

510 East Markey Parkway  
Belton (Kansas City), Missouri



**PEGASUS**  
INVESTMENTS

# Academy

**SPORTS + OUTDOORS**



Offering  
Memorandum

*Actual Property Shown Throughout*





AT

## BELTON GATEWAY

### DEAL TEAM

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**PEGASUS**  
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**Downtown Kansas City  
(20 Minutes)**



**National Security Campus**  
Operated by Honeywell  
1.5M SF | 4,500+ Employees

**Centerpoint - KCS Intermodal**

370 Acre Intermodal Facility & 970 Acre Industrial Park  
Unparalleled connectivity to KCSR and I-49 | 80% of U.S. accessible within 2 days by truck  
Direct international connection via rail to major Port of Lazaro Cardenas, Mexico  
Walmart is a major tenant | 5M+ SF Industrial Warehouse Facilities

**CALVARY UNIVERSITY**

ilway



**QuikTrip Commissary and Distribution Center**  
One of the \$11B Company's 5 Distribution Centers Nationwide | 100,000 SF Facility  
Undergoing \$2M Expansion | 1,200+ Employees

**Southview Commerce Center Development**  
49 Acre Flex Industrial Campus | 1,400+ New Jobs



**Subject Property**



± 67,000 ADT



Owned by Menards - Under Development

**MENARDS**





# Executive Summary

## OFFERING SUMMARY

Pegasus Investments Real Estate Advisory Inc., as exclusive investment sales advisor to seller, is pleased to offer the opportunity to acquire the fee simple interest in a freestanding Academy Sports & Outdoors (the “Property”) in Belton, Missouri, a thriving suburb twenty minutes south of downtown Kansas City. The Property presents an unusual opportunity to own a newly constructed (2014) net leased asset with 10.5 years of passive income at a cost basis that is nearly 25% below the average Academy Sports surveyed.

The Property is located within the Belton Gateway shopping center, a 147,000 SF newly constructed open-air shopping center anchored by the nation’s leading value retailers: Hobby Lobby, Ross Dress for Less, Marshalls, ULTA and Five Below. Belton Gateway was constructed by a local Kansas City developer alongside strong city and public support to cater to consumer demand associated with the strong population growth occurring along the I-49 corridor throughout the southern Kansas City metro. As the newest open-air center completed in the region, the shopping center’s trade area reaches far beyond local Belton residents, drawing from over a 15-mile radius.



**\$6,372,000**

Price



**8.03%**

Cap Rate



**\$511,630\***

NOI

\*NOI effective as of the 12/1/2019 increase date.

Within the immediate trade area, the Property benefits from excellent visibility and signage as well as dedicated on and off ramps to the heavily trafficked Interstate 49, which experiences approximately 67,000 ADT. The Property features multiple signalized entrances and signage off Y Highway, including shared access with Hobby Lobby at Markey Parkway and Y Highway. Demographics are strong and trending upward, as the area expects a new \$134M, 500,000 SF industrial hub consisting of 5 buildings just two miles from the Property. The new development is expected to bring 1,400 jobs to the area, adding to the already strong daytime population. With household incomes of \$75,000 within a 5-mile radius well above the national average, the population of 72,000 is expected to grow another 12% over the next 10 years.



Academy Sports & Outdoors is one of the largest sporting goods retailers in the country by store count and revenue with an estimated market share of 11% of the entire sports retail market. With 2018 companywide sales estimated at \$4.9B, the company operates 250 locations in 16 states, with a majority of stores in the Southeast, where its most loyal patrons reside. Academy Sports was founded 80 years ago and is headquartered in Katy (Houston), Texas. In 2011, Academy Sports was acquired by private equity firm KKR & Co. Inc. The company has made strategic investments in a proprietary merchandising platform, allowing for stores to be stocked with merchandise that meet local demand, thereby driving its continued success in new markets.



# INVESTMENT HIGHLIGHTS

## PRICED \$2M BELOW OTHER ACADEMY STORES WITH RENT 20% BELOW AVERAGE

Of the 24 Academy Sports surveyed since August 2017, the average price point was \$8.37M (\$127/SF), while the subject property is priced at just \$6.37M (\$109/SF). This difference in pricing represents a discount of nearly 25%. Further, at \$511,630 per year (\$8.75/SF), the Property's rent is 20% below comparable sites within the survey, with the average Academy Sports paying \$613,300 per year.

## UNBEATABLE VISIBILITY AND ACCESS WITH STRONG TRAFFIC COUNTS

With excellent visibility from the heavily trafficked I-49 (67,000+ ADT), the Property is strategically located at the north/south interchange of I-49 and Missouri Y Highway. The Property benefits from easy north and south bound interstate access, as well as several points of ingress/egress along Y Highway and Markey Parkway. The Academy Sports also benefits from premier placement on multiple monument signs along I-49, Y Highway and at the Belton Gateway





## PART OF BELTON GATEWAY – THE PREMIER RETAIL DESTINATION IN SOUTHERN KANSAS CITY

The Property was completed in the first phase of the three phase Belton Gateway master-planned development also anchored by best-in-class retailers including Hobby Lobby, Marshalls, Ross, Dress for Less, Ulta and Five Below. The remainder of Phase II and Phase III, immediately south of the Property, are under development. Belton Gateway is the premier retail destination of southern Kansas City, drawing patrons from over a 15 mile radius. In addition to Belton Gateway, the property is adjacent to a new 235,000 SF Menards, a new Price Chopper anchored center and Cornerstone Pointe – a 22-acre retail development just east of the Property stretching along 163rd and I-49.



Architectural Rendering - 3 Phase Belton Gateway Project

## STRONG PUBLIC AND CITY SUPPORT AROUND THE DEVELOPMENT

The Academy Sports at Belton Gateway was developed with strong local support to cater to consumer demand associated with the continued population growth occurring along the I-49 corridor. This governmental support came in the form of major incentive money to subsidize the development costs. The city's financial support allowed the developer to keep rents low. At \$8.50/SF the Tenant is paying 24% less rent than all on-market and sold Academy Sports surveyed since 2017.

## PASSIVE INVESTMENT, FUTURE APPRECIATION

The Property is leased on a long term net lease providing an investor stable cash flow and very minimal management responsibilities—in addition to the Tenant reimbursing for taxes, insurance and CAM the tenant pays an administrative fee. With built-in rental escalations and the ongoing growth of the surrounding market, the income and underlying value of the real estate should continue to appreciate.

**BOTH RENT &  
PRICE ARE WELL  
BELOW SIMILAR  
ACADEMY SPORTS**

### BY THE NUMBERS...

#### RENT

\$613,306 Avg. Academy

\$511,630 Subject

20% Below the Avg. Academy

#### PRICE

\$8,373,062 Avg. Academy

\$6,372,000 Subject

24% Below the Avg. Academy

#### PRICE/SF

\$127 Avg. Academy

\$109 Subject

17% Below the Avg. Academy

\* Per a recent survey of 24 sold and on-market Academy Sports



RENT  
IS 20%  
BELOW  
SIMILAR  
ACADEMY  
STORES

#### **TOP RANKED METRO IN THE U.S.**

With a stable economy, including a burgeoning tech market, an unemployment rate well below the national average, and low cost of living, it's no surprise the city's growth has outpaced much of the country. Additionally, given its central location and exceptional transportation network—featuring 30% more interstate miles per capita than any other city in the nation and handling more rail traffic than any other city in the U.S.—Kansas City has become one of the most strategic markets in the country.

#### **OUTSTANDING GROWTH IN BELTON**

The Property is located within the fastest growing markets in Cass County. Belton's greater population is forecasted to increase 12% over the next 10 years compared to the overall state's 3.9% projected growth in the same period. Between 2010-2018 population in the immediate trade area grew by nearly 8% and is expected to grow by another 3.6% over the next five years. Given the growing population, Belton is experiencing a surge in both residential and commercial development.

#### **1,400 NEW JOBS ADDED TO THE LARGE DAYTIME POPULATION**

Northpoint Development recently broke ground on an expected \$134M, 500,000 SF, 148 acre industrial hub that is expected to bring another 1,400 jobs to the Belton area, with the first of five buildings being completed by the summer of 2019. At full buildout, Southview Commerce Center is projected to span more than 2M SF and create a potential wage impact of \$58M. The development is located just 2 miles northeast of the Property along Interstate 49, further evidencing the strong economic growth seen in the southern Kansas City market.



## ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF
Current - 11/30/2024	\$42,636	\$511,630	\$8.75
12/1/2024 - 2/28/2030	\$45,072	\$540,866	\$9.25
Option 1	\$47,509	\$570,102	\$9.75
Option 2	\$49,945	\$599,338	\$10.25
Option 3	\$52,381	\$628,574	\$10.75
Option 4	\$54,818	\$657,810	\$11.25

## TENANT SUMMARY

Lessee Name	Academy, Ltd.
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Term Remaining	± 10.5 Years
Lease Commencement Date	11/29/2014
Lease Expiration Date	2/28/2030
Increases	Every 5 Years
Options	Four, 5-Year Options

## TENANT RESPONSIBILITY

Taxes	Tax parcel is separate with tenant responsible for making all tax payments directly to the taxing authority.
Maintenance & Repairs	Tenant shall maintain in good condition the interior of the premises, all fire protection systems and HVAC; if HVAC is replaced during the final three (3) years of the term and Tenant does not exercise an option to renew, Landlord shall reimburse Tenant for the unamortized cost incurred by Tenant for such replacement.
Insurance	Tenant shall reimburse Landlord for Tenant's pro rata share of Landlord's cost of liability insurance. The cost shall not exceed 105% of the preceding calendar year.
Utilities	Tenant shall pay all utilities used solely on the Premises directly to the utility provider.
CAM	Tenant shall reimburse Landlord for all reasonable expenses incurred directly in connection with maintenance, repair and operation of the common areas. CAM expenses may include a management fee not to exceed five percent (5%) of CAM expenses. CAM expenses shall exclude expenses due to capital improvements. The common area charges shall not increase more than five percent (5%) from year to year on a cumulative basis or more than seven percent (7%) from any one calendar year to the next.

## LANDLORD RESPONSIBILITY

Maintenance & Repairs	Landlord shall at its own cost and expense make all structural repairs to the premises; including the roof, roof membrane, foundation, load bearing walls and any other structural components of the premises.
CAM	Landlord shall be responsible for the maintenance and repair of the common areas. Tenant shall reimburse Landlord for Tenant's pro rata share of CAM expenses.





# Physical Description

## BUILDING & SITE PROFILE



**Academy Sports + Outdoors**

Property Name



**510 East Markey Parkway, Belton, MO 64012**

Address



**05-01-12-000-000-003.006**

Assessor's Parcel Number (APN)



**C2-P (General Commercial)**

Zoning





**± 58,472 SF**

Gross Leasable Area



**± 6.49 Acres**

Lot Size



**2014**

Year Built



**± 291 Spaces**

Parking



**4.97 : 1,000 SF**

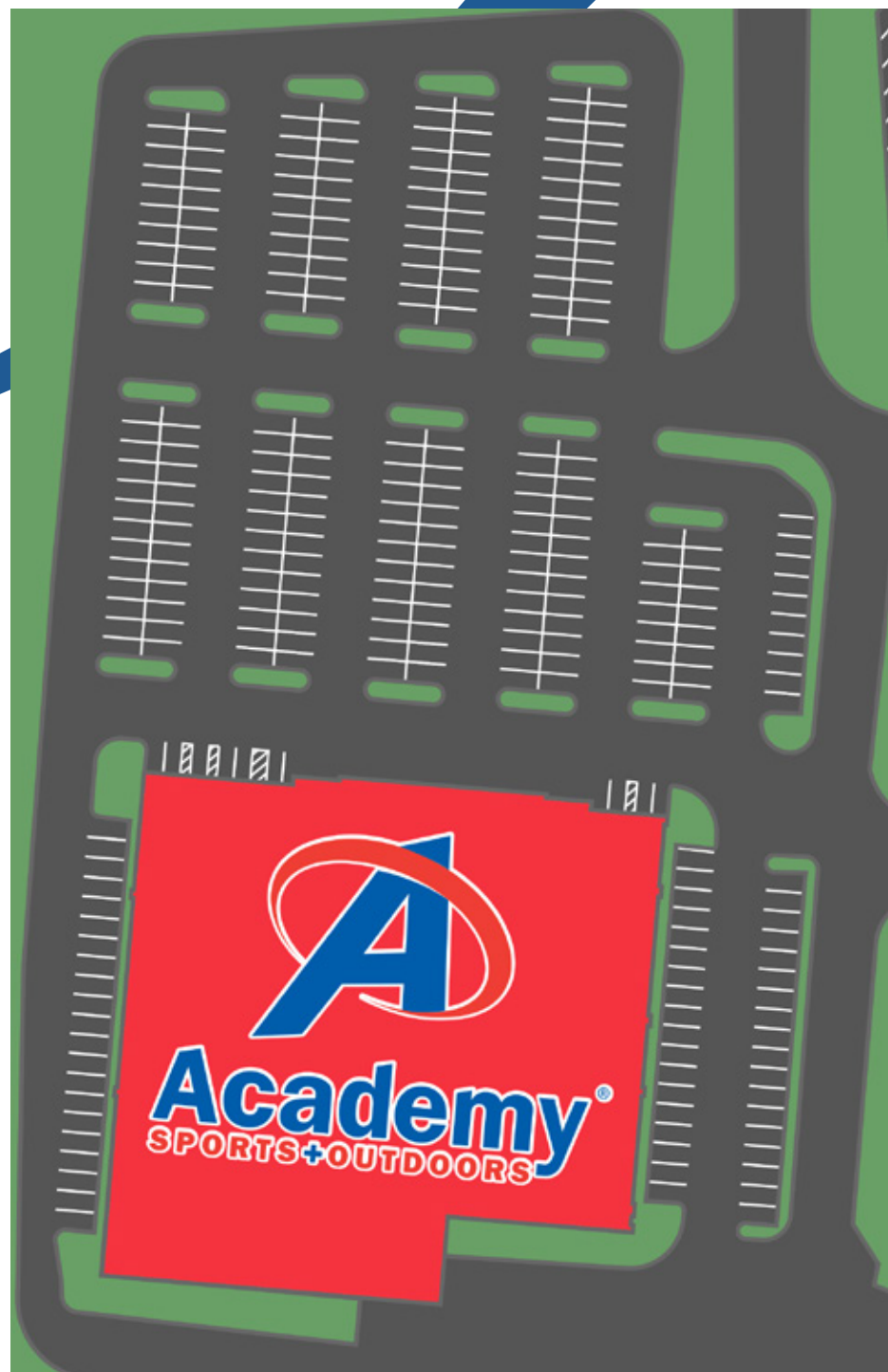
Parking Ratio

## PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	6,372	38,789	71,674
2018 Estimate	6,153	37,571	69,593
Growth 2018 - 2023	3.56%	3.24%	2.99%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	2,408	14,656	27,125
2018 Estimate	2,325	14,185	26,324
Growth 2018 - 2023	3.57%	3.32%	3.04%

INCOME	1-MILE	3-MILE	5-MILE
2018 Est. Average Household Income	\$57,198	\$71,455	\$74,455





# Tenant Profile



Private | Subsidiary of KKR & Co. Inc.  
[www.academy.com](http://www.academy.com)



± 250

# of Locations



± 23,000

# of Employees



**Houston, TX**

Headquarters



**1938**

Year Founded

\$4.9B+ IN REVENUE IN 2018





## OVERVIEW

Academy Sports & Outdoors offer a variety of apparel, footwear and equipment for various sports and outdoors activities. It is one of the largest sporting goods & outdoor retailers with an estimated eleven percent (11%) of market share. Academy stores carry a wide range of quality hunting, fishing and camping equipment, patio sets and barbecue grills, along with sports and recreation products. Customers enjoy an unparalleled shopping experience by the convenience and exceptional customer service Academy offers. As one of the leading full-line sporting goods and outdoor retail chains in the United States, with stores primarily in the South and Midwest, Academy Sports + Outdoors has grown substantially throughout the last several decades. The company was acquired by private equity firm Kohlberg Kravis Roberts & Co. L.P. ("KKR & Co. Inc.") in 2011. The company has made strategic investments in a proprietary merchandising platform, allowing for stores to be stocked with merchandise that meet local demand, thereby driving its continued success in new markets.

ONE OF THE LARGEST  
SPORTING GOODS &  
OUTDOOR RETAILERS





#2 CITY  
FOR HIGH  
PAYING JOBS  
AND LOW  
COST OF  
LIVING

## Market Area & Location

### KANSAS CITY, MISSOURI

The Kansas City region is one of the most dynamic metropolitan areas in the U.S. Located in the center of the country, or the “Heartland” as it’s called, the city is home to the world’s original open air shopping center (The Country Club Plaza), world champion professional baseball, football and soccer teams, a world class performing arts center that is home to the city’s symphony and ballet, award winning barbecue, art museums, jazz and more. With its core in Missouri, the metro straddles the border between Missouri and Kansas, making it a bi-state metropolitan area. Additionally, Kansas City is the 30th largest metro in the US, edging out Austin, Texas; Cleveland and Columbus, Ohio; and Indianapolis, Indiana.

Since the 2010 census, the metro’s population has seen a 6.1% increase, which is double the overall Midwest average growth of 3.0% over the same period. This population growth is due to the city’s low cost of living and optimal job market; Kansas City is ranked 2nd in the country for high-paying jobs and a low cost of living by CNBC. As of 2017, the metro has an unemployment rate of 3.2%, well below the national average of 3.9%. Kansas City’s strong population growth and stable economic base have made it a major target for investors.





## STRATEGIC LOCATION

Kansas City is the most geographically central major metropolitan area in the country and, with the rise in industrial demand and efficient distribution channels across the nation, Kansas City has become one of the most strategic markets in the country. The city offers 30% more interstate miles per capita and handles more rail traffic (in terms of tonnage) than any other city in the U.S. Additionally, the excellent transportation systems offer residents and visitors an efficient traffic flow and one of the shortest average commute times in the nation.



*The Country Club Plaza*



*Kauffman Stadium, Home of the KC Royals*

## #4 BEST CITY FOR STARTUPS IN THE U.S. - ENTREPRENEUR MAGAZINE

## SILICON PRAIRIE

Dubbed “The Silicon Prairie,” Kansas City is one of the fastest growing tech markets in the nation. Thanks in part to being the first market to provide the ultra high-speed Google fiber network, the city’s tech market has grown 42% from 2011-2016. Kansas City ranked in the top 15 in North America for growth in high-tech software/services jobs, ahead of several major markets including Los Angeles, Toronto, Boston, Atlanta, Dallas/Fort Worth, and Houston. The Kansas City region is home to global tech giants like Cerner Corporation (health care IT), Garmin Corporation (navigation technology), DST Systems (software technologies) and Sprint Corporation (telecommunications), as well as hundreds of other smaller firms.

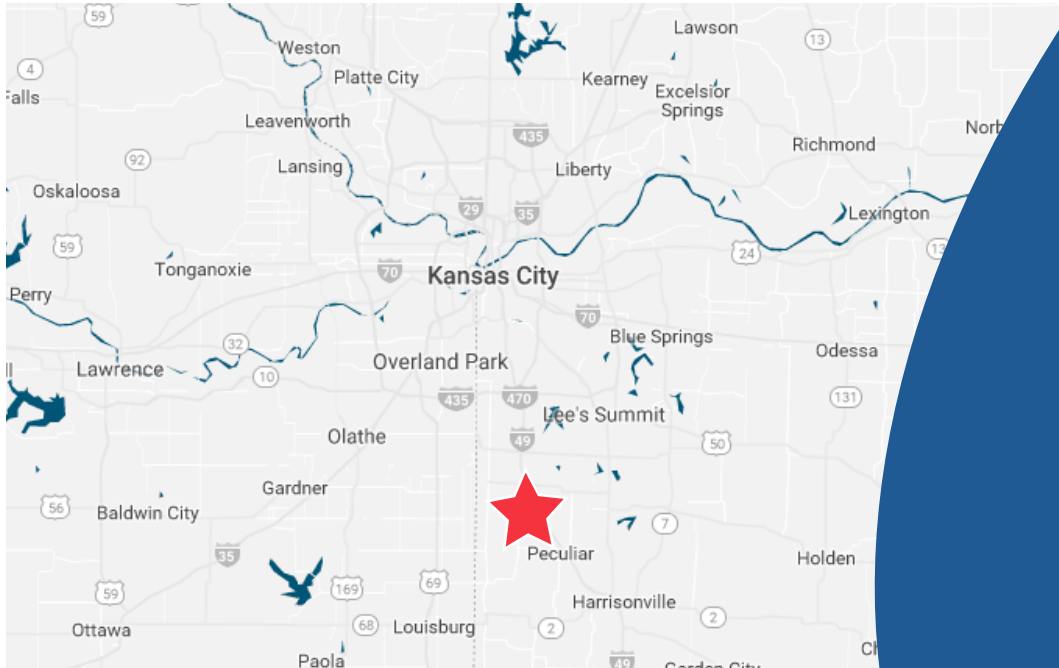


*Power & Light District*



## BELTON, MISSOURI

Just 20 miles south of downtown, Belton is fast becoming the business epicenter of southern Kansas City. Belton is the largest city in the fast-growing Cass County – the population is forecasted to increase 12% over the next 10 years compared to the overall state's 3.9% projected growth in the same period. Given the business-friendly government and growing population, Belton is experiencing a surge in both residential and commercial development.



## NATIONAL SECURITY CAMPUS

With more than 4,500 local employees, U.S. Department of Energy's 1.5 million square foot National Security Campus produces the non-nuclear components for the nation's nuclear stockpile. Operated by Honeywell, the team's support of the country's national security mission extends to other government agencies, as well as the defense, intelligence and homeland security communities. The facility also serves as Supply Chain Management Center for the Department of Energy, providing innovative sourcing services to save the Department and its contractors millions each year.





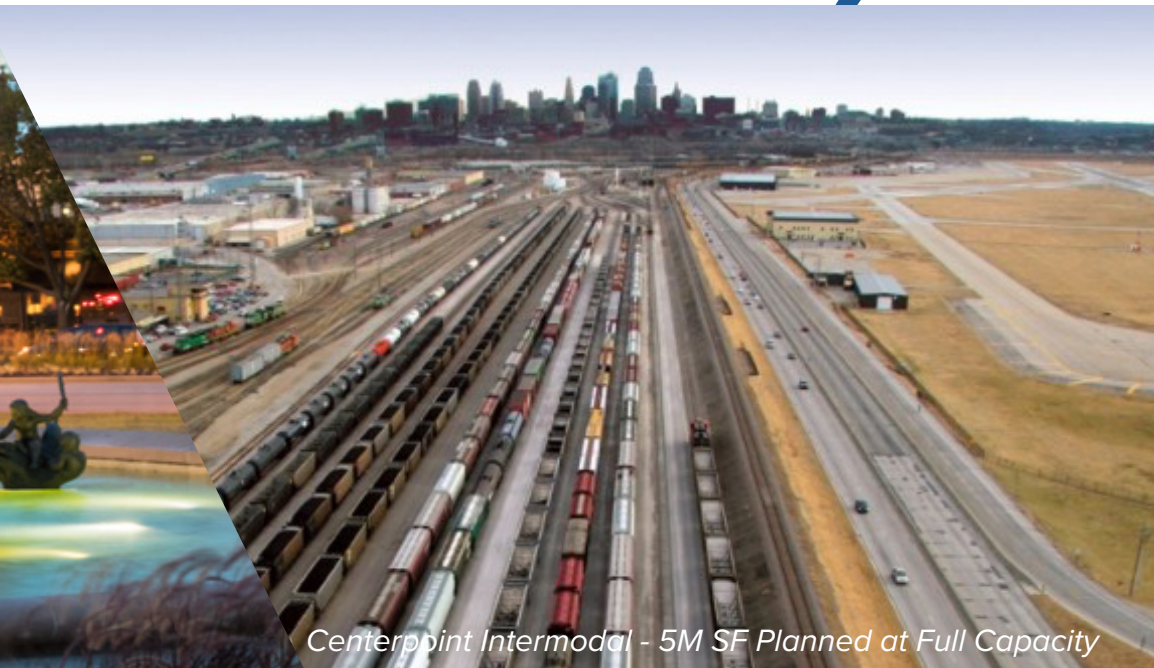


## CORNERSTONE POINTE

The 22-acre development at the corner of Interstate 49 and 163rd Street, just east of Belton Gateway, is master planned for 90,000 SF of retail and restaurant space. The first phase of the project is complete with the opening of the freestanding, 10,000 SF Cracker Barrel, located at the hard corner just off Interstate 49 and 163rd Street.

## CENTERPOINT-KCS INTERMODAL

Located northwest of the Subject Property and just west of Interstate 49, the 970-acre industrial park surrounding Kansas City Southern Railroad Intermodal consists of 1.4MSF completed with a total 5.0M SF planned at full capacity. This partnership provides unparalleled rail access to the deep-water Port of Lazaro Cardenas in Mexico, and the Panama Canal, and Gulf Coast seaports. The facility's central location and proximity to numerous east-west and north-south highways and interstates allows tenants to ship goods to 80 percent of the U.S. population within two days by truck. Current dedicated distribution centers within the development include Walmart and True Value Hardware.



*Centerpoint Intermodal - 5M SF Planned at Full Capacity*



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## CONFIDENTIALITY & DISCLAIMER STATEMENT

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Pegasus Investments and should not be made available to any other person or entity without the written consent of Pegasus Investments. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. Pegasus Investments has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition of the business prospects of any tenants, or any tenant's plans or intentions to continue its occupancy of the subject property.

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## ABOUT PEGASUS INVESTMENTS

Pegasus Investments Real Estate Advisory (“Pegasus Investments”) represents a broad range of clients, from institutional investment firms to developers, high net worth individuals, family trusts and partnerships in connection with the purchase & sale and leasing of high quality investment properties nationwide. Pegasus Investments is one of the foremost leading advisory firms within the single tenant and multi-tenant triple net leased retail property category having completed in excess of \$1 billion in volume since 2014.

Pegasus Investments offers a highly differentiated advisory platform given its ability to collaborate within a vertically integrated environment with Pegasus Capital Markets and Pegasus Asset Management to ensure a seamless transaction for all parties involved. The result is highly customized, creative, streamlined execution.



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## ABOUT PEGASUS

Pegasus is a boutique commercial real estate investment and advisory firm based in Los Angeles, California. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 30 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REITs, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent, which include experienced institutional and private sector investors.