



ACTUAL SITE

ARBY'S
412 CLEVELAND ST
MUSCATINE, IOWA 52761

OFFERING
MEMORANDUM

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In Association with Iowa Local Broker:
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INVESTMENT OVERVIEW

ARBY'S
MUSCATINE, IOWA

NAME	ARBY'S
LOCATION	412 Cleveland Street Muscatine, Iowa 52761
MAJOR CROSS STREETS	On Cleveland St, East of IA-38
TENANT	FMS GROUP, INC.
PURCHASE PRICE	\$1,252,000
CAP RATE	5.75%
ANNUAL RENT	\$72,000
GROSS LEASEABLE AREA	3,444 SF*
RENTAL ESCALATIONS	6% every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT REMODELED	1995* 2015
LOT SIZE	±1.31 Acres*
LEASE EXPIRATION	June 30, 2035
OPTIONS	Four 5-Year Renewal Options

* According to Muscatine County Assessor

POINTS OF INTEREST

RETAIL | SHOPPING | ENTERTAINMENT

Nearby retailers include Walmart Supercenter, Menards, Blain's Farm & Fleet, Slumberland Furniture, Dollar Tree, Family Dollar, ALDI, Hy-Vee, Hibbett Sports, JOANN Fabrics, The Salvation Army Family Store, Harbor Freight Tools, Walgreens, AutoZone, NAPA Auto Parts, Verizon, O'Reilly Auto Parts

HIGHER EDUCATION

Less than 2 miles from Muscatine Community College (a two-year college offering both arts and sciences/college transfer classes as well as several career technology programs with about 1,850 total enrollment)

HEALTH CARE

Less than 3 miles from Trinity Muscatine Hospital (an 87-bed acute tertiary care hospital providing specialty, primary & preventative services)

INVESTMENT HIGHLIGHTS

LEASE: Brand New 16-Year Absolute NNN Lease with 6% Rental Escalations in Years 6 & 11!

TENANT: FMS Group, Inc. is an Experienced 15-Unit Operator with Locations in Iowa & Illinois

SEASONED LOCATION/RECENT REMODEL: Successfully Open & Operating for Decades with an Attractive 7.05% Rent to Sales Ratio – Fully Renovated in 2015 (±\$341,000 Spent by Tenant!)

TRAFFIC COUNTS: Excellent Drive-By Visibility – Positioned Just off the Hard Corner of IA-38 (14,796 CPD) & US Hwy 61 (15,501 CPD) where Traffic Counts Exceed 30,290 CPD! **LARGE ±1.31-Acre Lot!**

2019 DEMOGRAPHICS: Total Population (5-MI): 27,887 | Avg HH Income (1-MI): \$72,105 | Population Growth 2010-2019 (1-MI): 9.60%

IOWA'S UNEMPLOYMENT RATE: Iowa's Rate at 2.4% - National Rate at 3.6% (Apr 2019)



FINANCIAL ANALYSIS

SUMMARY

TENANT	FMS Group, Inc.	LOT SIZE	±1.31 Acres
PURCHASE PRICE	\$1,252,000	EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all expenses.
CAP RATE	5.75%	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
GROSS LEASABLE AREA	3,444 SF		
YEAR BUILT REMODELED	1995 2015		

RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FMS Group, Inc.	3,444	Years 1-5: 07/01/19 to 06/30/24	Current	\$72,000	5.75%
		Years 6-10: 07/01/24 to 06/30/29	6%	\$76,320	6.10%
		Years 11-16: 07/01/29 to 06/30/35	6%	\$80,899	6.46%
		6.13% AVG ANNUAL RETURN			
RENEWAL OPTIONS		1 st Option: 07/01/35 to 06/30/40	6%	\$85,753	
		2 nd Option: 07/01/40 to 06/30/45	6%	\$90,898	
		3 rd Option: 07/01/45 to 06/30/50	6%	\$96,352	
		4 th Option: 07/01/50 to 06/30/55	6%	\$102,133	

ARBY'S | MUSCATINE, IOWA

TENANT OVERVIEW

ROARK CAPITAL GROUP

ABOUT THE PARENT COMPANY

Roark Capital Group is an Atlanta-based private equity firm with approximately \$12 billion in equity capital raised since inception. Roark focuses on family-owned business transfers, management / corporate buyouts, recapitalizations, going-private transactions, and corporate divestitures. Roark focuses on consumer and business service companies, with a specialization around franchised and multi-unit business models in the restaurant, retail, consumer services, and business service sectors.

Roark prides itself on being a trusted financial partner for management and business owners. They believe that successful partnerships begin with providing a compelling value proposition to all business constituencies. A win-win approach leads to an enthusiastic business environment where all stakeholders – customers, employees, franchisees, strategic partners, service providers, management and shareholders – share in the growth and success of their businesses. They want to partner with entrepreneurs and executives who share this vision.

Since inception, affiliates of Roark have acquired 68 franchise / multi-unit brands which generate approximately \$37 billion in system revenues from 36,000 location located in 50 states and 81 countries.

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

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 & 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 quality and made-for-you care of fast casual.

Arby's sandwich shops are known for Slow-Roasted Roast Beef ((Beef 'N Cheddar, French Dip & Swiss, Sliders), Turkey (Roast Turkey & Swiss, Turkey Wraps), Signature Sandwiches such as Reuben, Loaded Italian, Gyro, Smokehouse Brisket and Premium Angus Beef Sandwiches, as well as Chicken Sandwiches, Salads, and much more.

Arby's was founded in 1964 and is the second-largest sandwich restaurant brand in the world with **more than 3,400 restaurants in eight countries.**

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



ABOUT THE TENANT

FMS Group, Inc. is headquartered in Champaign, Illinois and is an experienced **15-unit operator with locations in Illinois & Iowa.**

<https://arbystogo.com/>

SURVEY



LOT SIZE
±1.31 Acres

GLA
3,444 SF

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FACING SOUTH



Arby's

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FACING WEST



HyVee
Papa Murphy's
DOLLAR TREE
CATO
SALLY BEAUTY
H&R BLOCK

BUFFALO WILD WINGS

MAD CREEK GREENBELT PARK

calvary church

GMC
CHEVROLET

TOYOTA

PARK AVE 14,796 CPD 38

Applebee's

UPTOWN MOTORS
SALES, INC.

KENT
Nutrition Group

BW
Best Western

Super 8
BY WYNDHAM

US HWY 61
15,501 CPD

61

Arby's

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FACING NORTH



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FACING EAST



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AERIAL



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AERIAL CITY VIEW



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LOCATION OVERVIEW




Muscatine is a city in and the county seat of Muscatine County Iowa. It is strategically located at a crossroads of various modes of transportation for both commuters and freight travel. Interstate 80, U.S. Highways 61 & 6, and State Highways Iowa 22 & 38 all provide regional commuting options for the growing workforce, and the location also benefits from easy access to the Muscatine Municipal Airport, the Canadian Pacific Railroad service and freight service on Mississippi River waterways.

Muscatine Community School District is home to the Muscatine Muskies. Muscatine Schools cover Muscatine, Fairport, Iowa and Montpelier, Iowa, as well as rural areas of Letts, Iowa, Fruitland, Iowa and Blue Grass, Iowa. The district consists of eight elementary schools, two middle schools, Muscatine High School and one alternative program, East Campus. The district serves over 5,300 students and 823 faculty and staff.

Muscatine Community College is a two-year college founded in 1929, MCC is the oldest college in the Eastern Iowa Community Colleges. The college offers both arts and sciences/college transfer classes as well as several career technology programs. Its enrollment regularly exceeds 1,850 students. The most recent addition to the college has been the Muscatine Industrial Technology Center. The center houses a number of manufacturing-related programs.

Trinity Muscatine is the newest member of UnityPoint Health - Trinity. The location is perfect for anyone in the Muscatine area who requires any number of services. The emergency department at Trinity Muscatine is open 24/7. The 87 bed hospital offers a sleep center, cardiology clinic, pediatric services and occupational medicine with 483 employees.

HNI, the city's largest employer with over 3,800 employees, is a furniture design company. They believe great office design transcends any particular type of style. The HNI Corporation includes brands: Hon, Allsteel, Gunlocke and HBF.

	2019 DEMOGRAPHICS		
	1-MI	3-MI	5-MI
TOTAL POPULATION	2,261	21,011	27,887
POPULATION GROWTH 2010-2019	9.60%	2.56%	3.13%
DAYTIME POPULATION	2,136	20,103	26,297
HOUSEHOLD GROWTH 2010-2019	8.70%	2.51%	3.16%
AVERAGE HOUSEHOLD INCOME	\$72,105	\$71,810	\$69,334

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