



2026 LEASE OR PURCHASE OPTION REPORT

January 1, 2026 – December 31, 2026

This report provides the analysis of whether the State should continue to lease real property or use its option to purchase. In accordance with 20 ILCS 405/405-300(4) the Illinois Department of Central Management Services submits the following report to the Honorable Governor Pritzker, Honorable Members of the General Assembly and the Director of the Governor's Office of Management and Budget

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DIRECTOR

Introduction

In accordance with 20 ILCS 405/405-300(4), the Bureau of Property Management (“BoPM”) on behalf of the Department of Central Management Services (“CMS”) for The State of Illinois (the “State”) has prepared an analysis of leased properties with 100% State of Illinois occupancy. These properties are currently leased by the State of Illinois with 100% occupancy by a state agency and are set to expire in 2027.

Each property was analyzed to find the difference between the total cost to lease versus the assumed cost to acquire the property. A review of publicly available market indicators and internal planning assumptions was conducted to inform ownership modeling.

When the total cost of a lease is compared to the total cost to acquire a property, the state must also consider additional financial risks. The State can only pay the current appraised value, which may not be acceptable to the seller. There will be renovation expenses to consider when adding State specific security and alarm features. Capital maintenance and repair costs could be higher than expected once operation of mechanical equipment is turned over to the State. Personnel head count or reliance on facility management contracts will increase when the State assumes responsibility for each building purchased. Additional utility costs as well as service costs such as janitorial services, and pest control need to be included in operational expenses. Once owned, the State will need to consider the property's current and future disposition in the total acquisition cost. With a lease in place, the State can amend or terminate a lease based on property values and market trends.

The State continues its efforts to reduce its footprint with strict adherence to space standards. Because of post-pandemic workplace strategies and increased remote work practices, the State recognizes that there may be an overall reduction in space needed. As these decreases in space needs continue, many agencies have reduced their square footage and/or combined spaces to share with other agencies. The State continues to review current space needs to continue the reduction of occupied space by the State in accordance with the new space standards and remote work policies.

Statutory Reporting Compliance

Pursuant to 20 ILCS 405/405-300(4), this report includes the required annual analysis of qualifying leases.

During Calendar Year 2025, CMS entered into no installment purchase or lease-purchase agreements requiring reporting under this subsection. Accordingly, no aggregate installment obligations are reported for the preceding calendar year.

CMS has reviewed all active leases to determine whether they meet the statutory criteria requiring analysis of purchase option clauses. Where applicable, financial screening analyses and recommendations are provided herein

Definitions

Acquisition: This refers to the purchase of a building.

Base Operating Expense (OpEx): The cost per square foot to operate within a space. Costs include but are not limited to utilities, fire protection, janitorial services, building maintenance, and waste pickup.

Base Rental Rate: Rental rate that does not include operating expenses, real estate taxes, and utilities.

Capital Repairs and Renovations (CR&R): Funds used to purchase, maintain, or improve long-term physical assets.

Initial Capital Expenditure (CapEx): The costs incurred to improve property that is acquired after closing.

Initial Capital Repairs and Renovations: Refers to the significant, permanent improvement made to a property at the beginning of ownership.

Operational Expense Escalation (OpEx): The increase in costs associated with base operating expense.

Rental Rate Escalation: The negotiated rate increase of rent over the term of the lease.

SF: Square Foot

Tenant Improvement (TI): The cost associated with changes made to the rental space by a tenant.

Total Buildout Cost: The expense incurred to fully finish and prepare a commercial space for occupancy.

Total Ongoing Capital Expense (CapEx): The sum of a company's recurring expenditures to maintain and upgrade long-term assets.

For each property, BoPM has identified the lowest cost acceptable alternatives:

1. **Continue to lease:** The current lease is the most cost-efficient alternative for the location. Neither purchasing the asset nor any identified alternatives are as cost-effective as the existing lease. Even if the State opts to continue leasing the subject property, the State should consider conducting a portfolio assessment to determine the actual space requirements for its users in the market and surrounding markets.

2. **Consider acquisition:** Acquiring the subject asset is more cost-effective than leasing the asset. However, prior to any asset purchase, the State should consider conducting a portfolio assessment to determine the actual space requirements for its users in the market and surrounding markets, as well as the condition of the existing building.

Methodology Overview

For each property included in this report, CMS conducted a standardized 10-year financial projection to evaluate whether continued leasing or potential acquisition would be financially advantageous.

The lease projection reflects current annual base lease costs and operating expenses escalated over a 10-year period using uniform assumptions of 1.00% annual rent escalation and 2.00% annual operating cost escalation. These standardized escalation rates were applied consistently across all properties to ensure comparability and conservative modeling.

For comparative screening purposes, CMS also modeled an ownership scenario. The ownership model incorporates standardized capital repair and routine capital assumptions to approximate anticipated long-term facility costs.

CMS determined an estimated purchase price at which ownership would become financially equivalent to continued leasing. These assumptions are internal analytical tools and do not represent appraised values, negotiated acquisition targets, or formal market valuations.

Acquisition feasibility would require independent appraisal, facility condition assessment, and market verification.

The determinations presented in this report are based on the standardized financial screening described above.

Analysis

To apply the methodology described above, CMS compares the projected 10-year lease cost to the modeled ownership scenario for each property.

The ownership model incorporates an estimated planning baseline of \$60 per square foot for initial capital repairs. This baseline includes general building components such as materials, doors and windows, and building specialties (e.g., fire protection devices and fixtures). It does not represent a property-specific engineering assessment and would require further evaluation prior to any acquisition decision.

Total projected ownership cost includes:

- Acquisition price
- Estimated capital repairs
- Ongoing operating costs

If acquisition pricing exceeds levels at which ownership would be financially competitive relative to the projected lease cost, CMS recommends continued leasing. Where ownership appears financially competitive under the standardized assumptions, further evaluation through independent appraisal, facility condition assessment, and negotiation would be required prior to any acquisition decision.

Properties Evaluated

Address	City	Lowest Acceptable Alternative
8840 S Stony Island Ave	Chicago	Continue to Lease
1011 S 2nd St	Springfield	Continue to Lease
1642 W 59th St	Chicago	Consider Acquisition
1629 Afton Rd	Sycamore	Continue to Lease
200 W 5th St	Metropolis	Continue to Lease
406 Elm St	Peoria	Continue to Lease
2740 W Grand Ave	Waukegan	Continue to Lease
110 N Jefferson St	Jerseyville	Continue to Lease
601 S High St	Belleville	Continue to Lease
316 & 324 E Raymond St & 325 S Maple St	Harrisburg	Continue to Lease
2517 W 9th St	Mount Carmel	Consider Acquisition
1112 S West St	Olney	Continue to Lease
1027 N Water St	Decatur	Continue to Lease

1.8840 S Stony Island Ave, Chicago, Illinois

Property Details

Property Address:	8840 S Stony Island Ave
City:	Chicago
County:	Cook
Lease Number:	L4286
Building Number:	L4286-000
Site Number:	L0602
Using Agency:	DHS/ORS
Current Status:	Active
Lease Commencement Date:	2022-02-01
Lease Expiration Date:	2027-01-31
Region:	Chicago
Year Built:	1970
Facility Type / Use:	Office
Rentable Square Feet (RSF):	5,161

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership screening analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$89,078.86
Additional Service Costs:	\$0.00
Operating Costs:	\$63,220.60
Base Rental Rate (\$/SF/year):	\$17.26
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$12.25
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$931,961.97
Total OpEx (10y):	\$692,247.93
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$1,624,209.90

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$603,837.00
Estimated Initial Capital Costs	\$309,660.00
Estimated Ongoing CapEx	\$743,857.90
Estimated Total Cost to Acquire	\$1,657,354.90

2. 1011 S 2nd St, Springfield, Illinois

Property Details

Property Address:	1011 S 2nd St
City:	Springfield
County:	Sangamon
Lease Number:	L6817
Building Number:	L6817-000
Site Number:	L0126
Using Agency:	DCEO
Current Status:	Active
Lease Commencement Date:	2022-02-01
Lease Expiration Date:	2027-01-31
Region:	Central
Year Built:	1992
Facility Type / Use:	Office
Rentable Square Feet (RSF):	8,910

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$95,051.88
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$10.67
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$994,452.97
Total OpEx (10y):	\$546,347.28
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$1,540,800.25

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$757,350.00
Estimated Initial Capital Costs	\$534,600.00
Estimated Ongoing CapEx	\$635,447.28
Estimated Total Cost to Acquire	\$1,927,397.28

3. 1642 W 59th St, Chicago, Illinois

Property Details

Property Address:	1642 W 59th St
City:	Chicago
County:	Cook
Lease Number:	L6317
Building Number:	L6317-000
Site Number:	L0510
Using Agency:	DHS
Current Status:	Active
Lease Commencement Date:	2022-03-01
Lease Expiration Date:	2027-02-28
Region:	Chicago
Year Built:	2003
Facility Type / Use:	Office
Rentable Square Feet (RSF):	38,747

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership analysis. Based on this financial review and current conditions, CMS recommends additional analysis to determine if this property is a candidate for acquisition.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$821,823.87
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$389,371.00
Base Rental Rate (\$/SF/year):	\$21.21
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$10.05
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$8,598,096.00
Total OpEx (10y):	\$4,263,503.82
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$12,861,599.81

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$3,642,218.00
Estimated Initial Capital Costs	\$2,324,820.00
Estimated Ongoing CapEx	\$4,650,973.82
Estimated Total Cost to Acquire	\$10,618,011.82

4. 1629 Afton Rd, Sycamore, Illinois

Property Details

Property Address:	1629 Afton Rd
City:	Sycamore
County:	Dekalb
Lease Number:	L6431
Building Number:	L5642-000
Site Number:	L0699
Using Agency:	DHS
Current Status:	Active
Lease Commencement Date:	2022-03-01
Lease Expiration Date:	2027-02-28
Region:	Northern
Year Built:	1999
Facility Type / Use:	Office
Rentable Square Feet (RSF):	9,088

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$131,703.26
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$14.49
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$1,377,907.50
Total OpEx (10y):	\$557,261.96
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$1,935,169.46

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$1,808,512.00
Estimated Initial Capital Costs	\$545,280.00
Estimated Ongoing CapEx	\$648,141.96
Estimated Total Cost to Acquire	\$3,001,933.96

5.200 W 5th St, Metropolis, Illinois

Property Details

Property Address:	200 W 5th St
City:	Metropolis
County:	Massac
Lease Number:	L6434
Building Number:	L4500-000
Site Number:	L0277
Using Agency:	DCFS
Current Status:	Active
Lease Commencement Date:	2022-04-01
Lease Expiration Date:	2027-03-31
Region:	Southern
Year Built:	1980
Facility Type / Use:	Office
Rentable Square Feet (RSF):	2,800

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$26,964.00
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$9.63
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$282,103.10
Total OpEx (10y):	\$171,691.63
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$453,794.72

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$224,000.00
Estimated Initial Capital Costs	\$168,000.00
Estimated Ongoing CapEx	\$199,691.63
Estimated Total Cost to Acquire	\$591,691.63

6.406 Elm St, Peoria, Illinois

Property Details

Property Address:	406 Elm St
City:	Peoria
County:	Peoria
Lease Number:	L6163
Building Number:	L4609-000
Site Number:	L0442
Using Agency:	DES
Current Status:	Active
Lease Commencement Date:	2022-05-01
Lease Expiration Date:	2027-04-30
Region:	Central
Year Built:	1991
Facility Type / Use:	Office
Rentable Square Feet (RSF):	22,620

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$332,016.36
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$14.68
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$3,473,625.73
Total OpEx (10y):	\$1,387,023.06
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$4,860,648.78

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$2,488,200.00
Estimated Initial Capital Costs	\$1,357,200.00
Estimated Ongoing CapEx	\$1,613,223.06
Estimated Total Cost to Acquire	\$5,458,623.06

7.2740 W Grand Ave, Waukegan, Illinois

Property Details

Property Address:	2740 W Grand Ave
City:	Waukegan
County:	Lake
Lease Number:	L6407
Building Number:	L5342-000
Site Number:	L0369
Using Agency:	DHS
Current Status:	Active
Lease Commencement Date:	2022-05-01
Lease Expiration Date:	2027-04-30
Region:	Chicago
Year Built:	1980
Facility Type / Use:	Office
Rentable Square Feet (RSF):	6,779

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership screening analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$124,137.10
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$18.31
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$1,298,748.72
Total OpEx (10y):	\$415,677.69
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$1,714,426.41

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$1,288,010.00
Estimated Initial Capital Costs	\$406,740.00
Estimated Ongoing CapEx	\$483,467.69
Estimated Total Cost to Acquire	\$2,178,217.69

8. 110 N Jefferson St, Jerseyville, Illinois

Property Details

Property Address:	110 N Jefferson St
City:	Jerseyville
County:	Jersey
Lease Number:	L6450
Building Number:	L4494-000
Site Number:	L0156
Using Agency:	DHS
Current Status:	Active
Lease Commencement Date:	2022-07-01
Lease Expiration Date:	2027-06-30
Region:	Central
Year Built:	N/A
Facility Type / Use:	Office
Rentable Square Feet (RSF):	4,400

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership screening analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$37,004.04
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$8.41
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$387,144.13
Total OpEx (10y):	\$269,801.13
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$656,945.26

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$352,000.00
Estimated Initial Capital Costs	\$264,000.00
Estimated Ongoing CapEx	\$313,801.13
Estimated Total Cost to Acquire	\$929,801.13

9.601 S High St, Belleville, Illinois

Property Details

Property Address:	601 S High St
City:	Belleville
County:	St. Clair
Lease Number:	L6436
Building Number:	L0763-000
Site Number:	L0515
Using Agency:	DHS
Current Status:	Active
Lease Commencement Date:	2022-10-01
Lease Expiration Date:	2027-09-30
Region:	Southern
Year Built:	1860
Facility Type / Use:	Office
Rentable Square Feet (RSF):	5,000

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership screening analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10 year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$52,840.01
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$10.57
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$552,823.42
Total OpEx (10y):	\$306,592.19
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$859,415.60

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$510,000.00
Estimated Initial Capital Costs	\$300,000.00
Estimated Ongoing CapEx	\$356,592.19
Estimated Total Cost to Acquire	\$1,166,592.19

10. 316 & 324 E Raymond St & 325 S Maple St

Property Details

Property Address:	316 & 324 E Raymond St & 325 S Maple St
City:	Harrisburg
County:	Saline
Lease Number:	L6454
Building Number:	L4335-000
Site Number:	L0403
Using Agency:	DHS; DVA; DCFS
Current Status:	Active
Lease Commencement Date:	2022-12-01
Lease Expiration Date:	2027-11-30
Region:	Southern
Year Built:	1984
Facility Type / Use:	Office
Rentable Square Feet (RSF):	11,500

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership screening analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$142,944.96
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$12.43
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$1,495,520.55
Total OpEx (10y):	\$705,162.03
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$2,200,682.59

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$1,253,500.00
Estimated Initial Capital Costs	\$690,000.00
Estimated Ongoing CapEx	\$820,162.03
Estimated Total Cost to Acquire	\$2,763,662.03

11. 2517 W 9th St, Mount Carmel, Illinois

Property Details

Property Address:	2517 W 9th St
City:	Mount Carmel
County:	Wabash
Lease Number:	L6460
Building Number:	L6460-000
Site Number:	L0794
Using Agency:	DHS, DNR
Current Status:	Active
Lease Commencement Date:	2022-12-01
Lease Expiration Date:	2027-11-30
Region:	Southern
Year Built:	1892
Facility Type / Use:	Office
Rentable Square Feet (RSF):	4,854

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership analysis. Based on this financial review and current conditions, CMS recommends additional analysis to determine if this property is a candidate for acquisition.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$68,295.84
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$45,447.20
Base Rental Rate (\$/SF/year):	\$14.07
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$9.36
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$714,525.59
Total OpEx (10y):	\$497,634.16
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$1,212,159.75

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$292,240.00
Estimated Initial Capital Costs	\$291,240.00
Estimated Ongoing CapEx	\$546,174.16
Estimated Total Cost to Acquire	\$1,129,654.16

12. 1112 S West St, Olney, Illinois

Property Details

Property Address:	1112 S West St
City:	Olney
County:	Richland
Lease Number:	L4455
Building Number:	L4455-000
Site Number:	L0168
Using Agency:	DHS
Current Status:	Active
Lease Commencement Date:	2023-01-01
Lease Expiration Date:	2027-12-31
Region:	Southern
Year Built:	1990
Facility Type / Use:	Office
Rentable Square Feet (RSF):	2,875

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership screening analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$29,871.29
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$18,557.50
Base Rental Rate (\$/SF/year):	\$10.39
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$6.45
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$312,519.78
Total OpEx (10y):	\$203,199.45
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$515,719.23

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$192,625.00
Estimated Initial Capital Costs	\$172,500.00
Estimated Ongoing CapEx	\$231,949.45
Estimated Total Cost to Acquire	\$597,074.45

13. 1027 N Water St, Decatur, Illinois

Property Details

Property Address:	1027 N Water St
City:	Decatur
County:	Macon
Lease Number:	L6694
Building Number:	L6694-000
Site Number:	L0881
Using Agency:	DHS
Current Status:	Active
Lease Commencement Date:	2023-01-01
Lease Expiration Date:	2027-12-31
Region:	Central
Year Built:	N/A
Facility Type / Use:	Office
Rentable Square Feet (RSF):	10,639

Leasing Details

CMS conducted a standardized 10-year lease projection and comparative ownership screening analysis. Based on this financial review and current conditions, continued leasing represents the lowest acceptable alternative.

Lease Cost Assumptions (10-year)	
Lease Term Evaluated (years):	10
Annual Base Lease Cost:	\$155,052.79
Additional Service Costs:	\$0.00
Operating Costs (annual or derived):	\$0.00
Base Rental Rate (\$/SF/year):	\$14.57
Rental Rate Escalation:	1.00%
Base OpEx (\$/SF/year):	\$5.60
OpEx Escalation:	2.00%
Tenant Improvement (TI) (\$/SF):	\$0.00
Landlord TI Allowance (\$/SF):	\$0.00
Total Rent Cost (10y):	\$1,622,195.24
Total OpEx (10y):	\$652,366.86
Net TI Cost:	\$0.00
Total Cost to Lease (10y):	\$2,274,562.10

Acquisition Details

The ownership estimates shown are based on planning assumptions for comparative modeling only and do not represent an appraisal or formal market valuation. Acquisition feasibility would require independent appraisal and due diligence.

Modeled 10-Year Ownership Costs	
Estimated 2027 Market Acquisition Costs	\$1,042,622.00
Estimated Initial Capital Costs	\$638,340.00
Estimated Ongoing CapEx	\$758,756.86
Estimated Total Cost to Acquire	\$2,439,718.86

Conclusion

Pursuant to 20 ILCS 405/405-300(4), CMS conducted a standardized financial evaluation of the leased facilities identified in this report. Each property was analyzed using a consistent 10-year projection model incorporating uniform rent and operating cost escalation assumptions and capital planning assumptions.

The analysis compared projected lease expenditures against a modeled ownership scenario to determine whether acquisition would provide a financial advantage under reasonable assumptions. Where ownership was not financially competitive, continued leasing was determined to be the lowest acceptable alternative. Where ownership appeared potentially competitive, further evaluation through appraisal, facility condition assessment, and negotiation would be required prior to any acquisition decision.

This report reflects a financial screening and does not constitute a market valuation or commitment to acquiring any property. CMS will continue to monitor market conditions and reassess acquisition opportunities where financially advantageous and strategically appropriate.