

OFFERING
MEMORANDUM

**TONGANOXIE
CENTER**

826 NORTHSTAR COURT
TONGANOXIE, KS 66086

PEAK

Real Estate Partners



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EXECUTIVE SUMMARY

Tonganoxie Center is a 15,200-square-foot retail center located along the north side of Highway 24, the main commercial corridor in Tonganoxie, Kansas. The Property was built in 2003 and with 60% vacancy, presents a unique opportunity for an investor to purchase a value-add retail center.

VALUE-ADD OPPORTUNITY

The Property is currently 40% occupied with 9,100 square feet of vacant space available for lease-up. With the lease-up of the one vacant space at \$8.00 per square foot (NNN) for the former Dollar General space, the NOI increases to \$143,669.

OWNER/USER OPPORTUNITY

The 9,100 square foot vacant unit presents a unique opportunity for an owner to occupy the space while the remaining tenants in the center cover the operating expenses.

SERVICE-BASED TENANCY

The tenancy at the Property includes five service-based tenants in Bubbleroom Laundry, H&R Block, Daylight Donuts, Subway and Golden Spa Massage. The tenancy appeals and serves to the local market.

LONG-TERM GROWTH POTENTIAL

The current average in-place rent at the Property is \$11.00 per square foot (NNN) whereas market rental rates are between \$12.00 and \$15.00 per square foot (NNN). Additionally, there is no other current vacancy in Tonganoxie and with current constructions costs, the rental rate required to build new would be more than triple the current rental rate.

BELOW REPLACEMENT COST

With the rise in construction costs, the Property offers an opportunity for an investor to purchase a stabilized retail center below the replacement cost.

OFFERING SUMMARY

ADDRESS	826 Northstar Court Tonganoxie, KS 66086
ASKING PRICE	\$1,800,000
SQUARE FEET	15,200
OCCUPANCY	40%
TENANTS	4
YEAR BUILT	2003
TOTAL SITE AREA (AC)	1.75



15,200
SQUARE FEET



40%
OCCUPIED



SERVICE-BASED
TENANCY



EXCELLENT
VISIBILITY



LONG-TERM
GROWTH POTENTIAL



OWNER/USER
OPPORTUNITY



3.7 YEAR
WALT

TERMS OF SALE

OWNERSHIP ENTITY

75th Street LLC

INTEREST OFFERED

100 percent fee simple

OFFERING PRICE

\$1,800,000

OFFERING PROCEDURE

Seller and agent will assess the qualifications of any party submitting a nonbinding letter of intent in accordance with seller's objectives. In making this assessment, consideration will be given to a number of factors, including, but not limited to, price, timing of closing, and the perceived ability of the investor to complete the transaction.

GUIDED PROPERTY TOURS

Property tours will be made only by appointment and arranged through Peak Real Estate Partners.



SALE CONTACTS:

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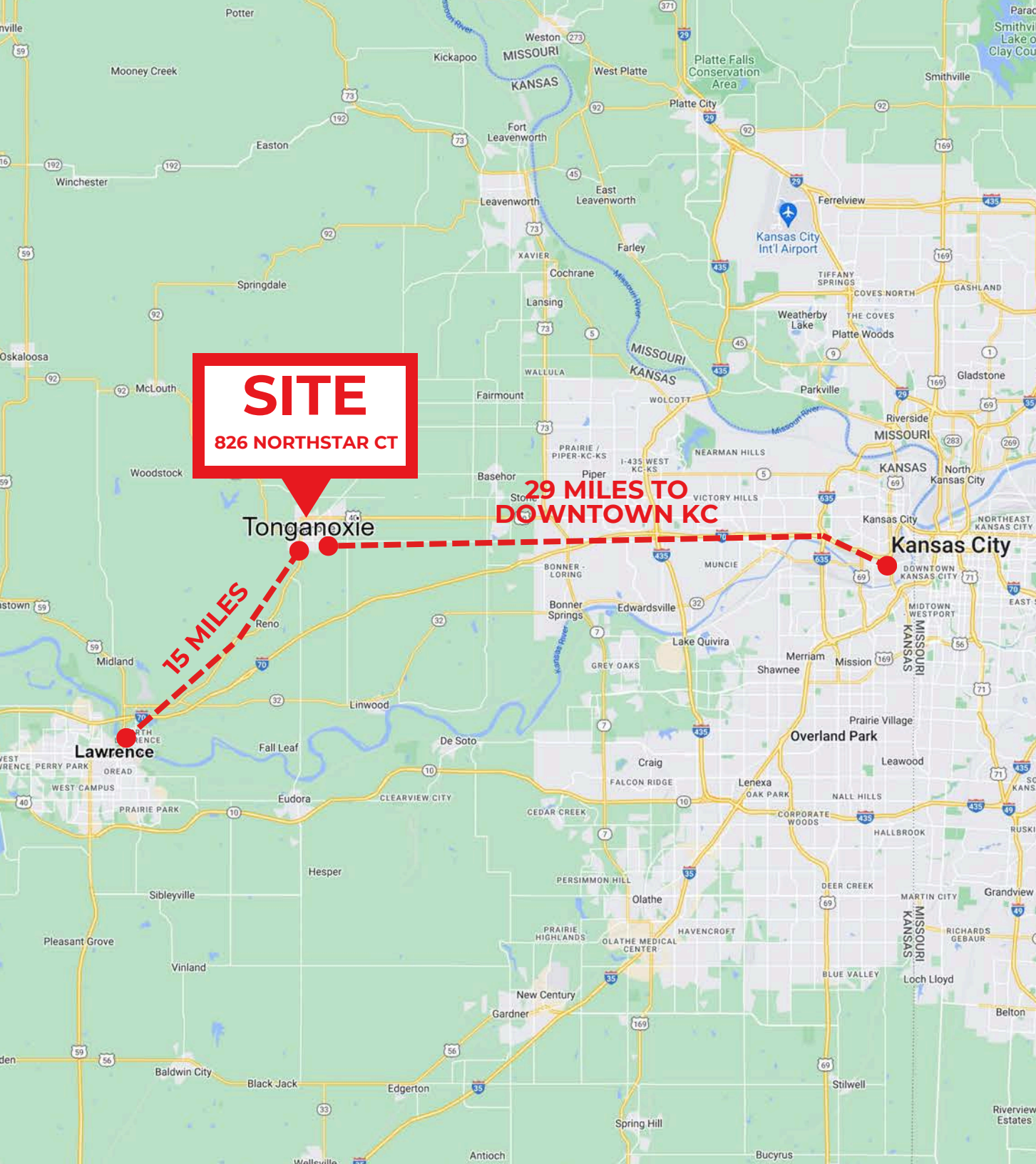
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SITE
826 NORTHSTAR CT

29 MILES TO DOWNTOWN KC

15 MILES



POPULATION	
1-MILE	3,046
3-MILE	7,142
5-MILE	9,522



DAYTIME POPULATION	
1-MILE	1,935
3-MILE	3,210
5-MILE	4,134



AVERAGE HOUSEHOLD INCOME	
1-MILE	\$87,226
3-MILE	\$91,853
5-MILE	\$103,423

PROPERTY AERIAL

TONGANOXIE CENTER

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SITE
826 NORTHSTAR CT

THE LEGENDS



Walmart Supercenter, Nebraska Furniture Mart, Target, Sam's Club



KANSAS SPEEDWAY



SPORTING KANSAS CITY

12,499 VPD

33,308 VPD

27,659 VPD

66,599 VPD

PROPERTY AERIAL

TONGANOXIE CENTER



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PROPERTY AERIAL

TONGANOXIE CENTER

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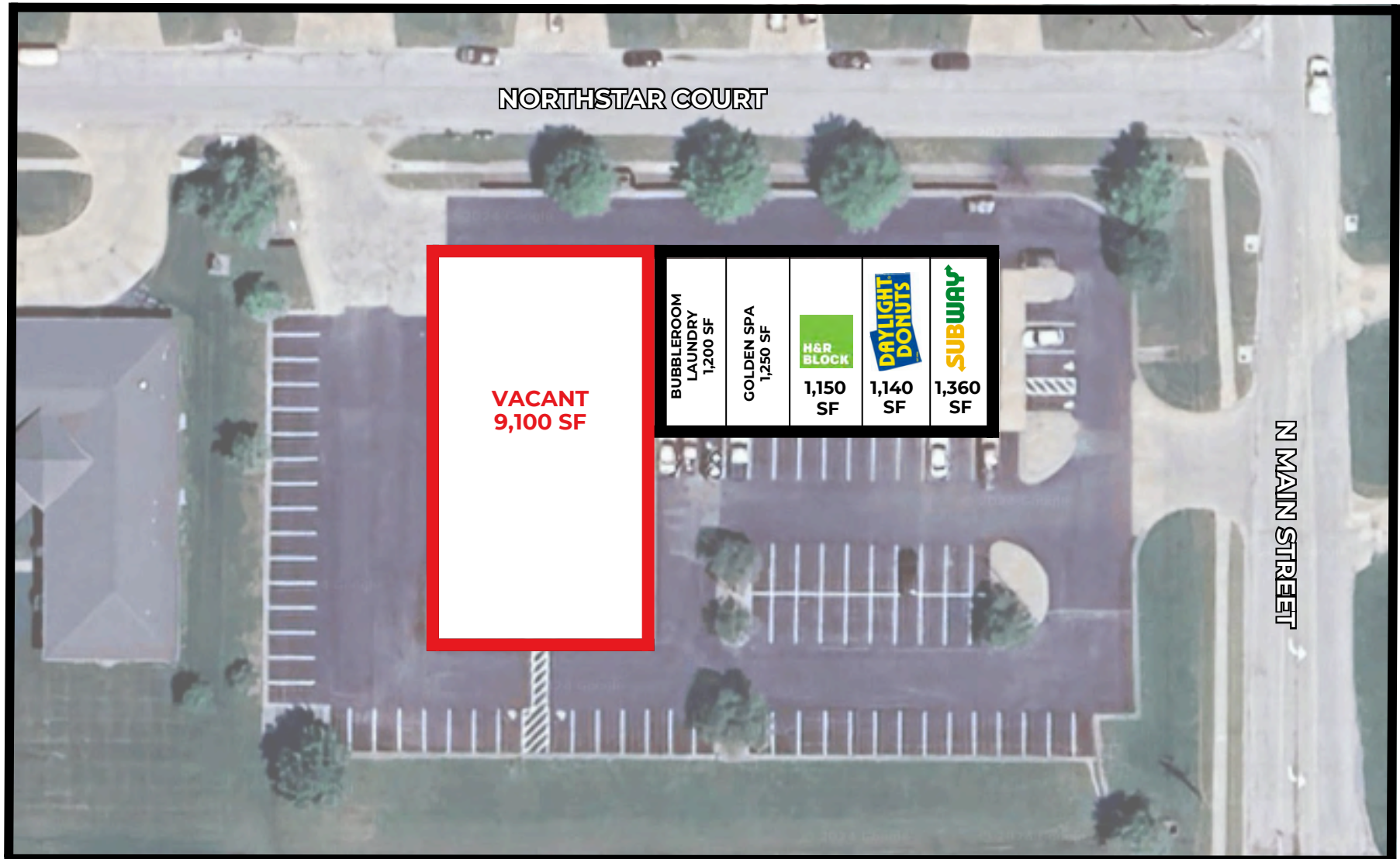


AERIAL

TONGANOXIE CENTER

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RENT ROLL

TONGANOXIE CENTER

TENANT	SUITE	SQUARE FEET	PRO RATA SHARE	LEASE START	LEASE EXPIR.	RECOVERY TYPE	RENT PSF	MONTHLY RENT	ANNUAL RENT	SCHEDULED RENT INCREASES	EXTENSION OPTIONS	LEASE COMMENTS	
Vacant	826	9,100	59.87%				\$0.00	\$0	\$0				
Bubbleroom Laundry	846	1,200	7.89%	4/3/2017	12/31/2033	NNN	\$8.50	\$850	\$10,200	1/1/2025 1/1/2026 1/1/2027 1/1/2028 1/1/2029	\$9.00 \$9.50 \$10.00 \$10.50 \$11.00	No Options	
Golden Spa Massage	866	1,250	8.22%	9/16/2024	12/15/2027	NNN	\$10.43	\$1,086	\$13,037	12/16/2027	Market	1 - 3 Years Option 1	HVAC: Tenant responsible for repairs up to \$500 per year.
H&R Block	870	1,150	7.57%	8/25/2017	4/30/2026	NNN	\$12.05	\$1,155	\$13,860	5/1/2025 5/1/2026	\$12.15 \$12.34	1 - 2 Years Option 1	CAM Cap: Controllable CAM expenses (excluding real estate taxes, insurance and utilities) shall not exceed more than 3.5% of the previous years expenses. Termination Option: Tenant may terminate the lease with a 30-day notice.
Daylight Donuts	876	1,140	7.50%	1/1/2020	12/31/2024	NNN	\$12.00	\$1,140	\$13,680	1/1/2025	\$12.60	1 - 5 Years Option 1	
Subway	886	1,360	8.95%	5/26/2009	5/31/2029	NNN	\$12.00	\$1,360	\$16,320	6/1/2024 6/1/2029 6/1/2034	\$13.20 \$14.52 \$15.97	2 - 5 Years Option 1 Option 2	
	Total	15,200	100%				\$11.00	\$5,591	\$67,097				
	Occupied	6,100	40.13%										
	Vacant	9,100	59.87%										

FINANCIAL SUMMARY



PRICING SUMMARY

TONGANOXIE CENTER

GENERAL

Project Name	Tonganoxie Center
Start Date	1/1/2025
Hold Period	10 Years
Rentable Square Feet	15,200
Occupied Square Feet	6,100
Vacant Square Feet	9,100
Occupancy Rate	40.13%
Vacancy Rate	59.87%

PRICING

Purchase Price	\$1,800,000
Price Per Square Foot	\$118.42
In-Place Net Operating Income	\$25,923

MARKET LEASING ASSUMPTIONS

Market Rents PSF	\$12.00
Annual Rent Increases	\$0.25
Expense Recovery Type	NNN
Retention Ratio	75.00%
Downtime	6 months

FIVE-YEAR HOLD

Year 6 Net Operating Income	\$153,693
Exit Cap Rate	8.00%
Disposition Price	\$1,920,000
Disposition Price Per Square Foot	\$126.32

TEN-YEAR HOLD

Year 11 Net Operating Income	\$179,837
Exit Cap Rate	8.00%
Disposition Price	\$2,250,000
Disposition Price Per Square Foot	\$148.03

GROWTH RATES & EXIT ASSUMPTIONS

Market Rent	2.00%
Operating Expenses	2.00%
Exit Cap Rate	8.00%

IN-PLACE PRO FORMA

TONGANOXIE CENTER

Year 1 Pro Forma (COMMENCING 1/1/2025)

TENANT	SQUARE FEET	PRO RATA	YEAR 1 RENT	RENT PSF
Vacant	9,100	59.87%	0	0.00
Bubbleroom Laundry	1,200	7.89%	10,800	9.00
Golden Spa Massage	1,250	8.22%	13,037	10.43
H&R Block	1,150	7.57%	13,932	12.11
Daylight Donuts	1,140	7.50%	14,364	12.60
Subway	1,360	8.95%	17,952	13.20
Total	15,200		70,085	4.61

REVENUE

Base Rent	70,085	4.61
Expense Reimbursements Revenue	29,603	1.95
TOTAL REVENUE	99,688	6.56

OPERATING EXPENSES

Common Area Maintenance	(14,594)	(0.96)
Management Fee	(8,230)	(0.54)
Insurance	(6,572)	(0.43)
Real Estate Taxes	(43,628)	(2.87)
Vacant Utilities	(742)	(0.05)
TOTAL OPERATING EXPENSES	(73,766)	(4.85)

NET OPERATING INCOME

25,923 1.71

Year 2 Pro Forma (COMMENCING 1/1/2025)

TENANT	SQUARE FEET	PRO RATA	YEAR 1 RENT	RENT PSF
New Tenant	9,100	59.87%	72,800	8.00
Bubbleroom Laundry	1,200	7.89%	11,400	9.50
Golden Spa Massage	1,250	8.22%	13,037	10.43
H&R Block	1,150	7.57%	14,116	12.27
Daylight Donuts	1,140	7.50%	14,364	12.60
Subway	1,360	8.95%	17,952	13.20
Total	15,200		143,669	9.45

REVENUE

Base Rent	143,669	9.45
Expense Reimbursements Revenue	74,484	4.90
TOTAL REVENUE	218,153	14.45

OPERATING EXPENSES

Common Area Maintenance	(14,886)	(0.98)
Management Fee	(8,395)	(0.55)
Insurance	(6,703)	(0.44)
Real Estate Taxes	(44,501)	(2.93)
Vacant Utilities	(0)	(0.00)
TOTAL OPERATING EXPENSES	(74,484)	(4.90)

NET OPERATING INCOME

143,669 9.45

PROJECTED CASH FLOW

TONGANOXIE CENTER

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
BASE RENT										
Base Rental Revenue	142,885	143,669	146,618	149,796	154,014	158,216	164,719	167,853	171,057	179,373
Absorption & Turnover Vacancy	(72,800)	0	0	(2,441)	0	(3,230)	(1,408)	0	(2,695)	(2,868)
Total Base Rent	70,085	143,669	146,618	147,355	154,014	154,986	163,312	167,853	168,362	176,505
OTHER REVENUE										
Expense Reimbursement Revenue	29,603	74,484	75,974	76,516	79,044	79,331	81,673	83,882	84,480	86,122
Total Other Revenue	29,603	74,484	75,974	76,516	79,044	79,331	81,673	83,882	84,480	86,122
TOTAL REVENUE	99,689	218,153	222,592	223,872	233,058	234,318	244,985	251,735	252,842	262,627
Total Revenue Per Square Foot	6.56	14.35	14.64	14.73	15.33	15.42	16.12	16.56	16.63	17.28
OPERATING EXPENSES										
EXPENSES										
Common Area Maintenance	(14,594)	(14,886)	(15,184)	(15,487)	(15,797)	(16,113)	(16,435)	(16,764)	(17,099)	(17,441)
Management Fee	(8,230)	(8,395)	(8,562)	(8,734)	(8,908)	(9,087)	(9,268)	(9,454)	(9,643)	(9,836)
Insurance	(6,572)	(6,703)	(6,838)	(6,974)	(7,114)	(7,256)	(7,401)	(7,549)	(7,700)	(7,854)
Real Estate Taxes	(43,628)	(44,501)	(45,391)	(46,298)	(47,224)	(48,169)	(49,132)	(50,115)	(51,117)	(52,139)
Vacant Utilities	(742)	0	0	0	0	0	0	0	0	0
Total Expenses	(73,766)	(74,484)	(75,974)	(77,494)	(79,044)	(80,624)	(82,237)	(83,882)	(85,559)	(87,270)
Total Expenses Per Square Foot	(4.85)	(4.90)	(5.00)	(5.10)	(5.20)	(5.30)	(5.41)	(5.52)	(5.63)	(5.74)
NET OPERATING INCOME	25,923	143,669	146,618	146,378	154,014	153,693	162,748	167,853	167,283	175,357
NOI PER SQUARE FOOT	1.71	9.45	9.65	9.63	10.13	10.11	10.71	11.04	11.01	11.54
Annual Cap Rate	1.44%	7.98%	8.15%	8.13%	8.56%	8.54%	9.04%	9.33%	9.29%	9.74%



MARKET OVERVIEW



TONGANOXIE, KS

MARKET OVERVIEW



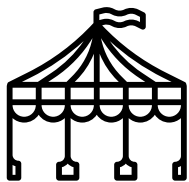
Tonganoxie, with a population of 5,583, is strategically located in northeast Kansas in the Kansas City metropolitan area! Tonganoxie enjoys low crime, high-quality schools, and parks and trails while combining a slice of country living, genuine hospitality, and business opportunity.



Tonganoxie is also ideally situated for quick, easy transportation access on US 24-40 Highway and just three miles north of Interstate 70. Commercial and freight air transportation is conveniently available at Kansas City International Airport about 30 minutes away. Moreover, Tonganoxie is 25 minutes from downtown Kansas City, 15 minutes from Lawrence, and 40 minutes from Topeka, the capital of Kansas.



Numerous institutions of higher learning are within convenient driving distance, including the University of Kansas, KCK Community College, KCK Vocational-Technical School, Washburn University, Baker University, Mid-America Nazarene University, Ottawa University, the University of Missouri at Kansas City, and many other colleges and technical schools.



Locals enjoy all major metropolitan services, amenities, arts, entertainment, sports, festivals, diversity, education, parks, trails, and transportation as well as award-winning schools, hometown atmosphere, and spectacularly scenic countryside!

DISCLAIMER

TONGANOXIE CENTER



This offering memorandum is subject to prior placement and withdrawal, cancellation or modification without notice. The information contained herein has been carefully compiled from sources we consider reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of November 15, 2024.

Neither this offering memorandum nor any part thereof, shall be reproduced or distributed without the written authorization of the owner (the “Owner”), and Colliers International | Kansas City (the Broker”).

Further:

This offering memorandum was prepared on November 15, 2024 by the Broker solely for the use of prospective purchasers of the real property commonly known as Tonganoxie Center (the “Property”). Neither the Broker nor the Owner makes any representation or warranty, express or implied, as to the completeness or the accuracy of the material contained in this offering memorandum.

Prospective purchasers of the Property are advised (i) that changes may have occurred in the physical or financial condition of the Property since the time this offering memorandum or the financial statements herein were prepared, and (ii) that the projections contained herein were made by Broker and not by Owner and are based upon assumptions of events beyond the control of Broker and Owner, and therefore, may be subject to variation. Other than historical revenue and operating expense figures for the Property, Owner has not provided, and will not provide, Broker or any prospective purchaser with any income and expense figures, budgets or projections regarding the Property. Prospective purchasers of the Property are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This offering memorandum is a solicitation of interest only and is not an offer to sell the Property. The Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and expressly reserve the right, at their sole discretion, to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligations to any entity reviewing this offering memorandum or making an offer to purchase the Property unless and until such offer for the Property is approved by Owner and the signature of an authorized representative of Owner is affixed to a real estate purchase agreement.

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