



# OFFERING MEMORANDUM

3201 E CHANDLER BLVD | PHOENIX, AZ



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## INVESTMENT OPPORTUNITY

LevRose Commercial Real Estate is pleased to present the opportunity to acquire Circle K, a single tenant net leased property located at 3201 E. Chandler Boulevard, Phoenix, AZ. This asset is a premier site on Chandler Boulevard in the affluent Phoenix suburb of Ahwatukee. This location is surrounded by dense demographics with over 14,000 people in a one-mile radius (Average household income exceeds \$121,000).

The property is listed at \$3,600,000 which yields a 5.01% cap rate. Circle K's rent increases December 31, 2019 to \$189,437 (5.26% cap rate). The tenant is nine (9) years into a seventeen (17) year lease with seven (7) options to renew. The tenant occupies a +/-3,267 square foot C-2 zoned property that spans roughly 43,649 square feet of land on a hard corner signalized intersection. Circle K's nature of business allows for accelerated depreciation on improvements.

Circle K is in close proximity to the Loop 202 extension. This freeway project will connect South Mountain to the Southwest Valley, which is currently a hotbed for industrial development. Ahwatukee is one of fifteen villages in the City of Phoenix and is referred to as the 'world's largest cul-de-sac'. Ahwatukee Foothills Village provides residents with a leisurely lifestyle that features three golf courses, South Mountain Park (largest municipal park in the United States), pristine hiking opportunities and more.

The combination of a national credit tenant, affluent demographics and hard corner real estate makes Circle K a prime investment opportunity.



## INVESTMENT HIGHLIGHTS

- Reputable International Tenant
- Investment Grade Corporate Guarantee
- Intrinsic Value With Hard Corner Real Estate
- Located At Signalized Intersection
- Fully Passive NNN Lease with 5% increases every 5 years
- Affluent Household Incomes for 1, 3 and 5 mile radius
- IMMEDIATE NOI INCREASE ON 12/31/2019





## PRICING SUMMARY

ADDRESS:	3201 E Chandler Blvd
PROPERTY TYPE:	Retail Convenience Store & Gas Station
PRICE:	\$3,600,000
CAP RATE:	5.01%
LOT SIZE:	±43,649 SF
BUILDING SIZE:	±3,269 SF
YEAR BUILT:	1988
ZONING:	C-2, Phoenix

## LEASE SUMMARY

TENANT'S NAME	Circle K
COMPANY TYPE	Public, Corporate
LEASE GUARANTOR	Alimentation Couche-Tard, Inc
LEASE GUARANTY	Corporate Guarantee
LEASE TYPE	Triple Net (NNN)
LEASE COMMENCEMENT	December 31, 2009
LEASE EXPIRATION	December 30, 2026
INITIAL LEASE TERM	Seventeen (17) years
LEASE TERM REMAINING	Seven (7) years, Six (6) months
RENT INCREASES	Five (5%) percent every Five (5) years
OPTIONS TO RENEW	Five (5), Five (5) year and Two (2), Ten (10) year

## RETURN SCHEDULE

YEAR	RENT SCHEDULE	CAP RATE RETURN
1-5	\$171,825	N/A
6-10	\$180,416.25	5.01%
11-15	\$189,437.06	5.26%
16-17*	\$198,908.92	5.52%
*Options 1-5 5% Increases at each optoin Option 6 - 7 Renews at Fair Market Value		

# PROPERTY OVERVIEW

## TENANT OVERVIEW

### CIRCLE K

NASDAQ Stock Symbol: ANCUF

Standard & Poor's Credit Rating: BBB

Fortune 500 Ranking: 306 (CST Brands)



Circle K Stores, Inc. ("Circle K") is a convenience store and gasoline service station operator based in Phoenix, AZ. For 68 years, customers have come to recognize the convenience and quality associated with the Circle K brand. What began in 1951 with the purchase of three Kay's Food Stores in El Paso, Texas, has become one of the nation's largest chains of company-operated convenience stores. Circle K has more than 15,000+ convenience stores and gasoline service stations located across the USA and internationally. Circle K is known for fast, friendly service all over the world.

The stores are located in high-traffic areas which include independent stores and those located within shopping centers. The design of the stores is based on attracting clients in their local markets rather than conforming to a single model. The simple and ongoing renovations carried out in the Circle K stores make them easy to identify. Most of the stores are open 24 hours a day, seven days a week, with high-traffic customer flow early in the morning and late in the afternoon. The average store size is between 2,000 and 4,000 square feet which provides plenty of additional room where customers may sit down, and in some cases, quick serve restaurants are implemented.

The typical neighborhood Circle K store features their award-winning brand of the Freshest Coffee Going,<sup>®</sup> Polar Pop<sup>®</sup> fountain drinks, Froster (registered), a brand of slush drink, beer, snacks, candy, ATMs, Talk And Go<sup>®</sup> Mobile prepaid wireless phones, Gift Cards, money orders, and general merchandise.

# AERIAL OVERVIEW



E. CHANDLER BLVD - 35,650 VPD



PHOENIX PREMIUM OUTLETS  
A SIMON CENTER



## AERIAL OVERVIEW



# PHOENIX OVERVIEW

Phoenix is at the center of the bustling metro area offering great amenities, efficient access from all parts of the Valley, and outstanding real estate options. Phoenix is a young, progressive city where opportunity belongs to those who embrace it. A beautiful and friendly place, we cherish the warmth and welcome the opportunity to evolve. Our vibrant downtown is certainly Phoenix's center, but our strength is the variety offered in our city's 15 urban villages, all with unique identities and attributes. Phoenix is a great location to work and a fabulous place to live, no matter what you do or who you are. In the new economy, people and companies are coming to Phoenix.

The Property is in the heart of the Metrocenter submarket, which is in the midst of a complete revitalization as a result of the City of Phoenix's approval of the Metrocenter Planned Unit Development (PUD). This PUD initiative will support the evolution of Metrocenter Mall from a large regional shopping destination to a central core vision with increased density through multi-family housing, employment, retail, entertainment, and enhanced transit opportunities. The City of Phoenix is fostering the growth of a "village downtown" by creating flexible development standards that will promote new development and redevelopments with walkable amenities and light rail transit options, along with encouraging greater density.

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## #1

In Entrepreneurial Activity with a top market for skilled and available workforce.

## #6

Most populous city in the US with a strong, modern economy based on commerce, tourism, technology, and sustainability.

## 459,763

Population within 5 miles of the property.

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## CORPORATE WHO'S WHO

American Express, Best Western, Blue Cross/Blue Shield, Bull, CenturyLink, Cox Communications, Discover Card, Farmers Insurance, General West, Hartford Insurance, Honeywell, Lucent Technologies, Mass Mutual, PetSmart, Pinnacle West Capital Corporation, Safeway, Traveler's Insurance, Tri West Healthcare, United Healthcare, Waste Management, and Wells Fargo.



CHANDLER BLVD - 35,650 VPD

## POPULATION

	1 MILE	3 MILES	5 MILES
2019 Total Population:	14,049	61,410	119,250
2024 Population:	14,761	65,590	127,826
Pop Growth 2019-2024:	5.07%	6.81%	7.19%
Average Age:	38.90	38.10	38.40

## HOUSEHOLDS & INCOME

	1 MILE	3 MILES	5 MILES
2019 Total Households:	5,264	24,714	47,830
HH Growth 2019-2024:	4.83%	6.80%	7.16%
2019 Avg Household Income	\$121,789	\$115,156	\$110,276
Median Home Value:	\$357,022	\$336,190	\$319,244



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