

# OFFERING MEMORANDUM

## **ADVANCE AUTO PARTS**

7004 S CEDAR STREET, LANSING, MI 48911





EXCLUSIVELY  
LISTED BY:



**MAXWELL E.  
LIPPITT**

*Director*

[maxlippitt@landmarkcres.com](mailto:maxlippitt@landmarkcres.com)  
248 488 2620



**DANIEL H.  
KUKES**

*Principal*

[dkukes@landmarkcres.com](mailto:dkukes@landmarkcres.com)  
248 488 2620



**JASON M.  
GREENSPAN**

*Director*

[jgreenspan@landmarkcres.com](mailto:jgreenspan@landmarkcres.com)  
248 488 2620

**LANDMARK**  
INVESTMENT SALES

30500 Northwestern Hwy, Suite 200  
Farmington Hills, MI 48334  
248.488.2620  
[landmarkcres.com](http://landmarkcres.com)

## TABLE OF CONTENTS

**7** OFFERING SUMMARY

INVESTMENT HIGHLIGHTS **9**

**11** TENANT PROFILE

**12** AERIAL

LANGING **15**

**18** DEMOGRAPHICS



## PROPERTY SITE



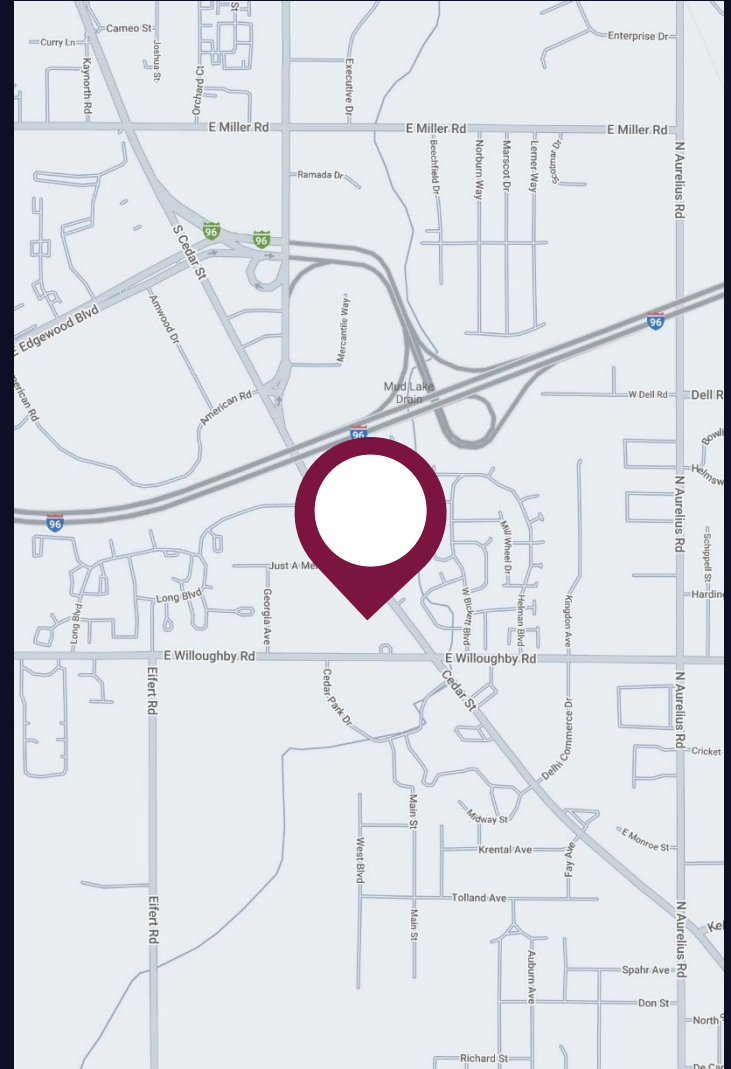


# VIEW NORTH





## LOCATION MAP



## ADVANCE AUTO PARTS

7004 S Cedar Street  
Lansing, MI 48911



VIEW SOUTHWEST



CORPORATE  
GUARANTY

## OFFERING SUMMARY

**ADDRESS:** 7004 S Cedar St  
Lansing, MI 48911

**YEAR BUILT:** 2015

**RENTABLE SF:** 11,505 SF

**LAND AREA:** 1.50 AC

**PARCEL #:** 33-01-05-10-376-311



\$110,978

**NOI**

5.50%

**CAP**

\$2,017,745

**PRICE**

## RENT SCHEDULE

YEARS	MONTHLY	ANNUAL	PSF
Original Term 11/1/2015-10/31/2030:	\$9,248	\$110,978	\$9.65
OPTIONS			
Option 1: 11/1/2030-10/31/2035	\$9,711	\$116,527	\$10.13
Option 2: 11/1/2035-10/31/2040	\$10,196	\$122,354	\$10.63
Option 3: 11/1/2040 - 10/31/2045	\$10,706	\$128,472	\$11.17



## OFFERING SUMMARY



**4,727**  
LOCATIONS

**\$493M**  
NET  
INCOME  
(2020)

**68,000**  
EMPLOYEES  
(2020)

### LEASE DETAILS

TENANT:	Advance Stores Company, Inc.
GUARANTOR:	Advance Stores Company, Inc.
ORIGINAL LEASE COMMENCEMENT:	10/8/2015
ORIGINAL LEASE TERM:	15 Years
LEASE EXPIRATION:	10/31/2030
LEASE TYPE:	NN
TERMINATION OPTION:	None
RIGHT OF FIRST REFUSAL:	None
TENANT RESPONSIBILITIES:	Taxes, Insurance, Common Area Maintenance, Parking Lot
LANDLORD RESPONSIBILITIES:	Roof, Structure, HVAC
SALES REPORTING:	Not Required



# INVESTMENT HIGHLIGHTS

**CORPORATE GUARANTY** to Advance Auto Parts Inc (NYSE: AAP), one of the nation's largest and fastest growing automotive suppliers with 4,700+ locations and over 68,000 employees. Advance Auto reported record numbers in 2021 including:

- Full Year Net Sales Increases **8.80%** to \$11.0 Billion
- Comparable same store sales increased **10.70%**
- Operating Cash Flow increased **14.7%** to \$1.10 Billion.
- Returned over **\$1.0 Billion** in cash to shareholders

## WHOLESALE HUB LOCATION

- This AAP supports wholesale auto sales to a wide variety of Lansing area commercial vendors and dealerships. The tenant added 15 additional parking spaces at their own expense (after original construction) to accommodate for delivery/commercial vehicles. See Site Plan on Page 10

## STRONG LOCATION

- AAP sits within a dense retail corridor surrounded by national retailers including Kroger, Lowe's, Menards, Target, Meijer, Aldi, Planet Fitness, etc.
- Subject Property has excellent visibility and a dedicated curb cut on Cedar St (22,827 CPD) and lie's directly north of a Kroger Supercenter.

## MICHIGAN STATE UNIVERSITY

- Subject property is within miles of Michigan State University – one of the country's largest public universities with over 50,000 students and 15,000 faculty.

## 2015 BUILD-TO-SUIT FOR ADVANCE AUTO PARTS

## DEMOGRAPHICS:

- Estimated 103,994 People within a 5-mile radius
- Estimated \$66,633 HH Income within a 5-mile radius

**STRONG**  
LOCATION

**CORPORATE**  
GUARANTY

WITHIN  
MILES OF

**MICHIGAN  
STATE  
UNIVERSITY**

**STRONG**  
DEMOGRAPHICS

**BUILD  
TO-SUIT**  
IN 2015



**ADVANCE AUTO PARTS**  
7004 S Cedar Street  
Lansing, MI 48911



## TENANT PROFILE

TENANT:	ADVANCE AUTO PARTS
FOUNDED:	April 29, 1932
HEADQUARTERS:	Raleigh, NC
WEBSITE:	<a href="http://www.AdvanceAutoParts.com">www.AdvanceAutoParts.com</a>
STOCK TICKER:	NYSE: AAP
REVENUE:	\$10.1B (2020)
TOTAL ASSETS:	\$11.8B (2020)

**\$493M**  
NET  
INCOME  
(2020)

**68,000**  
EMPLOYEES  
(2020)

**4,727**  
LOCATIONS

### ADVANCE AUTO PARTS



Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider. Headquartered in Raleigh, North Carolina, it serves both professional installer and do-it-yourself customers. As of October 9, 2021, Advance operated 4,727 stores and 234 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The company also serves 1,325 independently owned Carquest branded stores across these locations in addition to Mexico and various Caribbean islands. The company's stores 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.





# MACRO AERIAL





# VIEW SOUTHEAST





## REPRESENTATIVE STORE PHOTOS





# MARKET OVERVIEW

## LANSING, MI REGIONAL DEVELOPMENTS

- **\$250,000,000 – Red Cedar Renaissance** – large-scale mixed-use redevelopment of a former City of Lansing golf course which will be redeveloped into hotels, retail, market rate housing and student housing, as well as green space addition/activation, major infill along Michigan Avenue, connection of Lansing River Trail along Red Cedar River, and drainage investment projects.
- **\$110,000,000 – Village of Okemos** – infill mixed use redevelopment project constituting seven 4-5 story buildings and nearly 290,000 square feet of retail, housing, and office space at the historic Okemos four corners main street area in Meridian Township.
- **\$470,000,000 – Glanbia's MWC Cheese & Whey Processing Campus** – will be largest dairy processing in Michigan, taking in 8 million pounds of milk / day and bringing 250+ high wage jobs in St. Johns, MI
- **\$115,000,000 – Auto Owners Insurance Expansion** – 250,000 square foot new building addition to corporate HQ campus, to accommodate growth and house additional 900 employees in Delta Township

## LANSING | MI





# MARKET OVERVIEW

## LANSING | MI

### MICHIGAN STATE UNIVERSITY – LANSING, MI

- Michigan State University is the nation's premier land-grant university and one of the top research universities in the world.
- Located in East Lansing, three miles east of Michigan's capitol in Lansing, MSU's campus is one of the biggest and greenest in the nation.
- MSU is in the Top 100 of Global universities, holds 49,695 students and consists of 5,300 acres.
- MSU offers over 200 Academic programs, 275 Education abroad programs and has a low student-faculty ratio of 16:1.
- The MSU community includes more than 12,000 faculty and academic and support staff and an alumni network nearly half a million strong.
- 80% of MSU Undergraduates are from Michigan and 65% recent graduates are employed in Michigan who work to create a stronger, healthier, more prosperous tomorrow — for Michigan and the world.
- MSU is a top-ranked public university for education abroad, U.S. News & World Report — currently ranking at number 1.
- MSU offers a variety of different sports. MSU has 25 Varsity squads: 12 intercollegiate sports for men and 13 intercollegiate sports for women.



# MARKET OVERVIEW

## LANSING | MI

### GENERAL MOTORS – LANSING DELTA TOWNSHIP/LANSING REGIONAL STAMPING

- General Motors Lansing Delta Township Assembly is GM's newest plant in the United States, blending the best practices and newest technology into one facility.
- The stamping plant is 3.6M square feet on 320 acres, employs more than 2,500 workers.
- Over 2 million crossovers have been built at this facility.

### INSURANCE INDUSTRY GLOBAL AND REGIONAL HUB

- The Lansing market is home to eight insurance company headquarters ranging from regional to global in scale and collectively responsible for over \$30 billion in annual premiums/revenue.
  - AF Group
  - Auto Owner's Insurance
  - Delta Dental
  - Farm Bureau Insurance
  - Jackson Life Insurance Company
  - Michigan Millers Insurance



### LIFE SCIENCES RESEARCH & CARE

#### ▪ McLaren Health

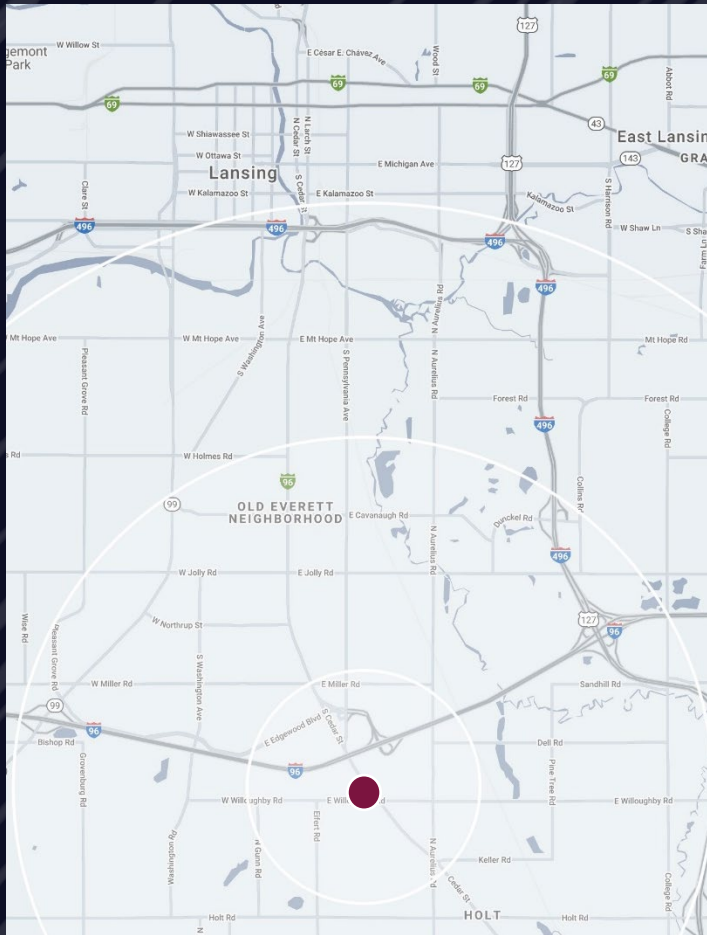
A health system currently under construction on its \$500M state-of-the-art hospital and cancer center campus to serve the Lansing area in partnership with Michigan State University. More than 26,000 employees system-wide with \$5B in annual revenue.

#### ▪ Sparrow Health

A health system employing 7,500 system-wide and generating \$3B in annual revenue. Opened its \$64M Herbert-Herman Cancer Center in 2018, actively collaborates with Mayo Clinic national care network and recently acquired Hayes Green Beach community hospital to be integrated as Sparrow Eaton Hospital, while also hosting the only Level 1 Trauma Center in mid-Michigan.



# DEMOGRAPHICS



## ADVANCE AUTO PARTS

7004 S Cedar Street  
Lansing, MI 48911

# DEMOGRAPHICS

## POPULATION

	1 MILE	3 MILE	5 MILE
2021 Estimated Population	8,493	55,185	103,394
2026 Projected Population	8,843	56,965	106,330
2010 Census Population	8,553	55,314	103,478
2000 Census Population	8,354	54,440	104,141
Projected Annual Growth 2021 to 2026	0.8%	0.6%	0.6%
Historical Annual Growth 2000 to 2021	0.2%	0.1%	-

## HOUSEHOLDS

2021 Estimated Households	3,961	23,545	44,051
2026 Projected Households	4,072	24,015	44,857
2010 Census Households	3,916	23,617	44,097
2000 Census Households	3,747	22,733	43,491
Projected Annual Growth 2021 to 2026	0.6%	0.4%	0.4%
Historical Annual Growth 2000 to 2021	0.1%	-	-

## RACE

2021 Est. White	70.1%	66.8%	60.6%
2021 Est. Black	13.7%	14.8%	19.5%
2021 Est. Asian or Pacific Islander	3.6%	5.0%	5.1%
2021 Est. American Indian or Alaska Native	0.5%	0.5%	0.6%
2021 Est. Other Races	12.1%	12.9%	14.1%

## INCOME

2021 Est. Average Household Income	\$63,451	\$69,586	\$66,663
2021 Est. Median Household Income	\$50,937	\$58,821	\$55,589
2021 Est. Per Capita Income	\$29,663	\$29,754	\$28,472

## BUSINESS

2021 Est. Total Businesses	376	1,653	2,807
2021 Est. Total Employees	4,590	21,812	37,208

## CONTACT US



**MAXWELL E.  
LIPPITT**

*Director*

[maxlippitt@landmarkcres.com](mailto:maxlippitt@landmarkcres.com)  
248 488 2620



**DANIEL H.  
KUKES**

*Principal*

[dkukes@landmarkcres.com](mailto:dkukes@landmarkcres.com)  
248 488 2620



**JASON M.  
GREENSPAN**

*Director*

[jgreenspan@landmarkcres.com](mailto:jgreenspan@landmarkcres.com)  
248 488 2620

**LANDMARK**  
INVESTMENT SALES

30500 Northwestern Hwy, Suite 200  
Farmington Hills, MI 48334  
248.488.2620  
[landmarkcres.com](http://landmarkcres.com)

## CONFIDENTIALITY DISCLAIMER

Landmark Commercial Real Estate Services, LLC ("BROKER") has been retained by the Owner to sell the 100% fee simple title of this asset. The Broker is the exclusive agent for the sale of this asset. The Broker has prepared the Property Information with information provided by the Owner, from sources deemed to be reliable. The Potential Purchaser will conduct its own due diligence of The Property, independently and without reliance upon BROKER of the Owner. Information furnished herein, the Offering Memorandum (the "OM") is intended solely for the Potential Purchaser and its affiliates ("Recipients") for its review of the acquisition of the Advance Auto Parts at 7004 S Cedar Street, Lansing, MI 48911 ("Property").

All information in the OM ("Confidential Information") shall be deemed confidential. Confidential Information shall not include any information which is generally available to the public or which becomes available to the Recipients on a non-confidential basis from a source that is or was under no obligation not to disclose such information.

In consideration of Broker and disclosure of the confidential information, the recipient shall not at any time, attempt in any manner to deal directly in any manner or circumvent Broker.

Unless otherwise agreed in writing or required by law, the Recipients will not use, disclose, or reveal any Confidential Information for any purpose other than in connection with the proposed transaction to any persons or entities other than those employees, officers, directors, bankers, advisors, representatives, or agents (collectively, "Representatives") who clearly need such access to perform their employment, fiduciary or contractual duties to the Recipient and to actively and directly participate in the evaluation of the Confidential Information. Additionally, Recipients shall not directly contact anyone directly associated with the Property without the express written consent of the Owner or Broker.

Recipients agree not to contact or initiate contact with the Tenants, at any time, either directly or indirectly. Unless such approval is specifically granted in written from the Owner or Broker.

This agreement shall be governed by the laws of the Michigan, and in any action brought to enforce the terms hereof, Recipients hereby irrevocably consents to jurisdiction and venue in the Circuit Court for the County of Oakland, State of Michigan, or the United States District Court, whichever the Owner may elect. The invalidity or unenforceability of any provision of this agreement as applied to a particular occurrence or circumstance shall not affect the validity of or enforceability of any of the other provisions of this agreement or the applicability of such provisions as the case may be. This agreement shall inure to the benefit of and may be enforced by the Owner and its successors and assigns and shall be binding on the Recipients, its officers, directors, partners, agents, members, representatives and successors in interest. If any portion of this agreement becomes the subject of litigation or arbitration, the prevailing party in such suit or proceeding shall be entitled to reimbursement for its reasonable costs, expenses and attorney's fees incurred, including those incurred in connection with any appeals. A copy of this agreement delivered by facsimile transmission shall be binding on both parties.

### Cooperating Broker Policy

Unless otherwise agreed in writing, neither Owner nor BROKER will pay a brokerage fee to, or share a brokerage commission with Recipient (the "Potential Purchaser"), or a related and/or affiliated party to such Recipient, attempting to act as a cooperating broker. In addition, neither the Owner nor BROKER will pay a brokerage fee to, or share a brokerage commission with, a cooperating broker representing the Recipient. The Recipient may elect to be have a cooperating broker represent them in the transaction at their own expense, unless otherwise agreed in writing by BROKER.