

Kent Street Facility
Offering Memorandum
For Sale

801 N Kent Street

Winchester, VA

PRESENTED BY:

Jason Maietta

Senior Director | Long Island
DIRECT +1 516 328 6500
EMAIL jason.maietta@colliers.com

Chris Cummings

National Director | Atlanta
Food Advisory Services
DIRECT +1 404 877 9255
EMAIL chris.cummings@colliers.com

Turner Wisehart

Associate | Atlanta
Food Advisory Services
DIRECT +1 404 574 1008
EMAIL turner.wisehart@colliers.com

John Lesinski

Senior Vice President | Tysons Corner
Transportation & Logistics
DIRECT +1 540 671 5721
EMAIL john.lesinski@colliers.com

Ben Luke

Assistant Vice President | Tysons Corner
DIRECT +1 703 394 4810
EMAIL ben.luke@colliers.com



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Property Information

COLLIERS INTERNATIONAL

Property Overview



The Kent Street Facility is located at 801 N Kent Street in the city of Winchester, VA. The Kent Street Facility is a 92,000 square foot cold storage, food processing/distribution plant owned by Quesos La Ricura and formerly occupied by Sunshine's Pride Dairy.

Built in the year 1983 and extensively renovated in 2010, the Kent Street Facility sits on 10 acres of land and features reinforced concrete and insulated metal panel construction. The facility includes approximately 86,700 SF of manufacturing/production facility space, including a 17,000 SF rack supported holding freezer, a 42,000 SF manufacturing area and a 10,000 SF dry warehouse. The balance of the square footage is in the office and support areas.

The Kent Street Facility offers the potential for expansion, has ample parking and provides excellent access to the I-81 corridor. It is ideally located in the Winchester market, about 40 miles west of Dulles Airport and 70 miles west of Washington, DC.

The Kent Street Facility's strategic positioning offers the following advantages to its occupants:

- A central location allowing for easy access to two-thirds of the US population within one day's drive
- Status as one of only a few comparable properties in the Interstate-81 Corridor
- Heavy power, cold storage, freezer space, processing, dry storage and ample parking
- A building maintained in excellent condition since vacancy
- A food-centric location within the Shenandoah Valley

The asking price for the property is **\$5,500,000**. Equipment also available for sale with the facility.

Physical Description

> PROPERTY ADDRESS

801 North Kent Street
Winchester, VA 22601

> PROPERTY TYPE

Food Processing/Distribution Facility

> TOTAL BUILDING AREA

- > 92,000 sf
- > Freezer: ±17,000 SF (18%)
- > Processing/Cooler: ±60,000 SF (65%)
- > Dry/Misc: ±10,000 SF (11%)
- > Office: ±5,000 SF (6%)

> LAND AREA

10 acres (435,600 SF)

> YEAR BUILT

- > 1983
- > Extensive Renovations in 2010

> CLASS

C

> NO. OF FLOORS

One

> PARKING

- > 30 surface spaces
- > Ratio of 3.46/1,000 SF

> ZONING

Industrial, M2

> BUILDING CONSTRUCTION

- > Reinforced concrete
- > Insulated metal panel
- > 4" urethane white steel walls

> TENANCY

Single

> OCCUPANCY

Owner Occupied

> CEILING HEIGHT

20'-24'

> DOORS

- > 12 DH doors with levelers
- > 1 DI door

> DOCKS

Two (one refrigerated, one dry)

> DRIVE INS

1 tot./12'w

> PROPERTY ID

109-01-02-016.000

Asking Price:
\$5,500,000*

*Equipment also available
for sale with the facility

Physical Description (cont.)

> FACILITIES

- > Second floor office space
- > Eight bathrooms with partitions
- > Men's and women's locker rooms for over 200 employees

> SILOS

- > Two 16,000 gallon dairy milk silos
- > Two 6,000 gallon whey silos
- > One 6,000 gallon concentrate whey silo
- > One 10,000 gallon heavy cream silo

> REFRIGERATION CAPABILITY

- > 594 tons installed capacity; Ammonia
- > New cooler space, plus a storage freezer at the South end of the facility that can be converted back to a "two stage" system

> STEAM

- > 2 boilers
- > One 2014, 350 BHP Hurst series 500 S5-300-GO gas/oil 150S, new DA Tank and automatic blow down system
- > One 1976, 150 BHP Bryan (out of service)

> REVERSE OSMOSIS SYSTEM

- > Custom fabrication for whey concentration
- > 7 gal/min output concentration capacity at 21-22% solids concentration

> APV PASTEURIZER

- > State-of-the-art sanitary process control
- > 59 gal/min pasteurizer capacity

> CREAM MANUFACTURING EQUIPMENT

- > Two 1500 Walker processors with agitation
- > One process auger
- > One 3,000 gallon holding tank for cold product
- > One glycol heat exchanger (recently installed)

> CIP & PROCESS SYSTEMS

- > Two separate CIP systems for each side of the plant. Cream and cheese products.
- > Process control programmed on AB panels
- > All positive, booster and centrifugal pumps with VFD. All pumps Alfa Laval.

> OTHER

- > Fully sprinklered wet and dry system
- > Low temperature spiral freezer
- > All processing rooms designed to operate at 38 °F
- > Cool storage for more than 2,800 pallets/four levels
- > Food-grade glycol system evaporators
- > Quality control laboratory
- > Dairy-acid resistant brick-paved indoor areas

Property Photographs



CLOCKWISE FROM TOP:

- > Building Exterior - Rear View
- > Building Exterior - Front Entrance
- > Building Exterior - Rear View



Property Photographs



- CLOCKWISE FROM TOP:
- > Conference Room
 - > Second Floor Open Office
 - > Training Room
 - > Renovated Restrooms

Property Photographs



CLOCKWISE FROM TOP:

- > South Dairy Receiving Bay
- > Milk Silos
- > Cream Silo - 10,000 Gallons
- > Whey and Milk Silos

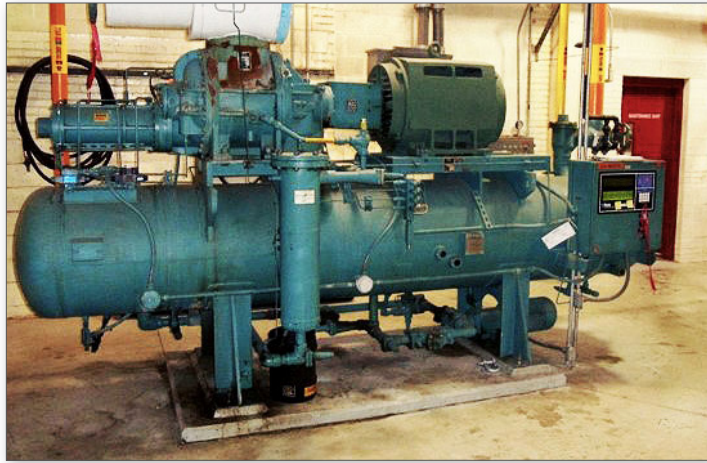
Property Photographs



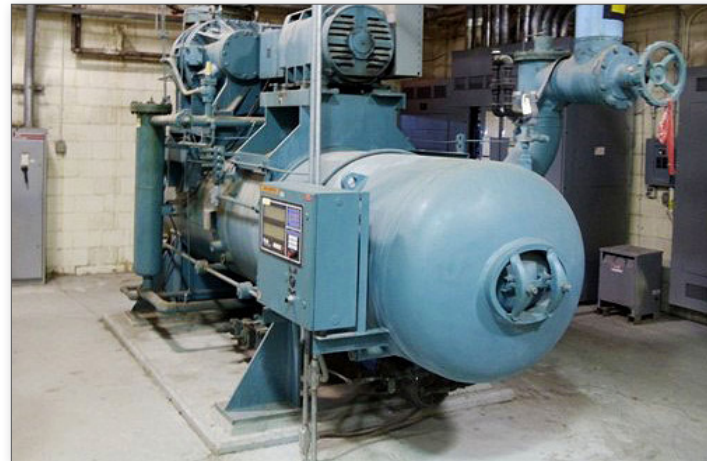
CLOCKWISE FROM TOP:

- > Evapco Condenser
- > Condensers
- > North Dairy Receiving Bay
- > Imeco Condenser

Property Photographs



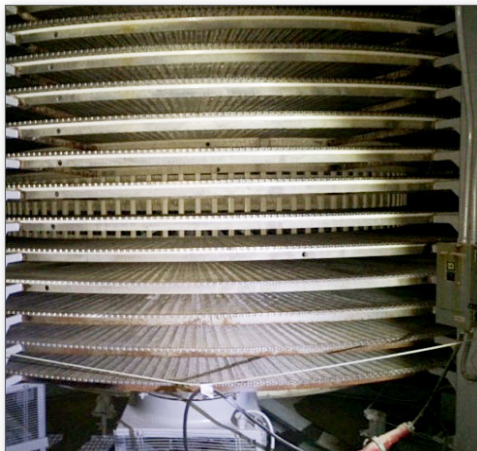
- CLOCKWISE FROM TOP:
- > North Frick Compressor
 - > Back Up Compressors
 - > Booster Compressors
 - > Gardner Denver 75KW Air Compressors



Property Photographs



- CLOCKWISE FROM TOP:
- > DA Tank
 - > Flash Tank
 - > Water Softener
 - > Hurst Boiler
 - > Glycol Heat Exchanger
 - > Spiral Cooler



Property Photographs



CLOCKWISE FROM TOP:

- > Dry Storage
- > Cold Storage
- > Cooler Storage
- > Cream Cooler



Property Photographs



CLOCKWISE FROM TOP:

- > Cream Pasteurizer Room
- > Cream Process Control
- > Cream Processing Area
- > APV Pasteurizer
- > Cream Processing Room



Property Photographs



CLOCKWISE FROM TOP:

- > Primo360 Combiscale Packer
- > Processor Auger
- > CIP System
- > Pressing Tables
- > Cooking Kettles



Property Photographs



- CLOCKWISE FROM TOP:
- > Laboratory (View 1)
 - > Laboratory (View 2)
 - > Sanitation Room
 - > Packing Room



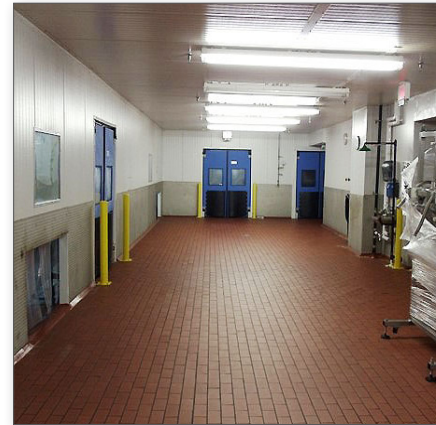
Property Photographs



- CLOCKWISE FROM TOP:
- > VFD Panel
 - > Reverse Osmosis System (R.O)
 - > First Stage Skid (R.O.)
 - > 2,000 Gallon Processor
 - > Manifold Detail
 - > Process Control Main Panel



Property Photographs

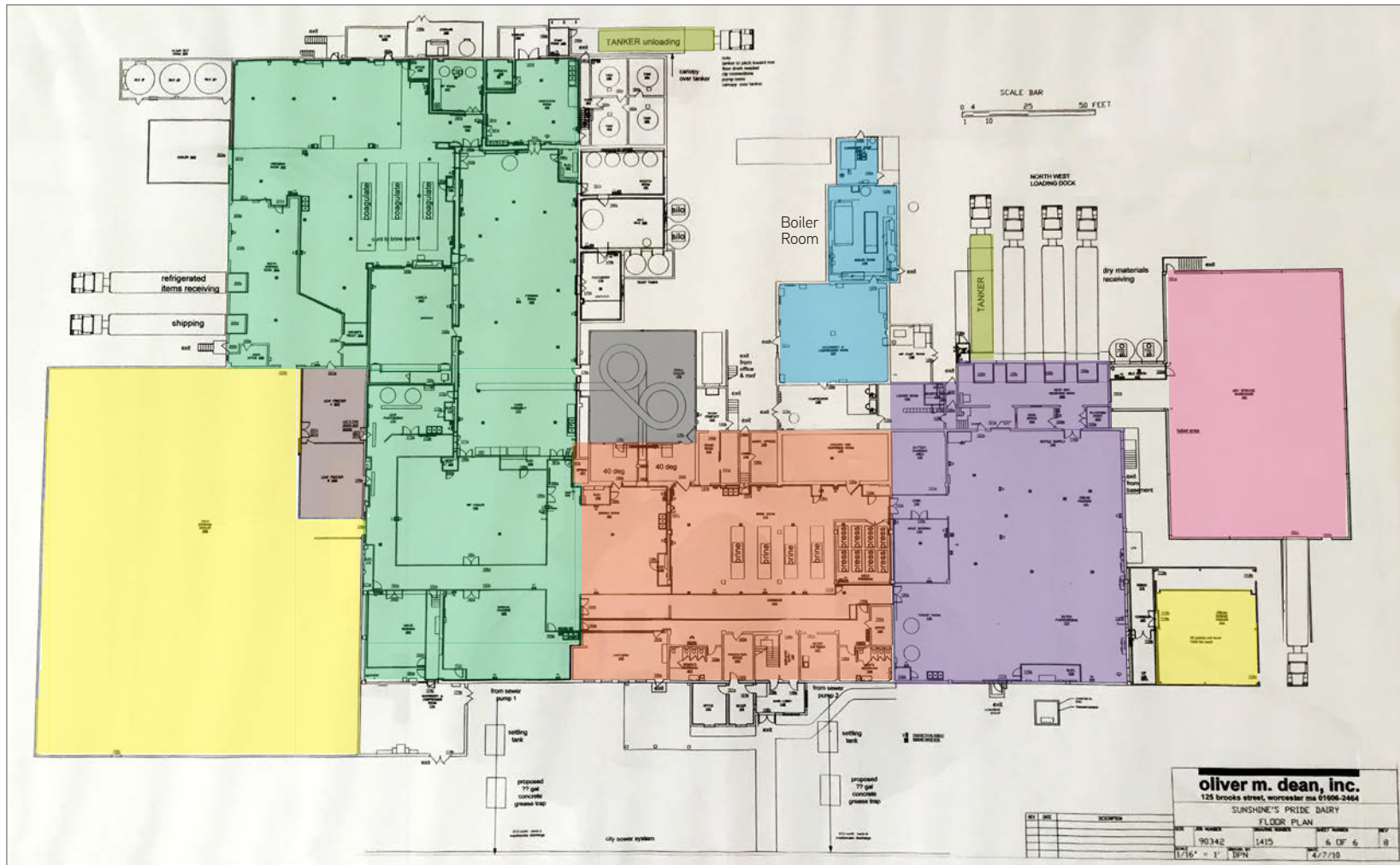


CLOCKWISE FROM TOP:

- > Processing Room (View 1)
- > Processing Room (View 2)
- > Trip Switch
- > Packing Room
- > Hand Wash Sink
- > Hose Station

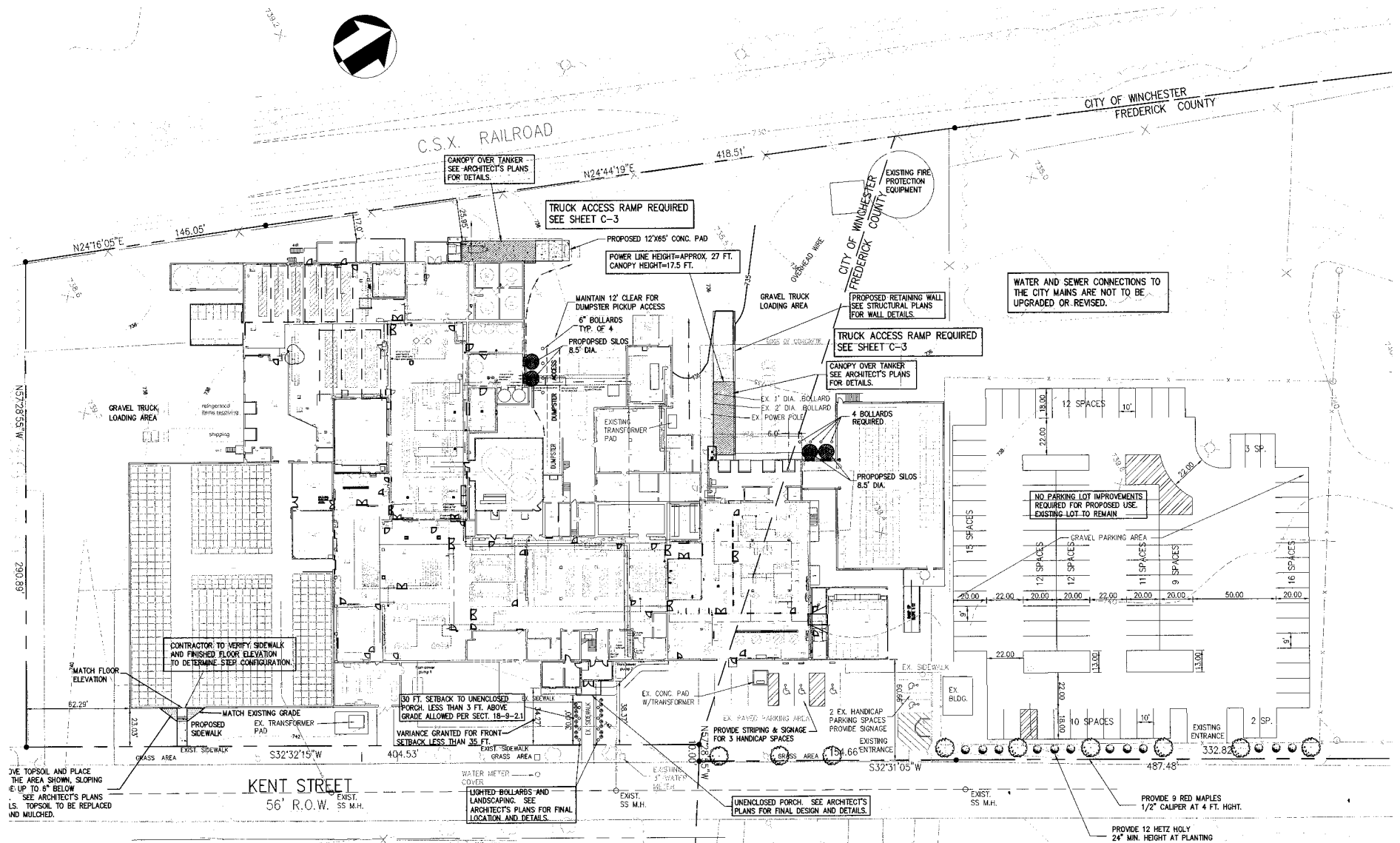


Floor Plan

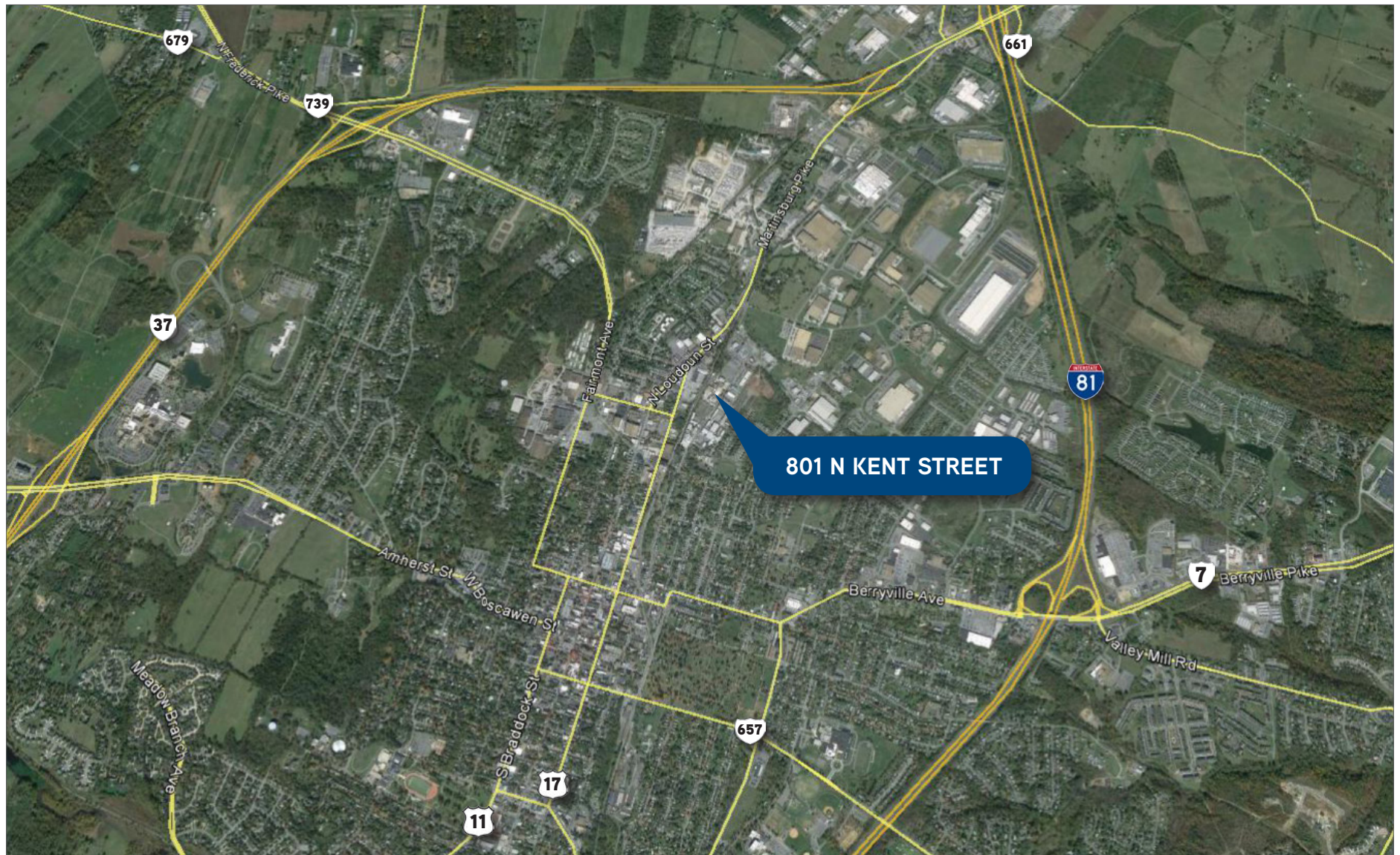


- Refrigerated Storage
- Freezer Space
- Fresh Cheese Area (Refrigerated)
- Spiral Cooler
- Hard Cheese Area (Refrigerated)
- Mechanicals
- Cream Processing (Refrigerated)
- Milk Receiving
- Dry Storage

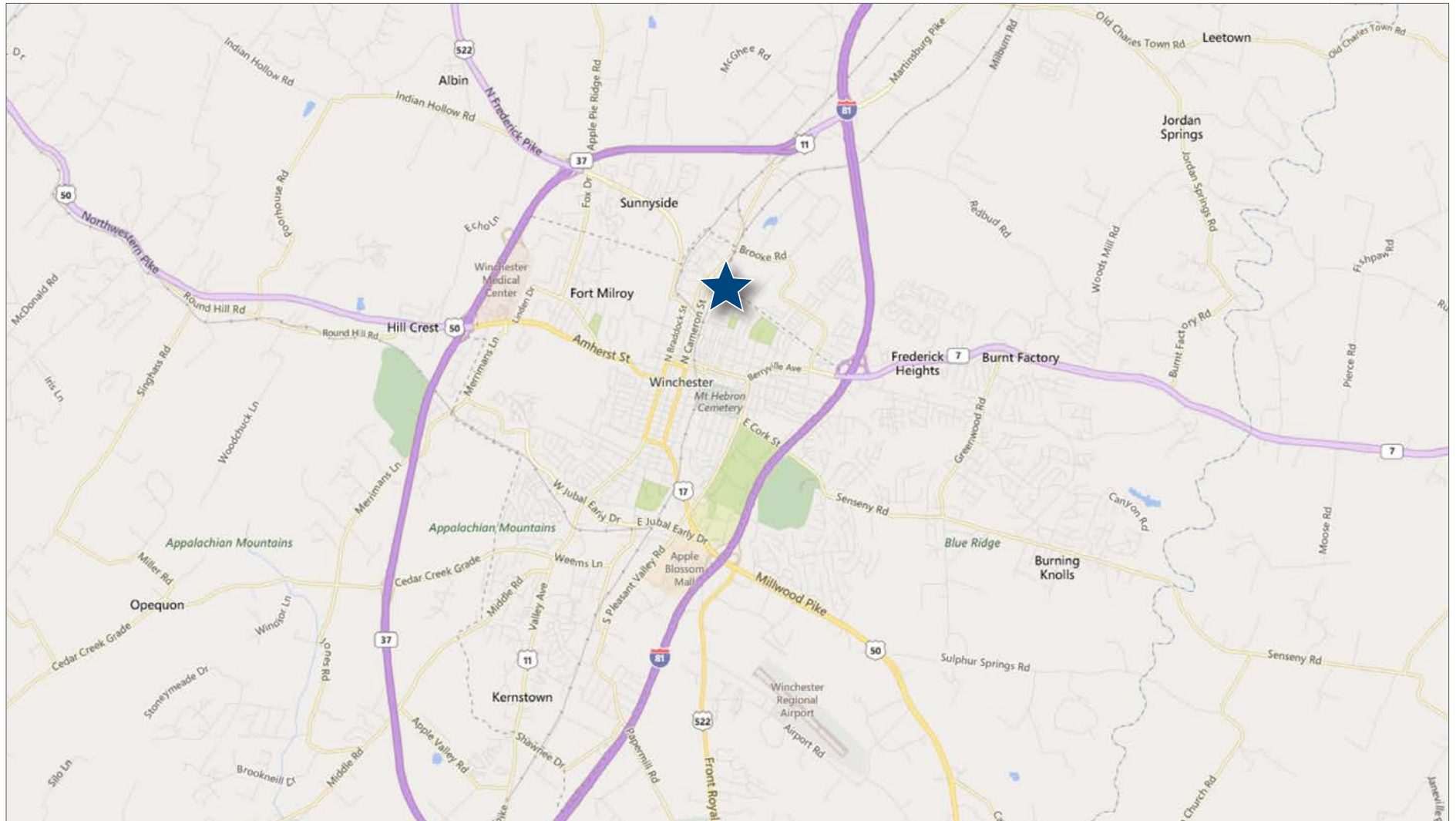
Site Plan



Property Aerial



Area Map



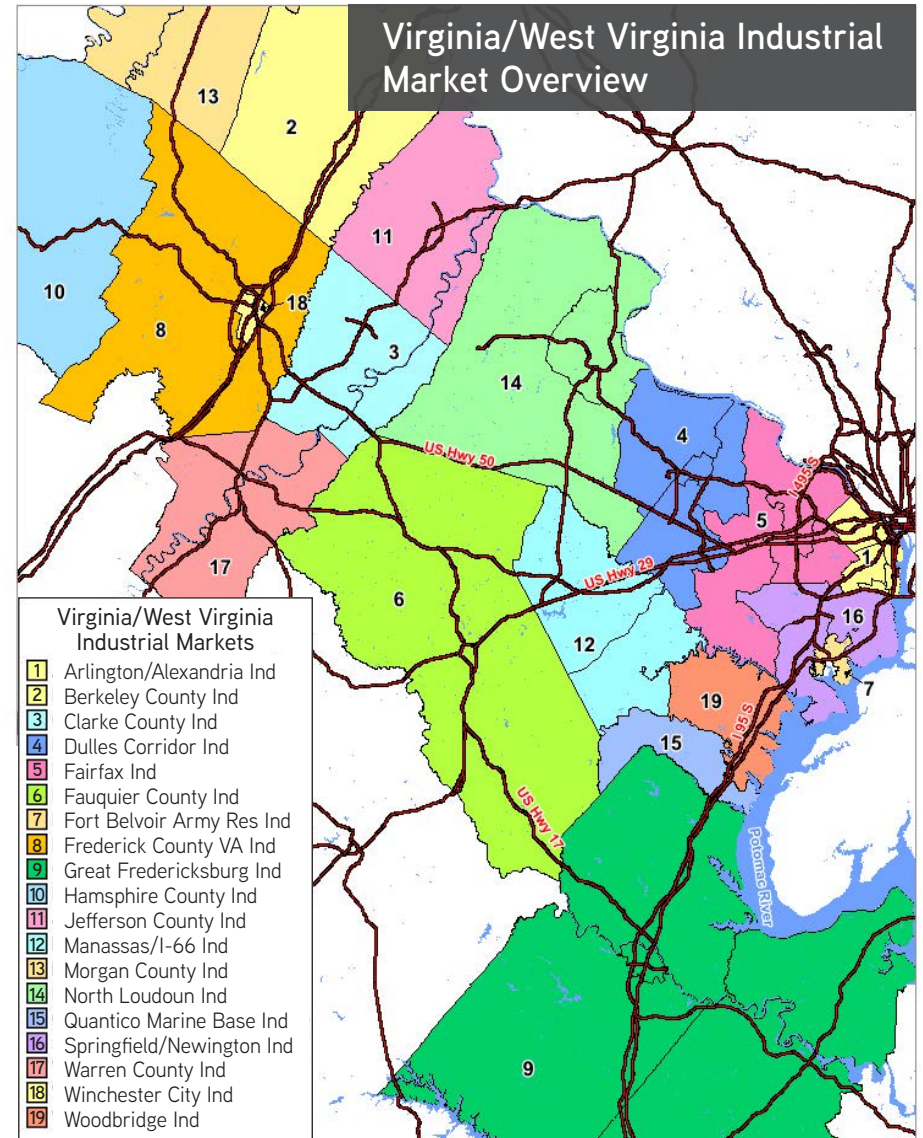
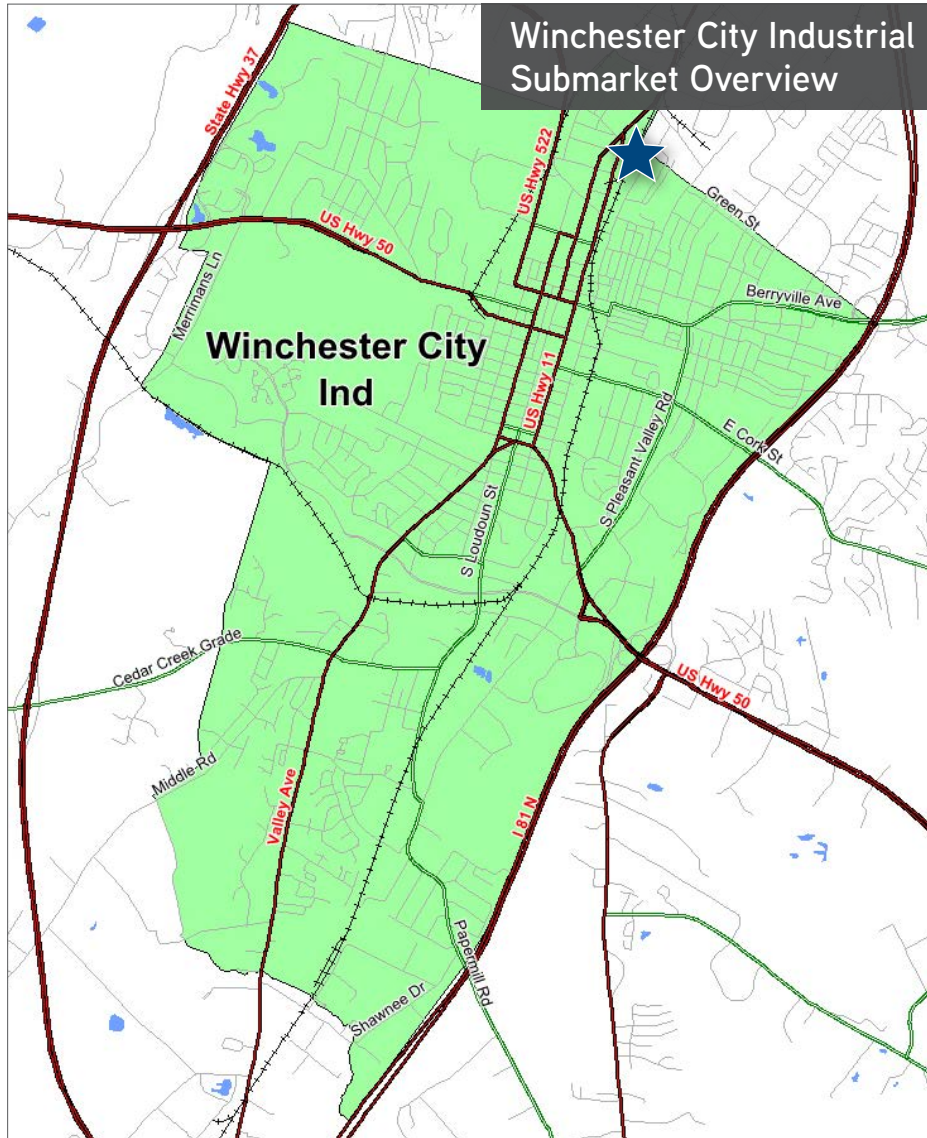
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Market Information

COLLIERS INTERNATIONAL

Submarket Maps



Market Statistics & Trends

REGIONAL/NATIONAL MARKETPLACE



- » Continued interest in cold storage near ports
- » Focus on facility & equipment automation
- » Focus on facility modernization
- » Fluctuations in fuel & commodity prices influencing footprint expansions
- » Companies on the west coast actively moving to the east coast (Annie's Homegrown, Trident Seafood, Raybern's, Ruiz Foods)

REGIONAL/NATIONAL FOOD TRENDS

- » Sales of natural and organic foods now amount to roughly \$50 billion a year nationwide. The emergence of healthy food retailers such as Whole Foods, Sprouts and Fresh Market, as well as a pointed focus on organics by established retailers, such as Kroger, Safeway and Walmart, is evidence this is less of a passing trend and more of a permanent change in consumer spending habits.
- » Food companies are eager to connect with Millennials who are traditionally less brand loyal and are more interested in the story behind the product.
- » Traditional meals are on the decline, and healthy snacks are taking their place.
- » Large-scale M&A activity continues to be a preferred route to gain market share and commodity control, as evidenced by activity from Tyson-Hillshire, Sysco-US Foods, Lineage-Millard, etc.

Market Statistics & Trends

VIRGINIA NORTHEAST SHENANDOAH VALLEY SUBMARKET



FREDERICK COUNTY/WINCHESTER

- » County Labor Market Area: 44,753 (2016) Frederick
- » County Unemployment Rate: 3.8 (2016) Frederick
- » County Available Labor: 1702 (2016) Frederick
- » Labor Market Area - Metropolitan Statistical Area: 69,099
- » Total Available Labor: 2851 – Metropolitan Statistic (2016)
- » Major Manufacturers: Rubbermaid, Kraft Foods Inc., HP Hood LLC, Trex Co. Inc.
- » Industrial Electric Coster Per KWH: 6.68 (cents per KWH) VA December 2015
- » Average Weekly Wage in Frederick County: \$805
- » Average Weekly Wage in Labor Market Area: \$798 (Winchester Metropolitan statistical area)

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- 2) You will hold it and treat it in the strictest of confidence; and
- 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.

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If you wish not to pursue negotiations leading to the acquisition of the Kent Street Facility at 801 N Kent Street, Winchester, VA 22601 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.

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