



18+ Years Remaining on a 20-Year Lease | 2.00% Annual Increases | 2-Miles from University of Missouri



OFFERING MEMORANDUM
COLUMBIA, MISSOURI

Marcus & Millichap
THE SULO GROUP



CONFIDENTIALITY & DISCLAIMER



Exclusively Listed by:

Dominic Sulo
Senior Managing Director
CHICAGO OAKBROOK
Tel: (630) 570-2171
DSulo@marcusmillichap.com
License: IL 475.134920

Co-Listed With:

Chad Lieber
First Vice President
Tel: (619) 489-9004
Chad.Lieber@srsre.com
License: IL 475.163385

Broker of Record:

David Saverin
Regional Manager
License: 2008013520

Marcus & Millichap
Oakbrook, IL
1 Mid America Plaza #200
Oakbrook Terrace, IL 60181
P: +1 630-570-2200

Information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

MARCUS & MILLICHAP HEREBY ADVISES ALL PROSPECTIVE PURCHASERS OF SINGLE TENANT NET LEASED PROPERTY AS FOLLOWS:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a single tenant property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a single tenant property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any single tenant property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.

OFFERING SUMMARY



PROPERTY ADDRESS

o2b Kids!
3250 S. Bearfield Road
Columbia, MO 65201

OFFERING SUMMARY

Price:	\$5,177,000
Cap Rate:	7.00%
Net Operating Income:	\$362,372
Building Square Footage:	12,300 Sq Ft
Year Built Renovated:	2013 2023
Lot Size:	+/- 1.54 Acres

LEASE SUMMARY

Tenant:	o2b Early Education Holdings, Inc.
Guaranty:	Corporate
Rent Commencement:	9/1/2023
Lease Expiration:	8/31/2043
Lease Term:	20 Year
Lease Type:	Triple Net
Structure & Foundation:	Landlord Responsible
Rental Increases:	2.00% Annually
Renewal Options:	Two, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
2	9/1/2024	8/31/2025	\$362,372	7.00%
3	9/1/2025	8/31/2026	\$369,619	7.14%
4	9/1/2026	8/31/2027	\$377,012	7.28%
5	9/1/2027	8/31/2028	\$384,552	7.43%
6	9/1/2028	8/31/2029	\$392,243	7.58%
7	9/1/2029	8/31/2030	\$400,088	7.73%
8	9/1/2030	8/31/2031	\$408,090	7.88%
9	9/1/2031	8/31/2032	\$416,252	8.04%
10	9/1/2032	8/31/2033	\$424,577	8.20%
11	9/1/2033	8/31/2034	\$433,068	8.37%
12	9/1/2034	8/31/2035	\$441,729	8.53%
13	9/1/2035	8/31/2036	\$450,564	8.70%
14	9/1/2036	8/31/2037	\$459,575	8.88%
15	9/1/2037	8/31/2038	\$468,767	9.05%
16	9/1/2038	8/31/2039	\$478,142	9.24%
17	9/1/2039	8/31/2040	\$487,705	9.42%
18	9/1/2040	8/31/2041	\$497,459	9.61%
19	9/1/2041	8/31/2042	\$507,408	9.80%
20	9/1/2042	8/31/2043	\$517,556	10.00%
21-25 (Option 1)	9/1/2043	8/31/2048	\$527,908	10.20%
26-30 (Option 2)	9/1/2048	8/31/2053	\$582,853	11.26%

INVESTMENT HIGHLIGHTS

- **18+ Years Remaining on a 20-Year Lease**
 - O2B Kids! Signed a new 20-year lease at the subject property in 2023.
 - The lease has no day-to-day landlord responsibilities and offers 2.00% annual increases in rent.
 - In addition to the 20-year base lease term, the tenant has two, five-year options to renew with the same rent increase structure annually.
- **O2B Kids! Acquired an Existing 6-Unit Operator (Bright Start Academy) in 2023**
 - The subject property had been operating as a Bright Start Academy child care facility, prior to O2B Kids! acquiring the operating business in 2023.
 - Unlike a brand new construction property, O2B Kids! assumed all of the existing enrollment and revenue production that the former operator had built up over years of being in operation. This will allow for O2B Kids! to be profitable at a far more rapid pace than a brand new construction location.
- **Corporate Guaranty from Top 15 Operator in the Country (60+ Locations, with 20+ in Pipeline)**
 - O2B Kids! is one of Top 15 Corporate childcare companies in the country.
 - O2B Kids! currently operates over 59 locations across five states, with 20 more locations in the pipeline.
- **Spire Capital Invests \$245 Million to Expand O2B Kids!**
 - In 2018, O2B became a portfolio company under Spire Capital Partners, receiving a \$245 million investment to expand its existing school operations, proprietary curriculum and technology management system.
 - Three Spire executives joined O2B's Board of Directors as part of the partnership.
 - Since its inception in 2000, Spire has managed over \$1 billion of committed capital and has completed.
 - 32 platform investments and over 115 add-on acquisitions.



WHY BUY A DAYCARE CENTER?

The U.S. child care market is expected to grow at a compound annual growth rate of 4.18% from 2023 to 2030 and is expected to reach USD 83.6 billion by 2030.

The key factors driving the U.S. child care market growth include increasing government funding for childcare, rising demand for daycare centers; and an increase in the number of women employment.

The early education and daycare segment dominated the U.S. child care market with a share of around 47% in 2022. This is attributable to the increase in the rising demand along with the government funding to child care centers.

The market is benefiting from the advancement of learning technologies for children. Educational tools like Starfall, based on advanced technology, are transforming the U.S. childcare market by providing engaging activities and games for children to learn art, languages, and mathematics.



SITE PLAN



AERIAL OVERVIEW



TENANT PROFILE

We exist to help parents grow happy, successful kids. O2B Kids is a place that opens minds, improves self-confidence, develops social skills, and strengthens bodies. O2B Kids helps children discover hidden talents and promotes a passion for discovery. Friendships are developed and life lessons are learned. O2B Kids encourages kids to try new things and teaches a respect for people, property and ideas.

In the year 1992, two best friends, Andy Sherrard and Danny Stevens, embarked on a one-year journey around the world in search of adventure and excitement...and the meaning of life! During their travels, across oceans and continents, the pair discovered that even at the ripe old age of 25 they were living everyday "learning through play." The concept sparked in each of them a deep interest in education...and they excitedly returned home to the swamps of Gainesville, Florida to begin planning the ultimate learning environment for kids.

In 1998, the two dreamers saw their vision realized, with the opening of the very first 34,000-square foot O2B Kids SuperCenter. It was a grand celebration with over 1,000 O2B Kids members discovering the original concept of "learning through play." With the help of generous investors and a dedicated staff, O2B Kids grew...and grew...and grew. We look forward to putting an ever-growing number of children and communities on the path to their very own "...happily ever after."



Company Type: Private
Location: Gainesville, Florida (60+ Locations, with 20+ in Pipeline)
Website: <https://o2bkids.com/>

#15
 Top Ranked
 Corporate
 Operator

\$100M+
 2023
 Annual Revenue

\$245M+
 Spire Capital
 Partnership in
 2018

2023 | TOP 20 CORPORATE CHILD CARE COMPANIES

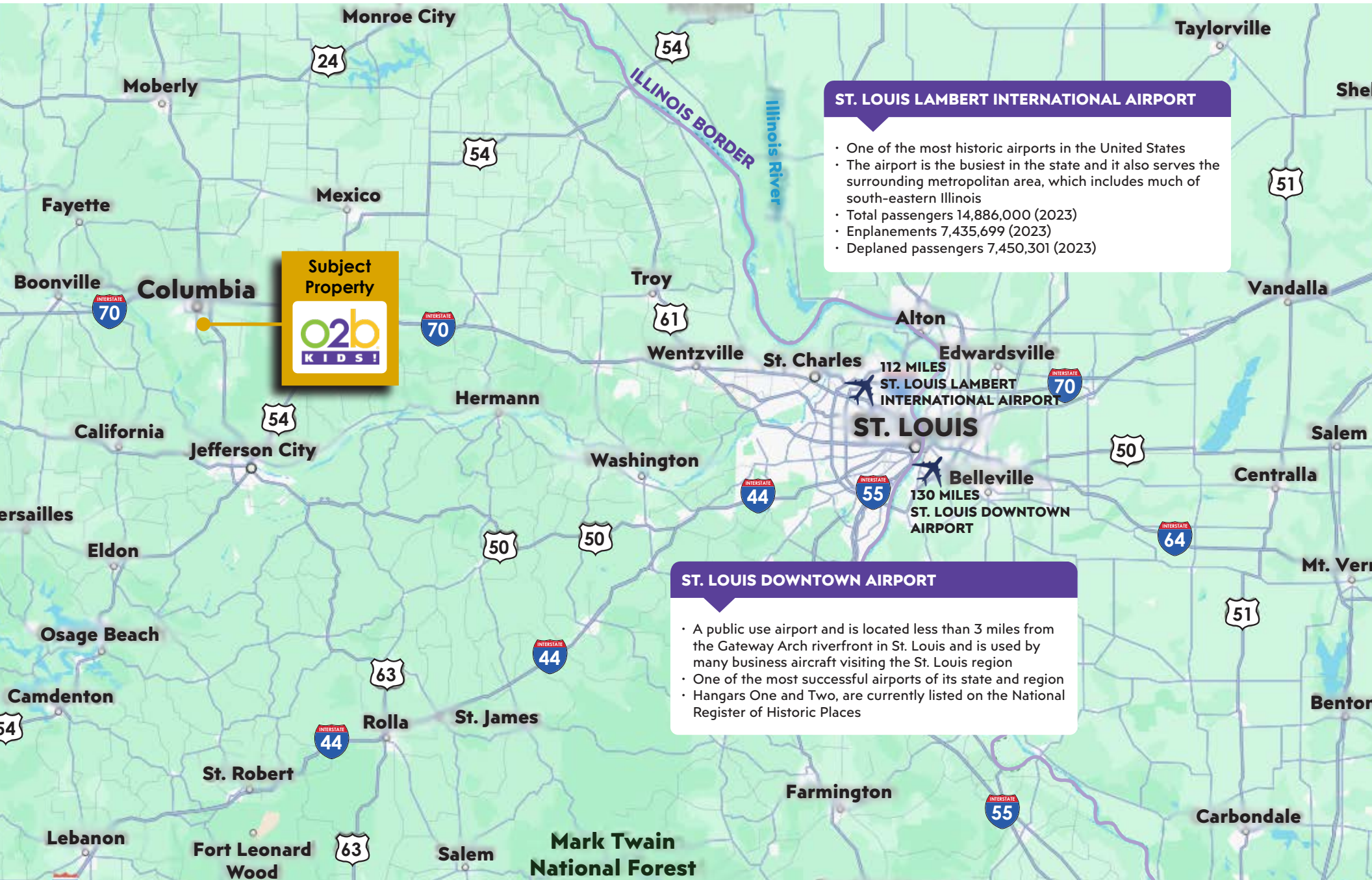
	ORGANIZATION	HEADQUARTERS	CAPACITY (EST.)	# OF CENTERS (EST.)
1	KinderCare Learning Centers	Oregon	195,000	1,501
2	Learning Care Group	Michigan	161,000	1,071
3	Bright Horizons	Massachusetts	120,000	1,081
4	Cadence Education	Arizona	47,861	285
5	Child Development Schools	Texas	46,000	269
6	Spring Education Group**	California	39,488	182
7	The Learning Experience	Florida	39,038	328
8	The Sunshine House	South Carolina	22,000	132
9	Endeavor Schools	Florida	19,500	94
10	Premier Early Education	Illinois	15,000	90
11	New Horizon Academy	Minnesota	13,811	93
12	Early Learning Academies	Virginia	13,700	74
13	Big Blue Marble Academy	Alabama	12,349	60
14	Children of America**	Florida	11,285	61
15	O2B Kids	Florida	9,675	47
16	The Nest Schools	Florida	7,260	44
17	The Gardner School	Tennessee	6,300	32
18	Never Grow Up, Inc	Tennessee	5,850	40
19	Acelero Learning	New York	5,341	51
20	Learning Jungle	Canada	5,173	50

Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2023

**Data from January 2022 report

PROPERTY PHOTOS





AREA OVERVIEW

COLUMBIA

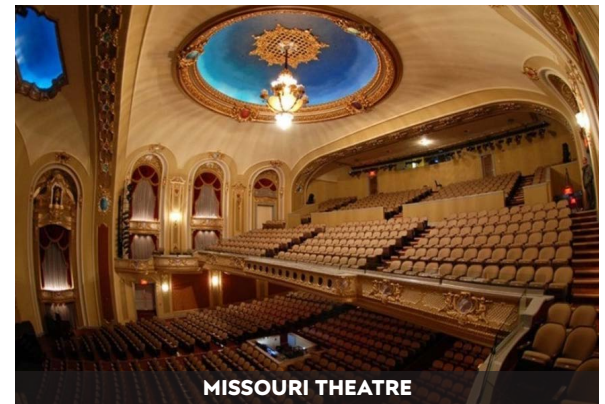
- Located on Interstate 70 and U.S. Highway 63, Columbia is right in the middle of the state and the nation. Just a couple hours' drive from St. Louis and Kansas City, Columbia is Boone County's largest population center and has received numerous national awards and recognitions.
- A hub for education, healthcare, insurance, and technology, its key employers include the University of Missouri, Boone Hospital Center, Shelter Insurance, Veterans United Home Loans, and Carfax.
- Praised for its quality of life, Columbia offers affordable living combined with a plethora of cultural, recreational activities, and a bustling downtown district.
- Throughout the year, residents and visitors can enjoy events like the True/False Film Fest, the Roots N Blues N BBQ Festival, and the Art in the Park Festival.
- The Columbia Regional Airport (COU), providing flights to major cities such as Chicago and Denver, is undergoing expansion to meet the increasing demand for air travel.
- Columbia takes pride in hosting the Regional Economic Development Inc. (REDI). This pivotal public-private partnership focuses on bolstering job creation and nurturing business development in the region, offering a suite of services from market research to financing aid for the entrepreneurial community.
- Joggers, walkers and bikers enjoy the many hiking trails in Columbia such as the MKT Nature & Fitness Trail, a 4.7-mile urban walkway through Columbia's beautiful greenbelt. The trail also connects with the Katy Trail State Park, the largest rails-to-trails conversion in the nation, stretching 185 miles across Missouri.

ECONOMY

- Education, healthcare, and insurance have traditionally been the pillars of Columbia's economy. Many also find employment in government roles, either within Columbia or in Jefferson City, which is just a 30-minute drive to the south.
- The Columbia Regional Airport and the Missouri River Port of Rocheport serve as key transportation and trade connectors for the region.
- In 2018, the city's Gross Metropolitan Product reached \$9.6 billion, accounting for 3% of Missouri's total Gross State Product. To put this into perspective, Columbia's metropolitan economy is marginally larger than Rwanda's.
- Notable insurance firms based in Columbia are Shelter Insurance and Columbia Insurance Group. The city also hosts prominent entities like StorageMart, Veterans United Home Loans, MFA Incorporated, the Missouri State High School Activities Association, and MFA Oil.
- Moreover, companies such as Socket, Slackers CDs and Games, Carfax, and MBS Textbook Exchange originated in Columbia.



UNIVERSITY OF MISSOURI



MISSOURI THEATRE




ROCK BRIDGE MEMORIAL STATE PARK


DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	7,271	41,215	90,857
2020 Population	8,470	48,472	102,712
2023 Population	9,145	50,766	105,574
2028 Population	9,190	51,497	108,536
HOUSEHOLDS			
2010 Households	2,831	15,228	36,829
2020 Households	3,433	18,838	42,334
2023 Households	3,469	19,136	43,257
2028 Households	3,490	19,501	44,652
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	30.5%	32.1%	45.0%
2020 Owner Occupied Housing Units	0.2%	0.2%	0.4%
2023 Owner Occupied Housing Units	28.3%	31.4%	44.9%
2028 Owner Occupied Housing Units	28.2%	31.7%	45.2%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	69.6%	68.0%	55.0%
2020 Renter Occupied Housing Units	0.8%	0.8%	0.6%
2023 Renter Occupied Housing Units	71.7%	68.6%	55.1%
2028 Renter Occupied Housing Units	71.8%	68.3%	54.8%
AVERAGE HOUSEHOLD INCOME	\$60,881	\$73,787	\$81,410


AREA SNAPSHOT




105,574
POPULATION (5-MILE)



172,871
DAYTIME POPULATION (5-MILE)



43,257
HOUSEHOLDS (5-MILE)



\$60,881
AVERAGE HOUSEHOLD INCOME (1-MILE)