



HARBOR FREIGHT & ARIAS BASEBALL

3970 W INA RD | TUCSON, AZ 85741

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AREA OVERVIEW

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INVESTMENT HIGHLIGHTS

- ▶ **Fully Occupied Asset** – This Two Tenant Site is 100% occupied by Harbor Freight and Arias Baseball in Tucson, the 2nd largest city in Arizona. Harbor Freight is a national retailer that specializes in the sale of high-quality tools and accessories at low price points. The privately held company operates over 1,000 stores across the country and had approximately \$5 billion in revenue in 2018.
- ▶ **Prime Retail Location** – Site is located along West Ina Road, which sees over 29,000 vehicles per day. Additionally, the property is less than 1-mile away from Interstate 10, the major highway connecting Phoenix and Tucson. There are over 30,000 residents in a 2-mile radius, making this location easily accessible.
- ▶ **Strong Retail Synergy** – Property is in Embassy Plaza, which is occupied by Nationally recognized tenants such as Discount Tire, McDonalds, Walgreens, Big Lots, and Big 5 Sporting Goods, providing a strong tenant base to attract a wide-variety of customers.
- ▶ **Value Add Investment** – Both Tenants are paying below market rents, providing an investor the opportunity to raise rents during their hold period. CoStar reports market rents around \$18.00, while the tenants are paying a blended rent of approximately \$9.00.
- ▶ **Strong Commitment to Location** - Harbor Freight (S&P: BB-) opted to extend their lease 5-years early in 2016 and has 5 years left with 3, 5-year options remaining. They have been at this location for almost 15 years, showcasing its proven track-record and long term outlook.
- ▶ **Brand-New Lease** – Seller recently inked a new 3-year lease with Arias Baseball, a local professional baseball academy operated by a former MLB player with 2 world series championships. The baseball portion recently underwent significant TI, allowing an investor to acquire a property with minimal landlord requirements.
- ▶ **Passive Investment** – Tenants handle all day to day expenses including as Taxes, Insurance, and Cam. LL responsibilities are limited to Roof, Structure, HVAC, and Sprinklers.
- ▶ **High Rate of Return** – This asset is offered to qualified investors at a 7.75% Cap Rate with increases every 5 years for Harbor Freight and annual increases for Arias Baseball.





± 111,000 VPD



TUSCON
SPORTS PARK



W. INA RD
± 27,000 VPD



HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices



HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices

INVESTMENT SUMMARY

ADDRESS	3970 W Ina Rd
CITY, STATE, ZIP	Tucson, AZ 85741
LIST PRICE	\$2,889,287.74
CAP RATE	7.75%
PRICE PER SF	\$115.57

DEBT QUOTE

Loan quote provided by Barrington Capital based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

Please contact:
Jesse Lillard

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LTV	65%
INTEREST RATE	4.00%
AMORTIZATION	25



ANNUALIZED OPERATING DATA

	HARBOR FREIGHT	ARIAS BASEBALL	TOTAL RENT	CAP RATE
YEAR 1	\$189,919.80	\$34,000	\$223,919.80	7.75%
YEAR 2	\$189,919.80	\$63,600	\$253,519.80	8.77%
YEAR 3	\$189,919.80	\$66,000	\$255,919.80	8.86%
YEAR 4	\$189,919.80	(Option) \$68,400	\$258,319.80	8.94%
YEAR 5	\$189,919.80	(Option) \$70,452	\$260,371.80	9.01%

PROPERTY DETAILS

SQUARE FOOTAGE	25,000 SF
YEAR BUILT	2002
CONSTRUCTION	Masonry
LL RESPONSIBILITIES	Roof, Structure, HVAC, Sprinklers
TENANT RESPONSIBILITIES	CAM Expenses, Real Property Taxes, Insurance, Utilities

INVESTMENT SUMMARY

ADDRESS	3970 W Ina Rd
CITY, STATE, ZIP	Tucson, AZ 85741
GLA	± 25,000 SF
YEAR BUILT	2002
CONSTRUCTION	Masonry

HARBOR FREIGHT YEARLY RENT SCHEDULE

	RENT SCHEDULE	MONTHLY PAYMENT	YEARLY PAYMENT
CURRENT TERM	01/01/2021 - 12/31/2025	\$15,826.65	\$189,919.80
FIRST OPTION	01/01/2026 - 12/31/2030	\$16,617.98	\$199,415.76
SECOND OPTION	01/01/2031 - 12/31/2035	\$17,448.88	\$209,386.56
THIRD OPTION	01/01/2036 - 12/31/2040	\$18,321.33	\$219,855.96

HARBOR FREIGHT LEASE DETAILS

SQUARE FOOTAGE	17,000 SF
LEASE EXPIRATION	12/31/25
LL RESPONSIBILITIES	Roof, Structure, HVAC, Sprinklers
TENANT RESPONSIBILITIES	CAM Expenses, Real Property Taxes, Insurance, Utilities
OPTIONS	3, 5-Year Options
INCREASES	5% Increases in Options

ARIAS BASEBALL YEARLY RENT SCHEDULE

YEAR 1	\$34,000
YEAR 2	\$63,600
YEAR 3	\$66,000
YEAR 1 (3-YEAR OPTION)	\$68,400
YEAR 2	\$70,452
YEAR 3	\$72,564

ARIAS BASEBALL LEASE DETAILS

SQUARE FOOTAGE	8,000 SF
LEASE EXPIRATION	12/31/23
LL RESPONSIBILITIES	Roof, Structure, HVAC, Sprinklers
TENANT RESPONSIBILITIES	CAM Expenses, Real Property Taxes, Insurance, Utilities
OPTIONS	1, 3-Year Option
INCREASES	Large increase Year 1, with increases throughout lease

HARBOR FREIGHT

LOCATIONS	1,000+
EMPLOYEES	± 20,000
WEBSITE	www.harborfreight.com
HQ	Calabasas, CA

HARBOR FREIGHT TOOLS

Quality Tools at Ridiculously Low Prices

TENANT OVERVIEW

Harbor Freight is a national retailer that specializes in the sale of high-quality tools and accessories at low price points. The privately held company operates over 1,000 stores across the country and had approximately \$5 billion in revenue in 2018. [Click here to learn more about Harbor Freight.](#)

The DIY Home Improvement sector has remained resilient even in the face of the pandemic.

Global Home Improvement market is expected to increase by \$300 billion over the next 5 years with a CAGR of 4.5% over the forecast period

TUCSON, AZ

Located along the banks of the Santa Cruz River, Tucson is the second-largest populated city in Arizona behind Phoenix and 33rd largest city in the United States. The population continues to grow at a steady rate each year. The city is situated in the Sonoran Desert, surrounded by multiple mountain ranges including Wasson Peak, Santa Catalina Mountains, Rincon Mountains, and the Santa Rita Mountains. While Tucson is a premier vacation destination, it is also a prime place to live and work.

Around Tucson, the area is divided into districts and neighborhoods -- some linked by streetcar, others connected by streets made for autos, bike lanes, and bus routes -- with varied options for outdoor adventures, sightseeing, eating, and entertainment. Beyond Tucson, the land is defined by county boundaries that hold pick-your-own farms, vineyards, and wineries revived real Old West towns, and Sky Island habitats and preserved natural spaces that beckon day-trippers from Tucson.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	10,550	62,681	127,331
2020 Estimate	10,211	60,435	122,702
2010 Census	9,945	57,552	116,458
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	3,965	24,537	50,965
2020 Estimate	3,837	23,657	49,127
2010 Census	3,745	22,595	46,866
INCOME	1-MILE	3-MILE	5-MILE
2020 Average Household Income	\$75,081	\$80,625	\$84,038



\$84,038

5 MI AVG HH INCOME

122,702

5 MI POPULATION

158,591

10 MI DAYTIME EMPLOYEES

LIFESTYLE

Tucson's plentiful sunshine, natural beauty, and diverse culture lend to an active lifestyle rich in great food, gorgeous hikes, challenging biking trails, and unforgettable experiences:

- Tucson is the first North American city to be designated a UNESCO City of Gastronomy.
- The Loop, a 131-mile network of paved shared-use paths, provides car-free recreational opportunities around and through the city.
- El Tour de Tucson, a 100-mile fun ride, attracts over 9,000 cyclists annually.
- Over 40 golf courses, including Omni Tucson National Resort, home of an annual PGA Tour Champions event.
- Hundreds of miles of hiking trails, from the Sonoran Desert, to the Sky Islands peaks 9,000 feet above sea level, provide breathtaking views, unforgettable sunsets, and access to nature for all ages and abilities.

ECONOMY

Much of Tucson's economic development has been centered on the development of the University of Arizona, which is currently the largest employer in the city. Davis-Monthan Air Force Base, on the city's southeastern edge, also provides many jobs for Tucson residents. Its presence, as well as the presence of the US Army Intelligence Center (Fort Huachuca, the largest employer in the region in nearby Sierra Vista), has led to the development of many high-tech industries, including government contractors, in the area. The city of Tucson is also a major hub for the Union Pacific Railroad's Sunset Route that links the Los Angeles ports with the South/Southeast regions of the country.

Roughly 150 Tucson companies are involved in the design and manufacture of optics and optoelectronics systems, earning Tucson the nickname "Optics Valley." Much of this is thanks in part to the presence of the Steward Observatory at The University of Arizona, which is one of few locations in the world with ability to cast the enormous mirrors used in telescopes around the world and in space.

Tourism is another huge industry aside from the university as it alone brings in \$2 billion per year and over 3.5 million visitors due to the sunny weather (an average of 350 sunny days per year), resorts, and attractions.

OUTDOOR ATTRACTIONS



Saguaro National Park, near Tucson, AZ, features giant saguaros in their native environment, plus access to wildlife viewing, hiking, and scenic drives. First designated as Saguaro National Monument in 1933, the area received national park status in 1994. It is also the ancestral home of the Tohono O'odham people, who today continue to play a role in the park's culture, visiting every year in the early summer to pick saguaro fruit. In addition to a broad expanse of desert, Saguaro National Park features mountainous regions – some reaching more than 8,000 feet above sea level – where pine and coniferous forests form a canvas of greenery.



On the northeast edge of Tucson, Sabino Canyon offers a variety of terrain including a paved path for the lighter option, or miles of rugged ground to explore. Sabino Canyon's history is as diverse as it is fascinating. The Santa Catalina Mountains began forming over 12 million years ago, 7 million years before the earliest known human being walked the face of the earth. It's estimated that some of the earliest predominant human occupants of Sabino Canyon were the Hohokam people.



Located less than 20 miles north of Tucson, Catalina State Park is loaded with great trails ranging from easy loops to unmaintained advanced paths. Nature lovers will be inspired by the views, and delighted with the distinct desert flora and fauna. Catalina State Park, sprawling more than 5,500 acres, is home to hundreds of bird species and more than 5,000 saguaro cacti. Horses and bikes are also welcome along the trails, and if you don't have a horse of your own, there are stables nearby that offer trail rides.

KEY INDUSTRIES

BIOSCIENCE

Tucson is a national leader in bioscience fields like precision medicine, cancer research, and diagnostics through innovative partnerships between the University of Arizona and the surrounding business community. The region hosts cutting edge research facilities at Tech Parks Arizona, and the University's recently completed Bioscience Research Laboratory.



31%

Research, testing and medical labs increased employment by 31% from 2002-2016 in the Tucson area.



22%

Tucson's medical devices and equipment subsector grew by 22% from 2002-2016.

AEROSPACE

With three military bases in the area, Tucson has long led the way for pioneering developments in the aerospace and defense industries. Tucson attracts aerospace employers through the outstanding programs offered by the University of Arizona's College of Engineering, Pima Community College's Aviation Technology Center, and Embry-Riddle Aeronautical University.



8.35

Tucson is 8.35 times more concentrated in the aerospace industry than the average US metro area.



200+

There are over 200 local companies in Tucson's aerospace & defense cluster.

OPTICS AND MINING TECHNOLOGY

Gaining notoriety as Optics Valley, Tucson is home to a high concentration of optics companies, as well as research activity tied to the University of Arizona and several astronomical observatories located in the mountains of Southern Arizona. Long known for hard mining operations and copper extraction, Tucson has now established itself as an industry leader in mining technology.



#3

Arizona is ranked #3 nationally in solar employment according to the Solar Energy Industries Association (SEIA).



36,000

Mining employs nearly 36,000 people in Arizona.

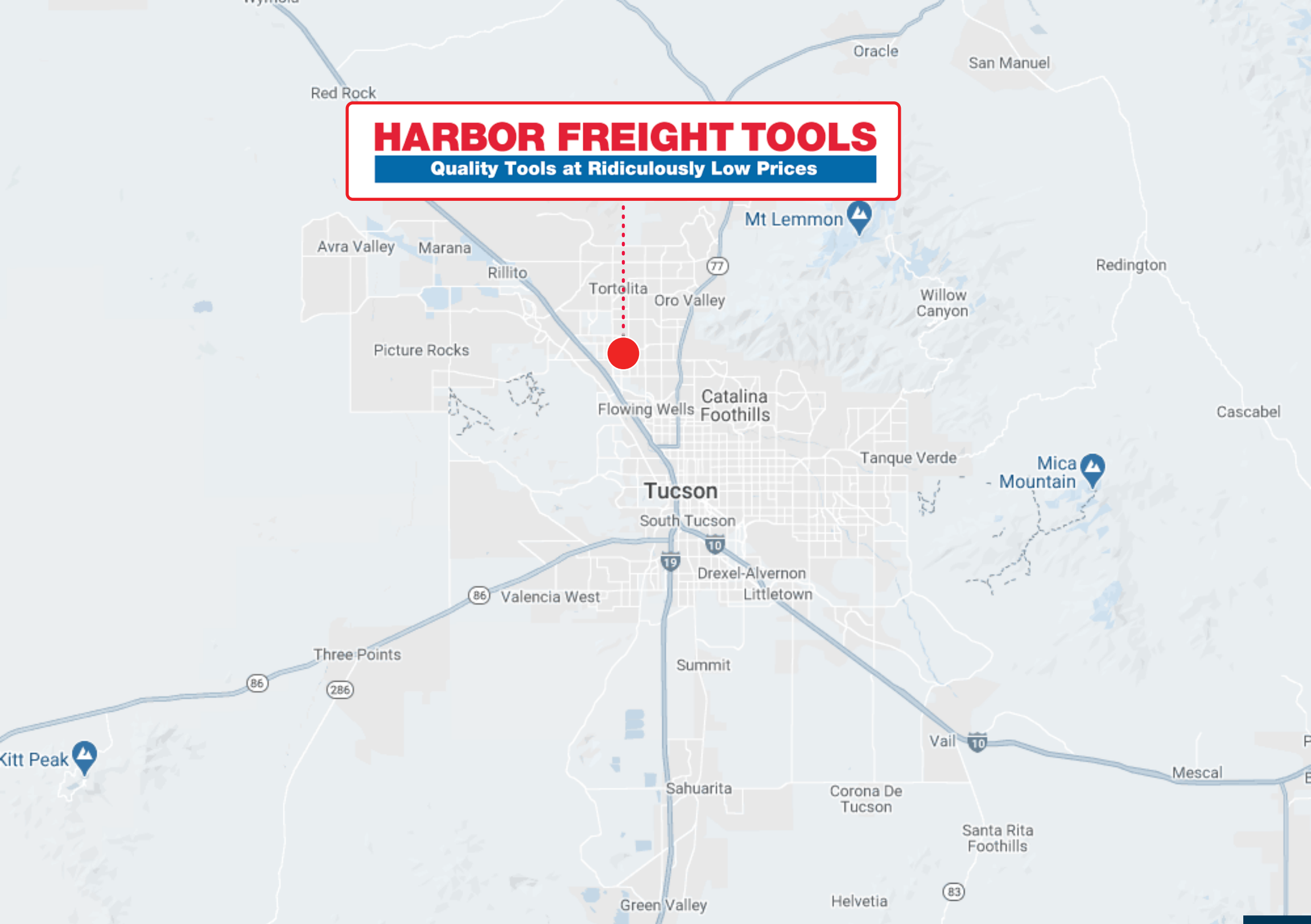


The University of Arizona, a land-grant university with two independently accredited medical schools, is one of the nation's top public universities, according to U.S. News & World Report. Established in 1885, the UA is widely recognized as a student-centric university and has been designated as a Hispanic Serving Institution by the U.S. Department of Education. The UA ranked in the top 25 in 2018 in research expenditures among all public universities, according to the National Science Foundation, and is a leading Research 1 institution with \$687 million in annual research expenditures. The UA advances the frontiers of interdisciplinary scholarship and entrepreneurial partnerships as a member of the Association of American Universities, the 62 leading public and private research universities in the U.S. It benefits the state with an estimated economic impact of \$4.1 billion annually.

The university accepts over 43,800 students each academic year, with over 35,600 being undergraduate students. The campus stretches across 380 acres with a total of 179 buildings on the main campus. U of A does not just rank academically, the U of A Wildcats have been Division 1 champions in football, baseball, softball, golf, and basketball. Their well-known motto, "Bear Down, Arizona," has become a staple for the school as a whole.

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Quality Tools at Ridiculously Low Prices



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs for **Harbor Freight & Arias Baseball** located at **3970 W Ina Rd, Tucson, AZ (Property)**. The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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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.

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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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