



26676 CENTERVIEW DRIVE  
MILLSBORO, DELAWARE



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BJ's Wholesale Club, Inc.

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Millsboro, Delaware

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Dupont Boulevard: 27,549 VPD



FRESENIUS MEDICAL CARE





## 4 • INVESTMENT OVERVIEW





## EXECUTIVE SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a 123,055-square-foot BJ's Wholesale Club (S&P: BB-) situated on 12.9 acres in Millsboro, DE. BJ's recently extended net lease features  $\pm 13.5$  years remaining in the initial term with a 5.85% rent increase in 2029 and 10% rent increases in each of the five 5-year options. The property is strategically located along Dupont Boulevard (27,549 VPD)—also known as US Route 113—which is the area's primary retail and commercial thoroughfare, providing visibility to both local consumers, as well as seasonal and weekend vacationers as they travel to beachfront destinations (15 miles east and 20 miles north). BJ's benefits from its location in the fastest growing town in Sussex county and is poised for continued growth, evidenced by the newly constructed Tractor Supply (opened February 2020), Starbucks (opened January 2020) and Ashley HomeStore (opened October 2019). The site is well positioned in the 304,503-square-foot Peninsula Crossing—the premier shopping destination of Millsboro and its surrounding communities—and boasts national tenants such as Lowe's, PetSmart, AT&T, Mattress Firm, Supercuts, Fresenius Dialysis, Burger King, Chick-fil-A, Taco Bell and Royal Farms, among many others. Additional tenants that make up the 1.2 MSF of retail within a 3-mile radius include Food Lion, Save-A-Lot, Roses Discount Store, Goodwill, Pure Fitness Millsboro, Walgreens, Rite Aid, Dollar Tree, Sherwin-Williams, Verizon, T-Mobile, Advance Auto Parts, AutoZone, Wawa, Dunkin' Donuts, Dairy Queen, Arby's, Hardee's, Papa John's Pizza, Pizza King, McDonald's and Popeye's. BJ's also benefits from a large built-in customer base due to its position within the region's primary employment center, proximate to the Allen Harim Corporate Headquarters (1,800 employees) and an M&T Bank Corporate Office. Additional key points of interest include Millsboro Middle School (Enrollment: 700), the 48,000-square-foot Delmarva Health Pavilion Millsboro (features specialty care practices and a full-service community pharmacy and lab) and Plantation Lakes Golf & Country Club (master-planned community with state-of-the-art amenities, including a championship golf course, a clubhouse and The Landing Bar & Grille, community centers, swimming pools, tennis and pickle ball courts and a fitness center). BJ's enjoys dynamic demographics with a population of 21,623 and an average household income of \$71,851 within a 5-mile radius.

### INVESTMENT SUMMARY

ADDRESS	26676 Centerview Drive Millsboro, DE 19966
BUILDING SIZE	123,055 SF
PARCEL SIZE	12.9 Acres
YEAR BUILT	2008
TERM REMAINING	$\pm 13.5$ Years
NOI	\$1,743,700
CAP	6.25%
PRICE	\$27,900,000

### 2020 DEMOGRAPHICS

	3 MILES	5 MILES	15 MILES
POPULATION	12,563	21,623	169,335
AHI	\$68,906	\$71,851	\$87,972

### TRAFFIC COUNTS

DUPONT ROAD	27,549 VPD
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# INVESTMENT HIGHLIGHTS



## STRONG TENANT

Headquartered in Westborough, Massachusetts, BJ's Wholesale Club, Inc. (NYSE: BJ; S&P: BB-) is a leading membership-only warehouse club chain operating primarily in the Eastern United States. The company currently operates 217 clubs in 17 states from Maine to Florida and employs more than 27,000 people. In June of 2018, BJ's returned to the public markets with its initial public offering of 37.5 million shares. As of May 2, 2020, BJ's had TTM revenue and net income of \$13.8B and \$247.1M, respectively.



## ONLY BJ'S WITHIN A 50 MILE-RADIUS

This site benefits from being the only BJ's located within a 50-mile radius, allowing the store to capitalize on a significant buyer pool. The next closest competing big box retailer is Walmart Supercenter located 12 miles north of the site.



## RECENTLY EXTENDED LONG-TERM NET LEASE

BJ's recently extended net lease features  $\pm 13.5$  years remaining in the initial term with a 5.85% rent increase in 2029 and 10% rent increases in each of the five 5-year options.



## EXCELLENT ACCESS & VISIBILITY

The property is strategically located along Dupont Boulevard (27,549 VPD)—also known as US Route 113—which is the area's primary retail and commercial thoroughfare, providing visibility to both local consumers, as well as seasonal and weekend vacationers as they travel to beachfront destinations (15 miles east and 20 miles north).



## STRATEGIC LOCATION

BJ's benefits from its location in the fastest growing town in Sussex county and is poised for continued growth, evidenced by the newly constructed Tractor Supply (opened February 2020), Starbucks (opened January 2020) and Ashley HomeStore (opened October 2019). The site is well positioned in the 304,503-square-foot Peninsula Crossing—the premier shopping destination of Millsboro and its surrounding communities—and boasts national tenants such as Lowe's, PetSmart, AT&T, Mattress Firm, Supercuts, Fresenius Dialysis, Burger King, Chick-



## KEY POINTS OF INTEREST

The site benefits from a large built-in customer base due to its position within the region's primary employment center, proximate to Allen Harim Corporate Headquarters (1,800 employees) and M&T Bank Corporate Office. Key points of interest include Millsboro Middle School (Enrollment: 700), the 48,000-square-foot Delmarva Health Pavilion Millsboro (features specialty care practices and a full-service community pharmacy and lab) and Plantation Lakes Golf & Country Club (master-planned community with state-of-the-art amenities, including a championship golf course, a clubhouse and The Landing Bar & Grille, community centers, swimming pools, tennis and pickle ball courts and a fitness center).



## DYNAMIC DEMOGRAPHICS

BJ's enjoys dynamic demographics with a population of 21,623 and an average household income of \$71,851 within a 5-mile radius.



## MILLSBORO, DE ADVANTAGE

Millsboro is situated in the southeastern corner of Delaware in Sussex County, which is the fastest growing county in the state. The city is currently ranked #1 out of the 25 Sussex County cities for the number of residential building permits issued, which is a leading indicator of population growth. Millsboro continues to attract professionals and families alike, as they seek to take advantage of low property taxes, low crime rate and zero sales tax. Residents can partake in the city's various recreational activities, such as boating on the Indian River (provides direct access to the Atlantic Ocean), visiting the gallery at the Greater Millsboro Art League facility, and enjoying the luxury amenities at Plantation Lakes Golf & Country Club, among many others.



# LEASE ABSTRACT

<b>TENANT</b>	BJ's Wholesale Club, Inc.	
<b>RENT COMMENCEMENT</b>	December 20, 2008	
<b>LEASE EXPIRATION</b>	December 31, 2033	
<b>TERM REMAINING</b>	±13.5 Years	
<b>LEASE TYPE</b>	NN	
<b>INITIAL TERM RENT</b>	Current:	\$1,743,739
	12/20/2023 - 12/31/2028:	\$1,743,689
	1/1/2029 - 12/31/2033:	\$1,845,825
<b>RENT ESCALATIONS</b>	5.85% in 2029	
<b>REMAINING OPTIONS</b>	Five 5-year options	
<b>OPTION RENT</b>	Option 1:	\$2,030,408
	Option 2:	\$2,233,448
	Option 3:	\$2,456,793
	Option 4:	\$2,702,472
	Option 5:	\$2,972,720
<b>OPTION RENT INCREASES</b>	10% in each option	
<b>TAXES</b>	Tenant shall reimburse Landlord for the real estate taxes allocable to the Demised Premises 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 Lease Term at the commencement and expiration thereof.	
<b>INSURANCE</b>	<p>With respect to the Building, Tenant shall maintain insurance against loss or damage to any improvements thereon, on an "all risk" policy form, including, but not limited to, insurance covering the cost of demolition of undamaged portions of any portion of the Building when required by code or ordinance and the increased cost of reconstruction to conform with current code or ordinance requirements, in amounts equal to the full replacement cost of the Building (other than the land and foundations), and the cost of debris removal, without co-insurance for full replacement value.</p> <p>Tenant and Landlord shall each maintain a policy of commercial general liability insurance with a combined single limit of at least \$5,000,000 Constant Dollars per occurrence.</p> <p>Throughout the term of the Lease and for so long as there are fuel tanks at the Facility, Tenant at its sole cost and expense shall supply to Landlord proof of pollution liability insurance obtained by Tenant for the Facility with a minimum limit of \$1,000,000 Constant Dollars.</p> <p>*Tenant may self-insure if Tenant's aggregate net worth is in excess of \$100M.</p>	
<b>REPAIRS &amp; MAINTENANCE</b>	<p>Tenant shall maintain the Building, including without limitation, all glass and all utility conduits, all doors (including loading doors), fixtures and equipment within the Building serving the Demised Premises exclusively which may be necessary to maintain the same in as good repair and condition as the same are in on the Commencement Date. Tenant shall also be responsible for maintaining, repairing and replacing Tenant's trash compactor, the sidewalks adjacent to the Building and those elements of the loading dock (including the bollards) that are attached to and part of the Building.</p> <p>Landlord shall maintain the foundation, the slab floors, the roof and the roofing system (including, without limitation, any skylights), the exterior walls, the roof drainage system, the structural parts of the Building, and the Pylon.</p>	
<b>COMMON AREA MAINTENANCE</b>	Tenant agrees to pay to Landlord Tenant's agreed upon share of the reasonable cost of maintaining, repairing, replacing, operating and providing security for the Common Areas during the Term hereof.	





## 8 • PROPERTY OVERVIEW





# AERIAL





HANDY ROAD



**Lowe's**  
Home Improvement Warehouse

PETSMART

**BJ's**  
WHOLESALE CLUB

123,055 SF

**TSC TRACTOR  
SUPPLY CO.**

TOWN CENTER BOULEVARD

COMMERCE DRIVE

DUPONT BOULEVARD (27,549 VPD)

113

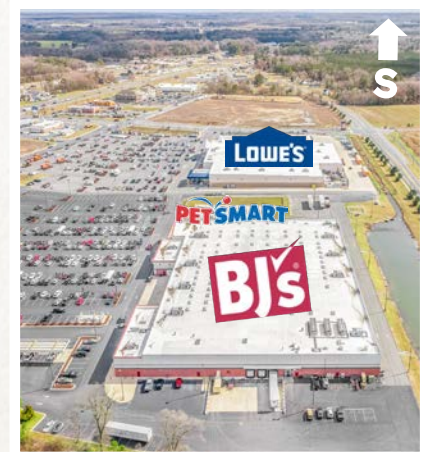
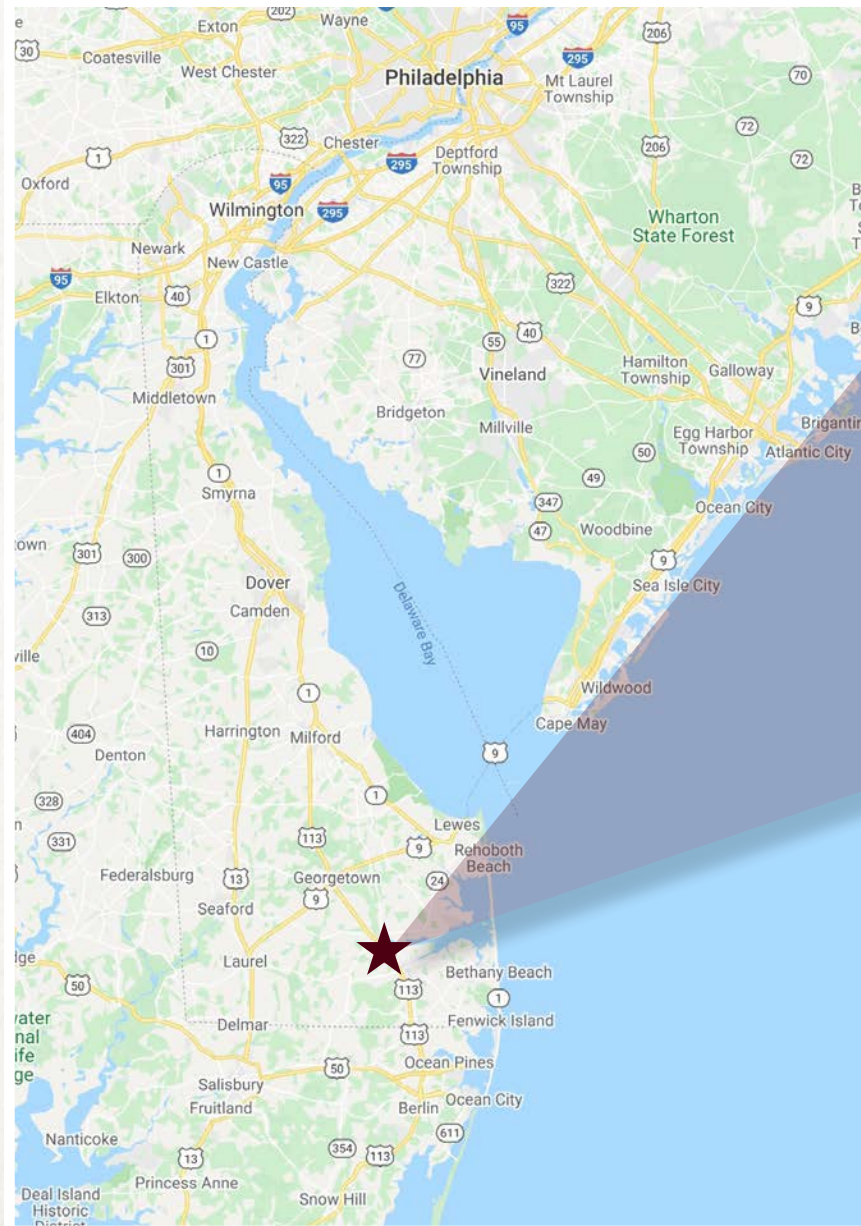
**TACO  
BELL**

**BUSSER  
KING**

**STARBUCKS**  
SHERWIN  
WILLIAMS



## REGIONAL MAP





## SURROUNDING USES





## 13 • TENANT OVERVIEW





# BJ'S WHOLESALE CLUB, INC.



Headquartered in Westborough, Massachusetts, BJ's Wholesale Club, Inc. (NYSE: BJ; S&P: BB-) is a leading membership-only warehouse club chain operating primarily in the Eastern United States. The company currently operates 217 clubs in 17 states from Maine to Florida and employs more than 27,000 people. More than half of the company's clubs are located in Massachusetts, Florida, New York and New Jersey. Since introducing its warehouse club concept to New England in 1984, BJ's has expanded to become the nation's third-largest membership warehouse club with 5.5 million members. The company's warehouse clubs provide a wide assortment of goods including electronics, computers, office supplies, home and seasonal products, organic foods and meat, sports equipment, toys, health and beauty supplies, and jewelry, among others. Food products, including canned, fresh and frozen items account for about two-thirds of BJ's store sales. Beyond its wholesale clubs, BJ's also sells merchandise online at BJs.com. Furthermore, what sets BJ's aside from its wholesale competitors is its focus on retail customers. Retail customers make up approximately 75% of the total membership with that percentage being closer to 90% at its largest competitors.

In September of 2011, BJ's was taken private by Leonard Green and Partners and CVC Partners in a leveraged buyout (LBO) valued at about \$2.8 billion.

In June of 2018, BJ's returned to the public markets with its initial public offering of 37.5 million shares. As of May 2, 2020, BJ's had TTM revenue and net income of \$13.8B and \$247.1M, respectively.



## COMPANY OVERVIEW

AS OF 5/2/2020 TOTAL REVENUES	\$13.8 Billion
NUMBER OF CLUBS	217
NUMBER OF GAS STATIONS	143
NUMBER OF MEMBERS	5.5 Million
HEADQUARTERS	Westborough, MA
WEBSITE	<a href="http://www.bjs.com">www.bjs.com</a>

Source: BJ's Wholesale Club, Inc., Investor Relations 2019



## 15 • AREA OVERVIEW





## MILLSBORO, DELAWARE



Plantation Lakes Golf Course



Plantation Lakes Club Pool



Indian River

Millsboro, Delaware is situated in the southeastern corner of the state in Sussex County, which is the fastest growing county in the state. The city is a commercial hub for the surrounding towns, and is home to an emerging retail and employment center featuring a large concentration of premier retailers, as well as an operations center for M&T Bank, the Allen Harim Corporate Headquarters, Delmarva Health Pavilion and GiggleBugs Early Learning Center. Millsboro is also ideally located along US 113 (a 4-lane highway), State Route 24, State Route 20 and State Route 30, and less than 20 miles from the Delaware coast. The city is currently ranked #1 out of the 25 Sussex County cities for the number of residential building permits issued (6-year total), which is a leading indicator of population growth. Millsboro continues to attract professionals and families alike, as they seek to take advantage of low property taxes, low crime rate and zero sales tax. The Indian River School District (which serves the city) also has a great reputation and is experiencing tremendous growth. Residents can partake in the city's various recreational activities, such as boating on the Indian River (provides direct access to the Atlantic Ocean), visiting the gallery at the Greater Millsboro Art League facility, and enjoying the luxury amenities at Plantation Lakes Golf & Country Club, among many others.



## AFFILIATED BUSINESS DISCLOSURE

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## CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate

a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have

been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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