

ABSOLUTE NNN LEASE



PHOENIX, ARIZONA

QUALIFIES FOR
BONUS DEPRECIATION



ACTUAL PROPERTY

EXCLUSIVELY OFFERED BY:

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NET LEASE INVESTMENTS



**CUSHMAN &
WAKEFIELD**

Private Capital Group

EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

TENANT:	Westcoast Petroleum Newports AZ Corp, an Arizona Corporation DBA ARCO AMPM
LOCATION:	1201 E Northern Ave Phoenix, AZ 85020
LEASE TYPE:	Absolute NNN Lease - Fee Simple No landlord responsibilities
APN:	160-15-105B
LEASE TERM REMAINING:	±20 years
BUILDING SIZE:	±2,503 SF
LAND SIZE:	±17,700 SF
YEAR BUILT:	1987
RENT COMMENCEMENT:	May 21, 2025
LEASE EXPIRATION:	May 20, 2045
OPTIONS:	Four (4) Five (5) Year Options
RENT ADJUSTMENT:	10% every 5 years including options

OFFERING TERMS

CURRENT NOI:	\$189,600
PRICE:	\$3,300,000
CAP:	5.75%

RENT SCHEDULE:

TERM	YEARS	LEASE DATE	MONTHLY RENT	ANNUAL RENT	% INCREASE	CAP RATE
Primary	1-5	5/21/25 - 5/20/30	\$15,800.00	\$189,600.00	N/A	5.75%
Primary	6-10	5/21/30 - 5/20/35	\$17,380.00	\$208,560.00	10%	6.32%
Primary	11-15	5/21/35 - 5/20/40	\$19,118.00	\$229,416.00	10%	6.95%
Primary	16-20	5/21/40 - 5/20/45	\$21,029.80	\$252,357.60	10%	7.65%
Option	21-25	5/21/45 - 5/20/50	\$23,132.78	\$277,593.36	10%	8.41%
Option	26-30	5/21/50 - 5/20/55	\$25,446.06	\$305,352.70	10%	9.25%
Option	31-35	5/21/55 - 5/20/60	\$27,990.66	\$335,887.97	10%	10.18%
Option	36-40	5/21/60 - 5/20/65	\$30,789.73	\$369,476.76	10%	11.20%



INVESTMENT HIGHLIGHTS

- **Absolute NNN - no landlord responsibilities**
- Long term primary lease (± 20 years remaining)
- **Qualifies for bonus depreciation**
- Rental increases every 5 years to hedge against inflation

STRONG OPERATOR

- Franchisee operator has been in business for over 16 years
- Strong personal guaranty with guarantor net worth above \$29.25M
- Gross annual revenue is over \$90M
- Franchisee operates 18 locations
- Extremely high unit level sales

PROPERTY HIGHLIGHTS

- **Located on a hard corner with $\pm 62,375$ vehicles per day at 12th St & Northern Ave**
- Densely populated trade area with over 359,000 residents within 5 miles
- Strong average household incomes over \$130,000 in a 1 mile radius
- Close proximity to the AZ-51 Freeway

BONUS DEPRECIATION - SPECIAL TAX ADVANTAGE AFFORDED IRS SECTION 1250 PROPERTY (ARCO ASSET)

BONUS DEPRECIATION - ARCO PHOENIX, AZ

Purchase Price	\$3,300,000
Cap Rate	5.75%
Cash Flow	\$189,600
100% Bonus Depreciation Year 1	\$2,946,000*
Year 1 Aggregate Tax Loss from Asset	\$2,756,400

*Cushman & Wakefield and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

*Based on a deduction of the land value equal to \$20/SF.



ACTUAL PROPERTY

ARCO GAS STATION | PHOENIX, AZ

BONUS DEPRECIATION - NOW RETURNED TO 100%

Bonus depreciation is a powerful tax-saving strategy that offers businesses and investors significant financial benefits. It was introduced as part of the Tax Cuts and Jobs Act (TCJA) in 2017, aiming to stimulate economic growth and incentivize investments in qualifying assets. It has now been renewed for 2025 now that the BBB is signed into law.

What is Bonus Depreciation?

Depreciation is an accounting method used to allocate the cost of tangible assets over their useful lives. Bonus depreciation allows taxpayers to deduct a substantial portion of the asset's cost in the year of acquisition, providing an immediate tax benefit rather than spreading it over several years.

Key Features of Bonus Depreciation:

a. Restoration of 100% Bonus Depreciation: The new Big Beautiful Bill that was signed into law reinstates 100% bonus depreciation for qualified property acquired and placed in service between January 20, 2025, and December 31, 2029. This would allow businesses to fully expense eligible assets in the year they are placed in service, enhancing cash flow and investment incentives.

b. Increased Deduction: Under the TCJA, bonus depreciation was initially set at 100% for qualified assets acquired between September 27, 2017, and January 1, 2023. This allowed businesses to deduct the full cost of qualifying assets in the first year.

c. Qualified Assets: Bonus depreciation applies to tangible assets with a recovery period of 20 years or less, such as machinery, equipment, furniture, and certain improvements to buildings.

d. Used and New Assets: Unlike Section 179 expensing, bonus depreciation is available for both new and used assets, making it a valuable tool for businesses acquiring pre-owned equipment.



SURROUNDING RETAIL MAP

PROPERTY OVERVIEW



SURROUNDING RETAIL MAP

PROPERTY OVERVIEW





Atlantic Richfield Company (ARCO) is a recognized brand in the American energy sector, operating as a retail gasoline and convenience store brand with strong market presence across the Western United States. Originally established through the 1966 merger of Atlantic Petroleum and Richfield Oil Corporation, ARCO played a pivotal role in U.S. oil exploration and production throughout the latter half of the 20th century.

Though the corporate entity was acquired by BP (British Petroleum) in 2000, and the downstream retail operations were later sold to Marathon Petroleum Corporation in 2018, the ARCO brand continues to operate independently under license agreements, representing a legacy of operational efficiency and consumer value in the fuel retail segment.

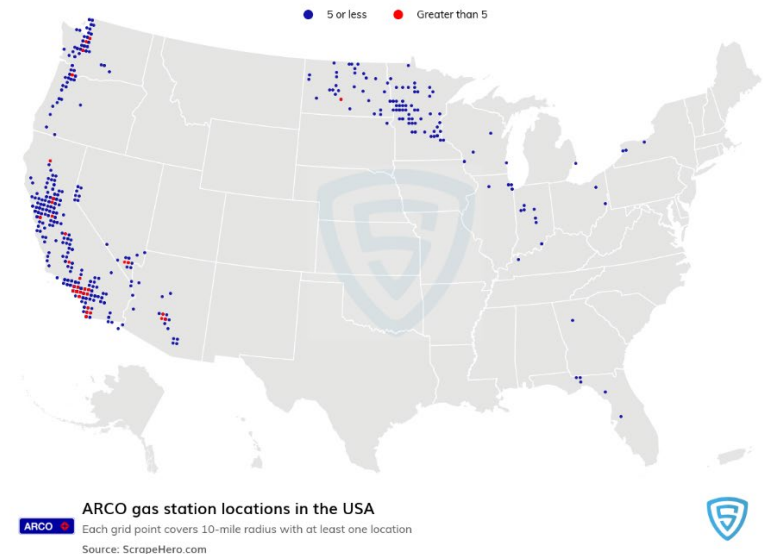
ARCO benefits from a well-established legacy in the fuel retail industry, with over 50 years of brand recognition and consumer trust. Its network includes more than 1,500 locations across key Western U.S. markets, including California, Arizona, Nevada, Oregon, and Washington.

The franchisee (Westcoast Petroleum Newports AZ Corp, an Arizona Corporation) operates 18 locations. The main owner of West Coast Petroleum has been in the business for over 16 years. The company does over \$90M/year in gross revenue and continues to expand in the Southwest. There is also a personal guaranty from the operator, who has a net worth of approximately \$30M, for the term of the lease.

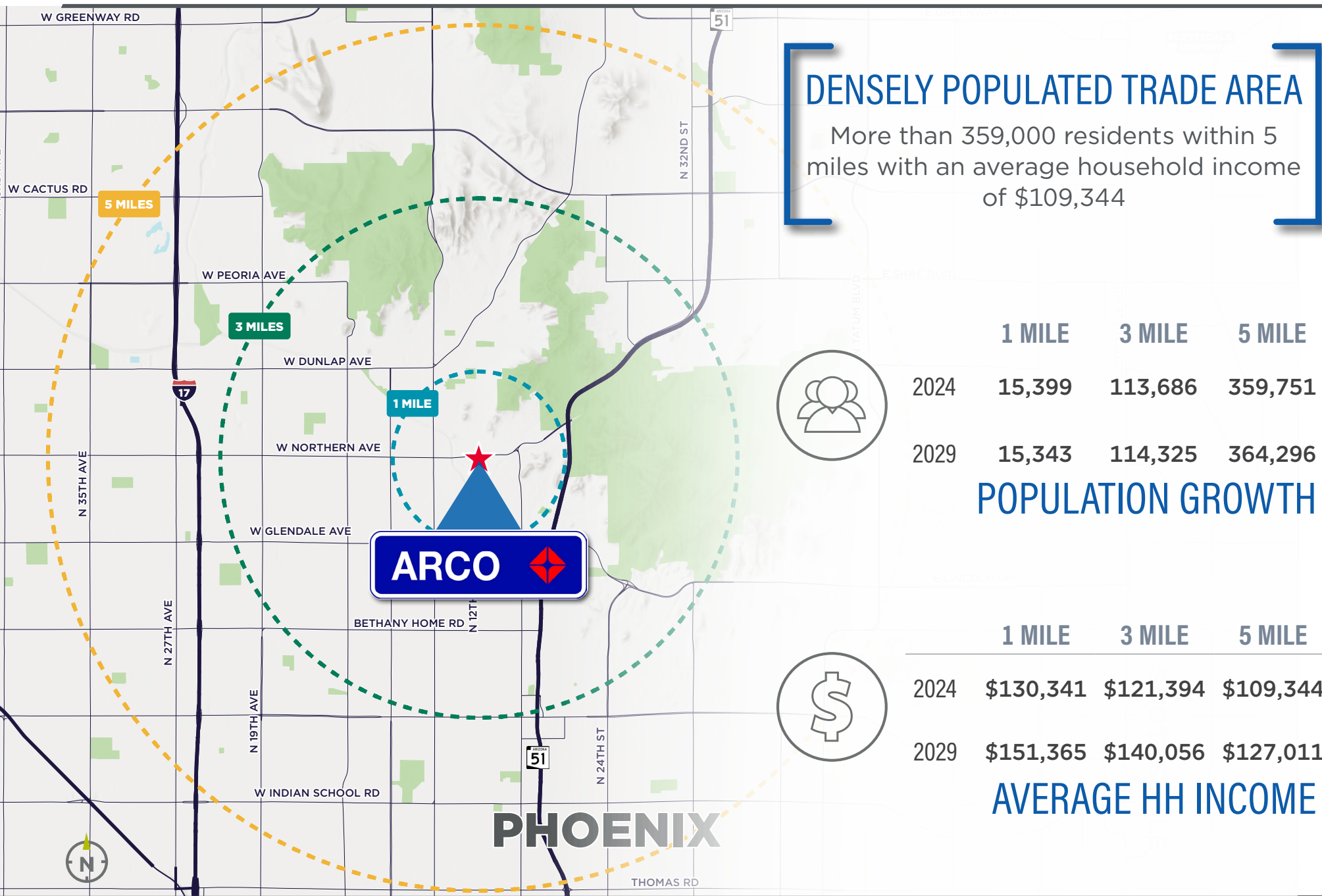
1,603
Locations

17
States and Territories

597
Cities



[Source](#)



Population

Phoenix is the fifth largest city in the United States and anchors the nation's tenth largest metropolitan area, with 5.1 million residents. Greater Phoenix encompasses 14,600 square miles and more than 20 incorporated cities, including Glendale, Scottsdale, Tempe and Mesa. Greater Phoenix is the financial, commercial, cultural, entertainment and government center of Arizona.

Maricopa County, in which Phoenix is located, covers more than 14,600 square miles. Its strategic southwest location has made it a major business and distribution hub for aerospace, high-technology, logistics, financial services, bioscience and sustainable technology companies.

Phoenix is a large desert city. Its elevation is 1,117 feet above sea level. The city's horizon is defined by three distinct mountains: South Mountain, Camelback Mountain and Piestewa Peak. It is known for its warm climate, beautiful setting and great cultural and recreational amenities. The timeless Southwestern backdrop is scattered with resorts and spas infused with Native American tradition. Numerous golf courses stay emerald

green all year. Mountain parks are crisscrossed with trails and plentiful sports venues host some of the biggest events in the nation. All together, Phoenix makes for the perfect setting for 16 million leisure visitors each year, which is good for business.

The population of Greater Phoenix is 5.1 million and is expected to grow to nearly 6.4 million in the next 20 years. A relatively young region, Greater Phoenix has a median age of 36.6 – 2.3 years younger than the average age nationwide. The population boasts comparatively high-earnings, with an median household income of over \$75,940. This is 4.9% above the national median average household income, which stands at \$72,414.

Employment

The Metro Phoenix employment base has grown rapidly in the past 20 years and currently boasts more than 2 million workers. Projected employment by occupation shows continued strength in the area's professional and technical workforce, with service employment increasing as well. A steady influx of new workers and high graduation levels from the state's largest university, Arizona State University, enrich the quality of labor.

Thanks to the variety of universities and technical schools in the area, the pipeline of skilled workers continues to grow.

Metro Phoenix has a diversified base of industries, led by aerospace, high-tech manufacturing, distribution and logistics, financial services and corporate/regional headquarters. Major data processing, credit card and customer service companies are also attracted to Greater Phoenix's telecommunications infrastructure. Phoenix has a predictable climate and low catastrophic risk—no earthquakes, tornadoes or coastal flooding.

Intel, Freescale, Microchip Technology and ON Semiconductor have given Arizona the distinction of being the fourth largest semiconductor manufacturing exporter in the nation.

Phoenix is ranked among the top in the country for its solar and renewable energy sector, and has a rapidly growing healthcare and biomedical industry. With \$1.3 billion in strategic investments over the past 10 years added into its emerging healthcare enterprise and research capabilities, Greater Phoenix is the place for healthcare opportunities.



Lifestyle & Entertainment

Dependable sunshine and warm temperatures make outdoor activities a way of life in Phoenix. Golf, tennis, hiking, cycling, mountain biking and rock climbing are popular Phoenix activities. Some of Greater Phoenix's most notable outdoor attractions are South Mountain Park and Preserve, Tempe Town Lake, Camelback Mountain, Desert Botanical Garden, the Tournament Players Club (TPC) and the Phoenix Zoo. Phoenix is also a gateway to the Grand Canyon, just a short three and a half hour drive to America's greatest natural wonder.

Live music including classical, blues, local bands and major concerts are easy to come by, and Downtown Phoenix's First Friday Artwalk is a popular event each month with thousands of attendees. Phoenix is chockfull of local galleries, boutiques and studios.

Greater Phoenix annually plays host to the PGA Tour's Waste Management Phoenix Open at the TPC, NASCAR's March and November events at Phoenix International Raceway, the Rock 'n' Roll Arizona Marathon and college football's VRBO Fiesta Bowl and Guaranteed Rate Bowl. Phoenix has played host to the Super Bowl in 2023, 2015 and 2008 at University of State Farm Stadium, the College Football Playoff National Championship Game in 2016 and the 2017 and 2024 NCAA Men's Basketball Final Four. Phoenix has franchises in three major professional sports leagues: Phoenix Suns (NBA), Arizona Diamondbacks (MLB) and Arizona Cardinals (NFL).

With more than 16 million leisure visitors each year, Greater Phoenix is home to more than 500+ hotels with more than 69,000 guest rooms.



ARCO GAS STATION | PHOENIX, AZ

That total includes more than 40 luxury resorts. Notable resorts include the JW Marriott Desert Ridge Resort and Spa, the Arizona Biltmore, Westin Kierland Resort & Spa, The Phoenician, Royal Palms, Omni Scottsdale Resort & Spa at Montelucia, Four Seasons Resort at Troon North, Hyatt Regency Resort & Spa at Gainey Ranch, Sanctuary Camelback Mountain, The Camby, The Wigwam, W Scottsdale, and the Fairmont Scottsdale Princess.

Housing

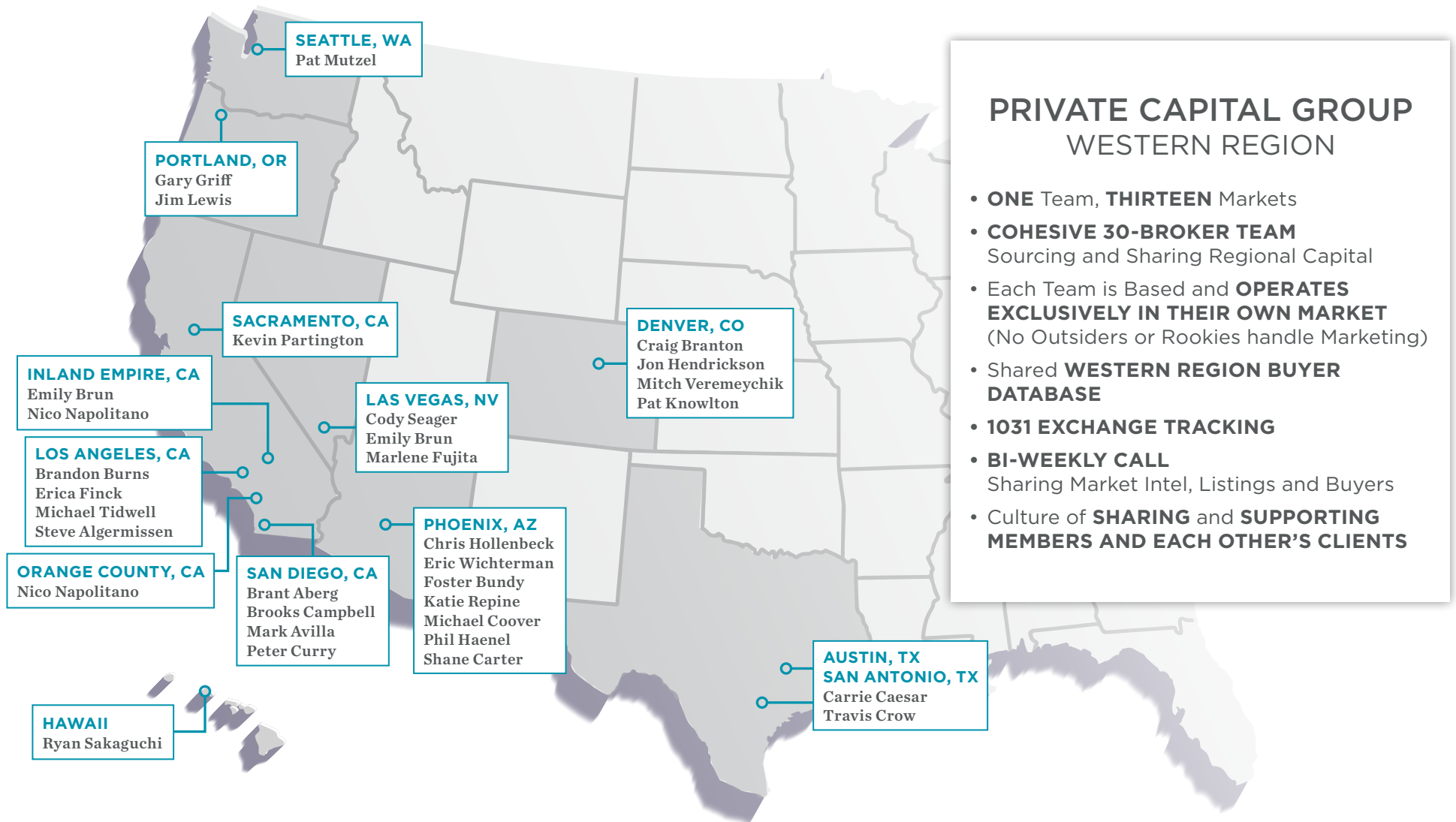
As one might expect in the 10th largest metropolitan area in America, the options for housing are as diverse as the people who live here. You'll find everything from luxury high-rise condos to modest apartments, to mature tree-lined family neighborhoods and brand-new gated communities. The metro area has many distinct neighborhoods and urban "villages" and no home in Phoenix is very far from one of the city's parks. Whether you want the bustle of living in a downtown loft or historic mid-century gem, the comfort of a home in a family-oriented neighborhood, or the quiet of a mini-ranch in the beautiful Sonoran Desert, Phoenix is a great place to put down roots.

MAJOR PHOENIX EMPLOYERS	
State of Arizona	U-Haul
Banner Health	Dignity Health
Frys	USAA
Walmart	The Boeing Company
Wells Fargo	Phoenix Childrens Hospital
Maricopa County	Vanguard
City of Phoenix	General Dynamics
Intel	American Express
Arizona State University	Amazon
Bank of America	Honeywell
State Farm Insurance	HonorHealth

Sources: Moody's Analytics; The Cromford Report; U.S. Census Bureau Census 2010 – ESRI Forecasts; 2015 MAG Employer Database; 2016 ARMLS and FBS. DMCA; Costar; 2016 Arizona Department of Education; Arizona State University – Degree Facts; Gilbert Public Schools; Chandler-Gilbert Community College; Golf Academy of America Chandler; Mesa Community College Graduation and Transfer Report; GPEC; Visit Phoenix; City of Phoenix

PRIVATE CAPITAL GROUP, WESTERN REGION

ONE Team, THIRTEEN Markets



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