



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL 

Academy Sports + Outdoors
Midwest City, OK | Oklahoma City MSA

This property is listed in conjunction with Oklahoma-licensed real estate broker Sooner Investment Realty.

www.preservewestcapital.com



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Disclaimer

Preserve West Capital (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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- Long Term Net Lease to Academy Sports & Outdoors with 12 Years Remaining
 - Sustainable Rent Per Square Foot at \$10.00 PSF
 - Scheduled \$0.50 PSF Rental Escalations, With Next Escalation Occurring in 2021 (Pushing Yield to 7.35%)
- Relocation Site with Robust Reported Sales
 - Strategically Situated Adjacent to I-40 Arterial Junction
 - 72,116 AADT
- Less than 2 Miles from Tinker Air Force Base
 - Employs Approximately 24,000
 - Economic Impact of \$4.55 Billion Annually
 - Supports Thriving Aviation & Aerospace Sector
- Robust Demographics within 5 Mile Radius
 - Total Daytime Population of 173,573
 - Excellent Co-Tenancy in Growing Shopping Center
- Additional Anchor Tenants Include Hobby Lobby & Warren Theater
 - Adjacent to Walmart Supercenter
- City Has Provided \$22 Million Funding for Improvements In Surrounding Area
 - \$18 Million Invested in Shopping Center, Maximizing Tenant Profitability
- New Boeing Facility Expected to Create 1,200 Jobs in Surrounding Area
- Student Population of 13,640 within 5 Miles of Site
 - Less than 1 Mile from Rose State College, with Student Body of 9,640
 - Approximately 5 Miles from University of Oklahoma Health Sciences Center – Approximately 4,000 Students and 5,000 Staff
- Approximately 8 Miles from Downtown Oklahoma City



PRICE

\$8,988,000

7.00% Return

7.35% Return in 2 Years

Location

The property is located at 5635 Southeast 15th Street in Midwest City, Oklahoma.

Lot Size

Approximately 5.40 acres or 235,268 square feet.

Improvements

A 62,917 square foot retail building for **Academy Sports + Outdoors**.

Parking

There is ample parking available on site.

Lease

Leased to **Academy Ltd.** for 15 years from a rent commencement date of October 28, 2016 through February 29, 2032 at a current annual rent of \$629,170. There are three (3) five-year options to renew the lease. Rent is to increase by \$0.50 per square foot every five years in the primary term and at the start of each option period, with the next rental escalation to occur November 1, 2021. The lease is net with tenant responsible for all taxes, insurance, and maintenance, including proportionate share of common area taxes and insurance but excluding roof and structure.

Annual Rent

Year	Annual Rent	Annual Rent PSF	Return
1-5	\$629,170	\$10.00	7.00%
6-10	\$660,629	\$10.50	7.35%
11-15	\$692,087	\$11.00	7.70%
16-20 (Option 1)	\$723,546	\$11.50	8.05%
21-25 (Option 2)	\$755,004	\$12.00	8.40%
26-30 (Option 3)	\$786,463	\$12.50	8.75%

Financing

The property will be delivered free and clear of permanent financing.



Academy Sports + Outdoors is a privately owned retailer of discount sporting goods. Their stores carry a wide variety of name-brand equipment, clothing, and shoes for competitive sports, physical fitness training, and outdoor recreational activities such as hunting, fishing, camping, and boating, and provide services including scope mounting, bore sighting, line winding/spooling, propane exchange, golf club trade-in, CO2 refills, racquet stringing, and the ability to purchase hunting and fishing licenses. The company operates more than 240 stores in 16 states throughout the South, Southeast, and Midwest, and has been operating for more than 40 years from its headquarters in Katy, Texas. Academy Sports + Outdoors experienced revenue of \$4.7 billion in 2016, and employs more than 23,000 at its locations nationwide. Though Moody's downgraded the company's credit rating from B3 to B2 in September of 2017, the company slowed their store expansion plans to focus on sales growth and moved away from a leveraged growth model, using cash flow to fuel growth instead. While recent balance sheets reflect a high proportion of goodwill and other intangible assets relative to current assets, the company's strong per-unit sales of nearly \$17.5 million per location annually and shift away from a debt-financed expansion strategy reflect the company's viability in the long term.

In 2011, the company was acquired by the global investment firm KKR (NYSE: KKR). For the 2018 fiscal year, KKR reported revenue of \$4.2 billion, net income of \$1.1 billion, and \$8.2 billion in total stockholder equity.

Additional financial information will be provided to qualified buyers.

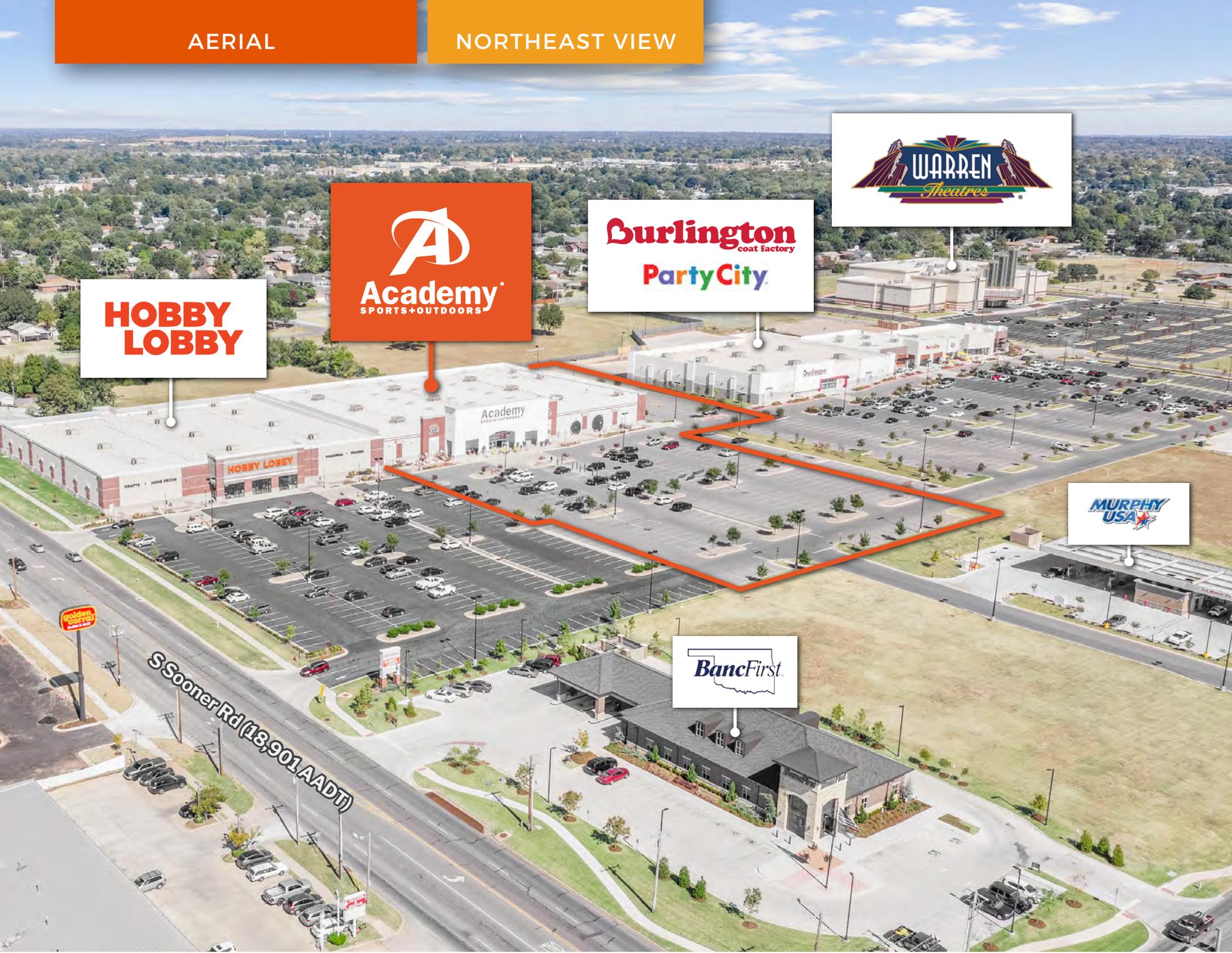
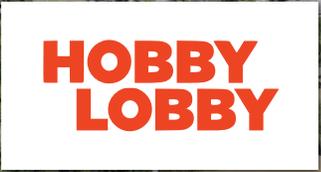
Academy Sports + Outdoors benefits from per-unit sales of nearly \$17.5 million per location. If this is an average store, the rent to sales ratio will be 3.6%

SITE PLAN



AERIAL

NORTHEAST VIEW



S Sooner Rd (18,901 AADT)



AERIAL

SOUTH VIEW

Walmart
Supercenter

THE HOME
DEPOT

SUPERCUTS
GameStop

Burlington
coat factory

Chick-fil&

MURPHY
USA

Sheraton
HOTELS & RESORTS

Holiday Inn
Express

LAQUINTA
INNS & SUITES

WAFLE
HOUSE
CIRCLE K

Hampton
by Hilton

Reed
Conference
Center

INTERSTATE
40

(72,116 AADT)

SE 15th St (25,992 AADT)

BancFirst

S Sooner Rd (18,901 AADT)

HOBBY
LOBBY

Academy
SPORTS+OUTDOORS

AERIAL

Academy
SPORTS+OUTDOORS

WARREN
Theatres
Burlington
Coat Factory

HOBBY
LOBBY

THE
HOME
DEPOT



(72,116 AADT)

SE15th St (25,992 AADT)

Midwest City
High School

Del City
High School

Walmart
Supercenter

Reed
Conference
Center

Rose State
College

Jarman
Middle School

Kerr
Middle School

S Sooner Rd (18,901 AADT)

Tinker
Business
Park

LOWE'S
Home Improvement Warehouse
TARGET

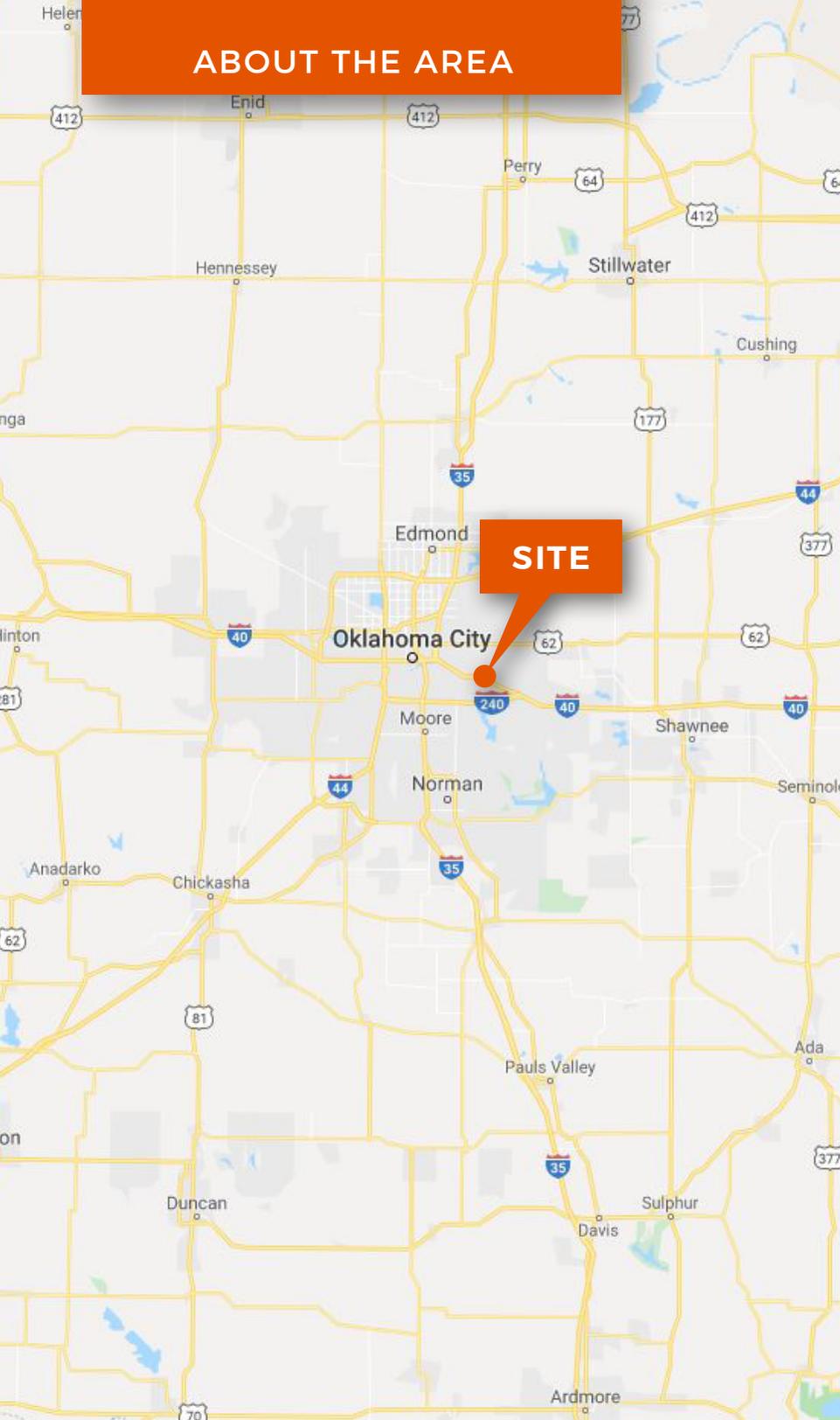
Sam's Club

Tinker
Golf Course

Tinker
Air Force Base



ABOUT THE AREA

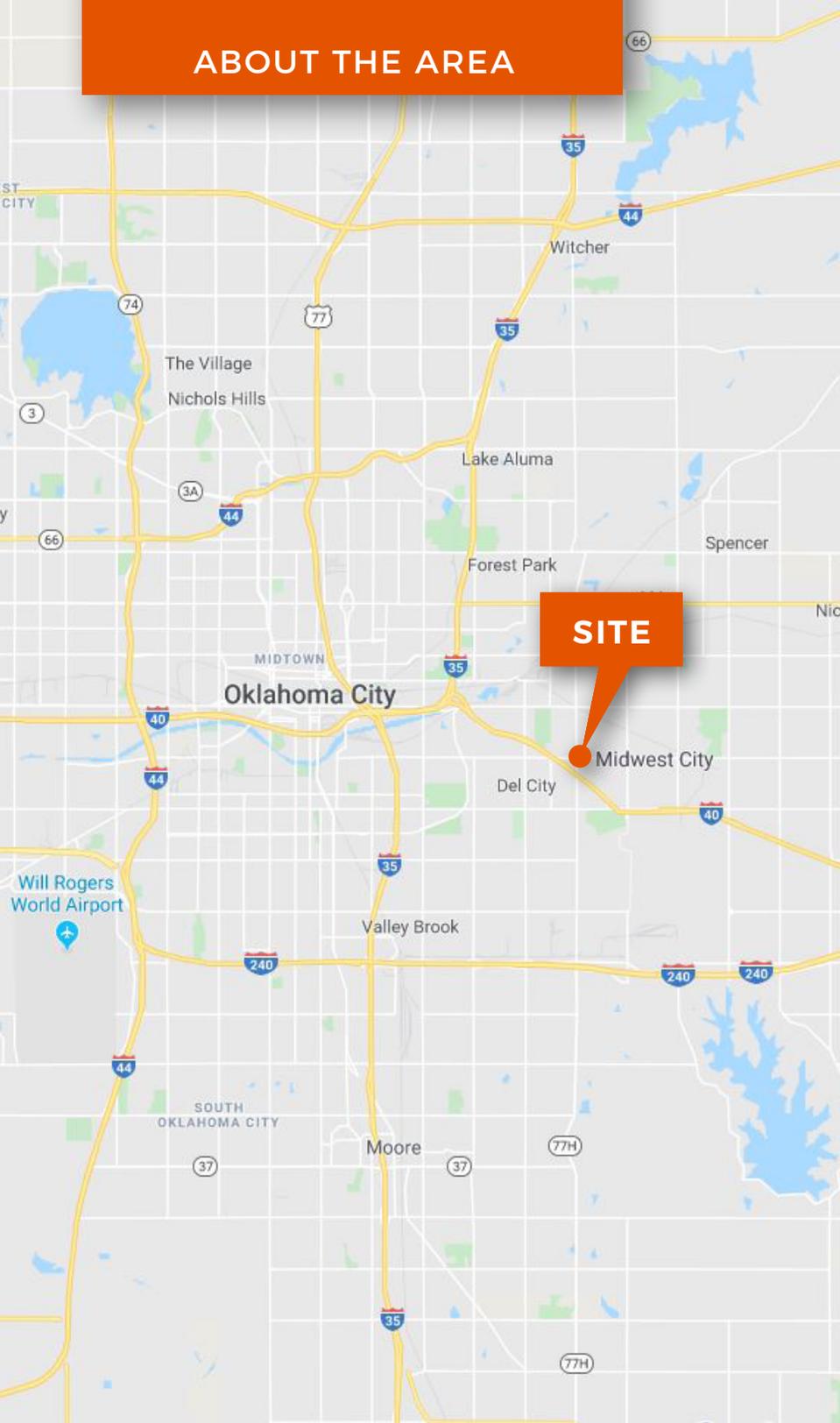


General Overview

Midwest City (population 57,325) is a suburb of Oklahoma City and the 8th largest city in Oklahoma by population. The city was founded in response to reports that an air field would be located near the city's location; to this day, Tinker Air Force Base remains a cornerstone of the city's economy, employing approximately 24,000 and contributing to a robust, highly-skilled economic base in aviation and aerospace. The city is part of the Oklahoma City Metropolitan Statistical Area, with a total population of 1,383,737, and is located approximately 8 miles from downtown Oklahoma City.

The Oklahoma City region benefits from a broad economic base in energy, agribusiness, defense, aerospace, research and development, life sciences, professional services, information technology, and more. Major companies with operations in Oklahoma City and the surrounding area include Dell, Xerox, Sprint, Hertz, Boeing, Cox Communications, Williams-Sonoma, Farmers, York International, Chesapeake Energy, Sonic, Love's Travel Stops, Orange Leaf, Devon Energy, Hobby Lobby, Sandridge Energy, MidFirst Bank, and more. The region additionally benefits from close proximity to Tinker Air Force Base, which employs nearly 25,000, as well as from the presence of the FAA's Mike Monroney Aeronautical Center, the principal training facility of the Federal Aviation Administration and one of the largest Department of Transportation Facilities outside the Washington D.C. area. As a whole, the greater Oklahoma City area is marked by a robust economy with low unemployment and the region's low cost of living and doing business; the Oklahoma City metropolitan area ranks among the top fifty nationwide for affordable cost of living and doing business. The area has been ranked the #1 Large Metropolitan Area in the Nation to Launch a Business by Money & Fortune magazine and consistently ranks among the best job markets nationwide.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent access and visibility within a dense retail hub adjacent to the signalized intersection of Southeast 15th Street (25,992 AADT) and South Sooner Road (18,901 AADT) near its junction with I-40 (72,116 AADT). The site benefits from robust demographics with a total daytime population of 173,573 and average household income of \$56,496 within 5 miles of the site.

The property benefits from a prominent retail location adjacent to Hobby Lobby, Burlington Coat Factory, and a planned Warren Theater location, and in close proximity to a highly-trafficked Walmart Supercenter, Home Depot, and more. Midwest City has provided \$22 million in tax-incremented financing for improvements in the surrounding area, including \$18 million in the shopping center, enabling lower rents per square foot and sustainable operating ratios for tenants. Other shopping centers in the surrounding area include Town Center Plaza, with tenants including Target, Lowe's Home Improvement, Best Buy, PetSmart, Marshalls, Kohl's, and more; Gateway Plaza, anchored by Dollar Tree; Del Crest Shopping Center, anchored by Save-A-Lot; Oakcliff Shopping Center, anchored by Family Dollar and Dollar General; and more. Other major tenants in the surrounding area include Sam's Club, ALDI, Walmart Neighborhood Market, WinCo Foods, CVS, Walgreens, and more.

The site benefits from a strategic location less than two miles from Tinker Air Force Base, with more than 24,000 military and civilian personnel and a total economic impact of approximately \$4.55 billion each year. Boeing, which already has an established workforce of more than 2,400 in the greater Oklahoma City region, was recently awarded a \$14.3 billion contract to service and maintain aircraft at the base and is expected to create more than 1,200 new jobs in the Midwest City region to support the mid-air refueling fleet. Other major employers surrounding the base include Northrop Grumman, GE Aviation, and more. In addition, the property is located adjacent to the campus of Rose State College, with nearly 10,000 students enrolled, and less than five miles from the University of Oklahoma's Health Sciences Center, home to the University of Oklahoma system's colleges of medicine, dentistry, nursing, pharmacy, and public health, with approximately 4,000 students enrolled and a staff of approximately 5,000. The site also benefits from close proximity to Midwest City High School, Country Estates Elementary School, Del Crest Middle School, and Jarman Middle School, drawing additional traffic from students, parents, and teachers to the surrounding area. The property additionally neighbors the Reed Conference Center, featuring approximately 30,000 square feet of conference space, which hosts a number of major local and regional events year-round, drawing additional traffic to the area surrounding the site.

DEMOGRAPHICS



5635 SE 15th St | Midwest City, OK 73110



2019 POPULATION
136,520



AVG. HOME VALUE
\$142,756



AVG. HOUSEHOLD INCOME
\$56,496

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	8,603	67,165	127,026
2019 Total Population	8,625	69,282	136,520
2024 Total Population	8,733	70,783	141,590
2019-2024 Annual Rate	0.25%	0.43%	2.24%
2019 Total Daytime Population	11,188	71,580	173,573

Average Household Income

	1 Mile	3 Miles	5 Miles
2019	\$52,220	\$54,992	\$56,496
2024	\$60,101	\$63,551	\$65,188

Average Home Value

	1 Mile	3 Miles	5 Miles
2019	\$117,460	\$131,974	\$142,756
2024	\$142,626	\$156,768	\$168,596

Top Employers in Oklahoma City

of Employees

Local Governments	53,792
State of Oklahoma	46,750
Federal Government	28,792
Tinker Air Force Base	24,000
FAA Mike Monroney Aeronautical Center	7,000
Integrus Health	6,000
Hobby Lobby Stores, Inc.	5,100
University of Oklahoma Health Sciences	5,000
City of Oklahoma City	4,700
Mercy Hospital	4,500



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