

# CIRCLE K PROPERTY

22 South Gum Street, Kennewick, WA 99336

## INVESTMENT OPPORTUNITY

OFFERING MEMORANDUM



*\*Representative Photo*

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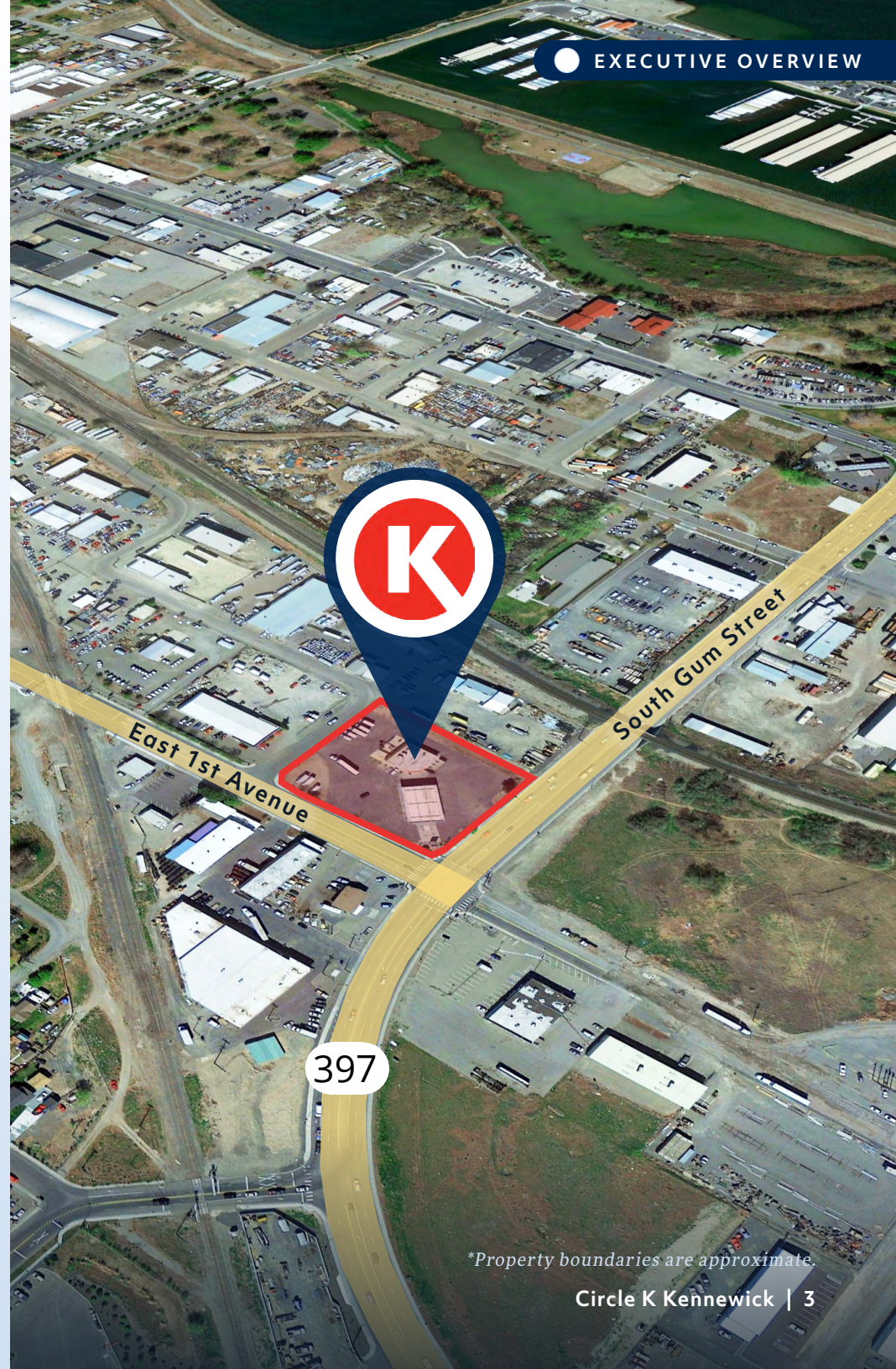


# OFFERING SUMMARY

The Leibsohn Group of Marcus and Millichap Seattle is pleased to present the sale offering for an outstanding passive investment property secured by Circle K Corporation with an investment grade corporate guarantee from the parent company Alimentation Couche-Tard Inc.

The property is secured by a new 10 year Absolute Net lease and will be undergoing a complete remodel and rebranding in 2022. The large land area of nearly two acres is situated on a very prominent high traffic corner location directly on Highway 397. The property features excellent visibility, access and signage and the facility remodel will only bolster an already successful service station and convenience store. The Kennewick Circle K investment property offers the savvy long term passive investor an outstanding opportunity to purchase a well performing and well located asset with an extremely strong lease guarantor in a burgeoning growth market.

<b>\$ PRICE</b>	<b>\$2,275,000</b>
<b>CAPITALIZATION RATE</b>	<b>4.75%</b>
<b>ADDRESS</b>	<b>22 South Gum Street Kennewick, WA 99336</b>
<b>C-STORE AREA</b>	<b>3,253 SF (Approx.)</b>
<b>GAS CANOPY AREA</b>	<b>5,400 (Approx.)</b>
<b>LOT SIZE</b>	<b>83,635 SF (1.92 Ac.)</b>
<b>PRICE PER LAND SF</b>	<b>\$27.20</b>



*\*Property boundaries are approximate.*



## INVESTMENT HIGHLIGHTS



### BRAND NEW LEASE

The tenant recently acquired the operations and signed a 10-year lease.



### HIGH TRAFFIC, HIGH VISIBILITY

The property is located at a signalized hard corner of Gum and 1st Avenue featuring over 29,000 VPD.



### STRONG CORPORATE GUARANTEE

The lease is guaranteed by Circle K, a wholly owned subsidiary of publicly traded Alimentation Couche-Tard.



### INVESTMENT GRADE TENANT

Alimentation Couche-Tard has an investment grade credit rating of S&P BBB and Moody's Baa2.



### RENTAL INCREASES EVERY 5 YEARS

The lease features rental increases of up to 12.5% every 5 years.



### PASSIVE LEASE STRUCTURE

The true Absolute Net expense structure is the most passive lease structure with no landlord liabilities.



### INCOME TAX FREE STATE

Washington is an income tax free state.

*\*Property boundaries are approximate.*



South Gum Street (20,671 VPD)

East 1st Avenue (8,177 VPD)

397



## LEASE ABSTRACT

TENANT	Circle K Stores Inc.
LEASE COMM.	9/20/2021
LEASE EXP.	9/19/2031
LANDLORD RESPONSIBILITY	None
RENT INCREASES	10% - 12.5% Every 5 Yrs
GUARANTOR	Alimentation Couche-Tard (ANCTF:OTCMKTS)
GUARANTEE	Corporate
CREDIT RATING	S&P BBB
LEASE TYPE	Absolute NNN
RENEWAL OPTIONS	4, 5-Year Options

KENNEWICK

S Garfield St

W 10th Ave

13,343 VPD

19,486 VPD

8,177 VPD

6,126 VPD

397

23,288 VPD

E Chemical Dr

13,944 VPD

Fairway St



## CURRENT IMPROVEMENTS

Circle K is planning a complete remodel of the property.





## TENANT SUMMARY

### ALIMENTATION COUCHE-TARD

Alimentation Couche-Tard Inc., or simply Couche-Tard, is a Canadian multinational operator of convenience stores. The company was founded in 1980.

In 2003, Circle K was acquired by Alimentation Couche-Tard. The company has developed into a global brand with roughly 14,200 sites represented in over 26 countries.

Circle K has become one of the most widely recognized convenience store brands, known worldwide for quality products and great customer service. It offers fuel and oil products; and a range of snacks, beverages, and meals. The company was founded in 1951 and is based in Tempe, Arizona with approximately 9,799 North American Locations.



2020 REVENUE	\$54.13 Billion
2020 ASSETS	\$25.68 Billion
2020 NET INCOME	\$2.35 Billion
2020 EQUITY	\$10.07 Billion
CREDIT RATING (S&P)	BBB
2020 EMPLOYEES	131,000
GLOBAL LOCATIONS	14,200+





**SPOKANE**  
140 mi.

● LOCATION OVERVIEW

**RICHLAND**

**YAKIMA**  
84 mi.

**PASCO**

**KENNEWICK**

**HERMISTON**  
33 mi.

**WALLA WALLA**  
49 mi.



# KENNEWICK AT A GLANCE

## COMMUNITY BENEFITS

Demographics, affordability and an unparalleled quality of life make Kennewick an attractive location to expand. Benefiting from a talented labor force, steady job market and low cost of living, Kennewick is a thriving city with an attractive demographic of residents, tourism and a reputation for fun.

## FEATURES

The largest of the “Tri-Cities,” the pursuit of happiness stretches 27 square miles and features a variety of sports and recreational activities, entertainment, the region’s retail shopping hub and a casual, easy-living vibe. Nestled in the heart of Washington wine country, Kennewick citizens and visitors enjoy 27 parks, 4 fantastic golf courses, and more than 160 wineries within a 50 mile radius.

## ECONOMIC VALUE

Businesses locating in Kennewick find considerable value in its pacific northwest central location, affordable land, world-class infrastructure, and transportation connectivity. Water and power resources are abundant, reliable and low-cost. Data services are high quality and high capacity. Considered the shopping hub for southeastern Washington and northeastern Oregon, retail opportunities are plentiful throughout the city. Ample commercial office and an assortment of light industrial spaces are available.

## LOCATION

More than 300 days of sunshine and its location along the Columbia River provide a variety of recreational pursuits including world-class fishing, birding, bike trails and parks.



## LOCATION OVERVIEW

### TRI-CITIES MAJOR EMPLOYERS

**KADLEC**

Pacific Northwest  
NATIONAL LABORATORY



**KENNEWICK**  
SCHOOL DISTRICT

**Lamb Weston**

washington river  
**protection solutions**  
an aménium-led company

**MSA**  
Mission Support Alliance

## CITY DEMOGRAPHICS



**83,921**

TOTAL POPULATION



**33.7**

AVERAGE AGE



**29,341**

TOTAL HOUSEHOLDS



**\$59,533**

AVERAGE  
HOUSEHOLD INCOME



**35,300**

EMPLOYEES



**87.5%**  
HS Diploma +

**25.6%**  
Bachelor's Degree +

\*Statistics from US Census ([uscensus.gov](https://www.uscensus.gov)) and Data USA ([datausa.io](https://datausa.io))



# Marcus & Millichap

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## THE LEIBSOHN GROUP

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