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OFFERING MEMORANDUM

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WEST
CAPITAL



Subway
Decatur, IN | Fort Wayne MSA

This property is listed in conjunction with Indiana-licensed real estate broker Brad Sturges.

www.preservewestcapital.com



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Disclaimer

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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PROPERTY HIGHLIGHTS



Property Highlights

- New True NNN Lease to Established Subway Franchisee with Drive-Thru Component
 - 7% Scheduled Rental Escalations in Primary Term & Options
- Subway has Over 40,000 Locations in 50 States and 100 Countries
 - System-Wide Sales of \$9.4 Billion in 2021
- Subway Systems, LLC, the Franchisee Operates Dozens of Stores in the Region
- Pandemic-Resistant Use Well-Adapted to Drive-Thru & Carry Out Business
- Substantial Remodel to be Completed in September 2022
 - Significant Investment into the Remodel Paid for by Operator Showing Long Term Commitment to Site
- Excellent Visibility Along Main Retail Corridor
 - Major Retail Tenants in Surrounding Area Include Kroger, CVS, McDonald's, Burger King, Wendy's, Anytime Fitness, Taco Bell, and Dairy Queen
- Robust Demographics in Surrounding Area within a 10-Mile Radius
 - Total Population of 27,547
 - Average Household Income of \$81,232
- Excellent Access and Visibility at Junction of U.S. Routes 27 and 224
 - Combined AADT of 32,709
- Less than 2 Miles from Belmont High School (700 Students), Belmont Middle School (360 Students), and St. Joseph Catholic School (371 Students)
- 2 Miles from Adams Memorial Hospital
 - 25-Bed Critical Access Hospital that is Constantly Expanding in Specialty Services
- Part of the Fort Wayne MSA with Population of 423,038





Location

The property is located at 239 North 13th Street in Decatur, Indiana.

Lot Size

Approximately 0.23 acres or 10,019 square feet.

Improvements

A 1,216 square foot retail restaurant building for **Subway** with a drive-thru component.

Lease

Leased to **Subway Systems, LLC** for 10 years from September 30, 2022 through September 30, 2042 at a current annual rent of \$36,000. There are four (4) five-year options to renew the lease. Rent is to increase by 7% every 5 years and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance. Guarantors Subway Systems, LLC, Mark Minnick and Paul Miller shall be responsible for maintaining and replacing the remaining elements of the building and property.

The lease is guaranteed by Subway Systems, LLC, as well as personally guaranteed for three years by Mark Minnick and Paul Miller. Subway Systems, LLC owns the real estate. The Subway Systems, LLC entity is 60% owned by Mark Minnick and 40% owned by Paul Miller. Financials of the guarantors and a guaranty will be provided to qualified buyers.

Financing

This property will be delivered free and clear of permanent financing.

PRICE

\$800,000
4.50% Return

Annual Rent

Years	Annual Rent	Return
1-5	\$36,000	4.50%
6-10	\$38,520	4.82%
11-15 (Option 1)	\$41,216	5.15%
16-20 (Option 2)	\$44,102	5.51%
21-25 (Option 3)	\$47,189	5.90%
26-30 (Option 4)	\$50,492	6.31%

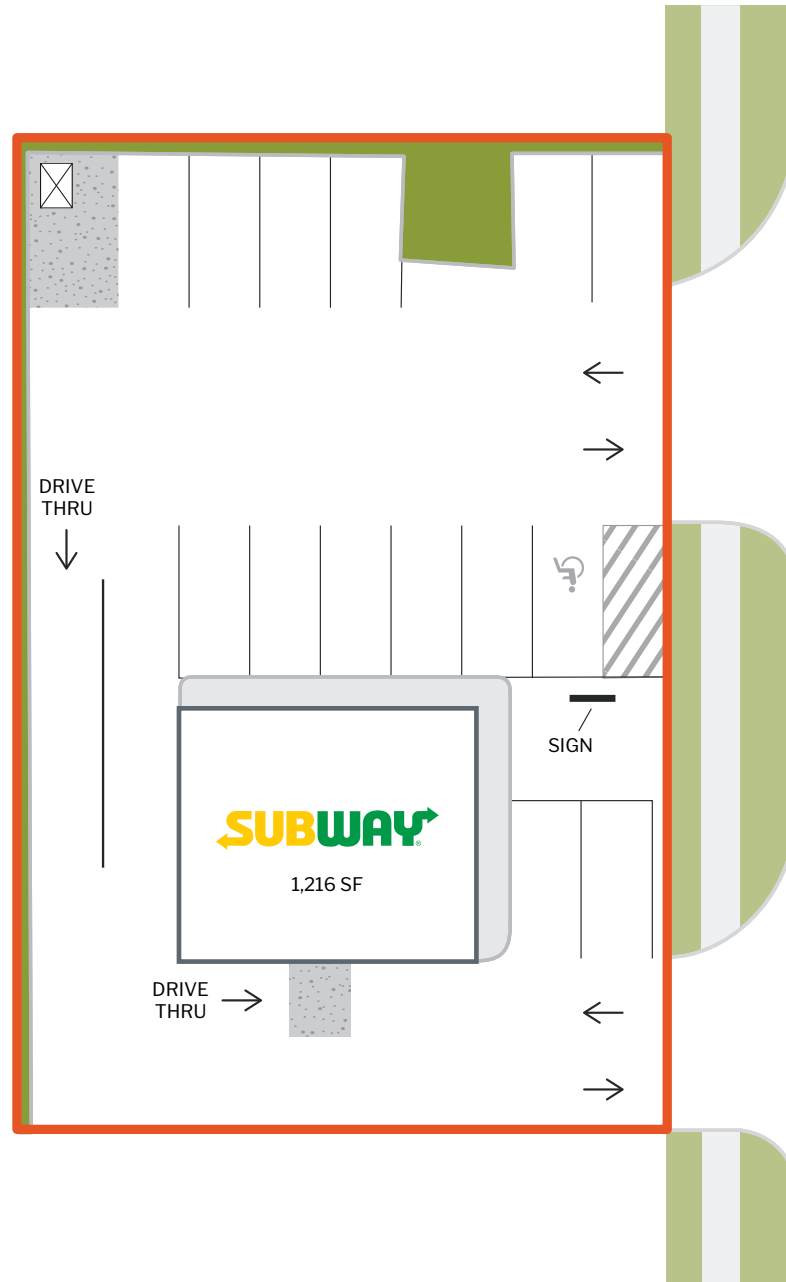


Subway was founded in 1965 in Bridgeport Connecticut. It has grown to be the world's largest submarine sandwich chain with over 40,000 locations. They pride themselves on freshly made, convenient, and affordable food. They serve made-to-order sandwiches, wraps, and salads across 100 countries. The restaurants are owned and operated by a network of 20,000 franchisees.

There is a subway located in all 50 states with over 20,000 restaurants in the US alone. They have approximately 410,000 employees across all of their locations. In 2021, the company had system-wide sales of \$9.4 Billion. US sales exceeded projections by nearly \$1.4 billion and Subway had its highest annual system average unit volume (AUV) since 2014. Subway Systems, LLC operates 18 stores.

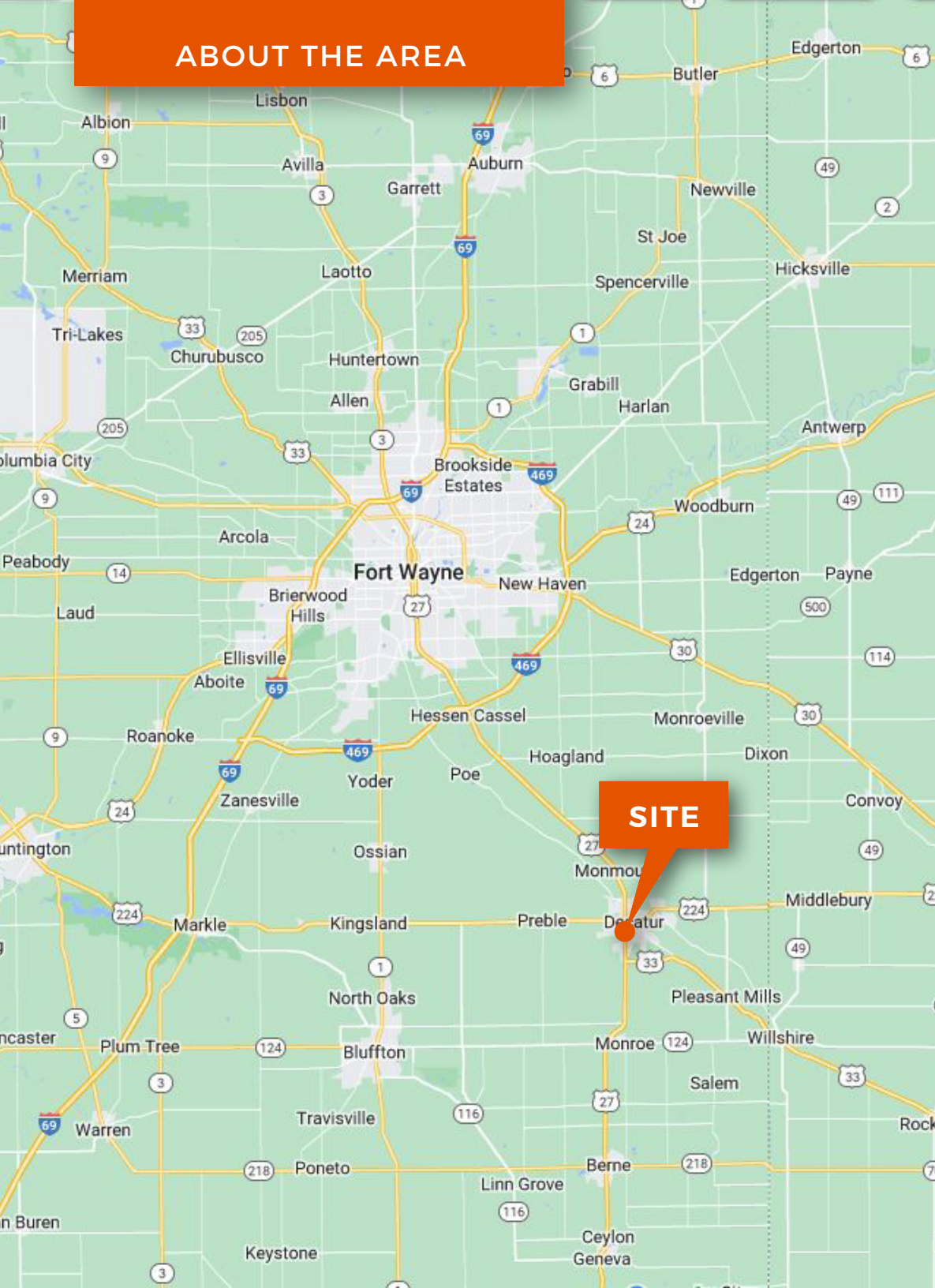


SITE PLAN



N 13TH STREET
27

ABOUT THE AREA



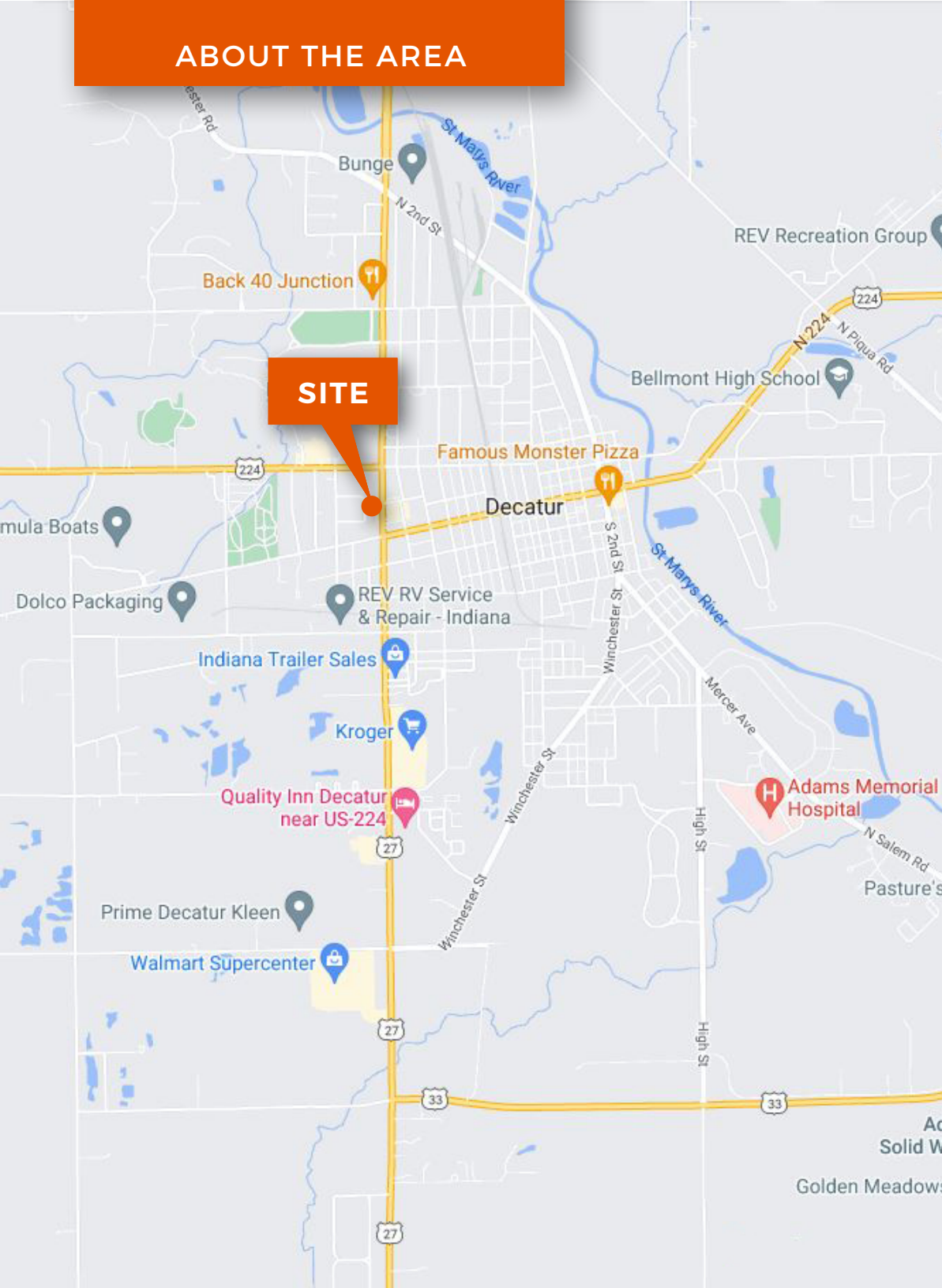
General Overview

Decatur (population 10,015) is a city in Root and Washington townships and the seat of Adams County, Indiana. Located at the intersection of U.S. Route 224, a spur of U.S. 24 connecting Indiana, Ohio, and Pennsylvania, and U.S. Route 27, a major north-south arterial connecting Decatur to Fort Wayne to the north and reaching its southern terminus in Miami, FL. U.S. Route 33 splits off from U.S. 27 just south of Decatur and continues east across the Ohio border toward its terminus in Virginia.

Decatur is home to Adams Memorial Hospital, which has been recognized as one of the Top 100 Critical Access Hospitals in the United States and opened a new facility in 2005. Decatur has been ranked the third safest city in Indiana, largely due to its focus on establishing a family-oriented community with strong pride of place. Greater Decatur, a citizen's initiative formed in 2012, assists the city in establishing long term priorities for the community in order to attract, retain, and engage citizens through enhanced quality of life and economic prosperity. The city has worked to expand transportation options, promote equitable and affordable housing, and enhance economic competitiveness in pursuit of these goals. As a result of the city's pro-business policies, Decatur was recently ranked the sixth best place to start a business in Indiana.

Adams county is part of the NE Indiana Regional Partnership, a collaboration of eleven Northeast Indiana counties to encourage economic development. The Adams County Economic Development Corporation partners with local, regional, and state agencies to assist in business development and administers three low-interest revolving loan funds to help meet the needs of growing local businesses. One of the top employers in Adams County and Decatur, FCC Adams LLC, which manufactures automatic transmission clutches, undertook a \$128.5 million 140,000 square foot expansion of its existing 295,000 square foot manufacturing facility. Another large Decatur employer, REV Recreation Group, an RV manufacturer, has invested more than \$6 million in renovations, additions, and improvements to their 180-acre manufacturing campus and visitor center. In 2021, POWERHOME SOLAR announced they will expand into Decatur, opening a warehouse that will house 100 employees.

ABOUT THE AREA



Site Information

The property is strategically located near the junction of N 13th St (U.S. 27), W Monroe St (U.S. 224), and Nuttman Ave with a combined AADT of 32,709. Situated on Decatur's main retail corridor, the subject property benefits from strong visibility in a highly trafficked location. The site benefits from strong demographics with a total population of 27,547 and average household income of \$81,232 within a 10-mile radius.

The property is in close proximity to shopping centers, schools, and residential neighborhoods. Village Green Shopping Center is anchored by Kroger and features tenants including Tractor Supply Co, Great Clips, Dollar Tree, Maurices, Rent-A-Center Cricket Wireless, and Little Caesars; Gerber Shopping Center is a Dollar General-anchored plaza with State Farm, United Way, Pizza King, and Fifth Third Bank. Other major tenants in the area include Wells Fargo, McDonald's, CVS, Walgreens, Verizon, Dairy Queen, Hardee's, Rural King, CVS, Burger King, Wendy's, Taco Bell, and NAPA Auto Parts. The property is located less than 2 miles from a high-performing 184,013 square foot Walmart Supercenter.

Decatur's two elementary schools, middle school, and high school, with a total combined enrollment of more than 1,700 students, all lie within a 2-mile radius of the site. Adams Memorial hospital, a 25-bed critical access hospital is approximately 2 miles from the property. Cross Creek Golf Club, a 27-hole course spanning 8,621 yards is an 8-minute walk from the site.



239 N 13th St | Decatur, IN 46733



2022 POPULATION

27,547



AVG. HOME VALUE

\$215,423



AVG. HOUSEHOLD INCOME

\$81,232

Population Summary	3 Miles	5 Miles	10 Miles
2010 Total Population	12,435	15,109	27,240
2022 Total Population	12,316	14,999	27,547
2027 Total Population	12,271	14,951	27,545
2022 Total Daytime Population	14,880	16,626	25,545
Average Household Income			
2022	\$66,831	\$71,921	\$81,232
2027	\$76,471	\$81,885	\$92,816
Average Home Value			
2022	\$179,914	\$192,680	\$215,423
2027	\$193,265	\$205,331	\$232,884

Major Employers in Adams County

- Thunderbird Products
- Smith Brothers of Berne Inc
- Gold Shield Fiber
- Formula Boats
- Swiss Village
- Red Gold Geneva Facility
- Adams Woodcrest
- Walmart Supercenter
- Bunge North America
- Elkhart Products



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