

Three Parcel Development Opportunity Anchored by McDonald's

1501-1517 NORTH KEOWEE ST — DAYTON, OH 45404

offering memorandum



ACTUAL PROPERTY

Investment Overview

1501-1517 NORTH KEOWEE ST — DAYTON, OH 45404

Marcus & Millichap is pleased to present this five-and-three-quarter acre land offering anchored by McDonald's free and clear of debt in Dayton, Ohio. This unique offering provides investor(s) with an opportunity to acquire a credit-anchored value-add development offering in a dense infill location, less than two miles north of downtown Dayton.

This investment opportunity features three developable pads containing more than three and three quarter acres of undeveloped land at the signalized, hard corner intersection of Stanley Avenue and North Keowee Street. Traffic Counts at this intersection exceed 36,000 vehicles per day and the Eclectic General Commercial (EGC) zoning allows for a number of different uses.

McDonald's and Keowee Fuel Station occupy the remaining two acres. Both Tenants are operating under absolute net ground leases with more than 13 years remaining on both leases. The McDonald's lease has a corporate guaranty from the McDonald's Corporation, who did \$24.6-billion in revenue across more than 36,000 locations in 2016. Keowee Fuel is a local gas station concept with two units, and the lease has a personal guaranty from its operator. McDonald's has been operating at this location since 1967, and has demonstrated their commitment by knocking down their old model and completely rebuilding with their latest model in 2012. Additional rent is available through two billboard leases guaranteed by Lamar Advertising Company.

McDonald's and Keowee are the first food and fuel options upon exiting interstate-75 south bound, which sees more than 95,000 vehicles per day. Keowee is located on the signalized, hard corner intersection of Stanley Avenue and North Keowee Street. McDonald's has multiple points of ingress and egress, with access available from both Stanley Avenue and North Keowee Street.

- **Credit-Anchored Development Opportunity | More Than Five Acres of Land in Dayton, Ohio | Dense Infill Location | Less Than Two Miles from Downtown Dayton**
- **Three Developable Pads on Three and Three-Quarter Acres on Signalized, Hard Corner Intersection**
- **Two of Five Acres Occupied by McDonald's and a Gas Station Keowee Fuel Services | Operating Under Triple Net Ground Leases | Zero Landlord Responsibilities**
- **Corporate Guaranty | New York Stock Exchange: MCD | Standard & Poor's: BBB+ | #109 in Fortune 500 (June 2016)**
- **McDonald's Has Demonstrated Commitment | More Than 50-Year Operating History | Complete Knock Down and Rebuild in 2012 to Refresh this Location**
- **Additional Revenue Available Through Two Billboard Leases Guaranteed by Lamar Advertising Company | NASDAQ: LAMR**
- **First Fueling Station and Fast Food Option Upon Exit of Interstate-75 South | 95,000 Vehicles Per Day**
- **Signalized, Hard Corner | Stanley Avenue and North Keowee Street | More Than 15,000 Vehicles per Day**



Actual Property

Financial Overview

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OFFERING SUMMARY

PRICE:	\$1,576,000
GO-IN CAP RATE:	4.27%
PRO-FORMA CAP RATE:	9.56%
PRICE PER SQUARE FOOT OF LAND:	\$6.32
APPROXIMATE LOT SIZE:	+/- 5.71 Acres
TYPE OF OWNERSHIP:	Fee Simple

TENANT SUMMARY

Tenant	Rent	Lease	Term Remaining	Price PSF of Land	Rent (PSF) of Building SF	Bldg SF	Land SF	Acres
McDonald's	\$46,969	NNN Ground Lease	14 Years	\$16.87	\$11.74	4,002	61,855	1.42
Keowee Fuel Service	\$30,000	NNN Ground Lease	13 Years	\$16.09	\$15.43	1,944	23,522	0.54
Lamar Billboard #1	\$2,400	Gross	8.5+ Years	-	-	-	-	-
Lamar Billboard #2	\$2,700	Gross	8.5+ Years	-	-	-	-	-
Vacant Land Offering	-	-	-	\$0.53	-	-	163,786	3.76
Total:	\$82,069	Average:	11 Years	\$11.52	\$13.58	Total:	249,163	5.71

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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PROPERTY ADDRESS
1517 N. Keowee St
Dayton, OH 45404

SUBWAY **JACKSON HEWITT**
PANDORA **metro PCS** **RITE AID**
FAMILY DOLLAR **Little Caesars**

Kroger
H&R BLOCK

O'Reilly
Advance Auto Parts
HARBOR FREIGHT TOOLS
Quality Tools at Remarkably Low Prices

DOLLAR GENERAL

Esther Dennis Middle School

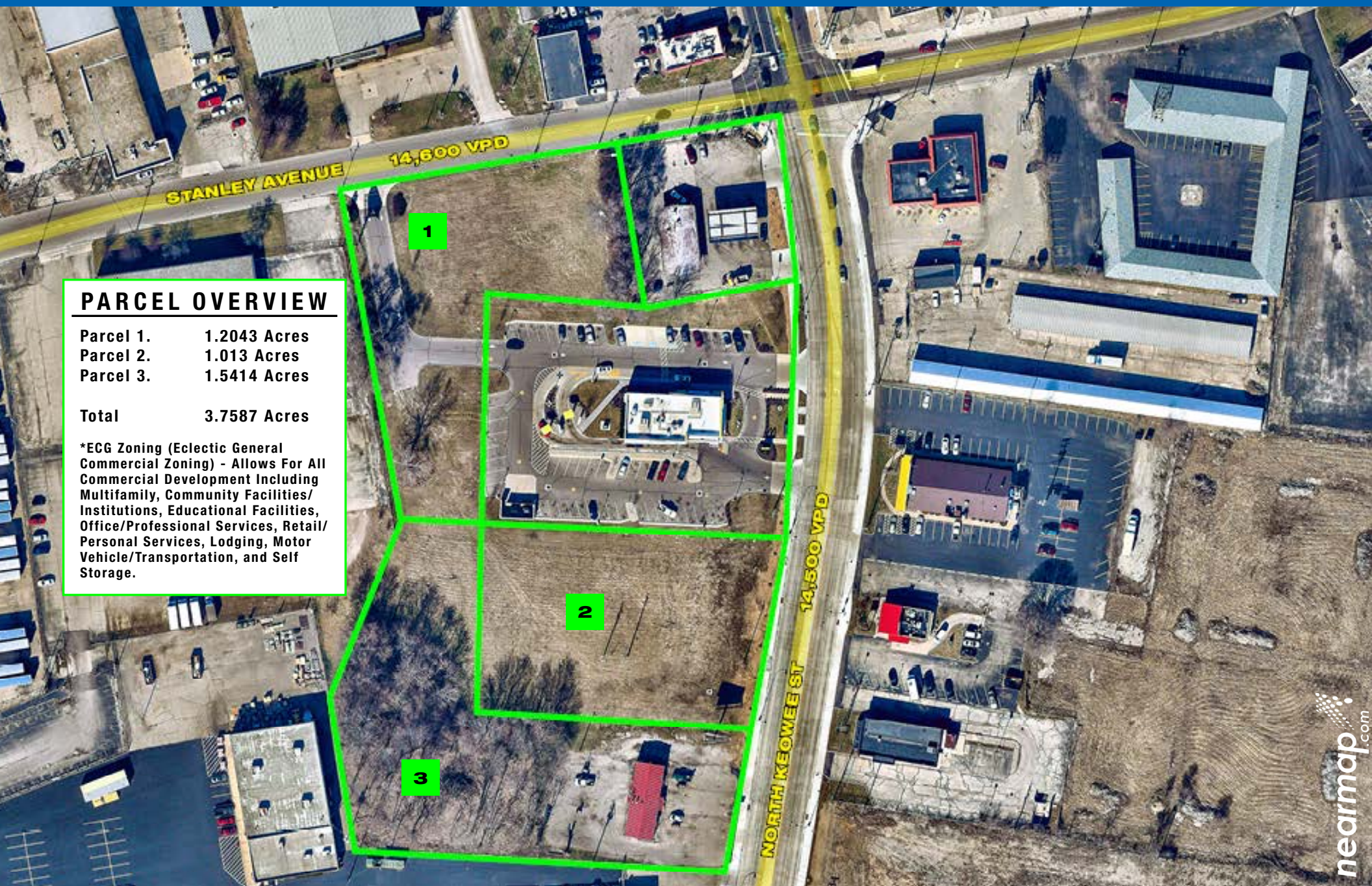
Northridge Highschool

SUNOCO **PNC** **CHASE**

AutoZone **DOLLAR TREE** **MTDAS**

Site Overview - Parcels

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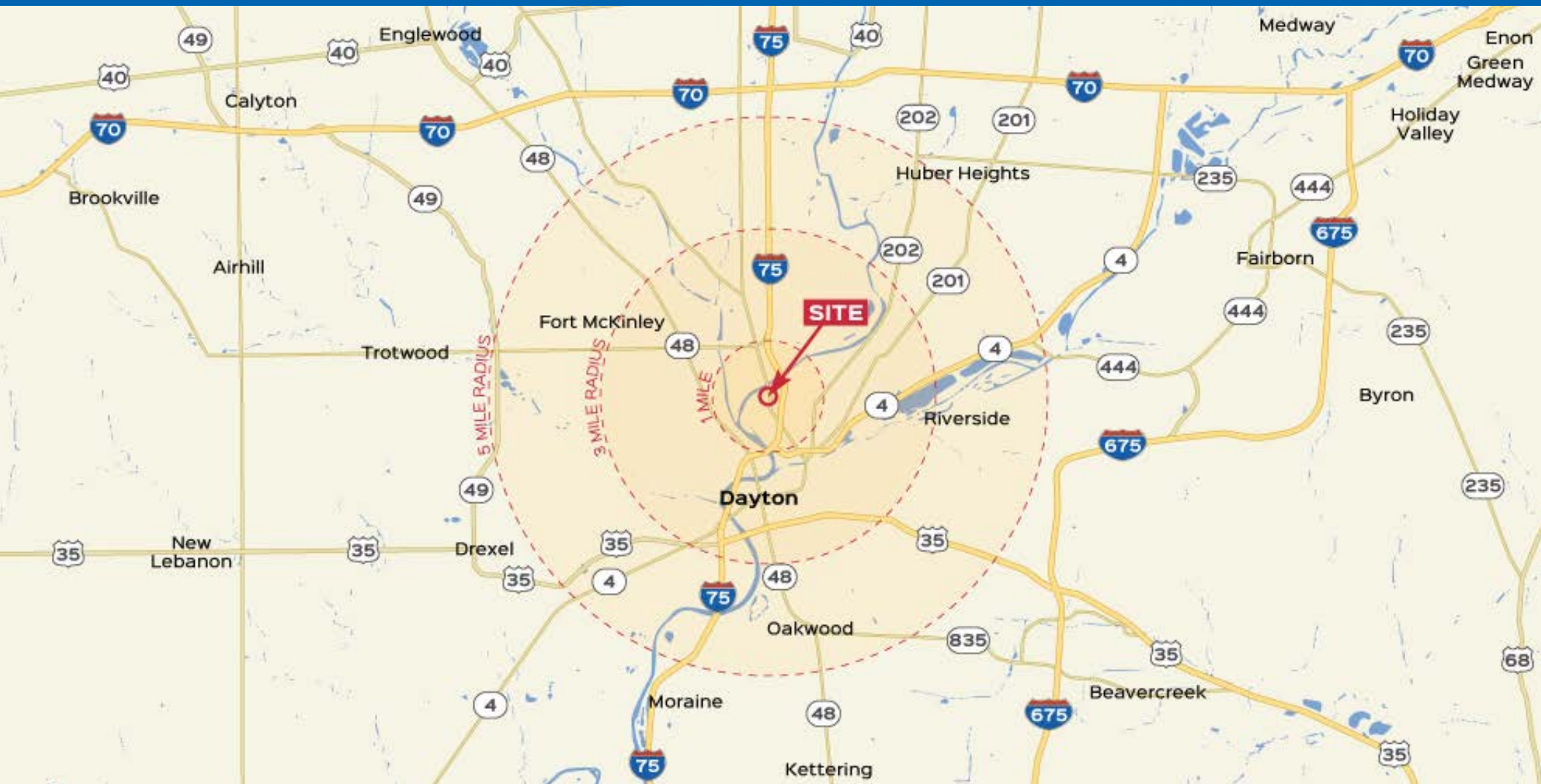
PARCEL OVERVIEW

Parcel 1.	1.2043 Acres
Parcel 2.	1.013 Acres
Parcel 3.	1.5414 Acres
Total	3.7587 Acres

*ECG Zoning (Eclectic General Commercial Zoning) - Allows For All Commercial Development Including Multifamily, Community Facilities/Institutions, Educational Facilities, Office/Professional Services, Retail/Personal Services, Lodging, Motor Vehicle/Transportation, and Self Storage.

Area Overview & Demographics

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	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.

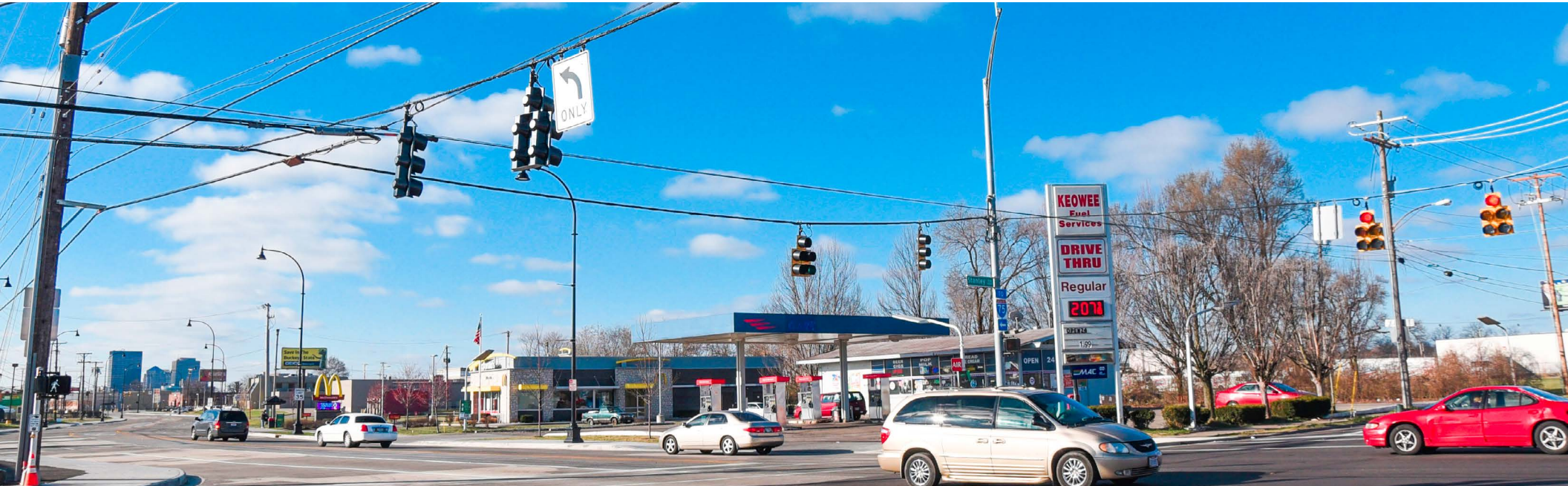
Ohio's borders are within 500 miles of roughly 60 percent of the country's population and manufacturing infrastructure, making the Dayton area a logistical centroid for manufacturers, suppliers, and shippers. Dayton also hosts significant research and development in fields like industrial, aeronautical, 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



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Broker of Record:
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