

OFFERING MEMORANDUM

LISTED BY

CALVIN SHORT SVP & SENIOR DIRECTOR DIR: 949.432.4506 MOB: 310.567.3525 CALVIN.SHORT@MATTHEWS.COM LIC # 01927216 (CA)

ALEXIS SUAREZ BROKER OF RECORD LICENSE NO. LC665320000 (AZ)



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TABLE OF CONTENTS



4









4405 N 1st Ave | Tucson, AZ OFFERING MEMORANDUM

EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

LONG-TERM PASSIVE INCOME AND IMPROVING FUTURE CASH FLOWS

- Highly desirable, essential business with free-standing café and drive thru with contactless ordering and pick up
- Brand new 20-year, 6-month initial lease term commencing January 1st, 2021
- Fixed 10% increases every 5 years through the initial term and options
- **2020 remodel** to Arby's Inspire Restaurant Design which includes a drive-thru and revamped kitchens to improve efficiency
- Seasoned franchisee with over 23 years of operational experience and near-term growth plans to operate a total of 9 stores in Arizona
- Full-term guarantee from the master entity for the franchisee financials provided upon executed LOI
- Landlord favorable sales reporting language negotiated into the lease

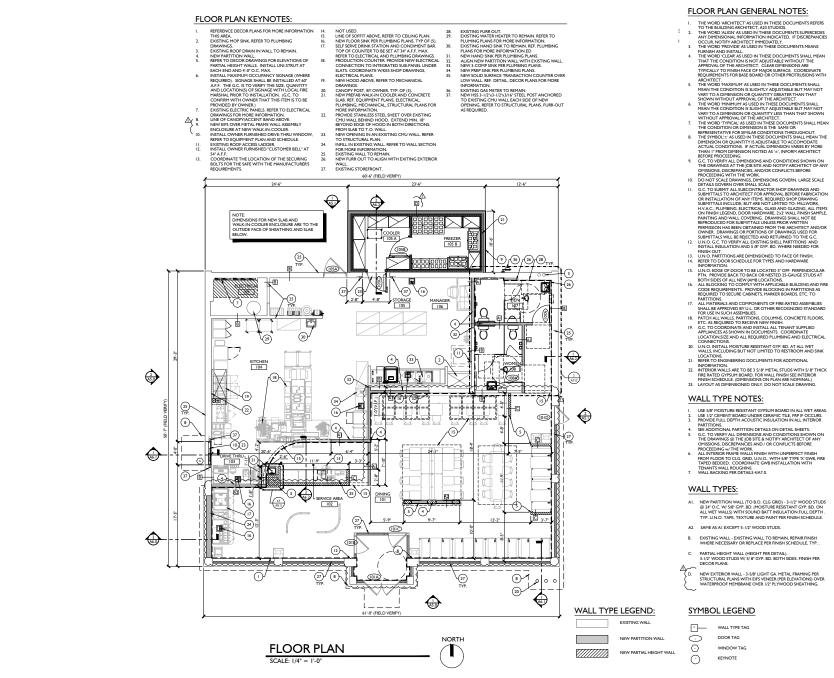
HIGH-TRAFFIC, DENSELY POPULATED RETAIL CORRIDOR

- Ideally positioned at the signalized hard corner of E. Wetmore Road and N. 1st Avenue which has combined traffic counts just shy of 100,000 cars per day
- Multiple points of ingress and egress directly into Arby's parking lot and into Tucson Place Shopping Center, which is anchored by Walmart
- Arby's joins a great mix of national retailers in the immediate area such as Walmart, Target, Lowe's, Home Depot, Sam's Club, Nordstrom Rack, Total Wine & More, REI, LA Fitness, Michael's In N Out, Chick-fil-A, Chase Bank, CVS, McDonald's and Taco Bell to name a few
- 4 miles north of The University of Arizona which has over 46,000 total students enrolled and major NCAA football, basketball, baseball, and volleyball programs
- Dense, in-fill location with over 236,000 residents within a 5-mile radius and average household incomes north of \$70,000

4 | OFFERING MEMORANDUM

SITE PLAN





FLOOR PLAN GENERAL NOTES:

- THE WORD CLEAR AS USED IN THESE DOCUMENTS SHALL MEAN THAT THE CONDITION IS NOT ADJUSTABLE WITHOUT THE APPROVAL OF THE ARCHITECT. CLEAR DIMENSIONS ARE TYPICALLY TO FINISH FACE OF MAJOR SURFACE. COORDINATE REQUIREMENTS FOR BASE BOARD OR OTHER PROTRUSIONS WITH

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Expires 09.30.22

A PLAN REVIEW 05.08.20

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REFERENCE

Arbys

AVENUE

ARBY'S WETMORE 4405 NORTH IST AN TUCSON, AZ 85719

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South Convent Averue Tucson, Arizona 85701 520.245.4010 phone www.a23studios.com

- - SUBMITTALS INCLUDE, BUT ARE NOT LIMITED TO: MILLWORK, H.V.A.C., PLUMBING, ELECTICAL, GLASS AND GLAZING, ALIL ITENS ON FINISH LEGEND, DOOR HARDWARE, 2X2 WALL FINISH SAMPLE, PAINTING AND WALL COVERING. DRAWINGS SHALL NOT BE REPRODUCED FOR SUBMITTALS UNLESS PRIOR WRITTEN REPRODUCED FOR SUBMITTALS UNLESS PRIOR WRITTEN PERMISSION HAS BEEN OBTAINED FROM THE ARCHITECT AND/OR OWNER. DRAWINGS OR PORTIONS OF DRAWINGS USED FOR SUBMITTALS WILL BE REJECTED AND RETURNED TO THE G.C. U.N.O. G.C. TO VERIFY ALL EXISTING SHELL PARTITIONS AND INSTALL INSULATION AND 5% GYP.B.D. WHERE NEEDED FOR

- ETC. AS REQUIRED TO RECEIVE NEW FINISH. G.C. TO COORDINATE AND INSTALL ALL TENANT SUPPLIED APPLIANCES AS SHOWN IN DOCUMENTS. COORDINATE LOCATION, SIZE AND ALL REQUIRED PLUMBING AND ELECTRICAL CONNECTIONS.

23. LAYOUT AS DIMENSIONED ONLY, DO NOT SCALE DRAWING.

- SEE ADDITIONAL PARTITION DELAIS ON DELAIS SHEETS. G.C. TO VERIFY ALL DIMENSIONS AND CONDITIONS SHOWN O THE DRAWINGS (@ THE JOB SITE & NOTIFY ARCHITECT OF ANY OMISSIONS, DISCREPANCIES AND / OR CONFLICTS BEFORE
- PROCEEDING w/ THE WORK. ALL INTERIOR FRAME WALLS FINISH WITH UNPERFECT FINISH
- FROM FLOOR TO CLG, GRID, U.N.O., WITH 5/8' TYPE 'X' GWB, FIRE TAPED BEDDED. COORDINATE GWB INSTALLATION WITH
- A1. NEW PARTITION WALL (TO B.O. CLG GRID) 3-1/2" WOOD STUDS @ 24" O.C. W/ 58" CYP. BD. (MOISTURE RESISTANT GYP. BD. ON ALL WET WALLS) WITH SOUND BATT INSULATION FULL DEPTH -TYP. U.N.O. TAPE, TEXTURE AND PAINT PER FINISH SCHEDULE.
- PARTIAL HEIGHT WALL (HEIGHT PER DETAIL).
- 3-1/2" WOOD STUDS W/ 5/ 8" GYP. BD. BOTH SIDES. FINISH PER DECOR PLANS.
 - NEW EXTERIOR WALL 3-5/8" LIGHT GA. METAL FRAMING PER STRUCTURAL PLANS WITH EIFS VENEER (PER ELEVATIONS) OVER WATERPROOF MEMBRANE OVER 1/2" PLYWOOD SHEATHING.



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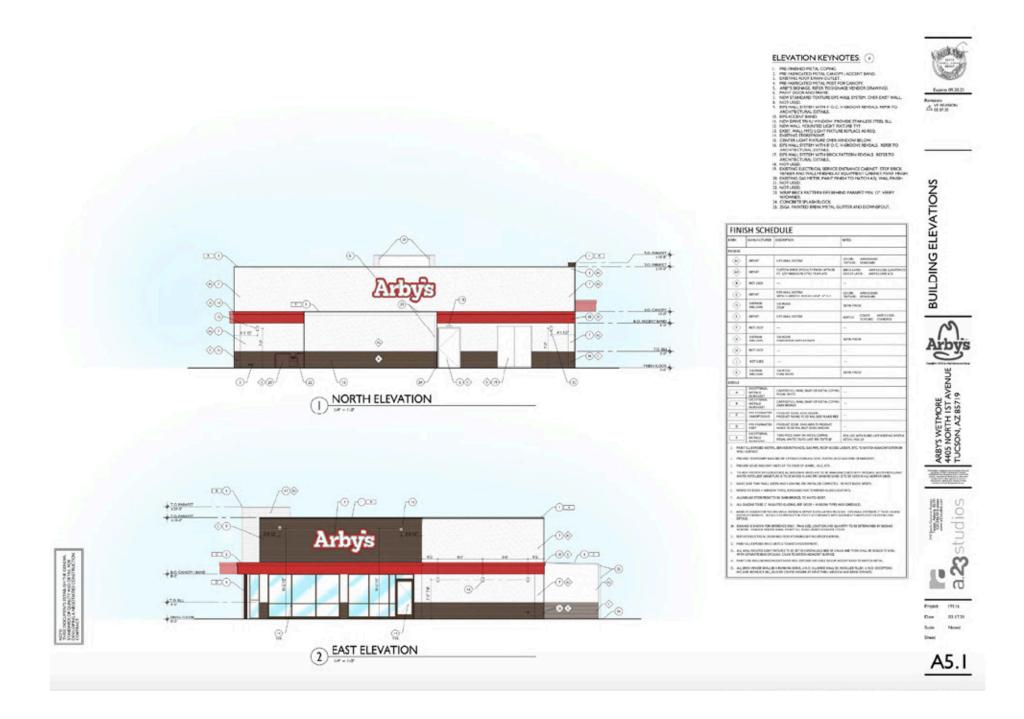
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BUILDING ELEVATIONS

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ACTUAL SITE: CONSTRUCTION AS OF 7/13/2020

FINANCIAL OVERVIEW





\$2,515,000 LIST PRICE **\$122,000** NOI

4.85% CAP RATE

BUILDING INFO

Address	5	4405 N 1st Ave Tucson, AZ 85719
Year Built	THE	2020
GLA of Building		±3,028 SF
Lot Size	XIE	±0.86 AC

TENANT SUMMARY

Tenant Trade Name	Arby's		
Type of Ownership	Fee Simple		
Lease Guarantor	Franchisee (Irish Beef, LLC) 15 Unit Franchisee		
Lease Type	Absolute Net		
Original Lease Term	20.5 Years		
Lease Commencement Date	1/8/20		
Rent Commencement Date*	At Close of Escrow		
Lease Expiration Date	6/30/41		
Term Remaining on Lease	±20.5 Years		
Increases	10% Every 5 Years		
Options	3, 5 Year Options		
*Seller to credit at close of escrow			

ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Cap Rate
Years 1-5	\$10,166.67	\$122,000.00	4.85%
Years 6-10	\$11,183.33	\$134,200.00	5.34%
Years 11-15	\$12,301.67	\$147,620.00	5.87%
Years 15-20	\$13,531.83	\$162,382.00	6.46%



TENANT OVERVIEW



THE OFFERING

Property Name	Arby's
Property Address	4405 N 1st Ave Tucson, AZ 85719

Site Description

Number of Stories	1
Year Built	2020
Lot Size	±0.86 Acres
Type of Ownership	Fee Simple

Arby's Fast Crafted restaurant services feature a unique blend of quick-serve speed combined with the quality and madefor-you care of fast-casual. Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is headquartered in Atlanta, GA. Arby's Restaurant Group (ARG) operates the Arby's fast-food chain popular for its hot roast beef sandwiches. In addition to roast beef sandwiches, its menu features chicken sandwiches, salads, and some dessert items. More than 1,100 Arby's locations are company-owned, while the rest are franchised.

Roark Capital Group acquired 81.5% of Arby's Restaurant Group in July 2011 and now wholly owns Inspire Brands. The Wendy's Company held a minority stake of 18.5% in Arby's after the acquisition by Roark Capital; that share was reduced to 12.3% upon the purchase of Buffalo Wild Wings and was sold back to Inspire Brands on August 16, 2018, for 450 million dollars, a 38 percent premium.

Its headquarters are in Sandy Springs, Georgia, a suburb of Atlanta which uses Atlanta mailing addresses. In 2019, there were 3,472 restaurants. There are locations in six countries outside the United States: Canada, Turkey, Qatar, Kuwait, Egypt, and South Korea.

±3,342 LOCATIONS

1964 YEAR FOUNDED **ATLANTA, GA** HEADQUARTERS





AREA OVERVIEW

TUCSON, AZ OVERVIEW

Located along the banks of the Santa Cruz River, Tucson is the second-largest populated city in Arizona behind Phoenix and 33rd largest city in the United States. The population continues to grow at a steady rate each year. The city is situated in the Sonoran Desert, surrounded by multiple mountain ranges including Wasson Peak, Santa Catalina Mountains, Rincon Mountains, and the Santa Rita Mountains. While Tucson is a premier vacation destination, it is also a prime place to live and work.

Around Tucson, the area is divided into districts and neighborhoods -- some linked by streetcar, others connected by streets made for autos, bike lanes, and bus routes -- with varied options for outdoor adventures, sightseeing, eating, and entertainment. Beyond Tucson, the land is defined by county boundaries that hold pick-your-own farms, vineyards, and wineries revived real Old West towns, and Sky Island habitats and preserved natural spaces that beckon day-trippers from Tucson.







\$70,719 AVERAGE HOUSEHOLD INCOME



DEMOGRAPHICS

POPULATION	1 - MILE	3 - MILE	5 - MILE
2025 Projection	14,346	103,207	242,854
2020 Estimate	13,819	100,484	236,341
2010 Census	13,300	99,196	231,946
Growth 2020-2025	3.81%	2.71%	2.76%
Growth 2010-2020	3.90%	1.30%	1.90%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2025 Projection	7,012	48,304	109,654
2020 Estimate	6,703	46,697	105,948
2010 Census	6,299	45,179	102,303
Growth 2020-2025	4.61%	3.44%	3.50%
Growth 2010-2020	6.41%	3.36%	3.56%
INCOME	1 - MILE	3 - MILE	5 - MILE
2020 Est Avg HH Income	\$57,548	\$65,089	\$70,719

ECONOMY

Much of Tucson's economic development has been centered on the development of the University of Arizona, which is currently the largest employer in the city. Davis-Monthan Air Force Base, on the city's southeastern edge, also provides many jobs for Tucson residents. Its presence, as well as the presence of the US Army Intelligence Center (Fort Huachuca, the largest employer in the region in nearby Sierra Vista), has led to the development of many high-tech industries, including government contractors, in the area. The city of Tucson is also a major hub for the Union Pacific Railroad's Sunset Route that links the Los Angeles ports with the South/Southeast regions of the country.

Roughly 150 Tucson companies are involved in the design and manufacture of optics and optoelectronics systems, earning Tucson the nickname "Optics Valley". [78] Much of this is thanks in part to the presence of the Steward Observatory at The University of Arizona, which is one of few locations in the world with ability to cast the enormous mirrors used in telescopes around the world and in space.

Tourism is another huge industry aside from the university as it alone brings in \$2 billion per year and over 3.5 million visitors due to the sunny weather (an average of 350 sunny days per year), resorts, and attractions.



Saguaro National Park, near Tucson, AZ, features giant saguaros in their native environment, plus access to wildlife viewing, hiking, and scenic drives. First designated as Saguaro National Monument in 1933, the area received national park status in 1994. It is also the ancestral home of the Tohono O'odham people, who today continue to play a role in the park's culture, visiting every year in the early summer to pick saguaro fruit. In addition to a broad expanse of desert, Saguaro National Park features mountainous regions – some reaching more than 8,000 feet above sea level – where pine and coniferous forests form a canvas of greenery.

OUTDOOR ATTRACTIONS





On the northeast edge of Tucson, **Sabino Canyon** offers a variety of terrain including a paved path for the lighter option, or miles of rugged ground to explore. Sabino Canyon's history is as diverse as it is fascinating. The Santa Catalina Mountains began forming over 12 million years ago, 7 million years before the earliest known human being walked the face of the earth. It's estimated that some of the earliest predominant human occupants of Sabino Canyon were the Hohokam people.

Located less than 20 miles north of Tucson, **Catalina State Park** is loaded with great trails ranging from easy loops to unmaintained advanced paths. Nature lovers will be inspired by the views, and delighted with the distinct desert flora and fauna. Catalina State Park, sprawling more than 5,500 acres, is home to hundreds of bird species and more than 5,000 saguaro cacti. Horses and bikes are also welcome along the trails, and if you don't have a horse of your own, there are stables nearby that offer trail rides.



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The University of Arizona, a land-grant university with two independently accredited medical schools, is one of the nation's top public universities, according to U.S. News & World Report. Established in 1885, the UA is widely recognized as a student-centric university and has been designated as a Hispanic Serving Institution by the U.S. Department of Education. The UA ranked in the top 25 in 2018 in research expenditures among all public universities, according to the National Science Foundation, and is a leading Research 1 institution with \$687 million in annual research expenditures. The UA advances the frontiers of interdisciplinary scholarship and entrepreneurial partnerships as a member of the Association of American Universities, the 62 leading public and private research universities in the U.S. It benefits the state with an estimated economic impact of \$4.1 billion annually.

The university accepts over 43,800 students each academic year, with over 35,600 being undergraduate students. The campus stretches across 380 acres with a total of 179 buildings on the main campus. U of A does not just rank academically, the U of A Wildcats have been Division 1 champions in football, baseball, softball, golf, and basketball. Their well-known motto, "Bear Down, Arizona," has become a staple for the school as a whole.

This Offering Memorandum contains select information pertaining to the business and affairs of **Arby's** located at **4405 N 1st Ave, Tucson, AZ 85719** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

- 1. The Offering Memorandum and its contents are confidential;
- 2. You will hold it and treat it in the strictest of confidence; and
- 3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

4405 N 1st Ave Tucson, AZ



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