

OFFERING MEMORANDUM

# FREE-STANDING STAPLES SINGLE TENANT NN INVESTMENT

2981 S ARLINGTON ROAD | AKRON, OH 44312

123,894 VPD

AspenDental



S Arlington Rd - 18,461 VPD

KOHL'S

STAPLES  
The Office Supercenter

Denny's

Applebee's

golden  
corral

ihop

AT&T  
Mattress Firm  
Mr. Hero

EconoLodge

Red Roof Inn

Walmart  
Supercenter

Red  
Roof  
Inn

KOHL'S

CARMAX

CBRE

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# EXECUTIVE SUMMARY

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## INVESTMENT HIGHLIGHTS

CBRE presents the opportunity to acquire a free-standing 24,049 square foot building situated on a 1.31 acre parcel of land, 100% leased to USR Parent, Inc (Staples) through November 2023. The property is located in the heart of the Arlington Road retail corridor on the outparcel to Kohls. The regional anchors include Walmart, Home Depot, Target & more. This offering provides an investor with the ability to acquire the fee simple interest (building and land) to a long term NN lease backed by USR Parent, Inc.

**+ Staples recently signed a new 5 year lease extension showing its long term commitment to this location.**



## INVESTMENT SUMMARY

### 2981 S ARLINGTON ROAD, AKRON, OH 44312

Offering Price .....	\$4,200,000
Base Rent.....	\$330,673.75
Cap Rate .....	7.87%
Lease Type .....	NN
Price PSF .....	\$172.62
Total Building Area .....	24,049 SF
Total Land Area .....	1.31 Acres

\* Based on lease renewal, reduced rental rate. Current rent is higher.



## INVESTMENT HIGHLIGHTS

- + Lease Term: Original lease term was 15 years initially expiring on 11/30/2013 (at rental rate of \$12.75 PSF), Staples, Inc. executed their second 5 year lease renewal extension commencing on 12/1/2018. The lease renewal increased the base rent from \$13.25 PSF to a market rental rate of \$13.75 PSF. There are two (2) additional five (5) year options remaining with \$.50 PSF increases in the base rental rate.
- + Major Capital Improvements: In conjunction with Landlord responsibility in the Lease, Landlord underwent the following capital improvements 1.) \$60,000 on replacement of HVAC system in 2014, 2.) \$50,000 parking lot overlay June 2019.
- + The lease is guaranteed by USR Parent, Inc, Staples parent company is privately held and has over 1,220 locations in the U.S. and 40 warehouses/ fulfillment centers.



- + Strong Store: Although Tenant is not obligated to report sales under the lease, long term lease renewal is a testament to the store's success and long term viability at market option rents without rent reductions.
- + Lease Structure: the lease structure is a double net (NN) lease with minimal landlord responsibility.
- + Tenant Responsibilities:
  - Real Estate Taxes
  - HVAC maintenance repair and replacement
  - Maintenance to exterior of Premises and keep loading docks in good working order.
- + Landlord Responsibilities:
  - Repair and replacement of parking lot
  - Reimbursement for unamortized cost of HVAC repairs and replacements during the final 5 years of Term (as extended)
  - Maintain exterior and structural portions of the building, including repair and replacement of foundations, floors (excluding floor coverings), structural supports, roof and roof structures, exterior portions of walls, canopies, and storefronts (other than plate glass vestibules and exterior doors serving the building) and excluding the loading docks.

# WHY AKRON, OHIO



#2

**SITE SELECTION**  
MAGAZINE RANKED  
AKRON #2 AMONG  
METROS WITH  
POPULATIONS OF 200,000  
TO 1 MILLION FOR NEW  
BUSINESS EXPANSIONS  
AND RELOCATION FOR  
TWO CONSECUTIVE  
YEARS.

THE GREATER AKRON REGION IS  
INTERNATIONALLY RECOGNIZED AS  
THE  
“**POLYMER CENTER OF THE  
AMERICAS**”

CANTON'S ENERGY INDUSTRY IS EXPECTED TO  
**GROW 33%** OVER THE NEXT 10 YEARS.

AKRON RANKS  
**4<sup>TH</sup> IN OHIO**  
WITH TOTAL NEW BUSINESS STARTS



**80,000**  
BARRELS OF CRUDE  
OIL IS REFINED AT  
THE MARATHON  
REFINERY PER DAY

## NOTABLE GREATER AKRON COMPANIES

COMPANY	#EMPLOYEES
Summa Health	11,000
Kent State University	3,964
Aultman Hospital	5,500
Cleveland Clinic Akron General	3,953
Akron Children's Hospital	3,380
The Goodyear Tire & Rubber Co.	3,000
Summit County	2,969
Signet Jewelers Inc.	2,900
Akron Public Schools	2,780
University of Akron	2,622
FirstEnergy Corp.	2,500
The Timken Co.	2,350
Mercy Medical Center	2,013
Babcock & Wilcox Power Co.	1,900
City of Akron	1,828
Diebold Inc.	1,700
Allstate Insurance Co.	1,625
Freshmark Inc.	1,327
Huntington Bank	1,253
InfoCision Management Co.	1,200
Jo-Ann Fabric & Craft Stores	1,159
Bridgestone	1,000

**Fortune 500 Company**  
**Fortune 1000 Company**

Source: Greater Akron Chamber (2017)



population  
**1,121,406**



households  
**452,937**



number of major colleges/universities  
**10**



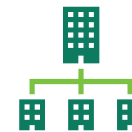
workforce with bachelor's degree or higher  
**27.3%**



CAK annual passengers  
**1.26 million**



number of restaurants/bars  
**+2,300**



number of fortune 1000 headquarters  
**4**



annual gross domestic product  
**\$55.2 billion**



investment in downtown  
**Akron: \$58m**  
**Canton: \$39.7m**



High-tech employment  
**+13,200**



annual average household income  
**\$69,843**



major health systems  
**5**

Source: ESRI, CBRE Research, 2017; Bureau of Economic Analysis, Greater Akron Chamber; Moody's

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# LEASE SUMMARY | PROPERTY OVERVIEW

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## LEASE SUMMARY

<b>TENANT:</b>	Staples, Inc. (USR Parent, Inc.)
<b>INITIAL LEASE TERM:</b>	15 years
<b>INITIAL LEASE DATE:</b>	7/27/1998
<b>LEASE RENEWAL COMMENCEMENT: (NEW 5 YEAR TERM)</b>	12/1/2018
<b>LEASE EXPIRATION:</b>	11/30/2023
<b>CURRENT ANNUAL RENT:</b>	\$13.75
<b>RENTAL ADJUSTMENTS:</b>	Option 1: \$14.25 PSF Option 2: \$14.75 PSF
<b>OPTION PERIODS:</b>	2, 5 year renewal options
<b>LEASE TYPE:</b>	Double Net (NN)
<b>STRUCTURE:</b>	Landlord Responsibility
<b>ROOF:</b>	Tenant Responsibility
<b>HVAC:</b>	Tenant Responsibility*
<b>CAM/ PARKING:</b>	Landlord Responsibility
<b>INSURANCE:</b>	Tenant Responsibility
<b>UTILITIES:</b>	Tenant Responsibility
<b>PROPERTY TAXES:</b>	Tenant Responsibility

\*Note: Landlord pays for reimbursement for unamortized cost of HVAC repairs and replacements during the final 5 years of Term (as extended).

FREE-STANDING STAPLES  
2981 S ARLINGTON ROAD

RETAIL

### INITIAL LEASE TERM - RENT SCHEDULE

Lease Months / Years	Annual Rent	Monthly Rent	PSF
12/1/2018 - 11/30/23	\$333,673.75	\$27,556.14	\$13.75

### LEASE RENEWAL OPTIONS (IF EXERCISED)

Period	Annual Rent	Monthly Rent	PSF
12/1/2023 - 11/30/2028	\$342,698.25	\$28,588.19	\$14.25
12/1/2028 - 11/30/2033	\$354,722.75	\$29,560.23	\$14.75



## PROPERTY INFO

FREE-STANDING STAPLES  
2981 S ARLINGTON ROAD

RETAIL

PROPERTY ADDRESS:	2981 S Arlington Road Akron, OH 44312
COUNTY:	Summit County
PARCEL NUMBER:	5200103
SQUARE FOOTAGE:	24,049 SF
SITE SIZE:	1.31 Acres
YEAR BUILT:	1998
2018 PROPERTY TAXES:	\$39,499
ZONING:	B-2 (General Business)
PARKING:	91 spaces
TYPE OF OWNERSHIP:	Fee Simple







## PROPERTY PHOTOS

FREE-STANDING STAPLES  
2981 S ARLINGTON ROAD

RETAIL



PROPERTY OVERVIEW

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## PROPERTY PHOTOS

FREE-STANDING STAPLES  
2981 S ARLINGTON ROAD

RETAIL

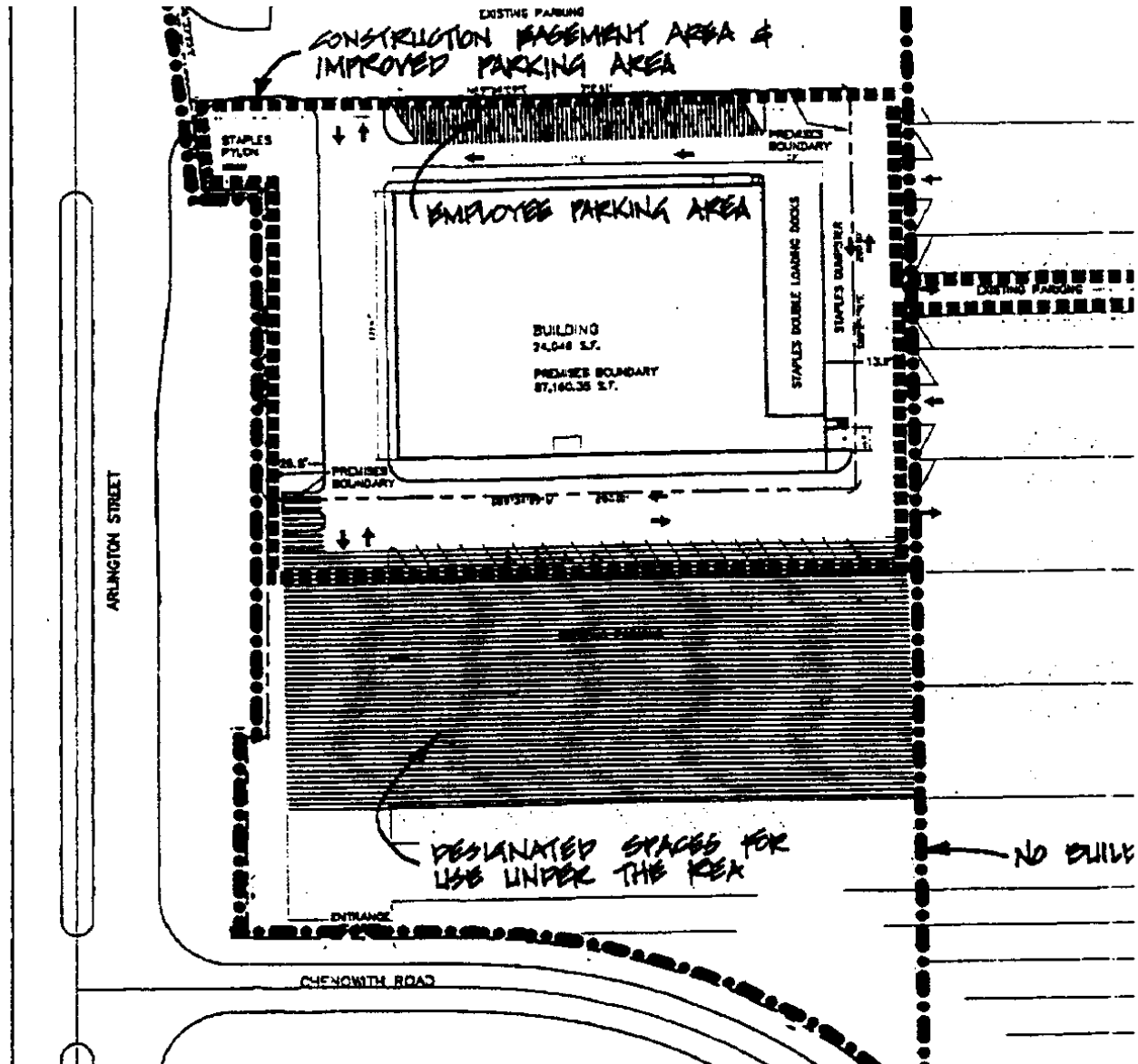


PROPERTY OVERVIEW

CBRE



## PROPERTY SITE PLAN







FREE-STANDING STAPLES  
2981 S ARLINGTON ROAD



# TENANT PROFILE

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# ABOUT STAPLES

Staples, Inc. is an American B2B company that provides businesses and customers with office products and solutions through eCommerce and direct sales. The company consists of three distinct legal entities – its digital and delivery business, referred to as Staples, Staples U.S. Retail and Staples Canada

Staples does business with enterprises in the United States and Canada through their membership program, selling office, facility and breakroom supplies, technology solutions, and furniture and décor.

Staples U.S. Retail is a chain of more than 1,000 American retail stores that sell office supplies, office machines, promotional products, technology, and business services and print & marketing services. The company opened its first store in Brighton, Massachusetts on May 1, 1986 and is also headquartered in Framingham, Massachusetts.

Staples Canada is a Canadian office supply retail chain, part of Staples, Inc. The Canadian operation is headquartered in Richmond Hill, Ontario.

In April 2019, Staples, Inc. went through a full brand transformation, underscoring its separation from Staples retail stores. Now, Staples, Inc. stands alone as the company’s digital and delivery business. As part of this rebrand, the company unveiled a new logo that features an icon shaped like an unused staple or a simple desk. The company also announced that it would introduce a new line of independent product brands, including TRU RED (business essentials), Coastwide Professional (facility supplies), NXT Technologies, Perk (office break room supplies), and Union & Scale (furniture), and introduced a publication focused on office products/solutions called The Loop.



## STAPLES CORPORATE OVERVIEW

TYPE:	Private
INDUSTRY:	Retail
LOCATIONS:	1,220
EMPLOYEES:	61,503+
CORPORATE HEADQUARTERS:	Framingham, MA



# MARKET OVERVIEW

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# AKRON, OH

## RETAIL TRADE AREA

### TRADE AREA INFO

S Main St & W Exchange St (3 mi)

- Population: 120,353
- Daytime Population: 155,024
- Average HH Income: \$45,583
- Total Businesses: 3,971
- Total Employees: 86,042

### HOTELS

2 Hotels/217 Rooms

- Courtyard - 146 Rooms
- BLU-tique Hotel - 71 Rooms (Opening in 2019)

### POINTS OF INTEREST

1. Akron Zoo
2. Akron Art Museum
3. John S. Knight Center
4. Akron Civic Theater
5. Canal Park-Akron RubberDucks

### MAJOR OFFICE BLDGS

Total Office: 7.4 MSF\*

1. Akron Centre Plaza - 195,623 SF
2. First Energy Building - 330,000 SF
3. Huntington Bank - 176,000 SF
4. PNC Center - 233,889 SF
5. The Law Building - 212,252 SF
6. 222 S Main St - 230,000 SF
7. 285 S Main St - 300,000 SF
8. AES Building - 457,362 SF
9. Canal Place - 788,000 SF

\*Source: CoStar

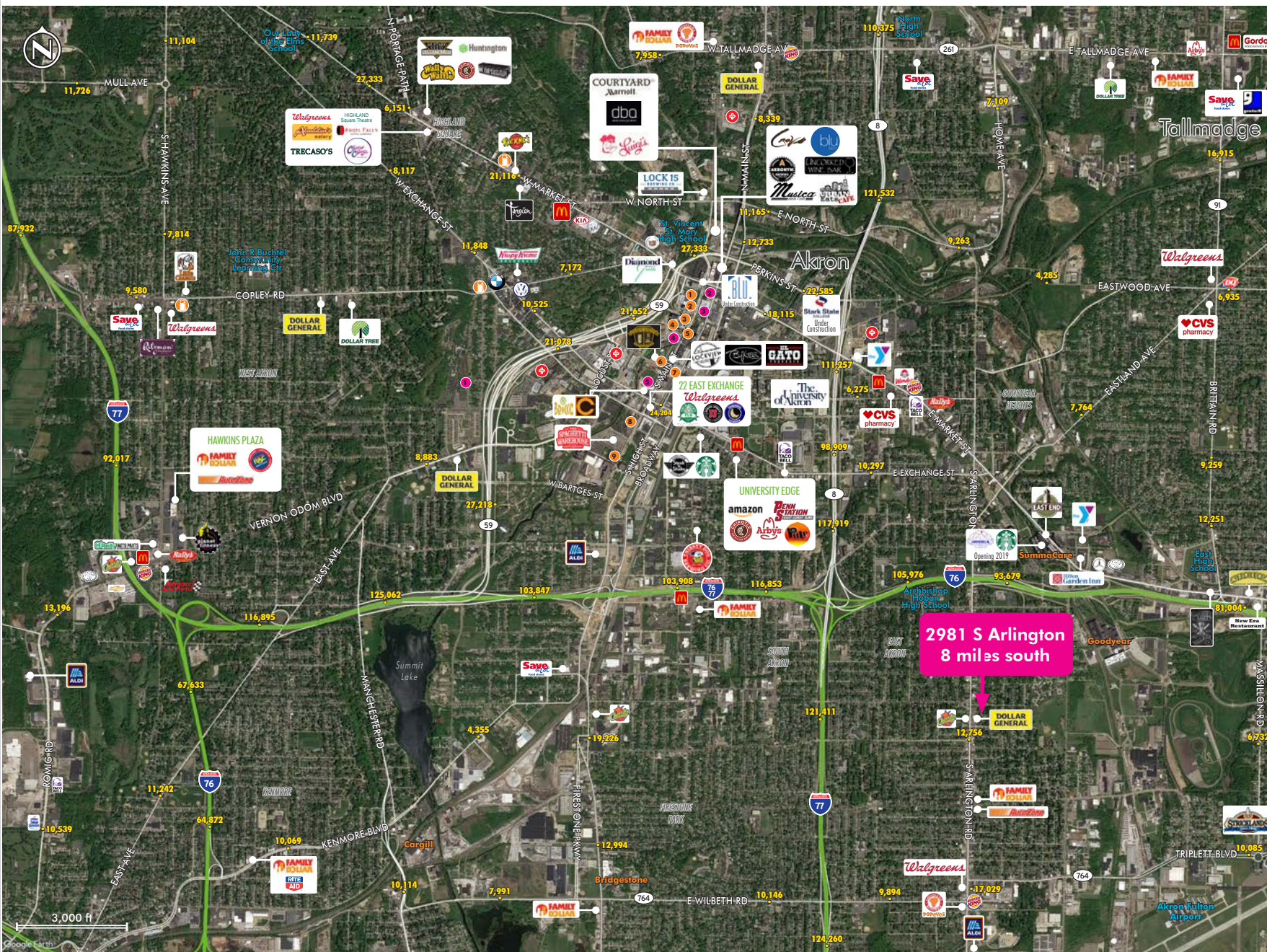
### MAJOR EMPLOYERS

- Summa Health - 11,000
- Cleveland Clinic-Akron General - 3,593
- Akron Children's - 3,380
- Summit County Gov't - 2,969
- University of Akron - 2,622
- First Energy - 2,500
- Huntington Bank - 1,253
- Akron Public Schools - 2,755
- City of Akron - n/a

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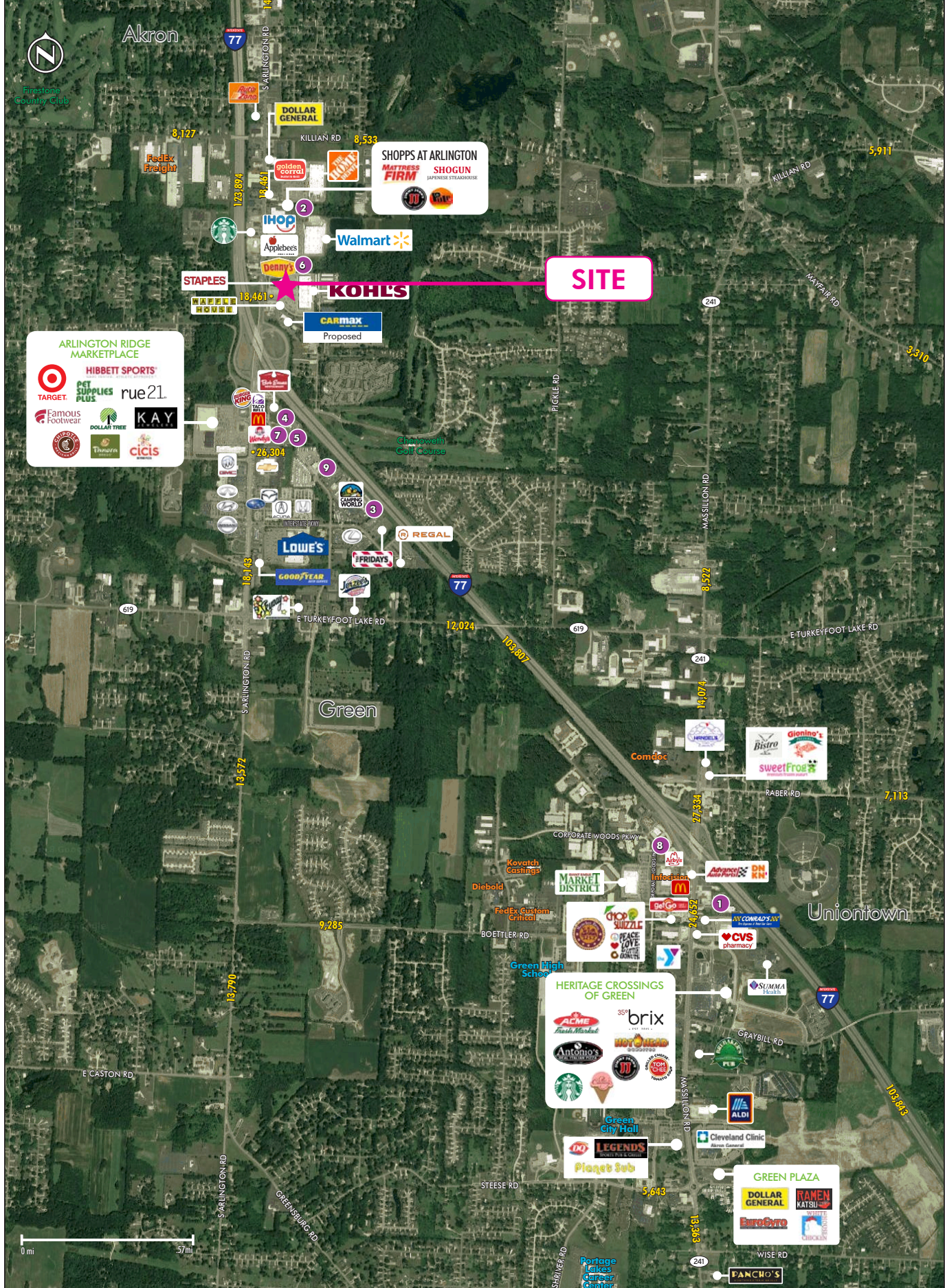
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Last Updated: February 8, 2019





## GREEN-SOUTH ARLINGTON RD RETAIL TRADE AREA

### TRADE AREA INFO

I-77 & S Arlington Rd (3 Miles)

- Population: 30,962
- Daytime Population: 32,833
- Average HH Income: \$79,333
- Total Businesses: 1,402
- Total Employees: 20,354
- Total Office SF: 1.8 MSF
- Total Industrial SF: 5.5 MSF

### HOTELS

9 Hotels/812 Rooms

1. Cambria Suites - 108
2. Econolodge - 60
3. Fairfield Inn - 85
4. Hampton Inn - 90
5. Holiday Express - 91
6. Red Roof Inn - 121
7. Residence Inn - 80
8. Super 8 - 56
9. Woodspring Suites - 121

### MAJOR EMPLOYERS

1. Diebold - 1,784
2. FedEx Custom Critical - 679
3. Green Local Schools - 529
4. InfoCision - 492
5. Harry London - 250
6. ASC Industries - 176
7. Kovatch Castings - 163





## MARKET OVERVIEW

### AKRON, OHIO

Akron is the fifth-largest city in the U.S. state of Ohio and is the county seat of Summit County. It is located on the western edge of the Glaciated Allegheny Plateau, about 30 miles south of Cleveland. As of the 2017 Census estimate, the city proper had a total population of 197,846, making it the 119th-largest city in the United States. The Greater Akron area, covering Summit and Portage counties, had an estimated population of 703,505.

The city was founded in 1825 by Simon Perkins and Paul Williams, along the Little Cuyahoga River at the summit of the developing Ohio and Erie Canal. The name is derived from the Greek word signifying a summit or high point. It was briefly renamed South Akron after Eliakim Crosby founded nearby North Akron in 1833, until both merged into an incorporated village in 1836. In the 1910s, Akron doubled in population, making it the nation's fastest-growing city.

A long history of rubber and tire manufacturing, carried on today by Goodyear Tire, gave Akron the nickname "Rubber Capital of the World". It was once known as a center of airship development.[5][6] Today, its economy includes manufacturing, education, healthcare, and biomedical research; leading corporations include Gojo Industries, FirstEnergy, Huntington Bank, and Charter Spectrum.

Many industries in the United States either began or were influenced by the city. After beginning the tire and rubber industry during the 20th century with the founding of Goodrich, Firestone, General Tire, and also the Goodyear merger with The Kelly-Springfield Tire Company, Akron gained the status of "Rubber Capital of the World". Akron has won economic awards such as for City Livability and All-American City, and deemed a high tech haven greatly contributing to the Information Age. Current Fortune 500 companies headquartered in the city include the Goodyear Tire and Rubber Company and FirstEnergy. In addition, the city is the headquarters to a number of other notable companies such as GOJO, Advanced Elastomer Systems, Myers Industries, Acme Fresh Market and Sterling Jewelers. Goodyear, America's biggest tire manufacturer and the fifth-largest private employer in Summit County,[107] recently built a new world headquarters in the city. The project, Akron Riverwalk, will feature a large retail and commercial development area.[108] The project began in 2007, but was put on hold because of the financial crisis of 2007–2010, and is now continuing.[109] Bridgestone built a new technical center with state-of-the-art R&D labs, and moved its product development operations to the new facility in early 2012.[110][111] The Eastern Ohio Division of KeyBank, which has six branches in the city, built a regional headquarters downtown.[112] The city has a free WiFi corridor centered in downtown. Neighborhoods in range include Goodyear Heights, East Akron, North Hill, Firestone Park, Kenmore, and West Akron.

\* Source: Wikipedia

### AKRON TOP EMPLOYERS

SUMMA HEALTH	11,000
CLEVELAND CLINIC - AKRON GENERAL	3,593
AKRON CHILDREN'S	3,380
SUMMIT COUNTY GOVT.	2,969

\* Source: CBRE, Inc. Research





## DEMOGRAPHIC PROFILE

		1 MILE RADIUS	3 MILES RADIUS	5 MILES RADIUS	7 MILES RADIUS	10 MILES RADIUS
POPULATION	2018 Total Population	3,398	31,725	115,042	235,887	428,781
	2023 Projected Population	3,430	32,253	115,890	237,027	431,785
	2018 Daytime Population	5,879	34,788	107,029	258,728	442,893
	2018 Employees	4,027	22,111	49,607	144,102	232,477
	2010 Census Population	3,330	31,353	114,437	234,982	424,913
	2018 Median Age	43.8	43.5	41.9	39.3	41.0
HOUSEHOLDS	2018 Households (YTD)	1,318	13,357	47,114	94,767	175,741
	2023 Projected Households	1,332	13,572	47,472	95,264	177,111
	2010 Census Households	1,292	13,196	46,823	94,409	173,965
	2018 Average Household Size	2.50	2.36	2.42	2.43	2.39
INCOME	2018 Median Income	\$65,726	\$56,084	\$49,836	\$44,200	\$49,575
	2023 Projected Median Income	\$74,750	\$62,689	\$54,601	\$50,330	\$54,321
	2018 Average Income	\$94,946	\$76,312	\$64,273	\$58,929	\$65,276
	2023 Projected Average Income	\$111,647	\$89,674	\$74,658	\$68,111	\$75,241
	2018 Per Capita Income	\$37,418	\$32,168	\$26,461	\$23,910	\$27,036
HOUSING	2018 Housing Units	1,292	13,196	46,823	106,190	192,659
	2018 Occupied Units	1,318	13,357	47,114	94,767	175,741
	2018 Vacant Units	171	1,138	5,145	12,294	19,811
	2018 Owner Occupied Units	947	8,872	31,110	57,819	109,501
	2018 Renter Occupied Units	371	4,485	16,004	36,948	66,240
	2018 Median Housing Value	\$188,314	\$171,665	\$128,029	\$114,506	\$130,887
	2018 Average Housing Value	\$214,662	\$203,172	\$157,053	\$145,973	\$161,283



OFFERING MEMORANDUM

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