

REPRESENTATIVE PHOTO



CONSTRUCTION PHOTO AS OF 11/20/2018

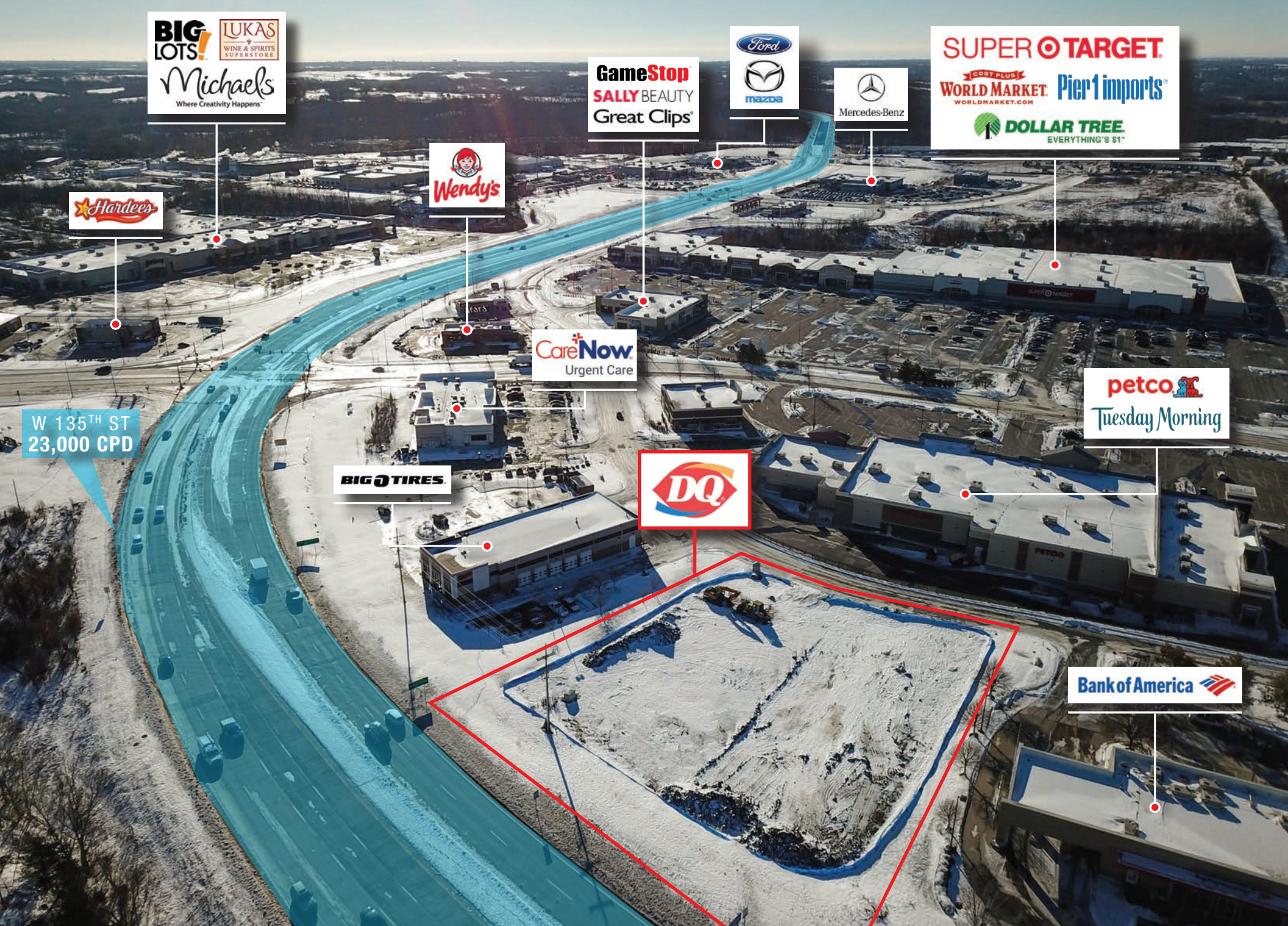


Offering Memorandum

**DAIRY QUEEN**  
**135TH STREET & STATE LINE ROAD**  
**KANSAS CITY, MO 64145**

Marcus & Millichap





**BIG LOTS!**  
**LUKAS**  
WINE & SPIRITS  
SUPERSTORE  
**Michaels**  
Where Creativity Happens

**Hardee's**

**Wendy's**

**GameStop**  
**SALLY BEAUTY**  
**Great Clips**

**Ford**  
**Mazda**

**Mercedes-Benz**

**SUPER TARGET**  
**COST PLUS**  
**WORLD MARKET**  
**Pier 1 imports**  
**DOLLAR TREE**  
EVERYTHING'S \$1\*

W 135<sup>TH</sup> ST  
23,000 CPD

**CareNow**  
Urgent Care

**BIG O TIRES**

**DQ**

**petco**  
**Tuesday Morning**

**Bank of America**







**DAIRY QUEEN**

135th Street & State Line Road  
Kansas City, MO 64145

**FINANCIAL SUMMARY**

|               |                  |
|---------------|------------------|
| Price         | \$2,285,000      |
| Down Payment  | 100% \$2,285,000 |
| Cap Rate      | 5.25%            |
| Building SF   | 3,084            |
| Net Cash Flow | 5.25% \$120,000  |
| Year Built    | 2018/2019        |
| Lot Size      | 1.15 Acres       |

**LEASE SUMMARY**

|                        |                                |
|------------------------|--------------------------------|
| Lease Type             | Absolute Triple-Net (NNN)Lease |
| Tenant                 | Fast N Friendly, LLC           |
| Guarantor              | Personal Guaranty              |
| Roof & Structure       | Tenant Responsible             |
| Rent Commencement Date | November 1, 2018               |
| Lease Expiration Date  | October 31, 2038               |
| Lease Term             | 20 Years                       |
| Rental Increases       | 7% Every 5 Years               |
| Renewal Options        | 5, 5 Year Options              |

**ANNUALIZED OPERATING DATA**

| LEASE YEARS | ANNUAL RENT  | CAP RATE |
|-------------|--------------|----------|
| 1 - 5       | \$120,000.00 | 5.25%    |
| 6 - 10      | \$128,400.00 | 5.62%    |
| 11 - 15     | \$137,388.00 | 6.01%    |
| 16 - 20     | \$147,005.16 | 6.43%    |

| OPTION YEARS | ANNUAL RENT  | CAP RATE |
|--------------|--------------|----------|
| Option 1     | \$157,295.52 | 6.88%    |
| Option 2     | \$168,306.21 | 7.37%    |
| Option 3     | \$180,087.64 | 7.88%    |
| Option 4     | \$192,693.78 | 8.43%    |
| Option 5     | \$206,182.34 | 9.02%    |

|                             |                        |
|-----------------------------|------------------------|
| <b>BASE RENT</b>            | <b>\$120,000</b>       |
| <b>Net Operating Income</b> | <b>\$120,000</b>       |
| <b>Total Return</b>         | <b>5.25% \$120,000</b> |



Dairy Queen (DQ) is a chain of soft serve ice cream and fast-food restaurants owned by International Dairy Queen, Inc. The first Dairy Queen store opened in 1940 in Joliet, Illinois after J.F. McCullough and his son, Alex, perfected their soft serve recipe, believing that ice cream tasted better when it was soft and served fresh from the freezer. The first stores serviced only soft serve ice cream, but in the 1950s some locations started serving hot food items. Today, stores have large menus that include hot dogs, hamburgers and chicken strips through Dairy Queen's Grill & Chill concept.

Dairy Queen franchises, employees and crew members have been focused on creating positive memories for all who touch DQ for over 75 years. Unlike any other quick-service brand, DQ food and treats hold a special place in the hearts of fans of all ages, from all around the globe. International Dairy Queen Inc., (IDQ), based in Minneapolis, Minnesota, is the parent company of American Dairy Queen Corporation (ADQ), Orange Julius of America (OJA), Dairy Queen Canada (DQX) and Unified Supply Chain, Inc (USC). Through its subsidiaries, IDQ develops, licenses and services a system of more than 6,800 locations in the United States, Canada and more than 25 other countries. IDQ is a subsidiary of Berkshire Hathaway Inc.

#### FRANCHISEE OVERVIEW

Fast N Friendly, LLC owns and operates 10 Dairy Queens and 3 gas convenience stores.

[www.dairyqueen.com](http://www.dairyqueen.com)



## INVESTMENT HIGHLIGHTS

- New 20-Year Absolute Triple-Net (NNN) Lease
- Brand New 2018 Construction
- 144,747 Residents in Growing South Kansas City Trade Area – Population Projected to Increase Almost 7% Over the Next 5 Years
- Located at the Stateline, Adjacent to Leawood, Kansas, on the South Side of Kansas City, Missouri
- 7 Percent Increases Every 5 Years
- Adjacent to Super Target and Walmart Supercenter Anchored Shopping Centers
- Affluent Trade Area – Average Household Income Exceeds \$148K in 3-Mile Radius
- Adjacent to a Bank of America with Over \$64M in Deposits
- Visible to Over 23,000 Cars per Day from W 135th Avenue
- Strong Daytime Population – 181,450+ Employees in Trade Area
- Minutes Off the I-435 and I-49 – Direct Access to Downtown Kansas City
- 30 Minutes South of Downtown Kansas City

## DEMOGRAPHICS

| Population                         | 3-Miles   | 5-Miles   | 10-Miles |
|------------------------------------|-----------|-----------|----------|
| 2022 Projection                    | 51,563    | 154,774   | 603,246  |
| 2017 Estimate                      | 46,819    | 144,747   | 576,031  |
| Growth 2017 - 2022                 | 10.13%    | 6.93%     | 4.72%    |
| Households                         | 3-Miles   | 5-Miles   | 10-Miles |
| 2022 Projections                   | 20,009    | 63,209    | 246,407  |
| 2017 Estimate                      | 17,938    | 58,263    | 233,023  |
| Growth 2017 - 2022                 | 11.55%    | 8.49%     | 5.74%    |
| Income                             | 3-Miles   | 5-Miles   | 10-Miles |
| 2017 Est. Average Household Income | \$148,076 | \$119,392 | \$96,955 |
| 2017 Est. Median Household Income  | \$102,448 | \$81,047  | \$67,723 |
| 2017 Est. Per Capita Income        | \$57,018  | \$48,264  | \$39,343 |

## LOCATION OVERVIEW

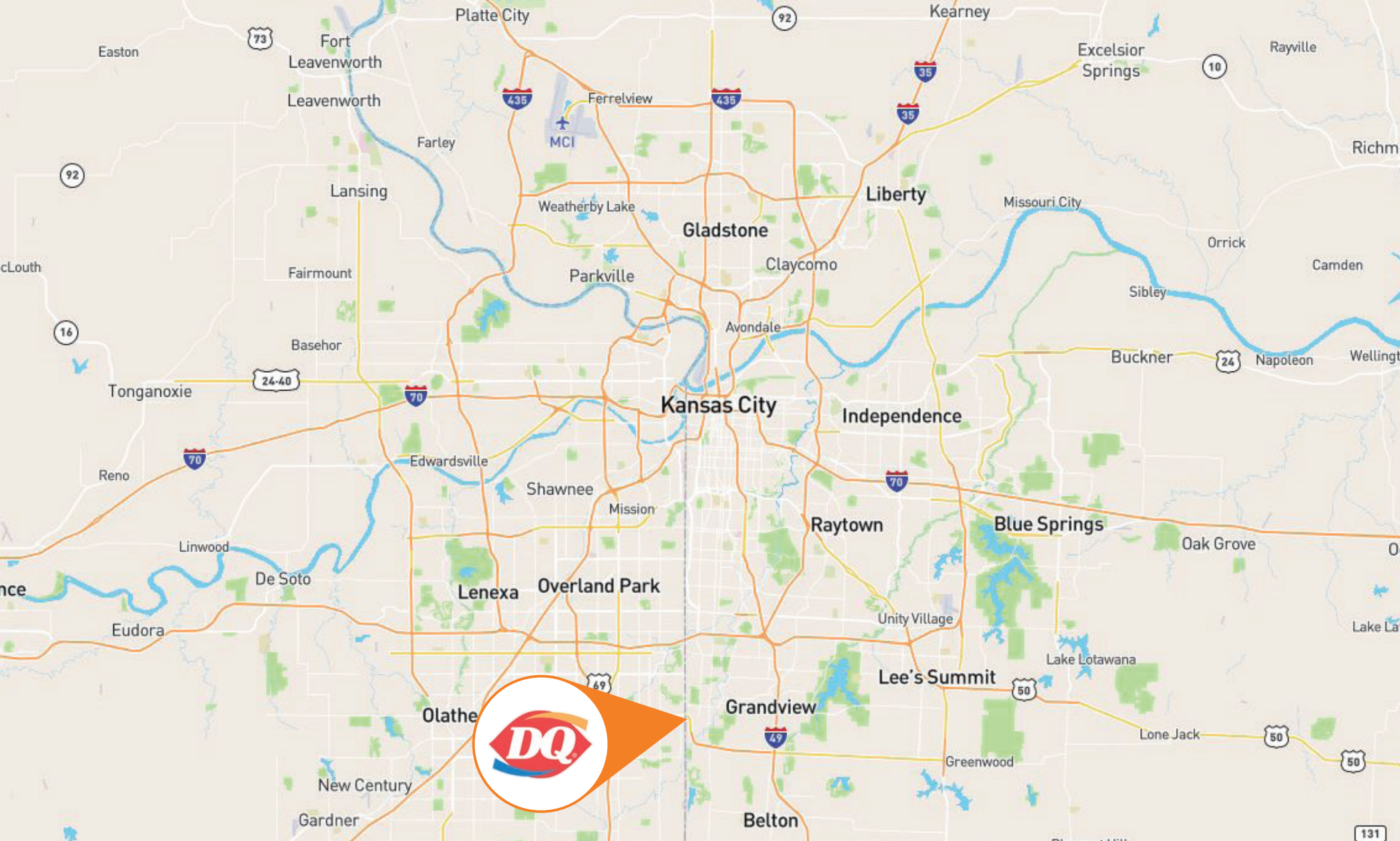
Kansas City is both the largest city and capital city of Missouri. It had an estimated population of 488,943 in 2017, making it the 37th most-populous city in the United States. Sitting on Missouri's western boundary, with Downtown near the confluence of the Kansas and Missouri Rivers, the modern city encompasses some 319.03 square miles.

The city is well known for its contributions to the musical styles of jazz and blues as well as to cuisine, specifically, Kansas City-style barbecue. With over 200 fountains, Kansas City has earned the nickname, "City of Fountains," and claims to have the second most in the world, just behind Rome. The city also has more boulevards than any city except Paris and has been called the Paris of the Plains. Many universities, colleges and seminaries are located in the Kansas City metropolitan area, including the University of Missouri–Kansas City, Rockhurst University and Kansas City Art Institute among others.

Kansas City has a steady local economy that historically weathers economic fluctuations because of its diverse industry segments. Headquarters, technology-based companies, entrepreneurs, freight-based companies and shared-service centers choose Kansas City for its central location, educated workforce and access to a strong support network of public and private programs, civic-minded entrepreneurs and competitive incentives. Companies with headquarters in the city include Applebee's, Hallmark Cards, H&R Block, Hostess Brands, and Russell Stover Candles.







**0.1 MILES**  
**Kansas**  
**Stateline**

**12 MILES**  
**University of Missouri**  
**Kansas City**

**23 MILES**  
**Downtown**  
**Kansas City**

**41 MILES**  
**Kansas City**  
**International Airport**



## Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

**By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.**

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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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 guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

**By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services as well as the Property Owner and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase**

## Confidentiality Agreement

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**



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