

CONFIDENTIAL OFFERING MEMORANDUM

# TRACTOR SUPPLY CO.

BRICKERVILLE, PENNSYLVANIA

34 MILES EAST OF HARRISBURG INT'L AIRPORT AND 81 MILES WEST OF PHILADELPHIA INT'L AIRPORT



NET LEASE GROUP

EXCLUSIVELY OFFERED BY:

**ANDREW BOGARDUS**  
+1 415 677 0421  
andy.bogardus@cushwake.com  
CA LIC #00913825

**CHRISTOPHER SHELDON**  
+1 415 677 0441  
chris.sheldon@cushwake.com  
CA LIC #01806345

IN ASSOCIATION WITH:

**PETER STRICKLER**  
Cushman & Wakefield  
PA LIC #AB067039

SUBJECT PROPERTY



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# Investment Offering

## Location

6 West 28th Division Highway, Brickerville, PA

## Lot Size

Approximately 4.50 acres – 196,020 square feet

## Improvements

New construction and set to open in early May, a 19,097± square foot single story retail building constructed for **TRACTOR SUPPLY COMPANY** with a 15,000± square foot fenced outdoor display area and ample onsite parking. The construction is pre-engineered prototypical concrete block.

## Lease

Leased to **TRACTOR SUPPLY COMPANY** for 15 years at a starting annual rent of \$280,000 which increases by 5% every five years throughout the primary lease term and options. The lease is net with the tenant responsible for taxes, insurance and maintenance. The Landlord is responsible for the roof, foundation and structure, and parking lot surface and replacement. Landlord must carry commercial general liability insurance. There are two 5-year options as well as one 4-year and 11-month option to renew under the same terms and conditions as the primary lease. Tractor Supply has the right of first refusal (see “Right of First Refusal”).

## Right of First Refusal

All offers are subject to a right of first refusal that Tractor Supply must exercise within 30 days of receipt.

## Annual Rent

Lease Years	Annual Rent	Return
1 - 5	\$280,000	6.00%
6 - 10	\$294,000	6.30%
11 - 15	\$308,700	6.61%
16 - 20 (Option 1)	\$324,135	6.95%
21 - 25 (Option 2)	\$340,342	7.29%
26 - 30 (Option 3)	\$357,359	7.66%

**Price: \$4,667,000 – 6.00% Cap Rate**

## Rent Per Square Foot

\$14.66 net per year –\$1.22 net per month

## Possible Financing

The property will be delivered free and clear of financing. Possible new financing is available in the amount of \$2,800,000 (60% LTV) at 3.85% interest with 30 year amortization, 10 year loan, and annual debt service of \$157,520.

			<u>Years 1 - 5</u>	<u>YRS 6 - 10</u>
<b>Price :</b>	\$4,667,000	<b>Net Income:</b>	\$280,000	\$294,000
<b>Loan:</b>	<u>\$2,800,000</u>	<b>Debt Service:</b>	<u>\$157,520</u>	<u>\$157,520</u>
<b>Cash Required:</b>	\$1,867,000	<b>Cash Flow:</b>	\$122,480	\$136,4840
<b>Cash on Cash Return:</b>			6.56%	7.31%

# Site Plan

E 28TH DIVISION HWY



TENANT  
SIGN

LONG LANE

**TSC TRACTOR  
SUPPLY CO**

19,097± SQ. FT.

FENCED OUTDOOR  
DISPLAY AREA

15,000± SQ. FT.



## About the Tenant

Based in Nashville, Tennessee, **TRACTOR SUPPLY COMPANY (NASDAQ: "TSCO")** is the largest retail farm and ranch store chains in the U.S. Tractor Supply Company operates over 1,940 stores in 49 states, focused on supplying the lifestyle needs of recreational farmers and ranchers. It also serves the maintenance needs of those who enjoy the rural lifestyle as well as tradesmen and small businesses. Located in towns outlying major metropolitan markets and rural communities, Tractor Supply stores offer a comprehensive selection of merchandise:

- Equine, pet and small animal products including everything necessary for their health, care, growth, and containment
- Maintenance products for agricultural and rural use
- Hardware and seasonal products including lawn and garden power equipment
- Truck, towing and tool products
- Work/recreational clothing and footwear for the entire family
- Maintenance products for agricultural and rural use
- Home décor, candy, snack food and toys

Over the past ten years Tractor Supply has experienced considerable growth in stores, growing from 930 stores at the end of 2009 to 1,940 stores at the end of 2018.

For the nine months ended September 30, 2019, TSCO reported net sales of \$6.16 billion with a net income of \$418 million and total stockholders' equity of \$1.49 billion.

For the fiscal year ended on December 31, 2018, reported sales were \$7.91 billion (up 8.95% from 2017) with a net income of \$532 million (up 25% from 2017).

The Company opened 80 new stores and 18 Petsense locations in fiscal 2018.

For additional information, see [www.tractorsupply.com](http://www.tractorsupply.com).



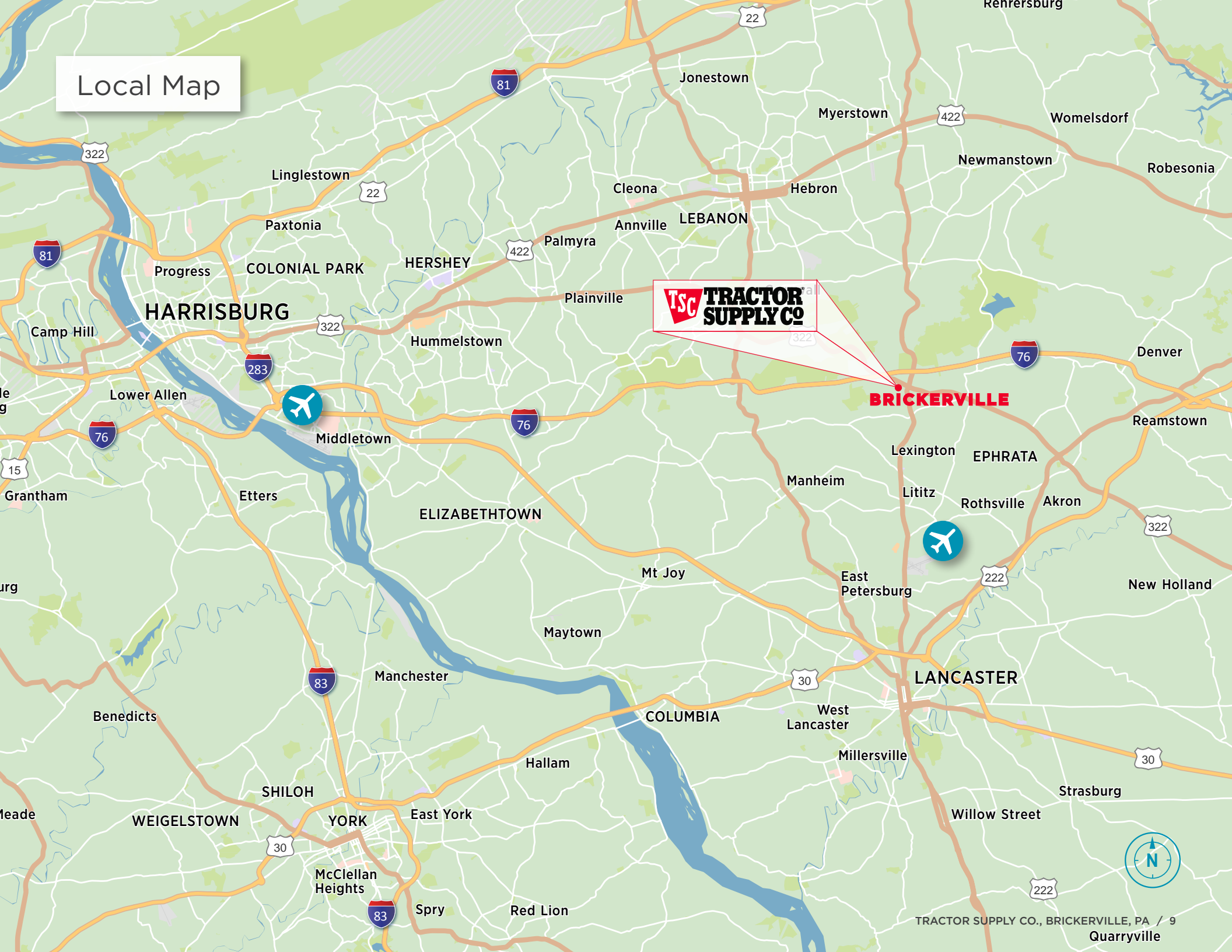


# AERIAL





# Local Map



**BRICKERVILLE**

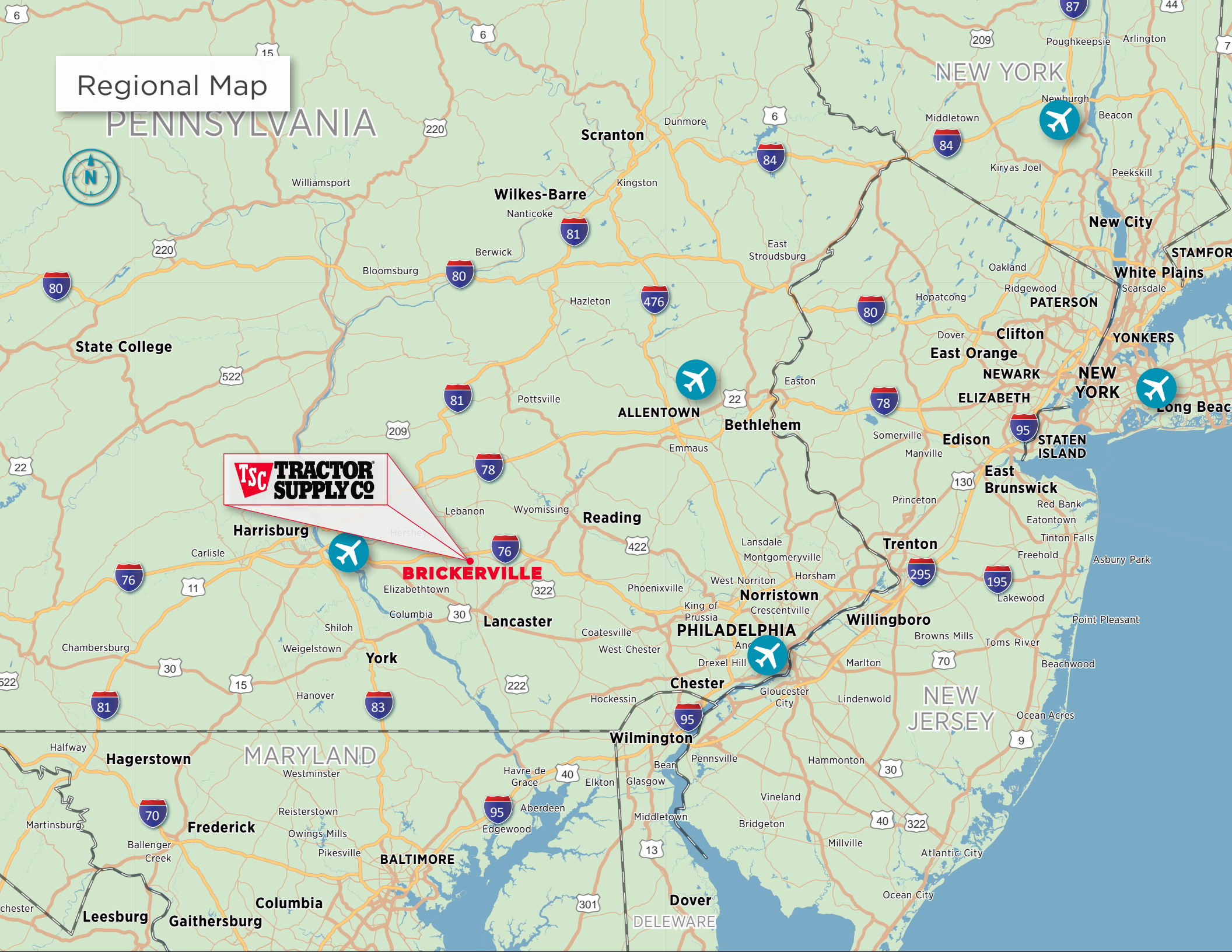


**LANCASTER**






# Regional Map





An aerial photograph of a Tractor Supply Co. building and its parking lot. The building is a large, single-story structure with a white roof and blue and red exterior accents. A sign on the building reads "TRACTOR SUPPLY CO.". To the left of the building is a large, paved area with yellow markings, possibly a loading dock or storage area. To the right is a large, paved parking lot with white markings. The building is situated on a corner lot, with a road running along the top and right sides. The surrounding area includes fields, trees, and other buildings in the distance.

## Site Location

## Site Location

The property is situated on the southeast corner of U.S. Route 322 & Long Lane (E 28th Division Hwy), and just south of Interstate 76 that runs from Philadelphia through Harrisburg to the Ohio border. The route passes near several cities, including DuBois, State College and Harrisburg. The property is located just 14 miles north of Lancaster, a vibrant city that strives to be a arts and cultural driver while promoting a high quality of life and economic vitality.



# Lancaster, Pennsylvania

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Lancaster is a city located in South Central Pennsylvania which serves as the seat of Pennsylvania's Lancaster County and one of the oldest inland towns in the United States. With a population of 59,420, it ranks tenth in population among Pennsylvania's cities. The city's primary industries include healthcare, tourism, public administration, manufacturing, and both professional and semi-professional services. The City of Lancaster strives to be an arts and cultural driver by leveraging Lancaster City's best assets to enhance and promote the City's quality of life, economic vitality, and attractiveness as a destination and residence.

## Economy

Lancaster City has been in the process of recreating itself, particularly since 2005, with a growth of specialty shops, boutiques, bars, clubs, and reinvestment in downtown institutions and locations. In 2005 the creation of "Gallery Row" solidified the status of Lancaster as an arts destination. The art community continues to thrive and expand.

The City of Lancaster effectively creates a "business friendly" environment with the intent of facilitating business growth and expansion. The City encourages the private sector to seek out new ventures, open and expand

businesses and create jobs. The City recognizes that the foundation of a strong city is household sustaining employment and that partnerships with community institutions provide every resident access to one good job

## Education

Education in Lancaster is provided by many private and public institutions. The School District of Lancaster runs the city's public schools. Established in 1836, it is the second oldest school district in Pennsylvania. The School District of Lancaster is a leader in urban education in the Commonwealth of Pennsylvania. Serving more than 11,000 students, the district is known for its rich diversity and highly professional faculty and staff.

The Lancaster area hosts several colleges and universities, including Consolidated School of Business, Franklin & Marshall College, Lancaster General College of Nursing & Health Sciences, Lancaster Theological Seminary, Lancaster Bible College, Pennsylvania College of Art and Design, Thaddeus Stevens College of Technology, Millersville University of Pennsylvania, Central Pennsylvania College, Elizabethtown College and the Harrisburg Area Community College.





# Lancaster, Pennsylvania (cont)

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## Transportation

### Highways

Lancaster is served by U.S. State Route 30, a main east-west cross-country route, with a length of 3,073 miles, it is the 3<sup>rd</sup> longest U.S. Highway, passing through the major cities of Pittsburgh and Philadelphia. The city is also served by U.S. Route 222, which runs for 95 miles almost entirely in Pennsylvania, and serves as the state's principal artery between the Lancaster and Reading areas and the Lehigh Valley.

### Airport

The Lancaster Airport, built by the citizens of Lancaster County in 1935, is the fourth busiest airport in the State. It is home to 24 businesses that employ over 230 people on-site. The Manheim Township airport contributes more than \$50 million dollars per year to the local economy.

### Rail

Amtrak serves the Lancaster Train and Bus Station, located on the northernmost edge of the city at 53 East McGovern Avenue. The Pennsylvanian, with service between Pittsburgh and New York City via Philadelphia, as well as the Keystone Service, which runs from Harrisburg to New York City via Philadelphia, both serve Lancaster.

### Public Transportation

The Red Rose Transit Authority (RRTA) provides local bus transit to Lancaster City and surrounding areas in Lancaster County. RRTA is headquartered outside the City of Lancaster. The Queen Street Station in downtown Lancaster serves as a transit hub for several RRTA bus routes.





## Area Demographics

2020 Summary	5 miles	8 miles	10 miles
Population	28,192	104,554	181,864
Households	10,480	40,530	69,981
Families	7,669	28,633	49,101
Average Household Size	2.67	2.55	2.55
Owner Occupied Housing Units	7,568	28,395	49,162
Renter Occupied Housing Units	2,912	12,135	20,819
Median Age	41.2	42.7	42.9
Median Household Income	\$70,003	\$67,589	\$66,736
Average Household Income	\$85,057	\$85,613	\$85,193

Projected 2025 Summary	5 miles	8 miles	10 miles
Population	28,807	108,051	187,812
Households	10,687	41,831	72,156
Families	7,788	29,444	50,437
Average Household Size	2.68	2.56	2.56
Owner Occupied Housing Units	7,691	29,229	50,521
Renter Occupied Housing Units	2,996	12,602	21,635
Median Age	41.9	43.1	43.3
Median Household Income	\$79,241	\$76,130	\$75,086
Average Household Income	\$97,465	\$96,728	\$95,581



REPRESENTATIVE PHOTO





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