

ABSOLUTE NET OFFERING | \$2,133,000

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HARBOR FREIGHT TOOLS  
ELIZABETHTOWN, KENTUCKY

**HOGAN**  
REAL ESTATE

## CONFIDENTIALITY AGREEMENT

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This Confidential Offering has been prepared by Hogan Real Estate ("Agent") in cooperation with the Owner for informational purposes only and does not purport to contain all the information necessary to reach a purchase decision. The information contained herein has been carefully compiled from sources considered reliable and, while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

This Offering is subject to prior placement, errors, omissions, changes, withdrawal or cancellation without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by Agent or the Owner. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Property described herein.

The projections set forth in this Offering do not constitute a representation, warranty or a guaranty by Agent or the owner of any of the numbers set forth herein or of any economic value attributable

to the Property or income that may be derived therefrom. Prospective purchasers should develop their own independent estimates of pro forma income and expenses before making any decisions on whether to acquire the Property.

Summaries or schedules of legal documents contained within this Memorandum are not intended to be comprehensive statements of the terms of such documents, but rather outlines of some of the major provisions therein.

This Offering is the property of Agent and may be used only by parties to whom Agent delivered the Offering or to whom Agent has approved such delivery. By accepting a copy of the Offering, the party who has possession thereof agrees to return it to Agent immediately upon Agent's request. No copies of this Offering may be made without Agent's prior written consent and no excerpts or summaries thereof may be distributed, reproduced or included in any document without such consent.

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## EXECUTIVE SUMMARY

### The Offering

Qualified investors are extended the opportunity to acquire a new construction, absolute net Harbor Freight Tools in Elizabethtown, Kentucky. The original lease term is fifteen (15) years with no termination rights and five (5) five (5) year extension options. Lease commencement occurred on July 16, 2019.

The 2.08 acre site is strategically positioned at Elizabethtown's main signalized intersection of Dixie Highway and Ring Road. The regional trade area serves over 100,000 within the greater Hardin County area, most notably Fort Knox, home to the United States Army Human Resources Department, the United States Army Cadet Command, and the United States Army Accessions Command.

Elizabethtown is a focal transportation hub of Kentucky as I-65 intersects with the Western Kentucky Parkway (stretching 138 miles west to Eddyville, Kentucky) and the Bluegrass Parkway (105 miles east to Lexington, Kentucky), all within minutes of the regional trade area.

### Sales Terms

The property is being offered on an "as-is" basis with ownership making no representations or warranties with respect to the accuracy or completeness of the offering memorandum or any and all documents delivered to any acquisition prospect for the purpose of due diligence.

### Investment Highlights

#### 15 Year Lease - No Landlord Responsibilities

- 15 year original term commenced July 16, 2019 with zero landlord responsibilities and 10.0% rental escalations in years 6 and 11

#### Excellent Corporate Guaranty

- Harbor Freight Tools USA, Inc. was founded in 1977 and has grown to over 1,000 stores nationwide with an annual revenue of over \$4 billion. The private company has a Moody's credit rating of Ba3

#### 2019 Construction

- Harbor Freight Tools' preferred standalone store format and site selection. The 16,000 SF building is new and in excellent condition with no landlord responsibilities for roof, structure, or parking lot

#### Dominant Regional Trade Area

- The Dixie Highway/Ring Road trade area is regional and draws from a population of over 100,000. Retailers include Sam's Club, Walmart Supercenter, Home Depot, Lowe's, Kroger, Aldi, Walgreen's, CVS, Ross, TJ Maxx, At Home, among others

#### Growing Kentucky Market

- Elizabethtown is a growing city located just south of Louisville along I-65 with an excellent workforce, large public school system, and diversified economy of healthcare, manufacturing, and service-related industries supporting the nearby Fort Knox Army Base

## OFFERING SUMMARY

### Property Information

+	Subject Property	Single Tenant Building
	Property Location	1502 N Dixie Highway Elizabethtown, KY
	Year Built	2019
	Price	\$2,133,000
	Cap Rate	5.25%
	Building Square Feet	16,000 SF
	Lot Size	2.08 acres

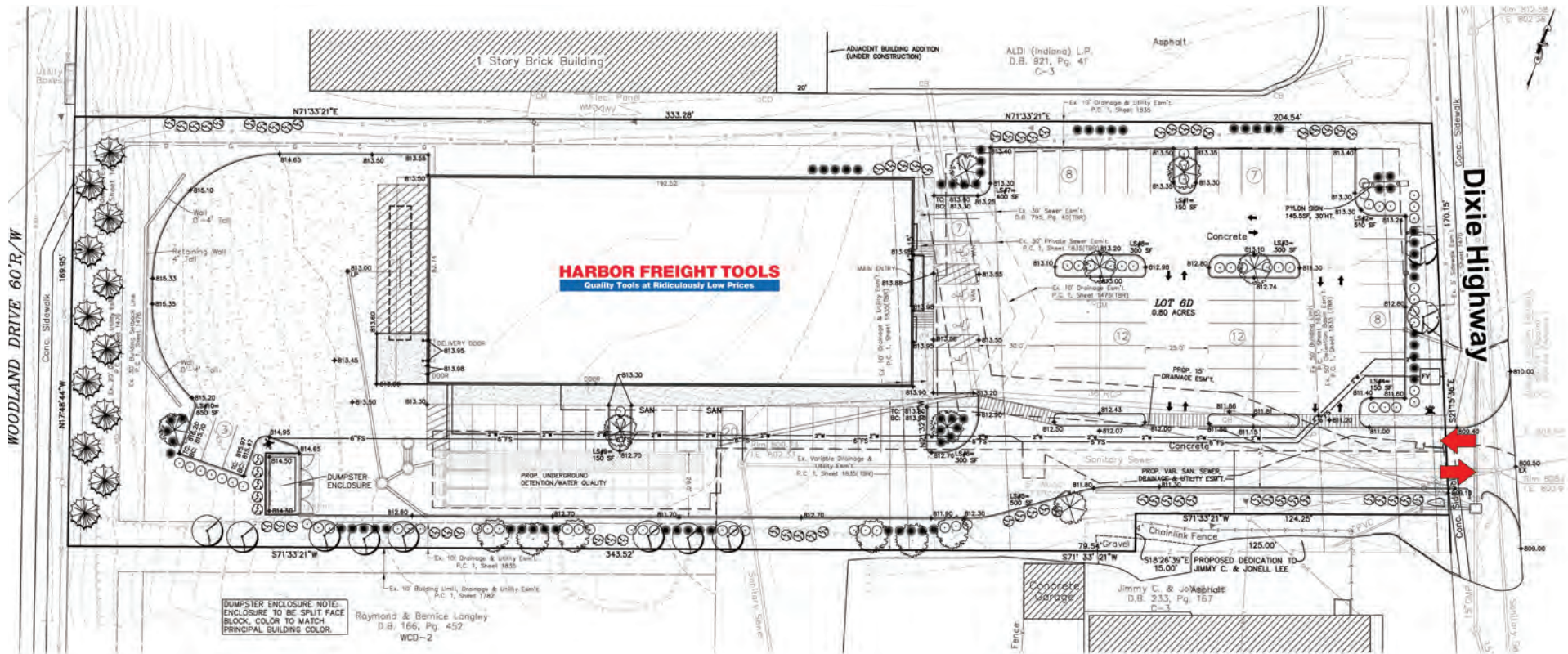


### Lease Summary

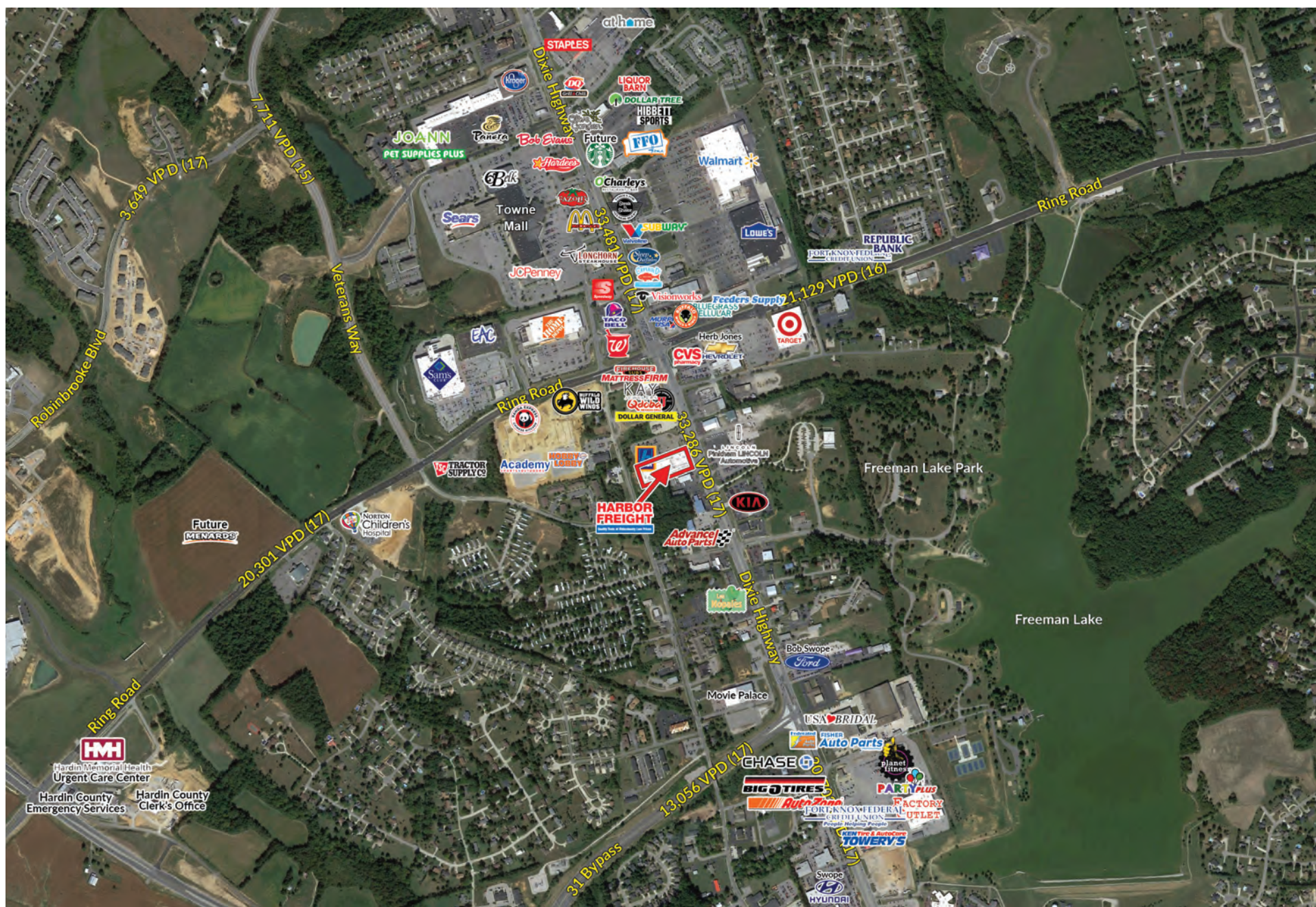
+	Tenant	Harbor Freight Tools USA, Inc.
	Credit Rating	Moody's Ba3 credit rating
	Lease Type	Absolute Net (No Landlord responsibilities)
	Tenant Responsibilities	Taxes Insurance All Common Area maintenance All utilities Parking lot maintenance, repairs, and replacement HVAC maintenance, repair, and replacement
	Initial Term	15 years
	Lease Commencement	7/16/2019
	Primary Term Rental Income	Years 01 - 05: \$112,000 Years 06 - 10: \$123,200 Years 11 - 15: \$135,520
	Extension Options	Five (5) Five (5) year options  Years 16 - 20: \$149,072.00 Years 21 - 25: \$163,979.20 Years 26 - 30: \$180,377.12 Years 31 - 35: \$198,414.83 Years 36 - 40: \$218,256.31  180 day notice of renewal
	Termination Rights	None



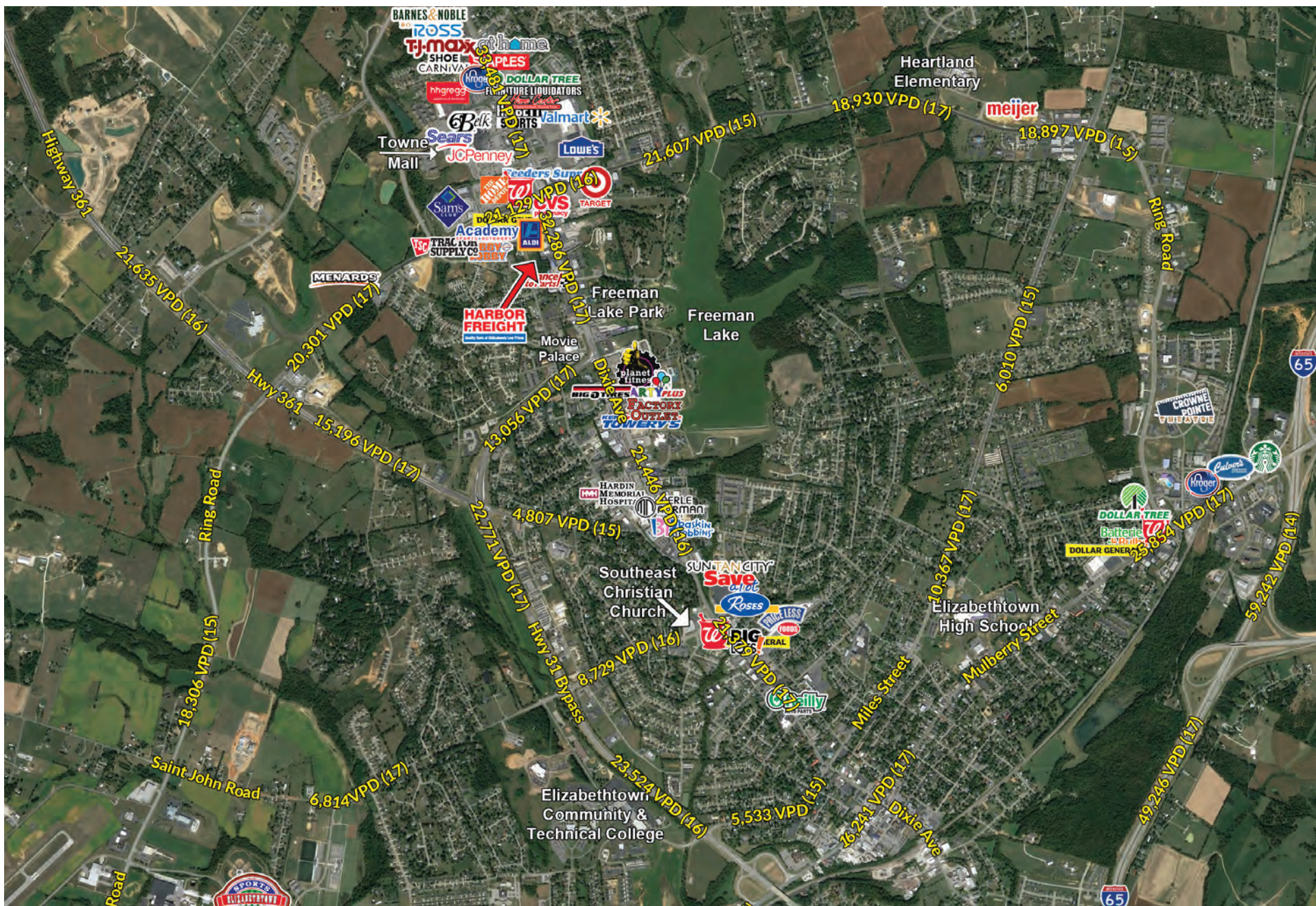














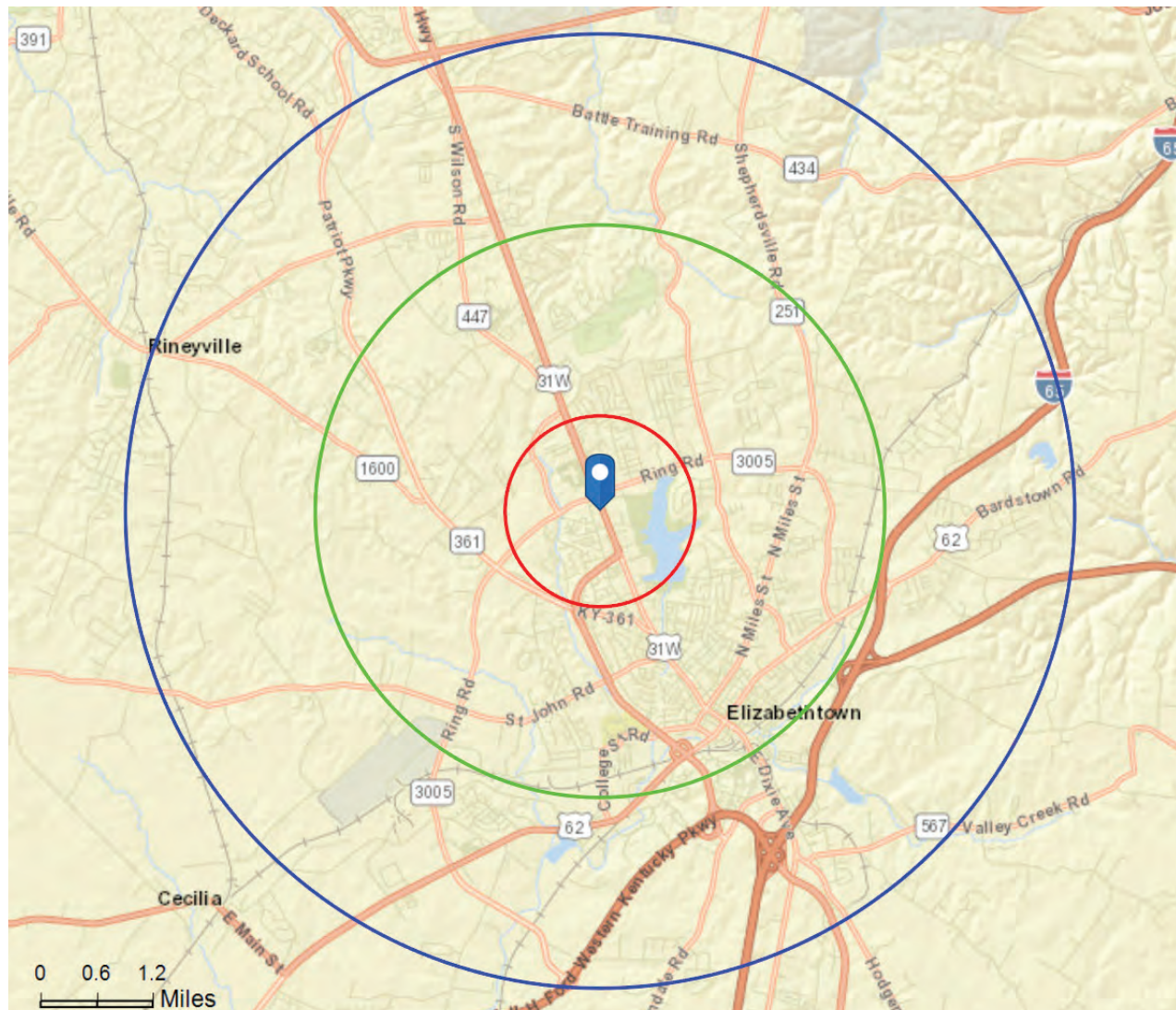
## TENANT PROFILE



Founded in 1977, Harbor Freight Tools is the leading discount tool retailer in the U.S. selling great quality tools at “ridiculously low prices” in 1000+ stores nationwide and on the web at [www.harborfreight.com](http://www.harborfreight.com). Annual revenues exceed \$4 Billion per year and carries a Moody’s Ba3/Stable credit rating. Harbor Freight Tools stocks over 7,000 items in categories including automotive, air and power tools, shop equipment and hand tools. With a commitment to quality and a lifetime guarantee on all hand tools, Harbor Freight Tools is a favorite of automotive and truck repair shops, government agencies, schools, manufacturers, contractors and tool enthusiasts who want top-quality and great selection and value. The results speak for themselves - with over 40 million customers and thousands of people switching to Harbor Freight Tools every day.



## I-3-5 MILE DEMOGRAPHICS MAP

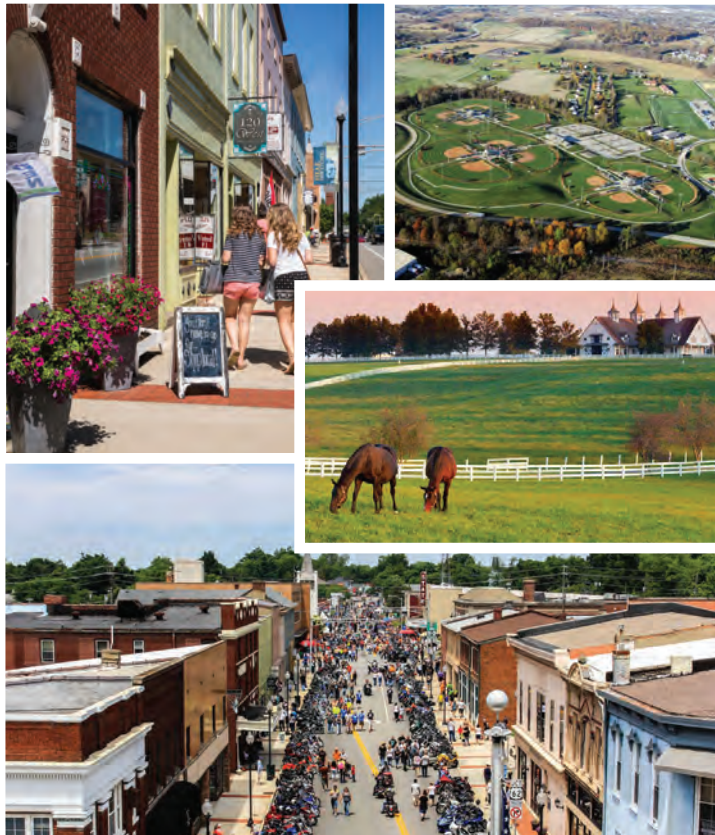




## DEMOGRAPHICS

	1 mile	3 miles	5 miles
<b>Population</b>			
2000 Population	3,494	23,345	33,335
2010 Population	4,109	28,204	41,161
2018 Population	4,884	30,627	44,185
2023 Population	5,052	31,588	45,526
2000-2010 Annual Rate	1.63%	1.91%	2.13%
2010-2018 Annual Rate	2.12%	1.00%	0.86%
2018-2023 Annual Rate	0.68%	0.62%	0.60%
2018 Male Population	47.4%	47.7%	48.3%
2018 Female Population	52.6%	52.3%	51.7%
2018 Median Age	40.5	38.5	38.3
<b>Median Age</b>			
The median age in this area is 40.5, compared to U.S. median age of 38.3.			
<b>Race and Ethnicity</b>			
2018 White Alone	79.9%	80.3%	80.4%
2018 Black Alone	10.5%	10.8%	11.2%
2018 American Indian/Alaska Native Alone	0.3%	0.4%	0.4%
2018 Asian Alone	3.3%	3.0%	2.7%
2018 Pacific Islander Alone	0.3%	0.2%	0.3%
2018 Other Race	2.3%	1.6%	1.4%
2018 Two or More Races	3.5%	3.8%	3.8%
2018 Hispanic Origin (Any Race)	5.6%	4.8%	4.6%
<b>Households</b>			
2000 Households	1,372	9,689	13,198
2010 Households	1,738	11,894	16,374
2018 Total Households	2,067	12,806	17,514
2023 Total Households	2,142	13,213	18,061
2000-2010 Annual Rate	2.39%	2.07%	2.18%
2010-2018 Annual Rate	2.12%	0.90%	0.82%
2018-2023 Annual Rate	0.72%	0.63%	0.62%
2018 Average Household Size	2.30	2.34	2.47
<b>Median Household Income</b>			
2018 Median Household Income	\$56,645	\$50,216	\$52,701
2023 Median Household Income	\$66,426	\$59,574	\$62,096
2018-2023 Annual Rate	3.24%	3.48%	3.34%
<b>Average Household Income</b>			
2018 Average Household Income	\$79,902	\$73,619	\$73,404
2023 Average Household Income	\$90,797	\$84,666	\$84,205
2018-2023 Annual Rate	2.59%	2.84%	2.78%

## ELIZABETHTOWN MARKET OVERVIEW



### Strong and Growing Since 1779

Elizabethtown has something to offer for everyone, whether you are doing business, visiting or living there. While the City of Elizabethtown has an official population of 29,000 residents, the average daytime population doubles due to the regional attraction as a place to work, shop, dine and entertain. Elizabethtown is a diverse community with annual festivals, award-winning schools and a thriving historic downtown.

Situated at the crossroads of major highways including Interstate 65, Elizabethtown is conveniently within a day's drive of two-thirds of the U.S. population. For those traveling by air, the community is easily accessible through our local general aviation airport, Elizabethtown Regional Airport/Addington Field or commercial flights at nearby Louisville International Airport.

Hardin County was established in 1793 and named for Colonel John Hardin, who was killed by Native Americans while on a peace mission with tribes in Ohio. It did not take long for the settlement to become an active community. In just a few years, professional men and tradesmen came to live in the area. In 1793, Colonel Hynes had thirty acres of land surveyed and laid off into lots and streets to establish Elizabethtown. Named in honor of the wife of Andrew Hynes, Elizabethtown was legally established on July 4, 1797.



# ELIZABETHTOWN-FORT KNOX MSA STATISTICS

Population:	155,495
Total Households:	58,344
Hardin County Population:	112,153
Median Age:	36.7
Overall Growth Rate MSA: (2010-2018)	0.57%
Projected Growth Rate: (2018-2023)	0.34%

Demographics for Elizabethtown MSA:	
The Elizabethtown MSA encompasses 8 cities: Elizabethtown, Hodgenville, Muldraugh, Radcliff, Sonora, Upton, Vine Grove, and West Point	
Average Household Income:	\$68,472
Median Household Income:	\$52,719
% Bachelor's Degree:	12.7%
% Some College:	24.6%
Total Businesses:	4,896
Total Employment:	55,403

Largest Colleges & Universities in Elizabethtown Area:	
Elizabethtown Community & Technical College	7,887
Western Kentucky University - Elizabethtown - Fort Knox Campus	N/A
McKendree University - Radcliff Campus	N/A

Elizabethtown has a developing industrial and commercial economy. A variety of products are manufactured in Elizabethtown. The Fort Knox Military Installation is a major part of the region's economy. The city's major employment sectors are healthcare, education, construction, accommodation and food services, manufacturing, social services and the government.

About 32% of the labor force is found in management, professional and related occupations. Sales and office occupations comprise about 25% of the workforce. Production, transportation and material moving jobs provide about 17% of the jobs in Elizabethtown.



Largest Employers in Elizabethtown MSA: (Excluding government agencies)	
Metalsa Structural Products Inc	1,727
Akebono Brake - Elizabethtown Plant	1,300
Altec Industries Inc	700
AGC Automotive Americas	587
iPay Technologies LLC	330
Mouser Custom Cabinetry LLC	232
Flint Group	225
The Dow Chemical	200
Summit Polymers Inc	184
Gates Corportaion	150
AGI - Polymatrix dba Amaray	143
Flex Films USA Inc	140
Soudal Accumetric LLC	140
Knights Mechanical LLC	130
UPS Supply Chain Solutions	112
Akebono Brake Corporation	106
STC Management Group LLC	105
Fischbach USA Inc	103
Hendrickson USA LLC	90
Pepsi Beverages Company	80



## HOGAN REAL ESTATE EXCLUSIVE AGENTS

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