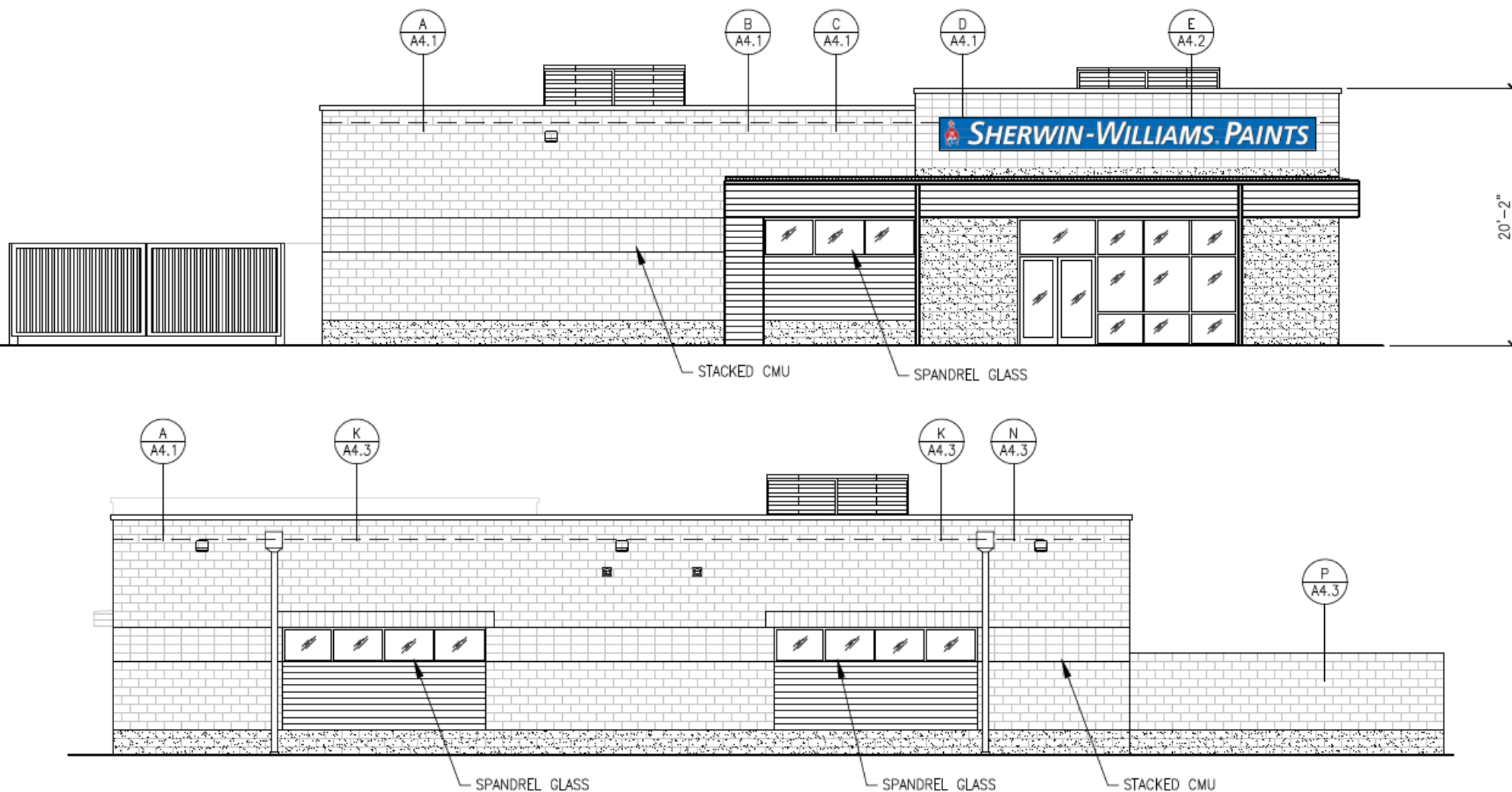


FOR SALE

# BRAND NEW SINGLE TENANT SHERWIN-WILLIAMS

430 CASCADE LOOP, KALISPELL, MT 59904



**PAUL SLEETH**  
206.518.9547  
paul.sleeth@ngkf.com

**BILLY SLEETH**  
206.250.3944  
billy.sleeth@ngkf.com

**PATRICK ALLEN**  
206.858.8434  
patrick.allen@ngkf.com

OFFERING MEMORANDUM

# 01 FINANCIAL SUMMARY

---

- Pro Forma
- Detailed Tenancy Schedule
- Tenant Description

# PRO FORMA

Rents as of January 2020

SUITE	TENANT	SQUARE FEET	RENT /SF	MONTHLY RENT	ANNUAL RENT	EXPIRES
Lot 4A	Sherwin-Williams	3,999	\$32.01	\$10,667	\$128,000	12/31/30

NET OPERATING INCOME

\$128,000

PRICE

\$2,560,000

CAP RATE

5.00%

## DETAILED TENANCY SCHEDULE

10-Year Firm Lease Term with 3, 5 Year Option Periods

TENANT	SF	LEASE START	LEASE END	TERM	MONTHS	RENT/SF	MONTHLY RENT	ANNUAL RENT	ESCALATION	OPTIONS
Sherwin-Williams	3,999	1/1/21	12/31/30	Contract	1/1/21-12/31/25	\$32.01	\$10,667	\$128,000		3, 5-Year Options
				Contract	1/1/26-12/31/30	\$35.21	\$11,733	\$140,800	10.0%	
				Option 1	1/1/31-12/31/35	\$38.03	\$12,673	\$152,080	8.0%	
				Option 2	1/1/36-12/31/40	\$41.07	\$13,687	\$164,240	8.0%	
				Option 3	1/1/41-12/31/45	\$44.35	\$14,780	\$177,360	8.0%	



# TENANT DESCRIPTION



## SHERWIN-WILLIAMS®

**Public/Private:** Public

**Number of Locations:** 4,620+ in over 120 countries

**Number of Employees:** 61,111

**Lease Signature:** The Sherwin-Williams Company, an Ohio Corporation

**Website:** [www.sherwin-williams.com](http://www.sherwin-williams.com)

The Sherwin-Williams Company (NYSE: SHW) is the second largest paint manufacturer in the world and the largest in the United States. The company, with headquarters in Cleveland, Ohio, was started by Henry Sherwin and Edward Williams in 1866 and has grown to become an American Fortune 500 company in the general building materials industry. For the past 154 years, Sherwin-Williams has been a leader in the manufacture, distribution, and sale of paints, coatings and related products to professional, industrial, commercial, and retail customers primarily in North and South America and Europe. The products are sold at wholesale branches, home centers, independent retailers, mass merchandisers, and through a network of company-operated paint stores.

Sherwin-Williams prides themselves on the strong relationships they have with their suppliers and their guiding values that include Integrity, Quality, Performance, Innovation, and Growth. The company is determined to lead their industry, to manufacture and market innovative products of superior quality, to operate a safe, clean and friendly workplace, to observe the highest ethical standards in business conduct, and to reward their investors.

### FINANCIAL INFORMATION

- **Ticker:** NYSE: SHW
- **Credit Rating:**
  - Moody's: Baa3
  - S&P: BBB-
- **Fortune 500 Company Rating:** #180
- **FY 2019 Revenue:** \$17.9 Billion
- **FY 2018 Revenue:** \$17.5 Billion
- **FY 2017 Revenue:** \$15 Billion





# 02 INVESTMENT SUMMARY

---

- The Offering & Highlights
- Terms of the Offering
- Site Description

# THE OFFERING & HIGHLIGHTS

*The offering provides an opportunity to acquire a brand new, free-standing single tenant Sherwin-Williams located in Kalispell, Montana. Sherwin-Williams is a strong publicly traded, fortune 500 company, providing a new corporate backed 10-year triple net lease.*



## INVESTMENT GRADE GLOBAL TENANT

Sherwin-Williams:

- Fortune 500 Company: #180
- \$17.9 billion in annual sales (2019)
- Over 61,000 employees worldwide
- Over 4,620 locations in over 120 countries worldwide
- Credit Rating: S&P's: BBB- / Moody's: Baa3

## NEW, TOP QUALITY CONSTRUCTION

The offering benefits from new high-quality construction and curb appeal, with development currently underway with a projected delivery of January 2021. The asset is located within a master planned development requiring above standard building materials providing exceptional aesthetics and building quality.

## NEW 10-YEAR NNN LEASE

Sherwin-Williams executed a new 10-year lease providing long term investment stability.

## CONTRACTED NOI GROWTH

The lease includes a 10% rental increase in year 6 of the initial term and 8% rental increases every 5 years throughout the option periods.

## DOMINANT RETAIL LOCATION

Sherwin-Williams is located on a hard corner on Highway 93 in the dominant commercial corridor serving the entire Flathead Valley. One mile from other major retailers including: Walmart Supercenter, Costco, Lowe's, Cabela's, Target, REI, Home Depot, and Hobby Lobby.

## EASE OF MANAGEMENT

The single tenant, long-term net lease, and quality construction, provide ease of management.

## SHERWIN-WILLIAMS CORPORATE SIGNATURE

The lease is signed by The Sherwin-Williams Company, a publicly traded (NYSE: SHW) company, with a strong credit rating.

## KALISPELL

The Kalispell MSA benefits from high disposable incomes, and high population growth rates driving strong retail sales and benefiting retailers in the market. Kalispell thrives on a high-quality lifestyle surrounded by Flathead Lake to the south, Whitefish Mountain Ski Resort to the north and Glacier National Park to the east. Kalispell is the retail, professional, medical, and governmental center of the Flathead Valley serving 180,000 people.



# TERMS OF THE OFFERING

**Price:** \$2,560,000

**Year 1 NOI:** \$128,000

**Year 1 Cap Rate:** 5.00%

**Property Address:** 430 Cascade Loop, Kalispell, MT 59904

**Building Area:** 3,999 SF

**Lease Term:** 10 years

**Lease Commencement/Expiration:** 1/1/2021 - 12/31/2030

**Rental Increases:**

- 10% rental increase in year 6
- 8% rental increases every 5 years throughout the option periods (3x5 years)

## SITE DESCRIPTION

**Property Address:** 430 Cascade Loop, Kalispell, MT 59904

**Parcel #:** 0000507139

**Building Area:** 3,999 SF

**Land Area:** 20,364 SF (0.468 AC)

**Number of Buildings:** 1

**Number of Floors:** 1 Story

**Occupancy:** 100%

**Parking Stalls:** 17 Stalls

**Year Built:** 2021

**Zoning:** B-2 General Business





# 03 PROPERTY DESCRIPTION

---

- Site Aerials
- Site Plan
- Building Renderings



# SITE AERIAL



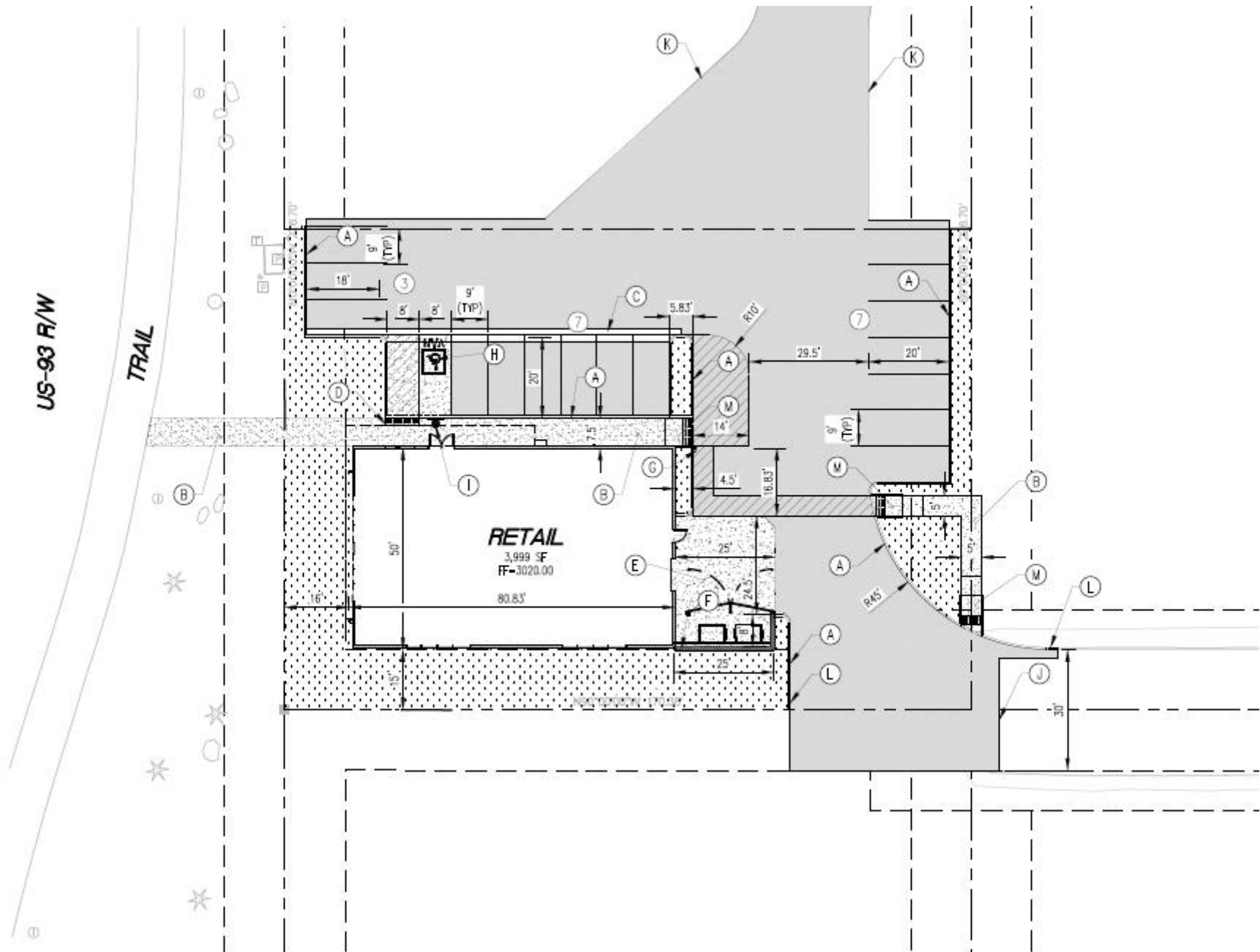


# SITE AERIAL

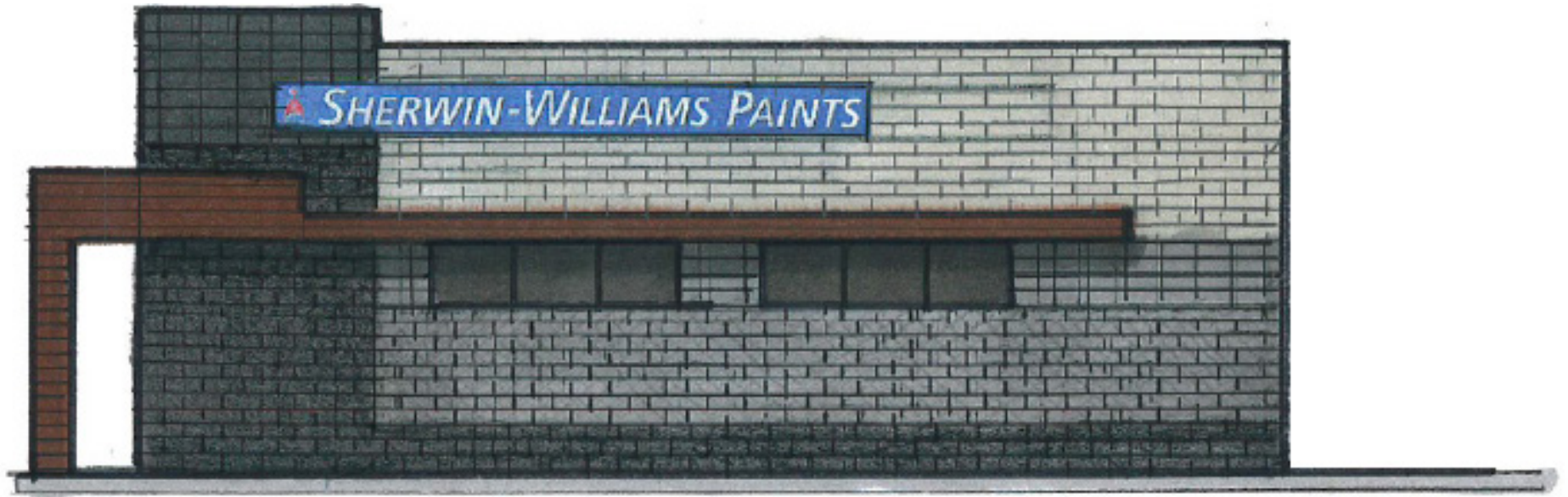




# SITE PLAN

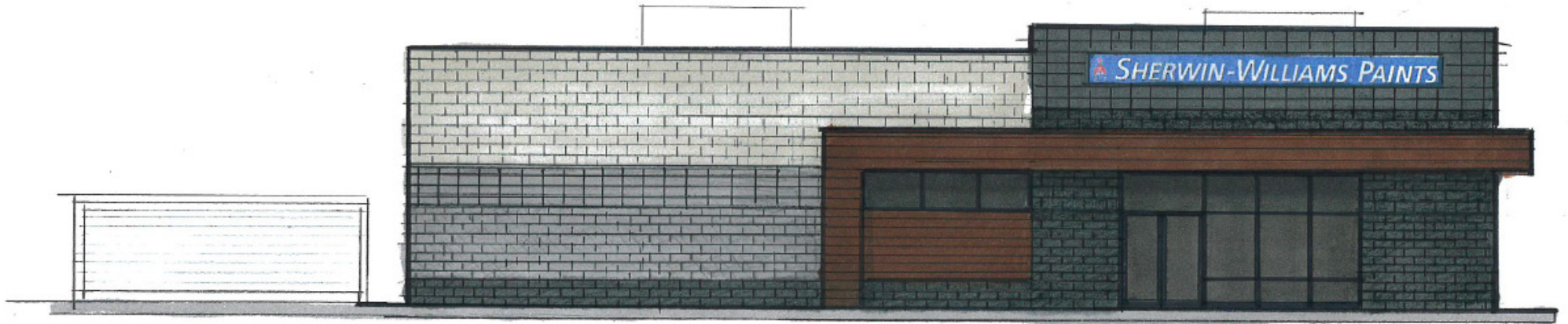
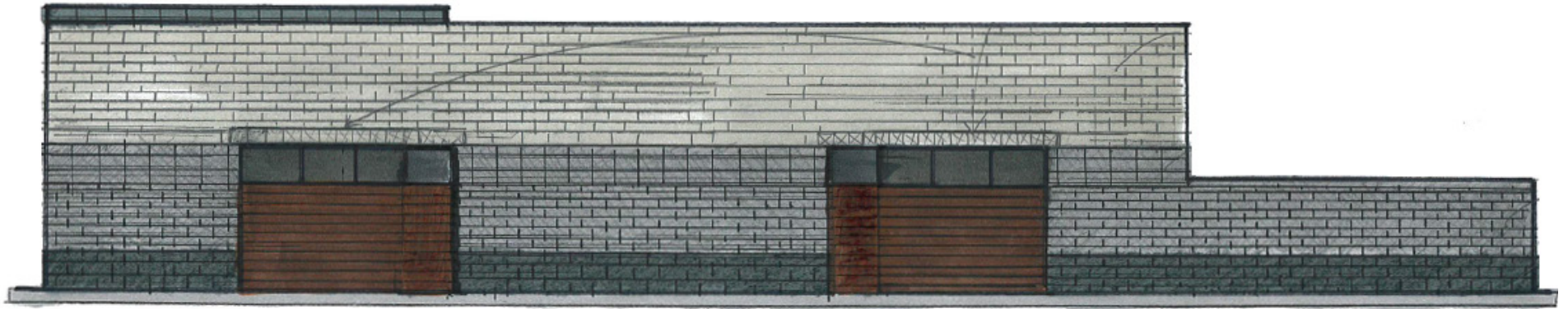


# BUILDING RENDERINGS





# BUILDING RENDERINGS





# 04 MARKET OVERVIEW

---

- Kalispell Overview
- Major Residential Development Aerial
- Major Local Developments
- Demographics



# KALISPELL OVERVIEW

## FLATHEAD COUNTY:

Located in Northwest Montana, Flathead County is one of the fastest growing, and the 3rd most populated county in Montana. Flathead County has grown by 11,000 in the past decade which makes them the second-fastest growing urban county in the state and is in the top 10% of fastest growing areas in the U.S. Most of the population increase has been due to the migration of people into the county, which is a result of the stable economy and exceptional quality of life. The comparatively low cost of living, coupled with the area's competitive cost of doing business, create an outstanding environment for businesses and residents to work, play and live.

Kalispell, the largest city in Flathead County, is the retail, professional, medical, and governmental hub of the entire county serving a trade area population of roughly 180,000. Kalispell is centrally located in the Flathead Valley at the junction of U.S. Highways 2 and 93. Kalispell is the regional trade center for the entire three county area of Northwest Montana. The Flathead Valley is one of the fastest growing areas in the Rocky Mountain West.

## DISTANCES FROM KALISPELL ARE:

- **33** miles from Glacier National Park
- **17** miles from Big Mountain Ski resort to the north
- **17** miles from Black Tail Ski Resort to the south
- **10** miles from Flathead Lake
- **7** miles from Glacier International Kalispell Airport
- **117** miles from Missoula, MT
- **237** miles from Spokane, WA
- **263** miles from Calgary, Alberta

## TOURISM/RECREATION:

As the commercial hub for Northwest Montana, Kalispell draws commercial traffic from as far north as British Columbia and Alberta and services over 3 million visitors each year who arrive to enjoy a variety of outdoor recreation. Glacier National Park, the Bob Marshall Wilderness, Jewel Basin, Flathead Lake (the largest natural freshwater lake west of the Mississippi), Whitefish Ski/Summer Resort (91 marked downhill ski trails, 2500 vertical feet), Blacktail Ski Resort (24 downhill ski trails, 1440 vertical feet) Bigfork Community Nordic Center, and Essex Nordic Ski Trails are just a few of the recreation venues in the area.





# KALISPELL OVERVIEW

## ECONOMY:

Kalispell is the trade center of Northwest Montana, a dynamic, prosperous economy, where people travel to shop, receive medical care and conduct business. It is a market of 180,000 people. Education, government, health services, forest products, manufacturing, engineering, tourism and retail thrive and balance the local economy. Kalispell is a growing entrepreneurial city adding 2,000 residents each year since 2015. Driving this growth are outdoor recreation opportunities, entertainment amenities, clean air and water, safe neighborhoods and quality public schools. Kalispell has seen \$480,000,000 in new commercial, industrial, public and residential construction just within the city limits in the past six years.

Kalispell Regional Medical Center is the hub for health care in the valley, offering high tech, state-of-the-art diagnostic and surgical capabilities, cancer care and exceptional orthopedic care – facilities that are typically exclusive to larger urban areas. The hospital recently expanded its reach considerably with the completion of three major projects:

**A \$14M  
EXPANSION**  
of the Emergency  
Department from  
8,000SF to 37,000SF

Nearly **\$13M**  
**CONSTRUCTION**  
of the Digestive Health  
Institute

Construction of the  
Montana Children's  
Medical Center, a  
**190,000SF** center  
costing **\$40M**

## TRANSPORTATION:

The major north/south highway access to the area is provided by US Highway 93, providing access to Missoula, Interstate 90 and Blacktail Mountain ski area to the south and Whitefish, the Whitefish Resort ski area, and the US-Canada border to the north. Major east/west access is provided by US Highway 2, connecting the area with Glacier County, the Blackfeet Indian Reservation, the cities of Cut Bank and Shelby, and Interstate 15 to the east. To the west, US Highway 2 connects Flathead County to Lincoln County, the City of Libby, and other highways to Spokane, Washington.

Glacier Park International Airport (GPI) is located eight miles northeast of Kalispell and is served by commercial carriers Delta Airlines / SkyWest; Horizon Air (Partner of Alaska Airlines); United Airlines/ SkyWest; and by Allegiant Air.

The Kalispell City Airport has been in its present location for more than 83 years and is one of the oldest General Aviation airports in the State of Montana. It is also one of the busiest GA airports in the State of Montana because it lies in the middle of some of the greatest recreation facilities in the United States. Kalispell City Airport is the gateway to the back country of Northwest Montana.

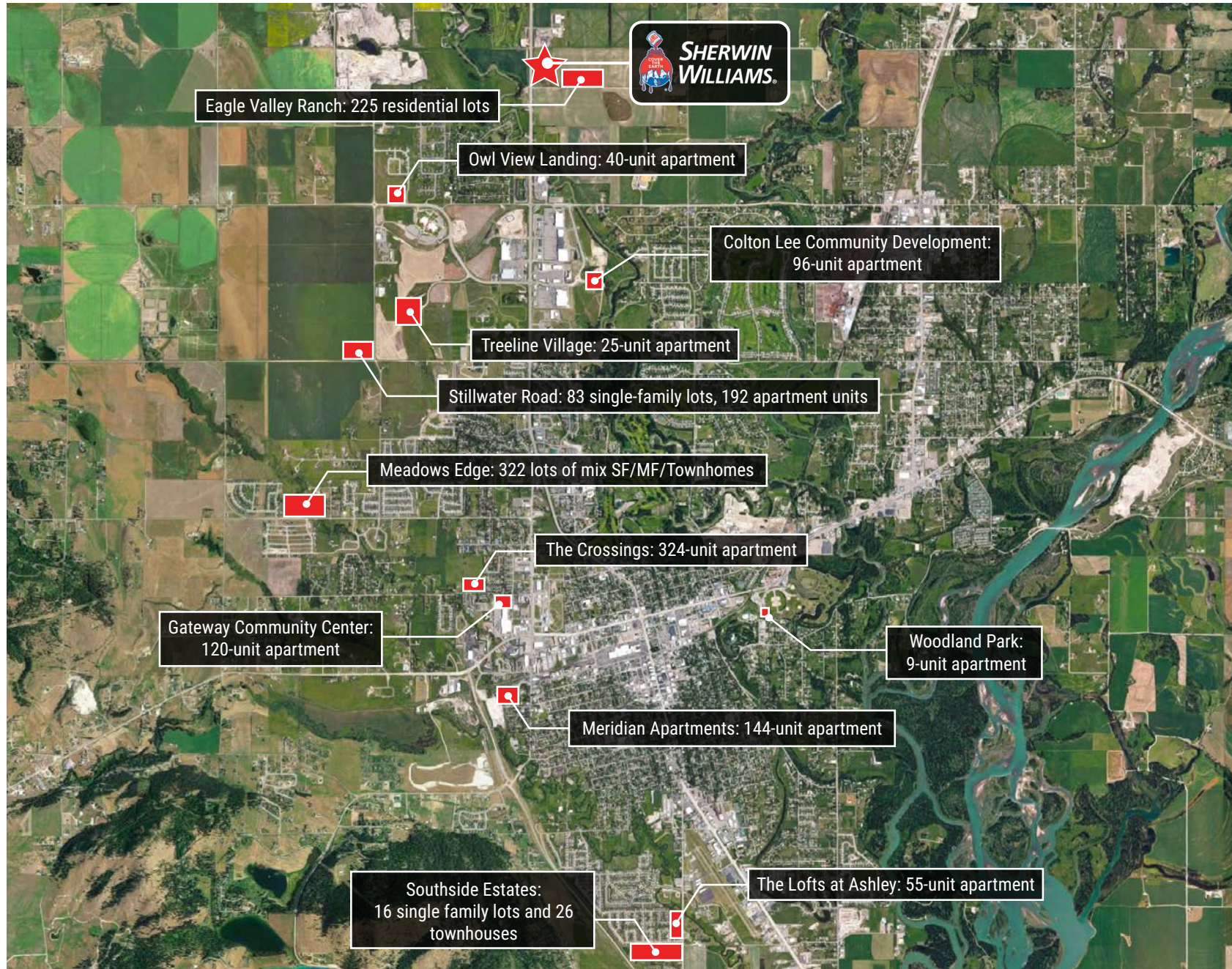


## EDUCATION:

Flathead Valley Community College (FVCC) is Montana's largest comprehensive two-year community college. The campus serves 10,000 people a year and boasts a student-to-teacher ratio averaging 16 to 1. With 40 occupational programs and more than 30 transfer programs, more than 95 percent of its graduate's land jobs in Flathead, Lake and Lincoln counties. Fueled by a decade of growth and new trends in post-secondary education, FVCC completed a \$19 million expansion project in 2009, nearly doubling the size of its campus. FVCC contributes approximately \$114 million in income annually to the regional economy.



# MAJOR RESIDENTIAL DEVELOPMENT AERIAL





# MAJOR LOCAL DEVELOPMENTS

*The City of Kalispell is well-positioned with over a decade of planning, re-zoning and infrastructure investment to assist developers with large and small projects in the Kalispell Opportunity Zone, Kalispell New Market Tax Credit tract and the various city Tax Increment Finance Districts.*

## MAJOR DEVELOPMENT PROJECTS:

### KALISPELL NORTH TOWN CENTER:

Dubbed “Montana’s newest commercial center”, Kalispell North Town Center is 485-acres of mixed-use development. This is latest large-scale harbinger of growth in the Flathead Valley. The project is immense and will be completed in 9 phases. Phase 1 broke ground in 2017 consisting of 43 acres of commercial lots and 14 acres of multi-family residential. Recently there was a major subdivision approval for Kalispell North Town Center, Phases 3 and 4. The 39-acre property will include 26 commercial lots, generally located east of Kalispell Ford, east of the Kalispell Armory, west of Jefferson Boulevard and north of Lincoln Street. The remaining phases are in the works and will completed over the coming years.



### KALISPELL CORE AND RAIL REDEVELOPMENT:

- The City of Kalispell and Flathead County Economic Development Authority have invested \$40M in the redevelopment of the Kalispell Core Area and creation of the Kalispell Trail replacing the train tracks through the heart of the city with a trail and linear park. This will bring new private investment to leverage investment in infrastructure and the community's efforts to create public amenities at the center of Kalispell.
- Removal of the 100-year-old track in 2020 will open 45 acres of vacant or underutilized property to redevelopment in the heart of Kalispell.
- To encourage mixed-use and high-density development in the Kalispell Core Area the City has created B-3 zoning reducing parking requirements, eliminating set-back requirements and significantly loosening height restriction for commercial and residential buildings.
- The Kalispell Core Area is part of the Westside Tax Increment Finance District enabling property taxes paid on new development to fund new infrastructure in the District and reimburse some development expenses.
- Significant sections of Kalispell have been designated an Opportunity Zone including the east and west sections of the Kalispell Core Area and Kalispell Trail and nearly all of the South Courthouse District with both commercial and multi-family residential opportunities.
- The Kalispell Opportunity Zone overlaps the New Market Tax Credit census tract and TIF Districts creating numerous opportunities for maximum return on investment in the heart of a rapidly growing city.



# — DEMOGRAPHICS



## MILE RADIUS

## 1 MILE

## 3 MILES

## 5 MILES

### Population :

2010

1,347

10,287

33,078

2020

1,652

12,336

37,968

2025

1,848

13,285

40,588

### Median Household Income :

2020

\$73,156

\$63,950

\$50,161

2025

\$86,544

\$70,009

\$52,349

### Average Household Income :

2020

\$108,960

\$91,245

\$72,217

2025

\$129,190

\$104,287

\$81,100



# 05 EXHIBIT

---

- Disclaimer



# DISCLAIMER

NKF Real Estate of Washington, LLC, a Delaware limited liability company doing business as Newmark Knight Frank has been engaged as the exclusive sales representative for the sale of Sherwin-Williams (the "Property") located at 430 Cascade Loop, Kalispell, Montana by RPI Kalispell, LLC (the "Seller").

The Property is being offered for sale in an "as-is, where-is" condition, and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include confidential information and are being furnished solely for the purpose of review by prospective purchasers ("Purchasers") of the interest described herein for which it shall be fully and solely responsible. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with the Agent as a "Registered Potential Investor" or as a "Buyer's Agent" for an identified "Registered Potential Investor". The use of this Offering Memorandum, and the information provided herein, is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by the Agent prior to delivery of this Offering Memorandum.

The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners, and directors, as to its accuracy or completeness. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Seller nor the Agent shall have any liability whatsoever for any other written or oral communication or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market for sale at any time and for any reason without notice, to reject any and all expressions of interest or offers regarding the Property, and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any recipient reviewing the enclosed materials, performing additional investigation, and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions required under the contract for title to pass from the Seller to the buyer have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents will be held and treated in the strictest of confidence; and (b) the recipient shall not contact employees, contractors, sub-contractors or lien-holders of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality Agreement executed and delivered by the recipient(s) to Agent.