



7448 Pav Way | Prescott Valley, AZ 86314 (Phoenix MSA)

OFFERING MEMORANDUM

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4

PROPERTY OVERVIEW

7

FINANCIAL OVERVIEW

10

AREA OVERVIEW

15

TENANT OVERVIEW

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PROPERTY ADDRESS

7448 Pav Way,
Prescott Valley, AZ 86314



NET RENTABLE AREA

± 157 SF



LIST PRICE

\$417,391



CAP RATE

5.75%

INVESTMENT HIGHLIGHTS



Long-Term Absolute NNN Lease - 11±-year lease with zero landlord responsibilities



Ideal 1031 Exchange Property - Offers a potential investor a safe, long-term, hands-off investment



Small Price Point - This offering is just **\$417,391!**



Top MSA in Arizona - 3rd Largest MSA in Arizona. Prescott Valley, is 3rd only behind Phoenix & Tucson



Dense Market - There are **± 5,000 - ± 51,000** residents within the 1-mile and 5-mile radius with growth **6% - 8% growth** expected over the next 5 years



± 1 miles from the Yavapai Regional Medical Center East Campus Emergency Room, recognized by Centers for Medicare & Medicaid Services (CMS) as one of modern hospitals which are scientifically measured and assessed to have high-quality health care services for promoting health and improving the quality of life



Walking Distance to Findlay Toyota Center - \$35 million multipurpose facility located in Prescott Valley, Arizona. The arena seats approximately 5,100 for hockey, soccer and football and up to 6,200 for concerts. Findlay Toyota Center has 2,365 parking spaces, 22 private luxury suites, and two party suites



Strategic Location - Located directly on the corner of E Pav Way, which features over **10,000 VPD** adjacent I-69 which sees over **30,000 VPD**



Major Retail Corridor - Store strategically located in major retail that features national tenants such as Walmart Supercenter, Safeway, Starbucks, McDonald's, Khol's, Harkins Theaters, Chick fil A, Chipotle, Walgreens, CVS, Bank of America, Taco Bell, KFC, Buffalo Wild Wings, Etc



Accelerated Depreciation Opportunity - Subject property gives a future landlord the ability to utilize accelerated depreciation to receive significantly higher after-tax cash flow on this property than other net lease investments



PROPERTY OVERVIEW

PHYSICAL DESCRIPTION

**PROPERTY
ADDRESS**

7448 Pav Way
Prescott Valley, AZ 86314

**NET
RENTABLE AREA**

± 157 SF

**YEAR
BUILT**

2009

**CURRENT
OCCUPANCY**

100.0%

**AVERAGE TERM
REMAINING**

11 Years

**APN**

103-02-720G

PARCEL MAP







FINANCIAL OVERVIEW

EXECUTIVE SUMMARY

| Suggested List Price | \$417,391 |
|----------------------|------------|
| Gross Leasable Area | 157 SF |
| Cap Rate | 5.75% |
| Year Built | 2009 |
| Lot Size | 0.67 Acres |

TENANT SUMMARY

| Tenant Trade Name | Valero |
|-----------------------|---------------------|
| Type of Ownership | Fee Simple |
| Lease Guarantor | Personal |
| Lease Type | NNN |
| Roof and Structure | Tenant Responsible |
| Original Lease Term | 15 Years |
| Lease Commencment | 7/30/15 |
| Rent Commencemnt | 7/30/15 |
| Lease Expiration Date | 5/31/30 |
| Term Remaining | 11.00 |
| Increases | 25% Every 5 years |
| Options | Two, 5-Year Options |

ANNUALIZED OPERATING DATA

| | Monthly Rent | Annual Rent | Rent PSF | CAP |
|------------------------|--------------|-------------|----------|--------|
| Current - June 1, 2020 | \$2,000 | \$24,000 | \$152.87 | 5.75% |
| 6/1/2020 - 5/31/2025 | \$2,500 | \$30,000 | \$191.08 | 7.19% |
| 6/1/2025 - 5/31/2030 | \$3,000 | \$36,000 | \$229.30 | 8.63% |
| Option 1 | \$3,600 | \$43,200 | \$275.16 | 10.35% |
| Option 2 | \$4,320 | \$51,840 | \$330.19 | 12.42% |





AREA OVERVIEW

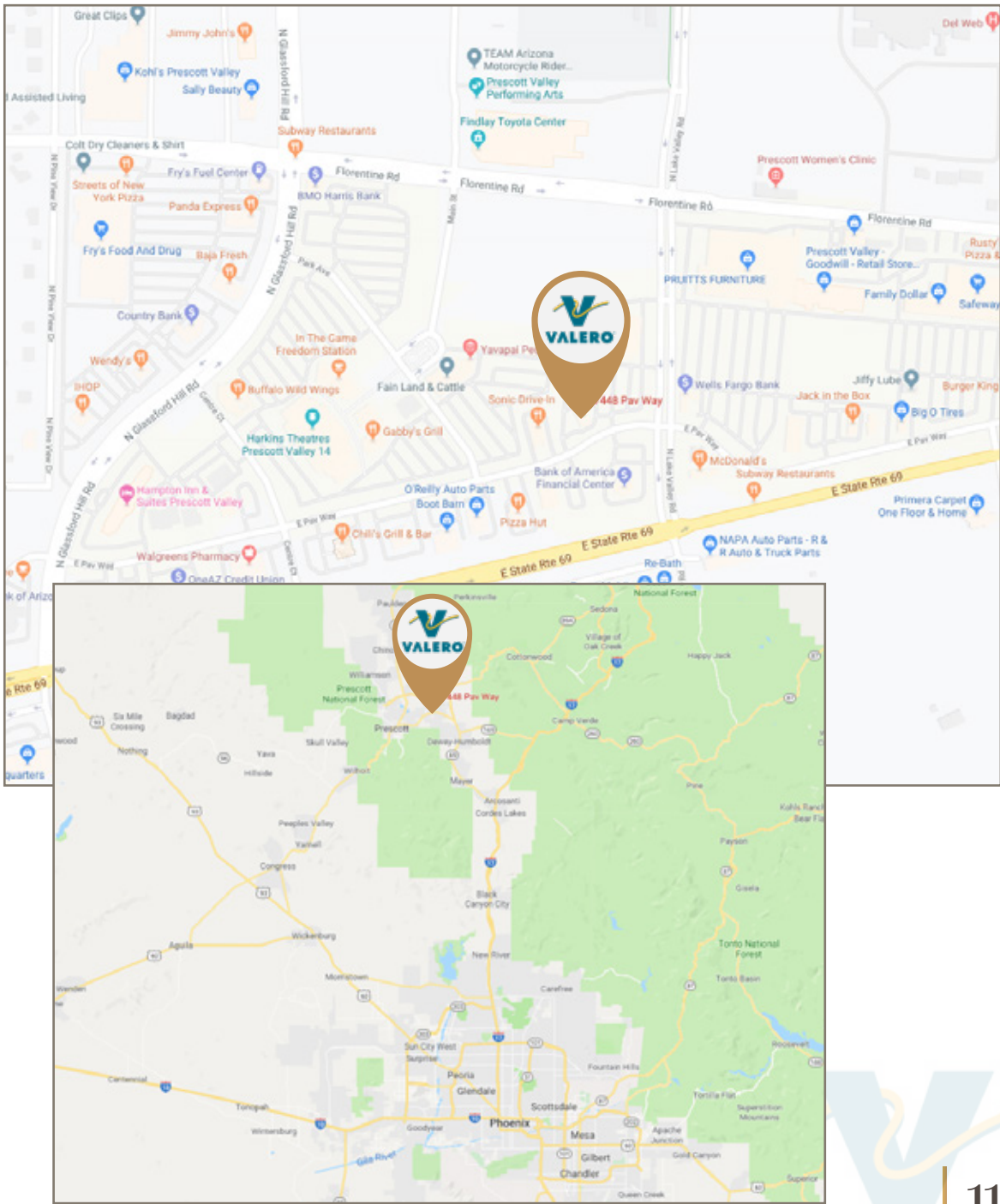
PRESCOTT VALLEY, AZ

Prescott Valley is a town located in Yavapai County, Arizona about 8 miles east of Prescott. Prescott Valley was the seventh fastest-growing place among all cities and towns in Arizona. Prescott Valley’s economy consists of industrial, manufacturing, retail and service businesses. There are many attractions of Prescott Valley that keep people visiting the town. For instnace, Prescott Valley is located just 10 minutes from the Prescott National Forest where visitors can enjoy fishing, lakes, hiking, and camping. Additionally, the Entertainment District is located downtown and offers a variety of restaurants, a 6,000-seat events center, a multi-screen movie theater, and retail shops. Outside of shopping and exploring, Prescott Valley also is home to various sports teams such as The Northern Arizona Suns (a minor league basketball team), Arizona Sundogs (minor league hockey team), and Arizone Adrenaline (indoor football team.)

DEMOGRAPHICS

| Population | 1 Mile | 3 Mile | 5 Mile |
|--------------------------|----------|----------|----------|
| 2024 Projection | 4,728 | 36,910 | 54,752 |
| 2019 Estimate | 4,430 | 34,926 | 51,404 |
| 2010 Census | 3,962 | 31,820 | 45,668 |
| Growth 2019-2024 | 6.73% | 5.68% | 6.51% |
| Growth 2010-2019 | 11.81% | 9.76% | 12.56% |
| Households | 1 Mile | 3 Mile | 5 Mile |
| 2024 Projection | 1,775 | 14,697 | 22,436 |
| 2019 Estimate | 1,652 | 13,816 | 20,951 |
| 2010 Census | 1,453 | 12,349 | 18,326 |
| Growth 2019-2024 | 7.45% | 6.38% | 7.09% |
| Growth 2010-2019 | 13.70% | 11.88% | 14.32% |
| Income | 1 Mile | 3 Mile | 5 Mile |
| Average Household Income | \$52,479 | \$63,835 | \$65,857 |
| Median Household Income | \$38,131 | \$50,871 | \$53,486 |

LOCATION MAP



FINDLAY TOYOTA CENTER

Findlay Toyota Center (Formerly the Prescott Valley Event Center) is a \$35 million multipurpose facility located in Prescott Valley, Arizona. The arena seats approximately 5,100 for hockey, soccer and football and up to 6,200 for concerts. The facility can also host boxing, basketball, rodeo, ice shows, and theatrical productions as well as banquets, weddings, and fundraising galas. Findlay Toyota Center has 2,365 parking spaces, 22 private luxury suites, and two party suites. It was designed and built to meet all ADA specifications to accommodate our guests with disabilities.

Findlay Toyota Center is owned by the Town of Prescott Valley and has been professionally managed by Spectra Venue Management since Fall 2017. Spectra manages over 750 clients and creates world-class experiences through innovative and customized management solutions. Spectra's Findlay Toyota Center management team has over 50 years of experience in venue management and is committed to hosting and presenting the highest-quality events in the industry.

The center offers visitors to experience shows from the club level. This level consists of 80 luxurious, oversized loge seats, an exclusive club for club and suite patrons, a private balcony and exclusive club and suite level restrooms.



PHOENIX, ARIZONA

Phoenix currently stands as the largest city in Arizona and sixth largest in the United States with a population of over 1.5 million and a consistent growth rate of 4% each year. Not only do people move to this area for the sunshine and high quality of life, but also for job opportunities. Out of all the metro areas in the United States, Phoenix has been ranked as one of the fastest growing economies consistently for the past 20 years. Along with the growing economy in Phoenix, the state of Arizona as a whole is number 1 in projected job growth and entrepreneurial activity. The population and employment opportunities in Phoenix continue to grow at rates higher than expected. The economy in Arizona is accelerating.

Phoenix, Arizona is rapidly growing in regards to commercial real estate, specifically with multifamily properties. The city is in a multifamily construction boom with no sign of slowing down. The average units delivered for new multifamily construction has already surpassed the Phoenix MSA 20-year average with 5,448 project units being delivered this year.





PHEONIX INDUSTRIES & COMMERCIAL ACTIVITY

Manufacturing and tourism, traditionally the base of the city's economy, continue to be important to Phoenix. Major industrial products manufactured by companies located in the metropolitan area include aircraft parts, electronic equipment, agricultural chemicals, radios, air-conditioning equipment, leather goods, and native American crafts.

Tourism is an especially vital part of the economy. With more than 16 million visitors from the throughout the United States and Canada annually visiting for the warm weather and sunshine in the Valley of the Sun, Phoenix continues to be an important resort center. Flights from Phoenix travel to 89 locations within the United States and 17 cities internationally including destinations in Norway, Sweden, Greenland, Mexico, India, and Canada. The airport is constantly seeking to improve its facilities as is demonstrated by the nearly 80 ongoing slated projects costing an upwards of \$600 million.

Population and economic growth have made Phoenix the center of the state's economy. More than a third of the state's entire labor force works in the Phoenix metropolitan area. Further, many Fortune 500 companies operate within the area such as Boeing, Bank of America, Time Warner Telecom, IBM, and Intel.



TENANT OVERVIEW

TENANT OVERVIEW



HEADQUARTERED

San Antonio, Texas



YEAR FOUNDED

1980



WEBSITE

www.valero.com

Valero Energy Corporation, through its subsidiaries, is an international manufacturer and marketer of transportation fuels and other petrochemical products. Valero, a Fortune 50 company based in San Antonio, Texas, with approximately 10,000 employees, is an independent petroleum refiner and ethanol producer, and its assets include 15 petroleum refineries with a combined throughput capacity of approximately 3.1 million barrels per day and 11 ethanol plants with a combined production capacity of approximately 1.45 billion gallons per year. The petroleum refineries are located in the United States, Canada and the United Kingdom, and the ethanol plants are in the Mid-Continent region of the U.S. In addition, Valero owns the 2 percent general partner interest and a majority limited partner interest in Valero Energy Partners LP, a midstream master limited partnership. Valero sells its products in both the wholesale rack and bulk markets, and approximately 7,400 outlets carry Valero's brand names in the U.S., Canada, the U.K. and Ireland.

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Valero located at 7448 Pav Way, Prescott Valley, AZ 86314** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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