

# BURGER KING SALE-LEASEBACK

# OFFERING MEMORANDUM



10 Sugarbush Court – Ashland, Ohio 44805

**BURGER KING**

# Confidentiality and Disclaimer

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10 Sugarbush Court – Ashland, Ohio

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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

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Marcus & Millichap is pleased to present this exclusive listing for a Burger King sale-leaseback. The subject single-tenant Burger King is located at 10 Sugarbush Court in Ashland, Ohio. Built in 2018, the subject property consists of roughly 2,811 square feet of building space. This investment opportunity is subject to a brand new 20-year Triple-Net (NNN) sale-leaseback with zero landlord responsibilities, the lease will commence upon the close of escrow and will be subject to six (6), five (5) year tenant renewal options. The initial annual rent will be \$119,190 and is scheduled to increase by one percent (1.00%) annually starting in year 11 and continuing throughout the base term and option periods. In each option period the rent will increase by one percent (1.00%) annually in years 1 through 3 and the rent will remain flat in years 4 and 5. The property is strategically situated on a 1.43-acre parcel on the northwest corner of US Route 250. The sites positioning on US Route 250 offers excellent visibility and exposure to the nearly 13,770 vehicles that travel through each day.

This Burger King property is located at the northwest corner of US-250 & Sugarbush Court in Ashland, Ohio. The property is well-positioned in a highly dense retail corridor consisting of shopping centers, national and local tenants, medical centers, and hotels. Major national and local tenants in the area include: Walmart Home Depot, Bob Evans, Dollar General, AutoZone, Dollar Tree, KFC, and many others. University Hospitals Samaritan Medical center is located less than two miles away. There are five schools located within four miles of the subject property with a combined total enrollment of over 3,000 students. Ashland University and the Ashland Theological Seminary are both located less than three miles from the subject property. Ashland University has a total enrollment of 5,700 students, while the Ashland Theological Seminary has approximately 800 attendees. Accommodations in the immediate area include a Holiday Inn Express, Quality Inn, and Hampton Inn. Ashland County Airport is located four miles from the subject property.

Carrols, LLC is Burger King's largest franchisee and has operated BURGER KING® restaurants since 1976. At the end of the fourth quarter of 2016, Carrols owned and operated 753 BURGER KING® restaurants. On February 28, 2017, the Company completed the acquisition of 43 additional BURGER KING® restaurants in and around Cincinnati, Ohio and currently owns and operates over 800 BURGER KING® restaurants. Carrols LLC's direct parent company, Carrols Restaurant Group, INC. (Nasdaq: TAST), is one of the only publicly traded companies solely controlling Burger King Franchises and one of the largest restaurant companies and franchisee's in the United States.





# Investment Highlights

PRICE: \$1,986,500 | CAP: 6.00% | RENT: \$119,190

**BURGER KING**

## About the Investment

- ✓ Brand New 20-Year Sale-Leaseback
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of One Percent (1.0%) Annually Beginning in Year 11
- ✓ Six (6) Tenant Renewal Periods of Five (5) Years Each

## About the Location

- ✓ Brand New 2018 Construction | Now Open!
- ✓ Freestanding Property | High Visibility and Ease of Access
- ✓ Dense Retail Corridor | Surrounding Retailers Include: Walmart, Home Depot, Bob Evans, Dollar General, AutoZone, Dollar Tree, KFC and Many More
- ✓ Strong Traffic Counts | Interstate-71 Has Average Daily Traffic Counts of 41,050 Vehicles

## About the Tenant / Brand

- ✓ Carrols Restaurant Group is One of the Largest Restaurant Companies and Franchisee's in the United States | Over 800-Unit Operator
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands







# Financial Analysis

PRICE: \$1,986,500 | CAP: 6.00% | RENT: \$119,190

**BURGER KING**

## Property Description

Property	Burger King
Property Address	10 Sugarbush Court
City, State, ZIP	Ashland, OH 44805
Year Built / Renovated	2018
Estimated Building Size	2,811
Lot Size	+/- 1.43 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$1,986,500
CAP Rate	6.00%
Annual Rent	\$119,190

## Lease Summary

Property Type	Net-Lease Quick-Service Restaurant
Tenant / Guarantor	Carrols LLC
Ownership Type	Public (NYSE: TAST)
Original Lease Term	20.0 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.0% Annually Starting Year 11
Options to Renew	Six (6), Five (5)-Year Options
Rental Increases in Options	Years 1-3: 1.0% Annual Increase Years 4-5: Flat Rent

Pricing is subject to change +/- \$250,000.

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1-10	\$119,190	\$9,932	-
Year 11	\$120,382	\$10,032	1.00%
Year 12	\$121,586	\$10,132	1.00%
Year 13	\$122,802	\$10,233	1.00%
Year 14	\$124,030	\$10,336	1.00%
Year 15	\$125,270	\$10,439	1.00%
Year 16	\$126,523	\$10,544	1.00%
Year 17	\$127,788	\$10,649	1.00%
Year 18	\$129,066	\$10,755	1.00%
Year 19	\$130,356	\$10,863	1.00%
Year 20	\$131,660	\$10,972	1.00%





# Concept Overview: Burger King

**BURGER KING**

## GREAT FOOD COMES FIRST

Every day, more than 11 million guests visit BURGER KING® restaurants around the world. And they do so because our restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world. The original HOME OF THE WHOPPER®, our commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined our brand for more than 50 successful years.

### #2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

### Global Brand Presence | Fully – Franchised Business Model

- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins

### Rich Heritage | Stable, Reliable Long-Term Ownership

- Founded in 1954 with deep ties to the Miami Community. Burger King has been actively managed by 3G since 2010.

### 3G Capital

3G Capital is a global investment firm focused on long-term value, with a particular emphasis on maximizing the potential of brands and businesses. The firm and its partners have a strong history of operational excellence, board involvement, deep sector expertise, and an extensive global network. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent. In October 2010, 3G Capital completed the acquisition of Burger King®, one of the most widely-recognized consumer brands in the world.

## General Information

Address	Oakville, ON
Website	<a href="http://www.rbi.com">http://www.rbi.com</a>
Stock Ticker	QSR (NYSE)
Current Price*	\$60.49
52 Week High/Low	\$68.89/ \$53.09

\*As of June 13, 2018

### Carrols, LLC

Carrols, LLC is Burger King's largest franchisee and has operated BURGER KING® restaurants since 1976. At the end of the fourth quarter of 2016, Carrols owned and operated 753 BURGER KING® restaurants. On February 28, 2017, the Company completed the acquisition of 43 additional BURGER KING® restaurants in and around Cincinnati, Ohio and currently owns and operates over 800 BURGER KING® restaurants. Carrols LLC's direct parent company, Carrols Restaurant Group, INC. (Nasdaq: TAST), is one of the only publicly traded companies solely controlling Burger King Franchises and one of the largest restaurant companies and franchisee's in the United States.

### Burger King Worldwide, Inc.

Founded in 1954, Burger King® is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King® system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Approximately 100 percent of Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades.

### Restaurant Brands International

Restaurant Brands International is one of the world's largest quick service restaurant companies with approximately \$23 billion in system sales and over 18,000 restaurants in 100 countries. Restaurant Brands International owns two of the world's most prominent and iconic quick service restaurant brands – Tim Hortons® and Burger King®. These independently operated brands have been serving their respective guests, franchisees, and communities for over 50 years.

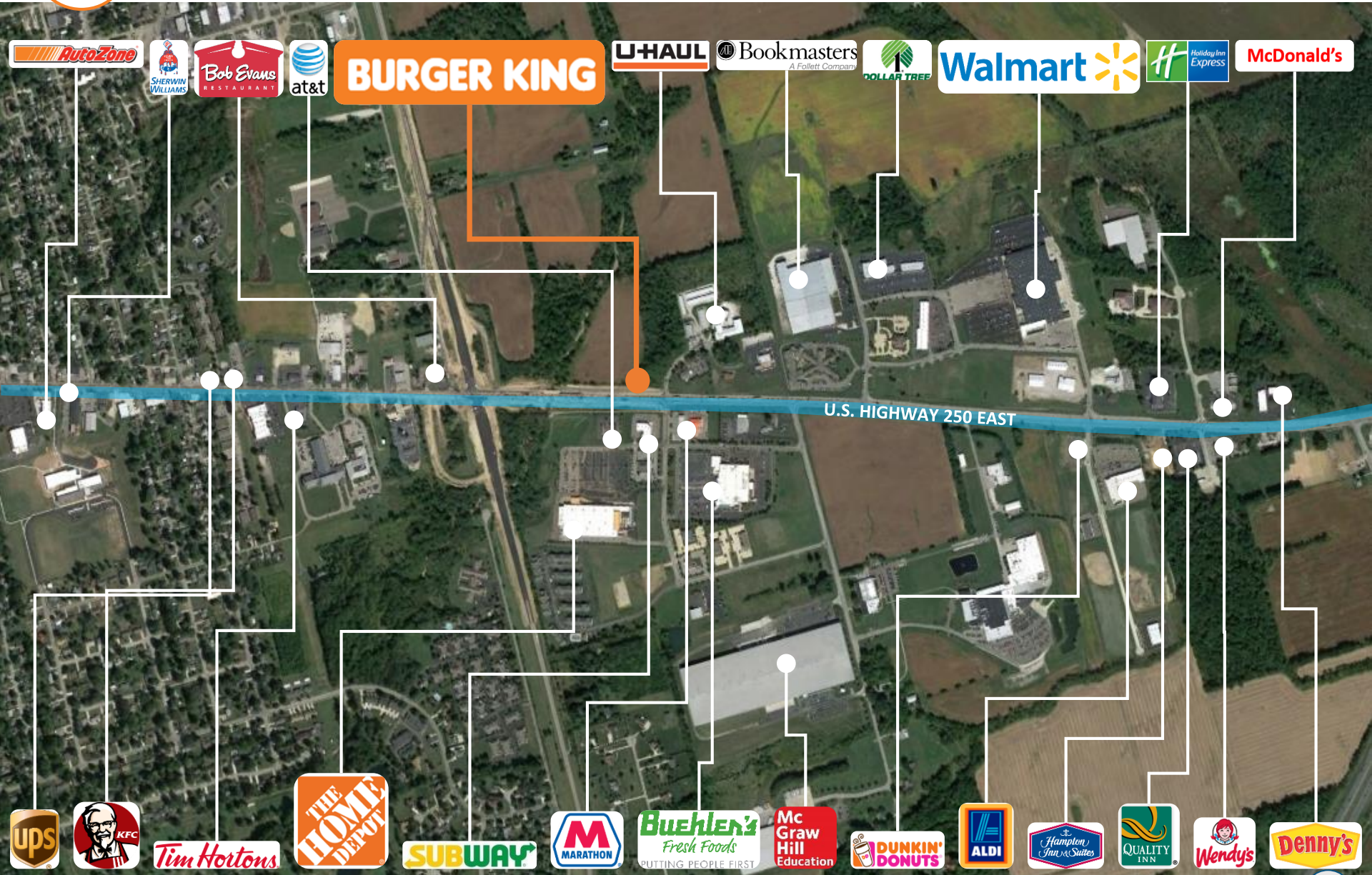




# Surrounding Area

Property Address: 10 Sugarbush Court – Ashland, Ohio

**BURGER KING**





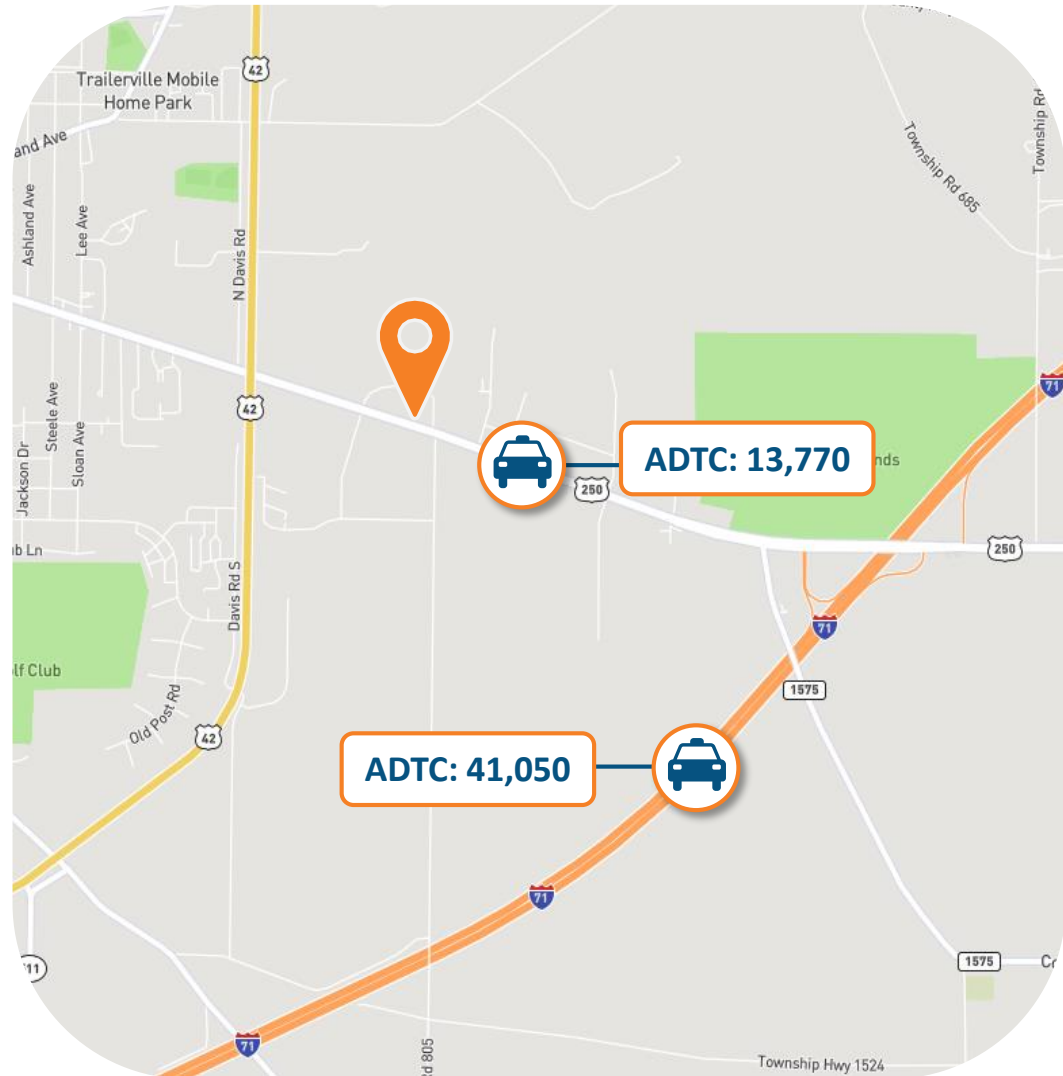
# Location Overview

**BURGER KING**

This Burger King property is located at 10 Sugarbush Court in Ashland, Ohio. The property is well-positioned in a highly dense retail corridor consisting of shopping centers, national and local tenants, medical centers, and hotels. Major national and local tenants in the area include: Walmart, Home Depot, Bob Evans, Dollar General, AutoZone, Dollar Tree, KFC, and many others. University Hospitals Samaritan Medical center is located less than two miles away. There are five schools located within four miles of the subject property with a combined total enrollment of over 3,000 students. Ashland University and the Ashland Theological Seminary are both located less than three miles from the subject property. Ashland University has a total enrollment of 5,700 students, while the Ashland Theological Seminary has approximately 800 attendees. Accommodations in the immediate area include a Holiday Inn Express, Quality Inn, and Hampton Inn. Ashland County Airport is located four miles from the subject property. In 2016, the airport had approximately 8,400 aircraft operations, an average of 23 per day.

The subject property is positioned just off of US-250, which experiences average daily traffic counts of 13,770 vehicles. Nearby, US-250 intersects with Interstate-71, which brings an additional 41,050 vehicles to the immediate area per day. There are 19,893 individuals residing within a three mile radius of the subject property and over 26,000 individuals within a five mile radius.

Ashland is a city in and the county seat of Ashland County, Ohio. The city is less than 20 miles west from Wooster and less than 50 miles southwest from Akron. From the heart of winter to the height of summer, there's always something to do in Ashland County—whether you're lucky enough to call this place home or you're paying a weekend or weeklong visit. Downtown Ashland makes a fine launchpad for any visit to Ashland County. The city matches its varied lineup of cafes and eateries with a broad gamut of stores: from national chains to boutiques and mom-and-pop outfits. And if you're looking to get out and enjoy their forests, fields, and rivers, beeline for Fin, Feather, Fur Outfitters, an outdoor superstore beloved by hunters, anglers, campers, and other sportspeople.







# Property Photo

**BURGER KING**



Subject Property





# Property Photo

**BURGER KING**



Subject Property





# Property Photo

**BURGER KING**



Subject Property





# Surrounding Area Photos

**BURGER KING**







# Regional Map

**BURGER KING**

Property Address: 10 Sugarbush Court – Ashland, Ohio

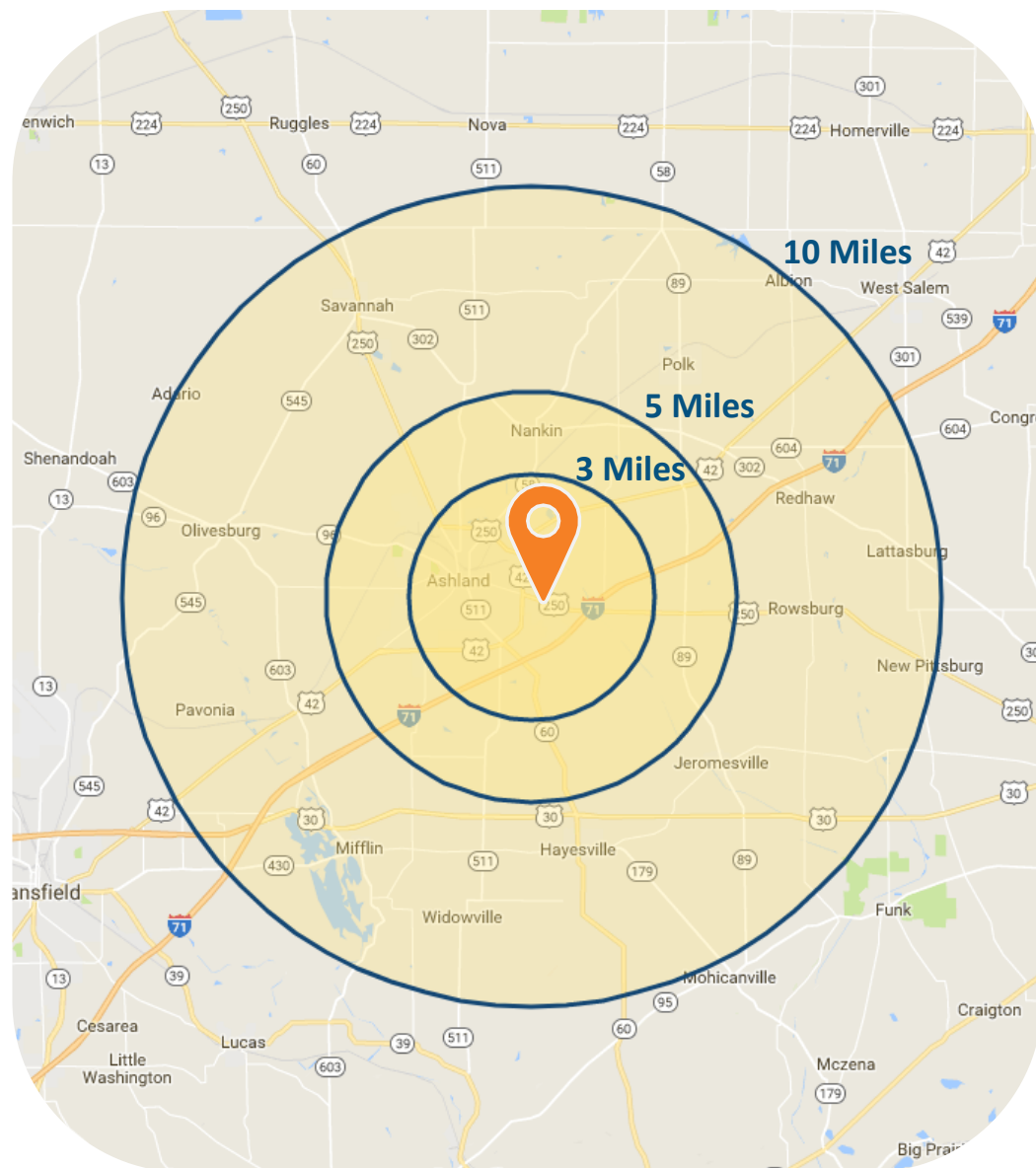




# Demographics

Property Address: 10 Sugarbush Court – Ashland, Ohio

**BURGER KING**



**3 Miles 5 Miles 10 Miles**

## Population:

2022 Projection	21,166	27,024	48,423
2017 Estimate	21,092	26,919	48,291
2010 Census	21,101	26,873	48,330
Growth 2017-2022	0.35%	0.39%	0.27%
Growth 2010-2017	(0.04%)	0.17%	(0.08%)
2017 Population Hispanic Origin	307	374	592

## 2017 Population by Race:

White	20,127	25,820	46,662
Black	335	372	571
Am. Indian & Alaskan	37	50	99
Asian	256	284	326
Hawaiian & Pacific Island	24	30	42
Other	314	363	590

## Households:

2022 Projection	8,223	10,493	18,326
2017 Estimate	8,195	10,452	18,279
2010 Census	8,222	10,458	18,347
Growth 2017 - 2022	0.34%	0.39%	0.26%
Growth 2010 - 2017	(0.33%)	(0.06%)	(0.37%)
Owner Occupied	5,261	7,139	13,781
Renter Occupied	2,934	3,313	4,499

## 2017 Avg Household Income

**\$56,988 \$59,773 \$63,362**

## 2017 Med Household Income

**\$44,522 \$47,084 \$52,169**

## 2017 Households by Household Inc:

<\$25,000	2,318	2,753	4,044
\$25,000 - \$50,000	2,193	2,750	4,727
\$50,000 - \$75,000	1,610	2,075	3,907
\$75,000 - \$100,000	924	1,256	2,718
\$100,000 - \$125,000	570	787	1,435





# Market Overview

City: Wooster | County: Wayne | State: Ohio

*Wooster, OH*

**Wooster** is a city located just 15 miles outside of Ashland, Ohio. Wooster is the headquarters of several industrial entities. Buehler Food Markets Inc., Wooster Brush, Seaman Corp., Tricor Industrial, Wooster Motor Ways, and Certified Angus Beef have corporate headquarters located in Wooster. Rubbermaid made its corporate headquarters in Wooster until the end of 2003. LuK, the German maker of dual clutch transmissions has its North America headquarters in Wooster where mainly torque converters are produced. Other large commercial operations in Wooster are Frito-Lay, Akron Brass, United Titanium, and Bogner Construction Company. Wooster is also the world headquarters of the Prentke Romich Company which is a member of a consortium of companies that produce assistive technology and augmentative communication devices. For its size, Wooster is also dedicated to the "industry of education." It has The College of Wooster, and two subsidiaries of The Ohio State University: the Agricultural Technical Institute; and the Ohio Agricultural Research and Development Center, a teaching and research facility dedicated to agricultural science. In addition to these industries, Wooster remains an agricultural center for Ohio.

## Major Employers

Employer	Estimated # of Employees
Ashland Times Gazette	855
Hydromatic Pumps Inc	600
Wrl of Indiana Inc	600
Ohio Department Transportation	480
Mc Graw-Hill Educational Pubg	401
PEOPLES HOSPITAL	349
Walmart	335
Pentair Water	279
Hedstrom Fitness	270
Visiting Nurse Assn Ashland	257
Buehler 3	209
Snyders-Lance Inc	205

**BURGER KING**

Marcus & Millichap

**EXCLUSIVE NET LEASE OFFERING**

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