



U.S. Department of Homeland Security (DHS)

4715 W. Junction Street | Springfield, MO 65802

Offering Memorandum

Colliers

Disclaimer

Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

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.

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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 Homeland Security (DHS)

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[Exclusive Investment Advisory Team](#)

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Investment Overview

The Ficke Team of Colliers is pleased to offer investors the exclusively listed Department of Homeland Security (DHS) building located at 4715 West Junction Street in Springfield, MO. This 12,000-square foot building was originally constructed in 1996 and fully renovated in 2020 to meet the rigorous design and security requirements of the DHS.

The subject property is a 1st generation, 15 year lease with just over 11.8 years remaining term. DHS - Springfield presents an investor with the opportunity to acquire a custom-designed building for this mission critical government agency inclusive of annual CPI escalations and a one-time shell rental increase (2033). This recent retrofit facility provides an attractive risk-adjusted yield with a highly rated credit tenant (S&P AA-). General Services Administration leases offer long-term stability to an investor as these federal agencies occupy the facilities for more than 30 years, on average, with a first-generation renewal rate of approximately 96 percent.

Springfield is the third largest city in the U.S. state of Missouri and the county seat of Greene County. The city's 2022 population was 359,000. It is the principal city of the Springfield metropolitan area, which had an estimated population of 481,483 in 2021 and includes the counties of Christian, Dallas, Greene, Polk, and Webster, and is the fastest growing metropolitan area in the state of Missouri. Springfield's nickname is "Queen City of the Ozarks". It is home to several universities and colleges, including Missouri State University, Drury University, and Evangel University. The city is an important center of education and medical care, with two of the largest hospitals in the area, CoxHealth and Mercy, employing over 20,000 people combined, and being the largest employers in the region.

Investment Highlights



New 15 Year / 13 Firm Lease Term



1st generation lease with Department of Homeland Security (S&P AA)



Shell Rent Increase of 7.7% in Year 7



Annual CPI escalations



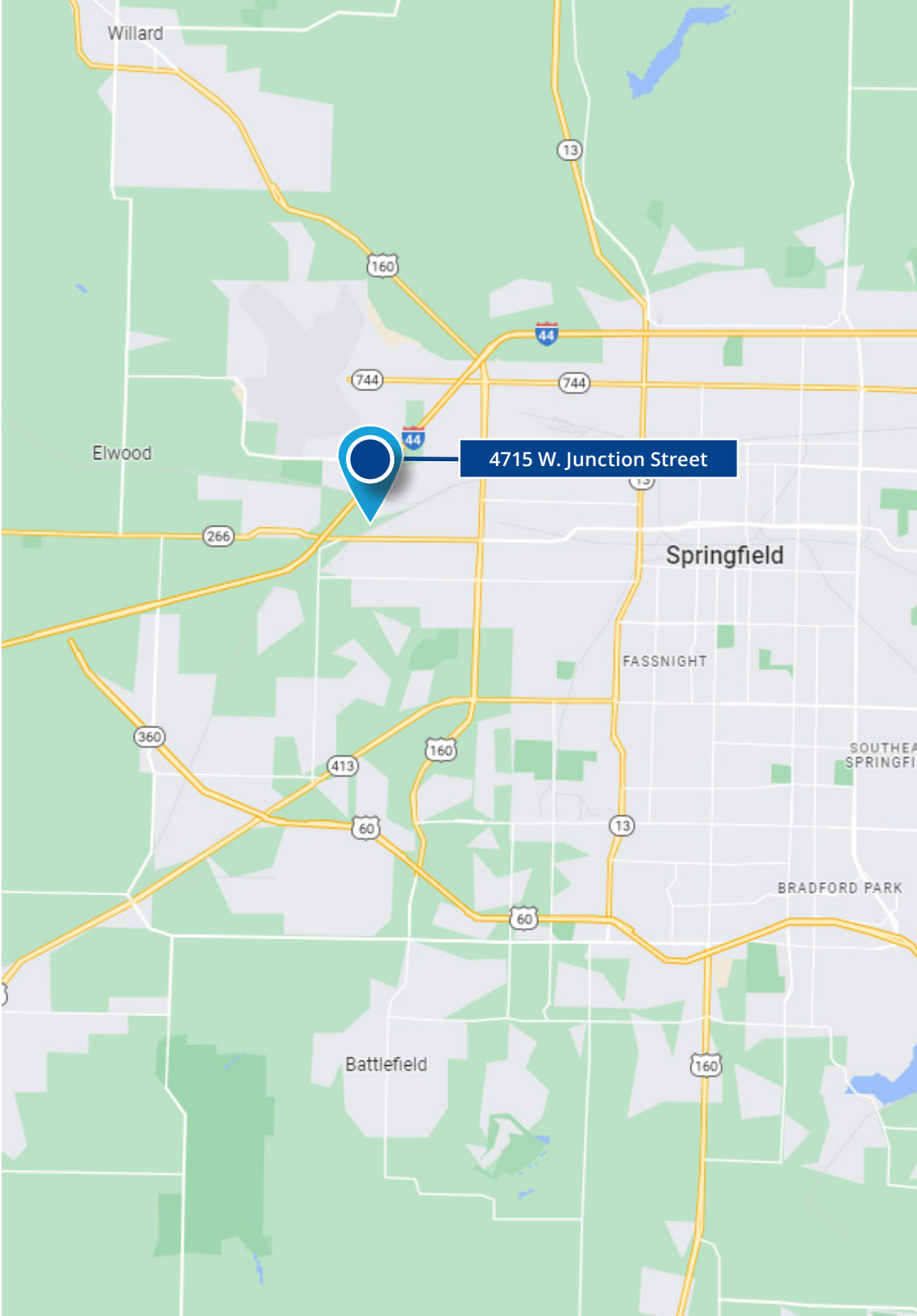
Property Located in Opportunity Zone



Over \$750,000 of Tenant Improvement & Building Security improvements funded by DHS

Property Overview

4715 W. Junction Street | Springfield, MO 65802



Property Summary

Property Name	U.S. Department of Homeland Security (DHS)
Address	4715 W. Junction Street Springfield, MO 65802
Rentable SF	12,000
Property Type	Office/ Flex
Property Subtype	Government
Occupancy	100%
Building Class	B
Tenancy	Single
Year Built / Renovated	1996 / 2020
Lot Size	1.05 AC

Tenant Overview

4715 W. Junction Street | Springfield, MO 65802



The United States Department of Homeland Security (DHS) is the U.S. federal executive department responsible for public security, roughly comparable to the interior or home ministries of other countries. Its stated missions involve anti-terrorism, border security, immigration and customs, cyber security, and disaster prevention and management.

It began operations in 2003, formed as a result of the Homeland Security Act of 2002, enacted in response to the September 11 attacks. With more than 240,000 employees, DHS is the third-largest Cabinet department, after the Departments of Defense and Veterans Affairs. Homeland security policy is coordinated at the White House by the Homeland Security Council. Other agencies with significant homeland security responsibilities include the Departments of Health and Human Services, Justice, and Energy.

Lease Information	
Tenant	U.S. Department of Homeland Security (DHS)
Lease Type	Modified Gross
Rentable Square Feet	12,000
Lease Commencement	01/16/2020
Lease Expiration (Firm)	01/15/2033
Term Remaining (Firm)	9.33
Lease Expiration (Soft)	01/15/2035
Term Remaining (Soft)	11.33
Annual Rent PSF	\$27.16
Total Rent Per Month	\$19,106.42
Total Rent Per Year	\$229,277.04



Financials Rent Schedule

4715 W. Junction Street | Springfield, MO 65802

Rentable Square Feet	12,000
Real Estate Tax Base	\$9,345.10
Real Estate Tax Percentage	100%

01/16/2020 - 01/15/2033 (Firm Term)	Date	\$/SF	Annual	Monthly
Shell Rent	Current	\$13.00	\$156,000	\$13,000
	Jan-2030	\$14.00	\$168,000	\$14,000
OpEx Base		\$7.77	\$93,240	\$7,770
Tenant Improvements (TI)		\$4.04	\$48,466	\$4,039
Building Specific Amortized Capital (BSAC)		\$2.35	\$28,172	\$2,348
Total		\$27.16	\$325,878	\$27,157

01/16/2033 - 01/15/2035 (Soft Term)	\$/SF	Annual	Monthly
Shell Rent	\$14.00	\$168,000	\$14,000
OpEx Base	\$7.77	\$93,240	\$7,770
Tenant Improvements (TI)	\$4.04	\$48,466	\$4,039
Building Specific Amortized Capital (BSAC)	\$2.35	\$28,172	\$2,348
Total	\$28.16	\$337,878	\$28,157

Financials Pro Forma Cash Flow

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For the Years Ending		Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	Year 11 Dec-2034	Total
Rental Revenue													
DHS - ICE Shell Rent		156,000	156,000	156,000	156,000	156,000	156,000	160,516	168,000	168,000	168,000	168,000	1,768,516
Total Rental Revenue		156,000	156,000	156,000	156,000	156,000	156,000	160,516	168,000	168,000	168,000	168,000	1,768,516
Other Tenant Revenue													
DHS - ICE OpEx Rent	[1]	111,831	115,745	119,796	123,989	128,328	132,820	137,469	142,280	147,260	152,414	157,748	1,469,680
DHS - ICE RE Tax Reimbursement	[2]	16,179	16,945	17,734	18,546	19,383	20,245	21,132	22,047	22,988	23,958	24,958	224,116
DHS - ICE Tenant Improvement Rent	[3]	48,466	48,466	48,466	48,466	48,466	48,466	48,466	48,466	48,466	48,466	48,466	533,131
DHS - ICE BSAC Rent	[4]	28,172	28,172	28,172	28,172	28,172	28,172	28,172	28,172	28,172	28,172	28,172	309,888
Total Other Tenant Revenue		204,648	209,328	214,168	219,173	224,349	229,703	235,239	240,965	246,886	253,011	259,344	2,536,814
Effective Gross Revenue		360,648	365,328	370,168	375,173	380,349	385,703	395,755	408,965	414,886	421,011	427,344	4,305,330
Operating Expenses													
Utilities	[5]	28,781	29,645	30,534	31,450	32,394	33,365	34,366	35,397	36,459	37,553	38,680	368,625
Insurance		6,342	6,532	6,728	6,930	7,138	7,352	7,572	7,800	8,033	8,274	8,523	81,223
Accounting / Admin		1,906	1,963	2,022	2,082	2,145	2,209	2,275	2,344	2,414	2,486	2,561	24,405
R&M		2,630	2,708	2,790	2,873	2,960	3,048	3,140	3,234	3,331	3,431	3,534	33,679
Landscaping		2,724	2,806	2,890	2,977	3,066	3,158	3,253	3,351	3,451	3,555	3,661	34,893
Janitorial		26,394	27,186	28,001	28,841	29,706	30,598	31,516	32,461	33,435	34,438	35,471	338,046
RE Taxes		25,524	26,290	27,079	27,891	28,728	29,590	30,478	31,392	32,334	33,304	34,303	326,912
Waste Removal		1,170	1,205	1,241	1,279	1,317	1,356	1,397	1,439	1,482	1,527	1,572	14,986
Management Fee	[6]	10,819	10,960	11,105	11,255	11,410	11,571	12,083	12,269	12,447	12,630	12,820	129,370
Total Operating Expenses		106,290	109,295	112,390	115,579	118,864	122,248	126,080	129,686	133,386	137,198	141,125	1,352,139
Net Operating Income		254,358	256,033	257,778	259,594	261,486	263,455	269,676	279,279	281,500	283,813	286,219	2,953,191

Notes

- OpEx Base is stated in \$93,240.00/annum - Subject to CPI Increases, amount shown includes historical increases. Future CPI Schedule is assumed: 3.5% YoY growth
- Tax Base is \$9,345.10
- Tenant improvements of \$463,647.80 are amortized at a rate of 6.5 percent per annum over the lease term
- Building Specific Amortized Capital (BSAC) of \$269,500.00 is amortized at a rate of 6.5 percent per annum over the lease term
- Operating Expense Source: Owner provided 2021 & 2022 expense totals with separate assumption for 'Management Fee'
- Management Fee assumed to be 3.0% of effective gross revenue



Springfield, MO Demographics



Current City Population

359,000+

Springfield Overview | 5 Mile Radius



Population

In the identified area (5-mile radius of property), the current year population is 88,169. The 2010 Census population count in the area was 80,025, and 86,579 in 2020, a 0.8% annual growth rate. The rate of growth since 2020 was 0.8% annually. The five-year projection for the population in the area is 89,827 representing a change of 0.4% annually. Currently, the population is 49.8% male and 50.2% female.



Households

The household count in this area has changed from 36,880 in 2020 to 37,576 in the current year, a change of 0.93% annually. The five-year projection of households is 38,458, a change of 0.47% annually from the current year total. Average household size is currently 2.23, compared to 2.24 in the year 2020. The number of families in the current year is 19,661 in the specified area.



Households by income (Average)

Current average household income is \$51,260 in this area, compared to \$105,029 for all U.S. households. Average household income is projected to be \$61,530 in five years, compared to \$122,155 for all U.S. households.



Housing

Currently 44.1% of the 41,671 housing units in the area are owner occupied; 55.9% renter occupied; and 9.8% are vacant. 64.6% of the housing units in the US are owner occupied; 35.4% are renter occupied; and 10.0% are vacant. In 2010, there were 36,931 housing units in the area - 47.1% owner occupied, 42.6% renter occupied, and 10.3% vacant. The annual rate of change in housing units since 2020 is 1.0%. Median home value in the area is \$142,702, compared to a median home value of \$283,272 for the U.S. In five years, median value is projected to change to \$176,415.

Source: ESRI

Aerial Overview

4715 W. Junction Street | Springfield, MO 65802

Springfield
Missouri

4715 W. Junction Street





Pricing Details

Purchase Price:
\$3,700,000
(\$308.33/sf)

Cap Rate:
6.87%

Year 1 NOI:
\$254,385

*Please contact our Investment
Sales Team for more details.*



Offering Instructions

4715 W. Junction Street | Springfield, MO 65802

Offers should be submitted via email to:

Geoff.Ficke@colliers.com, Zack.Ficke@colliers.com & 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

Form of PSA

Sellers

Property Tours

By Appointment Only

Title & Escrow

TBD

Thank you.



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