

# SINGLE TENANT

Investment Opportunity



5478 SOUTH POWER ROAD  
**GILBERT** ARIZONA

ACTUAL SITE







EXCLUSIVELY MARKETING BY

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## PROPERTY PHOTO







## INVESTMENT SUMMARY



SRS Real Estate Partners-West, LLC is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NN leased, freestanding, Alamo Drafthouse Cinema investment property located in Gilbert, AZ. The tenant, Alamo Gilbert, LLC, has 15 years remaining in their initial lease term with 3 (5-year) option periods to extend. The lease features a 10% rental increase in May 2025 and rare 2% annual rental increases thereafter throughout the remainder of the initial term and option periods, steadily growing NOI and hedging against inflation. The lease is both personally and franchisee guaranteed, as well as NN in nature with landlord responsibilities limited to roof, structure, and foundation. The site is newly constructed with a brand new roof warranty, limiting future landlord capital expenditures.

The Alamo Drafthouse Cinema is strategically located along S Power Road (26,100 VPD), a north/south retail and commuter thoroughfare, servicing the city of Gilbert. The asset also benefits from its position near State Highway 202 (50,000 VPD), a partial beltway highway system that provides commuters access between Mesa, Chandler, Tempe, and Gilbert, approximately .75 miles north. The site is surrounded by a number of master planned communities, contributing to more than 71,500 households within a 5-mile radius and providing a direct consumer base to draw from. Moreover, the asset is positioned within a strong retail corridor and adjacent to Gilbert Gateway Towne Center, a 462,400 SF neighborhood shopping center, featuring anchor tenants Walmart Supercenter and Target.

The subject property is also located near the Arizona State University Polytechnic Campus, with nearly 5,100 students enrolled in 2018, and the Phoenix-Mesa Gateway Airport, reporting more than 1.3 million passenger boardings in 2017 alone. The 5-mile trade area is supported by more than 217,600 residents and 48,500 employees. The more immediate 3-mile trade area boasts an affluent average household income of \$110,150.





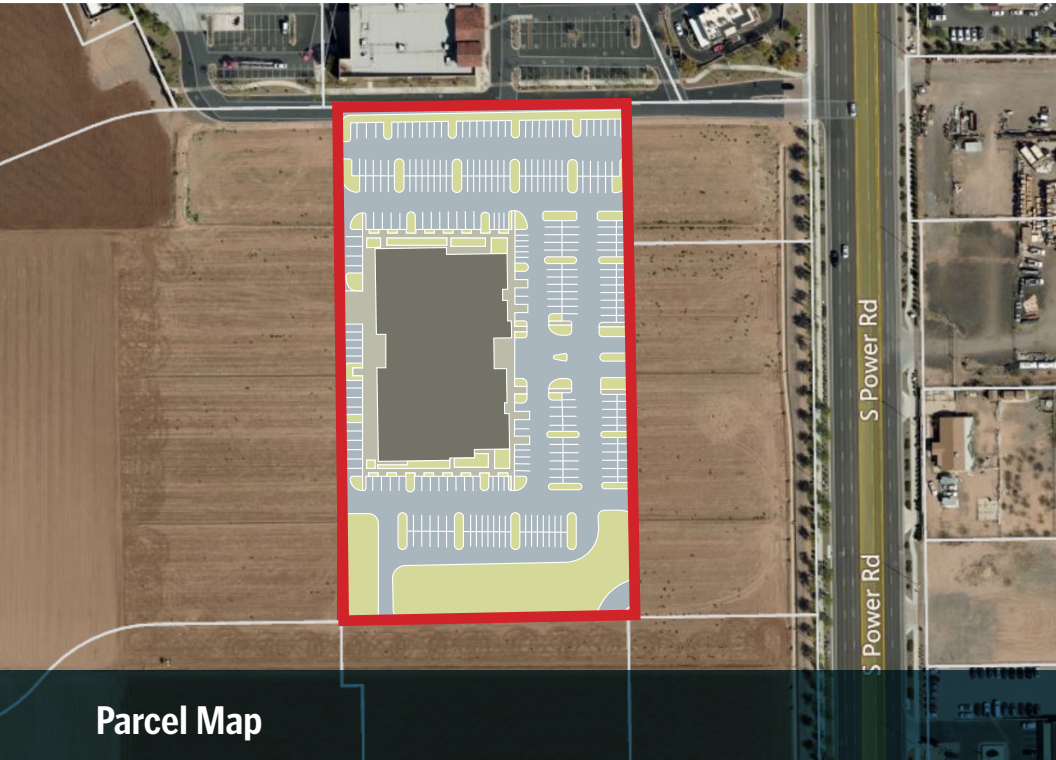
## PROPERTY PHOTOS







## OFFERING SUMMARY



## Offering

PRICING	\$16,573,000
NET OPERATING INCOME	\$1,118,700
CAP RATE	6.75%
GUARANTY	Personal & Franchisee
TENANT	Alamo Gilbert, LLC
LEASE TYPE	NN
LANDLORD RESPONSIBILITIES	Roof, Structure, & Foundation

## Property Specifications

RENTABLE AREA	41,600 SF
LAND AREA	5.52 Acres
PROPERTY ADDRESS	5478 S. Power Road Gilbert, AZ 85295
YEAR BUILT	2019
PARCEL NUMBER	304-39-964
OWNERSHIP	Fee Simple (Land & Building)



### **Brand New 15-Year Lease | Scheduled Rental Increases | Options To Extend | Personal & Franchisee Guaranteed**

- The tenant has 15 years remaining in their initial lease term with 3 (5-year) option periods to extend
- Lease features a 10% rental increases in May 2025 and rare 2% annual rental increases thereafter
- The lease is both personal and franchisee guaranteed

### **NN Lease | Fee Simple Ownership | New Construction | Limited Landlord Responsibilities | In Place Roof Warranty**

- Tenant pays taxes, insurance, and maintains most aspects of the premises
- Landlord responsibilities limited to roof, structure, and foundation
- Building is newly constructed and has a roof warranty in place, limiting future landlord capital expenditures

### **Located Along Major Thoroughfare | Retail Corridor | Near State Highway 202 (50,000 VPD)**

- Located along S Power Road (26,100 VPD), a north/south retail and commuter thoroughfare, servicing the city of Gilbert
- The subject property is located within a retail corridor and adjacent to Gilbert Gateway Towne Center, a 462,400 SF neighborhood shopping center, featuring anchor tenants Walmart Supercenter and Target
- Approximately .75 miles south from State Highway 202 (50,000 VPD), a partial beltway highway system that provides commuters access between Mesa, Chandler, Tempe, and Gilbert

### **Dense Surrounding Residential Consumer Base | Arizona State University Polytechnic Campus | Phoenix-Mesa Gateway Airport**

- Surrounded by a number of master planned communities within the suburbs of eastern Gilbert
- More than 71,500 households within a 5-mile radius
- Dense residential consumer base from which to draw
- Located near multiple points of interest within the Gilbert market, including:
  - Arizona State University Polytechnic Campus with nearly 5,100 students enrolled in 2018
  - Phoenix-Mesa Gateway Airport, which reported more than 1.3 million passenger boardings in 2017 alone

### **Strong Demographics In Trade Area | High Barrier To Entry Submarket**

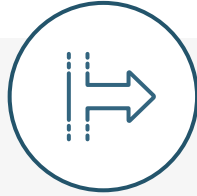
- Dense population with more than 217,600 residents and 48,500 employees supporting the 5-mile trade area
- Residents within the more immediate 3-mile trade area of the subject property boast an affluent average household income of \$110,150
- Dense, infill trade area with extremely high barriers for new development





### Location

Located in  
Maricopa County



### Access

S. Power Road  
2 Access Points



### Traffic Counts

S. Power Road  
26,100 Cars Per Day

State Highway 202  
50,000 Cars Per Day



### Improvements

There is approximately  
41,600 SF of existing  
building area



### Parking

There are approximately  
305 parking spaces  
on the owned parcel.

The parking ratio is  
approximately 7.33 stalls per  
1,000 SF of leasable area.



### Parcel

Parcel Number: 304-39-964  
Acres: 5.52  
Square Feet: 240,296 SF



### Year Built

2019



### Zoning

Commercial













PHOENIX-MESA  
GATEWAY AIRPORT

ARIZONA STATE UNIVERSITY  
POLYTECHNIC CAMPUS

Quick Quack  
CAR WASH

LA FITNESS

THE HOME  
DEPOT

CUBE SMART  
self storage

DESERT GROVE FAMILY MEDICAL

E. GALVESTON ST.

HORNE

26,100  
CARS PER DAY

S. POWER RD.

Sprint

ALAMO  
DRAFTHOUSE CINEMA

GILBERT GATEWAY  
TOWNE CENTER

Party City

Carls Jr.

Walmart  
Supercenter





DESERT GROVE  
FAMILY MEDICAL

Walmart  
Supercenter



Pier 1 Imports



Party City



Tilly's

GILBERT GATEWAY TOWNE CENTER



Sprint

ALAMO  
DRAFTHOUSE CINEMA

26,100  
CARS PER DAY

50,000  
CARS PER DAY



S. POWER RD.





GILBERT GATEWAY TOWNE CENTER



26,100  
CARS PER DAY



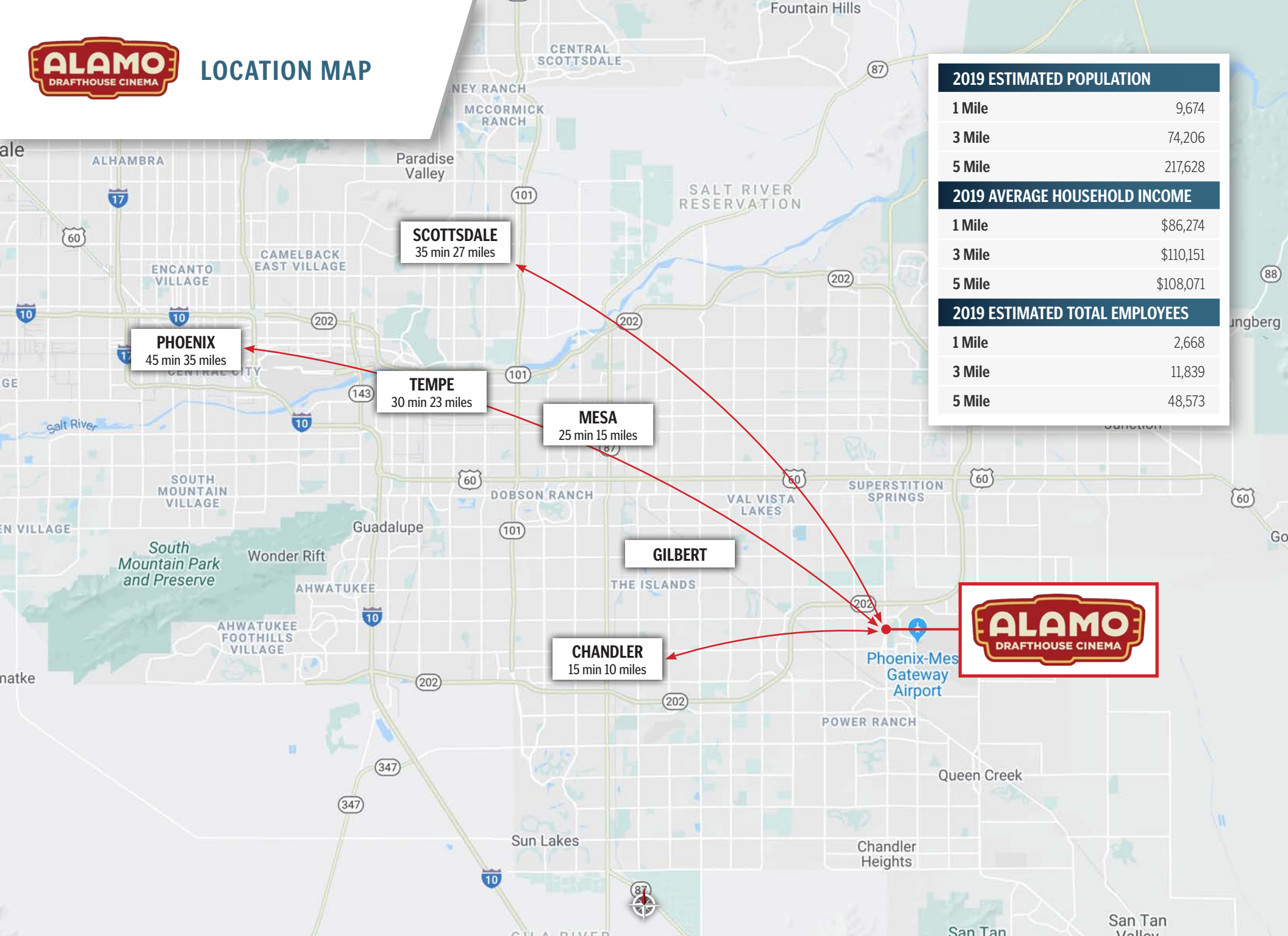
S. POWER RD.







## LOCATION MAP



### 2019 ESTIMATED POPULATION

1 Mile	9,674
3 Mile	74,206
5 Mile	217,628

### 2019 AVERAGE HOUSEHOLD INCOME

1 Mile	\$86,274
3 Mile	\$110,151
5 Mile	\$108,071

### 2019 ESTIMATED TOTAL EMPLOYEES

1 Mile	2,668
3 Mile	11,839
5 Mile	48,573





### Gilbert, Arizona

Gilbert is a town in Maricopa County, Arizona, United States, located southeast of Phoenix, within the Phoenix metropolitan area. Once known as the “Hay Shipping Capital of the World”, Gilbert is currently the most populous incorporated town in the United States. It is the sixth-largest municipality in Arizona, and the fifth-largest in the Metropolitan Phoenix Area. The Town of Gilbert is the 5th largest city in Arizona with a population of 266,971 as of July 1, 2019.

According to the Town’s 2013 Comprehensive Annual Financial Report, the top employers in the city are: Gilbert Public Schools, Banner Health, Mercy Gilbert Medical Center, Town of Gilbert, Fry’s Food and Drug, Go Daddy, Walmart, Chandler Unified School District, B H Drywall, Dillard’s Retail and Distribution.

Most of Gilbert is zoned to schools in the Gilbert Public Schools, while other portions are zoned to districts including the Chandler Unified School District, Mesa Public Schools, and the Higley Unified School District. Also in Gilbert are charter schools such as Edu-Prize (the first charter school in Arizona). The town is also home to Gilbert Christian Schools, a chain of private schools.

Gilbert is home to an annual ‘Gilbert Days’ celebration in late November, a three-day festival in observance of the full paving of Gilbert Road through the town. Additional things to do in and around Gilbert include: The Riparian Institute, The Hale Centre Theatre, Heard Museum of Anthropology and Primitive Arts, Gilbert Historical Museum, Heritage District, Freestone Park, Deer Valley Rock Art Center (nearby Phoenix) and Cave Creek (nearby Phoenix). Included among the recreational facilities in Gilbert are two municipal swimming pools, two community centers, a recreation center, and 14 parks, one of which is a dedicated skateboard park.

Gilbert is primarily served by one area freeway—the Santan Freeway portion of Loop 202. A small section of the US 60 Superstition Freeway also skirts the northern boundary of the town at the Higley Road interchange. Several regional arterials also serve the area, including Williams Field Road, Chandler Boulevard, and Gilbert Road. The town enjoys relative closeness to Phoenix Mesa Gateway Airport, which is located in east Mesa, and is a twenty-five-minute drive from Phoenix Sky Harbor International Airport.

Recently, a park-and-ride facility was constructed in downtown Gilbert for bus service and future commuter rail service. Although the facility borders the Union Pacific (formerly Southern Pacific) tracks and has provisions for commuter rail service, there is currently no such service. However, buses operate to downtown Phoenix, and future commuter rail service to Gilbert will require little modification since most of the facilities are already built. Most people get around by cars or bikes.





## DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	9,674	74,206	217,628
2024 Projected Population	10,853	84,554	242,084
2010 Census Population	7,039	52,737	163,004
Projected Annual Growth 2019 to 2024	2.33%	2.65%	2.15%
Historical Annual Growth 2010 to 2019	2.73%	4.32%	3.28%
2019 Estimated Households	3,076	23,687	71,578
2024 Projected Households	3,458	26,971	79,467
2010 Census Households	2,285	16,880	54,164
Projected Annual Growth 2019 to 2024	2.37%	2.63%	2.11%
Historical Annual Growth 2010 to 2019	2.45%	4.24%	3.15%
2019 Estimated White	77.21%	78.53%	82.51%
2019 Estimated Black or African American	4.84%	5.01%	4.22%
2019 Estimated Asian or Pacific Islander	7.6%	7.96%	6.07%
2019 Estimated American Indian or Native Alaskan	1.94%	1.17%	1.08%
2019 Estimated Other Races	6.42%	5.44%	6.29%
2019 Estimated Hispanic	20.23%	18.48%	18.88%
2019 Estimated Average Household Income	\$86,274	\$110,151	\$108,071
2019 Estimated Median Household Income	\$78,706	\$94,505	\$88,713
2019 Estimated Per Capita Income	\$27,513	\$35,464	\$35,643
2019 Estimated Total Businesses	203	1,071	4,160
2019 Estimated Total Employees	2,668	11,839	48,573







## RENT ROLL

Lease Term						Rental Rates					
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	PSF	Annually	PSF	Recovery Type	Options
Alamo Gilbert, LLC	41,600	Nov. 2019	May 2035	6-Month Rent Abatement Period	-	-	-	-	-	NN	3 (5-Year)
		(Est.)	(Est.)	May 2020	-	\$93,225	\$2.24	\$1,118,700	\$26.89	2% Annual Rental Increases Throughout Option Periods	
				May 2025	10%	\$102,548	\$2.47	\$1,230,570	\$29.58		
				May 2026	2%	\$104,598	\$2.51	\$1,255,181	\$30.17		
Notes:						2% Annual Rental Increases Thereafter					

- 1.) Tenant has the right to assign and sublet the Premises to Affiliate's or legal entity's having a net worth greater than \$5 million.
- 2.) Seller to credit buyer the difference in rent at the close of escrow if Tenant is still in Rent Abatement Period (11/20/2019-5/20/2020).

### FINANCIAL INFORMATION

Price	\$16,573,000
Net Operating Income	\$1,118,700
Cap Rate	6.75%
Lease Type	NN

### PROPERTY SPECIFICATIONS

Year Built	2019
Rentable Area	41,600 SF
Land Area	5.52 Acres
Address	5478 S. Power Road Gilbert, AZ 85295



**For financing options and loan quotes:**

Please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com).





## BRAND PROFILE



COMPANY TYPE

**Private**

LOCATIONS

**37+**

WEBSITE

**drafthouse.com**

## Alamo Drafthouse Cinema

Alamo Drafthouse Cinema was founded in 1997 as a single-screen mom and pop repertory theater in Austin, TX. Twenty-two years later, with 37 locations and counting, Alamo Drafthouse has been called the best theater in America by Entertainment Weekly and the best theater in the world by Wired. Alamo Drafthouse has built a reputation as a movie lover's oasis not only by combining food and drink service with the movie-going experience, but also introducing unique programming and high-profile, star-studded special events. Alamo Drafthouse created Fantastic Fest, a world renowned film festival dubbed The Geek Telluride by Variety. Fantastic Fest showcases eight days of genre cinema from independents, international filmmakers and major Hollywood studios. It was founded in 1997 and headquartered in Austin, Texas.







275+

**RETAIL  
PROFESSIONALS**

25+

**OFFICES**

#1

**LARGEST REAL ESTATE  
SERVICES FIRM**  
in North America  
exclusively dedicated to retail

1500+

**RETAIL LISTINGS**  
in 2018

\$2.6B

**TRANSACTION  
VALUE**  
in 2018

This Offering Memorandum has been prepared by SRS and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

\*Statistics are for 2018