



STONEMONT  
FINANCIAL GROUP

## Palmetto Industrial Park

**428,221 SF**

Greater Tampa MSA

Presentation

July 2023

1004

# Stonemont Deal Team

## SENIOR LEADERSHIP TEAM



**ZACK MARKWELL**  
**CHIEF EXECUTIVE OFFICER & MANAGING PRINCIPAL**

- Founded Stonemont in 2008
- Over 18 years of Commercial Real Estate Experience
- Transformed Stonemont into a multi-faceted CRE platform including Development, Acquisition, Asset Management, & Advisory Services
- Received an MBA from Owen Graduate School at Vanderbilt University with dual concentrations in Finance & Strategy



**NEAL MOSKOWITZ**  
**PARTNER**

- Joined Stonemont in 2015 and serves as SVP of Development
- Primarily focused on Stonemont's industrial development including site selection, development of BTS for Fortune 500 clients, & overseeing Stonemont's large full-scale industrial park developments.
- Received a Bachelor of Business Admin degree in Finance from Terry College of Business



**BRYAN BLASINGAME**  
**CHIEF INVESTMENT OFFICER & PRESIDENT**

- Nearly 30 years of commercial real estate experience focused on investment and capital management
- Served as EVP & CIO at IDI Logistics
- During a 26-year tenure at IDI Logistics, his team developed, acquired & managed a \$5B+ portfolio throughout North America
- Received an MBA from Terry College of Business at University of Georgia with dual concentrations in Real Estate & Finance

## PRESENTERS



**Avery Dorr**  
**VICE PRESIDENT**



**Travis DeBee**  
**Senior Vice President**



# Stonemont Overview

Founded in 2008 and headquartered in Atlanta, GA, Stonemont is a private real estate investment firm managing diversified strategies on behalf of public and private institutions and private capital clients alike

## By the Numbers

**2008**  
Founded

**\$5.0Bn**  
AUM

**25.9MM**  
SF Developed/Acquired

**19.6MM**  
SF Under Construction

**60+**  
Employees

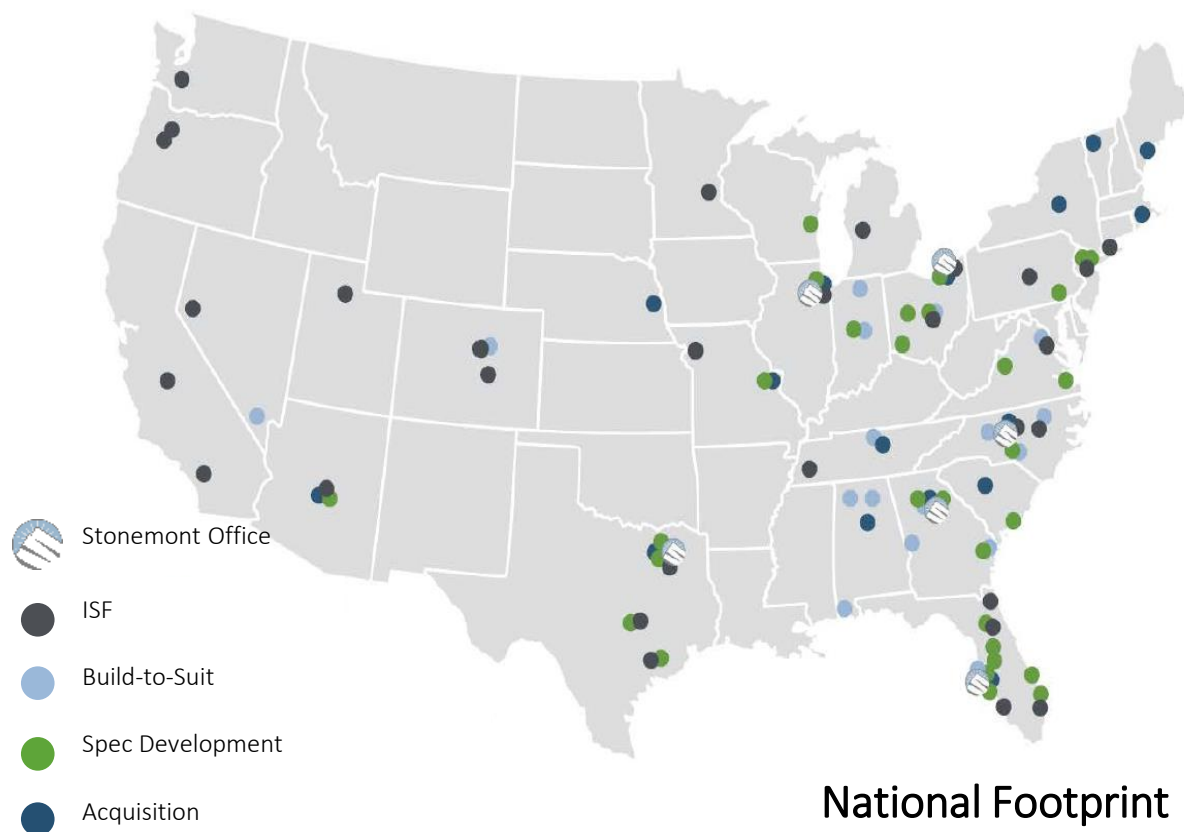
**30+**  
Investment  
Professionals

Experienced, Relationship  
Focused Team

Proprietary Origination  
Channels

Proactive  
Management

Synergistic Core  
Competencies



National Footprint

# Executive Summary



## PROJECT INTRODUCTION

- **Deal Name:** Palmetto Industrial Park – Palmetto Florida
- **Opportunity:** Acquire three new recently delivered shell buildings totaling approximately 428,221 SF: Building 1 – 160,343 SF, Building 2 – 160,343 SF and Building 3 – 107,535 SF
- **Location:** The Project is located in the Greater Tampa Bay market, specifically in the Sarasota submarket; the project benefits from direct access to I-75 and US-301, which provide connectivity to Tampa, St. Petersburg, Sarasota, Bradenton, Fort Myers and Naples

## INVESTMENT RATIONALE

- Superior Access to Key Logistics Infrastructure & Population Bases
- State-of-the-Art Logistics Park bolstered by High Barriers to Entry
- Exceptional Industrial Market Fundamentals
- Attractive Debt Structure with Strong Projected Returns

## DEAL METRICS

Minimum Investment	\$25,000
Targeted Hold Period	Flexible
Targeted IRR	78.8%
Targeted Multiple	1.39x



# Progress Photos

BUILDING 1 AND 2 (AS OF MAY 2023)





# Progress Photos

BUILDING 3 (AS OF MAY 2023)





# Progress Photos

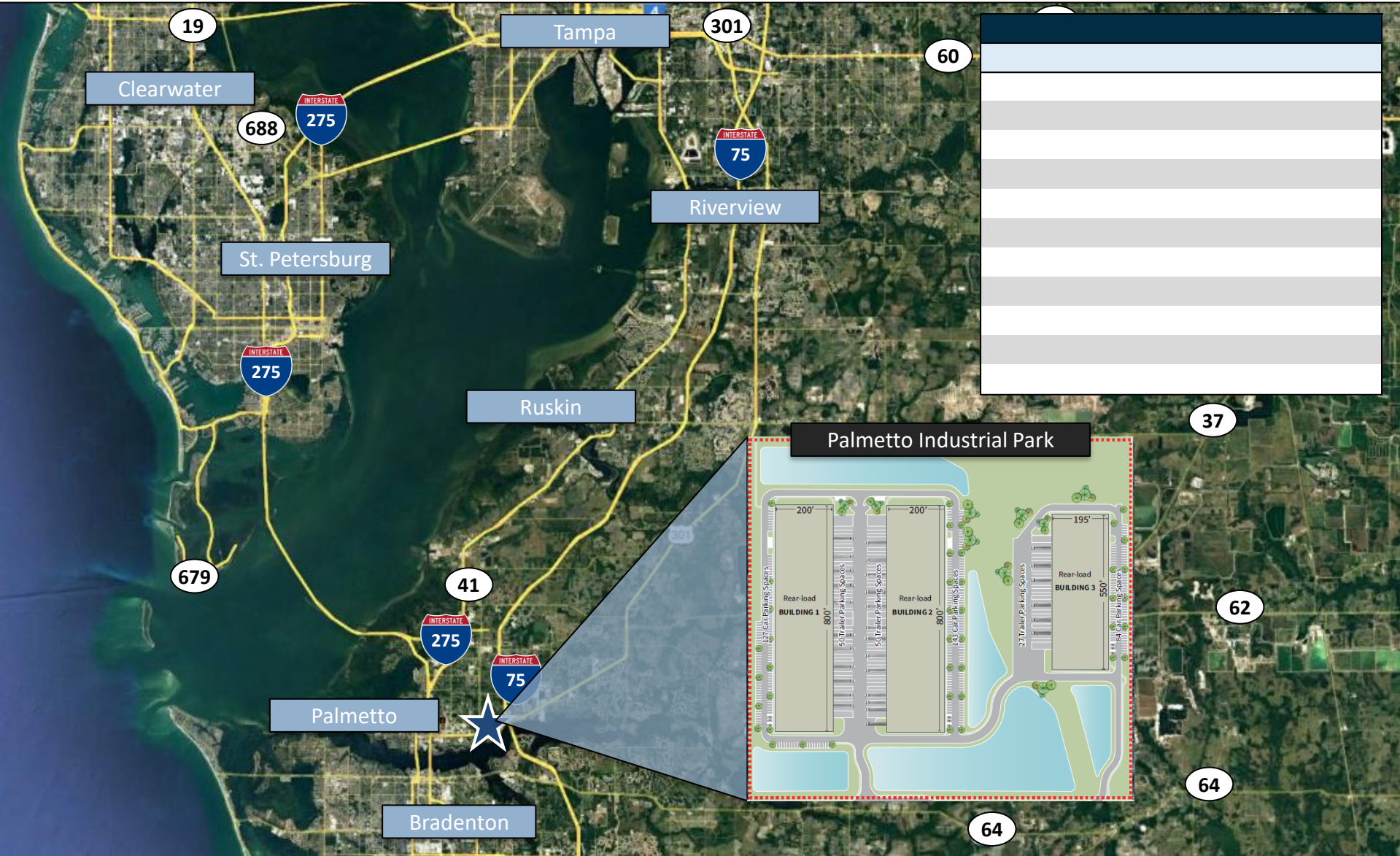
TOTAL PROJECT (AS OF JUNE 2023)





# Investment Highlights

## SUPERIOR ACCESS TO KEY LOGISTICS INFRASTRUCTURE & POPULATION BASES





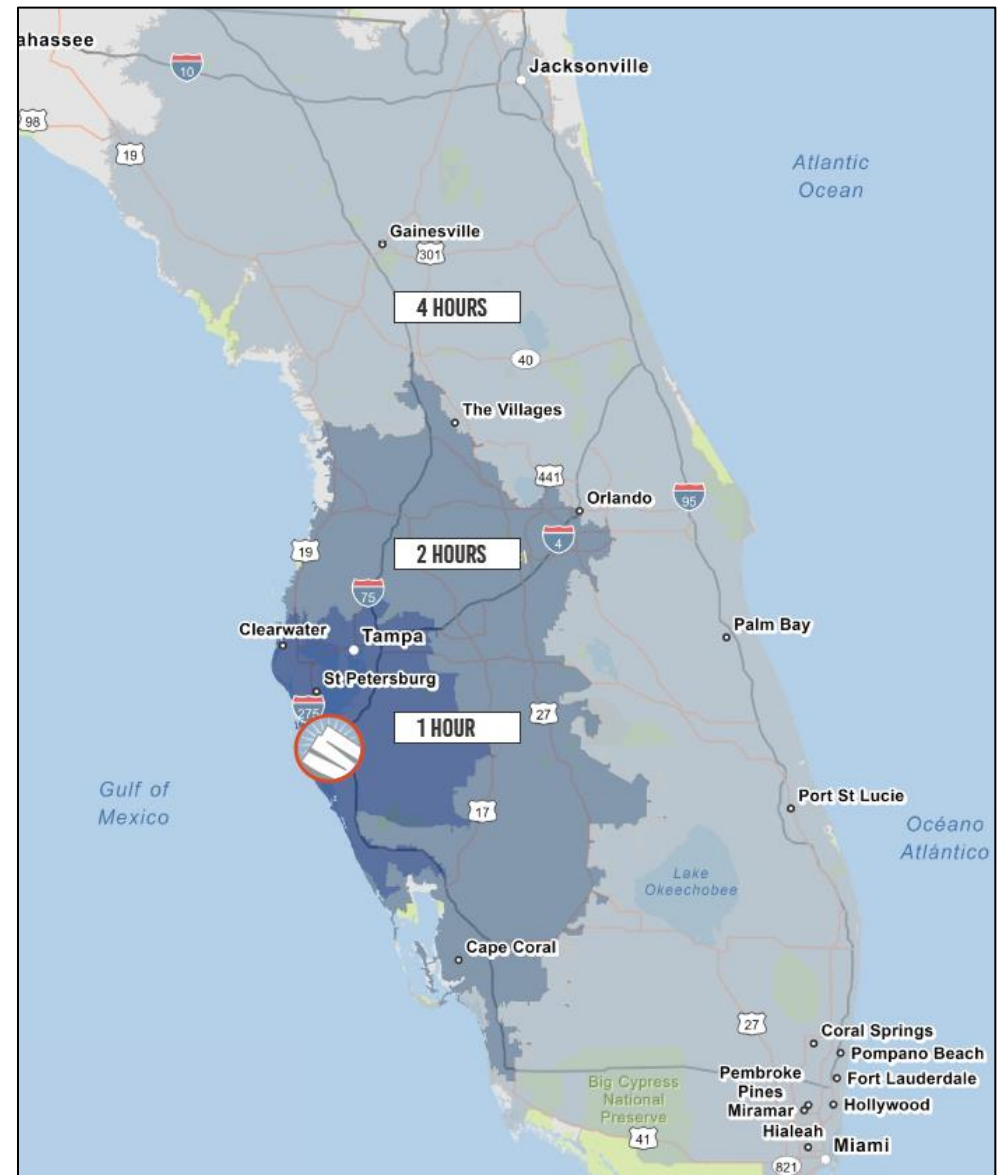
## Investment Highlights

## SUPERIOR ACCESS TO KEY LOGISTICS INFRASTRUCTURE & POPULATION BASES

Population Stats	10 Miles	20 Miles	30 Miles
2022 Population	343,320	915,182	1,758,428

<i>Labor Force Stats</i>	10 Miles	20 Miles	30 Miles
Total Employees	120,422	390,326	808,236
Total Industry	11,986	22,526	60,317

- Conveniently located between 17<sup>th</sup> Street East and 21<sup>st</sup> Street east
- The site provides quick access to US 301, US41/Tamiami Trail, US 19, I-75 and I-275 all within 5 miles; these arteries provide incredible connectivity to Tampa, Lakeland and South Florida
  - 3 international airports within an hour drive
  - 2 ports within an hour drive
  - 15.3 miles to Downtown Sarasota
  - 23.8 miles to Downtown St. Petersburg



# Investment Highlights

## STATE-OF-THE-ART LOGISTICS PARK BOLSTERED BY HIGH BARRIERS TO ENTRY



### Park Highlights

**Clear Height:** 32'

**Sprinkler System:** ESFR

**Column Spacing:** Bldg 1&2: 50'x50'; Bldg 3 50'x49'9"

**Shared Truck Courts:** 190'

**Bldg. 3 Truck Court:** 135'

**Power:** 1600 AMP 277/480V 3-phase

**Roof:** 60-mil TPO, 15-year Wrnty.; R-20 Ins.

**Minimum Divisibility:** 37,750 SF`

### Building 1 Specs

**Size:** 160,343 SF

**Dock Doors:** 44

**Ramps:** 4

**Car Parking:** 127

**Trailer Parking:** 27

### Building 2 Specs

**Size:** 160,343 SF

**Dock Doors:** 44

**Ramps:** 4

**Car Parking:** 143

**Trailer Parking:** 50

### Building 3 Specs

**Size:** 107,535 SF

**Dock Doors:** 25

**Ramps:** 3

**Car Parking:** 84

**Trailer Parking:** 20



# Investment Highlights

## STATE-OF-THE-ART LOGISTICS PARK BOLSTERED BY HIGH BARRIERS TO ENTRY

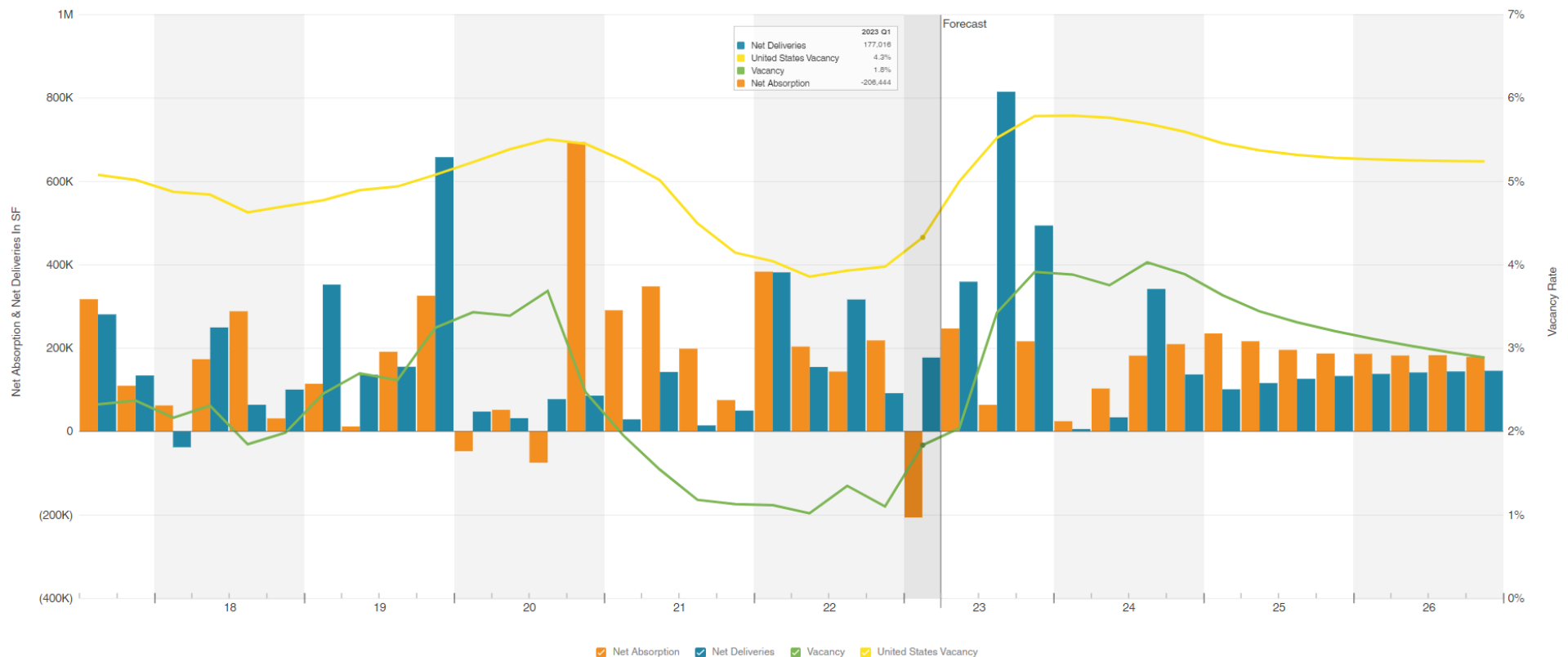


- The Sarasota industrial submarket is predominantly a small tenant market, and as such rarely sees “Big-Box” 100,000+ SF transactions
- **Lack of Supply** - Vacancy in small-bay buildings under 50,000 square feet has averaged below 2% for seven consecutive quarters and is on pace to end the first quarter of this year even lower, at approximately 1.5%.
- **No Relief in Sight** - Since 2020, less than 900,000 square feet of small-bay buildings have been delivered, and of that, less than 1% is available
- **Limited Construction** - Currently there is only 215,700 square feet of new small-bay inventory under construction in the Tampa industrial market, the lowest amount since mid-2016.
- **Less Downtime** - In the decade preceding the pandemic, it took approximately 10 months for small-bay industrial to lease. Now that is averaging just three months.

# Investment Highlights

## EXCEPTIONAL INDUSTRIAL MARKET FUNDAMENTALS

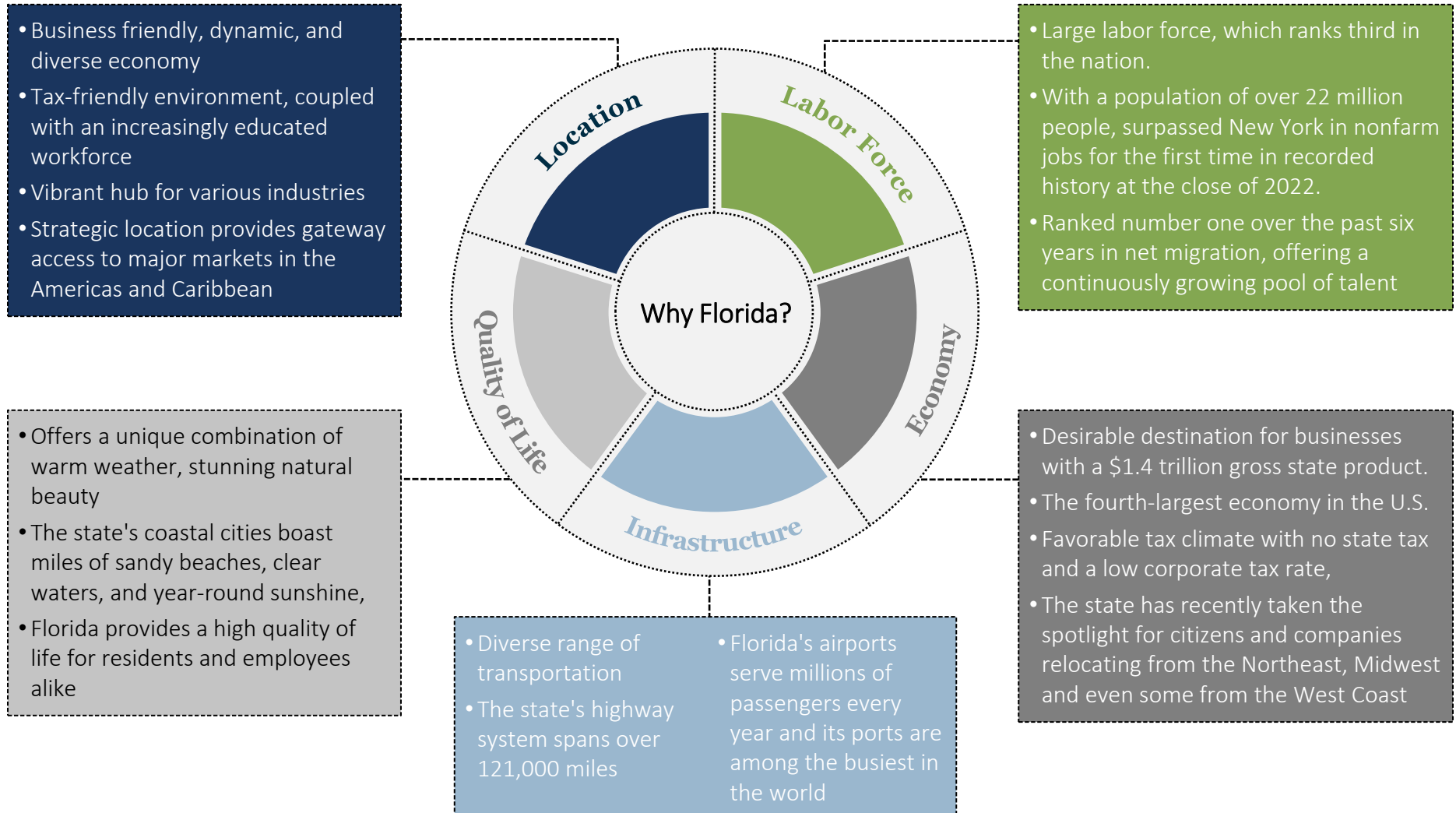
- The Sarasota industrial submarket is the largest in Southwest Florida with over 51 million SF of industrial product
  - The area has been a target for industry users in recent years looking to tap into a growing population base
    - Food and beverage distributors have a strong foothold in the region as PepsiCo, United Natural Foods, Sysco Corporation, and Publix all having significant industrial operations
    - Demand for industrial space has been steady over the last few years
    - Demand in the preceding quarters outweighed recent tenant move-outs as absorption of the last 12 months is still positive, at 250,000 SF
- Due to the size of the market even a few large tenants move-outs can have a significant impact on the vacancy rate; The current vacancy of 1.6% is relatively low but is the highest it's been in nine quarters





# Investment Highlights

## EXCEPTIONAL INDUSTRIAL MARKET FUNDAMENTALS



# Comps

1	Q2 2023	5817 24th E.	Manatee/Sarasota	301 Corporate Center	Icon EV	41,248	69	\$9.50	3.50%	As-is
3	Q3 2022	5817 24th E.	Manatee/Sarasota	301 Corporate Center	Universal Windows Solutions	32,436	60	\$8.95	4.00%	\$20.00
5	Q2 2022	7345 16th St. E.	Manatee/Sarasota	Sarasota-Bradenton Commerce	Team Edition Apparel	60,754	60	\$9.73	3.00%	As-is
7	Q1 2022	2207 51st Ave. E.	Manatee/Sarasota	Florida International Tradeport	Banko Overhead Doors, Inc.	15,541	60	\$8.40	3.00%	turn-key
9	Q4 2020	2010 51st Ave. E	Palmetto	Florida International Tradeport	Buff City Soaps	75,000	120	\$9.45	3.00%	Conf.
11	Q1 2020	3135 Lakewood Ranch Blvd	Bradenton	Gatewood Corporate Center	Trinity Glass International	100,270	Conf.	\$8.75	3.00%	Conf.



# Gatewood Detail

2	RND Automation & Engineering, LLC	3155-110	35,338	7/3/2018	7/31/2030	8/1/2022	\$338,185	\$9.86	3.0%
4	Cook and Boardman LLC	3135-101	26,377	9/1/2017	8/31/2025	9/1/2022	\$238,976	\$9.29	2.5%
6	Biowest, LLC	3135-106	23,969	6/18/2018	6/30/2028	7/1/2022	\$220,515	\$9.38	2.0%
8	Short Par 4 LLC	3135-110	16,208	4/1/2020	3/31/2025	4/1/2022	\$129,016	\$8.20	3.0%
10	S&K Enterprises, Inc.	3155-103	14,628	7/2/2018	7/31/2023	8/1/2022	\$139,990	\$9.86	3.0%
12	New South	3125-112	10,958	8/1/2020	7/31/2027	8/1/2022	\$116,253	\$10.93	3.0%
14	Davi & Valenti Movers, LLC	3125-104	9,753	10/1/2019	9/30/2024	10/1/2022	\$101,236	\$10.69	3.0%
16	Sunstate Fabricators LLC	3165-103	9,752	10/1/2017	1/31/2023	2/1/2022	\$93,327	\$9.86	3.0%
18	Lakewood Ranch Cheerleading LLC	3115-101	7,373	11/12/2018	2/29/2024	3/1/2022	\$76,532	\$10.69	3.0%
20	Short Par 4, LLC	3125-101	6,082	12/1/2018	11/30/2023	12/1/2022	\$65,017	\$11.01	3.0%
22	Olympus Pools, Inc.	3115-109	4,876	1/9/2020	1/31/2025	2/1/2022	\$54,319	\$11.47	3.0%
24	Kajoda Services, LLC	3125-102	4,876	10/14/2019	10/31/2024	11/1/2022	\$50,613	\$10.69	3.0%

Note: Above rent figures reflective of 2020 data points extrapolated for 2023 in-place rent.

# Competitive Set

2	2Q 2022	5817 24th St. E.	Manatee/Sarasota	301 Corporate Center - Building 2	Peak Development/MDH	104,118	–	200	Rear-load	N/A
4	TBD	2020 51st Ave. E.	Manatee/Sarasota	FITC - Building 3	Benderson	99,878	–	N/A	Rear-load	TBD
6	TBD	2216 51st Ave. E.	Manatee/Sarasota	FITC - Building 5	Benderson	123,726	–	175	Rear-load	TBD
8	TBD	2215 51st Ave. E.	Manatee/Sarasota	FITC - Building 9	Benderson	101,390	–	175	Rear-load	TBD
10	TBD	2021 51st Ave. E.	Manatee/Sarasota	FITC - Building 11	Benderson	114,000	45,581	150	Rear-load	\$9.00-\$11.00
2	2Q 2023	4506 24th St. E.	Manatee/Sarasota	Axial 301 Manatee - Building 200	Crescent Communities	147,278	147,278	TBD	Rear-load	\$9.50
4	TBD	2606 51st Ave. E.	Manatee/Sarasota	FITC - Building 7	Benderson	143,200	–	200	Rear-Load	\$9.00-\$11.00
6	3Q 2023	44th Ave. E. & U.S. Highway 301	Manatee/Sarasota	Manatee County Logistics Center - Building 100	Barron Collier Companies	187,083	187,083	220	Rear-load	\$9.75
1	TBD	44th Ave. E. & U.S. Highway 301	Manatee/Sarasota	Manatee County Logistics Center - Building 300	Barron Collier Companies	188,184	188,184	220	Rear-load	\$9.75
3	TBD	TBD	Manatee/Sarasota	FITC - Building 21	Benderson	264,000	264,000	300	Rear-Load	\$9.00-\$11.00
5	TBD	TBD	Manatee/Sarasota	FITC - Building 19	Benderson	206,808	206,808	225	Rear-Load	\$9.00-\$11.00
7	TBD	11805 U.S. Highway 41 N.	Manatee/Sarasota	Port Manatee Logistics Center - Building 100	Barron Collier Companies	124,848	124,848	144	Rear-load	TBD
9	TBD	11805 U.S. Highway 41 N.	Manatee/Sarasota	Port Manatee Logistics Center - Building 300	Barron Collier Companies	188,320	188,320	220	Rear-load	TBD



# Competitive Set Map



# Active RFPs / Inquiries / Tours

## Active Prospects:

- Sunstream Boat Lifts – 40K SF; August 2023 Occupancy
- MyUS.com – 160K SF; August 2024 Occupancy
- Steel Distribution Related User – 107K SF; Offer to Purchase Building 3 for \$165 PSF
- Precision Door Systems Construction – 25K SF; August 2023 Occupancy

## Active Inquires:

- Undisclosed Cushman & Wakefield Prospect – 60K to 90K SF; Touring June 30th
- American Tire Distributors – 150K SF; Touring June 27<sup>th</sup>
- Beacon Roofing Products – Sent Unsolicited Offer to Lease Building 3
- Eclipse Floor Services
- Sea Winds Coastal Furniture

## Previous / Tracking Prospects:

- Furniture Warehouse – 160K SF; Offer to Purchase Building 1 for \$165 PSF
  - PackRat – 107K SF; Offer to Purchase Building 3 for \$165 PSF
  - DBT Beverage – 40K SF; Tenant Securing Funding
  - Chicago Pickle (Jan-2023) – 50K SF; May expand the building they own in the market.
  - Soligent (Feb-2023) – 30K SF; Executed Lease in different location, due to near term occupancy requirement
  - In-Line Filling Stations (Mar-2023) – 60K SF; Executed Lease in different location, due to near term occupancy requirement
-



# Investment Highlights

## ATTRACTIVE DEBT STRUCTURE WITH STRONG PROJECTED RETURNS

Sources	
Senior Debt (BGO)	49,883,018
Investor Equity	10,000,000
Sponsor Equity (SFG)	13,137,721
<b>Total</b>	<b>\$73,020,739</b>

Uses	
Shell Purchase Price	59,094,498
Tenant Improvements & Leasing Commissions	5,657,882
Soft Costs	8,268,359
<b>Total</b>	<b>\$73,020,739</b>

Project Returns	
LP IRR	18.6%
LP Multiple	1.4x

Distribution Waterfall	
Tier 1	100% (LP) / 0% (GP) to 10.0% IRR
Tier 2	75% / 25% to 16.0% IRR
Tier 3	60% / 40% to 20.0% IRR
Residual	50% / 50% Thereafter

Senior Loan Terms	
Loan-to-Cost	68.3%
Total Funding	\$49,883,018
Interest Rate	SOFR + 3.75%
Origination Fee	1.00%
SOFR Cap	5.50% Strike Price
Interest Reserve	\$4,500,000

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