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OFFERING  
MEMORANDUM



GARSITE/PROGRESS, LLC  
539 SOUTH 10TH STREET

KANSAS CITY, KS 66105

**TAG INDUSTRIAL**  
THE ABUSHAGUR GROUP

Marcus & Millichap



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Market Analysis • Demographic Analysis

The image is a composite of two photographs. The left side shows the interior of a large industrial building with a high, vaulted ceiling supported by a grid of steel trusses. The floor is a smooth, light-colored concrete. The right side shows the exterior of a similar industrial building, featuring a facade of blue corrugated metal panels and a series of windows near the ground level. The entire image has a blue color cast.

SECTION 1  
INVESTMENT  
OVERVIEW

Marcus & Millichap

# GARSITE/PROGRESS, LLC

539 SOUTH 10TH STREET, KANSAS CITY, KS 66105

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## INVESTMENT HIGHLIGHTS

- Located in the Armourdale Industrial Submarket of Kansas City
  - This is a Tight Barrier-to-Entry Submarket with 3.0% Vacancy
  - Garsite/Progress, LLC has Occupied this Facility as Their Headquarters Since 2001
    - Ownership Reports investing over \$200,000 in Tenant Improvements
  - Garsite Extended Lease Early in 2016 Showing Commitment to this Site
    - Absolute Net Lease is Ideal for Hands-Off Investor
- 

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 539 South 10th Street in Kansas City, Kansas, leased to Garsite/Progress, LLC. The subject property consists of approximately 68,085 square feet of space and is situated on 8.15 acres of land. The asset features 14'-24' clear heights, 100+ parking spaces, 14 grade-level doors, and metal construction. Garsite/Progress, LLC has occupied this facility as their headquarters since 2001, with ownership investing over \$200,000 in tenant improvements in 2016. Garsite extended their lease early in 2016, showing strong commitment to the site. Absolute Net Lease is Ideal for Hands-Off Investor. Located in the Armourdale Industrial Submarket of Kansas City, this is a tight barrier to entry submarket with 3 percent vacancy.

Since 1952, Garsite aircraft refuelers and hydrant dispensers have been the refuelers of choice by major in-to-plane fueling companies, oil companies, airlines, freight distribution companies, and fuel marketers around the globe. The company's services include: commercial aviation, military, international, AST, disinfectant equipment, and parts. Oil companies and fuel marketers such as Chevron Texaco, ExxonMobil, Air BP, Shell Oil, ConocoPhillips, EPPCO, Emirates National Oil Company, AvFuel, Ascent Aviation, Air Petro, and Western Petroleum have relied on Garsite engineering to produce the highest quality aviation refuelers. Airlines and government organizations such as Southwest Airlines, US Airways, Delta Air Lines, American Airlines, International Civil Aviation Organization (ICAO), Comair, KLM, Korean Airlines, Asiana Airlines, ASA (Mexico), The Port Authority of New York & New Jersey, and US and various Armed Services throughout the world have depended on Garsite to provide refueling solutions.

Freight delivery companies, such as FedEx, UPS, DHL and Airborne as well as in-to-plane service providers such as Bradley Pacific Aviation, SwissPort, Signature, ASIG, Allied, GlobeGround Support, and Atlantic Aviation have continued to look to Garsite. Garsite refuelers are in service every day at nearly every major U.S. airport and in over 80 countries on 6 continents. (garsite.com)

Kansas City, abbreviated as "KCK", is the third-largest city in the State of Kansas, the county seat of Wyandotte County, and the third-largest city of the Kansas City metropolitan area. Kansas City is the home to the General Motors Fairfax Assembly Plant, which manufactures the Chevrolet Malibu and the Buick LaCrosse. The Federal Bureau of Prisons maintains its North Central Region Office in the city. In addition, Associated Wholesale Grocers and Kansas City Steak Company are based within the city. The largest employer in KCK is the University of Kansas Hospital. The adjoining University of Kansas Medical Center, including the schools of medicine, nursing, and allied health, is also among the city's largest employers (with a student population of about 3,000). Kansas City was ranked in 2010 as the #7 best city in the U.S. to start over after

foreclosure.

# PROPERTY DETAILS // Garsite/Progress, LLC

539 SOUTH 10TH STREET,  
KANSAS CITY, KS 66105

Number of Suites	1
Number of Buildings	9
Total Square Feet	68,085
Warehouse Square Feet	58,750
Office Square Feet	9,335
Year Built	1956/1988/2009
Lot Size	8.15 Acres
Type of Ownership	Fee Simple
Clear Height	14-24
Parking	100+ Spaces
Building Class	C
Tenancy	Single
Dock High Doors	2
Grade Level Doors	14
Construction	Metal
Power	600 Amps
Zoning	M-3, Heavy Industrial
Age/Condition of Roofs	Metal Decked Roofs with Metal Web Joists
Submarket	Armourdale Ind
Market Vacancy	4.70%

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# OFFERING HIGHLIGHTS // Garsite/Progress, LLC

**539 SOUTH 10TH STREET**  
KANSAS CITY, KS 66105

OFFERING PRICE

**\$3,990,000**

CAP RATE

**7.25%**

PRO FORMA CAP RATE

**7.43%**

Offering Price	\$3,990,000
Cap Rate	7.25%
Pro Forma Cap Rate	7.43%
Price/SF	\$58.60
Total Square Feet	68,085
Rental Increase	3.00%
Occupancy	100.00%

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## OPERATING STATEMENT // Garsite/Progress, LLC

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	289,200	4.25	296,568	4.36
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	17,702	0.26	23,013	0.34
Real estate Taxes	111,246	1.63	114,583	1.68
Total Reimbursement Income	\$128,948	100.0%	\$137,596	100.0%
Effective Gross Revenue	\$418,148	\$6.14	\$434,164	\$6.38

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	17,702	0.26	23,013	0.34
Real Estate Taxes	111,246	1.63	114,583	1.68
Total Expenses	\$128,948	\$1.89	\$137,596	\$2.02
Expenses as % of EGR	30.8%		31.7%	
Net Operating Income	\$289,200	\$4.25	\$296,568	\$4.36

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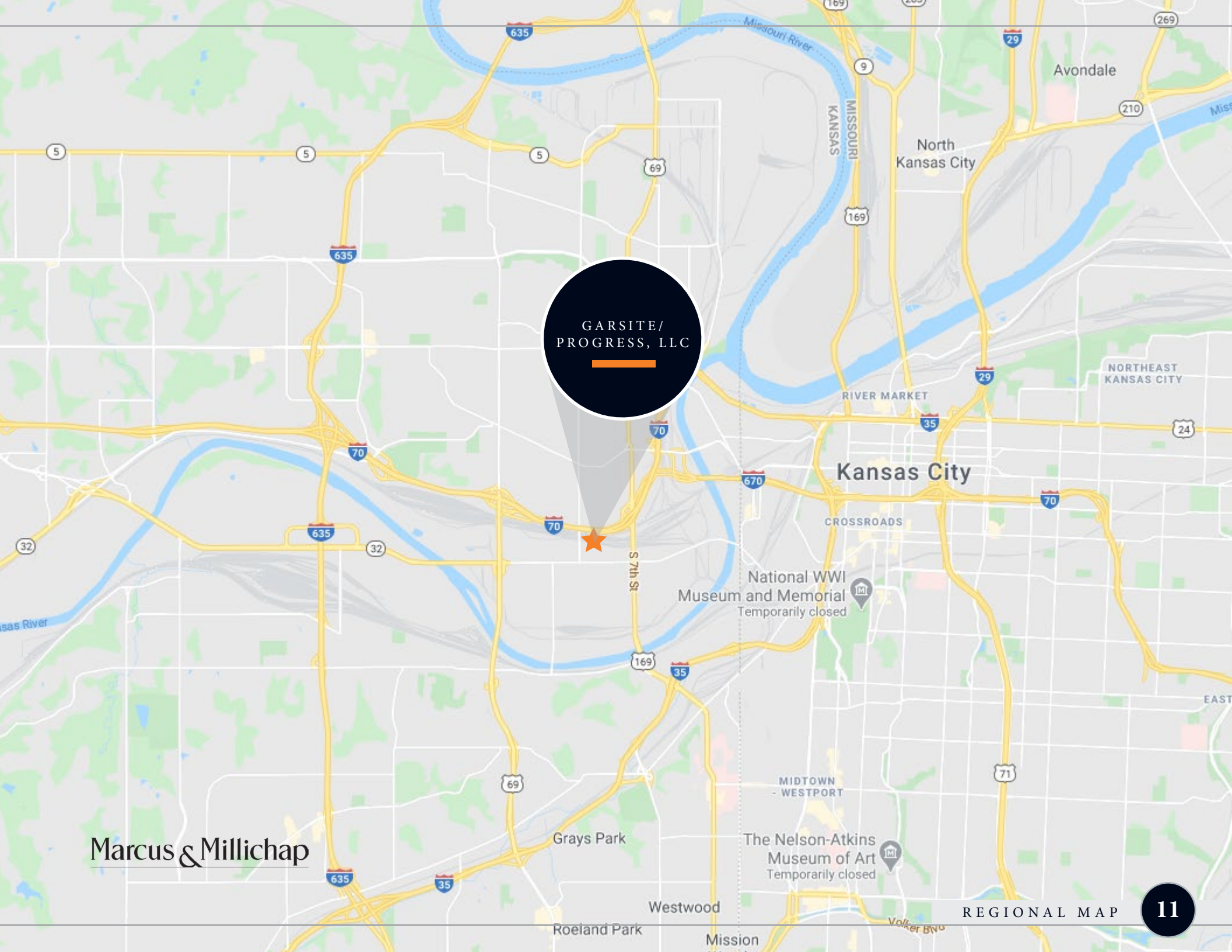
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# RENT ROLL // Garsite/Progress, LLC

Tenant Name	Square Feet	% Bldg Share	Lease Dates Comm.	Lease Dates 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
Garsite/Progress, LLC	68,085	100.0%	10/21/08	12/31/21	\$4.25	\$24,100	\$289,200	\$296,568	Jul-2021	3.00%	Absolute Net
<b>Total</b>	<b>68,085</b>				<b>\$4.25</b>	<b>\$24,100</b>	<b>\$289,200</b>	<b>\$296,568</b>			
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$24,100					Occupied Current Rents: \$24,100		Unoccupied Current Rents: \$0				

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GARSITE/  
PROGRESS, LLC

GARSITE/  
PROGRESS, LLC



Millicap

Kennel

Walmart

El Pollo Rey

GARSITE/  
PROGRESS, LLC

Iglesia Canaán

Garsite

Maple Ave

Stockton St

S Book St

W 1st St

S Book St

Maple Ave

Scott Ave

S 10th St

S 10th St  
Inner City

Shafer Salvage

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# 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

# KANSAS CITY KANSAS

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The Kansas City metro sits close to both the geographic and population centers of the United States and serves as a major regional commercial, industrial and cultural hub. The market consists of 14 counties: Clay, Bates, Cass, Platte, Clinton, Caldwell, Jackson, Lafayette and Ray counties in Missouri; and Johnson, Linn, Miami, Leavenworth and Wyandotte counties in Kansas. The metro has roughly 2.2 million residents. Jackson is the most populous county with 713,000 people, followed by Johnson with 592,000 residents. Kansas City, Missouri, is the largest city with 490,000 citizens, followed by Overland Park, Kansas, with 190,000 people.



CENTRAL  
LOCATION



EXPANSIVE  
TRANSPORTATION  
SYSTEM



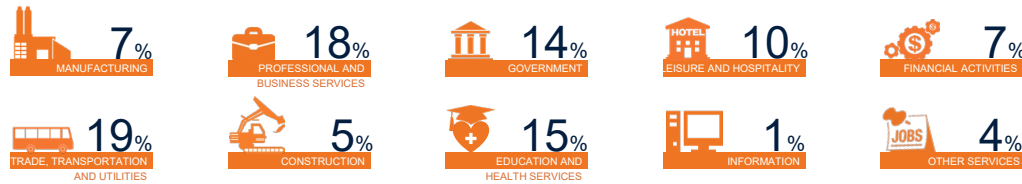
AFFORDABLE  
COST OF LIVNG



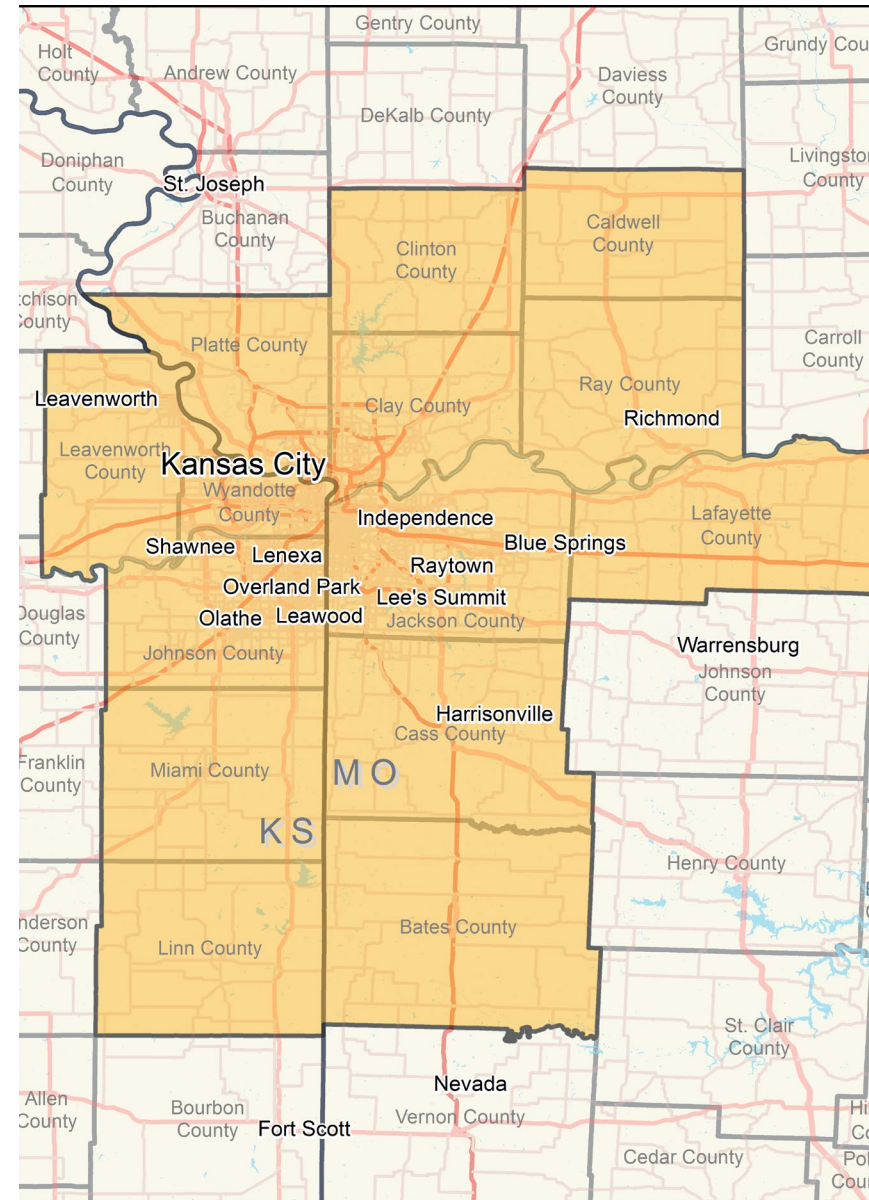
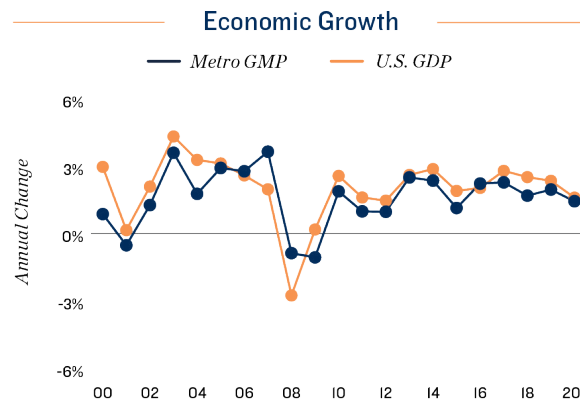
# METROPLEX GROWTH // Garsite/Progress, LLC

## ECONOMY

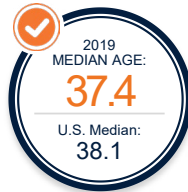
- Its central location, extensive transportation network and intermodal facilities make the metro an important logistics and distribution hub. The increased flow of goods from Mexico will drive intermodal growth in the region.
- Lower costs of living and doing business as well as an educated workforce attract corporations and job seekers to the metro. A number of local firms were on the Fortune 1,000 list last year, and Seaboard received the highest rank.
- Other expanding industries in the metro include finance and insurance, engineering, life sciences, manufacturing and information technology.



MAJOR AREA EMPLOYERS
Honeywell
DST Systems
Hallmark Cards Inc.
University of Kansas Healthcare
Cerner Corp.
St. Luke's Health System
HCA Midwest Health System
Burns & McDonnell
UMB Financial
Children's Mercy Hospital



# METROPLEX GROWTH



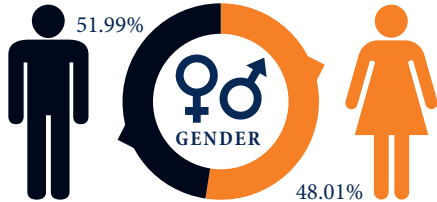
The metro is expected to add nearly 77,200 people over the next five years, resulting in the formation of approximately 35,000 households. A median home price below the U.S. median has produced a homeownership rate of 60 percent, which is higher than the national rate of 57 percent. Roughly 35 percent of residents age 25 and older have bachelor's degrees; of those residents, 13 percent have also earned a graduate or professional degree.

## QUALITY OF LIFE

Kansas City has a variety of entertainment options. The metro has two major professional sports franchises, the Kansas City Chiefs of the NFL and MLB's Kansas City Royals. The city boasts a rich jazz music history and houses the American Jazz Museum. Kansas City also features a downtown entertainment district that combines restaurants and retail, including the Sprint Center. Cultural venues include the Kemper Museum of Contemporary Art, Nelson-Atkins Museum of Art, the Lyric Opera of Kansas City and the Starlight Theatre. The metro maintains an exceptional education system with nationally ranked school districts, colleges, universities and institutions of advanced learning and research, including the University of Missouri-Kansas City.



# DEMOGRAPHICS // Garsite/Progress, LLC



# DEMOGRAPHICS // Garsite/Progress, LLC

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	9,594	77,050	211,210
■ 2019 Estimate			
Total Population	9,509	75,413	207,403
■ 2010 Census			
Total Population	9,112	71,490	197,815
■ 2000 Census			
Total Population	9,402	73,107	208,478
■ Daytime Population			
2019 Estimate	13,038	156,296	357,352
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	2,915	31,087	92,414
■ 2019 Estimate			
Total Households	2,900	29,921	89,520
Average (Mean) Household Size	3.26	2.48	2.26
■ 2010 Census			
Total Households	2,814	28,025	84,714
■ 2000 Census			
Total Households	3,087	28,987	89,198

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	0.80%	1.25%	3.29%
\$150,000 - \$199,000	0.92%	1.70%	2.44%
\$100,000 - \$149,000	2.58%	6.80%	8.41%
\$75,000 - \$99,999	7.29%	9.33%	9.91%
\$50,000 - \$74,999	16.15%	17.35%	17.57%
\$35,000 - \$49,999	15.27%	16.48%	15.41%
\$25,000 - \$34,999	13.48%	12.64%	11.66%
\$15,000 - \$24,999	16.69%	13.47%	12.74%
Under \$15,000	26.85%	20.99%	18.55%
Average Household Income	\$40,404	\$49,923	\$61,732
Median Household Income	\$30,302	\$37,818	\$41,725
Per Capita Income	\$12,418	\$20,026	\$26,908
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	9,509	75,413	207,403
Under 20	36.75%	29.27%	25.69%
20 to 34 Years	22.66%	27.60%	27.99%
35 to 39 Years	8.13%	8.02%	7.64%
40 to 49 Years	12.22%	11.76%	11.51%
50 to 64 Years	12.97%	14.68%	16.70%
Age 65+	7.28%	8.64%	10.47%
Median Age	28.82	31.25	32.93
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	5,344	47,839	138,623
Elementary (0-8)	19.71%	10.92%	6.02%
Some High School (9-11)	20.10%	12.86%	10.16%
High School Graduate (12)	30.42%	27.82%	26.01%
Some College (13-15)	12.95%	18.08%	20.05%
Associate Degree Only	4.84%	5.87%	5.84%
Bachelors Degree Only	3.32%	13.21%	18.32%
Graduate Degree	3.01%	7.63%	11.64%
■ Time Travel to Work			
Average Travel Time in Minutes	23	21	21



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# GARSITE/PROGRESS, LLC

539 SOUTH 10TH STREET  
KANSAS CITY, KS 66105

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