# APPLEBEE'S

## EXCLUSIVE NET-LEASE OFFERING

# OFFERING MEMORANDUM

Applebee's

**3540 Court Street, Pekin, IL 61554**

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.
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Applebee's

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Applebee's

*Representative Photo*

# Investment Highlights

**PRICE: $2,030,769 | CAP: 6.50% | RENT: $132,000**

## Optimal Lease Structure

- ✓ 12-Year Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Brand New Lease Commencing on May 1st, 2022 | Showing a Strong Commitment to this Location
- ✓ Attractive Rental Increases | 5.00% Every Five Years
- ✓ Long Term Operating History at This Location

## Compelling Location Fundamentals

- ✓ Several Schools Nearby | Over 3,500 Students within Five Miles of the Property
- ✓ Heavily Trafficked Area | Positioned Just Off Court Street at Veterans Drive/ Mall Road, which Both Boast Average Daily Traffic Counts in Excess of 15,800 Cars Daily
- ✓ Heavily Retail Focused Area | Subject Property is Located Along a Dense Retail Corridor where Tenants Include Walmart, Hobby Lobby, Menards, Tractor Supply Company, Starbucks, Aldi, Steak N Shake, and Several Other Major National Retailers
- ✓ Strategic Asset Positioning |Peoria is Approximately Fifteen Miles Away and is the Largest City Along the Illinois River
- ✓ Positive Real Estate Fundamentals | Positioned on Hard Corner of a Signalized Intersection

## About the Brand

- ✓ Nationally Recognized Brand | With Over 2,000 Locations Worldwide, Applebee's is an Iconic Chain that has Strong Brand Recognition
- ✓ Headquartered in Kansas City, Missouri, Applebee's has Been Providing Customers with Great Service and Even Better Food Since 1980
- ✓ Over 35 Years of Restaurant Industry Experience Amongst the Management Team

*Representative Photo*

*Representative Photo*

# Financial Analysis

## PRICE: $2,030,769 | CAP: 6.50% | RENT: $132,000

| PROPERTY DESCRIPTION | |
|---|---|
| Concept | Applebee's |
| Street Address | 3540 Court Street |
| City, State ZIP | Pekin, IL 61554 |
| Year Built / Renovated | 1997 |
| Estimated Building Size (SF) | +/- 5,020 Square Feet |
| Estimated Lot Size (Acres) | +/- 1.34 Acres |
| Type of Ownership | Fee Simple |

| THE OFFERING | |
|---|---|
| Price | $2,030,769 |
| CAP Rate | 6.50% |
| Annual Rent | $132,000 |

| LEASE SUMMARY | |
|---|---|
| Property Type | Net Leased Restaurant |
| Guarantor | Heartland Apple, Inc. |
| Original Lease Term | 12 Years |
| Lease Commencement | 5/1/2022 |
| Lease Expiration | 4/30/2034 |
| Lease Term Remaining | 12 Years |
| Lease Type | Triple-Net (NNN) |
| Landlord Responsibilities | None |
| Rental Increases | 5.00% Every 5 Years |

### RENT SCHEDULE

| Lease Year | Annual Rent | Monthly Rent | Rent Escalation |
|---|---|---|---|
| Year 1 | $132,000 | $11,000 | - |
| Year 2 | $132,000 | $11,000 | - |
| Year 3 | $132,000 | $11,000 | - |
| Year 4 | $132,000 | $11,000 | - |
| Year 5 | $132,000 | $11,000 | - |
| Year 6 | $138,600 | $11,550 | 5.00% |
| Year 7 | $138,600 | $11,550 | - |
| Year 8 | $138,600 | $11,550 | - |
| Year 9 | $138,600 | $11,550 | - |
| Year 10 | $138,600 | $11,550 | - |
| Year 11 | $145,530 | $12,128 | 5.00% |
| Year 12 | $145,530 | $12,128 | - |

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Applebee's located at 3540 Court Street in Pekin, Illinois. The site consists of roughly 5,020 rentable square feet of building space on an estimated 1.34-acre parcel of land. This Applebee's is subject to a new 12-year triple-net (NNN) lease commencing on May 1st, 2022. The starting rent will be $132,000 and is scheduled to increase by five percent (5.00%) every five years throughout the base term.

# Tenant Overview

Applebee's

## Good Food. Good People.

Founded nearly three decades ago on the principles of exceptional value and family fun, Applebee's Services, Inc. operates what is today one of the largest casual-dining chain in the world. This prominent eatery draws people of all ages and lifestyles with its fun, family-friendly atmosphere and signature bar and grill menu.

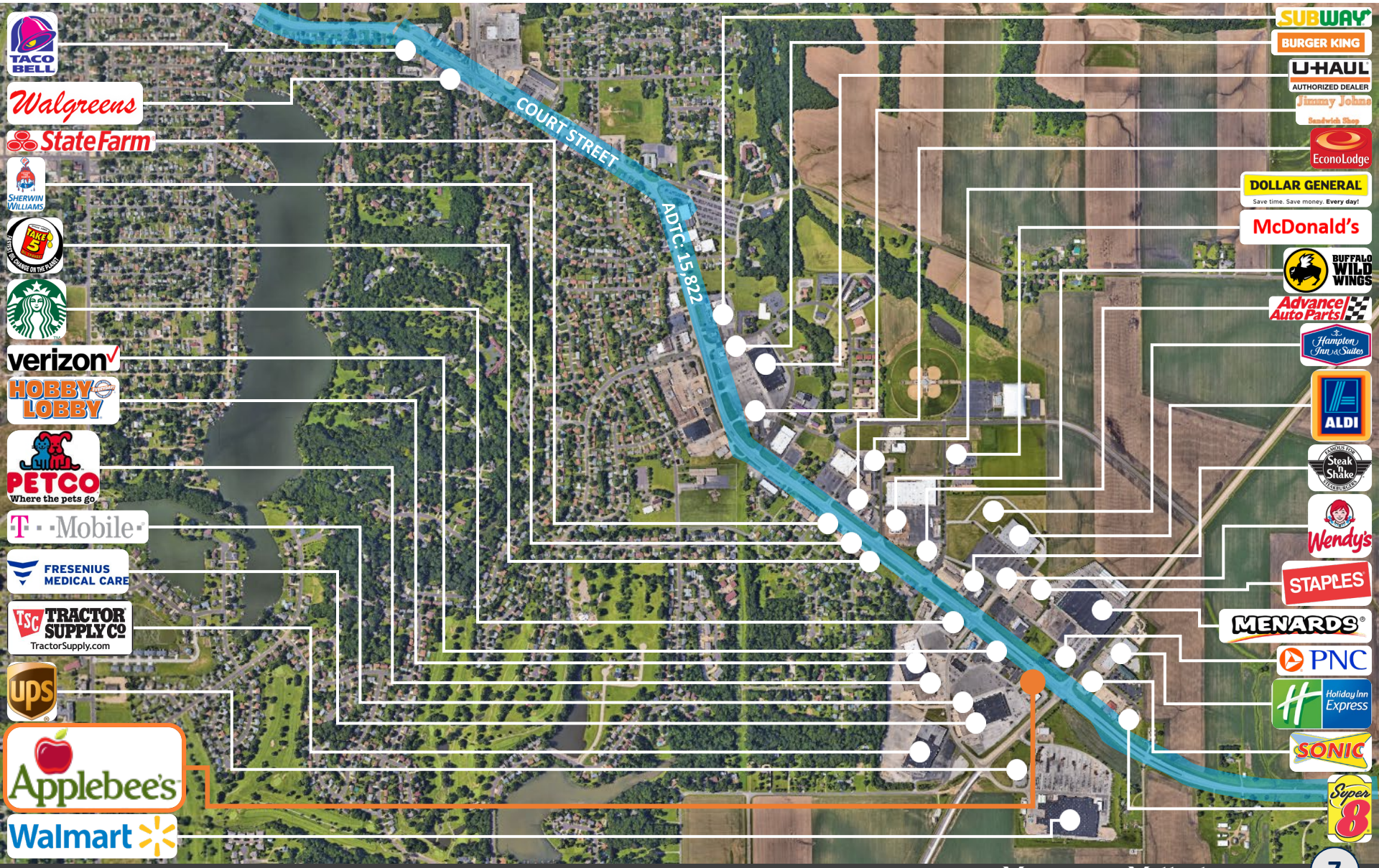
Headquartered in Kansas City, Missouri, Applebee's has been providing customers with great service and even better food since 1980. With over 2,000 locations worldwide, Applebee's is an iconic chain that has strong brand recognition in not only America, but Europe and Asia as well. Applebee's prides itself in the commitment it makes to provide not only the best American food possible, but it's commitment to providing customers with a great dining experience for over 35 years now.

Applebee's continues to grow and prosper, and further differentiates itself with innovative attractions, like the popular Carside to Go service available at many of its restaurants. And the company continually works to add greater value and broaden its appeal, as evidence by the "It's a Whole New Neighborhood" campaign, which launched in the spring of 2008, indicative of a fresh re-energizing approach and promise of new, enticing menu items.

# Vision & Values

- **Integrity:** We do the right thing.
- **Accountability:** We take impact personally.
- **Excellence:** We bring our best to work.
- **Inclusion:** We invite, include, and share.
- **Innovation:** We look for better way.
- **Trust:** We foster trust.
- **Community:** We give back.

# Surrounding Area



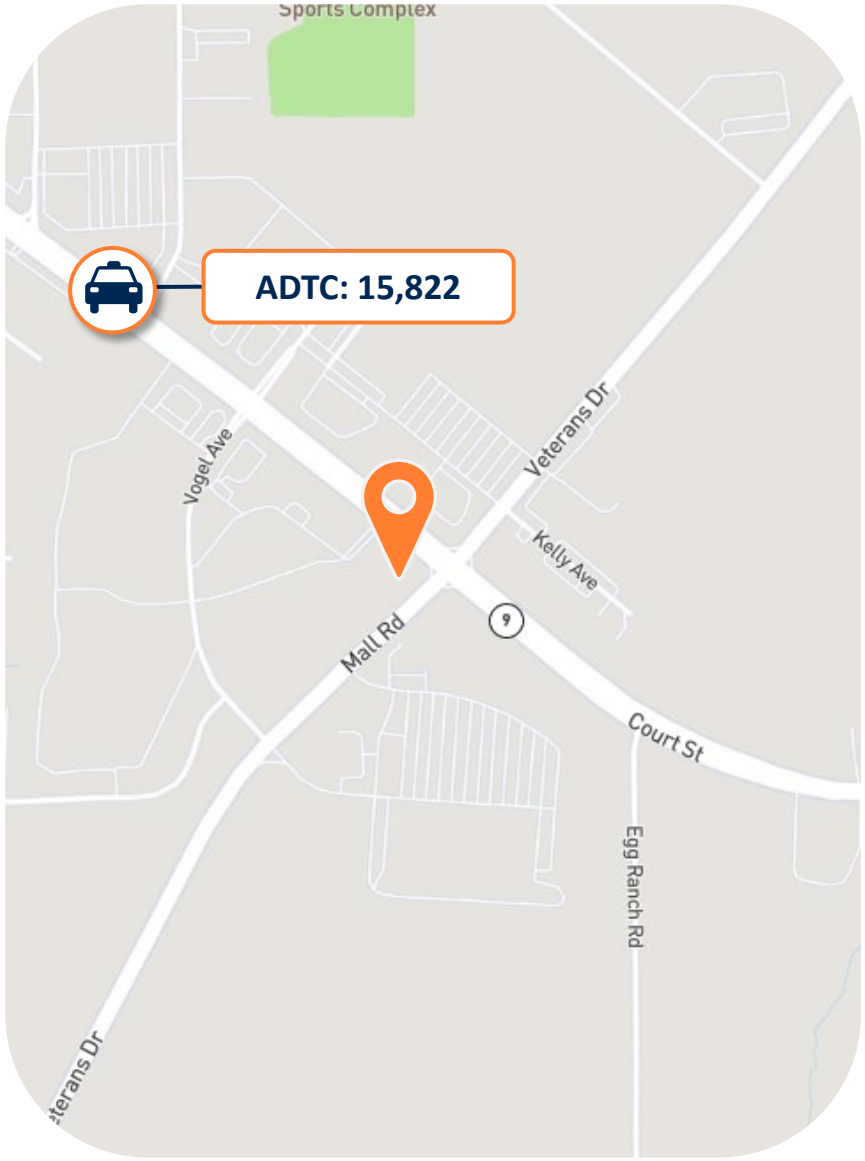
# Location Overview

The Applebee's property is situated at the intersection of Court Street and Veterans Drive/ Mall Road, which boasts average traffic counts in excess of 15,000 vehicles per day. Mall Road at the intersection of VFW Road SW brings an additional 11,000 vehicles into the immediate area. There are more than 39,000 individuals residing within a five-mile radius of the subject property and more than 109,000 individuals within a ten-mile radius.

The subject property is strategically positioned in a dense retail corridor that consists of a healthy mix of local, regional and national retailers, golf courses and other recreational activity centers, all of which help drive traffic to the site. Major national tenants in the immediate area include: Walmart, Hobby Lobby, Menards, Tractor Supply Company, Starbucks, Aldi, Steak N Shake, in addition to numerous others. There are several schools proximal to the subject property including Altman Primary School, Good Shepard Lutheran School, Rankin School, Wilson Intermediate School, Pekin Community High School, Broadmoor Jr. High School, and Schramm School. Collectively, these schools serve over 3,500 children from the surrounding area.

Pekin is a city in and the county seat of Tazewell County in the U.S. state of Illinois. Located on the Illinois River, Pekin is the largest city of Tazewell County and the second most populous municipality of the Peoria metropolitan area, after Peoria itself. As of the 2010 census, its population is 34,094. A small portion of the city limits extend into Peoria County.

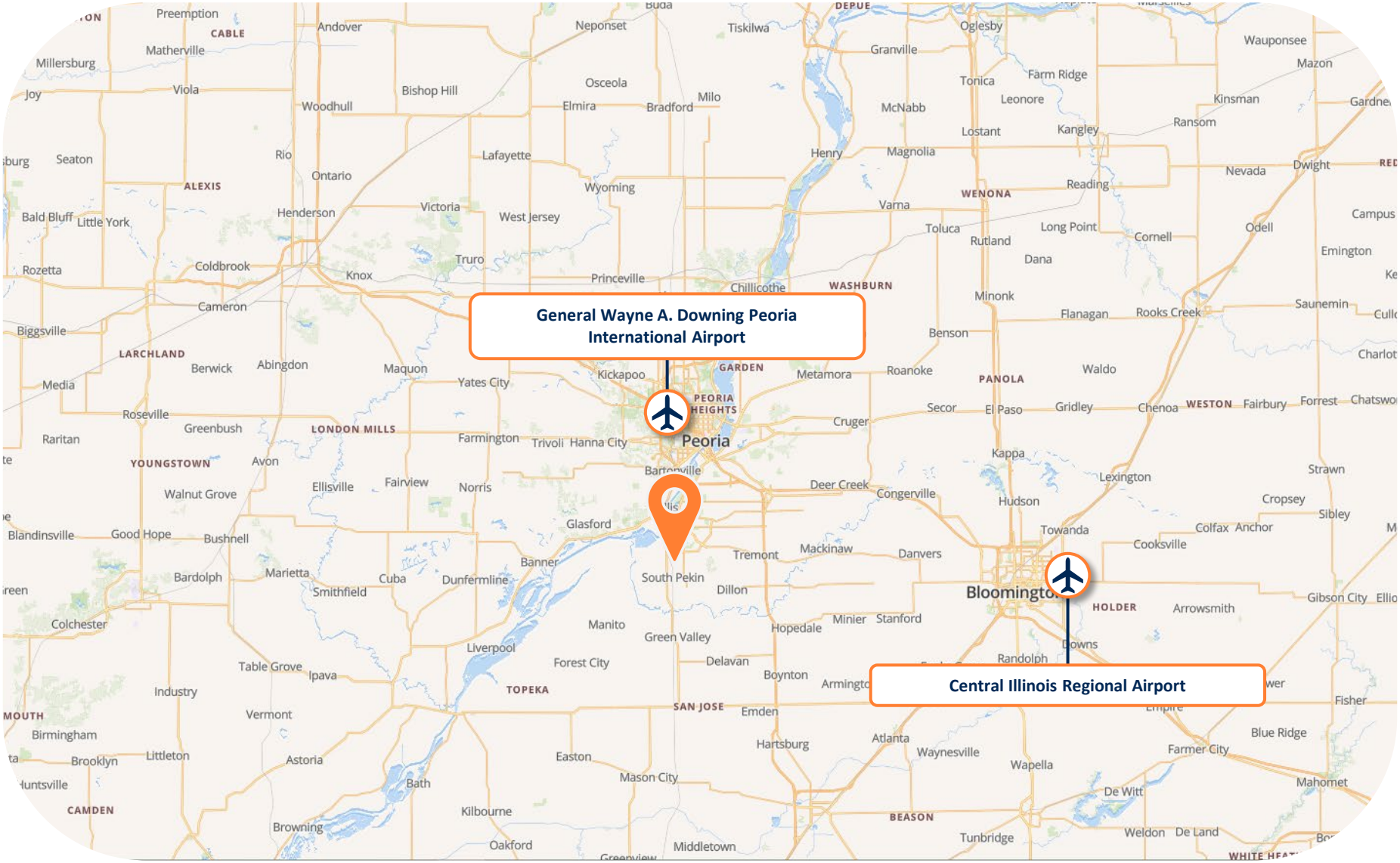
Pekin's Mineral Springs Park is near Pekin Hospital and the Miller Senior Center. The city is also home to a high-rise residential facility of the United Auto Workers; the 1,538 megawatt, coal-fired Powerton Power Station (currently owned and operated by NRG Energy), the home of the Pekin Federal Correctional Institution; and the headquarters of a regional insurance company, Pekin Insurance.



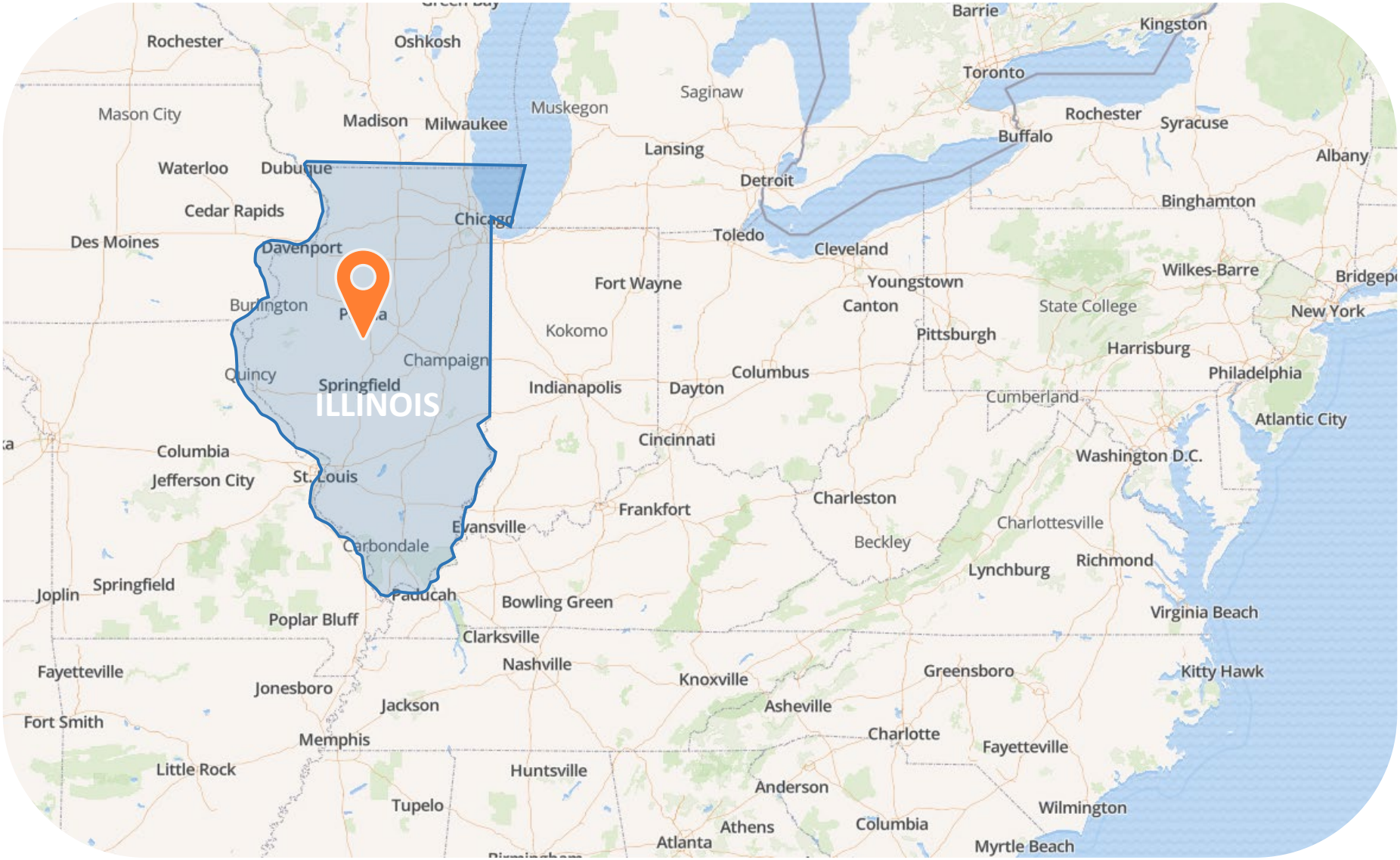
# Property Photos

# Surrounding Area Photos

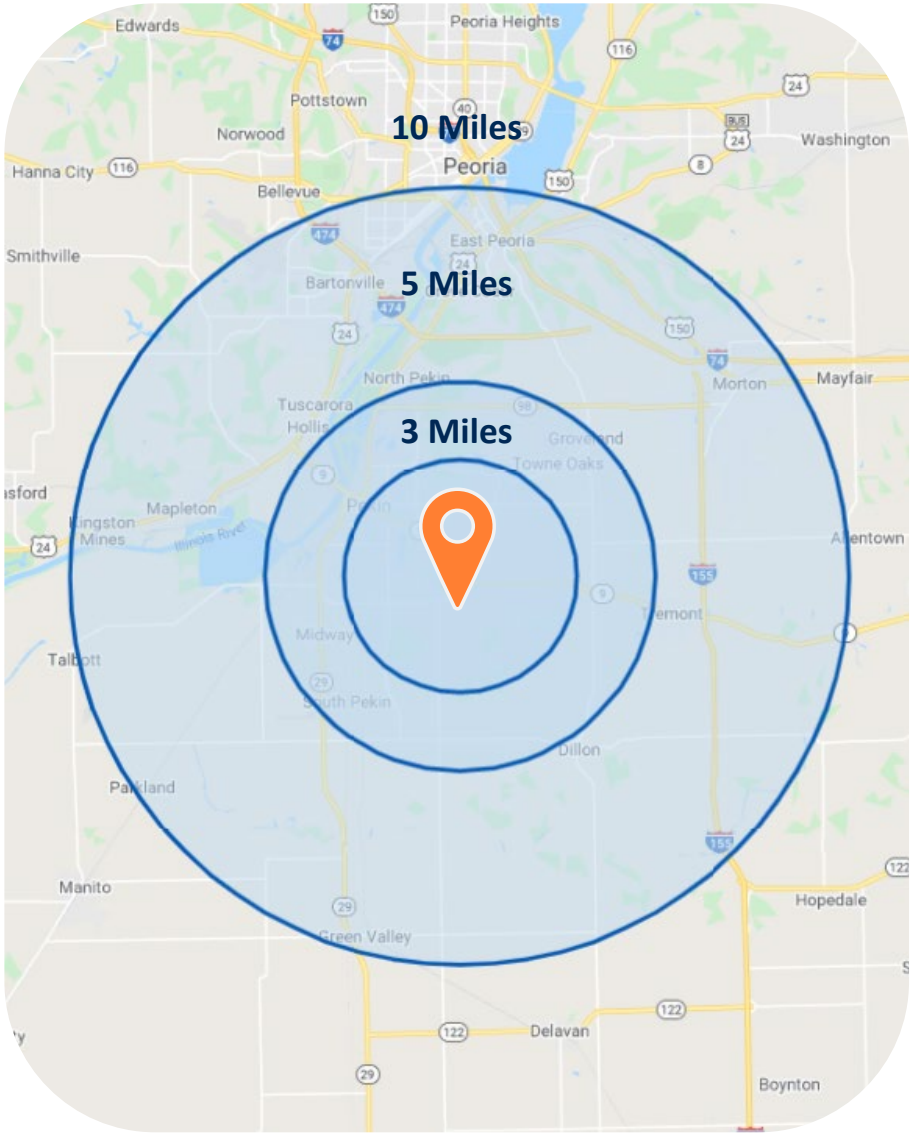
# Local Map


General Wayne A. Downing Peoria International Airport
Central Illinois Regional Airport
Peoria
Bloomington
Preemption
Andover
Neponset
Tiskilwa
Oglesby
Granville
Wauponsee
Mazon
Millersburg
Matherville
Joy
Viola
Woodhull
Bishop Hill
Osceola
Elmira
Bradford
Milo
McNabb
Tonica
Farm Ridge
Leonore
Kinsman
Ransom
Lostant
Kangley
Seaton
Rio
Ontario
Lafayette
Henry
Magnolia
Nevada
Dwight
Reading
Wyoming
Varna
Henderson
Victoria
West Jersey
Toluca
Rutland
Long Point
Cornell
Odell
Campus
Bald Bluff
Little York
Rozetta
Coldbrook
Knox
Truro
Princeville
Chillicothe
Dana
Emington
Cameron
Minonk
Saunemin
Biggsville
Flanagan
Rooks Creek
Benson
Larchland
Berwick
Abingdon
Maquon
Yates City
Kickapoo
Metamora
Roanoke
Waldo
Media
Roseville
Greenbush
Raritan
Farmington
Trivoli
Hanna City
Cruger
Secor
El Paso
Gridley
Chenoa
Fairbury
Forrest
Yountown
Avon
Ellisville
Fairview
Norris
Bartonville
Kappa
Lexington
Strawn
Walnut Grove
Deer Creek
Congerville
Hudson
Cropsey
Sibley
Blandinsville
Good Hope
Bushnell
Glasford
Towanda
Colfax
Anchor
Cooksville
Bardolph
Marietta
Smithfield
Cuba
Dunfermline
Banner
South Pekin
Tremont
Mackinaw
Danvers
Dillon
Colchester
Manito
Green Valley
Hopedale
Minier
Stanford
Holder
Arrowsmith
Gibson City
Liverpool
Forest City
Delavan
Downs
Randolph
Table Grove
Ipava
Boynton
Industry
Topeka
San Jose
Emden
Vermont
Birmingham
Brooklyn
Littleton
Astoria
Easton
Hartsburg
Atlanta
Waynesville
Wapella
Farmer City
Blue Ridge
Mason City
Bath
De Witt
Mahomet
Camden
Kilbourne
Browning
Beason
Tunbridge
Weldon
De Land
Oakford
Middletown

# Regional Map

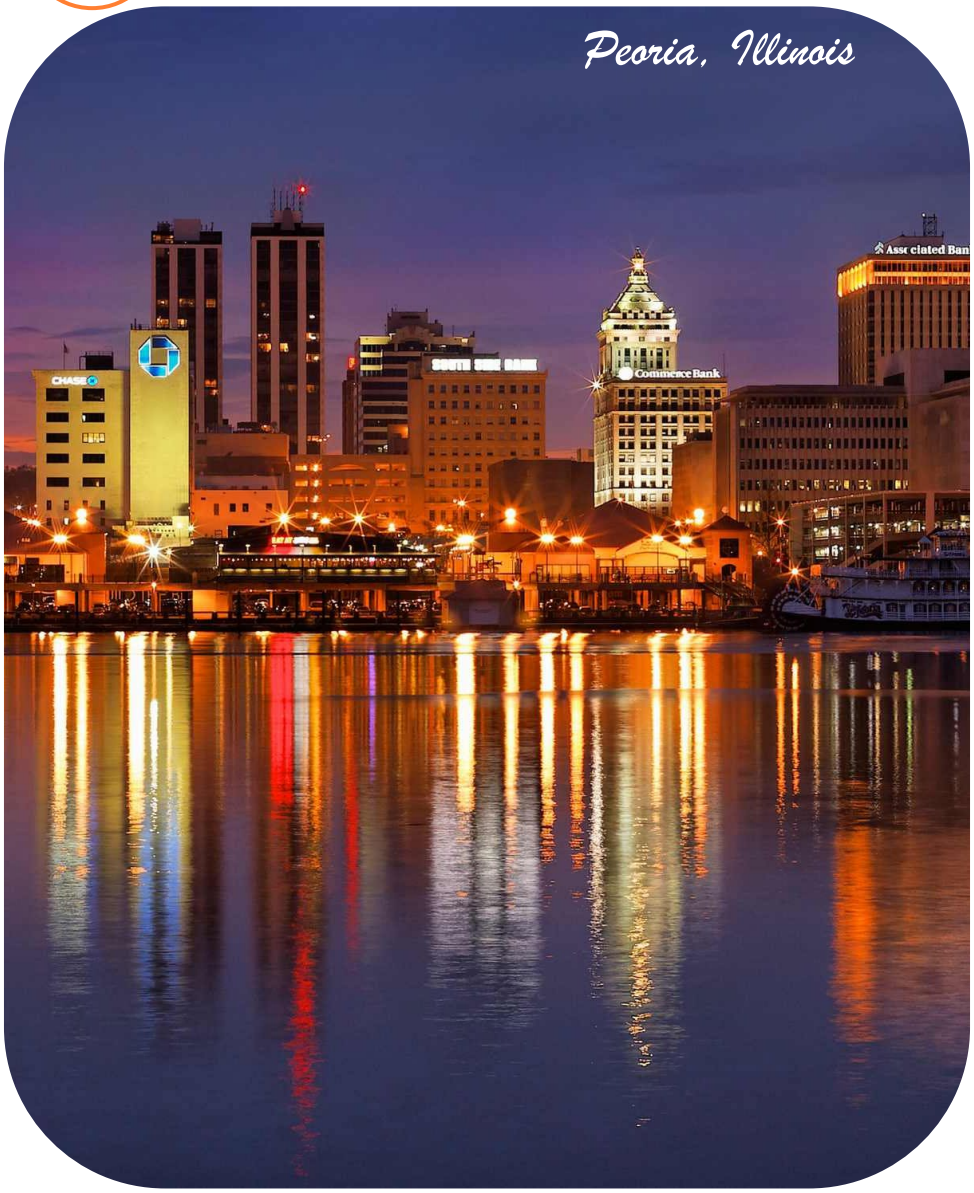


# Demographics




| | 3 Miles | 5 Miles | 10 Miles |
|---|---|---|---|
| **POPULATION TRENDS** | | | |
| 2010 Population | 23,472 | 41,621 | 114,008 |
| 2021 Population | 22,207 | 39,177 | 109,179 |
| 2026 Population Projection | 21,774 | 38,374 | 107,061 |
| **POPULATION BY RACE (2021)** | | | |
| White | 21,580 | 37,361 | 97,089 |
| Black | 124 | 807 | 8,796 |
| American Indian/Alaskan Native | 73 | 189 | 427 |
| Asian | 158 | 266 | 823 |
| Hawaiian & Pacific Islander | 8 | 12 | 35 |
| Two or More Races | 263 | 543 | 2,008 |
| Hispanic Origin | 434 | 1,063 | 3,890 |
| **HOUSEHOLD TRENDS** | | | |
| 2010 Households | 10,000 | 16,814 | 45,568 |
| 2021 Households | 9,480 | 15,863 | 43,722 |
| 2026 Household Projection | 9,293 | 15,534 | 42,870 |
| **AVERAGE HOUSEHOLD INCOME (2021)** | $72,064 | $69,968 | $73,457 |
| **MEDIAN HOUSEHOLD INCOME (2021)** | $57,479 | $55,351 | $57,359 |
| **HOUSEHOLDS BY HOUSEHOLD INCOME (2021)** | | | |
| < $25,000 | 1,838 | 3,218 | 8,802 |
| $25,000 - 50,000 | 2,246 | 3,845 | 10,360 |
| $50,000 - 75,000 | 2,082 | 3,556 | 8,868 |
| $75,000 - 100,000 | 1,262 | 2,027 | 5,428 |
| $100,000 - 125,000 | 846 | 1,301 | 3,967 |
| $125,000 - 150,000 | 469 | 771 | 2,479 |
| $150,000 - 200,000 | 407 | 623 | 2,258 |
| $200,000+ | 330 | 521 | 1,558 |

# Market Overview




**Peoria** is the county seat of Peoria County, Illinois, and the largest city on the Illinois River. As of the 2010 census, the city had a population of 115,007. It is the principal city of the Peoria Metropolitan Area in Central Illinois, consisting of the counties of Marshall, Peoria, Stark, Tazewell, and Woodford, which had a population of 373,590 in 2011.

Established in 1691 by the French explorer Henri de Tonti, Peoria was later labeled by the Peoria Historical Society to be the oldest European settlement in Illinois. Originally known as Fort Clark, it received its current name when the County of Peoria organized in 1825. The city was named after the Peoria tribe, a member of the Illinois Confederation. On October 16, 1854, Abraham Lincoln made his Peoria speech against the Kansas-Nebraska Act.

A major port on the Illinois River, Peoria is a trading and shipping center for a large agricultural area that produces corn, soybeans, and livestock. Although the economy is well diversified, the city's traditional manufacturing industries remain important and produce earthmoving equipment, metal products, lawn-care equipment, labels, steel towers, farm equipment, building materials, steel, wire, and chemicals. Until 2018, Peoria was the global and national headquarters for heavy equipment and engine manufacturer Caterpillar Inc., one of the 30 companies composing the Dow Jones Industrial Average, and listed on the Fortune 100; in the latter year, the company relocated its headquarters to Deerfield,Illinois.

The city is associated with the phrase "Will it play in Peoria?", which originated from the vaudeville era and was popularized by Groucho Marx. Museums in the city include the Pettengill-Morron House, the John C. Flanagan House, and the Peoria Riverfront Museum.

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