

REPRESENTATIVE PHOTO

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

Harbor Freight Tools

MOSES LAKE, WASHINGTON



CAPITAL PACIFIC

Overview

Harbor Freight Tools

304 E BROADWAY AVE, MOSES LAKE, WA 98837



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Investment Summary

LEASEABLE SF
15,000 SF

LAND AREA
45,457 SF

YEAR BUILT
2019

LEASE TYPE
NNN

PPSF
\$285

RENT/SF
\$16.67

PARKING
**66 Spaces;
4.4/1,000 SF**

\$4,270,000

PRICE

5.85%

CAP

THE OFFERING provides an opportunity to acquire a newly rebuilt freestanding Harbor Freight Tools with a new 10-year NNN lease from a credit-rated national tenant. The Property offers excellent visibility along the I-90 business loop in downtown Moses Lake and backs up to the waterfront. The building, originally 8,000+ feet, was taken down to the foundation, expanded and is currently being fully rebuilt for Harbor Freight Tools.

Overview

Investment Highlights

NEW CONSTRUCTION 10-YEAR LEASE WITH BB- CREDIT-RATED HARBOR FREIGHT TOOLS.

SIGNIFICANTLY LOWER RENT THAN COMPETING NEW CONSTRUCTION BUILDINGS.

NNN LEASE TERM PROVIDES MINIMAL MANAGEMENT RESPONSIBILITY.

LACK OF AVAILABLE 10,000+ SF BOX VACANCY IN THE MOSES LAKE MARKET.

CORPORATE SIGNATURE WITH WELL-ESTABLISHED AND EXPANDING COMPANY WITH MORE THAN 1,000 LOCATIONS.

LARGE LAKE FRONT LOT, ADJACENT TO WALGREENS WITH EASY ACCESS TO INTERSTATE 90.

ALONG THE MAIN ARTERIAL, THE PROPERTY IS A HALF MILE FROM A SAFEWAY ANCHORED SHOPPING CENTER, WITH CLOSE PROXIMITY TO A WALMART ANCHORED SHOPPING CENTER.

BRAND-NEW BUILDING SYSTEMS INCLUDING HVAC UNITS, ELECTRICAL, AND A ROOF WITH MATERIAL AND WORKMANSHIP WARRANTIES.





REPRESENTATIVE PHOTO

About Harbor Freight Tools

BB-

CREDIT
RATING (S&P)

1,000

100% CORPORATE
OWNED LOCATIONS

\$5B

2018
REVENUE

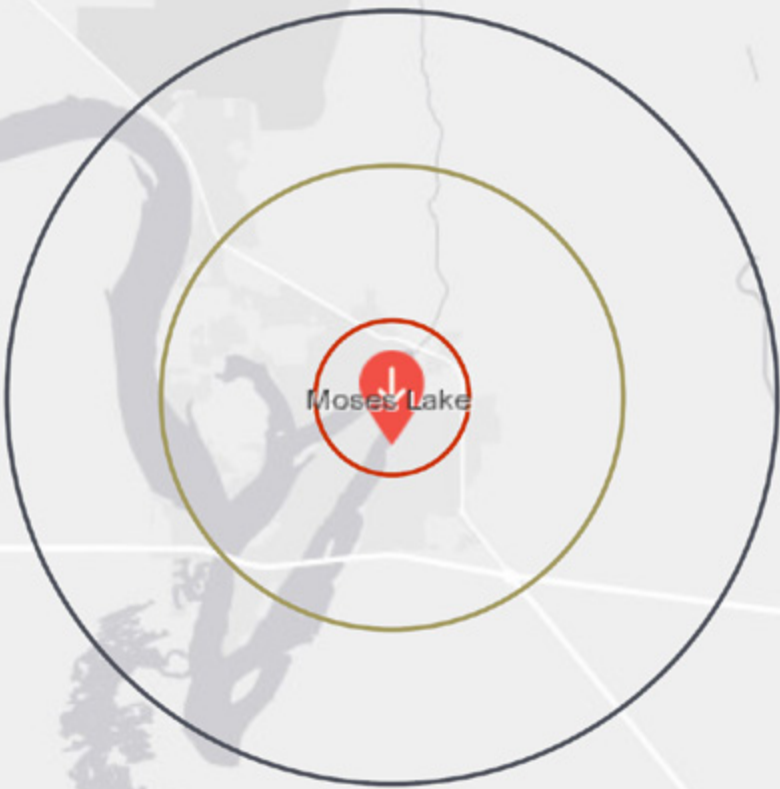
17,000+

NUMBER OF
EMPLOYEES

Investment Highlights

Surrounding Retail

Business Summary



TOTAL	1-MILE	3-MILES	5-MILES
Businesses	611	1,153	1,328
Employees	6,604	12,090	16,424
Population	6,598	27,816	38,082

KEY

1-MILE

3-MILES

5-MILES

MAJOR RETAIL

- Ace Hardware

AutoZone

Big Lots

Dollar Tree

Goodwill

Grocery Outlet

Home Depot
- Jo-Ann Fabric and Crafts

Marshalls

O'Reilly Auto Parts

Party City

Petco

Rite Aid

Ross Dress for Less
- Safeway

Staples

Starbucks

True Value

Walgreens

Walmart Supercenter

Winco Foods



N STRATFORD RD

17

8,714
VPD

HARBOR
FREIGHT
TOOLS

Walgreens

Tires LES SCHWAB

S PIONEER WAY

17

22,000
VPD

E BROADWAY AVENUE

Auto Zone
RITE AID

maunices
SAFeway
AT&T
ACE
The helpful place

Samaritan
Health
Services

DOLLAR TREE

LOWE'S

90

90

Surrounding Retail

Site Plan



sf

15,000
LEASEABLE SF

ac

1.04
ACRES



66 SPACES;
4.4/1,000 SF



Q: HAVE ANY ENVIRONMENTAL STUDIES BEEN PERFORMED AT THE SITE?

A: Yes, A Phase I assessment was performed in June of 2018 and no recognized environmental conditions were found and a no further action conclusion was determined.

Q: WHEN IS THE TENANT EXPECTED TO OPEN FOR BUSINESS?

A: The finished building is expected to be turned over to the Tenant in June. Following receipt, the Tenant shall have 120 days to open for business as rent will commence the earlier of tenant opening for business or 120 days from building turnover/lease commencement.

Q: DID THE OWNERSHIP JUST RENOVATE AN EXISTING BUILDING?

A: No, the original structure was approximately 8,000 square feet and was taken down to the foundation and paired with a large addition including new roof and structure.

Q: IS THE PROPERTY LOCATED WITHIN THE FLOOD ZONE?

A: No, the Property is located outside of the 100-year flood plain designated as an “area of minimal flood hazard.” FEMA Zone X.

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Questions & Answers

Financial Summary

PRICE	\$4,270,000
CAPITALIZATION RATE	5.85%
PRICE PER FOOT	\$285

CASH FLOW SUMMARY

SCHEDULED INCOME	PER SF	
Base Rent for the Period of: 6/1/2019 - 5/31/2020	\$16.67	\$250,000
Total Effective Gross Income (EGI)	\$16.67	\$250,000

OPERATING EXPENSES	Per SF	
CAMS		NNN
Property Taxes		NNN
Insurance		NNN
Total Operating Expenses	NNN	

NET OPERATING INCOME	\$250,000
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**NNN LEASE TERM PROVIDES MINIMAL
MANAGEMENT RESPONSIBILITY**

Rent Roll

HARBOR FREIGHT TOOLS					
Lease Term:		10/1/2019 - 9/30/2029			
Size (SF):		15,000			
RENT SUMMARY					
DATE	MONTHLY BASE RENT	% INCREASE	ANNUAL RENT	PSF	CAP RATE
10/1/2019	\$20,833		\$250,000	\$16.67	5.85%
10/1/2024	\$22,917	10%	\$275,000	\$18.33	6.44%
OPTIONS	5-5 YR	180 Days' Notice			
10/1/2029	\$25,208	10%	\$302,500	\$20.17	7.08%
10/1/2034	\$27,729	10%	\$332,750	\$22.18	7.79%
10/1/2039	\$30,502	10%	\$366,025	\$24.40	8.57%
10/1/2044	\$33,552	10%	\$402,627	\$26.84	9.43%
10/1/2049	\$36,908	10%	\$442,890	\$29.53	10.37%
CURRENT	\$20,833		\$250,000	\$16.67	5.85%

Lease Notes

Comments: Tenant operates on a NNN lease structure with Landlord responsible for roof and structure. Rent commencement date is estimated based on June turnover of the building to the tenant and 120 days from turnover until rent commencement.

Lease Abstract

Premise & Term

TENANT	Harbor Freight Tools USA, Inc.
BUILDING SF	15,000 SF
LEASE TYPE	NNN
TERM	10 Years
RENT COMMENCEMENT	Earlier of when Tenant opens for business or 120 days following building turnover to Tenant.
EXPIRATION	Last day of the 10th Lease Year
OPTIONS	5, 5-YR Options; 180-Day Notice

Rent

10% INCREASES EVERY 5 YEARS

DATE RANGE	MONTHLY RENT	ANNUAL RENT	RENT/SF
10/01/2019 - 09/30/2024	\$20,833	\$250,000	\$16.67
10/01/2024 - 09/30/2029	\$22,917	\$275,000	\$18.33

OPTIONS: 5, 5-YR OPTIONS WITH 10% INCREASES

DATE RANGE	MONTHLY RENT	ANNUAL RENT	RENT/SF
10/01/2029 - 09/30/2034	\$25,208	\$302,500	\$20.17
10/01/2034 - 09/30/2039	\$27,729	\$332,750	\$22.18
10/01/2039 - 09/30/2044	\$30,502	\$366,025	\$24.40
10/01/2044 - 09/30/2049	\$33,552	\$402,627	\$26.84
10/01/2049 - 09/30/2054	\$36,908	\$442,890	\$29.53

Expenses

TAXES

Tenant shall reimburse Landlord for all Real Estate and Personal Property assessments levied against the Premises.

INSURANCE

Tenant to hold liability and personal property policies and also reimburse Landlord for liability policy and all-risk property policy.

UTILITIES

Tenant shall pay for all utilities used at the Premises.

Lease Provisions

TENANT'S OBLIGATIONS

Tenant is responsible for all maintenance and repair of the non-structural interior portions of the Premises. Tenant responsible for the repair, resealing, and restriping of the parking areas along with all curbing, sidewalks; removal of snow and ice, and landscaping. Tenant responsible for the repair, maintenance and replacement of the HVAC systems.

LANDLORD'S OBLIGATIONS

Landlord is responsible for all structural portions of the Premises including the roof, slab, walls, foundations, utility pipes, and replacement of the parking lot.

ROOF WARRANTY

The new roof includes a manufacturer's 40-year Material Warranty and a 10-year Workmanship Warranty.

Construction Update

HARBOR FREIGHT TOOLS took possession of the building June 3, 2019 and all Landlord work has been completed.



SOUTH SIDE OF BUILDING - ENTRANCE



INTERIOR



EAST SIDE OF BUILDING - ENTRANCE



NORTHEAST CORNER

Grant Count Economic Vitality Page

Moses Lake Development

IN RECENT YEARS MOSES LAKE and its surrounding area has experienced a considerable amount of growth due in large part to recent additions of manufacturing and aviation facilities. The area is attracting these major developments due to its abundance of inexpensive, developable land in an area that provides affordable electricity from the region's hydropower system. Moses Lake also boasts excellent transportation access located along Interstate-90, which provides coast to coast ground transportation, and is home to Grant County International Airport. The Airport provides easy international cargo transportation with on-site customs and 350 days of visual flight rules weather for use in extensive military and commercial flight testing. Microsoft, Intuit, Yahoo!, Sabey Corporation, Dell, and Vantage Data Centers have all constructed large data centers in Grant County which combines over 1.75 Million square feet of data center space.



GRANT COUNTY INTERNATIONAL AIRPORT

Mitsubishi

THE MOSES LAKE FLIGHT TEST CENTER, Mitsubishi's 65,000 square foot hangar adjacent to the Grant County International Airport is home to certification flight testing for Mitsubishi's MRJ (Regional Jet). This location has been handling Mitsubishi's operations of Mitsubishi Aircraft since 2016 and employs nearly 250 people.

Yahoo! (OATH)

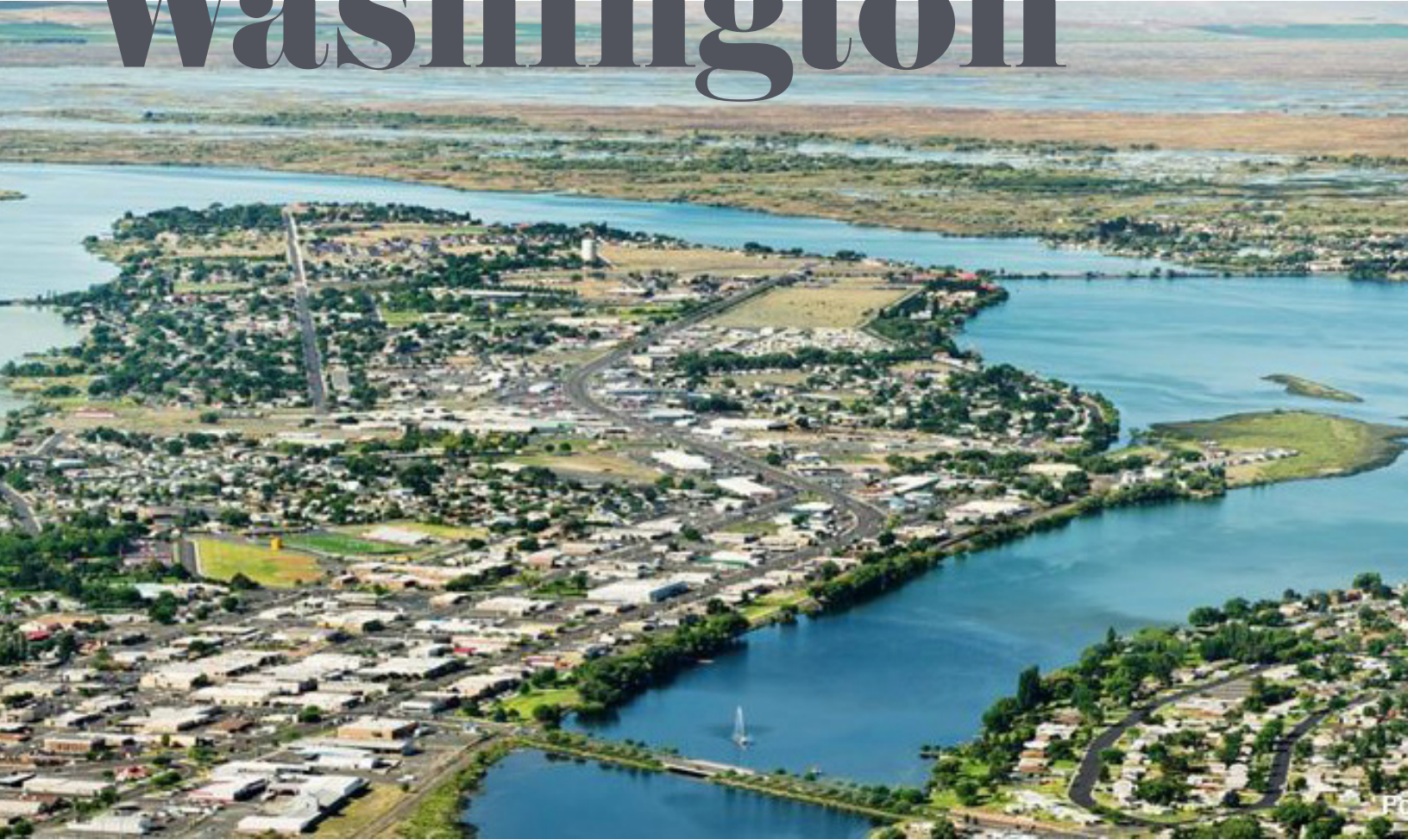
YAHOO!, GLOBALLY KNOWN FOR ITS SEARCH ENGINE, is the highest-read news website and the fourth most visited website in the world. Yahoo!, now known as Oath, recently unveiled the expansion of their data processing center by 50% adding an additional 150,000 square feet. This will be the second expansion by the company of its Grant County facility since its inception twelve years ago.

SGL & BMW

A JOINT VENTURE between SGL, the world's largest producer of carbon fiber, and BMW expanded their \$200 million facility with another \$100 million investment. The addition made the Moses Lake plant the single biggest producer of carbon fiber in the World. Recently, SGL bought out BMW's minority share and is now the sole owner of SGL Carbon. This buyout will have no impact on the roughly 450 employees.

Location

Moses Lake, Washington



MOSES LAKE has historically been based economically in agriculture, though recently has come to include considerable manufacturing and technology. Several companies have moved to the area, including REC Silicon, as well as tech companies including Microsoft, Yahoo and Intuit who have built large data storage facilities in Moses Lake and other nearby cities. Moses Lake has also attracted some alternative fuel companies, such as Washington Ethanol & Washington Biodiesel.

New Surrounding Developments

GROWTH AND DEVELOPMENT continues in Moses Lake, beyond the new Harbor Freight Tools project, the city is seeing a wide array of new commercial development as well as new schools that highlight the city’s growth as well as the investment being made by these local and even global organizations.

- 96-ROOM HOLIDAY INN EXPRESS OPENED IN 2018
- THREE NEW SCHOOLS PLANNED IN MOSES LAKE
- MOSES LAKE COMMUNITY HEALTH CENTER REMODEL
- NEW MORMON CHURCH TEMPLE

Drive Times



Seattle,
Washington



177 MILES
2 HRS 46 MINS




Spokane,
Washington




104 MILES
1 HRS 41 MINS

POPULATION

	5 MINS	10 MINS	15 MINS
2010	10,500	30,090	33,899
2018	10,958	32,003	36,057
2023	11,497	33,504	37,774

2018 HH INCOME

	5 MINS	10 MINS	15 MINS
Average	\$59,607	\$66,331	\$68,407
Median	\$47,428	\$51,036	\$52,399

Contact Us



**We'd love to hear
from you.**

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