

# ACADEMY SPORTS

BRUNSWICK, GA

LADT ADVISORY  
TEAM



15-YR. LEASE, 4-YR. EXTENSION SIGNED IN JUNE 2020



ACADEMY SPORTS IPO IN OCTOBER 2020; \$1.1 BILLION VALUATION



PROVEN LOCATION WITHIN REGIONAL POWER CENTER

ACTUAL SITE





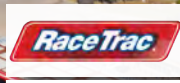
60,600 DAILY



BRUNSWICK  
GOLDEN ISLES  
AIRPORT-BQK

FEDERAL LAW ENFORCEMENT  
TRAINING CENTER (FLETC)  
1,051 EMPLOYEES

SUBJECT  
PROPERTY



25

CANAL ROAD

CANAL CROSSING



28,600 DAILY



RESIDENTIAL  
COMMUNITIES  
82,896 RESIDENTS IN  
PRIMARY TRADE AREA



GLENN ISLES PLAZA

BED BATH & BEYOND  
JOANN  
KIRKLAND'S  
Home Decor, Gifts & More

**BAM!**  
BOOKS-A-MILLION  
BEALLS  
Outlet  
T.J. maxx

five BELOW

SUBJECT  
PROPERTY

HomeGoods

HOBBY LOBBY

Sam's  
CLUB

GLYNN PLACE MALL

belk  
GNC  
HIBBETT SPORTS®  
AMERICAN EAGLE  
OUTFITTERS

planet fitness  
E  
EMBASSY SUITES  
HOTELS®

HOOTERS

PANDA EXPRESS  
CHINESE KITCHEN

Mo's  
southwest grill

**fuse**  
FROZEN 52  
**FIVE GUYS®**  
BURGERS and FRIES

tropical CAFE  
SMOOTHIE  
Great Clips®  
IT'S GONNA BE GREAT™

CANAL ROAD

Cheddar's  
SCRATCH KITCHEN



 **RESIDENTIAL  
COMMUNITIES**  
82,896 RESIDENTS IN  
PRIMARY TRADE AREA





**BRUNSWICK  
GOLDEN ISLES  
AIRPORT-BQK**

**FEDERAL LAW ENFORCEMENT  
TRAINING CENTER (FLETC)**  
32,000 STUDENTS & EMPLOYEES

**BRUNSWICK  
COUNTRY CLUB**

**26,710 DAILY**



**COLLEGE of  
COASTAL  
GEORGIA**  
UNIVERSITY SYSTEM OF GEORGIA  
**3,400+ STUDENTS**

Target, Lowe's, ULTA, DICK'S Sporting Goods, ROSS Dress for Less, Office Depot, Michaels, Old Navy, Ashley HomeStore, Firehouse Subs, Verizon, Starbucks, at&t, Vonghorn Steakhouse, SportClips, BB&T, Olive Garden, Five Guys

**BIG LOTS!**  
**FAMILY DOLLAR**

belk, Sears, JCPenney, Rainbow, Applebee's, Foot Locker, maurices, Arby's, Ruby Tuesday

Walmart Supercenter, Publix, Zaxby's, GameStop, Wendy's, DQ, Chevrolet, Honda, GMC

**GLYNN ISLES**  
**ALTAMA VILLAGE SHOPPING CENTER**

**CYPRESS MILL SQUARE**

Sam's Club, Hobby Lobby, HomeGoods, Mattress Firm, Aspen Dental, McDonald's, Cheddar's

**SUBJECT PROPERTY**

**GLYNN PLACE MALL**



**GOLDEN ISLES PLAZA**

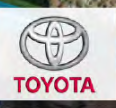
**28,600 DAILY**



Save a lot, Harbor Freight Tools, CITITRENDS, Party City, Staples

Walmart Neighborhood Market, Walgreens, AutoZone, Dunkin' Donuts, McDonald's

**BRUNSWICK  
HIGH SCHOOL**  
1,739 STUDENTS



Winn-Dixie, Hampton Inn, Sleep Inn, Holiday Inn, Best Western, Quality Inn, Courtyard Marriott, Econo Lodge, Waffle House

Microtel Inn & Suites by Wyndham, Fairfield Inn & Suites by Marriott, Country Inns & Suites by Carlson, Comfort Inn

Home Depot, Pet Supplies Plus, Bealls Outlet, TJ-maxx, Jo-Ann, Bed Bath & Beyond, SunTrust, Dollar Tree, Pier 1 Imports, BAM! Books a Million, Chick-fil-A, Burger King

**24,480 DAILY**

**GOLDEN ISLES  
ELEMENTARY SCHOOL**  
751 STUDENTS



**60,600 DAILY**



**RESIDENTIAL  
COMMUNITIES**  
82,896 RESIDENTS IN  
PRIMARY TRADE AREA

**GLYNDALE  
ELEMENTARY SCHOOL**  
686 STUDENTS





# Offering Summary



10400 CANAL CROSSING  
BRUNSWICK, GA 31525

**\$8,995,000**  
**6.65% CAP RATE**



GROSS LEASABLE AREA  
**63,016 SF**



LOT SIZE  
**4.08 +/- ACRES**



YEAR BUILT  
**2016**



NOI  
**\$598,652.04**

## LEASE SUMMARY

LEASE TYPE	NN
ROOF & STRUCTURE	LANDLORD RESPONSIBLE (ROOF WARRANTY EXPIRES 2031)
TENANT	ACADEMY, LTD
GUARANTOR	CORPORATE
LEASE TERM	15 YEARS
RENT COMMENCEMENT	11/11/2016
RENT EXPIRATION	4/30/2025
INCREASES	\$0.50/SF EVERY 5 YEARS
OPTIONS	FOUR, 5-YEAR

## RENT SUMMARY

TERM	MONTHLY	ANNUAL
Year 1 - 5 5/1/2020 - 4/30/2025	\$49,887.67	\$598,652.04
Years 6 - 10 5/1/2025 - 4/30/2030	\$52,513.34	\$630,160.08
Years 11 - 15 5/1/2030 - 4/30/2035	\$55,139.00	\$661,668.00
Option 1 5/1/2035 - 4/30/2040	\$57,764.67	\$693,176.04
Option 2 5/1/2040 - 4/30/2045	\$60,390.34	\$724,684.08
Option 3 5/1/2045 - 4/30/2050	\$63,016.00	\$756,192.00

# Investment Highlights



## SECURE INCOME STREAM

- 15-Year Lease with \$0.50/SF Increases Every 5 Years
- Strong Performing Location, Tenant Executed 4-Year Extension in June 2020
- Corporate Guaranteed Lease, \$4.8 Billion in Revenue (2019) with 259 Locations
- Launched IPO in October, \$1.1 Billion Valuation (NASDAQ: ASO)
- Pandemic Resilient Tenant, 2Q EBITDA up 83%
- 2016 Construction, 11-Years Remaining on Roof Warranty
- 82,896 Residents in Primary Trade Area



## STRONG MARKET FUNDAMENTALS

- \$68,683 Average Household Income within 3 Miles
- Positioned within Canal Crossing, a 400,000 SF Sam's Club Anchored Regional Power Center
- Adjacent to Federal Law Enforcement Training Center with 1,051 Employees
- Minutes to College of Coastal Georgia with 3,535 Students
- Other National Retailers Nearby Include Target, Lowe's, Walmart, Home Depot, and Publix
- Prominent Tourist Destination, Brunswick and Golden Isles Draw Over 2.5M Annual Visitors
- County Seat of Glynn County





## Additional Photos



# Tenant Overview



## ABOUT ACADEMY SPORTS & OUTDOOR

Academy Sports & Outdoors is a premier sports, outdoor and lifestyle retailer with a broad assortment of quality hunting, fishing, and camping equipment and gear along with sports and leisure products, footwear, apparel and much more.

The Texas-based company operates over 259 stores throughout Alabama, Arkansas, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee and Texas. Academy Sports + Outdoors is one of the nation's largest sporting goods and outdoor stores. It is currently owned by funds advised by Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR"), a leading global investment firm.

WWW.ACADEMY.COM

HEADQUARTERS <b>KATY</b> TEXAS	LOCATIONS <b>259+</b>	EMPLOYEES <b>21,000+</b>	FOUNDED <b>1938</b>
STOCK SYMBOL <b>ASO</b> NASDAQ		EQUITY <b>\$1.10B</b> VALUATION	

# Lease Summary

## LANDLORD RESPONSIBILITIES

Landlord shall, at its sole expense, make all structural repairs to the premises including the roof and roof membranes (including any necessary repairs to skylights), foundation, load bearing walls and any other structural members of the premises and the building of which the premises is a part. Landlord shall also: (i) maintain the roof the premises leak free and in water tight condition; (ii) maintain the underground plumbing of the premises and all other utilities (to the point of connection to the premises) and the shopping center; (iii) keep in good order, condition and repair the exterior (including exterior of outside walls) and the down spouts and gutters of the premises and the building of which the premises is a part, excluding window glass, plate glass and doors; and (iv) maintain all other portions of the shopping center in good order, condition and repair. Additionally, the building has a 15-year roof warranty.

## TENANT RESPONSIBILITIES

Tenant shall maintain in good repair and condition (i) the exposed interior plumbing within the premises and any plumbing issues caused by the negligence or intentional misuse of plumbing facilities by Tenant; (ii) window glass, plate glass and doors within the premises; (iii) HVAC and electrical systems; (iv) the interior surfaces of the premises; and (v) all fire protection systems.

## CAM

Tenant shall reimburse Landlord, on an annual basis, for the assessments for the maintenance and repair of certain common facilities charged to the Tenant's parcel. Tenant shall, at its sole cost and expense, keep and maintain the common areas located within the Tenant's Parcel in good condition and repair. Such maintenance shall include repairing and replacing paving; keeping the common areas properly drained, free of snow, ice, water, rubbish and other obstructions, and in neat, clean, orderly and sanitary condition; keeping the Common Areas and such other areas suitably lighted, maintaining signs, markers, painted lines and other traffic control; and maintaining any plantings and landscaped areas, including the irrigation system.

## TAXES

Tenant, as additional rent, shall reimburse Landlord for all real property taxes and assessments.

## INSURANCE

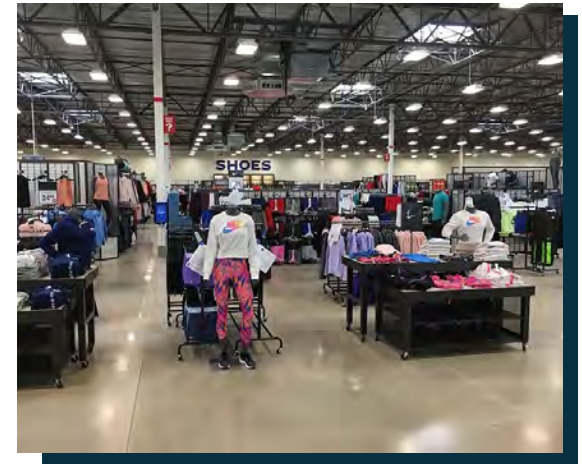
Tenant shall, at its sole expense, maintain commercial general liability insurance and special form property insurance (naming Landlord as additionally insured). Landlord shall maintain commercial general liability insurance and property insurance.

## ASSIGNMENT & SUBLETTING

Tenant may assign the lease or sublease the premises, in whole or in part, without the express written consent of Landlord, but shall only be releases of its liabilities and lease obligations should the tenant have a net worth greater than \$100,000,000.



# In The News



## ACADEMY SPORTS & OUTDOORS GO PUBLIC

OCT 1, 2020

Academy is in regional and merchandising sweet spots. The \$1.2 billion company owns 259 stores, exclusively in the Southeast. The company touts this as a key growth opportunity, as six of the 10 fastest-growing metro areas in the U.S. are in its home turf, places like Austin, Dallas, San Antonio, and Charlotte. Additionally, Allied Market Research expects the outdoors and sports industry to grow 6% annually through 2027. COVID-19 accelerated this growth as people seek home fitness solutions and outdoor activities.

On October 1st, the sporting goods retailer sold shares in its initial public offering (IPO). The company said e-commerce sales rose 406% and 210% in the first and second quarters of this year as customers placed more orders from home. It also said most of its stores remained open during the lockdowns after they were designated as essential retailers. Academy Sports, which KKR bought in 2011, has stores across the United States that sell sporting equipment including footwear, apparel, gym accessories as well as outdoor products like tents, grills and bicycles. The company said its revenue in 2019 was \$4.8 billion with a net income of \$120 million. In the first half of 2020, the company said revenue reached \$2.7 billion.



LAUNCHED IPO  
**RAISING \$183M**  
\$1.10 BILLION  
EQUITY VALUATION



259 STORES IN 16 STATES  
**8 STORES IN 2022**  
TO BE OPENED



ECOMMERCE UP  
**284% IN 1H20**  
11% OF SALES



# In The News

## ACADEMY SPORTS + OUTDOORS REPORTS RECORD-BREAKING THIRD QUARTER 2020 SALES AND EARNINGS



### THIRD QUARTER SUMMARY FOR THE PERIOD ENDING OCTOBER 31, 2020

Net sales for the third quarter 2020 were \$1.35 billion, a 17.8% increase over \$1.15 billion in the third quarter 2019. Comparable sales for the third quarter 2020 increased 16.5% over the third quarter 2019.

Academy reported net income for the third quarter 2020 of \$59.6 million, or \$0.74 per diluted share, a 109% net income increase over \$28.6 million, or \$0.38 per diluted share, in the third quarter 2019. Pro Forma Adjusted Net Income, which excludes the impact of certain non-cash and extraordinary items, was \$73.7 million or \$0.91 per diluted share, a 188% increase in Pro Forma Adjusted Net Income over \$25.6 million or \$0.34 per diluted share, in the third quarter 2019.

The Company's gross margin rate for the third quarter 2020 was 32.7% of net sales, a 110 basis point increase over 31.6% in the third quarter of 2019, while the selling, general, and administrative ("SG&A") expense rate was 26.6% of net sales on \$359.0 million of SG&A expenses, a 40 basis point improvement over 27.0% on \$309.2 million of SG&A expenses in the third quarter 2019. Excluding nonrecurring expenses associated with the Company's October initial public offering ("IPO"), consisting of \$19.9 million in additional stock compensation expense and \$12.3 million for the settlement of the Company's private equity sponsor's monitoring agreement, SG&A expenses for third quarter 2020 would have been \$326.8 million or 24.2% of net sales, a 280 basis point improvement over the third quarter 2019.

The Company reported eCommerce sales growth of 95.9% over the third quarter 2019 and that stores facilitated over 95% of the Company's total sales, including ship-from-store, buy-online-pick-up-in-store, and in-store retail sales.

Ken Hicks, Chairman, President and Chief Executive Officer, said, "I am proud to report record-breaking quarterly sales and net income and our fifth consecutive quarter with a comparable sales increase. This was a significant accomplishment that our entire team delivered in a challenging quarter filled with many important achievements. We continue to work on our key strategic initiatives, including power merchandising, omnichannel, and customer focus, which we believe will position us well for the future."

### CAPITAL STRUCTURE

The Company's cash and cash equivalents totaled \$869.7 million with no borrowings under its \$1 billion ABL credit facility as of the end of the third quarter 2020. Subsequent to the third quarter, on November 6, 2020, the Company issued \$400 million of senior secured notes and entered into a new \$400 million term loan facility, both of which mature in 2027. The net proceeds from the notes and the new term loan, as well as cash on hand, were utilized to repay in full outstanding borrowings under the Company's existing term loan facility in the amount of \$1.4 billion, reducing the Company's debt by \$631 million. In addition, on November 6, 2020, the Company extended its \$1 billion ABL facility through 2025.





# Site Plan



ADT  
**60,600**  
Along I-95

LOT SIZE  
**4.08 +/-**  
Acres

PARKING  
**276**  
Spaces



# Brunswick, GA



## THE CITY BEAUTIFUL

Brunswick is a city in and the county seat of Glynn County, Georgia, United States. As the major urban and economic center of the state's lower southeast, it is the second-largest urban area on the Georgia coast after Savannah and contains the Brunswick Old Town Historic District. British colonists settled the peninsula in 1738 as a buffer to Spanish Florida. It came under provincial control in 1771 and was founded as "Brunswick" after the German duchy of Brunswick-Lüneburg, the ancestral home of the House of Hanover. Brunswick supports a progressive economy largely based on tourism and logistics, with a metropolitan GDP of \$3.9 billion. The Port of Brunswick handles approximately 10 percent of all U.S. roll-on/roll-off trade—third in the U.S., behind the ports of Los Angeles and Newark. The headquarters of the Federal Law Enforcement Training Center is located 5 miles north of the central business district of the city and is adjacent to Brunswick Golden Isles Airport, which provides commercial air service to the area. Brunswick is located on a harbor of the Atlantic Ocean, approximately 40 miles north of Florida and 80 miles south of South Carolina.



### ECONOMY

The Port of Brunswick forms a vital part of the city's economy. It is recognized as one of the most productive ports on the East Coast and is the sixth-busiest automobile port in the U.S. Tourism is the single largest industry in the city and county. The islands' beaches, resorts, shops, and historic sites attract visitors from around the world annually. Additionally, the headquarters facility of the Federal Law Enforcement Training Center is located five miles north of the central business district of the city. Brunswick is also home to the College of Coastal Georgia.



### EDUCATION

There are 29 colleges within 100 miles enrolling a total of 131,728 students. Located in Georgia with a population of 15,383, the closest colleges are ranked below by distance from Brunswick. Driving time to these schools from Brunswick should be less than 2 hours. The top rated college in the area is Jacksonville University in Jacksonville, Florida. The largest college in the area is Georgia Southern University enrolling 26,408 students.



### TRANSPORTATION

The Brunswick Golden Isles Airport offers 2,000 acres of prime land for aviation businesses to grow their operations. The infrastructure around the airport has been built to perfectly support the aviation industry. There are two technical training institutions and three established industrial parks surrounding the airport property. Interstate 95 is less than 5 minutes away and the Port of Brunswick is a 15 minute drive. The Brunswick Golden Isles Airport is located on the mainland and offers three daily 37 minute flights to Atlanta (ATL) through DELTA. The runway is 8,000 ft and once served as the runway for a Navy Base.



### ATTRACTIONS

Visit Brunswick, Georgia: where history, inspired cuisine, and Southern hospitality meet. The Golden Isles' mainland port city is home to historic squares, a marina-front park that hosts spectacular events. Many of Historic Downtown Brunswick's streets still bear their original colonial names. Every year, Brunswick hosts the Mayfair Festival, an event during which a beautiful parade of shrimp boats float past the Sidney Lanier Bridge alongside family-friendly fun! The Historic Ritz Theatre was originally built in 1898 as the Grand Opera House.



# Demographics

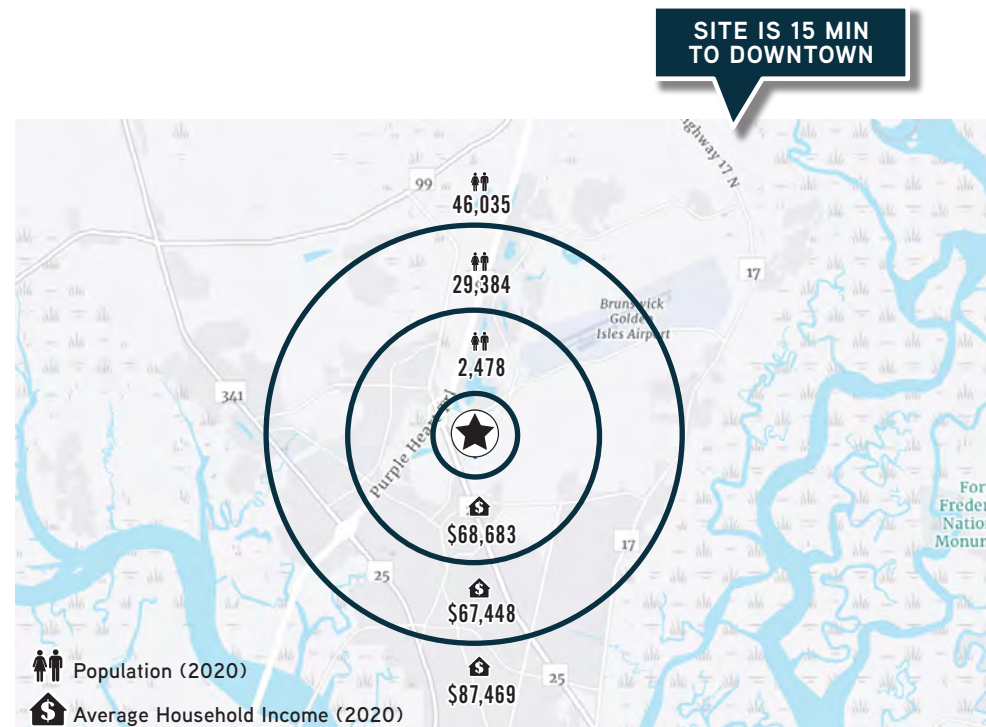
POPULATION	3 MI	5 MI	10 MI
<b>2020 Total</b>	<b>29,384</b>	<b>46,035</b>	<b>82,896</b>
2025 Projected	30,651	47,884	86,760
Total Daytime Population	28,347	45,622	85,692
Population Change 2010-2025	4.3%	4.0%	4.7%

HOUSEHOLDS	3 MI	5 MI	10 MI
<b>2020 Total Households</b>	<b>11,347</b>	<b>17,814</b>	<b>33,180</b>
2025 Total Households	11,858	18,563	34,810
Household Change 2020-2025	4.5%	4.2%	4.9%

INCOME	3 MI	5 MI	10 MI
2020 Median Income	\$50,297	\$47,584	\$56,366
<b>2020 Average Income</b>	<b>\$68,683</b>	<b>\$67,448</b>	<b>\$87,469</b>
Median Income Change 2020-2025	1.85%	1.85%	2.04%

AGE/HOME VALUE	3 MI	5 MI	10 MI
2020 Est. Median Age	37	36	39
18 and Older	76.5%	76.3%	77.9%
2020 Est. Median Home Value	\$142,914	\$146,006	\$212,150
2025 Est. Median Home Value	\$164,114	\$170,049	\$265,476

EDUCATION	3 MI	5 MI	10 MI
Bachelor's Degree or Higher	13%	13.4%	19%



**46,420**

ALONG THE I-95



**13.4%**

INDIVIDUALS WITH A BACHELOR'S DEGREE OR HIGHER WITHIN 5 MILES



**46,035**

2020 TOTAL POPULATION  
CONSENSUS WITHIN 5 MILES



**\$67,448**

2020 AVERAGE HOUSEHOLD  
INCOME WITHIN 5 MILES



**\$146,006**

2020 MEDIAN HOME VALUE  
WITHIN 5 MILES



**47,884**

2025 TOTAL POPULATION  
PROJECTION WITHIN 5 MILES



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