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OFFERING MEMORANDUM



# Arby's Ground Lease Strongsville, OH

This property is listed in conjunction with Ohio-licensed real estate broker Equity Commercial Real Estate Solutions.

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## Disclaimer

Preserve West Capital ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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## PROPERTY HIGHLIGHTS



- Brand New 15-Year Absolute NNN Ground Lease with Corporate Guaranty
  - Scheduled 10% Rental Escalations Every 5 Years and at Options
- Brand New Highly-Functional 2021 Construction with Drive-Thru Component
- Prominent Retail Location at Signalized Intersection Adjacent to I-80/Ohio Turnpike Arterial
  - 75,877 Combined AADT
- Robust Demographics in Established Cleveland Suburb
  - Population of 155,112 within 5 Mile Radius
  - Average Household Income of \$88,718 within 3 Miles of Site
- Nearby Anchor Tenants Include Walmart Supercenter, Target, & More
- 3 Miles from Southwest General Middleburg Medical Center
  - Staff of Nearly 2,800
- 6 Miles from Cleveland International Airport
  - Ohio's Busiest Airport with 10+ Million Passengers
- Approximately 18 Miles from Downtown Cleveland
  - MSA GDP of \$135.7 Billion



## Location

The property is located at 9175 Pearl Road in Strongsville, Ohio.

## Lot Size

Approximately 0.932 acres or 40,597 square feet.

*The improvements have been built and are owned by Tenant; only the land is for sale.*

## Improvements

A 2,836 square foot building featuring a drive-thru component for **Arby's**.

*The improvements have been built and are owned by the Tenant.*

## Parking

There is ample parking available on site.

## Ground Lease

Leased to **RTM Operating Company LLC** and guaranteed by **Arby's Restaurant Group, Inc.** for 15 years from an estimated rent commencement date of July 2021 through July 31, 2036 at an initial annual rent of \$125,568. There are five (5) five-year options to renew the lease. Rent is to increase by 10% in years 6 and 11 and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance.

## PRICE

# \$2,790,000

## 4.50% Return

## Net Annual Income

Years	Annual Rent	Return
<b>1-5</b>	<b>\$125,568</b>	<b>4.59%</b>
6-10	\$138,425	4.96%
11-15	\$151,937	5.45%
16-20 (Option 1)	\$167,131	5.99%
21-25 (Option 2)	\$183,844	6.59%
26-30 (Option 3)	\$202,229	7.25%

## Financing

The property will be delivered free and clear of permanent financing.

## Right of First Refusal

Tenant shall have the right of first refusal to purchase the property on the same terms and conditions as a bona fide third-party offer to purchase the property within thirty-five (35) days of receipt of Landlord's written notice of such an offer.





FILE PHOTO

RTM Operating Company, LLC  
is the largest operator of  
Arby's restaurants.



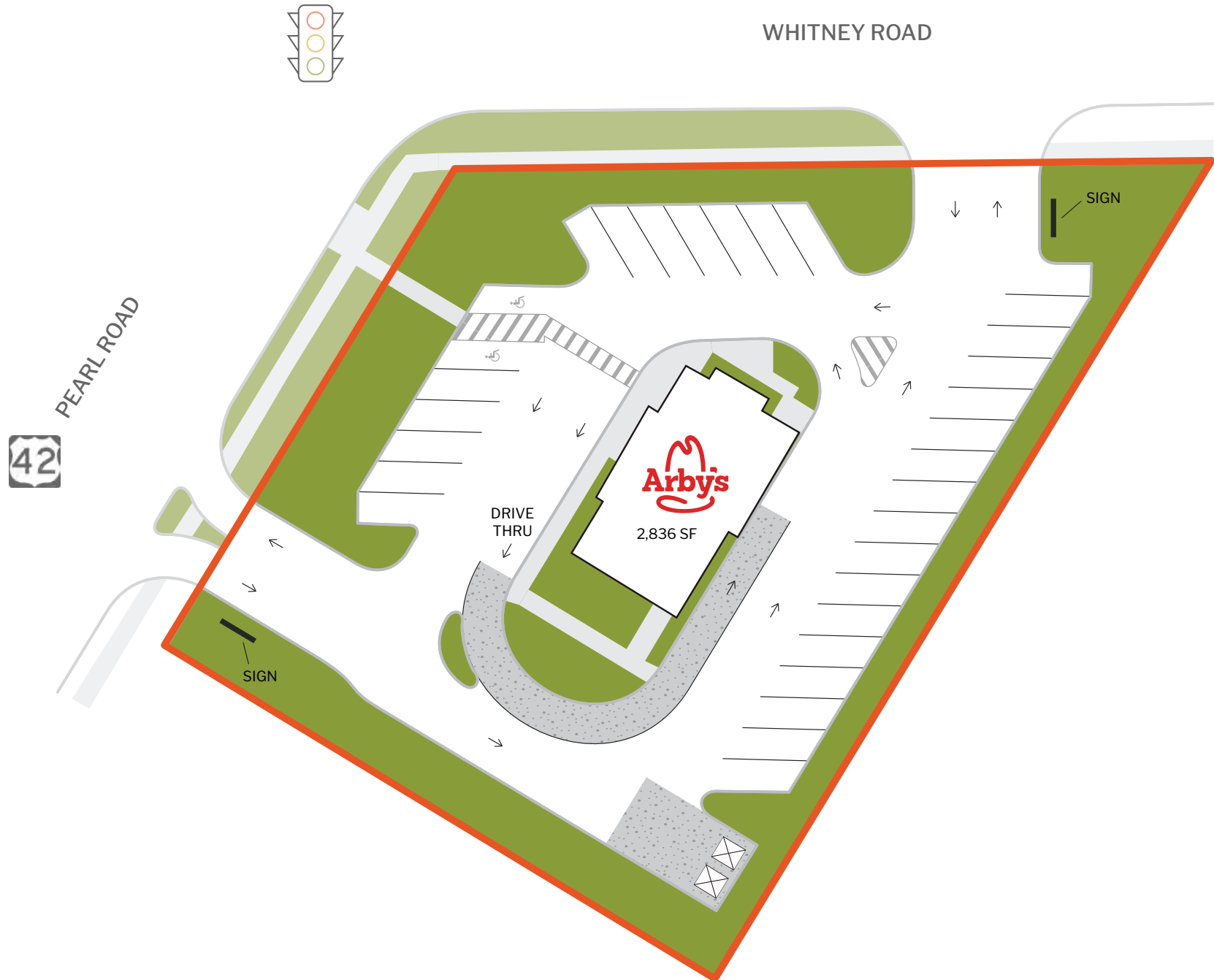
**Arby's** is a quick-service restaurant chain specializing in roast beef and deli-style sandwiches with more than 3,400 locations nationwide and in 7 countries abroad. The brand is the third-largest quick-service sandwich chain in the U.S. by number of locations and is ranked #25 in Entrepreneur Magazine's 2020 Franchise 500 rankings. Though the majority of Arby's locations are franchised, approximately 1,000 are corporately operated. In 2018, the company experienced system-wide sales of \$3.89 billion.

Arby's is a subsidiary of Inspire Brands, Inc., which has acquired multiple major quick-service and casual dining restaurant brands in recent years: the company acquired Buffalo Wild Wings and Rusty Taco for \$2.9 billion in 2017, Sonic for \$2.3 billion in 2018, and acquired Jimmy Johns in 2019. Overall, Inspire Brands is the 4th largest restaurant company in the U.S., with more than 11,200 restaurants and 1,400 franchisees across 16 countries, with total system-wide sales of \$14.4 billion. Inspire Brands is a subsidiary of Roark Capital Group, an Atlanta-based private equity firm.

**RTM Operating Company, LLC**, the lease entity, is a subsidiary of Arby's.

**Arby's Restaurant Group, Inc.**, the guarantor entity, is the corporate entity of Arby's and a subsidiary of Inspire Brands, Inc.

# SITE PLAN





AERIAL

NORTH VIEW

Cleveland

Cleveland Hopkins  
International Airport

Cuyahoga  
County  
Fairgrounds



Big Creek  
Elementary



Chestnut Lake  
Apartments

Cherry Tree  
Village



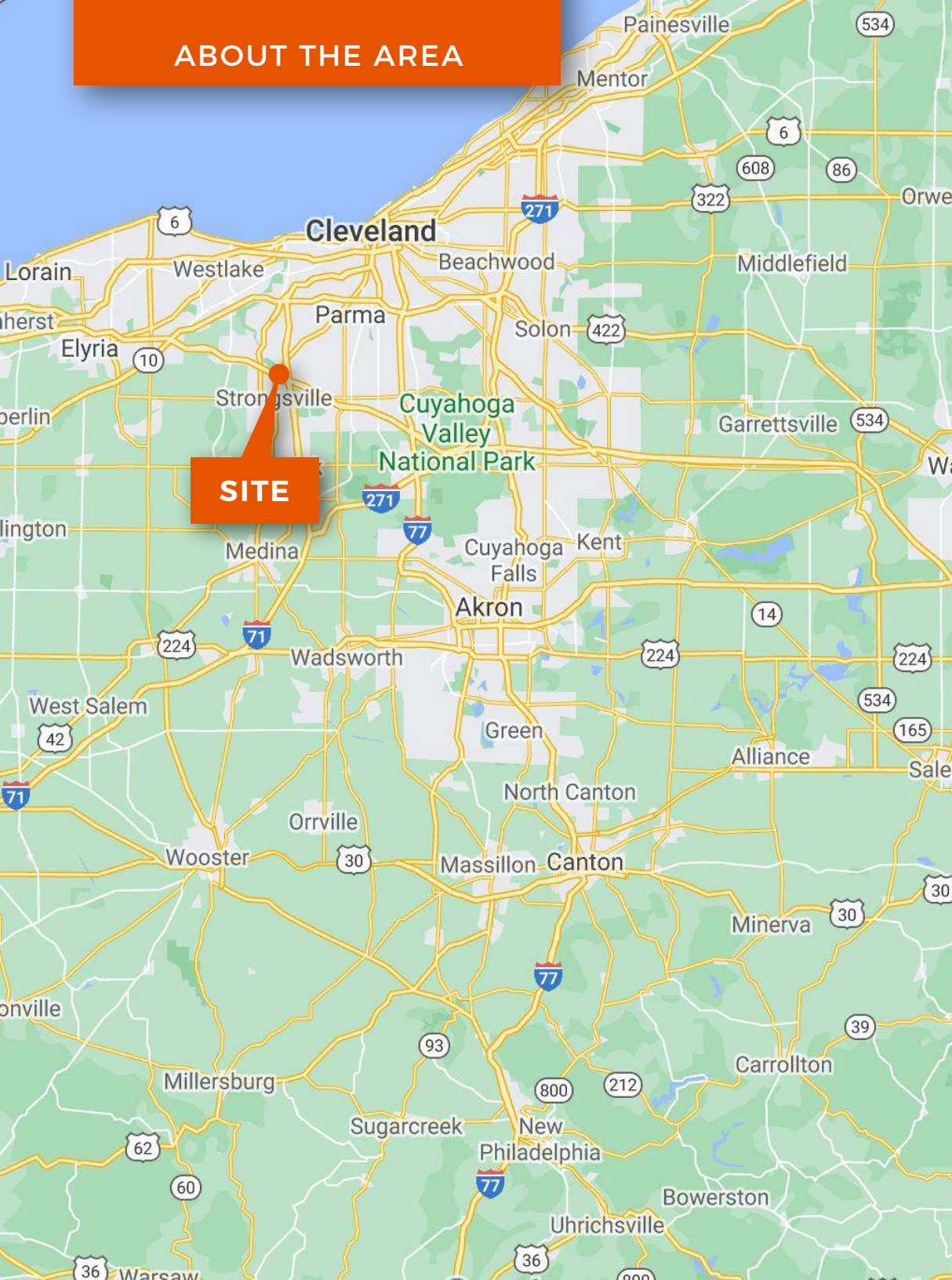
Pearl Rd (25,290 AADT)



Strongsville  
Park & Ride



## ABOUT THE AREA



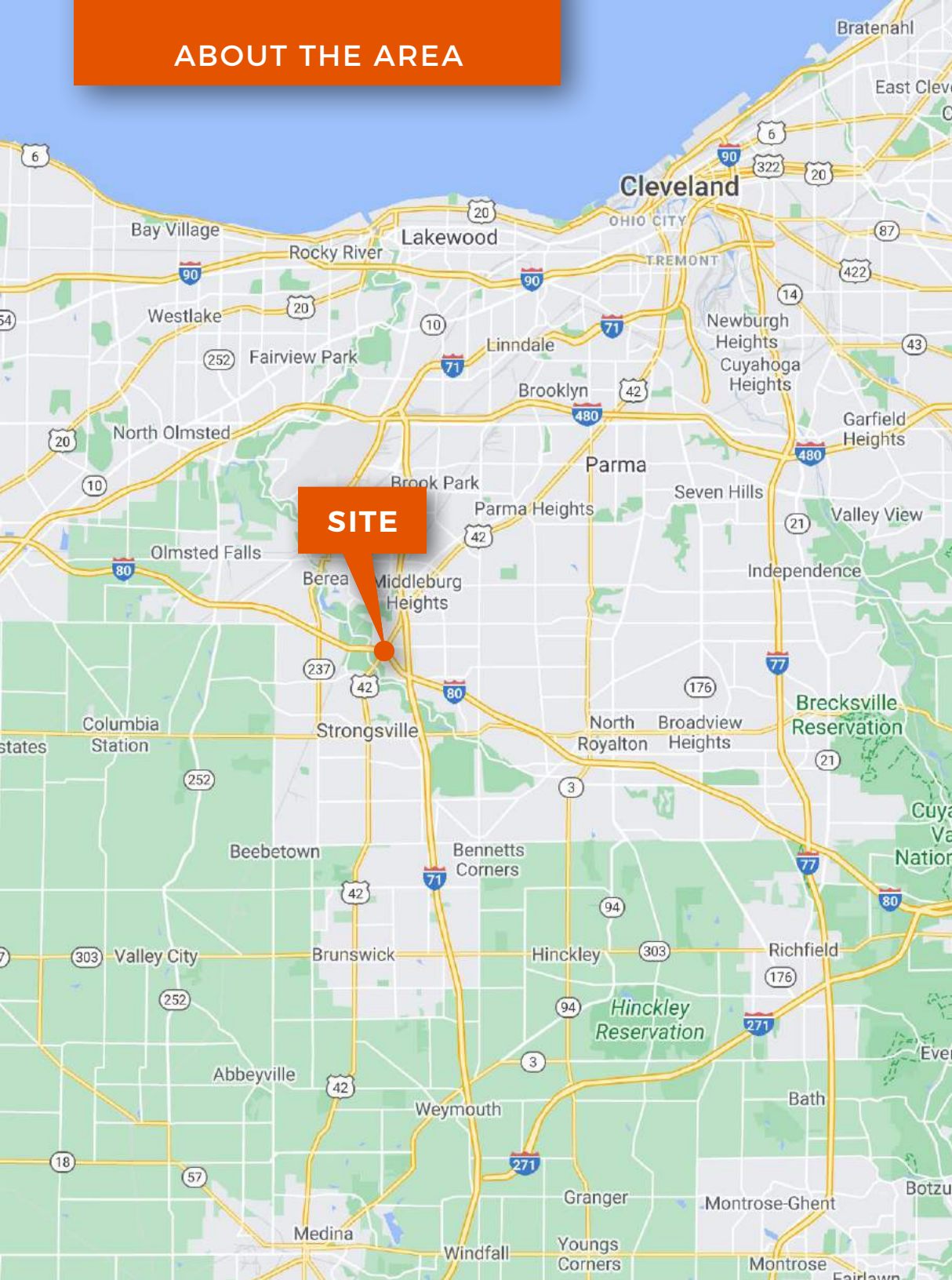
## General Overview

Strongsville (population 44,719) is an established suburb of Cleveland. The city benefits from a strategic location approximately 14 miles southwest of Cleveland and is served by U.S. highways 42 and 82 as well as Interstate Highways I-71 and I-80 (Ohio Turnpike). The city benefits from a diverse economic base in high-tech and manufacturing, with four major business/industrial parks totaling more than 2,362 acres within the city. The 3.85 million square foot Strongsville Business & Technology Park, which is home to more than 70 companies employing more than 3,000, has been ranked the #1 business park in Northeastern Ohio; major employers at the park include Momentive Quartz Technologies, Vitamix, Foundation Software, Clark Reliance's Corporate Headquarters, Sparton Medical Devices, CCL Industries' North American Headquarters, and Eberhard Manufacturing.

The city is part of the Greater Cleveland Metropolitan Statistical Area, with a total population of 2,048,449 and an MSA GDP of \$135.7 billion. The region benefits from a broad economic base in banking, education, insurance, manufacturing, healthcare, biotechnology, sports, and technology. Major companies based in the region include the Cleveland Clinic, Progressive Insurance, Sherwin-Williams, Parker Hannifin, Key Corp, Travel Centers of America, Aleris, American Greetings, Applied Industrial Technologies, Cleveland-Cliffs, Inc., Eaton, Forest City Enterprises, Heinen's Fine Foods, Hyster-Yale Materials Handling, Lincoln Electric, Medical Mutual of Ohio, NACCO Industries, Nordson, OM Group, PolyOne, RPM International, Jones Day, Swagelock, and more.



## ABOUT THE AREA



## Site Information

The subject property is prominently located with excellent access and visibility at the intersection of Whitney Road (9,070 AADT) and Pearl Road (25,290 AADT) adjacent to its intersection with I-80/Ohio Turnpike (41,517 AADT) approximately 18 miles from downtown Cleveland. The site benefits from robust demographics with a population of 155,112 within a 5 mile radius. Average household income within 3 miles of the site is \$88,718.

The property benefits from a prominent retail location in close proximity to shopping centers, employers, and major retail tenants. Nearby retail centers include Crest Center, anchored by Walmart Supercenter, Lowe's Home Improvement, and Discount Drug Mart; Southland Shopping Center, featuring Petco, State Liquor Agency, Dollar Tree, & Tuesday Morning; Middleburg Heights Plaza, anchored by Gabe's; Pearl Road Shopping Center, anchored by Harbor Freight Tools and Big Lots; Staples Plaza Shopping Center, anchored by Staples; The Greens of Strongsville, featuring Target & Heinen's Grocery Store; The Plaza at SouthPark, anchored by Costco; Southpark Mall, anchored by Macy's, Dillard's, and Kohl's; and Strongsville Plaza, anchored by Rite Aid.

In addition, the property is located approximately 3 miles from Southwest General Middleburg Medical Center, a 233-bed hospital employing approximately 2,748. The site is approximately 3 miles from Baldwin Wallace University, with approximately 3,504 students enrolled, and 5 miles from the Western Campus of Cuyahoga Community College. The property is situated approximately 6 miles from the Cleveland Hopkins International Airport, Ohio's busiest airport with more than 10 million passengers per year.



# 9175 Pearl Rd | Strongsville, OH 44136



2020 POPULATION

**155,112**



AVG. HOME VALUE

**\$206,188**



AVG. HOUSEHOLD INCOME

**\$88,718**

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	5,044	58,960	157,730
2020 Total Population	5,082	57,976	155,112
2025 Total Population	5,046	57,228	153,141
Average Household Income			
2020	\$73,443	\$88,718	\$86,560
2025	\$80,197	\$96,434	\$95,000
Average Home Value			
2020	\$201,404	\$206,188	\$198,262
2025	\$230,123	\$240,119	\$229,094

## Top Employers in Strongsville

Medical Mutual of Ohio

PNC Bank

Darice, Inc.

Vitamix

PPG Industries

Enterprise Rental Car

Akzo Nobel RD&I Center

Foundation Software

CCL Design

Swagelock





FILE PHOTO

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