Kid City USA
Where Kids Can BEE Kids

Corporate Guaranty (140+ Locations) | 11+ Years Remaining | Highly Trafficked Intersection 65,000+ CPD

OFFERING MEMORANDUM

MELBOURNE, FLORIDA

Marcus & Millichap
THE SULO GROUP

OFFERING SUMMARY

PROPERTY ADDRESS

Kid City USA
4950 Dairy Road
Melbourne, FL 32094

OFFERING SUMMARY	
Price:	$4,031,000
Cap Rate:	7.25%
Net Operating Income:	$292,260
Building Square Footage:	9,882 Sq Ft
Year Built | Renovated:	2004 | 2022
Lot Size:	+/- 0.92 Acres
LEASE SUMMARY	
Tenant:	Kid City USA Enterprises, Inc.
Guaranty:	Corporate and Personal
Lease Commencement:	1/12/2022
Rent Commencement:	2/1/2022
Lease Expiration:	1/31/2037
Lease Term Remaining:	11+ Years
Lease Type:	Triple Net
Roof and Structure:	Tenant Responsible
Rental Increases:	2.00% Annual Increases
Renewal Options:	Two, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
5	2/1/2026	1/31/2027	$292,260	7.25%
6	2/1/2027	1/31/2028	$298,105	7.40%
7	2/1/2028	1/31/2029	$304,067	7.54%
8	2/1/2029	1/31/2030	$310,149	7.69%
9	2/1/2030	1/31/2031	$316,352	7.85%
10	2/1/2031	1/31/2032	$322,679	8.00%
11	2/1/2032	1/31/2033	$329,132	8.17%
12	2/1/2033	1/31/2034	$335,715	8.33%
13	2/1/2034	1/31/2035	$342,429	8.49%
14	2/1/2035	1/31/2036	$349,278	8.66%
15	2/1/2026	1/31/2037	$356,263	8.84%
16-20 **(Option 1)**	2/1/2037	1/31/2042	$363,389	9.01%
21-25 **(Option 2)**	2/1/2042	1/31/2047	$401,210	9.95%

INVESTMENT HIGHLIGHTS

- **11+ Years Remaining with 2.00% Annual Increases in Rent**
  - Kid City USA is 3+ years into a 15-year lease, offering long-term cash flow through January 2037 with two, five-year extension options immediately following the Base Term.
  - The lease is absolute net in nature, leaving the Landlord zero obligations with Tenant responsible for all maintenance, repair and replacement of the to the property.
  - 2.00% annual rental increases provide contractual rent growth for the remainder of the base lease term and the two, five-year option periods.

- **Corporate (140+ Locations) and Personal Guaranty in Place**
  - Kid City USA currently operates over 140 locations across twelve states.
  - Kid City USA landlord's benefit from not only a corporate guaranty, but also a personal guaranty from the founder and CEO of the company Audrey Bruner.

- **Over $84,000,000 Spent on Education and Daycare in a 5-Mile Radius**
  - A strong focus on education and early childhood development can make a city more attractive to businesses and skilled workers, contributing to overall economic growth.
  - Participants in early childhood programs are more likely to enroll in college and potentially experience higher earnings in adulthood.

- **Demand For Child Care Remains Extremely Strong**
  - The U.S. child care market size was valued at USD 60.4 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 4.18% from 2023 to 2030.
  - The key factor driving the growth is the rising demand for early daycare & education services with more parents returning to working in offices, the rising number of single & working mothers, advancements in learning technologies for children, and the accessibility of government funding.
  - The expenditure on daycare in the U.S. is very high. As per the cost of care survey facilitated by the U.S. Department of Health and Human Services, the expenditure on these services reached up to 7% of the household income in 2021.
  - Families in the U.S. are willing to spend more on child care services, indicating the high service demand in the U.S.

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.

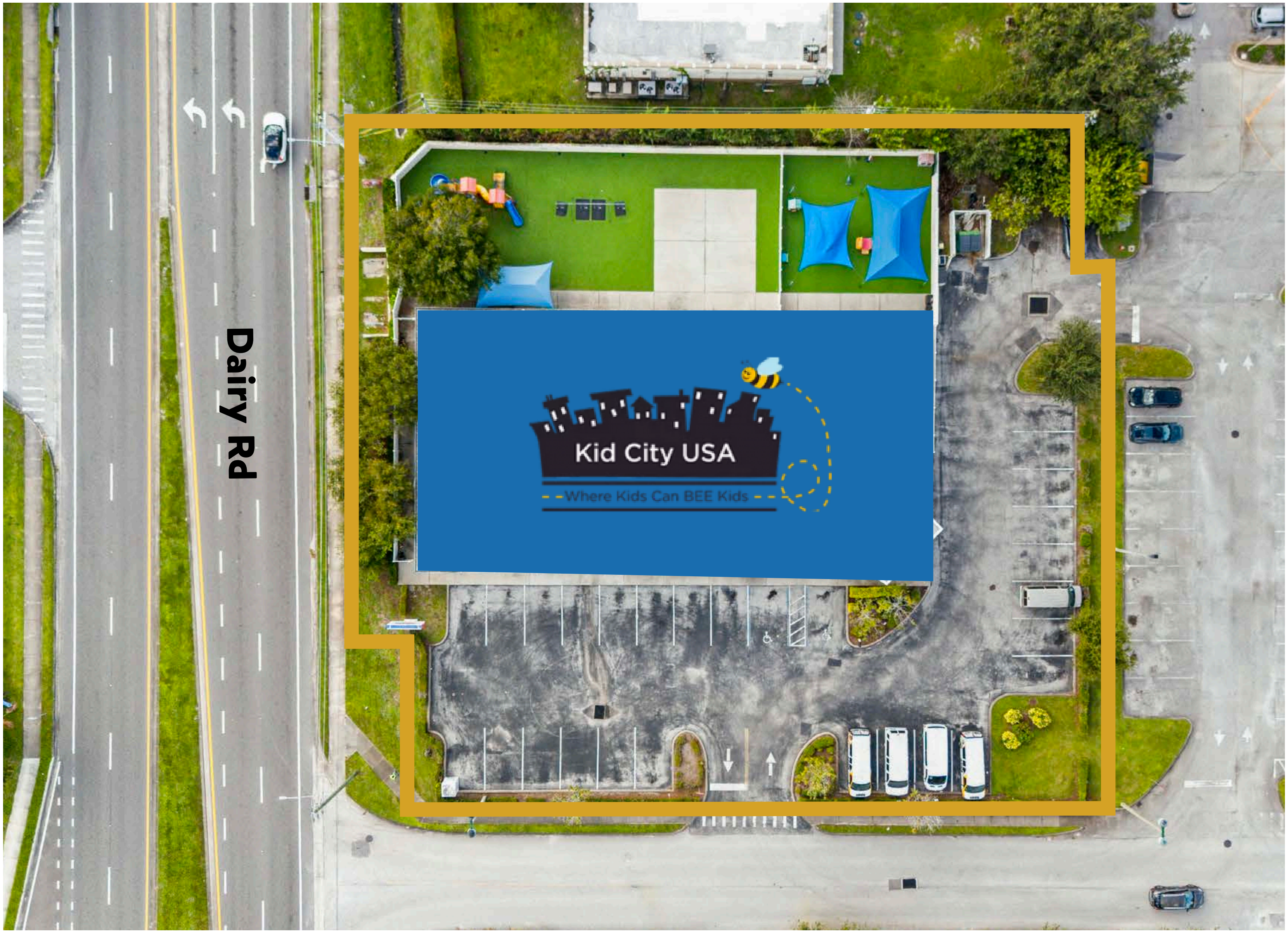
The market is benefiting from the advancement of learning technologies for children. Educational tools like Starfall, based on advanced technology, are transforming the U.S. childcare market by providing engaging activities and games for children to learn art, languages, and mathematics.

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

AERIAL OVERVIEW

AERIAL OVERVIEW

TENANT PROFILE

Kid City USA Enterprises offers unparalleled preschool, daycare, and before & after school programs nationwide. OverOne Over the last 25 years, Kid City USA has rapidly expanded to over 140 locations. Our franchise opportunities are great for both individuals wanting to put their degree in education to work or investors seeking to own one to several locations.

Kid City is committed to exceptional childcare and early childhood education in a homelike environment. Kid City is a place "Where Kids Can 'BEE' Kids". We are committed to providing families with a safe, healthy, structured environment filled with love and encouragement. Our program works diligently to develop the social, emotional, cognitive, physical and character development of each individual child. We respect the uniqueness of each family's customs and beliefs. Kid City does not discriminate against anyone (child or adult, staff or parent) based on sex, age, religion, natural origin, race, marital status, physical or mental disability, or veteran status. We practice an open-door policy and encourage parents to "bee" an active part in their children's learning and development process.

We pride ourselves on allowing children to grow and develop in a hands-on, literacy enriched environment. Use of TV or video is limited to educational purposes only with proper authorization. At Kid City USA, we use curriculum to promote the development of all stages in each child. Most of all, we provide our families with loving, trained caregivers who understand that all children develop differently.

Company Type:	Private
Location:	Port Orange, Florida (140+ Locations)
Website:	https://kidcityusa.com/

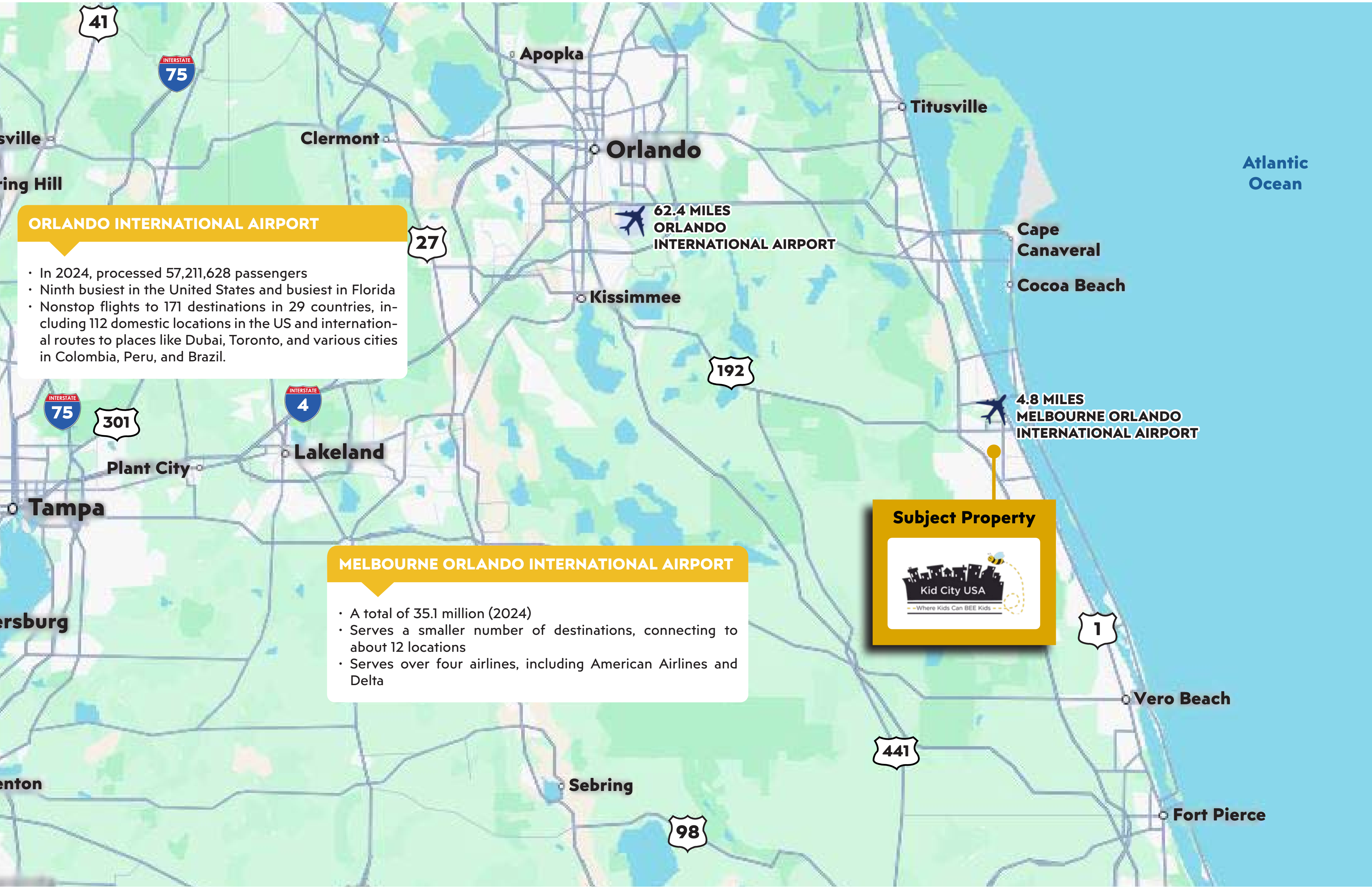
2000
Year Founded

140+
Locations Across 12 States

25+
Years in the Business

PROPERTY PHOTOS

REGIONAL MAP



ORLANDO INTERNATIONAL AIRPORT

- In 2024, processed 57,211,628 passengers
- Ninth busiest in the United States and busiest in Florida
- Nonstop flights to 171 destinations in 29 countries, including 112 domestic locations in the US and international routes to places like Dubai, Toronto, and various cities in Colombia, Peru, and Brazil.

MELBOURNE ORLANDO INTERNATIONAL AIRPORT

- A total of 35.1 million (2024)
- Serves a smaller number of destinations, connecting to about 12 locations
- Serves over four airlines, including American Airlines and Delta

MELBOURNE

- It sits astride the Indian River Lagoon, with a large portion of the city located on Florida's mainland, and a portion located on a barrier island. The Indian River Lagoon separates the mainland from the beachside barrier island.
- The city of Melbourne is 70 miles southeast of Orlando and 180 miles north of Miami.
- Melbourne is the economic engine of Brevard County, capitalizing on high-tech industries, location on the Space Coast and our established relationships with the region's educational and research leaders.
- Melbourne's historic downtowns provide ever increasing entertainment options and unique retail choices.
- Melbourne's unparalleled natural amenities and a strong sense of community stewardship make the city one of the best places to live, work and raise a family.
- Visitors and residents alike can enjoy a host of activities four seasons long, including quaint downtowns filled with shopping, arts, dining, and local theater; hiking or cycling on miles of trails; kayaking, stand-up paddle boarding, sailing or boating on the scenic Indian River Lagoon; and surfing, fishing or strolling beaches along the Atlantic.
- Top local attractions include the Brevard Zoo, named one of the top 10 zoos in the United States by USA Today, and Kennedy Space Center Visitor Complex, named one of the top 10 museums in the United States by Trip Advisor.
- Cruise-seekers need look no further than Port Canaveral, located just 20 minutes north of Melbourne. One of the busiest cruise ports in the world, Port Canaveral is a hub for Disney, Norwegian, Royal Caribbean and Carnival cruise lines.
- Historic Downtown Melbourne is a vibrant shopping and entertainment destination on Florida's Space Coast. Home to unique stores like Downtown Divas, The Flop Shop, The Irish Shop, Indian River Soap, and many more, you'll be able to find one-of-a-kind items and gifts. And while down there, enjoy a meal at one of the 20 places to choose from.
- Kennedy Space Center and Cape Canaveral Air Station are economic drivers, drawing companies such as SpaceX and Boeing to the area, which creates many high-paying, technically skilled jobs.
- Warm winter weather, sandy beaches, and an abundance of activities and attractions support a robust tourism industry that brings in billions of dollars annually.

KENNEDY SPACE CENTER VISITOR COMPLEX

UNIVERSITY OF CENTRAL FLORIDA

BREVARD ZOO

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	7,632	66,595	125,200
2020 Population	10,082	77,216	145,178
2024 Population	10,770	81,303	156,854
2029 Population	11,451	84,394	165,332
HOUSEHOLDS			
2010 Households	3,725	28,225	51,690
2020 Households	4,812	32,451	59,032
2024 Households	5,275	34,497	64,043
2029 Households	5,616	35,994	67,708
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	44.7%	58.7%	59.2%
2020 Owner Occupied Housing Units	47.6%	59.1%	61.4%
2024 Owner Occupied Housing Units	47.1%	59.1%	61.8%
2029 Owner Occupied Housing Units	46.9%	59.1%	62.0%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	34.8%	27.6%	27.3%
2020 Renter Occupied Housing Units	38.8%	31.6%	29.7%
2024 Renter Occupied Housing Units	39.0%	31.4%	29.3%
2029 Renter Occupied Housing Units	39.1%	31.4%	29.1%
AVERAGE HOUSEHOLD INCOME	**$75,189**	**$85,034**	**$86,145**

AREA SNAPSHOT

156,854
POPULATION (5-MILE)

157,027
DAYTIME POPULATION (5-MILE)

4.3%
POPULATION GROWTH (2024-2029)

$75,189
AVERAGE HOUSEHOLD INCOME (1-MILE)

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