



OFFERING MEMORANDUM
1301 E CHAIN OF ROCKS ROAD
PONTOON BEACH, IL 62040

REPRESENTATIVE PHOTO

EXCLUSIVELY LISTED BY



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REPRESENTATIVE PHOTO

INVESTMENT HIGHLIGHTS

LONG TERM STABILIZED INVESTMENT

- Long-Term Lease – There are ± 19 years remaining on the original 20-year lease with four (4), 5-year options for the tenant to extend
- Strong Hedge Against Inflation – There are 7.50% increases in rent every 5 years, allowing properties to keep up with rising market rents
- Fee Simple Ownership – Sale includes land and improvements, allowing owners to depreciate the improvements over a 39-year depreciation schedule
- Absolute NNN Lease – Landlord has zero landlord responsibilities, the tenant takes care of insurance, real estate taxes, and maintenance
- Latest Prototype – Brand new 2019 construction

EXCELLENT LOCATION IN STRONG RETAIL AREA

- Stop-and-Go Location – Retail in the area primarily services truckers - Denny's, Motel 6, Flying J Travel Center, Taco Bell, McDonald's, Mobil and Fairfield Inn are all located nearby the site and I-270 supports over 54,000 cars per day in average daily traffic
- Industrial Warehouse Hub – Amazon, Unilever, Proctor & Gamble, Save-A-Lot, Lowe's, DB Schenker, and Hershey, all have major facilities in the area with Burger King out positioning its competitors

SEASONED OPERATOR OF AN EXCELLENT BRAND

- Broadway Restaurant Group operates 55+ locations in the greater St. Louis and surrounding areas
- High Growth Operator – Franchisee currently has 5+ units in the development that are slated for opening in 2019
- Operator with Strong Fundamentals – Broadway Restaurant Group is a sophisticated operator – It is well capitalized for smart revenue and unit growth
- Iconic Brand – Established in 1954, Burger King has grown to over 15,000 units worldwide

FINANCIAL OVERVIEW



LIST PRICE

\$2,414,000



CAP RATE

5.80%



TERM REMAINING

± 19 Years

ANNUALIZED OPERATING DATA

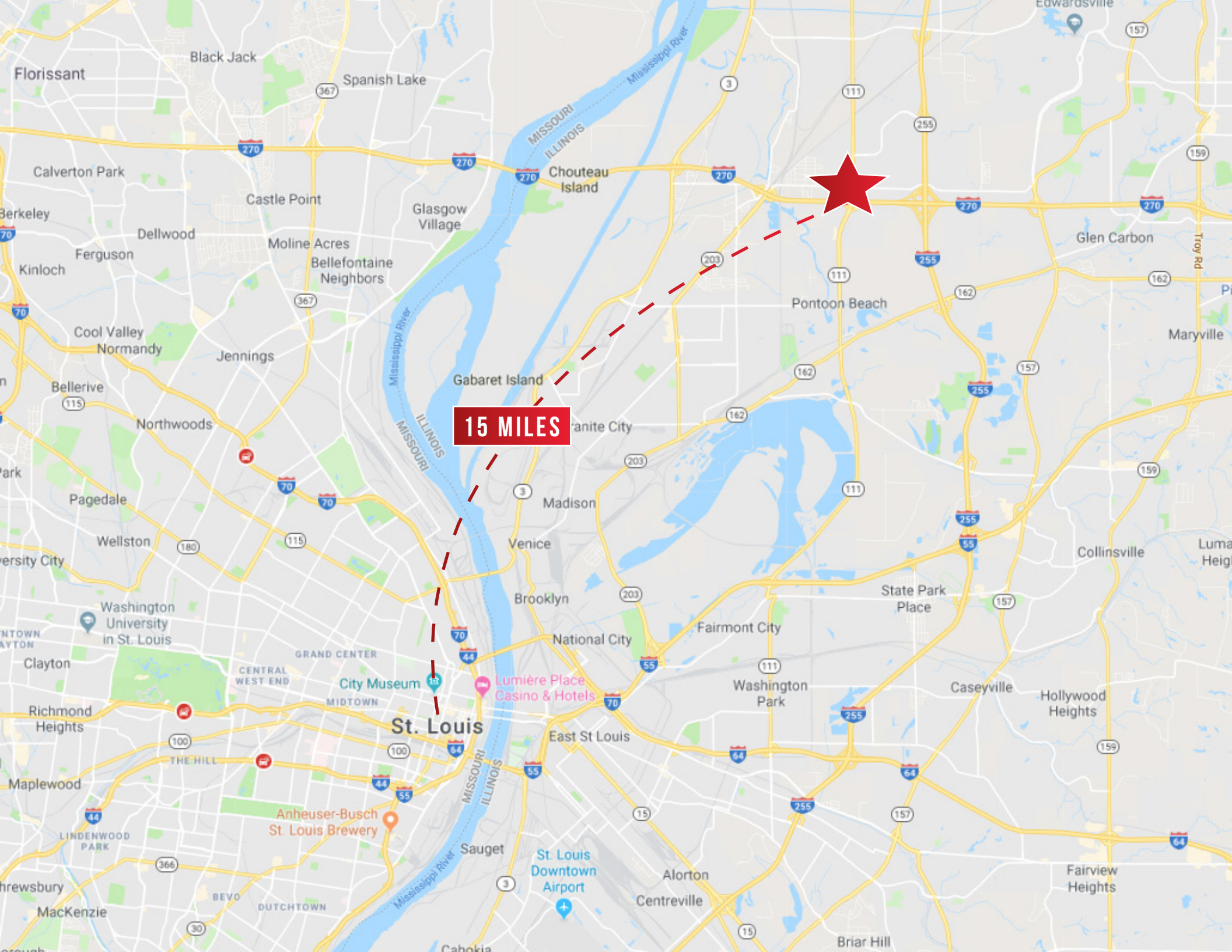
	Monthly Rent	Annual Rent	RPSF	Cap Rate
Year 1-5	\$11,667	\$140,000	\$45.16	5.80%
Year 6-10	\$12,542	\$150,500	\$48.55	6.23%
Year 11-15	\$13,482	\$161,788	\$52.19	6.70%
Year 16-20	\$14,493	\$173,922	\$56.10	7.20%
Option 1	\$15,580	\$186,966	\$60.31	7.75%
Option 2	\$16,749	\$200,988	\$64.83	8.33%
Option 3	\$18,005	\$216,062	\$69.70	8.95%
Option 4	\$19,356	\$232,267	\$74.92	9.62%

EXECUTIVE SUMMARY

Property Name	Burger King
Address	1301 E Chain of Rocks Road Pontoon Beach, IL 62040
GLA	± 3,100 SF
Land Area	± 1.59 AC / 69,260 SF
Year Built	2019

TENANT SUMMARY

Lease Type	NNN
Type of Ownership	Fee Simple
Lease Guarantor	Franchisee (Broadway Restaurant Group)
Roof and Structure	Tenant Responsible
Original Lease Term	20 Years
Lease Commencement	11/6/2018
Rent Commencement	4/1/2019
Lease Expiration	3/31/2039
Term Remaining	± 19 Years
Increases	7.5% Every Five Years
Options	Four, 5-Year Options



TENANT OVERVIEW

TENANT OVERVIEW

Burger King Worldwide operates the world's #2 hamburger chain by sales with almost 15,000 restaurants in the US and more than 100 other countries. Every day, more than 11 million guests visit Burger King Restaurants around the world and they do so because Burger King is known for serving high-quality, great-tasting and affordable food. In addition to its popular Whopper sandwich, the chain offers a selection of burgers, chicken sandwiches, salads, and breakfast items, along with beverages, desserts, and sides. Burger King's menu has expanded from a basic offerings of burgers, French fries, sodas, and milkshakes to a larger and more diverse set of products. Many of the eateries are stand-alone locations offering dine-in seating and drive-through services; the chain also includes units in high-traffic locations such as airports and shopping malls. Burger King Worldwide is owned and operated by Restaurant Brands International.

GEOGRAPHIC OUTREACH

Burger King has restaurant locations throughout the US and more than 100 other countries. The US and Canada are responsible for about 65% of revenues. Like most other giants of the fast-food industry, Burger King has expanded its nationwide and international presence primarily through franchising. But the company has reduced its domestic expansion efforts recently. Burger King has used joint ventures to expand in countries like China, Mexico, Russia, and Singapore.



PARENT COMPANY TRADE NAME

Restaurant Brands International, Inc.



NO. OF LOCATIONS

± 15,000



HEADQUARTERED

Miami, FL



WEBSITE

www.bk.com



YEAR FOUNDED

1953

AREA OVERVIEW



PONTOON BEACH, IL

The Village of Pontoon Beach is at the crossroads of southwestern Illinois and the St. Louis (bi-state) region’s business, education and tourism centers. Within view of the St. Louis Gateway Arch, the Village offers residents, businesses and visitors direct access to the best of both worlds.

The Village is located 10 miles northeast of downtown St. Louis, Missouri in Madison County, Illinois. A community of 6,000 people, Pontoon Beach is bordered by the 2,300 acre Gateway Commerce Center, I-270, I- 255 and the communities of Granite City, Edwardsville, Glen Carbon and Collinsville, IL.

Residents of Pontoon Beach enjoy a safe, small-town atmosphere; Fortune 100 companies distribute their products throughout the Midwestern United States and retail businesses attract customers from a growing population base.

AREA DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2024 Projection	1,228	13,623	45,858
2019 Estimate	1,259	13,830	46,279
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2024 Projection	502	5,633	18,396
2019 Estimate	510	5,686	18,504
INCOME	1-Mile	3-Mile	5-Mile
Average Household Income	\$74,998	\$75,938	\$80,052

ST LOUIS, MO

St. Louis lies beside the confluence of the Missouri and the Mississippi Rivers where the city's most recognizable feature is perched. The Gateway Arch, the centerpiece of the Jefferson National Expansion Memorial, is the tallest man-made monument in the United States. St. Louis is occupied by nearly 40 colleges, universities, and technical schools some of the largest being Washington University in St. Louis, Saint Louis University and University of Missouri–St. Louis. In addition to its importance as a biotech and business center, the rivers and Port of St. Louis play a large role in moving goods throughout the country. The city has numerous museums and attractions within the city including the St. Louis Art Museum, the Missouri History Museum and the Zoo. St. Louis is the home of the world-renowned Saint Louis Symphony Orchestra which was founded in St. Louis in 1880 and is the second oldest orchestra in the nation. The city had an estimated March 22, 2018 population of 308,626 and is the cultural and economic center of the Greater St. Louis Metropolitan area (home to nearly 3,000,000 people), which is the largest metropolitan area in Missouri and the 19th-largest in the United States.



ST. LOUIS ECONOMY

The economy of metropolitan St. Louis relies on service, manufacturing, trade, transportation of goods, and tourism. Its metro area is home to major corporations, including Anheuser-Busch, Express Scripts, Centene, Boeing Defense, Emerson, Energizer, Panera, Enterprise, Peabody Energy, Ameren, Post Holdings, Monsanto, Edward Jones, Go Jet, Purina, and Sigma-Aldrich. Nine of the ten Fortune 500 companies based in Missouri are located within the St. Louis metropolitan area. This city has also become known for its growing medical, pharmaceutical and research presence. St. Louis has two professional sports teams: the St. Louis Cardinals of Major League Baseball and the St. Louis Blues of the National Hockey League. The city is commonly identified with the 630-foot (192 m) tall Gateway Arch in the city's downtown. St. Louis is a current front runner for the 28th or 29th Major League Soccer Expansion Team. It is no secret that MLS has long viewed St. Louis as an important market due to the historical significance of one of the country's longest-serving soccer hotbeds.

ST. LOUIS TOURISM

- St. Louis welcomes 25.9 million annual visitors for leisure, conventions, meetings and business travel
- Visitors spend \$5.38 billion in St. Louis and tourism provides jobs for more than 85,000 area residents
- St. Louis area tourism workers earn \$3.17 billion in wages yearly and the industry generates \$925 million in local, state and federal taxes each year
- Travel and tourism ranks among the top 6 industries in St. Louis City and County
- Each household in St. Louis City and County receives \$1,121 a year in tax savings as a result of travel and tourism



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Burger King** located at **1301 E Chain of Rocks Road, Pontoon Beach, IL 62040 (“Property”)**. It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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