



3481 HIGHWAY 20 SE
CONYERS, GA





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INVESTMENT HIGHLIGHTS



- **Proven Location:** CVS recently extended their lease for 12 years showing commitment to the location



- **Attractive Rent PSF:** CVS is currently paying just \$151,875 (\pm \$15 PSF) in rent which is nearly half of what new CVS buildings pay in rent. This is an extremely cheap price point of \pm \$2.8M for a stabilized drug store property



- **New Roof:** Brand New Roof with 30-Year Warranty



- **Strong Demographics:** Median household income within a mile is over \$75,000 while population growth has been over 13.25% since 2010



- **Prototype Store Format:** 10,112 SF building with drive-thru located off a major thoroughfare



- **#1 Busiest Airport in The World** – Hartsfield-Jackson Atlanta International Airport saw 103,902,992 passengers in 2017 and is the busiest airport across the globe



- **Top Graded Credit Rating and Guaranty:** CVS is a top 10 Fortune 500 Company with a market cap more than \$60B. CVS is rated by S&P 500 as BBB which is an investment grade tenant.

FINANCIAL OVERVIEW



LIST PRICE

\$2,761,300



CAP RATE

5.50%



TERM REMAINING

±11 Years

LOAN QUOTE

Term	10 Years
Amortization	30 Years
Rate	4.91%
Loan Amount	60% LTV

Loan Quote provided by Barrington Capital.

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LEASE SUMMARY

Lease Type	Modified NNN
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Roof and Structure	Landlord Responsible (Brand New Roof & Warranty)
Original Lease Term (Years)	20 Years
Lease Commencement Date	8/1/99
Rent Commencement Date	8/1/99
Lease Expiration Date	1/31/30
Term Remaining on Lease	±11 Years
Increases	6% in options
Options	Two (2) Five (5) Year Options

TENANT SUMMARY

Tenant	CVS
Store Number	04542L02
Property Address	3481 Highway 20 SE
City	Conyers
State	GA
Zip	30013
GLA	10,125 SF
Lot (Acres)	1.43 AC
Year Built	1999
APN	078-0-11-018B
Parking Spaces	±53 Surface Spaces

TENANT MAP





TENANT OVERVIEW



» **Company Name**
CVS



» **Year Founded**
1963



» **Headquarters**
Woonsocket, Rhode Island



» **Ownership**
Public



» **Industry**
Drug Store



» **S&P Credit Rating**
BBB+



CVS Health Corporation, together with its subsidiaries, provides integrated pharmacy health care services. It operates through Pharmacy Services and Retail/LTC segments. The Pharmacy Services segment offers pharmacy benefit management solutions, such as plan design and administration, formulary management, Medicare Part D services, mail order and specialty pharmacy services, retail pharmacy network management services, prescription management systems, clinical services, disease management programs, and medical pharmacy management services.

The Retail/LTC segment sells prescription drugs, over-the-counter drugs, beauty products and cosmetics, personal care products, convenience foods, seasonal merchandise, and greeting cards, as well as provides photo finishing services. The company was formerly known as CVS Caremark Corporation and changed its name to CVS Health Corporation in September 2014. Hook-SupeRx, LLC operates as a subsidiary of CVS Health Corporation and retails drugs in the United States. It is based in Indianapolis, Indiana and does business as CVS Pharmacy.

AREA OVERVIEW



CONYERS, GEORGIA

Sitting just southeast of Georgia's largest city, Conyers is a diverse and charming Atlanta suburb. The seat of Rockdale County, Conyers is included in the Atlanta-Sandy Springs-Roswell MSA. With its convenient location just off Interstate 20, Conyers has easy access to Atlanta and many other large cities in the southeast.

Conyers' economy is strongly influenced by production, with Manufacturing comprising nearly one-fifth of the city's industry. The cost of living in Conyers is comparatively low coupled with a strong housing market. In 2018, Conyers was named the **#35 Suburb with the Lowest Cost of Living in Georgia**.

Known for its diversity, great public schools, and family-friendliness, Conyers was named the **#62 Most Diverse Suburb** and **#64 Best Suburb to Raise a Family in Georgia in 2018**. A city rich with culture, Conyers holds many festivals and entertainment events at its Main Street Community and is also home to the Georgia International Horse Park.

AREA DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	4,860	41,160	87,085
2018 Estimate	4,741	39,623	83,222
2010 Census	4,187	36,999	77,085
Growth 2018-2023	2.51%	3.88%	4.64%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	1,743	14,342	30,243
2018 Estimate	1,708	13,957	29,334
2010 Census	1,498	12,990	27,178
Growth 2018-2023	2.02 %	2.76 %	3.10 %
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$75,392	\$77,452	\$73,578



The city of Conyers, Georgia, is helping Tri-Land Properties reposition Salem Gate, a dilapidated center that sits on a site filled with potential outside Atlanta.

It's taken several years and the coordination of not one, not two, but three governmental entities, but the rehabilitation of Salem Gate shopping center is on, full steam ahead. The project holds promise for this strip of interstate frontage in Conyers, Georgia. The 21-acre site is located 25 miles east of downtown Atlanta along Interstate 20 and Georgia Route 138.

Built in the 1960s, the nearly vacant shopping center has been in a state of disrepair for many years. The site is in a prime position to be a regional retail draw, surrounded by Home Depot, a Walmart and a movie theatre just across the Interstate. "The site sits in a retail hub," says Richard Dube, president of Tri-Land Properties. Tri-Land is a 40-year old Chicago-based owner-operator specializing in repositioning underperforming shopping centers.

The population within 5 miles of Salem Gate is 88,940, with an average household income of \$66,423. Approximately 109,000 vehicles pass along Interstate 20 each day, while 68,300 vehicles pass by on Georgia Route 138.

Tri-Land Properties acquired Salem Gate in 2005 and was working with both existing and new tenants to become part of the Salem Gate Redevelopment. When the financial downturn occurred in 2008, all of the new tenants that had been in discussions to become anchors in a redeveloped Salem Gate informed Tri-Land that their expansion plans were placed on hold. Tri-Land then extended some existing tenant leases and operated the property until the economic environment improved.

In 2016, Tri-Land approached the City of Conyers with a new redevelopment plan and made a formal request to secure a Tax Allocation District (TAD) designation to support the Salem Gate redevelopment.

The City of Conyers adopted a new zoning ordinance in 2016, The Gateway Village District, designed to promote redevelopment of mixed-use projects consisting of retail, hotels, restaurants, and entertainment venues. Additionally, this district intends to promote pedestrian-oriented redevelopment through increased accessibility between commercial corridors and adjacent residential neighborhoods, as well as to establish consistent architectural and design standards.

The Salem Gate redevelopment will be the first large scale redevelopment constructed under the Gateway Village District zoning ordinance. The City of Conyers's vision is to implement the Gateway Village District along Georgia Route 138 starting with the Salem Gate redevelopment. Salem Gate's Interstate 20 and Route 138 location is considered the "front door" to the Route 138 business corridor, which stretches south approximately two miles along 138 from Interstate 20.

TADs incentivize development by reimbursing the developer for infrastructure and other improvements. Future taxes from the increased property value will be used to repay Tri-Land for infrastructure costs. As part of the TAD agreement, Rockdale county will be installing a new traffic signal into the center's entrance off Old Salem Road, which will be widened to accommodate traffic flows in and out of the center.

According to an article in the Rockdale County newspaper, The Citizen, the governing bodies agreed to freeze the ad valorem taxes at the current rates for 20 years while the Salem Gate property undergoes rehabilitation. Tri-Land will receive a \$6.5 million tax allocation during the 20-year life of the TAD.

"The ad valorem taxes collected from the Tax Allocation District No. 2-Salem Gate would remain at the current base amount for all three local governments," according to the article.

With the TAD approved on September 11, 2018, the redevelopment of the 253,000 square foot Salem Gate Shopping Center into Salem Gate Market is moving forward.

"Transforming underperforming retail projects into contemporary multi-use environments requires significant efforts by a team of professionals from both the private sector and the government sector," Dube says.

Once an agreement was reached between the City of Conyers and Tri-Land that the use of TAD financing would be pursued to assist with the Salem Gate redevelopment, a close working relationship with the public sector began. "The City of Conyers has been instrumental in developing a close working relationship between the three government agencies — City of Conyers, Rockdale County, and the Rockdale County School Board — and Tri-Land Properties," Dube says.

While the process has taken almost two years to complete, the result provides the financial structure that will allow Tri-Land to deliver the vision that the City of Conyers established by creating the Gateway Village District zoning ordinance.

The anchor tenants at the property consist of a 55,000-square-foot Hobby Lobby, a 20,000-square-foot Northern Tool and Equipment, and a 12,000-square-foot Party City. The site will also feature a 105-room, six story, 60,000-square foot Holiday Inn Express.

Construction on the first phase, which will include the Holiday Inn Express, Hobby Lobby, Northern Tool and Equipment, Party City, and about 20,000 square feet of smaller stores, will begin in the first quarter of 2019. Two of the three retail tenants, Hobby Lobby and Party City, are relocating older stores from in the City of Conyers to Salem Gate Market.

Three critical factors influenced the retail tenants' decision to locate at a redeveloped Salem Gate Market: uninterrupted high visibility of the retail stores created by 1,500 lineal feet of Interstate 20 frontage; ease of access; and the contemporary environment that will be created by as a result of the City of Conyers Gateway Village District.

Holiday Inn Express will be repositioning a 25-year old hotel. The existing Holiday Inn Express location has Interstate 20 visibility, but Dube says the hotel is difficult to access. Salem Gate will provide Interstate 20 visibility and convenient access. Additionally, as Salem Gate rounds out its tenant mix of retail, service and restaurants, Holiday Inn Express guests will have restaurants within walking distance to the hotel and in a well-appointed pedestrian friendly environment.

Tri-Land's core strategy is to reposition outdated shopping centers located in metropolitan areas. The company has completed more than \$481 million in redevelopment, ranging between 70,000 square feet to 600,000 square feet.

"This redevelopment is going to be a major improvement," Dube says. "It's going to make a huge difference to people."

**-Shopping Center Business Magazine
October Issue, 2018**



ATLANTA, GEORGIA

Atlanta is the capital of and the most populous city in the U.S. state of Georgia, the cultural and economic center of the Atlanta metropolitan area, and the ninth largest metropolitan area in the United States. The Atlanta metro has the fifth-largest population in the U.S. with 5.8 million residents.

Atlanta is an “alpha-” or “world city”, exerting a significant impact upon commerce, finance, research, technology, education, media, art, and entertainment. It ranks 36th among world cities and 8th in the nation with a gross domestic product of \$270 billion. Atlanta’s economy is considered diverse, with dominant sectors including logistics, professional and business services, media operations, and information technology.

Atlanta is home to professional franchises for three major team sports: the Atlanta Braves of Major League Baseball, the Atlanta Hawks of the National Basketball Association, and the Atlanta Falcons of the National Football League. Due to the more than 30 colleges and universities located in the city, Atlanta is considered a center for higher education.





ATLANTA ECONOMY

Encompassing \$304 billion, the Atlanta metropolitan area is the eighth-largest economy in the country and 17th-largest in the world. Corporate operations comprise a large portion of Atlanta's economy, with the city serving as the regional, national, or global headquarters for many corporations. Atlanta contains the country's third largest concentration of Fortune 500 companies, and the city is the global headquarters of corporations such as The Coca-Cola Company, The Home Depot, Delta Air Lines, AT&T Mobility, Chick-fil-A, UPS, and Newell-Rubbermaid. Over 75 percent of Fortune 1000 companies conduct business operations in the Atlanta metropolitan area, and the region hosts offices of about 1,250 multinational corporations.

Atlanta's economy is very diverse, with dominant sectors including logistics, professional and business

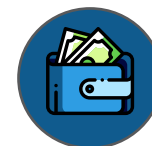
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Hartsfield-Jackson International is the **world's busiest airport**



In 2018, Penske named Atlanta the **#1 Moving Destination** in the U.S.



Atlanta is the **#1 Most Affordable Big City** in the U.S. per WalletHub



TOURISM

Atlanta is one of the most visited cities in America, with over 37 million visitors per year. In 2015 alone, the tourism industry generated \$58.9 billion in business sales. Although the most popular attraction among visitors to Atlanta is the Georgia Aquarium, the world's largest indoor aquarium, Atlanta's tourism industry mostly driven by the city's history museums and outdoor attractions.

Atlanta contains a notable amount of historical museums and sites, including the Martin Luther King, Jr. National Historic Site, which includes the preserved childhood home of Dr. Martin Luther King, Jr., as well as his final resting place. The Atlanta Cyclorama & Civil War Museum, which houses a massive painting and diorama in-the-round, with a rotating central audience platform, depicting the Battle of Atlanta in the Civil War; the World of Coca-Cola, featuring the history of the world famous soft drink brand and its well-known advertising; the College Football Hall of Fame which honors college football and its athletes; the National Center for Civil and Human Rights, which explores the Civil Rights Movement and its connection to contemporary human rights movements throughout

the world; the Carter Center and Presidential Library, housing U.S. President Jimmy Carter's papers and other material relating to the Carter administration and the Carter family's life; and the Margaret Mitchell House and Museum, site of the writing of the best-selling novel *Gone with the Wind*.

Atlanta also contains various outdoor attractions. The Atlanta Botanical Garden, adjacent to Piedmont Park, is home to the 600-foot-long Kendeda Canopy Walk, a skywalk that allows visitors to tour one of the city's last remaining urban forests from 40-foot-high. The Canopy Walk is considered the only canopy-level pathway of its kind in the United States. Zoo Atlanta, located in Grant Park, accommodates over 1,300 animals representing more than 220 species. Home to the nation's largest collections of gorillas and orangutans, the Zoo is also one of only four zoos in the U.S. to house giant pandas. Festivals showcasing arts and crafts, film, and music, including the Atlanta Dogwood Festival, the Atlanta Film Festival, and Music Midtown, respectively, are also popular with tourists.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **CVS | 3481 Highway 20 SE, Conyers, GA 30013 (“Property”)**. It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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