

OFFERING MEMORANDUM



CLEVELAND MSA

**SINGLE
TENANT**



NNN

**6450 Davis Industrial Pkwy.
SOLON, OH 44139**

**Marcus & Millichap
PATEL ADVISORY GROUP**

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at&t

Solon, OH
(Cleveland MSA)

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AT&T WAREHOUSE FACILITY

Address: 6450 Davis Industrial Pkwy
Solon, OH 44139

Parcel ID #: 620-0202-0029

Year Built: 1999

Gross SF: 40,372

Lot Size: 5.77± acres

Parking Ratio: 0.74/1000

Parking Spaces: Est. 30 surface spaces

Dock Doors: Ten 9'x 10'

Drive-in Doors: Two 12' x 14'

Dock Leveler: Six 6' wide x 8' deep
30,000 lb. Capacity

Power: 1000-amp 480/277 V

Developer: Duke Realty

CROSS DOCKED FACILITY BUILD-TO-SUIT FOR AT&T

Warehouse: 31,600 SF | Office: 3,600 SF | Detached Storage: 5,172

STRUCTURE DETAILS

Building Structure: Concrete

Building Exterior: 8" load bearing 5,000 PSI concrete precast panels

Column bay spacing: 40' x 40' in Warehouse

Nominal clear height: 20' in Warehouse

WAREHOUSE FINISHES

Dock Doors: Ten 9' x 10' insulated dock doors with a 26 ga. Galvanized flush steel face and a polystyrene core. Finished with a factory applied, baked-on polyester primer

Exterior Doors: Exterior doors are insulated hollow metal flush having a 14 ga. Cold rolled steel face. Doors and frames received a factory-applied, baked-on, rust-inhibitive primer

Dock Leveler Six dock doors have a 6' wide x 8' deep, 30,000 lb. dynamically rated capacity manual dock leveler. Dock height is 48"

Drive-in doors Two 12' x 14' drive in doors. Finished with a factory applied primer finish

Floor: Slab concrete 6" thick 4,000 psi concrete. All floors have a smooth trowel finish and crack control joints installed at center.

Exterior walls 8" Load bearing 5,000 psi concrete precast panels. Exterior panel has a stained finish with a brick veneer along the east elevation.

HVAC Areas heated using gas fired unit heaters

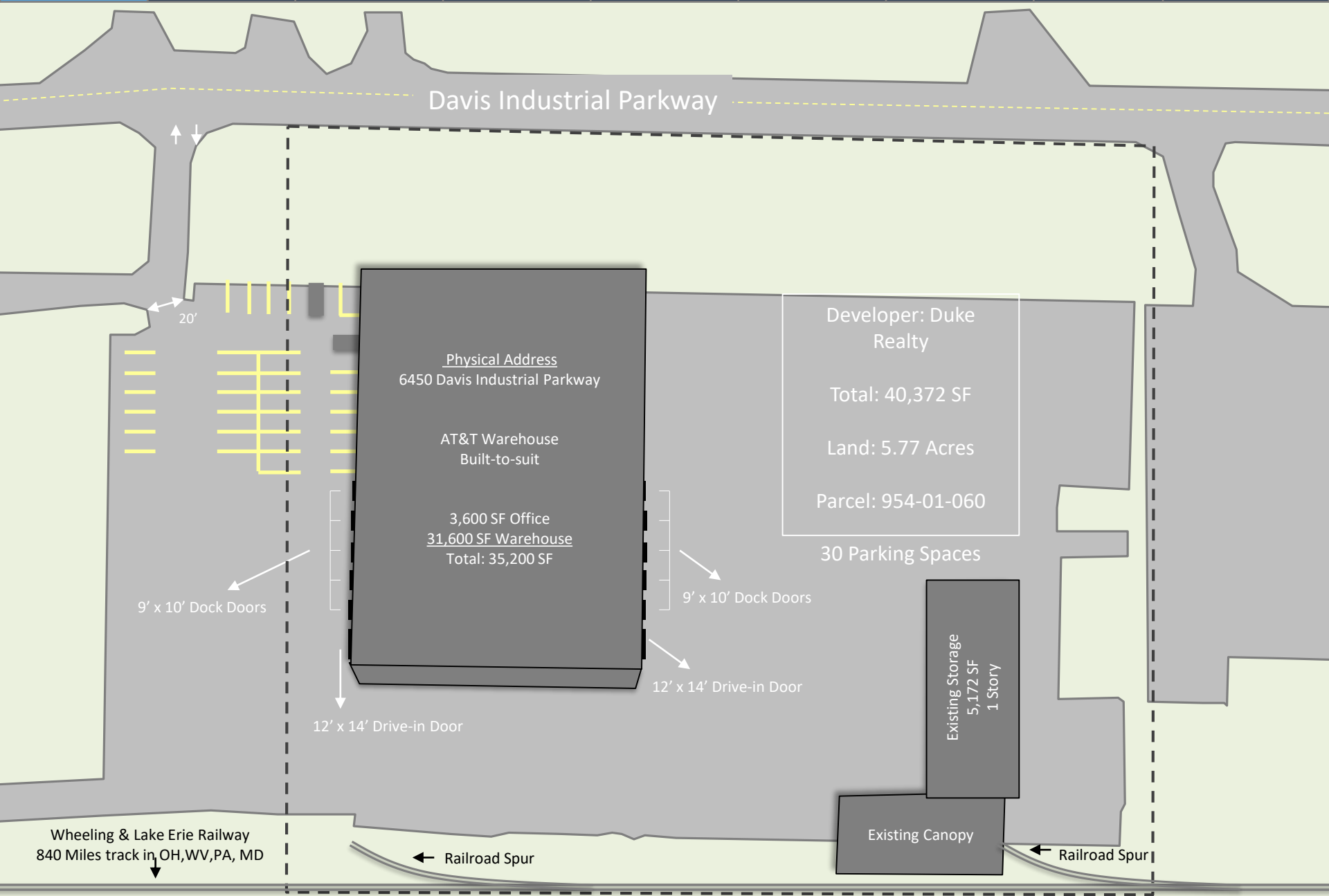
OFFICE FINISHES

Main entry: Medium stile 3' x 7' aluminum entry doors with a clear anodized or bronze finish.

Exterior walls Office glazing is 8'-6" high storefront entry with a medium performance 1" insulated tinted glass. Aluminum framing for glass system is anodized black or bronze finish. 4' x 5' windows included.

Windows 4' x 5' Windows Included.

HVAC Natural gas rooftop heating units with electric air conditioning



INVESTMENT OVERVIEW

PRICE: \$3,700,000 | CAP: 9.00% | RENT: \$331,162

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the opportunity to acquire The AT&T Warehouse Facility at 6450 Davis Industrial Parkway, Solon, OH. The offering consists of a cross dock distribution facility situated on approximately 5.77 acres. The building is approximately 40,372 SF including 3,600 SF of office space and 5,172 SF of detached storage space. This Duke realty development is build-to-suit for AT&T which has been occupying the building for over twenty years. Located at the nexus of the industrial developments within Solon. AT&T currently has three-years remaining on the Triple Net Lease with two, three-year options remaining and 2% annual increases throughout the term and options thereafter.

The subject property is in Solon city and part of the Cleveland Metro. The Cleveland metro is situated in the northeastern corner of Ohio, west of the Pennsylvania state border. Economic growth and development are diversifying the region’s industries to include medical and technology as well as various corporate headquarters. Telecommunications are also a growing sector, attracting additional tech companies. Subject Property is AT&T’s only Critical Spares Staging Location servicing the Northeastern Ohio and Western PA regions.

INVESTMENT HIGHLIGHTS

- Build-to-Suit in 1999 for AT&T | Cross Docked Warehouse Facility
- Net Lease with Limited Landlord Responsibilities
- Long Term Historical Occupancy | AT&T has Occupied the Premises for Over Twenty Years
- Two Percent Annual Rent Increases During Term and Options | Two, Three-Year Options
- AT&T’s Critical Spares Staging Location Servicing Cleveland and Toledo MSAs and Western PA
- Top 35 MSA | Cleveland Metro | Population over 2,050,000
- Over 180,000 Residents within 7-miles | More than 230,000+ Employees within 7-miles
- Low Vacancy Market | 4.3% Market Vacancy Rate | 2.7% Rent Growth | 2018
- Located within Proximity to Several Divisions of Major Northeastern Companies such as, Nestlé, Swagelok Headquarters and King Nut Companies.



AT&T WAREHOUSE FACILITY

Address:	6450 Davis Industrial Pkwy Solon, OH 44139
Parcel ID #:	620-0202-0029
Year Built:	1999
Gross SF:	40,372
Lot Size:	5.77± acres
Parking Ratio:	0.74/1000
Parking Spaces:	Est. 30 surface spaces
Dock Doors:	Ten 9’x 10’
Drive-in Doors:	Two 12’ x 14’
Dock Leveler:	Six 6’ wide x 8’ deep 30,000 lb. Capacity
Power:	1000-amp 480/277 V
Developer:	Duke Realty

Financial Summary

PRICE: \$3,700,000 | CAP: 9.00% | RENT: \$331,162

PROPERTY DESCRIPTION	
Property	AT&T Warehouse Facility
Property Address	6450 Davis Industrial Parkway
City, State, ZIP	Solon, OH 44139
Year Built / Renovated	1999
Building Size	40,372
Lot Size	+/- 5.77 Acres
Type of Ownership	Fee Simple
THE OFFERING	
Purchase Price	\$3,700,000
CAP Rate	9.00%
Net Operating Income	\$333,162
Price / SF	\$91.65
Rent / SF	\$8.5
LEASE SUMMARY	
Property Type	Industrial Warehouse
Tenant/Guarantor	Corporate
Original Lease Term	10 Years
Lease Commencement	November 1, 1999
Lease Expiration	February 28, 2022
Lease Term Remaining	3 Years
Landlord Responsibilities	Roof & Structure
Options to Renew	Two (2), Three (3)-Year RenewalOptions

RENT SCHEDULE			
Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
3/1/2019 – 2/28/2020	\$343,162	\$28,597	2%
3/1/2020 – 2/28/2021	\$350,025	\$29,169	2%
3/1/2021 – 2/28/2022	\$357,026	\$29,752	2%
Option 1 – 2/28/2025	\$364,166	\$30,347	2% Annually
Option 2 – 2/28/2028	\$402,069	\$33,506	2% Annually
OPERATING STATEMENT			
Scheduled Base Rental Income			\$343,162
Total Reimbursement Income			\$132,713
Effective Gross Income			\$475,875
Less: Operating Expenses			
CAM			(\$61,357)
Insurance			(\$7,714)
Real Estate Taxes			(\$53,347)
Management			(\$10,295)
Less: Capital Reserve			(\$10,000)
Net Operating Income			\$333,162
DEBT SUMMARY			
LTV			70%
Interest Rate			5.25%
Amortization Period			20-Years
Cash-on-Cash			11.15%
Debt Coverage Ratio			1.59



at&t

CREDIT RATING:S&P:BBB

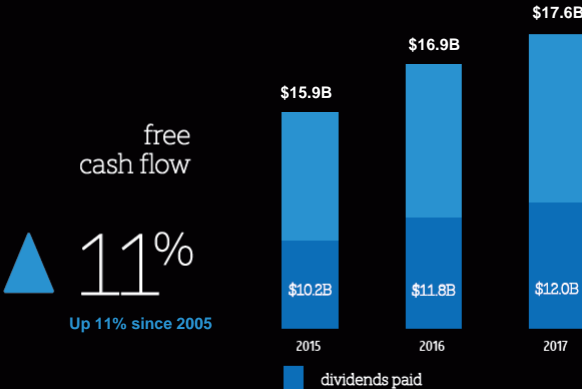
Tenant Information

Tenant Name	AT&T Critical Spares Location / Mobility
Property Street Address	6450 Davis Industrial Parkway
Headquartered	Dallas, TX
Website	www.att.com
Lease Commencement	1/13/1999
Lease Expiration	2/28/2022

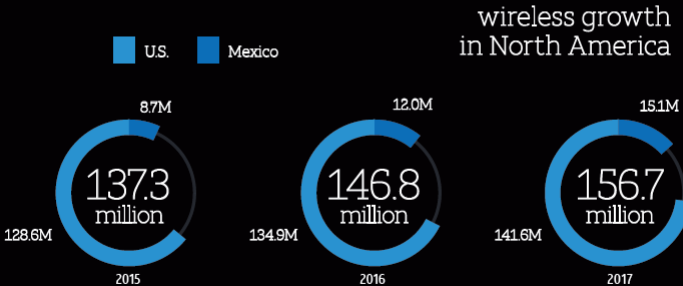
AT&T Inc., incorporated October 5, 1983, is a holding company. The Company and its subsidiaries provide communications and digital entertainment services in the United States and the world. The Company operates through four segments: Business Solutions, Entertainment Group, Consumer Mobility and International. The Company offers its services and products to consumers in the United States, Mexico and Latin America and to businesses and other providers of telecommunications services worldwide. The Company also owns and operates three regional Television sports networks and retains non-controlling interests in another regional sports network and a network dedicated to game-related programming, as well as Internet interactive game playing. The services and products offered by the Company vary by market, and include wireless communications, data/broadband and Internet services, digital video services, local and long-distance telephone services, telecommunications equipment, managed networking, and wholesale services. Its subsidiaries include AT&T Mobility and SKY Brasil Servicos Ltda.

Financial Highlights

AT&T INC. | 2017 Annual Report



Free cash flow is cash from operating activities minus capital expenditures



Wireless subscribers in North America have grown 14% since the end of 2015

LOCATION OVERVIEW

PRICE: \$3,700,000 | CAP: 9.00% | RENT: \$331,162

LOCATION SUMMARY

The City of Solon is a diverse suburban community of approximately 23,000 residents located in northeast Ohio. The City is situated in the southeast corner of Cuyahoga County, approximately fifteen (15) miles from downtown Cleveland. US 422, a regional, divided four lane highway, bisects the city providing quick and convenient access to several nearby interstate highways. Solon was one of the first cities to use comprehensive zoning plan and has been able to achieve a strong industrial base, while insulating its bedroom communities from industrial activities.

In 1929, Bready Cultimotor Tractor Company became the first industrial company to locate in solon. Since then, Solon has served as home to many multinational companies, including several global North American headquarters. Accordingly, Solon is considered a satellite city, defined as a suburb containing an employment base sufficient to support its residential population. Today, according to city government authorities, Solon has major clusters of businesses in five manufacturing industries: 1) electronic and electrical equipment, 2) industrial and commercial machinery, 3) measuring and controlling devices and instruments, 4) chemicals and allied products, and 5) fabricated metal products. Over 8,000 or 75% of solon’s 10,700 Manufacturing jobs are concentrated in these five sectors.

Solon Awards & Recognitions

- Money Magazine Rates Solon the #10 Best Place Live in the U.S. (2015)
- Google named Solon “Ohio’s eCity” (2014 & 2015)
- Team NEO Economic Development Plus Award for Business Attraction (2014)
- Cleveland Magazine Rating the Suburbs – Solon is #1 – (2013)
- Money Magazine Rated Solon the #3 best place to live in the U.S.!!! (2011) - #10 in (2015)
- Solon Earns Ohio’s #1 Achievement grade for (2018)

COMPANY NAME	EMPLOYEES #
Swagelok Company #23 largest Northeast Employer #11 Largest Cuyahoga County Employer	2790
Nestle Prepared Foods Company #33 largest Northeast Employer #18 Largest Cuyahoga County Employer	2300
CVS Caremark	600
Pentair	570
MRI Software LLC	420
Schwebel Baking Company	350
VWR / AMRESKO, Inc.	345
InterDesign, Inc	310
Cleveland Clinic-Solon Center	300
National Enterprise Systems	300
Kennametal, Inc.	300
Oracle America, Inc.	275
King Nut Company	270
Tektronix / Keithley	260
Marriott Great Lakes Resv. Center	240
Arrow Electronics / Power & Signal	230
Great Lakes Cold Storage	210
Bird Electronic Corporation	200
Cosmo Corporation	200
Aclara Technologies	190

LAND USE MAP

LOCATION INFORMATION	
Zip:	44139
Submarket:	Solon Industrial
Market:	Cleveland
County:	Cuyahoga
DMA:	Cleveland-Akron, OH

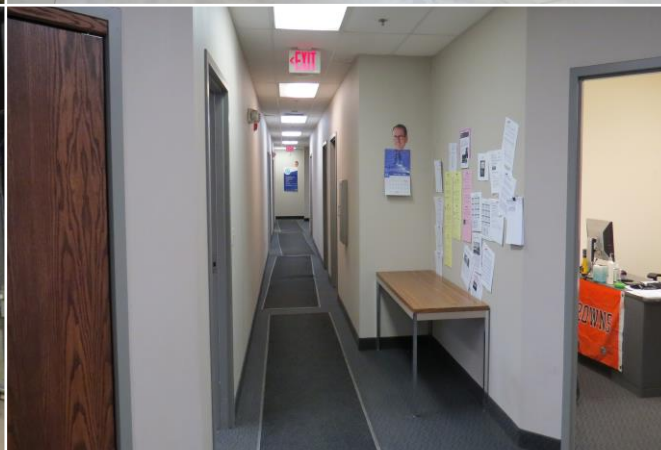
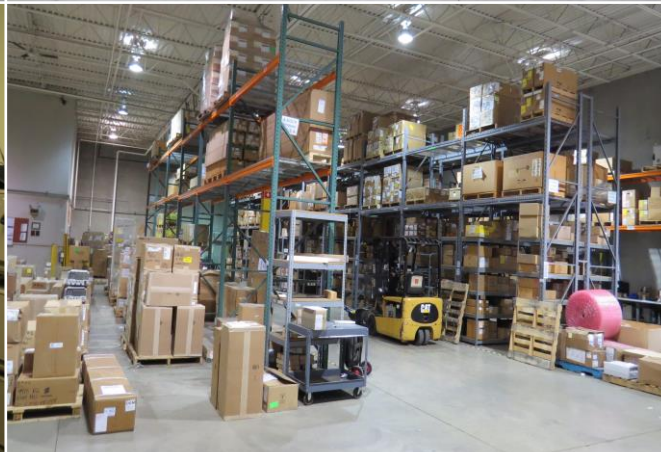
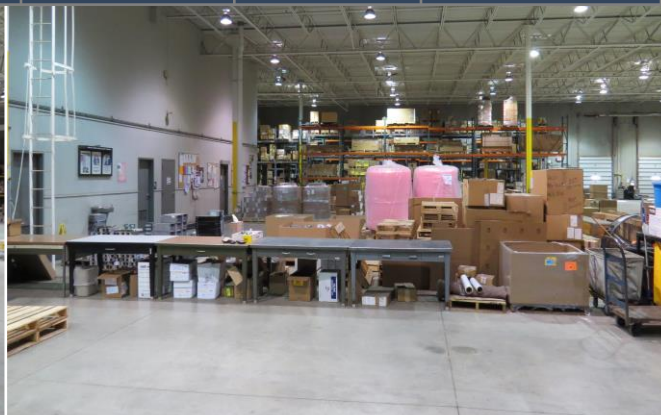
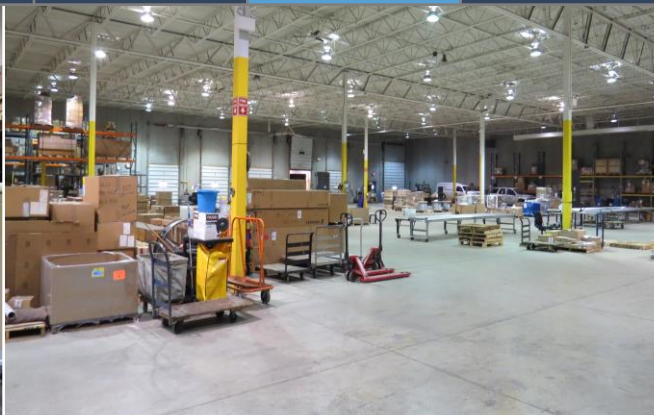
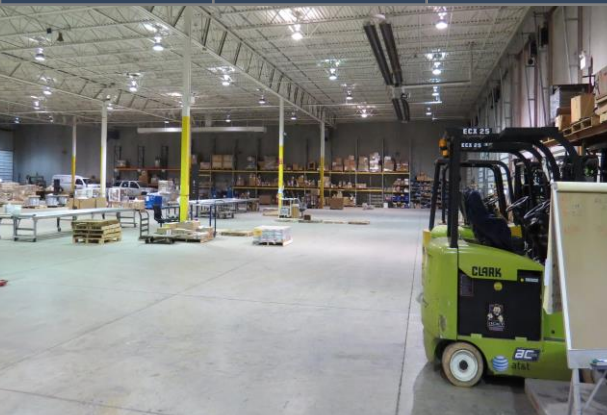
Source: Solon Planning Dept. Solon Statistics – 2016

INDUSTRIAL & COMMERCIAL DEVELOPMENT	
Ind. Building to Date (sq.ft.)	16,968,000
New Occupants – Industrial (sq.ft.)	633,000
Retail/Comm. Building to date (sq.ft.)	2,284,000
New Occupants – Ret/Comm (sq.ft.)	57,800
No. of business units	830

Source: U.S. Census Bureau - 2017

SOLON CITY DEMOGRAPHICS	
Population	22,962
Median Household Income	\$99,050
Total Manufacturers Shipments (\$1,000)	3,676,197
Total Merchant Wholesaler Sales (\$1,000)	3,366,891
No. of business units	830







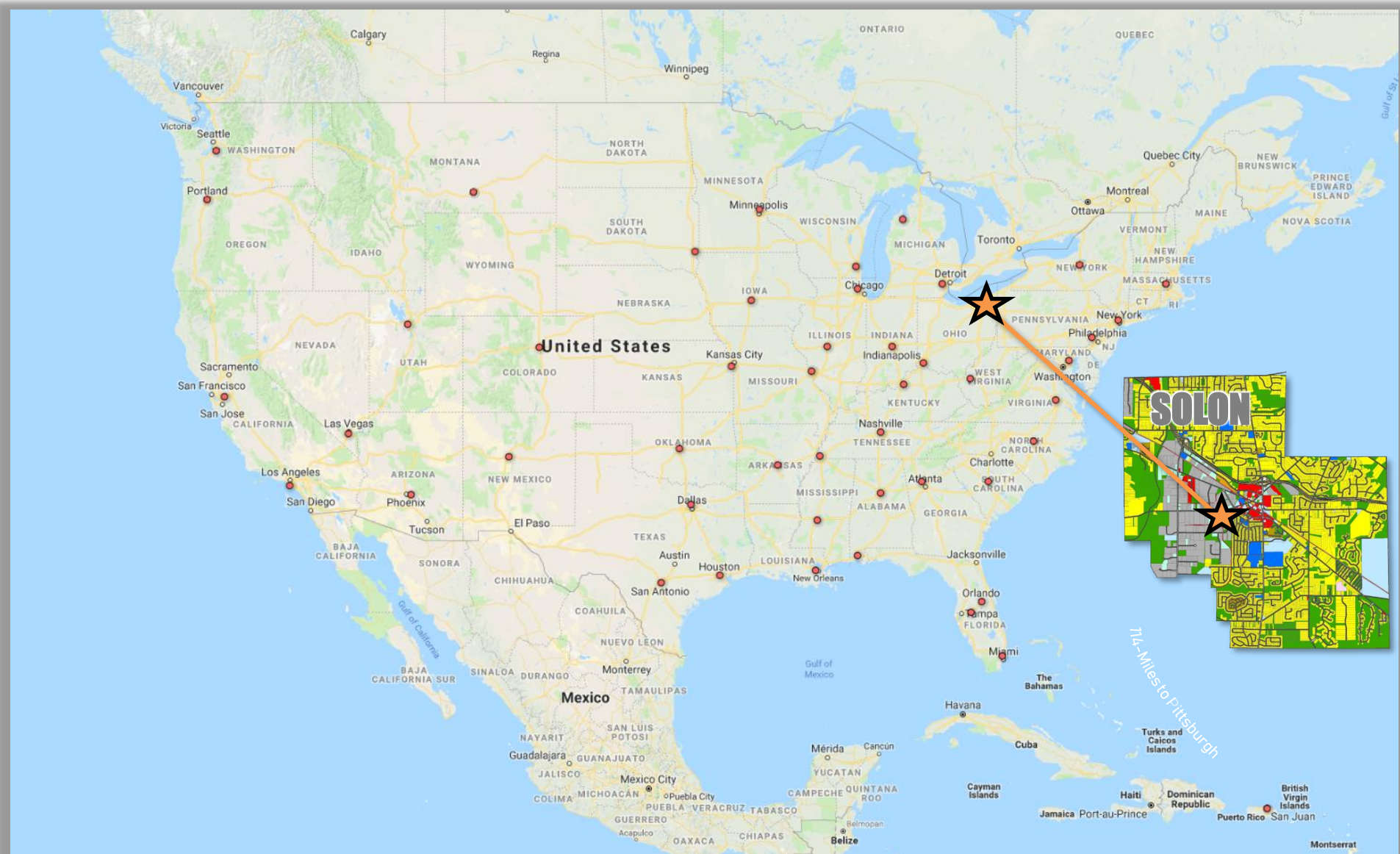




Solon is conveniently accessible from US Route 422- a Four lane limited access highway. Access to US Route 422 has historically been one of key strengths of the industrial core within Solon. US 422 not only provides quick and easy access to regional destinations, but it is also located within proximity to several major branches of the interstate highway system, including Route 71, Route 271, Route 77, Route 80, Route 480 and Route 90. Alternative commercial transportation options are available within the industrial core area such as, the wheeling and lake Erie railroad lines.

AT&T CSSL LOCATIONS

Forty-Nine (49) Critical Spares Staging Locations Across the U.S.



Market Overview

City: Solon | County: Cuyahoga | Market: Cleveland

CLEVELAND OVERVIEW

The Cleveland metro is situated in the northeastern corner of Ohio, west of the Pennsylvania state border, and extends 100 miles along the Lake Erie shore and more than 40 miles inland. It is composed of Cuyahoga, Geauga, Lake, Lorain and Medina counties and contains nearly 2.1 million residents, approximately a fifth of the Ohio population. The eastern part of the region lies on the Appalachian Plateau, while the western portion sits upon the Lake Plain, hemming the area in to development. Economic growth and development are diversifying the region’s industries to include medical and technology as well as various corporate headquarters. Telecommunications are also a growing sector, attracting additional tech companies.

METRO HIGHLIGHTS



EXCELLENT INFRASTRUCTURE
Cleveland’s transportation facilities strengthen its position as a leading center of business, generating access to other large metros nationwide.



DIVERSIFYING ECONOMY
Education and health services is the largest employment sector; manufacturing also is prominent.



REVITALIZING DOWNTOWN
Cleveland’s downtown is experiencing a metropolitan rebirth as revitalized buildings attract new businesses, residents and visitors.



Market Overview

City: Solon | County: Cuyahoga | Market: Cleveland

Economy

- Historically a durable-goods manufacturing area, the metro has recently taken great strides toward boosting its medical and biotech sectors.
- Cleveland is recognized as a global leader in healthcare and medical services. The world-renowned Cleveland Clinic is one of the area’s largest employers.
- Fortune 500 firms located in Cleveland include Parker Hannifin, Sherwin-Williams, Progressive and TravelCenters of America.
- Insurance is also a leading industry locally, partly because of the presence of Progressive.

MAJOR AREA EMPLOYERS
Progressive Corp.
Cleveland Clinic
University Hospitals
Sherwin-Williams Co.
MetroHealth System
KeyCorp
Case Western Reserve University
Park Hannifin Corp.
Swagelok Co.
Lincoln Electric Holdings, Inc.



SHARE OF 2017 TOTAL EMPLOYMENT



Market Overview

City: Solon | County: Cuyahoga | Market: Cleveland

Demographics

- The metro is expected to add nearly 20,000 people through 2022, which will result in the formation of approximately 16,600 households, generating demand for housing.
- Relatively affordable home prices have produced a homeownership rate of 66 percent, slightly above the national rate of 64 percent.
- Roughly 29 percent of residents age 25 and older have received a bachelor's degree; of those residents, 11 percent also have obtained a graduate or professional degree.

2017 Population by Age



QUALITY OF LIFE

Cleveland's downtown district continues to undergo economic revitalization as new buildings, such as the medical mart and convention center, and major renovations reshape the city's historical centers. Cultural opportunities include the Theater District in downtown Cleveland where Playhouse Square is located. The facility has four theaters that house Opera Cleveland and stage Broadway musicals. Cedar Point Amusement Park is a short drive away. Only one park in the world has more roller coasters than Cedar Point. Cleveland is home to several highly ranked institutions of higher learning, including Case Western Reserve University, Cleveland State University and John Carroll University in University Heights.

SPORTS



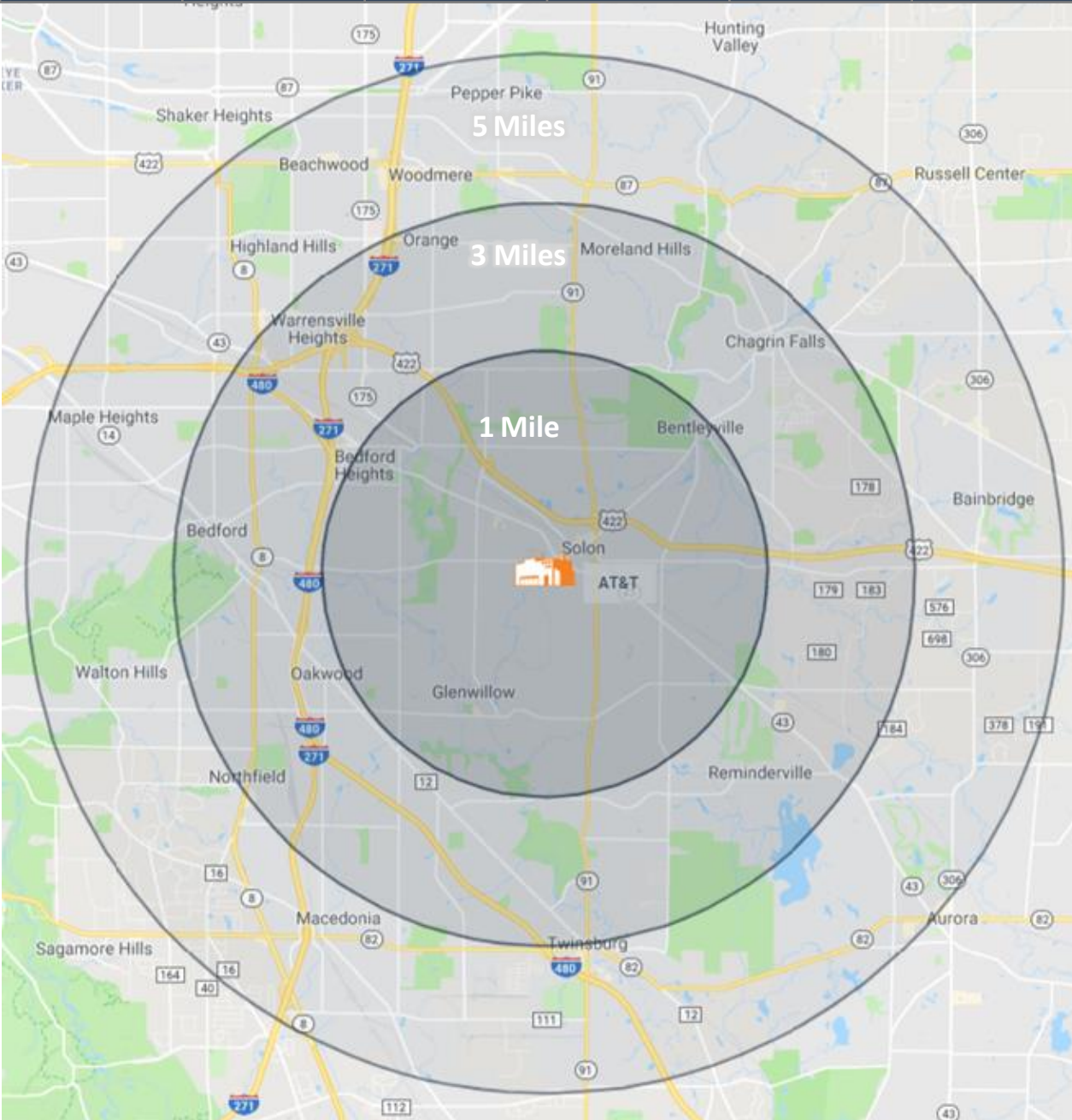
EDUCATION



ARTS & ENTERTAINMENT



* Forecast
 Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



CREATED ON JANUARY 17, 2019

	3 Miles	5 Miles	7 Miles
POPULATION			
2022 Projection	33,786	100,319	190,211
2017 Estimate	32,349	97,442	185,958
2010 Census	33,349	98,287	186,723
2000 Census	31,029	94,083	185,371
INCOME			
Average	\$129,112	\$99,278	\$96,134
Median	\$87,858	\$63,662	\$61,356
Per Capita	\$47,402	\$40,280	\$39,322
HOUSEHOLDS			
2022 Projection	12,444	40,781	77,873
2017 Estimate	12,022	39,428	75,666
2010 Census	12,219	39,866	76,219
2000 Census	10,910	36,936	72,996
HOUSING			
2017	\$196,951	\$196,951	\$196,951
EMPLOYMENT			
2017 Daytime Population	50,009	119,811	231,210
2000 Unemployment	3.26%	3.26%	3.26%
2017 Median Time Traveled	26	26	26

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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