

# ADVANCE AUTO PARTS & PEAK MEASUREMENT

960 & 980 ELK STREET | ROCK SPRINGS, WYOMING

NET LEASED INVESTMENT



OFFERING MEMORANDUM



EXCLUSIVELY LISTED BY:

**TIM WESTFALL**

*Managing Director*

602.952.3822

twestfall@ngkf.com

**RYAN MORONEY**

*Director*

602.952.3820

rmoroney@ngkf.com

**JACK MCANDREW**

*Associate*

602.952.3821

jmcandrew@ngkf.com

*Broker of Record:*

*Wills Allen*

*License # RE-14188*

*Firm # 218100*

*Newmark Knight Frank*

**AFFILIATED BUSINESS DISCLOSURE**

Newmark Knight Frank (the "Agent") has been engaged as the exclusive sales representative for the sale of 960 & 980 Elk Street, Rock Springs, Wyoming 82901 (the "Property") by 'Ownership' (the "Seller").

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation (July 29, 2020) of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

TABLE OF CONTENTS

01

EXECUTIVE  
SUMMARY

02

PROPERTY  
DESCRIPTION

03

TENANT  
PROFILES

04

FINANCIAL  
ANALYSIS

05

AREA  
OVERVIEW





01

# EXECUTIVE SUMMARY





## THE OFFERING

Newmark Knight Frank (NKF), as exclusive advisor, is pleased to present the opportunity to acquire 960 & 980 Elk Street, a two-building multi-tenant retail project totaling ±15,000 SF in Rock Springs, WY.

This single-story, two-building property is located in an established and dense Rock Springs submarket and is currently 100% leased. Built in 1970, the Property has ample surface parking and outstanding visibility from Elk Street.

The Property offers an opportunity for an Investor to capitalize on the advantageous location, surrounded by residential and within 1-mile south of Interstate 80 and 1-mile north of Downtown Rock Springs.

## PROPERTY SUMMARY

### ADVANCE AUTO PARTS | PEAK MEASUREMENT & ANALYSIS

960 & 980 Elk Street  
Rock Springs, WY



**12,500 GLA**

Building Area

**1.0 AC**

Shared Land Area



**2,500 GLA**

Building Area

**1905-26-3-00-019-00**

APN

**NN**

Lease Structure

**100%**

Leased

**1970**

Year Built

## OFFERING SUMMARY

**\$1,171,337.50**

Offering Price

**8%**

CAP Rate

## MAJOR TENANT SUMMARY

TENANT	LEASED SF	% OF PROPERTY	LEASE EXPIRATION	RENEWALS
Advance Auto	±12,500	83.33%	08/25/2023	One (1) Five (5) Year
Peak	±2,500	16.67%	7/31/2021	One (1) One (1) Year



## INVESTMENT OPPORTUNITY

Advance Auto currently has 3+ years remaining on a corporate-guaranteed lease (NYSE: AAP) with a 5.00% rent increase in the next five year option. The original 6-year lease began in 2012 and the Tenant recently executed the first of its two (2) five (5) year option periods showing strong commitment to this site. The lease is set to expire on 8/25/2023. Advance Auto Parts (NYSE: AAP) is one of the largest auto parts retailers in the country with over 5,200 locations and an investment grade credit rating BBB- from the S & P.

Peak Measurement & Analysis is an oil field support company helping producers maximize profits through accurate measurement and other solutions while maintaining compliance with BLM requirements. The county of Sweetwater is the largest producer of natural gas in the state of Wyoming. Peak Measurement & Analysis has an experienced crew that are able to assist renowned energy producers in the field by identifying natural gas orifices and by providing accurate differential measurements to their clients.

The freestanding 12,500 SF auto parts store and 2,500 SF flex warehouse are situated on (+/-) 1.00 AC of land with ample surface parking and easy access off Elk Street which sees 14,516 VPD.

## FINANCIAL SUMMARY

**100%**

Leased

**\$1,171,337.50**

Price

**\$93,707**

In-Place NOI

**8.00%**

In-Place Cap Rate

**\$78.10**

Price Per Building SF

**\$26.97**

Price Per Land SF

## INVESTMENT HIGHLIGHTS

### **83% OF RENT ROLL IS INVESTMENT-GRADE**

*Advance Auto has a BBB- rating from S&P*

### **STRONG TENANT COMMITMENT TO SITE**

*Advance Auto exercised their first renewal option early in 2018*

*Peak Measurement recently extended their lease*

### **ATTRACTIVE YIELD**

*8.00% + CAP return on Day 1 of ownership*

### **CORPORATE SIGNATURES**

*From both Advance Auto (NYSE:AAP) and Peak Measurement*

### **SAFE HAVEN FOR PROSPECTIVE INVESTOR**

*Wyoming is an income tax free state*

### **RECESSION AND E-COMMERCE PROOF TENANCY**

*Serving the surrounding residential communities and population within Rock Springs (5th largest city in WY)*

### **LONG-TERM POTENTIAL VALUE**

*Opportunity offers a low price PSF for both the building (\$79.00/SF) and the underlying land (\$26.00/SF)*

### **WESTERN WYOMING COMMUNITY COLLEGE NEARBY**

*Close proximity to Wyoming's largest community college with 2,600 students and 150 staff members*

### **STRATEGIC LOCATION**

*Building has clear visibility from the I-80 freeway which connects Salt Lake City through southern Wyoming and into the midwestern United States*





02

## PROPERTY DESCRIPTION





## NEIGHBORS

Walmart  
Supercenter

AutoZone

Albertsons

O'Reilly  
AUTO PARTS

SUBWAY

WELLS  
FARGO

ACE  
Hardware

Domino's

## PROPERTY HIGHLIGHTS



**15,000 SF**  
GLA



**1970**  
YEAR BUILT



**100%**  
OCCUPANCY





Southwest Wyoming Wool Warehouse

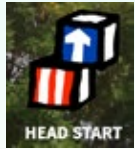


Surfaces Inc.



ELK STREET VPD: #14,516





Shadow Mountain Water of Wyoming

Explore WY ROCK SPRINGS & GREEN RIVER

Storage Plus

Rock Springs  
Civic Center

FIRST BANK  
OF WYOMING

Rocky Mountain  
POWERSPORTS  
& AUTO SERVICE

CRUM  
ELECTRIC SUPPLY

ACE  
Hardware



HONDA



TOYOTA

U-HAUL

sears  
HOMETOWN STORE

Spa World

Safe-Ko Kitchens & Baths

Walmart  
Supercenter



Wendy's



Albertsons

STAPLES

WELLS  
FARGO

O'Reilly  
AUTO PARTS

goodwill

PACIFIC  
STEEL & RECYCLING

DESERT VIEW  
ANIMAL HOSPITAL

brakes plus

ELK STREET  
VPD: 44591









03

TENANT  
PROFILES



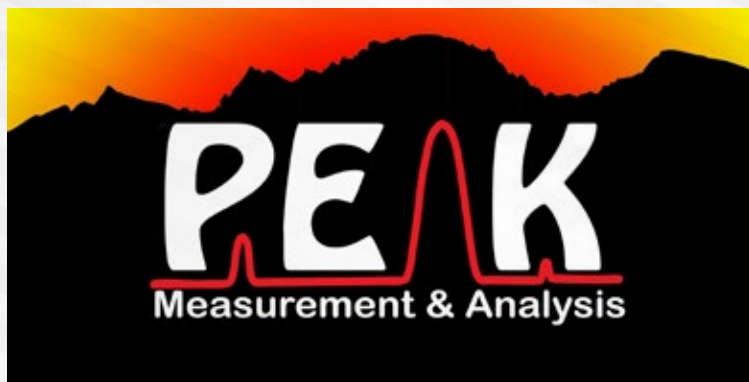
## ADVANCE AUTO PARTS

LEASE EXPIRATION	<b>08/25/2023</b>
SF LEASED	<b>±12,500</b>
% OF TOTAL SF	<b>83.33%</b>
TICKER SYMBOL	<b>NYSE: AAP</b>
NUMBER OF LOCATIONS	<b>4,912</b>
GUARANTEE TYPE	<b>Corporate</b>
WEBSITE	<b><a href="https://shop.advanceautoparts.com/">https://shop.advanceautoparts.com/</a></b>

Advance Auto Parts, Inc. (Advance) is an American automotive aftermarket parts provider. Headquartered in Raleigh, North Carolina, it serves both professional installer and do-it-yourself (DIY) customers. As of July 13, 2019, Advance operated 4,912 stores and 150 Worldpac branches in the United States and Canada. The Company also serves 1,250 independently owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos and British Virgin Islands. The company's stores and branches offer a broad selection of brand name, original equipment manufacturer (OEM) and private label automotive replacement parts, accessories, batteries and maintenance items for domestic and imported cars, vans, sport utility vehicles and light and heavy duty trucks.







## PEAK MEASUREMENT & ANALYSIS

LEASE EXPIRATION	<b>July 31, 2021</b>
SF LEASED	<b>±2,500</b>
% OF TOTAL SF	<b>16.67%</b>
NUMBER OF LOCATIONS	<b>1</b>
GUARANTEE TYPE	<b>Corporate + Personal</b>
WEBSITE	<b><a href="http://www.peakmeasurement.com">www.peakmeasurement.com</a></b>

Peak Measurement & Analysis is a field services company providing oil and gas production and gathering companies with field/mobile measurement and other services. Peak Measurement & Analysis specializes in the following:

- Natural Gas Orifice/Differential Measurement
- Portable/Mobile Natural Gas Chromatography
- Field Oil/Condensate Analysis
- Witnessing of Meter Tests & Meter Proving
- Measurement Systems Troubleshooting & Repair

Their clientele includes:



Southland Royalty Company LLC

SAMSA Resources







04

## FINANCIAL SUMMARY



## EXECUTIVE SUMMARY

BUILDING ADDRESS	<b>960 &amp; 980 Elk Street, Rock Springs, WY</b>
PRICE	<b>\$1,171,337.50</b>
CAP RATE	<b>8.0%</b>
NOI / ANNUALLY	<b>\$102,804</b>
TOTAL BUILDING AREA	<b>±15,000 SF</b>
LAND AREA	<b>±1.0 AC</b>
YEAR BUILT	<b>1970</b>
FINANCING	<b>Free &amp; Clear</b>

## RENT ROLL

TENANT NAME	RSF	RENT ACTUAL (MONTHLY)	RENT ACTUAL (ANNUAL)	RENT PSF (PSF/YR)	PRORATA SHARE	LEASE FROM	LEASE EXP	LEASE TYPE	NEXT INCREASE	RENEWAL OPTIONS
<b>Advance Auto</b>	12,500	\$7,367	\$88,404	\$7.07	83%	9/30/12	8/25/2023	NN	8/26/2023	One (1) Five (5) Year
<b>Peak</b>	2,500	\$1,200	\$14,400	\$5.76	17%	8/1/2020	7/31/2021	NN	8/1/2021	One (1) One (1) Year
<b>Totals:</b>	<b>15,000</b>	<b>\$8,567</b>	<b>\$102,804</b>							



## LEASE SUMMARY



TENANT	<b>Advance Auto Parts</b>
LEASE GUARANTOR	Advance Auto Parts, Inc.
LEASE TYPE	NN
NOI / ANNUALLY	\$88,404
RENT PER SF	\$7.07
LANDLORD RESPONSIBILITY	Wearing out or replacement of major building systems (to include but not limited to HVAC, electrical, plumbing), structural elements, roof, foundation, parking lot, parking areas, driveways, sidewalks, exterior drainage elements. Property taxes and insurance.
TENANT RESPONSIBILITY	Regular maintenance of major building systems, interior, exterior of store fronts.
LEASE COMMENCEMENT	September 30, 2012
LEASE EXPIRATION	August 25, 2023
LEASE TERM	3+
LEASE OPTIONS	One (1) Five (5) Year Option to Renew
RENTAL INCREASES	5%



## LEASE SUMMARY



TENANT	<b>Peak Measurement &amp; Analysis</b>
LEASE GUARANTOR	Peak Measurement & Analysis
LEASE TYPE	NN
NOI / ANNUALLY	\$14,400
RENT PER SF	\$5.76
LANDLORD RESPONSIBILITY	Wearing out or replacement of major building systems (to include but not limited to HVAC, electrical, plumbing), structural elements, roof, foundation, parking lot, parking areas, driveways, sidewalks, exterior drainage elements.
TENANT RESPONSIBILITY	Regular maintenance of major building systems, exterior, including snow & ice removal.
LEASE COMMENCEMENT	August 1, 2020
LEASE EXPIRATION	July 31, 2021
LEASE TERM	1 Year
LEASE OPTIONS	One (1) One (1) Year Option to Renew
RENTAL INCREASES	5%





05

AREA  
OVERVIEW



## OVERVIEW

Rock Springs has the largest coal reserves west of the Mississippi River. Rock Springs is also the center of the rapidly growing oil and gas production industry, power plant development, and the center of mineral resource development program that is marked by the continual expansion of the trona industry. Sweetwater County has been designated as the “Trona Capitol of the World”. Trona is the raw material which is refined into soda ash. Soda ash, in turn, is used to make glass, paper products, laundry detergents, and many other products.

As the most industrialized county in Wyoming, over half of the workforce in Rock Springs is employed by industry, principally mining, petroleum, power generation and related services. The coal mining industry continues to produce over ten million tons of coal annually, and the trona mines and plants are one of America’s most important natural resources, producing approximately fifteen million tons of trona per year. The five plants in the area produce 95% of the world’s natural soda ash. Sweetwater County’s trona deposit is large enough to produce at the same rate for the next 6000 years.

The nearby Jim Bridger Power Plant is the largest electric generating plant in Wyoming. Located thirty-two miles east of Rock Springs, it has a generating capacity of 2000 megawatts. The plant is a coal-fired steam turbine. The county is also the largest producer of natural gas in the state. Some eleven billion cubic feet of gas can be produced annually

## ECONOMICS

Rock Spring is the largest city in Sweetwater County and the 5th largest city in the state of Wyoming. The Rock Springs statistical area has a population of 37,975 and a disproportionately high average household income for its size of \$77,978 that is forecasted to increase to \$85,316, or 9.4%, by 2024 due to a wealth of large mining, oil, industrial chemical and agricultural sciences corporations.

These companies feature a swath of blue-chip oil companies including Halliburton, BP, Exxon and Schlumberger because of a resource-rich landscape filled with oil, natural gas, coal and a variety of mineral deposits. Other major employers include FMC Corporation, an international agricultural chemical manufacturer with nearly 1,000 Rock Spring employees, and General Chemical, a specialty industrial chemical manufacturer with 520 local employees.



# \$77,978

Current Average Household Income

# 1st/5th

Rocks Springs is the largest city in the county and 5th largest in the state

# #1

Sweetwater County is the #1 producer of natural gas in Wyoming





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