

# JACK IN THE BOX SALE-LEASEBACK

205 RIVERSIDE DRIVE, PARKER, ARIZONA



OFFERING MEMORANDUM

Marcus & Millichap





62

COLORADO RIVER  
BRIDGE

Walmart  
Supercenter

95

Hampton Inn  
BW  
Best Western  
BURGER KING

bealls  
OUTLET

SAFEWAY  
CVS pharmacy TACO BELL  
MCDONALD'S SUBWAY DOLLAR GENERAL

INDIAN HEALTH SERVICE  
PHS 1955

Jack  
in the box

AVI SUQUILLA  
AIRPORT

FOOD CITY ACE Hardware sears HOMETOWN STORE  
AutoZone FAMILY DOLLAR

PARKER  
HIGH SCHOOL

La Paz Regional  
Hospital & Clinics

CALIFORNIA  
ARIZONA

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# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$1,806,000</b>
Down Payment	100% \$1,806,000
Cap Rate	5.15%
Approx. Building SF	2,800
Net Cash Flow	5.15% \$93,000
Year Built	2018
Lot Size	.75 Acres

## LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Parker Fast Foods, Inc.
Guarantor	4 Personal Guarantees & Franchisee Guarantee
Roof & Structure	Tenant Responsible
Lease Commencement Date	Upon Close of Escrow
Lease Expiration Date	20 Years from Close of Escrow
Lease Term	20 Years
Rental Increases	7.5% Every 5 Years
Renewal Options	4, 5 Year Options

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$93,000.00	5.15%
6 - 10	\$99,975.00	5.54%
11 - 15	\$107,473.13	5.95%
16 - 20	\$115,533.61	6.40%
Options	Annual Rent	Cap Rate
Option 1	\$124,198.63	6.88%
Option 2	\$133,513.53	7.39%
Option 3	\$143,527.04	7.95%
Option 4	\$154,291.57	8.54%

<b>Base Rent</b>	<b>\$93,000</b>
<b>Net Operating Income</b>	<b>\$93,000</b>
<b>Total Return</b>	<b>5.15% \$93,000</b>





Blue Water  
RESORT & CASINO

NATIVE AMERICAN/TRIBAL LAND

SAFEWAY  
♥CVS pharmacy  
DOLLAR GENERAL

AVI SUQUILLA  
AIRPORT

Walmart  
Supercenter

TACO BELL

SUBWAY

MCDONALD'S

18,930 CPD  
RIVERSIDE DR

bealls  
OUTLET

Jack  
in the box



ARIZONA & CALIFORNIA RAILROAD



18,930 CPD  
RIVERSIDE DR

WESTERN PARK





# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 20-Year Absolute Triple-Net (NNN) Sale-Leaseback**
- » **6.8% Rent to Sales Ratio**
- » New 2018 Construction with a Drive-Thru
- » Last Developable Parcel Before Native American/Tribal Land
- » **7.5% Rental Increases Every 5 Years**
- » 6,804 Residents in a 5-Mile Radius
- » **Excellent Visibility Along Riverside Drive (18,930+ Cars/Day)**
- » Average Household Income Exceeds \$49K in Immediate Area
- » **Surrounded by Major National Retailers** - Walmart Supercenter, Safeway, McDonald's, Dollar General, Burger King, and More
- » 1 Mile to BlueWater Resort & Casino (200+ Rooms)
- » **Minutes to the California/Arizona Border**
- » Parker is Centrally Located Between Phoenix, Arizona (155 Miles) and Las Vegas, Nevada (185 Miles)



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2023 Projection	2,161	4,755	6,721
2018 Estimate	2,244	4,931	6,804

### Households

2023 Projection	761	1,733	2,821
2018 Estimate	764	1,735	2,738

### Income

2018 Est. Average Household Income	\$49,400	\$45,020	\$46,339
2018 Est. Median Household Income	\$40,890	\$34,937	\$35,414
2018 Est. Per Capita Income	\$17,443	\$16,461	\$19,123









# Tenant Overview



**San Diego, California**

Headquarters

**NASDAQ: JACK**

Stock Symbol

**2,250+**

Locations

**1951**

Founded

**[jackinthebox.com](http://jackinthebox.com)**

Website

Jack in the Box (NASDAQ: JACK) is among the nation's leading fast-food hamburger chains, with more than 2,250 quick-serve restaurants in 21 states. As the first major hamburger chain to develop and expand the concept of drive-thru dining, Jack in the Box has always emphasized on-the-go convenience, with approximately 85 percent of the half-billion guests served annually buying food at the drive-thru or for take-out. Jack in the Box pioneered a number of firsts in the quick-serve industry, like the breakfast sandwich and portable salads.

In addition to offering high-quality products, Jack in the Box recognizes that an increasing number of quick-serve customers also want the ability to customize their meals. Whether that means forgoing the bun in favor of a low-carb burger, or substituting ingredients, customers have that flexibility at Jack in the Box.

Additionally, through a wholly owned subsidiary, the company operates and franchises Qdoba Mexican Grill®, a leader in fast-casual dining, with more than 700 restaurants in 48 states, the District of Columbia and Canada.



# Guarantor Overview

## Trevor Butkus

- » Managing Partner and Director of Operations for Jack in the Box Franchised restaurants
- » Started in Jacks system in 2007 to Present
- » Jack in the Box corporate franchise training completed in 2015
- » Oversees day to day operations, financials, human resources and construction
- » Lived in local market for 28 years
- » Ownership in three different entities under the Jack in the Box brand
- » 25% owner in Parker location since opening in 2017

## Mark Lay

- » Owner Operator at Jack in the Box franchise system
- » Started in Jacks system in 1997 – Present
- » Ownership in Parker Fast Foods since opening in 2017
- » Managing Partner in Golden Corral franchise system since 2007
- » Oversees financial operations along with new construction and payroll
- » Became Franchise operator in 2004-present
- » Involved with Jack in the Box franchise community

## Luis M. Carcavallo

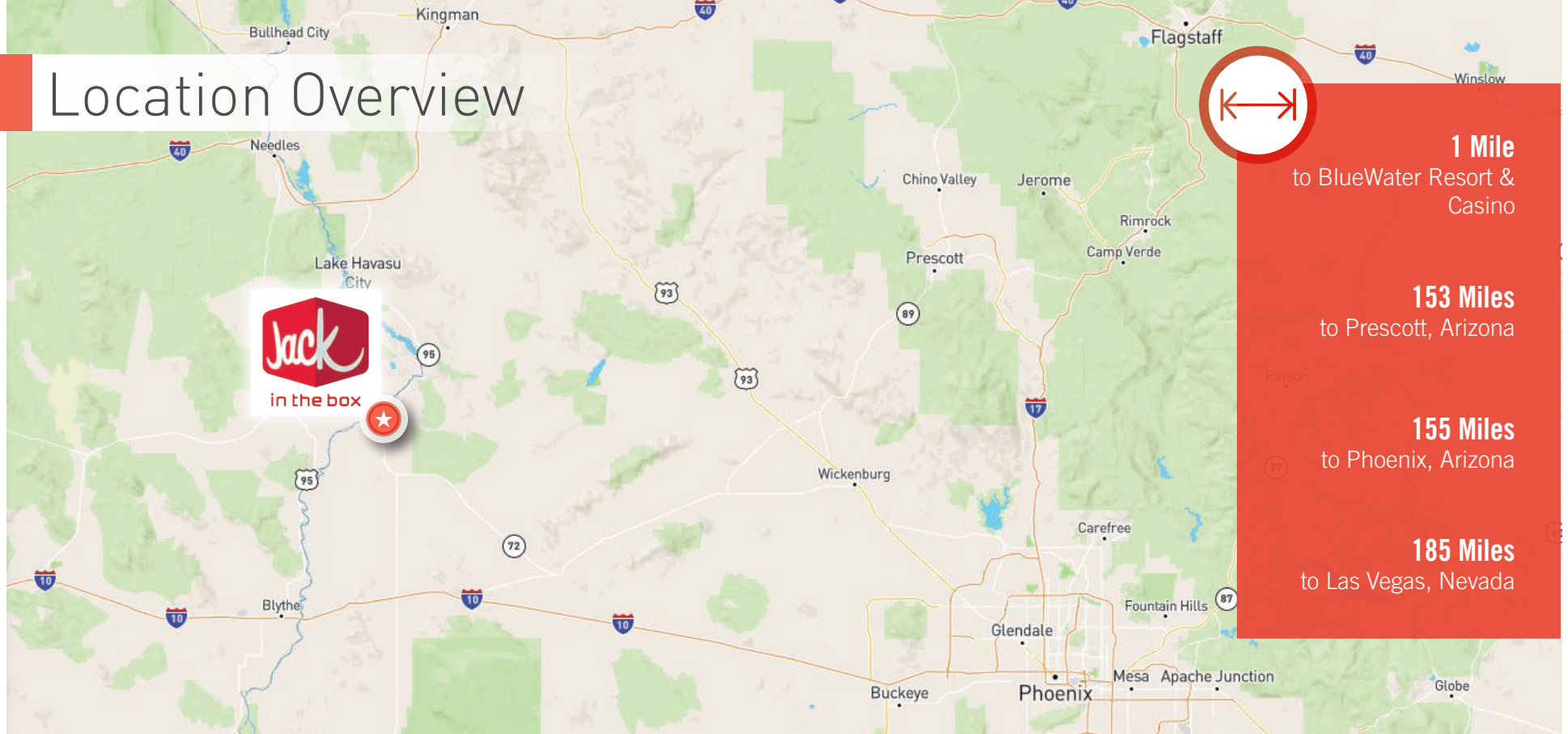
- » President of Food Expo Inc / Las Malvinas Inc
- » Managing Partner of Parker Fast Food LLC;
- » Managing Partner of Parker Holdings Partnership LLC;
- » Employed by JIB corporate 1974-1991, Manager, District Manager, Head of training
- » Franchise Operator 1991-2014
- » JIB 45 years to current

## Alex B. Carcavallo

- » CFO of Food Expo Inc; / Las Malvinas Inc;
- » CFO of Parker Fast Foods LLC;
- » CFO of Parker Holdings Partnership LLC;
- » Current Franchise Operator for JIB
- » Areas of Locations Operated, Inland Empire / Los Angeles
- » Duties Include day to day operations, Head of Administration for all companies, Head of Accounting
- » Head of Development, Head of asset acquisitions
- » Work History: Commercial Fire Protection Industry 28 years; JIB 12 years to current



# Location Overview



Parker is located in the Southwestern portion of Arizona and serves as the county seat of La Paz County. The city lies along a 16-mile stretch of the Colorado River and offers miles of off-road trails, perfect for the outdoor enthusiast. The elected officials of the Town of Parker, many of them small business owners or managers, recognize the importance of small- to medium-sized businesses and actively encourage and solicit new businesses to relocate to Parker.

The business climate in Parker and the greater La Paz County is geared toward services and agriculture, with manufacturing and industry beginning to emerge. The service and retail business sectors are major contributors to the local economy, as well as recreation and tourism. Water sports, fishing, hunting, golf,

and off-road activities attract many visitors to the area. The mild winters entice many out-of-state visitors to return each year for an extended stay.

Newer developments in the region include a truck body manufacturing plant, a carbon recycling facility, a transmex facility, a casino, three dairies, an ethanol production facility, and numerous restaurants. Additionally, the Arizona & California Railroad, a regional railway, acquired 240 track miles of railroad from Santa Fe Railway and have elected make Parker their headquarters. The city's major employers include the local school district, La Paz Regional Hospital, Parker Indian Health Clinic, BlueWater Resort & Casino, and the local government.



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