

FREDDY'S DRIVE-THRU

4641 FREDERICA STREET, OWENSBORO, KENTUCKY



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

4641 Frederica Street, Owensboro, KY 42301

FINANCIAL SUMMARY

Price	\$1,500,000
Cap Rate	5.50%
Building Size	2,584 SF
Net Cash Flow	5.50% \$82,500
Year Remodeled	2018
Lot Size	0.92 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	M&M Owensboro, LLC dba Freddy's Frozen Custard & Steakburgers
Guarantor	M&M Custard, LLC
Lease Commencement Date	August 17, 2018
Lease Expiration Date	August 16, 2028
Effective Lease Term Remaining	7 Years
Rental Increases	10% Every 5 Years
Renewal Options	2, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$82,500.00	5.50%
6 - 10	\$90,750.00	6.05%
Lease Years	Annual Rent	Cap Rate
11 - 15	\$99,825.00	6.66%
16 - 20	\$109,807.50	7.32%

Base Rent	\$82,500
Net Operating Income	\$82,500
Total Return	5.50% \$82,500

DOWNTOWN OWENSBORO

33,800+ CPD
US-60 EXPRESSWAY

23,800+ CPD
FREDERICA STREET

Intoxalock
IGNITION INTERLOCK

ELITE AIR

DISMAS

Walton & Company PLLC

Freddy's
FROZEN CUSTARD &
STEAKBURGERS®

motel
6





FIVE BELOW
TJ-maxx
SALLY BEAUTY
H&R BLOCK
PET SMART
SHOE
CARNIVAL
JOANN

HARBOR FREIGHT TOOLS
BEST BUY
Papa John's

at&t
Charley's
SKECHERS

COLD STONE
FAZZIO'S
Applebee's

SAM'S CLUB
THE HOME DEPOT
FIREHOUSE SUBS
Visionworks
Olive Garden

HIBBETT SPORTS
JCPenney
maurices
claire's
K A Y JEWELERS
rue21
TOWNE SQUARE MALL

Walmart
Supercenter

Bargain Hunt

PAPA GRANDE

The UPS Store
WASABI EXPRESS
GameStop

SUPERIOR AUTO
Drive Your Way
RITZYS
Hertz
Soak-n-Wet
car wash

ZAXBY'S
Grandy's
White Barn

Red Lobster

usbank

usbank
MORTGAGE CENTER

— THE —
LIQUOR
—STORE—

motel
6

23,800+ CPD
FREDERICA STREET

MCDONALD'S

SHONEY'S

Visions

Allstate

Freddy's
FROZEN CUSTARD &
STEAKBURGERS®

TACO BELL





Property Description



INVESTMENT HIGHLIGHTS

- » **Double-Net (NN) Lease with 7 Years Remaining and 2, 5-Year Renewal Options**
- » 10% Rental Increase in Approximately 2 Years
- » **Franchisee Guarantee by M&M Custard, LLC, Multi-Unit Operator of 23+ Locations in 5 States**
- » Situated Across from Towne Square North Shopping Mall & Directly North of the Towne Square Shopping Mall
- » **Easy Access and Connections to Downtown Owensboro via Frederica Street (23,800 Cars/Day) and the US 60 NC Wendell Ford Expressway(33,800 Cars/Day)**
- » 70,755 Residents within a 5-Mile Radius
- » **Well-Located in the Best Retail Trade Area in Owensboro – Great Access and Visibility to Frederica Street**
- » Adjacent to High-Performing Chick-fil-A and Panera Bread Locations



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2025 Projection	5,871	41,621	72,481
2020 Estimate	5,807	41,131	70,755

Households

2025 Projection	2,732	18,813	30,804
2020 Estimate	2,670	18,422	29,876

Income

2020 Est. Average Household Income	\$67,818	\$65,229	\$65,485
2020 Est. Median Household Income	\$48,092	\$46,570	\$45,964
2020 Est. Per Capita Income	\$31,416	\$29,471	\$27,990



Tenant Overview



Wichita, Kansas

Private

2002

380+

www.freddysusa.com

Headquarters

Company Type

Founded

Locations

Website

Freddy's Frozen Custard & Steakburgers is a leading fast casual restaurant franchise concept with more than 380 locations across 32 states. Co-founded in 2002 by Scott Redler and Bill, Randy and Freddy Simon, Freddy's opened its first location in Wichita, Kansas, offering a unique combination of cooked-to-order steakburgers seasoned with Freddy's Famous Steakburger & Fry Seasoning®, Vienna® Beef hot dogs, shoestring fries paired with Freddy's Famous Fry Sauce® and frozen custard that is freshly churned throughout the day in each restaurant.

Freddy's has ranked #1 on Forbe's Best Franchises to Buy (High Investment Category) and on Hubspot's Best Franchises to Open and Own, as well as #51 on

Entrepreneur Magazine's Franchise 500. In 2019, Freddy's was ranked on Inc.'s 5000 List, Technomic's Top 500 Chain Restaurant Report, and was Franchise Times® Magazine's 14th Smartest-Growing Brand in Fast & Serious.

FRANCHISEE OVERVIEW: M&M Custard, LLC

M&M Custard, LLC is a franchisee of Freddy's Frozen Custard & Steakburgers. As of June 2021, the company operates 23 locations in five states with plans to continue growing throughout the Midwest. Their territory stretches from lower Wisconsin to a large portion of Missouri, to southern Illinois, southern Indiana, Kentucky, and Tennessee. For more information, visit www.scoopingsmiles.com



Location Overview



2 Miles
to Owensboro
Community & Technical
College

3 Miles
to Owensboro-Daviess
County Regional Airport

4 Miles
to Downtown
Owensboro

4 Miles
to Kentucky – Indiana
State Border

Located on the Kentucky/Indiana border along the Ohio River, Owensboro is the fourth-largest city in the state of Kentucky and the anchor of the Owensboro Metropolitan Area, which is comprised of the Daviess, Hancock, and McLean counties. Eight cities are included in the Owensboro MSA: Owensboro, Hawesville, Lewisport, Livermore, Calhoun, Sacramento, Island, and Whitesville. As the county seat of Daviess County, Owensboro also serves as the industrial, medical, retail and cultural hub of western Kentucky.

Offering more than 20 festivals annually, Owensboro is known for its robust cultural and entertainment destinations along the riverfront, such as the beautiful revitalized Smothers Park, the Owensboro Convention Center, Owensboro Museum of Fine Art, Owensboro Museum of Science and History, the Western

Kentucky Botanical Garden, the Bluegrass Music Hall of Fame and Museum, and a wide array of sports and recreation options. Recent \$270 million dollar Downtown Revitalization and Riverfront Master Plan projects have only enhanced the historical charm of this well-connected city.

With a rich and varied history going back to its establishment in 1797, Owensboro is situated on U.S. Route 60 and Interstate 165, and is also a hub for educational and medical developments. Owensboro Health Hospital has been rated among the top five percent in the nation, and leads two key initiatives in cancer research with endorsements from the Commission on Cancer of the American College of Surgeons. In addition, three K-12 school systems and four major universities and colleges provide for the education of the area's growing populace.

[exclusively listed by]

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