



FedEx®

Ground

2929 Halvor Lane | Superior, WI 54880

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

INDUSTRIAL

EXCLUSIVELY LISTED BY

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LIC # 02009656 (CA)

BROKER OF RECORD

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Investment Highlights

- **High Return** – Entry Cap Rate of 9.94% in the first year of ownership. With a 10% rent bump in 3.5 years, investors can possibly receive back **90% of their initial investment** at the end of year 9 (end of 1st option)
- **Strategic Location** – positioned next to the **on-ramp of the 2 HWY** with convenient access to the I-535 and the I-35, which are the main highways connecting Duluth and Superior to **Minneapolis**
- Duluth and Superior, WI, form the **Twin Ports**, which together make the Great Lakes' largest port—and the **world's largest freshwater port**
- **Mission Critical Location** – This facility serves an important role for FedEx in the Great Lakes region by being the only FedEx Ground within a **100+ mile radius**
- **Expandable Facility** – In 2012, FedEx expanded the facility by 16,840 SF (Total SF: 56,951) while simultaneously **extending the lease by an additional 10 years**. The facility sits on 7.11 acres (18% Coverage) and has **additional room for expansion** to increase their capacity if needed in the future to support increased demand
- **Build to Suit Construction** – This facility was built specifically for FedEx in 2007, which gives the tenant the layout to maximize efficiency and minimize cost. This 10-year old facility is in great condition.
- **Increasing Market Rents** – Thanks to **positive absorption** in four of the last five years, rent growth neared 4% in 2016 and 3% in 2017
- **Passive Lease** – NN+ Lease with landlord only responsible for the roof and structure.
- **Strong Tenant** – FedEx Ground is the highest yielding FedEx Corp. service line and has the largest connected network of industrial facilities in the country

Financial Overview

2929 HALVOR LN,
SUPERIOR, WI, 54880



LIST PRICE

\$7,000,000



CAP RATE

9.94%



YEAR BUILT/ RENOVATE

2007/2012



SQUARE FOOTAGE

±56,951 SF



ACREAGE

±7.11 AC

TENANT SUMMARY

Tenant Trade Name	FedEx Ground
Lease Guarantor	FedEx Ground Package Systems, Inc
Type of Ownership	Fee Simple
Lease Type	NN+
Roof & Structure	Owner Responsible
Original Lease Term	10 Years
Rent Commencement Date	6/1/2007
Lease Expiration Date	9/14/2022
Options	Two, 5-Year Options
Increases	10% in 1st option. 5% in 2nd option
Term Remaining	±3.5 Years

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Cap Rate
Current	\$58,000	\$696,000	9.94%
Option 1: 9/15/2022 – 9/14/2027	\$63,800	\$765,600	10.94%
Option 2: 9/15/2027 – 9/14/2032	\$66,990	\$803,880	11.48%

Property Overview

DESCRIPTION

Framing	Steel
Roof	Metal
Construction	Metal
Dock-high Doors	9
Drive-in Doors	19
Acreage	7.11 AC



Tenant Overview



FEDEX GROUND REVENUE (FY 2016)

Revenue (in millions)	\$16,574
Margin	13.70%
Operating Income (in millions)	\$2,276
Average Daily Volume	7,526

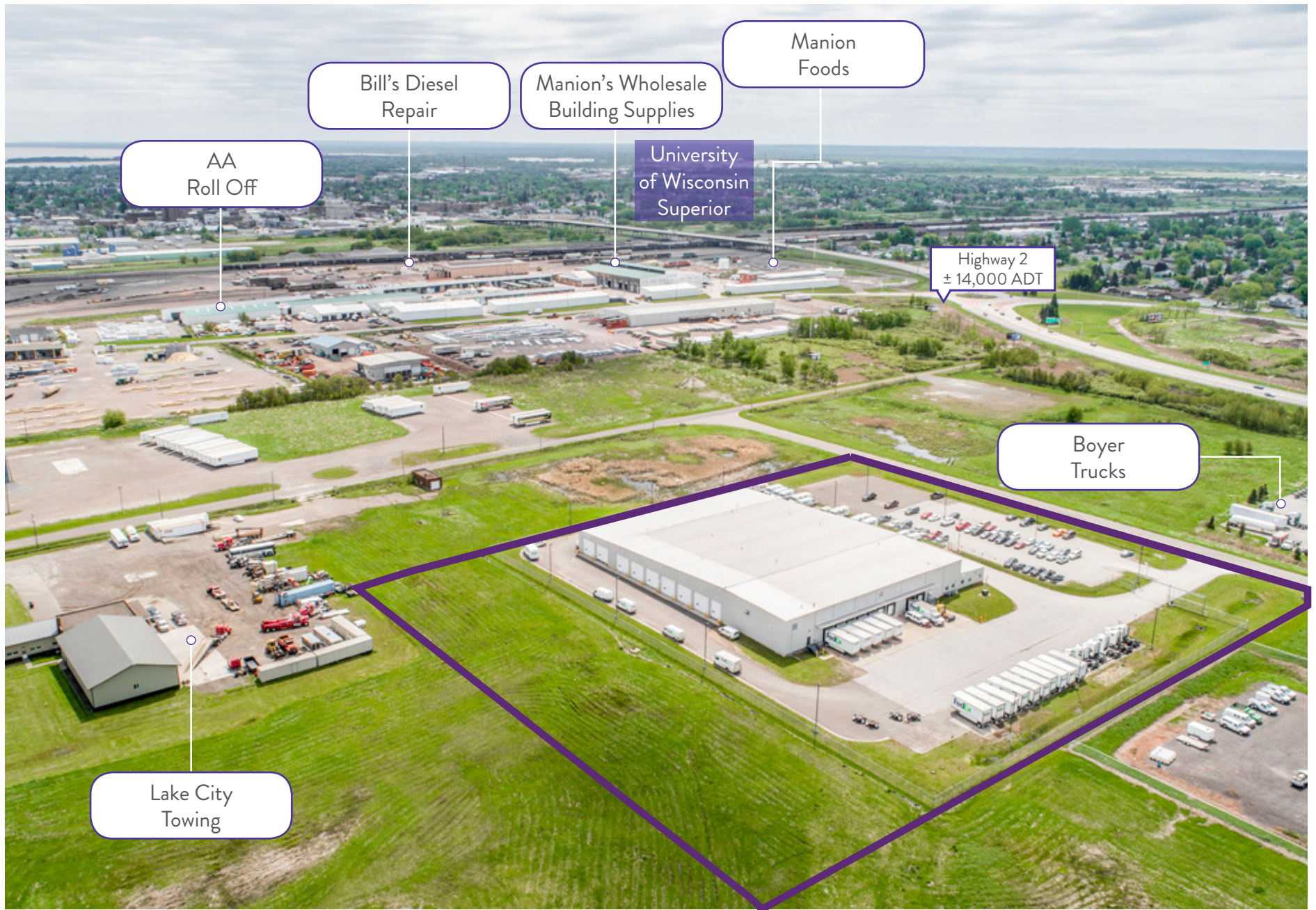
FEDEX CORPORATION

FedEx Corporation provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce, and business services. With annual revenues of \$58 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. FedEx Ground is a leading North American provider of ground small-package delivery services, providing service to the U.S. and Canada. FedEx Home Delivery®, the industry's first ground service dedicated to residential delivery, is available from FedEx Ground and provides Saturday delivery for no additional charge. FedEx SmartPost® is a ground service that specializes in the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages primarily using the U.S. Postal Service® for last mile delivery to residences. FedEx Ground business segment financial results include FedEx Supply Chain, one of the largest third-party logistics providers in North America.

FedEx Ground

The Company's FedEx Ground segment operates through FedEx Ground Package System, Inc. (FedEx Ground), which is a North American provider of small package ground delivery services. The segment provides day-certain service to any business address in the United States and Canada, as well as residential delivery to residences in the United States through its FedEx Home Delivery service. As of May 31, 2016, the FedEx Ground segment operated a multiple hub-and-spoke sorting and distribution system consisting of 575 facilities, including 33 hubs, in the United States and Canada. To provide FedEx Home Delivery service and FedEx SmartPost Service, the FedEx Ground segment leverages its pickup operation and hub and line haul network. FedEx Ground provides shipment tracing and proof-of-delivery signature functionality through its Website, fedex.com.

Surrounding Industrial Tenants



Area Overview

SUPERIOR, WI

Located in northern Wisconsin, Superior is the county seat in Douglas County. It sits at the western end of Lake Superior and is framed by the Nemadji and Saint Louis River. The city's neighboring city across the bay, Duluth, Minnesota, form a single metropolitan area called the Twin Ports. They share a harbor that is one of the most important ports on the Great Lakes.

The Superior community strives to make their city a comforting place to live, work, and grow. Crime and unemployment ratings to gone down dramatically throughout the years. Tourism has become a larger factor in the city's economy . As more and more tourist attractions become available in the area, the more Superior becomes an attractive destination.

DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile
2022 Projection	755	2,687	8,973
2017 Estimate	755	2,690	8,919
HOUSEHOLD	1 Mile	3 Mile	5 Mile
2022 Projection	307	1,096	3,743
2017 Estimate	307	1,097	3,703
INCOME	1 Mile	3 Mile	5 Mile
2017 Est. Average Household Income	\$79,383	\$78,071	\$69,086



ECONOMY

The transportation sector counts as a large part of the city's economy, and brings a large amount of jobs to the area. The Twin Ports is the largest in the Great Lakes and welcomes both domestic and foreign vessels. Bulk solids, such as grain, make up most of the tonnage handled by the port.

Husky Energy operates a large refinery in the area. It is located along a pipeline connected west of Canada and the Midwest. The manufacturing area has been growing throughout the years with several larger companies including FenTech, Inc., Charter NEX Films, Genesis Attachments, and Amsoil opening factorings in the Superior area.



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of FedEx Ground located at 2929 Halvor Ln, Superior, WI 54880 (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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