

# BURGER KING SALE-LEASEBACK

CARROLS GUARANTEE (1,000+ UNITS)



# OFFERING MEMORANDUM

**BURGER KING**

*EXCLUSIVE NET-LEASE OFFERING*

996 Coshocton Avenue  
Mt. Vernon, OH 43050

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**BURGER KING**





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**BURGER KING**



# Investment Highlights

PRICE: \$2,699,572 | CAP: 5.50% | RENT: \$148,476

**BURGER KING**

## About the Investment

- ✓ Under Construction | Estimated Opening 12/23/2021!
- ✓ Brand New 20-Year Sale-Leaseback
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of One Percent (1.0%) Annually Beginning in Year 11
- ✓ Six (6) Tenant Renewal Periods of Five (5) Years Each

## About the Location

- ✓ Dense Retail Corridor | Walmart, Lowes, Kroger, CVS Pharmacy, Starbucks, Chipotle, Wendy's, AutoZone, Dollar Tree, Marshalls and Many More
- ✓ Features High Visibility and Ease of Access Along Coshocton Avenue | Over 20,300 Vehicles Per Day
- ✓ Large Academic Presence | Mt. Vernon Nazarene University | Located Within Four Mile Radius | Over 1,800 Students Enrolled
- ✓ Compelling Location Fundamentals | Adjacent to Knox Community Hospital | 99-Bed Facility

## About the Tenant / Brand

- ✓ Carrols Restaurant Group is One of the Largest Restaurant Companies and Franchisee's in the United States | 1,000+-Unit Operator
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands



Representative Photo



Representative Photo



# Financial Analysis

PRICE: \$2,699,572 | CAP: 5.50% | RENT: \$148,476

**BURGER KING**

## PROPERTY DESCRIPTION

Concept	Burger King
Street Address	996 Coshocton Avenue
City, State ZIP	Mt. Vernon, OH 43050
Estimated Opening	12/23/2021
Building Size Estimated (SF)	1,678
Lot Size Estimated (Acres)	0.30
Type of Ownership	Fee Simple

## THE OFFERING

Price	\$2,699,572
CAP Rate	5.50%
Annual Rent	\$148,476

## LEASE SUMMARY

Property Type	Net-Lease Quick-Service Restaurant
Tenant / Guarantor	Carrols, LLC
Ownership Type	Public (NYSE: TAST)
Original Lease Term	20 Years from COE
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.0% Annually Starting Year 11
Renewal Options	Six (6), Five (5)-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1-10	\$148,476	\$12,373	-
Year 11	\$149,961	\$12,497	1.00%
Year 12	\$151,460	\$12,622	1.00%
Year 13	\$152,975	\$12,748	1.00%
Year 14	\$154,505	\$12,875	1.00%
Year 15	\$156,050	\$13,004	1.00%
Year 16	\$157,610	\$13,134	1.00%
Year 17	\$159,186	\$13,266	1.00%
Year 18	\$160,778	\$13,398	1.00%
Year 19	\$162,386	\$13,532	1.00%
Year 20	\$164,010	\$13,667	1.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present this exclusive listing for a Burger King located at 996 Coshocton Avenue in Mt. Vernon, OH. Scheduled to open in late December, the subject property will consist of roughly 1,678 square feet of building space on approximately a 0.30-acre parcel. This investment opportunity is subject to a brand new 20-year triple-net (NNN) sale-leaseback with zero landlord responsibilities. The lease will commence upon the close of escrow and will be subject to six (6), five (5) year tenant renewal options. The initial annual rent will be \$148,476 and is scheduled to increase by one percent (1.00%) annually starting in year 11 and continuing throughout the base term and option periods. In each option period the rent will increase by one percent (1.00%) annually in years 1 through 3 and the rent will remain flat in years 4 and 5.





# Concept Overview



## GREAT FOOD COMES FIRST

Every day, more than 11 million guests visit BURGER KING® restaurants around the world. And they do so because our restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world. The original HOME OF THE WHOPPER®, our commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined our brand for more than 50 successful years.

### #2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

### Global Brand Presence | Fully – Franchised Business Model

- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins

### Rich Heritage | Stable, Reliable Long-Term Ownership

- Founded in 1954 with deep ties to the Miami Community. Burger King has been actively managed by 3G since 2010.

### 3G Capital

3G Capital is a global investment firm focused on long-term value, with a particular emphasis on maximizing the potential of brands and businesses. The firm and its partners have a strong history of operational excellence, board involvement, deep sector expertise, and an extensive global network. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent. In October 2010, 3G Capital completed the acquisition of Burger King®, one of the most widely-recognized consumer brands in the world.

## General Information

Address	Oakville, ON
Website	<a href="http://www.rbi.com">http://www.rbi.com</a>
Stock Ticker	QSR (NYSE)
Current Price*	\$66.35

\*As of April 26, 2021

### Carrols, LLC

Carrols, LLC is Burger King's largest franchisee and has operated BURGER KING® restaurants since 1976. As of April 30, 2019, the Company completed the acquisition of 221 additional BURGER KING® and Popeyes restaurants in 10 Southern and Southeastern states. Carrols, which operates 1,010 Burger King and 55 Popeyes restaurants in 23 states following the acquisition, is the largest franchisee of Restaurant Brands International, Inc. Carrols LLC's direct parent company, Carrols Restaurant Group, INC. (Nasdaq: TAST), is one of the only publicly traded companies solely controlling Burger King Franchises and one of the largest restaurant companies and franchisee's in the United States.

### Burger King Worldwide, Inc.

Founded in 1954, Burger King® is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King® system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Approximately 100 percent of Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades.

### Restaurant Brands International

Restaurant Brands International is one of the world's largest quick service restaurant companies with approximately \$23 billion in system sales and over 18,000 restaurants in 100 countries. Restaurant Brands International owns two of the world's most prominent and iconic quick service restaurant brands – Tim Hortons® and Burger King®. These independently operated brands have been serving their respective guests, franchisees, and communities for over 50 years.



# Surrounding Area

**BURGER KING**







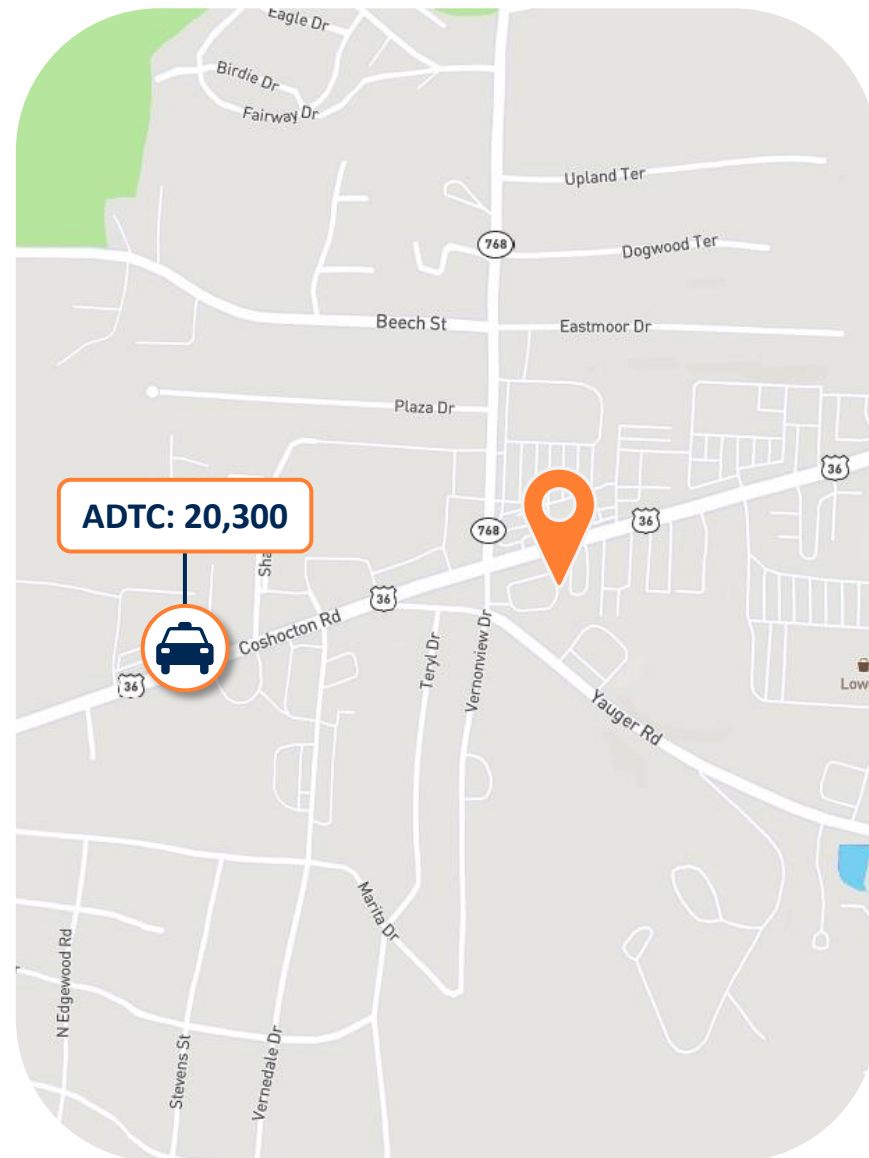
# Location Overview

**BURGER KING**

This Burger King property is situated on Coshocton Avenue, which boasts average daily traffic counts of 20,300 vehicles. There are more than 28,600 individuals residing within a five-mile radius of the property and more than 50,000 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, medial facilities and shopping centers all within close proximity of this property. Major national tenants in the area include: Walmart, Lowes, Kroger, Starbucks, Chipotle, Wendy's, Super 8, AutoZone, Dollar Tree, Marshalls, as well as many others. This Burger King also benefits from its close proximity to several academic institutions. The most notable is Mount Vernon Nazarene University which has a total enrollment exceeding 1,800 students and is located within a four-mile radius.

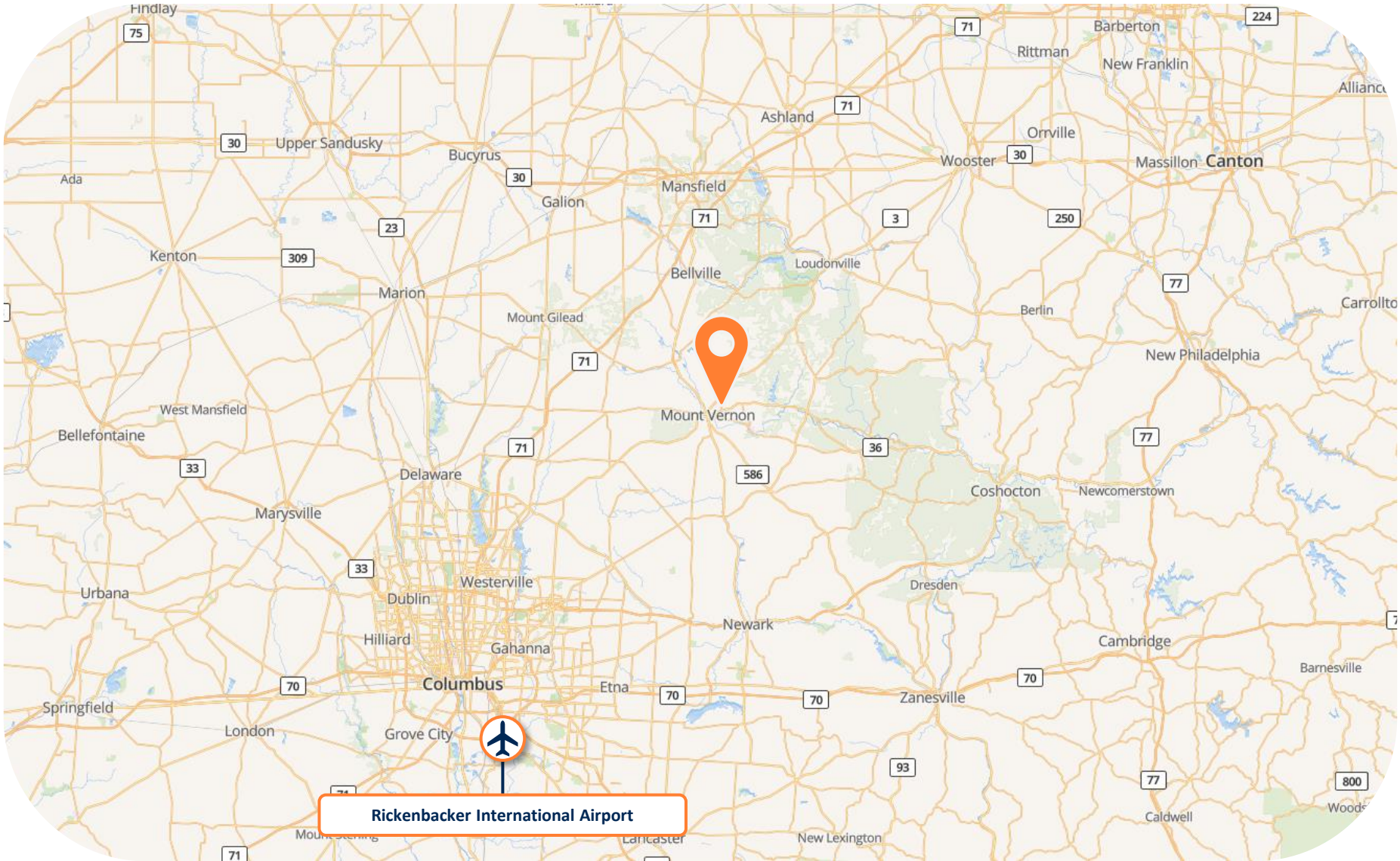
Mount Vernon is a city in Knox County, Ohio, United States. It is located 40 miles northeast of Columbus. The population was 16,990 at the 2010 census. It is the county seat of Knox County. The settlement of Mount Vernon was established in 1805 by Joseph Walker, Thomas B. Patterson and Benjamin Butler. The county (Knox) was organized in 1808. The inhabitants were from Virginia, Maryland, New Jersey and Pennsylvania. In honor of the general, and President, the community was named after George Washington's famous home. The town was platted in 1805. Mount Vernon became a Village in 1830, a town in 1845 and a city in 1880. Mount Vernon has developed into a thriving community. The downtown has been, and continues to be, renovated with the exterior facades rehabilitated and a vigorous effort to maintain and preserve the many older buildings in the area. Mount Vernon is in the process of renovating the Woodward Opera House, the oldest known "free-standing" opera house in the nation.

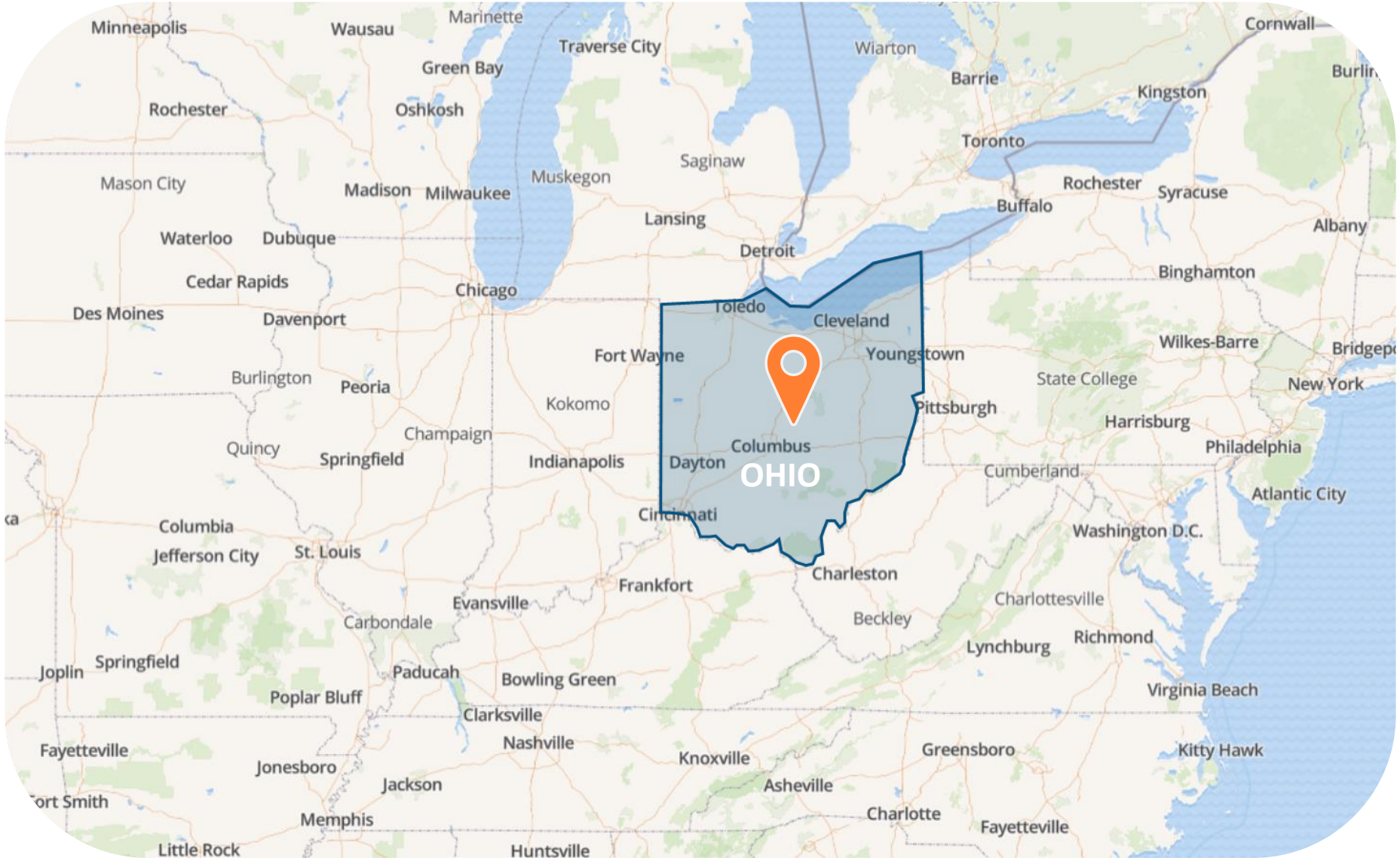






# Local Map

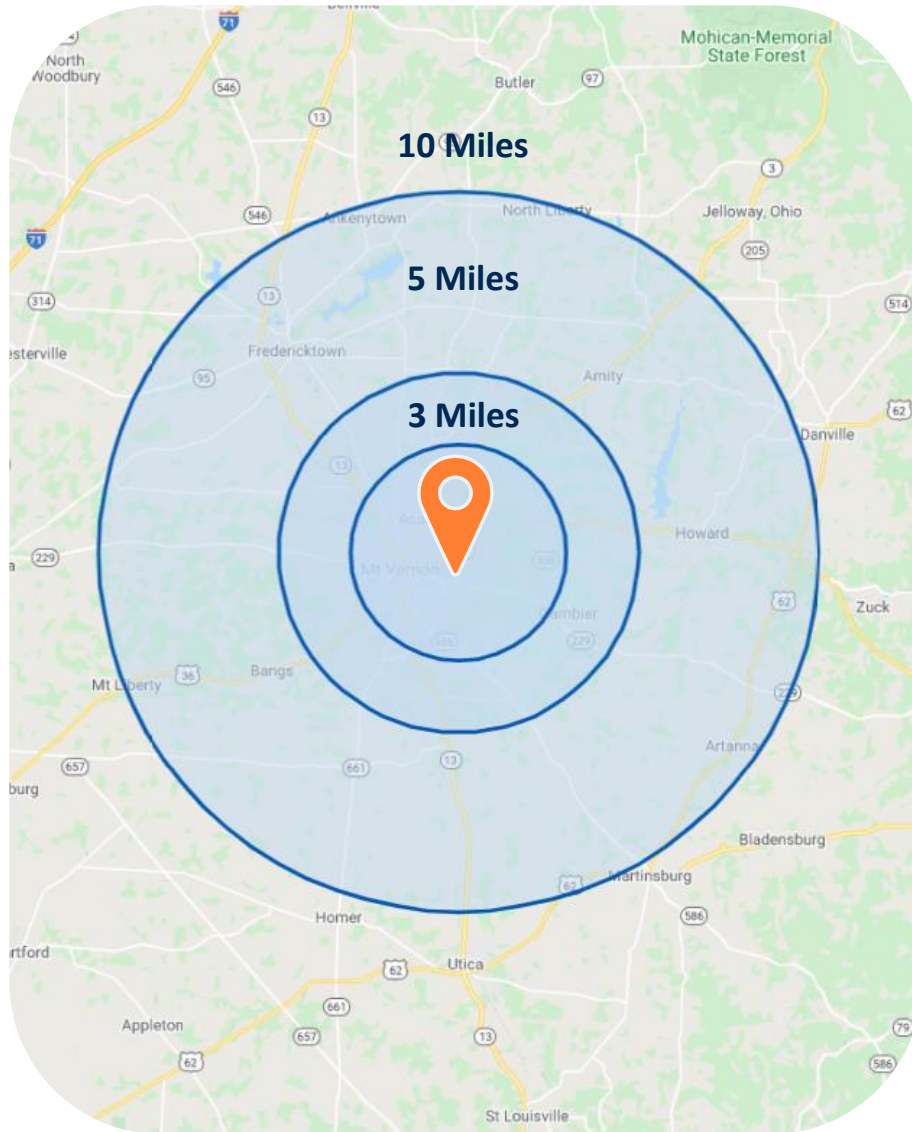








# Demographics



## POPULATION TRENDS

2010 Population	20,306	27,721	47,667
2021 Population	21,121	28,677	50,233
2026 Population Projection	21,784	29,548	51,928
Annual Growth 2010-2021	0.40%	0.30%	0.50%
Annual Growth 2021-2026	0.60%	0.60%	0.70%

## POPULATION BY RACE (2021)

White	20,201	27,411	48,429
Black	287	409	582
American Indian/Alaskan Native	62	81	153
Asian	201	263	334
Hawaiian & Pacific Islander	9	10	16
Two or More Races	362	503	720
Hispanic Origin	430	594	893

## HOUSEHOLD TRENDS

2010 Households	8,304	10,635	18,070
2021 Households	8,595	10,943	18,990
2026 Household Projection	8,880	11,293	19,668
Annual Growth 2010-2021	0.20%	0.30%	0.40%
Annual Growth 2021-2026	0.70%	0.60%	0.70%

## Avg Household Income

\$61,238	\$65,626	\$71,798
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## Median Household Income

\$47,025	\$50,777	\$57,749
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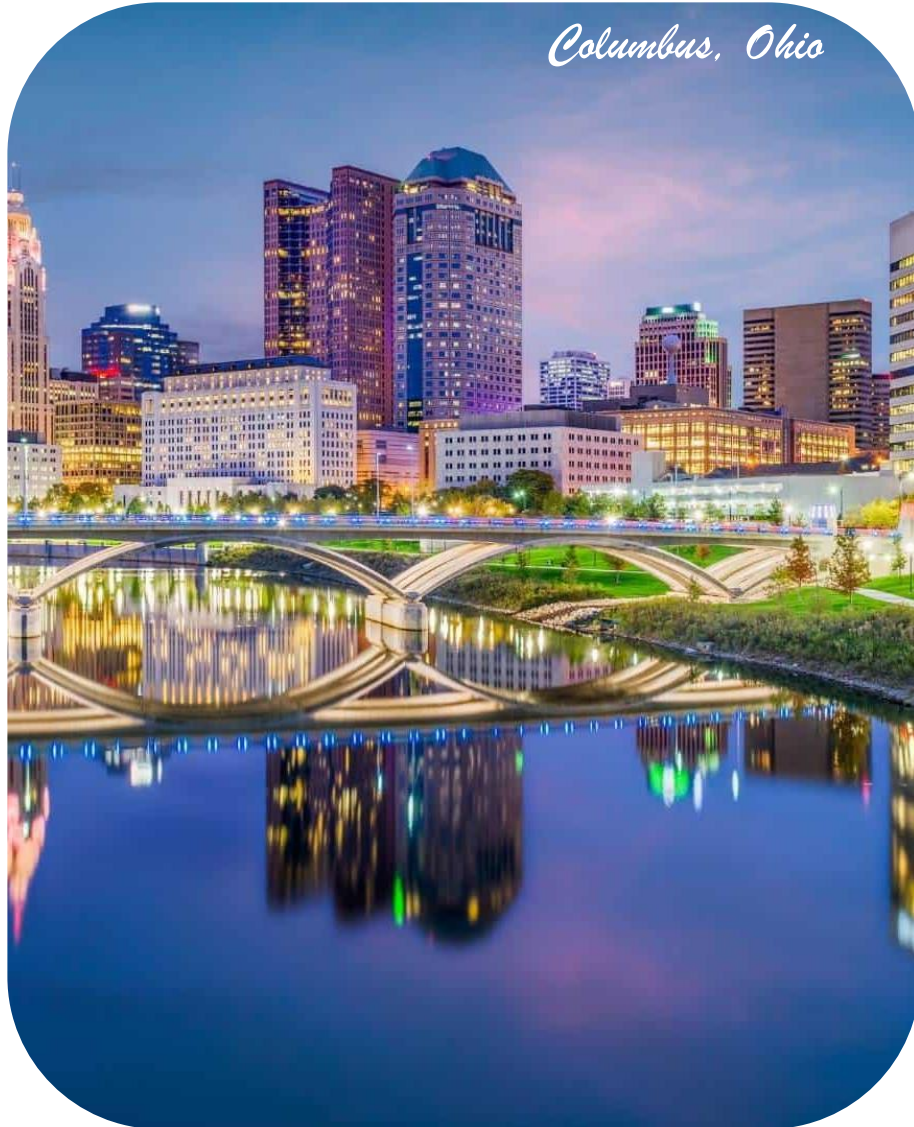
## HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	2,311	2,691	3,608
\$25,000 - 50,000	2,225	2,698	4,543
\$50,000 - 75,000	1,814	2,314	4,189
\$75,000 - 100,000	875	1,239	2,496
\$100,000 - 125,000	481	662	1,622
\$125,000 - 150,000	349	544	1,017
\$150,000 - 200,000	336	486	956
\$200,000+	205	309	560



# Market Overview

*Columbus, Ohio*



**Columbus** is the state capital and the most populous city in the U.S. state of Ohio. With a population estimated at 898,553 in 2019, it is the 14th-most populous city in the U.S., the second-most populous city in the Midwest after Chicago, and the third-most populous state capital. Columbus is the county seat of Franklin County; it also extends into Delaware and Fairfield counties. It is the core city of the Columbus, OH Metropolitan Statistical Area, which encompasses ten counties. The metropolitan area has a 2019 estimated population of 2,122,271, making it the largest entirely in Ohio.

Columbus, city, Franklin, Fairfield, and Delaware counties, capital (1816) of Ohio, U.S., and seat (1824) of Franklin county. It is situated in the central part of the state on the relatively flat Ohio till plain, at the junction of the Scioto and Olentangy rivers. Columbus is at the center of a metropolitan complex that includes Dublin (northwest), Gahanna and Westerville (northeast), Reynoldsburg (east), and Grove City (southwest); several municipalities, including Upper Arlington, Worthington, Bexley, and Whitehall, are wholly or largely surrounded by the city. Inc. city, 1834. Area city, 213 square miles.

The city has a diverse economy based on education, government, insurance, banking, defense, aviation, food, clothes, logistics, steel, energy, medical research, health care, hospitality, retail, and technology. The metropolitan area is home to the Battelle Memorial Institute, the world's largest private research and development foundation; Chemical Abstracts Service, the world's largest clearinghouse of chemical information; and Ohio State University, one of the largest universities in the United States. As of 2021, the Greater Columbus area is home to the headquarters of six corporations in the U.S. Fortune 500: Cardinal Health, American Electric Power, L Brands, Nationwide, Alliance Data, and Huntington Bancshares.



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