

# CARL'S JR.

EXCLUSIVE NET LEASE OFFERING

*Representative Photo*



# OFFERING MEMORANDUM



180 East 12th Street, Ogden, UT 84404

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# Investment Highlights

PRICE: \$2,489,280 | CAP: 5.00% | RENT: \$124,464



## About the Investment

- ✓ Brand-New, Long-Term, 20-Year Triple-Net (NNN) Lease
- ✓ Attractive 10% Rental Increases Every 5 Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Options – Extending Total Possible Term to 40 Years

## About the Location

- ✓ Dense Retail Corridor | Home Depot, WinCo Foods, Walgreens, McDonald's, Chick-fil-A, Burger King, Wendy's, Popeyes, KFC, Zaxby's, Taco Bell, OfficeMax, Ross Dress for Less, Family Dollar, and Many More
- ✓ Robust Demographics | More than 140,000 Individuals Reside within a Five-Mile Radius of the Subject Property
- ✓ Heavily Trafficked Area | East 12<sup>th</sup> Street Intersects with Wall Avenue and Washington Boulevard | 28,500, 28,500 & 33,000 VPD, Respectively
- ✓ Strategic Asset Positioning | Just East of Business Depot Ogden | Premier Industrial Business Park Composed of 1, 118 Acres & 12.5 Million Square-Feet of New Construction
- ✓ Immediate Access to Healthcare | Approximately Five Miles from Ogden Regional Medical Center & McKay-Dee Hospital | Combined 540+ Beds
- ✓ Strong Underlying Real Estate | Located Just Over 30 Miles North of Salt Lake City, Utah's Capital & Most-Populous City

## About the Tenant / Brand

- ✓ Carl's Jr. is a Wholly Owned Subsidiary of CKE Restaurants, Inc. of Franklin, Tennessee
- ✓ Carl's Jr. was Founded in 1941 by Industry Pioneer Carl N. Karcher
- ✓ CKE Restaurants, Inc., through its Subsidiaries, has a Total of Over 3,800 Franchised or Company-Owned Restaurants in 44 States and in 43 Foreign Countries or U.S. Territories, Including 1,079 Carl's Jr. Restaurants and 1,923 Hardee's® Restaurants
- ✓ Carl's Jr.'s® Long History of Industry Innovations have Included Enhancements to the Customer Experience, Including Partial Table Service, the Dual-Branding Concept, and Inventive Restaurant Design





# Financial Analysis

PRICE: \$2,489,280 | CAP: 5.00% | RENT: \$124,464



## PROPERTY DESCRIPTION

Property	Carl's Jr.
Property Address	180 East 12th Street
City, State, ZIP	Ogden, UT 84404
Year Built/Remodeled	1999/2009
Building Size (Square Feet)	3,035
Lot Size	+/- 0.73 Acres
Type of Ownership	Fee Simple

## PURCHASE PRICE

Purchase Price	\$2,489,280
CAP Rate	5.00%
Annual Rent	\$124,464

## LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Snow Star LP / Ahmad Moalej & Arrezou Yaghmai
Original Lease Term	20 Years
Lease Commencement	February 1, 2021
Lease Expiration	January 31, 2041
Lease Term Remaining	19.5+ Years
Lease Type	Triple-Net (NNN)
Rental Increases	10% Every 5 Years
Options to Renew	Four (4), Five (5)-Year Options

## Rent Schedule

Lease Year(s)	Monthly Rent	Annual Rent	Rent Escalation
Year 1	\$124,464	\$10,372	-
Year 2	\$124,464	\$10,372	-
Year 3	\$124,464	\$10,372	-
Year 4	\$124,464	\$10,372	-
Year 5	\$124,464	\$10,372	-
Year 6	\$136,910	\$11,409	10.00%
Year 7	\$136,910	\$11,409	-
Year 8	\$136,910	\$11,409	-
Year 9	\$136,910	\$11,409	-
Year 10	\$136,910	\$11,409	-
Year 11	\$150,601	\$12,550	10.00%
Year 12	\$150,601	\$12,550	-
Year 13	\$150,601	\$12,550	-
Year 14	\$150,601	\$12,550	-
Year 15	\$150,601	\$12,550	-
Year 16	\$165,662	\$13,805	10.00%
Year 17	\$165,662	\$13,805	-
Year 18	\$165,662	\$13,805	-
Year 19	\$165,662	\$13,805	-
Year 20	\$165,662	\$13,805	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive net lease offering for the Carl's Jr. located at 180 East 12<sup>th</sup> Street in Ogden, Utah. The property consists of roughly 3,035 rentable square feet of building space and is located on an estimated 0.73-acre parcel of land.

The property is subject to a 20-year triple-net (NNN) lease which began on February 1<sup>st</sup>, 2021 and has just under 20 years remaining. The current rent is \$124,464 with rental increases of 10% every 5 years throughout the base term and into each of the four (4), five (5)-year tenant renewal option periods.





# Tenant Overview



What began as a lone hot dog cart in Los Angeles, Calif. in 1941 is today an international organization that employs nearly 30,000 people worldwide. Carl's Jr. is a wholly owned subsidiary of CKE Restaurants, Inc. (NYSE: CKR) of Franklin, Tennessee. CKE Restaurants, Inc., through its subsidiaries, has a total of more than 3,800 franchised or company-owned restaurants in 44 states and in 43 foreign countries and U.S. territories, including 1,079 Carl's Jr. restaurants and 1,923 Hardee's® restaurants.

Founded in 1941 by industry pioneer Carl N. Karcher, Carl's Jr.® has consistently stood for quality and innovation. Operating under the essential philosophy that consumers will pay more for quality and taste, the Carl's Jr.® brand is a leader in both average guest check and gross margins. Carl's Jr.'s® long history of industry innovations have included enhancements to the customer experience, including partial table service, the dual-branding concept, and inventive restaurant design - not to mention the numerous industry-defining products that have graced the menu over the years. Carl's Jr.'s® dual-branding program with CKE Restaurants' quick-service Mexican brand, Green Burrito®, provides for increased variety and market share. Carl's Jr.® advertising has been a key part of its success in its ability to connect with the lifestyle and attitude of its target market and encourage sales of its higher-priced, higher-margin premium burgers.



Representative Photo

## 1940's

*Carl Karcher and his wife Margaret invest their entire savings to buy a hot dog cart. Within five years, the Karchers open their first restaurant.*

## 1950's

*Business blossoms and Carl opens the first two Carl's Jr.® restaurants in Anaheim, opening two more locations within the decade, and introducing the bright yellow star sign.*

## 1960's

*The 60s brought vast expansion for the Karchers, who operated 24 Carl's Jr.'s and became Carl Karcher Enterprises, Inc., as they renovated all dining rooms and streamlined menus.*

## 1970's

*By 1977, more than 200 locations served California, and Carl's Jr. became the first quick-serve restaurant to offer salad bars at all 200 locations. In 1979, the company opened its first out-of-state location in Las Vegas.*

## 1980's

*The 80s saw more expansion for Carl's Jr., as well as the introduction of the iconic Western Bacon Cheeseburger in 1988. By the end of the decade, there were more than 534 restaurants, and Carl's Jr. opened its first international location in Mexico.*

## 1990's

*Now operating under Carl Karcher Enterprises (CKE), Carl's Jr. continued its burger domination as it opened more locations throughout the states and internationally. In 1997, CKE acquired Hardee's restaurants, expanding business by ~2,500 locations.*

## 2000's

*In the 2000s, Carl's Jr. introduced some of its most iconic menu items, including the Six Dollar Burger, Hand-Scooped Milkshakes, and Charbroiled Turkey Burgers -- An industry first.*

## 2010's

*Over the last decade, Carl's Jr. has continued to push boundaries -- From being the first QSR to have a plant-based burger at all restaurants to the introduction of the first-ever CBD infused burger.*





# Guarantor Overview



- Ahmad Moalej, owner of Snow Star, LP, purchased his first business in 2008 with an SBA Loan and now is currently a 23-unit Carl's Jr. Franchisee with \$45,000,000 annual sales and growing.
- Ahmad Moalej has over 20 years of Food Service Industry and Franchise Restaurant Experience.
- Ahmad Moalej has 100% ownership and control of his various entities.
- Ahmad Moalej is interested to grow his current store count and buy and develop up to 100 locations within the next 7 years.
- Ahmad Moalej employees over 550 employees through his management company and plans to hire more employees as he continues to grow.
- Ahmad Moalej also owns NNN commercial and residential properties in the west coast and has relationships with various large lenders.



## Business Profile:

- **May 17 – Present:** Carl's Jr. Multi-Unity Franchisee – 100% Owner of 23 Stores, \$45 Million in Annual Sales
  - National QSR Franchisee, Operator and 100% owner responsible for overlooking various aspects of the business including construction, food and labor costs, controllable and non-controllable costs, local store advertising and marketing efforts, and G&A. (550 employees)
- **Nov. 10 – Jun. 19:** Denny's Franchisee – 100% Owner - Sold in 2019
  - National Family Restaurant Franchisee, Operator and 100% owner responsible for overlooking various aspects of the business including construction, food and labor costs, controllable and non-controllable costs, local store advertising and marketing efforts, and G&A. (60 employees)
- **Aug. 12 – Sep.18:** Papa John's Franchisee - 100% Owner - 14 Units in Los Angeles, California – Sold in 2018
  - National Pizza Restaurant Franchisee, Investor, and franchisee responsible for overlooking various aspects of the business including local store advertising and marketing efforts, and G&A. President of the Los Angeles Papa John's Advertisement & Marketing Steering Committee (supervise 200 employees)
- **Dec. 08 – Oct. 13:** Del Taco Multi-Unit Franchisee – 100% owner - Sold in 2013
  - • QSR Franchisee, Investor & franchisee responsible for overlooking various aspects of the business including food and labor costs, controllable and non-controllable costs, local store advertising and marketing efforts, and G&A. (supervise 55 employees)

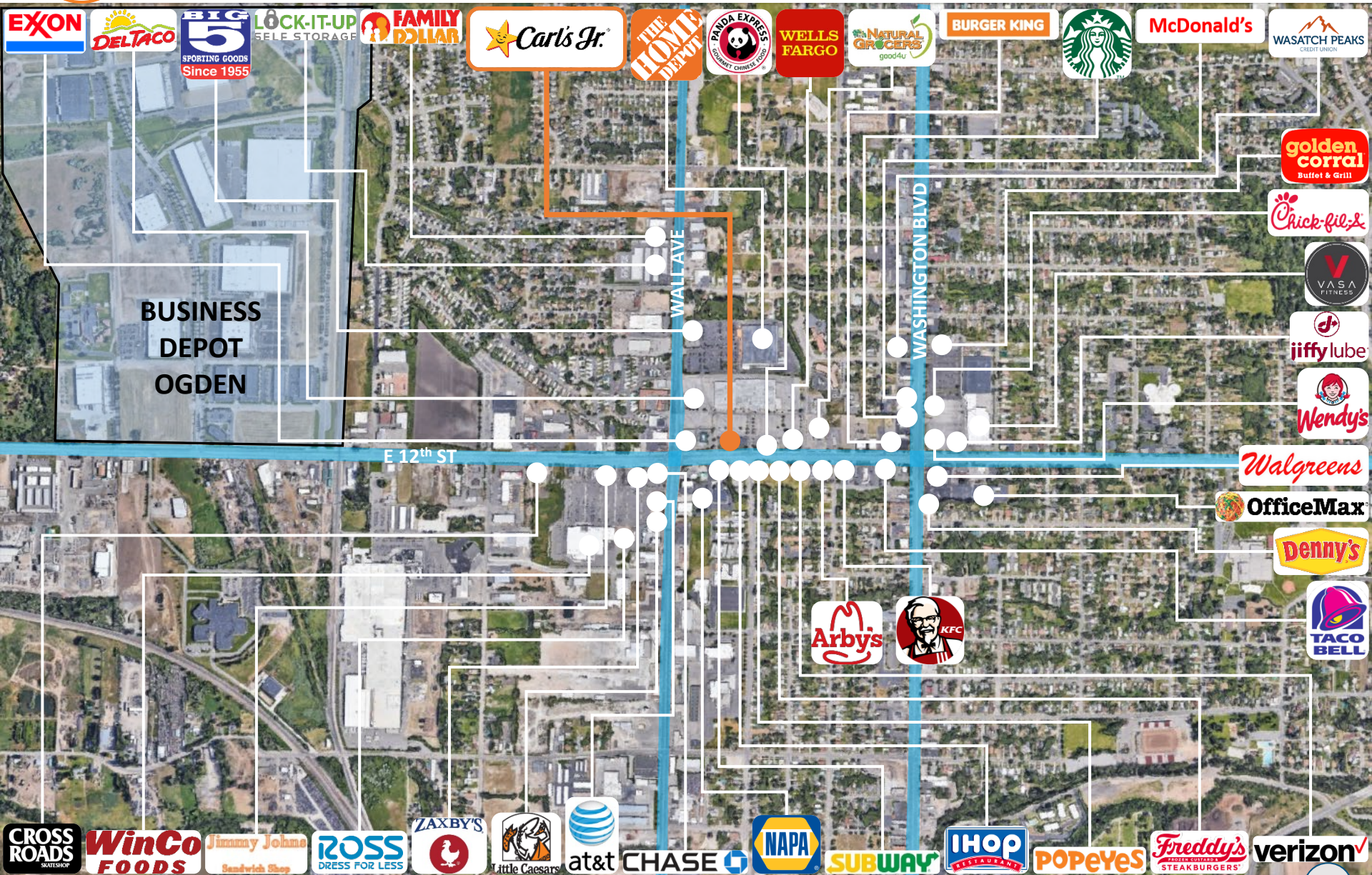




# Surrounding Area



Property Address: 180 East 12th Street, Ogden, UT 84404



Carl's Jr. – Ogden, UT

Marcus & Millichap





# Location Overview

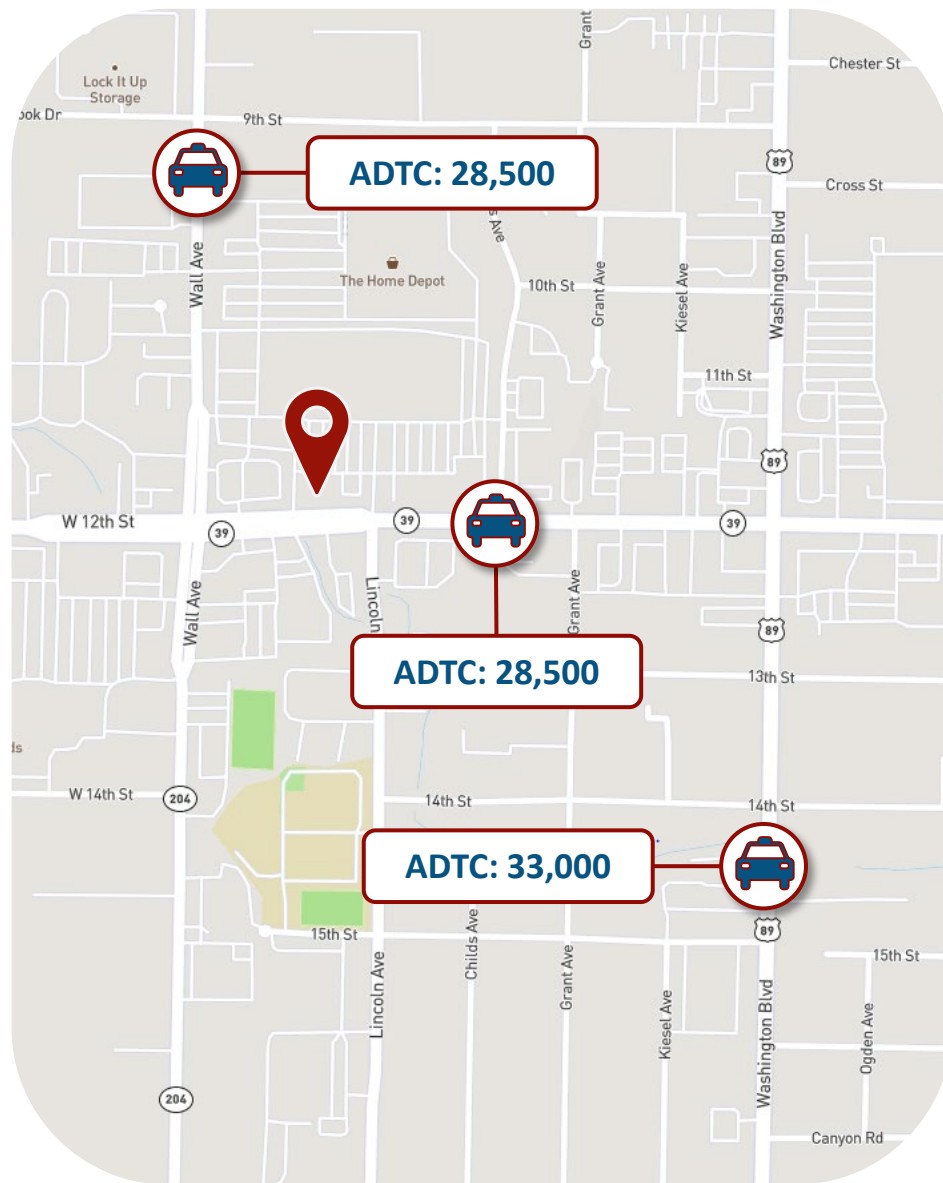
Property Address: 180 East 12th Street, Ogden, UT 84404



The subject Carl's Jr. property is well-situated on East 12<sup>th</sup> Street in Ogden, Utah, which boasts an average traffic count of approximately 28,500 vehicles per day. East 12<sup>th</sup> Street intersects with Wall Avenue and Washington Boulevard, which bring additional 28,500 and 33,000 vehicles into the immediate surrounding area each day, respectively. There are more than 78,000 individuals residing within a three-mile radius of the subject property and more than 143,000 individuals within a five-mile radius, with the population projected to grow significantly over the next five years.

This Carl's Jr. is strategically positioned in a dense retail corridor that consists of a healthy mix of local, regional and national retailers, business parks, and healthcare facilities, all of which drive traffic to the site. Major national tenants in the immediate area include: Home Depot, WinCo Foods, Walgreens, McDonald's, Chick-fil-A, Burger King, Wendy's, Popeyes, KFC, Zaxby's, Taco Bell, OfficeMax, Ross Dress for Less, Family Dollar, in addition to numerous others. The subject property is conveniently located just east of Business Depot Ogden, a premier industrial business park composed of 1,118 acres and approximately 12.5 million square-feet of new construction warehouses, manufacturing facilities and offices. The subject property benefits from its immediate access to healthcare, being located within approximately five miles of Ogden Regional Medical Center and McKay-Dee Hospital. Both of these facilities provide medical services to the residents of Ogden and surrounding communities and boast a total combined bed count in excess of 540. The subject property additionally benefits from its proximity to Salt Lake City just over 30 miles south. Salt Lake City is the capital and most-populous city in the state of Utah.

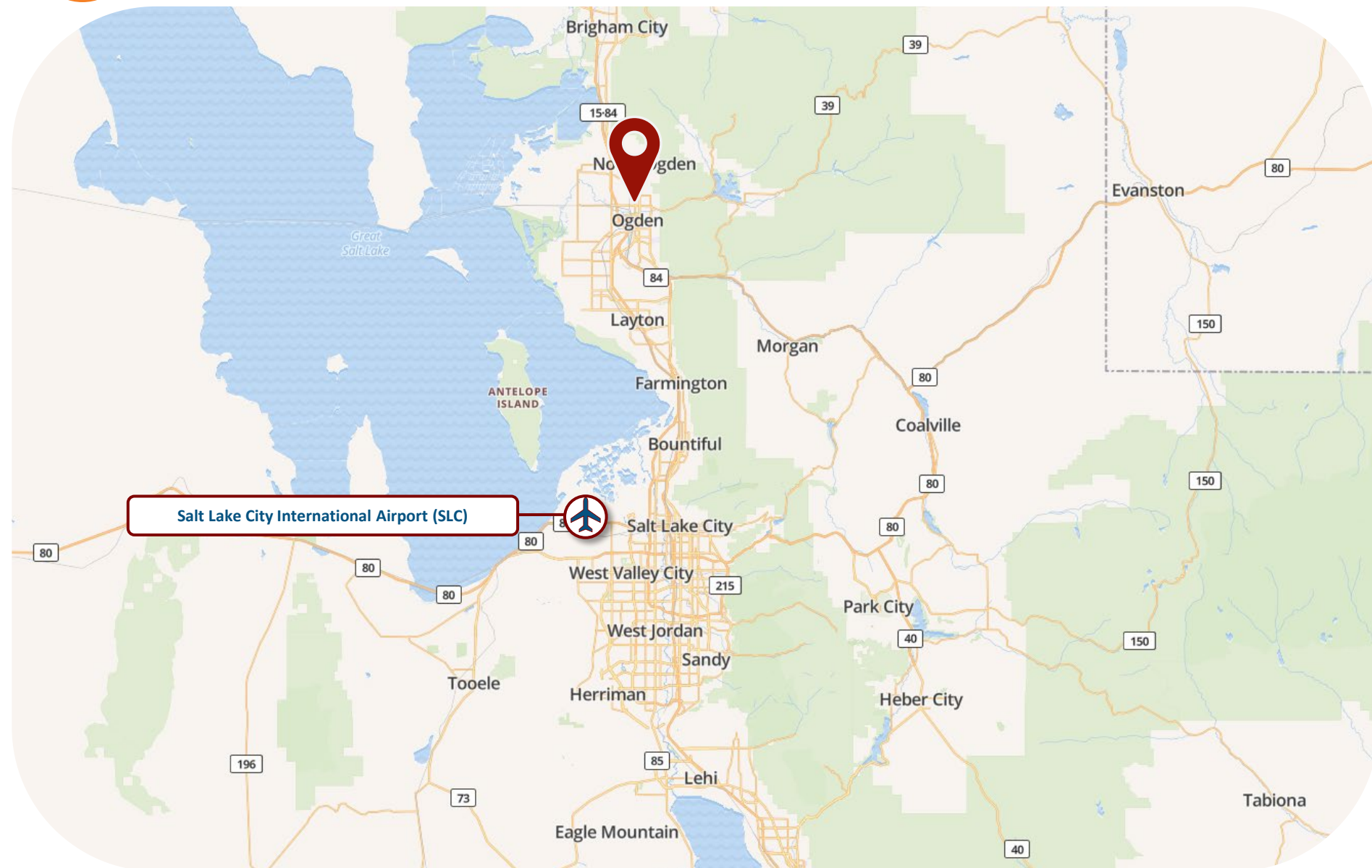
Nestled against the Wasatch Front, Ogden offers urban living and unparalleled access to the outdoors – a true mountain-to-metro experience. Ogden has experienced a major renaissance in recent years, built around the city's identity as an outdoor recreation mecca. Ogden has also emerged as a vibrant urban center with a historic, walkable downtown and events that draw visitors from across the region. Ogden's history as a rail hub has created a diverse and inclusive community, reflected today in the unconditional welcome that newcomers experience. The people of Ogden embrace the city's history and pride themselves on being fiercely independent. Just a short 35-minute drive from the Salt Lake City International Airport, Ogden is a city of 85,000 within the larger Wasatch Front metropolitan area that extends from Ogden, to Salt Lake City, to Provo. Ogden is Northern Utah's regional center for employment, education, healthcare, and government. The community offers access to all the advantages of a major metropolitan area, while maintaining an affordable cost of business and living, high quality of life, and unparalleled access to the outdoors. Key industry clusters are aerospace and advanced manufacturing, outdoor products, life sciences, and information technology. Ogden offers the benefit of strong industry clusters, unique assets that support innovation, a young, well-educated workforce, and diverse commercial properties.





# Local Map

Property Address: 180 East 12th Street, Ogden, UT 84404



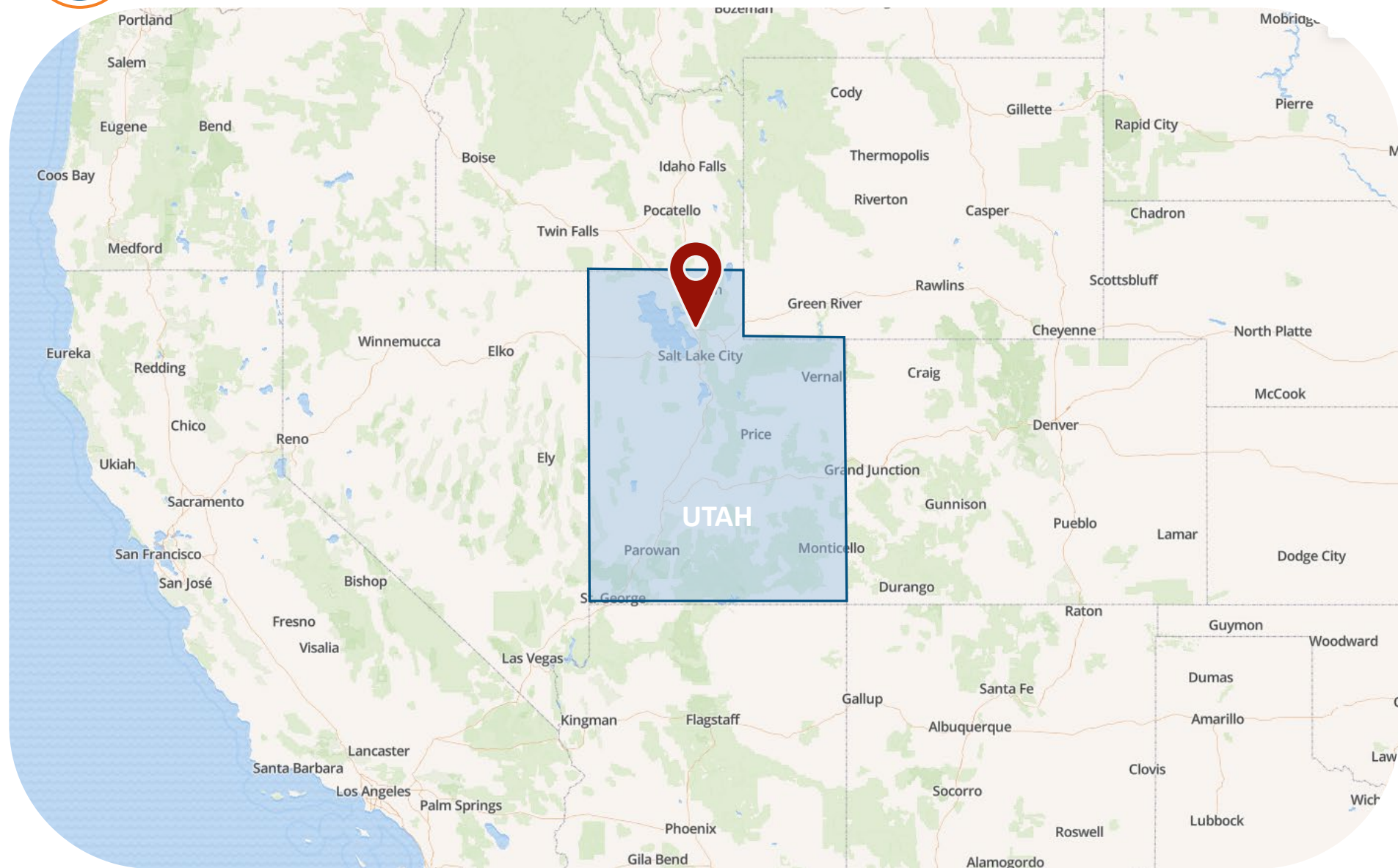




# Regional Map



Property Address: 180 East 12th Street, Ogden, UT 84404

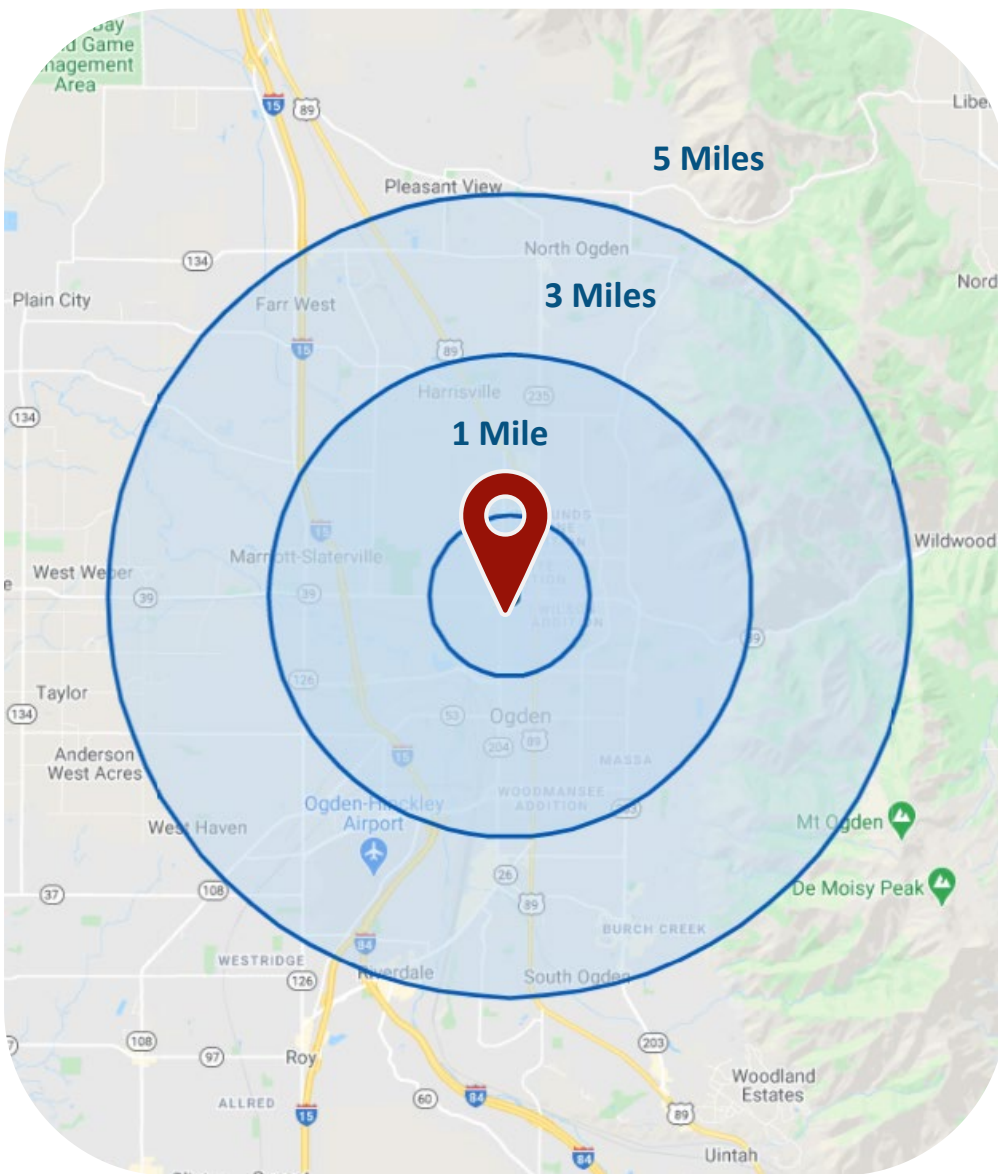




# Demographics



Property Address: 180 East 12th Street, Ogden, UT 84404



## POPULATION

	1 Miles	3 Miles	5 Miles
2025 Projection	13,661	82,185	150,607
2020 Estimate	12,944	78,759	143,070
2010 Census	11,673	71,740	128,383
2000 Census	9,744	66,657	113,993

## INCOME

Average	\$50,083	\$57,224	\$67,098
Median	\$41,445	\$45,751	\$55,111
Per Capita	\$17,016	\$20,916	\$24,349

## HOUSEHOLDS

2025 Projection	4,624	29,983	54,601
2020 Estimate	4,387	28,500	51,499
2010 Census	3,906	25,462	45,460
2000 Census	3,559	23,332	39,769

## HOUSING

2020	\$142,900	\$160,318	\$195,755
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## EMPLOYMENT

2020 Daytime Population	16,625	96,589	173,641
2020 Unemployment	4.42%	5.20%	4.26%
2020 Median Time Traveled	22 Mins	23 Mins	23 Mins

## RACE & ETHNICITY

White	68.77%	71.18%	77.86%
Native American	0.34%	0.35%	0.33%
African American	2.01%	2.55%	1.99%
Asian/Pacific Islander	1.10%	1.21%	1.28%





# Market Overview

City: Ogden | County: Weber | State: Utah

## *Salt Lake City, UT*



**Salt Lake City** is emerging as Utah's next economic engine. It is a great place to work, live, and raise a family. It has both organic growth and an influx of new people. It has a joint perspective of new ideas and stability. It is young and dynamic. As Utah's Capital city, Salt Lake has always been a place of acceptance. If you were different, you came to the city. And that is true almost anywhere — cities throughout the U.S. are melting pots whose diversity brings about inherent acceptance. The diversity of our backgrounds, experiences, and opinions makes Salt Lake a really great place to be.

### Quality of Life:

Salt Lake County claims the majority of bars in the state, a factor that is driving historic spending downtown along with restaurants and entertainment. The resurgent interest in urban living among younger generations — an energy for bigger companies to tap into the labor that wants to live here. And traffic congestion levels, travel times, and monthly parking rates in SLC are consistently lower in comparison to west coast cities with a mature tech economy. Public transit is relatively inexpensive and remarkably simple to navigate compared to transportation in other cities.

### Accessibility:

Known as the “Crossroads of the West” Salt Lake City intersects with I-80, I-15, and the Union Pacific Hub reaching potential customers and markets of any size and industry. Salt Lake City is home to one of the nation's most efficient international airports centered in a commercial growth area, near the northwest quadrant. The New Salt Lake City International Airport set to open in 2020 will only enhance customer satisfaction among travelers. This new International Airport will be accessible from city center in 20 minutes on public transit (10 minutes by car) — and enable individuals to take 100 direct flights to nearly every major American city and several International destinations.

### Low-Cost Urban Center:

Silicon Slopes is not Silicon Valley—and it's not trying to be. But when you consider the urban cost of living with larger coast cities with mature tech centers, Salt Lake City's cost of living is considerably less — 49% less than San Francisco, 31% less than Los Angeles, 8% less than Denver, 44% less than Seattle, 18% lower than Dallas, and 57% less than New York City. And when it comes to a startup and business expenses, that difference means a lot.

### Workforce:

Salt Lake City's metropolitan area is home to over a million people, more than 20,000 businesses, and top-notch educational institutions and trade schools specializing in a myriad of fields and professions. It has one of the youngest populations in the country, with most of the population between the ages of 25 – 34. The community is unique in the sense that employees speak over 100 languages fluently. Salt Lake City's thriving key industries support the growth and development of a diverse workforce, and the employers provide pathways to meaningful careers. Information technology and gaming, Outdoor products, Life sciences, Healthcare, Finance, Logistics, manufacturing, and distribution. Together with educators and the private sector, local government is actively working to prepare the future generations to support the phenomenal growth.

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