

TEQUA FESTIVAL MARKETPLACE

7000 HIGHWAY 179
SEDONA, AZ 86351

FOR SALE

\$6,500,000



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EXCLUSIVELY OFFERED BY DA VINCI REALTY, LLC

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PROPERTY PROFILE

PROPERTY DESCRIPTION

LOCATED ALONG HIGHWAY 179 AND ADJACENT TO THE 221 ROOM HILTON SEDONA RESORT IN THE VILLAGE OF OAK CREEK, TEQUA FESTIVAL MARKETPLACE SERVES AS A UNIQUE STOP FOR TOURISTS AND LOCALS ALIKE. THE PROPERTY IS LOCATED NEXT TO THE HILTON SEDONA RESORT & SEDONA GOLF CLUB.

TEQUA FESTIVAL MARKETPLACE (TEQUA) IS A VISUALLY STUNNING RETAIL CENTER CURRENTLY HOSTING A PLETHORA OF LOCAL TENANTS.



VIEW FROM LAND FACING SOUTHEAST

THE ARCHITECTURAL GEM IS VISIBLE FROM HIGHWAY 179 TO OVER TWO MILLION TOURISTS ENTERING SEDONA EACH YEAR.

IN ADDITION, TEQUA SERVES AS A VENUE FOR COMMUNITY EVENTS SUCH AS ART SHOWS, FESTIVALS AND LOCAL CONCERTS.

THE RETAILERS AT TEQUA BENEFIT NOT ONLY FROM THE TOURISM, BUT FROM THE FAIRS, EVENTS, AND OUTDOOR FUNCTIONS HOSTED AT THE CENTER.

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VIEW FROM LAND FACING SOUTHEAST



INFORMATION

ADDRESS : 7000 HWY 179, VILLAGE OF OAK CREEK, AZ 86351

PRICE : \$6,500,000

TERMS : CASH, CASH TO NEW LOAN

PRICE PER SQ. FT. : \$120.35

CAP RATE : 9.57% (PRO FORMA BASED UPON 15% VACANCY)

CURRENT OCCUPANCY: 51%

LOT SIZE : 6.16 ACRES

ZONING : PAD (PLANNED AREA DEVELOPMENT)

PARCEL NUMBERS : 405-28-270P & 405-28-270T

PROPERTY TYPE : RETAIL CENTER

BUILDING IMPROVEMENTS : 54,011 SQ. FT.

NO. OF BUILDINGS : 6

YEAR BUILT : 2000 - 2003

COUNTY : YAVAPAI

UTILITIES : BIG PARK WATER, ELECTRICITY, SEWER, NATURAL GAS



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AERIAL VIEW

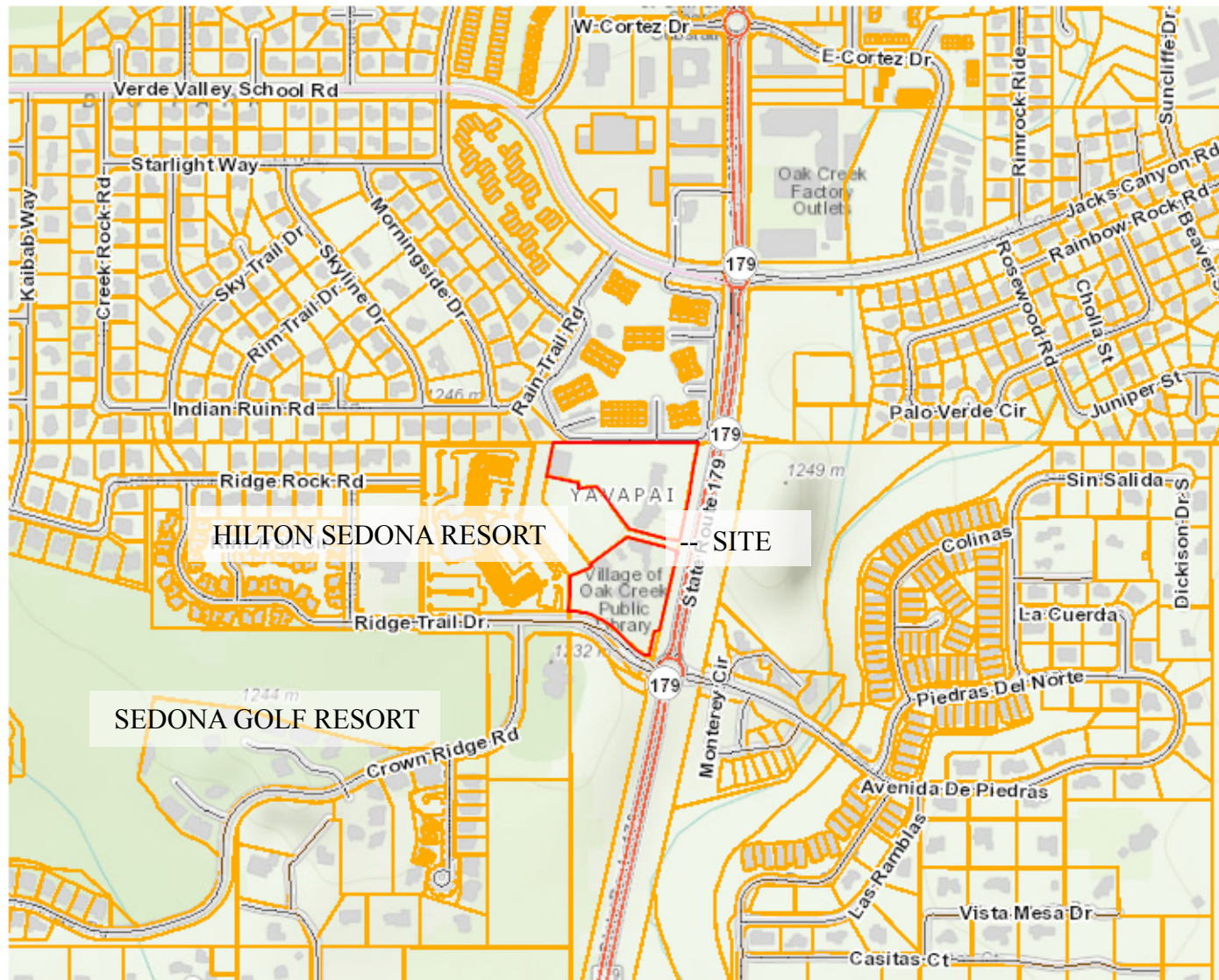


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PARCEL VIEW

Tequa Festival Marketplace



Legend

- City Boundaries
 - Cottonwood
 - Peoria
 - Prescott
 - Sedona
 - Camp Verde
 - Chino Valley
 - Clarkdale
 - Dewey-Humboldt
 - Jerome
 - Prescott Valley
 - Wickenburg
 - County Boundary
 - Counties
 - Parcels
 - Major Roads
 - Interstate
 - State Highways
 - Major Roads
 - Road Centerlines
 - Cities
 - City Boundaries
 - Cottonwood
 - Peoria
 - Prescott
 - Sedona
 - Camp Verde
 - Chino Valley
 - Clarkdale
 - Dewey-Humboldt
 - Jerome
 - Prescott Valley
- Legend truncated...

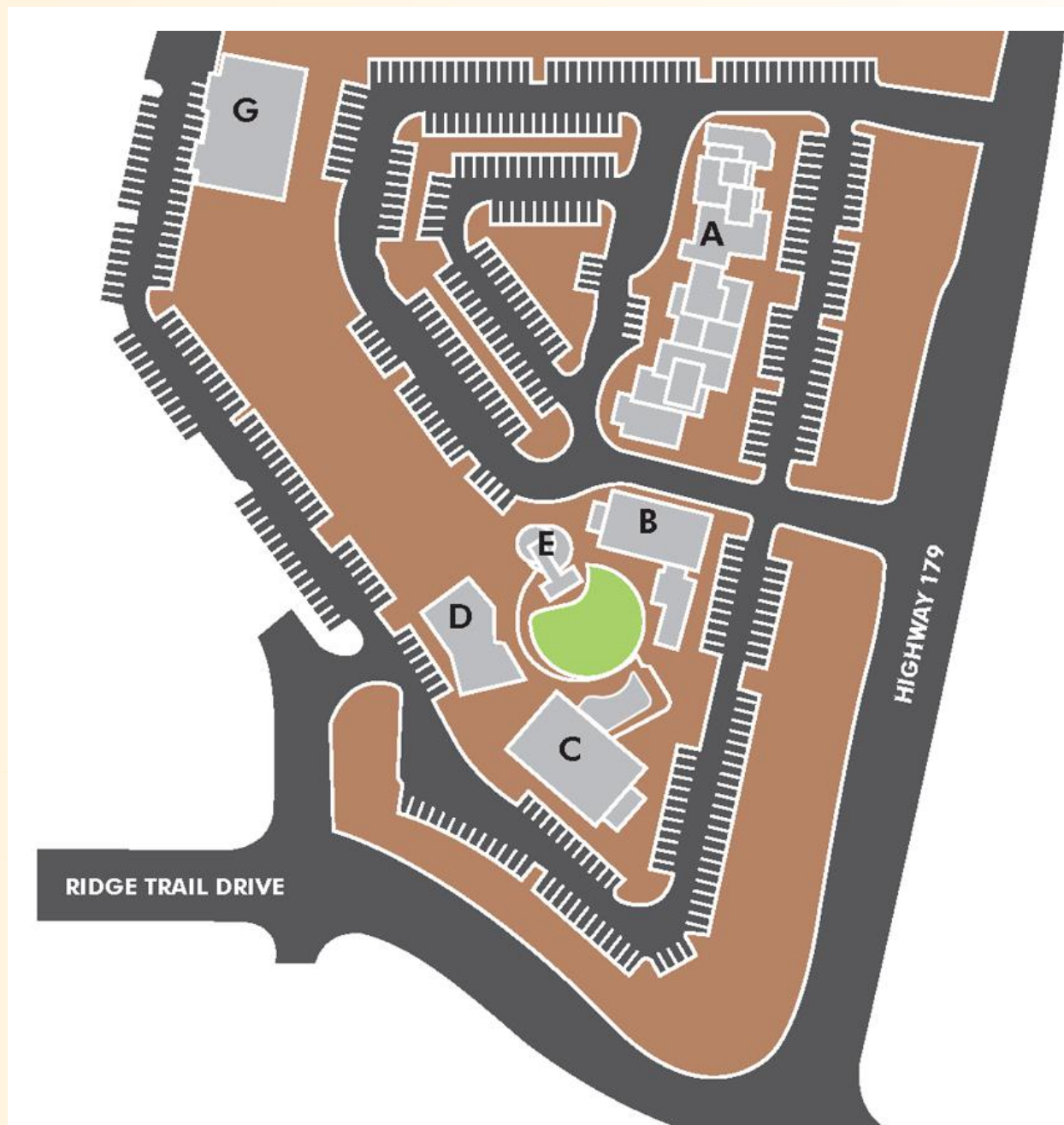
Disclaimer: Map and parcel information is believed to be accurate but accuracy is not guaranteed. No portion of the information should be considered to be, or used as, a legal document. The information is provided subject to the express condition that the user knowingly waives any and all claims for damages against Yavapai County that may arise from the use of this data.

Map printed on: 4.7.2015

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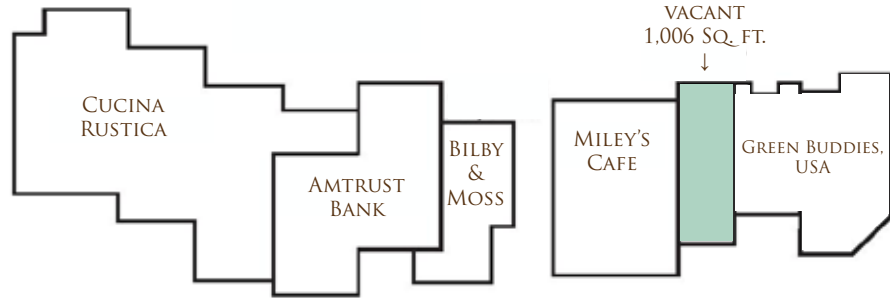


SITE PLAN

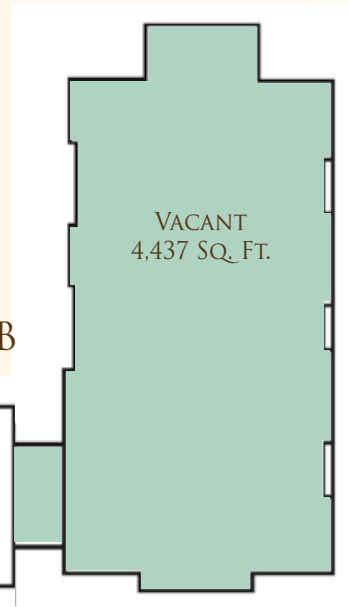


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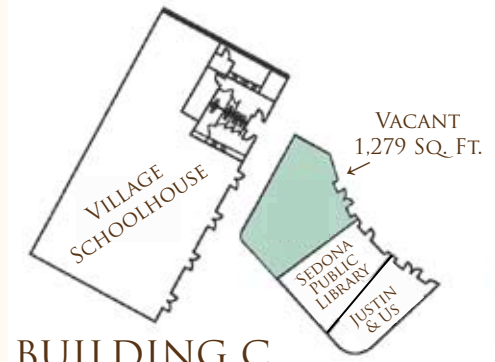
BUILDING LAYOUT



BUILDING A



BUILDING B



BUILDING C
FIRST FLOOR

NOTE:
BOTH TENANTS HAVE
TEMPORARILY RELOCATED TO
THE 1ST FLOOR OF BLDG D
DUE TO DECK REPAIRS
ON BLDG C.
TENANTS CONTINUE TO PAY RENT
ON THEIR ORIGINAL
BLDG C SPACES.

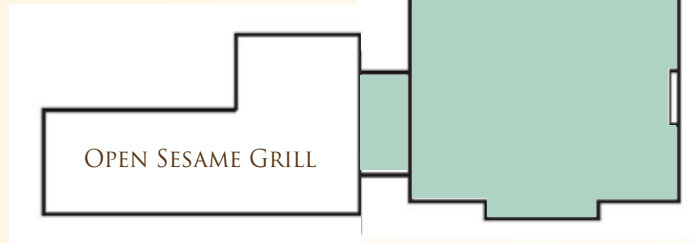


BUILDING C
SECOND FLOOR

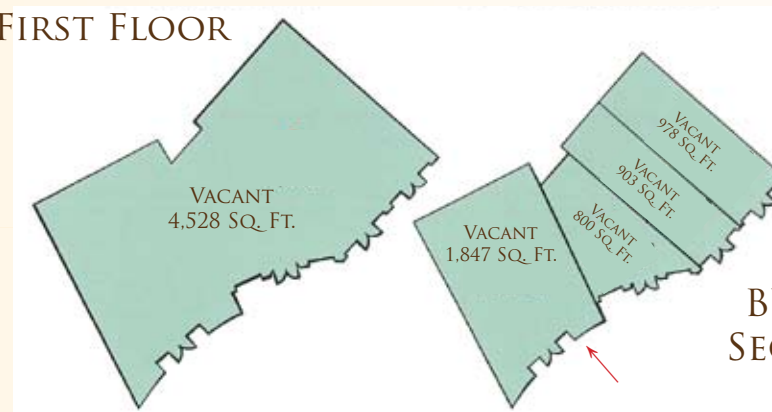


BUILDING G
FIRST FLOOR

BUILDING G
SECOND FLOOR



BUILDING D
FIRST FLOOR



BUILDING D
SECOND FLOOR



BUILDING E
FIRST FLOOR



BUILDING E
SECOND FLOOR

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PHOTOS



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CURRENT TENANTS



GREEN BUDDIES, USA - A100 & A102
RESORT MARKETING INTERNATIONAL - A104
MILEY'S CAFE - A108 & A110
BILBY & MOSS - A112
NEW YORK COMMUNITY BANK - A116 & A118
CUCINA RUSTICA - A122, A124, A126 & C100
OPEN SESAME GRILL - B110 & B112
SEDONA PUBLIC LIBRARY - C102
VILLAGE SCHOOLHOUSE - C106
FULL MOON SALOON - G100
HILTON SEDONA - G200



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PRO FORMA & RENT ROLL

Tequa Marketplace
7000 State Route 179, Sedona, AZ

15-Apr-15

Total Price: \$6,500,000

First Lien: 30 years
Second Lien: _____
Total Debt: \$0

Down Payment: \$6,500,000 (100% down)

Building Size: 54,011 sq. ft. (\$120.35 / sq. ft.)
Constructed in: 2003 (20.13% site coverage)
Land Area: 6.16 acres (\$24.22 / sq.ft. land)
Parking: spaces
Base Rental Income: \$66,758.23 per month, or \$801,099 per year
Other Income: \$27,943.64 per month, or \$335,324 per year
Vacancy Factor: 15% (Currently 51% Occupied)
Operating Expenses: \$28,656.35 per month, or \$343,876 per year
Debt Service: \$0.00 per month, or \$0 per year

STABILIZED PROFORMA

Annual Rental Income	\$801,099	
\$1.24 /mo. \$14.83 /yr.		
Other Income:	335,324	29.51% of gross income
\$0.52 /mo. \$6.21 /yr.	-----	
Scheduled Gross Income:	\$1,136,422	5.72 times gross income
\$1.75 /mo. \$21.04 /yr.		
Less Vacancy Factor:	(170,463)	15.00% vacancy factor

Effective Gross Income:	\$965,959	
Less Operating Expenses:	(343,876)	42.93% of gross income
\$0.53 /mo. \$6.37 /yr.	-----	
Net Operating Income:	\$622,083	9.57% capitalization rate
\$0.96 /mo. \$11.52 /yr.		
Less Debt Service:	0	0.00 K debt constant

Pretax Cash Flow:	\$622,083	9.57% pretax return on equity

RENT ROLL

Suite #	Tenant Name	Size	Rent P.S.F.	Base Rent	NNN Expenses	Lease Expires
A100 & 102	Green Buddies U.S.A.	1,574	1.16	\$1,825	\$830	10/31/19
A104	Resort Marketing	463	3.75	\$1,737	\$270	10/31/20
A 108 & 110	Miley's Cafe	2,020	1.71	\$3,451	\$1,178	12/31/20
A 112	Bilby & Moss	1,222	1.23	\$1,500	gross 8/2/15	
A116 & 118	NY Community Bank	2,523	1.96	\$4,941	\$1,378	5/31/20
A122, 124, & 126	Cucina Rustica	5,057	2.60	\$13,148	\$2,668	2/28/21
B110 & B112	Mario's	1,376	0.93	\$1,274	\$729	9/31/19
C100	Justin and US	691	0.83	\$576	\$411	9/30/18
C102	Sedona Public Library	767	1.10	\$844	\$379	11/30/21
C106	Mongo's LLC	4,247	1.08	\$4,601	\$2,241	11/14/18
G100	Full Moon Saloon	2,033	1.12	\$2,287	\$1,158	12/31/17
G200	Hilton	5,500	1.50	\$8,250	\$2,902	6/30/21
	Hilton Signage Fee			\$563		
A106	Vacant	1,006	0.82	\$825	523	
B100-B104	Vacant	4,437	0.82	\$3,638	2,307	
C104	Vacant	1,279	0.82	\$1,049	665	
C200	Vacant	5,327	0.82	\$4,368	2,770	
D100-D106	Vacant	4,528	0.82	\$3,713	2,355	
D200-D206	Vacant	4,528	0.82	\$3,713	2,355	
E100	Vacant	1,400	0.82	\$1,148	728	
E200	Vacant	989	0.82	\$811	514	
G101	Vacant	707	0.82	\$580	368	
G102	Vacant	2,187	0.82	\$1,793	1,137	
G104	Vacant	150	0.82	\$123	78	
Totals:		54,011	\$1.24	\$66,758	\$27,944	

Note: NY Community Bank rent increases to \$5046 6/15, Green Buddies rent increases to \$1871 11/15, and Justin & US rent increases to \$15,171 3/2016.

EXPENSE BREAKDOWN

Expense Item	Monthly	Annual	Notes
Property Taxes	\$6,312	\$75,748	
Tax Consulting Fees	\$308	\$3,690	
Personal & Administra	\$292	\$3,500	
Insurance	\$1,971	\$23,650	
Property Management	\$2,852	\$34,219	
Utilities	\$7,754	\$93,042	
Grounds Maintenance	\$3,617	\$43,404	
Landscapping	\$2,843	\$34,121	
Property Repairs	\$1,455	\$17,463	
Security & Life	\$1,253	\$15,039	
Totals:	\$28,656	\$343,877	

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COMMUNITY PROFILE

	5 miles	15 miles	30 miles
Top 3 Tapestry Segments			
	Silver and Gold	Silver and Gold Senior Sun Seekers Midlife Junction	Silver and Gold Senior Sun Seekers College Towns
2013 Consumer Spending			
Apparel & Services: Total \$	\$5,998,796	\$26,947,438	\$52,214,662
Average Spent	\$1,520.22	\$1,211.72	\$1,183.17
Spending Potential Index	67	54	52
Computers & Accessories: Total \$	\$1,008,211	\$4,524,365	\$8,789,160
Average Spent	\$255.48	\$203.44	\$199.16
Spending Potential Index	103	82	80
Education: Total \$	\$5,052,171	\$23,124,060	\$48,801,336
Average Spent	\$1,280.33	\$1,039.80	\$1,105.83
Spending Potential Index	88	71	76
Entertainment/Recreation: Total \$	\$14,207,485	\$64,261,462	\$119,764,878
Average Spent	\$3,600.48	\$2,889.58	\$2,713.85
Spending Potential Index	111	89	83
Food at Home: Total \$	\$20,298,811	\$96,190,030	\$181,845,444
Average Spent	\$5,144.15	\$4,325.29	\$4,120.58
Spending Potential Index	102	86	82
Food Away from Home: Total \$	\$12,880,828	\$58,743,550	\$112,969,610
Average Spent	\$3,264.27	\$2,641.47	\$2,559.87
Spending Potential Index	102	83	80
Health Care: Total \$	\$21,921,682	\$95,897,330	\$169,754,235
Average Spent	\$5,555.42	\$4,312.12	\$3,846.60
Spending Potential Index	125	97	86
HH Furnishings & Equipment: Total \$	\$6,798,215	\$30,517,887	\$57,381,335
Average Spent	\$1,722.81	\$1,372.27	\$1,300.25
Spending Potential Index	96	76	72
Investments: Total \$	\$14,556,273	\$50,006,749	\$82,079,009
Average Spent	\$3,688.87	\$2,248.61	\$1,859.89
Spending Potential Index	178	108	90
Retail Goods: Total \$	\$98,495,257	\$454,651,875	\$847,153,858
Average Spent	\$24,960.78	\$20,443.90	\$19,196.34
Spending Potential Index	103	85	80
Shelter: Total \$	\$66,468,331	\$293,359,412	\$557,192,692
Average Spent	\$16,844.48	\$13,191.21	\$12,625.88
Spending Potential Index	104	81	78
TV/Video/Audio: Total \$	\$5,433,405	\$25,027,440	\$47,161,705
Average Spent	\$1,376.94	\$1,125.39	\$1,068.68
Spending Potential Index	107	87	83
Travel: Total \$	\$8,364,307	\$35,297,478	\$64,537,828
Average Spent	\$2,119.69	\$1,587.19	\$1,462.41
Spending Potential Index	116	87	80
Vehicle Maintenance & Repairs: Total \$	\$4,662,826	\$21,188,384	\$39,632,180
Average Spent	\$1,181.66	\$952.76	\$898.06
Spending Potential Index	108	87	82

	5 miles	15 miles	30 miles
Population			
2000 Population	6,709	44,050	85,730
2010 Population	7,629	48,702	106,487
2013 Population	7,742	50,059	109,998
2018 Population	7,882	51,544	113,492
2000-2010 Annual Rate	1.29%	1.01%	2.19%
2010-2013 Annual Rate	0.45%	0.85%	1.00%
2013-2018 Annual Rate	0.36%	0.59%	0.63%
2013 Male Population	45.3%	48.3%	48.6%
2013 Female Population	54.7%	51.7%	51.4%
2013 Median Age	61.0	51.8	40.3

In the identified area, the current year population is 109,998. In 2010, the Census count in the area was 106,487. The rate of change since 2010 was 1.00% annually. The five-year projection for the population in the area is 113,492 representing a change of 0.63% annually from 2013 to 2018. Currently, the population is 48.6% male and 51.4% female.

Median Age

The median age in this area is 40.3, compared to U.S. median age of 37.3.

Race and Ethnicity

2013 White Alone	91.3%	85.6%	82.6%
2013 Black Alone	1.0%	1.0%	1.8%
2013 American Indian/Alaska Native Alone	0.7%	2.6%	4.6%
2013 Asian Alone	1.9%	1.1%	1.5%
2013 Pacific Islander Alone	0.1%	0.1%	0.1%
2013 Other Race	2.9%	6.9%	6.2%
2013 Two or More Races	2.1%	2.7%	3.1%
2013 Hispanic Origin (Any Race)	9.8%	18.0%	16.8%

Persons of Hispanic origin represent 16.8% of the population in the identified area compared to 17.4% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 50.6 in the identified area, compared to 62.1 for the U.S. as a whole.

Households

2000 Households	3,286	19,125	35,223
2010 Households	3,871	21,604	42,625
2013 Total Households	3,946	22,239	44,131
2018 Total Households	4,044	22,978	45,773
2000-2010 Annual Rate	1.65%	1.23%	1.93%
2010-2013 Annual Rate	0.59%	0.90%	1.07%
2013-2018 Annual Rate	0.49%	0.66%	0.73%
2013 Average Household Size	1.92	2.21	2.29

The household count in this area has changed from 42,625 in 2010 to 44,131 in the current year, a change of 1.07% annually. The five-year projection of households is 45,773, a change of 0.73% annually from the current year total. Average household size is currently 2.29, compared to 2.29 in the year 2010. The number of families in the current year is 25,341 in the specified area.



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