



OFFERING MEMORANDUM

PRESERVE  
WEST  
CAPITAL



Ollie's Bargain Outlet  
Killeen, TX

This property is listed in conjunction with Texas-licensed real estate broker Delta Commercial.

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## Disclaimer

MGM Capital Corp dba Preserve West Capital ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

## Putnam Daily

Partner  
415.445.5107  
putnam@preservewc.com  
CA RE License #01750064

## Lindsey Snider

Vice President  
415.906.2887  
lindsey@preservewc.com  
CA RE License #01443387

## Michael Maffia

Managing Partner  
415.373.4060  
mike@preservewc.com  
CA RE License #01340853



## PROPERTY HIGHLIGHTS

### KILLEEN MALL



INTERSTATE 14 190 (107,821 AADT)

- Brand New 10-Year Net Lease to Ollie's Bargain Outlet (NASDAQ: OLLI)
  - Revenue for Quarter Ended April 30, 2020 up 7.5% Year-Over-Year Despite COVID-19
  - 2019 Revenue of \$141 Billion
  - Ollie's Currently has 366 Stores in 25 States & Continues Aggressive Expansion Plans for 950 Stores
  - One of America's Largest Retailers of Closeout Merchandise & Excess Inventory
  - Sustainable Rent PSF of \$7.50
- Priced Below Replacement Cost at \$111 PSF
- Pandemic Proof Tenant – “Essential” Goods Discount Retailer
  - Lease Signed During Pandemic
- Part of Cielo Vista Shopping Center with Robust Co-Tenancy with National Brands
  - Major Tenants in Center Include ALDI, PetSmart, Spec's Wine & Spirits & Academy Sports + Outdoors
  - Nearby Anchor Tenants Include Walmart Supercenter, H-E-B Plus!, Walgreens & CVS
- Excellent Access and Freeway Visibility Along US-190 Arterial
  - 107,821 AADT
- Robust Demographics within 5 Mile Radius
  - Population of 191,565
  - Average Household Income of \$63,096
  - Population within the city of Killeen has increased more than 64% since 2000 and has experienced an annual rate of 2.02% since 2010
- Strategic Location within Growing Central Texas Community
  - Approximately Halfway Between Austin and Waco
  - Killeen-Temple-Fort Hood Metropolitan Statistical Area know as the Centroplex of Texas – Population 443,773
- Less than 5 Miles from Fort Hood, the Largest Employer in the City with 65,000 Military and Civilian Personnel
- No State Income Tax in Texas

## PROPERTY INFORMATION



### Location

The property is located at 2500 East Central Texas Expressway, Unit B, in Killeen, Texas.

### Lot Size

Approximately 2.35 acres of 102,366 square feet.

### Improvements

A 30,840 square foot retail building for **Ollie's**.

### Parking

There is ample parking available on site with 131 parking spaces available and additional parking available throughout the shopping center.

### Lease

Leased to **Ollie's Bargain Outlet, Inc.** for 10 years from an estimated rent commencement date of December 24, 2020 through January 31, 2031 at an initial annual rent of \$231,300. There are four (4) five-year options to renew the lease; rent is to increase by \$0.25 per square foot at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, excluding roof, structure, and HVAC repairs or replacement in excess of \$5,000 per year.

### CAM

Tenant shall reimburse \$30,840 in the first lease year, to increase by \$925.20 (3% of the year 1 reimbursement amount) annually thereafter, for CAM costs related to operating and maintaining the common areas on Landlord's parcel, operating and maintaining any signs on the parcel, painting, striping, and resealing the parking lot, security, and operating and maintaining any utility facilities within or serving the parcel.

Tenant shall reimburse its proportionate share of all CAM expenses related to snow and ice removal, cleanup after extraordinary weather events not subject to Landlord's control, any improvements required by law, and any amounts charged or assessed to Landlord's parcel under the CC&Rs, however, in no event shall these costs include any management or administrative fees or exceed \$0.50 per square foot (\$15,420) annually.

### Financing

This property will be delivered free and clear of permanent financing.

## PRICE

**\$3,427,000**  
**6.75% Return**

### Annual Rent

Years	Annual Rent	Price PSF	Return
<b>1-10</b>	<b>\$231,300</b>	<b>\$7.50</b>	<b>6.75%</b>
11-15 (Option 1)	\$239,010	\$7.75	6.97%
16-20 (Option 2)	\$246,720	\$8.00	7.20%
21-25 (Option 3)	\$254,430	\$8.25	7.42%
26-30 (Option 4)	\$262,140	\$8.50	7.65%

### Controllable CAM Costs Reimbursement

Lease Year	CAM Contribution
<b>1</b>	<b>\$30,840</b>
2	\$31,765
3	\$32,690
4	\$33,616
5	\$34,541
6	\$35,466
7	\$36,391
8	\$37,316
9	\$38,242
10	\$39,167

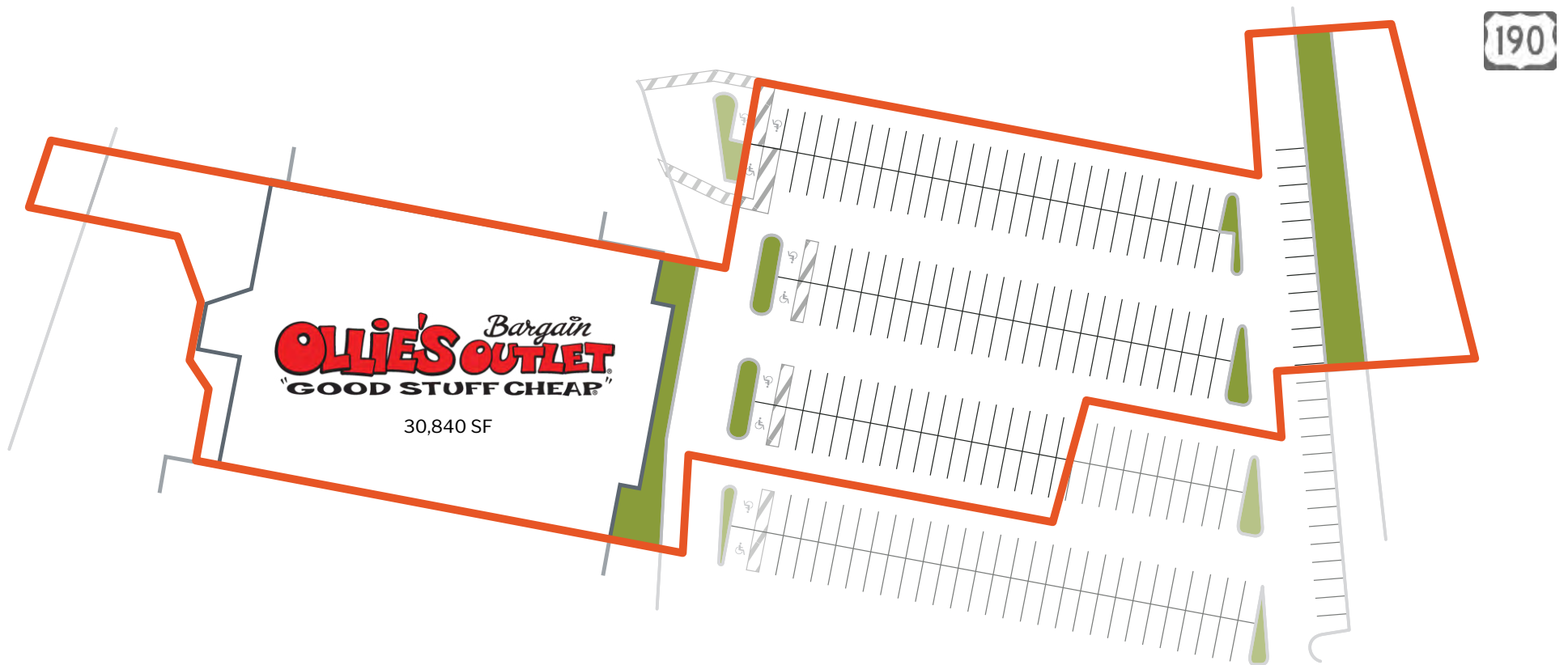


**Ollie's Bargain Outlet (NASDAQ: OLLI)** operates more than 366 “extreme value” discount stores across 25 states in the Eastern U.S. featuring brand name merchandise at drastically reduced prices. Their stores feature a broad selection of brand name products, including food, housewares, books and stationery, bed and bath, floor coverings, electronics and toys. The company has rapidly expanded in recent years, opening approximately 142 new stores from 2015 through 2019 for a compound annual growth rate of 14.1%, with comparable store sales growing an average of 2.4% annually during that same period.

For the quarter ended April 30, 2020, Ollie's reported revenue of \$349 million - representing a 7.5% year-over-year increase despite COVID-19, - net income of \$33.5 million, and total stockholder equity of \$1.09 billion. For the fiscal year ended January 31, 2020, the company reported revenue of \$1.41 billion, net income of \$141 million, and total stockholder equity of \$1.06 billion.

**Ollie's Bargain Outlet, Inc.** is a subsidiary of **Ollie's Bargain Outlet Holdings, Inc.**, the corporate entity.

# SITE PLAN





AERIAL

WEST VIEW

Walmart  
Supercenter

ALDI  
SPEC'S  
PET SMART

LOWE'S  
Home Improvement Warehouse

KOHL'S CATO  
Look Smart. Buy Smart.  
OfficeMax Guitar Center  
Party City LESLIE'S  
SWIMMING POOL SUPPLIES.

H-E-B

OLLIE'S *Bargain* OUTLET  
"GOOD STUFF CHEAP"

Academy  
SPORTS+OUTDOORS

Cielo Vista  
Shopping Center

Academy  
SPORTS+OUTDOORS



AERIAL

EAST VIEW



**OLLIE'S OUTLET**  
Bargain  
"GOOD STUFF CHEAP"

Cielo Vista  
Shopping Center





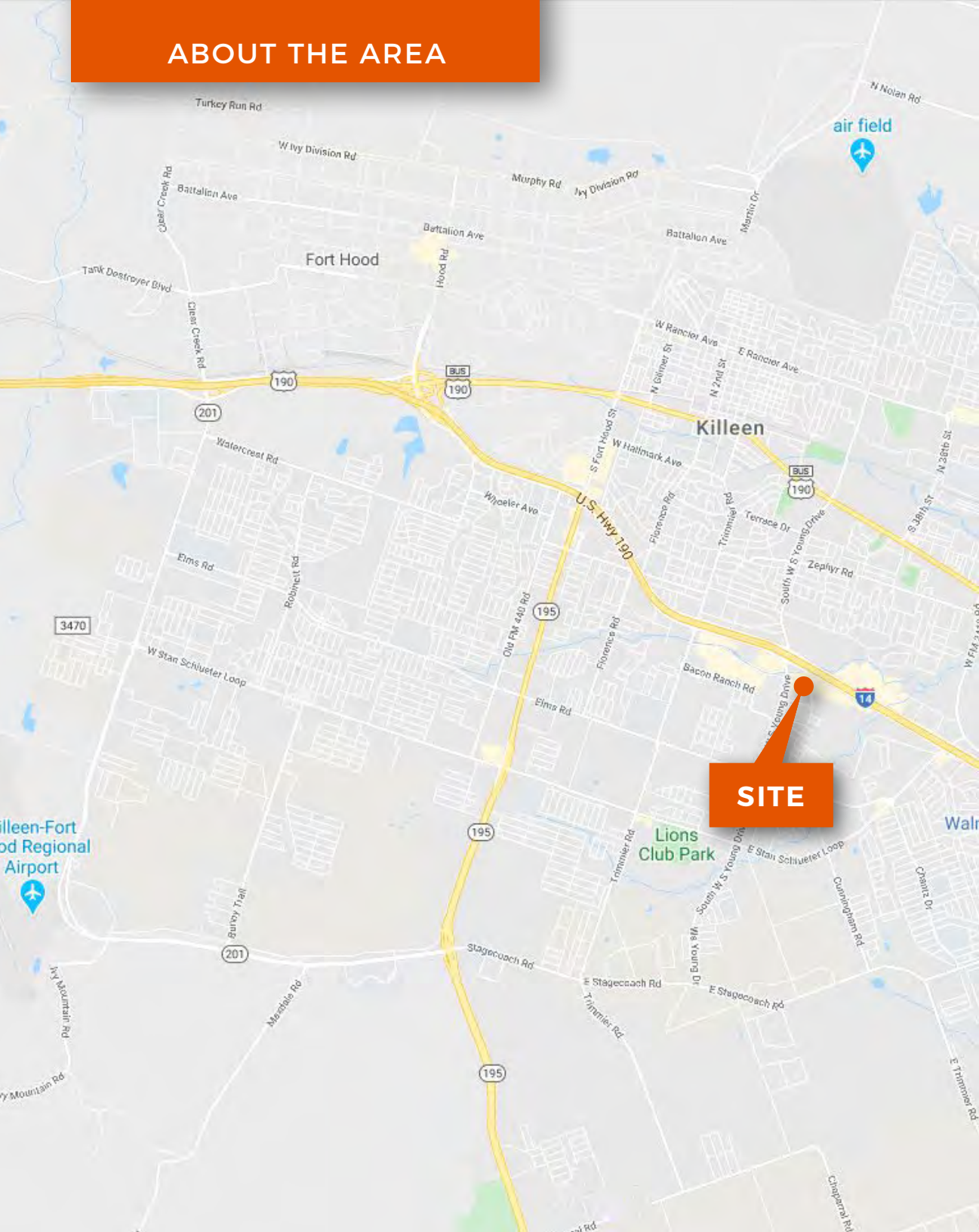
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Killeen (population 149,103) is a city in Bell County, Texas and the principal city in the Killeen-Temple-Fort Hood MSA. The city is situated along Interstate 14/U.S. Highway 190, which connects Killeen to Copperas Cove in the west and Temple to the east. The city is home to two colleges: Central Texas College & Texas A&M University – Central Texas, with a combined student enrollment of more than 51,700. The city is centrally located approximately halfway between Austin and Waco.

The city benefits from a strong economic base driven in part by proximity to Fort Hood, a major U.S. Army Post designated a permanent military facility in 1950. Killeen is directly adjacent to the main cantonment of Fort Hood which covers a total of 340 square miles and is one of the largest military bases in the world. The base houses nearly 65,000 soldiers and family members and is home to the Headquarter III Corps, First Army Division West, 1st Cavalry Division, 13th Sustainment Command, Military Police Brigade, 504th Battlefield Surveillance Brigade, 85th Civil Affairs Brigade, 1st Medical Brigade, and the 69th Air Defense Artillery Brigade. The city's close proximity to Fort Hood gives the city access to a highly educated, motivated workforce of soldiers exiting the military.



## ABOUT THE AREA



## Site Information

The subject property is prominently situated with excellent access and frontage along the U.S. 190 Arterial (107,821 AADT) adjacent to its junction with South W S Young Drive. The site benefits from robust demographics with a population of 191,565 and average household income of \$63,096 within a 5 mile radius. In addition, the site is located approximately five miles from Fort Hood, a major military base that houses nearly 65,000 soldiers and family members and is one of the largest military bases in the world.

The property is prominently situated with excellent co-tenancy within the Cielo Vista Shopping Center, with other major tenants including Aldi, PetSmart, Spec's, and Academy Sports + Outdoors. Additional shopping centers in the surrounding area include Killeen Marketplace, anchored by Best Buy and Home Depot; Killeen Mall, anchored by Burlington and Dillard's; and more. Other major retail tenants in the surrounding area include Walmart Supercenter, H-E-B Plus!, Walgreens, Tractor Supply Company, Hobby Lobby, and more.





# 2500 E Central Expy | Killeen, TX 76543



TOTAL POPULATION  
**191,565**



AVG. HOME VALUE  
**\$182,874**



AVG. HOUSEHOLD INCOME  
**\$63,096**

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	9,476	80,995	161,165
2020 Total Population	10,474	91,082	191,565
2025 Total Population	11,076	96,912	205,988
2020-2025 Annual Rate	1.11%	1.25%	1.46%
Average Household Income			
2020	\$56,756	\$58,611	\$63,096
2025	\$60,490	\$63,091	\$68,170
Average Home Value			
2020	\$133,215	\$161,354	\$182,874
2025	\$149,014	\$179,066	\$203,410

## Major Employers in Killeen # of Employees

III Corp & Fort Hood	37,000
Military Defense Contractors & Others	8,327
Killeen ISD	6,000
Civilian Personnel Office	5,373
Teleperformance	1,800
Central Texas College	1,488
City of Killeen	1,173
AdventHealth	1,000
Seton Medical Center Harker Heights	480
Z-Systems	413

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

## Information About Brokerage Services

**B**efore working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### **IF THE BROKER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License

Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

### **If you choose to have a broker represent you,**

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.







**Putnam Daily**

Partner  
415.445.5107  
putnam@preservewc.com  
CA RE License #01750064

**Lindsey Snider**

Vice President  
415.906.2887  
lindsey@preservewc.com  
CA RE License #01443387

**Michael Maffia**

Managing Partner  
415.373.4060  
mike@preservewc.com  
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