

# INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

**DBA. Car Wash USA**

- ❖ 20-Year Sale-Leaseback
- ❖ Corporate Guarantee
- ❖ #1 Car Wash Operator Globally

- ❖ Absolute Triple-Net (NNN) Lease
- ❖ More Than 900 Locations
- ❖ Accelerated Depreciation



# OFFERING MEMORANDUM



8408 Preston Highway, Louisville, KY 40219

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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.

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# Investment Highlights

PRICE: \$6,094,463 | CAP: 5.75% | RENT: 350,432



## 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 is Subject to a 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:** This Property Qualifies for 15 Year Accelerated Depreciation

## About the Location

- ✓ Dense Retail Corridor | Home Depot, Kroger, Best Buy, CVS, T.J. Maxx, Office Depot, Family Dollar, Dollar General, Red Lobster, Applebee's Grill + Bar, Long John Silver's, McDonald's, Taco Bell, as well as Several Others
- ✓ Jefferson Mall | Two-Miles Away | Anchored by Dillard's and JCPenney with Over 95 Permanent Stores in 990,452 Sq. Ft of Lease Spaced
- ✓ Compelling Location Fundamentals | Less Than Eight Miles from Louisville International Airport | Third Busiest Cargo Airport in the United States
- ✓ Strong Academic Presence | Within Five Miles from Kean University and Seton Hall
- ✓ Strong Traffic Counts | Preston Highway and Outer Loop | Average Daily Traffic Counts Exceed 28,900 and 31,400 Vehicles Per Day
- ✓ Positive Real Estate Fundamentals | Located in Louisville | The Largest City in Kentucky

## 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 135 locations, making it the country's second largest operator.
- ✓ 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: \$6,094,463 | CAP: 5.75% | RENT: 350,432



## Property Description

Property	International Car Wash Group
Property Address	8408 Preston Highway
City, State, ZIP	Louisville, KY
Building Size (SF)	5,400
Lot Size	+/- 1.27 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$6,094,463
CAP Rate	5.75%
Annual Rent	\$350,432
Rent / SF	\$64.89

## 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	1.5% Annually
Options to Renew	Four (4), Five (5) Year Options

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$350,432	\$29,203	-
Year 2	\$355,688	\$29,641	1.50%
Year 3	\$361,023	\$30,085	1.50%
Year 4	\$366,439	\$30,537	1.50%
Year 5	\$371,935	\$30,995	1.50%
Year 6	\$377,514	\$31,460	1.50%
Year 7	\$383,177	\$31,931	1.50%
Year 8	\$388,925	\$32,410	1.50%
Year 9	\$394,759	\$32,897	1.50%
Year 10	\$400,680	\$33,390	1.50%
Year 11	\$406,690	\$33,891	1.50%
Year 12	\$412,791	\$34,399	1.50%
Year 13	\$418,982	\$34,915	1.50%
Year 14	\$425,267	\$35,439	1.50%
Year 15	\$431,646	\$35,971	1.50%
Year 16	\$438,121	\$36,510	1.50%
Year 17	\$444,693	\$37,058	1.50%
Year 18	\$451,363	\$37,614	1.50%
Year 19	\$458,133	\$38,178	1.50%
Year 20	\$465,005	\$38,750	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 8408 Preston Highway in Louisville, KY. 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 \$350,432 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 5,400 rentable square feet and is situated on 1.27 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 135 locations, making it the country's second largest operator. 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**

COUNTRIES

**14**

WEBSITE

**ICWG.COM**

FOUNDED

**2014**

LOCATIONS

**890+**

HEADQUARTERS

**Centennial,  
Colorado**

## 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.



## Roark Capital Group Acquires International Car Wash Group

Atlanta, GA (October 4, 2017) – Roark Capital Group, an Atlanta-based private equity firm focused on multi-unit consumer businesses, announced today that its affiliate has closed on the previously announced acquisition of UK-based International Car Wash Group from TDR Capital LLP.

ICWG is the largest car wash operator in the world, washing more than 35 million cars every year through more than 900 locations in 14 countries across Europe, the United States, and Australia. Founded in Germany in 1965, the Company has solidified its position as the international market leader, developing an extensive network of more than 750 car wash locations across Europe and more than 100 car wash locations in the U.S. ICWG's focus on express-service style operations appeals to a broad base of consumers seeking a quick and high-quality wash at an affordable price.

Ezra Field, Senior Managing Director and Chief Investment Officer at Roark, said, "ICWG's quick conveyor car wash model provides high-quality washes at an affordable price point that is attractive to today's consumers who demand convenience and value."

Roark focuses on franchised and multi-unit business models in the retail, restaurant, consumer and business services sectors. Since inception, affiliates of Roark have invested in 61 franchise/multi-unit brands which collectively generate \$25 billion in annual system revenues from 28,000 locations in 50 states and 78 countries. Roark's current brands include Anytime Fitness, Arby's, Atkins Nutritionals, Batteries Plus Bulbs, CKE Restaurants (the owner of Carl's Jr. and Hardee's), Corner Bakery, Driven Brands (the owner of Maaco, Meineke, CARSTAR, 1-800-Radiator and Take 5 Oil Change), Drybar, FOCUS Brands (the owner of Auntie Anne's Pretzels, Carvel Ice Cream, Cinnabon, McAlister's Deli, Moe's Southwest Grill, and Schlotzsky's), Great Expressions Dental Centers, Il Fornaio, Jimmy John's, Jim 'N Nick's, Massage Envy, Miller's Ale House, Naf Naf Grill, Orangetheory Fitness, Pet Retail Brands (the owner of Pet Supermarket and Pet Valu), Primrose Schools and Waxing the City. For more information, please visit [www.roarkcapital.com](http://www.roarkcapital.com).





# Depreciation Benefits

## Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$350,432
Cap Rate	5.75%
Purchase Price	\$6,094,463
Loan Amount	\$3,961,401
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$262,878
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$325,038
Potential Tax Savings	\$120,264

## Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$350,432
Cap Rate	5.75%
Purchase Price	\$6,094,463
Loan Amount	\$3,961,401
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$262,878
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$125,015
Potential Tax Savings	\$46,255

## Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$350,432
Cap Rate	5.75%
Purchase Price	\$6,094,463
Loan Amount	\$3,961,401
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$262,878
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$4,875,570
Potential Tax Savings	\$1,803,961

## Ground Lease

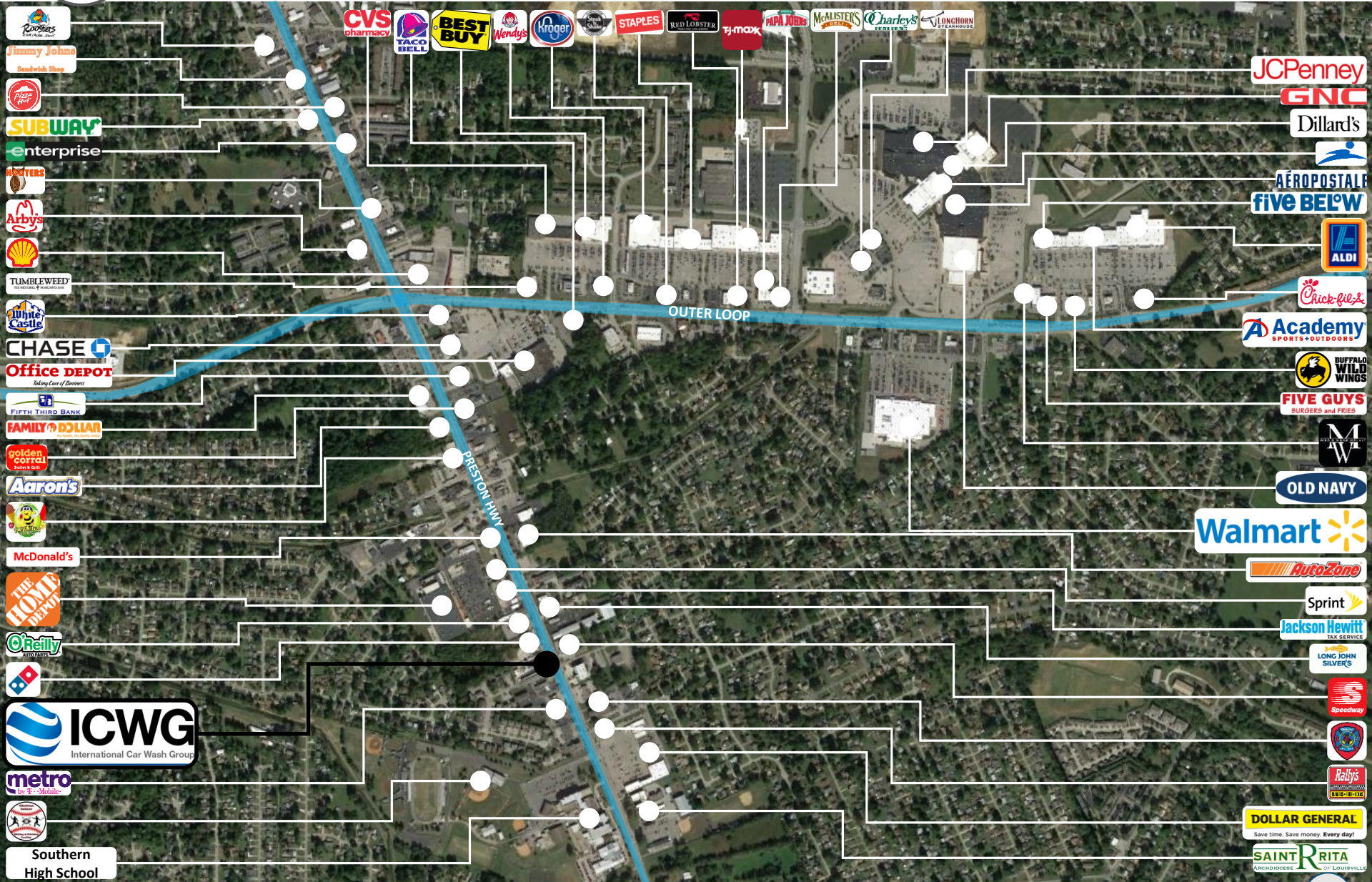
Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$350,432
Cap Rate	5.75%
Purchase Price	\$6,094,463
Loan Amount	\$3,961,401
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$262,878
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
Potential Tax Savings	\$0





# Surrounding Area

Property Address: 8408 Preston Highway, Louisville, KY 40219







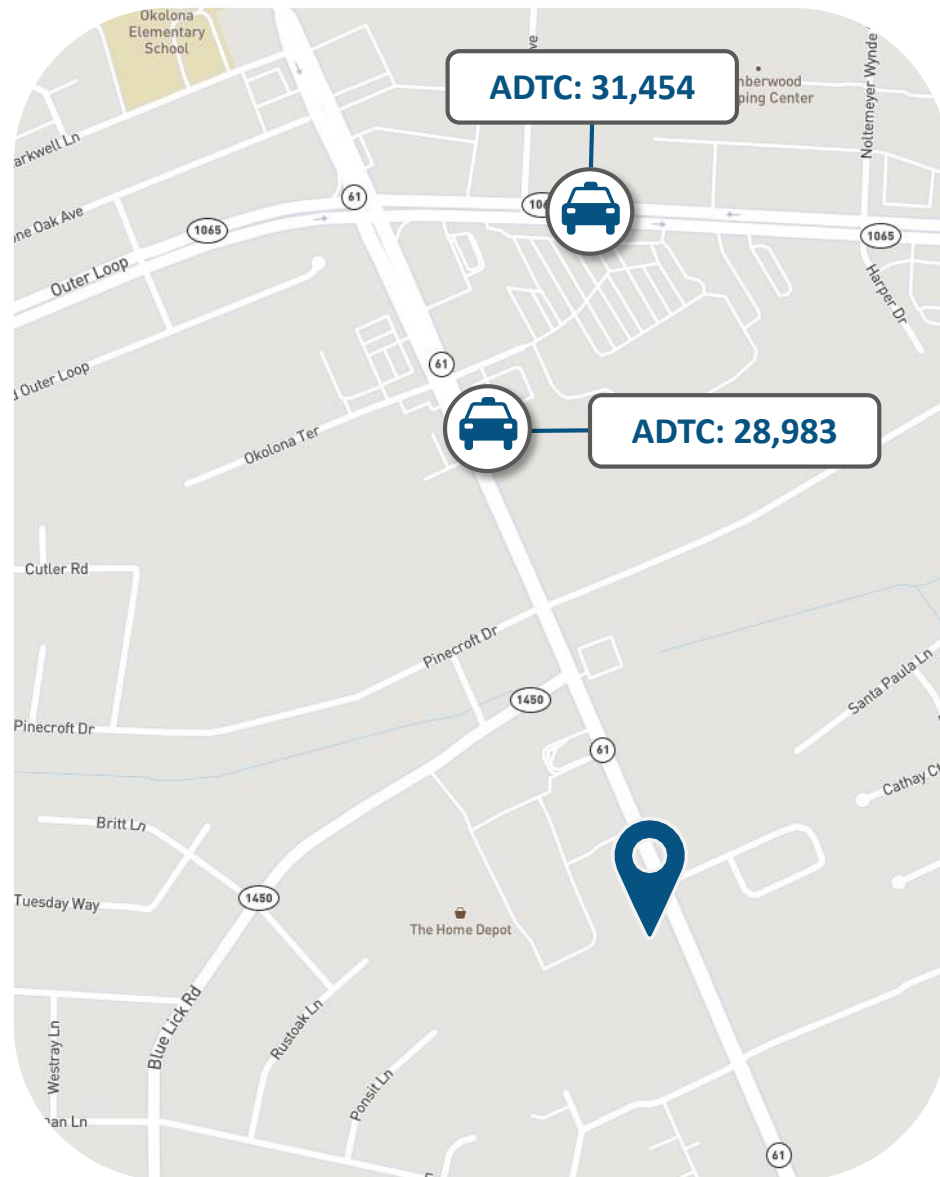
# Location Overview

Property Address: 8408 Preston Highway, Louisville, KY 40219

The subject Car Wash benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and academic institutions. Major national tenants in the area include Walmart, Home Depot, Kroger, Best Buy, CVS, T.J. Maxx, Office Depot, Family Dollar, Dollar General, Red Lobster, Applebee's Grill + Bar, Long John Silver's, McDonald's, Taco Bell, as well as several others. This Car Wash benefits from being located 2 miles from Jefferson Mall. Jefferson Mall is anchored by Dillard's and JCPenney with over 95 permanent stores in 990,452 sqft of lease spaced. The subject property is located just under 8 miles from the Louisville International Airport. The Louisville International Airport is the third-busiest airport in the United States in terms of cargo traffic and seventh-busiest in the world. Over 3.8 million passengers and over 5.7 billion pounds of cargo passed through the airport in 2018.

The site is situated on Preston Highway, which has an average daily traffic count of 28,983 vehicles. Preston Highway intersects with Outer Loop which brings an additional 31,454 vehicles into the immediate area daily. There are approximately 58,649 individuals within a three-mile radius and 158,463 individuals within a five-mile radius.

Louisville, Kentucky's largest city, sits on the Ohio River along the Indiana Border. Louisville is the county seat of Jefferson County and has a metro population of roughly 1,284,848. Louisville, since its origin, has been heavily linked to the shipping and cargo industries, due to its location at the crossroads of three major interstate highways (I-64, I-65, and I-71). However, in the recent past, Louisville has expanded its economy across several industries, emerging as a major center for health care and medical sciences. It has been central to advancements in heart and hand surgery, as well as cancer treatment. In fact, some of the earliest artificial heart and hand transplants were conducted in Louisville. In addition to a growing economy, Louisville is home to a very diverse cultural scene that includes international cuisine, fine and performing arts, and music. Today, the city is known as the home of the Kentucky Derby, Kentucky Fried Chicken, the University of Louisville and its Louisville Cardinals athletic teams, Louisville Slugger baseball bats, and three of Kentucky's six Fortune 500 companies. Its main airport, Louisville International Airport, is also the site of United Parcel Service's (UPS) worldwide air hub





# Property Photo







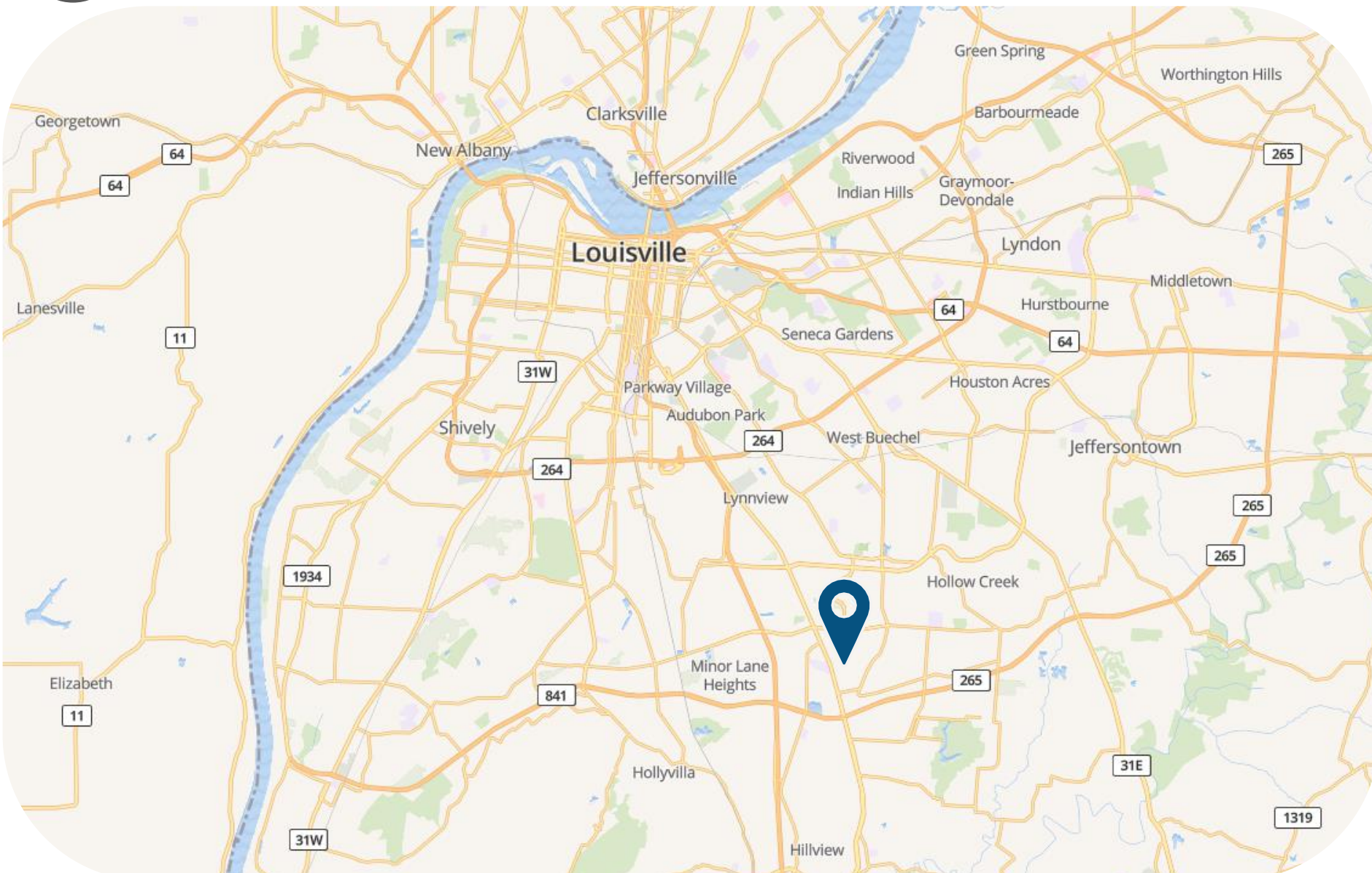
# Surrounding Area Photos





# Local Map

Property Address: 8408 Preston Highway, Louisville, KY 40219

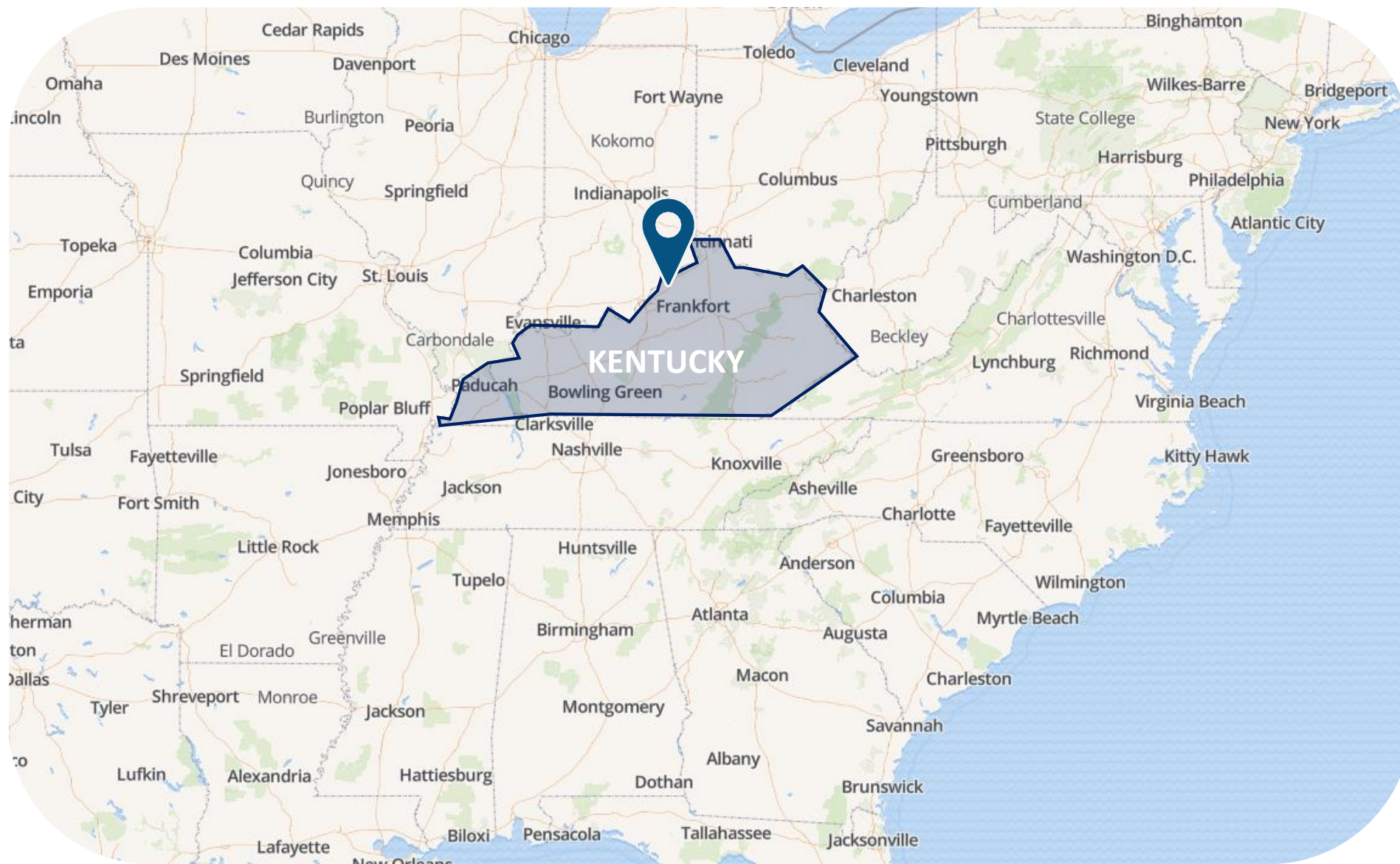






# Regional Map

Property Address: 8408 Preston Highway, Louisville, KY 40219

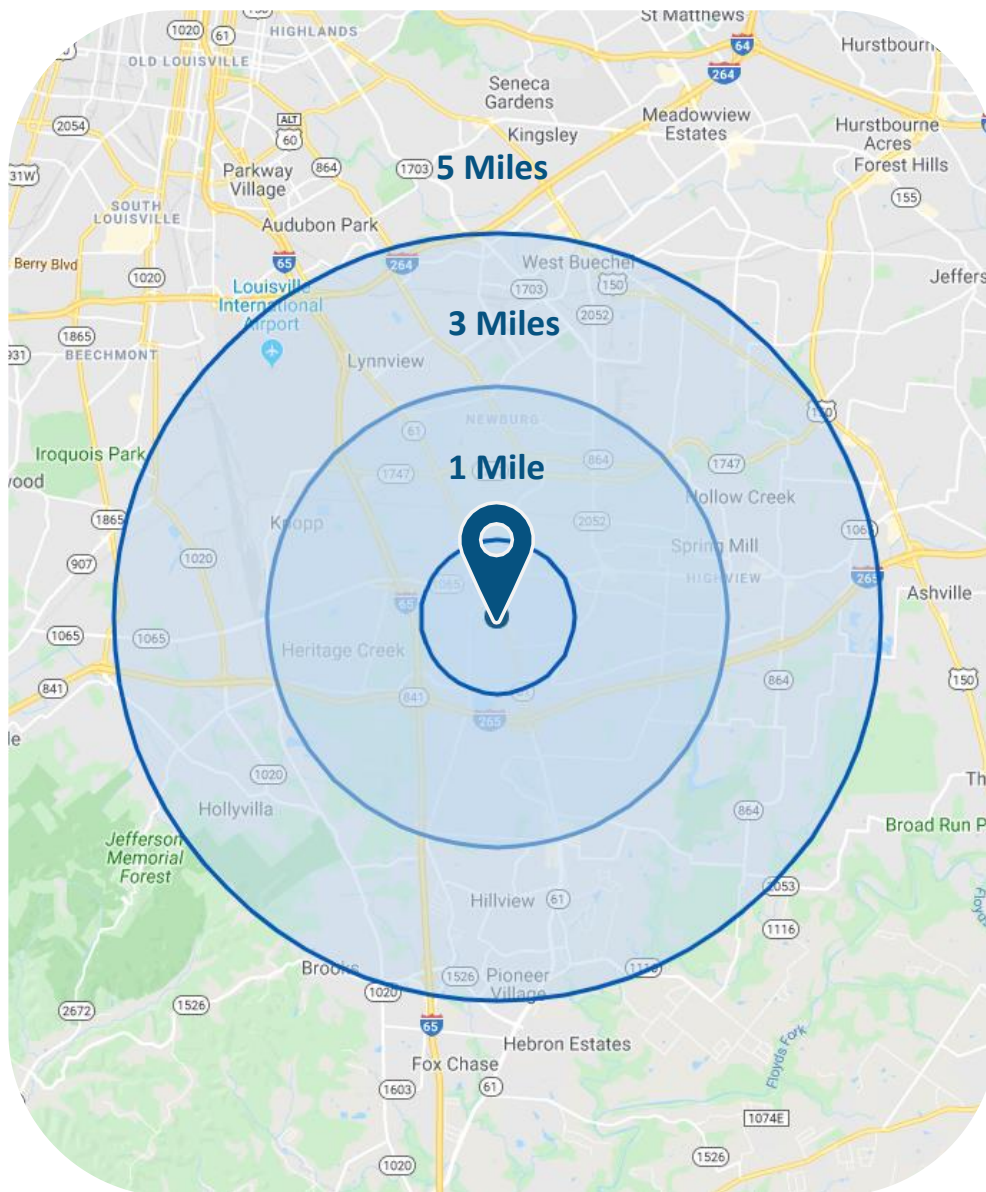






# Demographics

Property Address: 8408 Preston Highway, Louisville, KY 40219



## POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	12,327	72,111	166,007
2018 Estimate	12,033	68,729	158,463
2010 Census	11,824	65,954	151,251
2000 Census	10,614	60,377	136,316

## INCOME

	1 Mile	3 Miles	5 Miles
Average	\$54,208	\$58,649	\$60,888
Median	\$47,059	\$49,988	\$50,716
Per Capita	\$21,923	\$22,902	\$24,158

## HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	4,999	28,390	66,506
2018 Estimate	4,828	26,752	62,758
2010 Census	4,766	25,677	59,971
2000 Census	4,293	23,128	53,238

## HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$136,966	\$139,144	\$144,641

## EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	10,277	56,011	154,545
2018 Unemployment	4.67%	4.92%	4.99%
2018 Median Time Traveled	24 Mins	24 Mins	24 Mins

## RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	77.27%	69.44%	72.01%
Native American	0.04%	0.05%	0.06%
African American	13.10%	20.61%	18.69%
Asian/Pacific Islander	1.61%	2.03%	2.20%



# Market Overview

City: Louisville | County: Jefferson | State: Kentucky

*Louisville, Kentucky*

**Louisville** is a city that combines heritage with innovation, authenticity with originality, and quirkiness with friendliness, in a way that's completely unique to the region. The city is an entirely different type of Southern. From boundary pushing twists on Southern cuisine that has made the city one of the "10 Best New Food Cities" in America to the one and only Urban Bourbon Experience, featuring the world's only, city-wide trail filled with award-winning micro-distilleries, exhibits and craft cocktail destinations. Then discover one-of-a-kind attractions like the legendary Churchill Downs, Louisville Slugger Museum & Factory, and the Muhammed Ali Center. Louisville today is home to dozens of companies and organizations across several industrial classifications. However, the underpinning of the city's economy since its earliest days has been the shipping and cargo industries. Its strategic location at the Falls of the Ohio, and its unique position in the central United States (within one day's road travel to 60 percent of the cities in the continental United States) make it a very practical location for the transfer of cargo along its route to other destinations. Additionally, the Louisville and Portland Canal and the Louisville and Nashville Railroad have been important links in water and rail transportation. Louisville is also a significant center of manufacturing, with two major Ford plants, and the headquarters of major home appliance factory, GE Appliances. The city is also a major center of the American whiskey industry, with about one-third of all bourbon in the nation coming from Louisville.

## Major Employers

Employer	Estimated # of Employees
UPS	7,881
Ford	3,824
KFC	2,460
Npc Sales	1,387
Ba Merchant Services LLC	1,350
Covance Inc	1,300
Family Roots Usa Inc	1,099
Kentucky Fried Chicken Corp De	1,000
BellSouth	996
Trackside	900
Walmart	759



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**EXCLUSIVE NET LEASE OFFERING**

