



2 COLLINS CT  
MADISON, WI

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



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# INVESTMENT HIGHLIGHTS



**LIST PRICE**

**\$2,600,000**



**CAP RATE**

**6.60%**



**NOI**

**\$164,640**

[Available individually or as a portfolio with Arby's & Phillips 66 in Dubuque, IA \(click here to view Dubuque\)](#)

- **National Retailers** – The property is 100% leased to Arby's and Phillips 66. Arby's is one of the largest QSR chains in the world and Phillips 66 is one of the largest national c-store/gas station chains.
- **Strong Tenant Sales Performance** – Arby's performs above their national sales average at this location. Phillips 66 has exceptional sales performance. Inquire with Broker for details.
- **Strategically Positioned** – The property is ideally situated at an on/off ramp of I-12 and I-51. Additionally, the site is located next to a Days Inn. The property is 6.5 miles from the University of Wisconsin, home to over 43,000 students.
- **Regional Bus and Commuter Hub** – The property is adjacent to Dutch Mill Park & Ride, located on the Wisconsin DOT website as one of the prime locations for commuters to park and travel. This Park & Ride is home to several regional bus routes ranging from Chicago O'Hare and Minneapolis St Paul. Dutch Mills promotes Arby's and Phillips 66 for gas and food service.
- **Strong Demographics** – Madison, WI is the state capital and home to 204,000 residents with an average household income over \$75,000. The location is centrally located in Dane County with over 550,000 residents. Madison has seen a robust population increase of over 16% in the past ten years.
- **E-Commerce Resistant Tenants and Essential Retailers** – Quick-service-restaurants and gas stations are not negatively affected by online retailers such as Amazon and are recognized as 'essential retailers' by the US Government.
- **Recession Resistant Tenants** – Historically, convenient stores, gas stations, and quick-service-restaurants do well under an economic recession, as their goods are inelastic.
- **Drive-Thru Equipped** – Arby's drive-thru concepts substantially increase store sales, and have proven to fit the needs of the latest consumer trends in quick on-the-go dining.



## LEASE SUMMARY - ARBY'S

LEASE SUMMARY - ARBY'S	
Tenant	Arby's
Lease Guarantor	DRM Inc.
Property Address	4 Collins Ct, Madison, WI 53716
Lease Commencement Date	10/1/18
Lease Expiration Date	9/30/38
Original Lease Term	±20 Years
Lease Term Remaining	±17.5 Years
Annual Rent	\$108,000.00
Rent Increases	2.5% In Options
Option Periods	Five, 5-Year Options
Lease Type	NNN
Landlord Responsibilities	None
Tenant Responsibilities	All

## THE OFFERING

Property Name	
Arby's & Phillips 66	
Property Address	2 Collins Ct, Madison, WI 53716
List Price	\$2,600,000
Cap Rate	6.60%
Combined Annual Rent	\$164,640
DOT Expense	-\$887
Management Revenue	\$8,000
NOI	\$171,753

## LEASE SUMMARY - PHILLIPS 66

LEASE SUMMARY - PHILLIPS 66	
Tenant	Phillips 66
Lease Guarantor	Liberty Stations LLC
Property Address	4 Collins Ct, Madison, WI 53716
Lease Commencement Date	11/1/12
Lease Expiration Date	10/31/22
Original Lease Term	10 Years
Lease Term Remaining	±1.5 Years
Annual Rent	\$56,640.00
Rent Increases	2% Annually
Option Periods	Two, 5-Year Options
Lease Type	NN
Landlord Responsibilities	Roof and exterior structure of C-Store space only
Tenant Responsibilities	Maintenance and Repairs, Taxes, Utilities, and Insurance

## LOAN QOUTE

*Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.*

**Kevin Puder**  
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**LTV: 65%**  
**Rate: 4.05%**  
**Amortization: 25**



## LEASE ABSTRACT

Tenant:	Arby's & Phillips 66
Address:	4 Collins Ct, Madison, WI 53716
Size:	3,960 Square Feet (Approximately).
Rent Commencement:	<b>Arby's:</b> 10/1/2018. <b>Phillips 66:</b> 11/1/2012.
Lease Expiration:	<b>Arby's:</b> 9/30/2038. <b>Phillips 66:</b> 10/31/2022.
Lease Term:	<b>Arby's :</b> ±17.5 Years. <b>Phillips 66:</b> ±1.5 Years.
Renewal Options:	<b>Arby's:</b> Five, 5-Year Options. <b>Phillips 66:</b> Two, 5-Year Options.
Percentage Rent	<b>Arby's:</b> Tenant pays seven and one-quarter percent (7.25%) of net sales after break even point. <b>Phillips 66:</b> No Percentage Rent.
Rent Increases:	<b>Arby's:</b> Tenant pay 2.5% Rent Increases each option period. <b>Phillips 66:</b> Tenant Pays 2.0% annual rent increases.
Real Estate Taxes:	<b>Arby's:</b> Tenant pays all taxes related to the property, assessments and improvements. <b>Phillips 66:</b> Landlord pays all general real estate taxes and special assessments. Tenant Reimburses Landlord for such expenses.
Maintenance and Repairs:	<b>Arby's:</b> Tenant, at its own expense, pays for any repair and maintenance of the building, structure, and lot. <b>Phillips 66:</b> Landlord, at its expense, pays for and repairs and maintenance of the exterior of the building and structure, including the roof. Tenant reimburses Landlord for any expenses that relate to repairs and maintenance of the interior of the building.
Insurance:	<b>Arby's:</b> Tenant pays for insurance with Landlord named as additional insured. <b>Phillips 66:</b> Landlord carries insurance and Tenant reimburses Landord for any such expenses related to the insurance.
Utilities:	<b>Arby's:</b> Tenant pays for all utilities furnished to the Premises during the term of the lease. <b>Phillips 66:</b> Tenant pays for all utilities furnished to the Premises during the term of the lease.
Tenant Assignment and Subletting:	<b>Arby's:</b> Tenant needs Landlord consent to assign the lease or sublet the premises. Notwithstanding the foregoing, Tenant may, without Landlord's consent, may assign the lease or sublet the premises to any corporation or legally owned entity of DRM, Inc.  <b>Phillips 66:</b> Tenant shall not assign this lease or sublease the Premises, or any right on privilege connected therewith, or allow any person, except agents, employees, and customers of Tenant, to occupy the Premises or any part thereof, without first obtaining the written consent of Landlord.
Right Of First Refusal	<b>Arby's:</b> Yes; After a bona fide offer to purchase that Landlord intends to accept, Arby's must deliver written notice of it's decision to exercise right of first refusal to Landlord Ten (10) days after receipt of notice from Landlord.  <b>Phillips 66:</b> No

# TENANT OVERVIEW



## ARBY'S

Arby's Fast Crafted restaurant services feature a unique blend of quick-serve speed combined with the quality and made-for-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.

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.

## PHILLIPS 66

The Phillips 66 Company is an American multinational energy company headquartered in Westchase. The company is engaged in producing natural gas liquids (NGL) and petrochemicals. The company has approximately 14,000 employees worldwide and is active in more than 65 countries. Phillips 66 is ranked No. 23 on the Fortune 500 list and No. 67 on the Fortune Global 500 list as of 2018.

The Energy Research & Innovation organization operates in Bartlesville, Oklahoma at the 440-acre Phillips 66 Research Center. Researchers hailing from all around the world work diligently to advance the cutting-edge science that is critical for enhancing company sustainability, developing the technologies of the future, and supporting existing operations.

# SURROUNDING AREA



# AREA OVERVIEW



## MADISON, WI

Established on a narrow isthmus of land between Lake Mendota and Lake Monona in central Wisconsin, Madison is a city that blends urban sophistication, charm and progressive thinking with natural beauty and small-town ease. As the capital of Wisconsin, Madison is the second largest city in the state, after Milwaukee, and consistently ranks as one of the best places to live, work and raise a family.

Consequently, Madison is growing larger and becoming more diverse, dynamic and cosmopolitan; The city is poised to add over 50 thousand residents in the coming future. Near the central downtown area, the University of Wisconsin – Madison campus brings a college-town atmosphere to the city with its student body of over 45,540 students. With an ideal location along the shore of Lake Mendota, the university campus, like many city businesses and residences, enjoys attractive lake views as well as access to recreational opportunities such as fishing and boating.



## PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	1,866	41,694	146,501
2020 Population	1,794	39,886	138,861
2010 Population	1,706	35,882	121,295
Projected Growth: 2020-2025	4.04%	4.53%	5.50%

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	908	18,363	68,740
2020 Population	856	17,233	64,291
2010 Population	801	15,348	54,623
Projected Growth: 2020-2025	6.08%	6.56%	6.92%

INCOME	1-MILE	3-MILE	5-MILE
2020 Avg. Household Income	\$78,363	\$94,441	\$77,850

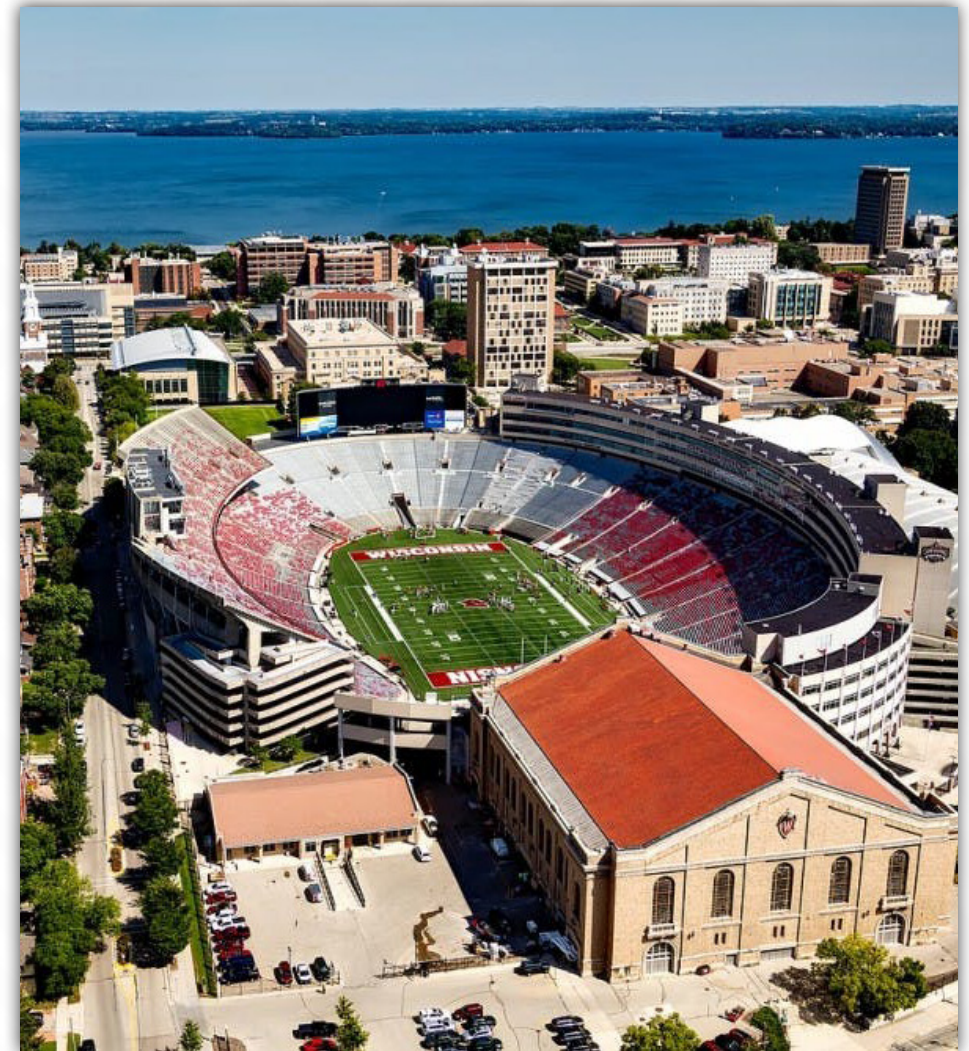
# THE UNIVERSITY OF WISCONSIN – MADISON

The University of Wisconsin–Madison is a public research university in Madison, Wisconsin. UW–Madison is the official state university of Wisconsin, and the flagship campus of the University of Wisconsin System. It was the first public university established in Wisconsin and remains the oldest and largest public university in the state. The 933-acre main campus, located on the shores of Lake Mendota, includes four National Historic Landmarks. The University also owns and operates a historic 1,200-acre arboretum, 4 miles south of the main campus.

UW–Madison is organized into 13 schools and colleges, which enrolled 31,650 undergraduate and 9,311 graduate students in Fall 2020. Its comprehensive academic program offers 9,000-plus courses; 200-plus undergraduate majors and certificates; 250-plus master's, doctoral, and professional programs; 2,000-plus faculty experts.

The UW is one of America's Public Ivy universities, which refers to top public universities in the United States capable of providing a collegiate experience comparable with the Ivy League. UW–Madison is also categorized as a Doctoral University with the Highest Research Activity in the Carnegie Classification of Institutions of Higher Education. It had research expenditures of more than \$1.2 billion, the third highest among universities in the country. As of the end of 2018, the current CEOs of 14 Fortune 500 companies have attended UW–Madison, the most of any university in the United States.

The Wisconsin Badgers compete in 25 intercollegiate sports in the NCAA Division I Big Ten Conference and have won 28 national championships. Wisconsin students and alumni have won 50 Olympic medals (13 gold, 24 silver, and 13 bronze).



**45,540**

STUDENTS ENROLLED

**23,917**

FACULTY & STAFF

**938 AC**

CAMPUS SIZE

**\$3.18B**

ENDOWMENT

**NCAA DI**

ATHLETICS

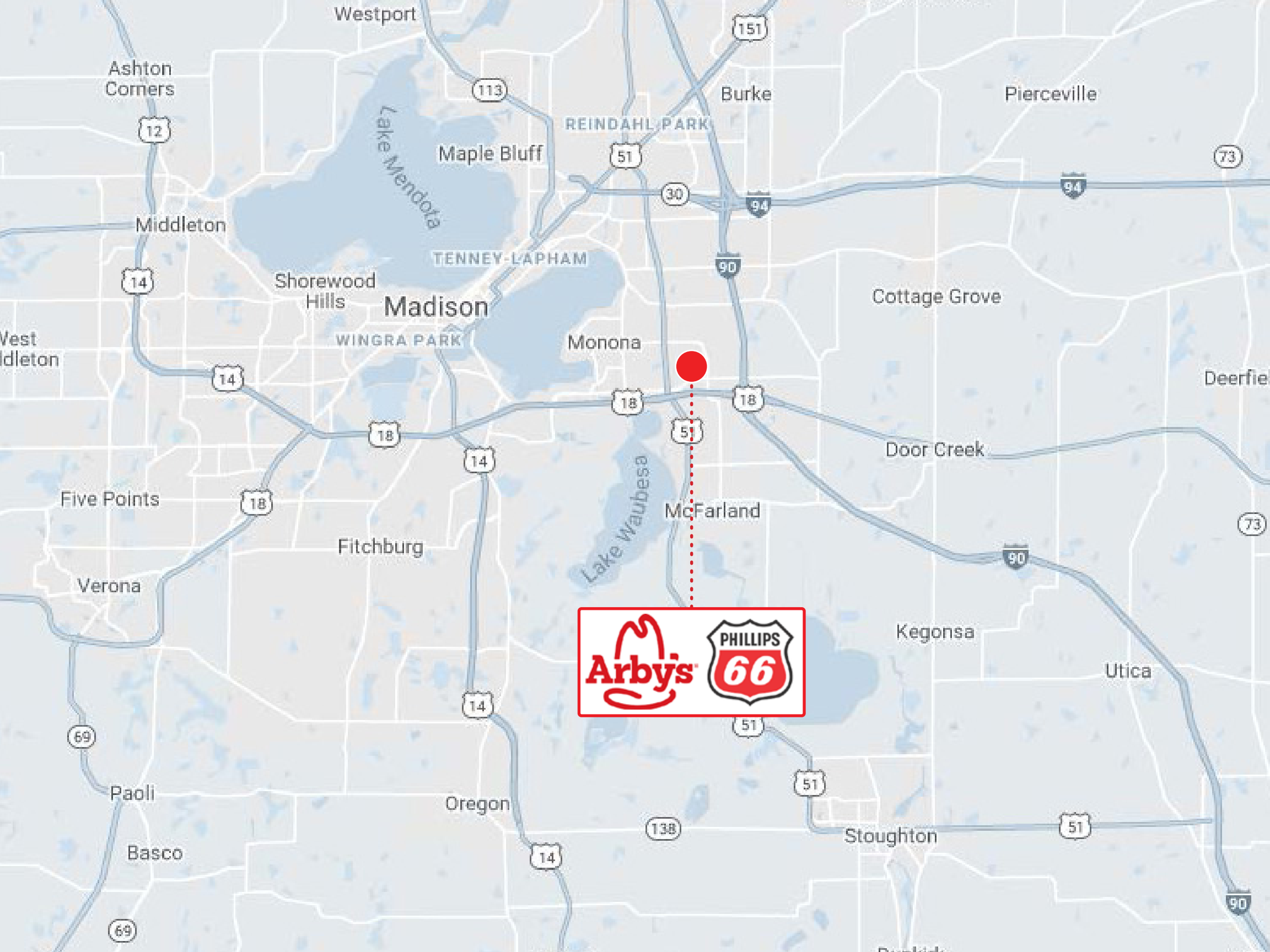
# ECONOMIC DEVELOPMENT

For the past few decades, Madison has experienced steady economic advancement, making it less susceptible to recession. Established businesses and businesses looking to expand or grow have access to a variety of assistance programs offered by the city. Emerging industries are reshaping Madison's workforce, which has historically attracted many businesses due to the area's high level of education.

Currently, the economy is evolving from a government-base to a consumer services and high-tech base, with emphasis in the health, biotech and advertising fields. Underpinning the boom is the development of high-tech companies, many fostered by the University of Wisconsin – Madison working with local businesses and entrepreneurs.

Additionally, construction is at an all-time high as the city is investing in downtown housing developments fueled by the proximity of the university, one of the city's largest employers, and large private-sector employers offering steady work.







## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Arby's & Phillips 66** located at **2 Collins Ct | Madison, WI 15236** ("Property"). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

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.



## LISTING AGENTS

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