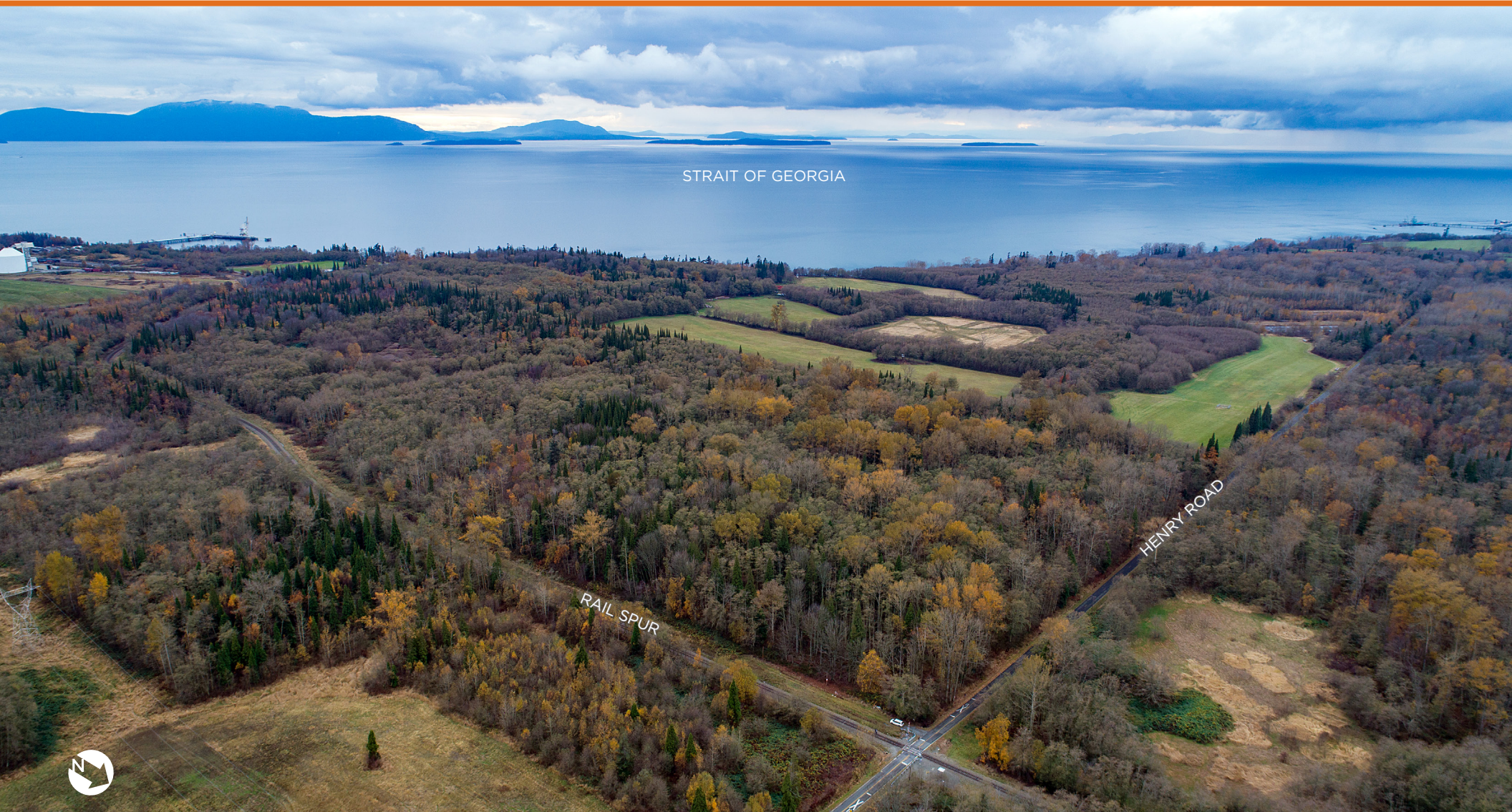


DEVELOPMENT SITE FOR SALE

336± ACRES ZONED HEAVY INDUSTRIAL

CHERRY POINT, NORTHWEST WASHINGTON STATE



STRAIT OF GEORGIA

RAIL SPUR

HENRY ROAD



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ORION
COMMERCIAL PARTNERS

TABLE OF CONTENTS



// INVESTMENT SUMMARY	PAGE // 3
// SITE OVERVIEW	PAGE // 4
// ZONING DESCRIPTION	PAGE // 10
// MARKET OVERVIEW	PAGE // 11

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage, age, and numbers are approximate. Parties must verify the information and bears all risk for any inaccuracies.

INVESTMENT SUMMARY

THE OFFERING

ORION Commercial Partners is pleased to offer for sale land in the Cherry Point district of Ferndale, Washington. One of the last opportunities on the West Coast for heavy impact industrial development on an already assembled 336± acres (estimated 100-150 acres usable on entire site) of land adjacent to deep water with convenient truck and rail access. The development site also has two existing 60,000 square foot concrete pads built in 1992.

The zoning and size of the site can accommodate manufacture of chemicals, textiles, food, wood products, rubber, and plastics; metal industries such as blast furnaces and smelting; machinery/equipment manufacturing; heavy construction contractors; freight railroad switching yards and terminals; and large scale high-tech businesses.

The site sits along ~2,500 feet of Strait of Georgia shoreline with 70' of deep water access. The location is only six miles from I-5 along Highway 548 truck route with close proximity to the Canadian border. The site has ample access to local population centers, labor pool, housing, regional transportation corridors, and nearby airports. The site benefits from being served by the BNSF Railway's Custer Spur that runs parallel to the east side of the site.

LOCATION	Intersection of Henry Road & Gulf Road Ferndale, WA 98248	
TOTAL LAND AREA	336± acres of undeveloped vacant heavy-impact industrial land <i>Estimated 100-150 acres usable on entire site</i>	
TOPOGRAPHY	Generally gently sloping from NE to SW and low bank shoreline	
ZONING	HII (Heavy Impact Industrial) <i>(see page 9 for zoning information)</i>	
PARCEL #S	3901200954770000 3901201353590000 3901203404760000 3901203373230000	3901201512120000 3901195123410000 3901194404800000 3901195024840000 <i>(Subject to boundary line adjustments)</i>
STUDIES	Environmental & technical studies available for review by qualified parties during due diligence	

SITE OVERVIEW



LOCATION:

CHERRY POINT, WHATCOM COUNTY, WA

- Located within the Cherry Point development.
- Neighbors include oil refining, liquid and petroleum gas terminaling, and aluminum smelting.
- Direct access to Pacific Rim trade routes including approximately 2,500± lineal feet of shoreline along the Strait of Georgia.
- Interstate-5 located just 6 miles from property along Highway 548 truck route; 17 miles to Canada border.



ZONING & LAND USE: HEAVY IMPACT INDUSTRIAL (HII)

- Cherry Point Industrial Area Plan “encourages major industrial development.”
- Allowable uses include heavy-duty manufacture and processing, metal industries, machinery/equipment manufacturing, heavy construction, and large-scale freight forwarding.



PHYSICAL CHARACTERISTICS: LARGE LAND ASSEMBLY

- 336± acres of contiguous undeveloped vacant land.
- Approximately 2,500 feet of shoreline.
- Frontage dimensions are 5,380 ft with Henry Rd, 750 ft with Gulf Rd, and 500 ft with Kickerville Rd.
- Puget Sound frontage consists of 8 tax parcels that are generally rectangular in shape.



RAIL ACCESS

- BNSF Railway’s Bellingham Subdivision runs approximately north-south roughly parallel to Interstate-5 in the site vicinity. This main line feeds the Custer Spur line developed to service the Cherry Point Industrial UGA.
- The Custer Spur branches west from the Bellingham Subdivision main line at Custer, then travels west, then south approximately 6 miles, terminating in the Cherry Point rail yard near the Phillips 66 Ferndale Refinery, the southern most industrial facility in the Heavy Impact Industrial zone.
- The site is served by the BNSF Railway’s Custer Spur that runs parallel to the east side of the site.

SITE OVERVIEW

SITE HIGHLIGHTS

(continued)



UTILITIES

- Water infrastructure is currently up to the edge of the site. Public Utility District #1 of Whatcom County supplies 43M gallons/day of industrial water to the Cities of Birch Bay, Ferndale and other industries at Cherry Point.
- Two electricity providers in the Cherry Point Urban Growth Area include the Bonneville Power Administration and Puget Sound Energy.
- Sanitary sewage disposal would require septic systems and/or a packaged treatment plant



IMPROVEMENTS

- Two large concrete foundations for tilt-up buildings (designed for light manufacturing or storage) were permitted and constructed in 1992.
- Gravel roads, stormwater collection facilities, underground drainage systems, soil mounds, and detention ponds were also constructed.
- Detailed site plans and construction drawings are available for review by qualified parties during due diligence.



Two large concrete foundations for tilt-up buildings

SITE OVERVIEW

PHOTOS



SITE OVERVIEW

AREA MAP



SITE OVERVIEW

LOCAL OWNERSHIP MAP



SITE OVERVIEW

PARCEL MAP



ZONING DESCRIPTION

HII: HEAVY IMPACT INDUSTRIAL

The Zoning is Heavy Impact Industrial (HII). Permitted uses include manufacture and processing of products such as chemicals, textiles, food, lumber, paper, rubber, plastics, and metal products; primary metal industries such as blast furnaces

and smelting; manufacture of machinery and equipment; heavy construction contractors; freight railroad switching yards and terminals; and large scale high technology business.

WHATCOM COUNTY Title 20 Zoning & Comprehensive Plan Designation COMPREHENSIVE PLAN DESIGNATIONS

Incorporated City Limits	Transportation Corridors
Urban Growth Area	Agriculture
Urban Growth Area Reserve	Rural Forestry
Major/Port Industrial UGA	Commercial Forestry
Rural	Mineral Resource Lands
Small Towns	Public Recreation
Crossroads Commercial	Project Site Boundary
Resort/Recreational Subdivisions	
Suburban Enclaves	

TITLE 20 ZONING DESIGNATIONS

INDUSTRIAL	URBAN RESIDENTIAL
HII Heavy Impact Industrial	URMX Urban Residential-Mixed Use
LII Light Impact Industrial	URMX(10-24) Urban Residential-Mixed Use 10-24 Units/Acre
GM General Manufacturing	URMX(6-12) Urban Residential-Mixed Use 6-12 Units/Acre
GI Gateway Industrial	URMX(6-10) Urban Residential-Mixed Use 6-10 Units/Acre
AO Airport Operations	URM(24) Urban Residential-Medium Density 24 Units/Acre
	URM(18) Urban Residential-Medium Density 18 Units/Acre
	URM(12) Urban Residential-Medium Density 12 Units/Acre
	URM(6) Urban Residential-Medium Density 6 Units/Acre
	UR(6) Urban Residential-6 Units/Acre
	UR(4) Urban Residential-4 Units/Acre
	UR(3) Urban Residential-3 Units/Acre

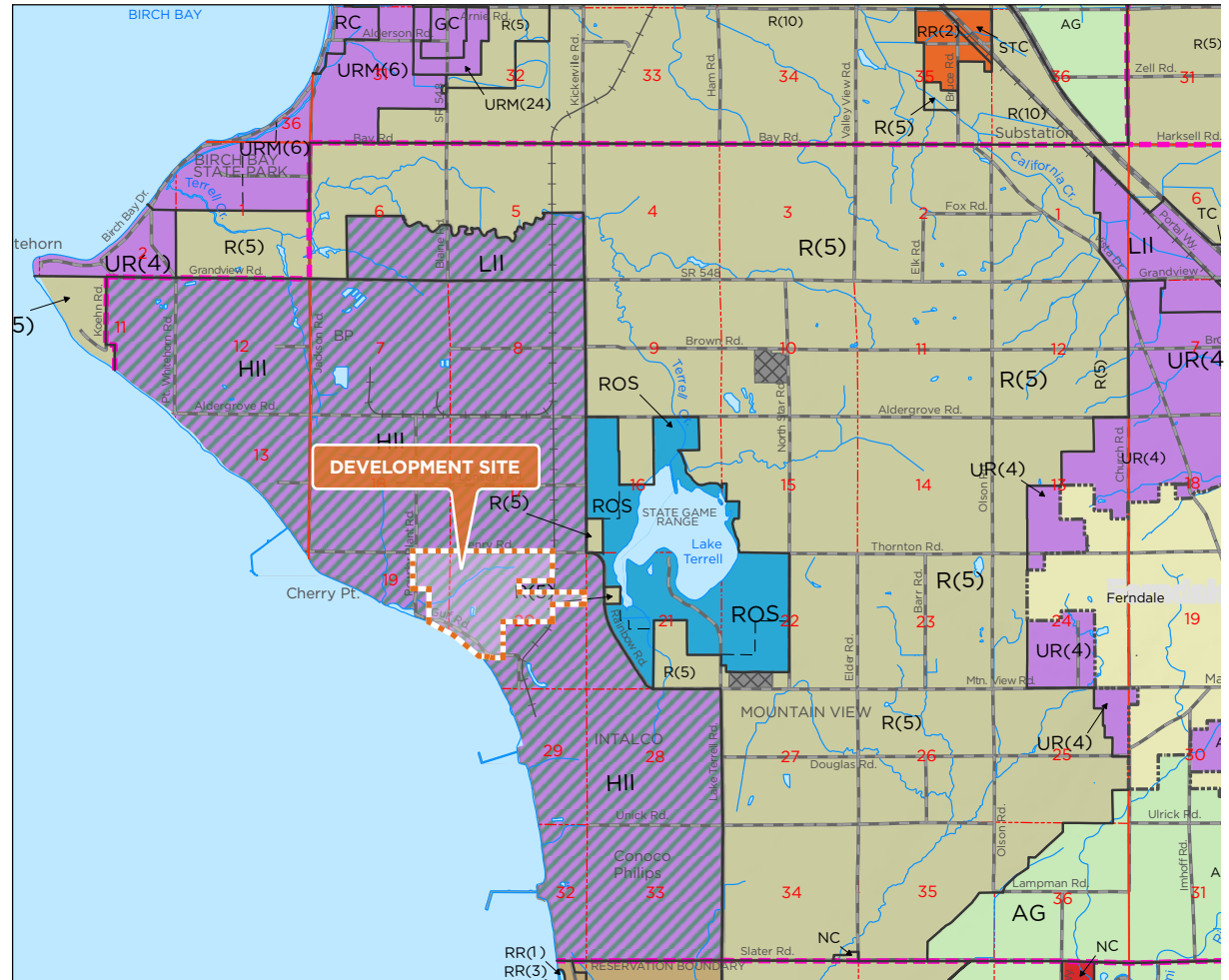
COMMERCIAL	RURAL RESIDENTIAL
GC General Commercial	RR(3) Rural Residential-3 Units/Acre
TC Tourist Commercial	RR(2) Rural Residential-2 Units/Acre
NC Neighborhood Commercial	RR(1) Rural Residential-1 Unit/Acre
STC Small Town Commercial	RRi Rural Residential Island
RC Resort Commercial	TZ Transitional-RSA/RRi

RURAL
2) Rural-1Unit/2 Acres
5) Rural-1 Unit/5 Acres
10) Rural-1 Unit/10 Acres

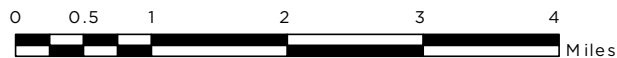
SOURCES
3 Agriculture
4 Commercial Forestry
5 Rural Forestry
2L Mineral Resource Lands (Overlay Zone)

HER
3S Recreation Open Space
Eliza Island

Zoning Boundary	National Forest Boundary
Subarea Boundary	Water Resource Protection Overlay Zone
	Mineral Resource Lands
	Transferrable Development Rights (TDRs)
	TDR Receiving Areas All URMX Zones except Bennett Dr.
	TDR Sending Areas Lake Whatcom Watershed (same boundary as Lake Whatcom portion of Water Resource Protection Overlay Zone) excluding Sudden Valley



Map Source: Whatcom County GIS Services



MARKET OVERVIEW

ABOUT WHATCOM COUNTY

The Cherry Point Urban Growth Area is situated in Whatcom County, west of the City of Ferndale, south of Birch Bay, and northwest of Bellingham. It is approximately 11 square miles in size and is zoned for heavy-impact industrial land use.

Whatcom County is situated between Vancouver, B.C., 60 miles to the north (2.6 million people) and Seattle, Washington, 89 miles to the south (3.5 million people). The border is approximately 16 miles north of Cherry Point. Interstate 5 (I-5), BNSF Railway, and Bellingham International Airport all allow for convenience and ease of transportation. The western border of Whatcom County encompasses over 130 miles of meandering maritime shoreline, including frontage along the Salish Sea, which is an intricate network of coastal waterways shared by the U.S. and Canada. The Salish Sea is one of the world's largest and most biologically rich inland seas.

The county has almost 90,000 nonfarm jobs. Maritime trades, heavy industrial manufacturing, higher education, and food processing are some basic industries. Technology, outdoor recreation, and health/wellness are growing sectors. Employers can draw on a diverse regional labor force of 200,000 in a one-hour driving radius. The region is very well suited for commerce with Asian destinations, as shipping via ocean freighter is two days faster via local ports compared to the Los Angeles/Long Beach area. World-leading aerospace and related manufacturing facilities are easily reached from the Whatcom region.

INDUSTRIAL SUPPLY & DEMAND

The industrial supply in Whatcom County consists of roughly 8 million rentable square feet of space, three-quarters of which is warehouse space. The Bellingham Metropolitan Area represents over 50% of the rentable building area in Whatcom County. Demand for industrial space is highly concentrated in and around Bellingham.

Bellingham is a supply-constrained market with very little available space. The vast majority of vacant space is owned by the Port of Bellingham and has restrictions requiring that tenants be marine-related. The actual vacancy rate is as low as 2% or 3%. Low vacancy in Bellingham creates opportunities and demand in surrounding districts like Cherry Point. In the Ferndale area north of Bellingham (near Cherry Point) five industrial parks are catering to approximately 45 users in the manufacturing, construction, logistics, and engineering sectors. The business/industry parks outside Bellingham are heavily concentrated along the I-5 corridor.

Across the county, the vast majority of industrial properties are under 30,000 SF in size. Nearly fifty percent are 10,000 SF or less. There is limited space available anywhere in the county that is suitable for larger-scale users which makes the subject site a prime development opportunity.



Source: Port of Bellingham

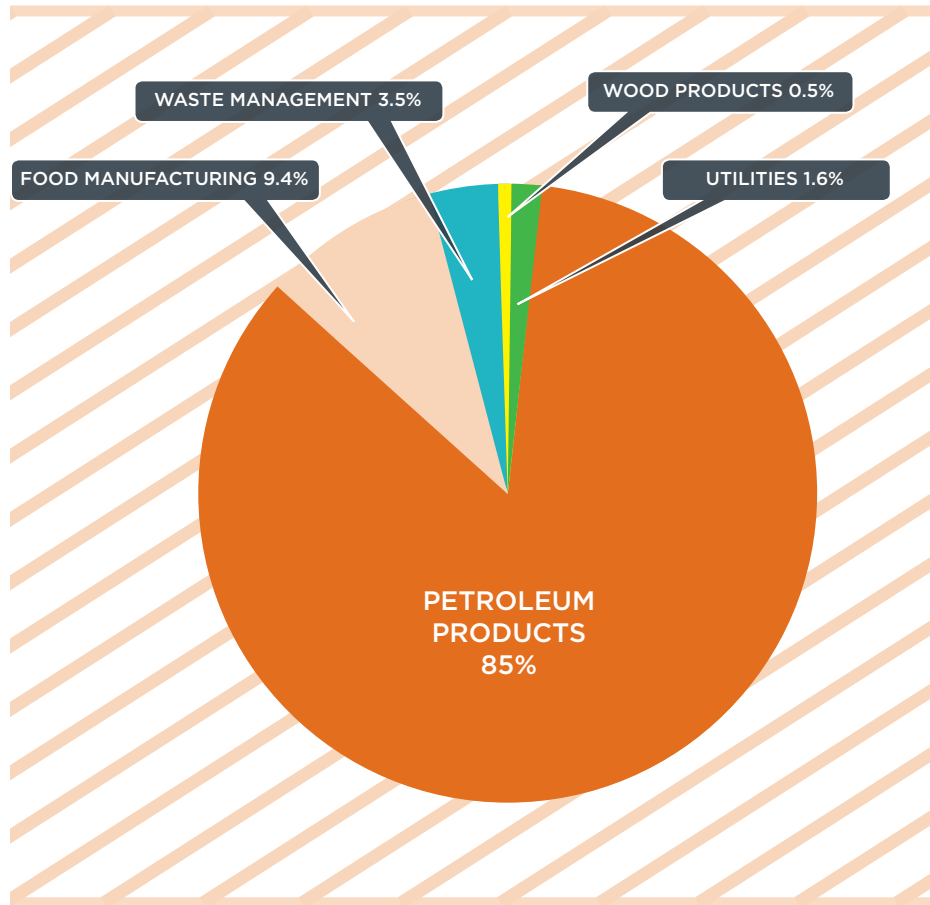
MARKET OVERVIEW

MAJOR EMPLOYERS AT CHERRY POINT

The businesses in the Cherry Point Industrial Zone continue to play a significant role in both the county and state economy.

The area is home to approximately 3,320 jobs or roughly 3.75 percent of all jobs in Whatcom County. These jobs support 11.2 percent of all jobs and 17 percent of all wages paid within Whatcom County.

The average wage for all jobs in Whatcom County was \$45,491 in 2017, with the average wage for jobs in the Cherry Point Industrial Zone being much higher at \$110,690.



Source: Employment at Cherry Point Study, Western Washington University, 2019

CHERRY POINT URBAN GROWTH AREA			
EMPLOYER	INDUSTRY	2019 # OF EMPLOYEES	% OF TOTAL
Baker Septic	Waste Management	15	0.94%
Barleans Organic Oils	Food Manufacturing	150	9.42%
BP	Petroleum Products	900	56.53%
Chemco Products	Wood Products	8	0.50%
Coastal Industrial Services	Waste Management	40	2.51%
BNSF Transload Facility	Petroleum Products	5	0.31%
Praxair	Petroleum Products	14	0.88%
Petrogas	Petroleum Products	10	0.63%
Phillips 66	Petroleum Products	425	26.70%
Puget Sound Energy Ferndale	Utilities	20	1.26%
Puget Sound Energy Whitehorn	Utilities	5	0.31%
TOTAL EMPLOYMENT OF MAJOR EMPLOYERS		1,592	100%

8 IN 10 WORKERS IN THE CHERRY POINT URBAN GROWTH AREA ARE EMPLOYED BY PETROLEUM-RELATED COMPANIES.

MARKET OVERVIEW

SALES COMPARABLES

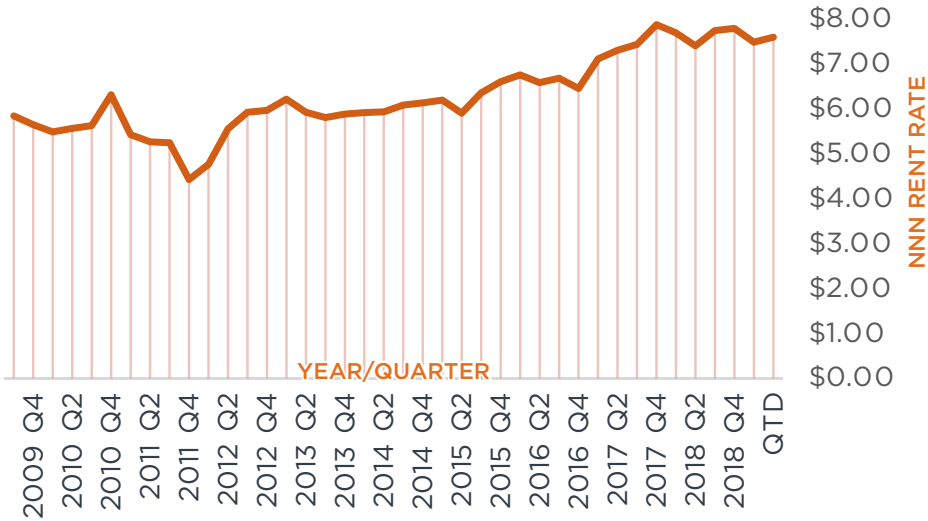
WHATCOM COUNTY INDUSTRIAL LAND SALE COMPS

ZONING	ADDRESS	CITY	ACRES	SF	SALE PRICE	YEAR	PRICE PER ACRE	PRICE PER SF LAND
Heavy Impact Industrial	DEVELOPMENT SITE @ Henry Rd & Gulf Rd	Ferndale	1,110	48,351,600	\$49,999,999	2023	\$45,045.04	\$1.03
Heavy Impact Industrial	6065 Kickerville Rd	Ferndale	5.11	222,592	\$293,877	2018	\$57,510	\$1.32
Light Industrial	2500 Squalicum Pkwy	Bellingham	6.49	282,704	\$440,000	2021	\$67,797	\$1.56
Light Industrial	Nevada St	Bellingham	11.15	485,694	\$1,850,000	2021	\$165,919	\$3.81
Light Industrial	6276 Portal Wy	Ferndale	18.02	784,951	\$1,300,000	2020	\$72,142	\$1.66
Light Industrial	4048 James St	Bellingham	13.41	584,140	\$925,000	2019	\$68,978	\$1.58
Light Industrial	1401 Smith Rd	Ferndale	5.22	227,383	\$650,000	2019	\$124,521	\$2.86
Light Industrial	4730 Guide Meridian	Bellingham	4.21	183,388	\$388,750	2019	\$92,339	\$2.12
Light Industrial	5356 Guide Meridian Rd	Bellingham	4.73	206,039	\$350,000	2019	\$73,996	\$1.70
Light Industrial	2010 Grandview Rd	Ferndale	9.70	422,532	\$1,249,000	2018	\$128,763	\$2.96
Light Industrial	2570 Delta Ring Rd	Ferndale	1.53	66,647	\$200,000	2018	\$130,719	\$3.00
Light Industrial	4730 Guide Meridian	Bellingham	7.14	311,018	\$536,000	2018	\$75,070	\$1.72

MARKET OVERVIEW

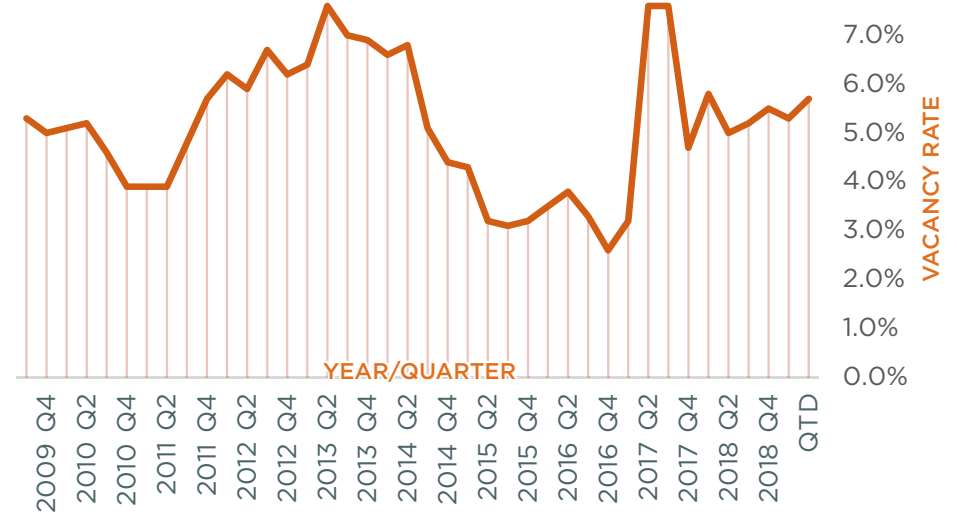
WHATCOM COUNTY: INDUSTRIAL MARKET INDICATORS

AVG. INDUSTRIAL LEASE RATES



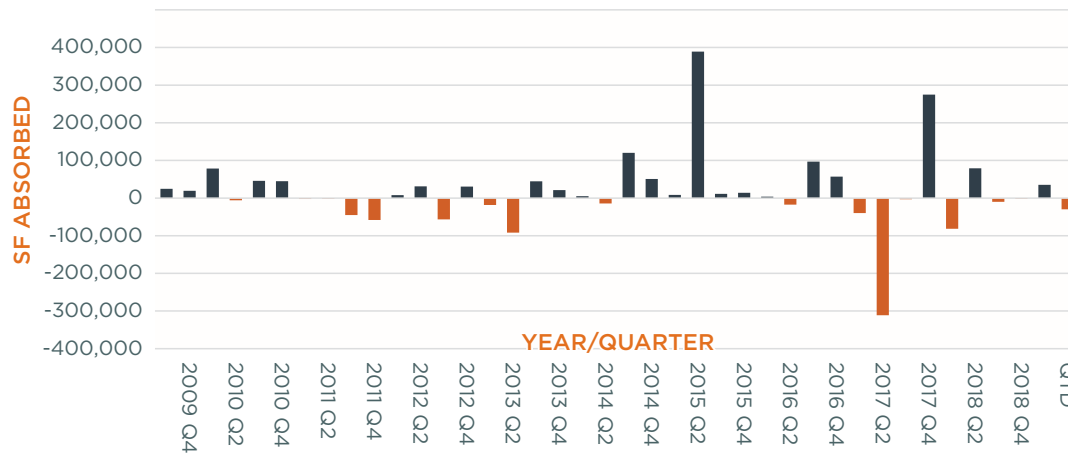
- Over the past decade, average annual NNN lease rates have been trending upward in Whatcom County. BP Refinery
- At the end of 2018, current NNN rents were averaging \$7.60/SF/year.

AVG. INDUSTRIAL VACANCY RATES



- At the end of 2018, the current vacancy rate was 5.7%.

NET ABSORPTION (SF) BY QUARTER (2009 Q3 -2019 Q1)



Source: CoStar, 2019

MARKET OVERVIEW

LOWER BRITISH COLUMBIA INDUSTRIAL COMPARISON

STRATA GROWTH (INDUSTRIAL CONDOS):

The average rent growth for industrial strata in the Lower BC market continued to trend steadily upward throughout 2018. While the average industrial rent in Surrey is slightly lower than the entire Lower BC market, demand for strata is strong in Surrey. As a result, Surrey is home to the most strata development in Lower BC. In Campbell Heights, 22% of the industrial development pipeline is for strata projects.

LACK OF AVAILABLE LAND:

While industrial vacancy is up 30 Bps from Q4 2017, vacancy is still very low at 1.4%. This indicates supply has yet to pace with demand for industrial space in the Lower BC/Vancouver Metro in the past year. As a result, average net asking rates regionally have increased significantly at 11.0% year over year.

DEVELOPMENT TYPE AND TENANTS:

Industrial projects being developed in the Lower BC market include a mix of strata, for lease, built to suit, and owner occupied projects. Tenants vary across all sizes and industries. In 2018, Amazon leased 453,620 SF at the Delta iPort. Walmart also announced its plans to develop a 300,000 SF facility in Campbell Heights.

CAP RATES:

In Q4 2018 Whatcom County's average industrial cap rate was 6.3%. The Lower BC market cap rates range from 3.25%-5%.

INDICATORS	WHATCOM COUNTY	LOWER BC AREA	Lower BC Submarkets			
			SURREY	LANGLEY	BURNABY	RICHMOND
LEASE RATES (USD)	\$7.60	\$8.80	\$7.64	\$7.70\$	9.85	\$7.85
VACANCY TRENDS	5.7%	1.4%	0.7%	2.2%	1.2%	1.8%
NET ABSORPTION (SF)	35,000	909,000	212,0002	9,000	46,000	237,000
INVENTORY (SF)		192 Million	33.3 Million	14.9 Million	28.5 Million	35.6 Million

Note: All leasing data represented in US Dollars

LOWER BC INDUSTRIAL MARKET TAKEAWAYS

- While lease rates appear to be leveling out in Lower BC, there was still a 2.8% quarterly increase in rent rates from Q3.
- Low vacancies are a strong indicator of the overall demand in the Lower BC industrial market.
- Inventory is increasing Y-o-Y with just under 5 million SF of industrial under construction at the end of Q4.

Sources: CoStar 2018; Cushman Wakefield Q4 2018 Lower BC Industrial Market Report; JLL Industrial Strata Report Fall 2018; Kyle Dodman, Frontline RE Services, October 2018; JLL Vancouver Industrial Insight report Q3 2018; Colliers International, Canada Cap rate report Q4 2018.



ORION Commercial Partners maximizes real estate value through comprehensive project acquisition/disposition, property/asset management, and leasing services. We are a progressive real estate services and investment firm constantly seeking a perfect alignment of interests between us as the service provider and our clients. ORION delivers a

UNIFIED TEAM APPROACH

to fulfill our client's objectives. Creativity, accountability and focused attention are the hallmarks of our business.

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