

Marcus & Millichap  
TAG INDUSTRIAL GROUP

770 SPIRIT OF SAINT LOUIS BOULEVARD

CHESTERFIELD, MO 63005

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TAG INDUSTRIAL GROUP

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CHESTERFIELD, MO 63005

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Marcus & Millichap









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## MARKET OVERVIEW

### SECTION 2

Market Analysis • Demographic Analysis

Marcus & Millichap

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be part of a factory or a large warehouse.

## SECTION 1

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### INVESTMENT OVERVIEW

Marcus & Millichap

## OFFERING SUMMARY

- Located in Highly Sought-After Chesterfield Submarket
- \$80 Million Mixed-Use Development Going into Chesterfield
  - Great Location with Ease of Access to I-64 to the North
- Affluent St. Louis Suburb with Median Household Income at \$113,315
  - Significant Tenant Improvement over \$300,000 Paid for by APC
  - Tenant Buildout Shows Strong Sign of APC Renewing Their Lease
- Extremely Tight Barrier-to-Entry Submarket with 2.1% Vacancy for Industrial and Industrial-Flex Product
  - Upside in Rents in a Growing Submarket, 16.8% Rent Growth Y-O-Y
- Just 0.3 Miles from Spirit Airport which has the Ability to Handle Business Jets
- Tenant Recent Improvements: HVAC to Warehouse in 2015, Diesel Generator 2015, Rewired Warehouse, \$275K Office Renovation, Purchased/Installed a 1.6 Million Dollar Printer Within the Last Year

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 770 Spirit of St. Louis Boulevard in Chesterfield, Missouri, leased to APC Integrated Services Group, Incorporated. The subject property consists of approximately 25,295 square feet of office and warehouse space and is situated on 3.53 acres of land. The asset features over \$300,000 in significant tenant improvements paid for by APC. The buildout represents a strong sign that the tenant plans to renew the lease. For nearly 20 years, APC has been a leading database marketer for vehicle service contracts in the auto industry. APC partners with industry stakeholders including dealers, auto finance companies, and original equipment manufacturers to provide direct marketing to their customers. By sharing in the revenue of each sale, APC creates a no-cost solution for its partners (APC).

The property is situated within an affluent St. Louis suburb, grossing a median household income of \$113,315 (U.S. Census Bureau). Investors are currently developing an \$80 million mixed-use project in Chesterfield (Multi-Housing News). With easy access to Interstate 64 to the north, the asset is in a great location in the highly sought-after Chesterfield/Highway 40 submarket. The submarket contains around 6.9 million square feet of industrial space. With a vacancy rate of 2.1 percent, the submarket presents an extremely tight barrier-to-entry. Over the last year, the market positively absorbed almost 178,000 square feet, which was 61 percent higher than its 10-year average. Although 920,00 square feet was delivered during the past three years, representing a 15.2 percent expansion of the submarket's inventory, there are no industrial projects currently under construction. With no supply-side pressures on vacancy or rent in the near-term, average market rents have skyrocketed 16.8 percent since last year (CoStar).

The St. Louis metro is near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and has more than 2.9 million residents. The metro encompasses the city of St. Louis; the Missouri counties of St. Charles, Jefferson, Franklin, St. Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun. St. Louis is the most populous county with 1 million people. The city of St. Louis, which is located at the confluence of the Mississippi and Missouri rivers, is the only city in the metro with a population of more than 300,000 citizens. As Saint Louis continues to be a desirable industrial market for investors, a recent report ranked Saint Louis as the tenth industrial market to watch in 2019.



## PROPERTY DETAILS

770 SPIRIT OF SAINT LOUIS BOULEVARD, CHESTERFIELD, MO 63005

Number of Suites	2
Number of Buildings	1
Total Square Feet	25,295
Warehouse Square Feet	6,324
Office Square Feet	18,971
Office Ratio	75%
Year Built	1977
Lot Size	3.53 Acres
Type of Ownership	Fee Simple
Clear Height	18'
Parking Spaces	4.0/1,000
Parking Surface	Asphalt
Building Class	C
Tenancy	Single Tenant
Dock High Doors	3
Grade Level Doors	1
Construction	Masonry
Power	3p
Zoning	M-3
Roof Type	Metal Roof, TPO Coating
Age/Condition of Roofs	Good Condition, Warranty Through August 2022
Age/Condition of HVAC	Good Condition
Market	St. Louis
Submarket	Chesterfield/Highway-40
Market Vacancy	2.1%

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## 770 SPIRIT OF SAINT LOUIS BOULEVARD

CHESTERFIELD, MO 63005

OFFERING PRICE	CAP RATE	PRO-FORMA CAP RATE
<b>\$3,300,000</b>	<b>6.22%</b>	<b>7.67%</b>

Offering Price	\$3,300,000
Cap Rate	6.22%
Pro-Forma Cap Rate	7.67%
Cash-On-Cash Pro-Forma	11.76%
Price/SF	\$130.46
Total Square Feet	25,295
Rental Rate	\$8.07
Lease Type	Triple Net (NNN)
Lease Term	1 Year
Tenancy	Single Tenant
Occupancy	100%

### FINANCING

Loan Amount	\$2,475,500
Loan Type	New
Interest Rate	3.95%
Amortization	25 Years
Year Due	2026

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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## RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type
				Comm.	Exp.							
APC Integrated Services Group, Inc.	A	20,657	81.7%	6/1/15	5/31/22	\$7.75	\$13,341	\$160,092	\$206,570	May-2022	\$17,214	NNN
APC Integrated Services Group, Inc.	B	4,638	18.3%	5/1/17	5/31/22	\$9.50	\$3,672	\$44,061	\$46,380	May-2022	\$3,865	NNN
Total		25,295				\$8.07	\$17,013	\$204,153	\$252,950			
Occupied Tenants: 2				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
				Total Current Rents: \$17,100		Occupied Current Rents: \$17,100		Unoccupied Current Rents: \$0				

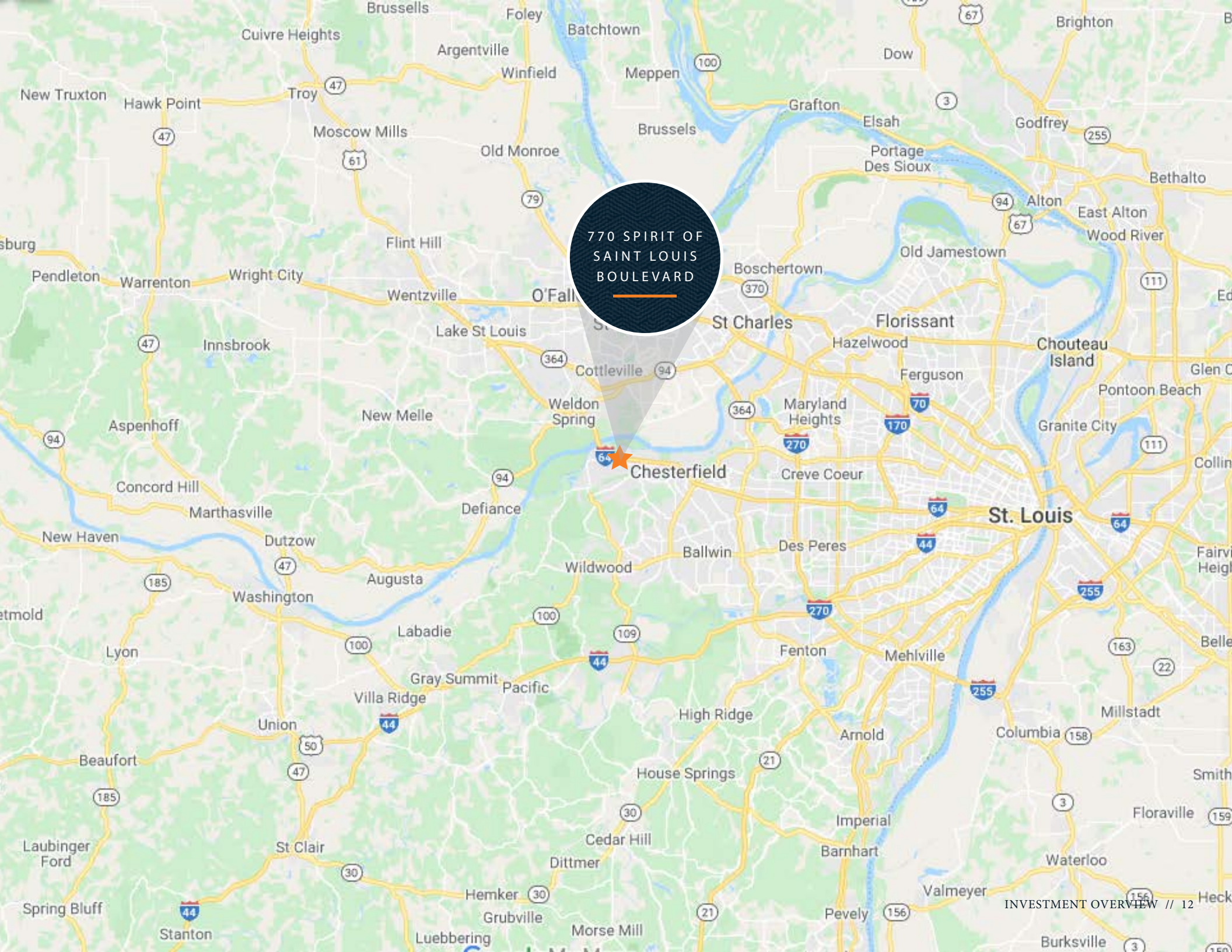
\*Renewal Options: Tenant Shall have the right to extend the term of this Lease for Two, Five year extensions at the then current market rate.



## OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	205,197	8.11	252,950	10.00
Expense Reimbursement Income				
Net Lease Reimbursement				
CAM	92,144	3.64	92,144	3.64
Insurance	14,495	0.57	14,495	0.57
Real estate Taxes	66,433	2.63	67,762	2.68
Total Reimbursement Income	\$173,072 100.0%	\$6.84	\$174,401 100.0%	\$6.89
Effective Gross Revenue	\$378,269	\$14.95	\$427,351	\$16.89

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Electric	51,247	2.03	51,247	2.03
Janitorial	4,945	0.20	4,945	0.20
Water	4,811	0.19	4,811	0.19
Sewer	7,503	0.30	7,503	0.30
Repairs & Maintenance	14,371	0.57	14,371	0.57
Operating Expenses - fire protection	300	0.01	300	0.01
Operating Expenses - HVAC- Heating Cooling	1,348	0.05	1,348	0.05
Operating Expenses - Water Fire Service	817	0.03	817	0.03
Operating Expenses - Gas	6,802	0.27	6,802	0.27
Insurance	14,495	0.57	14,495	0.57
Real Estate Taxes	66,433	2.63	67,762	2.68
Total Expenses	\$173,073	\$6.84	\$174,401	\$6.89
Expenses as % of EGR	45.8%		40.8%	
Net Operating Income	\$205,196	\$8.11	\$252,950	\$10.00



770 SPIRIT OF  
SAINT LOUIS  
BOULEVARD





770 SPIRIT OF  
SAINT LOUIS  
BOULEVARD

APC Integrated  
Services Group, Inc

EBM Medical

Jericho Skincare Arabah

Browne Aaron

Window Genie  
of Chesterfield

Tennis Machines

Two Maids & A Maid

Spirit of St Louis Blvd

Spirit of St Louis Blvd

Spirit of St Louis Blvd

Spirit of St Louis Blvd

Spirit of St Louis Blvd

Avis Car Rental

Heartland  
Payroll Services

PermaSeal

Behlmann Embroidery

Stone Wheel

Georgian Aerospace











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## TENANT SUMMARY

“Your Partner in Automotive F&I  
Database Marketing.”

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TENANT

APC Integrated Services Group

HEADQUARTERS

Chesterfield, MO

YEAR FOUNDED

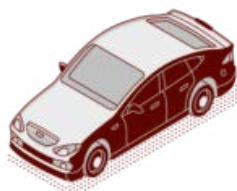
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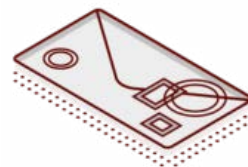
[www.apcisg.com](http://www.apcisg.com)



APC is a leading database marketer for Vehicle Service Contracts (VSC) in the Auto Industry for the last 19 years. They partner with Administrators, OEMs, Auto Finance companies, affinity organizations, and Dealers to create “turnkey” revenue producing programs. They direct market and sell VSCs and ancillary products to customer(s). APC shares in the revenue of each sale, thus creating a no-cost solution for their partners, all while protecting the partners brand from the would-be competitors that are calling and mailing them daily. Their direct marketing company can provide low cost solutions for recurring mail programs in any industry.



Automotive Product  
Consultants



APC Direct



APC Finance



## CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,944 debt  
and equity  
financings in 2019



National platform operating  
within the firm's  
brokerage offices



\$7.18 billion total  
national volume  
in 2019



Access to more capital sources  
than any other firm in the  
industry

## WHY MMCC?

Optimum financing solutions to  
enhance value

Enhanced control through MMCC's  
ability to qualify investor finance  
contingencies

Enhanced control through quickly  
identifying potential debt/equity sources,  
processing, and closing buyer's  
finance alternatives

Enhanced control through MMCC's  
ability to monitor investor/due diligence  
and underwriting to ensure timely,  
predictable closings

The background of the slide is a dark, blue-tinted photograph of an industrial interior. It features a complex network of steel beams, girders, and hanging industrial lights, creating a sense of depth and structure.

## SECTION 2

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### MARKET OVERVIEW

Marcus & Millichap



# ST. LOUIS MISSOURI

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Known for its Gateway Arch, the St. Louis metro is situated near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and it has nearly 2.8 million residents. The metro encompasses the city of St. Louis; the Missouri counties of St. Charles, Jefferson, Franklin, St. Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun. St. Louis is the most populous county with 1 million people. The city of St. Louis contains approximately 316,000 citizens and is the only city in the metro with a population of more than 90,000 residents. In North St. Louis, the U.S. National Geospatial-Intelligence Agency has a major expansion underway. The \$1.7 billion 97-acre campus is due to be completed in 2025.



CENTRAL LOCATION



EXCELLENT  
TRANSPORTATION  
SYSTEM

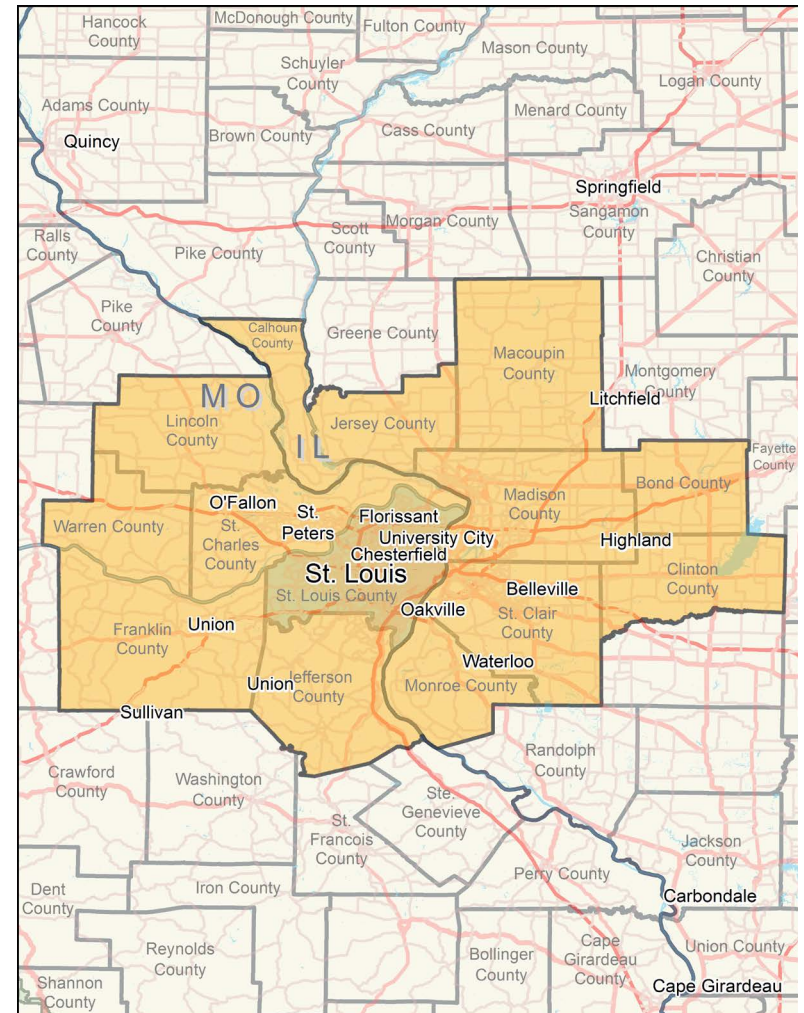


AFFORDABLE COST  
OF LIVING

## METROPLEX GROWTH

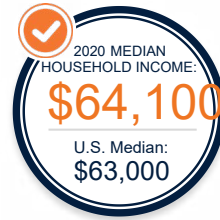
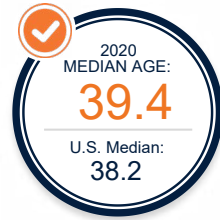
### ECONOMY

St. Louis is highly ranked for its logistics infrastructure, bolstered by its central geographic location and easy access to major waterways. It is a significant inland port. The region is emerging as a large financial services center, with two Fortune 500 companies headquartered in the metro: Jones Financial and Reinsurance Group-America. The metro is home to six other Fortune 500 companies: Centene, Emerson Electric, Olin, Ameren, Post Holdings and Graybar Electric. Government entities pursue business development and provide resources for startups, along with incubators with guidance and inexpensive office and lab space.





## METROPLEX GROWTH



The metro is expected to add more than 37,000 people through 2025, which will result in the formation of approximately 21,000 households. A median home price below the national level has produced a homeownership rate of nearly 69 percent, which is well above the national rate of 64 percent. Roughly 33 percent of people age 25 and older hold bachelor's degrees; among those residents, 13 percent also have earned a graduate or professional degree.



## DEMOGRAPHICS



57,744

Total Population  
Within 5 miles



49.1%



50.9%



\$20,865

Average Household Income  
Within 5 miles



32,634

Employees  
Within 1 mile



## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2025 Projection</b>			
Total Population	176	9,200	58,809
<b>2020 Estimate</b>			
Total Population	175	9,093	57,744
<b>2010 Census</b>			
Total Population	176	9,012	55,808
<b>2000 Census</b>			
Total Population	336	9,985	50,774
<b>Daytime Population</b>			
2020 Estimate	989	16,867	66,433
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2025 Projection</b>			
Total Households	57	2,871	21,386
<b>2020 Estimate</b>			
Total Households	57	2,839	20,865
Average (Mean) Household Size	3.2	3.1	2.8
<b>2010 Census</b>			
Total Households	57	2,788	20,010
<b>2000 Census</b>			
Total Households	121	3,128	17,356

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2020 Estimate</b>			
\$200,000 or More	35.5%	44.0%	23.2%
\$150,000-\$199,999	17.5%	16.6%	15.6%
\$100,000-\$149,999	25.3%	18.6%	22.8%
\$75,000-\$99,999	7.7%	6.2%	12.0%
\$50,000-\$74,999	7.6%	6.5%	11.0%
\$35,000-\$49,999	2.2%	3.2%	6.2%
\$25,000-\$34,999	1.3%	1.4%	3.4%
\$15,000-\$24,999	1.7%	1.9%	3.3%
Under \$15,000	1.3%	1.5%	2.6%
Average Household Income	\$213,841	\$243,151	\$170,173
Median Household Income	\$157,397	\$181,853	\$123,810
Per Capita Income	\$69,326	\$75,914	\$61,569
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2020 Estimate Total Population	175	9,093	57,744
Under 20	34.8%	29.5%	25.7%
20 to 34 Years	10.2%	10.5%	14.4%
35 to 39 Years	4.7%	3.1%	4.9%
40 to 49 Years	15.9%	13.5%	13.3%
50 to 64 Years	21.4%	28.2%	25.1%
Age 65+	13.0%	15.2%	16.6%
Median Age	40.3	46.1	44.3
<b>Population 25+ by Education Level</b>			
2020 Estimate Population Age 25+	106	5,902	39,677
Elementary (0-8)	0.4%	0.4%	0.8%
Some High School (9-11)	1.1%	0.9%	1.8%
High School Graduate (12)	5.7%	7.9%	14.1%
Some College (13-15)	10.2%	12.2%	16.4%
Associate Degree Only	6.3%	4.8%	6.7%
Bachelor's Degree Only	40.0%	40.2%	34.6%
Graduate Degree	36.1%	33.6%	25.6%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	25.0	28.0	28.0

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