



# COMCAST CORPORATION

CUSTOMER CONTACT CENTER | TUCSON, AZ

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## OUR STORY

B+E is a modern investment brokerage firm, specializing in net lease real estate and 1031 exchanges. We help clients buy and sell single tenant real estate. Founded by deeply experienced brokers, B+E redefines trading through an intuitive end-to-end transaction platform comprising of user-friendly dashboards and an AI-driven exchange — all leveraging the largest data set in the net lease industry.

Complementing senior talent with exceptional technology, B+E's proprietary process affords greater speed, unrivaled transaction efficiencies, and stronger asset value. With offices in New York, Chicago, Tampa, Atlanta, Denver, and San Francisco, our brokers trade property for our clients across the US. B+E allows virtually anyone to confidently trade net lease real estate.





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## OFFERING PRICE

\$35,150,000

## CAP RATE

6.60%

## EXECUTIVE SUMMARY

|                        |                                       |
|------------------------|---------------------------------------|
| TENANT NAME            | Comcast Corporation                   |
| ADDRESS                | 4690 N. Oracle Road, Tucson, AZ 85705 |
| CREDIT RATING          | A- (S&P)                              |
| ASKING PRICE           | \$35,150,000                          |
| ASKING CAP             | 6.60%                                 |
| PPSF                   | \$166.47                              |
| NOI                    | \$2,320,148*                          |
| LEASE TYPE             | NN                                    |
| RENT INCREASES         | In Options                            |
| REMAINING LEASE TERM   | +/- 6.15 Years                        |
| BUILDING SIZE          | +/- 211,152 SF                        |
| LAND AC                | 5.15 AC                               |
| PARKING                | +/- 1,050 Spaces                      |
| PROPERTY TYPE          | Office                                |
| YEAR BUILT   RENOVATED | 1987   2016                           |

\*Rent 02/01/2021



## PROPERTY OVERVIEW

This Comcast (A- S&P) Corporate Office houses the new IT, communications, and social media operations. A \$25M renovation turned what was once a trail mall into a state of the art Customer Contact Center facility for Comcast. The renovation in 2016 retrofitted the property with 3 floors, totaling 211,152 SF, comprised of product training labs, training rooms, video conference facilities, a cafeteria, a training auditorium, and a fitness center. The property also includes a parking garage with approximately 1,050 covered parking spaces on four levels. The location has a staff with an estimated combined payroll of +/- \$35M. The staff is comprised of information technology and customer support workers as well as a specialized group of employees focused on Comcast's social media presence through the use of Facebook and Twitter. The former mall building was chosen by Comcast for its abundance of nearby amenities (including the Tucson Mall, public transportation options, and numerous restaurant options), its large bilingual customer service labor pool, and the convenience of the Mountain Time Zone.



## INVESTMENT GRADE TENANT

Comcast Corporation (NASDAQ: CMCSK) is a Fortune 40 company with an investment grade credit of A- from Standard and Poor's. In 2018, Comcast Corporation had revenue of \$94.51 billion and a market capitalization of \$206.10 billion.

## MISSION CRITICAL FACILITY

Tucson was selected by Comcast because Arizona's time zone is favorable for the work, the area's significant bilingual populations, and the desire to bring customer support operations back to the United States. The facility houses more than 1,100 employees, accounting for more than \$35M in payroll and is estimated to have a \$385M total economic impact on Tucson.

## EXPANDING ASSET CLASS

Companies are poised to increase their contact center footprint by 4% annually through 2020 by means of vacant retail, technology, and a need for labor.

## ARIZONA ECONOMIC GROWTH

Through 2020 Arizona's population and employment growth is expected to be the third-fastest in the country. From 2018 through 2022 the population is forecasted to grow over 7.07%.

## STATE OF THE ART BUILD-OUT

Prior to beginning operations, Comcast Corporations spent +\$8.5M for tenant improvements, indicating commitment to the facility and providing value to the underlying real estate.

## TRANSPORTATION AMENITIES

Located in close proximity to the subject tenant is the Sun Tran's Tohono Transit Center, which serves more than 3,000 riders on weekdays. In addition, adjacent to the property is a bike and pedestrian pathway system connecting over 100 miles of paved path throughout the greater Tucson area called The Loop.

## HIGH-TRAFFIC TRADE AREA

The subject tenant is located within close proximity to the 1.4 million-square-foot Tucson Mall. The mall drives ~18M shopper visits per year, producing more than \$350 million in total retail sales annually.

## FAVORABLE BUSINESS ENVIRONMENT

The City of Tucson awarded tax credits in support of the Comcast facility worth up to \$9,000 over three years for each worker paid at least the median wage in Pima County and with health insurance. The State of Arizona eliminated 676 regulatory burdens in 2017, saving Arizona businesses over \$48 million.

## BELOW MARKET RENT

In the second quarter of 2019, Tucson's office vacancy fell 117 bps year over year to 10.2%. Tucson's vacancy rate is currently lower than the U.S. national rate of 12.3% as well as notable markets including Miami, Chicago, and Philadelphia. The Tucson area has an average office market rent within +/- \$15-\$18 RPSF. Comcast's RPSF is well below market average at \$10.98.





## COMCAST CORPORATION

|                           |                    |
|---------------------------|--------------------|
| NOI                       | *\$2,320,148       |
| LEASE COMMENCEMENT        | January 14th, 2016 |
| LEASE EXPIRATION          | January 13th, 2026 |
| ORIGINAL LEASE TERM       | 10 Years           |
| REMAINING LEASE TERM      | +/- 6.15 Years     |
| RENT INCREASES            | In Options         |
| RENEWAL OPTIONS           | 3; 5-Year          |
| LEASE TYPE                | NN*                |
| LANDLORD RESPONSIBILITIES | Roof, Structure    |

*\*Replacement to the foundation, walls, or roof*

### OPTION 1

| YEAR                    | ANNUAL RENT    | MONTHLY RENT | RPSF    | CAP RATE |
|-------------------------|----------------|--------------|---------|----------|
| 01/04/2026 - 01/13/2027 | \$2,366,550.96 | \$197,212.58 | \$11.21 | 6.73%    |
| 01/14/2027 - 01/13/2028 | \$2,413,881.98 | \$201,156.83 | \$11.43 | 6.87%    |
| 01/14/2028 - 01/13/2029 | \$2,462,159.62 | \$205,179.97 | \$11.66 | 7.00%    |
| 01/14/2029 - 01/13/2030 | \$2,511,402.81 | \$209,283.57 | \$11.89 | 7.14%    |
| 01/14/2030 - 01/13/2031 | \$2,561,630.87 | \$213,469.24 | \$12.13 | 7.29%    |

### OPTION 2

| YEAR                    | ANNUAL RENT | MONTHLY RENT | RPSF       |
|-------------------------|-------------|--------------|------------|
| 01/14/2031 - 01/13/2035 | 95% of FMV  | 95% of FMV   | 95% of FMV |

### OPTION 3

| YEAR                    | ANNUAL RENT | MONTHLY RENT | RPSF       |
|-------------------------|-------------|--------------|------------|
| 01/14/2035 - 01/13/2041 | 95% of FMV  | 95% of FMV   | 95% of FMV |





## DEBT METRICS

|                       |              |
|-----------------------|--------------|
| ORIGINAL LOAN BALANCE | \$19,600,000 |
| INTEREST RATE         | 4.85%        |
| MATURITY DATE         | June 6, 2029 |
| AMORTIZATION          | 30 Years     |

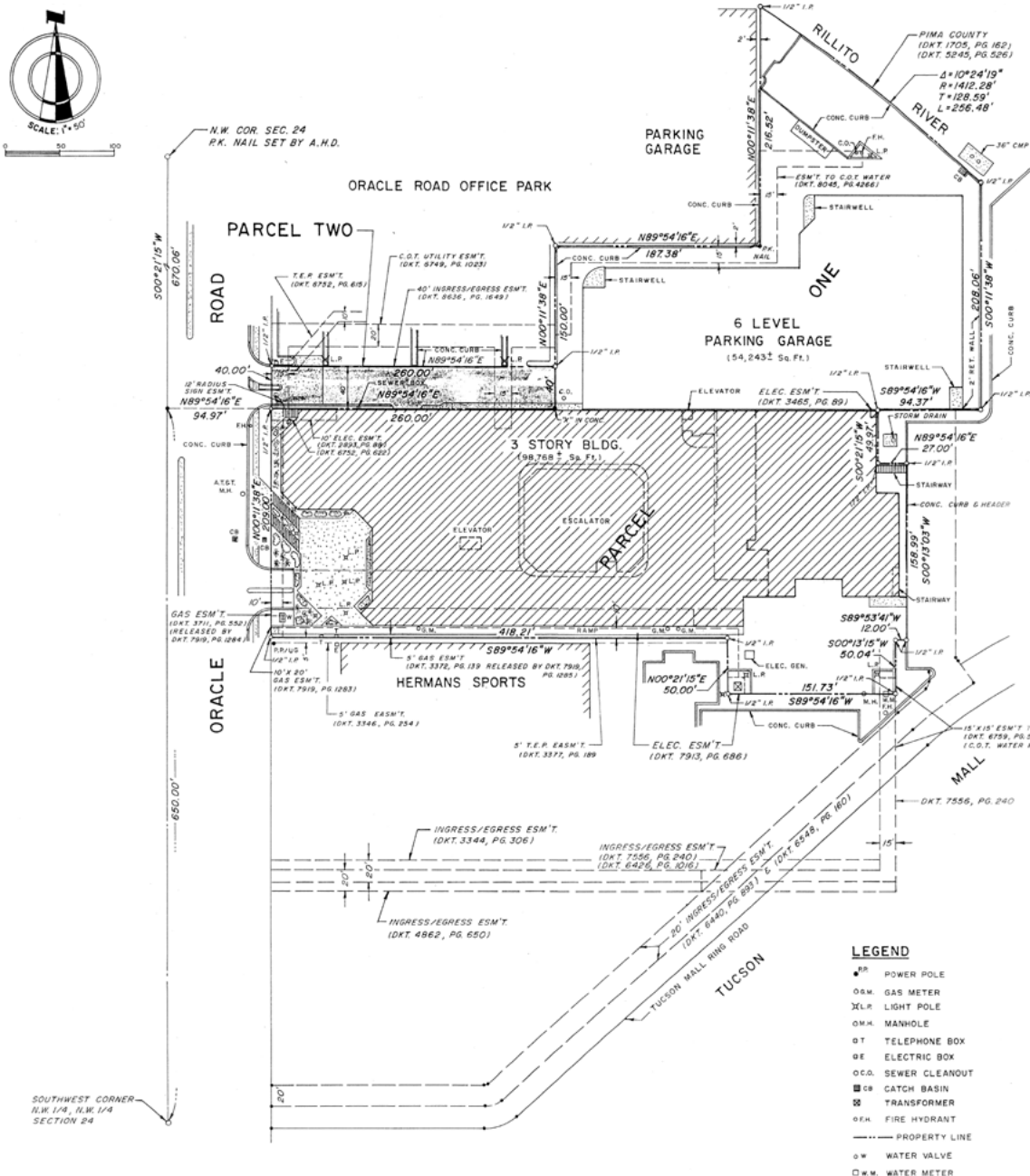
## 1ST YEAR CASH-ON-CASH RETURN ANALYSIS

|                         |              |
|-------------------------|--------------|
| PURCHASE PRICE AT 6.60% | \$35,150,000 |
| INTEREST RATE           | 4.85%        |
| CURRENT PRINCIPAL       | \$19,600,000 |
| EQUITY REQUIRED         | \$15,550,000 |
| ANNUAL INCOME           | \$2,320,148  |
| ANNUAL DEBT SERVICE     | \$950,600*   |
| 1ST YEAR TRANSFER FEE   | \$98,000     |
| CASH FLOW               | \$1,271,548  |
| 1ST YEAR COC RETURN     | 8.18%        |

*\*Loan Interest-Only Until July 6th, 2026*



# SITE PLAN/BUILDING SPECS



## BUILDING BREAKDOWN

|                     |            |
|---------------------|------------|
| TRAINING AUDITORIUM | 26,141 SF  |
| OFFICE SPACES       | 134,556 SF |
| FITNESS CENTER      | 24,648 SF  |
| WAREHOUSE SPACE     | 24,808 SF  |

|                 |   |
|-----------------|---|
| LOCATION        | Tucson Galleria is located at 4690 N. Oracle Road in Tucson, Arizona 85705.   |
| ZONING          | The property is zoned C-3 (City of Tucson) which allows 75ft max height.  |
| PARKING         | The multi-level parking garage consists of ~1,050 covered spaces.   |
| STREET FRONTAGE | The site benefits from Oracle Road frontage and is adjacent to the Tucson Mall  |
| AGE             | The building was built in the mid-1980's as a multi-tenant retail mall property.  |
| CONSTRUCTION    | Reinforced tilt-up concrete panels. Pre-cast concrete floors/garage.  |
| ROOF            | Built-up roof system. New GAF, I-B-4M/P6 BUR roof system installed with 3.1" polyiso insulation over a concrete deck, completed May 2015 over the main section of the building (+/- 63,000 SF) with a 20 year NDL warranty. |
| PARCEL          | 4690 N. Oracle Road consists of 5 parcels containing a total of a ~5.15 AC (224,361 SF).  |
| HVAC            | Combination of Package and Split systems, both gas, electric, and heat pump united. ~700 Tons of cooling in the building.   |
| POWER           | 4,000 AMP, 480-240 Volt, 3-Phase, 4-Wire. Back-up power by Kohler generator.  |

## INTERNAL AMENITIES:

- Training Labs
- Video Conference Facilities
- Training Rooms
- Covered Parking Garage
- Cafeteria
- Theaters/Presentation Rooms
- Fitness Center

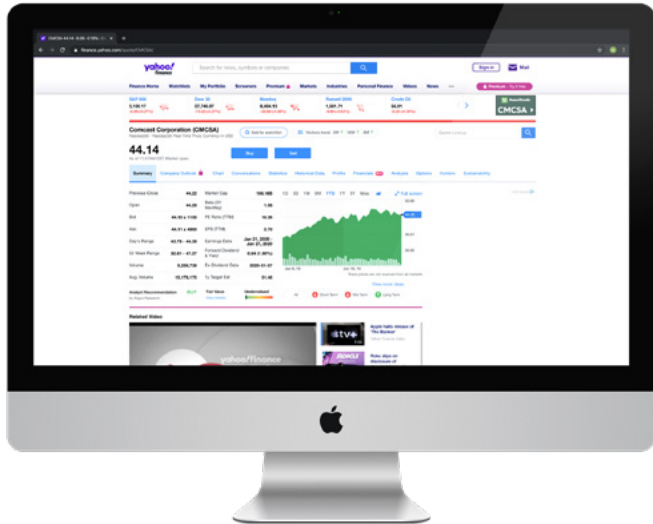
**COMCAST CORPORATION** operates as a media and technology company world-wide. It operates through cable communications, broadcast television, filmed entertainment, and theme park segments. The cable communications segment offers video, high-speed internet, and voice services to mobile network operators; ethernet network services; and online advertising services. The cable networks segment operates national cable networks, which provide entertainment, news and information, and sports content; regional sports and news networks; international channels; and cable television production operations, as well as owns digital media properties. The broadcast television segment operates NBC and Telemundo-owned local broadcast television stations and broadcast television production operations, as well as owns digital media properties. The filmed entertainment segment produces, acquires, markets, and distributes live-action and animated filmed entertainment under the Universal Pictures, Focus Features, and Illumination names. This segments also develops, produces, and licenses stage plays, as well as owns digital media properties. The theme parks segment operates theme parks; studios; Islands of Adventures; and a dining, retail, and entertainment complex. Comcast Corporation was founded in 1963 and is headquartered in Philadelphia, Pennsylvania.

- > +/- 55M Customer Relationships
- > Second-Largest Broadcasting and Cable Company in the World by Revenue
- > +/- \$94.5B in Revenue FY2018



|               |  |
|---------------|--|
| COMPANY       | Comcast Corporation  |
| OWNERSHIP     | Public   |
| FOUNDED       | 1963   |
| TICKER        | NASDAQ: CMCSA  |
| CREDIT RATING | A- (S&P)   |
| HEADQUARTERS  | Philadelphia, PA   |
| 2018 REVENUE  | \$94.51 Billion  |
| EMPLOYEES     | +/- 184,000  |
| WEBSITE       | <a href="http://www.corporate.comcast.com">www.corporate.comcast.com</a> |





## STOCK PERFORMANCE

**TICKER** NASDAQ: CMCSA

**CREDIT RATING** A- (S&P)

**MARKET CAP** \$201.10B

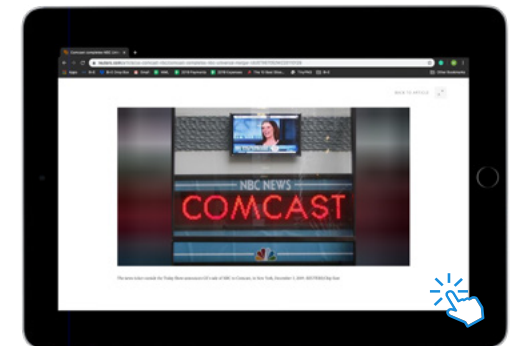
**52-WEEK RANGE** \$32.61 - \$47.27

**AVERAGE VOLUME** 14,970,000



### COMCAST REPORTS 3RD QUARTER 2019 RESULTS

[CLICK TO VIEW ARTICLE](#)



### COMCAST COMPLETES NBC UNIVERSAL MERGER

[CLICK TO VIEW ARTICLE](#)

## AWARDS AND RECOGNITION

- Fortune ranked Comcast NBCUniversal No. 3 on its “Best Big Companies to Work For” list and was listed among Fortune Magazine’s 100 Best Companies to work for in 2019. [Click here to view source.](#)
- Comcast NBCUniversal was ranked No. 56 on Fortune’s 100 Best Workplaces for Millennials list. [Click here to view source.](#)
- Comcast NBCUniversal was ranked #4 in the ‘50 Companies That Care’ by PEOPLE Magazine and Great Place to Work for their ongoing commitment to create real and lasting impact in the communities where they live and work.



**TUCSON, AZ.** The second-largest city in Arizona and the county seat of Pima County, Tucson neighbors the towns of Marana, Oro Valley, Catalina, South Tucson, Sahuarita, Vail, and Green Valley. Tucson is home to University of Arizona, which was established as Arizona’s first university in 1885 and has a campus of 50,000 students and staff from around the world. A number of annual events drawing participants and spectators from around the world include The Tucson Gem, Mineral & Fossil Showcase, La Fiesta de Los Vaqueros (Tucson Rodeo), Tucson Festival of Books, Tucson International Mariachi Conference, El Tour Bike Race, and The Tucson Classic. Tucson carries a sterling reputation for its world-class culinary scene that has been recognized by the United Nations Educational, Scientific, and Cultural Organization (UNESCO) in 2015 as a “Capital of Gastronomy.” Only 18 cities around the world have been given this title, and no other American city has cracked the list yet. The Downtown Tucson landscape has experienced rapid expansion with new businesses opening every couple weeks and construction projects are happening around nearly every corner. Since 2008, Downtown Tucson has experienced over \$1.2 billion in public and private investments, and over half a billion dollars is being invested into current and proposed projects.

MAJOR EMPLOYERS

| COMPANY NAME                            | NUMBER OF EMPLOYEES |
|---|---------------------|
| UNIVERSITY OF ARIZONA                   | 11,235              |
| RAYTHEON MISSILE SYSTEMS                | 9,600               |
| STATE OF ARIZONA                        | 8,524               |
| DAVIS-MONTHAN AIR FORCE BASE            | 8,335               |
| TUCSON UNIFIED SCHOOL DISTRICT          | 7,134               |
| PIMA COUNTY                             | 7,023               |
| BANNER UNIVERSITY MEDICAL CENTER TUCSON | 6,542               |
| U.S. CUSTOMS AND BORDER PROTECTION      | 6,470               |
| FREEMPORT-MCMORAN COPPER & COLD, INC.   | 5,800               |
| WAL-MART STORES, INC.                   | 5,400               |





## DOWNTOWN TUCSON

**ECONOMIC DEVELOPMENT.** Since January 2017, 78 new businesses have opened. There were 36 business openings in 2017 and 25 new business openings in 2016. Since 2008, a new business has opened once every 2 weeks. Over the last three years, over 90 new businesses have opened.



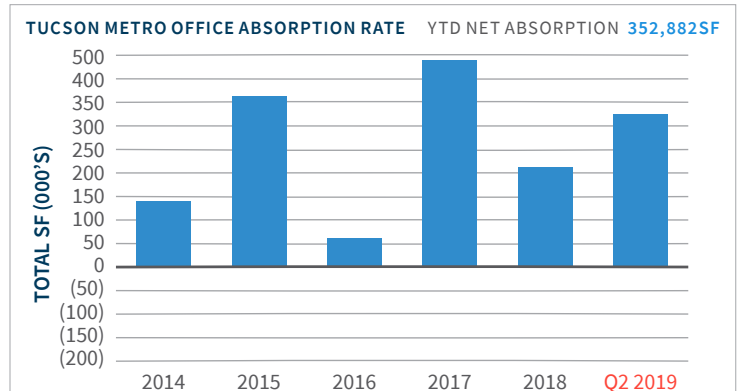
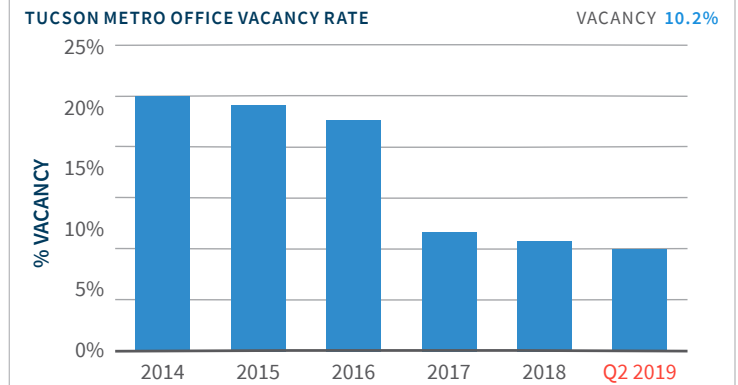
## UNIVERSITY OF ARIZONA

- > +/- 12,565 Undergraduate Students enrolled fall of 2019
- > +/- 45,918 Total Enrolled
- > +/- 10,825 Degrees Awarded in 2019



## TUCSON INTERNATIONAL AIRPORT

The Tucson International Airport (TUS) serves more than 3.6 million airline passengers annually. Eight airlines offer more than 50 departures per day to 20 nonstop destination airports. Less than 10 miles south of downtown Tucson and the University of Arizona, this airport is convenient to major business and scenic destinations.



## TUCSON OFFICE MARKET RESEARCH 2019

- > In the second quarter of 2019, net absorption totaled 325,882 SF, out-pacing the total net absorption for all last year.
- > In the second quarter of 2019, market-wide vacancy fell 117bps year over year to 10.2%. The rate is down significantly from its recessionary peak of 21.3% due to steady tenant demand and limited new supply.
- > The current vacancy rate reported the entire U.S. office market is currently 12.3%. The Tucson office market reported rate is 201 Bps lower (10.2%) than the national rate, indicating a healthier local office economy.
- > The average office market rent within the Tucson area is +/- \$15-\$18 RPSF. Comcast's RPSF is well below the market average at \$10.98

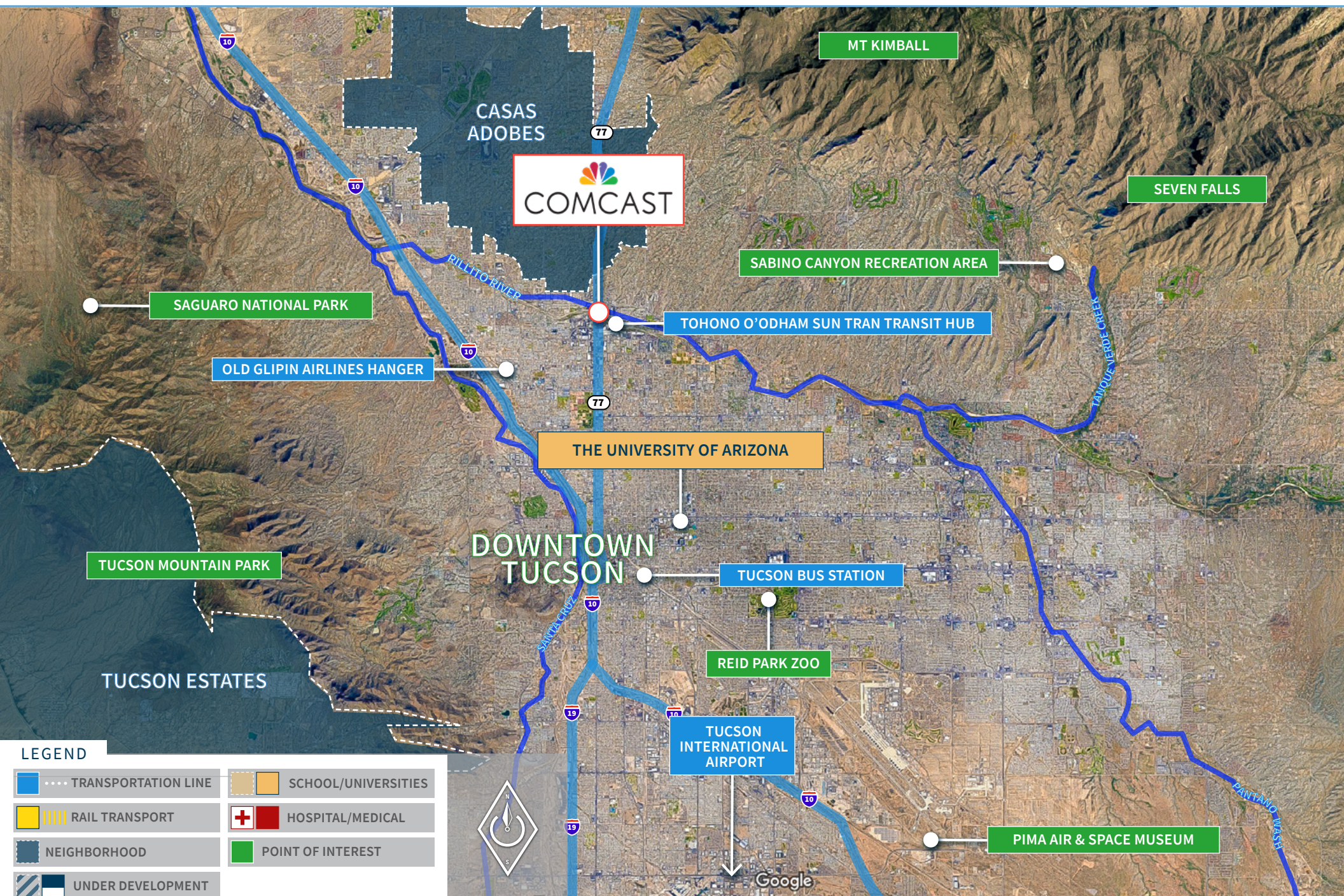


# SURROUNDING TENANT MAP





# SURROUNDING AREA MAP





## POPULATION

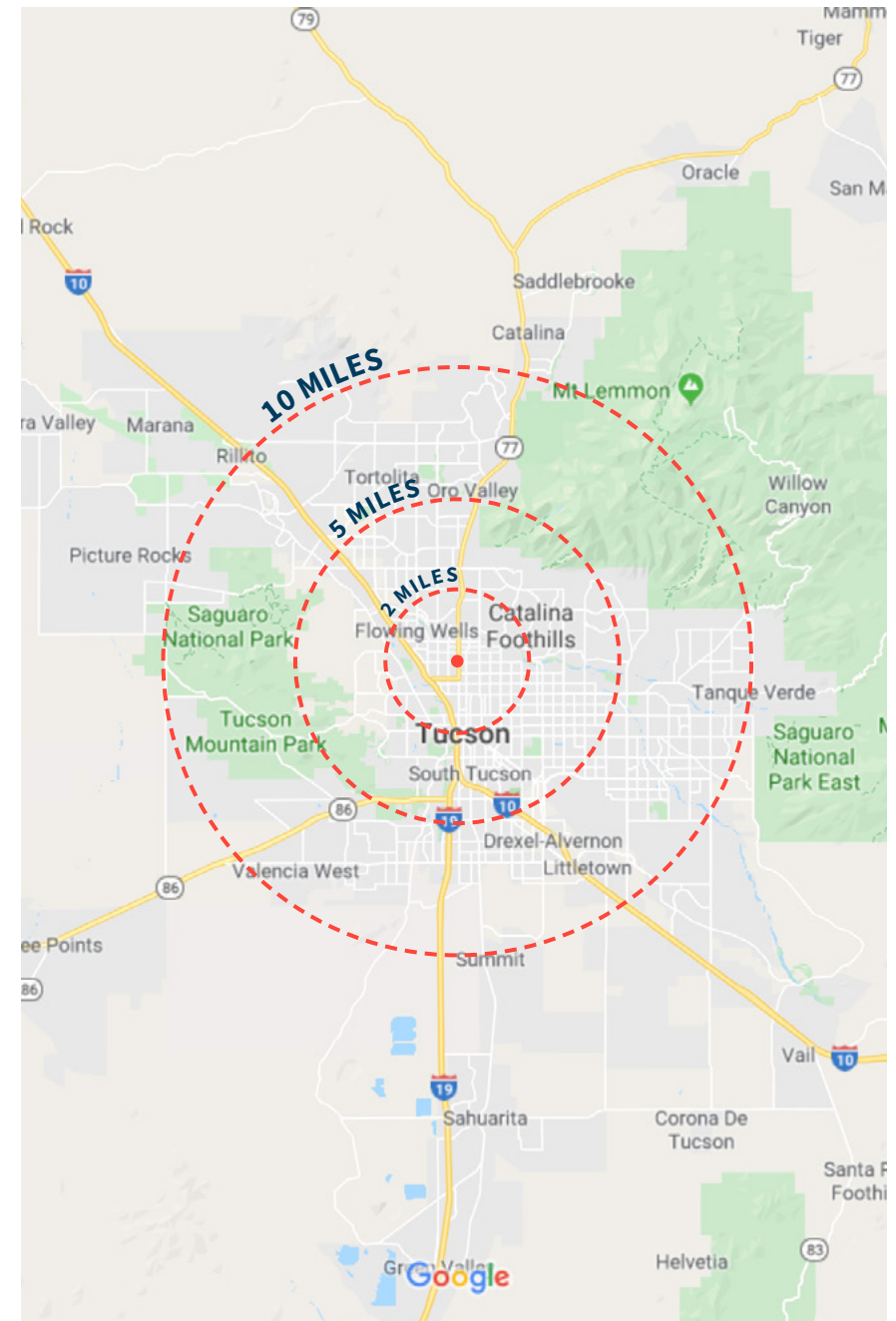
|                       | 2 MILES | 5 MILES | 10 MILES |
|-----------------------|---------|---------|----------|
| 2019 TOTAL POPULATION | 50,854  | 235,642 | 591,731  |
| 2024 POPULATION       | 53,083  | 244,163 | 610,654  |
| POP GROWTH 2019-2024  | 4.38%   | 3.62%   | 3.20%    |
| AVERAGE AGE           | 37.50   | 37.70   | 39.00    |

## HOUSEHOLDS

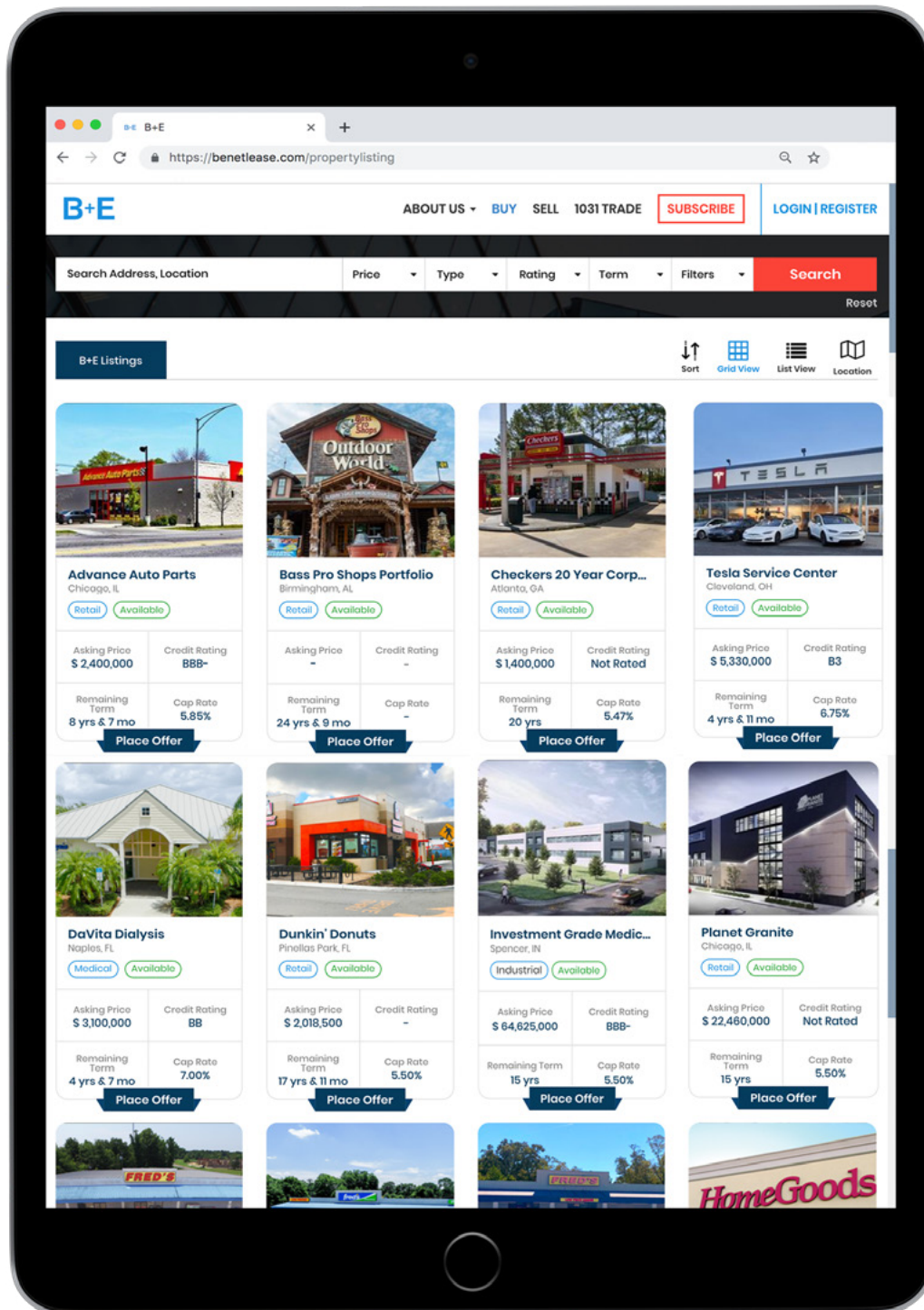
|                      | 2 MILES  | 5 MILES  | 10 MILES |
|----------------------|----------|----------|----------|
| 2019 TOTAL HH        | 22,526   | 102,276  | 245,018  |
| HH GROWTH 2019-2024  | 4.12%    | 3.72%    | 3.28%    |
| MEDIAN HH INCOME     | \$32,013 | \$38,956 | \$44,252 |
| AVG HOUSEHOLD SIZE   | 2.20     | 2.20     | 2.30     |
| 2019 AVG HH VEHICLES | 1.00     | 1.00     | 2.00     |

## HOUSING

|                   | 2 MILES   | 5 MILES   | 10 MILES  |
|-------------------|-----------|-----------|-----------|
| MEDIAN HOME VALUE | \$106,535 | \$182,047 | \$182,602 |
| MEDIAN YEAR BUILT | 1980      | 1978      | 1980      |







# B+E

## HOW B+E WORKS

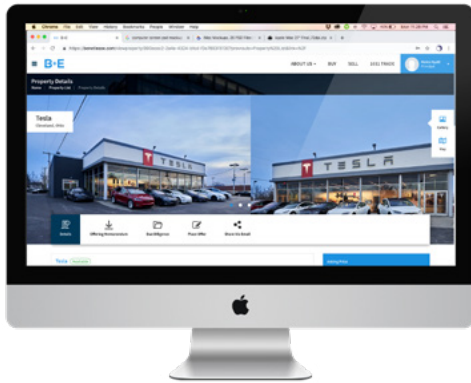
## BRINGING THE NATIONAL MARKET TO TIME-SENSITIVE BUYERS.

B+E's brokers use new technologies like artificial intelligence to track all active net lease listings on the U.S. market in real-time. Currently, there are roughly 3,000 to 4,000 NNN listings on the market. The B+E platform enables buyers to review the entire net lease market in real-time and compare properties, deal terms, and overall value of a trade. B+E's seasoned brokers help high net-worth individuals, families, and institutions to build portfolios that satisfy their acquisition criteria and long-term investment objectives.

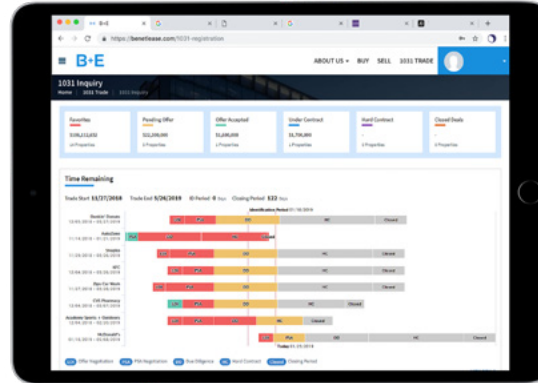
*“This is the first brokerage platform designed to help buyers sweep the national NNN market and match properties to their specific criteria,” said B+E’s CEO Camille Renshaw. “Using collaborative dashboards and AI-driven tools, a seasoned broker personally assists every buyer from search to close.”*



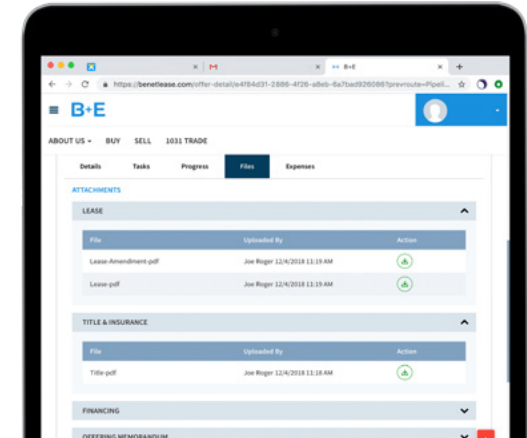




Only Platform Customized to Buy and Sell NNN Properties



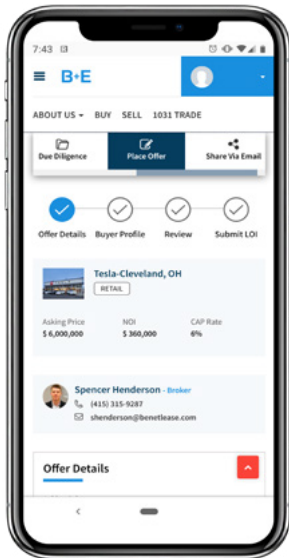
Track Your Transactions End - To - End



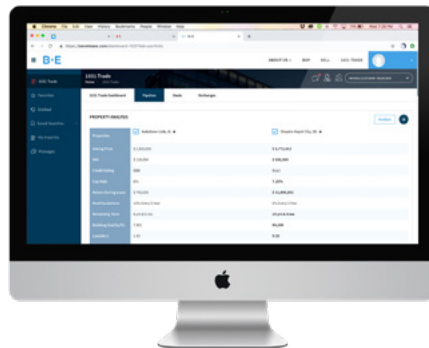
Store All Documents in One Place

# BENETLEASE.COM

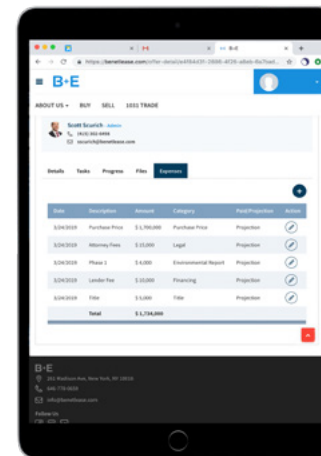
THE NET LEASE TRADING PLATFORM



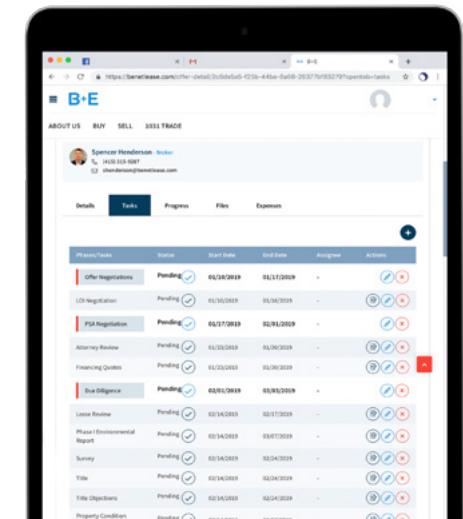
Place Offers Instantly



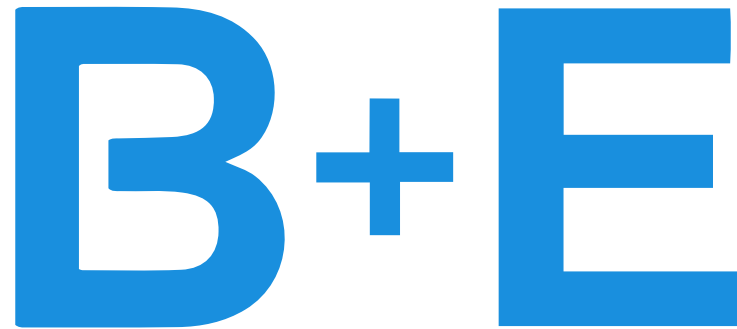
Analyze Properties



Calculate Expenses



Manage Tasks For Your Team



TRADE NET LEASE WITH CONFIDENCE

**New York**

261 Madison Ave., 9th Floor  
New York, NY 10016

**Chicago**

980 North Michigan Ave.  
Chicago, IL 60611

**Atlanta**

1175 Peachtree St. NE  
Atlanta, GA 30361

**Tampa**

2303 North Florida Ave.  
Tampa, FL 33602

**Denver**

1200 17th Street  
Denver, CO 80202

**San Francisco**

303 Sacramento St., 4th Floor  
San Francisco, CA 94111

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