



PIZZA HUT

1616 N 2ND ST.

CLINTON, IA 52732

CBRE | **OFFERING**
MEMORANDUM

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INVESTMENT HIGHLIGHTS

- The lease structure is **triple net (NNN), with zero landlord responsibilities**. Tenant is responsible for maintaining, repairing, and replacing all aspects of the property, as well as all required insurances, taxes, and utilities.
- There are **eleven (11.2) years remaining on the lease term, plus one (1), five (5) year option**.
- **Reported sales at this location are more than twice the national average for Pizza Hut and increased ~25% from 2018 to 2019.** Please contact broker for details.
- The lease is signed by 2JR Enterprises, LLC, **an experienced Pizza Hut franchisee with approximately 30 locations**.
- The average household income in the five (5) mile demographic ring is **\$61,517**.
- Pizza Hut is surrounded by several popular retailers including **Jewel-Osco, Walgreens, KFC Burger King, Wendy's, Taco Bell and Dollar General, among others**.
- The subject property is located just **42 miles (50 minutes) from Davenport, IA, and 86 miles (110 minutes) from Cedar Rapids, IA**.
- Pizza Hut is located within three (3) miles of a half-dozen schools (elementary, middle, high, community college), **implying a built-in customer base**.
- The city of Clinton is the **county seat of Clinton County, Iowa**.
- There are 65 barge terminals along Iowa, 57 on the Mississippi River and eight along the Missouri River. The ports, terminals and fleeting areas in Iowa provide jobs and income for their communities, and support Iowa industries dependent on the river for transportation. **River transportation, including harbors and terminals, are an engine for continued economic growth**.
- Clinton Community High School is the third-best ranked in the state with a 91% graduation rate (US News and World Report, 2019). **Iowa's high school graduation rate remains #1 in the nation**.

INVESTMENT SUMMARY

Offering Price.....	\$1,536,400
Cap Rate.....	6.00%
Price/SF.....	\$480.88
Lease Structure	NNN
Current Annual Rent.....	\$92,184
Building GLA	3,195 SF
Lot Size.....	0.86 acres
Ownership.....	Fee Simple



TENANT OVERVIEW

About Pizza Hut

Pizza Hut first opened in 1958 in Wichita, Kansas, when the Carney brothers borrowed \$600 from their mom to open a pizza place. They named it Pizza Hut because the sign had just room for eight letters. It, of course, grew — because the pizza was awesome, the service felt like home, and the people treated the customer like family. Those same tenets apply today. It's how a restaurant should do business. Since then, the brand has been spinning small-town passion and big-minded innovation into a pizza restaurant powerhouse beloved in more than 100 countries.

There's nothing cookie-cutter about Pizza Hut. Not the pizzas. Not the people. And definitely not the way they live life. Around here, Pizza Hut doesn't settle for anything less than food they're proud to serve. And they don't just clock in. Not when they can also become their best, make friends, and have fun while they're at it. They're the pizza company that lives life unboxed.

Pizza Hut has more than 18,000 restaurants and 350,000 team members in more than 100 countries. Whether it's the original Stuffed Crust or putting a pizza in outer space, the brand never stops driving themselves to deliver hot pizzas, fast every time — anywhere you want to enjoy it.

Pizza Hut's parent company is Yum! Brands, Inc. Yum! Brands, Inc., based in Louisville, Kentucky, has over 49,000 restaurants in more than 145 countries and territories primarily operating the company's restaurant brands — KFC, Pizza Hut and Taco Bell — global leaders of the chicken, pizza and Mexican-style food categories. Worldwide, the Yum! Brands system opens over eight new restaurants per day on average, making it a leader in global retail development.



PIZZA HUT CORPORATE OVERVIEW

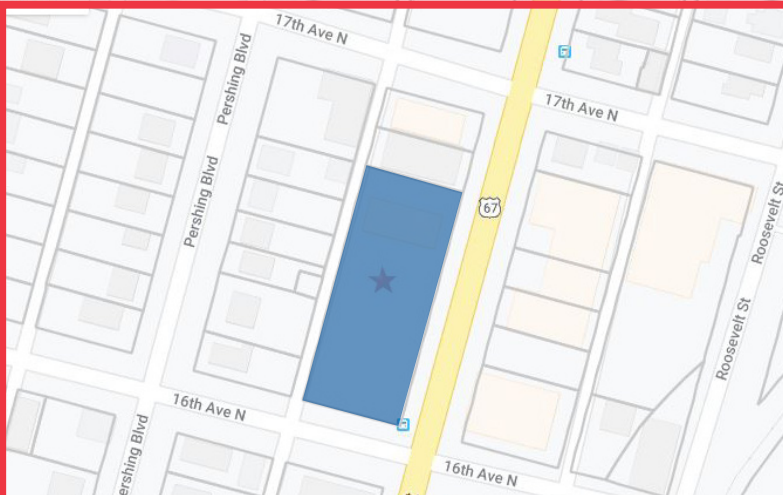
Type:	Subsidiary
Parent Company:	Yum! Brands Inc. (NYSE: YUM)
Industry:	Quick Service Restaurant (QSR)
Locations:	18,000+
Employees:	350,000+
Revenue:	\$50 Billion (FY 2019 - Yum! Brands Inc.)
Corporate Headquarters:	Plano, TX
Credit Rating:	S&P: BB, Moody's: B2

PROPERTY OVERVIEW





PROPERTY OVERVIEW



PROPERTY SUMMARY

Price: \$1,536,400

Cap Rate: 6.00%

Address: 1616 N 2nd St.
Clinton, IA 52732

Ownership: Fee Simple

Building GLA: 3,195 SF

Lot Size: 0.86 acres

Parking: ~68

Year Built / Remodeled: 1971 / 2009

Parcel Number: 86-1032-0000

LEASE SUMMARY

Tenant: 2JR Enterprises, LLC (Trade Name: Pizza Hut)

Date of Lease: September 4, 2004

Rent Commencement: May 1, 2013

Lease Expiration: April 30, 2031

Lease Term: Original Lease term was 20 years, has since been extended

Term Remaining: 11.2 years (as of 02/2020)

Renewal Options: 1 - 5 year options

Current Annual Rent: \$92,184

Rental Increases: \$2.25 PSF in 2024, \$1.95 PSF at Option

Percentage Rent: None

Sales Reporting: Quarterly and annually (unit and parent)

LEASE SUMMARY CONTINUED

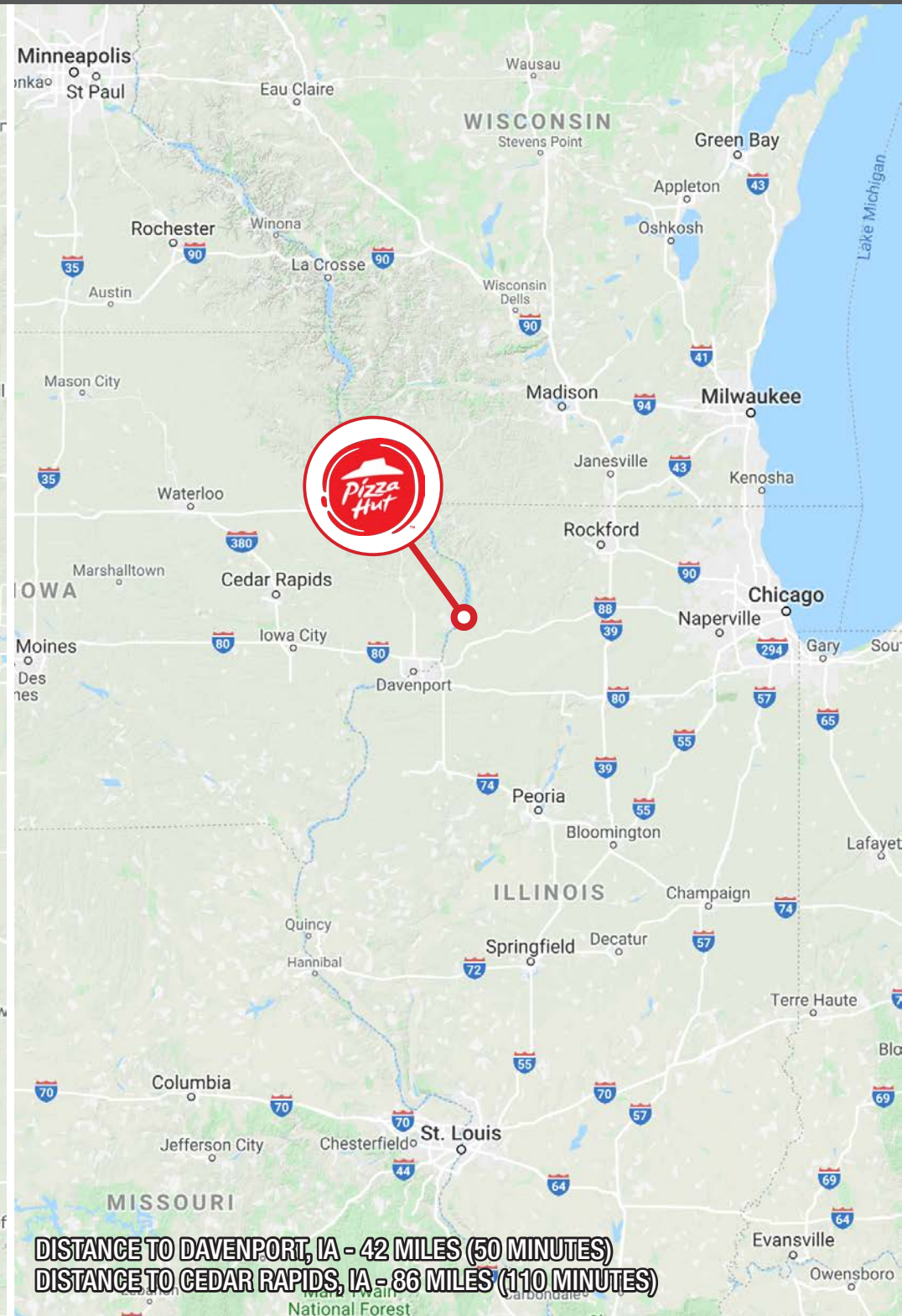
Lease Structure:	NNN - Zero Landlord Responsibility
Roof:	Tenant
Structure:	Tenant
HVAC:	Tenant
Common Area:	Tenant
Parking:	Tenant
Property Taxes:	Tenant
Utilities:	Tenant
Insurance:	Tenant
Assignment & Subletting:	No assignment or sublet shall relieve tenant of its obligations under the lease unless a Permitted Assignee (approved by Franchisor)

RENT SCHEDULE

Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	10/1/19 - 9/30/24:	\$7,682.00	\$92,184.00	\$28.85	
	10/1/24 - 4/30/31:	\$8,282.00	\$99,384.00	\$31.11	\$2.25/SF
Option 1:	5/1/31 - 4/30/36:	\$8,800.00	\$105,600.00	\$33.05	\$1.95/SF



AREA OVERVIEW



MISSISSIPPI
RIVER

BEAVER ISLAND

ALBANY

CAMANACHE

JOYCE ISLAND

ESTIMATED POPULATION

3 Mile	26,918
5 Mile	30,413
10 Mile	40,766



Custom-Pak
DESIGN & BLOWMOLDING



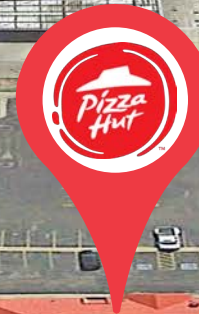
Jewel-Osco

Domino's

First Central
State Bank
Member FDIC

Papa Murphy's
PIZZA

EAST GATEWAY
CREDIT UNION

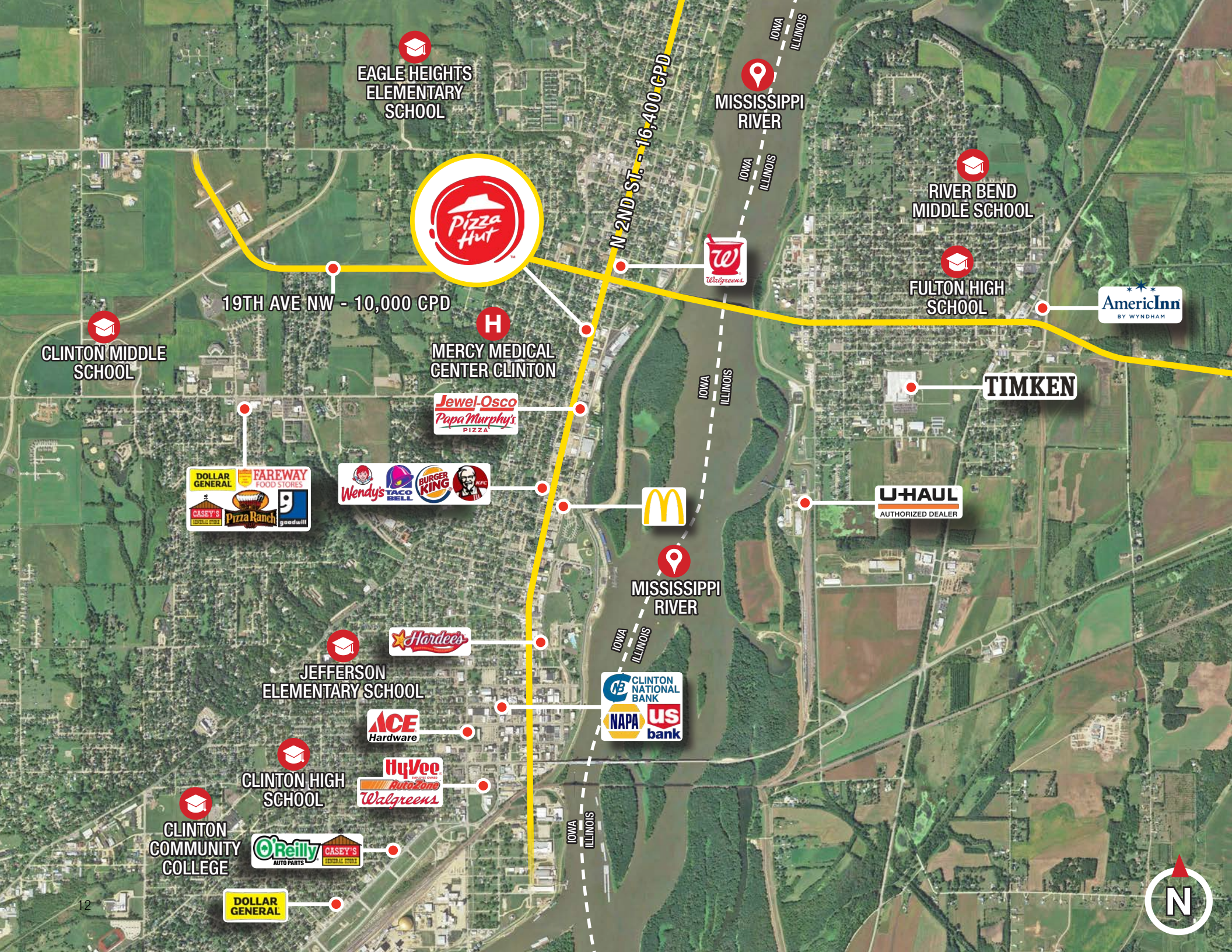


McDonald
Supply

CLASSIC
RACING COLLECTIBLES

N 2ND ST. - 16,400 CPD





EAGLE HEIGHTS
ELEMENTARY
SCHOOL

MISSISSIPPI
RIVER

RIVER BEND
MIDDLE SCHOOL

FULTON HIGH
SCHOOL

AmericInn
BY WYNDHAM

TIMKEN

U-HAUL
AUTHORIZED DEALER



MISSISSIPPI
RIVER

CLINTON NATIONAL
BANK
NAPA US
bank

MERCY MEDICAL
CENTER CLINTON

Jewel-Osco
Papa Murphy's
PIZZA

Wendy's TACO BELL BURGER KING KFC

DOLLAR GENERAL FAREWAY FOOD STORES
CASEY'S Pizza Ranch 9 goodwill

Hardee's

JEFFERSON
ELEMENTARY SCHOOL

ACE
Hardware

HyVee
AutoZone
Walgreens

CLINTON HIGH
SCHOOL

CLINTON
COMMUNITY
COLLEGE

O'Reilly
AUTO PARTS CASEY'S
GENERAL STORES

DOLLAR
GENERAL



AREA OVERVIEW

CLINTON, IOWA

HISTORY

- Clinton is a city in and the county seat of Clinton County, Iowa. Clinton County is comprised of 18 townships and was settled as a lumber community that grew into a thriving manufacturing center. Clinton County comprises the Clinton, IA Micropolitan Statistical Area, which is also included in the Davenport-Moline, IA-IL Combined Statistical Area. Visitors can stroll along the riverfront for astonishing views of the Mississippi River, or hear stories of lumberjacks at the Sawmill Museum. Clinton has something for everyone to enjoy all with small-town charm that makes you feel right at home.

ECONOMY

- The unemployment rate in Clinton is 3.4% (U.S. average is 3.9%). Compared to the rest of the country, Clinton's cost of living is 24.9% lower than the U.S. average. The central downtown neighborhood has rich character, large sidewalks, historic commercial buildings and access to the Mississippi riverfront.
- Iowa is bordered by two "coasts," the Mississippi and Missouri rivers. These two coasts are an economic and environmental resource of enormous proportion. The nearly 500 miles of the Mississippi and Missouri rivers along Iowa's borders are open for commercial navigation and provide safe, efficient and effective transportation for over 9 million tons of Iowa products, primarily the state's agriculture production. These rivers, and the terminals along them, are a gateway for Iowa to the extensive 12,000-mile inland waterway system that has access to ports throughout the country, and ultimately the world. Over 60 percent of the U.S. corn and soybean exports move on the river system through the Gulf to foreign markets.



RETAIL ACTIVITY

- Clinton, Iowa supports a thriving retail economy and is currently home to 2 million square feet of retail space and 9 retail centers. The largest centers in the city include the 184,000-square foot Clinton Towne Center, the 109,000-square foot Target center, and the 33,000 square foot Miracle Mile Shopping Center.

EDUCATION

- There are two K-12 education options in Clinton: Clinton Community School District and Prince of Peace Catholic Schools. The public-school district contains five elementary and two middle schools, as well as one high school. According to US News and World Report, Clinton Community High School is the third-best ranked in the state with a 91% graduation rate (US News and World Report, 2019). Iowa's high school graduation rate remains #1 in the nation.
- Clinton Community College, part of the Eastern Iowa Community College consortium, is a two-year institution offering Associate of Arts degrees, college transfer courses, and certain technical skills training. The College is located just 2 miles (7 minutes) from the subject property and enrolls approximately 1,700 students annually.

AREA OVERVIEW

AIRPORTS

- The Clinton Airport is located just 8 miles (15 minutes) from the subject property on US Highway 30. The airport does not handle commercial flights, it primarily accommodates small planes, including corporate jets and chartered flights.
- Clinton has two major river terminals. These terminals are critical to the area because they provide direct access to the Mississippi River. With a nine-foot channel depth, these terminals are large enough to accommodate products that are shipped by barge to be uploaded to trains and trucks. The Clinton Terminal is located on the Upper Mississippi River at mile marker 518. The site is served by the UP, CP and BNSF railroads. Capabilities include bulk material handling. Facilities include dry bulk barge dock— ground and covered storage.



MISSISSIPPI RIVER

SURROUNDING ACTIVITY

- The Clinton area offers year-round attractions, outstanding annual events, live theater, craft and antique shops, unique restaurants and historic districts. There are several walking and biking trails throughout the community, which offer opportunities for exercise and recreation along the one of the widest portions of the Mississippi River. Other riverfront amenities include a newly revamped marina and nearby restaurant, campground, and opportunities for fishing. Eagle Point Park, including its recently constructed Lodge, offers stunning views of the Mississippi. There are several museums throughout Clinton that highlight its rich history, as well as a nationally recognized arboretum and several eco-tourism centers.
- The local minor league baseball team, the LumberKings, hosts roughly 70 games each spring and summer. The area supports several local bars, restaurants, and shops, spread amongst the Clinton and Lyons downtowns. The Wild Rose Casino and Resort and Valley Oaks Golf Club, both on the southwest side of town, offer additional entertainment and recreational options. Wide River Winery, located just north of Eagle Point Park in unincorporated Clinton County, is another destination, offering daily wine tastings and seven acres of vineyards.
- The city's location on a bend in the Mississippi River, with major roads and railroad lines coming into the town, made it ideally located as a transportation hub. Numerous sawmills were established, supplied by raw timber floated down the river from the forests of Minnesota and Wisconsin. Profits from cutting raw timber into usable planks brought wealth to the city, which at one time, made it home to thirteen millionaires— more per capita than any other American city. This remains a source of pride among locals.

DEMOGRAPHICS

POPULATION	3 Mile	5 Mile	10 Mile
Estimated Population (2019)	26,918	30,413	40,766
Census Population (2010)	28,123	31,759	41,988
Projected Population (2024)	26,286	29,683	39,891
HOUSEHOLDS	3 Mile	5 Mile	10 Mile
Estimated Households (2019)	11,562	12,967	17,319
Census Households (2010)	11,898	13,343	17,609
Projected Households (2024)	11,325	12,698	17,010
VALUE OF HOUSING UNITS	3 Mile	5 Mile	10 Mile
2019 Average	\$138,748	\$144,514	\$149,790
2019 Median	\$109,317	\$113,816	\$122,721

2019 POPULATION BY RACE	3 Mile	5 Mile	10 Mile
White	87.5%	87.7%	89.5%
Black or African American	5.3%	5.1%	4.0%
Hispanic	3.8%	3.9%	3.5%
Asian	0.8%	0.8%	0.7%
2019 AGE BY GENDER	3 Mile	5 Mile	10 Mile
MEDIAN AGE			
Male	40.40	41.00	42.10
Female	44.30	44.50	45.30
HOUSEHOLD INCOME	3 Mile	5 Mile	10 Mile
2019 Average	\$60,673	\$61,517	\$64,814
2019 Median	\$44,499	\$45,504	\$49,220

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This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs.

ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

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Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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