



# GUIDEPOST MONTESSORI

20-YEAR CORPORATE-GUARANTEED NET LEASE | 4TH FASTEST-GROWING LARGE CITY IN U.S.

MCKINNEY, TX (DALLAS MSA)



CAPITAL PACIFIC

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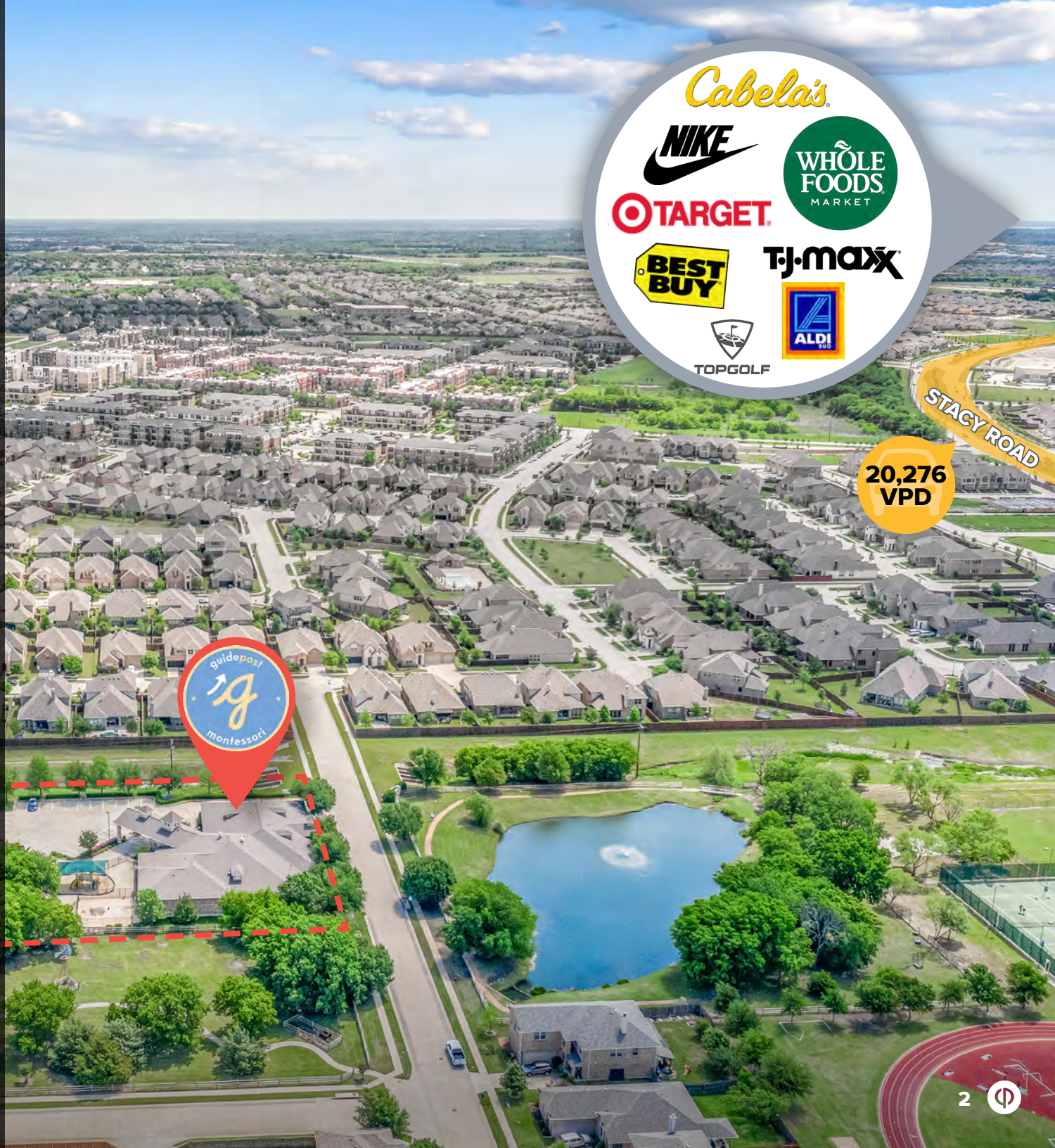
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# GUIDEPOST MONTESSORI

6800 BOUNTIFUL GROVE DRIVE, MCKINNEY, TX 75070 

**\$7,420,000**

**PRICE**

**6.75%**

**CAP**

LEASE TYPE:

**CORPORATE NNN\***  
(Landlord Structure Only)

LEASE TERM:

**20 YEARS**

NOI:

**\$500,849**

LEASABLE SF:

**12,423 SF**

LAND AREA:

**1.21 ACRES**

**\*LANDLORD RESPONSIBLE FOR STRUCTURE ONLY, TENANT RESPONSIBLE FOR ROOF**

**Corporate saw 36% increase in enrollments since COVID– subject location saw 60% increase in enrollments September to October**

**Brand new 20-year corporate net lease investment in Dallas MSA**

**Leased to largest Montessori school operator in the U.S.**

**Corporate guarantee and 2% rental increases annually**

**McKinney was the 4th fastest-growing city in the U.S. over the past decade (U.S. Census Bureau)**

**Average Household Incomes of \$145,576 (3-mile radius)**

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# Investment Highlights



**CAPITAL PACIFIC** is pleased to present the opportunity to acquire Guidepost Montessori McKinney, a premier single tenant investment in an affluent Dallas suburb. The subject property features an attractively constructed building with brick facade on 1.21 acres, which is currently undergoing additional renovations. The 20-year corporate lease features 2% annual rent increases during the base term and four 5-year option periods. The tenant is the largest corporate Montessori school operator in the U.S., operating 66 locations nationally. The lease is guaranteed by Guidepost's parent company, Higher Ground Education.

**THE PROPERTY** is located in McKinney, TX, a high-income suburb within the Dallas-Fort Worth MSA, the largest inland metro area in the U.S. It features strong visibility within a dense suburban market and is close to Highway 121, a busy thoroughfare with 77,320 VPD. The trade area boasts average household incomes of \$145,576 within a 3-mile radius of the subject property. Due to the affluent demographics, schools in the area are able to command very high tuitions. Additionally, the property is surrounded by a host of synergistic commercial retail, including national retailers like Whole Foods, Kroger, Target, Best Buy, and Lowe's, and The Village at Allen, a 1 million SF mixed-use development.

# Higher Ground Performance & Protocols during COVID

- **Higher Ground Performance has large 8-figure balance sheet (Speak w/ Agent for more details)**
- **Valued at \$140M in October 2020**
- **Enrollments up by 36% since end of March**
- **Huge Increase in Distance Learning Revenue**  
– Tenant already had infrastructure of their online learning programs for both students and teachers providing further revenue and retention.
- **Tenant paid full rent throughout 2020**
- **Continuing to open new locations**
- **Remote Learning Success** – Tenant has on-boarded over 1,000 remote students, which is a very high margin revenue source.
- **Tenant has in-house COVID compliance team which keeps each location in compliance and meets or exceeds the standards required in each municipality.**
- **Limited Competition** – Most schools are not open either by decree or due to lack of resources. This has presented an enormous opportunity for tenant to continue growing enrollments. In fact, the tenant has opened schools 5 months earlier than planned to accommodate demand and are continuing to sign new leases to leverage their strong cash position and learning infrastructure.



# Income & Expense

<b>PRICE</b>		<b>\$7,420,000</b>
Capitalization Rate:		6.75%
Total Rentable Area (SF):		12,423
Lot Size (AC):		1.21
<b>STABILIZED INCOME</b>	<b>PER SF</b>	
Scheduled Rent	\$40.32	\$500,849
Effective Gross Income	\$40.32	\$500,849
<b>LESS</b>	<b>PER SF</b>	
Common Area	NNN	\$0.00
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
<b>NET OPERATING INCOME</b>		<b>\$500,849</b>

## SURROUNDING RETAIL



# Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY						
TENANT NAME	SQ. FT.			CURRENT RENT*	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT	CAP RATE	
Guidepost Montessori	12,423	6/1/2020	5/31/2021	\$500,849	\$41,737	\$500,849	\$3.36	\$40.32	6.75%	
		6/1/2021	5/31/2022		\$42,572	\$510,866	\$3.43	\$41.12	6.88%	
		6/1/2022	5/31/2023		\$43,424	\$521,083	\$3.50	\$41.95	7.02%	
		6/1/2023	5/31/2024		\$44,292	\$531,505	\$3.57	\$42.78	7.16%	
		Year 5	6/1/2024	5/31/2025		\$45,178	\$542,135	\$3.64	\$43.64	7.31%
		6/1/2025	5/31/2026		\$46,081	\$552,978	\$3.71	\$44.51	7.45%	
		6/1/2026	5/31/2027		\$47,003	\$564,037	\$3.78	\$45.40	7.60%	
		6/1/2027	5/31/2028		\$47,943	\$575,318	\$3.86	\$46.31	7.75%	
		6/1/2028	5/31/2029		\$48,902	\$586,824	\$3.94	\$47.24	7.91%	
		Year 10	6/1/2029	5/31/2030		\$49,880	\$598,561	\$4.02	\$48.18	8.07%
		6/1/2030	5/31/2031		\$50,878	\$610,532	\$4.10	\$49.15	8.23%	
		6/1/2031	5/31/2032		\$51,895	\$622,743	\$4.18	\$50.13	8.39%	
		6/1/2032	5/31/2033		\$52,933	\$635,197	\$4.26	\$51.13	8.56%	
		6/1/2033	5/31/2034		\$53,992	\$647,901	\$4.35	\$52.15	8.73%	
		Year 15	6/1/2034	5/31/2035		\$55,072	\$660,859	\$4.43	\$53.20	8.91%
		6/1/2035	5/31/2036		\$56,173	\$674,077	\$4.52	\$54.26	9.08%	
		6/1/2036	5/31/2037		\$57,297	\$687,558	\$4.61	\$55.35	9.27%	
		6/1/2037	5/31/2038		\$58,442	\$701,309	\$4.70	\$56.45	9.45%	
		6/1/2038	5/31/2039		\$59,611	\$715,335	\$4.80	\$57.58	9.64%	
		Year 20	6/1/2039	5/31/2040		\$60,804	\$729,642	\$4.89	\$58.73	9.83%
Option 1	6/1/2040	5/31/2045		\$62,020	\$744,235	\$4.99	\$59.91	10.03%		
Option 2	6/1/2045	5/31/2050		\$68,475	\$821,696	\$5.51	\$66.14	11.07%		
Option 3	6/1/2050	5/31/2055		\$75,602	\$907,218	\$6.09	\$73.03	12.23%		
Option 4	6/1/2055	5/31/2060		\$83,470	\$1,001,642	\$6.72	\$80.63	13.50%		
<b>TOTALS:</b>				<b>\$500,849</b>	<b>\$41,737</b>	<b>\$500,849</b>	<b>\$3.36</b>	<b>\$40.32</b>	<b>6.75%</b>	

\*Final lease rate is an estimate based on total development cost, and is subject to minor adjustment prior to rent commencement.

# Lease Abstract



## RENT

### BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
6/1/2020 - 5/31/2021	\$41,737	\$500,849

\*2.00% annual increases in base rent

### OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 6/1/2040 - 5/31/2045	\$62,020	\$744,235
#2. 6/1/2045 - 5/31/2050	\$68,475	\$821,696
#3. 6/1/2050 - 5/31/2055	\$75,602	\$907,218
#4. 6/1/2055 - 5/31/2060	\$83,470	\$1,001,642

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

## PREMISE & TERM

TENANT	Guidepost Montessori
LEASE GUARANTEED BY	Higher Ground Education, Inc.
LEASE TYPE	Corporate NNN*
TERM	20 Years
RENT COMMENCEMENT	June 1, 2020
OPTIONS	Four 5-year options

\*Landlord responsible for structure only. Tenant is responsible for roof (brand new roof with 15-year warranty).

## EXPENSES

PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
ROOF	Tenant's Responsibility
STRUCTURE	Landlord's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility





# Tenant Overview



## ABOUT GUIDEPOST MONTESSORI

**\$140M**

**OCTOBER 2020  
VALUATION**

Guidepost Montessori is the largest Montessori in the United States. They have 66 schools across the country in \$100,000K+ income major metro's throughout the United States. The founders of Guidepost, including the former CEO, COO, and head of strategy, all have 20+ years of experience in education and have been operating as executives in this space for the last decade.

What separates Guidepost from many private and public schools is that they are open for in-school learning and also have a remote learning program that is one of the most sophisticated and easy to use in the industry. With many public and private schools doing only remote learning, Guidepost has been able to absorb students and daycare children from their competition in the high income areas they serve.

Higher Ground Education, the parent company of Guidepost Montessori, is based in Lake Forest, California and has significant backing from Learn Capital, the largest venture capital group in the educational space and the Walton Foundation (Wal-Mart Founder).

**ENROLLMENTS**

**Up 35% since  
March 2020**

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# Site Plan



12,423  
RENTABLE SF



1.21  
ACRES



25  
SPACES



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# Surrounding Retail



# Retail Aerial

LOWE'S  
Walmart Supercenter  
SUPER TARGET  
ROSS STAPLES  
DOLLAR TREE  
PETSMART

ALDI  
CVS pharmacy

ELEMENTARY SCHOOL

MIDDLE SCHOOL



# New Residential Developments in the Area



**Cabela's**  
**NIKE**  
**TARGET**  
**WHOLE FOODS MARKET**  
**BEST BUY**  
**TJ-maxx**  
**ALDI**  
**TOPGOLF**

**20,276 VPD**

**STACY ROAD**



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## CENSUS: MCKINNEY RANKS AS 4TH FASTEST-GROWING BIG CITY IN THE NATION

**Community Impact Newspaper** May 21, 2020

U.S. census population estimates released late May 20 show that McKinney was the fourth fastest-growing big city nationally between April 1, 2010, and July 1, 2019.

McKinney took its place among other cities with populations of 50,000 or more, increasing its population to 199,177 residents in 2019, according to census data. This represents a 51.9% increase from the 2010 census count of 132,934.

Frisco was number one on the list with 71.1% change in population growth. Buckeye, Arizona, took second, and New Braunfels, Texas, was the third fastest-growing big city.

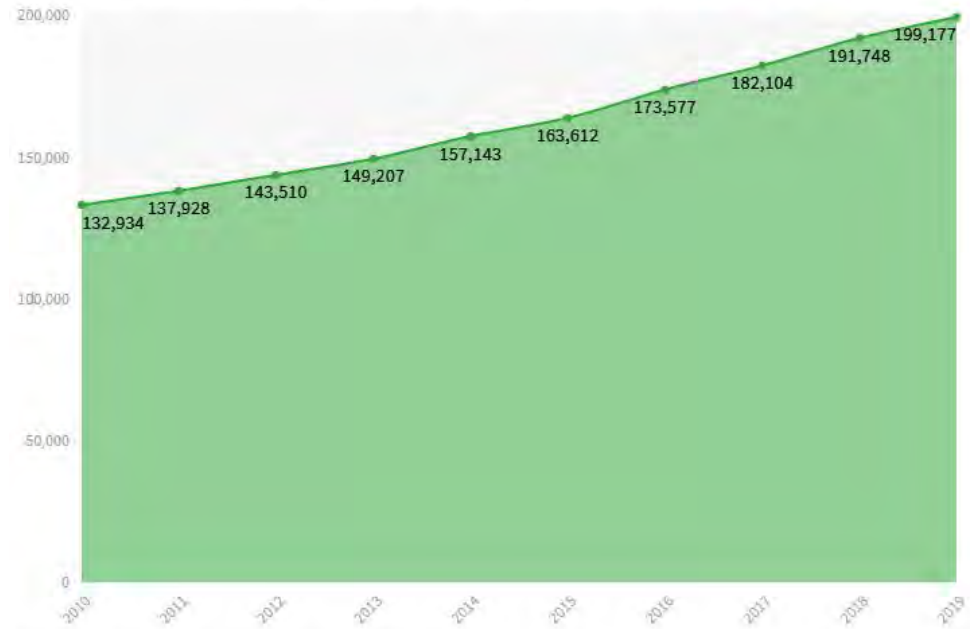
Between 2018 and 2019, the census bureau estimates McKinney's population grew 3.87%.

McKinney Mayor George Fuller said it was "no surprise" to him McKinney remained as one of the fastest-growing cities in the U.S.

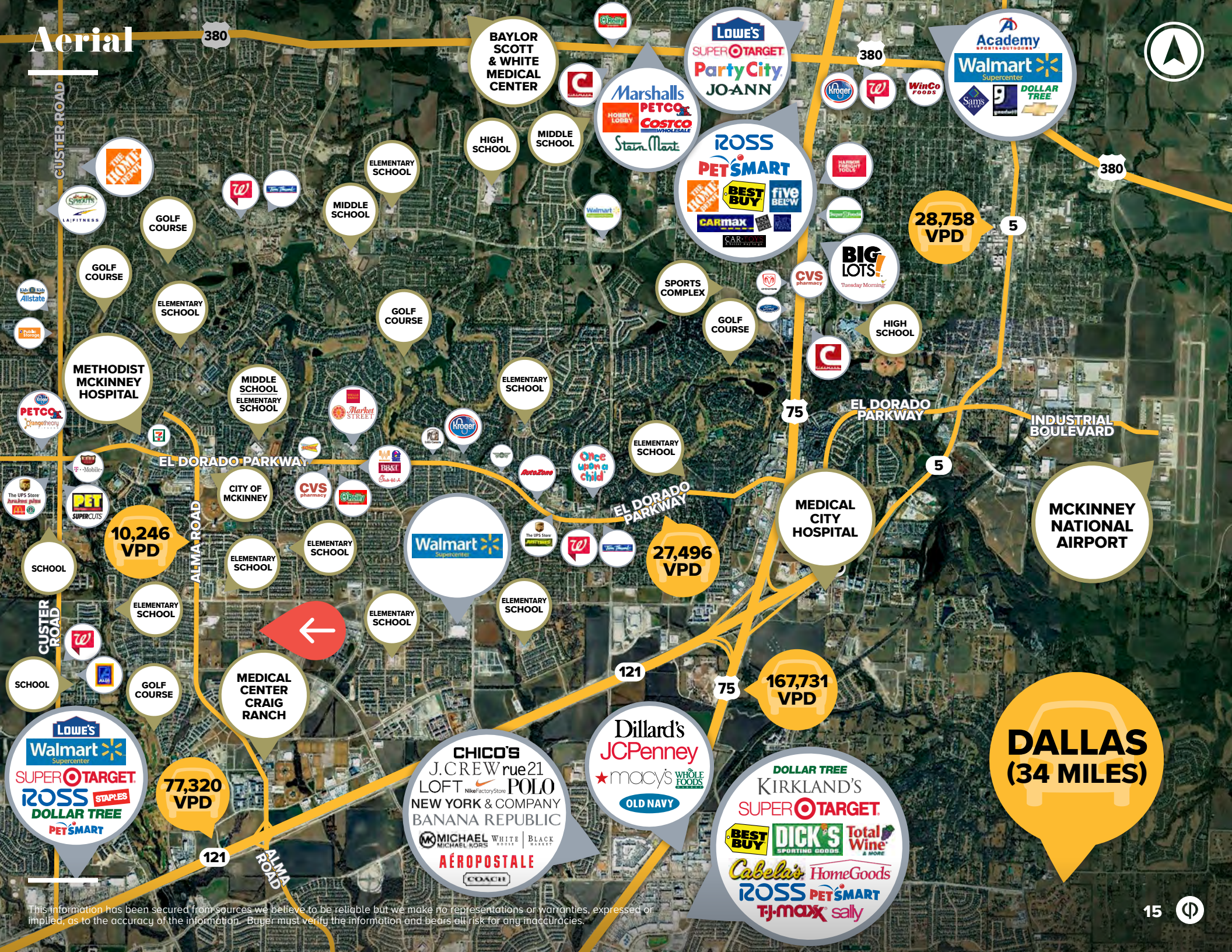
"McKinney is a diverse and engaged community that offers true work, live and play amenities, with a depth of cultural arts, music, outdoor spaces, connectivity to international airports, bustling corporate corridors, a historic downtown heritage and superior schools," he said in an email. "Although this pandemic has brought pain and difficulty across our country, and certainly we have not been sheltered from it, McKinney has risen as a community through so many humanitarian and supporting initiatives that speak to the reason we are being chosen by so many families to make McKinney home."

### McKinney's population growth

Since the 2010 Census, McKinney's population has grown 51.9%.



Source: U.S. Census Bureau/Community Impact Newspaper




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# Demographics

## POPULATION

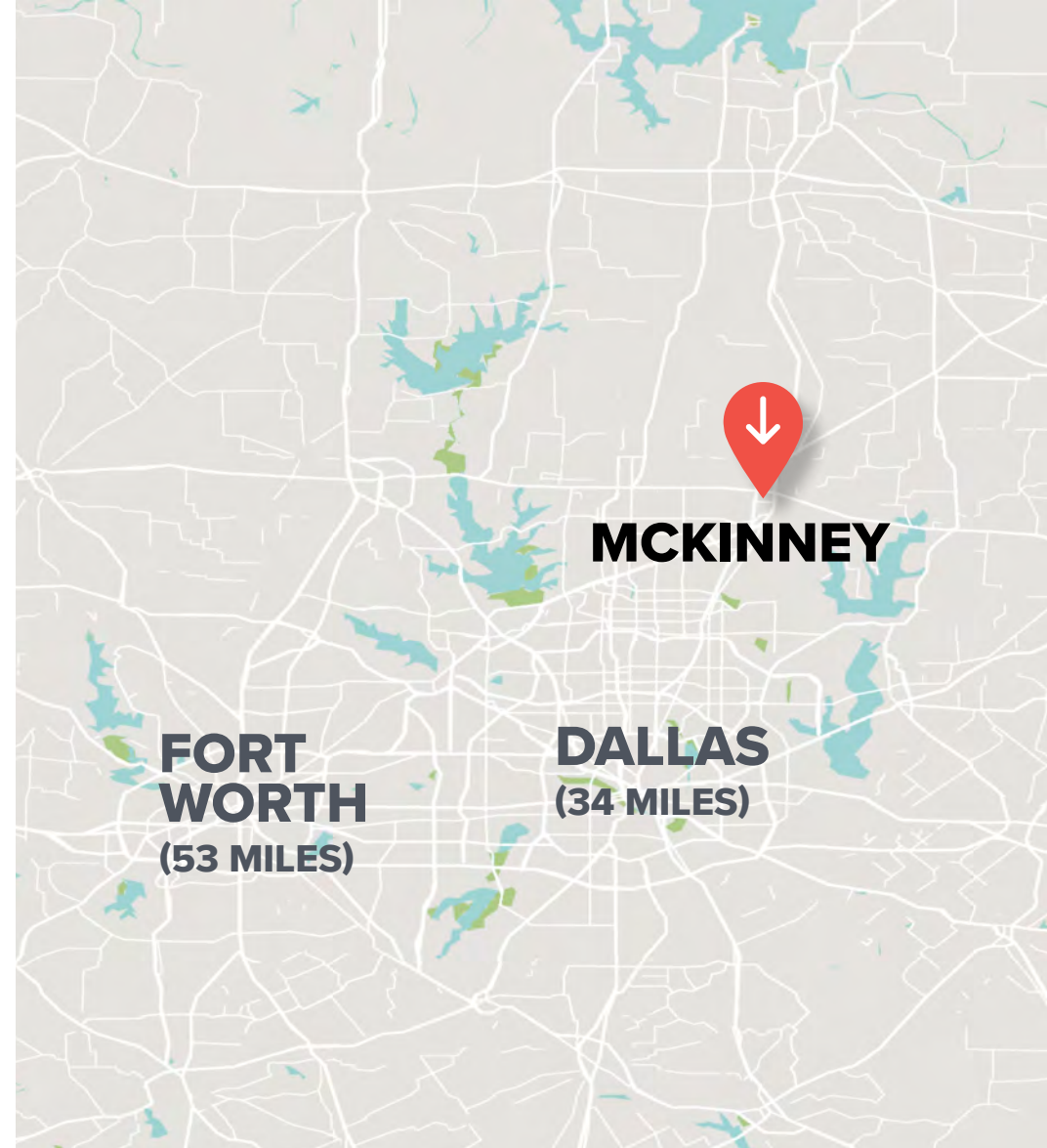
	1-MILE	3-MILES	5-MILES
2010	9,991	72,439	195,201
2019	16,326	113,910	289,029
2024	19,582	133,686	335,393

## 2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$110,737	\$145,576	\$137,751

## TOP EMPLOYERS IN DFW METROPLEX

EMPLOYER	# OF EMPLOYEES
AMR (American Airlines)	24,700
Bank of America	20,000
Texas Health Resources	19,230
Dallas Independent School District	18,314
Baylor Health Care System	17,097



**THE AVERAGE HOUSEHOLD  
INCOME WITHIN A 3-MILE RADIUS  
IS OVER \$145K**



# MCKINNEY, TEXAS



**MCKINNEY**, a city in Collin County, is a northern suburb of Dallas. Just 30 miles north of downtown Dallas, McKinney is a picturesque city with a small-town feel that is quite different from the Metroplex's urban sprawl. The city had a 2019 estimated population of nearly 190,000. McKinney is home to one of the state's largest historic districts.

Dallas is the 9th largest city in the United States and the 3rd largest in Texas with a population of 1,345,047 residents. Dallas is the home to major educational institutions such as UT Southwestern Medical Center, Southern Methodist University, and the Dallas campus of the University of North Texas.

**DALLAS IS A MAJOR TRANSPORTATION HUB** with four major interstate highways converging in the city and a fifth interstate loop around it, a major inland port, railroad lines, the Dallas/Fort Worth International Airport and Dallas Love Field Airport. Dallas-Fort Worth's vast transportation infrastructure connects residents and businesses. The Dallas-Fort Worth metropolitan area ranked as the fifth-largest export market in the U.S., with a real export value of \$58.4 billion according to Brookings Institution's Export Scan.

**7.5 MILLION**



**DALLAS MSA  
POPULATION  
(ESTIMATED)**



## DALLAS - FORT WORTH MSA

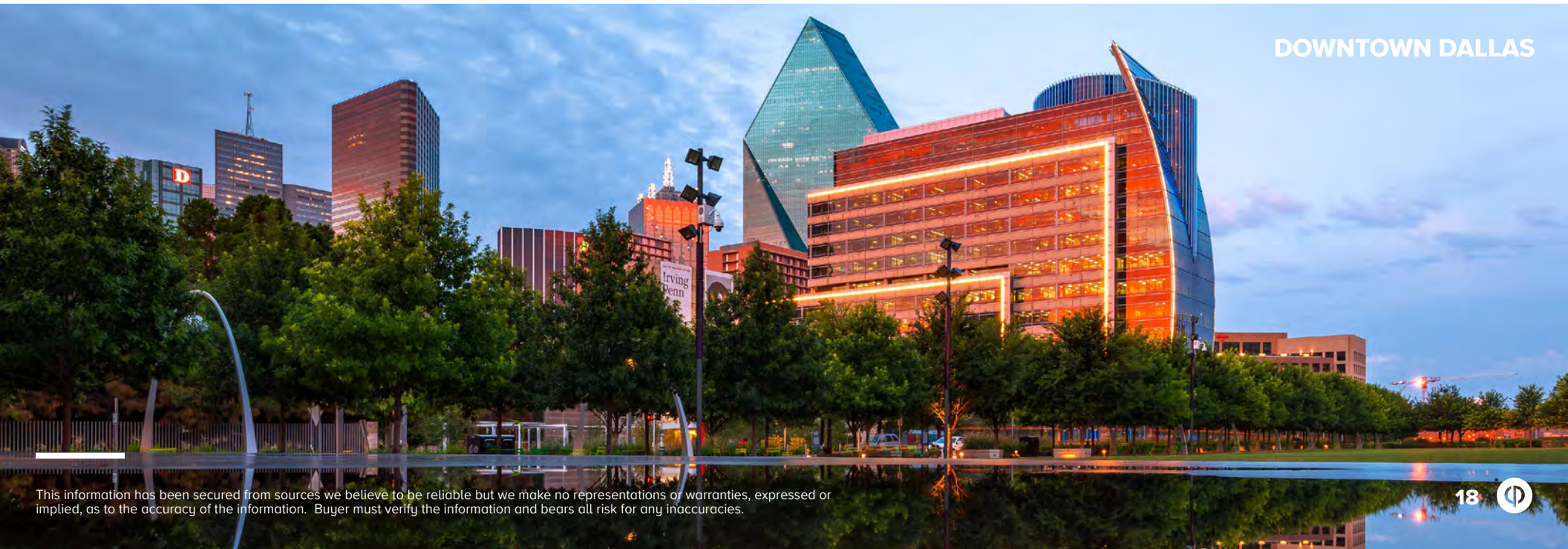
**THE DALLAS/FORT WORTH METROPLEX** (Dallas/Fort Worth, DFW) is a dynamic 12-county region made up of Dallas, Fort Worth, and another 150 municipalities. The Dallas area is the **largest metropolitan area in Texas and the fourth largest in the United States** spanning an area of 9,286 square miles with a population of **approximately 7.5 million residents**. Dallas-Fort Worth was one of the fastest growing metropolitan areas in the nation from 2000 to 2014, adding 1.6 million people for a 32% growth rate. By the year 2040, over 10.5 million people are projected to be living in the Metroplex.

The Dallas—Fort Worth metropolitan area is **home to eight major league sports teams**: the Dallas Cowboys (NFL), Dallas Mavericks (NBA), Texas Rangers (MLB), Dallas Stars (NHL), FC Dallas (MLS), Dallas Wings (WNBA), the Dallas Rattlers (MLL), and XFL Dallas (Xtreme Football League).

## GENERAL STATS

- #1 LARGEST INLAND METRO AREA**
- 4TH LARGEST METRO AREA**
- #1 FORBES 2018 BEST CITY FOR JOBS**
- #18 U.S. NEWS & WORLD REPORT BEST PLACES TO LIVE**
- #11 U.S. NEWS BEST PLACES TO RETIRE**
- 3.7 MILLION JOBS IN THE METRO**
- 48.8 MILLION ANNUAL VISITORS**

## DOWNTOWN DALLAS



# Contact us.

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# Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*



**TYPES OF REAL ESTATE LICENSE HOLDERS:**

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

**A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):**

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

**A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:**

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

**TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:**

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials	Date
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