

HOBBY LOBBY

Early 10-Year Lease Extension | Low Rent of \$5.50/SF | Only Hobby Lobby in 50+ Miles



OFFERING MEMORANDUM
MOUNT VERNON, ILLINOIS

Marcus & Millichap
BROWN RETAIL GROUP

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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OFFERING SUMMARY

PROPERTY ADDRESS

Hobby Lobby
4107 Broadway Street
Mount Vernon, IL 62868

OFFERING SUMMARY

Price: **\$4,295,000**

Cap Rate: **6.75%**

Net Operating Income: \$290,010

Building Square Footage: 52,729 Sq Ft

Year Built | Renovated: 1974 | 2014

Lot Size: +/- 1.24 Acres

LEASE SUMMARY

Tenant: Hobby Lobby

Guaranty: Corporate

Rent Commencement: 7/1/2014

Lease Expiration: 6/30/2034

Lease Term Remaining: 10 Years

Lease Type: NNN

Roof and Structure: Landlord Responsible

Rental Increases: \$0.25/SF Every 5 Years

Renewal Options: Three, Five-Year

Right of First Refusal: None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
11-15 (Current)	7/1/2024	6/30/2029	\$290,010	6.75%
16-20	7/1/2029	6/30/2034	\$303,192	7.06%
21-25 (Option 1)	7/1/2034	6/30/2039	\$316,374	7.37%
26-30 (Option 2)	7/1/2039	6/30/2044	\$329,556	7.67%
31-35 (Option 3)	7/1/2044	6/30/2049	\$342,739	7.98%

INVESTMENT HIGHLIGHTS

- **Recent 10-Year Lease Extension**
 - Hobby Lobby has occupied the property since 2014 and recently extended their lease term by 10 years showing strong commitment to the site.
 - The Property features \$0.25/SF rent increases every 5 years throughout the term and option periods, providing an investor with a hedge against inflation.
 - Hobby Lobby is currently paying \$5.50/SF with market rents achievable in the \$10.00 - \$12.00/SF range.
- **Corporately Leased to Hobby Lobby, a \$7.9B+ Revenue Company (2023)**
 - With over 1,000 locations and 46,000 employees across the US, Hobby Lobby is the nation's largest privately owned arts and crafts retailer.
 - As of 2023, Hobby Lobby's revenue is an estimated \$7.9 billion (a 2.60% increase over 2022) and is ranked #75 on Forbes' annual list of America's largest private companies.
- **Only Hobby Lobby in 50+ Miles and Strategically Positioned**
 - Hobby Lobby is located in Mt. Vernon, a regional hub for Southern Illinois, drawing consumers from multiple surrounding communities.
 - Positioned near major highways (I-57 and I-64), the store benefits from high traffic and easy accessibility.
 - The store is situated in Times Square Mall (2.3M Visits/Year per Placer.ai) nearby other national tenants including Ross, Planet Fitness, Hibbett Sports, Ashley Outlet, Kroger, Rural King, and a brand-new construction Seven Brew Coffee, increasing foot traffic and consumer interest.
 - With limited direct competitors in the arts and crafts retail sector in the region, Hobby Lobby maintains a dominant market position in this niche category.
- **Minimal Landlord Responsibilities with a Transferable Roof Warranty**
 - The NNN Lease features minimal landlord management or repair responsibilities (landlord responsible for roof/structure).
 - The roof is in excellent condition and features a 15- year, transferable roof warranty through May 2029.



SITE PLAN



AERIAL OVERVIEW



TENANT PROFILE

In 1970, David and Barbara Green took out a \$600 loan to begin making miniature picture frames out of their home. Two years later, the fledgling enterprise opened a 300-square-foot store in Oklahoma City, and Hobby Lobby was born. Today, with more than 1,000 stores, Hobby Lobby is the largest privately owned arts-and-crafts retailer in the world with over 46,000 employees and operating in forty-eight states.

Hobby Lobby offers over 70,000 items featuring home decor, seasonal decor, tableware, floral, art supplies, craft supplies, yarn, fabric, jewelry making, hobbies and much more.

Corporate headquarters include over 12 million-square-feet of manufacturing, distribution, and an office complex in Oklahoma City.

Mardel Christian and Education Supply, an affiliate company, offers books, Bibles, gifts, church and education supplies as well as homeschooling curriculum. Hobby Lobby also maintains offices in Hong Kong, Shenzhen, and Yiwu, China.

What began as a \$600 start-up, continues to grow and expand—enabling customers across the nation to live a creative life®.



Company Type: Private
Location: Oklahoma City, Oklahoma (1,000+ Locations)
Website: <https://www.hobbylobby.com/>

\$7.9 B

2023 Annual
Revenue

75th

Largest Private Companies
– 2023 Forbes

46,000+

Total
Employees

PROPERTY PHOTOS



REGIONAL MAP

ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

- One of the most historic airports in the United States
- The airport is the busiest in the state and it also serves the surrounding metropolitan area, which includes much of south-eastern Illinois
- Total passengers 14,886,000 (2023)
- Enplanements 7,435,699 (2023)
- Deplaned passengers 7,450,301 (2023)

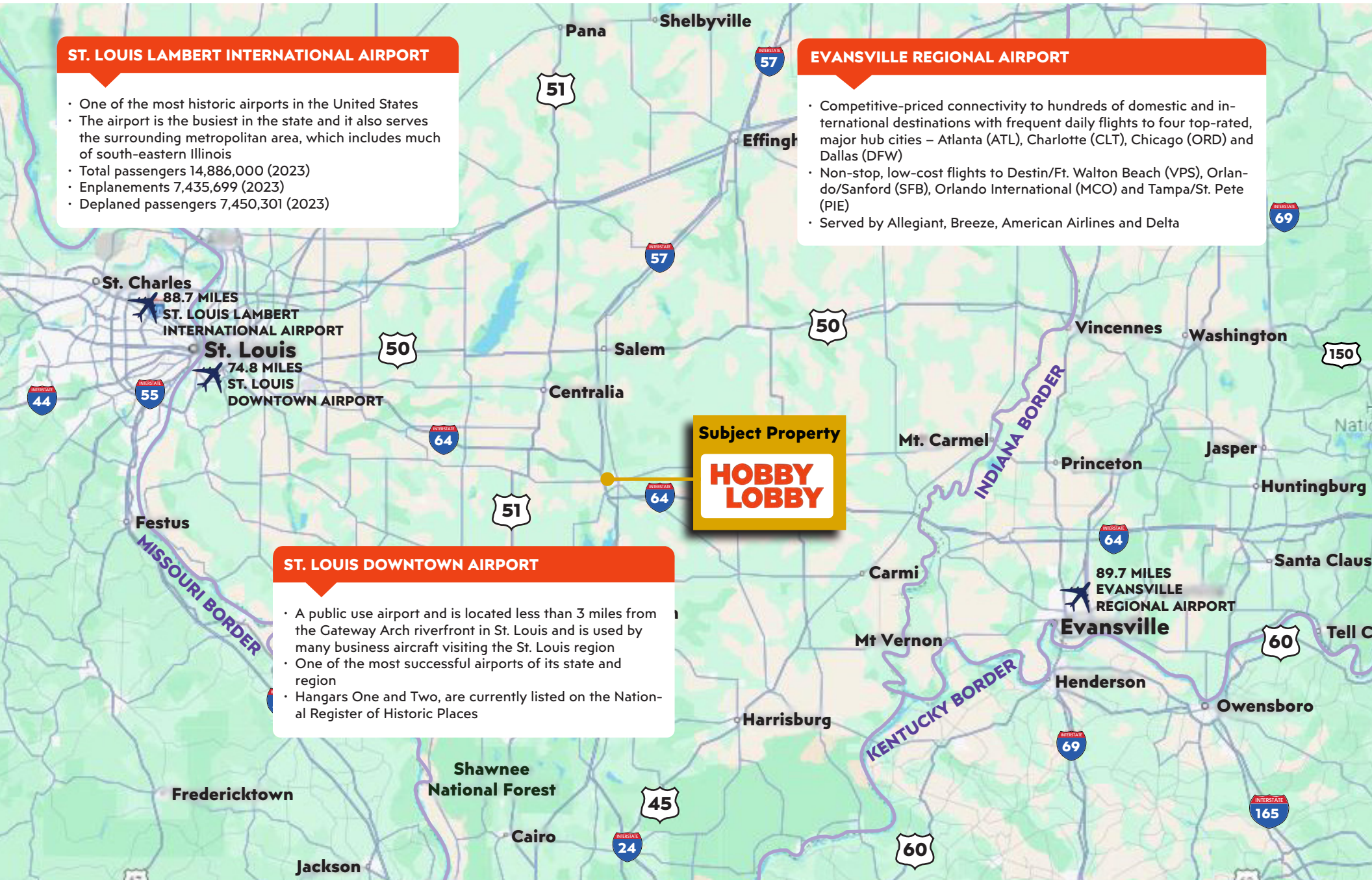
EVANSVILLE REGIONAL AIRPORT

- Competitive-priced connectivity to hundreds of domestic and international destinations with frequent daily flights to four top-rated, major hub cities – Atlanta (ATL), Charlotte (CLT), Chicago (ORD) and Dallas (DFW)
- Non-stop, low-cost flights to Destin/Ft. Walton Beach (VPS), Orlando/Sanford (SFB), Orlando International (MCO) and Tampa/St. Pete (PIE)
- Served by Allegiant, Breeze, American Airlines and Delta

ST. LOUIS DOWNTOWN AIRPORT

- A public use airport and is located less than 3 miles from the Gateway Arch riverfront in St. Louis and is used by many business aircraft visiting the St. Louis region
- One of the most successful airports of its state and region
- Hangars One and Two, are currently listed on the National Register of Historic Places

Subject Property
HOBBY LOBBY



AREA OVERVIEW

MT. VERNON

- Located about 80 miles southeast of St. Louis, Missouri.
- Along with easy access to two major interstates, Mt. Vernon is uniquely situated at the convergence of three major rail lines. Norfolk Southern, Union Pacific and Evansville Western railways converge in the city limits with spurs to all directions. Businesses can ship and receive bulk materials easily and inexpensively nationwide.
- Mount Vernon known as “Festival Arts City” is a city in and the county seat of Jefferson County, Illinois.
- Jefferson County Historical Village is unique to Mt. Vernon, you can experience the past at the Historical Village as you walk through a pioneer village of authentic log cabins, featuring a calaboose (circa 1820), the Mount Olive Church (circa 1873), a one room schoolhouse and more.
- Wayne Fitzgerald State Recreation Area a 3,300 acre recreational paradise, the park offers opportunities for hunting, fishing on Rend Lake, camping, picnicking, horseback riding, hiking, and biking.
- Mount Vernon is home to the Cedarhurst Center for the Arts, a 90-acre visual and performing arts institution. Cedarhurst celebrates the arts year-round with visual and performing arts programs for the public.
- Mount Vernon hosts a 48-acre (190,000 m2) facility for Continental Tire the Americas. It is also home to major distribution centers for NAPA, National Railway Equipment (NREC), ALCO and IPT (subsidiaries of NREC), along with many other smaller industries which are located in or in close proximity to the city’s three industrial parks.
- There is discussion of creating a fourth industrial park which is to be used for distribution centers in the area of the new interchange, this park would encompass 100 acres (0.40 km2) and would be eligible for Tax Increment Financing and Enterprise Zone benefits.

ST. LOUIS


- Known for its iconic 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.
- In North St. Louis, the U.S. National Geospatial-Intelligence Agency has a major expansion underway. The \$1.7 billion 97-acre campus is set to be completed in 2025. St. Louis is also home to the Federal Reserve Bank of St. Louis.
- The metro boasts numerous public and private golf courses, more than 100 parks, 200 miles of trails and the Gateway Arch National Park.
- Many of St. Louis’ top attractions — including the Saint Louis Zoo, the Saint Louis Art Museum, the Missouri History Museum and the Municipal Opera — are located in Forest Park. The park features golf courses and athletic fields. The St. Louis Cardinals and the St. Louis Blues are housed in nearby downtown.
- Lake of the Ozarks is within driving distance, offering destinations for hunting, fishing, camping, hiking and spelunking.
- There are more than 40 colleges, universities and technical schools in the metro, enrolling around 200,000 students a year. Washington University in St. Louis is highly ranked among U.S. universities.



DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	4,143	15,375	20,236
2020 Population	4,124	14,747	19,528
2023 Population	4,136	14,553	19,241
2028 Population	4,112	14,483	19,148
HOUSEHOLDS			
2010 Households	2,043	6,802	8,809
2020 Households	2,074	6,470	8,415
2023 Households	2,072	6,468	8,413
2028 Households	2,059	6,438	8,378
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	48.6%	51.9%	56.4%
2020 Owner Occupied Housing Units	46.1%	51.2%	55.6%
2023 Owner Occupied Housing Units	46.4%	51.7%	56.2%
2028 Owner Occupied Housing Units	46.3%	51.6%	56.0%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	47.3%	37.3%	33.7%
2020 Renter Occupied Housing Units	47.0%	36.2%	32.6%
2023 Renter Occupied Housing Units	46.7%	35.7%	32.1%
2028 Renter Occupied Housing Units	46.4%	35.5%	31.9%
AVERAGE HOUSEHOLD INCOME	\$103,069	\$78,049	\$78,964

AREA SNAPSHOT




19,241

POPULATION (5-MILE)




25,491

DAYTIME POPULATION (5-MILE)



8,413

HOUSEHOLDS (5-MILE)



\$103,069

AVERAGE HOUSEHOLD INCOME (1-MILE)