

100% OCCUPIED RETAIL PAD BUILDING

OFFERING MEMORANDUM

7245 E TANQUE VERDE ROAD, TUCSON, ARIZONA



PROPERTY HIGHLIGHTS

PRICE	\$3,200,000.00
SIZE	9,216 SF
CAP RATE	6.42%

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Asking Price	\$3,200,000
Gross Leasable Area	9,216 Square Feet
Percent Leased	100%
Year Built	2001
Pima County Parcel Number	114-46-9370
Zoning	C-1, City of Tucson
CAP Rate (2017)	6.42%
CAP Rate (2018)	6.72%
CAP Rate (2019)	6.85%
CAP Rate (2020)	6.98%

PROPERTY DESCRIPTION: The Colonia Verde Retail Shops is a 9,216sf free-standing strip retail center built in 2001. The property offers a monument sign with a panel for each tenant, as well as tremendous street visibility to the roughly 42,000 vehicles per day travelling by the center on Tanque Verde Rd. The building was designed to accommodate up to 7 tenants, with store depths of 64' and widths of 20 or 22'. The building is currently 100% occupied, with over half of the space still leased to the original tenants.

PROPERTY LOCATION: The Colonia Verde Retail Shops are located just east of the Safeway anchored Colonia Verde Shopping Center at the northeast corner of Sabino Canyon and Tanque Verde Roads. Located at the entrance to the Tanque Verde Valley in northeast Tucson, this intersection is one of the busiest intersections in northeast Tucson with nearly 90,000 vehicles per day. The property is located directly across Tanque Verde from the 172 acre Morris K. Udall Park and the Morris K. Udall Recreation Center and Senior Center.

TRADE ADEA: In addition to the Morris K. Udall Park and the Morris K. Udall Recreation Center that attracts approximately 100,000 visitors annually, major retailers in the trade area include Target, Albertson's, Safeway, Big Lots, Petco, Lowe's and Costco. Additionally, Tucson Country Club, whose membership exceeds 700 families, is located less than a mile west of the property.

TENANT MIX: The Colonia Verde Retail Shops are currently 100% occupied by 5 tenants that range in size from 1,280sf up to 2,688sf. Three of the tenants are food related (58%), with The Cellular Connection (28%) and Supercuts (14%) accounting for the balance of the space. For additional information on each of the tenants, see the Tenant Profiles page of this Offering Memorandum.

LEASE TYPES: All five leases are Triple Net (NNN) Leases.

TRAFFIC COUNTS:

Tanque Verde Rd: 41,967 vehicles per day (2015)
 Sabino Canyon Rd. 47,484 vehicles per day (2012)
(Source: Pima Association of Governments Traffic Volumes Database)

DEMOGRAPHICS:

2016 Estimates	1 mile	3 mile	5 mile
Population:	10,536	85,739	234,831
Households:	5,197	40,859	104,469
Avg. Household Income:	\$65,439	\$61,869	\$63,580

(Source: Esri forecasts for 2016)

TUCSON COUNTRY CLUB

MORRIS K. UDALL PARK

DORADO COUNTRY CLUB

Planned Sabino Canyon-Kolb road extension, estimated completion: early 2017. (Source: Gordley Group)

Costco WHOLESALE

Target

Albertsons

Big Lots

Safeway

LOWE'S

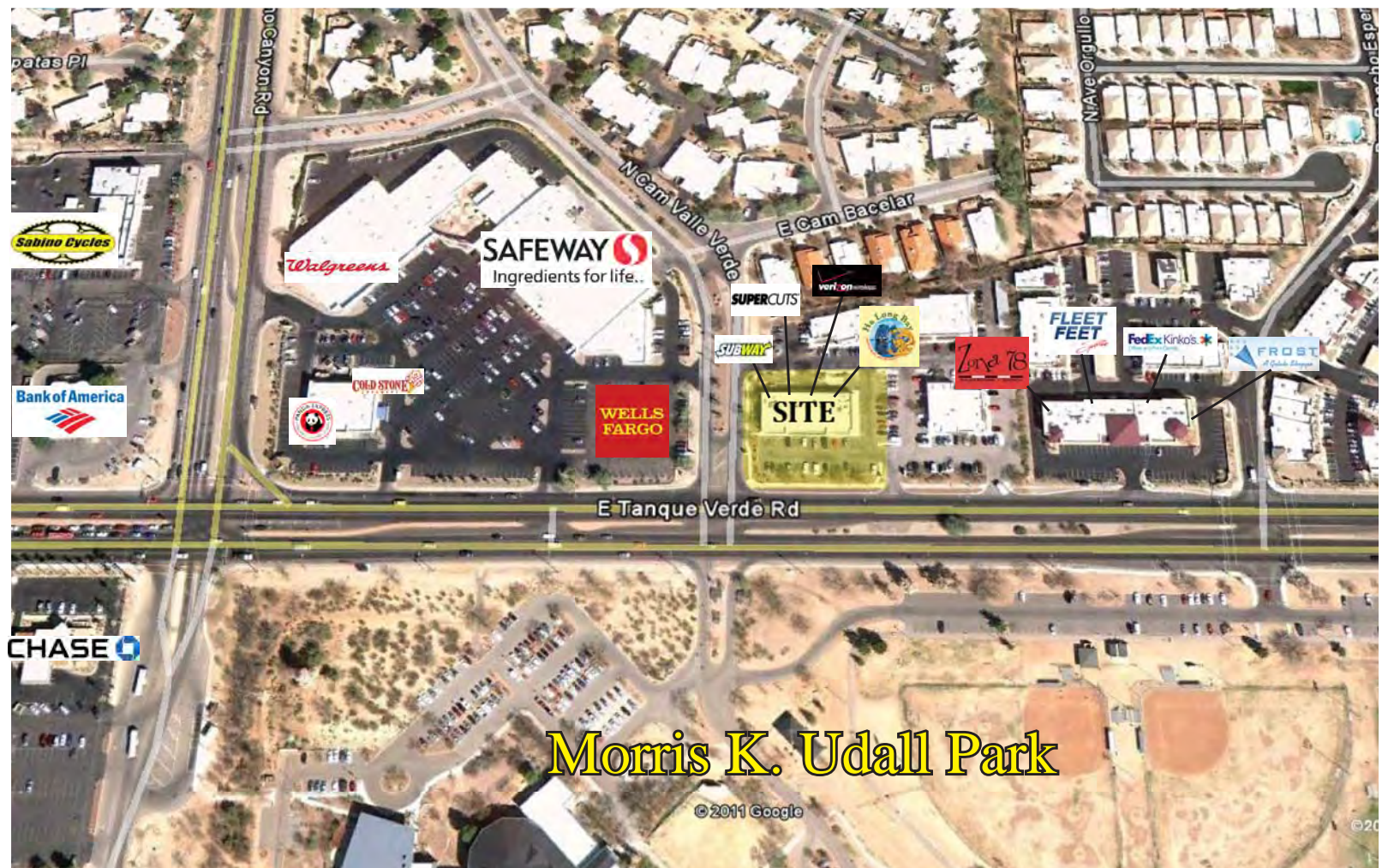
Walmart

Fry's

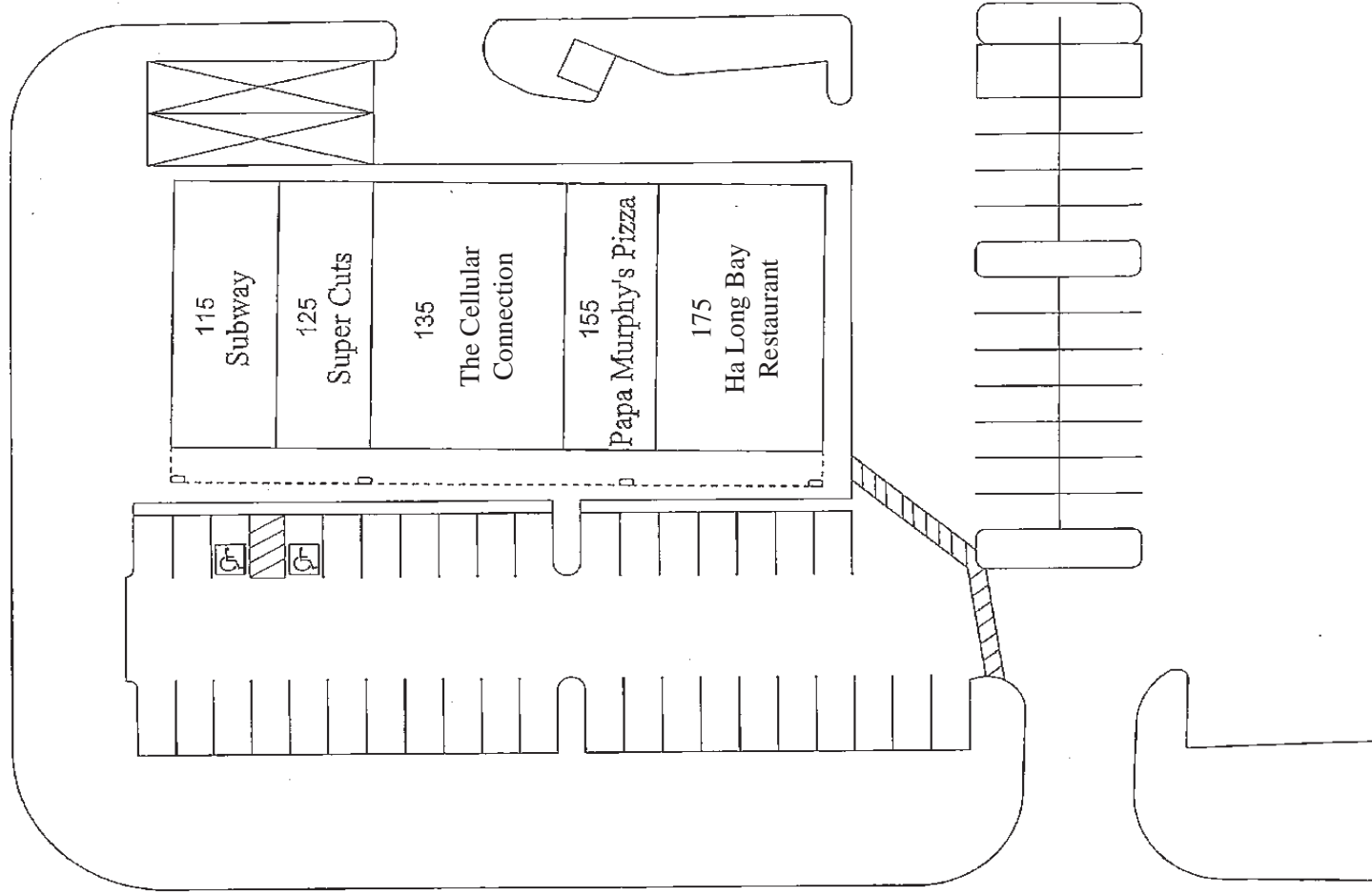
petco

SITE

Planned Sabino Canyon-Kolb road extension, estimated completion: early 2017. (Source: Gordley Group)



SITE PLAN



RENT ROLL & PRO-FORMA

Rent Roll:

Suite #	Tenant Name	GLA	% of GLA	2017 Annual	2017 Avg Rent/sf	Lease Type	Lease Began	Lease Ends	Increases
115	Subway	1,408	15.28%	\$38,206.08	\$27.14	NNN	6/11/2001	9/30/2021	2% Annual
125	Supercuts	1,280	13.89%	\$33,813.31	\$26.42	NNN	5/1/2001	7/31/2021	\$1/sf Annual
135	The Cellular Connection	2,560	27.78%	\$58,880.04	\$23.00	NNN	8/1/2001	9/30/2021	None
155	Papa Murphy's Pizza	1,280	13.89%	\$24,390.36	\$19.05	NNN	9/13/2010	12/31/2025	3% annual except 10% increase in Jan '21 then continued 3% annual
175	Ha Long Bay Vietnamese Restaurant	2,688	29.17%	\$52,864.00	\$19.67	NNN	3/11/2013	8/31/2023	↑ to \$22 Sep '17 then 50¢/sf Annual
		9,216	100.00%	\$208,153.79	\$22.59				

Pro-Forma:

	2017	2018	2019	2020
Sale Price:	\$3,200,000.00	\$3,200,000.00	\$3,200,000.00	\$3,200,000.00
Scheduled Base Rent:	\$208,153.79	\$217,649.72	\$221,806.74	\$226,001.99
Plus Expense Reimbursements:	\$76,682.52	\$76,682.52	\$76,682.52	\$76,682.52
Gross Income:	\$284,836.31	\$294,332.24	\$298,489.26	\$302,684.51
Estimated Operating Expenses (based on 2016 Projected Operating Budget)				
Total CAM Expenses	\$37,564.00	\$37,564.00	\$37,564.00	\$37,564.00
Real Estate Taxes	\$29,783.00	\$29,783.00	\$29,783.00	\$29,783.00
Insurance	\$2,894.00	\$2,894.00	\$2,894.00	\$2,894.00
Property Management Fee (4%)	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00
Total Operating Expenses:	\$79,241.00	\$79,241.00	\$79,241.00	\$79,241.00
Net Operating Income:	\$205,595.31	\$215,091.24	\$219,248.26	\$223,443.51
CAP Rate:	6.42%	6.72%	6.85%	6.98%

SUPER CUTS:

Founded in 1975, Supercuts has more than 2,600 locations throughout the United States, Canada and the United Kingdom. Supercuts is ranked the number one haircare franchise in the United States and is a subsidiary of Regis Corporation, a Fortune 1000 corporation with 90 years of salon industry experience. Supercuts signs the lease corporately and guarantees store operation for the term of the lease.

(www.supercuts.com)

VERIZON:

The Cellular Connection is the largest Verizon premium retailer in the nation with more than 700 locations across 38 states. The Cellular Connection sells smartphones, tablets, dish and cable service products, and home Internet products. It was founded in 1991 and was formerly known as Moorehead Communications, Inc. and changed its name to The Cellular Connection, LLC in August 2015. The company was founded in 1969 and is based in Carmel, Indiana with stores in Kansas, Oklahoma, Missouri, Texas, Arizona, Nebraska, and Iowa. TCC consistently ranks on Inc.'s 500/5000 list.

(www.tccrocks.com)

SUBWAY:

Since opening in 1965, Subway has become the world's largest submarine sandwich chain with more than 44,000 locations around the world including nearly 27,000 outlets in the United States. Corporately signed lease.

(www.subway.com)

PAPA MURPHY'S:

Founded in 1981, Papa Murphy's is the fifth largest pizza chain in the United States with over 1,500 stores across the country. Although this store is the franchisee's only location, it consistently ranks in the top 3 in Tucson for sales. (www.papamurphys.com)

HA LONG BAY VIETNAMESE RESTAURANT:

Ha Long Bay is an authentic Vietnamese restaurant open for lunch and dinner 7 days per week that features tasty Vietnamese cuisine in an unpretentious, comfortable atmosphere. (www.halongbaymenu.com)