



Representative Photo

## Offering Memorandum

# The Learning Experience

13922 W. Avalon Drive | Goodyear, Arizona



Brand New Build-to-Suit Construction | Industry-Leading Tenant | Excellent Visibility and Robust Demographics

# Confidentiality and Restricted Use Agreement

This Confidential Offering Memorandum (“COM”) is provided by Stan Johnson Company (“SJC”), solely for your consideration of the opportunity to acquire the commercial property described herein (the “Property”). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled by SJC for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. SJC has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon SJC.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from SJC relating to the Property, whether oral, written or in any other form (collectively, the “Information”), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to SJC, all or any part of this COM or the Information; (3) upon request by SJC at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless SJC all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party’s acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that SJC shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

## Offered Exclusively by

.....

**Bradly Richardson Jr.**  
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AZ Broker #BR540628000

Contact Broker

.....

**Stan Johnson Company**  
7702 East Doubletree Ranch Rd | Suite 300  
Scottsdale, AZ 85259  
P: (480) 900-7744

stanjohnsonco.com

Purchase Price: \$3,502,200      Cap Rate: 6.75%

## The Offering

**Stan Johnson** Company is pleased to offer for sale to qualified investors a 100% fee-simple retail building leased to The Learning Experience (TLE), one of the fastest growing childcare and early education franchises in the country. The ± 9,850 SF building is located in Goodyear, Arizona, an affluent suburb of the Phoenix Area. Goodyear is located approximately 20 miles away from Phoenix, which is the largest city in Arizona, and the Phoenix-Mesa-Scottsdale Metropolitan area is the largest Metropolitan Statistical Area (MSA) in Arizona and the twelfth largest in the United States.

The Learning Experience is operating under a brand new sixteen (16) year lease featuring two (2), five (5) year options and ten percent (10%) rent increases every five (5) years during the primary term and renewal options. TLE's business will greatly benefit from the tremendous demographics (2017 average HHI of \$74,007 and population of 130,615 within a 5-mile radius) in the growing community of Goodyear.

The Subject Property is located in a dense retail corridor. Many national and regional tenants in the area include: Walmart Neighborhood Market, Safeway, Walgreens, Domino's Pizza, Cold Stone Creamery, H&R Block, GNC, Burger King, Whataburger and Wells Fargo among others.

Property Summary	
<b>Address:</b>	13922 W. Avalon Drive   Goodyear, Arizona 85395
<b>Building Size:</b>	+/- 9,850 SF
<b>Land Area:</b>	+/- 1.11 Acres
<b>Ownership Interest:</b>	Fee Simple
<b>NOI:</b>	\$236,400

## Investment Highlights

### Strategic Residential Location

The Subject Property is strategically located within a dense residential and retail area. Near the Subject Property is the Palm Valley Marketplace along with several residential subdivisions the likes of which include; Palm Valley, Dysart Commons, Corte Sierra, Rancho Santa Fe, La Casa Linda and Bel Fleur among many others. This is a dense residential area with over **77K residents in the immediate surrounding neighborhoods, and will benefit from its convenient location and access to an estimated 5,600 children under the age of five.**

### "Recession-Proof" Business

The Learning Experience is the fastest growing childcare and early education franchise in one of the fastest growing industries in the USA. The childcare industry has enjoyed revenue increases over 200% in the last half decade and is expected to see \$1.8 billion in growth over the next 5 years, especially with higher percentages of mothers in the workforce and the growing acceptance of the value of early education and socialization.

### New Long-Term Lease with Rent Increases & Renewal Options

Brand new sixteen (16) year lease with two (2), five (5) year renewal options and ten percent (10%) rent bumps every five (5) years in the base term and option periods.

### Excellent Visibility and Robust Demographics

The Subject Property features excellent visibility along Litchfield Road (20,000 VPD), with ease of access to Interstate 10, which observes an incredible 167,000 Vehicles Per Day. The 2017 estimated population within a 5-mile radius is 130,000, and the average HHI within a 5-mile radius is \$74,007.

### Brand New Build-to-Suit Construction

The Subject Property is a build-to-suit for The Learning Experience. Construction is estimated to be completed in October 2017, allowing investors the opportunity to capitalize on the full lease term.



# Lease Abstract

13922 W. Avalon Drive   Goodyear, Arizona 85395	
<b>Tenant:</b>	The Learning Experience
<b>Guarantor:</b>	The Learning Experience Holding Corp*
<b>Building Size (SF):</b>	+/- 9,850 SF
<b>Land Area (Acres):</b>	+/- 1.11 Acres
<b>Year Built:</b>	2017
<b>Commencement Date:</b>	October 2017 (Est)
<b>Lease Expiration:</b>	December 2033 (Est)
<b>Lease Term Remaining:</b>	Sixteen (16) years
<b>Renewal Options:</b>	Two (2), Five (5) year options
<b>Rent Increases:</b>	Ten percent (10%) every five years
<b>Annual Rent:</b>	\$236,400
<b>Expenses:</b>	NN- Structural Portions of the Premises including; Roof, Structure and Foundation

\*Limited Corporate Guaranty (Contact Broker for Details)



# Rent Schedule

Lease Year	Annual Rent	Increases
<b>Years 1-5 (Current)</b>	<b>\$236,400</b>	
Years 6 - 10	\$260,040	<b>10%</b>
Years 11 - 16	\$286,044	<b>10%</b>
Years 17 - 21 (Opt 1)	\$314,609	<b>10%</b>
Years 22 -26 (Opt 2)	\$346,030	<b>10%</b>





# Tenant Overview

**The Learning Experience Holding Corp.** is a leading provider of childcare and early childhood development services. The Company offers full and part-time services for preschool children and supplemental after-school services for school-age children. The Learning Experience® (TLE®) is the nation's fastest growing early learning academy franchises for children ages six weeks to five years old, with more than 200 locations nationwide, including 123 fully operational centers in 17 states and the remaining centers under various stages of development.

A family-run business, TLE® founders have more than 30 years of childcare and preschool experience. The company has been distinguished as one of America's fastest growing franchises and a top education franchise for 2014 by Franchise Business Review magazine. The Learning Experience has successfully created one of the most trusted brands in the for-profit early childhood education industry. The foundation of The Learning Experience® was built on three key educational and core principles: cognitive, physical, and social. L.E.A.P.® (Learning Experience Academic Program) guarantees children will graduate TLE® with exceptional core academic skills that will start them on the path to a bright future. At TLE®, each child develops at their own pace, so the curriculum is designed to provide experiences for children that promote academic competency along with a mastery of developmental tasks, no matter what learning stage they are in.

At TLE®, children are taught to engage in a variety of controlled and safe activities that encourage them to adopt a healthy and active lifestyle at an early age. Healthy food choices are provided daily while teachers foster an awareness of proper nutrition. TLE® embraces important practical and real-world matters that most other early learning institutions often ignore. The proprietary Philanthropy Program lays the foundations for children to become respectful and wellmannered people by teaching them the value of selflessness, sharing and giving.



## The Learning Experience Holding Corp.

No. of Locations:	200+
Tenant Business:	Retail Education
Headquarters:	Boca Raton, FL
Website:	<a href="http://www.thelearningexperience.com">www.thelearningexperience.com</a>





# Childcare Industry Overview

## COMPETITIVE LANDSCAPE

The U.S. childcare services industry includes about 54,000 commercial facilities with combined annual revenue of \$21 billion, plus about 21,000 facilities run by nonprofit organizations with combined annual revenue of about \$12 billion. In 2014, 64% of mothers with children under the age of 6 participated in the workforce in the US, according to the Bureau of Labor Statistics.

Demand is driven primarily by growth in the youth population, and secondarily by employment and income. Recognition of the importance of early education is also driving demand for high-quality care. The profitability of individual childcare facilities depends on good marketing, reputation, and efficient operations, as well as how saturated the local market is. Large companies have economies of scale in advertising and administration. Smaller companies can compete effectively in local markets by owning convenient locations.

Source: <http://www.hoovers.com>

## WHY BUSINESS IS BOOMING FOR DAY CARE BUSINESSES

The U.S. day care industry is in the middle of a massive growth spurt. "As the economy continues to improve and more people head back to work, the demand for childcare services increases, which also allows providers the ability to raise prices and pad their margins," Sageworks analyst Kevin Abbas says.

Source: <http://www.inc.com/sageworks/sageworks-why-day-care-profits-are-soaring.html>



Representative Photos



# Childcare Industry Trends

## Childcare is Now Early Education

No longer is childcare for young children simply babysitting. Childcare centers have mostly transitioned to centers for early education, where young tots are involved with early learning. The trend to learning centers is partly due to high parent and school expectations; it's also attributable to research that shows that kids are capable of learning early academics and other skills that previously were not taught until later. Care centers often offer formalized early education curriculum, and staff receives extensive training in instruction geared for preschoolers.

## Drop-In Childcare is More Common

It's no surprise that drop-in childcare is on the grow. What may come as a surprise to some is that these facilities typically offer high-quality, safe, and affordable care options. The drop-in care facilities focus on fun activities for kids and often include mealtimes and special theme events to provide parents with a worry-free evening or time away from kids. Gyms, recreation centers, churches and even schools are getting into the act of offering Parent Nights Out or similar events. Look for this trend to continue with even greater flexibility in the future.

## Technology is Changing Provider/Parent Connection

An increasing number of facilities offer parents the piece of mind of being able to check on their child while at daycare as desired through video streaming of classroom activities throughout the day. Other providers regularly take photos of children and send to parents, post daily or weekly blogs or e-newsletters online for parents to view, or even exchange emails or text messages throughout the day. The technology provides parents and providers with another tool for staying "in touch" and bonding with activities and events planned for youngsters.

## Communications Are More Frequent, More Useful

In today's instantaneous, "tell me now" society, communications between childcare provider and parent continue to strengthen. Where once a month newsletters used to suffice in addition to daily greetings and goodbyes, childcare providers are using a variety of tools to provide parents with ongoing information about their child's day. Some providers create websites where they post monthly menus, weekly day-by-day activities, and even behavioral reports. Others provide parents with a daily update that is then emailed (written during naptime). Even with technology, face-to-face communications are still the best.

Source: Top Trends in Childcare: As Lifestyles Change, So Do Childcare Offerings



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# Location Overview

**Goodyear** is a city in Maricopa County, Arizona, United States. It is a suburb of Phoenix and is in the Phoenix metropolitan area. According to the 2010 census, the population of the city is 65,275. Goodyear was the third fastest-growing place among all cities and towns in Arizona of any size between 1990 and 2000 (with an increase of 245.2%). The July 1, 2015, Maricopa Association of Governments population estimate was 79,003.

As of 2010, the U.S. Census Bureau reported that there were 65,275 people residing in the city. 71.9% of the city's population was White, 6.7% were Black, 1.3% were Native American, and 4.3% were Asian. 27.8% were Hispanic or Latino of any race. There were 25,027 housing units in the city, and 31% of the population is between ages 35 and 49.

**Phoenix** is the capital of, and largest city in, the state of Arizona. With 1,445,632 people (as of the 2010 U.S. Census), Phoenix is the most populous state capital in the United States, as well as the sixth most populous city nationally, after (in order) New York, Los Angeles, Chicago, Houston, and Philadelphia. The anchor of the Phoenix metropolitan area (also known as the Valley of the Sun, a part of the Salt River Valley), it is the 13th largest metro area by population in the United States with approximately 4.3 million people in 2010. In addition, Phoenix is the county seat of Maricopa County and is one of the largest counties in the United States by land area.

The population growth rate of the Phoenix metro area has been nearly 4% per year for the past 40 years. While that growth rate slowed during the Great Recession, it has already begun to rebound. Currently ranked 6th in population, it is predicted that Phoenix will rank 4th by 2020. Being near the center of the state, Phoenix is the jumping off point for the various attractions in the Valley of the Sun, as well as the rest of Arizona.

The top 10 industries were, in descending order: real estate (\$31B), financial services (\$21.3B), manufacturing (\$16.8B), health care (\$15.7B), retail (\$14.9B), wholesale (\$12.9B), professional services (\$12.8B), construction (\$10.4B), waste management (\$9.1B), and tourism (\$6.8B). Government, if it had been a private industry, would have been ranked third on the list, generating \$18.9 billion.

In major job markets, as defined as those markets with greater than 1 million jobs, Greater Phoenix ranked number 1 in employment growth prior to the recession beginning in 2007. Just three years later, it ended its free fall in job growth by hitting the bottom of the list of those 28 major markets, dead last. However, 2013 saw Greater Phoenix rebound to 7th. Arizona's year-over-year job growth (of which Phoenix is the main driver) continued to outpace the nation through August 2013. Arizona's year-over-year job growth was at or above 2.0% each month of that year. In contrast, national job growth was between 1.5% and 1.7% on a year-over-year basis. Arizona regained its previous employment peak in 2015, making it eight years for the state to get back to even terms after the Great Recession; the national economy replaced all of the jobs lost by 2014, one year earlier than Arizona. This is due to the more severe downturn in Arizona as compared to the rest of the nation, as evidenced by the fact that from peak to trough, Arizona jobs declined by 11.8%, compared to 6.3% for the nation. In 2013, the Phoenix area saw a 2.7% increase in non-farm employment, from 1.758 million to 1.805 million.



Goodyear, AZ



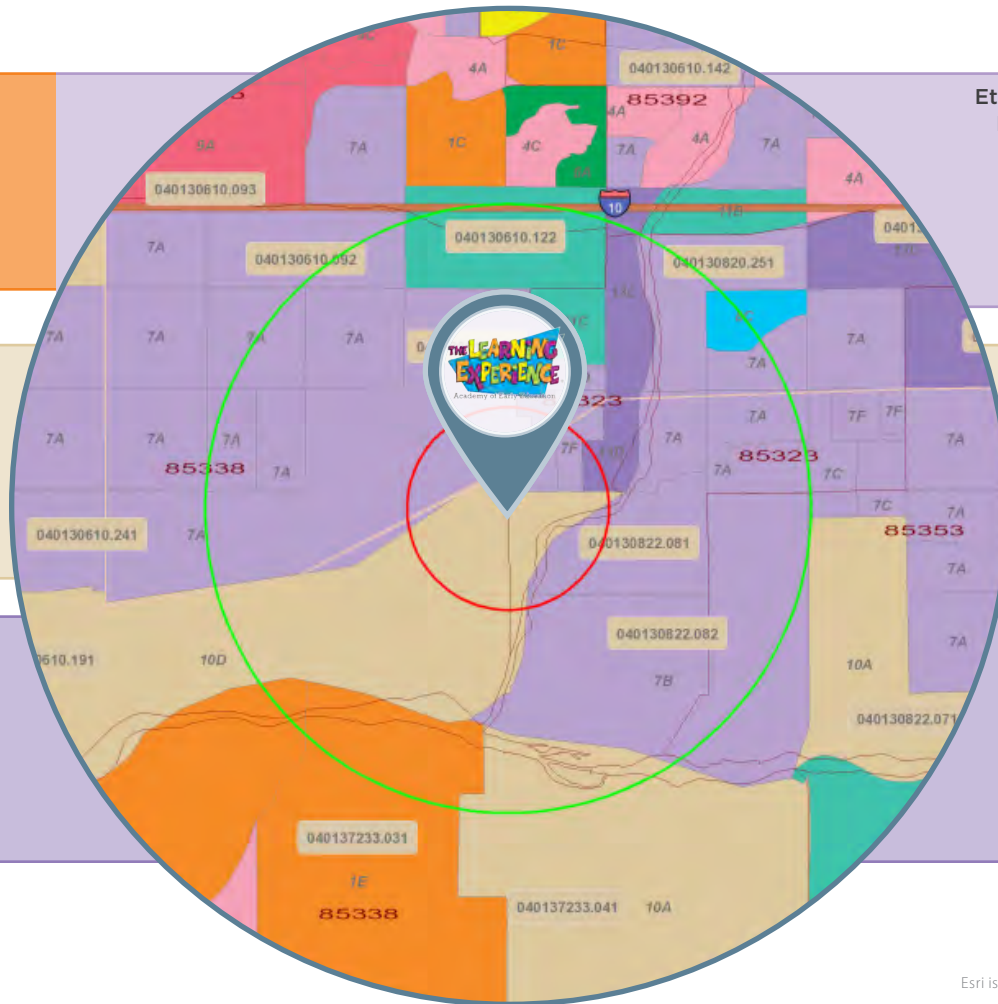
Phoenix, AZ



# Demographic Profiles

Tapestry segmentation (as seen below) provides an accurate, detailed description of America's neighborhoods - U.S. residential areas are divided into 67 distinctive segments based on their socioeconomic and demographic composition, then further classified into LifeMode and Urbanization Groups. The result is a detailed picture of the socioeconomics and demographics as well as attitudes and brand preferences of people in a given area.

## Dominant Profiles within a 1-Mile Radius



### Ethnic Enclaves: Southwestern Families

7F

Median Age: 33.8

Residents in these neighborhoods are young families that form the foundation of Hispanic life in the Southwest. Children are the center of households that are composed mainly of married couples with children and single-parent families. Grandparents are caregivers in some of these households.

### Rustic Outposts: Down The Road

10D

Median Age: 34.3

A mix of low-density, semirural neighborhoods in large metropolitan areas; half are located in the South, with the rest chiefly in the West and Midwest. Almost half of householders live in mobile homes; approximately two-fifths live in single-family homes.

### Next Wave: Fresh Ambitions

13D

Median Age: 28

These young families, many of whom are recent immigrants, focus their life and work around their children. Fresh Ambitions residents are not highly educated, but many have overcome the language barrier and earned a high school diploma. They work overtime in service, in skilled and unskilled occupations, and spend what little they can save on their children.

Esri is an international supplier of Geographic Information System (GIS) software, web GIS and geodatabase management applications. The company was founded in 1969 and has 40% of the global GIS market share. Learn more at [www.esri.com](http://www.esri.com).



# Surrounding Retail



W-Indian School Rd. +/- 18,920 VPD

**Palm Valley Marketplace**

WHATABURGER  
H&R BLOCK  
STARBUCKS  
GNC  
UPS  
WESTERN UNION  
AAA  
SAFeway  
DOMINO'S

WELLS FARGO  
Josephine C. Ferretti, RPH



Wilhelm Automotive  
Cobblestone Auto Spa

+/- 22,919 VPD



Goodyear Little League GCP Fields

Goodyear Community Park

Goodyear Fire Department Station

Law Offices of Brelje & Associates

G Dental Studio

Farmers Insurance: Sandra Dowling

Arizona Foot & Ankle Specialist

Goodyear Skate Park

St. Thomas Aquinas Grade School





# Surrounding Residential



Western Sky Middle School

PALM VALLEY

PALM VALLEY  
SUNRISE WIGWAM

LA CASA LINDA  
CONDO

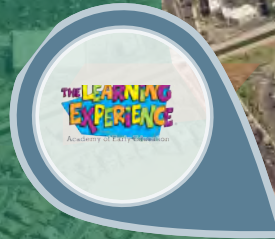


Litchfield  
Elementary School

LITCHFIELD PARK

LA CASA LINDA

RIO PASEO



PALM VALLEY



St. Thomas Aquinas  
Grade School

FULTON  
ESTATES



Palm Valley  
Elementary School

THE PRESEVE AT  
PALM VALLEY

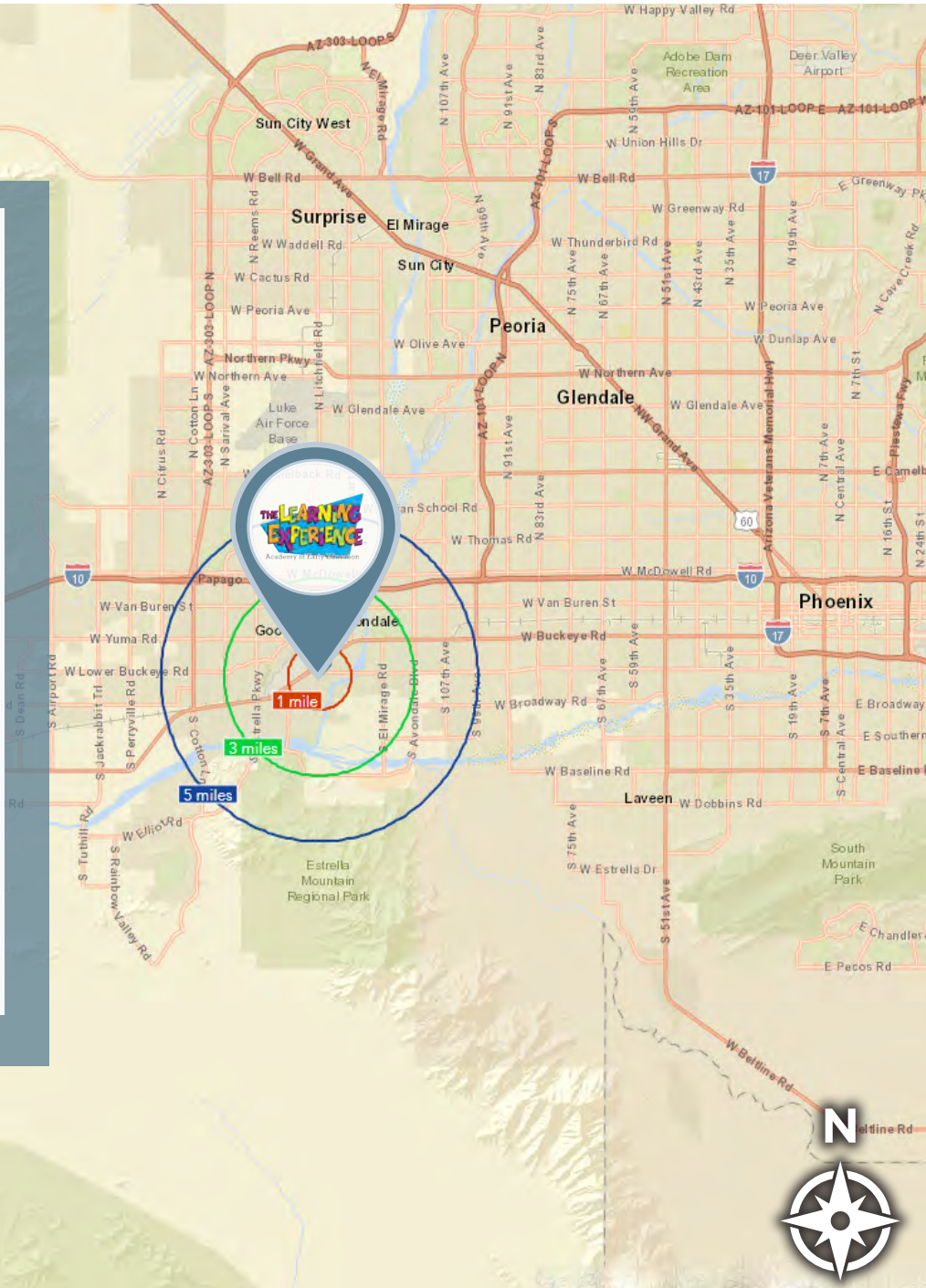
PALM VALLEY





# Demographics

13922 W. Avalon Drive   Goodyear, Arizona	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
<b>Population</b>			
2017 Population	4,277	44,680	130,615
2022 Population	4,486	48,935	143,811
2017-2022 Annual Rate	0.96%	1.84%	1.94%
<b>Households</b>			
2017 Total Households	1,212	13,300	41,126
2022 Total Households	1,272	14,574	45,236
2017-2022 Annual Rate	0.97%	1.85%	1.92%
<b>Household Income</b>			
2017 Median Household Income	\$31,103	\$51,778	\$60,968
2017 Average Household Income	\$40,439	\$61,352	\$74,007







Property Photos







Aerial Photos





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Contact Broker

going beyond

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