



*Achieve
Ambitions*



LA Fitness

430 Meijer Drive
Florence, KY (Cincinnati MSA) 41042
Confidential Offering Memorandum





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Summary

Investment Summary

LA Fitness
Florence, KY (Cincinnati MSA)



The Offering

JLL is pleased to offer for sale the fee-simple interest in a single-tenant LA Fitness (the “Property” or “Asset”) located in Florence, KY, within the Cincinnati MSA. The Property is leased to Fitness & Sports Clubs, LLC (the “Tenant”) on a long-term, absolute NNN lease with a corporate guarantee from Fitness International, LLC, d/b/a LA Fitness. The Asset is strategically located with visibility from Interstate 75 (171,000 VPD), and adjacent to Meijer, Home Depot and Florence Executive Center I & II with 100,000 SF of office space. Overall, the Asset is situated within the heart of the corridor in Florence with many national retailers and the Florence Mall.

INVESTMENT HIGHLIGHTS

- Tenant has over 9 years of remaining lease term with corporate guarantee
- Absolute NNN lease with no landlord responsibilities
- Visibility from Interstate 75 with over 171,000 VPD
- Situated within Florence’s major retail trade area with other national retailers, including Lowe’s Home Improvement, Sam’s Club, Target and the Florence Mall
- Located 5 miles south of the Cincinnati/Northern Kentucky International Airport and 11 miles south of downtown Cincinnati
- In a retail submarket with a low market vacancy rate of 2.5%
- 1-mile radius daytime population is 240% greater than 1-mile residential population
- Significant intrinsic real estate value

PROPERTY SUMMARY

Address	430 Meijer Drive Florence, KY 41042
Price	\$15,800,000
Cap Rate	7.25%
NOI	\$1,145,918
NOI/SF	\$24.20
Rental Increases	10% in option periods
Lease Expiration	01/18/2028
Remaining Lease Term	9.4 years*
Renewal Options	2, 10-year options
Total Square Footage	+/- 47,353 SF
Tenant	Fitness & Sports Clubs, LLC
Lease Type	Absolute NNN

*as of August 2018



Property

Property Overview

LA Fitness
Florence, KY (Cincinnati MSA)

Property

The Asset consists of 47,353 SF on two floors situated on 4.89 acres. The Asset is leased to Fitness & Sports Clubs, LLC on an absolute NNN lease with no landlord responsibilities. The building is located with visibility from Interstate 75 (171,000 VPD) and located adjacent to Meijer, The Home Depot, Kohl's and Florence Executive Center I & II with 100,000 SF of office space. The tenant, Fitness & Sports Clubs, LLC d/b/a LA Fitness, receives a corporate guarantee from Fitness International, LLC which operates more than 675 LA Fitness gyms across the United States.

BUILDING SPECIFICATIONS

Address	430 Meijer Drive Florence, KY 4104
Ownership Interest	Fee-simple
Year Built	2008
Zoning	0-2/C-2/PD
Total Parcel Size	+/- 4.89 acres
Total Property Size	+/- 47,353 square feet
Property Height	35'
Parking Spaces	339
Parking Ratio	7.2/1,000
Tenant	Fitness & Sports Clubs, LLC
Lease Type	Absolute NNN
Landlord Responsibilities	None
Lease Expiration	01/18/2028
Lease Term Remaining	9.4 years*
Renewal Options	2, 10-year options

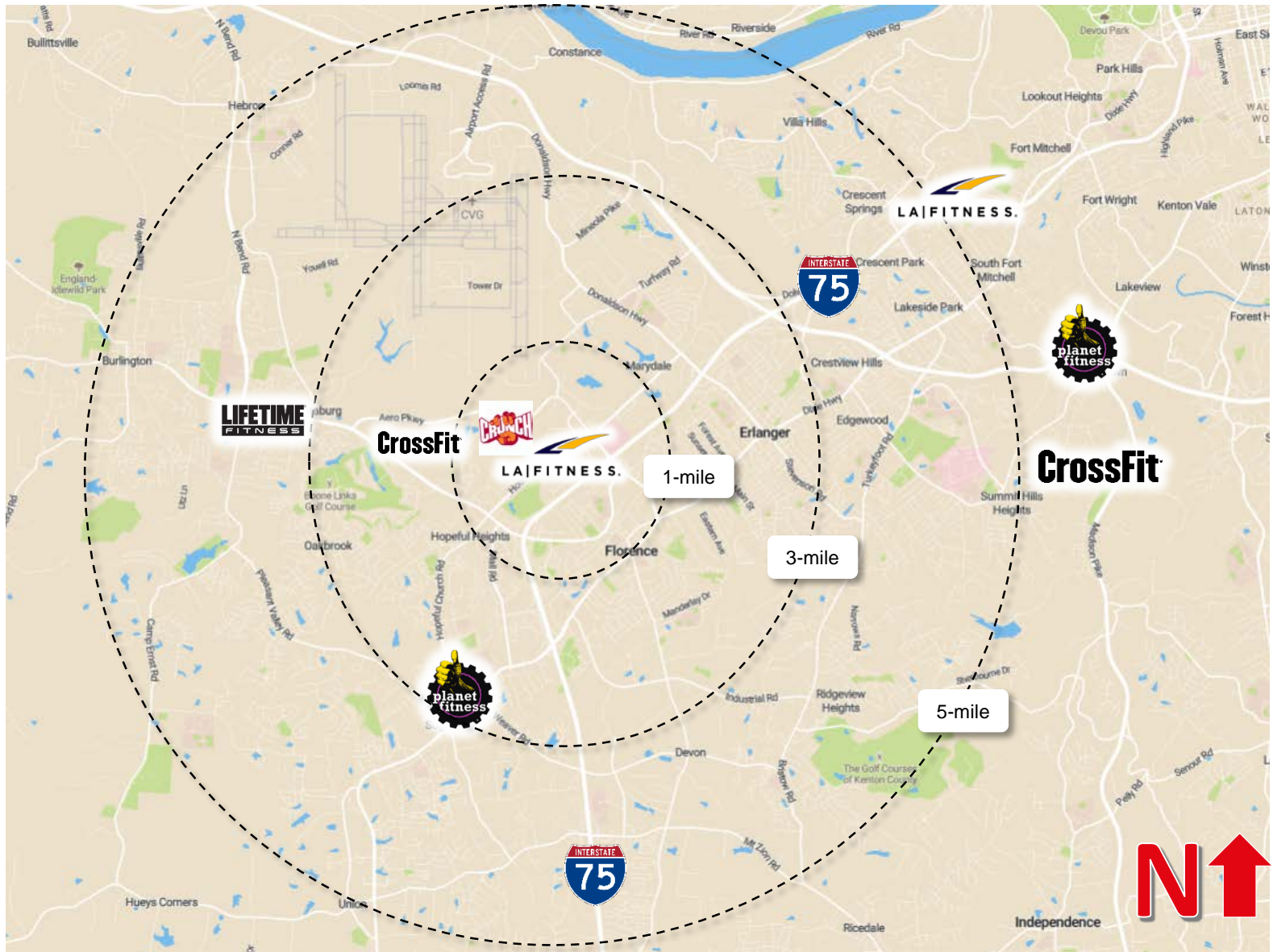
*as of August 2018

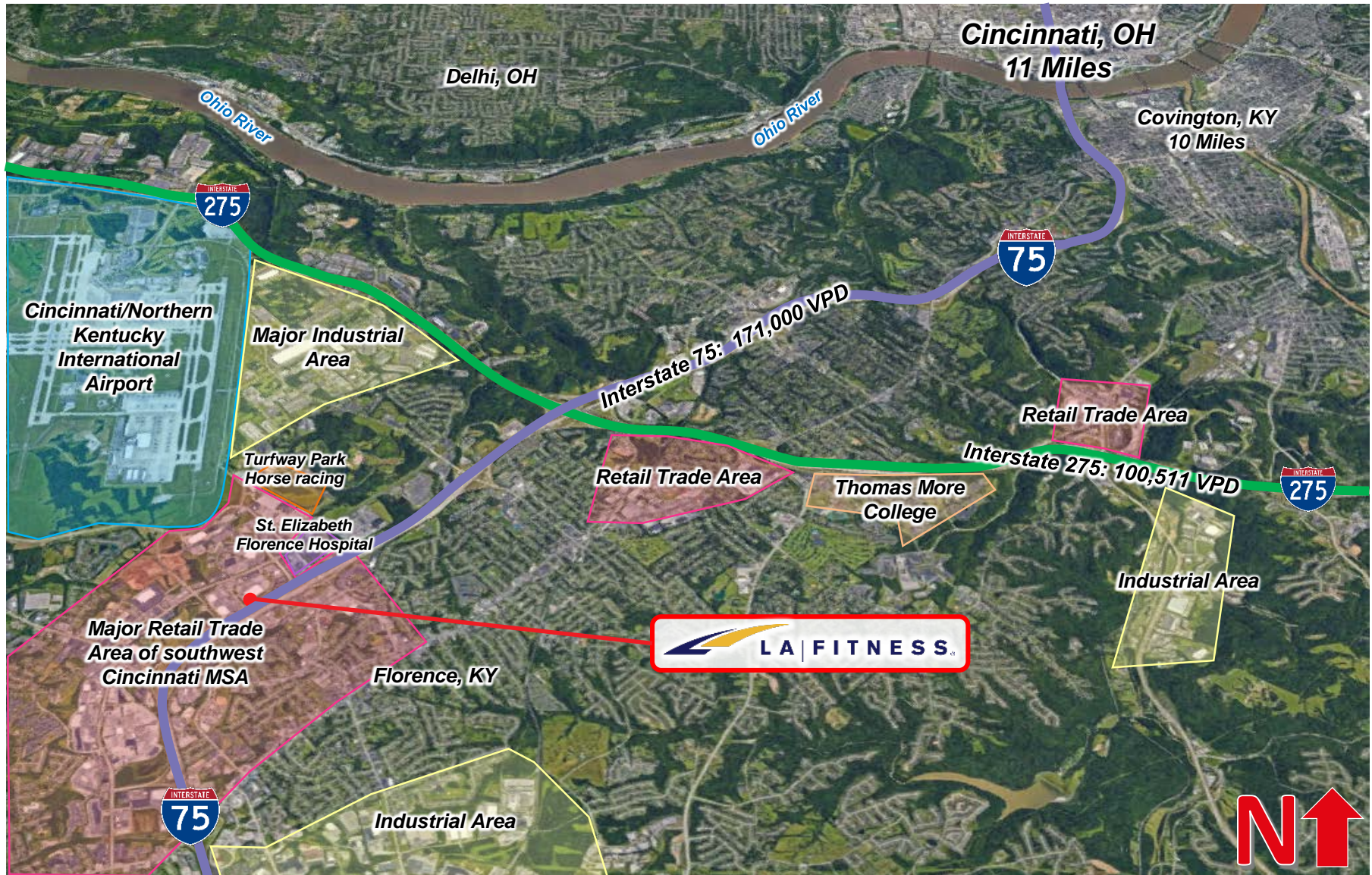












A photograph of an LA Fitness gym building. The building is a two-story structure with a brick upper section and a large glass facade on the lower level. The words "LA FITNESS" are prominently displayed in white capital letters on the brick part of the roofline. The glass reflects the surrounding environment, including trees and other buildings. In front of the building is a paved parking lot with several cars parked, including a white sedan, a red SUV, a black SUV, and a silver SUV. A grassy area is visible in the foreground. The sky is blue with scattered white clouds.

Tenant

Tenant Overview

LA Fitness

Florence, KY (Cincinnati MSA)

The Tenant

LA Fitness Overview

Fitness International, LLC, doing business as LA Fitness (the “Company”), is the largest, non-franchised fitness club operator in the United States with over 675 health club locations and five million members across the United States and Canada. LA Fitness health clubs offer a variety of classes and activities, including group fitness classes, yoga, cycling, mat pilates, kickboxing cardio, and aqua aerobics. The Company’s locations commonly offer guests amenities, including an indoor heated lap pool, whirlpool spa, sauna, racquetball and basketball courts, personal trainers and babysitting services.

Expanding Business

Since 2010, LA Fitness has nearly doubled its locations, completing the acquisition of 171 Bally Total Fitness clubs for \$153 million in November 2011 and acquiring 36 Urban Active clubs in Ohio, Kentucky, Tennessee, Georgia, Nebraska, North Carolina and Pennsylvania. Since then, the Company continues to acquire additional fitness clubs.

COMPANY OVERVIEW

Tenant	Fitness International, LLC
Founded	1984
Headquarters	Irvine, CA
Ownership Type	Private
Revenue (TTM ended 6/30/16)	\$1.9 billion
Credit Rating (S&P)	B+ (Stable)
Locations	675+
Members	5 million
Website	lafitness.com



LA | FITNESS®



Market

Market Overview

LA Fitness
Florence, KY (Cincinnati MSA)

Florence, KY

Florence is the largest and most industrialized city in Boone County. It is located in the east-central part of the county along I-75. Proximity to major transportation avenues have been an important force in the development of the city. The city is located 13 miles south of Cincinnati, Ohio and 70 miles north of Lexington and 85 miles northeast of Louisville in Kentucky. Florence covers an area of 10.6 square miles and has I-75 running through the middle of the City and is 5 miles from CVG airport.

The City of Florence has established itself as a premier location for businesses and a comfortable and safe community for its residents. More than 2,500 businesses – from start-ups, to established small businesses, to successful advanced manufacturing, to healthcare, to corporate headquarters, to retail – have all chosen to establish a presence in Florence. The impressive growth of such firms has helped make Florence a local point of commerce and one of the largest employment markets in the Cincinnati/Northern Kentucky region.

DEMOGRAPHICS			
	1-MILE RADIUS	3-MILE RADIUS	5-MILE RADIUS
POPULATION			
2023 Projection	5,547	60,178	155,132
2018 Estimate	5,247	57,683	148,301
2018 Daytime Population	17,897	83,764	169,160
AVERAGE HH INCOME			
2017 Average HH Income	\$50,809	\$66,267	\$84,156
2022 Average HH Income	\$58,377	\$75,377	\$93,580



Location



- 13 miles southwest of downtown Cincinnati and 5 miles south of Cincinnati/Northern Kentucky International Airport

Improving Economy



- Increasing number of jobs and money into the area as more people move to the region

Population Growth



- Boone County is projected to grow 50% by 2040 and projected to be the third largest county in Kentucky by this time

Cincinnati, OH

Cincinnati is the third-largest city in Ohio. The city is also the anchor of the 15-county Cincinnati Metropolitan Statistical Area (MSA), which has a population of over 2.1 million. Cincinnati has been successful in blending its culture, rich heritage and arts with social and economic initiatives that create an exceptional quality of life. Its robust, diverse economy shelters the region from the highs and lows of the national economy.

Named by KPMG as the least costly location to do business among all large U.S. cities, it is no surprise that Cincinnati is home to more Fortune companies per capita than New York, Los Angeles and Chicago. Two Foreign Trade Zones and the number one-ranked city for tax friendliness attract new businesses on a regular basis.

Greater Cincinnati has a legacy of producing startups that become some of the world's most successful companies. From P&G, the world's largest consumer products company, to The Kroger Co., a leading grocery chain, the region understands how to help young businesses thrive. In fact, more than 450 foreign-owned firms from over 20 countries employing over 45,000 people chose to locate in Greater Cincinnati to grow their businesses.

Cincinnati Population Growth

27% Increase in population since 2000 with a 7.75% forecasted population growth 2017-2022

Job Growth

4.1% unemployment rate
3.7% projected job growth 2017-2022 forecasted

Fortune 500 Companies

8 Fortune 500 companies are located in the metro including Kroger, Procter & Gamble, Macy's

Affordable City

#10 Ranked city for affordability according to liveability.com. Cincinnati is the largest city on the list

Center for Higher Education

138K+ Students in 18 colleges in universities in the metro area

#11
Hottest City for Tech Jobs (*Money*)

2.1 million

Residents call the Cincinnati metro home. Residents increasing 27% since 2000.

18

Major universities and colleges in the Cincinnati metro area

3 Major Sports Teams

Call Cincinnati home: Bengals (NFL), Reds (MLB), FC Cincinnati (MLS)

#50

Best Places for Business and Careers (*Forbes*)

Half

Of the U.S. population and 30 major markets are within a one-day drive

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