

sheffield center retail shops

400 Sheffield Avenue, Lorain, OH, 44055

OFFERING MEMORANDUM



apples



HAKIMICAPITAL
Real Estate Investments

confidentiality agreement

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at **400 Sheffield Avenue, Lorain, OH, 44055** ("Property"). It has been prepared by Hakimi Capital. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Hakimi Capital. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Hakimi Capital, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Hakimi Capital expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

CONTACT US

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property overview

| | |
|---------------------------|---|
| Property Address: | 400 Sheffield Avenue, Lorain, Ohio 44055 |
| County: | Lorain |
| Parcel ID Number: | 03-00-112-101-069 and 03-00-112-101-071 |
| Gross Leasable Area: | 189,594 Sq. Ft. |
| Land Area: | 30.77 |
| Age: | 1954, 1980's-1990's |
| No. of Buildings/Stories: | 6 Buildings, 1 Story, 21 Tenants |
| Traffic Counts: | North Ridge Rd.: 19,000 VPD |
| Occupancy: | 80% |
| Zoning: | SC |

financial overview

| | |
|--------------------|-----------------------------|
| Price: | \$7,500,000 |
| GOI: | \$900,801 |
| Expenses: | \$211,255 |
| In Place NOI: | \$689,546 |
| Number of Tenants: | Occupied: 14 Available: 8 |
| Tenant Sales: | Upon Request |
| Cap Rate: | 9.25% |



PRICE
\$7.5 MILLION



CAP RATE
9.25%



PRICED WELL BELOW
REPLACEMENT COST



STRONG
CASHFLOW &
POTENTIAL UPSIDE

property overview

Hakimi Capital, as the exclusive advisor to the Owner, is pleased to present the opportunity to acquire 100% fee simple interest in Sheffield Center Retail Shops. The subject property consists of an irregularly shaped parcel of land totaling approximately 30.77 acres. It is improved with six, single-story retail buildings containing 19 tenant spaces totaling 188,494 net rentable square feet.

The three centrally located buildings (A, B and C) were constructed in 1954 and are remnants of the O'Neil- Sheffield Center. These buildings consist of slab on grade construction with the exception of a small basement area located in building A. These buildings are of steel and concrete masonry unit construction with a brick façade, metal and CMU exterior walls. The primary roofing systems on the buildings B and C are flat and covered with an EPMD membrane. Current tenants include: Dollar General, a Apple's Market, Marc's, H&R Block, and Buckeye Community Bank.

investment highlights



Anchor stores include Marc's, Dollar General, and Apple's Market



Great value add in leasing up vacancies.



High traffic area - over 19,000 vehicles per day on North Ridge Road



Immediate proximity to shopping, dining, medical, parks, Just a few minutes from State Route, I-80 (Ohio Turnpike), I-90, and within 35 minutes downtown Cleveland.



Frontage along North Ridge Road retail corridor.



Potential for Subdivision of Buildings creating additional upside.

area overview

Lorain Ohio

Lorain is a city in Lorain County, Ohio. The municipality is located in northeastern Ohio on Lake Erie, at the mouth of the Black River, approximately 30 miles west of Cleveland. As of the 2010 census, the city had a total population of 64,097 making it Ohio's tenth largest city, the second largest in Greater Cleveland, and the largest in Lorain County by population. Over 70 different nationalities live in the Lorain area. Locals call this place the "International City" because, like the lighthouse that squats just north of the port, the steel mills along the Black River have called out to workers around the world for more than a century. Lorain is a city built by immigrants, and it's all traced back to steel. The Dollar General is located in the south side of the city, across the street from the former US Steel Mill. The sprawling United States Steel Mill stretches for nearly 3 miles. These mills had operated in the city since 1895 and employed thousands of local residents. Though the blast furnaces were idled in late 2008, Republic Steel announced in December 2011 that they would be building electric arc furnaces to once again make steel in Lorain. However, Republic Steel closed its doors for good in July 2016. On March 8th, 2018, Republic Steel announced that it is positioned to restart its Lorain facility. This could result in Republic bringing back 1,000+ jobs that were lost a few years ago.

Demographics

| | 3 Miles | 5 Miles | 7 Miles |
|-----------------------|----------|----------|----------|
| Total Population | | | |
| 2022 Projection | 58,148 | 106,806 | 177,986 |
| 2017 Estimate | 59,406 | 106,465 | 172,465 |
| Avg. Household Income | \$45,766 | \$55,002 | \$60,523 |

Ohio's tenth largest city

- Across the street from United States Steel Mill
- The area benefits from its strategic location in the heart of a densely populated area where population exceeds 177,986
- The property is a quarter mile from Stevan Dohanos Elementary School with 342 students
- Other national retailers in the trade area include Northwest Bank, Rite Aid, British Petroleum, 7-Eleven, Sunoco, Marathon, U-Haul, AutoZone, and Walgreens among others





SHEFFIELD CENTER RETAIL SHOPS
LORAIN, OHIO

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tenant overview

Dollar General

Dollar General is the fast-growing retailer that boasts roughly 13,000 discount stores in over 40 US states, mostly in the South, East, the Midwest, and the Southwest. It generates about 75% of its sales from consumables (including refrigerated, shelf-stable, and perishable foods) and another 10% from seasonal items. The stores also offer household products and apparel. Pricing its items at \$10 or less, Dollar General targets low-, middle-, and fixed-income shoppers while selling brand-name products from manufacturers such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg's, General Mills, Nabisco, Hanes, PepsiCo, and Coca-Cola. The retailer devotes its dollars to promotional circulars, targeted circulars that support new stores, television and radio advertising, in-store signage, and costs associated with the sponsorship of certain auto racing activities. Because Dollar General's customers typically live in small towns, the company doesn't allocate ample amounts of money to advertising. It has spent increasingly more on advertising in recent years, however, as the company expands its stores' footprint.

Strategy

With its small-box stores typically measuring some 7,400 sq. ft, Dollar General targets cost-conscious consumers that prefer easier and quicker access to items than at super-sized competitors such as Wal-Mart and Costco (which are also often much farther away). Indeed, Dollar General's strategy of catering to the value conscious has paid off big, both during and after the recession. The discount retailer boasted its 26th consecutive year of same-store sales growth in 2016 (ended January), attributable to its value and convenience proposition.

| Dollar General | |
|---------------------|--|
| Tenant | Dolgencorp, LLC |
| Lease Guarantor | Corporate Dollar General |
| Ownership | Public |
| Years in Business | 76 Years |
| Credit Rating (S&P) | BBB |
| Number of Locations | 12,488 |
| Headquarters | 100 Mission Ridge, Goodlettsville, TN 37072 |
| Website | www.dollargeneral.com |



tenant overview



Apple's Market

Apples is your locally owned, neighborhood supermarket! Since 1979 we've been a part of Lorain County, working in the community to bring you the quality products you want, at prices you can afford.

We are so sure you will be pleased with Our Family products that we back them with our Satisfaction Plus Guarantee! If you are not satisfied with any Our Family Brand product, simply return it to the store where purchased. We will refund your money PLUS replace the item with a like item of the brand of your choice — free.

Developed more than 100 years ago, the Our Family label is one of the oldest and most well-established in the industry. The number one reason for the success and longevity is "QUALITY".

The commitment to quality has never wavered, even when there have been quality changes occurring in the industry. The Our Family label gives the consumer quality equal to or better than national brand products. Plus you'll find everyday savings.

You can find Our Family products in nearly every category in the store, including: Grocery, Frozen, Dairy, Meat, General Merchandise, and Health and Beauty Care. In all, you could find as many as 2,000 Our Family items integrated throughout the store. You will find the consistent quality in each and every one of these areas.



About Our Store

Apples Market proudly serves the community of Lorain County. You will find fresh local produce, USDA Choice meats, a full service deli and bakery, and a large selection of grocery, dairy, frozen, and beer and wine items!

Founded in 1979 by Bill and Ernie Brumfield, Apples began as a "warehouse store". Steve Krakomperger and Steve Pittenger purchased the company in 1998 and transitioned Apples into a more conventional type grocery store. The first two stores were located in Elyria and Norwalk, the success of which led to the opening of Apples stores in Lorain, Sheffield Village, and Sheffield Lake. All of these locations were previous storefronts by major retailers that left their communities. Apples prides itself on investing in communities and breathing life back into closed operations. The success of these stores would not have been possible without the support of the communities they serve and all their loyal customers.

A 16,000 square foot warehouse in Wellington allows Apples the opportunity to buy in bulk. It eliminates the middleman, thus passing the savings on to the customers. Just look for the yellow Everyday Low Price signs throughout the store.

Since Apples is a locally owned business, they do their best to support other Ohio businesses—such as Ballreich and Dan Dee potato chips—by selling their products in the store. Whenever possible, the produce department is stocked with fresh produce from local farms so you get the freshest and best tasting product around. If you are feeling nostalgic and are looking for that delicious ice cream you remember from yesteryear, try one of the Ohio-based ice cream brands such as Toft's, Smith's, Ruggles, Pierres, or Velvet!

Some of the other Ohio-based products you will find at Apples stores are:

- "Your Deli" chicken paprikash
- "Stein's" honey
- "Dei Fratelli" products
- "Dairymens" dairy products
- "Sugardale" and "Walnut Creek" meat and deli items
- "Mama Jo's" pies
- "Burnham's Orchard" apples and cider
- "Marshallville" smoked sausage
- "Gerber's" chicken
- "Corbos Bakery" baked goods from Little Italy

tenant overview



Marc's

Marc's Stores is a discount drugstore-and-grocery chain, with stores in northern and central Ohio.[1] It is owned by Clevelander Marc Glassman, who also owned Xpect Discounts, In western Connecticut, originally seven store chain which started as a drug store in the late 1980s, then expanding into a full grocery store. During the recent recessions business slowed and the cost to operate in Connecticut continued to increase, Though still making increases in sales. Xpect started closing Connecticut stores in 2012-2013 and was reduced down to three stores, and in early 2015 MGI stated that the remaining three Connecticut stores would close and vacate by April 2016. Marc's has over 60 stores in the Cleveland, Akron, Canton, Youngstown, and Columbus areas.

About Us

Where it all began...

In 1979 Marc Glassman opened a relatively large but unpretentious drugstore in Middleburg Heights, Ohio. It didn't take long for cost conscious consumers to turn a modest beginning into a major enterprise of discount closeout & grocery stores. We now operate nearly 60 stores throughout the Cleveland, Akron, Canton, Youngstown and Columbus region. We are very proud to be locally owned and operated in N. E. Ohio. Marc's targets the value conscious family shopper. Our basic inventory represents name brand merchandise in the groceries, health & beauty, and general merchandise categories. Each of our stores has a courtesy section that provides many extra services such as postage stamps, money orders and pre-paid phone cards.



One of Marc's most popular sections is our closeouts department. Each store in the chain features the best buys our buyers can find Worldwide. You never know what you're going to find in our closeouts department, but smart Marc's customers know that if you see something you like, you'd better buy it then. Nothing stays around very long in Marc's closeouts. Marc's closeouts section is liable to have everything and anything from automotive products to toys, giftware, servingware and pet supplies.

Marc's stores work on a shorter mark-up than most retailers. A big part of being able to do this is our tremendous store volume. Literally thousands of consumers pass through our doors everyday.

All of our stores are self-service with the exception of our prescription drug departments and cosmetics departments. The design of our stores includes well-lighted, logically planned aisles that are consistently evolving to provide ease of shopping and a pleasant experience.

Marc's Discount Grocery and Pharmacy

| | |
|---------------------|--------------------------|
| Tenant | Marc's |
| Founded | Parma, Ohio 1979 |
| Ownership | Marc Glassman |
| Years in Business | 39 Years |
| Number of Locations | 60+ |
| Headquarters | Middleburg Heights, Ohio |
| Website | marcs.com |



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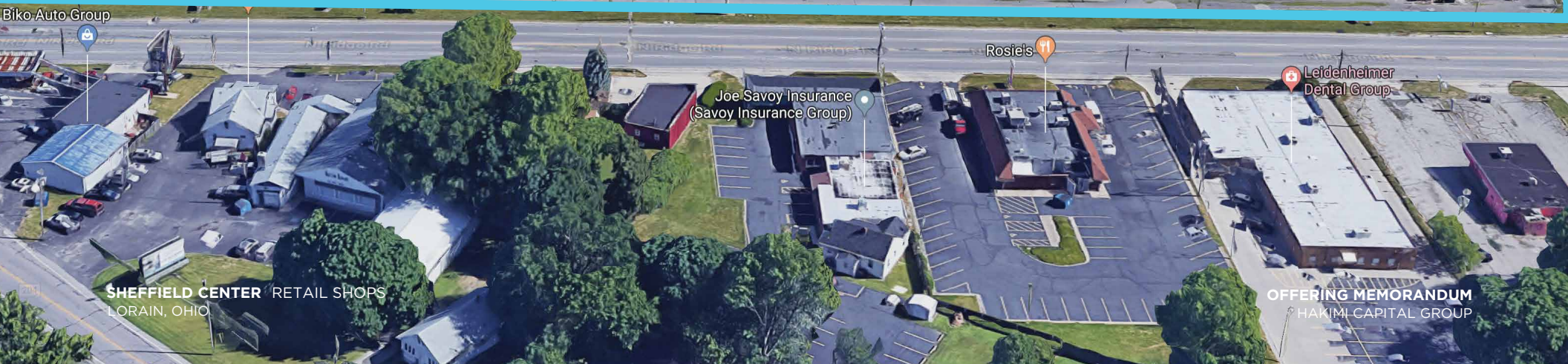


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