



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL



Staples
Scranton, PA

This property is listed in conjunction with Pennsylvania-licensed real estate broker Frank Platt.

www.preservewestcapital.com



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Disclaimer

MGM Capital Corp dba Preserve West Capital ("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.

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- Corporate Net Lease to Staples with Approximately 8 Years Term Remaining
 - Scheduled \$0.75 PSF Rental Escalations at Options
- Tenant Extended Term Early, Demonstrating Long-Term Commitment to Site
 - 23-Year Operating History at this Location
- Excellent Access and Visibility at Junction of Viewmont Road/I-81 and US-11
 - Combined AADT of 82,100
- Robust Demographics within 5 Mile Radius
 - Total Daytime Population of 146,422
 - Average Household Income of \$65,515
- Neighbors Johnson College, Marywood University, and Penn State Scranton
 - Student Population of 2,455 within 5 Mile Radius
- Prominent Retail Location Neighboring Numerous Shopping Centers and Major Retail Tenants
 - Nearby Anchor Tenants Include Walmart Supercenter, Target, Wegmans, ALDI, Giant Foods, & CVS
- Scranton is 6th Largest City in Pennsylvania
 - Scranton-Wilkes-Barre-Hazleton MSA Population of 553,885



PRICE

\$4,341,000
7.00% Return

Location

The property is located at 951 Viewmont Drive in Scranton, Pennsylvania.

Lot Size

Approximately 2.64 acres or 114,998 square feet.

Improvements

A 23,967 square foot retail building for **Staples**.

Parking

There are 126 parking spaces available on site, with additional parking available throughout the center.

Lease

Leased to **Office Superstore East LLC** and guaranteed by **USR Parent, Inc.** for 30 years from November 21, 1997 through July 31, 2028 at a current annual rent of \$303,840. There are two (2) options to renew the lease, the first for five years, and the second for four years, eleven months. Rent is to increase by \$0.75 per square foot at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and proportionate share of common area maintenance, including an administrative fee equal to 10% of CAM costs.

Net Annual Income

Years	Annual Rent	Return
21-30 (Current)	\$303,840	7.00%
31-35 (Option 1)	\$321,840	7.41%
36-40 (Option 2)	\$339,840	7.83%

Financing

This property will be delivered free and clear of permanent financing.



Staples has the largest market share of office supply stores in the U.S. at more than 48%

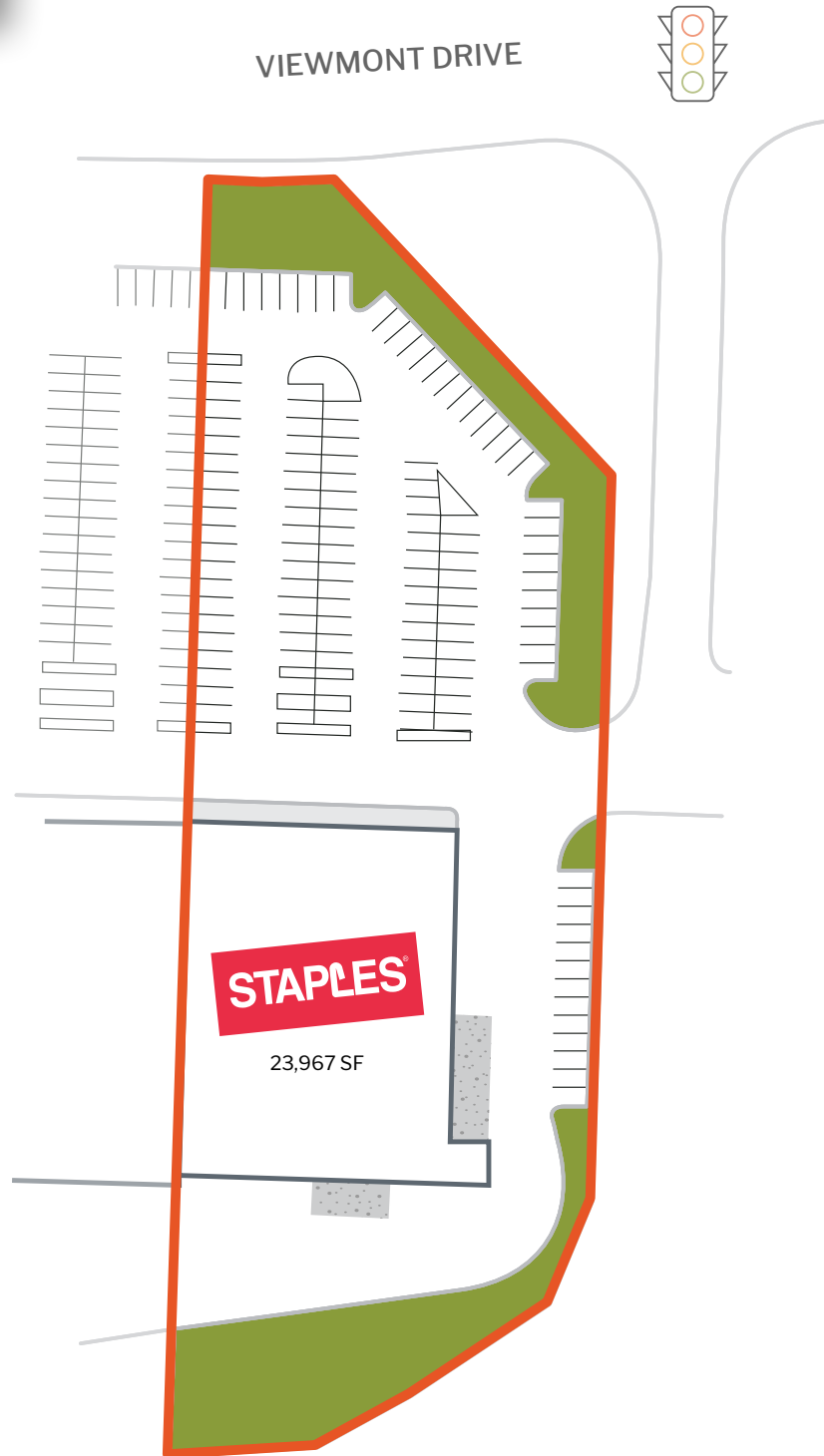


Staples sells office supplies including staples, computers, office machines, technology, office furniture, and print and marketing services in stores, online, and directly to enterprises in the U.S. and Canada. Staples has the largest market share of office supply stores in the U.S. at more than 48%, with 1,086 stores in the U.S. and 304 in Canada. In the last several years, the company has focused increased attention on its small business and enterprise clients while maintaining its retail store presence.

In September 2017, private equity firm Sycamore Partners closed on the acquisition of Staples for \$6.9 billion; the company had previously been publicly traded as SPLS on the NASDAQ exchange. Prior to the acquisition, the Federal Trade Commission had repeatedly blocked Staples' attempts to merge with Office Depot on antitrust grounds. For the second quarter of 2017, the last quarter prior to the company becoming private, Staples reported revenue of \$3.9 billion, net income of \$55 million, and total stockholder's equity of \$3.4 billion. Staples has received a credit rating of B+ from S&P.

The lease entity, **Office Superstore East LLC** is a subsidiary of Staples, Inc.. **USR Parent, Inc.**, the guarantor entity, is an affiliate of Staples, Inc..

SITE PLAN



AERIAL

NORTH VIEW



Scranton Carbondale Hwy



Commerce Blvd

DICKSON CITY CROSSINGS



VIEWMONT MALL



Viewmont Dr



STAPLES

AERIAL

SOUTHEAST VIEW



PennState
Scranton

JOHNSON
COLLEGE
COLLEGE OF TECHNOLOGY

M Marywood
UNIVERSITY



Main St



(53,100 AADT)

Viewmont Dr

STAPLES®

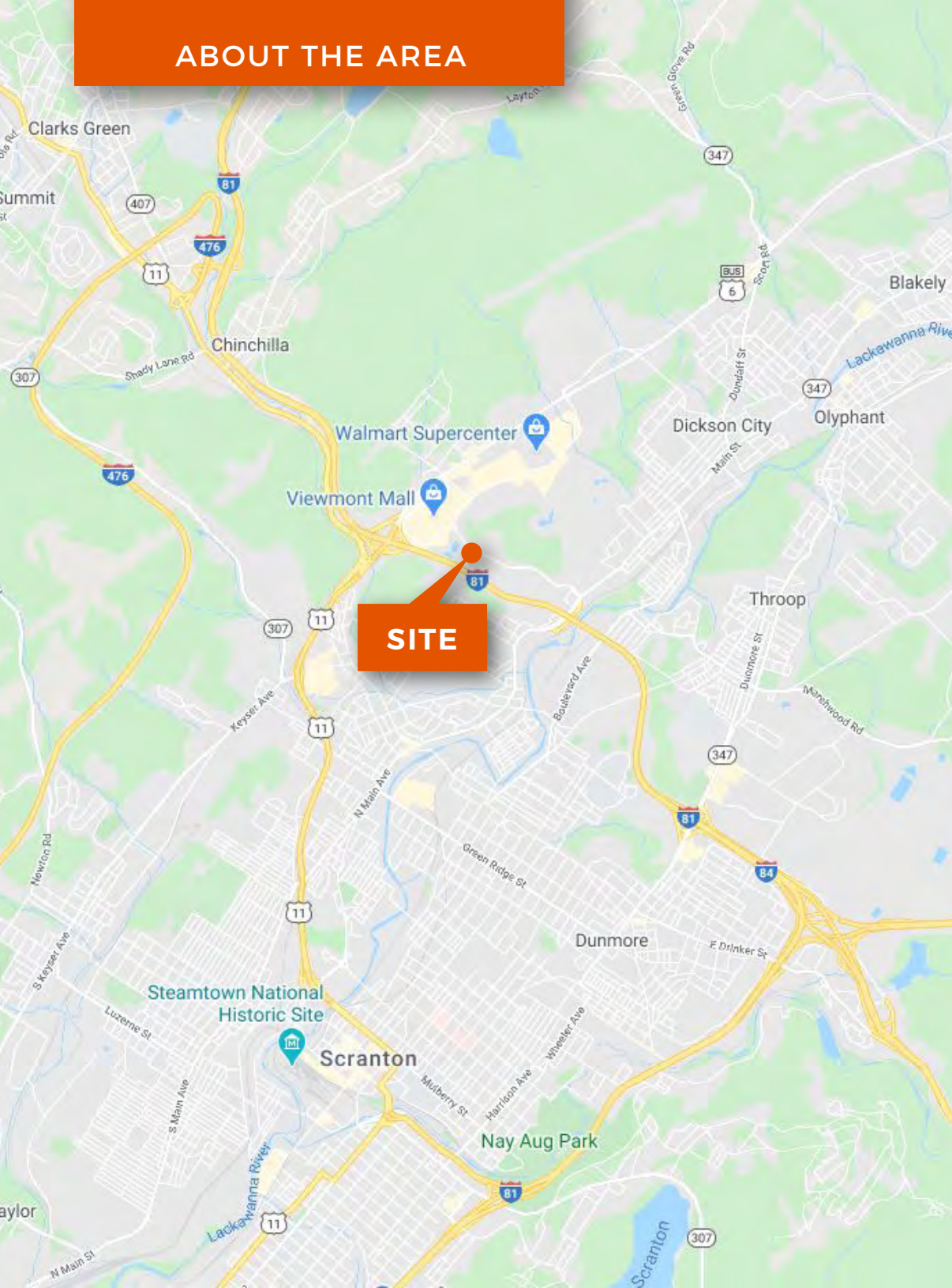


A map of the Scranton, Pennsylvania area. A red pin with the word "SITE" in white text points to the city of Scranton. The map shows major highways (Interstates 81, 84, 88, 90, 78, 76, 70, 66, 62, 58, 54, 50, 46, 42, 38, 34, 30, 26, 22, 18, 14, 10, 6, 2) and surrounding cities (Albany, Schenectady, Kingston, Poughkeepsie, Newburgh, Danbury, Stamford, New York, Edison, Princeton, Trenton, Cherry Hill, Philadelphia, Wilmington, Newark, Elton, Vineland, Bel Air, Lancaster, York, Harrisburg, Hershey, Lebanon, Reading, Allentown, Easton, Wilkes-Barre, Binghamton, Cortland, Norwich, Oneonta, Cooperstown, Gloversville, Saratoga Springs, Glens Falls, Newburgh, Danbury, Stamford, New York, Edison, Princeton, Trenton, Cherry Hill, Philadelphia, Wilmington, Newark, Elton, Vineland, Bel Air, Lancaster, York, Harrisburg, Hershey, Lebanon, Reading, Allentown, Easton, Wilkes-Barre, Binghamton, Cortland, Norwich, Oneonta, Cooperstown, Gloversville, Saratoga Springs, Glens Falls). The map also shows the Delaware River and the Susquehanna River.

Scranton (population 77,186) is the sixth-largest city in the commonwealth of Pennsylvania and the seat of Lackawanna County. The city is a principal city of the Scranton- Wilkes-Barre- Hazelton, PA Metropolitan Statistical Area, with a total population of 553,885 and MSA GDP of \$28.9 billion. The city benefits from a central location with access to major metropolitan areas including New York, New Jersey, Philadelphia, and Northern New Jersey within a 2 hour drive and 80% of the U.S. population within two days' drive or less.

The region benefits from a broad economic base in healthcare, energy, logistics and transportation, finance, insurance, real estate, advanced manufacturing, and more. Major companies operating in the greater Scranton region include McLane Company, Gentex, Lockheed Martin, General Dynamics, CPG International, Quadrant, Sandvik Material Technologies, Gertrude Hawk Chocolates, Arlington Industries, Verizon, Comcast, Pennsylvania American Water, Bank of America, Prudential Financial, CIGNA Health Care, MetLife, EDM Americas, Kemper, and PNC Bank.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent access and visibility within a dense retail hub along Viewmont Road/I-81 (53,100 AADT) adjacent to its junction with US-11 (29,000 AADT). The site benefits from robust demographics with a total daytime population of 146,422 and average household income of \$65,515 within a five mile radius.

The property benefits from a prominent retail location adjacent to numerous major retail tenants and shopping centers. Nearby retail centers include Viewmont Mall, a 768,000 square foot shopping center featuring Dick's Sporting Goods, Field & Stream, Homegoods, Macy's, and more; Dickson City Crossings, anchored by Home Depot and Dollar Tree; Park Center, anchored by Harbor Freight Tools; Sunset Crossing, featuring Giant Foods and CVS; Miracle Shopping Center, anchored by Price Chopper; Greenridge Plaza, featuring Giant Foods, Dollar Tree, and Planet Fitness; and Keyser Oak Shopping Center, anchored by Gerrity's Supermarket. Other major retail tenants in the surrounding area include Walmart Supercenter, Target, Wegmans, ALDI, Sam's Club, Hobby Lobby, and more.

In addition, the property is located 1.2 miles from Johnson College, with approximately 471 students enrolled; approximately 2.5 miles from Marywood University, with a student body of approximately 2,800; and 3 miles from Penn State Scranton, with 992 students enrolled. The site additionally neighbors North Scranton Junior High, Dunmore Middle School, Holy Cross High School, and Commonwealth Charter Academy, drawing additional traffic from students, parents, and teachers.



951 Viewmont Dr | Scranton, PA 18519



2019 POPULATION
135,898



AVG. HOME VALUE
\$186,996



AVG. HOUSEHOLD INCOME
\$65,515

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	4,146	58,889	134,890
2019 Total Population	4,210	59,464	135,898
2024 Total Population	4,241	59,869	136,616
2019-2024 Annual Rate	0.15%	0.14%	0.11%
2019 Total Daytime Population	7,825	65,616	146,422

Average Household Income

2019	\$50,946	\$63,209	\$65,515
2024	\$58,715	\$72,330	\$74,461

Average Home Value

2019	\$137,570	\$175,251	\$186,996
2024	\$159,017	\$199,284	\$211,169

Major Employers in Lackawanna County

State Government
Allied Services Foundation
Community Medical Center
Scranton School District
Lackawanna County
The University of Scranton
Federal Government
Scranton Hospital Company LLC
Scranton Quincy Hospital Co LLC
Wal-Mart Associates Inc.



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