

OFFERED FOR SALE:
7.51-ACRE & 2.85-ACRE GROUND
LEASE DEVELOPMENT SITES

2001 SOUTH ROAD,
POUGHKEEPSIE, NY

SOUTH ROAD - 40,562 VPD

★ macy's

DICK'S
SPORTING GOODS

POUGHKEEPSIE
Galleria

REGAL

TARGET

OUTPARCEL
2.85 ACRES



AT POUGHKEEPSIE
POUGHKEEPSIE, NY
A TRANSFORMCO PROPERTY



EXECUTIVE SUMMARY

Atlantic Capital Partners has been exclusively engaged to market for sale At Poughkeepsie, a ground-leased anchor to the Poughkeepsie Galleria in Poughkeepsie, New York. Situated within a dominant retail hub in the Hudson Valley region, the asset offers a tremendous redevelopment opportunity to reimagine two of the most significant parcels along the U.S. Route 9 corridor. The subject property is part of a super-regional mall that draws from a robust submarket with a local population of over 256,964 people within a 10-mile radius and a strong regional trade area of 1.3M people. The surrounding area benefits from strong traffic counts, exceptional visibility, and serves as a premier shopping and dining destination for Dutchess County and the broader Mid-Hudson region.

Totaling 145,923 square feet, the former Sears and Sears Auto Center are presently unencumbered by any subtenant leases, affording an incoming buyer immediate redevelopment potential. The improvements are held under a ground lease carrying a flat rental obligation of \$100.00 per annum creating a nominal expense that remains flat through the initial term expiring October 5, 2085 as well as both fifty-year extension options thereafter. The lease carries no escalations or percentage rent, eliminating the ground rent encumbrances that typically constrain leasehold interests. With effectively no cost outlay and nearly 160 years of remaining control, the offering presents as a near-fee simple acquisition of a highly desirable property within a dominant regional trade area.

The former Sears at the Poughkeepsie Galleria is being offered for sale without a formal asking price and is entirely free-and-clear of existing debt.



ADDRESS
2001 South Road,
Poughkeepsie, NY



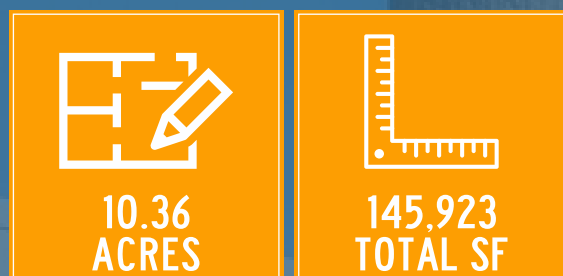
OFFERING GLA
145,923
SF



SITE AREA
10.36
Acres



GROUND LEASE TERMS
Initial Expiration Oct 5,
2085 | 2 x 50-Year Options



A GENERATIONAL REDEVELOPMENT OPPORTUNITY

Two parcels comprised of 10.36 acres with 145,923 SF of existing improvements that includes a vacant anchor box (125,399 SF) and freestanding auto center (20,524 SF) prominently located at the Poughkeepsie Galleria in Poughkeepsie, New York.



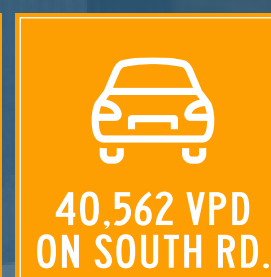
POUGHKEEPSIE GALLERIA – A SUPER REGIONAL MALL

The offering is connected to a two-level mall owned by Pyramid Management Group, totaling nearly 1.2M square feet of retail anchored by Target, Dick's Sporting Goods, Regal Cinemas, Macy's, and Best Buy.



A MAJOR RETAIL HUB

Ideally positioned as the premier shopping destination in a sophisticated and wealthy bedroom community to New York City, this property offers an unparalleled investment opportunity within a major retail hub featuring over 2.7M SF of retail product in a one-mile radius of the mall.



SOUTH ROAD RETAIL CORRIDOR WITH UNMATCHED LOCAL DEMOGRAPHICS

Strategically situated along South Road which sees 40,562 VPD, the asset draws from a dense, affluent bedroom community with 78,713 people and \$125,325 AHHI in the 5-mile.



MINIMAL GROUND LEASE ENCUMBRANCES

The improvements are held under a ground lease carrying a flat rental obligation of \$100.00 per annum through October 5, 2085, followed by two fifty-year extension options. With nearly 160 years of remaining control at a nominal cost, the asset trades as a near-fee simple acquisition.



SITE PLAN



AT POUGHKEEPSIE
POUGHKEEPSIE, NY
A TRANSFORMCO PROPERTY

LOWE'S

DICK'S
SPORTING GOODS

REGAL

POUGHKEEPSIE
Galleria

★macy's

TARGET

PANDORA
GameStop T-Mobile
AutoZone
SUBWAY



SOUTH ROAD - 40,562 VPD



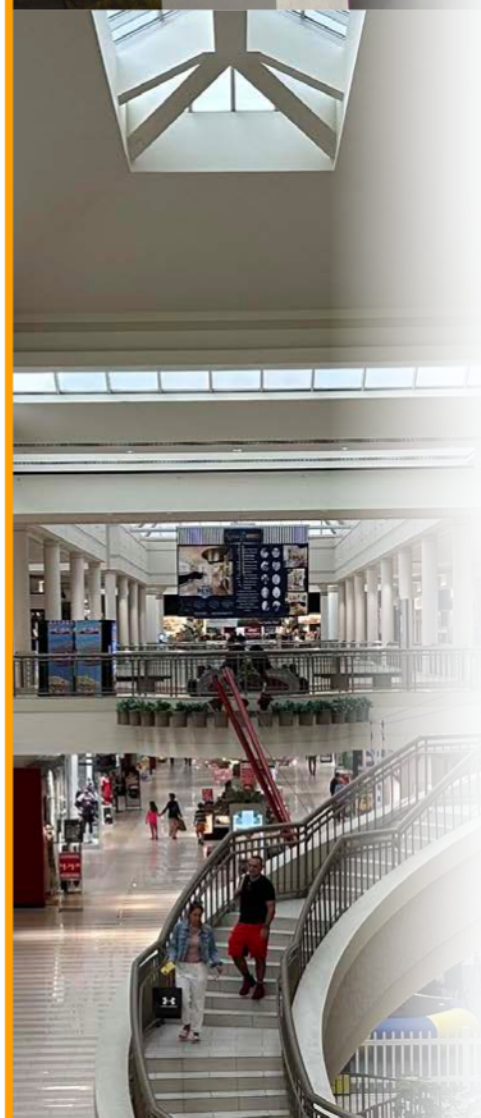
AT POUGHKEEPSIE
POUGHKEEPSIE, NY
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POUGHKEEPSIE GALLERIA

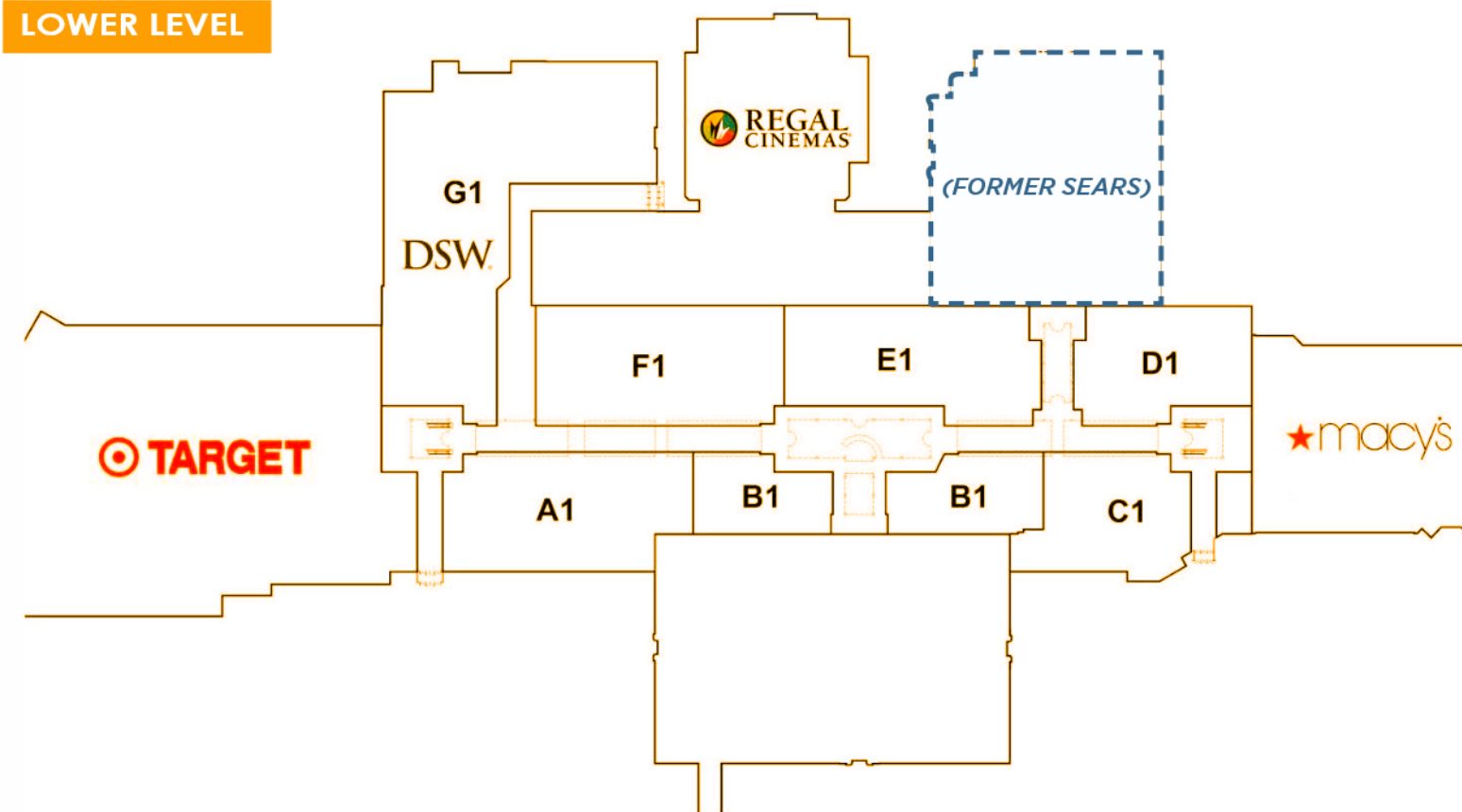
POUGHKEEPSIE GALLERIA – A PYRAMID OWNED PROPERTY

As the dominant super-regional shopping center in Dutchess County, the Poughkeepsie Galleria commands a strong competitive position as the premier retail and lifestyle destination serving the Hudson Valley. Strategically situated along the high-traffic U.S. Route 9 corridor in Poughkeepsie, this expansive destination acts as a central consumer hub, leveraging a robust mix of national anchors, dining, and entertainment venues to secure a loyal, captive audience and a broad regional draw.

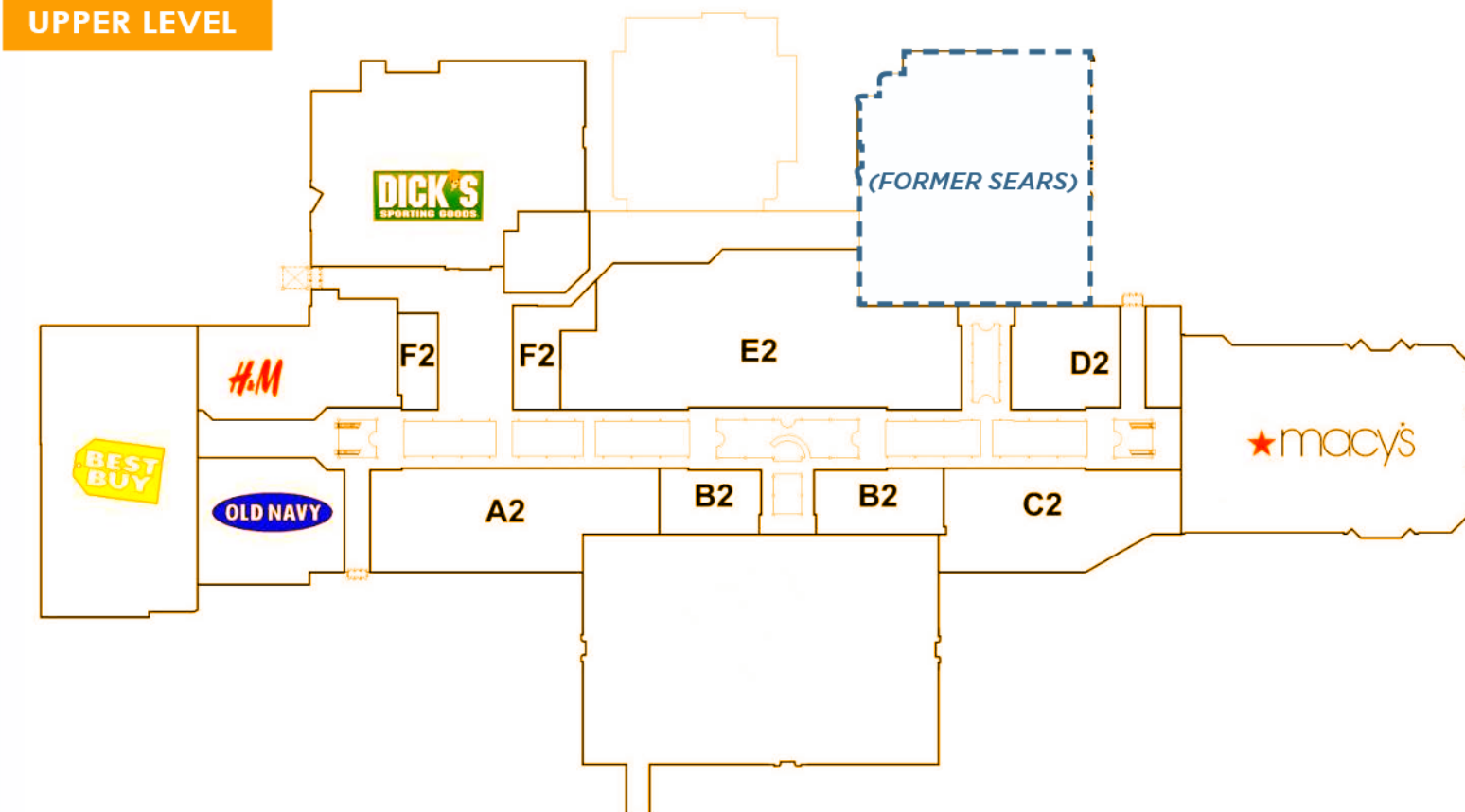
- THE LARGEST SHOPPING CENTER IN DUTCHESS COUNTY, SERVING AS THE UNDISPUTED SHOPPING AND ENTERTAINMENT ANCHOR FOR THE MID-HUDSON VALLEY.
- FEATURES HIGHLY VISITED NATIONAL ANCHORS INCLUDING MACY'S, TARGET, BEST BUY, AND DICK'S SPORTING GOODS, ALONG WITH A 16-SCREEN REGAL CINEMAS DRIVING CONSISTENT, MULTI-GENERATIONAL FOOT TRAFFIC.
- ENCOMPASSES OVER 1.2M SQUARE FEET WITH A DIVERSE, HIGH-PERFORMING MIX OF OVER 120 SPECIALTY STORES, SERVICE PROVIDERS, ENTERTAINMENT VENUES, AND RESTAURANTS.
- PARKING – FORMER SEARS WITH 565 SURFACE PARKING SPACES, AND FORMER SEARS AUTO CENTER (SAC) WITH 99 SURFACE PARKING SPACES.



LOWER LEVEL



UPPER LEVEL




AT POUGHKEEPSIE
POUGHKEEPSIE, NY
A TRANSFORMCO PROPERTY

IMMEDIATE TRADE AREA











POUGHKEEPSIE
Galleria
DICK'S SPORTING GOODS **TARGET** **BEST BUY** **ULTA** BEAUTY
OLD NAVY **macy's** **REGAL**


HUDSON
BUICK GMC


BMW


Olive Garden

AspenDental
Walgreens
Panera BREAD
SALLY BEAUTY
MEN'S WEARHOUSE®


THE DIAMOND MINE

LEXINGTON CLUB
AT THE GALLERIA

SOUTH ROAD SQUARE
GameStop **AutoZone**
SUBWAY **PANDORA**


HEALEY


theVitamin Shoppe

AT&T

MATTRESS FIRM

petco 
DOLLAR TREE


FIRE CAR SERVICES


AT POUGHKEEPSIE
POUGHKEEPSIE, NY
A TRANSFORMCO PROPERTY

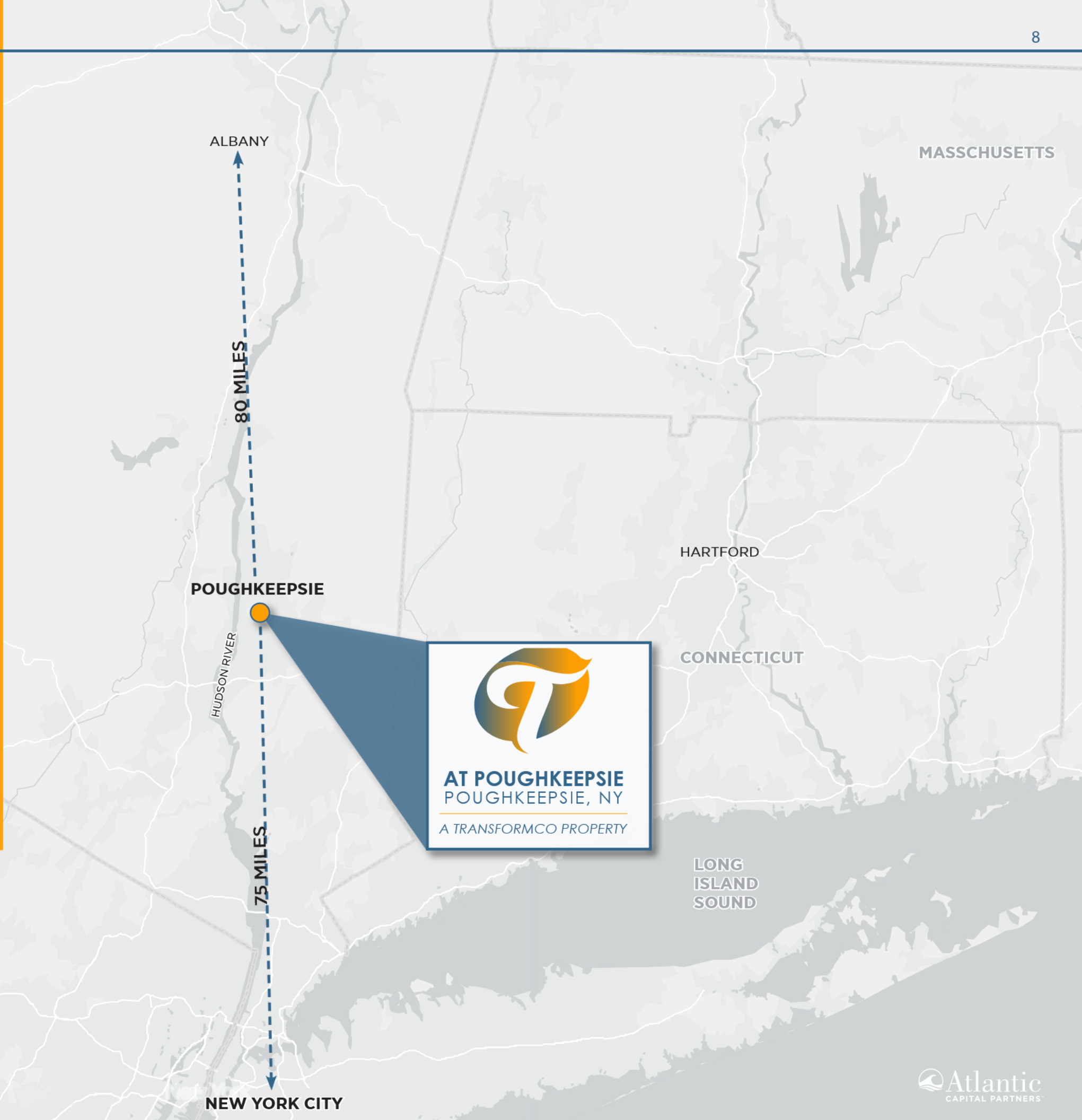
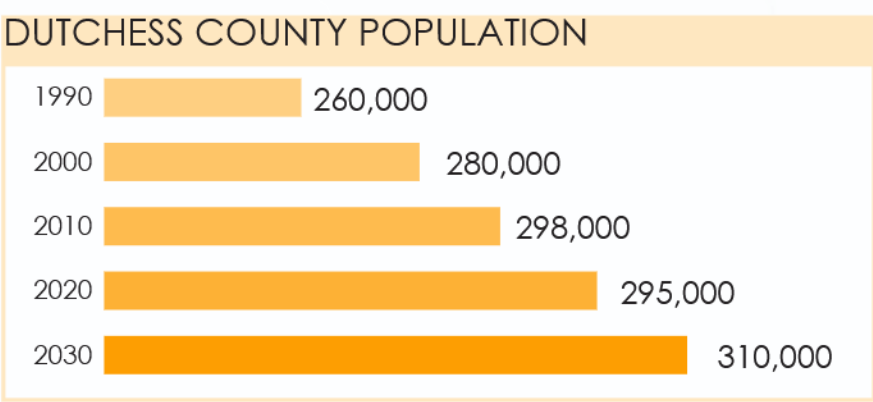
LOWE'S



POUGHKEEPSIE – NEW YORK

Poughkeepsie is the primary administrative and economic hub of Dutchess County in the Hudson Valley region of New York. It is located approximately 75 miles north of New York City and 80 miles south of Albany. Bordered by the scenic Hudson River to the west and the rolling landscapes of the Mid-Hudson Valley, Poughkeepsie serves as the principal economic engine for the surrounding area.

The community is positioned at a vital transit crossroads where U.S. Route 9 and State Route 55 intersect, along with unparalleled rail connectivity via the Metro-North Hudson Line and Amtrak. This critical infrastructure makes Poughkeepsie one of the most prolific commercial and retail markets in the area, effectively capturing a massive regional trade area. Poughkeepsie is a growing residential and business center with a greater area population of over 75,000 residents and a “daytime population” that swells significantly due to its status as a regional government, higher education—home to Marist College and Vassar College—and shopping destination. The area features a stable economic base with a median household income of approximately \$97,879 and is well-regarded for its historic architecture, outdoor recreation, and convenient access to both the Catskill Mountains and New York City.



US ROUTE 9 – A SUPER-REGIONAL RETAIL CORRIDOR

Poughkeepsie's regional prominence and direct access to U.S. Route 9 have made it the primary destination for retailers and corporations doing business in the Hudson Valley. The U.S. Route 9 corridor serves as the market's premier retail corridor, hosting a dense and prolific concentration of national and regional powerhouses including Target, Lowe's, The Home Depot, ShopRite, Stop & Shop, Burlington, Hobby Lobby, Kohl's, and many other national brands. The Poughkeepsie Galleria, a regional destination anchored by Target, Dick's Sporting Goods, Regal Cinemas, Macy's and Best Buy, serves as the centerpiece of this massive commercial node. This corridor is a vital transit and commuter artery, with over 40,000 VPD on U.S. Route 9 daily, representing some of the highest traffic volumes in the Dutchess County region.



PROPERTY DESCRIPTION

SITE DESCRIPTION

Property Address	2001 South Rd, Poughkeepsie, NY 12601
Land Size	10.36 AC
Lower Level	62,731
Upper Level	62,668
Sears Auto Center	20,524
Total Building GLA	145,923
Levels	2
Current Use	Vacant (Sears Box) + Former Sears Auto Center
Zoning	B-SC
Parking	664 including 17 handicap
REA Expiration	October 3, 2051

HISTORICAL EXPENSES

EXPENSES	FY 2024	FY 2025
Tax Expense	\$179,063	\$171,666
Insurance Expense	\$32,915	\$32,546
CAM Expense	\$99,288	\$64,217
Utility Expense	\$94,562	\$156,698
CAM Billing	\$123,202	\$123,202
Total Expenses	\$529,030	\$548,329

RESTRICTIONS SUMMARY

USE RESTRICTIONS UNDER REA

- Sears' 15-year operating covenant to operate under the Sears trade name expired July 13, 2007 and is no longer enforceable. The parcel is free to be reused.
- Developer repurchase option: if the Main Store is not operated as a retail department store in at least 80,000 sq ft, split reasonably between upper and lower levels, for more than 180 days, Developer may buy the parcel at fair market value via a three-appraiser MAI process. This is the single largest constraint on any non-department-store redevelopment.
- No lodging use of any portion of the Center.
- No warehousing, assembly, manufacturing, distillation, refining, smelting, industrial, agricultural, drilling, or mining. On-premises storage of goods sold at the store is permitted.
- No commercial laundries, dry cleaning plants, laundromats, veterinary hospitals, car washes, bowling alleys, mortuaries, or similar service establishments.
- No automobile body and fender repair work, and no used motor vehicle sales lots unless paired with new vehicle sales.
- No trailer courts, mobile home parks, junk yards, stock yards, or animal raising. Pet shops and veterinarians are permitted if there is no noise or odor issue.
- No use objectionable to the operation of the Center, including any nuisance from noise, litter, or odor; no explosives, fireworks, or hazardous firing or explosion activities.

BUILDING RESTRICTIONS UNDER REA

- Parcel: 7.513 acres fee-owned by Sears, plus 2.845 acres of Sears TBA on leased ground within the Developer Parcel and subject to the Sears Lease.
- Existing Floor Area: 144,944 sq ft total, comprised of 125,288 sq ft Main Store and 19,656 sq ft TBA. Minimum Floor Area required under the REA: 100,000 sq ft.
- Maximum exterior wall height: 47 feet above the Enclosed Mall finished floor elevation of 206 feet USC&GS Datum, inclusive of parapets. Rooftop mechanical and screening may extend above.
- Buildings may only be erected, expanded, or maintained within the Permissible Building Areas shown on the Site Plan. Any expansion outside that footprint requires Major Party consent.
- Parking: 4.5 ground-level spaces per 1,000 sq ft of Floor Area, applied to existing Floor Area and to any expansion Floor Area. This ratio supersedes the original 5.5 ratio in the 1986 COREA and must also satisfy Town of Poughkeepsie zoning.

ZONING SUMMARY - B-SC

The purpose of this district is to provide locations suited to the requirements of multi-community or regional shopping. The shopping center depends upon the interrelationship of a variety of commercial establishments for its economic vitality, all of which are included in the list of permitted uses. Shopping centers depend almost entirely on automobile traffic, hence the necessity for large sites on major arterial highways, where neither the traffic they generate nor the vast parking areas they require will interfere with the amenities of any adjacent and residential land use. Shopping centers should be comprised of a physically or architecturally integrated complex of stores or buildings.

Permitted By-Right Uses:

Amusement machine complexes
Animal grooming
Animal training indoor
Bakeries, retail
Banks or financial services
Bowling alleys
Clubs, health and fitness
Laundromats, dry cleaners
Libraries
Motor vehicle accessory sales
Offices
Personal service businesses
Places of religious worship
Public utility structures
Restaurants
Retail businesses
Services businesses
Shopping centers, shopping malls
Skating rinks
Supermarkets
Theaters
Recreation, indoor, private, not specifically mentioned
Veterinary office

GROUND LEASE ABSTRACT

LESSEE:	TRANSFORM OPERATING STORES LLC, a Delaware limited liability company (2019 Assignment and Assumption of Lease, Page 3)
DEMISED PREMISES	Landlord hereby demises and leases unto Tenant, and Tenant hereby leases from Landlord the premises described on Exhibit A (Parts I and IA) annexed hereto and made a part hereof, together with all improvements, appurtenances, benefits, rights, privileges and easements thereto, now or hereafter on, belonging or in anywise appertaining. (1986 Master Lease, Article 3; 1992 Assignment Assumption and Modification of Lease Agreement, Section 5c)
ORIGINAL LEASE TERM	Term commencing on the date hereof and continuing thereafter for a period of ninety-nine (99) years from the date of this Lease. (1986 Master Lease, Article 1)
RENT COMMENCEMENT DATE	Payable annually in advance on the date of this Lease and on the first day of each anniversary thereof. (1986 Master Lease, Article 4)
EXPIRATION DATE	October 5, 2085 (1986 Memorandum of Lease, Section 5)
BASE RENT	Net rental for the Demised Premises during the term of this Lease shall be at the rate of \$100.00 per annum, which net rental shall be payable annually in advance on the date of this Lease and on the first day of each anniversary thereof. If at any time the Demised Premises constitutes less than the entirety of the property described on Exhibit A (Parts I and IA), there shall be no proration of the net rental due. (1986 Master Lease, Article 4; 1992 Assignment Assumption and Modification of Lease Agreement, Section 5e)
CURRENT TERM	October 6, 1986 to October 5, 2085. (1986 Memorandum of Lease, Section 5)
EXTENSION OPTION	Tenant may in its sole and absolute discretion extend the term of this Lease for up to two (2) successive additional periods of fifty (50) years each. (1986 Master Lease, Article 1)
PERCENTAGE RENT	Lease is silent.
FREE RENT/RENT ABATEMENT	Lease is silent.
SECURITY DEPOSIT	Lease is silent.
TENANT SALES REPORTING	Lease is silent.
GUARANTOR	TRANSFORM MIDCO LLC, a Delaware limited liability company, and TRANSFORM PROPCO LLC, a Delaware limited liability company (collectively, jointly and severally, Guarantor). (2019 Lease Guaranty Agreement, Page 1)
RENEWAL TERM(S)	Tenant may in its sole and absolute discretion extend the term of this Lease for up to two (2) successive additional periods of fifty (50) years each. (1986 Master Lease, Article 1)
REQUIRED PARKING	Lease is silent.
USE RESTRICTIONS	The Demised Premises may be used for any lawful purpose during the term of this Lease. (1986 Master Lease, Article 6)
EXPANSION OPTION(S)	Lease is silent.
TERMINATION OPTION(S)	In no event will any default of Tenant result in a forfeiture of Tenants interest under this Lease or an eviction of Tenant from the Demised Premises; and Landlord hereby waives (i) any and all rights at law or equity to terminate this Lease. (1986 Master Lease, Article 21.2)
LANDLORD'S SALE OF LEASE TO COMPETITORS	Lease is silent.

REAL ESTATE TAXES	The rights and obligations of Landlord and Tenant with respect to Taxes pertaining to the Shopping Center Site shall be those of Developer and Allied respectively set forth in the Operating Agreement as it may be amended and supplemented by the Allocable Share Agreement. (1986 Master Lease, Article 8) Developer agrees to pay such taxes, assessments and charges which relate to off-site improvements or work performed by Developer if such improvements or work are commenced within two years after the date the enclosed mall first opened for business to the publiuc which date was August 1, 1989. (Allocable Share Agreement, Section 5.1)
COMMON AREA EXPENSES	Sears agrees to pay to Developer the sum determined as hereinafter provided (the Exterior CAM Contribution), as reimbursement to Developer of Sears agreed upon share of Common Area Maintenance Cost. (Allocable Share Agreement, Section 3.1a) The annual Exterior CAM Contribution shall be computed by multiplying the square footage of Floor Area contained within the Sears Main Store (being 125,288 square feet as of the date hereof) by the sum of twenty-five cents (\$0.25). (Allocable Share Agreement, Section 3.1b) The annual Exterior CAM Contribution shall be increased by the square footage of Floor Area contained within the Sears TBA (being 19,656 square feet as of the date hereof). (Allocable Share Agreement, Section 3.1c)
REPAIRS & MAINTENANCE	Developer faithfully performs the covenants contained in ARTICLE 10 of the Operating Agreement to operate and maintain all Common Areas (other than the Enclosed Mall). (Allocable Share Agreement, Section 3.1a)
UTILITIES	Sears shall be responsible for the utility charges relating to parking area lighting and other exterior Common Area lighting on the Sears Parcel. Sears shall also be responsible for a fair and equitable share of utility charges for lighting any portion of the Parcels of the other Parties when required solely on account of Sears Main Store and/or the Sears TBA being open for business after 10:00 p.m. and before 10:00 a.m. (Allocable Share Agreement, Section 3.2)
INSURANCE	Lease is silent.
ASSIGNMENT, SUBLETTING & GO DARK	Tenant shall have the absolute right at any time during the term hereof to assign this Lease or sublet all or any portion of the Demised Premises. (1986 Master Lease, Article 10) If subsequent to the expiration of Sears said operating covenant the Sears Main Store fails to be operated continuously as a retail department store in at least 80,000 square feet of Floor Area reasonably equally distributed between the upper and lower levels of the Sears Main Store and such failure continues (subject to Unavoidable Delays) for more than one hundred eighty (180) days Developer shall have the right and option to purchase all of Sears right, title and interest in and to the Sears Parcel. Section 10.1 ("Developer's Repurchase Option")
ESTOPPEL CERTIFICATE	Each party hereto agrees, at any time and from time to time, within thirty (30) days following written notice to it by any other party hereto, or any other party's mortgagee, to execute, acknowledge and deliver to the party or mortgagee who gave such notice a statement in writing certifying that the Operating Agreement and this Allocable Share Agreement are unmodified and in full force and effect. (Allocable Share Agreement, Section 13.1) In the event that a prospective holder of a first mortgage, prospective subtenant or assignee desires a statement from the Landlord as to claims by Landlord against Tenant, Landlord agrees to deliver such statement certifying that this Lease is in full force and effect and unmodified; that there are no existing defenses or offsets; and stating the date to which rentals and other payments have been made. (1986 Master Lease, Article 24.13)
HOLDING OVER	If Tenant continues to occupy the Demised Premises after the last day of the term hereof as it may have been extended and Landlord elects to accept rental thereafter, a monthly tenancy terminable by either party on not less than one months notice shall be created, which shall be on the same terms and conditions, including rental, as herein specified. (1986 Master Lease, Article 9)
DOCUMENTS PROVIDED	1986 Master Lease, 1986 Memorandum of Lease, 1991 Letter Agreement, 1992 Allocable Share Agreement, 1992 Amendment to Memorandum of Lease, 1992 Assignment Assumption and Modification of Lease Agreement, 1992 Collateral Agreement, 1992 Exchange Agreement Letter, 1992 NY State Gains Tax Letter, 1992 Second Amendment to Memorandum of Lease, 2019 Lease Guaranty Agreement, 2019 Assignment and Assumption of Lease.



Exclusively Offered By



The Prudential Center
55 Huntington Ave
Boston, MA 02199

PRIMARY DEAL CONTACTS

JUSTIN SMITH

Head of Capital Markets
617.239.3610
jsmith@atlanticretail.com

WES THURMOND

Principal | Head of Landlord Services
704.807.4248
wthurmond@atlanticretail.com

JORDAN GOMEZ

Vice President
951.264.5994
jgomez@atlanticretail.com

MATT ERICSON

Associate
978.494.2164
mericson@atlanticretail.com

JOHN DIXON

Analyst
781.690.7726
jdixon@atlanticretail.com