

OFFERING MEMORANDUM

Napa Auto Parts

**432 Bauer Parkway
Delavan, WI**

**Key Commercial Real Estate LLC
608 729 1800 | www.keycomre.com**





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Executive Summary

Key Commercial Real Estate is pleased to present the sale of the Napa Auto Parts store located at 432 Bauer Parkway in Delavan, Wisconsin. The 6,120 square foot store on a 40,233 square foot lot has successfully operated since 2008 and has a prime location off Delavan's main business corridor with easy access to Interstate 43 connecting to Milwaukee.

This passive investment opportunity includes an absolute net lease with 13 years remaining on the term and four options to renew for five years each. The tenant, Motor Parts & Equipment Corporation (dba Napa Auto Parts), currently has over 160 store locations throughout Illinois, Indiana, Iowa, Minnesota, Michigan and Wisconsin operating within both a wholesale and retail business model.



The lease is corporately guaranteed by Genuine Parts Company (GPC) which is a global service organization engaged in the distribution of automotive and industrial replacement parts, founded in 1928. GPC had record sales of over \$22 billion in 2022 with additional revenue growth of 4% - 6% estimated for 2023.

The gross sales at the 432 Bauer Parkway store have increased 5.6% - 7.7% per year over the past three years. With new and used car prices increasing, consumers are keeping their vehicles on the road longer creating an optimal environment for the car parts industry which translates to a highly stable investment asset.

Investment Overview

LEASE ABSTRACT

- **Tenant:** Motor Parts & Equipment Corporation
dba Napa Auto Parts
- **Building Size:** 6,120 SF (per assessor)
- **Lease Start Date:** July 1, 2016
- **Lease End Date:** June 30, 2036
- **Annual Rent Schedule:**

Years 1-5	\$ 90,000.00
Years 6-10	\$ 96,300.00
Years 11-15	\$103,041.00
Years 16-20	\$110,253.84
- **Options:** Four options of five (5) years each with 180 days notice
- **Escalator in Options:** 7% every five years
- **Lease Type:** Absolute Net
- **Guarantor:** Corporate (Genuine Parts Company)
via Guaranty Support Agreement

NOI:	\$96,300
CAP RATE:	6.88%
Price:	\$1,400,000

Investment Highlights

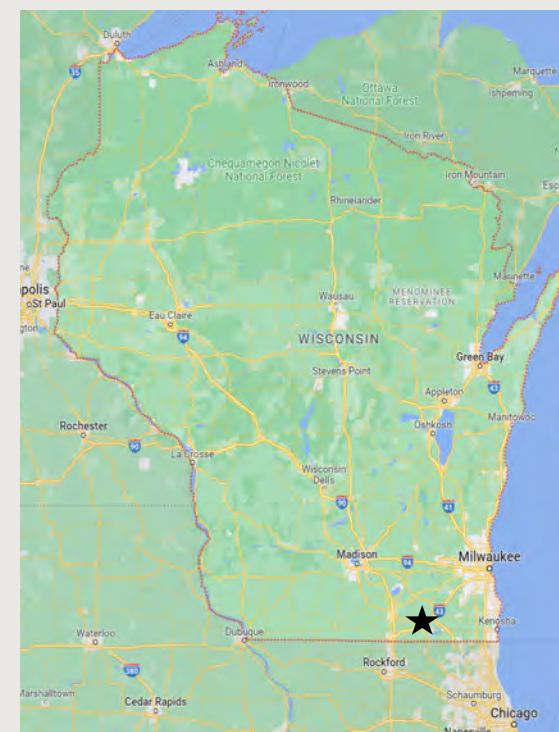
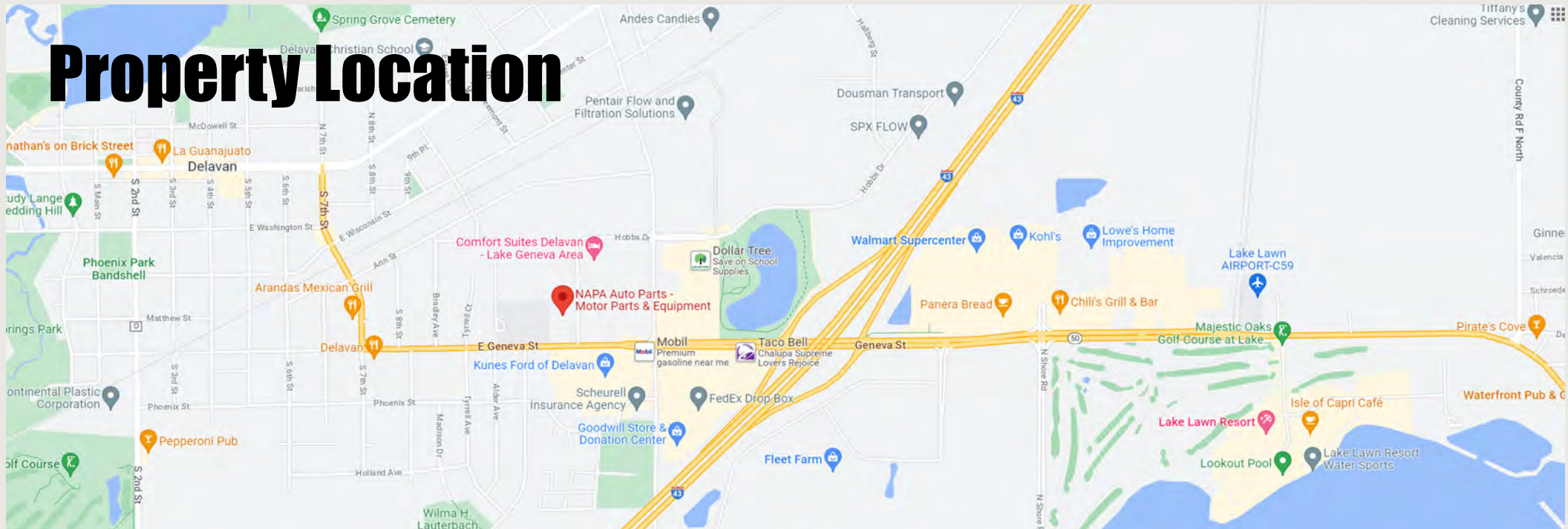
- True triple net lease structure provides passive investment opportunity.
- The tenant, MPEC, started with a single Napa store in 1938 and has grown to almost 170 stores as of 2023.
- Gross sales at this Napa store have increased 5.6% - 7.7% per year over the past three years.
- Corporate guarantee from Genuine Parts Company (GPC) which is the largest global auto parts network with over 10,000 locations throughout 17 countries.
- Q2 2023 for GPC had record sales and double digit adjusted earnings growth. Sales were over \$22B in 2022.
- Recession proof tenant as any decrease in new car purchases helps increase repair/parts expenditures.
- Tenant has been successfully operating in this location since 2008.
- Lease has 13 years remaining with options to extend for 20 more years. Rent has 7% increase every 5 years.
- Prime location off E. Geneva Street which has a daily traffic count of 16,700 and is located near multiple car dealerships.
- Building is in excellent condition with all maintenance, repairs, and replacements being tenant responsibility.

Building Details

- Constructed in 2007
- 6,120 SF building (per assessor)
- 40,233 SF lot
- Masonry exterior walls
- Steel roof with insulation over bar joist frame
- Painted open joist and deck ceiling
- Roof-mounted heating and cooling units
- Insulated plate glass doors
- One eight foot overhead delivery door
- LED light fixtures
- BL Business Local zoning
- 24 surface parking stalls



Property Location



Property Survey

ALTA/ACSM LAND AND TITLE SURVEY

LOT 2 OF BAUER SUBDIVISION IN THE CITY OF DELAWARE, MILWAUKEE COUNTY, WISCONSIN.

TO: CAREY GROUP REAL ESTATE SERVICES, LLC

CHICAGO TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND AND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND ACSI IN 2005, AND JOINTLY ADOPTED BY THE NATIONAL ASSOCIATION OF REALTORS AND THE NATIONAL ASSOCIATION OF SURVEYORS IN 2005, AND IN FULL EFFECT ON THE DATE OF THIS CERTIFICATION. UNDERSIGNED FURTHER CERTIFIES THAT IN A PROFESSIONAL OPINION, AS A LAND SURVEYOR, THE SURVEYOR HAS CONDUCTED A REASONABLE INVESTIGATION OF THE RECORDS OF THE MILWAUKEE COUNTY RECORDS, AND HAS FOUND THAT THE SURVEY IS IN ACCORDANCE WITH THE REQUIREMENTS OF THE "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND AND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND ACSI IN 2005, AND JOINTLY ADOPTED BY THE NATIONAL ASSOCIATION OF REALTORS AND THE NATIONAL ASSOCIATION OF SURVEYORS IN 2005, AND IN FULL EFFECT ON THE DATE OF THIS CERTIFICATION.

DATE: FEBRUARY 24TH, 2008

RONALD J. COMBS, RLS NO. 1330

IF SURVEYOR'S SIGNATURE IS NOT SET IN STONE, THE SURVEYOR SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE SURVEY. IF THE SURVEYOR'S SIGNATURE IS SET IN STONE, THE SURVEYOR SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE SURVEY.

SCHEDULE B - PART II EXCEPTION NOTES:

1. EASEMENTS AND BUILDING SETBACK LINES AS SHOWN ON THE RECORDED PLAT OF BAUER SUBDIVISION.

2. LOCATION SHOWN ON MAP.

17.1. RIGHT OF WAY GRANT BY THE WISCONSIN BELL, INC. (D/B/A AMERICA'S WISCONSIN BELL) TO WISCONSIN BELL, INC. (D/B/A AMERICA'S WISCONSIN BELL) IN VOLUME 837 ON PAGE 4111 AS DOCUMENT NO. 316556.

LOCATION SHOWN ON MAP.

NOTE: THIS SURVEY IS BASED ON TITLE COMMITMENT NO. 431339 HAVING AN EFFECTIVE DATE OF 02/24/09.

NOTE: AT THE TIME OF FIELD SURVEY, THE SUBJECT PROPERTY HAD 20 REGULAR AND 2 HANDICAPPED PARKING STALLS SURFED.

NOTE: SUBJECT PROPERTY CONTAINS 40233 SQ. FT. (0.92 ACRES)

NOTE: CITY OF DELAWARE STATES THE SUBJECT PROPERTY IS ZONED BL (BUSINESS LOCAL)

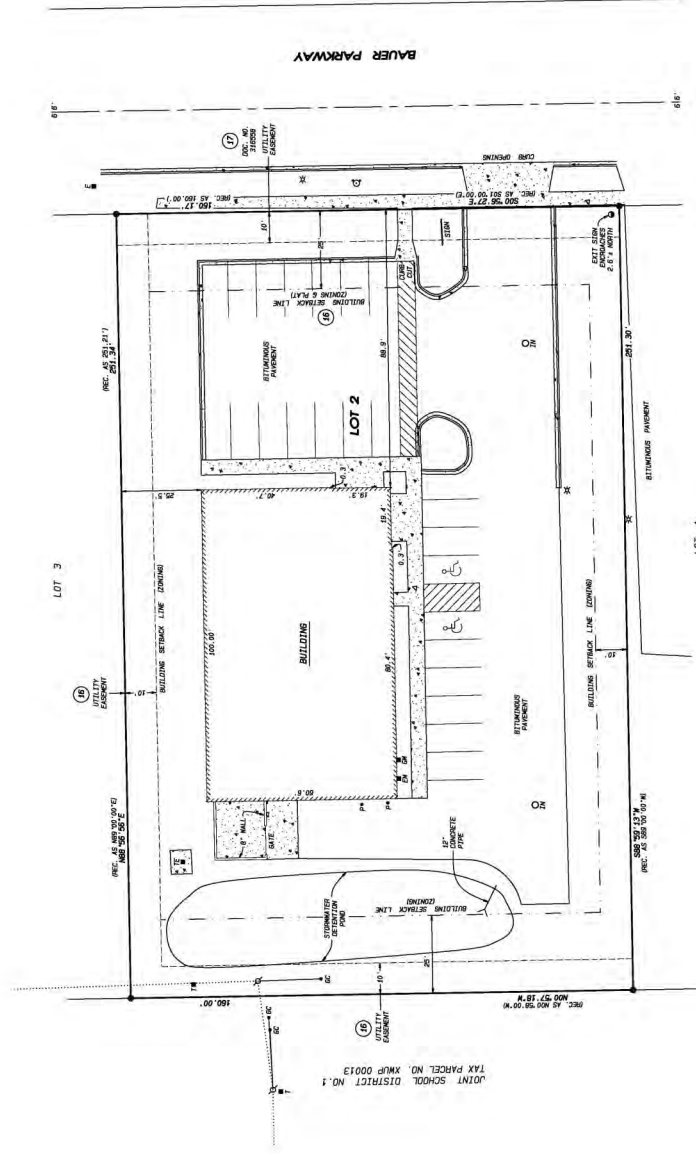
MINIMUM LOT WIDTH = 50'

MINIMUM LOT DEPTH = 10'

MINIMUM SETBACK = 10'

MINIMUM SIDE SETBACK = 25'

MIN. BUILDING SETBACK = 50'



- LEGEND:**
- FOUND IRON PIPE
 - ELECTRIC TRANSFORMER
 - GAS METER
 - GAS VALVE
 - ELECTRIC BOX
 - LIGHT POLE
 - STREET LIGHT
 - FIRE HYDRANT
 - STORM INTAKE
 - FIRE HYDRANT
 - HANDICAPPED PARKING STALL
 - OVERHEAD UTILITY LINES
 - CONCRETE PAVEMENT



SURVEYOR: RONALD J. COMBS
FIRM: COMBS AND ASSOCIATES, INC.
100 N. MILWAUKEE STREET, 2ND FLOOR
MILWAUKEE, WI 53233
PHONE: (414) 752-0275
FAX: (414) 752-0254

Combs ASSOCIATES
• LAND SURVEYING
• LAND PLANNING
• CIVIL ENGINEERING
DATE: 02/24/09
PROJECT: EA
JOB NO: 105-025
FAX: 414-752-0254
CAREY



Market Overview

Delavan, WI

The City of Delavan is in Walworth County, Wisconsin. Delavan is in the southeast portion of the state at the edge of greater Milwaukee and is within an hour of Madison.

Delavan has a population of approximately 13,000 and is one of the major manufacturing and industrial centers of Walworth County.

The Napa Auto Parts store is well located in the central business district with easy access to Interstate 43. Retail, industrial and residential uses surround the property.

Demographic Data

DEMOGRAPHIC SUMMARY

432 Bauer Pkwy, Delavan, Wisconsin, 53115

Ring of 3 miles

KEY FACTS

12,740

Population



5,266

Households

38.1

Median Age

\$51,969

Median Disposable Income

EDUCATION

11%

No High School Diploma



36%

High School Graduate



28%

Some College



25%

Bachelor's/Grad/Prof Degree

INCOME



\$62,057

Median Household Income



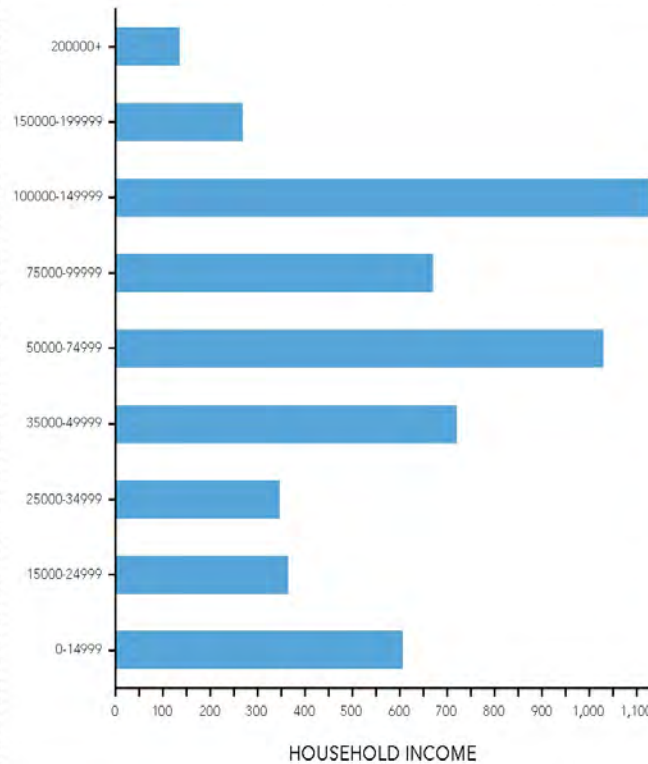
\$32,473

Per Capita Income



\$113,708

Median Net Worth



EMPLOYMENT



51%

White Collar



38%

Blue Collar



18%

Services

3.8%

Unemployment Rate

Source: Esri. The vintage of the data is 2023, 2028.

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DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the
2 following disclosure statement:

3 **DISCLOSURE TO CUSTOMERS** You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent
4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A
5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is
6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the
7 customer, the following duties:

8 (a) The duty to provide brokerage services to you fairly and honestly.

9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.

10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request
11 it, unless disclosure of the information is prohibited by law.

12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the
13 information is prohibited by law (see lines 42-51).

14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your
15 confidential information or the confidential information of other parties (see lines 23-41).

16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.

17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the
18 advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services,
20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home
21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a
22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 **CONFIDENTIALITY NOTICE TO CUSTOMERS** The Firm and its Agents will keep confidential any information given to the
24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person
25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to
26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the
27 Firm is no longer providing brokerage services to you.

28 The following information is required to be disclosed by law:

29 1. Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).

30 2. Any facts known by the Firm or its Agents that contradict any information included in a written inspection
31 report on the property or real estate that is the subject of the transaction.

32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may
33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a
34 later time, you may also provide the Firm or its Agents with other information you consider to be confidential.

35 **CONFIDENTIAL INFORMATION:** _____

36 _____

37 _____

38 **NON-CONFIDENTIAL INFORMATION** (the following information may be disclosed by the Firm and its Agents): _____

39 _____

40 _____

41 _____ (Insert information you authorize to be disclosed, such as financial qualification information.)

DEFINITION OF MATERIAL ADVERSE FACTS

43 A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such
44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable
45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction
46 or affects or would affect the party's decision about the terms of such a contract or agreement.

47 An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee
48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural
49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a
51 contract or agreement made concerning the transaction.

52 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
53 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
54 <http://www.doc.wi.gov> or by telephone at 608-240-5830.

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.

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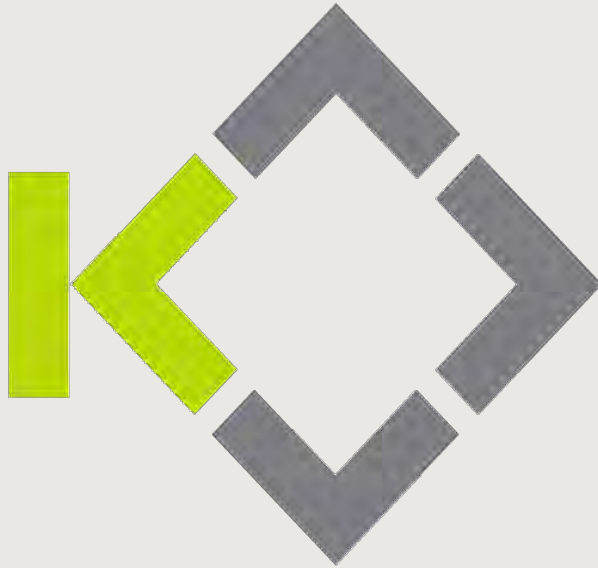
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