



# ARBY'S

CHASKA, MN

OFFERING MEMORANDUM

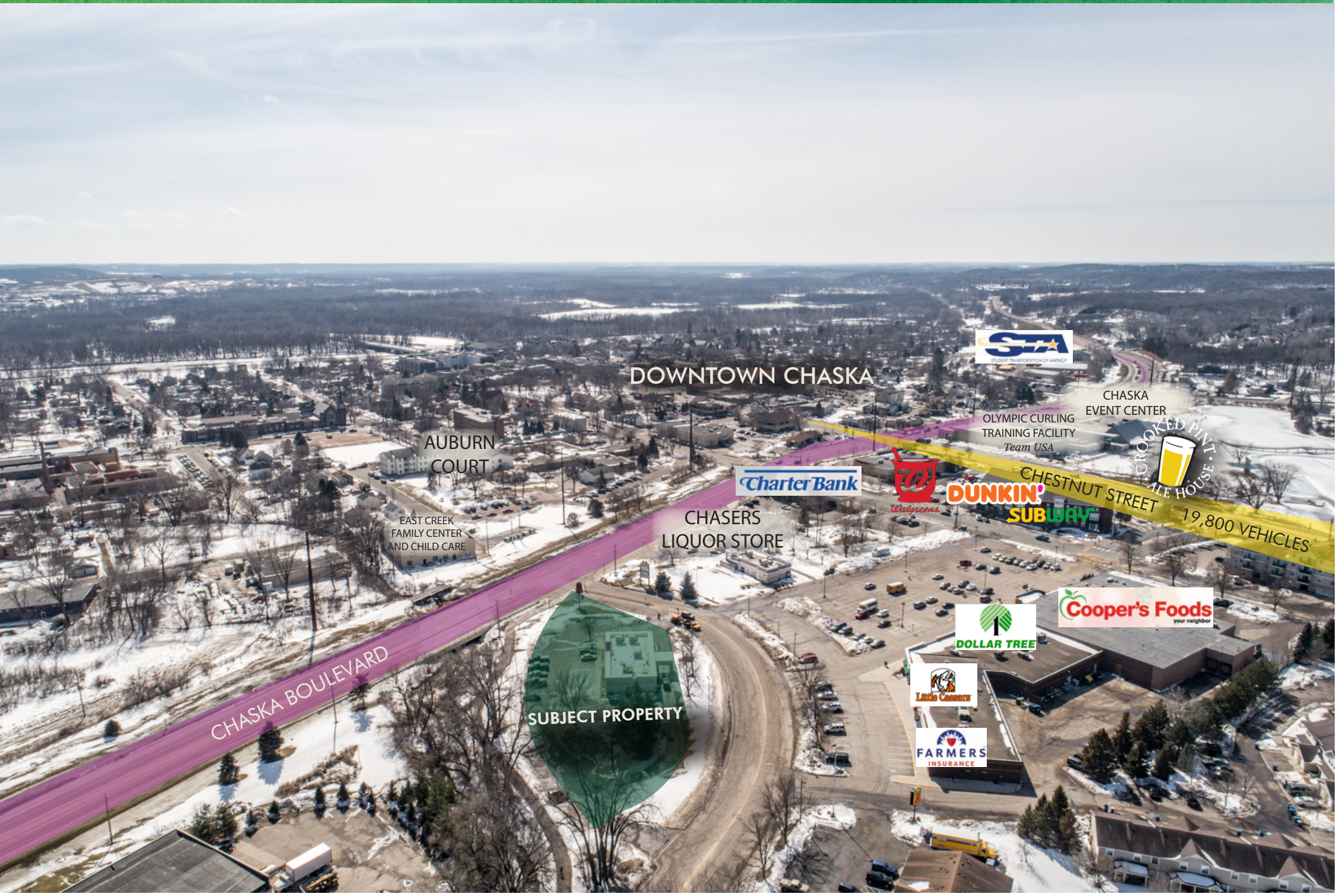






# AERIAL - SOUTHEAST FACING

## ARBY'S | CHASKA, MN



DOWNTOWN CHASKA

AUBURN COURT

EAST CREEK  
FAMILY CENTER  
AND CHILD CARE

CHASERS  
LIQUOR STORE

Charter Bank



DUNKIN'  
SUBWAY



OLYMPIC CURLING  
TRAINING FACILITY  
Team USA

CHASKA  
EVENT CENTER



CHESTNUT STREET

19,800 VEHICLES

CHASKA BOULEVARD

SUBJECT PROPERTY



Cooper's Foods  
your neighbor





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Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of

the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

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# INVESTMENT OVERVIEW

## ARBY'S | CHASKA, MN

### PRICE

**\$2,318,000**  
**7.00% CAP Rate**

#### ADDRESS

805 E Yellow Brick Road  
Chaska, MN

#### APN

30-6430030

#### NET OPERATING INCOME

\$162,231

#### BUILDING/LOT SIZE

3,431 SF / 1.75 Acres

#### YEAR BUILT

1980

#### LEASE TYPE

NNN

#### TERM REMAINING

7 years and 9 months

#### OPTIONS

3(5)

#### TYPE OF OWNERSHIP

Fee Simple

### OVERVIEW

CBRE is pleased to offer this freestanding building leased to Arby's Restaurant Group. The property benefits from its close proximity to downtown Chaska, Cooper's County Market, and the Chaska Curling Center. It is also only a short drive to Hazeltine National Golf Club, home to the 2016 and 2028 Ryder Cups. The property has excellent visibility and easy access to County Roads 61 & 41, the main corridors running in and out of downtown Chaska.

Arby's has operated at the Chaska location since 2007. The lease has nearly eight years remaining. The lease is absolute NNN requiring no landlord responsibilities and has scheduled rental increases of 10% every five years throughout the remaining lease term and all options.

The city of Chaska is a Twin Cities suburb situated on the North bank of the Minnesota River. It is one of the fastest growing suburbs in the metro, having experienced over 50% growth over the past 20 years. Today the city of Chaska carries a population of approximately 27,000 residents.

### HIGHLIGHTS

- + Chaska is Home to Hazeltine National Golf Club
- Hazeltine the Host of Two Ryder Cups (2016 & 2028)
- + Next to Team USA Curling's 2020 Olympic Training Facility
- + Corporate Guaranty with Arby's Restaurant Group
- + High Growth Market
- 50%+ Growth in Preceding 20 Years



# INVESTMENT SUMMARY

## ARBY'S | CHASKA, MN

### RENT SCHEDULE

Rent Start	Rent End	Annual Rent	Monthly Rent	Per SF
1/1/2019 [CURRENT]	12/31/2019	\$162,231	\$13,519.25	\$47.28
1/1/2022	12/31/2026	\$178,454	\$14,871.14	\$52.01
1/1/2027 [OPTION 1]	12/31/2031	\$196,299	\$16,358.28	\$57.21
1/1/2032 [OPTION2]	12/31/2036	\$215,929	\$17,994.11	\$62.93
1/1/2037 [OPTION 3]	12/31/2041	\$237,522	\$19,793.52	\$69.23





# TENANT SUMMARY

## ARBY'S | CHASKA, MN



### TENANT SUMMARY

Ownership	Private
Tenant	Arby's
Lease Guarantor	Arby's Restaurant Group (Corporate)
No. of Locations	3,300
Headquartered	Atlanta, GA
Website	<a href="http://www.arbys.com">www.arbys.com</a>

The Arby's brand purpose is Inspiring Smiles Through Delicious Experiences®. Arby's delivers on its purpose by celebrating the art of Meatcraft® with a variety of high-quality proteins and innovative, crave-able sides, such as Curly Fries and Jamocha shakes. 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, Georgia.

In October 2017 Arby's was called "America's second largest sandwich chain" by Food & Wine Magazine. Arby's Restaurant Group owns a number of other national chains, most recently including Buffalo Wild Wings with an acquisition that concluded on February 5, 2018.



# AERIAL - EAST FACING

## ARBY'S | CHASKA, MN



CARVER COUNTY  
COURT COMPLEX

SOUTHWEST METRO  
INTERMEDIATE  
DISTRICT

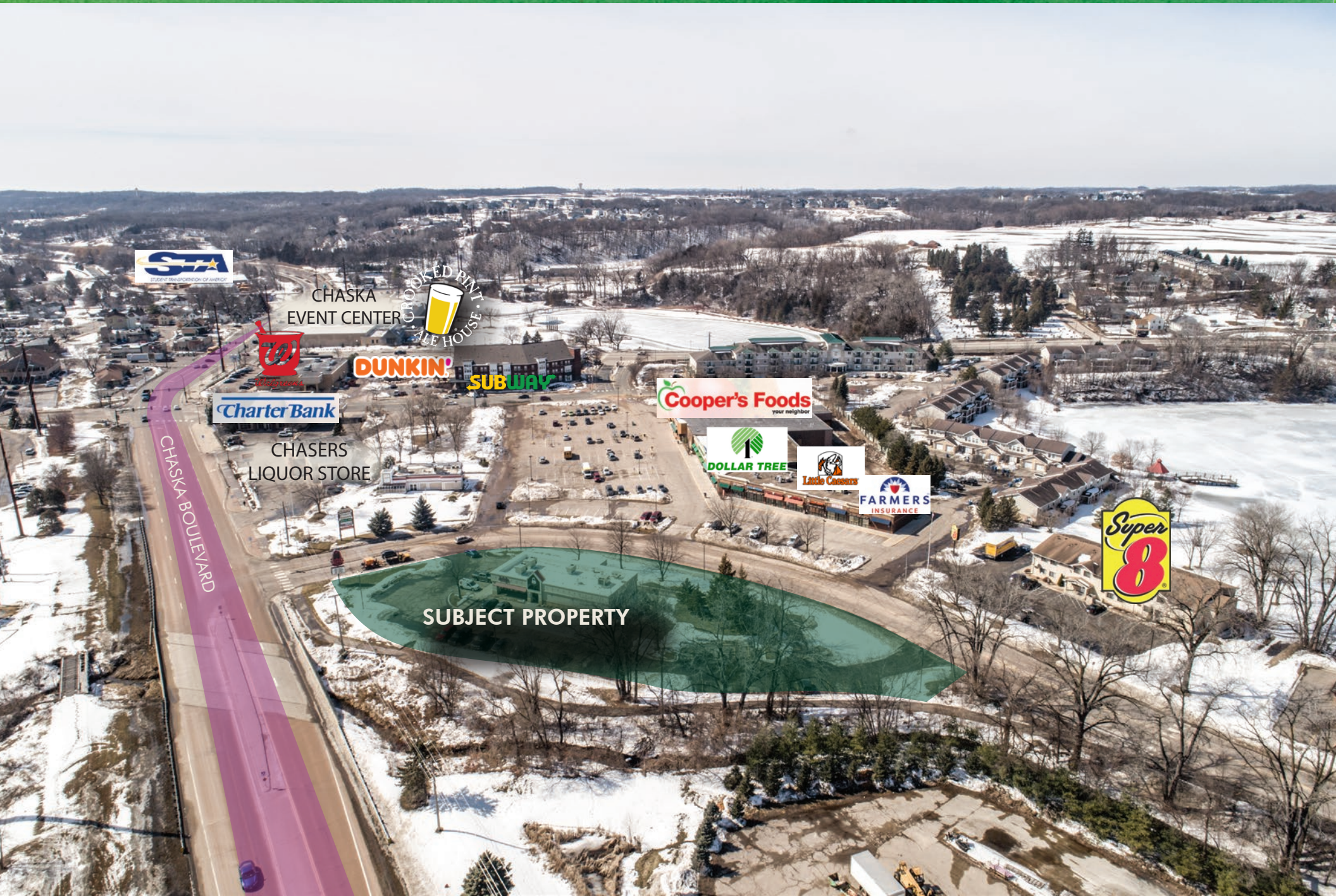
ST. JOHN'S  
LUTHERAN SCHOOL  
*180+ Students*

Arby's



# AERIAL - SOUTH FACING

## ARBY'S | CHASKA, MN





# AERIAL ARBY'S | CHASKA, MN





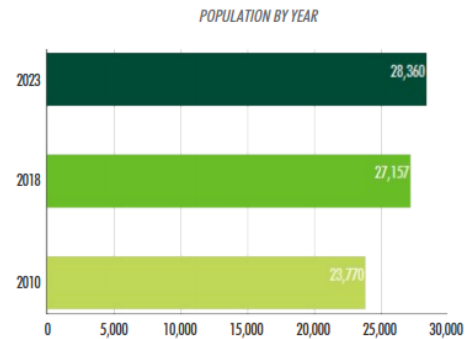
# CONSUMER BASE

## ARBY'S | CHASKA, MN

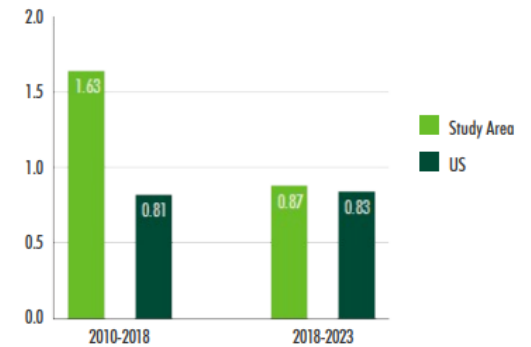
### CONTINUED EXPANSION COMING FOR THIS MINNEAPOLIS SUBURB

Located to the southwest of Minneapolis the suburb of Chaska thrives, looking forward to a spike in its population growth supported by the construction of Highway 212. The completion of the highway provides a link to the heart of the Twin Cities and will include a bus rapid transit route. The planned Metro Green Line Extension will bring light rail service to the southwestern suburbs, including Chaska.

#### POPULATION



#### % ANNUAL POPULATION GROWTH



#### INCOME

**\$80,742**  
MEDIAN HOUSEHOLD INCOME

**\$40,014**  
PER CAPITA INCOME

#### TOP FIVE EMPLOYERS IN CHASKA

**Entegris**  
**FSI**  
**Lake Region**  
**Lifecore Biomedical**  
**Beckman Coulter**





# DEMOGRAPHICS

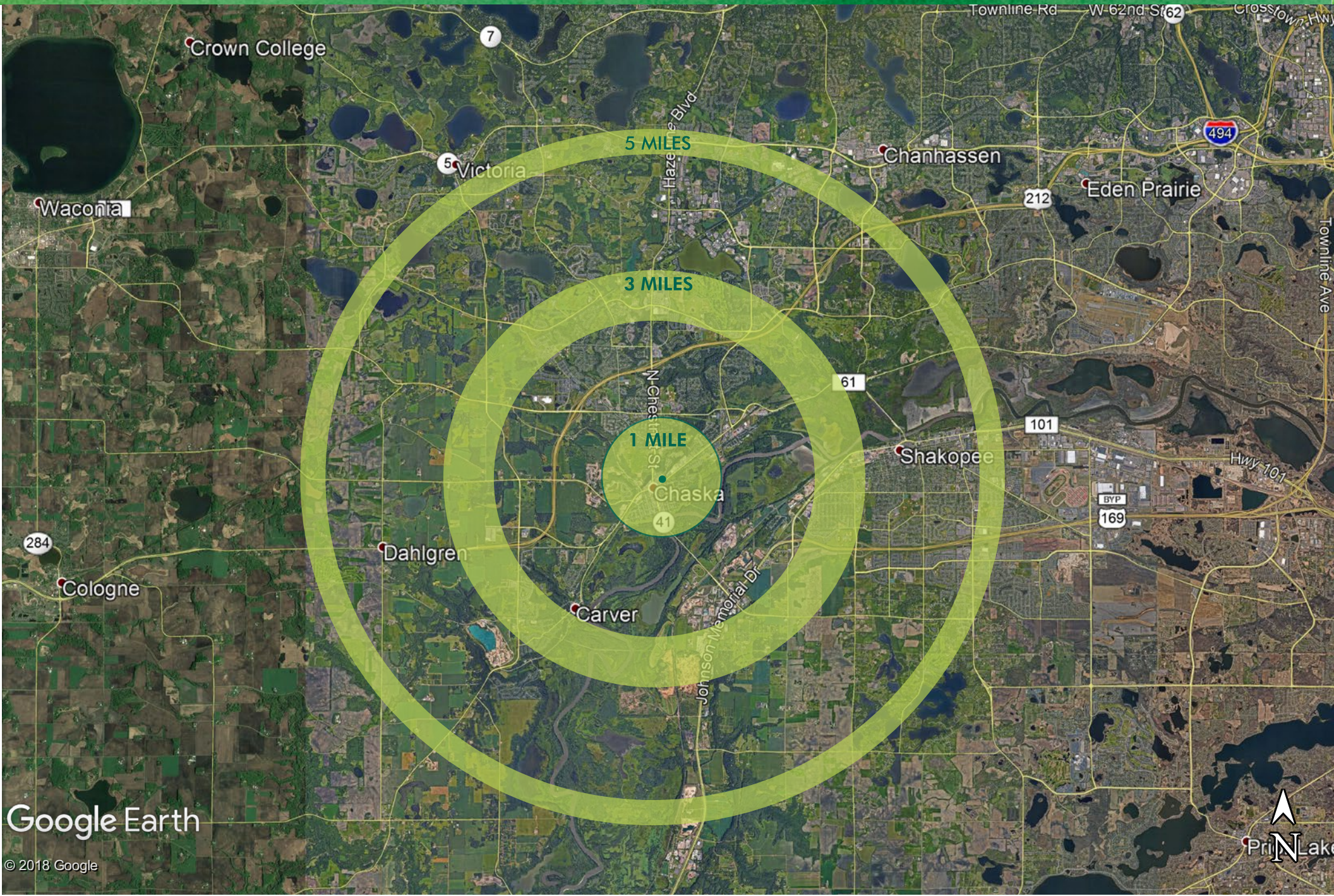
## ARBY'S | CHASKA, MN

	1 Mile	3 Miles	5 Miles
POPULATION			
2018 Population - Current Year Estimate	5,823	31,279	71,260
2023 Population - Five Year Projection	6,034	32,589	75,836
2018-2023 Annual Population Growth Rate Projection	0.71%	0.82%	1.25%
GENERATIONS			
Generation Z (Born 1999-2016)	27.5%	27.0%	27.0%
Millennials (Born 1981-1998)	27.2%	24.2%	23.4%
Generation X (Born 1965-1980)	20.8%	23.0%	23.8%
Baby Boomers (Born 1946-1964)	17.1%	18.9%	18.8%
HOUSEHOLD INCOME			
2018 Average Household Income	\$78,734	\$101,660	\$114,657
2023 Average Household Income	\$94,484	\$118,325	\$132,448
EDUCATION			
High School Diploma	24.8%	20.4%	18.5%
Some College - No Degree	21.1%	18.9%	17.8%
Associate's Degree	12.9%	12.1%	11.9%
Bachelor's Degree	19.1%	28.3%	29.5%
Graduate or Professional Degree	9.4%	10.6%	13.3%
EMPLOYMENT			
2018 Employed Civilian Population (16+)	98.3%	98.2%	97.9%
2018 Unemployed Population (16+)	1.7%	1.8%	2.1%
COMMUTE TIMES			
15-19 Minutes	22.3%	16.6%	15.8%
20-24 Minutes	7.7%	12.4%	14.3%
25-29 Minutes	6.6%	8.4%	8.1%
30-34 Minutes	13.4%	14.4%	15.3%



# DEMOGRAPHICS

## ARBY'S | CHASKA, MN





# CONSUMER BASE

ARBY'S | CHASKA, MN

## DOMINANT TAPESTRY SEGMENT

**23.9%** SOCCER MOMS

- Affluent, family-oriented market with a country flavor
- Well insured and invested in a range of funds
- Family oriented purchases and activities dominate
- Outdoor activities and sports are characteristic
- Favor time-saving devices like online banking or housekeeping services and family-oriented pursuits

## OTHER TOP SEGMENTS

**18.3%** UP AND COMING FAMILIES

- Markets in transition - residents are younger, more mobile, more ethnically diverse than the previous generation
- Ambitious and working hard to get ahead
- Careful shoppers, aware of prices, and willing to shop around for the best deals
- Young families still feathering the nest and establishing their style

## DOMINANT LIFEMODE GROUP

**26.8%** FAMILY LANDSCAPES

- Successful young families in their first homes
- Two workers in the family, prosperous married couple families
- Do-it-yourselfers who work on home improvement projects, as well as their lawns and gardens
- Eat out frequently at fast food or family restaurants

## DOMINANT URBANIZATION GROUP

**73.5%** SUBURBAN

- Urban expansion: commuters value low density living but demand proximity to jobs, entertainment and amenities of an urban center
- Well-educated, two-income households accept long commutes to raise children in family-friendly neighborhoods
- Invest for the future, insure themselves against unforeseen circumstances, but also enjoy fruits of their labor

**13.0%** PROFESSIONAL PRIDE

- Well-educated career professionals that have prospered through the Great Recession
- Goal oriented couples who work, often commuting far and working long hours
- Financially savvy
- Most households have three or more vehicles; long commutes are the norm





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