

FOR SALE
MURPHY EXPRESS (GROUND LEASE)
Commerce City, CO (DENVER MSA)



DISCLAIMER

This confidential Offering Memorandum, has been prepared by Pinnacle Real Estate Advisors, LLC ("Pinnacle REA") for use by a limited number of qualified parties. This Offering Memorandum has been provided to you at your request based upon your assurances that you are a knowledgeable and sophisticated investor in commercial real estate projects and developments. Pinnacle REA recommends you, as a potential buyer/investor, should perform your own independent examination and inspection of the property described herein as 8799 Brighton Road located in Commerce City, CO (the "Property") and of all of the information provided herein related to the Property. By accepting this Offering Memorandum, you acknowledge and agree that you shall rely solely upon your own examination and investigation of the Property and you shall not rely on any statements made in this Offering Memorandum or upon any other materials, statements or information provided by Pinnacle REA or its brokers.

Pinnacle REA makes no guarantee, warranty or representation about the completeness or accuracy of the information set forth in this Offering Memorandum. You are responsible to independently verify its accuracy and completeness. Pinnacle REA has prepared the information concerning the Property based upon assumptions relating to the general economy, its knowledge of other similar properties in the market, and on other market assumptions including factors beyond the control of the Pinnacle REA and the Owner of the Property. Pinnacle Real Estate Advisors make no representation or warranty as to either the accuracy or completeness of the information contained herein, and the information set forth in this Offering Memorandum is not intended to be a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be accurate, Pinnacle REA and the Property Owner disclaim any responsibility or liability for any inaccuracies. Further, Pinnacle REA and the Property Owner disclaim any and all liability for any express or implied representations and warranties contained in, or for any omissions from, the Offering Memorandum and for any other written or oral communication transmitted or made available to you. Pinnacle REA shall make available to you, as a qualified prospective investor, additional information concerning the Property and an opportunity to inspect the Property upon written request.

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- Investment Highlights
- Investment Overview
- Aerial
- Site Plan
- Maps & Demos
- Photos
- Comparables
- Location Overview
- Tenant Overview

Exclusively Listed by:



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Strategic Denver Location

- Denver MSA – 2nd fastest growing community in Colorado
- Immediate proximity and access to Interstate 76 (87,000 VPD) with a limited number of exits in the area
- Strategic signalized intersection of 88th Avenue & Brighton Road (26,000 VPD)
- Across the street from the Mile High Flea Market (1+ million annual visitors & 2,500 vendors per weekend)
- South of the 76 Commerce Center – a 1.8 million square foot upcoming new construction Class A industrial development
- Immediate proximity to large industrial properties leased to FedEx, Lowe's, Insurance Auto Auction, Home Depot and Xcel Energy
- Limited gas options in the immediate corridor
- High barriers to entry
- Approximately 15 miles west of the Denver International Airport

New Construction 20-Year Ground Lease

- Long term ground lease with 19 years remaining
- 10% rental escalations every five years in primary term and renewal options
- Brand new construction property (2017) with 16 fuel pumps
- Murphy USA (NYSE: MUSA) has a market capitalization of \$2 billion
- Murphy USA operates over 1,400 locations
- Zero landlord responsibilities
- Extremely low price point in comparison to other single tenant gas station properties in the Denver MSA (see comparables on page 12)
- Low land cost (\$18.91/SF)



MURPHY EXPRESS (GROUND LEASE | DENVER MSA)

8799 Brighton Road | Commerce City, CO 80022

Purchase Price: \$1,650,000 (4.24% Cap Rate)

PIA Credit*: \$250,000*

Net Purchase Price: \$1,400,000 (5.00% Cap Rate)

Net Operating Income: \$70,000

Rent Commencement: June 27, 2017

Lease Expiration: June 30, 2037

Rental Escalations: 10% Every Five Years

Renewal Option: Four 5-Year

Lease Type: Ground Lease (No Landlord Responsibilities)

Tenant: Murphy Oil USA, Inc.

Credit Rating: S&P: BB+

Building Size: 1,200 SF

Canopy Size: 6,854 SF

Fuel Pumps: 16

Land Size: 1.7 Acres

Year Built: 2017

NOI & Cap Rate Schedule

| Date | NOI | Cap Rate | Year |
|--------------|-----------|----------|----------|
| Current | \$70,000 | 5.00% | 1-5 |
| July 1, 2022 | \$77,000 | 5.50% | 6-10 |
| July 1, 2027 | \$84,700 | 6.05% | 11-15 |
| July 1, 2032 | \$93,170 | 6.66% | 16-20 |
| July 1, 2037 | \$102,487 | 7.32% | Option 1 |
| July 1, 2042 | \$112,736 | 8.05% | Option 2 |
| July 1, 2047 | \$124,009 | 8.86% | Option 3 |
| July 1, 2052 | \$136,410 | 9.74% | Option 4 |

*The property is subject to a Public Improvement Agreement (PIA) where the Landlord potentially will have to contribute to certain infrastructure improvements at some point in the future. These infrastructure improvements consist of widening of Brighton Road and related infrastructure. The cost estimate for these improvements is \$252,821.

DOWNTOWN
DENVER



87,000 VPD

BRIGHTON ROAD





DENVER
INTERNATIONAL
AIRPORT



MILE HIGH
FLEA MARKET

1 MILLION
ANNUAL VISITORS

23,000 VPD

88TH AVENUE



BRIGHTON ROAD





AREA DEMOGRAPHICS



Population

| | |
|--------|---------|
| 1 mile | 2,664 |
| 3 mile | 59,141 |
| 5 mile | 186,244 |



Households

| | |
|--------|--------|
| 1 mile | 724 |
| 3 mile | 18,923 |
| 5 mile | 62,867 |

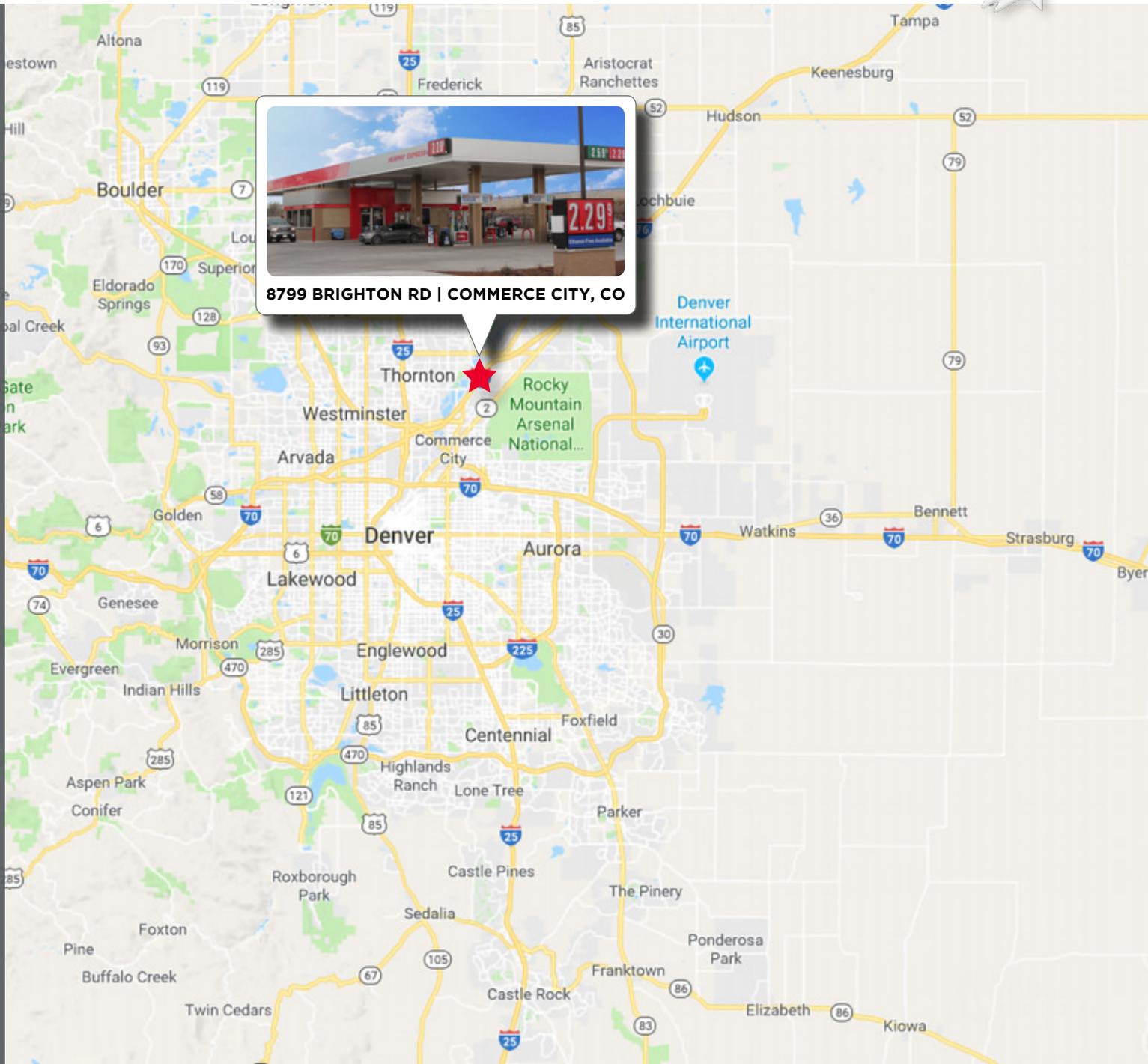


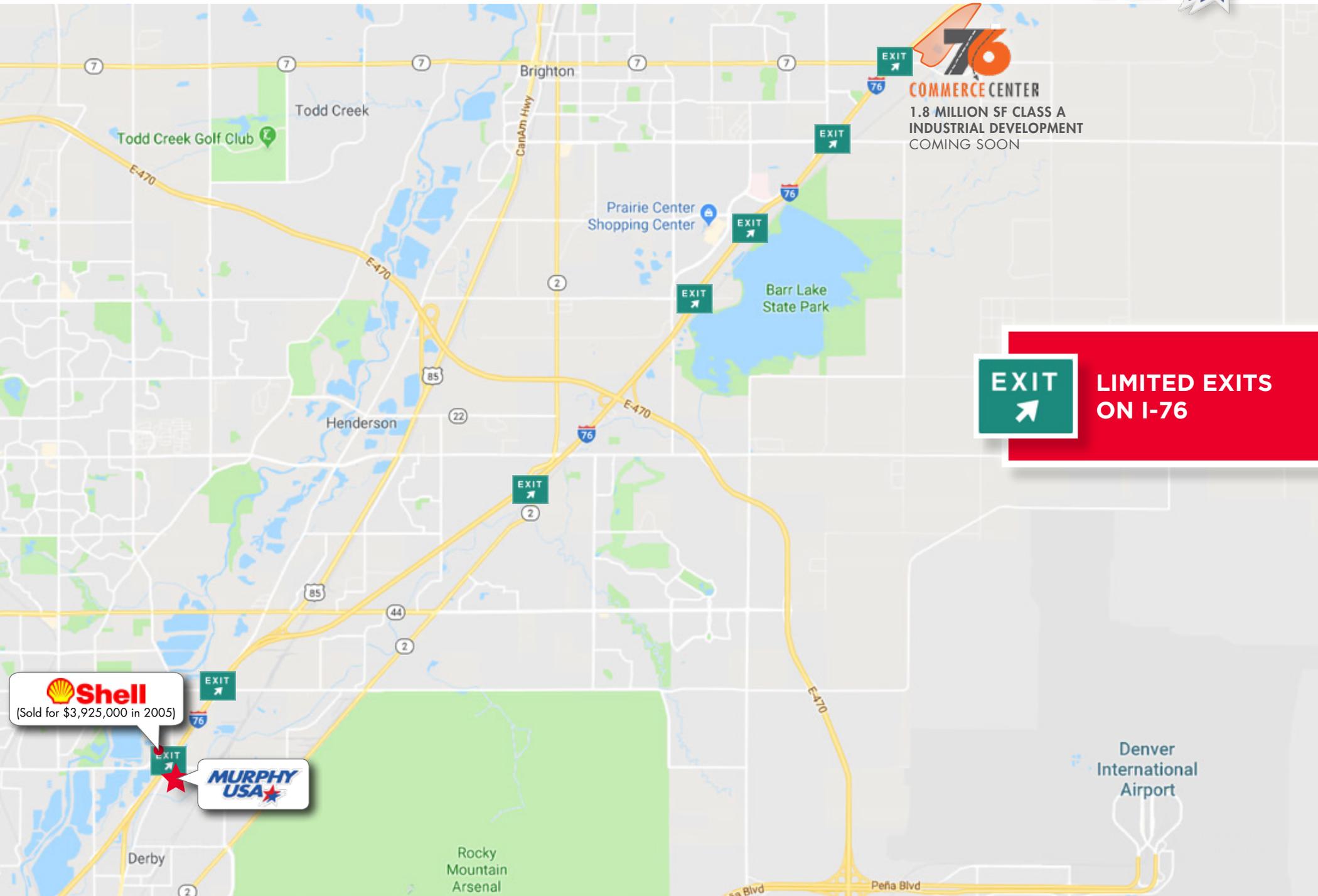
Average HH Income

| | |
|--------|----------|
| 1 mile | \$48,850 |
| 3 mile | \$62,715 |
| 5 mile | \$71,776 |



8799 BRIGHTON RD | COMMERCE CITY, CO





76
COMMERCE CENTER
1.8 MILLION SF CLASS A
INDUSTRIAL DEVELOPMENT
COMING SOON

EXIT
↑
**LIMITED EXITS
ON I-76**

 **Shell**
(Sold for \$3,925,000 in 2005)



Derby

Rocky Mountain Arsenal

Denver International Airport



Sold Colorado Gas Comparables

| TENANT | ADDRESS | CITY | STATE | PRICE | DATE SOLD |
|--|--------------------------|------------------|-------|-------------|------------|
| | 9665 Prominent Pt. | Colorado Springs | CO | \$4,700,000 | 3/17/2017 |
| | 8991 E 104th Ave. | Commerce City | CO | \$4,054,100 | 12/22/2016 |
| <small>Across Street from Subject Property</small> | 9001 I-76 Frontage Rd. | Henderson | CO | \$3,925,000 | 12/15/2005 |
| | 290 S Pierce St. | Denver | CO | \$3,800,000 | 6/9/2017 |
| | 2880 S Circle Dr. | Colorado Springs | CO | \$3,594,000 | 3/14/2018 |
| | 7451 S Gartrell Rd. | Aurora | CO | \$3,570,900 | 3/22/2018 |
| | 8836 E 96th Ave. | Henderson | CO | \$3,500,000 | 12/1/2016 |
| | 715 Cheyenne Meadows Rd. | Colorado Springs | CO | \$3,422,500 | 9/6/2017 |
| | 5590 Power Center Pt. | Colorado Springs | CO | \$3,414,000 | 11/30/2016 |
| | 5280 Astrozon Blvd. | Colorado Springs | CO | \$3,198,100 | 12/22/2016 |
| | 707 Kalamath St. | Denver | CO | \$2,740,000 | 12/29/2017 |

On Market Colorado Gas Comparables

| TENANT | ADDRESS | CITY | STATE | PRICE | CAP RATE |
|--------|--------------------|-------------------|-------|-------------|----------|
| | 5112 E Bromley Ln. | Brighton | CO | \$7,100,000 | 5.60% |
| | 6615 Dalby Dr. | Colorado Springs | CO | \$6,025,000 | 5.50% |
| | 500 S Lincoln Ave. | Steamboat Springs | CO | \$3,950,000 | 4.50% |
| | 629 Main St. | Windsor | CO | \$3,660,000 | 4.55% |
| | 11521 Main St. | Broomfield | CO | \$3,210,309 | 4.85% |
| | 317 E Main St. | Rangely | CO | \$3,100,000 | 5.75% |
| | 136th & I-25 | Thornton | CO | \$3,000,000 | 4.50% |
| | 1100 Broad St. | Milliken | CO | \$2,280,000 | 4.55% |



Commerce City is located in Adams County and is a northern suburb of Denver. Commerce City is the 18th most populous municipality in Colorado and its population increased by approximately 120% from the 2000 census to the 2010 census. Commerce City's population grew by 17% from 2010 to 2015. Commerce City is a mixed residential and industrial community that is known for an oil refinery with a capacity of 90,000 barrels per day operated by Suncor.

Commerce City is also home to Dick's Sporting Goods Park which is a soccer stadium that is home to Major League Soccer's Colorado Rapids.

As one of the state's fastest growing communities, Commerce City is redefining itself for the next generation, building on historic values of community, industry, agriculture and family. It's a safe, diverse and welcoming community with 25 miles of trails, a championship golf course, 840 acres of open space and parks, 1,300 thriving businesses, one of the country's largest soccer complexes and the nation's largest urban wildlife refuge.



DENVER
THE MILE HIGH CITY

Denver is the capital and most populous city of Colorado and is located just east of the front range of the Rocky Mountains. Denver is nicknamed the Mile High City

because its elevation is exactly one mile above sea level, making it the highest major city in the United States. Denver is ranked as a Beta- world city by the Globalization and World Cities Research Network. With an estimated population of 693,060 in 2016, Denver is the 19th-most populous U.S. city. The Denver MSA had an estimated 2016 population of 2,853,077 and is the 19th most populous US MSA. In 2016, Denver was named the best place to live in the United States by U.S. News & World Report.

Denver is home to the Denver International Airport which is the 18th busiest airport in the world. Denver serves as a major hub for United Airlines, is the headquarters for Frontier Airlines and is the fastest-growing focus city for Southwest Airlines. Denver is served by five interstates which include I-25, I-225, I-70, I-270, and I-76. Denver is home to four professional sports teams which include the Denver Broncos, Colorado Avalanche, Colorado Rockies and Denver Nuggets.

Denver is the largest city within 500 miles which has made it a natural location for storage and distribution of goods and services to the Mountain states, Southwestern states as well as Western states. Denver is the headquarters to Dish Network, Vail Resorts, Western Union, DaVita, Coors Brewing Company, Liberty Interactive, Level 3 Communications, Ball Corp., Envision Healthcare, CH2M Hill and many others. Denver also has a thriving tourism industry due to its proximity to the Rocky Mountains and numerous world-class ski resorts.



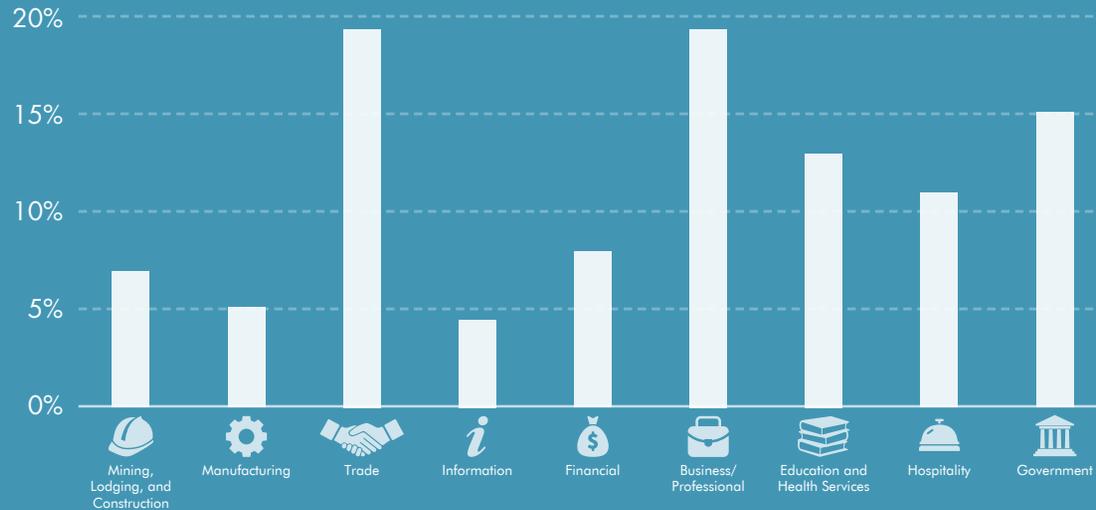
DENVER OVERVIEW



Denver is one of the fastest-growing cities in the U.S., with a highly educated workforce, and it is becoming a magnet for talented professionals who are seeking dynamic careers outside of the typical financial centers. The quest for work-life balance has made Colorado a hot destination for professionals and companies in search of talent.

TOTAL DENVER EMPLOYEES

(Current Employment Statistics - Bureau of Labor Statistics)



IN MARCH 2017, DENVER'S

UNEMPLOYMENT RATE DROPPED TO

2.4%

(LOWEST LEVEL SINCE 2001 AND WELL BELOW THE NATIONAL RATE)

#1 IN THE NATION FOR ECONOMIC & JOB GROWTH
AREA DEVELOPMENT

#3 IN THE US FOR PERCENTAGE OF ADULT POPULATION WITH FULL-TIME EMPLOYMENT
GALLUP

#1 IN THE NATION FOR BUSINESS AND CAREERS
Forbes



TENANT OVERVIEW



Murphy USA is an American corporation that operates a chain of retail gas stations. The company's retail stores offer motor fuel products and convenience merchandise. The company operates approximately 1,400 locations in 26 different states primarily in the Southwest, Southeast and Midwest and serves approximately 1.6 million customers per day. Over 1,100 Murphy USA locations are within close proximity of Walmart locations, while over 240 stores are stand-alone locations known as Murphy's Express stores. Murphy USA locations vary from small kiosk locations to larger walk-in convenience stores. Murphy Express locations are typically larger format stores that offer a larger array of products and more fueling lanes.

Murphy USA was founded in 1996 and is headquartered in El Dorado, Arkansas. Murphy USA is publicly traded on the New York Stock Exchange (MUSA) with a market capitalization of \$2 billion. Murphy USA has a Standard & Poor's credit rating of BB+.

Website: www.murphyusa.com
Credit Rating: S&P: BB+
Stock Symbol: NYSE: MUSA
Market Capitalization: \$2 Billion
Number of Locations: 1,400
Headquarters: El Dorado, AR
Year Founded: 1996



MURPHY USA



 **PINNACLE**
REAL ESTATE ADVISORS

NATIONAL NNN
INVESTMENT SALES GROUP

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