

Commercial Building / Apartment

# 2880 SOUTHWEST DR. SEDONA, ARIZONA

OFFERED AT \$550,000

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## EXCLUSIVELY OFFERED BY:

**JOHN D. MILLER  
BROKER**

**JOHN D. MILLER REAL ESTATE SERVICES, INC.  
THE OLD MARKETPLACE  
1370 W HWY 89A SUITE 17  
SEDONA, ARIZONA 86336**

**DIRECT: (928) 254-0303  
FAX: (866) 880-7602**



**JOHN@JOHNDMILLER.COM**

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**JOHN D MILLER**

COMMERCIAL

REAL ESTATE SERVICES INC



**John D. Miller, Broker**

The information contained herein has been obtained from sources deemed reliable, however, its accuracy is not guaranteed.

Any prospective purchaser should independently verify any information upon which they would base a purchase decision.

## EXECUTIVE SUMMARY

PROPERTY LOCATION:	2880 Southwest Drive—Sedona, Arizona
PROPERTY BRIEF:	This exceptional property is in an excellent West Sedona location in a building that combines functional and attractive office space, with an adjoining, charming one-bedroom apartment, and an outdoor patio. There is an additional building used as a shop/storage space. The building was completely renovated to the highest standard in 2004.
PROPERTY TYPE:	Office building with an attached one-bedroom apartment.
PRICE:	\$550,000 (\$192.17 p.s.f.)
TERMS:	Cash to new loan (see pro forma for loan terms).
LEGAL DESCRIPTION:	Provided in escrow.
COUNTY:	Yavapai County
TAX IDENTIFICATION:	408-24-335
LAND AREA:	0.19 acres
ZONING:	C-2
BUILDING SIZE:	1,406 sq. ft. offices 900 sq. ft. apartment 556 sq. ft. garage <b>2,862 sq. ft. total</b>
OCCUPANCY RATE:	Offices are occupied on a month-to-month basis. Apartment is occupied on a one-year lease with the Landlord able to terminate on 60 days notice.



View of courtyard.



View of executive office.

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### CONTACT

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View of Property

### TITLE COMPANY

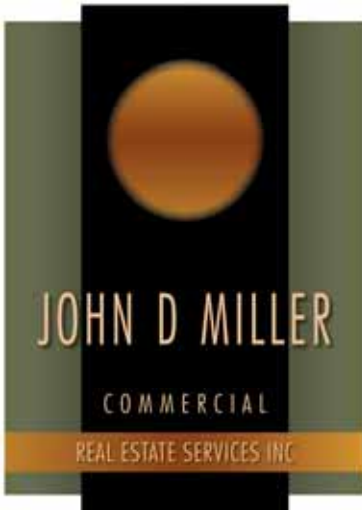
Lydia Reynolds  
Pioneer Title Agency  
1370 West Hwy 89A  
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Sedona, AZ 86336  
(928) 203-9190 office  
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Lydia.reynolds@ptaaz.com

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## EXECUTIVE SUMMARY (CONT'D)

<b>UTILITIES AVAILABLE:</b>	Sewer - City of Sedona Water - Arizona Water Company Electric - APS Gas - Unisource
<b>OTHER INFORMATION:</b>	Title report with Schedule B materials As-built architectural plans Boundary survey. Seller property disclosure statement
<b>LEASING / MANAGEMENT:</b>	Owner managed.
<b>EXCLUDED FROM SALE:</b>	Apartment accessories Art works
<b>REFERENCE CONTACTS:</b>	
<b>Lender:</b>	Comer Wadzeck—Regional President National Bank of Arizona (928) 771-1803 Comer.Wadzeck@nbarizona.com
<b>Escrow Agent:</b>	Lydia Reynolds Pioneer Title Company (928) 203-9190
<b>City of Sedona:</b>	Nick Gioello Senior Planner (928) 203-5100
<b>Builder / Contractor:</b>	Phil W. Morris The Morris Company (928) 300-5946 themorrisco@gmail.com



### CONTACT

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View of offices



View of offices.

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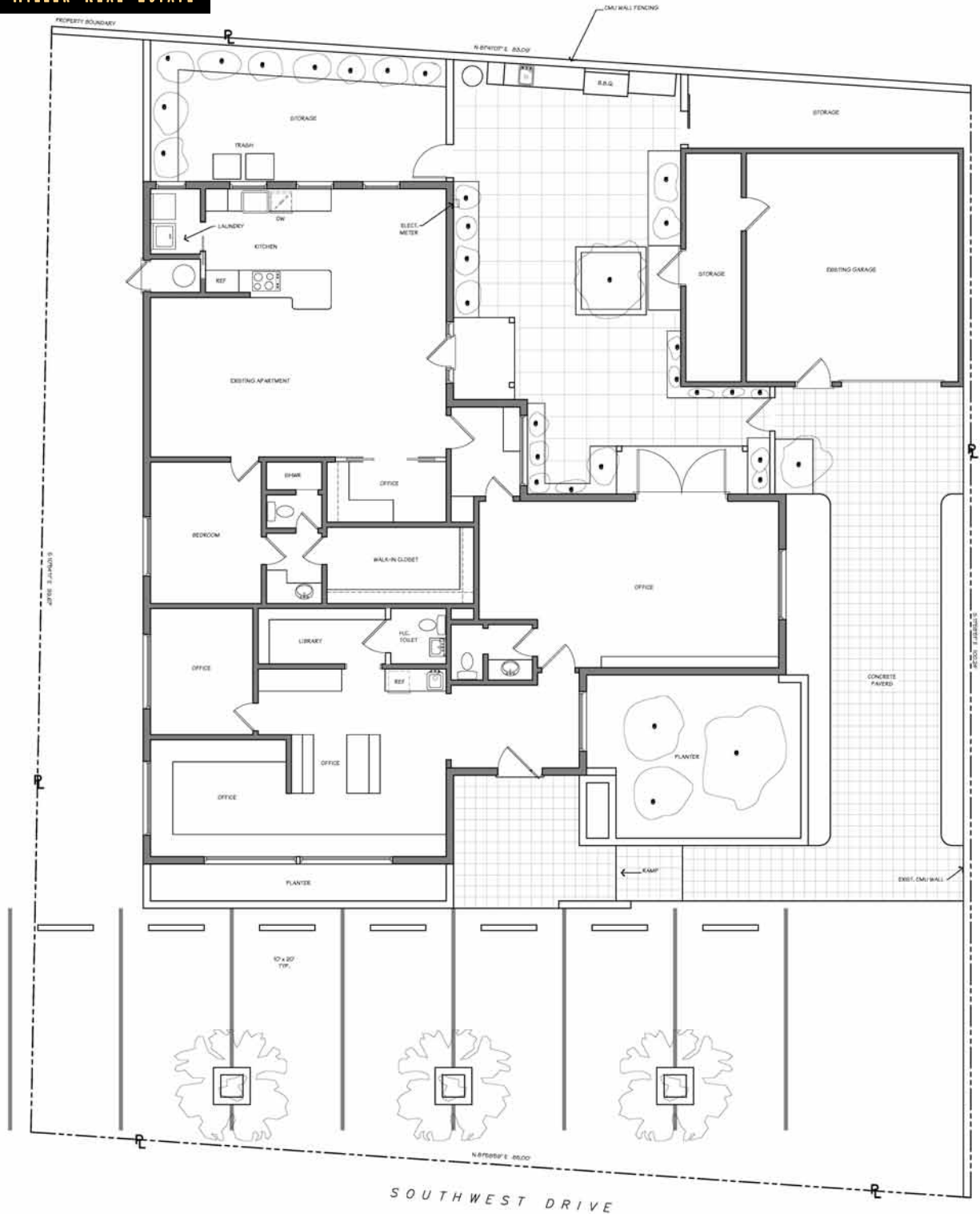
View of apartment kitchen.



View of apartment dining room.

SITE PLAN

JOHN D. MILLER REAL ESTATE



SITE PLAN  
SCALE: AS SHOWN

DATE	1
SCALE	AS SHOWN
NOTED	
DATE	
BY	
PROJECT NO.	2025
CLIENT	SIRROM LLC
ADDRESS	2085 W. Highway 89A Suite 2
PHONE	Sedona AZ, 86336 (928) 282-5356

**Sedona Drafting and Design**  
 2085 W. Highway 89A Suite 2  
 Sedona AZ, 86336 (928) 282-5356

SHEET TITLE  
**SITE PLAN**  
 SHEET NO. SITE PLAN(2) OF 2

PROJECT NAME, ADDRESS, AND DESCRIPTION  
**SIRROM LLC.**  
 2080 SOUTHWEST DR. SEDONA, AZ.

NO.	DATE	DESCRIPTION

# PRO FORMA

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## 2880 Southwest Drive - Sedona, AZ

	<b>Total Price:</b>	<b>\$550,000</b>		
Adj. in 5 yrs.	National Bank:	\$412,500 @	6.00%	20 years
	Seller Carry:	<u>\$0</u>		
	Total Debt:	\$412,500	8.60K	
	<b>Down Payment:</b>	<b>\$137,500</b>	(	<b>25% down</b> )
	Building Size:	2,862 sq. ft.	(	\$192.17 / sq. ft.)
	Constructed in:	1975 - 2005	(	34.58% site coverage)
	Land Area:	0.19 acres	(	\$66.45 / sq.ft. land)
	Base Rental Income:	\$3,917.00 per month, or		\$47,004 per year
	Other Income:	\$930.92 per month, or		\$11,171 per year
	Vacancy Factor:	5%		
	Operating Expenses:	\$930.92 per month, or		\$11,171 per year
	Debt Service:	\$2,955.28 per month, or		\$35,463 per year
	Annual Rental Income:	\$47,004		
	\$1.37 /mo. \$16.42 /yr.			
	Other Income:	11,171	19.20%	of gross income
	\$0.33 /mo. \$3.90 /yr.	-----		
	<b>Scheduled Gross Income:</b>	<b>\$58,175</b>	<b>9.45 times</b>	<b>gross income</b>
	\$1.69 /mo. \$20.33 /yr.			
	Less Vacancy Factor:	<b>(2,909)</b>	5.00%	vacancy factor
		-----		
	Effective Gross Income:	\$55,266		
	Less Operating Expenses:	<b>(11,171)</b>	23.77%	of gross income
	\$0.33 /mo. \$3.90 /yr.	-----		
	<b>Net Operating Income:</b>	<b>\$44,095</b>	<b>8.02%</b>	<b>capitalization rate</b>
	\$1.28 /mo. \$15.41 /yr.			
	Less Debt Service:	<b>(35,463)</b>	8.60 K	debt constant
	1.24 debt coverage ratio	-----		
	<b>Pretax Cash Flow:</b>	<b>\$8,632</b>	<b>6.28%</b>	<b>pretax return on equity</b>
	Less Depreciation	\$2,468	50.00%	building over 39 yrs.
	Less Interest Write-off	\$8,663	35.00%	tax bracket
		-----		
	<b>After Tax Cash Flow:</b>	<b>\$19,762</b>	<b>14.37%</b>	<b>after tax return on equity</b>

### Notes:

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# RENT ROLL & EXPENSES

JOHN D. MILLER REAL ESTATE

## RENT ROLL

Suite #	Tenant Name	Size	Rent P.S.F.	Base Rent	NNN Expenses	Lease Expires	Lease Commensed
	Office	1,406	\$21.34	\$2,500	\$931		
	Apartment	900	\$13.33	\$1,000		11/30/2010	
	Storage Building	556	\$9.00	\$417			
<b>Totals:</b>		<b>2,862</b>	<b>\$16.42</b>	<b>\$3,917</b>	<b>\$931</b>		

Notes:

## EXPENSE BREAKDOWN

<u>Expense Item</u>	<u>Monthly</u>	<u>Annual</u>	<u>Notes</u>
Electric	\$250	\$3,000	
Insurance	\$197	\$2,364	
Pest Control	\$30	\$360	
Repairs - Buildings	\$17	\$200	
Repairs - Parking Lot	\$17	\$200	
Security	\$39	\$462	
Property Taxes	\$266	\$3,192	
Trash	\$11	\$133	
Utilities	<u>\$105</u>	<u>\$1,260</u>	
<b>Totals:</b>	<b>\$931</b>	<b>\$11,171</b>	

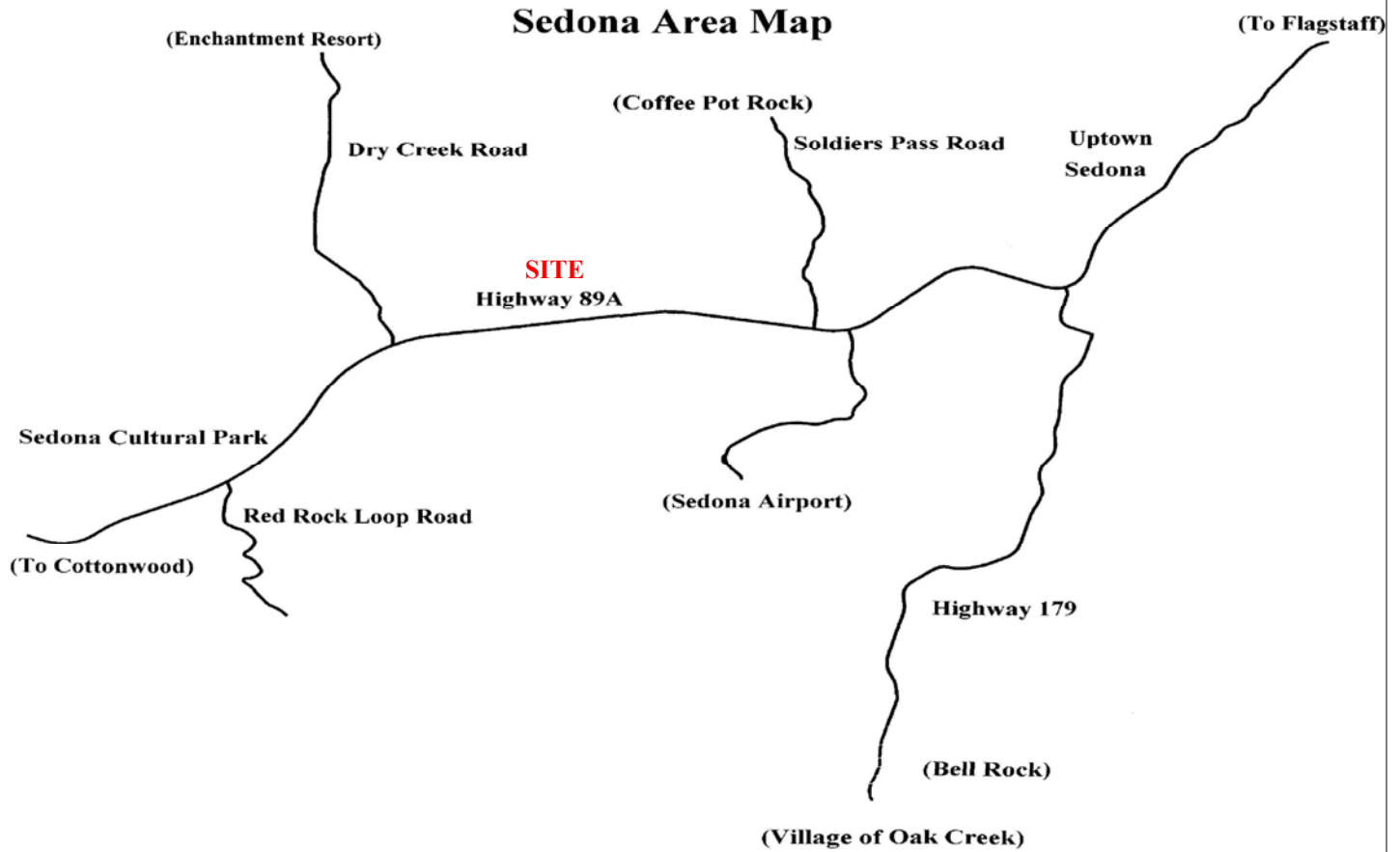
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# AREA MAPS

JOHN D. MILLER REAL ESTATE

## Sedona Area Map



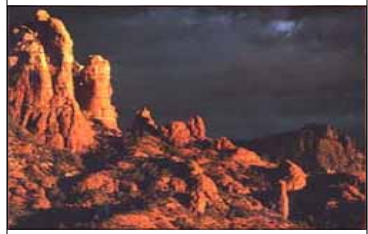




### SEDONA AREA PHOTOS



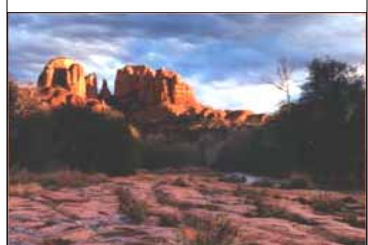
Coffee Pot Rock, Sedona



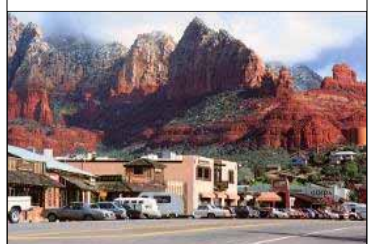
Snoopy Rock, Sedona



Red Rock Crossing, Sedona



Cathedral Rock, Sedona



Uptown Sedona



Sedona Sunset

## AREA DESCRIPTION

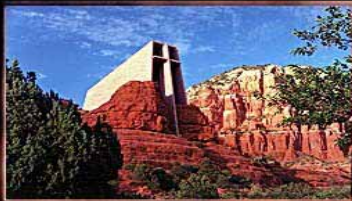
Sedona is located in the breathtaking Red Rock country of Northern Arizona, at the base of the Coconino National Forest (the largest forest of Ponderosa Pines in the World).



Thousands of years ago, the Sedona area was submerged below an inland sea channel. The erosion of the water channel caused a canyon to form out of the red colored sandstone, which was at the seabed. As the sea recessed, the Sedona area emerged at the base of what is now called the Oak Creek Canyon, and is surrounded by the remains of the red sandstone mountains which originally held the inland sea channel. The result is a magnificently scenic wooded area, which attracts **over 4,000,000 tourists per year** (1.5 times the population of the largest city in Arizona, Phoenix/Scottsdale).

Situated at an elevation of approximately 4,500 feet, it enjoys four relatively mild seasons that accommodate the many activities this area offers. While it benefits from its proximity to the wonder of the Grand Canyon (100 miles North), with the winter recreation in nearby Flagstaff (approximately 35 miles North) and the shopping and cultural activities in Scottsdale (120 miles South), Sedona has become a vacation destination in its own right.

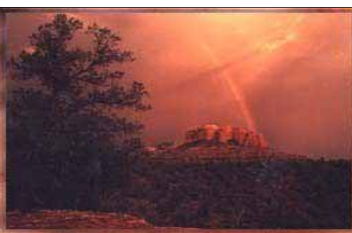
### SEDONA AREA PHOTOS



Chapel Rock, Sedona



Sedona Sunset



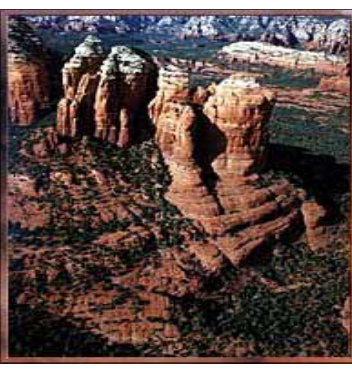
Sedona Rainbow



Steamboat Rock, Sedona



Sedona Winter



Coffee Pot Rock, Sedona

## AREA DESCRIPTION (CONT'D)

The influx of an affluent population from other parts of the United States has given Sedona a nationally known image as a year-round tourist area, second home and affluent retirement area. Recent years have provided Sedona with a level of visibility that is rapidly spreading worldwide. Sedona's dramatic red rock setting has been written about in the New York Times, Los Angeles Times, Wall Street Journal, USA Weekend, Forbes, Lifestyles of the Rich and Famous, Good Morning America and Life Magazine, just to name a few.

According to a recent study by a local survey firm, Arizona residents account for only 30 percent of Sedona area visitors. California is the second most significant source of visitors, accounting for approximately 20 percent, while the Midwest, Northeast and Southern regions of the U.S., along with other Western states, each account for an additional 10 percent of visitors. Foreign countries account for the balance of Sedona's visitors.

Approximately 60 percent of visitors arrive in Sedona by car, while an additional 25 percent arrive in Arizona, first by plane, and then travel to Sedona by car. Overall, tourists named sightseeing and art galleries as the primary reasons for visiting the Sedona area and approximately 40 percent of the visitors travel to Sedona more than once per year. Next to scenery, the weather is a major factor for Sedona's popularity as the average daily maximum temperature is 74.7 degrees (F) and only 17.15 inches of precipitation annually. It should be noted that the average snow, sleet and hail equates to 8.8 inches.

The appeal of Sedona and the surrounding area has resulted in significant population growth. From 1990 to 2000, the year-round population base increased more than 43%. Not only has the population base of Sedona and the Village of Oak Creek expanded rapidly, it has done so while maintaining an affluent retirement orientation. Moreover, Sedona maintains a per capita income approximately 50% above the Arizona average. The retirement orientation is also evident, as the median age of Sedona and the Village of Oak Creek residents is 54.9 and 50.0 years respectively, substantially above the state average of 32.2 years.

You may visit the following web addresses for detailed information on Sedona:

- The City of Sedona <http://www.city.sedona.net/>
- The Sedona Chamber of Commerce <http://www.sedonachamber.com/>
- <http://www.visitsedona.com/>
- Sedona On-Line <http://www.sedona.net/>

## COMPANY BIO

**John D. Miller Real Estate Services, Inc.** is a professional, full-service real estate company offering expertise in commercial real estate brokerage and development, business opportunity brokerage, land brokerage, general real estate consultation, regulatory and zoning consultation, commercial property management, and commercial leasing. John D. Miller established the firm in 1989 after nine successful years in the Texas commercial real estate market. John D. Miller Real Estate Services, Inc., is owned and operated with the philosophy that real estate service should be:

**Professional** - Conducted with integrity and in accordance with the Code of Ethics and Standards of Practice established by the Arizona Department of Real Estate and our local Association of Realtors.

**Competent** - Conveying a current and accurate knowledge of the local and national real estate markets, current events, and laws and regulations that affect real estate transactions.

**Personal** - Taking into account each person's individual needs while resolving those issues in an assertive, yet friendly and caring manner.

## JOHN D. MILLER

After graduating from the University of Texas at Austin with a degree in Finance and Business Administration, John was selected from 500 applicants to participate in the CB Richard Ellis 2-year national training program.

The program was a pilot effort to intensively train new commercial real estate brokers in property management and leasing, mortgage brokerage, equity brokerage, development, appraisal services, construction, and institutional liaison services.

After graduating from the program and during his first year in commercial brokerage, he received national recognition as the highest first year producer for the southern United States. John later participated in opening CB Commercial's San Antonio and Austin offices.

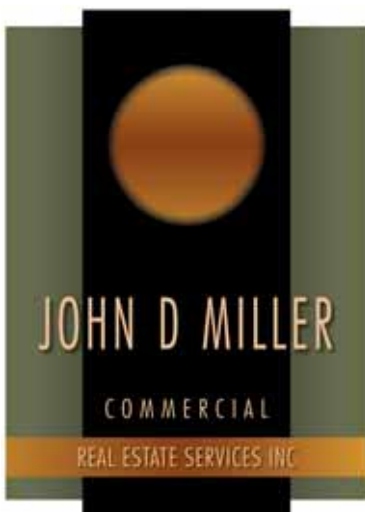
After nine years in the Texas market and over \$90,000,000 in sales, he relocated to Sedona in June of 1988.

Since moving to Sedona, he has transacted over \$120,000,000 in commercial brokerage business and has been involved in the development of commercial projects with an aggregate value of over \$45,000,000. John also is responsible for the legal, financial, and political aspects of our development activities.

He is founder of the Sedona Private Property Owners Association, which is involved in the protection of Sedona private property owners' rights.

## VAL STRAHL

Val Strahl has been in Sedona and the Verde Valley since 1993. She received her Arizona real estate license in 1996 and her broker's license in 2003. Since 2005, she's also been a Licensed and Certified Residential Appraiser. She is now providing services for commercial leasing and commercial property management for our company.



**John D. Miller, Broker**



**Val Strahl, Associate Broker**

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