

OFFERING MEMORANDUM

**RETAIL CENTER
INVESTMENT
OPPORTUNITY
100% LEASED**

**2402-16 W Springfield Ave
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The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time.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	\$1,150,000.00
NOI	\$101,118.00
Cap Rate	8.79%
Lot Size	+/- 59,918 SF
Gross Leasable Area	+/- 14,567 SF
Year Built	1984
Zoning	CG – Commercial General
PIN	41-20-10-300-009
Real Estate Taxes	\$29,156.94
Enterprise Zone	Yes

INVESTMENT HIGHLIGHTS

- **100% Occupied Portfolio**
- **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 2402-2416 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.

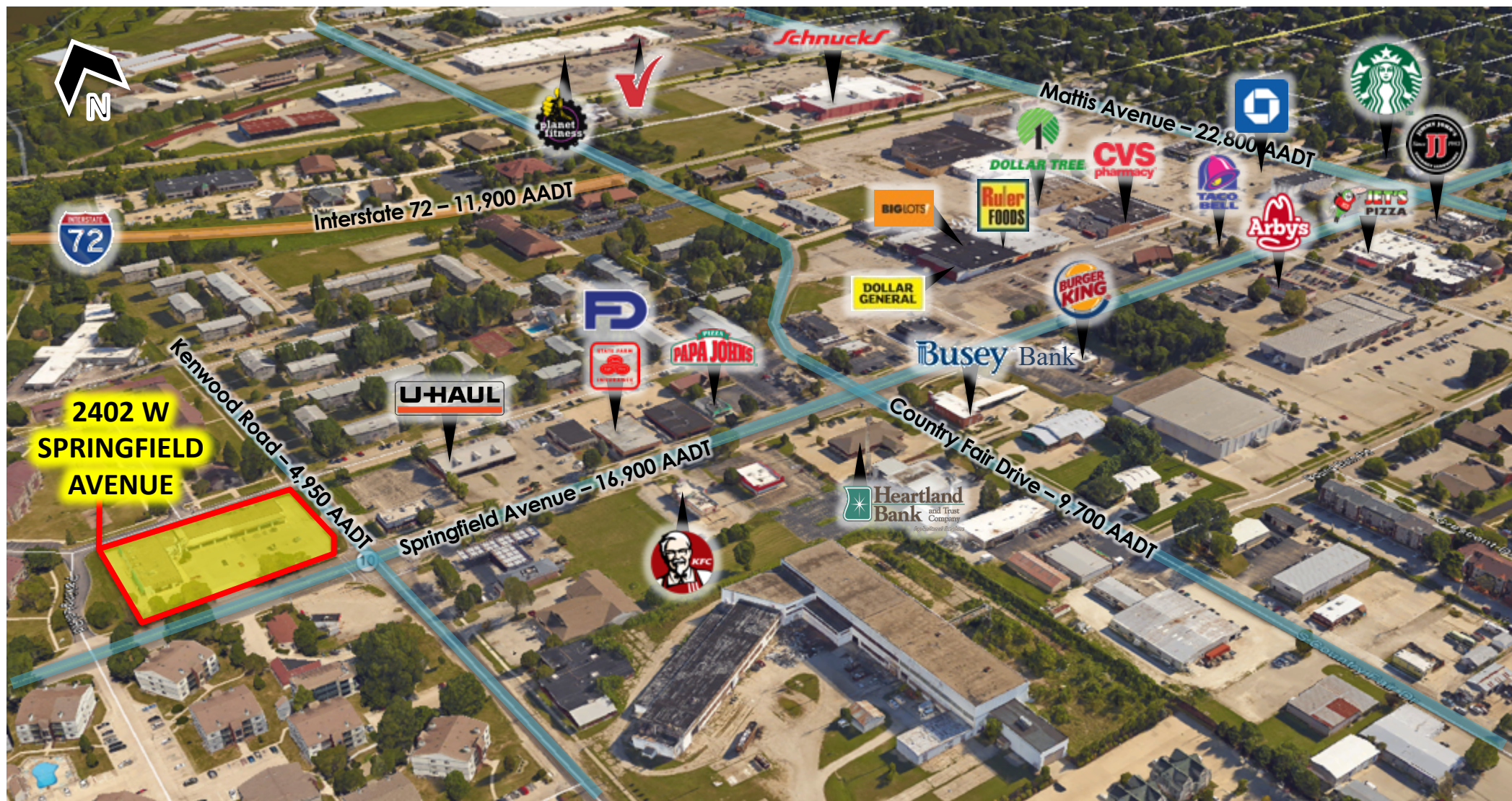
2402 - 2416 West Springfield Avenue; better known as Stoneybrook Plaza, was constructed in 1984 and also features an extremely long combined rental history of 93 years, and a solid roster of successful retail, office and service tenants:

- Swann Special Care Center: 22 Years
- J&P Hair Salon: 36 Years
- CosmoProf (Beauty Systems): 15 years
- Maligaya's: 13 Years
- Tower Loan: 7 Years

The subject property provides excellent pylon and tenant-space signage, and benefits from strong visibility from Springfield Avenue, abundant parking, and easy ingress/egress to the shopping center.

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AERIAL PHOTO



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2019 ACTUAL INCOME STATEMENT

GROSS INCOME

Base Rent	\$136,535
Real Estate Tax Reimbursement	17,494
Insurance Reimbursement	3,620
CAM Reimbursement	4,110
Sanitary Sewer Reimbursement	911
Other Reimbursement	3,163
Total Gross Income	\$165,833

OPERATING EXPENSES

Repair/Maintenance	7,253
HVAC Inspection	780
HVAC Repair	5,807
Lawn Care	3,259
Snow Removal	6,850
Hauling/Trash	0
Electric/Gas	3,860
Water	0
Sanitary Sewer	1,519
Real Estate Taxes	29,157
Insurance	6,230
Total Operating Expenses	\$64,715
NET OPERATING INCOME	\$101,118

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PROPERTY RENT ROLL

Tenant	SF Leased	Annual Rent	Reimbursements	Total Rent	Lease Start	Lease Exp.
Hoosier Care	7,842	\$62,736	\$17,451	\$80,187	1998	6/30/2021
J&P Hair	1,000	\$9,000	\$2,459	\$11,459	1984	1/31/2023
Tower Loan	1,850	\$18,000	-	\$18,000	1/20/2013	4/30/2023
Maligaya's	1,200	\$11,640	\$384	\$12,024	2007	M-T-M
Beauty Systems	2,675	\$34,775	-	\$34,775	1/17/2005	6/30/2020
TOTAL	20,296	\$136,151	\$20,294	\$156,445		

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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
Hoosier Care	\$88	-	-	\$969	\$15,762	\$1,777	\$17,451
J&P Hair	\$95	-	-	\$124	\$2,010	\$197	\$2,459
Tower Loan	-	-	-	-	-	-	-
Maligaya's	\$120	-	\$264	-	-	-	\$384
Beauty Systems	-	-	-	-	-	-	-
TOTAL	\$1,015	\$1,112	\$1,799	\$1,093	\$17,772	\$1,974	\$24,765

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BUILDING PLANS – 2402-2416 W SPRINGFIELD AVENUE



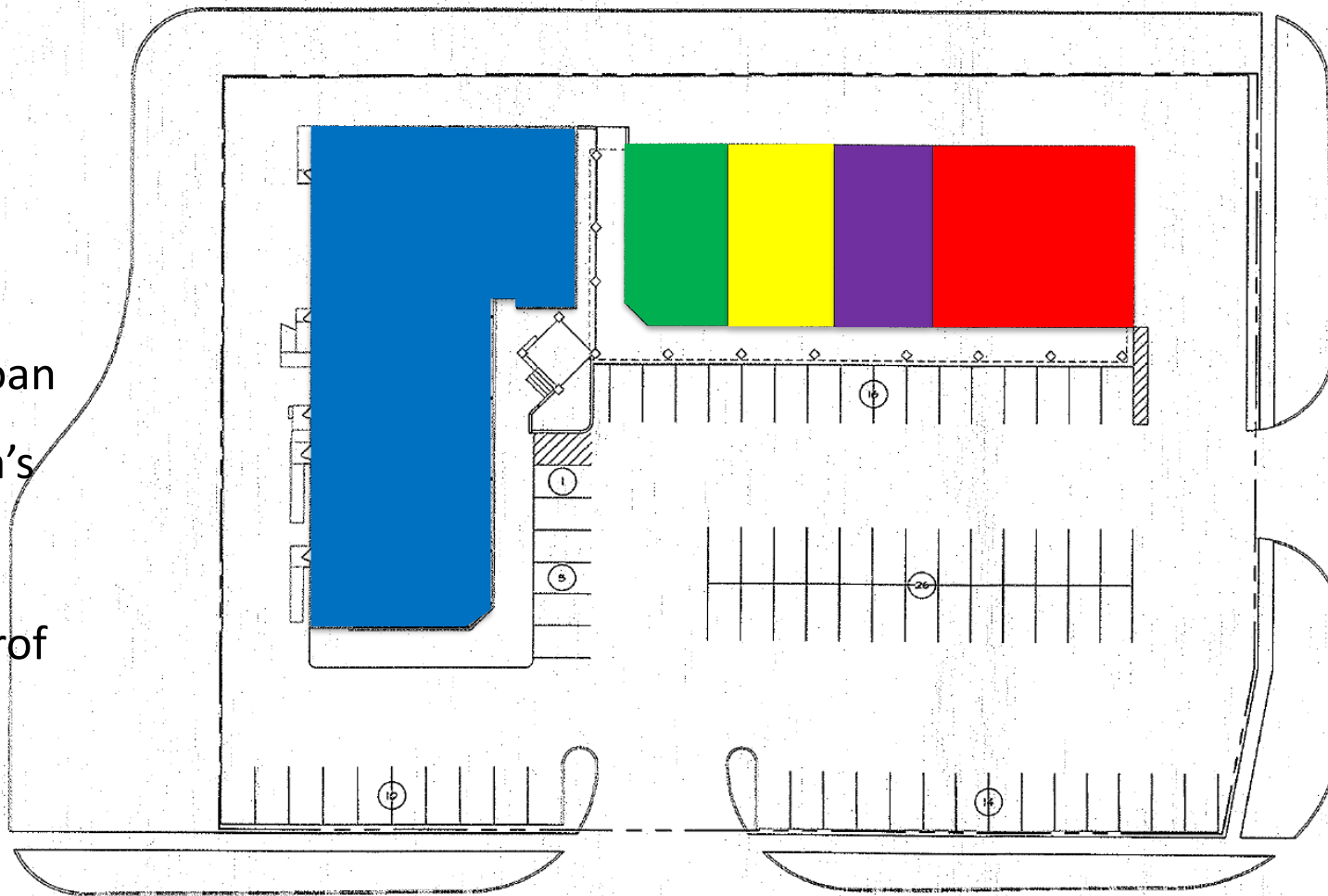
Swann

Tower Loan

Maligaya's

J&P Hair

CosmoProf



Kenwood Road – 4,950 AADT

Springfield Avenue – 16,900 AADT

*Not to scale

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RENT ROLL – 2416 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Annual Reimbursement	Total Annual Rent
7/1/19 – 6/30/21	\$62,736	\$17,451	\$80,187

TENANT OVERVIEW

Swann Special Care Center, a non-profit organization located in Champaign, Illinois, provides compassionate care for persons with severe and profound intellectual disabilities through residential nursing care programs, adult day training programs and an accredited non public school.

Quality and excellence are fundamental to their services in both residential and educational programs. The school provides year-round educational services with Individualized Educational Plans (IEPs), and Day Training Services provide high-quality training focusing on active treatment and therapeutic interventions to engage each individual in their environment.

LEASE ABSTRACT – SWANN



Tenant	Hoosier Care, Inc./Swann
Lease Type	NNN
Property Address	2416 W Springfield Champaign, IL
Leased Premises	7,842 SF
Term Commences	January 1, 2017
Term Expiration	M-T-M
Primary Term	3 Years
Options	None
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Termination	18 months notice
Roof & Structure	Landlord
Real Estate Taxes	Tenant Reimbursement
Insurance	Tenant Reimbursement
Utilities	Tenant
UCSD	Tenant Reimbursement
Snow Removal	Tenant Reimbursement

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RENT ROLL – 2408 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Total Reimbursement*	Total Annual Rent
2/1/2013 to 1/31/2018	\$9,000	\$2,024	\$11,024
Option Term Dates			
2/1/2018 to 1/31/2023	\$9,000	\$2,459	\$11,459
2/1/2023 to 1/31/2028	\$9,000	\$2,459	\$11,459

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

TENANT OVERVIEW

J & P Hair Reflections has had a successful history of operation in its current location for nearly 20 years. Their services to women, men, teens, and children include haircuts, blow-dry, colors, highlights, and perms, and eyebrow waxing.

The salon has a professional yet casual atmosphere, where children are welcome.

LEASE ABSTRACT – J&P HAIR

Tenant	J&P Hair/Phyllis M Powell
Lease Type	NNN
Property Address	2408 W Springfield Champaign, IL
Leased Premises	1,000 SF
Term Commences	February 1, 2013
Term Expiration	January 31, 2018
Primary Term	5 Years
Options	Two, 5-year options
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Roof & Structure	Landlord
Real Estate Taxes	Tenant Reimbursement
Insurance	Tenant Reimbursement
Utilities	Tenant
UCSD	Tenant Reimbursement
Snow Removal	Tenant Reimbursement

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RENT ROLL – 2412 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Total Reimbursement*	Total Annual Rent
5/1/2013 to 4/30/2018	\$16,680	-	\$16,680
Option Term Dates			
5/1/2018 to 4/30/2023	\$18,000	-	\$18,000

TENANT OVERVIEW

Tower Loan, started in 1936, is today a leader in the consumer loan industry, with over 700 team members servicing over 200,000 customers. Through acquisitions and organic growth the company now operates more than 200 branch offices in Mississippi, Missouri, Illinois, Alabama, and Louisiana.

The company's headquarters are located in Flowood, Mississippi.

LEASE ABSTRACT – TOWER LOAN

Tenant	Tower Loan of Illinois, LLC
Lease Type	Modified Gross
Property Address	2412 W Springfield Champaign, IL
Leased Premises	1,850 SF
Term Commences	May 1, 2013
Term Expiration	April 30, 2018
Primary Term	5 Years
Options	One, 5-year options
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Termination	Conditional on tenant license
Roof & Structure	Landlord
Real Estate Taxes	Landlord
Insurance	Tenant Liability
Utilities	Tenant



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RENT ROLL – 2410 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Total Reimbursement	Total Annual Rent
10/1/2016 to 9/30/2017	\$10,440	\$360	\$10,800
10/1/2017 to 9/30/2018	\$11,040	\$360	\$11,400
Option Term Dates			
10/1/2018 to 9/30/2019	\$11,640	\$384	\$12,024
M-T-M	\$11,640	\$384	\$12,024

TENANT OVERVIEW

Maligaya's is a locally owned and operated grocery store offering a wide variety of international foods. They provide a wide spectrum of hard to find items, including many Filipino offerings. The store has cultivated a very successful niche in the Champaign-Urbana market, and have operated from the same location for over 10 years.

LEASE ABSTRACT – MALIGAYA'S

Tenant	Maligaya's Store/Eric Maligaya
Lease Type	Modified Gross
Property Address	2410 W Springfield Champaign, IL
Leased Premises	1,200 SF
Term Commences	October 1, 2016
Term Expiration	M-T-M
Primary Term	2 Years
Options	One, One-Year
ROFR/Offer	No
Sublet/Assignment	Must have LL consent
Roof & Structure	Landlord
Real Estate Taxes	Landlord
Insurance	Tenant
Utilities	Tenant
HVAC Service Contract	Tenant Reimbursement
UCSD	Tenant Reimbursement

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RENT ROLL – 2404 W SPRINGFIELD AVENUE

Dates	Annual Base Rent	Annual Reimbursement*	Total Annual Rent
7/1/2015 to 6/30/2017	\$32,100	-	\$32,100
7/1/2017 to 6/30/2020	\$34,775	-	\$34,775
Option Term Dates			
7/1/2020 to 6/30/2025	\$37,450	-	\$37,450
7/1/2025 to 6/30/2030	\$40,125	-	\$40,125

TENANT OVERVIEW

CosmoProf is a brand of Beauty Systems Group Stores, a network of stores and Direct Sales Consultants that offer roughly 10,000 professionally branded products. Beauty Systems is part of Sally Beauty Holdings, a publicly traded entity with \$2.6 billion in annual sales.

Selling strictly to licensed cosmetologists, there are currently over 1,150 corporate-operated CosmoProf stores in 46 states in the US, along with locations in Canada and Puerto Rico.

BSG is owned by Sally Beauty Holdings, Inc. (NYSE: SBH).

LEASE ABSTRACT – COSMOPROF

Tenant	CosmoProf/Beauty Systems
Lease Type	Modified Gross
Property Address	2404 W Springfield Champaign, IL
Leased Premises	2,675 SF
Term Commences	July 1, 2015
Term Expiration	June 30, 2020
Primary Term	5 Years
Options	Two, 5-year options
ROFR/Offer	No
Sublet/Assignment	Parent/Subsidiary w/o consent
Roof & Structure	Landlord
Real Estate Taxes	Landlord
Insurance	Tenant Liability
Utilities	Tenant

SALLY BEAUTY
HOLDINGS, INC.



Cosmo Prof
licensed to create.

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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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I ILLINOIS

49,339

Total Enrollment (2018)

33,673

Undergraduate Enrollment

14,672

Graduate Enrollment

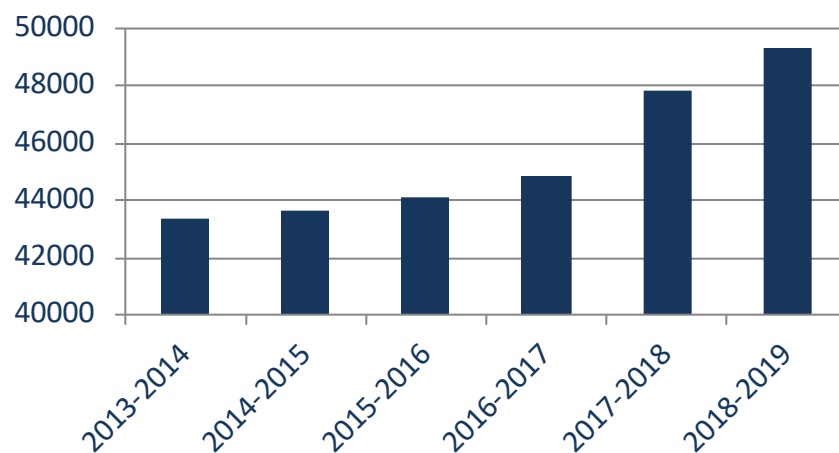
994

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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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.

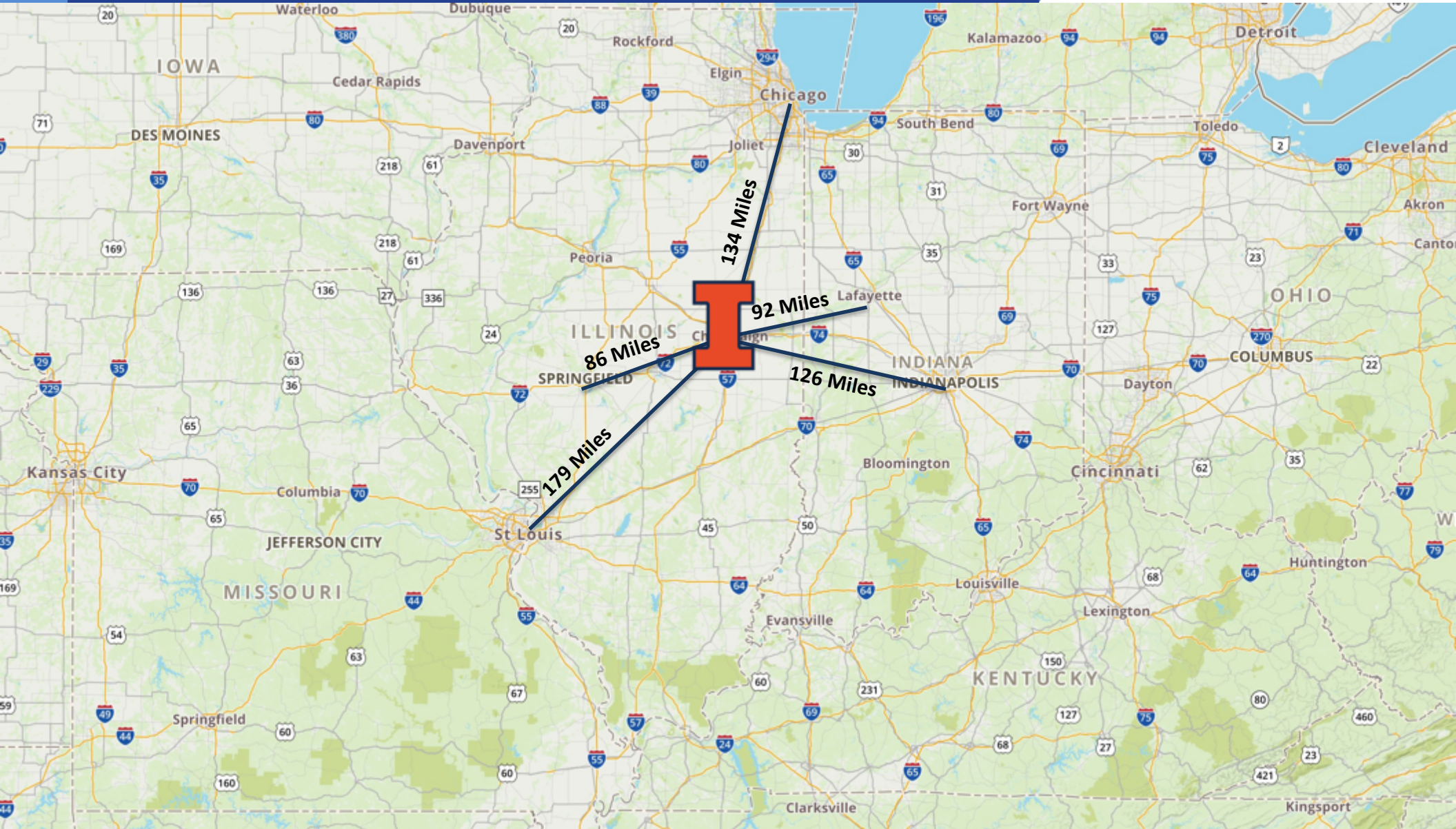
The area benefits from a strong healthcare industry and is served by Carle (6,000+ employees and 345-bed hospital), OSF (800+ employees and 210-bed hospital) and Christie Clinic (900+ employee multi-specialty group medical practice).

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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