

# MAACO COLLISION REPAIR

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



1250 Cesar E Chavez Ave, Pontiac, MI 48340



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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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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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# Investment Highlights

PRICE: \$1,481,481 | CAP: 6.75% | RENT: \$100,000



## About the Investment

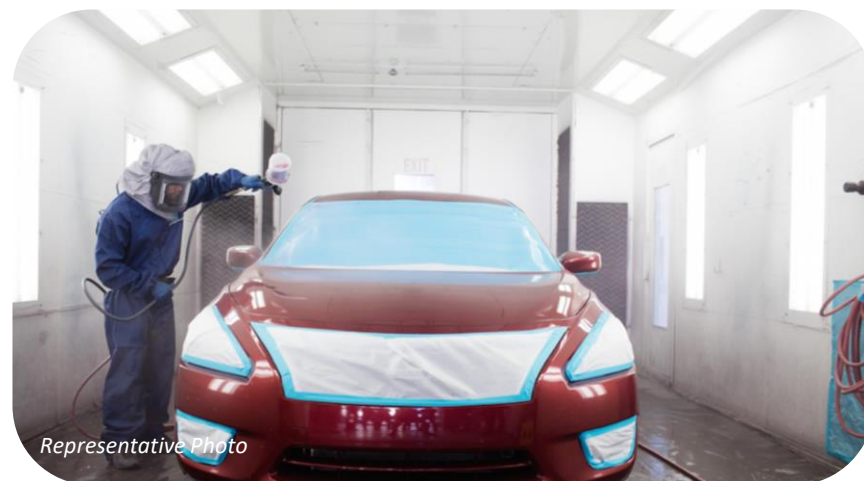
- ✓ 20-Year Absolute Triple Net (NNN) Lease; Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ Growing Franchisee that Could Lead to a Credit Increase in the Future
- ✓ Strong Hedge Against Inflation | Attractive Annual Rental Increases of 2.0%

## About the Location

- ✓ Dense Retail Corridor | Harbor Freight Tools, GameStop, Big Lots, Dollar General, Dollar Tree, Taco Bell, McDonald's and Many More
- ✓ Features High Visibility & Ease of Access on Cesar E Chavez Ave
- ✓ Strong Traffic Counts | Cesar E Chavez Ave & Telegraph Rd | Average 40,714 and 30,062 Vehicles Per Day Respectively
- ✓ Compelling Location Fundamentals | Located Approximately Three Miles from a General Motors Plant

## About Maaco

- ✓ Operates 500+ Locations Across the U.S. & Canada
- ✓ Has Serviced 20 Million+ Cars Since 1972
- ✓ Named the #1 Automotive Franchise Numerous Times by Entrepreneur in its Annual Franchise 500 Ranking
- ✓ Constantly Expanding and Looking to Grow







# Financial Analysis

PRICE: \$ 1,481,481 | CAP: 6.75% | RENT: \$100,000



## PROPERTY DESCRIPTION

Property	Maaco Collision Repair
Property Address	1250 Cesar E Chavez Ave
City, State, ZIP	Pontiac, MI 48340
Building Size	16,605 SF
Lot Size	+/- 1.61 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,481,481
CAP Rate	6.75%
Annual Rent	\$100,000
Price / SF	\$89
Rent / SF	\$6.02

## LEASE SUMMARY

Property Type	Net-Leased Automotive
Ownership Type	Private
Tenant	SRAG of Troy, LLC (9-Units)
Original Lease Term	20 Years
Lease Commencement	August 29, 2017
Lease Expiration	May 31, 2038
Lease Term Remaining	18+ Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rent Escalations	2.0% Annually
Options to Renew	One (1), Ten (10) Year Option

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current	\$100,000	\$8,333	-
Year 3	\$102,000	\$8,500	2.00%
Year 4	\$104,040	\$8,670	2.00%
Year 5	\$106,121	\$8,843	2.00%
Year 6	\$108,243	\$9,020	2.00%
Year 7	\$110,408	\$9,201	2.00%
Year 8	\$112,616	\$9,385	2.00%
Year 9	\$114,869	\$9,572	2.00%
Year 10	\$117,166	\$9,764	2.00%
Year 11	\$119,509	\$9,959	2.00%
Year 12	\$121,899	\$10,158	2.00%
Year 13	\$124,337	\$10,361	2.00%
Year 14	\$126,824	\$10,569	2.00%
Year 15	\$129,361	\$10,780	2.00%
Year 16	\$131,948	\$10,996	2.00%
Year 17	\$134,587	\$11,216	2.00%
Year 18	\$137,279	\$11,440	2.00%
Year 19	\$140,024	\$11,669	2.00%
Year 20	\$142,825	\$11,902	2.00%



# Concept Overview



## About Maaco Collision Repair & Auto Painting:

As America's #1 Bodyshop, Maaco has serviced more than 20 million cars since 1972. Our 500 plus independently owned and operated franchises have restored the safety and beauty of vehicles for more than 40 years. Whether it's automotive paint or collision services that you need, Maaco is here to help you transform your car and help you turn the car you drive, back into the car you love. We work with all insurance companies and guarantee our work with nationwide warranties. Maaco has trademarked the term 'North America's Bodyshop.' The franchises provide auto paint and auto body repair services for over 500,000 vehicles a year, more than any other paint and body repairer. Maaco has been named the #1 automotive franchise numerous times by Entrepreneur in its Annual Franchise 500 ranking.

## Maaco History:

Ten years before MAACO's founding, Martino had launched AAMCO Transmissions with partner Robert Morgan. He created both names by using the first letters from his name (Anthony A. Martino). In 1967, with close to 500 stores in operation, Martino sold AAMCO to Morgan. In 1972, Martino opened a pilot auto painting center in Wilmington, Delaware. He chose the name MAACO (Martino, Anthony A. and Co.) to instill confidence in potential franchisees who knew of AAMCO's success. The new company grew quickly, with close to 200 franchises open in less than five years.

## Driven Brands Acquisition of Maaco:

In October, 2008, Driven Brands of Charlotte, N.C., a holding company which owns Meineke Car Care Centers, Inc. as well as Econo Lube and other auto service related concerns, purchased Maaco outright from Martino's family after his death in January 2008.



## General Information

Founded	1972
Website	<a href="https://www.maaco.com/">https://www.maaco.com/</a>
Headquarters:	Charlotte, NC
Number of Locations	500+ Across U.S. & Canada



- North America's Body shop
- 500+ Locations
- Serviced 20 Million+ Cars Since 1972
- #1 Ranked Automotive Franchise Numerous Times by Entrepreneur in Annual Franchise 500 Ranking

**MAACO** is North America's #1  
Auto Painting & Collision Repair Shop  
We help you turn the car you drive back into the car you love!



## ABOUT HERITAGE PARTNERS GROUP

### Who We Are

*Heritage Partners Group is an investment and operations platform that partners with the world's most enduring consumer brands.*

*We are committed to embracing the strategic initiatives of our brand partners, and our best-in-class operations executives bring an unparalleled level of experience and expertise to the management and growth of our organization. We invest in growth using patient financial capital with a non-prescriptive time horizon, but we consider human capital to be by far our most valuable asset. We strive to hire, train and empower the most talented and motivated people on the planet while building an organization where people love to work, every day.*

### Our Name

*As our name implies, we have a tremendous amount of respect for the heritage of the businesses, communities and family capital sources that we partner with. We aim to create significant value for these stakeholders by combining the legacies we inherit with our innovative, disciplined approach and the Heritage philosophy: ownership, accountability and integrity.*

## ***A True Partnership Philosophy Defines Success***

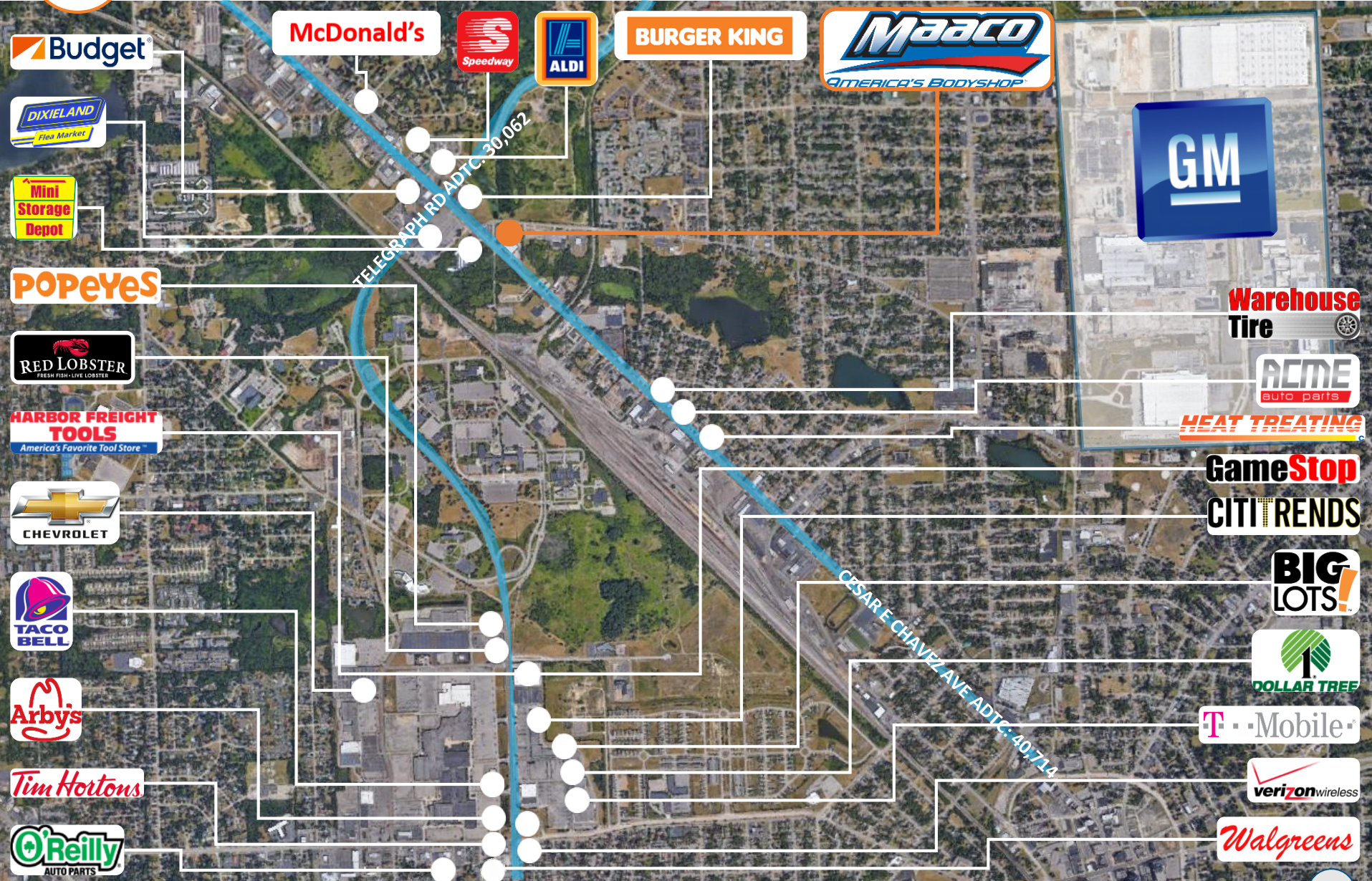






# Surrounding Area

Property Address: 1250 Cesar E Chavez Ave, Pontiac, MI 48340







# Property Photo







# Surrounding Area Photos







# Location Overview

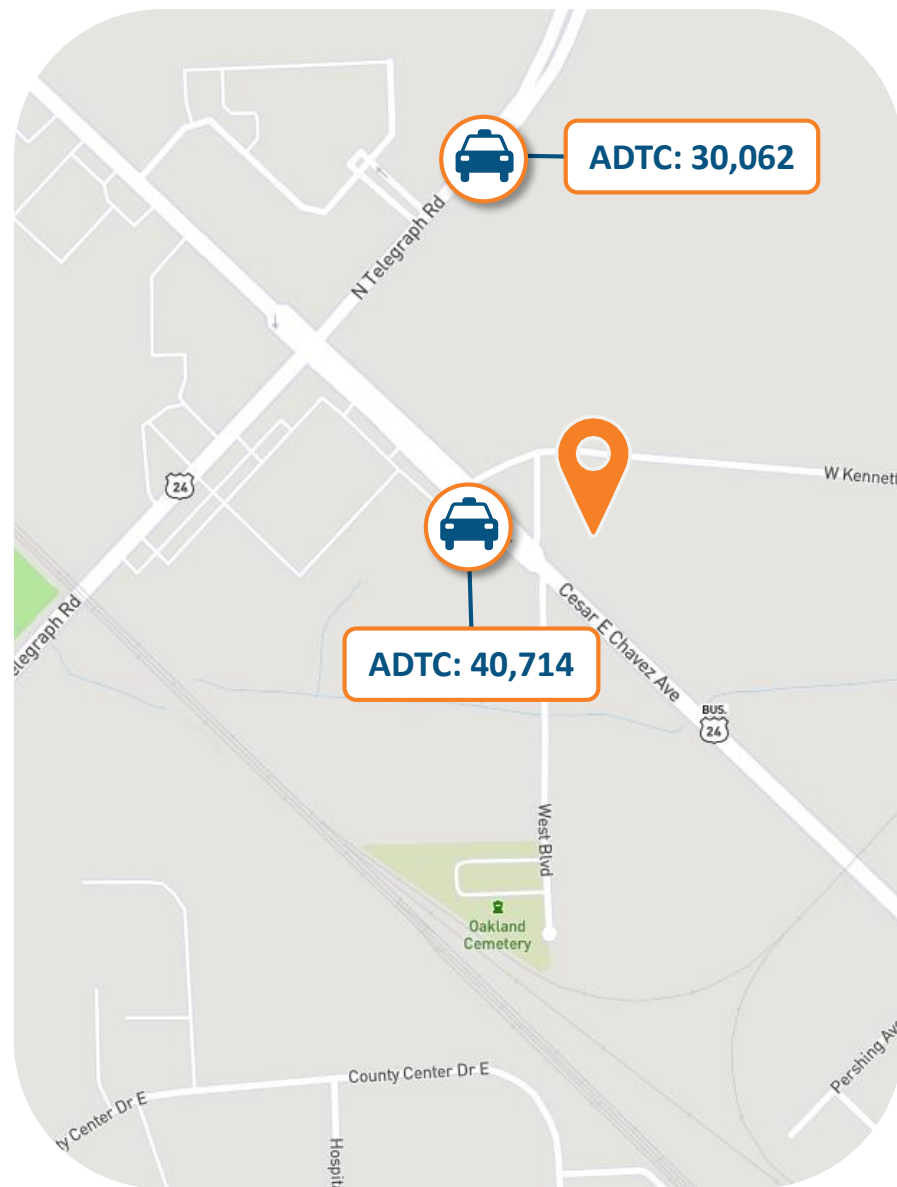
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This Maaco investment property is situated on Cesar E Chavez Ave, which experiences average daily traffic counts exceeding 40,714 vehicles. Intersecting with E Chavez Ave is Telegraph Road, which brings an additional 30,062 vehicles into the immediate area on average daily. There are more than 71,940 individuals residing within a three-mile radius of the property and nearly 159,086 individuals within a five-mile radius. The site is situated in an affluent community, which an average income of over \$72,000 within a five-mile radius.

The subject property is strategically positioned in a dense retail corridor benefiting from its proximity to major national and local tenants. Major national tenants located in the surrounding area include: Harbor Freight Tools, GameStop, Big Lots, Dollar General, Dollar Tree, Taco Bell, McDonald's, Red Lobster, Popeyes, Aldi as well as many others. This site also benefits from its close proximity to Pontiac Metal Center, a General Motors plant that employs 350 workers and is located less than 3 miles from the subject property. Oakland University and Oakland Community College are both located within seven miles from the subject property and have a total combined enrollment of over 46,000 students. This Maaco property benefits from its location within a dense retail corridor in addition to its location nearby many apartment communities and homes.

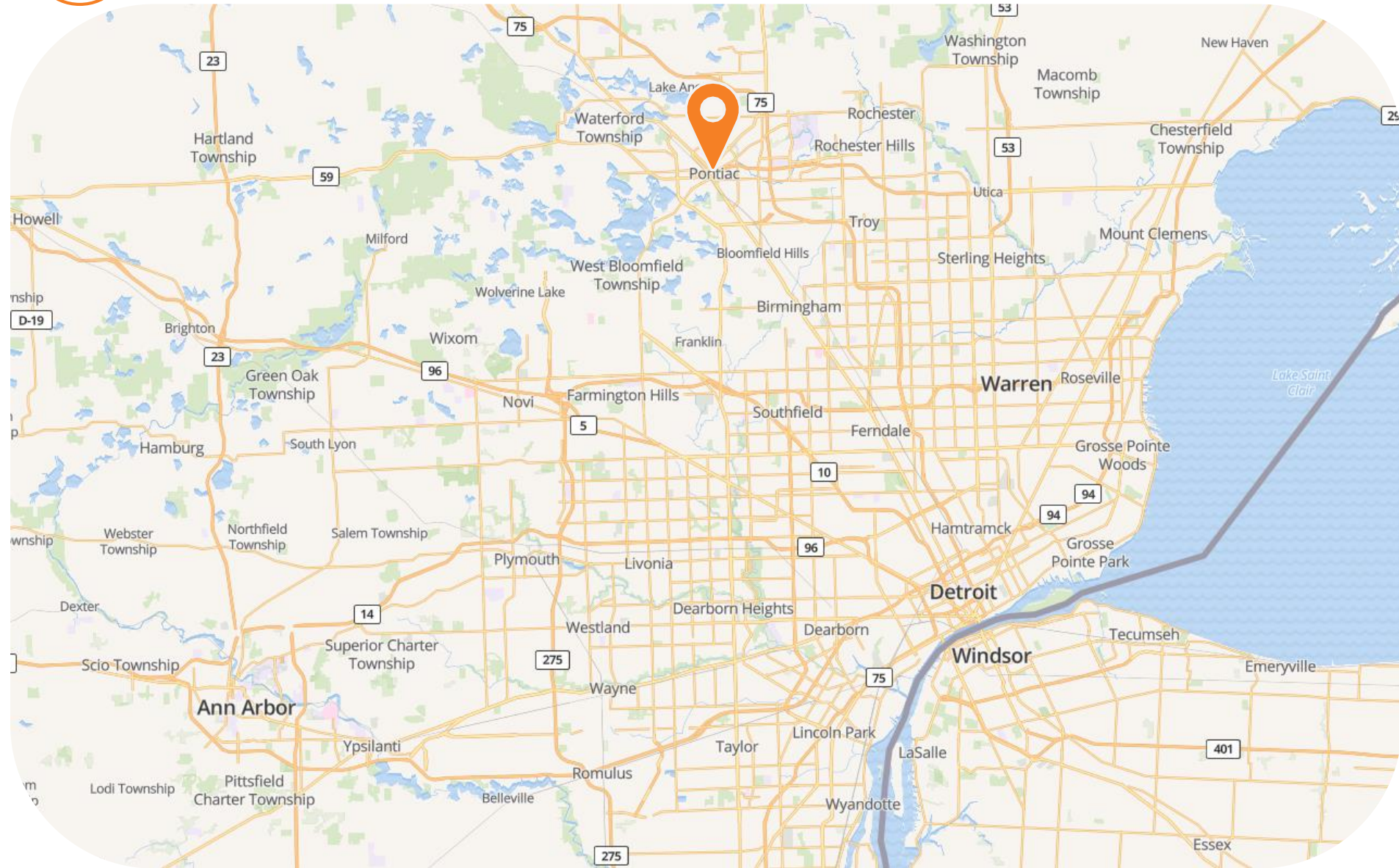
Regionally, the city of Pontiac was known for the Arts, Beats and Eats Festival, a widely attended summer festival featuring an art show, musical concert venues, and a sampling of food from numerous regional restaurants. In 2010, the festival was moved to nearby Royal Oak. The First Annual Scheme Cruise was held September 6, 2015, an event sponsored by the Scheme Street Battle League. The event combined rap battles, basketball competitions, and a car show. The city is at the north end of the famous Woodward Avenue which extends as a major boulevard into Detroit. It was originally lined with mansions and prestigious businesses. In the 1950s and 1960s it was popular with young people who would "cruise" and drag-race their hot-rods in the area. Pontiac participates in the annual Woodward Dream Cruise, an event celebrating Woodward's hot-rod history, stretching from Detroit to Pontiac. Downtown Pontiac's nightlife includes nightclubs and music venues such as Club Visions, Tonic, and The Crofoot. Pontiac is home to the Michigan Fallen Heroes Memorial. It is located within the Oakland County Government Complex off Telegraph Road.





# Local Map

Property Address: 1250 Cesar E Chavez Ave, Pontiac, MI 48340

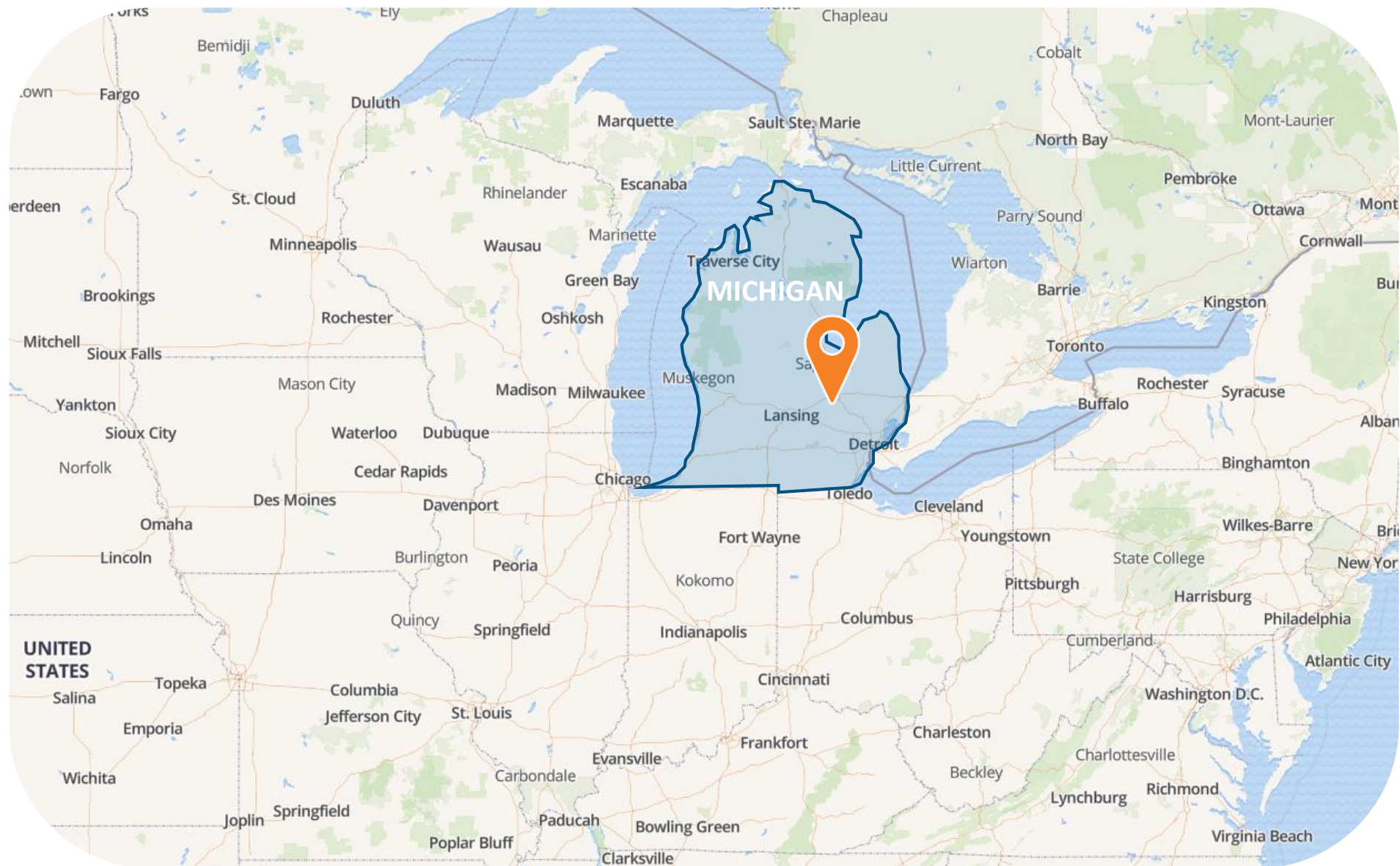






# Regional Map

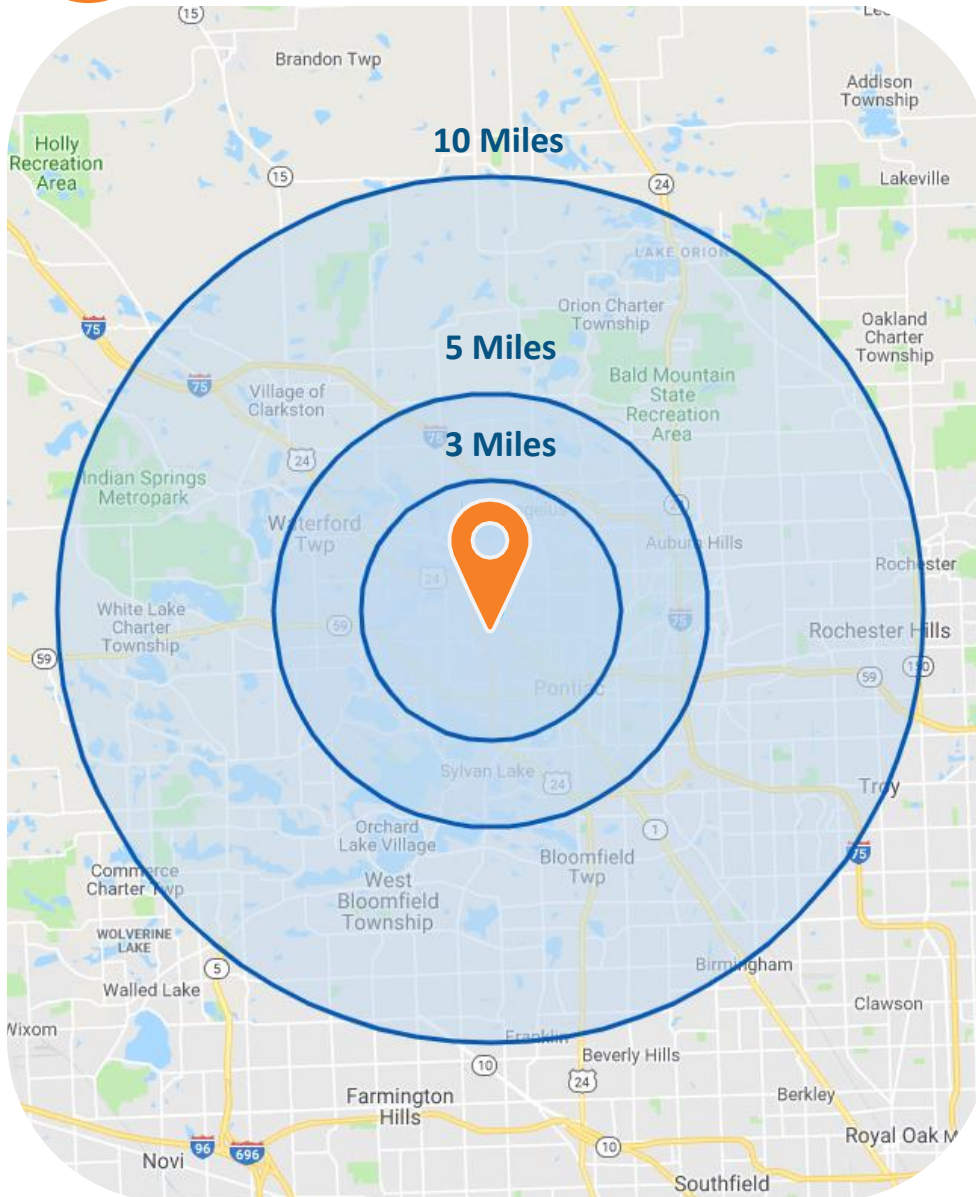
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# Demographics

Property Address: 1250 Cesar E Chavez Ave, Pontiac, MI 48340



## POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	71,942	159,086	511,021
2018 Estimate	71,789	158,268	499,980
2010 Census	69,943	153,382	480,212
2000 Census	76,414	161,424	480,120

## INCOME

	3 Miles	5 Miles	10 Miles
Average	\$61,918	\$72,270	\$120,704
Median	\$44,243	\$50,293	\$81,894
Per Capita	\$24,538	\$29,005	\$46,991

## HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2023 Projection	28,234	63,842	199,575
2018 Estimate	27,845	62,849	193,699
2010 Census	27,079	60,739	185,462
2000 Census	28,758	62,522	180,667

## HOUSING

	3 Miles	5 Miles	10 Miles
2018	\$114,642	\$137,298	\$256,261

## EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2018 Daytime Population	68,677	177,875	523,513
2018 Unemployment	5.80%	5.13%	3.88%
2018 Median Time Traveled	28 Mins	28 Mins	28 Mins

## RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	59.96%	63.71%	76.77%
Native American	0.04%	0.03%	0.02%
African American	26.13%	24.75%	11.79%
Asian/Pacific Islander	2.94%	2.91%	6.66%





# Market Overview

City: Pontiac | County: Oakland | State: Michigan

## *Detroit, Michigan*

**Detroit** is the largest and most populous city in the U.S. state of Michigan, the largest American city on the United States–Canada border, and the seat of Wayne County. The city is a major port on the Detroit River and the Detroit Metropolitan Airport is among the most important hubs in the United States. The City of Detroit anchors the second-largest economic region in the Midwest, behind Chicago, and the thirteenth-largest in the United States. Several major companies are based in the city including three Fortune 500 companies. The most heavily representative sectors are automotive manufacturing, finance, technology, and health care. Major companies in the city include General Motors, Quicken Loans, Ally Financial and Little Caesars. In the 2010s, several initiatives were taken by Detroit's citizens and new inhabitants to improve the cityscape by renovating and revitalizing neighborhoods. Downtown Detroit has held an increased role as a cultural destination in the 21st century, with the restoration of several historic theatres and entertainment venues, high-rise renovations, new sports stadiums and a riverfront revitalization project. Detroit's diverse culture has had both local and international influence, particularly in music, with the city giving rise to the genres of Motown and techno, and playing an important role in the development of jazz, hip-hop, rock, and punk music. The erstwhile rapid growth of Detroit left a globally unique stock of architectural monuments and historic places, and since the 2000s conservation efforts managed to save many architectural pieces and allowed several large-scale revitalizations, including the restoration of several historic theatres and entertainment venues, high-rise renovations, new sports stadiums, and a riverfront revitalization project.

## Major Employers

Employer	Estimated # of Employees
Dph-Das LLC	8,550
General Motors	6,576
FCA US LLC	5,315
GKN North America Inc	3,661
Nexteer	3,500
Continental Auto Systems Inc	3,389
Health Care Benefits Plan	3,342
Lj/Hah Holdings Corporation	3,168
Delphi	2,999
County of Oakland	2,957
Ciber	2,900
Chrysler Technology Center	2,603

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