



Stripes Convenience Store

7951 Southmost Rd, Brownsville, Texas



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EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap

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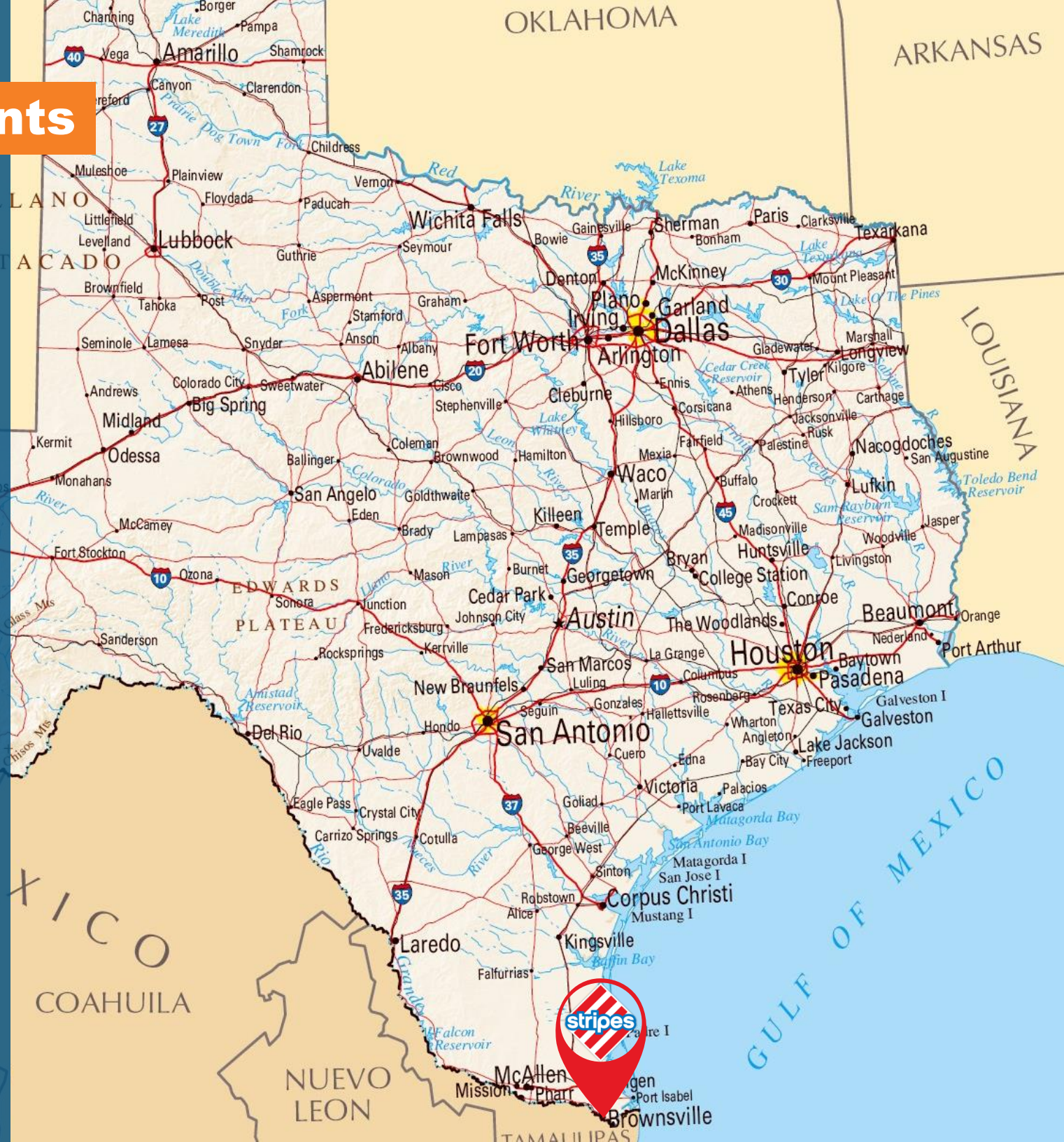
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Offering Terms

Price	NOI	CAP Rate
\$3,957,344	\$237,441	6.00%

Financial Summary

Property Name	Stripes Convenience Stores
Location	7951 Southmost Road Brownsville, Texas
Price	\$3,957,344
CAP Rate	6.00%
NOI	\$237,441
Rent Per SF	\$49.83
Price Per SF	\$831
Building Size	4,765 sq ft
Lot Size	1.74 acres
Year Built	2006

*Price based on 2017 rental increase



Investment Highlights

- Corporate Tenant; Guarantor is Susser Holdings Corporation | Subsidiary of Sunoco LP
- Strong Real Estate Characteristics | Only Gas Station\ Convenience Store in Immediate Proximity
- 10.6 Years Remaining on 20-Year Triple-Net (NNN) Lease
- Attractive Rent Escalations

Investment Overview

Marcus & Millichap is pleased to present the exclusive listing for a Stripes Convenience Store property. The property consists of approximately 4,765 square feet of building space and is situated on approximately 1.74 acres of land.

The property is be subject to a 20-year triple net (NNN) lease with 10.6 years remaining. The lease commenced on September 28, 2007. The base rent is currently \$220,875 and the next rental increase will occur in September 2017. The increases will continue through the first three of the five, five-year tenant renewal options. The tenant is Stripes LLC.

Stripes Convenience Stores operate more than 700 convenience stores in Texas, New Mexico, Oklahoma, and Louisiana. Restaurant service is available in over 450 of its stores, primarily under the proprietary Laredo Taco Company brand. Stripes is owned by Sunoco LP (NYSE: SUN), a master limited partnership that operates approximately 1,300 retail fuel sites and convenience stores (including APlus, Stripes, Aloha Island Mart, and Tigermarket brands) and distributes motor fuel to stores, independent dealers, commercial customers, and distributors located in 30 states at approximately 9,900 sites.

About Stripes Convenience Stores



CONCEPT OVERVIEW

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CONCEPT HISTORY

Stripes Convenience Stores story began long ago. In 1938, Sam Susser and his wife, Minna, began operating a pair of service stations, it wasn't long before Sam decided to expand the business and buy a tanker truck and enter the world of wholesale fuel delivery.

In the 1960s, the couple's two sons, Sam J. Susser and Jerry Susser had joined the family business. Ultimately, the brothers would go on to lead what is now Susser Holdings, inventing the world's original pay-at-the-pump system along the way.

In 1988, Sam L. Susser took the company helm, and helped spur steady growth in both the convenience retail and wholesale fuel business. During the '90s, the company decided to enhance their retail presence by licensing convenience stores, and eventually operated dozens of 7-Eleven and Circle K locations in Texas and Oklahoma.

In 2006, the company decided to give their convenience stores a new name – Stripes Convenience Stores. In 2014, they were acquired by Energy Transfer Partners, the parent company of the east coast gas brand Sunoco.



STRIPES PRESS RELEASE

(Dallas, Texas) Thursday, January 19, 2017 – Stripes Convenience Stores and Laredo Taco Company have unveiled a redefined customer experience with the opening of its next-generation stores across Texas and Louisiana. The first next-generation Stripes stores opened in October 2016 in Texas, offering a more spacious convenience-store and dining experience. The new store design showcases Laredo Taco Company's fresh, authentic food offering as a restaurant destination, with both indoor and outdoor restaurant seating.

Immediately upon entering, customers are greeted by the friendly Laredo Taco team, and they then can watch tortillas being made by hand while taking in the aroma of fajitas cooking on an open-flame grill. As an added convenience, guests have the option of ordering from touch screen kiosks.

Another key feature of the design is the introduction of a new Laredo Taco Company logo, inspired by the hand-made nature of Laredo Taco food. Laredo Taco Company has more than 450 locations in seven states, including the first Laredo Taco/Stripes stores in Louisiana opening in December and January.

The store openings have been supported by comprehensive marketing programs that include radio, television, outdoor billboards and digital engagement elements. Commercials in English and Spanish capture the powerful relationship between the Laredo Taco Company teams and our customers, who share a love of food that remains true to its roots.

FINANCIAL ANALYSIS



Property Lease Summary

Property Name	Stripes Convenience Store
Property Type	Convenience Store/Restaurant
Ownership	Stripes LLC
Tenant	Stripes LLC
Guarantor	Susser Holdings Corporation
Lease Term	20 Years
Lease Commencement	September 28, 2007
Lease Expiration	September 27, 2027
Lease Term Remaining	10.6 Years
Lease Type	Triple Net (NNN)
Square Footage	4,765
Rental Increases	Every five years the increase will be the lesser of either 7.5% or the change in CPI from the previous five lease years
Tenant Renewal Options	Five (5), Five (5)-Year Options

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
9/28/16 - 9/27/17	\$220,875	\$18,406
9/28/17 - 9/27/18	\$237,441	\$19,787
9/28/18 - 9/27/19	\$237,441	\$19,787
9/28/19 - 9/27/20	\$237,441	\$19,787
9/28/20 - 9/27/21	\$237,441	\$19,787
9/28/21 - 9/27/22	\$237,441	\$19,787
9/28/22 - 9/27/23	\$255,249	\$21,271
9/28/23 - 9/27/24	\$255,249	\$21,271
9/28/24 - 9/27/25	\$255,249	\$21,271
9/28/25 - 9/27/26	\$255,249	\$21,271
9/28/26 - 9/27/27	\$255,249	\$21,271
Option Period 1	\$274,392	\$22,866
Option Period 2	\$294,972	\$24,581
Option Period 3	\$317,095	\$26,425
Option Period 4	Fair Market Rent	Fair Market Rent
Option Period 5	Fair Market Rent	Fair Market Rent
Annual Rent	\$237,441	
CAP Rate	6.00%	
Price	\$3,957,344	

*Based on assumed 7.5% increases

*Price based on 2017 rental increase





LOCATION OVERVIEW

Location Highlights

- Local Tenants in Surrounding Area Include: Tony's Auto Sales, Carlo Hernandez Used Car Sales, C&L Auto Sales, BDP Shooting Range
- Freestanding Property | Benefits from Excellent Frontage along Southmost Road
- Positive Location Fundamentals | Easy Access to Brownsville South Padre Airport and the Mexican City Matamoros
- Robust Population | Over 76,000 People within a 5-Mile Radius



Location Overview

This Stripes property is located at 7951 Southmost Road in Brownsville, Texas. Brownsville is a city in and county seat of Cameron County, situated at the southernmost tip of Texas, directly north and across the border from Matamoros, Tamaulipas, Mexico. Known as a fast growing region, the Matamoros-Brownsville Metropolitan Area is the ninth-most populous in the state of Texas.

Surrounding Retail and Points of Interest

The subject property is well-positioned in a dense auto-sales area, benefitting from its proximity to local tenants. These tenants include: Tony's Auto Sales, Carlo Hernandez Used Car Sales, C&L Auto Sales, BDP Shooting Range, and Family Forklift Services. Palm Grove Elementary School, IDEA Public School, and Lopez Early College High School are all located within two miles of the subject property. Texas Southmost University and the University of Texas Rio Grande Valley are both located approximately six miles away from the subject property, and have a combined enrollment of more than 35,000 students. The Brownsville South Padre Island Airport, which served over 183,000 consumers in 2014, is located roughly two miles away from the subject location.

Traffic Counts and Demographics

This Stripes property has approximately 24,912 individuals residing within a three-mile radius of the property and over 76,642 people within a five-mile radius. This Stripes property is positioned on Southmost Road. Southmost Road experiences average daily traffic counts of 12,900 vehicles.

Brownsville, Texas

Roughly one mile north of the United States-Mexico border is Brownsville, Texas. Brownsville, the sixteenth-most populous city in Texas, is the county seat of Cameron County. Often recognized as having one of the best pro-business climates in the United States, the city is also ranked among the least-expensive places to live. Brownsville's economy is driven by the Port of Brownsville, which accepts shipments from other parts of the United States, Mexico, and from around the world. Another driver of the city's economy is its manufacturing sector, which is among the fastest-growing in the United States. The city is home to two colleges, the University of Texas Rio Grande Valley and Texas Southmost College. There are a plethora of local attractions in Brownsville, partly due to its historic background, including: Gladys Porter Zoo, Brownsville Museum of Fine Art, and Camille Lightner Playhouse.



SURROUNDING AREA MAP

Tony's Auto Sales

Carlo Hernandez Used Auto

Family Forklift Services

C&L Auto Sales

2 Miles North - Brownsville South Padre Island Airport

Palm Grove Elementary School



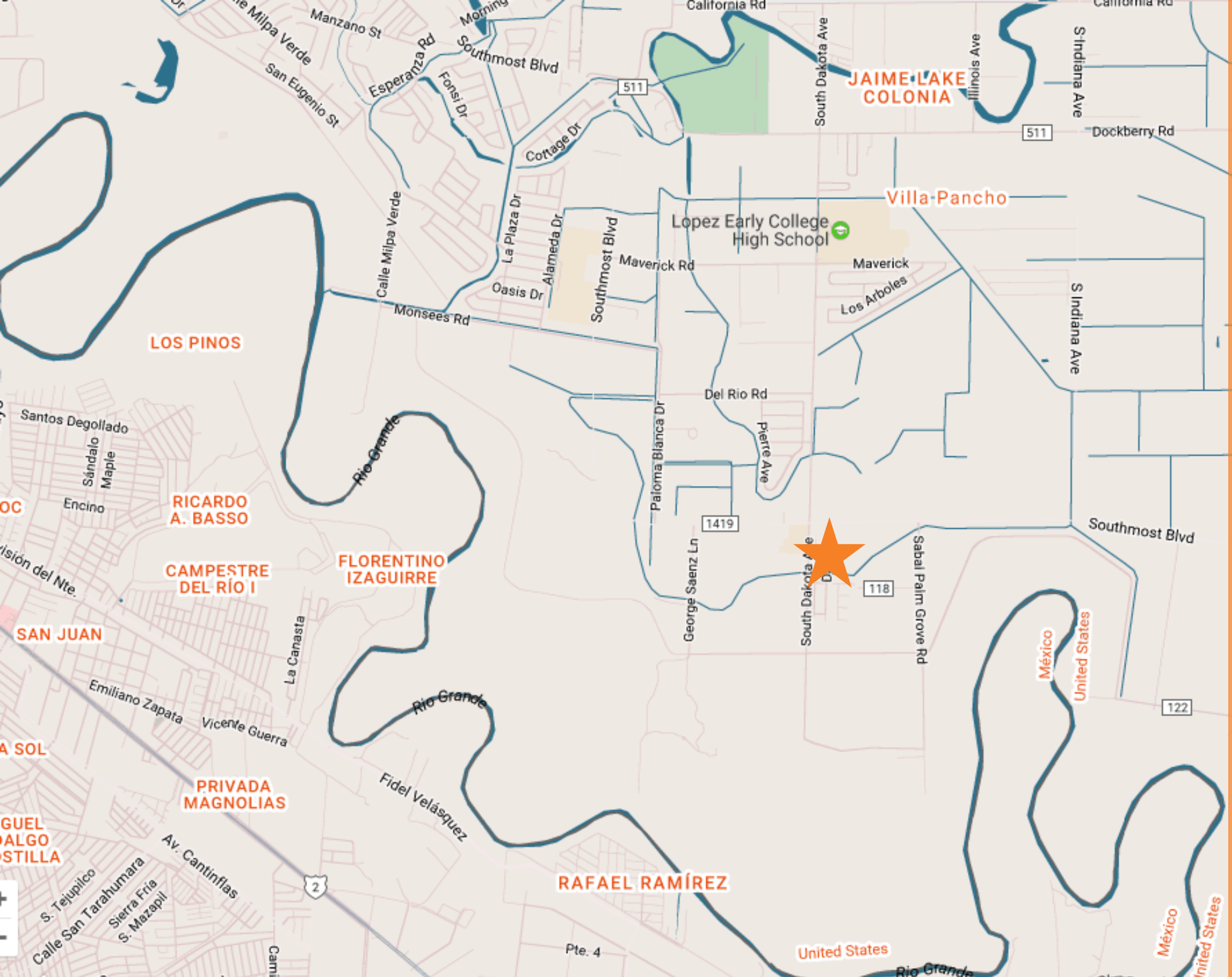
BPD Shooting Range



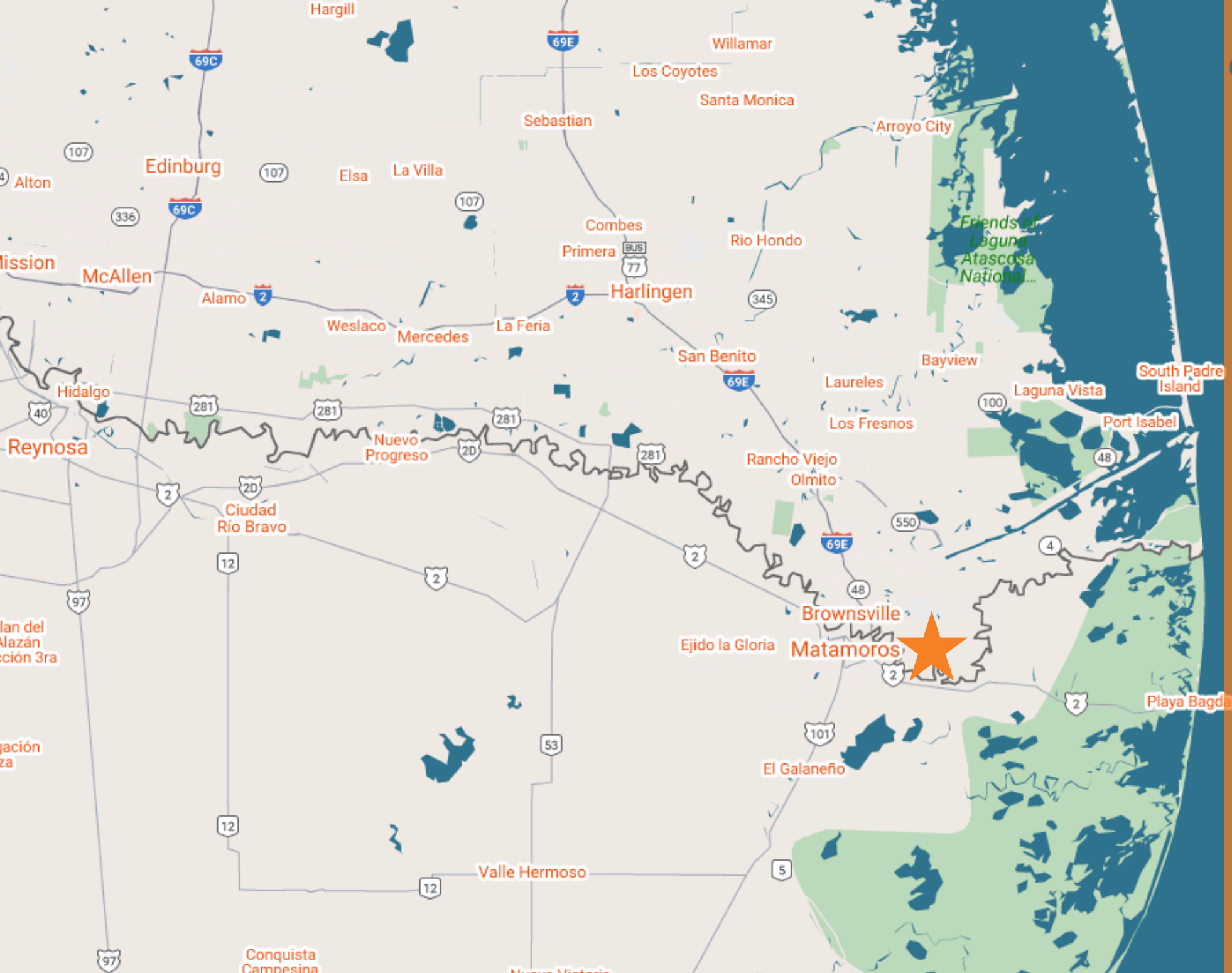
PROPERTY PHOTOS



SURROUNDING PROPERTY PHOTOS



LOCAL MAP



REGIONAL MAP



DEMOGRAPHICS



Population

In 2014, the population in your selected geography is 76,641. The population has changed by 10.46% since 2000. It is estimated that the population in your area will be 79,748 five years from now, which represents a change of 4.05% from the current year. The current population is 47.89% male and 52.10% female. The median age of the population in your area is 27.7, compare this to the Entire US average which is 37.3. The population density in your area is 977.30 people per square mile.

Income

In 2014, the median household income for your selected geography is \$23,361, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 5.46% since 2000. It is estimated that the median household income in your area will be \$27,312 five years from now, which represents a change of 16.91% from the current year. The current year per capita income in your area is \$8,880, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$33,475, compare this to the Entire US average which is \$74,533.

Employment

In 2014, there are 12,830 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 43.70% of employees are employed in white-collar occupations in this geography, and 56.16% are employed in blue-collar occupations. In 2014, unemployment in this area is 13.36%. In 2000, the average time traveled to work was 21.1 minutes.

POPULATION

	1-Mile	3-Mile	5-Mile
2010	3,199	24,753	75,074
2014	3,365	24,912	76,642
2019	3,950	26,744	79,748

2014 HOUSEHOLD INCOME

	1-Mile	3-Mile	5-Mile
Average	\$35,100	\$32,170	\$33,476
Median	\$22,585	\$23,324	\$23,362

TOP EMPLOYERS IN BROWNSVILLE

Employers	# of Employees
Brownsville Independent School District	7,670
Cameron County	1,950
University of Texas Rio Grande Valley	1,734



stripes

exclusively listed

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ENCHILADAS \$3.99