

# BRAND NEW CONSTRUCTION

Single Tenant NNN Investment Opportunity  
Grand Opening December 2020

sleep  number

Adjacent to Mercy Hospital - Fort Smith  
(NASDAQ: SNBR)



6609 Rogers Avenue

**FORT SMITH** ARKANSAS

REPRESENTATIVE PHOTO

 **SRS** | NATIONAL  
NET LEASE  
GROUP

## EXCLUSIVELY PRESENTED BY



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# INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an a NNN, corporate guaranteed, freestanding, Sleep Number investment property located in Fort Smith, Arkansas. The tenant, Select Comfort Retail Corporation, recently executed a brand new 10-year lease with 2 (5-year) options to extend, demonstrating their commitment to the site. The lease features a 10% rental increase in year 6 of the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is corporate guaranteed and is NNN with landlord responsibilities limited to roof and structure, making it an ideal, low-management investment opportunity for a passive investor. Sleep Number was ranked the number one bedding retailer in the United States by Furniture Today, with 550 company-owned stores and a reported revenue of \$242M in 2019. The retailer paid rent during the COVID-19 crisis and since a March \$16 low, the stock has rebounded 189% and as of 8/1/2020 currently sites at \$45 per share.

Sleep Number is located along Rogers Avenue/State Highway 22, a major retail and commuter thoroughfare with 43,000 vehicles passing by daily. The property is equipped with a large pylon sign, creating excellent visibility along Rogers Avenue. The asset benefits from nearby direct on/off ramp access to Interstate 540 (56,000 VPD), the primary north/south freeway traveling throughout Fort Smith. Sleep Number is ideally situated adjacent to Mercy Hospital Fort Smith, a 336-bed acute care hospital with more than a 100-year history of providing care to the residents of Fort Worth. The hospital was named a 2017 Consumer Choice Award Winner by the National Research Corp. for the 13<sup>th</sup> year in a row and earned a four-star rating in 2020 by The Center for Medicine & Medicaid Services. The subject property is located just 1.25 miles east of Central Mall, a 410,800 SF shopping center anchored by Dillard's. Central Mall is the regions largest retail center, featuring more than 100 retail, dining, and entertainment options. In addition, Sleep Number is strategically positioned within close proximity to Walmart Supercenter and Lowe's Home Improvement, significantly increasing consumer draw to the immediate trade area and promoting crossover store exposure for the site. Other nearby national/credit tenants include The Home Depot, Target, Sam's Club, Walmart Neighborhood Market, Burlington, Petco, Michaels, and more. Moreover, the asset is surrounded by several apartment complexes including Three Corners (118 units), Addison Place (75 units), and Woodcrest Park (152 units), providing the store with a direct residential consumer base from which to draw. The 5-mile trade area is supported by nearly 90,000 residents and 67,000 daytime employees. Residents with 1 mile of the subject property feature an average household income of \$75,000.



# OFFERING SUMMARY



## OFFERING

<b>Pricing</b>	\$2,308,000
<b>Net Operating Income</b>	\$150,000
<b>Cap Rate</b>	6.50%
<b>Guaranty</b>	Corporate
<b>Tenant</b>	Select Comfort Retail Corporation
<b>Lease Type</b>	NNN
<b>Landlord Responsibilities</b>	Roof and Structure

## PROPERTY SPECIFICATIONS

<b>Rentable Area</b>	3,000 SF
<b>Land Area</b>	0.58 Acres
<b>Property Address</b>	6609 Rogers Avenue, Fort Smith, AR 72903
<b>Year Built</b>	2020 (Grand Opening December 2020)
<b>Parcel Number</b>	18883-0000-01300-01
<b>Ownership</b>	Fee Simple (Land & Building)



## **Brand New 10-Year Lease | Corporate Guaranteed | Scheduled Rental Increases | Latest Prototype**

- Corporate guaranteed by Select Comfort Retail Corporation
- The Tenant recently executed a brand new 10-year lease with 2 (5-year) options to extend, demonstrating their commitment to the site
- The lease features a 10% rental increase in year 6 of the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- Construction is scheduled to be completed December 2020, featuring Sleep Number's most recent prototype
- Ranked the number one bedding retailer in the U.S. by Furniture Today, with 550 company-owned stores and a reported revenue of \$242M in 2019

## **NNN Leased | Fee Simple Ownership | Limited Landlord Responsibilities**

- Tenant pays for CAM, taxes, and insurance
- Landlord responsibilities limited to roof and structure
- Ideal, low-management investment for a passive investor

## **Located Along Rogers Ave. | Quick Access to Interstate 540 | Excellent Visibility & Access**

- Located along Rogers Avenue/State Highway 22, a major retail and commuter thoroughfare with 43,000 vehicles passing by daily
- Nearby direct on/off ramp access to Interstate 540 (56,000 VPD), the primary north/south freeway traveling throughout Fort Smith
- The property is equipped with a large pylon sign, creating excellent visibility along Rogers Avenue
- Multiple points of ingress/egress, providing ease and convenience for customers

## **Situated Adjacent to Mercy Hospital Fort Smith (336 Beds) | Central Mall | Strong National/Credit Tenant Presence**

- Situated adjacent to Mercy Hospital Fort Smith, a 336-bed acute care hospital with more than a 100-year history of providing care to Fort Worth
- The hospital was named a 2017 Consumer Choice Award Winner by the National Research Corp. for the 13<sup>th</sup> year in a row and earned a four-star rating in 2020 by The Center for Medicine & Medicaid Services
- Located just 1.25 miles east of Central Mall, a 410,800 SF shopping center anchored by Dillard's and JCPenney
- Central Mall is the regions largest retail center, featuring more than 100 retail, dining, and entertainment options
- Strategically positioned within close proximity to Walmart Supercenter and Lowe's Home Improvement, significantly increasing consumer draw to the immediate trade area and promoting crossover store exposure for the site
- Other nearby national/credit tenants include The Home Depot, Target, Sam's Club, Walmart Neighborhood Market, Burlington, Petco, Michaels, and more

## **Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area**

- Nearby apartment complexes include Three Corners (118 units), Addison Place (75 units), and Woodcrest Park (152 units), providing the store with a direct residential consumer base from which to draw
- Nearly 90,000 residents and 67,000 employees support the 5-mile trade area
- Residents with 1 mile of the subject property feature an average household income of \$75,000

# PROPERTY OVERVIEW



## Location

Fort Smith, AR  
Sebastian County



## Parking

There are approximately 27 parking spaces on the owned parcel.  
The parking ratio is approximately 9.00 stalls per 1,000 SF of leasable area.



## Access

**2 Access Points:** Rogers Avenue/State Hwy 22



## Parcel

**Parcel Number:** 18883-0000-01300-01  
**Acres:** 0.58  
**Square Feet:** 25,265



## Traffic Counts

**Rogers Avenue/State Highway 22:**  
43,000 Vehicles Per Day  
**Interstate 540/U.S. Highway 71:**  
56,000 Vehicles Per Day



## Construction

**Year Built:** 2020 (Grand Opening Dec. 2020)



## Improvements

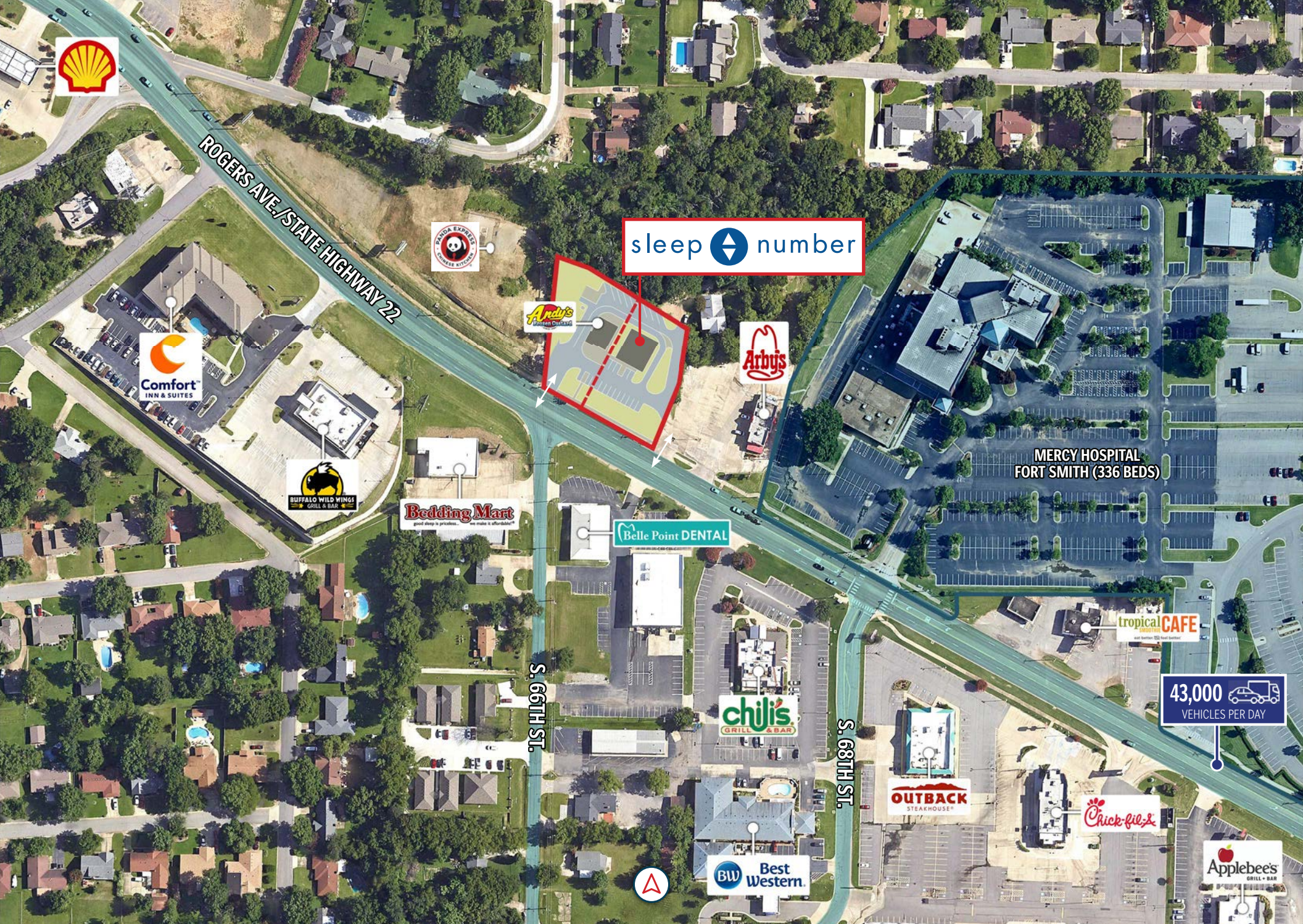
There is approximately 3,000 SF of existing building area



## Zoning

C-5: Commercial Heavy





sleep  number

MERCY HOSPITAL  
FORT SMITH (336 BEDS)

43,000   
VEHICLES PER DAY



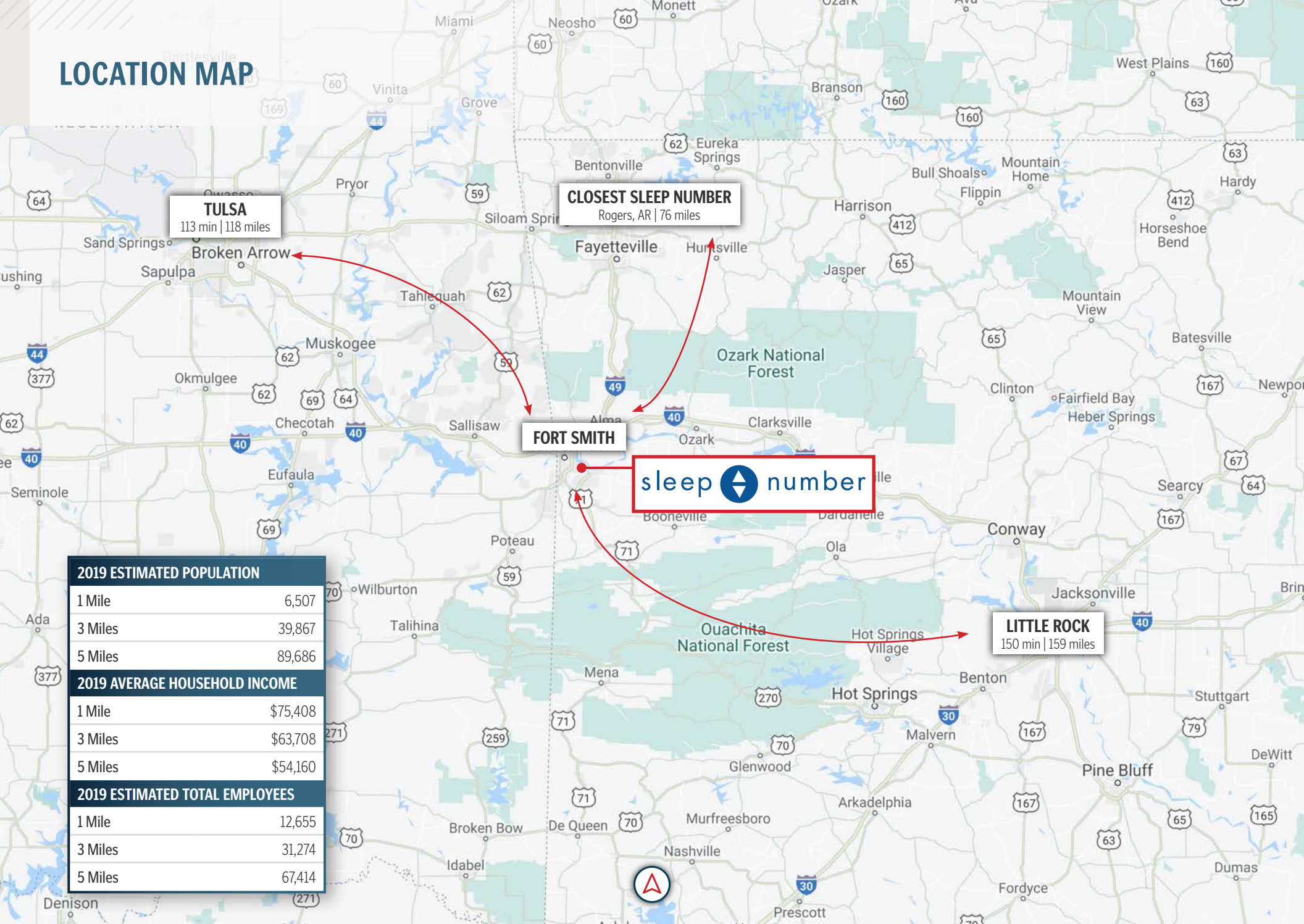








# LOCATION MAP







### FORT SMITH, ARKANSAS

Fort Smith is the second-largest city in Arkansas and one of the two county seats of Sebastian County. Fort Smith has a sister city relationship with Cisterna, Italy, site of the World War II Battle of Cisterna, fought by United States Army Rangers commanded by Fort Smith native William O. Darby. The city also has a mutual friendship-city relationship with Jining, China. The City of Fort Smith is the 2nd largest city in Arkansas with a population of 89,644 as of July 1, 2018. Fort Smith ranks in the upper quartile for Population Density and Diversity Index when compared to the other cities, towns and Census Designated Places (CDPs) in Arkansas.



Fort Smith has long been a regional manufacturing center, with major plants located in the city operated by Rheem, Trane, Georgia-Pacific, Gerber, Planters Peanuts, Mars Petcare, Umarex USA, Graphic Packaging, Pernod Ricard-USA, and many others. Fort Smith is home to several corporations including Baldor Electric Company, a member of the ABB Group, ArcBest Corporation, and poultry company OK Foods.



Fort Smith attractions are : The Vaughn-Schapp House showcases paintings, sculptures and other types of art, Fort Smith Riverfront Blues Fest is a noteworthy event featuring prominent musicians, Fort Smith Symphony, Riverfront Amphitheater, Fort Smith Convention Center, Fort Smith Jazz Festival, Old Fort Days Rodeo is one of the prominent rodeos in the country and Fort Smith Air show.

The city has one major university that is part of the University of Arkansas System.

Fort Smith is a major transportation hub for the surrounding region. It sits at the crossroads of two major interstate highways, is surrounded on three sides by the Arkansas River, is served by 1 major and 2 regional/switching railroad companies, and is the home of a regional airport.



# AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2019 Estimated Population	6,507	39,867	89,686
2024 Projected Population	6,531	40,388	91,119
2010 Census Population	6,496	38,828	86,481
Projected Annual Growth 2019 to 2024	0.07%	0.26%	0.32%
Historical Annual Growth 2010 to 2019	0.02%	0.39%	0.44%
<b>HOUSEHOLDS &amp; GROWTH</b>			
2019 Estimated Households	2,845	17,210	36,122
2024 Projected Households	2,865	17,490	36,773
2010 Census Households	2,807	16,619	34,720
Projected Annual Growth 2019 to 2024	0.14%	0.32%	0.36%
Historical Annual Growth 2010 to 2019	0.15%	0.47%	0.48%
<b>RACE &amp; ETHNICITY</b>			
2019 Estimated White	83.00%	81.14%	74.15%
2019 Estimated Black or African American	5.79%	6.38%	9.00%
2019 Estimated Asian or Pacific Islander	4.26%	4.58%	6.04%
2019 Estimated American Indian or Native Alaskan	1.69%	1.72%	1.97%
2019 Estimated Other Races	4.00%	8.23%	12.44%
2019 Estimated Hispanic	8.51%	14.11%	19.88%
<b>INCOME</b>			
2019 Estimated Average Household Income	\$75,408	\$63,708	\$54,160
2019 Estimated Median Household Income	\$56,532	\$48,209	\$38,272
2019 Estimated Per Capita Income	\$32,862	\$27,170	\$21,802
<b>DAYTIME POPULATION</b>			
2019 Estimated Total Businesses	517	1,893	4,565
2019 Estimated Total Employees	12,655	31,274	67,414





# RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Select Comfort Retail Corporation	3,000	12/1/2020	11/30/2030	Year 1	-	\$12,500	\$4.17	\$150,000	\$50.00	NNN	2 (5-Year)
(dba Sleep Number)				Year 6	10%	\$13,750	\$4.58	\$165,000	\$55.00		10% Increase at Beg. of Each Option

<sup>1</sup>Landlord pay a 10% admin on CAM

## FINANCIAL INFORMATION

Price	\$2,308,000
Net Operating Income	\$150,000
Cap Rate	6.50%
Lease Type	NNN

## PROPERTY SPECIFICATIONS

Year Built	2020 (Grand Opening Dec. 2020)
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Land Area	0.58 Acres
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## BRAND PROFILE



### SLEEP NUMBER CORPORATION

**sleepnumber.com**

**Company Type:** Public (NASDAQ: SNBR)

**Locations:** 610

**2020 Employees:** 4,395

**2020 Revenue:** \$1.70 B

**2020 Net Income:** \$\$81.85 M

**2020 Assets:** \$806.04 M

Sleep Number Corporation designs, manufactures, and markets a line of air bed mattresses. Sleep Number is proving the connection between quality sleep and health and wellbeing. The Company provides a variety of beds, bedding, pillows, mattress pads and layers, sheets, duvets, bed skirts, bases, furniture, bed accessories, and kids blankets. The company's 4,000 team members are improving lives with innovative sleep solutions. Sleep Number operates over 610 stores in 50 states.





# SRS

NATIONAL  
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GROUP

## THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS

275+

RETAIL  
PROFESSIONALS

25+

OFFICES

#1

LARGEST REAL ESTATE  
SERVICES FIRM  
in North America  
exclusively dedicated  
to retail

2K+

RETAIL  
TRANSACTIONS  
company-wide  
in 2019

485

NET LEASE  
PROPERTIES SOLD  
in 2019

\$1.5B

NET LEASE  
TRANSACTION VALUE  
in 2019

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