

URBAN AIR ADVENTURE PARK

260 Bull Hill Lane Orange, CT 06477



OFFERING MEMORANDUM
Marcus & Millichap



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of Marcus & Millichap

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Property

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HARBOR
FREIGHT
TOOLS

Burger
King

TD

PEPBOYS
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Sprint

DAVID'S
BRIDAL

FOOT LOCKER
SPORTSWEAR

H&R
BLOCK

SUBWAY

Shell

GOODIES

BULL HILL LANE

BOSTON POST ROAD (24,500+ VPD)

MUNSON'S
RESALE

AT&T

INDIA MARKET

PROPERTY ANALYSIS



PROPERTY OVERVIEW:

260 Bull Hill Lane

Urban Air

84,200 SF

\$7,367,500

Orange, CT

TENANT

BUILDING SIZE

LIST PRICE

PRICE	\$7,367,500
CAP RATE	8.00%
NET OPERATING INCOME	\$589,400
PRICE PER SQUARE FOOT	\$87.5
RENT PER SQUARE FOOT	\$7.00
GROSS LEASABLE AREA	84,200 SF
YEAR BUILT	Renovated 2017
APPROXIMATE LOT SIZE	8 Acres
PARKING	100+ Spaces
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Personal Guarantee
LEASE TYPE	Double Net (NN)
ROOF AND STRUCTURE	Landlord
CAM CAP	After first three years, CAM increases will be capped at a maximum increase of 5% per year not including snow removal and taxes.

ORANGE, CT	1 MILE	3 MILES	5 MILES
Population	9,016	75,919	190,400
Households	3,465	28,577	72,426
Household Income	\$66,797	\$79,908	\$79,826
Traffic Counts	24,500+ VPD (Boston Post Road)		



LEASE SUMMARY:

LEASE COMMENCEMENT	7/1/2018
LEASE EXPIRATION	6/30/2028
LEASE TERM	10 Years
TERM REMAINING	9+ Years
INCREASES	2% Annual
OPTIONS TO RENEW	2x5
LEASE GUARANTOR	<ul style="list-style-type: none"> • Personal Guarantee - For first 48 months. • The personal guarantee shall then burn off upon expiration of period and shall become a 6 month rolling guarantee for the duration of base term. • There shall be no personal guarantee during option periods.
PERSONAL GUARANTEE BACKGROUND	<ul style="list-style-type: none"> • Spent Seven Million on fit out costs • Currently opening one location in Manchester, CT and one in New Jersey • Owns 12 pharmacy's

ANNUALIZED OPERATING DATA	
BASE RENT	\$589,400
Rental Increases	
Year 2	\$601,188
Year 3	\$613,212
Year 4	\$625,476
Year 5	\$637,986
Year 6	\$650,745
Year 7	\$663,760
Year 8	\$677,035
Year 9	\$690,576
Year 10	\$704,388



PROPERTY SPECIFICS:



BUILDING SPECIFICATIONS:

BUILDING SIZE: 84,200 SF total
RENOVATED: 2017
FLOORS: One
FRONTAGE: 200 ft
ROOF HISTORY: 6 month sold. \$300K into renovation

CONSTRUCTION:

STRUCTURE: Concrete Block
FOUNDATION: Concrete
ROOF: Metal deck with tpo membrane
FLOOR COVERINGS: Polished concrete
CEILING: Exposed Metal Bar Joist except in party room and in bowling alley
PARKING LOT: Sections resurfaced

MECHANICAL DETAILS:

HVAC: Brand New System
FIRE SAFETY: Brand New System Fully sprinklered with fire alarm and extinguishers.

INVESTMENT OVERVIEW:

Marcus & Millichap is pleased to present Urban Air Trampoline Park in Orange, CT which is 6 miles south of Downtown New Haven, CT. Urban Air recently signed a 10-year, double-net (NN) lease with two percent annual rent increases. Urban Air offers active entertainment and special event experiences for families and organizations. The Texas based company has experienced strong growth since it was founded in 2011. The tenant currently has 45 locations nationwide and on track to more than double its footprint in 2018. Recreation and entertainment sector is one of the fastest growing industries in the country.

Originally a former Builders Square, Urban Air is situated on an 8.0-acre parcel which spans over 82,000 square feet and features 100 plus car spaces. The tenant has spent over \$7 million dollars for fit out costs showing commitment to the site. The space offers adventure parks and attractions including climbing walls, zip line coasters, indoor go karts, indoor sky diving, laser tag, and bumper cars.

The subject property is prominently situated right off Boston Post Road in New Haven County with over 24,000 vehicles passing per day. It is situated next to a bevy of retailers including Kohl's, LA Fitness, Burlington Coat Factory, amongst others. Orange Connecticut is a blue-collar submarket with an average household income \$80,000 within a 5 mile radius, an ideal target market for Urban Air. Orange, CT is less than 6 miles away from Yale University and only 80 miles from New York City.



INVESTMENT HIGHLIGHTS:

NEW LEASE

- Brand New 10 Year Term, Double – Net (NN) Lease

FLAGSHIP LOCATION - LARGE PARCEL

- Large Eight Acre Parcel with over 82,000 square feet

ANNUAL INCREASES

- Two Percent Annual Rental Increases

EXPERIENCE BASED RETAIL

- Offers active entertainment and special event experiences for families and organizations such as adventure parks and attractions, including climbing walls, obstacle / ninja warrior courses, trampolines, zip line coasters, virtual reality experiences, indoor go karts, indoor skydiving, laser tag, and bumper cars.

GROWING CONCEPT NATIONALLY - LARGEST INDOOR THEME PARK IN THE COUNTRY

- Tenant currently has over 45 locations nationwide and is on track to more than double its footprint by the end of 2018.

TENANT INVESTMENT IN SPACE

- Urban Air has invested about \$7 million into fit out showing commitment to site

LOCATION HIGHLIGHTS:

PROMINENTLY SITUATED RIGHT OFF BOSTON POST ROAD IN NEW HAVEN COUNTY

- Boston Post Road is submarkets primary retail corridor with over 24K VPD

STRATEGIC LOCATION AMONGST MULTIPLE RETAILERS

- Adjacent to Kohl's and nearby retailers such as LA Fitness, Dollar Tree, Burlington Coat Factory, amongst others

IDEAL LOCAL DEMOGRAPHICS

- More than 190K people live within 5-mile radius with AHHI of almost \$80K

REGIONAL ACCESS

- 80 Miles North of New York & 42 Miles from Hartford (State Capital)

ECONOMIC DRIVERS

- Yale University & Hospital – Less than 6 Miles
- Downtown New Haven – Approximately 600 units came Online in 2017 with another 1,000 currently under construction

TENANT OVERVIEW

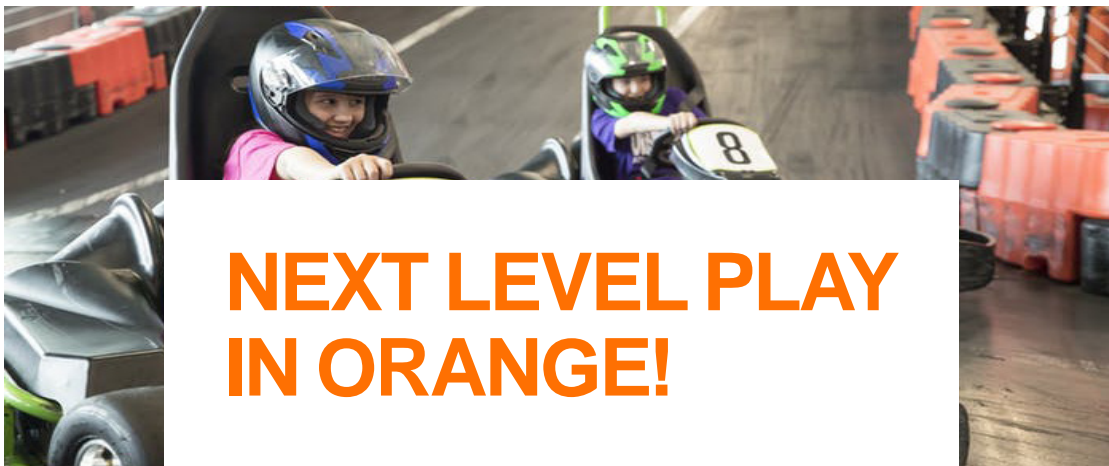


TENANT OVERVIEW:

We are the ultimate indoor adventure park. People may know us for our trampolines (because they're awesome), but that's just the tip of the Urban Air iceberg. Once you get inside, you'll see what we mean. It takes an adventurous soul to experience all of our attractions in one visit. Lucky for you, we're open all week.

There's so much to do inside Urban Air that you might have to come back for a second visit. Once you've experienced the adventure park for yourself, you'll see what we mean when we say we're more than just a trampoline park. Young or old, tall or short, athlete or armchair quarterback – our attractions will help you defy gravity. Test your skills in the Warrior Obstacle Course, compete with friends, or practice your own tricks freestyle. No matter how you choose to play, you can take it to the next level at Urban Air.

Our variety of attractions is another reason why Urban Air is the perfect place for an indoor kids birthday party. Every kid likes something different and it's almost impossible to please them all. But at Urban Air, there's so much for the kids to explore, they'll have a hard time deciding which attraction is their favorite.



**NEXT LEVEL PLAY
IN ORANGE!**



OWNERSHIP:
Franchise

NO. OF LOCATIONS
45 Locations

WEBSITE:
www.urbanairtrampolinepark.com

REPRESENTATIVE PHOTO

TENANT LOCATIONS:



130 TOTAL PLANNED LOCATIONS WORLD WIDE
45 OPERATING LOCATIONS IN THE USA



IN THE NEWS:

MPK and AHR Invest In Urban Air

By: Iris Dorian | March 9, 2018 | pehub.com

Urban Air Adventure Park (“Urban Air”), a leading operator and franchisor of active family entertainment centers, today announced a strategic investment from MPK Equity Partners (“MPK”) and AHR Growth Partners (“AHR”). The investment is being made in partnership with Urban Air’s co-founder and CEO Michael Browning, Jr., his management team, and other existing owners.

Urban Air offers active entertainment and special event experiences for families and organizations. The company’s indoor adventure parks have numerous patented and proprietary attractions, including climbing walls, obstacle / ninja warrior courses, trampolines, zip line coasters, virtual reality experiences, indoor go karts and indoor skydiving. The Texas-based company has experienced strong growth since it was founded in 2011—it currently has over 45 locations nationwide and is on track to more than double its footprint by the end of 2018.

“This is an incredibly exciting time at Urban Air as we expand our footprint nationally and internationally and as we continue enhancing our attraction offerings,” said Michael Browning, Jr. “Partnering with MPK and AHR allows us to continue on this path while also supporting our fantastic, growing franchisee base. We are excited to begin this partnership which will undoubtedly allow us to better serve our customers and realize our shared vision of success across our network.”

“Urban Air has developed a unique and highly innovative brand within the active family entertainment space with a highly capable group of dedicated franchisees,” said Doug Kennealey, Managing Partner of MPK Equity Partners. “Michael Browning, Jr. and his team have built a superb company and brand, and we’re excited to help them continue their rapid expansion plans and take Urban Air to the next level.”

“We’re thrilled to partner with Michael and the entire Urban Air team to continue building out the most exciting family entertainment concept in the industry,” said John Bahr, a Managing Partner of AHR. “Not only are we investing behind a superb management team, but we are also backing a market-leading business with a differentiated offering in a growing and dynamic industry.”

The new funding will support the continued nationwide expansion of the Urban Air brand. As part of the investment, Doug Kennealey from MPK and John Bahr from AHR will join the Urban Air board. The current Urban Air management team will remain in place following the transaction. Additional details of the investment were not made public.

MARKET OVERVIEW



BOSTON POST ROAD (24,500+ VPD)

LOCATION OVERVIEW:



NEW HAVEN OVERVIEW

Located adjacent to the northern shore of the Long Island Sound, the New Haven metro encompasses all of New Haven County in central Connecticut. The metro has a total population of approximately 900,000 residents. New Haven is the most populous city with 130,400 people, followed by Waterbury with nearly 110,000. The area features some of the wealthiest communities in the country, including the cities of Cheshire and Woodbridge.



MAJOR EMPLOYERS
Eastern Outfitters LLC
Bi Retail Inc
Bs Liquidating LLC
Sdi USA LLC
City of New Haven
Connecticut Dept Public Safety



METRO HIGHLIGHTS



HIGH MEDIAN HOUSEHOLD INCOME

Median household income in the metro is much higher than the U.S. level.



WELL EDUCATED AND SKILLED WORKFORCE

The area has nearly doubled the number of residents with graduate degrees vs. the national average. Major universities located here include Yale.



STARTUPS AND BUSINESS ATTRACTION

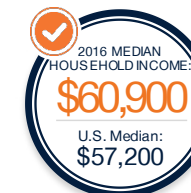
Startups are drawn to the area's educated workforce and support of cutting-edge research and entrepreneurship.



ECONOMY

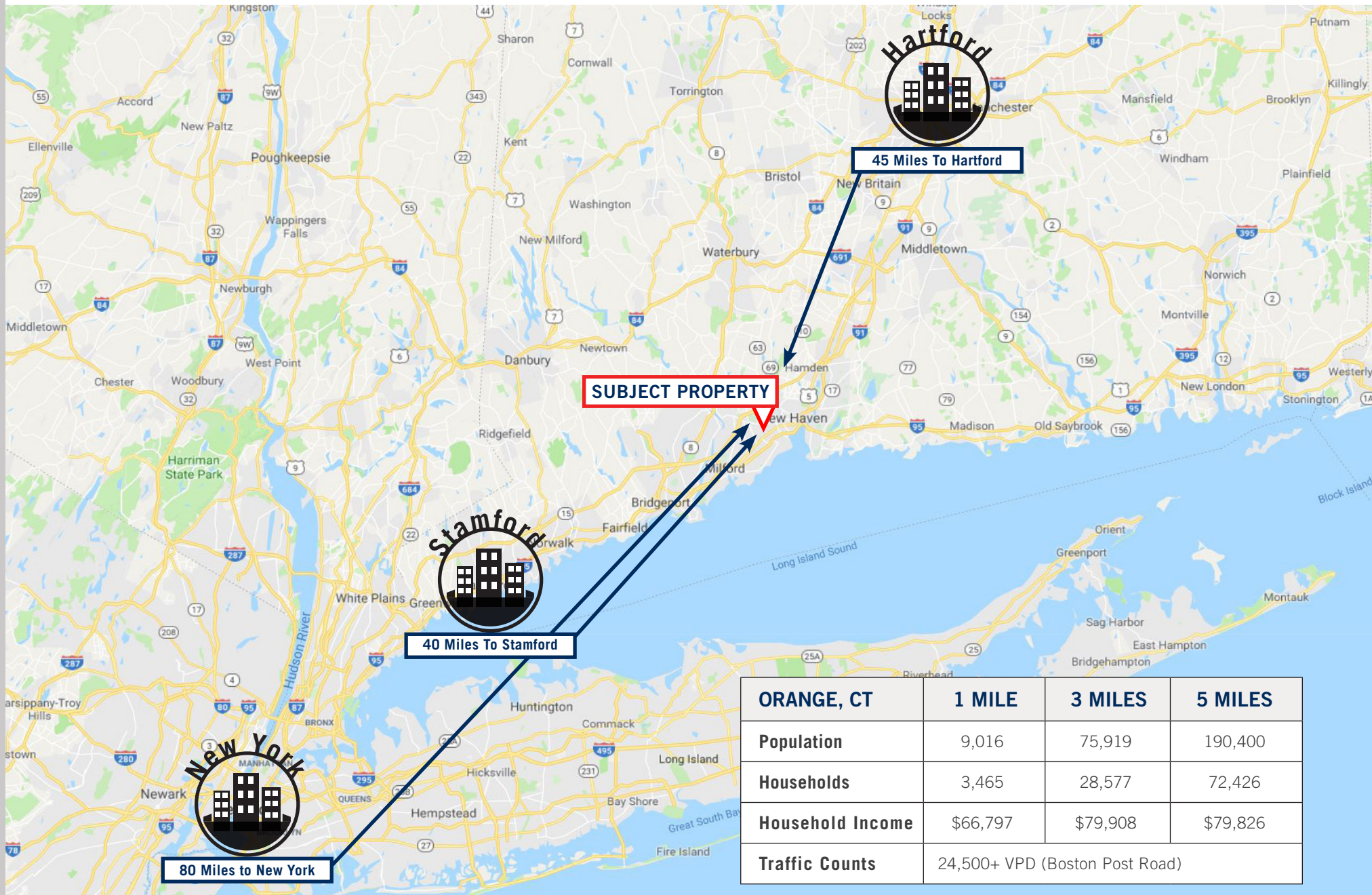
- While the metro economy remains rooted in education and healthcare, the region has transformed into a center for biotechnology.
- Pharmaceutical companies Genaissance and Achillion top the list of successful firms founded in New Haven. Yale University supports initiatives to drive biotechnology and research forward.
- The university and the Yale-New Haven Health System are among the largest employers in the segment. Both are behind the Smilow Cancer Hospital at Yale-New Haven.
- Science Park provides state-of-the-art manufacturing and laboratory facilities that attract biotech firms to the county.

DEMOGRAPHICS



REGIONAL MAP:

Urban Air Adventure Park - Orange, CT // Marcus & Milllichap



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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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