



The Learning Experience

SEC FM 1187 & Hemphill Street
Fort Worth, Texas

10,000 SF NNN Lease
Investment Opportunity
Brand New Construction



AVID



ADVISORS

TATE

The Learning Experience

Confidential Offering Memorandum

EXCLUSIVE LISTING BROKERS

Ryan Jordan

rjordan@avidrea.com

Sean Jordan

sjordan@avidrea.com

James Seidel

jseidel@avidrea.com

The logo for AVID TATE ADVISORS is positioned on the left side of the page. It features the word "AVID" in a large, light blue, sans-serif font at the top. Below it is a stylized geometric logo consisting of a large triangle with internal lines forming a diamond and other geometric shapes. At the bottom, the words "TATE ADVISORS" are written in a light blue, sans-serif font, with "TATE" on the left and "ADVISORS" on the right, separated by a small dot.

Table of Contents

4 Executive Overview
4-5 Executive Summary

6 Property
7 Property Details
8 Location Map
9-10 Aerials
11 Site Plan

12 Financials
13 Summary
14 Rent Roll
15 Cash Flow
16 Lease Expirations

17 Market Information
18 Overview

19 Disclaimer



AT A GLANCE



LOCATION

401 W Rendon Crowley Road
Fort Worth TX, 76026



GLA

10,000 SF



PRICE

\$3,928,571



CAP RATE

7.00%

INVESTMENT HIGHLIGHTS

- » Brand new 16-year NNN lease with 12.00% rent escalations every 5 years, including two 5-year options
- » Brand new, attractive construction
- » Excellent location for childcare operator – less than 1.5 miles from Hajek, Deer Creek and John Taylor Elementary Schools and within 2.5 miles from all Burleson ISD elementary schools
- » At the entrance to Gehan's Highpoint Hill subdivision and Vantage Communities new 288 unit multi-family complex
- » Fastest growing childcare franchise in the United States backed by Golden Gate Capital, a leading private equity firm with over \$15 billion of capital under management





REPRESENTATIVE PHOTO



REPRESENTATIVE PHOTO

INVESTMENT OVERVIEW

LEASE TERMS: A brand-new, 16-year NNN lease with an expected commencement date of June 15, 2020. There will be 12.00% rent escalations in year 6 and year 11. Tenant has two 5-year options with 12.00% rent escalations.

GUARANTY: The 16-year lease includes a 5-year, \$500,000 guaranty that will decrease by \$100,000 each anniversary of the commencement date and by each amount of rent paid to the landlord on behalf of the tenant.

SITE INFORMATION: Approximately 1.87 acres located at FM 1187 & Hemphill Street, Fort Worth, TX 76028. The Learning Experience is a newly built (2020 construction), 10,000 net rentable square-foot childcare facility with a 5,000 square feet playground for tenant's exclusive use.

STRATEGIC LOCATION

The property is ideally located at the gateway to Burleson from Fort Worth, just off Interstate 35W at the corner of FM 1187 and Hemphill Street in Fort Worth, TX. It sits at the entrance to Gehan's Highpoint Hill subdivision, with homes starting at \$243,000. The property is surrounded by numerous neighborhood communities and is within 2.5 miles of all Burleson ISD elementary schools.

Further, the Property is around the corner from Burleson's Gateway Station, which consists of approximately 450,000 square feet of Class A retail. Burleson is a part of the Fort Worth-Arlington Metro division, which was ranked #5 in Forbes list of fastest-growing cities in 2018. Burleson has had average population growth of 2.92% since 2016.

AVID



S

R

S

O

R

S

A

D

V

Property

7	Property Details
8	Location Map
9	Trade Area Aerial
10	Zoom Aerial
11	Site Plan

TATE

A

D

V

Property / Property Details

ADDRESS	401 W Rendon Crowley Rd - Fort Worth, TX 76026
LAND SIZE	1.87 Acres
GLA	10,000 Square Feet
YEAR BUILT	2020
OCCUPANCY	100%
PARKING	48 Spaces, including 2 handicap (4.8 per 1000 sqft)
PARKING LOT	Concrete
BLDG EXTERIOR	Hardie Board & Brick
ROOF	TPO
HVAC	Central Units
SITE LIGHTING	Pole & Building Mounted Lights

2019 DEMOGRAPHIC SNAPSHOT

	1 MILE	3 MILES	5 MILES
POPULATION	11,686	61,983	159,895
EST POP GROWTH 2020-25	5.26%	7.20%	6.84%
MEDIAN AGE	31.4	32.9	33.1
NUMBER OF HOUSEHOLDS	1,856	14,460	30,384
AVG HOUSEHOLD INCOME	\$83,906	\$90,572	\$88,783
MED HOUSEHOLD INCOME	\$80,171	\$78,050	\$73,948



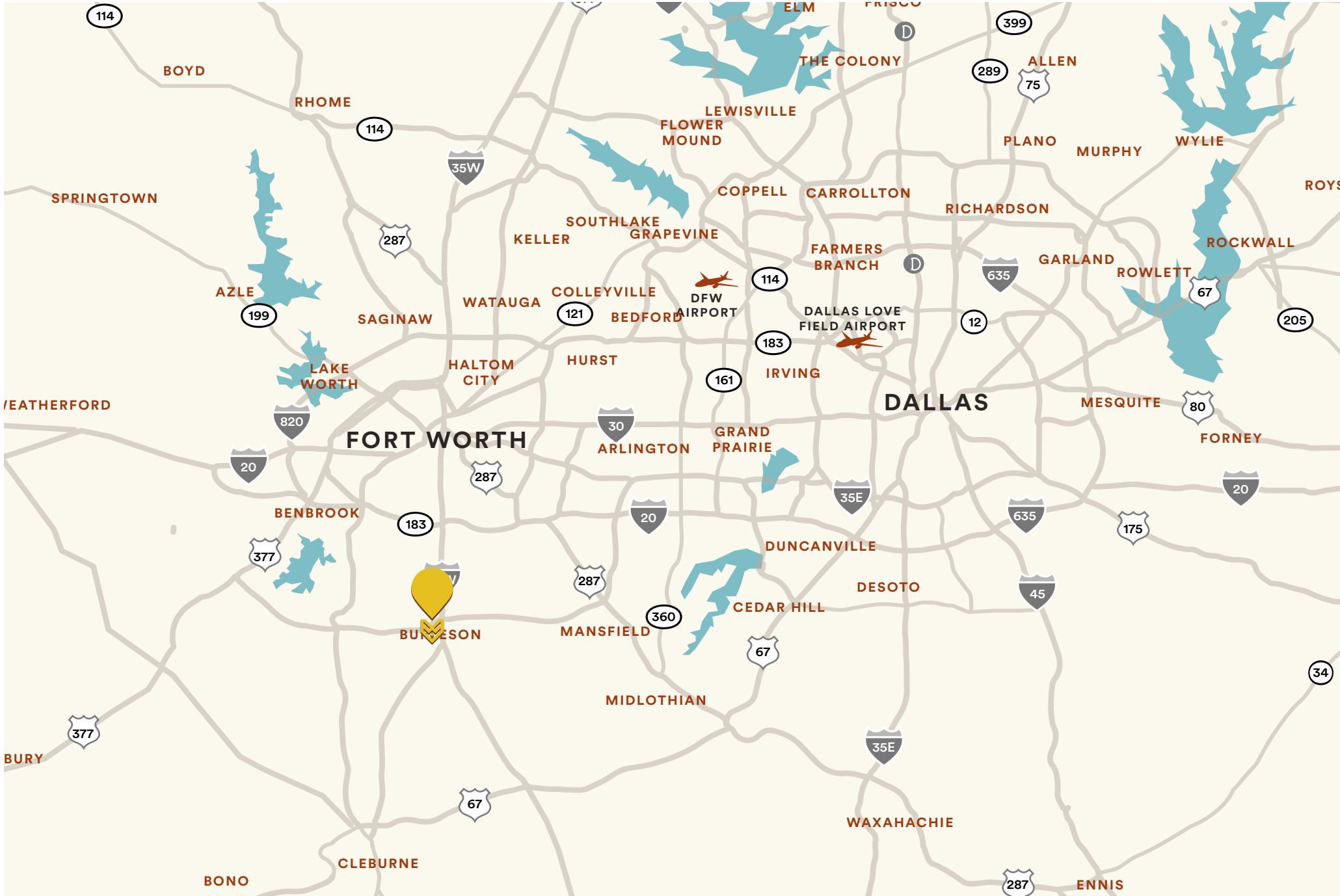
REPRESENTATIVE PHOTO



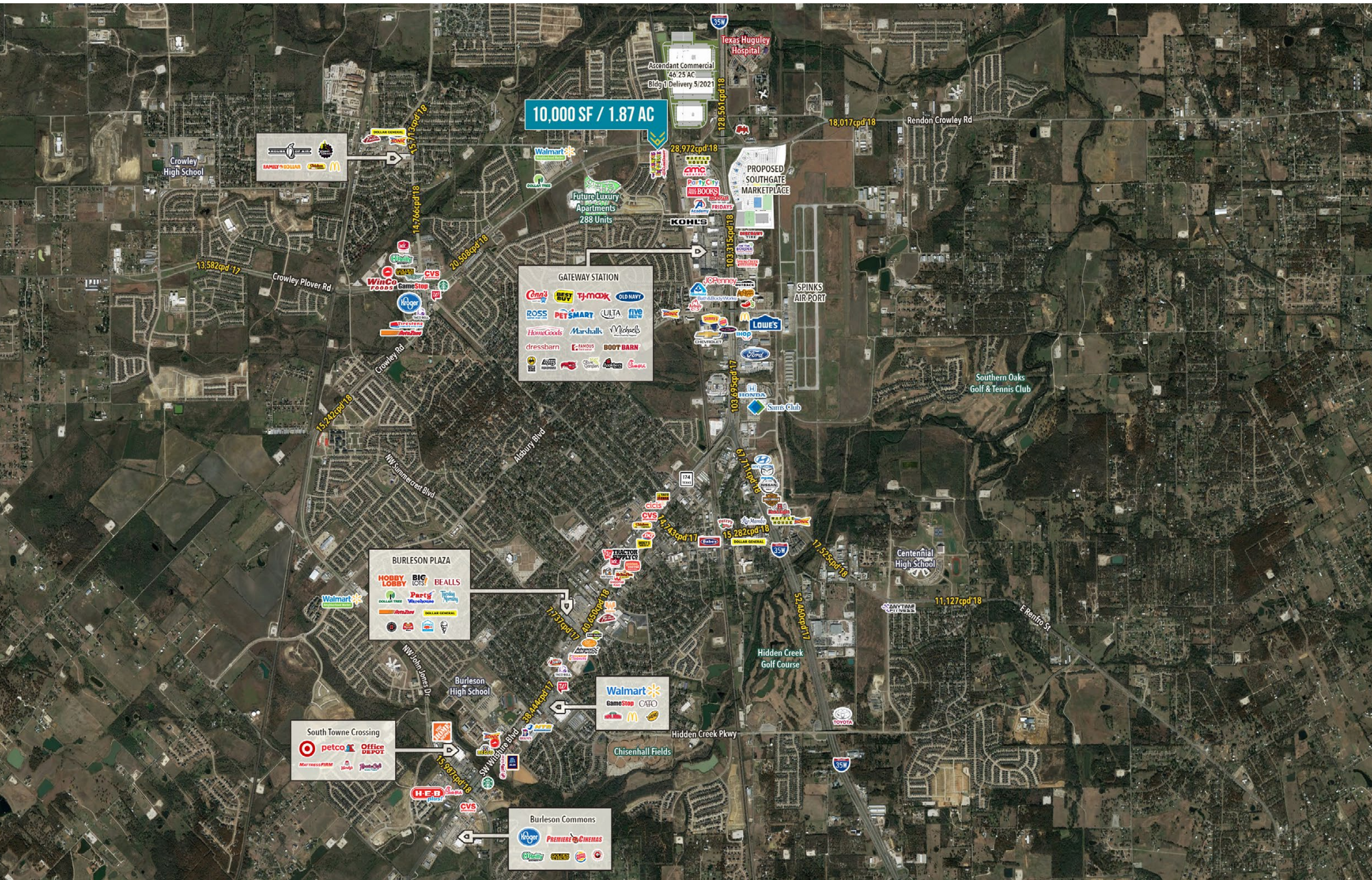
REPRESENTATIVE PHOTO



Property / Location Map

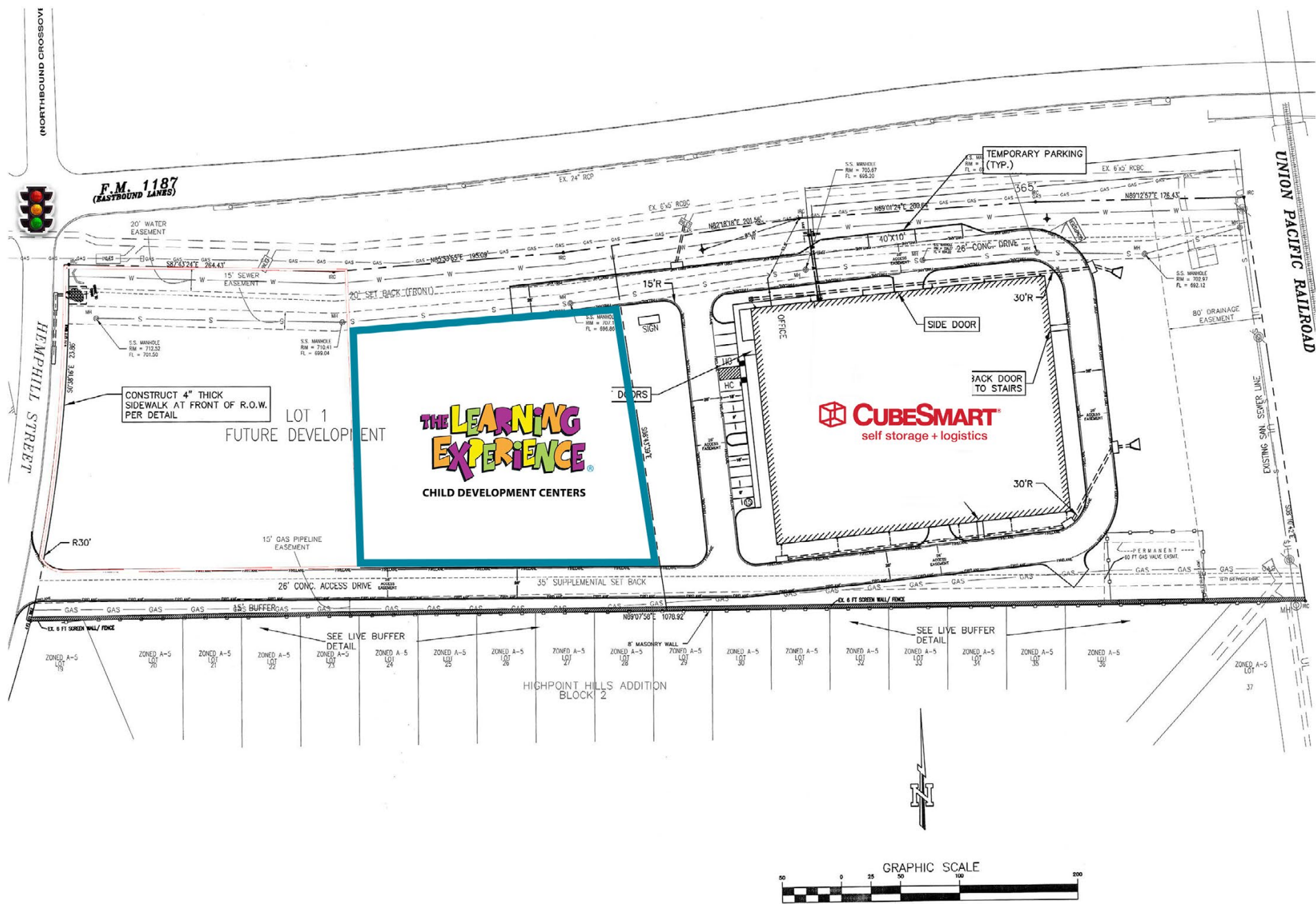


Property / Trade Area Aerial





Property / Site Plan



AVID



S

R

O

V

I

S

Financials

13	Financial Summary
14	Rent Roll
15	Cash Flow
16	Lease Expirations

T

A

T

E

A

D

V

I

S

O

R

S

Analysis Summary

Analysis Start Date	6/1/2020
Hold Period (Yrs)	10
Land Area (SF)	81,457
GLA (SF)	10,000 SF
Occupied GLA (SF)	10,000 SF
In-place Occupancy	100.00%

Purchase Summary

Price	\$ 3,928,571
Price PSF (Improvements)	\$ 392.86
Price PSF (Land)	\$ 48.23
In-Place NOI	\$275,000
In-Place Cap Rate	7.00%
Year 1 NOI	\$275,000
Year 1 Cap Rate	7.00%

Reversion Analysis

Year 11 NOI	\$ 344,960
Residual Cap Rate	7.50%
Sales Price	\$ 4,599,467
Price PSF (Improvements)	\$ 459.95
Price PSF (Land)	\$ 56.46

Returns (see proposed debt structure)

	All-Cash	Leveraged
Average Cash on Cash / Yield Equity	7.37%	9.18%
IRR	8.44%	14.55%
Multiple	1.91	3.07

Proposed Debt Structure

Loan Amount	\$ 2,750,000
LTV	70%
Initial Loan Amount	\$ 2,750,000
Interest Rate	4.25%
Term (Years)	10
Amortization (Years)	25
Interest Only (Months)	0
Monthly Payment	\$14,898
Annual Payment	\$178,774
Loan Fee	1.00%
Equity Required	\$ 1,178,571
In-Place DSCR (Amortizing)	1.53
Debt Yield	8.93%
Debt Constant	6.50%



Tenant	Suite	SF	% of GLA	Lease Start	Lease Expiration	Date	Monthly Rent	Annual Rent	Rent PSF	Expense Reimbursement Method	Options
The Learning Experience	100	10,000 SF	100.00%	6/1/2020	5/31/2036	Current	\$22,916.67	\$275,000.00	\$27.50	NNN	2x5 Year Options
						6/1/2025	\$25,666.67	\$308,000.00	\$30.80	NNN	
						6/1/2030	\$28,746.67	\$344,960.00	\$34.50	NNN	

Occupied SF	10,000 SF	100.00%									
Vacant SF	0 SF	0.00%				Total In-Place Rent:	\$275,000.00				
Total Area	10,000 SF	100.00%									

	In-place PSF	In-place	Proforma PSF	Year 1 6/1/2020	Year 2 6/1/2021	Year 3 6/1/2022	Year 4 6/1/2023	Year 5 6/1/2024	Year 6 6/1/2025	Year 7 6/1/2026	Year 8 6/1/2027	Year 9 6/1/2028	Year 10 6/1/2029	Year 11 6/1/2030
Revenue														
Base Rental Revenue	\$27.50	\$275,000	\$27.50	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$308,000	\$308,000	\$308,000	\$308,000	\$308,000	\$344,960
Absorption & Turnover Vacancy		-		-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenue	\$27.50	\$275,000	\$27.50	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$308,000	\$308,000	\$308,000	\$308,000	\$308,000	\$344,960
Net Operating Income		\$275,000		\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$308,000	\$308,000	\$308,000	\$308,000	\$308,000	\$344,960
Capital Costs														
Capital Reserves	\$0.20	\$2,000	\$0.20	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Total Capital Costs		\$2,000		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Cash Flow Before Debt Service		\$273,000		\$273,000	\$273,000	\$273,000	\$273,000	\$273,000	\$306,000	\$306,000	\$306,000	\$306,000	\$306,000	\$342,960
Debt Service														
Interest				(\$115,655)	(\$112,920)	(\$110,066)	(\$107,088)	(\$103,981)	(\$100,740)	(\$97,358)	(\$93,830)	(\$90,148)	(\$86,308)	-
Principal				(\$63,119)	(\$65,854)	(\$68,708)	(\$71,686)	(\$74,792)	(\$78,034)	(\$81,416)	(\$84,944)	(\$88,625)	(\$92,466)	-
Cash Flow After Debt Service		\$273,000		\$94,226	\$94,226	\$94,226	\$94,226	\$94,226	\$127,226	\$127,226	\$127,226	\$127,226	\$127,226	\$342,960

					Analysis Year 1	Analysis Year 2	Analysis Year 3	Analysis Year 4	Analysis Year 5	Analysis Year 6	Analysis Year 7	Analysis Year 8	Analysis Year 9	Analysis Year 10	Thereafter
					5/31/2021	5/31/2022	5/31/2023	5/31/2024	5/31/2025	5/31/2026	5/31/2027	5/31/2028	5/31/2029	5/31/2030	
Tenant	Suite	SF	% of GLA	Expiration											10,000 SF
The Learning Experience	100	10,000 SF	100.00%	5/31/2036											
				Annual SF Expiring	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	10,000 SF
				% of GLA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
				No. of Tenants											
				Cumulative SF Expired	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	10,000 SF
				% of GLA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

AVID



ADVISORS

Market Information

18

Market Overview

TATE

BURLESON



Location



Burleson is a city of 28.28 square miles (56.35 in ETJ) on the southwestern edge of D-FW between I-35W, TX-174 & Chisholm Trail Parkway

City Demographics

POPULATION



47,994

DAYTIME POP 16+



26,905

EST POP GROWTH 2020-25



2.2% Annually

MEDIAN AGE



33

BACHELORS DEGREE +



27.0%

EMPLOYEES



14,698

HOUSEHOLDS



16,986

AVG HOUSEHOLD INCOME



\$100,488

MED. HOUSEHOLD INCOME



\$80,337

Data from SitesUSA 2020

Market Overview

Top 10 Major Employers

COMPANY	NUMBER OF EMPLOYEES
Burleson ISD	1,738 Employees
Lowe's Companies	1,590 Employees
Walmart	565 Employees
City of Burleson	449 Employees
H-E-B Grocery	422 Employees
Champion Buildings MFG	340 Employees
Kroger	190 Employees
Basden Steel	150 Employees
KWS Manufacturing	150 Employees
Golden State Foods	125 Employees

2.6% Job Growth 2018-19

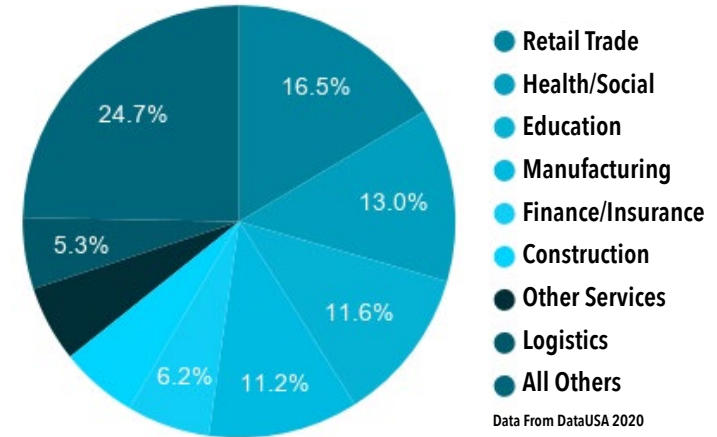
43.0% Job Growth Predicted Over Next 10 Years

Data From Sperlings Best Places 2020

2.9% Unemployment

Data from Burleson, TX Government 2020

Industry Breakdown



Industry Concentration



Highpoint Business Park (159 Acres) off I-35W

Most people commute to work in Fort Worth CBD, 15-Minutes North

Development Snapshot

\$3.15 Billion

2018 RESIDENTIAL VALUATIONS

\$889 Million

2018 COMMERCIAL VALUATIONS

245

2018 RESIDENTIAL PERMITS

159

2018 CERTIFICATES OF OCCUPANCY

\$100 Million in new taxable value added in 2019 with more development in pipeline

Data from Burleson, TX Government 2019 CAFR

Quality of Life



12,387 Students

Enrolled in the 18 Burleson ISD Schools



2 Colleges

Hill College Branch
Texas Wesleyan Branch



300 Acres

of Land at 24 Parks



1 Hospital

Texas Hugeley Hospital



22 Events

Held Annually



Information About Brokerage Services

11-2-2015



Texas Law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Avid Real Estate Advisors, LLC

Licensed Broker/Broker Firm Name or Primary Assumed Business Name

#9008251

License No

E-mail

214.379.1040

Phone

Ryan Jordan

Designated broker of Firm

#622105

License No

rjordan@avidrea.com

E-mail

214.379.1043

Phone

Licensed Supervisor of Sales Agent/Associate

License No

E-mail

Phone

Sales Agent/Associate's Name

License No

E-mail

Phone

Buyer/Tenant/Seller/Landlord Initials

Dat

Regulated by the Texas Real Estate Commission
Information available at www.trec.texas.gov

IABS 1-0