

OFFERING MEMORANDUM

**RETAIL/OFFICE
INVESTMENT
OPPORTUNITY**

**2108 W Springfield Avenue
Champaign, IL 61821**

PRESENTED BY:

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This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed 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.

COLDWELL BANKER COMMERCIAL DEVONSHIRE REALTY | CHAMPAIGN, IL | 217.352.7712

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Confidentiality and Restricted Use Agreement

This Confidential Investment Summary ("CIS") is provided by Coldwell Banker Commercial Devonshire Realty ("CBCDR"), solely for your consideration of the opportunity to acquire the commercial property described herein (the "Property"). This CIS may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of CBCDR.

This CIS does not constitute or pertain to an offer of a security or an offer of any investment contract. This CIS contains descriptive materials, financial information and other data compiled by CBCDR for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. CBCDR has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon CBCDR.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS CIS, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from CBCDR relating to the Property, whether oral, written or in any other form (collectively, the "Information"), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to CBCDR, all or any part of this CIS or the Information; (3) upon request by CBCDR at any time, you will return and/or certify your complete destruction of all copies of this CIS and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless CBCDR all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this CIS and/or any other Information concerning the Property; (5) you will not provide this CIS or any of the Information to any other party unless you first obtain such party's acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that CBCDR shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

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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
- Level Up Leadership Institute: New Tenant

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.

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AERIAL PHOTO



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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

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CURRENT PROPERTY RENT ROLL

Tenant	SF Leased	Annual Rent	Reimbursements	Total Rent	Lease Start	Lease Exp.
State Farm	953	\$7,980	\$528	\$8,508	1979	8/31/2024
Level Up Leadership	795	\$8,745	\$514	\$9,259	6/15/2021	6/30/2022
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	4/30/2023
VACANT – Suite 1/3	1,389	-	-	-	-	-
TOTAL	5,748 SF	\$40,137	\$2,434	\$42,571		

Suite 1/3 is currently being marketed for \$12.50/SF MG or \$17,362.50/year.
Gross rent would increase to \$59,933.50 upon lease-up.

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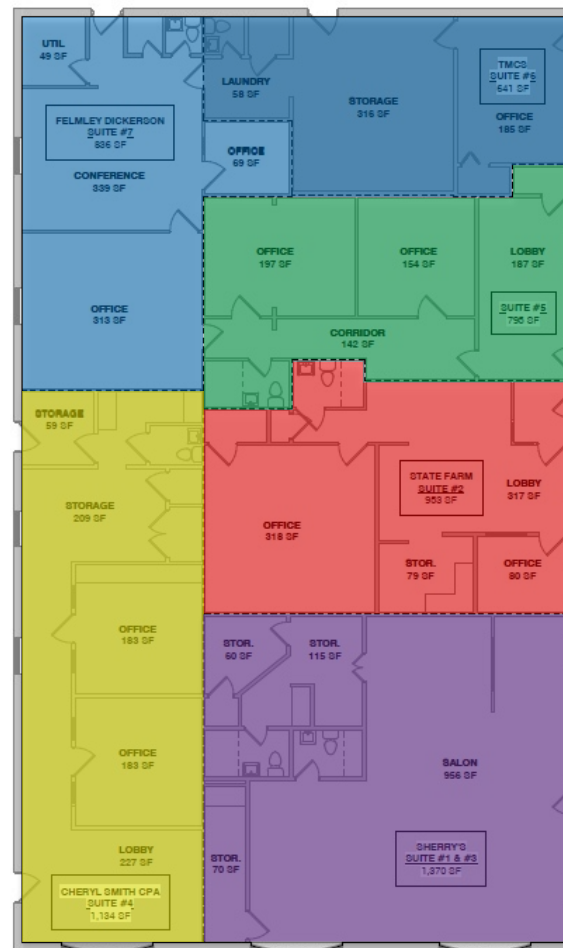


TENANT REIMBURSEMENT BREAKDOWN

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
Level Up Leadership	\$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

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BUILDING PLAN



- Felmley-Dickerson
- Level UP Leadership
- 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



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

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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

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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	\$13,260	\$864	\$14,124

*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, 2023
Primary Term	2 Years
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

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RENT ROLL – 2108 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Annual Reimbursement*	Total Annual Rent
6/15/2021 to 6/30/2022	\$8,745	\$514	\$9,259

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

TENANT OVERVIEW

Level Up Leadership Institute, NFP is a local not-for-profit that offers workshops, tutoring, events, and other services to Champaign-Urbana youth.

LEASE ABSTRACT – LEVEL UP LEADERSHIP

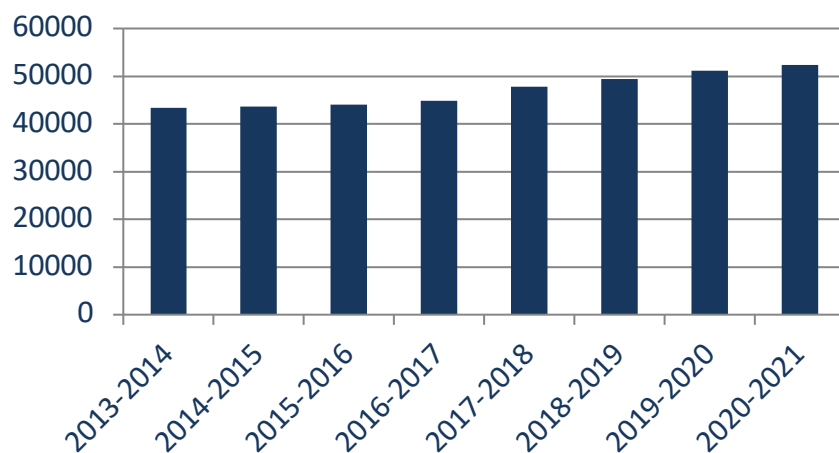
Tenant	Level Up Leadership Institute, NFP
Lease Type	Modified Gross
Property Address	2108 W Springfield Champaign, IL
Leased Premises	795 SF
Term Commences	June 15, 2021
Term Expiration	June 30, 2022
Primary Term	1 Year
Options	None
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Roof & Structure	Landlord
Real Estate Taxes	Landlord
Insurance	Landlord
Utilities	Tenant
HVAC Service Contract	Tenant Reimbursement
Trash/Hauling	Tenant Reimbursement
UCSD	Tenant Reimbursement

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I 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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I 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.

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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

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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.

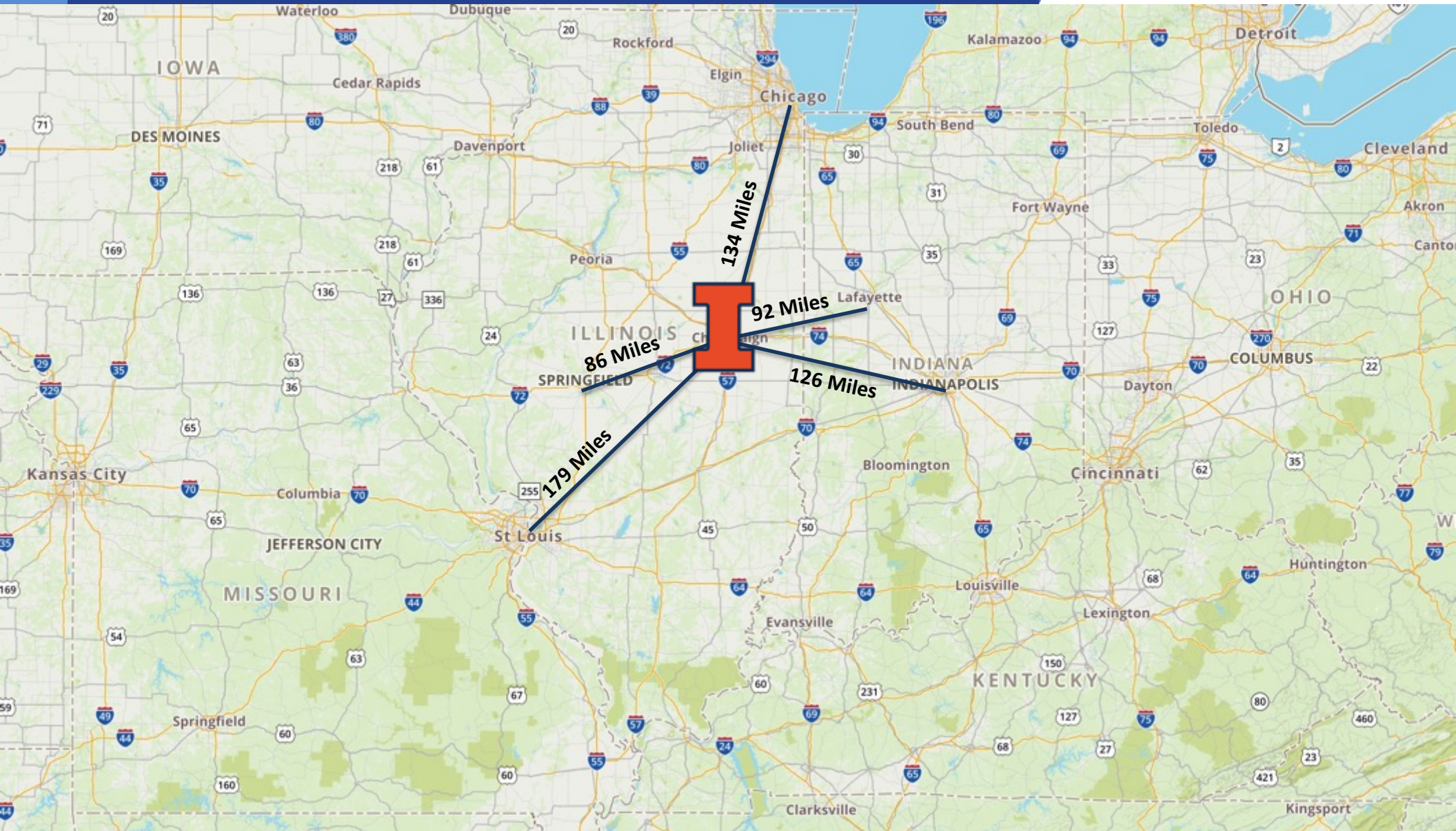
The area benefits from a strong healthcare industry and is served by Carle (6,000+ employees and 345-bed hospital), OSF (800+ employees and 210-bed hospital) and Christie Clinic (900+ employee multi-specialty group medical practice).

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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