



OFFERING MEMORANDUM

# Port Of Grays Harbor Industrial Building

2600 Bay Ave, Hoquiam, WA 98550 Industrial Storage Opportunity



Marcus & Millichap  
THE HEFNER TEAM

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THE HEFNER TEAM

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## EXCLUSIVELY LISTED BY

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SECTION 1

# Executive Summary

INVESTMENT OVERVIEW

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OFFERING SUMMARY

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AERIAL MAP

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# 2600 BAY AVENUE

## Hoquiam, WA 98550

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### INVESTMENT OVERVIEW

The Hefner Team of Marcus & Millichap is pleased to present exclusively for sale or lease, 2600 Bay Avenue in Hoquiam, Washington. The 2.05-acre property, zoned for general commercial use, has a dedicated rail spur, and is located on Bay Avenue in a highly trafficked, high visibility area. The property is surrounded by a variety of commercial and residential users, and just minutes from both downtown Hoquiam and downtown Aberdeen. The area has a very limited supply of industrial buildings of this size, and the 51,328 square foot building has heavy power, high ceilings, multiple loading docks, and a roll up grade level door.

The Industrial building opportunity at 2600 Bay Avenue provides the future owner of this asset excellent proximity to Port of Grays Harbor amenities. The Port of Grays Harbor ([https://www.agp.com/press\\_release/agp-announces-expansion-of-port-facility/](https://www.agp.com/press_release/agp-announces-expansion-of-port-facility/)) operates seven lines of business including 4 deep-water marine terminals with dual class 1 rail service. The Port of Grays Harbor is Washington state's number one (#1) commercial seafood landing port and directly supports more than 2,700 jobs within the local community. The Port prides itself on providing road, rail, air, and deepwater marine services to connect businesses with local operations to their customers. The 2600 Bay Avenue building gives the future owner of this asset the opportunity to operate amongst more than 100 businesses that operate within the port and its facilities.

In 2024, greater than \$8B in total economic activity in the United States will be related to the cargo activity moving via the Port of Grays Harbor (<https://www.portofgraysharbor.com/>). This activity is largely based around the import and export of vehicles, grains, forest products, seafood, etc.

Currently set up for manufacturing and industrial storage, the 2600 Bay Avenue building is a potential candidate for conversion to self-storage or other industrial use. Buyer to perform all due diligence.

### INVESTMENT HIGHLIGHTS

- 51,328 Square Feet, Rail Served, Warehouse in Hoquiam Washington
- 2.05-Acre Lot on Bay Avenue Near Hwy 101
- 24-ft Clear Height in Warehouse (30' in the Buildings' Center)
- 4 Dock Doors (Including 2 Rail Spur) and 1 Grade Level Door
- Metal Construction with Metal Roof and TPO Overlay
- Recently Installed Backflow System

## OFFERING SUMMARY



Listing Price  
**\$1,850,000**



Pro Forma Cap Rate  
**10.54%**



Price/SF  
**\$36.04**

### FINANCIAL

Listing Price	\$1,850,000
Down Payment	35% / \$647,500
NOI	\$195,046
Pro Forma Cap Rate	10.54%
Price/SF	\$36.04

### PROPERTY

Square Feet	51,328 SF
Lot Size	2.05 Acres
Year Built/Rennovated	1978/2021





# Grays Harbor Industrial Building // AERIAL MAP



SECTION 2

# Property Information

PROPERTY DETAILS

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AMENITIES MAP

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AERIAL MAP

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\$150M INFRASTRUCTURE INVESTMENT (2025)

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\$150M INFRASTRUCTURE INVESTMENT (2025)

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## Grays Harbor Industrial Building // PROPERTY DETAILS

### SITE DESCRIPTION

Assessors Parcel Number	055205800700
Zoning	Commercial General
Year Built/Renovated	1978/2021
Topography	Flat
Intersection/Cross Street	Ontario Street

### CONSTRUCTION

Exterior	Metal
Clear Height	24'
Dock Doors	2
Grade Level Doors	1
Grade Level Door Height	16'
Rail Access	Yes

### UTILITIES

Electric	Grays Harbor PUD
Sewer	Hoquiam City
Water	Hoquiam City

# AMENITIES MAP // Grays Harbor Industrial Building



Google

Map data ©2024 Imagery ©2024 Airbus, Landsat / Copernicus, Maxar Technologies, USDA/FPAC/GEO

# Grays Harbor Industrial Building // AERIAL MAP



# TERMINAL 2 (T-2)



2600 Bay Avenue

# Grays Harbor Industrial Building // \$150M INFRASTRUCTURE INVESTMENT (2025)



## \$150M INFRASTRUCTURE INVESTMENT (2025) // Grays Harbor Industrial Building

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The Port of Grays Harbor's largest marine terminal customer, Omaha Nebraska Based, AGP has invested more than \$100 million at its Terminal 2 Storage & Export Facility since 2001. Their existing facility is the largest soy meal exporter on the West Coast. AGP will be investing over \$123 million at the Port by constructing an additional export ship loading facility at Terminal 4 ([https://www.agp.com/press\\_release/agp-announces-expansion-of-port-facility/](https://www.agp.com/press_release/agp-announces-expansion-of-port-facility/)). To accommodate this expansion, the Port of Grays Harbor will need to make significant infrastructure improvements.

The Terminal 4 Expansion & Redevelopment Project will combine private and public investment:

### **AGP Investment (private)**

- Build a new bulk agricultural commodity transload facility on land leased at the Port of Grays Harbor's Terminal 4B, which will transfer soy meal and other agricultural products from railcars to ships at berth

### **Port Investment (public)**

- Construct new rail within the Port's marine terminal complex to support offloading, storage and assembly of unit trains to accommodate rail traffic to the new Terminal 4B facility

- Redevelop the 50-acre former WSDOT pontoon casting basin site into marine terminal cargo laydown area to support the continued operation of Terminal 4A

- Construct secured site access and roadway improvements

- Upgrade the Terminal 4 marine fendering and stormwater systems





SECTION 3

# Financial Analysis

OWNER/USER

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PROSPECTIVE TENANT

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## Grays Harbor Industrial Building // OWNER/USER

As of August,2024

Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Changes on	Rent Increase	Lease Type
			Comm.	Exp.						
Owner-User	51,328	100.0%	8/1/24	7/31/34	\$4.00*	\$17,109	\$205,312	Aug-2025	\$17,452	NNN
<b>Total</b>	<b>51,328</b>				<b>\$4.00</b>	<b>\$17,109</b>	<b>\$205,312</b>			
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied Rentable SF: 100.00%		Unoccupied Rentable SF: 0.00%			
			Total Current Rents: \$0		Occupied Current Rents: \$0		Unoccupied Current Rents: Per SF			

\*Assumes Two Percent (2%) annual base rent increases.

INCOME	Current	Per SF
Scheduled Base Rental Income	\$205,312	\$4.00
Expense Reimbursement Income		
CAM	\$92,390	\$1.80
Total Reimbursement Income	\$92,390	100.00%
Potential Gross Revenue	\$297,702	\$5.80
General Reserve	-\$8,931	3.0%
Effective Gross Revenue	\$288,771	(\$0.20)

OPERATING EXPENSES	Current	Per SF
Operating Expenses - \$1.80/SF/Year	\$92,390	\$1.80
Total Expenses	\$92,390	\$1.80
Expenses as % of EGR	32.0%	
Net Operating Income	\$196,381	\$3.83

## OWNER/USER // Grays Harbor Industrial Building

### SUMMARY

Price	\$2,300,000
Down Payment	\$805,000
Down Payment %	35%
Number of Suites	1
Price Per SqFt	\$44.81
Rentable Built Area (RBA)	51,328 SF
Lot Size	2.05 Acres
Occupancy	100.00%

### RETURNS

	Current
CAP Rate	8.54%
Cash-on-Cash	7.93%
Debt Coverage Ratio	1.48

	1st Loan
Financing	
Loan Amount	\$1,495,000
Loan Type	New
Loan to Value	65%
Interest Rate	7.50%
Loan Term	7 Years
Year Due	2031
Amortization	25 Years
Annual Loan Constant	8.87%
Months of Interest Only	0

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

### OPERATING DATA

#### INCOME

		Current
Scheduled Base Rental Income		\$205,312
Total Reimbursement Income	45.0%	\$92,390
Potential Gross Revenue		\$297,702
General Reserve	3.0%	(\$8,931)
Effective Gross Revenue		\$288,771
Less: Operating Expenses	32.0%	(\$92,390)
Net Operating Income		\$196,381
Cash Flow		\$196,381
Debt Service		(\$132,575)
Net Cash Flow After Debt Service	7.93%	\$63,805
Principal Reduction		\$21,168
Total Return	10.56%	\$84,973

## Grays Harbor Industrial Building // PROSPECTIVE TENANT

As of August, 2024

Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Changes on	Rent Increase	Lease Type
			Comm.	Exp.						
Prospective Tenant	51,328	100.0%	8/1/24	7/31/27	\$4.00*	\$17,109	\$205,312	Aug-2025	\$17,623	NNN
<b>Total</b>	<b>51,328</b>				<b>\$4.00</b>	<b>\$17,109</b>	<b>\$205,312</b>			
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied Rentable SF: 100.00%		Unoccupied Rentable SF: 0.00%			

\* Tenant's lease contains 3% annual increases.

Rent Commencement: 3-6 months from close of escrow.

Estimated Landlord TI: \$1.00/SF (\$51,328).

Estimated Leasing Commission: Five Percent (5%).

Estimated Lease Term: 3 Years.

INCOME	Current		Per SF
Scheduled Base Rental Income	\$205,312		\$4.00
Expense Reimbursement Income	\$0		\$0.00
Total Reimbursement Income	\$0.00	0.00%	\$0.00
Potential Gross Revenue	\$205,312		\$4.00
General Vacancy	-\$10,266	5.0%	-\$0.20
Effective Gross Revenue	\$195,046		\$3.80

OPERATING EXPENSES	Current		Per SF
Total Expenses	\$0		\$0.00
Expenses as % of EGR	0.00%		
Net Operating Income	\$195,046		\$3.80

## PROSPECTIVE TENANT // Grays Harbor Industrial Building

### SUMMARY

Price	\$1,850,000
Down Payment	\$647,500
Down Payment %	35%
Number of Suites	1
Price Per SqFt	\$36.04
Rentable Built Area (RBA)	51,328 SF
Lot Size	2.05 Acres
Occupancy	100.00%

### RETURNS

	Current
CAP Rate	10.54%
Cash-on-Cash	15.25%
Debt Coverage Ratio	2.03

### Financing

	1st Loan
Loan Amount	\$1,202,500
Loan Type	New
Loan to Value	65%
Interest Rate	6.38%
Loan Term	5 Years
Year Due	2029
Amortization	25 Years
Annual Loan Constant	8.01%
Months of Interest Only	0

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

### OPERATING DATA

#### INCOME

		Current
Scheduled Base Rental Income		\$205,312
Total Reimbursement Income	0.0%	\$0
Other Income		\$0
Potential Gross Revenue		\$205,312
General Vacancy	5.0%	(\$10,266)
Effective Gross Revenue		\$195,046
Less: Operating Expenses	0.0%	\$0
Net Operating Income		\$195,046
Cash Flow		\$195,046
Debt Service		(\$96,308)
Net Cash Flow After Debt Service	15.25%	\$98,738
Principal Reduction		\$20,233
Total Return	18.37%	\$118,971

SECTION 4

# Sale Comparables

SALE COMPS MAP

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PRICE PER SF CHART

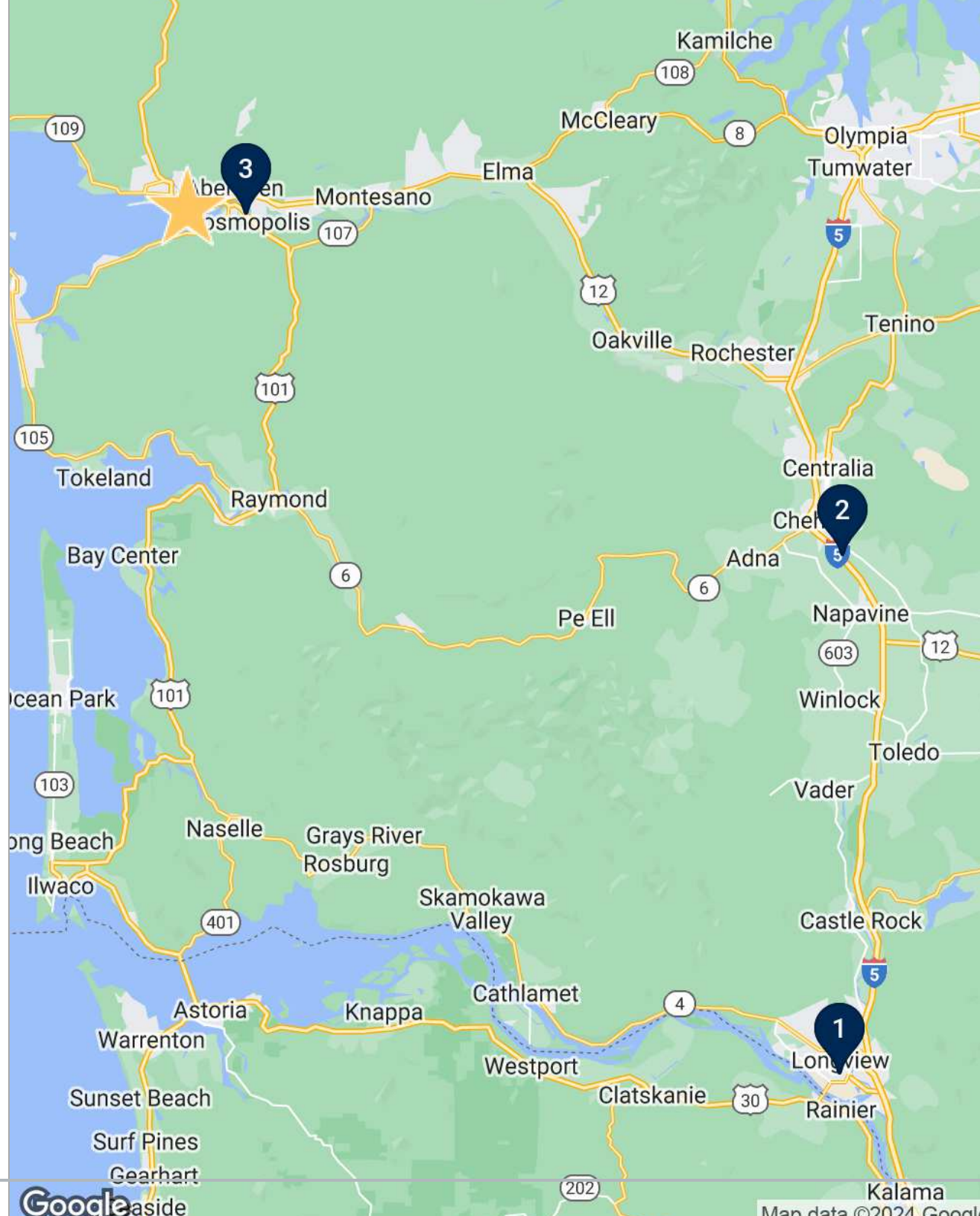
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SALE COMPS

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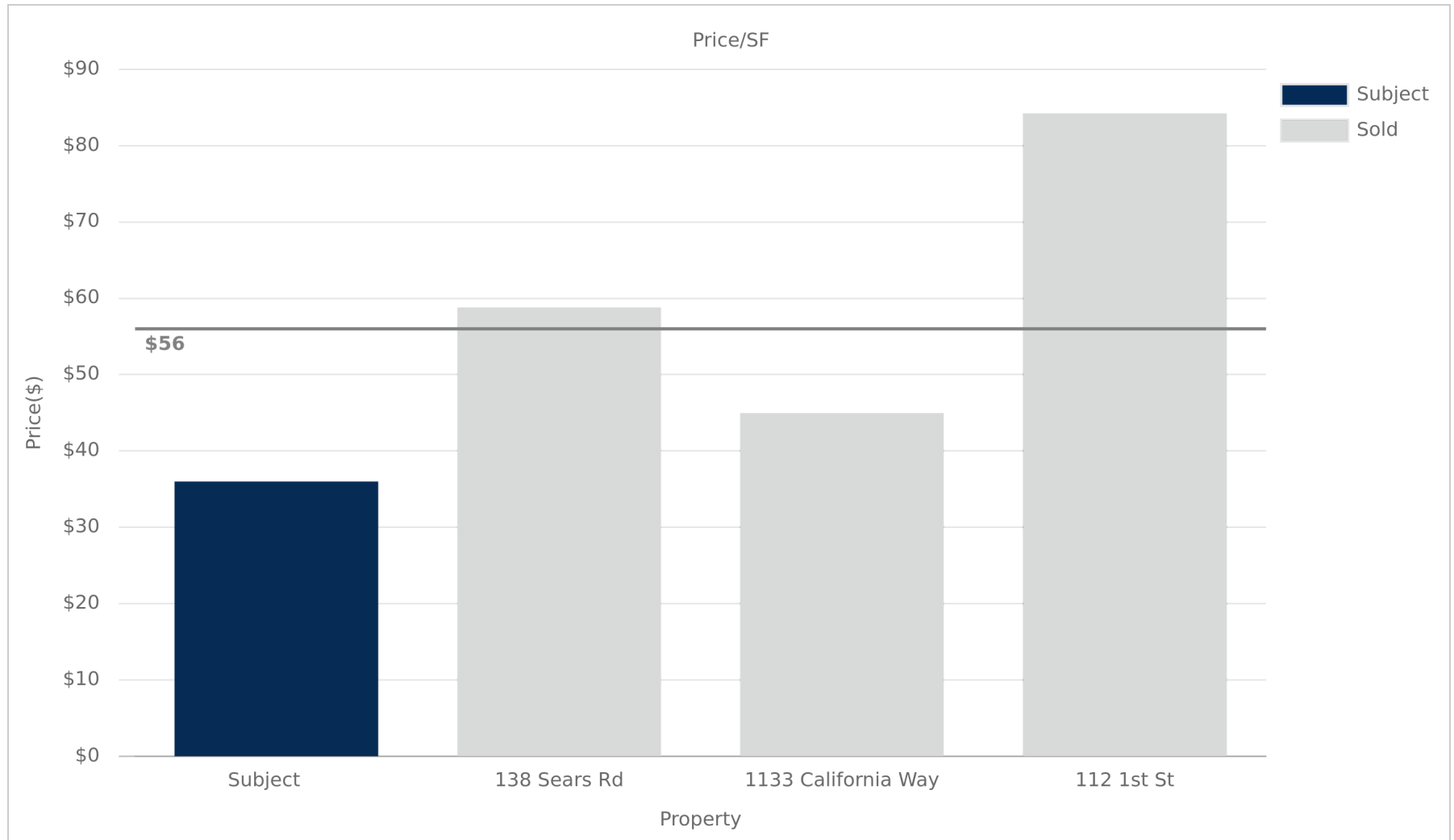
# SALE COMPS MAP

-  Grays Harbor Industrial Building
-  1133 California Way
-  138 Sears Rd
-  112 1st St





## Grays Harbor Industrial Building // PRICE PER SF CHART



## SALE COMPS // Grays Harbor Industrial Building



**★ Grays Harbor Industrial Building**  
2600 Bay Ave, Hoquiam, WA 98550

Listing Price:	\$1,850,000	Year Built/Renovated:	1978/2021
Square Feet:	51,328	Price/SF:	\$36.04
Lot Size:	2.05 Acres		



**1 1133 California Way**  
Longview, WA 98632

Sale Price:	\$2,100,000	Year Built/Renovated:	1966/-
COE:	07/29/2022	Square Feet:	46,710 SF
Price/SF:	\$44.96	Lot Size:	0.75 Acres

2023 Public Record of Value is \$449,610 or \$13.95 PSF. 7 Parking Spaces Available. Property was on the market for about 1.5 years.

## Grays Harbor Industrial Building // SALE COMPS



**2 138 Sears Rd**  
Chehalis, WA 98532

Sale Price:	\$2,000,000	Year Built/Renovated:	1980/-
COE:	01/29/2021	Square Feet:	34,020 SF
Price/SF:	\$58.79	Lot Size:	1.82 Acres

Rent comparable for this property available for \$5.64 NNN April 2023. This property was purchased by an investor and is not owner occupied.



**3 112 1st St**  
Cosmopolis, WA 98537

Sale Price:	\$3,200,000	Year Built/Renovated:	1990/-
COE:	09/13/2022	Square Feet:	38,000 SF
Price/SF:	\$84.21	Lot Size:	4.99 Acres

Pape Machinery purchased the property as owner user opportunity.

Note: Due to large amount of land availability on this site, the building value of \$84.21PSF is overstated.

SECTION 5

# Market Overview

DEMOGRAPHICS

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BROKER OF RECORD

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## Grays Harbor Industrial Building // DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Population	4,277	24,786	32,593
<b>2023 Estimate</b>			
Total Population	4,162	23,351	30,965
<b>2020 Census</b>			
Total Population	4,093	22,667	30,242
<b>2010 Census</b>			
Total Population	4,102	22,426	30,068
<b>Daytime Population</b>			
2023 Estimate	3,838	22,182	29,780
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Households	1,758	9,762	12,142
<b>2023 Estimate</b>			
Total Households	1,697	9,150	11,453
Average (Mean) Household Size	2.5	2.5	2.5
<b>2020 Census</b>			
Total Households	1,661	8,773	11,023
<b>2010 Census</b>			
Total Households	1,654	8,742	11,025

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2023 Estimate</b>			
\$200,000 or More	2.8%	4.3%	4.1%
\$150,000-\$199,999	8.5%	5.4%	5.2%
\$100,000-\$149,999	11.1%	12.1%	13.2%
\$75,000-\$99,999	14.8%	14.2%	14.6%
\$50,000-\$74,999	18.4%	18.8%	19.1%
\$35,000-\$49,999	10.9%	11.9%	12.2%
\$25,000-\$34,999	9.4%	9.3%	9.4%
\$15,000-\$24,999	11.9%	10.9%	10.4%
Under \$15,000	12.2%	13.1%	11.8%
Average Household Income	\$75,465	\$77,408	\$77,222
Median Household Income	\$56,876	\$56,588	\$58,328
Per Capita Income	\$31,252	\$30,704	\$28,902
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2023 Estimate Total Population	4,162	23,351	30,965
Under 20	25.1%	25.8%	24.3%
20 to 34 Years	19.0%	19.6%	19.8%
35 to 39 Years	6.3%	6.7%	6.9%
40 to 49 Years	11.8%	11.8%	12.2%
50 to 64 Years	19.0%	18.6%	18.7%
Age 65+	18.7%	17.6%	18.1%
Median Age	39.6	38.4	39.3
<b>Population 25+ by Education Level</b>			
2023 Estimate Population Age 25+	2,857	15,951	21,612
Elementary (0-8)	4.4%	6.5%	5.7%
Some High School (9-11)	9.4%	7.7%	7.4%
High School Graduate (12)	35.3%	32.2%	34.3%
Some College (13-15)	25.1%	24.4%	25.1%
Associate Degree Only	13.2%	13.2%	12.6%
Bachelor's Degree Only	7.1%	9.7%	9.2%
Graduate Degree	5.5%	6.3%	5.7%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	22.0	25.0	25.0

## DEMOGRAPHICS // Grays Harbor Industrial Building



### POPULATION

In 2023, the population in your selected geography is 30,965. The population has changed by 2.98 since 2010. It is estimated that the population in your area will be 32,593 five years from now, which represents a change of 5.3 percent from the current year. The current population is 51.9 percent male and 48.1 percent female. The median age of the population in your area is 39.3, compared with the U.S. average, which is 38.7. The population density in your area is 393 people per square mile.



### HOUSEHOLDS

There are currently 11,453 households in your selected geography. The number of households has changed by 3.88 since 2010. It is estimated that the number of households in your area will be 12,142 five years from now, which represents a change of 6.0 percent from the current year. The average household size in your area is 2.5 people.



### INCOME

In 2023, the median household income for your selected geography is \$58,328, compared with the U.S. average, which is currently \$68,480. The median household income for your area has changed by 68.62 since 2010. It is estimated that the median household income in your area will be \$67,645 five years from now, which represents a change of 16.0 percent from the current year.

The current year per capita income in your area is \$28,902, compared with the U.S. average, which is \$39,249. The current year's average household income in your area is \$77,222, compared with the U.S. average, which is \$100,106.



### EMPLOYMENT

In 2023, 12,681 people in your selected area were employed. The 2010 Census revealed that 44.4 percent of employees are in white-collar occupations in this geography, and 29.9 percent are in blue-collar occupations. In 2023, unemployment in this area was 7.0 percent. In 2010, the average time traveled to work was 23.00 minutes.



### HOUSING

The median housing value in your area was \$179,762 in 2023, compared with the U.S. median of \$268,796. In 2010, there were 6,411.00 owner-occupied housing units and 4,614.00 renter-occupied housing units in your area.



### EDUCATION

The selected area in 2023 had a lower level of educational attainment when compared with the U.S. averages. Only 5.7 percent of the selected area's residents had earned a graduate degree compared with the national average of 12.7 percent, and 9.2 percent completed a bachelor's degree, compared with the national average of 20.2 percent.

The number of area residents with an associate degree was higher than the nation's at 12.6 percent vs. 8.5 percent, respectively.

The area had more high-school graduates, 34.3 percent vs. 26.9 percent for the nation. The percentage of residents who completed some college is also higher than the average for the nation, at 25.1 percent in the selected area compared with the 20.1 percent in the U.S.

# TERMINAL 2 (T-2)



2600 Bay Avenue



## BROKER OF RECORD

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