

CONFIDENTIAL OFFERING MEMORANDUM

3-BUILDING INDUSTRIAL PORTFOLIO

1320, 1402 and 1524 S. Merrifield Ave.
Mishawaka, Indiana 46544

NAI CRESSY

4100 Edison Lakes Parkway, Suite 350
Mishawaka, IN 46545 | 574.271.4060

3502 Woodview Trace, Suite 250
Indianapolis, IN 46268 | 317.875.8888

www.cressy.com



CONFIDENTIAL MEMORANDUM & DISCLAIMER

NAI Cressy Commercial Real Estate. (“Agent”) has been engaged as the exclusive agent for the sale of 1320, 1402 and 1524 S. Merrifield Ave., Mishawaka, Indiana (the “Property”), by the owner of the Property (“Seller”).

The Property is being offered for sale in an “as-is, where-is” condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with NAI Cressy Commercial Real Estate as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor.” The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum.

The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller.

Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller’s obligations thereunder have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to NAI Cressy Commercial Real Estate.

The terms and conditions contained in the above Confidentiality Memorandum have been read and are agreed to this ____ day of _____ 2022.

Prospective Purchaser: Signed Name: _____

Printed Name: _____

Title: _____

Mailing Address: _____

Phone #: _____ Fax #: _____

Email Address: _____

Representing Broker:

Printed Names: Christian Davey, Noah Davey, Blair Wozny and Jonah Davey

Mailing Address: 4100 Edison Lakes Pkwy, Suite 350 | Mishawaka, IN 46545

Phone #: 574.271.4060 Fax #: 574.271.4292

Email Address: cjdavey@cressy.com, ndavey@cressy.com,

bwozny@cressy.com, jdavey@cressy.com

Return to: NAI Cressy, 4100 Edison Lakes Parkway, Suite 350 | Mishawaka, IN 46545 | 574.271.4060

TABLE OF CONTENTS

Executive Summary	4
Tenant Information	5
Property Overview	7
Excess Land	10
Location Overview	11
Market Trends	12
Market Overview	13

EXCLUSIVE ADVISORS

CHRISTIAN DAVEY, CCIM/SIOR

Senior Broker, Principal
574.485.1534 | cjdavey@cressy.com

NOAH DAVEY, CCIM

Senior Broker, Principal
574.485.1530 | ndavey@cressy.com

BLAIR WOZNY

Broker
574.485.1517 | bwozny@cressy.com

JONAH DAVEY

Broker
574.485.1519 | jdavey@cressy.com



EXECUTIVE SUMMARY

This portfolio consists of 3 Industrial buildings, situated on 10.36 acres totaling 113,928 SF. 1524 S. Merrifield is 56,000 SF and was built in 2001. It has 7,400 SF of office space and a 7,400 SF unfinished mezzanine which is included in the SF. The property has 3 docks and 7 overhead doors, 34 parking spots with 2400 Amp/480V/3-phase power. 1402 S. Merrifield is 29,428 SF and was built in 1985. It has 1,123 SF of office space, 1 dock and 7 overhead doors, and 37 parking spots. 1320 S. Merrifield is 28,500 SF and was built in 1975. It has 1,248 SF of office space; 5 overhead doors, 1 dock, & 1 outside dock; and the 1200/480V/3-phase power system is shared with 1402 S. Merrifield (the switchgear has capacity to increase the amperage to 1500 amps).

The Seller of this portfolio sold their business at the end of 2021 to Tramec, LLC who signed back leases on the three buildings. Recently Tramec, LLC improved their lease structure for 1320 & 1502 S. Merrifield Avenue from a one-year commitment to a three-year commitment with no inducement from the Landlord due to the improved operations of the business units occupying those buildings. **It is important to note the Landlord has the right to cancel the leases at the end of the existing terms, which allows the Landlord to improve the under-market lease rates.**



Property Summary

Address 1320, 1402 and 1524
S. Merrifield Ave.
Mishawaka, IN 46544

Total Square Feet 113,928 SF

Parcel Size 10.36 Acres

Year Built
1524 Merrifield: 2001
1402 Merrifield: 1985
1320 Merrifield: 1975

Zoning Industrial

Docks 6

OH Doors 19

Parking 70 Parking Spaces

NOI \$371,400 (2023)

List Price \$5,050,000

TENANT INFORMATION

Tramec, LLC is headquartered in Iola, KS with production facilities located in Galion, OH; Holland and Muskegon, MI; Alsip, Elk Grove Village, and Rock Falls, IL; Wellington, KS; and Melbourne, Australia. They manufacture and distribute engineered components primarily to the heavy-duty tractor and trailer OEM and aftermarket sales channels in the U.S. In September of 2021, High Street Capital and Wells Fargo Strategic Capital invested in Tramec, LLC in support of a recapitalization led by Tramec’s senior management team. [High Street Capital Invests in Tramec](#)

Tramec Sloan, a division of Tramec, LLC, announced the acquisition of Penz Products, Inc. on December 31, 2021, bringing together two established US manufacturers to broaden and strengthen manufacturing capabilities. Penz Products is a diverse manufacturer, located in Mishawaka, Indiana, serving a variety of markets, principally commercial vehicles. It was founded in 1956 by Wally Penzenik and led today by his two sons, Richard and David Penzenik.

With Penz Products, Tramec Sloan expands its capabilities to include thermoforming, vacuum forming, urethane foaming, and more. This allows Tramec Sloan to expand offerings to the commercial vehicle marketplace and increases capacity for metal forming, assembly, robotic welding, and other key capabilities.

Read More About the Acquisition:

[Tramec Sloan Acquires Penz Products](#)



About Tramec, LLC

Tramec, LLC operates numerous manufacturers and distributors participating in an array of vertical markets, including commercial vehicle and automotive, industrial, HVAC, lawn and garden, recreational vehicle, marine, construction, and agriculture. Divisions include Tramec Sloan, Tramec Hill Fastener, Esdan Plastics, Termico Technologies, Tramec Plastics & Composites, and Continental-Aero. Tramec has a growing footprint of manufacturing sites throughout the United States and prides itself on the “Made in America” business model it has fostered throughout its history. [Tramec, LLC](#)



About Tramec Sloan

U.S. based Tramec Sloan, manufactures & distributes products for heavy duty commercial vehicles and industrial applications, including North American OE manufacturers and aftermarket distributors. Our mission is to manufacture and provide quality products with great service at an exceptional value for our partners. Tramec Sloan operates facilities in Iola, Kansas; Galion, Ohio; Holland, Michigan and our Fleet Engineers Division in Muskegon, Michigan. Our products include a broad array of air and electrical delivery, brass components, spray control, door systems, premium cargo control, and numerous other truck and trailer components. [Tramec Sloan](#)

TENANT INFORMATION



About Penz Products

The owners of Penz Products understand the ever-changing marketplace and has surrounded themselves with more than 100 creative associates who continually seek out new markets and new applications that will benefit from their custom services and capabilities – capabilities that may begin with tool and die design and end with value-added assembly services. Over the years, the principle of “Quality Products for Quality Customers” has guided Penz Products to be a world leader in the truck and trailer and container and chassis industry, for both OEM and aftermarket applications. [Penz Products](#)



About High Street Capital

High Street Capital is a venture capital and private equity firm targeting companies with up to \$100MM of revenues and \$10MM of EBITDA. Their industry focus is business services, digital / eCommerce, value-added distribution, supply chain, logistics, and niche manufacturing industries. [High Street Capital](#)



About Wells Fargo Strategic Capital

Wells Fargo Strategic Capital is the primary merchant banking platform of Wells Fargo & Company. Their capital solutions include non-control equity, private credit, and investments in approved Small Business Investment Company (SBIC) funds. They partner with companies across their entire lifecycle, providing venture capital and growth equity to early-stage technology and healthcare businesses, as well as patient debt and non-control equity to well established, more mature businesses across most sectors. [Wells Fargo Strategic Capital](#)

PROPERTY OVERVIEW

PHOTOS: 1524 S. MERRIFIELD AVE.



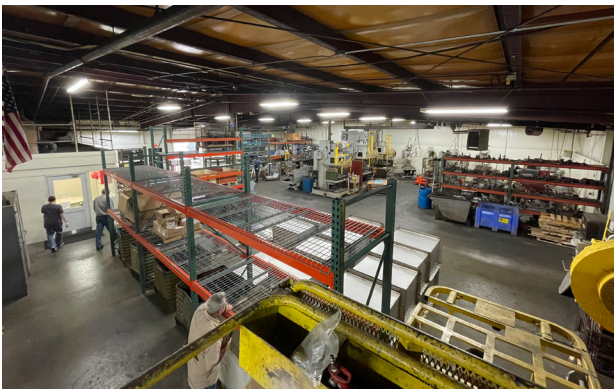
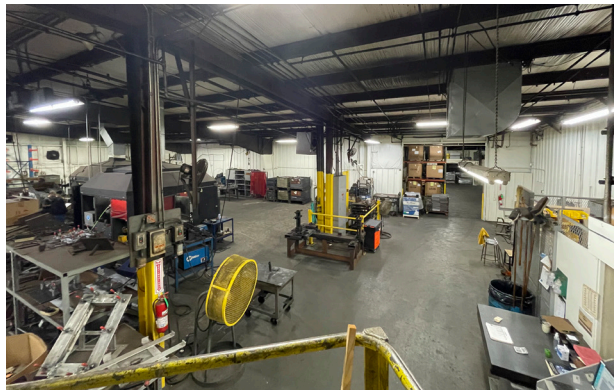
PROPERTY OVERVIEW

PHOTOS: 1402 S. MERRIFIELD AVE.



PROPERTY OVERVIEW

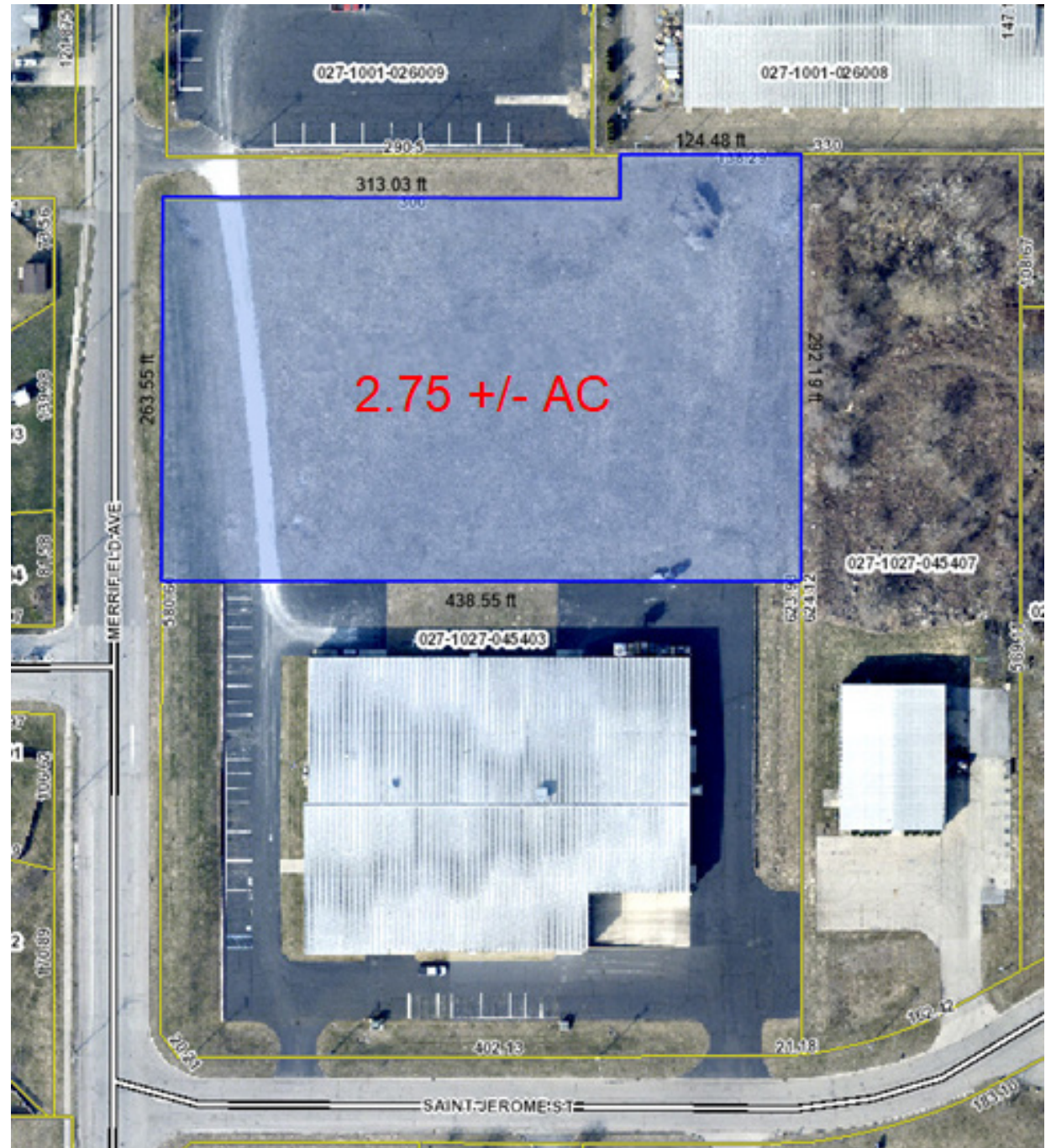
PHOTOS: 1320 S. MERRIFIELD AVE.



EXCESS LAND

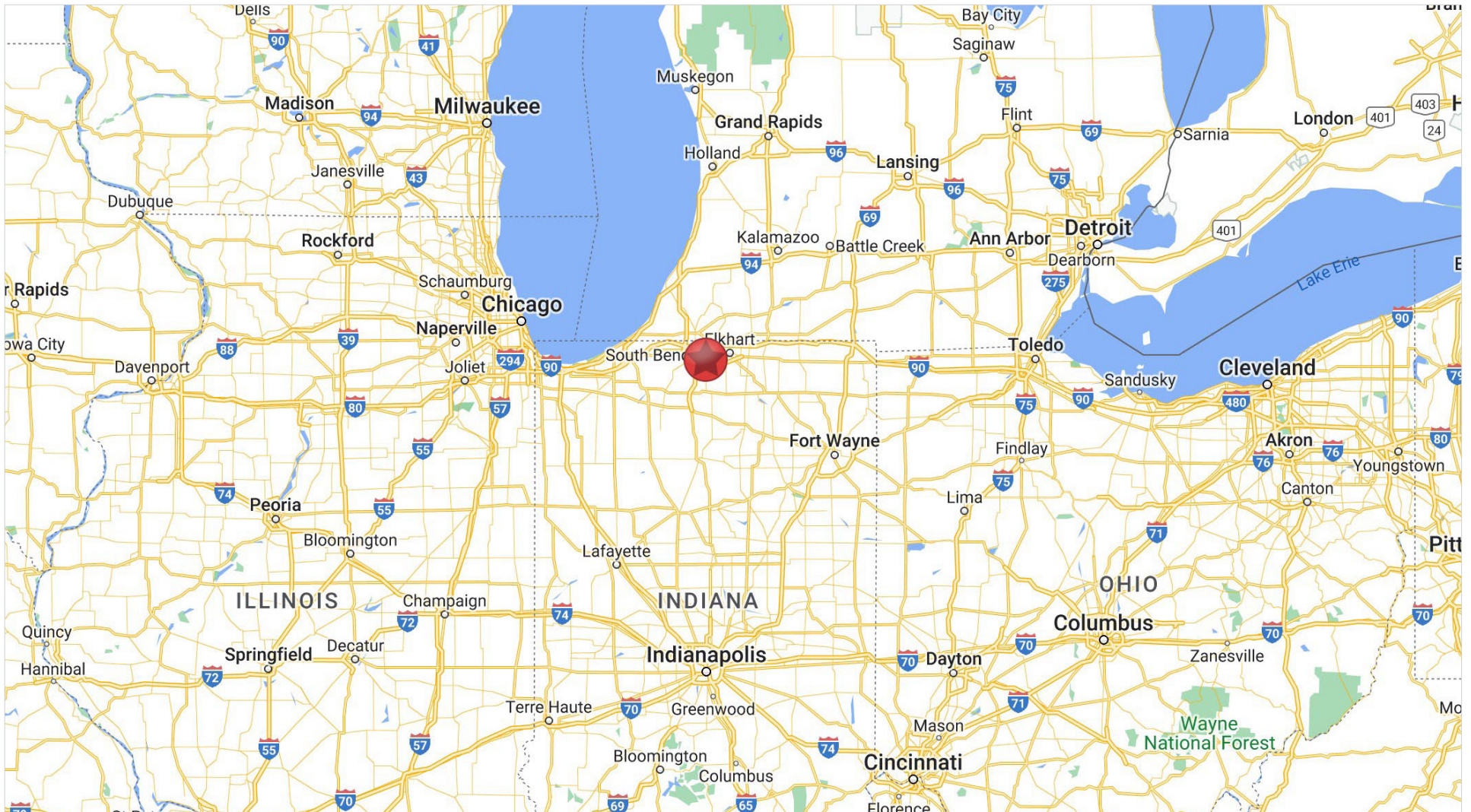
The portfolio includes 2.75 +/- acres of fully prepared ground to accommodate future construction. With the success of the divisions this provides the opportunity to meet the growth of operations to support the two units of business in the portfolio (manufacturing of metal trailer parts and thermoforming of parts for multiple industries).

The value of this ground is estimated to be \$55,000 per acre or \$151,250 in total. If the ground were sold independently, it would reduce the offering capitalization rate 0.23% (based upon 2023 NOI). With proximity to State Road 331, interest in this ground would be highly probable if the Tenant were not interested in expansion.



LOCATION OVERVIEW

This property is located on the south side of Mishawaka, Indiana centrally located between South Bend and Elkhart. It just 1.5 miles from SR 331 which provides easy access to US 20/31 Bypass and the I-80/90 Toll Road. Access to these major thoroughfares makes transportation easy to major cities such as Indianapolis, Grand Rapids, Chicago, Fort Wayne and Detroit.



MARKET TRENDS

INDUSTRIAL MARKET SUMMARY | SOUTH BEND, IN

43.4M ↓
Inventory SF

546K ↑
Under Constr SF

1.5M ↑
12 Mo Net Absorp SF

1.8% ↓
Vacancy Rate

\$5.27 ↑
Market Rent/SF

\$43 ↑
Market Sale Price/SF

9.6% ↑
Market Cap Rate

AVAILABILITY	MARKET	NATIONAL INDEX
Market Rent/SF	\$5.27 ↑	\$11.00 ↑
Vacancy Rate	1.8% ↓	3.9% ↓
Vacant SF	798K ↓	706M ↓
Availability Rate	4.2% ↓	7.2% ↑
Available SF	1.9M ↓	1.3B ↑
Sublet SF	103K ↓	80.4M ↑
Months on Market	11.2	5.5

DEMAND	MARKET	NATIONAL INDEX
12 Mo Net Absorption SF	1.5M ↑	405M ↓
6 Mo Leasing Probability	27.8%	43.9%

INVENTORY	MARKET	NATIONAL INDEX
Existing Buildings	1,129 ↓	470,841 ↑
Inventory SF	43.4M ↓	18B ↑
Average Building SF	38.5K ↓	38.3K ↑
Under Construction SF	546K ↑	713M ↑
12 Mo Delivered SF	0 ↓	400M ↑

SALES	MARKET	NATIONAL INDEX
12 Mo Transactions	62 ↑	25,711 ↓
Market Sale Price/SF	\$43 ↑	\$156 ↑
Average Market Sale Price	\$1.7M ↑	\$6.2M ↑
12 Mo Sales Volume	\$40.7M ↑	\$139B ↑
Market Cap Rate	9.6% ↑	6.0% ↓

Source: CoStar as of 12/1/2022. Information fluctuates daily.

MARKET OVERVIEW

ST. JOSEPH COUNTY, INDIANA

Activity and energy dot the city landscapes, while serenity and the quiet of rural living can be found in the county's small towns. Cities like South Bend and Mishawaka give residents the taste of mid-size city living coupled with shopping, arts and culture, sports and recreation, not to mention the benefits of having five major universities at our doorstep.

Our cities, towns and neighborhoods reflect a convergence of tradition and transformation. South Bend is the only place the University of Notre Dame has ever called home. And, this is the place where industrial manufacturing was king. While we honor the traditions and history, we're also a place on the move—where advanced manufacturing, logistics, health care and research are king.

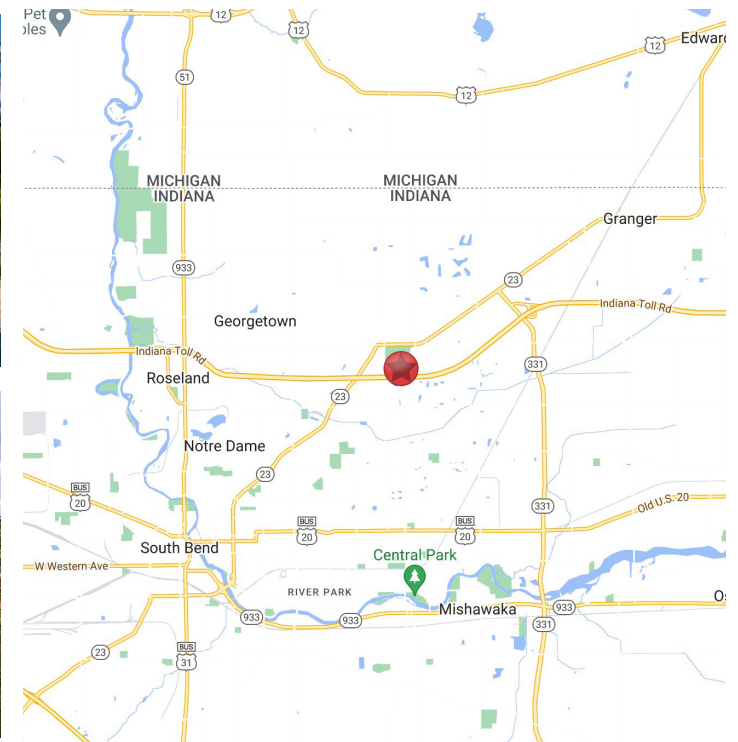
Mishawaka, the Princess City, lies nestled along the meandering path of the St. Joseph River. Population growth, business expansion and record-breaking new construction tell us that people want to live, work, raise their families and retire in Mishawaka. Community pride is an essential part of life in the Princess City. But, construction and growth are not all that make a city great. Mishawaka is home to Bethel College, AM General's Hummer Plant, a beautiful system of parks and myriad cultural opportunities.

KEY EMPLOYERS

AM General
Beacon Health System, Inc.
City of South Bend
Liberty Mutual
Martin's Super Markets Inc.
Meijer, Inc.
Quality Dining
Saint Joseph Health System
South Bend Community School Corporation
University of Notre Dame

DISTANCE TO MAJOR CITIES

Chicago, IL	95 miles
Grand Rapids, MI	115 miles
Indianapolis, IN	147 miles
Detroit, MI	218 miles



MARKET OVERVIEW

2022 Demographics | 50-Mile Radius

Population	1.38M
Households	536,839
Average Household Income	\$81,533
Median Age	38.6
Average Commute Time	19.3
Total Businesses	50,103
Unemployment Rate	2.4%
Median Home Value	\$193,321

