W New York also benefits from relatively recent developments, successful, established co-tenancy and immediate area businesses. The goal for this property would be continued infill with synergistic uses and additional traffic drivers for existing business.

Condition of Space: currently dark shell

Recommended Uses:

- Tasting Room- Wine / Whiskey Bar
- **Deli/ Grab and Go Food**
- Specialty Food Use
- Pop-Up Shop - changing seasonally
- Independent food shops - cheeses, meats, spices, etc.
- Ice Cream / Confectionery
- Food Truck- permanent location





Property Overview



5 E. Downer Pl.

10,007 SF Building

Built in 1991

Pricing Recommendation:

Rental Rate: Mid Teens psf + NNNs

Tenant Improvement Package:

To be determined based on tenant use and strength

Located on the ground level of the parking garage, this site benefits from heavy pedestrian and car traffic. On the corner of Stolp and Downer Place, the site is utilized for parking for the Paramount and downtown area events.

Condition of Space: 2nd generation office. We would suggest relocating the main entrance to the front of the space to utilize the façade and create a more visible entrance. Space needs to be decluttered but is in great condition. Not recommended for restaurant use due to significant conversion costs.

Recommended Uses:

- Wine & Cheese Shop
- Chiropractor
- Physical Therapy
- **Soft Goods Retailer**
- Boutique Fitness / Yoga / Pilates Studio
- Deli/ Grab and Go Food
- **Creative Studio - Pottery, Paint, Home Goods**



Property Overview



33 S. Broadway

3,200 SF Building

Built in 1900

Pricing Recommendation:

Rental Rate: Low Teens psf + NNNs

Tenant Improvement Package:

To be determined based on tenant use and strength

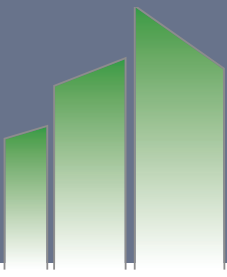
High visibility and great traffic exists on Broadway in downtown Aurora. Goal of this property is to find a quality tenant to utilize the additional plumbing and great window lines to re-energize this storefront.

Condition of Space: 2nd generation hair salon buildout in broom clean condition. Additional water access within the space is added value to next tenant. Minimal demolition needed depending on end use.

Recommended Uses:

- Pet Grooming / Pet Supplies
- Yoga / Pilates Studio
- Deli / Grab and Go Food
- Bakery
- **Wine / Whiskey Bar / Tasting Room**
- Full Service Salon
- Nail Salon
- Specialty Food Use





Property Overview



51 E Galena Blvd

5,904 SF Building

Built in 1900

Pricing Recommendation:

Rental Rate: Low to Mid Teens psf + NNNs

Tenant Improvement Package:

To be determined based on tenant use and strength

Great location in downtown Aurora, just one block east of the Paramount. This corner unit has window lines on two sides of the space with the west side looking onto the courtyard.

Condition of Space: 2nd generation office space. Demolition needed to convert to retail use.

Recommended Uses:

- Boutique Gym
- Physical Therapy
- Bookstore
- Gift Shop
- **Breakfast Restaurant**
- Street Corner Urban Market- Pre-Packaged Meals
- Pottery Making/Pinot's Pallet/Board & Brush
- Soft Good Retailer



Landlord Representation Service

Caton works closely with property owners to maximize property values through filling vacancies, retaining reputable tenants, improving co-tenancy, and developing strategies for profitable disposition. We carefully analyze the local market to identify opportunities and help property owners achieve their goals.

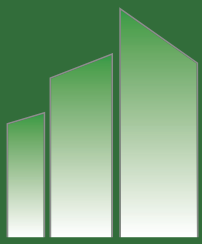
Our blended approach to tenant prospecting includes both cold and warm methods of solicitation, utilizing our vast tenant and brokerage network, and online canvassing to identify concepts active or entering the market. Caton also canvasses the immediate area and locates tenants who are seeking business expansion opportunities. An extensive database of investors, business owners, developers, and commercial brokers is at our disposal as we promote your property through E-blasts and direct marketing initiatives.

Caton brokers compile a comprehensive analysis of competing vacancies, business surpluses and leakage reports for multiple industries. These resources serve to create a target list of businesses that have a high probability of success within a client's property. Caton brokers aggressively pursue these synergistic tenants and work to negotiate favorable win-win deals for the client.

We understand that client care and customer service are crucial to our mutual success, providing effective communication is the first step to ensuring that success. The Caton team provides you with detailed feedback about active deal negotiations, interested parties, and industry trends. This hands-on approach to our relationships has allowed Caton to successfully represent hundreds of landlords and their retail, office, and industrial properties for over four decades.

Landlord Representation Services also include:

- Creation of marketing collateral
- Professional marketing of property
- Pre-qualification of tenants, including business plan and financial review
- Processing tenant applications & credit checks
- LOI presentation and negotiation
- Lease negotiation, in conjunction with client legal counsel



Marketing Initiatives



On-Line Services:

- Premium Costar member
- Loopnet the #1 in Commercial Real Estate Online Search on a rotational basis
- Commercial Real Estate Exchange, Inc. (CREXi) is the commercial real estate industry's fastest growing marketplace and technology platform
- Buildout – Commercial real estate marketing software utilized in promoting properties. Creates customized, interactive marketing materials and a property specific website
- Buildout syndication with the BrokerList and Brevitas
- Illinois Commercial Exchange (ICEx) reaching 50 different online sources
- Caton Commercial Real Estate's Website
- Marketing blogs – professionally written blogs developed to highlight properties
- Posting to multiple social media sources including: Facebook, LinkedIn, and Twitter
- Facebook Boost – a paid service to target up to 5,000 business owners, investors, CEO's, and executives within 5 miles



Target Marketing:

- Perform a comprehensive market analysis of competing properties
- Run a business surplus and leakage report for various industries to create a target list of businesses that have a higher probability of succeeding in the market



Active Prospecting:

- Contact current and past clients within surrounding communities
- Cold Calling
- Evaluation of current clients expansion plans and compatibility with site
- Target tenants/buyers based on Costar research
- Generate lists using CoStar, PlainVanilla Shell and ICSC



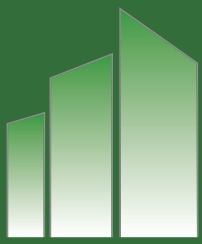
Canvasing & Email:

- Door-to-door canvassing for relocation or expansion in surrounding market
- Quarterly eblasts to our database of nearly 3,000 contacts, including brokers and prospects
- Eblasts to announce price changes, new tenants
- Loopnet push to brokers and prospects

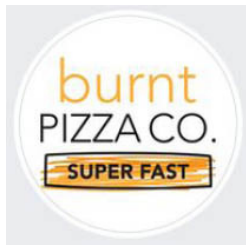


Community Involvement/ Affiliations:

- Active Chamber of Commerce Members – Naperville, Plainfield, Romeoville, Joliet, Oswego, and Downers Grove
- Certified Commercial Investment Members (CCIM) Members
- Northern Illinois Commercial Association of Realtors (NICAR)
- Will and DuPage County Economic Development Members



Tenant Representation Clients



WWW.CATONCOMMERCIAL.COM

Caton Commercial Real Estate Group (p) 815.436.5700
1296 Rickert Dr., Suite 200, Naperville, IL 60540
171 N. Aberdeen St., Suite 34, Chicago, IL 60607



Christina Caton Kitchel

Partner, SVP Retail

Office: 815-436-5700

Mobile: 312-545-1035

Email: Christina@CatonCommercial.com



Christina Caton Kitchel is a Principal of Caton Commercial Real Estate Group, a family-owned Naperville brokerage and property management business established in 1987. Christina has over 13 years of experience in commercial real estate, retail leasing, investment sales, and ground-up, multi-use commercial property development; including navigation of municipal approvals. As Director of Leasing for Caton Commercial, Christina is actively involved in site selection, evaluation of product, and lead generation for the entire leasing team. Christina is an active member of the International Council of Shopping Centers (ICSC), a Certified Commercial Investment Member (CCIM) candidate, and participates in many national industry conferences and events. Through her industry experience and community involvement, Christina continually exceeds her clients' needs to successfully attain their real estate objectives.

With her primary specialty in retail leasing, Christina has experience in both landlord and tenant representation allowing for a deep understanding of the deal points from both sides of the table. Recent clients include Avram Builders, RPAI, T2 Investment Group, Village of Winfield, Paramount Theater, City of Aurora, Amy Morton's Stolp Island Social, Millennium Pediatrics, Nothing Bundt Cakes, Molly's Cupcakes, Dunkin' Donuts, Shyft Pilates, Pizza Mia!, LLT Group, Tapville Social, Two Bostons and Firefly Nights Photography, as well as several medical practice expansions.

Christina currently sits on the Board of Directors for the Naperville Area Chamber of Commerce, is active in NACC B2B, NACC Political Action Committee, Family Business RoundTable, Legacy Circle and sits on the steering committee for the NACC Legislative Forum. Christina is also an active board member of Naperville Development Partnership. Christina's other memberships include the Aurora Regional Chamber, Romeoville Chamber of Commerce, Plainfield Area Chamber of Commerce, Joliet Region Chamber of Commerce, and Will County Center for Economic Development. Christina and Caton Commercial are active supporters and sponsors of area non-profit groups, KidsMatter, Family Shelter Services, Loaves & Fishes, Little Friends and DuPage Children's Museum.

License:

- Illinois Real Estate Broker License: 471.015925

Expertise:

- Retail Leasing
- Landlord & Tenant Representation
- Ground up Commercial Development
- Investment Sales

Market Areas:

- Suburban Chicagoland

Education/Affiliations:

- Member, International Council of Shopping Centers (ICSC)
- Northern Illinois Commercial Association of Realtors (NICAR)



Autumn Psaros
Senior Vice President

Office: 815-436-5700
Mobile: 574-707-5434
Email: Autumn@CatonCommercial.com



Autumn Psaros is an experienced commercial real estate broker with an extensive and successful 16+ year history of managing relationships and executing commercial real estate transactions for national, regional, and local clients. Autumn has consistently been recognized as a top producer and completed over 500 sale and lease transactions.

Autumn joined Caton Commercial Real Estate Group in 2017 and is responsible for leasing, sales, asset management and consulting. She specializes in both Landlord/Seller and Tenant/Buyer Representation, with a focus on new business development, lease negotiation, and financial analysis. She works with her clients through all facets of the lease, acquisition and disposition process from full-market analysis, to negotiation and execution, helping property owners achieve their goals and maximize property values.

After her transition to the commercial real estate field, Autumn Psaros more than tripled retail agency representation work based on newly listed square footage in less than two years. Autumn possesses extensive real estate and retail industry knowledge. She is proficient in all facets of the lease, purchase and disposition process, from the development of merchandising plan and prospecting to lease negotiation and execution. Autumn's practical and strategic management of client assets consistently leads to overall increases in her clients' portfolio returns. Autumn was awarded CCIM's Push for the Pin Scholarship and is active in many associations and organizations, including NICAR, ICSC, past Board Member Big Brothers Big Sisters of St. Joseph County.

Prior to working in commercial real estate, Autumn graduated from Michigan State University with a degree in Finance. She spent several years working for a financial institution in asset-backed securitization and capital equipment financing managing a \$400 million pool of loans. Autumn transitioned to commercial real estate and spent 13 years with CBRE prior to joining Caton Commercial.

Autumn lives with her husband and two young daughters in Aurora, IL.

As a member of the Caton Commercial Real Estate team, Autumn looks forward to utilizing her 16+ years of retail leasing and consulting experience coupled with her background in banking and finance to help clients meet and exceed their property and portfolio objectives.

License:

- Illinois Real Estate Broker License: 471.015925

Market Areas:

- Chicago Metropolitan Area

Expertise:

- Retail Tenant Representation
- Leasing, Sales and Development Consultation
- Asset Management / Strategic
- Dispositions and Acquisitions

Education/Affiliations:

- Member, International Council of Shopping Centers (ICSC)
- Northern Illinois Commercial Association of Realtors (NICAR)