

NEW PROTOTYPE
CURRENTLY
UNDER REMODEL!



ACTUAL SITE

SCHLOTZSKY'S

9495 NORTH OWASSO EXPRESSWAY
OWASSO, OKLAHOMA 74055

OFFERING
MEMORANDUM

Represented by:
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CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

SCHLOTZSKY'S
OWASSO, OKLAHOMA

| | |
|-------------------------|--|
| NAME | SCHLOTZSKY'S |
| LOCATION | 9495 North Owasso Expressway Owasso, Oklahoma 74055 |
| MAJOR CROSS STREETS | On N Owasso Expy, East of Mingo Valley Expy |
| TENANT | CAPITAL FOOD GROUP, LLC |
| PURCHASE PRICE | \$1,966,000 |
| CAP RATE | 6.00% |
| ANNUAL RENT | \$118,000 |
| GROSS LEASEABLE AREA | 3,073 SF |
| RENTAL ESCALATIONS | Flat During Initial Term |
| LEASE TYPE | Absolute NNN |
| OWNERSHIP | (Building & Land) Fee Simple |
| YEAR BUILT REMODELED | 2015 2019 |
| LOT SIZE | ±1.14 Acres |
| LEASE EXPIRATION (EST.) | June 2029 |
| OPTIONS | Two 5-Year Renewal Options |

INVESTMENT HIGHLIGHTS

LEASE: Brand New 10-Year Absolute NNN Lease – Flat During Initial Term with 10% Rental Escalations every 5 Years in Two 5-Year Renewal Options

TENANT: **Capital Food Group, LLC** is One of the Fastest Growing Franchisees in the Schlotzsky's System. They have a Location in Branson Open and are Expanding into 10 New Locations in Oklahoma, Kansas, and Missouri

NEWER CONSTRUCTION: Built in 2015 – Remodeled in 2019 to New Schlotzsky's Restaurant Prototype

TRAFFIC COUNTS: Excellent Frontage with Traffic Counts on N Owasso Expy: 39,476 CPD & E 96th St: 30,462 CPD

2018 DEMOGRAPHICS (5-MI): Total Population: 59,270 | **Avg HH Income (1-MI): \$104,697 | Population Growth 2010-2018: 26.92%**



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

FINANCIAL ANALYSIS

SUMMARY

| | | | |
|------------------------|---|-----------------------|--|
| TENANT | Capital Food Group, LLC DBA – Schlotzsky's | LOT SIZE | ±1.14 Acres |
| PURCHASE PRICE | \$1,966,000 | EXPENSE REIMBURSEMENT | This is an Absolute NNN lease . Tenant is responsible for all expenses. |
| CAP RATE | 6.00% | FINANCING | All Cash or Buyer to obtain new financing at Close of Escrow. |
| GROSS LEASABLE AREA | 3,073 SF | | |
| YEAR BUILT REMODELED | 2015 2019 | | |

RENT ROLL

| TENANT INFO | | LEASE TERMS | RENT SUMMARY | | |
|-------------------------|-------|--|--------------|-----------|------------------------|
| TENANT NAME | SQ FT | TERM | INCREASE | RENT | ANNUAL INVESTOR RETURN |
| Capital Food Group, LLC | 3,073 | Years 1-10: 04/2019 to 06/2029 | Current | \$118,000 | 6.00% |
| RENEWAL OPTIONS | | 1 st Option: 07/2029 to 06/2034 | 10% | \$129,800 | |
| | | 2 nd Option: 07/2034 to 06/2039 | 10% | \$142,780 | |



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TENANT OVERVIEW

SCHLOTZSKY'S
OWASSO, OKLAHOMA



TYPE
OF LOCATIONS

PRIVATELY HELD
350

PARENT
INDUSTRY

FOCUS BRANDS
RESTAURANTS-FAST FOOD



<https://www.schlotzskys.com/>

<https://www.focusbrands.com/>

Countdown to 2020

Schlotzsky's is a privately held franchise chain of restaurants, specializing in sandwiches. The company is headquartered in Atlanta, Georgia. **Schlotzsky's has more than 350 franchised and company-owned locations worldwide.** Most locations are in the south and southwestern United States, but the company is expanding into areas across the country, particularly the north and southeast.

FOCUS Brands® is a leading developer of global foodservice franchise systems and the indirect parent company of Schlotzsky's®, as well as six other iconic foodservice brands. They are the franchisor and operator of over 6,300 ice cream shops, bakeries, restaurants, and cafes in 54 countries.

Schlotzsky's opened in 1971 with a small restaurant on South Congress Ave. in Austin, Texas. Back then, they served only one sandwich — The Original, a sandwich as unique as the Schlotzsky's name, is still served to this day, over 45 years later. We've now spanned across 35 states, serving up toasted sandwiches, artisan flatbreads, specialty pizzas, freshly tossed salads, gourmet soups and more.

THE TENANT

Capital Food Group, LLC. is one of the fastest growing franchisees in the Schlotzsky's system. They have a location in Branson open and are expanding into 10 new locations in Oklahoma, Kansas, and Missouri.



PRESS RELEASE



Schlotzsky's-Austin Eatery set to open in Owasso this summer

By Art Haddaway – News Editor | March 13, 2019

Owasso will soon be home to a new Schlotzsky's restaurant. A new store is set to open in the middle of July, according to local franchise owner, Darin Frantz. Frantz said he has confirmed a location for the eatery but hasn't disclosed the site until he finalizes the necessary paperwork.

The former Claremore resident recently moved to Branson, Missouri, to open a Schlotzsky's-Austin Eatery, a new concept developed by the national chain that offers a twist on its original menu items.

Frantz said he wanted to bring that same concept to Owasso, especially since he and his family hold a kinship with the area and surrounding region. "We just have lived there for the last 20, 25 years, gone to church there, we just know the community, know a Schlotzsky's used to be there, and we want to bring it back to the community," he said.

Schlotzsky's-Austin Eatery offers its same menu but with several new sandwiches, tins, sliders, tacos, flats and salads to accompany the restaurant's new design.

Some signature items include the Pastrami Stacker, Chicken Bacon Smokecheesy, Sweet n' Sassy sliders, Brisketeer Mac, Smokin' Hawaiian tacos, Margherita flatbread and Chicken Avocado salad.

"It'll be quite a bit different than the normal Schlotzsky's ... than what people are used to or have seen in the past," Frantz said. "It's just a little more upscale, little more vibrant colors."

Frantz said he plans to open 10 Schlotzsky's across the Oklahoma and Missouri area, with Owasso's location serving as the second franchise under his ownership.



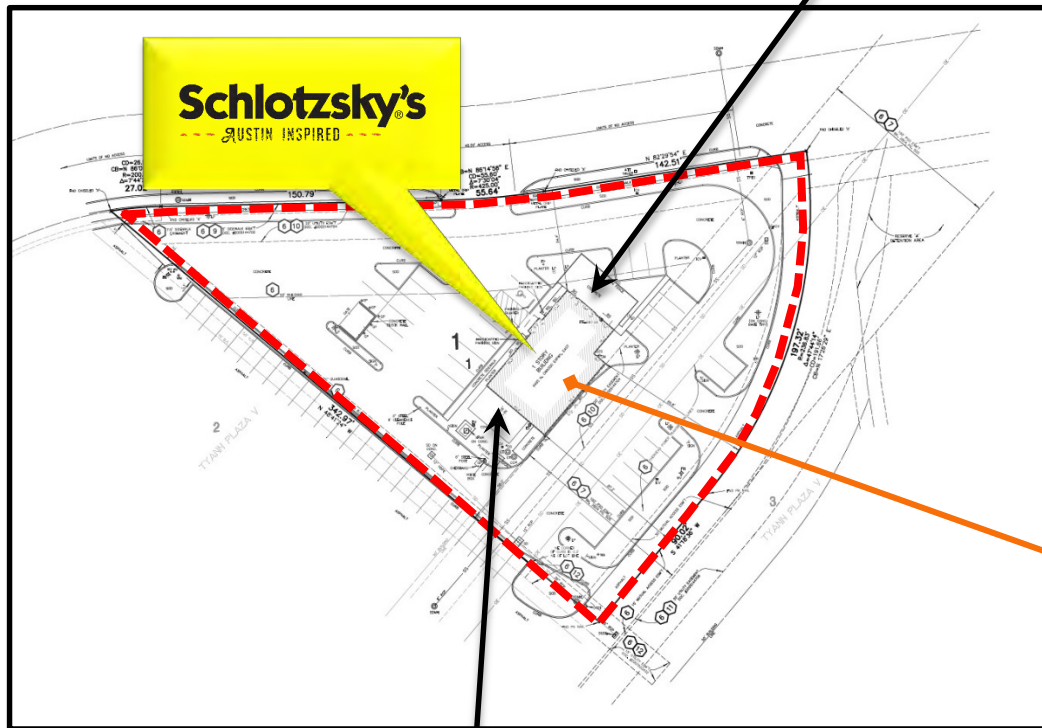
COURTESY PHOTO



COURTESY PHOTO

SURVEY

SCHLOTZSKY'S
OWASSO, OKLAHOMA



OUTDOOR PATIO
±800 SF

WALK-IN COOLER
±464 SF

LOT SIZE
±1.14 Acres

GLA:
3,073 SF



FACING EAST



FACING NORTH



Schlitzsky's
— AUSTIN INSPIRED —

N OWASSO EXPY

SCHLOTZSKY'S | OWASSO, OKLAHOMA

FACING NORTHWEST



FACING WEST



Schlotzsky's
— AUSTIN INSPIRED —

AERIAL



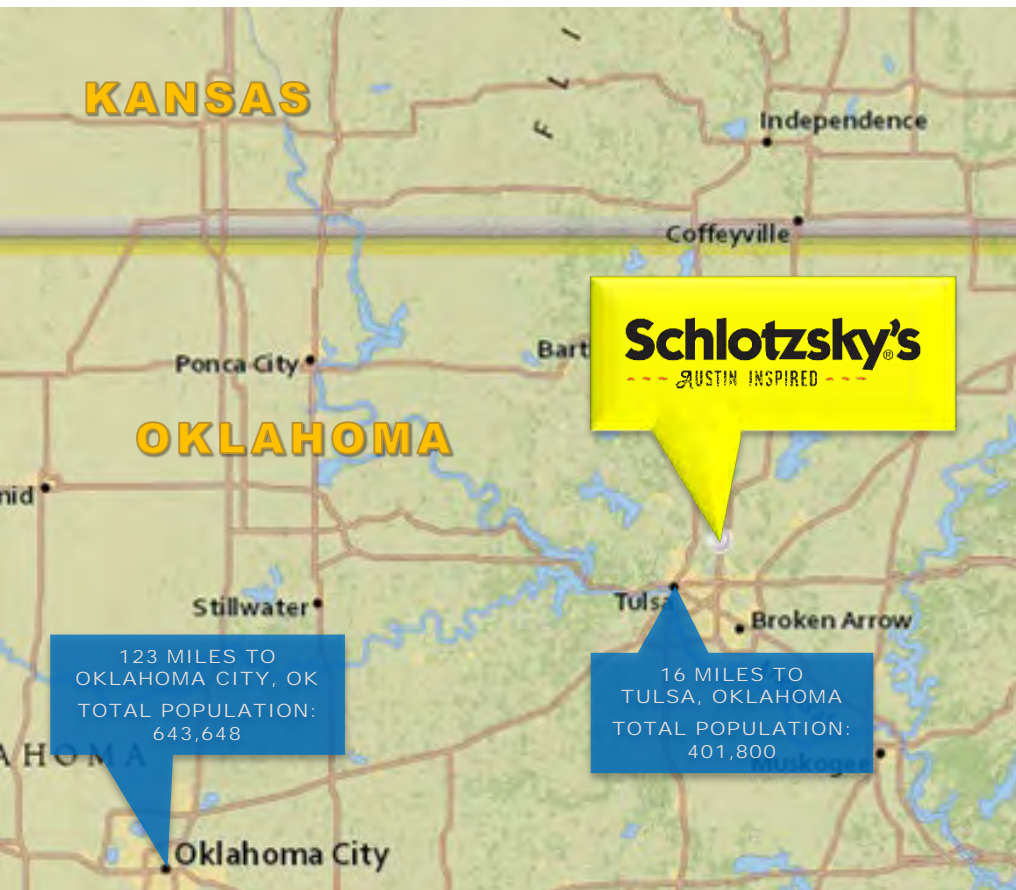
OWASSO CITY VIEW



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SCHLOTZSKY'S | OWASSO, OKLAHOMA

LOCATION OVERVIEW



Owasso is a city in Oklahoma's Tulsa & Rogers Counties and a northern suburb of Tulsa. Owasso is one of the fastest growing cities in the state. With an average annual growth rate of 4% for the last four years and projected to continue, this suburb is a major contributor to the Tulsa regional economy.

Owasso's economic growth has been driven by retail for the last ten years. However, approximately 85% of the population commutes outside of Owasso on a daily basis to work in the Tulsa region.

Owasso's key strength is its strategic location and immediate accessibility to the Tulsa International Airport, the Tulsa Port of Catoosa, and the Cherokee Industrial Park. Due to the unique alignment of the region's highway system, Owasso is the collection point for consumers in over a 4,300 square mile area.

U.S. Highways 75 and 169 are major north/south freeways feeds into Owasso, while State Highway 20 feeds residents to the west and east of Owasso. This "funnel" effect is comprised of several cities in northeastern Oklahoma and southern Kansas that have little or no retail in their local areas. This is why national retailers have located and are very successful in Owasso, Oklahoma.

POINTS OF INTEREST

RETAIL | SHOPPING | ENTERTAINMENT

Nearby retailers include The Home Depot, Walmart Supercenter, Target, Lowe's Home Improvement, Hobby Lobby, Sam's Club, Kohl's, Belk, Ross Dress for Less, Old Navy, T.J. Maxx & HomeGoods, PetSmart, Ashley HomeStore, Academy Sports+Outdoors

EDUCATION

1.5 miles from **Owasso High School** (total enrollment of 2,964 students)

HEALTH CARE

2.5 miles from **Bailey Medical Center** (offers a full range of medical services, including general surgery, obstetrics, gynecology, orthopedics, & emergency care with 73 beds)



2018 DEMOGRAPHICS

| | 1-MI | 3-MI | 5-MI | 10-MI |
|------------------------------|------------------|----------|----------|----------|
| TOTAL POPULATION | 6,969 | 43,670 | 59,270 | 142,976 |
| POP. GROWTH 2010-2018 | 26.92% | 23.31% | 21.94% | 13.57% |
| DAYTIME POPULATION | 7,087 | 43,150 | 58,363 | 142,976 |
| HH GROWTH 2010-2018 | 29.38% | 25.38% | 23.79% | 14.43% |
| AVG HOUSEHOLD INCOME | \$104,697 | \$86,063 | \$89,604 | \$70,603 |

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