



BJ'S WHOLESALE CLUB

1899 CINEMA DR. | OLEAN, NY 14760

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AREA OVERVIEW

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

INVESTMENT SUMMARY

ADDRESS	1899 Cinema Dr. Olean, NY 14760
LIST PRICE	\$8,600,000
PRICE PSF	\$120
CAP RATE	7.25%
NOI	\$623,748
TERM REMAINING	± 7 Years
BUILDING SIZE	± 71,760 SF
YEAR BUILT	1994

DEMOGRAPHICS

	5-MILE	10-MILE	15-MILE
 POPULATION	23,210	34,364	64,522
 HOUSEHOLDS	9,671	14,372	26,770
 HH INCOME	\$67,443	\$68,127	\$65,353

OFFERING SUMMARY

Matthews™ is pleased to exclusively offer a 71,760-square-foot freestanding BJ's Wholesale Club with a gas station located in Olean, NY. BJ's Wholesale Club's net lease commenced in November 1994 with a 20 year primary term, and the tenant having four, 5-year renewal options. The tenant exercised their first renewal option beginning December 2014, and most recently executed a 7 year extension (in lieu of 2nd option) beginning December 2019, providing them with term now through January 2027.

The Property is situated along W State St/Rt 417 (15,630 VPD), the main east-west lateral that runs through the Olean submarket. With two signalized intersections providing access into the center, along with three additional ingress/egress access points, the center's ideal location provides outstanding access to both a local and regional customer base.

BJ's Wholesale Club is strategically located within Walmart Plaza, the dominant open-air shopping center within the Olean trade area. Walmart Plaza features a national tenant line-up of best-in-class tenants that include Walmart, BJ's Wholesale Club, Home Depot, AMC, Old Navy, and Pet Supplies Plus. Other major retailers in the immediate trade area include Tops Market, JCPenney, Marshalls, Aldi, Ollie's Bargain Outlet, Staples, and many others.

The Property sits right down the road from St. Bonaventure University, which has enrollment of nearly 2,500 students. The surrounding area features a strong demographic profile with more than 23,000 people located within a five-mile radius, boasting average household incomes in excess of \$67,000.

The Property is being offered "free and clear" of any existing debt, providing an investor with a fantastic opportunity to obtain historically attractive financing.

INVESTMENT HIGHLIGHTS

NATIONAL CREDIT TENANT

- ▶ BJ's Wholesale Club Holdings, Inc. (NYSE: BJ) is an American membership-only warehouse club chain headquartered in Westborough, Massachusetts (Boston MSA) with stores located on the East Coast of the U.S., along with Ohio and Michigan. Founded in 1984, the company has 219 "club" locations, 144 gas stations, and a membership base in excess of 5.5 million. They rank #245 on the Fortune 500 list and have a market cap of \$3.26 billion as of December 2019.

STRONG RECENT PERFORMANCE

- ▶ For the Fiscal quarter ended November 2, 2019, BJ's Wholesale Club reported YTD total revenues of \$9.4 billion (1.2% increase YoY), net income of \$148.3 million (18.6% increase YoY), an adjusted Earnings Per Share increase of 17.8% YoY, and a 7.0% increase in membership fee income YoY for the 39 weeks ended 11/2/19. BJ's Wholesale Club reported comparable sales (excl. Gasoline sales) increased 1.1% in 3Q19 over 3Q18.

NET LEASE WITH INCREASES

- ▶ BJ's Wholesale Club is on a NN lease with minimal landlord responsibilities (Roof & Structure), where the tenant is responsible for Real Estate Taxes, Insurance, and Common Area Maintenance for their parcel. There are contractual rental increases in the tenant's two remaining option periods of a 10% increase every five years.

INVESTMENT HIGHLIGHTS CONTD.

STRATEGIC LOCATION IN COLLEGE TOWN

- ▶ BJ's Wholesale Club is strategically located within Walmart Plaza, the dominant open-air shopping center within the Olean trade area. Walmart Plaza features a national tenant line-up of best-in-class tenants that include Walmart, BJ's Wholesale Club, Home Depot, AMC, Old Navy, and Pet Supplies Plus. Other major retailers in the immediate trade area include Tops Market, JCPenney, Marshalls, Aldi, Ollie's Bargain Outlet, Staples, and many others. The Property sits right down the road from St. Bonaventure University, which has enrollment of nearly 2,500 students. Not only does this provide additional daily traffic to the site, but it provides a recurring flow of new customers on an annual basis.

HIGHLY ACCESSIBLE AND HEAVILY TRAFFICKED

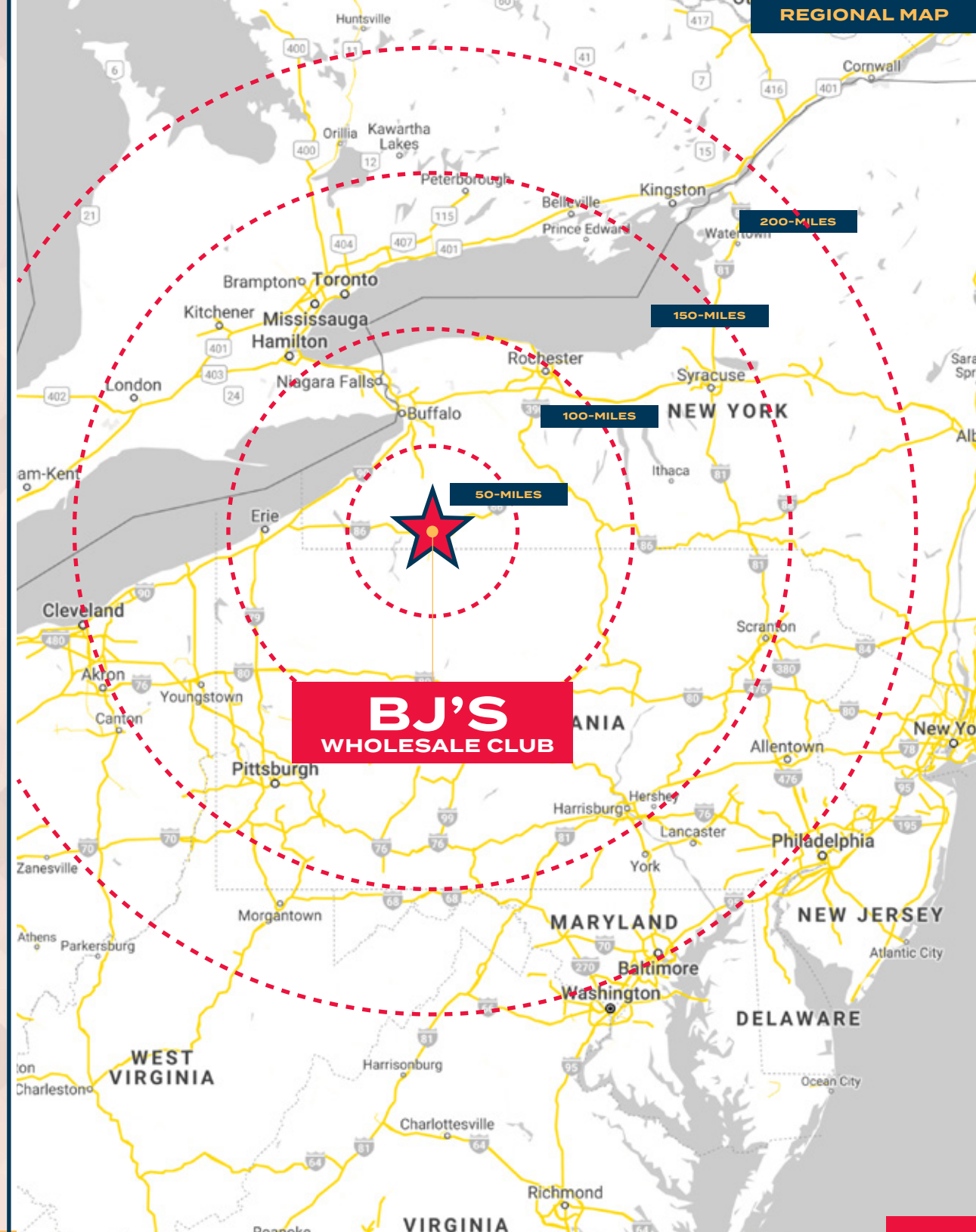
- ▶ The Property is situated along W State St/Rt 417 (15,630 VPD), the main east-west lateral that runs through the Olean submarket. With two signalized intersections providing access into the center, along with three additional ingress/egress access points, the center's ideal location provides outstanding access to both a local and regional customer base.

RECENT RENEWALS & RENOVATIONS

- ▶ BJ's Wholesale Club recently executed a 7 year extension taking their term out through January 2027, highlighting their commitment to the site and desire to remain here long-term. BJ's has also experienced significant capital improvements of late with the remaining portion of a full roof replacement being completed in 2017. Additionally, their building was painted and parking lot was paved in 2017-18, with these two items totaling over \$100k in total investment. Ownership also replaced the pylon sign in 2019 at a cost of \$110k. Aside from BJ's, there have been other anchor tenants within the center that have executed recent long-term renewals, completed renovations and have strong store sales - contact broker for details.

EXPANDED TRADE AREA DRAW

- ▶ **BJ's** – Nearest wholesale membership club is 50+ miles west (Sam's Club).
- ▶ **Walmart** – Only location within 22 miles.
- ▶ **Home Depot** – Only national home improvement store within 40+ miles.
- ▶ **AMC** – Only movie theater in Olean.





PROPERTY OVERVIEW



PROPERTY DESCRIPTION

- ▶ **PROPERTY ADDRESS**
1899 Cinema Dr. Olean, NY
- ▶ **BUILDING SIZE**
± 71,760 SF
- ▶ **SITE SIZE**
± 7.35 AC
- ▶ **APN**
042089 94.003-1-14.5
- ▶ **YEAR BUILT**
1994
- ▶ **FRONTAGE & ACCESS**
Independence Dr. / NY-417
- ▶ **GAS STATION DETAILS**
8 gas station pumps
One 20,000-gallon underground storage tank (UST), one 12,000-gallon UST, and one 8,000-gallon UST

ROOF MAP

STRUCTURE	ROOF TYPE	APPROXIMATE AREA (SF)	INSTALLATION DATE
BJ's - Main	TPO	18,000	2017
BJ's - East/West	EPDM	53,000	2011
BJ's - Canopies	Standing seam metal panel	850	2017
TOTAL		71,850	



TENANT PROFILE



BJ'S

BJ's Wholesale Club (NYSE: BJ) is a leading warehouse club operator on the East Coast of the United States. BJ's delivers significant value to members, consistently offering 25% or more savings on a representative basket of manufacturer-branded groceries compared to traditional supermarket competitors. BJ's provides a curated assortment focused on perishable products, continuously refreshed general merchandise, gas and other ancillary services to deliver a differentiated shopping experience that is further enhanced by our omnichannel capabilities.

In addition, BJ's offer a variety of services, such as BJ's Gas® and BJ's Travel® that help Members do more with their budgets. And with Everyday ClubVenience,SM BJ's helping Members shop how they want with convenient options like Same-Day Grocery Delivery, buy online and pick up in-Club, coupons on the BJ's Mobile App, and an expanded assortment on BJ's.com.



5.5M

Members



219

Wholesale Clubs



\$12.7B

Annual Sales



LEASE ABSTRACT

ANNUALIZED OPERATING DATA

DATE	ANNUAL RENT	MONTHLY RENT	\$ PSF/YR.	CAP RATE
11/29/1994 - 11/30/1999	\$412,368.00	\$34,364.00	\$5.75	-
12/01/1999 - 11/30/2004	\$453,600.72	\$37,800.06	\$6.32	-
12/01/2004 - 11/30/2009	\$498,965.28	\$41,580.44	\$6.95	-
12/01/2009 - 11/30/2014	\$548,861.81	\$45,738.48	\$7.65	-
Option 1 (12/1/2014 - 11/30/2019)	\$603,747.99	\$50,312.33	\$8.41	-
Option 2 (12/1/2019 - 1/31/2027)	\$623,747.99	\$51,979.00	\$8.69	7.25%
Option 3 (2/1/2027 - 1/31/2032)	\$684,122.72	\$57,010.23	\$9.53	7.95%
Option 4 (2/1/2032 - 1/31/2037)	\$750,535.04	\$62,544.59	\$10.46	8.73%

TENANT SUMMARY

Tenant Trade Name	BJ's Wholesale Club
Type of Ownership	Fee Simple
Lease Guarantor	BJ's Wholesale Club, Inc.
Lease Type	NN
Tenant Size (SF)	71,760
Roof and Structure	Landlord Responsible
Original Lease Term	20 years
Lease Commencement Date	8/30/94
Rent Commencement Date	11/29/94
Lease Expiration Date	1/31/27
Term Remaining on Lease	7.2 years
Increase	None
Options Remaining	Two, 5-year options



LEASE ABSTRACT



LEASE ABSTRACT CONT.

TAXES

Tenant shall pay the real estate taxes assessed against the land and improvements on the Tax Parcel for each tax year included within the term of this lease and a pro-rata portion thereof for the tax years partially included in the term at commencement and expiration thereof.

INSURANCE

In respect to Tenant's total reimbursement to landlord for Common Area public liability insurance, Tenant shall make monthly payments to Landlord as described below ("Tenant's CAM Insurance Contribution"). For the calendar years 2000 and 2001, Tenant's CAM Insurance Contribution was \$0.14 per square foot, which has been paid. For calendar year 2002, Tenant's CAM Insurance Contribution is \$860.06 per month, (calculated at the annual rate of \$0.1428 per square foot of ground floor area of Tenant's Building and the Fuel Facility). Commencing January 1, 2003, and on each January 1 thereafter during the term of this Lease, as the same may be extended or renewed, Tenant's CAM Insurance Contribution shall be increased by 2% over the amount payable for the immediately preceding period.

REPAIRS & MAINTENANCE

Tenant shall make all repairs, replacements, and alterations to the property which Tenant is required to maintain, as hereinafter set forth, which may be necessary to maintain the same in as good repair and condition as the same are in on the Commencement Date or which may be required by any laws, ordinances or regulations of any public authorities having jurisdiction, ordinary wear and tear and damage by the events described in Article XI excepted and subject to Article X of this lease. The property which Tenant is required to maintain is the Outdoor Areas and the doors and windows and heating, ventilating, air-conditioning system and roof drainage system of the Building and the interior of the Building, including, without limitation, all glass, and all utilities conduits, fixtures, and equipment within the Building serving the Building exclusively, but excluding all property which Landlord is required to maintain as below provided

Landlord shall make all the repairs, replacements and alterations to the property which Landlord is required to maintain, as hereinafter set forth, which may be necessary to maintain the same in good repair and condition or which may be required by any laws, ordinances or regulations of any public authorities having jurisdiction. The property which Landlord is required to maintain is the foundation, the slab=floors, the roof, the exterior walls, the structural parts of the Building, and, to the extent located within or beneath slab-floors of the Building and not readily accessible by means of removable panels, access doors or the like, all wiring, plumbing, pipes, conduits, and other utilities, plus all Common Areas, plus the Pylon Sign, and, to the extent not included in the foregoing, all utilities conduits, fixtures, and equipment serving the Demised Premises which serve other premises.

COMMON AREA MAINTENANCE

Tenant shall reimburse Shopping Center Manager it's Pro Rata Share of Common Area Expenses.





AREA OVERVIEW

OLEAN, NY

Situated in Cattaraugus County, New York, Olean is the largest city in the area. The place has an energetic spirit and outstanding resources that one might expect to find. It also serves as the financial, business, transportation and entertainment center of Cattaraugus Country.

Its location provides easy access to the major markets throughout the Northeast, including Canada. Olean is rich in recreational opportunities for everyone. The area offers excellent outdoor recreational opportunities, as well as fun things to do indoors.

BUFFALO, NY

Buffalo is rich in culture and has a lot to offer in terms of arts, nightlife, professional sports, famous art collections, and museums. The award-winning airport in conjunction with the University of Buffalo has boosted the economy. The main economic sectors include industrial, light manufacturing, high technology and services. The proximity to Canada gives the city's businesses extra support from those who come across the border on a regular basis, which many do to avoid higher prices in their home country.



\$87,371

MEDIAN HOME PRICE

±6,171

POPULATION

\$63,833

AVG. ANNUAL SALARY

ECONOMY

Buffalo is often referred to as the “City of Light” one reason is because it was the first city in America to have electric streetlights, another is because of the abundance of hydroelectric power that is supplied to the city by Niagara Falls about 20 miles away. The falls are both economically beneficial and a major tourist attraction.

Buffalo’s two major economic sectors are health care and education. These industries continue to grow due to the Buffalo Niagara Medical Campus, as well as the University at Buffalo and their constant expansion. The Buffalo Niagara Medical Campus consists of 27 finished and ongoing developments totaling in \$1.6 billion. These projects include the \$50.5 million Clinical Science Center for Roswell Park Cancer Institute which will include a cancer treatment center and breast mammography center. The University at Buffalo is responsible for 19,715 jobs in the state of New York.



ST. BONAVENTURE UNIVERSITY

St. Bonaventure University is a private Franciscan university in Allegany, New York. It has 2,381 undergraduate and graduate students. The Franciscan Brothers established the university in 1858.

Undergraduate and graduate programs are offered in the liberal arts and sciences, business, education, and journalism and mass communication, and three graduate degrees are offered in a 100% online format through St. Bonaventure University Online.

Programs are also offered by the University's Franciscan Institute, which has produced seminal publications and hosted the world's foremost Franciscan scholars. The Regina A. Quick Center for the Arts includes a world-class museum that enriches student learning experiences as well as the quality of life throughout Western New York.

In athletics, the St. Bonaventure Bonnies play National Collegiate Athletic Association Division I sports in the Atlantic 10 Conference. Students and alumni often refer to the university as Bona's, derived from the school's original name, St. Bonaventure's College.

50+

UNDERGRADUATE
MAJORS AND PROGRAMS

500+

ACRES WITH 31
BUILDINGS

1,800+

UNDERGRADUATE
STUDENTS

CONFIDENTIALITY AGREEMENT & DISCLOSURE

This Offering Memorandum contains select information pertaining to the business and affairs of **BJ's Wholesale Club** located at **1899 Cinema Dr, Olean, NY 14760** ("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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