

# OFFERING MEMORANDUM



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# RENDERING





# VIEW EAST





# OFFERING SUMMARY

## PROPERTY DETAILS

<b>Address:</b>	15099 23 Mile Rd, Shelby Twp, MI 48315
<b>Occupancy:</b>	100%
<b>Land Area:</b>	±1.44 acres

## TENANT SUMMARY

TENANT	SF	YR 1-5 RENT	YR 6-10 RENT	EXP.
Tim Hortons	1,995	\$69,825	\$76,808	2/28/27
Olga's Kitchen	3,288	\$128,232	\$141,055	2/28/27



## PRICING

<b>SF:</b>	5,283 SF
<b>Price:</b>	\$2,939,177
<b>Cap Rate:</b>	6.75%
<b>Year 1 NOI:</b>	\$198,057

## INVESTMENT HIGHLIGHTS

- Brand New 2016 Construction – Seller is planning delivery of space to tenants in December 2016. Rent commencement is expected for March 1, 2017.
- Brand new 10 year leases with 10% rental increases every five (5) years.
- Irreplaceable corner location with growing demographics.
- Great outparcel to new 114,000 SF high performing Kroger Marketplace. Kroger relocated and expanded from the northeast quadrant of 23 Mile Rd and Hayes Rd.
- Strong national and regional tenants comprise 100% of the income.
- Tim Hortons – An international brand with over 870 locations in US. This unit is owned and operated by a very successful franchisee with multiple locations.
- Olga's Kitchen – Detroit, MI based regional brand with 25 locations in Michigan. Owned and operated by Team Schostak Family Restaurants, a 100+ unit restaurant operator with 34+ years experience.



# VIEW WEST





**LANDMARK**  
INVESTMENT SALES



# LEASE SUMMARY

## RENT SCHEDULE

	<i>Tim Hortons</i>		<i>Olgas</i>	
Years	Annual Base Rent	Rent Per SF	Annual Base Rent	Rent Per SF
1-5	\$69,825	\$35.00	\$128,232	\$39.00
6-10	\$76,808	\$38.50	\$141,055	\$42.90
Option Period 1	\$84,488	\$42.35	\$151,634	\$46.12
Option Period 2	\$92,927	\$46.58	\$163,007	\$49.58
Option Period 3	N/A		\$175,232	\$53.29
Option Period 4	N/A		\$188,375	\$57.29

## LEASE DETAILS

	<i>Tim Hortons</i>	<i>Olgas</i>
Tenant:	23/Hayes, Inc.	SOK Venture, LLC
Lease Term:	10 years	10 years
Remaining Lease Term:	10 years	10 years
Landlord Responsibilities:	Structure, roof	Structure, roof
Rent Commencement:	3/1/17	3/1/17
Lease Expiration:	2/28/27	2/28/27
Guarantor:	Personal – 10 years	SOK Venture, LLC



## REIMBURSEMENT DETAILS

Taxes:	Tenant pays
Repairs & Maintenance:	Tenant pays
Insurance:	Tenant pays



# FINANCIAL SUMMARY

Tenant Name	Pro-Rata Share	Square Footage	Minimum Rent			Reimbursements				Total Gross	
			Monthly	Annual	psf	CAM	Real Estate Taxes	Insurance	Total Reimb.	Revenue	psf
Tim Horton's	37.76%	1,995	\$ 5,819	\$ 69,825	\$ 35.00	\$ 2,115	\$ 7,322	\$ 539	\$ 9,975	\$ 79,800	\$ 40.00
Olga's Kitchen	62.24%	3,288	10,686	128,232	39.00	8,220	8,220	822	17,262	145,494	44.25
<b>Total</b>	<b>100.00%</b>	<b>5,283</b>	<b>\$16,505</b>	<b>\$198,057</b>	<b>\$37.49</b>	<b>\$10,335</b>	<b>\$15,542</b>	<b>\$ 1,361</b>	<b>\$27,237</b>	<b>\$225,294</b>	<b>\$42.65</b>
<b>Vacant</b>	<b>0.00%</b>	<b>-</b>									
<b>Occupied</b>	<b>100.00%</b>	<b>5,283</b>									

Revenue	Estimated In Place	
	Annual	psf
Base Rental	\$ 198,057	\$ 37.49
CAM	10,335	1.96
Real Estate Taxes	15,542	2.94
Insurance	1,361	0.26
<b>Total Gross Revenue</b>	<b>\$225,294</b>	<b>\$ 42.65</b>
<b>Operating Expenses</b>		
CAM	\$ 10,335	\$ 1.96
Real Estate Taxes	15,542	2.94
Insurance	1,361	0.26
<b>Total Operating Expenses</b>	<b>\$ 27,237</b>	<b>\$ 5.16</b>
<b>Net Operating Income</b>	<b>\$198,057</b>	<b>\$ 37.49</b>





# TENANT PROFILE

*Tim Hortons*®



Tenant	23/Hayes, Inc. d/b/a Tim Hortons (10 store franchisee; Tim Hortons operates 869 locations in the US)		
Premises Address	TBD 23 Mile Rd, Shelby Twp, MI 48315		
Rentable Square Feet	1,995 SF		
Pro Rata Share	37.76%		
Lease Commencement Date	3/1/17		
Lease Expiration Date	2/28/27		
Term	Ten (10) years		
Guaranty	Ten (10) year personal guaranty by multi-store operator, George Damouni & Nadia Damouni, financials available upon request.		
Rent	Years 1-5	\$69,825.00	(\$35.00/SF)
	Years 6-10	\$76,807.50	(\$38.50/SF)
CAM/Operating Expenses	Tenant pays its prorata share of CAM		
Real Estate Taxes	Tenant pays its prorata share of Real Estate Taxes		
Insurance	Tenant pays its prorata share of Insurance		
Renewal	Two (2) five (5) year options		
Administrative Fee	Tenant pays an admin fee of 3% of total CAM		



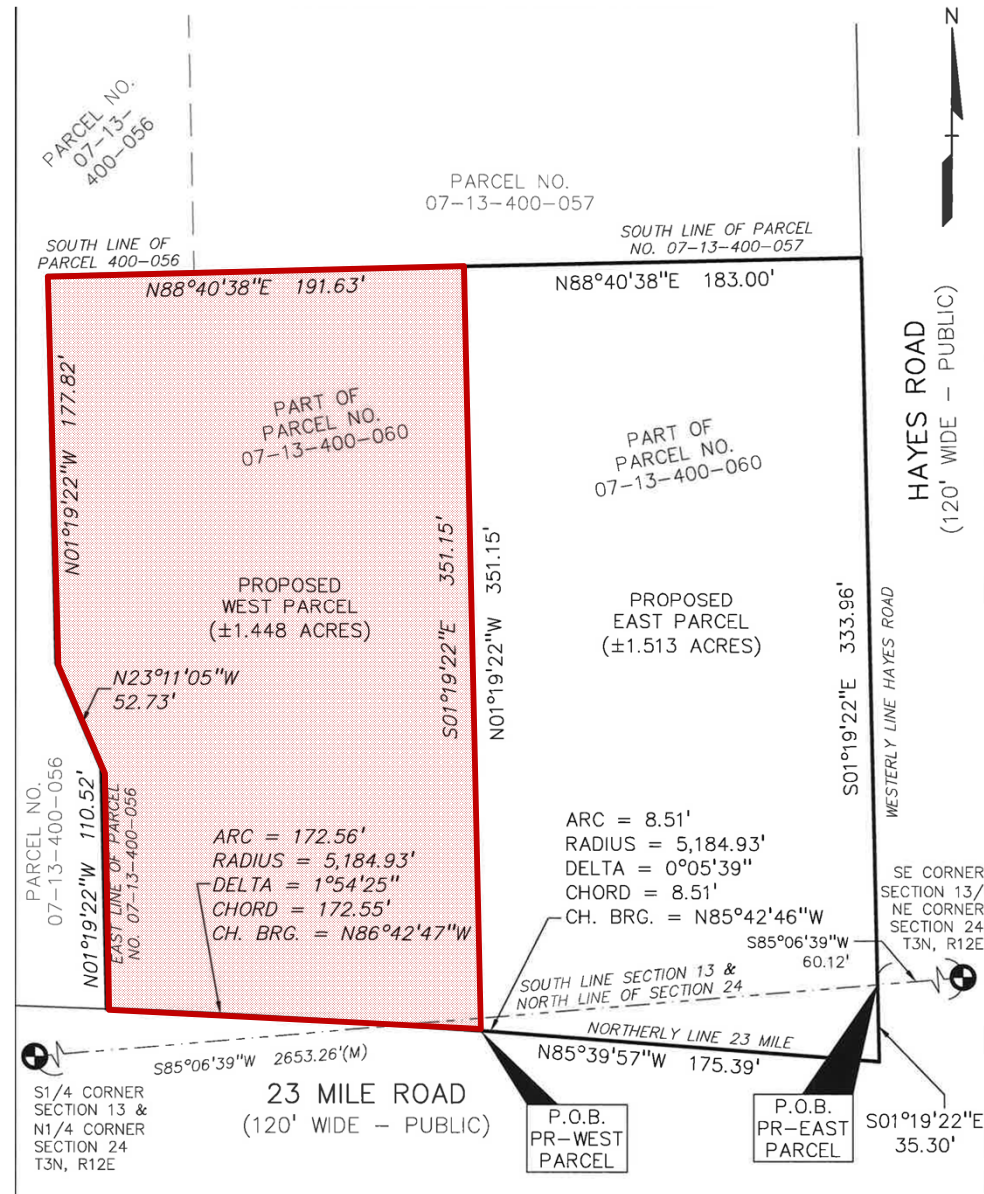
# TENANT PROFILE



Tenant	SOK Venture LLC d/b/a Olga's Kitchen		
Premises Address	15109 23 Mile Rd, Shelby Twp, MI 48315		
Rentable Square Feet	3,288 SF		
Pro Rata Share	62%		
Lease Commencement Date	3/1/17		
Lease Expiration Date	2/28/27		
Term	Ten (10) years		
Rent	Years 1-5	\$128,232.00/year	(\$39.00/SF) – current
	Years 6-10	\$141,055.20/year	(\$42.90/SF)
CAM/Operating Expenses	Tenant pays its prorata share of CAM		
Real Estate Taxes	Tenant pays its prorata share of Real Estate Taxes		
Insurance	Tenant pays its prorata share of Insurance		
Renewal	Four (4) five (5) year options		
Administrative Fee	Tenant pays an admin fee of 3% of total CAM		
Guarantor:	SOK Venture, LLC, a Michigan entity that owns all 25 Olga's stores		

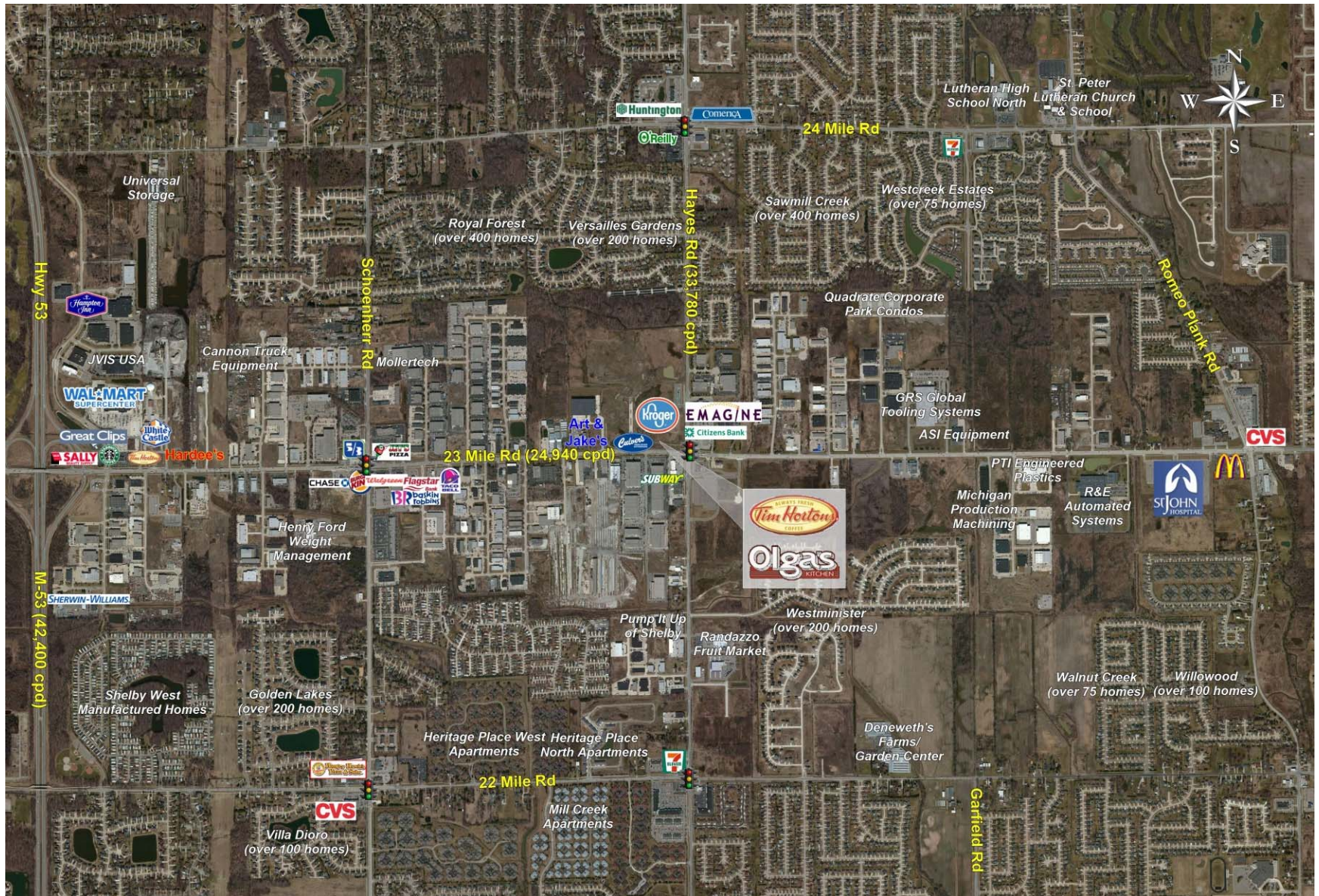


# SURVEY





# MACRO AERIAL



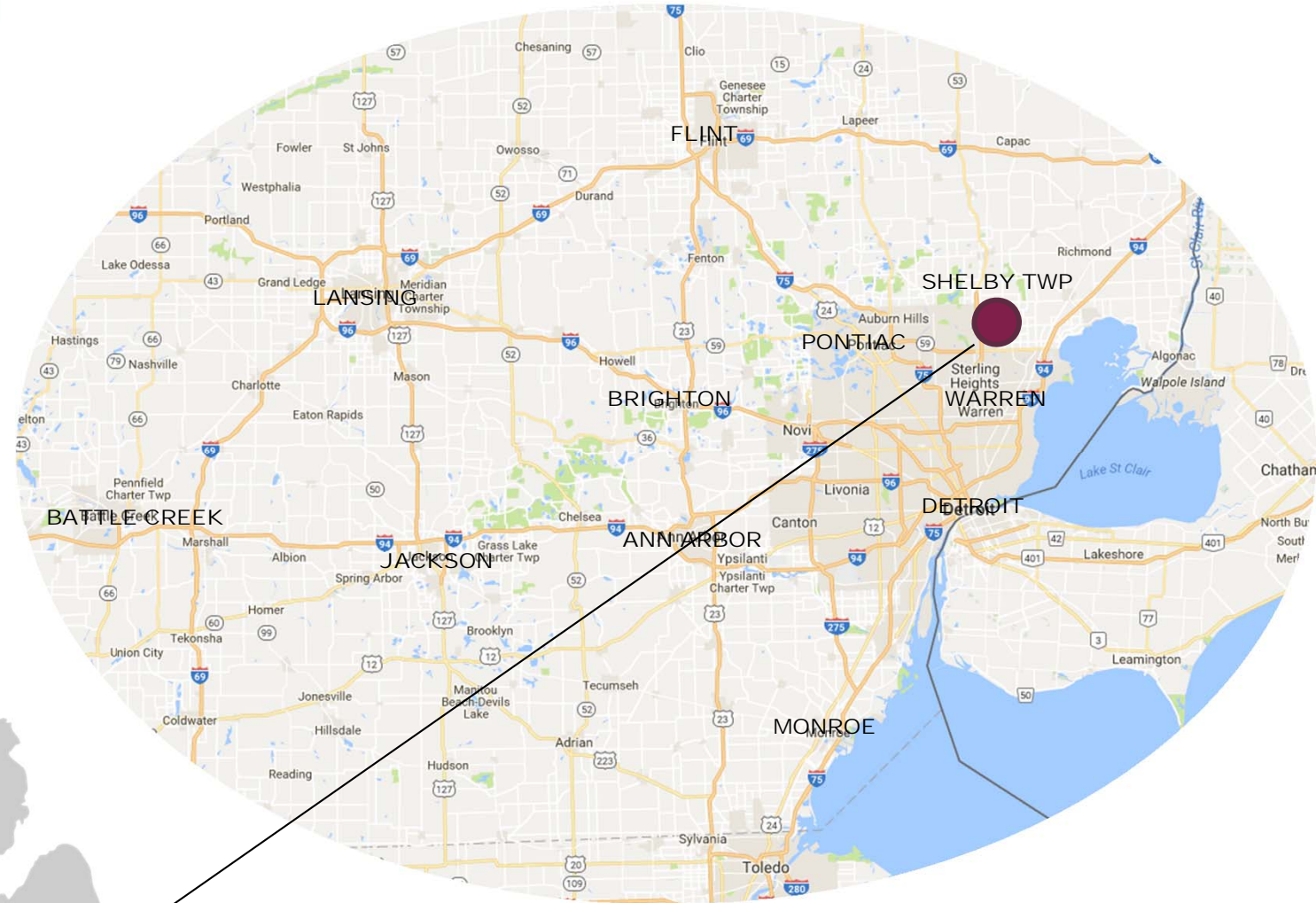


# MARKET NARRATIVE

- Kroger Co. opened its first new Michigan "marketplace" store in Shelby Township at 23 Mile Rd & Hayes.
- The new 114,000-square-foot store and fuel center on 23 Mile near Hayes Road is Kroger's largest location in the state and features an expanded product offering. Kroger spent \$22.3 million to build the new marketplace store which employs 381 people.
- In the category of residential building permits, five of the Top 10 fastest-growing communities for 2015 in southeast Michigan are in Macomb County.
- In July 2016, Cosworth announced its expansion into Michigan with a new location in Shelby Township. The company will invest \$30 million and create 50 to 110 new jobs.
- Sodecia makes historic \$80 million investment in Macomb County- First phase plans include the demolition of some of the existing manufacturing and administrative offices to make way for a 66,000 SF, state-of-the-art manufacturing facility along with a three-story tower to accommodate 27,600 SF of administrative office. Additional plans call for four phases of investment to the site over the next three to four years.
- General Motors Tech Center: General Motors will invest \$1 billion in its Warren Technical Center and add about 2,600 jobs over the next four years.
- KUKA Systems North America will invest more than \$10 million in its Clinton Township operations to meet increased demand for products. The expansion will create more than 100 new jobs.
- Yanfeng, which established its first location in Harrison Township in 2010, decided to expand and promised to invest \$56.6 million to renovate a previously vacant building on Executive Drive. The expansion is expected to create 519 jobs over the next years. Yanfeng currently employs about 130 workers, county planning officials said.



# LOCATION



**Tim Hortons & Olga's Kitchen**  
51331 Hayes Road, Shelby Township, MI



# MACOMB COUNTY'S TOP EMPLOYERS

		COMPANY	# OF EMPLOYEES
		General Motors Co.	15,578
		Chrysler Group LLC	11,985
		U.S. Government	6,503
		Ford Motor Co.	4,135
		St. John Providence Health System	3,285
		Henry Ford Health System	3,161
		Utica Community Schools	2,711
		Macomb County	2,199
		McLaren Hospital Macomb	2,000
		General Dynamics Land Systems	1,622

# DEMOGRAPHICS



Shelby Township embodies more than 73,000 residents that have access to more than 1,200 acres of first-class public parks, hundreds of miles of hiking and biking trails, and the Clinton River (which connects the community to recreation opportunities throughout southeast Michigan). The Township's residential neighborhoods are some of the most desirable in Macomb County. Their well-manicured, spacious lots contribute to the Township's place among the highest median home values in Macomb County. Shelby Township is a very entrepreneurial community, with some of Michigan's largest builders and tradesmen living and working within the Township limits. Also, given the Township's proximity to "The Big Three" (General Motors, Ford, and Chrysler) and hospitals, many automotive industry and medical professionals live within the Township's limits. Between 2010 and 2015, Shelby Township had the fifth largest population increase in the state. With all of the new developments going on in the Township, this pace is not expected to slow down anytime soon.

DESCRIPTION		1 MILE	3 MILE	5 MILE
POPULATION	2016 Estimated Population	5,880	77,382	190,650
	2021 Projected Population	5,986	78,629	193,698
	2010 Census Population	5,569	75,414	183,949
	2000 Census Population	5,074	58,075	143,511
	Projected Annual Growth 2016 to 2021	0.4%	0.3%	0.3%
	Historical Annual Growth 2000 to 2016	1.0%	2.1%	2.1%
HOUSEHOLDS	2016 Estimated Households	2,310	28,060	74,285
	2021 Projected Households	2,402	29,152	77,218
	2010 Census Households	2,140	26,577	69,466
	2000 Census Households	1,875	19,982	53,702
	Projected Annual Growth 2016 to 2021	0.8%	0.8%	0.8%
	Historical Annual Growth 2000 to 2016	1.4%	2.5%	2.4%
RACE	2016 Est. White	90.3%	88.7%	87.2%
	2016 Est. Black	4.3%	5.0%	6.3%
	2016 Est. Asian or Pacific Islander	3.2%	4.0%	3.7%
	2016 Est. American Indian or Alaska Native	0.3%	0.2%	0.2%
	2016 Est. Other Races	2.0%	2.1%	2.5%
INCOME	2016 Est. Average Household Income	\$112,045	\$99,522	\$86,691
	2016 Est. Median Household Income	\$82,420	\$85,098	\$75,236
	2016 Est. Per Capita Income	\$44,034	\$36,119	\$33,799
BUSINESS	2016 Est. Total Businesses	529	2,714	7,061
	2016 Est. Total Employees	6,219	27,268	69,962



# PROPERTY CONDITION SUMMARY

## Property Description:

Address:	15099 23 Mile Rd, Shelby Twp, MI 48315
Building SF:	5,283 SF
Occupancy:	100%
Tax Parcel:	07-13-400-060
Year Built:	2016
Zoning:	C-3
Roof:	New – 2016 (15 year warranty)

Trade Area Statistics	1 MILE	3 MILE	5 MILE
2016 Population:	5,880	77,382	190,650
2016 Households:	2,310	28,060	74,285
2016 Avg. HH Income:	\$112,045	\$99,522	\$86,691
2016 Median HH Income:	\$82,420	\$85,098	\$75,236
2016 Total Businesses:	529	2,714	7,061
2016 Total Employees:	6,219	27,268	69,962

## Traffic Counts:

23 Mile Rd = 24,940 CPD

Hayes Rd = 33,780 CPD



# OUR TEAM



**KEVIN J. BAKER**

PRINCIPAL

Kevin Baker is a Principal and Co-Founder of Landmark Investment Sales. Kevin specializes in the sale of retail shopping centers and single tenant net lease investment properties across all property types. He currently represents some of the nation's largest institutional funds, private equity funds, and high net worth investors in listing investment properties all over the country. Since 2010, Kevin has closed deals totaling over 5,000,000 SF valued at over \$500,000,000. Prior to 2010, Kevin worked extensively at Landmark as a broker specializing in tenant representation and landlord representation completing in excess of 100 lease & sale transactions. Kevin joined Landmark in 2005 as a Sales Associate. Prior to Landmark, Kevin attended Michigan State University and University of Michigan-Dearborn where he studied finance. Kevin began his real estate career in 2001 when he founded Baker Real Estate Holdings, specializing in acquisition and management of a student housing portfolio at Michigan State University.

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**DANIEL H. KUKES**

PRINCIPAL

Daniel Kukes is a Principal and Co-Founder of Landmark Investment Sales. Daniel specializes in the sale of retail shopping centers, medical office, and single tenant net lease investment properties across all property types. He currently represents some of the nation's largest institutional real estate funds, private equity group, and high net worth investors in acquiring and listing investment properties all over the country. Since 2010, Daniel has closed deals totaling over 5,000,000 SF valued at over \$500,000,000. Daniel joined Landmark in 2009 as an Associate Broker. He began his real estate career at NAI Farbman where he focused on shopping center leasing and retail tenant representation. After five years at NAI Farbman, Daniel joined DAP Investments as a partner responsible for retail development, acquisitions and leasing. While there, he developed several single tenant and shopping center projects in Michigan and Illinois. Daniel is a graduate of Michigan State University with a Bachelor of Arts degree in Pre-Law & Society.

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**LOUIS J. CIOTTI**

SENIOR DIRECTOR

Louis Ciotti is a graduate of Oakland University with a Bachelor of Arts degree in Broadcast Communications and Business. He began his real estate brokerage career thereafter at Signature Associates, quickly distinguishing himself as a top producer winning multiple awards. Louis specializes in shopping center leasing and investment sales as well as retail tenant representation accounts. He has developed valuable expertise in the sale of service station portfolios and bank dispositions, understanding the needs of his institutional clients. Louis has an aggressive, energetic and friendly style that serves his clients and customers well. At Landmark, Louis has continued expanding on his territorial expertise and dominance while bolstering his full service approach to retail real estate requirements.

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