



TOWNE PLACE SHOPS

CHESAPEAKE, VIRGINIA

YURAS
AICALE
FORSYTH | Leased Investment Team

OFFERING MEMORANDUM

\$7,594,000 | 5.75% CAP RATE

- » 100% Leased Multi-Tenant Retail Center with Scheduled Rental Increases
- » High-Traffic Location in Dense Retail Corridor
 - » Convenient Access to Greenbrier Parkway (83,000 AADT) and Interstate 64 (132,000 AADT)
 - » Outparcel to Mixed-Use Development Featuring Luxury Apartments and National Retailers
- » Directly Adjacent to Dollar Tree's Corporate Headquarters
 - » Currently Undergoing \$110 Million Expansion
- » Densely Populated Area with Large Customer Base
 - » 210,216 Residents and 105,488 Daytime Employees Within a Five-Mile Radius
- » New 2016 Construction
- » Large 2.78 Acre Lot with Ample Parking



ACTUAL SITE



Cushman & Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Virginia-licensed real estate broker Cushman & Wakefield, Inc.

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Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
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FORSYTH** | Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

| | |
|--------------------|--|
| ADDRESS | 801 Eden Way North, Chesapeake, Virginia |
| PRICE | \$7,594,000 |
| CAP RATE | 5.75% return |
| NOI | \$436,650 |
| OCCUPANCY | 100% |
| YEAR BUILT | 2016 |
| BUILDING SF | 13,200 SF |
| PARCEL SIZE | 2.78 acres (121,271 SF) |
| TENANTS | Starbucks, Mattress Firm, Zoës Kitchen, and Brixx Wood Fired Pizza |



ACTUAL SITE

100% LEASED MULTI-TENANT RETAIL CENTER

- » 100% leased multi-tenant center with scheduled rental increases, providing a hedge against inflation
- » Notable national and regional tenants with strong brand recognition
- » Corporate-guaranteed leases for Starbucks, Mattress Firm, and Zoës Kitchen

HIGH TRAFFIC LOCATION IN DENSE RETAIL CORRIDOR

- » Located at signalized hard corner, with excellent access and visibility to more than 15,000 vehicles per day
- » Convenient access to Greenbrier Parkway (83,000 AADT) and Interstate 64 (132,000 AADT)
- » Outparcel to Towne Place, a mixed-use development featuring luxury apartments and townhomes and major national retailers
- » Close proximity to several large retail centers, anchored by Walmart Supercenter, Sam's Club, Target, Macy's, Dillard's, Harris Teeter, and many others

EXCELLENT LOCATION IN PRIME COMMERCIAL AREA

- » Directly adjacent to Dollar Tree's global headquarters, which is currently undergoing a \$110 million expansion that will add additional office, retail, and residential space and is expected to create up to 600 corporate jobs with Dollar Tree and nearly 5,000 service jobs in new retail and residential facilities
- » Surrounded by several large office and industrial parks, with over 100,000 daytime employees within a five-mile radius

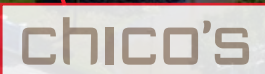
NEW 2016 CONSTRUCTION

- » High-quality construction completed in 2016
- » Features a dedicated drive-thru for Starbucks, providing additional customer convenience and boosting sales revenue

RENT ROLL

| TENANT NAME | SQUARE FEET | % OF PROPERTY | LEASE TERM | | CURRENT RENTAL RATES | | | | | FUTURE RENTAL RATES | | | | | RECOVERY TYPE |
|------------------------|---------------|---------------|------------|-----------------|----------------------|-----------------|---------------|------------------|----------------|---------------------------------------|----------|--------|-----------|---------|---------------|
| | | | START | TERM | START | MONTHLY | PSF | ANNUAL | PSF | DATE | MONTHLY | PSF | ANNUAL | PSF | |
| Starbucks | 1,900 | 14.39% | May-16 | 10 Years | Current | \$6,096 | \$3.21 | \$73,150 | \$38.50 | <i>Options - 4 Options at 5 Years</i> | | | | | NNN |
| | | | | | | | | | | Aug-26 | \$6,705 | \$3.53 | \$80,465 | \$42.35 | |
| | | | | | | | | | | Aug-31 | \$7,375 | \$3.88 | \$88,502 | \$46.58 | |
| | | | | | | | | | | Aug-36 | \$8,113 | \$4.27 | \$97,356 | \$51.24 | |
| | | | | | | | | | | Aug-41 | \$8,924 | \$4.70 | \$107,084 | \$56.36 | |
| Mattress Firm | 5,000 | 37.88% | Feb-16 | 10 Years | Current | \$12,500 | \$2.50 | \$150,000 | \$30.00 | Mar-21 | \$13,750 | \$2.75 | \$165,000 | \$33.00 | NNN |
| | | | | | | | | | | <i>Options - 2 Options at 5 Years</i> | | | | | |
| | | | | | | | | | | Mar-26 | \$15,125 | \$3.03 | \$181,500 | \$36.30 | |
| | | | | | | | | | | Mar-31 | \$16,638 | \$3.33 | \$199,650 | \$39.93 | |
| Zoës Kitchen | 2,800 | 21.21% | Dec-15 | 10 Years | Current | \$8,167 | \$2.92 | \$98,000 | \$35.00 | Jan-21 | \$8,983 | \$3.21 | \$107,800 | \$38.50 | NNN |
| | | | | | | | | | | <i>Options - 2 Options at 5 Years</i> | | | | | |
| | | | | | | | | | | Jan-26 | \$9,882 | \$3.53 | \$118,580 | \$42.35 | |
| | | | | | | | | | | Jan-31 | \$10,870 | \$3.88 | \$130,438 | \$46.58 | |
| Brixx Wood Fired Pizza | 3,500 | 26.52% | Nov-16 | 10 Years | Current | \$9,625 | \$2.75 | \$115,500 | \$33.00 | Dec-21 | \$10,588 | \$3.03 | \$127,050 | \$36.30 | NNN |
| | | | | | | | | | | <i>Options - 2 Options at 5 Years</i> | | | | | |
| | | | | | | | | | | Dec-26 | \$12,645 | \$3.61 | \$151,734 | \$43.35 | |
| | | | | | | | | | | Dec-31 | \$13,908 | \$3.97 | \$166,896 | \$47.68 | |
| TOTALS/AVERAGES | <u>13,200</u> | | | <u>10 Years</u> | | <u>\$36,388</u> | <u>\$2.76</u> | <u>\$436,650</u> | <u>\$33.08</u> | | | | | | |
| Occupied SF | 13,200 | 100.0% | | | | | | | | | | | | | |
| Available | <u>0</u> | <u>0.0%</u> | | | | | | | | | | | | | |
| Total SF | <u>13,200</u> | <u>100.0%</u> | | | | | | | | | | | | | |

*Starbucks shall have the right to terminate its Lease on or after the last day of the sixtieth (60th) full calendar month of the Term. Should Starbucks elect to terminate the Lease, Starbucks shall pay to Landlord a termination fee equal to the sum of (a) the then-remaining unamortized portion of Seventy Five Thousand Dollars (\$75,000.00) and (b) the then-remaining unamortized balance of broker fees.



Eden Way (15,000 AADT)





Marriott

College Park Square Shopping Center



Greenbrier Mall



Interstate 64 (132,000 AADT)



Greenbrier Parkway (83,000 AADT)

Greenbrier MarketCenter



Crossways Shopping Center



Eden Way (15,000 AADT)



Towne Place





Paradise Creek Nature Park



ELIZABETH RIVER

PORTSMOUTH (11 miles)

NORFOLK (11 miles)



Village Square Shopping Center



Crossways Shopping Center



Towne Place



INDUSTRIAL REGION

64 / Interstate 64 (132,000 AADT)

COMMERCIAL REGION

Eden Way (15,000 AADT)



Greenbrier MarketCenter





DOWNTOWN CHESAPEAKE
(3 miles)

Battlefield Boulevard Shopping Center



Towne Place

chico's pure barre

Moe's southwest grill

NUTRISHOP Sports Nutrition & Weight Loss Superstores

Jersey Mike's SUBS

JOS. A. BANK ESTABLISHED 1906

HYATT PLACE

Walmart Supercenter

KOHL'S

Sam's CLUB

64 / Interstate 64 (132,000 AADT)

DOLLAR TREE

GLOBAL HEADQUARTERS
(\$110 million campus expansion, adding high-density office, retail, and residential space and creating 600 corporate jobs and up to 5,000 service jobs)

Capital One

1,064 employees

COMMERCIAL REGION

Greenbrier MarketCenter

TARGET **BARNES & NOBLE.com**
www.bn.com

Harris Teeter

BED BATH & BEYOND **PETSMART**

Eden Way (15,000 AADT)

COX

1,118 employees

Stephanie Way

MATTRESS FIRM

Crossways Shopping Center

VCF VALUE CITY FURNITURE

T.J. MAXX

ROSS DRESS FOR LESS **DSW** **CHIPOTLE MEXICAN GRILL**



Greenbrier Sports Park

Greenbrier Middle School
(650+ students)

Greenbrier Parkway (83,000 AADT)

Centura
COLLEGE

INDUSTRIAL REGION

FritoLay
food for the fun of it!
200 employees

YUPO
145 employees

QuintilesIMS
formerly known as IMS Health

AppleOne

FOOD LION

SUBWAY

aura
at Towne Place
Luxury Townhouses

AURA
Luxury Apartments

Greenbrier MarketCenter

TARGET **BARNES & NOBLE**.com
www.bn.com

Harris Teeter

BED BATH & BEYOND **PET SMART**

DeVry
University
Chesapeake Campus

Starbucks **Brixx** **zoë's KITCHEN**
MATTRESS FIRM



Eden Way (15,000 AADT)

Crossways Shopping Center

VCF VALUE CITY FURNITURE **T.J. maxx**

ROSS DRESS FOR LESS **DSW** **CHIPOTLE** MEXICAN GRILL

Stephanie Way

Towne Place

chico's **pure barre**

MOE'S southwest grill **NUTRISHOP**
SPORTS NUTRITION & WEIGHT LOSS SUPERSTORES

Jersey Mike's SUBS **JOS. A. BANK** ESTABLISHED 1000 **HYATT PLACE**

SITE PLAN



DRIVE-THRU

MATTRESSFIRM

5,000 SF



1,850 SF

MENU

DRIVE-THRU

500 SF
PATIO AREA



3,800 SF



2,800 SF

500 SF
PATIO AREA

MONUMENT SIGN



STEPHANIE WAY

EDEN WAY NORTH



TENANT SUMMARIES



Starbucks Corporation (NASDAQ: "SBUX") is the premier roaster, marketer, and retailer of specialty coffee in the world, operating more than 25,000 locations in 70 countries. Starbucks also sells a variety of coffee and tea products and licenses its trademarks through other channels, such as licensed stores, grocery, and national foodservice accounts. In addition to the flagship Starbucks Coffee brand, Starbucks also sells goods and services under the Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, and Ethos brand names.

For the fiscal year ended October 2, 2016, Starbucks Corporation reported net revenues of \$21.3 billion and comparable store sales growth of 5%. Starbucks is rated "A" by Standard & Poor's.

For more information, please visit www.starbucks.com.

| | | | |
|---------------|-----------------------|------------------|---------|
| LESSEE | Starbucks Corporation | LOCATIONS | 25,000+ |
| TICKER | NASDAQ: "SBUX" | REVENUE | \$21.3B |



Founded in 1995, Zoës Kitchen is a fast-casual restaurant group serving a distinct menu of fresh, wholesome, made-from-scratch, Mediterranean-inspired dishes delivered with warm hospitality. With no microwaves or fryers, grilling is the predominate method of cooking. Dishes feature an abundance of fresh fruits and vegetables, fresh herbs, olive oil, and lean proteins. With more than 200 locations in 20 states across the United States, Zoës Kitchen delivers goodness to its guests by sharing simple, tasty, and fresh Mediterranean meals that inspire guests to lead a balanced lifestyle and feel their best from the inside out.

For the fiscal year ended December 26, 2016, Zoës Kitchen reported total revenues of \$276 million, representing a 22% increase over 2015. Comparable store sales increased 4% over the same period.

For more information, please visit www.zoeskitchen.com.

| | | | |
|---------------|---------------------|------------------|--------|
| LESSEE | Zoe's Virginia, LLC | LOCATIONS | 200+ |
| TICKER | NYSE: "ZOES" | REVENUE | \$276M |



Mattress Firm is a specialty retailer of mattresses and related products and accessories. Since being founded in 1986, Mattress Firm has grown to become the largest and most successful bedding company in the U.S. As of 2016, the company operated and franchised over 3,600 locations in 49 U.S. states. In 2015, Mattress Firm had over \$3.5 billion in pro forma sales, representing a pro forma market share of more than 25% in a highly fragmented category. Through its various brands, including Mattress Firm, Sleepy's, and Sleep Train, the company offers a broad selection of both traditional and specialty mattresses, bedding accessories, and other related products from leading manufacturers, including Serta, Simmons, and Hampton & Rhodes.

In September 2016, the company was acquired by Steinhoff International for \$3.8 billion, and Mattress Firm now operates as a subsidiary of Steinhoff.

For more information, please visit www.mattressfirm.com.

| | | | |
|------------------|-------------------------|------------------|---------|
| LESSEE | Mattress Firm, Inc. | LOCATIONS | 3,600+ |
| OWNERSHIP | Steinhoff International | REVENUE | \$2.54B |



Brixx Wood Fired Pizza is a privately-held pizza restaurant chain headquartered in Charlotte, North Carolina. Brixx specializes in pizzas built on made-from-scratch dough, topped with a wide array of fresh ingredients and cooked in a 600-degree wood burning oven to infuse them with the natural flavors of the wood. The menu also features salads, pastas, and sandwiches complemented by 24 craft beers on tap, 14 wines by the glass, and cocktails. Brixx operates and franchises more than 30 locations across the Southeastern United States. The average Brixx restaurant does \$1,910,350 in sales.

For more information, please visit www.brixxpizza.com.

| | | | |
|------------------|-------------------------------------|------------------------|--------|
| LESSEE | GKTH Enterprises of Greenbrier, LLC | AVG STORE SALES | \$1.9M |
| OWNERSHIP | Private | LOCATIONS | 30+ |

PROPERTY OVERVIEW

LOCATION

The property is strategically located at the signalized hard corner of Eden Way and Stephanie Way, with excellent access and visibility to over 15,000 vehicles per day. The property also enjoys interparcel access to Greenbrier Parkway, with a traffic count of 83,000 vehicles per day, and convenient access to Interstate 64, the busiest thoroughfare in the region, with an extremely high traffic count of 132,000 vehicles per day. The property is outparcel to Towne Place, a mixed-use center featuring luxury apartments and townhomes and major national retailers, including Chico's and Jos. A. Bank. Located in a dense retail area, the property is surrounded by large shopping centers. Greenbrier MarketCenter, located directly adjacent to the property, is anchored by Target, Harris Teeter, Best Buy, and Bed Bath & Beyond. Within walking distance of the property is Greenbrier Mall, featuring over 120 stores and services. Other notable retailers near the property include Walmart Supercenter, Ross, T.J. Maxx, Regal Cinemas, Sam's Club, Lowe's, and many others.

The property is located in a primary commercial region and is surrounded by office and industrial parks. The property is next to the global headquarters of Dollar Tree, a Fortune 500 company. Dollar Tree's corporate campus, which currently employs approximately 900 people, is undergoing a massive \$110 million expansion. The expansion will add a high-density retail, commercial, and residential development that will feature approximately one million square feet of office space, 500,000 square feet of retail space, nearly 1,500 residential units, and a 171-room hotel. The expansion is expected to create 600 corporate jobs with Dollar Tree and up to 5,000 service jobs in the new retail and residential developments. In addition to Dollar Tree, several other large employers and densely populated residential neighborhoods are located near the property, providing a large customer base; 210,216 residents live and 105,488 daytime employees work within a five-mile radius of the property.

ACCESS

Access from Stephanie Way and Eden Way and interparcel access from Greenbrier Parkway and Executive Boulevard

TRAFFIC COUNTS

| | |
|---------------------|--------------|
| Eden Way: | 15,000 AADT |
| Greenbrier Parkway: | 83,000 AADT |
| Interstate 64: | 132,000 AADT |

PARKING

88 parking stalls, including four (4) handicap stalls

BUILDING SF

13,200 SF

YEAR BUILT

2016

NEAREST INTERNATIONAL AIRPORT

Norfolk International Airport (ORF)



88
PARKING
STALLS



2016
YEAR BUILT



15K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
NORFOLK
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Chesapeake is an independent city and the third most populous city in Virginia, with a 2016 population of 237,940. Extending from the rural border with North Carolina to the harbor area of Hampton Roads adjacent to the cities of Norfolk, Portsmouth, Suffolk, and Virginia Beach, Chesapeake is located on the Atlantic Intracoastal Waterway. It has miles of waterfront industrial, commercial, and residential property. Because of its central location and extensive highway network, Chesapeake is a transportation hub for the region. Chesapeake is home to several stops along the Civil War Trail, and its Great Dismal Swamp is nationally recognized as a stop on the historical Underground Railroad. Chesapeake is home to the Great Dismal Swamp National Wildlife Refuge and hosts a thriving outdoor community with thousands of unspoiled acres for kayaking, birding, and fishing. Chesapeake is included in the Virginia Beach–Norfolk–Newport News, VA–NC Metropolitan Statistical Area (MSA), more commonly known as Hampton Roads.

Hampton Roads is the name of both a body of water in Virginia and the surrounding metropolitan region in Southeastern Virginia and Northeastern North Carolina. Hampton Roads is known for its large military presence, ice-free harbor, shipyards, coal piers, and miles of waterfront property and beaches, all of which contribute to the diversity and stability of the region’s economy. Hampton Roads has become known as the “world’s greatest natural harbor”; since 1989, Hampton Roads has been the Mid-Atlantic leader in U.S. waterborne foreign commerce. As a result, the Hampton Roads region’s economic base is largely port-related, including shipbuilding, ship repair, naval installations, cargo transfer and storage, and manufacturing related to the processing of imports and exports. The Hampton Roads area has the largest concentration of military bases and facilities of any metropolitan area in the world. Nearly one-fourth of the nation’s active-duty military personnel are stationed in Hampton Roads, and 45% of the region’s \$81 billion gross regional output is defense-related. All five military services’ operating forces are present in the region, as well as several major command headquarters. Hampton Roads also consistently rates among the top tourism destinations in the world. The area is steeped in 400 years of American history, with hundreds of historical sites and attractions that draw visitors from around the world each year.

- » Since 2003, Chesapeake’s employment growth rate has been among the top 50 nationally. The total number of employers has increased by more than double the national average. The number of workers has increased by more than 12%, and total wages have increased by triple the national average.
- » Chesapeake boasts the highest per capita retail spending in Hampton Roads.
- » Chesapeake has relatively low crime and unemployment, as well as the second lowest poverty rate in the U.S.
- » Chesapeake is within a day’s drive of two-thirds of the nation’s population and industrial production.
- » Hampton Roads has a population of over 1.7 million, making it the seventh largest metropolitan area in the Southeastern United States and the largest on the Eastern Seaboard between New York and Miami.

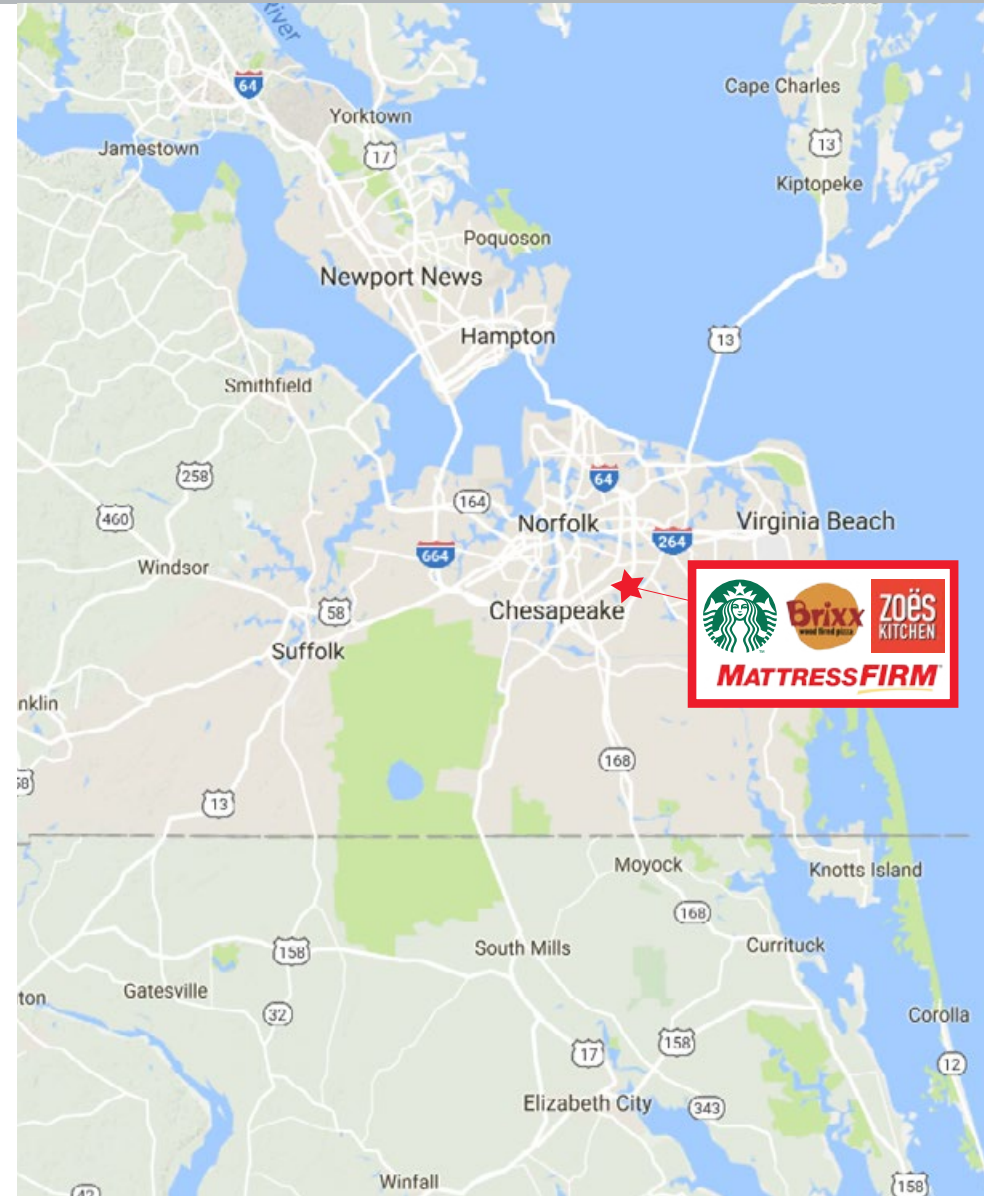
| MAJOR EMPLOYERS IN HAMPTON ROADS | # OF EMPLOYEES |
|-------------------------------------|----------------|
| HUNTINGTON INGALLS INDUSTRIES, INC. | 24,000 |
| SENTARA HEALTHCARE | 22,000 |
| VIRGINIA BEACH CITY PUBLIC SCHOOLS | 10,576 |
| NORFOLK NAVAL SHIPYARD | 8,500 |
| RIVERSIDE HEALTH SYSTEM | 8,000 |
| VIRGINIA BEACH CITY | 7,000 |
| NORFOLK CITY PUBLIC SCHOOLS | 6,527 |
| CHESAPEAKE CITY PUBLIC SCHOOLS | 5,726 |
| NEWPORT NEWS CITY | 5,600 |
| NAVAL MEDICAL CENTER PORTSMOUTH | 5,400 |



DEMOGRAPHIC PROFILE

| 2017 SUMMARY | 1 Mile | 3 Miles | 5 Miles |
|---------------------------------|-----------------|-----------------|-----------------|
| Population | 6,448 | 96,738 | 210,216 |
| Households | 2,900 | 37,976 | 78,237 |
| Families | 1,771 | 25,449 | 55,193 |
| Average Household Size | 2.22 | 2.52 | 2.65 |
| Owner Occupied Housing Units | 1,398 | 22,060 | 49,272 |
| Renter Occupied Housing Units | 1,503 | 15,916 | 28,965 |
| Median Age | 34.6 | 36.2 | 36.7 |
| Average Household Income | \$78,175 | \$72,577 | \$75,251 |

| 2022 ESTIMATE | 1 Mile | 3 Miles | 5 Miles |
|---------------------------------|-----------------|-----------------|-----------------|
| Population | 7,071 | 102,808 | 221,279 |
| Households | 3,184 | 40,360 | 82,320 |
| Families | 1,932 | 26,856 | 57,747 |
| Average Household Size | 2.22 | 2.52 | 2.66 |
| Owner Occupied Housing Units | 1,511 | 23,292 | 51,689 |
| Renter Occupied Housing Units | 1,673 | 17,069 | 30,631 |
| Median Age | 35.8 | 37.4 | 37.8 |
| Average Household Income | \$87,313 | \$80,894 | \$83,821 |



**AVERAGE HOUSEHOLD INCOME OF \$78,175
WITHIN ONE MILE**



**POPULATION OF 210,216
WITHIN FIVE MILES**

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