

**J2M2, LLC**

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## First Floor Leasing Information

### Introduction:

The Hickory is a 28,000 square feet two story non-reinforced masonry building. The main building was constructed in 1916. On the northwest is a one story portion that was constructed in 1933. The building is fronted by Washington Street on the south with a traffic count of 2,900 vehicles a day, Hickory on the east, a public alley on the west and private property on the north.

The Hickory is owned and managed by J2M2, LLC. The overall concept of redevelopment is to do so using **Green Principles**. The entire second floor has been renovated into upscale apartments. These are fully leased. The Escobar Restaurant building and Uptown On Columbia to the north are also our developments. We have a strong commitment to creating a synergistic mix of tenants from Washington Ave through north of Columbia Avenue. We are not simply interested in leasing vacant space. We will wait to lease to the right tenant rather than the first tenant that comes along.

### Limitations:

We will require that all tenants sign personally in addition to any corporate signatures with very few exceptions.

Downtown buildings have an Achilles' Heal of poor planning in regard to sound transfer especially during the evening into the night from first floor retail up and into second floor residential apartments. Our apartments are higher end. Part of that equation is that they are quiet. We have installed sound damping drywall on the ceiling of the first floor. This was an upcharge of \$44,000 over the regular fire rated drywall. This shows our commitment to this issue. We will insist that every first floor tenant provide a plan for additional limitation of sound and sound transfer if their business plans suggest that they will be generating noise above typical retail levels.

We will not allow amplified (live or recorded) music in any of the first floor tenant spaces without a certified plan by a licensed sound engineer for additional soundproofing as part of the tenant build out which we must approve – and which we reserve the right to reject.

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The storefront that is **B. Lime** on the west Washington Street frontage will be the storefront for the rest of the building as it builds out. We will not allow tenants to occupy this space with the existing storefront.

There are limited locations (five) on the first floor where we have built in vent stacks for plumbing. Wet plumbing locations have to be located near to these areas. Other than in the east half of the one story portion of the first floor, there is no place for a kitchen hood vent to be located.

As part of our commitment to **Green Principles**, for all exterior walls we will require well insulated walls. Additionally for heating and cooling we will require high efficiency systems.

Finally we will not allow configurations that “landlock” first floor space. Thus we will not consider tenants who only want shallow spaces with long street frontage.

### Features:

- The entire building, as it is completed, will be sprinkled. In planning tenant spaces, full sprinkler systems should be anticipated.
- The first floor has its own 1200 amp three phase electrical service and separate gas meters. There is ample natural gas and electrical capacity for the first floor.
- Upscale men’s and women’s restrooms with an overall occupancy rating of 350 have been built. These anticipate that all tenant space will access these common restrooms.
- There is a common dumpster/recycling room with its own outside overhead door.
- Both broad band AT&T lines (49) and Comcast connections run into the centralized mechanical room.
- All utility services come into the building in the large mechanical room on the northwest corner of the building.

### Materials We Need:

To seriously consider a tenant we require:

1. a written business plan including concept, financial projections and supporting data
2. for existing businesses we will require copies of the last four years of the business’s federal and state business filings
3. for new businesses we will require:
  - a. copies of the last five years of personal federal and state tax returns of all partners in the business
  - b. personal financial statements of all partners in the business
  - c. a letter of credit from the financial institution where the business will be banking

Rent Structural:

1. We require a minimum of a five year lease
2. The lease will be triple net – a. you will pay a share of property taxes based upon square footage leased and a percentage share of the restrooms and mechanical room compared to the total square footage of the building b. a percentage share in cleaning of common spaces and snow removal on the sidewalks c. all tenant space maintenance and repairs d. sanitary district fees related to the tenant space
3. Final monthly rent will be determined on a per square foot basis. Minimum per square foot is \$11.00. This will be adjusted upwards depending upon how much landlord build out and finishes are requested.

Generally there are three levels of owner build out that we would consider providing. These are:

1. Vanilla box (\$11.00 per square foot): this would include –
  - a. Finished storefront
  - b. Perimeter walls defining the outline of the tenant space. These wall would be insulated if exterior walls. They will drywalled on the far side with studs left open for tenant mechanicals on the tenant side.
  - c. Electrical service brought to the tenant space.
  - d. HVAC system installed with duct work stubbed out ready for tenant to provide and connect their own ductwork air distribution to the HVAC plant.
  - e. Sprinkler main run stubbed into the space ready for distribution system.
2. Interim: this would include –
  - a. Some additional items such as ductwork and registers, framing on interior walls, drywall.
3. Complete build out: This would be a turn key with the landlord providing most if not all of the materials and labor to have the space ready for occupancy.

Items 2 and 3 above will have to be designed and priced to determine a final per square foot price for the lease. Typically we will anticipate that the cost of the construction will be paid off by the monthly rent during the period of the lease. Thus a per square foot price will swing widely depending upon construction costs.

For 1 and 2 above tenants will have to engage their own architect and contractors. We will require as part of the lease that a building permit be obtained for any work that the tenant does which under City of Champaign ordinance a building permit would be required. We will also require the tenant to obtain Builder's Risk Insurance for the renovation process.

Please be aware that we will ourselves be borrowing the funds to do either a 2 or 3 build out. In the current financial climate we cannot guarantee that we will be able to obtain financing for every project.