



Value-Add Opportunity + Stable Cash-Flow



OFFERING MEMORANDUM

HISTORIC DOWNTOWN ANCHOR

Opportunity Zone Asset with Cash-Positive Business Included

517 WASHINGTON AVENUE . GREENVILLE . MS . 38701



OFFERING MEMORANDUM

517 Washington Avenue
Greenville, MS 38701

LISTING AGENT

S. Parkerson McEnery

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D: 504.274.2664

parke@mceneryco.com

THE McENERY COMPANY

810 UNION STREET, 4TH FLOOR
NEW ORLEANS, LA 70112

504-274-2701 | MCENERYCO.COM





OFFERING SUMMARY

The McEnergy Company is proud to present the Lofts at 517, an impeccably restored mixed-use complex, with profitable businesses and all FF&E, available for sale. Priced at only fraction of replacement cost, this unique offering features a tax-advantaged location, stable existing cash flow, and the ability to immediately capture significant operational upside, creating a double digit un-leveraged capitalization rate return.

The subject property is located in Greenville, MS. Washington Avenue is the primary thoroughfare and the core of the Downtown Historic District. The entire downtown core is within a Qualified Federal Opportunity Zone, a rapidly growing market amid a surge of recent public and private investment.

The 72,787 square foot assemblage includes a contiguous row of four (4) impeccably restored historic commercial buildings, including a 1940's-era Sears Roebuck Department Store, that were thoughtfully reimagined in 2017 featuring a complimentary mixture of ground-floor retail, hospitality, and loft-style residential apartments.

SALE PRICE	\$3,900,000
PRICE PER SQUARE FOOT	\$53.58
GROSS BUILDING AREA	72,787 SF
NET RENTABLE AREA	52,142 SF
SITE SIZE	42,900 SF .99 ACRES





EXECUTIVE SUMMARY



517 Washington Avenue maintains 100% occupancy with consistent rental income from 4 commercial tenants, and 13 residential tenants. The the owner-operated restaurant, bar, and boutique hotel, are among the best supported local businesses, and are currently operating and profitable, but have recently scaled back marketing efforts and business hours due to extenuating circumstances related to personal health. The turn-key operation, including all FF&E presents an immediate value add opportunity with the ability to capture significant operational upside through repositioning.

The property is currently exempt from local ad-valorem taxes, and is also located within a Qualified Federal Opportunity Zone that covers most of Greeneville's downtown core. which is experiencing rapid economic growth amid a surge of recent public and private investment, highlighted by a brand new \$50 million Federal Courthouse and public green space that is currently under construction 2 short blocks away, with more funded projects set to break ground in the near future.

The building has previously benefitted from the use of Federal & State Historic Rehabilitation Tax Credits in 2017, but may be eligible once again for the lucrative tax-incentives for desired renovations to refresh the existing improvements, as well to potentially activate under utilized space and expand and create additional amenities.

PROPERTY DETAILS

SITE INFORMATION	
SITE SIZE	42,900 SF .99 ACRES
LOT DIMENSIONS	220' X 195'
FRONTAGE	195 FEET
REAL ESTATE TAXES	\$36,219
BUILDING INFORMATION	
# OF STORIES	3
TOTAL GBA	72,787
TOTAL RSF	53,922 SF
GROUND-FLOOR RETAIL	25,550 SF
PARKING GARAGE	12,500 SF
TOTAL GROUND-FLOOR	38,401 SF
CONSTRUCTION TYPE	STEEL & MASONRY
YEAR BUILT	1940
YEAR RENOVATED	2017



LOCATION OVERVIEW



The subject property is located at 509-525 Washington Avenue in the heart of a small riverside city of Greenville, Mississippi. Nestled along the levee of an oxbow lake and the Mississippi River levee, Greenville is the heart and soul of the Delta. It is the county seat of Washington County, and is the 9th most populous city in the state of Mississippi. It is 100 miles north of Jackson, MS and 150 miles south of Memphis, TN.



Major economic bases within the City of Greenville includes Agriculture, Public Education and Government. The agricultural sector in the Mississippi Delta Region directly contributes 33,995 jobs, and over \$770 million in income. Delta Regional Care Center is the largest medical facility in the region with approximately 1,420 employees and annual revenues of approximately \$122 million. The Trop Casino by Ceasar's located a few blocks from the subject site Greenville is another major employer within the community. Other local anchors include industrial facilities, including Mars Food, USG Interiors, Scott Petroleum, and Consolidated Grain & Barge Company.



Several major events include River Festival at River Park, the Hot Tamale Festival, the Blues and Heritage Festival, the Mississippi Marathon and the Delta Soul Golf Tournament. The Hot Tamale Festival draws 5,000 people to downtown Greenville a year, while the Blues and Heritage Festival attracts between 10,000 and 15,000 people.

INVESTMENT HIGHLIGHTS



- 100% occupancy with stable cash flow
- Located in tax-advantaged opportunity zone with variety of local and state incentives including a current ad valorem tax exemption
- \$10s of millions in recent public and private investment within a 4 block radius
- Immediate operational value-add opportunity
- Fully renovated in 2017, with recent upgrades (2023) include new roofs
- 72,787 square feet of gross building area.
- 24,395 SF of ground-floor retail space with 100% occupancy
- Profitable, established business with all FF&E included
- Offered Below Replacement Cost
- Eligible for Federal & State Rehabilitation Tax Credits for any desire improvements



BUILDING EXPENSES

EXPENSE	2020	2021	2022	2023
Insurance	\$26,826	\$29,572	\$28,522	\$29,280
Maintenance & Repairs	\$18,151	\$16,285	\$22,692	\$31,216
Utilities	\$52,901	\$58,460	\$62,796	\$67,261
Property Taxes	\$33,938	\$34,772	\$34,838	\$34,863
TOTAL EXPENSE			ANNUAL	\$162,620
			MONTHLY	\$13,551
			OPEX RATIO	28%



RENT ROLL & REVENUE

TENANT	MONTHLY \$	ANNUAL \$
The Downtown Butcher + Mercantile	\$3,000	\$36,000
Lofts @ 517 (Apartment Rent)	\$21,650	\$240,867
Lofts @ 517 (Room Revenue)	\$13,146	\$157,752
9.15 Floral Designs & Gifts	\$1,750	\$21,000
Downtown Grill	\$5,000	\$36,000
Hometown Nutrition	\$1,000	\$12,000
	GROSS	\$45,546
	NET	\$31,995

BUILDING PHOTOS



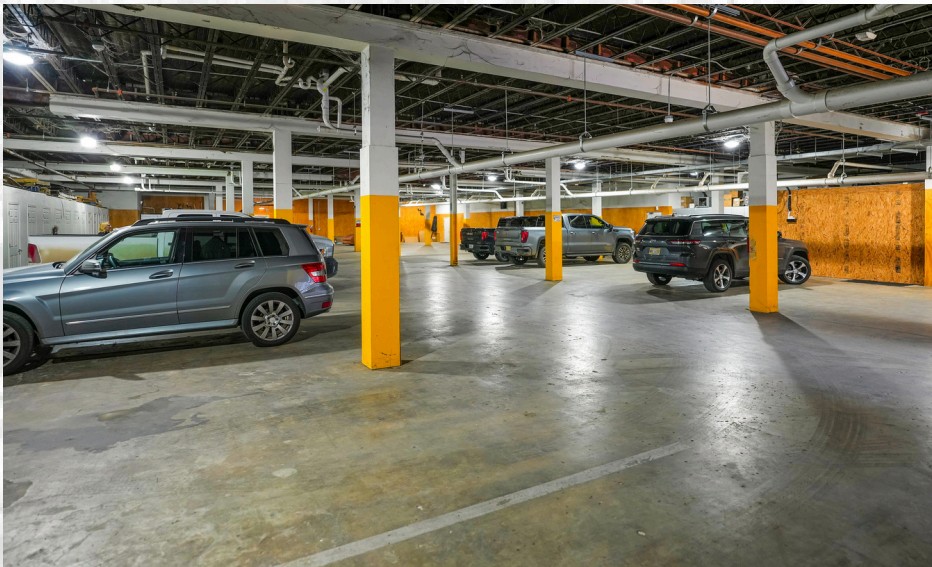
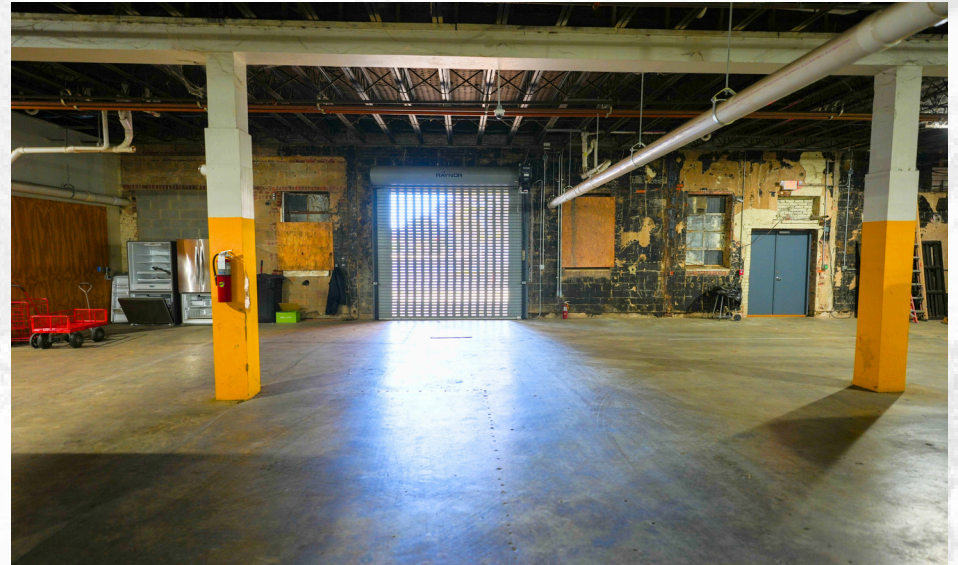


BUILDING PHOTOS





BUILDING PHOTOS



DOWNTOWN GREENVILLE

Washington Avenue is the main street of the Downtown Historic District. The restoration and conversion of the subject property has been catalytic and Washington Avenue is currently experiencing an economic upswing and transformative effort. Highlights of major recent new public and private investments in the Washington Avenue Corridor. The Greater Greenville Foundation recently acquired 15 vacant store fronts and over 100,000 SF of vacant historic buildings with plans for 18 new storefronts and 44 residential units.



- | | | |
|---------------------------------------|---|---|
| 1 507-25 Washington Avenue | 4 Trop Casino by Caesar's Entertainment | 7 612 Washington Avenue (<u>For Sale</u>) |
| 2 \$45.3mm Federal Courthouse | 5 Guarantee Bank & Trust | 8 Regions Bank Building (<u>For Sale</u>) |
| 3 \$1.2mm state-of-the-art Greenspace | 6 New Mixed-Use Developments | 9 Adjacent Parking Lot (<u>For Sale</u>) |



BUSINESS PROFILES



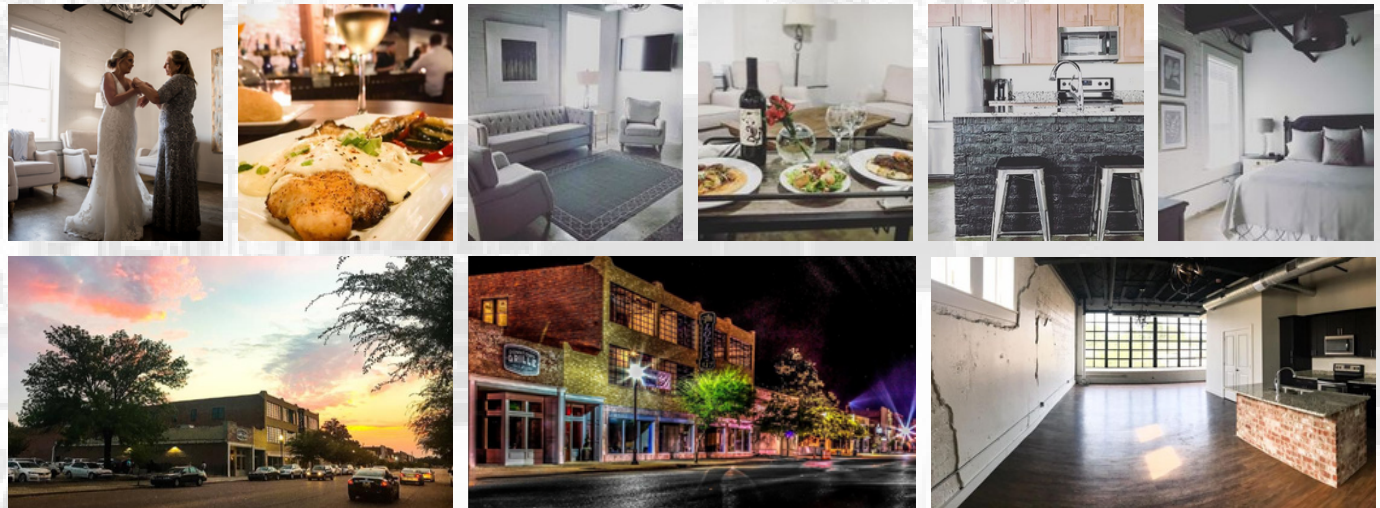


THE LOFTS AT 517



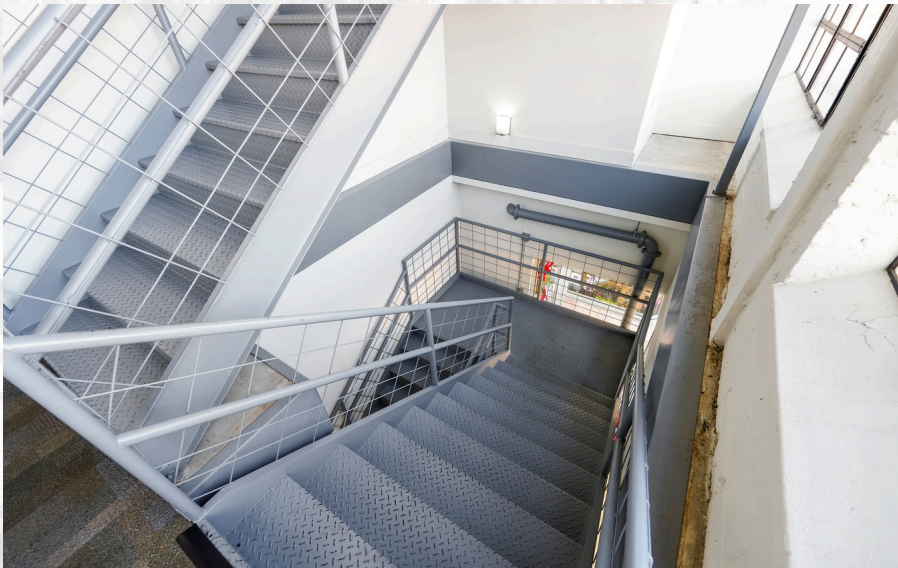
The Lofts at 517 is a 28 unit loft-style hotel and residential apartments, offering spacious fully-equipped suites with full size kitchens, large closets, and in-unit laundry. It is the superior option for both lodging and living in the downtown Greenville market. Amenities include garage parking, room service, an on-site fine dining restaurant & bar, on-site coffee shop, and private event & meeting space.

Residential apartments are 2 bedroom/2 bathroom layouts between 900 and 1,630 square feet, with several large 600+ square foot units interspersed throughout. The boutique and professional travel-style hotel is the exclusive option in Greenville market, offering large 1 bedroom/1 bathroom suites between 715 to 885 square feet.



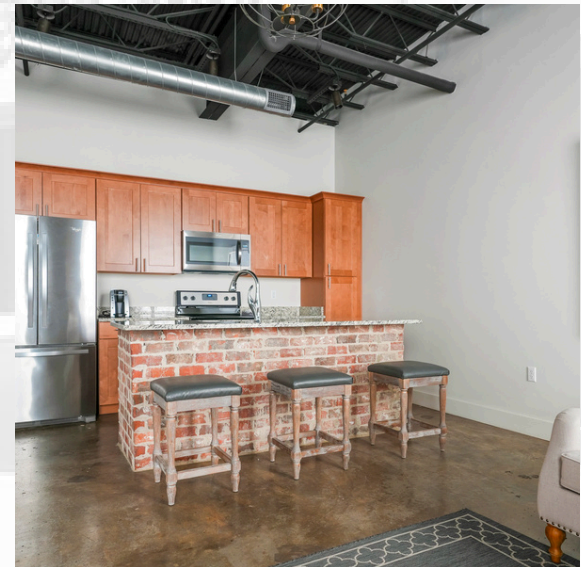
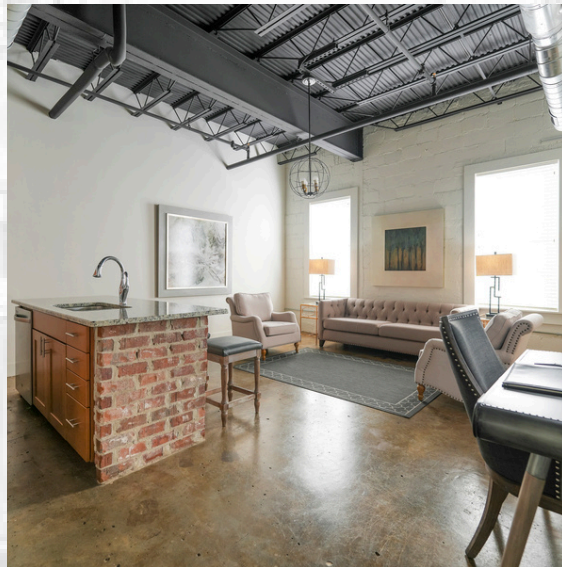
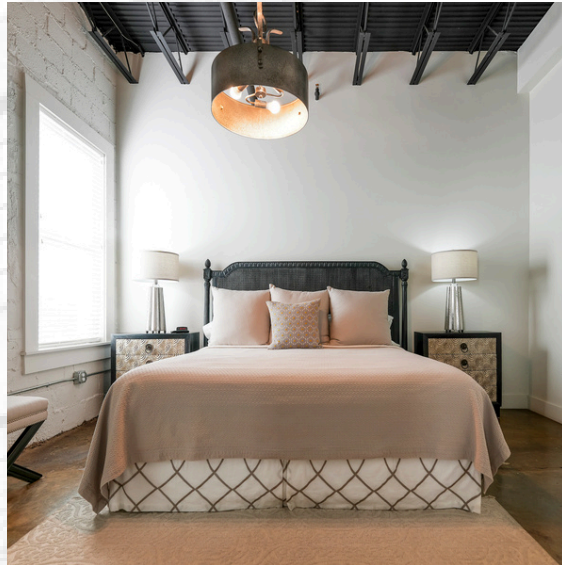


THE LOFTS AT 517





THE LOFTS AT 517



THE DOWNTOWN GRILLE



The Downtown Grille is upscale restaurant & Bar, offering outdoor patio seating, in-store pickup, with a 75 seat main dining room, a 25 seat full bar, fully equipped kitchen, as well as a private dining room is perfect for rehearsal dinners, business meetings, or special gatherings that can seat up to 75 comfortably and contains a projector and screen for your event. The Grille offers room service to the Lofts at 517 Guests.





THE DOWNTOWN GRILL





THE DOWNTOWN GRILL



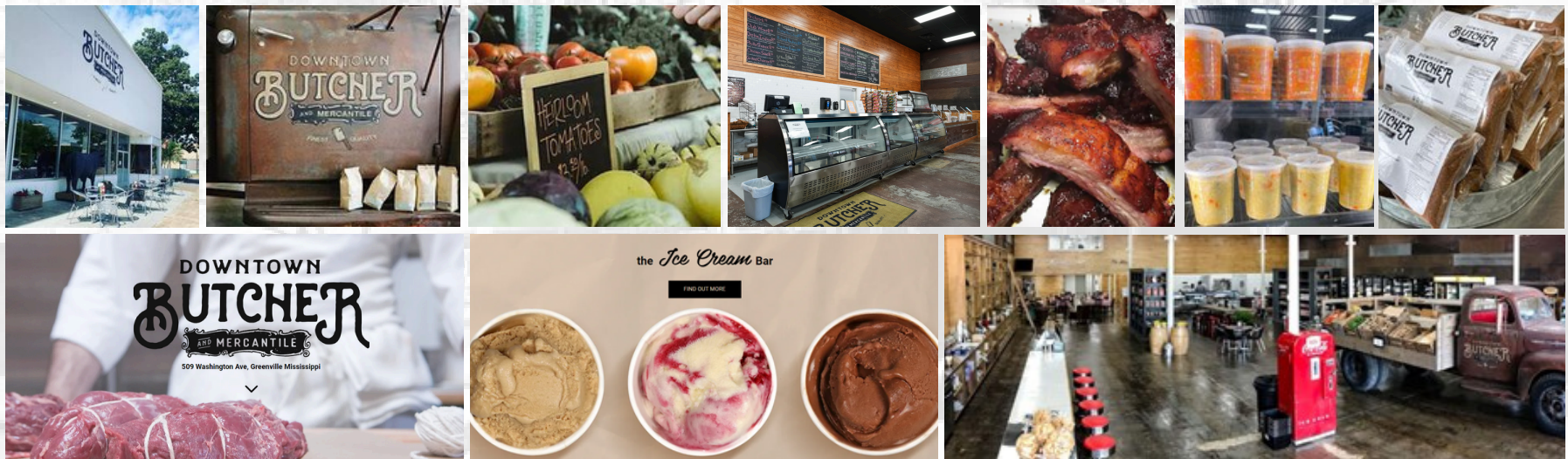
THE DOWNTOWN BUTCHER & MERCANTILE



The Downtown Butcher & Mercantile is a local favorite for lunch, offering daily plate lunch specials, sandwiches, prepared foods, produce, and some of the best ribs you will find this side of Memphis, which are also available to go!



The butcher is complimented by retail sales of gifts, an Ice Cream Parlor and is now home to Grounded Sister, a morning coffee house that operates in the morning inside the Downtown Butcher & Mercantile.





THE DOWNTOWN BUTCHER & MERCANTILE



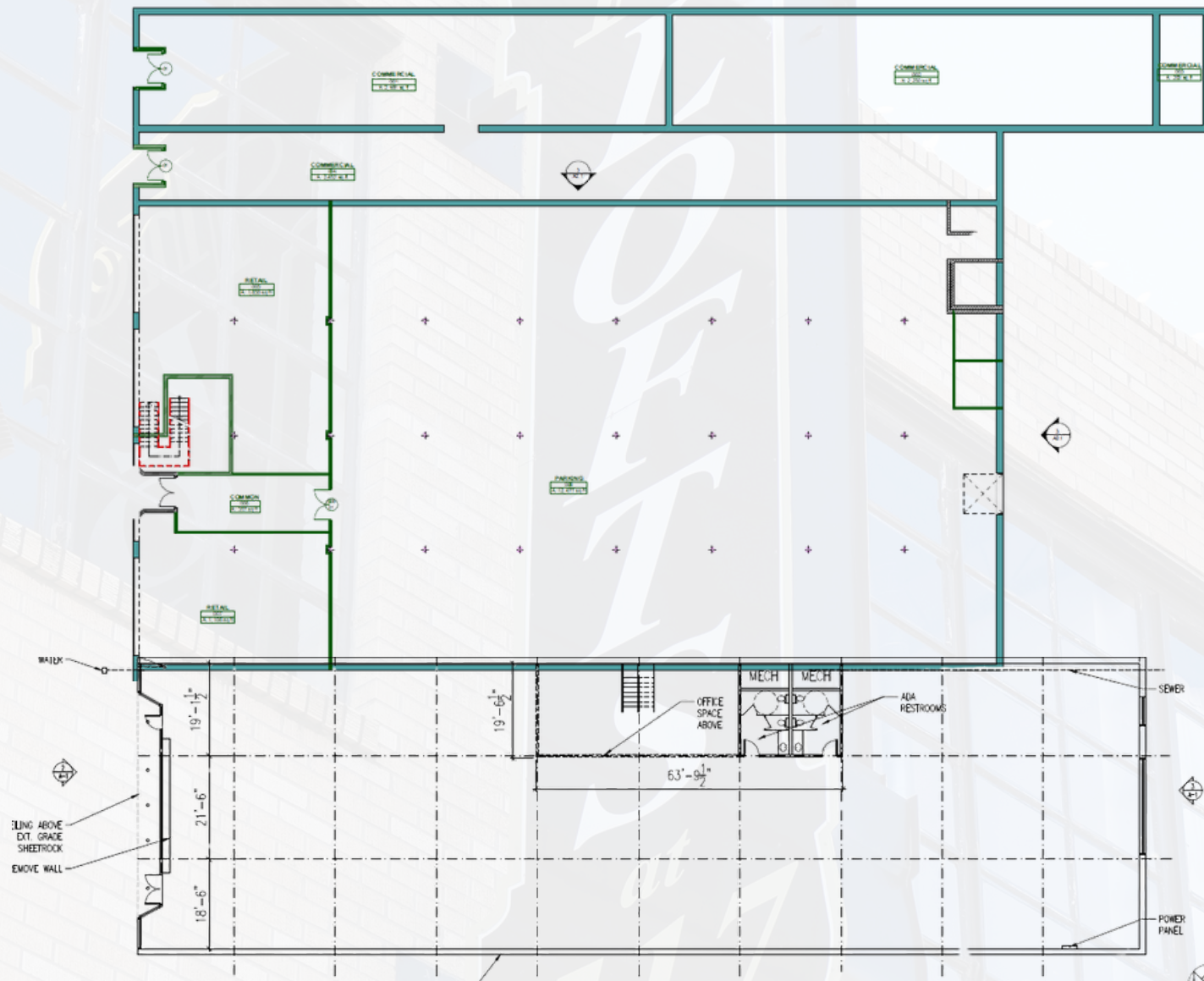


THE DOWNTOWN BUTCHER & MERCANTILE





FLOOR PLAN - LEVEL 1





FLOOR PLAN - LEVEL 2 & 3





FedEx
Ship Center

**ARMY
RESERVE**

GREENVILLE STEEL
-Your Complete Steel Service Center-

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CGB CONSOLIDATED
GRAIN AND BARGE CO.

SCOTT

TROP
CASINO GREENVILLE

YC
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**Freddie's
BBQ**

Mr. Jay's
BARBECUE

**RODEWAY
INN**

Hotel 27
A MAIN STREET PROPERTY

**DELTA
HEALTHSYSTEM**

S. BROADWAY ST.

W

**UNITED STATES
POSTAL SERVICE**

US HWY 278

Trustmark

**DELTA
HEALTHSYSTEM**

Greenville
HIGH SCHOOL

**CVS
pharmacy**

**GREENVILLE
Speedway**

**CONVENTION
CENTER**

**H&R
BLOCK**

Chick-fil&

**DELTA
SPORTSPLEX**

EXXON

T.J. maxx

Walmart

Kroger

US HWY 278

MARTIN LUTHER KING JR. BLVD.



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EXCLUSIVELY LISTED BY



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WORKING WITH A REAL ESTATE BROKER

****THIS IS NOT A LEGALLY BINDING CONTRACT****

GENERAL

Approved 01/2003 By
MS Real Estate Commission
P. O. Box 12685
Jackson, MS 39232

DUAL AGENCY CONFIRMATION

Adopted Form of

The Mississippi Real Estate Commission Jackson, MS

Seller: _____

Buyer: _____

Property: _____

This Dual Agency Confirmation is an addendum to and made part of the Offer to Purchase dated _____, 20____, between the above-captioned Seller and Buyer for the purchase of the specifically identified property.

The undersigned acknowledges that the licensee has explained dual agency representation to them and they have received the following information regarding disclosed dual agency:

1. A disclosed dual agent is a licensee who, with the informed written consent of Seller and Buyer, is engaged as an agent for both Seller and buyer.
2. As a disclosed dual agent the licensee shall not represent the interests of one party to the exclusion or detriment of the interests of the other party. A disclosed dual agent has all the fiduciary duties to the Seller and Buyer that a Seller's or Buyer's agent has except the duties of full disclosure and undivided loyalty.
3. A disclosed dual agent may NOT disclose:
 - (a) To the Buyer that the Seller will accept less than the asking or listed price, unless otherwise instructed in writing by the Seller;
 - (b) To the Seller that the Buyer will pay a price greater than the price submitted in a written offer to the Seller, unless otherwise instructed in writing by the Buyer;
 - (c) The motivation of the Seller or Buyer for selling, buying or leasing a property, unless otherwise instructed in writing by the respective party or
 - (d) That a Seller or Buyer will agree to financing terms other than those offered unless instructed in writing by the respective party.

Seller and Buyer hereby confirm that they give their informed consent to the disclosed dual agency of:

Name of Brokerage Firm Name of Licensee Name of Licensee

who represent both Seller and Buyer in this transaction.

Date: _____ Seller: _____
Seller (print name): _____

Date: _____ Buyer: _____
Buyer (print name): _____

This Dual Agency Confirmation form is Seller, Buyer and Property specific. It has been adopted by the Mississippi Real Estate Commission and is required to be used by real estate licensees pursuant to Rule IV. E. of the Rules and Regulations. MREC-AD2 (Feb. 2001)

Before you begin working with any real estate agent, you should know whom the agent represents in the transaction. Mississippi real estate licensees are required to disclose which party they represent in a transaction and to allow a party the right to choose or refuse among the various agency relationships.

There are several types of relationships that are possible and you should understand these at the time a broker or salesperson provides specific assistance to you in a real estate transaction.

The purpose of the Agency Disclosure is to document an acknowledgement that the consumer has been informed of various agency relationships, which are available in a real estate transaction.

For the purpose of this disclosure, the term seller and/or buyer will also include those other acts specified in Section 73-35-3 (1), of the Miss. Code, "...list, sell, purchase, exchange, rent, lease, manage, or auction any real estate, or the improvements thereon including options."

SELLER'S AGENT

A seller can enter into a "listing agreement" with a real estate firm authorizing the firm and its agent(s) to represent the seller in finding a buyer for his property. A licensee who is engaged by and acts as the agent of the Seller only is known as a Seller's Agent. A Seller's agent has the following duties and obligations:

To the Seller:

*The fiduciary duties of loyalty, confidentiality, obedience, disclosure, full accounting and the duty to use skill, care and diligence.

To the Buyer and Seller:

*A duty of honesty and fair dealing.

*A duty to disclose all facts known to the Seller's agent materially affecting the value of the property, which are not known to, or readily observable by, the parties in a transaction.

BUYER'S AGENT

A buyer may contract with an agent or firm to represent him/her. A licensee who is engaged by and acts as the agent of the Buyer only is known as the Buyer's Agent.

If a Buyer wants an agent to represent him in purchasing a property, the buyer can enter into a Buyer's Agency Agreement with the agent. A Buyer's Agent has the following duties and obligations:

To the Buyer:

*The fiduciary duties of loyalty, confidentiality, obedience, disclosure, full accounting and the duty to use skill, care and diligence.

To the Seller and Buyer:

*A duty of honesty and fair dealing.

DISCLOSED DUAL AGENT

A real estate agent or firm may represent more than one party in the same transaction. A Disclosed Dual Agent is a licensee who, with the informed written consent of the Seller and Buyer, is engaged as an agent for both Seller and Buyer.

As a disclosed dual agent, the licensee shall not represent the interests of one party to the exclusion or detriment of the interests of the other party. A disclosed dual agent has all the fiduciary duties to the Seller and Buyer that a Seller's or Buyer's agent has except the duties of full disclosure and undivided loyalty.

A Disclosed Dual Agent may not disclose:

(a) To the Buyer that the Seller will accept less than the asking or listed price, unless otherwise instructed in writing by the Seller.

(b) To the Seller that the Buyer will pay a price greater than the price submitted in a written offer to the Seller, unless otherwise instructed in writing by the Buyer.

(c) The motivation of any party for selling, buying, or leasing a property, unless otherwise instructed in writing by the respective party, or

(d) That a Seller or Buyer will agree to financing terms other than those offered, unless otherwise instructed in writing by the respective party.

IMPORTANT NOTICE!

"Customer" shall mean that person not represented in a real estate transaction. It may be the buyer, seller, landlord or tenant.

A Buyer may decide to work with a firm that is acting as agent for the Seller (a Seller's Agent or subagent). If a Buyer does not enter into a Buyer Agency Agreement with the firm that shows him properties, that firm and its agents may show the buyer properties as an agent or subagent working on the seller's behalf. Such a firm represents the Seller (not the Buyer) and must disclose that fact to the Buyer.

When it comes to the price and terms of an offer, the Seller's Agent will ask you to decide how much to offer for my property and upon what terms and conditions. They can explain your options to you, but the final decision is yours, as they cannot give you legal or financial advice. They will attempt to show you property in the price range and category you desire so that you will have information on which to base your decision.

The Seller's Agent will present to the Seller any written offer that you ask them to present. You should keep to yourself any information that you do not want the Seller to know (i.e. the price you are willing to pay, other terms you are willing to accept, and your motivation for buying). The Seller's agent is required to tell all such information to the Seller. You should not furnish the Seller's agent anything you do not want the Seller to know. If you desire, you may obtain the representation of an attorney or another real estate agent, or both.

THIS IS NOT A CONTRACT. THIS IS AN ACKNOWLEDGEMENT OF DISCLOSURE

The below named Licensee has informed me that brokerage services are being provided me as a:

- ☐ Client (Seller's or Landlord's Agent)
☐ Client (Buyer's or Tenant's Agent)
☐ Client (Disclosed Dual Agent)

☐ Customer (Not as my Agent)

By signing below, I acknowledge that I received this informative document and explanation prior to the exchange of confidential information which might affect the bargaining position in a real estate transaction involving me.

(Client) (Licensee) (Customer)

(Client) (Company) (Customer)