



U.S. Department of Agriculture

3500 Wabash Avenue | Springfield, IL 62711

Offering Memorandum

Colliers

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This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.

U.S. Department of Agriculture **Illinois Farm Service Agency**

3500 Wabash Ave. | Springfield, IL 62711

Exclusive Investment Advisory Team

Geoff Ficke

Executive Vice President
+1 972 759 7814
geoff.ficke@colliers.com

Zack Ficke

Vice President
+1 972 759 7854
zack.ficke@colliers.com

Debra Vander Weit

Senior Associate
+1 847 987 1265
debra.vanderweit@colliers.com

Swarren O'Barr

Sr. Brokerage Specialist
+1 972 759 7824
swarren.obarr@colliers.com

Sydney Gonzalez

Sr. Client Services Specialist
+1 972 759 7840
sydney.gonzalez@colliers.com

Ash Goldfarb

Sr. Financial Analyst
+1 214 217 1231
ash.goldfarb@colliers.com

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Investment Overview

The Ficke Team of Colliers is pleased to present to qualified investors the opportunity to acquire this mission critical U.S. Department of Agriculture Illinois Farm Service Agency (FSA) located at 3500 Wabash Avenue, Springfield, IL 62711. Developed in 2011 as a build-to-suit for the GSA/USDA, this 18,693 square foot, single tenant building is situated on 1.69 acres of land. This first generation leased facility provides an attractive risk-adjusted yield with a highly rated credit tenant with an S&P AA+ credit rating. The USDA firm lease term expires March 31, 2028.

This Illinois FSA is the office of the State Executive Director (SED) and the State Committee Chairperson and State Committee Members that serves the 93 offices in all county seats through Illinois and are charged with the implementation of FSA Policies throughout the state of Illinois. All duties that are normally associated with administration to support the FSA workforce in Illinois are managed from this office as they provide services to farmers, ranchers, and the general population. This includes human resource support, budget, and fiscal management, contracting and purchasing, and leasing office space.

The organizational structure of the Farm Service Agency is laid out by Congress and overseen by the Secretary of Agriculture. The FSA administrator reports to an undersecretary of agriculture for Farm Production and Conservation (FPAC). The national farm program and farm loan program development and oversight functions are managed in Washington, D.C. and computational and statistical work is done in Kansas City. Implementation of farm policy through FSA programs is the responsibility of state and field offices based in each state, counties, and U.S. territories.

Investment Highlights



Five Firm Years Remaining Lease



United States Government Lease
(AA+ S&P Credit Rating)



Build-to-suit for the GSA/USDA in 2011



Mission Critical State Executive Director Office
that Serves 93 Offices Located in all Illinois County
Seats



81 Parking Spaces



Located in the State Capital that is also
surrounded by a booming Agriculture Industry



Well-Maintained Masonry Building

Tenant Overview

3500 Wabash Ave. | Springfield, IL 62711

Rent Roll

Tenant	RSF	% Bldg Share	Lease Status	Lease Commencement	Lease Expiration	Annual Rent PSF	Total Rent Per Month	Total Rent Per Year	Lease Type
U.S. Department of Agriculture	18,693	100%	Current	4/1/2023	3/31/2028	\$21.00	\$32,712.75	\$392,553.00	Modified Gross



USDA Service Centers are designed to be a single location where customers can access the services provided by the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and APHIS' Plant Protection and Quarantine (PPQ) programs. The Farm Service Agency implements agricultural policy, administers credit and loan programs, and manages conservation, commodity, disaster, and farm marketing programs through a national network of offices. NRCS offers voluntary programs to eligible landowners and agricultural producers to provide financial and technical assistance to help manage natural resources in a sustainable manner. Through these programs the agency approves contracts to provide financial assistance to help plan and implement conservation practices that address natural resource concerns or opportunities to help save energy, improve soil, water, plant, air, animal and related resources on agricultural lands and non-industrial private forest land.

Mission Areas



Farm Production and Conservation



Food, Nutrition and Consumer Services



Food Safety



Marketing and Regulatory Programs



Natural Resources and Environment



Research, Education and Economics

Property Overview

3500 Wabash Ave. | Springfield, IL 62711

Property Summary	
Property Name	U.S. Department of Agriculture
Address	3500 Wabash Avenue Springfield, IL 62711
Rentable SF	18,693
Property Type	Office
Property Subtype	Government
Occupancy	100%
Building Class	B
Tenancy	Single
Year Built	2011
Lot Size	1.69 AC

Building Specifications	
Building Height	1 Story
Building FAR	0.17 AC
Construction Type	Masonry
Parcel Number	21-12.0-351-026
Opportunity Zone	No



Financials Rent Schedule

3500 Wabash Ave. | Springfield, IL 62711

Rentable Square Feet	18,693
Real Estate Tax Base	\$45,027
Real Estate Tax Percentage	100%

Extension (Firm), Year 1-5	\$/SF	Annual	Monthly
Shell Rent	\$16.05	\$299,938.07	\$24,994.84
OpEx Rent*	\$5.66	\$105,879.74	\$8,823.31
Total	\$21.71	\$405,817.81	\$33,818.15

*Note: OpEx Rent shown is based on the most recent increase - Original OpEx base is \$78,697.53 from initial lease commencement in 2011



Financials Pro Forma Cash Flow

3500 Wabash Ave. | Springfield, IL 62711

For the Years Ending		Year 1 May-2024	Year 2 May-2025	Year 3 May-2026	Year 4 May-2027	Year 5 May-2028	Year 6 May-2029	Year 7 May-2030	Year 8 May-2031	Year 9 May-2032	Year 10 May-2033	Year 11 May-2034	Total
Rental Revenue													
USDA Shell Rent	[1]	299,938	299,938	299,938	299,938	304,937	329,932	329,932	329,932	329,932	329,932	329,932	3,484,281
Total Rental Revenue		299,938	299,938	299,938	299,938	304,937	329,932	329,932	329,932	329,932	329,932	329,932	3,484,281
Other Tenant Revenue													
USDA OpEx Rent	[2]	105,880	106,674	111,290	115,185	119,216	123,389	127,708	132,177	136,804	141,592	146,547	1,366,461
USDA RE Tax Reimbursement	[3]	11,424	13,117	14,862	16,658	18,509	20,415	22,378	24,400	26,483	28,628	30,838	227,712
Total Other Tenant Revenue		117,303	119,791	126,151	131,843	137,725	143,804	150,086	156,578	163,287	170,220	177,385	1,594,173
Effective Gross Revenue		417,242	419,729	426,089	431,781	442,662	473,736	480,018	486,509	493,218	500,152	507,317	5,078,454
Operating Expenses													
	[4]												
Supplies		378	390	401	413	426	439	452	465	479	494	508	4,845
R&M		18,828	19,393	19,975	20,574	21,191	21,827	22,482	23,156	23,851	24,566	25,303	241,144
Contract Services		28,121	28,965	29,834	30,729	31,651	32,600	33,579	34,586	35,623	36,692	37,793	360,174
Landscaping		3,242	3,339	3,439	3,542	3,649	3,758	3,871	3,987	4,107	4,230	4,357	41,520
Snow Removal		3,670	3,780	3,894	4,010	4,131	4,255	4,382	4,514	4,649	4,789	4,932	47,005
Security Services		887	914	941	970	999	1,029	1,059	1,091	1,124	1,158	1,192	11,364
Electricity		19,399	19,981	20,580	21,198	21,834	22,489	23,163	23,858	24,574	25,311	26,071	248,459
Gas		6,741	6,943	7,152	7,366	7,587	7,815	8,049	8,291	8,540	8,796	9,060	86,341
Water & Sewer		2,190	2,256	2,323	2,393	2,465	2,539	2,615	2,693	2,774	2,857	2,943	28,048
Property Insurance		5,661	5,831	6,006	6,186	6,371	6,563	6,759	6,962	7,171	7,386	7,608	72,503
Property Taxes		56,451	58,144	59,889	61,685	63,536	65,442	67,405	69,427	71,510	73,655	75,865	723,009
Management Fee	[5]	12,517	12,592	12,783	12,953	13,280	14,212	14,401	14,595	14,797	15,005	15,220	152,354
Total Operating Expenses		158,086	162,527	167,216	172,020	177,119	182,966	188,217	193,626	199,198	204,938	210,851	2,016,766
Net Operating Income		259,156	257,202	258,873	259,761	265,544	290,770	291,801	292,883	294,020	295,213	296,466	3,061,688

Notes

- Tenant is assumed to sign a 10 year renewal upon lease expiry for 110% of prior shell rent amount
- Initial OpEx Rent Base is stated in \$78,697.53/annum - Subject to CPI Increases, amount shown includes historical increases. Future CPI Schedule is assumed: 2025 - 4.5%, Thereafter - 3.5%
- Tax Base is \$45,027, Owner is reimbursed any overage above this amount if the property taxes exceed this amount
- Operating Expense Source: Owner provided T12 May 2022 - April 2023 with separate assumption for 'Management Fee'
- Management Fee is assumed to be 3.0% of EGR



Springfield, IL Demographics



Sangamon County



Current City Population

115,888+

Springfield Overview | 5 Mile Radius



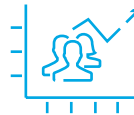
Population

In the identified area, the current year population is 85,765. In 2010, the Census count in the area was 86,502. The rate of change since 2010 was -0.08% annually. The five-year projection for the population in the area is 84,875 representing a change of -0.21% annually from 2021 to 2026. Currently, the population is 47.3% male and 52.7% female.



Households

The household count in this area has changed from 39,403 in 2010 to 39,498 in the current year, a change of 0.02% annually. The five-year projection of households is 39,216, a change of -0.14% annually from the current year total. Average household size is currently 2.13, compared to 2.15 in the year 2010. The number of families in the current year is 20,969 in the specified area..



Households by income (Average)

Current average household income is \$81,988 in this area, compared to \$92,435 for all U.S. Households. Average household income is projected to be \$91,462 in five years, compared to \$103,679 for all U.S. Households.



Housing

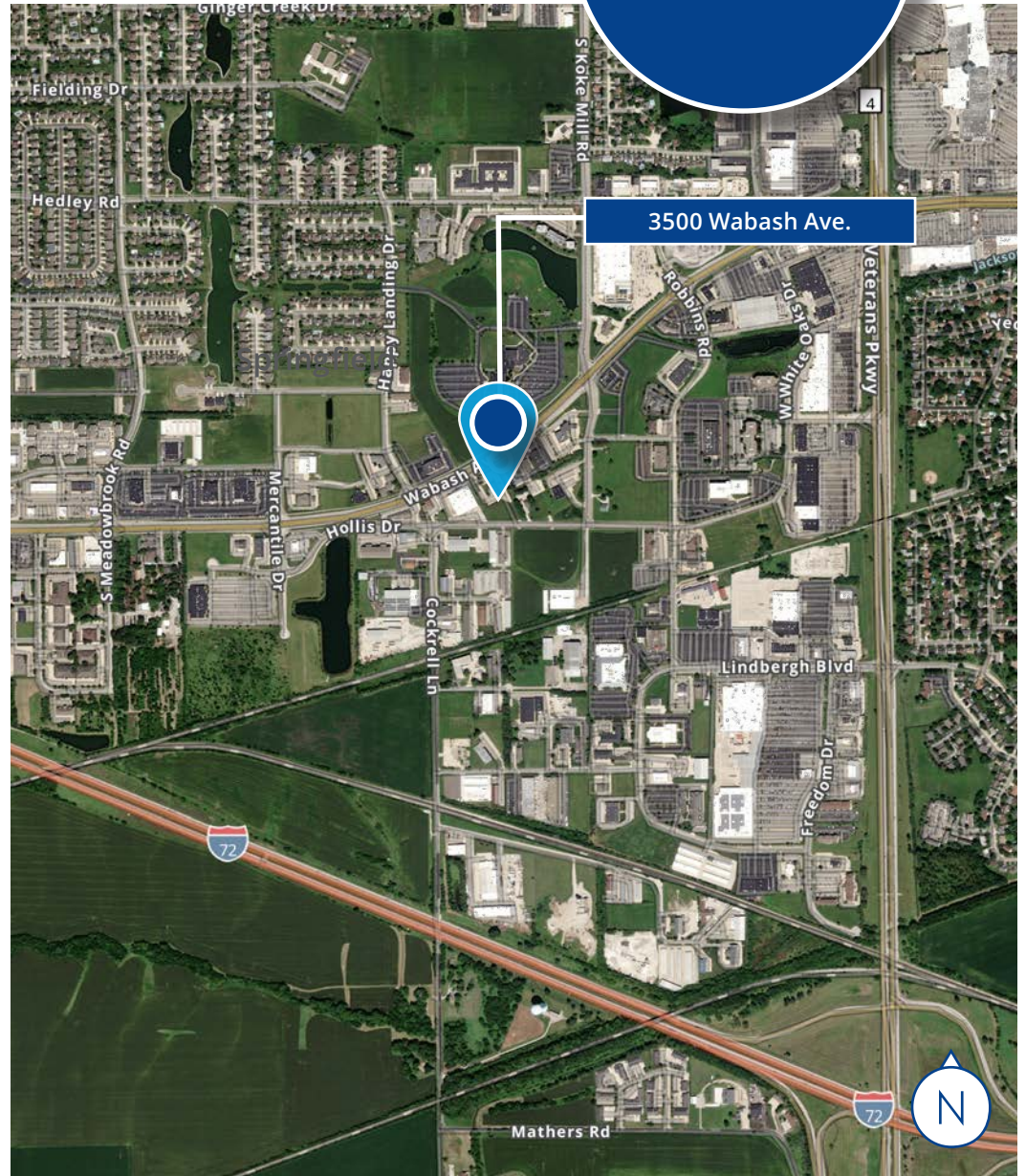
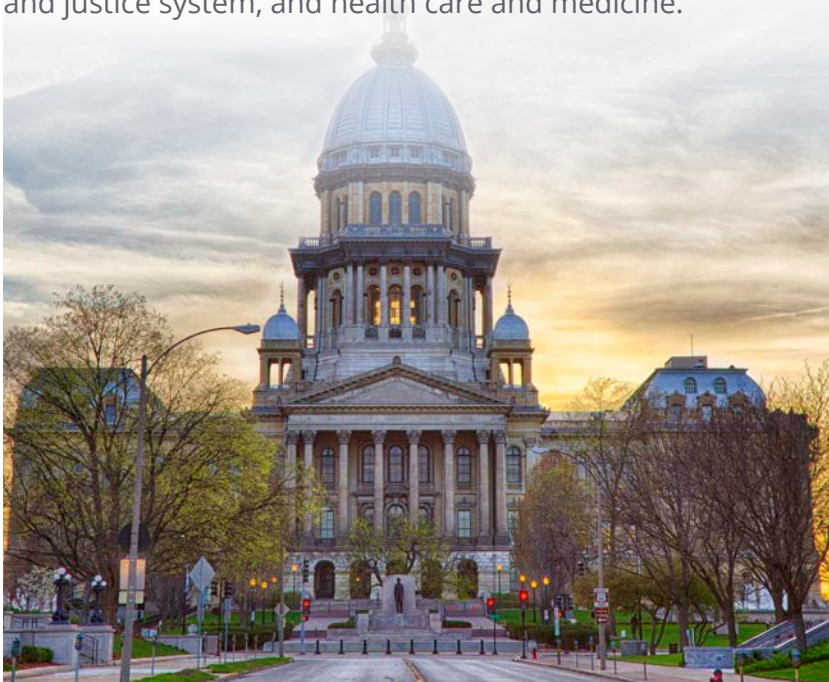
Currently, 54.9% of the 44,352 housing units in the area are owner occupied; 34.1% renter occupied; and 10.9% are vacant. 57.3% of the housing units in the US are owner occupied; 31.2% are renter occupied; and 11.5% are vacant. In 2010, there were 43,160 housing units in the area - 58.2% owner occupied, 33.0% renter occupied, and 8.7% vacant. The annual rate of change in housing units since 2010 is 1.22%. Median home value in the area is \$165,084, compared to a median home value of \$264,021 for the U.S. In five years, median value is projected to change by 4.83% annually to \$209,033.

Source: ESRI

Location Overview

3500 Wabash Ave. | Springfield, IL 62711

Springfield is the capital of Illinois and the county seat, with a population of over 114,250, which makes it the state's sixth most-populous city, the second largest outside of the Chicago metropolitan area. Springfield and Sangamon County are surrounded by a booming agriculture industry and the nation's second leading exporter of corn, soybeans, feed grains, and related products. The government of the state of Illinois is based in Springfield. State government institutions include the Illinois General Assembly, the Illinois Supreme Court and the Office of the Governor of Illinois. Springfield's economy is dominated by government jobs, plus the related lobbyists and firms that deal with the state and county governments and justice system, and health care and medicine.



Aerial Overview

3500 Wabash Ave. | Springfield, IL 62711

Springfield
Illinois





Pricing Details

\$3,575,000 (\$191.25/sf)

Purchase Price

7.25%

Cap Rate

\$259,156

Current Net Operating Income
(NOI)

Please contact our Investment Sales Team
for questions or more information.



Offering Instructions

3500 Wabash Ave. | Springfield, IL 62711

Offers should be submitted via email to:

Geoff.Ficke@colliers.com , Zack.Ficke@colliers.com and
Debra.VanderWeit@colliers.com

Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

Property Tours

By Appointment Only

Form of PSA

Sellers

Title & Escrow

TBD

Thank you.



Colliers | Dallas-Fort Worth
1717 McKinney Avenue, Suite 900
Dallas, Texas 75202

Exclusive Investment Advisory Team

Geoff Ficke

Executive Vice President
+1 972 759 7814
geoff.ficke@colliers.com

Zack Ficke

Vice President
+1 972 759 7854
zack.ficke@colliers.com

Debra Vander Weit

Senior Associate
+1 847 987 1265
debra.vanderweit@colliers.com

Swarren O'Barr

Sr. Brokerage Specialist
+1 972 759 7824
swarren.obarr@colliers.com

Sydney Gonzalez

Sr. Client Services Specialist
+1 972 759 7840
sydney.gonzalez@colliers.com

Ash Goldfarb

Sr. Financial Analyst
+1 214 217 1231
ash.goldfarb@colliers.com

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