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# High Desert Forest Products

2001 W. Old Highway 66, Winslow | Arizona



## Offering Memorandum



# Confidentiality and Disclaimer

This Offering Memorandum contains select information pertaining to the business, affairs and assets of the company commonly known as High Desert Forest Products located at 2001 W. Old Highway 66, Winslow, Arizona 86047 (hereinafter the “Company”). It has been prepared by Colliers International.

This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Company. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Colliers International from sources it deems reliable.

Neither Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers International, you agree:

- 1) The Offering Memorandum and its contents are confidential;
- 2) You will hold it and treat it in the strictest of confidence;

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.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Company and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Company unless and until a written agreement for the purchase and sale of the Company has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of this Company or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Company including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Company, or information provided herein or in connection with the sale of the Company 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 Company.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Company or constitute an indication that there has been no change in the state of affairs of the Company since the date of this Offering Memorandum.



## BUSINESS SUMMARY: HIGH DESERT FOREST PRODUCTS

### FIREWOOD MANUFACTURING AND SALES

High Desert Forest Products has been in operation with the same owners for ten years manufacturing firewood for distribution through wholesalers to grocery, hardware, and convenience stores. The facility’s production process includes sorting, cutting, and stretch wrap packaging and labeling.

Based in Winslow, Arizona, the business facility is in an ideal location because of its proximity to interstate and rail transportation with convenient and cost effective distribution and for its proximity to the Coconino, Kaibab, and Apache-Sitgreaves National Forests, assuring supply and access to raw materials. The property is less than one mile south of

Interstate 40 and just north of the Burlington Northern Santa Fe Railroad Winslow yard. It has excellent visibility and accessibility from Old Highway 66. It is located 58 miles from Flagstaff, Arizona which is surrounded by the largest contiguous Ponderosa pine forest in the world.

The facility has a higher capacity for cutting and packaging firewood than it is currently using, allowing potential for an expanded geographic market. The location along the interstate and railroad lines makes further distribution possibilities economically sound.

Winslow has been designated an Enterprise Zone by the State of Arizona, which gives a boost to business profitability by allowing for certain income tax credits and property tax benefits.

FACILITY

High Desert Forest Products operates in a ±60,500 square foot building on 16 acres of land. The concrete block building is designed for office, warehouse, and industrial use. The size and acreage is large enough to support a wide variety of possible industrial users, additional businesses or expansion of current use. It was built in 1971 and used as a soda bottling plant; another one of many possibilities for this versatile and well-equipped facility. Additionally, the 16 acre site allows for expansion of the building or the sell of the excess property to further increase return on this investment.

Features:

- ±60,500 square feet (office space: 5900 SF, 2nd level storage: 4600 SF, production: 50,000 SF)
- ±16 acres
- Four acres of outdoor concrete slab for production and storage
- Building clear height of 17' to 21'
- Two 8' x 10' dock-high roll-up doors
- Ten 14' x 14' grade-level roll-up doors that provide access to 5 drive-through bays
- Full building sprinkler system
- 800 Amp/208V/3 Phase Electric Service
- Natural Gas Service

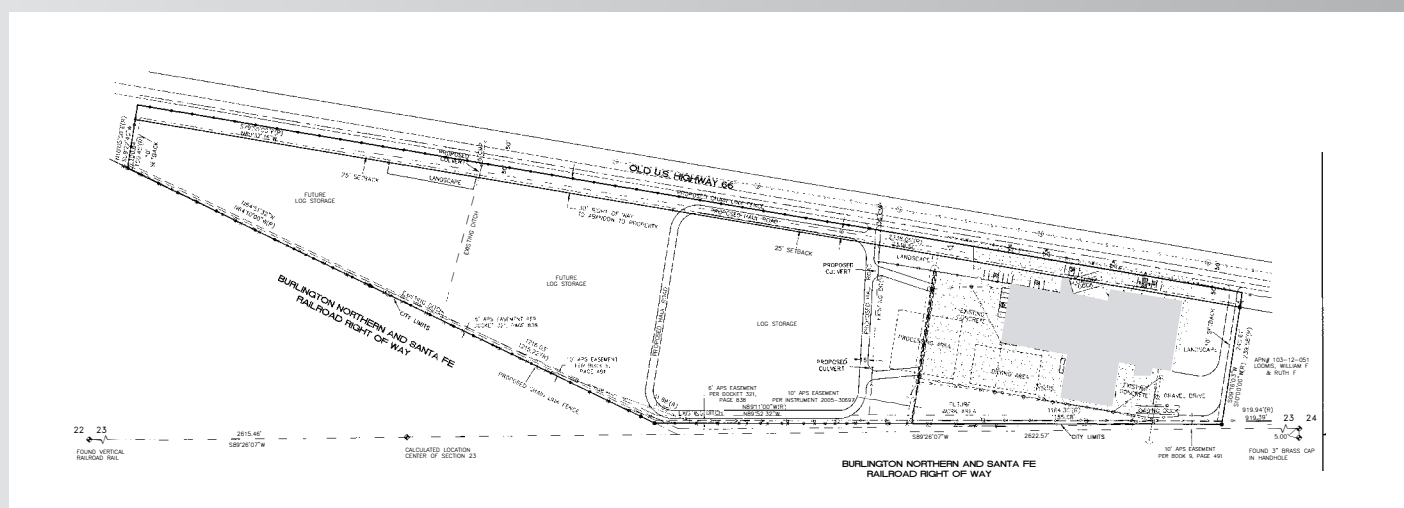
HVAC:

Warehouse and storage production- suspended natural gas-fired unit heaters and floor-mounted circulating fans  
Office areas- packaged roof-mounted heat pumps or packaged roof-mounted gas PACs

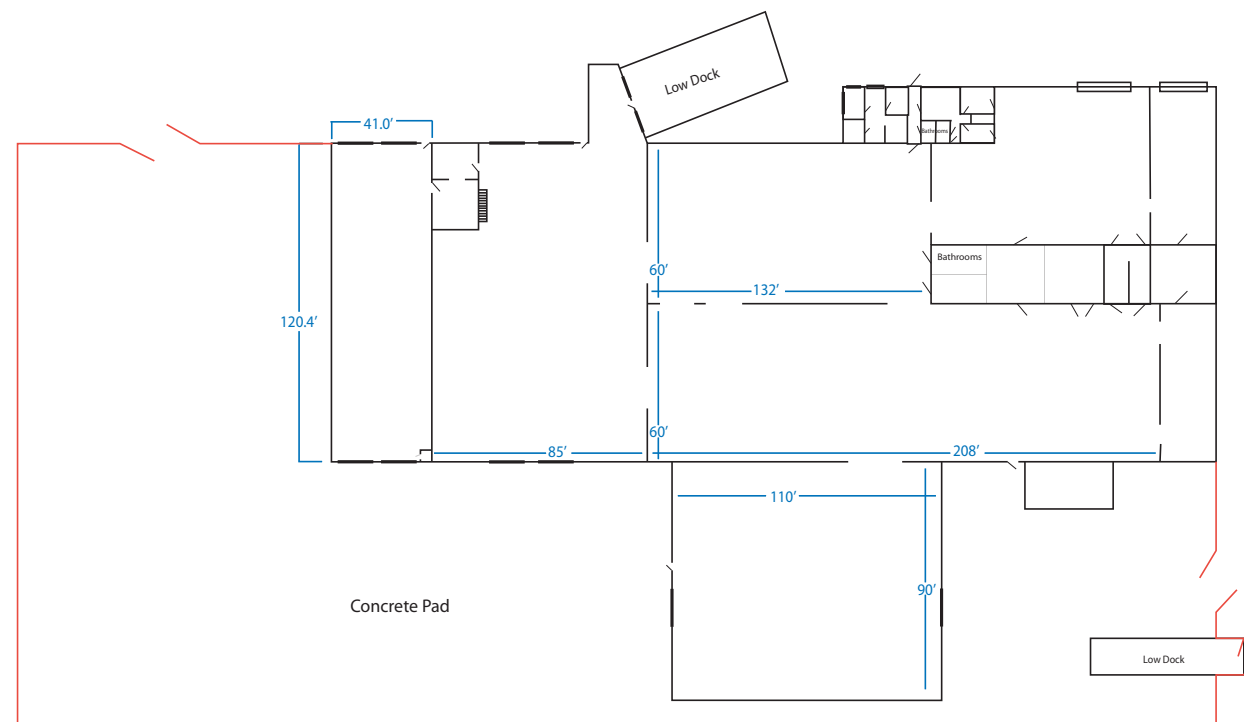




## Building and Survey Site



## EXTERIOR / SITE PLAN



INTERIOR / FLOOR PLAN



## MARKET OVERVIEW: WINSLOW, ARIZONA

### ECONOMY

“Winslow has a diversified economy in which transportation, tourism, manufacturing, trade, and retail business are important factors. The Burlington Northern Santa Fe Railroad and the Arizona Department of Corrections are the major employers with 500 employees each. Trade is the second largest employer, partly due to tourism brought in by traffic on I-40 and State Highway 87, which connects Winslow to Phoenix (State Highway 87 continues north into the Navajo and Hopi Indian Reservations).

Major retail stores in the area include Wal-Mart, Video City, and The Flying J and Pilot Truck Stops. The lumber industry influences the economy of the Winslow area with a sizeable number of its employees working in Winslow and in the Apache-Sitgreaves and Coconino National Forests.” (<http://www.wmonline.com/cities/winslow/winlowpro.htm>)

### COMMUNITY AND ROUTE 66

The Mother Road has been the main artery of the Classic American Road Trip since it was finished in 1926. From Chicago, Illinois to Santa Monica, California Route 66 is synonymous with a mystic of freedom. Movies, TV shows, and songs have been written about the road. People travel from all over the country and the world to experience the images of Americana preserved in small towns along the route. Now Interstate 40 parallels much of old Route 66. With the coming of the interstate many of the towns along the route were bypassed, in some cases causing economic decline. But there has been a resurgence in recent years as many of these communities with still active sections of Historic Route 66 have rebuilt economies by capitalizing on the market for nostalgia and the imagery of a by-gone era.

Old Route 66 passes through downtown Winslow and with the coming of the interstate Winslow also experienced decline. Turning this around, the City of Winslow established the Renaissance on Route 66 project to upgrade the historic street’s infrastructure—including bicycle lanes, curbs, sidewalks, lighting, landscaping and historic street furniture.

Besides the historic road, Winslow’s iconic claim to fame is the line from The Eagles hit single “Take it Easy” with its lyric “Standin’ on the Corner in Winslow Arizona”. Brilliantly the city capitalized on this celebrity and created the Standin’ on the Corner Park in Downtown Winslow with a mural and statue depicting imagery from the song; a terrific photo op for the tourist traffic passing through this section of Route 66.

Another feature of a by-gone era that has made Winslow a tourist draw is the La Posada Hotel. Designed by Mary Jane Colter as a Fred Harvey House, the La Posada was once considered the

finest hotel constructed by the Santa Fe Railroad. It was built in 1929 and for the next three decades was visited by dozens of celebrities and politicians. As railroad travel changed it too fell into decline, but after a \$12 million restoration in the late 1990’s the hotel again opened to its former glory and has established itself as a vacation destination.

Other attractions drawing the tourist dollars to the community are the Lorenzo Hubbel Trading Post, the town’s proximity to Meteor Crater, the Little Painted Desert, Petrified Forest National Park, Homolovi State Park with its pueblo ruins, the nearby Hopi Mesas, and recreation at Clear Creek Reservoir. Conversely Winslow is the nearest shopping to many Hopi and Navajo communities which also contributes to its economy.



HIGH DESERT FOREST PRODUCTS FIREWOOD MANUFACTURING AND SALES



ADDITIONAL POSSIBLE USES

- › Furniture manufacturing
- › Saw mill
- › Wood pellet manufacturing for the renewable energy market
- › Warehousing and distribution
- › Manufacturing and product assembly
- › Manufacturing and distribution of ranching industry fencing
- › Bottling operation
- › Maintenance facility for used logging industry equipment
- › Truck service depot
- › Processing, storage, and shipping of logs and related bi-products
- › Mini storage operation
- › Railroad storage depot dock high
- › Solar panel production

PROPERTY TOURS BY APPOINTMENT ONLY

To maintain confidentiality and to avoid disruption of the business, please refer all questions and discussions regarding this Offering Memorandum to:

**KEVIN B. CALL, CPA**  
Vice President  
+1 928 440 5450  
[kevin.call@colliers.com](mailto:kevin.call@colliers.com)

SALES PRICE

The sale price for the business and real estate is \$2,200,000. Sale price includes the business, the ±60,500 square foot building and ±16 acres of land, equipment at original cost of \$772,930, and inventory estimated to be \$350,000.

SPECIFICATIONS

**Type of Entity:** Asset sale

**Building size:** ±60,500 SF

- Office space: 5900 SF
- 2nd level storage: 4600 SF
- Production: 50,000 SF

**Acres:** ±16

**Navajo County parcel number:** APN 103-12-001

**Zoning:** Industrial

**Training:** Seller is willing to provide one month of support and training

**Reason for selling:** The owners are retiring

**Broker's disclosure and buyer qualification:** Offers to Purchase this business shall be accompanied by a personal financial statement. If there is more than one Purchaser, personal financial statements will be required for all parties involved.

**Financing:** Cash sell preferred, however some level of financing on the business sale will be considered on a case-by-case basis, and based on the buyer's qualifications, level of down payment and other sources of financing.



Contact:

**Kevin B. Call, CPA**  
Vice President  
+1 928 440 5450  
[kevin.call@colliers.com](mailto:kevin.call@colliers.com)

**Colliers International | Arizona**  
510 North Humphreys | Suite 100  
Flagstaff, AZ 86001  
P: +1 928 440 5450

