

*SINGLE TENANT NET LEASE INVESTMENT*



Representative Photo

**OFFERING MEMORANDUM**

- » **NEW 10-YEAR LEASE**
- » **NEW CONSTRUCTION SINGLE TENANT BUILDING WITH DRIVE-THRU**
- » **STRONG RETAIL CORRIDOR**
- » **FESTUS/CRYSTAL CITY IS A GROWING MARKET WITH A BROAD REGIONAL TRADE AREA**



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**955 VETERANS BOULEVARD**  
**FESTUS, MO 63028**

## CONFIDENTIALITY & CONDITIONS

Transwestern (the “Agent”) has been engaged as the exclusive agent for the sale of 955 Veterans Boulevard in Festus, MO (the “Property”), by the Owner (the “Seller”).

The Property is being offered for sale in an “as-is, where-is” condition and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this information package. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective Purchasers of the interest described herein. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with Transwestern as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor”. The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by the Agent prior to delivery of this information package.

The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners or directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein, or any other written or oral communications, or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property. Interested parties are to make their investigations, projections and conclusions without reliance upon the material contained herein.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. The Seller and the Agent each expressly reserve the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This Offering

Memorandum is made subject to omissions, corrections or errors, change of price or other terms and prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered and approved by the Seller and any conditions to the Seller’s obligations there under have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to the Agent or the Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Transwestern.

The Seller will be responsible for any commission due the Agent in connection with a sale of the Property. Each prospective purchaser will be responsible for any claims for commissions by any other broker or agent in connection with a sale of the Property if such claims arise from acts of such prospective purchaser or its broker/agent. Any Buyer’s Agent must provide a registration signed by the prospective investor acknowledging said agent’s authority to act on its behalf.

### ENVIRONMENTAL MATTERS

All parties to real estate transactions should be aware of the health liability and economic impact of environmental factors on real estate. Agent does not conduct investigations or analysis of environmental matters, and accordingly, urges its clients to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminant or petrol-chemical products stored in underground tanks) or other undesirable materials or conditions are present in the Property, and if so, whether any health danger or other liability exists. Such substances may have been used in the construction or operation of the buildings or may be present

as a result of the previous activities at a Property. Depending upon past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection.

Various federal, state and local authorities have enacted laws and regulations dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. If hazardous or toxic substances exist or are contemplated to be used at a Property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present. Agent makes no representation and assumes no obligation regarding the presence or absence of toxic or hazardous waste or substances or other undesirable materials on or about any Property ultimately sold. It is solely the responsibility of the potential investor to conduct investigations to determine the presence of such materials.

### RADON GAS

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from your county public health unit.

### THE AMERICANS WITH DISABILITY ACT

The Americans with Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real Property may be required. State and local laws also may mandate changes. Agent is not qualified to advise you as to what, if any, changes may be required now, or in the future. Prospective investors should consult their attorneys and qualified design professionals for information regarding these matters.

### LEGAL & TAX MATTERS

With respect to legal or tax issues pertaining to the acquisition and/or ownership of the Property, Agent is not qualified to provide advice on such matters. Prospective purchasers should consult with their advisors on these and other related matters. The recipient of this Offering Memorandum shall not rely on any information contained herein with respect to these or any other matters. The Seller and the Agent make no representation or warranties on any such matters.

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## TENANT OVERVIEW

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Smoothie King Overview





## EXECUTIVE SUMMARY

04



## INVESTMENT OVERVIEW

Transwestern's National Net Lease Team is pleased to exclusively offer for sale a newly constructed 1,200-square-foot Smoothie King ("the Property") located in Festus, Missouri. The Property is situated on .28 acres of land and includes a drive thru lane. Smoothie King's 10-year net lease commences in August 2019 and there is a ten percent rental increase in the sixth lease year (August 2025).

The freestanding building is located just off of I-55, at the intersection of Veterans Boulevard and Lee Avenue. This strong retail corridor features national and regional retailers such as Home Depot, Schnucks, Lowe's, Starbucks, White Castle, Panera Bread, Verizon, Burger King, Taco Bell, Fazoli's, Steak n Shake, McDonalds and Jack in the Box.



## OFFERING SUMMARY

<b>Current NOI</b>	\$66,000
<b>Rent Increases</b>	10% every five years
<b>Lease Commencement Date</b>	August 2019
<b>Lease Expiration Date</b>	July 2029
<b>Original Lease Term</b>	10 Years
<b>Remaining Option Periods</b>	Two 5-year
<b>Tenant</b>	Smoothie King
<b>Lease Structure</b>	NN
<b>Landlord Responsibilities</b>	Landlord responsible for Roof, Structure and portion of parking lot repairs
<b>Tenant Responsibilities</b>	Tenant pays for all CAM, Taxes, Insurance, Repairs and General Maintenance
<b>Price</b>	\$1,040,000
<b>Cap Rate</b>	6.35%

## RENT ROLL

LEASE YEAR	ANNUAL BASE RENT	RENT/SF	RENT BUMPS
1-5	\$66,000	\$55.00	
6-10	\$72,600	\$60.50	10%
11-15   Option 1	\$79,860	\$66.55	10%
16-20   Option 2	\$87,846	\$73.21	10%

## PROPERTY SUMMARY

<b>Property Address</b>	955 Veterans Boulevard Festus, MO 63028
<b>Size (SF)</b>	1,200 SF Freestanding Drive Thru
<b>Land Area</b>	.28 Acres
<b>Year Built</b>	2019
<b>Parking</b>	10 Spaces
<b>Traffic Counts</b>	26,774 VPD on Veterans Blvd.

## KEY TENANT STATISTICS

<b>Tenant</b>	Smoothie King (JK and CK Festus, LLC)
<b>Lease Guarantor</b>	Personal
<b>Ownership</b>	Private
<b>Number of Locations</b>	Over 1,000 (2017)
<b>Headquarters</b>	Coppell, Texas
<b>Website</b>	<a href="http://www.smoothieking.com">www.smoothieking.com</a>



Representative Photo



# SMOOTHIE KING OVERVIEW

## Smoothie King Franchises, Inc.

is a privately held  
Dallas-area-based  
smoothie franchise  
company with more  
than 1000+ units  
worldwide.

Trade Name	Smoothie King
Ownership	Private
Headquarters	Coppell, TX
Year Founded	1973
Website	smoothieking.com

Steve Kuhnau blends his first Smoothies With A Purpose, mixing various nutrients and proteins with real fruit for custom blends to improve his health.

Smoothie King opens the first U.S. juice bar franchise in New Orleans, LA, empowering entrepreneurs to help communities Find Pleasure in Their Purpose.

Smoothie King goes international, growing to more than 130 locations in South Korea and impacting millions of lives around the globe.

Smoothie King master franchisee Wan Kim takes over Smoothie King, continuing Steve's legacy and passion for the Smoothie King mission as a healthy alternative for all.

The Smoothie King logo is updated to feature a red crown. But there is more to it than first meets the eye! The points of the crown are actually three people, representing a sense of community. To the right, the third person also extends a hand for others to join. Finally, the "i" in king pays homage to the original logo with a crown point as its dot.

New Orleans' Smoothie King Center is unveiled, providing Smoothies With A Purpose to professional basketball team, the New Orleans Pelicans.

Smoothie King has grown to over 800 locations and counting, fueling your purpose across three continents, from the US to the Republic of Korea, Trinidad & Tobago and the Cayman Islands

YEAR  
1973

YEAR  
1989

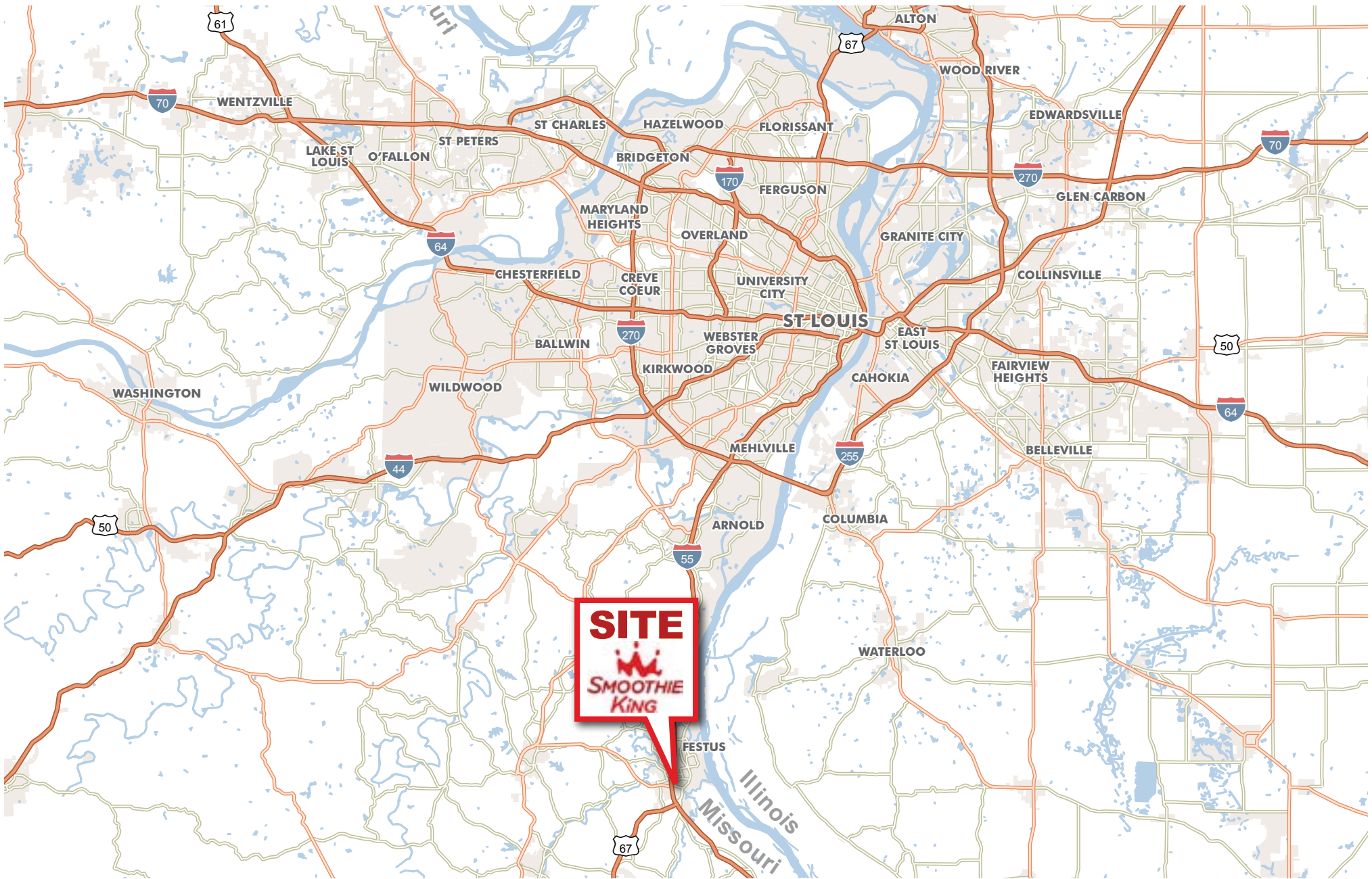
YEAR  
2003

YEAR  
2012

YEAR  
2014

NOW





## AREA & DEMOGRAPHIC OVERVIEW

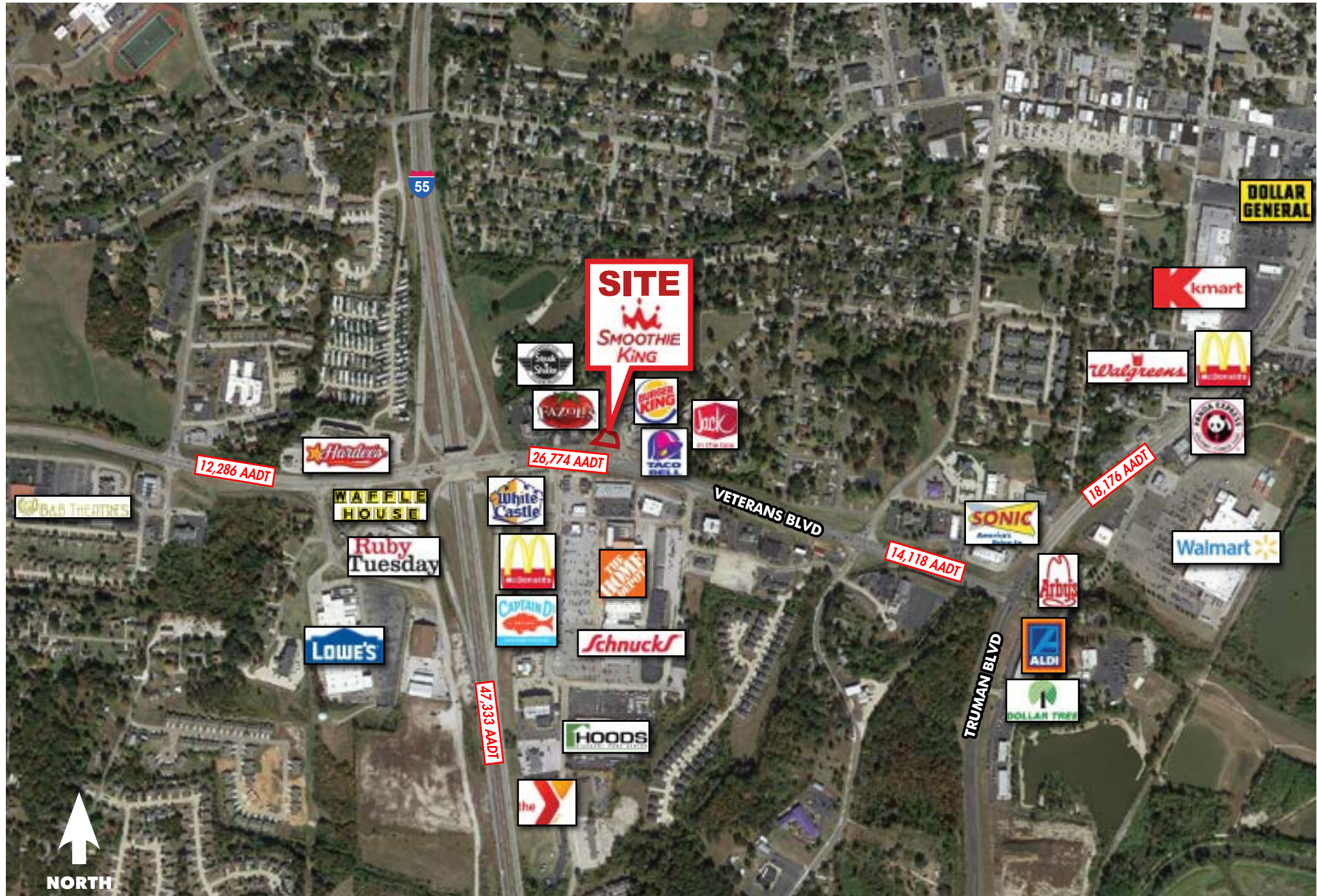


INTERSECTION AERIAL





# MARKET AERIAL





## FESTUS OVERVIEW

Festus is a city located in Jefferson County, Missouri, and had a population of 11,602 according to the 2010 census. Festus, and its neighbor Crystal City are often collectively known as the “Twin Cities”; however they are actually incorporated separately.

Nestled along I-55 and Highway 61 and 67, Festus offers easy access to unique local shops, national chains, fine dining, and lots of fast food choices.

The “Twin City” community that includes Crystal City and Festus and the surrounding area boasts a rich sense of tradition underlined by a progressive outlook. Neighborhoods harmonize clusters of century-old homes along tree-shaded, cobblestone Mississippi Avenue. Providing a charming contrast, handsome new subdivisions showcase new construction in contemporary architectural styles. Many locally owned businesses combine with active civic and social groups to form a cohesive and close-knit community spirit. Local parks feature tennis courts, a swimming pool, scenic ponds, sports fields, and playgrounds. The YMCA of Jefferson County in Festus offers sports opportunities, workout areas, aerobic programs, a gymnasium, an indoor track, and swimming pool. Popular festivities include the annual IPRA rodeo, free summer concert series in the park, and the three-day celebration of Twin City Days.



## ST. LOUIS AREA OVERVIEW

The St. Louis MSA straddles both sides of the Mississippi River; as seven counties reside in Missouri and five reside in neighboring Illinois on the east side of the river.

St. Louis' early economic and population growth were shaped by its location at the confluence of the Mississippi and Missouri Rivers. This superior central location has driven the St. Louis economy from its inception. French fur traders founded St. Louis at this convergence, so it could draw upon the trade of the two river systems. St. Louis grew as a commercial center due to the city being a necessary point of trade. Cargos were required to transfer from the large New Orleans riverboats to the smaller water crafts required to navigate the upper Mississippi River and its tributaries.

The city of St. Louis was founded in 1764 by Pierre Laclède and Auguste Chouteau and named for Saint Louis. After the Louisiana Purchase, it became a major port on the Mississippi River. Its population expanded after the American Civil War, and it became the fourth-largest city in the United States in the late 19<sup>th</sup> century. In 1904, it hosted the Louisiana Purchase Exposition and the 1904 Summer Olympics. The city's population peaked in 1950, as the growth in the MSA shifted to the suburbs where it remains today.

Included in the St. Louis MSA is the city of St. Louis; the Southern Illinois counties of Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair, which are collectively known as the Metro East; the Missouri counties of Franklin, Jefferson, Lincoln, St. Charles, St. Louis County (separate from and not inclusive of the city of St. Louis), Warren, Washington, and part of Crawford County. The 2012 MSA estimate was the 15<sup>th</sup> largest in the country with a population of 2,878,255.

In the modern economy, St. Louis' central location continues to drive its economy and make it ideal as a major financial, service, medical, educational, cultural, distribution and transportation center for the Midwest. St. Louis is located within 15 miles of the population center of the United States. St. Louis is within 500 miles of over one-third of the U.S. population and economic base.



## Population and Employment

The St. Louis MSA is the largest MSA in the state of Missouri. The labor force totals 1,410,200 people, attesting to the strong labor base of the St. Louis economy. The unemployment rate of the St. Louis area remains below national averages. The lower St. Louis rate is even more remarkable when compared to national averages, given the heavy manufacturing component of the St. Louis economy. In the current economic environment, manufacturing unemployment has dramatically driven up overall unemployment rates across the county. Manufacturing firms have been more prone to layoffs and contraction due to economic recession.

St. Louis, as is typical of the rest of the country, is moving from a manufacturing employment base to a service based economy. This requires employees with greater skill sets in both manufacturing and service related fields, which is becoming more difficult to find. The largest industry by business conducted was wholesaling with \$71 billion, followed by manufacturing with \$67 billion, retail trade with \$36 billion and healthcare with \$16 billion. The area's largest employer by sector was healthcare with 174,000 workers (BJC Hospital System accounts for a majority of this number and is located 3 miles northeast of Highlands Plaza Two), followed by retail trade with 152,000 workers and manufacturing with 134,000 workers. Using available data, the combined value of business conducted in the combined statistical area was \$213 billion in 2007. With a gross metropolitan product of \$112 billion in 2009, St. Louis' economy makes up 40 percent of the Gross State Product of Missouri.

## Transportation

St. Louis is a primary national center for air, land, and water transportation networks. Among the commodities shipped through the city are coal, grain, cement, petroleum products, and chemicals. One of the nation's leading rail centers, St. Louis is served by six Class I, two regional, and three switching railroad lines. Four interstate highways converge in St. Louis, affording trucking companies overnight to third-morning access to markets throughout the country. Many of these firms maintain terminals within the Commercial Truck Zone, which covers all or portions of a seven-county area. St. Louis is the nation's third-largest inland port, as well as the country's northernmost port with ice-free access year round; the port connects St. Louis via the Mississippi, Illinois, and Missouri river system with New Orleans and international waterways. St. Louis waterways offer more than 100 docks and terminal facilities; 32 million tons of freight are handled annually.

Air freight service is available at Lambert-St. Louis International Airport. MidAmerica Airport in St. Clair County in Illinois provides state-of-the-art facilities for cargo.

## Healthcare

St. Louis is a center of medicine and biotechnology. The Washington University School of Medicine is affiliated with Barnes-Jewish Hospital, the fifth largest hospital in the world, and the two institutions operate the Alvin J. Siteman Cancer Center. The School of Medicine also is affiliated with St. Louis Children's Hospital, one of the country's top pediatric hospitals. Both hospitals are owned by BJC HealthCare. The school's Genome Sequencing Center played a major role in the Human Genome Project.

St. Louis University Medical School is affiliated with Tenet Healthcare's St. Louis University Hospitals and SSM Health Care's Cardinal Glennon Children's Hospital. It also has a cancer center, vaccine research center and a bioethics institute. Several different organizations operate hospitals in the area, including BJC HealthCare, SSM Health Care, Tenet and St. John's Mercy Healthcare.





## DEMOGRAPHIC SNAPSHOT

POPULATION			
	1 miles	3 Mile	5 Mile
2017 Estimated Population	6,476	21,761	34,486
2022 Projected Population	6,569	22,417	35,622
2010 Census Population	6,413	20,950	32,869
2000 Census Population	6,149	18,097	28,447

HOUSEHOLDS			
	1 miles	3 Mile	5 Mile
2017 Estimated Households	2,748	8,541	13,396
2022 Projected Households	2,788	8,794	13,844
2010 Census Households	2,720	8,235	12,765
2000 Census Households	2,519	6,923	10,740
2017 Estimated Average Household Size	2.3	2.5	2.5

ESTIMATED HOUSEHOLD INCOME			
	1 miles	3 Mile	5 Mile
2017 Estimated Average Household Income	\$66,610	\$68,458	\$66,474
2017 Estimated Median Household Income	\$49,853	\$53,375	\$52,316
2017 Estimated Per Capita Income	\$28,015	\$27,312	\$26,024
2017 Estimated Median Age	38.5	38.1	37.7

TRAFFIC COUNTS	
	Vehicles Per Day
Veterans Boulevard	26,774 VPD
Interstate 55	47,333 VPD



Transwestern is a privately held real estate firm of collaborative entrepreneurs who deliver a higher level of personalized service- the Transwestern Experience. Specializing in Net Lease Investment Sales, Agency Leasing, Management, Tenant Advisory, Capital Markets, Research and Sustainability services, our fully integrated global enterprise adds value for investors, owners and occupiers of all commercial property types. We leverage market insights and operational expertise from members of the Transwestern family of companies specializing in development, real estate investment management and research. Transwestern has 35 U.S. offices and assists clients through more than 180 offices in 37 countries as part of a strategic alliance with BNP Paribas Real Estate.

Year-to-date, Transwestern has overseen the leasing and management of 2,006 properties, representing more than 370 million square feet - leased and managed combined. Within that same time period, the firm completed leasing, sales and finance transactions totaling \$8.6 billion.

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