

5401 – 5527 KENDALL STREET | BOISE, IDAHO 83713

OFFERING MEMORANDUM

The Kendall Center

92.5%
LEASED

NNN Leased
6.625% CAP
\$12,600,000



tokcommercial.com

OFFERED BY:
Chris Pearson, SIOR

208.947.0859 chris@tokcommercial.com

THORNTON OLIVER KELLER
COMMERCIAL REAL ESTATE
Experience Results.

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The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.

Offering Overview

Summary	Offering Price:	\$12,600,000.00 \$82.34 per square foot
	Capitalization Rate:	6.625%
	Net Operating Income:	\$834,744.00
	Current Occupancy:	92.5%

Narrative

The Kendall Center consists of seven light industrial buildings totaling ±153,015 square feet. Unit sizes range from 600 square feet to 21,600 square feet and offer a diverse range of improved space and warehouse space. Construction type is a combination of CMU block and concrete tilt up. Building 4 has both grade level and dock high loading and all other buildings offer grade level loading.

The project was built in two phases with the first phase (Building 5-7) in 1979 and the second phase (Building 1-4) in 1986.

The current owner has made significant capital improvements in the past year which have included painting of the building exteriors, parking lot repair and slurry seal, new roofs on buildings and new project signage.

Property Overview

Summary	Property Name:	The Kendall Center
	Property Address:	5401-5527 Kendall Street Boise, Idaho 83713
	Property Description:	Multi-tenant Industrial Buildings
	Building Size:	153,015 SF Total
	Construction Date:	Phase 1 - 1979 Phase 2 - 1986
	Construction Type:	CMU and Concrete Tilt Up

- Highlights**
- 92.5% occupied with over 30 diverse tenants
 - Dock-high doors and grade level doors for easy loading/delivery
 - Excellent location close to Connector and Downtown
 - Ample parking for tenant employees and clientèle



Property Highlights

Phase	Building	NRA	Office Percentage	Clear Height	Depth	Loading
I	1	24,800	60*	14 Feet	110'	Grade
I	2	16,800	24	14 Feet	80'	Grade
I	3	21,000	20	16 Feet	100'	Grade
I	4	49,600	12	18-20 Feet	160'	Grade/Dock
II	5	9,445	69	13 Feet	30'-70'	Grade
II	6	12,670	72	13 Feet	64'/54'	Grade
II	7	18,700	37	13 Feet	104'/124'	Grade

* 6,400 sf of second floor office

Property Discription:

Kendall Center is a 153,015 square foot institutional quality, Service-Distribution Center. The flexible design of this seven building complex appeals to the broadest possible tenant mix: 600 SF to 49,600 SF, with recessed entries and ample loading, dock or drive-in. It was built in 1979 (Phase I) and 1986 (Phase II).

Location:

Closest Industrial Park to Downtown (5 mins) | 10 mins to Boise Airport | Visible from the City Center Freeway (I-84).

Construction:

Floor – Reinforced concrete slab on grade
Walls – Detailed and painted concrete tilt in Buildings 1-4; concrete block in Buildings 5-7
Roof – Building 5 and Building 7 are ballasted EPDM; Buildings 1, 2, 3, 4 and 7 are thermoplastic polyolefin (TPO).
Sprinklers – Wet system in Buildings 3 and 4 only
Power – All 208 V: Buildings 1-4 3-Phase; Buildings 5-7 Single Phase
HVAC – Warehouse: Gas space heaters in all buildings except for Building 3 and Building 4 which have radiant gas.
 Office: Electric/gas pack, roof-top mount, HVAC in all spaces.

Traffic:

I-84 Interconnect: 31,128 cars, 24 Hours both ways

Zoning:

City of Boise, M1-D

Land Area:

9.3 Acres

Landscaping:

Well-maintained plantings and trees

Parking:

344 asphalt paved/stripped stalls

Utilities:

Water: Suez Water Idaho
 Electric: Idaho Power
 Sewer: Boise City Utility District
 Gas: Intermountain Gas Co.
 Garbage: Republic Services

Property Photography



Financial Summary

Investment Summary

Offering Price:	\$12,600,000.00
Capitalization Rate:	6.625%
Actual 1st Year Operating Income:	\$834,744.00
Less 8.5% Vacancy Reserve (Actual)	(\$0)
1st Year Net Operating Income	834,744.00

New Proposed Debt

Total Acquisition Price	\$12,600,000.00
Less Equity Required	\$3,150,000.00
New Proposed Debt (75% LTV)	\$9,450,000.00
Interest Rate	4.85%
Loan Term Amortized	25 Years
Maturity Date	10 Years
Annual 1st Year Principal & Interest	\$653,052.00

Cash Flow and Return Projection

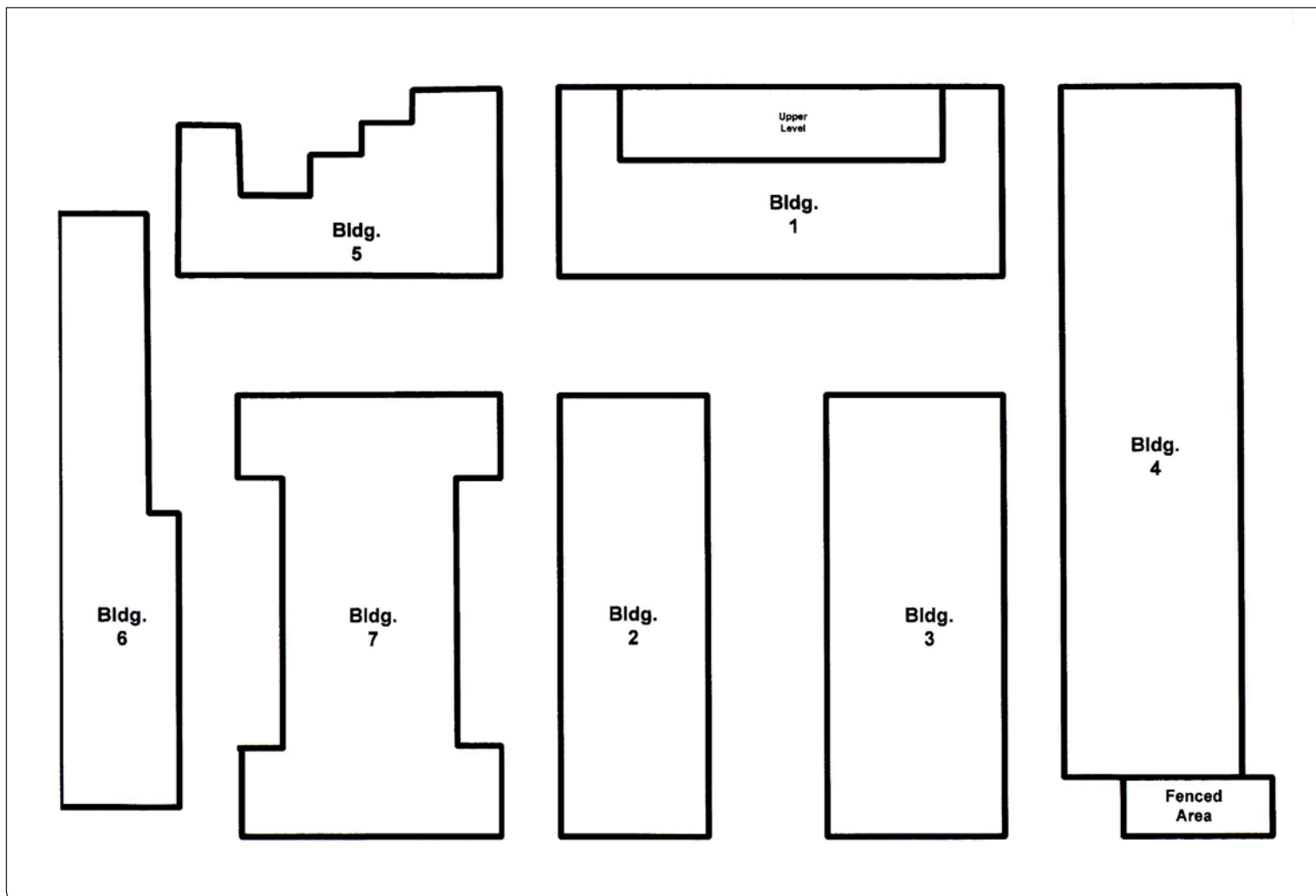
Actual 1st Year Operating Income:	\$834,744.00
Less Debt Service (4.85% APR - 25 Years)	(\$653,052.00)
Net Cash Flow	\$181,692.00
Cash on Cash Return (Year 1)	5.8%
Principal Reduction (Year 1)	\$199,108.00
Total Return (Year 1)	\$380,800.00
Overall Return (Year 1)	12.1%

Leasing Status

Current Occupancy:	92.5%
Current Tenants:	See Rent Roll
Lease Type:	NNN / Modified Gross
Lease Escalations:	Varies by Tenant
Renewal Options:	Yes

FINANCIAL INFORMATION IS AVAILABLE UPON EXECUTION OF A CONFIDENTIALITY AGREEMENT

Property Site Plan

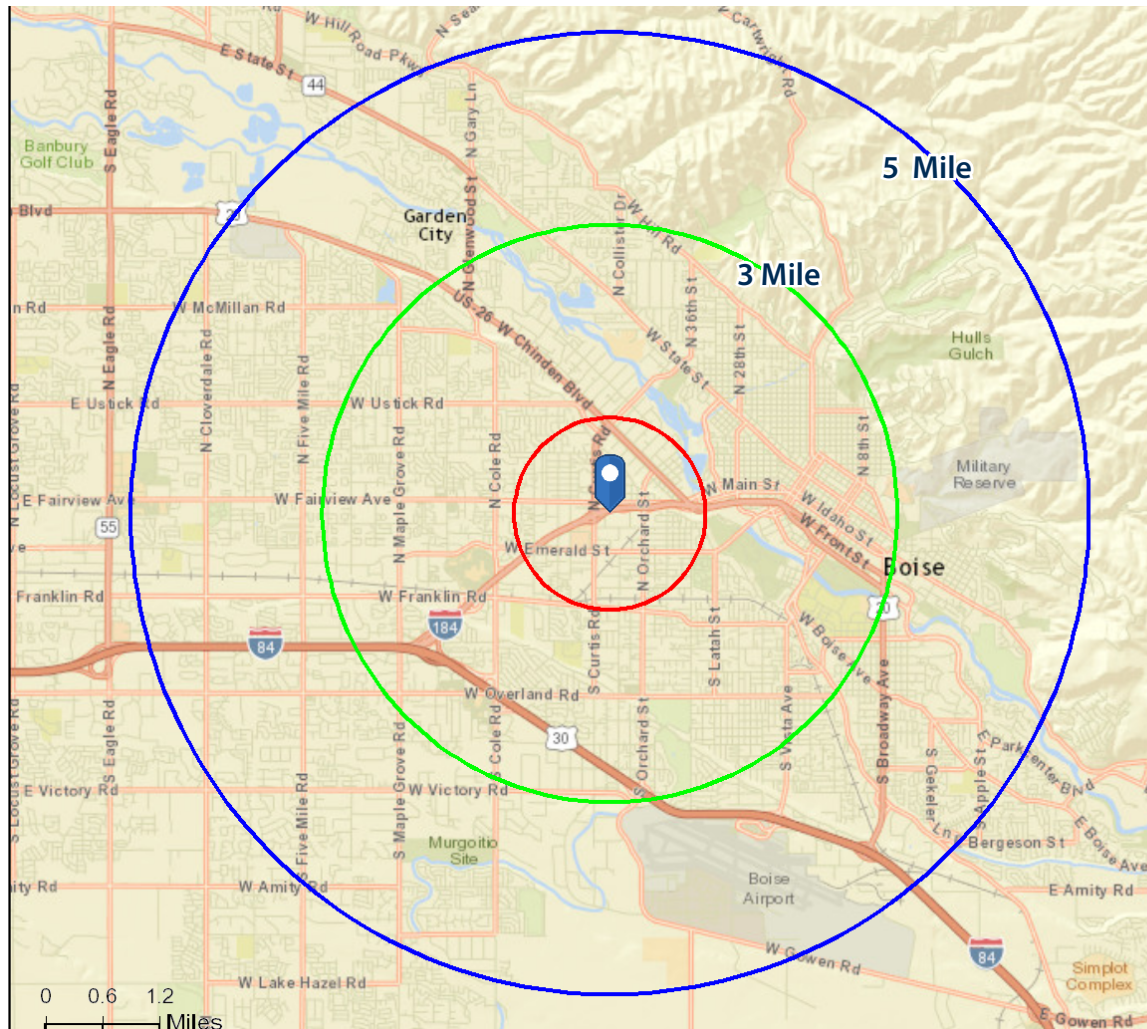


Aerial Locator Map



Property Demographics

Site Demographics Radii



Demographic Snapshot

2017	1 Mi.	3 Mi.	5 Mi.
Population:	12,095	110,769	221,227
Avg HH Income:	\$45,683	\$57,890	\$68,534
Employees:	18,048	119,432	163,813
Median Age:	33.5	35.1	36.9

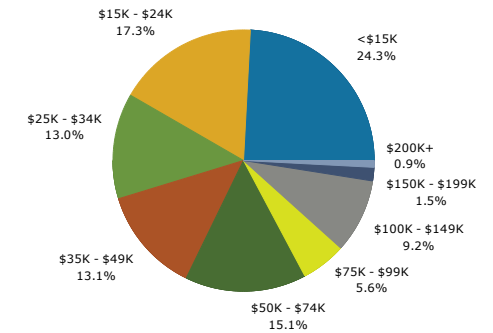
Income Profile & Demographics

1 MILE RADIUS

1

Summary	Census 2010	2017	2022
Population	11,050	12,095	12,923
Households	4,977	5,469	5,876
Families	2,398	2,548	2,686
Average Household Size	2.05	2.05	2.05
Owner Occupied Housing Units	1,854	1,840	1,961
Renter Occupied Housing Units	3,123	3,628	3,915
Median Age	32.2	33.5	34.3
Trends: 2017 - 2022 Annual Rate	Area	State	National
Population	1.33%	1.25%	0.83%
Households	1.45%	1.19%	0.79%
Families	1.06%	1.11%	0.71%
Owner HHs	1.28%	1.23%	0.72%
Median Household Income	0.10%	1.07%	2.12%

2017 Household Income

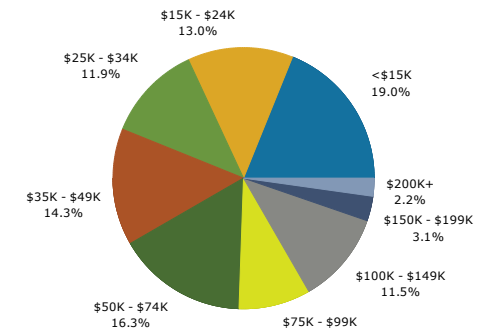


3 MILE RADIUS

3

Summary	Census 2010	2017	2022
Population	102,067	110,769	117,273
Households	44,751	48,531	51,511
Families	23,215	24,278	25,292
Average Household Size	2.21	2.21	2.21
Owner Occupied Housing Units	22,858	22,823	24,004
Renter Occupied Housing Units	21,893	25,707	27,507
Median Age	34.0	35.1	35.7
Trends: 2017 - 2022 Annual Rate	Area	State	National
Population	1.15%	1.25%	0.83%
Households	1.20%	1.19%	0.79%
Families	0.82%	1.11%	0.71%
Owner HHs	1.01%	1.23%	0.72%
Median Household Income	0.76%	1.07%	2.12%

2017 Household Income

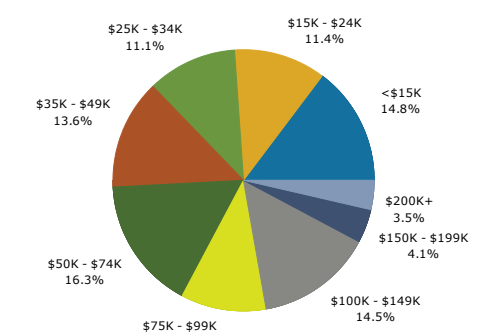


5 MILE RADIUS

5

Summary	Census 2010	2017	2022
Population	202,340	221,227	236,265
Households	85,232	92,869	99,203
Families	49,521	52,516	55,377
Average Household Size	2.33	2.33	2.34
Owner Occupied Housing Units	51,004	52,431	55,912
Renter Occupied Housing Units	34,228	40,439	43,291
Median Age	35.6	36.9	37.7
Trends: 2017 - 2022 Annual Rate	Area	State	National
Population	1.32%	1.25%	0.83%
Households	1.33%	1.19%	0.79%
Families	1.07%	1.11%	0.71%
Owner HHs	1.29%	1.23%	0.72%
Median Household Income	1.05%	1.07%	2.12%

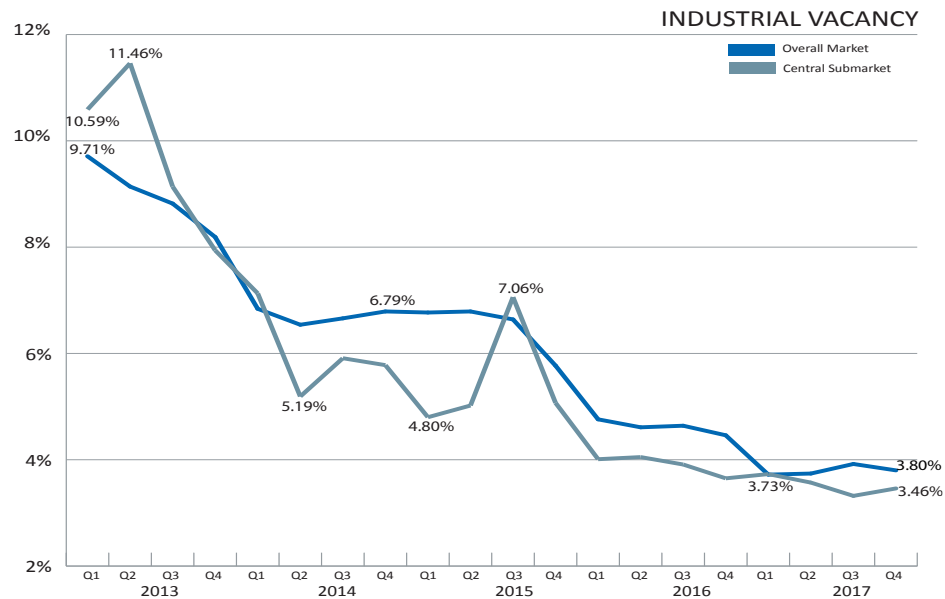
2017 Household Income



Submarket Snapshot

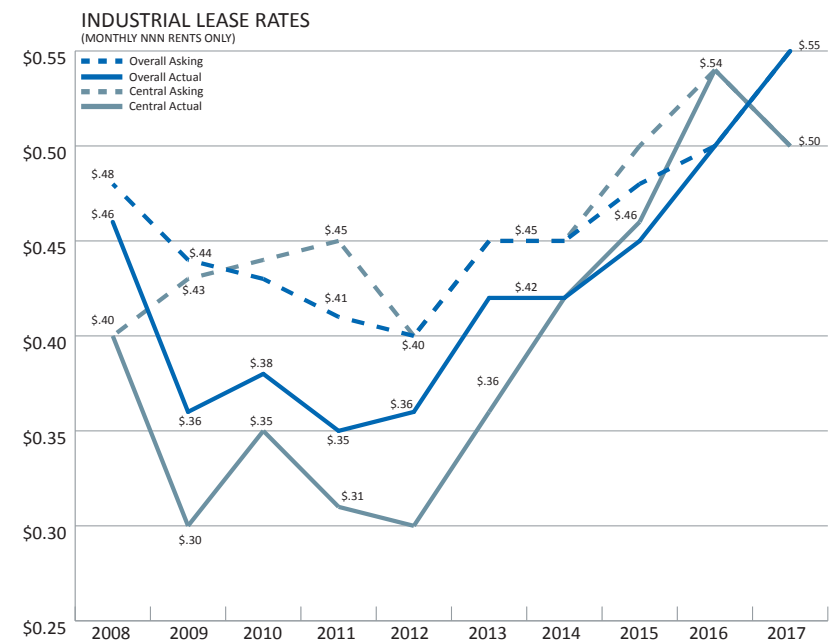
Vacancy Rate

The graph below shows industrial vacancy in the overall market and the Central submarket.



Lease Rates

The graph below shows industrial lease rates for the overall market and the Central submarket.



Boise Area Information

BOISE, IDAHO - Boise is not only the capital of Idaho, but the center of commerce, politics, population, cultural events, and the blue field that personifies the Boise State Broncos. As a high desert community resting at the foot of the mountains, it is surrounded by thriving bedroom communities rich in their own histories and economies, bringing the metro area population to approximately 696,000. Experts estimate the MSA population will exceed 748,000 by 2022.

Although Boise is famous for the potato market, it has an equally vibrant economic environment for high-tech, healthcare, education, transportation, service, tourism, and retail industries. Many nationally and globally recognized corporations have a home in Boise including Micron Technology, Hewlett Packard, DirecTV, Albertsons, J.R. Simplot Company, MotivePower, Materne, Heartland RVs, and many others.

Forbes consistently ranks Boise as one of the top places in the country to do business, high quality of life, raising a family, entertainment, and recreation. Boise has seen increased development with The Village at Meridian, the Eighth & Main Building, and the under construction City Center Plaza and JUMP Project. And don't forget our three time Fiesta Bowl winning team, the Boise State Broncos!

AREA PROFILE

KEY CITIES WITHIN THE BOISE AREA MSA

Boise	228,930
Meridian	98,300
Eagle	26,930
Nampa	96,820
Caldwell	54,120
Total MSA Population (2017)	695,765

Source: Compass 2017 Population Estimates and 2017 Boise Valley Spotlight.

EMPLOYMENT AND INCOME

Total Employment (Boise-Nampa MSA 4/17)	314,440
State Unemployment Rate as of April 2017	3.4%
Per Capita Income	\$26,306
Median Household Income	\$53,059
Average Household Income	\$79,273

Source: Dept. of Labor and STDBonline.

TOP EMPLOYERS

St. Luke's
Micron Technology, Inc.
West Ada School District
Boise School District
Boise State University
Saint Alphonsus Health System
Walmart
City of Boise
HP Inc.
J.R. Simplot Company

Source 2017 Boise Valley Spotlight

HOUSING

Single-Family Homes sold in Ada Co. (2016)	10,777
Median Home Price	\$225,673
Single-Family Homes sold in Canyon Co. (2016)	4,056
Median Home Price	\$156,330

Source: Intermountain MLS and STDBonline.

NATIONAL ACCOLADES

- **#1 Lowest Cost Metro in Pacific U.S.** - KPMG Competitive Alternatives, 2016
- **#2 Best Capitol to Live In** - WalletHub, 2017
- **#1 City for New Home Sales (Meridian)** - Curbed, 2017
- **#6 Best Downtown** - Livability, 2016
- **Top 10 Hottest Travel Destinations of 2017** - Vogue Magazine, 2017
- **#6 Top States for Job Growth** - Forbes, 2016
- **#3 Popular U.S. Growth Cities** - U-Haul, 2017
- **Best Run City in America (Nampa #1, Boise #3)** - WalletHub, 2017

Confidentiality Agreement



TO GAIN ACCESS TO A FULL OFFERING MEMORANDUM,
WE ASK THAT YOU FIRST SIGN A DIGITAL CONFIDENTIALITY AGREEMENT FOR:

The Kendall Center

THANK YOU!
