

Advance Auto Parts 



Advance 
Auto Parts

**1135 E Division St
Coal City, IL 60416**

OFFERING MEMORANDUM

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INVESTMENT HIGHLIGHTS



LEASE DETAILS

- **Ideal 1031 Exchange Opportunity:** Corporately guaranteed Advance Auto Parts. The lease expires in 2029, making it a spectacular opportunity for an investor looking for a passive investment.
- **Early Lease extension:** Advance Auto Parts extended their lease to represent a new 10- Year term, demonstrating a strong commitment to the location.
- **“Coupon Clipper” Investment:** The property comes with a 20- Year transferable roof warranty though 2029, which assists this property to operate as NNN investment.
- **Hedging Inflation and Depreciation:** Starting in the Options, there are rare 10% increases every 5 years.



LOCATION/MARKET DETAILS

- **Prime Retail Positioning:** Outstanding visibility and access on a major thoroughfare that sees 28,000 cars per day.
- **Shopping Center Outparcel:** Property occupies one of the outparceled pads to the area’s largest shopping center.
- **One of America’s Safest Cities:** Located just 1-hour South West of Chicago, Coal City is known to be a top 10 Places to raise a family in 2015.
- **Largest Electric Parent Company in the United States:** Located 23 miles from Braidwood generating Station, a 5.2-billion-dollar Nuclear power plant which serves Chicago and northern Illinois with Electricity. Operating since August 1, 1975, Exelon Corporation is responsible for supplying just under 35,000 employees.
- **Coal City High School:** Located on the same thoroughfare (W Division Street) just 2.1 miles from the subject property. Coal City Highschool is home to 700± Coalers.
- **Strong Retail Corridor:** Retailers located on Division Street consist of, Ace Hardware, McDonald’s, Taco Bell, KFC, DaVita Dialysis and Dollar General.



TENANT

- **Investment Grade Credit:** Advance Auto Parts boast strong investment-grade credit of BBB- along with AutoZone, Walgreens, AT&T, Sherwin-Williams, Kroger, and FedEx to name a few.
- **Billion Dollar Company:** Advance Auto Parts is currently valued at \$11 Billion on the New York Stock Exchange with growing sales in 2019, reported at \$9.70 Billion.



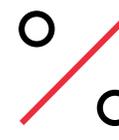
2012
YEAR BUILT



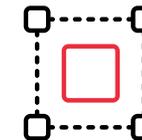
±6,125 SF
GLA



\$1,662,500
LIST PRICE



7.00%
CAP RATE



±0.65 AC
LOT SIZE

TENANT SUMMARY

Tenant Name Advance Auto Parts

Type of Ownership Fee Simple

Lessee Entity Corporate

Lease Type NNN*

Roof and Structure Landlord Responsible

Term Remaining ±9 Years

Original Lease Term 15 Years

Lease Commencement Date 11/30/27

Lease Expiration Date 3/31/29

Options 3, 5-Year Options

*Operates as a NNN lease since the roof warranty extends until the expiration of the base term

ANNUALIZED OPERATING DATA

	MONTHLY RENT	ANNUAL RENT	CAP RATE
Years 1-15	\$9,697.92	\$116,375	7.00%
Option 1	\$10,667.70	\$128,012	7.70%
Option 2	\$11,469.06	\$137,629	8.28%
Option 3	\$12,326.57	\$147,919	8.90%

**COMPANY NAME**

Advance Auto Parts

OWNERSHIP

Public

YEAR FOUNDED

1929

INDUSTRY

Auto Service

HEADQUARTERS

Roanoke, VA

NO. OF EMPLOYEES

±74,000

CREDIT RATING

BBB- (S&P)

TOTAL NET SALES

\$9.7 Billion (2019)

TENANT OVERVIEW

Headquartered in Roanoke, VA., Advance Auto Parts, Inc., the largest automotive aftermarket parts provider in North America, serves both the professional installer and do-it-yourself customers. Advance Auto Parts operates over 4,843 stores, over 168 Worldpac branches and 1,258 independently owned CARQUEST branded stores in the United States, Puerto Rico, the U.S. Virgin Islands and Canada. Employing approximately 74,000 Team Members, the company works hard to create an environment of honesty, integrity, mutual trust and dedication. These values have remained the same since Advance Auto Parts founding in 1929. Advance Auto Parts operates stores that primarily offer auto parts such as alternators, batteries, belts and hoses, chassis parts, clutches, engines and engine parts.

STRATEGY

AAP continues to expand its store network in both new and existing markets to grow its commercial and DIY customer base. In a move that created the largest automotive aftermarket parts provider in North America and surpassed rival AutoZone in sales, AAP acquired privately-held General Parts International, a distributor and supplier of original equipment and aftermarket replacement products for commercial markets operating under the CARQUEST and WORLDPAK brands. The company has also been moving into the commercial market in recent years. To better serve commercial customers, AAP has added more parts from key manufacturers to its inventory and expanded its workforce with parts professionals, delivery drivers, and sales representatives.

SALES & MARKETING

Advance Auto Parts builds its marketing and advertising campaigns around radio, television, direct marketing, mobile and social media, and local in-store marketing. Its "Speed Perks" customer loyalty campaign targets core DIY customers and emphasizes service. The company also employs Spanish-language television, radio, and outdoor ads to reach Latinos.

GEOGRAPHIC REACH

The auto parts chain has stores in all 50 states, as well as Puerto Rico, the US Virgin Islands, and Canada. Florida is the company's largest market with more than 500 stores. North Carolina, New York, Ohio, Pennsylvania, and Georgia are also major markets for Advance Auto Parts, each home to more than 250 stores.

SURROUNDING TENANTS



COAL CITY, IL

Located just south of I-80 along the I-55 Corridor, Coal City is conveniently located at the doorstep of the western suburbs. This allows residents to enjoy the shopping of regional shops and malls in Bolingbrook and Oakbrook, the cultural interests of downtown Chicago including its museums, sports, and performances, and the rest and relaxation of small-town living all available within one day's activities.

Many of the residents enjoy camping, fishing, and boating at the adjoining chain of lakes. Coal City is located within minutes of the Kankakee and Des Plaines rivers, which brings a wealth of additional recreational opportunities including horseback riding. Because of these opportunities, growth has been inevitable. Grundy County has experienced an increase in housing stats and will be the next high growth area.

CHICAGO, IL

Situated on the southwestern shore of Lake Michigan, the City of Chicago covers an area of 60,000 hectares and sits 176 meters above sea level. Chicagoland is an informal name for the metropolitan area associated with the city of Chicago and its suburbs and has no official definition. The region is often considered to include areas beyond its corresponding MSA, as well as portions of the greater CSA.

Chicago has one of the world's largest and most diversified economies, with more than four million employees and generating an annual gross regional product (GRP) of over \$575 billion, which is more than countries like Sweden and Norway. Having been listed as an alpha global city by the Global Cities Index, it is a key player in every sector from risk management innovation and information technology to manufacturing and health services.

The city is an efficient economic powerhouse, home to more than 400 major corporate headquarters, including 36 in the Fortune 500. This gives Illinois the fourth most Fortune 500 headquarters of any state. Boeing, United Continental Holdings, Inc., Exelon Corporation, R. R. Donnelley & Sons Company, and Archer Daniels Midland are just a few of the Fortune 500 companies based in the area. Motorola Solutions, Inc. moved their headquarters from Schaumburg, IL to Chicago. McDonald's has become the latest Fortune 500 company to establish its presence in Chicago as it moved its headquarters from Oak Brook, IL to the windy city.

As a multicultural city that thrives on the harmony and diversity of its neighborhoods, Chicago embodies the values of America's heartland integrity. It is this level of diversification that has resulted in Chicago being rated as having the most balanced economy in the United States. Additionally, its central location allows Chicago to be at the center of global trade, transit and data networks.

DEMOGRAPHICS

POPULATION	3-MILE	5-MILE	10-MILE
2025 Projection	13,391	19,371	54,797
2020 Estimate	13,285	19,276	54,362
2010 Census	13,051	19,182	53,843
Growth: 2020 - 2025	0.80%	0.49%	0.80%
Growth: 2010 - 2020	1.79%	0.49%	0.96%

HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2025 Projection	4,914	7,259	20,081
2020 Estimate	4,902	7,249	20,017
2010 Census	4,895	7,285	20,071
Growth: 2020 - 2025	0.24%	0.14%	0.32%

INCOME	3-MILE	5-MILE	10-MILE
Average HH Income	\$89,766	\$90,958	\$92,813



NAVY PIER

Navy Pier is Chicago's lakefront treasure on the shoreline of Lake Michigan. The pier encompasses more than fifty acres of parks, gardens, shops, restaurants, family attractions and exhibition facilities. Drawing nearly nine million visitors annually, Navy Pier is one of the most visited attractions in the entire Midwest



MILLENNIUM PARK

Located in the Loop community area of the city, Millennium Park is a 25 acre public park that offers awe-inspiring landscape, breathtaking architecture and an iconic collection of public art, such as the iconic Chicago Bean. It is Chicago's premier green space and presents dozens of free events for residents.



WILLIS TOWER

Still commonly referred to as Sears Tower, the Willis Tower is the second-tallest building in the United States. This bustling community of business, tourism and culture offers breathtaking views of the city from its Skydeck. Visitors can experience the Ledge, all-glass balconies that allow visitors to look through the glass floor to the street 1,353 feet below.



JOHN HANCOCK CENTER

The John Hancock Center is currently the eighth tallest building in the country. Equipped with a restaurant and lounge on the 95th floor, the Observatory (360 Chicago), and America's highest indoor swimming pool, the John Hancock Center appeals to residents and tourists alike. From the restaurant, diners can take in views of the city.

MAGNIFICENT MILE

Adjacent to downtown and one block east of Rush Street, the Magnificent Mile is an upscale section of Chicago's Michigan Avenue, which runs from the Chicago River to Oak Street in the Near North Side. Several of the tallest buildings in the country lie in this district, such as the John Hancock Center and the Trump International Hotel and Tower. Serving as the main thoroughfare between Chicago's Loop business district and Gold Coast, the Magnificent Mile contains a mixture of high-end department stores, restaurants, luxury retailers, residential and commercial buildings, financial services companies and hotels, primarily catering to tourists and the affluent.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Advance Auto Parts** located at **1135 E Division St, Coal City, IL 60416** ("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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