INVESTMENT

OFFERING MEMORANDUM

COLDWELL BANKER COMMERCIAL
DEVONSHIRE REALTY

RETAIL/OFFICE INVESTMENT OPPORTUNITY

2108 W Springfield Avenue
Champaign, IL 61821

PRESENTED BY:

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PROPERTY OVERVIEW

Purchase Price	$385,000.00
NOI (2020 Actual)	$32,980.00
Cap Rate (Based on 2020)	8.57%
Lot Size	+/- 21,300 SF
Gross Leasable Area	+/- 5,748 SF
Year Built	1970
Zoning	Commercial General
PIN	41-20-10-451-015
Real Estate Taxes	$8,865.50 (2019 Pay 2020)
Enterprise Zone	Yes

INVESTMENT HIGHLIGHTS

- **Upside Potential**
- **Strong Historical Occupancy**
- **Home to a Major Big 10 University**
- **Ideal Value Add Opportunity**

THE OFFERING

Coldwell Banker Commercial Devonshire Realty (CBCDR) is proud to exclusively offer for sale 2108 W Springfield Avenue in Champaign, Illinois. The property is located just west of the intersection of Mattis Avenue and Springfield Avenue, which boasts combined average annual daily traffic counts of nearly 40,000 vehicles per day.

The property is extremely well situated between high-growth residential subdivisions in west Champaign, and major commercial developments and the University of Illinois campus to the east.

The property is also strategically located immediately south of Interstate 72, which provides additional access to Interstate 57 and Interstate 74.

Parkland College (20,000+ student & 700+ faculty and staff), and Kraft Heinz (1,000+ employees) lie just north of the site – Kraft Heinz completed a 730,000 SF expansion in 2013, showing their commitment to the area and Parkland College completed a $35 million renovation to their student union in 2014.

2108 West Springfield Avenue was built in 1970 and features an ideal mix of professional office and service-based tenants that are highly complimentary. The building benefits from a long history of occupancy, and tenants have collectively shared over 113 years of success at this location, including:

- Tom Cox (State Farm): 41 Years
- Cheryl E. Smith, CPA: 19 Years
- Felmley-Dickerson: 3.5 Years

The smaller office sizes, highly functional floor plan, and the site's proximity to many popular restaurants and other amenities make it a great location for a wide spectrum of professional office and service-based retail uses.

AERIAL PHOTO

2020 MODIFIED INCOME STATEMENT

GROSS INCOME	
Base Rent	58,950
Real Estate Tax Reimbursement	0
Insurance Reimbursement	0
CAM Reimbursement	0
Other Reimbursement	1,693
Total Gross Income	**$60,643**

OPERATING EXPENSES	
Repair/Maintenance	6,280
HVAC Inspection	955
HVAC Repair	1,436
Lawn Care	1,000
Snow Removal	4,110
Hauling/Trash	1,056
Electric/Gas	728
Sanitary Sewer	642
Real Estate Taxes	8,866
Insurance	2,113
Lease Fees	477
Total Operating Expenses	**$27,663**
NET OPERATING INCOME	**$32,980**

CURRENTPROPERTY RENT ROLL

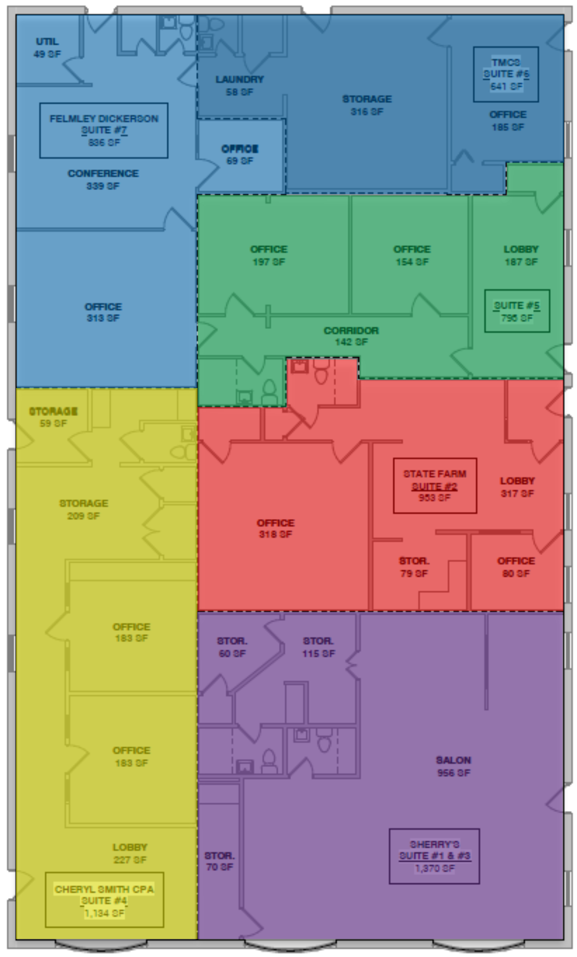
Tenant	SF Leased	Annual Rent	Reimbursements	Total Rent	Least Start	Lease Exp.
State Farm	953	$7,980	$528	$8,508	1979	8/31/2024
VACANT – Suite 5	795	-	-	-	-	-
Cheryl Smith, CPA	1,134	$10,152	$528	$10,680	2001	9/30/2021
Felmley-Dickerson	1,477	$13,260	$864	$14,124	4/28/2017	4/30/2021
VACANT – Suite 1/3	1,389	-	-	-	-	-
TOTAL	**5,748 SF**	**$31,152**	**$2,434**	**$33,312**		

Suite 5 is currently being marketed for $11.00/SF MG or $8,745/year.
Suite 1/3 is currently being marketed for $12.50/SF MG or $17,362.50/year.
Gross rent would increase to $59,419.50 upon lease-up.

TENANT REIMBURSEMENT BREAKDOWN

Tenant	Annual UCSD	Annual Hauling	Annual HVAC Contract	Annual Snow Removal	Annual Real Estate Taxes	Annual Insurance	Total Annual Reimbursements
State Farm	$126	$162	$240	-	-	-	$528
VACANT - St 5	$102	$131	$281	-	-	-	$514
Cheryl E Smith, CPA	$150	$193	$185	-	-	-	$528
Felmley-Dickerson	$156	$396	$312	-	-	-	$864
VACANT – St 1/3	$178	$230	$462	-	-	-	$870
TOTAL	**$712**	**$1,112**	**$1,480**				**$3,304**

BUILDING PLAN



Felmley-Dickerson

WSB

State Farm

VACANT

Cheryl Smith CPA

Springfield Avenue – 16,900 AADT

*Not to scale

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RENT ROLL – 2108 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Annual Reimbursement*	Total Annual Rent
9/1/2013 to 8/31/2016	$7,140	$960	$8,100
9/1/2016 to 8/31/2018	$7,500	$960	$8,460
9/1/2018 to 8/31/2020	$7,740	$528	$8,268
9/1/2020 to 8/31/2022	$7,980	$528	$8,508
9/1/2020 to 8/31/2024	$8,100	$528	$8,628
Option Term Dates			
9/1/2024 to 8/31/2026	$8,220	$528	$8,748
9/1/2026 to 8/31/2028	$8,340	$528	$8,868

*Annual reimbursements are expected to adjust in option years and in future based on costs.

TENANT OVERVIEW

State Farm is a leading insurance and financial services company, comprised of over 65,000 employees and 18,000 agents. The company's core business platform is State Farm Mutual Automobile Insurance Company, with corporate headquarters located in Bloomington, Illinois.

State Farm was ranked 36th in the 2019 Fortune 500.

LEASE ABSTRACT – STATE FARM

STATE FARM INSURANCE

Tenant	State Farm/Tom Cox
Lease Type	Modified Gross
Property Address	2108 W Springfield | Champaign, IL
Leased Premises	953 SF
Term Commences	September 1, 2013
Term Expiration	August 31, 2024
Primary Term	11 Years
Options	Two, 2-year options
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Roof & Structure	Landlord
Real Estate Taxes	Landlord
Insurance	Landlord
Utilities	Tenant
HVAC Service Contract	Tenant Reimbursement
Trash/Hauling	Tenant Reimbursement
UCSD	Tenant Reimbursement

RENT ROLL – 2108 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Annual Reimbursement	Total Annual Rent
10/1/2016 to 9/30/2018	$9,600	$1,080	$10,680
Option Term Dates			
10/1/2018 to 9/30/2019	$10,152	$583	$10,735
10/1/2018 to 9/30/2019	$10,152	$583	$10,735
10/1/2019 to 9/30/2021	$10,152	$583	$10,735

TENANT OVERVIEW

Cheryl E. Smith, CPA is a local Certified Public Accountant with a long, successful track record in her field, and has been in business at her current location for 19 years.

LEASE ABSTRACT – CHERYL E SMITH, CPA

Tenant	Cheryl E. Smith
Lease Type	Modified Gross
Property Address	2108 W Springfield | Champaign, IL
Leased Premises	1,134 SF
Term Commences	October 1, 2016
Term Expiration	September 30, 2021
Primary Term	2 Year
Options	None
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Roof & Structure	Landlord
Real Estate Taxes	Landlord
Insurance	Landlord
Utilities	Tenant
HVAC Service Contract	Tenant Reimbursement
Trash/Hauling	Tenant Reimbursement
UCSD	Tenant Reimbursement

RENT ROLL – 2108 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Annual Reimbursement*	Total Annual Rent
5/1/2017 to 5/31/2017	$0	-	-
6/1/2017 to 2/17/2019	$7,800	$564	$8,364
2/18/2019 to 4/30/2021	$13,260	$864	$14,124
Option Term Dates			
5/1/2021 to 4/30/2023	$14,280	$864	$15,144

*Annual reimbursements are expected to adjust in option years and in future based on costs.

TENANT OVERVIEW

Felmley-Dickerson Co. is a general contracting firm that has been in operation for over 70 years. The company has helped shape the face of central Illinois creating architectural wonders including the University of Illinois' Assembly Hall (State Farm Center), and a multitude of professional offices throughout the region.

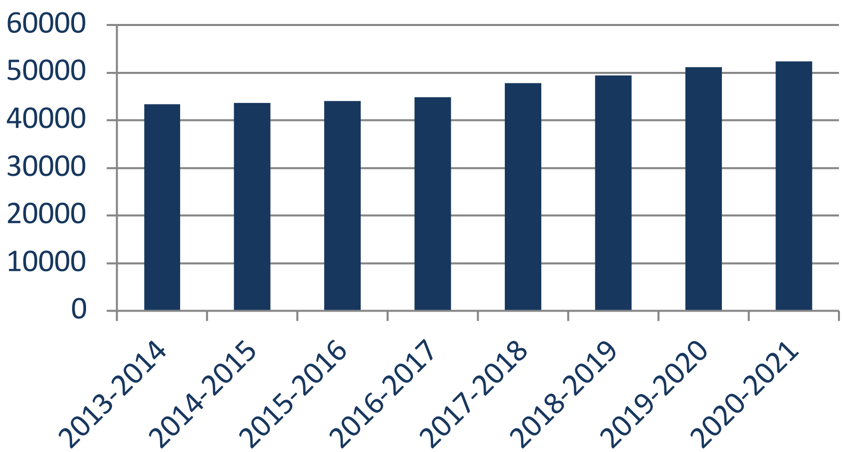
LEASE ABSTRACT – FELMLEY-DICKERSON

Tenant	Felmley-Dickerson Company, Inc.
Lease Type	Modified Gross
Property Address	2108 W Springfield | Champaign, IL
Leased Premises	1,477 SF
Term Commences	May 1, 2017
Term Expiration	April 30, 2021
Primary Term	2 Years
Options	One, 2-year option
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Roof & Structure	Landlord
Real Estate Taxes	Landlord
Insurance	Landlord
Utilities	Tenant
HVAC Service Contract	Tenant Reimbursement
Trash/Hauling	Tenant Reimbursement
UCSD	Tenant Reimbursement

ILLINOIS

52,331 Total Enrollment (2020)
33,492 Undergraduate Enrollment
17,802 Graduate Enrollment
1,037 Professional Students
10,845 Faculty & Staff

UIUC Enrollment



The University of Illinois at Urbana-Champaign (UIUC) is a public research university that was founded in 1867 as a land-grant institution and is the flagship campus of the University of Illinois System.

UIUC has 16 schools and colleges and offers more than 150 undergraduate and over 100 graduate programs of study.

The campus covers 6,370 acres and has 651 buildings with an annual operating budget in excess of $2B.

UIUC had $620M in R&D expenditures in FY16 and is home to the fastest supercomputer on a university campus.

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ILLINOIS

#1 Ranked Library & Information Sciences Program – US News

#2 Ranked Accounting School – US News

#6 Ranked Engineering School (Undergraduate) – US News

#9 Ranked Engineering School (Overall) – US News

#11 Ranked Public University - Forbes

#13 Ranked Public University – US News

15 Colleges and Instructional Units

21 NCAA Athletic Teams

24 Residence Halls

University of Illinois – Electrical & Computer Engineering Building

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ENTERPRISE ZONE INFORMATION

The City of Champaign was awarded an Enterprise Zone by the State of Illinois which began on January 1, 2016. The goal of the Enterprise Zone is to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state by providing state and local tax incentives. Each Zone across the state is tasked with developing a set of programs to achieve this goal.

The Champaign Zone contains six programs targeting specific types of redevelopment.

These programs provide for property tax relief (from participating agencies) on post construction taxes as well as the issuance of a Building Material Sales Tax Exemption Certificate.

This certificate allows the holder to purchase materials used for permanent building improvements to be purchased sales tax free in the State of Illinois. These certificates are issued directly to the contractor or purchaser of materials by the Illinois Department of Revenue on behalf of the City and County.

VALUE ADD OPPORTUNITY

The property benefits from long-term 100% occupancy and a new owner could add significant value over time by increasing rents closer to market rate – we see achievable rent increases in an as-is condition of 10% - 15% on retail spaces. A new buyer could realize additional value and NOI by updating the building facades to bring new life to the buildings.

It's also possible for a buyer to expand the building at 2402 W Springfield Avenue and add a freestanding, drive-up ATM in the parking lot, as Springfield Avenue is a major banking corridor.

Case Study – Royal Plaza > Neil Street Commons

Royal Plaza was a tired looking center that consistently had vacancy and was difficult to lease up and had average rents of $8.00/SF NNN. Ownership invested in a new façade, landscaping and signage, and also rebranded the shopping center to Neil Street Commons. The shopping center became 100% occupied within 6 months of the renovations and average rents increased to $12.00/SF NNN – **a 50% increase in average rents!**

Before

Before

After

After

AREA OVERVIEW

The city of Champaign is a vibrant community in central Illinois that is home to the states flagship University – the University of Illinois at Urbana-Champaign. The City of Champaign lies 134 miles south of Chicago, and is the tenth most populous city in the state of Illinois, and the fourth most populous city outside of Chicago metro. The city is also 126 miles west of Indianapolis, IN and 178 miles northeast of St. Louis, MO.

Champaign-Urbana has seen continued population growth year-after-year and grew nearly 9% between 2010 and 2017.

The area benefits from a strong healthcare industry and is served by Carle (6,000+ employees and 345-bed hospital), OSF (800+ employees and 210-bed hospital) and Christie Clinic (900+ employee multi-specialty group medical practice).

Champaign-Urbana is home to the University of Illinois, which is ranked as the #11 public university in the nation, and has nearly 50,000 students and 10,000+ faculty and staff, and Parkland College (18,000+ students and 700+ faculty & staff).

The area is also a vibrant tech community with offices for Yahoo!, Abbott Labs, ADM, Abbvie, NVIDIA, Caterpillar, Amdocs, Capital One, Grainger, Wolfram Research, Dow, and many more. The 700,000+ SF Research Park at the University of Illinois employs over 2,100 people in high-technology careers across 120+ companies.

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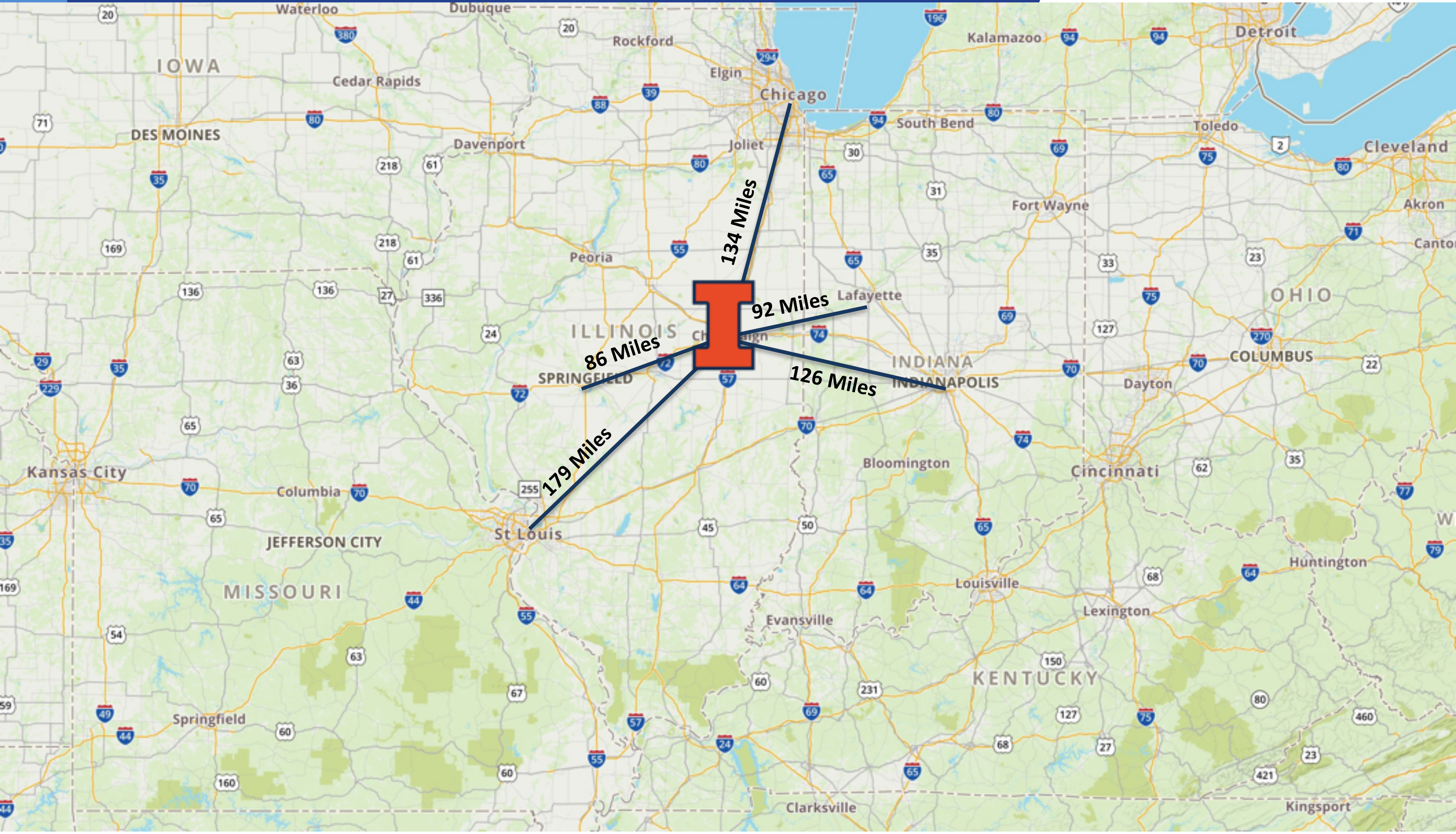

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