



5835 E ARROWHEAD PLACE | SIOUX FALLS, SD  
OFFERING MEMORANDUM





# PERKINS RESTAURANT

5835 E ARROWHEAD PL  
SIOUX FALLS, SD

LISTED BY:

MICHAEL HAEDER  
BROKER OF RECORD

Haeder & Associates  
(605) 209-3436  
listings@matthews.com  
LIC # 13033 (SD)

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REAL ESTATE INVESTMENT SERVICES

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## SECTION 1

# EXECUTIVE SUMMARY



**PRICE:**  
\$2,589,704

**CAP RATE:**  
6.70%

**RENT:**  
\$173,510.16

## INVESTMENT HIGHLIGHTS

- Long-Term, 17.5-Year NNN Lease
- Favorable (1.25%) Rental Increases Annually
- Four (4), five (5)-year tenant renewal options, bringing the potential lease term to 37.5 years.

## LOCATION HIGHLIGHTS

- **Dominant Retail Corridor** - Located next to Walmart Supercenter, Menards, Target, Kohl's, PetSmart, Burlington, ALDI, Panera Bread, and Buffalo Wild Wings to name a few.
- **Strong Demographics** - Population Exceeds 111,500 people with an average household income over \$85,600 within a 5-mile radius.
- **Strategically Positioned** - Outparceled to Menards and across from Walmart, Perkins benefits from nearly 24k combined vehicles per day on E Arrowhead Pkwy and Hwy 11.
- **High Growth Area** - Located in South Dakota's largest city, the property benefits from the population and retail growth happening in the surrounding area.

## TENANT HIGHLIGHTS

- **Award Winning Operator** - CyHawk Hospitality, Inc is operated by a 25-year system veteran who has won numerous awards including the "Franchisee of the Year" award.
- **Recent Construction** - The property was constructed in 2018 as a built-to-suit for Perkins, showing a long-term commitment to the location.





## SECTION 2

# FINANCIAL OVERVIEW



## PROPERTY DESCRIPTION

|            |   |
|------------|---|
| Property   | Perkins Restaurant & Bakery                   |
| Address    | 5835 E Arrowhead Pl,<br>Sioux Falls, SD 61401 |
| GLA        | ±4,806 SF                                     |
| Lot Size   | ±1.38 AC                                      |
| Year Built | 2018  |

## LEASE SUMMARY

|                               |   |
|-------------------------------|---|
| Tenant                        | Perkins Restaurant - Sioux Falls, SD  |
| Type of Ownership             | Fee Simple  |
| Lease Type                    | NNN   |
| Lease Gaurantor               | CyHawk Hospitality, Inc   |
| Lease Commencement            | 12/7/18   |
| Lease Expiration              | 2/28/39   |
| Original Lease Term           | ±20 years   |
| Lease Term Remaining          | ±17.50 years  |
| Current Rent                  | \$173,510.17  |
| Rental Increases              | The greater of 1.25% over the prior year's Base Rent or the amount derived from taking 7.5% times the annual net Revenues from Tenant's operations the prior year |
| Options                       | Four, 5-Year Options  |
| Maintenance                   | Tenant Responsibility   |
| Roof/Structure Responsibility | Landlord Responsibility<br>(15 Yr. Roof Warranty)   |
| Insurance                     | Tenant Responsibility   |
| Real Estate Taxes             | Tenant Responsibility   |
| Utilities                     | Tenant Responsibility   |



Please contact a Matthews™ Capital Markets Agent  
for financing options:

**PATRICK FLANAGAN**  
patrick.flanagan@matthews.com

## ANNUALIZED OPERATING DATA

|                       | Monthly Rent | Annual Rent  | Rent PSF | Cap Rate |
|-----------------------|--------------|--------------|----------|----------|
| 1/1/2022 - 12/31/2022 | \$14,459.18  | \$173,510.16 | \$36.10  | 6.75%    |
| 1/1/2023 - 12/31/2023 | \$14,639.92  | \$175,679.04 | \$36.55  | 6.83%    |
| 1/1/2024 - 12/31/2024 | \$14,822.92  | \$177,875.02 | \$37.01  | 6.92%    |
| 1/1/2025 - 12/31/2025 | \$15,008.21  | \$180,098.46 | \$37.47  | 7.01%    |
| 1/1/2026 - 12/31/2026 | \$15,195.81  | \$182,349.69 | \$37.94  | 7.09%    |
| 1/1/2027 - 12/31/2027 | \$15,385.76  | \$184,629.06 | \$38.42  | 7.18%    |
| 1/1/2028 - 12/31/2028 | \$15,578.08  | \$186,936.93 | \$38.90  | 7.27%    |
| 1/1/2029 - 12/31/2029 | \$15,772.80  | \$189,273.64 | \$39.38  | 7.36%    |
| 1/1/2030 - 12/31/2030 | \$15,969.96  | \$191,639.56 | \$39.88  | 7.46%    |
| 1/1/2031 - 12/31/2031 | \$16,169.59  | \$194,035.05 | \$40.37  | 7.55%    |
| 1/1/2032 - 12/31/2032 | \$16,371.71  | \$196,460.49 | \$40.88  | 7.64%    |
| 1/1/2033 - 12/31/2033 | \$16,576.35  | \$198,916.25 | \$41.39  | 7.74%    |
| 1/1/2034 - 12/31/2034 | \$16,783.56  | \$201,402.70 | \$41.91  | 7.84%    |
| 1/1/2035 - 12/31/2035 | \$16,993.35  | \$203,920.24 | \$42.43  | 7.93%    |
| 1/1/2036 - 12/31/2036 | \$17,205.77  | \$206,469.24 | \$42.96  | 8.03%    |
| 1/1/2037 - 12/31/2037 | \$17,420.84  | \$209,050.10 | \$43.50  | 8.13%    |
| 1/1/2038 - 2/28/2039  | \$17,638.60  | \$211,663.23 | \$44.04  | 8.23%    |





SANFORD<sup>TM</sup>  
HEALTH

Walmart  
Supercenter

MITSUBISHI  
MOTORS

FSD  
SIOUX FALLS REGIONAL AIRPORT

AspenDental

ALDI

PANDA EXPRESS  
CHINESE KITCHEN

# DOWNTOWN SIOUX FALLS

± 3 MILES AWAY

usbank

Panera  
BREAD  
SportClips  
HAIRCUTS

CATCO  
SALLY  
BEAUTY SUPPLY  
GameStop

Culver's

OBSCURE  
BREWING CO.  
OF SIOUX FALLS

FRONTIER CLIMBING  
AND FITNESS  
SIOUX FALLS, SD

O'Reilly  
AUTO PARTS

42

±16,000 VPD

FIREHOUSE  
SUBS

Sioux Falls  
Federal Credit Union

DUNN  
BROTHERS  
COFFEE

MENARDS<sup>®</sup>

GET  
GO bp

FUTURE  
DEVELOPMENT

HUHOT  
MONGOLIAN GRILL

COFFEE  
ROASTERIE  
First Bank & Trust

Wendy's



Perkins  
RESTAURANT  
& BAKERY

11

±8,000 VPD





42

±16,000 VPD

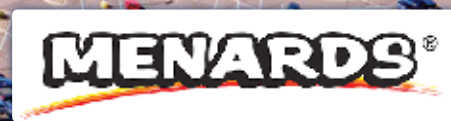


11

±8,000 VPD



FUTURE DEVELOPMENT







### SECTION 3

# TENANT OVERVIEW





## THE OFFERING

| PROPERTY NAME                                   |           |
|---|-----------|
| Perkins Restaurant                              |           |
| Property Address                                |           |
| 5835 E Arrowhead Place<br>Sioux Falls, SD 61401 |           |
| SITE DESCRIPTION                                |           |
| GLA   | ±4,806 SF |
| Lot Size  | ±1.38 AC  |
| Year Built                                      | 2018      |

## TENANT OVERVIEW

|                    |             |                |
|--------------------|-------------|----------------|
| » COMPANY NAME     | » LOCATIONS | » HEADQUARTERS |
| PERKINS RESTAURANT | ±290        | MEMPHIS, TN    |
| » EMPLOYEES        | » INDUSTRY  | » REVENUE      |
| ±25,000            | RESTAURANT  | ±352M          |

Founded in 1958, Perkins operates 290 restaurants in 32 states and two Canadian provinces. The Perkins system includes 85 company-owned and operated restaurants and 205 franchised units. With its diverse, moderately priced menu featuring breakfast, lunch, dinner, and bakery offerings, and its attractive and recently remodeled restaurants designed to facilitate efficiency and guest satisfaction, Perkins Restaurant & Bakery is a dining favorite with a solid and respected reputation in the marketplace.

The longevity and success of Perkins Restaurant & Bakery is largely attributed to the concept's ability to adapt to shifts in consumer dining trends and evolving taste preferences while delivering that homestyle goodness that guests crave.





## SECTION 4

# AREA OVERVIEW



# SIOUX FALLS, SD

Sioux Falls “Stone Shatter City” is the most populous city in the U.S. state of South Dakota. It is the county seat of Minnehaha County and extends into Lincoln County to the south, proximate with the Minnesota state line.

As of 2020, Sioux Falls has an estimated population of 195,850 residents. The metropolitan population of 274,914 accounts for more than a quarter of South Dakota's entire population. Chartered in 1856 on the banks of the Big Sioux River, the city is situated in the rolling hills at the junction of Interstate 90 and Interstate 29.

## #1 IN BEST SMALL PLACES FOR BUSINESS AND CAREERS

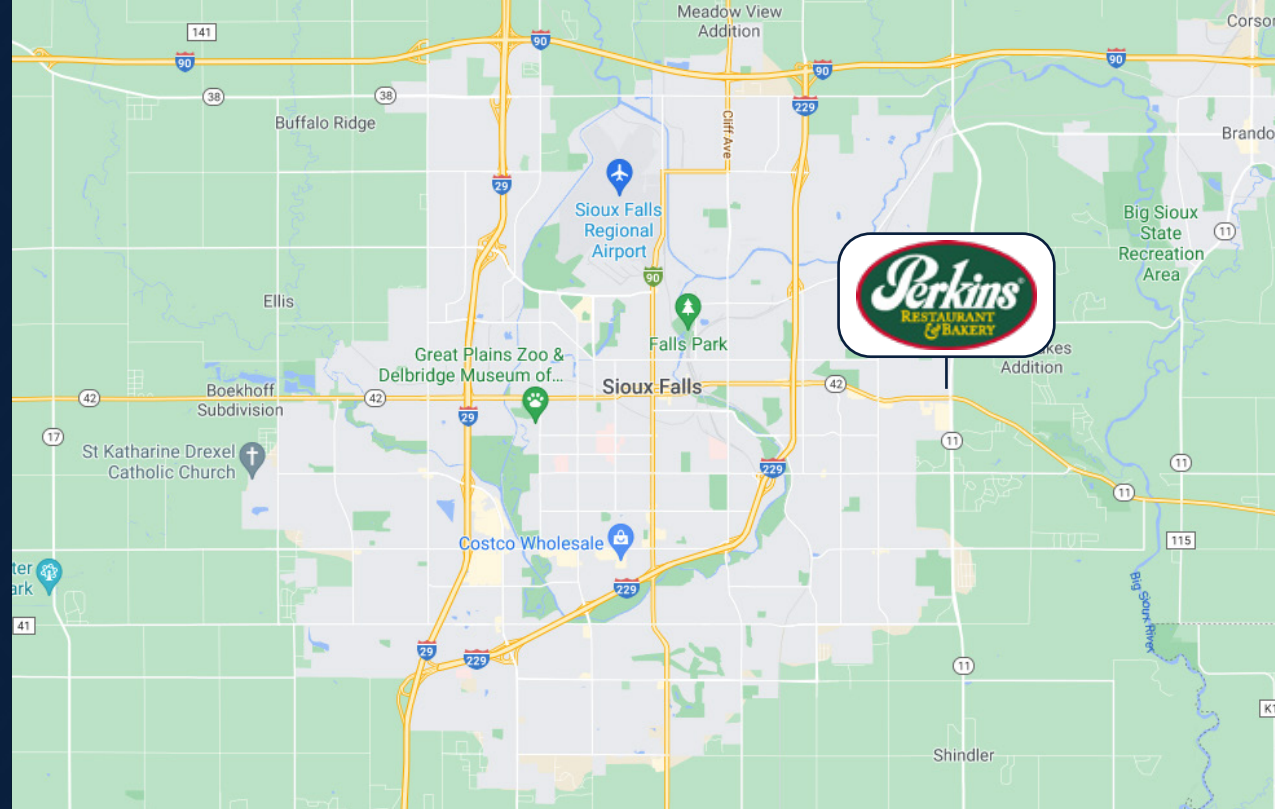
(FORBES, 2019)

## #4 IN TOP 10 CITIES FOR YOUNG PROFESSIONALS

(SMARTASSET, 2020)

## #10 IN 2020 TOP 100 BEST PLACES TO LIVE

(LIVABILITY, 2020)



## DEMOGRAPHICS

| Population      | 1 Mile   | 3 Mile   | 5 Mile   |
|-----------------|----------|----------|----------|
| 2026 Projection | 8,246    | 58,088   | 124,581  |
| 2021 Estimate   | 7,752    | 55,046   | 117,246  |
| 2010 Census     | 6,093    | 46,023   | 98,689   |
| Households      | 1 Mile   | 3 Mile   | 5 Mile   |
| 2026 Projection | 3,099    | 22,397   | 48,673   |
| 2021 Estimate   | 2,910    | 21,221   | 45,796   |
| 2010 Census     | 2,273    | 17,832   | 38,564   |
| Income          | 1 Mile   | 3 Mile   | 5 Mile   |
| Avg HH Income   | \$71,475 | \$86,675 | \$85,252 |



# ECONOMY

Originally centered on quarrying and agriculturally based industries, the economy of Sioux Falls has become diversified and more service-based over the last half-century, making the city a center of financial services, health care, and retail trade.

## COMMERCE & INDUSTRY

Partially due to the lack of a state corporate income tax, Sioux Falls is home to several financial companies. The largest employers among these are Wells Fargo and Citigroup. Other important financial service companies in Sioux Falls include Great Western Bank, Western Surety Company (CNA Surety), Total Card Inc., Capital Card Services, Midland National Life Insurance Company, MetaBank, and First Premier Bank.

Sioux Falls is a significant regional health care center. It has four major hospitals: Sanford Health (formerly Sioux Valley), Avera McKennan Hospital, the South Dakota Veterans Affairs Hospital, and the Avera Heart Hospital of South Dakota. Sanford Health and Avera Health are the largest and second-largest employers in the city, respectively. Emergency medical services (EMS) are provided by Paramedics Plus and Sioux Falls Fire Rescue.

Companies based in Sioux Falls include Raven Industries, retailers Lewis Drug and Sunshine Foods, and communications companies SONIFI Solutions and Midco.

## MANUFACTURING

While no longer as economically dominant as it once was, the manufacturing and food processing sector remain an important component of the economy of Sioux Falls. The Smithfield Foods/John Morrell meatpacking plant is the city's third-largest employer. Other important manufacturing companies include Orion foods systems, Wheeler Tank, Maguire Iron, Amesbury Group, Raven Industries, Bell Incorporated, and Gage Brothers.

The USGS Center for Earth Resources Observation and Science is approximately 10 miles north of Sioux Falls. It houses one of the largest computer complexes in the Department of the Interior. EROS has approximately 600 government and contractor employees.

## ECONOMIC DEVELOPMENT: CJ FOODS USA INC. PLANT

CJ Foods USA Inc., a U.S.-based affiliate of South Korean global lifestyle company CJ CheilJedang, is constructing a 700,000-sq.-ft. plant in Sioux Falls which will include production lines for Asian-style foods and a warehouse and distribution center that will add over 600 new jobs to the city by 2025.



# TOURISM

## SHOPPING & DINING

Because of the relatively long distances between Sioux Falls and larger cities, Sioux Falls has emerged as an important regional center of shopping and dining. The Empire Mall, with over 180 stores, anchors one of the primary retail zones in the southwest section of the city. This area, centered mainly around the intersection of 41st Street and Louise Avenue, contains many large national chain stores and restaurants.

In Central Downtown, shops line Phillips Avenue, and in the “EastBank” shops and restaurants fill a boardwalk-style center called “8th and Railroad.” “The Bridges” is an outdoor shopping center at the intersection of 57th Street and Western Avenue on the south side of the city that contains over 30 restaurants, boutiques, and private businesses. Dawley Farm Village is another shopping center on the east side of the city at the intersection of Arrowhead Parkway (SD Highway 42) and Veterans Parkway (SD Highway 11, previously known as Powder House Road).

## ATTRACTIONS

Sioux Falls has several tourist attractions. Falls Park, a 123-acre park located north of downtown and along the Big Sioux River, features a variety of waterfalls, an observation tower, the Falls Overlook Café, the Queen Bee Mill, and a variety of sculptures. Washington Pavilion is the cultural, education, and entertainment center of Sioux Falls. It features the Husby Performing Arts Center, the Kirby Science Discovery Center, the Washington Pavilion’s Visual Arts Center, and the Wells Fargo CineDome Theater. Hit the slopes at the Great Bear Recreation Park, the largest park in the Sioux Falls Parks & Recreation Department. The park features over 220 acres of recreational space for winter sports which include 14 downhill trails, a terrain park, the Kirby Family Tubing Park, and cross country and snowshoeing trails. The park is also open during the summer for hiking, bird watching, and picnicking along the 4-mile trail system.

## EVENTS

Sioux Falls know how to entertain. The city hosts a variety of annual events and festivals each year. The Sioux Empire Livestock Show is attended by over 30,000 people each year as it is the best place to see purebred livestock from across the country. It is regarded as one of the greatest livestock shows in the upper Midwest. The Sidewalk Arts Festival brings together over 240 vendors to the streets that surround Washington Pavilion for a celebration of folk art, fine art, and Dakota cuisine. During the summer, the downtown community hosts Levitt at the Falls, which are 50 free outdoor music concerts.





# HIGHER EDUCATION

## **AUGUSTANA UNIVERSITY**

Augustana University is a private Lutheran university in Sioux Falls. Over 2,100 students currently attend the university. The university offers over 100 majors, minors, and pre-professional specializations. Popular majors include nursing, biology, and business administration. It is also the largest private university in South Dakota.



## **UNIVERSITY OF SIOUX FALLS**

University of Sioux Falls is a private Christian university in Sioux Falls. Over 1,600 students currently attend the university. The university offers over 90 undergraduate academic programs and several graduate programs. Popular majors include biology, chemistry, and medicine.





## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Perkins Restaurant** located at **5835 E Arrowhead Place, Sioux Falls, SD** ("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.



**LISTED BY:**

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