

A.E.S. | New 20 - Year Absolute NNN Sale-Leaseback
1521 OH - 7,
Gallipolis, OH 45631

Marcus & Millichap

REPRESENTATIVE PHOTO



OFFERING **MEMORANDUM**



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A photograph of an Arby's restaurant building with a tan brick facade and a red horizontal band. The Arby's logo is visible on the left side of the building. The image is used as a background for the document.

SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

ABOUT THE TENANT

OFFERING SUMMARY



Listing Price
\$3,070,946



Cap Rate
4.65%

FINANCIAL

Listing Price	\$3,070,946
NOI	\$142,799
Cap Rate	4.65%
Price/SF	\$890.13

OPERATIONAL

Rentable SF	3,450 SF
Lot Size	1.02 Acres
Year Built/Renovated	1999/2020



Arby's | 20-Year Absolute NNN Sale-Leaseback | Gallipolis, OH

1521 STATE ROAD 7 SOUTH, GALLIPOLIS, OH

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the exclusive listing for the Arby's restaurant located at 1521 State Road 7 South, Gallipolis, OH 45631. The site, (newly renovated in 2020), consists of 3,450 total square feet of building space and sits on 1.02 acres of land. The site will be subject to a 20-year sale-leaseback with A.E.S. Starting in year one, the base rent shall be \$142,799. The lease will call for 6.5% rental escalations each five year period during the base term and throughout the four, five-year renewal option periods (40-year total term).

Shadow Anchored by Gallipolis Market Place, a Walmart anchored Supercenter, the subject property benefits from being located in a high traffic area with a strong retail corridor surrounded by national and local tenants, shopping centers and hospitality accommodations. Just west of high-way exit ramp US-35, the subject property is surrounded with the following major tenants in the immediate area; McDonald's, Smith Chevrolet, Walmart Super Center, Big Lots, Aldi, Rural King Farm Equipment, AT&T, GameStop, Western Union, Verizon, as well as many more. This Arby's also benefits from its proximity to the Hampton Inn, Quality Inn, Holzer Medical Center, Gallipolis City Park, Cliffside Golf Course, Gallia-Meigs Regional Airport, and Gallipolis Island.

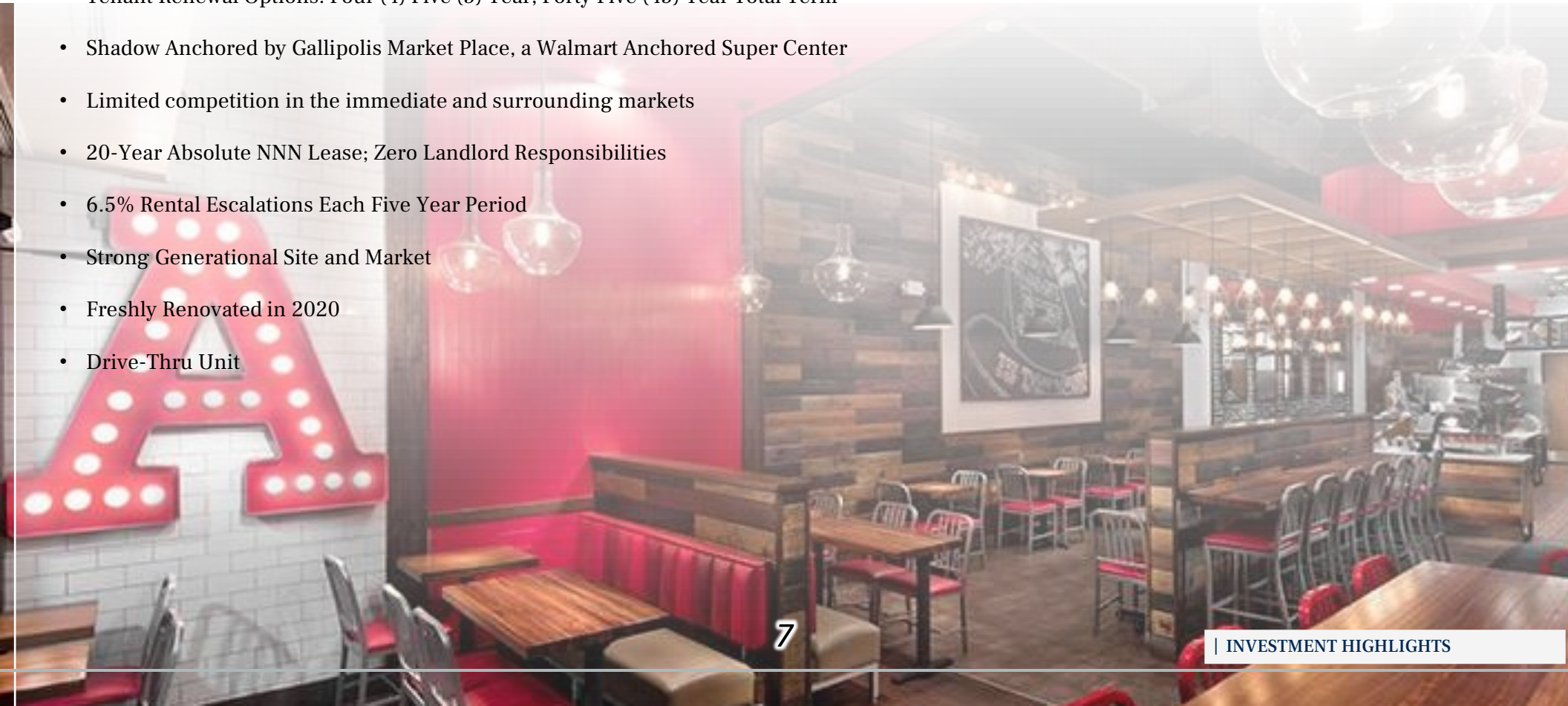


Arby's | 20-Year Absolute NNN Sale-Leaseback | Gallipolis, OH

1521 STATE ROUTE 7 SOUTH, GALLIPOLIS, OH 45631

INVESTMENT HIGHLIGHTS

- AES Owner & Founder John Wade is the Chairman of The Arby's Franchise Association responsible for all marketing
- AES Restaurant Group, LLC was named the 2019 Top Franchisee of The Year within Arby's System
- Long-Term Experienced Ownership with History of Success and Future Growth Plan
- Tenant Renewal Options: Four (4) Five (5) Year, Forty Five (45) Year Total Term
- Shadow Anchored by Gallipolis Market Place, a Walmart Anchored Super Center
- Limited competition in the immediate and surrounding markets
- 20-Year Absolute NNN Lease; Zero Landlord Responsibilities
- 6.5% Rental Escalations Each Five Year Period
- Strong Generational Site and Market
- Freshly Renovated in 2020
- Drive-Thru Unit



Arby's | 20-Year Absolute NNN Sale-Leaseback | Gallipolis, OH

ABOUT THE BRAND

The Arby's brand purpose is "Inspiring Smiles Through Delightful Experiences." Arby's delivers on its purpose by celebrating the art of Meatcraft with a variety of high-quality proteins and innovative, crave-able sides, such as Curly Fries and Jamocha shakes. Arby's Fast crafted restaurant services feature a unique blend of quick-serve speed combined with the quality and made-for-you care of fast casual. Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is part of the Inspire Brands family of restaurants headquartered in Atlanta, GA. Arby's, founded in 1964, is the second-largest sandwich restaurant brand in the world with more than 3,500 restaurants in nine countries.

ABOUT THE FRANCHISEE-OPERATOR BACKGROUND

Every franchisee carries a unique story, that is certainly the case with A.E.S (Attitude Equals Success). Founded in September of 2004, one man's passion for service, dedication to quality and commitment to positivity created the path for an empire. John Wade started his career in the restaurant business at the age of 16 when he went to work at "Grandy's" restaurant in Jefferson City, Missouri. By the age of 18, he was promoted to Assistant Manager and began to realize that fast food was more than just a job, it could be a profitable career. Starting in April of 1991, John began his career with RTM Arby's at Unit 1387 in Topeka, KS. After only 18-months with RTM he was promoted to Area Supervisor of four Arby's units in Lafayette and Crawfordsville, Indiana. After opening two new units in Lebanon and Lafayette, Indiana, John was transferred to Indianapolis, Indiana where he continued his service as an Area Supervisor. May of 1996 marked the promotion up to Director of Operations over the southern-half of Indianapolis. He and his team ended their first year as the number one district in all of RTM. John was awarded the first, of his two, Director of Operations of the Year Awards. A mere two years later in May of 1998, John was promoted to Vice President of Operations for the Mid-America Region. Over the next few years his area of control expanded from the Indianapolis market to include Ft. Wayne and Evansville, Indiana in addition to Louisville and Lexington, Kentucky; earning him the promotion of Regional Vice President (May 2000). After successfully growing the Mid-America Region of RTM, John was promoted to Region President in May of 2003. Shortly after, John left RTM to become an Arby's franchisee with the purchase of six Arby's units in Lafayette, Lebanon, and Frankfort, Indiana. It was with the acquisition of those six Arby's units that AES Restaurant Group, LLC was formed. The climb to 150-units continued and has carried through to 2022. Focusing on their people and internal growth, AES drives to promote within and supports a culture of opportunity for those with an attitude for success. Learn more at: <https://aesrestaurants.com/>

SECTION 2

Property Information

AERIAL MAP

PROPERTY PHOTOS



Gallia-Meigs Regional
Airport



**BURGER
KING**

Dairy Queen



Rural King
America's Farm and Home Store

Aaron's

Walmart

Cliffside Golf Course

AADT 14,984+

McDonald's



ARBY'S SALE-LEASEBACK

PROPERTY PHOTOS





SECTION 3

Arby's Financial Analysis

PRICING DETAILS

ARBY'S SALE-LEASEBACK

PRICING DETAILS //

THE OFFERING	
Property	Arby's Sale-Leaseback
Property Address	1521 OH-7, Gallipolis, OH 45631
Price	\$3,070,946
Capitalization Rate	4.65%
Price/SF	\$890.13

PROPERTY DESCRIPTION	
Year Built / Renovated	1999 / 2020
Gross Leasable Area	3,450 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.02 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	AES Restaurant Group, LLC.(158-Units Total)
Rent Increases	6.5% Each Five Year Period
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	At Close of Escrow
Initial Lease Term	20 Years After Close of Escrow
Renewable Options	Four, Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Taxes, Insurance and Maintenance
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$142,799
Year 1	\$142,799
Year 2	\$142,799
Year 3	\$142,799
Year 4	\$142,799
Year 5	\$142,799
Year 6	\$152,081
Year 7	\$152,081
Year 8	\$152,081
Year 9	\$152,081
Year 10	\$152,081
Year 11	\$161,966
Year 12	\$161,966
Year 13	\$161,966
Year 14	\$161,966
Year 15	\$161,966
Year 16	\$172,494
Year 17	\$172,494
Year 18	\$172,494
Year 19	\$172,494
Year 20	\$172,494



SECTION 4

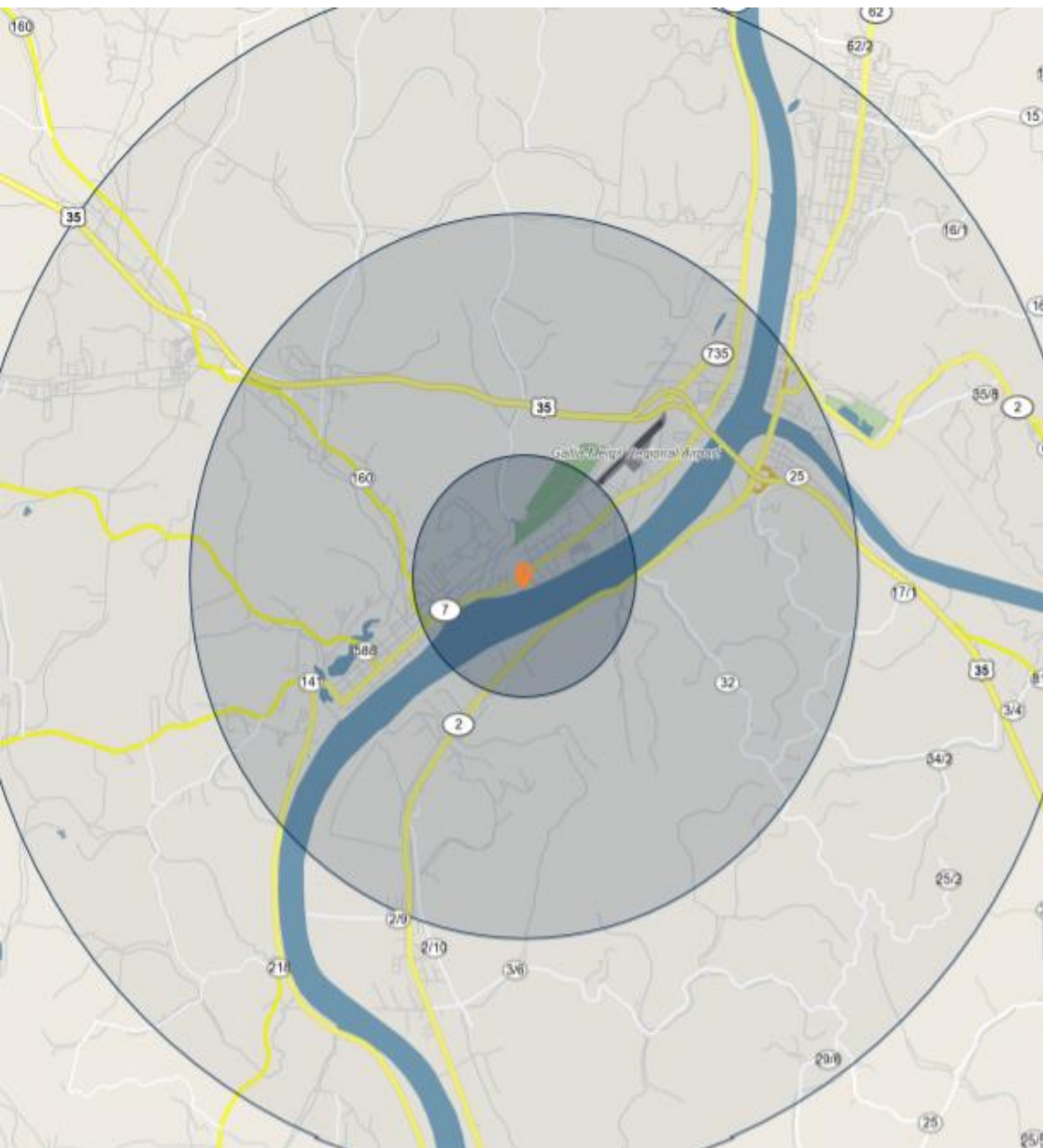
Market Overview

DEMOGRAPHICS

MARKET OVERVIEW

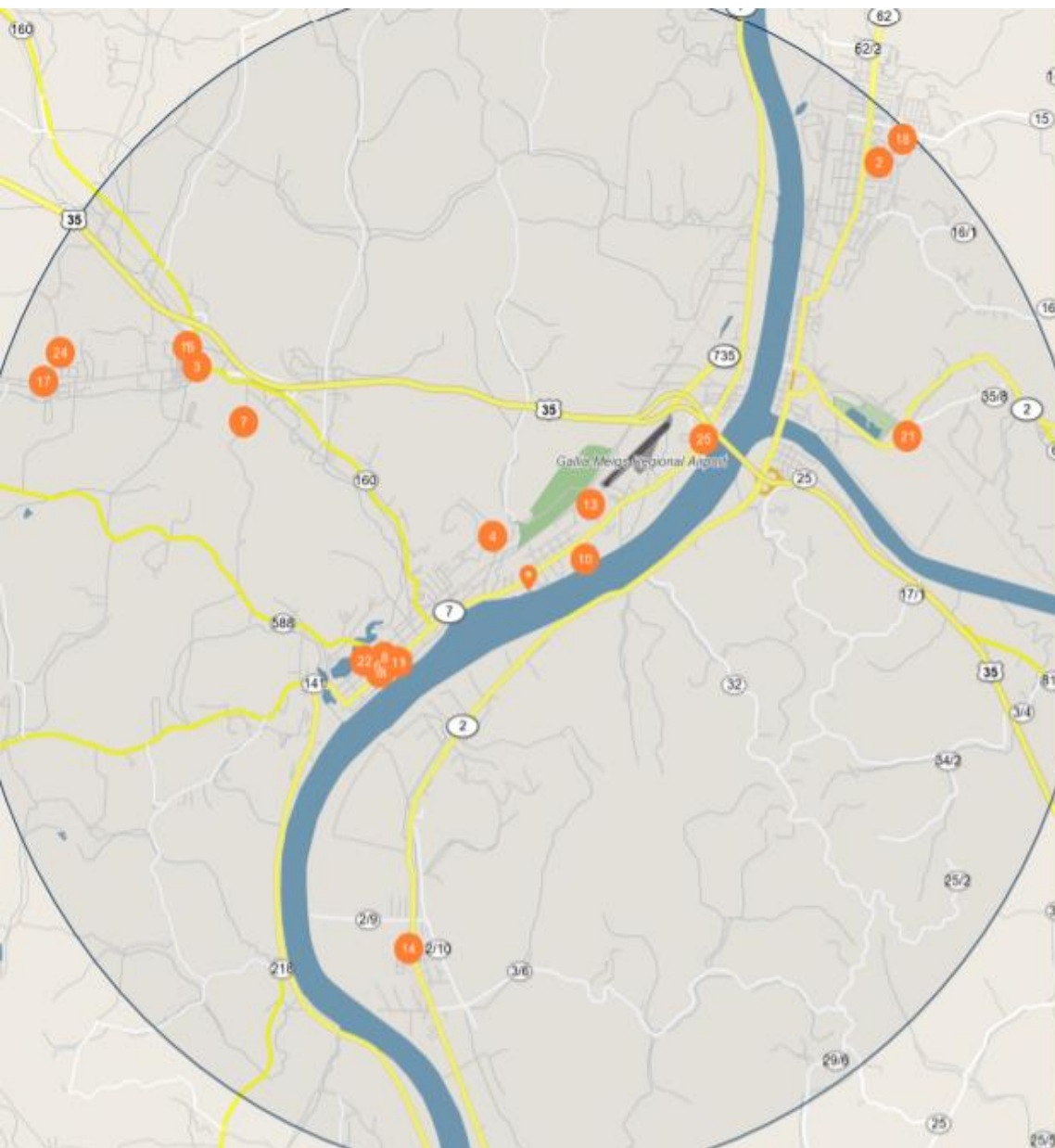
ARBY'S SALE-LEASEBACK

// Demographics



	1 Mile	3 Miles	5 Miles
POPULATION			
2026 Projection	1,539	6,539	15,890
2021 Estimate	1,542	6,572	15,980
2010 Census	1,578	6,729	16,454
2000 Census	1,923	7,592	17,396
HOUSEHOLD INCOME			
Average	\$44,766	\$56,338	\$62,103
Median	\$29,029	\$39,128	\$44,514
Per Capita	\$17,964	\$25,799	\$26,989
HOUSEHOLDS			
2026 Projection	605	2,960	6,832
2021 Estimate	602	2,959	6,832
2010 Census	598	2,985	6,957
2000 Census	704	3,340	7,285
HOUSING			
Median Home Value	\$96,050	\$109,425	\$109,064
EMPLOYMENT			
2021 Daytime Population	3,012	8,651	17,806
2021 Unemployment	12.56%	9.22%	8.30%
Average Time Traveled (Minutes)	29	24	26
EDUCATIONAL ATTAINMENT			
High School Graduate (12)	46.95%	42.78%	41.92%
Some College (13-15)	14.87%	16.76%	17.14%
Associate Degree Only	7.27%	6.82%	7.16%
Bachelor's Degree Only	5.89%	9.79%	10.79%
Graduate Degree	4.23%	5.49%	6.04%

ARBY'S SALE-LEASEBACK



1	Holzer Hospital Foundation-Holzer Medical Center	898
2	Pleasant Valley Hospital Inc	590
3	Holzer Clinic LLC-HOLZER CONSOLIDATED HEALTH SYS	566
4	Develpmntal Dsblties Ohio Dept-Gallipolis Developmental Ctr	510
5	Holzer Hospital Foundation	457
6	Gallipolis City School Dist	274
7	Electrocraft Ohio Inc	225
8	Ohio Valley Bank Company-Ohio Valley Bank	188
9	United States Dept of Navy	175
10	Walmart Inc-Walmart	152
11	County of Hamilton-Court of Common Pleas Divisn	141
12	MHS Legacy Group Inc	137
13	GKN Sinter Metals LLC-Precision Forged Products	130
14	Icl-lp America Inc	124
15	United States Dept of Army	121
16	Holzer Clinic LLC	112
17	Gallipolis Care LLC-Arbors At Gallipolis	110
18	Pleasant Valley Hospital Inc-Pleasant Vly Nrsng/Rehab Cntr	100
19	Gallipolis Opco LLC-Arbors At Gallipolis	100
20	County of Gallia-Gallia County Commissioners	95
21	Mason County Board Education	94
22	Gallipolis City School Dist-Gallia Academy Middle School	85
23	Holzer Dntl Clinic Jackson LLC	82
24	Vrable III Inc-Abbyshire PI Skilled Nrsing Rhb	81
25	Bob Evans Restaurants LLC-Bob Evans	75

ARBY'S SALE-LEASEBACK

// Market Overview

ABOUT GALLIPOLIS

Located in Southeastern Ohio, Gallipolis is a unique and charming community perched along the majestic Ohio River. Here you will find an ideal place to live and work. Gallipolis was recently named one of the 'Best Hometowns' in Ohio. Gallia County is home to a variety of industries including healthcare, manufacturing, energy, and agribusiness. Offering a workforce that is strong, skilled, and available to meet the needs of any industry. Gallia County successfully combines an abundant natural beauty with an appealing environment in which to live, highlighted by the historic and picturesque City of Gallipolis. Business and industry continue to thrive, both through expansion and new development. The majestic Ohio River offers transportation facilities, as a major thoroughfare from Pittsburgh to the Mississippi River.



Gallipolis, OH is centrally located near several metropolitan statistical areas (MSAs), providing employers the population and labor force to support their company's needs, all while still able to achieve the small town, rural American lifestyle.

With wage and cost of living rates below State and National Averages, Gallipolis is the second-largest community in the rural Point Pleasant micropolitan area, which includes all of Gallia County, Ohio and Mason County, West Virginia.

A photograph of an Arby's restaurant building with a tan brick facade and a red awning over the entrance. The building is set against a blue sky with light clouds. The text 'Arby's' is visible on the side of the building. In the foreground, there is a parking lot with a yellow bollard and a blue handicapped parking sign.

SECTION 5

About The Team

ANDREW JAWORSKI

TAREK CHBEIR

About The Team



Andrew Jaworski

Senior Associate

Hailing from New York State, Andrew Jaworski remains one of the most aggressive brokers in the Orlando Office, focusing strictly on retail and net-leased properties. The majority of his time is dedicated towards assisting franchisees and corporations creatively structure sale-leaseback transactions as a means of helping them expand their footprint. Andrew began his career with Marcus & Millichap as an intern during his final year at Rollins College while pursuing his Master's in Healthcare Administration.

Throughout this time, Andrew began studying the net-leased marketplace and growth trends throughout the South-Eastern United States, specifically quick-service restaurants (QSR's), pharmacies, automotive retail, and banks. Upon graduation, he expanded his research to other major counties throughout Florida. He has since expanded his reach, spanning back to his roots in New York where he travels frequently, building relationships with NNN buyers, sellers, and developers.



Tarek Chbeir

Associate

Tarek Chbeir is a Single and Multi-tenant Retail Investment specialist in the firm's Orlando office. Focusing strictly on Single and Multi-tenant retail properties, Tarek exclusively represents property owners throughout the States, providing clients with professional, responsive, and attentive advisory services through active research, investment sales, and updates through Marcus and Millichap Capital corporation.

Tarek has years of experience in the real estate industry, and prides himself in providing each and every client with a consistent quality service through Marcus and Millichap. Surpassing expectations and achieving the desired result is our primary motivation.

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EXCLUSIVE NET LEASE OFFERING



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