

TRACTOR SUPPLY CO. - BEALLS

1715 WEST OAKLAWN DRIVE | PLEASANTON, TX 78064



PHILIP LEVY

972.755.5225

SENIOR MANAGING DIRECTOR
PLEVY@MARCUSMILLICHAP.COM

LRG
THE LEVY RETAIL GROUP
MARCUS & MILLICHAP

OFFERING MEMORANDUM

Tractor Supply Co. - Bealls
1715 West Oaklawn Drive, Pleasanton, TX 78064



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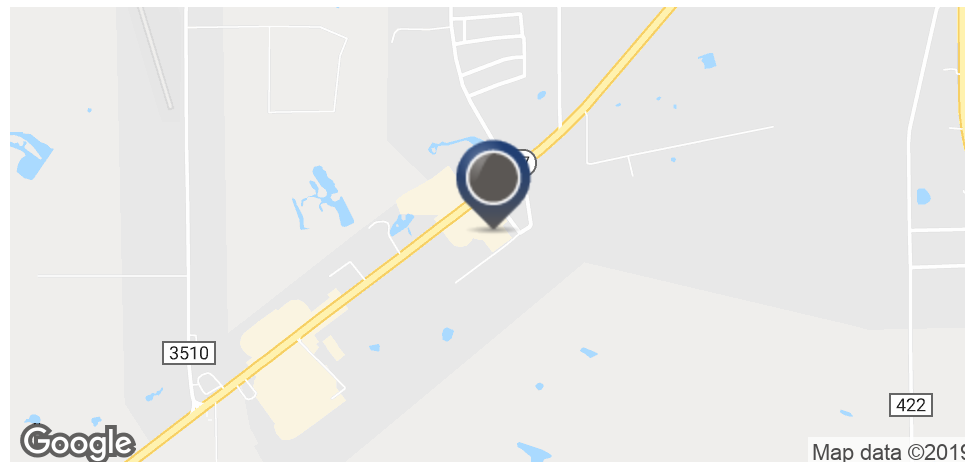
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Section 1 **PROPERTY INFORMATION**



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SALE PRICE

\$3,655,000

PROPERTY OVERVIEW

Marcus & Millichap is pleased to offer the opportunity to acquire a 70,466-square foot, two-tenant retail center leased to Tractor Supply Company and Bealls department store in Pleasanton, Texas.

OFFERING SUMMARY

Building Size:	70,466 SF
Lot Size:	5.03 Acres
Price / SF:	\$51.87
Cap Rate:	7.37%
NOI:	\$269,279
Year Built:	1983
County:	Atascosa
Ownership Type:	Fee Simple

DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
Total Households	423	5,009	6,434
Total Population	1,167	13,943	17,999
Average HH Income	\$79,714	\$75,698	\$75,773

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PROPERTY DESCRIPTION

Marcus & Millichap is pleased to offer the opportunity to acquire a 70,466-square foot, two-tenant retail center leased to Tractor Supply Company and Bealls in Pleasanton, Texas. Tractor Supply Company occupies 37 percent of the gross leasable area and has a triple-net lease with three five-year options. Bealls occupies 45 percent of the leasable area and has a triple-net lease with two five-year options. There is approximately 11,958 square feet of unleased warehouse/storage space at the rear of the building, providing possible upside potential. Originally constructed in 1983, the building is situated on 5.03 acres. The roof was coated in 2017 and has a 10 year warranty. A 6,000-square foot pad site development with highway frontage has already been approved for future development, providing an investor with additional upside potential.

LOCATION DESCRIPTION

The subject property is located on West Oaklawn Road at the signalized, hard corner of Jr. Boulevard. Traffic counts are 17,200 vehicles per day on West Oaklawn Road. Oaklawn Road is one of the city's major thoroughfares and is lined with numerous national and regional tenants, including Walmart Supercenter, Dollar Tree, Walgreens, Hibbett Sports, Chili's Grill & Bar, Verizon, Aaron's, Golden Chick, McDonald's, Enterprise Rent-A-Car, Pizza Hut, Domino's Pizza, Buddy's Home Furnishings, IHOP, H-E-B grocery store, and others. The average household income within a one-mile radius of the property is \$65,100.

Pleasanton is in Atascosa County and conveniently located on U.S. Highway 281, approximately 30 miles south of San Antonio. The city is part of the San Antonio-New Braunfels Metropolitan Statistical Area. Pleasanton's current population is more than 10,300 residents, up approximately 16 percent since 2010.

Tractor Supply Co. - Bealls

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BUILDING INFORMATION

Occupancy %	83.03%
Tenancy	Multiple
Year Built	1983

PROPERTY HIGHLIGHTS

- 70,466-Square Foot, Two-Tenant Retail Center
- 83% Occupied | 17% is Unleased Warehouse/Storage Space in the Back of the Building | Potential Upside Opportunity
- Approved Pad Site Development of a 6,000-Square Foot Building Provides Additional Future Upside to an Investor
- Leased to Tractor Supply Company and Bealls | Both are National Credit Tenants
- Tractor Supply Co. is a Publicly Traded Company (NASDAQ: TSCO)
- Both Tenants have Triple-Net Leases with Options for Renewal
- Established Tenant Base with Long-Term Leases
- Roof was Coated in 2017 and has a 10 Year Warranty
- Priced at \$51 per Square Foot | Well Below Replacement Cost
- Signalized Hard-Corner Location on West Oaklawn Road
- Traffic Counts are Approximately 17,200 Vehicles per Day
- Near Walmart Supercenter
- Approximately One and One-Half Miles East of Methodist Hospital South, a 67-Bed Facility with a Staff of 120 Healthcare Professionals | Offers Complete Inpatient and Outpatient Care
- Pleasanton is 30 Miles South of San Antonio and is Part of the San Antonio-New Braunfels Metropolitan Statistical Area

Section 2 LOCATION INFORMATION



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Section 3 FINANCIAL ANALYSIS



Tractor Supply Co. - Bealls

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INVESTMENT OVERVIEW		CURRENT
Price		\$3,655,000
Price per SF		\$51.87
Cap Rate		7.37 %
Total Return (yr 1)		\$269,279
OPERATING DATA		CURRENT
Gross Income		\$356,349
Operating Expenses		\$87,070
Net Operating Income		\$269,279
FINANCING DATA		CURRENT
Down Payment		\$3,655,000
Loan Type		All Cash

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INCOME SUMMARY	CURRENT	PER SF
Base Rent	\$286,850	\$4.90
Real Estate Taxes Reimbursements	\$39,323	\$0.56
Insurance Reimbursements	\$19,520	\$0.28
Common Area Maintenance Reimbursements	\$10,656	\$0.15
Gross Income	\$356,349	\$5.06
EXPENSE SUMMARY	CURRENT	PER SF
Real Estate Taxes	\$47,360	\$0.67
Insurance	\$23,510	\$0.33
Landscaping	\$7,700	\$0.11
Parking Lot Maintenance	\$8,500	\$0.12
Gross Expenses	\$87,070	\$1.24
Net Operating Income	\$269,279	\$3.82

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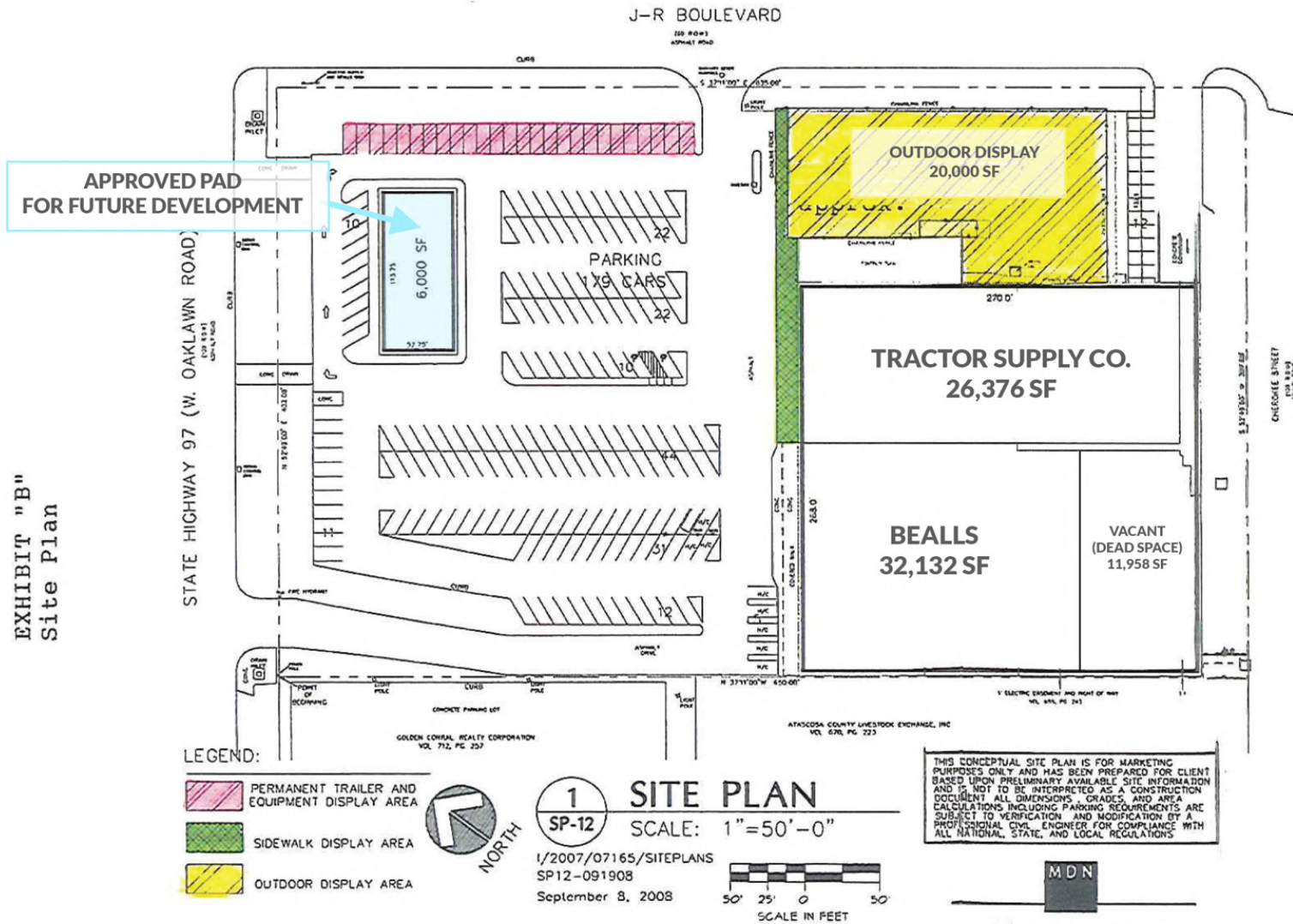


TENANT NAME	UNIT NUMBER	UNIT SIZE (SF)	% OF GLA	LEASE START	LEASE END	ANNUAL RENT	ESC DATE	PRICE PER YEAR	LEASE TYPE	OPTION
Tractor Supply (1)		26,376	37.43	8/15/08	8/31/26	\$130,825		\$4.96	NNN	(3) 5-Yr @ \$5.45/\$6.00/\$6.60
Bealls (1)		32,132	45.6	3/25/04	1/31/25	\$156,026		\$4.86	NNN	(2) 5-Yr @ \$5.71/\$6.21
Vacant (Dead Space)		11,958	16.97							
Totals/Averages		70,466				\$286,851		\$4.07		

(1) Tenant's pro-rata shares for Common Area Maintenance may not increase more than three percent (3%) of such amounts paid by Tenant for the previous year.

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Tractor Supply Co.

FOUNDED	1938
LOCATIONS	1,770+
SQ. FT.	22,030
TENANT TRADE NAME	TSCO (NASDAQ)
OPTIONS	(3) 5-Yr @ \$5.45/\$6.00/\$6.60



Tractor Supply Company is the largest operator of rural lifestyle retail stores in America. Founded in 1938 as a mail order tractor parts business, Tractor Supply Company (also referred to as TSC) owns and operates over 1,770 stores in 49 states supplying basic maintenance products to home, land, pet and animal owners. Today Tractor Supply Company is a leading edge retailer with annual revenues of approximately \$7.91 billion.

Based in Brentwood, Tennessee, Tractor Supply Company is a public company whose stock is traded on the NASDAQ National Market under the symbol TSCO.



Bealls

FOUNDED	1923
LOCATIONS	850+
SQ. FT.	32,123
OPTIONS	(2) 5-Yr @ \$5.71/\$6.21



Bealls has been a staple of the Stage Stores family since 1994 and specializes in retailing brand name apparel, accessories, cosmetics, shoes and more. The first Bealls store was opened in Henderson, Texas in 1923 by brothers Archie and Robbie Beall. There are now more than 850 Bealls stores throughout the Southeast.



Section 4 SALE COMPARABLES



Tractor Supply Co. - Bealls

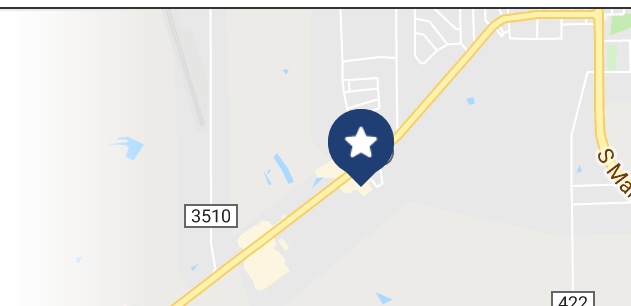
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SUBJECT PROPERTY

1715 West Oaklawn Drive | Pleasanton, TX 78064

Sale Price:	\$3,655,000	Lot Size:	5.03 AC
Year Built:	1983	Building SF:	70,466 SF
Price PSF:	\$51.87	Cap:	7.37%
NOI:	\$269,279		



1



TRACTOR SUPPLY RETAIL

441 TX-71 | Bastrop, TX 78602

Sale Price:	\$6,650,000	Lot Size:	5.85 AC
Year Built:	1987	Building SF:	58,000 SF
Price PSF:	\$114.66	CAP:	7%
Closed:	10/02/2018	Occupancy:	100%

Tractor Supply, Seton Diagnostic Center, Brent Alan Porter MD



2

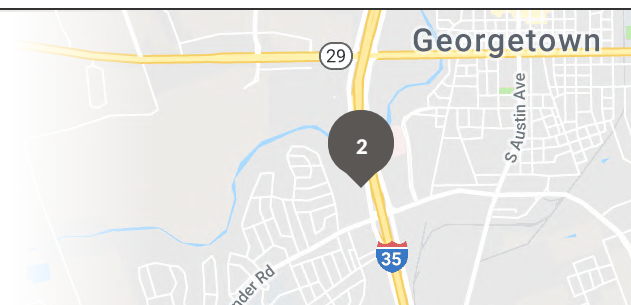


GEORGETOWN CROSSING

901 South I-35 | Georgetown, TX 78628

Sale Price:	\$6,250,000	Lot Size:	6.13 AC
Year Built:	1989	Building SF:	72,613 SF
Price PSF:	\$86.07	CAP:	7%
Closed:	03/06/2019	Occupancy:	100%

Hobby Lobby, Tuesday Morning, Salons of the Town



Tractor Supply Co. - Bealls

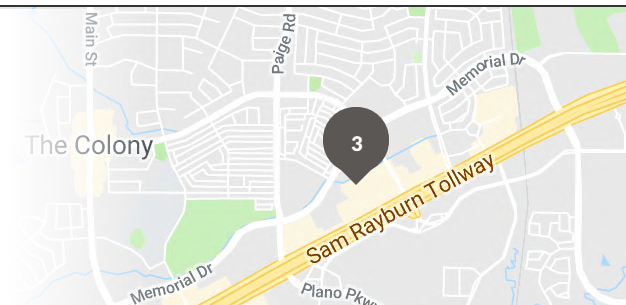
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FLOOR & DECOR - CHAIR KING

5651 State Highway 121 | The Colony, TX 75056

Sale Price:	\$14,300,000	Lot Size:	7.62 AC
Year Built:	2016	Building SF:	89,826 SF
Price PSF:	\$159.20	CAP:	7.25%
Closed:	02/27/2019	Occupancy:	100%

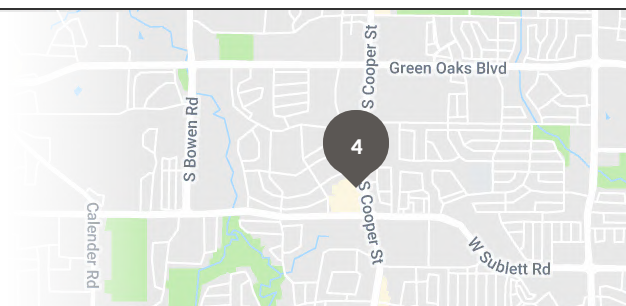


SUBLETT CORNERS

5900-5912 South Cooper | Arlington, TX 76017

Sale Price:	\$12,800,000	Lot Size:	0 AC
Year Built:	1999	Building SF:	87,900 SF
Price PSF:	\$145.62	CAP:	7.29%
Closed:	05/15/2017	Occupancy:	94%






Stein Mart, Dollar Tree, Cato, Plato's Closet, CiCi's Pizza



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	SUBJECT PROPERTY	PRICE	BLDG SF	PRICE/SF	CAP	
	Tractor Supply Co. - Bealls 1715 West Oaklawn Drive Pleasanton, TX 78064	\$3,655,000	70,466 SF	\$51.87	7.37%	
	SALE COMPS	PRICE	BLDG SF	PRICE/SF	CAP	CLOSE
	Tractor Supply Retail 441 TX-71 Bastrop, TX 78602	\$6,650,000	58,000 SF	\$114.66	7.0%	10/02/2018
	Georgetown Crossing 901 South I-35 Georgetown, TX 78628	\$6,250,000	72,613 SF	\$86.07	7.0%	03/06/2019
	Floor & Decor - Chair King 5651 State Highway 121 The Colony, TX 75056	\$14,300,000	89,826 SF	\$159.20	7.25%	02/27/2019
	Sublett Corners 5900-5912 South Cooper Arlington, TX 76017	\$12,800,000	87,900 SF	\$145.62	7.29%	05/15/2017
		PRICE	BLDG SF	PRICE/SF	CAP	CLOSE
	Totals/Averages	\$10,000,000	77,085 SF	\$129.73	7.14%	

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SUBJECT PROPERTY

1715 West Oaklawn Drive | Pleasanton, TX 78064

1

TRACTOR SUPPLY RETAIL

441 TX-71
Bastrop, TX 78602

2

GEORGETOWN CROSSING

901 South I-35
Georgetown, TX 78628

3

FLOOR & DECOR - CHAIR KING

5651 State Highway 121
The Colony, TX 75056

4

SUBLETT CORNERS

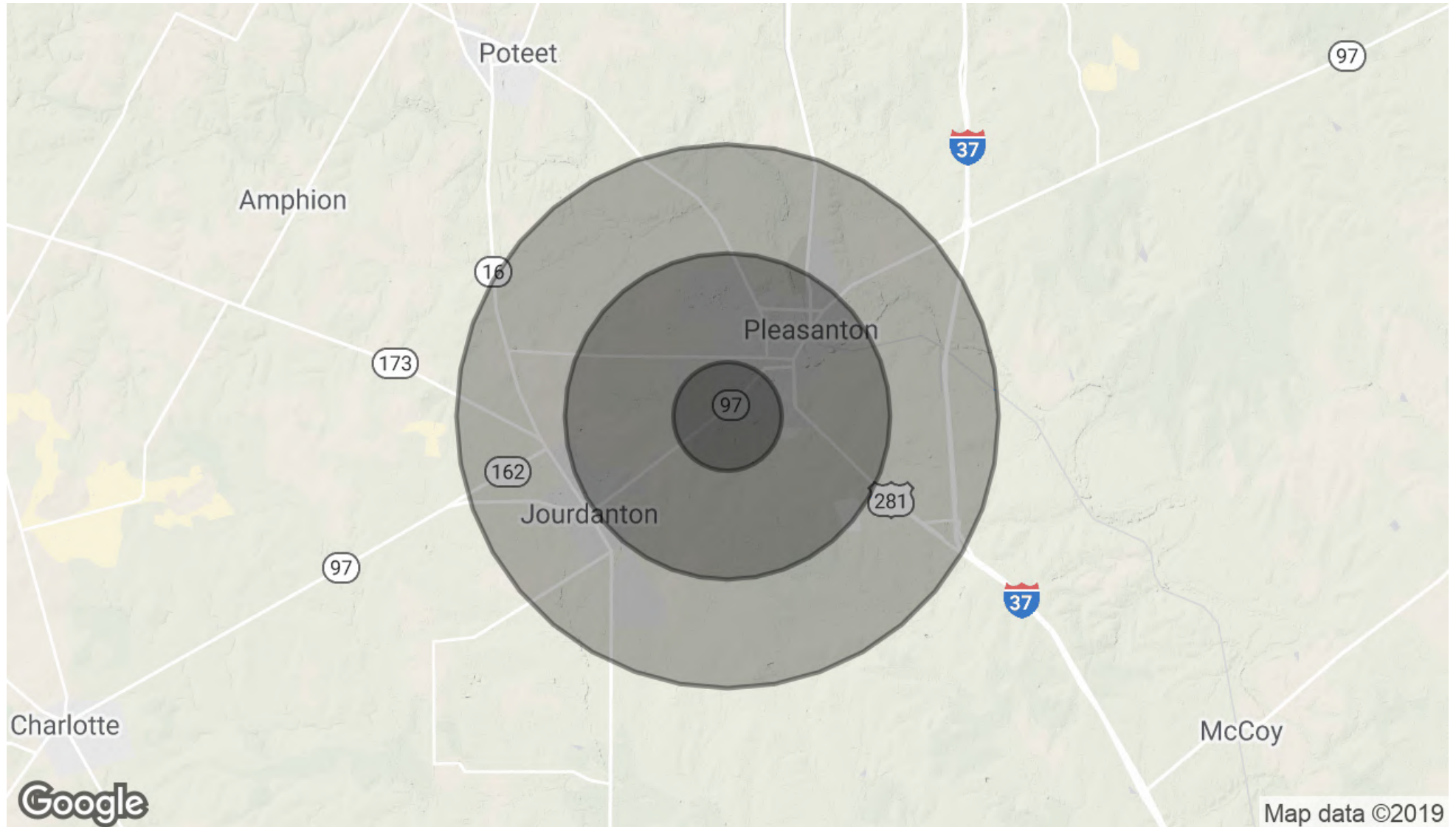
5900-5912 South Cooper
Arlington, TX 76017

Section 5 DEMOGRAPHICS



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POPULATION	1 MILE	3 MILES	5 MILES
Total Population	1,167	13,943	17,999
Median age	37.7	37	37
Median age (Male)	35.8	35.9	36
Median age (Female)	39.6	38	38
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total households	423	5,009	6,434
# of persons per HH	2.6	2.7	2.7
Average HH income	\$79,714	\$75,698	\$75,773
Average house value	\$132,323	\$141,970	\$130,602
ETHNICITY (%)	1 MILE	3 MILES	5 MILES
Hispanic	52.4%	56.2%	55.9%
RACE	1 MILE	3 MILES	5 MILES
Total Population - White	1,119	13,386	17,285
% White	95.9%	96.0%	96.0%
Total Population - Black	10	132	171
% Black	0.9%	0.9%	1.0%
Total Population - Asian	17	135	157
% Asian	1.5%	1.0%	0.9%
Total Population - Hawaiian	1	11	14
% Hawaiian	0.1%	0.1%	0.1%
Total Population - American Indian	10	135	179
% American Indian	0.9%	1.0%	1.0%
Total Population - Other	9	143	193
% Other	0.8%	1.0%	1.1%

* Demographic data derived from CoStar Realty Information Inc.



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.

11-2-2015

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.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name

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Email

Phone

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



LRG

THE LEVY RETAIL GROUP
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PHILIP LEVY

Senior Managing Director
Dallas Office

972.755.5225 Office
817.380.1153 Fax
plevy@marcusmillichap.com
LICENSE: TX 0522087

5001 Spring Valley Road
Dallas, TX 75244