OFFERING MEMORANDUM

The Deltondo Group | www.deltondoadvisorygroup.com



# **IHOP**

6450 South US HWY 85 & 87 Fountain (Colorado Springs), CO Absolute-Net (Zero Landlord Responsibilities): New 25 Year Lease with 7.5% Rental Increases Every 5 Years Including the Three, 5 Year Options.

**Experienced Operator:** 45 Years of Industry Experience Operating Brands in Five Different States: Louisiana, Mississippi, Kansas, Missouri, Colorado, & Texas.

**Strong Operating History**: IHOP has Operated at this location for 10 Years and did \$2,550,000 in store sales last year equating to a 6.86% Rent-to-Sales Ratio.

Prominent Location & Excellent Visibility: IHOP is Located on Canam Hwy and is Passed by Over 21,966 Vehicles Per Day.

Close Proximity to Fountain Schools (2,252 Students): Widefield High School (1,352 Students); Talbott Elementary School (353 Students); King Elementary School (307 Students); Fountain Valley School (240 Students).





Marcus & Millichap
THE DELTONDO GROUP

19800 MacArthur Boulevard, Suite 150 Irvine, California 92612

www.deltondoadvisorygroup.com

#### Lead Listing Broker:

### **PETER DELTONDO**

P. (949) 698-2609
E. pdeltondo@marcusmillichap.cor

Senior Associate
P. (949) 419-3217
E. athompson2@marcusmillichap.cor

### SHEILA ALIMADADIAN

P. (949) 419-3265
E. salimadadian1@marcusmillichap.con
License CA 01266188

P. (949) 419-3251
E. msleem@marcusmillichap.com
License CA 02109537

### **ETHAN ELLIOTT**

Associate
P. (949) 419-3294
E. eelliott1@marcusmillichap.com
License CA 02101801

The Deltondo Group
P. (949) 419-3225
E. bdunks@marcusmillichap.com

### **BROKER OF RECORD**

Adam Lewis License ER.100091205





# **IHOP**

Address:	6450 S US Hwy 85 & 87 Fountain (Colorado Springs), CO
Price:	\$3,181,818
CAP:	5.50%
NOI:	\$175,000

Seller is in a contract position on the real estate and business and is therefore not the current holder of title. Seller will obtain title on both the business and the property no later than the closing date of this subsequent transaction being marketed.

### **INVESTMENT SUMMARY**

Lease Type:	Absolute-Net	
Landlord Responsibility:	None	
Year Built:	2012	
Building Area:	5,657 SF	
Land Area:	36,522 SF	
Vehicles Per Day:	21,966 (US Hwy 85)	



### **HIGHLIGHTS**

**Absolute-Net (Zero Landlord Responsibilities):** New 25 Year Lease with 7.5% Rental Increases Every 5 Years Including the Three, 5 Year Options.

**Experienced Operator:** 45 Years of Industry Experience Operating Brands in Five Different States: Louisiana, Mississippi, Kansas, Missouri, Colorado, & Texas.

**Strong Operating History**: IHOP has Operated at this location for 10 Years and did \$2,550,000 in store sales last year equating to a 6.86% Rent-to-Sales Ratio.

Prominent Location & Excellent Visibility: IHOP is Located on Canam Hwy and is Passed by Over 21,966 Vehicles Per Day.

**1.3 Miles from Fort Carson:** Fort Carson is a U.S. Army Post that has been in use Since 1942 and a Population of 25,100+ Military Personnel, 38,000+ Family Members, and 1,470+ Reserve Component Military.

Close Proximity to Fountain Schools (2,252 Students): Widefield High School (1,352 Students); Talbott Elementary School (353 Students); King Elementary School (307 Students); Fountain Valley School (240 Students).

**Nearby National Retailers:** Walmart, Dollar General, Panda Express, Dollar Tree, Jack in the Box, AutoZone, Burger King, Big O Tires, Camping World, Goodwill, and O'Reilly Auto Parts to Name a Few.



Base Rent	Annually	Monthly
Close of Escrow - Year 5	\$175,000.00	\$14,583.33
Year 6 - Year 10	\$188,125.00	\$15,677.08
Year 11 - Year 15	\$202,234.38	\$16,852.86
Year 16 - Year 20	\$217,401.95	\$18,116.83
Year 21 - Year 25	\$233,707.10	\$9,475.60

# TENANT SUMMARY

Tenant Name:	IHOP	
Guaranty:	JHAH, LP (24 Units)	
Type of Ownership:	Fee Simple	
Lease Type:	Absolute-Net	
Landlord Responsibilities:	None	
Rent Commencement:	Close of Escrow	
Lease Expiration:	25 Years from COE	
Term Remaining:	25 Years	
Increases:	7.5% Every 5 Years	
Options:	Three, 5 Year	



# **TENANT OVERVIEW**

IHOP, competes in the family dining segment of the restaurant industry, and 99% of all IHOP restaurants are owned by independent franchise operators. For 60 years, the IHOP family restaurant chain has served its world famous pancakes and a wide variety of breakfast, lunch and dinner items that are loved by people of all ages. IHOP offers its guests an affordable, everyday dining experience with warm and friendly service. Today, there are over 1,786 IHOP locations throughout 50 states, the District of Columbia, Puerto Rico, Guam and Saipan.

Tenant:	IHOP	
Website:	www.ihop.com	
Company Type:	Subsidiary of \$DIN	
Locations:	1,650+	
Employees:	32,000	
2021 Assets:	\$1,999.4 M	
2021 Revenue:	\$349.6 M	

# JHAH, LP

JHAH, LP has been in the restaurant industry for over 45 years and currently operates brands in five different states: Colorado, Louisiana, Mississippi, Kansas, Missouri, and Texas. JHAH, LP currently operates 24 IHOP Units.

# **REGIONAL MAP**

Subject Property
Fountain, CO

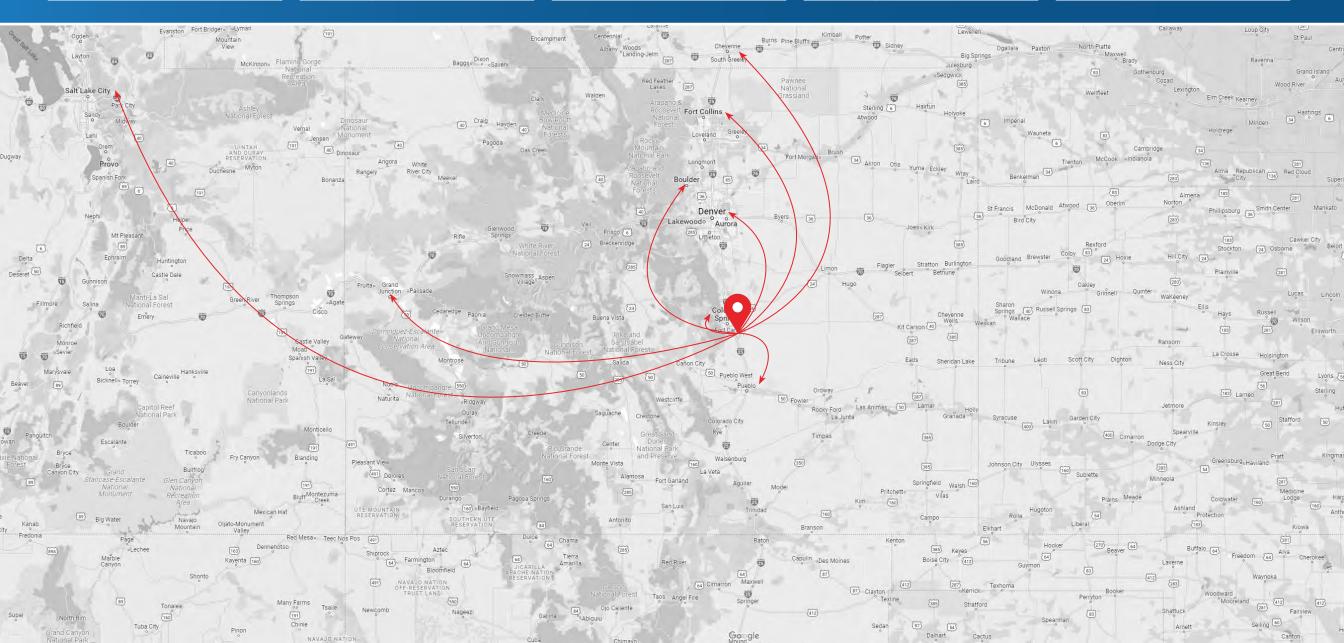
14 Miles Colorado Springs, CO
31 Miles Pueblo, CO

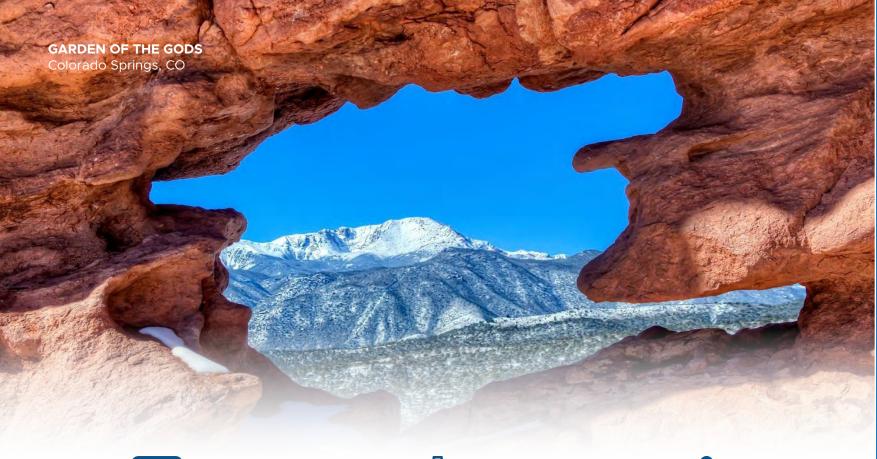
84 Miles Denver, CO

111 Miles Boulder, CO

147 Miles Fort Collins, CO
184 Miles Cheyenne, WY

296 Miles Grand Junction, CO
601 Miles Salt Lake City, UT









### LOWER COST OF LIVING

Colorado Springs offers cost advantages over nearby Denver and Boulder. The median home price in the metro is \$30.000 below the median price in Boulder.



### STRONG HIGH-TECH INDUSTRY

High-tech manufacturing provides a solid base for the area's economy. Companies include Hewlett-Packard, Oracle, Microchip and Cherwell Software.



### **NATIONAL STRATEGIC &** MILITARY PRESENCE

The U.S. military plays a vital role in the local economy. Fort Carson, Peterson Air Force Base, NORAD, NORTHCOM and the U.S. Air Force Academy are all located in the metro.

# COLORADO SPRINGS, CO

Colorado Springs boasts a magnificent natural landscape, including the 14,100-foot Pikes Peak, that draws residents and visitors to the area. The metro encompasses El Paso and Teller counties, and local geology limits development in certain locations. The market contains a population of approximately 755,000 people. Colorado Springs is the most populous city with around 461,000 residents, followed by Security-Widefield and Fountain. The population in the metro is expected to grow by 49,000 residents through 2026.

# **MAJOR EMPLOYERS**

XAware Inc.

Vectrus

Young Life

USA Hockey

Compassion International

Colorado Springs School District 11

Hero Practice Services

Polaris Alpha

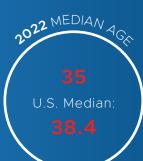
Colorado Springs Bus System

The Broadmoor

# **ECONOMY**

- Colorado Springs uses the economic stimulus provided by the military to build other economic engines.
   Business sectors that are growing through incentives include aerospace, defense and homeland security, renewable energy and energy efficiency, software, and information technology.
- Sports health and wellness is another segment the city would like to expand. Colorado Springs is the home of the U.S. Olympic Training Center and headquarters of the U.S. Olympic Committee.
- Technology is another major employment component as high-tech firms hire thousands of residents. The region has recorded a wave of established firms and startups opening offices in the metro, including several international firms.











	3 Mile	5 Mile	10 Mile
2023 Estimated Population:	21,052	48,071	90,988
Daytime Population:	12,350	34,278	64,014
Household Income:	\$133,546	\$130,745	\$136,972

### CONFIDENTIALITY AGREEMENT

NET LEASED DISCLAIMER

COVID-19 NOTICE

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows: The information contained in this marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided. As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer. 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. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services 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.

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

# Marcus & Millichap

19800 MacArthur Boulevard, Suite 150 Irvine, California 92612

www.deltondoadvisorygroup.com

#### ead Listina Broker:

#### PETER DELTONDO

P. (949) 698-2609
E. pdeltondo@marcusmillichap.co

#### ANDRE THOMPSON

Senior Associate P. (949) 419-3217 E. athompson2@marcusmillichap.c

### SHEILA ALIMADADIAN

First Vice President
P. (949) 419-3265
E. salimadadian1@marcusmillichap.co
License CA 01266188

#### **MANUEL SLEEM**

P. (949) 419-3251
E. msleem@marcusmillichap.com

#### ETHAN ELLIOTT

Associate
P. (949) 419-3294
E. eelliott1@marcusmillichap.cor
License CA 02101801

#### **BRYCE DUNKS**

Director of Operations
The Deltondo Group
P. (949) 419-3225
E. bdunks@marcusmillichap.com

#### **BROKER OF RECORD**

Adam Lewis License ER.100091205