

## OFFERING MEMORANDUM

# Rivler FOODS

ST ANN  
MISSOURI

A Kroger Company

NNN  
NNN DEAL  
THE SINGLE TENANT RESOURCE

Marcus & Millichap



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# INVESTMENT SUMMARY

11050 ST CHARLES ROCK RD, ST ANN, MO 63074

**PRICE: \$2,294,000**

**CAP: 5.45%**

**RENT: \$125,000**

## OVERVIEW

Price	\$2,294,000
Gross Leasable Area (GLA)	18,000 SF
Lot Size (approx.)	1.35 Acres
Net Operating Income	\$125,000
CAP Rate	5.45%
Year Built / Renovated	1975/1995

## LEASE ABSTRACT

Lease Type	Modified NNN*
Lease Term Remaining	10 Years
Lease Start	11/24/2014
Lease Expiration	1/22/2025
Renewal Options	3X5
Increases	In option periods
Landlord Oblig.	Roof was replaced with new warranty in place (see sidebar)

## ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
Current Term	\$125,000
Option 1	\$137,000
Option 2	\$150,000
Option 3	\$164,012

\* Roof was replaced and carries a new 20 year warranty that commenced Jan 2015.



# INVESTMENT HIGHLIGHTS

The subject site is a 10 year modified NNN lease with 6.1 years remaining on the base term, followed by three 5-year options. Escalations in rent, to hedge against inflation, occur during the anniversary of each option period. Landlord responsibilities are minimal involving only interior/exterior roof and structure. And the new roof came with a 20 year roof warranty in place that commenced Jan 2015, making the lease essentially a NNN lease.

The site is located in front of a Menards and adjacent to a Raising Cane's. A new mixed use development of office and retail are going in next door including a Starbucks, QuikTrip and Sherwin Williams.

Ruler Foods is a Kroger Company warehouse grocery chain.



**Strong visibility with more than 73,468 vehicles passing in front of or near the site daily**



**New construction and mixed use developments going up near the site**



**The region is home to many Fortune 500 Corporate Offices**



**Strong population density and minimal comparable warehouse grocers in the immediate area**







# INVESTMENT HIGHLIGHTS

- ◆ Ruler Foods is a Kroger Company
- ◆ Located in front of a Menard's anchored center
- ◆ Large retail and mixed use development is underway adjacent to the subject site
- ◆ Holman Middle School is across the street
- ◆ Strong residential in-fill location



**184,549**  
TOTAL  
POPULATION  
WITHIN 5-MILE  
RADIUS



**\$65,259**  
AVERAGE  
HOUSEHOLD  
INCOME WITHIN  
5-MILE RADIUS



**34,509 VPD** - SAINT CHARLES ROCK RD  
**33,539 VPD** - N LINDBERGH BLVD  
**5,420 VPD** - ADIE RD













# TENANT SUMMARY

## KROGER

Ruler Foods, acquired by Kroger in 1999.

The Kroger Co. (NYSE:KR) is one of the world's largest grocery retailers, operating nearly 2,800 supermarkets and multi-department stores in 35 states and the District of Columbia under two dozen local banner names, including Kroger, City Market, Dillons, Food 4 Less, Fred Meyer, Fry's, Harris Teeter, Jay C, King Soopers, QFC, Ruler Foods, Ralphs and Smith's. The company's headquarters are in Cincinnati, Ohio.

Kroger (2017): \$122.66(Bil) in Revenue.

## RULER FOODS

Warehouse store grocery chain. Owned by Kroger.

No frills where 80% of the offerings are Kroger Brand products and customers bag their own groceries. Located in IL, IN, OH, KY, MO, TN. Rulers originally opened under the banner of JayC Food Stores before Kroger purchased them in 1999. They have 25 locations.

## RANKINGS

- ◆ Publicly traded NYSE:KR
- ◆ Kroger Standard & Poor's BBB rated
- ◆ Kroger ranked #17 on Fortune 500











# KROGER



## CINCINNATI, OH

HEADQUARTERS

### SUPERMARKET CHAIN

INDUSTRY

### 2,800 +/-

LOCATIONS

### PUBLIC

OWNERSHIP

### KR

NYSE

### \$122.66(BIL)

REVENUE

### \$1.907(BIL)

NET INCOME

### WWW.KROGER.COM

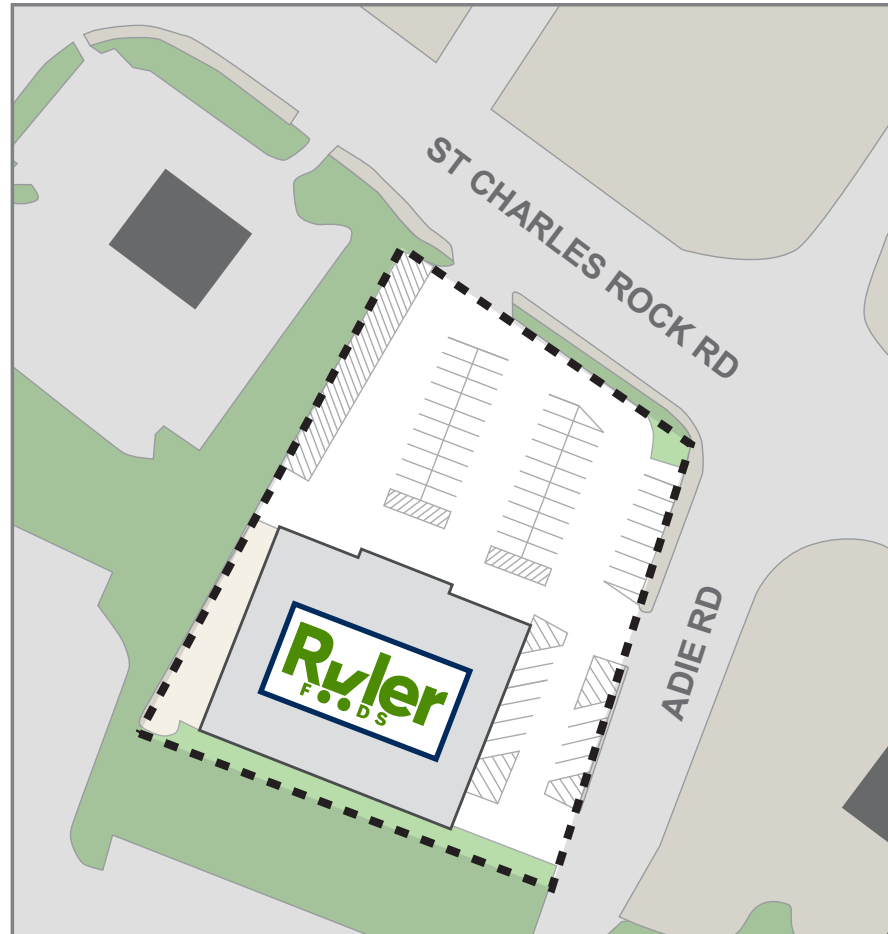
WEBSITE





# SITE PLAN

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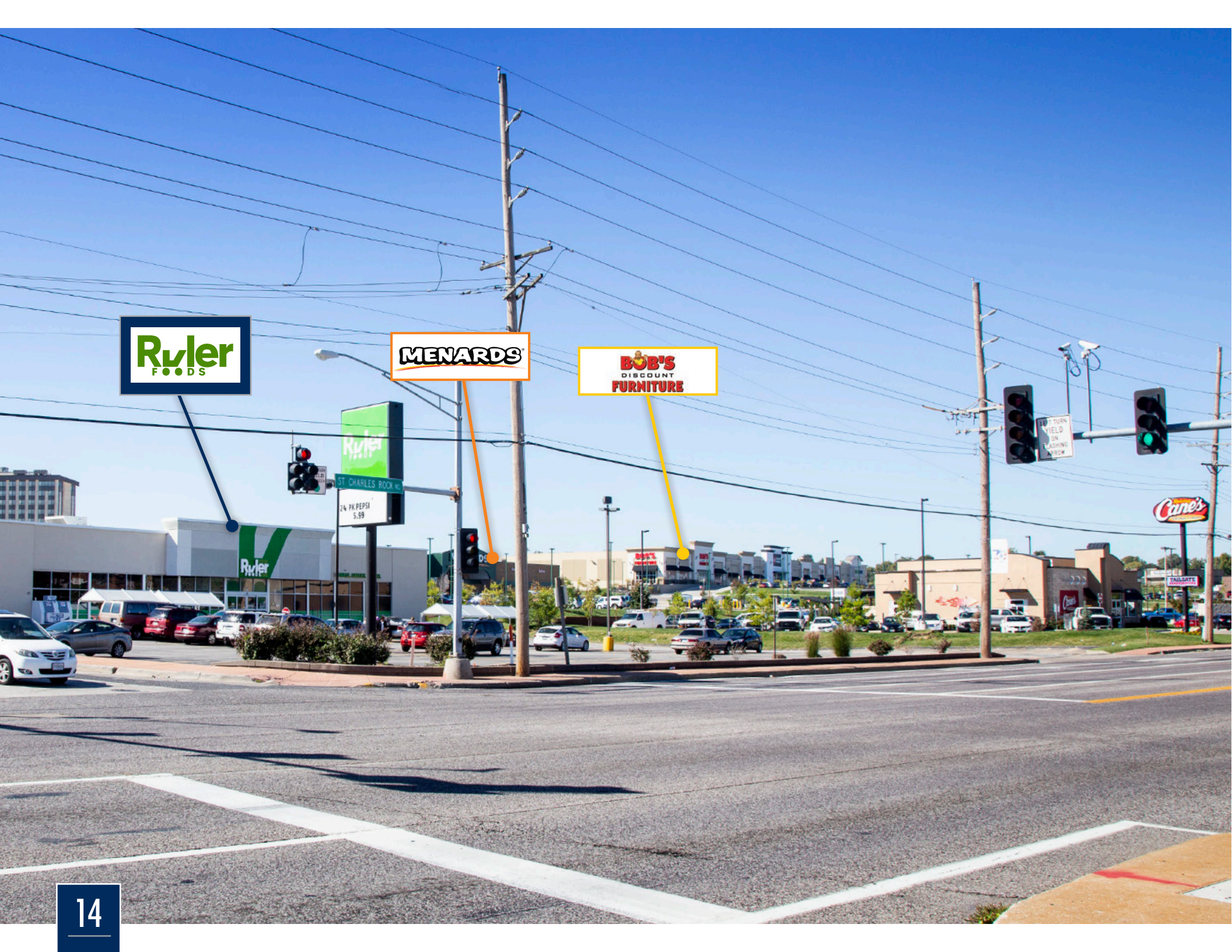












**Ryler**  
FOODS

**MENARDS**

**BOB'S**  
DISCOUNT  
FURNITURE

**Ryler**  
FOODS

ST. CHARLES BOULEVARD

24 PK PEPSI  
5.99

**Cane's**

WALMART



# LOCATION OVERVIEW

## ST ANN, MISSOURI

St. Ann, MO is located in St. Louis County, a suburb of St Louis, Missouri.

St. Ann offers a wide variety of municipal services with a low residential tax burden. The city has one of the most expansive park systems in the area. Additionally, the city is served by two outstanding public-school districts, Pattonville and Ritenour.

As a mature community, the city has and will continue to focus heavily on redevelopment efforts. The city released a Request for Redevelopment Proposals (RFP) for a 229-acre site directly adjacent to Lambert St. Louis International Airport.

Also, with St. Ann's proximity to St. Louis, residents and visitors alike are easily able to visit the famous Gateway Arch, watch the St. Louis Cardinals play baseball, or even take a thrill ride (or two) at Six Flags St. Louis. They can also be sure to go to the St. Louis Zoo, immerse in the culture of Forest Park, taste the tradition of St. Louis breweries, and even go on a journey of scientific discovery. The multitude of activities available at the fingertips of people in St. Ann makes it an exciting place to live that incorporates the exhilarating city life of St. Louis as well as the relaxed-pace suburban community of St. Ann.





# LOCATION OVERVIEW (CONTINUED)

## ST LOUIS, MISSOURI

St. Louis is a city and major U.S. port in the state of Missouri, built along the western bank of the Mississippi River, on the border with Illinois. The city had an estimated 2016 population of 311,404, and is the cultural and economic center of the Greater St. Louis area (home to 2,916,447 people), making it the largest metropolitan area in Missouri and the 19th-largest in the United States.

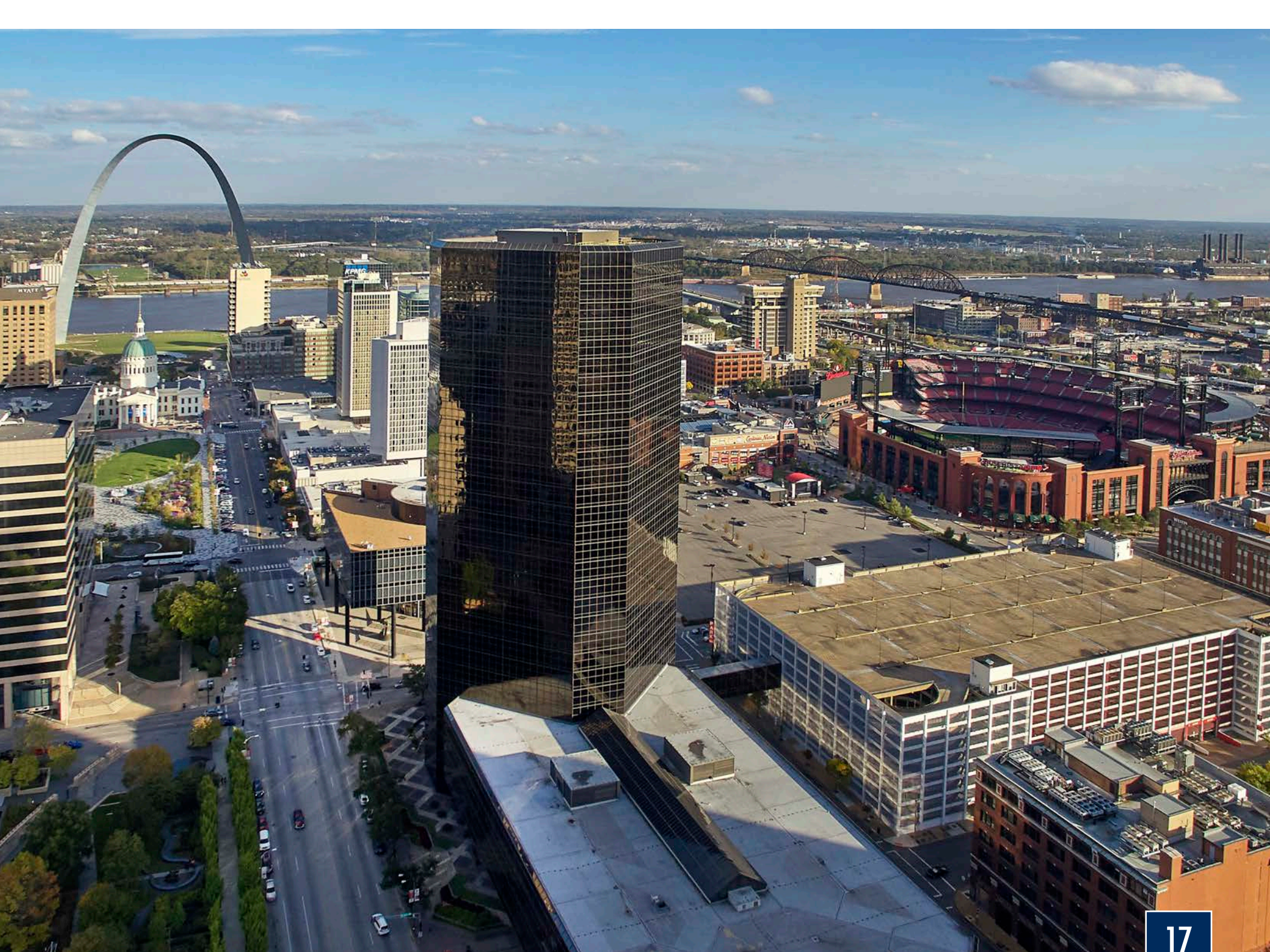
The economy of metropolitan St. Louis relies on services, manufacturing, trade, transportation of goods, and tourism. The city plays a vital role in the nation's economy, hosting the headquarters of nine Fortune 500 companies, including Express Scripts (located 5.8 miles from the subject site), Centene (located 9 miles from the subject site), and Emerson Electric (8.9 miles from the subject site). Other notable corporations headquartered in the region include Arch Coal (8.5 miles from the subject site), Scottrade (17 miles from the subject site), Wells Fargo Advisors (formerly A.G. Edwards), Energizer Holdings (14 miles from the subject site), Patriot Coal (8.3 miles from the subject site), Post Foods (17 miles from the subject site), United Van Lines (18 miles from the subject site), and Mayflower Transit (18 miles from subject site), Post Holdings, Hardee's, Olin (14 miles from subject site), and Enterprise Holdings (a parent company of several car rental companies) – located just 3.8 miles from the subject site.

Notable corporations with operations in St. Louis include Cassidy Turley, Kerry Group, MasterCard, TD Ameritrade, and BMO Harris Bank. Health care and biotechnology institutions with operations in St. Louis include Pfizer, the Donald Danforth Plant Science Center, the Solae Company, Sigma-Aldrich, and Multidata Systems International.

St. Louis has two professional sports teams: the St. Louis Cardinals of Major League Baseball and the St. Louis Blues of the National Hockey League. The city is commonly identified with the 630-foot-tall Gateway Arch in Downtown St. Louis.











### MAJOR EMPLOYERS: ST LOUIS, MO

BJC Health Systems	18,354
Washington University	16,174
St. Louis University	10,078
City of St. Louis	8,765
Defense Finance & Acct Services	6,508
A G Edwards/Wells Fargo	5,418
St. Louis Board of Education	4,940
US Postal Service	4,577
State of Missouri	4,070
SSM Health SLUH	4,070

## LOCATION HIGHLIGHTS

### ST ANN, MO

HOME TO ST LOUIS LAMBERT INT'L AIRPORT (LAMBERT FIELD)



Hosting the  
headquarters of nine  
Fortune 500 companies



Lambert Field is the  
largest and busiest airport  
in Missouri with over 270  
daily departures to over 80  
domestic and international  
locations. In 2017, 14.7(mil)  
passengers traveled  
through the airport.



Two professional  
sports teams



Known for the  
630-foot-tall  
Gateway Arch









# DEMOGRAPHICS / ST ANN, MO

 **184,549**  
Total Population Within 5-Mile Radius

  
**\$65,259**  
Average Household Income  
Within 5-Mile Radius

  
**\$48,738**  
Median Household Income  
Within 5-Mile Radius

 **78,106**  
Total Households in 5-Mile Radius



POPULATION	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Population	9,104	64,524	183,063
2017 Estimate			
Total Population	9,180	65,454	184,549
2010 Census			
Total Population	9,156	65,173	183,472
2000 Census			
Total Population	9,429	69,813	193,169
Current Daytime Population			
2017 Estimate	8,196	75,674	289,323
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Projection			
Total Households	4,178	27,506	78,000
2017 Estimate			
Total Households	4,196	27,735	78,106
Average (Mean) Household Size	2.22	2.33	2.34
2010 Census			
Total Households	4,183	27,561	77,578
2000 Census			
Total Households	4,361	29,700	81,065
Occupied Units			
2022 Projection	4,178	27,506	78,000
2017 Estimate	4,580	30,219	85,127
HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
2017 Estimate			
\$150,000 or More	1.85%	2.75%	5.53%
\$100,000 - \$149,000	10.04%	9.80%	10.90%
\$75,000 - \$99,999	9.32%	12.41%	12.80%
\$50,000 - \$74,999	18.73%	19.73%	19.53%
\$35,000 - \$49,999	17.89%	16.78%	16.39%
Under \$35,000	42.16%	38.53%	34.87%
Average Household Income	\$53,378	\$56,496	\$65,259
Median Household Income	\$40,922	\$45,137	\$48,738
Per Capita Income	\$24,536	\$24,165	\$27,745

HOUSEHOLDS BY EXPENDITURE	1 MILE	3 MILES	5 MILES
Total Average Household Retail Expenditure	\$54,409	\$58,246	\$61,791
Consumer Expenditure Top 10 Categories			
Housing	\$14,516	\$15,376	\$16,308
Transportation	\$9,150	\$9,757	\$10,204
Shelter	\$7,902	\$8,327	\$8,779
Food	\$5,951	\$6,382	\$6,783
Personal Insurance and Pensions	\$4,778	\$5,356	\$5,979
Health Care	\$4,281	\$4,520	\$4,787
Utilities	\$3,319	\$3,500	\$3,686
Entertainment	\$2,258	\$2,385	\$2,516
Household Furnishings and Equipment	\$1,640	\$1,777	\$1,937
Cash Contributions	\$1,310	\$1,454	\$1,590

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
Population By Age			
2017 Estimate Total Population	9,180	65,454	184,549
Under 20	24.05%	23.89%	24.50%
20 to 34 Years	21.43%	22.10%	22.17%
35 to 39 Years	6.66%	6.52%	6.59%
40 to 49 Years	11.72%	11.96%	11.89%
50 to 64 Years	20.60%	20.14%	19.83%
Age 65+	15.55%	15.40%	15.01%
Median Age	38.32	37.98	37.44
Population 25+ by Education Level			
2017 Estimate Population Age 25+	6,424	45,602	126,984
Elementary (0-8)	2.36%	3.03%	2.34%
Some High School (9-11)	10.20%	9.25%	7.92%
High School Graduate (12)	36.24%	34.01%	28.70%
Some College (13-15)	23.72%	24.47%	23.71%
Associate Degree Only	7.95%	8.04%	7.80%
Bachelors Degree Only	12.98%	13.73%	17.68%
Graduate Degree	5.01%	6.61%	11.15%





# Ryler

FOODS

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**ST ANN  
MISSOURI**

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THE SINGLE TENANT RESOURCE

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