



*Achieve  
Ambitions*

# 2000 Polaris Parkway

Offering memorandum

58,282 SF

Being sold 100% vacant





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# Investment Summary

## 2000 POLARIS PARKWAY

JLL is pleased to present investors and users with an opportunity to acquire the Property at 2000 Polaris Parkway in the Polaris submarket of Columbus, Ohio. The 7.02 acre property and 58,282 RSF Class A office building was developed by the Daimler Group in 1993 and has been entirely occupied by Westfield Insurance since inception. 2000 Polaris Parkway is located in the heart of the Polaris submarket, the most desirable development area in Central Ohio, and is surrounded by the region's largest scale of retail amenities. Located immediately off of I-71, the Property boasts prime visibility and accessibility to the fastest growing county in Ohio, Delaware County.

## INVESTMENT HIGHLIGHTS

- Premier boutique office asset with above-market parking
- Incomparable site and accessibility
- The Polaris submarket advantage
- Columbus, Ohio: Among the US' top rising metro areas
- Long-term land flexibility

## PROPERTY SUMMARY

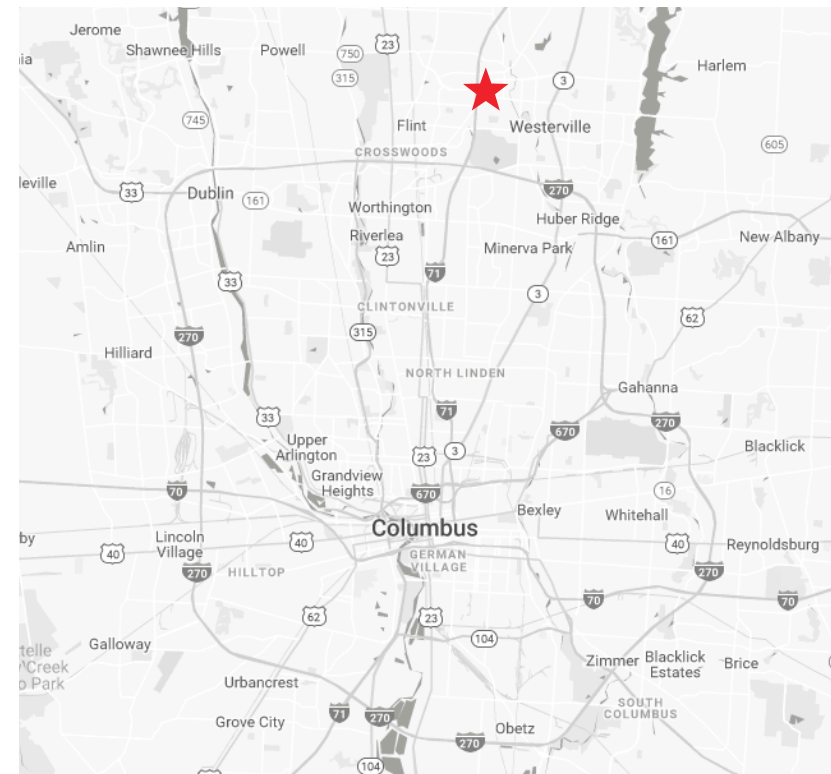
Address	2000 Polaris Parkway, Columbus OH 43240
Product Type	Office; variety of potential alternative uses given location
Square Footage	58,282 RSF
Site Size	7.023 acres
Year Built	1993
Occupancy	Being sold vacant - 00.0%
Parking/Ratio	300 spaces (5.36 spaces per 1,000 SF)

## FINANCIAL TERMS

2000 Polaris Parkway is being offered without an asking price. The current owner occupant, Westfield Insurance, plans to vacate the building but would entertain a short-term leaseback depending on closing timeline. A bid due date will be set at a later time.

To schedule a tour or for assistance accessing content in the Virtual Deal Room (VDR), please contact:

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### *Premier boutique office asset with above-market parking*

The Property was designed with all the qualities consistent with a high-profile suburban asset. 2000 Polaris Parkway is an efficient Class A office building featuring open floorplans, stately brick, glass façade and a marble lobby with towering nine-foot finished ceilings. Additionally, the Property boasts a parking ratio of 5.36 spaces per 1,000 square feet which is well-above the competitive set and increasingly optimal for tenant configurations of today. The Property's physical theme is ideal for a single-tenant with the monumental stair in main entry but also includes fire corridors in place for ease of multi-tenanting. The grounds have been meticulously maintained by corporate ownership since its completion in 1993. Incorporating high-quality finishes and almost 30,000sf floorplates, this rare opportunity provides one of the most efficient buildings in the market and aligns well with tenant velocity of today.

### *Incomparable site and accessibility*

Perfectly located 13 miles north of downtown Columbus, the Polaris submarket is within the highly sought-after North suburban office market. Situated adjacent to I-71, the north-south freeway connecting Cincinnati and Cleveland, as well as one mile north of I-270, the Central Ohio outerbelt, the area is in the heart of one of the fastest growing counties in America, Delaware County, and is easily accessible from all of the Columbus suburbs. Port Columbus International Airport is located just fifteen minutes to the southeast of the Property, at the junction of I-670 and I-270.

2000 Polaris is surrounded by an abundance of amenities including Polaris Fashion Place, a 1.6 million square foot premier shopping, dining and entertainment destination. With over 200 national and local establishments, the mall is anchored by Saks Fifth Avenue, Von Maur, Macy's, IKEA, TopGolf, Dick's Sporting Goods and Field and Stream. With more than six million square feet of office space, 3.6 million square feet of retail, and over 1,000 apartment units, Polaris is considered to be the premier mixed-use developments in the region.

### *The Polaris submarket advantage*

2000 Polaris Parkway is located within the Polaris submarket, which is located in one of the fastest growing counties in the country. The Polaris submarket office fundamentals are the strongest of Central Ohio, with healthy demand levels and tight vacancies creating conditions for rent growth. The current office rental rates are among the highest in Columbus. The Polaris office market has over 2.3 MSF of inventory. About 1.7 MSF is attributed to Class A premium office space while Class B space contributes to about 600,000 square feet. Rents have risen \$2.27 since 2014 due to stable demand. Vacancy rates remain stable for both Class A and Class B with new competitive inventory accounting for the lion's share of the moderate rise in the last five years. Rents have risen nearly 11% in that time span as leasing velocity has remained steady. Looking forward, we see vacancy declining and rents relatively unchanged until vacancy approaches single digits. With limited future construction, higher vacancy poses a low risk.

In the past five years, Polaris has seen over a half dozen leases of 40,000 square feet and up. Firms such as JP Morgan Chase, DHL, Lancaster Colony, Anthem and Bank of America have all made commitments to the area.

### *Columbus, Ohio: Among the US' top rising metro areas*

As the 14th largest city in the United States and both the largest city in Ohio and the state capital, Columbus benefits from its central location in the Midwest. Columbus is also home to The Ohio State University ("OSU"), one of the largest educational institutions in the U.S., providing immense access to an extremely well educated, diverse and skilled labor force for regional employers. With a population of approximately 2 million people and a median age of 35.6 – more than two years younger than the national average – the Columbus MSA is the fastest growing among Midwest metropolitan areas with a population of at least 1 million. The city consistently outperforms other Midwestern cities in terms of economic prosperity, job growth, quality of life and cost of living. Columbus is one of the most dynamic metropolitan regions in the United States and is known for its value, top-ranked access and strong workforce. Columbus is supported by a diverse industry base (none making up more than 18% of the total employment), four Fortune 500 companies HQ'd in the area and at least 20 Fortune 1000.

### *Long-term flexibility*

Given the macro growth of the region and mixed-use development surrounding the asset, the property is ideally situated for alternative use potential for the long haul. The prime visibility along Polaris Parkway and accessibility to I-71 as well as the hundreds of retail amenities, the site (over 7 acres of developable ground) maintains alternative uses for hotel, senior and multi-family housing, out-parcel retail development or mixed-use redevelopment on-site. The lack of core development parcels within the Polaris submarket and recent land sale comparables provide an interesting underlying long-term flexibility play with the Property.







# The Property

The Property has been meticulously maintained by Westfield Insurance since being constructed. Additional documentation on the new roof/warranty and other infrastructure items can be made available upon request.

## BUILDING SPECIFICATIONS

Address	2000 Polaris Parkway
City	Columbus, OH 43240
Year Built	1993
Floors	2
RSF	58,282
Site Acres	7.023

## CONSTRUCTION

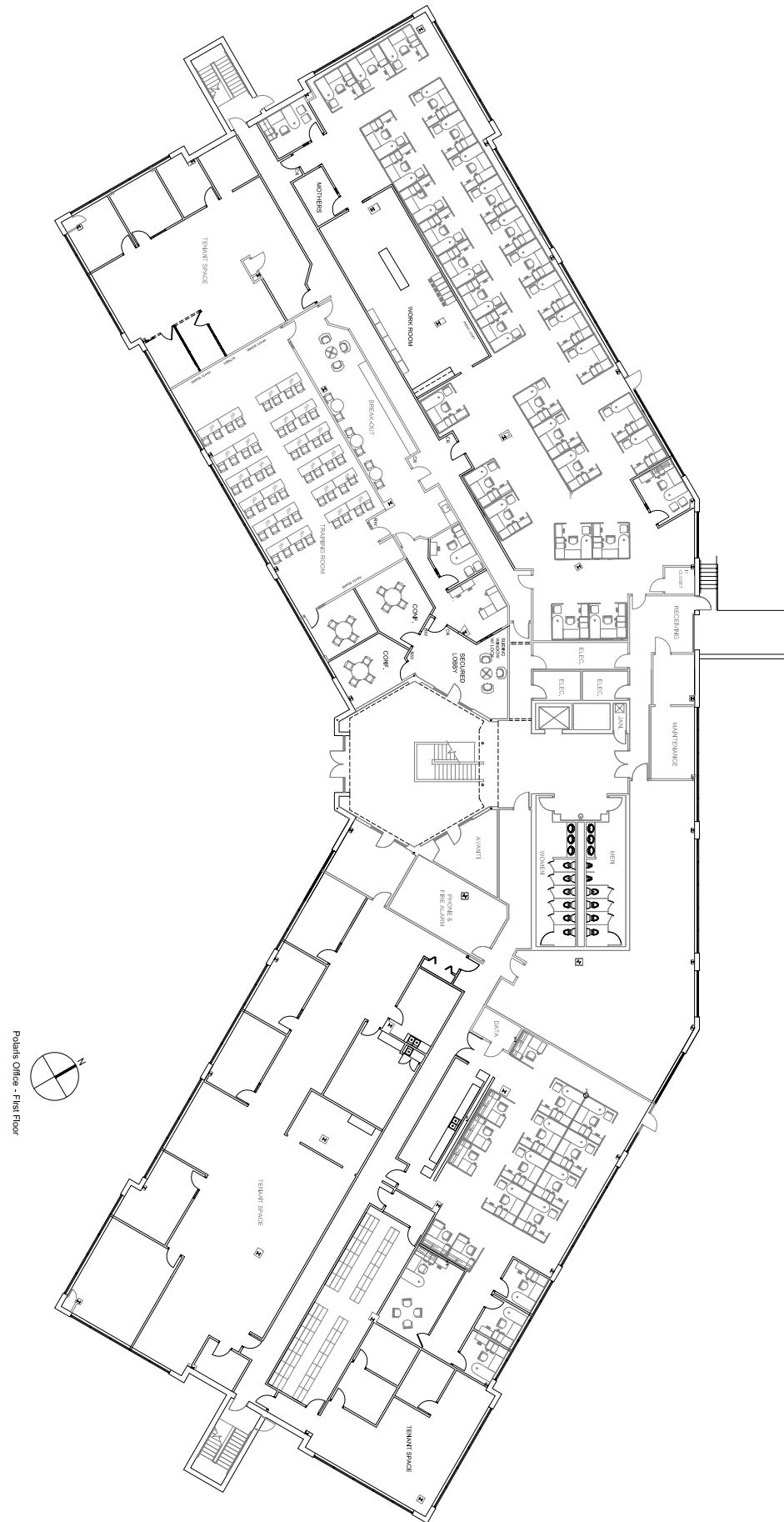
Developer	Daimler Group
Tax Parcel ID	318-443-02-002-000
Loading Dock	Yes, 1
Exterior	Brick masonry façade
Zoning	Commercial; designation allows for variety of commercial, retail and office uses
Roof	New (completely replaced in 2015) fully adhered single ply EPDM; 20-year warranty (through 2035)
Ceiling Heights	9' to grid
Stairwells	Three (3); east and west fire stairwell plus monumental stair
Parking	300 spaces
Parking Ratio	5.36 / 1,000

## BUILDING SPECIFICATIONS

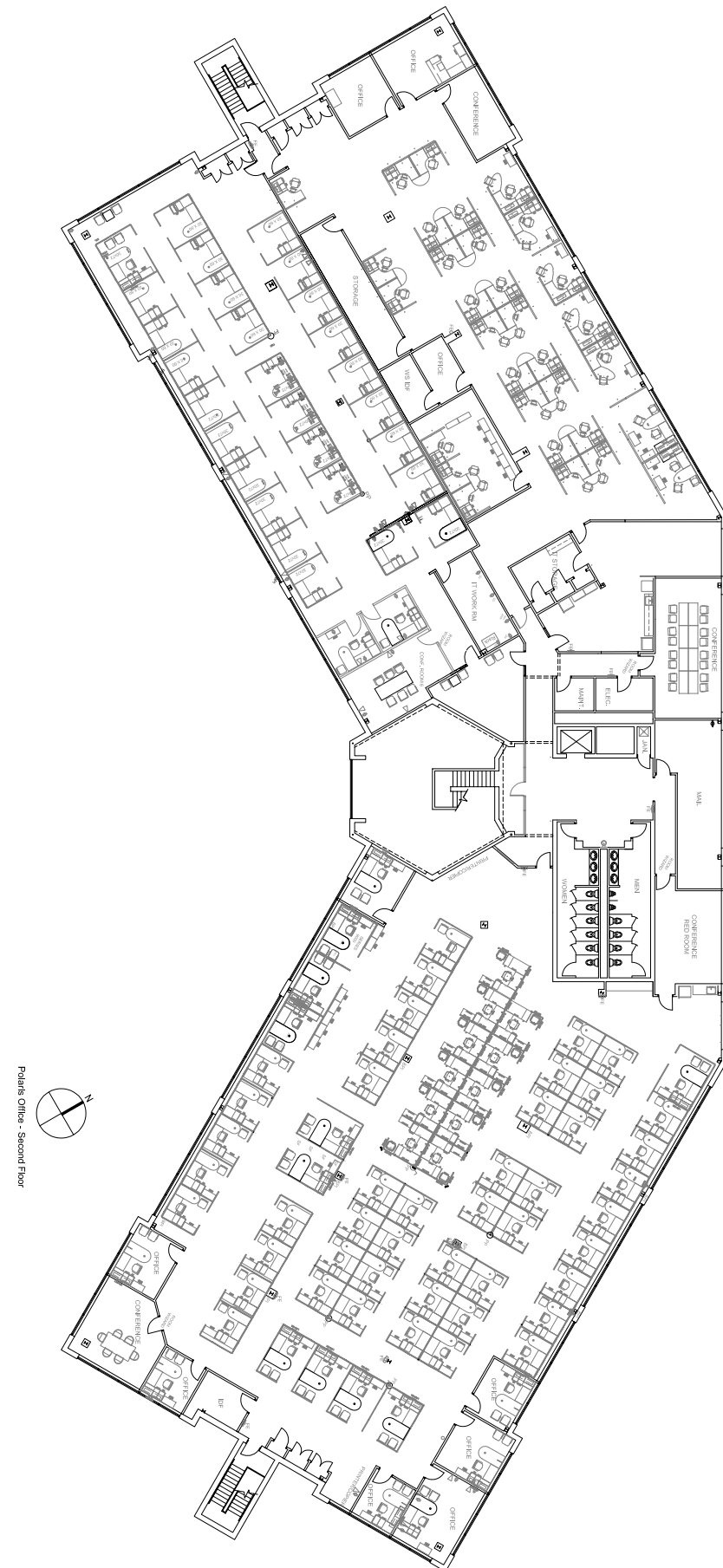
Electrical Systems	Utility electrical service (normal power) is provided to the building at 480/277 volt, 3-phase, 4-wire. The service into the building is rated at 1200 amperes.
Elevators	One hydraulic
Fire/Life Safety	General Electric EST Series system
HVAC	There are two main, roof-mounted, electric cool rooftop air handling units, which are each capable of 75 tons of cooling. Units feed separate floors within the building through VAV units.
Generator	Kohler Power Systems 600kW / 750kVA with 1,083 gallon diesel tank



*First floor*  
**30,521 GSF**



*Second floor*  
**29,581 GSF**







# The Location

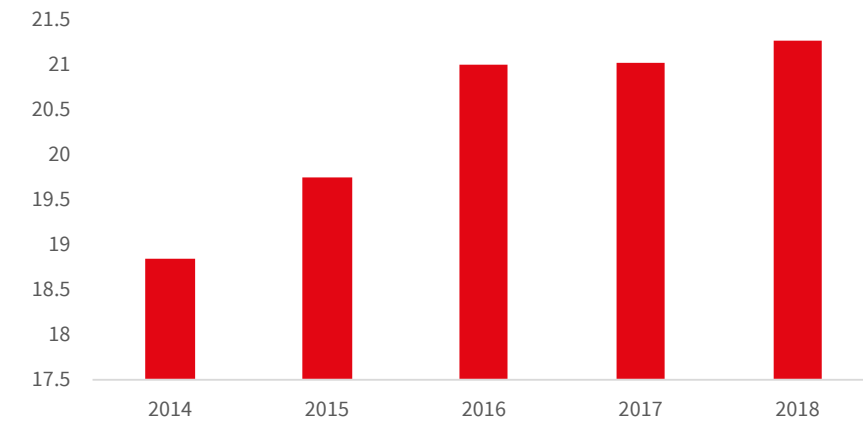
## Polaris Submarket

The Polaris office market has over 2.3 MSF of inventory. About 1.7 MSF is attributed to Class A premium office space while Class B space contributes to about 600,000 square feet. Rents have risen \$2.27 since 2014 due to stable demand. Vacancy rates remain stable for both Class A and Class B with new competitive inventory accounting for the lion's share of the moderate rise in the last five years. Rents have risen nearly 11% in that time span as leasing velocity has remained steady. Looking forward, we see vacancy declining and rents relatively unchanged until vacancy approaches single digits. With limited future construction, higher vacancy poses a low risk.

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## AVERAGE ASKING RENT (FSG)



*Delaware County – the fastest growing county in Ohio*

**10%**

POPULATION GROWTH SINCE 2010

**\$200 Million**

INVESTED IN ROADWAY INFRASTRUCTURE IMPROVEMENTS BY 2020

**\$90,000**

MEDIAN HOUSEHOLD INCOME



*Polaris area amenities*



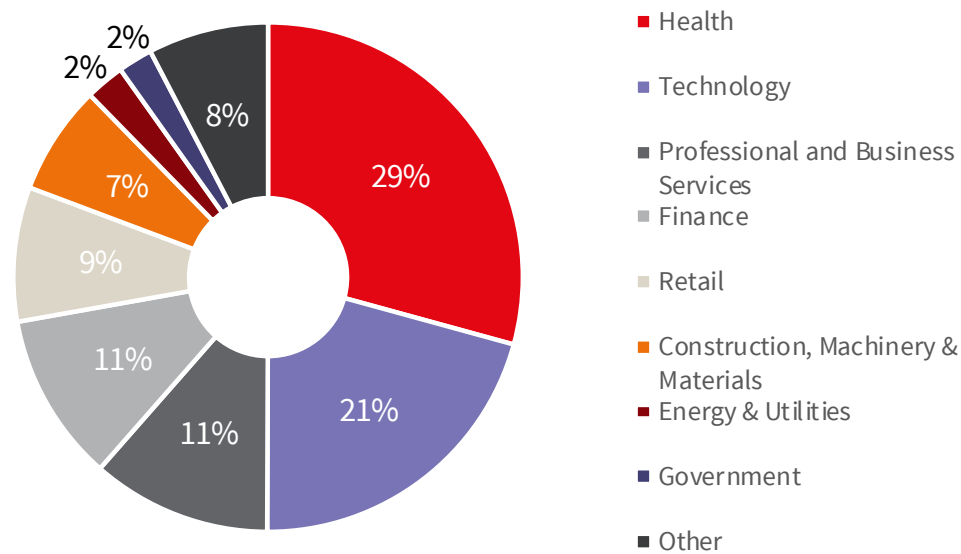


# The Market

## Columbus

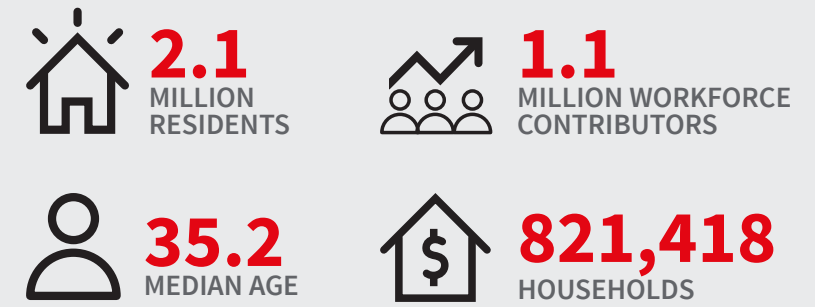
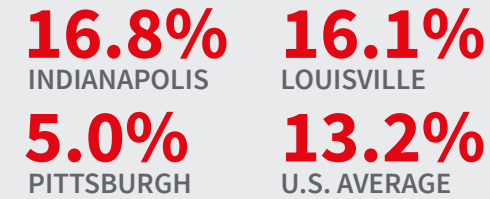
The Columbus office market is comprised of 31 million square feet of competitive office inventory, 1/3 of which is in the CBD. Millions of additional office square footage has been constructed in recent years for various well-known owner-users. This includes Nationwide Insurance, Big Lots, OhioHealth and several others. Market fundamentals have been strong in recent years despite several large, notable occupiers downsizing for workplace efficiency. Since 2013, net absorption is over 2.8 million square feet, total vacancy has dropped 2.0 percent, over 1.5 million square feet of speculative space has delivered and rents have risen nearly \$2.00 per square foot.

Industry leasing (2016-2018) totals over 5.4 million square feet.



There has been a clear flight to quality over the past 5 years, pushing Class A vacancy to historic lows and asking rents to historic highs; class A product has accounted for 80 percent of net absorption in the last 5 years. Much of this can be attributed to both new and renovated product, as tenants are relocating to more efficient, open space to attract and retain talent. Although leasing activity has been largely focused in suburban submarkets historically, construction activity is equally concentrated downtown. Developers are responding to regional demand for live-work-play environments. With that said, suburban projects are seeing significant pre-leasing (Bridge Park and Pointe at Polaris) with this idea in mind as well, which has resulted in landlords of existing inventory to invest in building upgrades which continues to drive exponential rent growth.

Job growth since 2010 is 18.3%, out-pacing the national average and other comparable markets



Suburban Submarket	Inventory (s.f.)	Vacancy	Avg asking rent (FSG)
<b>Polaris</b>	<b>2,351,538</b>	<b>16.2%</b>	<b>\$21.32</b>
Airport/I-670	575,962	7.5%	\$17.05
East I-70 Corridor	134,096	77.8%	\$12.60
Easton	2,145,694	13.2%	\$23.96
Gahanna	669,027	4.1%	\$20.55
New Albany	1,532,623	4.3%	\$20.94
NE Columbus/Wester-ville	1,712,567	15.4%	\$16.70
Campus/Clintonville	372,480	0.0%	\$0.00
Worthington	3,018,096	14.5%	\$16.99
Grandview/Arlington	1,334,028	9.7%	\$20.02
Bethel	473,736	4.0%	\$16.98
Dublin	5,677,927	18.8%	\$20.26
Hilliard/West	940,417	10.1%	\$18.66
Suburbs	20,938,191	13.9%	\$19.56

## 14 FORTUNE 1000 HQ LOCATIONS, 5 FORTUNE 500





# The Financials

## 2000 Polaris Parkway

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Argus model can be provided upon request.

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## Cash flow projections

	1 9/31/2020	2 9/31/2021	3 9/31/2022	4 9/31/2023	5 9/31/2024
<b>EFFECTIVE GROSS REVENUE</b>					
Potential Base Rent	786,807	810,411	834,724	859,765	885,558
Absorption and Turnover Vacancy	0	0	0	0	0
Free Rent	(393,404)	0	0	0	0
Expense Recoveries	480,031	489,632	499,424	509,413	519,601
Effective Gross Revenue	873,434	1,300,043	1,334,148	1,369,178	1,405,159
<b>OPERATING EXPENSES</b>					
Maintenance (Incl. MGMT)	121,840	124,277	126,762	129,298	131,884
Landscaping	47,500	48,450	49,419	50,407	51,416
Supplies	12,900	13,158	13,421	13,690	13,963
Phone	5,100	5,202	5,306	5,412	5,520
Utilities	148,121	151,083	154,105	157,187	160,331
Real Estate Taxes	131,070	133,691	136,365	139,093	141,874
Insurance	13,500	13,770	14,045	14,326	14,613
Total Operating Expenses	480,031	489,631	499,423	509,413	519,601
<b>Net Operating Income</b>	<b>393,403</b>	<b>810,412</b>	<b>834,725</b>	<b>859,765</b>	<b>885,558</b>
<b>LEASING AND CAPITAL COSTS</b>					
Tenant Improvements	2,039,870	0	0	0	0
Leasing Commissions	1,029,276	0	0	0	0
Total Leasing and Capital Costs	3,069,146	0	0	0	0
<b>Cash Flow</b>	<b>3,462,549</b>	<b>810,412</b>	<b>834,725</b>	<b>859,765</b>	<b>885,558</b>



*Leasing assumptions*

NNN Rent	\$14.00/SF - Year 1
Annual Rent Escalations	3.0%
Lease Term	126 Months (6 months of NNN rent abatement)
Tenant Improvement Allowance	\$35.00/SF
Total Commissions	7.0% of the Full Service Gross Rents
2019 OpEx	\$8.24/SF
Annual OpEx escalations	2.0%
Vacancy	0% (assumed single-tenant)

**2000 POLARIS PARKWAY OPERATING HISTORY**

CATEGORY	2017 ACTUAL		2018 ACTUAL		2019 BUDGET	
	\$ AMOUNT	\$ PSF	\$ AMOUNT	\$ PSF	\$ AMOUNT	\$ PSF
Recoverable Expenses						
Maintenance (inc. mgt fee)	\$102,343	\$1.76	\$143,460	\$2.46	\$121,840	\$2.09
Landscaping	38,463	0.66	46,977	0.81	47,500	0.82
Supplies	11,700	0.20	15,989	0.27	12,900	0.22
Phone	3,558	0.06	6,000	0.10	5,100	0.09
Utilities	134,461	2.31	142,477	2.44	148,121	2.54
RE Taxes	131,117	2.25	129,585	2.22	131,070	2.25
Insurance	14,363	0.25	13,355	0.23	13,500	0.23
<b>Total Recoverable Expenses</b>	<b>\$436,005</b>	<b>\$7.48</b>	<b>\$497,843</b>	<b>\$8.54</b>	<b>\$480,031</b>	<b>\$8.24</b>



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