#### **Rutillio Court Industrial**

### 7716, 7721, 7734 & 7753 Rutillio Court New Port Richey, FL 34653 Confidential Information Memorandum

Berkshire Hathaway HomeServices Florida Properties Group - Commercial Division July 2020

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This Confidential Information Memorandum (the "Memorandum") has been prepared by Berkshire Hathaway HomeServices Florida Properties Group - Commercial Division ("BHFPC") solely for informational purposes from materials supplied to BHFPC by The Alliance Group of Tampa Bay V LLC ("Owner"). This Memorandum relates to the possible sale of 7716, 7721, 7734 & 7753 Rutillio Court, New Port Richey, FL 34653 ("Investment"). This Memorandum is being furnished through BHFPC as the Owner's exclusive advisor, solely for use by prospective purchasers in considering an acquisition of the Investment.

This Memorandum has been prepared to assist interested parties in making their own evaluation of the Investment and does not purport to contain all of the information that a prospective purchaser may desire. In all cases, interested parties should conduct their own investigation and analysis of the Investment and the data set forth in this Memorandum.

BHFPC has not independently verified the accuracy and completeness of any of the information, contained in this Memorandum. Neither BHFPC, the Owners, nor their respective affiliates, directors, officers, employees, representatives or agents makes any representation or warranty as to the accuracy or completeness of this Memorandum, or any supplemental information furnished in connection herewith, and none of the foregoing shall have any liability for any representations (express or implied) contained in, or for any omissions from, this Memorandum, any supplemental information furnished in connection herewith or any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of Investment.

Neither BHFPC, the Owners or their respective affiliates, directors, officers, employees, representatives or agents, undertakes any obligation to provide additional information or to correct or update any of the information set forth in this Memorandum.

By accepting this Memorandum, the recipient acknowledges and agrees that all information contained herein and all other information provided by BHFPC, or the Owners related thereto is subject to the terms of the confidentiality agreement previously executed by the recipient regarding this Memorandum. Without limiting the generality of the foregoing, (i) the recipient will not reproduce this Memorandum, or such other information, in whole or in part, and will use this Memorandum and such other information solely for purposes of evaluating the recipient's interest in acquiring Investment and (ii) if the recipient does not wish to pursue this matter, the recipient will promptly return this Memorandum and such other information, if any, to BHFPC, together with any other materials relating to Investment which the recipient may have received from either BHFPC, the Owners, or their respective affiliates, directors, officers, employees, representatives or agents, as well as any notes or written materials prepared by the recipient.

The Owners reserve the right to negotiate with one or more prospective buyers at any time and to enter into a definitive agreement for the sale of the Investment or any components thereof without prior notice to the recipient of this Memorandum or other prospective purchasers.

The Owners also reserve the right to terminate, at any time, solicitation of indications of interest for the acquisition of the Investment or the further participation in the investigation and proposal process by any party. Finally, the Owners reserve the right to modify, at any time, any procedures relating to such process without assigning any reason thereto. The Owners intend to conduct business in the ordinary manner during the evaluation period; however, the Owners reserve the right to take any action, whether or not in the ordinary course of business, including but not limited to the sale of any assets of the Investment, which it deems necessary or prudent in the conduct of such business.

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This information is from sources deemed to be reliable. We are not responsible for misstatements of facts, errors or omissions, prior sale, change of price, and/or terms or withdrawal from the market without notice. Buyer should verify all information with its' own representatives as well as state and local agencies. Brokers please note that a variable rate commission may exist on this offering that might result in a lower commission cost to the Seller if a Buyer's broker is not involved in the transaction. ©2020 BHH Affiliates, LLC. An independently owned and operated franchisee of BHH Affiliates, LLC. Berkshire Hathaway HomeServices symbol are registered service marks of Columbia Insurance Company, a Berkshire Hathaway affiliate. Equal Housing Opportunity.

### I. Executive Summary

The subject property is located at the south end of Rutillio Court in New Port Richey, Pasco County, Florida. This area is an industrial node known commonly as Oreto Industrial Park, located on the west side of Pasco County. The site is located just over 0.5 miles east of US Highway 19, a major north/south artery connecting Florida's counties along the Gulf Coast. The site is located just south of Ridge Road, a six lane major travel route running east/west through west Pasco County. The Ridge Road expansion project recently approved and underway, will create a much needed extended travel route from West Pasco through to Central Pasco County.

This industrial investment opportunity consists of four office/warehouse buildings of various sizes totaling 55,160± square feet. All four of the buildings are situated on 6.91± acres located in the City of New Port Richey, Florida. All buildings were constructed between 2000 and 2003. The improvements to the exteriors consist of concrete block up to 8 feet high, with a remaining exterior of steel frame with steel joist roof system. The site is generally level and at road grade. All buildings have an eave height of 20± feet. There are six points of access from Rutillio Court to the respective buildings. All buildings have 3 phase power. Brief building descriptions are below:

Building 1, (7753 Rutillio Ct.) was constructed in 2001 and comprises  $6,000\pm$  square feet. The office is  $1440\pm$  square feet, while the warehouse area is  $4,560\pm$  square feet. This is a single-tenant building.

Building 2, (7734 Rutillio Ct.) was constructed in 2002 and comprises  $8,000\pm$  square feet. The building is divided into 2 units, each consisting of  $4,000\pm$  square feet. Of the total building area,  $5,125\pm$  square feet is office; or 64% of the total building area while the remaining  $2,875\pm$  square feet or 36% reflects warehouse space. This is a multi-tenant building.

Building 3, (7716 Rutillio Ct.) was constructed in 2000 and comprises 21,160± square feet. This space has an office showroom of approximately 2,605± square feet. The remaining space, 18,555± square feet is warehouse. This is a single-tenant building.

Building 4, (7721 Rutillio Ct.) was constructed in 2003 and comprises 20,000± square feet. There is 2,016± square feet of office area, or 10% of the total area and the remaining 17,984± square feet reflects warehouse space or 90% of the total area. This multi-tenant property is divided into four units, each comprising 5,000± square feet.

Utilities: Water – City of New Port Richey Utility

Sewer - City of New Port Richey Utility

Electricity – Duke Energy, FL

#### **II. Investment Description**

Site Address: 7716, 7721, 7734 & 7753 Rutillio Court,

New Port Richey, FL 34653

County: Pasco

Parcel No.: 33-25-16-0070-00800-0040 (6.73 acres)

33-25-16-015A-00000-0231 (0.18 acres right of way)

Parcel Size:  $6.912 \pm acres (301,000 \pm SF)$ 

Irregularly (rectangular) shaped parcel. The topography of

the site is level and at above road grade.

Land Use: 4800S Warehouse - Industrial

Zoning: Industrial – according to City of New Port Richey

Flood Zone: Zone X (0.2% annual chance flood hazard);

Zone A (1% annual chance flood)
Zone X (area of minimal flood hazard)

Assessed Value (2019): \$2,226,807 (incl. school assessed value)

Taxes & Assessments (2019): \$46,200

Legal Description: PORT RICHEY LAND COMPANY SUB PB 1 PG 61 POR OF TRACTS 8

9 & 13 DESC AS:COM AT SE COR OF SEC TH N00DEG40' 11"E 2651.45 FT TH N00DEG43' 36"E 1320.46 FT TH S89DEG49' 54"W 987.15 FT FOR POB TH 161.03 FT ALG ARC OF 137.50 FT RAD CURVE RT CHD S56DEG16' 55"W 151.98 FT TH S89DEG49' 54"W 230 FT TH 110.39 FT ALG ARC OF 275 FT RAD CURVE L CHD S78DEG19' 54"W 109.65 FT TH S66DEG49' 54"W 53.21 FT TH 226.68 FT ALG ARC OF 275 FT RAD CURVE RT CHD N89 DG 33' 15"W 220.31 FT TH 72.73 FT ALG ARC OF 137.50 FT RAD CURVE RT CHD N50DEG47' 11"W 71.89 FT TH N35DEG37' 57"W 110 FT TH

129.59 FT ALG ARC OF 137.50 FT RAD CURVE L CHD N62

DEG37'57"W 124.85 FT TH N89DEG 37' 57"W 63 FT TH N00DEG22' 03"E 260.83 FT TH N89DEG49' 51"E 672.12 FT TH S00DEG29' 14"W 330.08 FT TH N89DEG49' 54"E 355.70 FT TO POB SUBJECT TO A CONSERVATION WITHIN TRACT 9 AS PER OR 3041 PG 621 & OR

3074 PG 540 OR 7804 PG 1900

Asking Price: \$3,399,000

Cap Rate 7.05 %



#### III. Rent Roll

BLDG. #	UNIT #	TENANT NAME	SF OCCUPIED
1	7753	Technical Support Systems Inc.	6,000
2	7734-A	The Terminix International	4,000
2	7734-B	Steve Smith	4,000
3	7716	Baker Distributing Company	21,000
4	7721-A	Brothers Powder Coating, Inc.	5,000
4	7721-B	Aire Associates HVAC (Rick Rhodes)	5,000
4	7721-C	Brothers Powder Coating, Inc.	5,000
4	7721-D	Brothers Powder Coating, Inc.	5,000

Technical Support – Established in 2002, Technical Support Systems Inc. is a locally owned business.

Terminix - More than 85 years ago, E.L. Bruce was faced with a dilemma – termites in his hardwood flooring products. Realizing that he was not alone in his fight against termites, he founded the company that would become Terminix® in 1927 and earned the first U.S. patent for a termite control procedure. From a small start-up company, Terminix grew to be the leading provider of termite and pest control services in the United States, safeguarding millions of homes and businesses against all types of pests in 47 states and in 11 countries internationally. Terminix has 864 service centers worldwide.

Steve Smith – The tenant utilizes the unit for eye equipment and storage. Smith has been a tenant since 2016.

Baker Distributing - Since 1945, Baker Distributing Company has been providing high-quality HVAC, foodservice and commercial refrigeration equipment, parts and supplies. Today, they have more than 200 sales centers in 22 states, offering a wide range of HVAC/R products for residential and commercial applications. Baker Distributing is a Watsco Business Unit. Watsco, Inc. is the largest distributor of air conditioning, heating and refrigeration equipment and related parts and supplies in the HVAC/R distribution industry.

Brothers Powder Coating – A tenant since 2006, Brothers Powder Coating Inc. is a locally owned business providing powder coating finishing services for a variety of consumer and automotive needs.

Aire HVAC – Rick Rhodes, d/b/a Aire Associates established in 1989, is a Certified Air Conditioning Contractor and a long-time tenant at the property.

### IV. Market Summary - Industrial

Tampa's industrial demand has been notably consistent with no negative net absorption quarters since 2012. The strong demand has been fueled by robust job growth, particularly in the wholesale trade and transportation sectors, which have grown by approximately 11% and 17%, respectively, during this timeframe. The market has also seen a surge in retail and last-mile demand over recent quarters, further increasing demand in specialized and flex space.

Industrial development has markedly picked up, with over three million square feet delivering in the past two years and nearly that much under construction. Additionally, speculative starts are on the rise, after nearly all build-to-suits this cycle. Thus far, demand has been largely able to continue outpacing the increased deliveries. However, the amount of space set to deliver over the near future is the largest in over a decade and could begin to strain industrial demand.

Tampa's geographic location is also key to driving demand. In addition to being located roughly in the center of the peninsula's Gulf Coast along I-75, Tampa is also the western termination of the state's primary east-west artery, the I-4 Corridor. Additionally, Tampa benefits from access to all forms of transportation, such as Port Tampa Bay, the largest port in Florida for both tonnage and acreage, two international airports, three main road arteries (I-4, I-75, and I-275), and the CSX terminal in Winter Haven.

This creates stiff competition from the other I-4 industrial hubs in Lakeland and Orlando. Interestingly, these three metro's labor pools often draw from one another and the job growth numbers tend to have an inverse correlation. For example, from 2013 to 2014, Tampa was the beneficiary of a new Amazon facility in Ruskin, which provided a significant employment boost at the apparent expense of both Lakeland and Orlando. Subsequently, the inverse happened as Lakeland received both an Amazon and Walmart distribution center from 2015 to 2016 and with Orlando's completion of its own Amazon distribution center in 2018.

Annual rent growth has generally fallen over the past two years, sharply down from the prior decade's peak levels. Despite the cooling trend, annual gains still remain a bit above the long-term average. Landlords are consistently able to aggressively push rents thanks to tightened vacancies due to surging demand and a muted pipeline over the last decade.

Tampa's elevated rent growth, though not quite up to the levels seen in other industrial hubs across the nation, has been substantial enough to significantly increase the overall asking rents. Tampa's average asking rates now command over a 10% premium above prerecession peak market rents.

### **Pasco County**

One of the fastest growing areas in the greater Tampa Bay region, Pasco County features a unique blend of undeveloped, open spaces in close proximity to the modern, vibrant communities that makes it a great location to live, visit, and do business.

Located at the apex of the greater Tampa Bay metropolitan area, businesses of all sizes are taking notice of the tremendous benefits that come with locating in Pasco County including ready access to major interstate highways, rail lines, air transportation, and a deep sea port as well as a the diverse, skilled workforce that powers businesses throughout the region. High-tech and aviation/aerospace companies are thriving and growing alongside manufacturers and business service providers, and local entrepreneurs are founding award-winning, cutting edge companies throughout the county.

### **New Port Richey, Florida**

New Port Richey is a city in Pasco County, Florida. New Port Richey is a residential community with a strong local government and an attractive historical downtown and Main Street. The City has a broad array of business and retail services. Since its incorporation in 1924, the city is most recognized for its cultural heritage and unique riverfront landscape. Located in western Pasco County, New Port Richey is approximately 30 miles northwest of greater Tampa. New Port Richey's geography blends nature, beaches, and great shopping with restaurants, culture and business - all with a small-town feel. Located in west-central Pasco County, New Port Richey encompasses a total area of 4.6 miles. The Gulf of Mexico coastline borders the west side of the city, and the Pithlachascotee River runs through the city's heart. New Port Richey is considered part of the Tampa-St. Petersburg-Clearwater, FL MSA. \*\*

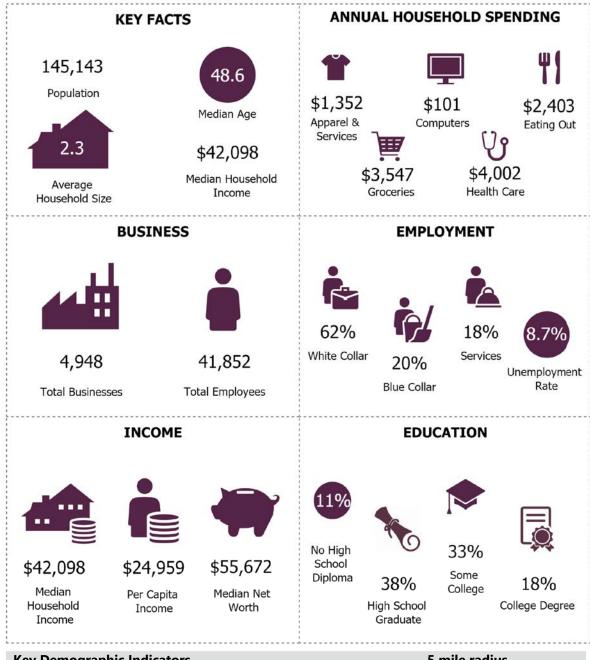
<b>Key Demographic Indicators</b>	Pasco County	Zip Code 34653
2020 Total Population	547,403	32,049
2020-2025 Population: Annual Growth Rate	1.51%	0.39%
2020 Median Age	46.0	49.5
2020 Total Households	219,259	14,369
2025 Total Households	234,406	14,619
2020 Median Home Value	\$190,945	\$125,390
2019 Total Daytime Population	502,609	29,633
2019 Daytime Population: Residents	329,043	20,215
2019 Unemployment Rate	7.9%	9.2%
2019 Education: High School Diploma	112,327	7,730
2019 Education: Bachelor's Degree	66,023	2,814

<sup>\*\*</sup> Source Cityofnewportrichey.org

### V. Area Demographics

\* Demographics are for a 5 mile radius of the Subject.

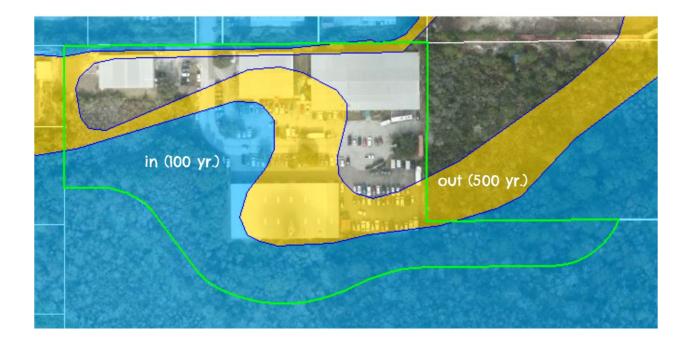
\*\* Source: ESRI



Key Demographic Indicators	5 mile radius
2020-2025 Population: Annual Growth Rate	0.64%
2020 Total Households	63,541
2025 Total Households	65,355
2020 Median Home Value	\$134,876
2020 Total Daytime Population	136,611
2020 Daytime Population: Residents	91,039
2020 Education: High School Diploma	35,605
2020 Education: Bachelor's Degree	13,059
2020 Education: Graduate/Professional Degree	6,473

# **VI. Parcel Dimension & Flood Zone**







# **VII. Investment Photos**





# **Investment Photos**





# **Investment Photos**





