

# Offering Memorandum



Representative Photo

**GOODYEAR**

**\$4,167,333 | 5.25% Cap Rate | 5% Increase in Two Years**  
**2603 North Main Street | Belton, TX (Temple MSA)**

**NNN EQUITY ADVISORS**  
REAL ESTATE INVESTMENT SERVICES





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# Investment Overview

NNN Equity Advisors, as the exclusive advisor to the seller, is pleased to present the investment opportunity of the fee simple interest in the property currently operating as a Goodyear Tire located at 2603 North Main Street in Belton, Texas.

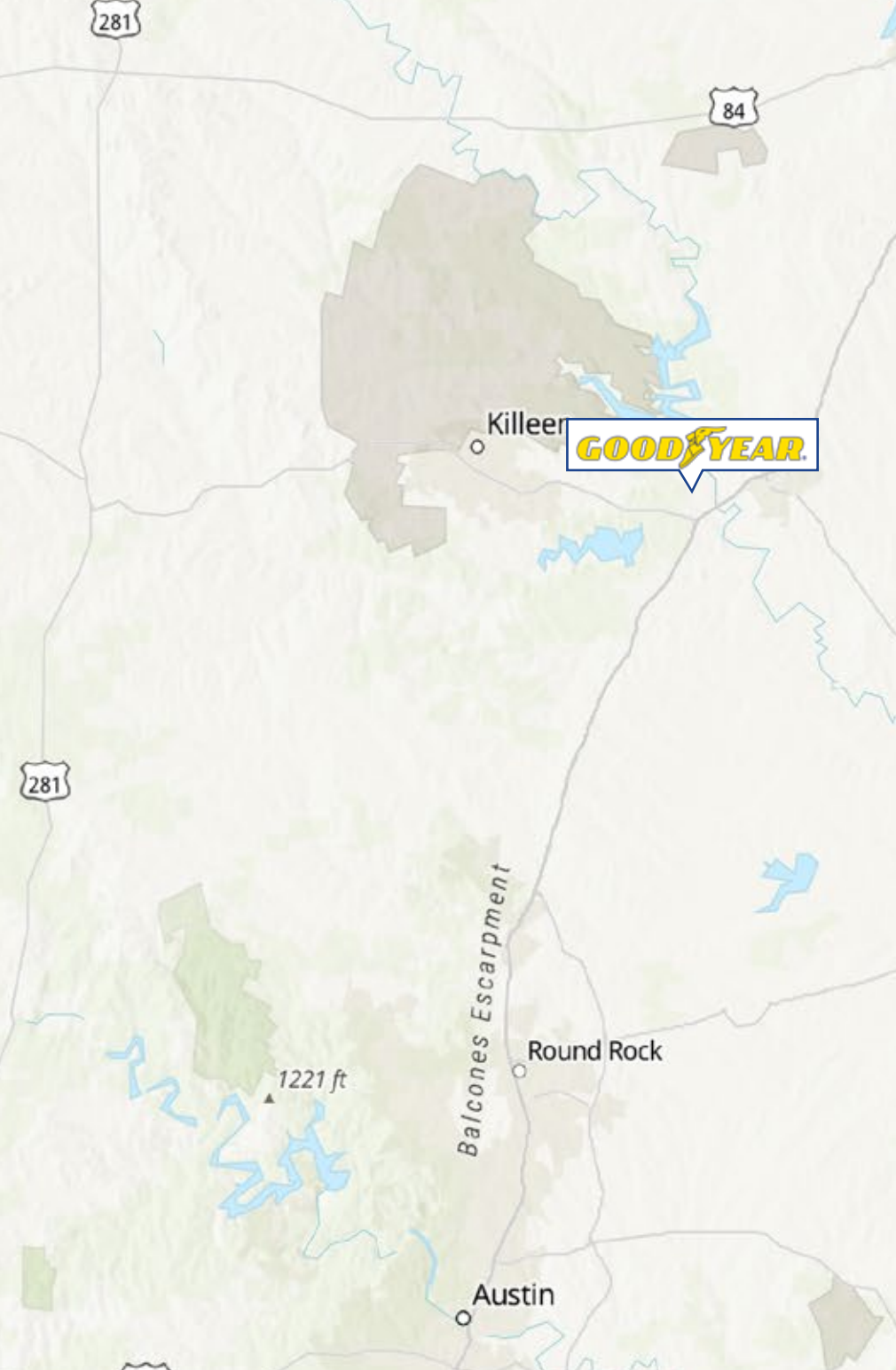
The Subject Property is subject to an absolute NNN Lease with approximately 12 years remaining on the Primary Term and four 5-year Options to Renew and 5% rental increases every five years throughout, the next of which is scheduled to occur in January of 2022.

The ±6,276 square foot freestanding building is situated on ±0.88 acres of land and is an outparcel to a 117,000 square foot H-E-B Plus! shopping center. A Walmart Supercenter is directly adjacent to the Subject Property, and the immediate intersection corners are occupied by a Taco Bell and H-E-B Fuel Center.

The Subject Property benefits from its hard corner visibility at the signalized intersection of North Main Street (VPD: ±17K) and Sparta Road (VPD: ±10K). I-35 (VPD: ±96K), which provides direct access to Temple (10 miles to its east) and Austin (68 miles to its south), is just over two miles north of the Subject Property.

# Investment Summary

ADDRESS:	2603 North Main Street Belton, TX 76513
BUILDING SIZE:	±6,276 SF
LOT SIZE:	±0.88 Acres
YEAR BUILT:	2017
PURCHASE PRICE:	\$4,167,333
NOI (CURRENT):	\$218,785
CAP RATE (CURRENT):	5.25%
NOI (PRO-FORMA 2022):	\$229,725
CAP RATE (PRO-FORMA 2022):	5.51%



**Absolute NNN Investment:** The Subject Property is subject to an absolute NNN lease with  $\pm 12$  years remaining on the Primary Term, four 5-year Options to Extend and 5% rental increases every five years.

**Credit Tenant:** The Goodyear Tire and Rubber Company (S&P: Ba3; NASDAQ: GT) is one of the world's largest and most well-known tire companies. The company offers various lines of rubber tires for automobiles, trucks, buses, aircrafts, motorcycles, earthmoving and mining equipment, farm implements, industrial equipment and various other applications under the Goodyear, Dunlop, Kelly, Debica, Sava, Fulda, and various other Goodyear owned brands. It also retreads truck, aviation and off-road tires; manufactures and sells tread rubber and other tire retreading materials; sells chemical and natural rubber products; and provides automotive and commercial truck maintenance and products. In 2019, the company had revenues of \$14.9B and has a market cap of \$3.4B presently. It operates approximately 1,100 tire and auto-service center outlets, which offer products for retail sale and provide automotive repair and other services.

**Strategic Retail Location:** The Subject Property is an outparcel to a 117,000 SF H-E-B Plus! location, and is also located directly across the street from a Walmart Supercenter. Various other retailers such as H-E-B Fuel Center, Little Caesars Pizza, Taco Bell, Dollar Tree, AT&T, The UPS Store, CVS, Walgreens and Grand Avenue Theater are also in the Subject Property's immediate vicinity, driving a steady flow of consumers to the area.

**Excellent Access/Visibility:** Primary access to the Subject Property is provided on North Main Street, which experiences traffic counts of  $\pm 17K$  VPD. The Subject Property is also located on a hard corner at the signalized intersection of North Main Street and Sparta Road, allowing excellent visibility from the roadway.

**Strong Demographics:** The population within a five-mile radius of the Subject Property is 66,842, which is growth of 2.00% from 2010, and is expected to increase another 1.73% between now and 2023. Average household income within the same radius is \$81,364 — well above the national average.

**Belton Market:** Belton is a historic business-friendly city located in the heart of Texas and is included in the Killeen-Temple Metropolitan Statistical Area and the larger Central Texas Region. Military, government, healthcare services, manufacturing/distribution, agriculture, business IT consulting services and retail trade are the prominent industry sectors in the city.

**Killeen-Temple MSA:** The Killeen-Temple Metropolitan Statistical Area ranks as the ninth largest MSA within the state of Texas with a total MSA population of  $\pm 472K$  (which is projected to grow another 1.39% by 2023). Low unemployment rates, low cost of living and its central location with easy access to the entire state make it a desirable place to live and do business. Killeen is also home to Fort Hood, one of the largest military installations in the free world with an economic impact of approximately \$25B.

## DEMOGRAPHICS

1 Mile Population	1 Mile Avg. HH Income	3 Mile Population	3 Mile Avg. HH Income	5 Mile Population	5 Mile Avg. HH Income
4,841	\$82,719	25,214	\$74,698	66,842	\$81,364



# Lease Summary

<b>PROPERTY NAME:</b>	Goodyear Auto Service Center		
<b>TENANT:</b>	The Goodyear Tire & Rubber Company (S&P: Ba3; NASDAQ: GT)		
<b>LEASE COMMENCEMENT:</b>	January 1, 2017		
<b>LEASE EXPIRATION:</b>	December 31, 2032		
<b>REMAINING TERM:</b>	±12 years		
<b>LEASE STRUCTURE:</b>	NNN		
<b>INITIAL TERM RENT:</b>	Years 1-5:	\$218,785	
	Years 6-10:	\$229,725	
	Years 11-15:	\$241,211	
<b>RENT INCREASES:</b>	5% increases every five years		
<b>OPTION PERIODS:</b>	Four 5-year Options to Extend		
<b>OPTION RENT INCREASES:</b>	5% increases at commencement of each Option		
<b>OPTION RENT:</b>	Option 1:	\$253,272	
	Option 2:	\$265,935	
	Option 3:	\$279,232	
	Option 4:	\$293,193	

<b>TAXES:</b>	Lessee shall reimburse Lessor for all real estate taxes and assessments due and payable related to the Premises.
<b>INSURANCE:</b>	Lessee, at its option and expense, will insure or, so long as Lessee has a net worth in excess of \$100,000,000, self-insure the Premises. The scope of the property casualty coverage provided by either method will be equivalent to an “all risk” policy, Excluding earthquake and flood coverages. In addition, Lessee shall carry and maintain General Liability Insurance including contractual liability on the Premises with a combined single limit in an amount sufficient to protect Lessor and Lessee, but in no event will such insurance be in an amount less than \$5,000,000.
<b>REPAIRS &amp; MAINTENANCE:</b>	Lessee responsibility.
<b>ROFR:</b>	Yes, to be waived or exercised within 30 days of written notice to Lessee.



Representative Photo









## Tenant Overview



The Goodyear Tire and Rubber Company (S&P: Ba3; NASDAQ: GT) is one of the world's largest and most well-known tire companies. The company offers various lines of rubber tires for automobiles, trucks, buses, aircrafts, motorcycles, earthmoving and mining equipment, farm implements, industrial equipment and various other applications under the Goodyear, Dunlop, Kelly, Debica, Sava, Fulda, and various other Goodyear owned brands. It also retreads truck, aviation and off-road tires; manufactures and sells tread rubber and other tire retreading materials; sells chemical and natural rubber products; and provides automotive and commercial truck maintenance and products.

The company was founded in 1898 and is headquartered in Akron, Ohio. In 2019, the company had revenues of \$15.5B, profit of \$693M and has a market cap of \$3.4B presently. It operates approximately 1,100 tire and auto-service center outlets, which offer products for retail sale and provide automotive repair and other services. Goodyear Tire & Rubber was ranked number 203 on the 2019 Fortune 500 list and employs approximately 64,000 people.



Representative Photo





Fort Hood



Belton Lake

### Belton Market Overview

Belton is a historic business-friendly city located in the heart of Texas and is included in the Killeen-Temple Metropolitan Statistical Area and the larger Central Texas Region. Military, government, healthcare services, manufacturing/distribution, agriculture, business IT consulting services and retail trade are the prominent industry sectors in the city. Belton is the county seat of Bell County and is also home to the Bell County Expo and Bell County Museum. Located at the crossroads of I-35 and I-14, Belton is within 180 miles of every major market in Texas and in the center of the rapidly growing high-tech corridor between the Austin and Dallas/Fort Worth areas.

### Killeen-Temple MSA

The Killeen-Temple Metropolitan Statistical Area ranks as the ninth largest MSA within the state of Texas with a total MSA population of  $\pm 472K$  (which is projected to grow another 1.39% by 2023). Low unemployment rates, low cost of living and its central location with easy access to the entire state make it a desirable place to live and do business. Killeen is also home to Fort Hood, one of the largest military installations in the free world with an economic impact of approximately \$25B.

### Economy

The Killeen-Temple MSA market have seen significant growth in employment due to robust growth in the transportation, warehousing, healthcare and construction industries. Employment growth in Belton has historically outpaced the Killeen-Temple MSA, the nearby Waco MSA and the state of Texas as a whole. The city of Belton also offers various incentives to businesses such as Tax Abatements, Development Assistance & Fee Waivers, and Employee Training.

## Education

Belton Independent School District is the largest school district in the Killeen-Temple MSA covering approximately 200 square miles in Bell County and employing over 1,700 people. Over 60,000 students are enrolled in elementary and secondary schools within the Belton area, and over 3,000 students graduate from high school annually. There are also various universities and colleges within the area such as University of Mary Hardin-Baylor, Temple College, Texas State Technical College, Texas A&M Central Texas and Texas A&M Health Science Center College of Medicine.

## Transportation

Belton is centrally located and benefits from its proximity to surrounding major cities — drive times to Austin, Dallas, Houston and San Antonio are all approximately two and one half hours or less. The Killeen-Temple Metropolitan Planning Organization (KTMPPO) also expects \$272,270,000 of mobility-related funding to be allocated for identified projects in the region over the next ten years.

## Fort Hood

U.S. Army Fort Hood, also known as “The Great Place,” is located in the region and is the Army’s premier installation to train and develop heavy forces. A 214,968 acre installation of rolling-arid terrain ideal for multifaceted training and testing of military units and troops, Fort Hood is the only post in the United States capable of stationing and training two armored divisions. As the most effective and least expensive training facility in the nation, Fort Hood continues to rank the highest in military value of any Army installation and has an approximately \$25B annual economic impact on the Texas economy.

## MSA Demographics

### Population

2019 Population	471,790
2023 Projection	505,384
2018-2023 Growth	1.66%

### Median Age

**32.1**

### Households

2019 Households	167,032
2023 Projection	179,077
2018-2023 Growth	1.40%

### Household Income

2019 Median	\$53,946
2019 Average	\$69,214

### Race & Ethnicity

White Alone	60.0%
Black Alone	21.4%
American Indian/Alaskan Alone	0.8%
Asian Alone	2.8%
Pacific Islander Alone	0.8%
Other Race	8.5%
Two or More Races	5.7%
Hispanic Origin	24.1%



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