

MCDONALD'S

1517 NORTH KEOWEE ST — DAYTON, OHIO 45404

offering memorandum



ACTUAL PROPERTY

Investment Overview

1517 NORTH KEOWEE ST — DAYTON, OHIO 45404

Marcus & Millichap is pleased to present this McDonald's, free and clear of debt, in Dayton, Ohio; which is the sixth largest city in the state of Ohio. McDonald's is currently operating under an absolute-net (NNN) ground lease with zero landlord responsibilities. There are more than 13 years remaining on a 20-year lease. McDonald's has been operating at this location since 1967, and has demonstrated their commitment by signing a brand new 20-year lease, and razing their old model and completely rebuilding in 2012. The lease is guaranteed by the McDonald's Corporation, who did \$24.6-billion in revenue across more than 36,000 locations in 2016 and ranked number 112 on the Fortune 500 in June 2017.

McDonald's is among the first food options upon exiting interstate-75 south bound, which sees more than 95,000 vehicles per day. The asset is situated one off the signalized, hard corner intersection of Stanley Avenue and North Keowee Street. The intersection sees more than 29,500 vehicles per day. Additionally, McDonald's benefits from multiple points of ingress and egress, which is available from both Stanley Avenue and North Keowee Street.

Additional tenants in the immediate vicinity include: Chase Bank, Taco Bell, Subway, Rite Aid, Kroger, O'Reilly Auto Parts, Advance Auto Parts, PNC Bank, Dollar Tree, AutoZone, and More.

- **McDonald's 2012-Rebuild in Dayton, Ohio | Less Than Two Miles from Downtown**
- **More Than 13 Years Remaining on 20-Year Absolute-Net (NNN) Ground Lease**
- **Lease is Backed by a Corporate Guaranty from McDonald's Corporation | New York Stock Exchange (NYSE): MCD | Standard & Poor's: BBB+ | Number 112 in Fortune 500 (June 2017)**
- **McDonald's Has Demonstrated Commitment | More Than 50-Year Operating History | Complete Scrape and Rebuild in 2012 to Refresh this Location**
- **One Off the Signalized, Hard Corner Intersection of Stanley Avenue and North Keowee Street | More Than 29,000 Vehicles per Day**
- **Multiple Points of Ingress/Egress | Direct Access from Both Stanley Avenue and North Keowee Street**
- **Strong Demographics | More Than 208,000 Residents in Five Miles of the Subject Property**
- **Additional Tenants in the Immediate Vicinity Include: Chase Bank, Taco Bell, Subway, Rite Aid, Kroger, O'Reilly Auto Parts, Advance Auto Parts, PNC Bank, Dollar Tree, AutoZone, and More.**



Actual Property

Financial Overview

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OFFERING SUMMARY

PRICE	\$1,105,152
CAP RATE	4.25%
NOI	\$46,969
PRICE PER SQUARE FOOT	\$276.15
RENT PER SQUARE FOOT	\$11.74
YEAR BUILT	2012
APPROXIMATE LOT SIZE	1.42 Acres
GROSS LEASEABLE AREA	4,002
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Corporate
LEASE TYPE	Absolute-Net (NNN) Ground
ROOF AND STRUCTURE	Tenant Responsible

LEASE SUMMARY

LEASE COMMENCEMENT DATE	9/5/2012
LEASE EXPIRATION DATE	3/31/2031
LEASE TERM	20 Years
TERM REMAINING	13.5+ Years
INCREASES	10% Every 5 Years
OPTIONS TO RENEW	4, 5-Year
FIRST RIGHT OF REFUSAL	Yes



Annualized Operating Data

Base Rent		Annual Rent	Monthly Rent	
9/5/2012	3/31/2014	\$42,600	\$3,550	
4/1/2014	3/31/2019	\$46,969	\$3,914	10.26%
4/1/2019	3/31/2024	\$51,338	\$4,278	9.30%
4/1/2024	3/31/2029	\$56,472	\$4,706	10.00%
4/1/2029	3/31/2031	\$62,119	\$5,177	10.00%
Options				
4/1/2031	3/31/2036	\$68,331	\$5,694	21%
4/1/2036	3/31/2041	\$75,165	\$6,264	10%
4/1/2041	3/31/2046	\$82,681	\$6,890	10%
4/1/2046	3/31/2051	\$90,949	\$7,579	10%

Tenant Overview - McDonald's

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McDonald's is the world's leading global food service retailer with over 36,000 locations in over 100 countries. More than 80 percent of McDonald's restaurants worldwide are owned and operated by independent local business men and women.

The strength of the alignment among the Company, its franchisees and suppliers (collectively referred to as the "System") has been key to McDonald's long-term success. By leveraging our System, we have been able to identify, implement and scale ideas that meet customers' changing needs and preferences. In addition, our business model enables McDonald's to consistently deliver locally-relevant restaurant experiences to customers and be an integral part of the communities we serve.

Our overall vision is for McDonald's to become a modern, progressive burger company delivering a contemporary customer experience. Modern is about getting the brand to where we need to be today and progressive is about doing what it takes to be the McDonald's our customers will expect tomorrow. To realize this commitment, we are focusing on our customers and what matters most to them – hot and fresh food, fast and friendly service, and a contemporary restaurant experience at the value of McDonald's.

The cornerstone of our System is our powerful and enduring Brand. We're leveraging our competitive strengths: iconic menu items that customers love, a unique franchise model that empowers local entrepreneurs, size and scale that makes operational investments efficient and a global well-diversified geographic footprint.

TENANT PROFILE	
TENANT TRADE NAME	McDonald's
OWNERSHIP	Public
TENANT	Corporate Store
LEASE GUARANTOR	Corporate Guarantee
NUMBER OF LOCATIONS	36,000+
HEADQUARTERED	Oakbrook, IL
WEB SITE	www.McDonalds.com
SALES VOLUME	\$24.6 Billion (2016)
STOCK SYMBOL	MCD
BOARD	NYSE
CREDIT RATING	BBB+
RATING AGENCY	S&P
RANK	#109 in Fortune 500 (June 2016)



Actual Property

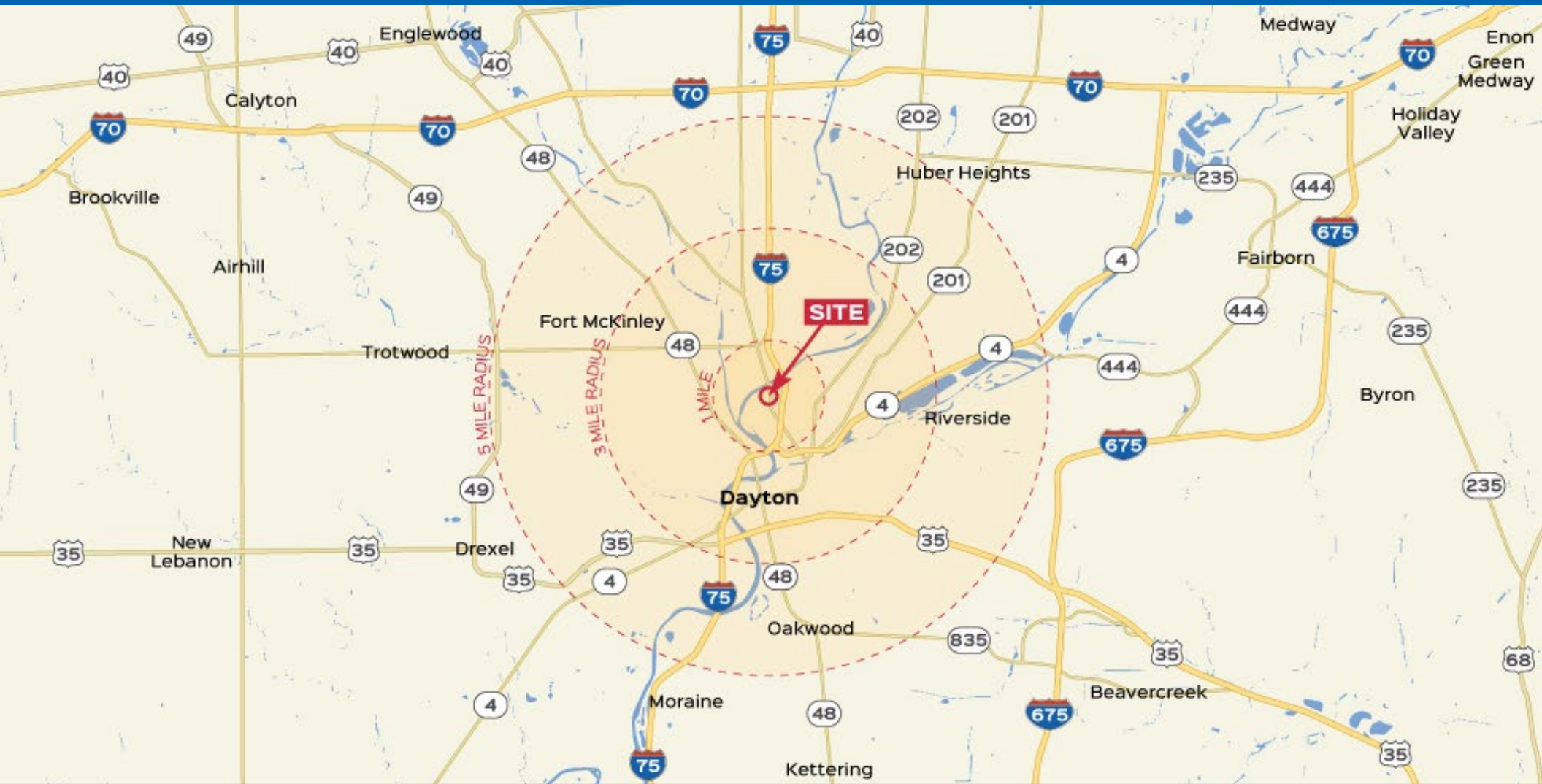
Aerial Overview

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Area Overview & Demographics

1517 NORTH KEOWEE ST — DAYTON, OHIO 45404



	1-Mile	3-Mile	5-Mile
Population			
2000 Population	8,463	98,404	236,450
2010 Population	5,988	81,463	206,066
2016 Population	6,343	84,337	208,027
2021 Population	6,401	84,724	207,888
Daytime Employment	7,869	92,752	146,060

	1-Mile	3-Mile	5-Mile
Households			
2000 Households	3,441	41,217	96,881
2010 Households	2,487	34,445	85,680
2016 Households	2,669	35,675	86,363
2021 Households	2,700	35,850	86,307

	1-Mile	3-Mile	5-Mile
Household (HH) Incomes			
2016 Average HH Income	\$33,376	\$36,608	\$45,139
2016 Median HH Income	\$23,954	\$24,936	\$31,465
2016 Per Capita Income	\$14,044	\$15,485	\$18,740

Market Overview - Dayton, OHIO

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Dayton is the sixth-largest city in Ohio and is the county seat of Montgomery County. With a population of 166,000, Dayton is also the home of research, industrial, and aerospace businesses. Dayton is known as the Gem City, and its surrounding metropolitan area includes communities like Vandalia, Trotwood, Kettering, Centerville, and Beavercreek. Dayton is within Ohio's Miami Valley region, just north of the Cincinnati–Northern Kentucky metropolitan area.

Ohio's borders are within 500 miles of roughly 60 percent of the country's population and manufacturing infrastructure, making the Dayton area a logistical centroid for manufacturers, suppliers, and shippers. Dayton also hosts significant research and development in fields like industrial, aeronautical, and astronautical engineering that have led to many technological innovations. Much of this innovation is due in part to Wright-Patterson Air Force Base and its place within the community. With the decline of heavy manufacturing, Dayton's businesses have diversified into a service economy that includes insurance and legal sectors as well as healthcare and government sectors.

Healthcare accounts for much of the Dayton area's economy. Hospitals in the Greater Dayton area have an estimated combined employment of nearly 32,000 and a yearly economic impact of \$6.8 billion. It is estimated that Premier Health Partners, a hospital network, contributes more than \$2 billion a year to the region through operating, employment, and capital expenditures. In 2011, Dayton was rated the number three city in the nation out of the top 50 cities in the United States by HealthGrades for excellence in health care. Many hospitals in the Dayton area are consistently ranked by Forbes, U.S. News & World Report, and HealthGrades for clinical excellence.

Dayton is also noted for its association with aviation; the city is home to the National Museum of the United States Air Force and is the birthplace of Orville Wright. Dayton is also known for its many patents, inventions, and inventors that have come from the area, most notably the Wright brothers' invention of powered flight.

Top Employers:

- Premier Health Partners - 14,135
- Montgomery County - 4,559
- Sinclair Community College - 2,726
- Dayton Public Schools - 2,574
- University of Dayton - 2,191
- City of Dayton - 1,950
- Grandview Medical Center - 1,918
- Dayton VA Medical Center - 1,914
- Dayton Children's Medical Center - 1,335
- BEHR Dayton Thermal - 1,022



