

# OFFERING MEMORANDUM ADVANCE AUTO PARTS

1205 N. Court Street, Medina, OH 44256



## CONTACT US

**DANIEL H. KUKES**  
PRINCIPAL  
dkukes@landmarkcres.com  
(248) 488-2620

**MAXWELL E. LIPPITT**  
SENIOR ASSOCIATE  
maxlippitt@landmarkcres.com  
(248) 488-2620

**KEVIN J. BAKER**  
PRINCIPAL  
kbaker@landmarkcres.com  
(248) 488-2620

**JASON M. GREENSPAN**  
DIRECTOR  
jgreenspan@landmarkcres.com  
(248) 488-2620

30500 Northwestern Hwy, Suite 200  
Farmington Hills, MI 48334

Phone: (248) 488-2620

landmarkinvestmentsales.com

# CONFIDENTIALITY DISCLAIMER

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Landmark Commercial Real Estate Services, LLC ("BROKER") has been retained by the Owner to sell the 100% fee simple title of this asset. The Broker is the exclusive agent for the sale of this asset. The Broker has prepared the Property Information with information provided by the Owner, from sources deemed to be reliable. The Potential Purchaser will conduct its own due diligence of The Property, independently and without reliance upon BROKER of the Owner. Information furnished herein, the Offering Memorandum (the "OM") is intended solely for the Potential Purchaser and its affiliates ("Recipients") for its review of the acquisition of the Advance Auto Parts at 1205 N. Court St, Medina, OH 44256 ("Property").

All information in the OM ("Confidential Information") shall be deemed confidential. Confidential Information shall not include any information which is generally available to the public or which becomes available to the Recipients on a non-confidential basis from a source that is or was under no obligation not to disclose such information.

In consideration of Broker and disclosure of the confidential information, the recipient shall not at any time, attempt in any manner to deal directly in any manner or circumvent Broker.

Unless otherwise agreed in writing or required by law, the Recipients will not use, disclose, or reveal any Confidential Information for any purpose other than in connection with the proposed transaction to any persons or entities other than those employees, officers, directors, bankers, advisors, representatives, or agents (collectively, "Representatives") who clearly need such access to perform their employment, fiduciary or contractual duties to the Recipient and to actively and directly participate in the evaluation of the Confidential Information. Additionally, Recipients shall not directly contact anyone directly associated with the Property without the express written consent of the Owner or Broker.

Recipients agree not to contact or initiate contact with the Tenants, at any time, either directly or indirectly. Unless such approval is specifically granted in written from the Owner or Broker.

This agreement shall be governed by the laws of the Michigan, and in any action brought to enforce the terms hereof, Recipients hereby irrevocably consents to jurisdiction and venue in the Circuit Court for the County of Oakland, State of Michigan, or the United States District Court, whichever the Owner may elect. The invalidity or unenforceability of any provision of this agreement as applied to a particular occurrence or circumstance shall not affect the validity of or enforceability of any of the other provisions of this agreement or the applicability of such provisions as the case may be. This agreement shall inure to the benefit of and may be enforced by the Owner and its successors and assigns and shall be binding on the Recipients, its officers, directors, partners, agents, members, representatives and successors in interest. If any portion of this agreement becomes the subject of litigation or arbitration, the prevailing party in such suit or proceeding shall be entitled to reimbursement for its reasonable costs, expenses and attorney's fees incurred, including those incurred in connection with any appeals. A copy of this agreement delivered by facsimile transmission shall be binding on both parties.



# MARKET AERIAL





# OFFERING SUMMARY

## PROPERTY DETAILS

Address:	1205 N. Court St, Medina, OH 44256
Year Built:	1994/2010
Land Area:	1.42 acres
Building Size:	6,000 SF
Investment Type:	NN

## LEASE DETAILS

Tenant:	Advance Stores Company, Inc.
Guarantor:	Advance Stores Company, Inc.
Lease Type:	NN
Landlord Responsibilities:	Roof & Structure
Tenant Responsibilities:	Taxes, Insurance, CAM, and HVAC Repair & Replacement
Rent Commencement:	May 24, 2010
Lease Expiration:	May 31, 2025

## RENT SCHEDULE

Term	Monthly Rent	Annual Rent
Current – 5/31/2020	\$7,500	\$90,000
6/1/2020 – 5/31/2025* *new renewal	\$7,500	\$90,000
<b>Option 1</b>		
6/1/2025 – 5/31/2030	\$8,000	\$96,000
<b>Option 2</b>		
6/1/2030 – 5/31/2035	\$8,500	\$102,000
<b>Option 3</b>		
6/1/2035 – 5/31/2040	\$9,000	\$108,000

## INVESTMENT HIGHLIGHTS

### STRONG CREDIT TENANT

- Lease is backed by a publicly traded (NYSE: AAP), corporate entity with 4,900+ locations and \$9.60B in annual revenue.

### RECENT LEASE RENEWAL

- Tenant has demonstrated their commitment to the location by signing a new 5 year lease renewal which begins in July 2020.

### RENOVATION & REDEVELOPMENT

- A new roof was installed in 2015 with a 15-year warranty in place.
- This building was extensively renovated as an Advance Auto Parts store in 2010 at the beginning of their original lease term.
- Advance Auto sits as a pad to Medwick Marketplace, a large Marc's grocery anchored center. While the center has a large vacant big box, it is also prime for redevelopment.

### REGIONAL LOCATION

- Subject property is surrounded by other national retailers including Target, Walmart, Home Depot, Hobby Lobby, Kohl's, PetSmart, Marshalls, etc.

### STRONG DEMOGRAPHICS

- Household income is over \$96,000 in a five-mile radius.

## PRICING

NOI:	\$90,000
Cap Rate:	7.00%
Asking Price:	\$1,285,714



## ADVANCE AUTO PARTS



Advance Auto Parts, Inc. (Advance Stores Company) is a leading automotive aftermarket parts provider headquartered in Raleigh, N.C., that serves both professional installer and do-it-yourself (DIY) customers. As of July 13, 2019, Advance operated 4,912 stores and 150 Worldpac branches in the United States and Canada. The Company also serves 1,250 independently owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos and British Virgin Islands. The company's stores and branches offer a broad selection of brand name, original equipment manufacturer (OEM) and private label automotive replacement parts, accessories, batteries and maintenance items for domestic and imported cars, vans, sport utility vehicles and light and heavy duty trucks.

<b>NYSE:</b>	AAP
<b>2018 REVENUE:</b>	\$9.6 Billion
<b>2018 NET INCOME:</b>	\$424 Million
<b>2018 TOTAL ASSETS:</b>	\$9.04 Billion

LOCATIONS	TOTAL EMPLOYMENT
4,912	70,000



# VIEW SOUTHWEST



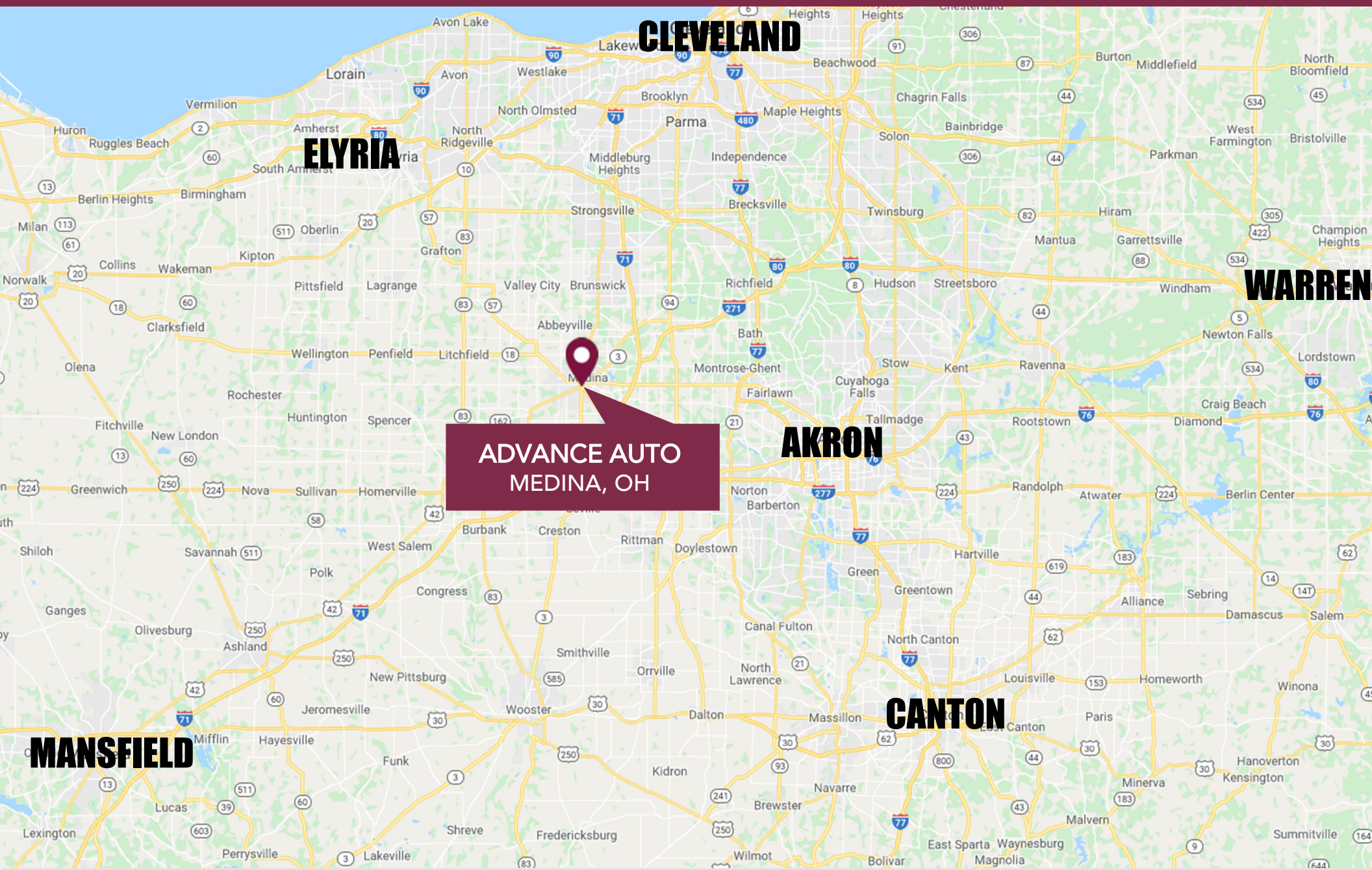


# SITE PLAN





# LOCATION MAP





# SUBJECT PROPERTY









## MEDINA, OH (CLEVELAND MSA)

### POPULATION DENSITY

- Cleveland's metropolitan population of **2,057,009** is the 33<sup>rd</sup> most populous metropolitan area in the US, the third largest metro area in Ohio, and the second largest metro area, behind Columbus, entirely in Ohio.

### COLLEGES & UNIVERSITIES

- Cleveland is home to a number of colleges and universities. Most prominent among these is **Case Western Reserve University**, a world-renowned research and teaching institution in University Circle.
- University Circle also contains Cleveland Institute of Art, Cleveland Institute of Music, and Cleveland State University.



**3.30%**

UNEMPLOYMENT RATE  
(as of Nov. 2019)



**56,788**

PEOPLE  
(5-mile radius)



**\$96K**

AVG. HH INCOME  
(5-mile radius)



Downtown Cleveland, OH



Case Western Reserve University Campus



## MEDINA, OH (CLEVELAND MSA)

### CLEVELAND CLINIC

- Cleveland Clinic is an American academic medical center based in Cleveland, OH. The non-profit organization runs a **170 acre campus** in Cleveland, as well as 11 regional hospitals and 19 family health centers in northeast Ohio, and hospitals in Florida and Nevada. Annual revenue exceeds **\$8.4B**.
- Cleveland Clinic is consistently ranked as one of the best hospitals in the US. In 2018-2019, the US News & World Report ranked Cleveland Clinic as the **#2 hospital** in the Best Hospitals Honor Roll. Cleveland Clinic's cardiology program ranked #1 in the nation since 1995.

### UNIVERSITY HOSPITALS

- University Hospitals of Cleveland is a major not-for-profit medical complex in Cleveland, OH. University Hospitals Cleveland Medical Center is an affiliate hospital of Case Western Reserve University. With over **150** locations throughout northeast Ohio, the University Hospitals network encompasses hospitals, outpatient centers, and primary care physicians.
- In biomedical research, Case Medical Center **ranks among top 15 centers in the United States** with approximately \$75M in annual extramural research funding and a further \$20M in various clinical trials.



Cleveland Clinic Main Campus



University Hospitals – Cleveland Campus

## CLEVELAND METRO AREA

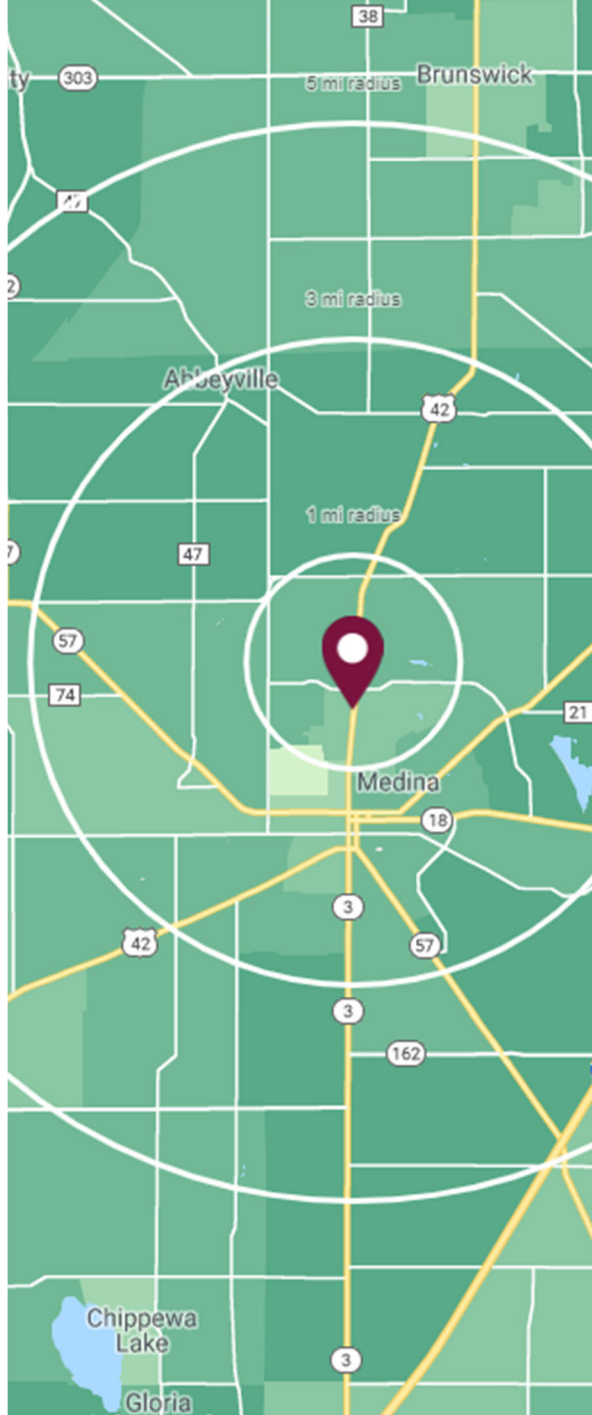


COMPANY	# OF EMPLOYEES
Cleveland Clinic	32,251
University Hospitals	14,518
United States Federal Government	11,254
Progressive Insurance	8,379
Cuyahoga County	7,776
Cleveland School District	6,953
City of Cleveland	6,757
MetroHealth	5,823
Key Corp	4,812
Group Management Services	4,795
Case Western Reserve University	4,512



# DEMOGRAPHICS

## MEDINA, OH



	1 MILE	3 MILE	5 MILE
<b>POPULATION</b>			
2019 Estimated Population	7,827	31,775	56,778
2024 Projected Population	8,071	32,687	58,393
2010 Census Population	7,742	31,532	55,788
2000 Census Population	7,133	28,839	45,666
Projected Annual Growth 2019 to 2024	0.6%	0.6%	0.6%
Historical Annual Growth 2000 to 2019	0.5%	0.5%	1.3%
<b>HOUSEHOLDS</b>			
2019 Estimated Households	3,840	13,276	22,715
2024 Projected Households	4,023	13,858	23,698
2010 Census Households	3,601	12,496	21,217
2000 Census Households	2,970	10,897	16,640
Projected Annual Growth 2019 to 2024	0.9%	0.9%	0.9%
Historical Annual Growth 2000 to 2019	1.5%	1.1%	1.9%
<b>RACE</b>			
2019 Est. White	93.2%	93.2%	94.0%
2019 Est. Black	3.2%	2.9%	2.3%
2019 Est. Asian or Pacific Islander	1.4%	1.3%	1.5%
2019 Est. American Indian or Alaska Native	-	0.1%	0.1%
2019 Est. Other Races	2.2%	2.4%	2.1%
<b>INCOME</b>			
2019 Est. Average Household Income	\$74,752	\$86,152	\$96,682
2019 Est. Median Household Income	\$62,644	\$76,198	\$85,182
2019 Est. Per Capita Income	\$36,692	\$36,072	\$38,767
<b>BUSINESS</b>			
2019 Est. Total Businesses	460	1,799	2,554
2019 Est. Total Employees	5,194	19,524	26,408



# OUR TEAM

**FOUNDED IN DETROIT. BUILT NATIONWIDE.  
8 MILLION SQUARE FEET AND OVER \$1 BILLION SOLD**



## **DANIEL H. KUKES**

PRINCIPAL | [dkukes@landmarkcres.com](mailto:dkukes@landmarkcres.com)

Daniel Kukes is a Principal and Co-Founder of Landmark Investment Sales. Daniel specializes in the sale of retail shopping centers, medical office, and single tenant net lease investment properties across all property types. He currently represents some of the nation's largest institutional real estate funds, private equity group, and high net worth investors in acquiring and listing investment properties all over the country. Since 2010, Daniel has closed deals totaling over 8,000,000 SF valued at over \$1,000,000,000. Daniel joined Landmark in 2009 as an Associate Broker. He began his real estate career at NAI Farberman where he focused on shopping center leasing and retail tenant representation. After five years at NAI Farberman, Daniel joined DAP Investments as a partner responsible for retail development, acquisitions and leasing. While there, he developed several single tenant and shopping center projects in Michigan and Illinois. Daniel is a graduate of Michigan State University with a Bachelor of Arts degree in Pre-Law & Society.



## **MAXWELL E. LIPPITT**

SENIOR ASSOCIATE | [maxlippitt@landmarkcres.com](mailto:maxlippitt@landmarkcres.com)

Maxwell Lippitt graduated from Michigan State University in 2016 with a Bachelor of Science degree in Economics. Max was an intern in Landmark's Investment Sales department during the summer of 2015. Upon graduating, Max became an associate broker at CBRE specializing in the disposition of single tenant medical, retail, and office properties. While at CBRE, Max researched, sourced, and tracked thousands of investment properties while building strong relationships with a wide variety of property owners all across the country. At Landmark, he will continue his growth as an Investment Sales Broker providing unique opportunities to buyers and sellers while offering exceptional service.



## **KEVIN J. BAKER**

PRINCIPAL | [kbaker@landmarkcres.com](mailto:kbaker@landmarkcres.com)

Kevin Baker is a Principal and Co-Founder of Landmark Investment Sales. Kevin specializes in the sale of retail shopping centers and single tenant net lease investment properties across all property types. He currently represents some of the nation's largest institutional funds, private equity funds, and high net worth investors in listing investment properties all over the country. Since 2010, Kevin has closed deals totaling over 8,000,000 SF valued at over \$1,000,000,000. Prior to 2010, Kevin worked extensively at Landmark as a broker specializing in tenant representation and landlord representation completing in excess of 100 lease & sale transactions. Kevin joined Landmark in 2005 as a Sales Associate. Prior to Landmark, Kevin attended Michigan State University and University of Michigan-Dearborn where he studied finance. Kevin began his real estate career in 2001 when he founded Baker Real Estate Holdings, specializing in acquisition and management of a student housing portfolio at Michigan State University.



## **JASON GREENSPAN**

DIRECTOR | [jgreenspan@landmarkcres.com](mailto:jgreenspan@landmarkcres.com)

Jason Greenspan graduated from the University of Michigan in 2012 with a Bachelor of Arts degree in Political Science and Sociology. Jason also received a Juris Doctor in 2015 from Michigan State University College of Law where he concentrated in business and corporations. He passed the Michigan Bar Examination in July 2015. Starting in 2011, and while in law school, Jason interned at Landmark Investment Sales identifying, sourcing, and underwriting investment grade properties. With law school behind him and six years of experience in real estate investment sales, Jason has participated in the closing of over \$150,000,000 and continues to source investment opportunities across the country. Jason specializes in the representation of buyers and sellers of institutional grade single tenant properties, high profile unanchored retail centers, grocery anchored centers, and power centers.