

NEW SINGLE-TENANT 15-YEAR  
ABSOLUTE NNN LEASE

FOR SALE: \$2,400,000



ACTUAL SITE

1314 S BROADWAY ST | PITTSBURG, KANSAS

CBRE

Investment Properties | National Net Lease Property Group

OFFERING MEMORANDUM



## THE NET LEASE PROPERTY GROUP - PHOENIX

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FOR ALL OF OUR AVAILABLE LISTINGS, PLEASE VISIT: [WWW.CBRE.US/NLPGPHOENIX](http://WWW.CBRE.US/NLPGPHOENIX)

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## INVESTMENT OPPORTUNITY

CBRE and the Net Lease Property Group in Phoenix have exclusively listed the Freddy's Frozen Custard & Steakburgers at 1314 South Broadway Street in Pittsburg, Kansas (The "Property") for sale. The Property is strategically positioned on the western side of US Route 69, just south of downtown Pittsburg.

The investment consists of a brand-new 15-year single-tenant absolute triple-net (NNN) lease with Freddy's Frozen Custard & Steakburgers (dba JRI Restaurant Holdings, LLC). The lease includes attractive 10% rental increases every five years in the initial term and throughout the four (4), five (5) year options. The Property is made up of ±2,970 rentable square feet on approximately 22,312 square feet of land.

Freddy's Frozen Custard & Steakburgers is a fast-casual restaurant franchise, known for premium, lean, ground beef steakburgers and dessert treats, prepared with freshly-churned chocolate or vanilla frozen custard. A privately owned and family-oriented company, their tasty menu items coupled with exceptional guest service and industry-leading cleanliness

standards are why their guests make return visits. Please see page 8 in the offering memorandum for more details on the successful tenant JRI Management.

The Property benefits from a great location just around the corner from Pittsburg State University, approximately 1-mile south of downtown Pittsburg. Pittsburg State is a fully accredited state university with more than 200 academic programs and approximately 7,000 students (Source: Pittstate.edu).

Pittsburg is a family oriented community that is committed to their city. They have invested more than \$52M in the last decade to revitalize their downtown, largely with funds from private investors (Source: pittks.org). A public-private partnership with the city, PSU, and a private developer resulted in Block22; an innovative, mix-use, living-learning community in downtown Pittsburg. Block22 transforms four historic buildings at 4th and Broadway into an entrepreneurial epicenter; minutes from the Property (Source: block22psu.com).

## INVESTMENT HIGHLIGHTS

- Ideal single-tenant absolute triple-net (NNN) investment opportunity, offering a 15-year lease with attractive 10% rental increases every five years.
- Freddy's has +300 restaurants nationwide with many under development.
- The tenant, JRI Management is the largest Freddy's franchisee with +59 locations in 10 states.
- In 2018, Freddy's was named for the fifth year in a row as one of the top 10 on Franchise Times magazine's Fast & Serious list, and for a sixth time to Entrepreneur's Franchise 500 list (ranked #44). In 2017, Freddy's was included on Inc Magazine's 500/5000 list of "Fastest Growing Private Companies" for the fifth consecutive year.
- Top employers in the area include Pittsburg State University (±1,867 employees), Crossland Construction (±1,400 employees), Downstream Casino & Resort (±1,100 employees), Via Christi Hospital (±775 employees), among others (Source: Pittsburgareachamber.com).
- Approximately 1-mile south of the Property and within walking distance of the Pittsburg State University campus is Meadowbrook Mall & Meadowbrook Commons. Meadowbrook Mall is at near capacity with national and regional retailers including: AMC Theatres, JCPenney, Hibbett Sports, GNC, Gordmans, Maurices, Bath & Body Works, and many more.
- Block22 is approximately 1-mile north of the Property and features residential, commercial, dining, and entertainment spaces with ±100 student apartments (Source: block22psu.com).

*"Exercise and keep in shape so you can enjoy Freddy's Frozen Custard & Steakhburgers at least twice a week!"*  
~ Freddy Simon



ACTUAL SITE



## PRICING SUMMARY

<b>ADDRESS</b>	1314 S Broadway St Pittsburg, KS 66762
<b>PRICE</b>	\$2,400,000
<b>CAP RATE</b>	6.25%
<b>NOI</b>	\$150,000
<b>YEAR BUILT</b>	1997/2008
<b>RENTABLE SF</b>	±2,970
<b>LAND SF</b>	±22,312
<b>PARCEL NUMBER</b>	0192093101001016000
<b>DRIVE-THRU</b>	Yes

## LEASE SUMMARY

<b>TENANT'S NAME</b>	Freddy's Frozen Custard & Steakburgers
<b>COMPANY TYPE</b>	Private
<b>LEASE GUARANTOR</b>	JRI Restaurant Holdings, LLC
<b>LEASE GUARANTY</b>	Franchisee
<b>LEASE TYPE</b>	Absolute Triple Net (NNN)
<b>LEASE COMMENCEMENT</b>	At the Close of Escrow
<b>RENT COMMENCEMENT</b>	At the Close of Escrow
<b>LEASE EXPIRATION</b>	15 Years at the Close of Escrow
<b>INITIAL LEASE TERM</b>	15 Years at the Close of Escrow
<b>LEASE TERM REMAINING</b>	15 Years
<b>RENT INCREASES</b>	See Return Schedule
<b>OPTIONS TO RENEW</b>	Four (4), Five (5) Year
<b>CBRE DEAL FLOW PROPERTY WEBSITE</b>	<a href="http://www.CBRE-Freddys&lt;br/&gt;Pittsburg.com">www.CBRE-Freddys Pittsburg.com</a>
<b>NLPG PHOENIX TEAM WEBSITE</b>	<a href="http://www.cbre.us/nlpgphoenix">www.cbre.us/nlpgphoenix</a>



## ACTUAL SITE

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## RETURN SCHEDULE

YEAR	NOI	RENT INCREASES EVERY 5 YEARS	CAP RATE RETURN
<b>YEARS 1-5</b>	\$150,000.00	N/A	6.25%
<b>YEARS 6-10</b>	\$165,000.00	10%	6.88%
<b>YEARS 11-15</b>	\$181,500.00	10%	7.56%
<b>YEARS 16-20</b>	\$199,650.00	10%	8.32%
<b>YEARS 21-25</b>	\$219,615.00	10%	9.15%
<b>YEARS 26-30</b>	\$241,576.50	10%	10.07%
<b>YEARS 31-35</b>	\$265,734.15	10%	11.07%

\* Initial term is highlighted

## DEMOGRAPHICS

2018	15 MILES	20 MILES	25 MILES
<b>POPULATION</b>	42,894	68,382	144,422
<b>TOTAL BUSINESSES</b>	2,005	2,681	5,694
<b>EMPLOYEES</b>	21,782	26,575	63,816
<b>AVERAGE HOUSEHOLD INCOME</b>	\$53,878	\$59,174	\$58,899
<b>MEDIAN AGE</b>	35.1	36.3	36.4
<b>TRAFFIC COUNTS</b>	S Broadway St (69)	±5,050 VPD	(2017)
	Quincy St	±9,750 VPD	(2017)
	US-160	±13,600 VPD	(2017)

(Sources: Esri, KDOT)

# PROPERTY OVERVIEW

## CORPORATE OVERVIEW



Freddy's Frozen Custard & Steakburgers is a fast-casual restaurant franchise, known for premium, lean, ground beef steakburgers and dessert treats, prepared with freshly-churned chocolate or vanilla frozen custard. As the name implies, the restaurant concept places equal emphasis on both, famously branding this distinct concept as "The Taste That Brings You Back."

A privately owned and family-oriented company, their tasty menu items coupled with exceptional guest service and industry-leading cleanliness standards are why their guests make return visits. Freddy's was co-founded in 2002 in Wichita, Kansas, by brothers Bill and Randy Simon, and their friend and business partner, Scott Redler, the three men named the restaurant after Bill and Randy's father, Freddy Simon, a World War II veteran.

You can taste the quality of Freddy's Frozen Custard & Steakburgers' menu items and appreciate the wholesome, fun atmosphere in every location. It's all about optimism, patriotism and the upbeat values of our great country and its greatest generation. Captioned photos in the restaurants are genuine photos of co-founder Freddy. The business model revolves around genuine guest hospitality and service with a smile.

Freddy's has ±300 restaurants operating in the United States with more coming soon. (Source: [Freddysusa.com](http://Freddysusa.com))

## FRANCHISEE OVERVIEW

Jason Ingermanson, President, Founder and CEO of JRI, Inc. has created a business management team that now manages ±59 Freddy's Frozen Custard & Steakburgers and three MOKAS restaurants nationwide. JRI Management is located in Salina, Kansas with a staff of 20 and employs over 1,800 people nationally.

In his long-standing and unique entrepreneurial style, Jason has led JRI Management to a position of national leadership among Freddy's franchise owners, owning and managing ±59 of the 220-plus franchises in the United States. Jason opened his first Freddy's franchise in 2009 in Salina, Kansas, and now owns and manages Freddy's restaurants in 10 states. His leadership and ambition have created a management company with a team that places integrity and dedication to quality foremost among its long list of attributes. (Source: [jrimgmt.com](http://jrimgmt.com))



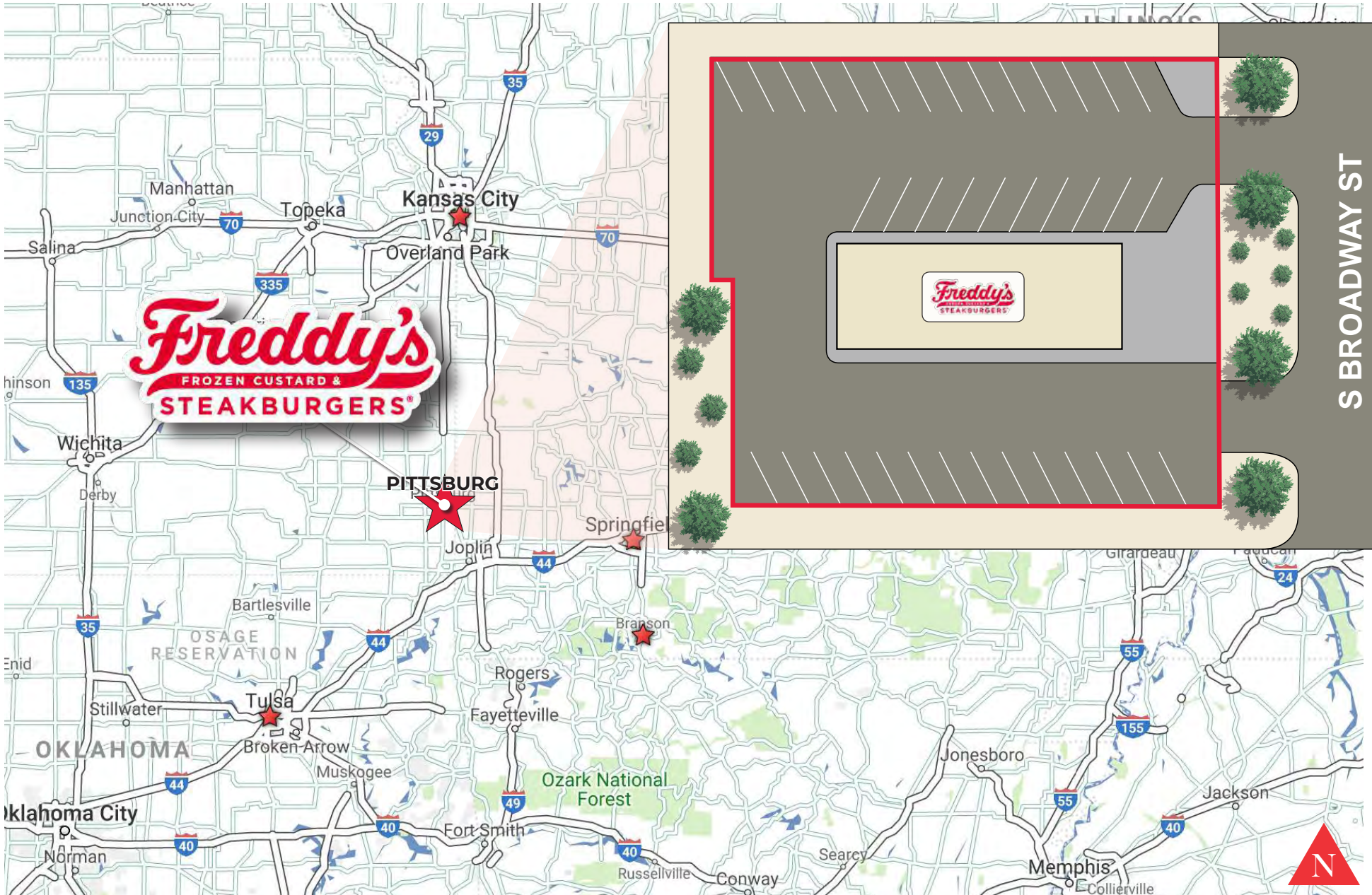




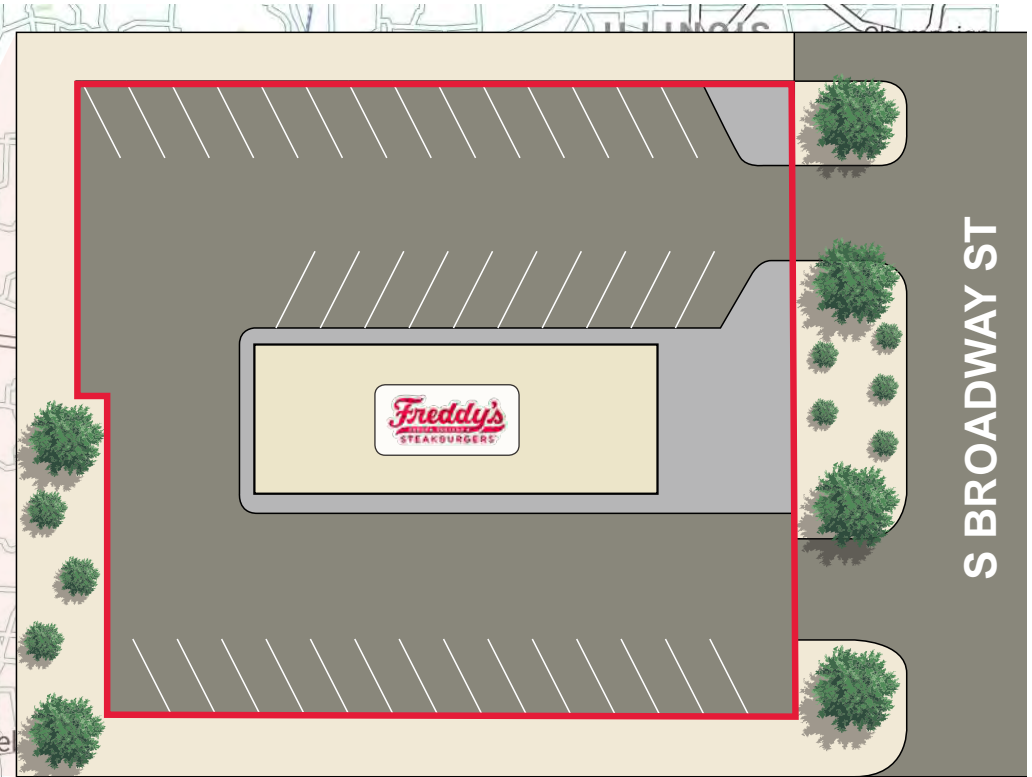
ACTUAL SITE PHOTOS

# PROPERTY OVERVIEW

## REGIONAL MAP

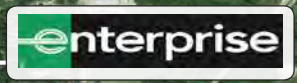


## SITE PLAN



DOWNTOWN PITTSBURG

BLOCK22  
±97 APARTMENTS  
CO-WORKING  
SPACE & MULTIPLE  
DINING OPTIONS



LAKESIDE PARK



MASONITE INTERNATIONAL  
±230 EMPLOYEES

PITSCO  
±180 EMPLOYEES



GN BANK



MILLER'S PROFESSIONAL IMAGING  
±287 EMPLOYEES



**Freddy's**  
FROZEN CUSTARD &  
STEAKBURGERS®

QUINCY ST (±9,750 VPD\*)



MEADOWBROOK MALL - MEADOWBROOK COMMONS  
MEADOWBROOK ANNEX

JCPenney    AMC THEATRES    maurices

Edward Jones  
MAKING SENSE OF INVESTING

Gordmans    Bath & Body Works    SALLY BEAUTY SUPPLY

GNC LIVE WELL    claire's    Buckle B buckle.com

S BROADWAY ST (±5,050 VPD\*)

UNIVERSITY COMMONS  
APARTMENT HOMES  
±164 UNITS

CARNIE SMITH STADIUM

Pittsburg State University  
±200 ACADEMIC PROGRAMS  
±7,000 STUDENTS

US-160 (±13,600 VPD\*)

GEORGE E NETTELS  
ELEMENTARY  
±390 STUDENTS

\* SOURCE: KDOT, 2017



# MARKET OVERVIEW

## PITTSBURG

With a population of ±20,223, Pittsburg is the largest city in Southeast Kansas. Pittsburg was established in 1876 by Col. E.H. Brown with the first home built that same year by J.T. Roach. The city's first business was a general store started by G. W. Seabury and Co. Pittsburg and was incorporated in 1879.

Both businesses and individuals continue to be attracted to Pittsburg's economic growth. Recent years have seen a substantial increase in both retail services and housing construction.

On Pittsburg's south end, Meadowbrook Mall and Meadowbrook Commons are at near-capacity and are within walking distance of the Pittsburg State University campus, home of the Gorillas. In the middle of it all, Pittsburg's historic downtown area has come alive thanks to matching façade grants that have complemented the substantial private investment made by many downtown business and property owners.

The city of Pittsburg has 13 parks located all around the city where families play, walk, run and bike. (Source: pittsburgareachamber.com)

## SPRINGFIELD

Living in Springfield, MO is easy. It's a place that has everything you need. They have a plentiful and growing job market, great schools, world-class health care, and all the entertainment and cultural options of a big city—but with far less stress and an abundance of character and friendliness. All at the same time, you can fast-track your career, afford the home you've always wanted, simplify your commute, and enrich your life amid their natural Ozarks beauty. Located in scenic southwest Missouri, Springfield is home to a metro population of more than 450,000, encompassing five counties: Greene, Christian, Webster, Polk, and Dallas. (Source: lininspringfieldmo.com)

## BRANSON

Branson is an Ozark town in southwest Missouri known as a family vacation destination. Its 76 Country Boulevard is famously lined with theaters, which once hosted mostly country music performers but today present diverse entertainment. Also along the strip are the Marvel Cave, the Wild West-style Dolly Parton's Dixie Stampede Dinner Attraction and Silver Dollar City, an 1800s-themed amusement park with live music. (Source: Google.com)



## KANSAS CITY METROPOLITAN AREA

- Kansas City is known as “The Heart of America” due to its location that is within 250 miles of both the geographic and population centers of the United States.
- Its population of more than 2.1 million reflects a growth rate of 19% since 2000.
- Kansas City boasts a highly educated workforce and a favorable unemployment rate of 4.4%, both of which are key indicators of the vibrant Kansas City economy.
- Well-known for its spacious parkways and numerous parks, the Kansas City metro area has an excellent quality of life and a unique sense of community.
- Kansas City has a well-developed transportation and distribution network with 30% more interstate miles per capita than any other city in the nation, resulting in some of the shortest community times in the U.S.

### KANSAS CITY METROPOLITAN AREA STATS:

'18 Population.....	2,157,584
'18 Households.....	844,400
Projected '23 Population.....	2,259,520
Projected '23 Households.....	883,065
Population Growth Rate '10 – '18.....	0.87%
Population Growth Rate '18 – '23.....	0.93%
Household Growth Rate '10 – '18.....	0.82%
Household Growth Rate '18 – '23.....	0.90%
'18 % w/ Bachelor's Degree.....	23.0%
'18 Median Age.....	37.8
'18 Avg Household Income.....	\$84,955
'18 Per Capita Income.....	\$33,532
Sep '18 Unemployment Rate.....	3.9%

Source: CBRE, Inc.



### KANSAS CITY ECONOMIC STRENGTHS

- Well-developed transportation and distribution network.
- Educated workforce, leading to above average per capita income.
- Below-average costs of living and doing business.
- Continued emergence as a tech & bioscience hub.

# CONFIDENTIALITY AGREEMENT

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Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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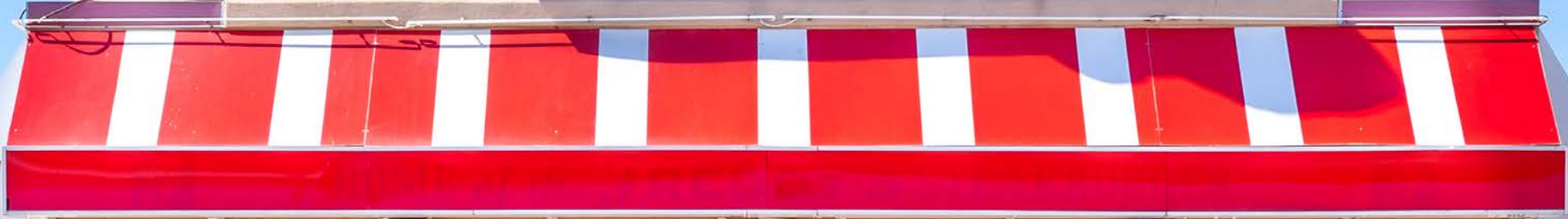
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# Freddy's

FROZEN CUSTARD &  
STEAKBURGERS



NO SKATEBOARDING

NO SKATEBOARDING



1314

ACTUAL SITE





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Pittsburg (Kansas City), KS

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