Dealmaker: NBS Arranges $52M for FedEx Distribution Centers

May 26, 2015--Tucker, Michael mtucker@mba.org

NBS Financial Services, Portland, Ore., arranged a combined $52 million in acquisition financing for three newly constructed FedEx Ground distribution centers.

NBS Senior Vice President Todd Harding and Finance Officer Mick Stapleton secured $8.6 million for a 151,000-square-foot facility in Wichita Falls, Texas, $12.2 million for a 254,000-square-foot facility in Spartanburg, S.C. and $31.2 million for a 313,000-square-foot facility in Chandler, Ariz.

Harding and Stapleton represented the borrower, TIC RI Pullman LLC, RI Cascade LLC, RI Elk Grove LLC (Rood TICs), in their need to satisfy a 1031 exchange. State Farm Insurance Co. Bloomington, Ill., provided the financing.

"[State Farm] was confident in the strength of the sponsorship and worked with the borrower as construction delays occurred," Harding said. He called the loans "conservatively leveraged" with a 10-year term and 30-year amortization.

NBS also arranged $19.4 million for a multifamily portfolio totaling 291 units in Washington state. Principal and Director of Seattle Production Mike Wood and Associate Finance Officer Austin Johnson represented both borrower and lender. Fannie Mae, Washington, D.C., provided the funding through NBS's correspondent relationship with Walker & Dunlop, Bethesda, Md.

Two older Class B properties, the 181-unit Westlakes Apartments in Olympia and the 110-unit Poplar Lanes Apartments in Lynnwood, make up the collateral.

Wood said the transaction involved several obstacles. "With zero debt on either property, the borrower requested max leverage," he said. "Lenders are typically conservative about full cash-out loans, especially for older buildings, which may be assessed as riskier." But he said they secured a 75 percent loan-to-value loan at attractive terms. The 12-year loan will amortize on a 30-year schedule.

"We identified the most competitive lender and the borrower locked in a sub-4 percent interest rate," Wood said. "If the borrower were to go out to the market today, the interest rate would be approximately 40 basis points higher."