

OFFERING MEMORANDUM

**Auto
Zone**

PUYALLUP, WA



NET LEASE INVESTMENTS

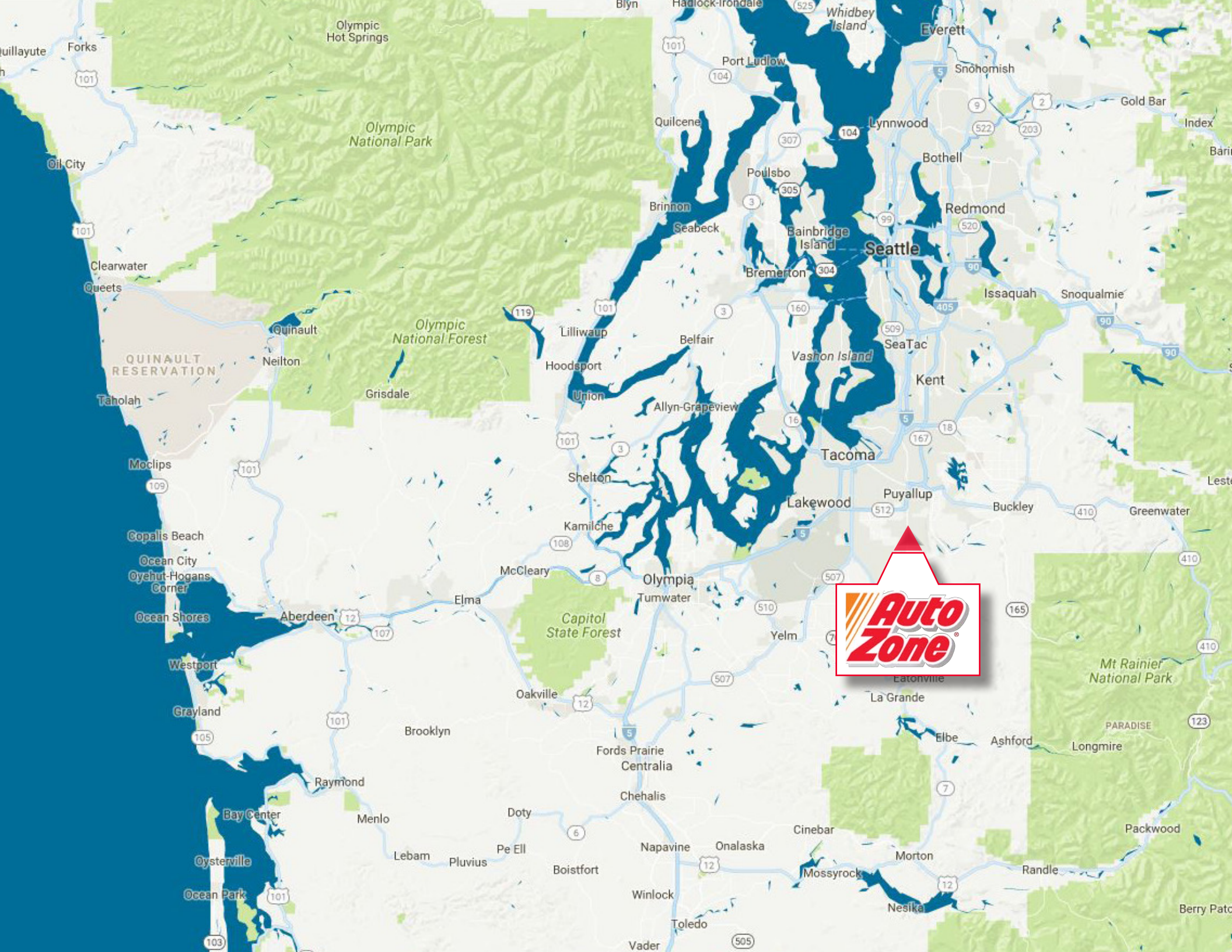
Actual Property

EXCLUSIVELY OFFERED BY: _____

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 **CUSHMAN &
WAKEFIELD**



PROPERTY OVERVIEW



PAPA JOHN'S
Fred Meyer
Bank of America
Walmart
Applebee's
O'Reilly AUTO PARTS
ULTRA
Popcorns

RITE AID
WinCo FOODS
KOHLS
BIG 5 SPORTING GOODS
ROSS DRESS FOR LESS
Firestone COMPLETE AUTO CARE

Jack in the Box
Round Table
Starbucks COFFEE
7 ELEVEN
DQ

Walgreens

JO-ANN Fabrics and more
SAFEMWAY
GameStop
Pizza Hut
US MAIL SERVICE

SONIC

OUTBACK

O'Reilly AUTO PARTS
DISCOUNT TIRE

BEST BUY
CHASE
ROSS DRESS FOR LESS
BED BATH & BEYOND

COSTCO WHOLESALE

macy's Sears
jcpenny OLD NAVY
EXPRESS LANE BRYANT
Target
DICK'S SPORTING GOODS
CVS pharmacy
REGAL ENTERTAINMENT GROUP
Bath & Body Works
Payless zumiez
Applebee's Panera PACSUN

Walgreens
Wendy's
McDonald's

am pm
NAVY FEDERAL Credit Union

STAPLES
LA FITNESS
PETS MART

AutoZone

Starbucks COFFEE
goodwill
RITE AID
Domino's Pizza
WU WESTERN UNION

Chipotle TACO BELL
Firestone COMPLETE AUTO CARE

LES SCHWARZ
meineke car care center
Wendy's
Jersey Mike's

Walmart
PETS MART
THE HOME DEPOT

LOWE'S

Target
Party City
CHASE
Famous Footwear
MATTRESS FIRM
at&t
Jersey Mike's

REGAL ENTERTAINMENT GROUP
BUFFALO WILD WINGS
IHOP

SUBWAY
Pier 1 imports
MATTRESS FIRM
Michaels
Papa Murphy's
McDonald's
Starbucks COFFEE
SALLY BEAUTY SUPPLY

Office DEPOT
DOLLAR TREE
petco



1 MILE

EXECUTIVE SUMMARY

TENANT:	AutoZone, Inc.
LOCATION:	14123 Meridian Avenue E Puyallup, WA 98373
APN:	041915-3024, 041915-3089
BUILDING SIZE:	6,200 +/- square feet
LAND SIZE:	0.946 acre
YEAR BUILT:	2004
RENT COMMENCEMENT:	September 17, 2003
LEASE EXPIRATION:	December 31, 2028 (~11 years remaining)
OPTIONS:	Four (4) five (5) year options
RENT INCREASES:	10% increase each option
LEASE TYPE:	NNN

OFFERING TERMS

CURRENT NOI:	\$99,698
PRICE:	\$2,215,511
CAP:	4.50%





Actual Property

LONG-TERM NNN LEASE WITH ~11 YEARS REMAINING

INVESTMENT GRADE CREDIT

- AutoZone has a Standard & Poor’s BBB rating

14 YEAR OCCUPANCY / ESTABLISHED CUSTOMER-BASE

- AutoZone has operated at the subject property since it was built in 2003

RECENT LEASE EXTENSION

- Lease extended early through 12/31/2028 illustrates AutoZone’s long term commitment to the site

HEAVY TRAFFIC / MAIN RETAIL CORRIDOR

- ~40,000 cars per day on Meridian Avenue E, which is the main retail corridor in Puyallup

DEPRECIABLE ASSET

- Rare land and building Autozone lease allows owner to offset rental income with depreciation to increase after tax yield

BELOW MARKET RENT / STRONG INTRINSIC VALUE

- Current rent of only \$16 psf is below market for the trade area and for new build-to-suit auto parts stores in the region, which provides additional security and future upside for the property

LIMITED AUTO PARTS COMPETITION

- Only national brand Auto Parts store within 1.2 miles, an area serving over 10,000+ residents

CENTRAL RETAIL HUB

- Within 2 miles of major national retailers along Meridian Ave including dominant big box retailers Costco, Walmart, Home Depot, Lowes, Fred Meyer, Winco Foods, etc and a major regional mall which provide strong consumer traffic for the corridor and making it a regional retail hub for the surrounding communities



142TH ST E

161

MERIDIAN AVE E (40,000 VPD)





ROGERS HIGH SCHOOL
GRADES 10-12
~1,780 STUDENTS

ZEIGER ELEMENTARY
GRADES PK-6
~757 STUDENTS

BALLOU JR HIGH SCHOOL
GRADES 7-9
~720 STUDENTS

FIRGROVE ELEMENTARY
GRADES K-6
~600 STUDENTS

MERIDIAN AVE E (40,000 VPD)



142TH ST E





Actual Property

TENANT: AutoZone, Inc. (NYSE: AZO)

S&P CREDIT RATING: BBB **# OF LOCATIONS (2016):** 5,814+

2016 REVENUE (\$BIL): \$10.63 **# OF EMPLOYEES (2016):** 84,000+

2016 NET INCOME (\$BIL): \$1.241

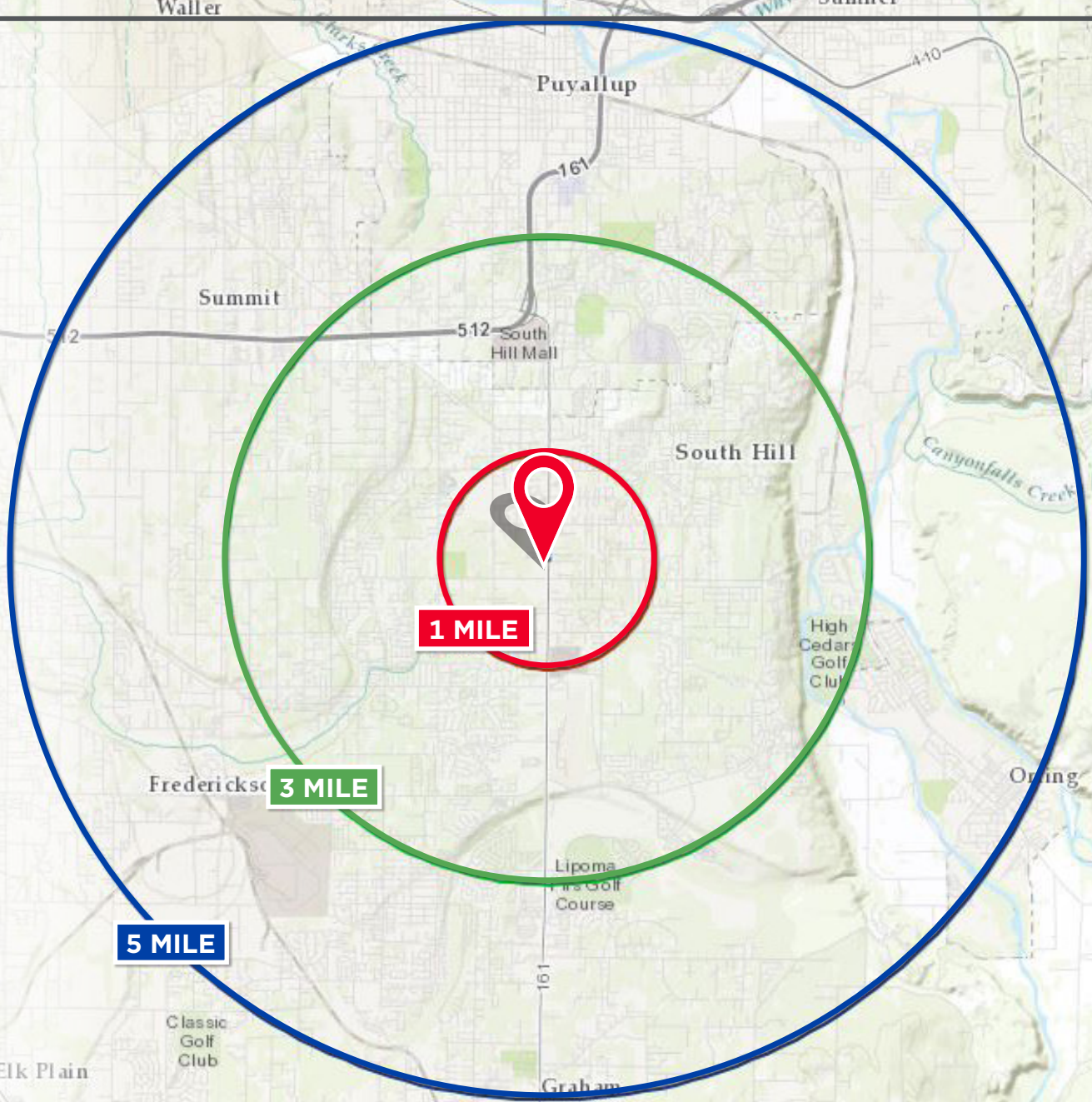
 AutoZone is the nation’s leading retailer and a leading distributor of automotive replacement parts and accessories with more than 5,297 stores in the U.S., Puerto Rico, and Mexico. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and re-manufactured hard parts, maintenance items and accessories. For more than 30 years,

AutoZone has been committed to providing the best parts, prices and customer service in the automotive aftermarket industry. They have a rich culture and history of doing the Extra Mile for their customers and community. Since opening its first store in Forrest City, AK, on July 4, 1979, the company has joined the New York Stock Exchange and earned a spot in the Fortune 500.

The company places stores in regions that have large number of vehicles seven years old and older because of these cars’ need for repairs and maintenance. While the company seeks to open stores in high-traffic areas, AutoZone is largely a destination retailer - a retailer that generates its own traffic instead of relying on other nearby stores’ traffic base. Stores typically range from 6,500 to 8,000 square feet.

Website: www.autozone.com

DEMOGRAPHICS



POPULATION GROWTH

	1 MILE	3 MILE	5 MILE
2010	9,825	73,054	148,996
2016	10,333	79,227	161,702
2021	10,965	84,482	172,696

AVERAGE HH INCOME

	1 MILE	3 MILE	5 MILE
2016	\$81,468	\$86,891	\$85,071
2021	\$89,194	\$95,170	\$93,381



PUYALLUP Washington is a city in Pierce County, Washington, about 10 miles southeast of Tacoma and 35 miles south of Seattle. The population was 37,022 at the 2010 Census, a 12.2% increase from 2000, and the Washington State Office of Financial Management estimated the 2014 population at 38,670. Puyallup is one of the fastest growing cities in the state. New businesses and developments are constantly expanding especially in the Puyallup South Hill area.

Named after the Puyallup Tribe of Native Americans, Puyallup means "the generous people". It is also home to the Washington State Fair, the state's main fair. The City of Puyallup is situated at the foot of scenic Mount Rainier in the beautiful Puget Sound region and is an easy commute on Sound Transit's Sounder train to Tacoma, Seattle and many cities in between.



Downtown Tacoma, Washington

The valley in which Puyallup was originally settled forms the town. Its fertile soil is optimal for the acres of daffodils which were grown for distribution world-wide, and are featured in the town's annual spring parade. The Puyallup River meanders between the hills, through the glacial basin, from its namesake glacier on Mt. Rainier, terminating in Puget Sound at the Port of Tacoma. From most perspectives in the town of Puyallup, Mt. Rainier is visible to the southeast.

Downtown Puyallup has several notable landmarks, including Ezra Meeker's mansion, which was built and inhabited by one of the town's founding families, who made their way to Puyallup via the Oregon Trail.

The downtown shopping district is made up of historic buildings, which date to the town's origin. Pioneer Park is a community focal point, which boasts a public library, a park with a playground, and walking paths.

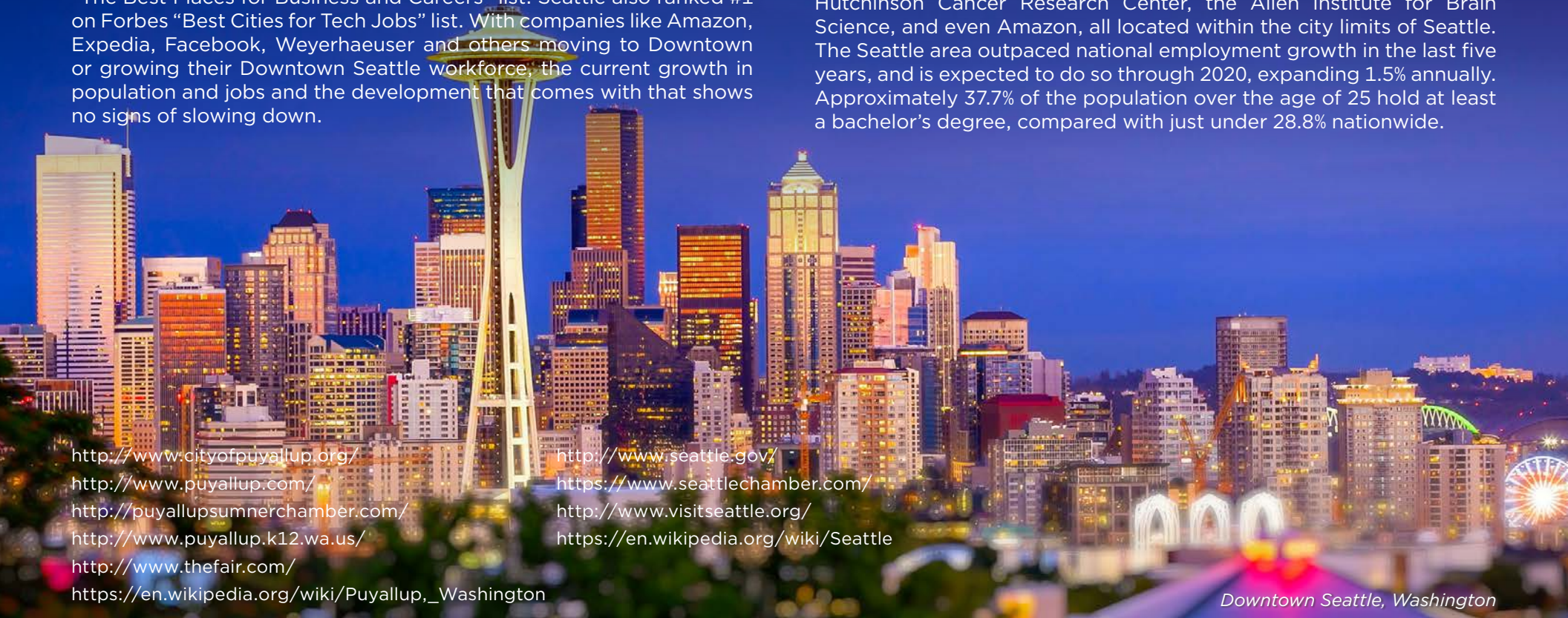
The Puyallup School District has over 30 schools attended by 20,000+ students. The district is the ninth largest in Washington state, and extends to neighboring South Hill, some of Tacoma, and the Edgewood area. Puyallup is also home to Pierce College Puyallup, a community college that opened in 1990, with a current enrollment of 16,916 students.

Mt. Rainier

SEATTLE is a seaport city on the west coast of the United States and the seat of King County, Washington. With an estimated 684,451 residents as of 2015, Seattle is the largest city in both the state of Washington and the Pacific Northwest region of North America. In July 2013, it was the fastest-growing major city in the United States and remained in the Top 5 in May 2015 with an annual growth rate of 2.1%. The city is situated on an isthmus between Puget Sound (an inlet of the Pacific Ocean) and Lake Washington, about 100 miles south of the Canada–United States border. A major gateway for trade with Asia, Seattle is the fourth-largest port in North America in terms of container handling as of 2015.

As the fastest-growing big city in the country, Seattle is one of the hottest employment markets today. Seattle ranked 6th on Forbes 2015 “The Best Places for Business and Careers” list. Seattle also ranked #1 on Forbes “Best Cities for Tech Jobs” list. With companies like Amazon, Expedia, Facebook, Weyerhaeuser and others moving to Downtown or growing their Downtown Seattle workforce, the current growth in population and jobs and the development that comes with that shows no signs of slowing down.

A highly skilled and educated workforce, advanced transportation and distribution infrastructure, manufacturing capabilities and access to national and global markets have contributed to its economic diversity. Five Fortune 500 companies have headquarters within Seattle’s city limits—Amazon, Starbucks, Nordstrom, Expeditors, and Alaska Air—and four others, including Costco and Microsoft, call the broader metro area home. They are all major employers in the region, and four out of ten jobs in the entire state are connected to international trade in part because of the Port of Seattle, one of the busiest ports in the United States. Seattle has a mix of established companies and exciting up-and-comers. Microsoft operates out of nearby Redmond, while Seattle itself is home to fast-growing industries like e-commerce and biomedical tech. Start-ups in these industries can thrive because of Seattle’s strong entrepreneurial culture, the presence of venture capital, and local assets like the University of Washington, the Fred Hutchinson Cancer Research Center, the Allen Institute for Brain Science, and even Amazon, all located within the city limits of Seattle. The Seattle area outpaced national employment growth in the last five years, and is expected to do so through 2020, expanding 1.5% annually. Approximately 37.7% of the population over the age of 25 hold at least a bachelor’s degree, compared with just under 28.8% nationwide.



<http://www.cityofpuyallup.org/>
<http://www.puyallup.com/>
<http://puyallupsumnerchamber.com/>
<http://www.puyallup.k12.wa.us/>
<http://www.thefair.com/>
https://en.wikipedia.org/wiki/Puyallup,_Washington

<http://www.seattle.gov/>
<https://www.seattlechamber.com/>
<http://www.visitseattle.org/>
<https://en.wikipedia.org/wiki/Seattle>

Downtown Seattle, Washington

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