

OFFERING
MEMORANDUM



KOHL'S DEPARTMENT STORE

DOUBLE NET (NN) LEASE • 6.5 YEARS REMAINING

4101 Gibson Lane • Texarkana, TX 75503

Marcus & Millichap

NON-ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & 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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc.

© 2021 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. Activity ID: ZAB0010866

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.

*ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.*

Activity ID: ZAC0010697

Marcus & Millichap

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com

KOHL'S

EXCLUSIVELY LISTED BY

ARMOND AIVAZYAN

First Vice President Investments
Associate Director, Net Leased Properties Group
Palo Alto Office
Tel: (650) 391-1828
Cel: (818) 632-9542
armond.aivazyan@marcusmillichap.com
License: CA 01954384

DAVID BEROOKHIM

Senior Associate
Net Leased Properties Group
Los Angeles Office
Tel: (213) 943-1893
Cel: (310) 927-3535
david.berookhim@marcusmillichap.com
License: CA 01984125

BROKER OF RECORD

Tim Speck
TX Broker of Record
5001 Spring Valley Rd., Ste. 100W
Dallas, Texas 75244
P: (972) 755-5200
Lic #: 9002994

Marcus & Millichap



THE OFFERING



4101 Gibson Lane, Texarkana, TX 75503

Marcus & Millichap is pleased to present this Kohl's department store located at 4101 Gibson Lane in Texarkana, TX . The double-net (NN) lease has nearly six and a half years remaining in the original term with six, five-year option periods to extend the lease with scheduled rent increases. The subject property was built in 2006 and is 88,649 square feet. The Kohl's is situated on a 7.15-acre lot and is easily accessible to the over 82,445 vehicles which pass by the site per day.

The immediate area surrounding the Kohl's property benefits from extraordinarily high traffic counts. The subject property is located right off US HWY 59 and I-30, which is traveled by more than 82,445 vehicles per day.

Less than a mile from the subject Kohl's is the future site of the new Wadley Regional Medical Center. The new nearly 400,000 SF, \$227 million-facility will be the city of Texarkana's largest commercial development project in its history. The groundbreaking commenced in September 2021 with the Center scheduled to open in May 2024. It will feature a medical office building and a full range of hospital services, including a 24/7 emergency room, orthopedics, cardiovascular area, neurosurgery, maternity care and a number of outpatient services. The hospital will have an impact of over \$400 million in total contribution to the local economy through contribution to local business, employment, and local taxes. Kohl's is centrally located in a primary retail corridor with surrounding national retailers that include Home Depot, Bed Bath & Beyond, Target, Best Buy, Taco Bell, Ross, Chick-fil-A, Starbucks, and many, many more national and regional tenants.

MCKNIGHT RD

KOHL'S



TEXARKANA PAVILION



KIRKLAND'S

FUTURE RETAIL
DEVELOPMENT

GIBSON LN

 **Wadley Regional Medical Center**
A STEWARD FAMILY HOSPITAL
NEW 123-BED HOSPITAL
FACILITY | \$227M

BEST BUY



ROSS
DRESS FOR LESS®

WALGREENS 

MCDONALD'S



The UPS Store 

Dillard's

RICHMOND RD



RICHMOND RANCH
SHOPPING CENTER



**TEXARKANA
COLLEGE**

 **COUNTRY**
INN & SUITES
BY RADISSON

Walmart
Save money. Live better.



Wagner Creek

OFFERING SUMMARY

KOHL'S | TEXARKANA, TX

 **\$8,473,568** *Total Price*  **6.25%** *Cap Rate*

Gross Square Feet 88,649 SF

Net Operating Income \$529,598

Year Built 2006

Lot Size 7.15 Acres (311,454 SF)



Marcus & Millichap





KOHL'S





investment HIGHLIGHTS

1

Double-Net (NN) Lease Structure –
Limited Landlord Responsibilities;
Just Under 6.5 Years Remaining on the
Lease - 6, 5-Year Options with Increases

2

Adjacent to New 400,000 SF
\$227 M Medical Center Development

3

Over ±82,445 Vehicles per Day on
Nearby on US HWY 59 and I-30

4

Investment Grade Guarantor –
“BBB-” Standard & Poor’s Rating

5

Large 7.15 Acre Lot - 88,649 SF
Building – Located in Primary Retail
Corridor

6

Nearby Retailers – Home Depot, Target,
Bed Bath & Beyond, Texas Roadhouse
and More

KOHL'S



**BOOT
BARN**

KOHL'S

TARGET

CINEMARK

KIRKLAND'S

**RICHMOND RD
28,000 VPD**

**THE
HOME
DEPOT**

**TEXAS
ROADHOUSE**

**LONGHORN
STEAKHOUSE**

**Residence INN.
BY MARRIOTT**

**DISCOUNT
TIRE**

**INTERSTATE
30**

82,000 VPD

Wadley Regional Medical Center
A STEWARD FAMILY HOSPITAL
NEW 123-BED HOSPITAL
FACILITY | \$227M

TEXARKANA PAVILION

TJ-maxx **OLD NAVY** **COLD STONE**
SHOE CARNIVAL **BED BATH & BEYOND** **chico's**

KIRKLAND'S.

BOOT BARN

KOHL'S

CINEMARK

FUTURE RETAIL
DEVELOPMENT

**BEST
BUY**

**THE
HOME
DEPOT**

**TEXAS
ROADHOUSE**

**LONGHORN
STEAKHOUSE**

**DISCOUNT
TIRE**

INTERSTATE
30

82,000 VPD



EXECUTIVE SUMMARY

THE OFFERING

Property Address	4101 Gibson Lane, Texarkana, TX 75503
Price	\$8,473,568
Capitalization Rate	6.25%
Net Operating Income	\$529,598
Price/SF	\$95.60

PROPERTY DESCRIPTION

Year Built / Renovated	2006
Gross Leasable Area	88,649 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	7.15 Acres (311,454 SF)

RENT SCHEDULE

YEAR	MONTHLY RENT	ANNUAL RENT	RENT/SF	CAP RATE
Current - 1/31/2028	\$44,133	\$529,598	\$5.97	6.25%
Options - 1	\$46,340	\$556,077	\$6.27	6.56%
2	\$48,657	\$583,881	\$6.59	6.89%
3	\$51,090	\$613,075	\$6.92	7.24%
4	\$53,644	\$643,729	\$7.26	7.60%
5	\$56,326	\$675,915	\$7.62	7.98%
6	\$59,143	\$709,711	\$8.01	8.38%

OPERATING INFORMATION

Net Operating Income	\$529,598
Rent per Square Foot	\$5.97
Gross Leasable Area	88,649 SF

FINANCING

New Loan Amount	\$5,500,000
Loan to Value	65%
Interest Rate	3.59%
Amortization Period	30 Years
Loan Type	5 Year, No Prepayment Penalty

Loan Scenario, fixed terms, and interest rates are subject to changing market conditions and Buyer qualifications. For further details please contact:

Ronald J. Balys

Marcus & Millichap Capital Corporation
Tel: (213) 943-1878
rbalys@marcusmillichap.com

Armond Aivazyan

First Vice President Investments
Associate Director, Net Leased Properties Group
Palo Alto Office
Tel: (650) 391-1828
Cel: (818) 632-9542
armond.aivazyan@marcusmillichap.com
License: CA 01954384

David Berookhim

Senior Associate
Net Leased Properties Group
Los Angeles Office
Tel: (213) 943-1893
Cel: (310) 927-3535
david.berookhim@marcusmillichap.com
License: CA 01984125

Marcus & Millichap



LEASE SUMMARY

Property Subtype	Department Store
Tenant	Kohl's Texas, L.P., a Texas Limited Partnership
Base Rent	\$529,598
Rent Increases	Every 5 Years in Options
Guarantor	Kohl's Corporation, a Wisconsin Corporation
Lease Type	Double Net (NN)
Lease Commencement	08/17/2006
Rent Commencement	03/08/2007
Lease Expiration	01/31/2028
Lease Term	20 Years
Term Remaining on Lease	± 6.5 Years
Renewal Options	6, 5-Year Options with Increases
Landlord Responsibility	Roof, Structure, Parking, HVAC
Tenant Responsibility	Taxes, Utilities, Insurance, Trade Fixtures
Right of First Refusal	Yes

KOHL'S



KOHL'S HAS BUILT A POWERFUL FOUNDATION



Customers

65M Active Customers

30M Loyalty Members

29M Kohl's Charge Card holders

Accessible & Aspirational Brand Portfolio

KOHL'S + SEPHORA



Stores

90% of stores generated \$1M+ in 4-wall cash flow

95% of Kohl's stores are off-mall

1,162 stores in 49 states at year end 2020

80% of Americans live within 15 miles of a Kohl's store

43% of digital sales fulfilled by stores in 2020

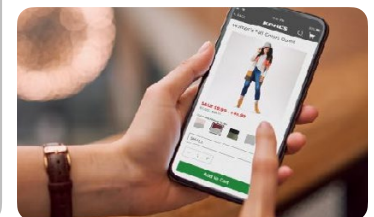
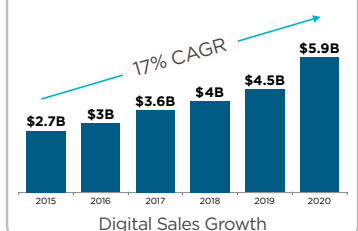
10% higher digital sales in markets with stores

600M store visits

Digital

40% Digital sales penetration in 2020

1.6B Website visits in 2020



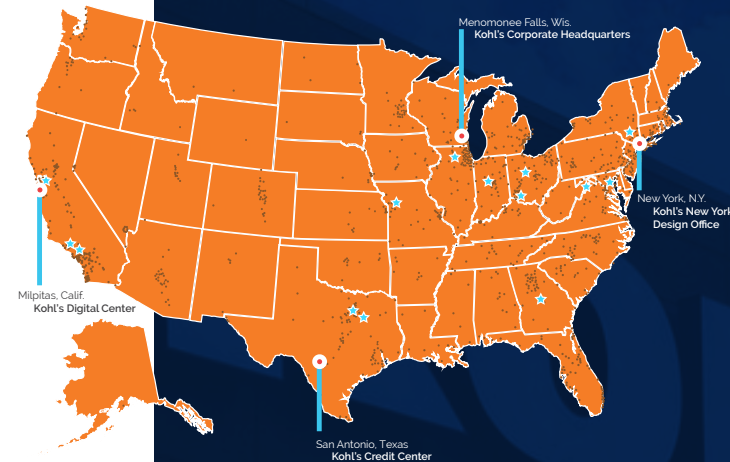
about KOHL'S

Kohl's is a leading omnichannel retailer with more than 1,100 stores in 49 states.

With a commitment to inspiring and empowering families to lead fulfilled lives, Kohl's offers amazing national and exclusive brands, incredible savings and an easy shopping experience in their stores, online at Kohls.com and on Kohl's mobile app. Since its founding, Kohl's has given more than \$750 million to support communities nationwide, with a focus on family health and wellness. For a list of store locations or to shop online, visit Kohls.com.

- Delivered record Q2 earnings as both sales and margins materially exceeded expectations
- Growth in the quarter was driven by higher store sales as customer traffic further improved
- Achieved highest Q2 operating margin in a decade through an intense focus on inventory management, pricing & promotion optimization and disciplined expense management
- Strengthened financial position during the quarter, ending with \$2.6 billion in cash
- Repurchased \$255 million of shares in the quarter, underscoring our confidence in the business and commitment to creating shareholder value
- Net sales increased 69%, with store sales more than doubling and digital sales increasing 14% compared to last year

tenant HIGHLIGHTS



\$20.23B

Total Revenue



1962

Year Founded



1,158

Locations



Menomonee Falls, WI

Headquarters



Texarkana

TEXAS

POPULATION
152,000
(METRO AREA)

City Of Texarkana

Located in Upper East Texas, close to Louisiana and Oklahoma, and bordering Arkansas, is the twin-city of Texarkana. The Texas side of the city lies in Bowie County, while the Arkansas side is in Miller County. Texarkana is strategically located on U.S. highways 59, 67, 71, and 82. It is also served by Interstate Highways I-30 and I-49, and Interstate Loop I-369. Texarkana is a hub of regional interstate commerce, located 179 miles west of Dallas, and 145 miles east of Little Rock.

Since 2019, Texarkana is experiencing significant growth, and the completion of such infrastructure improvements as the Interstate I-30 project are positioning the city for growth into the future.

Major medical facilities such as Christus St. Michael and the Wadley Regional Medical Center continue to position Texarkana as the major medical center of the entire multi-state region. Texarkana is home to the new \$227 million Wadley Regional Medical Center – a nearly 400,000 SF development which is expected to bring an additional \$400 million in benefits to the local community.

The construction of the \$1.3 billion, power generation facility in nearby Fulton has also spurred the economy and created new jobs.

Texarkana is home to the Texas A&M University Texarkana, and Texarkana College. University of Arkansas Community College at Hope is also close by. Texarkana Regional Airport (TXK) is located on the Arkansas side of the city, minutes away from the downtown area, local industries, and tourist destinations.



Texarkana

M E T R O

DEMOGRAPHIC HIGHLIGHTS



152K

2020 Total Population



38.6

Median Age



\$51,100

Median Household Income

U.S. MEDIAN: \$63,000



\$122K

Median Housing Value

U.S. MEDIAN: \$221K



59K

2020 Total Households



2.3%

From 2020-2025



POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Population	3,771	40,582	74,798
2020 Estimate			
Total Population	3,705	39,279	73,357
2010 Census			
Total Population	3,626	37,502	71,492
2000 Census			
Total Population	3,199	35,288	67,114
HOUSEHOLDS INCOME	1 Mile	3 Miles	5 Miles
Average Household Income	\$63,659	\$73,139	\$69,735
Median Household Income	\$50,697	\$52,858	\$50,460
Per Capita Income	\$28,315	\$30,406	\$28,666
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Households	1,691	16,901	30,407
2020 Estimate			
Total Households	1,643	16,225	29,582
2010 Census			
Total Households	1,568	15,218	28,579
2000 Census			
Total Households	1,393	14,164	26,403
HOUSING	1 Mile	3 Miles	5 Miles
Median Home Value	\$109,768	\$129,637	\$122,788
EMPLOYMENT	1 Mile	3 Miles	5 Miles
2020 Daytime Population	7,680	56,291	95,014
2020 Unemployment	3.97%	5.66%	5.34%
Average Time Traveled (Minutes)	17	16	17
EDUCATIONAL ATTAINMENT	1 Mile	3 Miles	5 Miles
High School Graduate (12)	27.99%	29.42%	31.61%
Some College (13-15)	29.61%	25.97%	26.46%
Associate Degree Only	8.85%	8.37%	7.56%
Bachelor's Degree Only	17.26%	17.86%	15.24%
Graduate Degree	11.55%	9.09%	7.85%



A photograph of a Kohl's retail store exterior. The building has a modern design with large glass windows and a prominent "KOHLS" sign in large, white, three-dimensional letters. The sky is blue with some light clouds. The foreground shows a paved parking lot with white and red painted lines.

KOHL'S

EXCLUSIVELY LISTED BY

ARMOND AIVAZYAN

First Vice President Investments
Associate Director, Net Leased Properties Group
Palo Alto Office
Tel: (650) 391-1828
Cel: (818) 632-9542
armond.aivazyan@marcusmillichap.com
License: CA 01954384

DAVID BEROOKHIM

Senior Associate
Net Leased Properties Group
Los Angeles Office
Tel: (213) 943-1893
Cel: (310) 927-3535
david.berookhim@marcusmillichap.com
License: CA 01984125

BROKER OF RECORD

Tim Speck
TX Broker of Record
5001 Spring Valley Rd., Ste. 100W
Dallas, Texas 75244
Tel: (972) 755-5200
Lic #: 9002994

Marcus & Millichap

A photograph of the entrance to a Kohl's store. The entrance features large glass double doors with the number "4101" above them. To the right of the doors is a red octagonal stop sign on a metal pole. The building has a light-colored stone or brick facade. There are some green bushes in the foreground.