

MAD RIVER



SANDUSKY, OH

OFFERING MEMORANDUM
Marcus & Millichap



EXECUTIVE SUMMARY



5316 Milan Rd,
Sandusky, OH 44870

ADDRESS



Sandusky, OH

MARKET



TOTAL GLA



15 YEARS

TERM REMAINING



OHIO IS THE 3RD LARGEST
MOTORCYCLE MARKET IN
THE US



LEASE TYPE

THE OFFERING

Price	\$5,200,000
Cap	7.15%
GLA	44,627 SF
Lot Size	3.04 Acres
Year Built	2001
Lease Type	NNN
Rent Commencement	Close of Escrow
Lease Expiration	15 Years
Increases	8% Every 5 Years
Options	Two; Five-Year Terms
Debt	Free and Clear

ANNUALIZED OPERATING DATA	ANNUAL RENT	% INCREASE
Years 1-5	\$372,000	
Years 6-10	\$401,760	8.00%
Years 11-15	\$433,901	8.00%
OPTION TERMS		
Option 1 (Years 16-20)	\$468,613	8.00%
Option 2 (Years 21-25)	\$506,102	8.00%

INVESTMENT HIGHLIGHTS

**BRAND NEW 15 YEAR NNN
LEASE AT CLOSING**

**ESTABLISHED OPERATOR
WITH STRONG SALES**

**OVER 18,000 WITH AVERAGE
HOUSEHOLD INCOME OVER
\$107,000 IN 3-MILE**

**LARGE 3+ ACRE PARCEL AT
ENTRANCE TO WALMART AND
LOWE'S ANCHORED CENTER**

LONG TERM 15 YEAR NNN LEASE TO ESTABLISHED DEALERSHIP - At closing, the tenant will sign a new 15- year NNN lease with zero landlord obligations. The tenant has operated this successful dealership since opening in 2002 and serving the Sandusky, Toledo, Lorain, Elyria, Clyde, and Fremont markets.

OHIO IS A LEADING STATE FOR MOTORCYCLE OWNERSHIP - Ohio is ranked third in the United States for motorcycle registrations and fourth for Harley-Davidson ownership. Harley dominates the Ohio market with 55% motorcycle ownership in 2019.

STRONG SALES REPORTING - The Mad River dealership has reported increasing sales year over year and has weathered the COVID-19 storm with continued growth as riders seek to social distance on the open road. Please contact listing agent for more information on sales.

LOCATED IN BETWEEN TWO HIGH-PERFORMING GROCERY-ANCHORED CENTERS - The dealership is an out parcel to Park Place Shopping Center and Crossings of Sandusky Center. The Centers boasts over five million visits per year. Notable tenants include Walmart, Sam's Club, The Home Depot, Lowe's, and Kohl's.

MILAN ROAD SEES APPROXIMATELY 30,000 VPD - Positioned at the signalized intersection of Milan road (30,249 VPD) and the entrance to Crossings of Sandusky, the tenant has prominent frontage. The retailer has entrances from the Park Place Shopping Center and Milan Road directly.

STRONG LOCATION DEMOGRAPHICS - Nearly 18,000 people live three miles from the site. The average household income within a mile is an astounding \$107,000. Over 30% of households earn over \$100,000 per year.

AWARD WINNING DEALERSHIP - Ohio Motor Cycle Group has won nearly 18 Bar and Shield awards in the past 19 years, with Mad River having won 4 of them.

LARGEST MOTORCYCLE MANUFACTURER IN USA - Harley Davidson the largest motorcycle manufacturer nationwide, owning a 30.6% of the national motorcycle market share in 2020. Nearly 700 dealerships are located across the United States, while the rest of the over 800 dealerships are located overseas.



25,677 VPD





THE OHIO MOTORCYCLE GROUP

Ohio Motorcycle Group opened Adventure Harley Davidson in Dover, Ohio in 2004 and now owns and operates four dealerships throughout Ohio in Cuyahoga Falls, Cleveland, Dover and Sandusky. Each location boasts a huge selection of both new & used bikes, as well as hundreds of options for customization, services, parts and more. The locations are around 40,000 SF with large parking fields for events and meetups.

Ohio Motorcycle Group is a regionally operated dealership and family owned group led by Mike and Franscene Davis. Mr. Davis is an active member of the Harley Davidson dealerships advisory board and leads an experienced five-person management team with the help of 14-year partner and Chief Financial Officer, Larry Browning. Currently, Ohio Motorcycle Group has about 250 employees throughout their four dealerships. They have won over 20 Bar & Shield Awards at various locations recognizing the highest achieving dealerships. Mr. Davis is a former airline executive in which he had indirect supervision of approximately 600 employees. He also has a construction background.

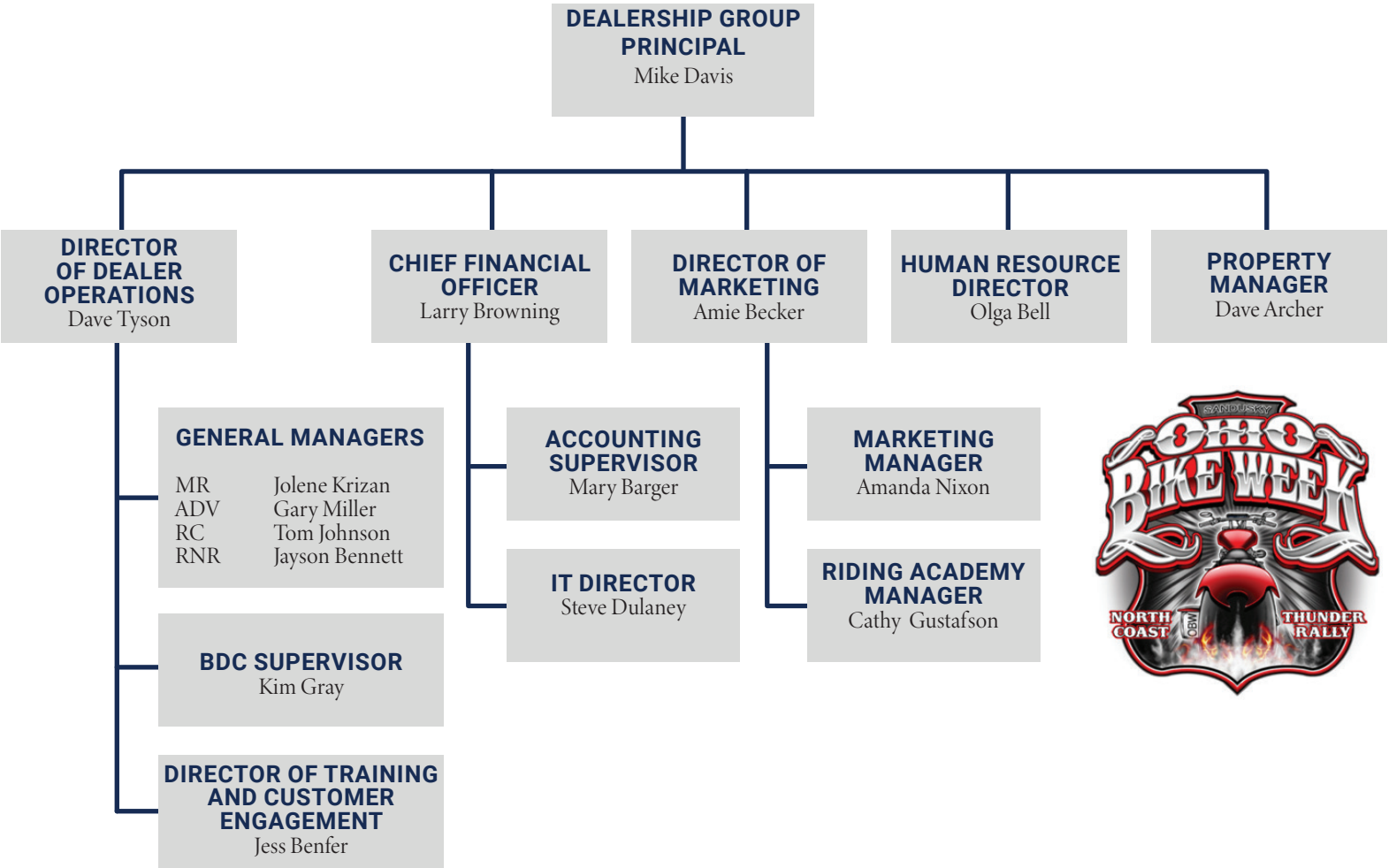
Mad River Harley Davidson is host to the annual Ohio Bike Week which is celebrating its 20th year Anniversary. Ohio Bike Week is the largest motorcycle rally in the Midwest and draws tens of thousands of riders and enthusiasts to Sandusky, Ohio for a week of entertainment and events.



**MIKE AND
FRANSCENE DAVIS**
Dealer Principals



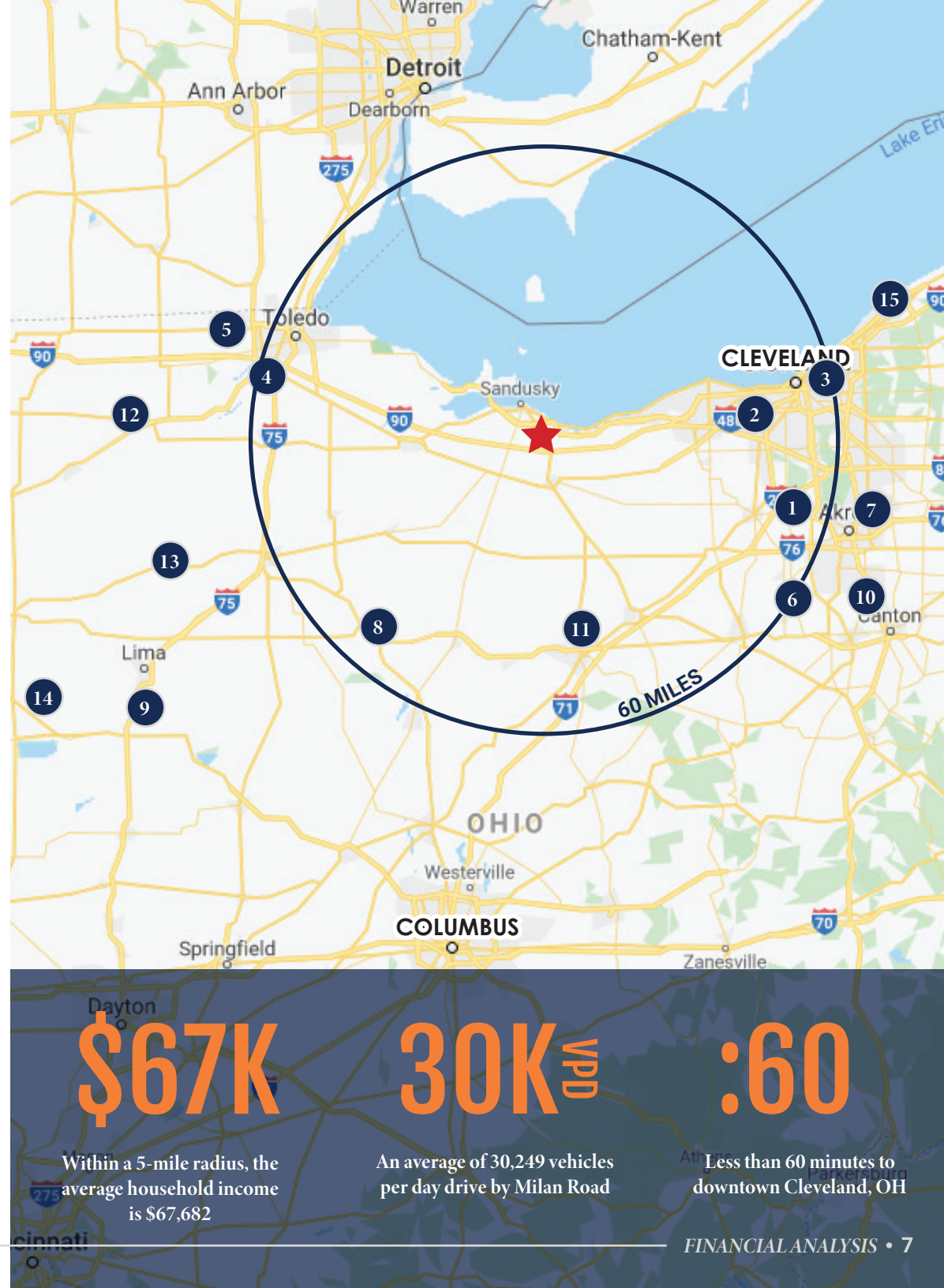
LARRY BROWNING
CFO



HARLEY DAVIDSON COMPETITION WITHIN 120 MILES

#	NAME	ADDRESS
1	Stinger Harley-Davidson	3053 Eastpointe Dr, Medina, OH 44256
2	Rock-n-Roll Harely-Davidson	4985 W 150th St, Cleveland, OH 44135
3	Southeast Harley-Davidson	23105 Aurora Rd, Bedford Heights, OH 44146
4	Signature Harley-Davidson	1176 Professional Dr, Perrysburg, OH 43551
5	Toledo Harley-Davidson	7960 Central Ave, Toledo, OH 43617
6	Adventure Harley-Davidson	1465 OH-39, Dover, OH 44622
7	Rubber City Harley-Davidson	1120 Main St, Cuyahoga Falls, OH 44221
8	Route 30 Harley-Davidson	350 Tarhe Trail, Upper Sandusky, OH 43351
9	Lima Harley-Davidson	3255 Fort Shawnee Industrial Dr, Lima, OH 45806
10	Freedom Harley-Davidson	7233 Sunset Strip Ave NW, North Canton, OH 44720
11	Hale's Harley-Davidson	1400 Harrington Memorial Rd, Mansfield, OH 44903
12	Napoleon Harley-Davidson	862 American Rd, Napoleon, OH 43545
13	Ben Breece Harley-Davidson	6388 US-224, Ottawa, OH 45875
14	Jim's Harley-Davidson	7172 OH-707, Mendon, OH 45862
15	Western Reserve Harley-Davidson	8567 Tyler Blvd, Mentor, OH 44060

 = OHIO MOTORCYCLE GROUP



\$67K **30K^{VPD}** **:60**

Within a 5-mile radius, the average household income is \$67,682

An average of 30,249 vehicles per day drive by Milan Road

Less than 60 minutes to downtown Cleveland, OH

TENANT INFORMATION

Founded in Milwaukee, Wisconsin in 1903, Harley-Davidson (NYSE: HOG) manufactures and sells customizable motorcycles that feature industry leading styling, sound, quality, and design with the ability to personalize to each customer. Being the 2nd oldest motorcycle company, Harley-Davidson prides itself with being the most iconic motorcycle brand globally. The company is expecting \$4.5 billion in motorcycle revenue for the full-year of 2020.

The company's foundation relies on the global network of independent dealerships that distribute Harley-Davidson products and strives to provide unmatched customer service. Dealers are ambassadors of the Harley-Davidson brand and create experiences and bonds that can last a lifetime. These dealerships offer various financing, insurance, and marketing services for potential buyers and sellers. With more than 1,400 independently owned dealerships in nearly 100 countries, Harley-Davidson dominates the U.S. market for on road motorcycles, accounting for nearly 50% of all motorcycle registrations in the United States alone.



HEADQUARTERS
Milwaukee, WI



NO. OF EMPLOYEES
6,000+



NO. OF LOCATIONS
1,400 +



YEAR FOUNDED
1903



**STOCK SYMBOL
/CREDIT RATING**
HOG : Baa1



Chick-fil-
a
DUNKIN'
DONUTS
AMERICA RUNS ON DUNKIN'

GREAT
WOLF
LODGE

TARGET
EVERY SEASON STARTS AT
DICK'S
SPORTING GOODS
BED BATH &
BEYOND

TJ-maxx
JCPenney
BEST
BUY

Cedar Point
27.9 MILLION VISITORS
IN 2019

AutoZone



verizon

OUTBACK
STEAKHOUSE

meijer

Panera
BREAD

Olive
Garden

Pier 1 imports

chili's
GRILL & BAR

LOWE'S

STAPLES

LONGHORN
STEAKHOUSES

golden
corral
Buffet & Grill

MOTOR
HARLEY-DAVIDSON
COMPANY

MILAN RD - 30,249 VPD



DOLLAR TREE
JO-ANN
PETCO
Where the pets go.



KOHL'S



MILAN RD - 30,249 VPD



LEASE ABSTRACT

Guarantor	Erie Rider's LLC
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Required Notice to Exercise Options	6 months
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Landlord Obligations	None
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Tenant Obligations	Tenant shall maintain the demised premises.
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Assignment & Subletting	Landlord consent required; Tenant shall remain liable.
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Sales Reported	None
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First Right of Refusal	None
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Termination Rights	None
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DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2024 Projection	2,732	17,880	40,555
2019 Estimate	2,733	18,085	41,350
2010 Census	2,730	18,242	41,988
2000 Census	2,699	18,248	44,275
Current Daytime Population	4,977	22,983	49,307

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2019 Estimate Total Population	2,733	18,085	41,350
Under 20	16.90%	20.32%	23.80%
20 to 34 Years	14.10%	16.47%	18.56%
35 to 39 Years	4.33%	5.17%	5.51%
40 to 49 Years	10.61%	10.66%	10.76%
50 to 64 Years	23.12%	22.50%	21.18%
Age 65+	30.94%	24.90%	20.20%
Median Age	53.08	47.9	42.18
<u>Population 25+ by Education Level</u>			
2019 Estimate Population Age 25+	2,129	13,384	28,936
Elementary (0-8)	1.16%	1.95%	2.25%
Some High School (9-11)	3.19%	6.54%	8.20%
High School Graduate (12)	31.65%	35.92%	38.43%
Some College (13-15)	19.01%	19.57%	20.24%
Associate Degree Only	9.69%	9.46%	8.57%
Bachelors Degree Only	22.40%	16.68%	14.40%
Graduate Degree	12.04%	9.27%	7.16%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2024 Projection	1,120	7,293	16,503
2019 Estimate	1,117	7,343	16,768
2010 Census	1,136	7,553	17,409
2000 Census	1,129	7,162	17,813

INCOME	1 MILE	3 MILES	5 MILES
<u>2019 Housing Income</u>			
\$150,000 or More	17.86%	9.75%	6.32%
\$100,000 - \$149,000	15.15%	14.77%	11.92%
\$75,000 - \$99,999	13.57%	12.88%	11.95%
\$50,000 - \$74,999	20.75%	19.68%	18.82%
\$35,000 - \$49,999	14.20%	14.58%	15.08%
Under \$35,000	18.46%	28.33%	35.91%
Average Household Income	\$107,382	\$81,032	\$67,682
Median Household Income	\$68,634	\$57,931	\$48,750
Per Capita Income	\$44,316	\$33,453	\$27,828

DEMOGRAPHIC SUMMARY

Geography: 5 Miles



POPULATION

In 2019, the population was 41,350. The population has changed by -6.61% since 2000. It is estimated that the population will be 40,555 five years from now, which represents a change of -1.92% from the current year. The current population is 48.43% male and 51.57% female. The median age of the population is 42.18, compared to the US average which is 38.08. The population density is 525.53 people per square mile.



HOUSEHOLDS

There are currently 16,768 households in your selected geography. The number of households has changed by -5.87% since 2000. It is estimated that the number of households will be 16,503 five years from now, which represents a change of -1.58% from the current year. The average household size is 2.39 persons.



INCOME

In 2019, the median household income was \$48,750, compared to the US average which is currently \$60,811. The median household income has changed by 29.57% since 2000. It is estimated that the median household income will be \$56,263 five years from now, which represents a change of 15.41% from the current year.

The current year per capita income is \$27,828, compared to the US average, which is \$33,623. The current year average household income is \$67,682, compared to the US average which is \$87,636.



RACE AND ETHNICITY

The current year racial makeup is as follows: 77.29% White, 15.25% Black, 0.04% Native American and 1.06% Asian/Pacific Islander. Compare these to US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 5.24% of the current year population. Compare this to the US average of 18.17%.



HOUSING

The median housing value was \$138,650 in 2019, compared to the US average of \$212,058. In 2000, there were 11,661 owner occupied housing units and 6,152 renter occupied housing units. The median rent at the time was \$403 per month.



EMPLOYMENT

In 2019, there were 23,382 employees, this is also known as the daytime population. The 2000 Census revealed that 50.86% of employees are employed in white-collar occupations, and 48.92% are employed in blue-collar occupations. In 2019, unemployment was 7.22%. In 2000, the average time traveled to work was 19 minutes.

CLEVELAND OVERVIEW

The Cleveland metro is situated in the northeastern corner of Ohio, west of the Pennsylvania state border, and extends 100 miles along the Lake Erie shore and more than 40 miles inland. It is composed of Cuyahoga, Geauga, Lake, Lorain and Medina counties and contains nearly 2.1 million residents, approximately a fifth of the Ohio population. The eastern part of the region lies on the Appalachian Plateau, while the western portion sits upon the Lake Plain, hemming the area in to development. Economic growth and development are diversifying the region's industries to include medical and technology as well as various corporate headquarters. Telecommunications are also a growing sector, attracting additional tech companies.

METRO HIGHLIGHTS



EXCELLENT INFRASTRUCTURE

Cleveland's transportation facilities strengthen its position as a leading center of business, generating access to other large metros nationwide.



DIVERSIFYING ECONOMY

Education and health services is the largest employment sector; manufacturing also is prominent.



REVITALIZING DOWNTOWN

Cleveland's downtown is experiencing a metropolitan rebirth as revitalized buildings attract new businesses, residents and visitors.



THE CLEVELAND ECONOMY

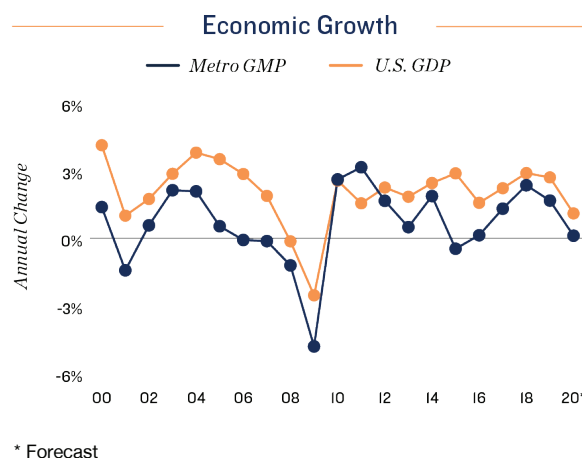
Historically a durable-goods manufacturing area, the metro has recently taken great strides toward boosting its medical and biotech sectors.

Cleveland is recognized as a global leader in healthcare and medical services. The world-renowned Cleveland Clinic is one of the area's largest employers.

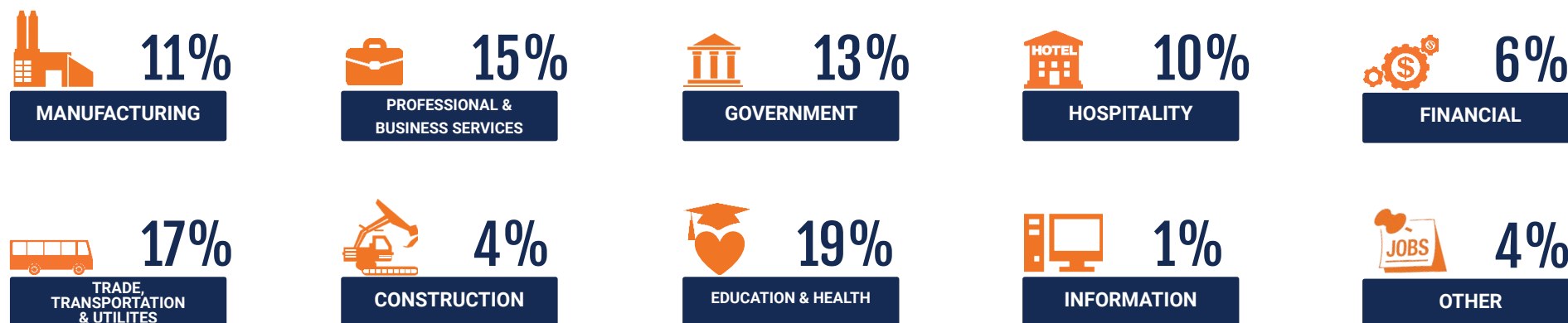
Fortune 500 firms located in Cleveland include Parker-Hannifin, Sherwin-Williams, Progressive, Keycorp, and TravelCenters of America.

Insurance is also a leading industry locally, partly because of the presence of Progressive.

MAJOR AREA EMPLOYERS
Progressive Corp.
Cleveland Clinic
University Hospitals
Sherwin-Williams Co.
MetroHealth System
KeyCorp
Case Western Reserve University
Parker Hannifin Corp.
Swagelok Co.
Lincoln Electric.



SHARE OF 2019 TOTAL EMPLOYMENT



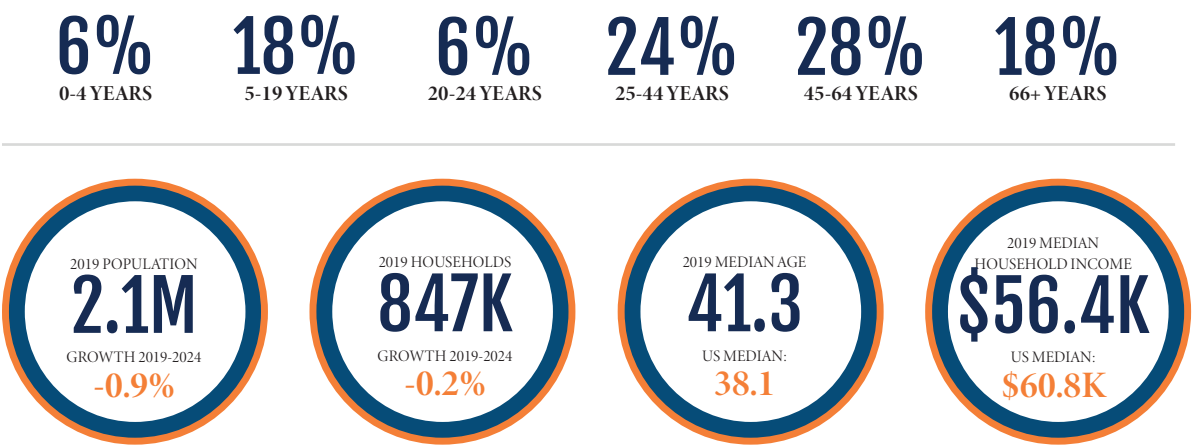
CLEVELAND DEMOGRAPHICS

The metro's population and number of households has been contracting in recent years, a trend that will continue over the next five years.

Relatively affordable home prices have produced a homeownership rate of 58 percent, slightly above the national rate of 57 percent.

Roughly 30 percent of residents age 25 and older have received a bachelor's degree; of those residents, 12 percent also have obtained a graduate or professional degree.

2019 POPULATION BY AGE



QUALITY OF LIFE

Cleveland's downtown district continues to undergo economic revitalization as buildings such as the medical mart and convention center and major renovations reshape the city's historical centers. Cultural opportunities include the Rock and Roll Hall of Fame and the Theater District in downtown Cleveland where Playhouse Square is located. The facility has four theaters that house Opera Cleveland and stage Broadway musicals. Cedar Point Amusement Park is a short drive away. Only one park in the world has more roller coasters than Cedar Point. Cleveland is home to several highly ranked institutions of higher learning, including Case Western Reserve University, Cleveland State University and John Carroll University in University Heights.

* Forecast
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT



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