



OFFERING MEMORANDUM

KUM & GO

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KUM & GO
Jonesboro, AR
ACT ID Z0290585

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INVESTMENT OVERVIEW



EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$2,510,000
Net Operating Income	\$138,000
Capitalization Rate – Current	5.5%
Price / SF	\$486.43
Rent / SF	\$26.74
Lease Type	Absolute Net
Gross Leasable Area	5,160 SF
Lot Size	1.75 acre(s)

FINANCING

Down Payment	All Cash
Net Cash Flow	5.50% / \$138,000
Cash on Cash Return	5.50%
Total Return	5.50% / \$138,000

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES*
BAPTIST MEMORIAL HEALTH CARE	2,000
St Bernards Hospital Inc	1,500
Hytrol Conveyor Company Inc	1,200
Advance Services Inc	1,083
Walmart	822
Quad Graphics Jonesboro	634
Nettleton School District	460
Rivland	450
Wendys	355
Arkansas Glass Container Corp	350
Jonesboro Rice Division	291
ABB Installation Products Inc	251

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2020 Estimate Pop	4,860	43,077	73,603
2010 Census Pop	4,277	37,945	63,969
2020 Estimate HH	1,865	17,566	28,902
2010 Census HH	1,619	15,303	24,914
Median HH Income	\$35,888	\$44,931	\$51,914
Per Capita Income	\$19,608	\$26,481	\$28,150
Average HH Income	\$50,322	\$63,481	\$70,711

* # of Employees based on 5 mile radius



INVESTMENT OVERVIEW

Marcus & Millichap is proud to present this Kum & Go located at 2607 Stadium Blvd, Jonesboro, AR. The subject property is an approximate 5,160-square foot retail building on approximately 1.75 acres of land. The original lease was a 10-year, absolute triple-net (NNN) lease with a corporate guarantee from Kum & Go L.C. The tenant recently executed their second 5 year renewal option, leaving about 5.5 years remaining with an increased rent of \$6,000. The lease contains four more five-year renewal options with rental increases at the start of each option.

The subject property is extremely well located where US Highway 63 exits on to Red Wolf Boulevard generating daily traffic counts of nearly 57,000 vehicles. The property is conveniently located just a few blocks up the road from US Highway 63 servicing travelers passing by as well as locals. Arkansas State University has approximately 14,000 enrolled students and is less than 2.5 miles away from the property.

Jonesboro is a college town that is considered to be the largest city in northeastern Arkansas and the fifth most populous city in the state. Jonesboro has planned for continued economic growth boasting several industrial parks with ample room for industrial expansion. Today, Jonesboro has established itself as the perennial hub of Northeast Arkansas' agricultural production. To the east lies the alluvial cotton delta and to the southwest is the fertile rice land. Large farms produce soybeans, rice, cotton, fish, and livestock. The city is host to numerous world class industrial facilities like Post Foods, Unilever, Nestle Prepared Foods, Frito-Lay, and many others. Jonesboro is home to Arkansas State University and is a regional center for manufacturing, agriculture, medicine, education, and trade. The city is centrally located with easy access to major markets including America's Distribution Center, Memphis, and Tennessee. Jonesboro has a modern hospital, which has been serving the area since 1902. The Arkansas Services Center provides the area with the most extensive medical facilities available.

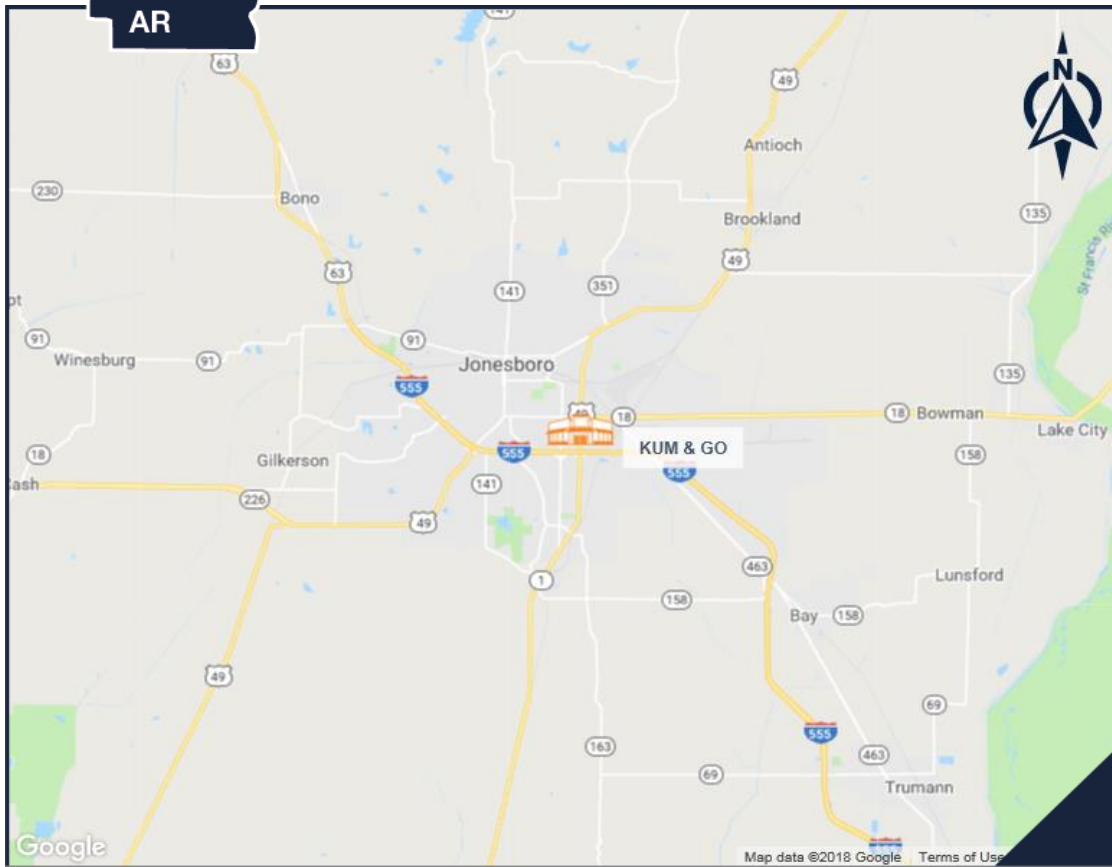
INVESTMENT HIGHLIGHTS

- Corporate Guarantee From Kum & Go
- Recently Executed 5 Year Option with Increase
- Absolute Net Lease - Zero Landlord Responsibilities
- Rental Increases at the Start of Each Option
- May Qualify for 15-Year Accelerated Depreciation
- Located Just off of US Highway 63 - 32,000 VPD





2607 Red Wolf Blvd, Jonesboro, AR 72401



- Located Directly on Red Wolf Boulevard -24,824 VPD
- Just One Mile From Mall at Turtle Creek
- Just Two Miles From Jonesboro Municipal Airport
- Less Than 2.5 Miles From Arkansas State University – Approximately 14,000 Students Enrolled
- Within Close Proximity to 6 Local Schools
- Strong Retail Location - Walmart, Lowes, Shopping Mall

CLOSE PROXIMITY TO:



Airport



Shopping Center



Schools

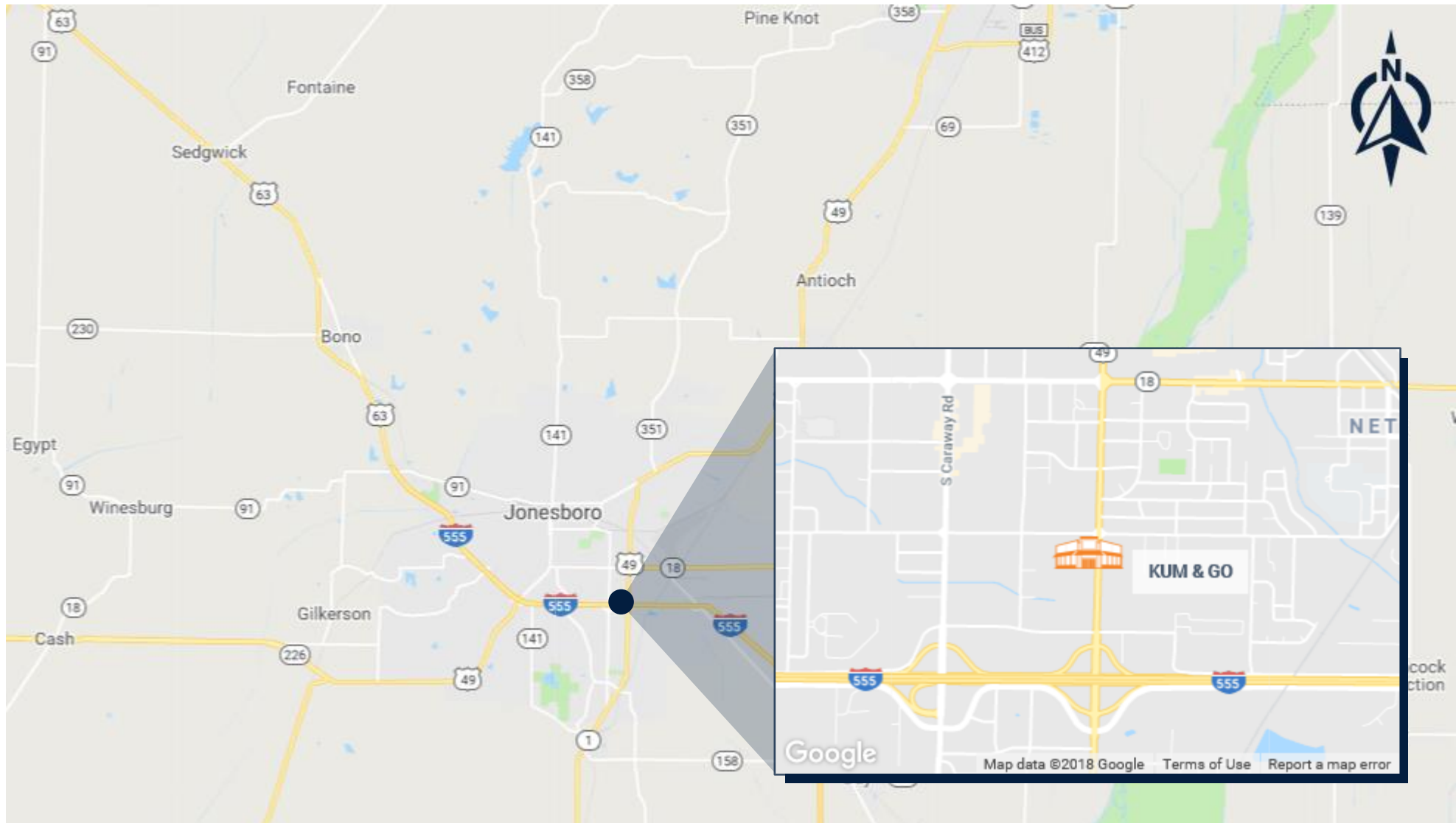


Hotel



Hospital

2607 Red Wolf Blvd, Jonesboro, AR 72401





FINANCIAL ANALYSIS



PROPERTY SUMMARY

THE OFFERING	
Property	Kum & Go
Property Address	2607 Stadium Blvd Jonesboro, Arkansas 72401
Price	\$2,510,000
Capitalization Rate	5.50%
Price/SF	\$486.43

PROPERTY DESCRIPTION	
Year Built / Renovated	N/A
Gross Leasable Area	5,160 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.75 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Auto Service - Gas/Conv
Tenant	Kum & Go
Rent Increases	\$6,000 each Five Year Option
Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Commencement	April 10, 2006
Lease Expiration	March 31, 2026
Lease Term	20
Term Remaining on Lease (Years)	5.4
Renewal Options	Four Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$138,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$138,000	\$11,500	\$26.74	5.50%
2026-2031	\$144,000	\$12,000	\$27.91	5.74%
2031-2036	\$150,000	\$12,500	\$29.07	5.98%
2036-2041	\$156,000	\$13,000	\$30.23	6.22%
2041-2046	\$162,000	\$13,500	\$31.40	6.45%



NOTES

ROFR – Tenant has a 20 day right of first refusal to purchase the property
Two billboards located on the property and are NOT included in the sale of the asset

Kum & Go



W.A. Krause and T.S. Gentle founded Kum & Go, L.C. on September 1, 1959. When the two Hampton entrepreneurs opened their small full-service gas station, they couldn't have known it was only the beginning of a business which would become known for unmatched ingenuity and courageous risk-taking.

In 1963, based on a desire to further serve customers, Kum & Go, L.C. introduced the convenience store concept by offering fuel and merchandise - converting their "gas station" into a "station store." By late 1977, Kum & Go had grown to 65 convenience stores employing 327 people. The 1980s brought further innovations in convenience with the addition of quick serve restaurants - including Blimpie, Taco John's and Burger King - in several stores. Kum & Go opened its first store in Des Moines in 1984.

In 1988, the headquarters were moved from Hampton to West Des Moines - the fastest growing city in Iowa. By the end of the 80s, Kum & Go had 134 stores across the Midwest. In 1996, Kum & Go opened 22 new stores. In 1997, the company opened 14 new stores. In 1998, Kum & Go added 122 new stores. In early 1999, the company capped a decade of phenomenal growth with the acquisition of an additional 45 stores. In 2002, Iowa gained another 12 stores, including seven in Des Moines, two in Fort Dodge and one each in Oskaloosa, Carroll and Grinnell.

The pioneering spirit of Kum & Go's founders continue to drive the company forward into the future. As the fifth largest privately held, company-operated convenience store chain in the United States, Kum & Go operates more than 430 stores in 11 states throughout the Midwest. Thanks to the efforts of its more than 4,700 associates, Kum & Go continues to strive for excellence in customer service and convenience - serving more than 480,000 customers each day.

General Information

Tenant Name	Kum & Go
Website	www.kumandgo.com
Parent Company	Krause Holdings, Inc.
Headquartered	6400 Westown Parkway, West Des Moines, IA 50266 USA
Rentable Square Feet	5,160 SF
Percentage of RBA	100.00%
Lease Commencement	4/10/2006
Lease Expiration	3/31/2026
No. of Locations	430+

MARKET OVERVIEW



Created on November 2020

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	5,303	46,320	79,842
■ 2020 Estimate			
Total Population	4,860	43,077	73,603
■ 2010 Census			
Total Population	4,277	37,945	63,969
■ 2000 Census			
Total Population	3,736	33,149	54,023
■ Current Daytime Population			
2020 Estimate	8,461	68,910	94,207
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	2,037	19,113	31,626
■ 2020 Estimate			
Total Households	1,865	17,566	28,902
Average (Mean) Household Size	2.48	2.30	2.43
■ 2010 Census			
Total Households	1,619	15,303	24,914
■ 2000 Census			
Total Households	1,532	13,616	21,575
■ Occupied Units			
2025 Projection	2,037	19,113	31,626
2020 Estimate	2,003	19,265	31,519
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$150,000 or More	2.97%	5.80%	7.13%
\$100,000 - \$149,000	6.59%	11.08%	13.14%
\$75,000 - \$99,999	11.10%	12.14%	12.88%
\$50,000 - \$74,999	18.73%	17.57%	18.24%
\$35,000 - \$49,999	11.75%	11.34%	10.63%
Under \$35,000	48.88%	42.05%	38.00%
Average Household Income	\$50,322	\$63,481	\$70,711
Median Household Income	\$35,888	\$44,931	\$51,914
Per Capita Income	\$19,608	\$26,481	\$28,150

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$54,664	\$61,978	\$66,028
■ Consumer Expenditure Top 10 Categories			
Housing	\$14,769	\$16,579	\$17,617
Transportation	\$9,345	\$10,764	\$11,617
Shelter	\$8,200	\$9,335	\$9,920
Food	\$6,202	\$6,848	\$7,262
Personal Insurance and Pensions	\$4,477	\$5,283	\$5,756
Health Care	\$3,795	\$4,208	\$4,482
Utilities	\$3,342	\$3,565	\$3,736
Entertainment	\$1,904	\$2,246	\$2,446
Household Furnishings and Equipment	\$1,431	\$1,674	\$1,812
Apparel	\$1,236	\$1,428	\$1,521
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	4,860	43,077	73,603
Under 20	32.23%	28.21%	28.91%
20 to 34 Years	25.12%	28.01%	25.03%
35 to 39 Years	7.40%	6.33%	6.60%
40 to 49 Years	10.50%	10.27%	11.06%
50 to 64 Years	11.61%	13.92%	15.24%
Age 65+	13.13%	13.25%	13.15%
Median Age	30.68	31.03	32.33
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	2,962	26,728	46,296
Elementary (0-8)	4.44%	3.48%	3.01%
Some High School (9-11)	8.41%	6.98%	6.82%
High School Graduate (12)	44.92%	31.91%	30.94%
Some College (13-15)	19.46%	22.39%	22.05%
Associate Degree Only	6.78%	5.87%	6.37%
Bachelors Degree Only	9.54%	17.06%	18.44%
Graduate Degree	5.29%	11.22%	11.49%

Source: © 2019 Experian



Population

In 2019, the population in your selected geography is 4,860. The population has changed by 30.09% since 2000. It is estimated that the population in your area will be 5,303.00 five years from now, which represents a change of 9.12% from the current year. The current population is 46.91% male and 53.09% female. The median age of the population in your area is 30.68, compare this to the US average which is 38.21. The population density in your area is 1,546.25 people per square mile.



Households

There are currently 1,865 households in your selected geography. The number of households has changed by 21.74% since 2000. It is estimated that the number of households in your area will be 2,037 five years from now, which represents a change of 9.22% from the current year. The average household size in your area is 2.48 persons.



Income

In 2019, the median household income for your selected geography is \$35,888, compare this to the US average which is currently \$62,990. The median household income for your area has changed by 28.00% since 2000. It is estimated that the median household income in your area will be \$40,972 five years from now, which represents a change of 14.17% from the current year.

The current year per capita income in your area is \$19,608, compare this to the US average, which is \$34,935. The current year average household income in your area is \$50,322, compare this to the US average which is \$90,941.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 50.59% White, 37.65% Black, 0.07% Native American and 0.76% Asian/Pacific Islander. Compare these to US averages which are: 69.84% White, 12.88% Black, 0.20% Native American and 5.75% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 12.10% of the current year population in your selected area. Compare this to the US average of 18.38%.



Housing

The median housing value in your area was \$146,532 in 2019, compare this to the US average of \$221,068. In 2000, there were 718 owner occupied housing units in your area and there were 814 renter occupied housing units in your area. The median rent at the time was \$381.



Employment

In 2019, there are 5,466 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 42.34% of employees are employed in white-collar occupations in this geography, and 57.56% are employed in blue-collar occupations. In 2019, unemployment in this area is 2.79%. In 2000, the average time traveled to work was 17.00 minutes.