



Development Opportunity | Offering Memorandum

4429 Meridian Street Bellingham, WA 98226

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Recent zoning change makes this 2.34 acre site ideal for re-development



CITY OF
BELLINGHAM

BevMo!

BIG 5
SPORTING GOODS



Woods
COFFEE

W STEWART ROAD

O'Reilly AUTO PARTS
PROFESSIONAL PARTS PEOPLE

MERIDIAN STREET

Walmart



Arby's

Colliers



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4429 Meridian Street
Bellingham, WA





Executive Summary

Colliers International is proud to represent 4429 Meridian Street, a premier 2.34 acre development site in Bellingham, WA.

4429 Meridian Street is located in the Meridian Street corridor of Bellingham, WA. At 31,582 cars per day, Meridian Street is the second busiest arterial in Whatcom County, second only to, and minutes from, Interstate 5. Meridian Street is THE main arterial connecting Downtown Bellingham to State Highway 539. This area has been, and continues to be, in rapid transition in use from suburban residential to intense light industrial and commercial, including several commercial power centers. The property has recently been annexed into the city of Bellingham, and the current zone classification affecting the subject property allows for a multiplicity of light industrial and/or commercial uses.

There has been significant light industrial and commercial growth in the Meridian Street corridor from Interstate 5 North to Horton Road and beyond, and it is likely that in the months and years to come, the subject property will come under increasing demand from a redevelopment standpoint.

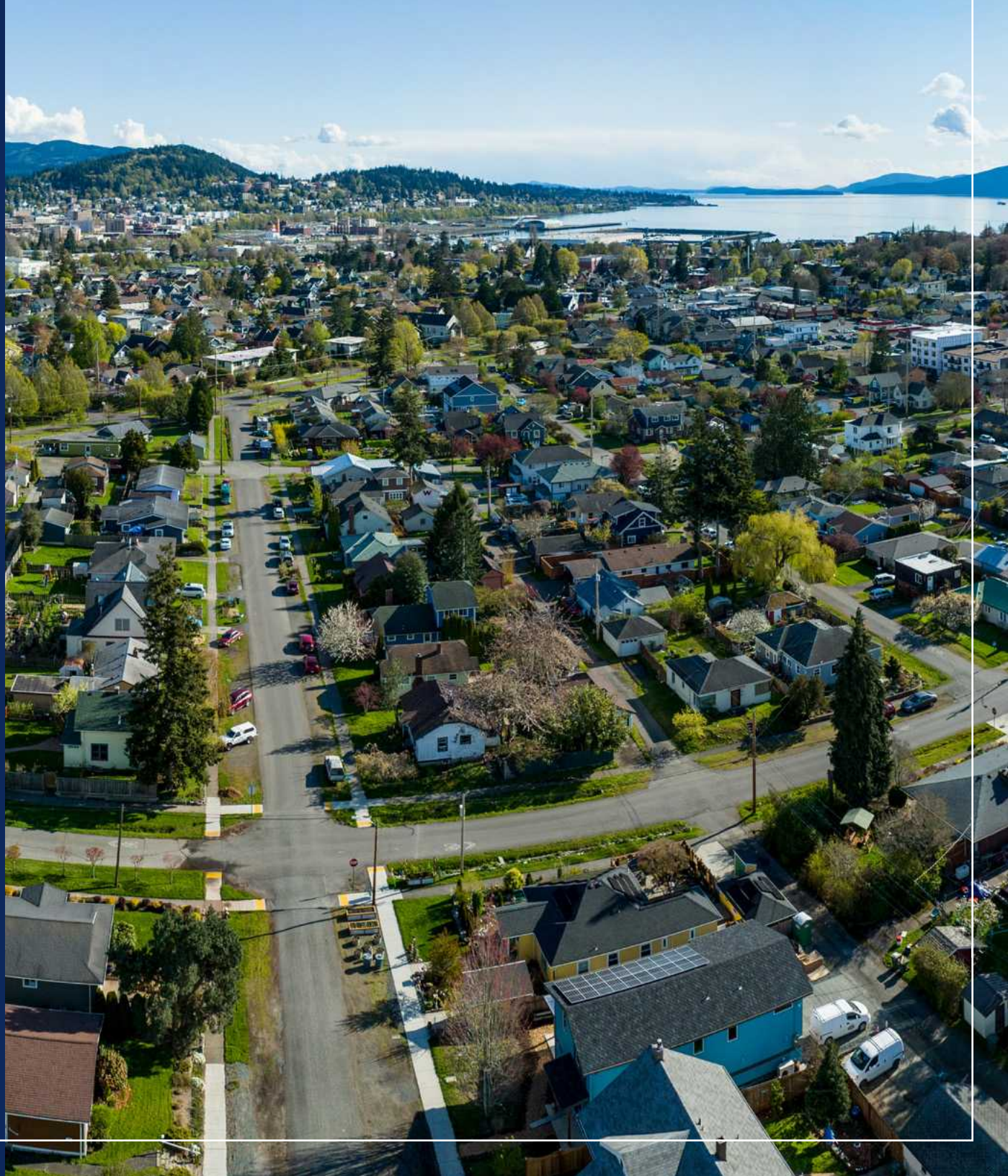
Property Details

Address	4429 Meridian St, Bellingham, WA
Price	\$1.5 million
Lot Size	101,930 SF (2.34 acres)
Zoning	Light Impact Industrial
Maximum Building Height	Exempt from size limits*
Maximum FAR	Exempt from size limits*
Parcel #	46209

**Subject to conditions in BMC 20.10.025*

Site

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Parcel Map



Highest and Best Use

The highest and best use of the subject property as improved would be light industrial, retail, and commercial. There has been significant and dramatic new commercial growth and development in the Meridian Street corridor, including large “box” type stores and retail facilities, including the Meridian Village and Meridian Plaza shopping centers, Wal-Mart (which is directly across the street from the subject property), and other retail centers that cater to the immediate neighborhood as well as to the motoring public in Whatcom County in general. Other facilities in the area include Costco warehousing, distribution facilities, and light manufacturing plants. Our research indicates that Bellingham has a very low vacancy and strong demand for industrial uses in the vicinity of the subject property. Preliminary architectural plans indicate a 30,000 SF Light Industrial/Business Park could be developed and leased for NNN rents ranging from \$13-\$14 per SF.

The existing improvements on the subject property could continue into the foreseeable future on a short-term basis as a rental property to help defray the costs of carrying the investment during the holding period.



VIEW FACING WALMART

Property Photos



Potential Development

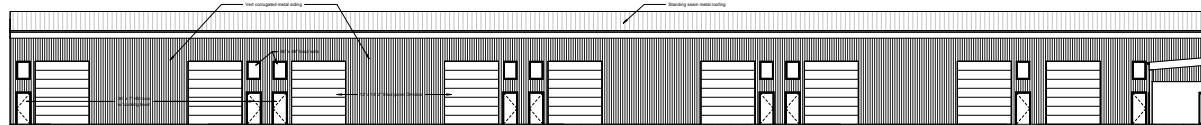
Meridian Storage Warehouse

PROJECT INFORMATION:

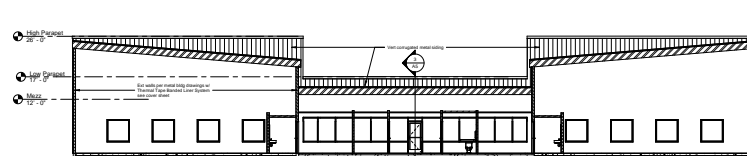
PROJECT DESCRIPTION	NEW METAL BUILDING STORAGE WAREHOUSE	FIRE EXTINGUISHERS	REFER TO NOTES THIS SHEET
BUILDING CODE:	2018 IBC, IFC, UPC, IMC, WASH AMEND, WSEC	COMMISSIONING	COMMISSIONING OF ELECTRICAL, MECHANICAL & SERVICE WATER HEATING PER WSEC. COMMISSIONING REPORTS TO BE PROVIDED TO THE ARCHITECT FOR SUBMISSION TO BUILDING DEPT. FOR REVIEW UPON REPORT COMPLETION. EXCEPTIONS ARE AVAILABLE PER WSEC 408.
BUILDING TYPE:	VB SPRINKLERED	FUTURE SOLAR EQUIP	SOLAR PV PANELS ON 40% OF ROOF. DEFERRED ELECTRICAL DOCUMENTS TO SHOW LOCATION FOR INVERTERS AND METERING EQUIP
OCCUPANCY USE & LOAD:	B OFFICES - XXXXX SF / 150 = 4 OCCUPANTS S-1 STORAGE - XXXX SF / 500 = 7 OCCUPANTS MAX TOTAL OCCUPANT LOAD PER IBC 1004.5 = XX OCCUPANTS	DEFERRED PERMITS	PLUMBING HVAC ELECTRICAL LIGHTING AND LIGHTING ENERGY FORM AUTOMATIC SPRINKLER SYSTEM
BUILDING AREA	TOTAL BUILDING = XXXXX SF		
EXT WALL FIRE RATING	XXXXXXXX SOUTH WALL 5' FROM PROP LINE - 1 HR PER IBC 602 NORTH WALL 10'-5.5" FROM PROP LINE - NO RATING REQ PER IBC 602		



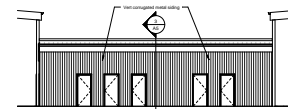
3. Inside Court Elevation
1/8" = 1'-0"



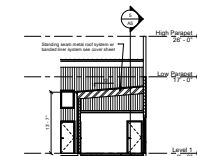
4. Inside Court Elevation
1/8" = 1'-0"



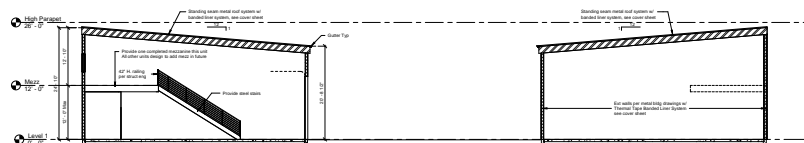
5. Cross Section 1
1/8" = 1'-0"



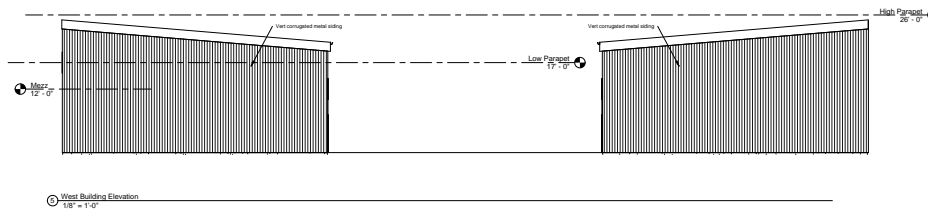
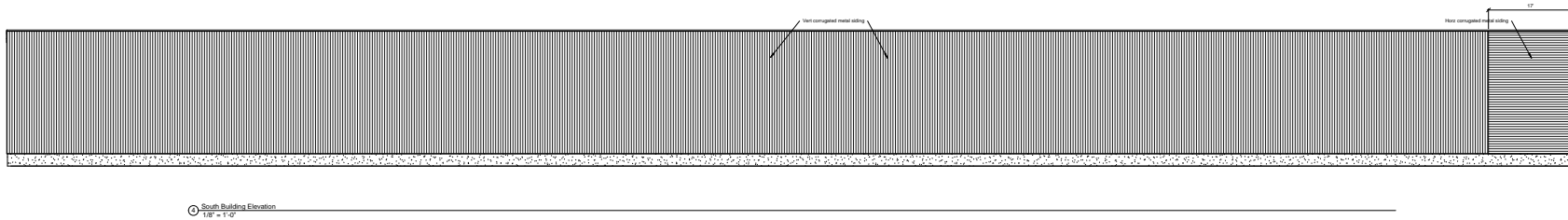
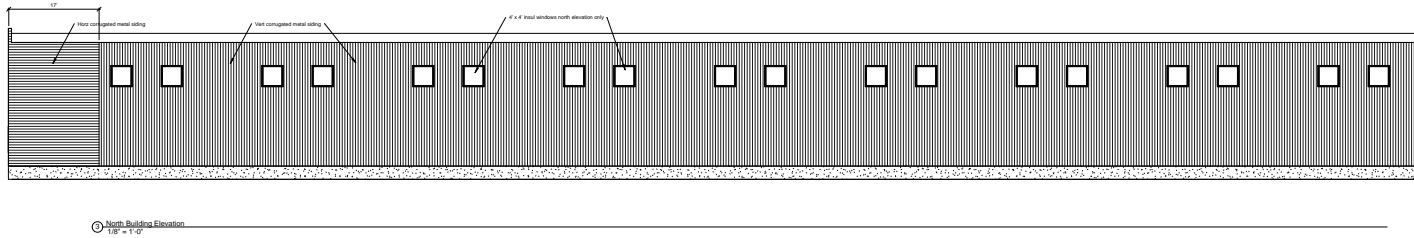
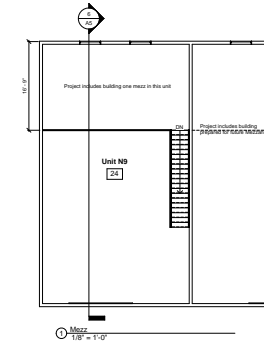
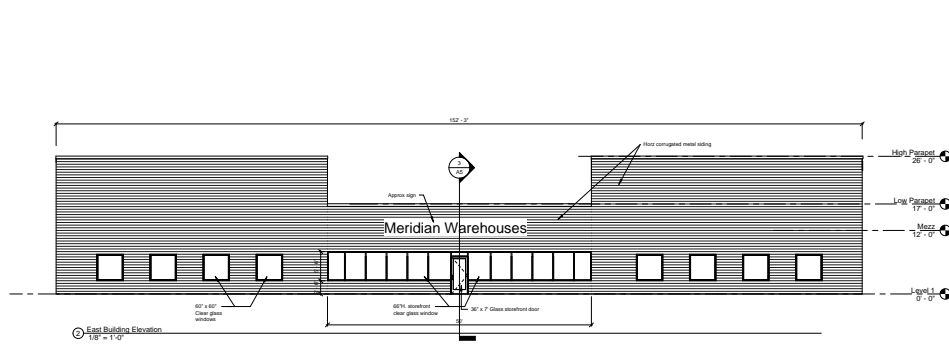
6. Back of Office Elevation
1/8" = 1'-0"



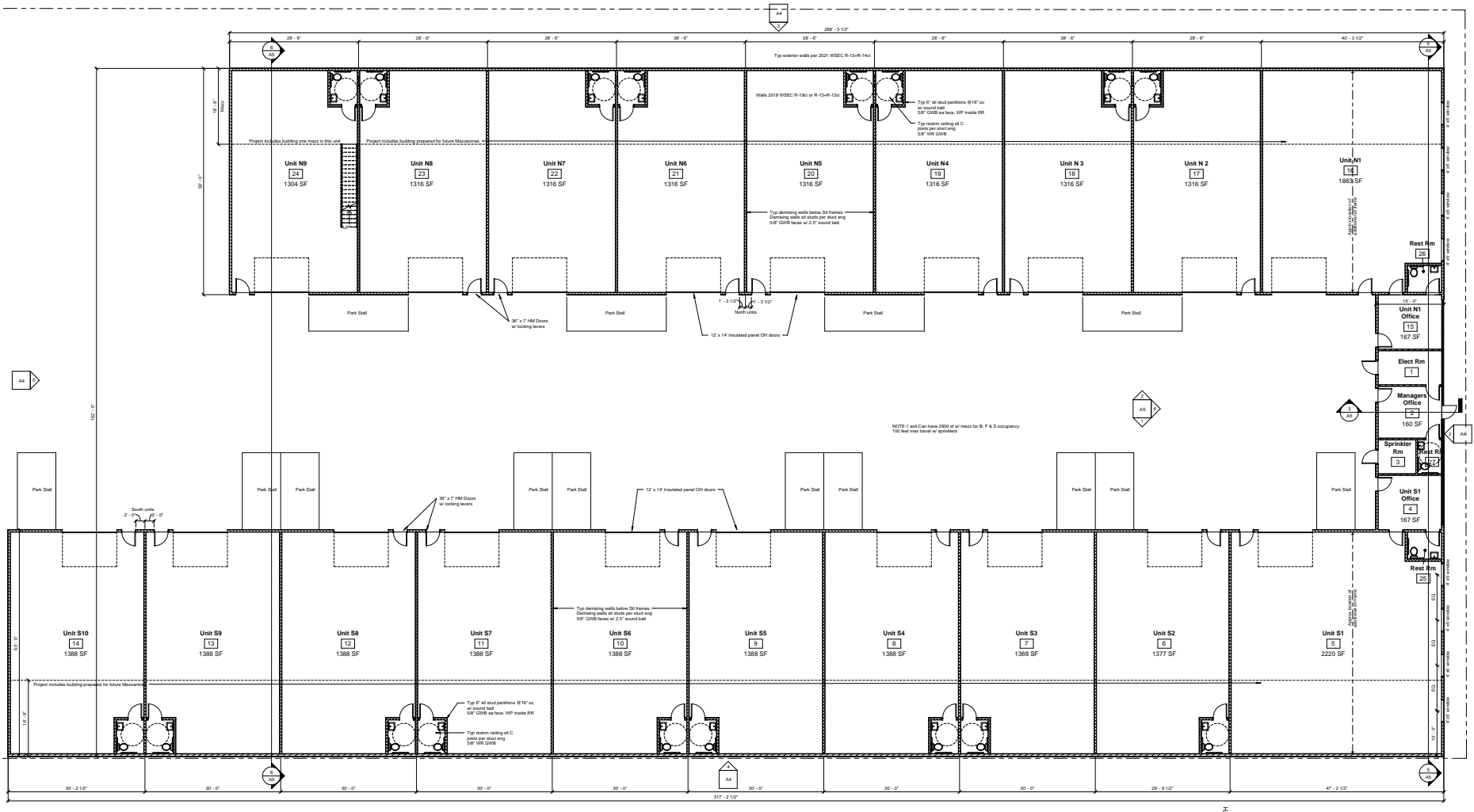
7. Office Section
1/8" = 1'-0"



Potential Development



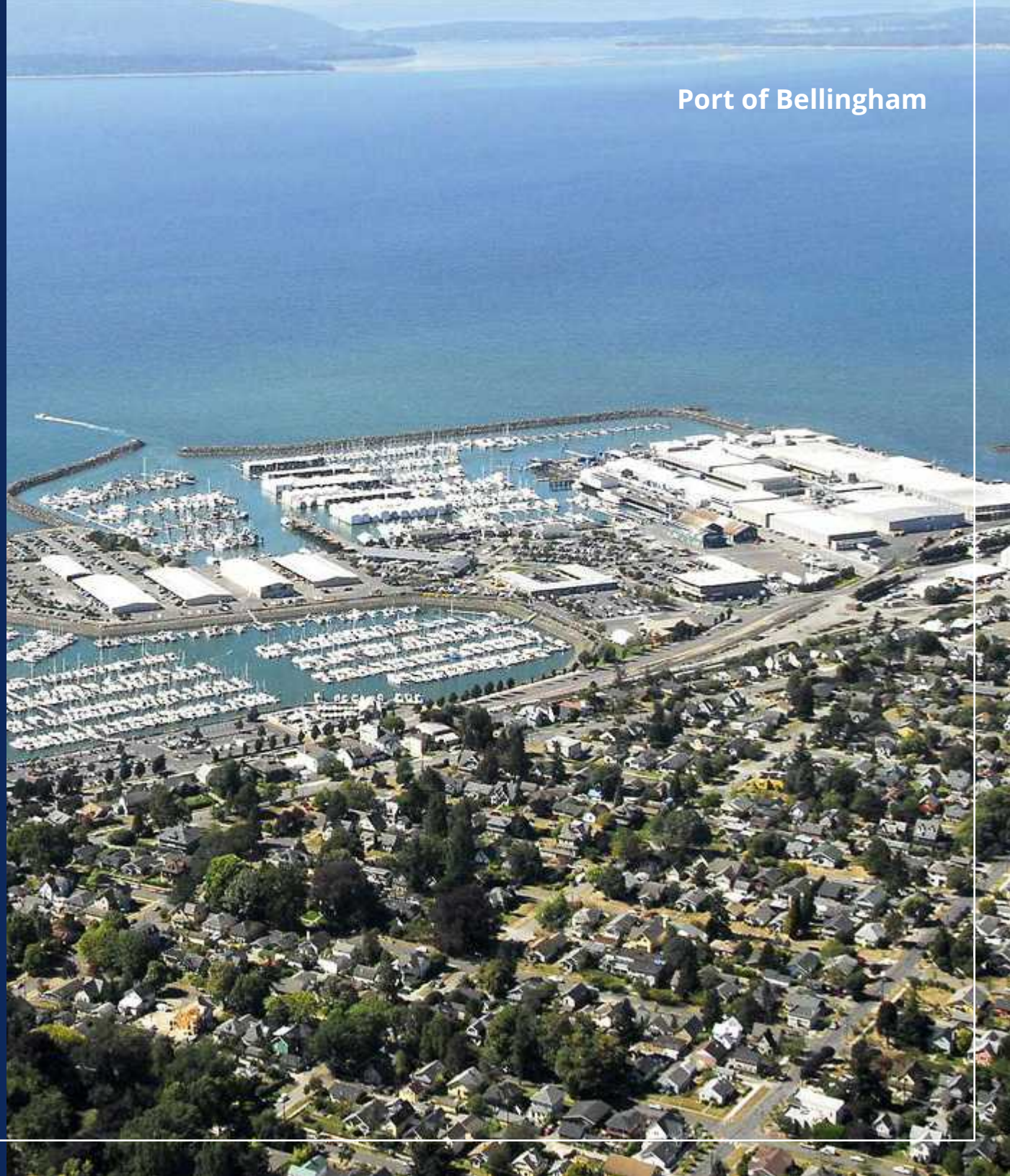
Potential Development



Port of Bellingham

Financials

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Financials

The currently rented single family residence and shop building improvements on the Property create \$4,650 of monthly gross income. This rental is purposely short term in order to preserve the redevelopment opportunity.

A 2019 MAI appraisal performed prior to any Pre-Development activity valued the property at \$1,223,000.

The Property Owners have invested over \$250,000 in necessary and transferable Pre-Development activities including:

- A Wetland Mitigation Study
- An Environmental Study
- A Geotech Study
- Storm Water Retention Study
- A Civil Engineering Study
- Light Industrial/Business Park Architecture and Design Plans for the site
- A Topographic Survey

The light industrial architectural design shows 30,000 SF of rentable area for users as small as 1,500 SF. leasing these spaces provides projected annual revenue of \$13 to \$14/ SF NNN with no mezzanine space included, totaling \$390,000 to \$420,000.



Northern Washington Industrial Market

Vacancy Rate
1.0%
 YOY
 FORECAST

Net Absorption
215K SF
 YOY
 FORECAST

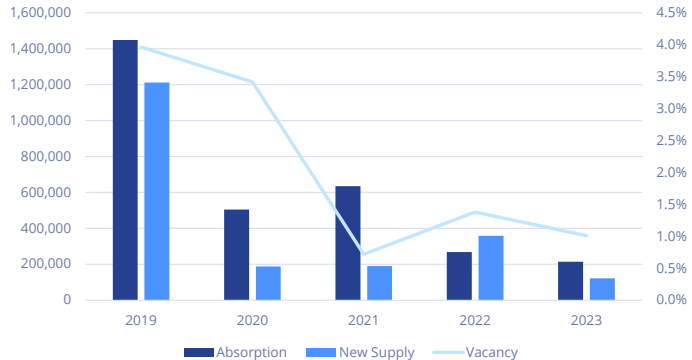
Under Construction
20K SF
 YOY
 FORECAST

Warehouse/Shell Asking Rent (NNN)
\$0.75/SF
 YOY
 FORECAST

Summary

Washington has two counties between the Seattle Metro (King, Snohomish, and Pierce Counties) and British Columbia, Canada: Whatcom and Skagit Counties. Beyond the reach of many tenants who rely on demand in Seattle, this area has not been ripe for major development, although it has grown by 500,000 square feet between 2021 and 2023, a 3% increase in supply over three years. Some demand comes from local users but as available, developable land in the Seattle Metro and British Columbia disappears and prices some tenants out, Northern Washington is a more attractive option. In 2023, there were three major new leases signed, collectively representing 143,000 square feet, or 0.8% of the 17.2 million-square-foot inventory.

Market Absorption, New Supply, and Vacancy



Key Takeaways

- 2023 Asking Rents in Northern Washington were virtually unchanged from 2022, at \$0.75 per square foot.
- Currently, there is one project under construction that will bring 20,000 square feet of warehouse to Whatcom County in Ferndale.
- Vacancy is a low 1.0%, down 0.4% from 2022, but up 0.3% from 2023, indicating persistently low amount of space for interested tenants to take.

Market Indicators

5.7% | ▲ 1.0% YOY
 Whatcom County Unemployment Rate

6.2% | ▲ 1.0% YOY
 Skagit County Unemployment Rate

Recent Transactions



New Lease
 301 S Walnut
 Burlington
 77,000 SF



New Lease
 409 Eleanor Lane
 Mt. Vernon
 39,135 SF



New Lease
 1215 E Hickox Road
 Mt. Vernon
 26,481 SF



Owner-User Sale
 Bellingham
 Cold Storage
 \$10,420,000 | \$37/SF



Owner-User Sale
 742 Marine Drive
 \$6,200,000 | \$77/SF



Investment Sale
 1970 Walton Drive
 \$5,300,000 | \$170/SF

Development Pipeline

Under Construction

1401-1433 W Smith Rd, Ferndale, WA
 20,000 SF
 SYB Holdings Co.
 Delivery: Q2 2024

Proposed

4429 Meridian St, Bellingham, WA
 30,000 SF
 AVS Meridian Holdings
 Delivery: TBD

Location Overview

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Bellingham International Airport



Bellingham has access to some of the best amenities in the Pacific Northwest

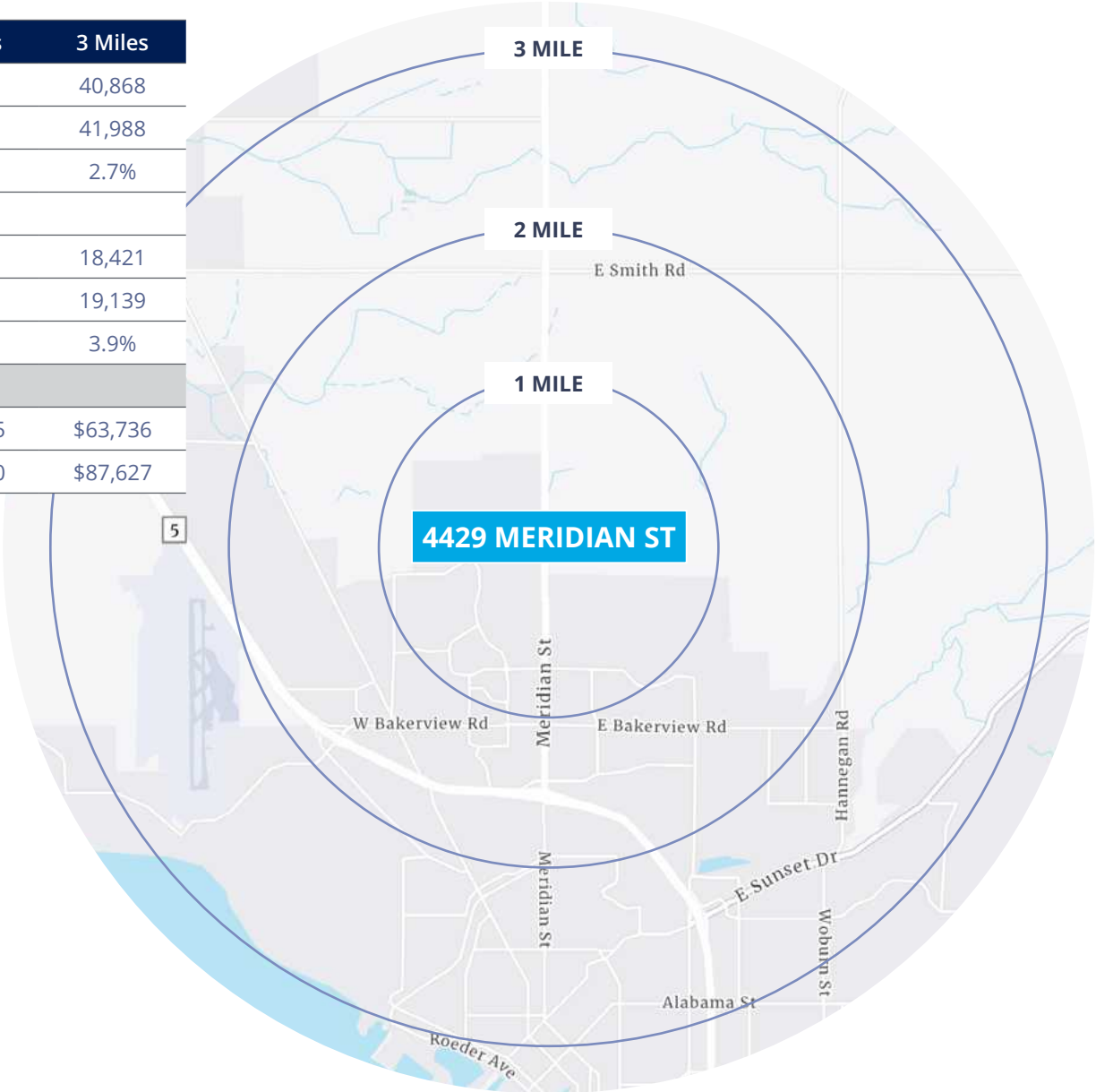
Nestled between Bellingham Bay and the Cascade Mountain Range, Bellingham residents and visitors are treated to stunning views and numerous outdoor activities including hiking, biking, kayaking, sailing and whale watching. With its proximity to both the ocean and the mountains, Bellingham offers a unique blend of coastal and alpine experiences. Bellingham's downtown area is known for its historic architecture, unique shops, restaurants and art galleries, offering a mix of modern amenities and small-town charm. Adjacent to downtown Bellingham is the Fairhaven Historic District, a welcoming area with well-preserved 19th century buildings and a great place for leisurely walks, shopping and dining.

The dining scene in Bellingham is diverse and vibrant with an emphasis on fresh, locally sourced ingredients and a wide range of international flavors. Bellingham takes pride in its farm-to-table culture featuring fresh seafood and seasonal produce. Also known for its craft beer scene, there are numerous breweries and pubs to enjoy a wide variety of locally brewed beers.

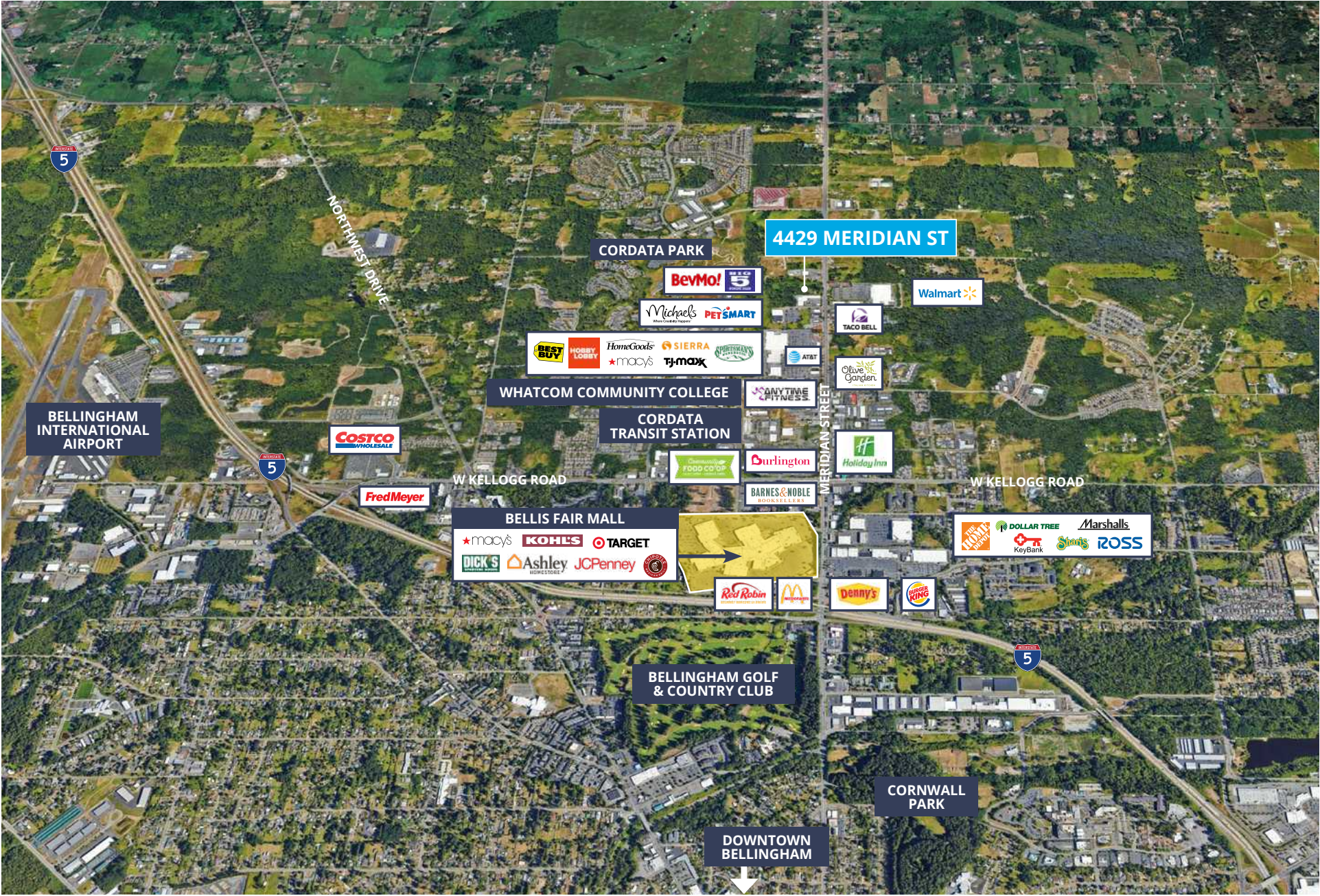


Area Demographics

	1 Mile	2 Miles	3 Miles
2023 Population	7,266	20,077	40,868
2028 Population	7,626	20,822	41,988
2023-2028 Population Change	5.0%	3.7%	2.7%
2023 Total Households	3,517	9,263	18,421
2028 Total Households	3,727	9,700	19,139
2023-2028 Household Change	6.0%	4.7%	3.9%
2023 Median Household Income	\$58,129	\$56,775	\$63,736
2023 Average Household Income	\$79,926	\$78,600	\$87,627



Area Amenities



Confidentiality Disclaimer Statement

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 4429 Meridian Street, Bellingham, WA. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by 4429 Meridian Street, Bellingham, WA from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for 4429 Meridian Street, Bellingham, WA, you agree:

- 1) The Offering Memorandum and its contents are confidential;
- 2) You will hold it and treat it in the strictest of confidence;
- 3) You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of 4429 Meridian Street, Bellingham, WA or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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