



# SOUTHRIDGE

RV PARK

BIG SPRING, TX

— A 139 SPACE RV PARK INVESTMENT OPPORTUNITY WITH ADDITIONAL LAND FOR DEVELOPMENT —

Marcus & Millichap  
KAPLAN BROKERAGE GROUP

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OFFERING  
MEMORANDUM

A 139 SPACE RV PARK INVESTMENT OPPORTUNITY WITH ADDITIONAL LAND FOR DEVELOPMENT

# SOUTHRIDGE

## RV PARK

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907 I-20 FRONTAGE RD  
BIG SPRING, TX 79720

Marcus & Millichap  
KAPLAN BROKERAGE GROUP

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*section 1*  
**Executive Summary**



*offering summary*  
.....

*summary of terms*  
.....

*investment overview*  
.....

*investment highlights*

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# OFFERING SUMMARY

SOUTHRIDGE RV PARK  
907 I-20 FRONTAGE RD // BIG SPRING, TX 79720

	<i>Total Price</i>	<i>Price Per Space</i>	<i>CAP Rate</i>	<i>CAP Rate</i>
	\$3,950,000	\$28,417	10% <i>Trailing 12 Months</i>	11.1% <i>1/1/2019 to 12/31/2019</i>

Total Spaces	139 Total / 123 RV, 16 Modular
Assessor Parcel Numbers	51441003800 (partial) and 51441004100
Year Built	2013
Lot Size	±50 acres from APN 51441003800 (seller will retain ±45 acres); APN 51441004100 is ±9.27 acres

## SITE BREAKDOWN

RV	123
Modular	16
Total Spaces	139

# SUMMARY OF TERMS

## INTEREST OFFERED

100% Fee Simple Interest

## TERMS OF SALE

Property will be delivered free of existing debt obligations. Terms to be cash at closing.

## PROPERTY TOURS

Prospective purchasers are encouraged to visit the subject property prior to submitting offers. However, all property tours must be arranged with the Marcus & Millichap listing agents. **At no time shall the tenants, on-site management or staff be contacted without prior approval.**







# SOUTHRIDGE RV PARK

907 I-20 FRONTAGE RD, BIG SPRING, TX 79720

## INVESTMENT OVERVIEW

Southridge RV Park is a thriving investment opportunity catering to Permian Basin workers in the region and local residents of Big Spring.

Strong long-term jobs in the Permian Basin for energy infrastructure and construction jobs combined with a shortage of permanent housing creates high demand for RV parks in the city and region.

Local economic drivers are oil and gas drilling, pipelines, solar and wind farms, refineries, general construction related businesses, VA and state hospital, state and federal correctional facilities.

Park also caters to local residents who are in need of low income housing alternatives.

The park is located on ±20 acres with an additional ±40 acres to be sold with the RV park.

+30 acres of land available to develop additional RV or MH sites.

Ideally situated directly off Exit 178 on Interstate 20 with good visibility and large sign.

Located within the city limits of Big Spring, TX.

The park has city water and can be connected to city sewer which is already accessed at the neighboring property.

## INVESTMENT HIGHLIGHTS

11.1% Cap Rate on 2019 Current Income with Significant Development Opportunity

Park has 123 RV Sites and 16 Modular Homes Paying Lot Rent

Occupancy for Last 12 Months is Over 90% with Current Occupancy at 94%

Big Spring Population Expected to Exceed 30,000 by End Of 2019 with the Largest Employers Being Hospitals, Correctional Facilities, Education and Retail

Average to Below Market RV Site Rent and Opportunity to Significantly Increase Lot Rent for the Modular Homes

On-site Manager In Place with Desire To Stay In Current Role





*section 2*  
Property Description



*the property*

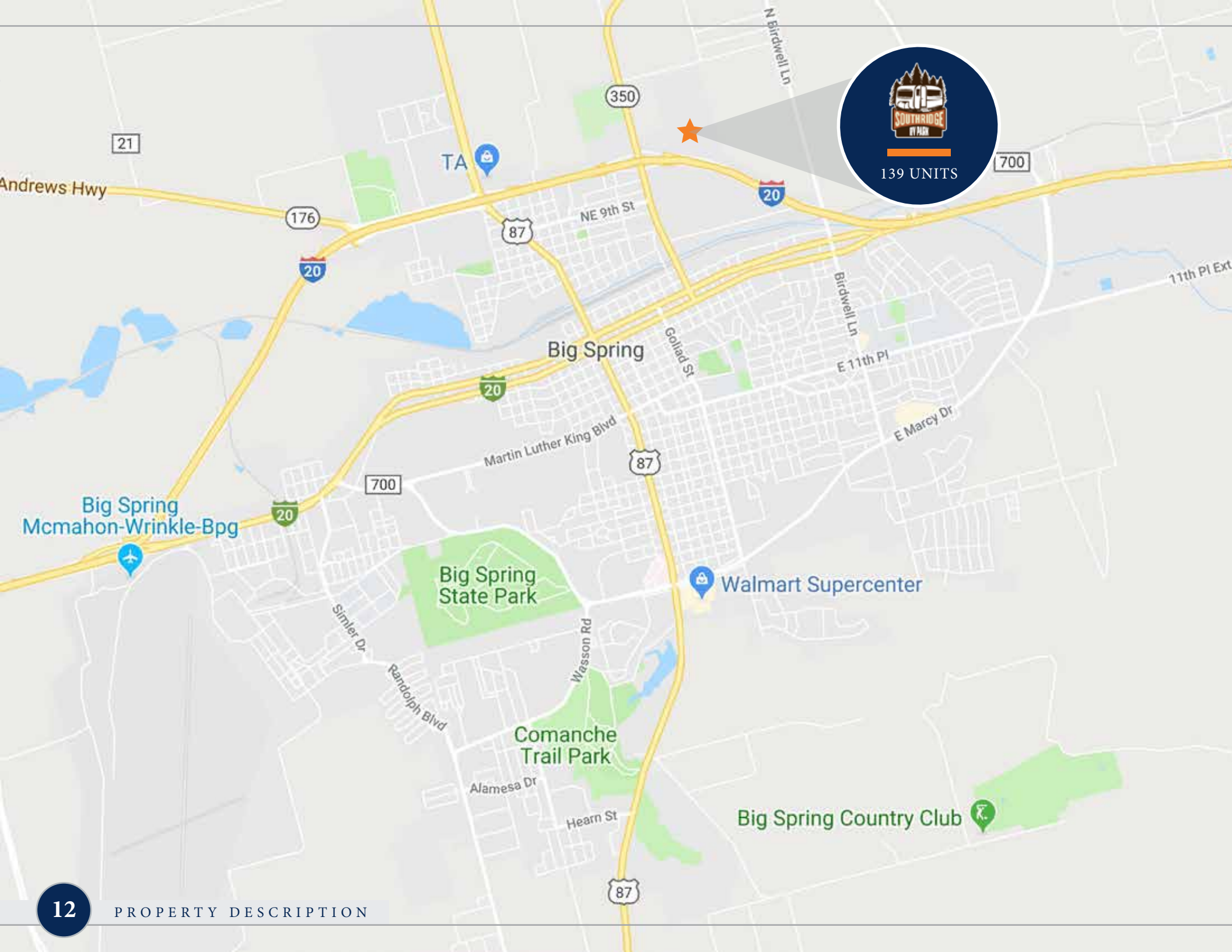



*local and regional maps*

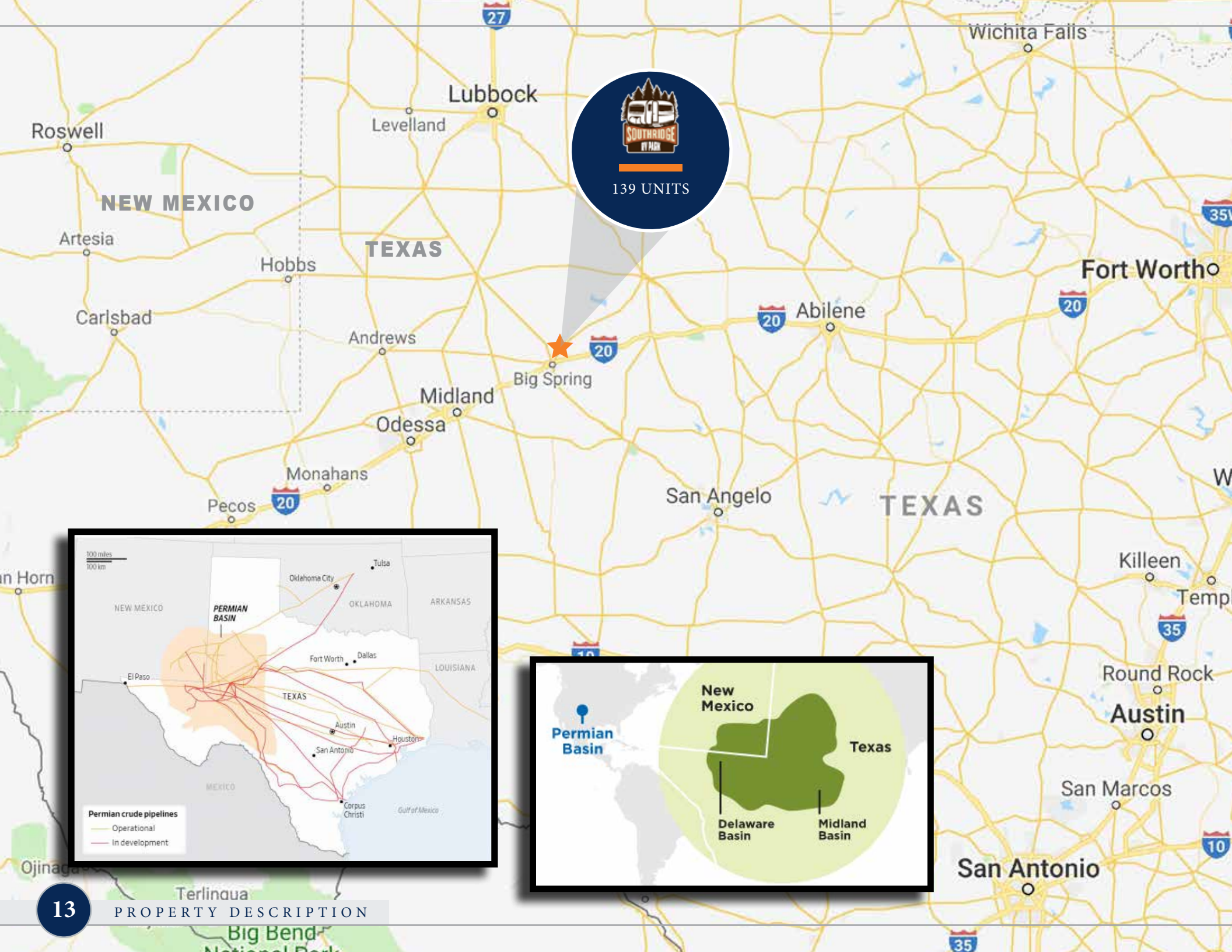


*amenities*

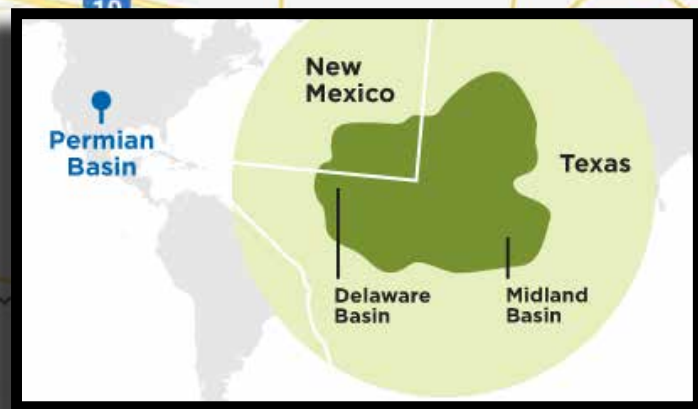
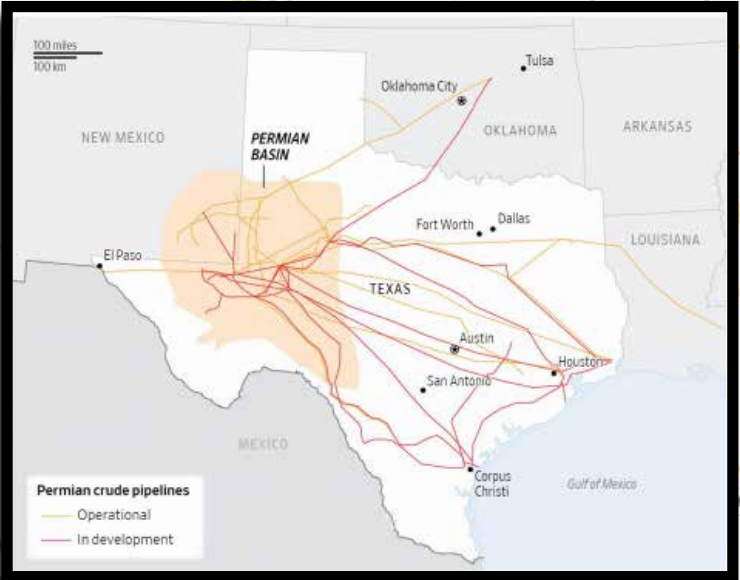
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139 UNITS



139 UNITS





Hilltop Rd

PROPOSED PROPERTY BOUNDARY

PROPOSED DEVELOPMENT AREA  
±30 ACRES

N Benton St



139 UNITS



I-20 Frontage Rd



## PROPERTY DESCRIPTION // *Southridge RV Park*

Number of Spaces	139 Total / 123 RV, 16 Modular
Year Built	2013
Number of Buildings	19
Total Square Footage of Buildings	± 2,000 SF
On-site Manager's Modular	± 1,000 SF
Office	± 600 SF
Laundry Room	± 400 SF
Acreage	± 60 Acres
Zoning	Heavy Commercial and Light Industrial

### CURRENT RENT

SITE	# OF	DAILY RATE	WEEKLY RATE	MONTHLY RATE
RV	123	\$30	\$200	\$400 - \$550
Modular	16	All privately owned paying lot rent		\$500

### UTILITIES

UTILITY	SERVICE PROVIDER
Water	City of Big Spring
Sewer	On-site Septic
Electric	Oncor / Brilliant
Trash	City of Big Spring
Cable / TV	Dish Satellite and Suddenlink
Internet	ATT Fiberoptic







## *Park* AMENITIES



*50/30 Amp Service*



*WiFi*



*Cable TV*



*Large Spaces*



*18 Wheeler Parking*



*Laundry*



*On-Site Park Manager*





*section 3*  
**Financial Analysis**



*property details*



*pricing details*



*operating statement*

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## PROPERTY DETAILS // *Southridge RV Park*

Offered Price	\$3,950,000
Debt	\$2,765,000
Equity Investment	\$1,185,000
Marcus & Millichap Year 1 Projected NOI	\$437,060
Annual Principal and Interest Payments	\$243,522
Estimated Pre Tax Cash Flow	\$188,210
Year One Cash on Cash Return	16%
Year One Cash on Cash with Principal Reduction	22%
DSCR - Year 1 (all loans)	1.77

### MARCUS & MILLICHAP CAPITAL CORPORATION FINANCING AVAILABLE

Loan Amount	\$2,765,000
Loan to Value	70%
Interest Rate	6.25%
Amortization	20 Years
Loan Term	5 Years Fixed
Lender	Regional Bank

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## FINANCIAL STATEMENT // *Southridge RV Park*

MARCUS & MILLICHAP RECAST						
INCOME	2018		TRAILING 12 MONTHS		2019 PRO FORMA	
RV Site Rent	\$588,931	75.8%		\$616,119		\$660,200 *1
Mobile Home Site Rent	\$106,356	13.7%		\$99,730		\$101,000
Total Rental Income	\$695,287			\$715,849		\$761,200
Other Income						
Utility Income / Reimbursement	\$38,552	5.0%		\$50,122		\$62,366
Propane Sales	\$27,502	3.5%		\$24,361		\$27,614
Laundry / Vending	\$11,329	1.5%		\$14,131		\$12,992
Other Income	\$4,516	0.6%		\$6,211		\$8,866
Total Other Income	\$81,899	10.5%		\$94,825		\$111,838
Total Income	\$777,186	100.0%		\$810,674		\$873,038
Cost Of Goods Sold						
Propane Sales	\$14,145			\$13,852		\$18,534
Store Supplies	\$1,118			\$668		\$750 *2
Total Cost Of Goods Sold	\$15,263			\$14,520		\$19,284
Gross Profit	\$761,923			\$796,154		\$853,754
EXPENSES						
Property Taxes	\$27,168			\$22,200		\$23,088 *3
Insurance	\$3,561			\$3,603		\$3,870
Management Fee	\$37,113			\$39,103		\$42,366 *4
Payroll (Manager & Maintenance & Workers Comp)	\$62,396			\$60,139		\$61,696
General & Admin	\$33,158			\$30,565		\$35,752 *5
Advertising / Marketing	\$2,917			\$2,973		\$3,648
Repairs & Maintenance	\$21,742			\$30,657 *6		\$25,516
Utilities						
Cable, Internet, Telephone	\$37,566		\$42,777		\$49,492	
Water & Sewer & Trash	\$31,009		\$28,628		\$22,928	
Electric	\$132,453		\$144,017		\$148,338	*7
Total Utilities	\$201,028		\$215,422		\$220,758	*8
Total Expenses	\$389,083	51%		\$404,662	51%	\$416,694 49%
NET OPERATING INCOME	\$372,840	49%		\$391,492	49%	\$437,060 51%

- 1) June rent annualized (new rate and average occupancy)
- 2) Variable estimate
- 3) 2019 property taxes with estimated 4% increase from 2018
- 4) Management fee is 5% of gross profit

- 5) Bank service charges 1.3% of total income
- 6) R&M reduced by \$20,000 in 2018 to reflect capex on electrical system
- 7) 3% increase over 2018
- 8) Utilities were annualized from 2019 Q1&Q2 and electric 3% increase on 2018



*section 4*  
Rent Comparables



*location map*



*comparables*

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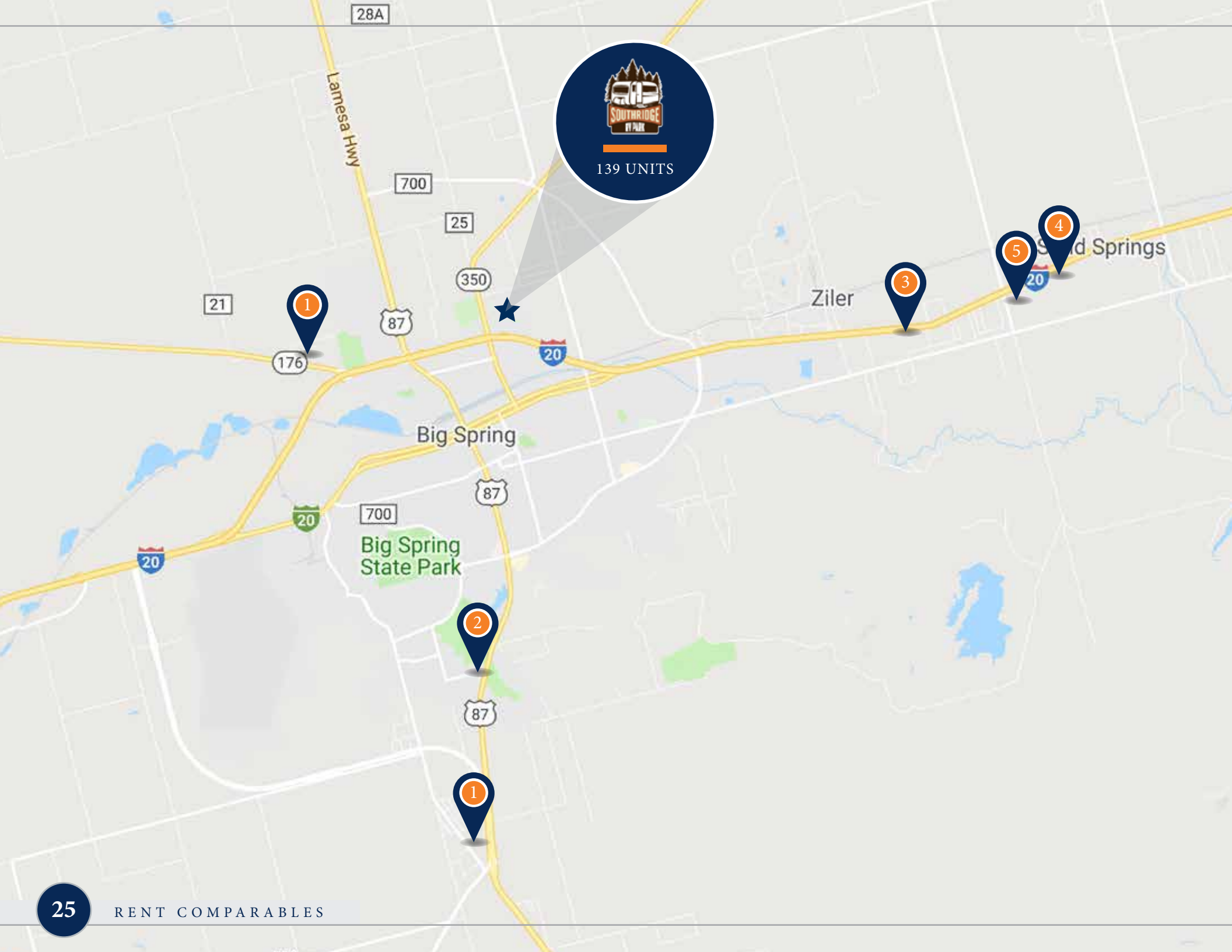
## RENT COMPARABLES // *Southridge RV Park*

PROPERTIES	# OF UNITS	MONTHLY RATE (Not Including Utilities)	MONTHLY RATE (Including Utilities)	% LEASED
★ SOUTHRIDGE RV PARK // Big Spring, TX	139*	\$385 - \$400	\$525 - \$550	90+%
1 WEST TX FRIENDLY NORTH AND SOUTH // Big Spring, TX	121	N/A	\$550 - \$600	100%
2 TEXAS RV PARK OF BIG SPRING // Big Spring, TX	161	N/A	\$575 - \$600	100%
3 SUBURBAN EAST RV PARK // Big Spring, TX	60	N/A	\$550 - \$600	100%
4 HAPPY TRAILS RV PARK // Big Spring, TX	50	N/A	\$425 - \$475	90%
5 WHIP IN RV PARK // Big Spring, TX	64	\$450	N/A	90%

\*Includes 16 modular paying lot rent

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139 UNITS



## WEST TEXAS FRIENDLY RV PARK NORTH AND SOUTH

1314 TX-176 & 5327 Wasson Rd, Big Spring, TX 79720



# OF UNITS	MONTHLY RATE (Not Including Utilities)	MONTHLY RATE (Including Utilities)	% LEASED
121	N/A	\$550 - \$600	100%



## TEXAS RV PARK OF BIG SPRING

1001 Hearn St, Big Spring, TX 79720



# OF UNITS	MONTHLY RATE (Not Including Utilities)	MONTHLY RATE (Including Utilities)	% LEASED
161	N/A	\$575 - \$600	100%



### SUBURBAN EAST RV PARK

5700 Cedar Rd, Big Spring, TX 79720



# OF UNITS	MONTHLY RATE (Not Including Utilities)	MONTHLY RATE (Including Utilities)	% LEASED
60	N/A	\$550 - \$600	100%



### HAPPY TRAILS RV PARK

7400 S Service Rd I-20, Big Spring, TX 79720



# OF UNITS	MONTHLY RATE (Not Including Utilities)	MONTHLY RATE (Including Utilities)	% LEASED
50	N/A	\$425 - \$475	90%



## WHIP IN RV PARK

7000 S Service Rd I-20, Big Spring, TX 79720



# OF UNITS	MONTHLY RATE (Not Including Utilities)	MONTHLY RATE (Including Utilities)	% LEASED
64	\$450	N/A	90%



*section 5*  
**Area Overview**



*area attractions*  
.....  
*location overview*

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# IN THE NEWS: PERMIAN BASIN



**El Paso Times**

March 17, 2019  
Chris Ramirez

## Construction of Texas' largest solar farm gets underway near Midland

Enel Green Power North America, Inc. last month kicked off construction of what will be the largest solar farm in Texas.

The company's 497-megawatt-hour Roadrunner solar project in Upton County, near Midland, will be built in two phases, and is expected to generate around 1.2 terawatt hours annually when it's fully operational.

Officials for the company anticipate the 2,770-acre project will create more than 500 jobs in the Permian Basin and contribute more than \$60 million in property taxes over the next 30 years. [Read more...](#)



**North American Oil & Gas  
PIPELINES**

May 28, 2019

## 2019 U.S. Oil Pipeline Report: Permian Production Spurs New Projects

U.S. energy production continues to expand rapidly, as 2018 marked the most profitable year for U.S. oil producers since 2013.

Production in the Permian Basin has been especially strong. Earlier this year, both ExxonMobil and Chevron announced plans to increase activity in the Permian Basin of West Texas and southeastern New Mexico. ExxonMobil plans to produce more than 1 million barrels per day (bpd) of oil-equivalent in the Permian by as early as 2024 — an increase of nearly 80 percent. The anticipated increase in production will be supported by further evaluation of the company's activities in the Delaware Basin, infrastructure development plans and secured capacity to transport oil and gas to ExxonMobil's Gulf Coast refineries and petrochemical operations through the Wink-to-Webster, Permian Highway and Double E pipelines. [Read more...](#)

# City Of BIG SPRING, TEXAS

Big Spring is located in West Texas and features a diverse and varied economy, caring residents, friendly families, and beautiful landscapes to call home. Big Spring is the county seat of Howard County, Texas, and is situated at the crossroads of U.S. Highway 87 and Interstate 20.

Major industries located within the government's boundaries or in close proximity include numerous oilfield related businesses, wind energy, manufacturers of hydraulic components, carbon black, five prison facilities, a large oil refinery, a railroad, and several financial institutions and insurance companies. Both the state and federal governments are significant economic presences thanks to a major psychiatric hospital and a veteran's health care facility that provides employment to approximately 1,100 healthcare professionals and staff.

Big Spring sits in a rocky gorge between two high foothills of the Caprock escarpment and derived its name from the nearby "big spring" in Sulphur Draw, which was a watering place for coyotes, wolves, buffalo, antelope and mustangs. Big Spring is located approximately 40 miles east of Midland, 80 miles north of San Angelo, 100 miles west of Abilene, and 95 miles south of Lubbock.

## PERMIAN BASIN

- 75,000 square mile oil field in western Texas and southeastern New Mexico
- 3.8 million barrels per day were produced by the end of 2018, vaulting the Permian into second place in the world
- Expected to double oil output to 8 million barrels in just four years
- ExxonMobil and Chevron announced plans to increase activity in 2019
  - ExxonMobil plans to produce more than 1 million barrels per day of oil by as early as 2024 — an increase of nearly 80 percent
  - New pipeline projects currently underway to meet the demand, including the \$1.1 billion Cactus II Pipeline and 650-mile Jupiter Pipeline
- Renewable energy farms are driving sustained growth in the area
  - \$600 million West Texas wind farm began construction in January 2019
  - Texas' largest solar farm began construction near Midland in March 2019
    - 2,770-acre project will create more than 500 jobs and contribute more than \$60 million in property taxes over the next 30 years
  - \$416 million solar farm expected to be completed in 2020
    - 7-square mile project expects to create hundreds of jobs and deliver more than \$21 million in property taxes and \$23 million in wages
  - 28,000 megawatts of solar projects planned, 34,000 megawatts of wind under study, and nearly 14,000 megawatts of natural gas generation under review or development



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