



Arlington Purchase

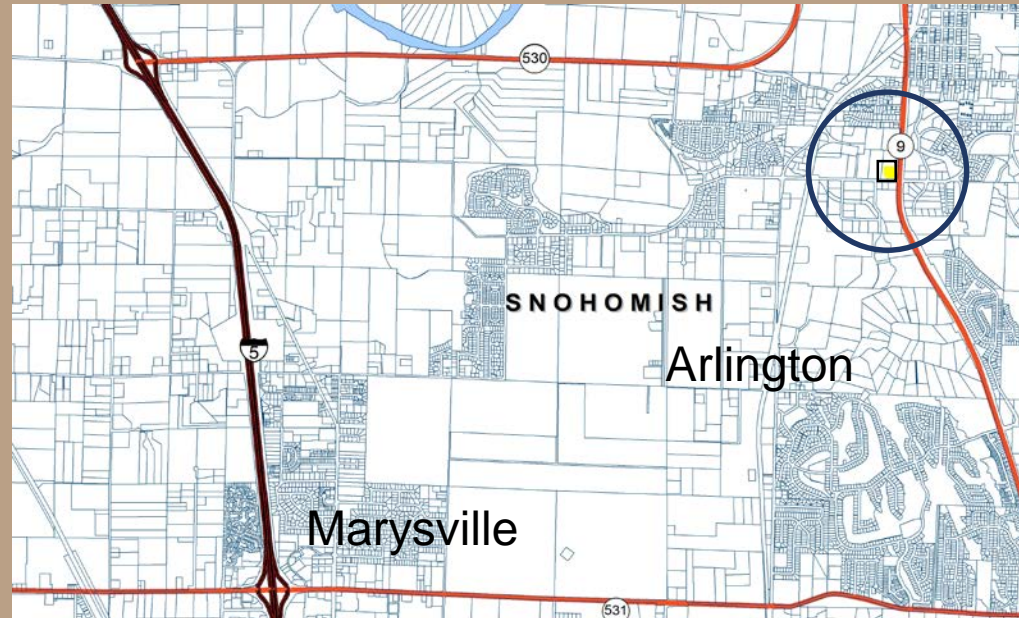
Snohomish County



Arlington Purchase

Location

- Purchase of land and a commercial building
- In Snohomish County, within the City of Arlington



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Overview



- Building size: 14,160 sqft on 1.54 acres
- New construction: built in 2018
- Property is currently leased to Bartell Drugs
- Generates annual revenue of \$ 482,526

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Revenue

Lease Term: 15 years primary term (13.5 remaining) with renewal options – 5, five-year extensions for a total of 25 additional years.

Annual Rent Schedule

<u>Years</u>	<u>Rent</u>	<u>Yield</u>
1 - 10	\$482,526	5.32%
11 - 15	\$530,778	5.85%
16 - 20	\$583,856	6.43%
21 - 25	\$642,242	7.08%
26 - 30	\$706,466	7.78%
31 - 35	\$777,113	8.56%
36 - 40	\$854,824	9.42%



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Appraised Value:

\$9,075,000

- \$5,575,000 will come from the Real Property Replacement Account
- \$3,500,000 will come from Land Bank funds
- The property will become Common School Trust



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Benefits

- Aids in asset diversification for a portfolio dominated by investments in timberland
- Provides stable cash flows with relatively low risk:
 - The Bartell Drug Company, a family-owned Washington corporation since 1890, operates 67 stores in Puget Sound Region from Pierce to Snohomish counties.
- Produces consistent annual cash flows at market rates of return

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Resolution _____



