

SECURE
NET LEASE

SUBJECT PROPERTY



ADVANCE AUTO PARTS

\$1,608,923 | 6.50% CAP

601 S Arkansas Avenue, Russellville, AR 72801

- ✓ 2019 Store Sales exceeded \$2M; Low Occupancy 42% Higher than the National Advance Auto Part Average
- ✓ Occupancy cost at this site is 5.23%, significantly lower than the nation average for AAP
- ✓ Advance Auto Parts is an Investment Grade Tenant (BBB-)
- ✓ Excellent High Traffic Location in Russellville, Home of Arkansas Tech University

Advance Auto Parts, Inc. is an American automotive aftermarket parts provider. Headquartered in Raleigh, North Carolina, it serves both professional installer and do-it-yourself (DIY) customers. Advance Auto Parts operates 4,912 stores and 150 Worldpac branches in the United States and Canada.



INVESTMENT OVERVIEW

ADVANCE AUTO PARTS | RUSSELLVILLE, ARKANSAS

\$1,608,923 | 6.50% CAP

 **\$104,580**
NOI

 **±6,790 SF**
BUILDING AREA

 **±1.0331 ACRES**
LAND AREA

 **2005**
YR BUILT

 **100%**
OCCUPANCY

 **NET LEASE***
LEASE TYPE

* Landlord is responsible for Structure, Slab, and Foundation

- ✓ **6-Year Absolute Net Lease** with Minimal Landlord Responsibilities and 5% rent increases every 5 years beginning in the option periods
- ✓ **Advance Auto Parts (BBB-) operates 4,843 stores** and 168 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands
- ✓ **2019 reported store sales are north of \$2 MM**, 42% higher than the national Advance Auto Parts average
- ✓ **Occupancy cost at this site is 5.23%**, significantly lower than the nation average for Advance Auto Parts
- ✓ High traffic location in the heart of Russellville with 28,029 VPD and only **1.5 mile from Arkansas Tech University with over 12,000 students**
- ✓ **Dense retail corridor surrounded by national tenants** including Dollar General, Sherwin-Williams, Little Caesars, Pizza Hut, Goodyear, Wendy's, KFC, Planet Fitness and McDonald's

SECURE

NET LEASE

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AR BROKER OF RECORD

HENRY KELLEY

Flake & Kelley Commercial

License #: EB00005649

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TENANT OVERVIEW

ADVANCE AUTO PARTS | RUSSELLVILLE, ARKANSAS



ADVANCE AUTO PARTS (shop.advanceautoparts.com)

LESSEE: ADVANCE STORES COMPANY, INCORPORATED

GUARANTOR: ADVANCE STORES COMPANY, INCORPORATED

Advance Auto Parts, Inc. (AAP), a Delaware Corporation, AAP was founded in 1929 in Virginia as Advance Stores Company, Inc. and operated as a retailer of general merchandise until the 1980s when the company narrowed its focus to automotive parts and accessories. From the 1980s to the present the company has grown significantly as a result of comparable store sales growth, new store openings, and strategic acquisitions. AAP was established 2001 in conjunction with the acquisition of Discount Auto Parts, Inc. AAP and its subsidiaries, is a leading specialty retailer of after-market automotive parts, accessories, batteries and maintenance items. AAP carries an extensive product line for cars, vans, sport utility vehicles and light trucks that serve both "do-it-yourself" (DIY) customers and commercial customers such as independent garages, service stations, and auto dealers through retail stores and the company website. Stores carry over 18,000 items, and have access to an additional assortment of 108,000 items offered for sameday or next-day delivery from either one of the company's 254 HUB stores or network of 22 Parts Delivered Quickly facilities. Additionally, customers have access to over 340,000 items by ordering directly from a store for delivery. The primary categories of product offered in stores include: parts (alternators, batteries, belts and hoses, hassis parts, clutches, engines and engine parts, ignition, lighting, radiators, starters, spark plugs and wires, transmissions and water pumps); accessories (floor mats, mirrors, vent shades, MP3 and cell phone accessories, and seat and steering wheel covers); chemicals,(antifreeze, brake and power steering fluid, and freon); oil, transmission fluid and other automotive petroleum products; and other miscellaneous products. Since 2000, Advance Auto Parts has aggressively expanded commercial sales through a commercial delivery program that utilizes delivery fleet to deliver product from store locations to businesses.

\$9.7 B

REVENUE

BBB-

CREDIT RATING

AAP

STOCK TICKER



4,843

TOTAL LOCATIONS



ADVANCE AUTO PARTS CEO TALKS SHIFTING VISION FOR NORTH HILLS HQ

Lauren Ohnesorge, July 17, 2020 (*Triangle Business Journal*)

That's according to CEO Tom Greco, who toured his new digs Thursday. Greco says the company is moving ahead full throttle with the new headquarters, despite the fact that the vast majority of the Raleigh operation is currently working from home.

The tower, which looms over Interstate 440, could start housing employees near the first of the year – that is if the pandemic situation allows its occupancy. Greco said his team is already planning how it can move forward in the new

Advance Auto Parts CEO Tom Greco *is navigating his company's future move to a new headquarters in North Hills.*

space safely.

"We're going to move back into the office in a way that's safe for our people, and that may mean not everybody is there five days a week," he said. "We're looking at which roles can be effectively done remotely."

And there are challenges. The headquarters was designed to foster person-to-person relationships. Its open environment was specifically conceptualized for collaboration. So the question is, how to create the environment he's envisioning in the "new normal" of Covid-19?

Greco said he still doesn't have all the answers. His team is working on its floor plan to ensure desks are adequately spaced apart and having conversations with the builder about enhanced airflow systems.



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ADVANCE AUTO PARTS CALLS ON DIEHARD® FANS AND RACING FANS TO CREATE 'START YOUR ENGINES' VIDEOS TO HELP VIRTUALLY START THE INDIANAPOLIS 500

August 04, 2020 (*Business Wire*)

"DieHard batteries also have a storied history in racing built upon reliability and power. Advance and Carquest are the only auto parts retailers offering this legendary battery to customers in North America. Our Team Members and Independent Partners are thrilled to celebrate DieHard starting the majority of the Indy 500 field 50 years ago by empowering and mobilizing fans to voice the most celebrated command in racing."

DieHard has a long and rich history throughout motorsports, from IndyCar and

"Advance and DieHard are two iconic brands that motorists have trusted for decades to keep their vehicles running," said Jason McDonell, Executive Vice President and Chief Marketing Officer.

NASCAR to NHRA. While technology has evolved, in 1970, DieHard batteries were used to power cars entered into the Indy 500 by providing the 36-volt starting power necessary.

Advance acquired DieHard, one of the most trusted and recognized battery brands in the automotive industry, in December 2019. Visit www.advanceautoparts.com for more information about DieHard batteries that are available nationwide at Advance Auto Parts and Carquest branded stores.



CLICK HERE TO READ MORE

LEASE OVERVIEW

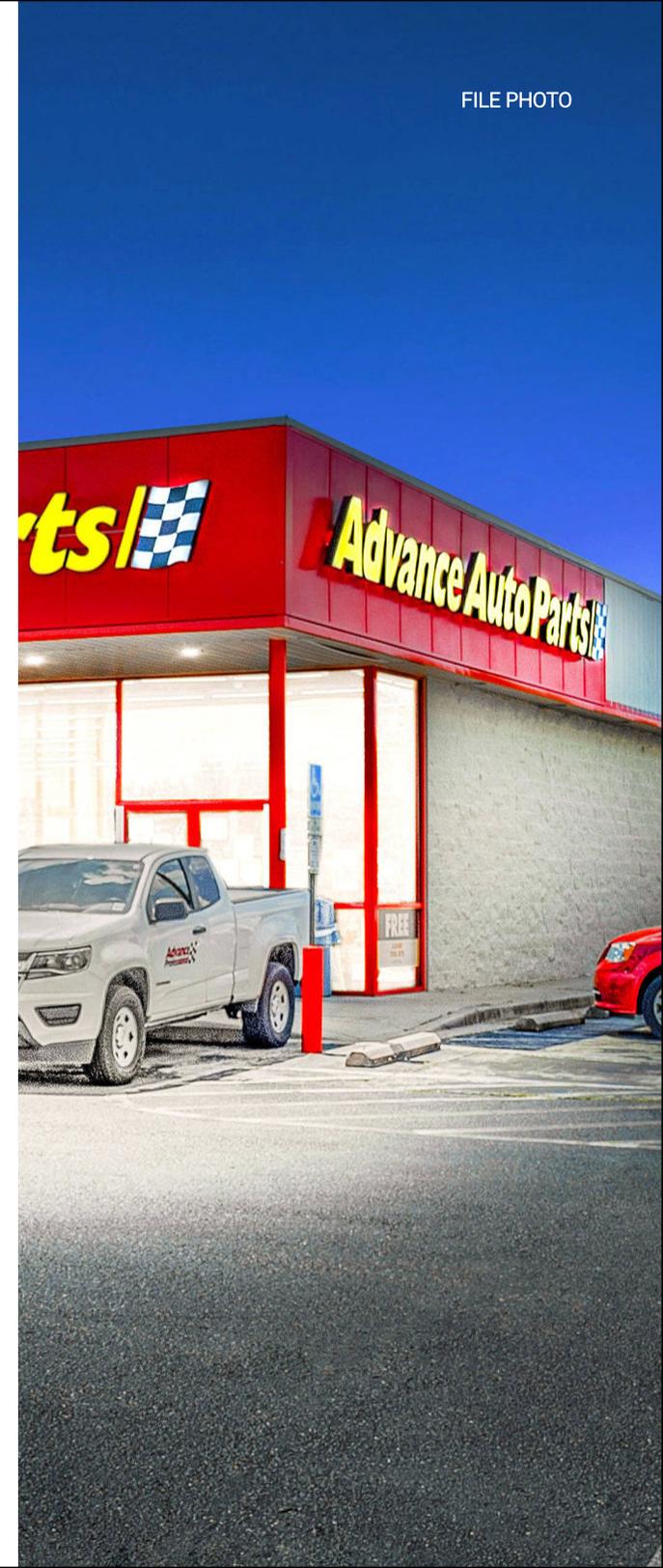
ADVANCE AUTO PARTS | RUSSELLVILLE, ARKANSAS

INITIAL LEASE TERM	15 Years
RENT COMMENCEMENT	8/1/2020
LEASE EXPIRATION	7/3/2026
2019 REPORTED STORE SALES	\$2,000,000+
OCCUPANCY COST	5.23%
LEASE TYPE	Net Lease*
RENT INCREASES	There are variable rent increases in the option periods which are detailed below
ANNUAL RENT YRS 1-20	\$104,580
OPTION 1	\$115,500
OPTION 2	\$122,500
OPTION 3	\$129,500

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*Landlord is responsible for structure slab, and foundation.

FILE PHOTO





GOODYEAR



CVS pharmacy

64



Aaron's



Walmart Supercenter

LOWE'S

TRACTOR SUPPLY CO

verizon GameStop

AutoZone

sears HOME SERVICES

belk HOBBO LOBBY
JCPenney Bath & Body Works
rue21. ROSS DRESS FOR LESS
TJ-maxx
DOLLAR TREE
SALLY BEAUTY SHOE
HIBBETT SPORTS CARNIVAL
maurices CAIO
PET SMART GNC

REGIONS



Walgreens



DOLLAR GENERAL

CASEY'S

DOLLAR GENERAL

Advance Auto Parts
SUBJECT PROPERTY
601 S ARKANSAS AVENUE



HACKNEY LADISH
A PCC COMPANY



ARVEST

Alpha
Countertops & Tile

sears HOMETOWN STORE

S ARKANSAS AVENUE
± 21,226 VPD

FAMILY DOLLAR

GARDEN VALLEY APARTMENTS
(100 UNITS)

MAHLE

ACE Hardware

OAKLAND HEIGHTS ELEMENTARY SCHOOL
(541 STUDENTS)

Altman's BODY SHOP

Exxon

7

27



enterprise

RIVERWOOD VILLAGE APARTMENTS
(72 UNITS)

ZEBCON Ready Mix

INTERNATIONAL PAPER

RUSSELLVILLE HIGH SCHOOL
(1,221 STUDENTS)

VILLAGE SQUARE
(96 UNITS)

RUSSELLVILLE MUNI AIRPORT-RUE

SITE OVERVIEW

ADVANCE AUTO PARTS | RUSSELLVILLE, ARKANSAS

 **2005**
YR BUILT

 **±6,790 SF**
BUILDING AREA

 **±1.0331 ACRES**
LAND AREA

NEIGHBORING RETAILERS

- | | |
|-----------------------|---------------------|
| Dollar General | Hobby Lobby |
| U.S. Postal Service | PetSmart |
| Casey's | Belk |
| CVS | T.J. Maxx |
| Goodyear Auto Service | Shoe Carnival |
| Family Dollar | Maurices |
| Walgreens | JCPenney |
| Sonic Drive-In | Ross Dress for Less |
| Arby's | rue21 |
| Aaron's | Tractor Supply Co. |
| Walmart Supercenter | Lowe's |

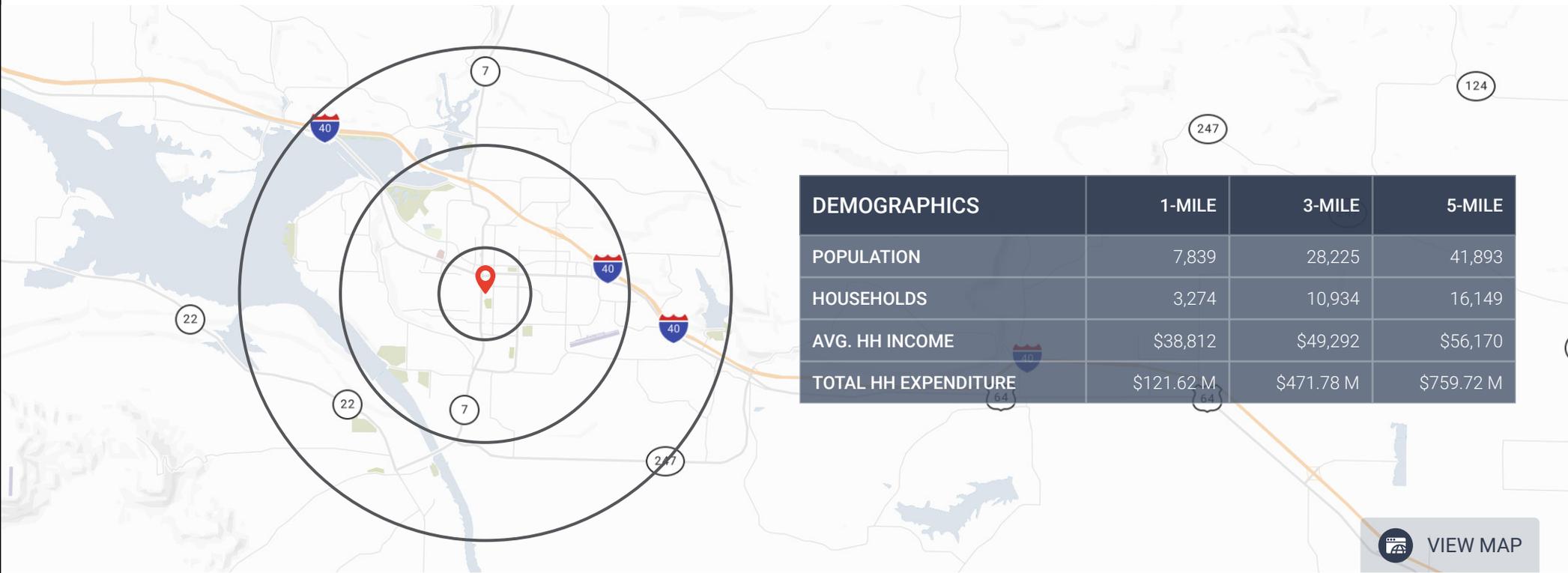
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8 | SECURE NET LEASE



LOCATION OVERVIEW

ADVANCE AUTO PARTS | RUSSELLVILLE, ARKANSAS



VIEW MAP

ECONOMIC DRIVER'S (# of Employees)

Arkansas State Government (57,421)

Wal-Mart Stores Inc. (47,774)

Tyson Foods, Inc. (23,300)

U.S Government (20,500)

Baptist Health (7,737)

Mercy (6,200)

Arkansas Children's Hospital (4,194)

Arvest Bank Group Inc. (3,470)

J.B. Hunt Transport Services Inc. (3,269)

Simmons Food Inc. (3,264)

FedEx Corp. (3,200)

Lowe's Cos. Inc. (3,150)

Harps Food Stores Inc. (2,900)

St. Vincent Health System (2,892)

St. Bernards Healthcare (2,849)

LOCATION OVERVIEW

ADVANCE AUTO PARTS | RUSSELLVILLE, ARKANSAS



RUSSELLVILLE ARKANSAS



29,325
POPULATION



\$35,295
MEDIAN HOUSEHOLD INCOME

Russellville, overlooking 34,000-acre Lake Dardanelle and the Arkansas River, is a key city along Scenic Highway 7. Interstate 40 skirts Russellville and the city is located between Little Rock and Fayetteville. Lake Dardanelle is renowned for its

Russellville is home to Arkansas Tech University with over 12,000 students. Arkansas corporations Tyson Foods, Inc. and Innovation Industries Elevator Signal Fixtures are among the *nearly fifty manufacturing plants employing more than 8,300 people in Russellville.*

bass fishing and the Arkansas River Visitors Center offers interpretive exhibits about the river's navigation system. Mount Nebo State Park, 10 miles southwest, is a Civilian Conservation Corps-built recreational facility with spectacular views of the River Valley. Russellville is home to Arkansas Tech University with over 12,000 students. Arkansas corporations Tyson Foods, Inc. and Innovation Industries Elevator Signal Fixtures are among the nearly fifty manufacturing plants

employing more than 8,300 people in Russellville. Overall, there are more than ten divisions of Fortune 500 companies located in the city. Russellville is known for its local music, art scene, and historic downtown area. The most notable of these events is the Art Walk. On the first Friday night of each quarter, the city hosts the Downtown Art Walk, in which the public may listen to live music, taste wine and food, and appreciate, purchase and sell art while connecting with the community. Russellville hosts a variety of sporting events and fishing tournaments, due to its location on Lake Dardanelle. Russellville is also close to Mt. Nebo and other state parks such as Lake Dardanelle State Park. Russellville is also home to the Pope County Fairgrounds, which hosts many events ranging from horse racing to fairs and conventions. Recent economic growth is also turning Russellville into a regional shopping and dining destination, with new restaurants and businesses popping up regularly along with a new shopping center and hotel, featuring a convention center set for construction within the next several years.

HOST

AT THE END OF EVERY SUMMER, RUSSELLVILLE IS ALSO HOST TO THE ANNUAL POPE COUNTY FAIR;

HOME

RUSSELLVILLE IS HOME TO ARKANSAS TECH UNIVERSITY WITH OVER 12,000 STUDENTS.

FUN STUFF TO DO IN RUSSELLVILLE, ARKANSAS

Loletrazina Church, March 15, 2018 (*USA Today*)

Russellville, Arkansas, offers something for the entire family. The city also has shopping and entertainment venues, as well as seasonal events and sightseeing at local museums and attractions.

Entertainment

Various entertainment venues throughout Russellville include the Centerville Drag Way (centervilledragway.com) drag-racing strip, indoor roller-skating rinks, as well as indoor and outdoor paintball and

While in Russellville, take **advantage** of a variety of outdoor activities such as **fishing, golf, hang gliding, hiking and biking trails, as well as water sports such as kayaking and water-skiing.**

laser tag. Russellville is also home to the Lowrey Picwood 11 movie theater (picwood11.com), established in 1941.

Sightseeing

Russellville offers several attraction options for sightseeing such as museums, wildlife exhibits and the railroad depot, as well as more than 33 historical and heritage site locations throughout the city. If art is your forte, visit the River Valley Arts Center (arvartscenter.org) for annual displays of 40 exhibitions of international, national, regional and local artists. Museum options include the Museum of Automobiles (museumofautos.com) and the historic Russellville Depot, which is a railroad museum.



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POPE COUNTY CASINO ESTIMATES \$3 BILLION ECONOMIC IMPACT OVER 10 YEARS

Tyler Hale, February 13, 2020 (*Arkansas Money and Politics*)

A proposed Pope County casino is estimating that it will have a \$3 billion impact in Arkansas during its first 10 years of operation.

According to Cherokee Nation Businesses (CNB), a new study conducted by consulting firm Economic Impact Group (EIG) has shown that the Legends Resort & Casino will have an immediate and substantial impact on the local economy in Pope County and the broader region.

"In forming our plans for Legends Resort & Casino, we turned to a network of

The casino expects to create 1,750 jobs in the area – both directly and indirectly once it becomes operational. The employment numbers are expected to **grow to 21,000 jobs in Pope county** and its surrounding area over the course of 10 years.

experts to help us understand how this project would impact the region's economy," Chuck Garrett, CEO, Cherokee Nation Businesses, said in a statement. "It was fitting for us to engage this research through Dr. Russell Evans and EIG who are already very familiar with current CNB operations."

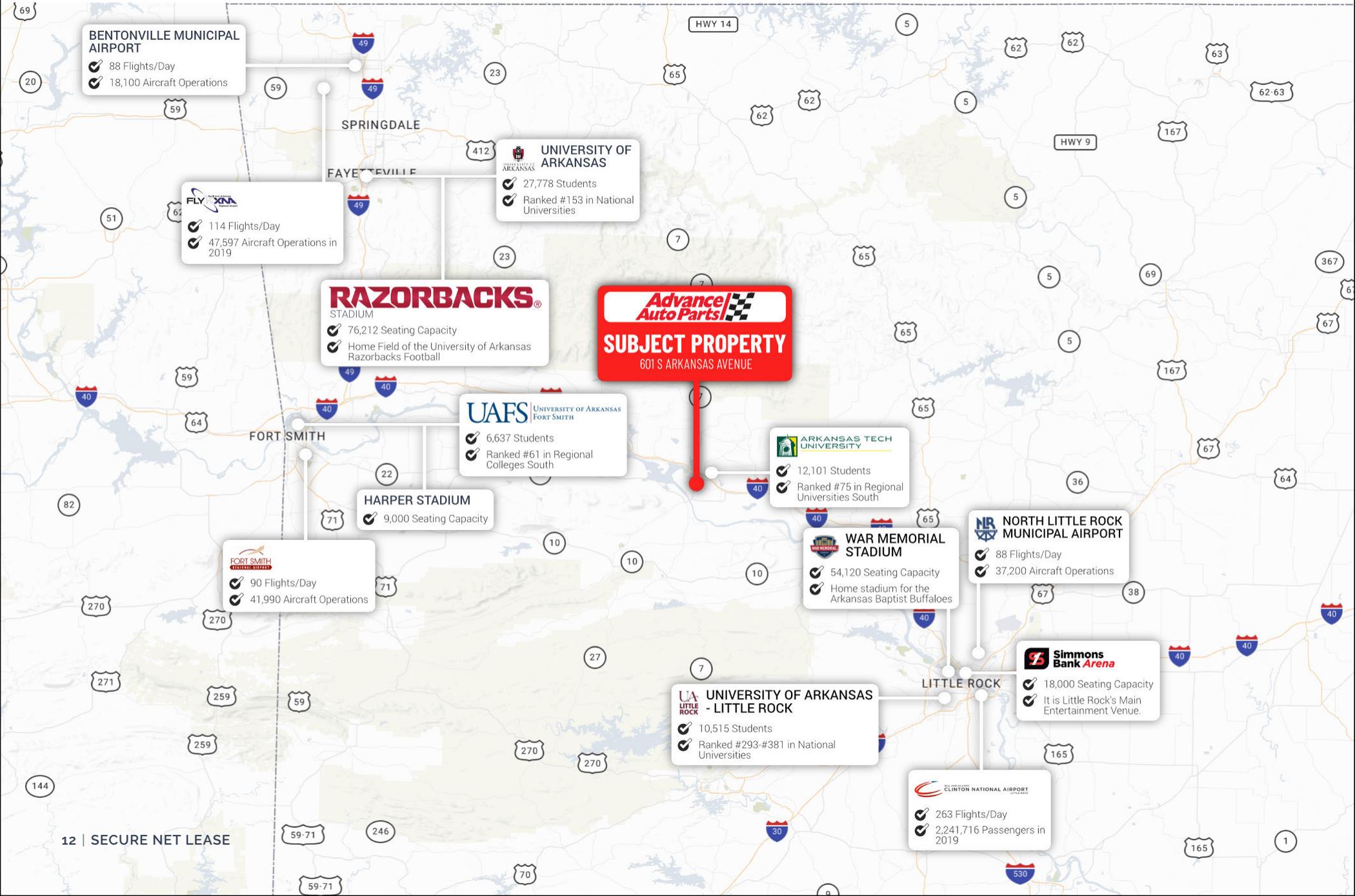
One of the areas the study focuses on is job creation and growth.



CLICK HERE TO READ MORE

METRO NAME

ADVANCE AUTO PARTS | RUSSELLVILLE, ARKANSAS



SECURE

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WE LOOK FORWARD TO HEARING FROM YOU

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