

BURGER KING

OFFERING MEMORANDUM

100 21ST ST N | MOORHEAD, MN



CITYSCAPES DEVELOPMENT LLC
COMMERCIAL REALTORS & DEVELOPERS

FINANCIAL OVERVIEW

100 21ST ST N, MOORHEAD, MN

OFFERING SUMMARY

Price:	\$2,410,780
Cap Rate:	5.00%
NOI:	\$120,539*
Price per Square Foot:	\$700.81
Rent per Square Foot:	\$35.04
Year Built:	1986
Approximate Lot Size:	1.04 Acres
Gross Leaseable Area:	3,440
Type of Ownership:	Fee Simple
Lease Guarantor:	Corporate Guaranty
Lease Type:	Triple Net
Roof and Structure:	Tenant Responsible

LEASE SUMMARY

Lease Commencement Date:	10/31/2014
Lease Expiration Date:	10/31/2034
Lease Term:	20 Years
Term Remaining:	12 Years
Increases:	1.25 Percent Annually
Options to Renew:	Four, Five-Year Options
Options to Terminate:	None
Options to Purchase:	None
First Right of Refusal:	None

*NOI is based of f 11/1/2021 Rent Increase



ANNUALIZED OPERATING DATA

Base Rent		Annual Rent	Monthly Rent	
11/1/2021	10/31/2022	\$120,539	\$10,045	1.25%
11/1/2022	10/31/2023	\$122,046	\$10,170	1.25%
11/1/2023	10/31/2024	\$123,571	\$10,298	1.25%
11/1/2024	10/31/2025	\$125,116	\$10,426	1.25%
11/1/2025	10/31/2026	\$126,680	\$10,557	1.25%
11/1/2026	10/31/2027	\$128,263	\$10,689	1.25%
11/1/2027	10/31/2028	\$129,867	\$10,822	1.25%

Base Rent		Annual Rent	Monthly Rent	
11/1/2028	10/31/2029	\$131,490	\$10,957	1.25%
11/1/2029	10/31/2030	\$133,134	\$11,094	1.25%
11/1/2030	10/31/2031	\$134,798	\$11,233	1.25%
11/1/2031	10/31/2032	\$136,483	\$11,374	1.25%
11/1/2032	10/31/2033	\$138,189	\$11,516	1.25%
11/1/2033	10/31/2034	\$139,916	\$11,660	1.25%
11/1/2027	10/31/2028	\$129,867	\$10,822	1.25%

INVESTMENT OVERVIEW

100 21ST ST N, MOORHEAD, MN

Cityscapes Development is excited to present this Burger King located in Moorhead, Minnesota. This property underwent Burger King's "20/20" remodel early and completed renovations in 2012. There are 12 years left on Burger King's triple net lease, where all expenses associated with the asset are the tenant's responsibility. The lease includes 1.25 percent annual rent increases over the base term and in the four five-year renewal options. It features a corporate guaranty by Meridian Restaurants Unlimited, Limited Company—a franchisee restaurant operator with multiple concepts and over 100 restaurants—as well as a strong, full-term, personal guaranty from its principals.

The property is just a couple miles east of Fargo, North Dakota, which is the largest city in the state and one of the fastest growing metro areas in the Midwest. Situated at the signalized intersection of Center Avenue and 21st Street North in Moorhead, this location sees more than 29,000 vehicles per day (VPD). This Burger King also benefits from being located in a college town and is within four miles of North Dakota State University, Minnesota State University Moorhead, and Concordia College. Combined, these universities bring over 22,000 students to the area, and the North Dakota State University Bison are one of the nation's premier Division I Football Championship Subdivision (FCS) teams. They play in the Fargodome, an arena in north Fargo that hosts sporting events, concerts, and trade shows with a capacity of 19,000 fans.

Nearby tenants include Buffalo Wild Wings, O'Reilly Auto Parts, U.S. Bank, Wells Fargo, McDonald's, KFC, Taco Bell, UPS, Pizza Hut, Subway, Walgreens, Casey's General Store, Target, Starbucks, Arby's, Walmart Supercenter, and many more.



- Burger King in Moorhead, MN - 2.5 miles from Fargo, ND - The largest city in North Dakota
- Fargo ranked second fastest growing midwestern metro according to Census Bureau Data (2016)
- Asset received Burger King "20/20" remodel early and renovations completed in 2012
- Triple net lease with zero landlord responsibilities - 12 years remaining in the base term
- Strong inflation hedge - 1.25 percent annual rent increases over the base term and in four five-year renewal options
- Lease is corporately guaranteed by Meridian Restaurants Unlimited, L.C. plus a full-term personal guaranty from both principals
- Located at signalized intersection of Center Avenue and 21st Street North - Sees more than 29,000 vehicles per day (VPD)
- Strong demographics - More than 214,000 residents with an average household income greater than \$74,000 in the five mile radius
- Located within four miles of North Dakota State University, Minnesota State University Moorhead, Concordia College, and Moorhead High School - More than 24,000 students

TENANT OVERVIEW

100 21ST ST N, MOORHEAD, MN



3G Capital



Every day, more than 11 million guests visit Burger King restaurants around the world. And they do so because Burger King 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, Burger King's commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined their brand for more than 50 successful years. In 2010, 3G Capital, a global multi-million-dollar investment firm focused on long term value creation, purchased Burger King Corporation, making it a privately held company. In 2014, Burger King purchased Tim Hortons, and after the deal closed, Burger King was renamed Restaurant Brands International, Incorporated. As of June 2017, 3G capital owns more than 96 percent of Restaurant Brands International.

Meridian Restaurants was founded in 2002 with 14 restaurants, consisting of three top-tier brands across eight mid-western states: Burger King, Black Bear Diner, and Chili's. The tenant; NDM Restaurants, Limited Company; is a wholly owned subsidiary of Meridian Restaurants Unlimited, Limited Company. The lease is corporately guaranteed by Meridian Restaurants Unlimited, Limited Company, and also has a full-term personal guaranty from the entity's principals: David A. Harper and Stephan L. Ralston.

Harper is a Senior Restaurant Operations Executive with more than 25 years of experience in multi-unit management, financial accountability, strategic planning, and project management in both franchisee and company operations. As of March 2016, Harper was an operating partner in more than 70 Burger Kings registering more than \$68 million in annual sales.

TENANT PROFILE

Tenant Trade Name: Burger King

Ownership: Private

Tenant: NDM Restaurants, Limited Company

Headquartered: South Ogden, Utah

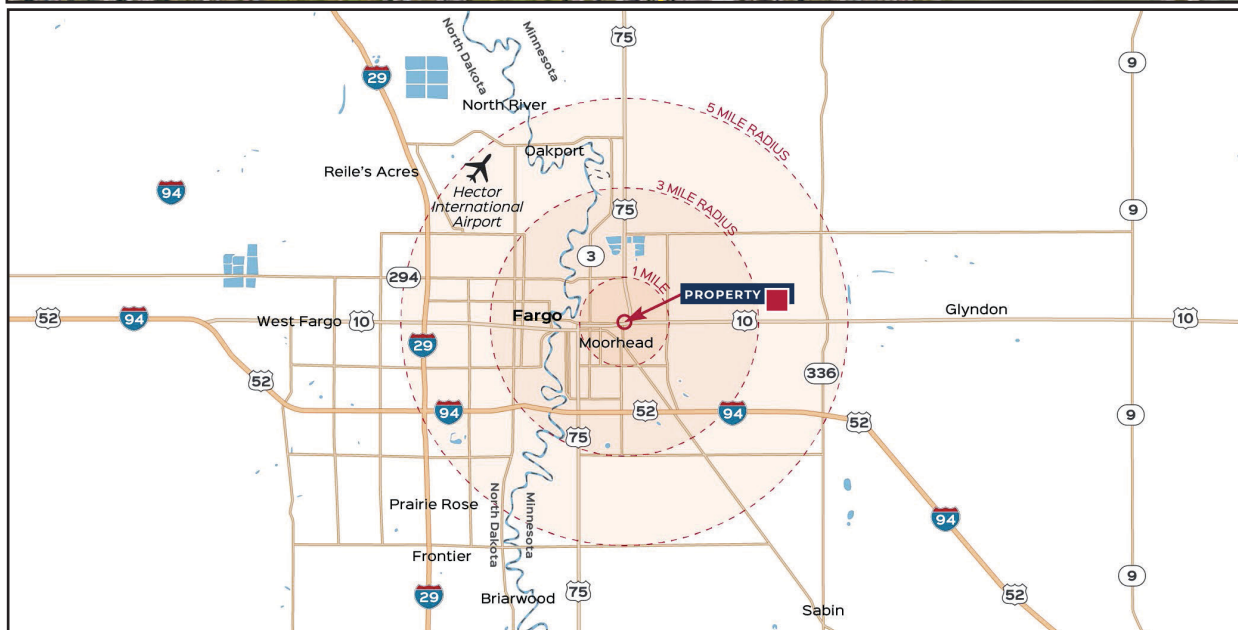
Lease Guarantor: Limited Company + Full-Term Personal Guaranty

Number of Locations: 100 Units

Website: <https://www.meridianrestaurantsunlimited.com/>

AREA OVERVIEW + DEMOGRAPHICS

100 21ST ST N, MOORHEAD, MN



Population	1-Mile	3-Miles	5-Miles
2000	9,543	62,811	111,426
2010	9,920	66,571	116,864
2017	10,458	71,495	127,379
2022	11,057	77,514	139,729

Households	1-Mile	3-Miles	5-Miles
2000	3,396	25,474	45,549
2010	3,564	27,480	49,104
2017	3,819	29,770	53,778
2022	4,058	32,475	59,381

Household Incomes	1-Mile	3-Miles	5-Miles
2017 Average	3,396	25,474	45,549
2017 Median	3,564	27,480	49,104
2017 per Capita	3,819	29,770	53,778

MARKET OVERVIEW

100 21ST ST N, MOORHEAD, MN

Located along the banks of the Red River of the North, Moorhead, Minnesota, boasts extremely fertile land and strong agricultural roots. It is the largest city in northwest Minnesota and is home to various notable corporate, manufacturing, and distribution industries, including American Crystal Sugar, Busch Agricultural Resources, and Pactiv. The city maintains stable property values and an unemployment rate consistently below the national average.

Moorhead has a rich historic and cultural scene. Well-known staples include the Hjemkomst Center and the Rourke Art Gallery and Museum. The Hjemkomst Center serves as a museum and home to the Hjemkomst Viking Ship, which actually sailed from the shores of Minnesota to Norway and is a full-scale replica of the Gokstad burial ship. The Rourke is housed in the historic Moorhead Federal Post Office building and showcases a variety of works ranging from regional art to global historical artifacts.

The city's historic Dairy Queen on 8th Street was one of the original stores in the Dairy Queen system and the birthplace of the famous Dilly Bar. Still operating under the original franchise contract, this location has more flexibility in menu options, serving up sweet treats patrons cannot find elsewhere.

Moorhead is also home to the Bluestem Center for the Arts and Trollwood Performing Arts School. Trollwood is a renowned summer arts and theater program housed at Bluestem, a 3,000-seat outdoor amphitheater and performance venue that has welcomed musical acts including Chicago, Goo Goo Dolls, The Beach Boys, and Weezer.



CITYSCAPES DEVELOPMENT

100 21ST ST N, MOORHEAD, MN



Cityscapes Development hereby advises all prospective purchasers of Net Leased property as follows:

This Marketing Brochure contains information that has been acquired from sources we believe to be reliable. Cityscapes Development has not and will not verify any of this information, nor have we investigated these matters. Cityscapes Development makes no guarantee, warranty, or representation whatsoever about the accuracy or completeness of any information provided.

The Buyer of a net-leased property is responsible for independently confirming the accuracy and completeness of all material information before finalizing any purchase. This Marketing Brochure is not a substitute for the Buyer's thorough due diligence investigation of this investment opportunity. Cityscapes Development expressly denies any obligation to perform a due diligence examination of this property for the Buyer.

The value of a net-leased property to you, the Buyer, depends on factors that should be evaluated by you and your tax, financial, and legal advisors. Any projections, opinions, assumptions, or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property.

To determine your satisfaction with a net-leased property and its suitability for your needs, Buyer and Buyer's tax, financial, legal, and construction advisors should perform a thorough, independent investigation of the property.

As with all real estate investments, this investment carries significant risks. The Buyer and their legal and financial advisors must request and carefully review any legal and financial documents associated with the property and tenant. While it is necessary to consider the tenant's past performance at this or other locations, future success is not guaranteed. Likewise, the lease rate for some properties, including newly constructed facilities or newly acquired locations, may be based on similar rents in the area or on the tenant's projected sales with little or no record of actual performance. This does not guarantee returns. The tenant and any guarantors may fail to make lease rent or property tax payments, they may fail to comply with other material terms of the lease, or cash flow may be interrupted in part or whole due to market, economic, environmental, or other conditions. Buyer is responsible for completing his or her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, regardless of tenant history and lease guarantees. This includes the likelihood of finding a replacement tenant if the current tenant should default or abandon the property, the lease terms that the Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and the Buyer's legal ability to make alternate use of the property.

By reading and accepting this Marketing Brochure, you agree to release Cityscapes Development and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net-leased property.

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LISTED BY

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