



• ABSOLUTE NNN INVESTMENT • 13+ YEARS REMAINING • \$176K AVERAGE HOUSEHOLD INCOME •



In Association with Jennifer Stein of JDS Real Estate Services, Inc. | A Licensed Texas Broker #9004326

OFFERING MEMORANDUM
FORT WORTH (KELLER), TEXAS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

FORT WORTH (KELLER), TEXAS

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OFFERING SUMMARY

PEP BOYS



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LOCATION

Pep Boys

8665 N. Beach Street

Fort Worth (Keller), TX 76244

OFFERING SUMMARY

Price:	\$2,444,000
Current Net Operating Income (NOI):	\$138,043
Capitalization Rate:	5.65%
Price per Square Foot:	\$599
Net Rentable Area:	4,082
Year Built:	2008
Lot Size (Acres):	0.60

FINANCING SUMMARY

All Cash or Cash to New Financing

(Contact Hanley Investment Group for Further Details)





- **Single-Tenant NNN Pep Boys:**

- Lease guaranteed by JBRE, LLC, a wholly owned subsidiary of Pep Boys, Inc. (owned by Icahn Enterprises; \$2B in revenue)
- Absolute NNN lease, zero landlord responsibility
- 13+ years of firm term remaining
- Rare 2% annual rent increases after year 5 and including options
- Four 5-year options to renew

- **Dense Infill Location:** The 5-mile trade area has a population in excess of 271,300 people

- **Highly Affluent Demographics:** Average household income of more than \$176,260 within the city





- **Rapid Growing Metro Area:** Keller's population increased 57% from 2000-2015 and the 3-mile population is projected to grow over 20% by 2021
- **Part of the Alliance Texas Development:** 18,000-acre master-planned mixed-use community; in total, the development encompasses over 43 million square feet and is home to more than 470 companies and 47,500 employees
- **Close Proximity to Dallas/Fort Worth International Airport (DFW):** Located 9 miles east of Keller, DFW is the 2nd largest airport in the United States and 3rd busiest in the world
- **Dallas-Fort Worth MSA Location with a Combined Population of Nearly 7.1 Million People**
- **Retail Synergy:** Nearby credit tenants include Walmart Supercenter, Bank of America, Chase Bank, Wells Fargo, CVS/pharmacy, Walgreens, Taco Bell, Dairy Queen, Sonic Drive-In, UPS Store, AutoZone, GameStop, Cricket Wireless, and Little Caesars



SURROUNDING AREA TENANT - NOT A PART

LEASE SUMMARY (1)

Tenant:	JBRE, LLC	Rental Increases:	2% Annually After Year 5
Lease Commencement:	Upon Close of Escrow	Renewal Options:	Four 5-Year
Lease Expiration:	December 31, 2032	Property Taxes:	Tenant Responsibility
Lease Type:	NNN	Insurance:	Tenant Responsibility
Net Operating Income:	\$138,043	Common Area Maintenance:	Tenant Responsibility
Net Rentable Area:	4,082	Repairs and Maintenance:	Tenant Responsibility
Annual Rent Per Square Foot:	\$33.82	Roof and Structure:	Tenant Responsibility

NOTES

- (1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.
- (2) JBRE, LLC is a wholly owned subsidiary of Pep Boys.



SURROUNDING AREA TENANTS | NOT A PART

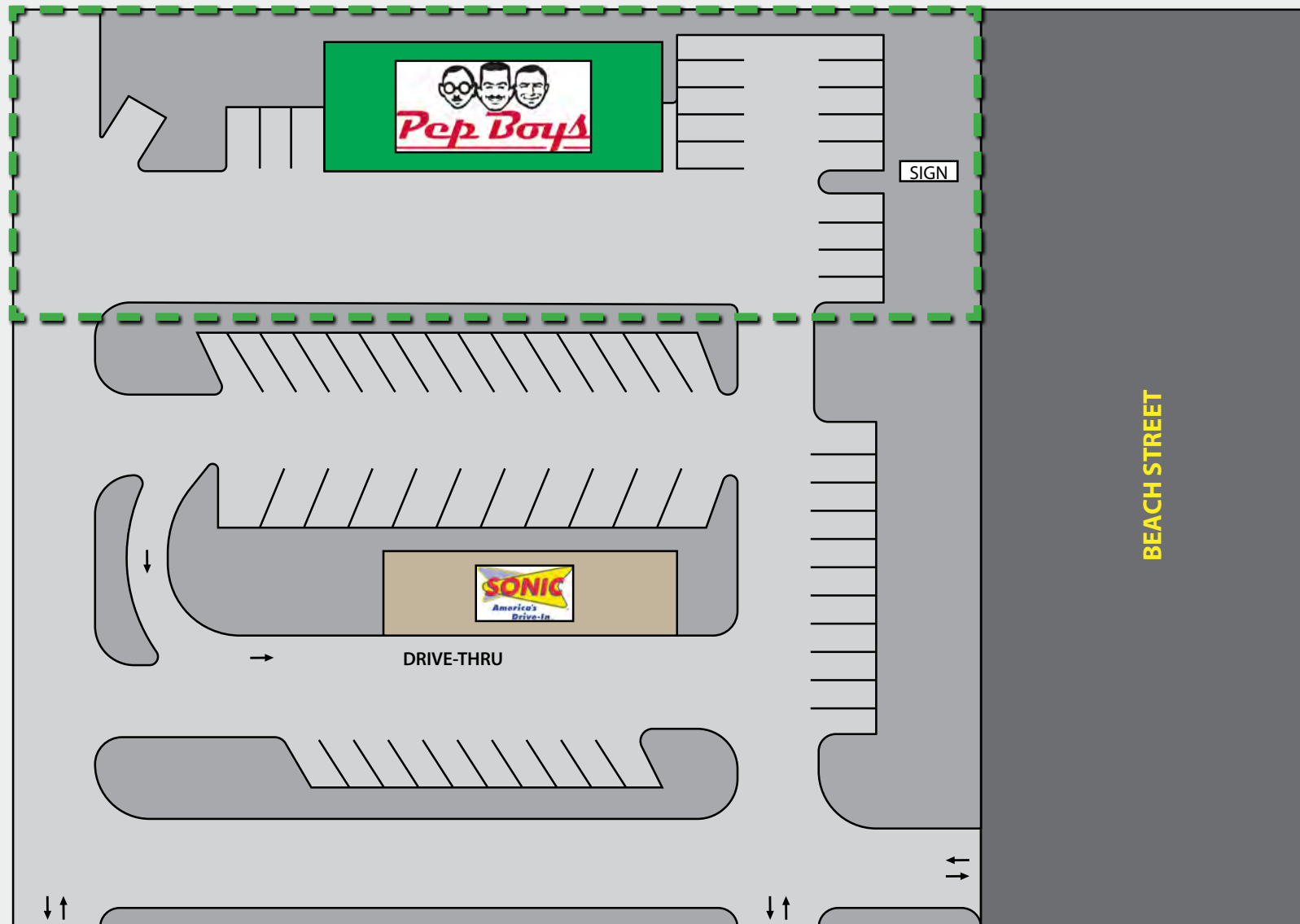


SITE PLAN / PARCEL MAP

PEP BOYS



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 **SUBJECT PROPERTY**

 **NOT A PART**

 **PROPERTY PARCEL**

APN: 1869M-A-6R101



PEP BOYS



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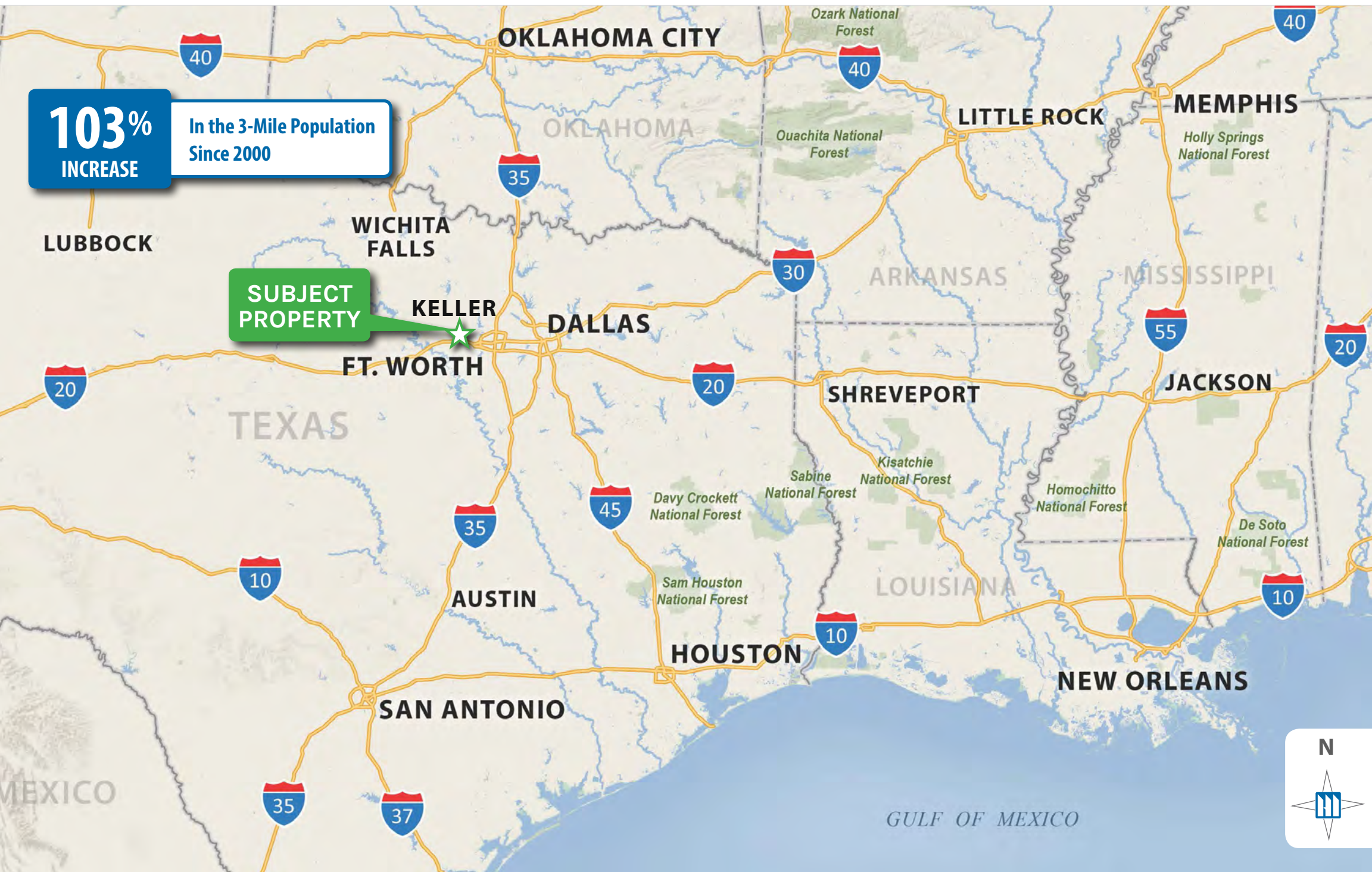


REGIONAL MAP

PEP BOYS



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TENANT PROFILE

PEP BOYS



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largest automotive parts retail chains.

Pep Boys Auto, founded in 1921, operates in the automotive aftermarket industry, providing services, tires, parts, and accessories throughout the United States and Puerto Rico. With over 7,500 service bays in more than 900 locations in 35 states and Puerto Rico, Pep Boys is one of the longest-running and world's

JUST BRAKES ACQUISITION

In January of 2017, Pep Boys announced the purchase of the privately held Just Brakes company, an automotive repair and maintenance chain. Just Brakes, has been in business for 36 years, has 134 locations, and operates in 8 states and 14 major metropolitan markets. Following the closing of the transaction, all Just Brakes locations will assume the Pep Boys banner, pushing the company's total store count to more than 900 locations across the country.

ICAHN ENTERPRISES ACQUISITION

In December of 2015, Pep Boys agreed to be acquired by Carl Icahn's Icahn Enterprises L.P. for more than \$1 billion after the Japanese Bridgestone Corporation backed down from a bidding war with the billionaire investor. Pep Boys benefits from being housed within Icahn's Automotive segment, allowing it to leverage synergies with other Icahn-held companies including Federal-Mogul, a major global supplier of technology and innovation in vehicle and industrial products, and Auto Plus, a smaller automotive aftermarket company with more than 270 locations around the country.

PRE-ACQUISITION PERFORMANCE

Prior to the Icahn acquisition, Pep Boys was its own publicly-traded company with shares listed on the New York Stock Exchange trading under the ticker symbol, PBY. The company's performance at that time can be characterized by a combination of growth and falling debt levels. Since the mid-2000s, Pep Boys has grown its store base from approximately 550 locations to more than 800 prior to the Icahn acquisition – since the December 2015 purchase, Pep Boys has added roughly 150 locations, pushing the total store count north of 900. During that same time period, Pep Boys cut its debt-to-equity ratio and total long-term debt levels by more than half. Additionally, since 2009, Pep Boys has increased its revenues by nearly \$500 million, currently generating upwards of \$2 billion in annual revenues.

Company Type: Public (NSDQ: IEP; S&P: BB+)
Locations: 900+ Stores (7,500 Service Bays)
Website: www.pepboys.com

REPRESENTATIVE PHOTOS



Keller, Texas

- Part of a 12-county "Metroplex" in North Central Texas, which includes the cities of Dallas and Fort Worth, with an estimated population exceeding 7.1 million
- Located in the heart of the Dallas/Fort Worth Metroplex with easy access to major business and activity centers
 - 10 major hospitals lie within a 30-mile radius of the city, including Baylor Emergency Medical, Cook Children's Health Care, and Texas Health Resources
 - Keller is midway between 2 of the largest airport facilities in North Texas, Dallas/Fort Worth International Airport, and Fort Worth Alliance Airport
 - ◆ *Dallas/Fort Worth International Airport (9 miles east of the city):*
 - 2nd largest airport in the U.S. with access to more than 200 destinations worldwide
 - 3rd busiest airport in the world
- Located next to the Alliance Global Logistics Hub, one of the world's premier inland ports

QUALITY OF LIFE

- Gained national attention by combining big-city conveniences and amenities with small-town charm and a heavy emphasis on quality of life
 - #3 "Best Place to Live in Tarrant County" - Niche (2019)
 - #7 "Best Place to Raise a Family in Texas" - SmartAsset (2018)
 - The wide variety of housing options, excellent school system, accredited police department, and award-winning city facilities and programs make it a top destination for new businesses
- 20 major universities are located within a 60-mile radius of Keller, including Texas Christian University, The University of North Texas, The University of Texas at Arlington, The University of Texas at Dallas, and Southern Methodist University
 - 81.4% of residents have some college education/degree or higher



COOKS CHILDREN HEALTH CARE



DALLAS/FORT WORTH INTERNATIONAL AIRPORT



UNIVERSITY OF NORTH TEXAS

HOUSING GROWTH

- Considered one of the most desirable communities in the country
 - \$176,270 average household income in 2018
 - 65% of households have over \$100,000 household income
 - 90.43% of the workforce employed in white-collar jobs, well above the national average
- 48.5% population growth since 2000 leading to an increase in both residential and business development
 - 65% of homes in Keller have been built since 2000
 - 72 new businesses opened in 2018 including 14 restaurants, 26 retailers, 31 offices, and a church
 - The city's population has more than tripled since 1990
- Keller home prices are not only among the most expensive in Texas, but Keller real estate also consistently ranks among the most expensive in America
 - Steady growth in property values over the last 4 years; 2.7% increase in home values over the last year and 3.2% increase projected over the next year
 - \$465,000 median home price; higher than the Dallas metropolitan area of \$339,100

DEVELOPMENTS

- 85% of the city is developed and continues to grow primarily as a residential community; most residents are employed within a 15-mile radius of the city
- **Everest Rehabilitation Hospital** - \$23 million, 40,000 square foot hospital project with 36 patient bedrooms; 2020 completion
- **Hampton Inn & Suites** - 110-room, 90,000 square foot, 3-story hotel, the first in the city, that is expected to be completed later this year
- **The Lakes at Marshall Ridge** - 440-acre, 900-unit master-planned community; recently completed



TEXAS CHRISTIAN UNIVERSITY



SOUTHERN METHODIST UNIVERSITY



KELLER SPORTS COMPLEX



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2023 Projection	28,076	155,460	318,514
2018 Estimate	22,046	129,308	271,291
2010 Census	18,160	107,432	225,791
2000 Census	4,449	52,811	122,728
Growth 2000-2010	308.18%	103.43%	83.98%
Growth 2010-2018	21.40%	20.36%	20.15%
Growth 2018-2023	27.35%	20.22%	17.41%
Households			
2023 Projection	8,921	52,313	111,320
2018 Estimate	6,937	43,160	93,881
2010 Census	5,711	35,927	78,259
2000 Census	1,293	17,651	42,086
Growth 2000-2010	341.69%	103.54%	85.95%
Growth 2010-2018	21.47%	20.13%	19.96%
Growth 2018-2023	28.60%	21.21%	18.58%
2018 Est. Population by Single-Classification Race			
White Alone	15,580	90,425	198,097
Black or African American Alone	1,911	12,879	23,846
American Indian and Alaska Native Alone	84	724	1,546
Asian Alone	2,456	11,638	19,587
Native Hawaiian and Other Pacific Islander Alone	49	259	434
Some Other Race Alone	1,012	7,668	16,793
Two or More Races	786	4,748	9,122
2018 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	4,187	27,252	57,459
Not Hispanic or Latino	17,859	102,056	213,832
2018 Est. Average Household Income	\$114,500	\$106,542	\$104,793



FORT WORTH (KELLER), TEXAS

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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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