

PAD TO Walmart  AND  Sam's Club



Black Bear Diner

NEW 10-YEAR CORPORATE LEASE • ABSOLUTE NNN • STRONG UNIT LEVEL SALES



In Association with TBOS, LLC DBA Location Commercial Real Estate | A Licensed Missouri Broker #2019019222

OFFERING MEMORANDUM
SAINT CHARLES, MISSOURI



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



Black Bear Diner

OFFERING MEMORANDUM

SAINT CHARLES, MISSOURI

TABLE OF CONTENTS:

Offering Summary	3
Investment Highlights	4
Site Plan / Parcel Map	6
Aerial Overview	8
Regional Map	12
Tenant Profile	13
Area Overview	14
Demographics	20

EXCLUSIVELY LISTED BY:

Jeff Lefko

Vice President
jlefk@higrea.com
844.585.7682

Bill Asher

Executive Vice President
basher@higrea.com
844.585.7684



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

OFFERING SUMMARY

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

LOCATION

Black Bear Diner
2865 Veterans Memorial Parkway
St. Charles, MO 63303

OFFERING SUMMARY

Price:	\$3,165,000
Current Net Operating Income (NOI):	\$190,000
Current Capitalization Rate:	6.00%
Year 6 Net Operating Income (NOI):	\$209,000
Year 6 Capitalization Rate:	6.60%
Net Rentable Area:	6,447
Year Built:	1993/R: 2018
Lot Size (Acres):	1.28

LEASE TERMS (1)

Lease Commencement:	7/24/2019
Lease Expiration:	7/31/2029
Lease Term:	10 Years
Lease Type:	Absolute NNN
Roof & Structure:	Tenant Responsibility
Monthly Rent:	\$15,833
Annual Rent:	\$190,000
Rental Increases:	10% Every 5 Years
Renewal Options:	Two 5-Year @ 10% Each Option

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



NOT A PART



INVESTMENT HIGHLIGHTS

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

- **Single-Tenant Black Bear Diner:**

- Brand new 10-year absolute NNN lease with 10% increases every 5 years
- Two 5-year options to renew at 10% increases
- Corporate guaranteed lease
- Black Bear Diner has 131 locations across 13 states and is on-track to open 20 new locations by the end of 2019
- #9 "Top 10 Fastest Growing Chains" – Nations Restaurant News (2018)
- Ranked among the "Smartest-Growing Brands in the U.S." – Franchise Times (2018)

- **Anchored by Sam's Club and a High Performing Walmart Supercenter:** Walmart expanded their existing location in 2017 due to an increase in store sales (\$90 million in 2018) and a long history of profitability

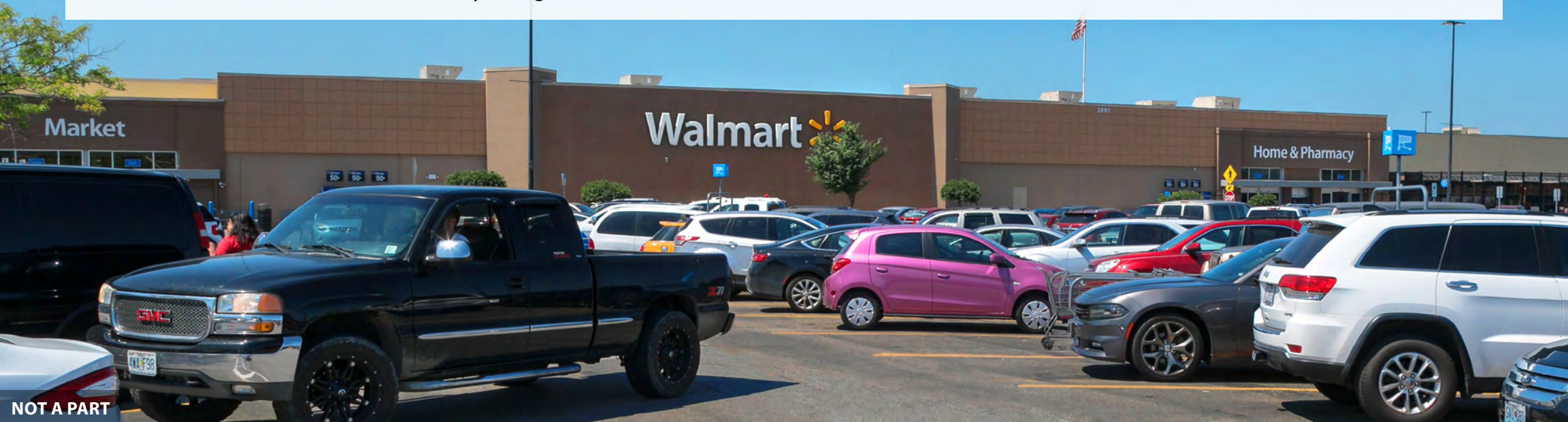
- **Strong Unit Level Performance:** The subject property was strategically purchased by corporate in 2019 speaking to the strength of the location (contact broker for more details)

- **Dominant Retail Destination:** Nearby retailers in the immediate vicinity include Lowe's, Dollar Tree, Family Dollar, Gold's Gym, Mattress Firm, Michaels, Panda Express, Petco, PetSmart, Schnucks, and Walgreens





- **Freeway Accessible:** The subject property fronts I-70, the primary east/west freeway for the St. Louis metropolitan area with over 107,000 cars per day
- **Strategically Located in the Heart of Saint Charles Near Major Regional Shopping and Tourist Destinations:**
 - *Lindenwood University (1-mile from the property)* – Private four-year liberal arts university; over 11,000 students and faculty
 - *The Streets of St. Charles (2.5 miles from the property)* – New 1 million square foot mixed-use development; regional shopping, dining, and entertainment destination for locals and tourists
 - *Riverpoint Development (2.5 miles from the property)* – Planned development of a 160-acre mixed-use retail and entertainment district
 - *Ameristar Casino & Resort (2.8 miles from the property)* – 130,000 square foot casino and four diamond resort; #1 gaming and entertainment destination in the St. Louis region, attracting over 10 million visitors annually
- **Dense, Affluent Demographics:** Over 140,000 people with average household incomes in excess of \$87,000 within a 5-mile radius
- **St. Louis MSA is One of the Largest MSAs in the United States:** Over 3 million residents
 - 16 Fortune 1,000 companies are headquartered in St. Louis
 - *Downtown St. Louis (20-minute drive from the property):* which includes Busch Stadium (home to the St. Louis Cardinals), the famous Gateway Arch, the St. Louis Convention Center, and the St. Louis Blues Museum
 - *Four Major Universities:* Washington University (15,000 students), St. Louis University (20,000 students), University of Missouri-St. Louis (21,000 students), and St. Louis Community College (35,000 students)



NOT A PART



SITE PLAN / PARCEL MAP

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



PARCEL PROPERTY

APN: 6-010D-6971-00-002D.0000000



SUBJECT PROPERTY



NOT A PART



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.




Regency Plaza
SURROUNDING TENANTS | NOT A PART



AERIAL OVERVIEW

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	15,538	\$71,276
3-Mile Radius	83,123	\$83,390
5-Mile Radius	140,897	\$87,529



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

AERIAL OVERVIEW

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



FREEWAY VISIBILITY

I-70 is a major east/west highway in the U.S., connecting St. Charles to St. Louis and many major U.S. cities



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

AERIAL OVERVIEW

BLACK BEAR DINER



AERIAL OVERVIEW

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

REGIONAL MAP

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

- 10-minute drive from subject property
- 74 nonstop destinations
- 15.6 million passengers per year



**30-Minute Drive to
Downtown St. Louis**



TENANT PROFILE

BLACK BEAR DINER



Black Bear Diner is a fast-growing, family-restaurant chain founded in 1995 in Mt. Shasta, California. The diner has grown substantially from its small-town roots in Northern California to 131 locations in 13 states. Much of the growth stems from the February 2016 private equity deal with PWP Growth Equity, a private-equity fund managed by Perella Weinberg Partners. At the time, the brand had 75 units. The diner opened 21 locations in 2017, 15 locations in 2018, and is on track to open 20 locations by year-end 2019. Franchise Times has called Black Bear Diner one of the “smartest-growing brands” in the country, and they were #9 on the “Top 10 Fastest Growing Chains” list by Nation’s Restaurant News in 2018.

The restaurant chain, founded by Bruce Dean and Bob Manley, owns and operates about a third of its units and is targeting 50-50 corporate-franchised unit growth in the near term. System-wide sales grew 22% in 2017 to \$251 million and 16% in 2018 to \$291.6 million. According to Nation’s Restaurant News, estimated sales per unit are \$2.6 million, which, within the Top 200 Family-Dining segment, trails only Golden Corral and Cracker Barrel Old Country Store.

Dinner is a solid daypart for Black Bear Diner, unlike many family-dining brands. Black Bear sales are 32% breakfast, 37% lunch and 31% dinner. The restaurant offers huge portions of quality, comfort food at reasonable prices in a relaxed, family-friendly atmosphere. Locations feature custom, bear-mottled murals done by acclaimed artists and show off a sweeping Mt. Shasta landscape. Black Bear Diner locations also feature signature bear sculptures. Each bear is a reflection of its unique location and the massive 12-foot carvings are a focal point of each restaurant.

- **#9 “Top 10 Fastest Growing Chains”** - Nation’s Restaurant News (2018)
- **#3 “Estimated Sales Per Unit, Unit Growth, and Sales Growth Among Family Chains”** - Nation’s Restaurant News (2018)

Company Type: Private
Locations: 131
Website: www.blackbeardiner.com



St. Charles, Missouri

- 3rd largest city in the St. Louis region; 3rd largest county in the state
 - 69,400 population; 399,182 in the county
- #1 fastest growing county in Missouri for over 3 decades
 - 4.1% projected population growth from 2018 - 2023
- Located 23 miles northwest of St. Louis; bordered by the Mississippi and Missouri Rivers; 35 miles west of Chicago

ECONOMY

- 6.88% of the state's \$7.5 billion economy is generated from the county
 - 3rd largest economy in the state
- \$80,700 average household income
- 2.6% unemployment rate (versus 3.5% in the state)
 - Lowest rate in the St. Louis region
- Diverse economic base includes defense and aerospace, manufacturing, healthcare, entertainment, technology, education, and logistics
 - **BH North America Corporation** - Relocated headquarters to the city in 2018
 - **Amazon Fulfillment Center** - 800,000 square foot facility under construction in the adjacent community of St. Peter
 - ◆ 1st Amazon fulfillment center in the state
 - ◆ 1,500 jobs added
- **Ameristar Casino and Resort** - 130,000 square foot casino and AAA Four Diamond resort
 - 10+ million visitors per year
 - #1 gaming and entertainment destination in the St. Louis region
 - \$54+ million in annual employment wages and \$11+ million in property taxes contributed to the city
- Main Street is the largest historic district in Missouri; 1+ million visitors per year
 - Oldest town on the Missouri River
- Streets of St. Charles is the destination for shopping, dining, and entertainment for the county
- Top employers in the city are Lindenwood University, Ameristar Casino, SSM St. Joseph Health Center, St. Charles County, Boeing, and St. Charles School District

St. Charles Highlights

\$80,700

**AVERAGE
HOUSEHOLD INCOME**

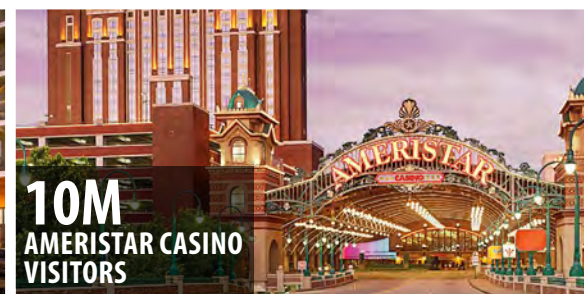
(\$60,300 STATE AHHI)

#1

**FASTEST GROWING COUNTY
FOR OVER 3 DECADES**
(4.1% PROJECTED GROWTH BY 2023)



**2.6% UNEMPLOYMENT RATE
VERSUS 3.5% IN THE STATE**
(LOWEST RATE IN THE ST. LOUIS REGION)



St. Charles, Missouri

- "Healthiest County" in Missouri for 10 consecutive years - Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute
- #32 "Best Places to Live in the U.S." – Money Magazine (2018)
- Known for its historic architecture; 5 districts and 11 buildings are protected by the National Historic Preservation Act

DEVELOPMENTS

- 3,600+ housing units permitted in the county since 2017 (as of June 2019)
- **Villages of Sandfort Farm** - \$100 million development; under construction
 - 253 homes, community pool, 3,900 square foot pool house, walking trails, and playground
- **Riverpoint** - 160-acre retail and entertainment district on Bangert Island; planned
 - Phase 1 expected to begin construction in 2020
 - ◆ \$15.8 million, 22-acre mixed-use development
 - Expected to create 4,000 new jobs
 - Projected to have a \$1.5 billion economic impact to the regional economy
- **St. Louis Legacy Ice Foundation** - \$70 million, 277,000 square foot ice complex with four rinks; under construction

- **Streets of St. Charles** - 1 million square foot mixed-use development; completed 2019
 - 300+ luxury residential units, 2 national hotels, and over 80,000 square feet of office space
 - Three phases of development opened in various stages since 2012
 - Elekta, a medical device company, opened in 2019; 40,000 square feet; 100 employees
- **Boeing Co.** - \$70 million missile and munitions plant expansion; planned

EDUCATION

- **Lindenwood University** - A four-year private liberal arts university in the heart of the city
 - #4 "Private university in Missouri and Kansas" - Ingram's (2019)
 - ◆ Based on post-graduate enrollment (2,862 graduate students in 2018)
 - \$328 million annual economic impact; 711 employees
 - 10,000 students; 131 degree programs

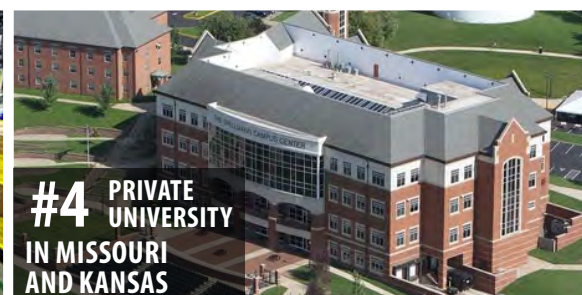
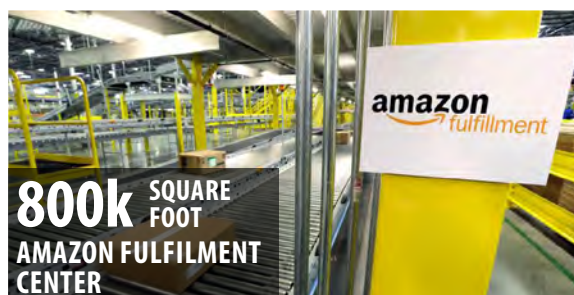
St. Charles Highlights

\$100M
VILLAGES OF SANDFORT FARM DEVELOPMENT

#1
OLDEST TOWN ON THE MISSOURI RIVER



"TOP 50 BEST PLACES TO LIVE IN THE U.S."





St. Louis, Missouri

- 12th largest city in the Midwest; located on the western side of the Mississippi River
 - 316,500 population in the city
 - 2nd largest city in Missouri
 - Home of the iconic 630 foot Gateway Arch, the tallest arch in the world
- 21st largest metropolitan area
 - Nearly 3 million residents in the metropolitan area
 - Houses Franklin County, Jefferson County, Lincoln County, and Charles County
 - \$175.5 billion GMP (gross metropolitan product) for the MSA

ECONOMY

- Midwestern hub of entertainment, business, biotech, and commerce
 - #2 "Top Rising City for Startups" - Forbes (2018)
 - 3.5% unemployment rate
 - Houses 1,183 plant and life science companies, creating 79,000 jobs and \$10.5 billion in annual economic impact
- Home to 16 Fortune 1000 companies
 - Express Scripts (100B revenue), Centene (48.4B revenue), Emerson Electric (16.3B revenue)
- Health care and social services, education, manufacturing, and retail trade industries have traditionally dominated the region's economic landscape
 - Recently, the city's population has been gaining younger families and adding more technology sector jobs; over 140,000 technology workers in the region



3
MILLION

**RESIDENTS IN THE
METROPOLITAN AREA**



**#2 "TOP RISING CITY FOR
STARTUPS" - FORBES (2018)**



**HOME TO 16 FORTUNE
1000 COMPANIES**

\$175.5
BILLION

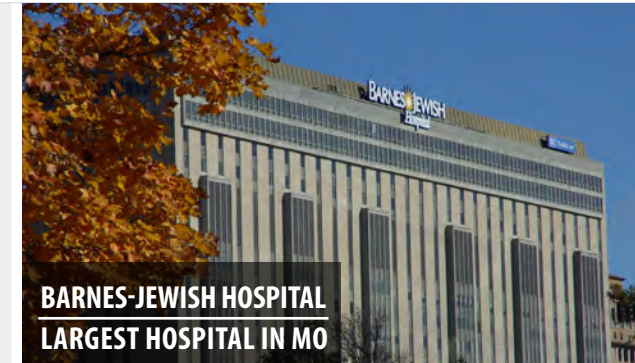
**GMP (GROSS METROPOLITAN
PRODUCT) FOR THE MSA**



- Home to top tier medical facilities and it's one of the most medically influential cities in the country
 - **Barnes-Jewish Hospital** - One of the nation's largest and top-ranked healthcare organizations; largest hospital in Missouri
 - **St. Louis Children's Hospital** - One of the country's top pediatric hospitals
 - Both are owned and operated by BJC HealthCare, the city's top employer (31,500 employees); \$5.3B revenue
- #6 "Most Competitive Housing Markets" - LendingTree (2019)
 - One of the "Top 10" cities located outside the Western U.S.

COMMERCIAL & MIXED-USE DEVELOPMENT PROJECTS

- **Cortex Innovation Community** - \$2.3 billion, 200-acre innovation hub and technology district
 - Midwest's premiere hub of bioscience and technology research, development, and commercialization
 - 1.7 million square feet totaling over \$550 million of investment, completed since 2012
 - 4,200 technology related jobs added since 2012; 15,000 jobs expected upon completion
 - The project is predominantly a business park but also includes residential, retail, green space, and a new MetroLink station
 - New Cortex MetroLink station opened August 2018; first one built in over a decade
 - **Microsoft Technology Center** - \$50 million regional headquarters; 300 jobs; opened September 2018
 - **Aloft Hotel** - \$25million, 129-room hotel; under construction; Fall 2019 expected completion
 - **Cortex Garage** - \$12 million, 5-story garage; under construction; Summer 2019 expected completion
- **The City Foundry** - \$230 million, 10-acre, mixed-use entertainment district in Midtown that is anchored by a 48,000 square foot food hall; expected completion Spring 2020
 - Entertainment anchors include Alamo Drafthouse Cinema, Punch Bowl Social, and Fassler Hall
 - A pedestrian-only street, used for events, art fairs, concerts, and farmers' market, will run through the complex, and a new bike path will connect the site to other neighborhoods



\$2.3
BILLION

**200-ACRE INNOVATION HUB AND
TECHNOLOGY DISTRICT**



**4,200 TECHNOLOGY-RELATED
JOBS ADDED SINCE 2012**



**\$50 MILLION MICROSOFT REGIONAL
HEADQUARTERS OPENED IN 2018**

\$230
MILLION

**10-ACRE ENTERTAINMENT
DISTRICT IN MIDTOWN**



- **The Armory District** - \$83.4 million, 7-acre mixed-use development project surrounding the Old Armory Building in Midtown; 2020 expected completion
 - The Armory will be transformed into a \$47.1 million, 3-story office facility with floating conference rooms and green space rooftop
 - District is expected to house 700 new jobs upon completion
 - Connects to Midtown by the planned Chouteau Greenway, a 15-mile pedestrian bike trail
 - The Armory, along with City Foundry, is expected to drive the St. Louis city office submarket
- **National Geospatial-Intelligence Agency (NGA)** - 2nd major location for the NGA Agency
 - \$1.75 billion facility beginning construction in 2019-2020
 - 3,100 jobs; additional 1,500 new construction jobs will be created

EDUCATION

- Nearly 40 colleges, universities, and technical schools occupy the region; some of the largest being Washington University in St. Louis, Saint Louis University, and University of Missouri, St. Louis
- **St. Louis University** - #2 "Best College in Missouri" - Niche (2019)
 - 12,700 students; \$1.2 billion endowment fund
- **Washington University** - #1 "Best College in Missouri" - Niche (2019)
 - #19 "Top National University" - U.S. News Report (2019); 15,400 students
 - \$2.5 billion of direct contributions to the St. Louis economy
 - 3rd largest employer in the St. Louis region; 16,500 employees; supports 46,000 jobs in MSA; \$2.5 billion economic impact
 - \$300 million invested to revitalize its medical campus which also houses the Barnes-Jewish Hospital, St. Louis Children's Hospital, and the Washington University's School of Medicine; 2020 expected completion



\$47.1
MILLION

**3-STORY OFFICE FACILITY WITH
FLOATING CONFERENCE ROOMS AND
GREEN SPACE ROOFTOP**



**ENTERTAINMENT ANCHORS INCLUDE
ALAMO DRAFTHOUSE CINEMA AND
PUNCH BOWL SOCIAL**



**THE ARMORY DISTRICT IS
EXPECTED TO HOUSE 700 NEW
JOBS UPON COMPLETION**

\$1.75
BILLION

**NGA FACILITY BEGINNING
CONSTRUCTION IN 2019-2020**



TOURISM AND ENTERTAINMENT

- Regional and national center for conventions and tourism; hosts more than 25.9 million visitors who spend around \$5.38 billion each year
 - \$1 billion local, state, and federal taxes are generated by tourism annually
 - Offers more free major attractions than any place outside of the nation's capital, including the St. Louis Zoo, St. Louis Art Museum, St. Louis Science Center, and Missouri History Museum
 - Midtown is home to some of St. Louis' most popular attractions and neighborhoods including Forest Park, Grand Center, and the St. Louis Symphony Orchestra
 - Travel and tourism ranks among the top 6 industries in St. Louis City
- **Busch Stadium** - Home of the St. Louis Cardinals, the city's Major League Baseball (MLB) franchise
 - Seating capacity of 46,700; 3,706 club seats; 61 luxury suites
 - The Cardinals attract over 3 million fans to Busch Stadium each season
 - \$300 million economic impact

TRANSPORTATION

- **St. Louis Lambert International Airport** - 15 minutes from downtown; 74 nonstop destinations
 - 15.6 million passengers in 2018; 5.9% growth from 2017
 - FedEx and UPS have regional operations near the airport
- **The Port of St. Louis** - 3rd largest inland port by tons carried in the U.S.; handles 35 million tons of freight annually
 - Within 500 miles of 75% of the total U.S. population; supports thousands of jobs in the region



\$2.5
BILLION

DIRECT CONTRIBUTIONS FROM
WASHINGTON UNIVERSITY TO THE
ST. LOUIS ECONOMY



OFFERS MORE FREE MAJOR
ATTRACTIONS THAN ANY PLACE
OUTSIDE OF THE NATION'S CAPITAL



MIDTOWN IS HOME TO
SOME OF ST. LOUIS' MOST
POPULAR ATTRACTIONS

\$300
MILLION

INVESTED TO REVITALIZE
WASHINGTON UNIVERSITY'S
MEDICAL CAMPUS



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2023 Projection	15,961	85,606	145,496
2018 Estimate	15,538	83,123	140,897
2010 Census	14,911	79,532	134,152
2000 Census	14,021	76,872	128,976
Growth 2000-2010	6.35%	3.46%	4.01%
Growth 2010-2018	4.20%	4.52%	5.03%
Growth 2018-2023	2.72%	2.99%	3.26%
Households			
2023 Projection	6,472	35,692	59,881
2018 Estimate	6,132	34,067	57,010
2010 Census	5,814	32,346	53,863
2000 Census	5,305	30,389	49,067
Growth 2000-2010	9.59%	6.44%	9.77%
Growth 2010-2018	5.47%	5.32%	5.84%
Growth 2018-2023	5.54%	4.77%	5.04%
2018 Est. Population by Single-Classification Race			
White Alone	12,636	70,896	123,144
Black or African American Alone	1,406	5,594	8,130
American Indian and Alaska Native Alone	40	208	296
Asian Alone	402	2,618	3,762
Native Hawaiian and Other Pacific Islander Alone	25	58	85
Some Other Race Alone	521	1,662	2,142
Two or More Races	489	2,004	3,179
2018 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	1,239	4,161	5,759
Not Hispanic or Latino	14,299	78,962	135,138
2018 Est. Average Household Income	\$71,276	\$83,390	\$87,529

CONFIDENTIALITY AGREEMENT

BLACK BEAR DINER



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

EXCLUSIVELY LISTED BY:

Jeff Lefko

Vice President
jlefkohigrea.com
844.585.7682

Bill Asher

Executive Vice President
basherhigrea.com
844.585.7684

In Association with TBOS, LLC DBA Location Commercial Real Estate | A Licensed Missouri Broker #2019019222



\$6+ BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



TOP BROKERAGE GLOBALLY
in investment sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.