



FEE SIMPLE PANERA BREAD & OUTBACK STEAKHOUSE GROUND LEASE

STRONGSVILLE, OHIO

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM



\$6,548,000 | 5.00% CAP RATE

- » New 2020 Construction Featuring Latest Panera Bread and Outback Steakhouse Prototypes
- » Free-Standing Panera Bread with Drive-Thru and Free-Standing Outback Steakhouse Ground Lease
 - » Long-Term Net Leases with Scheduled Rental Increases for Both Tenants
- » Easily Accessible Location in Growing and Affluent Area
 - » Prominent Location in Royalton Collection (Brand New 75,000 SF Retail Development and 125,000 SF Existing Office)
 - » 138,216 Residents Within a Five-Mile Radius
 - » \$101,217 Average Household Income Within Three Miles
- » Central Location near Multiple Tourist Attractions, Retailers, and Community Hubs
 - » Neighbored by The Plaza at SouthPark, The Greens of Strongsville, and SouthPark Mall (Combined 227 Stores, 2.2 Million SF of Retail Space)
 - » Gateway to Downtown Cleveland and Lake Erie (\$15.1 Billion Annual Lake Erie Tourism-Related Spending in Ohio), Increasing Traffic to the Site

REPRESENTATIVE PHOTOS



Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Ohio-licensed real estate broker Cushman & Wakefield, Inc.

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

LEAD BROKERS

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Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	17800 Royalton Road, Strongsville, Ohio 44136
PRICE	\$6,548,000
CAP RATE	5.00%
NOI	\$327,400
RENT COMMENCEMENT	Various
YEAR BUILT	2020
BUILDING SF	11,300 SF
PARCEL SIZE	3.7094 Acres (161,582 SF)
TENANTS	Fee Simple Panera Bread & Outback Steakhouse Ground Lease



PANERA BREAD ACTUAL SITE - UNDER CONSTRUCTION

NEW TWO-TENANT RETAIL ASSET WITH GREAT REAL ESTATE FUNDAMENTALS

- » 10% rental increases for both tenants every five years in initial term and option periods, providing a hedge against inflation
- » Tenants are responsible for paying taxes, insurance, and all maintenance
- » Multi-tenant retail asset allows for investment diversification of complimentary mix of "Amazon-proof" retailers
- » Free-standing Panera Bread (with drive-thru) to largest franchisee (56 Unit Entity) and free-standing corporate Outback Steakhouse ground lease
- » New 2020 construction built to each tenant's latest prototype

EASILY ACCESSIBLE LOCATION IN GROWING AND AFFLUENT AREA

- » Located on Royalton Road (41,680 AADT), a primary Strongsville retail corridor
- » Central location in Royalton Collection (75,000 SF of new retail and 125,000 SF existing office)
- » 138,216 residents within a five-mile radius
- » \$101,217 average household income within three miles of the property with a projected 12 percent increase in the next five years
- » Convenient access to U.S. Highway 42, Interstate 71, Interstate 80, and State Route 82 (combined 165,168 AADT), increasing traffic to the site

LOCATED NEAR MULTIPLE TOURIST ATTRACTIONS, RETAILERS, AND COMMUNITY HUBS

- » Royalton Collection features several national retailers such as HomeGoods, Red Wing Shoes, and Tropical Smoothie (Delivering March 2020)
- » Across the street from SouthPark Mall (183 stores, 1.6 million SF of retail space)
- » Neighbored by The Plaza at SouthPark and The Greens of Strongsville (combined 44 stores, 640,000 SF of retail space), increasing visibility to the site
- » Gateway to Downtown Cleveland and Lake Erie (\$15.1 billion annual Lake Erie tourism-related spending in Ohio)
- » Surrounded by major national retailers such as Costco, Target, Chick-fil-A, Petco, Bed Bath & Beyond, Starbucks, and many more

RENT ROLL

[illegible]

TOTALS/AVERAGES	<u>11,300</u>		<u>\$27,283</u>	<u>\$327,400</u>
Occupied SF	11,300	100.0%		
Available	<u>0</u>	<u>0.0%</u>		
Total SF	11,300	100.0%		



CLEVELAND HOPKINS
INTERNATIONAL AIRPORT
(10.5 miles)

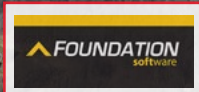
LAKE ERIE

DOWNTOWN CLEVELAND
(20.5 miles)

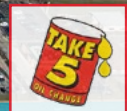


Interstate 71
(55,980 AADT)

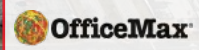
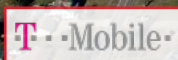
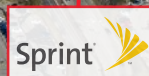
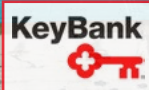
Strongsville
Recreation and
Senior Center



Strongsville
Branch of Cuyahoga
County Public Library



Royalton Road
(41,680 AADT)





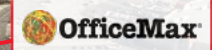
INDUSTRIAL REGION



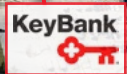
/ Interstate 71
(55,980 AADT)



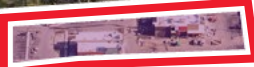
Strongsville
Medical Center



Retina Assoc.



Delivering
Mar 2020



Royalton Road
(41,680 AADT)





Memorial
Elementary School
(511 students)

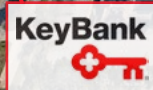
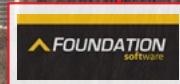
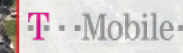
Interstate 71
(55,980 AADT)

Pearl Road (23,693 AADT)

Royalton Road
(41,680 AADT)



Strongsville
City School
(821 students)



Strongsville
Medical Center





INDUSTRIAL REGION

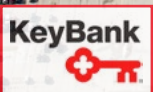
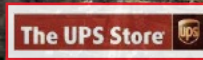
INDUSTRIAL REGION

Strongsville High School
(2,013 students)

Muraski Elementary School
(466 students)

Strongsville Middle School
(1,318 students)

Pearl Road
(23,693 AADT)



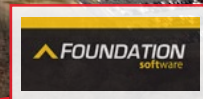
Royalton Road
(41,680 AADT)



Police Department

Public Library

Royalton Greens Apartments



Strongsville Recreation & Senior Center



Delivering Mar 2020



SITE PLAN

Be
HomeGoods
Happy®

HOT CHICKEN TAKEOVER

THE LASH LOUNGE

CONDADO

City
BARBELLUE

Charter
Spectrum

RECOVERING
SCHOOLS®

tropical
CAFE
SMOOTHIE

NATIONAL MATTRESS
RETAILER

Panera
BREAD®
4,800 SF

OUTBACK
STEAKHOUSE®
6,500 SF

ROYALTON ROAD



TENANT SUMMARIES



Panera Bread Company opened its first location in 1987. In the past 35 years, it has grown from a 400-square-foot cookie store into an enterprise with more than 2,300 bakery-cafes across the United States and Canada, over 100,000 associates, and annual system-wide sales of nearly \$6 billion. Panera Bread's offerings include soups, salads, pasta, sandwiches, specialty drinks, and bakery items, served in a warm, welcoming environment. Panera Bread's menu was created with nutrition in mind, and the company is the first and only restaurant company to commit to and achieve 100% clean food. Panera Bread has a loyal customer base; the MyPanera loyalty program is the largest in the industry, with over 28 million members.

On July 18, 2017, Panera was acquired by JAB Holding Co., ending its 26-year run as a public company on a high note. Panera was the best performing restaurant stock of the last 20 years, delivering a total shareholder return up 86-fold from July 18, 1997 to July 18, 2017, compared to a less than twofold increase for the S&P 500 during the same period.

The property has been leased to Dalcan, LLC - a subsidiary of Covelli Enterprises - the largest Panera Bread franchisee in the Country (56 locations). Covelli Enterprises operates over 315 locations across eight states nationwide.

For more information, please visit www.panerabread.com.

REVENUE	\$6B	OWNERSHIP	JAB Holding Co.
# OF LOCATIONS	2,300+	HEADQUARTERS	Sunset Hills, MO

LEASE ABSTRACT

TENANT	Dalcan, LLC		
ADDRESS	17800 Royalton Road, Strongsville, Ohio 44136		
RENT COMMENCEMENT	April 1, 2020 (estimated)		
LEASE EXPIRATION	March 31, 2035 (estimated)		
RENEWAL OPTIONS	Three (3) five (5) year options		
RENTAL INCREASES	YEAR	NOI	RETURN
	1-5	\$182,400	5.00%
	6-10	\$200,640	5.50%
	11-15	\$220,704	6.05%
	16-20 (Option 1)	\$242,784	6.66%
	21-25 (Option 2)	\$267,072	7.32%
	26-30 (Option 3)	\$293,760	8.05%
REAL ESTATE TAXES	Tenant shall pay for all real estate taxes directly.		
INSURANCE	Tenant is responsible for all insurance costs. Tenant covenants to pay to Landlord for Landlord's insurance on an annual basis.		
REPAIR & MAINTENANCE	Tenant will be responsible for all expenses related to the maintenance and operation of the Premises.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		
PARKING/EASEMENT	Landlord grants to Tenant and its agents, employees and (where such areas are open to the public) its customers, a non-exclusive easement to use in common with others entitled thereto during the Term, the Common Areas, including parking lot.		

TENANT SUMMARIES



Founded in 1988 and based in Tampa, Florida, Outback Steakhouse is an Australian-themed American casual dining restaurant chain, serving American cuisine. The chain has over 1,000 locations in 23 countries throughout North and South America, Asia, and Australia. The restaurants serve competitively priced entrees such as seasoned steaks, prime rib, chicken, seafood, and pasta. The chain's signature, however, is an appetizer known as the "Bloomin' Onion". There are seven types of signature steak to choose from, including Sirloin, Ribeye, New York Strip, Bone-in Natural Cut Ribeye, Filet Mignon, Porterhouse, and Slow-Roasted Prime Rib. Outback Steakhouse offers more than 70 combos for just \$7, including dishes like chicken quesadillas, rib-eye melts, fish tacos, and Outback burgers. Outback Steakhouse's menu features unique cocktails, wines, premium liquors, and beer, including domestic, craft, import, and Australian beer.

For more information, please visit www.outback.com.

OWNERSHIP	Bloomin' Brands	LOCATIONS	1,000+
HEADQUARTERS	Tampa, FL	SALES	\$3.88B



Bloomin' Brands is one of the world's largest casual dining companies with approximately 93,000 Team Members and more than 1,450 restaurants throughout 48 states, Puerto Rico, Guam, and 20 countries. The company was founded in August 1988 as Multi-Venture Partners, Inc. in Florida by Tim Gannon, Bob Basham, and Chris Sullivan. In 1988, the first Outback Steakhouse was opened in Tampa, Florida. The company went public in 1991 as a 49-restaurant chain and changed its name to Outback Steakhouse, Inc. The Carrabba's Italian Grill was launched in 1993. The company's international expansion began with the first Outback Steakhouse to open in Canada. Bloomin' Brands' proven global platform includes a world-class management team and infrastructure to support our more than 200 franchise locations internationally. Bloomin' Brands is well-suited for growth with strong brands that enjoy immense consumer appeal, coupled with a support team dedicated to attracting and supporting the best franchise operators in the world.

For more information, please visit www.bloominbrands.com.

EMPLOYEES	93,000	LOCATIONS	1,400+
HEADQUARTERS	Tampa, FL	SALES	\$4.2B

LEASE ABSTRACT

TENANT	Outback Steakhouse of Florida, LLC		
ADDRESS	17800 Royalton Road, Strongsville, Ohio 44136		
RENT COMMENCEMENT	April 1-15, 2020 (estimated)		
LEASE EXPIRATION	April 30, 2030 (estimated)		
RENEWAL OPTIONS	Four (4) five (5) year options		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$145,000	5.00%
	6-10	\$159,500	5.50%
	11-15 (Option 1)	\$175,450	6.05%
	16-20 (Option 2)	\$192,995	6.66%
	21-25 (Option 3)	\$212,295	7.32%
	26-30 (Option 4)	\$233,524	8.05%
REAL ESTATE TAXES	Tenant shall pay for all real estate taxes.		
INSURANCE	Tenant shall keep and maintain insurance and Landlord shall also maintain General Liability Insurance.		
REPAIR & MAINTENANCE	Tenant will be responsible for all expenses related to the maintenance and operation of the Premises.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		
PARKING/EASEMENT	Landlord grants to Tenant and its agents, employees and (where such areas are open to the public) its customers, a non-exclusive easement to use in common with others entitled thereto during the Term, the Common Areas, including parking lot.		

PROPERTY OVERVIEW

LOCATION

The property has an easily accessible location on Royalton Road, one of Strongsville's main thoroughfares, which experiences a high traffic count of 41,680 vehicles per day. The site also resides in a growing and affluent area, with 138,216 residents living within a five-mile radius of the site. The average household income within three miles of the property is \$101,217, with a projected 12 percent increase in the next five years. Visibility to the site is greatly increased by its proximity near several highly trafficked thoroughfares, including U.S. Highway 42, Interstate 71, Interstate 80, and State Route 82, with a combined 165,168 AADT.

The property is located in a dense and growing retail corridor. Traffic to the site is increased by its location in Royalton Collection, a brand new 75,000 SF office-retail development, which features a strong mix of well-established local and national retailers, including HomeGoods, Red Wing Shoes, Tropical Smoothie, and more (currently under construction). Visibility is increased by the property's convenient access to SouthPark Mall, The Greens of Strongsville, and The Plaza at SouthPark (combined 227 stores, 2.2 million SF of retail space). The site is surrounded by major national retailers such as Costco, Target, Chick-fil-A, Petco, Bed Bath & Beyond, Starbucks, and many more. The property is near several large Strongsville schools, including Strongsville High School, Strongsville Middle School, and Strongsville City Schools (combined 4,152 students). The location also serves as a gateway to Downtown Cleveland and Lake Erie (\$15.1 billion annual Lake Erie tourism-related spending in Ohio), increasing visibility to the site.

ACCESS

Access from Royalton Road

TRAFFIC COUNTS

Royalton Road:	41,680 AADT
Interstate 71:	55,980 AADT
Interstate 80:	43,815 AADT
Pearl Road:	23,693 AADT

PARKING

82 parking stalls, including four (4) handicap stalls

YEAR BUILT

2020

NEAREST AIRPORT

Cleveland Hopkins International Airport (CLE)



2020

YEAR BUILT



41K

TRAFFIC
COUNT (AADT)



NEAREST
AIRPORT

CLEVELAND
HOPKINS
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Strongsville is a city in Cuyahoga County, Ohio. Strongsville has grown in recent years from an agriculture-based village into a thriving city of 45,000 residents with a productive and diverse industrial and commercial base. Strongsville has become recognized as a premier location for global manufacturers and corporate offices, with amenities including well-planned and attractive residential areas, excellent schools, convenient shopping areas, and several golf courses. Numerous hotels and restaurants offer both choice and convenience to locals and tourists. Strongsville also benefits from its superior location, with exits for Interstate 71 and Interstate 80 intersecting in the City and Cleveland Hopkins International Airport within a 10-minute drive. Strongsville has nine city parks that feature baseball, soccer and football fields, tennis and basketball courts, batting cages, playgrounds, picnic facilities, grills, pavilions, and walking trails. The regional Cleveland Metroparks Mill Stream Run Reservation also runs through Strongsville, with lake and river fishing, picnic areas, bridle trails, and a paved hike-bike trail.

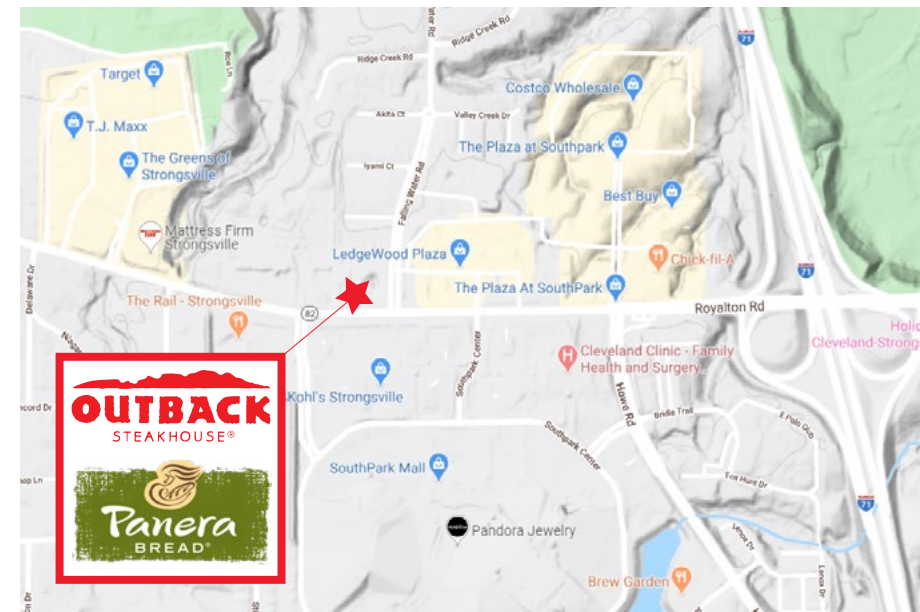
Cuyahoga County is included in the Cleveland-Elyria, Ohio Metropolitan Statistical Area. Cuyahoga County is enjoying a resurgence in national attention for its central location, strong higher education system, diverse economic and employer ecosystem, healthcare capital, and nationally-recognized arts, and cultural institutions. Cuyahoga County is home to 1.2 million people and is comprised of 59 unique and distinctive communities with Cleveland as its nucleus. Cleveland is booming right now thanks to the “fifth migration,” tied for eighth in the country (along with Miami and Seattle) for the increase in the number of college-educated millennial residents. The County offers robust transportation infrastructure including five highways and three airports. The airports include Cleveland Hopkins International Airport, Burke Lakefront Airport, and the Cuyahoga County Airport. Centrally located between New York City, Chicago, and Toronto, Cuyahoga County is within a days’ drive of 60 percent of all U.S. Fortune 500 headquarters, as well as many Canadian headquarters locations.

- » The City of Strongsville is home to many thriving Business Parks, including The Strongsville Business & Technology Park, Dow Circle Research & Development Park, Park 82, and Progress Drive Business Park.
- » Compared to the rest of the country, Strongsville’s cost of living is 3.4 percent lower than the U.S. average.
- » Strongsville is 15 miles southwest of Downtown Cleveland in Cuyahoga County (population 1,280,122). The city covers 25 square miles, making it the largest of Cleveland’s suburbs.
- » With more than 120,000 healthcare professionals, the healthcare industry is the largest employer in Cuyahoga County.

MAJOR EMPLOYERS IN CUYAHOGA COUNTY, OHIO

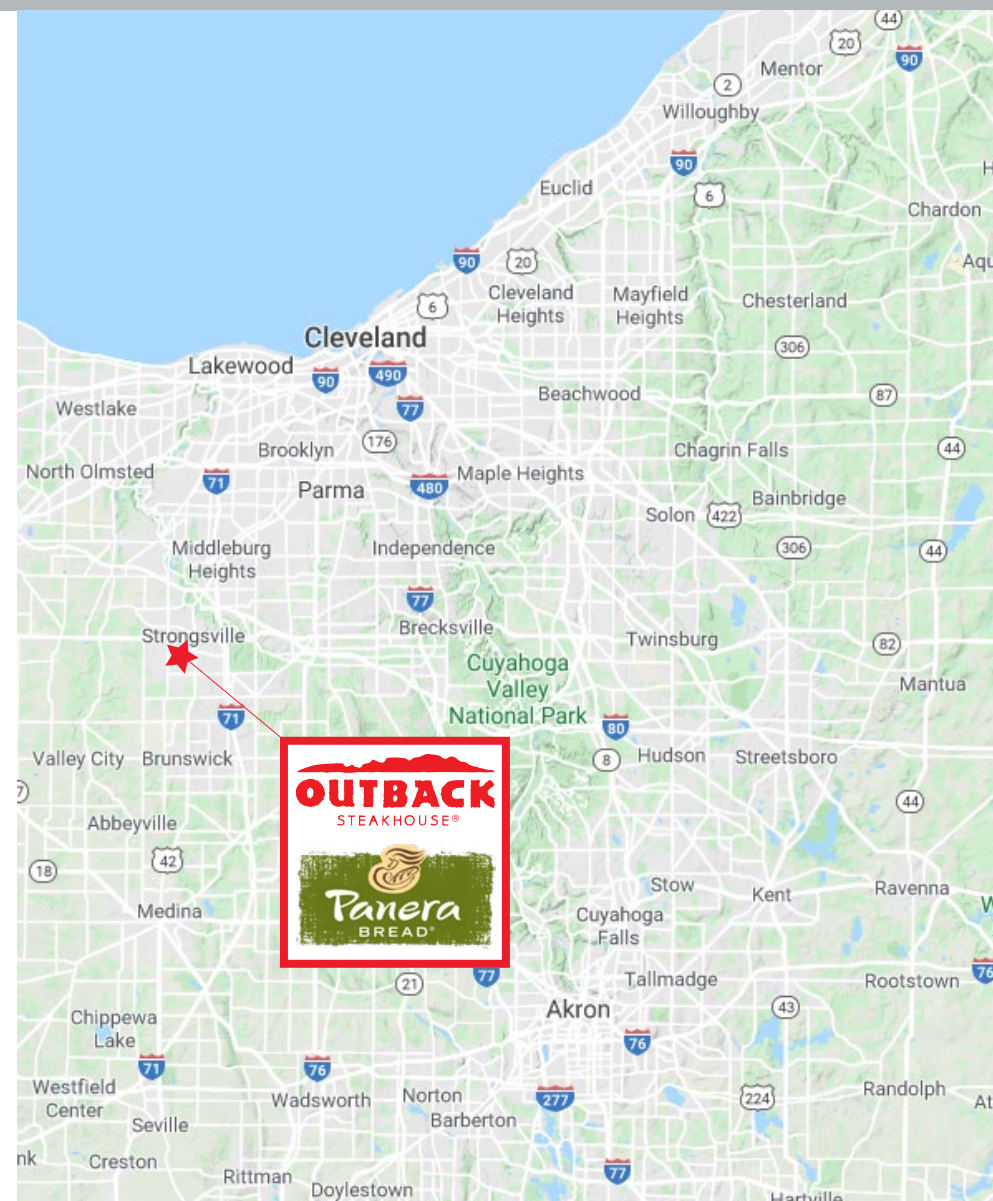
OF EMPLOYEES

CLEVELAND CLINIC HEALTH SYSTEM	32,772
UNIVERSITY HOSPITALS HEALTH SYSTEM	16,606
U.S. OFFICE OF PERSONNEL MANAGEMENT	12,045
PROGRESSIVE CORP.	9,002
CUYAHOGA COUNTY	7,397
AREA TEMPS	7,000
CITY OF CLEVELAND	6,651
THE METROHEALTH SYSTEM	6,469
CLEVELAND METROPOLITAN SCHOOL DISTRICT	6,392
GROUP MANAGEMENT SERVICES, INC.	5,357



DEMOGRAPHIC PROFILE

2019 SUMMARY	1 Mile	3 Miles	5 Miles
Population	5,266	51,703	138,216
Households	2,573	21,246	56,454
Families	1,338	14,189	37,069
Average Household Size	1.99	2.39	2.38
Owner Occupied Housing Units	1,423	15,099	41,180
Renter Occupied Housing Units	1,151	6,326	14,274
Median Age	50.1	45.4	45.1
Average Household Income	\$84,356	\$101,217	\$91,012
2024 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	5,189	51,289	138,008
Households	2,550	21,365	56,575
Families	1,320	14,096	37,039
Average Household Size	1.98	2.38	2.38
Owner Occupied Housing Units	1,474	15,276	42,873
Renter Occupied Housing Units	1,076	6,089	13,702
Median Age	51.2	46.0	45.6
Average Household Income	\$94,269	\$113,520	\$103,179



AVERAGE HOUSEHOLD INCOME OF \$101,217
WITHIN THREE MILES



POPULATION OF 138,216
WITHIN FIVE MILES

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