

Marcus & Millichap  
TAG INDUSTRIAL GROUP

BP PRODUCTS NORTH AMERICA, INC.  
3232 CALUMET AVENUE

HAMMOND, IN 46320

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**Marcus & Millichap**  
TAG INDUSTRIAL GROUP

OFFICES THROUGHOUT THE U.S. AND CANADA  
[www.marcusmillichap.com](http://www.marcusmillichap.com)

# BP PRODUCTS NORTH AMERICA, INC.

3232 CALUMET AVENUE  
HAMMOND, IN 46320

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Market Analysis • Demographic Analysis

Marcus & Millichap

The background of the slide is a dark, blue-tinted photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The perspective is looking up, emphasizing the height and complexity of the facility.

## SECTION 1

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### INVESTMENT OVERVIEW

Marcus & Millichap

## OFFERING SUMMARY

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 3232 Calumet Avenue in Hammond, Indiana, leased to BP Products North America, Inc. The subject property consists of approximately 66,000 square feet of space and is situated on 6.3 acres of land. The single-tenant asset features an under hook clear height of 24', a maximum clear height of 34', four dock-high doors, 10 drive-in doors, and a 25-ton interior crane. Adjacent to the property sits BP's 1,400-acre Whiting Refinery, the company's largest processing facility in the world. As a wholly-owned indirect subsidiary of BP p.l.c, the tenant's triple-net lease, which runs through May 2028, is fully guaranteed. Situated along Interstate 90, the property sits near the Indiana and Illinois state border inside Lake County.

Lake County, which serves as the territory for the Indiana submarket, contains 47.2 million square feet of industrial space. Unlike the national norm, half of the submarket consists of manufacturing facilities, followed by logistics and flex space. During the third quarter of 2023, the vacancy rate rose to 7.7 percent, yet annual rent growth remained elevated at 7.0 percent. Among comparable properties between 50,000 and 100,000 square feet, the vacancy rate remained historically tight in Q3 at just 1.1 percent. Tighter availability for comparables helped push market rent growth above the overall submarket at 8.1 percent annually. While a sizeable 2.4 million square feet of industrial space were under construction in the submarket, essentially all of the new space was concentrated in properties over 100,000 square feet. This means that vacancies and rent growth for comparables will be unchallenged by new supply for the foreseeable future (CoStar).

Known as the Greater Chicagoland area, Chicago-Naperville-Elgin is the third largest metro in the nation. The metro houses 9.5 million people, including 2.7 million residents within the city of Chicago. The number of corporate headquarters in Chicago is second only to New York City and is home to 33 Fortune 500 companies. Thanks to eight commercial and passenger rail lines, the Port of Chicago, three international airports, and a vast network of freeways, Chicago is a major distribution and logistics hub. The local economy and workforce are highly diverse, supported largely by distribution, finance, manufacturing, and high-tech industries. As a multicultural city that thrives on the harmony and diversity of its neighborhoods, Chicago boasts 100 neighborhoods, 77 community areas, 50 wards, and eight major league sports teams, including two MLB teams. Chicago is a leader in reforming public schools, enhancing public safety and security initiatives, providing affordable housing in attractive and economically sound communities, ensuring accessibility for all, and fostering, social, economic, and environmental sustainability (Chicago.gov).

## INVESTMENT HIGHLIGHTS

- 66,000-Square-Foot Warehouse Fully Occupied by BP Products North America, Inc. Since 2009
  - Features 24' - 34' Clear Heights, Four Docks, 10 Drive-Ins, 25-Ton Interior Crane
  - Guaranteed Lease by BP Products North America, Inc., a Subsidiary of BP p.l.c
  - BP p.l.c, 4th Largest Publicly Traded Oil & Gas Company with \$241.4 Billion in Revenue
- Property Sits Adjacent to BP's Whiting Refinery, a 1,400-Acre Facility and BP's Largest in the World
- In Late 2023, BP Agreed to Pay \$40 Million Penalty Under Clean Air Act and will Invest in \$197 Million in Improvements (Fortune)
  - Proximate to IL/IN State Line, Sitting Along Interstate 90
- High Barrier-to-Entry Submarket: 8.1% Rent Growth, 1.1% Vacancy on Comparables

### 2023 LESSOR REPAIRS

Include but not Limited to: Roof Maintenance, Exterior Wall Repairs, Grade and Gravel Lot, Inspection of Exterior Lighting

### 2023 LESSE REPAIRS

Include but not Limited to: Replacement of Plumbing and HVAC Servicing Office, Crane Repairs, Fence and Gate Improvements



## PROPERTY DETAILS

BP PRODUCTS NORTH AMERICA, INC.  
3232 CALUMET AVENUE, HAMMOND, IN 46320

Number of Suites	2
Number of Buildings	2
Total Square Feet	66,000
Year Built	1969
Lot Size	6.30 Acres
Type of Ownership	Fee Simple
Clear Height	24' Under Hook   34' Under Eave
Parking Spaces	24
Parking Surface	Crushed Gravel
Building Class	C
Tenancy	Single
Dock High Doors	4
Grade Level Doors	10
Cranes	25-Ton & 2 Gantry Cranes
Sprinklers	Dry System
Construction	Metal
Power	1,200a/220 - 480v 3p
Type of Lighting	LED
Zoning	I-2
Roof Type	Metal
Age/Condition of Roofs	Original   2023 Repairs
HVAC Units	3
Age/Condition of HVAC	2023
Market	Chicago, IL
Submarket	Lake County, IN
Market Vacancy	1.10%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2024 Marcus & Millichap. All rights reserved. (Activity ID: ZAE0370219)



## BP PRODUCTS NORTH AMERICA, INC.

3232 CALUMET AVENUE, HAMMOND, IN 46320

OFFERING PRICE  
**\$5,250,000**

CAP RATE  
**7.19%**

PRO FORMA CAP RATE  
**7.41%**

Offering Price	\$5,250,000
Cap Rate	7.19%
Pro Forma Cap Rate	7.41%
Price/SF	\$79.55
Total Square Feet	66,000
Rental Rate	\$6.00
Lease Type	Triple-Net (NNN)
Lease Term	+/- 4.5-Years
Rental Increases	3%
Tenancy	Single
Occupancy	100.00%

### FINANCING

Loan Amount	\$3,412,500
Loan Type	New
Interest Rate	6.75%
Amortization	25 Years
Year Due	2028

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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# RENT ROLL

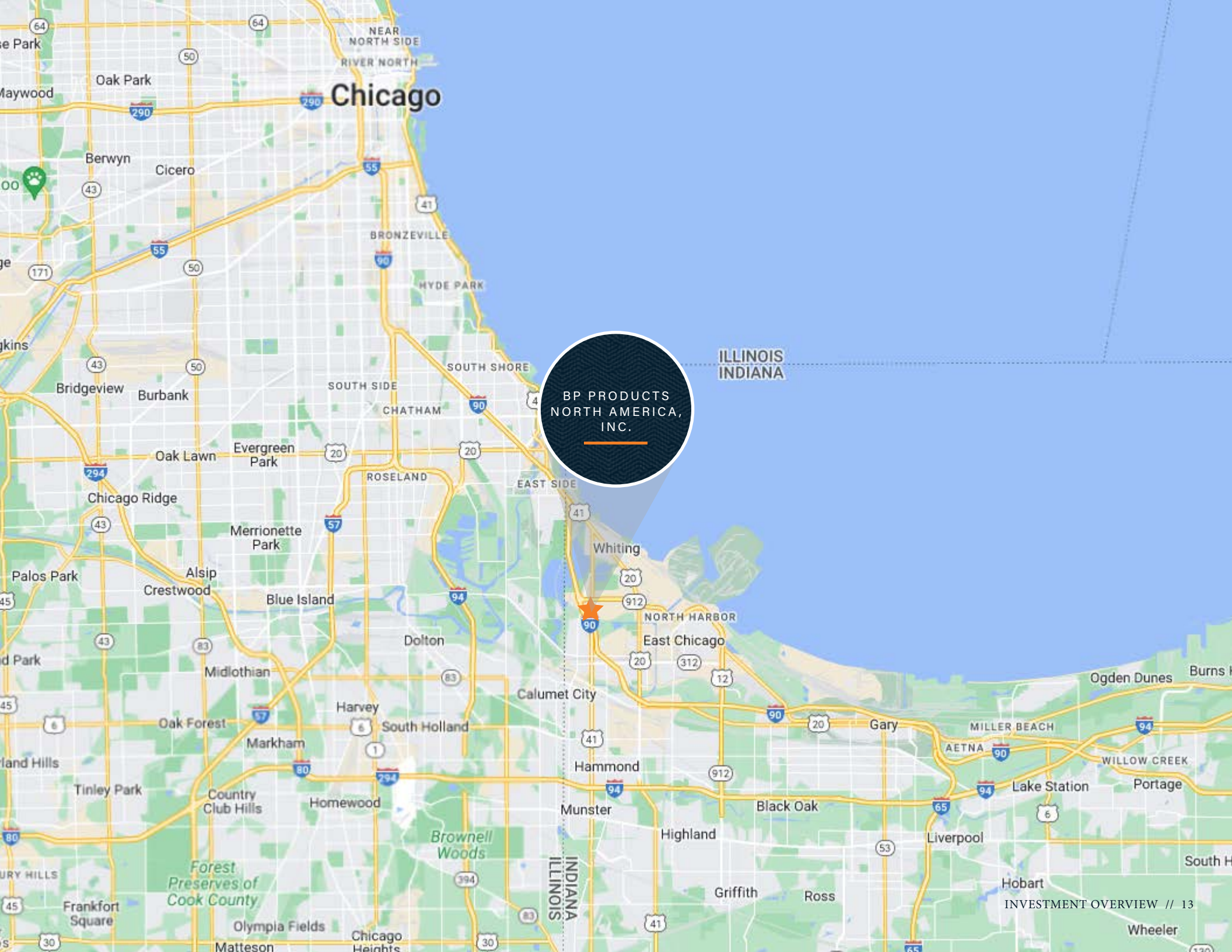
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Comm.	Dates Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
BP Products North America, Inc.	A	66,000	100.0%	6/1/23	5/31/28	\$6.00	\$33,000	\$396,000	\$407,880	Jun-2024	3.00%	NNN	One (1) Renewal Option for an Additional Five (5) Years - 12 Mo. Notice at 3% Annual Increase
Total		66,000				\$6.00	\$33,000	\$396,000	\$407,880				
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$33,000						Occupied Current Rents: \$33,000		Unoccupied Current Rents: \$0					

## OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	396,000	6.00	407,880	6.18
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	10,830	0.16	10,830	0.16
Real Estate Taxes	55,479	0.84	58,253	0.88
Management Fees	0	0.00	0	0.00
Total Reimbursement Income	\$66,309	78.2%	\$69,083	78.4%
Effective Gross Revenue	\$462,309	\$7.00	\$476,963	\$7.23

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	10,830	0.16	10,830	0.16
Real Estate Taxes	55,479	0.84	58,253	0.88
Management Fee	18,492	4.0%	19,079	4.0%
Total Expenses	\$84,802	\$1.28	\$88,162	\$1.34
Expenses as % of EGR	18.3%		18.5%	
Net Operating Income	\$377,507	\$5.72	\$388,801	\$5.89



Chicago

BP PRODUCTS  
NORTH AMERICA,  
INC.



BP PRODUCTS  
NORTH AMERICA,  
INC.



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# TENANT SUMMARY

To reimagine energy for people and planet and to become a net zero company by 2050, or sooner, and help the world get to net zero.

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## TENANT

**BP p.l.c (NYSE: BP)**

HEADQUARTERS  
London, England

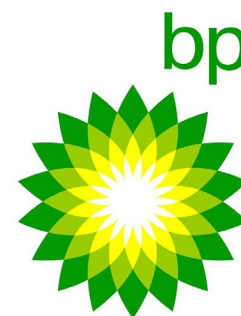
DATE FOUNDED  
1909

REVENUE  
\$241,392,000  
(EBITDA \$32,811,000)

EMPLOYEES  
70,000

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[www.bp.com](http://www.bp.com)



Ranking 35th on the Fortune 500 list, BP is the fourth largest publicly traded oil and gas company in the world. The energy giant is a fully vertically integrated company, with operations in exploration and extraction, refining, distribution and marketing, power generation, and trading. BP maintains business in nearly 80 countries, producing around 3.7 million barrels per day of oil equivalent, and holds a total proven reserves of 19.9 billion barrels of oil equivalent. Along with its subsidiaries Amoco and Aral, BP operates 18,700 service stations worldwide (Wikipedia). The company's largest presence is in the United States, where BP has invested more than \$145 billion since 2005, helping to support more than 275,000 American jobs. In recent years, BP has committed itself to reducing its carbon footprint, and by 2050, the company aims to become a net zero emitter by removing as many emissions from the atmosphere as it introduces (bp.com).

## CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 2,143 debt  
and equity  
financings in 2022



National platform operating  
within the firm's  
brokerage offices



\$12.8 billion total  
national volume  
in 2022



Access to more capital sources  
than any other firm in the  
industry

## WHY MMCC?

.....

Optimum financing solutions to  
enhance value

.....

Enhanced control through MMCC's  
ability to qualify investor finance  
contingencies

.....

Enhanced control through quickly  
identifying potential debt/equity sources,  
processing, and closing buyer's  
finance alternatives

.....

Enhanced control through MMCC's  
ability to monitor investor/due diligence  
and underwriting to ensure timely,  
predictable closings

.....

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lamps. The lighting is dim, creating a moody atmosphere. The structure appears to be a large warehouse or a factory interior.

## SECTION 2

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### MARKET OVERVIEW

Marcus & Millichap

# CHICAGO

## ILLINOIS

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Chicago-Naperville-Elgin is one of the largest metros in the nation. The Chicagoland area is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana. The metro houses 9.5 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. The greatest growth during the past 20 years occurred in the western portion of the region and was exemplified between 2020-2021. Since then, movement back into downtown Chicago is gaining headway as employers increasingly push for hybrid work schedules, while progress-ing tourism levels



THIRD-LARGEST  
METROPOLITAN  
AREA



WEALTH OF  
INTELLECTUAL  
CAPITAL



LARGE, DIVERSE  
EMPLOYMENT  
BASE

## METROPLEX GROWTH

### ECONOMY

The metro has one of the biggest economies in the nation, and is buoyed by its distribution, finance, manufacturing operations and growing high-technology sectors. Fortune 500 companies headquartered in the metro include Walgreens, Abbott Laboratories, Allstate and McDonald's. The area is a major global tourist and convention destination. Typically, more than 50 million people visit the metro annually and support nearly 500,000 jobs in the leisure and hospitality sector. Although suppressed during the pandemic, visitations and employment are improving. Large tech firms operating in the metro, such as Amazon and Google, attract a wide array of startup companies. Backed by some of the nation's more well-regarded universities, the workforce is considered one of the most diverse and well trained among major United States metros.



**9%**  
MANUFACTURING



**18%**  
PROFESSIONAL AND  
BUSINESS SERVICES



**11%**  
GOVERNMENT



**9%**  
LEISURE AND HOSPITALITY



**7%**  
FINANCIAL  
ACTIVITIES



**20%**  
TRADE, TRANSPORTATION,  
AND UTILITIES



**4%**  
CONSTRUCTION



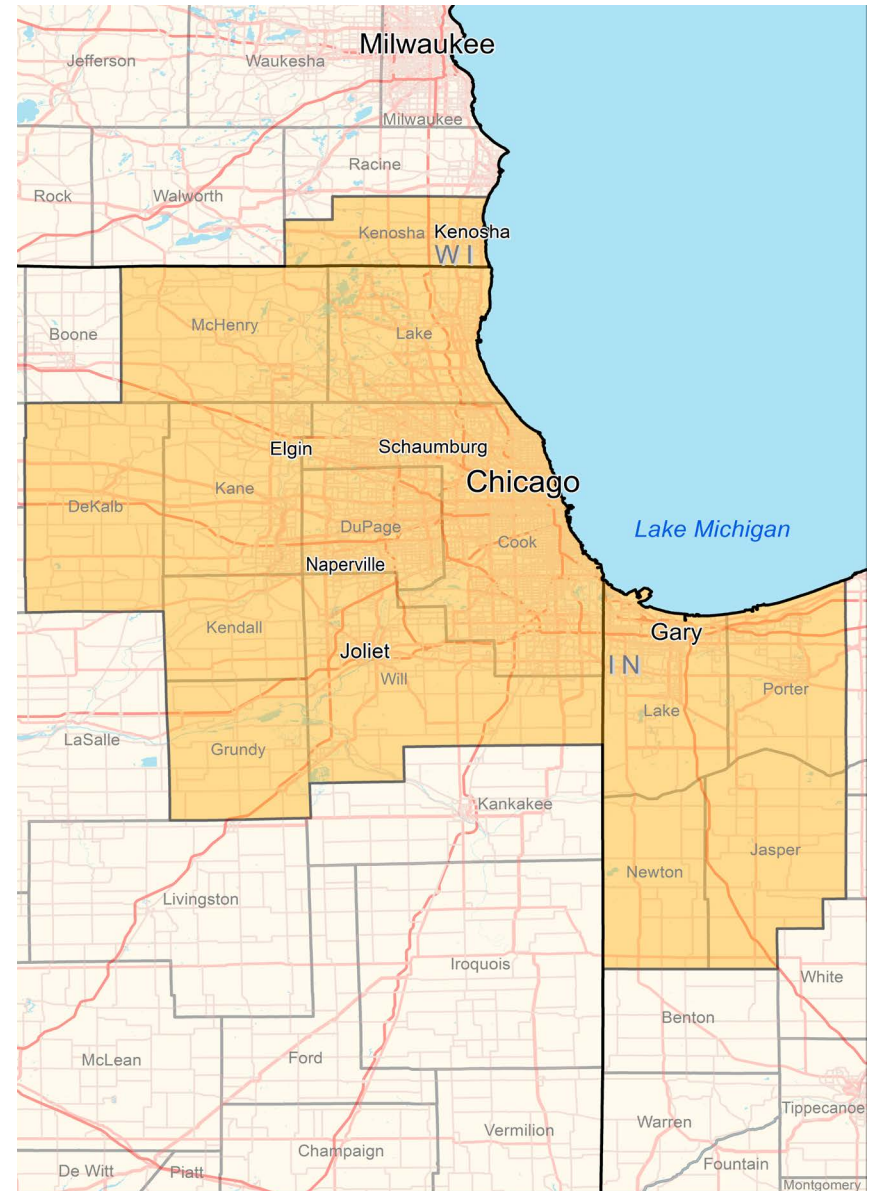
**16%**  
EDUCATION AND  
HEALTH SERVICES



**2%**  
INFORMATION



**4%**  
OTHER SERVICES



## METROPLEX GROWTH

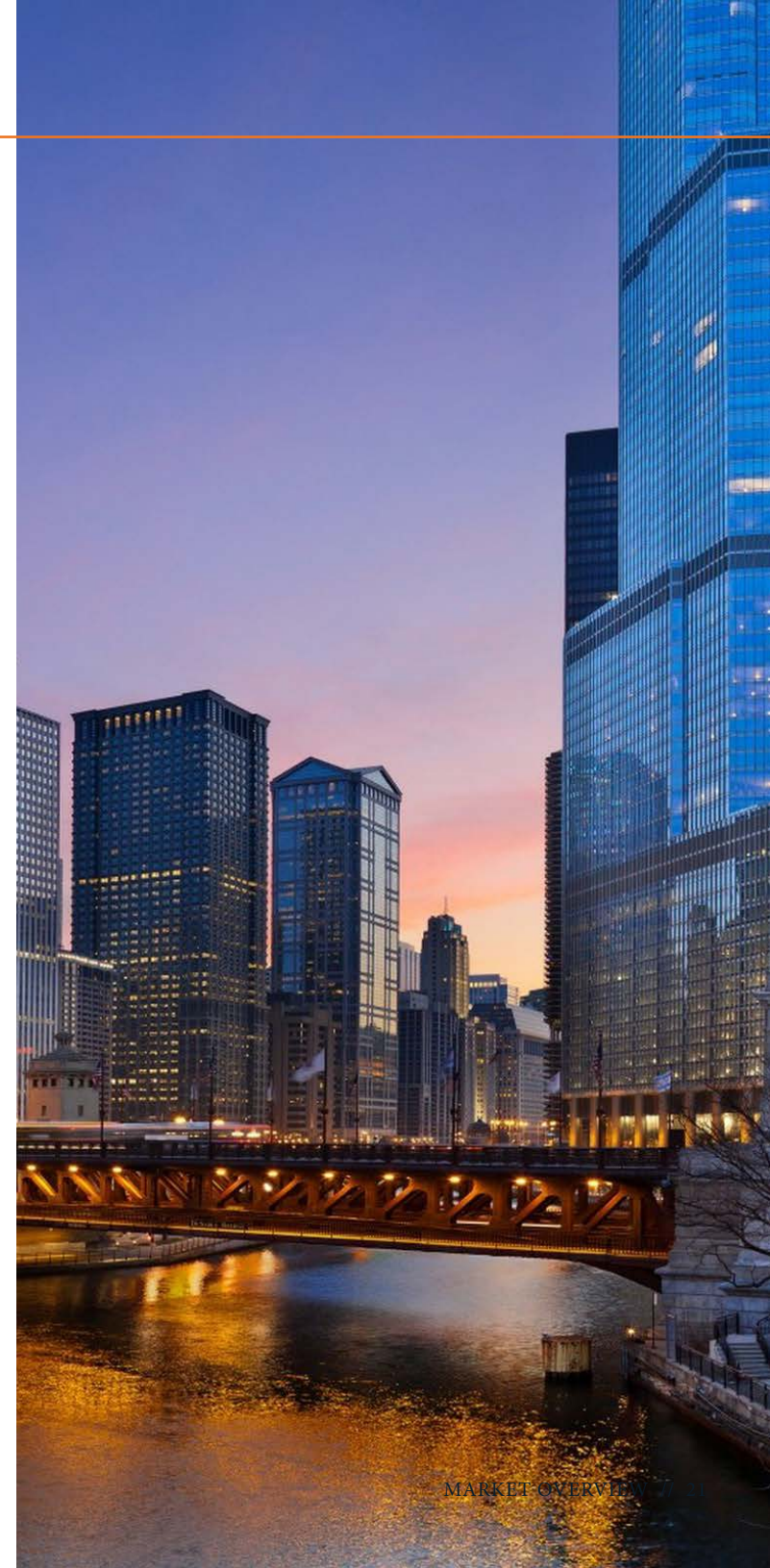
### TRANSPORTATION

The region's transit network ranks among the largest and most efficient in the world. The vast network of freeways, centralized location, a large rail-truck intermodal facility and the Port of Chicago contribute to the metro's position as a major distribution and logistics hub. Chicago is the nation's top freight rail hub, with major carriers BNSF, Union Pacific, CSX and Norfolk Southern servicing the region. Amtrak routes originate from Union Station, while the Metra commuter rail and the Chicago L provide passenger service throughout the metro area and beyond. International airports include O'Hare, Midway and Gary/Chicago. Sixteen smaller airports also provide air service for the region.



### QUALITY OF LIFE

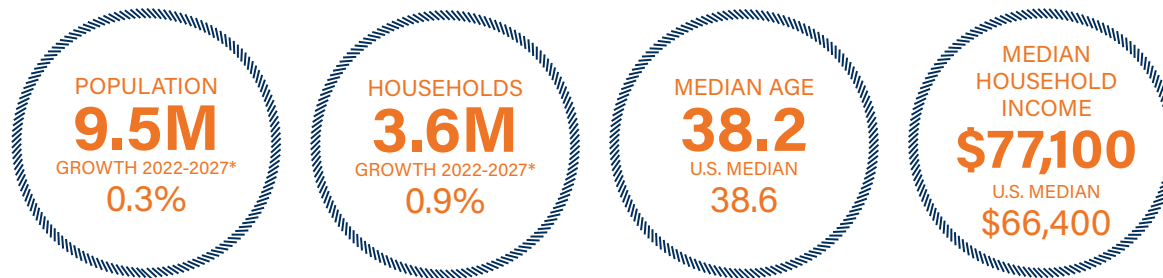
The Chicago metro has something to offer to each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, din-ing, entertainment, shopping or recreational amenities. The Chicago area's relative affordability is largely due to its lower housing costs. The medi-an home price is significantly less than in other cities of its size and is below that of many smaller cities, including Seattle and Denver. Cultural activities and artistic venues underpin the metro's cosmopolitan lifestyle. The region is home to various well-known museums, including the world-class Field Museum, Shedd Aquarium, the Museum of Science and Industry, the Art Institute of Chicago and Adler Planetarium. The theater scene rivals the world's best, and troupes, dance companies, sym-phony orchestras and music venues abound. Chicago is also home to the upcoming Obama Presidential Center, which broke ground in September 2021.



## METROPLEX GROWTH

### DEMOGRAPHICS

Chicago is the second-most populous metro in the U.S., with 9.5 million residents. During the next five years, the population is expected to remain steady. World-class education institutions, including Northwestern University and the University of Chicago, help provide a skilled labor pool. More than 40 percent of residents ages 25 and older hold a bachelor's degree, and of these, roughly 15 percent have also earned a graduate or professional degree, which is well above the national level. Younger professionals moving to the market for employment provide a skilled workforce and contribute to a median age that is slightly below that of the U.S. median, as well as a household income above the national level. More people are renting as thousands of new apartments are completed. The local home-ownership at 61 percent is slightly below the national rate.



## DEMOGRAPHICS



939

Total Population  
Within 5 miles



50.1%



49.9%



\$80,981

Average Household Income  
Within 5 miles



423

Employees  
Within 1 Mile

## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Population	476	589	947
<b>2022 Estimate</b>			
Total Population	477	589	939
<b>2010 Census</b>			
Total Population	493	605	948
<b>2000 Census</b>			
Total Population	535	654	1,011
<b>Daytime Population</b>			
2022 Estimate	244	303	467
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Households	218	264	401
<b>2022 Estimate</b>			
Total Households	218	262	395
Average (Mean) Household Size	2.2	2.3	2.4
<b>2010 Census</b>			
Total Households	219	261	390
<b>2000 Census</b>			
Total Households	226	269	398

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2022 Estimate</b>			
\$200,000 or More	6.6%	7.1%	8.3%
\$150,000-\$199,999	4.1%	3.9%	3.5%
\$100,000-\$149,999	8.4%	8.8%	9.8%
\$75,000-\$99,999	15.7%	16.0%	16.5%
\$50,000-\$74,999	15.0%	15.5%	15.9%
\$35,000-\$49,999	18.2%	17.7%	17.0%
\$25,000-\$34,999	12.1%	11.8%	11.2%
\$15,000-\$24,999	9.5%	9.2%	8.6%
Under \$15,000	10.5%	10.0%	9.1%
Average Household Income	\$69,359	\$73,063	\$80,981
Median Household Income	\$49,776	\$51,189	\$54,484
Per Capita Income	\$31,612	\$32,467	\$34,070
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2022 Estimate Total Population	477	589	939
Under 20	23.9%	24.4%	26.1%
20 to 34 Years	17.3%	17.6%	17.9%
35 to 39 Years	6.3%	6.3%	6.2%
40 to 49 Years	12.5%	12.3%	11.8%
50 to 64 Years	19.2%	19.2%	18.9%
Age 65+	20.8%	20.3%	19.1%
Median Age	41.9	41.3	39.8
<b>Population 25+ by Education Level</b>			
2022 Estimate Population Age 25+	336	412	639
Elementary (0-8)	4.7%	5.4%	7.9%
Some High School (9-11)	5.6%	5.7%	5.7%
High School Graduate (12)	42.7%	41.8%	39.7%
Some College (13-15)	26.0%	25.7%	24.7%
Associate Degree Only	11.5%	11.4%	11.2%
Bachelor's Degree Only	6.1%	6.4%	7.0%
Graduate Degree	3.5%	3.6%	3.8%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	26.0	26.0	25.0

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HAMMOND, IN 46320

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