

Big 5 Sporting Goods

CHEYENNE, WY



OFFERING MEMORANDUM



Marcus & Millichap
Real Estate Investment Services

Big 5 Sporting Goods

CHEYENNE, WY

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Big 5 Sporting Goods

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Big 5 Sporting Goods

CHEYENNE, WY

FINANCIAL OVERVIEW

Location

2152 Dell Range Blvd
Cheyenne, WY 82009

Price	\$1,373,440
Down Payment	100% / \$1,373,440
Rentable Square Feet	11,705
Price/SF	\$117.34
CAP Rate	7.50%
Year Built /Renovated	1995/2010
Lot Size	42,782 SF
Type of Ownership	Fee Simple

Tenant Summary

Tenant Trade Name	Big 5 Sporting Goods
Ownership	Public
Tenant	Corporate Store
Lease Guarantor	Corporate Guarantee
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	10 years
Lease Commencement Date	1/20/2010
Rent Commencement Date	10/17/2010
Lease Expiration Date	1/31/2020
Term Remaining on Lease	6 years
Increases	10% every 5 years
Options	4 x 5 years each

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
February 1 2015	\$103,008.00	\$8,584.00
February 1, 2020	\$113,316.00	\$9,443.00
February 1, 2025	\$124,644.00	\$10,387.00
February 1, 2030	\$137,100.00	\$11,425.00
February 1, 2035	\$150,816.00	\$12,568.00
Base Rent (\$8.80/SF)		\$103,008
Net Operating Income		\$103,008
Total Return		7.50% / \$103,008

TENANT OVERVIEW

Property Name	Big 5 Sporting Goods
Property Address	2152 Dell Range Blvd Cheyenne, WY 82009
Property Type	Net Leased Miscellaneous
Rentable Square Feet	11,705

Tenant Trade Name	Big 5 Sporting Goods
Ownership	Public
Tenant	Corporate Store
Sales Volume	\$897M
Net Worth	\$392M
Lease Guarantor	Corporate Guarantee
Stock Symbol	BGFV

Lease Commencement Date	1/20/2010
Rent Commencement Date	10/17/2010
Lease Expiration Date	1/31/2020
Term Remaining on Lease	6 years
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	10 years
Year 1 Net Operating Income	\$93,648 (Tenant) + \$9,360 (Seller)
Increases	10% every 5 years

Options to Renew	4 x 5 years each
Options to Terminate	None
Options to Purchase	None
First Right of Refusal	None

No. of Locations	414
Headquartered	El Segundo, CA
Web Site	http://www.big5sportinggoods.com/
Franchisee Profile	

LEASE SUMMARY

Tenant	Big 5 Corp.
Property Address	2152 Dell Range Boulevard, Cheyenne, WY 82009
Premises Size	11,705 Sq. Ft.
Lease Commencement	January 20, 2010
Lease Expiration (Primary Term)	January 31, 2020
Annual Rent	From Jan 20, 2010 to Jan 31, 2015 \$93,648 From Feb 1, 2015 to Jan 31, 2010 \$103,008
Options Rent	Option 1: Feb 1, 2020 to Jan 31, 2025 \$ 113,316 Option 2: Feb 1, 2020 to Jan 31, 2025 \$ 124,644 Option 3: Feb 1, 2020 to Jan 31, 2025 \$ 137,100 Option 4: Feb 1, 2020 to Jan 31, 2025 \$ 150,816
Option to Terminate	None
Percentage Rent	None
CAM	Tenant responsible for CAM, including parking lot & roof repairs and maintenance. Landlord responsible for structural and roof replacement.
Insurance	Property: Tenant reimburses Landlord Liability: Tenant and Landlord each carry their own policy
Real Estate Taxes	Tenant pays
Administrative Fee	None

Note: At Closing, Seller will deposit in escrow the total difference in rent from the date of closing until February 1, 2015

PROPERTY DESCRIPTION

Big 5 Sporting Goods

CHEYENNE, WY

INVESTMENT OVERVIEW

Investment Highlights

- NNN Lease with 10 Percent Increases and 4 5-Year Options
- Below Market Rate Rents
- NN Lease: Minimal Landlord Obligations
- Located on a Major Retail Corridor, in Immediate Vicinity of Super Wal-Mart and Regional Mall
- Located in the Dominant Retail Trade Area just East of Frontier Mall, a 481,801-Square Foot Regional Mall and Frontier Square, a 186,552-Square Foot Neighborhood Center
- Surrounded by National Retailers Including: Wal-Mart Supercenter, JCPenney, Dillard's, Sears, Big Kmart, Target, Ross, TJ Maxx, Sam's
- Excellent Exposure on Dell Range Boulevard
- Among the Lowest Taxed Areas in the Nation: No Personal State Income Tax, No Corporate State Income Tax and No Inventory Tax



Marcus & Millichap is pleased to offer the fee-simple interest in the Big 5 Sporting Goods located in Cheyenne, Wyoming.

The property is located in the dominant retail trade area of Cheyenne on Dell Range Boulevard, a few blocks east from the 481,801 square foot Frontier Mall regional mall, anchored by Sports Authority, Sears, JC Penney and Dillard's. The Wal-Mart Supercenter entrance is next to the site and it is close to other major retailers, such as; Sam's Club, Lowe's, Target, K-mart, TJ Maxx, Ross and Petco. Cheyenne is the capital and largest city of Wyoming, with steady employment provided by local and state Government, the US Air Force, and Burlington Northern Santa Fe and Union Pacific Railroads.

The building is a single story, concrete tilt-up, with a flat roof and includes a large monument sign, which improves visibility. It was renovated in 2010 when Big 5 moved in. Big 5 has seven years remaining on a NNN lease with 10 percent rent increases every five years in both the initial term and the four five-year option periods. Big 5 signed this lease in January, 2010 at the bottom of the last retail cycle which shows the strong commitment and faith in this specific location and provides the Buyer with what is now a below market rental rate.

Big 5 is one of the largest sporting goods retailers in the Western United States, with 414 stores in 12 states. Over the past five years, the company has expanded at a pace of 15 new stores per year, and sales have increased steadily since 2008. The offering presents investors with the opportunity to acquire a net leased asset with minimal landlord obligations, which is corporately guaranteed by a publicly traded company. Stock market investor love Big 5 as a very stable brand whose earnings are continually growing. Driven by strong top-line performance along with effective cost management, Big 5 Sporting Good's earnings for fourth-quarter 2012 jumped nearly four-fold to 19 cents per share against 5 cents reported in the comparable year-ago quarter. The company's sales grew 7.4 percent year over year to \$243.6 million.

The Big 5 in Cheyenne, WY offers investors a chance to acquire a corporately guaranteed, net leased asset in a desirable retail location.

PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



SURROUNDING RETAIL



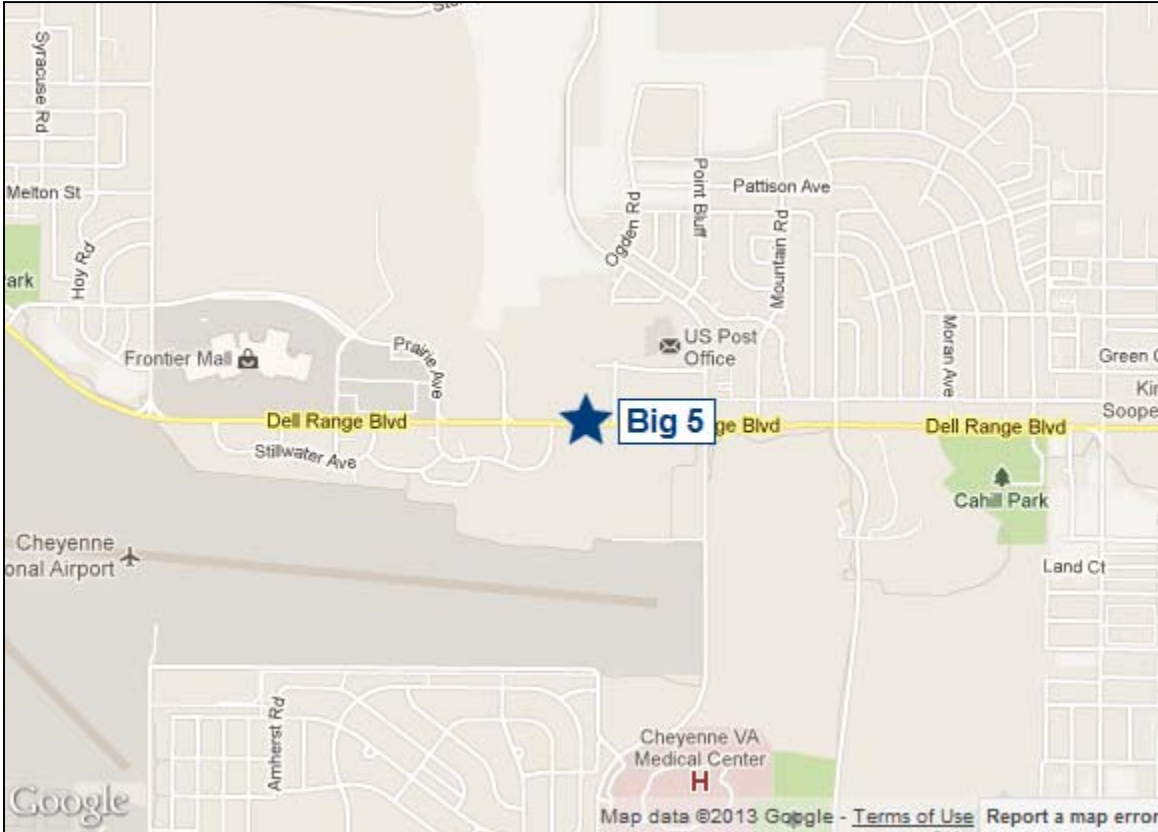
SURROUNDING RETAIL



Big 5 Sporting Goods

CHEYENNE, WY

PROPERTY DESCRIPTION



Local Map



Regional Map



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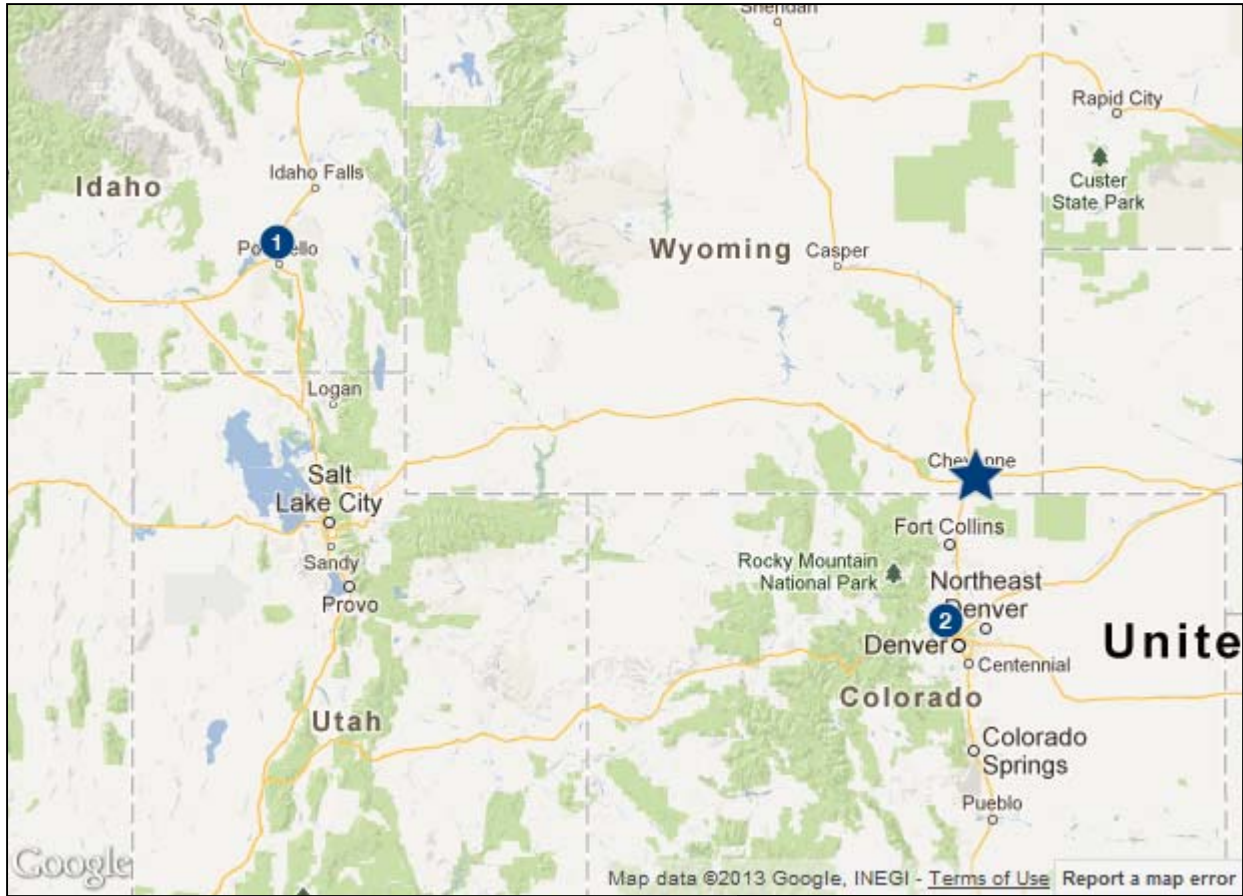
RECENT SALES

Big 5 Sporting Goods

CHEYENNE, WY

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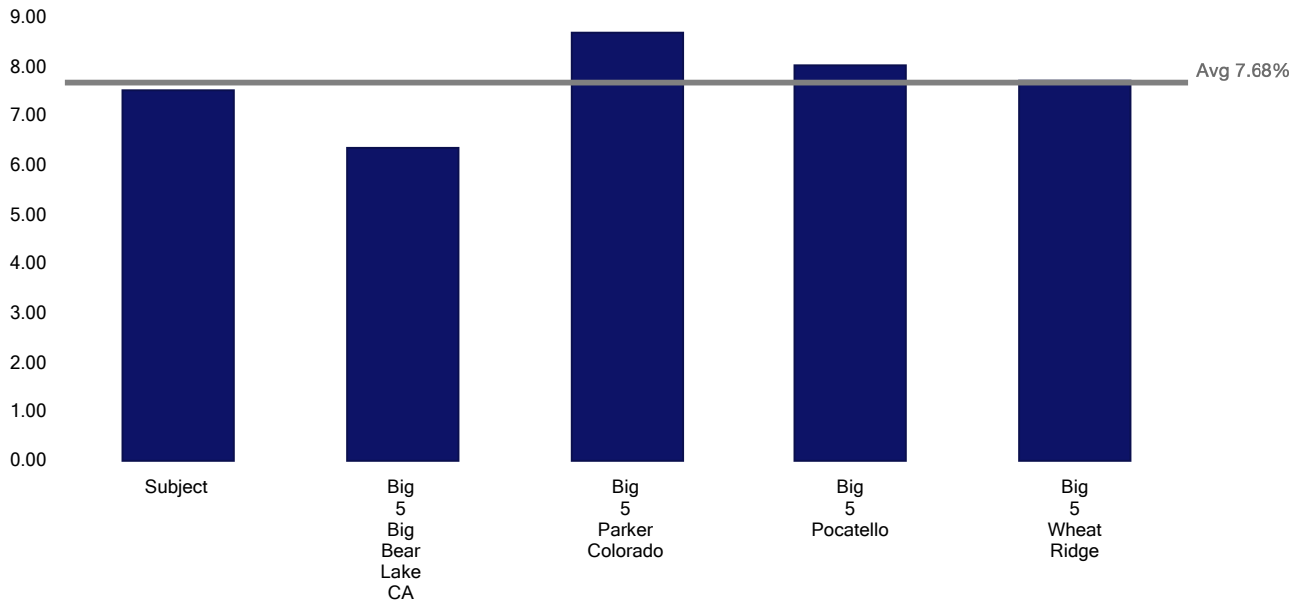
RECENT SALES MAP



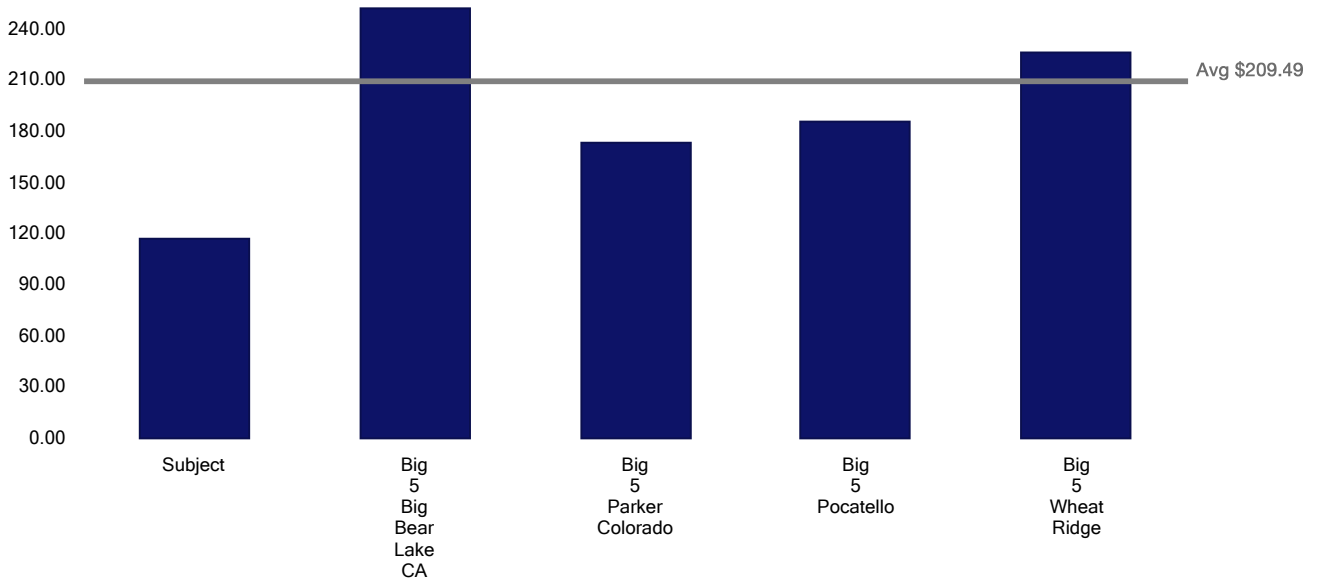
- ★ Big 5 Sporting Goods
- 1) Big 5 Big Bear Lake CA
- 2) Big 5 Parker Colorado
- 3) Big 5 Pocatello
- 4) Big 5 Wheat Ridge

CAP RATE AND PRICE PER SQUARE FOOT

Average Cap Rate



Average Price per Square Foot



RECENT SALES



Subject Property

Big 5 Sporting Goods

2152 Dell Range Blvd
Cheyenne, WY 82009

Rentable Square Feet:	11,705	Sales Price:	\$1,373,440
Year Built/Renovated:	1995/2010	Down Payment:	\$1,373,440
		CAP Rate:	7.50%
		Price/SF:	\$117.34

1



Big 5 Big Bear Lake CA

41383 Big Bear Boulevard
Big Bear Lake, CA 92315

Close of Escrow:	1/30/2013	Sales Price:	\$2,650,000
Rentable SF:	10,500	Down Payment:	62%
Year Built:	2012	CAP Rate:	6.35%
		Price/SF:	\$252.38

2



Big 5 Parker Colorado

9257 S Paker Road
Parker, CO 80138

Close of Escrow:	2/6/2013	Sales Price:	\$2,010,000
Rentable SF:	11,562	Down Payment:	100%
Year Built:	2008	CAP Rate:	8.67%
		Price/SF:	\$173.85

RECENT SALES

3



Big 5 Pocatello

700 West Quinn Street
Pocatello, ID 83202

Close of Escrow:	On Market	Sales Price:	\$1,860,000
Rentable SF:	10,014	Down Payment:	N/A
Year Built:	2000	CAP Rate:	8.01%
		Price/SF:	\$185.74

Comments

Three years left on the primary term of the lease.

4



Big 5 Wheat Ridge

5185 Kipling Street
Wheat Ridge, CO 80033

Close of Escrow:	On Market	Sales Price:	\$2,293,000
Rentable SF:	10,136	Down Payment:	N/A
Year Built:	2007	CAP Rate:	7.70%
		Price/SF:	\$226.00

Comments

Five years left on the primary term of the lease.

Big 5 Sporting Goods

CHEYENNE, WY

CHEYENNE MARKET OVERVIEW

Named for the American Indian Cheyenne nation, Cheyenne is a blend of the old and new West, with cultural diversity and variety. Tradition and Innovation have culminated here to provide a great place to live, work and do business. Cheyenne has built a strong community with a steadfast spirit and strong vision for the future.

The city is well known for the annual Cheyenne Frontier Days celebration, which combines the world's largest outdoor rodeo with a variety of music acts including the latest country music stars. The city hosts many performing artists from near and far, including popular singers, dancers and touring productions. It is home to the Cheyenne Symphony Orchestra, a professional symphony that is regarded as one of the best in the nation for a community this size.

The construction of the Union Pacific Railroad brought prosperity to the region when it reached Cheyenne in 1867. The population's rapid growth earned the city the nickname "Magic City of the Plains" and Cheyenne is still growing today.

Economy

Railroads remain a major economic force for the city, with both the Burlington Northern Santa Fe and Union Pacific employing many residents. Government is the largest sector of Cheyenne's economy. The state of Wyoming operates a multitude of offices in downtown Cheyenne. Many area residents are employed by or are dependent on the U.S. Air Force, through F.E. Warren Air Force Base to the west of the city, or by the Wyoming National Guard.

Lowe's and Wal-Mart both operate distribution centers on the city's outskirts. Sierra Trading Post is headquartered in the city and also operates its distribution and fulfillment centers in the city. Wind turbines are currently being placed around Laramie County. Laramie County Community College is home to a leading wind energy technician program, where students learn to maintain these turbines. The opening of a Vestas wind turbine blade assembly in nearby Weld County, Colorado, as well as other alternative energy manufacturing facilities around Colorado, are transforming the region into a center for alternative energy.

Cheyenne has one of only three enclosed shopping malls in Wyoming, the Frontier Mall. The other two are the Eastridge Mall in Casper, and the White Mountain Mall in Rock Springs.

CHEYENNE MARKET OVERVIEW

Housing Summary

Cheyenne is an affordable place to live as the average price was only \$122/Sq. Ft., an increase of 6.1% compared to the same period last year. The median sales price for homes in Cheyenne WY for Q1 2013 was \$148,762 - an increase of 12.5%. The average listing price for homes for sale in Cheyenne, WY was \$244,551. Based on the Average Household Income of over \$64k/year a house is 2.3 times the annual income - which makes this a very affordable place. Wyoming unemployment rate fell to 4.9% in December 2012.

Standard & Poor's Rating Services (S&P) recently announced that Wyoming will continue to receive a AAA rating, the highest credit rating possible. S&P said the outlook for Wyoming is stable and that its financial management practices are rated as "Good". S&P made not of the following points:

- The state's economic strength in recent years, with above-average population growth, lower-than-average unemployment, and above-average income levels;
- The governor's strong statutory ability to make mid-biennium cuts in the event of revenue shortfalls;
- Regular consensus revenue forecasting;
- Wyoming's maintenance of large general fund balances;
- The existence of a permanent fund, whose interest earnings are available for general fund expenditures;
- Low overall debt and other post-employment benefit (OPEB) liabilities, an a moderate pension liability.

Big 5 Sporting Goods

CHEYENNE, WY

DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
1990 Population	5,546	48,196	64,891
2000 Population	5,586	51,162	70,038
2010 Population	5,432	54,453	75,771
2012 Population	5,631	56,469	78,567
2017 Population	6,070	60,949	84,785
1990 Households	2,015	19,759	25,137
2000 Households	2,142	21,713	27,733
2010 Households	2,186	23,686	31,598
2012 Households	2,308	25,009	33,363
2017 Households	2,551	27,647	36,880
2012 Average Household Size	2.35	2.22	2.31
2012 Daytime Population	5,230	37,814	46,507
1990 Median Housing Value	\$76,414	\$69,586	\$69,453
2000 Median Housing Value	\$109,005	\$103,871	\$103,456
2000 Owner Occupied Housing Units	66.41%	62.12%	62.84%
2000 Renter Occupied Housing Units	30.04%	31.68%	30.90%
2000 Vacant	3.55%	6.20%	6.27%
2012 Owner Occupied Housing Units	62.28%	60.48%	60.96%
2012 Renter Occupied Housing Units	36.23%	35.80%	35.22%
2012 Vacant	1.49%	3.72%	3.82%
2017 Owner Occupied Housing Units	61.00%	59.61%	60.12%
2017 Renter Occupied Housing Units	39.00%	38.75%	38.17%
2017 Vacant	0.00%	1.64%	1.71%
\$ 0 - \$14,999	11.3%	10.4%	9.8%
\$ 15,000 - \$24,999	5.0%	11.0%	10.8%
\$ 25,000 - \$34,999	10.7%	10.9%	11.0%
\$ 35,000 - \$49,999	17.5%	17.0%	16.7%
\$ 50,000 - \$74,999	16.7%	20.3%	20.7%
\$ 75,000 - \$99,999	15.2%	13.8%	14.3%
\$100,000 - \$124,999	13.0%	8.0%	7.5%
\$125,000 - \$149,999	6.2%	4.3%	4.2%
\$150,000 - \$199,999	2.1%	1.9%	2.2%
\$200,000 - \$249,999	0.4%	0.5%	0.7%
\$250,000 +	2.0%	1.9%	2.2%
2012 Median Household Income	\$58,298	\$50,729	\$51,692
2012 Per Capita Income	\$30,876	\$28,051	\$27,729
2012 Average Household Income	\$70,148	\$62,320	\$64,179

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SUMMARY REPORT

Geography: 5 Miles

Population

In 2012, the population in your selected geography was 78,567 . The population has changed by 12.17% since 2000. It is estimated that the population in your area will be 84,785 five years from now, which represents a change of 7.91% from the current year. The current population is 50.0% male and 49.9% female. The median age of the population in your area is 36.5 , compare this to the U.S. average which is 36.9. The population density in your area is 998.59 people per square mile.

Households

There are currently 33,363 households in your selected geography. The number of households has changed by 20.29% since 2000. It is estimated that the number of households in your area will be 36,880 five years from now, which represents a change of 10.54% from the current year. The average household size in your area is 2.31 persons.

Income

In 2012, the median household income for your selected geography is \$51,692 , compare this to the U.S. average which is currently \$53,620. The median household income for your area has changed by 32.49% since 2000. It is estimated that the median household income in your area will be \$57,703 five years from now, which represents a change of 11.62% from the current year.

The current year per capita income in your area is \$27,729 , compare this to the U.S. average, which is \$28,713. The current year average household income in your area is \$64,179 , compare this to the U.S. average which is \$73,458.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 86.20% White, 3.18% African American, 0.99% Native American and 1.13% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.40% White, 12.60% African American, 0.95% Native American and 4.93% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 14.43% of the current year population in your selected area. Compare this to the U.S. average of 16.90%.

Housing

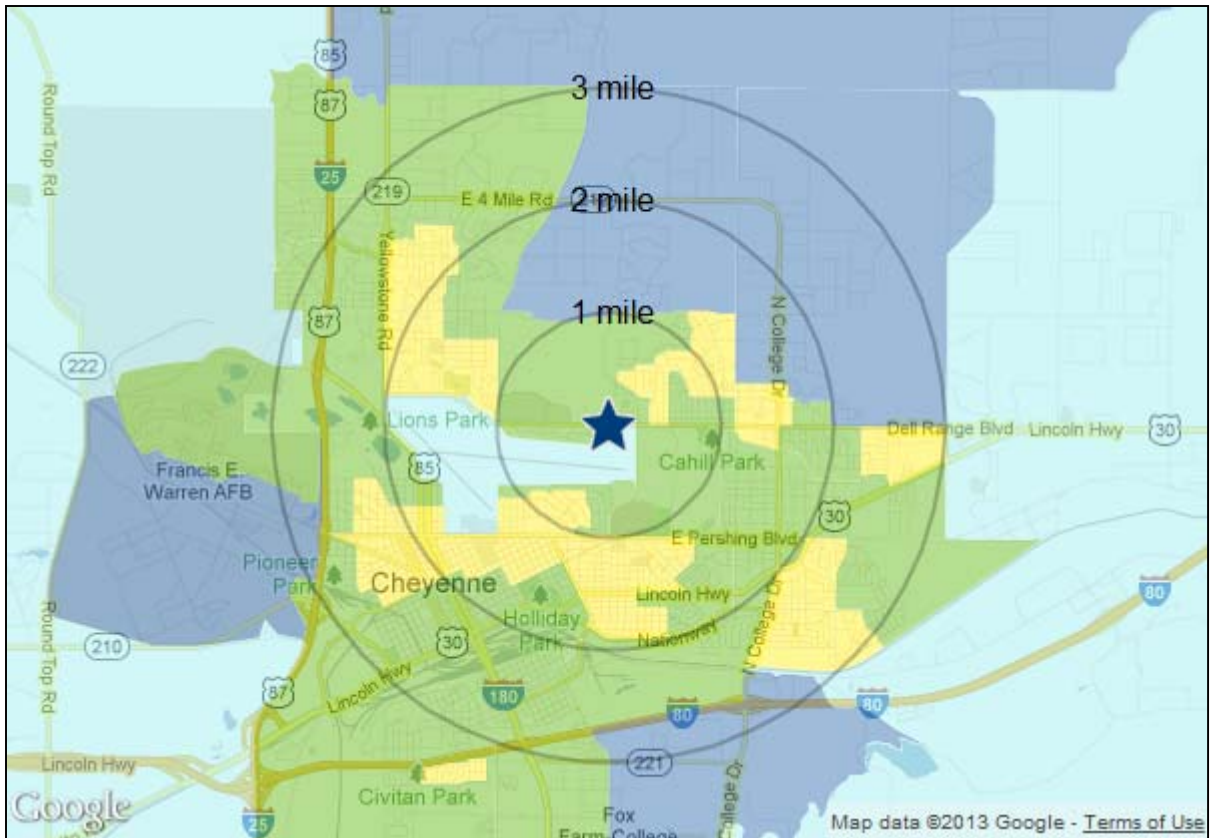
The median housing value in your area was \$103,456 in 2000, compare this to the U.S. average of \$110,796 for the same year. In 2000, there were 18,593 owner occupied housing units in your area and there were 9,143 renter occupied housing units in your area. The median rent at the time was \$425 .

Employment

In 2012, there are 46,507 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 60.2% of employees are employed in white-collar occupations in this geography, and 39.7% are employed in blue-collar occupations. In 2012, unemployment in this area is 5.00% . In 2000, the median time traveled to work was 13.5 minutes.

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POPULATION DENSITY



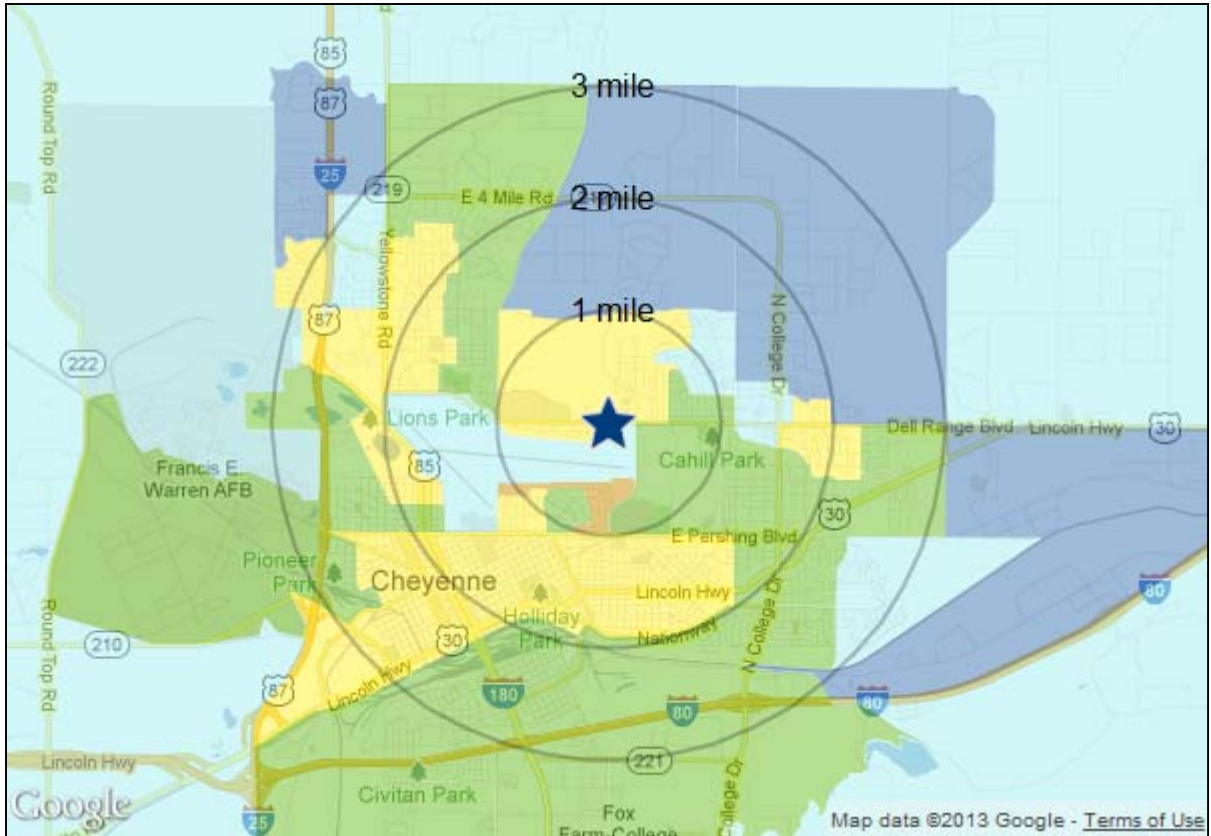
Demographic data © 2010 by Experian/Applied Geographic Solutions.

Population Density

Theme	Low	High
Low	less than	55
Below Average	55	475
Average	475	4100
Above Average	4100	35000
High	35000	or more

Number of people living in a given area per square mile.

EMPLOYMENT DENSITY



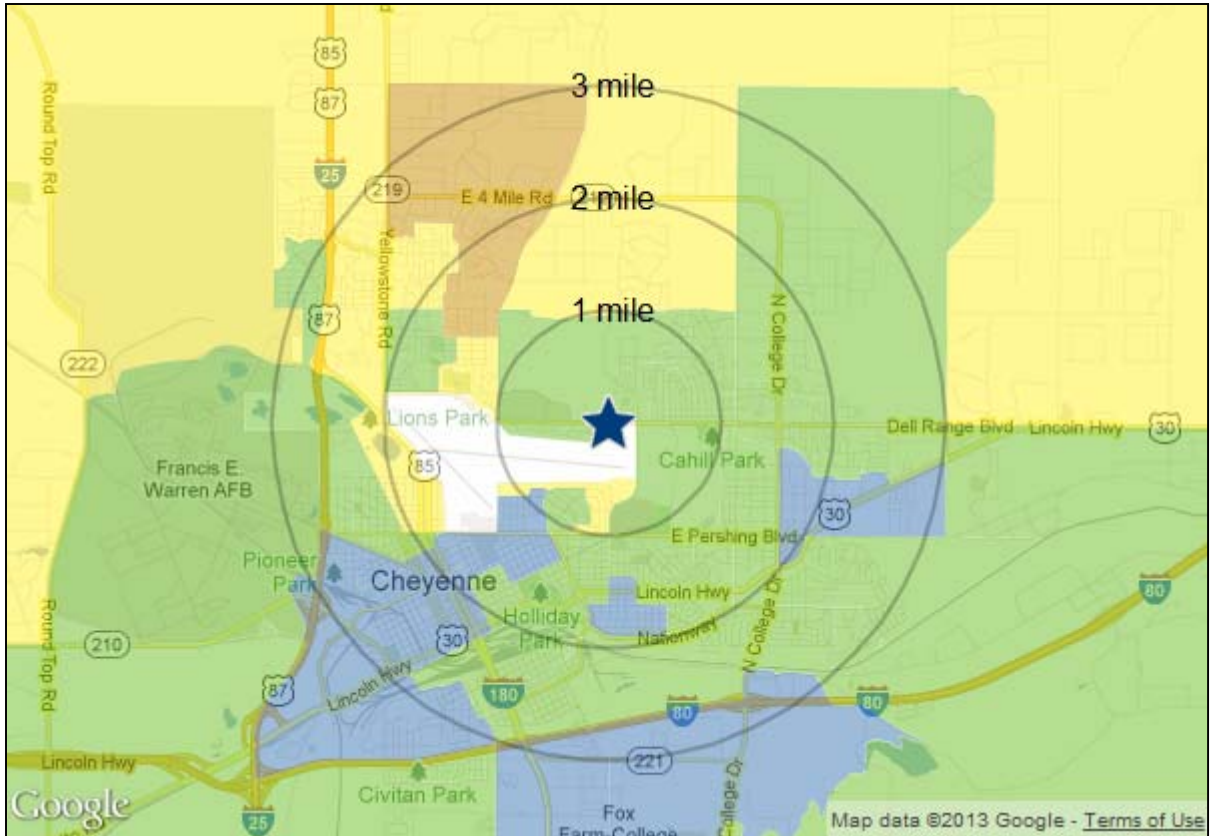
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Employment Density

Theme	Low	High
Low	less than 9	9
Below Average	9	96
Average	96	1025
Above Average	1025	10875
High	10875	or more

The number of people employed in a given area per square mile.

AVERAGE HOUSEHOLD INCOME



Demographic data © 2010 by Experian/Applied Geographic Solutions.

Average Household Income

Theme	Low	High
Low	less than	\$29,500
Below Average	\$29,500	\$48,500
Average	\$48,500	\$80,000
Above Average	\$80,000	\$132,500
High	\$132,500	or more

Average income of all the people 15 years and older occupying a single housing unit.

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CHEYENNE, WY

OFFERING MEMORANDUM

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