



- Signalized Hard Corner
- Established Location
- Recent 10-Year Lease Extension



## OFFERING MEMORANDUM

AFFTON (ST. LOUIS), MISSOURI



**HANLEY INVESTMENT GROUP**  
REAL ESTATE ADVISORS

In Association with ParaSell, Inc | A Licensed Missouri Broker #2019035835



## OFFERING MEMORANDUM

### AFFTON (ST. LOUIS), MISSOURI

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# OFFERING SUMMARY

7-ELEVEN



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## LOCATION

**7-Eleven**  
**703 Union Road**  
**Afton, MO 63123**

## OFFERING SUMMARY

<b>Price:</b>	\$1,818,000
<b>Current Net Operating Income (NOI):</b>	\$100,000
<b>Current Capitalization Rate:</b>	5.50%
<b>Net Rentable Area:</b>	2,845
<b>Year Built:</b>	1989
<b>Lot Size (Acres):</b>	0.43

## FINANCING SUMMARY

**All Cash or Cash to New Financing**  
**(Contact Hanley Investment Group for Further Details)**







- **Recent 10-Year Lease Extension:** With 7-Eleven demonstrating a long-term commitment to the location by electing to extend their lease early (8 years currently remaining)
- **Investment Grade Tenant:** (S&P AA- rated credit tenant)
- **Three 5-Year Options with 10% Rental Increases Offering a Hedge Against Inflation**
- **Absolute NNN (Landlord Only Responsible for Structure)**
- **Signalized Hard Corner Location:** Just off Interstate 55 with 125,000 vehicles per day and 43,000 vehicles per day at the signalized intersection of Union Road & Weber Road, providing excellent exposure and strong real estate fundamentals
- **Established Location:** 39 year operating history speaking to the strength of location
- **Dense Infill Location with Favorable Demographics:** 3-mile population exceeding 115,000 people and household incomes of \$68,000 per year
- **24-Hour Location:** Offering fuel, alcohol, delivery, Redbox, Lottery, propane, ATM, and hot foods
- **Best in Class Retailer:** With 63,000 stores globally and 25 billion in annual sales 7-Eleven has more outlets than any other retailer or food service provider in the world and consistently ranks as one of the top U.S. franchises
- **Top Rated Suburb of St. Louis:** Affton has been rated one of the best places to live in Missouri with highly rated public schools, lots of parks, and affordable housing





### LEASE SUMMARY (1)(2)

<b>Tenant:</b>	7-Eleven	<b>Rental Increases:</b>	5% on 06/01/23
<b>Lease Commencement:</b>	February 16, 1989	<b>Renewal Options:</b>	Three 5-Year Options with 10% Increases
<b>Lease Expiration:</b>	May 31, 2028	<b>Property Taxes:</b>	Tenant Responsibility
<b>Lease Type:</b>	NNN	<b>Insurance:</b>	Tenant Responsibility
<b>Net Operating Income:</b>	\$100,000	<b>Common Area Maintenance:</b>	Tenant Responsibility
<b>Net Rentable Area:</b>	2,845	<b>Repairs &amp; Maintenance:</b>	Tenant Responsibility
<b>Monthly Rent Per Square Foot:</b>	\$2.93	<b>Structure:</b>	Landlord Responsibility
		<b>Roof:</b>	Tenant Responsibility

### NOTES

- (1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.  
(2) Tenant maintains a Right of First Refusal (20-days).



# SITE PLAN / PARCEL MAP

7-ELEVEN



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# AERIAL OVERVIEW

## 7-ELEVEN



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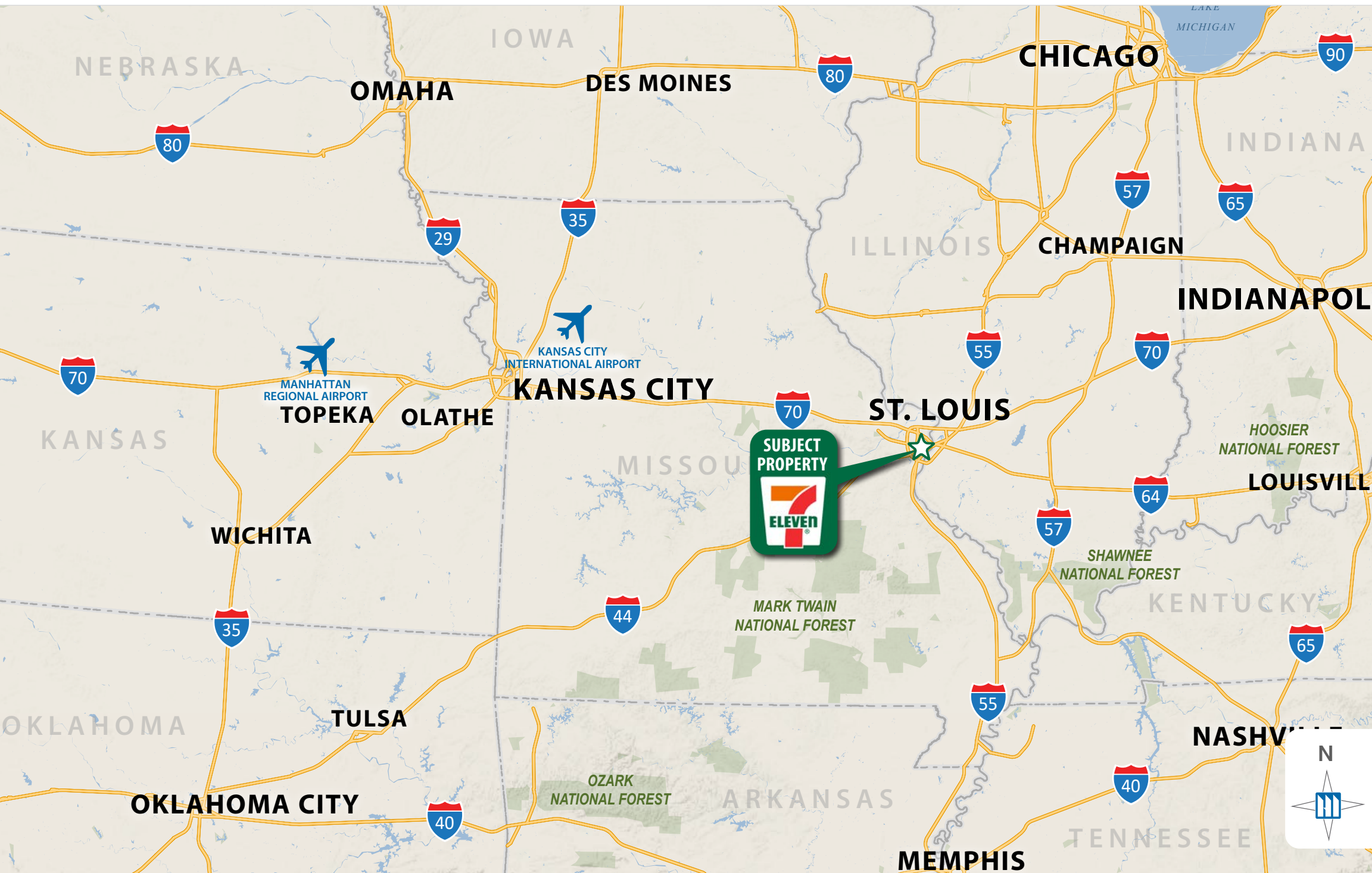


# REGIONAL MAP

7-ELEVEN



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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



# TENANT PROFILE

## 7-ELEVEN



7-Eleven is an American-Japanese international chain of convenience stores headquartered in Irving, Texas that operates, franchises, and licenses in over 18 countries. Founded in 1927, 7-Eleven was the pioneer of the convenience concept and was the first convenience store to start selling gas and use ATM services. Stores are usually located on corners for great visibility and accessibility.

The company's most iconic products are the Slurpee, Big Gulp soft drinks, and fresh-made coffees. Their product mix is always evolving; to better serve a culture demanding healthier options, they have added high-quality salads, side dishes, cut fruit, organic cold-press juices, and protein boxes under their private label called 7-Select. 7-Select's outstanding prices and fresh quality have led to double-digit sales increases, outselling many national brands.

7-Eleven is one of the most active franchisors, generating approximately \$25 billion in sales while maintaining a 35% gross profit margin on merchandise sales (2016). The company reported a same-store sales growth of 2.6% and invested nearly \$1.5 billion into its North American store portfolio. In early 2018, 7-Eleven closed its acquisition of 1,030 Sunoco convenience stores located in 17 states, the largest acquisition in 7-Eleven, Inc. history. This \$3.3 billion deal allowed 7-Eleven entry into Houston, the 4th largest U.S. city, and a strong presence in Corpus Christi, as well as across south Texas. The company says it is on track to open 20,000 stores in North America by 2027.

According to Joseph DePinto, 7-Eleven President and CEO, "Part of what makes 7-Eleven's brand so iconic is our global presence and our continued growth." In fact, there are 67,167 stores across the world with 11,800 locations in North America; 90% are franchises. Locations are strategically organized into geographical zones with 25% of the population living within one mile of a 7-Eleven store. Globally, 7-Eleven has more outlets than any other retailer or food service provider and processes 20 billion transactions across its global network each year. On average, the company adds another store to its worldwide operations every 3.5 hours. 7-Eleven, Incorporated is a wholly-owned subsidiary of Tokyo-based Seven & I Holdings Co., Limited.

### TOP HONORS

- **#2 "Top Global Franchises"** - Entrepreneur Magazine (2018)
- **#5 "Best Convenience Store Franchises"** - FranchiseRanking.com (2018)
- **#1 "Top Global Franchises"** - Entrepreneur Magazine (2017)

**Company Type:** Private; S&P AA-  
**Locations:** 67,167 Globally (11,800 North America)  
**Website:** [www.7-eleven.com](http://www.7-eleven.com) | [www.7andi.com/en](http://www.7andi.com/en)





## St. Louis, Missouri

- 12th largest city in the Midwest; 2nd largest city in Missouri; located on the western side of the Mississippi River
  - 316,500 population in the city
  - Home of the iconic 630 foot Gateway Arch, the tallest arch in the world
- 21st largest metropolitan area
  - Nearly 3 million residents in the metropolitan area
  - \$175.5 billion GMP (gross metropolitan product) for the MSA

### ECONOMY

- Midwestern hub of entertainment, business, biotech, and commerce
  - #2 "Top Rising City for Startups" - Forbes (2018)
  - Houses 1,183 plant and life science companies, creating 79,000 jobs and \$10.5 billion in annual economic impact
- Home to 16 Fortune 1000 companies
  - Express Scripts (\$100B revenue), Centene (\$48.4B revenue), Emerson Electric (\$16.3B revenue)
- Health care and social services, education, manufacturing, and retail trade industries have traditionally dominated the region's economic landscape
  - Recently, the city's population has been gaining younger families and adding more technology sector jobs; over 140,000 technology workers in the region
- Home to top tier medical facilities and it's one of the most medically influential cities in the country
  - **Barnes-Jewish Hospital** - One of the nation's largest and top-ranked healthcare organizations; largest hospital in Missouri
  - **St. Louis Children's Hospital** - One of the country's top pediatric hospitals
  - Both are owned and operated by BJC HealthCare, the city's top employer (31,500 employees); \$5.3B revenue
- #6 "Most Competitive Housing Markets" - LendingTree (2019)



**12th** LARGEST CITY IN  
THE MIDWEST  
NEAR THE MISSISSIPPI RIVER



HOME OF  
THE ICONIC **630ft**  
GATEWAY ARCH



**2nd** LARGEST CITY  
IN MISSOURI

# \$3M

RESIDENTS IN THE  
METROPOLITAN AREA

# #2

"TOP RISING CITY  
FOR STARTUPS"



MIDWESTERN HUB OF  
BUSINESS AND BIOTECH

# \$175.5B

GROSS METROPOLITAN  
PRODUCT FOR THE MSA



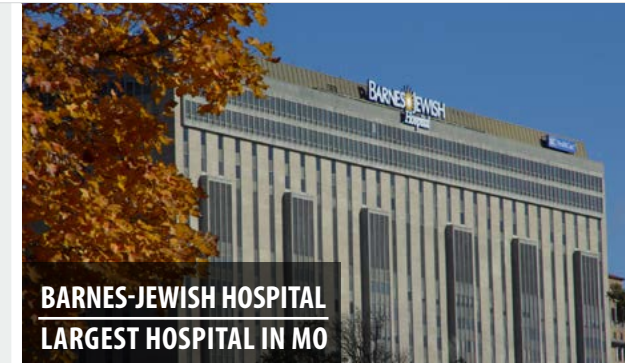


### COMMERCIAL & MIXED-USE DEVELOPMENT PROJECTS

- **Cortex Innovation Community** - \$2.3 billion, 200-acre innovation hub and technology district
  - Midwest's premier hub of bioscience and technology research, development, and commercialization
  - 1.7 million square feet totaling over \$550 million of investment, completed since 2012
  - 4,200 technology-related jobs added since 2012; 15,000 jobs expected upon completion
  - New Cortex MetroLink station opened August 2018; the first one built in over a decade
  - **Microsoft Technology Center** - \$50 million regional headquarters; 300 jobs; opened September 2018
  - **Aloft Hotel** - \$25million, 129-room hotel; under construction; Fall 2019 expected completion
- **The City Foundry** - \$230 million, 10-acre, mixed-use entertainment district in Midtown that is anchored by a 48,000 square foot food hall; expected completion Spring 2020
  - Entertainment anchors include Alamo Drafthouse Cinema, Punch Bowl Social, and Fassler Hall
- **The Armory District** - \$83.4 million, 7-acre mixed-use development project surrounding the Old Armory Building in Midtown; 2020 expected completion
  - Will be transformed into a \$47.1 million, 3-story office facility with floating conference rooms and green space rooftop
  - District is expected to house 700 new jobs upon completion
- **National Geospatial-Intelligence Agency (NGA)** - 2nd major location for the NGA Agency
  - \$1.75 billion facility beginning construction in 2019-2020
  - 3,100 jobs; additional 1,500 new construction jobs will be created

### EDUCATION

- Nearly 40 colleges, universities, and technical schools occupy the region; some of the largest being Washington University in St. Louis, Saint Louis University, and University of Missouri, St. Louis
- **St. Louis University** - #2 "Best College in Missouri" - Niche (2019)
  - 12,700 students; \$1.2 billion endowment fund



# \$2.3B

**200-ACRE INNOVATION HUB  
AND TECHNOLOGY DISTRICT**

# 4,200

**TECHNOLOGY-RELATED  
JOBS ADDED SINCE 2012**

# \$50M

**MICROSOFT REGIONAL  
HEADQUARTERS OPENED IN 2018**

# \$230M

**10-ACRE ENTERTAINMENT  
DISTRICT IN MIDTOWN**





- **Washington University** - #1 "Best College in Missouri" - Niche (2019)
  - #19 "Top National University" - U.S. News Report (2019); 15,400 students
  - \$2.5 billion of direct contributions to the St. Louis economy
  - 3rd largest employer in the region; 16,500 employees; supports 46,000 jobs in MSA; \$2.5 billion economic impact
  - \$300 million invested to revitalize its medical campus which also houses the Barnes-Jewish Hospital, St. Louis Children's Hospital, and the Washington University's School of Medicine; 2020 expected completion

### TOURISM AND ENTERTAINMENT

- Regional and national center for conventions; hosts more than 25.9 million visitors who spend \$5.38 billion annually
- \$1 billion local, state, and federal taxes are generated by tourism annually
  - Offers more free major attractions than any place outside of the nation's capital, including the St. Louis Zoo, St. Louis Art Museum, St. Louis Science Center, and Missouri History Museum
  - Travel and tourism ranks among the top 6 industries in St. Louis City
- **Busch Stadium** - Home of the St. Louis Cardinals, the city's Major League Baseball (MLB) franchise
  - Seating capacity of 46,700; 3,706 club seats; 61 luxury suites
  - The Cardinals attract over 3 million fans to Busch Stadium each season
  - \$300 million economic impact

### TRANSPORTATION

- **St. Louis Lambert International Airport** - 15 minutes from downtown; 74 nonstop destinations
  - 15.6 million passengers in 2018; 5.9% growth from 2017
  - FedEx and UPS have regional operations near the airport
- **The Port of St. Louis** - 3rd largest inland port by tons carried in the U.S.; handles 35 million tons of freight annually
  - Within 500 miles of 75% of the total U.S. population; supports thousands of jobs in the region



**#2**

**LARGEST CITY  
IN MISSOURI**

**16**

**FORTUNE 500 COMPANIES A  
RE LOCATED INTO THE MSA**

**\$1B**

**IN TAXES GENERATED  
FROM TOURISTS ANNUALLY**

**\$1.75B**

**NGA FACILITY BEGINNING  
CONSTRUCTION IN 2019-2020**





	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
<b>Population</b>			
2024 Projection	14,528	124,445	286,553
2019 Estimate	14,603	125,610	290,102
2010 Census	14,605	125,768	291,456
2000 Census	14,520	129,982	306,604
<b>Households</b>			
2024 Projection	6,121	56,011	127,594
2019 Estimate	6,140	56,193	128,348
2010 Census	6,169	56,753	130,138
2000 Census	6,304	57,836	133,633
<b>2019 Est. Population by Single-Classification Race</b>			
White Alone	13,170	108,904	232,575
Black or African American Alone	210	7,901	34,725
American Indian and Alaska Native Alone	42	327	667
Asian Alone	818	3,856	9,863
Native Hawaiian and Other Pacific Islander Alone	6	25	87
Some Other Race Alone	82	1,633	4,468
Two or More Races	275	2,956	7,753
<b>2019 Est. Population by Ethnicity (Hispanic or Latino)</b>			
Hispanic or Latino	348	5,085	13,000
Not Hispanic or Latino	14,255	120,525	277,102
<b>2019 Est. Average Household Income</b>	<b>\$66,038</b>	<b>\$68,624</b>	<b>\$72,681</b>



# CONFIDENTIALITY AGREEMENT

7-ELEVEN



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**\$6+ BILLION**  
retail sales nationwide



**SHARED DATABASE**  
collaborative proprietary database



**TOP BROKERAGE GLOBALLY**  
in investment sales



**COSTAR POWER BROKER**  
top sales brokers & firm in OC



**NATIONWIDE REACH**  
retail & investors across the U.S.