



OFFERING MEMORANDUM



Academy Sports + Outdoors

Georgetown, TX | Austin MSA

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

www.preservewestcapital.com



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Disclaimer

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.

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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.

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PROPERTY HIGHLIGHTS



Property Highlights

- New 15-Year Net Lease to Academy Sports + Outdoors
 - Sustainable Rent PSF at \$9.85 PSF
 - Scheduled \$0.50 PSF Rental Escalations Every 5 Years
 - High Sales Per Unit Operator
- Brand New 2019 Construction
- Excellent Access and Visibility at Heavily Trafficked Signalized Intersection
 - Adjacent to I-35 Junction (108,526 AADT)
- Robust, Rapidly Growing Demographics within 1 Mile of Site
 - Annual Rate of 6.78%
 - Average Household Income of \$141,598
 - 54.5% of Households Earn \$100,000+ Annually
- Substantial Development Activity Surrounding Site
 - Adjacent to Wolf Ranch Master-Planned Community – 2,600+ New Homes
- Located within Growing Shopping Center in Expanding Retail Corridor
 - Nearby Anchor Tenants include Walmart Supercenter, Target, H-E-B, Walgreens, & More
- One Mile From Southwestern University – Student Body of 1,600+
- Less than 30 Miles from Downtown Austin



Location

The property is located at 1310 West University Avenue in Georgetown, Texas.

Lot Size

Approximately 5.212 acres or 227,058 square feet.

Improvements

Construction completed in September 2019 of an approximately 62,917 square foot retail building for **Academy Sports + Outdoors**.

Lease

Leased to **Academy Ltd.** for 15 years from estimated rent commencement in October 2019 through October 2034 at an initial annual rent of \$619,732*. There are three (3) five-year options to renew the lease. Rent is to increase by \$0.50 per square foot every five years in the primary term and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance, including maintenance of common areas within the tenant's parcel but excluding roof and structural elements.

*Final rent subject to adjustment based on final building square footage.

Parking

There is ample parking available on site.

PRICE

\$9,181,000

6.75% CAP Rate

Net Annual Income*

Year	Annual Rent	Annual Rent PSF	Return
1-5	\$619,732	\$9.85	6.75%
6-10	\$651,191	\$10.35	7.09%
11-15	\$682,649	\$10.85	7.44%
16-20 (Option 1)	\$714,108	\$11.35	7.78%
21-25 (Option 2)	\$745,566	\$11.85	8.12%
26-30 (Option 3)	\$777,025	\$12.35	8.46%

*Final rent subject to adjustment based on final building square footage.

Financing

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



Academy is projected to do \$22 million in annual sales at this site.

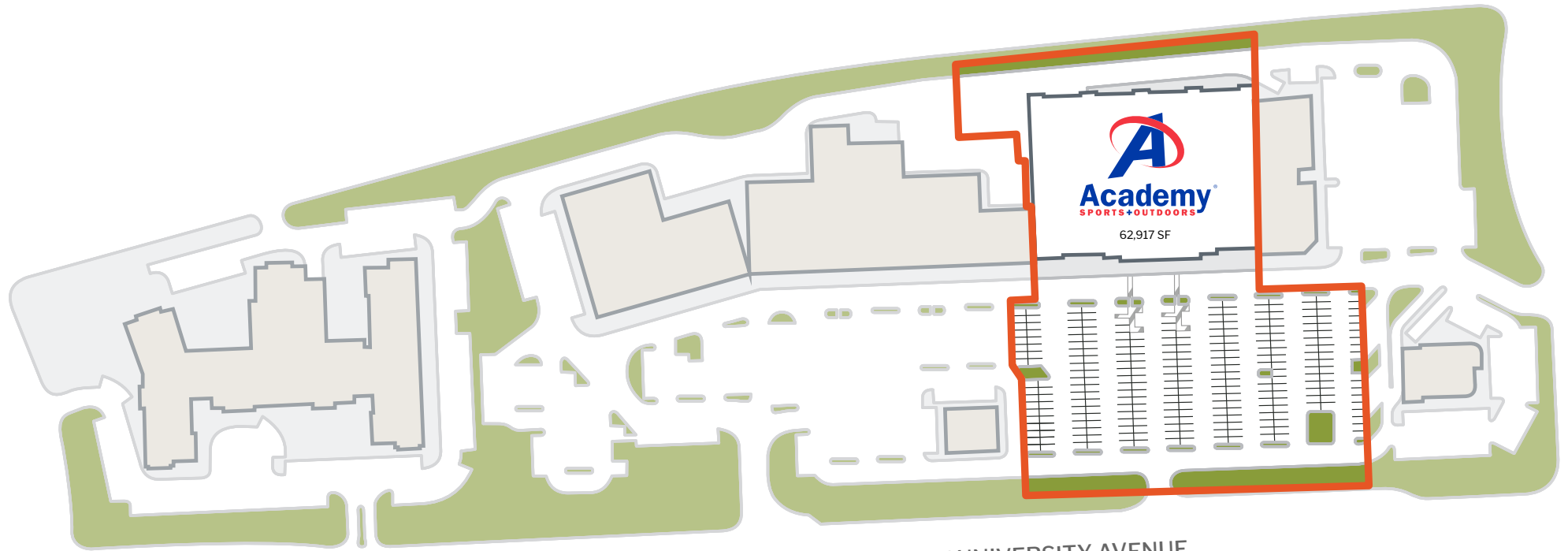


Academy Sports + Outdoors is a privately owned retailer of discount sporting goods. Their stores carry a wide variety of name-brand equipment, clothing, and shoes for competitive sports, physical fitness training, and outdoor recreational activities such as hunting, fishing, camping, and boating, and provide services including scope mounting, bore sighting, line winding/spooling, propane exchange, golf club trade-in, CO2 refills, racquet stringing, and the ability to purchase hunting and fishing licenses. The company operates more than 240 stores in 16 states throughout the South, Southeast, and Midwest, and has been operating for more than 40 years from its headquarters in Katy, Texas. Academy Sports + Outdoors experienced revenue of \$4.7 billion in 2016, and employs more than 23,000 at its locations nationwide. Though Moody's downgraded the company's credit rating from B3 to B2 in September of 2017, the company slowed their store expansion plans to focus on sales growth and moved away from a leveraged growth model, using cash flow to fuel growth instead. While recent balance sheets reflect a high proportion of goodwill and other intangible assets relative to current assets, the company's strong per-unit sales of nearly \$17.5 million per location annually and shift away from a debt-financed expansion strategy reflect the company's viability in the long term.

In 2011, the company was acquired by the global investment firm KKR (NYSE: KKR). For the 2018 fiscal year, KKR reported revenue of \$4.2 billion, net income of \$1.1 billion, and \$8.2 billion in total stockholder equity.

Additional financial information will be provided to qualified buyers.

SITE PLAN



W UNIVERSITY AVENUE

PROGRESS PHOTO

9-21-2019



AERIAL

SOUTH VIEW

GEORGETOWN
MUNICIPAL AIRPORT



GEORGETOWN
HIGH SCHOOL

GEORGETOWN
COMMUNITY &
RECREATION CENTER

MCMASTER
ATHLETIC
COMPLEX



SOUTHWESTERN
UNIVERSITY



WOLF LAKES
VILLAGE
Planned 164-Acre
Development



Wolf Ranch Pkwy

WOLF RANCH
New Homes

BLUEBONNET PLAZA - COMING SOON



WOLF CROSSING - COMING SOON



(108,526 AADT)



HILLSTONE
AT WOLF RANCH

RETREAT
AT WOLF RANCH

WOLF RANCH TOWN CENTER

29
TEXAS



TARGET

Office DEPOT

OLD NAVY



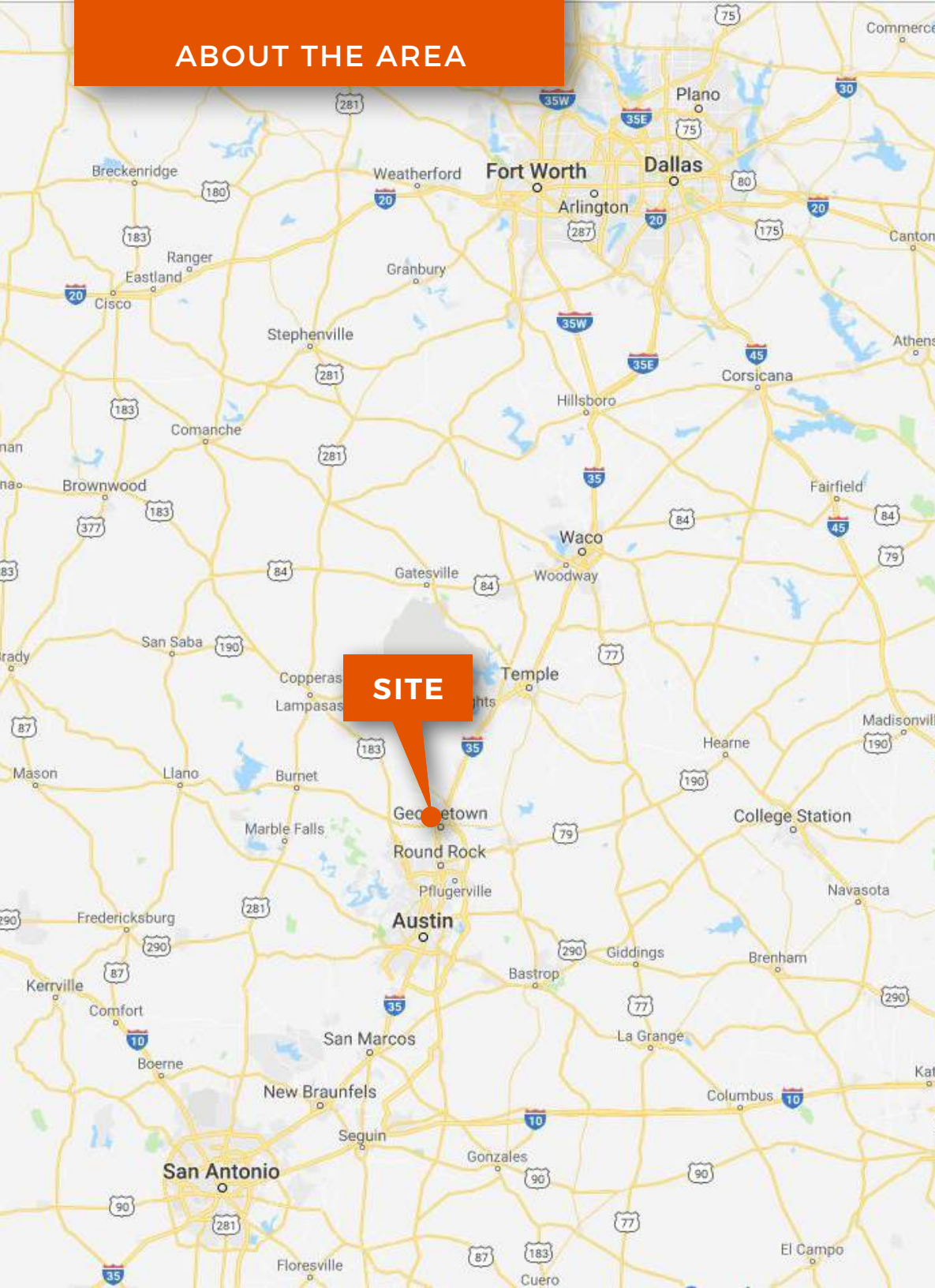
CVS/pharmacy RACK ROOM SHOES

GOLD'S GYM

FIVE GUYS

CHASE

ABOUT THE AREA

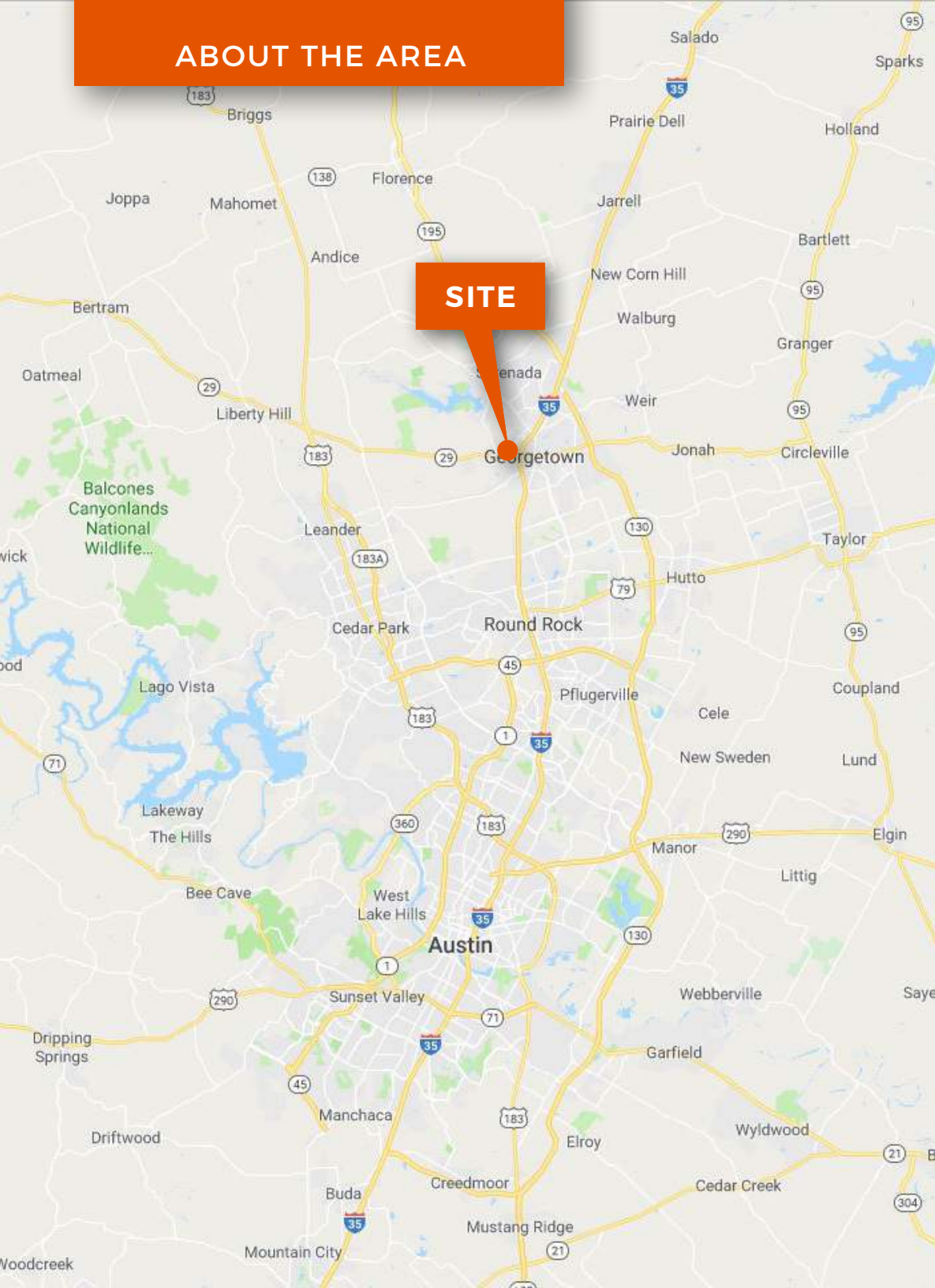


General Overview

Georgetown, Texas (population 70,096) is a city in and the seat of Williamson County. Located 27 miles north of Austin and 8 miles north of Round Rock, the city has experienced strong and consistent growth and was the fastest growing city of its size in 2015. The city's economy has expanded along with its population, adding an average of 650 new jobs annually since 2010. Georgetown is part of the Austin-Round Rock Metropolitan Statistical Area, with a population of more than 2 million and the 16th largest GDP per capita in the U.S. The city benefits from its location off of Interstate 35, a major arterial running through the center of the city linking Georgetown to Round Rock, Austin, Temple, Waco, and San Antonio. The city also benefits from frontage along Highway 130, which provides regional access to Killeen and Fort Hood. The city boasts numerous historic buildings and three national register historic districts; it was the first city in Texas to be named a national Main Street City as a result of its successful restorations of historic buildings throughout the city. The city is also the first in the state to operate entirely on renewable energy through their municipally owned utilities.

Major developments in Georgetown include Wolf Ranch Town Center, a 665,000 square foot open air regional power center with multiple prominent national anchor tenants, completed in 2007. Construction is currently underway on the nearby, 755-acre master-planned Wolf Ranch residential project, which will include 2,600 homes upon completion. The city is also home to Sun City Texas, a 5,300 acre age-restricted community that currently houses more than 11,500 residents and has continued to expand since its original construction in the late 1990s.

ABOUT THE AREA



Site Overview

The subject property is prominently situated with excellent access and visibility at the signalized intersection of Wolf Ranch Parkway and West University Avenue/Highway 29 (25,059 AADT) near its junction with I-35 (108,526 AADT). The site benefits from robust, rapidly-growing demographics with a population of 70,096 within a 5 mile radius and a projected annual rate of 6.78% within 1 mile of the site. Average household income within a 1 mile radius exceeds \$141,590, with 54.5% of households in that radius earning more than \$100,000 annually.

The property is prominently situated within the new Bluebonnet Plaza Shopping Center adjacent to major shopping centers, retail tenants, and development projects; other national tenants are to come to the shopping center, offering robust co-tenancy. The property is located adjacent to Wolf Ranch Town Center, a Target-anchored center with additional tenants including TJ Maxx, Michael's, PetSmart, Best Buy, Gold's Gym, and more. Other major retail tenants in the surrounding area include Walmart Supercenter, H-E-B, Walgreens, Hobby Lobby, Tractor Supply Company, Tuesday Morning, Bealls, Home Depot, and more. In addition, the site is located just two miles from Southwestern University, with a student body of more than 1,500.

Development activity in the surrounding area is substantial: the site neighbors the Wolf Ranch master-planned residential project, a \$1.1 billion, 1,120-acre project slated to include approximately 2,600 new single-family homes as well as multi-family residential and commercial space. Other major projects include Wolf Lakes Village, a 164-acre mixed-use commercial and residential project featuring retail and office uses.

DEMOGRAPHICS



1310 W University Ave | Georgetown, TX 78628



2019 POPULATION
70,096



AVERAGE HOME VALUE
\$367,472



AVG. HOUSEHOLD INCOME
\$141,598

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	2,091	27,016	49,414
2019 Total Population	3,364	36,016	70,096
2024 Total Population	4,669	42,021	83,485
2019-2024 Annual Rate	6.78%	3.13%	3.56%

Average Household Income

2019	\$141,598	\$89,385	\$104,008
2024	\$147,117	\$100,281	\$114,491

Average Home Value

2019	\$367,472	\$293,100	\$297,193
2024	\$421,506	\$338,024	\$333,115

Major Employers in Georgetown

of Employees

Williamson County Government	1,795
Georgetown Independent School District	1,543
City of Georgetown	870
Airborn, Inc.	600
St. David's Hospital	500
Wesleyan Homes	470
Southwestern University	450
Caring Home Health	310
Rock Springs Hospital	218
Lone Star Circle of Care	201



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