

SINGLE TENANT

Investment Opportunity



1140 EAST BASELINE ROAD
TEMPE 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 Draffthouse Cinema investment property located in Tempe, AZ. The tenant, Alamo Tempe, LLC, has approximately 13 years remaining in their initial lease term with 2 (5-year) option periods to extend. The lease features a 10% rental increase in December 2022 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. There is a current roof warranty in place for the subject property, limiting future landlord capital expenditures.

The Alamo Draffthouse Cinema is strategically located along E Baseline Road, an east/west retail and residential thoroughfare that spans for more than 40 miles across Arizona and through Tempe. The asset has excellent visibility along E Baseline Road and benefits from its position near U.S. Highway 60, a major east/west commuter highway that travels through Phoenix, averaging an additional 197,100 vehicles per day. The site is also surrounded by multiple apartment complexes including The Harper (367 units), The Tides at Lakeside (244 units), and City Scape at Lakeshore (214 units), all contributing to more than 151,600 households within a 5-mile radius of the subject property, providing a direct consumer base to draw from. Moreover, the site is within a strong retail corridor and located near several national/credit tenants, including Fry's Food and Drug, Target, Lowe's, Big Lots, and more, further increasing consumer draw to the trade area. The 5-mile trade area is supported by a dense population of nearly 377,000 residents and 311,000 employees. The more immediate 1-mile trade area boasts a healthy average household income of \$83,600.

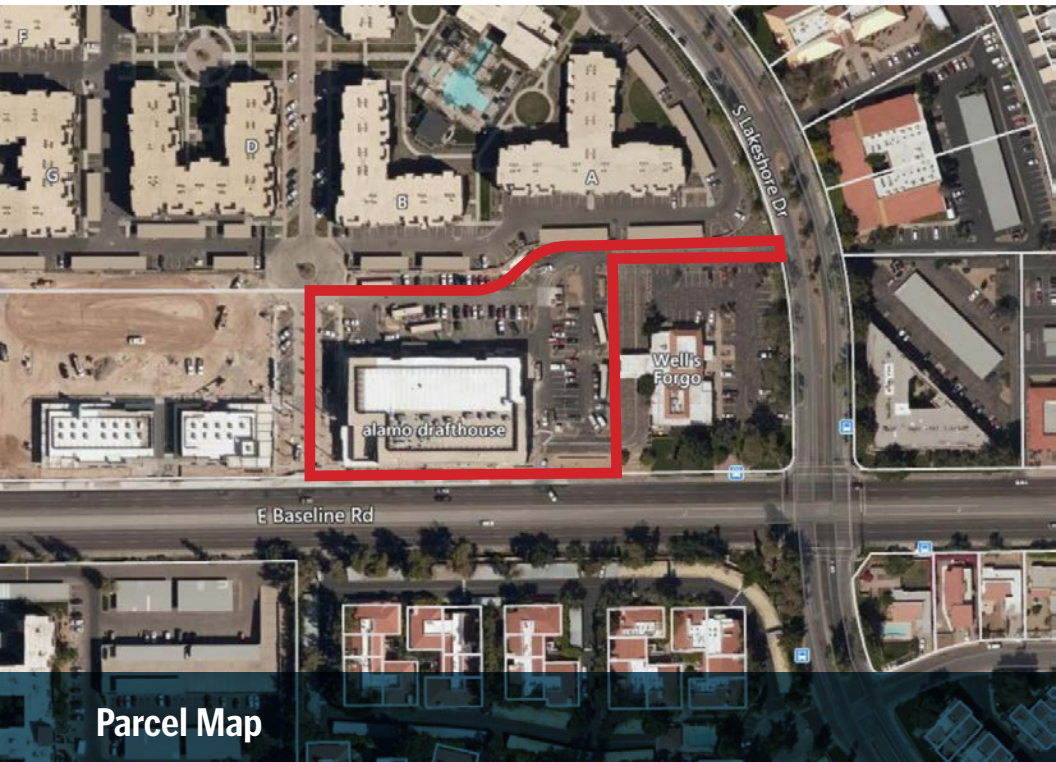


PROPERTY PHOTOS





OFFERING SUMMARY



Parcel Map

Offering

PRICING	\$17,602,000
NET OPERATING INCOME	\$1,188,130
CAP RATE	6.75%
GUARANTY	Personal & Franchisee
TENANT	Alamo Tempe, LLC
LEASE TYPE	NN
LANDLORD RESPONSIBILITIES	Roof, Structure, & Foundation

Property Specifications

RENTABLE AREA	32,570 SF
LAND AREA	2.49 Acres
PROPERTY ADDRESS	1140 E. Baseline Road Tempe, AZ 85283
YEAR BUILT	2017
PARCEL NUMBER	133-38-502
OWNERSHIP	Fee Simple (Land & Building)



INVESTMENT HIGHLIGHTS

13 Years Remaining | Scheduled Rental Increases | Options To Extend | Personal & Franchisee Guaranteed

- The tenant has approximately 13 years remaining in their initial lease term with 2 (5-year) option periods to extend
- Lease features a 10% rental increases in December 2022 and rare 2% annual rental increases thereafter
- The lease is both personal and franchisee guaranteed

NN Lease | Fee Simple Ownership | In Place Roof Warranty | Limited Landlord Responsibilities

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

High Barrier To Entry Submarket | Strong Demographics In Trade Area

- Extremely dense population of nearly 377,000 residents and 311,000 employees support the 5-mile trade area
- Residents within the more immediate 1-mile trade area of the subject property boast a healthy average household income of \$83,600
- Dense, infill trade area with extremely high barriers for new development

Dense Surrounding Residential Consumer Base | Multiple Apartment Complexes

- Surrounded by a number of master planned communities within the suburbs of southern Tempe
- More than 151,600 households within a 5-mile radius
- Dense residential consumer base from which to draw
- Multiple apartment complexes located nearby, including:
 - The Harper (367 units)
 - The Tides at Lakeside (244 units)
 - City Scape at Lakeshore (214 units)

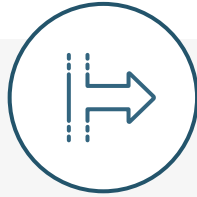
Located Along Major Thoroughfare | Retail Corridor | Near U.S. Highway 60 (197,100 VPD)

- Located along E Baseline Road (28,800 VPD), an east/west retail and residential thoroughfare that spans for more than 40 miles across Arizona
- The subject property is located near several national/credit tenants, including Fry's Food and Drug, Target, Lowe's, Big Lots, and more
- Less than .50 miles from U.S. Highway 60, a major east/west commuter highway that connects through Phoenix, averaging an additional 197,100 vehicles per day



Location

Located in
Maricopa County



Access

E. Baseline Road
2 Access Points

S Lakeshore Drive
1 Access Point



Traffic Counts

E. Baseline Road
28,800 Cars Per Day

U.S. Highway 60
197,100 Cars Per Day



Improvements

There is approximately
32,570 SF of existing
building area



Parking

There are approximately
116 parking spaces
on the owned parcel.

The parking ratio is
approximately 3.56 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number: 133-38-502
Acres: 2.49
Square Feet: 108,485 SF



Year Built

2017



Zoning

PCC-2:
Planned Commercial
Center General







PHOENIX SKY
HARBOR
INTERNATIONAL
AIRPORT

SAFeway
LA FITNESS

Bank of America

Walmart
Supercenter

ARIZONA STATE
UNIVERSITY, TEMPE
CAMPUS

STAPLES
SAFEWAY

CONCENTRIX

cricket
fry's

O'Reilly AUTO PARTS

elecmetal

CVS pharmacy

BIG 5
SPORTING GOODS

ACE
Hardware
OfficeMax
BROADWAY
MARKETPLACE

Firestone
COMPLETE AUTO CARE

DUNKIN'
DONUTS

BIG
LOTS!

scramble

The Porch

H
HARPER

AMF

U.S. HIGHWAY 60

197,100
CARS PER DAY

ALAMO
DRAFTHOUSE CINEMA

WELLS
FARGO



E. BASELINE RD.

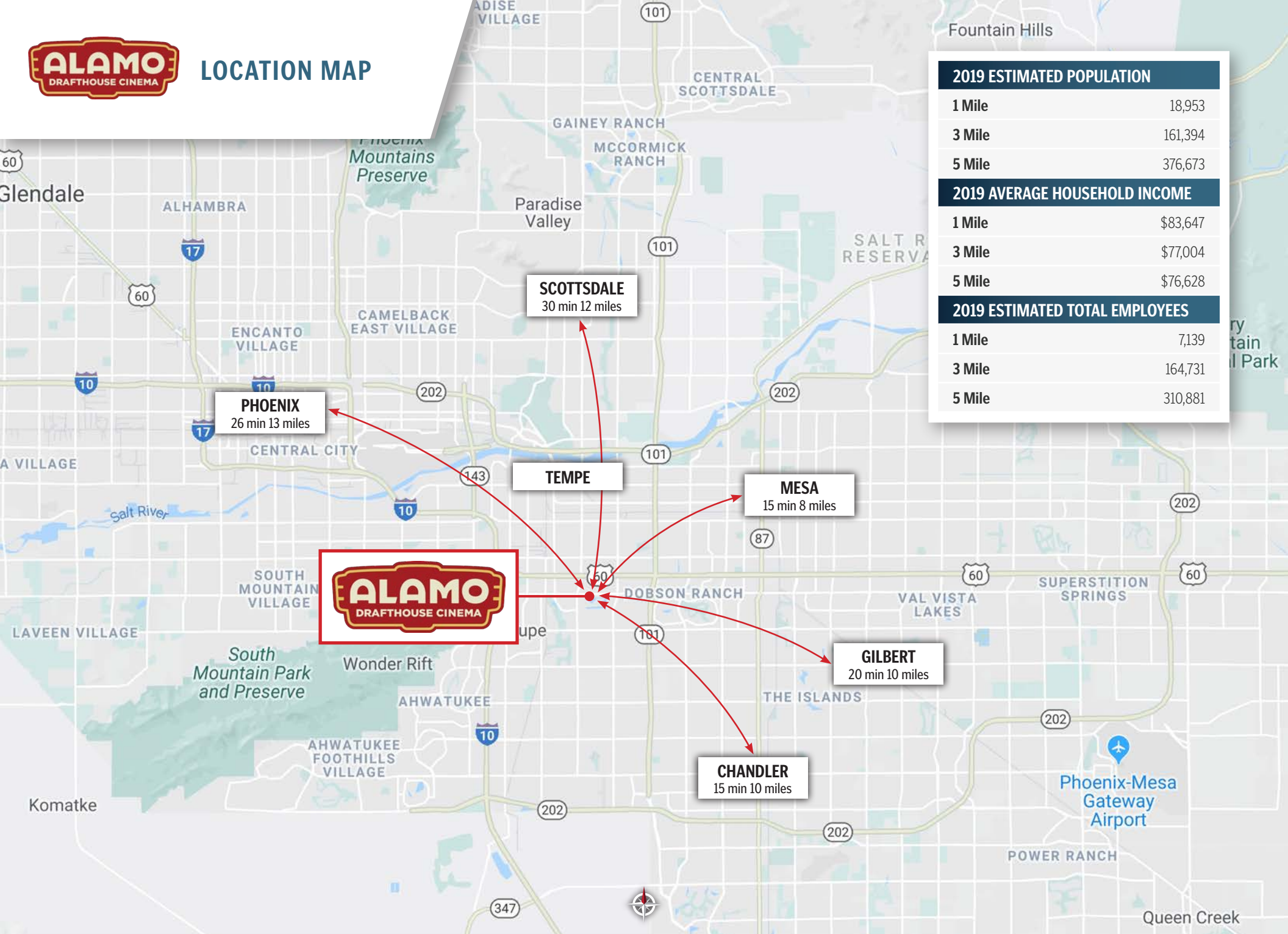
28,800
CARS PER DAY

S. LAKESHORE DR.





LOCATION MAP





Tempe, Arizona

Tempe is located in Maricopa County, Arizona and is bordered by the cities of Phoenix, Scottsdale, Mesa, Chandler and the Town of Guadalupe. The boundaries of Tempe encompass an area approximately 40.1 square miles. The City of Tempe is the 9th largest city in Arizona with a population of 185,792 as of July 1, 2019. Tempe is situated in the central Southeast Valley, 10 minutes from Phoenix Sky Harbor Airport and crisscrossed by five freeways as well as public transit options. Its unique location makes it close to everything and very easy to get to from anywhere else in the Valley.

Tempe maintains one of the most thriving economic environments in the country. Tempe is a top technology center in Arizona and a leading choice for major corporations. Major city initiatives focus on sustainability, quality of life, open data, performance metrics, and inclusivity. Tempe is an urban environment that prides itself on its connectivity, sustainability, and quality of life. With its diverse offerings for activity, entertainment, transportation, employment and workspace, the city leads the Valley with a dynamic sense of place.

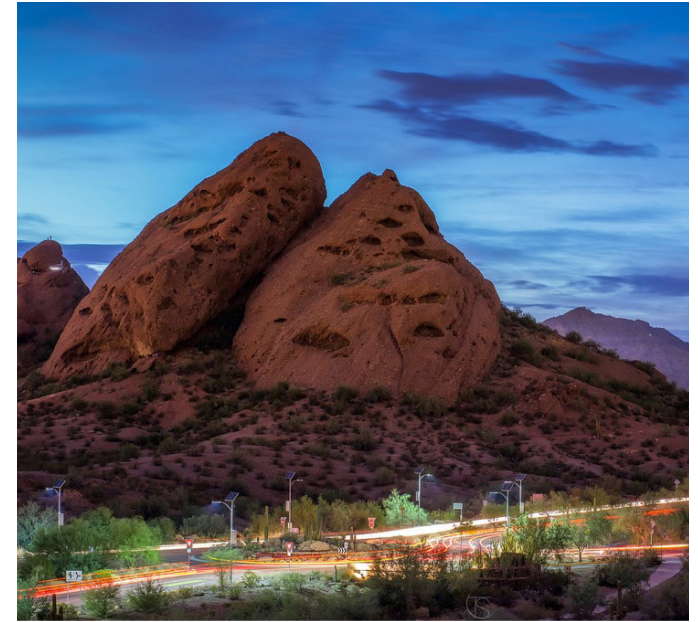
Tempe is a leading choice for major corporations in Advanced Business Services. Companies that work in financial services, insurance, business services and information technology services are proud to call Tempe home. Tempe is home to many advanced manufacturing operations and corporate headquarters for a variety of industries including aerospace and aviation, medical device, sustainable technologies, and high technology. Biotechnology and healthcare industry operations have reached a critical mass in Tempe. This makes it easier than ever to recruit the best staff and find the suppliers needed for business. Tempe is a hotbed for technology - about 20 percent of the jobs are tech-related and about 20 percent of the companies here are tech companies. From aerospace to nanotechnology, from solar energy research to software development and manufacturing, high technology industry leaders have identified a footprint in Tempe.

More than 20 public relations, marketing and advertising agencies have their offices within a mile of Mill Avenue, forging a creative corridor of businesses that thrive on the competition, the ability to exchange ideas, and the opportunity to work on projects together. The mix of creative teams, technology companies, architects and Fortune 500 businesses, along with the students from ASU and the more than 12 other Tempe colleges, generates an electricity that is palpable. The exchange of ideas, the innovation and diversity of those who are in Tempe make the community what it is.



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	18,953	161,394	376,673
2024 Projected Population	20,330	170,714	402,774
2010 Census Population	16,743	146,221	336,169
Projected Annual Growth 2019 to 2024	1.41%	1.13%	1.35%
Historical Annual Growth 2010 to 2019	1.37%	1.1%	1.25%
2019 Estimated Households	7,840	64,672	151,658
2024 Projected Households	8,404	68,503	162,642
2010 Census Households	6,909	58,867	135,291
Projected Annual Growth 2019 to 2024	1.4%	1.16%	1.41%
Historical Annual Growth 2010 to 2019	1.41%	1.05%	1.25%
2019 Estimated White	77.38%	72.51%	72.11%
2019 Estimated Black or African American	7.65%	7.11%	7.47%
2019 Estimated Asian or Pacific Islander	4.43%	6.59%	6.25%
2019 Estimated American Indian or Native Alaskan	2.9%	4.99%	4.26%
2019 Estimated Other Races	7.85%	9.9%	11.7%
2019 Estimated Hispanic	20.89%	24.96%	27.91%
2019 Estimated Average Household Income	\$83,647	\$77,004	\$76,628
2019 Estimated Median Household Income	\$65,082	\$56,632	\$56,535
2019 Estimated Per Capita Income	\$34,801	\$31,177	\$31,118
2019 Estimated Total Businesses	742	5,903	15,737
2019 Estimated Total Employees	7,139	164,731	310,881





RENT ROLL

Lease Term						Rental Rates					
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	PSF	Annually	PSF	Recovery Type	Options
Alamo Tempe, LLC	32,570	May 2017	Nov. 2032	Current	-	\$99,011	\$3.04	\$1,188,130	\$36.48	NN	2 (5-Year)
		(Est.)	(Est.)	Dec. 2022	10%	\$108,912	\$3.34	\$1,306,943	\$40.13	2% Annual Rental Increases Throughout Option Period	
				Dec. 2023	2%	\$111,090	\$3.41	\$1,333,082	\$40.93		
		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.) Landlord is responsible for half the payment of Eligible CAM expenses from month 7 to month 66 of the initial term. Current analysis assumes full pass through.

FINANCIAL INFORMATION

Price	\$17,602,000
Net Operating Income	\$1,188,130
Cap Rate	6.75%
Lease Type	NN

PROPERTY SPECIFICATIONS

Year Built	2017
Rentable Area	32,570 SF
Land Area	2.49 Acres
Address	1140 E. Baseline Road Tempe, AZ 85283





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