

CIRCLE K

INDIANAPOLIS, INDIANA

Marcus & Millichap



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# TABLE OF CONTENTS

01

EXECUTIVE SUMMARY // 06

02

PROPERTY DESCRIPTION // 13

03

FINANCIAL ANALYSIS // 21

04

MARKET OVERVIEW // 27

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An aerial photograph of a Circle K gas station and convenience store. The station features a large red and white canopy over the fuel pumps. A white car is parked under the canopy, and a dark SUV is at a pump. The store building has a red sign with the Circle K logo. In the background, there is a large, multi-story beige building with many windows, a parking lot with several cars, and a hill with trees in the distance.

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section 1

# Executive Summary



offering summary

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summary of terms

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investment overview

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investment highlights

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# OFFERING SUMMARY

CIRCLE K | 2080 Shadeland Avenue, Indianapolis, IN 46219

<div><div>\$</div><div>\$2,827,000</div></div>	
Building Square Feet	4,127 SF
Cap Rate	6.75%
Year Built	2004
Lot Size	.73 Acres

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Representative Photo









## INVESTMENT HIGHLIGHTS

- **10% Rent Increase in 2019**
- **Daily Traffic Counts over 40,000**
- **Population Within 5-Mile Radius Exceeds 220,000**
- **Approximately 6 Years Left on Absolute NNN Lease**

# CIRCLE K

## 2080 Shadeland Avenue, Indianapolis, IN 46219

Circle K is located at 2080 North Shadeland Avenue in Indianapolis, Indiana, at the Intersection of East 21st Street. Shadeland Avenue is one of the busiest traffic arteries running through Indianapolis, and the property is just off of Interstate 70 near the intersection of Interstate 465. The subject property is an approximate 4,127-square foot, single-tenant building built in 2004 on an estimated 0.73 acres of land. There are approximately 227,000 people living within a five-mile radius of the property.

Located at a signalized intersection, Circle K is visible to approximately 40,000 vehicles per day. This ideal location has neighboring national tenants that include Arby's, Burger King, Starbucks, McDonalds, Red Lobster, among many others.

Circle K has approximately 6.5 years left on an absolute triple-net (NNN) lease with no landlord responsibilities and is corporate backed by Mac's Convenience Stores LLC, A Delaware limited liability company. There are four, 5-year renewal options remaining with ideal 10 percent increases in each option.

Circle K is a part of Alimentation Couche-Tard of Canada. The Company's operations currently include a network of 5,883 stores, 4,142 of which offer petroleum products, in 43 American States, the District of Columbia and ten Canadian provinces. Other operations include Europe, Mexico, Japan, China and Indonesia. Couch-Tard stores serve more than 25 million visitors per week and employ 53,000 staff members.

The Subject property is guaranteed by Mac's Convenience Stores, LLC. The first Mac's store was opened in Richmond Hill, Ontario in 1961. Expansion throughout Canada brought Mac's number of stores to 825 locations in 1986. Further expansion and restructuring, and eventually being acquired by Alimentation Couche-Tard, has made them the largest national convenience store network in Canada. After launching into the US market between 2001-2004, Couche-Tard has been counted as the second largest convenience store chain in North America since 2007.





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section 2

# Property Description



the property

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local and regional maps

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site plan

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amenities

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Burger King



Shadeland Ave

VPD  
33,000



Vehicles per Day: 67,000

## PROPERTY DESCRIPTION // Circle K

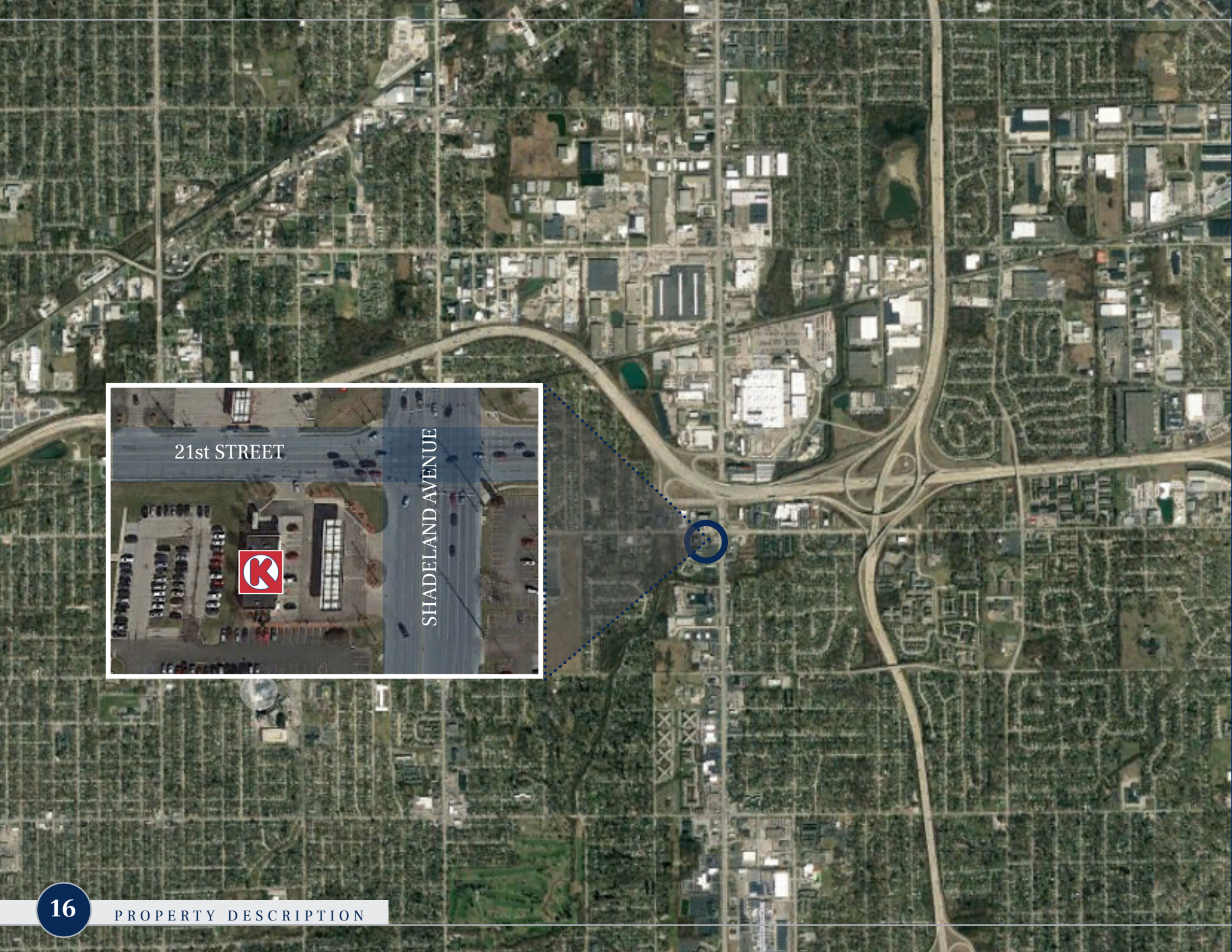
### PROPERTY DESCRIPTION

Year Built	2004
Gross Leasable Area	4,127 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	.73 Acres

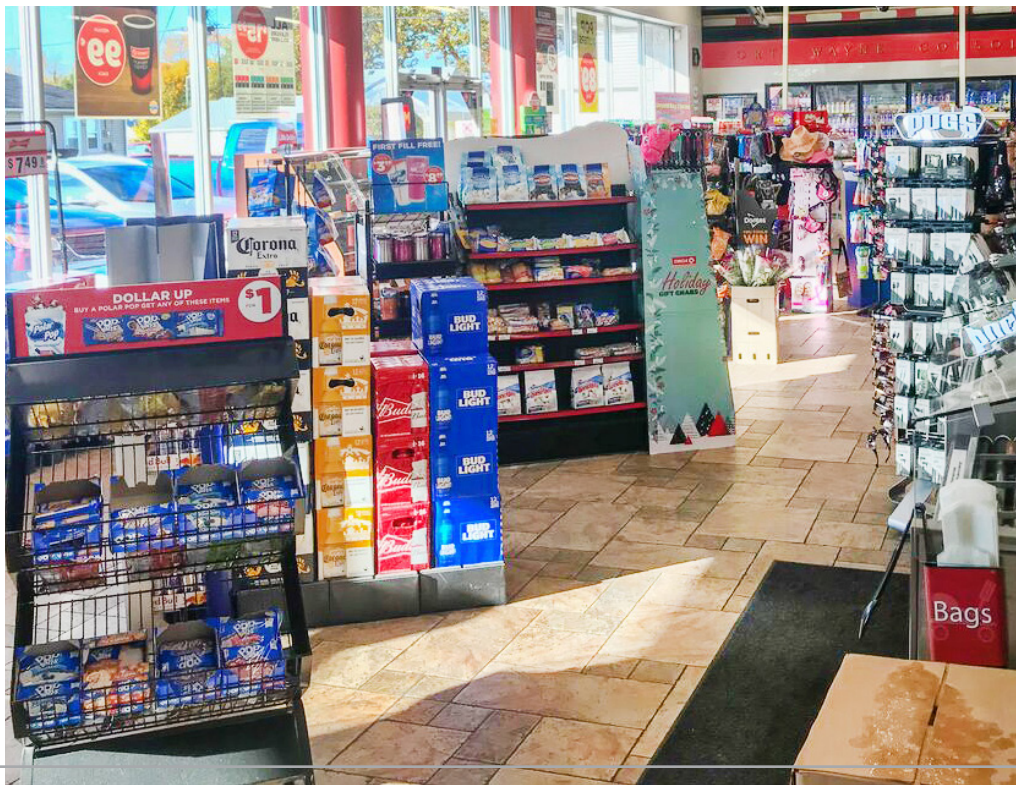
### LEASE SUMMARY

Property Subtype	Net Leased Auto Service - Gas/Conv
Tenant	Mac's Convenience Stores
Rent Increases	10% Every Five Years
Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Commencement	12/1/2004
Lease Expiration	11/30/2024
Lease Term	20
Term Remaining on Lease (Years)	6.4
Renewal Options	Three, 5 - Year Options
Landlord Responsibility	None
Tenant Responsibility	Roof, Structure, Utilities, Taxes, Insurance
Right of First Refusal / Offer	Yes









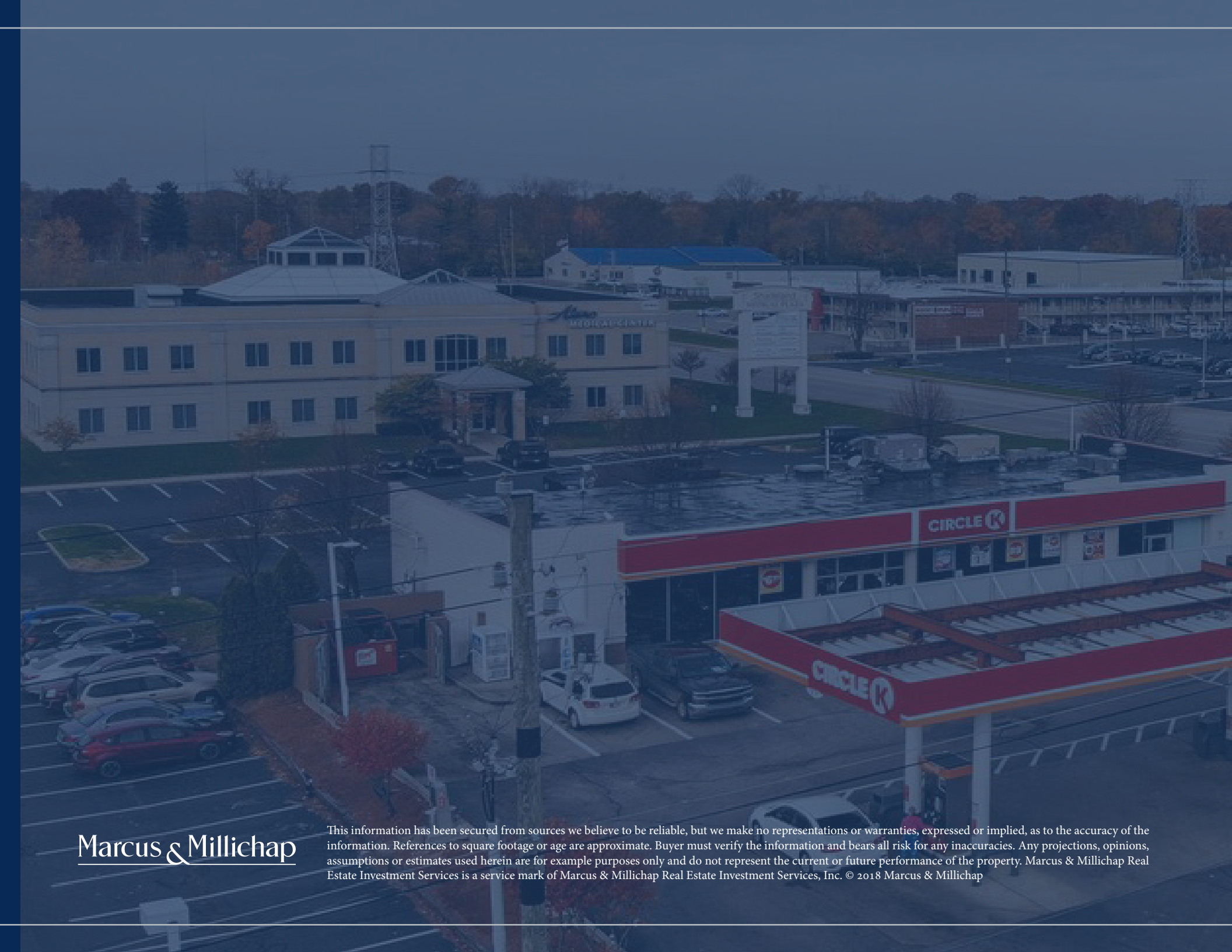












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## section 3

# Financial Analysis



property details

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pricing details

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rent roll summary

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operating statement

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cash flow

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## PRICING DETAILS // Circle K

### ANNUALIZED OPERATING INFORMATION

Net Operating Income	\$190,856
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### RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT / SF	CAP RATE
Current	\$190,856	\$15,905	\$46.25	6.75%
12/1/2019 - 11/30/2024	\$209,941	\$17,495	\$50.87	7.42%
OPTION 1	\$230,935	\$19,245	\$55.96	8.17%
OPTION 2	\$254,029	\$21,169	\$61.55	8.89%
OPTION 3	\$279,432	\$23,286	\$67.71	9.88%
OPTION 4	\$307,375	\$25,615	\$74.48	10.87%







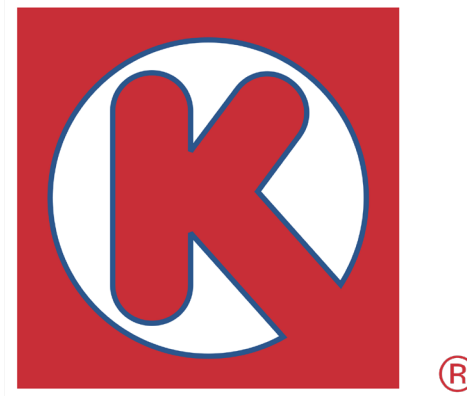
## Tenant Overview // Circle K

### About Circle K

Circle K's success in the convenience retailing industry spans more than 60 years. Roots trace back to 1951 when Fred Hervey purchased three Kay's Food Stores in El Paso, Texas. Little did anyone know that these stores would serve as the beginning of Circle K - one of the nation's leading convenience store chains. During the early years, Hervey's enterprising spirit enabled the company to make its mark in the southwestern part of the United States. He grew the Circle K chain into neighboring New Mexico and Arizona, which has been the company's home base since 1957.

During the next few decades, Circle K grew its retail network through a series of acquisitions, which were incorporated into the Circle K brand. By 1975, there were 1,000 Circle K stores across the US. In 1979, Circle K entered the international market when a licensing agreement established the first Circle K stores in Japan. The company's growth continued and by 1984 sales had reached \$1 billion.

In 1999, a franchise program was introduced to support operators looking to build a business with a leading convenience store brand. Now there are more than 7,000 Circle K sites operating in the US and thirteen other countries. Circle K has become one of the most widely recognized convenience store brands, known worldwide for quality products and great customer service.





## Tenant Overview // Circle K

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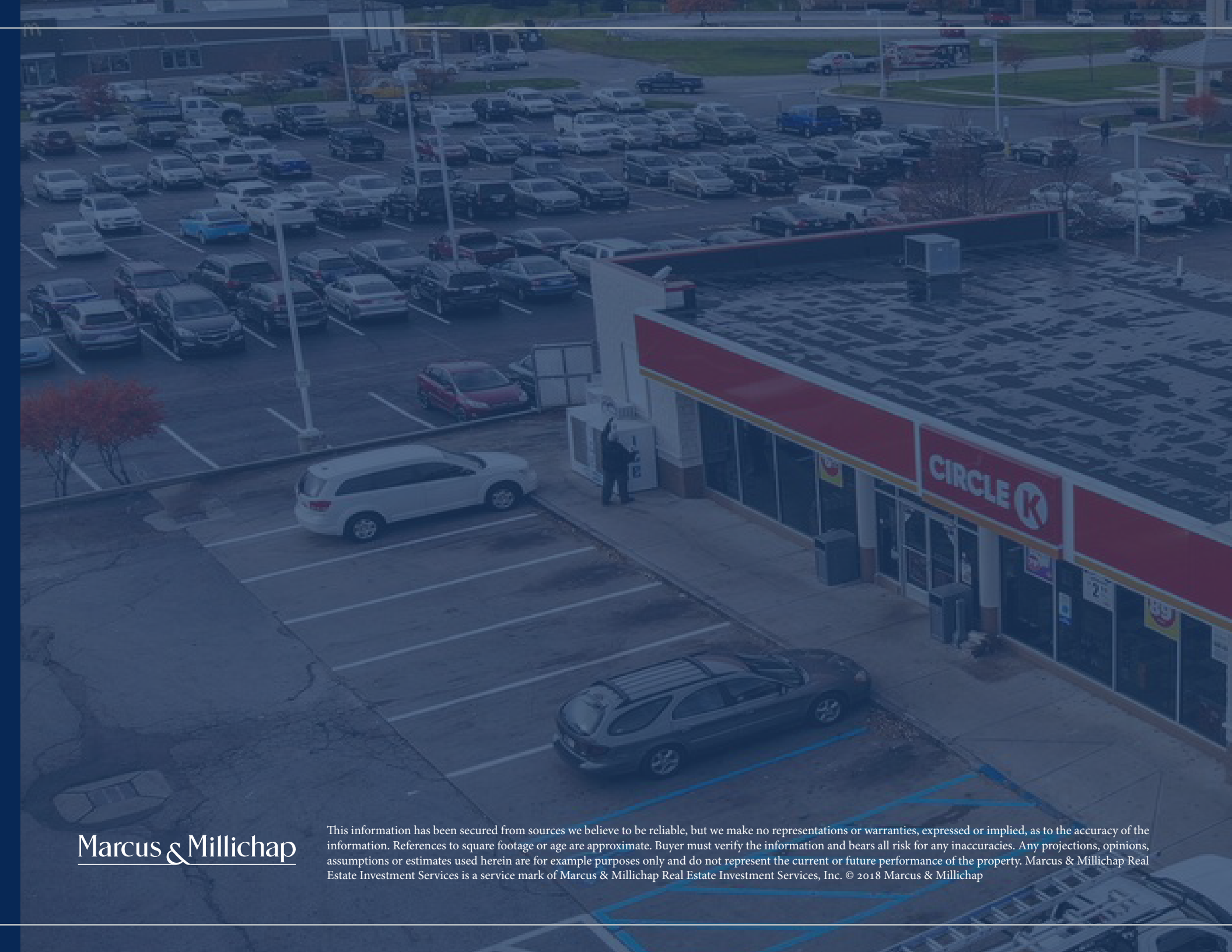
### About Mac's

Mac's Convenience Stores is a subsidiary of Alimentation Couche-Tard Inc. (TSE : ATD.A and ATD.B). Mac's Convenience Stores has been owned and operated by Alimentation Couche-Tard since 1999.

Couche-Tard is the largest convenience store operator in Canada with a network of over 5,800 stores, more than 4,100 of which offer motor fuel. These stores are located across 10 Canadian provinces in three geographic markets (East, Central and West), operating under the Couche-Tard and Mac's trademarks. In the United States, stores operate under the Circle K trademark across 43 American states and in the District of Columbia in eight major markets (Great Lakes, Midwest, Southeast, Florida, Gulf, Arizona, West Coast, Southwest). Globally, a network of about 3,700 licensees extends to seven other regions worldwide (China, Guam, Hong Kong, Indonesia, Japan, Macau, Mexico). Couche-Tard has also expanded its interests to Europe through acquisition of Statoil Fuel & Retail. The highly developed and promising markets are currently in Norway, Sweden, Denmark, Latvia, Estonia, Lithuania, Poland and a few shops in Russia. These eight European countries will provide a great opportunity for future growth.







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section 4

# Market Overview



location overview



market research



demographics

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# INDIANAPOLIS INDIANA

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POPULATION  
2,000,000



# City of INDIANAPOLIS

The Indianapolis metro houses the state capitol and is a growing tech hub. Situated in central Indiana, the market consists of 11 counties: Marion, Johnson, Hamilton, Boone, Hendricks, Morgan, Hancock, Shelby, Brown, Putnam and Madison. The metro lacks formidable development barriers, except for the several rivers and creeks that traverse the region. Marion County is home to Indianapolis, which contains a population of approximately 859,200 people. Carmel in Hamilton County is the second most populous with more than 91,000 residents. A large portion of the surrounding counties are rural, offering builders ample land for residential and commercial development. Population growth is primarily concentrated to the northern suburbs and west of the city.

\* Forecast

## INDIANAPOLIS // Highlights

- Premier Distribution Hub
- Major Health Sciences Center
- Low Cost of Doing Business



## INDIANAPOLIS // Economy

- Indianapolis' economy has diversified from manufacturing into a variety of other industries, including a growing tech sector underpinned by Salesforce.com.
- The metro is one of the key health-sciences centers in the nation, anchored by several pharmaceutical and life-sciences companies including Ely Lilly and Roche Diagnostics.
- The metro is accessible to a large portion of the nation in one day by ground or air, making the region a burgeoning logistics and distribution hub.
- Annual GMP growth rate tops the national level, a trend that is set to persist next year.

\* Forecast



# INDIANAPOLIS // Demographics

## Population



In 2017, the population in Indianapolis is 86,846. The population has changed by -3.24% since 2000. It is estimated that the population in Indianapolis will be 85,204.00 five years from now, which represents a change of -1.89% from the current year. The current population is 47.23% male and 52.77% female. The median age of the population in Indianapolis is 37.23, compare this to the US average which is 37.83. The population density in Indianapolis is 3,067.12 people per square mile.

## Households



There are currently 35,387 households in Indianapolis. The number of households has changed by -5.01% since 2000. It is estimated that the number of households in Indianapolis will be 35,218 five years from now, which represents a change of -0.48% from the current year. The average household size in Indianapolis is 2.42 persons.

## Income



In 2017, the median household income for Indianapolis is \$36,447, compare this to the US average which is currently \$56,286. The median household income for Indianapolis has changed by 2.24% since 2000. It is estimated that the median household income in Indianapolis will be \$40,728 five years from now, which represents a change of 11.75% from the current year.

The current year per capita income in your area is \$19,577, compare this to the US average, which is \$30,982. The current year average household income in Indianapolis is \$47,771, compare this to the US average which is \$81,217.

## Race & Ethnicity



The current year racial makeup of Indianapolis is as follows: 49.51% White, 40.90% Black, 0.03% Native American and 0.89% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 8.13% of the current year population in Indianapolis. Compare this to the US average of 17.88%.

## Housing



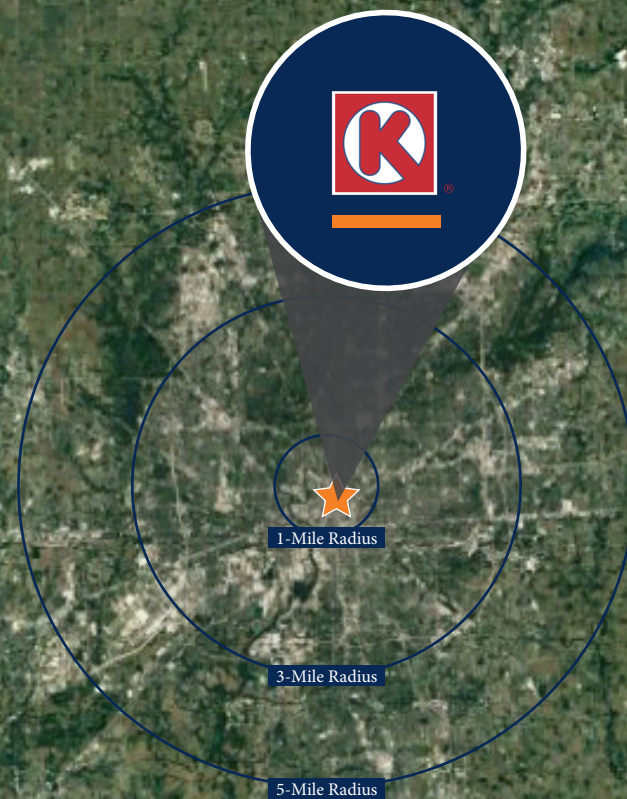
The median housing value in Indianapolis was \$87,673 in 2017, compare this to the US average of \$193,953. In 2000, there were 23,307 owner occupied housing units in Indianapolis and there were 13,946 renter occupied housing units in Indianapolis. The median rent at the time was \$450.

## Employment



In 2017, there are 40,313 employees in Indianapolis, this is also known as the daytime population. The 2000 Census revealed that 54.93% of employees are employed in white-collar occupations in Indianapolis, and 44.94% are employed in blue-collar occupations. In 2017, unemployment in Indianapolis is 6.50%. In 2000, the average time traveled to work was 24.00 minutes.

## DEMOGRAPHICS // Circle K





POPULATION	1 Mile	3 Miles	5 Miles
2022 Projection			
Total Population	7,665	85,204	227,445
2017 Estimate			
Total Population	7,729	86,846	227,401
2010 Census			
Total Population	7,350	83,326	218,303
2000 Census			
Total Population	8,254	89,751	224,729
Current Daytime Population			
2017 Estimate	12,262	89,676	198,594
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2022 Projection			
Total Households	3,437	35,218	91,027
2017 Estimate			
Total Households	3,432	35,387	89,675
Average (Mean) Household Size	2.21	2.42	2.50
2010 Census			
Total Households	3,281	34,192	86,707
2000 Census			
Total Households	3,722	37,253	89,908
Occupied Units			
2022 Projection	3,437	35,218	91,027
2017 Estimate	4,074	40,061	103,923
HOUSING BY INCOME	1 Mile	3 Miles	5 Miles
20217 Estimate			
\$150,000 or More	1.21%	2.26%	2.65%
\$100,000 - \$149,000	5.40%	5.90%	6.21%
\$75,000 - \$99,999	5.06%	8.33%	8.21%
\$50,000 - \$74,999	15.13%	18.03%	17.82%
\$35,000 - \$49,999	20.55%	17.34%	16.43%
Under \$35,000	52.66%	48.15%	48.66%
Average Household Income	\$42,286	\$47,771	\$48,482
Median Household Income	\$32,856	\$36,447	\$36,082
Per Capita Income	\$19,215	\$19,577	\$19,216

HOUSEHOLDS BY EXPENDITURE	1 Mile	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$44,736	\$49,812	\$50,170
Consumer Expenditure Top 10 Categories			
Housing	\$12,099	\$13,418	\$13,415
Transportation	\$7,879	\$9,041	\$9,079
Shelter	\$6,942	\$7,702	\$7,717
Food	\$4,956	\$5,538	\$5,529
Health Care	\$3,620	\$3,682	\$3,586
Personal Insurance and Pensions	\$3,090	\$4,031	\$4,076
Utilities	\$2,781	\$3,039	\$3,027
Entertainment	\$1,949	\$2,195	\$2,173
Household Furnishings and Equipment	\$1,173	\$1,338	\$1,337
Apparel	\$1,073	\$1,227	\$1,244
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2017 Estimate Total Population	7,729	86,846	227,401
Under 20	23.86%	27.03%	29.09%
20 to 34 Years	19.38%	20.06%	20.97%
35 to 39 Years	5.18%	6.47%	6.50%
40 to 49 Years	12.10%	12.64%	12.44%
50 to 64 Years	19.71%	20.48%	19.07%
Age 65+	19.77%	13.35%	11.93%
Median Age	41.44	37.23	34.95
Population 25+ by Education Level			
2017 Estimate Population Age 25+	5,389	57,912	146,363
Elementary (0-8)	4.47%	3.64%	4.25%
Some High School (9-11)	17.96%	13.64%	14.54%
High School Graduate (12)	38.02%	36.85%	35.02%
Some College (13-15)	19.56%	20.73%	21.12%
Associate Degree Only	6.75%	7.25%	7.19%
Bachelors Degree Only	7.76%	11.97%	11.72%
Graduate Degree	4.90%	4.91%	4.81%

Source: © 2017 Experian

The background of the slide is a composite of two aerial photographs. The left side shows a large, multi-story medical center with a central entrance and a parking lot filled with cars. The right side shows a gas station with several pumps and a building in the background. The text is overlaid on a dark blue semi-transparent rectangle in the center.

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