



RESTAURANT  
NET-LEASED  
**INVESTMENT**

offering memorandum

LEASED TO  
MODERN ROUND  
Entertainment, Restaurant and Lounge

8320 W. MARINERS WAY  
PEORIA, ARIZONA

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CAPITAL MARKETS | INVESTMENT PROPERTIES

**CBRE**



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EXCLUSIVELY  
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8320 W. MARINERS WAY • PEORIA, AZ



# EXECUTIVE SUMMARY

THE OPPORTUNITY

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INVESTMENT HIGHLIGHTS

## THE OPPORTUNITY

CBRE is the exclusive advisor retained to offer qualified investors the opportunity to purchase a net-leased restaurant building located in the P83 Entertainment District, the Northwest Valley's entertainment, sports and dining fun zone at 8320 West Mariners Way in Peoria, Arizona. **The property is leased to MR Peoria, LLC (dba Modern Round), a privately held virtual reality shooting lounge and restaurant.** The property is ideally located in the Arrowhead Entertainment Center within the Peoria Sports Complex— spring training home of the Seattle Mariners and San Diego Padres. The property is located one block east of the Loop 101 Freeway and two blocks south of the Arrowhead Mall, the regional mall in the Northwest Phoenix metropolitan area. Major events such as spring training baseball, the Super Bowl, Phoenix Open, college football championship, and NCAA Final Four provide an already busy trade area with significant consumer demand. Modern Round signed a new 10-year lease in October 2015 with two five-year options to renew, and spent seven months remodeling the property. It opened for business in June of 2016. Modern Round has spent more than \$ 1.5 million in tenant improvements on the property and is operating a virtual reality shooting lounge, bar and restaurant. The investment offers investors an excellent and dependable income stream based on a 7.053% cap rate with \$0.50 annual increases in addition to the inherent value of the land and building due to its excellent location.

<b>Property Location</b>	8320 West Mariners Way, Peoria, Arizona
<b>Property Type</b>	Restaurant/Entertainment
<b>Property Size</b>	±11,638 SF
<b>Year Built/Remodeled</b>	2001/2016

## ASSET PROFILE

<b>PROPERTY LOCATION</b>	8320 West Mariners Way, Peoria, Arizona
<b>OFFERING PRICE</b>	\$3,300,000
<b>PRICE/SF</b>	\$283.55
<b>INITIAL CAP RATE</b>	7.053%
<b>NOI</b>	\$232,760.04 (Year Three Rent)
<b>RENT/SF</b>	\$20.00 NNN (Year Three Rent)
<b>RENT BUMPS</b>	\$0.50 per year
<b>PROPERTY TYPE</b>	Freestanding Entertainment/Restaurant
<b>TENANT</b>	MR Peoria, LLC dba Modern Round
<b>GUARANTOR</b>	Mr. Mitch Saltz, a high net worth individual
<b>LEASE TYPE</b>	NNN
<b>BUILDING SIZE</b>	11,638 SF
<b>PARCEL SIZE</b>	10,980 SF
<b>LEASE COMMENCEMENT DATE</b>	April, 2016
<b>LEASE TERM</b>	10 years with two five-year options (8 years remaining)
<b>YEAR BUILT</b>	2001 with major remodel in 2016
<b>PARCEL NUMBER</b>	200-53-351

## INVESTMENT HIGHLIGHTS

<b>Offering Price:</b>	\$3,300,000
<b>Initial Cap Rate:</b>	7.053%
<b>NOI:</b>	\$232,760.04 NNN (Year Three Rent)

- The property is well situated within the P83 Entertainment District, home to the Peoria Sports Complex in the Northwest Phoenix metropolitan area, a few blocks south of Arrowhead Region Mall. The property is a freestanding 11,638 SF, two-story building, which has recently undergone a +/- \$1.5 million remodel, the majority of which was at the tenant's expense.
- A new 10-year NNN lease began in April 1, 2016. The tenant is responsible for reimbursement of the landlord's payment of real estate taxes, insurance and operating expenses including common area maintenance.
- \$20.00 PSF NNN Lease Rate (year three rent) with \$0.50 annual bumps per year.
- Personally guaranteed by a high net worth individual for the first five years of the lease term. At any time during the first five years the personal guarantee may be converted to a corporate guarantee of a corporate entity with a net worth of \$10 million.
- Brand new roof installed 12/31/16 with a fifteen (15) year warranty.



8320 W. MARINERS WAY • PEORIA, AZ

# PROPERTY DESCRIPTION

TENANT DESCRIPTION

PROPERTY AERIALS

FLOOR PLAN/SITE PLAN

LOCATION MAP

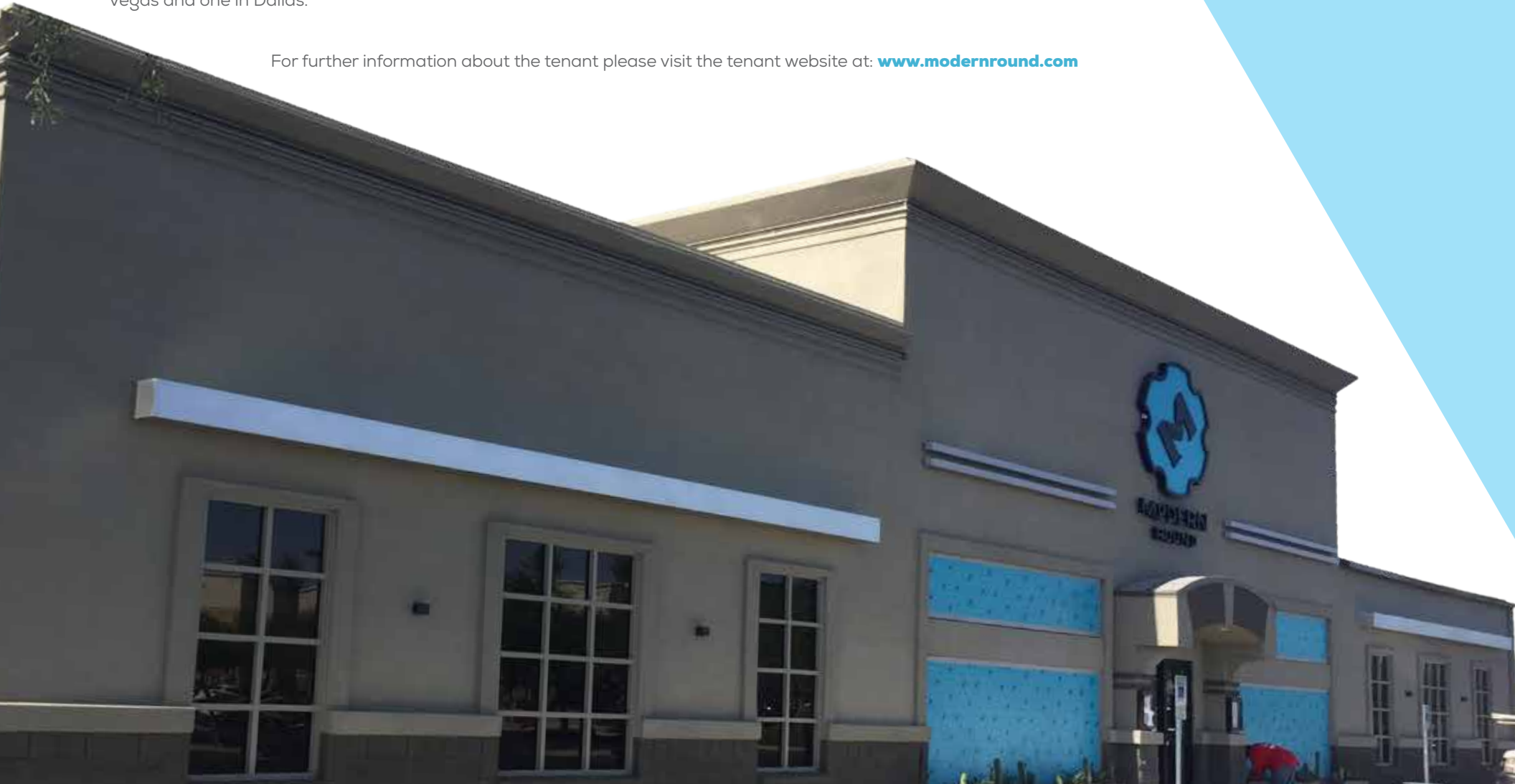
DEMOGRAPHICS

## TENANT DESCRIPTION

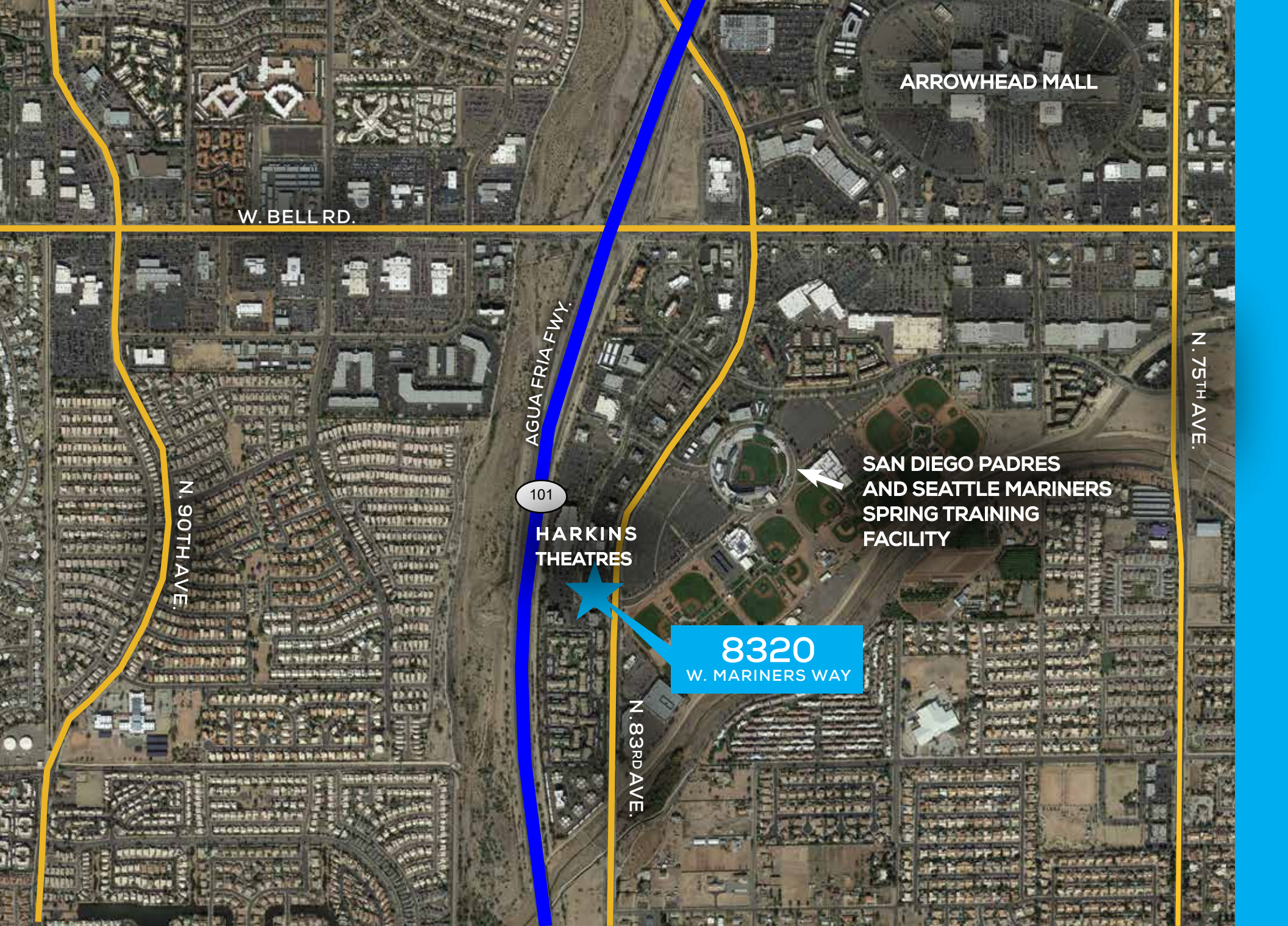
### MODERN ROUND

**MODERN ROUND**, a privately held company, was formed to develop and operate the world's first virtual reality shooting lounges in key markets across the United States, where guests can enjoy a fun, safe, and highly engaging experience along with world-class amenities. Modern Round's lounges will be where technology and entertainment meet delectable food, wine, and craft cocktails, providing a distinct form of entertainment for an all-in-one night out suitable for first-time shooters and experienced firearm connoisseurs. Modern Round is currently opening two new facilities, one in Las Vegas and one in Dallas.

For further information about the tenant please visit the tenant website at: [www.modernround.com](http://www.modernround.com)







ARROWHEAD MALL

W. BELL RD.

AGUA FRIA FWY.

N. 75TH AVE.

N. 90TH AVE.

101

HARKINS THEATRES

SAN DIEGO PADRES AND SEATTLE MARINERS SPRING TRAINING FACILITY

8320 W. MARINERS WAY

N. 83RD AVE.

W. BELL RD.

101

AGUA FRIA FWY.

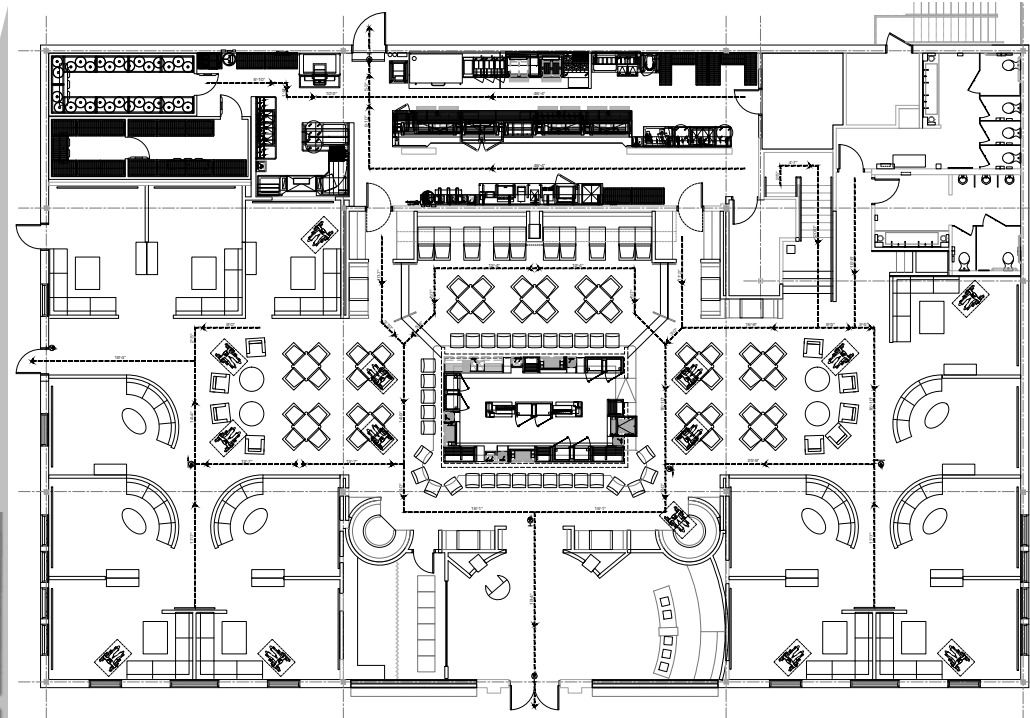
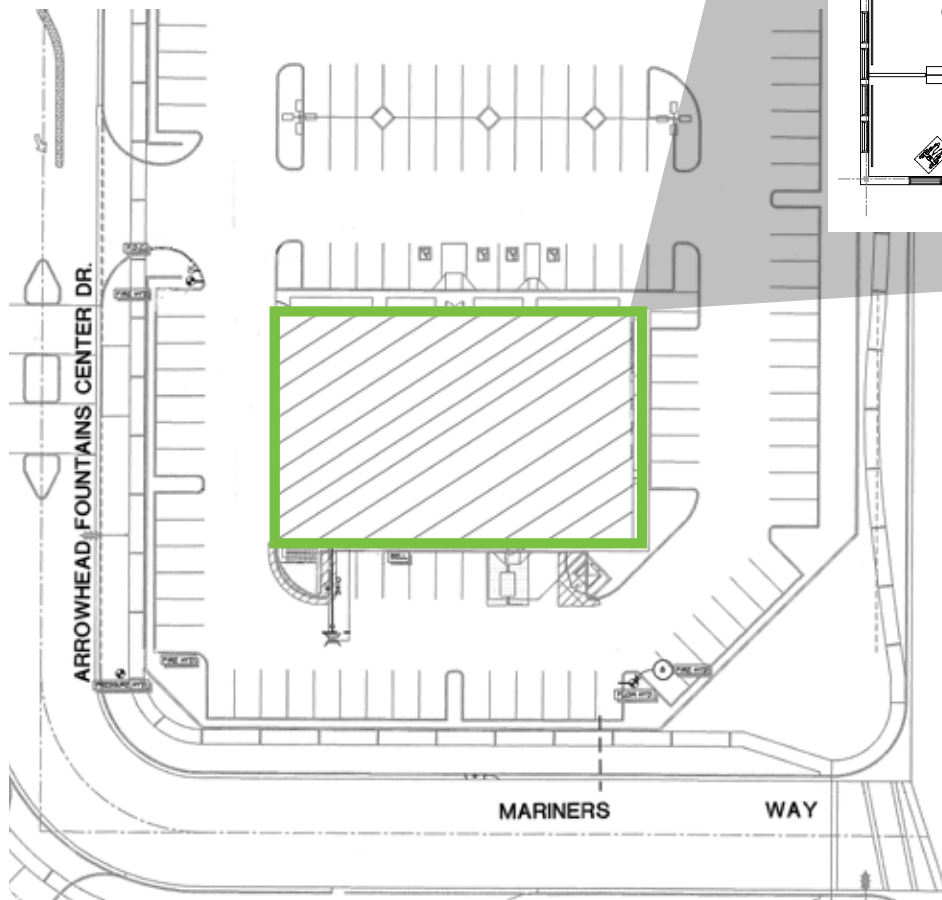
8320 W. MARINERS WAY



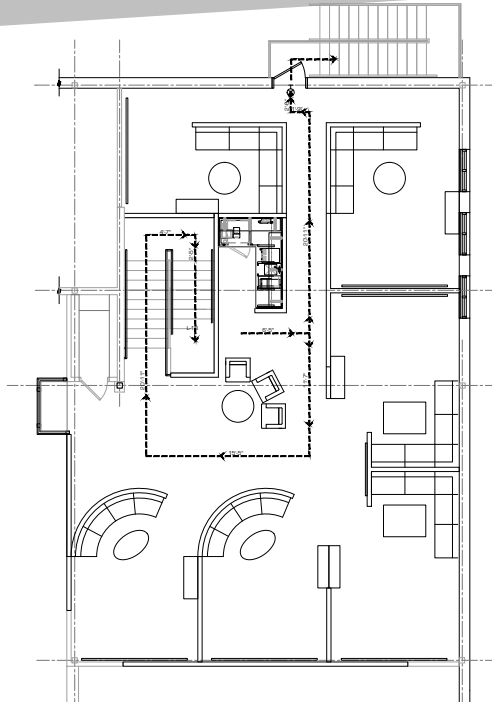
W. MARINERS WAY

N. 83RD AVE.

# SITE PLAN/FLOOR PLAN

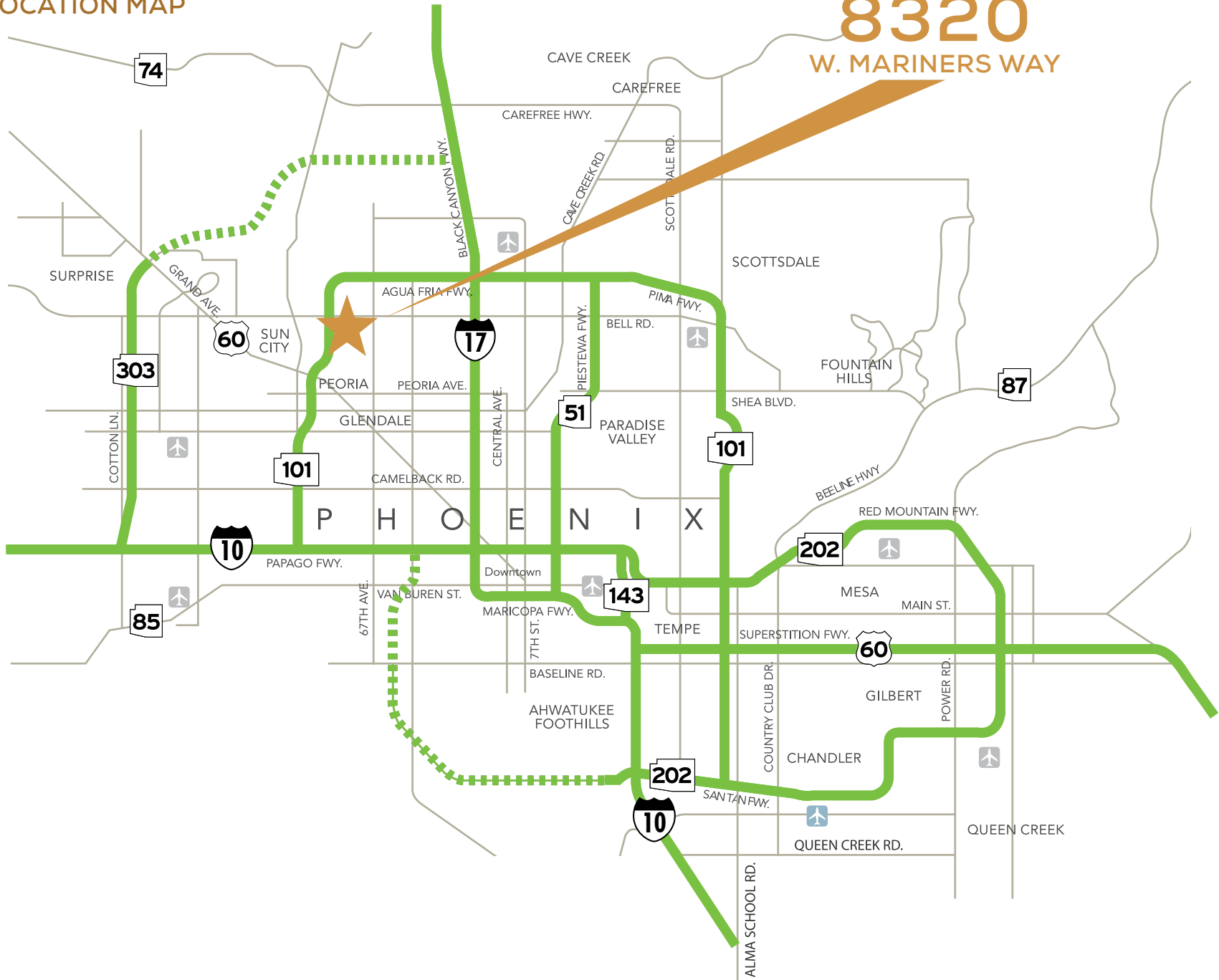


# SECOND FLOOR



LOCATION MAP

8320  
W. MARINERS WAY



# DEMOGRAPHICS

## DEMOGRAPHIC PROFILE

	1-MILE RADIUS	3-MILE RADIUS	5-MILE RADIUS
<b>POPULATION</b>			
2016 Population	8,439	105,843	296,858
2021 Population	9,127	111,135	313,119
2010 Population	7,671	101,149	280,978
2000 Population	6,447	96,964	262,715
<b>AGE</b>			
2016 Median Age	37.29	47.82	45.07
2016 Average Age	38.91	46.32	44.25
Percent Pop Change: 2010 to 2016	10.01%	4.64%	5.65%
Percent Pop Change: 2016 to 2021	8.16%	5.00%	5.48%
<b>HOUSEHOLDS</b>			
2016 Households	3,352	46,314	122,610
2021 Households	3,619	49,082	130,423
2010 Households	3,064	43,514	114,391
2000 Households	2,295	39,176	102,675
Percent HH Change: 2010 to 2016	9.40%	6.44%	7.18%
<b>HOUSEHOLD INCOME</b>			
2000 Average Household Income	\$81,257	\$64,809	\$60,681
2016 Average Household Income	\$86,105	\$71,737	\$70,063
2021 Average Household Income	\$92,681	\$76,989	\$75,088
2000 Median Household Income	\$67,356	\$52,223	\$49,574
2016 Median Household Income	\$68,553	\$55,456	\$54,337
2021 Median Household Income	\$72,540	\$58,561	\$57,470
2016 Per Capita Income	\$34,201	\$31,390	\$28,938
<b>HOUSING UNITS</b>			
2016 Housing Units	3,576	52,043	137,409
2016 Occupied Housing Units	3,352	46,314	122,610
2016 Vacant Housing Units	224	5,729	14,799
2016 Owner-Occupied Housing Units	2,015	32,619	89,366
2016 Renter-Occupied Housing Units	1,337	13,695	33,244



8320 W. MARINERS WAY • PEORIA, AZ

# FINANCIAL ANALYSIS

LEASE ABSTRACT

RENT SCHEDULE

VALUATION

# LEASE ABSTRACT

ADDRESS	8320 West Mariners Way, Peoria, AZ	RENT SCHEDULE	ANNUAL RSF	RENT PSF	MONTHLY RENT PSF
LEASE TYPE	NNN	4/1/16 - 3/31/17	\$110,561.04	\$9.50	\$0.79 (half rent for 12 mo.)
RENTABLE SQUARE FEET	±11,638	4/1/17 - 3/31/18	\$226,941.00	\$19.50	\$1.625
LEASE DATE	October 26, 2015	<b>4/1/18 - 3/31/19</b>	<b>\$232,760.04</b>	<b>\$20.00</b>	<b>\$1.667</b>
COMMENCEMENT DATE	April 1, 2016	4/1/19 - 3/31/20	\$238,578.96	\$20.50	\$1.708
EXPIRATION DATE	March 31, 2026	4/1/20 - 3/31/21	\$244,398.00	\$21.00	\$1.750
ANNUAL BASE RENT SF	\$20.00 (Year Three Rent)	4/1/21 - 3/31/22	\$250,217.04	\$21.50	\$1.792
ANNUAL RENT	\$232,760.00 (Year Three Rent)	4/1/22 - 3/31/23	\$256,035.96	\$22.00	\$1.833
ANNUAL RENTAL BUMPS	\$0.50	4/1/23 - 3/31/24	\$261,855.00	\$22.50	\$1.875
GUARANTOR	Mr. Mitch Saltz	4/1/24 - 3/31/25	\$267,674.04	\$23.00	\$1.917
		4/1/25 - 3/31/26	\$273,492.96	\$23.50	\$1.958
<b>RENTAL CONCESSIONS</b>	Twelve months of half rent, which equates to six months of free rent on the 10 year term. The first year's rent of \$9.50 PSF equates to a \$19.00 PSF rental rate				
<b>OPTIONS</b>	Two (2) - five year options to renew at 2.5% over last month's rent prior to expiration.				
<b>USE</b>	Virtual reality shooting lounge and bar with a full-service restaurant.				
<b>UTILITIES</b>	Tenant is responsible for its own utilities, including gas, water, telephone, electricity, sewage, and trash disposal.				
<b>TAXES AND INSURANCE</b>	Landlord will pay all property taxes directly to the taxing authority and carry a commercial general liability insurance policy. Tenant will reimburse landlord for real estate taxes and insurance within 30 days of the tenant's receipt of written billing statement from the landlord for such taxes, insurance and assessments.				
<b>LANDLORD'S OBLIGATIONS</b>	This lease is a NNN lease and all operating, maintenance and prorational common area expenses shall be the responsibility of the tenant. The landlord is responsible for the sole cost and expense of keeping in good working order condition and repair the foundations, roof, roof membrane, roof structure load bearing walls and columns, and all other structural portions of the building except for doors, glass and glass window. Landlord shall warranty the HVAC for 1 year after commencement date. New roof was installed 12/31/16 with a fifteen (15) year warranty.				
<b>TENANTS' OBLIGATIONS</b>	This lease is a NNN lease. The tenant is responsible for real estate taxes, all operating, maintenance and prorational common area expenses shall be the responsibility of the tenant. Tenant shall at its expense keep and maintain all parts of the premises in good working condition and promptly make all necessary repairs and replacements, including but not limited to, window, glass and plate glass, doors, exterior walls (except structural repairs which are the landlord's responsibility) interior walls and finish work, flooring trash enclosures interior plumbing work and fixtures, grease traps, interior termite and pest extermination, and regular removal of trash and debris.				
<b>GUARANTY</b>	Mr. Mitch Saltz guarantees the lease for the first five years of the lease. Within the first five years of the lease the guaranty may be replaced by a corporate guaranty by an entity with a market capitalization in excess of \$10 million.				
<b>COMMON AREA</b>	The property is part of the Arrowhead Entertainment Center and as such, tenant shall pay directly or reimburse the landlord for any regular assessments required under the covenants, conditions and restrictions (CC&Rs) of the Center.				

# RENT SCHEDULE

TENANT	SF	LEASE START	LEASE END	RENT SCHEDULE	ANNUAL RSF	RENT PSF	MONTHLYRENT PSF	COMMENTS
Modern Round	11,638	04/01/16	03/31/26	4/1/16 - 3/31/17	\$110,561.04	\$9.50	\$0.79	\$19.00 PSF w/ 6 mo. of free rent = \$9.50 PSF
				4/1/17 - 3/31/18	\$226,941.00	\$19.50	\$1.625	
				<b>4/1/18 - 3/31/19</b>	<b>\$232,760.04</b>	<b>\$20.00</b>	<b>\$1.667</b>	
				4/1/19 - 3/31/20	\$238,578.96	\$20.50	\$1.708	
				4/1/20 - 3/31/21	\$244,398.00	\$21.00	\$1.750	
				4/1/21 - 3/31/22	\$250,217.04	\$21.50	\$1.792	
				4/1/22 - 3/31/23	\$256,035.96	\$22.00	\$1.833	
				4/1/23 - 3/31/24	\$261,855.00	\$22.50	\$1.88	
				4/1/24 - 3/31/25	\$267,674.04	\$23.00	\$1.917	
			4/1/25 - 3/31/26	\$273,492.96	\$23.50	\$1.958		
Vacant SF	0							
Occupied SF	11,638			Gross Rent:	\$232,760.04			
Vacant SF	0			Potential Rent:	-			
Total SF	11,638		Total NNN Rent Yr 3:		<b>\$232,760.04</b>	\$20.00 PSF (Year Three Rent)		

# PRICING

## REVENUES

EFFECTIVE GROSS REVENUE

## EXPENSES

NNNs Paid by Tenant

## NET OPERATING INCOME

Cap Rate

## VALUE

VALUE PER SQ. FT.

BLDG. SQ. FT.

11,638

## NOI

\$232,760.04

\$-

\$232,760.04

7.053%

\$3,300,000.00

\$283.55



8320 W. MARINERS WAY • PEORIA, AZ



# MARKET OVERVIEW

CITY OF PHOENIX OVERVIEW

METROPOLITAN RETAIL MARKET OVERVIEW

PEORIA, AZ OVERVIEW

# METROPOLITAN RETAIL MARKET OVERVIEW

**PHOENIX** is the capital of Arizona as well as the state's financial center. Its strategic location provides easy access to major markets and the entire Western U.S. Seventy-five percent of Arizona's economy is represented by metropolitan Phoenix.

With opportunities for high-wage employment and a favorable climate, Arizona remains a national leader in population growth. The Phoenix metro area maintains a reputation for business-friendly policies. An entrepreneurial spirit backed by numerous public-private partnerships have established the Valley as a preferred location for tech-centric companies and other start-ups.

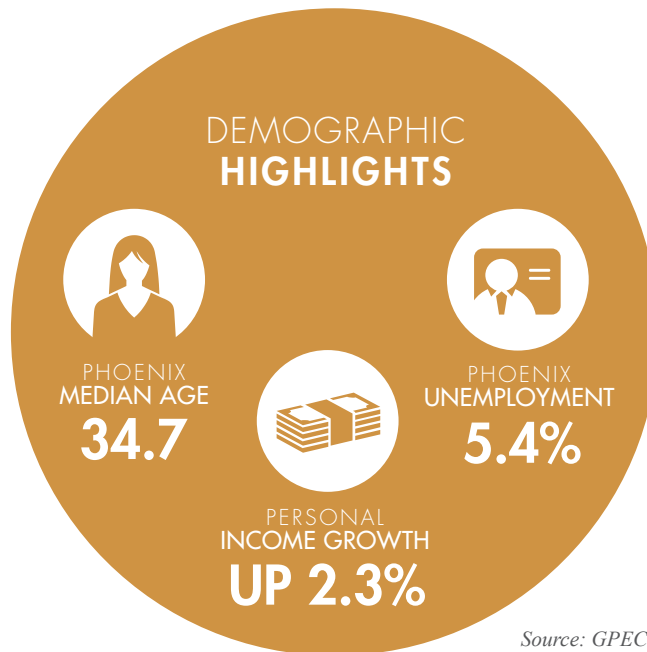
The Phoenix area benefits from robust digital and telecommunications infrastructure. Extensive highway infrastructure connects metropolitan Phoenix communities and ties them to the interstate system for easy access into and out of the area. Employment growth rates for the Valley continue to improve and are projected to grow at a pace twice that of national rates. Further bolstering prospects for a bright economic future, the cost of living and cost of doing business are low. This provides a compelling value proposition for people and businesses alike.





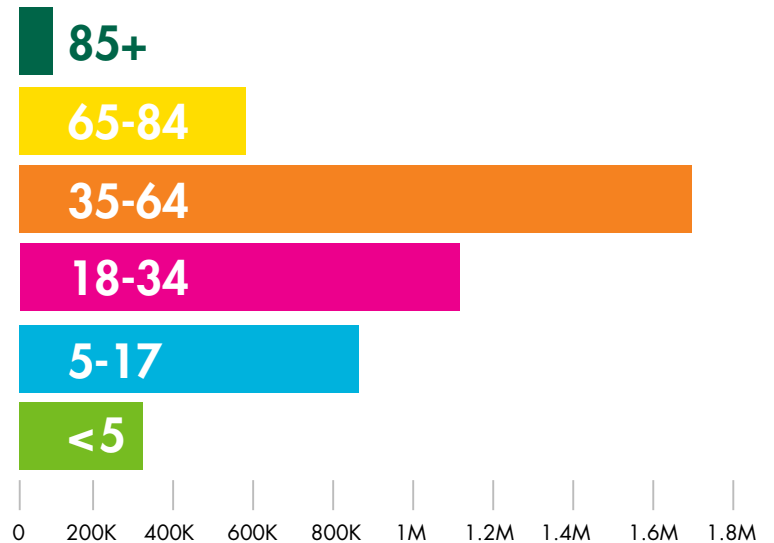
# DEMOGRAPHICS & ECONOMY

Metropolitan Phoenix has experienced significant population growth during the past several decades, growing from 375,000 residents in 1950 to more than 4.5 million people in 2014. In 2014, Maricopa County had the second-largest population increase in the nation (74,000 people). For the past 21 years, population growth in the Valley has exceeded the national average. Metropolitan Phoenix is one of the only 10 U.S. markets expected to see most of the nation's growth during the next 40 years. In addition to being one of the fastest-growing metro areas, greater Phoenix also has one of the youngest populations in the nation with a median age of 34.7 years. This is almost three years younger than the national average. This young workforce offers long-term stability for Phoenix employers.



Source: GPEC

## METROPOLITAN PHOENIX AGE DISTRIBUTION



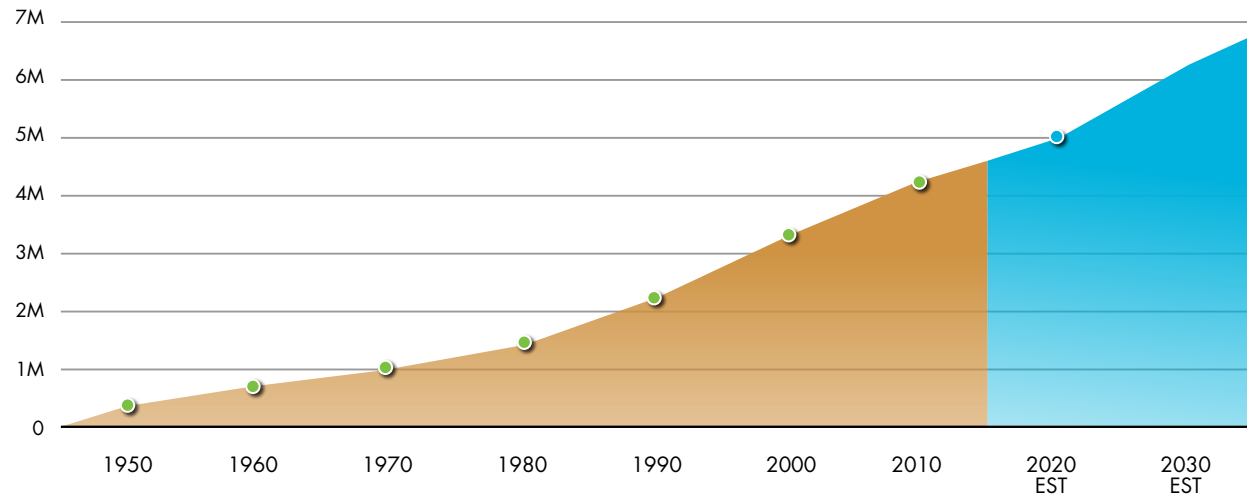
Source: Nielsen

Metropolitan Phoenix is home to two thirds of the state's residents and accounts for the majority of higher paying jobs. The employment outlook in metropolitan Phoenix is bright with the Valley recording the lowest unemployment rate in Arizona at 5.4%\* for June 2015. Looking ahead, employment is forecasted to grow at an average annual rate of 3.3% by 2019; nearly triple the national rate of 1.3%. The strong hiring environment and labor force expansion will have positive effects on the housing market resulting in an increase in household formation and median household income growth. In 2014, the per capita personal income for metropolitan Phoenix was \$40,395, and this is projected to be \$48,329 by 2019.

\*Source: Bureau Labor Statistics



## METROPOLITAN PHOENIX POPULATION



Source: US Bureau of the Census

Personal income grew by 4.4% in 2014, and is forecasted to be 6.5% by 2019.<sup>2</sup> Metropolitan Phoenix's labor force is projected to increase by 23% during the next decade compared to 14% nationally.



# LIFESTYLE

The perfectly named “Valley of the Sun” is known throughout the world for its climate, which averages 300 days of sunshine per year and has an annual average temperature of 72 degrees. Valley residents embrace an active, outdoor-oriented lifestyle amid majestic mountain views and sweeping desert landscapes. Metropolitan Phoenix boasts numerous world-class resorts and professionally-designed golf courses, as well as a number of vibrant entertainment and nightlife options. The metropolitan area’s amenities and attractions include:

## WORLD-CLASS GOLF

Each year Phoenix hosts the PGA, LPGA and Senior PGA tours, including the world-famous Waste Management Phoenix Open. In 2016, the Phoenix Open set a record attendance with 618,365 fans attending the event.

## ARTS & CULTURE

Metropolitan Phoenix boasts 20 museums, including the newly refurbished Phoenix Art Museum and the world-famous Heard Museum of Anthropology and Primitive Arts. Phoenix is also home to the Phoenix Symphony, Arizona Opera Company, Ballet Arizona and a host of professional theatre companies.

## PROFESSIONAL SPORTS

Phoenix is one of 12 cities nationwide that features a professional franchise in each of the nation’s four major sports, including the NFL’s Arizona Cardinals, MLB’s Arizona Diamondbacks, NBA’s Phoenix Suns and NHL’s Arizona Coyotes.

## MLB’S CACTUS LEAGUE

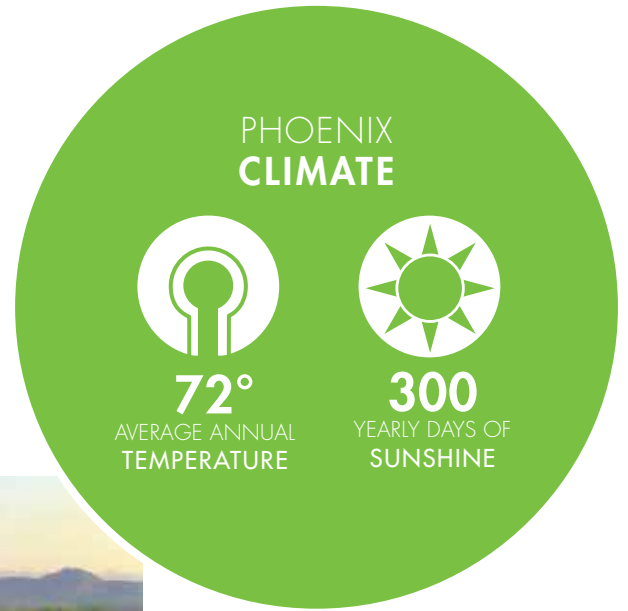
Major League Baseball made a substantial investment in metropolitan Phoenix. Fifteen major league teams host spring training across the Valley—the greatest concentration of professional baseball facilities found anywhere in the U.S. A new record was set in 2015 with almost 2 million fans attending Cactus league spring training games.



## OUTDOOR RECREATION

There are more than 120 parks, plus hiking and biking trails, historical sites, lakes, urban mountain parks, and other recreational facilities throughout the Valley.

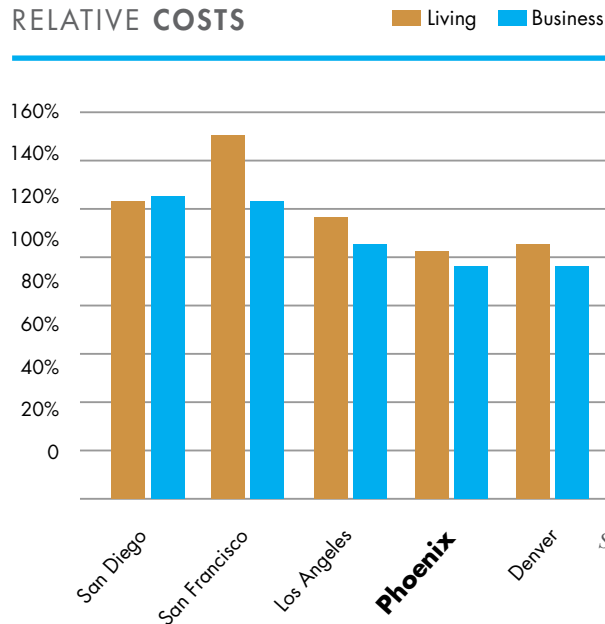
Metropolitan Phoenix offers residents a high quality of life that is affordable. In fact, Phoenix is more affordable than 10 of 15 comparable major western metropolitan markets. In addition to the many factors that contribute to a high quality of living in Phoenix, the area's prospects for sustainable future growth are enhanced by strong underlying economic fundamentals.



# BUSINESS

**METROPOLITAN PHOENIX** is an attractive and cost-effective place to do business. Arizona is a right-to-work state, which mean wages, workers compensation and unemployment insurance are relatively low. These lower operating costs are drawing more corporate headquarters and manufacturers to the state. Companies choosing to locate in metropolitan Phoenix recognize that in addition to lower costs, there is an ideal match between the existing labor pool and their employment needs. Employers in Phoenix's growing industries, including technology, healthcare, education, finance, professional business services and manufacturing, among others, recognize the abundance of talent in the area, and the strong commitment of community leaders to ensure private enterprise thrives in Phoenix.

## RELATIVE COSTS



Source: Moody's Analytics

## MAJOR EMPLOYERS IN METROPOLITAN PHOENIX

- CORPORATE HEADQUARTERS**
  - AMNET
  - PETSMART
  - REPUBLIC SERVICES
  - FREEPORT-McMoRAN COPPER & GOLD
  - Insight
  - GoDaddy
- AEROSPACE & AVIATION**
  - Able
  - Cessna
  - Orbital
  - BOEING
  - Honeywell
  - GENERAL DYNAMICS
- E-COMMERCE/LOGISTIC CENTERS**
  - Marshalls
  - TARGET
  - DICK'S SPORTING GOODS
  - macy's
- FINANCIAL SERVICES**
  - AMERICAN EXPRESS
  - Bank of America
  - State Farm
  - charles SCHWAB
  - DISCOVER
- HEALTH CARE/BIOTECH**
  - Banner Health System
  - MAYO CLINIC
  - International Center for Genetic Genealogy
  - tgen
  - theranos
  - Dignity Health
- HIGH-TECH MANUFACTURING**
  - freescale
  - ROGERS CORPORATION
  - LMCO
  - MICROCHIP
  - iridium

Currently, the healthcare industry is seeing impressive job gains in Arizona, with one in every five jobs added to the state economy during the past year falling within the field. The Valley's healthcare industry is a \$20.5 billion industry and supports 229,200 jobs with a median income of \$50,526.8 Industries like technology, leisure and hospitality, trade, transportation and utilities are also areas showing noticeable promise.

Metropolitan Phoenix is also known for its entrepreneurial spirit. Phoenix ranks third in the country for entrepreneurs per 1,000 people. One of the primary drivers of this entrepreneurial mindset is higher education. Arizona State University has approximately 11,000 students enrolled in entrepreneurship programs and offers more than 110 courses devoted to this area of study.

This commitment to entrepreneurship is leading to business innovation, advancements in technology, and job creation. This is especially true for the area's tech sector. The Valley's growing reputation for its educated workforce and entrepreneurial mentality has tech companies taking notice. In the CBRE Research Tech Thirty report, Phoenix tied San Francisco for the highest high-tech job growth rate in the U.S. Also, according to CBRE Research, there are more than 941 tech companies in metropolitan Phoenix.

These include bio-tech, high-tech manufacturing, high-tech services, media-entertainment, telecom and tech-related office-using jobs, among others, and range from small start-ups to large national corporations. Large data centers supporting the tech industry are also located in metropolitan Phoenix.

In order to foster sustained growth for tech companies, public and private partnerships throughout the Valley have resulted in the creation of numerous tech-centered incubators. These mini economic engines allow private tech groups to cluster while being supported by a public or private source. For example, SkySong, The ASU Scottsdale Innovation Center, provides incubator space for start-ups and large tech companies alike. Both types of companies benefit from SkySong's affiliation with ASU, drawing on research resources and a talented student and faculty base. Companies also have immediate access to their peers in a collaborative environment. As the Valley's reputation as a hub for innovation and collaboration grows, so too will the presence of tech firms.

## TECH COMPANIES IN PHOENIX

56  
Media-Entertainment

33  
Telecommunications

16  
Office-using jobs

344  
High-Tech  
Services

100  
Bio-Tech

392  
High-Tech  
Manufacturing

Source: CBRE Research

# INFRASTRUCTURE

**ASTHEVALLEY** experiences increasing population and job growth, electrical and Internet infrastructure becomes more and more critical. Fortunately, infrastructure in metropolitan Phoenix has more than kept up. Arizona Public Service (APS) and Salt River Project (SRP), the area's electricity providers, are ranked as top business service providers for reliability.

The digital data industry also recognizes metropolitan Phoenix's robust internet and data infrastructure. Digital data sent via the Internet in Arizona is well protected due to fewer environmental threats. The state ranks in the top 10 for low catastrophic and natural disaster risk. This is a critical issue for data center operators that require redundant backup and ensure availability of data, which means metropolitan Phoenix is advantageously positioned to accommodate the digital age.

Metropolitan Phoenix has two major airports, Phoenix Sky

Harbor International Airport and Phoenix-Mesa Gateway Airport. Both of these airports provide convenient and affordable flight to cities across the U.S. and beyond. Phoenix Sky Harbor handles 40 million passengers a year and serves over 100,000 passengers per day with more than 1,200 daily flights. The daily economic impact of the airports surpasses \$79 million-a-day on a typical day for the metropolitan area. Phoenix Sky Harbor was the country's ninth-busiest airport in 2014.

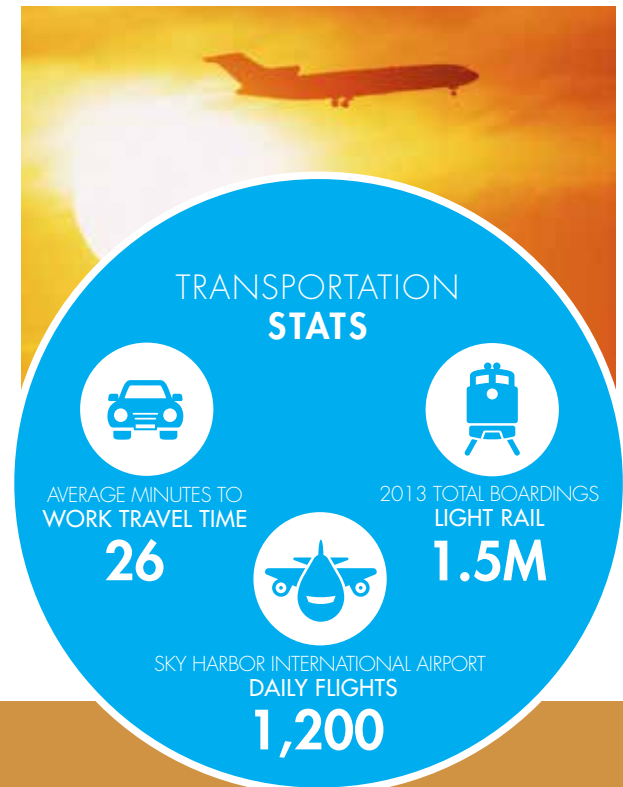
Phoenix-Mesa Gateway Airport is a decommissioned U.S. Air Force base that was redeveloped as a backup to Sky Harbor in 2008. In 2013, the airport's economic impact was \$1.3 billion.

Uniting parts of the Valley is the Valley Metro Light Rail, a 20-

## TOP 5 BEST AND WORST CITIES FOR NATURAL DISASTERS

	WORST
	Miami, FL <b>1</b>
Milwaukee, WI	New Orleans, LA <b>2</b>
Cleveland, OH	Oakland, CA <b>3</b>
Phoenix, AZ	San Francisco, CA <b>4</b>
	Honolulu, HI <b>5</b>

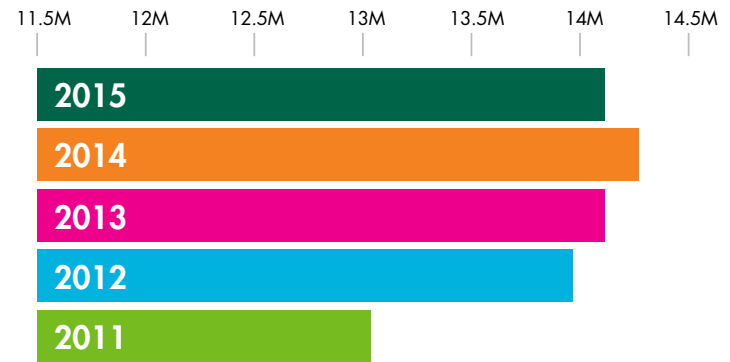
Source: SustainLane.com, U.S. News & World Report



milelightrailssysteminitiallycompletedin2008.Additionally,theSkyTrain providesaccessbetweenthemainValleyMetroLightRailandPhoenixSky HarborInternationalAirport.In2014,thelinehadaweekdayridershipof 43,827, making it the 13th busiest light rail system in the country.

The20-milelightraillineisresponsiblefor\$8.2billionincapitalinvestment fromthepublicandprivatesectorsinceconstructionbeganin2005.

### LIGHT RAIL RIDERSHIP



Source: Valley Metro

### METRO PHOENIX INFRASTRUCTURE MAP



# HOUSING

**THE VALLEY'S** housing market continues to strengthen as economic fundamentals improve, including job growth, strong in-migration and recovering home values. At the end of 2015 metropolitan Phoenix ranked fourth among the region's largest metropolitan areas in housing price growth.<sup>18</sup> The recovery of the local housing market is aided by low interest rates, rising home prices and higher rents, all of which incentivize home ownership.

The median home price for a single-family home is up 9.8% compared to December of 2014.<sup>19</sup> Additionally, resale home sales are up 11.7% when comparing the total amount for 2014 and 2015.

The new home market is also showing an uptick in activity. New home closings in December 2015 were up 52.3% compared to December 2014 and up nearly 17.0% when comparing the total permits in 2014 and 2015. These numbers all point to a renewed demand for housing.



The metropolitan Phoenix multifamily industry is booming, which is having a positive impact on the Valley's economic climate and job growth. According to Moody's Analytics, multifamily permits in 2014 were up 52.0% from 2013 and are forecasted to decrease 19.0% for 2015.

Currently, there are more than 1,000 multifamily housing projects in the Valley with over 100+ units. Low homeownership rates in Arizona and strong demographics point to the need for even more units in the future.

## SINGLE FAMILY HOMES MEDIAN RESALE DECEMBER 2015



MEDIAN  
HOME PRICE

**\$205,000**



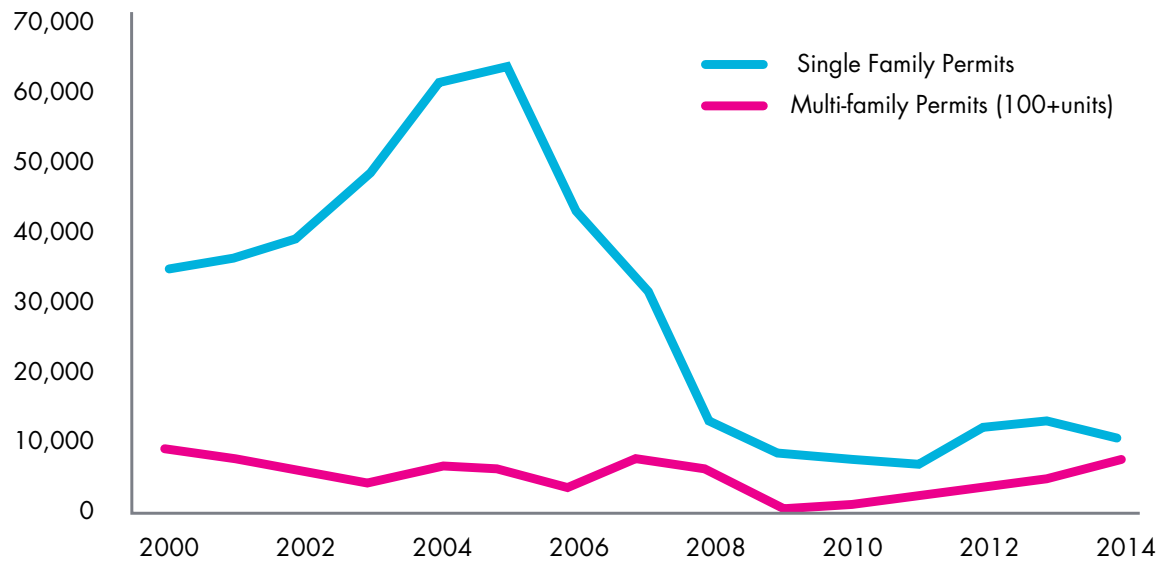
HOME SALES  
YEAR-TO-DATE

**UP 11.7%**

*Source: RL Brown*



## METROPOLITAN PHOENIX **SINGLE & MULTIFAMILY PERMITS (100+ UNITS)**



Source: RL Brown



### MULTIFAMILY APARTMENTS



AVERAGE MONTHLY RENT  
**\$850**



1QTR 2015 VACANCY RATES  
**6.1%**

Source: Real Data 2015

# EDUCATION

**ARIZONA UNIVERSITIES** are a tremendous source of educated talent. This abundant supply of young, talented human capital will ensure greater Phoenix maintains its attractiveness to businesses.

## ARIZONA STATE UNIVERSITY

The largest public university in the United States. The total impact of ASU on Arizona's gross product in fiscal year 2014 is estimated at \$4.3 billion.

### The University of Phoenix

Wholly owned by the Apollo Education Group and headquartered in Phoenix, it is the largest private educational institution in the United States and focuses on providing working adults access to higher education.



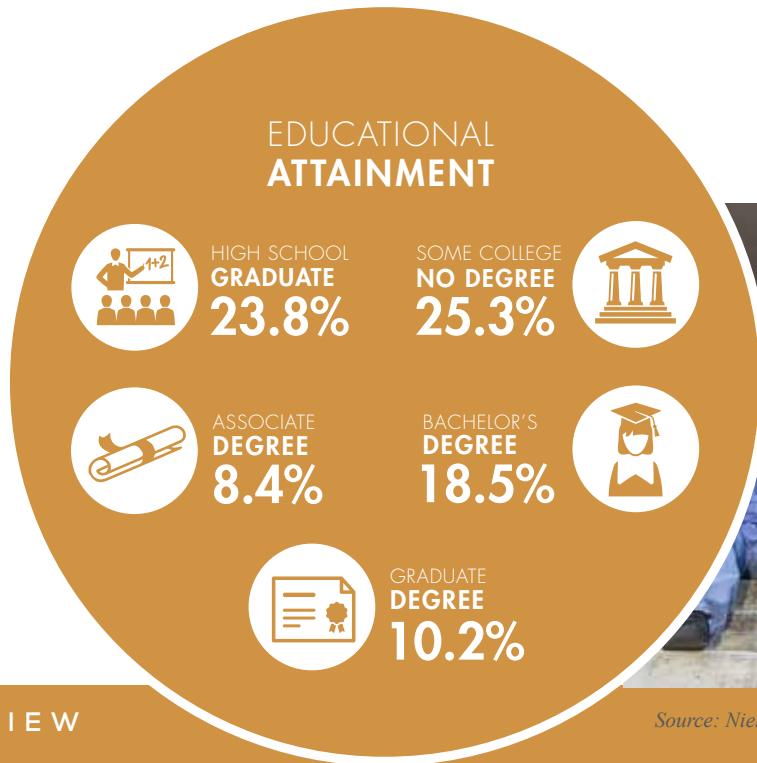
**LARGEST PUBLIC UNIVERSITY IN THE UNITED STATES**

**76,771 STUDENTS**  
2013 ENROLMENT

**#3 IN FULBRIGHT SCHOLARS**  
(ASU NATIONAL RANK)

**ONE OF NATIONS TOP PRODUCERS OF SCIENCE AND ENGINEERING DEGREES**

Source: U.S. News and World Report



Source: Nielsen

### **Grand Canyon University**

The 14th largest university in the nation when ranked by enrollment, Grand Canyon University maintains a large online presence and its 115-acre campus was recently the site of major development and multi-million dollar expansions.

### **Maricopa Community College**

One of the largest community college districts in the nation, Maricopa Community College serves more than 260,000 students a year. Headquartered in Tempe, the community college system is one of the most robust higher education systems in the United States. With 10 colleges, two skill centers and numerous education centers throughout the Valley, Maricopa Community Colleges are the largest provider of healthcare workers and job training in Arizona.



### **Thunderbird School of Global Management**

One of the top-ranked international business schools for decades, Thunderbird has been at the forefront of global business curriculum for almost 70 years. The pro-

gram's accolades include top rankings by U.S. News & World Report, The Economist, and the Wall Street Journal, among others.

### **UNIVERSITY OF ARIZONA**

The University of Arizona opened the College of Medicine Phoenix in 2007. The university also is working with the city to create the Phoenix Biomedical Campus in downtown Phoenix. This is a 30-acre medical and bioscience campus planned to have more than 6 million sq. ft. completely devoted to the biomedical industry.

All three of Arizona's major public universities—Arizona State University, the University of Arizona and Northern Arizona University—currently have a presence at the campus, but the University of Arizona has led the way in investment with \$450 million in campus building projects. Other tenants of the project include TGen, Barrow Neurological Institute, VisionGate, Bioscience High School, International Genomics Consortium and the National Institute of Diabetes.



# PEORIA, AZ

## **A BRIEF LOOK AT PEORIA THROUGH THE YEARS**

The property is situated in the heart of Metropolitan Phoenix's northwest valley in Peoria, Arizona, a vibrant suburban community of more than 160,000 residents that is recognized as having one of the highest quality of life reputations in the country. Currently Peoria is the sixth largest community in Arizona based on land area and the ninth largest for population. 2008 Money Magazine listed Peoria as one of the top 100 places to live in the US.

The City of Peoria's history goes back to the 1880s. Some could challenge that Peoria's beginnings go back as far as the Native Americans who inhabited, traveled, and began the areas first farming settlements along the river now known as New River. As far back as humans have roamed this area, agriculture has been the reason for settlement here. Agriculture is no longer the reason people move to Peoria. In the 1880s, four farming families from Peoria, Illinois, were enticed to the area's climate and agriculture potential. By 1897, a plat map was filed with the Maricopa County recorder, naming the settlement after their hometown.

Today, agriculture is no longer the reason people move to Peoria. The city now boasts the state's second largest lake, Lake Pleasant, and the Cactus League spring training, home of the Seattle Mariners and San Diego Padres. Peoria is also home to the Challenger Space Center and two critically acclaimed live theaters, Arizona Broadway Theatre and Theater Works. Residents now enjoy one of the state's highest performing school districts, nationally accredited recreational services and a neighborhood lifestyle, which has been honored by Money Magazine, Forbes, Kiplinger and others.

In a 2013 Citizens Survey conducted by the National Research Corporation, 93% of respondents said that Peoria provided an outstanding quality of life. In addition, 98% said they would recommend Peoria as a great place to live. Like the early settlers, and the inhabitants before them, Peoria has always been a great place to call home.

### **P83 ENTERTAINMENT DISTRICT**

The property is well located one block east of the Loop 101 Freeway just south of Bell Road and has great freeway visibility from the Loop 101 Freeway. The property is situated in the P83 Entertainment District in the Northwest Phoenix metropolitan area. P83 is Northwest Phoenix's gateway to family fun with dozens of entertainment, dining and sports options including the Peoria Sports Complex home of Major League Spring Training facilities for the San Diego Padres and the Seattle Mariners, Polar Ice Den, Arizona Broadway Theatre, Harkins Theatre Megaplex and the newly opened Modern Round, a virtual reality shooting lounge and restaurant. Currently home to dozens of great sports, entertainment, and dining venues P83 has become the Northwest Valley's family fun entertainment district attracting thousands of people from around the state that visit the Valley's master-planned entertainment district.





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Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

#### Disclaimer

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The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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NET-LEASED INVESTMENT  
8320 WEST MARINERS WAY | PEORIA, ARIZONA

LEASED TO  
MODERN ROUND

offering memorandum

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