

# INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

DBA. CAR WASH USA

- ❖ 20-Year Sale-Leaseback
- ❖ 1.50% Annual Rental Increases
- ❖ #1 Car Wash Operator Globally
- ❖ Absolute Triple-Net (NNN) Lease
- ❖ Corporate Guarantee; More Than 900 Locations
- ❖ Qualifies for Bonus & Accelerated Depreciation



# OFFERING MEMORANDUM



3736 Riverdale Road, Memphis, TN 38115

# Confidentiality and Disclaimer

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

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.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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 and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified 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, PCB's or asbestos, the compliance with 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 Marketing Brochure 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.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.





## Table of Contents

Investment Highlights	4
Financial Analysis	5
Tenant Overview	6
Depreciation Benefits	7
Surrounding Area	8
Location Overview	9
Property Photo	10
Surrounding Area Photos	11
Local Map	12
Regional Map	13
Demographics	14
Market Overview	15







# Investment Highlights

PRICE: \$3,260,678 | CAP: 6.00% | RENT: \$195,641



## About the Investment

- ✓ **20-Year Triple-Net (NNN) Sale-Leaseback:** At Closing the Tenant Will Execute a Brand New 20-Year Absolute Triple-Net Lease. The Lease Will Have No Landlord Responsibilities
- ✓ **Corporate Guarantee:** The Lease will be subject to Corporate Guarantee by International Car Wash Group Ltd. (UK) "ICWG" and the More Than 900 Locations Across Europe, Australia and the U.S.
- ✓ **Accelerated Depreciation:** The Properties Qualify for 15-Year Accelerated Depreciation as well as Bonus Depreciation
- ✓ **Rental Increases:** The Lease will Include 1.50% Annual Rental Increases

## About the Tenant / Brand

- ✓ The World's Largest Car Wash Company: ICWG Was Founded In 1965 And Is Now The World's Largest Car Wash Operator, Washing More Than 35 Million Cars Every Year
- ✓ In August 2015, ICWG Entered the U.S. Market and Now Operates More Than 150 U.S. Locations, Making It One of the Country's Largest Operators.
- ✓ Favorable Industry Trends: In the U.S., the Percentage of Drivers That Wash Their Vehicle at a Professional Car Wash has Increased from 47% in 1994 to 72% in 2014.





# Financial Analysis

PRICE: \$3,260,678 | CAP: 6.00% | RENT: \$195,641



## Property Description

Property	International Car Wash Group
Property Address	3736 Riverdale Rd
City, State, ZIP	Memphis, TN 38115
Year Built / Renovated	2009
Building Size (SF)	4,712 SF
Lot Size	+/- 0.93 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$3,260,678
CAP Rate	6.00%
Annual Rent	\$195,641
Price / SF	\$664
Rent / SF	\$41.52

## Lease Summary

Property Type	Net-Leased Car Wash
Guarantor	International Car Wash Group Ltd. (UK)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually
Options to Renew	Four, Five -Year Tenant Renewal Options

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$195,641	\$16,303	-
Year 2	\$198,575	\$16,548	1.50%
Year 3	\$201,554	\$16,796	1.50%
Year 4	\$204,577	\$17,048	1.50%
Year 5	\$207,646	\$17,304	1.50%
Year 6	\$210,761	\$17,563	1.50%
Year 7	\$213,922	\$17,827	1.50%
Year 8	\$217,131	\$18,094	1.50%
Year 9	\$220,388	\$18,366	1.50%
Year 10	\$223,694	\$18,641	1.50%
Year 11	\$227,049	\$18,921	1.50%
Year 12	\$230,455	\$19,205	1.50%
Year 13	\$233,912	\$19,493	1.50%
Year 14	\$237,420	\$19,785	1.50%
Year 15	\$240,982	\$20,082	1.50%
Year 16	\$244,596	\$20,383	1.50%
Year 17	\$248,265	\$20,689	1.50%
Year 18	\$251,989	\$20,999	1.50%
Year 19	\$255,769	\$21,314	1.50%
Year 20	\$259,606	\$21,634	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 3911 East Broad Street in Whitehall, OH. The tenant will enter into a brand new, 20-year triple-net (NNN) lease upon close of escrow with absolutely no landlord responsibilities. The base annual rent will be \$195,641 and will be subject to 1.50% annual rental escalations throughout the base term as well as the four, five-year tenant renewal option periods. The lease will have a corporate guarantee. International Car Wash Group operates more than 900 locations throughout the United States and Internationally. The property is 4,712 rentable square feet and is situated on 0.93 acres.



# Tenant Overview

## About International Car Was Group

ICWG is the world's largest car wash company currently operating in 14 countries around the globe, washing more than 35 million cars every year through a network of more than 900 locations. In August 2015, ICWG entered the U.S. market and now operates more than 150 locations, making it one of the country's largest operators. ICWG is led by an experienced team of car wash and investment professionals committed to delivering value, both for their customers and investors. The team is focused on developing and growing ICWG through a combination of market expansion, continuous innovation and investment. The sites are committed to delivering unparalleled service with consistent wash quality to each customer.

The Company has grown significantly in recent years through acquisitions, opening new sites in existing markets, investing in an extensive refurbishment program and expanding its international presence.

TENANT NAME

**ICWG**

FOUNDED

**1965**

COUNTRIES

**14**

LOCATIONS

**900+**

WEBSITE

**ICWG.COM**

HEADQUARTERS

**Centennial, CO &  
London England**

## Key Brands

ICWG entered the US in August 2015 and already has over 150 sites which makes us one of the major players in the market. The US sites operate under 3 key brands – Car Wash USA Express, Goo-Goo 3 Minute Express Wash and Supersonic in the state of Utah.

### CARWASH USA

Acquired by ICWG in 2015, Car Wash USA Express now consists of over 60 sites covering Alabama, Arkansas, Colorado, Georgia, Ohio, Mississippi, Tennessee and Texas. It is currently the largest express exterior car wash in the Mid-South offering a wash that takes just 3 minutes, coupled with free vacuums.

### GOO-GOO

Since 1945 Goo-Goo 3 Minute Express Wash has met the needs of the driving public by giving customers a quality carwash with fast, economical, great service. As one of the oldest car wash brands in the United States, Goo-Goo has led the way by developing the concept to meet the needs of the driving public for over 60 years. Acquired by ICWG in July 2017, there are over 50 express wash outlets in seven states primarily in the southern United States and Ohio.

### SUPERSONIC

Supersonic Car Wash was founded in Ogden, Utah in 1959 and was Utah's only full service car wash at the time. Supersonic now has both full-service and express exterior locations in Salt Lake, Utah and Weber Counties. Acquired by ICWG in August 2015, Supersonic provides additional opportunities to grow within the state of Utah with a number of locations already identified.





# Depreciation Benefits

## Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$195,641
Cap Rate	6.00%
Purchase Price	\$3,260,678
Loan Amount	\$2,119,441
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$140,646
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$173,903
Potential Tax Savings	\$64,344

## Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$195,641
Cap Rate	6.00%
Purchase Price	\$3,260,678
Loan Amount	\$2,119,441
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$140,646
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$66,886
Potential Tax Savings	\$24,748

## Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$195,641
Cap Rate	6.00%
Purchase Price	\$3,260,678
Loan Amount	\$2,119,441
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$140,646
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$2,608,543
Potential Tax Savings	\$965,161

## Ground Lease

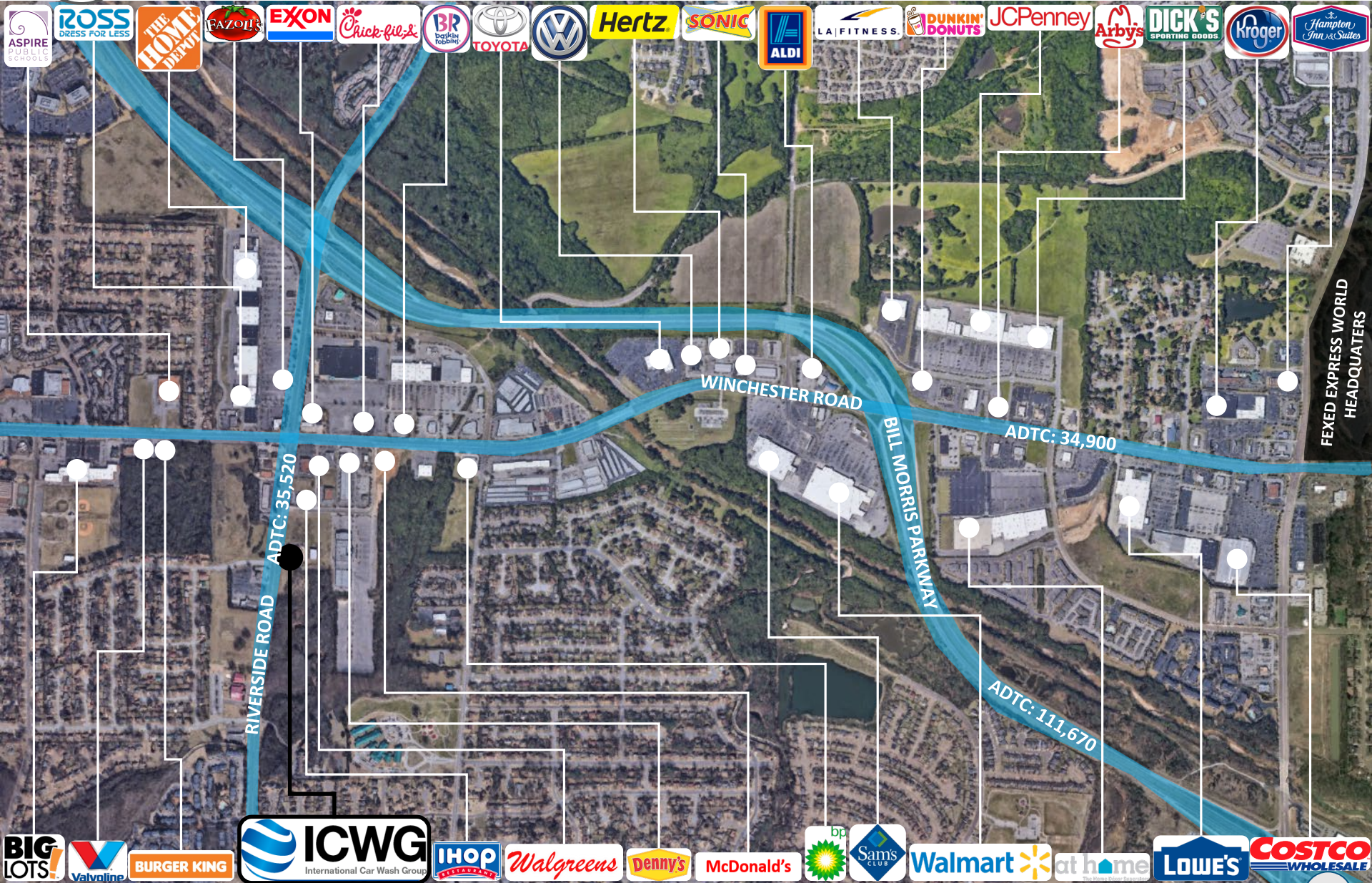
Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$195,641
Cap Rate	6.00%
Purchase Price	\$3,260,678
Loan Amount	\$2,119,441
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$140,646
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
Potential Tax Savings	\$0





# Surrounding Area

Property Address: 3736 Riverdale Road – Memphis, TN 38115







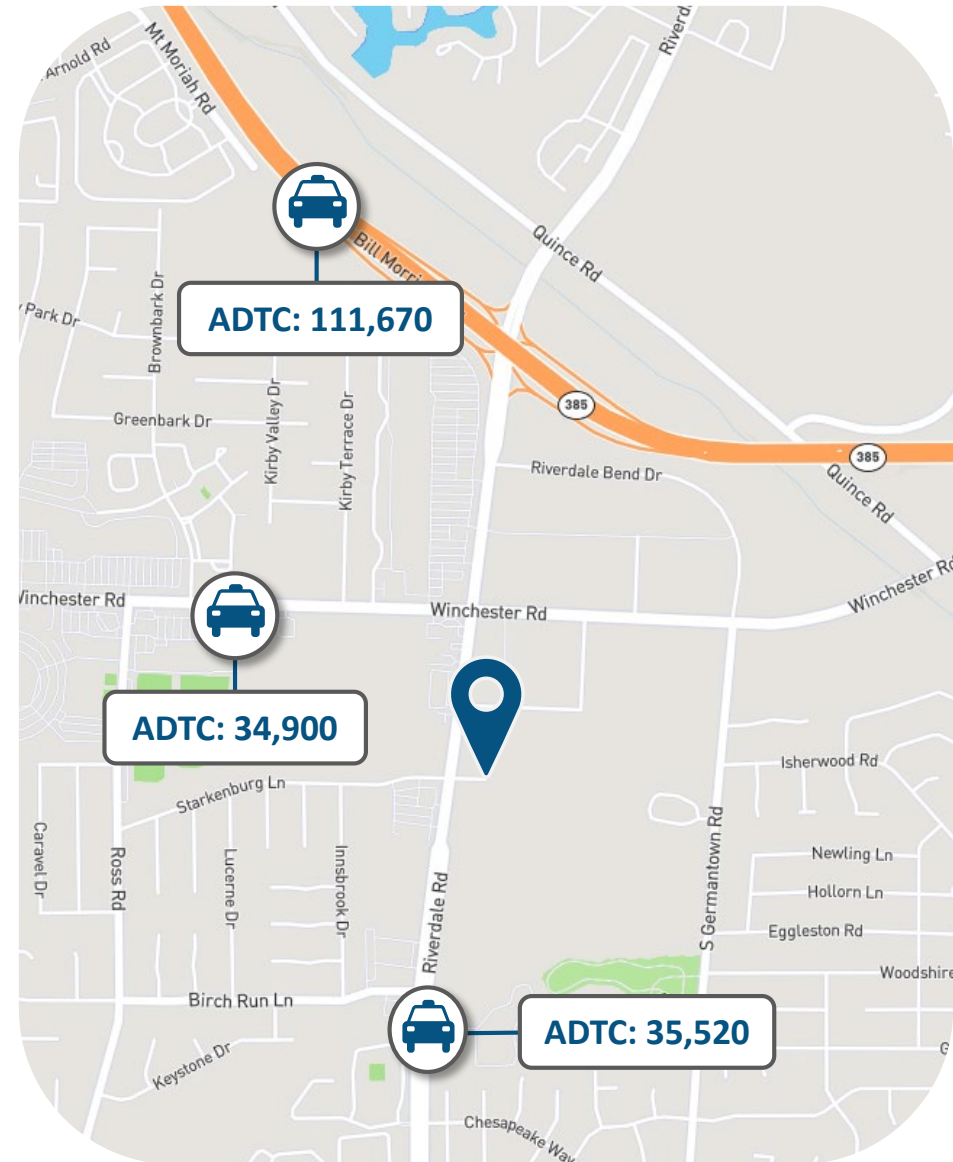
# Location Overview

Property Address: 3736 Riverdale Road – Memphis, TN 38115

The subject investment property is situated on Riverdale Road, which boasts average daily traffic counts exceeding 35,520 vehicles respectively. Riverdale Road intersects with Bill Morris Parkway and Winchester Road, which brings an additional 111,670 and 34,900 vehicles into the immediate area on average daily. There are more than 100,810 individuals residing within a three-mile radius of the property and more than 540,050 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, shopping centers and academic institutions. Major national tenants include: Walmart, Sam's Club, Lowe's, The Home Depot, Costco Wholesale, Walgreens, Aldi, McDonald's, Burger King, as well as several others. Accommodations in the immediate area include: Hampton Inn and Homewood Suites by Hilton. This ICWG Car Wash also benefits from being situated within a nine-mile radius of several academic institutions. The most notable is the University of Memphis, which has a total enrollment exceeding 21,500 students. Baptist Memorial Hospital Memphis, a 550+ bed, general medical and surgical facility is located within eight miles of the subject property. Memphis International Airport (MEM), a Delta hub, serving nearly 5,000,000 passengers annually and processing over 4.2 billion pounds of cargo, is located less than ten miles from the subject property. The FedEx Express World Headquarters are located less than three miles from this ICWG Car Wash.

Memphis is a city in the southwestern corner of the U.S. state of Tennessee, and the county seat of Shelby County. It is the seat of Shelby County and the major commercial and industrial center of western Tennessee. Memphis is one of the principal wholesale and retail cities in the South, and its economic influence extends into neighboring states. A revered musical past and present. Greater Memphis is the 42nd largest metropolitan area in the United States, with a population of 1,348,260 in 2017. This makes Memphis the second largest metropolitan area in Tennessee, surpassed only by metropolitan Nashville, which has overtaken Memphis in recent years. Memphis is the home of three Fortune 500 companies: FedEx, AutoZone, and International Paper. Additionally, Memphis is an urban playground of music, history and world-class attractions. Its home to a wealth of talented musicians and singers across all genres. "Elvis Presley, whose popularity made rock and roll a national phenomenon in the 1950s, began his recording career in Memphis at Sun Records, otherwise known as the "Birthplace of Rock and Roll."





# Property Photo







# Surrounding Area Photos

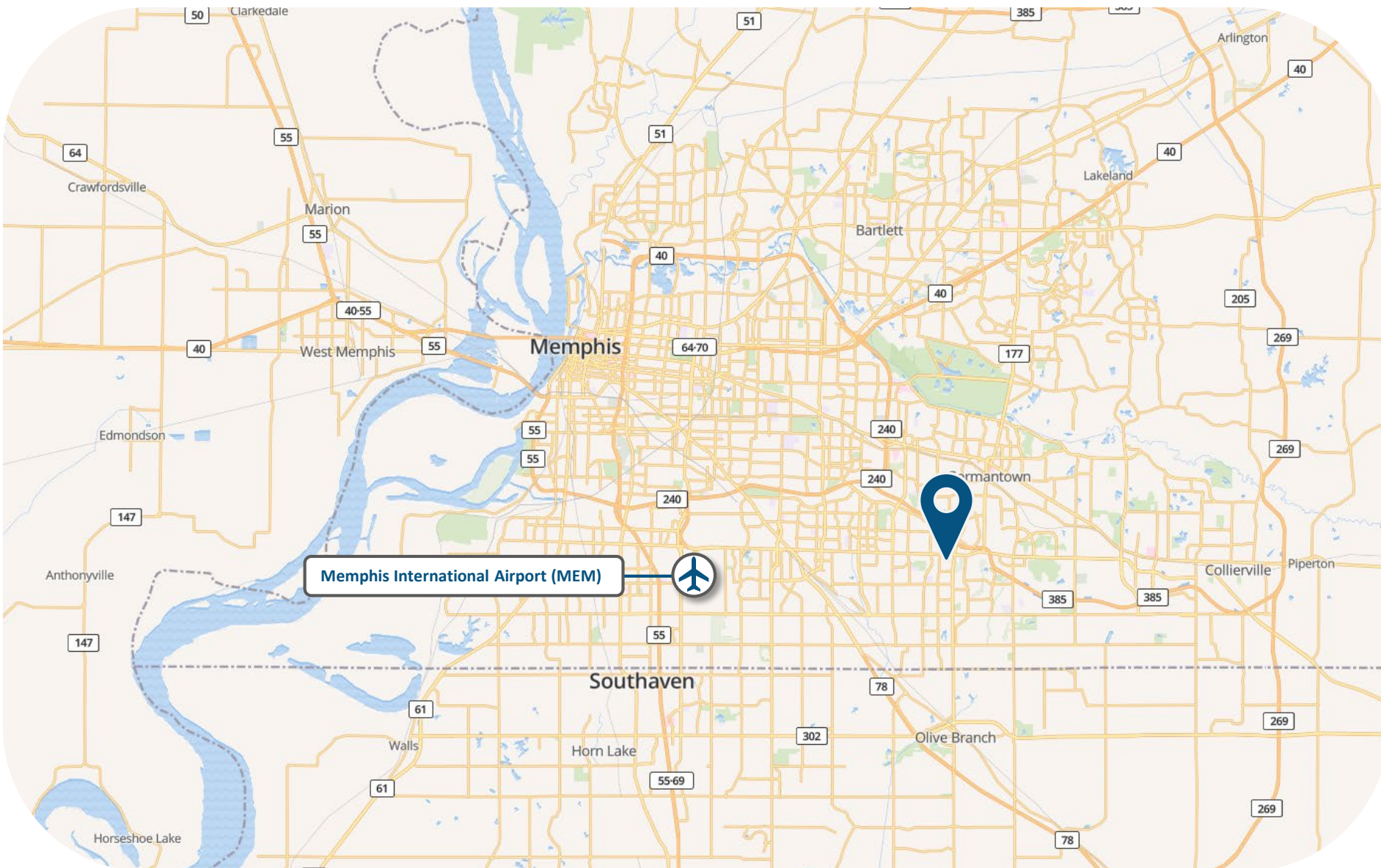






# Local Map

Property Address: 3736 Riverdale Road – Memphis, TN 38115

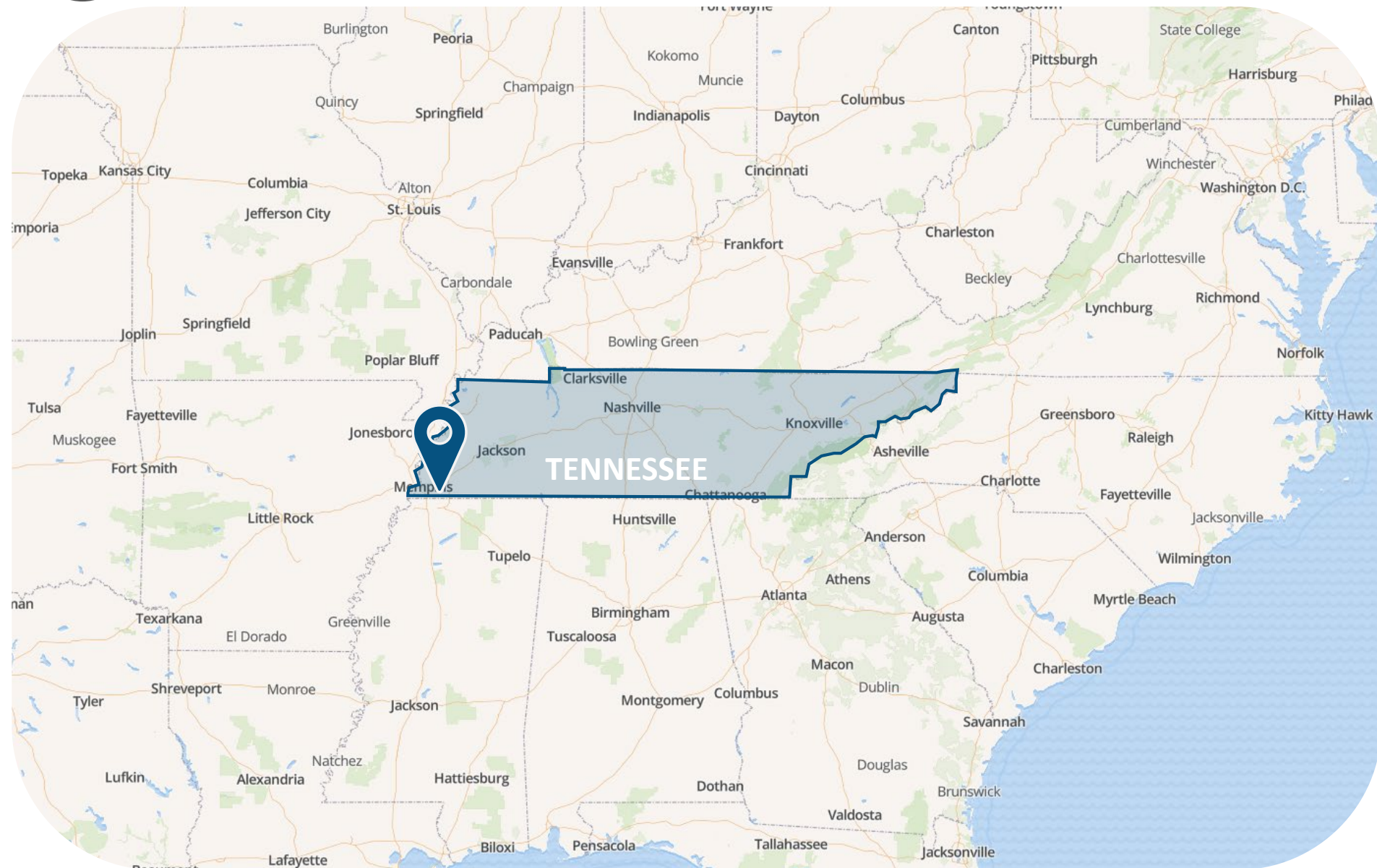






# Regional Map

Property Address: 3736 Riverdale Road – Memphis, TN 38115





2022 Projection	104,149	196,370	567,773
2017 Estimate	100,810	189,082	540,051
2010 Census	98,275	184,281	520,818
2000 Census	88,938	170,373	470,899

INCOME			
Average	\$66,738	\$83,146	\$83,058
Median	\$47,663	\$55,797	\$55,456
Per Capita	\$25,020	\$31,719	\$31,499

HOUSEHOLDS			
2022 Projection	39,529	75,730	216,322
2017 Estimate	37,749	72,058	203,555
2010 Census	36,943	70,507	197,296
2000 Census	34,809	66,301	180,333

HOUSING			
2017	\$126,801	\$156,150	\$164,461

EMPLOYMENT			
2017 Daytime Population	78,815	196,971	586,510
2017 Unemployment	5.11%	4.67%	4.84%
2017 Median Time Traveled	24 Mins	23 Mins	24 Mins

RACE & ETHNICITY			
White	18.89%	34.65%	46.26%
Native American	0.03%	0.04%	0.04%
African American	70.90%	55.89%	44.18%
Asian/Pacific Islander	2.40%	3.15%	3.34%





# Market Overview

City: Whitehall | County: Franklin | State: Ohio

*Memphis, TN*

**Memphis** is a city in the southwestern corner of the U.S. state of Tennessee. It is the seat of Shelby County and the major commercial and industrial center of western Tennessee. Memphis is one of the principal wholesale and retail cities in the South, and its economic influence extends into neighboring states. It is also a leading educational and medical center. The city is located on the 4th Chickasaw Bluff, south of the confluence of the Wolf and Mississippi rivers. The 2017 city population was 652,236, making Memphis the 25th largest city in the United States. Greater Memphis is the 42nd largest metropolitan area in the United States, with a population of 1,348,260 in 2017. This makes Memphis the second largest metropolitan area in Tennessee, surpassed only by metropolitan Nashville, which has overtaken Memphis in recent years.

The city's central location has led to much of its business development. 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. The city is home to Memphis International Airport, the world's second busiest cargo airport (following Hong Kong), which serves as the primary hub for FedEx Express shipping and was a secondary hub for Delta Air Lines after it merged with Northwest Airlines in 2008. Memphis is the home of three Fortune 500 companies: FedEx, AutoZone, and International Paper. Additionally, Memphis is a well-known music center and has been the home of several famous "sounds." Elvis Presley, whose popularity made rock and roll a national phenomenon in the 1950s, began his recording career in Memphis at Sun Records, otherwise known as the "Birthplace of Rock and Roll."

## Major Employers

Employer	Estimated # of Employees
ARS Investment Holdings LLC	7,700
Promus Operating Company Inc	7,140
Homewood Suites	5,843
Thomas & Betts International	5,000
Baptist Memorial Hospital	4,010
Memphis Service Center	4,000
Tin Inc	3,800
Fedex	3,514
Carrier Corporation	3,430
INTERNATIONAL PAPER	3,000
Methodist Le Bonheur Healthcare	2,976



Marcus & Millichap

**EXCLUSIVE NET-LEASE OFFERING**

**Michael Glass**

Marcus & Millichap REIS of Ohio  
5005 Rockside Road, Suite 1100  
Independence, OH 44131  
Tel: (216) 264-2000  
Fax: (216) 264-2010  
License: BRK.2007005898



3736 Riverdale Road – Memphis, TN 38115