

OFFERING MEMORANDUM

3161 E. PALMER-WASILLA HWY.
Wasilla, AK 99654

CONTACT

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TABLE OF CONTENTS

OFFERING SUMMARY	02
PROPERTY CHARACTERISTICS	03
PROPERTY PHOTOS	04
• EXTERIOR	04
• INTERIOR	05
LOCATION OVERVIEW	07
• PLAT OF SURVEY	07
• LOCAL	08
• COMMUNITY	09
• REGIONAL	10
FINANCIAL OVERVIEW	11



OFFERING SUMMARY

**3161 E. PALMER-WASILLA HWY.
Wasilla, AK 99654**

Well-built and maintained office building on a busy, dedicated road between the two largest communities in the fastest growing borough (county) in Alaska. Superior access, visibility, traffic counts. Strong, clean tenant roster. The tenants are paying market rent. Recent exit by a below-market paying tenant allows for an owner-occupying and managing buyer. Investment grade as well: 8.11% capitalization rate.

**LIST PRICE
\$2,350,000**

**CAP RATE
8.11%**



PROPERTY CHARACTERISTICS

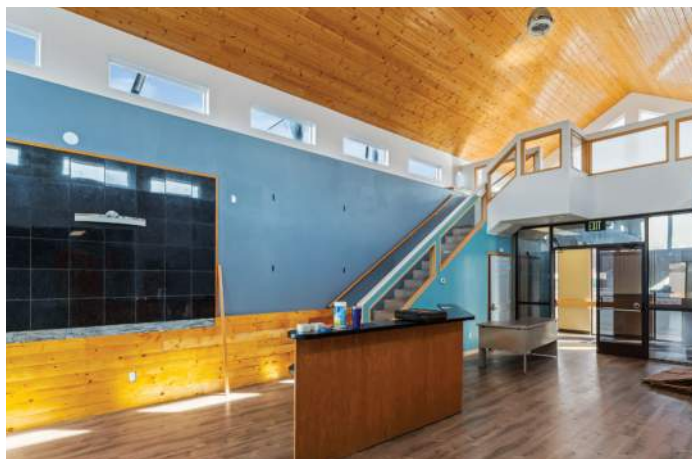
ADDRESS:	3161 E. Palmer-Wasilla Hwy, Wasilla, AK 99654		
LEGAL DESCRIPTION:	Lot 1-A, D.J. Subdivision, 2011 Addition, Plat No. 2011-46, Palmer Recording District, Alaska		
PRICE:	\$2,350,000		
PRO FORMA:	Gross Annual Rents	\$341,259	
	Net Operating Income	\$176,470	
	Cap Rate at Price	8.11%	
BUILDING SIZE:	13,800 sf		
LOT SIZE:	68,448 sf		
ZONING:	This property is outside of the City of Wasilla. The Mat-Su Borough, outside of the cities of Wasilla, Palmer and Houston, generally has minimal zoning. Reference: https://matsugov.us/zoning		
TRAFFIC COUNTS:	12,014 average annual daily traffic counts (2019)		
NEIGHBORS:	<u>North of Highway</u> • Camper Valley RV (to both east and west) • Mat-Su Public Health Center • U.S. Postal Service <u>South of Highway</u> • Fastenal • ARG Industrial • Ferguson Plumbing Supply • North Bowl		
WHY THIS IS A GOOD PROPERTY TO BUY:	• Little if any deferred maintenance. • Buyer to inherit stellar management of the asset and its tenant roster. • Low downside risk. • Great location. • Good cash flow leads to good underwriting, financing. • Fastest growing area of Alaska. • On the road between the two biggest communities in the Mat-Su Borough. • Alaska is experiencing a growth spurt relative to time, place, geography, infrastructure spending, national security, climate, resources, and geo-political reasons.		



BUILDING EXTERIOR



BUILDING INTERIOR



BUILDING INTERIOR



NOTES

1. THERE MAY BE FEDERAL, STATE AND LOCAL REQUIREMENTS GOVERNING LAND USE. IT IS THE RESPONSIBILITY OF THE INDIVIDUAL PARCEL OWNER TO OBTAIN A DETERMINATION WHETHER SUCH REQUIREMENTS APPLY TO THE DEVELOPMENT OF THE PARCELS SHOWN HEREON.
2. THIS SUBDIVISION IS SERVED BY A COMMUNITY WATER SYSTEM. NO INDIVIDUAL WATER SUPPLY SYSTEM SHALL BE PERMITTED ON ANY LOT.
3. NO INDIVIDUAL SEWAGE DISPOSAL SYSTEM SHALL BE PERMITTED ON ANY LOT UNLESS SUCH SYSTEM IS LOCATED, CONSTRUCTED AND EQUIPPED IN ACCORDANCE WITH THE REQUIREMENTS, STANDARDS AND RECOMMENDATIONS OF THE STATE OF ALASKA, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, WHICH GOVERN THOSE SYSTEMS.
4. RECORD INFORMATION WAS TAKEN FROM D.J. SUBDIVISION, EAST PLAT No. 2006-142.
5. NO DIRECT ACCESS TO THE PALMER-WASILLA HIGHWAY UNLESS PREVIOUSLY APPROVED BY A.D.O.T./P.F. (SEE COMMON DRIVEWAY LOCATION)
6. BASIS OF BEARING IS $57^{\circ}35'13''$ W $1402.41'$ (R) $1402.36'$ (M) DERIVED FROM ORIGINAL D.J. SUBDIVISION, PHASE II, PLAT No. 97-87 MONUMENTATION LOCATED AT THE NE AND SW CORNERS OF SAID SUBDIVISION.
7. THERE IS LESS THAN 1% CHANCE, IN ANY GIVEN YEAR THAT PART OF THE PLATTED AREA WILL BE INUNDATED BY THE BASE FLOOD EVENT.
8. MATANUSKA ELECTRIC ASSOCIATION, INC. BLANKET UTILITY EASEMENT PER BOOK 24 AT PAGE 41, RECORDED JULY 16, 1997.
9. MATANUSKA ELECTRIC ASSOCIATION, INC. BLANKET UTILITY EASEMENT PER BOOK 1097 AT PAGE 114, RECORDED OCTOBER 27, 2000.
10. MATANUSKA ELECTRIC ASSOCIATION, INC. BLANKET UTILITY EASEMENT PER RECORDING SERIAL NO. 2002-029186-0, RECORDED DECEMBER 20, 2002.
11. OPERATION AND MAINTENANCE AGREEMENT, COMMUNITY WATER SYSTEM RECORDED NOVEMBER 22, 2005, RECORDING SERIAL NO. 2005-033136-0.

LEGEND

(R) RECORD DATA FROM PLAT 2006-142

(M) MEASURED DATA

● RECOVERED 5/8" REBAR W/ PLASTIC CAP MARKED 2234-S

✦ SET 5/8" x 30" REBAR W/ PLASTIC CAP MARKED AK RM 2234-S

DOT=RECORD DATA FROM STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, RECORDING SERIAL NO. 2010-018074-0

SUBD.=SUBDIVISION

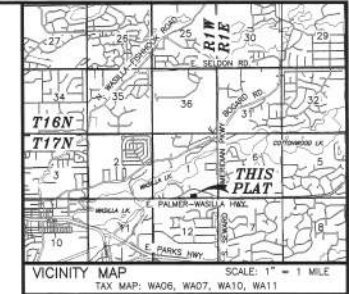
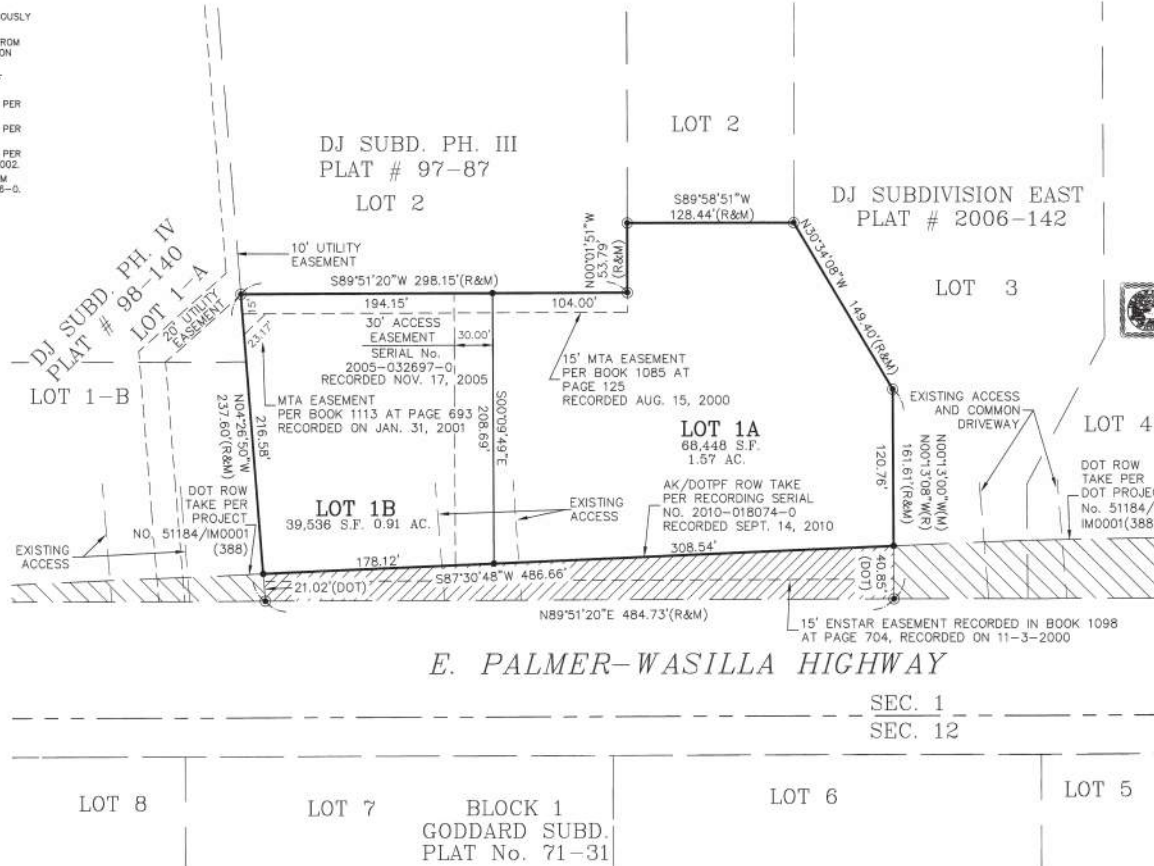
PH.=PHASE

W.=WITH

S.F.=SQUARE FEET

AC.=ACRES

MTA=MATANUSKA TELEPHONE ASSOCIATION



CERTIFICATE OF OWNERSHIP

I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HEREBY ADOPT THIS PLAT OF SUBDIVISION BY MY FREE CONSENT.

D.R. Smith 7-18-11
D.R. SMITH, LLC
DORWIN SMITH, PRES.
2970 COTTLE LOOP
WASILLA, ALASKA 99654

NOTARY'S ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN TO BEFORE ME THIS 18th DAY OF JULY, 2011 FOR

Dorwin Smith
DORWIN SMITH
NOTARY FOR THE STATE OF ALASKA
MY COMMISSION EXPIRES 7-11-15

PLANNING DIRECTOR'S CERTIFICATE

I CERTIFY THAT THIS SUBDIVISION PLAT HAS BEEN FOUND TO COMPLY WITH THE LAND SUBDIVISION REGULATIONS OF THE MATANUSKA-SUSTINA BOROUGH, AND THAT THE PLAT HAS BEEN APPROVED BY THE PLATTING AUTHORITY BY PLAT RESOLUTION No. 2011-001, DATED JULY 14, 2011, AND THAT THIS PLAT HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE RECORDER IN THE PALMER RECORDING DISTRICT, JUDICIAL DISTRICT, STATE OF ALASKA.

Matthew McShane 7-18-11
PLANNING AND LAND USE DIRECTOR
ATTEST: *Matthew McShane*
PLATTING CLERK

CERTIFICATE OF PAYMENT OF TAXES

I HEREBY CERTIFY THAT ALL CURRENT TAXES AND SPECIAL ASSESSMENTS, THROUGH DECEMBER 31, 2011, AGAINST THE PROPERTY, INCLUDED IN THIS SUBDIVISION OR RESUBDIVISION, HEREON HAVE BEEN PAID.

Jennifer Anderson 7/18/11
BOROUGH TAX COLLECTION OFFICIAL
DATE



SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF ALASKA AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, AND THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONAL AND OTHER DETAILS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

DATE 6/30/11



A PLAT OF
D.J. SUBDIVISION
2011 ADDITION
A SUBDIVISION OF
LOT 1, D.J. SUBDIVISION EAST
PLAT No. 2006-142
EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, RECORDED SEPT. 14, 2010, SERIAL No. 2010-018074-0
PALMER RECORDING DISTRICT
LOCATED IN GOVT. LOT 10, SECTION 1, T17N, R1W, S.M., AK. CONTAINING 2.48± ACRES
ALASKA RIM ENGINEERING, INC.
ENGINEERS-PLANNERS-SURVEYORS
P.O. BOX 8749 PALMER, ALASKA 99646 (907) 746-0000 FAX (907) 746-0000
W.O. 1000298 DATE: JULY, 2011 SCALE: 1" = 50'
DRAWN BY: JMC FILE: 1000298_PL SHEET 1 OF 1

LOCATION OVERVIEW -
PLAT OF SURVEY

LOCATION OVERVIEW - LOCAL

The map shows the following locations:

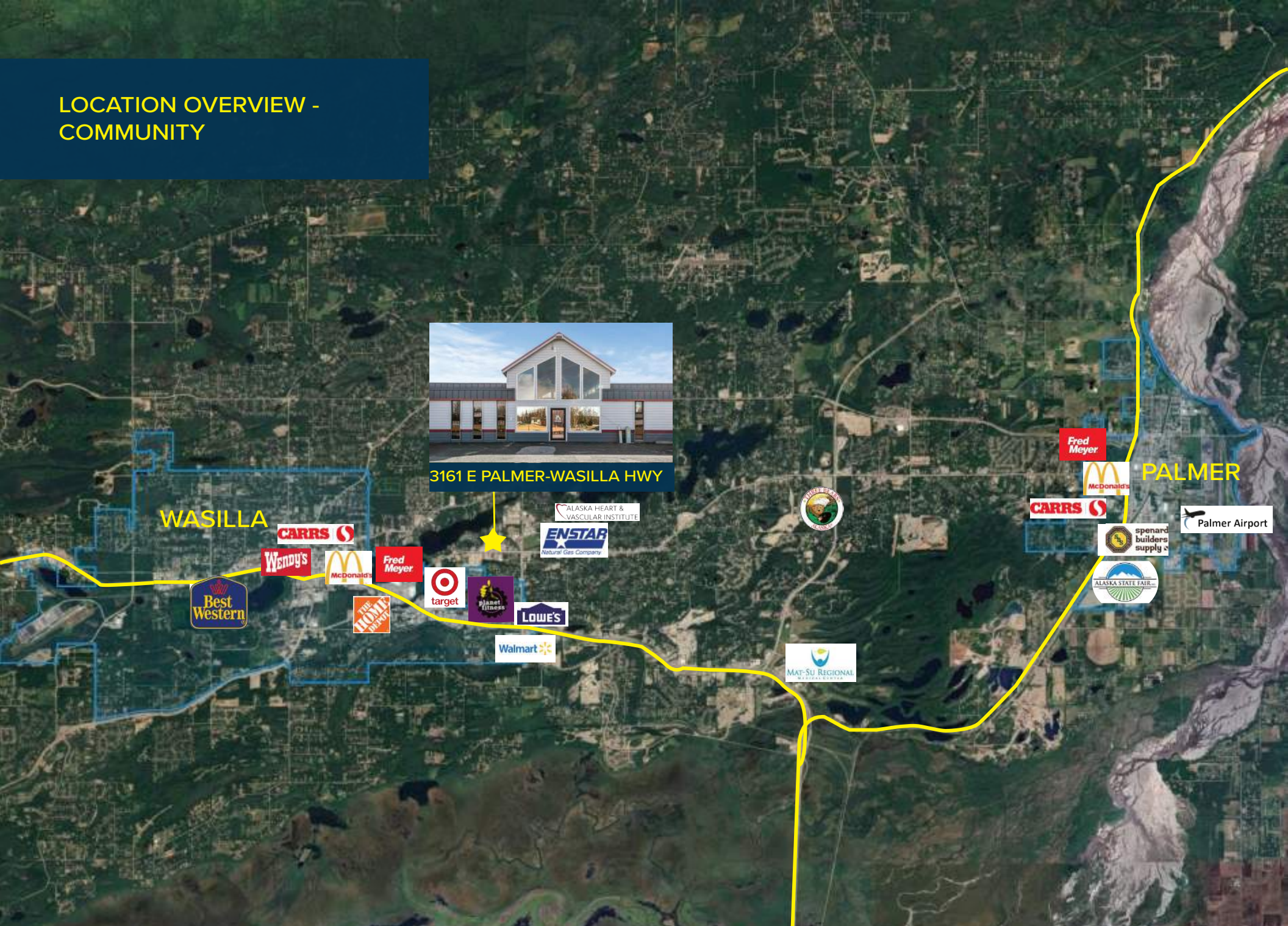
- STAYDEN PLUMBING & HEATING
- FERGUSON PLUMBING SUPPLY
- ARG INDUSTRIAL
- FASTENAL FULFILLMENT CENTER
- ESSENTIAL ONE
- ZO FINANCIAL
- CAMPER VALLEY RV
- WASILLA CARRIER ANNEX
- AK CHIRO-PRACTIC
- HEATSOURCE MECHANICAL
- MAT-SU PUBLIC HEALTH CENTER
- 3161 E PALMER-WASILLA HWY (marked with a star)

Spire

3161 E. PALMER-WASILLA HWY.

LOCATION OVERVIEW 08

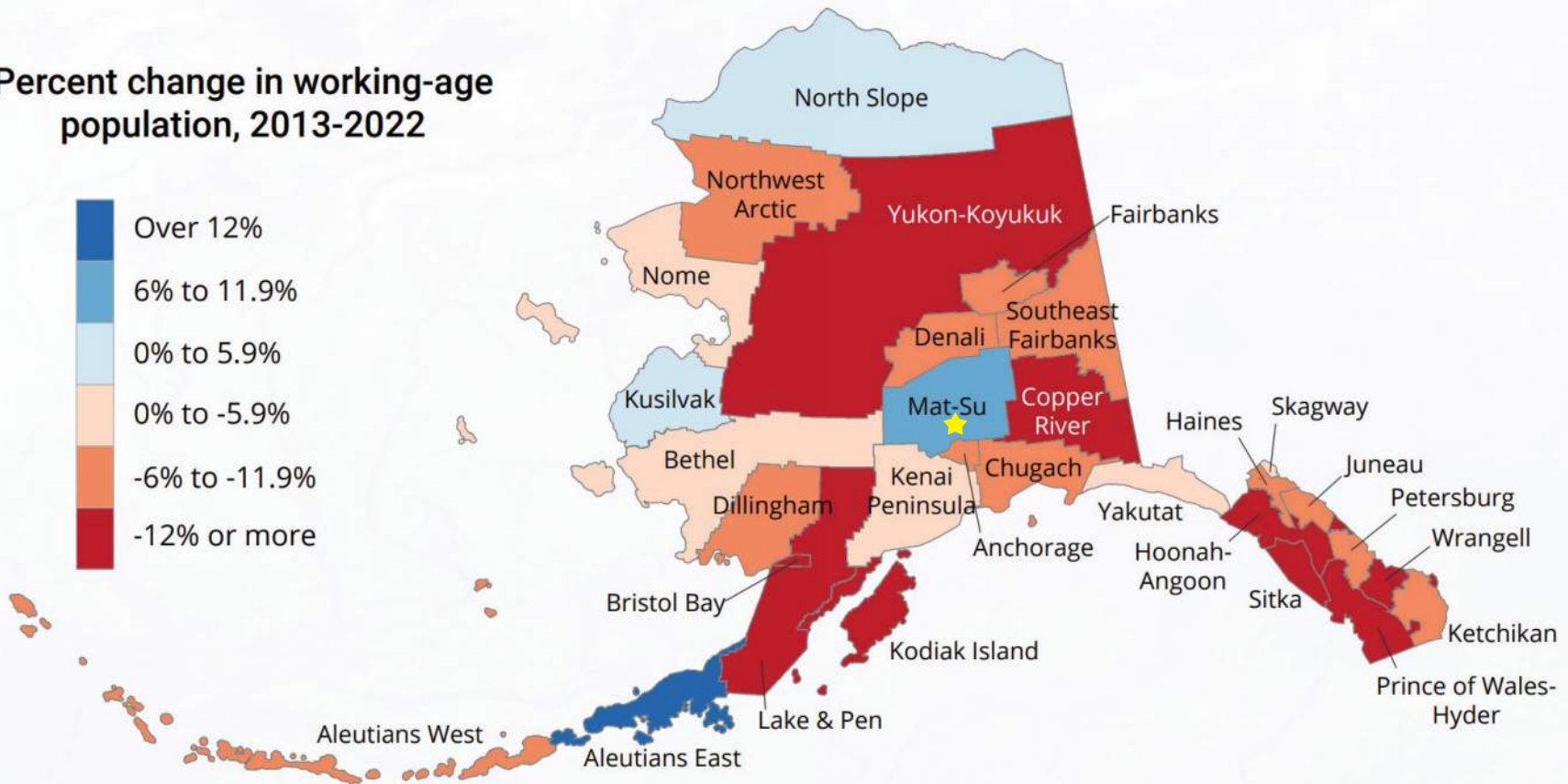
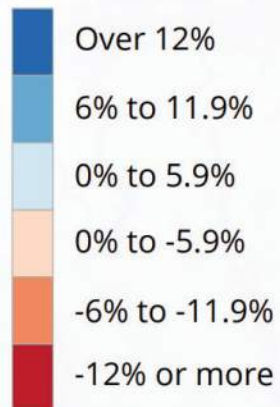
LOCATION OVERVIEW -
COMMUNITY



3161 E PALMER-WASILLA HWY

LOCATION OVERVIEW - REGIONAL

Percent change in working-age
population, 2013-2022



FINANCIAL OVERVIEW

LOCATION:

3161 E. Palmer-Wasilla Hwy.
Wasilla, Alaska 99654

PRICE: **\$2,350,000**

CAP RATE: **8.11%**

PRICE PER SF: **\$170.29**

BUILDING SF: 13,800 SF

LAND SF: 68,448

LAND:BUILDING RATIO: 4.96

TYPE OF PROPERTY:

Medical Arterial Strip Medical/Office/Retail

CURRENT PROPERTY USE:

Primarily Medical
Professional Offices
Hair Salon
Painting Contractor's Office
Martial Arts Studio

PROPERTY OWNER:

Regan Building; LLC; Kelly Lucas, Sole Member

ASSUMPTIONS:

Vacancies & Credit Losses	3.00% of PRI
Replacement Reserves	3.00% of ERI
Management	3.00% of ERI

PRO-FORMA NET OPERATING INCOME

	Per Month	Per Year
POTENTIAL RENTAL INCOME (PRI)	\$28,438.28	\$341,259.36
Less: Vacancy & Cr. Losses (2.50%)	\$853.15	\$10,237.78
EFFECTIVE RENTAL INCOME (ERI)	\$27,585.13	\$331,021.58
Replacement Reserves (3.00%)	\$827.55	\$9,930.65
Management (3.00%)	\$827.55	\$9,930.65
Accounting/Bookkeeping	\$701.08	\$8,413.00
Hazard Insurance	\$1,114.25	\$13,371.00
Maintenance and Repair	\$3,482.00	\$41,784.00
2023 Property Taxes	\$1,120.36	\$13,444.29
Utilities	\$6,633.00	\$43,667.00
Total Operating Expenses:	\$14,705.80	\$140,540.58
NET OPERATING INCOME:	\$12,879.33	\$190,480.99

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