

**CIRCLE K**



**EXCLUSIVE NET-LEASE OFFERING**

*Subject Property*



# OFFERING MEMORANDUM



1892 South Island Road, Georgetown, South Carolina 29440

# Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

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# Investment Highlights

PRICE: \$2,990,624 | CAP Rate: 8.50% | RENT: \$254,203



## Optimal Lease Structure

- ✓ Original 15-Year Absolute Triple Net (NNN) Lease with +/- 2 Years Remaining
- ✓ Tenant Renewal Options: Four (4) Periods of Five (5) Years, Bringing the Possible Remaining Lease Term to 22 Years
- ✓ Corporate Guaranty | Circle K Stores, Inc

## Compelling Location Fundamentals

- ✓ Surrounding Retail | Across the From a Food Lion-Anchored Shopping Center
- ✓ High Visibility and Ease of Access | Highway-17 is The Main North-South Thoroughfare in Georgetown | 19,000 Vehicles On Average Daily
- ✓ Adjacent Academic Presence | Maryville Middle & Highschool Both Within a Two-Mile Radius | Combined Total Enrollment Exceeds 2,600 Students
- ✓ Prominent Medical Presence | Tidelands Georgetown Memorial Hospital | A 171-Bed State-of-The-Art Medical Facility Within a Three-Mile Radius
- ✓ International Paper Co. | Their Primary Processing Plant in South Carolina With Over 650 Full-Time Employees | Located One Mile North of Subject Property, on Highway-17
- ✓ Winyah Plant – Santee Cooper | Major Mining Facility Which Averages Approximately 2,500 Full-Time Employees Per Site | Within a Three-Mile Radius
- ✓ Great Location Fundamentals | 30 Miles South of Myrtle Beach and 60 Miles North Charleston, South Carolina

## About The Tenant

- ✓ 2<sup>nd</sup> Largest Convenience Store Operator in the United States
- ✓ Owned by the Canadian Multinational Alimentation Couche-Tard | 8,400+ Locations
- ✓ Parent Company Investment Grade Credit | S&P: BBB
- ✓ Largest Independent Convenience Store Operator for Company-Operated Stores





# Financial Analysis

PRICE: \$2,990,624 | CAP Rate: 8.50% | RENT: \$254,203



## PROPERTY DESCRIPTION

Property	Circle K
Property Address	1892 South Island Rd
City, State, ZIP	Georgetown, SC 29440
Year Built / Renovated	1998
Building Size	7,875 SF
Lot Size	+/- 1.23 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Annual Rent	\$254,203
CAP Rate	8.50%
Purchase Price	\$2,990,624
Price / SF	\$379.76
Rent / SF	\$32.28

## LEASE SUMMARY

Property Type	NNN C-Store
Ownership Type	Private
Tenant / Guarantor	Alimentation Couche-Tard, Inc
Original Lease Term	15.0 Years
Lease Commencement	January 11, 2007
Lease Expiration	January 31, 2022
Lease Term Remaining	1.9 Years
Lease Type	NNN
Roof & Structure	Tenant Responsible
Rental Increases	Lesser of CPI or 6.50% Every 5 Years
Options to Renew	4, 5-Year
Right of First Refusal	Yes

## RENEWAL SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Extension 1 (5 Yrs)	\$270,726.20	\$22,560.52	6.50%
Extension 2 (5 Yrs)	\$286,969.77	\$23,914.15	6.00%
Extension 3 (5 Yrs)	\$304,187.95	\$25,349.00	6.00%
Extension 4 (5 Yrs)	\$322,439.23	\$26,869.94	6.00%
Option Increases Lesser of CPI or 6.50% Every 5 Years			

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Kangaroo Express Gas Station & Convenient Store located at 1892 South Island Rd in Georgetown, SC. The property consists of 7,875 square feet of building space and is situated on roughly 1.23 acres of land. The tenant, The Pantry, Inc (DBA Kangaroo Express) is a wholly owned subsidiary of Circle K Stores, Inc. There are approximately 2 years remaining on the original 15-year triple-net (NNN) lease and the current annual rent is \$254,203. There are four (4), five (5)-year tenant renewal options, extending the total possible lease term to nearly 22 years.





## BUSINESS

Couche-Tard is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, Couche Tard is a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Sweden and Denmark), in the Baltic countries (Latvia and Lithuania), and in Ireland and also with an important presence in Poland.

## PROFILE

As of February 4, 2018, Couche Tard's network comprised 10,020 convenience stores throughout North America, including 8,698 stores with road transportation fuel dispensing. Its North American network consists of 19 business units, including 15 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 100,000 people are employed throughout its network, and at its service offices in North America. In addition, through CrossAmerica Partners LP, Couche Tard supplies road transportation fuel under various brands to more than 1,300 locations in the United States.

In Europe, Couche Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics, and Russia through ten business units. As of February 4, 2018, Couche Tard's network comprised 2,730 stores, the majority of which offer road transportation fuel and convenience products, while the others are unmanned automated fuel stations which only offer road transportation fuel. Couche Tard also offers other products, including stationary energy, marine fuel, aviation fuel, and chemicals. Including employees at branded franchise stores, approximately 25,000 people work in its retail network, terminals, and service offices across Europe.

In addition, under licensing agreements, more than 1,900 stores are operated under the Circle K banner in 14 other countries and territories (Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Macau, Malaysia, Mexico, the Philippines, Saudi Arabia, the United Arab Emirates, and Vietnam), which brings the worldwide total network to more than 15,900 stores. Couche Tard is a Canadian company which shares are listed on the Toronto Stock Exchange (TSE:ATD.A and ATD.B).

## General Information

Founded	1951
Website	<a href="https://www.circlek.com/">https://www.circlek.com/</a>
Number of Locations	7,700+ in 48 States
Headquarters	Tempe, AZ

## KANGAROO EXPRESS & CIRCLE K

Circle K acquired over 1,500 Company-Operated Kangaroo Express sites with The Pantry acquisition in 2015. The majority have been converted to Circle K Company-Operated sites. A select group of Kangaroo Express stores were made available for sale to become the foundation of the Kangaroo Express Franchise program. Opportunities are available in select regions within the US.







# Surrounding Area

Property Address: 1892 S Island Road, Georgetown, SC 29440





# Location Overview

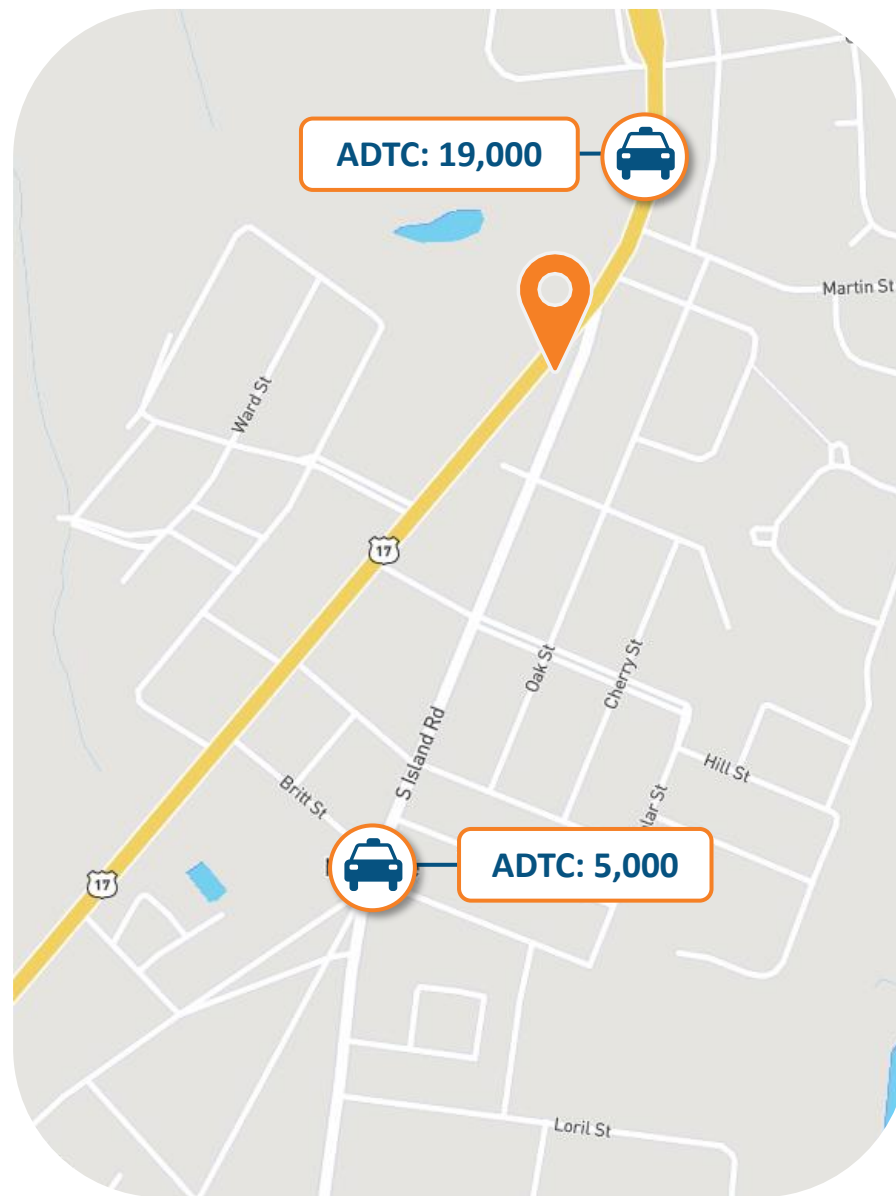
Property Address: 1892 S Island Road, Georgetown, SC 29440



The subject investment property is a Kangaroo Express situated at the intersection of South Island Road and Highway-17. South Island Road and Highway-17 boast average daily traffic counts exceeding 5,000 and 19,000 vehicles, respectively. There are more than 14,000 individuals residing within a five-mile radius of the property and more than 24,000 individuals within a ten-mile radius.

The subject property benefits from being well-positioned on highway-17, the main north-south thoroughfare in Georgetown, directly connecting the subject property to both Myrtle Beach and Charleston, South Carolina –two major attractions for the region. There are more than 2,500 students enrolled locally, driving higher traffic counts in front of this property multiple times per day. Additionally, Tidelands Georgetown Memorial Hospital, a prominent, state-of-the-art 171-bed medical facility, is located within a three-mile radius of the subject property. This Kangaroo Express also benefits from its proximity to the major employers in the local area. Winyah Plant – Santee, a major mining facility which averages approximately 2,500 employees per site, is within a three-mile radius of the site. International Paper Co.'s manufacturing plant, which is one of the largest in the state with over 650 full time employees, is located one mile north from the subject property, on Highway-17. This subject property also benefits from its great location fundamentals, situated 60-miles north of Charlotte, South Carolina and Myrtle Beach, via Highway-17.

Georgetown is the third oldest city in the U.S. state of South Carolina and the county seat of Georgetown County, in the Lowcountry. Located on Winyah Bay at the confluence of the Black, Great Pee Dee, Waccamaw and Sampit Rivers, Georgetown is the second largest seaport in South Carolina, handling over 960,000 tons of materials a year. 30 miles north of Georgetown is the coastal city of Myrtle Beach. Myrtle Beach, a city and vacation resort on South Carolina's Atlantic coast, is the hub of the Grand Strand, a 60-mile string of beaches. It's also known for its celebrity-designed golf courses. Along its beachfront boardwalk are arcades, souvenir stands and restaurants, as well as the old-fashioned Family Kingdom amusement park and the SkyWheel, one of the country's tallest Ferris wheels.







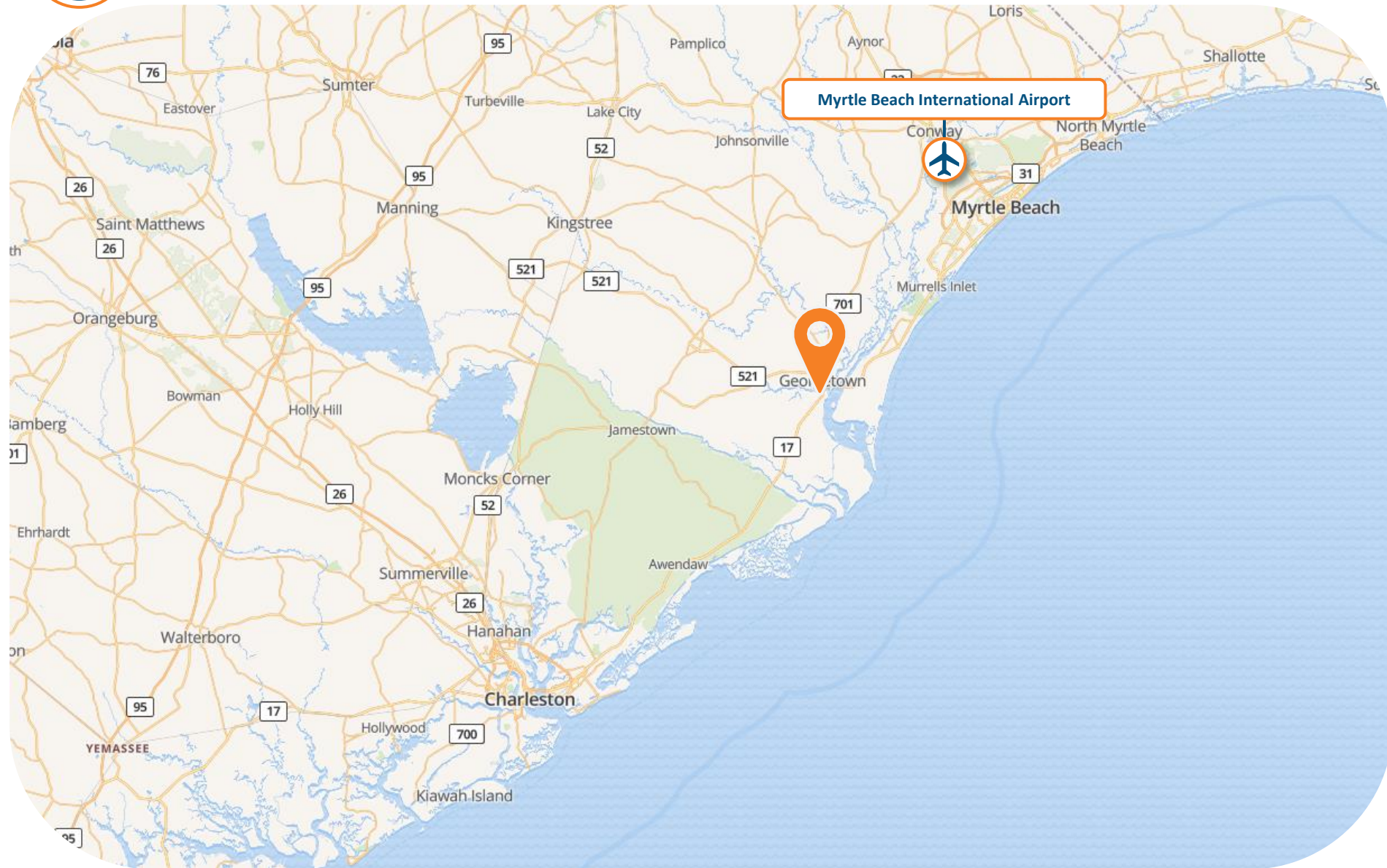
# Property Photo





# Local Map

Property Address: 1892 S Island Road, Georgetown, SC 29440

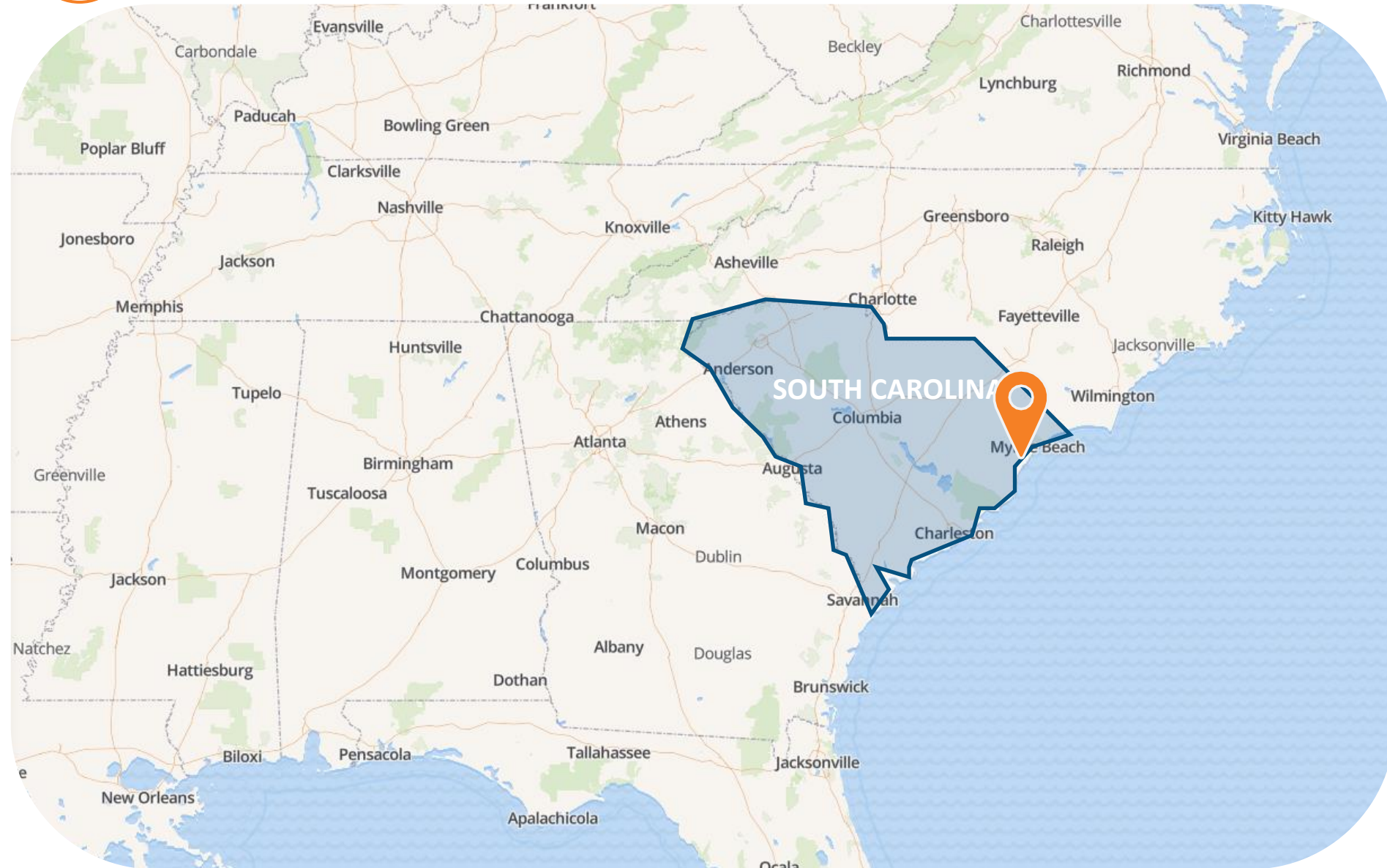






# Regional Map

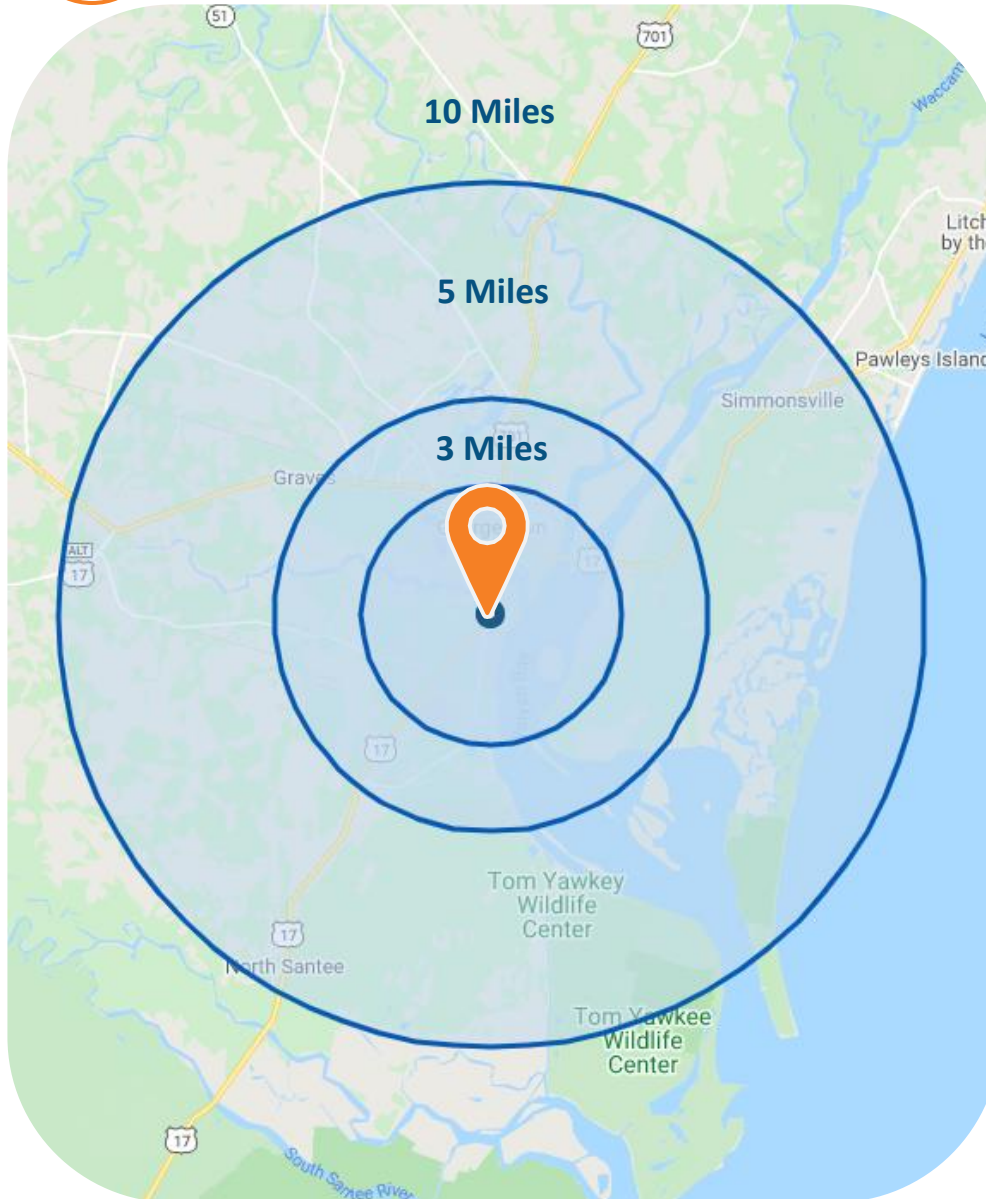
Property Address: 1892 S Island Road, Georgetown, SC 29440





# Demographics

Property Address: 1892 S Island Road, Georgetown, SC 29440



## POPULATION

	3 Miles	5 Miles	10 Miles
2024 Projection	9,987	14,874	25,235
2019 Estimate	9,928	14,755	24,424
2010 Census	9,981	14,838	24,322
2000 Census	10,243	15,149	22,584

## INCOME

	3 Miles	5 Miles	10 Miles
Average	\$53,643	\$55,213	\$65,689
Median	\$33,848	\$36,748	\$44,280
Per Capita	\$20,985	\$21,670	\$25,679

## HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2024 Projection	3,912	5,859	9,888
2019 Estimate	3,847	5,735	9,464
2010 Census	3,827	5,705	9,332
2000 Census	3,875	5,671	8,411

## HOUSING

	3 Miles	5 Miles	10 Miles
2019	\$128,821	\$132,114	\$159,196

## EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2019 Daytime Population	13,840	20,485	25,545
2019 Unemployment	7.31%	6.75%	5.72%
2019 Median Time Traveled	22 Mins	22 Mins	25 Mins

## RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	44.71%	50.15%	60.77%
Native American	0.04%	0.05%	0.05%
African American	48.67%	43.88%	34.28%
Asian/Pacific Islander	0.60%	0.63%	0.56%





# Market Overview

City: Georgetown | County: Georgetown | State: South Carolina

*Myrtle Beach, South Carolina*

**Myrtle Beach** is a coastal city on the East Coast of the United States in Horry County, South Carolina. It is the center of a large and continuous 60-mile stretch of beach known as 'The Grand Sand' in northeastern South Carolina. Ranked as the second fastest-growing metropolitan area in the country in 2018, Myrtle Beach is one of the major centers of tourism in South Carolina and the United States because of its climate and beaches, attracting an estimated 20 million annual visitors.

Myrtle Beach's economy is therefore dominated by the tourist industry, hotels, motels, resorts, restaurants, attractions, and retail developments exist in abundance to serve visitors. Myrtle Beach's many stores and malls make it one of the largest shopping areas in the Southeastern United States and the largest shopping destination in South Carolina, attracting people from all over the state. Coastal Grand Mall for example, is one of the largest indoor malls in the state. The mall, which has indoor and outdoor shopping areas, has a gross leasable area of 1,047,732 square feet and over 14-screen movie theaters and 170 stores. Myrtle Beach's job market is predicted to grow 5% more than the national average of 33.5% with the majority of employment focused around the entertainment, retail and tourism sector. The city also holds annual nationally renowned events such as Myrtle Beach Bike week which attracts as many as 400,000 visitors annually, as well as many other events.



# Information About Brokerage Services



## 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.

<b>Marcus &amp; Millichap</b>	<b>9002994</b>		<b>972.755.5200</b>
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<b>Tim Speck</b>	<b>432723</b>	<b>Tim.Speck@marcusmillichap.com</b>	<b>972.755.5200</b>
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](http://www.trec.texas.gov)

IABS 1-0



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Marcus & Millichap



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