



# Charlottesville Operations Center

Charlottesville, Virginia



Confidential Offering Agreement

# Introduction

Jones Lang LaSalle (“JLL”), on behalf of JDM (the “Owner”) is pleased to offer the opportunity to acquire the fee simple interest in Charlottesville Operations Center (“The Property”), a single-story, garden style office building encompassing ±362,155 SF situated on ±55.1 acres in the independent city of Charlottesville, Virginia.



Well Maintained  
Campus Setting  
and Amenities



Independent City  
Location with Great  
Regional Access



Investment Grade  
Tenant with Over  
Five Years of Term  
Remaining



Strong Economic  
Environment



Expansion or  
Redevelopment  
Capability





# Investment Highlights



## **WELL MAINTAINED CAMPUS SETTING AND AMENITIES**

Charlottesville Operations Center features an extensive corporate campus overlooking the Rivanna River with executive and administrative office space in addition to numerous classrooms and training rooms. Since completion of construction in 1979, there has been approximately \$40.6 M in capital improvements to keep the Property up to date and competitive with other suburban office buildings. With desirable tenant amenities such as a full-service cafeteria and large indoor and outdoor dining spaces, the Property is ready to serve a large variety of office tenants.



## **INDEPENDENT CITY LOCATION WITH GREAT REGIONAL ACCESS**

The Property is situated approximately three miles to the east of downtown Charlottesville along I-64 and can be accessed via Richmond Road, a major local thoroughfare, while I-64 connects the city to Richmond to the east, and Washington DC to the northeast via multiple interstates. As an independent city, there is no county oversight for Charlottesville, removing additional layers of red tape regarding owning, operating, or redeveloping the Property. The surrounding area, part of a master-planned community, is home to numerous shopping centers and dining establishments, in addition to other large corporate offices.



## **INVESTMENT GRADE TENANT WITH OVER FIVE YEARS OF TERM REMAINING**

The Property has been occupied by State Farm, rated AA by the S&P Global Rating, since construction in 1979. State Farm continues to maintain this

Class-A building with the utmost of care and have through their current lease which terminates 11/30/2028 and has two five year renewal options at fair market value.



## **STRONG ECONOMIC ENVIRONMENT**

Charlottesville boasts a strong and diverse economy supported by industries such as healthcare, education, technology, and government. The University of Virginia, one of the original Public Ivies, is located within the city and one of the top public universities in the region, contributing significantly to the highly educated labor pool and employing thousands of workers directly through the school and its medical center. The city's economic stability, coupled with a highly educated workforce, creates a favorable business environment. Investing in the office building allows investors to tap into this robust economy and benefit from the city's sustained growth.



## **EXPANSION OR DEVELOPMENT CAPABILITY**

The Property, situated on ±55.1 acres, offers significant expansion capability, making it an enticing investment opportunity. With ample available space to expand and well-designed floor plans, the Property provides flexibility for future growth and customization. The generous land area allows for potential expansion or the development of supplementary facilities, accommodating the needs of growing businesses or attracting larger tenants. Surrounded by master planned communities, the sizable acreage of the site also lends itself well to a redevelopment into its own master planned community to unlock the highest and best use of the land.

# Property Overview

Charlottesville Operations Center is a single-story, garden style office building with surface parking to accommodate 1,223 vehicles. Built for State Farm in 1979, the Property was subsequently expanded in 1985 and 1991. Since construction, there has been approximately \$40.6 M invested in capital improvements. The Property sits adjacent to the new Martha Jefferson Hospital, numerous master-planned residential communities, and Class-A office buildings, all of which enhance the value proposition associated with the Charlottesville Operations Center investment opportunity.

## LOCATION

The Property, situated in a prime location in the independent city of Charlottesville, Virginia, benefits from its proximity to key amenities and services. The vibrant city of Charlottesville offers a rich cultural scene, including art galleries, theaters, and music venues, providing a stimulating environment for businesses and employees. The Property's convenient access to major highways, with the I-64 freeway approximately 1.5 miles away, ensures excellent connectivity to other towns and major nearby metro's such as Richmond, and allows for easy commuting for tenants and visitors. Additionally, being close to the University of Virginia, a prestigious public educational institution, opens doors to collaboration and potential partnerships with higher education facilities. The area's natural beauty, with the nearby Blue Ridge Mountains and Shenandoah National Park, adds to the overall quality of life and provides recreational opportunities for employees.



# Property Overview

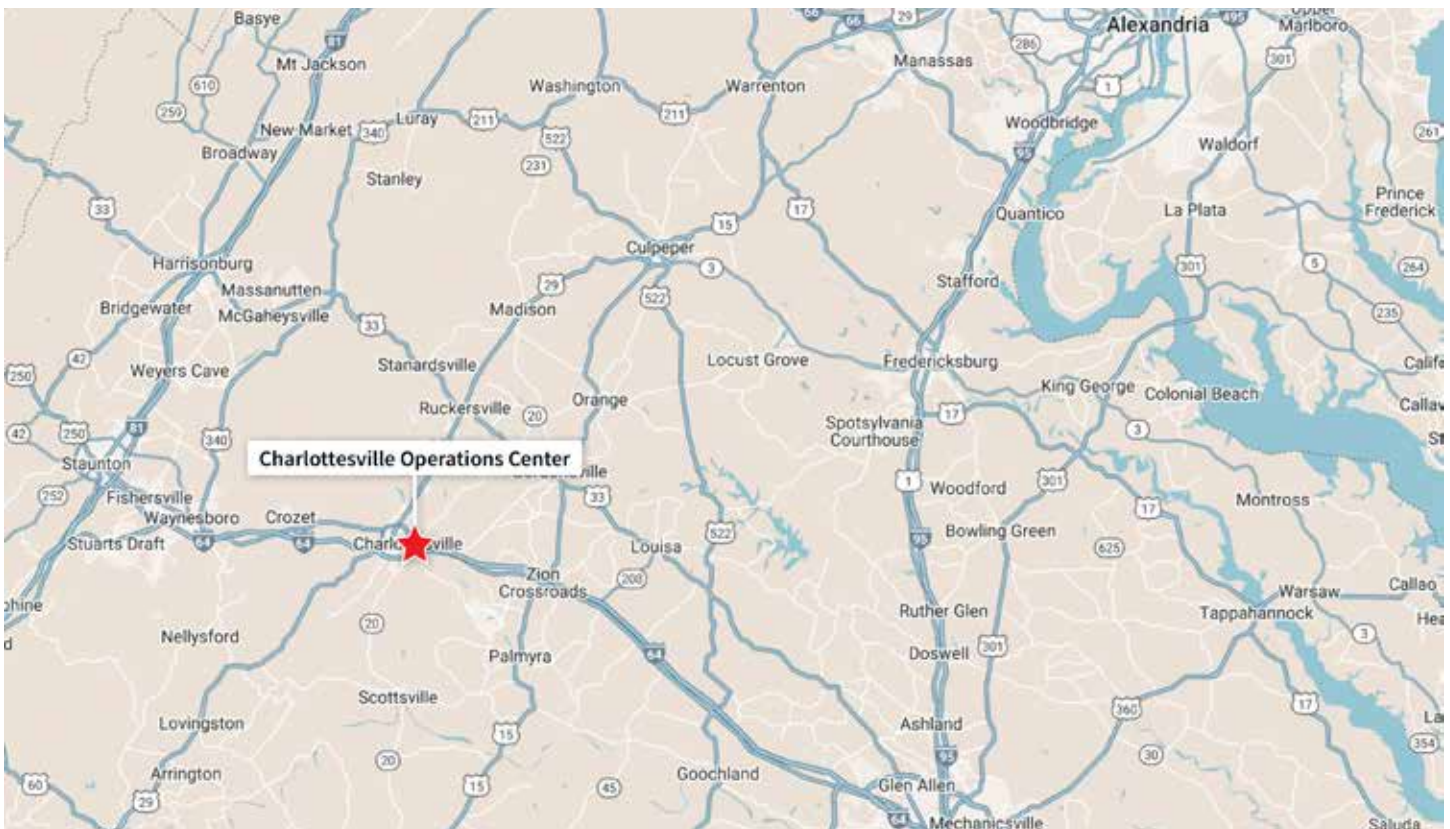
## Asset Overview

<b>Location</b>	1500 State Farm Boulevard Charlottesville, Virginia
<b>Building Description</b>	Single-story, Class-B Office Building
<b>Total Square Feet</b>	±362,155
<b>Year Built / Renovated</b>	1979, 1985, & 1991 / 2008
<b>Capex Since Built</b>	±\$40.60 Million
<b>Zoning</b>	Commercial Office
<b>Site Area</b>	±55.1 Acres

## Property Description

<b>Exterior</b>	Foundation: Reinforced concrete Framing: Steel Facade: Brick veneer with steel stud backup Windows: Aluminum framed insulated glass
<b>Roof</b>	Type: Two-ply modified bitumen Installed: 2007, warranty expiration 2018
<b>Life Safety</b>	Security and Sprinkler System
<b>Parking</b>	1,223 Stalls / 3.38 per 1,000 SF

# Property Location Overview



# Demographics & Employment

## Income & Demographics Analysis

	10-MILE RADIUS	15-MILE RADIUS	20-MILE RADIUS
<b>Population</b>			
2027 Projected Population	141,388	193,105	226,886
2022 Population	138,349	188,922	222,260
2022 Number of Households	55,609	74,986	87,814
2022-2027 Projected Population Growth	0.44%	0.44%	0.41%
<b>2022 Estimated Household Income</b>			
Less than \$49,999	28.50%	27.10%	28.10%
\$50,000-\$74,999	15.00%	15.20%	15.50%
\$75,000-\$99,000	13.20%	13.70%	14.20%
\$100,000-\$149,999	17.00%	17.90%	17.70%
More than \$150,000	26.30%	26.10%	24.60%
<b>2022 Average Household Income</b>	<b>\$127,085</b>	<b>\$126,392</b>	<b>\$122,395</b>
<b>2022 Median Household Income</b>	<b>\$85,629</b>	<b>\$87,376</b>	<b>\$84,745</b>

## Business And Employment

	10-MILE RADIUS	15-MILE RADIUS	20-MILE RADIUS
<b>2022 Employed Population 16+ by Industry</b>			
Agriculture/Mining	0.80%	1.00%	1.20%
Construction	5.20%	5.70%	6.20%
Manufacturing	3.60%	3.80%	4.10%
Wholesale Trade	1.20%	1.40%	1.40%
Retail Trade	9.10%	9.50%	9.70%
Transportation/Utilities	3.00%	3.20%	3.60%
Information	1.60%	1.60%	1.60%
Finance/Insurance/Real Estate	5.40%	5.80%	5.80%
Services	65.70%	63.10%	61.50%
Public Administration	4.40%	4.90%	4.90%
<b>2022 Total Businesses</b>	<b>6,979</b>	<b>8,209</b>	<b>9,087</b>
<b>2022 Total Employees</b>	<b>107,075</b>	<b>117,240</b>	<b>125,155</b>

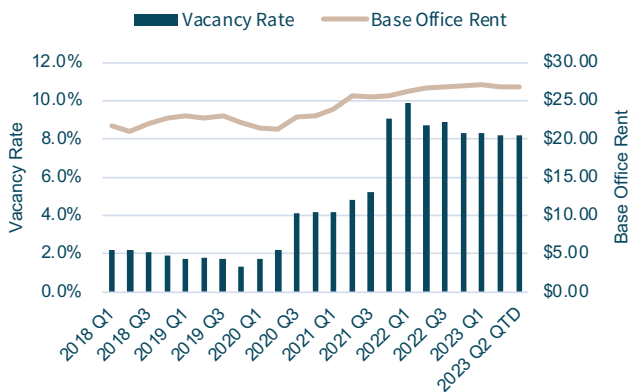
Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

# Market Overview

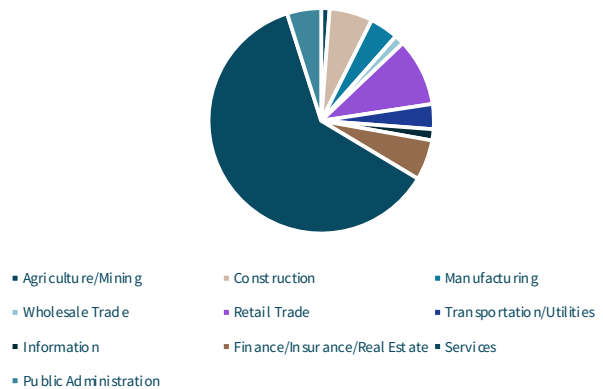
## Market Highlights

Charlottesville presents a thriving market characterized by its scenic beauty, renowned educational institutions, and a diverse economy. With its prestigious University of Virginia and major employers in sectors such as healthcare, technology, and government, Charlottesville attracts a highly educated workforce and a stable job market. The city's strategic location and excellent transportation infrastructure, including I-64 and Charlottesville Albemarle Airport, facilitate easy access and efficient logistics. Charlottesville's charming downtown, vibrant cultural scene, and diverse real estate opportunities add to its appeal as an investment. Even amidst a time of economic volatility, these factors help maintain steady office rents in the area. The city's economic stability, cultural vibrancy, and quality of life make it an attractive market for investors seeking growth and long-term potential.

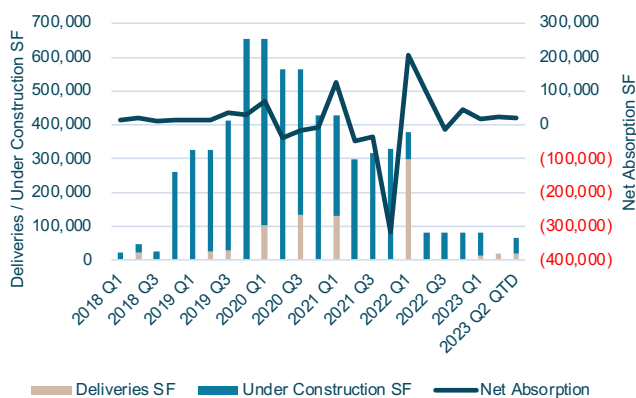
Historical Office Rents & Vacancy Rates  
Charlottesville, VA



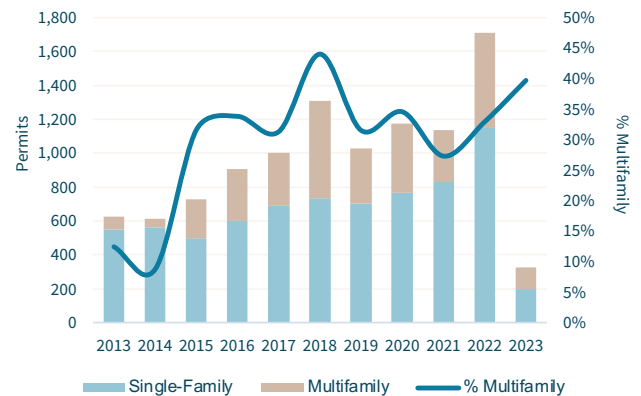
2022 Employed Population 16+ by Industry Within a  
20-Mile Radius



Historical Absorption and Deliveries  
Charlottesville, VA



Residential Permitting Activity  
Charlottesville, VA





# Zoning & Development Potential

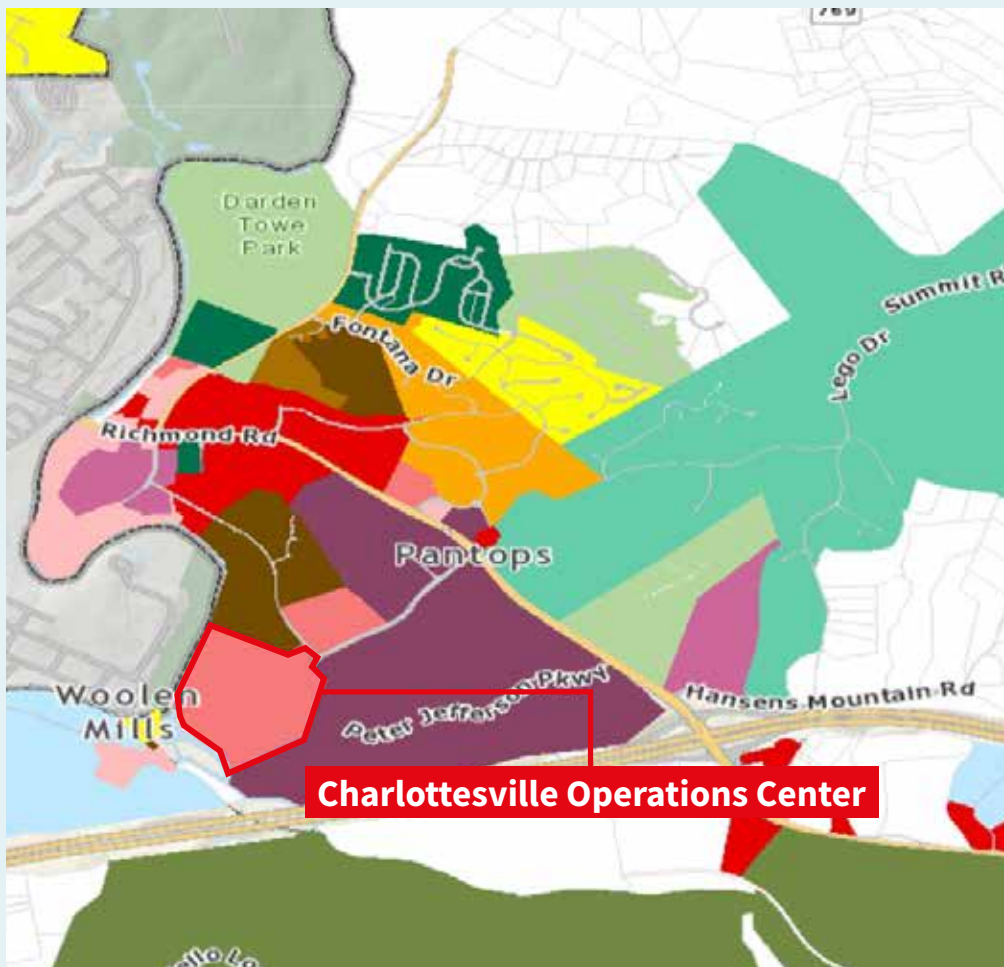
The Commercial Office zoning designation allows for a range of office-related uses, making it well-suited for professional services, corporate headquarters, medical office, and administrative offices. This zoning classification promotes the development of modern, well-designed office buildings that align with the city’s vision for a vibrant business district. Investors have the opportunity to maximize the Property’s potential by constructing or renovating office spaces to meet the evolving demands of businesses in Charlottesville, or see a re-zone to convert the space to residential or other uses.

## EXISTING ZONING

### Zoning: Commercial Office

#### Permitted Uses

Admin/Business Office	Medical Office	Financial Institutions
Religious Assembly Use	Library/Museum	Hotel / Motel
Pharmacy/Laboratory, Funeral Home	Research & Development	Hospital
	Energy and Transmission Facility	Stand Alone Parking & Parking Structures
	Accessory (newsstand, data processing services)	



#### Legend

White	Rural Areas
Yellow	Village Residential
Light Green	R1 Residential
Green	R2 Residential
Yellow-Green	R4 Residential
Orange	R6 Residential
Dark Orange	R10 Residential
Brown	R15 Residential
Light Blue	Planned Unit Development
Teal	Planned Residential Development
Dark Green	Neighborhood Model District
Light Green	Monticello Historic District
Light Pink	C1 Commercial
Red	Commercial Office
Dark Red	Highway Commercial
Light Purple	Planned Development Shopping Ctr.
Dark Purple	Planned Development Mixed Comm.
Dark Purple	Downtown Crozet District
Light Blue	Light Industry
Dark Blue	Heavy Industry
Blue	Planned Development Industrial Park
Grey	Town of Scottsville



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This confidential offering memorandum contains brief selected summary information pertaining to the Property and has been prepared by JLL from information supplied by the Sponsor. This confidential offering memorandum does not purport to be all-inclusive or to contain all the information that a prospective investor may desire or deem relevant in determining whether to pursue negotiations to finance or acquire the Property. Neither the Sponsor, JLL, nor any of their respective owners, directors, employees, representatives or agents make any representation or warranty expressed or implied as to the accuracy or completeness of this confidential offering memorandum or any of its contents, and no legal liability is assumed or to be implied with respect thereto.

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