

# SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



14+ Years of Term | Qualifies for Bonus Depreciation



1715 N. Nolan River Road | Cleburne, Texas

**DALLAS-FT. WORTH** MSA

ACTUAL SITE





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**NATIONAL NET LEASE**

Broker/Designated Officer: Teddy Leonard, SRS National Net Lease Group, LP | TX License No. 631339



SITE OVERVIEW



6,500  
VEHICLES PER DAY

N. NOLAN RIVER RD.

4,600  
VEHICLES PER DAY

W. KILPATRICK AVE.



PROPERTY PHOTOS





## OFFERING SUMMARY



## OFFERING

<b>Pricing</b>	\$2,521,000
<b>Net Operating Income</b>	\$151,250
<b>Cap Rate</b>	6.00%

## PROPERTY SPECIFICATIONS

<b>Property Address</b>	1715 N. Nolan River Road Cleburne, Texas 76033
<b>Rentable Area</b>	2,400 SF
<b>Land Area</b>	0.39 AC
<b>Year Built</b>	1984
<b>Tenant</b>	GPM Investments (dba E-Z Mart)
<b>Guaranty</b>	Corporate
<b>Lease Type</b>	Absolute NNN
<b>Landlord Responsibilities</b>	None
<b>Lease Term Remaining</b>	14+ Years
<b>Increases</b>	10% Every 5 Years Including Options
<b>Options</b>	4 (5-Year)
<b>Rent Commencement</b>	April 17, 2018
<b>Lease Expiration</b>	April 30, 2038

Tenant Name	Square Feet	LEASE TERM		RENTAL RATES				
		Lease Start	Lease End	Begin	Increase	Monthly	Annually	Options
GPM Investments	2,400	April 17, 2018	April 30, 2038	Current	-	\$12,604	\$151,250	4 (5-Year)
(dba E-Z Mart)				April 2028	10%	\$13,865	\$166,375	
				April 2033	10%	\$15,251	\$183,013	
10% Rental Increase Beg. Each Option Period								

## 14+ Years of Remaining Term | Built in Rental Increases | Corporate Guaranty (GPM Investments - S&P: B+)

- The lease features a corporate guaranty by GPM Investments, a reputable brand with 3,200+ units nationwide and S&P B+ credit score
- 14+ years of lease term remaining on the original 20 year base term with 4 (5-year) options to extend
- 10% rental increases every five years including option periods

## Absolute NNN Lease | Fee Simple Ownership (Land & Building) | Zero Landlord Responsibilities | No State Income Tax

- No landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor in a state with no state income tax
- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises

## Signalized, Hard Corner Location | Proximity to Airport | Surrounding Retailers & National Credit Tenants

- The site is positioned at the signalized, hard corner of W Kilpatrick Ave and N Nolanriver Rd averaging a combined 11,000 VPD
- Surrounding retailers and national credit tenants within the trade area's proximity include: Lowe's Home Improvement, McDonalds, Dollar General, Taco Bell, Whataburger, The Home Depot and several others
- The asset has excellent visibility and multiple points of ingress/egress off W Kilpatrick Ave and N Nolanriver Rd

## Demographics In 5-Mile Trade Area | Dallas-Ft. Worth MSA

- More than 36,000 residents & 16,600 employees support the trade area
- \$83,400 average household income
- The asset is strategically located just 30 miles south of Fort Worth and 52 miles south west of Dallas

## TENANT OVERVIEW

### GPM INVESTMENTS, LLC (ARKO CORP.)

**Ownership:** Subsidiary to ARKO CORP. (NASDAQ: ARKO)

**Website:** [gpminvestments.com](http://gpminvestments.com)

**Credit Rating:** B+ (S&P)

**Headquarters:** Richmond, VA

**Units:** 3,200+

GPM Investments, LLC, operates as a wholly-owned subsidiary under the umbrella of ARKO Corp., which is part of the Family of Community Brands. Our corporate headquarters is based in Richmond, Virginia, and our extensive presence extends across 33 states as well as Washington D.C. In the retail landscape, we proudly rank as the nation's sixth-largest convenience store chain, boasting an expansive network of approximately 3,200 locations. This network is comprised of diverse components, including around 1,400 company-operated stores, roughly 121 proprietary cardlock locations, and an additional 1,660 dealer sites, all of which we supply with fuel.

Our multifaceted operations can be categorized into four key segments: first, the retail segment, where we focus on fuel and merchandise sales to retail consumers; second, the wholesale segment, where we serve as a primary fuel supplier to third-party dealers and consignment agents; third, GPM Petroleum, our arm dedicated to fuel supply services, catering to both our retail and wholesale segments; and finally, the fleet fueling segment, which manages proprietary cardlock locations, oversees third-party fueling sites, and offers specialized fuel cards that grant access to a nationwide network of fueling locations. This comprehensive structure positions us as a dynamic force in the convenience store and fuel supply industry.

### ARKO OVERVIEW

#### 6th Largest Convenience Store Chain in the United States

**Company Operated Stores:** 1,547

**Employees:** 14,000 (+/-)

**States:** 30+

ARKO Corp. (Nasdaq: ARKO) stands as a Fortune 500 powerhouse, holding full ownership of GPM Investments, LLC. It ranks among the largest players in the convenience store and fuel wholesale sectors within the United States. Headquartered in the vibrant city of Richmond, VA, our distinguished Family of Community Brands is renowned for its delectable prepared foods, an array of beverages (both hot and cold), snacks, candy, and a portfolio of beloved quick-serve restaurant brands.

#### A Family of Community Brands



**ARKO**  
A Family of Community Brands

### 6TH LARGEST CONVENIENCE STORE CHAIN IN U.S.

**\$301.1 MILLION**

2022 ADJUSTED EBITDA<sup>1</sup>

**1,400+**

COMPANY OPERATED STORES

**\$1.65B**

RETAIL IN  
STORE SALES

**2B**

FUEL GALLONS  
SOLD

OPERATING IN  
**OVER 30  
STATES**

**OVER 12K**

EMPLOYEES

**1.3M**

ENROLLED AS REWARDS  
LOYALTY MEMBERS

**24 ACQUISITIONS**

22 CLOSED SINCE 2013;  
2 ADDITIONAL PENDING

**HIGHLY EXPERIENCED**

IN-HOUSE M&A TEAM

WHOLESALE DISTRIBUTION TO  
**1,674 INDEPENDENT DEALER**

LOCATIONS & OPERATION OF  
**183 CARDLOCK LOCATIONS**

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP measures.



## CONTINUED GROWTH THROUGH ACQUISITIONS

ARKO has consistently acquired quality assets at attractive multiples. The Company has demonstrable price discipline and creative approaches to transaction structuring, which has historically resulted in attractive returns over time.

### 24 ACQUISITIONS SINCE 2013

22 CLOSED AND 2 ANNOUNCED,  
PENDING CLOSING

### IN-HOUSE M&A TEAM

WITH EXTENSIVE EXPERIENCE

### 20X ADJ. EBITDA GROWTH SINCE 2013

\$15MM 2013 ADJ. EBITDA ---->  
\$301.1MM 2022 ADJ. EBITDA <sup>5</sup>

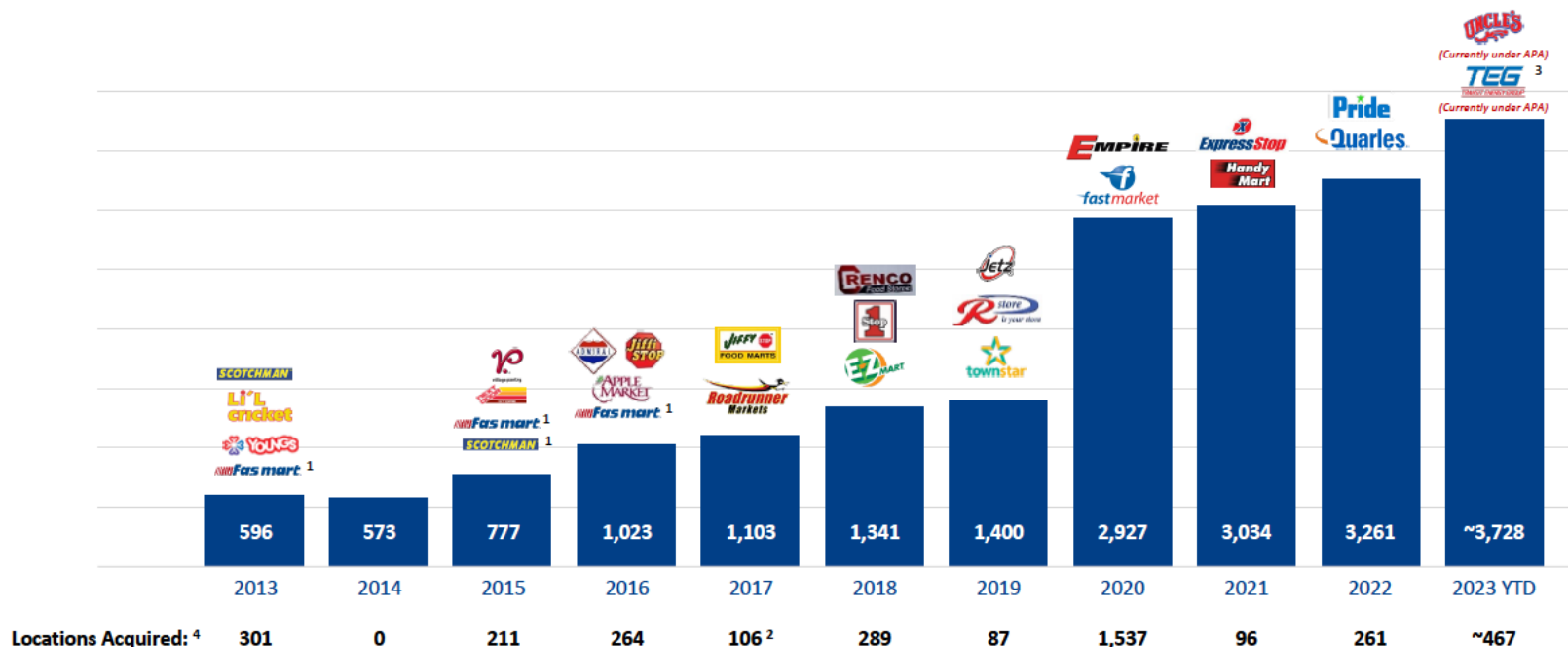
<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP measures.

<sup>2</sup> Includes Broyles Hospitality locations as of the acquisition date, a seven unit Dunkin' franchisee in Tennessee and Virginia.

<sup>3</sup> Includes TEG and WTG transactions anticipated to close in Q1 and Q2 2023.

<sup>4</sup> Includes wholesale and cardlocks.

<sup>5</sup> Adjusted EBITDA is a non-GAAP financial measure. See Appendix for a reconciliation to the most comparable GAAP measures.



## ARKO's Retail Brand Footprint

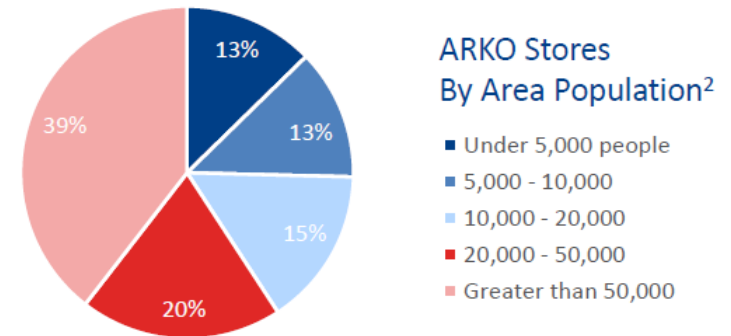
- Highly successful strategy embracing well known regional convenience store brands with brand equity and long histories in their communities.
- We operate 1,547 retail convenience stores in more than 30 states under more than 25 regional store brands that have been in existence for an average of approximately 50 years.<sup>1</sup>

**Added 159 company operated stores year-to-date in 2023 through closed acquisitions.**

Overview:

- **~40%** of our retail stores are in areas with populations of fewer than 20,000 people.
- **~20%** of our retail stores are in areas with populations between 20,000 and 50,000 people.

Our focus on secondary and tertiary markets allows us to preserve “local” brand name recognition and align local market needs with capital investment.

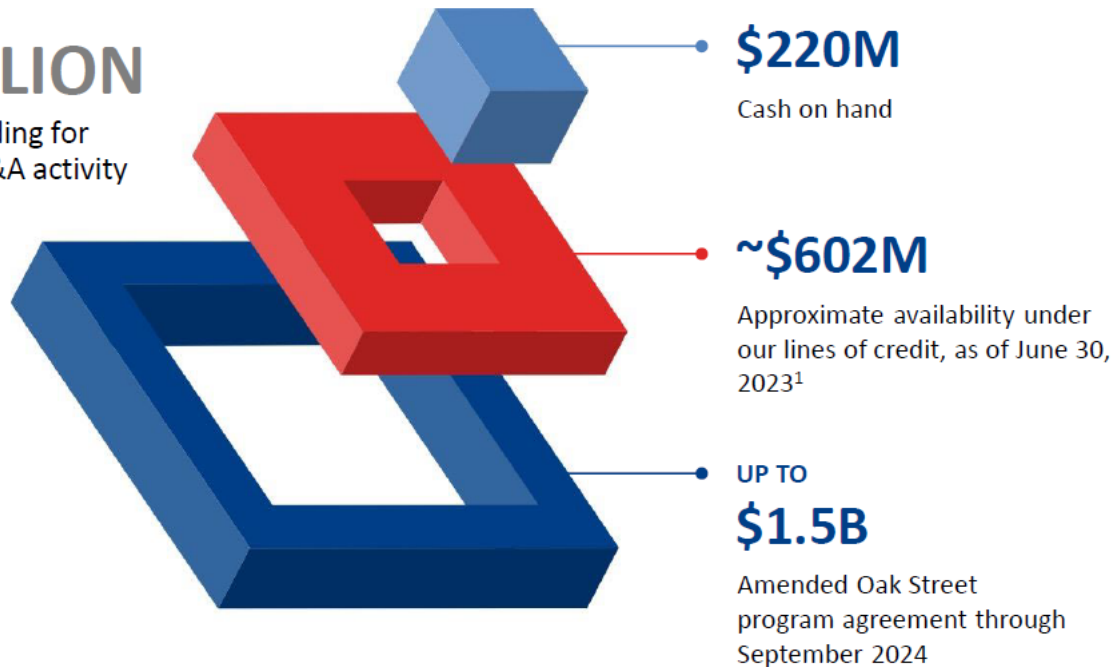




## Key Financial Highlights – Strong Liquidity

OVER  
**\$2 BILLION**

Available funding for  
continued M&A activity



Quarterly dividend  
announced for Q3 2023

**\$0.03/SHARE**

AUTHORIZED UP TO

**\$100 MILLION**

Share repurchase program<sup>2</sup>



1. On May 5, 2023, GPM Petroleum renewed and extended its revolving credit facility. The credit line was increased by \$300 million to \$800 million, and its maturity was extended to May 2028.
2. Remaining amount as of June 30, 2023 - ~\$49M.

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SOURCE: ARKO'S Q2 EARNING PRESENTATIONS

ACCELERATED DEPRECIATION  
FOR CONVENIENCE STORE  
PROPERTIES

The Tax Cuts and Jobs Act signed into law in 2017 provided real estate investors with new tax benefits associated with owning gas station properties. The primary benefit is the allowance of accelerated depreciation. The construction and equipment associated with these properties can now be reclassified and depreciated over shorter time periods than the traditional 39 year life for commercial property. Due to the fee simple ownership of this property, an investor can receive greater deductions in the earlier years of the asset, thus minimizing taxable income. This enables anyone investing in these properties to lower their taxes and reduce their exposure in the earlier years of ownership while enjoying the benefits of a passive income stream that comes with owning a single tenant property. Currently, the bonus depreciation of fueling/convenience store equipment allows investors to qualify for a 60% depreciation deduction under the 2024 code. The bonus depreciation deduction will decrease by 20% every year until fully phased out by 2027.

SRS NNL recommends that the prospective purchaser(s) consult with their tax professional for advice related to your specific situation and how you can take advantage of accelerated bonus depreciation.



TWO METHODS FOR C-STORE DEPRECIATION

COST SEGREGATION ANALYSIS	15-YEAR STRAIGHT LINE SCHEDULE
Cost segregation studies take into account each individual component of a property and place each piece on its own appropriate depreciation schedule (ex. gas pumps, HVACs, roof, etc). This process generally front-loads the depreciation of the property into the first few years of ownership, which can result in notable tax savings and may be ideal depending on the tax payer's yearly tax liability outside of this investment.	For some investors, it may make more sense to have the entire asset's depreciation spread out evenly using the 15-year straight line method. Qualified c-store equipment and property placed in service after Dec. 31, 2017 generally is depreciable using the straight line method over 15 years (shorter recovery period than the traditional 39 year life for commercial buildings).



## PROPERTY OVERVIEW

### LOCATION



Cleburne, Texas  
Johnson County  
Ft. Worth-Dallas MSA

### ACCESS



N. Nolan River Road: 1 Access Point  
W. Kilpatrick Avenue: 1 Access Point

### TRAFFIC COUNTS



N. Nolan River Road: 6,500 VPD  
W. Kilpatrick Avenue: 4,600 VPD  
W. Katherine P Raines Drive: 15,500 VPD

### IMPROVEMENTS



There is approximately 2,400 SF of existing building area

### PARKING



There are approximately 21 parking spaces on the owned parcel.  
The parking ratio is approximately 8.75 stalls per 1,000 SF of leasable area.

### PARCEL



Parcel Number: 126.3055.04010  
Acres: 0.39  
Square Feet: 27,051

### CONSTRUCTION



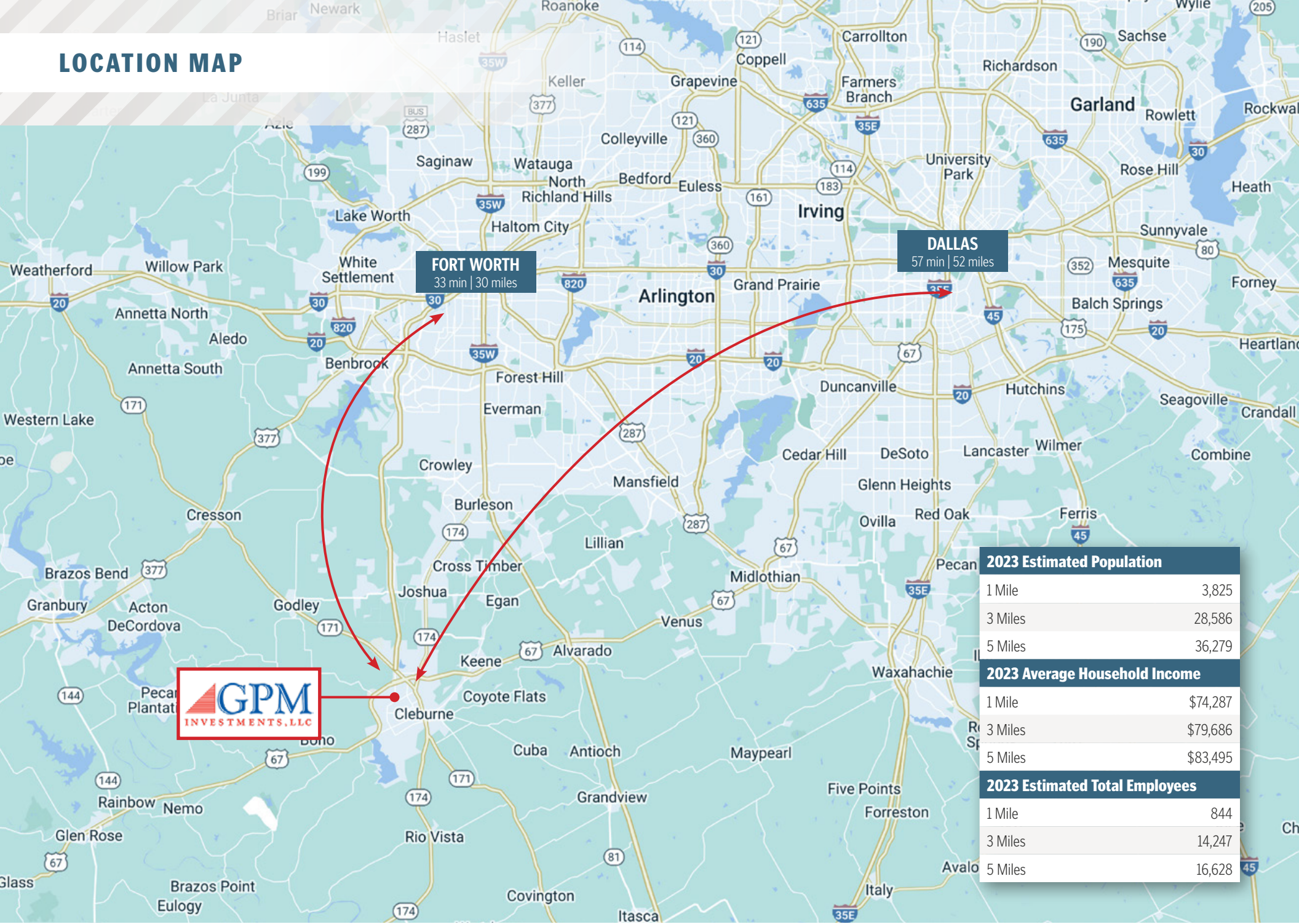
Year Built: 1984

### ZONING



RC - Regional Commercial District

LOCATION MAP



2023 Estimated Population	
1 Mile	3,825
3 Miles	28,586
5 Miles	36,279
2023 Average Household Income	
1 Mile	\$74,287
3 Miles	\$79,686
5 Miles	\$83,495
2023 Estimated Total Employees	
1 Mile	844
3 Miles	14,247
5 Miles	16,628













	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2023 Estimated Population	3,825	28,586	36,279
2028 Projected Population	3,931	28,497	36,439
2023 Median Age	34.4	36.1	36.8
<b>Households &amp; Growth</b>			
2023 Estimated Households	1,320	10,160	12,959
2028 Projected Households	1,359	10,208	13,109
<b>Income</b>			
2023 Estimated Average Household Income	\$74,287	\$79,686	\$83,495
2023 Estimated Median Household Income	\$66,028	\$60,925	\$64,084
<b>Businesses &amp; Employees</b>			
2023 Estimated Total Businesses	89	1,313	1,532
2023 Estimated Total Employees	844	14,247	16,628



## CLEBURNE, TEXAS

Cleburne is a city and county seat of Johnson County, Texas, United States. The City of Cleburne had a population of 33474 as of 2023.

Cleburne's location is 60 miles southwest of Dallas and only 60 miles from Dallas-Fort Worth International Airport, as well as major highway initiatives such as Hwy 121, will position our City for future growth. Adjacent to US Highway 67, Cleburne's industrial park has continued to grow and now has 1200 acres with rail, roads, utilities and all services necessary for future growth. This area is home to a diversified group of manufacturing and distribution firms with manufactured products ranging from computer cleaning fluids to automobile, aviation and home building products. Distribution and service operations are equally diversified. The gas industry has also made its mark on the Cleburne economy. Major employers include Walmart, Local government is also a major employer. Johns Manville, Texas Resources Harris Methodist Hospital, Greenbrier rail service (operating at the rail yards previously occupied by Burlington Northern Santa Fe), Supreme Corporation of Texas and broan-nutone are among other major private sector employers.

Buddy Stewart Park, Winchester Park, Carver Park, Hulen Park, Kirtley Park and Bradshaw Park are all popular recreational spots in the area. You can also visit the Layland Museum, Cleburne Public Library and the Cleburne City Museum to explore the history of the city. The city is also home to the Cleburne State Park, which offers facilities for fishing, boating, camping and swimming. Leisure hours can also be spent at the Splash Station water park.

Air transportation is available from Fort Worth Airport.





## DALLAS, TEXAS

Dallas is a major American metropolis located in the state of Texas. The city is also the largest urban center of the fourth most populous metropolitan area in the United States of America. The city proper ranks ninth in the U.S. and third in Texas after Houston and San Antonio. The city's prominence arose from its historical importance as a center for the oil and cotton industries, and its position along numerous railroad lines. The bulk of the city is in Dallas County, of which it is the county seat; however, sections of the city are located in Collin, Denton, Kaufman, and Rockwall counties. The City of Dallas is the 3rd largest city in Texas with a population of 1,310,845 as of July 1, 2023.

The City of Dallas is the largest local economy in the nation's fourth largest metropolitan area. The City is home to over 62,000 businesses. Dallas' diverse industry employment mix continues to support steady and progressive local economic growth and to dampen the negative effects of any single industry downturn. Professional and Business services were the largest employment industry within the City, marking a change from the last two years where the Trade, Transportation and Utilities sector was the largest. The Government, Education and Health Services "sectors" employment shares were the third and fourth largest in fiscal 2014.

Dallas is a center of education for much of the south central United States. In addition to those located in the city, the surrounding area also contains a number of universities, colleges, trade schools, and other educational institutions.

Dallas is served by two commercial airports: Dallas/Fort Worth International Airport and Dallas Love Field. In addition, Dallas Executive Airport (formerly Redbird Airport), serves as a general aviation airport for the city, and Addison Airport functions similarly just outside the city limits in the suburb of Addison.



## THE ECONOMY OF DALLAS-FORT WORTH MSA EMPLOYS 3.86M PEOPLE

Company	Employees
Wal-Mart Stores, Inc.	34,698
American Airline	24,700
Bank of America	20,000
Texas Health Resources	19,230
Dallas ISD	18,314
Baylor Health Care System	17,097
Lockheed Martin	14,126
JPMorgan Chase	13,500
City of Dallas	12,836
Texas Instruments	9,100



LARGEST CONCENTRATION  
OF **CORPORATE HQS** IN THE US

THE DFW MSA REGION ADDS **328 NEW RESIDENTS** EACH DAY  
38% NATURAL INCREASE - 62% NET-MIGRATION  
2019-2020 CENSUS

2019 MEDIAN  
HOUSEHOLD  
INCOME  
**\$72,265**



2019 MEDIAN  
DFW MSA  
AGE  
**35.2**



2019 MEDIAN  
HOME  
VALUE  
**\$253,900**



MEAN TRAVEL  
TIME TO  
WORK  
**28.4 minutes**



## Three **Research 1** Universities



Carnegie Classification of Institutes of Higher Education R-1: Doctoral Universities

**4TH**

**BUSIEST AIRPORT  
IN THE WORLD**  
DFW INT'L

**1ST**

**LARGEST  
METRO**  
IN THE U.S.

**4TH**

**BUSIEST AIRPORT  
IN THE WORLD**  
DFW INT'L

**3RD**

**METRO-TO-METRO  
MIGRATION**  
IN THE U.S.



**GDP**  
**\$512.5 B**

(Up 6% YOY): 2018

INDUSTRIAL MARKET  
INVENTORY

**972M SF**

INDUSTRIAL MARKET  
VACANCY RATE:

**6.8%**

188.1

SAN FRANCISCO

153.4

NEW YORK

100.0

US AVG

100.0

DALLAS

## THE COST OF DOING BUSINESS

EQUAL TO THE  
NATIONAL AVERAGE

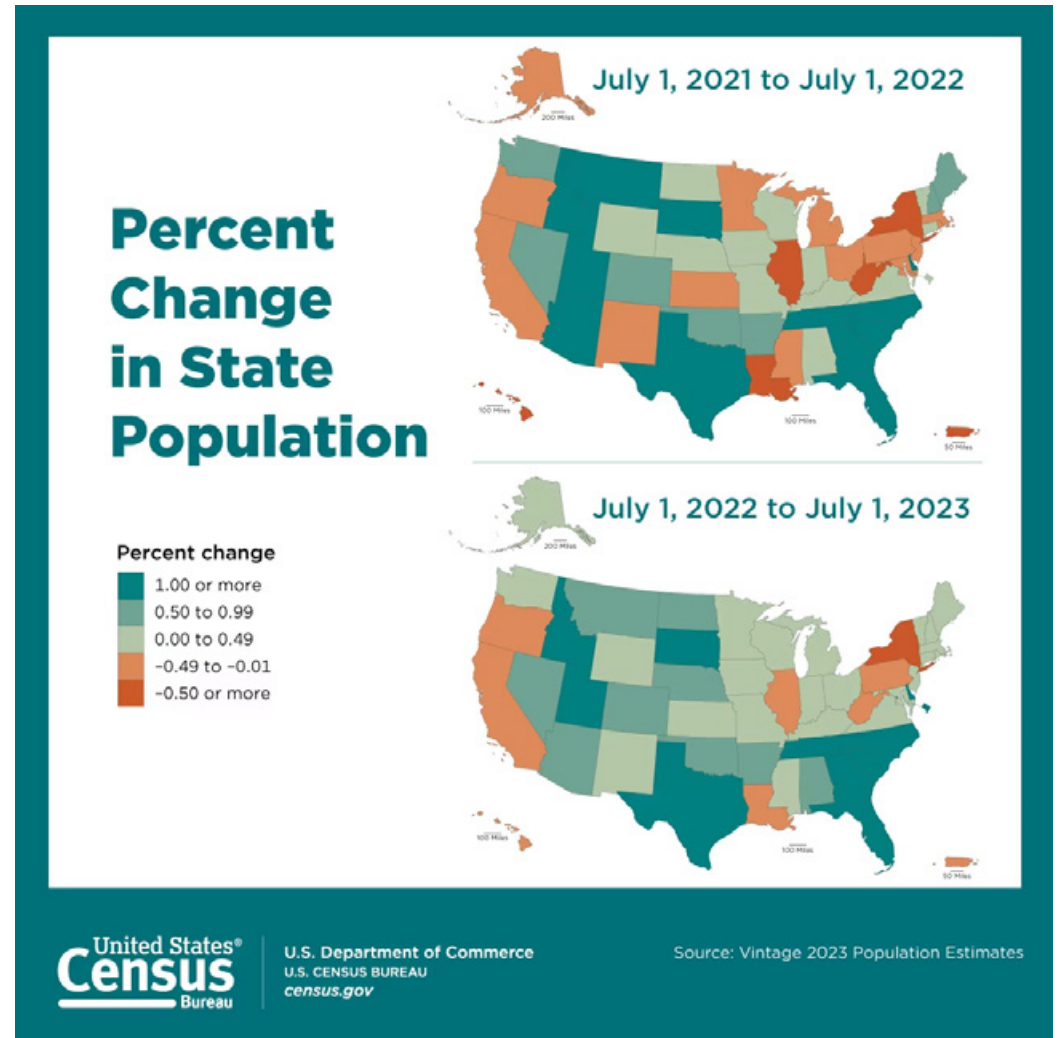
Moody's



# PERCENT CHANGE IN STATE POPULATION

Top 10 States by Numeric Growth: 2022 to 2023					
Rank	Geographic Area	April 1, 2020 (est. base)	July 1, 2022	July 1, 2023	Numeric Growth
1	Texas	29,145,459	30,029,848	30,503,301	473,453
2	Florida	21,538,216	22,245,521	22,610,726	365,205
3	North Carolina	10,439,459	10,695,965	10,835,491	139,526
4	Georgia	10,713,771	10,913,150	11,029,227	116,077
5	South Carolina	5,118,422	5,282,955	5,373,555	90,600
6	Tennessee	6,910,786	7,048,976	7,126,489	77,513
7	Arizona	7,157,902	7,365,684	7,431,344	65,660
8	Virginia	8,631,373	8,679,099	8,715,698	36,599
9	Colorado	5,773,707	5,841,039	5,877,610	36,571
10	Utah	3,271,614	3,381,236	3,417,734	36,498

Top 10 States or State Equivalent by Percent Growth: 2022 to 2023					
Rank	Geographic Area	April 1, 2020 (est. base)	July 1, 2022	July 1, 2023	Percent Growth
1	South Carolina	5,118,422	5,282,955	5,373,555	1.7%
2	Florida	21,538,216	22,245,521	22,610,726	1.6%
3	Texas	29,145,459	30,029,848	30,503,301	1.6%
4	Idaho	1,839,117	1,938,996	1,964,726	1.3%
5	North Carolina	10,439,459	10,695,965	10,835,491	1.3%
6	Delaware	989,946	1,019,459	1,031,890	1.2%
7	D.C.	689,548	670,949	678,972	1.2%
8	Tennessee	6,910,786	7,048,976	7,126,489	1.1%
9	Utah	3,271,614	3,381,236	3,417,734	1.1%
10	Georgia	10,713,771	10,913,150	11,029,227	1.1%



Source: United States Census Bureau  
Read Full Article [HERE](#)  
Posted on December 18, 2023



SRS

CAPITAL  
MARKETS

## THE EXCLUSIVE NATIONAL NET LEASE TEAM of SRS Real Estate Partners

**300+**

TEAM  
MEMBERS

**25+**

OFFICES

**2K+**

RETAIL  
TRANSACTIONS

company-wide  
in 2023

**510+**

CAPITAL MARKETS  
PROPERTIES

SOLD  
in 2023

**\$2.2B+**

CAPITAL MARKETS  
TRANSACTION

VALUE  
in 2023

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