



- **Absolute NNN** • **Corporate Guaranteed 18-Year Lease** • **Annual Rental Increases** •



PROFESSIONAL
Carwashing
SINCE 1962

#2

LARGEST CAR
WASH OPERATOR
IN THE U.S.

In Association with Lacey Conway of Latter & Blum Holding, LLC | P: 504-525-1311 | A Licensed Louisiana Broker #BROK.995685215-CORP

OFFERING MEMORANDUM
SHREVEPORT, LOUISIANA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

SHREVEPORT, LOUISIANA

TABLE OF CONTENTS:

Offering Summary	3
Investment Highlights	4
The State of the Car Wash Industry	6
Site Plan / Parcel Map	7
Aerial Overview	8
Regional Map	9
Tenant Profile	10
Area Overview	13
Demographics	14

EXCLUSIVELY LISTED BY:

Austin Blodgett

Vice President
ablodgett@higrea.com
844.585.7624

Eric Wohl

Executive Vice President
ewohl@higrea.com
844.585.7673

CJ Kiehler

Associate
ckiehler@higrea.com
844.585.7608



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

OFFERING SUMMARY

ZIPS CAR WASH



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

LOCATION

Zips Car Wash
2910 Kitty Lane
Shreveport, LA 71107

OFFERING SUMMARY

Price:	\$2,074,000
July 2020 Net Operating Income (NOI) (1):	\$139,963
Capitalization Rate:	6.75%
Net Rentable Area:	4,786
Year Built:	2006
Lot Size (Acres):	1.44

LEASE TERMS (2)

Lease Expiration:	6/30/2038
Lease Term:	Over 18 Years Remaining
Lease Type:	Absolute NNN
Roof & Structure:	Tenant Responsibility
Rental Increases:	Annually; Lessor of 1.5% or 1.25x CPI
Renewal Options:	Six 5-Year Options
Ownership:	Fee Simple

(1) Assumes 1.5% rental increase over prior year.

(2) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



QUICK FACTS

#2
TOP 50 CONVEYER
CAR WASH IN THE U.S.

194
LOCATIONS
ACROSS THE U.S.

400+
TOTAL
EMPLOYEES



INVESTMENT HIGHLIGHTS

ZIPS CAR WASH



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

- **Single-Tenant Corporate Zips Car Wash:**

- Over 18 years remaining in the initial term with six 5-year options to extend
- Absolute NNN with zero landlord responsibilities
- Corporate guaranteed by the 2nd largest U.S. car wash operator
- Annual rental increases throughout the term
- Fee simple investment (offering includes both land and building)

- **Zips Car Wash:**

- 2nd largest car wash operator in the U.S.
 - ◆ Currently operates about 200 express car washes in 17 states
 - ◆ Been in business for just under 20 years
- One of the fastest growing car wash brands in the industry
- Excellent credit for a net-leased car wash investment with strong reported unit level and corporate financials
- Increased number of locations by 30% in the last 12 months

- **Service-Based Internet Resistant Asset Poised for Long Term Success:**

- Highly segmented \$15 billion industry that is growing 4% annually
- Increased car counts nationwide resulting in more daily washes



INVESTMENT HIGHLIGHTS

ZIPS CAR WASH



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

- **Major Downtown Thoroughfare (31,500+ CPD):** Positioned just off Market Street, a major retail thoroughfare traveling directly into downtown Shreveport (Shreveport Convention Center, Sam's Town Hotel & Casino, the 92,000 SF Sci-Port Discovery Center, Louisiana Boardwalk Outlets, and more)
- **Very Low Rent for an Express Car Wash**
- **Convenient On/Off Ramp Access:** This site is the first retail location after exiting Interstate 220 (41,600 CPD), providing customers with convenient on/off ramp access
- **Casino Tourist Destination:** The Shreveport-Bossier area has approximately \$1 billion in annual visitor spending with about \$700 million in gaming revenue
- **Large Pylon Sign and Excellent Frontage:** The property features a large pylon sign, increasing visibility to drivers along Market Street
- **Retail Corridor:** Nearby credit tenants include Brookshire's Grocery, Family Dollar, Shoppers Value Foods, Advance Auto Parts, Taco Bell, AutoZone, Capital One Bank, and more
- **Fully Automated Express Wash Location Requiring Minimal Overhead**
- **The Express Car Wash Model is Convenient, Quick, and Cost Effective for the Consumer:**
 - **Quick** - Barcode sticker on your windshield; fast and easy
 - **Convenient** - Automatic monthly withdrawal from credit/debit card with no long-term contract
 - **Unlimited Wash Club** - Wash your vehicle as many times as you want per month from just \$14.95





WHY THE CAR WASH INDUSTRY IS POISED FOR LONG-TERM GROWTH

- The car wash industry is service-based making it internet-resistant
- Increased car counts nationwide resulting in more daily washes
- Less overhead per location due to the growing express car wash model
- Customer lifetime value is expanding due to unlimited wash monthly subscription programs
- The industry has a more retail feel than 4 decades ago as mergers and acquisitions activity, new investor money, and expansion efforts increase
- More "do it for me" customers going to car washes and less "do it yourself" customers washing their own cars at home



\$15 Billion Industry



2 Billion Cars Washed in 2019



PCD

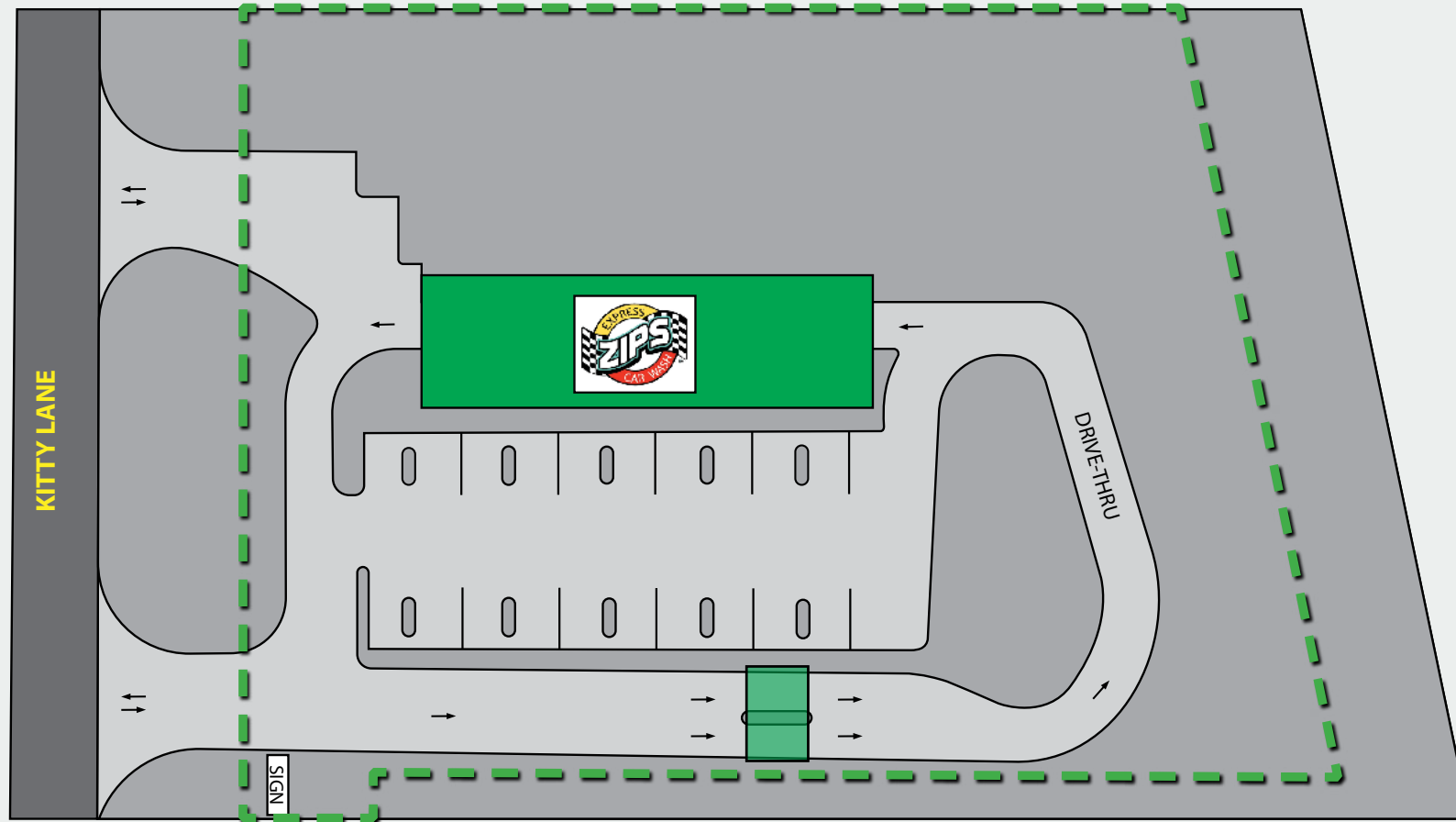
[CLICK FOR ARTICLE](#)

SITE PLAN / PARCEL MAP

ZIPS CAR WASH



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



SUBJECT PROPERTY



PROPERTY PARCEL

APN: 181414-010-0001-00

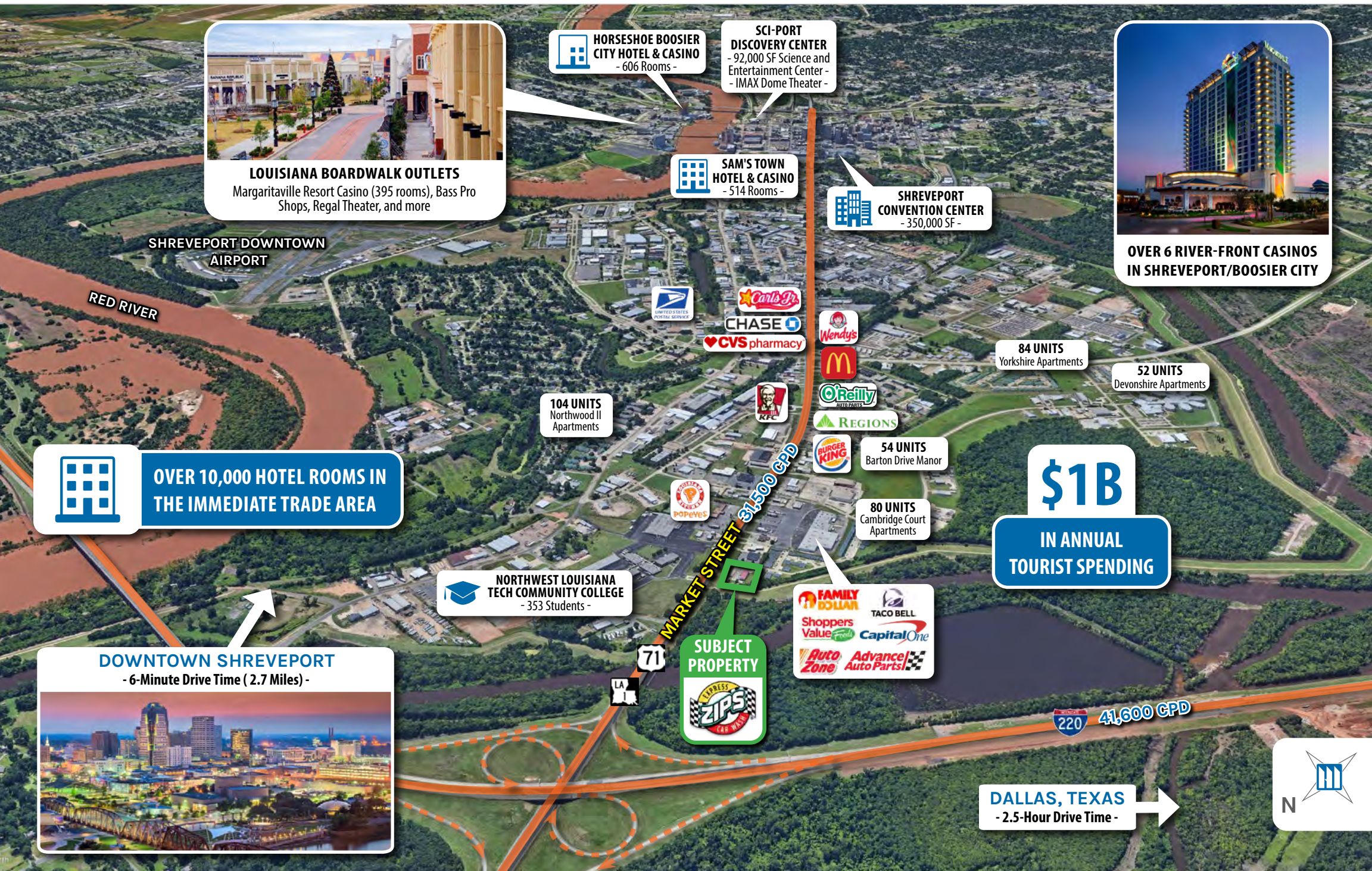


AERIAL OVERVIEW

ZIPS CAR WASH



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



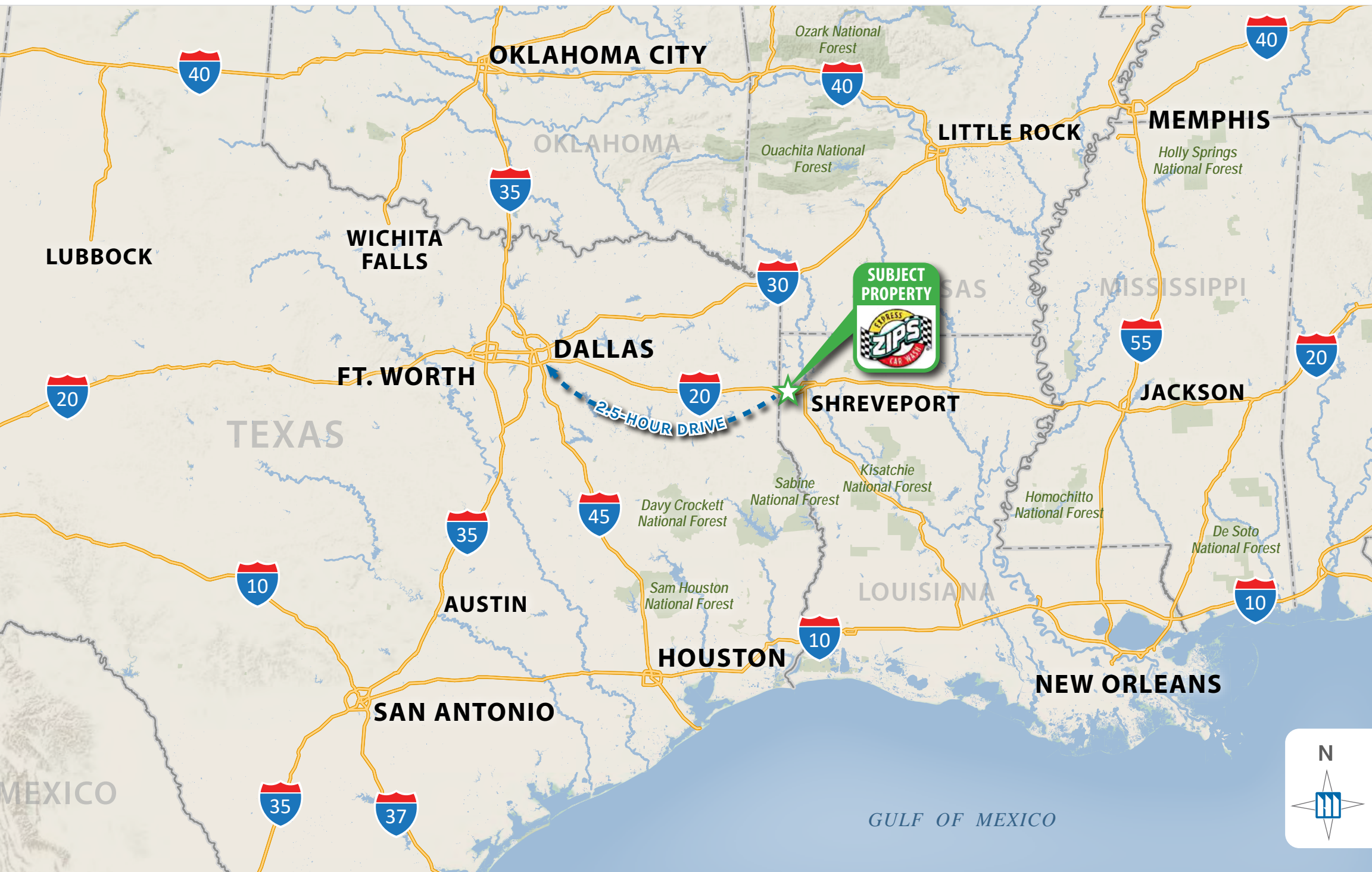
The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

REGIONAL MAP

ZIPS CAR WASH



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



TENANT PROFILE

ZIPS CAR WASH



Zips Car Wash is an express, ride-thru tunnel car washing service that offers the latest technologies in car washing along with fast service. When entering a typical Zips Car Wash, the customer will choose and pay for a selection of wash and wax options at a drive-up station. The customer will then, with the direction of an employee, drive their car onto a conveyor system that pulls the vehicle through a long, covered bay. As it is slowly pulled along, the car is cleaned by whirling brushes and the arms of squid-like scrubbing cloths, and finally blown dry. A wash takes about three minutes to complete. The company also offers free use of high-powered vacuum cleaners on site so customers can clean the interior of their vehicles.

Zips Car Wash offers unlimited monthly wash clubs with the prices ranging from \$14.95 to \$29.95. Technological advancements allows Zips to provide a safe and gentle wash of all vehicles without hurting the environment. All products used are eco-friendly, plus Zips uses a recycling system that saves energy and water with every wash.

Company Type: Private
Locations: 194
Website: www.zipscarwash.com

ZIPS CAR WASH, LLC



Zips Car Wash, LLC. is a highly respected operator and is currently the 2nd largest owner operator of express / conveyor washes in the country. Founded in 2004, their goal is to provide the best customer service and quality wash in the industry. Brett Overman, Zips' founder and chairman attributes the key to the chain's continued success to its 400+ employees. Zips currently has 194 locations across 17 states and is on pace to continue its high growth rate through acquisition and new store development. Zips is a community driven company and strives to give back year round. In 2019, Zips formed a partnership with Susan G. Komen® and created Wash for a Cure. In 2018, Zips contributed over \$150,000 through food drives, homeless shelter supply drives, initiatives to help students Drive Clean® and local schools utilizing their ZipsCares program. According to IBISWorld report, the carwash and auto detailing industry has seen steady growth from 2012 to 2017, with an average estimated 3.1% annual revenue gain and is expected to see continued growth over the next five years, with IBISWorld predicting average annual growth of 1.6% and total revenue hitting \$11 billion in 2021.



GEOGRAPHIC FOOTPRINT

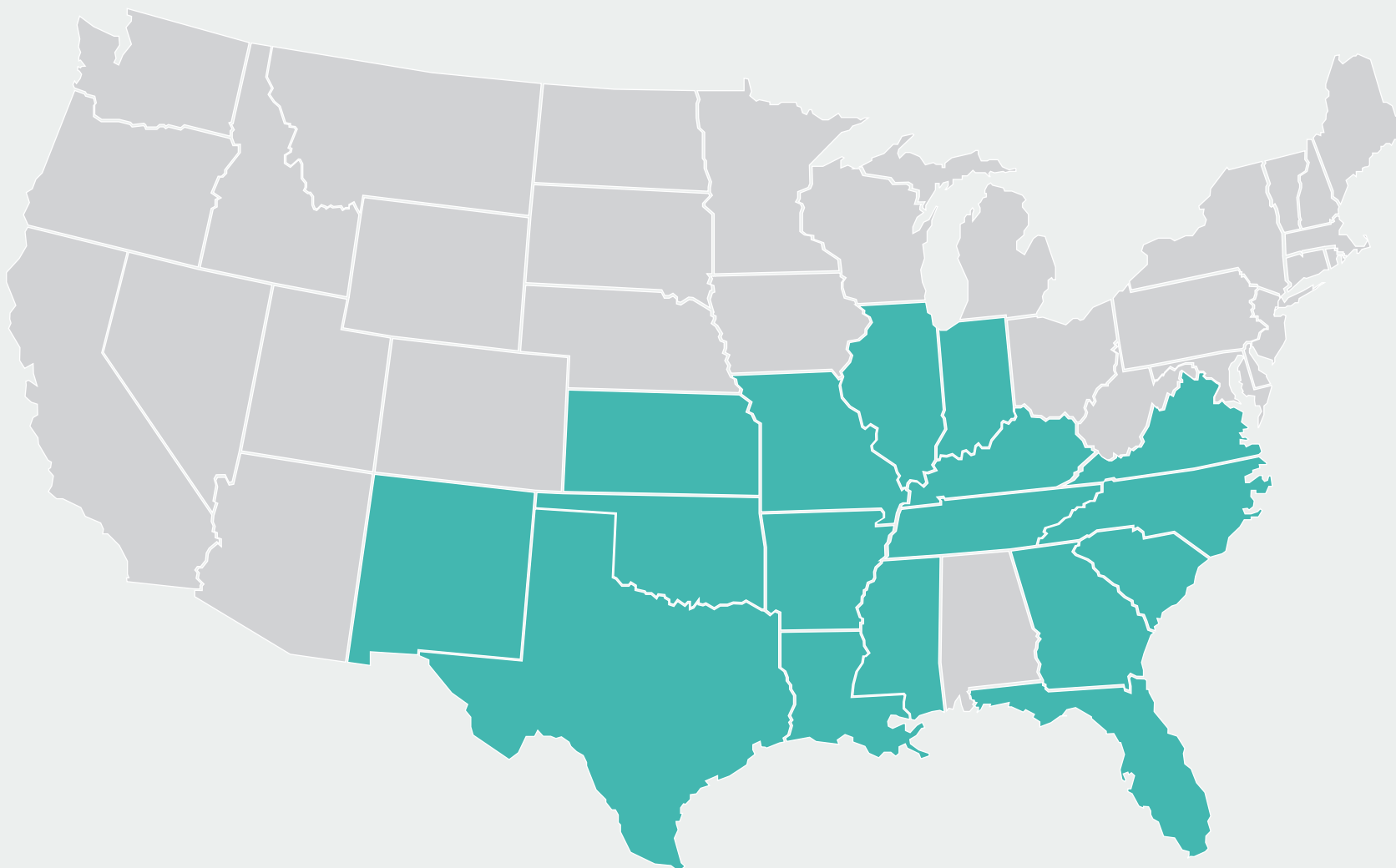
194

Stores

— IN —

17

States



Carwash.com



The 2019 Top 50 List of Conveyor Carwashes

By PCD Staff | November 1, 2019

Welcome to the 2019 Top 50 U.S. Conveyor Chain List, accounting the leading operators of conveyor/tunnel carwashes based on number of locations. Since last year's list, our editorial staff has worked with industry partners as well as carwash owners and operators that are found on the list to compile this research in order to ensure the highest level of credibility possible.

Only five years ago, as our country and industry were in the midst of recovering from one of the most significant economic setbacks in recent decades, our 2014 Top 50 list looked much different. Mister Car Wash led the 2014 list with 134 locations, and the baseline to make the list was only six locations. Zips Car Wash, according to the 2014 list, had 12 locations (now 194 locations). Many of the carwashes on the 2014 list would eventually be acquired by some of this year's Top 50 companies.

PC&D [CLICK FOR ARTICLE](#)

**SHOPPING CENTER
BUSINESS**



Express Car Washes Are a Bright Choice For Net Lease Investors

By Austin Blodgett and Eric Wohl | May 14, 2019

The professional car wash industry is more than 100 years old. Yet, the category has only recently picked up steam as a viable alternative to traditional net leased retail properties for private investors. Savvy private investors in today's complex real estate market are following in the footsteps of what some of the larger REITs are looking to acquire. Namely, single-tenant express car washes. Unlike a McDonald's or a Starbucks, net leased car wash properties are still a relatively new category for private investors. In the past, car washes were only sold with the business and equipment to owner/users looking to start their own business. Now, they are being viewed as extremely profitable and safe investments by large private equity funds, publicly traded REITs, and individual net lease investors.

**SHOPPING CENTER
BUSINESS** [CLICK FOR ARTICLE](#)

Shreveport, Louisiana

- Located at the northwestern border of the state; at the crossroads of 3 major interstate highways: I-20, I-49, and I-220
- Centralized geographic location makes it an ideal commercial distribution hub in the United States
- Commercial and cultural center of the Ark-La-Tex region, where Arkansas, Louisiana, and Texas meet
- Nearly 200,000 residents; 440,000 in the Shreveport-Bossier City metropolitan area
 - Bossier City - 2nd most populous city in the Shreveport-Bossier City metropolitan area

ECONOMY

- Major industries include healthcare, social assistance, retail trade, and educational services
- Top employers in the area include Barksdale Airforce Base (14,023), Willis-Knighton Medical Center (7,374), Caddo Parish Public Schools (5,600), and University Health-Shreveport Hospitals (2,673)
- 2.8 million square feet of office space and home to 1,685 businesses and 11,000+ employees in a 120 block area downtown
- **Shreveport-Bossier Port** - Home to 17 companies and 1,700 employees
- **Barksdale Air Force Base** - Largest employer in the MSA; \$821 million economic impact
- **Shrevepark** - Industrial park home to Coca-Cola, LA Tech, Frymaster, Ivan Smith, Williams, and Tire Rack
- **LSU Health Shreveport** - 2,613 employees; \$2.9 billion economic impact on north Louisiana

- 1 of only 140 academic health science centers in the U.S.
- Comprised of 3 professional schools with 1,450+ students; School of Medicine, School of Allied Health Professions, and School of Graduate Studies
- **Caddo Parish Public Schools** - Serves 38,000+ students with 5,200+ staff; 16 National Blue Ribbon Schools of Excellence Awards

DEVELOPMENTS

- **Cross Bayou Point** - \$1 billion multi-use facility for residents, commercial business, entertainment, and sports; in planning
- **Center for Molecular Imaging and Therapy** - \$14 million expansion; broke ground March 2019
- **The Grove at Garret Farm** - 182 homes in addition to nature trails, a pond and fishing pier; currently under construction

TRANSPORTATION

- **Shreveport Regional Airport** - Located 4 miles from downtown; 683,498 passengers in 2019

City of Shreveport Highlights

#3

**LARGEST CITY
IN THE STATE**

138,641

**TOTAL
EMPLOYEES**

\$821M

**ECONOMIC IMPACT BY
BARKSDALE AIRFORCE BASE**



DOWNTOWN SHREVEPORT



LSU HEALTH SHREVEPORT



SHREVEPORT REGIONAL AIRPORT



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2024 Projection	4,665	18,172	81,037
2019 Estimate	4,628	18,073	79,696
2010 Census	4,633	18,107	78,695
2000 Census	4,000	19,262	82,569
Growth 2019-2024	0.80%	0.55%	1.68%
Households			
2024 Projection	1,119	6,360	32,328
2019 Estimate	1,101	6,281	31,481
2010 Census	1,119	6,384	31,434
2000 Census	1,023	6,705	31,606
Growth 2019-2024	1.63%	1.26%	2.69%
2019 Est. Population by Single-Classification Race			
White Alone	516	2,418	24,435
Black or African American Alone	4,043	15,131	50,711
American Indian and Alaska Native Alone	3	31	303
Asian Alone	12	78	924
Native Hawaiian and Other Pacific Islander Alone	-	5	64
Some Other Race Alone	26	219	1,729
Two or More Races	28	192	1,511
2019 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	79	462	3,971
Not Hispanic or Latino	4,549	17,611	75,725
2019 Est. Average Household Income	\$30,586	\$39,022	\$45,961

CONFIDENTIALITY AGREEMENT

ZIPS CAR WASH



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

EXCLUSIVELY LISTED BY:

Austin Blodgett

Vice President
ablodgett@higrea.com
844.585.7624

Eric Wohl

Executive Vice President
ewohl@higrea.com
844.585.7673

CJ Kiehler

Associate
ckiehler@higrea.com
844.585.7608

In Association with Lacey Conway of Latter & Blum Holding, LLC | P: 504-525-1311 | A Licensed Louisiana Broker #BROK.995685215-CORP



\$6+ BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



TOP BROKERAGE GLOBALLY
in investment sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.