

PETCO

OVER 23 YEARS AT THIS LOCATION

3860 ELMORE AVENUE DAVENPORT, IA 52807

OFFERING MEMORANDUM



Marcus & Millichap

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.





OVER 23 YEARS AT
THIS LOCATION

LIST PRICE: \$2,550,000

CAP RATE: 8.16%

NOI (NET OPERATING INCOME) \$208,000



ADDRESS

3860 ELMORE AVENUE DAVENPORT, IA 52807

LEASE SUMMARY

Lease Type	Double-Net
Option To Purchase / ROFR	No
Sales Reporting	No
Rent Commencement	6/29/1995
Lease Expiration	1/31/2023
Rent Increases	At Each Option
Options	Two-Five Years

VITAL DATA

Gross Leasable Area (GLA)	16,000 SF
Price Per Square Foot	\$159.38
Year Built/Renovated	1995
Lot Size	0.81 AC
Type Of Ownership	Fee Simple
Proposed Financing	75% LTV / 25 Yr. Amort. / 4.95% Rate / 3 Yr. Term
Cash On Cash Return	\$74,504 / 11.69%

RENT SCHEDULE

YEAR	ANNUAL RENT	RENT/SF	CAP RATE
Current - 1/31/2023	\$208,000	\$13.00	8.16%
2/1/2023 - 1/31/2028 Option 1	\$220,000	\$13.75	8.63%
2/1/2028 - 1/31/2033 Option 2	\$232,000	\$14.50	9.10%

TENANT & PROPERTY HIGHLIGHTS

- ✓ Three Plus Years Remaining on Double-Net Lease
- ✓ In-Line With Gordmans & Guitar Center
- ✓ Operated At This Location For 23 Years - Since Built In 1995
- ✓ Corporate Guarantee - 1,500 Locations
- ✓ Over 163,000 Residents Within Five Miles
- ✓ Located Off Interstate 74 - High Traffic Counts
- ✓ Extremely Dense Retail Market - Surrounded By Retailers Such As Lowe's, Sam's Club And Kohl's

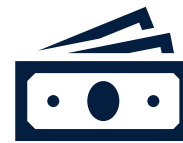
DEMOGRAPHICS

POPULATION	3 Miles	5 Miles	10 Miles
2017 Estimate	45,274	104,505	283,596
2010 Census	40,459	99,025	277,341
2000 Census	37,534	96,071	271,116

INCOME	3 Miles	5 Miles	10 Miles
Average	\$94,642	\$78,114	\$69,337
Median	\$71,538	\$57,010	\$51,498

HOUSEHOLDS	3 Miles	5 Miles	10 Miles
2017 Estimate	18,290	42,967	116,486
2010 Census	17,208	40,873	113,878
2000 Census	15,487	38,732	109,501

Source: © 2015 Experian.



Average Household
Income 5 Mile Radius

\$78,114



Households Within 5
Mile Radius

42,967



Population Within 5
Mile Radius

104,505

CORPORATE GUARANTEE



LONG TERM TENANCY

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COMPANY INFORMATION

With more than 50 years of service to pet parents, Petco is a leading pet specialty retailer that obsesses about delivering health and happy experiences for pets and the people who love them. We do this by providing the products, services, advice and experiences that keep pets physically fit, mentally alert, socially engaged and emotionally happy.

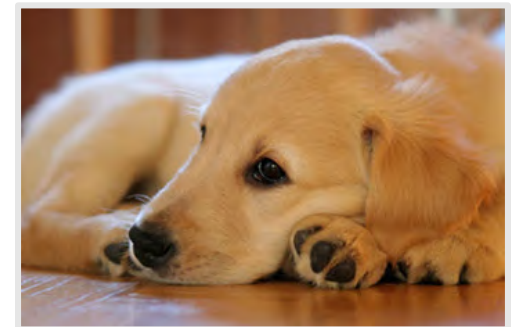
Everything we do is guided by our vision:

Healthier Pets. Happier People. Better World.

We employ more than 25,000 partners and operate more than 1,500 Petco locations across the U.S., Mexico and Puerto Rico, including more than 80 Unleashed by Petco locations, a smaller format neighborhood shop; prescription services and pet supplies from the leading veterinary-operated pet product supplier, Drs. Foster & Smith; digitally-delivered pet health advice through PetCoach; and petco.com.

The Petco Foundation, an independent nonprofit organization, has invested more than \$200 million since it was created in 1999 to help promote and improve the welfare of companion animals. In conjunction with the Foundation, we work with and support thousands of local animal welfare groups across the country and, through in-store adoption events, help find homes for more than 400,000 animals every year.

Information provided by: <https://about.petco.com/>

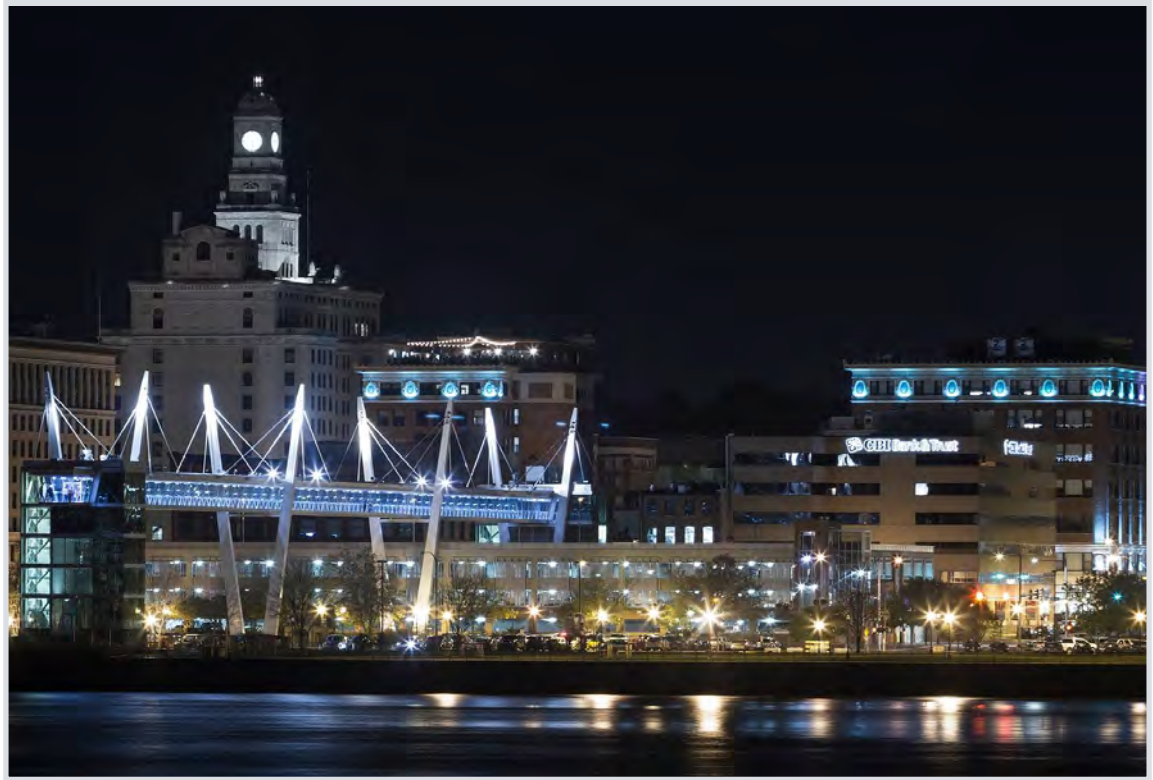




QUICK CITY FACTS

- ✓ Incorporated on January 25th 1839
- ✓ 66 Square Miles
- ✓ Population As Of The 2010 Census Was
99,685
- ✓ 52 Parks & Playgrounds (3,200 Acres)
- ✓ Approximately Half-Way Between
Chicago And Des Moines. Bordered On The
South By The Mississippi River And Includes
Interstates 80, 74, & 280.
- ✓ Several Fortune 500 Companies

Information & Photos Provided By: <http://cityofdavenportiowa.com/>



Top Ten Employers (# Of Employees)

- | | |
|--|---|
| 1. Genesis Medical Centers (4,800) | 6. Isle of Capri (1,050) |
| 2. Davenport Community Schools (2,300) | 7. MidAmerican Energy (1,025) |
| 3. ALCOA (2,250) | 8. Eastern Iowa Community College (1,010) |
| 4. Kraft Foods/Oscar Mayer (1,500) | 9. APAC Teleservices (900) |
| 5. City of Davenport (1,200) | 10. Wells Fargo Davenport Region (610) |

Davenport is the economic engine of the larger Quad Cities metro area that is home to several successful Fortune 500 companies including Kraft Heinz, Sterilite Corporation, Nestle Purina, Sears Manufacturing, and John Deere.

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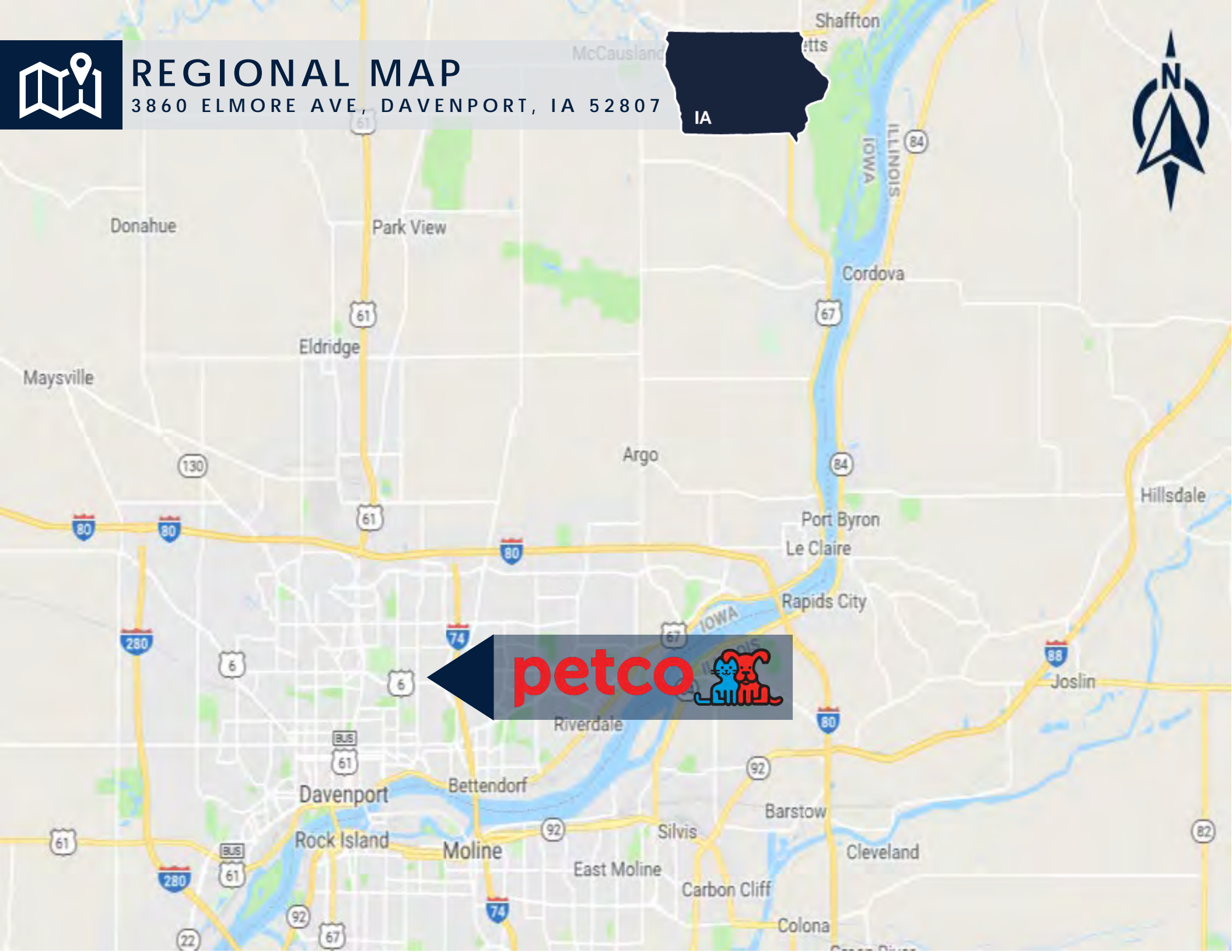




REGIONAL MAP

3860 ELMORE AVE, DAVENPORT, IA 52807

IA



petco

Gordmans
Guitar Center

Jiffy lube
Panera
BREAD

ALDI

KOHL'S

the great
escape
NORTHERN
TOOL & EQUIPMENT

BEST
BUY

Monkey
joe's

LA Z BOY

TARGET

Walmart

Sam's
CLUB

LOWE'S

STAPLES
Party City
PET SMART

LANE BRYANT DSW
Pier 1 imports
carter's
drumming charlie

CINEMARK

UnityPoint Health
Trinity

ULTA
BEAUTY
OLD NAVY
Michaels
BED BATH &
BEYOND
T.J. MAXX
dressbarn

HyVee

Google earth

Image Landsat

SALES COMPARABLES

PETCO
189 E Bakerview Rd, Bellingham, WA, 98226



Close Of Escrow	5/29/2018
Sales Price	\$4,033,000
CAP Rate	7.50%
GLA	12,096 SF
Year Built	2003
Lease Term Remaining	6 Years

NOTES

This was a NNN investment sale, and was paid for in all cash. Petco's initial lease expires 1/31/2024, and they have one 10-year option to renew.

PETCO
233 S Stewart Rd, Liberty, MO, 64068



Close Of Escrow	5/2/2018
Sales Price	\$2,314,000
CAP Rate	7.02%
GLA	12,500 SF
Year Built	2017
Lease Term Remaining	10 Years

NOTES

he subject property is a single tenant Petco NNN leased investment on a new 10.5 year lease with rental increases in base term and options.

PETSMART
155 Lowes Blvd, Lexington, NC, 27292



Close Of Escrow	1/27/2017
Sales Price	\$4,240,000
CAP Rate	7.01%
GLA	18,016 SF
Year Built	2016
Lease Term Remaining	10 Years

NOTES

This property is single tenant leased to PetSmart and was delivered 2016. PetSmart signed a 10 year NN lease commencing December 12th, 2016 and has four five year options with \$1/sf rent increases every five years.

PETSMART
250 Fairview Dr, Carson City, NV, 89701



Close Of Escrow	3/30/2018
Sales Price	\$3,262,500
CAP Rate	7.60%
GLA	18,394 SF
Year Built	2002

NOTES

Lease Term Remaining 6 Years
Currently the property is occupied by PetSmart with 6 1/2 years left on their lease.

PETSMART
3728 N Prince St, Clovis, NM, 88101



Close Of Escrow	11/20/2018
Sales Price	\$4,150,000
Price/SF	\$225.02
CAP Rate	7.25%
GLA	18,443 SF
Year Built	2017
Lease Term Remaining	9 Years

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OVER 23 YEARS AT THIS LOCATION

3860 ELMORE AVENUE DAVENPORT, IA 52807

OFFERING MEMORANDUM



PETCO
Supplies • Fish & Grooming

EXCLUSIVELY LISTED

Listed In Conjunction With:

Jon Ruzicka

Marcus & Millichap Real Estate

Investment

Services Iowa

Broker License S63379000

Jeff R. Rowlett

Senior Vice President Investments

Senior Director - National Retail Group

Milwaukee Office

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