

ANDERSON & MIDDLETON

Grays Harbor Site For Sale

Offering Memorandum



SITE QUICK FACTS

Location: Grays Harbor, Washington

Size:

93.1 Total Acres

76.9 Acres Upland Land Area

16.2 Acres Submerged Land Area

Description: Over 1,700 lineal feet of deep water port frontage

Rail Access: Adjacent to Puget Sound & Pacific Railroad ("PSAP") rail line

Zoning: Industrial, Waterfront Overlay

PRICING: \$12,000,000

Offers: Offers reviewed as they are submitted. Owner is open to a joint venture agreement, ground lease or outright sale.

HEARTLAND

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EXECUTIVE SUMMARY

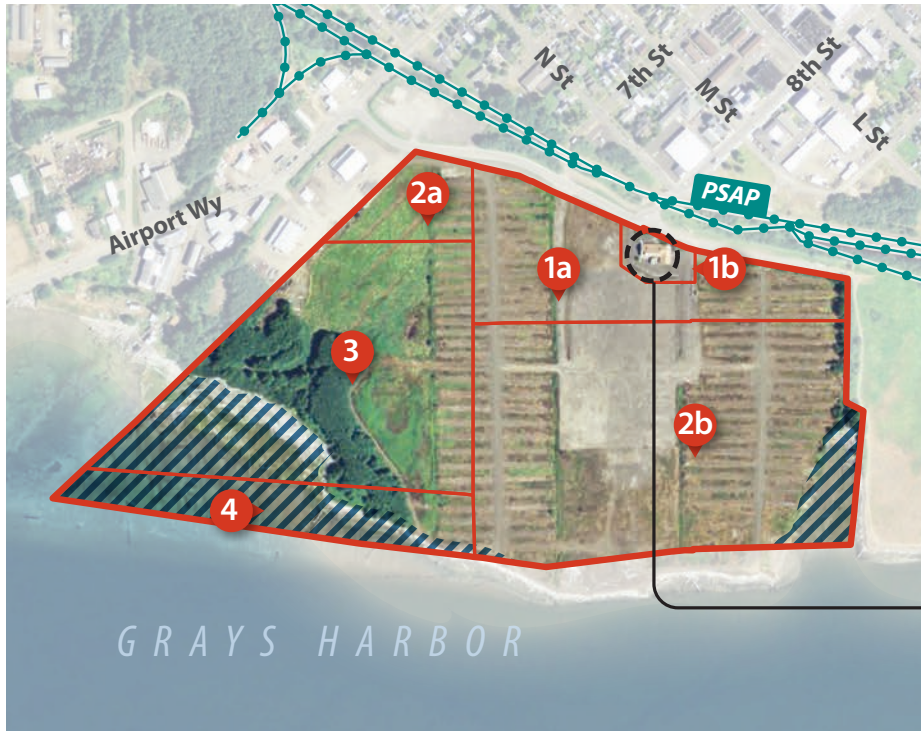
The Anderson & Middleton Grays Harbor Site (“Site”) represents a rare opportunity to acquire one of the last large-parcel, deep-water access sites on the Pacific Coast. The Site offers nearly 80 upland acres that benefit from close proximity to regional highway, rail and marine transportation infrastructure that connect the Site on the regional, national, and international level. With its size and connectivity, the Site can accommodate a wide range of industrial and other uses looking to access global markets. The Owner will consider a wide variety of transaction structures including an outright sale, a ground lease, or a joint venture.



SITE DETAILS

SITE OVERVIEW

The Site encompasses 76.9 upland acres (93.1 total acres) of waterfront industrial land in the City of Hoquiam, Grays County, Washington. Hoquiam is located along Grays Harbor, just inland from the Pacific coastline. The majority of the Site is vacant and unimproved, with the exception of an approximately 10,000 SF office building that was originally constructed in 1965 and added onto in the early 1980's. The office building, identified below as parcel 1b, is excluded from this offering.



PARCEL ID	TOTAL ACRES*	UPLAND ACRES	SUBMERGED ACRES
1a	13.7	13.7	-
1b	1.4	1.4	-
2a	3.8	3.8	-
2b	36.9	34.0	2.8
3	28.7	21.8	6.9
4	8.7	2.2	6.5
TOTAL	93.1	76.9	16.2

* Acreage source Berglund, Schmidt, & Assoc.
Parcel assignment based on assessor parcel outlines.



Existing Building



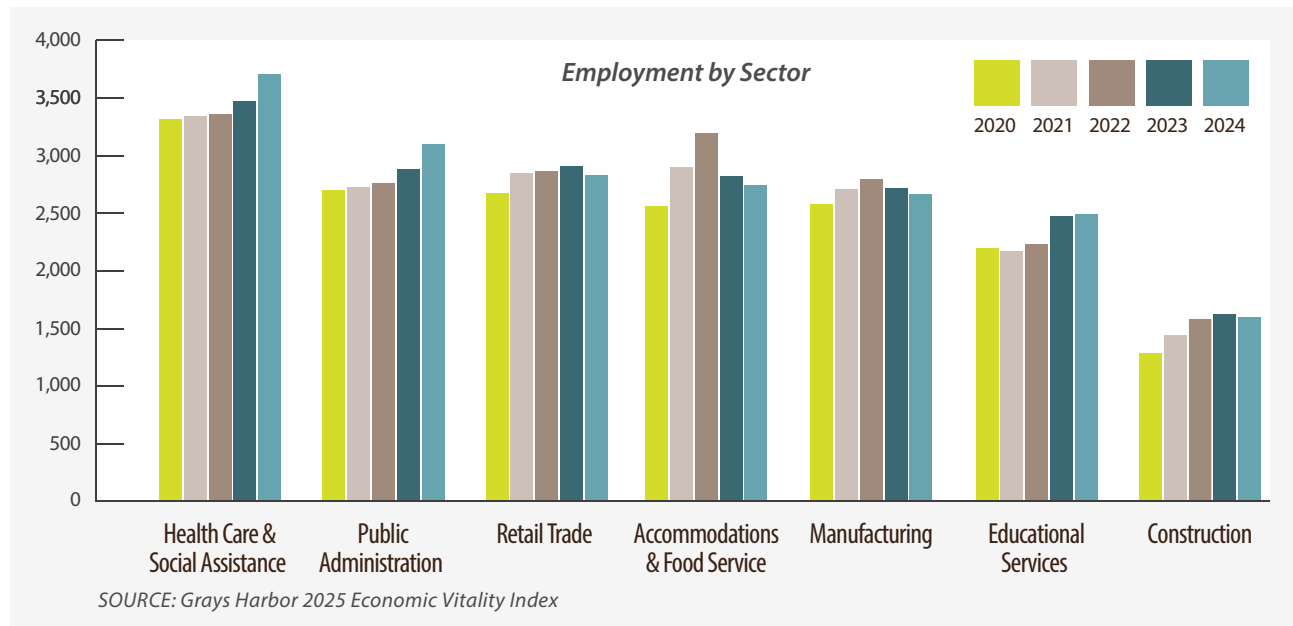
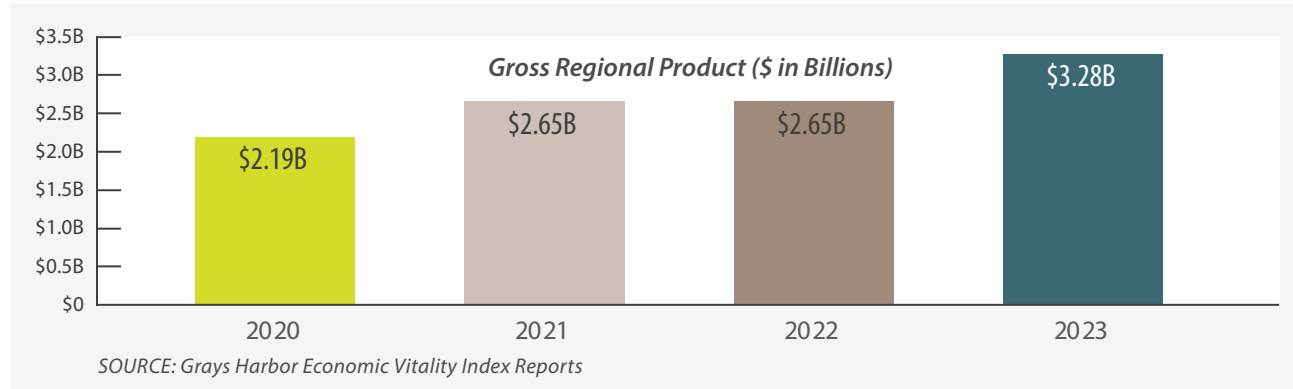
The Site is situated near the Port of Grays Harbor's operating facilities and has over 1,700 linear feet of frontage adjacent to Grays Harbor's deep-water shipping channel. This channel is approximately 42 feet deep at its lowest levels. This channel is regularly maintained by the Army Corp of Engineers and is currently being dredged with work aimed to conclude no later than Feb 14, 2026. Directly to the west of the Site there are low-intensity industrial uses, the Port's Terminal 3 (0.7 miles), and the Port's Bowerman Field airport (1.4 miles). The Port's Terminals 1, 2 and 4 are located a little more than a mile to the east.

Historically, the Site has accommodated lumber activities including the milling and storage of logs. Additionally, a marine shipping terminal was previously located on the Site to facilitate direct ship-to-shore transport of timber. Since the 1960's, the Site has been used primarily for log sorting and storage.

MARKET CONTEXT & SITE CONNECTIVITY

MARKET CONTEXT

Grays Harbor County has historically relied on industries such as timber and fishing. In recent years, there has been a concerted effort to diversify the economy through various initiatives. This is evident in the growth of the County's Gross Regional Product ("GRP") value and the employment data.



The county's infrastructure, including the Port of Grays Harbor, provides a strategic advantage for trade and industry. Additionally, the region's natural resources and scenic landscapes offer opportunities for tourism and recreation-based businesses.



The Port of Grays Harbor ("Port") has experienced significant growth, driven by strategic infrastructure investments and strong public-private partnerships. In 2024, the Port of Grays Harbor achieved a record-breaking cargo throughput of 3.8 million metric tons, marking a significant milestone in its operational history. Significant investments were made in infrastructure, such as the expansion of Terminal 2 and the development of a second export facility at Terminal 4, enhancing the Port's capacity to handle increased cargo volumes.

Port of Grays Harbor is the Pacific Coast's closest deep-water port to the Pacific Rim, reducing transit time to this region by at least one day relative to other Pacific Coast shipping options. Businesses recognize the cost savings associated with the Port's competitive advantage and this has enabled the Port to attract a disproportionate amount of users.



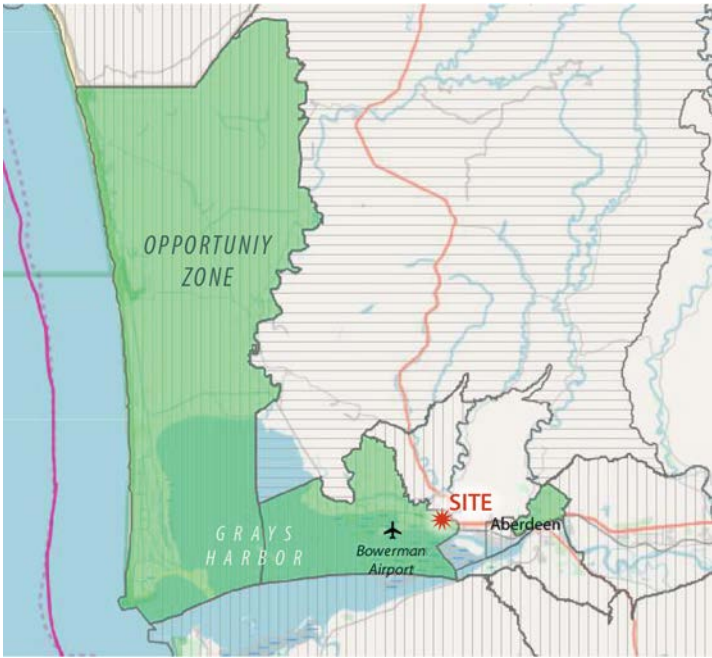
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County Incentives

In order to better position itself for future economic growth, and encourage economic diversification, the State, County and Port offer a variety of tax, financing and employee training incentives, detailed below.

- **Industrial Revenue Bonds:** Low interest rate, tax-exempt bonds for private companies to finance property acquisition, machinery and equipment, design, consulting, legal, accounting and financing expenditures.
- **Sales Tax Exemptions and Deferral:** County provides tax exemptions for qualified equipment and machinery used in manufacturing. Qualifying manufacturers may defer sales tax associated with the construction of new manufacturing facilities.
- **B & O Tax Credits:** Manufacturers and technology firms locating in Grays Harbor County are eligible for a credit against the State's B&O tax.
- **Employee Training Credit Program:** The Washington State Job Skills Program provides matching grants for customized job training.
- **Community Economic Revitalization Board ("CERB") Fund:** State grant and loan funding for public infrastructure improvements needed to serve business.
- **Foreign Trade Zones ("FTZ"):** The Port of Grays Harbor is designated as a US Foreign Trade Zone. In this zone, firms pay no tariffs on imported raw materials used to create products that are shipped overseas.
- **Fast Track Permitting:** Permits and licenses can usually be approved within 60-90 days from the time the company submits a completed application.
- **New Market Tax Credits:** The New Markets Tax Credit ("NMTC") was designed to increase the flow of capital to businesses and low-income communities by providing a modest tax incentive to private investors. Over the last ten years, the NMTC has proven to be an effective, targeted and cost-efficient financing tool valued by businesses, communities and investors across the country.
- **Opportunity Zone Program:** The Site is in the Hoquiam Opportunity Zone (track number: 53027001500). The Opportunity Zone program, established under the 2017 Tax Cuts and Jobs Act, offers tax incentives to encourage private investment in economically distressed communities. Key benefits include:

- **Capital Gains Tax Deferral:** Investors can defer taxes on capital gains reinvested into Qualified Opportunity Funds ("QOFs") until the earlier of the sale of the QOF investment or December 31, 2026.
- **Exclusion of Gains from QOF Investments:** If the QOF investment is held for at least 10 years, investors may be eligible to exclude gains from the QOF investment from taxes.



These incentives are aimed at stimulating long-term investments in real estate, infrastructure, and businesses within the County.

SITE CONNECTIVITY



The Site is adjacent to marine, rail, and truck transportation arteries that connect it with international markets. Properties with this combination of transportation connections are very rare in the Grays Harbor area and in the Pacific Northwest in general. The connections, combined with the acreage, help make the Site a unique opportunity among the deep-water ports in Washington.

Rail Access

The Puget Sound and Pacific (“PSAP”) short-line railroad runs adjacent to the Site’s northern boundary. This railroad is owned by Genesee & Wyoming and operates daily on 60 miles of track in the County. The PSAP interchanges with both the Burlington Northern Santa Fe and Union Pacific Railroads, connecting Grays Harbor to destinations throughout the region and the United States. The PSAP added a second loop system to accommodate excess demand at Terminals 1, 2 & 4. A similar loop system could be established to connect the Site to the PSAP system, see supplementary documents available in the Virtual Deal Room (“VDR”) for Rail Loop Concepts.

Rail Network



Vehicular Access

Trucks have easy access to SR-101 which connects with US-12, a four-lane highway that links the area with I-5. The Site is approximately 51 miles from I-5, with a travel time of approximately an hour. WSDOT conducted an extensive transportation study as part of its pontoon project EIS which concluded that the significant truck traffic related to the project would have only a minor effect on the area’s vehicular operations.

Road Network



Marine Access

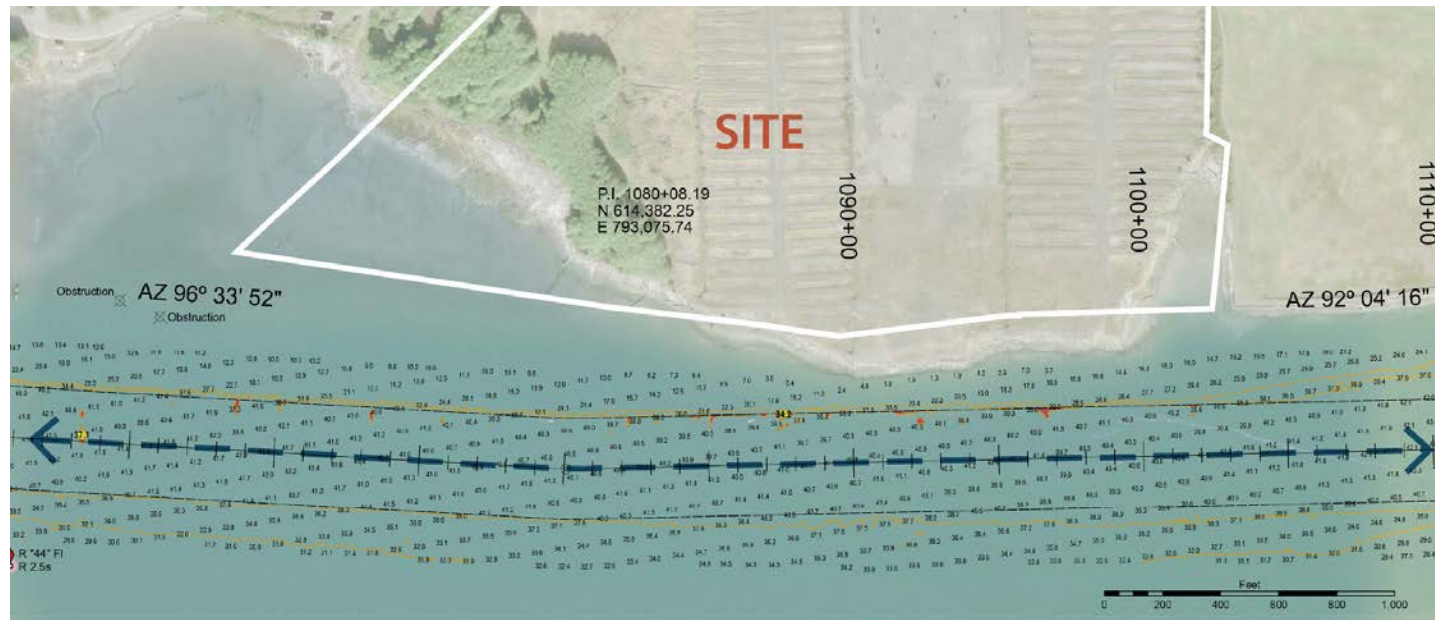
Access to the Site from the Pacific Ocean is through the Grays Harbor navigation channel. Twin jetties secure the mouth of the harbor with a deep draft 22-mile channel that stretches from the Pacific Ocean to the City of Aberdeen. The average channel depth is 42 feet at lowest tide up to the major Port of Grays Harbor docks. The deep draft channel is dredged annually by the US Army Corp of Engineers ("ACE"). The ACE completed the Deeper Draft project in 2018 that deepened the Grays Harbor navigation channel from 40 feet to 42 feet deep by dredging and disposing approximately 4,000,000 CY of sediment.

The Site's 1,700 lineal feet of frontage along the Grays Harbor deep-water navigation channel make it a potential site for a marine terminal docking facility. While the Site does not currently have a docking facility, it has historically accommodated this use. The Site is located approximately 14 miles or 1.5 hours from the Pacific Ocean.



SOURCE: Port of Grays Harbor

Grays Harbor Navigation Channel (Depth in Feet)



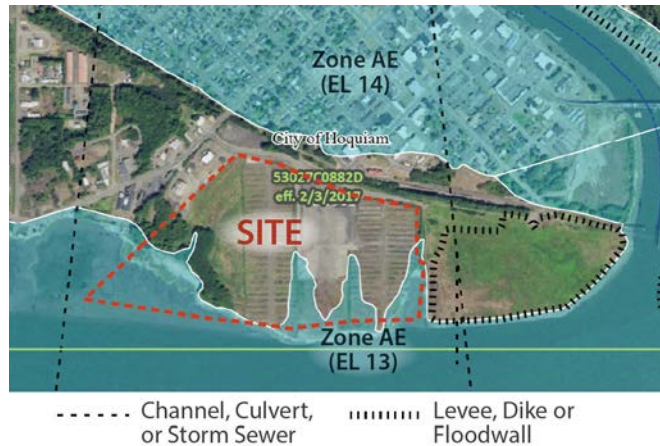
ZONING

The Site is located in Hoquiam's Industrial Zone with a Waterfront District overlay. The base zoning accommodates a variety of light and heavy industrial uses, including, but not limited to:

- Heavy and light manufacturing
- Processing
- Fabrication and assembly of products and materials
- Warehousing
- Industrial Outdoor Storage
- Transport facilities
- Marine-related uses

The Waterfront District overlay recognizes the unique character of the waterfront area in Hoquiam and allows a wide variety of development along the shoreline in a planned unit development such as:

- Community facilities
- Residential Development: Single-Family, Multifamily
- Commercial Development: Office, Retail, Hotels/Motels
- Recreational facilities
- Parks



A small portion of the Site is located in FEMA Flood Zone AE (EL 13). A FEMA flood zone AE is a high-risk area with a 1% annual chance of flooding.



The Site is large enough to accommodate a wide variety of uses, without the cost and difficulty of assembling multiple parcels under different ownerships. The Site is well-suited for development, with relatively flat topography across the entirety of the Site. The elevation ranges from 10 to 16 feet above the mean lower low water level.

KEY INDUSTRIAL ASSET TYPES IN GRAYS HARBOR

- **Manufacturing Facilities:** Grays Harbor supports small-scale light industrial and large-scale heavy manufacturing operations for uses ranging from timber and wood products, boat and marine manufacturing, and renewal energy to specialty fabrication shops and maintenance/ repair operations.
- **Warehouse / Distribution Centers:** Proximity to highways, rails and the Port make Grays Harbor an ideal location to support storing, sorting and shipping for goods for e-commerce.
- **Industrial Outdoor Storage ("IOS"):** IOS is rapidly emerging as a key asset class in the county driven by the region's strategic location and expanding infrastructure. In Grays Harbor, growing demand from sectors such as construction, manufacturing, agriculture, forestry, marine logistics, and energy-related operations fuel the need for IOS.

UTILITIES

Water is supplied by the City of Hoquiam and located in both 5th and 8th Streets with 8-inch mains. At the time of the Pacific International Engineering report¹, City staff reported approximately 2 million gallons of potable water per day, and that water pressure is not a concern in the vicinity of the Site. In addition, there is a 48-inch industrial line on the west side of the Hoquiam River that has capacity for 12 million gallons per day- it would need to be extended by approximately 0.8 miles to reach the Site.

Sewer is provided and managed by City of Hoquiam Public Works Department, and is located near the Site. There is an existing 10-inch main that drains to a nearby pump station on the adjacent Port property to the east.

Electricity is provided by Grays Harbor Public Utility District ("PUD"). Approximately 60 percent of the PUD electric power is received from the Bonneville Power Administration, and the remaining power comes from a variety of sources, including wind farms and natural gas-fired combustion turbines. Power lines run along the northern boundary of the Site.

Stormwater is currently routed through a series of ditches and culverts which ultimately run into Grays Harbor. Stormwater regulations set forth by the Department of Ecology and the 2024 Stormwater Management Manual for Western Washington will dictate the required stormwater management system for a development on the Site.

¹ In October 2011 the Owner had an in-depth review of the Site's utility systems completed by Pacific International Engineering. Much of the information included in this section is drawn from PIE's findings.

PERMITTING & ENVIRONMENTAL STATUS

Any substantial development of the Site will be required to comply with the State Environmental Policy Act ("SEPA"). The City of Hoquiam will likely act as the Lead Agency for environmental review and project permitting, but the buyer will be responsible for obtaining state and federal permits as well as local permits in order to develop the Site.

In addition, a Joint Aquatic Resources Permit Application ("JARPA") will be required for any development of the property. The JARPA, a multi-jurisdictional permit form, is used by local jurisdiction to determine issuance of permits for proposals within their Shoreline Master Program jurisdiction. There has already been some JARPA work done on the Site for the replacement of three tide gates.

The Shoreline Substantial Development Permit ("SSDP") requires Ecology concurrence prior to permit issuance, and is required for any work occurring at or within two hundred feet of a regulated water body. The City Shoreline Administrator would process and issue any substantial development application proposed within shoreline jurisdiction that is defined as a permitted use under City Code and Master Program.

WETLANDS

An analysis was conducted by Ecological Land Services in 2014 that determined that the Site does not have significant wetlands in its central portion. A copy of this opinion may be viewed in the VDR. In 2024, the City of Hoquiam completed Wetland and Stream Delineation Report as part of North Shore Levee West Project that reviewed Wetlands on the Site. This report delineates a small portion of the Site along the north boundary as wetlands. Further wetland evaluation is likely needed prior to securing permits and a mitigation strategy may be necessary.

CULTURAL RESOURCES

Based on the Highest and Best Use Analysis conducted in October 2011 by Pacific International Engineering, the Site contains archaeological remnants of a Native American tribal fish trap complex, with most traps at a depth of approximately 20 feet. Development of the Site would require a consultation process with the State Historic Preservation Office. After initial research conducted by the Owner it is not expected that these cultural resources will present a large impediment to development. The Owner has been advised by an archaeological expert that the fish traps should be left in-place, rather than excavated, to avoid damage to the traps. Additionally, a study concluded that the depth of the fish weirs will not prevent construction on the Site.

Pursuant to Section 106 of the National Historic Preservation Act, once a specific development project is defined for the Site, an Area of Potential Effects ("APE") must be defined. A formal consultation process designed to help avoid, minimize, or mitigate adverse effects on historic properties must occur between the federal agency, the State Historic Preservation Office ("SHPO"), affected tribes, and any other applicable consulting parties.

Offers should include background information about your organization, your anticipated use, and at a minimum the following key terms; price, feasibility period, earnest money, and timeline related to feasibility waiver and closing. Additionally, the Owner is open to a ground lease or joint venture. Offers can be emailed to the Heartland Transaction Team at the contact information below.

Please reach out to the Transaction Team for access to Virtual Deal Room.

VIRTUAL DEAL ROOM DOCUMENTS

- Channel Depth
 - *2025-09-29_USACE_Inner Grays Harbor Channel Depths*
- Environmental
 - *2020-03-17_Phase I ESA A&M Hoquiam Log Yard*
 - *2020-06-30_Phase II ESA A&M Hoquiam Log Yard_DRAFT*
- Historic Reference
 - *2010-12_FEIS Pontoon Construction Executive Summary*
 - *2011-10_PIE_AM Hoquiam Site Best Use Analysis*
 - *2014-04-22_Wetland Evaluation Letter*
- Rail Loop Concepts
 - *2011-10-07_PIE_Rail Loop & Dock Concept Drawing*
 - *AM Property and Port Property RR Plan*
- Wetlands
 - *024-04-08_HDR_Wetland Report*
- Zoning
 - *Zoning Code*
 - *Zoning Map*
- Drone Video of Site

**TRANSACTION TEAM
CONTACT INFORMATION**

H E A R T L A N D

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CONFIDENTIAL OFFERING MEMORANDUM

DISCLAIMERS

Anderson & Middleton Company ("Owner") has engaged Heartland LLC, ("Heartland") as real estate advisor and broker on an exclusive basis in connection with the sale of the Grays Harbor Site ("Site") located at the termination of Eight Street at Earley Industrial Way in Hoquiam, Washington.

This Confidential Offering Memorandum ("Memorandum") is being delivered to a limited number of parties who may be interested in the Site. By acceptance hereof, each recipient agrees not to reproduce or use in whole or in part the information contained herein, or any other information that is not already public, and to use this Memorandum only for the purpose of evaluating the offering made hereby.

This Memorandum has been prepared based partly upon information furnished by the Owner, which has reviewed it and authorized its use for the purpose and in the manner described above. Neither the Owner, Heartland LLC, nor its shareholders, partners or affiliates, make any representations or warranties with regard to the accuracy or completeness of the information contained herein.

Heartland LLC has conducted a limited review of the information contained in this Memorandum, but has not independently verified the accuracy or completeness thereof. Heartland LLC does not represent or warrant the accuracy or completeness of the information contained in this Memorandum. Nothing contained in this Memorandum should be construed as a representation by any person as to the future possibilities or performance of the Site. Potential buyers should conduct their own due diligence.

ANY COMMISSION PAID TO A BROKER REPRESENTING THE BUYER WILL BE PAID BY THE BUYER. NO FINDER'S FEES, COMMISSIONS, EXPENSES OR OTHER COMPENSATION WILL BE PAID BY HEARTLAND OR SELLER TO AGENTS, CONSULTANTS, ADVISORS OR OTHER INTERMEDIARIES OF ANY INTERESTED PARTY.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Site, and / or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Site unless and until written agreement(s) for the purchase of the Site have been fully executed, delivered, and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

Interested buyers should be aware that the Site is offered in an "AS-IS" CONDITION WITH ALL FAULTS, WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE.