

OFFERING MEMORANDUM

# AMC WOODHAVEN VILLAGE 10

21720 ALLEN ROAD | WOODHAVEN, MICHIGAN | 48183



**±42,000 SF SINGLE TENANT NET LEASED INVESTMENT**  
**PRICE: \$14,250,000 CAP RATE: 7.30%**

PREPARED BY



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**AFFILIATED BUSINESS DISCLOSURE**

Newmark Knight Frank (the "Agent") has been engaged as the exclusive sales representative for the sale of 21720 Allen Road, Woodhaven MI 48183 (the "Property") by 'Ownership' (the "Seller"). This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation (3.19.20) of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

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# EXECUTIVE SUMMARY



...located on the main arterial of Woodhaven's business district, surrounded by ±150,860 residents

## THE OFFERING

Newmark Knight Frank (NKF) is pleased to present the opportunity to acquire the AMC Theatres (the Property) net lease offering, a ±42,000-square-foot movie theater located in Woodhaven, MI.

The single-story building is located on ±7.17 acres with frontage on Allen Road, a major north-south arterial which serves Woodhaven's dense business district, and I-75 which sees ±77,234 vehicles per day.

This AMC Theatres Property, offering new releases and roomy, reserved seating & alcoholic drinks, is located on a main arterial 15 minutes from Downtown Trenton and a short 20-minute drive from Downtown Detroit.

The Property's location in a robust employment and retail trade area is attractive to the ±150,860 people within a 5-mile radius.

PROPERTY NAME	<b>AMC Woodhaven Village 10</b>
BUILDING ADDRESS	<b>21720 Allen Road   Woodhaven, MI   48183</b>
TENANT	<b>American Multi-Cinema (AMC Theatres)</b>
YEAR BUILT	<b>2008, Renovated in 2017</b>
TOTAL BUILDING AREA	<b>±42,000 SF</b>
LAND AREA	<b>±7.17 AC</b>
PARCEL NUMBER	<b>59-039-99-0002-704</b>
TRAFFIC COUNTS	<b>±23,930 VPD</b>



## TENANT

AMC Theatres  
(NYSE: AMC)

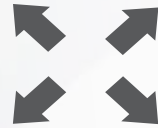


**2008**  
Year Built

**2017**  
Renovated



**42,000 SF**  
Building Size



**7.17 AC**  
Total Lot size



## GUARANTEE

Corporate Signature  
from Largest Movie  
Theater Operator in the  
United States



**10**  
Screens







ALLEN ROAD VPD: ±23,930



DETROIT

CHASE

Public Storage

ALPHA DENTAL CENTER  
URGENT DENTISTRY  
KARAS  
effectv  
L.A. TRADING CO.  
QUICK LANE  
ABBASI DERMATOLOGY

KING ROAD

ALLEN ROAD ±23,930 VPD

ADAM-TITS  
SUN SCHOOLS  
RED EFFECT  
INCREASED FITNESS





INTERSTATE  
**75** VPD: ±77,234







## OFFERING HIGHLIGHTS

- **Corporate Guarantee** from a **Proven Market Leader** – AMC Theatres (NYSE: AMC) is the largest theater chain in the United States with 8,218 screens and 659 locations in 45 states. In 2018, AMC reported revenues that exceeded \$5.4B beating out the next two largest theater chains like Regal Cinemas and Cinemark by just under \$1B
- **Capital Commitment** to Site – AMC recently invested \$4.5M into the site for recent renovations to further modernize the theatre and improve the viewing experience for consumers
- **Lack of Competition** – AMC Woodhaven 10 is currently the only movie theater that serves the community of Woodhaven with the next nearest being located in Taylor, MI, which is just under 4 miles to the North of the subject site
- **Built-In, Existing Customer Base** – the subject location benefits from an existing customer base due to AMC's tremendous brand recognition and lack of movie theatre competition in the submarket
- **Core Fundamentals** – Property sits on a 7.17 AC parcel with 539 parking spaces (12.83 per 1,000 SF) and convenient access to the I-75 Highway and Allen Street, one of Woodhaven's primary arterials
- **Strategic Location** – the subject property is located just off the I-75 Highway ( $\pm 77,234$  VPD) which connects Woodhaven to the South to downtown Detroit in just a short 20 minute drive. Asset is positioned within a strong retail corridor with Walmart Supercenter, Target, Meijer, Home Depot, Lowe's, & Kohl's represented at the nearest intersection



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## FINANCIAL & LEASE SUMMARY

# FINANCIAL & LEASE SUMMARY

## FINANCIAL SUMMARY

PRICE	<b>\$14,250,000</b>
CAP RATE	<b>7.30%</b>
NOI / ANNUALLY	<b>\$1,041,180</b> <i>(as of March 2020)</i>
FINANCING	<b>Free &amp; Clear</b>



The corporate-guaranteed NN lease has 9.5 years remaining on its initial 12-year term. There are 3 options to renew with consistent increases throughout.

## LEASE SUMMARY

TENANT	American Multi-Cinema, Inc (AMC Theatres)
LEASE GUARANTOR	Corporate
LEASE TYPE	Double NN
NOI / ANNUALLY	<b>\$1,041,180</b> <i>(as of March 2020)</i>
RENT PER SF	<b>\$25.04</b>
TENANT RESPONSIBILITY	Tenant shall keep and maintain the Premises and Premises' Improvements, including maintenance of interior and exterior building, all maintenance/repair of HVAC, plumbing and electrical systems.
LANDLORD RESPONSIBILITY	Roof and Structure
LEASE COMMENCEMENT	April 2017
LEASE EXPIRATION	April 13, 2029
LEASE TERM	12 Years
REMAINING TERM	±9.5 years
LEASE OPTIONS	Three 6-Year Options
RENTAL INCREASES	Year 6: 3% (initial term) Year 13: 5% (option 1) Year 19: 5% (option 2) Year 25: 5% (option 3)



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**TENANT  
PROFILE**



AMC Theatres (originally an abbreviation for American Multi-Cinema; often referred to simply as AMC and known in some countries as AMC Cinemas or AMC Multi-Cinemas) is a U.S.-based movie theater chain headquartered in Leawood, Kansas, and is the largest movie theater chain in the world. Founded in 1920, AMC has the largest share of the American theater market ahead of Cineworld and Cinemark Theatres. **AMC is the largest theater chain in the country with 659 current locations.**

The company is listed on the New York Stock Exchange; from 2012 to 2018, the Chinese conglomerate Wanda Group owned a majority stake in the company. Private equity firm Silver Lake Partners made a \$600 million investment in AMC in September 2018.

In October 2019, AMC began to offer on-demand rentals and purchases of digital film releases under the banner AMC Theatres On Demand. The service is tied to the company's Stubs loyalty program.

AMC introduced stadium-style seating, in which the seats are placed on risers so that each person has an unobstructed view of the screen and have adjustable armrests that can be raised to create "Love Seat" style seating. Both of these features have become standard for nearly all movie theaters built today by all major chains.

**659**  
LOCATIONS  
IN 45 STATES

**8,218**  
SCREENS  
IN 45 STATES

**1,006**  
# OF THEATERS  
INTERNATIONALLY

**11,091**  
# OF SCREENS  
INTERNATIONALLY



*Ten Main Center (known as AMC Building) in Kansas City, MO. The building was listed on the U.S. National Register of Historic Places in 2015.*

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TENANT TRADE NAME	<b>American Multi-Cinema</b>
TENANT	<b>AMC Woodhaven Village 10</b>
LEASE GUARANTOR	<b>AMC Theatres (Corporate)</b>
LEASE EXPIRATION	<b>April 13, 2029</b>

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**[www.amctheatres.com](http://www.amctheatres.com)**

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04

# AREA OVERVIEW



# AREA OVERVIEW

## WOODHAVEN, MICHIGAN

Woodhaven is located in southeast Wayne County and is part of a collection of 19 suburban communities known as Downriver. Compared to most of the communities in the Downriver area, the establishment of Woodhaven as its own entity has been relatively recent. Much of the early settlement in the Southeastern Michigan area followed a typical pattern in that arriving settlers stayed close to waterways because they provided easy access to the necessities of life.

Woodhaven remains well known as home to the Ford Stamping Plant. Ford Motor Company Stamping Plant opened its location in Woodhaven in 1964. It resides on the north side of West Road, near I-75. The site of the plant's size is 360 acres and the plant size is 2,673,000 square feet. The facility employs approximately 470 employees.

### Woodhaven Commons

The development of what is now the city's main retail area, centered on the intersection of Allen and West Roads, began with the 1971 opening of Kmart. At the time, two gas stations had already existed. By 1974, Long John Silver's and Pizza Hut had opened. In 1975, the Woodhaven Commons area opened on the east side of Allen Road near West Road. By the end of the 1970s, Dunkin' Donuts and Kroger had joined the area. Meijer opened in 1990 on the north side of West Road, followed by Target in 1994 in the Woodhaven Commons area and Sears Hardware by the end of the 1990s. It has been recently renovated in 2006

### Woodhaven Village Square

In the late 1990s, the Mobil Oil Refinery and canning site at the west side of Allen Road was demolished, and the site was replaced with the Woodhaven Village Square between 2001 and 2005. The shopping center included Walmart, The Home Depot, Applebee's, and PetSmart. Between 2007 and 2013, Lowe's, Kohl's and LA Fitness opened on West Road in front of the Ford Stamping Plant, and have been joined by Buffalo Wild Wings and World of Beers.



## 5-MILE DEMOS



**17 Miles**

DISTANCE FROM DETROIT



**150,860**

POPULATION



**60,611**

HOUSEHOLDS



**40.3**

MEDIAN AGE



**\$77,855**

AVERAGE HH INCOME

FARMINGTON HILLS

DETROIT

DEARBORN

CANADA

TRENTON

WOODHAVEN

ROCKWOOD



PREPARED BY



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