

# SCHLOTZSKY'S

CORPORATE GUARANTEE | DRIVE-THRU

2519 EAST INTERSTATE 20, GRAND PRAIRIE, TEXAS 75052



CONFIDENTIAL OFFERING MEMORANDUM

EXCLUSIVELY OFFERED BY

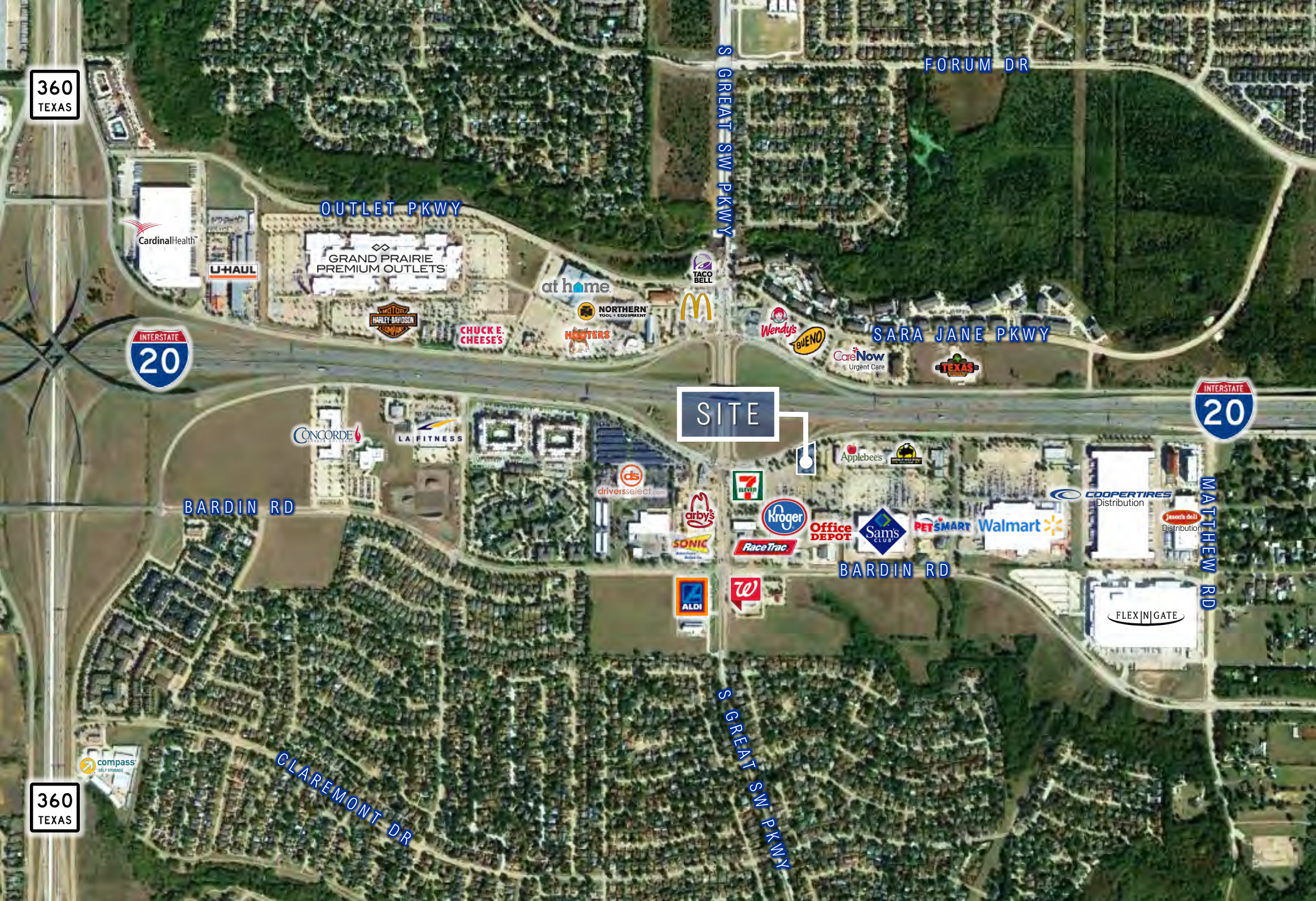
**TY UNDERWOOD**

214.520.8818 x 4

tyunderwood@sljcompany.com

SLJ

SLJ Company, LLC  
4311 West Lovers Lane, Suite 200  
Dallas, Texas 75209  
[www.sljcompany.com](http://www.sljcompany.com)



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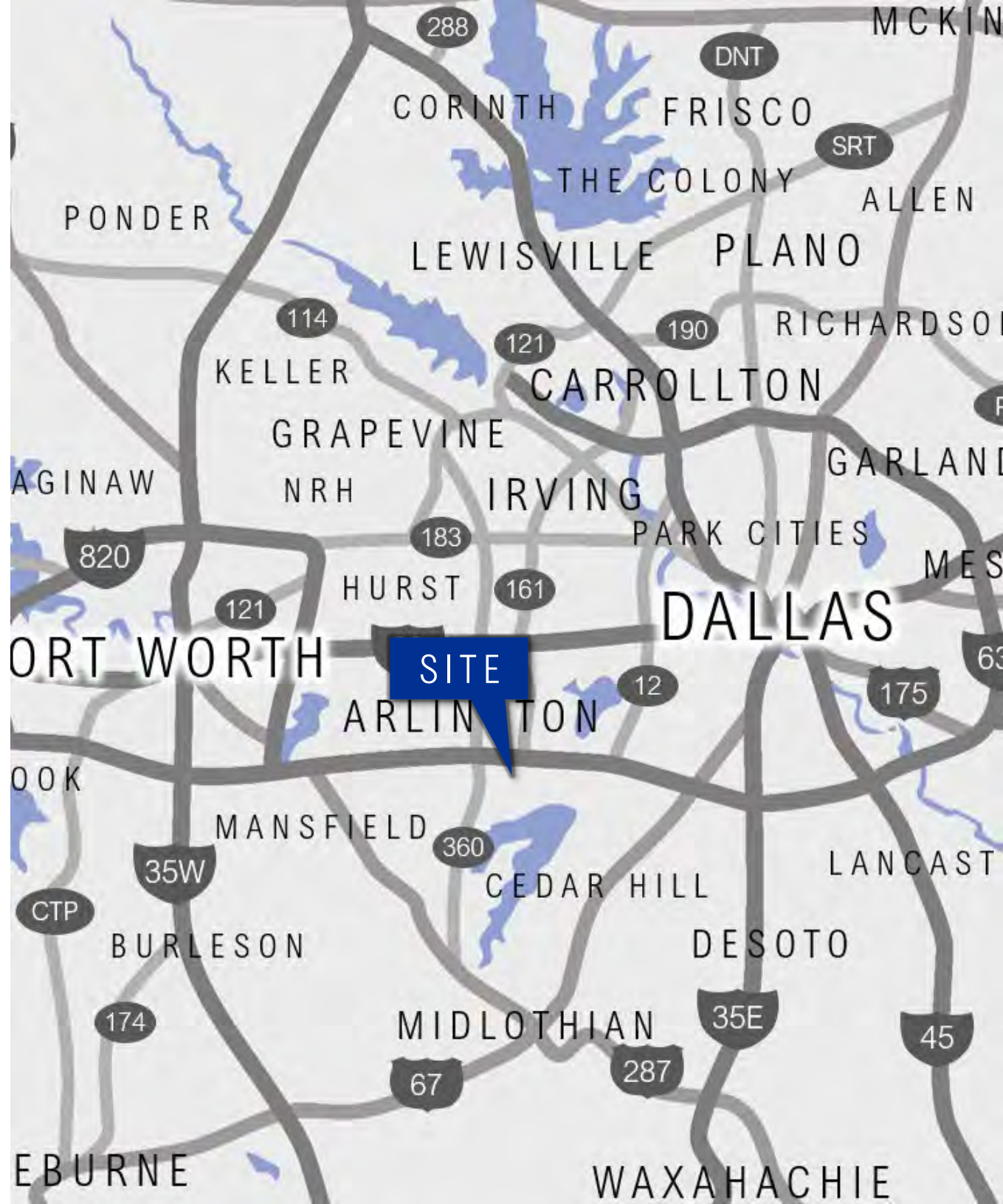
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# EXECUTIVE OVERVIEW

EXECUTIVE SUMMARY  
INVESTMENT HIGHLIGHTS



# EXECUTIVE SUMMARY

SLJ Company, LLC (SLJ) has been exclusively retained to offer to qualified investors the opportunity to acquire a 100% fee-simple interest in Schlotzsky's located at 2519 E Interstate 20, a  $\pm 2,722$  square foot quick-service restaurant with drive-thru in Grand Prairie, Texas (the "Property"). Positioned on the Interstate 20 Frontage Road just east of South Great Southwest Parkway, the Property is ideally located in a dense retail corridor with high visibility, excellent access and tremendous exposure to  $\pm 200,000$  vehicles per day passing directly in front of the site.

Built in 1997, the Property has been operating as a Schlotzsky's restaurant for over 20 years. The Tenant, Schlotzsky's Texas Stores, LLC, is a Schlotzsky's corporate entity and recently renewed their Lease for an additional 10 years further demonstrating the Tenant's commitment to the site. The Lease is absolute triple net with zero Landlord responsibility. There are over 10 years remaining on the Lease term which has a 7.5% rent increase in 2025 and expires year-end 2030.

The Property is strategically positioned in the heart of the Dallas-Fort Worth market in close proximity to some of Grand Prairie's major traffic drivers like Grand Prairie Premium Outlets, EpicCentral and Trader's Village. The Property enjoys highway visibility and exposure to the nearly 200,000 vehicles per day on Interstate 20. The Property benefits from its position as an outparcel to a grocery-anchored shopping center that is home to Kroger, Office Depot and T-Mobile, among others. Other retailers located in the immediate vicinity along the Interstate 20 commercial corridor include Sam's Club, Walmart, Petsmart, ALDI, Walgreen's and Applebee's, just to name a few.

Grand Prairie is a premier Dallas-Fort Worth suburb that offers diverse job opportunities, strong demographics and population growth. There are numerous new developments happening in Grand Prairie including high-end residential, multifamily, industrial and distribution centers plus restaurant and retail projects. Overall, Schlotzsky's offers an investor a high-quality, stable, income-producing asset ideally positioned in an attractive Dallas-Fort Worth submarket.





## INVESTMENT HIGHLIGHTS

### CORPORATE GUARANTEE

The Tenant is Schlotzsky's Texas Stores, LLC and is backed by Schlotzsky's corporate entity and owned by Focus Brands, LLC.

### 10+ YEARS OF LEASE TERM REMAINING

The Lease runs through December 31, 2030.

### ABSOLUTE NNN LEASE

Zero Landlord responsibility. The Tenant is responsible for all taxes, insurance and property maintenance.

### OVER 20 YEAR OPERATIONAL HISTORY

Schlotzsky's has demonstrated a clear commitment to the location having operated at the site for 20 years, and recently has extended the Lease for 10 more years.

### GROCERY OUTPARCEL

The Property is positioned directly in front of a Kroger-anchored shopping center which also includes Office Depot, T-Mobile, among others.

### DENSE ESSENTIAL RETAILER CORRIDOR

The retail corridor includes Kroger, Sam's Club, Walmart, Office Depot, Petsmart, ALDI, Walgreens, Dollar Tree, Applebee's, Buffalo Wild Wings, Bank of America, and many more.

### BUSY INTERSECTION

The Property is positioned near the intersection of Interstate 20 and S Great Southwest Pkwy which sees a combined 230,000 vehicles per day.

### IMPRESSIVE POPULATION GROWTH

The 5-mile population has seen a 9.84% increase since 2010.

# PROPERTY OVERVIEW

## PROPERTY PROFILE





## PROPERTY PROFILE

### ADDRESS

2519 E Interstate 20, Grand Prairie, Texas 75052

### BUILDING AREA

±2,722 Square Feet

### YEAR BUILT

1997

### LAND AREA

±0.8 Acres (34,979 Square Feet)

### DRIVE-THRU

Yes

### TRAFFIC COUNTS

Interstate 20: ±199,000 VPD (2015)

# TENANT OVERVIEW

## TENANT PROFILE



# TENANT PROFILE

## SCHLOTZSKY'S

WEBSITE	<a href="http://www.schlotzskys.com">www.schlotzskys.com</a>
HEADQUARTERS	Atlanta, GA
YEAR FOUNDED	1971
STORES	350+
OWNERSHIP	Private
PARENT COMPANY	Focus Brands <a href="http://www.focusbrands.com">www.focusbrands.com</a>



## FOCUS BRANDS, LLC

Atlanta-based Focus Brands® is a leading developer of global, multi-channel foodservice brands. Focus Brands, through its affiliate brands, is the franchisor and operator of more than 6,300 restaurants, cafes, ice cream shoppes and bakeries in the United States, the District of Columbia, Puerto Rico and more than 60 foreign countries under the brand names Auntie Anne's®, Carvel®, Cinnabon®, Jamba®, Moe's Southwest Grill®, McAlister's Deli® and Schlotzsky's®, as well as Seattle's Best Coffee® on certain military bases and in certain international markets.



# FINANCIAL OVERVIEW

## PRICING TENANT SUMMARY & OPERATING DATA





# PRICING

PRICE	\$2,217,391	NET OPERATING INCOME	\$127,500/year
CAP RATE	5.75%	RENT INCREASE	7.5% in 2025
LEASE TERM	10+ years	LEASE TYPE	Absolute NNN

# TENANT SUMMARY & OPERATING DATA

## TENANT SUMMARY

TENANT TRADE NAME	Schlotzsky's
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Schlotzsky's (Corporate)
LEASE TYPE	Absolute NNN
ROOF & STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM	20 Years with 10 Year Option
LEASE COMMENCEMENT	11/15/00
LEASE EXPIRATION	12/31/30
TERM REMAINING ON LEASE	10+ Years
RENT INCREASE	7.5% in December 2025
REMAINING OPTIONS	None

## ANNUALIZED OPERATING DATA

	MONTHLY RENT	ANNUAL RENT	CAP RATE
12/1/20 – 11/30/25	\$10,625.00	\$127,500.00	5.75%
12/1/25 – 12/31/30	\$11,421.88	\$137,062.50	6.18%



# MARKET OVERVIEW

DEMOGRAPHICS  
GRAND PRAIRIE AREA  
DALLAS/FORT WORTH AREA



## DUNCANVILLE

Population: 39,118  
Median Income: \$68,572  
Median Home Value: \$163,673

## CEDAR HILL

Population: 48,521  
Median Income: \$69,269  
Median Home Value: \$327,500

## JOE POOL LAKE

SITE

IH 20 FRONTAGE RD



MANSFIELD  
Population: 76,247  
Median Income: \$115,104  
Median Home Value: \$294,091

DALWORTHINGTON  
GARDENS  
Population: 2,397  
Median Income: \$124,500  
Median Home Value: \$362,450



SITE

IH 20 FRONTAGE RD





## 2020 DEMOGRAPHICS

1 MILE

# OF  
BUSINESSES

329

# OF  
EMPLOYEES

4,243

CONSUMER  
SPENDING  
(\$000S)

123,168

3 MILE

EMPLOYED  
POPULATION

69.9%

COLLEGE  
EDUCATED  
POPULATION

64.2%

POPULATION  
<30 MINUTE  
COMMUTE

53.8%

5 MILE

POPULATION

292K

HOUSEHOLDS

93K

MEDIAN AGE

31.5

AVERAGE  
HOUSEHOLD  
INCOME

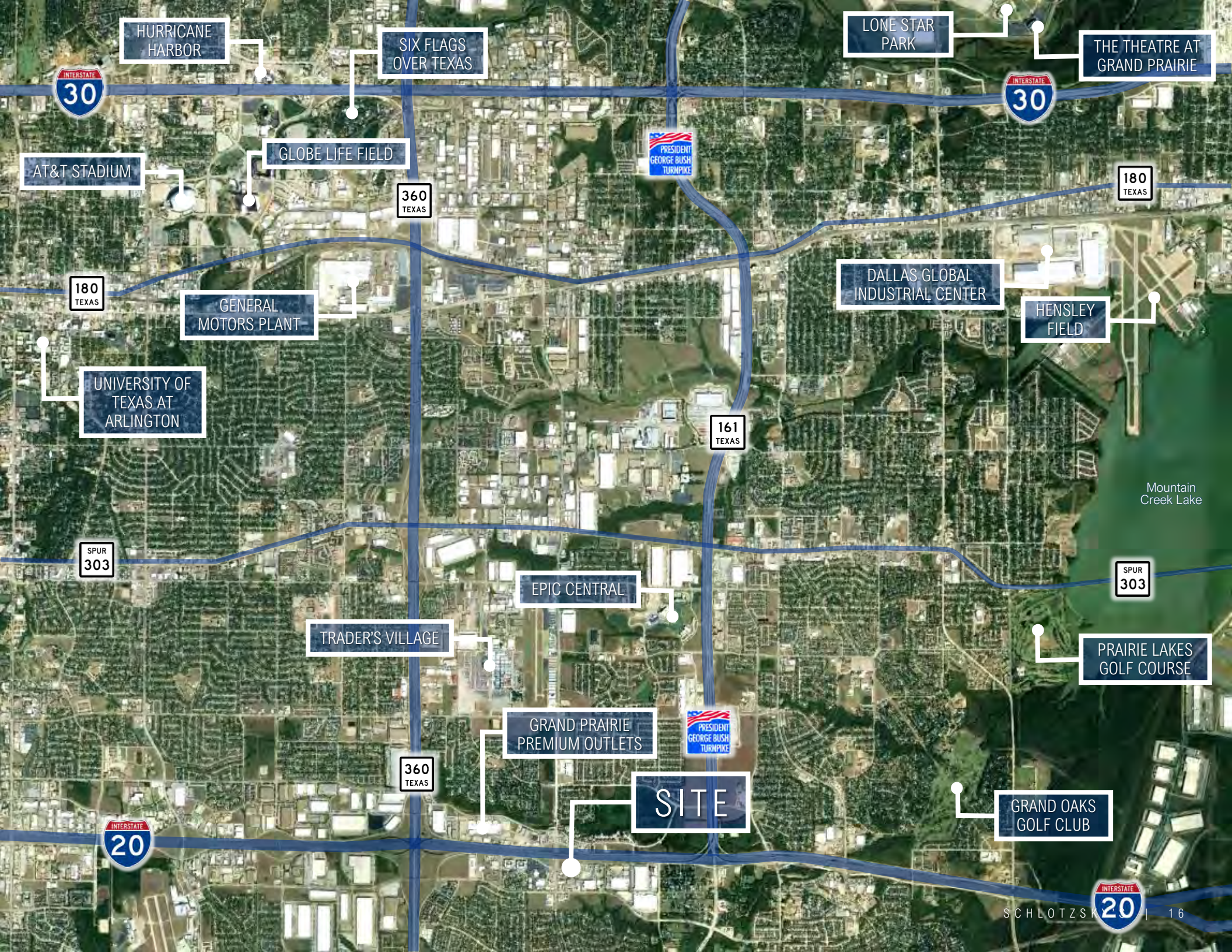
\$74K

MEDIAN  
HOME  
VALUE

\$161K

PROJECTED  
POP. GROWTH  
2020-2025

5.2%



HURRICANE  
HARBOR

SIX FLAGS  
OVER TEXAS

LONE STAR  
PARK

THE THEATRE AT  
GRAND PRAIRIE

GLOBE LIFE FIELD

AT&T STADIUM

GENERAL  
MOTORS PLANT

UNIVERSITY OF  
TEXAS AT  
ARLINGTON

DALLAS GLOBAL  
INDUSTRIAL CENTER

HENSLEY  
FIELD

EPIC CENTRAL

TRADER'S VILLAGE

GRAND PRAIRIE  
PREMIUM OUTLETS

SITE

GRAND OAKS  
GOLF CLUB

PRAIRIE LAKES  
GOLF COURSE

Mountain  
Creek Lake

# GRAND PRAIRIE AREA

## INTRODUCTION

The City of Grand Prairie is centrally located in the Dallas/Fort Worth Metroplex, being just 10 minutes south of Dallas/Fort Worth International Airport, 12 miles west of Downtown Dallas and 15 miles east of Downtown Fort Worth. Grand Prairie is linked with other major markets through Interstate 30, a strong entertainment and business corridor, and Interstate 20, developing a significant retail and corporate location. Because of its central location and proximity to air and highway transportation infrastructure, Grand Prairie is also a well-established distribution center. Much of the Great Southwest Industrial District's approximately 80-million square feet lies in Grand Prairie. The southernmost section of the City, amid hill country-like vistas around Joe Pool Lake, is attracting high-end residential and plans for resort development.

## ENTERTAINMENT

With more than 5,000 acres of parks, well-established and new neighborhoods and lively, competitive athletic programs, Grand Prairie makes businesses and residents feel right at home. The Grand Prairie Parks, Arts & Recreation Department was named best in the nation in 2017 when it was awarded the National Recreation and Park Association's Class II Gold Medal. Fifty-eight parks include a senior center, the Ruthe Jackson Conference Center, five recreation centers, a dog park, five public swimming pools, two beaches on Joe Pool Lake, a campground, five softball and baseball complexes, 32 tennis courts, 18 soccer fields, and hiking and biking trails. EpicCentral is a 172-acre park site that is home to Epic Waters Indoor Waterpark, The Summit recreation center for adults ages 50+, The Epic "reimagined recreation center", and future home of PlayGrand Adventures all-inclusive playground. Amenities include five lakes, a grand lawn, boardwalk, and pad sites for future retail opportunities.

Tourists can play the horses at Lone Star Park, experience water fun year-round at Epic Waters, rummage through the 161-acre flea market at Traders Village, come face to face with lifelike figures at Louis Tussauds Palace of Wax, explore fascination oddities from around the world at Ripley's Believe It Or Not!, dance in the aisles at Verizon Theatre concerts, hit the links at Tangle Ridge and Prairie Lakes golf courses and play on the beaches and camp under the stars at the 7,500-acre Joel Pool Lake. Grand Prairie even has a minor league baseball team, the Grand Prairie AirHogs, that plays in an 87,000-square-foot stadium located in the City's entertainment district between Lone Star Park and The Theatre at Grand Prairie.



GOOD LINK PARK

# DALLAS/FORT WORTH AREA

## INTRODUCTION

The Dallas/Fort Worth Metroplex (Dallas/Fort Worth, DFW) is a dynamic 13-county region made up of Dallas, Fort Worth, and another 150 municipalities. The Dallas area is the largest metropolitan area in Texas and the fourth-largest in the United States spanning an area of 9,286 square miles and a population of approximately 7.7 million people. As the fastest growing metropolitan area, DFW led the nation in population growth over the decade, contributing to the addition of over 1.2 million people since 2010.

By the year 2040, it is projected that over 10.5 million people will be living in the Metroplex. DFW also has the largest, most educated workforce in the state of Texas, totaling three million people, and leads the state in public university and community college students. The largest of the major universities within the area are the University of Texas at Arlington (34,472), the University of North Texas (31,347), and the University of Texas at Dallas (19,872).

DFW accounts for approximately one-third of the state's Gross Domestic Product and approaches \$79.5 billion in total value of goods traded in and out of DFW. The Metroplex is currently the fifth-largest global exporter in the country and largest regional exporter to Canada, Mexico and China. Over the past decade the area has enjoyed a sustained period of economic and population expansion as local companies increase their business capacity and others relocate to this desirable, central U.S. location.

2020 POPULATION	2020 MEDIAN HOUSEHOLD INCOME	2020 MEDIAN AGE
7.7M	\$69K	32.7





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**SLJ**

SLJ Company, LLC  
4311 West Lovers Lane, Suite 200  
Dallas, Texas 75209  
[www.sljcompany.com](http://www.sljcompany.com)



## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

11-2-2015



### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<u>SLJ Company, LLC</u>	<u>419172</u>	<u>llebowitz@msn.com</u>	<u>214-520-8818</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<u>Louis Harold Lebowitz</u>	<u>171613</u>	<u>llebowitz@msn.com</u>	<u>214-520-8818</u>
Designated Broker of Firm	License No.	Email	Phone
<u>Charles Titus Underwood III</u>	<u>488370</u>	<u>tyunderwood@sljcompany.com</u>	<u>214-520-8818</u>
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
<u>William Robert Claycombe</u>	<u>576326</u>	<u>robert@claycombegroup.com</u>	<u>214-404-5129</u>
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date