



OFFERING MEMORANDUM



Academy Sports + Outdoors

Buford, GA | Atlanta MSA

This property is listed in conjunction with Georgia-licensed real estate broker Delta Commercial.

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Preserve West Capital ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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PROPERTY HIGHLIGHTS



- New 15-Year Net Lease to Academy Sports + Outdoors
 - Scheduled \$0.50/PSF Rental Escalations Every 5 Years
 - High Sales Per Unit Operator
- Brand New 2019 Build-to-Suit Construction
- Ideally Situated Within Primary Retail and Commercial Corridor
 - Buford Drive Benefits from 84,500 Vehicles Per Day
- In Close Proximity to the Mall of Georgia
 - Spanning Over 1.8 Million SF with 200+ Stores
 - Draws Millions of Consumers to Trade Area – Nearly One-Third of Visitors from Outside Immediate Trade Area
- Near New Proposed 64-Acre Mixed Use Development – The Exchange at Gwinnett
 - 500 Multifamily Residential Units; Four-Story 123-Room Hotel; and 337,000 S.F. of Retail, Restaurant, and Office Space
- Robust, Affluent Demographics in Surrounding Area
 - Average Household Income of \$123,824 Within 1 Mile of Site
 - Population of 132,010 in Five Mile Radius
- Rapidly Growing Atlanta-Sandy Springs-Roswell MSA Suburb
 - Population Growth of 21% from 2010-2019 within 5 Mile Radius
- Atlanta-Sandy Springs-Roswell MSA – 9th Largest MSA in the U.S.
 - Population of Approximately 5.9 Million
 - GDP in Excess of \$385.5 Billion
- Approximately One Hour's Drive from Downtown Atlanta



Location

The property is located at the northwest corner of Buford Drive (Highway 20) and Plunkett Road in Buford, Georgia.

Lot Size

Approximately 5.06 acres, or 220,413 square feet.

Improvements

Construction was completed in August 2019 of a 62,943 square foot retail building for **Academy Sports + Outdoors**.

Lease

Leased to **Academy, LTD.** for fifteen years starting September 2019 through September 30, 2034, at an initial annual rent of \$849,731. There are three (3) five-year options to renew the lease. Rent is to increase by \$0.50 per square foot in years 6, 11, and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, including maintenance of common areas within the tenant's parcel but excluding roof and structural elements.

Tenant's proportionate share of CAM expenses through the end of the first year shall not exceed \$0.65 per square foot. After the first full year, CAM expenses shall not exceed 105% of the CAM expenses paid by tenant for the preceding year.

Landlord is responsible for carrying commercial general liability insurance, as well as special form property insurance covering the Common Areas on Landlord's parcel. Tenant will reimburse Landlord for expenses associated with commercial general liability insurance, of which Tenant's proportionate share of such expenses shall not exceed \$0.18 per square foot. After the first full year, expenses relating to liability insurance shall not exceed 105% of expenses paid by Tenant the preceding year.

Parking

There are 260 parking spaces available on site.

PRICE

\$12,778,000

6.65% CAP Rate

7.27% Blended Yield

Annual Rent*

Year	Annual Rent	Annual Rent PSF	Return	Blended Yield
1-5	\$849,731	\$13.50	6.65%	7.27%
6-10	\$881,202	\$14.00	6.90%	
11-15	\$912,674	\$14.50	7.14%	
16-20 (Option 1)	\$944,145	\$15.00	7.39%	
21-25 (Option 2)	\$975,617	\$15.50	7.64%	
26-30 (Option 3)	\$1,007,088	\$16.00	7.88%	

*Subject to possible adjustment if final building square footage is greater or less than 62,943 square feet.

Financing

This property will be delivered free and clear of permanent financing.



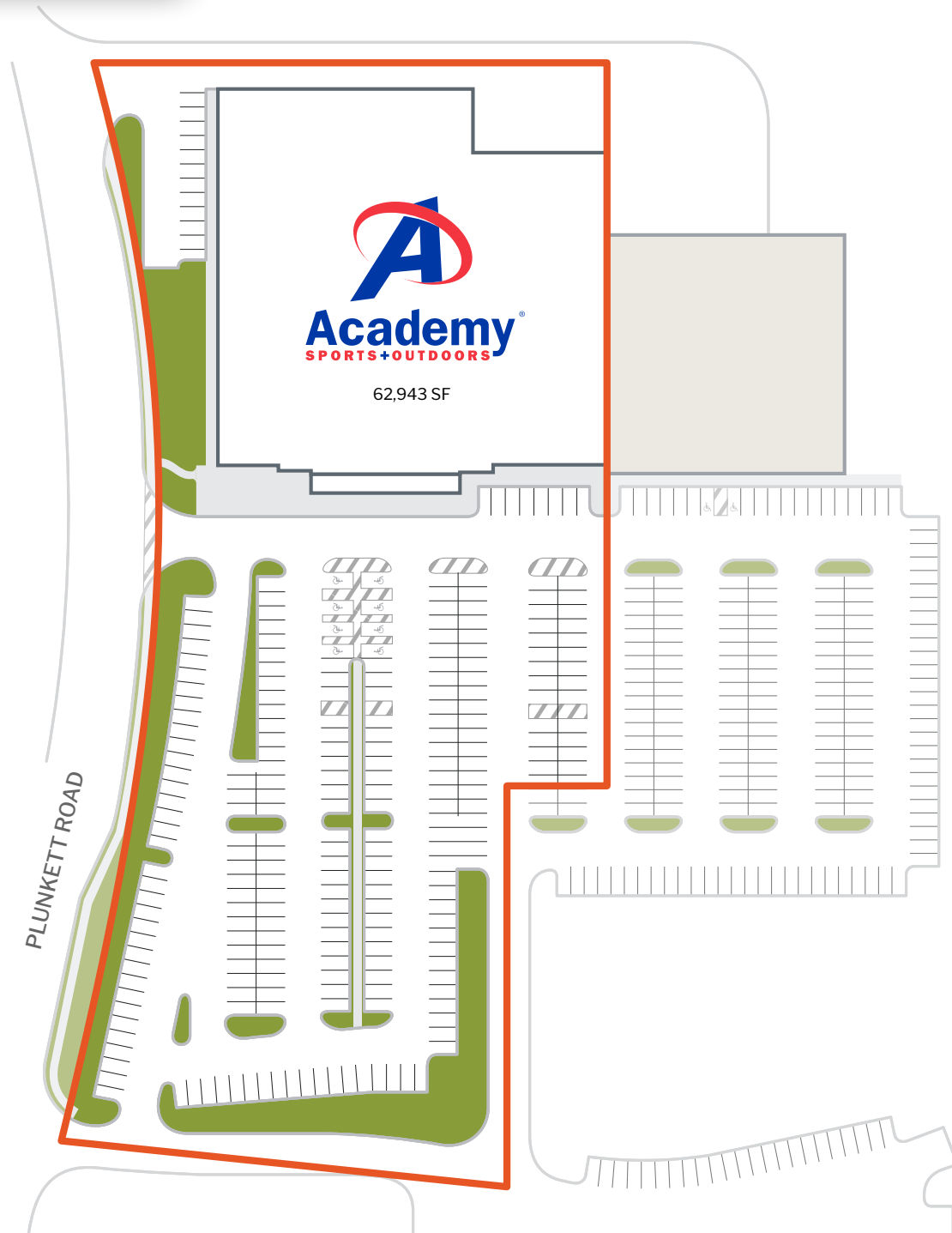
Academy Sports + Outdoors benefits from average per-unit sales of nearly \$17.5 million. If this is a typical store, the rent to sale ratio will be 4.86%.

Academy Sports + Outdoors is a privately owned retailer of discount sporting goods. Their stores carry a wide variety of name-brand equipment, clothing, and shoes for competitive sports, physical fitness training, and outdoor recreational activities such as hunting, fishing, camping, and boating, and provide services including scope mounting, bore sighting, line winding/spooling, propane exchange, golf club trade-in, CO2 refills, racquet stringing, and the ability to purchase hunting and fishing licenses. The company operates more than 240 stores in 16 states throughout the South, Southeast, and Midwest, and has been operating for more than 40 years from its headquarters in Katy, Texas. Academy Sports + Outdoors experienced revenue of \$4.7 billion in 2016, and employs more than 23,000 at its locations nationwide. Though Moody's downgraded the company's credit rating from B3 to B2 in September of 2017, the company slowed their store expansion plans to focus on sales growth and moved away from a leveraged growth model, using cash flow to fuel growth instead. While recent balance sheets reflect a high proportion of goodwill and other intangible assets relative to current assets, the company's strong per-unit sales of nearly \$17.5 million per location annually and shift away from a debt-financed expansion strategy reflect the company's viability in the long term.

In 2011, the company was acquired by the global investment firm KKR (NYSE: KKR). For the 2018 fiscal year, KKR reported revenue of \$4.2 billion, net income of \$1.1 billion, and \$8.2 billion in total stockholder equity.

Additional financial information will be provided to qualified buyers.

SITE PLAN



PROGRESS PHOTO

9-12-2019



AERIAL

SOUTH VIEW

MARKETPLACE AT MILLCREEK

MALL OF GEORGIA CROSSING



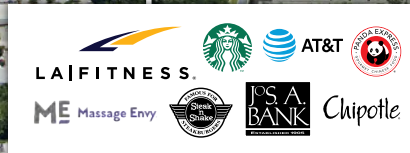
MALL OF GEORGIA



The Exchange at Gwinnett
(Proposed 64-Acre Mixed Use Development)



Liberty Business Center at Buford
(New 38-Acre Park)



Blue Ridge Distribution Center
(New ~260,000 SF)

Plunkett Rd



Buford Dr (84,500 AADT)



(59,000 AADT)

AERIAL

NORTH VIEW

SUGAR HILL



Buford Park & Ride



DOWNTOWN BUFORD

Enclave at Morningside New Homes

Buford City Hall & Community Center

Whispering Creeks New Homes

MILL CREEK CROSSING



Buford Dr (84,500 AADT)



ABOUT THE AREA

The map displays the Atlanta metropolitan area and surrounding regions. Key features include:

- Major Highways:** I-75, I-85, I-20, I-285, I-675, I-475, US-41, US-29, US-78, US-129, US-441, US-23, US-17, US-51, US-53, US-140, US-19, US-76, US-75, I-77, I-84, I-94, I-10, I-15, I-25, I-35, I-40, I-45, I-55, I-65, I-70, I-75, I-80, I-85, I-90, I-95, I-100, I-110, I-120, I-130, I-140, I-150, I-160, I-170, I-180, I-190, I-200, I-210, I-220, I-230, I-240, I-250, I-260, I-270, I-280, I-290, I-300, I-310, I-320, I-330, I-340, I-350, I-360, I-370, I-380, I-390, I-400, I-410, I-420, I-430, I-440, I-450, I-460, I-470, I-480, I-490, I-500, I-510, I-520, I-530, I-540, I-550, I-560, I-570, I-580, I-590, I-600, I-610, I-620, I-630, I-640, I-650, I-660, I-670, I-680, I-690, I-700, I-710, I-720, I-730, I-740, I-750, I-760, I-770, I-780, I-790, I-800, I-810, I-820, I-830, I-840, I-850, I-860, I-870, I-880, I-890, I-900, I-910, I-920, I-930, I-940, I-950, I-960, I-970, I-980, I-990, I-1000.
- Cities and Towns:** Atlanta, Marietta, Roswell, Duluth, Lawrenceville, Snellville, Conyers, Covington, Social Circle, Madison, Eatonton, Phoenix, Milledgeville, Gray, Bolingbroke, Forsyth, Barnesville, Zebulon, Griffin, McDonough, Fayetteville, Peachtree City, Newnan, Senoia, Grantville, Hogansville, Pine Mountain, Manchester, Thomaston, Bolingbroke, Forsyth, Barnesville, Zebulon, Griffin, McDonough, Fayetteville, Peachtree City, Newnan, Senoia, Grantville, Hogansville, Pine Mountain, Manchester, Thomaston.
- Natural Features:** Chattahoochee National Forest, Oconee National Forest.
- Site Location:** A red pin marks the 'SITE' location near Cumming, Georgia.

Buford (population 15,189) is a city in Gwinnett and Hall counties approximately 34 miles from downtown Atlanta. The city is a thriving suburb of the Atlanta-Sandy Springs-Roswell metropolitan statistical area, the third-largest MSA in the southeast with a total population of 5,949,951. Buford is home to the Mall of Georgia, the largest mall in the state with more than 200 stores and the 36th largest mall nationwide. Since 2010, the city's population has grown approximately 25%, and development activity in the area has been robust: major projects include The Exchange at Gwinnett, a 64-acre mixed-use development slated to include approximately 500 residential units and 337,000 square feet of retail space, as well as a hotel, driving range, food hall, and indoor go-karting facility.

The city benefits from its proximity to the robust economy of the Atlanta MSA, the 10th largest metropolitan economy in the U.S. with a GDP of approximately \$385.5 billion in 2017. The region benefits from a broad economic base in trade, transportation, logistics, utilities, professional services, finance, government, education, healthcare, manufacturing, construction and information technology. Major companies headquartered in the Atlanta metropolitan area include Coca-Cola, Home Depot, United Parcel Service (UPS), Delta Airlines, AT&T Mobility, Newell Rubbermaid, Arby's, Chick-Fil-A, Earthlink, Equifax, First Data, Foundation Financial Group, Gentiva Health Services, Georgia Pacific, NCR, Oxford Industries, RaceTrac Petroleum, Southern Company, SunTrust Banks, Mirant, and Waffle House. In addition, more than 75% of Fortune 1000 companies have a presence in the greater Atlanta region.

ABOUT THE AREA

The map displays the Atlanta metropolitan area and surrounding regions. Major highways shown include I-75, I-85, I-285, I-20, I-675, and US-41. Numerous cities and towns are labeled, such as Atlanta, Marietta, Sandy Springs, Roswell, Alpharetta, Johns Creek, Duluth, Norcross, Tucker, Decatur, Lithonia, and Conyers. An orange callout points to the 'SITE' location, which is situated near Buford, Georgia, off I-85.

The subject property is strategically situated with excellent access and visibility at the signalized intersection of Plunkett Road (AADT) and Buford Drive/GA-20 (84,500 AADT) near its junction with I-985 (59,000 AADT) and approximately 3.5 miles from I-985's junction with I-85 (151,710 AADT). The site benefits from robust demographics with a population of 132,010 within a five mile radius and a projected annual growth rate of 2.33% within one mile of the site through 2024. Average household income within one mile of the site exceeds \$123,820, and more than 51% of households within that radius earn more than \$100,000 annually.

The property is prominently situated within Buford's primary retail corridor adjacent to numerous major shopping centers and retail tenants. The property is located approximately 1 mile from the Mall of Georgia, a 200+ tenant, a 1,824,672 square foot super-regional shopping center that is not only the largest mall in the state of Georgia, but in the entire southeast region as a whole, anchored by Belk, Dillard's, Von Maur, and Macy's. Other major shopping centers neighboring the site include Mill Creek Crossing, anchored by Walmart & Lowe's; The Plaza, with tenants including LA Fitness, BB&T, and more; Mall of Georgia Crossing, featuring Target, Homegoods, TJ Maxx, and ULTA Beauty; the Marketplace at Millcreek, with tenants including Costco, Cost Plus World Market, PetSmart, Michael's, Marshall's, Dollar Tree, Five Below, and REI; Sugar Hill Station, anchored by Big Lots and Dollar Tree, and more. Other major retail tenants in the surrounding area include Sams Club, Planet Fitness, Home Depot, At Home, Tuesday Morning, Lowe's Home Improvement, and more.



Buford Dr & Plunkett Rd | Buford, GA 30519



2019 POPULATION
132,020



AVERAGE HOME VALUE
\$301,227



AVG. HOUSEHOLD INCOME
\$123,824

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	3,577	39,426	109,582
2019 Total Population	4,020	48,243	132,010
2024 Total Population	4,510	53,384	145,087
2019-2024 Annual Rate	2.33%	2.05%	1.91%

Average Household Income

2019	\$123,824	\$99,022	\$102,028
2024	\$149,284	\$116,286	\$116,749

Average Home Value

2019	\$301,227	\$253,140	\$266,799
2024	\$354,509	\$293,906	\$310,090

Major Employers in Gwinnett County

of Employees

Gwinnett County Public Schools	21,531
Gwinnett County Government	5,308
Gwinnett Health Care System	4,260
Publix	4,169
Walmart	3,425
State of Georgia	2,582
US Postal Service	2,223
Kroger	2,219
Pruitt Health	1,699
Primerica	1,654



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