

Marcus & Millichap
TAG INDUSTRIAL GROUP

GARSITE/PROGRESS, LLC

539 SOUTH 10TH STREET

KANSAS CITY, KS 66105

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

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539 SOUTH 10TH STREET

KANSAS CITY, KS 66105

PRESENTED BY

TYLER SHARP

Vice President of Investments
Office & Industrial Division
Chicago Office
Office (312) 327-5446
Tyler.Sharp@MarcusMillichap.com
License: IL 475.177869

ADAM ABUSHAGUR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@MarcusMillichap.com
License TX 661916

BROKER OF RECORD

COLBY HAUGNESS

Kansas Broker of Record
7400 College Boulevard, Suite 105
Overland Park, KS 66210
Tel: 816-410-1010
Colby.Haugness@MarcusMillichap.com
License: KS 00241410

DEBT CONTACT

FRANK MONTALTO

Vice President - Debt & Equity Structured Finance
333 West Wacker Drive, Suite 200
Chicago, IL 60606
Tel: 312-327-5421
Frank.Montalto@MarcusMillichap.com

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Market Analysis • Demographic Analysis

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The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be a factory or a large warehouse with complex piping and structural elements.

SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- Nine-Building Portfolio Consisting of 68,085 Square Feet
- Metal Construction Featuring Two Dock-High Doors, and 14 Grade-Level Doors
- Industrial Outdoor Storage (IOS) Property with a Floor Area Ratio of 0.19
- Strategically Located with Proximate Access to Major Freeways
- Garsite/Progress, LLC has Occupied this Facility as Their Headquarters Since 2001
- Absolute Triple-Net Lease, Zero Landlord Responsibility nor Expenses
- Located in the Armourdale Industrial Submarket of Kansas City
- Tough Barrier-to-Entry Market: 2.8% Overall Vacancy and 4.4% Annual Rent Growth (CoStar)

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 industrial space and is situated on 8.15 acres of land. The nine-building asset features metal construction, two dock-high doors, and 14 grade-level doors. With a floor area ratio of just 0.19, the asset qualifies as an industrial outdoor storage property (IOS). Sitting next to the Union Pacific Armstrong Railyard, the asset is strategically located with proximate access to major thoroughfares, including Interstates 70 and 35.

Since 2001, the property has served as the headquarters for Garsite. Through 2027, Garsite is signed to an absolute triple-net lease with 2.0 percent annual rent escalations, leaving the landlord with no maintenance responsibilities and no expenses. Since 1952, Garsite has served as one of the leading manufacturers of aircraft refuelers, hydrant dispensers, and above-ground fuel storage tanks to the airlines, oil, and freight industries in North America.

The property is located within Armourdale, a mid-sized submarket containing 12.2 million square feet of industrial space. As one of Kansas City's original industrial hubs, nearly 80 percent of the properties in Armourdale were developed prior to 1980. Given the low supply of available industrial land, the submarket has experienced little growth, expanding by only 1.3 percent since the turn of the century. As a result, vacancies have historically remained low, sitting at just 2.8 percent in Q1 2023. After hitting a record high last year, rent growth has steadily declined to 4.4 percent, but remains higher than any level pre-Covid. With no industrial properties under construction, there will be no supply-side pressure on vacancies or rent growth for the foreseeable future (CoStar).

Metro Kansas City is located in the heartland of America, as it sits close to both the geographic and population centers of the United States, and serves as a major regional commercial, industrial, distribution, and cultural hub. Within a two-day drive, 85 percent of the nation's population can be reached from Kansas. Kansas City, Kansas, known simply as "KC", is the third-largest city in the state, 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. In addition, Associated Wholesale Grocers and Kansas City Steak Company are based within the city.

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
Office Ratio	14%
Year Built	1956/1988/2009
Lot Size	8.15 Acres
Type of Ownership	Fee Simple
Clear Height	14'-24'
Parking Spaces	100
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Dock High Doors	2
Grade Level Doors	14
Construction	Metal
Power	600a
Zoning	M-3, Heavy Industrial
Roof Type	Metal
Market	Kansas City
Submarket	Armourdale
Market Vacancy	2.50%

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GARSITE/PROGRESS, LLC

539 SOUTH 10TH STREET, KANSAS CITY, KS 66105

OFFERING PRICE
\$3,400,000**CAP RATE**
7.51%**PRO FORMA CAP RATE**
7.66%

Offering Price	\$3,400,000
Cap Rate	7.51%
Pro Forma Cap Rate	7.66%
Price/SF	\$49.94
Total Square Feet	68,085
Rental Rate	\$3.75
Lease Type	Triple Net (NNN)
Lease Term	4.5 Years
Rental Increases	2% Annually
Tenancy	Single
Occupancy	100.00%

FINANCING

Loan Amount	\$2,380,000
Loan Type	New
Interest Rate	6.50%
Amortization	25 Years
Year Due	2026

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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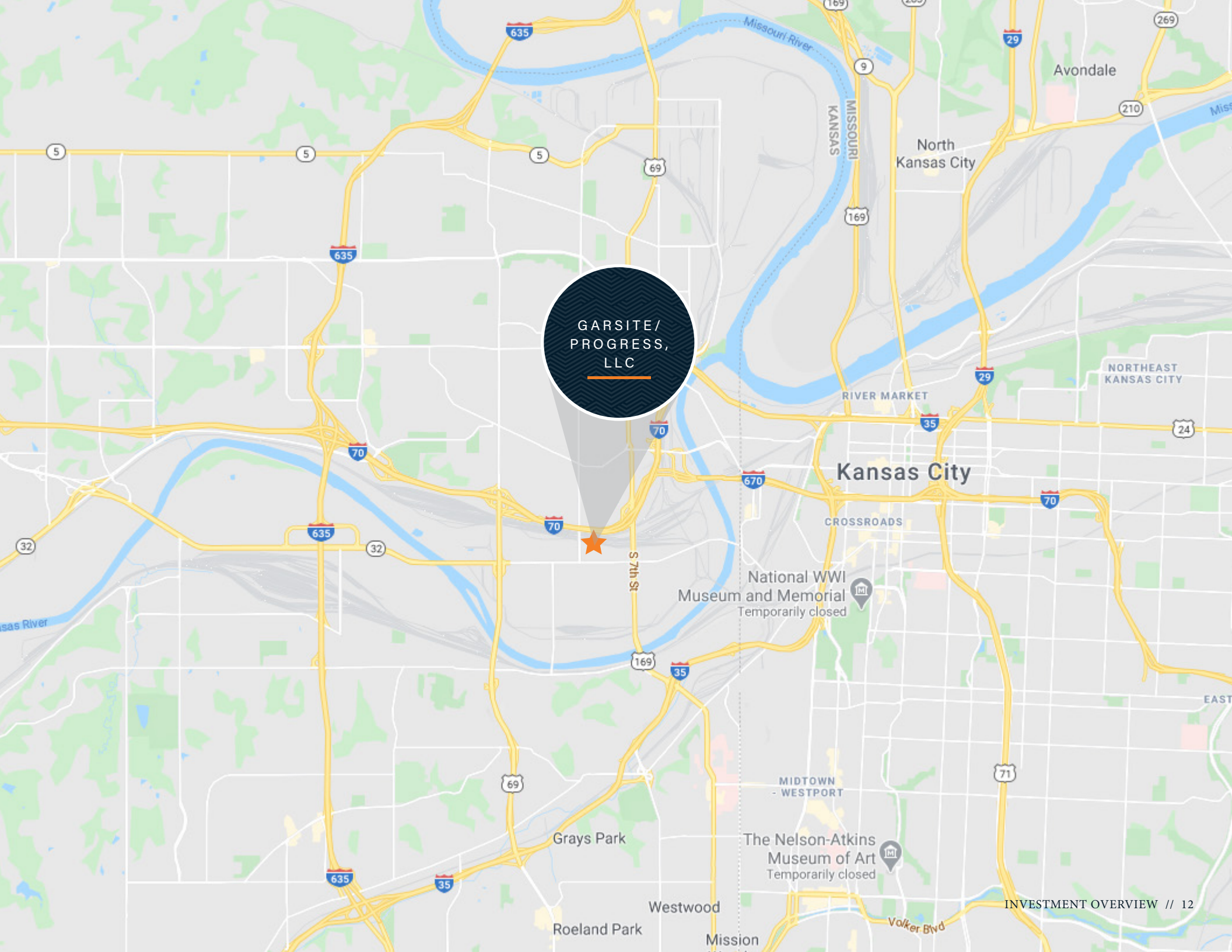
RENT ROLL

Tenant Name	Square Feet	% Bldg Share	Lease Dates		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
Garsite/Progress, LLC	68,085	100.0%	10/21/08	12/31/27	\$3.75	\$21,277	\$255,319	\$260,425	Jan-2024	2.00%	NNN	Tenant Has Option to Terminate After Expiration of the First Year of Extended Term
Total	68,085				\$3.75	\$21,277	\$255,319	\$260,425				
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$21,277					Occupied Current Rents: \$21,277		Unoccupied Current Rents: \$0					

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	255,319		3.75	260,425		3.83
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	23,830		0.35	23,830		0.35
Real Estate Taxes	97,285		1.43	97,285		1.43
Total Reimbursement Income	\$121,115	100.0%	\$1.78	\$121,115	100.0%	\$1.78
Effective Gross Revenue	\$376,434		\$5.53	\$381,540		\$5.60

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	23,830		0.35	23,830		0.35
Real Estate Taxes	97,285		1.43	97,285		1.43
Total Expenses	\$121,115		\$1.78	\$121,115		\$1.78
Expenses as % of EGR	32.2%			31.7%		
Net Operating Income	\$255,319		\$3.75	\$260,425		\$3.82



GARSITE/
PROGRESS,
LLC



GARSITE /
PROGRESS,
LLC



TENANT SUMMARY

“Refueling equipment made to your specifications for your operation.”

TENANT

Garsite Progress LLC

HEADQUARTERS

Kansas City, KS

DATE FOUNDED

1952

www.garsite.com



For over 70 years, Garsite has manufactured some of the leading aircraft refuelers, hydrant dispensers, and above-ground fuel storage tanks for major in-to-plane fueling companies, oil companies, airlines, freight distribution companies, and fuel marketers around the globe. Garsite manufactures several models of aircraft refuelers, ranging in size from 750 gallons (2,800 liters) to 15,000 gallons (57,000 liters), and hydrant dispensers with flow rates up to 1200 gallons per minute/ 4,500 liters per minute. Garsite's refuelers and aviation fueling systems are in-service every day at nearly every major U.S. airport and in over 80 countries. The company's clientele includes Southwest Airlines, American Airlines, Delta Airlines, Chevron Texaco, ExxonMobil, FedEx, and UPS (Garsite).

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 2,399 debt
and equity
financings in 2021



National platform operating
within the firm's
brokerage offices



\$10.4 billion total
national volume
in 2021



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

The background of the slide is a dark, blue-toned photograph of an industrial interior. It features a complex network of steel beams, girders, and hanging industrial lights, creating a sense of depth and structure.

SECTION 2

MARKET OVERVIEW

Marcus & Millichap

KANSAS CITY

KANSAS

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, as well as Johnson, Linn, Miami, Leavenworth and Wyandotte counties in Kansas. The metro has 2.2 million residents. Jackson is the most populous county with 709,000 people, followed by Johnson with 609,000 residents. Kansas City, Missouri is the largest city, with 491,000 citizens, followed by Overland Park, Kansas, with 190,000 people.



CENTRAL
LOCATION



EXPANSIVE
TRANSPORTATION
SYSTEM

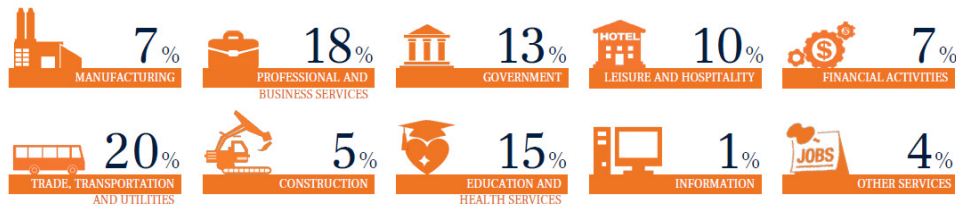


AFFORDABLE
COST OF LIVING

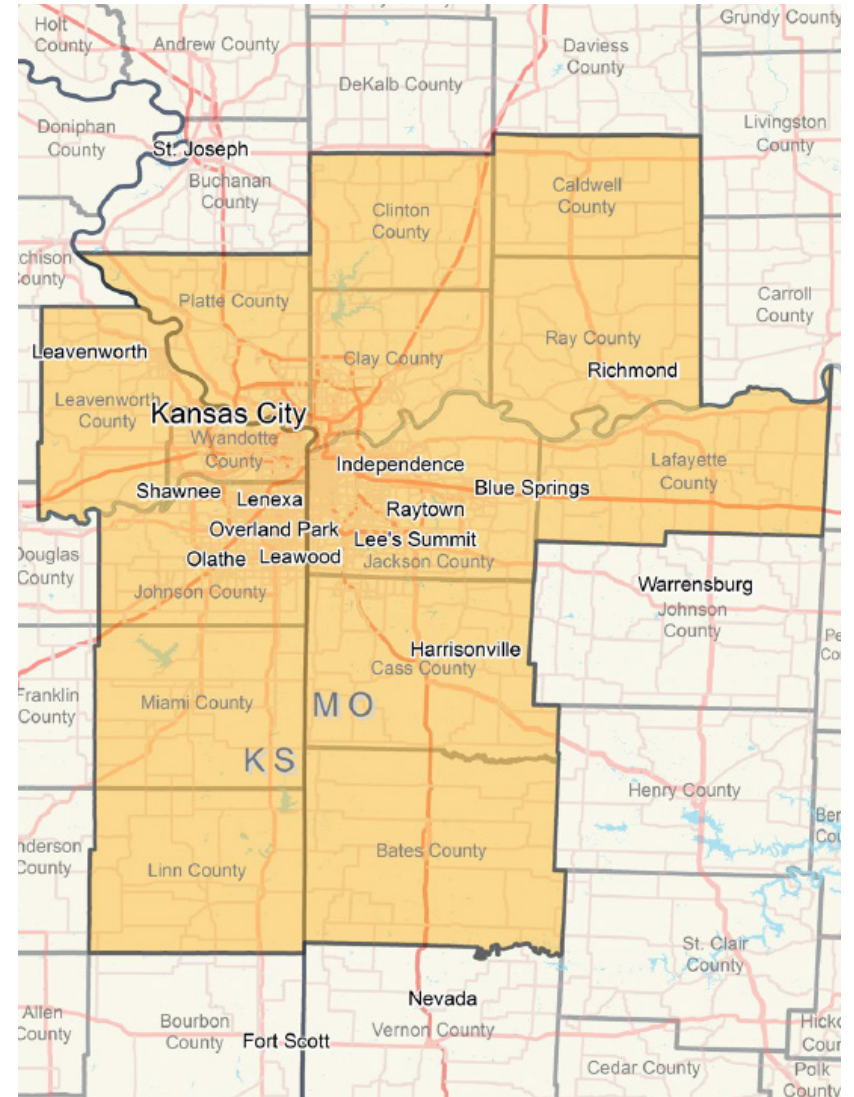
METROPLEX GROWTH

ECONOMY

Its central location, extensive transportation network and intermodal facilities make the metro an important logistics and distribution hub. An increase in import volumes at U.S. ports will drive intermodal activity in the region this year. Lower costs of living and doing business, as well as an educated workforce, attract corporations and job seekers to the metro. Kansas City is home to two Fortune 500 companies: Seaboard and Cerner. Expanding industries in the metro include finance and insurance, engineering, life sciences, manufacturing and information technology.



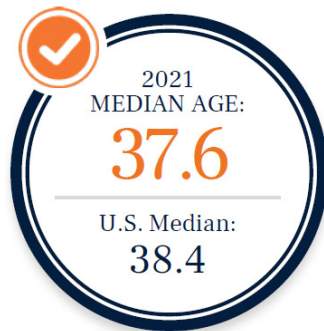
The metro is expected to add nearly 70,700 people over the next five years, resulting in the formation of approximately 33,300 households. A median home price below the U.S. median has produced a homeownership rate of 65 percent, slightly exceeding the national rate. Roughly 36 percent of residents ages 25 and older have bachelor's degrees; of those residents, 13 percent have also earned a graduate or professional degree.



METROPLEX GROWTH

QUALITY OF LIFE

Kansas City has a variety of entertainment options. The metro has three major professional sports franchises: the Kansas City Chiefs of the NFL, MLB's Kansas City Royals and Sporting KC of MLS. 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



211,073

Total Population
Within 5 miles



50.8%



49.2%



\$68,335

Average Household Income
Within 5 miles



98,444

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	10,079	80,236	215,986
2022 Estimate			
Total Population	9,987	77,711	211,073
2010 Census			
Total Population	9,499	71,275	197,371
2000 Census			
Total Population	9,810	72,508	208,245
Daytime Population			
2022 Estimate	12,865	156,802	349,067
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	3,049	33,399	96,087
2022 Estimate			
Total Households	3,039	31,710	92,598
Average (Mean) Household Size	3.2	2.4	2.2
2010 Census			
Total Households	2,932	28,000	84,567
2000 Census			
Total Households	3,220	28,642	89,118

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.1%	1.9%	4.0%
\$150,000-\$199,999	1.2%	2.7%	3.4%
\$100,000-\$149,999	3.1%	8.6%	10.2%
\$75,000-\$99,999	8.1%	10.3%	10.9%
\$50,000-\$74,999	16.4%	17.6%	17.6%
\$35,000-\$49,999	15.4%	15.7%	14.6%
\$25,000-\$34,999	14.7%	12.2%	10.8%
\$15,000-\$24,999	15.7%	12.2%	11.7%
Under \$15,000	24.4%	18.8%	16.9%
Average Household Income	\$43,946	\$56,831	\$68,335
Median Household Income	\$32,118	\$41,974	\$46,032
Per Capita Income	\$13,641	\$23,518	\$30,284
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	9,987	77,711	211,073
Under 20	36.1%	28.4%	25.3%
20 to 34 Years	22.7%	27.8%	27.8%
35 to 39 Years	7.9%	8.2%	7.9%
40 to 49 Years	12.8%	12.1%	11.7%
50 to 64 Years	12.9%	14.3%	16.1%
Age 65+	7.6%	9.2%	11.2%
Median Age	29.2	31.8	33.3
Population 25+ by Education Level			
2022 Estimate Population Age 25+	5,680	50,199	142,519
Elementary (0-8)	26.2%	14.2%	7.8%
Some High School (9-11)	19.1%	11.6%	9.3%
High School Graduate (12)	30.4%	26.9%	26.0%
Some College (13-15)	12.3%	16.6%	18.8%
Associate Degree Only	5.0%	6.1%	6.0%
Bachelor's Degree Only	3.5%	15.8%	20.0%
Graduate Degree	3.4%	8.9%	12.2%
Travel Time to Work			
Average Travel Time to Work in Minutes	23.0	21.0	21.0

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TYLER SHARP

Vice President of Investments
Office & Industrial Division
Chicago Office
Office (312) 327-5446
Tyler.Sharp@MarcusMillichap.com
License: IL 475.177869

ADAM ABUSHAGAR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagar@MarcusMillichap.com
License: TX 661916

BROKER OF RECORD

COLBY HAUGNESS

Kansas Broker of Record
7400 College Boulevard, Suite 105
Overland Park, KS 66210
Tel: 816-410-1010
Colby.Haugness@MarcusMillichap.com
License: KS 00241410

DEBT CONTACT

FRANK MONTALTO

Vice President - Debt & Equity Structured Finance
333 West Wacker Drive, Suite 200
Chicago, IL 60606
Tel: 312-327-5421
Frank.Montalto@MarcusMillichap.com

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