

AUTOZONE GROUND LEASE [Absolute 15-Yr NNN]

31487 McCabe Road
San Antonio, FL 33576 (Tampa MSA)

Outparcel to Market at Mirada (Publix-Anchored) 

SCHEDULED TO OPEN
NOVEMBER 2023



15-YR. ABSOLUTE NNN GROUND LEASE | DESIRABLE TAMPA MARKET | \$125K+ 3-MILE AHHI

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FINANCIAL HIGHLIGHTS

31487 McCabe Road
San Antonio, FL 33576 (Tampa MSA)

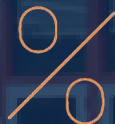


\$1,625,000

Price

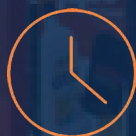
7,381 | 1.07

SF | Acres



4.00%

Cap Rate



15 Years

Base Term



Absolute NNN
Ground Lease



2023
Year Built
(Projected Opening
November 2023)

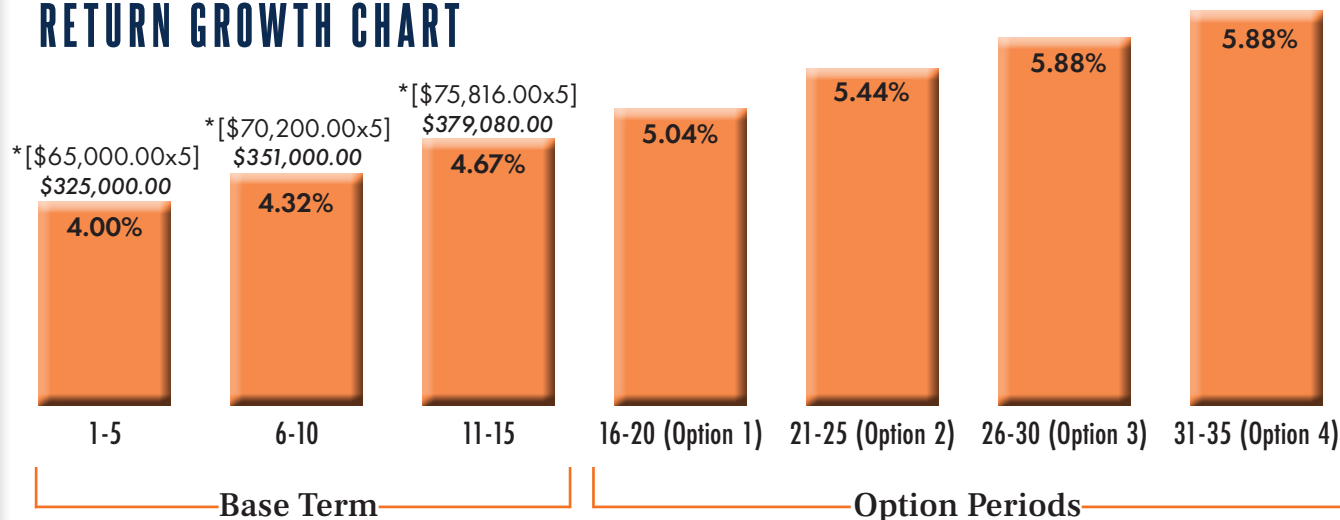
LEASE SUMMARY

| | |
|---------------------|--|
| Property Subtype: | Net Leased Auto Parts |
| Tenant: | AutoZone Stores, LLC |
| Lease Guarantor: | AutoZone, Inc., a Nevada Corporation |
| Rent Increases: | 8% every 5 years, including Option Periods |
| Lease Commencement: | 11/15/2023 |
| Lease Expiration: | 11/30/2038 |
| Initial Lease Term: | 15 Years |
| Renewal Options: | Four (4), 5-Year |

RENT ROLL

| TERM | ANNUAL RENT | MONTHLY RENT |
|----------------------------|-----------------|----------------|
| Years 1-5 (Current) | \$65,000 | \$5,417 |
| Years 6-10 | \$70,200 | \$5,850 |
| Years 11-15 | \$75,816 | \$6,318 |
| Years 16-20 (Option 1) | \$81,881 | \$6,823 |
| Years 21-25 (Option 2) | \$88,432 | \$7,369 |
| Years 26-30 (Option 3) | \$95,506 | \$7,959 |
| Years 31-35 (Option 4) | \$103,147 | \$8,596 |

RETURN GROWTH CHART



*Total Base Rent \$1,055,080.00

INVESTMENT OVERVIEW

STRONG REAL ESTATE FUNDAMENTALS

- Brand new 2023 AutoZone Ground Lease (projected store opening & rent commencement November 15, 2023)
- Outparcel to Market at Mirada, a Publix anchored shopping center, which opened on August 12, 2021
- Located at SR 52 and Clinton Ave, both recently expanded to 4-lane divided roads as part of an \$85 million road improvement project
- New SR-52 has been realigned to provide connectivity between Interstate-75 and US-301
- Located in a high-income growth corridor of the Tampa MSA (3.1 million residents throughout the Tampa MSA)
- Located at the front door of Mirada, a ±6,000 unit residential development with a 15 acre Crystal Lagoon under construction
- An additional ±5,630 additional homes have been built or planned in close proximity to Market at Mirada
- Located less than 2 miles east of Interstate 75

OPTIMAL LEASE STRUCTURE

- Corporate Lease Guarantee from AutoZone, Inc.
- Investment Grade Credit: S&P “BBB” bond rating
- Absolute NNN, Fee-Simple 15-Year Ground Lease
- 8% rent escalation every 5 years, including Option Periods
- Four (4), Five-year option periods each with 8% rent escalations
- Base Rent of \$65,000 in Lease Years 1-5, which is below market for a Ground Lease w/ a 7,381/sq ft building located on a 1.07 ac. site

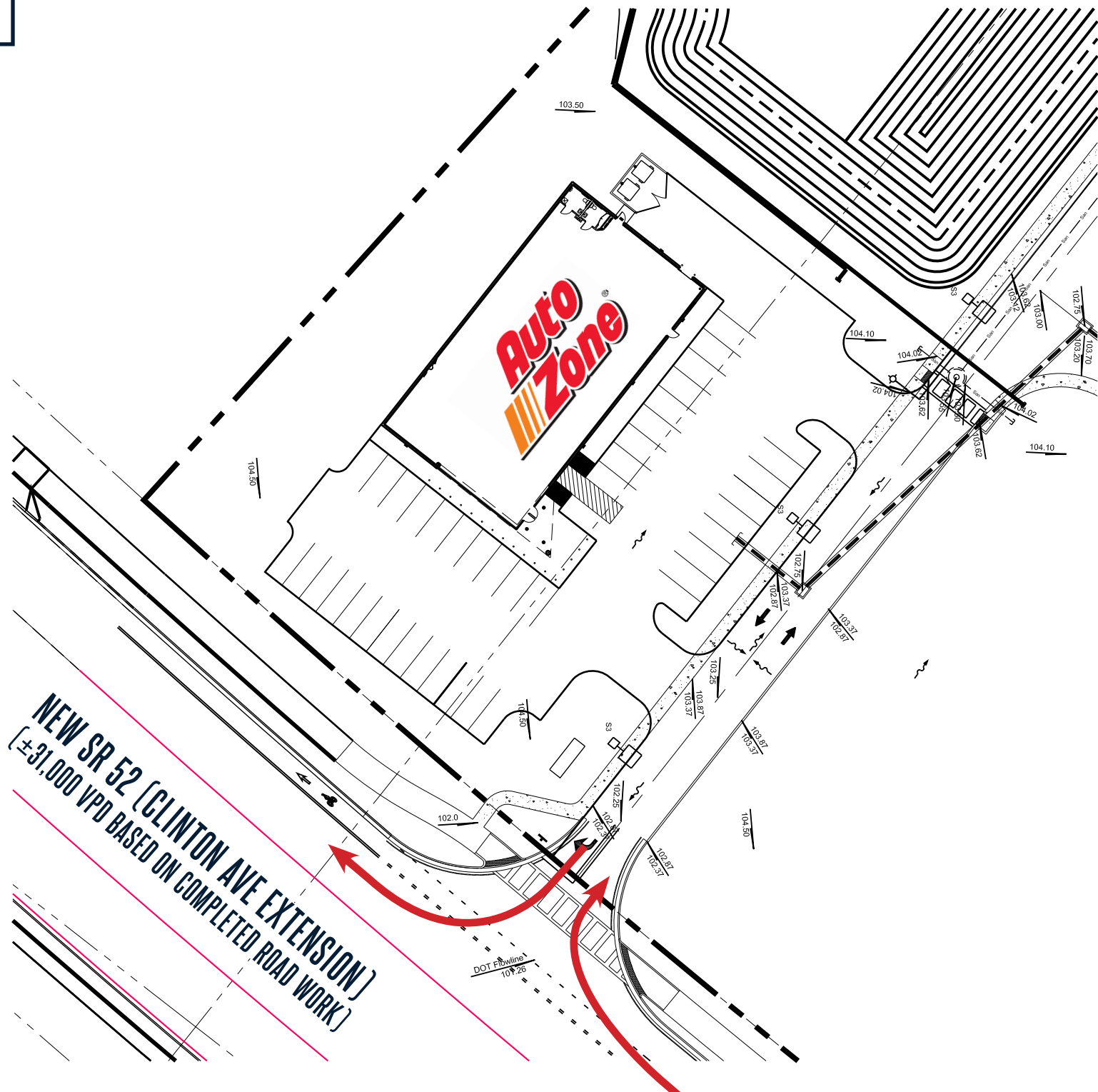
INDUSTRY LEADER WITH STELLAR CORPORATE CREDIT

- AutoZone ranks #258 on 2023 Fortune 500 list
- As of Q2 2023, 7,044 locations across the U.S., Puerto Rico, Mexico, and Brazil
- 2022 total sales were \$16.3 billion, an increase of 11.1% from the prior year
- AZO reported net sales of \$5.3 billion in Q4 2022, an increase of 8.9% from the fourth quarter of fiscal 2021

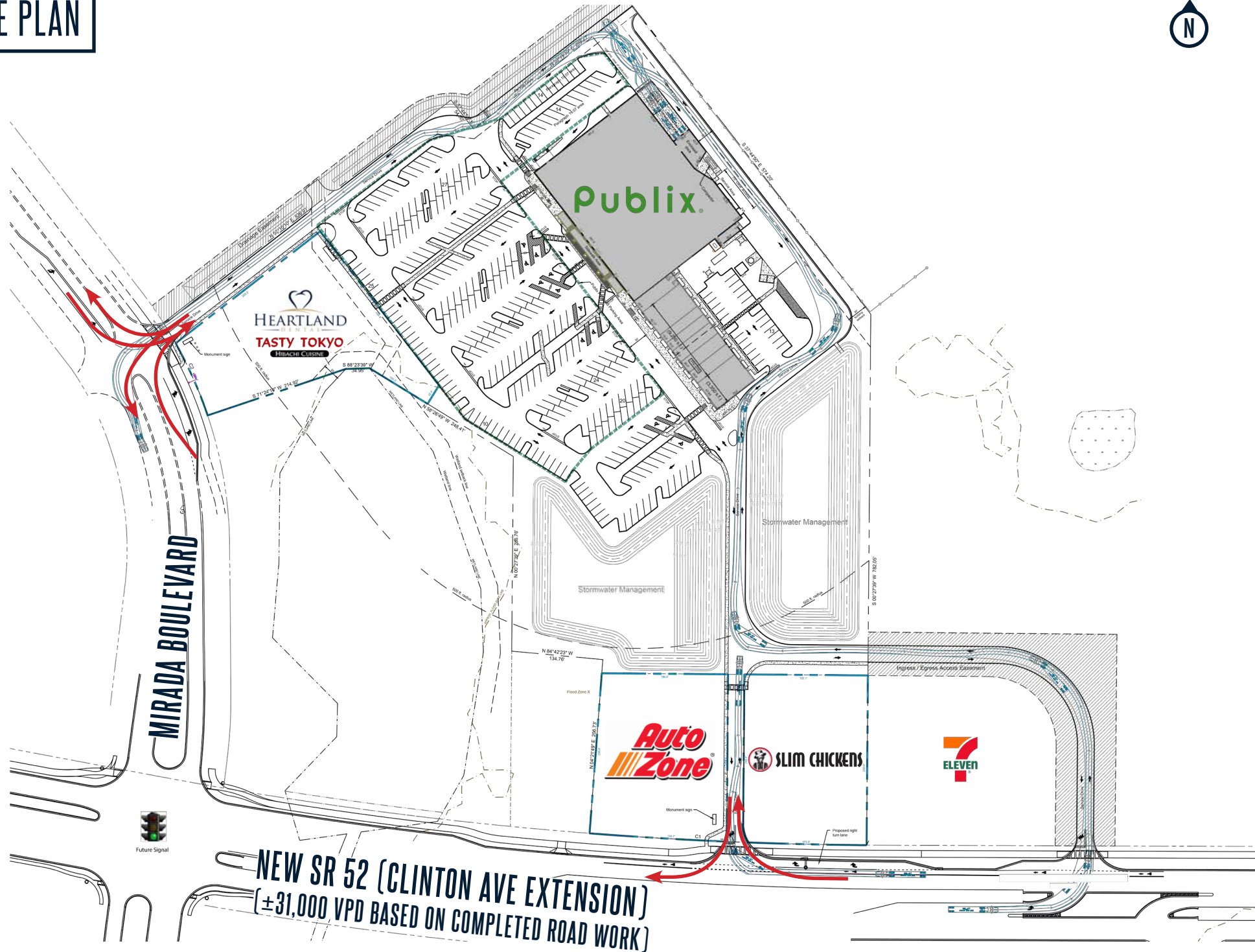


Representative Photo

SITE PLAN



SITE PLAN



NEW SR 52 (CLINTON AVE EXTENSION)
(±31,000 VPD BASED ON COMPLETED ROAD WORK)

CONSTRUCTION PHOTO

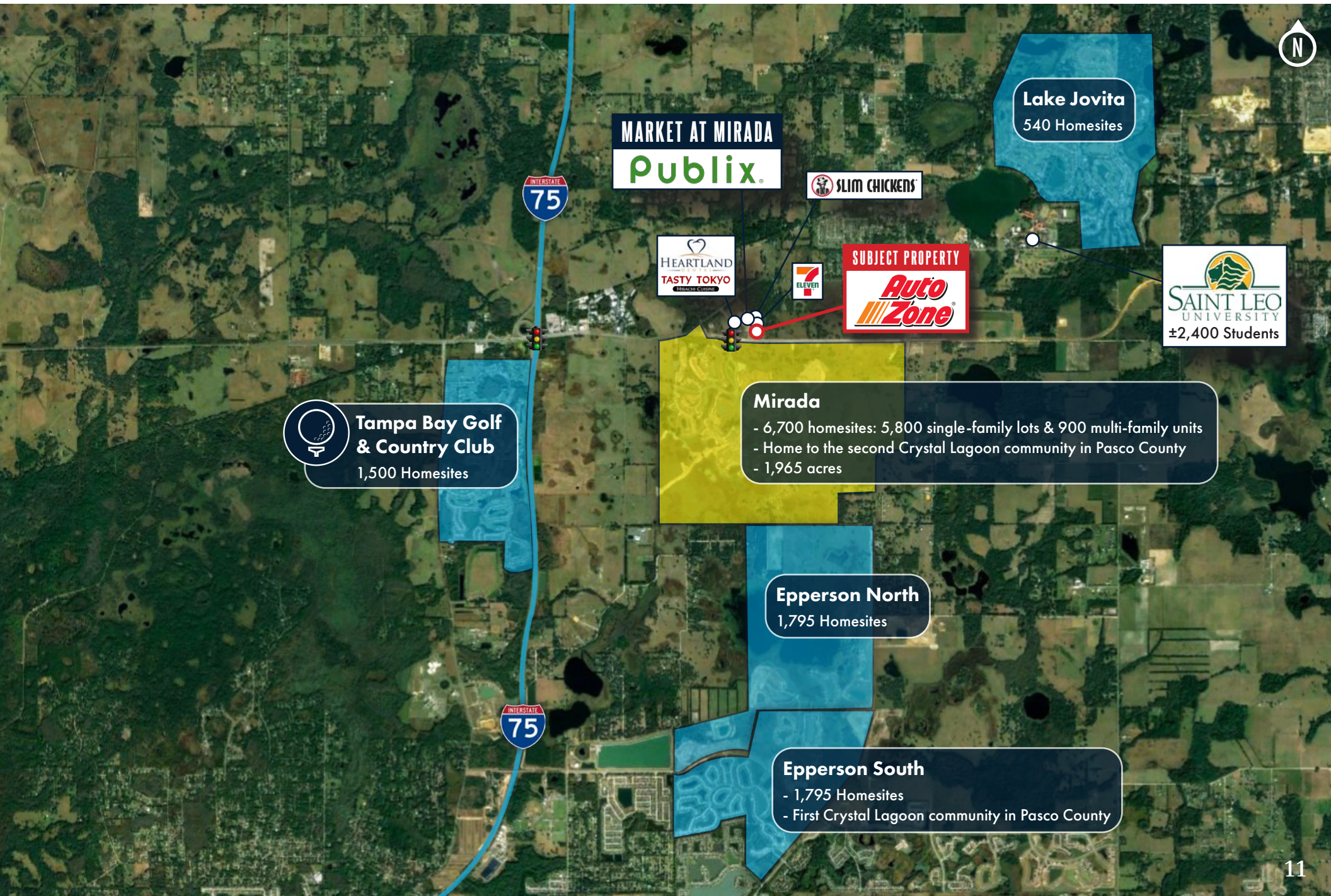


In November 2019, FDOT began an \$82 million project to expand State Road 52 (SR 52) to a 4-lane state road that connects Interstate-75 resulting [East of the Publix at Mirada and Auto Zone] to US 301 which is 6.5 miles east of the subject property. As of early 2023, all of the planned roadwork along SR 52 has been completed.

CONSTRUCTION PHOTO







SAN ANTONIO & TAMPA, FL

San Antonio, or unofficially San Ann as the locals call it, is a city in Pasco County, Florida, United States. It is a suburban city included in the Tampa-St. Petersburg-Clearwater, Florida Metropolitan Statistical Area. The area is seeing significant residential growth due to the continued expansion of Tampa and its surrounding areas.

The City of Tampa is the county seat and largest city in Hillsborough County and is the third-most populous city in Florida. Approximately one-third of Hillsborough County's population resides in the City of Tampa. Tampa is the economic hub of west central Florida. Its economy is founded on a diverse base that includes tourism, health care, finance, insurance, technology, construction, and maritime industry.

Tampa Bay may be known for its white-sand beaches and kid-friendly attractions, but this coastal region has become much more than a travel destination. Over the past several years, the area has taken a deep dive into the tech industry, sparking the formation of tech companies and startups across the region. According to the Tampa Bay Times, CompTIA named the area one of the nation's top 20 "tech towns," alongside up-and-coming tech hubs like San Diego and Raleigh. the region is home to many industry heavyweights such as financial services leader Raymond James and Fortune 500 competitor Tech Data. From Clearwater to St. Petersburg, cities across the region boast their own communities of business game changers, making the Tampa area a true commerce kingpin.

Tampa consistently tops the state in job creation and job demand, particularly in the highly sought-after STEM fields. But it doesn't stop there. Tampa offers more exciting career opportunities than anywhere else in Florida, and in fast-growing industries like cybersecurity, advanced manufacturing, life sciences and health care, financial services and more. Much of this growth is supported by a strong educated workforce. Tampa Bay is home to nearly 80 colleges, universities and technical schools, training the students of today to meet the job demands of tomorrow. An average of 75% of graduates end up staying in Florida – a majority within the Tampa MSA. This has helped the state of Florida rank #1 for higher education three years running by U.S. News and World Report.

TOP TAMPA MSA EMPLOYERS

Tech Data

Jabil

WellCare Health Plans

SYKES

Raymond James

The Mosaic Company

HSN

KnowBe4

Publix Super Markets

Masonite



TAMPA MSA HIGHLIGHTS



Financial & Professional Services Industry

- Tampa MSA employs 342,000 people in the financial and professional services sector
- Fastest growing industry segment in the metro area
- Leading financial and professional services in the area: Citi, JP Morgan Chase, MetLife, Baker McKenzie, PwC, USAA, Raymond James



Tampa International Airport

- 22+ million passengers annually
- 28th-busiest airport in North America
- Serves 93 non-stop destinations around the world



Cost of Living Below National Average



Major Industries

- Tourism, health care, finance, insurance, technology, construction, and maritime industry
- Home to 10 Fortune 500 & 1000 companies



Business & Economic Growth

- #3 Best Metro for New Small Businesses (*Lending Tree*, 2020)
- #2 Best State for Business (*Chief Executive Magazine*, 2020)
- One of the best places to work in tech (*SmartAsset*, 2020)
- Hillsborough County ranks 4th amongst U.S. counties in economic growth



Metro Population of 3+ MM

- Tampa's population is increasing by 50,000 people per year



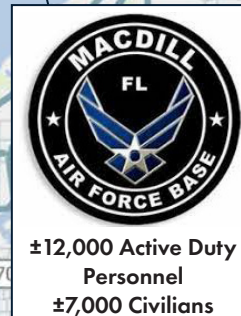
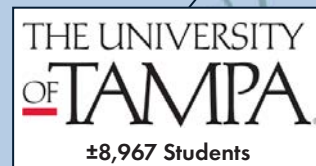
Center for Higher Education

- #1 Best State for Higher Education (*U.S. News & World Report*, 2020)
- 80+ colleges and universities in the Tampa region
- 75% of the state's graduates end up staying in Florida (a majority within the Tampa Bay region)

REGIONAL MAP

DRIVING DISTANCE FROM SUBJECT PROPERTY

| | |
|---------------------|-----------|
| Downtown Tampa..... | 27 Miles |
| St. Petersburg..... | 53 Miles |
| Orlando..... | 75 Miles |
| Gainesville..... | 103 Miles |
| Jacksonville..... | 172 Miles |



DEMOGRAPHICS

POPULATION

| | | | |
|-------------------------|-------------|-------------|-------------|
| 2027 Population | 2,338 | 9,206 | 25,015 |
| 2022 Population | 2,144 | 8,390 | 22,750 |
| Growth 2000-2022 | 137% | 126% | 102% |
| Daytime Population | 3,877 | 13,777 | 25,389 |

HOUSEHOLDS

| | | | |
|-----------------|-----|-------|-------|
| 2027 Households | 812 | 3,050 | 9,366 |
| 2022 Households | 736 | 2,753 | 8,439 |

HOUSEHOLDS BY INCOME

| | | | |
|--------------------------|------------------|------------------|-----------------|
| \$200,000 or More | 12.30% | 13.46% | 7.55% |
| \$150,000 - \$199,999 | 8.67% | 7.33% | 5.75% |
| \$100,000 - \$149,999 | 18.06% | 17.41% | 17.42% |
| \$75,000 - \$99,999 | 12.83% | 15.40% | 16.39% |
| \$50,000 - \$74,999 | 18.17% | 18.27% | 19.73% |
| \$35,000 - \$49,999 | 9.65% | 9.39% | 11.46% |
| \$25,000 - \$34,999 | 6.90% | 6.39% | 7.18% |
| \$15,000 - \$24,999 | 7.27% | 6.66% | 7.23% |
| \$10,000 - \$14,999 | 3.30% | 2.49% | 3.19% |
| Under \$9,999 | 2.86% | 3.21% | 4.12% |
| Average HH Income | \$122,184 | \$125,048 | \$99,263 |

POPULATION BY RACE

| | | | |
|---|--------|--------|--------|
| % White Population | 86.64% | 85.40% | 80.17% |
| % Black Population | 6.63% | 6.67% | 8.97% |
| % Asian | 1.24% | 1.46% | 1.77% |
| % American Indian, Eskimo, Aleut Population | 0.24% | 0.24% | 0.38% |
| % Hawaiian or Pacific Islander Population | 0.02% | 0.06% | 0.09% |
| % Multi-Race Population | 1.80% | 2.34% | 2.50% |
| % Other Population | 3.42% | 3.83% | 6.11% |

2022 POPULATION 25+ BY EDUCATION LEVEL

| | | | |
|---------------------------|--------|--------|--------|
| Elementary (0-8) | 1.43% | 2.02% | 2.96% |
| Some High School (9-11) | 6.03% | 5.01% | 5.98% |
| High School Graduate (12) | 24.14% | 23.29% | 27.38% |
| Some College (13-15) | 20.35% | 21.19% | 22.63% |
| Associates Degree Only | 15.19% | 12.68% | 11.22% |
| Bachelors Degree Only | 19.39% | 20.54% | 17.54% |
| Graduate Degree | 13.05% | 14.73% | 11.44% |

TENANT SUMMARY

AutoZone, Inc. is an American retailer of aftermarket automotive parts and accessories, the largest in the United States. Founded in 1979, AutoZone has over 7,044 stores across the United States, Mexico, Puerto Rico, Brazil and the US Virgin Islands. They also sell automotive diagnostic and repair software through ALLDATA, diagnostic and repair information through alldatadiy.com, and auto and light truck parts and accessories through AutoZone.com. The company is based in Memphis, Tennessee.

AutoZone's history starts with a wholesale food company called Malone & Hyde, Inc. The CEO and grandson of the company's founder, J.R. "Pitt" Hyde III, initiated and developed Malone & Hyde's specialty retailing division, beginning with drug stores and expanding to include sporting goods stores and supermarkets. Pitt and some of Malone & Hyde's top leadership identified a need for a chain of automotive parts stores to help people maintain their vehicles, and from that idea, Auto Shack was born. Auto Shack was rebranded AutoZone in 1987, and today AutoZone is the leading retailer and a leading distributor of auto parts and accessories in the United States.



| | |
|-------------------|--------------------------------------|
| Tenant Trade Name | AutoZone |
| Lease Guarantor | AutoZone, Inc., a Nevada Corporation |
| S&P Rating | BBB/Stable |
| Moody's Rating | Baa1 |
| Headquarters | Memphis, TN |



7,044+
Locations



112,000+
Employees



**50 States &
3 Countries**
with AutoZone Locations



\$44.64 B
Market Cap (June 2023)



\$16.3 B
2022 Sales

LEASE ABSTRACT

**TENANT:**

AutoZone Stores, LLC

LEASE GUARANTOR:

AutoZone, Inc., a Nevada Corporation

BUILDING SIZE/PARCEL SIZE/PARKING SPACES:

±7,381 Square Feet / ±1.07 Acres / 39 Total Parking Spaces

LEASE COMMENCEMENT:

November 15, 2023

[BASED ON THE EARLIER OF (I) STORE OPENING; OR (II) ONE HUNDRED AND FIFTY (150) DAYS FOLLOWING EXPIRATION OF THE APPROVAL PERIOD] [THE APPROVAL PERIOD WILL EXPIRE ON JUNE 18, 2023]

LEASE EXPIRATION:

November 30, 2038

BASE TERM:

15 Years

BASE RENT:

\$5,416.67 per month/\$65,000 annually (Years 1-5)

\$5,850.00 per month/\$70,200 annually (Years 10-15)

\$6,318.00 per month/\$75,816 annually (Years 11-15)

OPTIONS:

Four (4), 5-year options

(Each option shall be automatically exercised by Tenant, unless Tenant provides notice of termination within three (3) months of each expiration date.)

OPTION RENT:

Option 1: \$6,823.44 per month/\$81,881 annually (Years 16-20)

Option 2: \$7,369.32 per month/\$88,432 annually (Years 21-25)

Option 3: \$7,958.86 per month/\$95,506 annually (Years 26-30)

Option 4: \$8,595.57 per month/\$103,146 annually (Years 31-35)

LANDLORD REPAIR AND MAINTENANCE OBLIGATIONS:

None

TENANT MAINTENANCE OBLIGATIONS:

Tenant is obligated to self-maintain their own outparcel which shall include maintenance of the parking lot and all aspects of their building, including the repair and replacement of all items therein.

TENANT CAM CONTRIBUTION:

Tenant shall pay at least \$3,000 as Tenant's share of CAM Costs outside of the Premises. Tenant's contribution will be adjusted to the exact Contribution

amount as specified in the Declaration. "The CAM Costs shall comply with the Declaration and its terms, covenants and conditions"

TAXES:

Tenant shall be responsible for paying all real estate taxes and all assessments which may be levied against the premises. Tenant will pay directly to the taxing authority.

TENANT INSURANCE:

Tenant shall be responsible for the cost of all property and liability insurance. Tenant for Property and Business Interruption Insurance.

UTILITIES:

Tenant is responsible for all utilities which service the premises.

ASSIGNMENT & SUBLETTING:

"Except for Assignments or sublets to parents, Affiliates or subsidiaries of Tenant" "Tenant shall not assign this Ground Lease or sublet the Demised Premises or any part thereof without the prior written consent of landlord, such consent not to be unreasonably withheld, delayed or conditioned, but in so doing the new Tenant must meet or exceed the credit requirements, financial standing and Landlord's sole subjective discretion on reputation." "Notwithstanding the foregoing, Tenant may assign or sublet this Ground Lease without the consent of Landlord which shall give Landlord Assignment Notice if such Assignment or subletting is to facilitate the sale by Tenant of all or a portion of Tenant's chain of stores" "Notwithstanding any subletting or assignment, Tenant and Guarantor shall remain fully and completely liable for the obligations and performance of all the terms and conditions of this Ground Lease."

RIGHT OF FIRST REFUSAL TO PURCHASE:

Yes, 30 days from Landlord notification to Tenant.

ESTOPPEL:

Tenant shall provide an executed Estoppel Certificate to Landlord within Ten (10) days of written request.



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31487 McCabe Road
San Antonio, FL 33576 (Tampa MSA)

Outparcel to Market at Mirada (Publix-Anchored)



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