

**OFFERING MEMORANDUM**  
Marcus & Millichap



**CHARLOTTE, NC**



# EXECUTIVE SUMMARY



3737 N Tryon St,  
Charlotte, NC 28206

ADDRESS



Charlotte, NC

MARKET



TOP 10 STORE  
IN THE REGION



~10 YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

## THE OFFERING

Price	\$1,959,158
Cap	4.75%
GLA	2,940 SF
Lot Size	.9 Acres
Year Built	2014
Lease Type	NNN Ground Lease
Rent Commencement	12/1/2014
Lease Expiration	11/30/2029
Increases	10% Every 5 Years
Options	Four; Five-Year Terms

## ANNUALIZED OPERATING DATA      ANNUAL RENT      % INCREASE

12/1/2019 - 11/30/2024	\$93,060	
12/1/2024 - 11/30/2029	\$102,366	10.00%

## OPTION TERMS

Option 1	\$112,603	10.00%
Option 2	\$123,863	10.00%
Option 3	\$136,250	10.00%
Option 4	\$149,875	10.00%

# INVESTMENT HIGHLIGHTS

APPROXIMATELY 10 YEARS  
REMAIN ON NNN GROUND  
LEASE WITH 10% RENTAL  
INCREASES EVERY 5 YEARS

BELOW MARKET RENT  
ENSURING NO CONCESSIONS  
NEEDED WHEN CURRENT  
TERM ENDS

HIGH AND INCREASING  
RESIDUAL VALUE DUE TO HIGH  
BUSINESS AND RESIDENTIAL  
DEVELOPMENT AND GROWTH  
IN THE NEIGHBORHOOD

HIGH TRAFFIC LOCATION  
BETWEEN TWO STATIONS  
ALONG \$1.15 BILLION,  
NEW LYNX TRANSIT LINE  
EXTENSION CONNECTING  
DOWNTOWN TO UNC

HIGH PLACER.AI RANKING;  
TOP 10 STORE IN THE REGION

GUARANTEE FROM ONE OF  
THE LARGEST CORPORATE  
TENANTS WITH "AA-" CREDIT  
RATING

LOCATED IN THE 3RD FASTEST  
GROWING MAJOR CITY IN THE  
UNITED STATES

**TOP 10 7-ELEVEN LOCATION** – According to Placer.ai, this location ranks 9th out of 52 locations within a 15-mile radius, and 15th overall in the state with 60.4 thousand visits annually. The store also benefits from proximity to Compare Foods, at North Tryon Street and Sugar Creek Road, which is one of the highest grossing supermarkets per-square-foot in the Charlotte area (0.6 mile).

**HIGH AND INCREASING RESIDUAL VALUE** – Positioned in an exceptional high traffic location inside the Beltway at the intersection of North Tryon Street (25,500 VPD) and West Craighead Road (8,100 VPD). The Tenant has two points of access including a shared drive with neighboring Burger King. The 2,940-square-foot modern prototype store and four gas pumps is situated upon 0.9-acres.

**LESS THAN ONE-MILE FROM BOTH 36TH STREET STATION AND SUGAR CREEK STATION** – The stations opened in 2018 as part of the new \$1.15 Billion light rail extension to increase transportation access and create a new path for redevelopment opportunities for the third fastest growth city in the country. Ample new apartments, offices, restaurants, shops and Charlotte's second Topgolf location are already taking shape along this stretch. Notably, Novel NoDa, a 344-unit apartment building at the 36th Street station with a new space for restaurants and shops next door, and the 50,000-square-foot Station House, a mixed-use development anchored by the Shed amphitheater and Charlotte Art League, by the Sugar Creek station (both 0.9-mi from the Subject).

**ESSENTIAL BUSINESS** – 7-Eleven has been designated an "essential business" by the Department of Homeland Security and its locations have remained open and operating during the COVID-19 pandemic. 7-Eleven plans on hiring 20,000 new store employees to meet the increased demand for 7-Eleven products and services.

**STRONG LOCAL POSITIONING TO AREA DRIVERS** – Prominently positioned adjacent to Highland Renaissance Academy (430 students) and within one-half-mile from Sugar Creek Charter School (1,607 students), The Edge of Noda (208 garden homes and town homes), Cedar Greene Apartments (224 apartment units) and The Villages at Rosedale Apartments (106 apartment units). The Tryon Street/Craighead Road CATS Bus Stop is immediately in front of the property along North Tryon Street. Ridership on Charlotte Area Transit System buses historically averages 3.9 million trips annually.

**INVESTMENT GRADE CREDIT FROM THE GLOBAL C-STORE LEADER** – The lease is corporately guaranteed by 7-Eleven Inc. with a Standard & Poor's Credit Rating of "AA-". With over \$99.7 billion in revenue in 2019, 7-Eleven is the premier brand and leader in the convenience store/gas station industry with over 70,000 locations in 18 countries. The company recently acquired Speedway gas stations with convenience stores for \$21 billion showing strong conviction in the future of its business as it adapts to growth in EVs.

**DENSE, RAPIDLY GROWING CHARLOTTE METRO** – As Charlotte is the 3rd fastest-growing major U.S. city and 15th most populous, the Tenant is supported by a strong population of more than 95,394 and a **daytime population of 136,107 within three miles**. Since 2010, the submarket has seen significant gentrification. Population has increased by more than 14 percent and is projected to increase an additional six percent in the next five years. **This section of North Tryon Street is a key area for growth within Charlotte and Mecklenburg County as it is located 3 miles from the downtown and 5 miles from UNC Charlotte. The University is the largest in the Charlotte region and the 2nd largest in the state with an enrollment of 30,146 students.**



# WALKABLE, TRANSIT-ORIENTED LOCATION

New Apartments  
Coming Soon

Mercury Noda  
241 Units

30Six Noda  
344 Units

Yards at Noda  
182 Units

NEW LYNX BLUE LINE EXTENSION (BLE)

36TH STREET STATION  
0.7 MILES AWAY



N TRYON ST - 23,500 VPD

**BURGER  
KING**







DOWNTOWN  
CHARLOTTE



SUGAR CREEK STATION  
1 MILE AWAY

NEW LYNX BLUE LINE EXTENSION (BLE)

Highland  
Renaissance  
Academy





## TENANT INFORMATION

7-Eleven is a Japanese-owned American international chain of convenience stores, headquartered in Irving, Texas, that operates, franchises, and licenses some 70,000+ stores in 17 countries as of January, 2020. 7-Eleven is the largest and premier convenience store chain in the world. They have made a reputable name for themselves in the franchise business and are consistently ranked as a top-five franchisor. 7-Eleven stores are extended-hour retail convenience stores that emphasize convenience to the guest and provide a broad array of products, including many not traditionally available in convenience stores, to meet the changing needs of guests.

These products include an assortment of high-quality fresh food, hot food and proprietary beverage offerings, and private brand items. 7-Eleven stores are generally open every day of the year, with the vast majority open 24 hours a day, and are located in neighborhood areas, on main thoroughfares, in shopping centers, or on other sites where they are easily accessible and have parking facilities for quick in-and-out shopping.

7-Eleven has received numerous accolades throughout its 88 years in business. It was ranked Number 1 on Entrepreneur magazine's 2017 Top Global Franchises List, recognized as a Top 100 Global Retail Franchise for five years straight, Number 3 on Fast Company's "World's Top 10 Most Innovative Companies in Retail" in 2013, among many other achievements. 7-Eleven holds an "AA-" credit rating by S&P. Today, the chain continues to expand both financially and globally, introducing their brand to many different locations and neighborhood.



**HEADQUARTERS**  
Dallas, TX



**NO. OF EMPLOYEES**  
45,000+



**NO. OF LOCATIONS**  
70,000+



**YEAR FOUNDED**  
1927



**STOCK SYMBOL  
/CREDIT RATING**  
SVNDY : AA-



## REGIONAL MAP

**\$77K**

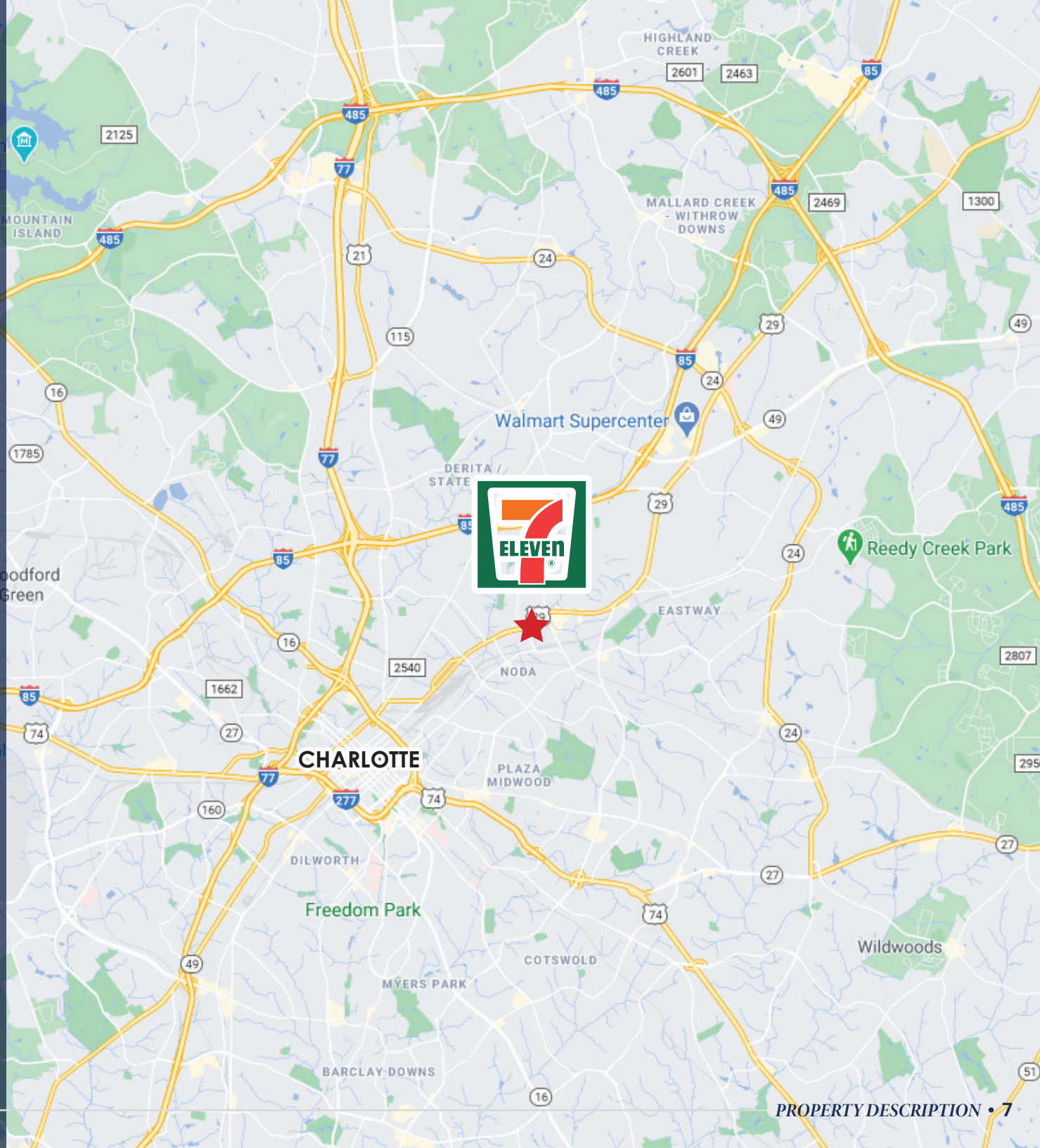
Within a 5-mile radius, the average household income is \$77,284

23K<sub>VPD</sub>

An average of 23,500 vehicles per day drive by N Tryon Street

15

Less than 15 minutes to downtown  
Charlotte, NC



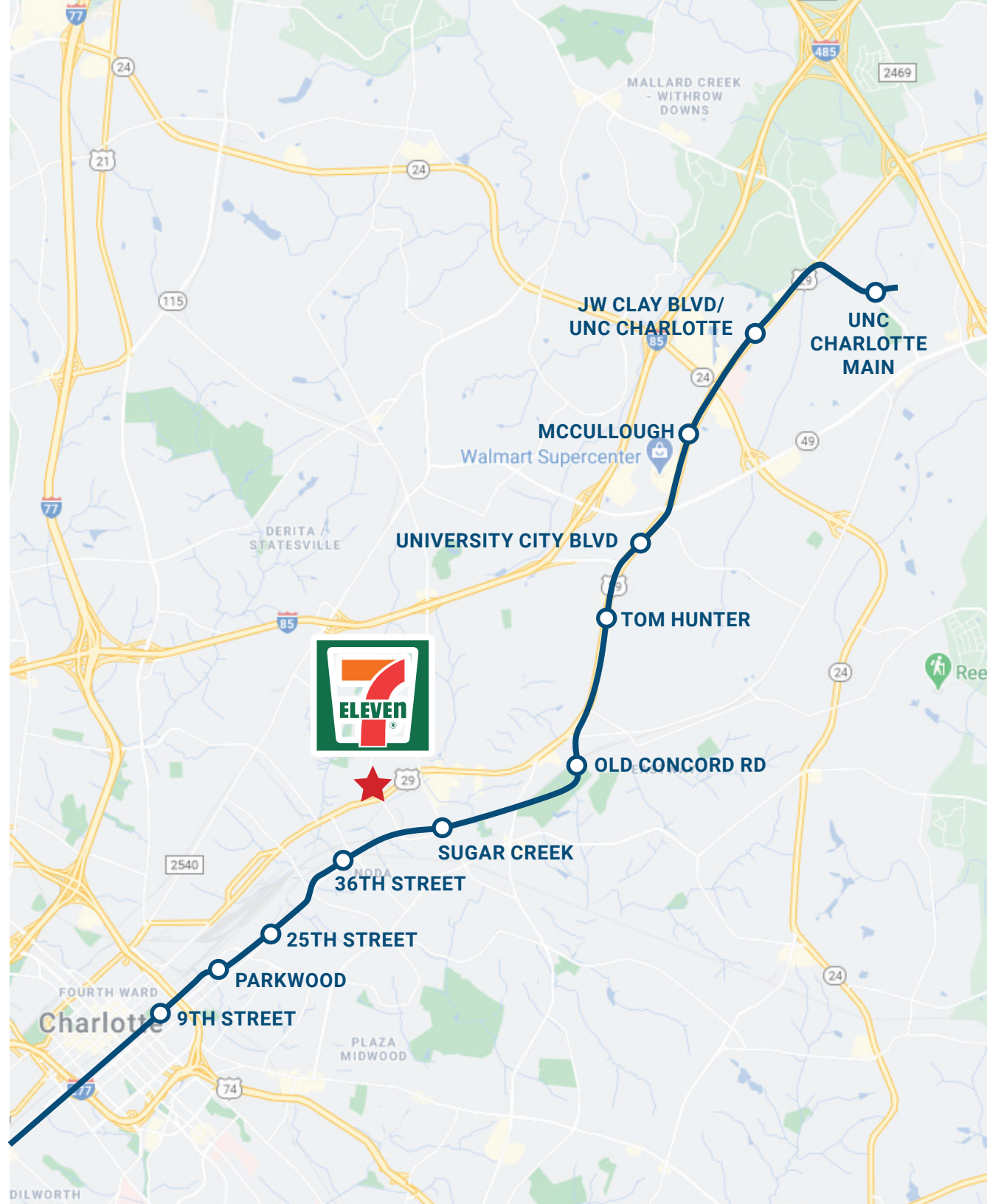


# LYNX BLUE LINE EXTENSION (BLE) PROJECT OVERVIEW

- 9.3 miles, 11 stations
- 4 park and ride facilities
- Approximately 3,100 parking services
- Accommodates 3-car trains
- 25,000+ daily riders
- Improvements to North Tryon Street
- Connects UNC Charlotte campuses
- 22 minute commute from Uptown to UNC Charlotte
- Initial peak period service 7.5 minute frequency
- Connecting bus services



**Blue Line Extension**







International  
Supermarket



WELLS  
FARGO

Sugar Creek  
Charter School

POPEYES

The Villages of  
Hope Haven

N TRYON ST - 23,500 VPD





Industrial Park

The Edge at Noda  
208 Units

Highland  
Renaissance  
Academy

**BURGER  
KING**

N TRYON ST - 23,500 VPD





# LEASE ABSTRACT

Legal Tenant Name	7-Eleven, Inc.
Notification Period to Exercise Options	180 Days
Landlord Obligations	None
Tenant Obligations	Tenant agrees to pay all charges for gas, electricity, telephone, sewer, water and any other utilities used by Tenant on the Premises. Tenant will be responsible for assuring that all billing statements for all utilities will be mailed directly to Tenant for payment. In the event Landlord receives utility billing statements, Landlord shall immediately forward same to Tenant for payment and shall cooperate with Tenant to assure that such statements are thereafter sent directly to Tenant. At all times during the Term and any Extended Term, Tenant agrees to maintain in good condition and repair the Premises (including, but not limited to, the Building and improvements which may be constructed on the Premises by Tenant), casualty damage and reasonable wear and tear excepted.
Assignment & Subletting	Tenant shall have the right to assign this Lease or sublease the whole or any part of the Premises. Any assignment or sublease shall be subject to all of the terms, covenants and conditions of this Lease, and Tenant shall remain primarily liable for the payment of rent and the performance of the terms, covenants and conditions of this Lease, but in the event that Tenant discontinues operation of the Premises, Tenant shall remain bound by all of the terms of this Lease, including the obligation to pay rent. Notwithstanding any assignment or subletting of this Lease, 7-Eleven, Inc. shall not be released from any liability under this Lease so long as the Lease is not modified or amended in any respect without the prior written approval of Landlord and the Tenant named herein. In the event of a default by any such assignee or subtenant, Landlord shall give 7-Eleven, Inc. notice of such default, and shall accept cure of such default by 7-Eleven, Inc. within thirty (30) days after such notice and shall permit 7-Eleven, Inc. to re-enter and repossess the Premises for the then unelapsed portion of the Term of this Lease and in compliance with all of the provisions of this Lease.
First Right of Refusal	If Landlord receives a bona fide acceptable offer to purchase the Premises, Landlord grants Tenant an option to purchase the same upon the same terms and conditions. Promptly after the receipt of such offer, Landlord shall give Tenant written notice of the terms and conditions of the offer in the manner described in Article 32, enclosing a copy of the offer and enclosing copies of all information and documentation reasonably necessary to the consideration of such offer, and Tenant may exercise the option to purchase at any time within fifteen (15) days after receipt of such notice and additional documentation. Landlord shall promptly provide Tenant with any other information reasonably requested by Tenant within such fifteen (15) day period and Tenant shall have an additional five (5) day period after its receipt of such additional information to exercise such option. If Tenant elects to exercise such option it shall do so by giving written notice to Landlord within such periods and a purchase contract shall be executed by the parties and title conveyed within a reasonable time thereafter. The failure of Tenant to exercise the option to purchase shall in no way release or relieve Landlord from Landlord's obligation to provide Tenant with notice of any future offers to purchase.



# DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2024 Projection	9,122	101,369	272,709
2019 Estimate	8,582	95,394	253,358
2010 Census	7,443	83,724	219,023
2000 Census	7,185	82,351	196,026
Current Daytime Population	15,502	136,107	426,791

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2019 Estimate Total Population	8,582	95,394	253,358
Under 20	22.96%	24.97%	25.63%
20 to 34 Years	30.17%	28.15%	28.66%
35 to 39 Years	9.60%	7.99%	8.00%
40 to 49 Years	14.58%	12.94%	12.82%
50 to 64 Years	15.85%	16.24%	15.54%
Age 65+	6.84%	9.71%	9.35%
Median Age	33.58	33.3	32.7
<u>Population 25+ by Education Level</u>			
2019 Estimate Population Age 25+	6,011	64,400	168,779
Elementary (0-8)	7.10%	6.95%	5.70%
Some High School (9-11)	13.19%	11.97%	9.96%
High School Graduate (12)	26.73%	23.29%	21.95%
Some College (13-15)	20.62%	20.46%	19.88%
Associate Degree Only	6.69%	6.51%	6.83%
Bachelors Degree Only	16.26%	18.69%	21.90%
Graduate Degree	7.04%	9.59%	11.61%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2024 Projection	4,051	42,691	113,726
2019 Estimate	3,713	39,037	103,536
2010 Census	3,166	33,265	87,428
2000 Census	2,918	31,250	77,779

INCOME	1 MILE	3 MILES	5 MILES
<u>2019 Housing Income</u>			
\$150,000 or More	3.23%	8.55%	9.81%
\$100,000 - \$149,000	8.41%	9.60%	10.44%
\$75,000 - \$99,999	9.78%	10.08%	10.67%
\$50,000 - \$74,999	16.19%	16.63%	17.03%
\$35,000 - \$49,999	13.00%	13.25%	13.64%
Under \$35,000	49.39%	41.89%	38.41%
Average Household Income	\$55,618	\$70,175	\$77,284
Median Household Income	\$35,573	\$43,514	\$47,529
Per Capita Income	\$24,377	\$29,298	\$31,992



# DEMOGRAPHIC SUMMARY

Geography: 5 Miles



## POPULATION

In 2019, the population was 253,358. The population has changed by 29.25% since 2000. It is estimated that the population will be 272,709 five years from now, which represents a change of 7.64% from the current year. The current population is 48.69% male and 51.31% female. The median age of the population is 32.70, compared to the US average which is 38.08. The population density is 3,224 people per square mile.



## HOUSEHOLDS

There are currently 103,536 households in your selected geography. The number of households has changed by 33.12% since 2000. It is estimated that the number of households will be 113,726 five years from now, which represents a change of 9.84% from the current year. The average household size is 2.35 persons.



## INCOME

In 2019, the median household income was \$47,529, compared to the US average which is currently \$60,811. The median household income has changed by 30.94% since 2000. It is estimated that the median household income will be \$54,523 five years from now, which represents a change of 14.72% from the current year.

The current year per capita income is \$31,992, compared to the US average, which is \$33,623. The current year average household income is \$77,284, compared to the US average which is \$87,636.



## RACE AND ETHNICITY

The current year racial makeup is as follows: 32.90% White, 49.22% Black, 0.09% Native American and 4.96% Asian/Pacific Islander. Compare these to US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 15.98% of the current year population. Compared this to the US average of 18.17%.



## HOUSING

The median housing value was \$165,586 in 2019, compared to the US average of \$212,058. In 2000, there were 36,256 owner occupied housing units and 41,523 renter occupied housing units. The median rent at the time was \$523 per month.



## EMPLOYMENT

In 2019, there were 191,664 employees, this is also known as the daytime population. The 2000 Census revealed that 56.73% of employees are employed in white-collar occupations, and 43.32% are employed in blue-collar occupations. In 2019, unemployment was 5.56%. In 2000, the average time traveled to work was 26 minutes.



# CHARLOTTE OVERVIEW

Located between the Blue Ridge Mountains and coastal plains, the Charlotte metro stretches 3,198 square miles across the Piedmont region of the Southeastern United States. It contains seven counties in North Carolina: Mecklenburg, Gaston, Union, Cabarrus, Iredell, Rowan and Lincoln. South Carolina counties include York, Lancaster and Chester. A strong financial presence has contributed to the local population growing to more than 2.5 million citizens, becoming one of the nation's fastest-growing metros over the past 15 years. Charlotte is the largest city, with nearly 850,000 people, followed by Concord and Gastonia, each with less than 100,000 residents.

## METRO HIGHLIGHTS



### POPULATION GROWTH

The population of the Charlotte metro will expand faster than the U.S. rate during the next five years. A large portion of the gain will be due to in-migration.



### SKILLED WORKERS

Charlotte has a well-educated and highly trained labor pool that is attracted by a variety of industries and employers located in the metro.



### ECONOMIC EXPANSION

The metro's employment base is growing and diversifying, drawing Fortune 500 companies.





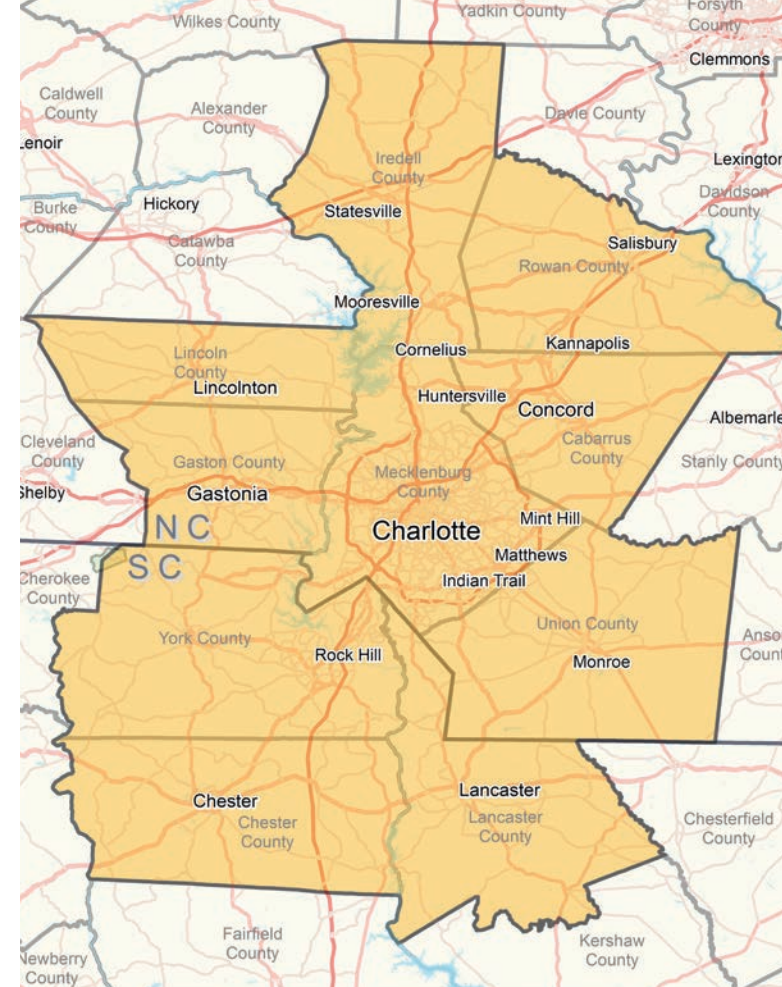
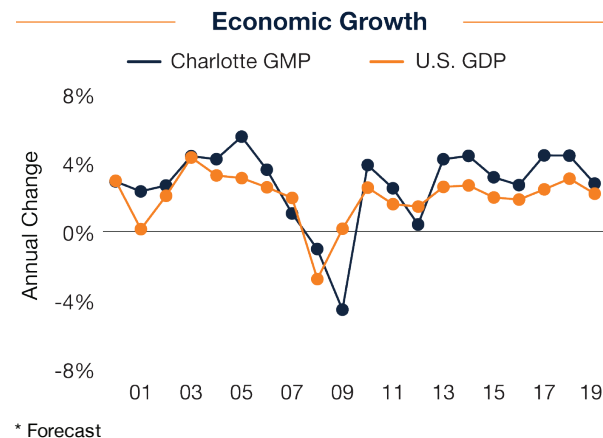
# THE CHARLOTTE ECONOMY

Though the finance sector is a large driver of the economy, manufacturing, healthcare and energy industries also play a vital role.

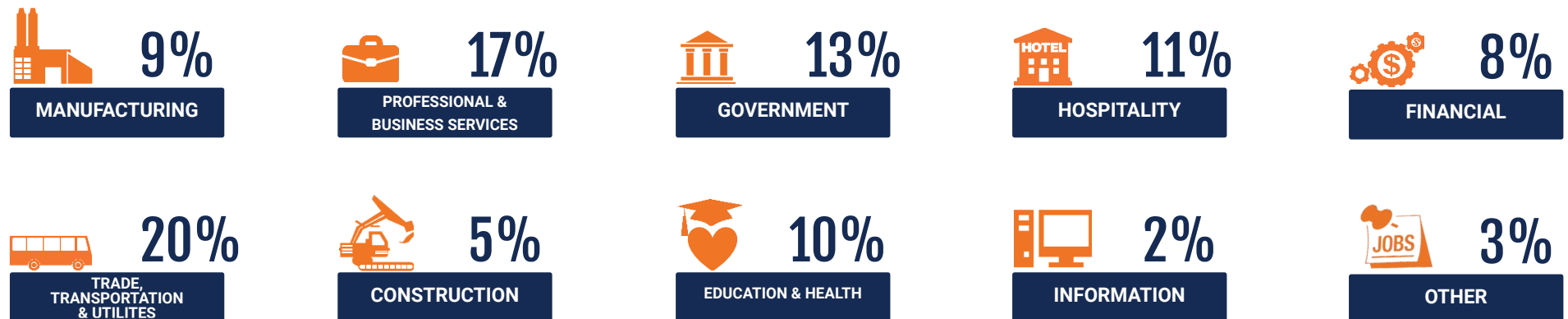
Charlotte's low cost of doing business attracts companies. During 2018, six Fortune 500 companies had headquarters in the region: Bank of America, Lowe's, Duke Energy, Nucor, Sealed Air and Sonic Automotive.

Highly ranked universities provide employment and produce an educated workforce, drawing top companies to the area.

MAJOR AREA EMPLOYERS
Carolinas HealthCare System
Wells Fargo
Bank of America
Daimler Trucks North America
Novant Health
Walmart
Duke Energy Corp.
Delhaize America, LLC.
American Airlines
Harris Teeter



## SHARE OF 2018 TOTAL EMPLOYMENT





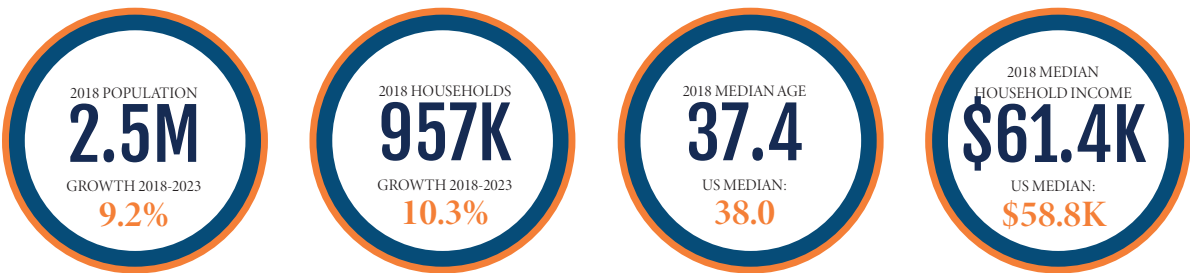
# CHARLOTTE DEMOGRAPHICS

The metro is expected to add nearly 235,000 people through 2023, resulting in the formation of approximately 100,200 households.

The median home price of \$240,000 has allowed 66 percent of households to own their home, which compares with the national rate of 64 percent.

Roughly 32 percent of people age 25 and older hold bachelor's degrees; among those residents, 10 percent have also obtained a graduate or professional degree.

## 2018 POPULATION BY AGE



## QUALITY OF LIFE

The Charlotte metro offers a wide variety of cultural and entertainment activities. Charlotte hosts several historical sites due to the strong ties to the American Revolution, Civil War and the first gold rush in the nation. Additional museums and cultural amenities include the Bechtler Museum of Modern Art, Historic Rosedale Plantation, Wells Fargo History Museum, Charlotte Symphony Orchestra, Opera Carolina, and Carolina Renaissance Festival. Charlotte offers professional football, basketball soccer and lacrosse. The Carolina Panthers and Charlotte Bobcats have stadiums in Uptown Charlotte. The metro includes the legendary Charlotte Motor Speedway that hosts major NASCAR races.

\* Forecast  
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

## SPORTS



## EDUCATION



## ARTS & ENTERTAINMENT





# CONFIDENTIALITY AGREEMENT

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the 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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2016 Marcus & Millichap. All rights reserved.

## Non-Endorsement Notice

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

# NET LEASED 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.





#### SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform and cannot conduct due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision making.)