



DRUG ENFORCEMENT ADMINISTRATION

7140 N. 9TH AVENUE | PENSACOLA, FL 32504

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.



7140 N. 9TH AVENUE
PENSACOLA, FL 32504

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EXECUTIVE SUMMARY

7140 N. 9TH AVENUE | PENSACOLA, FL 32504



The Ficke Team of Colliers International is pleased to present this exclusive investment opportunity to acquire the Drug Enforcement Agency (DEA), a custom-designed building for this mission critical government agency located at 7140 North 9th Avenue in Pensacola, Florida. The 9,864-square foot building was fully renovated in 2021 and is situated on 0.88 acres of land. This first generation leased facility provides a very attractive risk-adjusted yield with a highly rated credit tenant with S&P AA+ designation. General Services Administration leases offer long-term stability to an investor as these federal agencies traditionally occupy the facilities for more than 30 years, on average, with a first-generation renewal rate of approximately 96 percent. Investors will benefit from the long-term, 100% firm lease term through January 2036 inclusive of a shell rental increase of over 12% commencing in March 2031.

The Pensacola Florida DEA Office, located in Pensacola, FL, is a branch location of the Drug Enforcement Administration (DEA). The DEA, part of the U.S. Department of Justice, enforces controlled substance laws and regulations in Escambia County. In addition to enforcement activities, which bring individuals and organizations involved in illegal drug production and trafficking to justice, the Pensacola DEA Office supports other law enforcement programs to reduce the availability of illicitly controlled substances.

Pensacola is the western-most city in the Florida Panhandle and the county seat of Escambia County, in the U.S. state of Florida. As of the 2020 Census, the city had a total population of 52,411. Pensacola is the principal city of the Pensacola metropolitan area, which had an estimated 488,935 residents in 2020. Pensacola is a sea port on Pensacola Bay, which is protected by the barrier island of Santa Rosa and connects to the Gulf of Mexico. A large United States Naval Air Station, the first in the United States, is located southwest of Pensacola near Warrington it is the base of the Blue Angels flight demonstration team and the National Naval Aviation Museum The main campus of the University of West Florida is situated north of the city center.

The subject offering is being marketed as a "membership interest transfer" whereby interested parties should plan to purchase the current ownership entity (GSA Pensacola FL 1 DE LLC).

INVESTMENT HIGHLIGHTS



15 YEAR FIRM
LEASE TO DEA



U.S. GOVERNMENT GUARANTEE
(AA+ CREDIT RATING, S&P)



SUBSTANTIAL RENOVATIONS TO
SUIT DEA-SPECIFIC OPERATIONS



HIGH VISIBILITY/ACCESS ALONG
N 9TH AVENUE



12% SHELL RENT INCREASE
IN MARCH 2031

AERIAL OVERVIEW

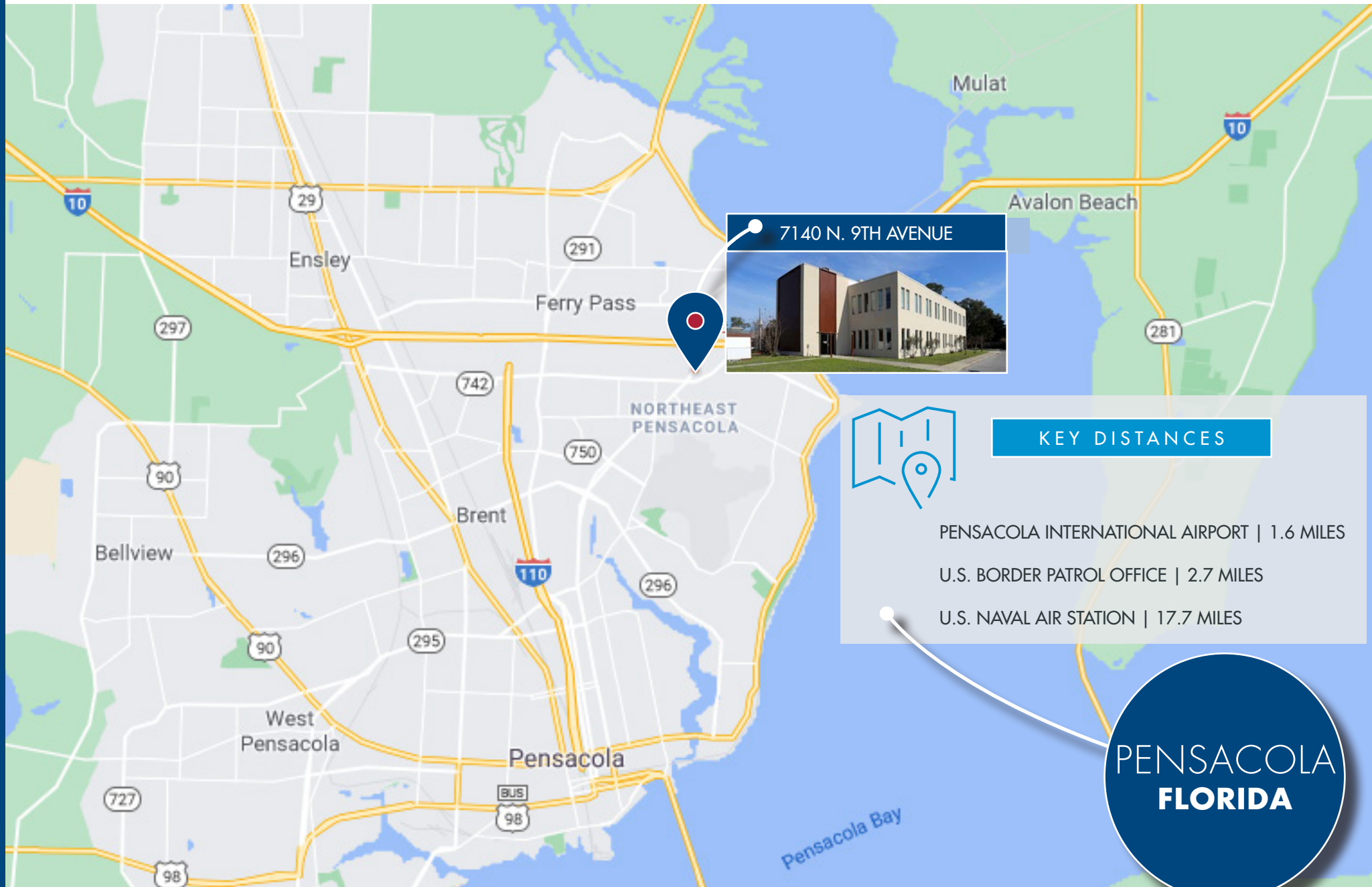
7140 N. 9TH AVENUE | PENSACOLA, FL 32504



PENSACOLA
FLORIDA

LOCATION MAP

7140 N. 9TH AVENUE | PENSACOLA, FL 32504



7140 N. 9TH AVENUE



KEY DISTANCES

PENSACOLA INTERNATIONAL AIRPORT | 1.6 MILES

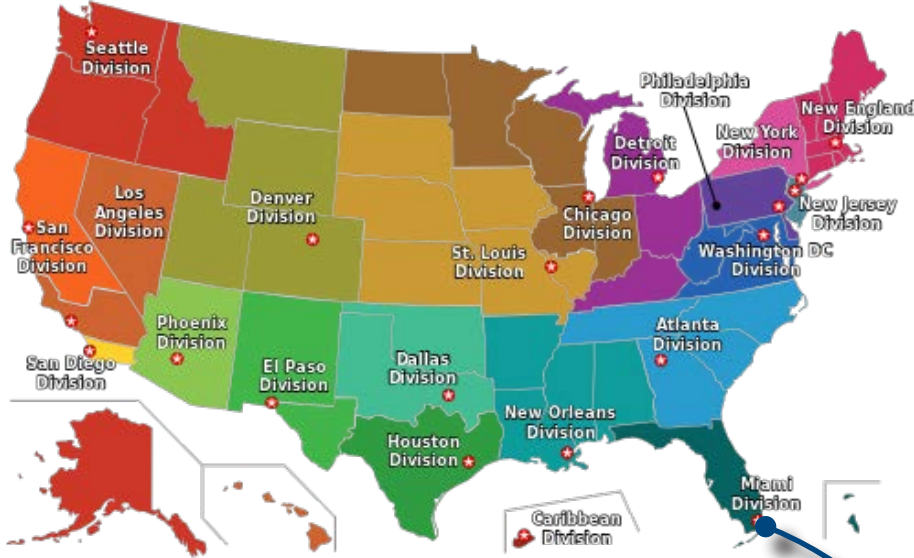
U.S. BORDER PATROL OFFICE | 2.7 MILES

U.S. NAVAL AIR STATION | 17.7 MILES

**PENSACOLA
FLORIDA**

TENANT OVERVIEW

7140 N. 9TH AVENUE | PENSACOLA, FL 32504



DEA is a United States federal law enforcement agency under the U.S. Department of Justice, tasked with combating drug smuggling and use within the United States. The DEA is the lead agency for domestic enforcement of the Controlled Substances Act, sharing concurrent jurisdiction with the Federal Bureau of Investigation (FBI), Immigration and Customs Enforcement (ICE) Homeland Security, and the U.S. Border Patrol. DEA has sole responsibility for coordinating and pursuing drug investigations both domestic and abroad. DEA's headquarters is located in Arlington, Virginia, across from the Pentagon. DEA maintains 21 domestic field divisions with 221 field offices and 92 foreign offices in 70 countries. With a budget exceeding 2 billion, DEA employs over 10,800 people, including over 4,600 Special Agents and 800 Intelligence Analysts.

MIAMI
DIVISION

PROPERTY INFORMATION

| | |
|------------------------|--|
| Property Address | 7140 N. 9th Avenue Pensacola, FL 32504 |
| Lot Size | 0.88 acres |
| Rentable Square Feet | 8,515 |
| Year Built / Renovated | 1975 / 2020 |

| TENANT | SQUARE FEET | % BLDG SHARE | LEASE COMMENCEMENT | LEASE EXPIRATION | ANNUAL RENT PSF | TOTAL RENT PER MONTH | TOTAL RENT PER YEAR | 11-15 RENT PER YEAR | CHANGES ON | RENT INCREASE | LEASE TYPE |
|-------------------------|-------------|--------------|--------------------|------------------|-----------------|----------------------|---------------------|---------------------|------------|---------------|----------------|
| Drug Enforcement Agency | 8,515 | 100% | 2/1/21 | 1/31/36 | \$19.50 | \$13,837 | \$166,043 | \$187,330 | 3/1/2031 | \$21,287 | Modified Gross |


NOTES TO TENANT SUMMARY

- Lease is for 15 years, 15 years firm

FINANCIALS - INCOME & EXPENSES

7140 N. 9TH AVENUE | PENSACOLA, FL 32504



| PRICING DETAILS | |
|---------------------------|--|
| Price |  3,499,435 |
| CAP Rate | 5.50% |
| Net Operating Income | \$192,468.95 |
| Price Per SF | \$410.97 |
| Rentable Built Area (RBA) | 8,515 SF |
| Lot Size | 0.88 Acres |
| Year Built / Renovated | 1975 / 2020 |
| Occupancy | 100% |
| Number of Suites | 1 |

| INCOME | YEAR 1 | PER SF |
|------------------------------|-----------|---------|
| Scheduled Base Rental Income | \$166,043 | \$19.50 |
| OpEx Base ¹ | \$66,672 | \$7.83 |
| TI/BSAC Rent ² | \$42,181 | \$4.95 |
| CPI Adjustment ³ | \$2,000 | \$0.23 |
| Effective Gross Income | \$276,897 | \$32.52 |

| OPERATING EXPENSES | YEAR 1 | PER SF |
|--|-----------|---------|
| Electricity | \$12,112 | \$1.42 |
| Water/Sewer | \$1,494 | \$0.18 |
| Custodial & Supplies | \$25,800 | \$3.03 |
| Fire Alarm Monitoring | \$624 | \$0.07 |
| Dumpster/Trash | \$858 | \$0.10 |
| Insurance | \$8,613 | \$1.01 |
| Real Estate Taxes | \$15,607 | \$1.83 |
| Elevator Maintenance | \$2,100 | \$0.25 |
| Landscaping | \$3,485 | \$0.41 |
| Management Fee ⁴ | \$6,922 | \$0.81 |
| Inspection, Repairs & Maintenance Reserve ⁵ | \$6,812 | \$0.80 |
| Total Expenses | \$84,428 | \$9.92 |
| Expenses as % of EGR | 30.49% | |
| Net Operating Income | \$192,469 | \$22.60 |

NOTES TO CURRENT CASH FLOW

1. Year 1 OpEx Base calculation: \$7.83 per RSF multiplied by 8,515 RSF
2. Tenant Improvement Allowance (TIA) of \$260,779 is amortized at a rate of 5.5% per annum over 15 years
3. Assumes an annual CPI escalation of 3%
4. Management Fee is 2.5% of EGR
5. Repair & Maintenance Reserve is \$.80/RSF

FINANCIALS - PRO FORMA CASH FLOW

7140 N. 9TH AVENUE | PENSACOLA, FL 32504



| Income | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Rental Revenue | | | | | | | | | | | | | | | |
| Scheduled Base Rental Income | 166,043 | 166,043 | 166,043 | 166,043 | 166,043 | 166,043 | 166,043 | 166,043 | 166,043 | 166,043 | 187,330 | 187,330 | 187,330 | 187,330 | 187,330 |
| Other Tenant Revenue | | | | | | | | | | | | | | | |
| OpEx Base ¹ | 66,672 | 68,673 | 70,733 | 72,855 | 75,040 | 77,292 | 79,610 | 81,999 | 84,459 | 86,992 | 89,602 | 92,290 | 95,059 | 97,911 | 100,848 |
| Ti/BSAC Rent ² | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 | 42,181 |
| Other Revenue | | | | | | | | | | | | | | | |
| CPI Adjustment ³ | 2,000 | 2,060 | 2,122 | 2,186 | 2,251 | 2,319 | 2,388 | 2,460 | 2,534 | 2,610 | 2,688 | 2,769 | 2,852 | 2,937 | 3,025 |
| RET Reimbursement ⁴ | | 312 | 631 | 955 | 1,287 | 1,624 | 1,969 | 2,321 | 2,679 | 3,045 | 3,418 | 3,798 | 4,187 | 4,582 | 4,986 |
| Effective Gross Revenue | \$276,897 | \$279,269 | \$281,709 | \$284,220 | \$286,802 | \$289,459 | \$292,192 | \$295,003 | \$297,896 | \$300,871 | \$325,219 | \$328,368 | \$331,608 | \$334,942 | \$338,371 |
| Operating Expenses⁵ | | | | | | | | | | | | | | | |
| Electricity | 12,112 | 12,354 | 12,601 | 12,853 | 13,110 | 13,373 | 13,640 | 13,913 | 14,191 | 14,475 | 14,764 | 15,060 | 15,361 | 15,668 | 15,981 |
| Water/Sewer | 1,494 | 1,524 | 1,554 | 1,585 | 1,617 | 1,649 | 1,682 | 1,716 | 1,750 | 1,785 | 1,821 | 1,857 | 1,895 | 1,932 | 1,971 |
| Custodial & Supplies | 25,800 | 26,316 | 26,842 | 27,379 | 27,927 | 28,485 | 29,055 | 29,636 | 30,229 | 30,833 | 31,450 | 32,079 | 32,721 | 33,375 | 34,043 |
| Fire Alarm Monitoring | 624 | 636 | 649 | 662 | 675 | 689 | 702 | 716 | 731 | 745 | 760 | 775 | 791 | 807 | 823 |
| Dumpster/Trash | 858 | 875 | 893 | 911 | 929 | 947 | 966 | 986 | 1,005 | 1,025 | 1,046 | 1,067 | 1,088 | 1,110 | 1,132 |
| Insurance | 8,613 | 8,785 | 8,961 | 9,140 | 9,323 | 9,509 | 9,700 | 9,894 | 10,092 | 10,293 | 10,499 | 10,709 | 10,923 | 11,142 | 11,365 |
| Real Estate Taxes | 15,607 | 15,920 | 16,238 | 16,563 | 16,894 | 17,232 | 17,577 | 17,928 | 18,287 | 18,652 | 19,025 | 19,406 | 19,794 | 20,190 | 20,594 |
| Elevator Maintenance | 2,100 | 2,142 | 2,185 | 2,229 | 2,273 | 2,319 | 2,365 | 2,412 | 2,460 | 2,510 | 2,560 | 2,611 | 2,663 | 2,717 | 2,771 |
| Landscaping | 3,485 | 3,555 | 3,626 | 3,699 | 3,773 | 3,848 | 3,925 | 4,004 | 4,084 | 4,165 | 4,249 | 4,334 | 4,420 | 4,509 | 4,599 |
| Management Fee ⁶ | 6,922 | 6,982 | 7,043 | 7,105 | 7,170 | 7,236 | 7,305 | 7,375 | 7,447 | 7,522 | 8,130 | 8,209 | 8,290 | 8,374 | 8,459 |
| Inspection, Repairs & Maintenance Reserve ⁷ | 6,812 | 6,948 | 7,087 | 7,229 | 7,374 | 7,521 | 7,671 | 7,825 | 7,981 | 8,141 | 8,304 | 8,470 | 8,639 | 8,812 | 8,988 |
| Total Expenses | \$84,428 | \$86,037 | \$87,679 | \$89,355 | \$91,064 | \$92,809 | \$94,588 | \$96,404 | \$98,257 | \$100,148 | \$102,609 | \$104,577 | \$106,586 | \$108,635 | \$110,726 |
| Expenses as % of EGR | 30.5% | 30.8% | 31.1% | 31.4% | 31.8% | 32.1% | 32.4% | 32.7% | 33.0% | 33.3% | 31.6% | 31.8% | 32.1% | 32.4% | 32.7% |
| Net Operating Income | \$192,469 | \$193,232 | \$194,030 | \$194,865 | \$195,738 | \$196,650 | \$197,603 | \$198,599 | \$199,638 | \$200,723 | \$222,610 | \$223,791 | \$225,023 | \$226,307 | \$227,645 |

NOTES TO PRO FORMA CASH FLOW

1. Year 1 OpEx Base calculation: \$7.83 per RSF multiplied by 8,515 RSF
2. Tenant Improvement Allowance (TIA) of \$260,779 is amortized at a rate of 5.5% per annum over 15 years.
3. Assumes an annual CPI escalation of 3%
4. Escambia County has proposed a potential tax adjustment to \$15,730.15 if proposed budget changes are approved. The GSA Tax Base will be established after the first full year of DEA occupancy
5. Assumes an annual growth rate of 2% on all operating expenses (excluding Management Fee)
6. Management Fee is 2.5% of EGR
7. Repair & Maintenance Reserve is \$.80/RSF

DEMOGRAPHICS

7140 N. 9TH AVENUE | PENSACOLA, FL 32504



(5 MILE RADIUS)

PENSACOLA FLORIDA

ESCAMBIA COUNTY

POPULATION
(2020)

52,411+

CITY OF PENSACOLA

Pensacola is the western-most city in the Florida Panhandle and the county seat of Escambia County, in the U.S. state of Florida. As of the 2020 Census, the city had a total population of 52,411. Pensacola is the principal city of the Pensacola metropolitan area, which had an estimated 488,935 residents in 2020. Pensacola is a sea port on Pensacola Bay, which is protected by the barrier island of Santa Rosa and connects to the Gulf of Mexico. A large

United States Naval Air Station, the first in the United States, is located southwest of Pensacola near Warrington it is the base of the Blue Angels flight demonstration team and the National Naval Aviation Museum. The main campus of the University of West Florida is situated north of the city center.



POPULATION

In the identified area, the current year population is 102,377. In 2010, the Census count in the area was 95,506. The rate of change since 2010 was 0.68% annually. The five-year projection for the population in the area is 105,737 representing a change of 0.65% annually from 2020 to 2025. Currently, the population is 47.9% male and 52.1% female.



HOUSEHOLDS

Current median household income is \$50,990 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$53,498 in five years, compared to \$69,180 for all U.S. households.



HOUSEHOLDS BY INCOME (AVERAGE)

Current average household income is \$73,836 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$81,413 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$30,655 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$33,765 in five years, compared to \$36,530 for all U.S. households.



HOUSING

Currently, 47.1% of the 47,037 housing units in the area are owner occupied; 42.6%, renter occupied; and 10.3% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 44,347 housing units in the area - 52.9% owner occupied, 36.1% renter occupied, and 11.0% vacant. The annual rate of change in housing units since 2010 is 2.65%. Median home value in the area is \$179,798, compared to a median home value of \$235,127 for the U.S. In five years, median value is projected to change by 3.02% annually to \$208,664.

OFFERING INSTRUCTIONS

7140 N. 9TH AVENUE | PENSACOLA, FL 32504



| | |
|-----------------|---------------------|
| PROPERTY TOURS: | By appointment only |
| BID DEADLINE: | TBD |
| PURCHASE PRICE: | \$3,449,435 |
| FORM OF PSA: | Sellers |
| TITLE & ESCROW: | TBD |

Offers should be submitted via email to

Geoff.Ficke@colliers.com , **Zack.Ficke@colliers.com** and **Debra.VanderWeit@colliers.com**

On or before the bid deadline and 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**



OFFERING MEMORANDUM

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