



U.S. Department of Agriculture – Illinois Farm Service Agency

3500 Wabash Avenue | Springfield, IL 62711

Offering Memorandum



Disclaimer

Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.

U.S. Department of Agriculture Illinois Farm Service Agency

3500 Wabash Ave. | Springfield, IL 62711



**United States
Department of
Agriculture**

[Exclusive Investment Advisory Team](#)

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Investment Overview

The Ficke Team of Colliers is pleased to present to qualified investors the opportunity to acquire this mission critical U.S. Department of Agriculture Illinois Farm Service Agency (FSA) located at 3500 Wabash Avenue, Springfield, IL 62711. The property underwent a major interior renovation in September of 2023 with significant investment in to the new space. This first generation leased facility provides an attractive risk-adjusted yield with a highly rated credit tenant with an S&P AA+ credit rating. The USDA firm lease term expires March 31, 2028.

This Illinois FSA is the office of the State Executive Director (SED) and the State Committee Chairperson and State Committee Members that serves the 93 offices in all county seats through Illinois and are charged with the implementation of FSA Policies throughout the state of Illinois. All duties that are normally associated with administration to support the FSA workforce in Illinois are managed from this office as they provide services to farmers, ranchers, and the general population. This includes human resource support, budget, and fiscal management, contracting and purchasing, and leasing office space.

The organizational structure of the Farm Service Agency is laid out by Congress and overseen by the Secretary of Agriculture. The FSA administrator reports to an undersecretary of agriculture for Farm Production and Conservation (FPAC). The national farm program and farm loan program development and oversight functions are managed in Washington, D.C. and computational and statistical work is done in Kansas City. Implementation of farm policy through FSA programs is the responsibility of state and field offices based in each state, counties, and U.S. territories.

Investment Highlights



4+ Years Firm Years Remaining on this 1st Generation Lease



United States Government Lease (AA+ S&P Credit Rating)



Renovation-to-suit for the GSA/USDA in 2011



Brand New Interior in 2023 for a \$1M investment into this building



Mission Critical State Executive Director Office that Serves 93 Offices Located in all Illinois County Seats



81 Parking Spaces



Located in the State Capital that is also surrounded by a booming Agriculture Industry



Well-Maintained Masonry Building

Property Overview

3500 Wabash Ave. | Springfield, IL 62711

Property Summary

Property Name	U.S. Department of Agriculture
Address	3500 Wabash Avenue Springfield, IL 62711
Rentable SF	18,693
Property Type	Office
Property Subtype	Government
Occupancy	100%
Building Class	B
Tenancy	Single
Year Built	2011
Lot Size	1.69 AC

Building Specifications

Building Height	1 Story
Building FAR	0.17 AC
Construction Type	Masonry
Parcel Number	21-12.0-351-026
Opportunity Zone	No



Tenant Overview

3500 Wabash Ave. | Springfield, IL 62711

Rent Roll

Tenant	Square Feet	% Bldg Share	Leases Status	Lease Commencement	Lease Expiration	Annual Rent PSF	Total Rent Per Month	Total Rent Per Year	Lease Type
United States Department of Agriculture	18,693	100%	Extension	4/1/2023	3/31/2028	\$21.71	\$33,818.15	\$405,817.81	Modified Gross



**United States
Department of
Agriculture**

USDA Service Centers are designed to be a single location where customers can access the services provided by the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and APHIS' Plant Protection and Quarantine (PPQ) programs. The Farm Service Agency implements agricultural policy, administers credit and loan programs, and manages conservation, commodity, disaster, and farm marketing programs through a national network of offices. NRCS offers voluntary programs to eligible landowners and agricultural producers to provide financial and technical assistance to help manage natural resources in a sustainable manner. Through these programs the agency approves contracts to provide financial assistance to help plan and implement conservation practices that address natural resource concerns or opportunities to help save energy, improve soil, water, plant, air, animal and related resources on agricultural lands and non-industrial private forest land.

Service Areas



Farm Production and Conservation



Food, Nutrition and Consumer Services



Food Safety



Marketing and Regulatory Programs



Natural Resources and Environment



Research, Education and Economics

Financials Rent Schedule

3500 Wabash Ave. | Springfield, IL 62711

Rentable Square Feet	18,693
Real Estate Tax Base	\$45,027
Real Estate Tax Percentage	100%

4/1/2023 - 3/31/2028 (Extension - Firm)	\$/SF	Annual	Monthly
Shell Rent	\$16.05	\$299,938.07	\$24,994.84
OpEx Rent*	\$5.66	\$105,879.74	\$8,823.31
Total	\$21.71	\$405,817.81	\$33,818.15

*Note: OpEx Rent shown is based on the most recent increase - Original OpEx base is \$78,697.53 from initial lease commencement in 2011



Financials Pro Forma Cash Flow

3500 Wabash Ave. | Springfield, IL 62711

For the Years Ending	Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	Year 11 Dec-2034	Total
Rental Revenue												
USDA Shell Rent [1]	299,938	299,938	299,938	299,938	322,433	329,932	329,932	329,932	329,932	329,932	329,932	3,501,777
Total Rental Revenue	299,938	299,938	299,938	299,938	322,433	329,932	329,932	329,932	329,932	329,932	329,932	3,501,777
Other Tenant Revenue												
USDA OpEx Rent [2]	108,659	112,462	116,398	120,472	124,689	129,053	133,570	138,245	143,083	148,091	149,354	1,424,076
USDA RE Tax Reimbursement [3]	13,471	15,226	17,033	18,895	20,813	22,788	24,823	26,918	29,076	31,300	33,589	253,932
Total Other Tenant Revenue	122,130	127,688	133,432	139,368	145,502	151,841	158,392	165,163	172,160	179,391	182,943	1,678,009
Effective Gross Revenue	422,068	427,626	433,370	439,306	467,935	481,773	488,324	495,095	502,092	509,323	512,875	5,179,786
Operating Expenses [4]												
R&M	10,468	10,782	11,106	11,439	11,782	12,135	12,500	12,874	13,261	13,659	14,068	134,074
Contract Services	31,292	32,230	33,197	34,193	35,219	36,276	37,364	38,485	39,639	40,829	42,053	400,778
Landscaping	4,291	4,420	4,552	4,689	4,829	4,974	5,124	5,277	5,436	5,599	5,767	54,957
Snow Removal	2,487	2,562	2,639	2,718	2,800	2,884	2,970	3,059	3,151	3,246	3,343	31,859
Security Services	371	382	393	405	417	430	443	456	470	484	498	4,749
Electricity	18,288	18,837	19,402	19,984	20,584	21,201	21,837	22,492	23,167	23,862	24,578	234,233
Gas	6,453	6,647	6,846	7,051	7,263	7,481	7,705	7,936	8,175	8,420	8,672	82,649
Water & Sewer	1,907	1,964	2,023	2,084	2,146	2,210	2,277	2,345	2,415	2,488	2,562	24,421
Property Insurance	4,591	4,728	4,870	5,016	5,167	5,322	5,482	5,646	5,815	5,990	6,170	58,797
Property Taxes [5]	59,112	60,885	62,712	64,593	66,531	68,527	70,583	72,700	74,881	77,127	79,441	757,092
Management Fee [6]	12,662	12,829	13,001	13,179	14,038	14,453	14,650	14,853	15,063	15,280	15,386	155,394
Total Operating Expenses	151,922	156,266	160,742	165,352	170,776	175,893	180,933	186,125	191,473	196,982	202,539	1,939,002
Net Operating Income	270,146	271,360	272,628	273,954	297,159	305,880	307,391	308,970	310,619	312,341	310,336	3,240,784

Notes

- Tenant is assumed to sign a 10 year renewal upon lease expiry for 110% of prior 'shell rent' amount.
- Initial 'OpEx Rent' Base is stated in \$78,697.53/annum - Subject to CPI Increases, amount shown includes historical increases with an assumed 3.5% increase in April 2024. Future CPI Schedule is assumed growth of 3.5% Y-o-Y.
- "Tax Base" is \$45,027, Owner is reimbursed any overage above this amount if the property taxes exceed this amount.
- Operating Expense Source: Owner provided 2023 and T12 April 2023 Income Statements.
- "Property Taxes" include a \$596 expense for other taxes separate from county ad valorem tax amounts.
- "Management Fee" is assumed to be 3.0% of EGR



Springfield, IL Demographics



Sangamon **County**



Current City Population

115,888+

Springfield Overview | 5 Mile Radius



Population

In the identified area, the current year population is 85,765. In 2010, the Census count in the area was 86,502. The rate of change since 2010 was -0.08% annually. The five-year projection for the population in the area is 84,875 representing a change of -0.21% annually from 2021 to 2026. Currently, the population is 47.3% male and 52.7% female.



Households

The household count in this area has changed from 39,403 in 2010 to 39,498 in the current year, a change of 0.02% annually. The five-year projection of households is 39,216, a change of -0.14% annually from the current year total. Average household size is currently 2.13, compared to 2.15 in the year 2010. The number of families in the current year is 20,969 in the specified area..



Households by income (Average)

Current average household income is \$81,988 in this area, compared to \$92,435 for all U.S. Households. Average household income is projected to be \$91,462 in five years, compared to \$103,679 for all U.S. Households.



Housing

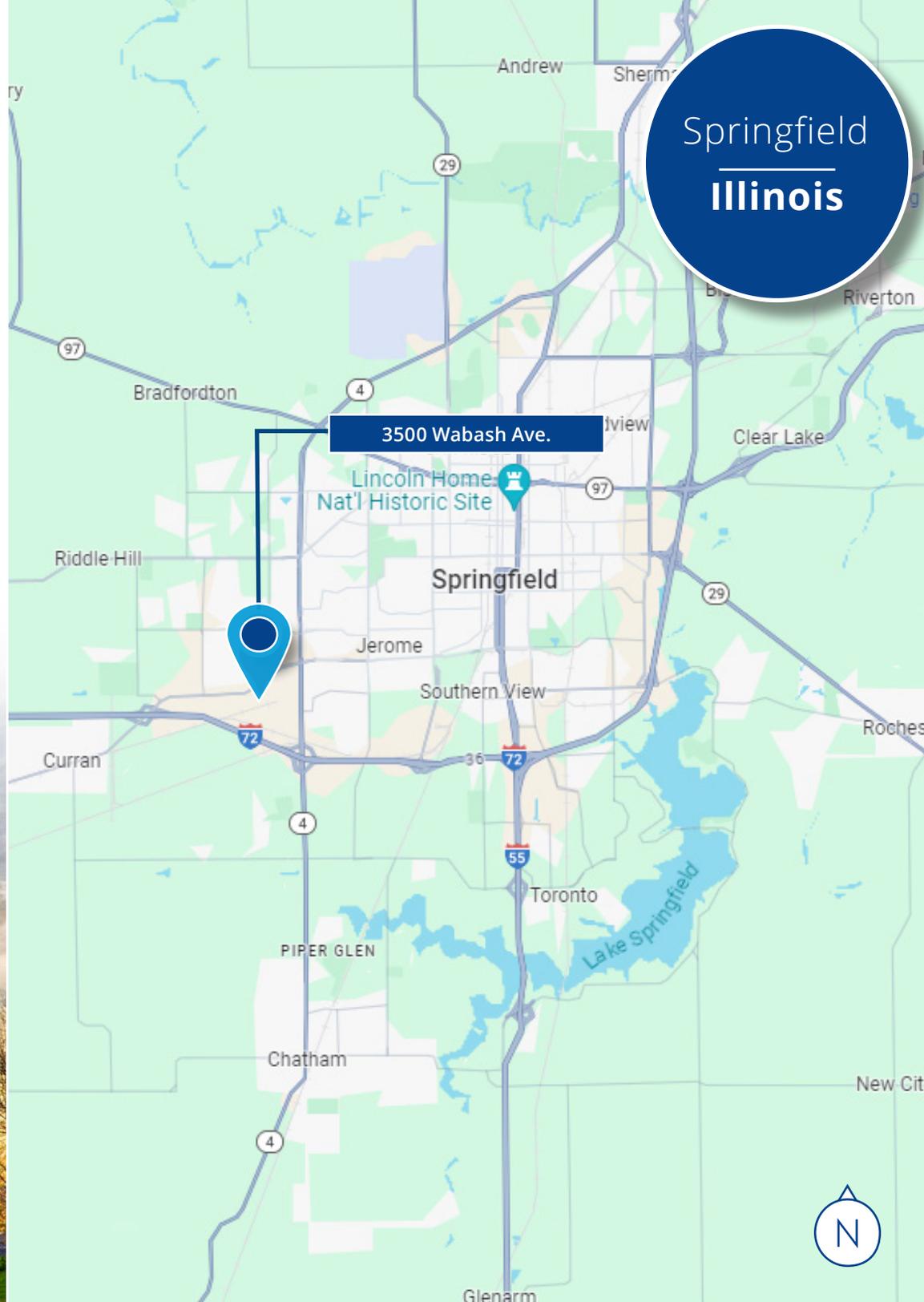
Currently, 54.9% of the 44,352 housing units in the area are owner occupied; 34.1% renter occupied; and 10.9% are vacant. 57.3% of the housing units in the US are owner occupied; 31.2% are renter occupied; and 11.5% are vacant. In 2010, there were 43,160 housing units in the area - 58.2% owner occupied, 33.0% renter occupied, and 8.7% vacant. The annual rate of change in housing units since 2010 is 1.22%. Median home value in the area is \$165,084, compared to a median home value of \$264,021 for the U.S. In five years, median value is projected to change by 4.83% annually to \$209,033.

Source: ESRI

Location Overview

3500 Wabash Ave. | Springfield, IL 62711

Springfield is the capital of Illinois and the county seat, with a population of over 114,250, which makes it the state's sixth most-populous city, the second largest outside of the Chicago metropolitan area. Springfield and Sangamon County are surrounded by a booming agriculture industry and the nation's second leading exporter of corn, soybeans, feed grains, and related products. The government of the state of Illinois is based in Springfield. State government institutions include the Illinois General Assembly, the Illinois Supreme Court and the Office of the Governor of Illinois. Springfield's economy is dominated by government jobs, plus the related lobbyists and firms that deal with the state and county governments and justice system, and health care and medicine.



Springfield
Illinois

Aerial Overview

3500 Wabash Ave. | Springfield, IL 62711

Springfield
Illinois





Pricing Details

\$3,180,000 (\$170.12/sf)

Purchase Price

8.50%

Cap Rate

\$270,146

Current Net Operating Income
(NOI)

Please contact our Investment Sales Team
for questions or more information.



Offering Instructions

3500 Wabash Ave. | Springfield, IL 62711

Offers should be submitted via email to:

Geoff.Ficke@colliers.com , Zack.Ficke@colliers.com &
Debra.Vanderweit@colliers.com and Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

Property Tours

By Appointment Only

Form of PSA

Sellers

Title & Escrow

TBD

Thank you.



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