

**DUNKIN'**

**BR**  
baskin  
robbins®

 **AT&T**

89A & Main St

1006 S Main St  
Cottonwood, AZ 86326

Offering Memorandum



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## Exclusively Listed By

### Brian Woods

Senior Vice President  
Arizona Retail Services  
**Mobile +1 602 390 4392**  
Direct +1 602 222 5026  
brian.woods@colliers.com

### Stan Sanchez

Senior Vice President  
Arizona Retail Services  
**Mobile +1 602 481 4592**  
Direct +1 602 222 5032  
stan.sanchez@colliers.com





# EXECUTIVE

SUMMARY



# Offering Summary

Colliers Retail Capital Markets Team is pleased to present the fee simple sale of 89A & Main St, a newly constructed multi-tenant investment opportunity featuring a high-performing Dunkin Donuts and AT&T equipped with drive-thru that is strategically located along SR 89 A (27,074 VPD) at the entrance to Cottonwood Plaza, a 333,215 SF Home Depot and Fry's Food & Drug Stores anchored community center.

89A & Main St was recently built in 2019 and consists of a 3,412 SF multi-tenant retail pad equipped with a drive-thru featuring long-term NNN leases to Dunkin Donuts and AT&T that is prominently located on the southwest signalized corner of SR 89 A and AZ-260 which sees approximately 47,369 VPD. The subject property is highly visible and easily accessible from both major roads with meaningful amenities that include tenant signage along SR 89 A, ample parking with over 7.5 parking spaces per 1,000 SF of building area and a drive-thru that has proved to be invaluable for tenants and customers during the Pandemic. The subject property benefits from its superior location at the entrance to Cottonwood Plaza, a 333,215 SF Home Depot and Fry's Food & Drug Stores anchored community center featuring a variety of nationally recognized retailers such as Verizon, Boost Mobile, Starbucks, Jack in the Box, KFC, Domino's Pizza, Great Clips and several others.

89A & Main St is an exceptional opportunity to acquire a newly constructed, Ecommerce & Pandemic proof retail asset located in the 'Biggest Little Town in Arizona' that is regarded as the economic heart of the Verde Valley and epicenter of the renowned wine region of Arizona.

## Investment Summary

Asking Price:	\$2,184,000
Total GLA:	3,412 SF
Occupancy:	100%
In Place NOI:	\$120,115
Number of Tenants:	2 Tenants
Year Built:	2019
Total Land Area:	0.70 Acres







## Investment Highlights



Rare opportunity to acquire a new 2019 construction, Ecommerce & Pandemic proof retail pad equipped with drive-thru located in Cottonwood, the 'Biggest Little Town in Arizona' that is regarded as the economic heart of the Verde Valley and epicenter of the renowned wine region of Arizona.



Strategically located at the entrance to Cottonwood Plaza, a 333,215 SF Home Depot and Fry's Food & Drug Stores anchored community center featuring a variety of nationally recognized retailers such as Verizon, Starbucks, Jack in the Box, KFC, Domino's Pizza, Great Clips, Boost Mobile and several other major retailers.



Irreplaceable Main and Main location situated on the southwest signaled corner of SR 89 A and AZ-260 which sees approximately 47,369 VPD.



Excellent synergistic tenant lineup with two high-performing internet resistant food & service tenants that offer high-quality goods & services to the surrounding Cottonwood community.



Stability of income with 100% of the rent roll featuring nationally recognized tenants on brand new long-term NNN leases.



# Investment Highlights



All of the leases feature contractual rent bumps which offer an investor a hedge against inflation.



Constructed in 2019, this property comes with zero deferred maintenance and brand new improvements which prevents a new owner from spending excess capital to maintain the premises over the holding period.



Desirable demographic profile with approximately 32,679 people living within a five-mile radius with an average household income of \$61,580 in the surrounding community.



Benefits from its close proximity to Mingus Union High School (0.5 miles away), the major school serving the Cottonwood, Camp Verde, Beaver Creek and Sedona areas with over 1,261 students and over 62 staff members.







# PROPERTY

DESCRIPTION



MINGUS UNION  
HIGH SCHOOL  
(±1,300 Students and Faculty)





## Site Plan





## Physical Description

Total GLA:	3,412 SF
Year Built:	2019
Address:	1006 S Main St, Cottonwood, AZ 86326
County:	Yavapai
Number of Buildings:	One Single-Story Multi-Tenant Building
Total Land Area:	0.70 Acres
Type of Ownership:	Fee Simple
Parcels:	One Parcel (406-04-045W)
Zoning:	C-1 (Light Commercial)
Parking Ratio:	7.62:1,000 (26 surface parking spaces)

## Location Description

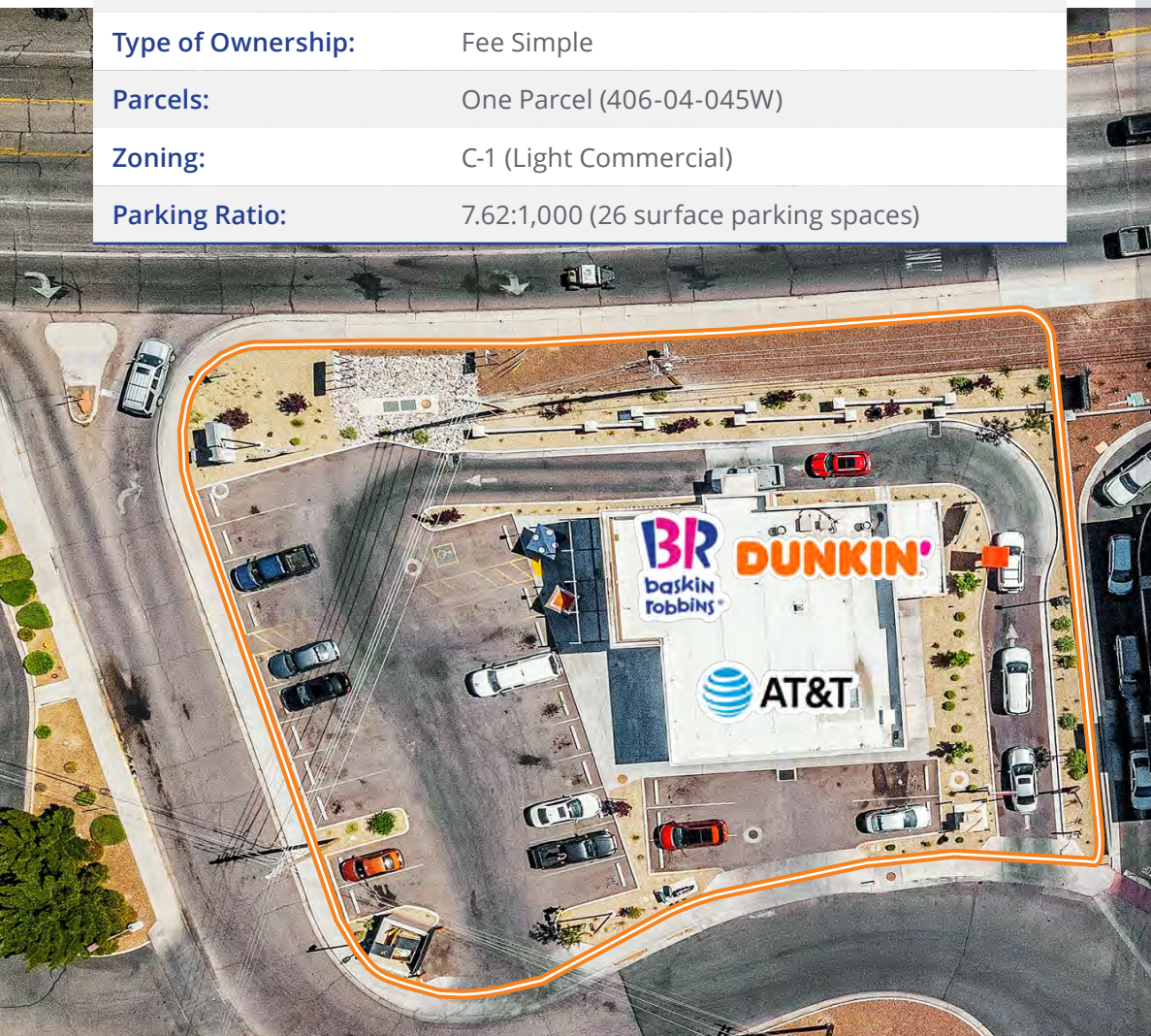
The Subject is located along SR 89 A on the Southwest corner of the signalized intersection of SR 89 A and AZ-260 in the city of Cottonwood, Yavapai County, in the state of Arizona.

**North:** The subject is bordered to the North by the heavily trafficked SR 89 A (27,074 VPD) and several commercial buildings including a 28,000 SF retail & industrial plaza, a 77-Room Best Western hotel, a 26-Room Verde Valley Extended Stay and a Speedway gas station and convenience store.

**South:** The subject is bordered to the South by Cottonwood Plaza, a 333,215 SF Home Depot and Fry's Food & Drug Stores anchored community center featuring a variety of national and regional retailers such as Verizon, Boost Mobile, Starbucks, Jack in the Box, KFC, Domino's Pizza, Great Clips and several others.

**East:** The subject is bordered to the East by the heavily trafficked AZ-260 (20,295 VPD) which features CVS Pharmacy, McDonald's, Taco Bell, Panda Express, Black Bear Diner, Denny's and other major retailers.

**West:** The subject is bordered to the West by Camino Real (3,283 VPD) which features a U-Haul Neighborhood Dealer, Conoco gas station and convenience store, Shell gas station and convenience store, Verizon Wireless, a 72-Unit Verde Vista Apartment complex and a 27-Room Pines Inn & Suites hotel.



## Traffic Counts

SR 89 A:	±27,074 VPD
S. Main St:	±21,150 VPD
AZ-260:	±20,295 VPD





# AREA

OVERVIEW







# City of Cottonwood

The Verde Valley includes about 714 square miles located in the geographic center of Arizona, about 100 miles north of the Phoenix metropolitan area. The Verde River runs through the valley from northwest to southeast and is augmented by flows from Sycamore Canyon, Oak Creek, Beaver Creek and West Clear Creek. The area is unsurpassed in its variety of physical beauty with the red rocks and Mogollon Rim to the north and east and the Black Hills and Mingus Mountain dominating the western and southern portions of the valley.

Cottonwood is located adjacent to the Verde River at elevations ranging from 3,300 feet to 3,900 feet above sea level and experiences a mild climate which, together with its proximity to an abundance of natural amenities such as the Grand Canyon, Sedona, Dead Horse Ranch State Park, Tuzigoot National Monument and the historic mining communities of Clarkdale and Jerome, continues to attract steady growth and tourism.

Some of the notable locations in the community include Dead Horse Ranch State Park, Out of Africa Wildlife Park, and Clemenceau Heritage Museum. The Verde Santa Fe Golf Course is a well facilitated golf course in the neighborhood, which offers a host of recreational facilities to the golf enthusiasts. The numerous parks in the community include Garrison Park, Lions Club Park and Cottonwood Kids Park. Local museums include the Sedona Arts Center and the Clemenceau Heritage Museum. Local festivals include the Verde Valley Fair every April and the Verde River Days every September.

Located in the 'heart' of Arizona and the heart of wine country, Cottonwood is ideally situated above the heat of the desert and below the cooler temperatures of Arizona's high country. Surrounded by the red rocks of Sedona to the north east and Mingus Mountain to the south west, its lower elevation makes it a perfect travel destination for adventure seekers that want to take in the beauty of the landscape all year round. Cottonwood is known for its signature events. From events centered around food and wine, to classic cars, corn hole, chocolate, parades, and more, you'll find it in Cottonwood.

*Downtown Cottonwood*



*Red Rocks of Sedona*



*Alcantara Vineyards*



James Buetti



# Yavapai County

Yavapai County reflects the history of the old west and the future of the new. Remnants of U.S. Cavalry forts, Indian dwellings, gold rush boomtowns, abandoned mines, Spanish Land Grant ranches, homesteads and vast tracts of uninhabited public lands exist side by side with modern housing developments, industry and business here in the mountain heart of Arizona.

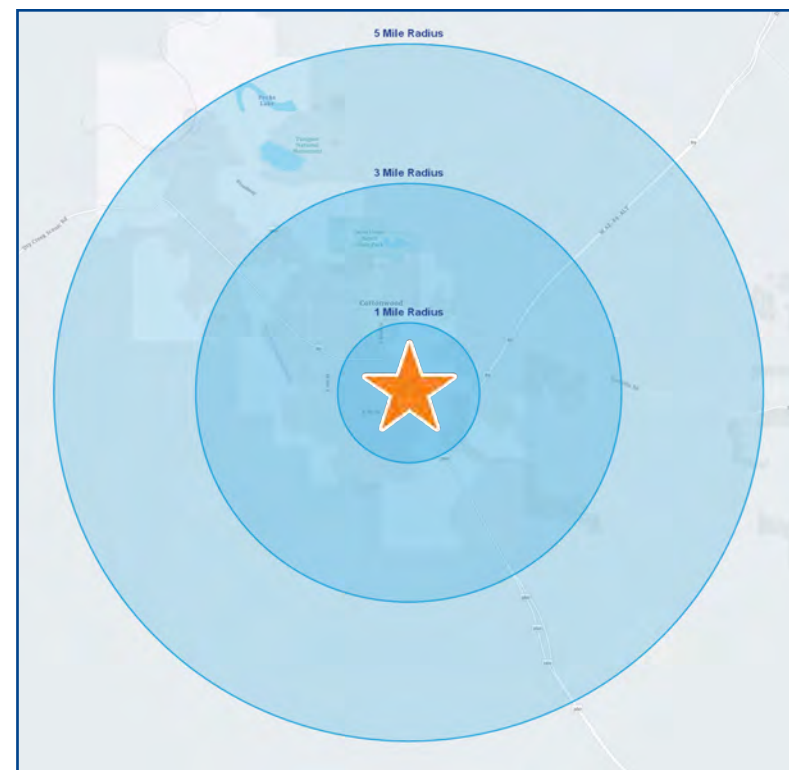
Traditional cowboys off the range, modern day gold prospectors with metal detectors and those living a rustic lifestyle in the isolated areas of the County rub shoulders with artists, university and college students, a large retirement population and families raising children in the small towns throughout the County.

Yavapai County is one of the four original Arizona counties formed in September of 1864, one year after the Arizona Territory was established. The County was named after the Yavapai Tribe, whose name means the “people of the sun.”

The County was originally 65,000 square miles and was called the “Mother of Counties” because Apache, Coconino, Gila, Maricopa and Navajo Counties were later formed from it. The territorial government was also born in Yavapai County, the capital being originally located in the City of Prescott.

## Demographics

POPULATION	1 MILE	3 MILE	5 MILE
2025 Projection:	4,752	28,174	34,910
2020 Estimate:	4,581	26,371	32,679
Growth 2020-2025:	4.00%	7.00%	7.00%
Growth 2010-2020:	12.00%	19.00%	19.00%
HOUSEHOLDS			
2025 Projection:	2,014	12,009	15,154
2020 Estimate:	1,936	11,193	14,132
Growth 2020-2025:	4.00%	7.00%	7.00%
Growth 2010-2020:	13.00%	20.00%	21.00%
HOUSEHOLD INCOME			
Average Household Income:	\$61,580	\$59,892	\$60,303
Median Household Income:	\$225,776	\$222,654	\$230,419





# Yavapai County

As with much of the Southwest, the history of the area predates the formation of the Arizona Territory and of the County. Pre-historic Indian artifacts can be found in ancient Indian Pueblos and mounds throughout the County. The greatest concentration of artifacts are found in the Verde Valley where the Sinagua Indians arrived around 500 A.D. and created dwellings at Tuzigoot and Montezuma’s Castle. The terrain of the County varies from an elevation of 1,900 feet at its desert low to just under 8,000 feet on its mountain peaks. The diverse terrain includes grasslands, picturesque rock formations, high desert streams and mountain valleys. The major vegetation types in the County are grasslands, piñon-juniper, chaparral, desert grassland and desert scrub.

The County lies in the center of a 100-mile strip of Ponderosa pine forests which crosses the state from the northwest corner to the eastern boundary. The Prescott National Forest, as well as portions of the Coconino and Tonto National Forests, are within the County boundaries.

Only 26 percent of the land in the County is in private hands (individuals or corporations). Thirty-eight percent of the land is administered by the U. S. Forest Service, nine percent by the U.S. Bureau of Land Management, 27 percent by the State of Arizona, and less than 0.5 percent is held in trust as Indian reservations. There are three Indian reservations located in the County – the Yavapai-Prescott Indian Reservation, the Clarkdale and the Camp Verde Indian Reservation.

The 21st century has seen a significant increase in both population and development, both regulated and non-regulated. Both increases were primarily due to a housing anomaly whereby easy mortgage terms served to fuel sales and development, resulting in increased housing prices. The bulk of the population and the labor force are located in the eight incorporated towns and cities which include Prescott, Prescott Valley, Chino Valley, Jerome, Clarkdale, Sedona, Cottonwood and Camp Verde.

The County seat is located in the City of Prescott with an annex of County offices in the town of Cottonwood in the Verde Valley.

## Major Employers

COMPANY
Yavapai Regional Medical Center
Yavapai County
Veterans Administration Medical Center
Prescott Unified School District
Walmart
City of Prescott
State of Arizona
Fann Contracting
Yavapai College
Embry-Riddle Aeronautical University





# FINANCIAL

## OVERVIEW



# Valuation Summary

## OFFERING

Sale Price: \$2,184,000

Price PSF: \$640

## INVESTMENT RETURNS

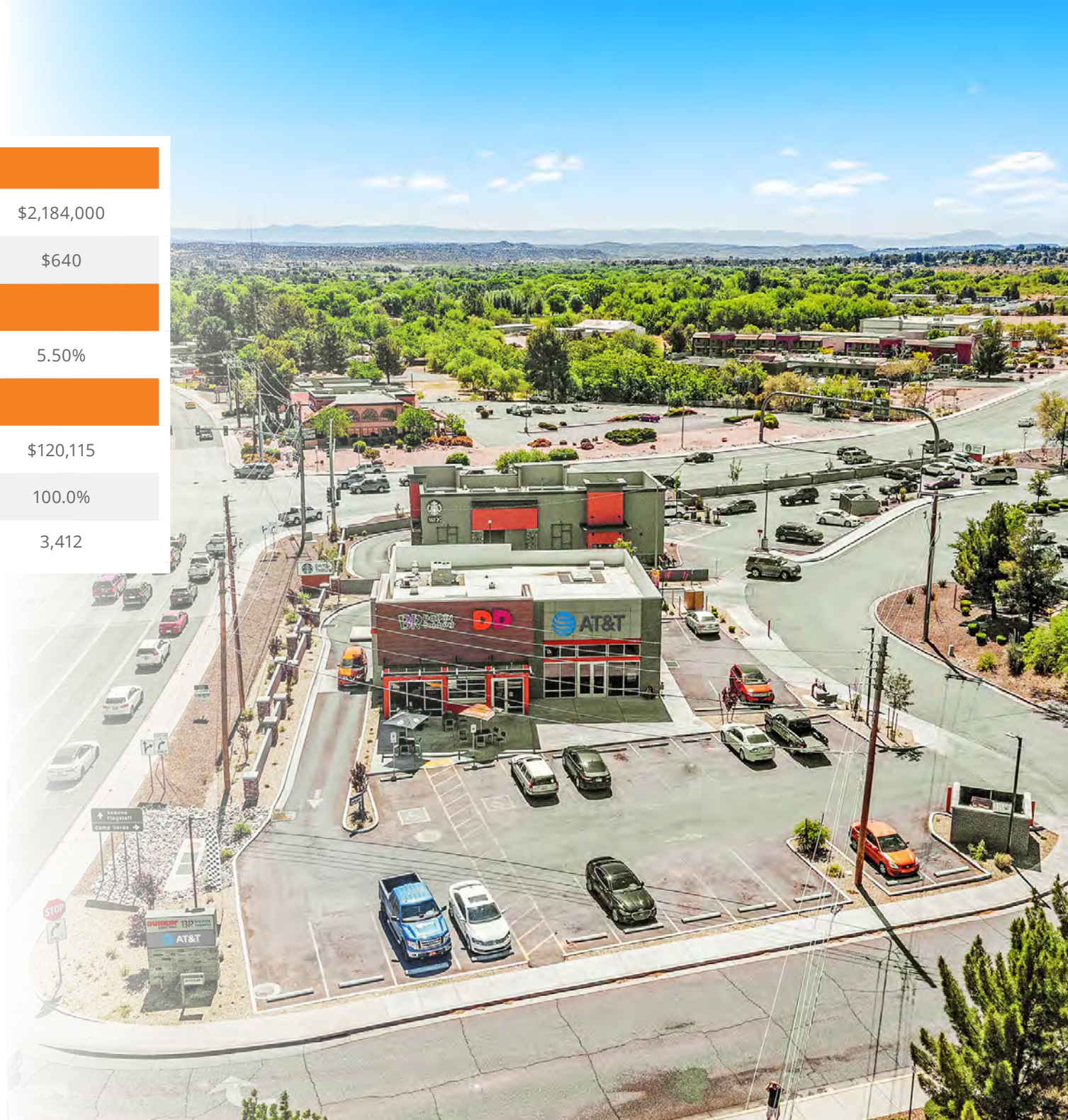
In Place Cap Rate: 5.50%

## PREMISE

In Place Income: \$120,115

Occupancy: 100.0%

Building SF: 3,412





# Rent Roll

Tenant	Lease Start	Lease End	Square Feet	% of GLA	Contract Rental Rate		Rent Per Sq. Ft.		Rent Increases	Options
					Year	Month	Year	Month		
Dunkin Donuts	Close of Escrow	20 Years from Close of Escrow	1,912	56.0%	\$80,000	\$6,667	\$41.84	\$3.49	Yr 6-10: \$88,000 Yr 11-15: \$96,800 Yr 16-20: \$106,480 Options: 10% Increase Every 5 Years	5x5 yr Options
AT&T	Close of Escrow	5 Years from Close of Escrow	1,500	44.0%	\$42,000	\$3,500	\$28.00	\$2.33	Yr 1: 5.00% Increase Yr 2-5: 2.50% Increase	2x5 Yr Options
TOTALS:			3,412	100.0%	\$122,000	\$10,167	\$35.76	\$2.98		

Note: Dunkin Donuts will execute a new 20-year lease at close of escrow. AT&T rent commencement will take place 180 days after LL delivers Leased Premises to Tenant.





# Income & Expense Summary

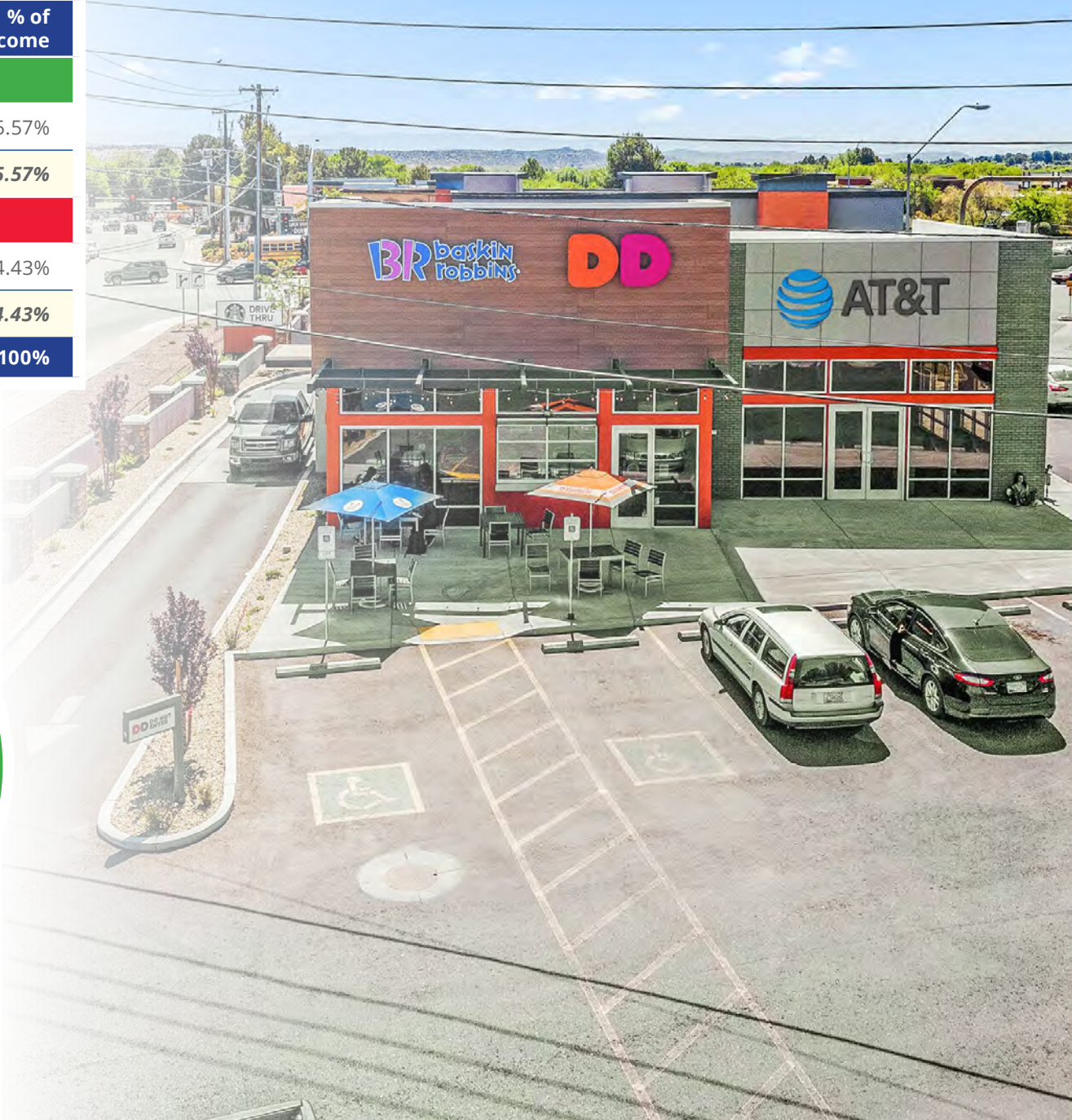
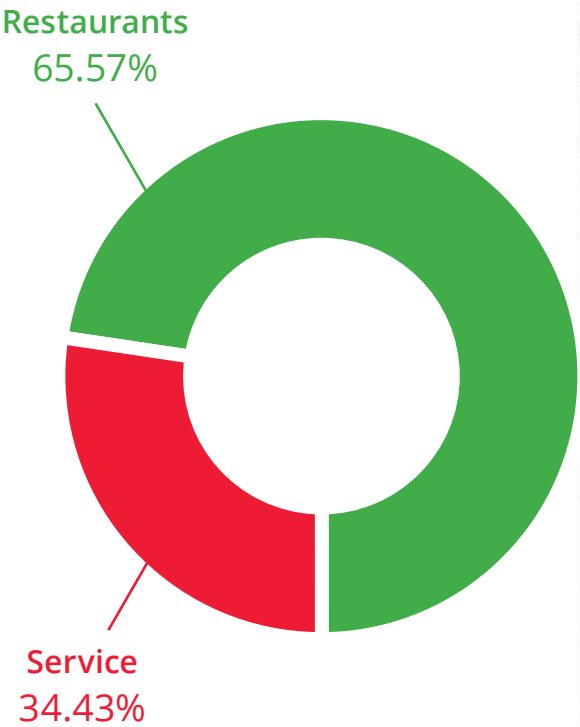
	IN PLACE	
	TOTAL	\$/SF
<b>INCOME</b>		
Rental Income:	\$122,000	\$35.76
Expense Reimbursements:	\$25,078	\$7.35
Effective Gross Income:	\$147,078	\$43.11
<b>EXPENSES</b>		
Real Estate Taxes:	\$10,646	\$3.12
Property Insurance:	\$4,375	\$1.28
CAM/R&M:	\$7,321	\$2.15
Management:	\$4,620	\$1.35
EGI (%):	3.14%	
Operating Expenses:	\$26,963	\$7.90
<b>NET OPERATING INCOME</b>	<b>\$120,115</b>	<b>\$35.20</b>
Occupancy:	100%	





# Tenant Breakdown

Tenant Name	In-Place Rent	% of Income
RESTAURANTS		
Dunkin Donuts	\$80,000	65.57%
Subtotal/Average:	\$80,000	65.57%
SERVICE		
AT&T	\$42,000	34.43%
Subtotal/Average:	\$42,000	34.43%
Grand Total:	\$122,000	100%





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**Brian Woods**

Mobile +1 602 390 4392

Direct +1 602 222 5026

brian.woods@colliers.com

**Stan Sanchez**

Mobile +1 602 481 4592

Direct +1 602 222 5032

stan.sanchez@colliers.com

**Colliers**

2390 E. Camelback Rd | Suite 100

Phoenix, AZ 85016 | United States

colliers.com



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