



13+ Years Remaining on a 15-Year Lease | 2.00% Annual Increases | 225,000+ People in 5-Miles



OFFERING MEMORANDUM  
ST. LOUIS, MISSOURI

Marcus & Millichap  
THE SULO GROUP



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# OFFERING SUMMARY



## PROPERTY ADDRESS

### o2b Kids!

9636 & 9640 Midland Boulevard

St. Louis, MO 63114

## OFFERING SUMMARY

Price:	\$2,550,000
Cap Rate:	7.25%
Net Operating Income:	\$184,868
Building Square Footage:	6,300 Sq Ft
Year Built   Renovated:	1998   2023
Lot Size:	+/- 0.77 Acres

## LEASE SUMMARY

Tenant:	o2b Early Education Holdings, Inc.		
Guaranty:	Corporate		
Rent Commencement:	9/1/2023		
Lease Expiration:	8/31/2038		
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	\$184,868	7.25%
3	9/1/2025	8/31/2026	\$188,565	7.39%
4	9/1/2026	8/31/2027	\$192,337	7.54%
5	9/1/2027	8/31/2028	\$196,183	7.69%
6	9/1/2028	8/31/2029	\$200,107	7.85%
7	9/1/2029	8/31/2030	\$204,109	8.00%
8	9/1/2030	8/31/2031	\$208,191	8.16%
9	9/1/2031	8/31/2032	\$212,355	8.33%
10	9/1/2032	8/31/2033	\$216,602	8.49%
11	9/1/2033	8/31/2034	\$220,934	8.66%
12	9/1/2034	8/31/2035	\$225,353	8.84%
13	9/1/2035	8/31/2036	\$229,860	9.01%
14	9/1/2036	8/31/2037	\$234,457	9.19%
15	9/1/2037	8/31/2038	\$239,146	9.38%
16-20 (Option 1)	9/1/2038	8/31/2043	\$243,929	9.57%
21-25 (Option 2)	9/1/2043	8/31/2048	\$269,318	10.56%

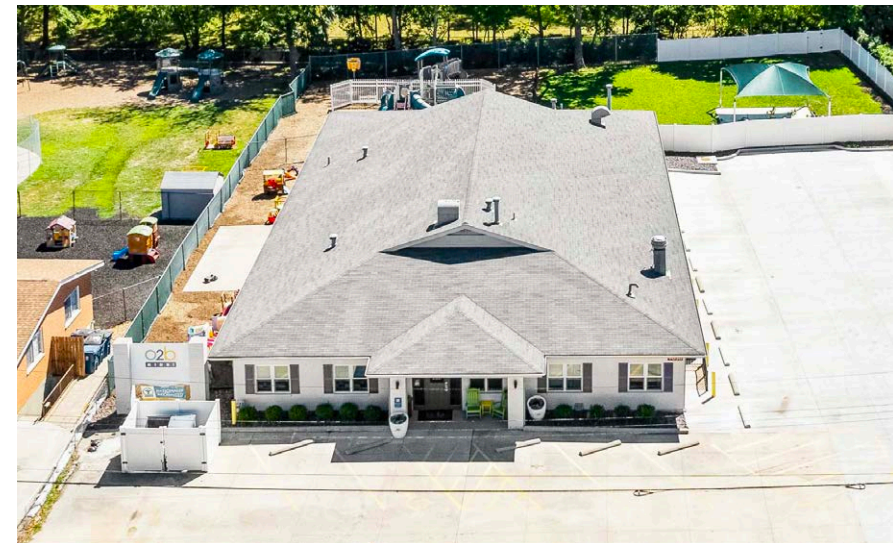
**Lease Comments:** Annual increases in options



# INVESTMENT HIGHLIGHTS



- **13+ Years Remaining on a 15-Year Lease**
  - O2B Kids! Signed a new 15-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.
- **Densely Populated Area with Over 225,000 People in 5-Miles**
  - Known for its iconic Gateway Arch, the St. Louis metro is situated near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and it has nearly 2.8 million residents.
  - The metro encompasses the city of St. Louis; the Missouri counties of St. Charles, Jefferson, Franklin, St. Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun.



## 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.




**4.18%**  
Annual  
Growth

Expected Growth Rate  
from 2023 to 2030



**\$60.4B**  
Industry

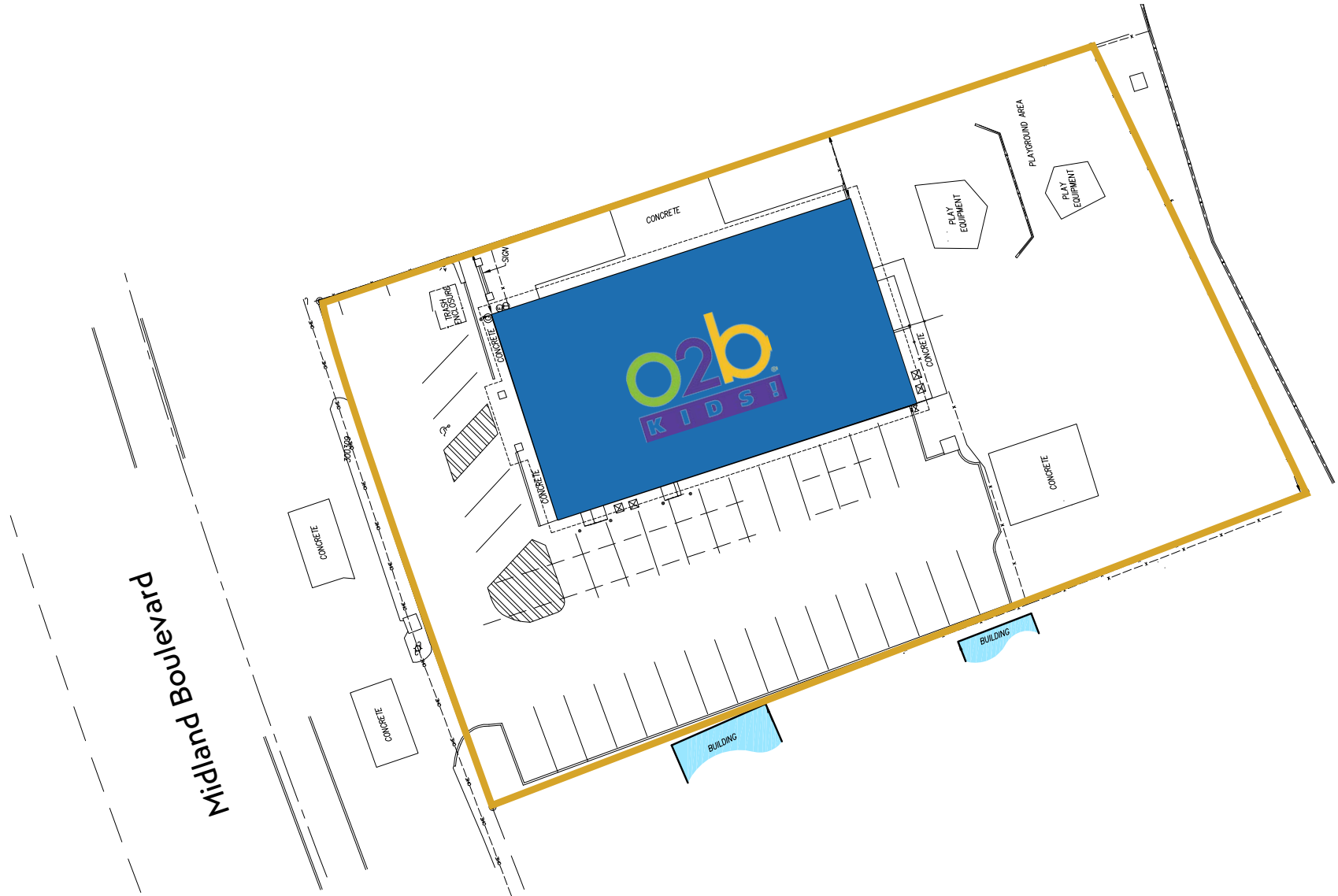
Expected to Grow to  
\$83.6B by 2030



**47%**  
Market  
Share

U.S. ECE Segment  
in 2022

# 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
<b>15</b>	<b>O2B Kids</b>	<b>Florida</b>	<b>9,675</b>	<b>47</b>
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

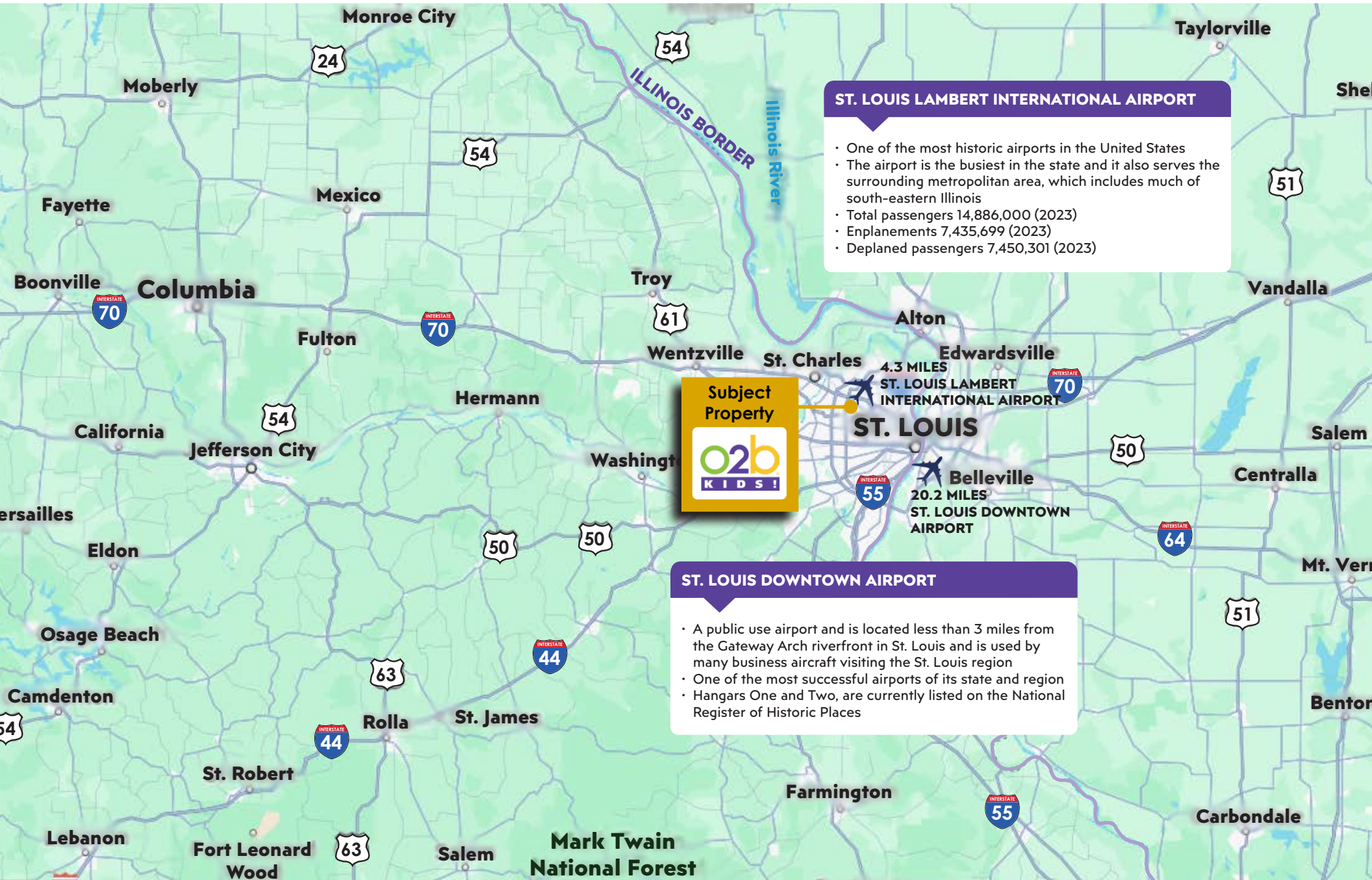
Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2023

\*\*Data from January 2022 report

# PROPERTY PHOTOS







## AREA OVERVIEW

### ST. LOUIS

- The St. Louis metro is situated near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and it has nearly 2.8 million residents.
- St. Louis has a storied history that dates back to its founding by French fur traders in 1764. It played a significant role in the westward expansion of the United States, notably serving as a starting point for Lewis and Clark's famous expedition.
- The Gateway Arch, an iconic monument and national symbol, stands proudly on the banks of the Mississippi River. This 630-foot stainless steel arch offers breathtaking views of the city and the surrounding area.
- The city is home to several prestigious universities and colleges, including Washington University in St. Louis, Saint Louis University, and the University of Missouri-St. Louis, contributing to a vibrant academic and research community.
- In North St. Louis, the U.S. National Geospatial-Intelligence Agency has a major expansion underway. The \$1.7 billion 97-acre campus is set to be completed in 2025. St. Louis is also home to the Federal Reserve Bank of St. Louis.
- The metro boasts numerous public and private golf courses, more than 100 parks, 200 miles of trails and the Gateway Arch National Park.
- Lake of the Ozarks is within driving distance, offering destinations for hunting, fishing, camping, hiking and spelunking.
- Home to the St. Louis Cardinals a major league baseball team and the professional hockey team the St. Louis Blues
- In its heyday, St. Louis Union Station was one of the largest and busiest passenger rail terminals in the world. Today, it's a source of endless entertainment for residents and visitors alike. The complex houses more than 13,000 animals at the St. Louis Aquarium, the 200-foot St. Louis Wheel, a carousel, an 18-hole miniature golf course, a ropes course and more.
- St. Louis is fortunate to have a plethora of excellent restaurants, coffee shops and confectioners alongside award-winning breweries, distilleries and wineries throughout our neighborhoods.

### ECONOMY

- St. Louis is highly ranked for its logistics infrastructure, bolstered by its central location and easy access to major waterways. It is a significant inland port.
- The region is emerging as a large financial services center, with seven Fortune 500 companies headquartered there: Centene Corp., Emerson Electric, Reinsurance Group of America, Jones Financial, Olin, Ameren and Graybar Electric.
- Government entities pursue business developments and provide resources for startups, along with incubators, with guidance and low-cost office and lab space.






# DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	15,685	89,818	229,068
2020 Population	15,257	88,876	225,108
2023 Population	14,632	85,603	220,798
2028 Population	14,529	85,324	220,215
<b>HOUSEHOLDS</b>			
2010 Households	6,516	38,174	95,898
2020 Households	6,398	38,188	96,047
2023 Households	6,398	38,204	96,105
2028 Households	6,386	38,266	96,155
<b>OWNER OCCUPIED HOUSING UNITS</b>			
2010 Owner Occupied Housing Units	65.4%	60.0%	61.5%
2020 Owner Occupied Housing Units	0.6%	0.5%	0.6%
2023 Owner Occupied Housing Units	58.7%	55.1%	57.8%
2028 Owner Occupied Housing Units	58.3%	54.7%	57.6%
<b>RENTER OCCUPIED HOUSING UNITS</b>			
2010 Renter Occupied Housing Units	34.6%	40.0%	38.5%
2020 Renter Occupied Housing Units	0.4%	0.5%	0.4%
2023 Renter Occupied Housing Units	41.3%	44.9%	42.2%
2028 Renter Occupied Housing Units	41.7%	45.3%	42.4%
<b>AVERAGE HOUSEHOLD INCOME</b>	<b>\$54,753</b>	<b>\$64,361</b>	<b>\$89,971</b>

## AREA SNAPSHOT




**220,798**  
POPULATION (5-MILE)

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**338,219**  
DAYTIME POPULATION (5-MILE)

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**96,105**  
HOUSEHOLDS (5-MILE)

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**\$54,753**  
AVERAGE HOUSEHOLD INCOME (1-MILE)