

# VERIZON

6464 S RACCOON ROAD, CANFIELD, OHIO



OFFERING MEMORANDUM

Marcus & Millichap





The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2013 Marcus Millichap. ACT ID Z0070501



# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$1,927,000</b>
Down Payment	100% \$1,927,000
Cap Rate	6.60%
Building SF	3,000 SF
Net Cash Flow	6.60% \$127,185
Year Built	2019
Land/Lot Size	.48 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Cellular Sales of Colorado LLC
Guarantor	Cellular Sales of Knoxville, Inc.
Roof & Structure	Landlord Responsible
Lease Commencement Date	August 28, 2019
Lease Expiration Date	August 27, 2029
Lease Term	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	2, 5 Year Options

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$127,185	6.60%
6 - 10	\$139,904	7.26%
Options	Annual Rent	Cap Rate
Option 1	\$153,894	7.99%
Option 2	\$169,283	8.78%

<b>Base Rent</b>	<b>\$127,185</b>
<b>Net Operating Income</b>	<b>\$127,185</b>
<b>Total Return</b>	<b>6.60% \$127,185</b>

**verizon**✓





26,300 CPD  
OH-11

11



19,230 CPD  
BOARDMAN-CANFIELD RD



FUTURE DEVELOPMENT

9,800 CPD  
S RACCOON RD







RubyTuesday



FUTURE DEVELOPMENT



9,800 CPD  
S RACCOON RD

19,230 CPD  
BOARDMAN-CANFIELD RD

26,300 CPD  
OH-11



# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Lease with Verizon - 2019 Construction**
- » 10% Rental Increases Every 5 Years
- » **Tenant is the Largest Verizon Retailer in the United States - 700+ Locations**
- » 86,214 Residents within a 5-Mile Radius
- » **Excellent Location Immediately Off OH-11 (26,300+ Cars/Day)**
- » Visible to 29,000+ Cars/Day at the Nearby Intersection of Boardman-Canfield Road and S Raccoon Road
- » **Surrounded by National Retailers** - Giant Eagle Supermarket, McDonald's, CVS, Starbucks, Chipotle, and More
- » Strong Daytime Population - 76,107 Employees in Trade Area
- » **Average Household Income Exceeds \$98K in Immediate Area**
- » Minutes from Canfield High School (935 Students)



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2023 Projection	3,187	27,237	86,791
2018 Estimate	3,071	26,525	86,214
Growth 2018 – 2023	3.79%	2.68%	0.67%

### Households

2023 Projection	1,567	11,424	37,166
2018 Estimate	1,504	11,049	36,627
Growth 2018 – 2023	4.24%	3.39%	1.47%

### Income

2018 Est. Average Household Income	\$98,440	\$93,268	\$70,204
2018 Est. Median Household Income	\$66,542	\$67,255	\$52,065
2018 Est. Per Capita Income	\$48,198	\$38,919	\$29,964









# Tenant Overview



**Basking Ridge, New Jersey**

Headquarters

**NASDAQ: VZ**

Stock Symbol

**2,330+**

Locations

**[www.verizonwireless.com](http://www.verizonwireless.com)**

Website

Verizon is the largest wireless telecommunications provider in the United States. The company offers the largest 4G LTE network in America and the nation's largest high-speed 3G network. For residential customers, Verizon FiOS is America's largest 100% fiber-optic network to the home, providing the nation's fastest, most consistent and most reliable Internet service, as well as TV with the best picture quality. For large businesses, Verizon is a global IP leader, operating one of the worlds' most connected public Internet backbone networks, delivering solutions that let customers securely connect, communicate and collaborate

around the globe. Verizon operates a national 4G LTE network covering 98% of the U.S. population and is currently developing a 5G network.

Recognized as the largest Verizon wireless retailer in the United States, Cellular Sales was founded in Knoxville, TN in 1993 by University of Tennessee graduates, Dane and Meg Scism. The company employs over 4,600 people and is currently 550 locations strong and growing. The Knoxville area is home to 17 of Cellular Sales' Verizon Wireless retail locations, from Harriman in the west to Jefferson City and Newport in the east.



# Lease Summary

## LESSEE'S OBLIGATIONS

Lessee shall, at Lessee's expense and throughout the Term, keep in clean, sanitary and safe condition the Leased Premises, and except for the repairs Lessor is specifically obligated to make pursuant to the terms of this Lease, make all necessary repairs to the Building. Including, but not limited to, the exterior and interior doors, windows, ceiling tiles, fixtures, carpets and floor coverings, interior and exterior wall surfaces and coverings, plumbing systems and fixtures from the point of entry into the building and the monitoring of any fire suppression system in the Building. In addition, Lessee shall, at Lessee's expense, and throughout the term, be responsible for maintaining the Leased Premises, including, but not limited to, the landscaping, landscape irrigation system, grass mowing, site lighting, trash removal and cleaning of the sidewalks and parking lot, including trash, debris, ice and snow.

## LESSOR'S OBLIGATIONS

Lessor shall, at Lessor's expense and throughout the Term, keep in good repair, maintain and replace, when and if necessary, all structural components of the Building including, but not limited to, the foundations, exterior walls, load bearing walls and columns, subfloors, floors (but not including carpet or tile or other floor covering), the roof, including roof membrane and any other interior damage caused by roof leaks, stairways, under slab and exterior plumbing, site utilities servicing the premises, and window and door frames and the inspections and repairs to any fire suppression system in the Building. Lessee will use reasonable efforts to report to Lessor any defective condition known to or discovered by Lessee that Lessor is required to repair. Lessor will commence any repair or replacement promptly after Lessor is aware of, by notice from Lessee or otherwise, the need for any such repair. Notwithstanding the foregoing, Lessee shall reimburse Lessor for repairs to, but not the replacement of, the roof membrane.

## TAXES

Lessee shall pay, as additional rent, the Real Estate Taxes assessed against the Leased Premises for the period commencing on the Rent Commencement Date and ending on the last day of the Term. The term "Real Estate Taxes" shall mean any and all real property and/or ad valorem taxes, general, special or extraordinary assessments, maintenance fees, municipal utility district or other public, quasi-public or private fees, charges or assessments and any other taxes, now or hereafter applicable to the Leased Premises, but excluding any inheritance, estate, succession, transfer, gift, franchise, corporation, income, or profit tax, or capital levy that is or may be imposed on Lessor.

## INSURANCE

Lessee agrees to procure and maintain during the Term, at its sole cost, the following insurance coverages; Commercial General Liability, Owned Property, Workers' Compensation and Employer's Liability.  
Lessor agrees to procure and maintain during the Term, with Lessee reimbursing such costs as Additional Rent, the following insurance coverages: Building Insurance, Commercial General Liability (optional), Loss of Rents (optional), Earth movement, terrorism and flood insurance (optional).

## UTILITIES

All utilities serving the Leased Premises shall be separately metered and Lessee shall pay directly to the utility service providers all costs for utilities consumed on the Leased Premises including without limitation electricity, water, gas and sewer.

## ASSIGNMENT & SUBLET

Lessee may not sublease the Leased Premises or any portion thereof nor assign this Lease, nor transfer (by sale, assignment, operation of law or other disposition except for a guarantor hereof) any or all of the ownership interest of Lessee so as to result in a change in the effective voting control of Lessee by the person or persons owning a majority of said interest on the Signature Date of this Lease, without first obtaining Lessor's written consent. Consent to one Transfer shall not be construed as a consent to any subsequent Transfer. Notwithstanding a Transfer, Lessee shall not be relieved of liability hereunder nor shall the Guarantor be relieved of its liability under the Guaranty.





# Location Overview



Canfield is a suburban city located in Mahoning County, Ohio. The city was founded in 1978 as a 16,324-acre tract located on the southeastern border of the Connecticut Western Reserve Territory. Canfield is home to the Canfield Fair, which was first held on October 5, 1847. Today, the fair is a popular attraction, drawing hundreds of thousands of people from all over the country.

Greater Cleveland is ranked as the 32nd largest metropolitan area in the United States, with 2,055,612 people in 2016. Located on the southern shore of Lake Erie, Cleveland is approximately 60 miles west of the Pennsylvania border. Cleveland is home to the corporate headquarters of many large companies such as Applied Industrial Technologies, Cliffs Natural Resources, Eaton Corp., KeyBank, Progressive, Travel Centers of America, and Sherwin-Williams.

Cleveland's location on the Cuyahoga River and Lake Erie has been key to its growth. The Ohio and Erie Canal coupled with rail links helped establish the city as an important business center. Steel and many other manufactured goods emerged as leading industries. The Greater Cleveland region diversified its economy in addition to its manufacturing sector. Cleveland is home to the corporate headquarters of many large companies such as Applied Industrial Technologies, Cliffs Natural Resources, Forest City Enterprises, NACCO Industries, Sherwin-Williams Company and KeyCorp. NASA maintains a facility in Cleveland, the Glenn Research Center. Jones Day, one of the largest law firms in the US, began in Cleveland. Cleveland is also home to the Rock and Roll Hall of Fame.



# [ exclusively listed by ]

**Jamie A. Medress**

Senior Managing Director  
602 687 6778  
jmedress@marcusmillichap.com

**Mark J. Ruble**

Senior Managing Director  
602 687 6766  
mruble@marcusmillichap.com

**Chris N. Lind**

First Vice President  
602 687 6780  
chris.lind@marcusmillichap.com

**Michael Glass**

Broker of Record  
License: BRK.2007005898

Offices Nationwide  
[www.marcusmillichap.com](http://www.marcusmillichap.com)

**NET LEASED DISCLAIMER**

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

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

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.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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.

**CONFIDENTIALITY AGREEMENT**

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

**Marcus & Millichap**