

Harbor Freight Announces 1 Million-Square-Foot Expansion in Dillon County; Build-to-Suit Financing Provided by CPA[®]:17 – Global

Company Release – 11/07/17 09:00 AM (EST)

DILLON, S.C. – November 7, 2017 – Harbor Freight Tools (the “company”) will significantly expand its South Carolina presence with an approximately 1 million-square-foot expansion of its East Coast distribution facility in Dillon, bringing the national retailer’s total footprint here to 3 million square feet, the company and Dillon County announced today.

Already the region’s largest employer, the national tool retailer will nearly double its workforce, adding 500 to 600 new jobs in Dillon and bringing its total investment in South Carolina to more than \$200 million.

“Since we opened our first facility here in 2001, the company has continued to grow and so has our need for a larger distribution center,” said Harbor Freight Founder and CEO Eric Smidt. “We’ve made an investment in Dillon, we’ve become part of the community, and we’re proud to expand our presence in this region.”

When Harbor Freight built its initial 500,000-square-foot distribution center in Dillon in 2001, the company had 106 stores. Now with more than 800 locations around the country—and continuing to open a new store about every three days—the retailer required a larger distribution center to serve as its East Coast hub to receive and distribute products to more than 450 stores in 30 states.

This represents the third expansion of the company’s distribution center. Harbor Freight doubled the size of its Dillon warehouse in 2006 and then doubled it again in 2014.

CPA[®]:17 – Global, a non-traded REIT and affiliate of W. P. Carey Inc. focused on investing in income-producing commercial properties and real estate-related assets, acquired the facility in 2011 and provided funding for the 2014 expansion in addition to the current expansion. Upon completion, the expanded facility will be leased to Harbor Freight on a triple net basis by CPA[®]:17 – Global for 20 years.

Commenting on the Harbor Freight lease, W. P. Carey Managing Director and Head of Investments, Gino Sabatini, noted, “As the hub of their East Coast supply chain, the property will be critical to Harbor Freight’s operations. CPA[®]:17 – Global will also benefit from the extension of its existing lease on the original facility. Given the benefits for both Harbor Freight and CPA[®]:17 – Global, this is a ‘win-win’ transaction that demonstrates how W. P. Carey can work with existing tenants to implement expansion plans and advance their strategic growth objectives. We are pleased to expand on our long-term partnership with Harbor Freight as they continue to drive local economic development and job growth.”

The project is scheduled to break ground by the end of the year and is expected to be completed by early 2019.

Gov. Henry McMaster has championed business expansion in the region and hailed news of this latest expansion. “Harbor Freight Tools’ continued investment in Dillon County and in our people is a testament to our approach to creating a competitive business environment where companies of all kinds can thrive,” said McMaster. “The 500 jobs this great company is creating will make a difference in the lives of South Carolinians, and for that, we couldn’t be more grateful.”

South Carolina State Sen. Kent Williams applauded the announcement and noted the boost to the local workforce. Harbor Freight currently employs 650 people in positions ranging from warehouse stockers to managers, and it is expected to hire up to 600 more from Dillon, Marion, Marlboro and surrounding counties.

“This announcement is a direct reflection of the commitment of Harbor Freight to our region,” Williams said. “For the past 16 years, this company has continued to invest and grow the economies of Dillon, Marion and Marlboro Counties. They have served as the anchor tenant for the Tri-County Industrial Park and continue to be a key player in its economic growth.”

Harbor Freight Tools

Founded in 1977, Harbor Freight Tools is a family-owned national tool retailer based in Calabasas, Calif. With more than 800 stores nationwide and two new stores opening about every week, the company has over 40 million customers. Harbor Freight offers a large selection of quality tools at the lowest prices. For more information, visit www.harborfreight.com.

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This press release contains forward-looking statements within the meaning of U.S. Federal securities laws. The comments of Mr. Sabatini are examples of forward looking statements. A number of factors could cause CPA[®]:17 – Global's actual results, performance or achievement to differ materially from those anticipated. Among those risks, trends and uncertainties are the general economic climate; the supply of and demand for commercial properties; interest rate levels; the availability of financing; and other risks associated with the acquisition and ownership of properties, including risks that the tenants will not pay rent, or that costs may be greater than anticipated. For further information on factors that could impact CPA[®]:17 – Global, reference is made to its filings with the U.S. Securities and Exchange Commission.

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