

VERIZON WIRELESS & JIMMY JOHN'S (DRIVE THRU) CANTON, MI



verizon✓



FOR SALE
2 TENANT BUILDING

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CONDITIONS OF OFFERING

OFFERING MEMORANDUM AND LEGAL LIABILITY

The Offering Memorandum (“The Memorandum”) is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire the Jimmy John’s/Verizon Wireless located at 46540 – 46550 Michigan Ave., Canton, MI (“The Property”). The Memorandum, prepared by Mid-America Real Estate-Michigan, Inc. (Hereinafter collectively referred to as “MAREM”), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREM or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREM and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREM or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREM and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum’s contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREM, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum’s contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum’s contents in any fashion or manner detrimental to the interest of The Owner and/or MAREM or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREM is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MAREMs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREM. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREM.

REPRESENTATION

The Potential Purchaser understands and agrees that MAREM is not representing The Potential Purchaser in this Proposed Sale. MAREM is only representing The Owner in this Proposed Sale.

AMERICANS WITH DISABILITIES ACT

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREM is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREM can determine which attorneys or design professionals have the appropriate expertise in this area.

HAZARDOUS MATERIALS DISCLOSURE

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREM has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters

COOPERATING BROKER POLICY

Neither The Owner nor MAREM will pay a brokerage fee to, or share a brokerage commission with The Potential Purchaser, or a related and/or affiliated party to such purchaser, attempting to act as a cooperating broker. In addition, neither The Owner nor MAREM will pay a brokerage fee to, or share a brokerage commission with, a cooperating broker representing The Potential Purchaser. However, notwithstanding the issue of commission, The Potential Purchaser may retain the brokerage representative of its choice. All cooperating broker inquiries should be directed to the appropriate MAREM representative.

REMEDIES

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/ or MAREM shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREM from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREM is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREM prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREM’s reasonable attorneys’ fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.



STABLE EXISTING TENANTS

Verizon Wireless has been a tenant since 2012 and Jimmy John's has been a tenant since 2015. Verizon recently extended their lease for 3 years in 2022 showing a commitment to the property.



ESTABLISHED OPERATORS

The Jimmy Johns franchisee is the Tomey Group, LLC, a 50+ unit operator. Verizon is operated by The Cellular Connection(TCC) a 850+ unit operator.



EXCELLENT TRAFFIC & INGRESS/EGRESS

Over 28,000 cars drive by the property every day. There's 1 dedicated curb cut on Michigan Avenue, multiple shared curb cuts along Michigan Avenue with the businesses to the east and access out to Canton Center Road. Jimmy John's has a drive thru, which adds to its convenience.



SURROUNDED BY MAJOR RETAILERS & BUSINESSES

The property is located on Michigan Avenue between Canton Center Road and Beck Road. National big box and major retailers on the corridor include: Walmart, Home Depot, Dick's Sporting Goods, Target, PetSmart and Kroger among others. National restaurants on the corridor include: Chipotle, Panera Bread, McDonalds and Bob Evan's among others. Arctic Edge of Canton & High Velocity Sports attracts over 1 million visitors per year and is located directly across from the property.



GREAT VISIBILITY / CENTRAL LOCATION

The property is prominent to both east and westbound traffic and a new multi-panel monument sign was recently installed. Canton Township, located in Wayne County, is Michigan's second most-populated township (after Clinton Township) and ninth most-populated municipality overall. It is located about 8 miles west of Detroit and 8 miles east of Ann Arbor. The property benefits from an expanded consumer reach due to its easy access to regional transportation with a Michigan Avenue & I-275 interchange.



WELL-MAINTAINED

In spring 2023, the seller installed a new multi-panel monument sign, repaired light poles in the parking lot, replaced significant sections of the parking lot behind the building and sealed & striped the parking lot.



ROOF INFORMATION

Jimmy Johns: 15 year Duro-Last System roof warranty. Effective Date June 22, 2015
Verizon: 10 year Firestone roof warranty expired. Installation date September 1, 2012



STRONG DEMOGRAPHICS

With 56,082 households and 143,197 people within a five-mile radius, the property is surrounded by a dense residential population. Average household incomes within a five-mile radius are \$118,396. There is a large daytime population of 125,013 people within a 5-mile radius.

KEY FEATURES



DESIRABLE DEMOGRAPHIC PROFILE *within 3 miles*



POPULATION
42,831



DAYTIME POPULATION
36,743



HOUSEHOLDS
15,929



AVERAGE HH INCOME
\$144,814



MEDIAN HOME VALUE
\$322,271



MEDIAN AGE
38.0



THE OFFERING

Mid-America Real Estate-Michigan, Inc. is pleased to announce an investment opportunity that is available for sale in Canton, Michigan. This highly desirable property is a 2-tenant building that is currently leased to thriving businesses - Verizon Wireless and Jimmy John's with drive-thru. Both tenants have leases in place, providing investors with a steady stream of income for years to come.

The property is located in a prime location in the heart of Canton, Michigan, on one of the city's busiest thoroughfares. With high visibility and ample foot traffic, this location is highly sought-after by businesses and investors alike. The building itself is well-maintained, modern, and features ample parking for customers and employees.

Verizon Wireless and Jimmy John's are two highly reputable and successful businesses, making them ideal tenants for any investor looking for a stable income stream. Both businesses have strong operators and long-term leases, providing investors with peace of mind and a secure investment for their portfolio.



\$

PRICE:
\$1,842,859

%

CAP RATE:
6.75%

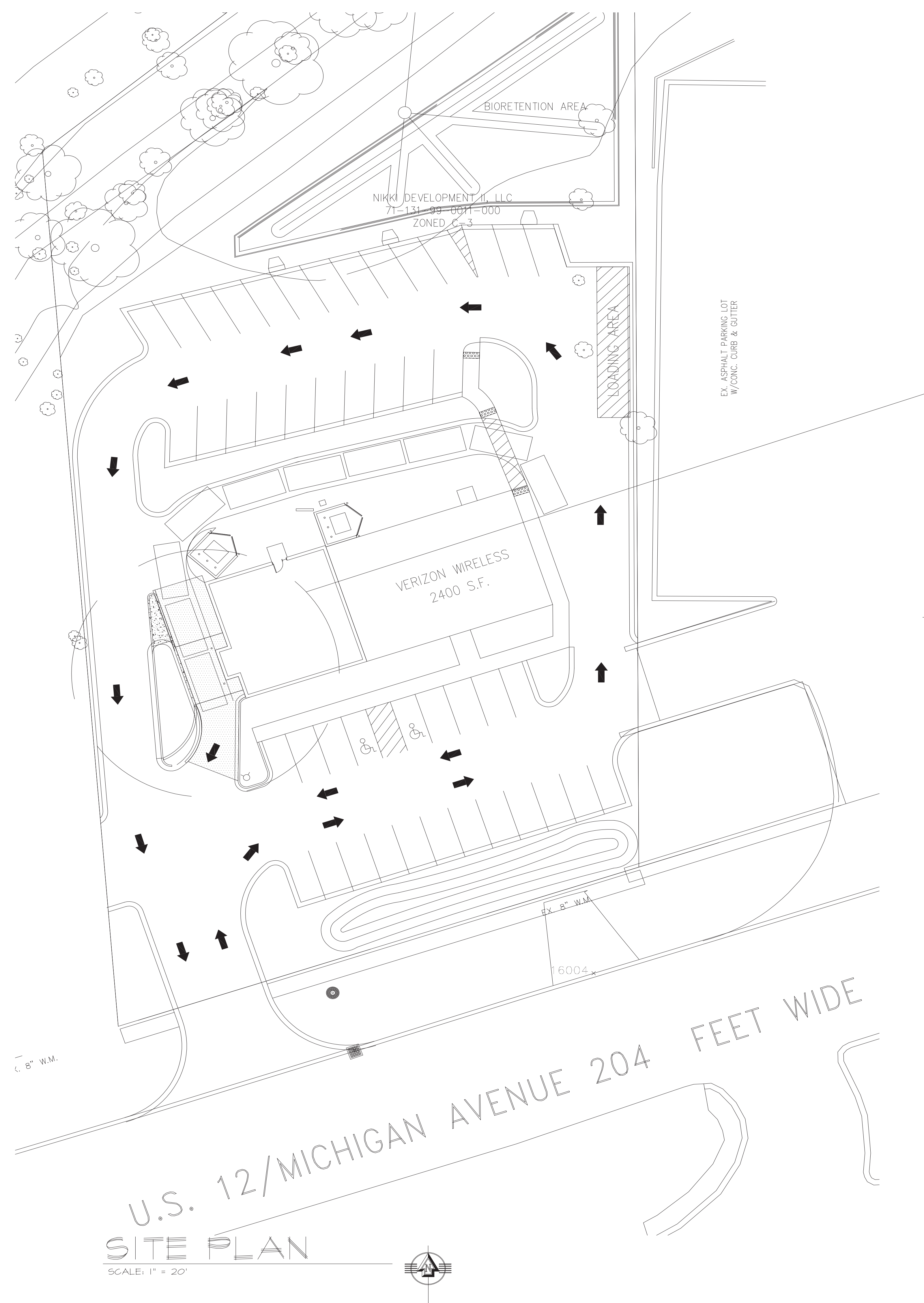
Property Summary	
Address	46540-46550 Michigan Avenue Canton, MI
Total Building Size (SF)	4,020 SF
Lot Size (AC)	1.25 AC
Parking Spaces	45
Lease Type	NNN

Offering Summary	
Offering Price	\$1,842,859
Offering Cap Rate	6.75%
NOI	\$124,393
Ownership Interest	Fee Simple
Encumbrances	None

Demographics			
	1 Mile	3 Mile	5 Mile
2023 Population	4,608	42,831	143,197
2023 Total Households	2,150	15,929	56,082
2023 Avg. Household Income	\$127,760	\$144,827	\$118,396



SITE PLAN



SITE OVERVIEW & IMMEDIATE TRADE AREA OVERVIEW



©Google; Retrieved: 4/27/2023



LEASE ABSTRACT



Tenant	Jimmy John’s (Tohme Brothers XVI LLC)
Address	46550 Michigan Ave Canton, MI
Building Size (SF)	1,620 SF
Lease Date	August 21, 2013
Lease Expiration	June 30, 2025
Rental Rate	\$25.68 SF
Annual Base Rent	\$41,600
Monthly Base Rent	\$3,466.67
Rent Increase	None
Options	2, 5-year
Option Rent	Option 1: \$44,800 Per Year Option 2: \$48,000 Per Year
Lease Type	NNN
Common Area Maintenance	Shall not increase by more than 5% on a cumulative & compounding basis excluding taxes, insurance, snow and ice removal, and utilities. Tenant shall pay its proportionate share of operating expenses of the Common Areas of the multi-tenant area. CAM shall consist of all Landlord’s costs and expenses incurred in operating, maintaining, repairing, lighting, irrigating and managing the Shopping Center common areas, including the costs of all landscaping, painting, roofing, common area utilities, repair and maintenance expenses, repaving, sealing and striping the parking areas, normal replacement of personal property and equipment, licenses and permits, personnel employed in the operation and management, and reasonable management fees.

Insurance	Proportionate Share
Taxes	Proportionate Share
Utilities	Tenant responsibility
Tenant Maintenance	Maintain the real property and improvements, (ii) pay all operating costs of the Premises and for the common area utilities, (iii) repair and replace all electrical, interior plumbing, and mechanical systems (iv) maintain, repair and replace all signage including pylon sign, (v) maintain and repair the sidewalks immediately in front of the Premises, (vi) HVAC service contract no less than 3 times per year, (vii) Any and all impact fees, permit fees, re-occupancy fees, sewer tap fees, city inspection and/or compliance fees, EDU fees, etc., (viii) painting and repair to non-structural portions of exterior walls, store front, signage, awning, and facade, (ix) HVAC maintenance and repair.
Landlord Maintenance	Maintenance, repair or replacement of the roof and roof membrane, structure, replacement of the HVAC unit(s). Repairing, restriping, resealing and replacing the parking areas, curbs and entrances.
ROFR	None
Administrative/Management Fee	Included in CAM
Guaranty	Fawzi Tomey. Initial 5 years of the term of the Lease and thereafter a rolling 12-month guaranty
Co-Tenancy Clause	None
HVAC	1, 7.5 ton unit installed in 2015
Sales Reporting	N/A
Termination Right	None



LEASE ABSTRACT



Tenant	Verizon (The Cellular Connection, LLC)
Address	46540 Michigan Ave Canton, MI
Building Size (SF)	2,400 SF
Lease Date	October 7, 2011
Lease Expiration	December 31, 2025
Rental Rate	\$37.00 SF
Annual Base Rent	\$88,800
Monthly Base Rent	\$7,400
Rent Increase	None
Options	1, 3-year
Option Rent	\$94,800 Per Year
Lease Type	NNN
Common Area Maintenance	Shall not increase by more than 5% on a non-cumulative basis excluding sanding, snow/ice removal. Tenant shall pay its proportionate share of operating expenses of the Common Areas of the multi-tenant area. All Landlord's costs and expenses in operating, maintaining, repairing, lighting, irrigating and managing the Shopping Center common areas, all landscaping, painting, roofing, common area utilities, repair and maintenance expenses, repaving, sealing and striping the parking areas, personnel employed in the operation and management, and reasonable management fees.
Insurance	Proportionate Share
Taxes	Proportionate Share

Utilities	Tenant responsibility
Tenant Maintenance	(i) Maintain the real property and improvements comprising the Premises and Common Area in good condition and repair (ii) pay all operating costs of the Premises and common area utilities, (iii) repair and replace the HVAC, all electrical, interior plumbing, and mechanical systems, (iv) maintain, repair and replace all signage including pylon sign, (v) maintain and repair the sidewalks, landscaping, curbing, all common areas, snow and ice removal, parking lot lighting, trash enclosure, gutters, downspouts, soffits, and any exterior lighting, (vi) enter into an HVAC service contract requiring the HVAC to be serviced no less than 2 times per year, (vii) painting and repair to non-structural portions of exterior walls, store front, signage, awning, and facade.
Landlord Maintenance	Maintenance, repair or replace the roof and roof membrane, structure, foundation, exterior utilities up to the point of connection with the Building; Landlord is not responsible for any existing or future sprinkler system. In the event Landlord replaces the roof, Tenant shall be responsible for all maintenance and repair for up to 7 years following installation of a new roof and Landlord shall assign any warranties. Repair, restripe, re-seal and replace the parking areas, curbs and entrances. Landlord shall not be required to reseal the parking lot during the first 5 years of the Lease term and not more than once per 5 years thereafter. Landlord shall assign to Tenant any warranty's for HVAC.
ROFR	None
Administrative/Management Fee	5% included in CAM
Guaranty	The Cellular Connection, LLC
Co-Tenancy Clause	None
HVAC	1, 7-ton unit installed in 2012.
Sales Reporting	N/A
Termination Right	None



RENT ROLL

Tenant	Square Footage	Start	Expiration	Rent PSF	Annual Rent	Recovery RET/Ins/Water (utilities)	Recovery General Landscape / CAM	Recovery Snow & Ice	Gross Rent	Tax/Ins/CAM Per Lease	Rent Increase	Option Terms
Verizon	2,400	10/7/2011	12/31/2025	\$37.00	\$88,800	\$10,221	\$1,968	\$4,919	\$105,909	Pro-Rata 5% annual cap on controllable Non-cumulative 5% Mgmt Fee on CAM	None	1, 3 year. \$94,800 Per Year
Jimmy John's	1,620	8/2/2014	6/30/2025	\$25.68	\$41,600	\$6,900	\$1,206	\$3,321	\$53,027	Pro-Rata 5% annual cap on controllable. Cumulative & Compounding	None	2, 5 year. Oprion 1: \$44,800 Per Year Option 2: \$48,000 Per Year
TOTAL SF	4,020			\$31.34	\$130,400	\$17,121	\$3,174	\$8,240	\$158,935			





NOI BREAKDOWN

Building Square Footage		4,020
Income		
Base Rent	\$32.44	\$130,400
Recoveries		
Total Recovery	\$7.10	\$28,535
Gross Rental Income	\$39.54	\$158,935
Credit Loss (1)	<u>\$0.00</u>	
Effective Gross Income	\$39.54	\$158,935
Expenses		
Rec CAM	\$4.06	\$16,318
Rec Insurance	\$0.81	\$3,274
Rec Real Estate Taxes (2)	\$2.60	\$10,448
Rec Water Utilities Provided by Landlord	\$0.85	\$3,399
Non-Rec Office and Administrative	\$0.12	\$500
Non-Rec Reserves (3)	<u>\$0.15</u>	<u>\$603</u>
	\$8.59	\$34,542
Net Operating Income	\$30.94	\$124,393

(1) We assume a 0% credit loss.

(2) 2022 Assessed Value: \$196,500 | Taxable Value: \$182,067

(3) Management fee of 0% of Effective Gross Income. Included in Rent

(4) Reserves are based on \$0.15 per square foot.



TENANT OVERVIEW - JIMMY JOHN'S



Jimmy John's is a popular sandwich chain that operates over 2,800 locations throughout the United States. Jimmy John's employs about 45,000 people throughout its corporate offices and franchise locations across the United States. As a tenant, Jimmy John's is known for its reliability, strong brand recognition, and commitment to quality. The company's focus on fast, fresh, and healthy food options make it a popular choice for consumers looking for quick and convenient meal options.

Jimmy John's typically seeks properties that are well-located with high visibility and strong foot traffic. The company values properties with easy access, ample parking, and strong infrastructure, including good signage and visibility.

This location is operated by the Tomey Group, a 50+ unit Jimmy John's operator and the first Michigan franchisee for Chicken Guy.

Tenant Profile	
Company Name	Jimmy John's
Founded	1983
Headquarters	Champaign, Illinois
Type	Privately held
Number of Stores	Over 2,800
Number of Employees	45,000
Website	https://www.jimmyjohns.com/





TENANT OVERVIEW - VERIZON WIRELESS

verizon✓ Verizon Wireless was formed in the year 2000, as a subsidiary of Verizon Communications, and is one of the world’s leading providers of technology and communications services. This location is operated by The Cellular Connection.

TCC (The Cellular Connection) was founded in 1991. It started as a small wireless retailer in Marion, Indiana, and has since grown into one of the largest Verizon Wireless retailers in the United States, with over 800 stores and 3,000 employees. TCC was estimated to have generated over \$1 billion in annual revenue, making it one of the largest and most successful Verizon Wireless retailers in the country.

As a Verizon Wireless partner, TCC offers a wide range of products and services, including smartphones, tablets, and accessories, as well as wireless plans for individuals and businesses. TCC’s focus on customer satisfaction and product knowledge make it a valuable partner for Verizon Wireless, as well as a top choice for consumers looking for reliable and knowledgeable wireless providers.

Tenant Profile	
Company Name	Verizon Wireless (TCC)
Founded	1991
Headquarters	Carmel, Indiana
Type	Subsidiary
Number of Stores	Over 800
Number of Employees	3,000
Website	www.verizon.com

