OFFERING MEMORANDUM

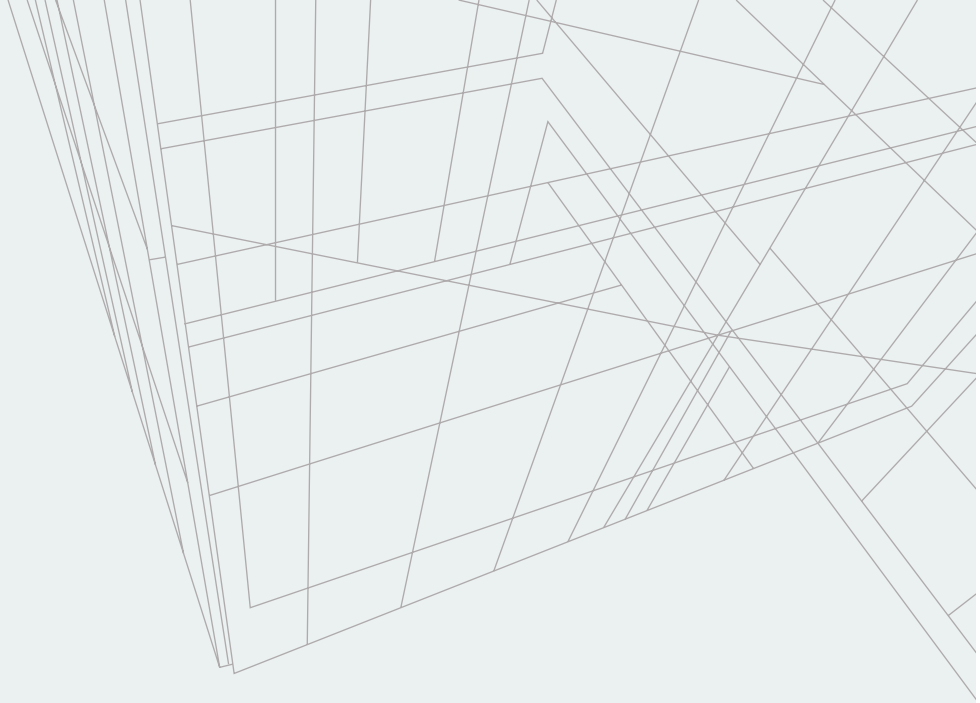
1ST SECURITY BANK - CORPORATE HQ BUILDING

First Class Office Building with Close Proximity to I-5 and Lynnwood and Mountlake Terrace Light Rail

WWW.6920MLT.COM

6920 220TH ST SW, MOUNTLAKE TERRACE, WA

Kidder Mathews



Offered by

DAVE SPEERS
Executive Vice President
206.296.9626
dave.speers@kidder.com

TODD BATTISON
Senior Vice President
206.296.9621
todd.battison@kidder.com

KIDDER.COM

Kidder Mathews

This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty, or guarantee, expressed or implied as to its accuracy. All Kidder Mathews designs are the sole property of Kidder Mathews. Branded materials and layouts are not authorized for use by any other firm or person.

TABLE OF CONTENTS

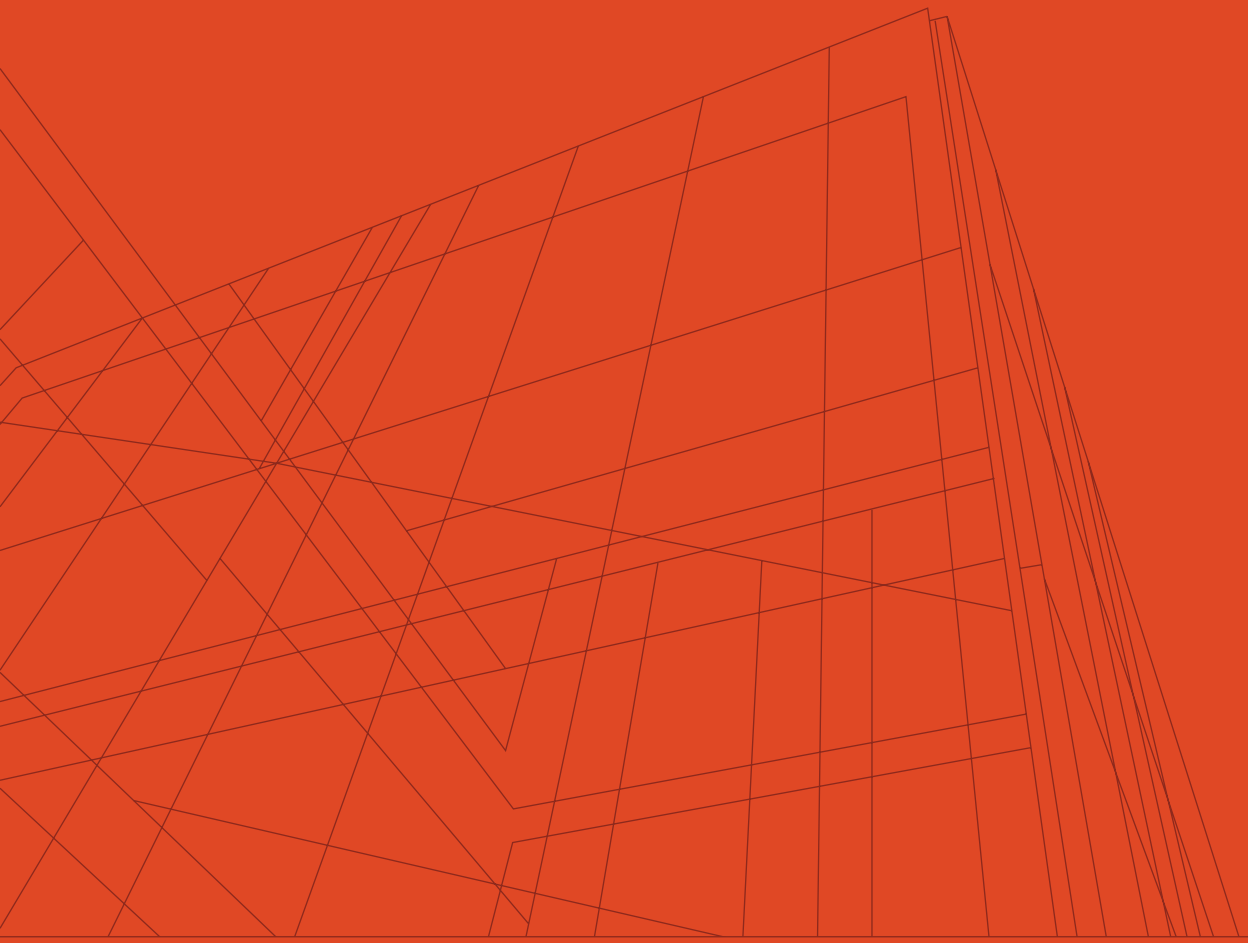
01 OFFERING SUMMARY

02 PROPERTY DETAIL

03 ADDITIONAL PHOTOS

04 INVESTMENT MODEL

Kidder Mathews

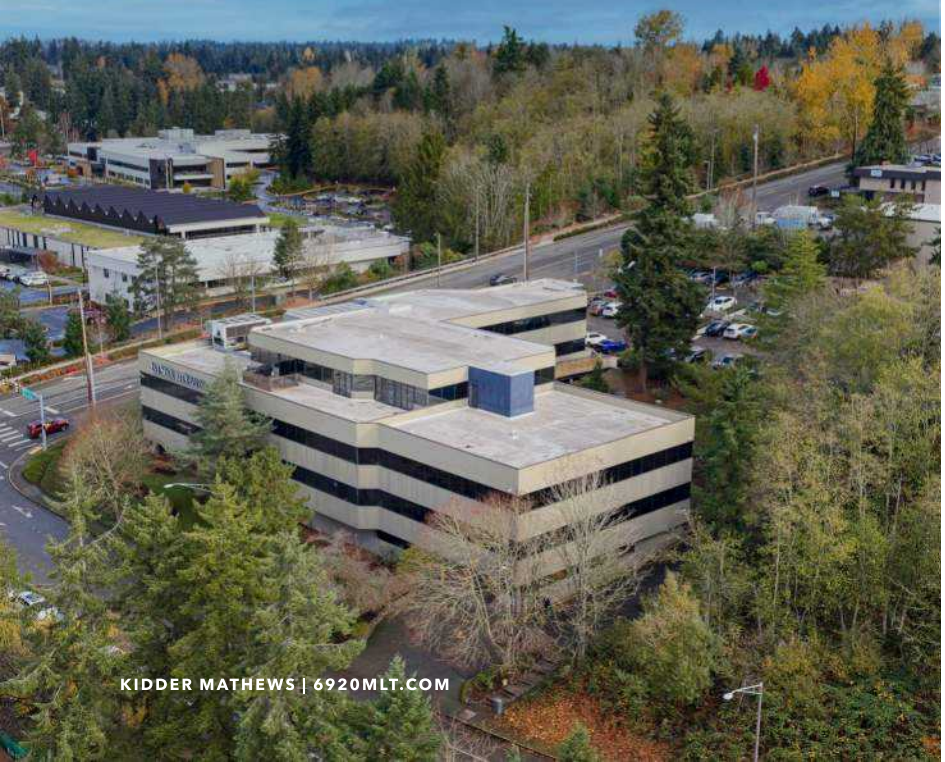


OFFERING SUMMARY

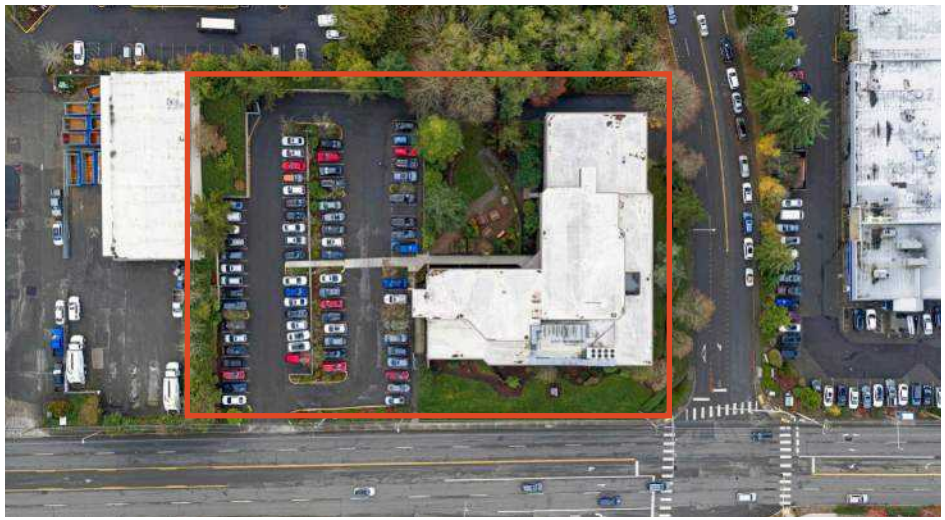
Section 01

OFFERING SUMMARY

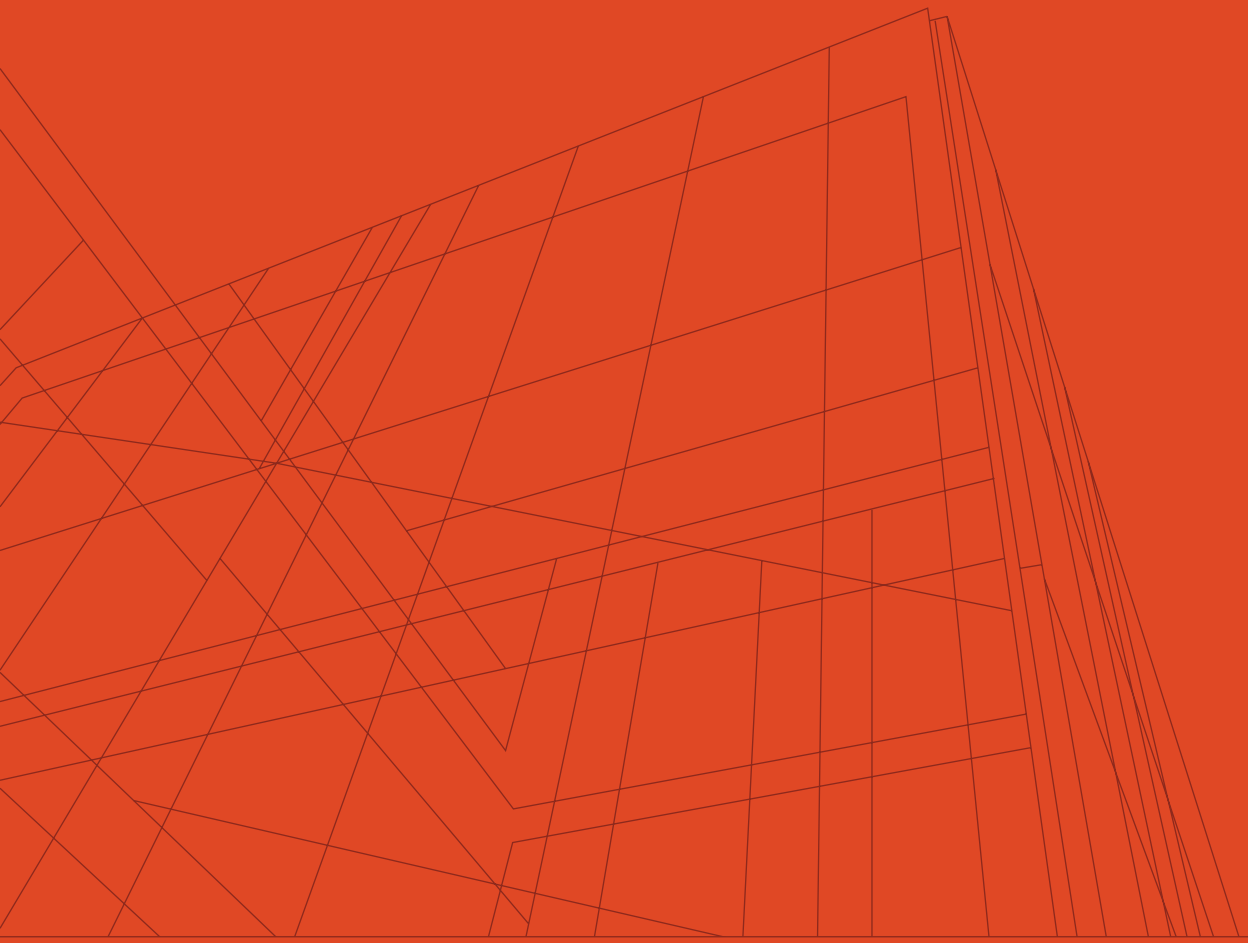
Kidder Mathews has been engaged by the ownership of the 1st Security Bank Headquarters to market the property for sale. This offering represents the opportunity to acquire an exceptionally designed and constructed office property located adjacent to an I-5 diamond interchange at 220th St SW, in close proximity to Mountlake Terrace and Lynnwood Light Rail Stations and parking.



GENERAL DESCRIPTION	Highly improved office property in an over-sized highly landscaped land parcel. The property is currently 1st Security Bank's headquarters and as such is highly improved technologically and well-designed as a corporate headquarters or user facility.
ADDRESS	6920 220th Street Southwest Mountlake Terrace, WA 98043
LOCALITY	The property is located near the southern border of Snohomish County, adjacent to King County, and approximately 3 blocks west from the I-5 interchange.
GROSS BUILDING AREA	53,261 sq. ft. - 3 stories
NET RENTABLE AREA	40,656.59 sq. ft.
LAND AREA	76,230 sq. ft. - 1.75 acres
OFFERING PRICE	$13,850,000 $260 per sq. ft building area / $181.60 per sq. ft land



Kidder Mathews



PROPERTY DETAIL

Section 02

PROPERTY INFORMATION

NAME	1st Security Bank Headquarters
ADDRESS	6920 220th St SW, Mountlake Terrace, WA
LOCALITY	MLT 220th SW Business Corridor
BUILDING GROSS AREA	53,261 SF, 3 story structure
YEAR BUILT	1985 - 2015 major renovations and upgrades
NET RENTABLE AREA	40,656.59 SF
GROSS LAND AREA	76,230 SF / 1.75 acres
PRINCIPAL USE	100% office with structured parking

PARKING	101 total stalls Covered structured parking - 40 stalls Open parking lot - 61 stalls
SNOCO TAX PARCEL	2704 2900300 300
ASSESSED VALUE	
Land	$2,379,700 ($31.21 PSF land)
Improvements	$7,755,300 ($145.60 PSF impv.)
Total	$10,135,000 ($190.28/BSF)
2025 PROPERTY TAX	$76,948.00
ZONING	LI-OP – Light Industrial – Office Park City of Mountlake Terrace

BUILDING AREA SUMMARY

Office Building Summary

Address: 6920 220th Street SW
Mountlake Terrace, WA 98043

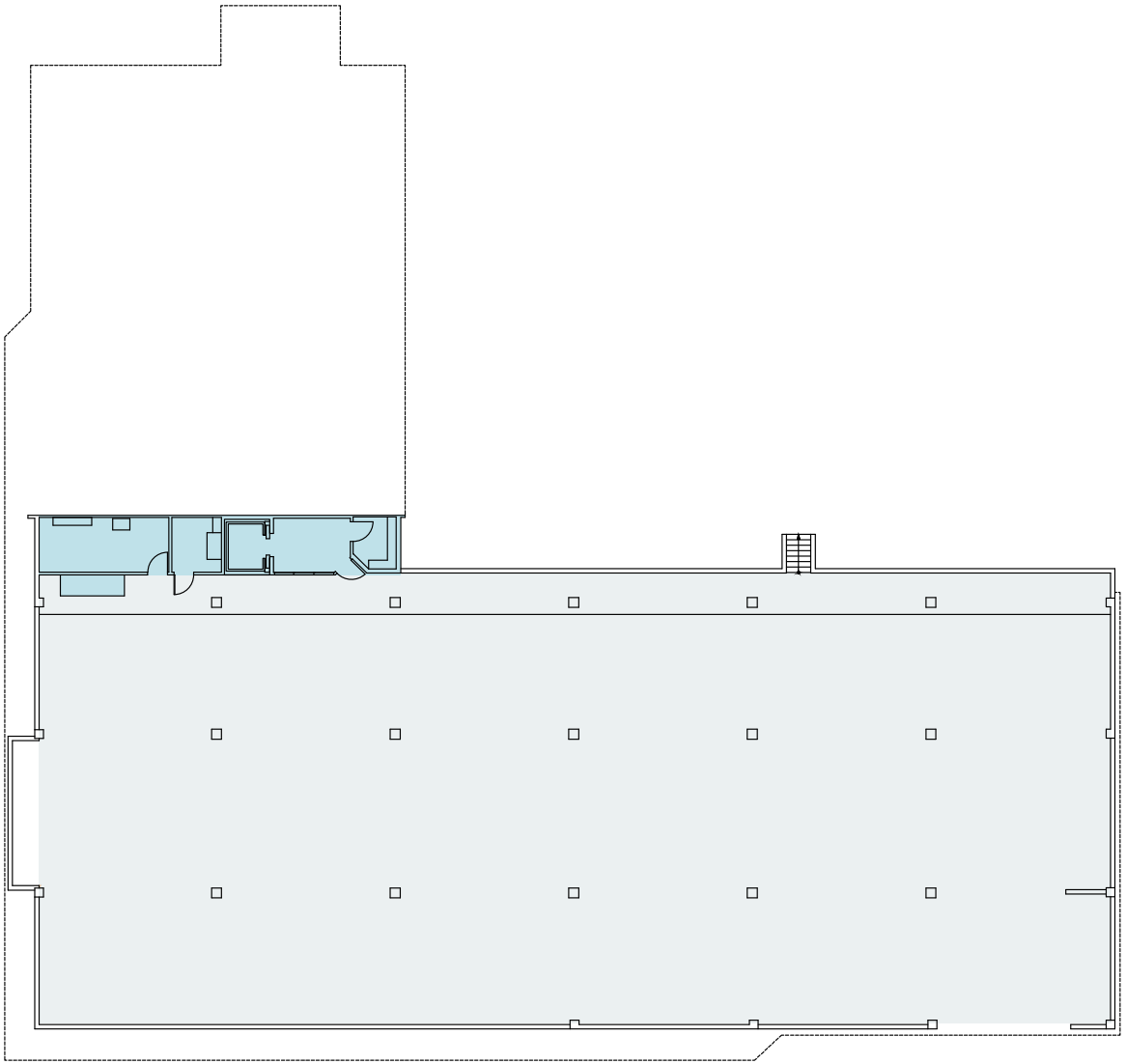
ANSI/BOMA Z65.1-2024 Method A - OFFICE STANDARD

Floor	Space ID	Occupant Area	Non-Alloc. Tenant Areas	Major Vertical Penetration	Inter-Allocated Amenity Area	Building Service Area	Inter- Allocated Service Area	Floor Service Area	Rentable Area	Reallocated Rentable Area	Load Factor
B	*Parking*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000000
	BSA	0.00	0.00	0.00	0.00	489.77	0.00	0.00	0.00	0.00	0.000000
Floor Totals		**0.00**	**0.00**	**0.00**	**0.00**	**489.77**	**0.00**	**298.22**	**0.00**	***0.00***	
1	*Suite 101*	1,053.09							1,212.63	1,212.63	1.151494
	Suite 102	1,460.99							1,682.32	1,682.32	1.151494
	Suite 103	1,507.36							1,735.72	1,735.72	1.151494
	Suite 104 Floor 1	10,409.70							11,986.71	11,986.71	1.151494
	BSA 1					269.20					
	BSA 2					163.71					
	BSA 3					145.00					
	FSA							1,342.54			
	MVP			70.99							
Floor Totals		**14,431.14**		**70.99**		**577.91**		**1,478.73**	**16,617.37**	***16,617.37***	
2	*Suite 104 Floor 2*	15,288.86							16,601.51	16,601.51	1.085857
	BSA					458.14					
	FSA							579.45			
	MVP 1			156.35							
	MVP 2			165.56							
	MVP 3			70.88							
	MVP 4			145.56							
Floor Totals		**15,288.86**		**538.35**	**0.00**	**458.14**	**0.00**	**605.82**	**16,601.51**	***16,601.51***	
3	*Suite 105*	2,652.44							3,115.07	3,115.07	1.174418
	Suite 106	3,502.48							4,113.37	4,113.37	1.174418
	Suite 106 Patio	177.33							208.26	208.26	1.174418
	BSA					218.40					
	FSA							797.33			
	MVP 1			165.02							
	MVP 2			61.41							
	MVP 3			73.58							
	MVP 4			242.87							
Floor Totals		**6,332.25**		**542.88**		**218.40**		**787.83**	**7,436.71**	***7,436.71***	
BUILDING TOTALS		***36,052.25***		**1,152.22**		**1,744.22**		**3,170.60**	***40,655.59***	***40,655.59***	

BASEMENT FLOORPLAN

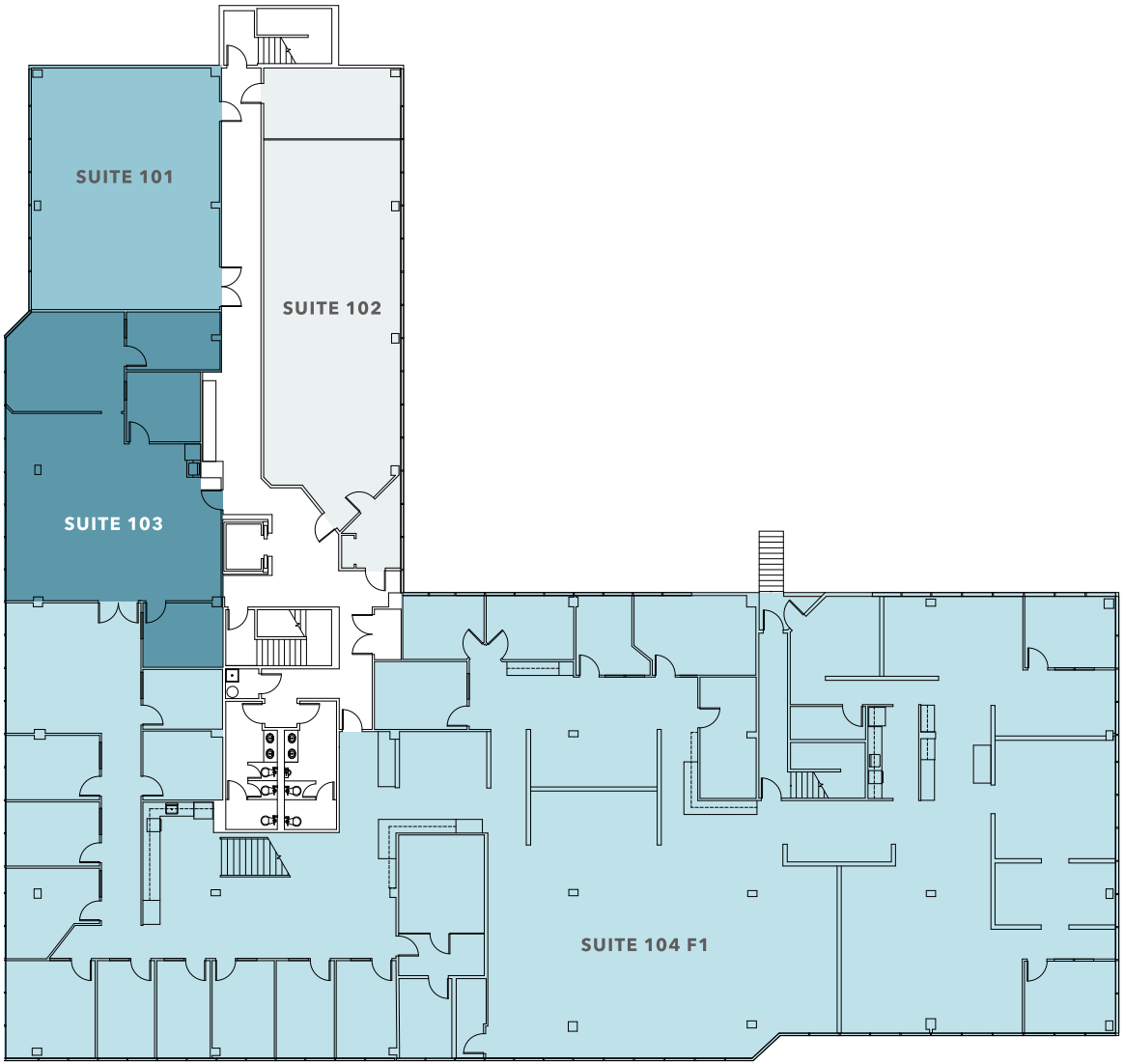
Building Service Area

Parking



N

FIRST FLOORPLAN

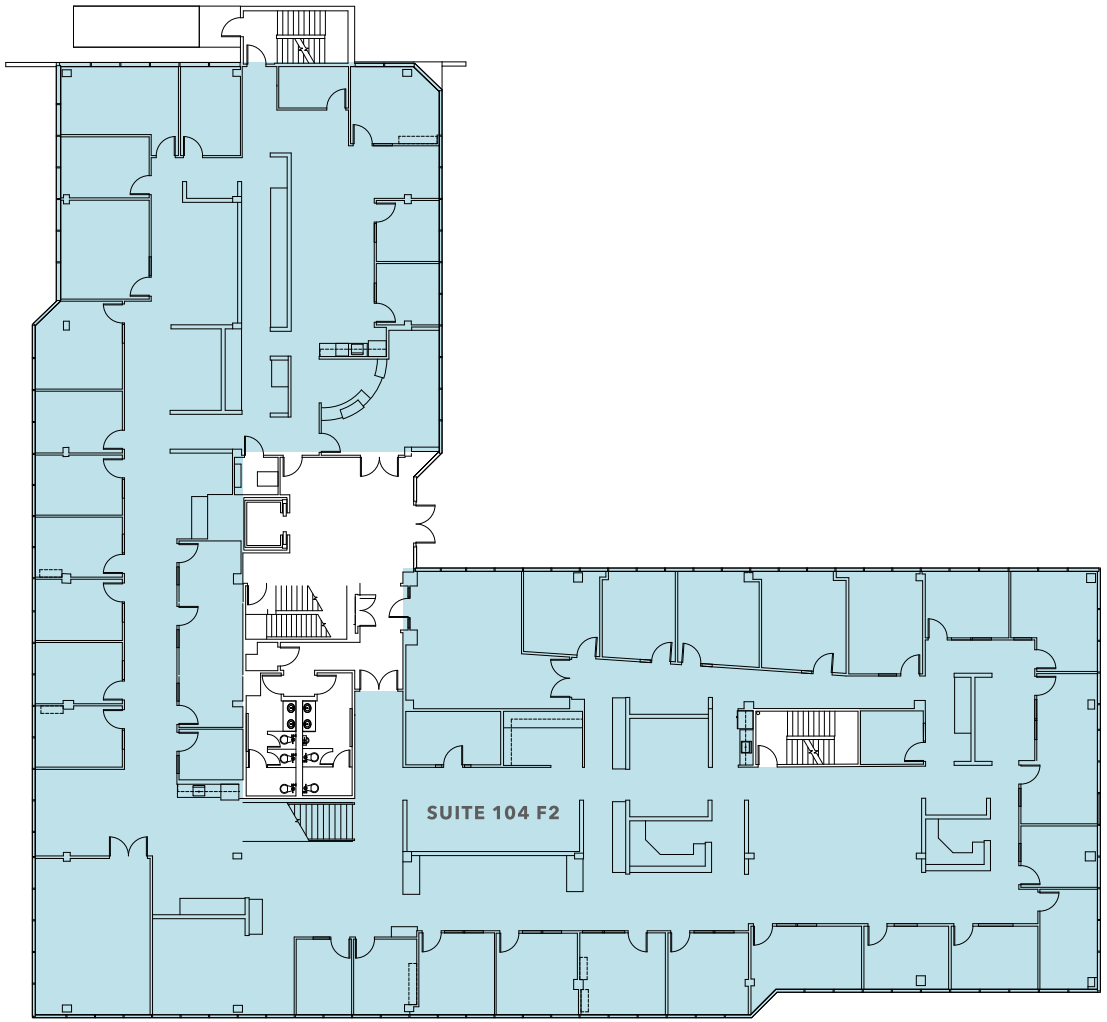


- Suite 101
- Suite 102
- Suite 103
- Suite 104 F1

N

SECOND FLOORPLAN

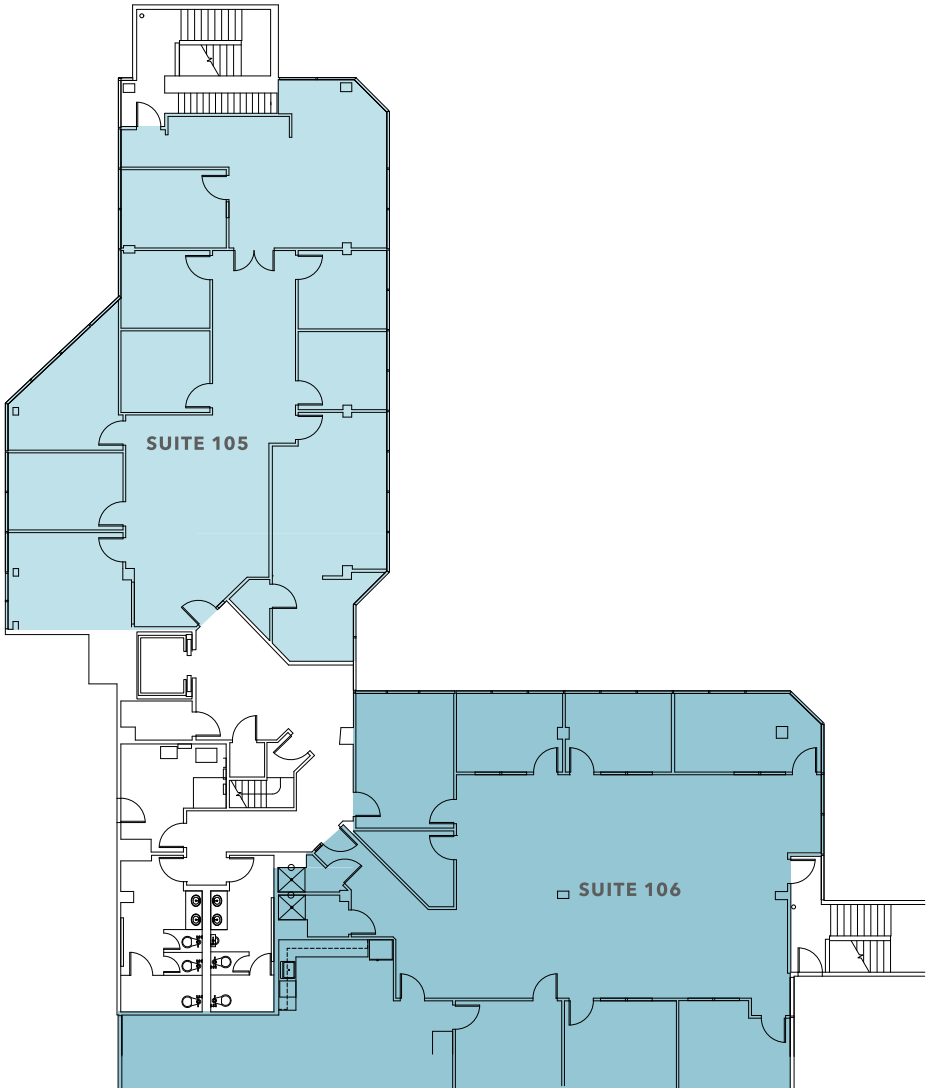
Suite 104 F2



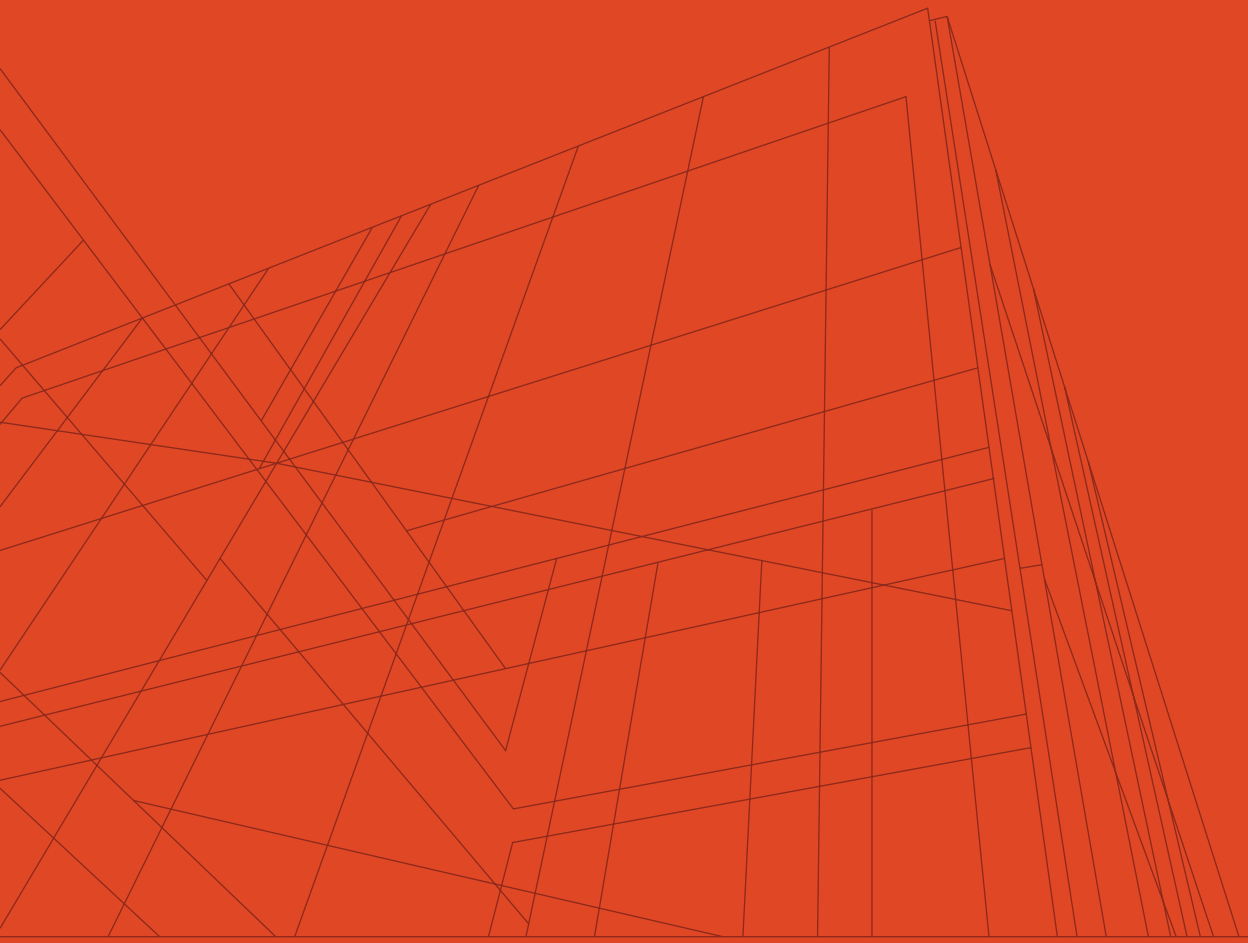
N

THIRD FLOORPLAN

Suite 105
Suite 106



Kidder Mathews

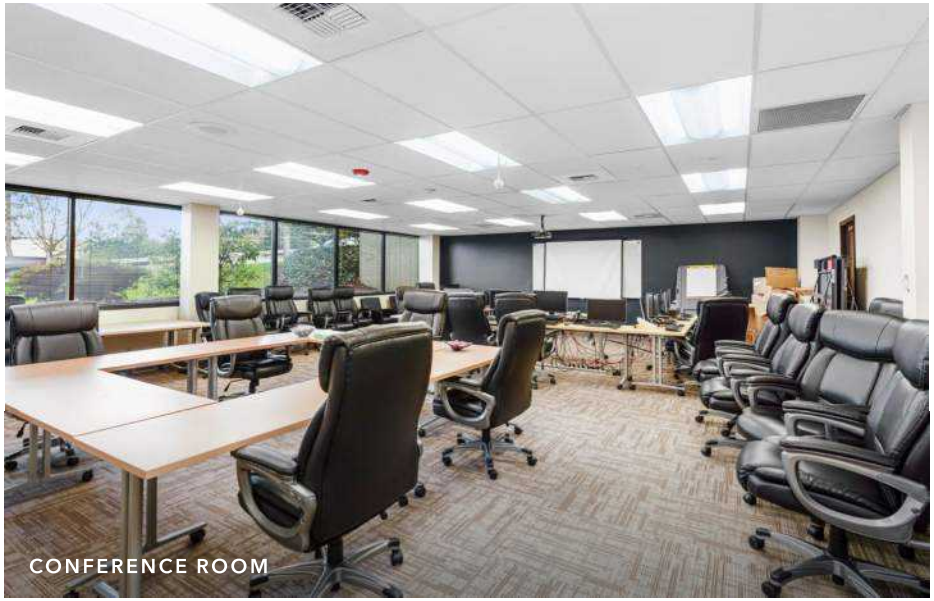


ADDITIONAL PHOTOS

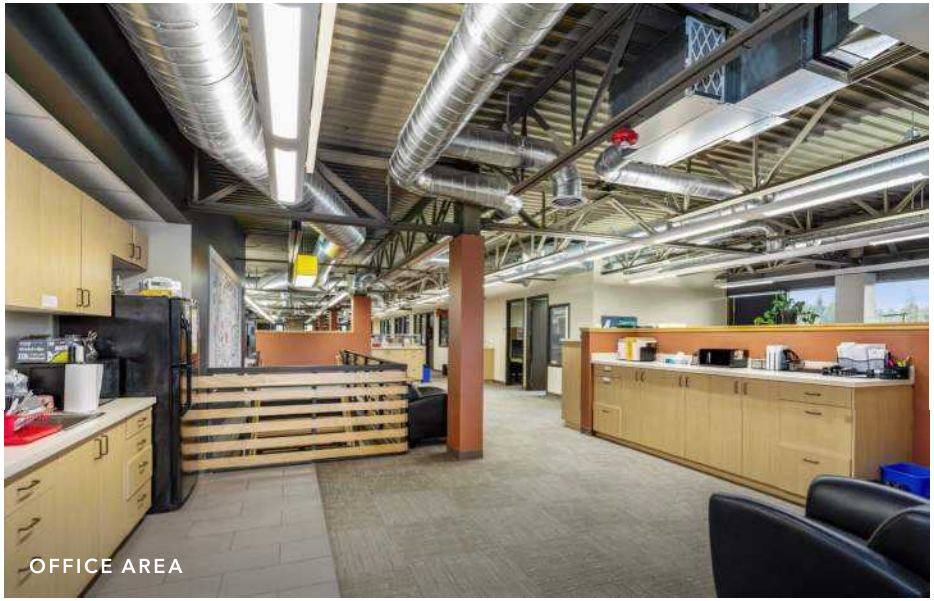
Section 03

ADDITIONAL PHOTOS

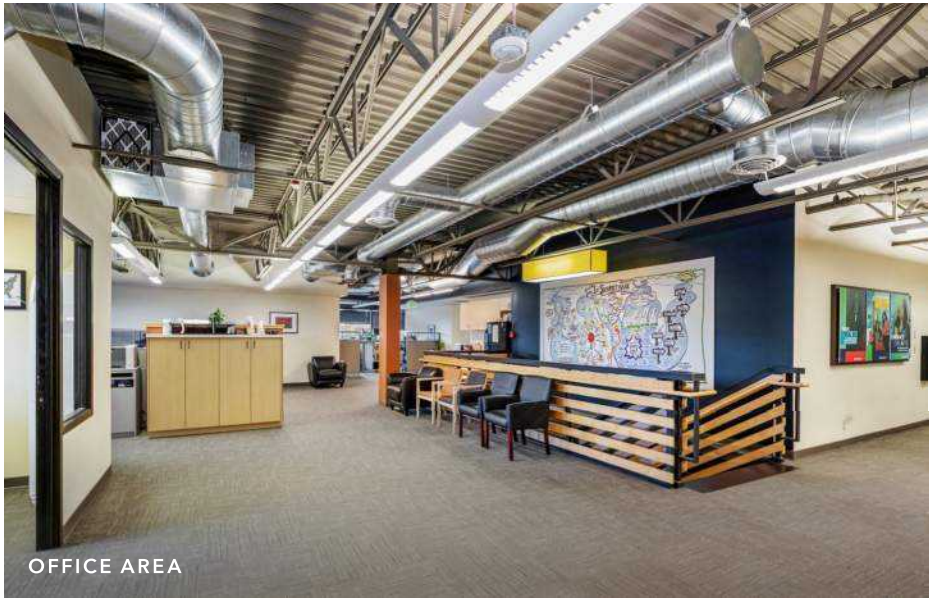
LOBBY


CONFERENCE ROOM

PARKING LEVEL


OFFICE AREA

ADDITIONAL PHOTOS



OFFICE AREA

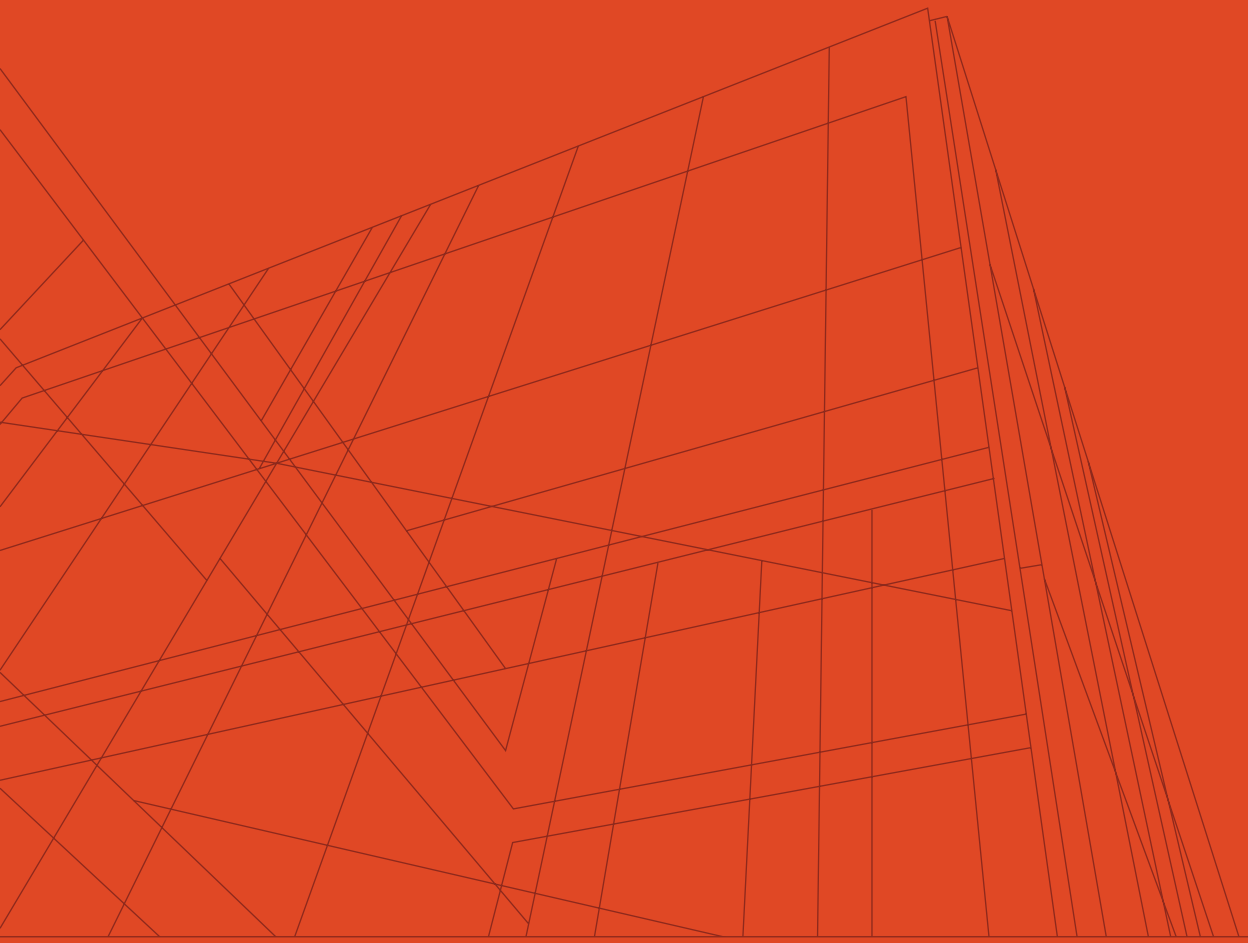
OFFICE AREA

BREAK - LUNCH ROOM

70TH W GARAGE ENTRY AND RAMP TO UPPER PARKING LOT

ADDITIONAL PHOTOS

Kidder Mathews



INVESTMENT MODEL

Section 04

PROSPECTIVE INVESTMENT MODEL

Investment Model Criteria

SET-UP 3 TENANCIES

One tenancy per floor of the building.

CREATE ANALYSIS START DATE OF JANUARY 1, 2026

A sale of the property takes place now, and the buyer has until December to obtain 3 tenants with lease commencement dates of 1.1.26 Assumed stabilization 6.1.26. 2027 first full year stabilized income.

INITIAL LEASE TERM FOR EACH IS 5 YEARS. LEASE EXPIRATION IS 12/31/30.

Upon expiration 90% probability of renewing tenant for additional 5 year term.

3% rent increase continue into new lease term.

STARTING LEASE RATE FOR ALL TENANTS IS $22.00 / SF PER YR NNN

Lease rate increase 3% annually.

Tenant pays for all expenses associated with its occupancy of the property.

TENANT CONCESSIONS & EXPENSES

5 months free base rent. In 2026 full rent commences June 2026.

Tenant improvement allowance is $50 / sq. ft. of rentable area.

Real estate commission equate to $3 / sq. ft. per year of initial lease term - $15 total.

CASH FLOW

Below is the 10 year cash flow resulting from the foregoing model. Using the NOI end of year 2027, the first full rent year in the model and therefore designated "stabilization", and using a conservative capitalization rate of 6.19%, the capitalized value is $13,850,000.

Calculating the 10 year investment internal rate of return (IRR), we used 6.0% annual discount rate with the foregoing metrics, which produces an IRR of 9.04%.

	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032	Dec-2033	Dec-2034	Dec-2035	Dec-2036	Total
RENTAL REVENUE												
Potential Base Rent	894,423	921,256	948,893	977,360	1,006,681	1,036,881	1,067,988	1,100,027	1,133,028	1,167,019	1,202,030	11,455,587
Spec Tenant 1 - 1st Floor	365,582	376,550	387,846	399,481	411,466	423,810	436,524	449,620	463,109	477,002	491,312	4,682,301
Spec Tenant 2 - 2nd Floor	365,233	376,190	387,476	399,100	411,073	423,405	436,108	449,191	462,667	476,547	490,843	4,677,832
Spec Tenant 3 - 3rd Floor	163,608	168,516	173,571	178,778	184,142	189,666	195,356	201,217	207,253	213,471	219,875	2,095,453
Free Rent	-372,676	0	0	0	0	-43,203	0	0	0	0	-50,085	-465,964
Spec Tenant 1 - 1st Floor	-152,326	0	0	0	0	-17,659	0	0	0	0	-20,471	-190,456
Spec Tenant 2 - 2nd Floor	-152,181	0	0	0	0	-17,642	0	0	0	0	-20,452	-190,274
Spec Tenant 3 - 3rd Floor	-68,170	0	0	0	0	-7,903	0	0	0	0	-9,161	-85,234
Scheduled Base Rent	521,747	921,256	948,893	977,360	1,006,681	993,678	1,067,988	1,100,027	1,133,028	1,167,019	1,151,945	10,989,623
Spec Tenant 1 - 1st Floor	213,256	376,550	387,846	399,481	411,466	406,151	436,524	449,620	463,109	477,002	470,840	4,491,845
Spec Tenant 2 - 2nd Floor	213,053	376,190	387,476	399,100	411,073	405,764	436,108	449,191	462,667	476,547	470,391	4,487,558
Spec Tenant 3 - 3rd Floor	95,438	168,516	173,571	178,778	184,142	181,763	195,356	201,217	207,253	213,471	210,714	2,010,219
Total Rental Revenue	**521,747**	**921,256**	**948,893**	**977,360**	**1,006,681**	**993,678**	**1,067,988**	**1,100,027**	**1,133,028**	**1,167,019**	**1,151,945**	**10,989,623**
OTHER TENANT REVENUE												
Total Expense Recoveries	342,854	349,711	356,705	363,839	371,116	378,539	386,109	393,831	401,708	409,742	417,937	4,172,093
Spec Tenant 1 - 1st Floor	140,136	142,939	145,798	148,714	151,688	154,722	157,816	160,973	164,192	167,476	170,826	1,705,281
Spec Tenant 2 - 2nd Floor	140,003	142,803	145,659	148,572	151,543	154,574	157,666	160,819	164,036	167,316	170,663	1,703,654
Spec Tenant 3 - 3rd Floor	62,715	63,969	65,248	66,553	67,884	69,242	70,627	72,040	73,480	74,950	76,449	763,158
Total Other Tenant Revenue	**342,854**	**349,711**	**356,705**	**363,839**	**371,116**	**378,539**	**386,109**	**393,831**	**401,708**	**409,742**	**417,937**	**4,172,093**
Total Tenant Revenue	864,601	1,270,967	1,305,599	1,341,200	1,377,797	1,372,217	1,454,097	1,493,859	1,534,736	1,576,761	1,569,882	15,161,715
Potential Gross Revenue	864,601	1,270,967	1,305,599	1,341,200	1,377,797	1,372,217	1,454,097	1,493,859	1,534,736	1,576,761	1,569,882	15,161,715

CASH FLOW CONTINUED

	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032	Dec-2033	Dec-2034	Dec-2035	Dec-2036	Total
VACANCY & CREDIT LOSS												
Credit Loss	-43,230	-63,548	-65,280	-67,060	-68,890	-68,611	-72,705	-74,693	-76,737	-78,838	-78,494	-758,086
Total Vacancy & Credit Loss	**-43,230**	**-63,548**	**-65,280**	**-67,060**	**-68,890**	**-68,611**	**-72,705**	**-74,693**	**-76,737**	**-78,838**	**-78,494**	**-758,086**
Effective Gross Revenue	**821,371**	**1,207,418**	**1,240,319**	**1,274,140**	**1,308,907**	**1,303,606**	**1,381,392**	**1,419,166**	**1,458,000**	**1,497,923**	**1,491,388**	**14,403,630**
OPERATING EXPENSES												
Property Taxes	76,948	78,487	80,057	81,658	83,291	84,957	86,656	88,389	90,157	91,960	93,799	936,358
Repairs & Maintenance	154,011	157,091	160,233	163,438	166,706	170,041	173,441	176,910	180,448	184,057	187,739	1,874,116
Utilities	98,984	100,964	102,983	105,043	107,143	109,286	111,472	113,702	115,976	118,295	120,661	1,204,508
Property Insurance	6,004	6,124	6,247	6,371	6,499	6,629	6,761	6,897	7,035	7,175	7,319	73,061
General Liability Insurance	6,907	7,045	7,186	7,330	7,476	7,626	7,778	7,934	8,093	8,255	8,420	84,049
Total Operating Expenses	**342,854**	**349,711**	**356,705**	**363,839**	**371,116**	**378,539**	**386,109**	**393,831**	**401,708**	**409,742**	**417,937**	**4,172,093**
Net Operating Income	**478,517**	**857,707**	**883,613**	**910,300**	**937,791**	**925,067**	**995,283**	**1,025,335**	**1,056,291**	**1,088,181**	**1,073,451**	**10,231,537**
LEASING COSTS												
Tenant Improvements	2,032,780	0	0	0	0	44,887	0	0	0	0	49,559	2,127,225
Spec Tenant 1 - 1st Floor	830,869	0	0	0	0	18,347	0	0	0	0	20,256	869,472
Spec Tenant 2 - 2nd Floor	830,076	0	0	0	0	18,329	0	0	0	0	20,237	868,642
Spec Tenant 3 - 3rd Floor	371,836	0	0	0	0	8,211	0	0	0	0	9,065	389,112
Leasing Commissions	609,834	0	0	0	0	13,466	0	0	0	0	14,868	638,168
Spec Tenant 1 - 1st Floor	249,261	0	0	0	0	5,504	0	0	0	0	6,077	260,842
Spec Tenant 2 - 2nd Floor	249,023	0	0	0	0	5,499	0	0	0	0	6,071	260,593
Spec Tenant 3 - 3rd Floor	111,551	0	0	0	0	2,463	0	0	0	0	2,720	116,733
Total Leasing Costs	2,642,613	0	0	0	0	58,353	0	0	0	0	64,427	2,765,393
Total Leasing & Capital Costs	**2,642,613**	**0**	**0**	**0**	**0**	**58,353**	**0**	**0**	**0**	**0**	**64,427**	**2,765,393**
Cash Flow Before Debt Service	**-2,164,097**	**857,707**	**883,613**	**910,300**	**937,791**	**866,714**	**995,283**	**1,025,335**	**1,056,291**	**1,088,181**	**1,009,024**	**7,466,144**

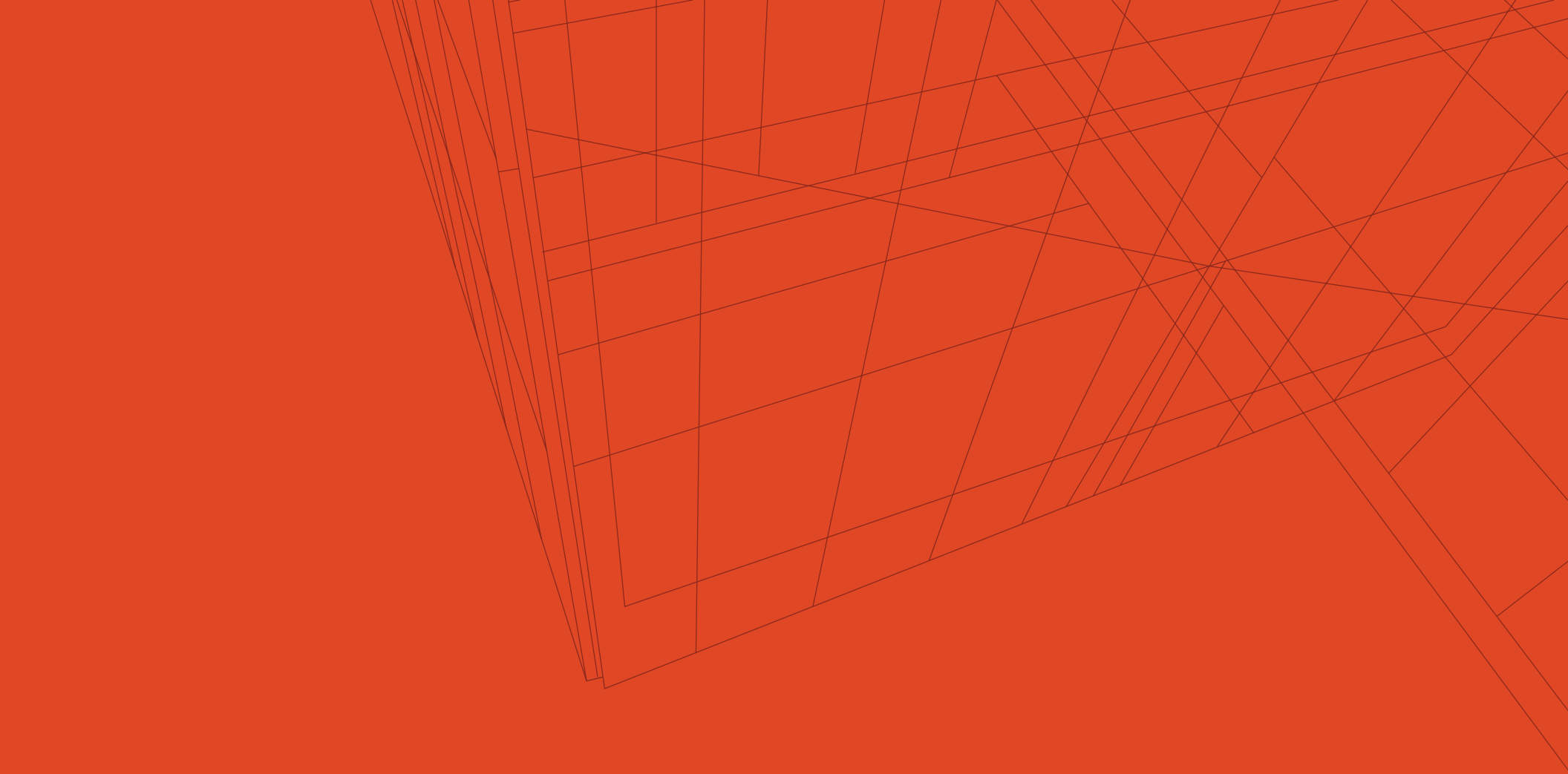
VALUATION SUMMARY

IRR MATRIX

Table Shows	1) IRR (Unleveraged) / 2) IRR (Leveraged)	1) Exit Sale Price		2) Net Sale Proceeds		3) Exit Cap Rate
		21,469,020	19,517,291	17,890,850	16,514,631	15,335,014
		21,469,020	19,517,291	17,890,850	16,514,631	15,335,014
		5.00%	5.50%	6.00%	6.50%	7.00%
	13,750,000	10.82%	9.94%	9.15%	8.44%	7.80%
	13,750,000	10.82%	9.94%	9.15%	8.44%	7.80%
	6.24%					
	13,800,000	10.77%	9.88%	9.09%	8.38%	7.74%
	13,800,000	10.77%	9.88%	9.09%	8.38%	7.74%
	6.22%					
1) Purchase Price	13,850,000	10.71%	9.83%	9.04%	8.33%	7.69%
2) Equity	13,850,000	10.71%	9.83%	9.04%	8.33%	7.69%
3) "Going In" Cap Rate	6.19%					
	13,900,000	10.66%	9.77%	8.98%	8.27%	7.63%
	13,900,000	10.66%	9.77%	8.98%	8.27%	7.63%
	6.17%					
	13,950,000	10.60%	9.72%	8.93%	8.22%	7.58%
	13,950,000	10.60%	9.72%	8.93%	8.22%	7.58%
	6.15%					

SALES PRICE CALCULATION (END OF YEAR 2036)

NOI To Capitalize	1,073,451	1,073,451	1,073,451	1,073,451	1,073,451
Divided by Cap Rate	5.00%	5.50%	6.00%	6.50%	7.00%



Offered by

DAVE SPEERS
Executive Vice President
206.296.9626
dave.speers@kidder.com

TODD BATTISON
Senior Vice President
206.296.9621
todd.battison@kidder.com

KIDDER.COM

WWW.6920MLT.COM

Kidder Mathews