Mine Safety and Health Administration (MSHA)

8223 Express Drive | Marion, IL

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.

Mine Safety and Health Administration

8223 Express Drive | Marion, IL

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Investment **Overview**

The Ficke Team of Colliers is pleased to present to qualified investors The U.S. Department Mine Safety and Health Administration (MSHA) building located at 8223 Express Drive in Marion, Illinois. This 8,000-square foot building was developed in 2013 and is situated on 1.274 acres of land. The GSA executed the 5-year renewal option on this first-generation lease with four-years firm term, and one-year soft term, expiring on May 15, 2028, demonstrating their commitment to this location. Inspectors in this Marion Field Office prepare, conduct, and report onsite safety and health inspections and investigations of surface and underground mining operations. They also prepare equipment and instruments needed for inspections and investigations from this building, which has a special equipment room for this purpose.

The MSHA property is part of the Williamson County Airport Business Park, which is part of the Veterans Airport of Southern IL. The property is being conveyed with a forty-five and one half year ground-lease with the Williamson County Airport, through November 5, 2029 with four-10-year renewal options. Veterans Airport is the region's sole primary commercial service airport. The airport promotes the business park that combined with other businesses located on the airport property, generates an annual economic impact of over $21 million to the area.

Marion is one of the fastest growing cities in Southern Illinois. Marion is a city in both Williamson and Johnson Counties and is the county seat for Williamson County. Marion serves as the largest retail trade center in Southern Illinois with its central location along Interstate 57 and Illinois Route 13. This ideal location serves as the center for shopping, dining, and entertainment in Southern Illinois. With access to Interstate 24 just to the south, Marion is a point of access to major cities like Chicago, Nashville, and St. Louis.

Investment Highlights

- Backed by the full faith of the U.S. Government (AA+, S&P Credit Rating)
- First Generation Lease – 5-Years Renewal Option Exercised by the GSA
- Build-to-Suit in 2013
- Mission Critical Facility Located on the Williamson County Airport Business Park
- Well-Maintained Masonry Building
- Long-Term Leasehold

Tenant **Overview**

8223 Express Drive | Marion, IL

The U.S. Department of Labor's Mine Safety and Health Administration (MSHA) helps to reduce deaths, injuries, and illnesses in the nation's mines with a variety of activities and programs. The Agency develops and enforces safety and health rules for all U.S. mines, and provides technical, educational, and other types of assistance to mine operators. MSHA works cooperatively with industry, labor, and other Federal and state agencies to improve safety and health conditions for all miners in the United States. MSHA carries out the provisions of the Federal Mine Safety and Health Act of 1977 (Mine Act) as amended by the Mine Improvement and New Emergency Response (MINER) Act of 2006. The Agency develops and enforces safety and health rules for all U.S. mines regardless of size, number of employees, commodity mined, or method of extraction.

Tenant	Square Feet	Building Share %	Lease Commencement	Lease Expiration (Firm)	Lease Expiration (Soft)	Annual Rent PSF	Total Rent Per Month	Total Rent Per Year	Lease Type
Mine Safety Health Administration (MSHA)	8,000	100%	5/16/2013	5/15/2027	5/15/2028	$21.43	$14,284.20	$171,410.42	Modified Gross

Property & Lease **Overview**

8223 Express Drive | Marion, IL

Property Summary	
Property Address	8223 Express Drive, Marion, IL 62959
Lot Size	1.27 acres
Property SF	8,000
Ownership Type	Leasehold
Year Built	2013
Building Height	1 Story
Building Class	B

Lease Overview	
Lease Type	Modified Gross
Square Feet Occupied	8,000
Lease Commencement	5/16/2013
Lease Expiration (Firm)	5/15/2027
Firm Term Remaining	3.2
Lease Expiration (Soft)	5/15/2028
Total Term Remaining	4.2

Financials **Rent Schedule**

8223 Express Drive | Marion, IL

Rentable Square Feet	8,000
Real Estate Tax Base	$6,074.00
Real Estate Tax Percentage	100%

05/16/2013 - 05/15/2028 (Executed Option - Firm & Soft Term)	$/SF	Annual	Monthly
Shell Rent[1]	$14.00	$112,000.00	$9,333.33
Operating Costs Rent[2]	$7.43	$59,410.42	$4,950.87
Total	$21.43	$171,410.42	$14,284.20

Notes

1. Shell rent calculation: $14.00 per RSF multiplied by 8,000 RSF
2. Operating Costs rent calculation: $7.43 per RSF multiplied by 8,000 RSF - Amount grows with increases in CPI annually

Financials **Pro Forma Cash Flow**

8223 Express Drive | Marion, IL

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													
MSHA | Shell Rent	[1]	112,000	112,000	112,000	112,000	118,890	123,000	123,000	123,000	123,000	123,000	123,000	1,304,890
Total Rental Revenue		**112,000**	**112,000**	**112,000**	**112,000**	**118,890**	**123,000**	**123,000**	**123,000**	**123,000**	**123,000**	**123,000**	**1,304,890**
Other Tenant Revenue													
MSHA | OpEx Rent	[2]	63,759	65,061	67,338	69,695	72,134	74,659	77,272	79,976	82,776	85,673	88,671	827,014
MSHA | RE Tax Reimbursement	[3]	21,042	21,855	22,693	23,556	24,445	25,361	26,304	27,275	28,275	29,306	30,367	280,479
Total Other Tenant Revenue		**84,801**	**86,916**	**90,031**	**93,251**	**96,579**	**100,020**	**103,576**	**107,251**	**111,051**	**114,979**	**119,039**	**1,107,494**
Effective Gross Revenue		**196,801**	**198,916**	**202,031**	**205,251**	**215,469**	**223,020**	**226,576**	**230,251**	**234,051**	**237,979**	**242,039**	**2,412,383**
Operating Expenses	[4]												
Supplies		1,456	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,844	1,900	1,957	18,648
R&M		2,607	2,685	2,766	2,849	2,934	3,022	3,113	3,206	3,302	3,402	3,504	33,390
Contract Services		29,780	30,674	31,594	32,542	33,518	34,524	35,559	36,626	37,725	38,857	40,022	381,421
Landscaping		1,820	1,875	1,931	1,989	2,048	2,110	2,173	2,238	2,306	2,375	2,446	23,310
Snow Removal		5,596	5,764	5,937	6,115	6,298	6,487	6,682	6,882	7,089	7,302	7,521	71,672
Electricity		17,846	18,382	18,933	19,501	20,086	20,689	21,310	21,949	22,607	23,286	23,984	228,573
Gas		2,260	2,328	2,398	2,470	2,544	2,620	2,699	2,780	2,863	2,949	3,037	28,946
Water & Sewer		624	643	662	682	702	723	745	767	790	814	839	7,992
Property Insurance		2,610	2,688	2,769	2,852	2,938	3,026	3,116	3,210	3,306	3,405	3,508	33,428
Property Taxes		27,116	27,929	28,767	29,630	30,519	31,435	32,378	33,349	34,349	35,380	36,441	347,293
Ground Lease Fee	[5]	10,515	10,694	10,876	11,061	11,249	11,440	11,635	11,832	12,034	12,238	12,446	126,021
Management Fee	[6]	5,904	5,967	6,061	6,158	6,464	6,691	6,797	6,908	7,022	7,139	7,261	72,372
Total Operating Expenses		**108,135**	**111,129**	**114,238**	**117,439**	**120,940**	**124,454**	**127,945**	**131,539**	**135,238**	**139,046**	**142,965**	**1,373,067**
Net Operating Income		**88,666**	**87,787**	**87,793**	**87,812**	**94,529**	**98,565**	**98,630**	**98,713**	**98,813**	**98,933**	**99,073**	**1,039,316**

Notes to Cash Flow

1. Tenant is assumed to sign a 10 year renewal upon lease expiry for 110% of prior shell rent amount
2. OpEx Base is stated in $48,563.50/annum - Subject to CPI Increases, amount shown includes historical increases. Future CPI Schedule is assumed to be 3.5% Y-o-Y.
3. Mine Safety Health Association (MSHA) pays tax amount overage over an assumed tax base of $6,074.00
4. Operating Expense Source: Owner provided T12 May 2022 - April 2023 with separate assumption for 'Management Fee' - Expense growth of 3.0% YoY Assumed
5. Ground Lease term goes from 2019 until 11/2029 with four (4) additional 10-year options - 1.7% annual CPI increases assumed based on historical payments.
6. Management Fee is assumed to be 3.0% of EGR

Marion, IL
Demographics

Current County Population

360,210+

Marion Overview | 5 Mile Radius

Population

In the identified area, the current year population is 33,499. The 2010 Census population count in the area was 34,077, and 33,546 in 2020, a -0.2% annual growth rate. The rate of growth since 2020 was -0.1% annually. The five-year projection for the population in the area is 33,334 representing a change of -0.1% annually. Currently, the population is 48.2% male and 51.8% female.

Households

The household count in this area has changed from 14,827 in 2020 to 14,836 in the current year, a change of 0.03% annually. The five-year projection of households is 14,832, a change of -0.01% annually from the current year total. Average household size is currently 2.22, compared to 2.23 in the year 2020. The number of families in the current year is 8,789 in the specified area.

Households by income (Average)

Current average household income is $85,625 in this area, compared to $105,029 for all U.S. households. Average household income is projected to be $98,635 in five years, compared to $122,155 for all U.S. households

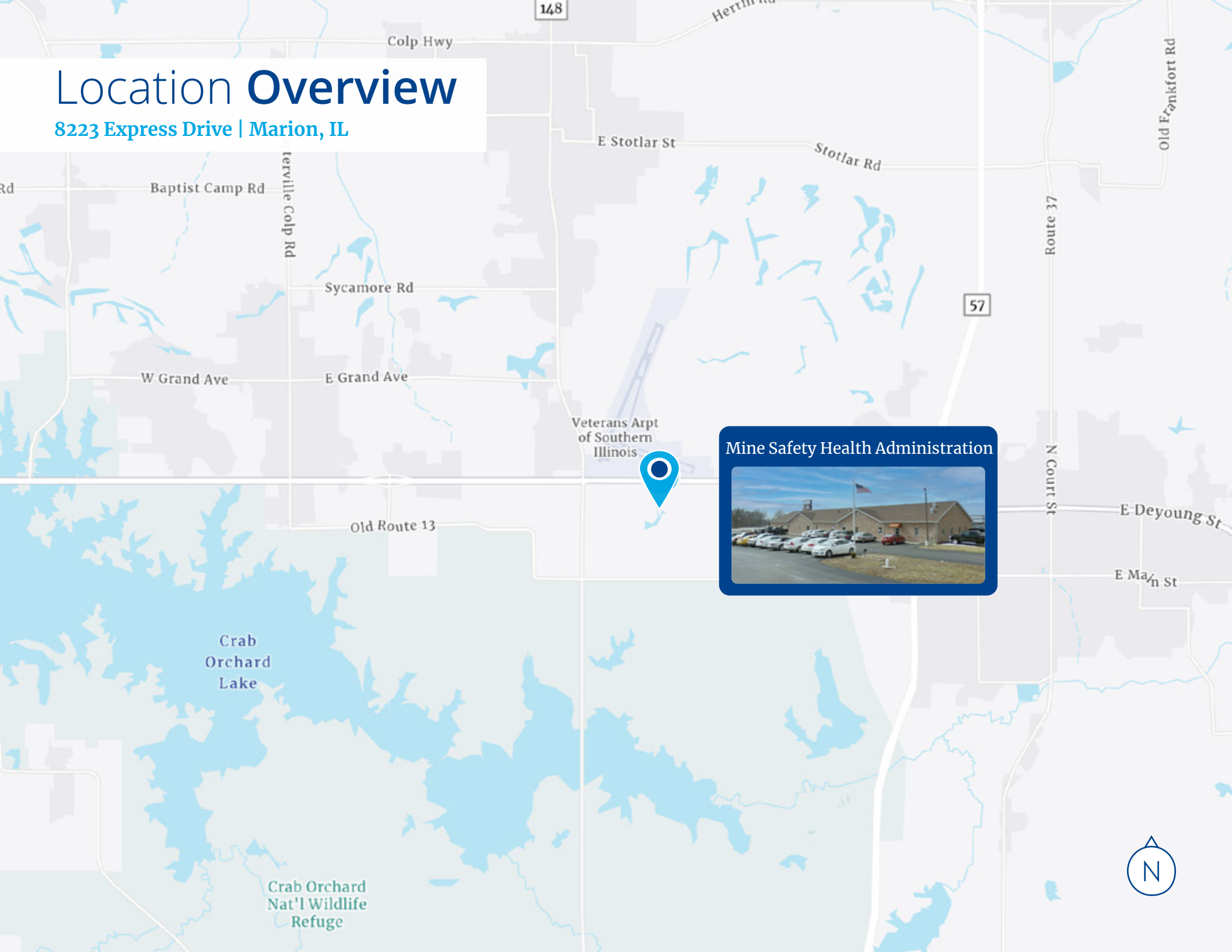
Housing

Currently 64.5% of the 16,952 housing units in the area are owner occupied; 35.5% renter occupied; and 12.5% 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 16,265 housing units in the area - 57.8% owner occupied, 32.7% renter occupied, and 9.5% vacant. The annual rate of change in housing units since 2020 is 0.3%. Median home value in the area is $151,632, compared to a median home value of $283,272 for the U.S. In five years, median value is projected to change to $206,668.

Source: ESRI

Location **Overview**

8223 Express Drive | Marion, IL



Aerial **Overview**

8223 Express Drive | Marion, IL

Pricing Details

$1,025,000
Purchase Price

$88,666
Year 1 NOI

8.65%
CAP Rate

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

Offering **Instructions**

8223 Express Drive | Marion, IL

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	Form of PSA	Title & Escrow
By Appointment Only	TBD	TBD

Thank you.

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