



KOHL'S

AMAZON
RETURNS
AT KOHL'S

STOP

OFFERING MEMORANDUM • KOHL'S W/ NEW QSR OUTPARCEL

NEW 12-YR LEASE, GENERATIONAL KOHL'S INVESTMENT LOCATED IN PRIME LEXINGTON, KY MSA

Kohl's STNL and Newly Created Outparcel at Commerce Center, 150 Kohl's Drive, Nicholasville, Kentucky 40356

Marcus & Millichap

LOUISVILLE
70 Miles Northwest
Pop.: 600,000 (2018)

DOWNTOWN LEXINGTON
8 Miles Northeast
Pop.: 300,000 (2018)

KOHL'S

82,982 SQ. FT. GLA • 8.85-ACRE LOT
PLUS 1.18-ACRE +/- OUTPARCEL



HARTLAND
PROPANE

NEW QSR
OUTPARCEL

SAM'S CLUB
FUEL CENTER



SUFF'S FURNITURE

PYLON SIGN



BRYANT DRIVE



JIMMY JOHN'S

HECKMAN DENTAL



JACK NAILS SALON



122,00 POPULATION
WITHIN 5 MILES (2018)

U.S. ROUTE 27 • 50,000 VPD (2018)



Borders Are Approximate

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Kohl's | Nicholasville, KY (Lexington)



U.S. ROUTE 27 - APPROX.
50,000 VPD (2018)



NICHOLASVILLE COMMERCIAL & INDUSTRIAL PARK
152 PROPERTIES • 1.3 MILLION SQ. FT. OF INVENTORY
1.3% VACANCY RATE AS OF 2019



JIMMY JOHN'S

HECKMAN DENTAL

JACK NAILS SALON



**SAM'S CLUB
FUEL CENTER**

**NEW QSR
OUTPARCEL**

KOHL'S

82,982 SQ. FT. GLA • 8.85 ACRES +/-
PLUS 1.18-ACRE +/- OUTPARCEL



KOHL'S DRIVE

MEANS DRIVE

**HARTLAND
PROPANE**



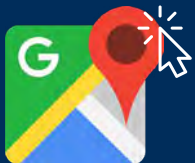
*Borders Are Approximate

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Kohl's | Nicholasville, KY (Lexington) 3



\$88,000 AVG. HH INCOME
WITHIN 5 MILES (2018)



ADDRESS
150 KOHL'S DR
NICHOLASVILLE, KY 40356



PRICE
\$9,750,000



NET OPERATING
INCOME
\$625,401



CAP RATE
6.41%

VITAL DATA

Price	\$9,750,000
Cap Rate	6.41%
Gross Leasable Area	82,982 Sq. Ft.
Year Built/Renovated	2003
Lot Size	8.58 +/- Acre(s)
Type of Ownership	Fee Simple
Occupancy	Single Tenant w/ Outparcel

LEASE SUMMARY

Tenant	Kohl's Corporation
Lease Type	Double Net Lease
Roof & Structure Responsible	Landlord
Lease Expiration	1/31/2030
Lease Term Remaining	10 +/- Years
Options	Six, 5-Year Options
Increases	5% Every 5-Yrs in Options

NEW MORTGAGE SCENARIO

New Loan Balance	\$6,829,652 / 70%
Down Payment	\$2,926,994 / 30%
Interest Rate (30-Year Amortization, 10-Year Loan)	3.90%
Annual Debt Service	\$386,560
Cash Flow After Debt Service	\$238,841 / 8.16%

**Option for Buyer to Assume Existing, Fully-Amortizing Debt with a Loan Balance of \$4,261,460 (1% Assumption Fee, See Agent for Details)*

KOHL'S RENT SCHEDULE

Year	Annual Rent	Monthly Rent	Rent/Sq. Ft.	Cap Rate
Current - 1/31/30	\$625,401	\$52,116.75	\$7.54	6.41%
Option 1	\$656,671	\$54,722.59	\$7.91	6.74%
Option 2	\$689,505	\$57,458.72	\$8.31	7.07%
Option 3	\$723,980	\$60,331.65	\$8.72	7.43%

**Newly Formed Outparcel Expected to Generate Additional \$60,000 NOI Annually for New Owner*

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INVESTMENT HIGHLIGHTS



New 12-Year Lease with Limited Landlord Responsibility with Corporate Guaranty by Kohl's Corporation



Top-Performing Trophy Kohl's Location with Recent Lease Extension, Plus the Creation of a New Outparcel for Ground lease, Synergistically Situated Adjacent to Amazon Competitor: Sam's Club (Walmart)



As of the End of the Q2 2020, Kohl's Generated a Positive EBITDA of \$208M and \$2.93B of Liquidity | Store Closures Were Offset by a 58-Percent Increase in Digital Sales, Representing 41-Percent of Total Sales in the Quarter, Up from 24-Percent in 2019



Bonus Near-Term Upside Leasing the New Out-Parcel Recently Created and Expected to Yield a Ground Lease Scenario and an Estimated Net Operating Income of \$60,000 per Annum



Hedge Against Inflation in Options as Lease Provides for 5-Percent Increases Every Five Years in Each of Six Option Periods



Horse Capital of the World, Lexington, Kentucky is Considered Recession Proof with a Geographically Restricted Population, Surrounded by Over 400 Thoroughbred Horse Farms and Attractions



Affluent Lexington Suburb Nicholasville has an Above Average Household Income of \$88,000 within Five Miles of Subject and Approximately 51,000 Households (2019)



Subject Benefits from Very Strong Local Traffic Along Principal Arterial Route 27 with Approximately 50,000 Vehicles per Day



Subject Located Only Seven Miles from University of Kentucky, the State's Largest Research University with Over 30,000 Students and 15,000 Faculty/Employees



In July 2019, Kohl's Began Accepting Amazon Returns for Free at All Stores Nationally, Driving In-Store Foot Traffic



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DEMOGRAPHICS



2019 5-MILE AVERAGE
HOUSEHOLD INCOME
OVER \$88,000



2019 5-MILE NUMBER
OF HOUSEHOLDS
APPROX. 51,000



2019 5-MILE POPULATION
APPROX. 123,000



2019 15-MILE DAYTIME POPULATION
APPROX. 456,000

15-MILE

10-MILE

5-MILE

Area Population	5-Mile	10-Mile	15-Mile
2010 Population	113,418	306,879	374,009
2019 Population Estimate	122,974	333,419	407,682
2024 Population Projection	127,701	346,913	425,442
2018 Daytime Population	96,024	385,733	456,130
Area Households	5-Mile	10-Mile	15-Mile
2010 Households	46,907	126,811	152,184
2019 Households Estimate	51,270	138,903	167,217
2024 Households Projection	53,606	145,342	175,504
2019 Average HH Size	2.4	2.3	2.4
Area Income	5-Mile	10-Mile	15-Mile
Median HH Income	\$64,418	\$54,955	\$56,176
Per Capita Income	\$36,784	\$33,525	\$33,167
Average HH Income	\$88,076	\$79,521	\$79,863

Source: Marcus & Millichap Analytics, U.S. Census Bureau (2020)

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Kohl's | Nicholasville, KY (Lexington) 6

AREA MAP • 150 KOHL'S DRIVE, COMMERCE CENTER, NICHOLASVILLE, KENTUCKY 40356

VERSAILLES



Blue Grass Airport

LEXINGTON, KENTUCKY

"LEX" SEES 1.3 MILLION
PASSENGERS ANNUALLY

Keeneland Association

LEXINGTON



University of
Kentucky

30,277 STUDENTS
2,502 FACULTY
13,940 EMPLOYEES

KOHL'S

SUBJECT PROPERTY
82,982 SQ. FT. GLA
+ NEW QSR OUTPARCEL



HOBBY LOBBY



Marshall's **PET SMART**

Red Robin
GOURMET BURGERS AND BEERS



Sleep Outfitters
Outfitting YOU for a Healthy Life



**JIMMY
JOHNS**



Sprint

NICHOLASVILLE COMMERCIAL & INDUSTRIAL PARK
152 PROPERTIES • 1.3 MILLION SQ. FT. OF INVENTORY
1.3% VACANCY RATE AS OF 2019



**CONNEMARA
GOLF COURSE**
18 HOLES

TAYLOR MADE FARMS
THOROUGHbred TOURS &
LEADING SALES AGENCY
1,000+ ACRES



U.S. ROUTE 27
50,000 VPD (2018)

NICHOLASVILLE

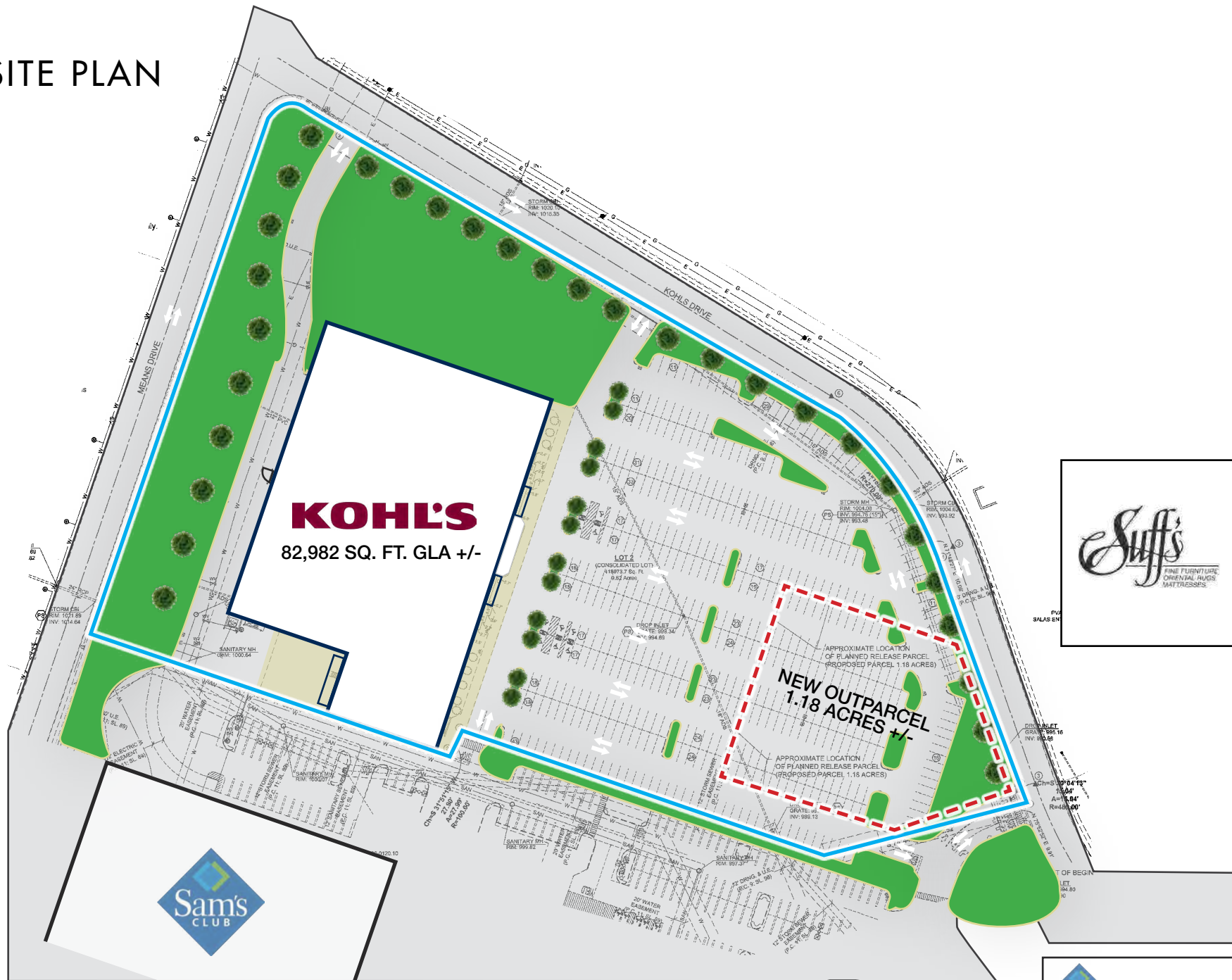


**FORT
BOONESBOROUGH
STATE PARK**



*Borders Are Approximate

SITE PLAN



*Borders Are Approximate

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PROPERTY PHOTOS



AREA PHOTOS



AREA PHOTOS



Across the Street from the Subject Property, Nicholasville Commercial and Industrial Park Features Over 1.3 Million Square-Feet of Inventory



Subject is Situated off of U.S. Highway Route 27 that sees Approximately 50,000 Vehicles Per Day

LOCATION OVERVIEW

LEXINGTON

LEXINGTON-FAYETTE METRO

Located at the heart of Central Kentucky's famed scenic Bluegrass Region, **NICHOLASVILLE** is a city in and the county seat of Jessamine County, with a 2019 population estimate of approximately 30,800, according to U.S. Census Bureau figures. Nicholasville serves as an affluent residential suburb for Lexington metro commuters, as well as an employment and shopping center for Central Kentucky. Downtown Nicholasville is approximately six miles south of Fayette County, fed by U.S. Route 27. Jessamine County is one of 120 counties in the state of Kentucky, one of 8 counties in the Bluegrass Region, and one of 6 counties in the Lexington-Fayette metropolitan area. As of July 2020 the county's unemployment rate is at 5.5-percent.

LEXINGTON is known as the Horse Capital of the World and the Athens of the West. It is a booming metropolitan area, with a population of over 300,000, it is the state's second-largest city, behind Louisville. Lexington has become a modern, urban city with a thriving economy, a high degree of education, and technology companies within. Downtown Lexington is home to scenic skyscrapers that overlook vast, rolling acres of mineral-rich bluegrass pastures, which breed strong horses unlike anywhere else in the world. Over 400 horse farms surround the subject property. The area's cost of living is 5-percent below the national average, and Forbes rated Lexington as one of the Best Places to Retire in 2019.

TOP 5 MAJOR REGIONAL EMPLOYERS

University of Kentucky	Education	13,900
KY State Govt	Government	11,210
Toyota Motor Mfg	Manufacturing	8,000
Fayette County Schools	Education	5,900
Amazon.com	Distribution	2,700

5% FLAT STATE INCOME TAX

6% STATE SALES TAX

5.5% JESSAMINE COUNTY UNEMPLOYMENT RATE

6.2% KENTUCKY STATE UNEMPLOYMENT RATE

2/3 OF U.S. POPULATION WITHIN A DAY'S DRIVE

**Numbers as of July 2020*

Sources: Fortune500.com, Kentucky.gov, KYstats.KY.gov, VisitLex.com

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LOCATION OVERVIEW



HOME OF THE KENTUCKY WILDCATS

The **University of Kentucky (UK)** is a public land-grant research university whose 784-acre campus is located in Lexington, Kentucky. The state's flagship institution was founded in 1865 as the Agricultural and Mechanical College of Kentucky, and it is currently the largest college in the state, with an enrollment of 30,000 undergraduate and graduate students in 2019.

A wide array of programs allows UK to excel in multidisciplinary studies, with a mission to educate, innovate, heal and serve Kentucky. Campus life features a theatre and venue for musical and comedians touring.

Student athletes can get involved at the recreational level or try out for the many Kentucky Wildcats varsity teams, which compete in the NCAA Division I Southeastern Conference. The men's basketball program is the most successful in the division's history with 2,256 all-time wins and 8 national championships. The UK Cheerleading program has earned 23 National Championships since 1985.

Outside the classroom, University of Kentucky students can get involved by joining nearly 350 clubs, with 19 sororities and 23 fraternities serving the university - representing over 3,000 students with a budget of \$3.2 million per year. Forbes rated the University of Kentucky as one of America's Best Employers for Diversity and for Women in 2020.

1856

UNIVERSITY
FOUNDED

30,000

STUDENTS
ENROLLED

15,000

FACULTY &
EMPLOYEES

\$1.56B

ENDOWMENT
(2019)

19K

AVERAGE COST
AFTER AID

63%

GRADUATION
RATE

#99

FORBES "BEST
EMPLOYERS
FOR DIVERSITY"
2020 LIST

**Numbers as of Fall 2019*

Sources: UKY.edu, Forbes.com

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TENANT OVERVIEW

KOHL'S

Kohl's Corporation

KOHL'S (NYSE: KSS) is a leading omni-channel retailer, headquartered in Wisconsin and founded in 1962 by Maxwell Kohl, a traditional grocery store chain operator. Now publicly traded, Kohl's Corporation is an S&P Fortune 500 company ranked 156th, and remains one of the largest department stores in North America. In terms of revenue, the chain Kohl's private brands generate nearly half of the firm's \$20 billion in total revenue.

With more than 1,100 brick-and-mortar stores nationwide, Kohl's has aimed to leverage its digital e-commerce channels to maximize every physical location to the fullest. For customers shopping Online at Kohls.com and through the Kohl's App, items can be shipped to their local store for free, from any of the other stores. Other Online features include showing how much shoppers have saved and offering Kohl's Cash coupons for picking up in-store.

In July 2019, Kohls announced a fast and easy return-shipping initiative that all of its 1,100 locations will feature as of July. Strategically aimed at driving foot traffic into stores, any Amazon customer can bring their eligible Amazon returns to their local Kohl's, no box or label necessary, to be shipped for free. As of the end of the Q2 2020, Kohl's generated a positive EBITDA of \$208M and \$2.93B of liquidity. Store closures were offset by a 58% increase in digital sales, representing 41% of total sales in the quarter, up from 24% in 2019.

#156

ON FORTUNE
500 LIST

1,100

RETAIL
LOCATIONS

14

DISTRIBUTION
CENTERS

C2

CREDIT
RATING

\$20M

TOTAL
REVENUES

\$208M

EBITDA
GENERATED

58%

INCREASE IN
DIGITAL SALES

\$2.9B

LIQUIDITY
GENERATED

**Numbers as of 2Q 2020*

Sources: Fortune500.com, Kohls.com

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456,000

**DAYTIME POPULATION
WITHIN 15-MILE RADIUS**

*SOURCE: MARCUS & MILLICHAP
ANALYTICS, U.S. CENSUS, 2018*



SUBJECT LOCATED

**70 MILES FROM
LOUISVILLE, KY**

**80 MILES SOUTH
OF CINCINNATI, OH**

**175 MILES NORTH
OF NASHVILLE, TN**



10 MILES

FROM BLUE GRASS AIRPORT

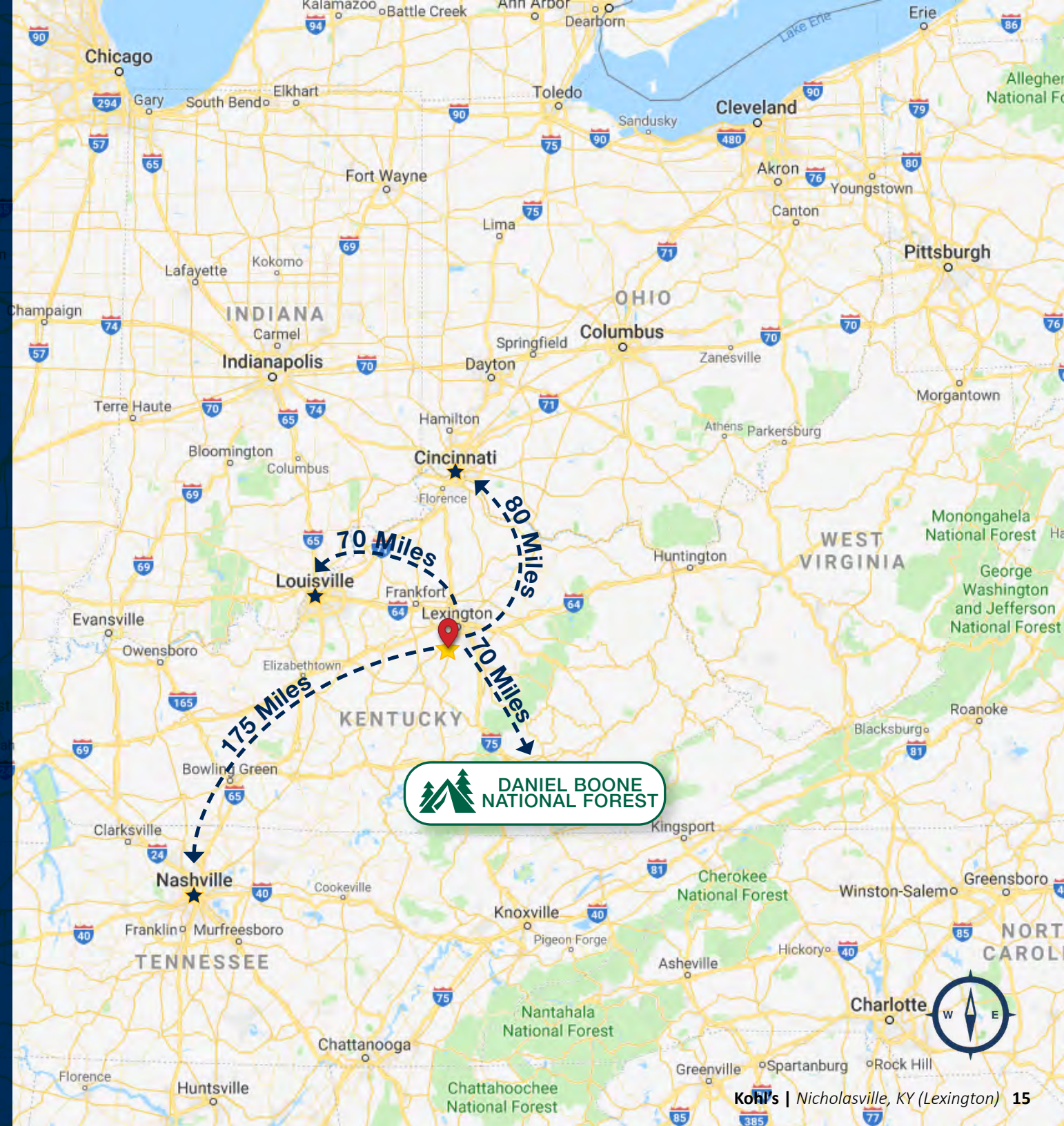
*"LEX" SERVES 1.3M PASSENGERS
ACROSS 80 DIRECT & NONSTOP FLIGHTS
300+ LONG-TERM PARKING SPACES*



U.S. ROUTE 27

**SUBJECT SITUATED ALONG
200-MILE U.S.. ROUTE 27**

STRETCHES FROM TN TO OH



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ACTIVITY ID: ZAA0331269

**KY BROKER OF RECORD
COLBY HAUGNESS
LIC.# 242197**

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OFFERING MEMORANDUM • KOHL'S W/ NEW QSR OUTPARCEL

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