

# 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



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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

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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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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# Investment Highlights

PRICE: \$4,910,384 | CAP: 5.50% | RENT: \$270,071



## 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

- ✓ Prairie Center | 396-Acre Shopping Center Anchored by Target, Home Depot, JC Penney, and Kohl's
- ✓ Affluent Suburban Community | Average Household Income within a Three-Mile Radius Exceeds \$93,790
- ✓ Strong Traffic Counts | I-76 | Average Daily Traffic Count Exceeds 37,000 Vehicles Per Day
- ✓ Positive Real Estate Fundamentals | Within Twenty Miles of Denver

## 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: \$4,910,384 | CAP: 5.50% | RENT: \$270,071



## Property Description

Property	International Car Wash Group
Property Address	2160 Prairie Center Parkway
City, State, ZIP	Brighton, CO 80601
Building Size (SF)	4,353
Lot Size	+/- 1.25 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$4,910,384
CAP Rate	5.50%
Annual Rent	\$270,071
Rent / SF	\$62.04

## 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	\$270,071	\$22,506	-
Year 2	\$274,122	\$22,844	1.50%
Year 3	\$278,234	\$23,186	1.50%
Year 4	\$282,408	\$23,534	1.50%
Year 5	\$286,644	\$23,887	1.50%
Year 6	\$290,943	\$24,245	1.50%
Year 7	\$295,307	\$24,609	1.50%
Year 8	\$299,737	\$24,978	1.50%
Year 9	\$304,233	\$25,353	1.50%
Year 10	\$308,797	\$25,733	1.50%
Year 11	\$313,429	\$26,119	1.50%
Year 12	\$318,130	\$26,511	1.50%
Year 13	\$322,902	\$26,908	1.50%
Year 14	\$327,745	\$27,312	1.50%
Year 15	\$332,662	\$27,722	1.50%
Year 16	\$337,652	\$28,138	1.50%
Year 17	\$342,716	\$28,560	1.50%
Year 18	\$347,857	\$28,988	1.50%
Year 19	\$353,075	\$29,423	1.50%
Year 20	\$358,371	\$29,864	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 2160 Prairie Center Parkway in Brighton, CO. 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 \$270,071 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 4,353 rentable square feet and is situated on 1.25 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.

## 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.



TENANT NAME

**ICWG**

FOUNDED

**2014**

COUNTRIES

**14**

LOCATIONS

**890+**

WEBSITE

**ICWG.COM**

HEADQUARTERS

**Centennial,  
Colorado**

## 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	\$270,071
Cap Rate	5.50%
Purchase Price	\$4,910,384
Loan Amount	\$3,191,750
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$211,804
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$261,887
<b>Potential Tax Savings</b>	<b>\$96,898</b>

## Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$270,071
Cap Rate	5.50%
Purchase Price	\$4,910,384
Loan Amount	\$3,191,750
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$211,804
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$100,726
<b>Potential Tax Savings</b>	<b>\$37,269</b>

## Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$270,071
Cap Rate	5.50%
Purchase Price	\$4,910,384
Loan Amount	\$3,191,750
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$211,804
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$3,928,307
<b>Potential Tax Savings</b>	<b>\$1,453,474</b>

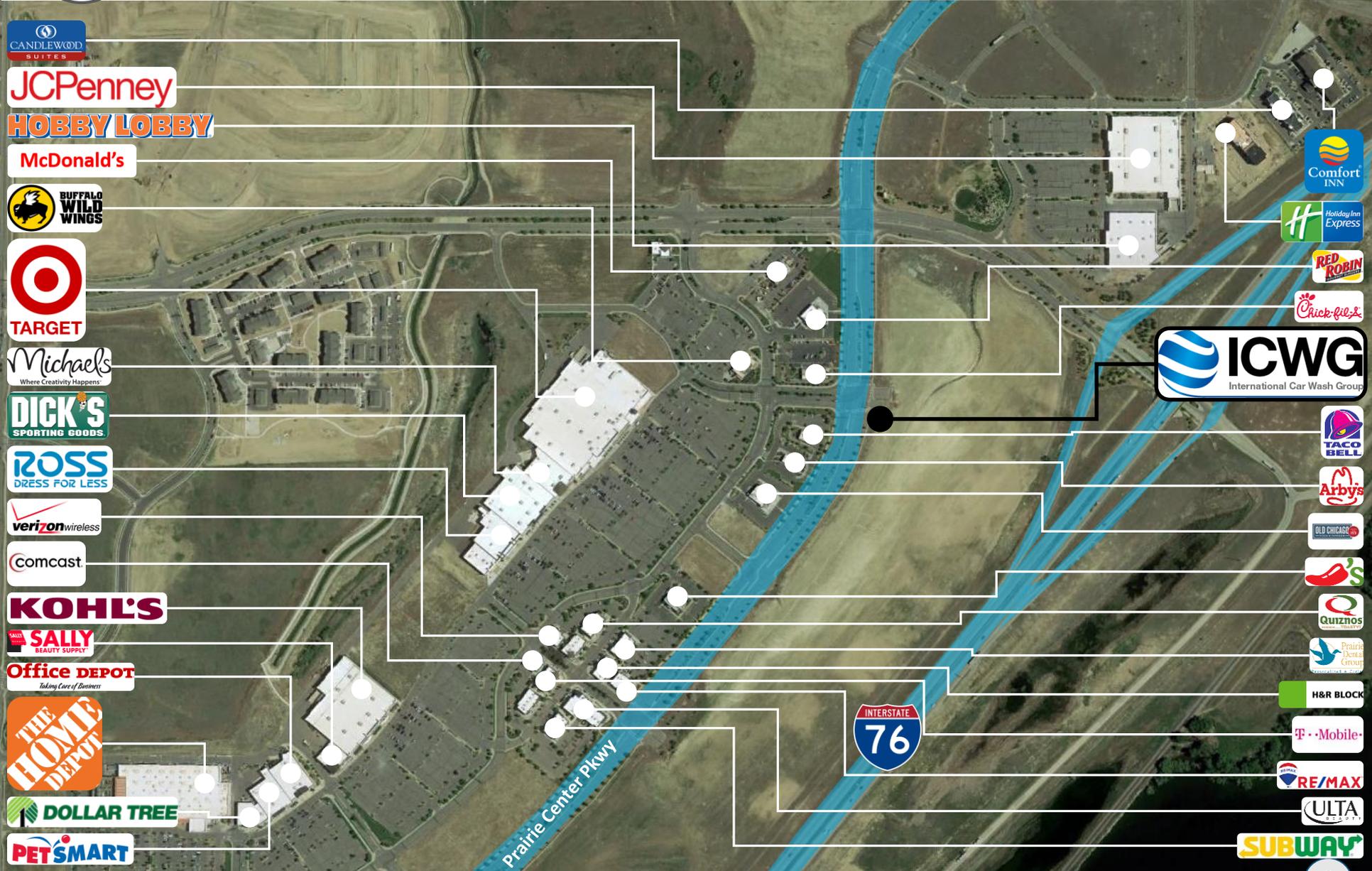
## Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$270,071
Cap Rate	5.50%
Purchase Price	\$4,910,384
Loan Amount	\$3,191,750
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$211,804
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
<b>Potential Tax Savings</b>	<b>\$0</b>



# Surrounding Area

Property Address: 2160 Prairie Center Parkway, Brighton, CO 80601





# Location Overview

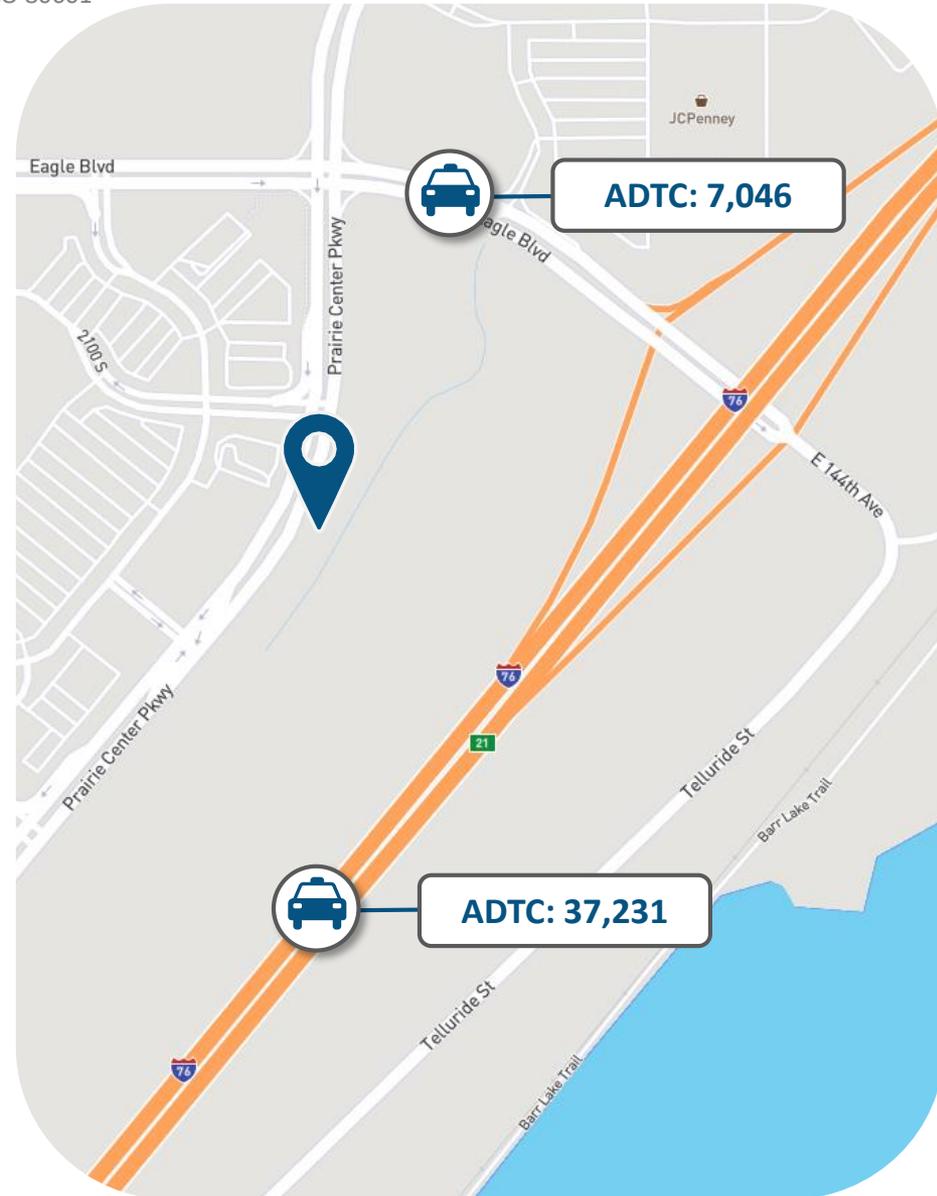
Property Address: 2160 Prairie Center Parkway, Brighton, CO 80601



The subject Car Wash benefits from being well-positioned in Prairie Center, a 396-acre shopping center with a pedestrian-oriented retail village. Prairie Center is anchored by JC Penney, Home Depot, Kohls, Dick's Sporting Goods, and Target. Other national tenants in Prairie Center include: Chick-fil-A, Taco Bell, McDonalds, Chili's Grill & Bar, Old Chicago, Arby's, as well as several others. The subject property benefits from being located 1-mile from the Platte Valley Medical Center, an 84-bed primary care facility.

The site is situated on Prairie Center Parkway, which runs parallel to I-76. I-76 boasts average daily traffic counts exceeding 37,231 vehicles. There are approximately 56,588 individuals within a five-mile radius of this property and 172,700 individuals within a ten-mile radius. This subject Car Wash benefits from being situated in an affluent suburban community. The average household income within a three-mile radius exceeds \$93,790.

Brighton is the Home Rule Municipality in Adams and Weld counties and is the county seat of Adams County, Colorado with a population of 41,254 in 2018. Brighton is the home of two Vestas manufacturing plants, a wind turbine blade factory and a nacelle manufacturing plant. Brighton is located just under 20 miles from Denver. Denver, officially the city and County of Denver, is the capital and most populous municipality of the U.S. state of Colorado. Denver is in the South Platte River Valley on the western edge of High Plains just east of the Front Range of the Rocky Mountains. With an estimated population of 716,492 in 2018, Denver is the 19th most populous U.S. city and with a 19.38% increase since the 2010 it has been one of the fastest-growing major cities in the United States. Denver is ranked as a Beta World city by the Globalization and World Cities Research Network. Denver's economy is based partially on its geographic position and its connection to some of the country's major transportation systems. Because Denver is the largest city within 500 miles, it has become a natural location for storage and distribution of goods and services to the Mountain States, Southwest states, as well as all western states. Another benefit for distribution is that Denver is nearly equidistant from large cities of the Midwest, such as Chicago and St. Louis and some large cities of the West Coast, such as Los Angeles and San Francisco. Denver is home to a variety of sports teams and is one of 13 U.S. cities with teams from four major sports. Including MLS soccer, it is one of 10 cities to have five major sports teams.





# PRAIRIE CENTER DEVELOPMENT

## **Prairie Center**

*Prairie Center is a 2,000+ acre mixed use development in Brighton, Colorado, one of a series of Colorado projects THF Realty has under development and/or in operation. Since 2004, Otten Johnson has served as local counsel to THF for land use, development and infrastructure financing matters, including the negotiation of a development agreement with the City of Brighton, and the successful processing of various zoning and platting approvals for the Prairie Center project. One of the largest retail, office, commercial and residential developments in the area, Prairie Center is planned and entitled for a phased build out of approximately 2 million square feet of retail/commercial uses and 3,000 residential units.*

## **Under Construction**

*Village 1 at Prairie Center is underway, with 370 Single Family homes to be constructed.*

*Avilla at Prairie Center is under construction. Avilla is a market-rate rental community with 136 single-story units.*

*Panda Express and Car Wash USA were recently completed.*

*Approved for construction are Texas Roadhouse, Chipotle, Popeyes Chicken, and ENT Credit Union. Chick-Fil-A is expanding the drive-through.*

**ANCHOR, JR ANCHOR, PADS & INLINE SPACE AVAILABLE**  
144TH AVENUE & PRAIRIE CENTER PARKWAY | BRIGHTON, CO

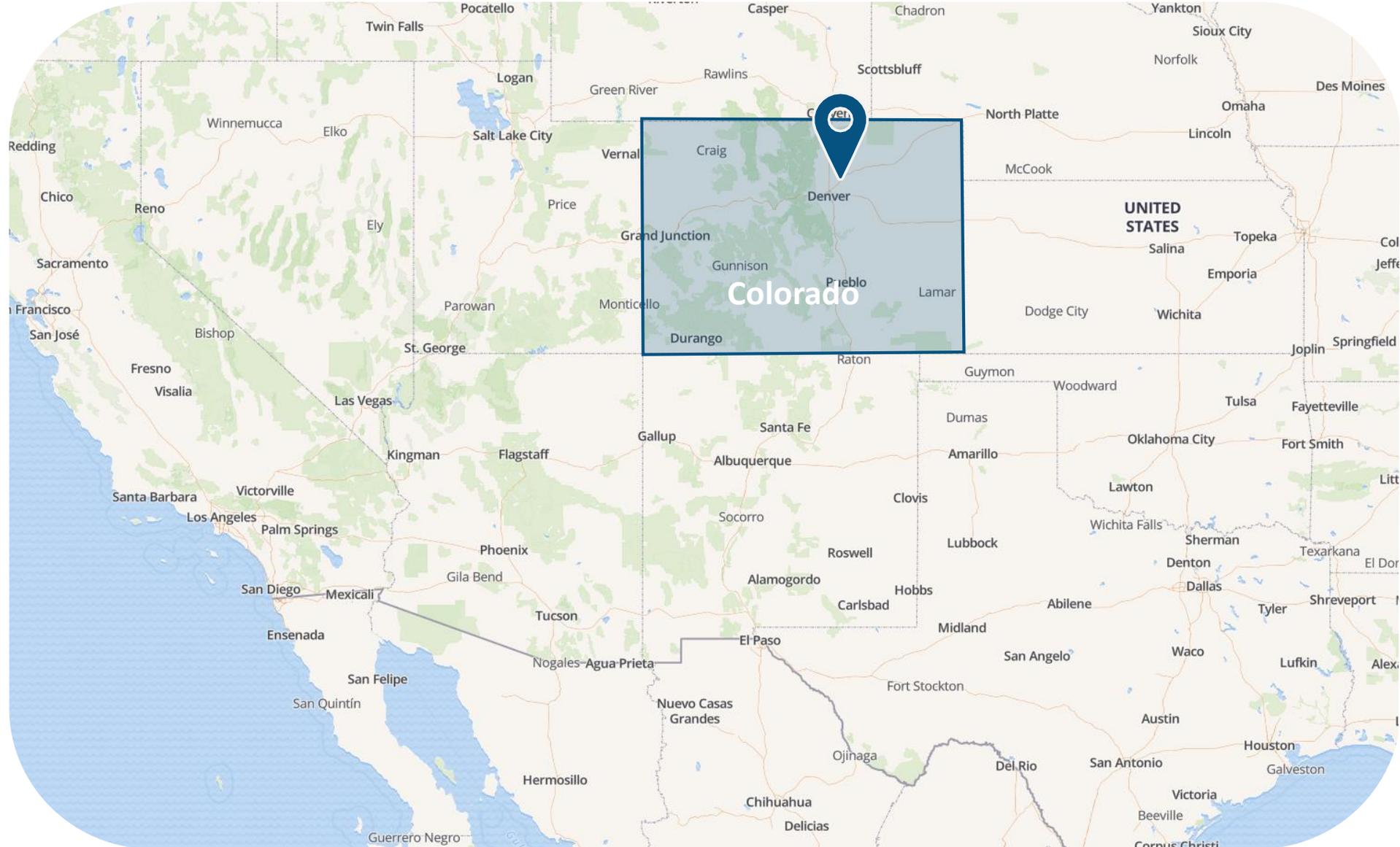






# Regional Map

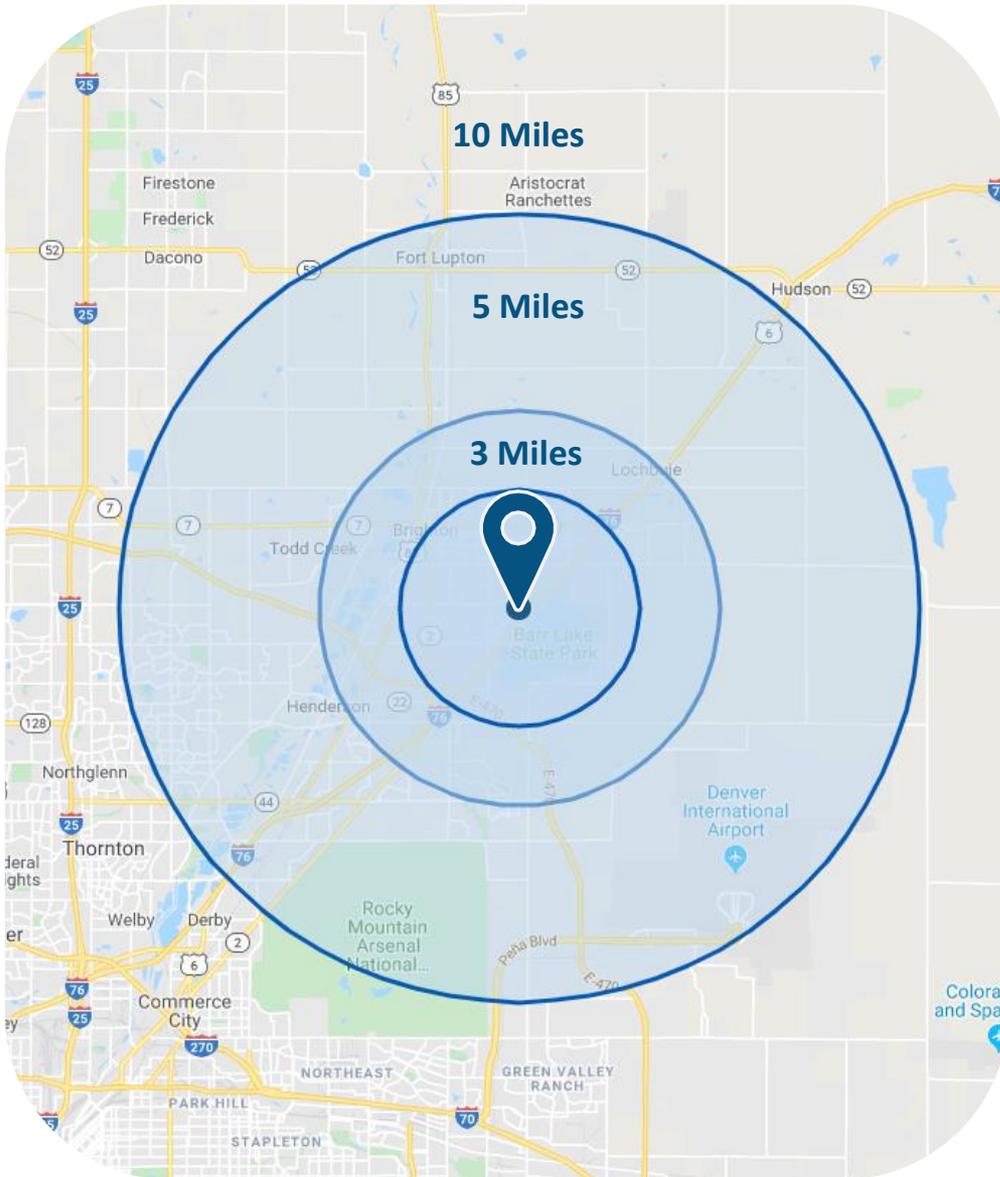
Property Address: 2160 Prairie Center Parkway, Brighton, CO 80601





# Demographics

Property Address: 2160 Prairie Center Parkway, Brighton, CO 80601



	3 Miles	5 Miles	10 Miles
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## POPULATION

2023 Projection	32,646	66,051	201,670
2018 Estimate	28,570	56,588	172,700
2010 Census	25,470	49,387	151,928
2000 Census	15,650	27,853	85,013

## INCOME

Average	\$93,790	\$94,620	\$102,330
Median	\$80,363	\$78,926	\$85,701
Per Capita	\$30,966	\$32,003	\$34,199

## HOUSEHOLDS

2023 Projection	10,856	22,434	68,183
2018 Estimate	9,351	18,831	57,354
2010 Census	8,255	16,266	50,139
2000 Census	5,193	8,996	27,916

## HOUSING

2018	\$294,384	\$291,925	\$299,565
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## EMPLOYMENT

2018 Daytime Population	24,507	42,913	113,989
2018 Unemployment	3.14%	3.52%	2.72%
2018 Median Time Traveled	31 Mins	32 Mins	33 Mins

## RACE & ETHNICITY

White	77.95%	77.08%	77.91%
Native American	0.07%	0.11%	0.13%
African American	1.35%	1.99%	2.04%
Asian/Pacific Islander	1.59%	1.95%	3.59%



# Market Overview

City: Brighton | County: Adams and Weld | State: Colorado

*Denver, Colorado*

**Brighton** is a city located just 20 miles outside of Denver. Denver, officially the city and County of Denver, is the capital and most populous municipality of the U.S. state of Colorado. Denver is in the South Platte River Valley on the western edge of High Plains just east of the Front Range of the Rocky Mountains. With an estimated population of 716,492 in 2018, Denver is the 19<sup>th</sup> most populous U.S. city and with a 19.38% increase since the 2010 it has been one of the fastest-growing major cities in the United States.

Denver is ranked as a Beta World city by the Globalization and World Cities Research Network. Denver's economy is based partially on its geographic position and its connection to some of the country's major transportation systems. Because Denver is the largest city within 500 miles, it has become a natural location for storage and distribution of goods and services to the Mountain States, Southwest states, as well as all western states. Another benefit for distribution is that Denver is nearly equidistant from large cities of the Midwest, such as Chicago and St. Louis and some large cities of the West Coast, such as Los Angeles and San Francisco. Denver is home to a variety of sports teams and is one of 13 U.S. cities with teams from four major sports. Including MLS soccer, it is one of 10 cities to have five major sports teams. The Denver Broncos have sold out every home game since 1970. The Broncos have advanced to eight Super Bowls and won back-to-back titles in 1997 and 1998, and won again in 2015. Other major sports teams include the Denver Nuggets, Colorado Rockies, Colorado Avalanche and the Colorado Rapids.

## Major Employers

Employer	Estimated # of Employees
Urban Lending Solutions	1,203
County of Adams	872
Sturgeon Electric Company Inc	775
Walmart	719
Platte Valley Medical Center	700
Brighton Medical Offices	593
Kmart	575
Fedex	500
Fedex Ground Package Sys Inc	500
Platte Valley Medical Center	478
Frontier Airlines Inc	410



Marcus & Millichap

**EXCLUSIVE NET LEASE OFFERING**

