



1001 E 14TH ST | SIOUX FALLS, SD 57104



**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

OFFERING MEMORANDUM



## **LISTED BY:**

**MICHAEL HAEDER**

Broker of Record

Haeder & Associates

508 7th Street, #208, Rapid City, SD 57701

License No. 13033 (SD)

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## EXECUTIVE OVERVIEW

### THE OPPORTUNITY



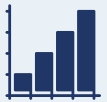
ADDRESS

1001 E 14th St  
Sioux Falls, SD 57104



PRICE

\$3,767,000



CAP RATE

6.25%



YEAR BUILT

1963



TOTAL SF

± 46,052 SF



PRICE / SF

\$81.80



### FINANCING INQUIRIES

For financing options reach out to:

Patrick Flanagan  
patrick.flanagan@matthews.com  
(214) 620-1939





# EXECUTIVE OVERVIEW

## INVESTMENT HIGHLIGHTS

- » **Publicly Traded Credit Tenant:** Ferguson Enterprises is the largest U.S. distributor of plumbing supplies, HVAC/R products, PVF, waterworks and fire and fabrication production. With an annual revenue of ±\$22.78 billion and over 1,400 locations nationwide, Ferguson Plc has a current credit rating of 'BBB+'.
- » **Recently Executed Lease Extension:** With a near 30-year operating history, Ferguson Enterprises has recently executed their 4th lease extension at this site. This is the only facility in the city of Sioux Falls for Ferguson Enterprises.
- » **Centralized Location:** This property is positioned directly in the largest city of South Dakota. Since their latest census record in 2010, Sioux Falls has grown in population by 25.3%.
- » **Property Functionality:** This ±46,052 Sq/ft industrial facility situated on 2.13 acres, is equipped with Three (3) dock high doors and Eight (8) grade level doors. Constructed with CMU Block and Steel framing. Ferguson has added over \$500K of improvements over the last several years and has +/- 5,800 SF of retail and office space.
- » **Tax Friendly State/Opportunity Zone:** With no corporate or personal income tax, no inventory tax, no inheritance tax, no personal property tax, and low sales tax, South Dakota ranks 2nd in the nation of Tax Friendly States. "This facility is also located in an Opportunity Zone, which can provide numerous tax benefits to investors.



## FINANCIAL OVERVIEW

### ASSET OVERVIEW

Price	\$3,767,000
Cap Rate	6.25%
Price/SF	\$81.80
Price/SF/Land	\$40.58
Total building sq/ft	±46,052 SF
Lot Sq/ft	±92,828 SF
Acres	±2.13 AC
Coverage	50%
Construction	Concrete Block and Steel Framing
Drive In Doors	Eight (8)
Dock High Doors	Three (3)
Year Built	1963

### TENANT INFORMATION

Tenant	Ferguson Enterprises
Address	1001 E 14th St, Sioux Falls, SD 57104
Lease Type	Industrial NNN
Tenant Responsible	Taxes, Insurance, Maintenance
Landlord Responsible	Roof and Structure
Lease Term Remaining	±3 Years
Lease Expiration	8/31/2025
Rental Increases	50% CPI At Option
Renewal Options	2, 3 Year Options
Monthly Rent	\$19,623.61
Annual Rent	\$235,483.32
Rent/SF	\$5.11
Rent/SF/Month	\$0.43

## FINANCIAL OVERVIEW

### ANNUALIZED OPERATING DATA

TERM	MONTHLY RENT	ANNUAL RENT	RENT INCREASE	RENT/SF	RENT/SF/MONTH	CAP RATE
9/1/2022 - 8/31/2023	\$19,623.61	\$235,483.32		\$5.11	\$0.43	6.25%
9/1/2023 - 8/31/2024	\$19,623.61	\$235,483.32		\$5.11	\$0.43	6.25%
9/1/2024 - 8/31/2025	\$19,623.61	\$235,483.32		\$5.11	\$0.43	6.25%
OPTION 1						
9/1/2025 - 8/31/2026	\$21,193.50	\$254,321.99	50% CPI	\$5.52	\$0.46	6.75%
9/1/2026 - 8/31/2027	\$21,193.50	\$254,321.99		\$5.52	\$0.46	6.75%
9/1/2027 - 8/31/2028	\$21,193.50	\$254,321.99		\$5.52	\$0.46	6.75%
OPTION 2						
9/1/2028 - 8/31/2029	\$22,888.98	\$274,667.74	50% CPI	\$5.96	\$0.50	7.29%
9/1/2029 - 8/31/2030	\$22,888.98	\$274,667.74		\$5.96	\$0.50	7.29%
9/1/2030 - 8/31/2031	\$22,888.98	\$274,667.74		\$5.96	\$0.50	7.29%





E 14TH ST  
± 10,000 VPD



NORTH AMERICAN  
WHOLESALE FLORIST, INC

E RIVER BLVD  
± 12,000 VPD



EGGER  
STEEL CO



OUTDOOR  
GEAR INC.

S CLIFF AVE  
± 16,000 VPD

DAKOTA  
WHOLESALE  
PLUMBING







FAMILY DOLLAR

Phillips Avenue  
DINER

ORPHEUM THEATER CENTER  
Holiday Inn  
AN IHG HOTEL

U.S. Citizenship and Immigration Services

Little Caesars  
Hardee's

TACO JOHN'S

QDOBA MEXICAN EATS

LOUISIANA HOTWINGS  
POPEYES

Super 8  
BY WINDHAM

HyVee

E 10TH ST  
± 21,000 VPD

FIVE GUYS  
BURGERS and FRIES

DRAKE SPRINGS FAMILY AQUATIC CENTER

ACE Hardware

McDonald's

BURGER KING

GET-GO

Pita Pit  
Arby's

TOMACELLI' PIZZA & PASTA

Applebee's  
GRILL + BAR

Starbucks

FERGUSON

NELSON PARK

E 14TH ST  
± 10,000 VPD

metro  
by T-Mobile

PAPA JOHN'S

TACO BELL

Advance Auto Parts

motion  
Mobility and independence start here.  
Goodcents  
deli fresh subs  
Whites Aircraft  
DAKOTA WHOLESALE PLUMBING  
FIRE EMPORIUM  
Winsupply  
OF W SIOUX FALLS  
PLUMBING • ELECTRICAL

INTERSTATE 229

± 30,000 VPD

SUBWAY

E RIVER BLVD  
± 12,000 VPD

MID AMERICAN ENERGY COMPANY

Shell

Dominos Pizza

SFSH  
Avera  
SIOUX FALLS SPECIALTY HOSPITAL  
Innovative and Personalized Care  
PHARMACY  
EMERGENCY ROOM

Abelardo's  
MEXICAN FRESH

Avera  
INPATIENT REHABILITATION

S MINNESOTA AVE  
± 24,000 VPD

KALADI'S BISTRO

S CLIFF AVE  
± 16,000 VPD

S SOUTHEASTERN AVE  
± 6,000 VPD

BAGEL BOY  
CIRCLE K

Walgreens

E 26TH ST  
± 13,000 VPD

WELLS FARGO

WINGS  
TINY PIZZA  
Caribou

TOWN PARK APARTMENTS

O'Reilly AUTO PARTS  
DQ

PH  
PATRICK HENRY

cliff avenue  
greenhouse & garden center inc.







## TENANT OVERVIEW



### FERGUSON

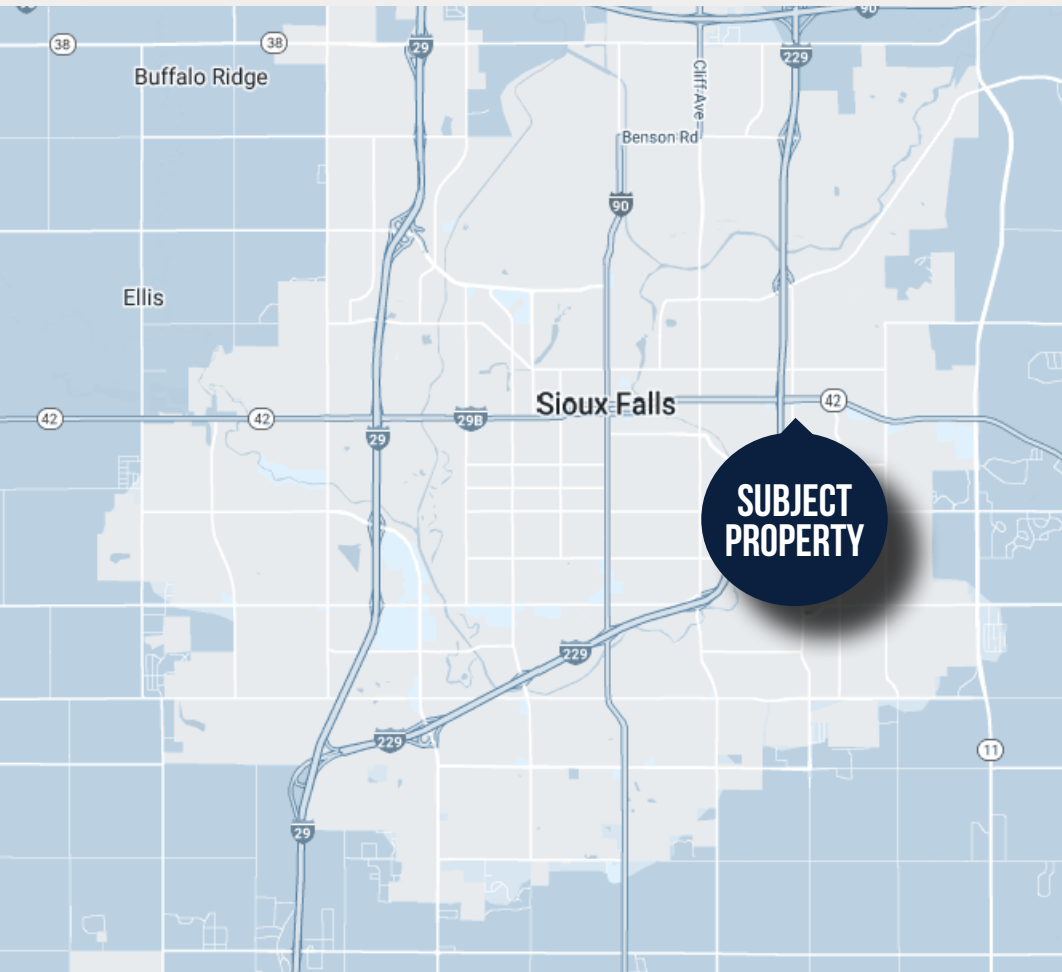
Ferguson raises the bar for industry standards as the top-rated wholesale supplier of commercial and residential plumbing supplies. However, our expertise goes beyond plumbing. We are a diverse distributor that spans multiple businesses including HVAC/R, waterworks and industrial. In the past 64 years, we've grown from a local distributor to a \$23 billion dollar company with more than 1,600 locations and over 3,1000 associates nationwide. We pride ourselves on delivering world-class service and our customers know that "Nobody expects more from us than we do" is more than just a tagline to Ferguson associates. It's a cultural belief that is demonstrated every day through exceptional customer service, product selection and industry knowledge.

### MARKET POSITION

- Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire and fabrication products
- Third largest distributor of industrial and HVAC/R products
- Publicly traded company with a 'BBB+' Credit Rating



## AREA OVERVIEW



### SIOUX FALLS, SD

Downtown Sioux Falls wraps around the Big Sioux River, with the Sioux Falls Bike Trail following the path of the river. There's much to love about this dynamic neighborhood: its history, such as in the ornate Orpheum Theater Center and the Old Courthouse Museum; its fantastic nightlife, such as the Prairie Berry East Bank wine bar and Monks House of Ale Repute and Gandy Dancer Brew Works; and the spectacular parks that line the river, such as Beadle Park, Fawick Park, and Falls Park.

Along with its wide selection of shops, restaurants, and bars, Downtown Sioux Falls has some unique features you'll want to explore. These include the Sculpture Walk, the Downtown Riverfront Amphitheater, the Museum of Visual Materials, and the Washington Pavilion of Arts & Science. Residents and visitors enjoy hopping aboard the Downtown Sioux Falls Trolley, a terrific way to explore Downtown and Falls Park.

Sioux Falls "Stone Shatter City" is the most populous city in the U.S. state of South Dakota. It is the county seat of Minnehaha County and extends into Lincoln County to the south, proximate with the Minnesota state line. Sioux Falls was ranked as one of the best places to retire in 2022 according to Forbes.

As of 2022, Sioux Falls has an estimated population of 202,600 residents. The metropolitan population of 276,730 accounts for more than a quarter of South Dakota's entire population. Chartered in 1856 on the banks of the Big Sioux River, the city is situated in the rolling hills at the junction of Interstate 90 and Interstate 29.

### DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
Current Year Estimate	13,237	93,924	163,405
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
Current Year Estimate	6,223	38,742	67,062
INCOME	1 MILE	3 MILE	5 MILE
Avg Household Income	\$66,523	\$74,645	\$77,349



## SIoux FALLS, SD TOURISM

Because of the relatively long distances between Sioux Falls and larger cities, Sioux Falls has emerged as an important regional center of shopping and dining. The Empire Mall, with over 180 stores, anchors one of the primary retail zones in the southwest section of the city. This area, centered mainly around the intersection of 41st Street and Louise Avenue, contains many large national chain stores and restaurants.

In Central Downtown, shops line Phillips Avenue, and in the “EastBank” shops and restaurants fill a boardwalk-style center called “8th and Railroad.” “The Bridges” is an outdoor shopping center at the intersection of 57th Street and Western Avenue on the south side of the city that contains over 30 restaurants, boutiques, and private businesses. Dawley Farm Village is another shopping center on the east side of the city at the intersection of Arrowhead Parkway (SD Highway 42) and Veterans Parkway (SD Highway 11, previously known as Powder House Road).

Sioux Falls has several tourist attractions. Falls Park, a 123-acre park located north of downtown was ranked #2 in the Coolest City Parks in the U.S. (Livability 2020). The Big Sioux River features a variety of waterfalls, an observation tower, the Falls Overlook Café, the Queen Bee Mill, and a variety of sculptures. Washington Pavilion is the cultural, education, and entertainment center of Sioux Falls. It features the Husby Performing Arts Center, the Kirby Science Discovery Center, the Washington Pavilion’s Visual Arts Center, and the Wells Fargo CineDome Theater. Hit the slopes at the Great Bear Recreation Park, the largest park in the Sioux Falls Parks & Recreation Department. The park features over 220 acres of recreational space for winter sports which include 14 downhill trails, a terrain park, the Kirby Family Tubing Park, and cross country and snowshoeing trails. The park is also open during the summer for hiking, bird watching, and picnicking along the 4-mile trail system.



## ECONOMY

Originally centered on quarrying and agriculturally based industries, the economy of Sioux Falls has become diversified and more service-based over the last half-century, making the city a center of financial services, health care, and retail trade.

Partially due to the lack of a state corporate income tax, Sioux Falls is home to several financial companies. The largest employers among these are Wells Fargo and Citigroup. Other important financial service companies in Sioux Falls include Great Western Bank, Western Surety Company (CNA Surety), Total Card Inc., Capital Card Services, Midland National Life Insurance Company, MetaBank, and First Premier Bank.

Sioux Falls is a significant regional health care center. It has four major hospitals: Sanford Health (formerly Sioux Valley), Avera McKennan Hospital, the South Dakota Veterans Affairs Hospital, and the Avera Heart Hospital of South Dakota. Sanford Health and Avera Health are the largest and second-largest employers in the city, respectively. Emergency medical services (EMS) are provided by Paramedics Plus and Sioux Falls Fire Rescue.

Companies based in Sioux Falls include Raven Industries, retailers Lewis Drug and Sunshine Foods, and communications companies SONIFI Solutions and Midco.



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

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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.

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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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