



## **AFFILIATED BUSINESS DISCLOSURE**

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

## **CONFIDENTIALITY AGREEMENT**

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property. This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner. Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property. The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived. By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

## **DISCLAIMER**

© 2017 CBRE, Inc. The information contained in this document has been obtained from sources believed reliable. While CBRE, Inc. does not doubt its accuracy, CBRE, Inc. has not verified it and makes no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.



**Mike Philbin**

Vice President  
+1 818 907 4691  
[mike.philbin@cbre.com](mailto:mike.philbin@cbre.com)

**Jaymes Keenan**

Associate  
+1 585 784 3638  
[jaymes.keenan@cbre-rochester.com](mailto:jaymes.keenan@cbre-rochester.com)

**Sam Alison**

Senior Vice President  
+1 818 907 4690  
[sam.alison@cbre.com](mailto:sam.alison@cbre.com)

**Donald French**

Senior Broker  
+1 315 422 4200  
[donald.french@cbre-syr.com](mailto:donald.french@cbre-syr.com)

**Amar Goli**

Vice President  
+1 818 907 4692  
[amar.goli@cbre.com](mailto:amar.goli@cbre.com)

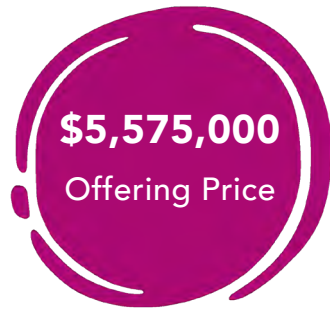
**Miles Waters**

Analyst  
+1 818 907 4694  
[miles.waters@cbre.com](mailto:miles.waters@cbre.com)





# The Offering



## Executive Summary

CBRE is offering to qualified investors the opportunity to purchase the fee simple interest in the portfolio of nine (9) properties located in Upstate New York ("the Portfolio"). The Portfolio sites are operating under **long-term, absolute NNN leases** with approximately 9 years of primary term remaining. In addition, the Portfolio is backed by a **strong corporate guarantee** from **Pizza Hut, LLC**—an operator of more than 500 domestic Pizza Hut units.

Operating for nearly 60 years, **Pizza Hut** is the largest restaurant chain in the world specializing in the sale of ready-to-eat pizza products. As of fiscal year end 2016, Pizza Hut operates 16,409 units in 103 countries. The chain, a wholly owned subsidiary of **YUM! Brands, Inc. (NYSE: YUM)**, is a 97%-franchised restaurant system.

The Portfolio is located in New York's **Finger Lakes region**, named for the 11 long, narrow lakes through the southern counties. The tourist-centric Finger Lakes region includes the city of Rochester, the third-largest city in New York. Home to innovative businesses, higher education, and livable communities, the region also provides a wealth of notable academic institutions, great access to international markets, and an innovative urban industrial center.



**Long-Term, Absolute NNN Investments with Upside**

**3.33% Annual Rental Increases**

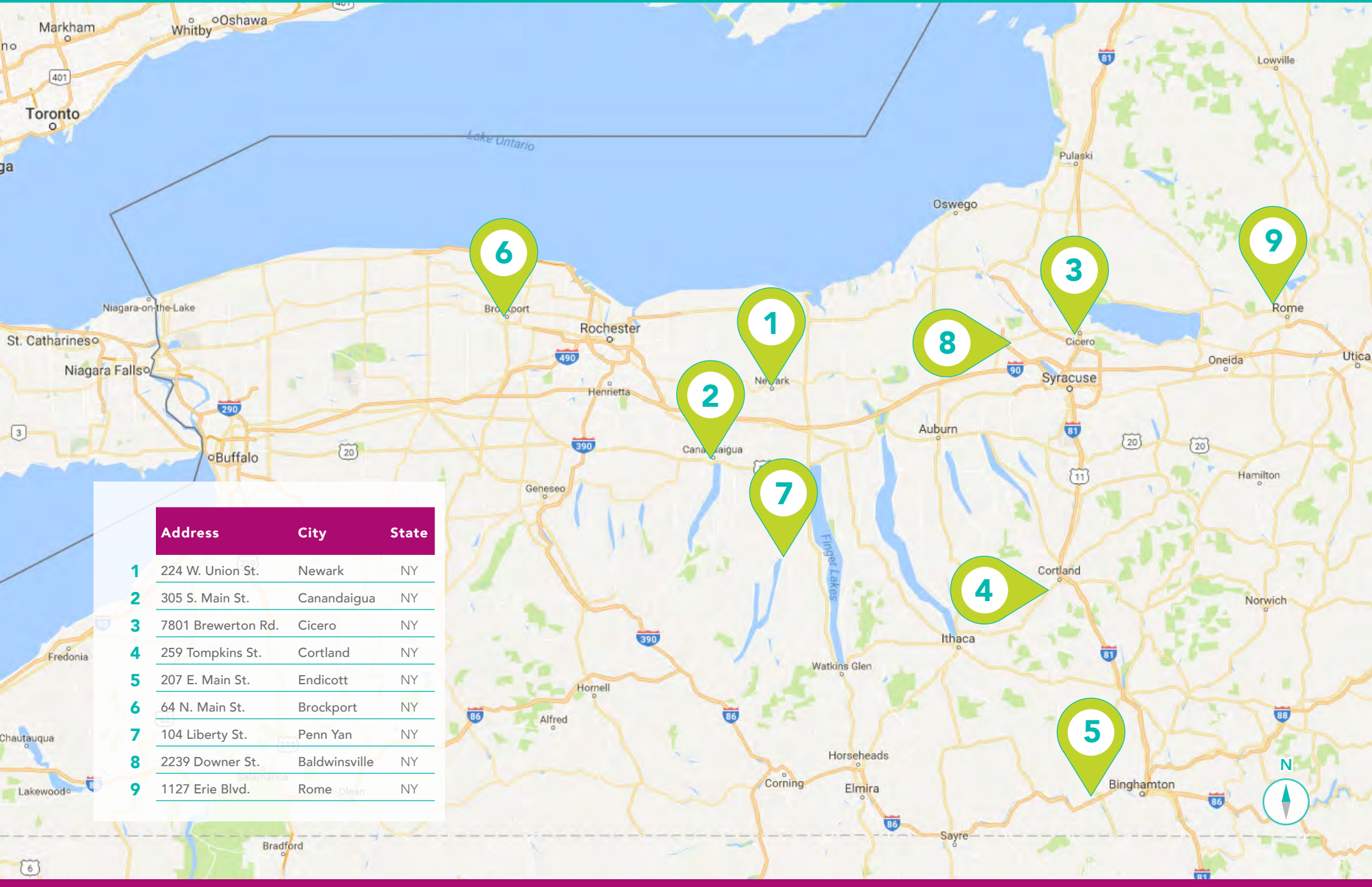
**Strong Corporate Guarantee: Pizza Hut, LLC (500+ units)**

**Prime Retail Trade Areas in Touristic Finger Lakes Region**

**Best-in-Class, 9-Property Pizza Hut Portfolio**

# Portfolio Locations

Click on Map Marker to see Property Information



# Offering Summary

	Address	City	State	Year Built	Bldg. SF	Land Acreage	2018 NOI	RPSF	Annual Rent Increases	Lease Type	Term Rem.	Lease End	Cap Rate	Offering Price
1	224 W. Union St.	Newark	NY	N/A	2,803	0.35	\$35,646	\$12.72	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$524,000
2	305 S. Main St.	Canandaigua	NY	1975	4,402	0.49	\$32,754	\$7.44	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$482,000
3	7801 Brewerton Rd.	Cicero	NY	1975	2,298	0.46	\$41,800	\$18.19	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$615,000
4	259 Tompkins St.	Cortland	NY	N/A	1,980	0.47	\$30,900	\$15.61	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$454,000
5	207 E. Main St.	Endicott	NY	1980	5,166	0.47	\$34,373	\$6.65	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$505,000
6	64 N. Main St.	Brockport	NY	1965	7,439	1.15	\$71,044*	\$6.17	3.33%	Absolute NNN	8 yrs	12/31/2025	7.5%	\$947,000
7	104 Liberty St.	Penn Yan	NY	1984	2,594	0.51	\$42,648	\$16.44	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$627,000
8	2239 Downer St.	Baldwinsville	NY	1975	4,646	0.40	\$49,586	\$10.67	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$729,000
9	1127 Erie Blvd.	Rome	NY	1968	2,540	0.91	\$47,042	\$18.52	3.33%	Absolute NNN	9 yrs	12/31/2026	6.8%	\$692,000
<b>Offering Total:</b>					<b>33,868</b>	<b>5.21</b>	<b>\$385,794</b>	<b>\$112.41</b>					<b>6.9%</b>	<b>\$5,575,000</b>

\*Brocport NY NOI includes \$25,150 additional income from CanalSide Plaza, a 3-tenant retail center.



# Standard Lease Summary

Pizza Hut Portfolio	
Tenant:	GC Pizza Hut, LLC dba Pizza Hut
Guarantor:	Pizza Hut, LLC
Lease Type:	Absolute NNN
Total Building Size (SF):	±33,868 SF
Total Land Acreage:	±5.21 AC
Year Constructed:	N/A
Rent Commencement:	April 1, 2015
Term Expiration:	December 31, 2026 (excludes Brockport, NY site)
Primary Term:	Eleven (11) Years
Renewal Options:	None
Rental Increases:	3.33% Annually
Building Type/Use:	Retail; Full Service Restaurant
Permitted Use:	General Retail
Roof, Parking, Structure, Taxes, Insurance, HVAC, and Utilities	Tenant Responsibility
Alterations and Improvements:	Tenant, at its sole cost and expense, shall have the right to remodel and make any additions, alterations or extensions to the Premises
Casualty:	Landlord shall restore to the same conditions as existed immediately preceding the destruction. 90 days for partial destruction and 180 for total destruction
Condemnation:	If the whole or part of the Premises shall be taken under eminent domain, the Tenant shall have the option to terminate the Lease
Surrender:	Tenant agrees peaceably to surrender and deliver to Landlord the Premises in the state of repair required of Tenant pursuant to this Lease
SNDA:	Tenant, upon request of Landlord, will subordinate this Lease to any first mortgage which shall now or hereafter affect the Premises, and to any renewal, modification or extension thereof; subject, however, to the following conditions and only if such conditions have been met
Estoppel:	Tenant or Landlord shall, at any time, upon no less than 20 days written notice from Landlord request an Estoppel



Representative Photo



## **Individual Property Overviews**



Property No. 1

**224 W. Union St.  
Newark (Rochester), NY**

# Property Overview

## 224 W. Union St. | Newark (Rochester), NY

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	N/A
Building Size (SF):	±2,803 SF
Land Acreage:	±0.35 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$35,646	\$12.72	-
2019:	\$36,715	\$13.10	3.33%
2020:	\$37,817	\$13.49	3.33%
2021:	\$38,951	\$13.90	3.33%
2022:	\$40,120	\$14.32	3.33%
2023:	\$41,323	\$14.75	3.33%
2024:	\$42,563	\$15.19	3.33%
2025:	\$43,840	\$15.64	3.33%
2026:	\$45,155	\$16.11	3.33%



**\$524,000**  
Offering Price

**6.8%**  
Cap Rate

## 2017 Demographics



**\$52+K**

Average Household Income  
within a 3-mile radius



**13+K**

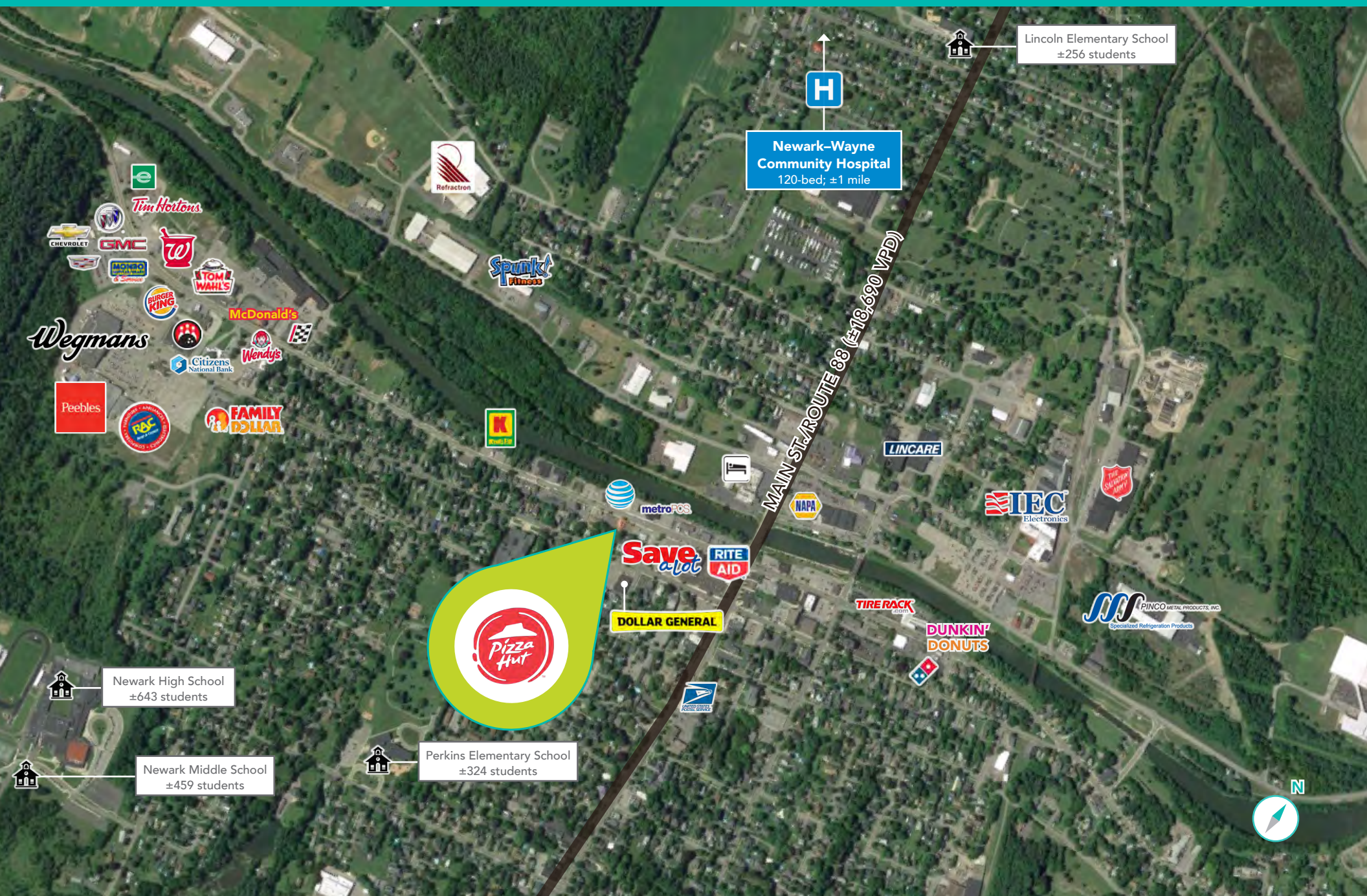
No. of Employees  
within a 3-mile radius



**12+K**

Total Population  
within a 3-mile radius

224 W. Union St.  
Newark (Rochester), NY 14513



# Market Overview

Newark, New York, part of the town of Arcadia, is a village located in Wayne County and considered to be the **commercial hub of the county**.

## Wayne County

Wayne County is located on the southern shore of Lake Ontario between the cities of Rochester and Syracuse in the northern Finger Lakes Region.

The county's **strategic location** allows businesses to draw educated, skilled workers from more than 30 educational, technical, and business institutions in the upstate New York area, all of which are within an hour's drive. Baccalaureate and advanced degrees are offered by Hobart & Williams Smith Colleges, Keuka College, and the University of Rochester, as well as such renowned universities as Colgate, Cornell, and Syracuse. In addition, Rochester Institute of Technology and the National Technical Institute for the Deaf provide highly-skilled graduates schooled in computers and other high-tech trades. These are supplemented by several nearby State University of New York ("SUNY") campuses and community colleges.

Almost 50,000 workers call Wayne County home. Of those, almost half (**48 percent**) drive outside the county to jobs elsewhere. These out-commuters comprise another untapped resource of people for new companies locating to the area.



## Greater Rochester

Located on the shores of Lake Ontario in Upstate New York, **Rochester** is the state's third-largest city and is central to a region that includes some of the most beautiful, productive, and valuable countryside in the Northeast United States. The Greater Rochester region, a community of **more than 1.2 million** people, is located within 500 miles of 1/3 of the U.S. and Canadian populations—putting the region close to major markets without major market costs.

The Greater Rochester region is home to a diverse set of businesses that have capitalized on the area's highly-educated workforce, research centers of excellence, and industry expertise in fields such as energy innovation, biotech and life sciences, food and beverage production, and optics, photonics, and imaging. Constellation Brands, Paychex, Wegmans Food Markets, and Xerox, are a few of the companies that have established thriving businesses in a community that was built on the legacy of entrepreneurship and innovation.

- + Kiplinger named Rochester the "Best City in the U.S. for Commuters"
- + The region is home to 18 colleges and universities with more than 88,000 students and 19,400 graduates each year
- + Forbes named Rochester the 3rd Best Place to Raise a Family, based on the cost of living, short commutes, and affordable housing available in the community



Property No. 2

**305 S. Main St.  
Canandaigua, NY**

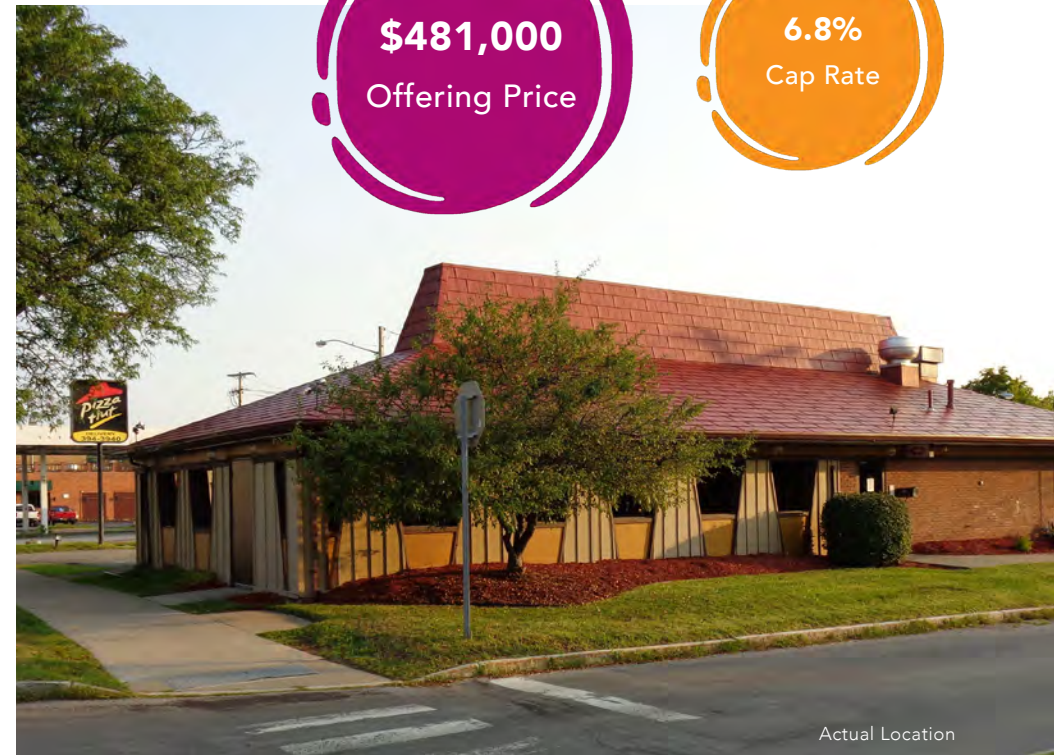
# Property Overview

## 305 S. Main St. | Canandaigua, NY

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	1975
Building Size (SF):	±4,402 SF
Land Acreage:	±0.49 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$32,754	\$7.44	-
2019:	\$33,737	\$7.66	3.33%
2020:	\$34,749	\$7.89	3.33%
2021:	\$35,791	\$8.13	3.33%
2022:	\$36,865	\$8.37	3.33%
2023:	\$37,971	\$8.62	3.33%
2024:	\$39,110	\$8.88	3.33%
2025:	\$40,283	\$9.15	3.33%
2026:	\$41,492	\$9.42	3.33%



Actual Location

**\$481,000**  
Offering Price

**6.8%**  
Cap Rate

## 2017 Demographics



**\$69+K**

Average Household Income  
within a 3-mile radius



**28+K**

Vehicles Per Day  
along S. Main. St.



**16+K**

Total Population  
within a 3-mile radius

305 S. Main St.  
Canandaigua, NY 14424



# Market Overview

**Canandaigua, New York** is the county seat and commercial center of Ontario County. Situated 25 miles southeast of Rochester, the town is located at the northwest end of Canandaigua Lake in the central part of Ontario County.

## Ontario County

**Ontario County** is one of 14 counties that make up the Finger Lakes region, situated in the heart of western New York, about 10 miles east of Rochester. The county has a population of more than 110,000 people and experienced a household income increase of 34% in the past 10 years.

Many respected colleges and universities—including the University of Rochester, Syracuse University, Cornell University, and Rochester Institute of Technology—are less than an hour's drive from Ontario County. Higher education institutions within the county include Hobart and William Smith Colleges, Finger Lakes Community College, and Cornell University's New York State Agricultural Experiment Station.

Key quality-of-life factors include exceptional hospitals and healthcare facilities, well-maintained and affordable homes in established neighborhoods, nationally ranked public schools, and a vibrant tourism industry, featuring year-round leisure activities throughout the picturesque Finger Lakes wine region.



## Greater Rochester

Located on the shores of Lake Ontario in Upstate New York, **Rochester** is the state's third-largest city and is central to a region that includes some of the most beautiful, productive, and valuable countryside in the Northeast United States. The Greater Rochester region, a community of **more than 1.2 million** people, is located within 500 miles of 1/3 of the U.S. and Canadian populations—putting the region close to major markets without major market costs.

The Greater Rochester region is home to a diverse set of businesses that have capitalized on the area's highly-educated workforce, research centers of excellence, and industry expertise in fields such as energy innovation, biotech and life sciences, food and beverage production, and optics, photonics, and imaging. Constellation Brands, Paychex, Wegmans Food Markets, and Xerox, are a few of the companies that have established thriving businesses in a community that was built on the legacy of entrepreneurship and innovation.

- + Kiplinger named Rochester the "Best City in the U.S. for Commuters"
- + The region is home to 18 colleges and universities with more than 88,000 students and 19,400 graduates each year
- + Forbes named Rochester the 3rd Best Place to Raise a Family, based on the cost of living, short commutes, and affordable housing available in the community



Property No. 3

**7801 Brewerton Rd.  
Cicero (N. Syracuse), NY**

# Property Overview

## 7801 Brewerton Rd. | Cicero (N. Syracuse), NY

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	1975
Building Size (SF):	±2,298 SF
Land Acreage:	±0.46 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$41,800	\$18.19	-
2019:	\$43,054	\$18.74	3.33%
2020:	\$44,346	\$19.30	3.33%
2021:	\$45,676	\$19.88	3.33%
2022:	\$47,046	\$20.47	3.33%
2023:	\$48,458	\$21.09	3.33%
2024:	\$49,911	\$21.72	3.33%
2025:	\$51,409	\$22.37	3.33%
2026:	\$52,951	\$23.04	3.33%



## 2017 Demographics



7801 Brewerton Rd.  
Cicero (N. Syracuse), NY 13039



# Market Overview

## Onondaga County

**Cicero, New York** is a town located in northern Onondaga County. Situated at the center of New York state, **Onondaga County**, home to the city of Syracuse, is within 350 miles of all major cities in the northeast and conveniently positioned at the intersection of Interstate 81 and the NYS Thruway.

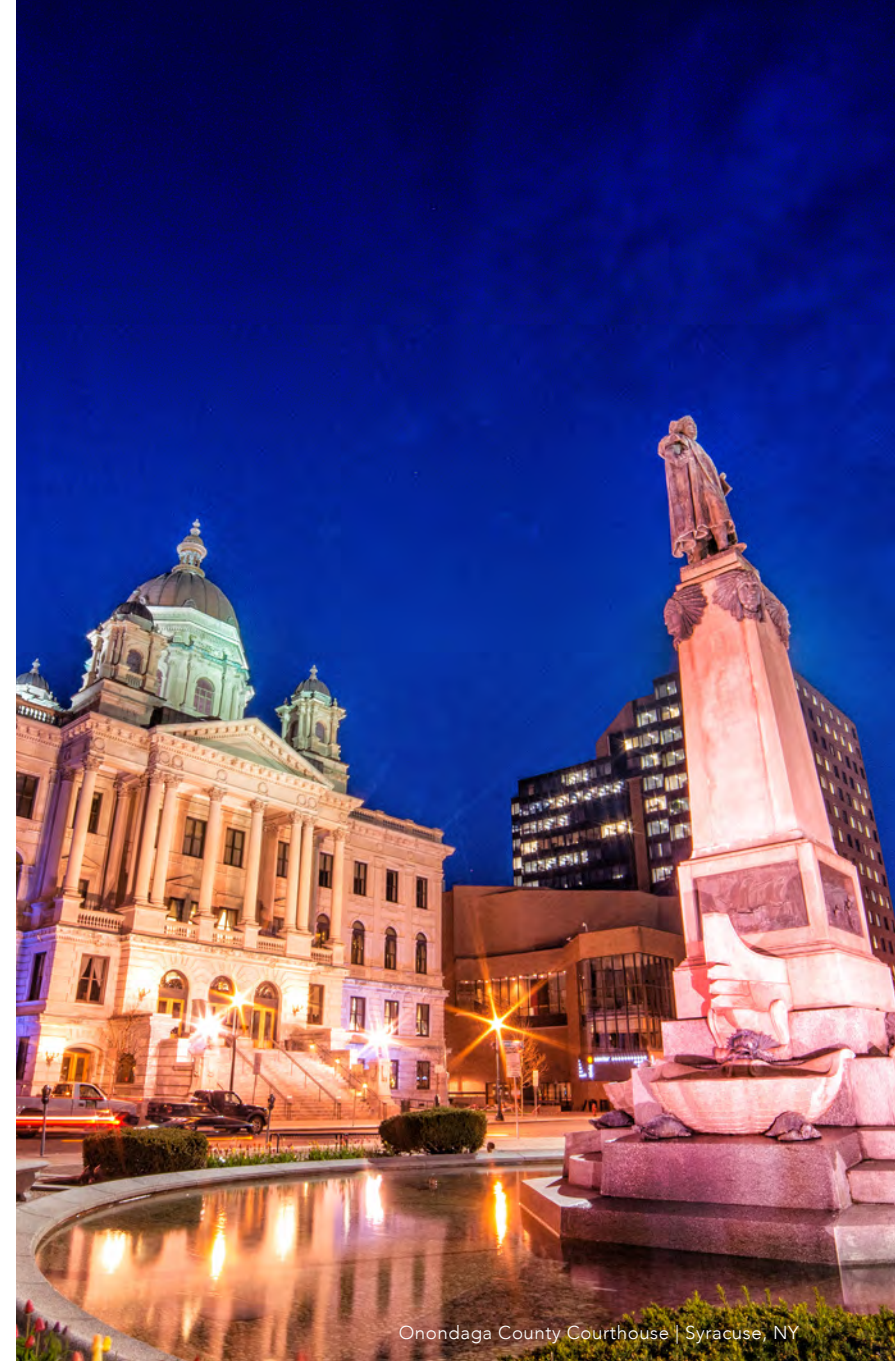
Onondaga County is a center for higher learning, with 32,000 students currently attending colleges within the county. Syracuse University is one of the nation's most highly regarded private colleges, offering a diverse portfolio of undergraduate and graduate degrees to its 18,200 students.

Five of the county's largest employers are in the healthcare sector. The area's largest employer, the Upstate Medical University (9,500+ employees), a medical school that includes University Hospital, is the home of one of the country's eleven Joslin Centers for Diabetes.

## Greater Syracuse

**Syracuse** located in Onondaga County, is the region's major metropolitan center. It has been appropriately called the Crossroads of New York, due to its central location and the fact that the state's two major interstate routes the east-west New York State Thruway (Interstate 90) and north-south Interstate 81 intersect here. In addition to Syracuse, the principal population centers of the MSA are cities of Oswego and Fulton in Oswego County, Oneida in Madison County, and Auburn in Cayuga County.

Many industries power the city's diverse economy: agribusiness, biomedical, cleantech, healthcare, and insurance and financial services. Sensors and radar have been part of Syracuse's tech scene since World War II, and today the city is at the forefront of wireless technology research and development.



Onondaga County Courthouse | Syracuse, NY



Property No. 4

**259 Tompkins St.  
Cortland, NY**

# Property Overview

## 259 Tompkins St. | Cortland, NY 13045

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	N/A
Building Size (SF):	±1,980 SF
Land Acreage:	±0.47 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$30,900	\$15.61	-
2019:	\$31,827	\$16.08	3.33%
2020:	\$32,782	\$16.56	3.33%
2021:	\$33,765	\$17.06	3.33%
2022:	\$34,778	\$17.57	3.33%
2023:	\$35,822	\$18.10	3.33%
2024:	\$36,896	\$18.64	3.33%
2025:	\$38,003	\$19.20	3.33%
2026:	\$39,143	\$19.77	3.33%



**\$453,000**  
Offering Price

**6.8%**  
Cap Rate

## 2017 Demographics



**\$59+K**

Average Household Income  
within a 3-mile radius



**6+K**

Student Enrollment at  
SUNY Cortland (±0.3 miles)



**27+K**

Total Population  
within a 3-mile radius

259 Tompkins St.  
Cortland, NY 13045



# Market Overview

## Cortland County

**Cortland County**, located in central upstate New York's Finger Lakes region, is home to more than 50,000 people. The county's many and diverse employers rely on a plentiful, motivated, well-educated workforce, an excellent transportation infrastructure providing easy access to major northeastern and international markets, and proximity to one of the nation's highest concentrations of colleges and universities.

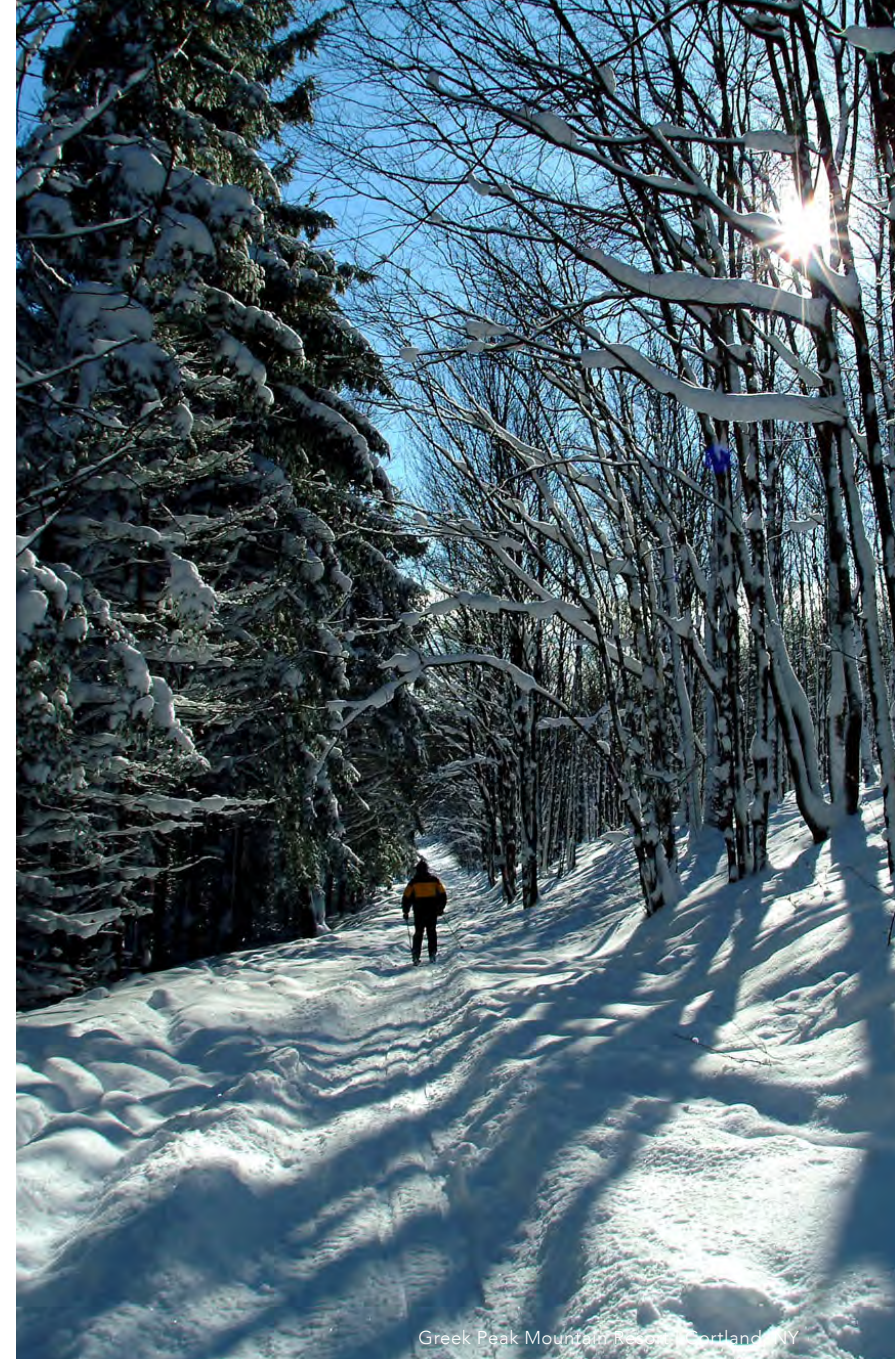
Major Cortland County employers include **SUNY Cortland**, Cortland Regional Medical Center, Cortland County School District, Marietta Corporation, and Pall Trinity/Danaher.

## Central New York

**Central New York** is the heart of New York, and includes the Syracuse metropolitan area (Onondaga County), and Cayuga, Cortland, Madison, and Oswego counties.

Home to a wide range of economic sectors ranging from healthcare to manufacturing, financial services to transportation, Central New York draws strength from its diverse industries. The region has developed particular strength in emerging clusters such as bio-processing, medical devices, wireless devices, and information technologies. The region is poised to serve as a world leader in three increasingly critical sectors: biosciences, renewable energy, and the sustainable production of high-quality foods and beverages.

Central New York draws its economic strength from a highly educated, productive workforce and a significant concentration of colleges and universities as well as active trade associations.



Greek Peak Mountain, Cortland, NY



Property No. 5

**207 E. Main St.  
Endicott (Binghamton MSA), NY**

# Property Overview

## 207 E. Main St. | Endicott (Binghamton MSA), NY

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	1980
Building Size (SF):	±5,166 SF
Land Acreage:	±0.47 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$34,373	\$6.65	-
2019:	\$35,404	\$6.85	3.33%
2020:	\$36,466	\$7.05	3.33%
2021:	\$37,560	\$7.27	3.33%
2022:	\$38,687	\$7.48	3.33%
2023:	\$39,848	\$7.71	3.33%
2024:	\$41,043	\$7.94	3.33%
2025:	\$42,274	\$8.18	3.33%
2026:	\$43,543	\$8.42	3.33%



## 2017 Demographics



207 E. Main St.  
Endicott (Binghamton MSA), NY 13760



# Market Overview

## Greater Binghamton

The **Greater Binghamton** economy is upstate New York's sixth largest generating nearly \$7 billion in economic activity per year. The region is home to a population of nearly 250,000 people and ranked number 1 in employment for scientists and engineers.

**Binghamton University** (5,940+ employees) is ranked among the nation's top 50 public universities, and was recently named the number one out of state value by Kiplinger's. The city is also home to SUNY Broome Community College, recognized as one of the finest community colleges in the United States. In addition, the region's K-12 system includes top ranked schools in New York and the United States.

Major employers in Binghamton include Binghamton University, United Health Service, Inc., Lockheed Martin, Broome County Government, Lourdes Hospital, BAE Systems, I3, and IBM.

With major highway systems intersecting in Binghamton, the area has become known as the crossroads of the Southern Tier. The Southern Tier Expressway, NY Route 17 (future I-86), crosses the area in an east-west direction and places Binghamton on a direct, limited access route between New York City and major Midwestern cities, including Chicago and Cleveland. The North-South Expressway, Interstate 81, ties the region to Canada, central New York, Pennsylvania and points South. Interstate 88 links Binghamton directly to Albany, New York State's capital, and to other important northeastern markets, including Boston and Montreal. Interstate 88 links Binghamton directly to Albany, New York State's capital, and to other important northeastern markets, including Boston and Montreal.



Binghamton University (16,800+ students)



Property No. 6

**64 N. Main St.  
Brockport (Rochester MSA), NY**

# Property Overview

## 64 N. Main St. | Brockport (Rochester MSA), NY

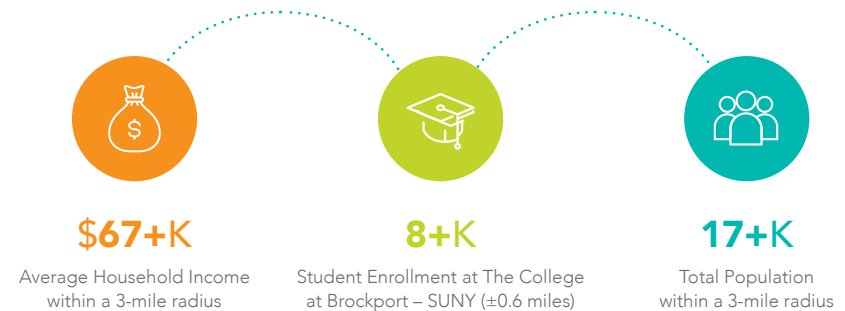
Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	1965
Building Size (SF):	±7,439 SF
Land Acreage:	±1.15 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2025
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$45,894	\$6.17	-
2019:	\$47,271	\$6.36	3.33%
2020:	\$48,689	\$6.55	3.33%
2021:	\$50,150	\$6.74	3.33%
2022:	\$51,654	\$6.94	3.33%
2023:	\$53,204	\$7.15	3.33%
2024:	\$54,800	\$7.37	3.33%
2025:	\$56,444	\$7.59	3.33%
2026:	\$58,137	\$7.82	3.33%



## 2017 Demographics



## Canalside Plaza, Brockport, NY

### YEAR 1 - NOI

### Cash Flow Projections Beginning July 1, 2018

#### POTENTIAL GROSS REVENUE

Base Rental Revenue \$37,140

NNN Recoveries \$13,498

**TOTAL POTENTIAL GROSS REVENUE** \$50,638

Vacancy - Rollover \$0

**EFFECTIVE GROSS REVENUE** \$50,638

Triple Net Expenses

CAM \$2,430

Taxes \$17,817

Insurance \$5,230

**TOTAL TRIPLE NET CHARGES** \$25,477

**NET OPERATING INCOME** \$25,161



JSM Distributing \$8,100

JSM Distributing \$21,840

DM Distributing \$7,200

**\$37,140**

63-67 N. Main St. | Brockport (Rochester MSA), NY



Actual Location

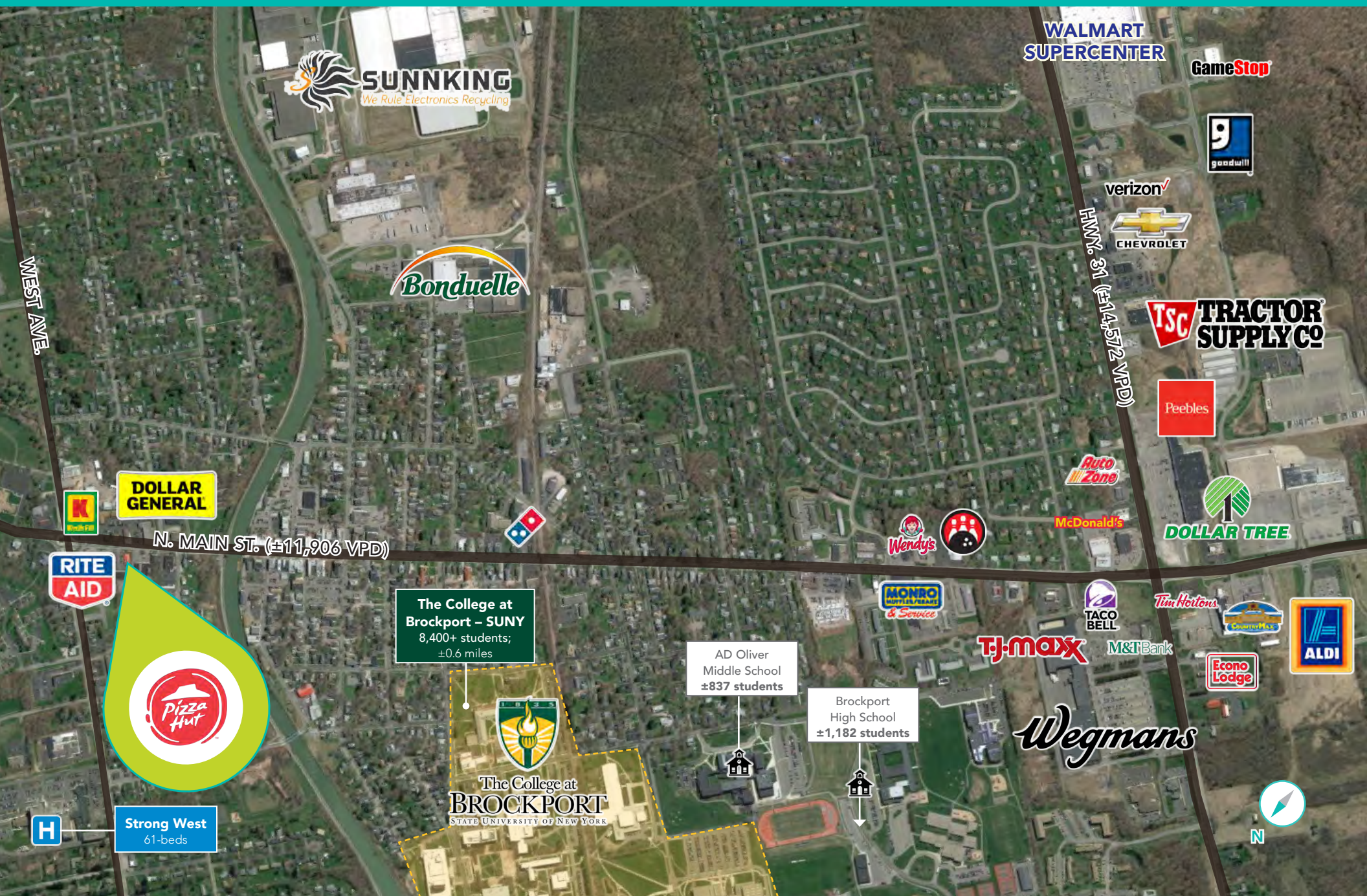
### Rent Roll

#### Rental Rates

Suite	Tenant Name	Sq. Ft.	Lease Start	Lease Expiration	Begin	Monthly	Annually	\$/SF	Recovery Type	Security Deposit
63 N. Main	JSM Distributing <b>Tenant:</b> Bottle Container Redemption Center	700	Nov-2016	Jan-2021	Current	\$675	\$8,100	\$11.57	GROSS	\$0.00
65 N. Main	DM Distributing <b>Tenant:</b> Canalside Liquor	700	Jan-2014	Jan-2021	Current	\$600	\$7,200	\$10.29	NN-Renant Reimburses Pro Rata share of CAM and Taxes - See Note below	\$700
				Option 1	Jan-2022	\$660	\$7,920			
				Option 2	Jan-2028	\$720	\$8,640			
<b>NOTE:</b> Tenant maintains premises, and provides liability for the premises at its own expense; and, Tenant pays Landlord \$215/Mo for its prorata share of real estate taxes and CAM (Parking Lot Lights and snow plowing), reconciled annually. LL maintains Fire And Casualty coverage with no reimbursement										
Tenant has two (2) 60-month option at \$660/Mo. respectively										

67 N. Main	JSM Distributing <b>Tenant:</b> Brockport Discount Beverage <b>Use:</b> Sale of Beer Products	700	Jan-2014	Jan-2021	Current	\$1,820	\$21,840	\$31.20	NN-Renant Reimburses Pro Rata share of CAM and Taxes - See Note below	\$0.00
				Option 1	Jan-2022	\$2,000	\$24,000			
				Option 2	Jan-2028	\$2,200	\$26,400			
<b>NOTE:</b> Tenant maintains premises, and provides liability for the premises at its own expense; and, Tenant pays Landlord \$545/Mo for its share of real estate taxes and CAM (Parking Lot Lights and snow plowing), reconciled annually. LL maintains Fire And Casualty coverage with no reimbursement										

64 N. Main St.  
Brockport (Rochester MSA), NY 14525



# Market Overview

**Brockport, New York** is a village located in Western New York on the scenic Erie Canal. Situated 20 miles west of Rochester and 11 miles south of Lake Ontario, Brockport is home to the **College at Brockport, – SUNY**. Once an agricultural and manufacturing center, today's Brockport industries include frozen food packaging and distribution and electronic recycling.

## Greater Rochester

Located on the shores of Lake Ontario in Upstate New York, **Rochester** is the state's third-largest city and is central to a region that includes some of the most beautiful, productive, and valuable countryside in the Northeast United States. The Greater Rochester region, a community of **more than 1.2 million** people, is located within 500 miles of 1/3 of the U.S. and Canadian populations—putting the region close to major markets without major market costs.

The Greater Rochester region is home to a diverse set of businesses that have capitalized on the area's highly-educated workforce, research centers of excellence, and industry expertise in fields such as energy innovation, biotech and life sciences, food and beverage production, and optics, photonics, and imaging. Constellation Brands, Paychex, Wegmans Food Markets, and Xerox, are a few of the companies that have established thriving businesses in a community that was built on the legacy of entrepreneurship and innovation.

- + Kiplinger named Rochester the “Best City in the U.S. for Commuters”
- + The region is home to 18 colleges and universities with more than 88,000 students and 19,400 graduates each year
- + Forbes named Rochester the 3rd Best Place to Raise a Family, based on the cost of living, short commutes, and affordable housing available in the community



Rochester High Falls



Property No. 7

**104 Liberty St.  
Penn Yan, NY**

# Property Overview

## 104 Liberty St. | Penn Yan, NY

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	1984
Building Size (SF):	±2,594 SF
Land Acreage:	±0.51 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$42,648	\$16.44	-
2019:	\$43,927	\$16.93	3.33%
2020:	\$45,245	\$17.44	3.33%
2021:	\$46,603	\$17.96	3.33%
2022:	\$48,001	\$18.50	3.33%
2023:	\$49,441	\$19.06	3.33%
2024:	\$50,924	\$19.63	3.33%
2025:	\$52,452	\$20.22	3.33%
2026:	\$54,025	\$20.83	3.33%

**\$626,000**  
Offering Price

**6.8%**  
Cap Rate



Actual Location

## 2017 Demographics



**\$62+K**

Average Household Income within a 3-mile radius



**186-Bed**

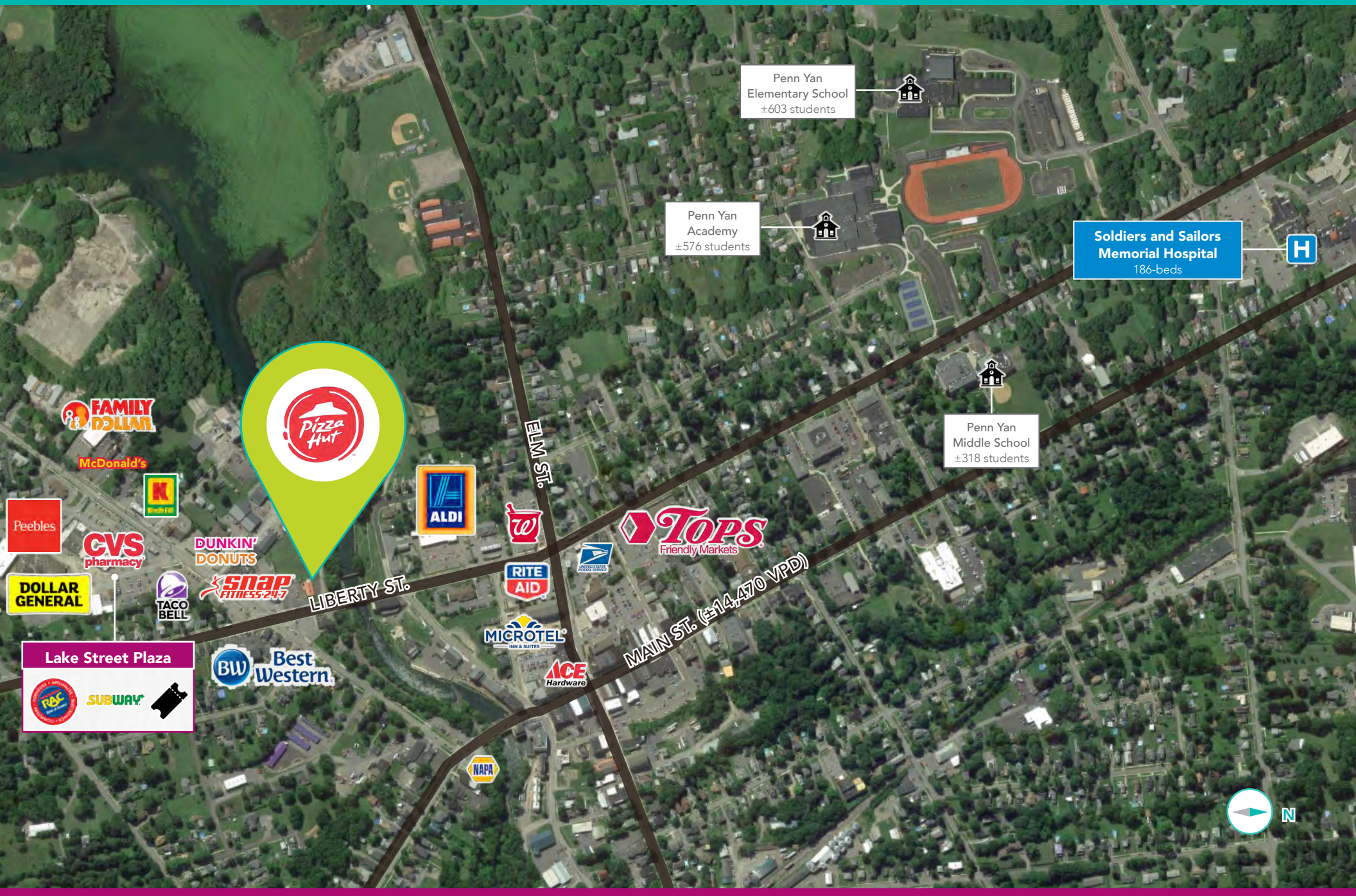
Soldiers and Sailors Memorial Hospital (186-bed) is approximately 1 mile away



**1.5+K**

Student Enrollment within a 1-mile radius

104 Liberty St.  
Penn Yan, NY 14527



FAMILY DOLLAR

McDonald's



Peebles

DOLLAR GENERAL

CVS pharmacy

DUNKIN' DONUTS

SNAP FITNESS 24-7

TACO BELL

Lake Street Plaza

RBC SUBWAY



Tops Friendly Markets

Penn Yan Elementary School  
±603 students

Penn Yan Academy  
±576 students

Penn Yan Middle School  
±318 students

Soldiers and Sailors Memorial Hospital  
186-beds



# Market Overview

## Yates County

**Penn Yan** is a village located in Yates County, New York. Situated midway between Pennsylvania and Lake Ontario, **Yates County** is strategically positioned forty five miles southeast of Rochester and fifty miles southwest from Syracuse. The county includes three of New York's Finger Lakes. On the eastern border of Yates County is Seneca Lake, on the western border is Canandaigua Lake, and the mid/southern section is split by Keuka Lake. The scenic lakes and extensive wine industry make Yates County a popular tourist destination.

## Central New York

**Central New York** is the heart of New York, and includes the Syracuse metropolitan area (Onondaga County), and Cayuga, Cortland, Madison, and Oswego counties.

Home to a wide range of economic sectors ranging from healthcare to manufacturing, financial services to transportation, Central New York draws strength from its diverse industries. The region has developed particular strength in emerging clusters such as bio-processing, medical devices, wireless devices, and information technologies. The region is poised to serve as a world leader in three increasingly critical sectors: biosciences, renewable energy, and the sustainable production of high-quality foods and beverages.

Central New York draws its economic strength from a highly educated, productive workforce and a significant concentration of colleges and universities as well as active trade associations.



Visible Northern Lights from Penn Yan



Property No. 8

**2239 Downer St.  
Baldwinsville (Syracuse MSA), NY**

# Property Overview

## 2239 Downer St. | Baldwinsville (Syracuse MSA), NY

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	1975
Building Size (SF):	±4,646 SF
Land Acreage:	±0.40 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

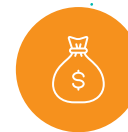
Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$49,586	\$10.67	-
2019:	\$51,074	\$10.99	3.33%
2020:	\$52,606	\$11.32	3.33%
2021:	\$54,184	\$11.66	3.33%
2022:	\$55,809	\$12.01	3.33%
2023:	\$57,484	\$12.37	3.33%
2024:	\$59,208	\$12.74	3.33%
2025:	\$60,985	\$13.12	3.33%
2026:	\$62,814	\$13.52	3.33%



**\$728,000**  
Offering Price

**6.8%**  
Cap Rate

## 2017 Demographics



**\$81+K**

Average Household Income  
within a 3-mile radius



**5.7+%**

Population Growth  
2010-2017



**18+K**

Total Population  
within a 3-mile radius

2239 Downer St.  
Baldwinsville (Syracuse MSA), NY 13027



# Market Overview

## Onondaga County

**Baldwinsville, New York** is a village located in Onondaga County. Situated at the center of New York state, **Onondaga County**, home to the city of Syracuse, is within 350 miles of all major cities in the northeast and conveniently positioned at the intersection of Interstate 81 and the NYS Thruway.

Onondaga County is a center for higher learning, with 32,000 students currently attending colleges within the county. Syracuse University is one of the nation's most highly regarded private colleges, offering a diverse portfolio of undergraduate and graduate degrees to its 18,200 students.

Five of the county's largest employers are in the healthcare sector. The area's largest employer, the Upstate Medical University (9,500+ employees), a medical school that includes University Hospital, is the home of one of the country's eleven Joslin Centers for Diabetes.

## Greater Syracuse

**Syracuse** located in Onondaga County, is the region's major metropolitan center. It has been appropriately called the Crossroads of New York, due to its central location and the fact that the state's two major interstate routes the east-west New York State Thruway (Interstate 90) and north-south Interstate 81 intersect here. In addition to Syracuse, the principal population centers of the MSA are cities of Oswego and Fulton in Oswego County, Oneida in Madison County, and Auburn in Cayuga County.

Many industries power the city's diverse economy: agribusiness, biomedical, cleantech, healthcare, and insurance and financial services. Sensors and radar have been part of Syracuse's tech scene since World War II, and today the city is at the forefront of wireless technology research and development.



Onondaga County Courthouse | Syracuse, NY



Property No. 9

**1127 Erie Blvd. W.  
Rome, NY**

# Property Overview

## 1127 Erie Blvd. W. | Rome, NY

Tenant:	Pizza Hut (GC Pizza Hut, LLC)
Guarantor:	Pizza Hut, LLC
Year Built:	1968
Building Size (SF):	±2,540 SF
Land Acreage:	±0.91 AC
Building Type/Use:	Retail; Full Service Restaurant
Lease Type:	Absolute NNN
Lease Term:	Eleven (11) Years
Rent Commencement:	4/1/2015
Term Expiration:	12/31/2026
Options:	None
Expenses:	Zero LL Responsibility
Ownership:	Fee Simple

## Rent Schedule

Lease Year	Annual Rent	RPSF	Rental Increases
2018:	\$47,042	\$18.52	-
2019:	\$48,453	\$19.08	3.33%
2020:	\$49,907	\$19.65	3.33%
2021:	\$51,404	\$20.24	3.33%
2022:	\$52,946	\$20.84	3.33%
2023:	\$54,535	\$21.47	3.33%
2024:	\$56,171	\$22.11	3.33%
2025:	\$57,856	\$22.78	3.33%
2026:	\$59,591	\$23.46	3.33%



**\$691,000**  
Offering Price

**6.8%**  
Cap Rate

## 2017 Demographics



**\$59+K**

Average Household Income  
within a 3-mile radius



**21+K**

Vehicles Per Day  
along Erie Blvd. W.



**25+K**

Total Population  
within a 3-mile radius

# Market Overview

## Oneida County

**Rome, New York** is a city located in the geographical center of New York at the foothills of the Adirondacks, 13 miles northwest of Utica, 35 miles northeast of Syracuse and 174 miles east of Buffalo. The city is considered part of the Utica-Rome MSA. Situated in **Oneida County**, Rome benefits from its strategic location along the Mohawk River and the Erie Canal.

Oneida County's travel and tourism sector sustains 19.1 percent of all county employment—\$1.3 billion in tourism dollars helped the region's economy in 2015. According to a 2015 study released by Empire State Development and the I Love NY Division of Travel & Tourism, there was an 8% increase from the \$1.2 billion that was spent in 2014. Tourism spending increased about 5% and 1% respectively in the years prior. Tourism supported 19,690 direct and indirect jobs in Oneida

## The Mohawk Valley

**The Mohawk Valley** region is the area surrounding the Mohawk River and industrialized cities of Utica and Rome, sandwiched between the Adirondack Mountains and Catskill Mountains, in New York.

Interstate 90, which runs from Boston to Seattle, passes through the heart of the Mohawk Valley, connecting the region with Albany to the east and Syracuse, Rochester, and Buffalo to the west. Interstate 87 passes through Albany, providing routes south to New York City and north to Montreal, while Interstate 81 goes through Syracuse giving easy access to Canada to the north, and Binghamton and Pennsylvania to the south. A comprehensive network of state highways crosses the region as well, giving access to local and regional markets.



The Mohawk Valley

1127 Erie Blvd. W.  
Rome, NY 13440



Erie Blvd. Retail Corridor  
±0-2 miles



WALMART  
SUPERCENTER

GNC  
GameStop

CHRYSLER  
Jeep  
DODGE  
RAM



GMC  
BUICK  
Cadillac  
CHEVROLET

Runnings  
Outdoors

GO  
GRIFFITH ENERGY



COLD POINT

Aaron's

BERKSHIRE BANK

LOWE'S

ERIE BLVD. W. (±21,820 VPD)

SUBWAY

TSC  
TRACTOR  
SUPPLY CO

DUNKIN'  
DONUTS

BIG  
LOTS!

TACO  
BELL

McDonald's

Charter  
Spectrum





## Tenant Overview

# Market Overview

**Pizza Hut** operates and franchises the largest restaurant chain in the world specializing in the sale of ready-to-eat pizza products. Operating since 1958, Pizza Hut is a wholly owned subsidiary of **YUM! Brands, Inc. (NYSE: YUM)**. As of fiscal year end 2016, Pizza Hut operates 16,409 units in 103 countries—and is a 97%-franchised restaurant system. YUM! Brands, Inc. was established in 1997 and is headquartered in Louisville, Kentucky.

The chain operates in the delivery, carryout, and casual-dining segments around the world. Pizza Hut features a range of pizzas, which are marketed under varying names. Each of these pizzas is offered with a range of different toppings suited to local preferences and tastes. Pizza Huts also offer pasta and chicken wings under the brand WingStreet in the United States. Outside the United States, Pizza Hut casual dining restaurants offer a range of core menu products other than pizza, which are typically suited to local preferences and tastes.

## Financial Analysis

For fiscal year ending 2016, Yum! Brands, Inc. reported total revenues in excess of \$6.3 billion and currently holds an S&P credit rating of BBB.



Representative Photos

## Growth Strategy

### \$130 Million Investment: Making it Easier to get a Better Pizza

In 2017, Yum! Brands will invest roughly \$130 million to improve brand marketing alignment as well as accelerate enhancements to operations and technology. The deal also includes a permanent commitment to incremental advertising and aggressive investment in a digital delivery-centric strategy. This is expected to increase convenience for customers and the company expects to see the results pay off in 2018 and beyond.

Pizza Hut's U.S. business is in turnaround mode, with a focus on improving the digital experience, delivery times, point-of-sale simplification, and asset optimization. The chain's international business is laying the groundwork for prolonged growth with a focus on repeatable models to spread best practices around the world, and driving expansion through development agreements.

### Accelerated International Expansion

This year Pizza Hut announced a restructuring of its European business to further accelerate growth across the region. This involves the consolidation of two separate teams, Pizza Hut Europe and Pizza Hut UK & Ireland into one central entity, Pizza Hut Europe & UK, that will lead the European business through a period of expansion and development.



## **Regional Market Overview**

# Regional Market Overview

The **Finger Lakes region**, named for the 11 long, narrow lakes through the southern counties, includes the city of Rochester, the third-largest city in New York. Home to innovative businesses, higher education, and livable communities, the region also provides a wealth of notable academic institutions, great access to international markets, and an innovative urban industrial center.

## Economic Analysis

**Tourism and the arts** continue to contribute to the richness of the Finger Lakes region. Each year, millions of visitors seek out the region to visit world-class attractions, the arts, and cultural assets. These assets help produce more than 59,000 jobs (FY16), positively impact economic development, and enhance quality of life in the region.

- + The Finger Lakes—New York's largest wine-producing region—is home to more than 100 wineries (25 percent of the state's total). The region has added 31 new wineries since 2011
- + Year-over-year traveler spending in the region grew 2.1% in 2016
- + Tourism in the Finger Lakes is a \$3 billion industry, supporting more than 59,000 jobs (FY16). Spending at restaurants and for lodging comprised 31% and 25% of the total, respectively

With more than 100 small- and medium-sized businesses driving new technologies and growth, advanced research at the University of Rochester and Rochester Institute of Technology ("RIT"), and SUNY Polytechnic, and specialized programs at Monroe Community College, the **optics, photonics, and imaging** sector is a leading source of innovation.

- + The Finger Lakes region is home of the "big three" (Kodak, Xerox, and Bausch & Lomb) and was once known as the "World's Image Center," but has grown and diversified over the decades



The **agriculture and food production** sector has been an area of strength for the Finger Lakes region producing approximately a quarter of New York State's total agricultural output. The region possesses a robust ecosystem encompassing all aspects of the food value chain, from agricultural research, to diverse farms and crops, to healthy food production, to sustainable waste management. The ongoing transformation in the industry to focus on healthy, natural, sustainably grown and produced foods will enable the region to amplify its strengths and become a national center for innovative agriculture and food production.

- + The region is home to leading food and beverage companies including Wegmans Food Markets, LiDestri Foods, and Constellation Brands

With 19 institutions of higher education that have received more than \$2.5 billion in research funding over the past five years, the Finger Lakes region continues to amplify its ability to attract world class talent and drive cutting-edge research in the region's key industries, as well as additional regional institutional strengths, including data science, biomedical research, software development, and additive and sustainable manufacturing.

- + The University of Rochester and its affiliated medical center is the sixth-largest employer in New York State and is fourth in the state in overall R&D funding

**Mike Philbin**

Vice President

+1 818 907 4691

[mike.philbin@cbre.com](mailto:mike.philbin@cbre.com)**Sam Alison**

Senior Vice President

+1 818 907 4690

[sam.alison@cbre.com](mailto:sam.alison@cbre.com)**Amar Goli**

Vice President

+1 818 907 4692

[amar.goli@cbre.com](mailto:amar.goli@cbre.com)**Miles Waters**

Analyst

+1 818 907 4694

[miles.waters@cbre.com](mailto:miles.waters@cbre.com)**Jaymes Keenan**

Associate

+1 585 784 3638

[jaymes.keenan@cbre-rochester.com](mailto:jaymes.keenan@cbre-rochester.com)**Donald French**

Senior Broker

+1 315 422 4200

[donald.french@cbre-syr.com](mailto:donald.french@cbre-syr.com)

© 2017 CBRE, Inc. The information contained in this document has been obtained from sources believed reliable. While CBRE, Inc. does not doubt its accuracy, CBRE, Inc. has not verified it and makes no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.

**CBRE**

Capital Markets | Investment Properties