



Single Tenant NNN  
Offering Memorandum  
\*Representative Photo

The Offering Memorandum contains select information pertaining to the business and affairs of **Advance Auto Parts** (“property”). It has been prepared by Prime Net Lease. 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 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 Prime Net Lease. 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 offices, 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.

Owner and Prime Net Lease 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 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 Offer Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to the 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 executive Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Prime Net Lease or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause 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.

BY ACCEPTING THIS CONFIDENTIAL OFFERING MEMORANDUM, YOU AGREE TO RELEASE PRIME NET LEASE AND HOLD IT HARMLESS FROM ANY KIND OF CLAIM, COST, EXPENSE, OR LIABILITY ARISING OUT OF YOUR INVESTIGATION AND/OR PURCHASE OF THIS NET LEASED PROPERTY.

## EXCLUSIVELY PRESENTED BY

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In Association with: North Star Commercial a Licensed Michigan Real Estate Broker, RE #6502376234

## INVESTMENT OVERVIEW 04

Investment Summary

Offering Summary

Investment Highlights

Financials

Tenant Overview

## PROPERTY OVERVIEW 09

Regional Map

Local Map

Aerial Photo

## MARKET OVERVIEW 12

Market Overview

Demographics

Prime Net Lease is pleased to exclusively offer this NNN lease Advance Auto Parts store located at 8145 US Highway 2, Iron Mountain, MI. The current lease has 4 years remaining, with three 5-year options to renew. The lease is guaranteed by Advanced Auto Parts Corporation (NYSE: AAP) which has over 4,843 locations and had revenues of over \$9.7 Billion in 2019. Advance Auto Parts is situated on an outparcel of Home Depot and Walmart along US Highway 2.

The parcel size is 1.15 acres. The subject property is located within the main retail corridor of Iron Mountain, drawing many residents to the area.

Surrounding tenants include Home Depot, Walmart Supercenter, Dollar Tree, Arby's, Burger King, Jimmy John's and Tractor Supply. Iron Mountain is a city in the U.S. state of Michigan. The population was 7,624 at the 2010 census. It is the county seat of Dickinson County, in the state's Upper Peninsula. Iron Mountain was named for the valuable iron ore found in the vicinity. Iron Mountain is the principal city of the Iron Mountain, MI-WI Micropolitan Statistical Area, which includes all of Dickinson County, Michigan and Florence County in Wisconsin. Iron Mountain hosts a few points of interest such as the Millie Hill bat cave, The Cornish Pump, and is located adjacent to Pine Mountain ski jump/ski resort, one of the largest artificial ski jumps in the world. It shares Woodward Avenue with the neighboring town, Kingsford. In addition, Iron Mountain is known for its pasties, Bocce Ball Tournaments, World Cup Ski Jumps, and Italian cuisine.



**PRICING INFORMATION**

<b>Offering Price</b>	<b>\$1,234,060</b>
<b>Net Operating Income</b>	<b>\$83,299</b>
<b>Cap Rate</b>	<b>6.75%</b>
Price Per Square Foot	\$176.29
Tenant	Advance Auto Parts
Guarantor	Corporate
Lease Type	NNN
Landlord Responsibilities	Structure Only

**PROPERTY INFORMATION**

Property Address	8145 US Highway 2 Iron Mountain, MI 49801
Rentable Square Feet	7,000
Land Area	1.15 Acres
Year Built	2004
Ownership Type	Fee Simple



FAVORABLE LEASE



- 4 Years remaining on the initial lease term.
- Corporate Guaranteed Lease.
- 7% Rental Increases every 5 years.
- Three, 5-Year Renewal Options with 7% rental increases every 5 years throughout option periods.

MINIMAL LANDLORD RESPONSIBILITY



- NNN Lease
- Landlord is responsible for the structure only.
- There are Zero Management responsibilities, perfect for buyers looking for a “hands-off” investment while reaping all the benefits of owning real estate.

STRONG TENANT



- Advance Auto Parts is a Publically Traded Company, (NYSE: AAP)
- 4,843+ Corporate locations across the United States.
- \$9.7 Billion in revenues in 2019, steadily increasing YOY

EARLY EXTENSION



- In 2017, the tenant exercised their 1<sup>st</sup> renewal option 2 years early, showing a firm commitment to the location.
- Tenant has been operating at this locations since 2004.

OUTPARCEL LOCATION



- The Subject property is an outparcel to both Home Depot & Walmart Supercenter, which are the two major tenants in the city.
- Excellent visibility from US Highway 2

LOCATION



- Excellent location just off of the US highway 2, the major thoroughfare in the area.
- Population of 7,624 and steadily rising over the last few years.
- Limited Competition in the Area

Tenant	Square Footage SF	Term Remaining	Term		Rental Increase	Monthly Rent	Monthly Rent Per SF	Annual Rent	Annual Rent Per SF
			Current	07/31/2024					
Advance Auto Parts	7,000	4 years	Current	07/31/2024		\$6,941.66	\$0.99	\$83,299.92	\$11.90
(Corporate)		Option 2	08/01/2024	07/31/2029	7%	\$7,427.58	\$1.06	\$89,130.96	\$12.73
		Option 4	08/01/2029	07/31/2034	7%	\$7,947.51	\$1.14	\$95,370.12	\$13.62
		Option 4	08/01/2034	07/31/2039	7%	\$8,503.82	\$1.21	\$102,045.84	\$14.58

Term Commencement	Term Expiration	Renewal Options	Rental Increases	Landlord Responsibilities	Tenant Responsibilities	Guarantee	Right of First Refusal
07/01/2004	07/31/2024	Three, 5-Year Options	7%	Structure	NNN	Corporate	Yes, 14 Days

**Revenues:** \$9.7 Billion in 2019  
**Rank:** 326<sup>th</sup> on Fortune 500 List  
**Rank:** 1,412<sup>th</sup> World's Biggest Public Companies by Forbes

Arthur Taubman saw a real opportunity and purchased two stores from Pep Boys – one in Roanoke, VA and one in Lynchburg. Tall, charismatic and dapper, Taubman was born in NYC at the turn of the last century. The new century brought with it numerous acquisitions that furthered Advance Auto's presence across the country. The company reached down to Mississippi and Alabama, and up to D.C. and even Boston. In 2006, the 3,000th store opened in Salina, Kansas.

Nick Taubman continued Advance's expansion to more states, eventually doubling the number of stores over the decade. By 1969, Arthur assumed the role of Chairman, and Nick Taubman became President of the Advance Stores chain. Under Nick's leadership, Advance moved away from general merchandise and moved toward its core business of auto parts.

By the start of the 80s, Nick had successfully taken Advance from a family-owned regional business to a publicly-traded national chain. Sweeping changes from top executive training down to the crisp new employee uniforms propelled the company forward. Advance Auto was now positioned to become a category killer in the aftermarket auto parts field.

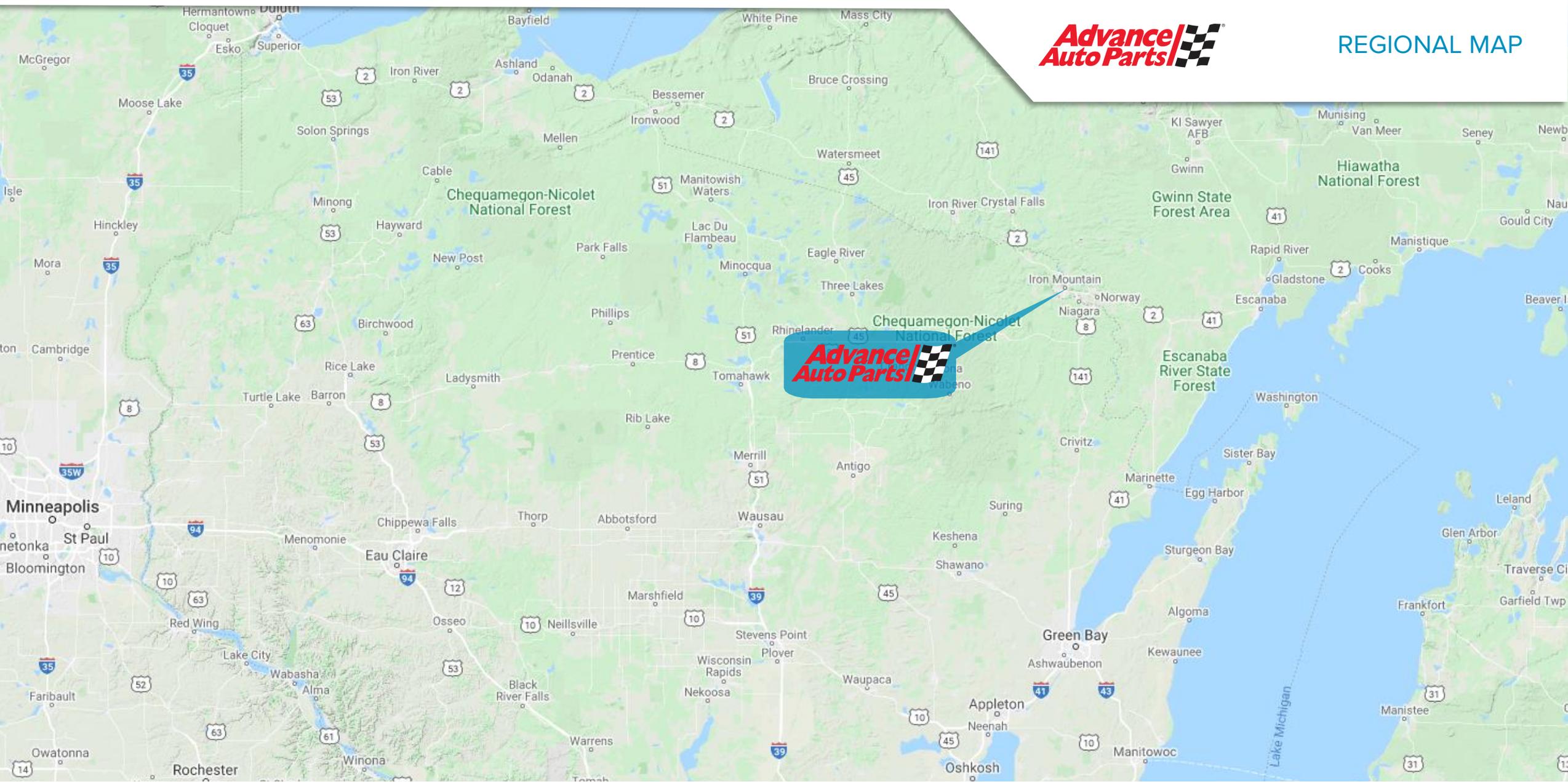
In 2013, Advance Auto acquired General Parts International, Inc., which included the Carquest and Worldpac brands. As of the end of 2018, Advance operated 4,966 stores along with 143 Worldpac branches in the United States, Canada, Puerto Rico, and the U.S. Virgin Islands. Additionally, Advance serves 1,231 independently owned Carquest branded stores with a reach that extends all the way to Mexico, the Bahamas, Turks and Caicos, British Virgin Islands, and Pacific Islands.

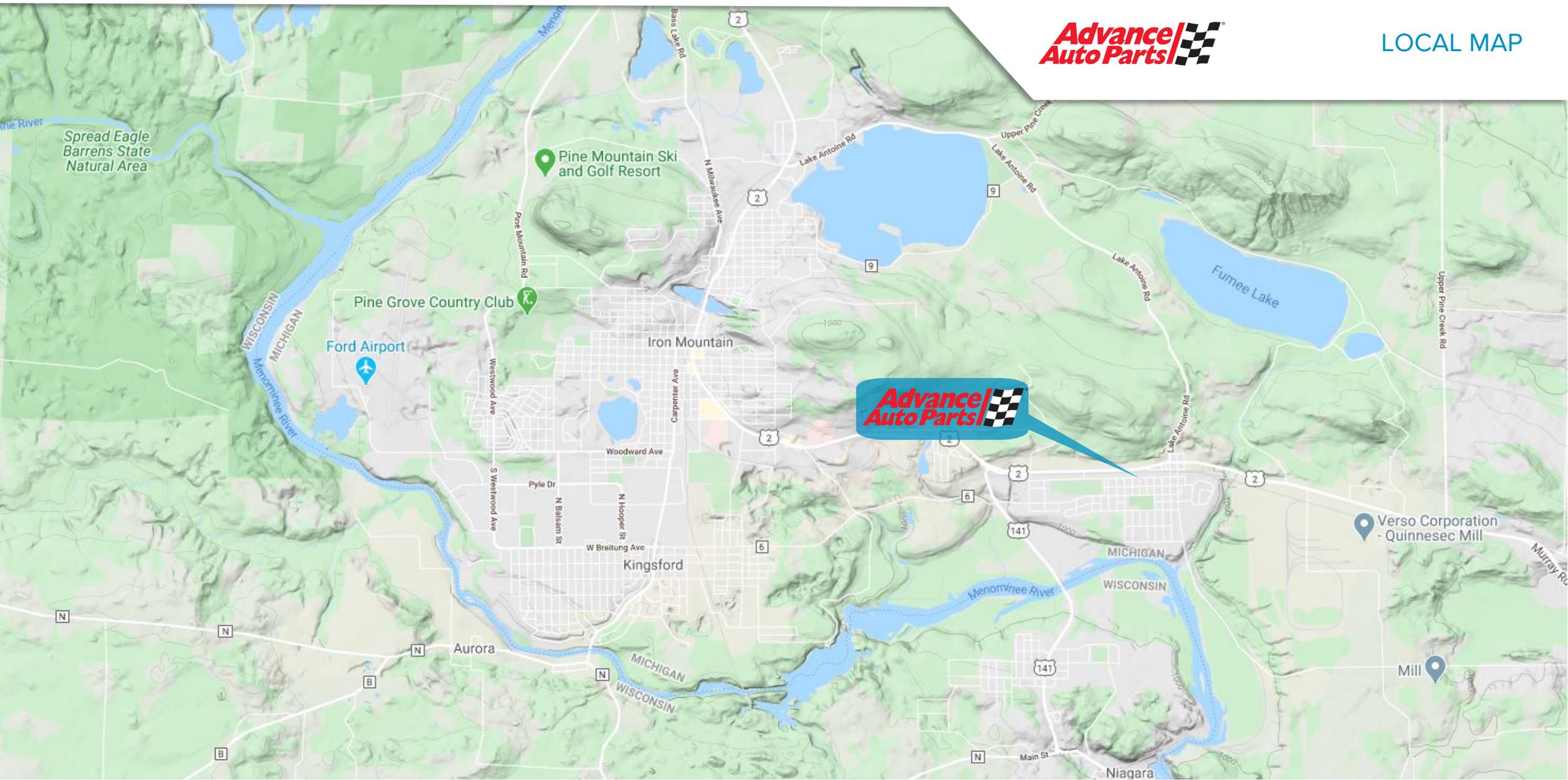
Today, Advance continues to build on its reputation for excellence and integrity while keeping an eye toward the future and cutting-edge ways of doing business. It's a pretty good foundation for the next 75 years.



Advance Auto Parts Headquarters

<b>Website</b>	<a href="http://www.advanceautoparts.com">www.advanceautoparts.com</a>
<b>Founded</b>	1932
<b>Headquarters</b>	Raleigh, North Carolina
<b>Number of Locations</b>	70,000 ±
<b>Number of Employees</b>	4,843 ±







Dickinson County Hospital

S Stephenson Ave

2

14,100+ VPD

Subject Property

Dunham's Sports  
Advance America  
Papa Murphy's  
TSC  
TRACTOR SUPPLY CO  
goodwill

WELLS FARGO

O'Reilly AUTO PARTS

Days Inn

COUNTRY INN & SUITES BY RADISSON

Culver's

BURGER KING

DOLLAR TREE

Arby's

WAL-MART SUPERCENTER

GameStop

THE HOME DEPOT

Iron Mountain is a city in the U.S. state of Michigan. The population was 7,624 at the 2010 census. It is the county seat of Dickinson County, in the state's Upper Peninsula. Iron Mountain was named for the valuable iron ore found in the vicinity. Iron Mountain is the principal city of the Iron Mountain, MI-WI Micropolitan Statistical Area, which includes all of Dickinson County, Michigan and Florence County in Wisconsin. Iron Mountain hosts a few points of interest such as the Millie Hill bat cave, The Cornish Pump, and is located adjacent to Pine Mountain ski jump/ski resort, one of the largest artificial ski jumps in the world. It shares Woodward Avenue with the neighboring town, Kingsford. In addition, Iron Mountain is known for its pasties, Bocce Ball Tournaments, World Cup Ski Jumps, and Italian cuisine. Iron Mountain was also named a "Michigan Main Street" community by Michigan Governor Jennifer Granholm in 2006. It is one of only thirteen such communities in the State of Michigan in 2008. It is also the hometown of Michigan State University men's basketball coach Tom Izzo.

As of the census of 2010, there were 7,624 people, 3,362 households, and 2,025 families residing in the city. The population density was 1,034.5 inhabitants per square mile (399.4/km<sup>2</sup>). There were 3,784 housing units at an average density of 513.4 per square mile (198.2/km<sup>2</sup>). The racial makeup of the city was 96.3% White, 0.5% African American, 0.6% Native American, 0.7% Asian, 0.3% from other races, and 1.7% from two or more races. Hispanic or Latino of any race were 1.6% of the population.

There were 3,362 households of which 28.0% had children under the age of 18 living with them, 44.3% were married couples living together, 11.0% had a female householder with no husband present, 4.8% had a male householder with no wife present, and 39.8% were non-families. 34.2% of all households were made up of individuals and 13.4% had someone living alone who was 65 years of age or older. The average household size was 2.21 and the average family size was 2.83.

The Iron Mountain area is served by Ford Airport (airport code: KIMT). Commercial air travel is provided by SkyWest Airlines, providing jet service as Delta Connection. Located three miles west of the city, the airport handles approximately 7,600 operations per year, with roughly 27% commercial service, 57% air taxi and 16% general aviation. The airport has a 6,501 foot asphalt runway with approved ILS, GPS and NDB approaches (Runway 1-19) and a 3,808 foot asphalt crosswind runway (Runway 13-31).

