

*** UNIVERSITY LOCATION ***



ACTUAL SITE

SCHLOTZSKY'S
2548 NORTH COLLEGE AVENUE
FAYETTEVILLE, ARKANSAS 72703

OFFERING MEMORANDUM

Represented By:

JUSTIN ZAHN
justin@ciadvisor.com

Represented By:

JUSTIN CARLSON
jcarlson@ciadvisor.com

COMMERCIAL INVESTMENT ADVISORS, INC. CIA BROKERAGE COMPANY

9383 East Bahia Drive, Suite 130 | Scottsdale, Arizona 85260
480.214.5088 – Office | www.ciadvisor.com

In Association with Arkansas Designated Broker:
Brian Brockman | Bang Realty-Arkansas, Inc. | License # PB00082359

CIA
commercial
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INVESTMENT OVERVIEW

SCHLOTZSKY'S
FAYETTEVILLE, ARKANSAS

SCHLOTZSKY'S

LOCATION	2548 North College Avenue Fayetteville, Arkansas 72703
MAJOR CROSS STREETS	On N College Ave, North of E Township St
TENANT	LOTZ OF BUNZ, LLC
GUARANTOR	DMFH RESTAURANT ENTERPRISES, LLC
PURCHASE PRICE	\$1,547,000
CAP RATE	4.85%
ANNUAL RENT	\$75,024
GROSS LEASEABLE AREA	±2,106 SF
RENTAL ESCALATIONS	7.50% Every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
LOT SIZE	±0.72 Acre
LEASE EXPIRATION	March 31, 2042
OPTIONS	Four 5-Year Renewal Options

POINTS OF INTEREST

RETAIL | ENTERTAINMENT: Fayetteville has major retailers such as Walmart, Target, Kohl's Lowe's Home Improvement, Home Depot, Hobby Lobby, T.J. Maxx, Old Navy, Best Buy, Academy Sports + Outdoors, Barnes & Noble, Big Lots, Tuesday Morning, Shoe Carnival, Party City, Guitar Center, PetSmart, Petco, Dollar Tree, Whole Foods Market, Natural Grocers, Harps Food Stores, AMC Theatres, Malco Cinema, etc.

HIGHER EDUCATION: Less than 3 miles from University of Arkansas (a public university offering various degree programs with 29,068 students)

HEALTHCARE: About 1 mile from Washington Regional Medical Center (425 beds); Less than 2 miles from VA Medical Center - Fayetteville (58 licensed beds for general medical, surgical & mental health; a 69-bed long-term care Community Living Center; and a 150-bed long-term nursing home facility)

INVESTMENT HIGHLIGHTS

LEASE

Brand New 20-Year Absolute NNN Lease with Attractive 7.50% Rental Escalations Every 5 Years!

TENANT | OPERATOR

Lotz of Bunz, LLC/DMFH Restaurant Enterprises, LLC (the 3rd Largest Franchisee in the Schlotzsky's System) **Owns & Operates 23 Locations in 3 States!**

TRAFFIC COUNTS | ACCESS

Positioned at a Signalized Intersection with Great Drive-By Visibility & Access on N College Ave (Bus US 71) where Traffic Counts Exceed 32,020 CPD!

2021 DEMOGRAPHICS

Total Population (5-MI): 119,642 | Average Household Income (3-MI): \$71,058



FINANCIAL ANALYSIS

SCHLOTZSKY'S
FAYETTEVILLE, ARKANSAS

SUMMARY

TENANT	Lotz of Bunz, LLC	LOT SIZE	±0.72 Acre
GUARANTOR	DMFH Restaurant Enterprises, LLC	EXPENSE REIMBURSEMENT	This is an Absolute NNN lease . Tenant is responsible for all expenses.
PURCHASE PRICE	\$1,547,000	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
CAP RATE	4.85%		
GROSS LEASABLE AREA	±2,106 SF		

RENT ROLL

TENANT INFO		LEASE TERMS		RENT SUMMARY	
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
Lotz of Bunz, LLC	2,106	Years 1-5: 03/04/22 to 03/31/27	Current	\$75,024	4.85%
		Years 6-10: 04/01/27 to 03/31/32	7.50%	\$80,651	5.21%
		Years 11-15: 04/01/32 to 03/31/37	7.50%	\$86,700	5.60%
		Years 16-20: 04/01/37 to 03/31/42	7.50%	\$93,202	6.02%
		5.42% AVG ANNUAL RETURN			
RENEWAL OPTIONS		1st Option: 04/01/42 to 03/31/47	7.50%	\$100,192	
		2nd Option: 04/01/47 to 03/31/52	7.50%	\$107,707	
		3rd Option: 04/01/52 to 3/31/57	7.50%	\$115,785	
		4th Option: 04/01/57 to 03/31/62	7.50%	\$124,469	

TENANT OVERVIEW

SCHLOTZSKY'S
FAYETTEVILLE, ARKANSAS

Schlotzsky's

TYPE	PRIVATELY HELD	PARENT	FOCUS BRANDS
# OF LOCATIONS	332	INDUSTRY	RESTAURANTS - FAST FOOD
https://www.schlotzskys.com/		https://www.focusbrands.com/	



Schlotzsky's is a privately held franchise chain of restaurants, specializing in sandwiches. The company is headquartered in Atlanta, Georgia. **Schlotzsky's has more than 330 franchised and company-owned locations worldwide.** Most locations are in the south and southwestern United States, but the company is expanding into areas across the country, particularly the north and southeast.

FOCUS Brands® is a leading developer of global foodservice franchise systems and the indirect parent company of Schlotzsky's®, as well as six other iconic foodservice brands. They are the franchisor and operator of over 6,300 ice cream shops, bakeries, restaurants, and cafes in 54 countries.

ABOUT THE TENANT

JJ Ramsey is a seasoned/successful operator whose story with the Schlotzsky's brand started when he was 14 years old working (every position) alongside his parents in the mid 90's. After college, Ramsey worked his way up the ladder and became team leader, assistant manager, general manager and eventually went onto a district manager overseeing 7 locations in Tulsa and Oklahoma City overseeing 30 plus managers, 150 employees and 8.5 million in annual sales.

In 2011, Ramsey moved to Austin Texas and worked as a franchise business consultant overseeing 30 franchisees and 55 of their Schlotzsky's stores.

In June of 2015, Ramsey bought their first 3 Schlotzsky's in NW Arkansas and formed their company "DMFH Restaurant Enterprises, LLC and Lotz of Bunz, LLC". In April of 2018, purchased their 4th location in Springfield. In February of 2019, Ramsey bought 6 additional locations in Arkansas and Kansas. In 2020, opened their first new location in Wichita Kansas, acquired 2 locations in Terrell and Forney, Texas and acquired 5 additional locations in East Texas. Most recently, they opened a Schlotzsky's in Mountain Home Arkansas and Derby Kansas in July 2021!

Lotz of Bunz, LLC/DMFH Restaurant Enterprises, LLC is the 3rd largest franchisee in the Schlotzsky's system with 23 locations in Kansas, Texas & Arkansas. JJ Ramsey is also on the Franchise Advisory Board & engaged daily in his restaurant operations.

SITE PLAN



SCHLOTZSKY'S | FAYETTEVILLE, ARKANSAS

JUSTIN ZAHN
justin@ciadvisor.com

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jcarlson@ciadvisor.com

COMMERCIAL INVESTMENT ADVISORS, INC. | CIA BROKERAGE CO. | 9383 EAST BAHIA DRIVE | SUITE 130 | SCOTTSDALE, AZ 85260 | WWW.CIADVISOR.COM
The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

FAYETTEVILLE



SCHLOTZSKY'S | FAYETTEVILLE, ARKANSAS

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FAYETTEVILLE ZOOMED OUT



BLESSINGS
GOLF CLUB

**NORTHWEST
MEDICAL CENTER**
Willow Creek Women's Hospital
64 BEDS

Dillard's **Buckle**
JCPenney **maurices**
HIBBETT **JOURNEYS**
SPORTS **CHAMPS**
AÉROPOSTALE Bath & Body Works
AMERICAN EAGLE

Lowe's

FAC
FAYETTEVILLE
ATHLETIC CLUB

Walmart **ULTA** **Party City**
BED BATH & BEYOND **DISCOUNT TIRE** **TJ-maxx**
BEST BUY **DOLLAR TREE** **GameStop** **OLD NAVY**
Academy **MALCO** **Joann**
SHOE CARNIVAL

NATURAL GROCEERS **BARNES & NOBLE**
OVERSTOCK **petco**

P&G



Target **KOHL'S** **PETSMART**
Since 1902 **Bassett** **ME** **Massage Envy**

Fairfield
BY MARRIOTT
COURTYARD
BY MARRIOTT

**WHOLE FOODS
MARKET**

sam's club

Washington Regional
425 BEDS

HOBBY LOBBY **Tuesday Morning**
GOLFUSA **Office DEPOT**
AS GOLF AS IT GETS

HARPS **AMC** **BIG LOTS!**
HOMETOWN FRESH THEATRES



**THE NEW
SCHOOL**
415 STUDENTS

Schlotzsky's

**MCNAIR
MIDDLE SCHOOL**
747 STUDENTS

SLIM CHICKENS

**VANDERGRIF
ELEMENTARY**
670 STUDENTS

**WOODLAND
JUNIOR HIGH**
746 STUDENTS

metro
by T-Mobile

Walmart
Neighborhood Market

w

HARPS
HOMETOWN FRESH

SCHLOTZSKY'S | FAYETTEVILLE, ARKANSAS

FAYETTEVILLE CITY VIEW



SCHLOTZSKY'S | FAYETTEVILLE, ARKANSAS

LOCATION OVERVIEW



Fayetteville is the second-largest city in Arkansas, the county seat of Washington County, and the biggest city in Northwest Arkansas. Situated in one of the nation's fastest-growing metropolitan areas, Fayetteville has become a center of culture, commerce and entrepreneurialism. The surrounding area is home to headquarters for several Fortune 500 companies, and the city boasts first-class performing arts centers, active farm-to-table food scene, vibrant festivals and live music venues. Nestled in the Ozark Mountain foothills, Fayetteville offers easy access to the Buffalo River – America's first national river – and nearby biking and hiking trails that were recognized last year by Outside magazine and National Geographic.

FAYETTEVILLE TOP EMPLOYERS:

1. **University of Arkansas** (higher education) 8,438 employees with an annual revenue of \$84.0M
2. **Washington Regional Medical Center** (health care) 1,000 employees with an annual revenue of \$1.4B -
3. **Twin Rivers Group** (poultry processing services) 1,000 employees with an annual revenue of \$294.1M -
4. **Rausch Coleman Homes** (home builder) 382 employees with a revenue of \$37.0M

Other companies in Fayetteville include: **Pace Industries** (die casting), **Delta Group Electronics** (electronic contract manufacturing services), **Pinnacle Foods, Inc.** (consumer-packaged foods), **Elkhart Products** (fabricated metal production), **Tyson Foods** (poultry processing), etc.

2021 DEMOGRAPHICS

	1-MI	3-MI	5-MI
Total Population	6,918	62,102	119,642
Projected Population (2026)	7,279	65,658	127,225
Daytime Demographics Age 16+	11,247	58,199	100,650
Population Median Age	34.8	31.5	31.1
Average Household Income	\$65,801	\$71,058	\$70,550

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FOR MORE INFORMATION:

JUSTIN ZAHN

Vice President

O +1 480 718 5555

C +1 402 730 6021

justin@ciadvisor.com

JUSTIN CARLSON

Senior Investment Advisor

O +1 480 214 5089

C +1 480 580 8723

jcarlson@ciadvisor.com

BRIAN BROCKMAN

Arkansas Designated Broker

License # PB00082359

