

# TWO-TENANT FREESTANDING BUILDING

NNN Investment Opportunity

**QDOBA**  
tropical **CAFE**  
SMOOTHIE



6459-6461 DIXIE HIGHWAY | CLARKSTON, MICHIGAN

**DETROIT MSA**

ACTUAL SITE

 **SRS**  
NATIONAL NET LEASE GROUP



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**FINANCIALS**

Rent Roll | Brand Profile





SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a two-tenant, NNN leased, freestanding, Qdoba Mexican Eats & Tropical Cafe investment property located in Clarkston, Michigan (Detroit MSA). Qdoba Restaurant Corporation recently executed a rare 10-year extension providing for an initial term through 2030, and has 1 additional (5-year) option to extend. The lease features a 5.6% rental increase in 2025 and a 10% rental increase at the beginning of the option period. The other tenant, St. Clair Industries, LLC d.b.a. Tropical Cafe, executed a rare 5-year extension in February 2018 providing for an initial term through 2023. The lease features 1.5% annual rental increases throughout the initial term, growing NOI and hedging against inflation. The leases are NNN with landlord responsibilities limited to parking lot maintenance and landscaping.

The subject property is strategically located along U.S. Highway 24, a major retail and commuter thoroughfare averaging 34,400 vehicles passing by daily. The asset benefits from excellent visibility via a large monument sign and significant street frontage, providing ease and convenience for customers. The building is ideally situated 0.5 miles south of Clarkston Oaks, a 87,000 SF strip center anchored by Kroger. Other nearby national/credit tenants include Office Depot, Rite Aid, CVS Pharmacy, Walgreens, Dollar Tree, AutoZone, and more, increasing consumer draw to the immediate trade area and promoting crossover store exposure. The asset is surrounded by several apartment complexes including Lancaster Lakes (296 units), Clarkston Place (36 units), and Greens Lake (132 units), providing a direct residential consumer from which to draw. The 5-mile trade area is supported by more than 91,000 residents and 32,000 daytime employees with an affluent average household income of \$104,000.



**QDOBA**  
tropical CAFE  
SMOOTHIE

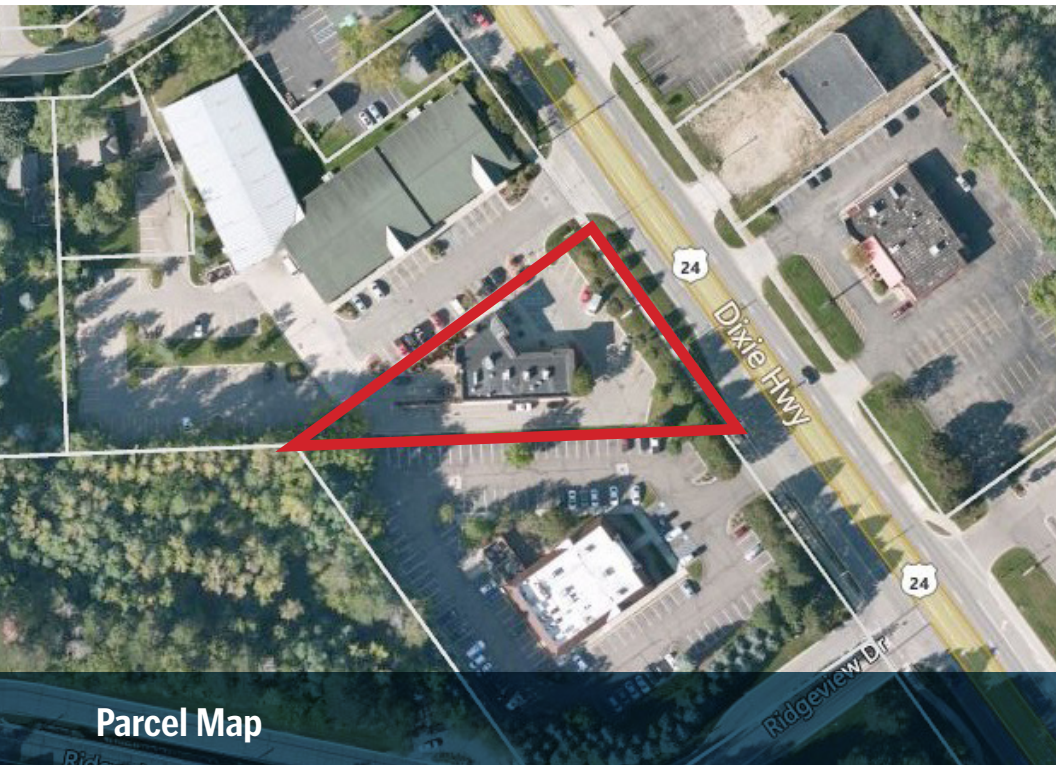
**PROPERTY PHOTOS**





**QDOBA**  
tropical CAFE  
SMOOTHIE

# OFFERING SUMMARY



Parcel Map

## Offering

PRICING	\$1,693,000
NET OPERATING INCOME	\$110,028
CAP RATE	6.50%
GUARANTIES	Qdoba (Corporate) Tropical Cafe (Personal)
TENANTS	Qdoba Restaurant Corporation St. Clair Industries, LLC
LEASE TYPE	NNN
LANDLORD RESPONSIBILITIES	Parking Lot & Landscaping

## Property Specifications

RENTABLE AREA	4,448 SF
LAND AREA	0.74 Acres
PROPERTY ADDRESS	6459-6461 Dixie Highway Clarkston, MI 48346
YEAR BUILT	2005
PARCEL NUMBER	J -08-32-277-114
OWNERSHIP	Fee Simple (Land & Building)





## Multi-Tenant Offering | Rare Lease Extensions | Scheduled Rental Increases

- Opportunity to purchase a 0.74 acre parcel with a freestanding, two-tenant building occupied by both Qdoba Mexican Eats and Tropical Cafe

### Qdoba Mexican Eats:

- Corporate guaranteed by Qdoba Restaurant Corporation
- Recently executed a rare 10-year extension providing for an initial term through 2030, and has 1 additional (5-year) option to extend
- The lease features a 5.6% rental increase in 2025 and a 10% rental increase at the beginning of the option period

### Tropical Cafe:

- Personally guaranteed by St. Clair Industries, LLC
- Executed a rare 5-year extension in February 2018 providing for an initial term through 2023
- The lease features 1.5% annual rental increases throughout the initial term, growing NOI and hedging against inflation

## Located Along U.S. Highway 24 | Excellent Visibility | Dense Retail Corridor

- Strategically located along U.S. Highway 24, a major retail and commuter thoroughfare averaging 34,400 vehicles passing by daily
- The asset benefits from excellent visibility via a large monument sign and significant street frontage, providing ease and convenience for customers
- Ideally situated 0.5 miles south of Clarkston Oaks, a 87,000 SF strip center anchored by Kroger
- Other nearby national/credit tenants include Office Depot, Rite Aid, CVS Pharmacy, Walgreens, Dollar Tree, AutoZone, and more,
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site

## Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area

- Nearby apartment complexes including Lancaster Lakes (296 units), Clarkston Place (36 units), and Greens Lake (132 units), providing a direct residential consumer from which to draw
- More than 91,000 residents and 32,000 employees support the trade area
- \$104,000 average household income





## Location

Located in  
Clarkston, Michigan  
Detroit MSA  
Oakland County



## Access

Dixie Highway/U.S. Highway 24  
1 Access Point



## Traffic Counts

Dixie Highway/U.S. Highway 24  
34,400 Cars Per Day

Interstate 75  
74,200 Cars Per Day



## Improvements

There is approximately 4,448 SF  
of existing building area



## Parking

There are approximately  
15 parking spaces  
on the owned parcel.  
The parking ratio is  
approximately 3.37 stalls per  
1,000 SF of leasable area.



## Parcel

Parcel Number: J-08-32-277-114  
Acres: 0.74  
Square Feet: 32,234 SF



## Year Built

2005



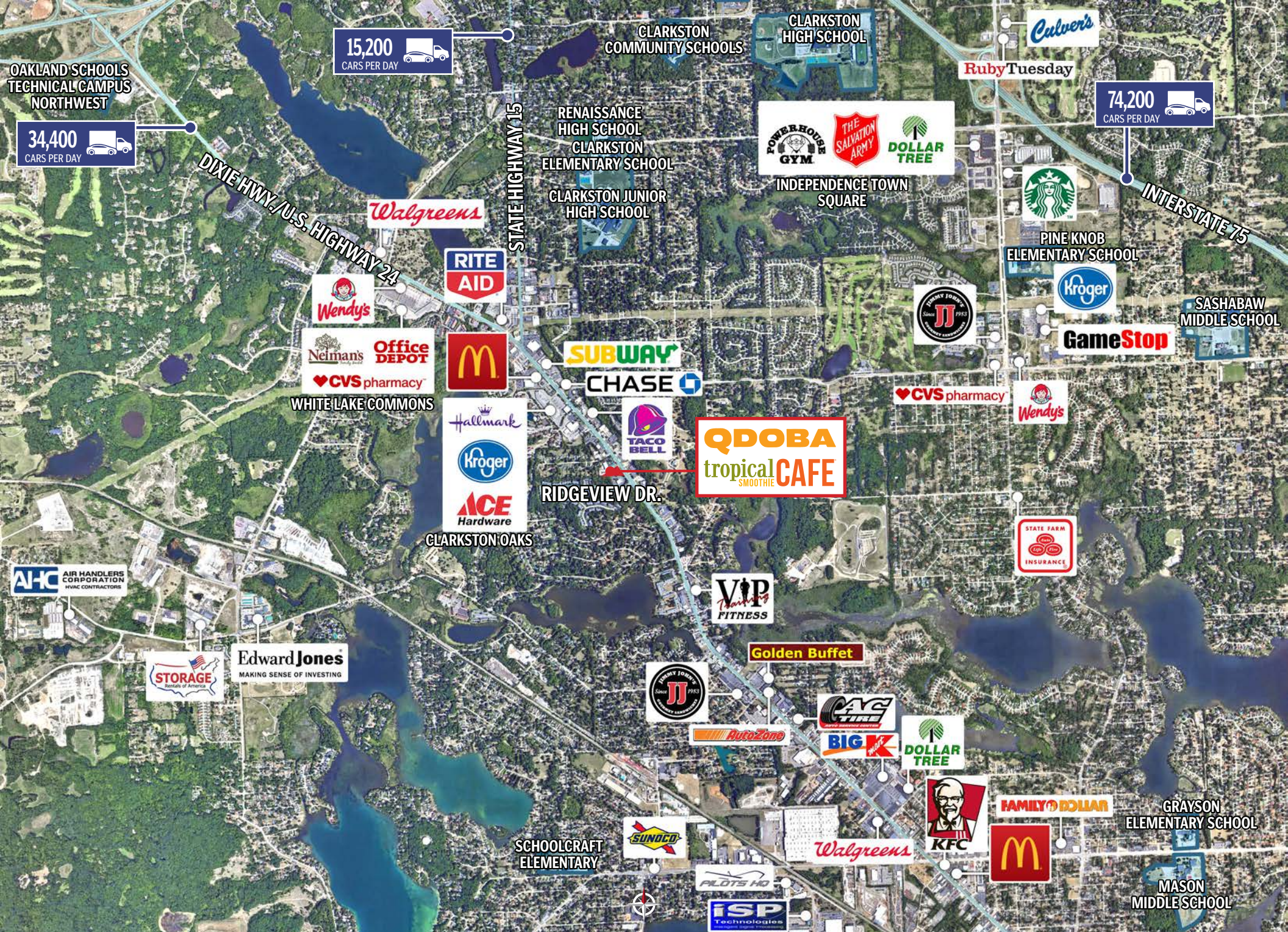
## Zoning

Commercial





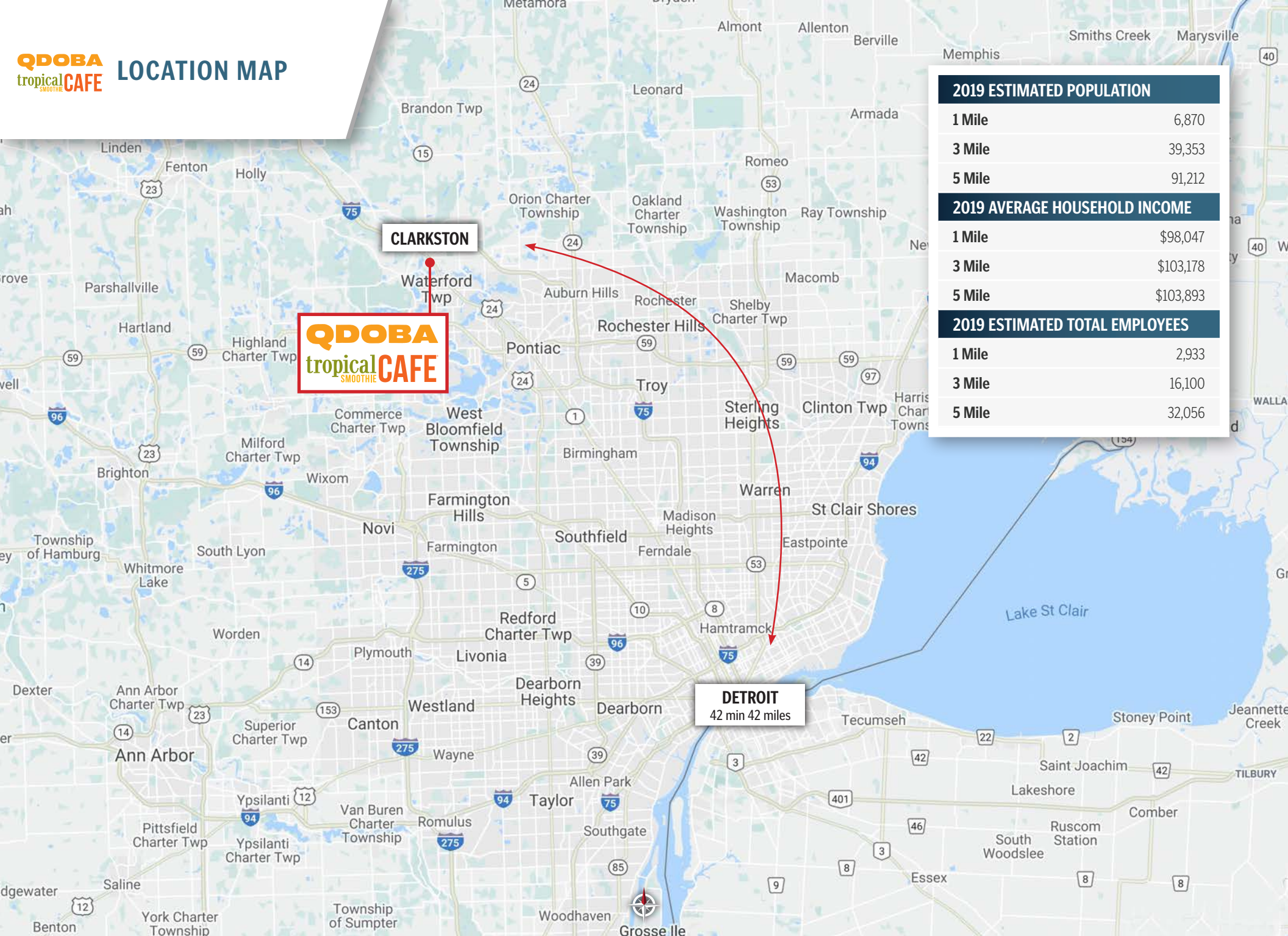












2019 ESTIMATED POPULATION	
1 Mile	6,870
3 Mile	39,353
5 Mile	91,212
2019 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$98,047
3 Mile	\$103,178
5 Mile	\$103,893
2019 ESTIMATED TOTAL EMPLOYEES	
1 Mile	2,933
3 Mile	16,100
5 Mile	32,056





### Clarkston, Michigan

The City of the Village of Clarkston, Michigan is located in Oakland County, approximately halfway between Detroit and Flint. Established in 1832, the City of the Village of Clarkston features historic charm in the heart of Oakland County. The City of the Village of Clarkston had a population of 908 as of July 1, 2019.

The Clarkston shopping district, is made up of locally owned, independent retailers. The largest industries in Village of Clarkston, MI are Manufacturing, Educational Services, and Health Care & Social Assistance, and the highest paying industries are Manufacturing, Finance & Insurance, and Professional, Scientific, & Technical Services. The most common jobs held by residents of Village of Clarkston, MI, by number of employees, are Management Occupations, Education Instruction, & Library Occupations, and Sales & Related Occupations.

Clarkston's downtown, has been designated a National Historical Site, features a picturesque main street lined with unique shops, eateries and businesses. Throughout the year Clarkston is host to several events including concerts in Depot Park, parades, festivals, and an art fair. The historic homes in the city reflect Clarkston's heritage, giving the community an air of timeless elegance. The 36-square-mile area of Independence Township surrounding the quaint village of Clarkston offers the beauty of country living with the conveniences of a modern city. With Depot Park and Deer Lake Beach within its limits, and a county park (Independence Oaks) nearby, Clarkston offers families ample leisure time activities.

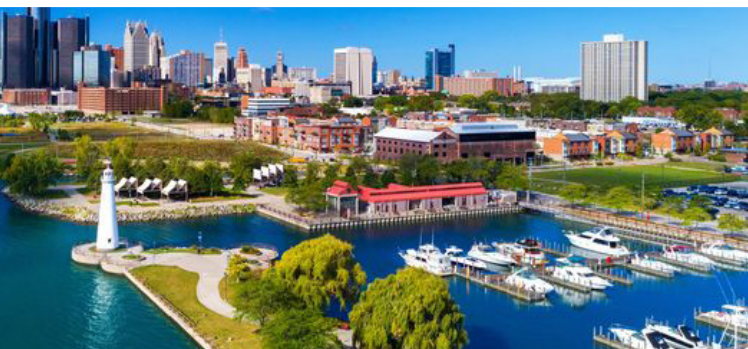
Clarkston's reputation as an outstanding school district is well established. There are two national Blue Ribbon schools and six others have earned Michigan Exemplary Blue Ribbon school status.

The nearest major airport is Bishop International Airport. Another major airport is Detroit Metropolitan Wayne County Airport. Windsor International Airport has domestic flights from Windsor, Canada.

I-75, Dixie Highway, and M-15 are major thoroughfares for the area.

Incorporated on March 28, 1820, Oakland County covers approximately 910 square miles in southeast Michigan, immediately north of the City of Detroit and Wayne County. The County seat in Pontiac, Oakland County is home to a mix of urban and rural communities, encompassing 62 cities, villages and townships, including 32 downtown areas and many scenic natural settings, providing a good quality of life for any lifestyle. Oakland County enjoys a world class reputation due to its renowned business environment and its many attributes that contribute to an excellent quality of life. Population estimates as of July 1, 2018 was 1,259,201.





## Detroit, Michigan

Detroit is the largest and most populous city in the U.S. state of Michigan, the largest American city on the United States–Canada border, and the seat of Wayne County. The municipality of Detroit had a 2017 estimated population of 673,104, making it the 23rd-most populous city in the United States. The metropolitan area, known as Metro Detroit, is home to 4.3 million people, making it the second-largest in the Midwest after the Chicago metropolitan area. Regarded as a major cultural center, Detroit is known for its contributions to music and as a repository for art, architecture and design.

Detroit is a major port located on the Detroit River, one of the four major straits that connect the Great Lakes system to the Saint Lawrence Seaway. The Detroit Metropolitan Airport is among the most important hubs in the United States. The City of Detroit anchors the second-largest regional economy in the Midwest, behind Chicago and ahead of Minneapolis–Saint Paul, and the 13th-largest in the United States. Detroit and its neighboring Canadian city Windsor are connected through a tunnel and the Ambassador Bridge, the busiest international crossing in North America. Detroit is best known as the center of the U.S. automobile industry, and the “Big Three” auto manufacturers General Motors, Ford, and Chrysler are all headquartered in Metro Detroit.

Several major corporations are based in the city, including three Fortune 500 companies. The most heavily represented sectors are manufacturing (particularly automotive), finance, technology, and health care. The most significant companies based in Detroit include General Motors, Quicken Loans, Ally Financial, Compuware, Shinola, American Axle, Little Caesars, DTE Energy, Lowe Campbell Ewald, Blue Cross Blue Shield of Michigan, and Rossetti Architects.

About 80,500 people work in downtown Detroit, comprising one-fifth of the city’s employment base. Aside from the numerous Detroit-based companies listed above, downtown contains large offices for Comerica, Chrysler, Fifth Third Bank, HP Enterprise, Deloitte, PricewaterhouseCoopers, KPMG, and Ernst & Young. Ford Motor Company is located in the adjacent city of Dearborn.

Thousands more employees work in Midtown, north of the central business district. Midtown’s anchors are the city’s largest single employer Detroit Medical Center, Wayne State University, and the Henry Ford Health System in New Center. Midtown is also home to watchmaker Shinola and an array of small and startup companies. New Center bases TechTown, a research and business incubator hub that is part of the WSU system. Like downtown and Corktown, Midtown also has a fast-growing retailing and restaurant scene.



	1 MILE	3 MILES	5 MILES
2019 Estimated Population	6,870	39,353	91,212
2024 Projected Population	7,049	40,011	93,060
2010 Census Population	6,564	38,530	88,464
Projected Annual Growth 2019 to 2024	0.52%	0.33%	0.40%
Historical Annual Growth 2010 to 2019	0.45%	0.20%	0.32%
2019 Estimated Households	2,885	15,511	35,993
2024 Projected Households	2,965	15,807	36,808
2010 Census Households	2,741	15,068	34,677
Projected Annual Growth 2019 to 2024	0.55%	0.38%	0.45%
Historical Annual Growth 2010 to 2019	0.51%	0.29%	0.39%
2019 Estimated White	93.01%	92.73%	91.80%
2019 Estimated Black or African American	1.88%	2.29%	3.15%
2019 Estimated Asian or Pacific Islander	2.34%	2.21%	2.34%
2019 Estimated American Indian or Native Alaskan	0.28%	0.43%	0.37%
2019 Estimated Other Races	1.91%	1.51%	1.56%
2019 Estimated Hispanic	5.66%	6.05%	6.12%
2019 Estimated Average Household Income	\$98,047	\$103,178	\$103,893
2019 Estimated Median Household Income	\$77,331	\$79,887	\$79,155
2019 Estimated Per Capita Income	\$40,605	\$40,550	\$41,068
2019 Estimated Total Businesses	351	1,753	3,217
2019 Estimated Total Employees	2,933	16,100	32,056





Suite #	Tenant Name	Size SF	Pro					Rental Increases							Lease Start Date	Lease End Date	Options Remaining		
			Rata (SF)	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr	Rata (\$)	Increase		Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr					
									Date	Inc.									
A	Qdoba (Corporate Guaranty)	2,742	62%	\$6,250	\$2.28	\$75,000	\$27.35	68%	Apr-25	5.6%	\$6,600	\$2.41	\$79,200	\$28.88	Apr-08 Renewed 2020	Mar-30 Opt 1: \$31.77 PSF/Yr	1 (5-Year)		
B	Tropical Café (Personal Guaranty)	1,706	38%	\$2,919	\$1.71	\$35,028	\$20.53	32%	Feb-21 Feb-22	1.5% 1.5%	\$2,963 \$3,007	\$1.74 \$1.76	\$35,553 \$36,086	\$20.84 \$21.15	Feb-13 Renewed 2018	Jan-23	None		
Total Occupied		4,448	100%	\$9,169	\$2.06	\$110,028	\$24.74	100%											
Total Vacant		0	0%	\$0		\$0		0%											
Total / Wtd. Avg:		4,448	100%	\$9,169	\$2.06	\$110,028	\$24.74	100%											

**OPERATING CASH FLOW**
**IN PLACE**

Potential Rental Revenue:	\$110,028
Potential Reimbursement Revenue:	\$42,507
Effective Gross Revenue (EGR):	\$152,535
Less Expenses:	(\$42,507)
Net Operating Income:	\$110,028
Less Loan Pmt:	(\$67,893)
Cash Flow:	\$42,135

**POTENTIAL FIRST LOAN**

Loan Amount (65%):	\$1,100,450
Down Payment (35%):	\$592,550
Payment (annual):	(\$67,893)
Interest Rate:	3.75%
Amortization:	25 years
Maturity:	10 years

**PRICING SUMMARY**

Price:	\$1,693,000
Price/SF:	\$381
Net Operating Income:	\$110,028
Cap Rate:	6.50%
Cash/Cash:	7.11%

**OPERATING EXPENSES**
**IN PLACE**
**PSF/YR**

Taxes:	\$19,409	\$4.36
Insurance:	\$2,503	\$0.56
CAM:	\$20,595	\$4.63
Total:	\$42,507	\$9.56

**NOTES**

1) Operating Expenses are per the 2019 income statement.





**Qdoba Restaurant Corporation**

[qdoba.com](http://qdoba.com)

**Company Type:** Private

**Locations:** 700+



Qdoba Restaurant Corporation is a leading fast-casual Mexican chain with more than 700 restaurants located across the United States and in Canada. Committed to serving quality, freshly prepared entrées, the brand makes a range of menu items in its restaurants' kitchens daily. Guests are encouraged to experience QDOBA's delicious flavors by enjoying one of the brand's signature meals or by customizing their burritos, tacos, burrito bowls, salads, quesadillas, nachos and tortilla soup to fit their personal tastes. It was founded in 1995 and headquartered in San Diego, California



**Tropical Smoothie Cafe**

[tropicalesmoothiecafe.com](http://tropicalesmoothiecafe.com)

**Company Type:** Private

**Locations:** 830+



Tropical Smoothie Cafe is a national fast-casual cafe concept inspiring healthier lifestyles with more than 830 locations nationwide. It provides real-fruit smoothies, wraps, sandwiches, flatbreads, and salads; and catering services. Tropical Smoothie Franchise Development Corporation was founded in 1997 in Destin, Florida. Currently, Tropical Smoothie Cafe is headquartered in Atlanta, Georgia.





NATIONAL NET LEASE GROUP

**SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.**

**275+**

**RETAIL  
PROFESSIONALS**

**25+**

**OFFICES**

**#1**

**LARGEST REAL ESTATE  
SERVICES FIRM**  
in North America  
exclusively dedicated to retail

**2100+**

**RETAIL  
TRANSACTIONS**  
in 2019  
company wide

**485**

**PROPERTIES  
SOLD**  
in 2019  
NNLG

**\$1.5B**

**TRANSACTION  
VALUE**  
in 2019  
NNLG

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

\*Statistics are for 2019