

Marcus & Millichap  
TAG INDUSTRIAL GROUP

# ARKOS FIELD SERVICES

11716 HIGHWAY 191

MIDLAND, TX 79707

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Texas Real Estate Commission  
P.O. Box 12188  
Austin, Texas 78711-2188  
(512) 936-3000

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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TAG INDUSTRIAL GROUP

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Marcus & Millichap



# SECTION 1

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## INVESTMENT OVERVIEW

Marcus & Millichap

## OFFERING SUMMARY

- +/- 21,000-Square-Foot Industrial Asset Situated on Ten Acres
- Metal Construction Featuring Ten Grade-Level Doors, +/- 30' Clear Height, and Two-Story Office
  - Ample Outside Storage Space with Asphalt Paving
- Centrally Located Between Midland and Odessa, with Frontage Along Highway 191
  - Ten Years Remaining on Lease with Arkos Field Services, Occupant Since 2011
- Subsidiary of Burckhardt Compression Group, Arkos is a Leading Service Provider of Compression Equipment in Natural Gas Industry

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 11716 Highway 191 in Midland, Texas, leased to Arkos Field Services. The subject property consists of approximately 21,000 square feet of industrial space and is situated on 10 acres of land. The two-building asset features metal construction, 10 grade-level doors, a clear height of 30', and a two-story 4,600-square-foot office space. Asphalt paving covers a large amount of the land, making the property ideal for outdoor storage. With frontage along State Highway 191, the property sits within 12 miles of both downtown Midland and downtown Odessa.

Arkos Field Services has occupied the property since 2011 and its current lease runs until February 2033. Formed in 2014, Arkos is an industry leader in aftermarket services for the natural gas industry. With established relationships with all of the major original equipment manufacturers (OEMs), Arkos installs, monitors, and maintains compression equipment. In 2019, Arkos was acquired by Burckhardt Compression Group, the worldwide leader for reciprocating compressor systems (Arkos).

Midland is a midsized market, containing 16.9 million square feet of industrial space centered around the oil and natural gas industry. Unlike the national norm, the vacancy rate has dropped at the start of 2023, falling 140 basis points quarter-over-quarter to 6.3 percent in Q1. Despite supply tightening, annual rent growth slowed down to 3.7 percent during this time. However, with industrial construction activity representing less than 1 percent of inventory, there are essentially no supply-side pressures on rents and vacancies for the foreseeable future (CoStar). While oil and gas prices experienced a pull-back during the summer of 2022, the stars are aligning for a new cyclical bull market in both commodities. At the current pace, stockpiles of the Strategic Petroleum Reserve could be depleted by mid-2024. The persistence of high inflation and global energy shortages equates to a bright future for Midland, presenting a prime opportunity for industrial investors today.

Located in West Texas, the Midland-Odessa metro is considered to be an energy capital as the Permian Basin is one of the biggest oil fields in the world and is home to some of the largest petroleum-producing companies. The metro consists of Martin, Midland, and Ector counties. The public sector is a top job provider, but the private sector is the economic driving force. The two largest cities are Midland with over 140,000 residents and Odessa with roughly 123,000 residents.

Midland is the center of America's oil and gas production. Petroleum production and all things in between are prevalent in the area, but Midland is making great efforts and success in diversifying into additional industries such as aerospace. Interstate 20 runs through Midland, making it easy to transport goods and raw materials throughout the country. Rated the No. 1 state for business by U.S. corporate executives, this is an excellent place to start or grow a business in Texas. ([midlandtxedc.com](http://midlandtxedc.com)). Major employers include: Halliburton, Hilliard, Legacy Reserves, Midland College, Midland Health, Patterson-UTI, Pioneer Natural Resources, Schlumberger, Weatherford, Baker Hughes, Chevron, ConocoPhillips, Bloomberg, and more.

## PROPERTY DETAILS

ARKOS FIELD SERVICES  
11716 HIGHWAY 191, MIDLAND, TX 79707

Number of Buildings	2
Total Square Feet	+/- 21,000
Warehouse Square Feet	+/- 16,400
Office Square Feet	+/- 4,600
Year Built	2011
Lot Size	10 Acres
Type of Ownership	Fee Simple
Clear Height	+/- 30
Building Class	B
Tenancy	Single
Grade Level Doors	10
Construction	Metal
Zoning	Light Industrial
Roof Type	Pitched Metal
Market	Midland



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## ARKOS FIELD SERVICES

11716 HIGHWAY 191, MIDLAND, TX 79707

OFFERING PRICE  
**\$3,080,000**

CAP RATE  
**8.55%**

Offering Price	\$3,080,000
Cap Rate	8.55%
Price/SF	\$146.67
Total Square Feet	21,000
Rental Rate	\$12.54
Lease Type	Triple Net (NNN)
Lease Term	10 Years
Tenancy	Single
Occupancy	100.00%



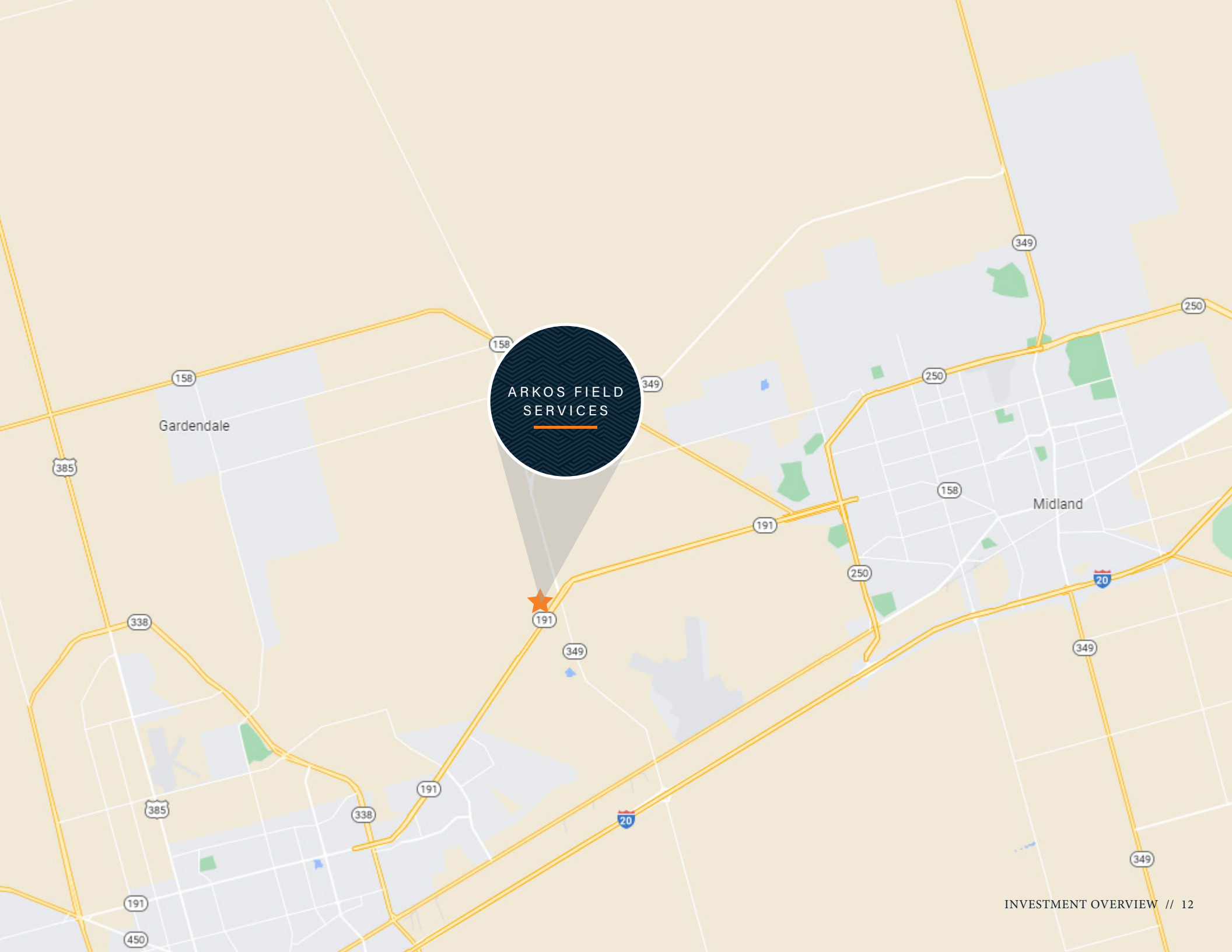
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# RENT ROLL

Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type	Renewal Options and Option Year Rental Information
			Comm.	Exp.						
Arkos Field Services	21,000	100.0%	8/1/11	2/8/33	\$12.54	\$21,947	\$263,364	\$263,364	NNN	(1) 84-Month Renewal Option at 95% FMR
<b>Total</b>	<b>21,000</b>				<b>\$12.54</b>	<b>\$21,947</b>	<b>\$263,364</b>	<b>\$263,364</b>		
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$21,947					Occupied Current Rents: \$21,947		Unoccupied Current Rents: \$0			

## OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	263,364		12.54	263,364		12.54
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	7,350		0.35	7,350		0.35
Real Estate Taxes	34,342		1.64	34,342		1.64
Total Reimbursement Income	\$41,692	100.0%	\$1.99	\$41,692	100.0%	\$1.99
Effective Gross Revenue	\$305,056		\$14.53	\$305,056		\$14.53
Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	7,350		0.35	7,350		0.35
Real Estate Taxes	34,342		1.64	34,342		1.64
Total Expenses	\$41,692		\$1.99	\$41,692		\$1.99
Expenses as % of EGR	13.7%			13.7%		
Net Operating Income	\$263,364		\$12.54	\$263,364		\$12.54



ARKOS FIELD  
SERVICES

Gardendale

Midland



ARKOS FIELD SERVICES





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# TENANT SUMMARY

“We create leading compression solutions for a sustainable energy future.”

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TENANT	HEADQUARTERS
Arkos Field Services	Waller, TX
# OF LOCATIONS:	DATE FOUNDED
12	2014
REVENUE	EMPLOYEES
\$1.04 Billion	2,600+

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[www.arkos.com](http://www.arkos.com)



## ARKOS FIELD SERVICES

Arkos Field Services is an experienced compression and equipment service partner in the natural gas industry. From installation and startup through operations and overhauls, Arkos maintains, monitors, and services compression equipment. The company has established relationships with all major OEMs in the natural gas industry to ensure a rapid response to requests for parts or services, technical bulletins, and warranty items.

Arkos' 12 operating facilities are located in California (1), Louisiana (2), Oklahoma (1), Pennsylvania (1), and Texas (7). In November 2019, Arkos was acquired by Burckhardt Compression Group. Headquartered in Switzerland, Burckhardt Compression is the worldwide market leader for reciprocating compressor systems and the only manufacturer and service provider that covers a full range of reciprocating compressor technologies and services. In addition to its parent company, Arkos' major partners include True Rock Compression Supply, Genis, and Zahroof Valves Inc (Arkos).

## CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 2,399 debt and equity financings in 2021



National platform operating within the firm's brokerage offices



\$10.4 billion total national volume in 2021



Access to more capital sources than any other firm in the industry

# WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings





## SECTION 2

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### MARKET OVERVIEW

Marcus & Millichap

# MIDLAND - ODESSA TEXAS



Located in West Texas, the Midland-Odessa metro is considered an energy capital, as the Permian Basin is one of the biggest oil fields in the world and is home to some of the largest petroleum-producing companies. The metro consists of Martin, Midland and Ector counties. The public sector is a top job provider, but the private sector is driving the economic growth. The two largest cities are Midland, with over 140,000 residents, and Odessa, where roughly 123,000 citizens live.



ENERGY HUB



FAST-GROWING  
POPULATION

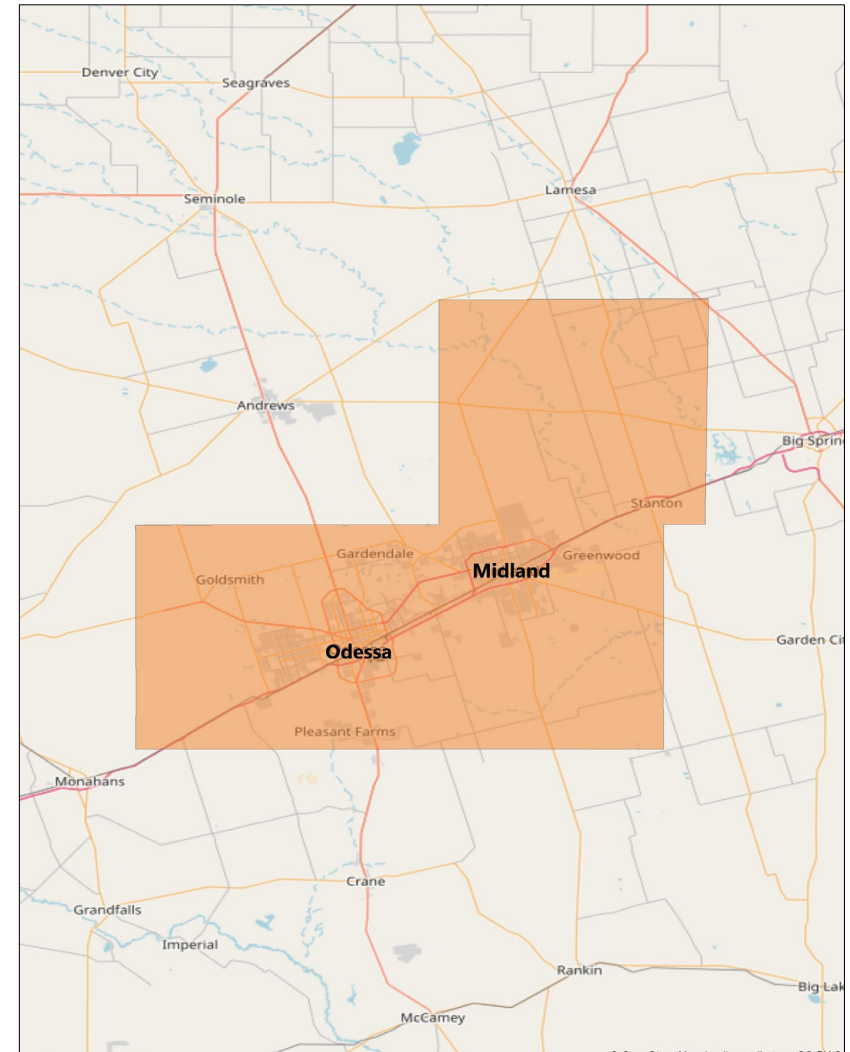
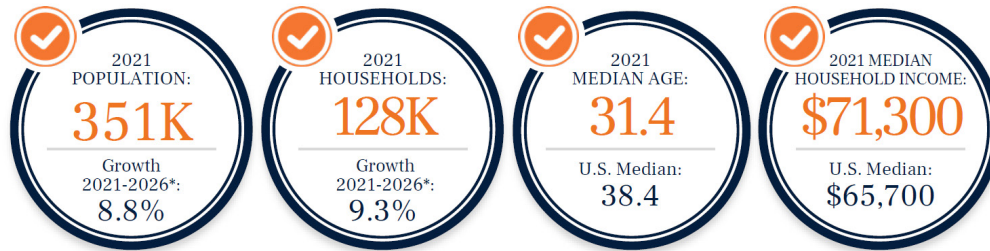


HIGHER  
EDUCATION

## METROPLEX GROWTH

### ECONOMY

The oil and energy sector drives the Midland-Odessa economy. The Permian Basin covers more than 86,000 square miles and is believed to contain as much as 46 billion barrels of oil. Petroleum powerhouses, such as ExxonMobil, Chevron and Occidental Petroleum, have major operations in the area. Odessa has become a regional distribution hub for many companies outside of the energy industry. Family Dollar has its Texas Distribution Center in Odessa. Of the top 10 employers in Midland-Odessa, four are in the health care field. This sector is driven, in part, by the Texas Tech University Health Sciences Center.



## DEMOGRAPHICS



11,428

Total Population  
Within 5 miles



51.7%



48.3%



\$154,797

Average Household Income  
Within 5 miles



7,361

Employees  
Within 1 Mile

## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Population	0	775	14,414
<b>2022 Estimate</b>			
Total Population	0	619	11,428
<b>2010 Census</b>			
Total Population	0	348	5,645
<b>2000 Census</b>			
Total Population	0	184	3,869
<b>Daytime Population</b>			
2022 Estimate	0	1,738	23,791
<b>HOUSEHOLDS</b>			
<b>2027 Projection</b>			
Total Households	0	254	5,594
<b>2022 Estimate</b>			
Total Households	0	203	4,386
Average (Mean) Household Size	0.0	2.8	2.5
<b>2010 Census</b>			
Total Households	0	115	2,163
<b>2000 Census</b>			
Total Households	0	64	1,395

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2022 Estimate</b>			
\$200,000 or More	0.0%	11.4%	19.1%
\$150,000-\$199,999	0.0%	9.7%	12.1%
\$100,000-\$149,999	0.0%	23.2%	20.2%
\$75,000-\$99,999	0.0%	12.1%	11.9%
\$50,000-\$74,999	0.0%	13.7%	12.8%
\$35,000-\$49,999	0.0%	10.5%	8.6%
\$25,000-\$34,999	0.0%	5.6%	5.4%
\$15,000-\$24,999	0.0%	8.5%	5.6%
Under \$15,000	0.0%	5.3%	4.3%
Average Household Income	\$0	\$111,786	\$154,797
Median Household Income	\$	\$88,403	\$103,031
Per Capita Income	\$0	\$36,676	\$59,468
<b>POPULATION PROFILE</b>			
<b>Population By Age</b>			
2022 Estimate Total Population	0	619	11,428
Under 20	0.0%	28.0%	29.3%
20 to 34 Years	0.0%	21.2%	20.4%
35 to 39 Years	0.0%	8.1%	7.3%
40 to 49 Years	0.0%	12.3%	11.7%
50 to 64 Years	0.0%	18.9%	18.2%
Age 65+	0.0%	11.5%	13.1%
Median Age		35.5	35.2
<b>Population 25+ by Education Level</b>			
2022 Estimate Population Age 25+	0	414	7,463
Elementary (0-8)	0.0%	1.8%	1.5%
Some High School (9-11)	0.0%	3.8%	4.2%
High School Graduate (12)	0.0%	32.1%	27.3%
Some College (13-15)	0.0%	29.6%	28.6%
Associate Degree Only	0.0%	11.5%	10.4%
Bachelor's Degree Only	0.0%	15.2%	16.7%
Graduate Degree	0.0%	6.0%	11.3%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	0.0	27.0	24.0



# INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

## TYPES OF REAL ESTATE LICENSE HOLDERS:

- A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

## A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

## A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

## TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

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Date

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