



Arby's/Phillips 66

1807 Lincoln Way | South Bend, IN



**EXCLUSIVELY LISTED
BY**



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Representative Photo

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Investment Highlights

- New 2017 Remodel - Long Term Commitment to the location
- Arby's Corporate Guaranteed Lease
- Strong Demographics - 165,000 residents within 5 miles
- Absolute NNN - Zero Landlord Responsibilities



Arby's/Phillips 66

1807 Lincoln Way
South Bend, IN 46628

List Price \$1,822,984.62
CAP Rate - Current..... 6.50%
Gross Leasable Area ± 4,810 SF
Lot Size ± 0.45 Acres
Year Built/Renovated 2001/2017

Annualized Operating Data

	Arby's Monthly Rent	Phillips 66 Monthly Rent	Arby's Annual Rent	Phillips 66 Annual Rent	Total Rent Annually	Rent/SF	Cap Rate
Year 11-15 (Current)	\$5,832.00	\$4,042.50	\$69,984.00	\$48,510.00	\$118,494.00	\$24.63	6.50%
Years 16-20	\$6,298.56	\$4,244.63	\$75,582.72	\$50,935.50	\$126,518.22	\$26.30	6.94%
Option 1	\$6,802.45	\$4,456.91	\$81,629.40	\$53,482.86	\$135,112.26	\$28.09	7.41%
Option 2	\$7,346.64		\$88,159.68				

Tenant Summary

Tenant Trade Name	Arby's
Type of Ownership	Fee Simple
Lease Guarantor	Arby's Corporate
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	20 Years
Lease Commencement Date	December 2005
Lease Expiration Date	December 2025
Term Remaining on Lease	± 8 Years
Increases	8% Every 5 Years
Options	Two, 5-Years

Tenant Summary

Tenant Trade Name	Phillips 66
Type of Ownership	Fee Simple
Lease Guarantor	Empire Petroleum Partners
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	20 Years
Lease Commencement Date	May 2006
Lease Expiration Date	May 2026
Term Remaining on Lease	± 8.5 Years
Increases	5% Every 5 Years
Options	One, 5-Years

TENANT OVERVIEW



Parent Company Trade Name	Arby's Restaurant Group, Inc.
No. of Locations	± 3,500
No. of Employees	± 130,000
Headquartered	Sandy Springs, Georgia
Year Founded	1964

OVERVIEW

Arby's Fast Crafted restaurant services feature a unique blend of quick-serve speed combined with the quality and made-for- you care of fast casual. Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is headquartered in Atlanta, GA. Arby's Restaurant Group (ARG) operates the Arby's fast food chain popular for its hot roast beef sandwiches. In addition to roast beef sandwiches, its menu features chicken sandwiches, salads, and some dessert items. More than 1,100 Arby's locations are company-owned, while the rest are franchised.

ARBY'S RECORD YEAR

Arby's had a record year in 2016 and pushed sales over \$3.6 billion according to QSR magazine. Arby's outperformed the quick service industry by 2.3 percentage points and marked 25 consecutive quarters of SSS growth. The fourth quarter of 2016, marked 11 consecutive quarters of transaction growth and 16 consecutive quarters of industry performance for the brand. Arby's plans to continue high volume sales by inking deals with new and exciting Arby's franchisees for the development of 167 new restaurants system wide.

REBRANDING AND REMODELING STRATEGY

Arby's is looking to revitalize its guest experience by remodeling 229 restaurants systemwide in the Inspire design. Arby's has re-engineered its restaurants to reduce development costs, expand site selection options, and deliver an upgraded guest experience. Arby's has improved ROI by stripping out some of the costs of opening or remodeling a restaurant. The Inspire design reduces development and remodeling costs, increases restaurant efficiency, and is highly adaptable to a wide range of site opportunities.



Representative Photo



Parent Company Trade Name	Phillips 66
Revenue	±\$98,975,000 M
No. of Employees	±14,000
Headquartered	Houston, TX
Year Founded	1875

OVERVIEW

Phillips 66 operates as an energy manufacturing and logistics company. It operates through four segments: Midstream, Chemicals, Refining, and Marketing and Specialties (M&S). The Midstream segment gathers, processes, transports, and markets natural gas; and transports, fractionates, and markets natural gas liquids in the United States. The Chemicals segment manufactures and markets ethylene and other olefin products. The Refining segment buys, sells, and refines crude oil and other feedstocks into petroleum products comprising gasolines, distillates, and aviation fuels at 14 refineries primarily in the United States and Europe. The M&S segment purchases for resale and markets refined petroleum products consisting of gasolines, distillates, and aviation fuels in the United States and Europe. It also manufactures and sells specialty products, such as petroleum coke, waxes, solvents, and polypropylene. In addition, this segment is involved in the generation of electricity. Phillips 66 was founded in 1875 and is headquartered in Houston, Texas.



PROPERTY DETAILS

THE OFFERING

Property Name	Arby's/Phillips 66
Property Address	1807 Lincoln Way South Bend, IN 46628
Assessor's Parcel Number	71-09-18-256-013.000-026
Site Description	
Number of Stories	One
Year Built/Renovated	2001/2017
Gross Leasable Area (GLA)	± 4,810 SF
Lot Size	± 0.45 Acres (19,532 SF)
Type of Ownership	Fee Simple
Landscaping	Professional
Topography	Generally Level



PARCEL MAP

Surrounding Tenants



South Bend, IN

Located along the St. Joseph River, South Bend is the 4th largest city in Indiana. The area serves as the economic and cultural hub of Northern Indiana. With constant business growth and a world-renowned university, the city has a large amount of growth potential. The city had an early population boost because of easy River access. Large corporations such as Studebaker Corporation and the Chilled Plow Company created a large industrial sector in the city and built up the economy.

Today, South Bend is a recognized city in the Midwest and is constantly growing. Its new developments will provide the city with a new economic sector that they can depend on. The population has kept a consistent flow with a spike in growth recently. The South Bend community is working to not only build up the business area, but also create a safe and welcoming environment for families.

PROPERTY DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2022 Projection	12,085	73,205	148,958
2017 Estimate	12,166	72,600	147,740
2010 Census	12,575	72,299	147,708
Growth 2010 - 2017	-0.67%	0.83%	0.82%
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2022 Projection	4,425	25,029	58,163
2017 Estimate	4,421	24,673	57,370
Growth 2017 - 2022	0.09%	1.44%	1.38%
INCOME	1-Mile	3-Mile	5-Mile
2017 Est. Average Household Income	\$41,975	\$49,997	\$55,952



New Developments

The city is working on new developments, specifically within their economy. Historically, the city's economy has been primarily industrially based. New developments have been put into place to build up the technology sector and bring in new driving businesses. Zing, the South Bend Metronet, is a large fiber-optic network that brings in strong telecommunications connectivity. South Bend has been building various data centers around Zing and is starting to bring in high-tech firms.

The Innovation park and Ignition park are also redeveloping into technology parks that will bring in a large amount of new business. Innovation Park, located across the street from the University of Notre Dame is housing researchers from world-renowned companies and the university. The research is helping to develop new technology strategies, as well as, bringing in more business. Ignition park is 140 acres of land that was previously owned by the Studebaker Corporation. The finished product will be 3 million square feet of high-tech space. Several tenants have moved in recently, while a second building is currently under construction. It will be used as a research and testing facility for massive turbomachinery as a partnership with the city, Great Lakes Capital, Indiana Michigan Power, General Electric, the state of Indiana, and the University of Notre Dame. The end product is projected to have an economic impact of \$15 million annually.



Indiana University South Bend (IU South Bend)

The Indiana University South Bend started as an extension of the main campus of Indiana University Bloomington. The campus gradually became more popular and has become its own university through the Indiana University System. In the beginning IU South Bend's whole campus was made up of two buildings. Today, the campus is spread across 11 buildings, which include resident housing, 100,000 square foot Student Activities Center, and much more.

The university accepts over 8,000 students each semester, with over 900 being postgraduates. They offer eight different colleges from Business and Economics to Liberal Arts and Social Work. Over 80% of the student body are Indiana residents. IU South Bend has over 100 clubs and student organizations throughout the campus. There is also a strong Greek presence with 5 different Greek organizations. The universities mascot are the Titans and compete in the National Association of Intercollegiate Athletics (NAIA).



University of Notre Dame

The University of Notre Dame is a four-year, Catholic research university that is highly recognized for its academics, athletics, and beautiful campus. The university holds six colleges, Arts and Letters, Engineering, Business, Architecture, and Global Affairs. It also offers over 50 foreign study programs as well as graduate programs. Notre Dame accepts over 12,000 students each year. It is known for its competitive admission, with a high percentage of students accepted being in the top 1% of their high school. Recently, Notre Dame ranked 7th in undergraduate teaching and 15th among all national universities. It placed 8th among Research University and was ranked the #1 university in the Midwest.

Campus

The Notre Dame campus is one of a kind with amazing architecture dating back to the 18th century. The campus is a city of its own, with world-renowned libraries, newly developed wings, and breathtaking walkways along the Saint Joseph Lake. It is working hard to set an example for the rest of the universities to pay attention to their carbon footprint. They believe there is a way to develop campuses in a way that helps out mother nature. Notre Dame has their impact in many campuses around the world such as London, Beijing, and Dublin.

Sports

Known as the Fighting Irish, Notre Dame has made themselves known within college sports. They are a member of the National Collegiate Athletic Association Division 1 and compete in the Atlantic Coast Conference. The university's football team has a long history of triumph with 13 national championships with the most members in the College Football Hall of Fame. The program has also received the most Heisman Trophies. It also has the highest winning percentage in NCAA history. Each home game brings in fans, old and young, to cheer on the Fighting Irish.

The men's basketball team also has a great winning history with a large crowd following. The team has one of the highest number of wins within the division and has appeared in 28 NCAA tournaments. They have created a numerous amount of upsets against number one ranked teams, and are always a driving force during March Madness.



Getting Around



Roads

Since the St. Joseph River flows right through South Bend, the roads adapt to the river's path. The city is connected to several national highway systems including State Roads 2,23, and 922; U.S. Route 20 and 31; and Interstate 80 and 90. The Lincoln Highway and the Dixie Highway also pass through South Bend.



Public Transportation

The main public transportation is run by TRANSPO (South Bend Public Transportation Corporation). The TRANSPO company is the first LEED Platinum transit facility in the county, and has recently added 16 new buses that are fully powered by compressed natural gas. It operates bus routes between any station located in South Bend and Mishawaka. It also provides services to Osceola and Roseland, Monday through Saturday.



Airports

The South Bend International Airport is located in the northwest corner of South Bend. It connects South Bend to large hubs such as Chicago, Las Vegas, Detroit, Atlanta, New York City, and St. Petersburg, Florida. An electric commuter railroad system called the South Shore Line connects the South Bend International Airport to Millennium Station in downtown Chicago.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Arby's/Phillips 66** located at **1807 Lincoln Way, South Bend, IN 46628 ("Property")**. It has been prepared by Matthews Real Estate Investment Services. 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 Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, 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.

Owner and Matthews Real Estate Investment Services 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 Matthews Real Estate Investment Services 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.

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