

CONFIDENTIAL MEMORANDUM

OPPORTUNITY ZONE FOUR

Arlington Air North | Class A Industrial Opportunity Zone Development



HOLD 10 years

RAISE \$17.5MM-\$18MM

IRR 13%-15%

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OPPORTUNITY ZONE FOUR

Arlington Air North | Class A Industrial Opportunity Zone Development

Executive Summary

SMARTCAP is pleased to present the opportunity to provide approximately \$17.75MM in equity for the development of Building 3 in the Arlington Air North Industrial Park (AAN), located in Arlington, Washington. The project will be the first of five buildings delivered in the master-planned development and will consist of a 203,922-square-foot, Class A, state-of-the-art manufacturing/light industrial facility situated on 10.50 acres.

After nearly 24 months of negotiations, SMARTCAP completed a favorable 75-year ground lease with the City of Arlington that will allow for construction to commence in spring 2026, with expected delivery in Q1 2027—allowing time for additional market recovery. The project will feature 24-foot clear heights, 36 dock-high doors, 16 grade-level doors, and 292 automobile parking stalls.

While most industrial projects in the market are pursuing larger tenants, SMARTCAP is taking a different approach—underwriting the property to meet market demand and maintaining the flexibility to demise suites as small as 19,000 square feet if needed. This unique strategy creates flexibility in leasing, allowing us to accommodate a range of tenant sizes.

Due to the lack of available land in the greater Seattle market, the North End has grown into one of the most sought-after industrial markets in the Puget Sound region. Despite developer interest, the submarket remains healthy in supply and demand dynamics, with zero speculative projects currently under construction in the North End industrial submarket, which encompasses Arlington, Marysville, and Everett.

The project offers investors the unique opportunity to join an experienced team on a fully permitted, shovel-ready industrial development. The Opportunity Zone investment will also offer investors tax advantages and competitive returns.



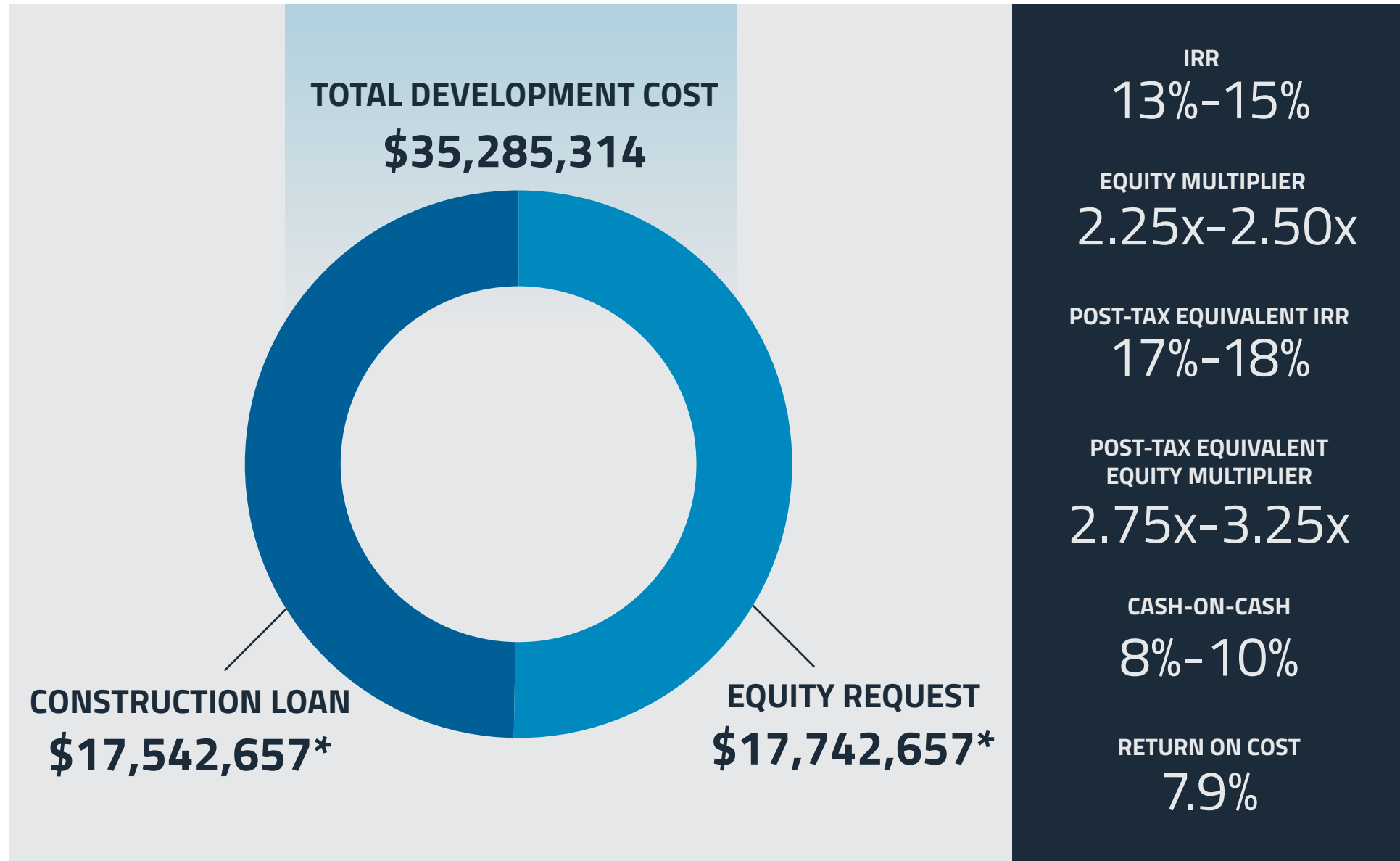


Project Summary

1. Approximate ratio based on current underwriting.

Building No.	Building 3
Address	TBD 174th Rd, Arlington, Wash.
Total Square Feet	203,922
Warehouse Breakdown¹	92%
Office Breakdown¹	8%
Clear Height	24'
Gross Land Size (Acres/SF)	10.50 acres/ 457,644 SF
Coverage Percentage	44.56%
Total Auto Stalls	292
Dock High Doors	36
Grade Level Doors	16
Zoning	General Industrial (GI)
Demising	Flexible Mid-Bay Design
Construction Start	Q1/Q2 2026
Expected Completion	Q1 2027

Investment Overview



*Equity raise projections are between \$17.5M-\$18M, depending on final bids.

Projected returns are estimates based on current assumptions and are not guaranteed. Actual performance may differ materially. Investors should conduct their own due diligence.



2025.....

Invest capital gain
into QOZ Fund
(defer tax on gain
until 2026).

2026.....

Construction start.

2027.....

Deferred capital
gains tax is due.

Stabilization.

2028.....

2035.....

All capital gains
tax on profits
from QOZ Fund
investment are
eliminated.

Property sale.

Put Your Capital Gains to Work

SMARTCAP Qualified Opportunity Zone Fund 4 will invest in, develop and manage this single-asset industrial project with long-term growth potential located in a designated Opportunity Zone. The Fund intends to qualify as a Qualified Opportunity Zone Fund, as defined in the Tax Cuts and Jobs Act of 2017, so that investors who invest capital gains in the Fund are eligible for the potential tax benefits offered by the QOZ program.

SAFE HARBOR

The IRS provides a 31-month “working capital safe harbor” for Qualified Opportunity Zone Businesses (QOZBs), allowing investors to deploy capital over time without jeopardizing the OZ tax benefits.

Tax Deferral

Investors will be able to defer federal income tax on eligible capital gains realized from the sale of a previous investment by reinvesting those capital gains into SMARTCAP Qualified Opportunity Zone Fund IV.

Tax Elimination

Investors will be able to pay zero federal taxes on the appreciation of the QOZ Fund IV investment by holding the investment for 10 or more years.

Tax Efficiency & Cash Flow

Once its assets are developed, the Fund will hold a portfolio of Class A cash-flowing properties. Taxable income from such property may be offset by depreciation, and if the investment is held for 10 years or more, the depreciation recapture tax is eliminated.

What is the Qualified Opportunity Zone Program?

The Qualified Opportunity Zone (QOZ) program offers tax-incentivized investing to maximize economic development in historically underserved communities.

The QOZ program was created under the Tax Cuts and Jobs Act of 2017 to incentivize investment and economic development in more than 8,000 designated communities, called qualified opportunity zones, throughout the United States. This program led to the creation of QOZ funds, a type of investment vehicle required to invest 90% or more of its assets in one or more of the designated QOZs.

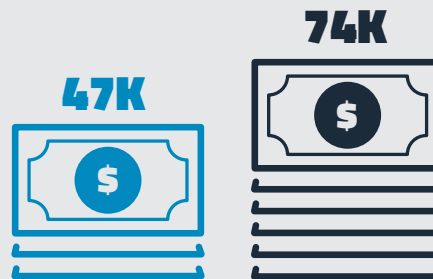
INVESTOR SUITABILITY

This investment is applicable for accredited investors facing a tax liability associated with the realization of capital gains from an investment or asset sale. While there is no “like-kind asset” requirement for investor eligibility, the QOZ investment must generally be made within 180 days of realizing the capital gain.

\$150B

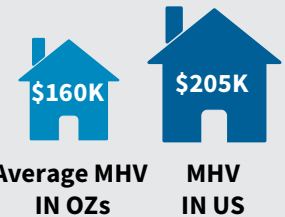
Invested in QOZs
Since 2019

The average **Median Family Income (MFI)** in an Opportunity Zone is nearly **two-thirds** the national MFI.



21% of adults in the average Opportunity Zone **lack a high school diploma**, compared to 12% nationwide.

Opportunity Zone homes have a median home value (MHV) **\$45K below the U.S. median.**



*Greater than 40 percent poverty rate in 1980 and 2018.



Nearly **a third** of prime working age adults in the average Opportunity Zone are **not working**.*

*This captures the unemployed and those who have left the labor force.

Half of the country's **persistent concentrated poverty*** census tracts are Opportunity Zones.



*Greater than 40 percent poverty rate in 1980 and 2018

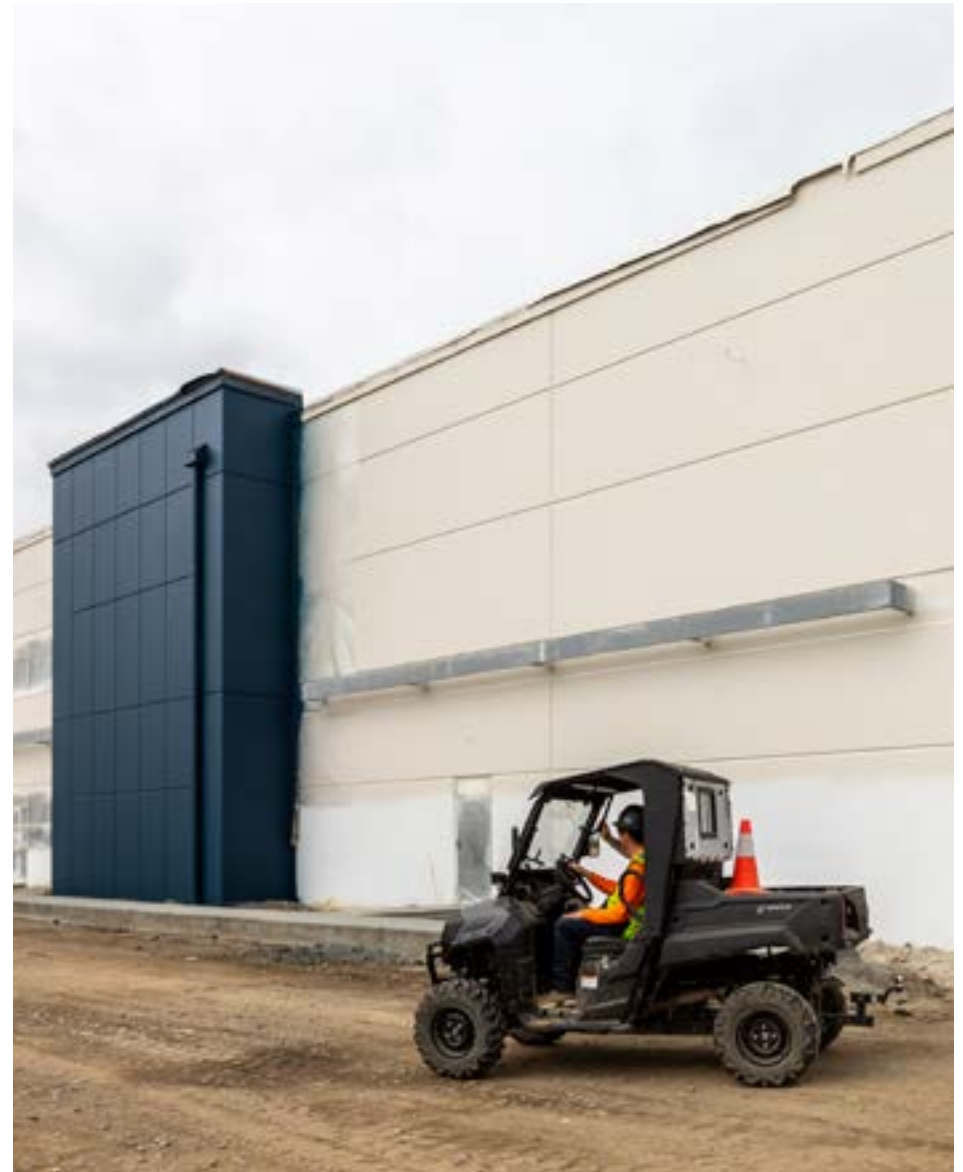
Source: Economic Innovation Group analysis of U.S. Census Bureau

Development Team

SMARTCAP is a commercial real estate development and investment firm located in Bellevue, Washington. Founded in 2014, SMARTCAP has developed in numerous sites across the greater Puget Sound region, specializing in a flexible and demisable product type geared toward manufacturing-focused tenants. The building types provide tenants of any size the minimum of one grade-level and two dock doors, ample power, and an accommodating space plan with the ability to demise down to two columns at 19,000 SF. The firm has proven development expertise in the market, having completed eight industrial deliveries totaling one million square feet and securing over \$70 million in equity placement.



With over \$45.2 million of Qualified Opportunity Zone capital across three distinct funds and six industrial deliveries, SMARTCAP is highly active in Opportunity Zone Investment Management. The team has demonstrated success in executing multiple building projects simultaneously and effectively phasing development initiatives. The Washington state-based developer has had a great working relationship with the City of Arlington since 2017, aided by the presence of two SMARTCAP team members on the board of the Snohomish Economic Development Council.





Opp Zone Projected Returns

*Underwritten returns at time of purchase

2.55x | 13.50%



Opp Zone Actual Returns

*Actual and Projected Returns

2.50x | 14.17%



Total Equity Raised

(450 Investors & Growing)

\$172,733,402



Investor Net IRR

*Realized & Projectable
Investments

1.77x | 20.42%



Assets Under Management

\$460,769,257



SF Under Management

1,768,796



Assets Lost During Last Cycle

0



Total Transaction Volume

\$478,270,390

Track Record

SMARTCAP has established itself as a leader in industrial real estate investment, boasting a robust track record that underscores its commitment to delivering exceptional returns. With over \$500 million in assets under management and more than \$478 million in total transactions, SMARTCAP has consistently demonstrated its ability to identify and capitalize on lucrative investment opportunities in the Pacific Northwest.

The company's strategic approach focuses on minimizing investment risk through acquiring assets at value-add pricing, maintaining conservative debt-to-equity ratios, and strategically locating properties for long-term growth and appreciation. This methodology has resulted in a portfolio-wide internal rate of return (IRR) exceeding 23% for investors, net of fees and expenses.

SMARTCAP's success is further bolstered by its experienced team, which brings over 60 years of combined industry expertise. The firm's proprietary software tools enable detailed asset analyses, uncovering value opportunities in each investment. This data-driven approach includes building sophisticated financial models, allowing SMARTCAP to outpace competitors in value realization.

Transparency is a cornerstone of SMARTCAP's investor relations. The company provides detailed, timely reporting that includes quarterly performance updates, asset-level financial statements, and market commentary. Through a secure online portal, investors have 24/7 access to investment summaries, distribution history, and tax documents, enabling them to make informed decisions with confidence.

With a proven track record, strategic investment approach, and commitment to transparency, SMARTCAP continues to be a trusted partner for investors seeking stable, passive income and appreciation in the industrial real estate sector.

North End Industrial Portfolio



SC 180th Industrial Park

Address: 6015 180th St., Arlington, WA
Square Feet: 98,003
Final Cost: \$13,230,405
Delivery Date: Q2 2019
Current Occupancy: 100%
Number of Tenants: 5
Industries: Manufacturing, Distribution, Hospitality
Opportunity Zone: No



SC 188th Industrial Park

Address: 6108 188th St., Arlington WA
Square Feet: 99,555
Final Cost: \$15,928,800
Delivery Date: Q3 2020
Current Occupancy: 100%
Number of Tenants: 7
Industries: Manufacturing, Distribution, Maritime
Opportunity Zone: Yes



SC Arlington Air Industrial Park

Address: 17212 51st Ave, Arlington, WA
Square Feet: 305,199
Final Cost: \$52,247,400
Delivery Date: Q1 2022 & Q2 2023
Current Occupancy: 100%
Number of Tenants: 12
Industries: Manufacturing, Distribution, Hospitality
Opportunity Zone: Yes



SC Dist. Center North Building A

Address: 4100 152nd St. NE, Marysville, WA
Square Feet: 231,483
Final Cost: \$40,270,800
Delivery Date: Q1 2023
Current Occupancy: 50%
Number of Tenants: 2
Industries: Distribution, Manufacturing, Aerospace
Opportunity Zone: Yes



SC Dist. Center North Building B

Address: 15101 40th Ave NE, Marysville, WA
Square Feet: 68,425
Final Cost: \$15,007,400
Delivery Date: Q1 2023
Current Occupancy: 100%
Number of Tenants: 2
Industries: Last-Mile Distribution
Opportunity Zone: Yes



Baker View Logistics Park

Address: 1215 80th St., Everett, WA
Square Feet: 166,590
Final Cost: \$39,000,000
Delivery Date: Q4 2024
Current Occupancy: In Lease-Up
Number of Tenants: 2 - Maximum
Industries: Distribution
Opportunity Zone: No



Project Overview

[Click to Join the Interested List](#)

Property Benefits



Traffic Restrictions Benefiting the Subject Property

STRATEGIC ACCESS ADVANTAGE OVER MARYSVILLE SITES

Most competing industrial developments are located in Marysville, where trucks are prohibited from using

172nd St (Hwy 531)—the primary arterial to I-5. This forces detours onto slower, two-lane roads with limited capacity. In contrast, our AAN Site offers direct truck access to 172nd, saving an estimated three to five minutes per trip and significantly improving last-mile logistics and tenant efficiency.

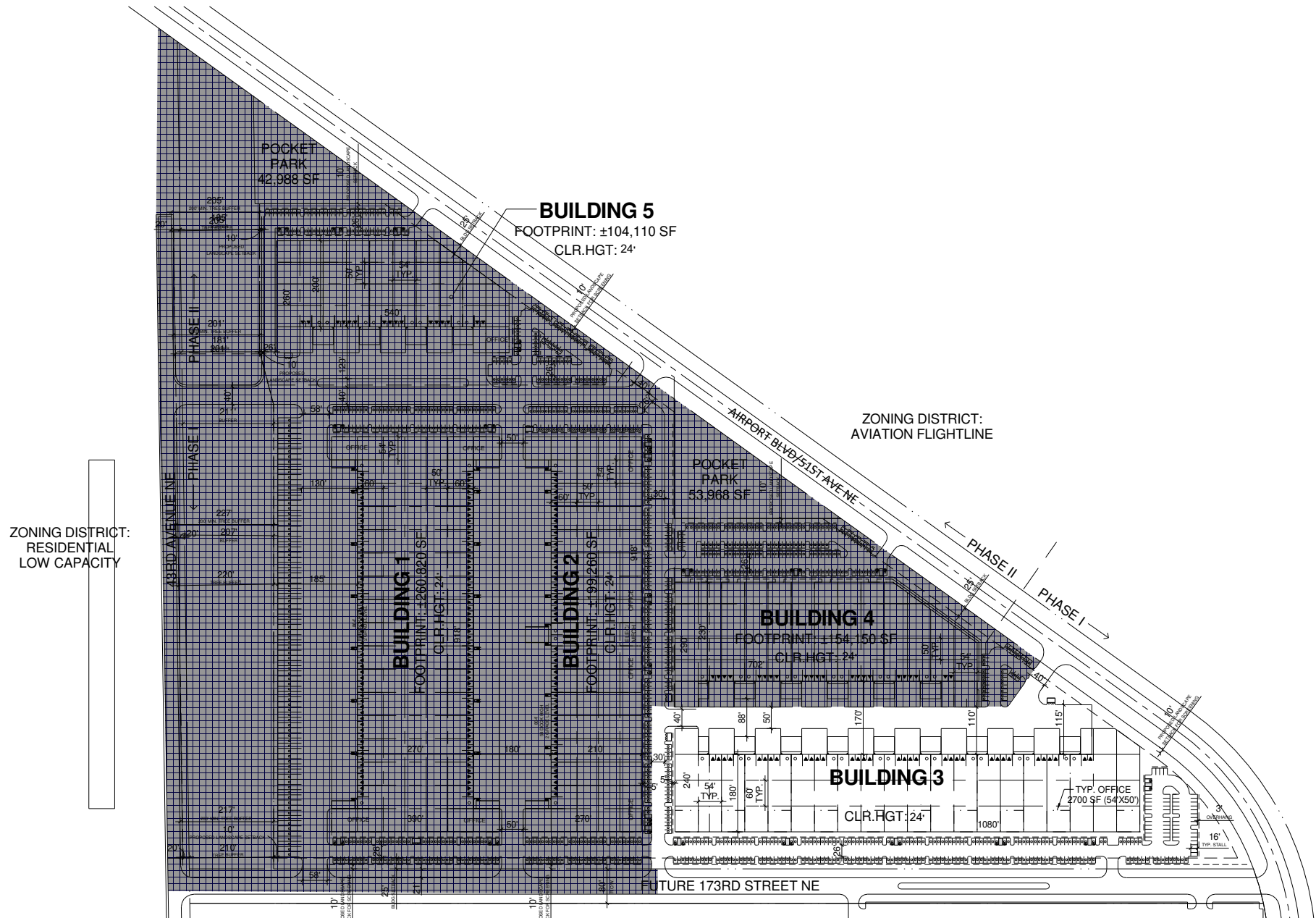
UPCOMING INFRASTRUCTURE ENHANCEMENTS
Highway 531 is being expanded to five lanes with

multiple roundabouts in the next one to three years, further improving site access and long-term logistical advantages.

BEST-IN-CLASS LOCATION

Unlike developments relying on narrow, indirect routes like Smokey Point Blvd., our AAN shares prime I-5 proximity with Amazon—ensuring faster travel times and superior tenant convenience.

Master Site Plan



Ground Lease Terms

The Ground Lease for this project has been carefully negotiated to maximize long-term value. Key highlights include a 75-year term—making it the longest ground lease available in Washington State—along with capped annual increases and fixed resets, providing stability and allowing for predictable underwriting. The 2.5% cap on the ground lease provides a hedge against inflation, keeping costs predictable while allowing income to grow with the market—directly benefiting NOI and long-term value.

The Ground Lease for this project has been thoughtfully negotiated to deliver maximum long-term value.

KEY HIGHLIGHTS INCLUDE:

- **75-Year Term:** The longest ground lease currently available in Washington State.
- **Capped Annual Rental Rate Increases:** Limited to the lower of CPI or 2.50%.
- **Capped Revaluations:** Occurs every 25 years and is capped at 3.00% compounded.
- **Subordination to Lender:** Structured to subordinate to lenders, allowing access to the broadest range of financing options.
- **Rent Commencement:** 18 months after construction start, allowing stabilization before costs are incurred.

Term & Commencement

- 75-Year term.
- Ground lease for the project is specific to Building 3 and does not encompass the entire development site.
- Each future building or phase of permitted work will have its own 75-year ground lease. Ground lease commencement to begin 18-months from the date of all approved/issued permits.

Ground Lease

- Building 3 will sit on approximately 10.51 gross acres. Current assumption uses 90% of the gross SF as “usable,” which is inline with past Arlington ground leased projects.
- Final ground lease payment is still an estimate and TBD based on final usable square feet calculations.

Accretive Lease Strategy

- Estimated \$.39 per usable SF.
- Annual revaluation of base rent to increase by the lower of CPI or capped at 2.50% per year.
- Subordination: Ground Lessor’s ability to collect rent from tenant shall be subordinate to any of SMARTCAP’s lenders.
- \$.038 per SF in rental rate (+\$.04879 per SF in excise tax).

Ground Lease Growth & Revaluation

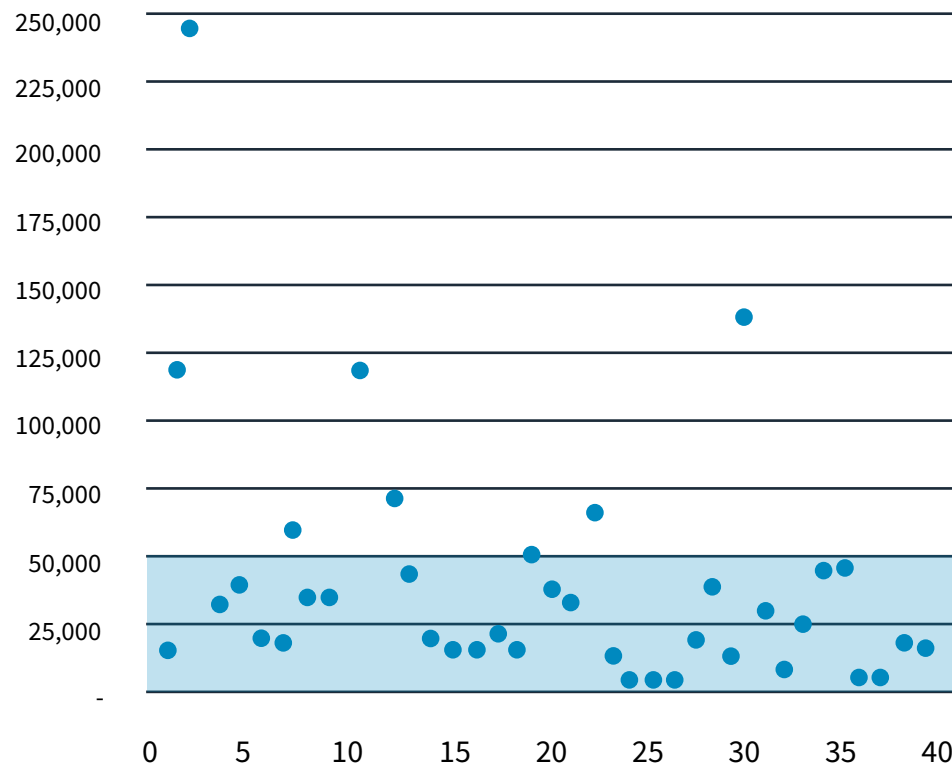
- Every 25 years, a fair market revaluation of the land will occur subject to market appraisal but capped at 3.00% compounded annual growth.
- SMARTCAP negotiated the reset cap to allow for predictable underwriting and next buyer analysis. This capped provision maximizes the future value of the asset.

Unique Business Plan for Flexible Leasing

The North End industrial market features a distinct demand profile, with nearly 75% of tenants—approximately 40 active users—seeking spaces of 50,000 square feet or less. With seven buildings already delivered in this submarket, SMARTCAP possesses a deeper understanding of these leasing dynamics than any other firm. The business plan for Building 3 is intentionally designed to target this underserved niche by offering maximum leasing flexibility. Consistent with past North End deliveries, Building 3 can accommodate suites as small as 19,000 square feet, allowing SMARTCAP to align space offerings with current market demand. This tailored approach enables SMARTCAP to operate more efficiently than institutional developers by budgeting and constructing with flexibility in mind—ultimately granting greater control in selecting the most suitable tenants for the space.

HISTORICAL INDUSTRIAL DEVELOPMENT AND LEASING IN THE NORTH END

Tenants by size in spec developments from 2018 to present



TENANT COUNT / SIZE BY YEAR

Year	# Tenants	Combined SF	Avg SF
2019	5	98,061	19,612
2020	6	143,214	23,869
2021	13	372,264	28,636
2022	5	333,619	66,724
2023	8	568,117	71,015
2024	1	32,256	32,256
2025	1	15,476	15,476
Totals	39	1,563,007	

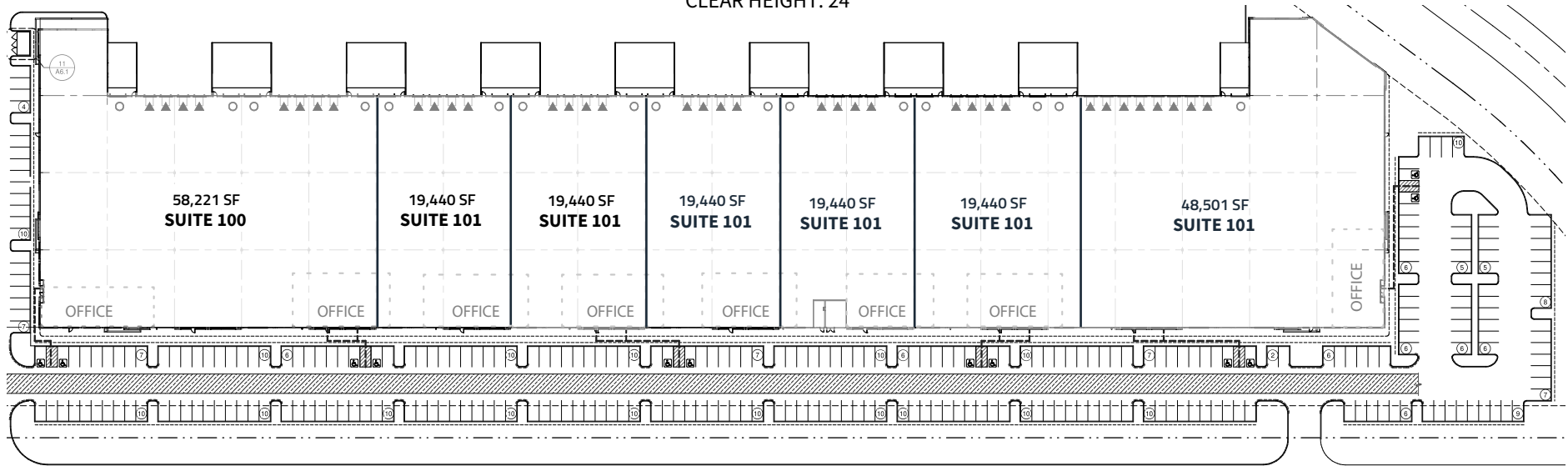
82% of Recently Signed Leases Have Been Under 50k SF

Potential Bay Sizes

Building 3

FOOTPRINT: 203,922 SF

CLEAR HEIGHT: 24'



Flexible Suite Design

SMARTCAP is underwriting the property to meet the evolving market demand with the ability to demise suites down to 19,000 SF -- enhancing leasing agility and appeal to a wider tenant base.

Capturing Underserved Demand

Unlike typical industrial builds, this strategy targets the high-demand segment under 50,000 SF, where tenants are more active and supply is limited, positioning the asset for faster lease-up.

Accretive Lease Strategy

Though more costly to build, smaller suite configurations can command rental rates approximately 20% higher than traditional large-bay space, driving outsized returns and strengthening long-term asset value.

Cascade Industrial Center Market Overview

Arlington Air North is located within the Cascade Industrial Center (CIC), one of the only manufacturing industrial centers in the Puget Sound region and one of two in Snohomish County. The master-planned industrial community is a long-term joint effort between the cities of Marysville and Arlington to spur economic development in Snohomish County.

The area spans over 4,000 acres of manufacturing and industrial zoned land with more than 1,700 developable acres. The CIC sits at the epicenter of manufacturing innovation in Snohomish County with an excess of qualified advanced manufacturing workers, smart manufacturing practices and access to emerging platform technologies. The county is expected to add over 20,000 family wage jobs to the area over the next decade, allowing residents to work close to home and boosting the local economy.

The Cascade Industrial Center allows companies a business-friendly environment to conduct manufacturing with generous tax incentives, an efficient permitting process, and an overall industry-friendly climate. Its location also allows convenient access to multiple models of transportation including the BNSF mainline, the municipal airport and an international deep-water seaport. The creation of the CIC has prompted county infrastructure investment, working to promote the industrial center and to create a manufacturing hub in the North End.

5.9 MILLION SF
DELIVERED
SINCE 2020

11,600
NEW JOBS PROJECTED
IN CIC BY 2040

\$24 MILLION
IN CAPITAL RAISED
SINCE 2019



MORE THAN \$270M IN CIC INFRASTRUCTURE IMPROVEMENTS

156th St. NE Freeway Interchange

\$42M



Cascade Industrial Center Road Grid

\$70M



SR 531 Widening

\$39M



I-5/4th St. & 88th St. NE Improvements

\$35M



I-5/SR 529 Interchange and
Northbound Corridor Improvements

\$84M



Cascade Industrial Center Market Overview

Many major companies, including Amazon, Coca-Cola, and Frito Lay, are investing in the CIC with major developments underway and more industry leaders announcing plans for the future. More than 2,000 high-tech manufacturing, packaging, and distribution jobs were filled in 2021, and nearly 12,000 new jobs will be ready by 2040.

TAX INCENTIVES ATTRACTING BUSINESSES TO THE CASCADE INDUSTRIAL CENTER

- City and county property tax exemption for eligible businesses.
- No city business and occupation (B&O) tax for qualifying industries.
- Opportunity Zones.
- Washington State tax incentives.
- Tax Incentives most frequently used by: aerospace firms, technology firms, agriculture and food processing, and job training financial support.



Cascade Industrial Center

MULTINATIONAL COMPANIES WITH A PRESENCE IN THE CIC



Leading Employers



- Employs over 30,000 people in Snohomish County (Everett).
- Boeing's Everett facility is the largest building in the world by volume.
- Located in Everett, the \$1B Composite Wing Center for Boeing 777X, added over 8,000 jobs.



- Employs over 3,000, with over 1,000 physicians
- Ranked #5 in Washington by U.S. News & World Report's Best Hospitals rankings
- Over 60,000 annual visits
- Only adult Level II trauma center in Snohomish County



- Amazon's PAE2 Fulfillment Center in Arlington is the company's largest fulfillment center in the Pacific Northwest at 2.8M SF
- Capacity for 2,500 employees.
- \$356M long-term investment.

North End Economic Drivers



Boeing and Paine Field, the main economic driver for the Northern Puget Sound, are only 22 miles away from Arlington Air North. Less than a decade ago, the North End was predominantly a manufacturing submarket, but its access to Paine Field, I-5, and the Port of Everett has attracted some of the biggest names in distribution, biotechnology, alternative energy, logistics, and aerospace in recent years including Amazon, FedEx, XPO Logistics, Collins Aerospace, Rolls Royce, Safran, Seagen, AGC Biologics, and Fluke.

World-Class Employment Hub



Snohomish County Jobs by the Numbers

322,000
Total employees
in Snohomish County

60%
of Snohomish County
jobs are associated with
International trade

20,500
Total businesses
in Snohomish County

Investment Highlights

BEST-IN-CLASS
SPONSORSHIP

COMPELLING
RETURN ON COST

STRONG SUBMARKET
FUNDAMENTALS

STRATEGIC LOCATION
AND ACCESSIBILITY

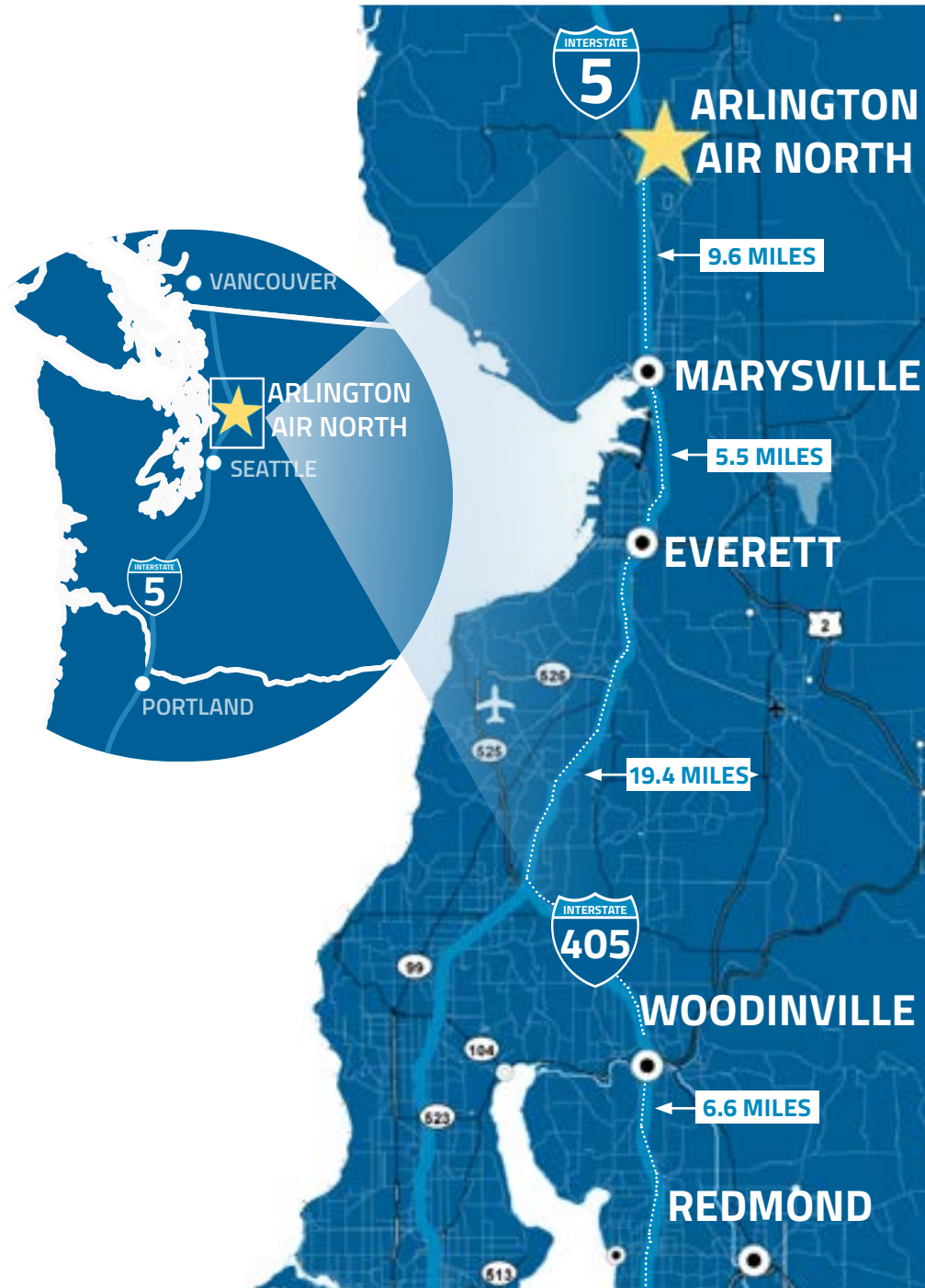
DISCOUNT TO NEIGHBORING INDUSTRIAL HUBS

The Arlington/Marysville submarket provides tenants a significant discount to neighboring industrial hubs. By traveling just 15 miles north, tenants benefit from nearly a 35% discount (0.20-0.35/SF/month) in rental rates.

Market	Industrial Rent (SHELL / OFF)	% Above Arlington Rent
Arlington / Marysville	\$1.15 / \$2.50	--
Everett	\$1.35 / \$2.85	15%-35%
Redmond / Woodinville	\$2.00 / \$3.25	50%-70%

*Indicates rental rates for sub 50,000 sf suites in new construction

Mileage to Logistics Hubs		Mileage to Major Cities	
Arlington Airport	1.2	Seattle	43
Port of Everett	14.0	Vancouver	103
Paine Field Airport	22.5	Portland	216
SEA International Airport	55.1	Spokane	315
Port of Tacoma	74.3	Boise	530
Port of Vancouver	105.0	San Francisco	850



OPPORTUNITY ZONE FOUR



Financial Overview

[Click to Join the Interested List](#)

Sources and Uses

SOURCES	Initial Funding	% of Total Costs	Total Funding	% of Total Costs	\$/SF
Senior Loan	\$-	0.0%	\$17,542,657	49.7%	\$86
Equity	\$910,000	100.0%	\$17,742,657	50.3%	\$87
USES					
Land Pursuit Commissions & Fees	\$140,000	100.0%	\$140,000	0.4%	\$1
Soft Costs	\$-	0.0%	\$2,812,168	8.0%	\$14
Hard Costs	\$-	0.0%	\$22,442,337	63.6%	\$110
Tenant Buildout Costs	\$-	0.0%	\$5,050,646	14.3%	\$25
Leasing Commissions	\$-	0.0%	\$1,238,098	3.5%	\$6
SMARTCAP Development Fee	\$-	0.0%	\$1,081,894	3.1%	\$5
Contingency on Development Costs	\$-	0.0%	\$606,103	1.7%	\$3
Interest Reserve Estimate	\$-	0.0%	\$1,091,518	3.1%	\$5
Operating Buffer	\$-	0.0%	\$200,000	0.6%	\$1
Legal Fees	\$-	0.0%	\$286,667	0.8%	\$1
Loan Fees	\$-	0.0%	\$335,882	1%	\$2
TOTAL USES		100.0%	\$35,285,314	100.00%	\$173

*Equity raise projections are between \$17.5M-\$18M, depending on final bids.

Project Details

INVESTMENT

Property Type	Raw Acquisition / Industrial Development	Estimated Project Commencement	Spring 2026
Investment Type	Development	Estimated Hold Period	Long Term – 10 Years
Investment Strategy	Opportunity Zone Development	Deal Structure	Syndication

BUILDING AND LAND SUMMARY

Site (Acres / SF)	(Est.) 10.501 / 457,644	Stories	1
Zoning	General Industrial (GI)	Class	A
Jurisdiction	City of Arlington	Total SF	203,922
Land Condition	Vacant with no dwellings or structures	Total Doors	52 (1 Door / 3,921 SF)
Utilities	Available from 174th & Airport Way	Dock High Loading Doors	36
Access	Available from 174th & Airport Way	Grade Level Loading Doors	16
Environmental	No Recs (2022)	Clear Height	24'
Water Retention	On-Site Percolation	Parking Spaces	292
Column Spacing	54'/60'	Rent Type	Market + NNN
Power	4,000 Amps	Construction	Concrete Tilt
Minimum Size Suite	18,000 - 20,000 SF	Metering	Individually Metered
Slab Thickness	6" minimum	Roof	TPO

Project Assumptions

TIMING ASSUMPTIONS

Purchase Date	N/A -- Ground Lease
Hold Period	120 Months
Construction Start Date	4/1/26
Construction End Date	2/28/27
Construction Period	10 Months
Occupancy Begins	3/1/27
Stabilized Occupancy	6/1/28
Lease-Up Period	15 months

LEASING ASSUMPTIONS

Term	60 Months
Free Rent	3 Months
Tenant Improvements	\$1.00 PSF

PROFORMA CASH FLOW ASSUMPTION

Annual Rent Growth	3.00%
Operating Vacancy Factor	5.00%
Annual Expense Growth	3.00%

REBT RATE ASSUMPTIONS

Income	\$/SF
Office	\$2.50
Warehouse	\$1.15
Blended Rate	\$1.25

EXPENSE ASSUMPTIONS

Expense	\$/SF	Year 1
Real Estate Taxes	\$1.20	\$244,632
Insurance	\$0.24	\$42,958
Admin	\$0.12	\$34,831
CAM	\$0.48	\$105,474
Management Fee	Market	Market

Untrended Pro Forma

	Cash Flow	\$/SF
Commercial Rental Income	\$3,078,407	\$15.10
CAM Reimbursements	\$557,835	\$2.74
Less Market Vacancy	(\$158,997)	(\$0.75)
Gross Retail Income	\$3,636,242	\$17.83
Effective Gross Reenue	\$3,482,322	\$17.08
Operating Expenses		
Real Estate Taxes	\$259,530	\$1.27
CAM	\$111,898	\$0.55
Admin	\$36,953	\$0.18
Insurance	\$45,574	\$0.22
Management Fee (% of EGI)	\$100,470	\$0.51
Total Operating Expenses	\$557,835	\$2.75
Ground Lease Expense	\$148,707	\$0.73
Net Operating Income	\$2,756,112	\$13.57

KEY UNDERWRITING RATIOS	
Loan Amount	\$17,542,657
Loan Per Sq. Ft.	\$86
Loan to Value	49.7%
Debt Yield	15.90%

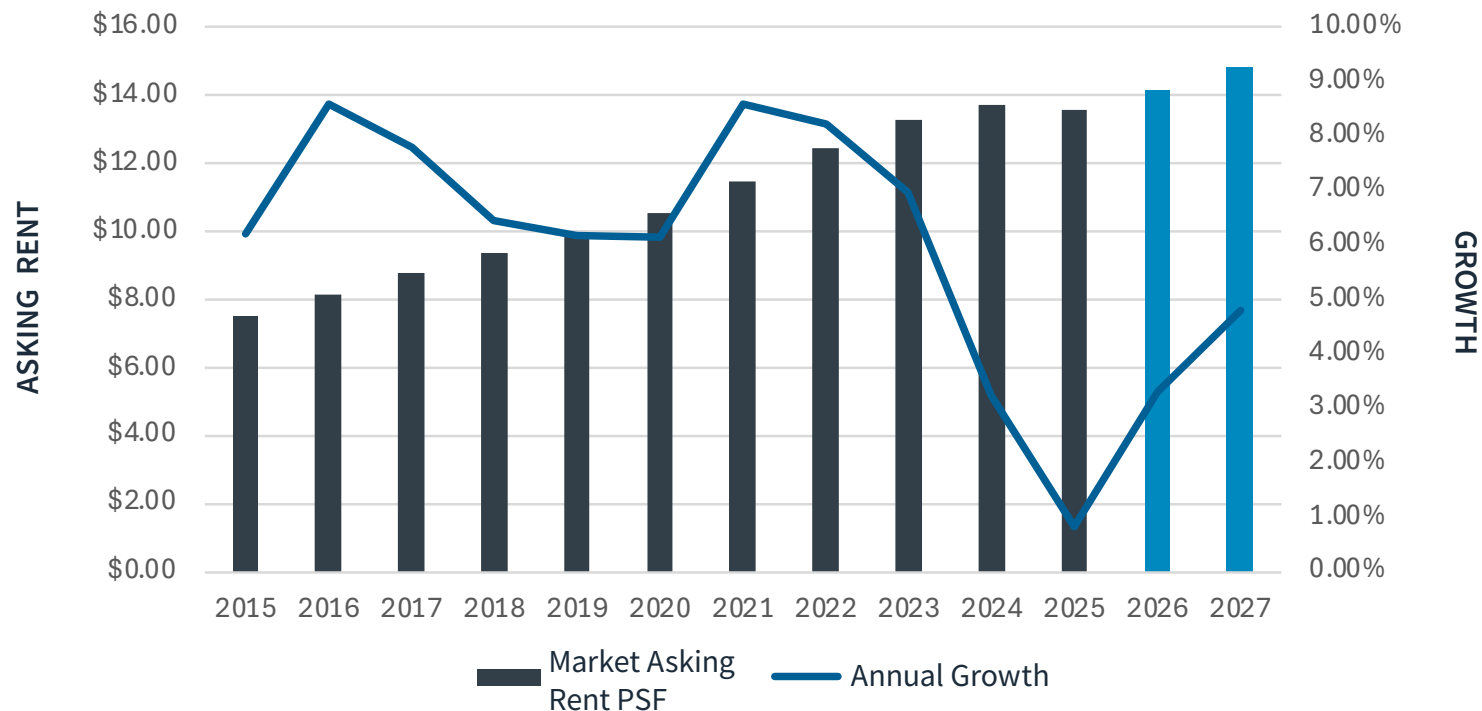
UNTRENDED STABILIZED VALUE	
Value	\$45,935,200
Sq. Ft.	203,922
Value Per Sq. Ft.	\$225

10-Year Cash Flow

YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
For the Month Ending	7/25-7/26	8/26-7/27	8/27-7/28	8/28-7/29	8/29-7/30	8/30-7/31	8/31-7/32	8/32-7/33	8/33-7/34	8/34-7/35
Rental Revenue										
Potential Base Revenue	\$3,078,407	\$3,078,407	\$3,129,716	\$3,242,505	\$3,364,099	\$3,490,252	\$3,613,462	\$3,706,199	\$3,819,066	\$3,952,748
Absorption & Turnover Vacancy	(\$3,078,407)	(\$1,710,143)	(\$122,029)	\$0.00	\$0.00	\$0.00	(\$234,884)	(\$122,002)	(\$61,001)	(\$221,187)
Free Rent Given	\$0.00	(\$488,737)	(\$280,865)	\$0.00	\$0.00	\$0.00	(\$231,047)	(\$60,008)	(\$120,915)	(\$220,407)
Total Rental Revenue	\$0.00	\$879,527	\$2,726,823	\$3,242,505	\$3,364,099	\$3,490,252	\$3,147,530	\$3,524,189	\$3,637,150	\$3,511,153
Expenses Reimbursement										
Expenses Reimb. Income	\$0.00	\$108,076	\$564,048	\$621,208	\$640,971	\$661,369	\$622,806	\$672,710	\$704,617	\$688,035
Potential Gross Revenue	\$0.00	\$987,602	\$3,290,871	\$3,863,712	\$4,005,070	\$4,151,621	\$3,770,336	\$4,196,900	\$4,341,767	\$4,199,189
Vacancy and Credit Loss										
5% Cash Flow Risk Adjustment	\$0.00	\$0.00	(\$155,614)	(\$193,186)	(\$200,253)	(\$207,581)	(\$178,254)	(\$183,094)	(\$189,181)	(\$156,531)
Effective Gross Revenue	\$0.00	\$987,602	\$3,135,257	\$3,670,527	\$3,804,816	\$3,944,040	\$3,592,083	\$4,013,806	\$4,152,586	\$4,042,658
Operating Expenses										
Management Fee	\$0.00	(\$21,224)	(\$126,700)	(\$148,604)	(\$154,041)	(\$159,678)	(\$145,262)	(\$161,588)	(\$167,087)	(\$161,804)
CAM	\$0.00	(\$213,948)	(\$111,898)	(\$115,255)	(\$118,713)	(\$122,274)	(\$125,943)	(\$129,721)	(\$133,612)	(\$137,621)
Admin	\$0.00	\$0.00	(\$37,465)	(\$38,604)	(\$39,779)	(\$40,989)	(\$42,235)	(\$43,520)	(\$44,844)	(\$46,208)
Insurance	\$0.00	\$0.00	(\$46,206)	(\$47,612)	(\$49,060)	(\$50,552)	(\$52,090)	(\$53,674)	(\$55,307)	(\$56,989)
Tax	\$0.00	\$0.00	(\$263,129)	(\$271,132)	(\$279,379)	(\$287,876)	(\$296,632)	(\$305,655)	(\$314,951)	(\$324,531)
Non-Recoverable Ground Lease	\$0.00	(\$88,915)	(\$156,236)	(\$160,141)	(\$164,145)	(\$168,249)	(\$172,455)	(\$176,766)	(\$181,185)	(\$185,715)
Total Expenses	\$0.00	(\$324,087)	(\$741,634)	(\$781,349)	(\$805,116)	(\$829,617)	(\$834,617)	(\$870,924)	(\$896,986)	(\$912,867)
Net Operating Income	\$0.00	\$663,516	\$2,393,623	\$2,889,178	\$2,999,700	\$3,114,423	\$2,757,466	\$3,142,882	\$3,255,599	\$3,129,791

Puget Sound Industrial Market Summary

	CURRENT QUARTER	PRIOR QUARTER	PRIOR YEAR	FORECAST
TOTAL INVENTORY	345M	343M	338M	↑
VACANCY RATE	8.00%	6.70%	7.20%	→
QUARTERLY NET ABSORPTION	960K	226K	(2M)	↑
AVERAGE ASKING RENT/SF	\$13.59	\$13.59	\$13.41	→
UNDER CONSTRUCTION (SF)	6M	5.7M	6.9M	↓



Industrial Sale Comparables



Glacier Peak Industrial Park

Address: 607 Riverside Rd., Everett
Vintage: 2019
Square Feet: 200,642
Sale Date: Mar-25

Buyer: Pine Forest Properties
Sale Price: \$51,00,000
Price PSF: \$254
Cap Rate: 5.4%



4680 Campus Pl

Address: 4680 Campus Pl., Mukilteo
Vintage: 2000
Sale Date: Dec-24
Square Feet: 117,752

Buyer: TA Realty
Sale Price: \$26,500,000
Price PSF: \$221
Cap Rate: 5.7%



Gayteway Business Park

Address: 20101 67th Ave NE
 & 7123 197th PL NE, Arlington
Vintage: 2020-2024
Square Feet: 365,397
Sale Date: May-24

Buyer: EQT Exeter
Sale Price: \$70,600,000
Price PSF: \$193
Cap Rate: 5.61%



The Reserve at Woodinville

Address: 15902 Woodinville-Redmond Rd. NE,
 Woodinville
Vintage: 2018
Square Feet: 159,528
Sale Date: Dec-23

Buyer: CapRock
Sale Price: \$35,233,000
Price PSF: \$221
Cap Rate: 4.7%

Industrial Lease Comparables



6700 Hardsen Road

Address: 6700 Hardsen Rd., Everett
Vintage: 2001
Square Feet: 33,724
Lease Date: Apr-24
Term: 87 Months
Shell \$1.10 Office: \$2.10 Blend: \$1.21
Free Rent: 3
Rent Bumps: 4.0%
Notes: New carpet, painting, repair
deminishing wall, paint WHS,
LED install, repair slab



Bridgepoint Soundview Bldg. C

Address: 5900 36th Ave W., Everett
Vintage: 2023
Square Feet: 44,000
Lease Date: Aug-24
Term: 60 Months
Shell \$1.23 Office: \$2.50 Blend: \$1.27
Free Rent: 5
Rent Bumps: 4.0%
Notes: Turnkey office



Marysville Corp. Ctr. Bldg. 102

Address: 15908 47th Ave NE, Marysville
Vintage: 2024
Square Feet: 15,476
Lease Date: Jan-25
Term: 64 Months
Shell \$1.15 Office: \$2.50 Blend: \$1.41
Free Rent: 4
Rent Bumps: 4.0%
Notes: Turnkey office



Cascade Business Park Bldg. 3

Address: 106015 51st Ave, Marysville
Vintage: 2025
Square Feet: 307,860
Lease Date: Mar-25
Term: 123 Months
Shell \$1.00 Office: \$2.50 Blend: \$1.09
Free Rent: 3
Rent Bumps: 3.5%
Notes: Build-to-Suit Deal



SCG 180th St. Industrial Park

Address: 6015 180th St., Arlington
Vintage: 2019
Square Feet: 8,275
Lease Date: 3/1/25
Term: 37 Months
Shell \$1.15 Office: \$2.50 Blend: \$1.19
Free Rent: None
Rent Bumps: 4.0%
Notes: SMARTCAP asset



SC 188th St. Industrial Park

Address: 6015 180th St., Arlington
Vintage: 2020
Square Feet: 5,706
Lease Date: 11/1/24
Term: 76 Months
Shell \$1.15 Office: \$2.50 Blend: \$1.28
Free Rent: 3
Rent Bumps: 4.0%
Notes: SMARTCAP asset



Arlington Air Indus Park Bldg A

Address: 4100 152nd St. NE, Marysville
Vintage: 2023
Square Feet: 15,354
Lease Date: 12/1/24
Term: 63 Months
Shell \$1.15 Office: \$2.50 Blend: \$1.34
Free Rent: 3
Rent Bumps: 3.75%
Notes: SMARTCAP asset



SMARTCAP Advantage

We have the expertise, resources, and connections you need to break into the industrial market.

Discover more of what sets our company apart in the Seattle and Portland markets.

BEST COMMUNICATION

Best in class communication and transparency.

DATA DRIVEN

Deep local market knowledge and hyper data driven.

RELATIONSHIP FOCUSED

Highly focused on long-term relationships with investors, lenders, and partners.

DISCIPLINED

Disciplined underwriting, analysis and conservative use of leverage to manage risk / return.



Let's Work Together

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