



OFFERING MEMORANDUM

701 S UNIVERSITY PARKS DR
WACO, TX 76706



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

LISTED BY:



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INVESTMENT HIGHLIGHTS

CORPORATE GUARANTEED | INVESTMENT GRADE TENANT | SCHEDULED RENTAL INCREASES

- 7-Eleven, Inc. This lease is fully backed by 7 Eleven, Inc, a subsidiary of Seven & I Holdings Co. which produced over \$113 billion in revenue fiscal year ending 2/28/2019
- The lease features attractive 10% rental increases every 5 years, providing the landlord with positive rent growth and a hedge against inflation (4 (5-year) option periods

ABSOLUTE NNN | FEE SIMPLE OWNERSHIP | ZERO LANDLORD RESPONSIBILITIES

- Tenant pay for CAM, Taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor

SIGNALIZED INTERSECTION | EXCELLENT VISIBILITY & ACCESS

- The asset is strategically located on a signalized, hard corner intersection of University Parks Dr (15,000 VPD) and I-35 (97,000 VPD)

MAIN RETAIL CORRIDOR | ACROSS FROM BAYLOR UNIVERSITY & \$266 MILLION MCLANE STADIUM

- Across from the 1,000-acre Baylor University campus, a private Christian university and a nationally ranked research institution
- 1 mile from the \$266 Million state-of-the-art multi-functional McLane Stadium facility
- National tenants such as Chick-Fil-A, Whataburger, Raising Cane's, Chipotle, In-N-Out Burger, CVS, Jersey Mike's Subs, Torch's Tacos, Wendy's, Taco Bell, Panera Bread, Twisted Root Burger, Andy's Frozen Custard, Etc

BAYLOR UNIVERSITY

- Tuition for Baylor University is \$43,790 for the 2017/2018 academic year. This is 43% more expensive than the national average private non-profit four-year college tuition of \$27,755. The cost is 157% more expensive than the average Texas tuition of \$15,399 for 4-year colleges. Tuition ranks 86th in Texas amongst 4-year colleges for affordability and is the 7th most expensive 4-year college in the state. The annual tuition and living expense budget to go to Baylor was \$60,233 for the 2017/2018 academic year!

SURROUNDING TENANTS



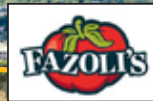


± 17,000 STUDENTS



± 122,620 VPD

S. UNIVERSITY PARKS DR
± 14,700 VPD



FINANCIAL OVERVIEW



LIST PRICE

\$1,927,835



CAP RATE

4.85%



YEAR BUILT

2014



SQUARE FOOTAGE

±3,000 SF



ACREAGE

±0.70 AC

7-ELEVEN TENANT SUMMARY

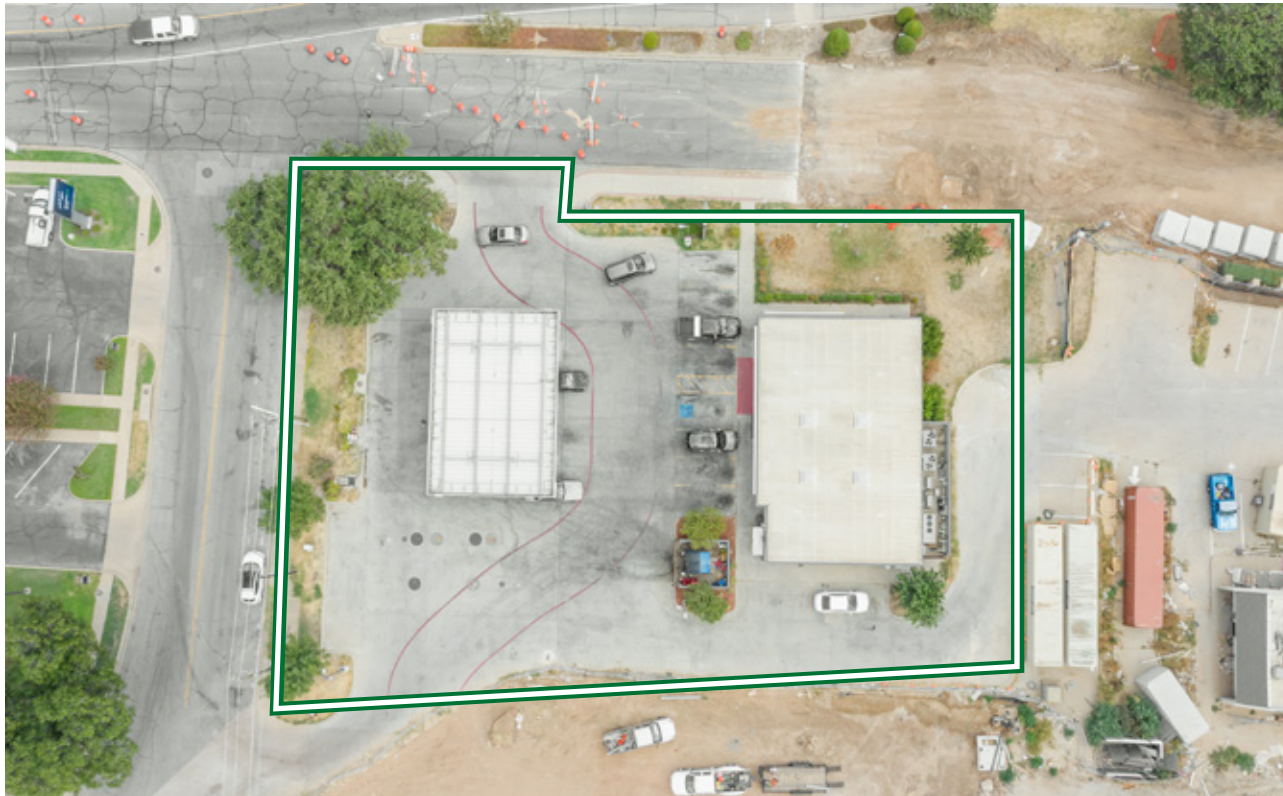
TENANT TRADE NAME	7-Eleven
TYPE OF OWNERSHIP	Ground Lease
LEASE GUARANTOR	Corporate
LEASE TYPE	NNN
ROOF AND STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM	10 Years
LEASE COMMENCEMENT	07/01/2014
RENT COMMENCEMENT	07/01/2014
LEASE EXPIRATION DATE	06/30/2029
TERM REMAINING	±10 Years
INCREASES	10% Every 5 Years
OPTIONS	Four (4), Five (5) Year Options



ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Rent PSF	CAP Rate
Current	\$7,791.67	\$93,500.00	\$31.17	4.85%
Years 11-15	\$8,570.83	\$102,850.00	\$34.28	5.34%
Option 1	\$9,427.92	\$113,135.00	\$37.71	5.87%
Option 2 -	\$10,370.71	\$124,448.50	\$41.48	6.46%
Option 3 -	\$11,407.78	\$136,893.35	\$45.63	7.10%
Option 4 -	\$12,548.56	\$150,582.69	\$50.19	7.81%

PARCEL MAP



ADDITIONAL PROPERTY PHOTOS





TENANT OVERVIEW



The Offering

PROPERTY NAME	
7-Eleven	
Property Address	701 S University Parks Dr Waco, TX 76706
SITE DESCRIPTION	
Number of Stories	One
Year Built	2014
GLA	± 3,000 SF
Lot Size	±0.70 AC
Type of Ownership	Ground Lease
Landscaping	Professional
Topography	Generally Level

Tenant Overview

» Company Name	» Year Founded	» Headquarters
7-Eleven	1927	Irving, TX
» Ownership	» Industry	» Website
Private	Convenience Store	www.7-eleven.com

7-Eleven is the world's largest convenience store chain operating, franchising and licensing more than 70,000 stores in 18 countries and is also one of the nation's largest independent gasoline retailers. As the pioneer of the convenience store concept, 7-Eleven strives to meet the needs of convenience-oriented guests by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean, friendly shopping environment. Each store maintains a selection of approximately 2,500 different products and services tailored to meet the needs and preferences of its local clientele.

#1
Entrepreneur's
Magazine Top Global
Franchises List

TOP C-STORE
Team Members

#3
Forbes' Top 20
Franchises to Start

AREA OVERVIEW

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Projection	11,461	73,187	129,311
2019 Estimate	11,305	70,380	123,795
2010 Census	10,937	67,117	116,881
Growth 2019-2024	1.38%	3.99%	4.46%
Growth 2010-2019	3.37%	4.86%	5.92%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Projection	3,236	24,984	48,015
2019 Estimate	3,099	23,847	45,693
2010 Census	2,848	22,476	42,710
Growth 2019-2024	4.42%	4.77%	5.08%
Growth 2010-2019	8.81%	6.10%	6.98%
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$34,851	\$43,758	\$54,374
Median Household Income	\$20,338	\$28,805	\$36,396



WACO, TEXAS

Situated halfway between Dallas and Austin, Waco is an important commercial and transportation hub with an added college presence. Waco is a prime destination for companies and individuals wanting access to large metro areas without the hassles of traffic, expensive real estate and labor shortages. The city's economy has seen consistent positive growth for multiple years due to the aid of major organizations such as Baylor University. The main contributor to Waco's economic success has been the employment growth. With the median household income increasing due to increasing employment, there is more disposable income within households.

10-MILE DEMOGRAPHICS

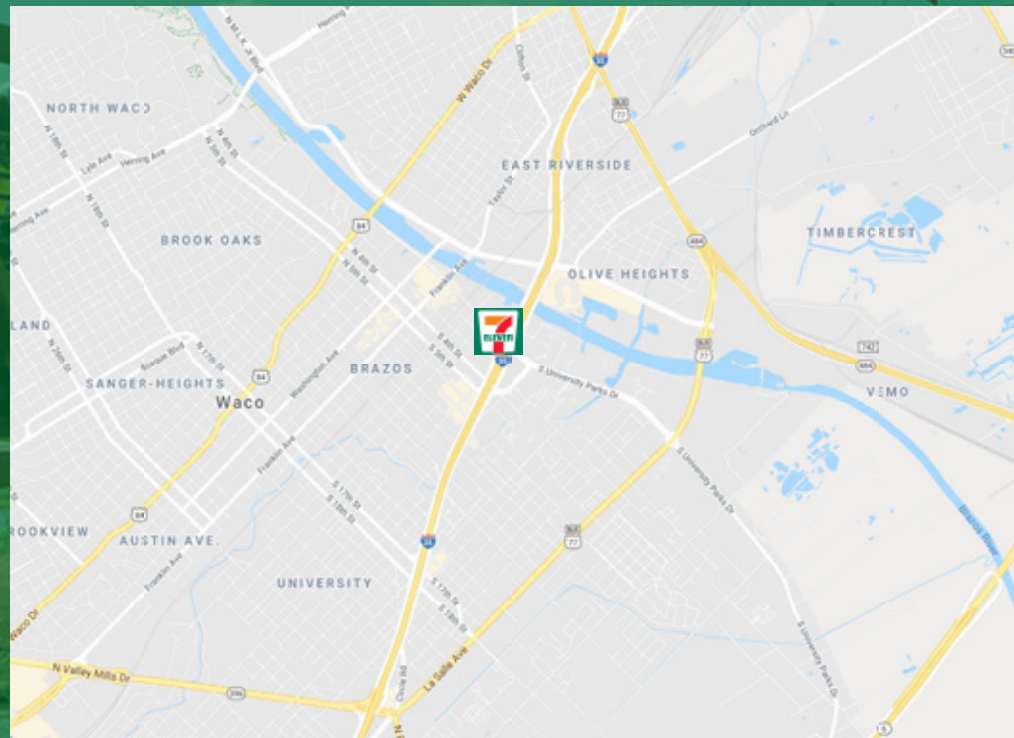
OVER 200K
POPULATION

OVER \$62K

MEDIAN HOUSEHOLD INCOME

OVER 74K

NUMBER OF HOUSEHOLDS



BAYLOR UNIVERSITY

Baylor University is a private Christian university and nationally ranked research institution in Waco, Texas with over 14,000 undergrads and 2,600 graduates. The university is the oldest continuously-operating university in Texas and one of the first educational institutions west of the Mississippi River.



BAYLOR
UNIVERSITY

The university brings a large economic impact to the Waco Metro Area every year. The annual impact on the local economy is estimated at \$1.22 billion which is based off of personal spending by faculty, employees, students, and out-of-county visitors in addition to direct Baylor University spending for operations and new capital expenditures.

MCLANE STADIUM

Located on the Brazos River and directly adjacent to the I-35 Corridor, McLane Stadium serves not only as the front door to Baylor University but also as the East anchor of downtown Waco. The \$266 million stadium is a once in a lifetime opportunity for Baylor University to bring football back to campus and also contribute to the growth of downtown Waco and development along the Brazos Riverfront.

McLane Stadium is a state-of-the-art multi-functional facility that will host world class music, family and sporting events throughout the year in addition to Baylor University football.



ECONOMIC DEVELOPMENT

Channel Control Merchants (CCM), a diversified secondary market products company, recently selected the city of Waco to be home to their first Texas distribution operation. The company acquired a 200,000 square foot building on Precision Drive. CMM plans to invest \$1,050,000 in capital improvements and hire 116 employees. The company will also open a 38,000-square-foot retail location at 300 North Valley Mills Drive under its Dirt Cheap brand with plans for multiple retail locations throughout Texas. Dirt Cheap is the largest retailer of customer returns and marked out of stock merchandise in the United States.

Let's Gel, the leader in life-enhancing comfort flooring solutions, recently announced plans to expand their facility in Waco with the addition of 15 new production jobs and a \$600,000 capital investment to support new production capacity. The popularity of the product has pushed the growth plans for Let's Gel forward creating the need for added production.

Allergan, a multi-national pharmaceutical company that produces branded and generic drugs and performs pharmaceutical research and development, broke ground on a \$200 million expansion of its Waco facility. The expansion will double the current facility, adding 322,000 square-feet. The site's addition is expected to add around 100 full-time jobs upon completion with the potential for expansion of operations which would add as many as 250 full-time jobs.

ENTERTAINMENT COMPLEX BOUND FOR WACO

A 90,000-square-foot family entertainment center boasting eight movie screens with recliners, 30 bowling lanes and an amusement center comparable to Dave & Buster's but with the added attraction of ax throwing is in the works for South Loop 340 and Interstate 35.

Schulman's Movie Bowl Grille, valued at \$25 million to \$30 million in the city of Waco's calculation for tax-incentive purposes, will anchor a 300-plus acre development to include a hotel and conference center, high-end restaurants and retail space.

The Schulman's project would take 30 acres and should spur interest in the adjacent land as talks continue with national-brand hotel chains, and overtures to high-end restaurant chains. The city included a stipulation that work start on the entertainment complex by July 1. The city anticipates the entertainment venue to be completed within two years.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **7-Eleven** located at **701 S University Parks Dr Waco, TX 76706** ("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.



11-2-2015

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:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o 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.

Kyle Matthews/Matthews Retail Group Inc.	<u>678067</u>	<u>kyle.matthews@matthews.com</u>	<u>(310) 919-5757</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	<u>678067</u>	<u>kyle.matthews@matthews.com</u>	<u>(310) 919-5757</u>
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

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

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