

www.TAG-Industrial.com

OFFERING
MEMORANDUM



5070 OAKLAND STREET

DENVER, CO 80239

Marcus & Millichap
TAG INDUSTRIAL GROUP

NON-ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc.

© 2020 Marcus & Millichap. All rights reserved.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers. Activity ID: ZAB0060716

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap
TAG INDUSTRIAL GROUP

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com



TABLE OF CONTENTS

01

INVESTMENT OVERVIEW

SECTION 1

Offering Summary • Property Details
Operating Statement • Rent Roll • Regional Map
Aerial Map • Property Photos • Acquisition Financing

02

MARKET OVERVIEW

SECTION 2

Market Analysis • Demographic Analysis

The image is a cover page for a report. It features a dark blue background with a white vertical line on the left and a white horizontal line at the top. The central text is framed by a white L-shaped border. The background is composed of two vertical panels: the left panel shows the interior of a large industrial building with a high ceiling and a grid of steel beams, and the right panel shows the exterior of a similar building with a corrugated metal facade and a row of windows.

SECTION 1
INVESTMENT
OVERVIEW

Marcus & Millichap

5070 OAKLAND STREET

DENVER, CO 80239

INVESTMENT HIGHLIGHTS

- State-of-the-Art Cannabis Built-Out Facility
 - Cannabis Industry in Colorado is in High-Growth Mode, Long-Term Tenant has no Plans to Vacate
 - Tenant is a Stable Company with Increasing Revenues Year Over Year
 - Located in Montbello District, 20 Minutes to Downtown Denver and 25 Minutes to the Airport
 - Easy Access to Major Highways I-70, I-25, and I-270 for Quick Access to Boulder
-

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 5070 Oakland Street in Denver, Colorado, leased to Seed & Smith.

The subject property consists of approximately 21,695 square feet of space and is situated on 1.47 acres of land. The asset is an owner-built, state-of-the-art cannabis facility with a stable, long-term tenant who has no plans to vacate. The subject property features 21' clear height, 50 parking spaces, and two dock-high doors. With the cannabis industry in Colorado in high-growth mode, tenant Seed & Smith has had increasing sales revenues year-over-year. The asset is in the Montbello district, which is 20 minutes from downtown Denver and 25 minutes from the airport, and has easy access to major highways I-70, I-25, and I-270 for quick access to Boulder.

Since 2014, Seed & Smith has been at the subject property and built an innovative company focused on creating exceptional cannabis products. They were ranked

No. 13 on the Denver Business Journal's "2020 Largest Denver-Area Cannabis Companies." Seed & Smith began by rehabbing an old forklift manufacturing facility, turning a dated industrial space into a state-of-the-art production campus that is open to the public. Their products include flower, concentrates, The Seed & Smith Dart, and The Seed & Smith Pre-Roll Pack. The company offers a grow tour that was named "Colorado's Best Cannabis Tour" by Forbes, consulting services, and wholesale products. Their processing and extraction services include distillation, CO2 extraction, and hydrocarbon extraction. (seedandsmith.com)

A confluence of events turned Denver into one of the most active industrial markets in the country in the past decade. Robust demand in this regional market with strong economic growth this cycle is stemming from the growth of retail sales, employment, and industrial production in the metro area and the greater Colorado region. Furthermore, the emergence of the marijuana industry's presence with the passing of Amendment 64 in November 2012 created a new demand driver this cycle, with new and relatively unsophisticated tenants operating with entirely different profit margins. Vacancies were below the long-term average even after 2019 shattered records with more than six million square feet of deliveries. Entering 2020, around 5.5 million square feet was under construction.

Industrial rents are more than 60 percent above the peak of the previous cycle, one of the best performances in the nation. Investors remained enthusiastic about Denver's industrial fundamentals by setting a record high for sales volume for the second straight year. More than \$1.7 billion worth of assets traded in 2019, more than \$200 million more than the previous year. Pricing continues to climb upward, albeit at a more modest pace than in past years, according to CoStar's

Pricing Trends (CoStar).



PROPERTY DETAILS

5070 OAKLAND STREET, DENVER, CO 80239

Number of Suites	1
Number of Buildings	1
Total Square Feet	21,695
Warehouse Square Feet	20,817
Office Square Feet	878
Year Built	1978
Lot Size	1.47 Acres
Type of Ownership	Fee Simple
Clear Height	21'
Parking	50 Spaces
Building Class	C
Tenancy	Single/Owner Occupied
Dock High Doors	2
Grade Level Doors	1
Sprinklers	Yes
Rail Served	No
Construction	Masonry
Zoning	I-1, Denver
Submarket	Montbello
Market Vacancy	4.10%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060716)

OFFERING HIGHLIGHTS

15-YEAR SALE LEASEBACK

5070 OAKLAND STREET, DENVER, CO 80239

OFFERING PRICE

\$4,560,000

CAP RATE

11.50%

Offering Price	\$4,560,000
Cap Rate	11.50%
Price/SF	\$210.19
Total Square Feet	21,695
Rental Increase	3% Annually
Occupancy	100%

Marcus & Millichap

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060716)

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	524,196		24.16	524,196		24.16
Expense Reimbursement Income						
Net Lease Reimbursement						
Total Reimbursement Income	\$63,274	100.0%	\$2.92	\$63,274	100.0%	\$2.92
			0.00			0.00
Effective Gross Revenue	\$587,470		\$27.08	\$587,470		\$27.08
Operating Expenses	Current		Per SF	Pro Forma		Per SF
Total Expenses	\$63,274		\$2.92	\$63,274		\$2.92
Expenses as % of EGR	10.8%			10.8%		
Net Operating Income	\$524,196		\$24.16	\$524,196		\$24.16

Marcus & Millichap

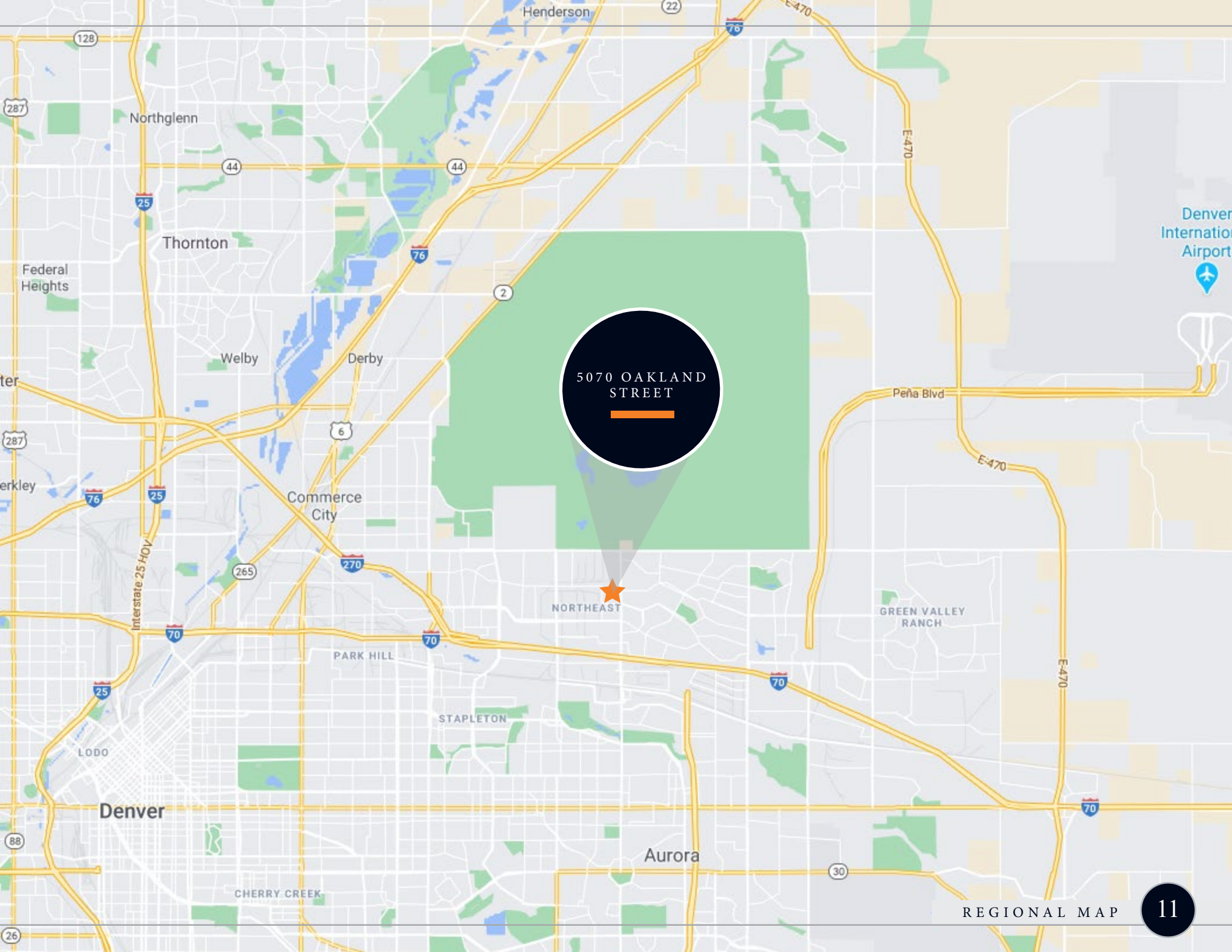
This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060716)

RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm. Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
Seed & Smith	0	21,695	100.0%	2/1/21 1/31/36	\$24.16	\$43,683	\$524,196	\$524,196	Sep-2020	3% Annual Increase	NNN	Two 5-Year Options
Total		21,695			\$24.16	\$43,683	\$524,196	\$524,196				
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
				Total Current Rents: \$43,683		Occupied Current Rents: \$43,683		Unoccupied Current Rents: \$0				

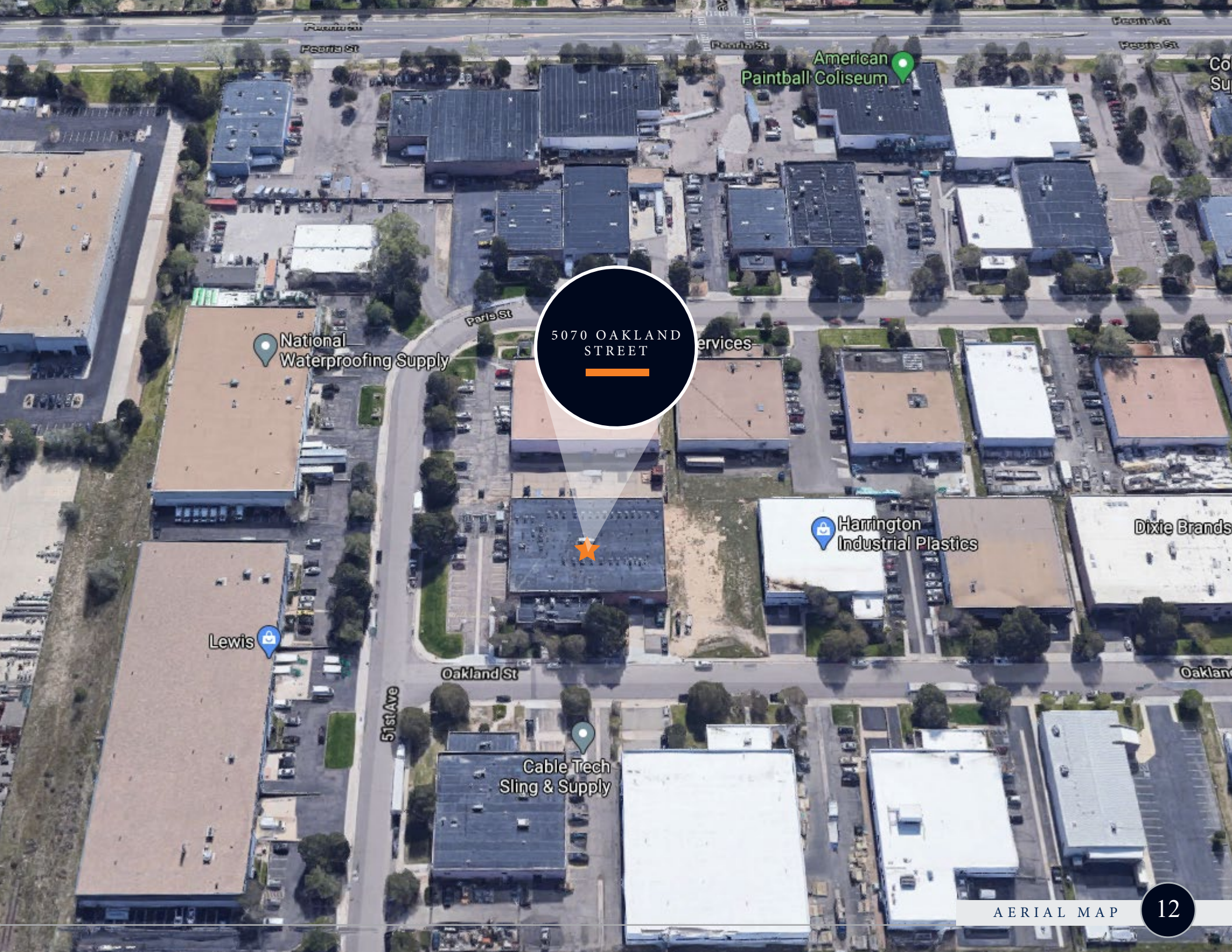


This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060716)



5070 OAKLAND STREET

NORTHEAST



5070 OAKLAND STREET



National Waterproofing Supply

American Paintball Coliseum

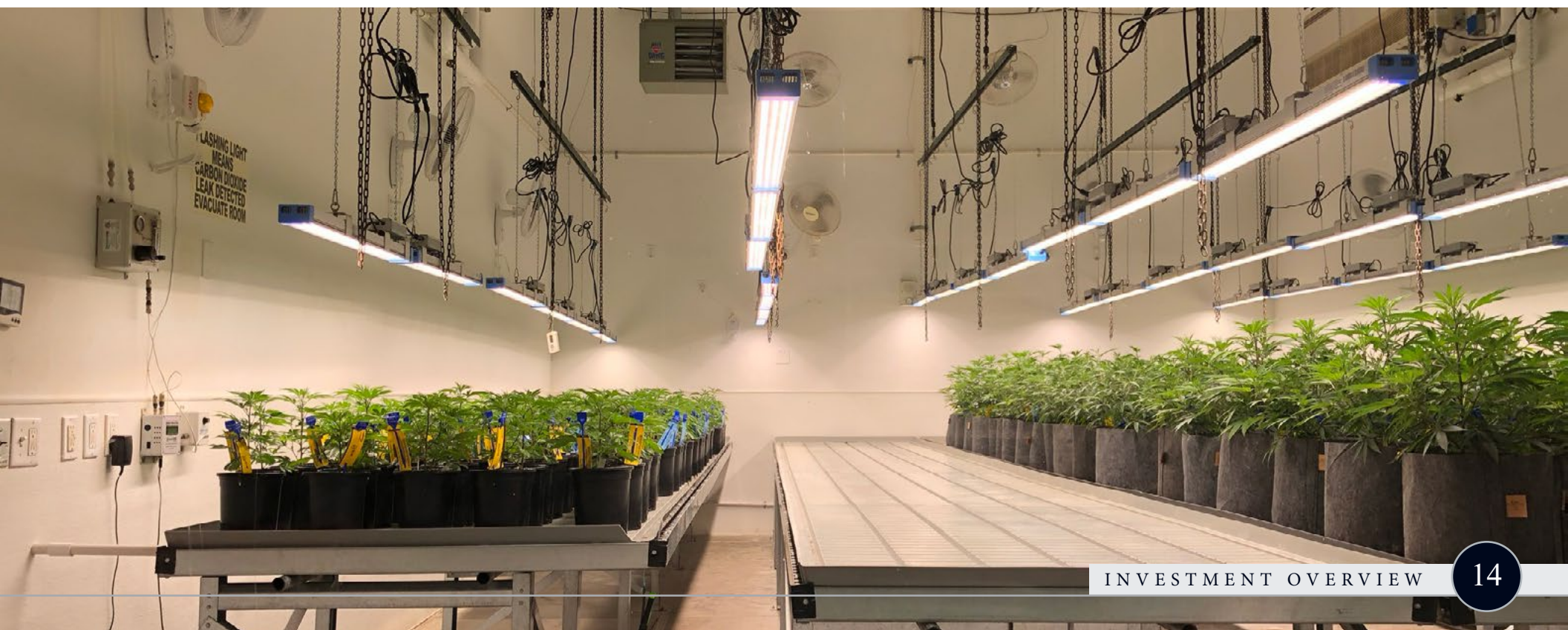
Harrington Industrial Plastics

Dixie Brands

Lewis

Cable Tech Sling & Supply





MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,707 debt and equity financings in 2017



National platform operating within the firm's brokerage offices



\$5.63 billion total national volume in 2017



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



SECTION 2

MARKET OVERVIEW

Marcus & Millichap

DENVER

COLORADO

The Denver-Aurora-Lakewood metro is at the center of Colorado's Front Range, nestled at the convergence of the Great Plains and the majestic Rocky Mountains. The market consists of 10 counties: Broomfield, Arapahoe, Denver, Adams, Douglas, Jefferson, Clear Creek, Elbert, Gilpin and Park. Denver, which is both a county and a city, is the largest of each, with approximately 723,600 residents. Denver also houses the state capitol. The eastern and northern reaches of the metro are expected to receive the majority of future development, as land in these areas is relatively flat and more affordable. Denver's elevation of 5,280 feet above sea level provides it with the nickname "Mile-High City."



MAJOR
TRANSPORTATION
CENTER



EMPHASIS ON
SKILLED JOBS



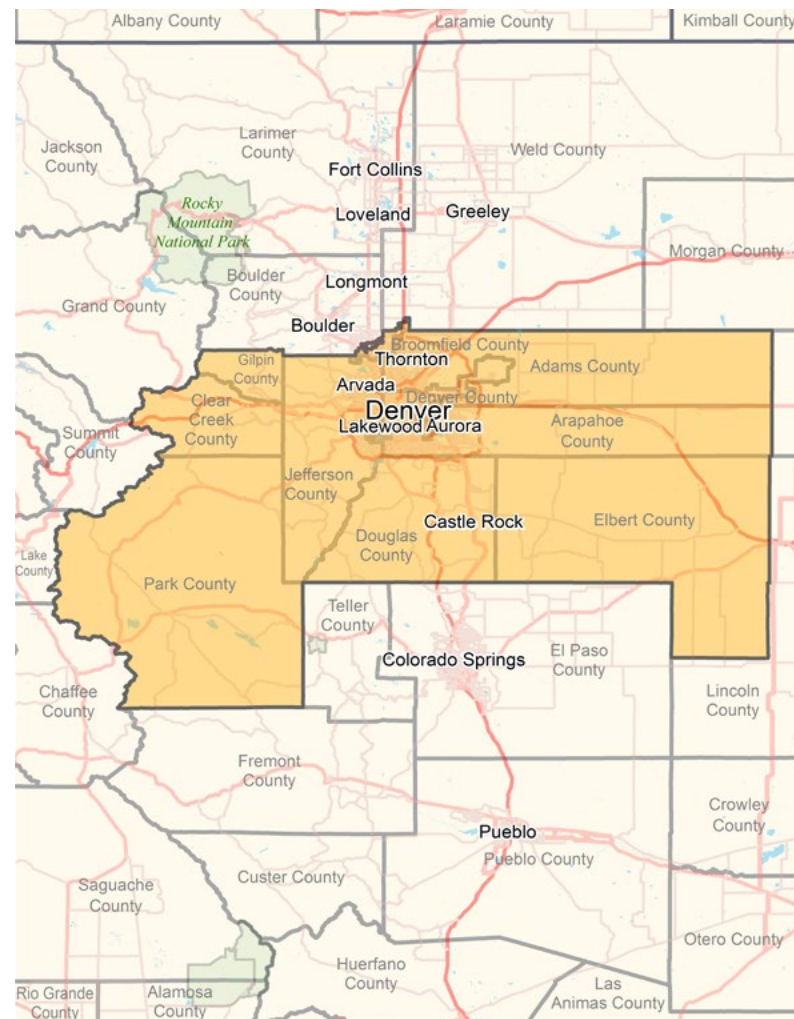
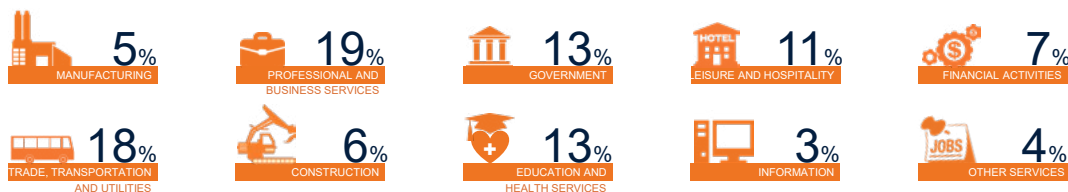
GROWING
ALTERNATIVE-ENERGY
SECTOR



METROPLEX GROWTH

ECONOMY

Key drivers of the region's economy include aerospace, bioscience, energy, financial services, healthcare, aviation, information technology and telecommunications. Denver's economy is expanding, with the annual change in gross metropolitan product (GMP) expected to reach 2.4 percent this year. Many of Denver's largest employers are in population-serving businesses such as retail and healthcare, and their expansion will track population and income growth. There are 10 Fortune 500 companies located in the metro, including Newmont Corp., Arrow Electronics, DISH Network, DaVita, Molson Coors Brewing and Liberty Media.



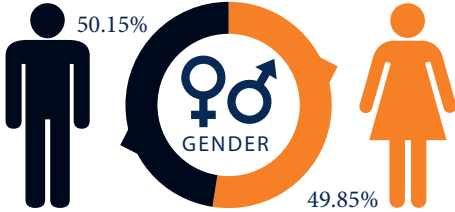
METROPLEX GROWTH



The Denver metro area offers residents urban and rural surroundings, in addition to exciting nightlife and outdoor fun. Five professional sports teams play in venues within a short walk or drive of downtown Denver. The local arts community is vibrant and the city's large park system provides relaxing opportunities to enjoy the outdoors. The allure of the Rocky Mountains keeps residents active. Rocky Mountain National Park is less than two hours from the metro and offers numerous campsites and hiking trails. Avid skiers and snowboarders are close to world-class ski resorts, such as Vail, Beaver Creek and Copper Mountain. The Denver metro will continue to grow as the area's high quality of life attracts new residents.



DEMOGRAPHICS



DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	10,947	87,758	258,158
■ 2019 Estimate			
Total Population	10,520	76,127	235,975
■ 2010 Census			
Total Population	9,519	58,565	196,349
■ 2000 Census			
Total Population	11,147	42,664	168,632
■ Daytime Population			
2019 Estimate	25,204	91,691	282,679
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	2,991	26,921	87,349
■ 2019 Estimate			
Total Households	2,858	22,558	78,531
Average (Mean) Household Size	3.66	3.19	2.90
■ 2010 Census			
Total Households	2,565	16,322	63,765
■ 2000 Census			
Total Households	2,750	11,789	56,039

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	1.36%	8.04%	5.59%
\$150,000 - \$199,000	3.55%	7.10%	4.75%
\$100,000 - \$149,000	12.95%	16.91%	13.02%
\$75,000 - \$99,999	15.54%	15.22%	14.14%
\$50,000 - \$74,999	21.76%	20.01%	18.66%
\$35,000 - \$49,999	14.22%	12.46%	14.63%
\$25,000 - \$34,999	10.41%	7.68%	9.42%
\$15,000 - \$24,999	8.89%	6.09%	9.15%
Under \$15,000	11.30%	6.48%	10.62%
Average Household Income	\$65,763	\$101,177	\$82,544
Median Household Income	\$55,697	\$71,157	\$57,352
Per Capita Income	\$17,880	\$30,694	\$27,875
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	10,520	76,127	235,975
Under 20	35.47%	33.16%	31.15%
20 to 34 Years	23.75%	24.43%	24.49%
35 to 39 Years	7.49%	9.16%	8.62%
40 to 49 Years	11.72%	14.66%	13.71%
50 to 64 Years	12.15%	11.84%	13.72%
Age 65+	9.43%	6.74%	8.33%
Median Age	29.69	31.01	32.00
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	6,105	46,272	147,725
Elementary (0-8)	15.85%	9.84%	9.80%
Some High School (9-11)	14.07%	10.50%	11.79%
High School Graduate (12)	29.26%	23.87%	27.16%
Some College (13-15)	21.24%	19.13%	18.58%
Associate Degree Only	3.79%	5.98%	6.04%
Bachelors Degree Only	8.47%	16.60%	14.62%
Graduate Degree	3.94%	11.96%	9.35%
■ Time Travel to Work			
Average Travel Time in Minutes	30	31	31



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060716)

5070 OAKLAND STREET

DENVER, CO 80239

PRESENTED BY

ALYSSA TOMBACK

Associate

National Office and Industrial Properties Group
Denver Office

Office 303.328.2016

Alyssa.Tomback@marcusmillichap.com

License: CO 100087968

ADAM ABUSHAGUR

Senior Vice President Investments

National Office and Industrial Properties Group
Dallas Office

Office 972.755.5223

Adam.Abushagur@marcusmillichap.com

License TX 661916

BROKER OF RECORD

SKYLER COOPER

Colorado Broker of Record

1225 17th Street, Suite 1800

Denver, CO 80202

Tel: 303-328-2000

skyler.cooper@marcusmillichap.com

CO License: ER.100080019

Marcus & Millichap