

# 7-ELEVEN

EXCLUSIVE NET-LEASE OFFERING

**Domino's Included Under NNN  
Master Lease**



# OFFERING MEMORANDUM



16669 FM 2493, Tyler, TX 75703

# Confidentiality and 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.

## CONFIDENTIALITY AND DISCLAIMER

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.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") 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 M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, 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 CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## 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.)



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# Investment Highlights

PRICE: \$5,684,210 | CAP: 4.75% | RENT: \$270,000



## About the Investment

- ✓ Brand New 15-Year Absolute Triple-Net (NNN) Lease
- ✓ Three (3), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 30 Years
- ✓ 7.5% Rental Increases Every Five (5) Years
- ✓ Investment Grade Credit: 7-Eleven Corporate (S&P: AA-)
- ✓ Fee Simple – Eligible for Bonus Depreciation
- ✓ Oversized 1.98 Acre Lot
- ✓ Domino's Included Under NNN Master Lease With 7-Eleven

## About the Location

- ✓ Located in an Urban Infill | Dairy Queen, Whataburger, Southside Bank, and Many More
- ✓ Strong Academic Presence | Less Than Ten Miles from Tyler Junior College | Total Enrollment Exceeding 11,000 Students
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$119,380 Within a Three Mile Radius
- ✓ Features High Visibility and Ease of Access | Positioned on Farm-To-Market Road | Strong Traffic Counts | Farm-To-Market Road 2493 & Loop Toll 49 | Average 13,000 and 1,000 Vehicles Per Day, Respectively

## About the Tenant / Brand

- ✓ 7E TX, LLC – One of Seven 7-Eleven Portfolio Partners in the U.S.
- ✓ 7-Eleven is the Largest Convenience Store Chain in the World | 60,000 Stores in 18 Countries
- ✓ 10,700 Stores in North America
- ✓ Committed to Meeting the Needs of All Guests by Providing a Broad Selection of Fresh, High-Quality Products and Services at Everyday Fair Prices
- ✓ Essential Business – Rent Paid in Full at Every Location Throughout Covid-19 Pandemic



Representative Photo



# Financial Analysis

PRICE: \$5,684,210 | CAP: 4.75% | RENT: \$270,000



## Property Description

Property	7-Eleven
Property Address	16669 Farm-To-Market Road
City, State, ZIP	Tyler, TX, 75703
Building Size	10,325
Lot Size	+/- 1.98 Acres
Type of Ownership	Triple-Net (NNN)

## The Offering

Purchase Price	\$5,684,210
CAP Rate	4.75%
Annual Rent	\$270,000

## Lease Summary

Property Type	Net-Leased Convenience Store / Gas Station
Tenant	7E TX, LLC
Guarantor	7-Eleven Corporate
Original Lease Term	15 Years
Lease Commencement	June 15, 2020
Lease Expiration	July 1, 2035
Lease Term Remaining	14+ Years
Lease Type	Triple-Net (NNN)
Rental Increases	7.5% Every Five (5)-Years
Options to Renew	Three (3), Five (5) Year Option Periods

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$270,000	\$22,500	-
Year 2	\$270,000	\$22,500	-
Year 3	\$270,000	\$22,500	-
Year 4	\$270,000	\$22,500	-
Year 5	\$270,000	\$22,500	-
Year 6	\$290,250	\$24,188	7.50%
Year 7	\$290,250	\$24,188	-
Year 8	\$290,250	\$24,188	-
Year 9	\$290,250	\$24,188	-
Year 10	\$290,250	\$24,188	-
Year 11	\$312,019	\$26,002	7.50%
Year 12	\$312,019	\$26,002	-
Year 13	\$312,019	\$26,002	-
Year 14	\$312,019	\$26,002	-
Year 15	\$312,019	\$26,002	-
Option Period 1	\$335,420	\$27,952	7.50%
Option Period 2	\$360,577	\$30,048	7.50%
Option Period 3	\$387,620	\$32,302	7.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a 7-Eleven located at 16669 Farm-To-Market Road 2493, Tyler, TX 75703. The property consists of roughly 10,325 rentable square feet of building space on an estimated 1.98-acre parcel of land.

7-Eleven is subject to a brand new 15-year Absolute Triple-Net (NNN). The initial rent is \$270,000 with 7.5% increases every 5 years or the change in CPI from the previous five lease years. There are three (3), five (5)-year tenant renewal options, extending the total possible lease term to 30 years.



# Bonus Depreciation

**\*\*The below content is meant to provide general information.  
Please contact your accountant/tax advisor for more information.**

Depreciation	Accelerated Depreciation	Bonus Depreciation
A reduction in the value of an asset with the passage of time, due in particular to wear and tear. <b>39 Year Schedule</b>	<i>Modified Accelerated Cost Recovery System</i> (Service Stations, Car Washes, & Oil Changing Facilities) <b>15 Year Schedule</b>	Eligible for properties with a useful life of under 20 years. New Law: 100% Of The Property in Year One. <b>1 Year Schedule</b> Phase Out Beginning on January 1, 2023

<b>\$5,684,210 7-ELEVEN WITH BONUS DEPRECIATION- 4.75% CAP RATE ACQUISITION</b> <b>FOR EXAMPLE PURPOSES ONLY</b>	
Purchase Price:	\$5,684,210
Loan Amount:	\$3,694,737
Equity:	\$1,989,474
LTV:	65.00%
Interest Rate (10 Year Fixed):	3.50%
Amortization (Years):	30
Cap Rate:	4.75%
Rent:	\$270,000
Debt Service (Annual):	\$199,092
Annual NOI After Debt Service:	\$70,908
Principal Reduction Year 1:	\$76,928
Total Return Year 1:	\$147,836
Total Interest Deduction Year 1:	\$133,261
*Total Depreciation Year 1 (After 20% Land Allocation):	\$4,547,368
Total Tax Deductions Year 1 (Depreciation + Interest):	<b>\$4,686,123</b>



## Compare To: 39 Year Schedule

*Total Depreciation Year 1 (After 20% Land Allocation):	\$116,599
Total Tax Deductions Year 1 (Depreciation + Interest):	<b>\$255,354</b>

## 15 Year Schedule

*Total Depreciation Year 1 (After 20% Land Allocation):	\$303,157
Total Tax Deductions Year 1 (Depreciation + Interest):	<b>\$441,912</b>







# Tenant Overview



7-Eleven focuses on meeting the needs of convenience-oriented guests by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean, friendly shopping environment. Each store's selection of about 2,500 different products and services is tailored to meet the needs and preferences of local guests. Stores typically vary in size from 2,400 to 3,000 square feet and are most often located on corners for great visibility and easy access. Well known for the Big Gulp® fountain soft drink, Big Bite® grill items, the Slurpee® beverage and its fresh-brewed coffee, 7-Eleven's food service offerings bring guests a proprietary line of prepared-fresh-daily and daily delivered deli sandwiches, wraps, breakfast sandwiches and a wide assortment fruits, salads and baked goods.

## Company Profile

7-Eleven is the world's largest convenience store chain operating, franchising and licensing more than 60,000 stores in 18 countries, of which nearly 10,700 are in North America. 7-Eleven also is one of the nation's largest independent gasoline retailers. Its company's name was changed from The Southland Corporation to 7-Eleven, Inc. after approval by shareholders on April 28, 1999. Founded in 1927 in Dallas, Texas, 7-Eleven pioneered the convenience store concept during its first years of operation as an ice company when its retail outlets began selling milk, bread and eggs as a convenience to guests. The name 7-Eleven originated in 1946 when the stores were open from 7 a.m. to 11 p.m. Today, offering busy shoppers 24-hour convenience, seven days a week is the cornerstone of 7-Eleven's business.







# Surrounding Area

Property Address: 16669 FM 2493, Tyler, TX 75703



**Jimmy Brown's**  
Service Center  
AUTO REPAIR, TIRE & BRAKE EXPERTS  
903-533-9500



South Tyler  
Speakeasy



Cowboyz  
Coffee Shop

Shogry  
Automotive  
Repair

Family First  
Pharmacy







# Location Overview

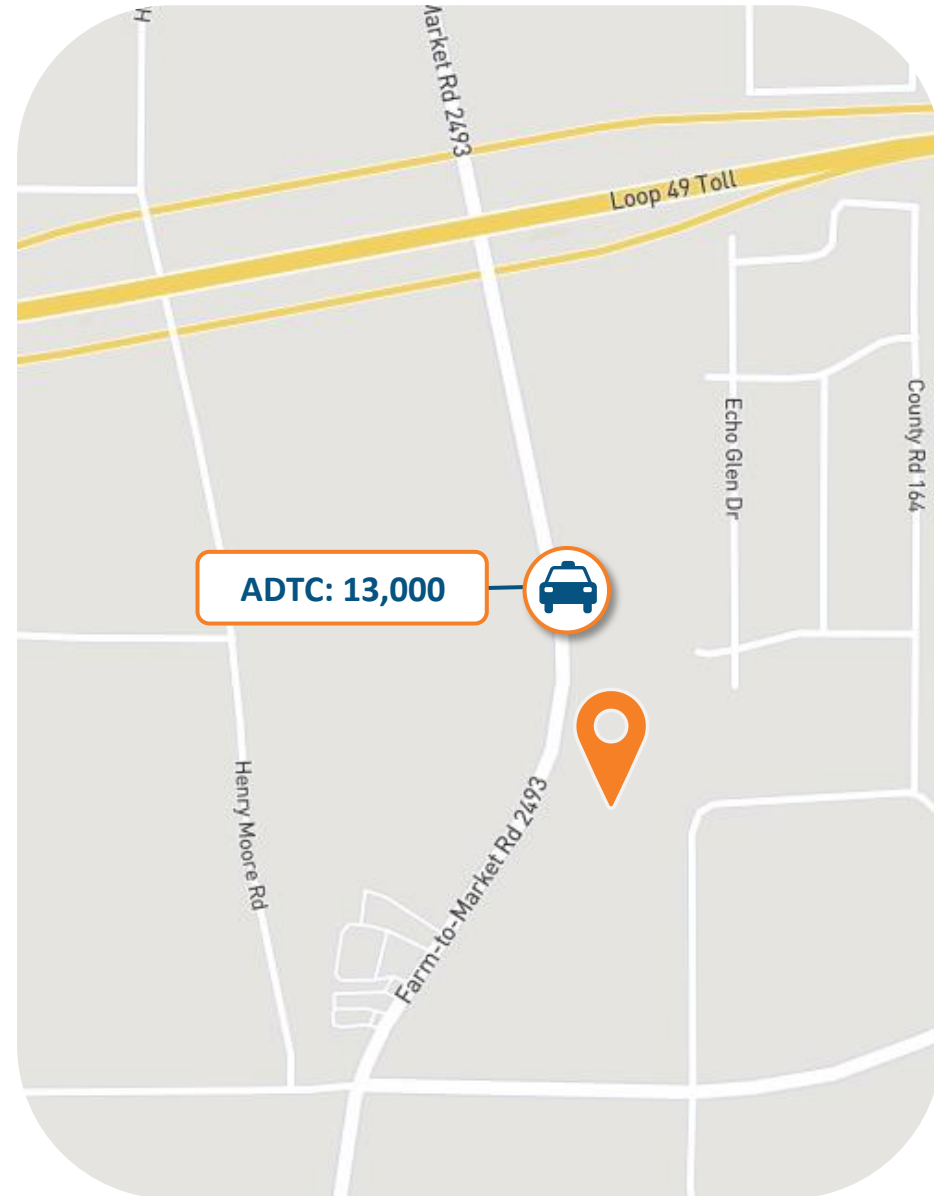
Property Address: 16669 FM 2493, Tyler, TX 75703



This 7-Eleven investment property is located at 16669 FM 2493, Tyler, Texas. FM 2493 boasts average daily traffic counts exceeding 13,000 vehicles. The subject property benefits from being located in a heavily populated area. There are more than 45,000 individuals within a five-mile radius of the property and 168,000 individuals within a ten-mile radius of the property.

The subject property benefits from being well-positioned in an urban infill consisting of national and local tenants. Major national tenants include: Dairy Queen, Whataburger, and many more. The subject property benefits from its close proximity to several academic institutions. Of these academic institutions, Tyler Junior College is the most notable since it is located less than ten miles away with a total enrollment exceeding 11,000 students. The subject property benefits from being located nine miles from Christus Mother Frances Hospital, a 402-bed general hospital and surgical center.

Tyler is the county seat of Smith County, located in east-central Texas, United States. Tyler has grown to be the largest community in East Texas. Boasting an MSA population of over 225,000 people, Tyler offers the cultural diversity, quality education, health care, and recreational opportunities of a large city with the hometown friendliness and quality of life of a small community. Tyler is also known as “The Rose Capital of the World” for having the largest rose garden in the United State and for hosting several community events like the Texas Rose Festival. The city is surrounded by 25 prime sporting lakes offering wonderful opportunities for fishing and boating. Golf enthusiasts will find a variety of golf clubs in the immediate area as well. The most notable park in Tyler is the Tyler State Park, which offers families 985 acres of woods around a beautiful spring-fed lake. The largest industries that drive Tyler’s economy are: Health Care & Social Assistance, Retail Trade, and Accommodation & Food Services.





# Property Photo

Property Address: 16669 FM 2493, Tyler, TX 75703







# Property Photo

Property Address: 16669 FM 2493, Tyler, TX 75703







# Surrounding Area Photos

Property Address: 16669 FM 2493, Tyler, TX 75703



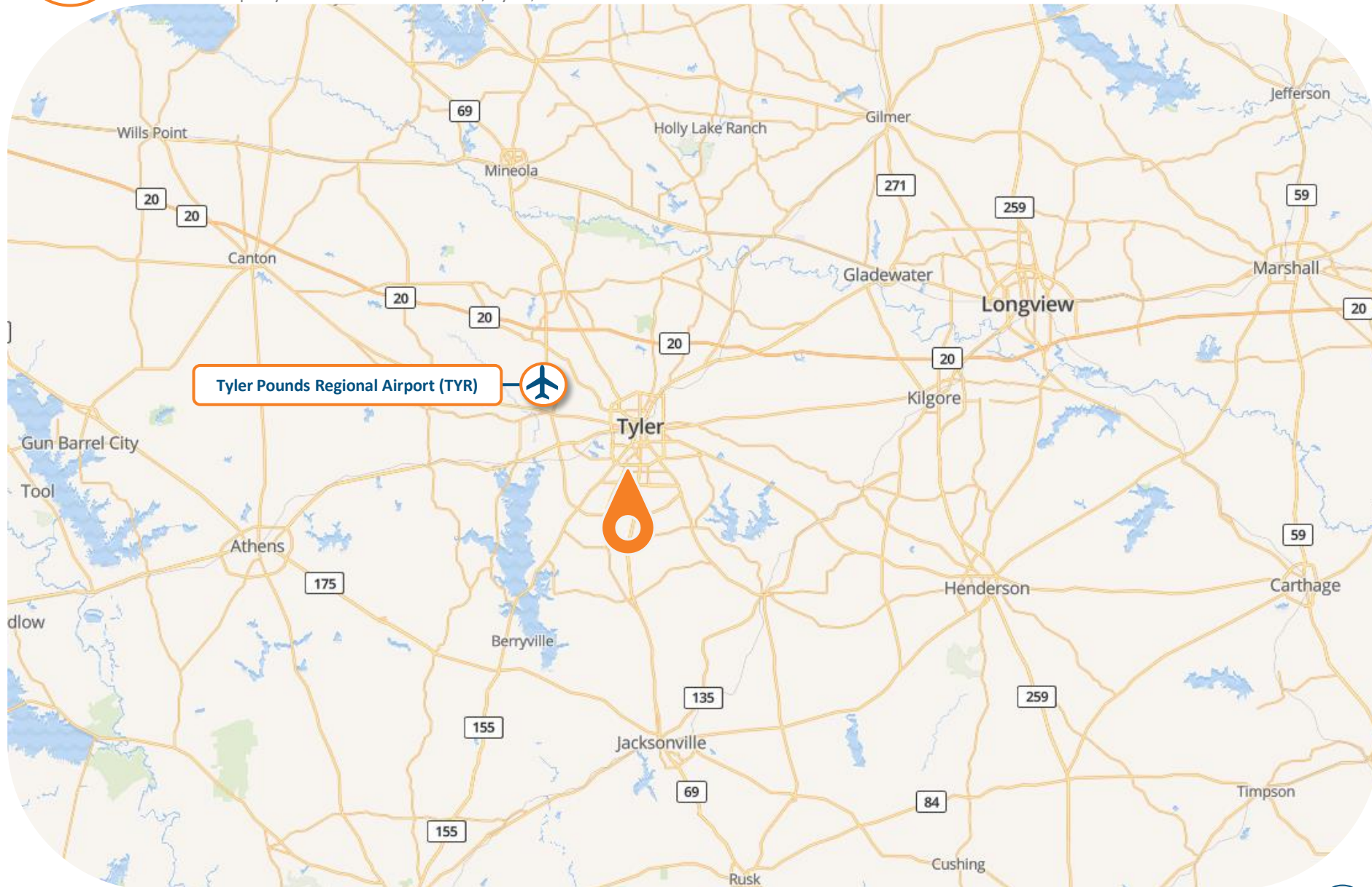




# Local Map



Property Address: 16669 FM 2493, Tyler, TX 75703





# Regional Map

Property Address: 16669 FM 2493, Tyler, TX 75703

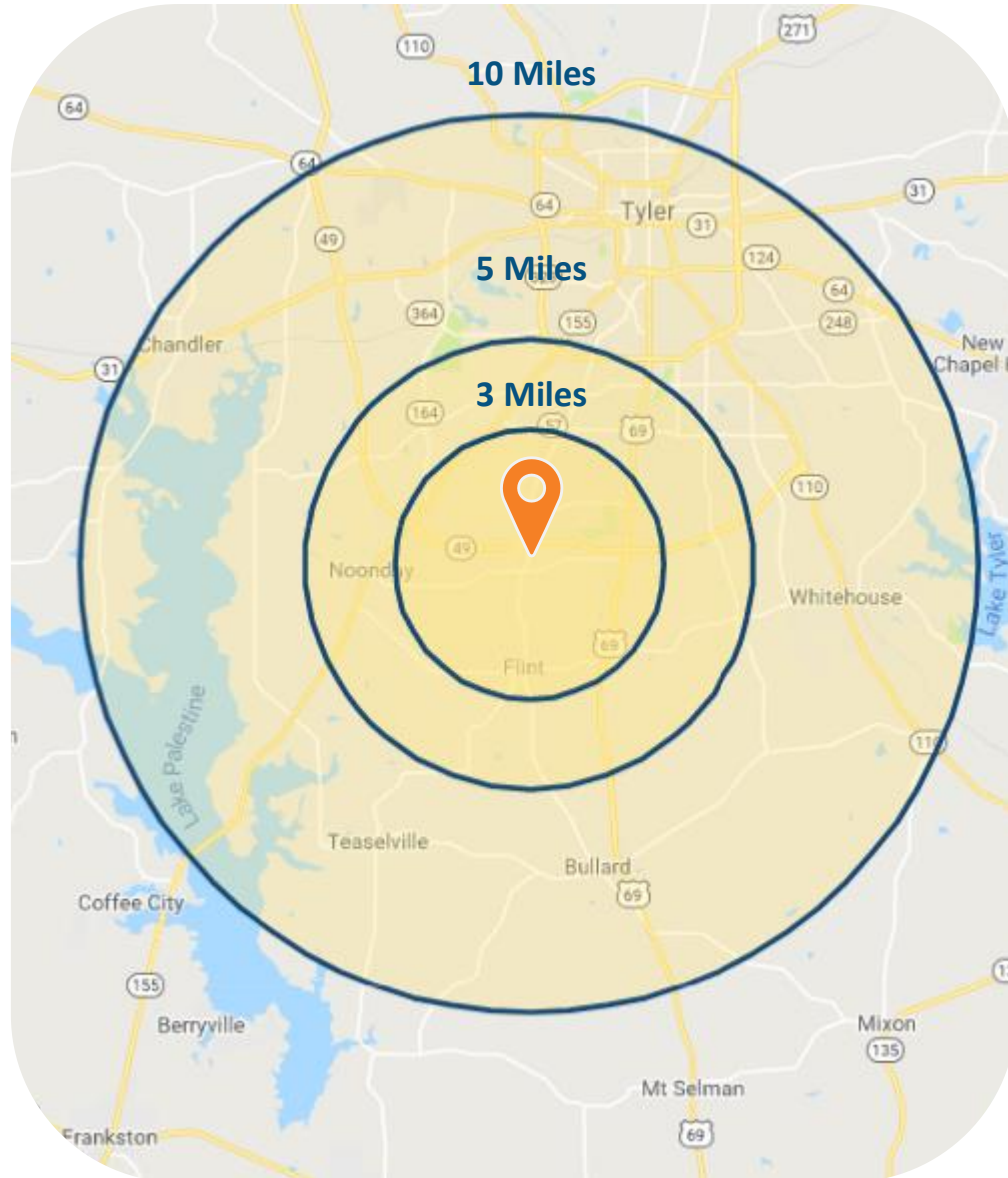






# Demographics

Property Address: 16669 FM 2493, Tyler, TX 75703



## POPULATION

	3 Miles	5 Miles	10 Miles
2025 Projection	19,267	48,068	174,603
2020 Estimate	17,635	45,235	168,928
2010 Census	14,635	39,215	153,383
2000 Census	9,650	29,491	128,807

## INCOME

	3 Miles	5 Miles	10 Miles
Average	\$124,344	\$102,303	\$81,758
Median	\$89,541	\$72,139	\$57,893
Per Capita	\$47,319	\$43,074	\$32,093

## HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2025 Projection	7,345	20,263	68,388
2020 Estimate	6,705	19,018	65,731
2010 Census	5,514	16,456	59,245
2000 Census	3,636	12,207	49,572

## HOUSING

	3 Miles	5 Miles	10 Miles
2020	\$238,167	\$202,744	\$163,922

## EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2020 Daytime Population	15,275	45,085	211,570
2020 Unemployment	2.18%	2.95%	3.06%
2020 Median Time Traveled	24 mins	23 mins	23 mins

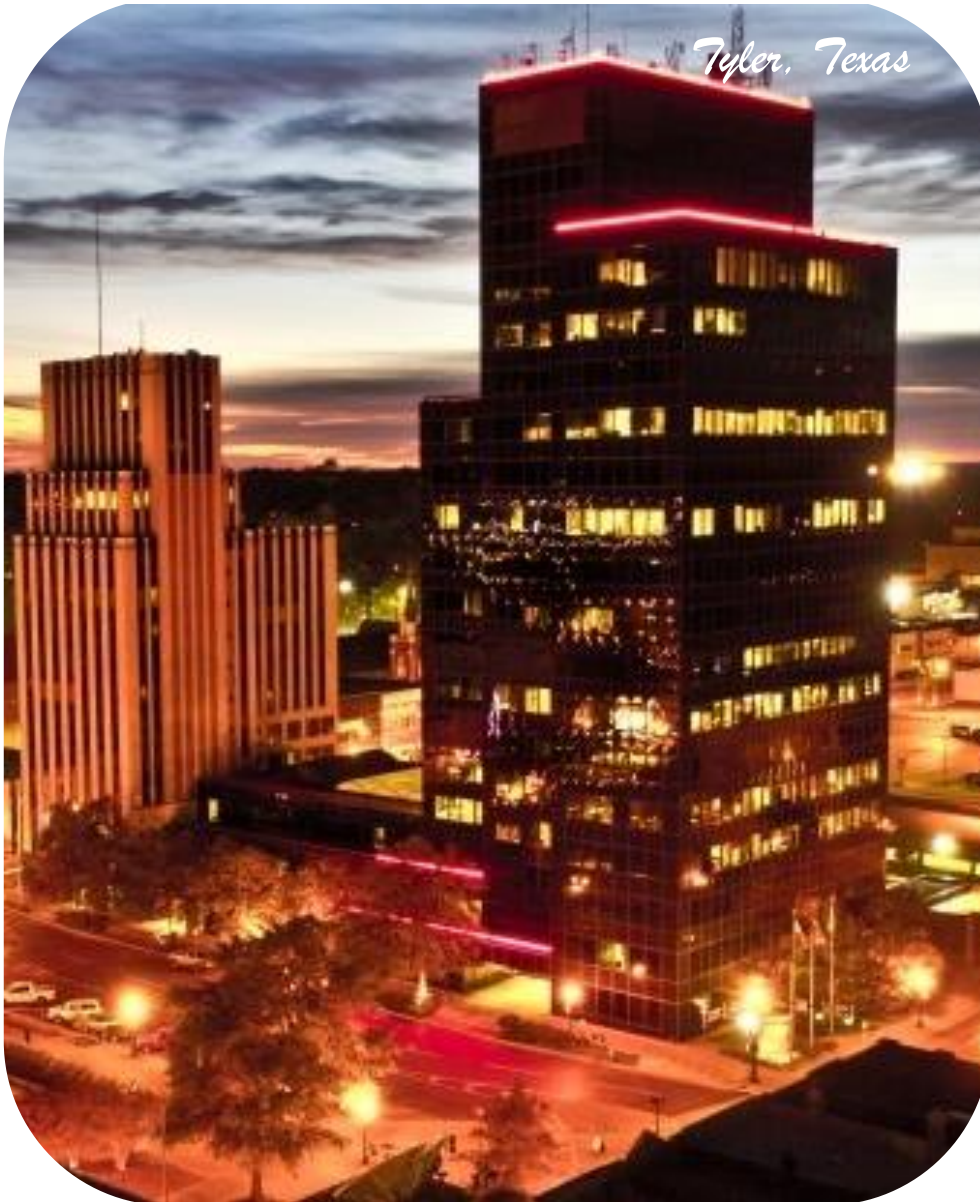
## RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	81.96%	80.35%	68.10%
Native American	0.20%	0.14%	0.12%
African American	9.21%	10.34%	17.61%
Asian/Pacific Islander	3.52%	3.91%	2.13%



# Market Overview

City: Tyler | County: Smith | State: Texas



**Tyler** is the county seat of Smith County, located in east-central Texas, United States. The city of Tyler has long been Smith County's major economic, educational, financial, medical, and cultural hub. Tyler has the nickname "Rose Capital of the World". It gained this name due to the large quantity of rose bushes processed through the area, along with hosting America's largest rose garden. As a regional educational and technological center, Tyler is the host for more than 20,000 higher education students, a College of Engineering, and a University Health Science Center, two regional, billion-dollar hospital systems, and a variety of technology startups. Tyler State Park is a few miles away where visitors can camp, canoe, and paddle boats on the lake. Activities include picnicking, camping, boating, fishing, birding, and hiking amongst others. Tyler is a nexus of several major highways. Interstate 20 runs along the north edge of the city going east and west, U.S Highway 69 runs north-south through the center of town and State Highway 64 runs east-west through the city. Tyler also has access to U.S. Highway 271, State Highway 31, State Highway 155, and State Highway 110. The largest industries in Tyler are Health Care & Social Assistance, Retail Trade, and Accommodation & Food Services. The highest paying industries include: Mining, Quarrying & Oil & Gas Extraction, Agriculture, Forestry, Fishing & Hunting, and Scientific & Technical Services.

## Major Employers

Employer	Estimated # of Employees
JC Penney	5,180
ETMC Regional Health System	3,300
Mother Frances Hospital	2,770
Suddenlink Communications	1,899
Christus Trinity Mother	1,725
Cox Southwest Holdings LP	1,200
Brookshire Food Stores	1,195
Walmart	989
Natural Grocers	794
Whitehouse Ind School District	755
Bullard Independent School District	737



# INFORMATION ABOUT BROKERAGE SERVICES



## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<b>Marcus &amp; Millichap</b>	<b>9002994</b>		<b>972.755.5200</b>
Licensed Broker / Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<b>Tim Speck</b>	<b>432723</b>	<b>Tim.Speck@marcusmillichap.com</b>	<b>972.755.5200</b>
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date



Marcus & Millichap

## EXCLUSIVE NET-LEASE OFFERING

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