



## Burger King & AIO

6428 E. Shelby Drive, Memphis, TN 38118

OFFERING MEMORANDUM

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

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## PRICING AND FINANCIAL ANALYSIS

## INVESTMENT HIGHLIGHTS

### LONG TERM STABILIZED INVESTMENT

- **Long Term Lease** – There are **±17 years remaining** on the original 20-year lease with Two (2), Five (5) Year Options for the tenant to extend
- **Strong Hedge Against Inflation** – There are **10% increases in rent every 5 years in base term, CPI increases in options** allowing properties to keep up with rising market rents
- **Attractive Tax Benefits** – Ownership includes land and improvements, allowing owners to **depreciate the improvements** over a 39-year depreciation schedule
- **Absolute NNN Lease** – Landlord has **zero landlord responsibilities** because the tenant takes care of insurance, real estate taxes, and maintenance
- **Accelerated Depreciation** - Gas pumps allow this property to be depreciated much more quickly than the common 39 year schedule

### CORNER LOCATION IN STRONG RETAIL AREA

- **Tax Free State** – Tennessee is one of 8 states out of 50 that has **no state income taxes** – great investment for those also living in tax free states or those who do not want to file taxes in other states
- **Hard Corner Location** – This site sits on a **signalized corner** with ingress and egress on both E Shelby Dr and Kirby Pkwy
- **Competitive Advantage** – Only dual concept fast food and gas station on corner and within several miles
- **Strong Retail Corridor** – Other national tenants in the immediate area include Walgreens, Walmart, Circle K, Kroger, Little Caesars, KFC, Family Dollar, Phillips 66, Exxon, O'Reilly Auto Parts, Advance Auto Parts, Pizza Hut, Wendy's, Taco Bell, and McDonald's amongst others

### SEASONED OPERATOR OF AN EXCELLENT BRAND

- **Substantial Guarantee** – The entity is backed by over 40+ units and is the regional operating company for Cambridge Franchise Holdings' BK units in TN, MS, AR, etc.
- **Capital Partnered with Experience** – Backed by Garnett Station Partners, Cambridge Franchise Holdings has grown to operate over 200+ QSR stores (165 Burger King restaurants and 60 Popeyes restaurants) – BK/Popeyes operations are led by Ray Meeks who is a recipient of multiple BK Franchisee of the Year Awards and has been an operator of QSR concepts since 1984
- **World Renowned Brand** – Burger King first opened in 1954 and today there are 15,000+ BK restaurants in over 100 countries

## EXECUTIVE SUMMARY

6428 E. Shelby Drive  
Memphis, TN 38118

List Price . . . . . \$3,458,000  
Gross Leasable Area . . . . . ± 5,440 SF  
CAP Rate - Current. . . . . 6.00%  
Year Remodeled . . . . . 2012  
Lot Size . . . . . ± 1.13 Acres (49,223 SF)



## ANNUALIZED OPERATING DATA

	BK	AIO	Total	Rent/ SF	CAP Rate
Current	\$127,468	\$80,000	\$207,468	\$38.14	6.00%
Second Rent Period	\$140,215	\$88,000	\$228,215	\$41.95	6.60%
Third Rent Period	\$154,236	\$96,800	\$251,036	\$46.15	7.26%
Fourth Rent Period	\$169,660	\$106,480	\$276,140	\$50.76	7.99%
Option 1:	\$186,626	\$117,128	\$303,754	\$55.84	8.78%
Option 2:	\$204,428	\$128,841	\$333,269	\$61.26	9.34%

## TENANT SUMMARY

Tenant Trade Name	Burger King & AIO
Type of Ownership	Fee Simple
Lease Guarantor	Franchisee (MIC/Tennessee Quality LLC)
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	20 years
Lease Commencement Date	1/6/2016
Rent Commencement Date	1/6/2016
Lease Expiration Date	1/5/2036
Term Remaining on Lease	±17 Years
Increases	10% Every 5 Years in base term, CPI increases in options
Options	Two (2), Five (5) Year Options



Parent Company	Cambridge Franchise Holdings / Mirabile Investment Corp
Number of Locations	200 Units
Ownership	Private
Headquartered	Memphis, TN
Web Site	<a href="http://www.garnettstation.com/burger-king/">http://www.garnettstation.com/burger-king/</a>
Year Founded	2014

Cambridge Franchise Holdings is led by Ray Meeks (CEO), a 30-year Burger King Franchisee and seasoned restaurant operator. He has been the recipient of several Burger King Awards such as the Franchisee of the Year, the Burger King Development, Excellence, and Leadership Award, the Burger King National Award of Excellence, and the Burger King National Brand Leadership Award. Ray has also served as Vice Chairman of the National Franchise Association, which represents Burger King Franchisees across the country and Canada. The company currently operates 200+ locations all over the Southeastern states. Their outstanding track record has allowed Cambridge Franchise Holdings to be recognized as one of the fastest growing and most profitable Burger King franchisees in the Burger King network. They have achieved this with a strong management team, a culture of partnership among all of its employees and healthy financial support from Garnett Station. The company plans to continue growth and expansion through the Southeast through development of new restaurants and acquisitions.

Mirabile Investment Corp (MIC) is owned and operated by Cambridge Franchise Holdings and has 165+ locations with long operating history and above average sales numbers. A large majority of the MIC stores have been renovated in the past 4-5 years.

For further information or questions, please contact Gary Chou.



PROPERTY DESCRIPTION

THE OFFERING

Property Name . . . . .	Burger King & AIO
Property Address . . . . .	.6428 E. Shelby Drive
	Memphis, TN 38118
Assessor’s Parcel Number . . . . .	09-3700-0-0516

SITE DESCRIPTION

Number of Stories . . . . .	One
Year Remodeled . . . . .	2012
Gross Leasable Area (GLA) . . . . .	±5,440 SF
Lot Size . . . . .	±1.13 Acres (49,223 SF)
Type of Ownership. . . . .	Fee Simple
Parking . . . . .	± 15 Surface Spaces
Parking Ratio . . . . .	2.76 : 1,000 SF
Landscaping . . . . .	Professional
Topography. . . . .	Generally Level



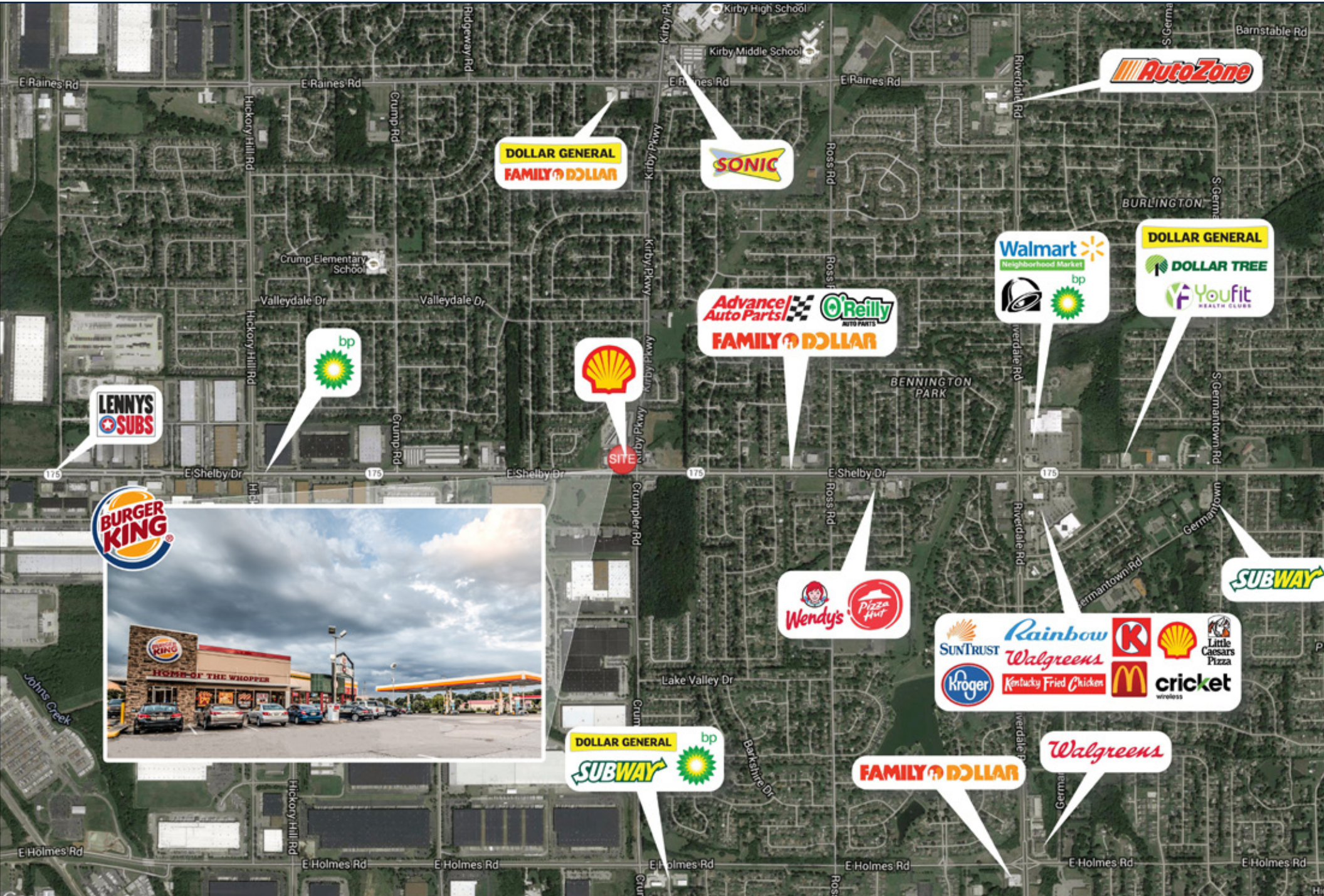


Kirby Pkwy

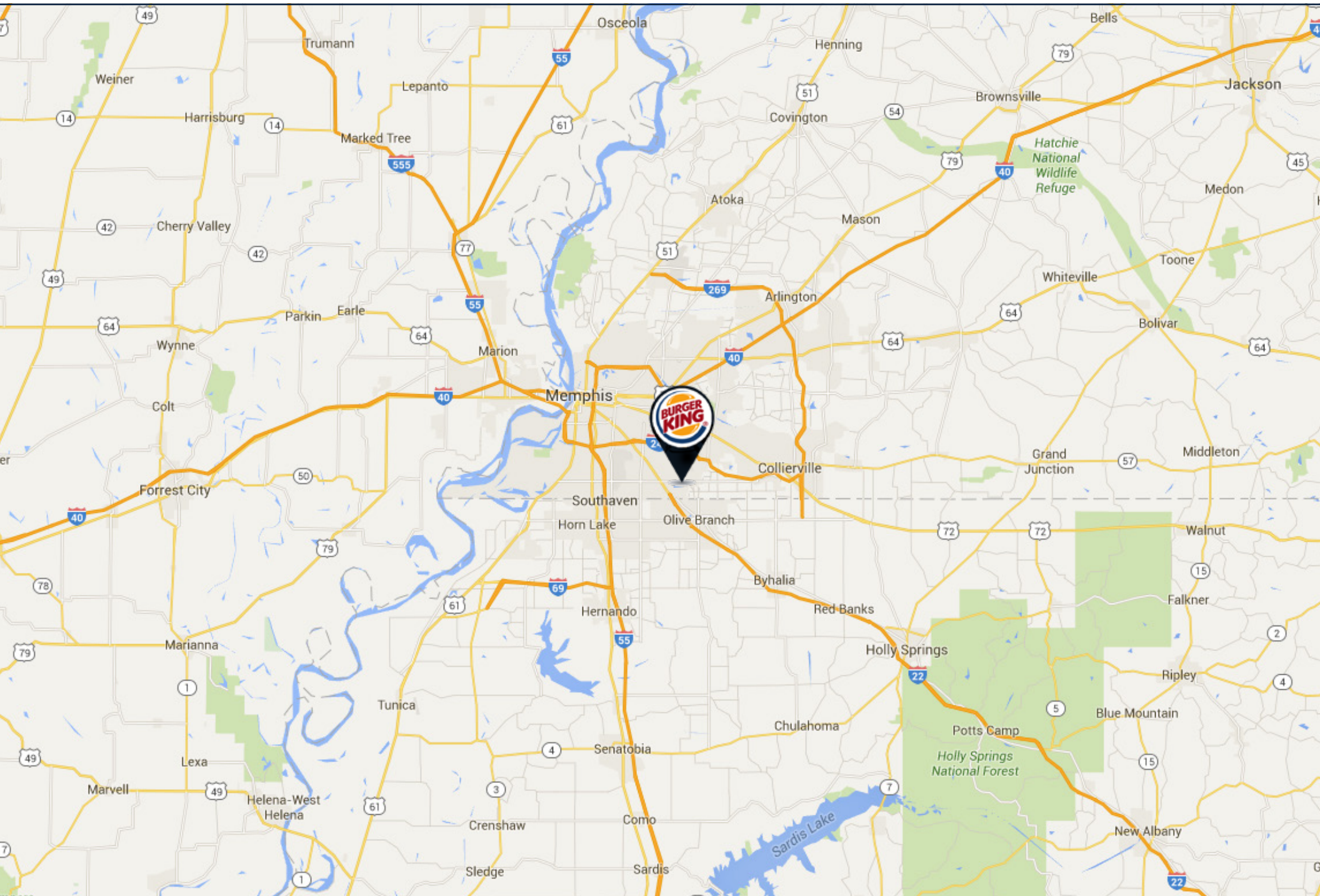
Crumpler Rd

E Shelby Dr ±26,000 ADT

# Tenant Map



# Regional Map

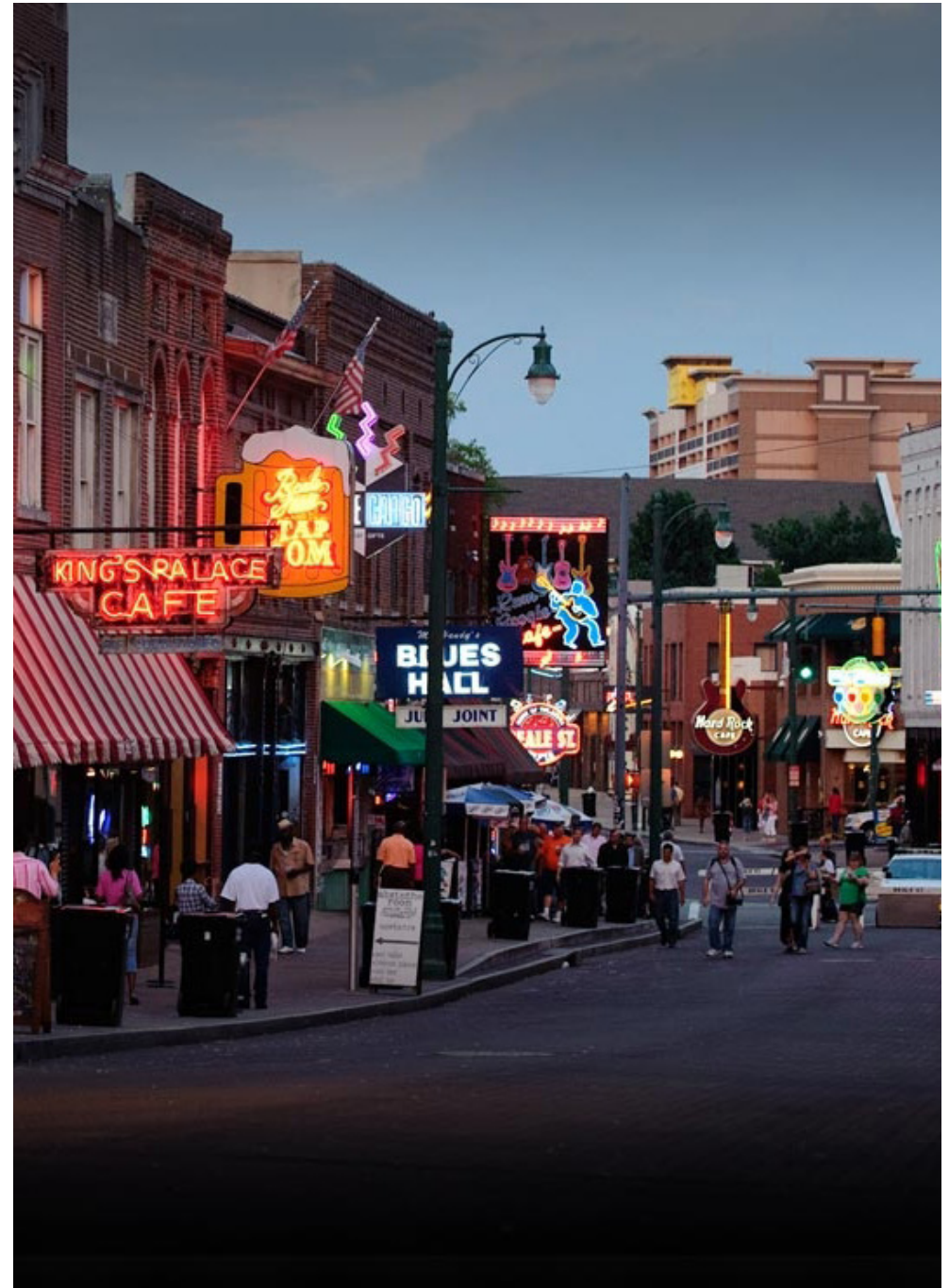




DEMOGRAPHICS

# Demographics Report

Population	1-Mile	3-Mile	5-Mile
2021 Projection	12,663	83,372	170,272
2016 Estimate	12,684	81,487	165,676
2010 Census	12,815	79,693	160,925
2000 Census	12,531	70,868	141,054
Growth 2016-2021	-0.17%	2.31%	2.77%
Growth 2010-2016	-1.02%	2.25%	2.95%
Growth 2000-2010	2.27%	12.45%	14.09%
Households			
2021 Projection	4,105	29,731	62,840
2016 Estimate	4,089	29,110	61,172
2010 Census	4,088	28,626	59,620
2000 Census	4,174	26,906	54,166
Growth 2016-2021	0.40%	2.13%	2.73%
Growth 2010-2016	0.02%	1.69%	2.60%
Growth 2000-2010	-2.07%	6.39%	10.07%
Income			
\$0 - \$15,000	8.22%	12.92%	12.56%
\$15,000 - \$24,999	6.92%	11.15%	11.03%
\$25,000 - \$34,999	12.46%	12.65%	12.00%
\$35,000 - \$49,999	20.22%	15.40%	15.11%
\$50,000 - \$74,999	23.81%	19.68%	19.70%
\$75,000 - \$99,999	14.39%	13.00%	12.20%
\$100,000 - \$124,999	7.89%	7.38%	7.44%
\$125,000 - \$149,999	3.28%	4.16%	4.31%
\$150,000 - \$199,999	1.70%	2.41%	3.10%
\$200,000 - \$249,999	0.54%	0.69%	1.06%
\$250,000 - \$499,999	0.44%	0.45%	1.11%
\$500,000+	0.12%	0.11%	0.38%
2016 Est. Average Household Income	\$61,589	\$59,177	\$63,934
2016 Est. Median Household Income	\$52,283	\$47,935	\$49,306



## MEMPHIS, TENNESSEE

Memphis is a city in the southwestern corner of Tennessee and the county seat of Shelby County. With a population of about 700,000 Memphis is the largest city in Tennessee, the largest city on the Mississippi River, and the third largest city in the greater Southeastern United States.

The city's central geographic location has been strategic to its business development. The economic base is diverse and its status as a good business base is on the rise—the city is headquarters for retailer AutoZone and FedEx Corporation, and International Paper is relocating its headquarters from Connecticut. It is also known as a good base for smaller and especially minority owned businesses. Located on the Mississippi River and intersected by five major freight railroads and two Interstate Highways, I-40 and I-55, Memphis is ideally located for commerce in the transportation and shipping industry. Its access by water was key to its initial development, with steamboats plying the Mississippi river. Railroad construction strengthened its connection to other markets to the east and west.

Memphis is a pilgrimage for those wanting to visit the birthplace of the blues, soul and of rock 'n' roll. On Beale Street, W.C. Handy put down on paper the first written blues music. Elvis, Roy Orbison, Jerry Lee Lewis and Johnny Cash all recorded at the historic Sun Records, which is now a museum. Graceland, the second most-visited home in America, welcomes visitors from around the world who yearn for a peek into the life of “the King.” A general resurgence in the popularity of blues has brought new life to Memphis as a tourist attraction. The historic Beale Street neighborhood provides music entertainment opportunities for residents and tourists.



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