



OFFERING MEMORANDUM

PETSMART | EARLY RENEWAL
3401 Alamo Avenue • Cincinnati, Ohio 45209

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
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PETSMART | EARLY RENEWAL
Cincinnati, OH
ACT ID ZAA0040351

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Marcus & Millichap

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$5,550,000
Net Operating Income	\$391,694
Capitalization Rate – Current	7.06%
Price / SF	\$290.47
Rent / SF	\$20.50
Lease Type	NN
Gross Leasable Area	19,107 SF
Year Built / Renovated	2003
Lot Size	1.6 Acre(s)

FINANCING

Loan Amount	\$3,607,500
Loan Type	Financed - New Loan
Loan to Value	65.00%
Down Payment	35% / \$1,942,500
Interest Rate / Amortization	4% / 25 Years
Annual Loan Payment	\$227,714
Net Cash Flow After Debt Service	8.44% / \$163,979
Cash on Cash Return	8.40%
Total Return	12.88% / \$250,137



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES*
Universty of Cincinnti Medcl C	3,759
Human Resources Department	3,728
Childrens Home Healthcare	3,543
Cincinnati Childrens Hospital	3,417
CNG Financial Corp	3,000
Jewish Hospital Cincinnati Inc	2,500
Childrens Hospital Medical Ctr	2,236
Medpace Inc	1,900
Heart Institute Diagnostic Lab	1,840
Jewish Hospital LLC	1,700
Petermann Northeast LLC	1,676
Uc Health Llc	1,623

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	8,909	110,627	234,177
2010 Census Pop	8,526	108,518	230,930
2018 Estimate HH	4,700	51,106	105,137
2010 Census HH	4,520	50,515	104,416
Median HH Income	\$50,755	\$55,421	\$52,316
Per Capita Income	\$38,424	\$39,452	\$36,614
Average HH Income	\$72,251	\$84,873	\$80,914

* # of Employees based on 5 mile radius

PROPERTY SUMMARY

THE OFFERING	
Property	PETSMART
Property Address	3401 Alamo Avenue Cincinnati, OH 45209
Price	\$5,550,000
Capitalization Rate	7.06%
Price/SF	\$290.47

PROPERTY DESCRIPTION	
Year Built / Renovated	2003
Gross Leasable Area	19,107 SF
Zoning	CG-A
Type of Ownership	Fee Simple
Lot Size	1.60 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Miscellaneous
Tenant	Petsmart
Rent Increases	5% Each Five Year Period
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	April 1, 2004
Lease Expiration	March 31, 2027
Lease Term	23
Term Remaining on Lease (Years)	7.8
Renewal Options	Five Five-Year Options
Landlord Responsibility	Roof, Structure, Snow Removal
Tenant Responsibility	Taxes, Insurance, Re-Striping Parking Lot, Landscaping, HVAC
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$391,694

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$391,694	\$32,641	\$20.50	7.06%
April 2024	\$401,247	\$33,437	\$21.00	7.23%
April 2027	\$420,354	\$35,030	\$22.00	7.57%
April 2032	\$439,461	\$36,622	\$23.00	7.92%
April 2037	\$458,568	\$38,214	\$24.00	8.26%
April 2042	\$477,675	\$39,806	\$25.00	8.61%
April 2047	\$496,782	\$41,399	\$26.00	8.95%



INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for your investment opportunity, this free standing PetSmart in Cincinnati, Ohio with a corporate guarantee. The building contains 19,107 square feet and is situated in a highly traveled retail corridor.

Situated near Target, Raising Cane's, IHOP, Kroger and numerous other national retailers. With over 100,000 households and over 230,000 people within a Five mile radius with over \$50,000 median household income, the location is prime for pet owners who enjoy the convenience of a one stop shop for all of their pet's needs. With over 36 percent of the population in a one mile radius being between 20-35 years old the PetSmart is very well positioned for the target demographic.

Cincinnati is located at the norther side of the confluence of the Licking and Ohio Rivers, the latter of which marks the state line with Kentucky.

Cincinnati is home to numerous attractions that bring in patrons from all over. Whether it is amusement parks, sports games or festivals there is always something going on in Cincinnati.

INVESTMENT HIGHLIGHTS

- Long Term Net Leased Tenant with a Corporate Guarantee
- High Population Density
- Near Numerous National Retailers
- High Traffic Shopping Area
- Near University of Cincinnati
- Over 28,000 VPD Pass By
- Rent bump in 2024 | Early extension to 2027



PetSmart, Inc.



CREDIT RATING:
N.A.

www.fdreports.com | www.creditintell.com | February 01, 2018

General Information

Address	19601 North 27th Avenue , Phoenix, Arizona, 85027, United States
Phone	(623) 580-6100
Website	www.petsmart.com

Key Personnel

Chief Executive Officer	J.K. Symancyk
Chairman	Raymond Svider
Executive Vice President & Chief Financial Officer	Alan Schneid

Store Base

Store Count	1,608
TTM Sales	\$8,700,000,000

Financial Markets

Stock Ticker	Private
Current Price	N.A. as of 6/25/19
52 Week High/Low	\$0.00 / \$0.00

Credit Rating Chart Comparison Creditintell | F&D Reports

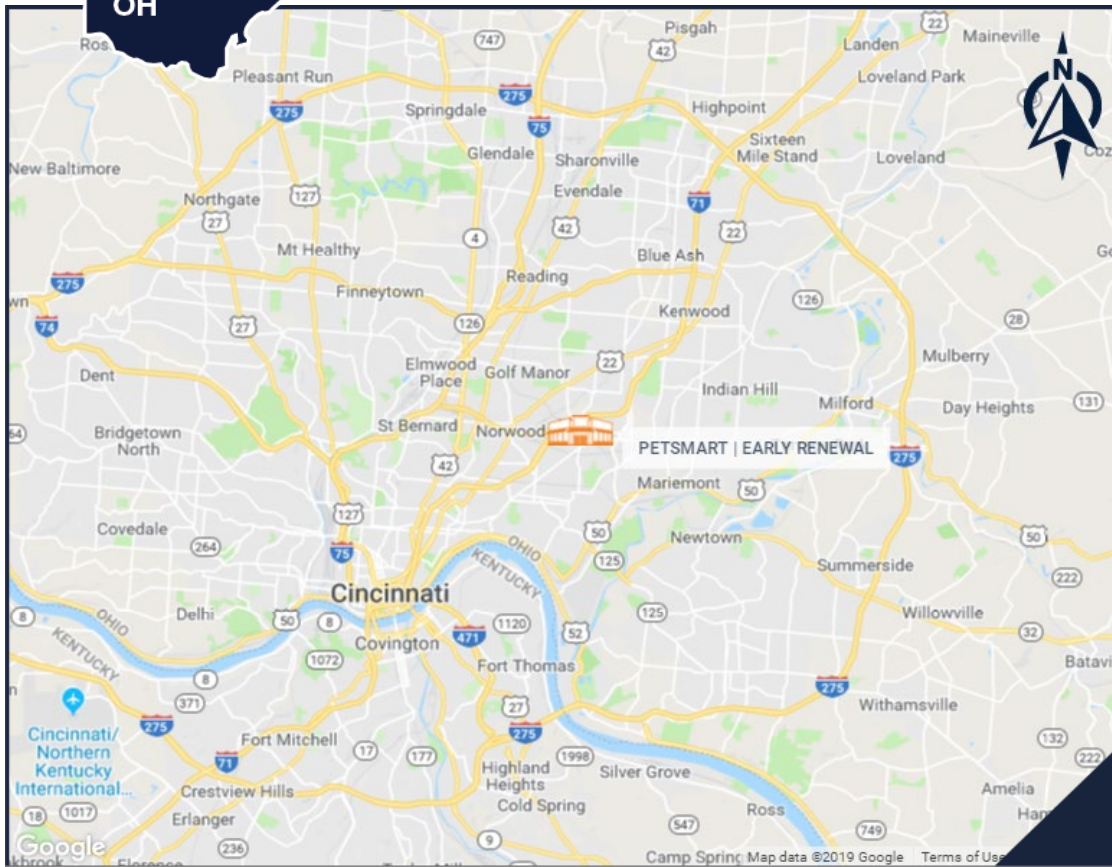
ⓘ Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D

Fiscal Year Ended February 01, 2018



3401 Alamo Avenue, Cincinnati, Ohio 45209



- Tenant In Place Since 2004
- Great Location Near Other Retail
- Densely Populated Area
- Located in a Major MSA
- Over 28,000 VPD Pass By
- Over 100,000 Households in a 5 mile radius

Marcus & Millichap is pleased to present this freestanding PetSmart in Cincinnati, Ohio. It is situated on 1.6 acres and contains 19,107 square feet.

Situated near Target, Raising Cane's, IHOP, Kroger and numerous other national retailers. With over 100,000 households within a Five mile radius and over \$50,000 median household income, the location is prime for pet owners who enjoy the convenience of a one stop shop for all of their pet's needs. With over 36% of the population in a 1 mile radius being between 20-35 years old the PetSmart is very well positioned for the target demographic.

CLOSE PROXIMITY TO:



Shopping Center



Major Highway



Schools

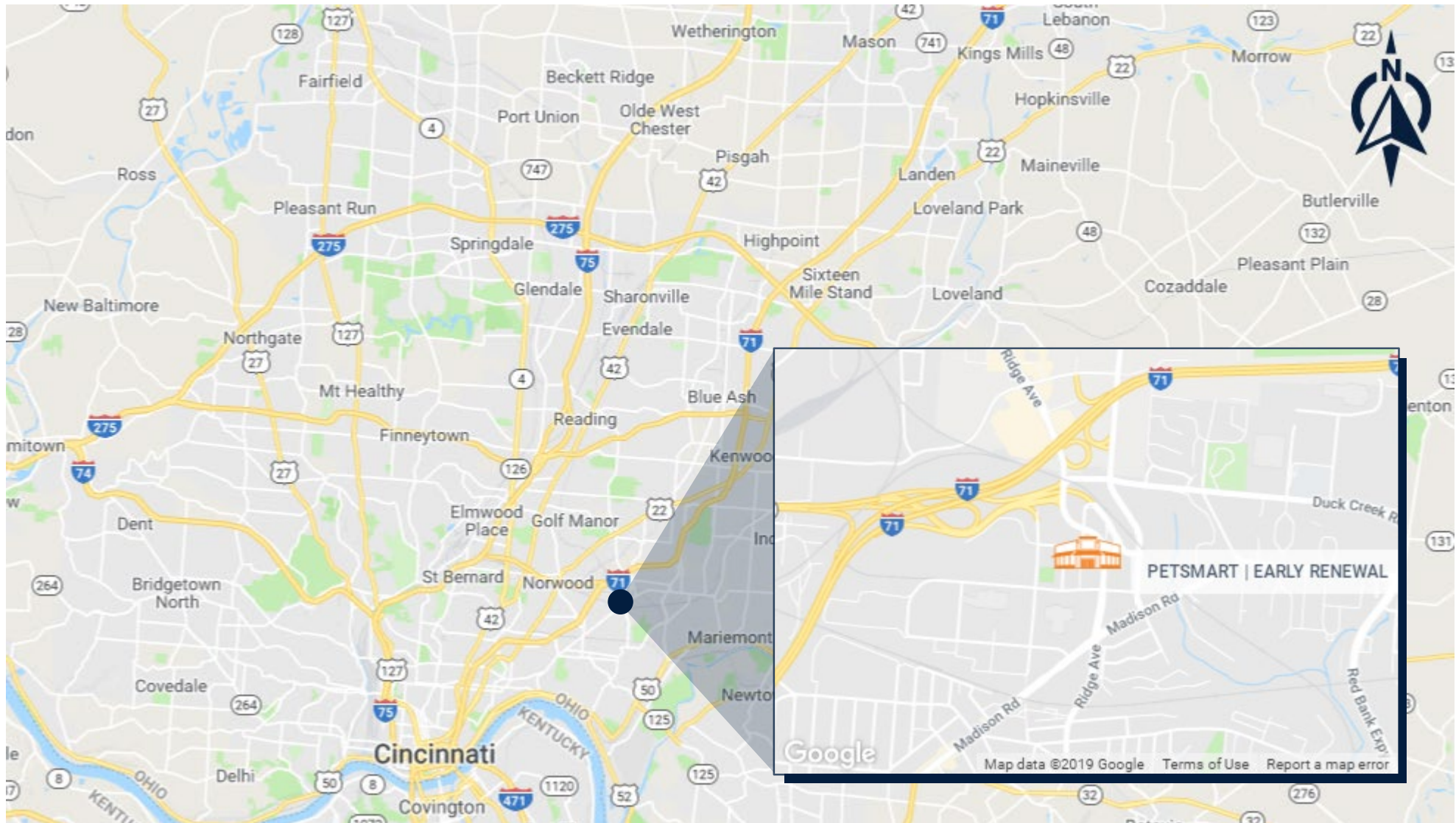


Downtown



Airport

3401 Alamo Avenue, Cincinnati, Ohio 45209







MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,678
debt and equity
financings
in 2018**



**National platform
operating
within the firm's
brokerage
offices**



**\$6.24 billion
billion total
national
volume in 2018**



**Access to
more capital
sources than
any other firm
in the industry**

WHY MMCC?

**Optimum financing solutions
to enhance value**

**Our ability to enhance
buyer pool by expanding
finance options**

**Our ability to enhance
seller control**

- Through buyer qualification support
- Our ability to manage buyers finance expectations
- Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings
- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file

CINCINNATI OVERVIEW

The Cincinnati metro is a 15-county region located within portions of Ohio, Kentucky and Indiana that maintains a population of nearly 2.2 million. The Ohio counties are Hamilton, Brown, Warren, Butler and Clermont. The counties in Indiana are Dearborn, Ohio and Franklin, and the Kentucky counties are Campbell, Grant, Boone, Gallatin, Pendleton, Bracken and Kenton. Nine Fortune 500 companies are located in the metro and provide thousands of jobs: Kroger, Cintas, Cincinnati Financial, Proctor & Gamble, Macy's, Fifth Third Bancorp, AK Steel Holding, American Financial Group and Western & Southern Financial Group. Revitalization and the addition of bars, restaurants and services in downtown and the Over-the-Rhine neighborhood are drawing millennials into the urban core.

METRO HIGHLIGHTS



DIVERSIFYING ECONOMY

Growth in service-oriented industries has lessened the metro's dependence on the manufacturing and transportation sectors.



ATTRACTIVE BUSINESS ENVIRONMENT

Companies are drawn to the region's low cost of doing business, while employees enjoy a relatively affordable place to live.



CENTRAL DISTRIBUTION POINT

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



ECONOMY

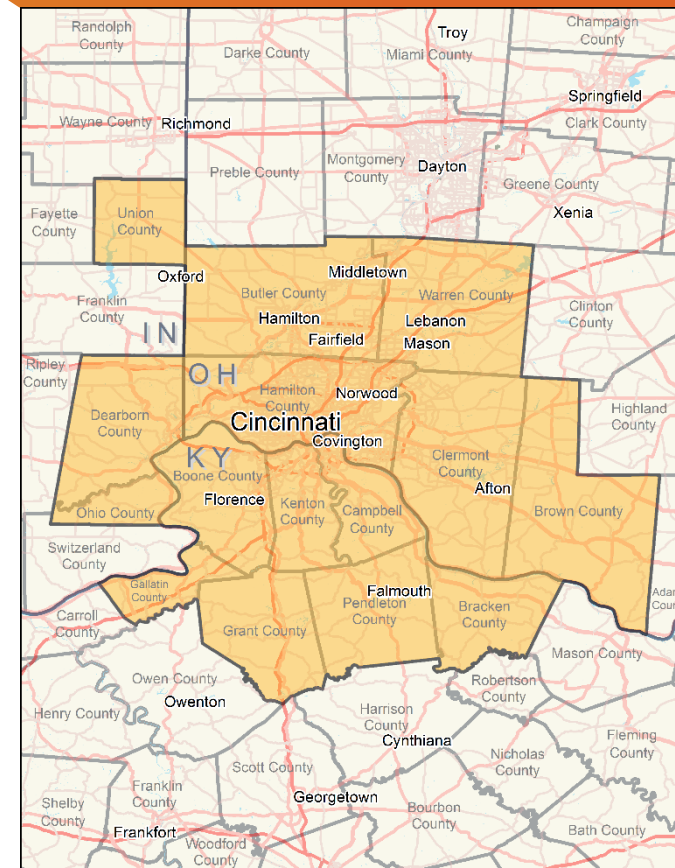
- An excellent transportation system; lower property, corporate and state taxes; and state tax credit initiatives are major incentives that draw companies.
- The area's traditional employment bases in aerospace, automotive, chemistry and financial services will continue to contribute to the metro's economic landscape.
- New employment sectors also position the metro for growth, including consumer products and creative services, information technology, and life sciences.
- Local research is being conducted in biomass, fuel cell, solar, and wind energy.

MAJOR AREA EMPLOYERS

Kroger Co.
University of Cincinnati
Proctor & Gamble
Cincinnati Children's Hospital Medical Ctr.
UC Health
TriHealth Inc.
Walmart
Mercy Health
Fifth Third Bank
GE Aviation



MARKET OVERVIEW



SHARE OF 2018 TOTAL EMPLOYMENT

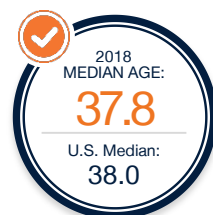




DEMOGRAPHICS

- The metro is expected to add nearly 80,000 people and approximately 37,200 households through 2023.
- Household incomes near the national median allow 66 percent of households to afford to own their homes.
- Roughly 31 percent of residents age 25 and older have earned a bachelor's degree; of these residents, 11 percent also hold a graduate or professional degree.

2018 Population by Age



QUALITY OF LIFE

Cincinnati offers a wide range of cultural and entertainment activities. The Cincinnati Symphony Orchestra is one of the country's finest orchestras. Riverbend concert arena on the banks of the Ohio River provides summer entertainment, while more than 100 museums and galleries are located in the metro. The region has several entertainment corridors including Mount Adams and the expanding Main Street district. Cincinnati offers professional baseball, football, hockey, soccer, tennis, volleyball, car racing and horse racing. A number of universities have main campuses in the area, the University of Cincinnati, Xavier University and Northern Kentucky University. Miami University is located in nearby Oxford.

* Forecast

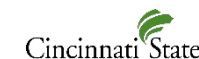
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



EDUCATION



ARTS & ENTERTAINMENT



Created on June 2019

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	8,947	108,680	229,788
■ 2018 Estimate			
Total Population	8,909	110,627	234,177
■ 2010 Census			
Total Population	8,526	108,518	230,930
■ 2000 Census			
Total Population	9,420	118,942	255,352
■ Current Daytime Population			
2018 Estimate	18,257	116,412	282,083
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	4,751	50,695	104,194
■ 2018 Estimate			
Total Households	4,700	51,106	105,137
Average (Mean) Household Size	1.79	2.11	2.18
■ 2010 Census			
Total Households	4,520	50,515	104,416
■ 2000 Census			
Total Households	4,888	54,130	112,942
■ Occupied Units			
2023 Projection	4,751	50,695	104,194
2018 Estimate	5,246	57,081	119,965
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	8.74%	12.41%	11.05%
\$100,000 - \$149,000	12.27%	12.68%	12.16%
\$75,000 - \$99,999	10.91%	11.43%	11.12%
\$50,000 - \$74,999	18.78%	18.00%	17.50%
\$35,000 - \$49,999	13.89%	11.71%	11.62%
Under \$35,000	35.41%	33.77%	36.54%
Average Household Income	\$72,251	\$84,873	\$80,914
Median Household Income	\$50,755	\$55,421	\$52,316
Per Capita Income	\$38,424	\$39,452	\$36,614

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$58,821	\$62,054	\$60,109
■ Consumer Expenditure Top 10 Categories			
Housing	\$15,399	\$16,208	\$15,636
Transportation	\$9,918	\$10,546	\$10,394
Shelter	\$8,548	\$8,853	\$8,510
Personal Insurance and Pensions	\$7,112	\$7,633	\$7,076
Food	\$6,178	\$6,596	\$6,381
Utilities	\$3,636	\$3,892	\$3,804
Health Care	\$3,617	\$4,297	\$4,276
Entertainment	\$2,320	\$2,385	\$2,304
Household Furnishings and Equipment	\$1,550	\$1,677	\$1,636
Apparel	\$1,393	\$1,393	\$1,348
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	8,909	110,627	234,177
Under 20	16.19%	22.34%	23.48%
20 to 34 Years	36.60%	26.02%	23.73%
35 to 39 Years	8.39%	7.06%	6.57%
40 to 49 Years	10.78%	11.38%	11.51%
50 to 64 Years	15.79%	19.24%	20.15%
Age 65+	12.26%	13.95%	14.58%
Median Age	33.80	36.06	37.01
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	6,865	78,772	164,375
Elementary (0-8)	1.09%	1.49%	1.95%
Some High School (9-11)	5.42%	6.79%	7.81%
High School Graduate (12)	18.55%	21.05%	24.01%
Some College (13-15)	17.16%	17.00%	18.20%
Associate Degree Only	7.70%	6.73%	6.97%
Bachelors Degree Only	29.85%	27.07%	23.53%
Graduate Degree	19.44%	18.97%	16.54%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 110,627. The population has changed by -6.99% since 2000. It is estimated that the population in your area will be 108,680.00 five years from now, which represents a change of -1.76% from the current year. The current population is 47.03% male and 52.97% female. The median age of the population in your area is 36.06, compare this to the US average which is 37.95. The population density in your area is 3,907.57 people per square mile.



Households

There are currently 51,106 households in your selected geography. The number of households has changed by -5.59% since 2000. It is estimated that the number of households in your area will be 50,695 five years from now, which represents a change of -0.80% from the current year. The average household size in your area is 2.11 persons.



Income

In 2018, the median household income for your selected geography is \$55,421, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 43.15% since 2000. It is estimated that the median household income in your area will be \$63,796 five years from now, which represents a change of 15.11% from the current year.

The current year per capita income in your area is \$39,452, compare this to the US average, which is \$32,356. The current year average household income in your area is \$84,873, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 64.36% White, 29.60% Black, 0.04% Native American and 1.98% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 3.22% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$174,484 in 2018, compare this to the US average of \$201,842. In 2000, there were 29,724 owner occupied housing units in your area and there were 24,406 renter occupied housing units in your area. The median rent at the time was \$432.



Employment

In 2018, there are 55,222 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 67.27% of employees are employed in white-collar occupations in this geography, and 32.58% are employed in blue-collar occupations. In 2018, unemployment in this area is 4.25%. In 2000, the average time traveled to work was 22.00 minutes.

BROKER OF RECORD

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PETSMART | EARLY RENEWAL
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