

# OFFERING MEMORANDUM





# GOODWILL

KENT, OHIO

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OFFICES NATIONWIDE AND THROUGHOUT CANADA

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# EXECUTIVE SUMMARY

## GOODWILL

2528 State Route 59  
Kent, OH 44240



## RENT SCHEDULE

Base Term	Annual Rent	Monthly Rent	CAP Rate
Current - April 30, 2020	\$108,000.00	\$9,000.00	7.25%
May 1, 2020 - April 30, 2025	\$111,600.00	\$9,300.00	7.49%
Option Terms	Annual Rent	Monthly Rent	CAP Rate
1st Option: May 1, 2025 - April 30, 2030	\$115,200.00	\$9,600.00	7.73%

## OFFERING SUMMARY

Offering Price	\$1,490,000
Cap Rate	7.25%
Current Annual Rent	\$108,000
Gross Leasable Area (GLA)	12,000 SF
Price/SF	\$124.17
Year Built	2007
Lot Size	5.10 Acres

## LEASE SUMMARY

Legal Tenant	The Goodwill Industries of Akron, Ohio Inc., an Ohio corporation
Lease Type	NNN
Roof & Structure	Landlord Responsible
Ownership Interest	Fee Simple
Original Lease Term	10 Years
Original Lease Signed Date	December 3, 1999
Rent Commencement Date	December 3, 1999
Lease Expiration Date	April 30, 2025
Remaining Lease Term	6.2 Years
Renewal Options	One, 5-Year
Rent Increases	3.3% in 2020; 3.2% in Option
Sales Reporting	Yes, Annually
Percentage Rent	None
Option to Terminate / Sales Kick-Out	None (Expired)
Option to Purchase	None
Right of First Refusal / First Offer	None
Ongoing Co-Tenancy	Walmart Supercenter

## DEMOGRAPHIC SUMMARY

	1 Mile	3 Miles	5 Miles
2018 Population	1,945	36,964	68,782
2023 Population Projection	2,118	38,073	70,951
2018 Households	896	13,227	26,434
2023 Households Projection	999	13,758	27,500
Average Household Income	\$60,471	\$53,490	\$59,302
Median Household Income	\$46,762	\$38,348	\$43,508





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## INVESTMENT HIGHLIGHTS

- ▶ 12,000 SF Net-Leased Goodwill Store in Kent, OH (Home of Kent State University, 28,000 Students)
- ▶ Shadowed by 200,000 SF Walmart Supercenter – Corporate Owned; Closest Walmart to Kent State University
- ▶ College Town Location – Less than 2 Miles from KSU’s 866-Acre Campus (28,122 Students; NCAA Division I University)
- ▶ Recently Early-Renewed Lease thru April 2025 – 6+ Years of Term Remaining
- ▶ Reasonable/Replaceable Rent: \$9/SF NNN on 2007 Build-to-Suit Construction
- ▶ Leased to Goodwill Industries of Akron – Nonprofit Operating 21 Stores/Sites Throughout 5 Ohio Counties
- ▶ 20,843 Cars/Day on State Route 59 – Area’s Primary East-West Thoroughfare
- ▶ Goodwill Industries of Akron Generates Approximately \$18.5M/Year in Revenue – 89% of Revenue Goes to Charitable Causes
- ▶ Minimal Landlord Responsibilities – Roof/Structure – Standing Seam Metal Roof has 40+ Year Expected Lifespan
- ▶ Adjacent to 288-Unit Pebblebrook Apartment Community – Built 2007, Mostly Student Renters
- ▶ Committed to Location: Tenant Since 1998, Relocated from In-Line to Free-Standing, Several Renewals at Increased Rent, Expressed Interest in Purchasing Property
- ▶ Goodwill Industries: International Nonprofit with 161 Local “Franchisees” – 3,300+ Retail Stores, 2017 Revenue of \$5.87 Billion
- ▶ Akron MSA Population of 700,000; Part of the Larger Cleveland-Akron-Canton CSA (3.5 Million People)







# Walmart\*



EAST MAIN ST.  
20,843 VPD

## PEBBLEBROOK APARTMENTS

288 Apartment Units  
Built in 2007 to Service the Kent  
State University Students



## KENT STATE UNIVERSITY

Kent State University is a large, primarily residential, public research university located in Kent, Ohio. Kent State is among the largest regional systems in the country, as well as the third largest university in the state of Ohio, with an enrollment of 40,782 students in the eight-campus system and 28,122 students at the main campus in Kent. Kent State's eight-campus system, among the largest regional systems in the country, serves both the development of a true living/learning approach at the Kent Campus and the regional needs on seven other campuses throughout Northeast Ohio.

The Kent Campus provides the resources and facilities of a large, diverse Ohio university, while the Regional Campuses - Kent State University at Ashtabula, Kent State University at East Liverpool, Kent State University at Geauga, Kent State University at Salem, Kent State University at Stark, Kent State University at Trumbull and Kent State University at Tuscarawas - offer the friendly, casual atmosphere of small liberal arts colleges.

Today, Kent State has become an engine for economic, cultural and workforce development locally and internationally as one of the premiere Ohio universities. Kent State offers over 300 degree programs, among them 250 baccalaureate, 40 associate's, 50 master's, and 23 doctoral programs of study, which include such notable programs as nursing, business, history, library science, aeronautics, journalism, fashion design and the Liquid Crystal Institute.

Kent State is ranked among the nation's 77 public research universities demonstrating high-research activity by the Carnegie Foundation for the Advancement of Teaching. The Liquid Crystal Institute, for example, conducts research that translates into technologies used globally in laptops, calculators and flat screen televisions. In 2010, Kent State was ranked as one of the top 200 universities in the world by Times Higher Education. U.S. News & World Report's 2017 rankings put Kent State as tied for #188 for National Universities and tied for #101 in Top Public Schools.







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## TENANT/LANDLORD RESPONSIBILITIES

Roof Repairs & Replacement	Landlord Responsible (2007 Standing Seam Steel Roof - 40+ Year Estimated Lifespan)
Structure, Utility Tie-In's, & Sewage Line	Landlord Responsible
Replacement: Parking Lot, Driveway, Sidewalk, Curbs	Tenant Reimburses based on Amortization Over Useful Life
Repair/Maintenance: Parking Lot, Sidewalk, Curbs & Lighting	Tenant Reimburses
HVAC Repair, Replacement, Maintenance, Service	Tenant Responsible
Utilities	Tenant Responsible
Real Estate Taxes	Tenant Reimburses
Property/Liability Insurance	Landlord Carries Policy, Tenant Reimburses
CAM, Snow/Ice/Salt, Landscaping	Tenant Reimburses
Fire Sprinkler System	Tenant Repairs/Replaces
Trash Removal	Tenant Responsible
Administrative Fee Reimbursement Income	15% of CAM Expenses
Management Fee Reimbursement Income	Tenant Reimburses



## TENANT OVERVIEW & PROPERTY DETAILS



Goodwill Industries International Inc., or shortened to Goodwill, (stylized as goodwill) is an American nonprofit 501(c)(3) organization that provides job training, employment placement services, and other community-based programs for people who have barriers preventing them from otherwise obtaining a job. In addition, Goodwill Industries may hire veterans and individuals who lack education or job experience or face employment challenges. Goodwill is funded by a massive network of retail thrift stores which operate as nonprofits as well. Goodwill operates as a network of independent, community-based organizations in South Korea, Venezuela, Brazil, Mexico, Panama, Uruguay, the United States, Canada, and 8 other countries, with 161 local Goodwills in the United States and Canada.

### TENANT OVERVIEW

Ownership	Private, 501(c)(3) Nonprofit
Corporate Legal Entity	Goodwill Industries International, Inc.
Companywide Revenue	\$5.87 Billion (FY 2017)
Retail Sales Revenue	\$4.29 Billion (FY 2017)
Total Net Assets	\$25.72 Million (December 2017)
Year Founded	1902 (In Business for 116 Years)
Number of Independent/Local Goodwill "Franchises"	161
Number of Retail & Outlet Stores	3,300+
International Presence	13 Countries
Headquarters	Rockville, MD

### THE OFFERING

Tenant	Goodwill
Property Address	2528 OH-59 Kent, OH 44240

### SITE DESCRIPTION

Parking	66 Spaces Available
Parking Ratio	5.50 : 1,000 SF
Topography	Level

### PARCELS

Number of Tax Parcels	One
Parcel Number(s)	12-019-00-00-001-001

### CONSTRUCTION

Foundation	Concrete Slab
Framing	Steel
Exterior	Masonry
Parking Surface	Asphalt
Roof	Standing Seam Steel

### MECHANICAL

HVAC	Pad Mounted
Fire Protection	To Code
Utilities	All Local Providers

### ZONING

PUD	Commercial
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### ACCESS POINTS

The property is accessed by one entrance from a shared driveway with the neighboring Walmart to Kent Ravenna Road.



# GOODWILL INDUSTRIES OF AKRON - COMPANY OVERVIEW

## About Goodwill Industries of Akron

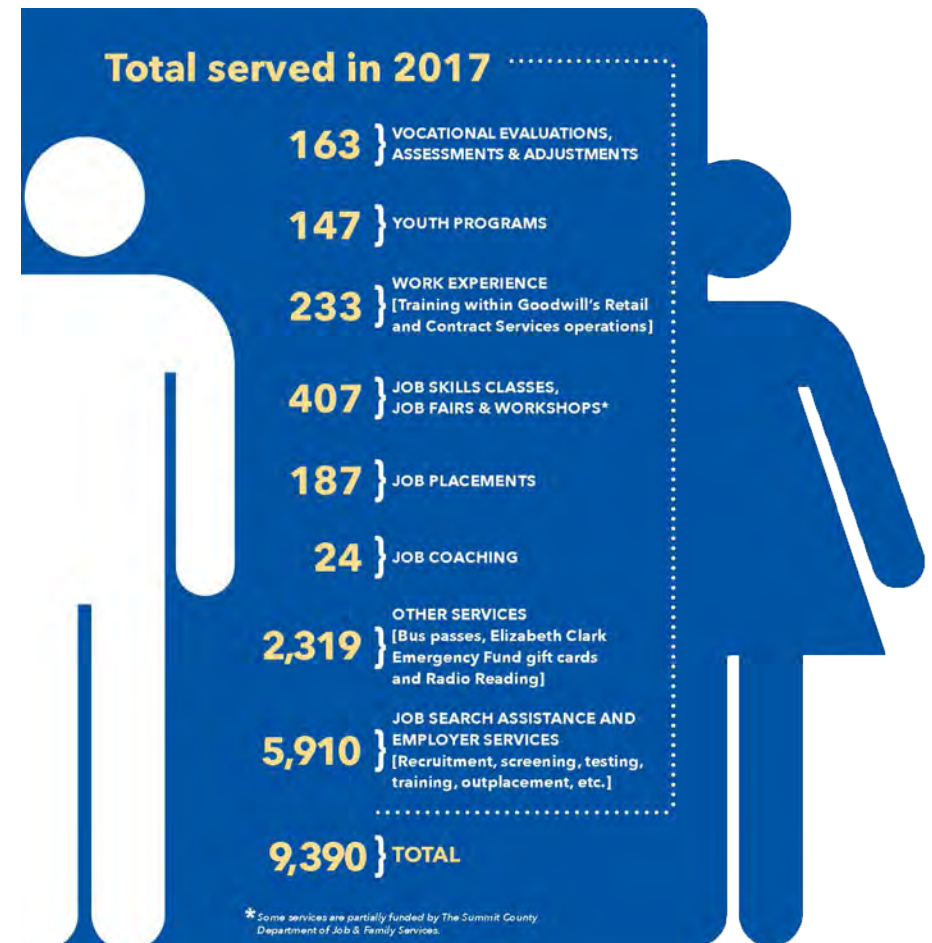
Goodwill Industries of Akron is a private, not-for-profit corporation, the purpose of which is to provide employment preparation, training, rehabilitation, employment and support service to persons with disabilities and/or other barriers to employment.

The mission of Goodwill Industries of Akron is to help individuals prepare for, find and retain employment. Services are in response to identified community needs and are designed to help individuals reach their highest possible vocational and personal potential. Operating in the five-county region of Summit, Portage, Medina, Ashland and Richland, the Akron-based agency was established in 1927. It is a private, independent organization, operating as an affiliate member of Goodwill Industries International. Goodwill helps to directly strengthen the region's workforce through its employment programs and indirectly through the net proceeds from its retail outlets and industrial services division. Goodwill Industries of Akron is governed by a local Board of Directors representative of its service territory.

## Company Facts

- Serves Summit, Portage, Medina, Ashland, and Richland counties
- Assisted 9,390 individuals in 2017 with training and job placement services
- Provides job training services to people with disabilities through referrals from local school systems, the Bureau of Vocational Rehabilitation (BVR), County Boards of Developmental Disabilities (DD), the Bureau of Workers Compensation (BWC), and many other agencies and community partners
- Provides free job assistance to the general public through career workshops and one-on-one assistance with job placement\*
- Operates 14 retail stores, an outlet store and boutique, and five stand-alone attended donation centers
- Offers outsourcing to local companies in the areas of assembly, packaging, and customized projects and sews all of the safety vests for the Ohio Department of Transportation

\*Funded in Summit County by the Summit County Department of Job and Family Services through the Workforce Investment Act (WIA).





# GOODWILL INDUSTRIES - COMPANY OVERVIEW

*Goodwill® is a 501(c)(3) nonprofit that strives to enhance the dignity and quality of life of individuals and families by helping people reach their full potential through education, skills training and the power of work.*

## About Goodwill

Goodwills meet the needs of all job seekers, including programs for youth, seniors, veterans, and people with disabilities, criminal backgrounds and other specialized needs. In 2017, Goodwill helped more than 288,000 people train for careers in industries such as banking, IT and health care, to name a few — and get the supporting services they needed to be successful — such as English language training, additional education, or access to transportation and child care.

Goodwill Industries International is committed to inclusion and diversity and respecting the people we serve, our community members, and the people with whom we work. We believe in putting people first, providing a safe space for our employees and creating environments where people have the support they need to build their work skills and care for their families. We are proud that people from diverse backgrounds have come to Goodwill to build their skills and their career goals. We will continue this tradition of serving others and building communities that work.

Goodwill was ranked among the top five brands that inspired consumers the most with its mission in the Brand World Value Index for the past three years (2018 Brand World Value Index).

## Mission

Goodwill works to enhance the dignity and quality of life of individuals and families by strengthening communities, eliminating barriers to opportunity, and helping people in need reach their full potential through learning and the power of work.



## Results

### Mission Results in 2017

- More than **288,000 people** placed into employment
- More than **30,000 people** engaged with local Goodwill organizations to earn a credential.
  - As a result, these individuals increased their collective lifetime earnings by more than **\$15.8 billion**
- More than **38.6 million** total persons served
  - Over **2.1 million people** received Goodwill services in-person to build their career and financial assets
  - More than **36.5 million people** used computers and mobile devices to access Goodwill training virtually

### How They Did It

- Total revenue generated by Goodwill organizations: **\$5.87 billion**
- Total revenue spent directly on programs: **87 percent**
- Total number of donors (includes repeat donations): **More than 105 million donations**
- Total number of retail stores and outlet: **More than 3,300 and an online auction site, [www.shopgoodwill.com](http://www.shopgoodwill.com)**

### Revenue Sources Breakdown

- Retail sales: **\$4.29 billion**
- Industrial and service contract work: **\$750 million**
- Government grants: **\$104 million**
- Corporate and foundation grants: **\$33 million**
- Individual gifts/Endowments/Fees for services: **\$62 million**
- Corporate/Foundation Fees for Service: **\$12 million**
- Government support for mission services: **\$433 million from Government fees for service**

## The Goodwill Network

Goodwill's network of 161 independent, local Goodwills in the United States and Canada offers customized training and services for individuals who want to find a job, pursue a credential or degree, and strengthen their finances. Each Goodwill must be accredited, apply for membership and meet certain criteria established by Goodwill Industries International (GII).



# PEBBLEBROOK APARTMENTS

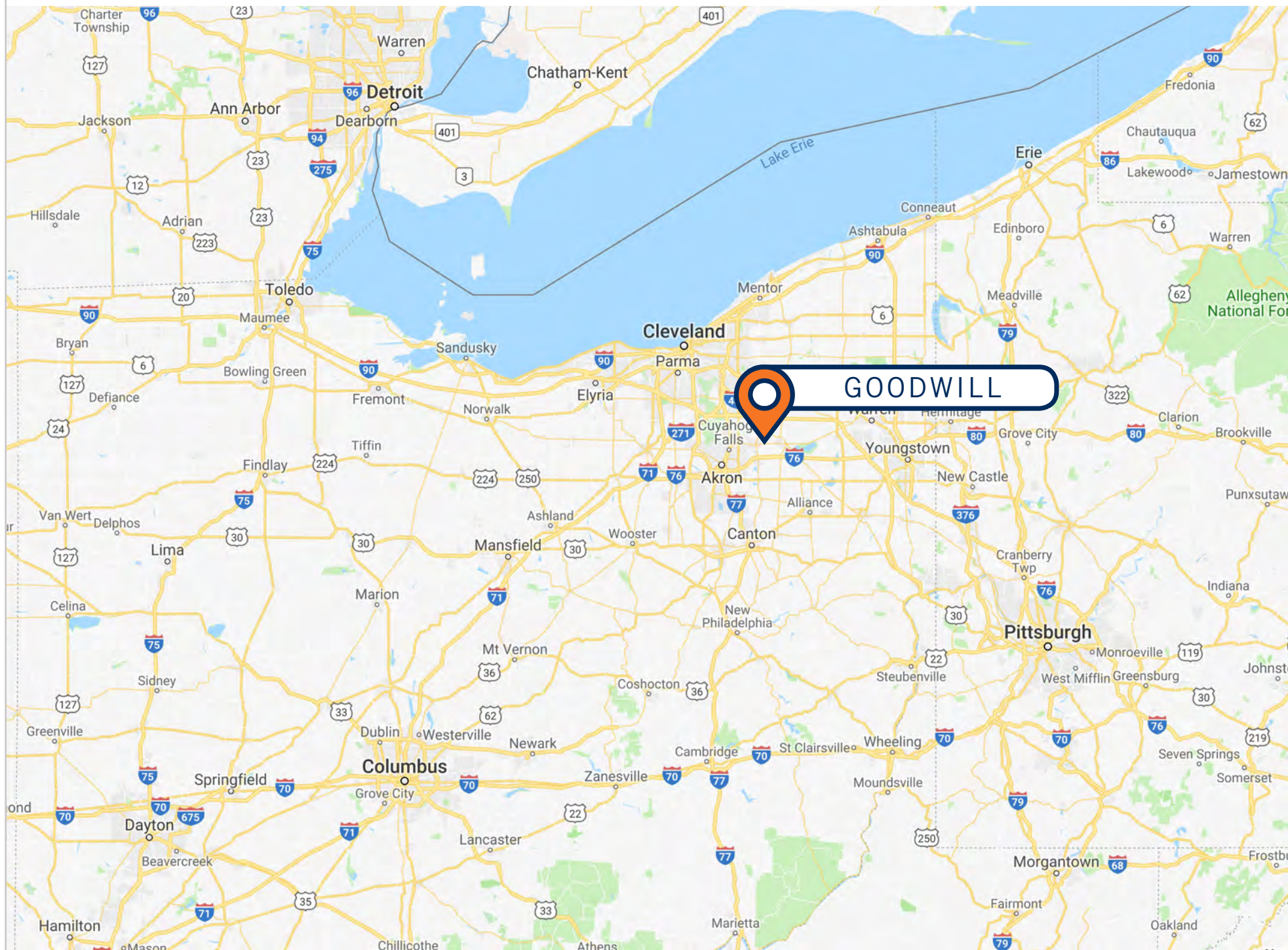
288 Apartment Units  
Built in 2007 to Service the Kent  
State University Students



GOODWILL



# REGIONAL MAP





# PARCEL MAP & TAX SUMMARY

Prior to closing, an operating/easement agreement will be created between neighboring shopping center owner (Goodwill Seller) and buyer. OEA will provide shopping center owner with access and operational rights to maintain rear detention pond and bill neighboring owners for their respective pro-rata share.



## PARCEL

## ACREAGE

## PARCEL NUMBER (APN)

## APPRAISED VALUE

## 2017 TAXES (PAYABLE 2018)

## EFFECTIVE TAX RATE

Goodwill

5.10

12-019-00-00-001-001

\$833,000

\$21,194.98

2.54%

*\*All Data Per Portage County Auditor*





# KENT STATE UNIVERSITY

40,782 Students

28,122 Students on Campus



PEBBLEBROOK APARTMENTS  
288 Units

Gabe's

Aaron's

Auto Zone

Arby's

Rock N' Roll

Rock N' Roll

verizon

Pizza Hut

Huntington

The UPS Store

ACME Fresh Market

DISCOUNT drug mart

BEST CUTS

NAPA AUTO CARE CENTER

Cane's

KLABEN AUTO STORES

DOLLAR TREE  
Great Clips  
snap FITNESS 24-7  
GNC LIVE WELL  
GameStop

20,843 VPD

EAST MAIN ST.

Walmart





GOODWILL

DONATION DRIVE THRU

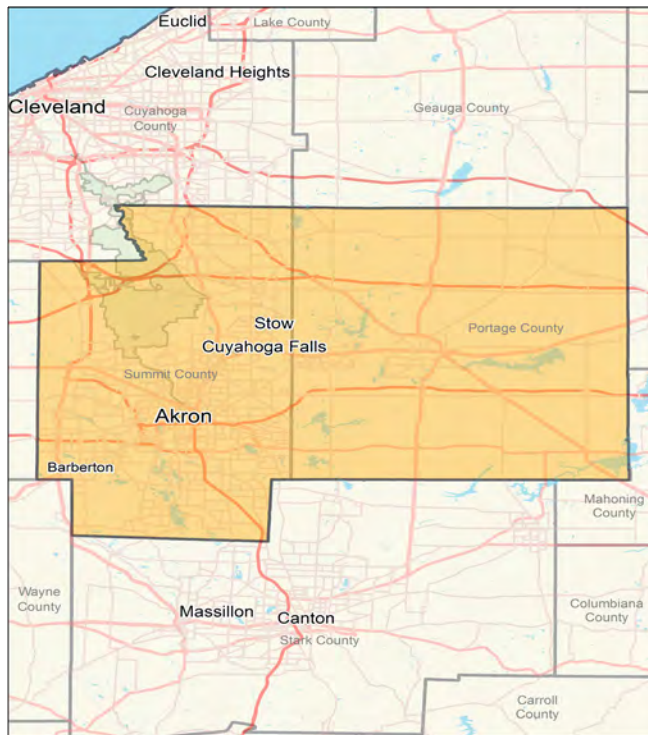
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# MARKET OVERVIEW

## AKRON OVERVIEW

The Akron metro is a major manufacturing center located approximately 30 miles southeast of Cleveland and it consists of Portage and Summit counties. The market is home to roughly 705,000 residents, 200,000 of which are located in the city of Akron, the county seat of Summit County. The metro's population is growing at a much slower pace than the national average. Still, more than 14,600 new residents are forecasted to join the region during the next five years.



\* Forecast

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



## METRO HIGHLIGHTS



### STRATEGIC LOCATION

Akron is strategically located at the crossroads of the Eastern and Midwestern markets. A large portion of the U.S. can be reached within a day's drive.



### ESTABLISHED INFRASTRUCTURE

A large transportation network of highways connect rail, air and water, assisting in the distribution of goods manufactured in the region.



### LOWER LIVING COSTS

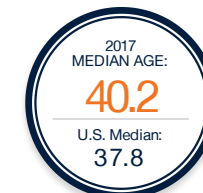
A wide range of affordable housing can be found throughout the metro, helping to lower the cost of living.



## ECONOMY

- The area is a manufacturing center that is home to companies such as Goodyear Tire & Rubber. Other products manufactured in the region are plastics, chemicals, fabricated metal goods, food and machinery.
- The College of Polymer Science and Polymer Engineering at the University of Akron assists in the development of the polymer industry and has encouraged companies to move to the area to be near suppliers and buyers of plastic products.
- The proximity to shipping facilities at the Port of Cleveland, combined with rail transportation and a regional airport, provide companies with convenient access to markets throughout the world.
- The metro receives economic benefits from nearby oil shale production. The region sits above the Utica, Devonian and Marcellus shale formations.

## DEMOGRAPHICS



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## DEMOGRAPHIC HIGHLIGHTS



68,782

POPULATION WITHIN 5 MILES



\$59,302

AVERAGE HOUSEHOLD INCOME  
IN 5-MILE RADIUS



1.46%

POPULATION GROWTH SINCE 2010  
IN 5-MILE RADIUS



3.15%

PROJECTED POPULATION GROWTH  
OVER NEXT 5 YEARS IN A 5-MILE RADIUS



POPULATION	1 MILE	3 MILES	5 MILES
<b>2018 Estimate</b>			
Total Population	1,945	36,964	68,782
<b>2023 Projection</b>			
Total Population	2,118	38,073	70,951
<b>2010 Census</b>			
Total Population	1,925	36,006	67,793
<b>Projected Growth 2018-2023</b>			
Total Population	8.89%	3.00%	3.15%
<b>Growth 2010-2018</b>			
Total Population	1.04%	2.66%	1.46%



# 4.03%

PROJECTED HOUSEHOLD GROWTH  
OVER NEXT 5 YEARS IN A 5-MILE RADIUS

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
<b>2018 Estimate</b>			
Total Households	896	13,227	26,434
<b>2023 Projection</b>			
Total Households	999	13,758	27,500
<b>2010 Census</b>			
Total Households	893	12,918	26,229
<b>Projected Growth 2018-2023</b>			
Total Households	11.50%	4.01%	4.03%
<b>Growth 2010-2018</b>			
Total Households	0.34%	2.39%	0.78%
<b>Owner Occupied</b>			
Total Households	529	6,561	14,516
<b>Renter Occupied</b>			
Total Households	366	6,666	11,918

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>2018 Estimate</b>			
\$150,000 or More	3.3%	3.6%	5.0%
\$125,000 - \$149,999	4.9%	3.3%	3.9%
\$100,000 - \$124,999	7.5%	5.8%	6.9%
\$75,000 - \$99,999	12.8%	11.8%	12.5%
\$50,000 - \$74,999	19.3%	15.3%	16.6%
\$35,000 - \$49,999	13.1%	13.5%	13.3%
\$25,000 - \$34,999	16.4%	10.7%	9.8%
Under - \$25,000	22.8%	36.0%	31.9%
<b>Average Household Income</b>	\$60,471	\$53,490	\$59,302
<b>Median Household Income</b>	\$46,762	\$38,348	\$43,508

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>Population By Age</b>			
2018 Estimate Total Population	1,945	36,964	68,782
Under 20 Years	18.7%	26.4%	24.6%
20 - 24 Years	18.4%	25.8%	17.8%
25 - 34 Years	13.0%	10.9%	12.6%
35 - 44 Years	9.1%	8.1%	9.6%
45 - 54 Years	13.2%	8.9%	10.7%
55 - 64 Years	14.3%	10.1%	12.1%
65+ Years	13.3%	9.8%	12.5%
Median Age	35.0	24.2	30.4

<b>Population 25+ by Education Level</b>			
2018 Estimate Population Age 25+	1,224	17,673	39,610
Elementary (0-8)	1.7%	1.2%	1.1%
Some High School (9-11)	8.1%	7.1%	6.4%
High School Graduate (12)	40.3%	34.1%	34.3%
Associates Degree Only	6.9%	7.0%	7.3%
Bachelors Degree Only	11.6%	17.6%	17.8%
Graduate Degree	8.3%	12.2%	12.3%
Some College, No Degree	22.8%	20.1%	20.1%

<b>Population by Gender</b>			
2018 Estimate Total Population	1,945	36,964	68,782
Female Population	49.3%	52.2%	51.7%
Male Population	50.7%	47.8%	48.3%



GOODWILL

DONATION DRIVE THRU →



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