



20-Year Lease with 2.00% Annual Increases | AHHI Exceeds \$147,000 in 1-Mile | Long Term Tenancy at Location – 96%+ Enrolled



OFFERING MEMORANDUM
KNOXVILLE, TENNESSEE

Marcus & Millichap
THE SULO GROUP

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OFFERING SUMMARY

PROPERTY ADDRESS

The Goddard School
 10720 Virginia Pine Way
 Knoxville, TN 37932

OFFERING SUMMARY

Price:	\$4,929,000
Cap Rate:	7.00%
Net Operating Income:	\$345,000
Building Square Footage:	11,159 Sq Ft
Year Built:	2007
Lot Size:	+/- 2.14 Acres

LEASE SUMMARY

Tenant:	ALP Knox Hardin Valley OpCo, LLC
Guaranty:	Franchise
Lease Commencement:	Est. 7/1/2026
Rent Commencement:	Est. 7/1/2026
Lease Expiration:	Est. 6/30/2046
Lease Term Remaining:	20 Years
Lease Type:	Triple Net
Structure and 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
1	7/1/2026	6/30/2027	\$345,000	7.00%
2	7/1/2027	6/30/2028	\$351,900	7.14%
3	7/1/2028	6/30/2029	\$358,938	7.28%
4	7/1/2029	6/30/2030	\$366,117	7.43%
5	7/1/2030	6/30/2031	\$373,439	7.58%
6	7/1/2031	6/30/2032	\$380,908	7.73%
7	7/1/2032	6/30/2033	\$388,526	7.88%
8	7/1/2033	6/30/2034	\$396,297	8.04%
9	7/1/2034	6/30/2035	\$404,222	8.20%
10	7/1/2035	6/30/2036	\$412,307	8.36%
11	7/1/2036	6/30/2037	\$420,553	8.53%
12	7/1/2037	6/30/2038	\$428,964	8.70%
13	7/1/2038	6/30/2039	\$437,543	8.88%
14	7/1/2039	6/30/2040	\$446,294	9.05%
15	7/1/2040	6/30/2041	\$455,220	9.24%
16	7/1/2041	6/30/2042	\$464,325	9.42%
17	7/1/2042	6/30/2043	\$473,611	9.61%
18	7/1/2043	6/30/2044	\$483,083	9.80%
19	7/1/2044	6/30/2045	\$492,745	10.00%
20	7/1/2045	6/30/2046	\$502,600	10.20%

INVESTMENT HIGHLIGHTS

- **New 20-Year Lease with 2.00% Annual Increases**
 - The tenant will sign a new 20-year lease at the close of escrow.
 - The lease has no landlord responsibilities and offers 2.00% annual increases throughout the base term.
 - 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.
- **Ascend Learning Partners (ALP) – Plans to be the Largest Goddard Operator in the Country**
 - ALP is dedicated to creating exceptional experiences for the families we serve and empowering the educators who make it possible.
 - The goal is to grow to 20-30 Goddard School locations across country through new development and acquisition.
 - ALP team consists of advisors that have been in the early education industry for a combined 60+ years.
- **Strategic Partners with Upside Growth Partners (UGP) to Fuel Expansion**
 - UGP brings a breadth of industry expertise and functional experience to bear on our vision for this platform.
 - UGP have a track record of success with companies of similar industry, size, age, and stage as many Goddard franchisees.
 - UGP has direct experience executing on de novo growth in child services and acquiring & integrating owner-operated businesses into successful platforms.
- **Long Term Tenancy at Location – 96%+ Enrolled**
 - In operation since 2007, this school has had a long-standing relationship with families in the Knoxville community.
 - The school is currently wait-listed through 2027 for infants and much of 2026 for preschool.
- **The Goddard School - 600+ Locations In 38 States**
 - The Goddard School brand has been in operation for 30+ years.
 - 2024 Entrepreneur Franchise 500 ranks Goddard #68 for its franchise rankings.
 - Goddard serves children as young as 6 weeks old to 6 years old.
- **Over \$86,000,000 Spent on Education & 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.



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



TENANT PROFILE

Goddard Schools provide your child with a safe and caring environment where they can discover the wonder of learning in its most natural way — through play and exploration.

The distinctive structure positions Schools to support the needs of families and helps ensure that children are known and appreciated for their individual talents and personalities. The Goddard School's educational program encourages children to explore their curiosities and interests as they discover the wonder of learning. Goddard teachers, acknowledged experts in various fields of early childhood education, guide children through lessons using fun learning experiences (F.L.EX.®) that lay the foundation for a lifelong love of learning.

Additionally, this program has earned Cognia Accreditation and Partnership for 21st Century Learning: A Network of Battelle for Kids, for creating policies, programs and standards that help franchised locations meet high standards in early learning, child development and childcare. The Goddard School serves more than 75,000 students from six weeks to six years old in more than 600 Goddard Schools in 37 states and Washington, D.C.

Company Type: Private
Location: King of Prussia, Pennsylvania (600+ in 38 States)
Website: <https://www.goddardschool.com/>

#68
Franchise
500 Rank

600+
Franchised
Academies

77+
Multi-Unit
Operators



FRANCHISEE OVERVIEW – ASCEND LEARNING PARTNERS

ALP is dedicated to creating exceptional experiences for the families we serve and empowering the educators who make it possible. Our goal is to grow to 20-30 Goddard School locations across country through new development and acquisition.



John Patton

CEO

- Experienced school leader across recruiting, admissions, and family relations
- Most recently a senior leader at Christ Presbyterian Academy, which includes a preschool serving 140 children
- Co-founder of private school serving pre-k through 6th grade
- Former management consultant and private equity investor
- SEC track and field athlete
- Enjoys time with his wife and four children

ECE Experience



Terri Jacobs

Director of Operations

- 20+ years of early childhood education experience, beginning as a two-year-old teacher
- Supported opening of 30+ Gardner Schools across 8 states
- Specialized in director support, teacher mentorship, curriculum oversight, enrichment program optimization, and QA
- Enjoys time with her husband, Chris, and their two sons, Bryce and Garrett

ECE Experience



Tammy Robinson

Advisor, Board Member

- Nearly 40 years of early childhood education experience
- Co-founder and COO for The Gardner School, which to more than 40 locations nationwide
- Committed to supporting educators through meaningful professional development and internal advancement opportunities
- Core belief: children always come first
- Enjoys time with her 2 daughters and friends in the kitchen cooking, playing an intense game of Mah-jong or walking her three dogs

ECE Experience



UPSIDE GROWTH PARTNERS

We have a track record of success with companies of similar industry, size, age, and stage as many Goddard franchisees



Rick Apple

Managing Partner, Upside

- Investor and operator for growth-stage companies with expertise across finance, strategy, legal and operations
- COO, Inc 500 VoIP provider Altus, which sold to Momentum Telecom (Court Square)
- Private Equity Investor at Council Capital, Investment Banker at Wells Fargo Securities, Consultant at Oliver Wyman
- BSE, Princeton University
- JD & MBA, Vanderbilt University
- Tennessee `Bar Member, Avid Cyclist
- Five children ages 2-12



Erik Stiller

Managing Partner, Upside

- Strategy, technology, and marketing leader for large and emerging companies
- Founder, digital services agency Storyside, including public & private company clients
- Consultant & Project Leader at Boston Consulting Group
- Strategy & Operations at Google
- BA, Princeton University
- MBA, The Wharton School
- Five seasons, minor league pitcher with Cleveland Indians and Houston Astros
- Three sons, ages 7-12



Matt Craine

Principal, Upside

- Investor, attorney and accountant focused on middle-market businesses
- Private Equity Investor, MSouth Equity Partners
- Corporate Lawyer, Simpson Thacher and Bartlett
- BS, Carson Newman University
- JD, University of Virginia
- CPA (inactive)
- Four seasons, varsity soccer at Carson Newman University
- Three children, ages 0-5

Broad-Based Professional Experience:



Relevant Successful Investments:



PROPERTY PHOTOS



REGIONAL MAP

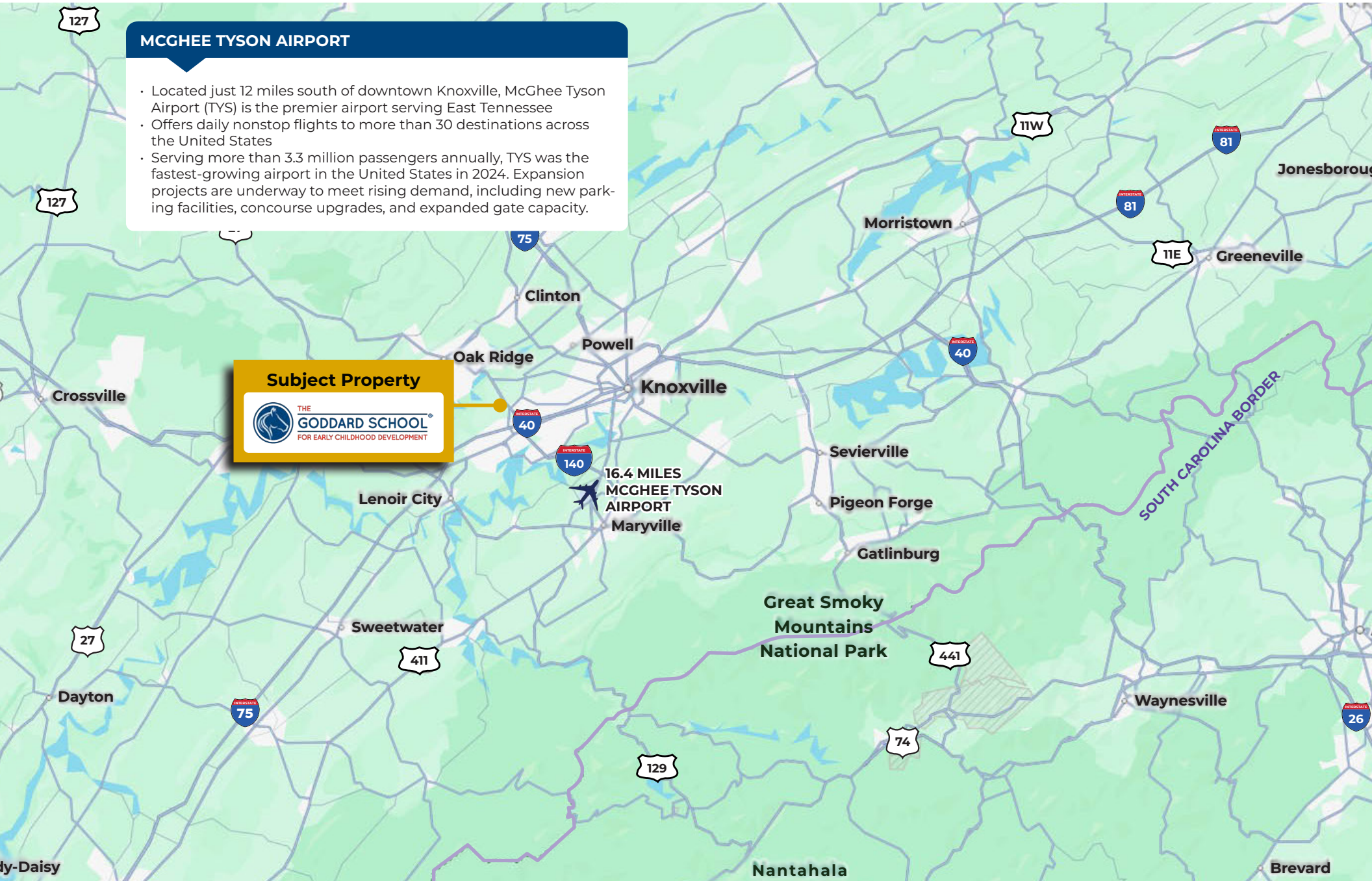
MCGHEE TYSON AIRPORT

- Located just 12 miles south of downtown Knoxville, McGhee Tyson Airport (TYS) is the premier airport serving East Tennessee
- Offers daily nonstop flights to more than 30 destinations across the United States
- Serving more than 3.3 million passengers annually, TYS was the fastest-growing airport in the United States in 2024. Expansion projects are underway to meet rising demand, including new parking facilities, concourse upgrades, and expanded gate capacity.

Subject Property



THE GODDARD SCHOOL®
FOR EARLY CHILDHOOD DEVELOPMENT



AREA OVERVIEW

KNOXVILLE

- The largest city in East Tennessee, known for its vibrant downtown with Market Square, arts, restaurants, and proximity to the Appalachian Mountains and Great Smoky Mountains
- Home to the University of Tennessee. The university has over 38,000 students and 10,000 employees. It is estimated the school has an over \$1.9 billion impact on the state's economy per year.
- Offering a lower cost of living than the national average, featuring historic charm, lively districts like the Old City, and a growing scene with local culture and outdoor access.
- Culture lovers, nature enthusiasts, and history buffs can all find something to enjoy among the tourist attractions in the region.
- Experience interactive exhibits, encounter local wildlife, attend open-air concerts, and immerse yourself in hands-on museums that bring the region's stories to life.
- The Port of Knoxville is connected to the nation's waterways and the Gulf of Mexico via channels on the Mississippi and Tennessee rivers.
- The Knoxville region has a strong arts community, contributing to a multitude of bluegrass and country music festivals, including Big Ears and Southern Skies. In nearby Pigeon Forge, the Dollywood park hosts 3 million tourists in a typical season.
- The area's timeless traditions, vibrant culture, and endless opportunities for outdoor adventure come together to create a destination that offers something for everyone, from solo travelers to families alike.

ECONOMY


- Technology and research activities are growing as economic drivers in the metro, supported by multiple National Science Foundation-funded centers associated with the University of Tennessee, most notably the Oak Ridge National Laboratory.
- Diversification has brought major employers from a variety of industries, such as physician outsourcing firm TeamHealth and prefabricated home builder Clayton Homes.
- While growing further away from its manufacturing roots into media and professional services jobs, the metro still houses significant manufacturing operations, including a Coca-Cola bottling plant.



DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	2,554	23,896	66,160
2020 Population	4,133	32,627	81,241
2024 Population	4,792	34,932	83,974
2029 Population	5,279	37,110	87,395
HOUSEHOLDS			
2010 Households	1,109	9,540	26,621
2020 Households	1,814	13,023	32,372
2024 Households	2,197	14,428	34,566
2029 Households	2,477	15,454	36,163
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	65.9%	72.3%	68.1%
2020 Owner Occupied Housing Units	51.2%	63.9%	65.3%
2024 Owner Occupied Housing Units	49.7%	63.3%	64.9%
2029 Owner Occupied Housing Units	48.9%	62.9%	64.8%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	24.2%	20.4%	25.0%
2020 Renter Occupied Housing Units	41.8%	30.4%	29.1%
2024 Renter Occupied Housing Units	43.3%	30.9%	29.4%
2029 Renter Occupied Housing Units	44.1%	31.2%	29.5%
AVERAGE HOUSEHOLD INCOME	\$147,772	\$120,911	\$119,046

AREA SNAPSHOT




83,974

POPULATION (5-MILE)




128,340

DAYTIME POPULATION (5-MILE)



2.7%

POPULATION GROWTH (2024-2029)



\$147,772

AVERAGE HOUSEHOLD INCOME (1-MILE)