



PIR FixedFunds Program™



Acquire. Renovate. Stabilize. Grow.

The PIR FixedFunds Program™ is a simple investment vehicle for accredited investors that pays participants 7% fixed interest with monthly interest payments for a five-year fixed term with a minimum investment amount of \$50,000.



About Us And Our Strategy

Phoenix Industrial Redevelopment, LLC (“PIR”) was founded in 2017. PIR buys, renovates, and holds value-add multi-tenant industrial properties in primary markets nationwide.

Industrial properties of interest to PIR are typically 20,000 to 100,000 square feet and need moderate to substantial capital improvements to bring them to the standard of other similar industrial properties in their local submarket.

We acquire these properties with new institutional lender financing or with seller financing. We use our PIR FixedFunds™ program to provide us with the additional capital we need to fund the acquisition, renovation, and stabilization of the properties we buy.

PIR’s strategy is to acquire each property, complete a campaign of renovation, and bring all tenants to market lease rates on multi-year triple net leases. The result is a renovated and stabilized industrial property with good cash flow, solid tenants, and substantially higher value.

When the property is fully stabilized, we refinance the property with a new institutional first mortgage. We use this refinance to repay all PIR FixedFunds Program™ capital associated with and secured by the property. We then hold the property long term as part of our growing portfolio of stabilized industrial properties.

As of October 2021, PIR, through its affiliate Phoenix Industrial Holdings, LLC (“PIH”), owns eleven industrial properties.

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Our goal is to acquire approximately one property each calendar quarter in the years ahead.

PIR FixedFunds Program™ Objectives

We designed the PIR FixedFunds Program™ to achieve the following objectives:

Reliable PIR Capital Source: Create a reliable capital source for PIR to allow us to fund the purchase, renovation, and stabilization of value-add multi-tenant industrial properties in our markets of interest.

Fixed-Return Private Debt: Create a simple pathway for accredited private lenders to lend funds and earn a fixed rate of return.

Tailored Entity and Capital Structure: Create an entity and capital structure that allows us to place capital into each property-specific LLC in a way that complies with any requirements placed on us by the institutional first-mortgage loans we originate for our property purchases.

PIR FixedFunds Program™ Mechanics

To help us achieve our investment objectives, the following entities work in coordination:

PIR

Phoenix Industrial Redevelopment, LLC

PIR is the public face of our property purchasing activities. PIR sources, analyzes, contracts, conducts due diligence, and then closes on all our industrial properties.

The Property LLC

PIR “Property Street Name,” LLC

Each industrial property is acquired by and owned in a property-specific LLC formed to own a single industrial property.

PIH

Phoenix Industrial Holdings, LLC

PIH is the entity that owns 100% of the membership interests of each of the property-specific LLCs and thus is the owner of the entire PIR industrial property portfolio. PIH is also the entity that borrows the PIR FixedFunds Program™ private capital.

GPM

Grid Property Management, LLC

GPM is our affiliated property management firm that acts as the operations and management team for our industrial property portfolio.



How Our Entities Work Together

For each property acquisition, we follow a 6-step process:

1 >

PROPERTY SELECTION. PIR finds, analyzes, and contracts for the purchase of an industrial property that meets our purchase criteria. We begin the due diligence process and begin the process of securing an institutional loan.

2 >

PROPERTY ENTITY. We form the Property LLC that will own the property after closing. The Property LLC is owned 100% by Phoenix Industrial Holdings, LLC (PIH).

3 >

PROPERTY PURCHASE. The Property LLC closes the property purchase, using the funds from the new institutional first mortgage and additional funds provided by PIH through our PIR FixedFunds Program™.

4 >

PROPERTY OPERATIONS. GPM operates the property. Each month the Property LLC makes a mortgage payment for the institutional loan and a distribution to PIH. PIH then makes all interest payments to any PIR FixedFunds Program™ loans related to the property.

5 >

REFINANCE. PIH initiates a refinance of the property when the property is fully stabilized. This refinance allows PIH to pay back all PIR FixedFunds Program™ capital associated with and secured by the property.

6 >

POST-REFINANCE OPERATIONS. After the refinance, PIH continues to own the Property LLC and continues to employ GPM to operate the property as part of PIH's long-term property holdings.

ABBREVIATIONS

PIR – Phoenix Industrial Redevelopment, LLC

PIH – Phoenix Industrial Holdings, LLC

GPM – Grid Property Management, LLC

Sample Case Study Completed PIR Project

Dunbar Avenue Industrial Park

Address:	798 NW Dunbar Avenue, Troutdale, OR
Details:	6.1 Acres, 52,000 Square Feet, 19 Suites
Purchase Date:	July 2017
Purchase Price:	\$2,170,000 (\$42 per SqFt)
Renovation:	\$ 850,000 (\$16 per SqFt)
All-In Basis:	\$3,020,000 (\$58 per SqFt)
Status:	Stabilized
Leases:	BOMA, 3-5 Years, Yearly Escalations, Tenant Personal Guarantees
Current Value:	\$8,000,000 at 7.0% Cap on In-Place Leases Rates



Purchase Condition – 2017



Current Condition – 2020

Sample Case Study Completed PIR Project

NE 105th Avenue Industrial Park

Address: 5301 NE 105th Avenue, Portland, OR
Details: 2.1 Acres, 32,000 Square Feet, 7 Suites
Purchase Date: November 2017
Purchase Price: \$1,580,000 (\$49 per SqFt)
Renovation: \$ 250,000 (\$ 8 per SqFt)
All-In Basis: \$1,830,000 (\$57 per SqFt)
Status: Stabilized
Leases: BOMA, 3-5 Years, Yearly Escalations,
Tenant Personal Guarantees
Current Value: \$4,400,000 at 7.0% Cap on In-Place Leases Rates



Purchase Condition – 2017



Current Condition – 2020

Participating in the PIR FixedFunds Program™

If you are an accredited investor interested in lending funds to PIH as part of our PIR FixedFunds Program™, please call or send me an email.

When you are ready to move forward, we will email you a lender instruction package. This package will include additional details about the PIR FixedFunds Program™, the promissory note for your loan to PIH, and the wiring instructions you need to transfer your funds to PIH.

I look forward to your interest in the PIR FixedFunds Program™ and am happy to address any questions you may have.

Sincerely,

Steve Kreitzberg, President

Phoenix Industrial Redevelopment, LLC
975 SE Sandy Blvd Suite 200
Portland, OR 97214
503-358-4567

stevek@phoenixindustrialredevelopment.com
www.PhoenixIndustrialRedevelopment.com

Key Loan Terms

LENDER

Any accredited individual, family, IRA, SDIRA, Trust or Entity

LOAN SIZE

\$50,000 Minimum

RATE

Fixed 7% per annum

TERM

Five Years

PAYMENTS

Monthly, Interest Only

DOCUMENT

Promissory Note

BORROWER

Phoenix Industrial Holdings, LLC

SECURITY

All PIR FixedFunds Program™ capital for a given property is secured with a deed of trust junior to the institutional loan we place on the property when we purchase the property. Each PIR FixedFunds Program™ promissory note also has the unconditional guaranty of Phoenix Industrial Holdings, LLC, tying each loan to the broader PIR portfolio.



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