



ACTUAL SITE

ARBY'S

**6300 SOUTHEAST 14TH STREET
DES MOINES, IOWA 50320**

**OFFERING
MEMORANDUM**

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In Association with Iowa Designated Broker:
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CIA
commercial
investment
advisors

INVESTMENT OVERVIEW

ARBY'S
DES MOINES, IOWA

ARBY'S

LOCATION	6300 Southeast 14th Street Des Moines, Iowa 50320
MAJOR CROSS STREETS	On SE 14th St, North of E Army Post Rd
TENANT	DRM, INC.
PURCHASE PRICE	\$2,344,000
CAP RATE	5.50%
ANNUAL RENT	\$128,919*
GROSS LEASEABLE AREA	± 3,015 SF
RENTAL ESCALATIONS	1% Annually
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT	2015
LOT SIZE	± 1.10 Acres
LEASE EXPIRATION	August 31, 2030
OPTIONS	Five 5-Year Renewal Options

* Current Rent is \$127,643 until August 31, 2020. Seller to credit Purchaser shortfall (if any) in Rent at the Close of Escrow.

POINTS OF INTEREST

RETAIL | ENTERTAINMENT: Pad site to Hobby Lobby & Gordmans Shopping Center, nearby retailers include Target, Walmart, Home Depot, Menards, Slumberland Furniture, Harbor Freight Tools, Marshalls, Shoe Carnival, Hy-Vee, ALDI, Dollar Tree, Dollar General, Goodwill, Aaron's, PetSmart, JOANN Fabrics, Advance Auto Parts, O'Reilly Auto Parts, Sherwin Williams, Walgreens, AMC Theatres, Planet Fitness, Anytime Fitness, Genesis Health Club, etc.

HIGHER EDUCATION: Less than 7 miles from Drake University (a private university in Des Moines with a total enrollment over 4,800)

HEALTH CARE: Less than 6 miles from MercyOne Des Moines Medical Center (a not-for-profit Catholic hospital with 656 beds); Less than 6 miles from UnityPoint Health Iowa Methodist Medical Center (a 370-staffed beds regional medical center and teaching hospital)

INVESTMENT HIGHLIGHTS

LEASE: 10+ Years Remaining on Initial 15-Year Absolute NNN Lease with RARE 1% Annual Rental Escalations!

TENANT: DRM, Inc. Currently has **93 Locations in Illinois, Iowa, Nebraska, Wisconsin, Minnesota & Missouri** (2nd Largest Arby's Franchisee in the U.S.)

DENSE RETAIL CORRIDOR | TRAFFIC COUNTS: Positioned on a Large 1.10-Acre Parcel - Pad Site to a Hobby Lobby & Gordmans Shopping Center with Excellent Visibility on SE 14th St & E Army Post Rd where **Traffic Counts Exceed 69,250 CPD!**

SEASONED SALES LOCATION: Relocation Store for One of the First Arby's in the Des Moines MSA!

2020 DEMOGRAPHICS (5-MI): Total Population: 97,557 | Average Household Income: \$69,713



FINANCIAL ANALYSIS

SUMMARY

TENANT	DRM, Inc.
PURCHASE PRICE	\$2,344,000
CAP RATE	5.50%
GROSS LEASEABLE AREA	3,015 SF
LEASE STARTS	September 1, 2015
LEASE ENDS	August 31, 2030
YEAR BUILT	2015
LOT SIZE	± 1.10 Acres
EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all expenses.
OPTIONS	Five 5-Year Renewal Options
FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.

ANNUALIZED OPERATING DATA

LEASE STARTS	LEASE ENDS	ANNUAL BASE RENT*	ANNUAL INVESTOR RETURN	RENTAL INCREASES
09/01/20	08/31/21	\$128,919	5.50%	Current
09/01/21	08/31/22	\$130,208	5.55%	1%
09/01/22	08/31/23	\$131,510	5.61%	1%
09/01/23	08/31/24	\$132,825	5.67%	1%
09/01/24	08/31/25	\$134,154	5.72%	1%
09/01/25	08/31/26	\$135,495	5.78%	1%
09/01/26	08/31/27	\$136,850	5.84%	1%
09/01/27	08/31/28	\$138,218	5.90%	1%
09/01/28	08/31/29	\$139,601	5.96%	1%
09/01/29	08/31/30	\$140,997	6.02%	1%
AVERAGE BLENDED RETURN			5.75%	

* Current Rent is \$127,643 until August 31, 2020. Seller to credit Purchaser shortfall (if any) in Rent at the Close of Escrow.



ARBY'S | DES MOINES, IOWA

TENANT OVERVIEW

ABOUT THE TENANT



DRM is a family-owned and operated company, which was founded in 1977. DRM's presidents literally grew up in fast food and brought with them the experience, talent and foresight to make DRM one of the most flexible and enjoyable places to work. "We provide the atmosphere, flexibility, opportunities for learning and growth, and feel this is what makes us the employer of choice for the right people," said one of DRM's Presidents.

DRM is the 2nd largest Arby's franchisee in the U.S., currently owns and operates **93 Arby's restaurants in six states - 11 in Nebraska; 23 in Iowa; 9 in Illinois; 48 in Wisconsin; 1 in Minnesota; and 1 in Missouri**, with the Corporate Office located in Omaha, Nebraska. Through a recent development agreement, **DRM has committed to open 25 new Arby's restaurants through November 30, 2022, and they have exclusive development rights in and around their current territories: Lincoln, Des Moines, Rockford, Appleton, Greenbay, Madison, & La Crosse areas.**

DRM was the proud recipient of the 2018 Inspiring Smiles Franchisee of the Year Award and the West Region Serve, Refresh, Delight Award at the Arby's 2015 National Franchise Convention. The President's Award (Franchisee of the Year) was also awarded to DRM at the Arby's National Franchise Conventions in 2004 and 2006.

<http://drmarbys.com/>

ABOUT THE PARENT COMPANY



Roark Capital Group is an Atlanta-based private equity firm with **over \$13 billion in equity capital raised** since inception and \$18 billion in assets under management as of December 31, 2019. Roark focuses on majority investments and significant influence minority investments in consumer and business service companies, with a specialization in franchised and multi-unit business models in the restaurant, specialty retail, consumer and business services, and health, wellness and beauty sectors.

Roark prides itself on being a trusted partner for management and business owners. Roark believes that successful partnerships begin with providing a compelling value proposition to all business constituencies. A win-win-win approach leads to an enthusiastic business environment where all stakeholders – customers, employees, franchisees, strategic partners, service providers, management and shareholders – share in the growth and success of our businesses. Roark wants to partner with entrepreneurs and executives who share this vision.

Since inception, affiliates of Roark have acquired 77 franchise/multi-unit brands which generate approximately \$41 billion in system revenues from 39,000 locations located in 50 states and 81 countries.

<http://www.roarkcapital.com/>

ARBY'S | DES MOINES, IOWA

SITE PLAN



LOT SIZE
± 1.10 Acres
GLA
3,015 SF

ARBY'S | DES MOINES, IOWA

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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

AERIAL



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AERIAL ZOOMED OUT



ARBY'S | DES MOINES, IOWA

AERIAL CITY VIEW



MERLE HAY MALL

A 1,060,000 SF SHOPPING MALL ANCHORED BY TARGET, KOHL'S & FLIX BREWHOUSE W/ OVER 80 STORES SUCH AS OLD NAVY, FIVE BELOW, ROSS DRESS FOR LESS, ULTA BEAUTY, SHOE CARNIVAL, ETC.

Drake
UNIVERSITY
4,884 STUDENTS

MERCYONE
MERCYONE DES MOINES
MEDICAL CENTER
656 BEDS

GRAND VIEW
UNIVERSITY
1,800 STUDENTS

Walmart

sam's club

UnityPoint Health
Des Moines
IOWA METHODIST
MEDICAL CENTER
370 BEDS



Gordmans

Iowa State Fair

HyVee

FAREWAY
MEAT & GROCERY

65

TITAN

FAREWAY
MEAT & GROCERY

DOLLAR TREE

DOLLAR GENERAL

CDS Global
A Hoarst Company

MCKINLEY ELEMENTARY
283 STUDENTS

Cargill
Helping the world thrive

YELLOW BANKS PARK

28

HOWE ELEMENTARY
308 STUDENTS

JACKSON ELEMENTARY
427 STUDENTS

NS
NORFOLK SOUTHERN

SOUTH UNION ELEMENTARY
494 STUDENTS

WRIGHT ELEMENTARY
280 STUDENTS

Arby's

65

DES MOINES
International Airport

5

STUDEBAKER ELEMENTARY
495 STUDENTS

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LOCATION OVERVIEW

ARBY'S
DES MOINES, IOWA



Des Moines is the capital and the most populous city in the U.S. state of Iowa. It is also the county seat of Polk County. A small part of the city extends into Warren County. The local government serves more than 217,000 residents throughout 51 neighborhoods with more than 4,000 acres of parkland and 81 miles of trails.

Des Moines is a major center of the US insurance industry and has a sizable financial services and publishing business base. The city is the headquarters for the **Principal Financial Group, Fidelity & Guaranty Life, the Meredith Corporation, Ruan Transportation, TMC Transportation, EMC Insurance Companies, Allied Insurance, GuideOne Insurance, American Republic Insurance Company, and Wellmark Blue Cross Blue Shield**. Other major corporations such as **Wells Fargo, Voya Financial, Electronic Data Systems (EDS), Nationwide Mutual Insurance Company, ACE Limited, Marsh, Monsanto, and DuPont Pioneer** have large operations in or near the metropolitan area. In recent years, **Microsoft, Hewlett Packard, and Facebook** have built data-processing and logistical facilities in the Des Moines area.

Other major employers in Des Moines include **UnityPoint Health, Mercy Medical Center, MidAmerican Energy Company, CDS Global, UPS, Firestone Agriculture Tire Company, Drake University, Titan Tire, The Des Moines Register, Anderson Erickson, Dee Zee and EMCO**.

Des Moines is an important city in U.S. presidential politics; as the state's capital, it is the site of the first caucuses of the presidential primary cycle. Many presidential candidates set up campaign headquarters in Des Moines.

Des Moines' Top Employers

	# of employees
• Wells Fargo	13,500
• UnityPoint Health	8,026
• Principal Financial Group	6,500
• Hy-Vee, Inc.	6,400

2020 DEMOGRAPHICS

	1-MI	3-MI	5-MI
TOTAL POPULATION	7,049	57,278	97,557
DAYTIME POPULATION	5,764	29,284	134,752
AVERAGE HOUSEHOLD INCOME	\$45,891	\$67,396	\$69,713

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