

# MARINA BUILDING

851 Coho Way, Bellingham, WA 98225



KC Coonc, Designated Broker

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# OVERVIEW



FOR SALE: \$11,385,000

NWMLS #: 2477027

CBA #: 44283872

Easy \$70k net revenue per month. The Marina Building sits proudly on the corner of Coho Way and Roeder Ave within the Port of Bellingham's Marina District. Actual cap rate is 7.5%, with a strong mix of regional and local tenants. 1<sup>st</sup> floor is anchored by LFS retail sales serving the marine industry, with the 2<sup>nd</sup> and 3<sup>rd</sup> floor as Class A office with secure entry served by an elevator. This 47k plus sq ft, fully sprinkled building has been meticulously upgraded and maintained with a tenant occupancy average of 9 years. Building is situated on a landlord favorable Port of Bellingham Land Lease with 36 years remaining. The math works! Abundant parking, in a walkable area with easy access to affiliated services, restaurants, trails and parks. Please do not disturb tenants.

# FINANCIALS

## PORT LEASE SUMMARY

- Lease is a 40-year term beginning January 1st, 2001 and ending December 31, 2041. The Lease has approximately 15 years and 10 months left before its next renewal option.
- There are four (4) consecutive five (5) year periods. This would extend the Lease an additional 20 years, until 2061.
- Monthly rent includes a non-exclusive parking fee.
- From initial Lease execution, there have been six (6) Lease rent modifications. Rent negotiations are every 5 years beginning January 1st with the next negotiation in 2031.

<b>INCOME</b>			
Gross Scheduled Income	\$928,275	Management	\$34,810
NNN Reimbursement	\$146,641	Postage	\$36
<b>Total Income</b>	<b>\$1,074,916</b>	Insurance	\$12,000
		Real Estate Taxes	\$50,000
		Land Lease	\$51,050
<b>EXPENSES (2026 Budget)</b>		Electricity	\$3,540
Repairs and Maint.	\$4,200	Gas	\$360
Elevator Service	\$7,705	Water/Sewer	\$11,100
Sign Repair	\$600	Garbage	\$20,400
Janitorial	\$10,500	Locks & Keys	\$300
Janitorial Supplies	\$2,400	Security	\$300
Fire Life and Safety	\$2,900	Reserves for Replacement	\$2,400
HVAC Maintenance	\$500	<b>Total Expenses</b>	<b>\$221,071</b>
HVAC Repair	\$3,000		
Landscaping	\$1,500	Net Operating Income	\$853,844
Snow Removal	\$400	Asking Price	\$11,385,000
Window Cleaning	\$1,070	Cap Rate	7.50%

# WATERFRONT DEVELOPMENT



In June of 2006, Georgia Pacific sold the property to the Port of Bellingham in exchange that they be responsible for the environmental cleanup of the property. The redevelopment is intended to create new mixed-use areas on the waterfront for commercial, industrial, educational, recreational and residential uses. The development is in progress and continues to innovate and develop on the waterfront.

- The 37-acre downtown extension is intended to restore public access and increase foot traffic, with the implementation of housing, office and institutional uses.
- 52-acre Log Pond area is to be utilized for transportation, construction or light industrial use Businesses in the Central Business District will provide family-wage jobs, including offices, research and development, business incubators, live/work studios, and water-related industries.
- The Bellingham Comprehensive Plan projects a demand for 1,225 infill housing units in the Central Waterfront District Urban Center, and an additional 1,321 units in the Downtown Core Urban Center by the year 2025.

# TENANT HIGHLIGHT

## LFS MARINE & OUTDOOR

Marina Building is anchored by LFS Marine & Outdoor, one of Bellingham's favorite commercial fishing and boating supplies retailer.

LFS Marine & Outdoor was founded in 1967 as an outfitter and supplier to commercial fishing operations in the Pacific Northwest. Their success has permitted them to grow and diversify. With several locations, LFS retail stores operate out of Bellingham, Seattle, and across Alaska. Additionally, they ship to boaters in over 175 countries via their online storefront, Go2Marine.

LFS is an integral business in the Squalicum Harbor marina district.

## BUILDING DETAILS

Year Built	1991
Building Size	47,508 SF
Lot Size	0.74 Acres
Water	City of Bellingham
Sewer	City of Bellingham
Electricity	PSE
Zoning	CWF
Underlying Debt	None

# CAPITAL IMPROVEMENTS

## Exterior

1. Entire exterior siding and trim painted with two coats of Sherwin Williams Super Paint.
2. All glass has been replaced in windows-entire building.
3. Security Cameras added: parking lot, front entry, side entry and roof. Remote online access.
4. Front entry area to building improved with new walkway and landscaping.
5. New illuminated monument sign added.
6. New "Marina Building" branded signage added to exterior of building.
7. Gooseneck light fixtures added to exterior.
8. Entire building new master key system and key box located in office.
9. Automatic door locking timer on front doors, Keri system.
10. Automatic timer lock on side door with commercial grade keypad lock allowing a secure building after hours with 24/7 tenant access.

## Parking Lot

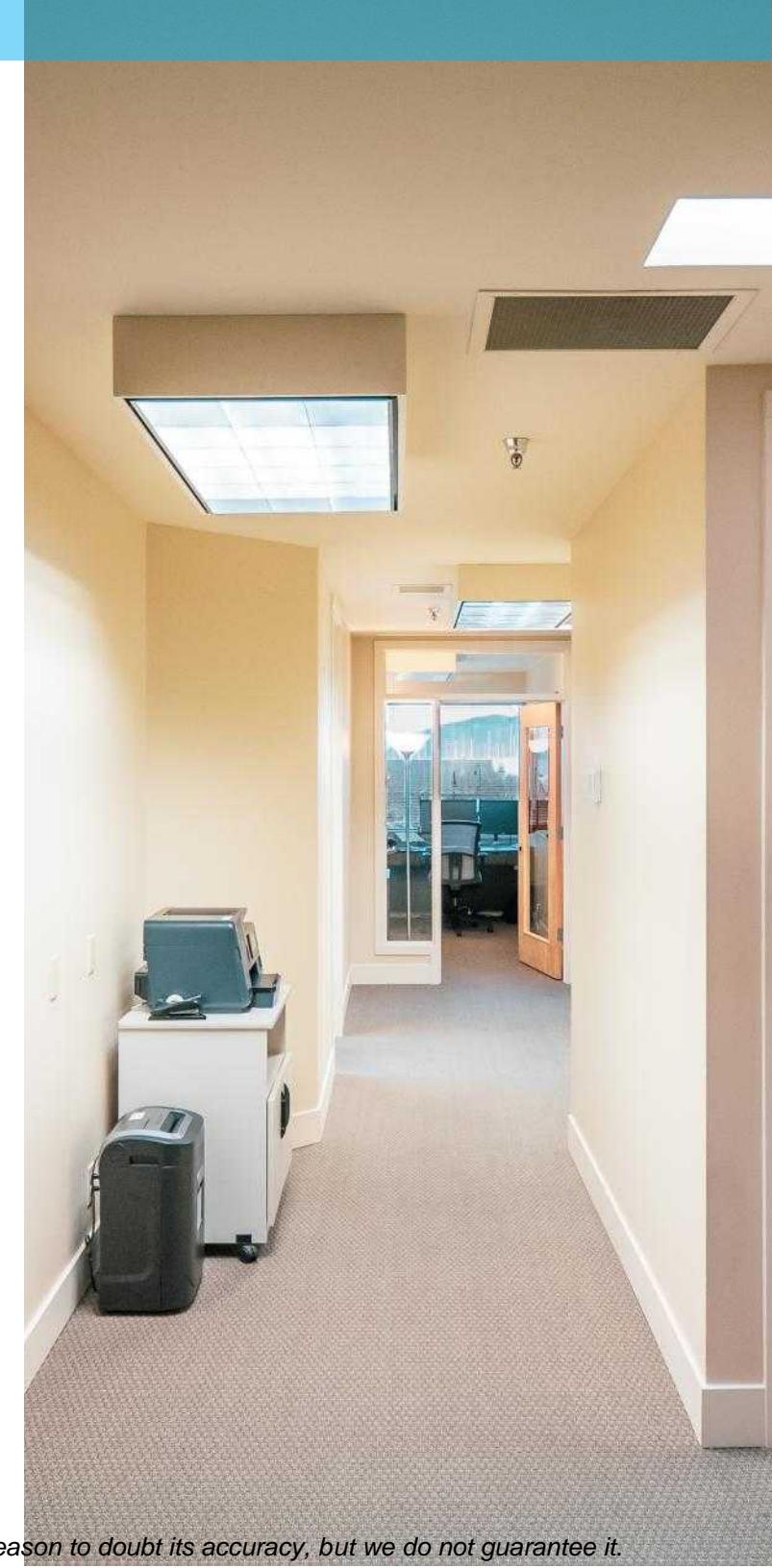
1. Main, large parking lot is maintained by the Port. Lot was re-graded, re-surfaced, striped 6 years ago by the Port.
2. Small lot, this lot is for the primary use of LFS therefore historically the owner has shared the expense with LFS to maintain it. The lot was re-graded, re-surfaced, striped and new tires stops installed about 6 years ago.

## Roof

1. Roof was replaced about 10 years ago. Hypalon roof membrane.
2. All terminated gas pipes have been removed from the roof.
3. Seagull spikes installed to deter nesting.

## Interior

1. New sprinkler system installed.
2. All new master key system, all door handles/locks replaced with mortise lock.
3. Created "managers office" and janitorial/maintenance room.
4. Common area new paint, carpet, lighting, and wood trim. Re-light windows added to flood hallway with natural light.
5. All handrails in common area removed, sandblasted and powder coated.
6. Ceiling fans added.
7. All suites remodeled: Fresh paint on walls and ceiling, new carpet, new wood base board, door and window trim. Kitchenettes added including upper and lower cabinetry, sink and refrigerator. Cellular blinds added to all suites.
8. All suites and common area bathrooms completely remodeled.
9. Most lighting has been upgraded to LED.
10. Entrance lobby furniture and art.



# CAPITAL IMPROVEMENTS



## Electricity

Each suite is individually metered. Electricity bill is in tenants name and paid directly.

## HVAC

Each suite has its own dedicated roof top HVAC unit with dedicated thermostat in suite. This allows the tenant excellent optimization of their own comfort. Electricity and or gas (in 2 units only) is in tenants name and paid directly. Ownership has removed all terminated gas pipes on roof and meters.

1. Roof top units
  - a. Newer electric 2 ton heat pump units. All replaced within last 5 years by Blythe Heating and Plumbing
  - b. Two gas 5 ton units.
2. Ceiling furnaces and cooling
  - a. Installed in Lunavi and LFS office on second floor

## Elevator

Thyssen Krupp maintains elevator. Original to building.

## Fire

The building was updated with a sprinkler system. Security Solutions monitors the fire alarm system and performs all required inspections. The building is up to date on all inspections.

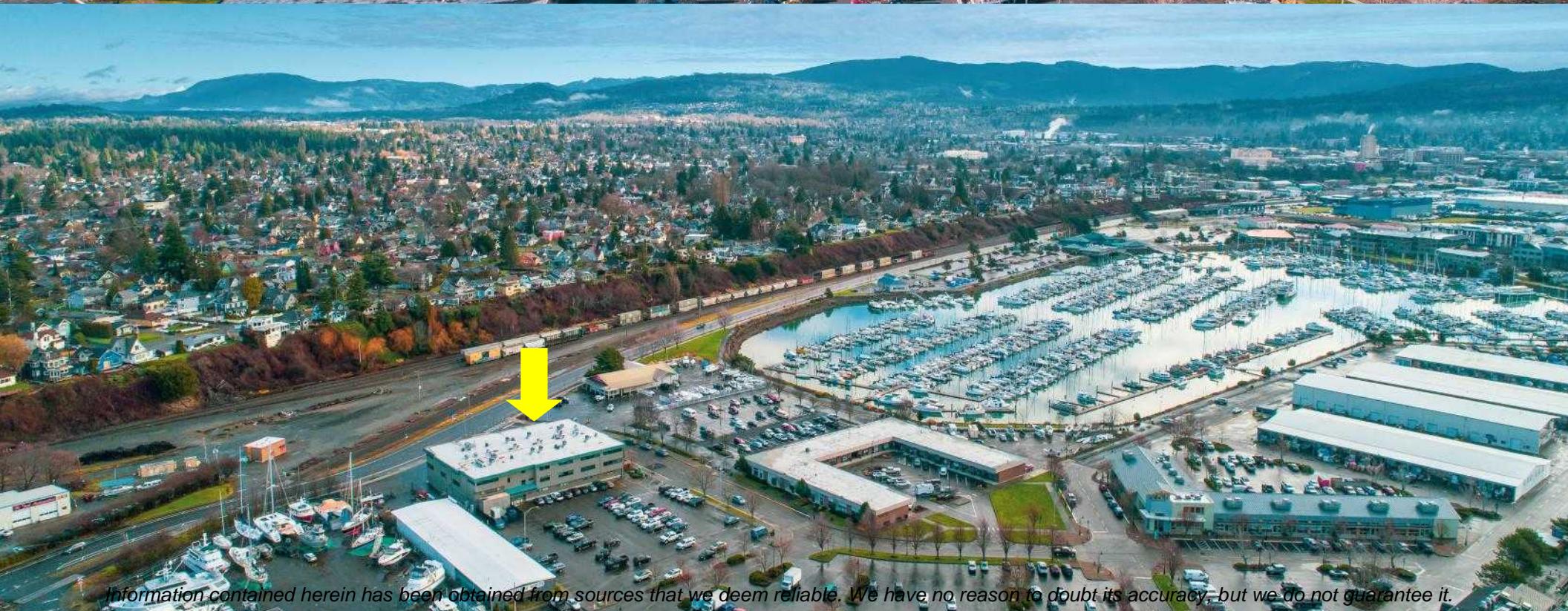
## Internet/Fiber

Wave, Comcast, Pogozone, Century Link are all in the building.

## Marina Building has two associated parking lots:

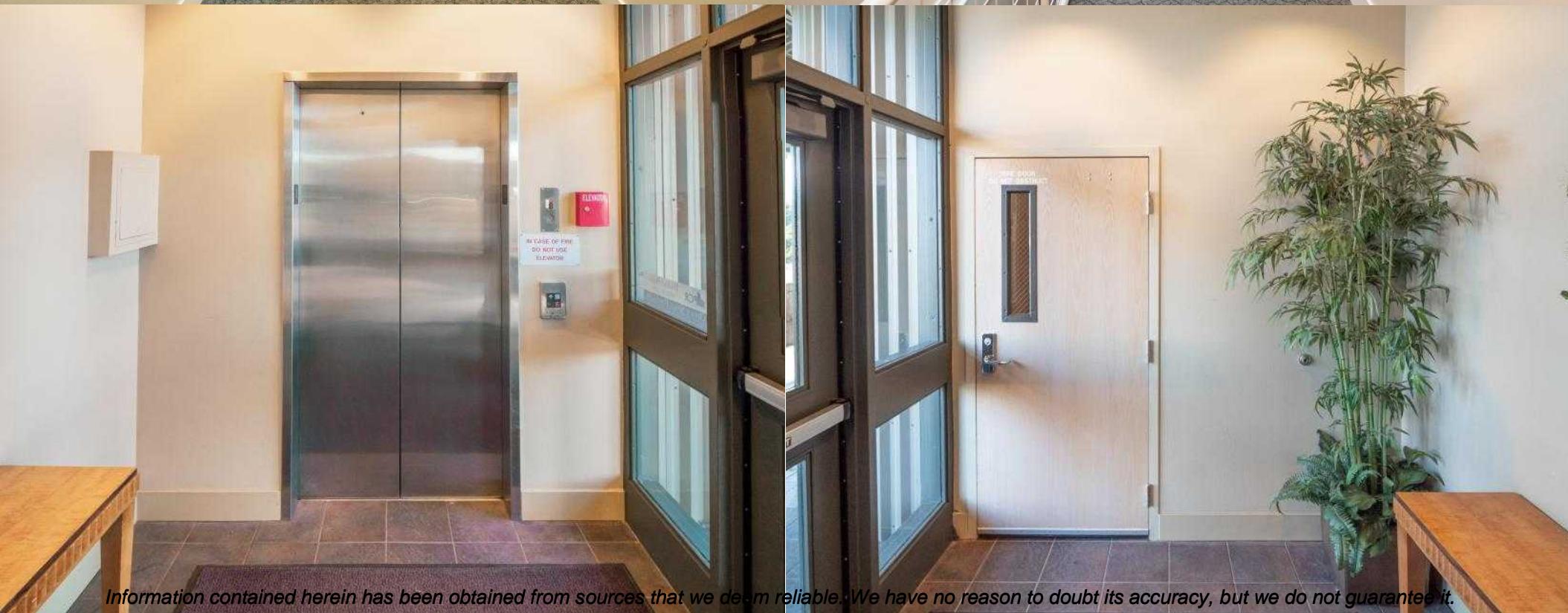
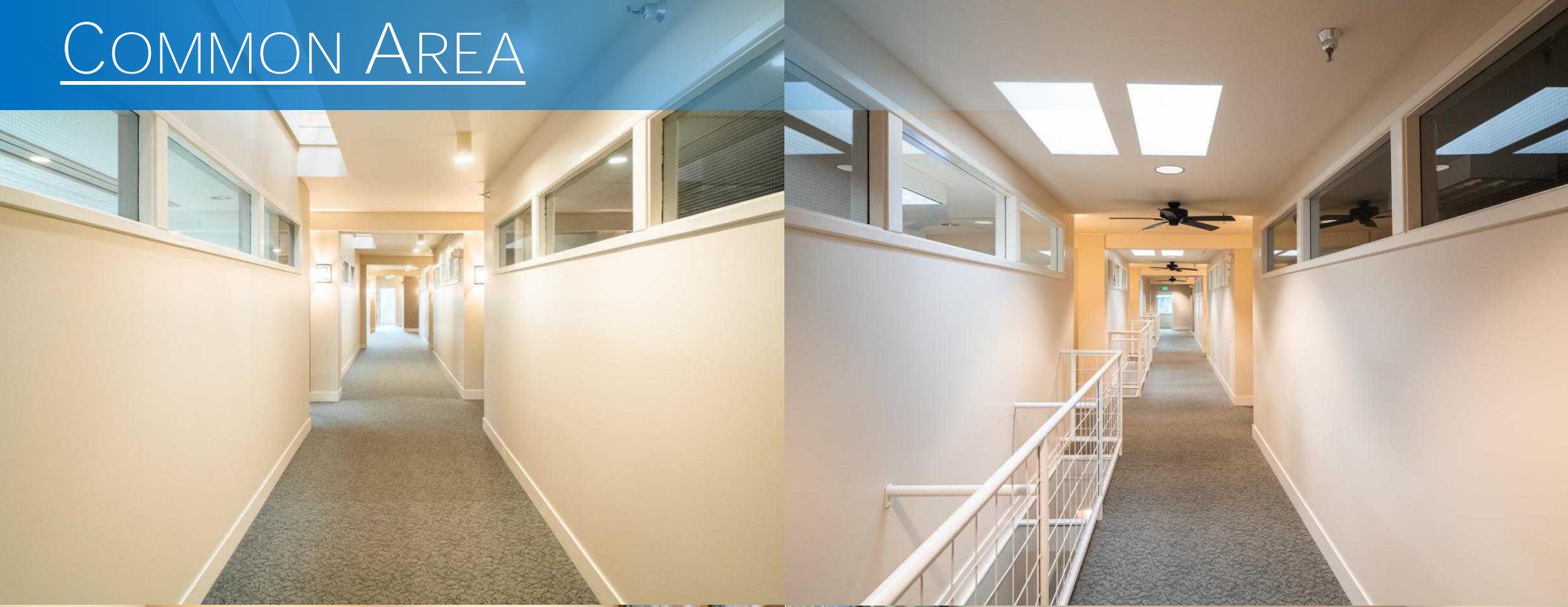
- Small parking lot used by LFS on east side of building – 20 Spaces Estimated
  - This lot is maintained by Marina Building.
  - This is part of the "exclusive use" in the Port Lease.
  - Historically the building owner and LFS has shared the maintenance expenses.
  - LFS is responsible for tow contract.
  - The Port does NOT maintain this lot.
  - This lot was recently renovated.
- Large parking lot on the west side used by all tenants. – 107 Spaces Estimated
  - This lot is "non-exclusive use" in the Port Lease. Anyone can park there.
  - Marina pays a monthly fee for "use".
  - The Port maintains the lot and tow contract.
  - The lot is never full and is primarily used by Marina building tenants.
  - The use of this lot is a huge asset to the building and its tenants.
  - The lot was recently renovated.
  - 27,900 SF of parking

# SURROUNDING AREA



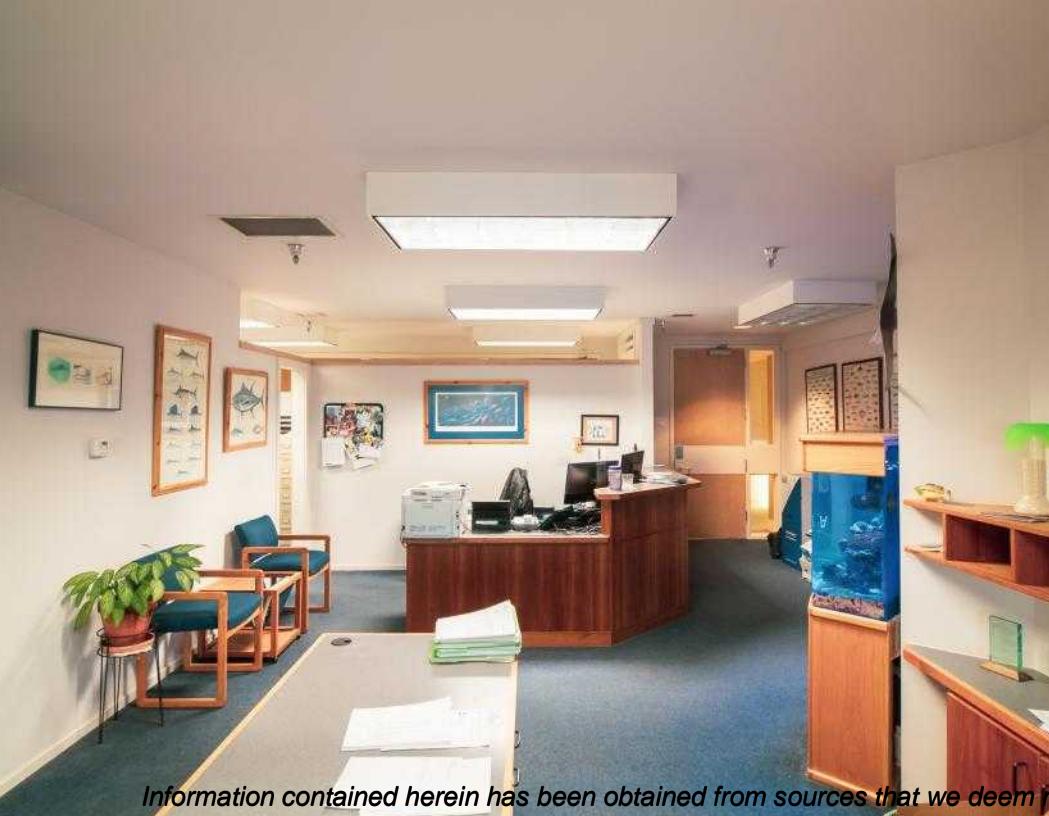
*Information contained herein has been obtained from sources that we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it.*

# COMMON AREA



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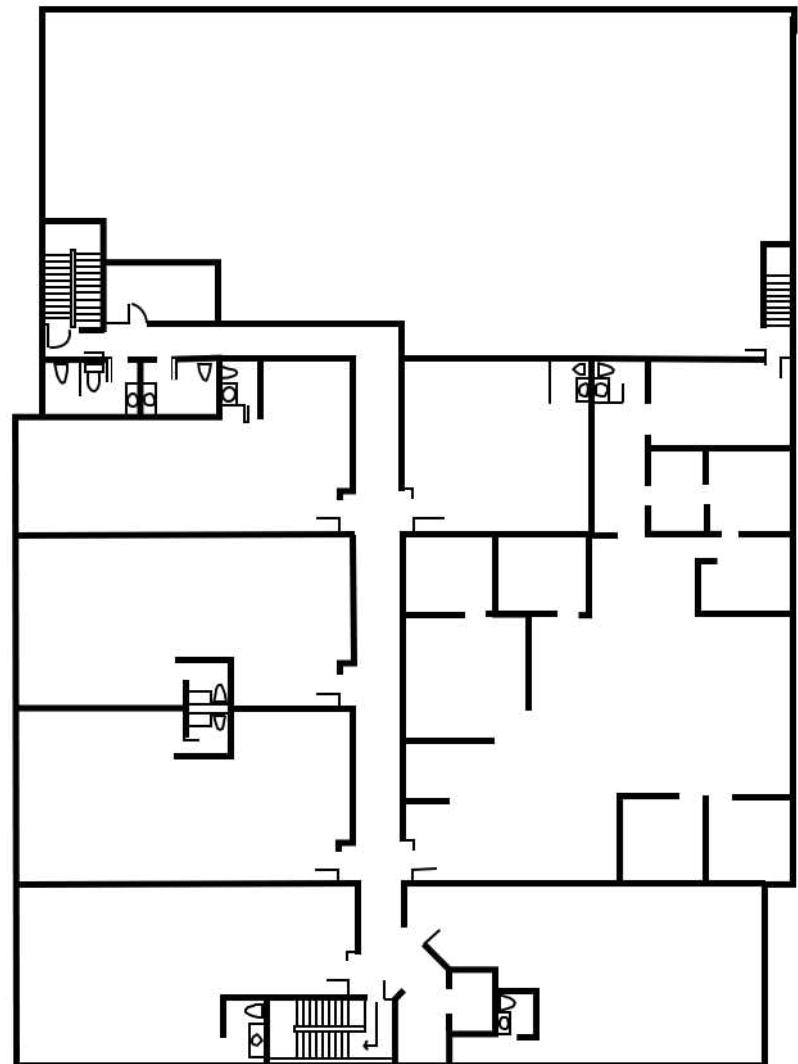
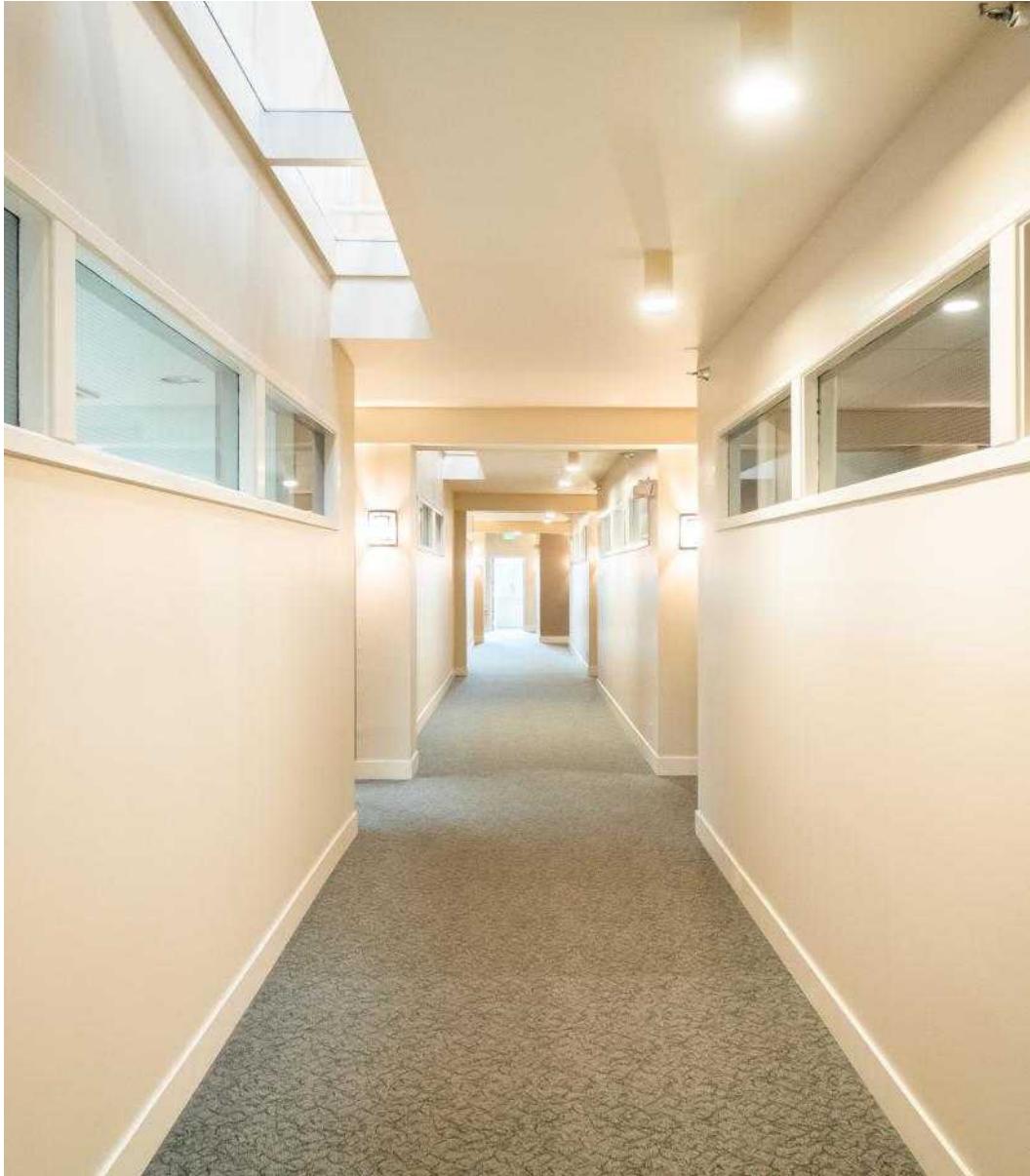
# SUITE PHOTOS



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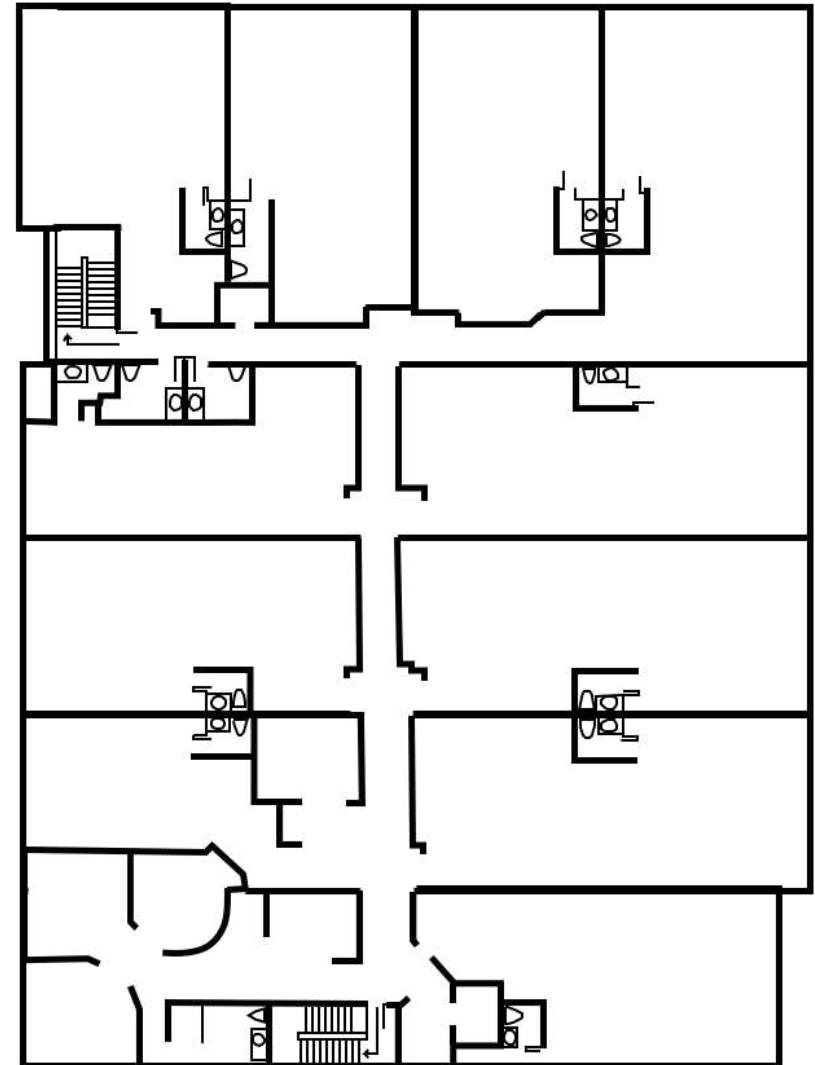
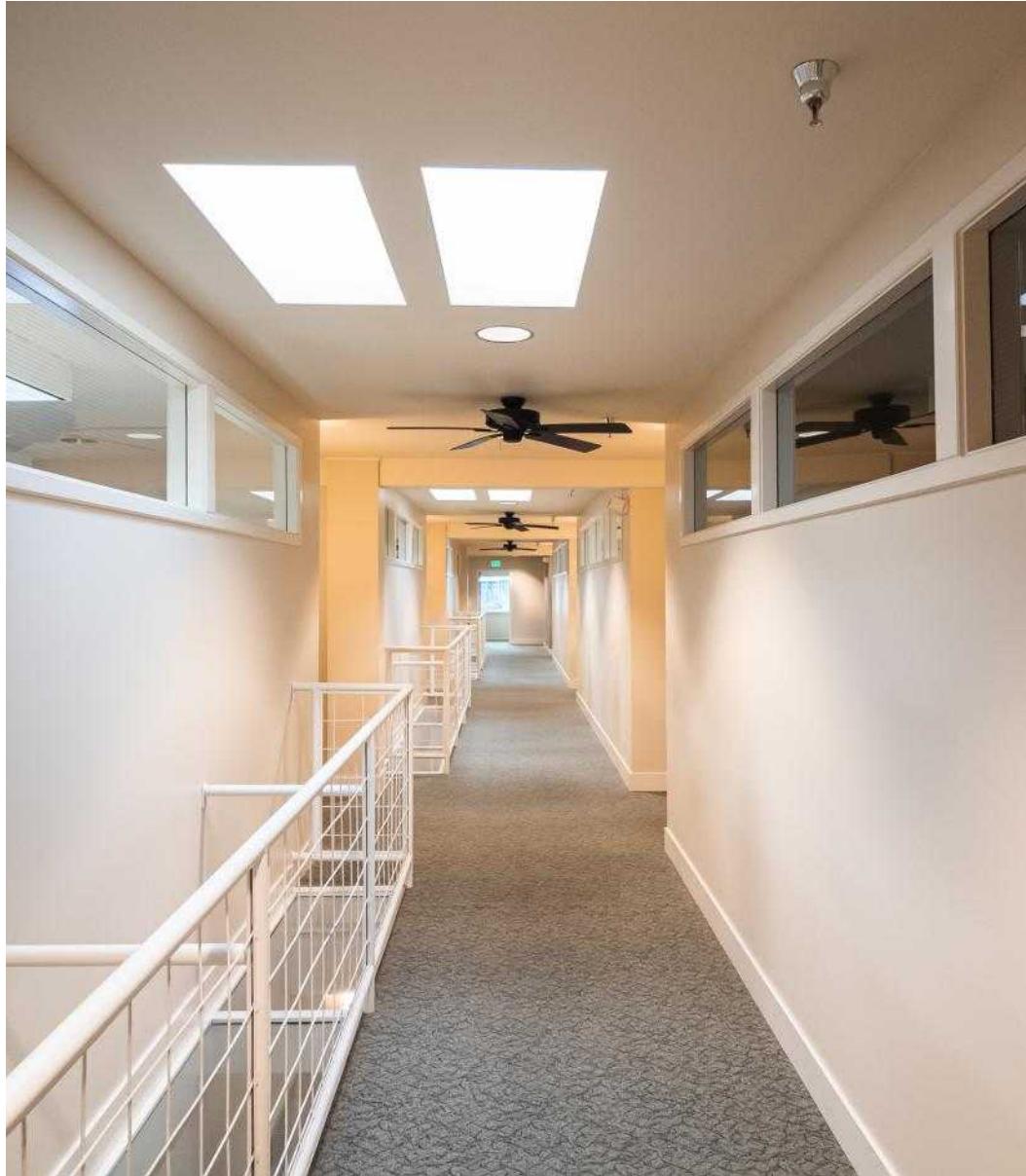
# FLOOR PLAN 2ND FLOOR

The 2nd floor of the Marina building is well lite, open hallways and easy staircase access on both sides of the building provide for a neat and clean common area. While the elevator at the front of the building provides ease of access to all. Tenants such as LFS, Northwest Medicine Clinic, Lunavi, and the City of Bellingham utilize the suites on this floor.



# FLOOR PLAN 3RD FLOOR

The 2nd floor of the Marina building is well lite, open hallways and easy staircase access on both sides of the building provide for a neat and clean common area. While the elevator at the front of the building provides ease of access to all. Tenants such as The Markets, AXE Engineering, RES Care, and more utilize the suites on this floor.



# MARKET AREA

The Pacific Northwest scarcely gets more peaceful than unspoiled Bellingham, a bustling city nestled in the Bellingham Bay. Nature abounds in all directions surrounding this coastal paradise. Bellingham can be conveniently accessed by land, air, rail, and sea. With easy transportation to both Canada and the international hub of Seattle, Bellingham offers a great middle point. While the Canadian market offers a diverse economy for the local businesses, continually businesses are migrating north to the area in order to find a new and better home. The waters of the Pacific offer opportunities for whale watching, cruising to Friday Harbor or visiting the Canadian city of Victoria. To the east, Mt. Baker beckons skiers and snowboarders to its slopes. The city itself is alive with vibrant theater, historical museums, gourmet restaurants and fine arts.



## NATURAL BEAUTY

The dominating Mt. Baker towers over the city, with its staggering beauty. The deep expansive blue of the ocean carries our sight to the San Juan Islands. All the while you are hugged by the soft green of thunderous trees that decorate land for as far as the eye can see.



## STRATEGIC LOCATION

The prosperous city Vancouver, Canada only sits 55 miles north. And the technological hub of Seattle resides 88 miles to the south. Bellingham provides an essential middle point for those looking to operate within both expanding districts.



## HIGHER EDUCATION

Within Whatcom there are five different institutions of higher education that cover a vast array of different focuses. Western Washington University, Whatcom Community College, Bellingham Technical College, NW Indian College, and Trinity University all provide qualified and skilled workers.

## DEMOGRAPHICS

Whatcom County:



### Population

230,077



### Average HH Income

\$80,569

Bellingham:

93,910



### Median Age

39

37.5