

QUICK MART – CORPORATE GUARANTEE

3250 W CORTARO FARMS RD, TUCSON, ARIZONA

» Qualifies for Bonus/Accelerated Depreciation



CASAS ADOBES
COUNTRY CLUB ESTATES

MOONDANCE
PATIO HOMES

18,000+ CPD
W CORTARO FARMS RD

OFFERING MEMORANDUM

Marcus & Millichap

CROOKED TREE GOLF COURSE

Quik Mart

OMNI
TUCSON NATIONAL

Bashas' 
The UPS Store 

NORTHWEST
HEALTHCARE
NORTHWEST GIRD VALLEY · SAHARITA · HOUGHTON

JCPenney ★ macy's
REI Dillard's H&M
The Container Store
TUCSON MALL

SPROUTS ACE
FARMERS MARKET Hardware
BEST BUY petco
LA FITNESS Walmart

KinaSports

COSTCO WHOLESALE THE HOME DEPOT
TOPGOLF
SPORTSMAN'S WAREHOUSE golden corral

TARGET HARBOR FREIGHT TOOLS
99c ONLY Chick-fil-A
LOWE'S BIG LOTS ACE Hardware
Starbucks Ceegee's frut

Tucson Medical Center

Banner University Medical Center

Walmart ROSS DRESS FOR LESS
THE HOME DEPOT TARGET Office DEPOT
Marshall's CENTURY THEATRES
Burlington PET SMART
EL CON CENTER

PimaCommunityCollege

DOWNTOWN
TUCSON

macy's Dillard's
ULTA Total Wine & MORE
CENTURY FOREVER 21 THEATRES AMERICAN EAGLE
PARK PLACE MALL

Carondelet St. Mary's Hospital

THE UNIVERSITY OF ARIZONA
44,800 STUDENTS

REID PARK ZOO



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Executive Summary

3250 W Cortaro Farms Rd, Tucson, AZ 85742

FINANCIAL SUMMARY

Price	\$2,867,000
Cap Rate	6.00%
Net Cash Flow	6.00% \$172,000
Building Size	2,500 SF
Year Built	1982
Lot Size	0.42 Acres

LEASE SUMMARY

Lease Type	Triple-Net (NNN) Lease
Tenant	Southwest Convenience SPE, LLC
Guarantor	Corporate (17 Units)
Lease Commencement Date	April 5, 2023
Est. Lease Expiration Date	April 30, 2043
Lease Term	19 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Years 1 – 5	\$172,000	6.00%
Years 6 – 10	\$189,200	6.60%
Years 11 – 15	\$208,120	7.26%
Years 16 – 20	\$228,932	7.98%
Renewal Options	Annual Rent	Cap Rate
Option 1	\$251,825	8.78%
Option 2	\$277,008	9.66%
Option 3	\$304,708	10.63%
Option 4	\$335,179	11.69%

Base Rent	\$172,000
Net Operating Income	\$172,000
Total Return	6.00% \$172,000



Bonus & Accelerated Depreciation

Special Tax Advantage Afforded IRS Section 1250 Property (Quik Mart Gas Station & C-Store Asset)

January 31st – The House-passed *Tax Relief for American Families and Workers Act of 2024* restores 100% 'bonus' depreciation under Section 168(k) through the end of 2025.

STILL REQUIRES SENATE APPROVAL [Click here to learn more.](#)

BONUS DEPRECIATION - 100% YEAR 1

These investments present a tremendous opportunity for special tax saving privileges. In 2017, the Tax Cuts and Jobs Act (TCJA) made a few changes to the bonus depreciation rules, specifically modifying Section 168 of the Internal Revenue Code to double the allowable bonus depreciation from 50% to 100% in the first year for eligible properties between 9/27/2017 and 1/1/2023, with the bonus rate phasing down by 20% each year after 2023 until 2027.

The TCJA sets a limit on the amount of net losses that can be booked in a given tax year, the calculation for which aggregates all global profits and losses for the individual or entity filing. IRC§461(l) sets these rules, which apply to sole proprietorships, partnerships, limited liability companies (LLCs), S corporations, estates, and trusts.

For individuals, the sum of all gross profits/gains and losses generated from all trading and business activity cannot result in a loss exceeding \$250,000 in a tax year, or \$500,000 if filing jointly. Any losses that exceed this threshold will be carried forwards indefinitely as an NOL, which can offset up to 80% of the tax-payer's taxable income in subsequent years, per TCJA

For example, suppose an investor filing joint taxes has aggregate gross annual income of \$5M and incurs aggregate losses of \$7M, creating an excess loss of \$2M. This investor will be subject to the \$500,000 loss threshold, and the remaining \$1.5M of excess (disallowed) loss will be carried forwards to the following tax year. Suppose the next year, this same investor earns a gross \$6M and incurs aggregate losses of \$2M, resulting in taxable income of \$4M. The investor may fully utilize their prior-year NOL to reduce their taxable income by \$1.5M.

Suppose this same investor, in year 2, had taxable income of \$1M, retaining the same \$1.5M of prior year NOL. The investor may utilize \$800,000 of the NOL (80% of their taxable income) to reduce their taxable income to \$200,000 and the remaining \$700,000 of NOL will be carried forwards (i.e. investor can't use the carry forwards from prior year to incur net loss for a subsequent year).

See below for illustration of additional cash flow.

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*Assumes 20% of purchase price is attributed to the land.

BONUS DEPRECIATION - QUIK MART

Purchase Price	\$2,867,000.00
Cap Rate	6.00%
Cash Flow	\$172,000.00
100% Bonus Depreciation Year 1	\$2,293,600.00
Year 1 Aggregate Tax Loss from Asset	\$2,121,600.00

ACCELERATED DEPRECIATION

These investments present a tremendous opportunity for special tax saving privileges. 15-year accelerated depreciation schedule may be applied to these properties, under current IRS guidelines.

When looking at the comparison below between a Quik Mart and a representative non-gas station/convenience store, one can see the tremendous tax savings when applying a 15 year accelerated method vs. the standard 39 year method utilized in connection with the depreciation of other commercial properties.

See below for illustration of additional cash flow.

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ACCELERATED DEPRECIATION - QUIK MART

Purchase Price	\$2,867,000.00
Cap Rate	6.00%
Cash Flow	\$172,000.00
15 Year Depreciation	\$152,906.67
Taxable Income	\$19,093.33
Income Taxes (37% Tax Bracket)	\$7,064.53
Cash Flow	\$172,000.00
Income Taxes	\$7,064.53
Cash Flow (After Taxes)	\$164,935.47

DEPRECIATION - OTHER NNN ASSET

Purchase Price	\$2,867,000.00
Cap Rate	6.00%
Cash Flow	\$172,000.00
39 Year Depreciation	\$58,810.26
Taxable Income	\$113,189.74
Income Taxes (37% Tax Bracket)	\$41,880.21
Cash Flow	\$172,000.00
Income Taxes	\$41,880.21
Cash Flow (After Taxes)	\$130,119.79

OMNI
TUCSON NATIONAL



**CASA DEL
ORO NORTE**

**CASAS ADOBES
COUNTRY CLUB ESTATES**



PimaCommunityCollege

**MOONDANCE
PATIO HOMES**

Quik Mart



18,000+ CPD
W CORTARO FARMS RD



TORTOLITA
MIDDLE SCHOOL

CROOKED TREE
GOLF COURSE

BACH'S GREENHOUSE
CACTUS NURSERY

Mister

LEGACY
TRADITIONAL SCHOOL

TIERRA BRAVA
ESTATES

Bashas' 
The UPS Store 

TIERRA DEL
PARAISO

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Property Description



INVESTMENT HIGHLIGHTS

- » 19 Years Remaining on Corporate Lease with Southwest Convenience SPE, LLC (17+ Units)
- » 10% Rental Increases Every Five Years with Multiple Renewal Options on Lease
- » Tenant in Process of Making Additional Capital Improvements to Site(New Parking Lot)
- » 348,014 Residents within a Ten-Mile Radius - Dense Tucson Infill
- » Highly Visible Location Along W Cortaro Farms Rd with Over 18,000 Cars per Day
- » Less Than a Three Minute Drive from Omni Tucson National Resort, AAA Four Diamond Resort with Legendary Golf Courses, World-Class Spa, Lighted Tennis Courts, Sparkling Pools, and Award-Winning Service
- » Immediate Connection to N Casa Grande Hwy 10 (104,500+ Cars per Day)
- » Subject Property in Direct Proximity to Casa Adobes Country Club Estates Community, and Down the Road from Legacy Traditional School
- » Surrounded by Big Box Retailers: Walmart Supercenter, Bashas', Albertsons, Fry's, Target, Lowe's, Harbor Freight Tools, and Many More



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2027 Projection	11,042	64,997	135,353
2022 Estimate	10,656	63,314	130,708
Growth 2022 - 2027	3.63%	2.66%	3.55%

Daytime Population

2022 Estimate	8,446	55,981	128,696
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Households

2027 Projection	4,451	26,410	55,702
2022 Estimate	4,240	25,445	53,362
Growth 2022 - 2027	4.98%	3.79%	4.38%

Income

2022 Est. Average Household Income	\$92,308	\$88,591	\$94,548
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Tenant Overview



Quik Mart



QUIKMARTSTORES.COM
Website



TUCSON, ARIZONA
Headquarters



17
Locations



1965
Founded

Quik Mart Stores, Inc. is a second-generation family business of 17 convenience Stores throughout Tucson and Pima County, Arizona. The Company is the largest independent convenience store retailer in the Tucson Metropolitan Statistical Area.

Quik Mart opened the doors to its first three stores in the Tucson area of Arizona, during January of 1965. The creation of one Wesley (Wes) Little, who acted as the company's Chief Executive Officer until his passing in December 2014, the chain has been proudly run by the Little family now for nearly 60 years. The Company's Stores have become known as the local choice in the Tucson convenience store marketplace. The Company has earned the title of "Best Convenience Store" by the Arizona Daily Star's Reader's Choice Award for the past three years.

Tucson-based SWC dba Quik Mart is owned by Robert Berg, Brett Bishov, Kevin Gandy, and Akash Chilka, and it will provide an ideal platform to expand in the Tucson metropolitan area, the company said.

Property Photos



Location Overview



Tucson is the second largest metropolitan area in Arizona with just over one million residents and serves as an anchor to businesses located in the Southern Arizona corridor. Tucson offers its community an outstanding quality of life along with a low cost of doing business. Over the next five years, the metro is projected to add roughly 37,000 new residents.

Tucson is known for an innovative manufacturing industry in a variety of different sectors such as biotech, aerospace, healthcare, defense, optics, solar, information technology and water. Amazon, Raytheon Missile Systems, IBM, Texas Instruments, Intuit Inc., Universal Avionics and the University of Arizona are some of the top employers in Tucson where each has a significant presence within the community. In addition to Caterpillar and Amazon, Comcast and

HomeGoods, all Fortune 500 companies, have added Tucson locations recently. Davis-Monthan Air Force Base, home to 15,000 employees, is a significant driver of Tucson's local economy.

The University of Arizona is an integral part of Tucson. It has been named a Top 20 US public research institution, and enjoys a large student enrollment of 51,000 students and 16,000 administration staff members and faculty. As the city's largest employer, the University of Arizona is a significant economic driver in the metro. In addition to the campus, the university also oversees Tech Parks Arizona, which operates the UA Tech Park at Rita Road, UA Tech Park at The Bridges, and the Arizona Center for Innovation. These facilities offer more than 2 million square feet of high-tech office, R&D and laboratory space.

[exclusively listed by]

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