



GONZALES, TX | OFFERING MEMORANDUM



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EXECUTIVE OVERVIEW



TRACTOR SUPPLY
1619 E. Sarah Dewitt Drive
GONZALES, TX 78629



\$1,461,000
LIST PRICE



7.25%
CAP RATE



\$105,900
ANNUAL RENT

INVESTMENT HIGHLIGHTS



- » **Tractor Supply Location Commitment** – After the initial 15-year lease and most of the first 5-year option period, Tractor Supply signed a new 10-year lease in June of 2018, showing commitment to this location. Two 5-year options to extend remain in place as well.
- » **Workforce Solutions Location Commitment** – After 9 years of tenancy, Workforce Solutions is currently investing over \$55,000 into renovations for their space, illustrating a long term commitment to this location.
- » **Fortune 500 Tenant** – Tractor Supply is currently ranked as #391 with a market cap of more than \$9B.
- » **Below Market Rent** – Tractor Supply is currently paying a very inexpensive \$4.20 per square foot and Workforce Solutions is paying just \$4.88.
- » **Promising Market Growth** – City population is expected to grow by just under 6%, a rarity for a tertiary market of its size.
- » **Excellent Highway Exposure** – Property is located directly on US-90, which sees more vehicles per day than any other road in the market.
- » **Increased Return on Investment** – Workforce Solutions occupies 2,027 square feet of additional retail space on the property, increasing the property's Cap Rate. They pay very inexpensive rent, plan on remaining at location for the long run, and are a healthy business planning on expanding into additional markets.
- » **Ownership's Investment** – Owner is currently investing \$11,000 into parking lot maintenance.
- » **NNN Lease** – Tractor Supply is leasing the space under a NNN lease, a rarity for TSC properties.

FINANCIAL OVERVIEW

PARCEL MAP



TRACTOR SUPPLY
1619 E. Sarah Dewitt Drive
 GONZALES, TX 78629

7.25%
 CAP RATE

±23,827 SF
 GLA

\$1,461,000
 PRICE

1968
 YEAR BUILT

±2.23 AC
 LOT SIZE

TRACTOR SUPPLY LEASE SUMMARY

| | |
|--------------------------------|-----------------------|
| TENANT | Tractor Supply |
| LEASE TYPE | NNN |
| TYPE OF OWNERSHIP | Fee Simple |
| LEASE GUARANTOR | Corporate |
| ROOF AND STRUCTURE | Tenant Responsibility |
| LEASE COMMENCEMENT DATE | 4/1/1999 |
| LEASE EXPIRATION DATE | 4/30/28 |
| LEASE TERM | 10 Years |
| TERM REMAINING ON LEASE | ±10 Years |
| OPTIONS | Two, 5-Year Options |

| | |
|--------------------------------|-------------------------|
| TENANT | Workforce Solutions |
| LEASE TYPE | NN |
| TYPE OF OWNERSHIP | Fee Simple |
| LEASE GUARANTOR | Corporate |
| ROOF AND STRUCTURE | Landlord Responsibility |
| LEASE COMMENCEMENT DATE | 8/1/2009 |
| LEASE EXPIRATION DATE | 5/31/2019 |
| LEASE TERM | 5 Years |
| TERM REMAINING ON LEASE | ±1 Year |

ANNUALIZED OPERATING DATA

| <u>TRACTOR SUPPLY (21,800 SF)</u> | | | | |
|-----------------------------------|----------------|-----------------|-----------|----------|
| LEASE TIMELINE | MONTHLY RENT | ANNUAL RENT | INCREASES | CAP RATE |
| Executed | | | | |
| 4/1/99-3/31/04 | \$7,700 | \$92,400 | | 6.44% |
| 4/1/04-3/31/09 | \$8,000 | \$96,000 | 3.90% | 6.69% |
| 4/1/09-3/31/14 | \$8,300 | \$99,600 | 3.75% | 6.94% |
| 4/1/14-7/30/18 | \$8,500 | \$102,000 | 2.41% | 7.11% |
| 8/1/18-4/30/28 | \$8,000 | \$96,000 | -5.88% | 6.69% |
| Options | | | | |
| 5/1/28-4/30/33 | \$8,750 | \$105,000 | 9.38% | 7.31% |
| 5/1/33-4/30/38 | \$9,000 | \$108,000 | 2.86% | 7.52% |

| <u>THE WORKFORCE CENTER (2,027 SF)</u> | | | | |
|--|--------------|----------------|-----------|----------|
| LEASE TIMELINE | MONTHLY RENT | ANNUAL RENT | INCREASES | CAP RATE |
| Executed | | | | |
| 8/1/09-7/31/12 | \$750 | \$9,000 | | 6.74% |
| 8/1/12-5/31/14 | \$775 | \$9,300 | 3.33% | 6.97% |
| 6/1/14-5/31/17 | \$800 | \$9,600 | 3.23% | 7.19% |
| 6/1/17-5/31/1 | \$825 | \$9,900 | 3.13% | 7.42% |

SURROUNDING AREA





"FOR LIFE OUT HERE"



Tractor Supply Company (also referred to as TSC) was founded in 1938 as a mail order tractor parts business based in Brentwood, Tennessee. Currently, they own and manage over 1,700 stores in 49 states. They are the largest operator of rural lifestyle retail stores in America and were recognized on the Forbes Top Regarded Companies List in 2018.

TSC is continuing to grow with new locations and improved products for home, land, pet, and animal owners. With these offerings, TSC targets a niche market including America's farmers, horse owners, ranchers, part-time and hobby farmers, suburban and rural homeowners, contractors, and tradesmen.

Since 1938, Tractor Supply Company's legendary service and dependable products have enabled both their employees and customers to be as self-sufficient as possible. With affordable pricing, customers can find anything they need at TSC to maintain their farms, ranches, homes, and animals.

WWW.TRACTORSUPPLY.COM

±1,734
LOCATIONS

±29,300
EMPLOYEES

±\$7.26 billion
REVENUE

AREA OVERVIEW



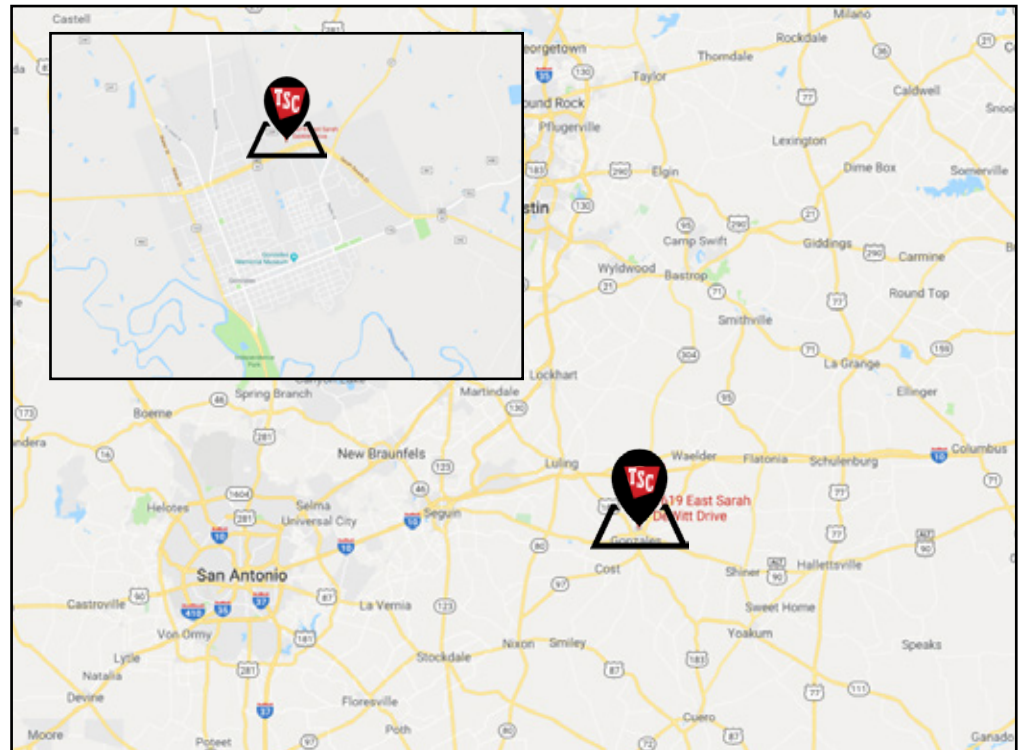
DEMOGRAPHICS

| POPULATION | 1-MILE | 3-MILE | 5-MILE |
|--------------------------|----------|----------|----------|
| 2023 Projection | 3,355 | 9,056 | 10,012 |
| 2018 Estimate | 3,179 | 8,595 | 9,472 |
| 2010 Census | 2,992 | 8,063 | 8,897 |
| Growth 2018-2023 | 5.54 % | 5.37 % | 5.70 % |
| HOUSEHOLDS | 1-MILE | 3-MILES | 5-MILES |
| 2023 Projection | 1,095 | 3,004 | 3,337 |
| 2018 Estimate | 1,083 | 2,971 | 3,289 |
| 2010 Census | 1,028 | 2,807 | 3,113 |
| Growth 2018-2023 | 1.08% | 1.12% | 1.45% |
| INCOME | 1-MILE | 3-MILES | 5-MILES |
| Average Household Income | \$48,431 | \$58,984 | \$60,265 |

GONZALES, TEXAS

Gonzales, Texas sits in central Gonzales County, informally known as DeWitt Colony in previous years, on the northeast side of the Guadalupe River. The city's location offers a variety of opportunities for recreational and family fun activities. The two major lakes in the county are Gonzales 4-H and Wood 5-H located on the Guadalupe River. These both allow for exceptional fishing, camping, and water sports.

A wide variety of birds, rare trees and other plant life, quaking bogs, and other unusual phenomena make it attractive to naturalists, botanists, and the general public. Annual celebrations in the county include the Feather Fest, at Nixon, honoring the poultry industry; the Settlers Set To, at Smiley; the Guacamole Fest, at Waelder; and the "Come and Take It" festival, at Gonzales, which commemorates the firing of the first shot of the Texas Revolution.





GONZALES ECONOMIC DEVELOPMENT

The city has a population of 7,202 people and aggressively seeks to broaden its economic base to promote long-term financial prosperity for the community and allocate for future development of the city. Recently on June 1, 2018, The BYK USA, Inc. Project was set in motion. This \$50 million expansion involves the demolition of the existing Administration Building to be replaced with a 2-story showcase Lab and Office Facility. This state of the art structure is set to include a new Garamite Plant and Research & Development Facility. Over the years, Gonzales County has also been a catalyst in agribusiness. During various market and weather fluctuation, Gonzales' agribusiness has remained stable for the community through its prosperous beef, poultry, and pecan production.



GONZALES JOB OPPORTUNITIES

A great place to live also means a great place to work. A booming economy helps the tax base while also helping the city attract business and potential employees. The median household income in Gonzales is \$34, 271 with a current unemployment rate of 3.8%. This percentage is a direct reflection of the city's overall economic health and its ability to retain skilled workers, new industries, and retailers.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Tractor Supply** located in **1619 E. Sarah Dewitt Drive, Gonzales, TX 78629** ("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.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
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.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

| | | | |
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| Kyle Matthews/Matthews Retail Group Inc. | 678067 | kyle.matthews@matthews.com | (310) 919-5757 |
| Licensed Broker /Broker Firm Name or Primary Assumed Business Name | License No. | Email | Phone |
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| Designated Broker of Firm | License No. | Email | Phone |
| Licensed Supervisor of Sales Agent/ Associate | License No. | Email | Phone |
| Sales Agent/Associate's Name | License No. | Email | Phone |

Buyer/Tenant/Seller/Landlord Initials

Date