

# OFFERING MEMORANDUM

Mattress Firm & Qdoba | State College, PA



**MATTRESSFIRM®**  
**QDOBA**  
MEXICAN EATS™

STREAM CAPITAL PARTNERS



# TABLE OF CONTENTS

05	Transaction Summary
06	Tenant Summary
08	Survey
09	Site Plan
11	Elevation Plans
13	Aerial View
16	Market Overview
17	Demographics

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# DISCLAIMER

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This Offering Memorandum (“Memorandum”) is intended solely for the use of prospective investors in determining whether or not to pursue the possible acquisition of the Property (“the Property”) at 1910 N. Atherton, State College, PA. This Memorandum is of a proprietary and confidential nature. Prospective investors and/or their advisors are expressly forbidden from sharing this information with any individuals or organizations that are not directly connected with the analysis of this investment opportunity. STREAM Capital Partners, LLC (“SCP”) has been retained as the exclusive advisor for this investment opportunity. Any and all inquiries are to be directed to SCP.

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# THE OFFERING





# TRANSACTION SUMMARY

Cap Rate:	6.35%
Annual Rent:	\$322,862
Purchase Price:	\$5,084,441

## Building Specifications

Location:	1910 N. Atherton State College, PA
Tenants:	Mattress Firm: 4,549 SF Qdoba: 3,014 SF
Building Size:	7,563 SF
Land Size:	1.08 Acres
Year Built:	2016

## INVESTMENT HIGHLIGHTS

- Less than 2 miles from Penn State University's Campus with over 99,000+ Students
- North Atherton is the main retail artery in State College, PA
- Strong retail corridor with well over 1M SF of retail
- Nearby national tenants include Walmart, Home Depot, Target, Wegmans, and Lowe's
- Adjacent to Chick-Fil-A, Starbucks, and Panda Express



# TENANT SUMMARY

## Lease Specifications

Lease Type:	NN
Landlord Responsibilities:	Roof, Structure & Parking
Tenant:	Mattress Firm, Inc.
Rent Commencement:	November 1, 2016
Lease Expiration Date:	October 21, 2026
Remaining Term:	Approx. 8.5 years
Annual Rent:	\$172,862 (\$38.00 psf)
Rental Increases:	10% every 5 years
Options to Renew:	Two, 5-year options
Net RSF:	4,549 square feet

## Rent Schedule

Year 1-5	\$172,862.00 (\$38.00 psf)
Year 6-10	\$194,469.75 (\$42.74 psf)

## Options

Year 11-15	\$213,939.47 (\$47.03 psf)
Year 16-20	\$235,319.77 (\$51.73 psf)



## MATTRESSFIRM

With more than 3,500 company-operated and franchised stores across 48 states, Mattress Firm Holding Corp. (NASDAQ: MFRM) has the largest geographic footprint in the United States among multi-brand mattress retailers. Founded in 1986, Houston-based MFRM is the nation's leading specialty bedding retailer with over \$3.5 billion in pro forma sales in 2015. MFRM, through its brands including Mattress Firm, Sleepy's and Sleep Train, offers a broad selection of both traditional and specialty mattresses and bedding accessories.

**Most recently, Mattress Firm was purchased for \$3.8 Billion by the South African firm, Steinhoff Holdings.**

The sale, which includes debt, closed before year-end 2016. The merger created the world's largest mattress retail distribution company. Steinhoff is an integrated retailer that manufactures, sources and retails furniture, household goods and general merchandise in Europe, Australia, and Africa. They operate more than 40 brands in 30 countries. Steinhoff has a primary listing on the Frankfurt Stock Exchange (SNH) and a secondary listing on the Johannesburg Stock Exchange.



# TENANT SUMMARY

## Lease Specifications

Lease Type:	NN
Landlord Responsibilities:	Roof, Structure & Parking
Tenant:	Qdoba Mexican Grill
Rent Commencement:	November 15, 2016
Lease Expiration Date:	November 14, 2026
Remaining Term:	Approx. 8.5 years
Annual Rent:	\$150,000 (\$49.76 psf)
Rental Increases:	10% every 5 years
Options to Renew:	Three, 5-year options
Net RSF:	3,014 square feet

## Rent Schedule

Year 1-5	\$150,000.00 (\$49.76 psf)
Year 6-10	\$194,469.75 (\$54.74 psf)

## Options

Year 11-15	\$181,500.00 (\$60.22 psf)
Year 16-20	\$199,650.00 (\$66.24 psf)
	\$219,615.00 (\$72.86 psf)

**QDOBA**  
MEXICAN EATS®



Fresh, made-to-order Mexican food is on the menu at Qdoba Restaurants. The company operates Qdoba Mexican Grill, the #2 quick-casual Mexican chain behind market leader Chipotle Mexican Grill, with about 700 locations. The eateries offer a selection of signature burritos, along with tacos, salads, nachos, and breakfast items. Patrons can also choose from nearly a dozen fresh salsas and sauces to complement their entrées.

More than 325 of the restaurants are company-owned, while the rest are franchised. The company was founded in 1995 and is based in Lakewood, Colorado. As of January 21, 2003, Qdoba Restaurant Corporation operates as a subsidiary of Jack in the Box Inc.

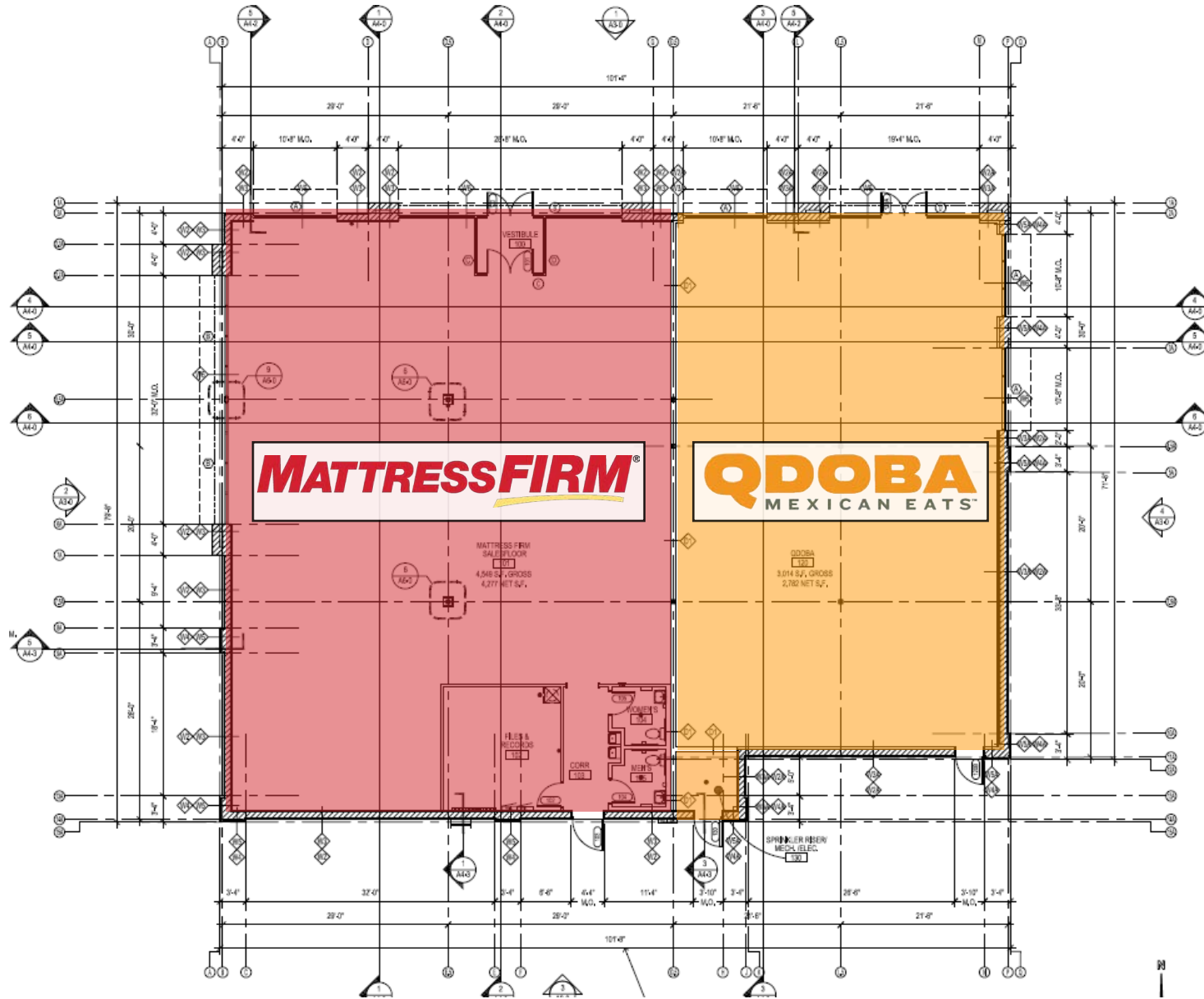


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PARK FOREST VILLAS II, INC.  
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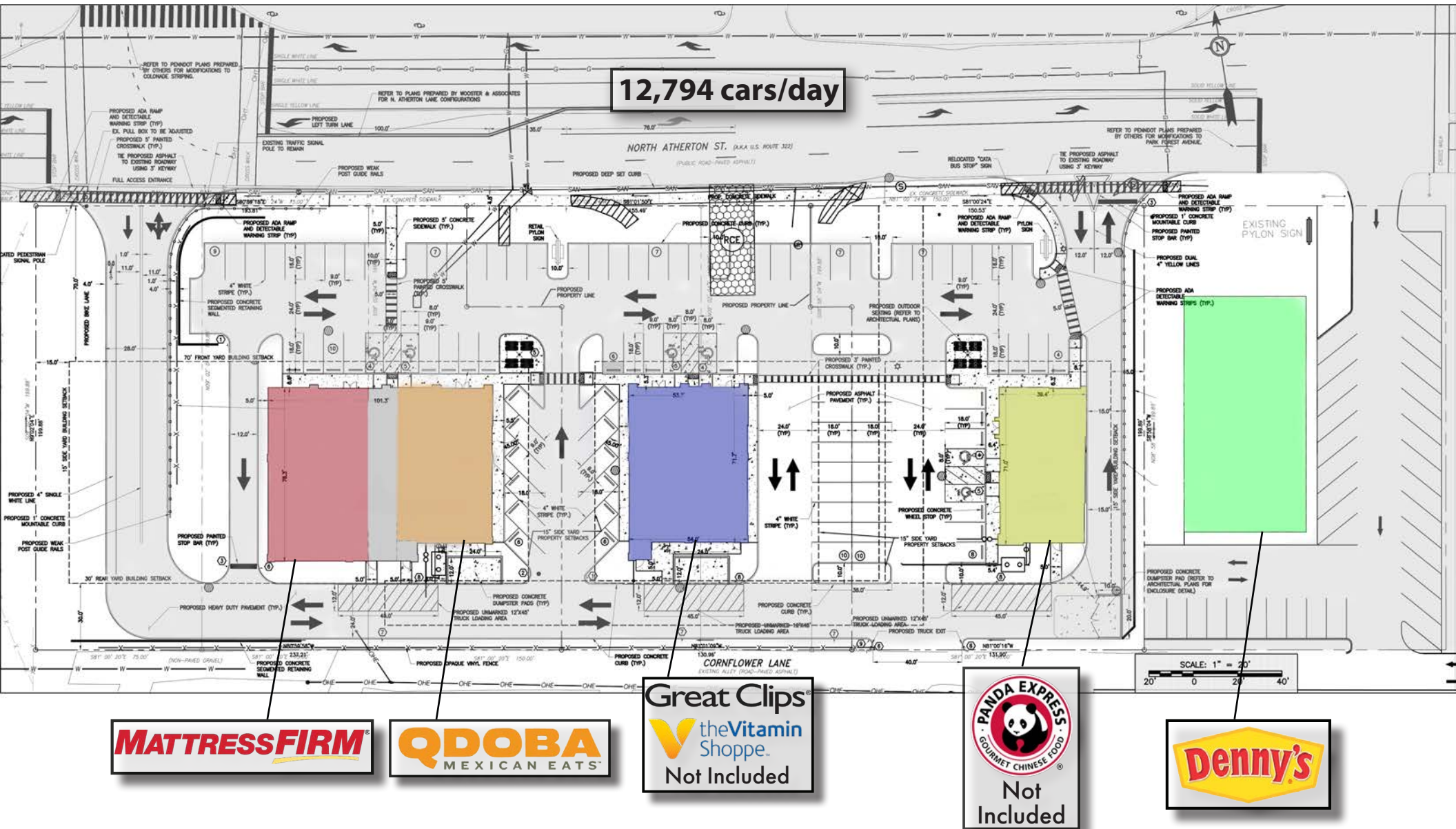


# SITE PLAN





# SITE PLAN

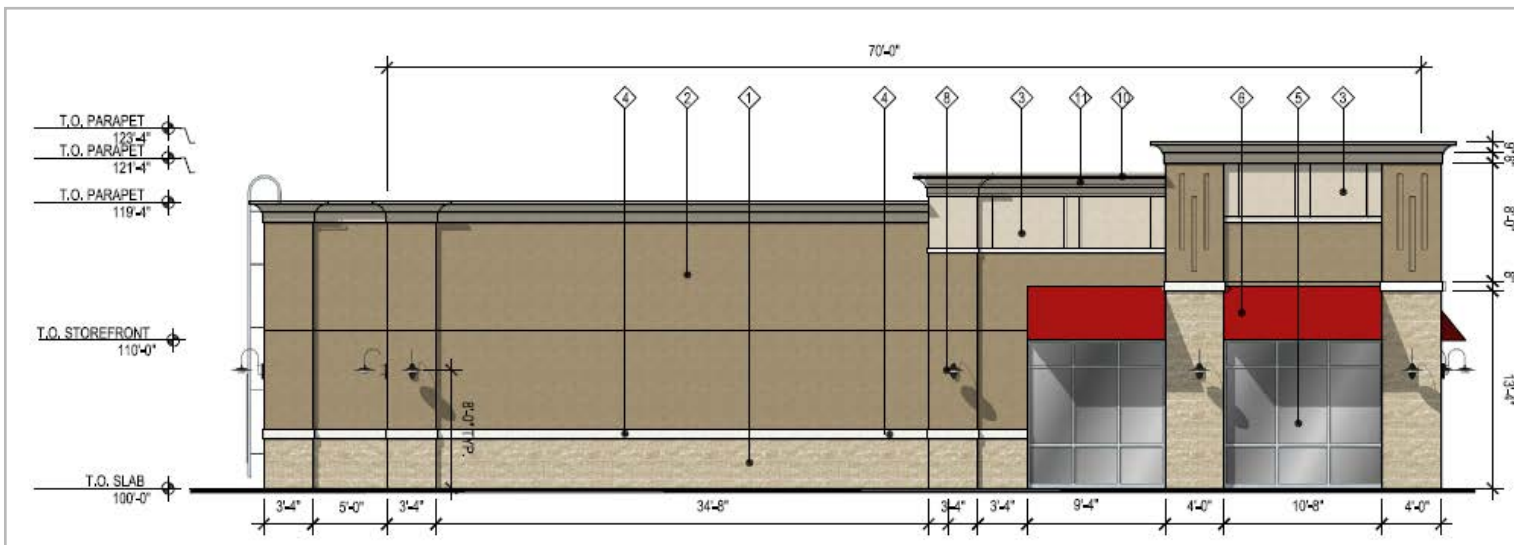




# ELEVATION PLANS



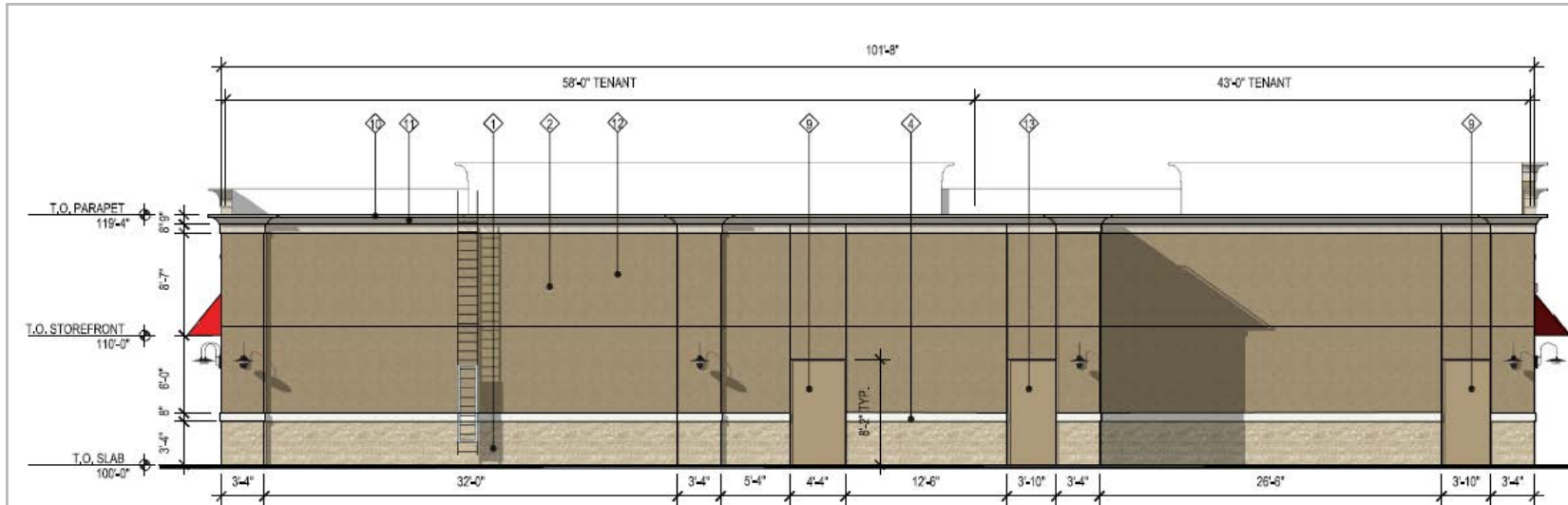
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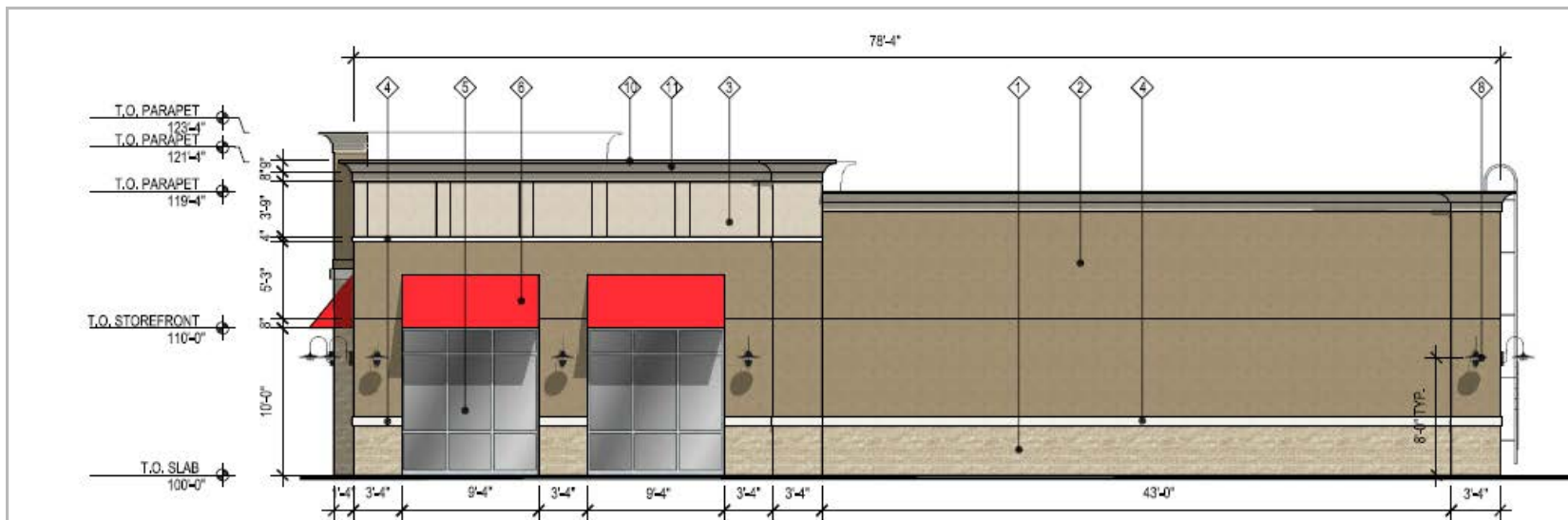
East



# ELEVATION PLANS



South



West



# AERIAL VIEW

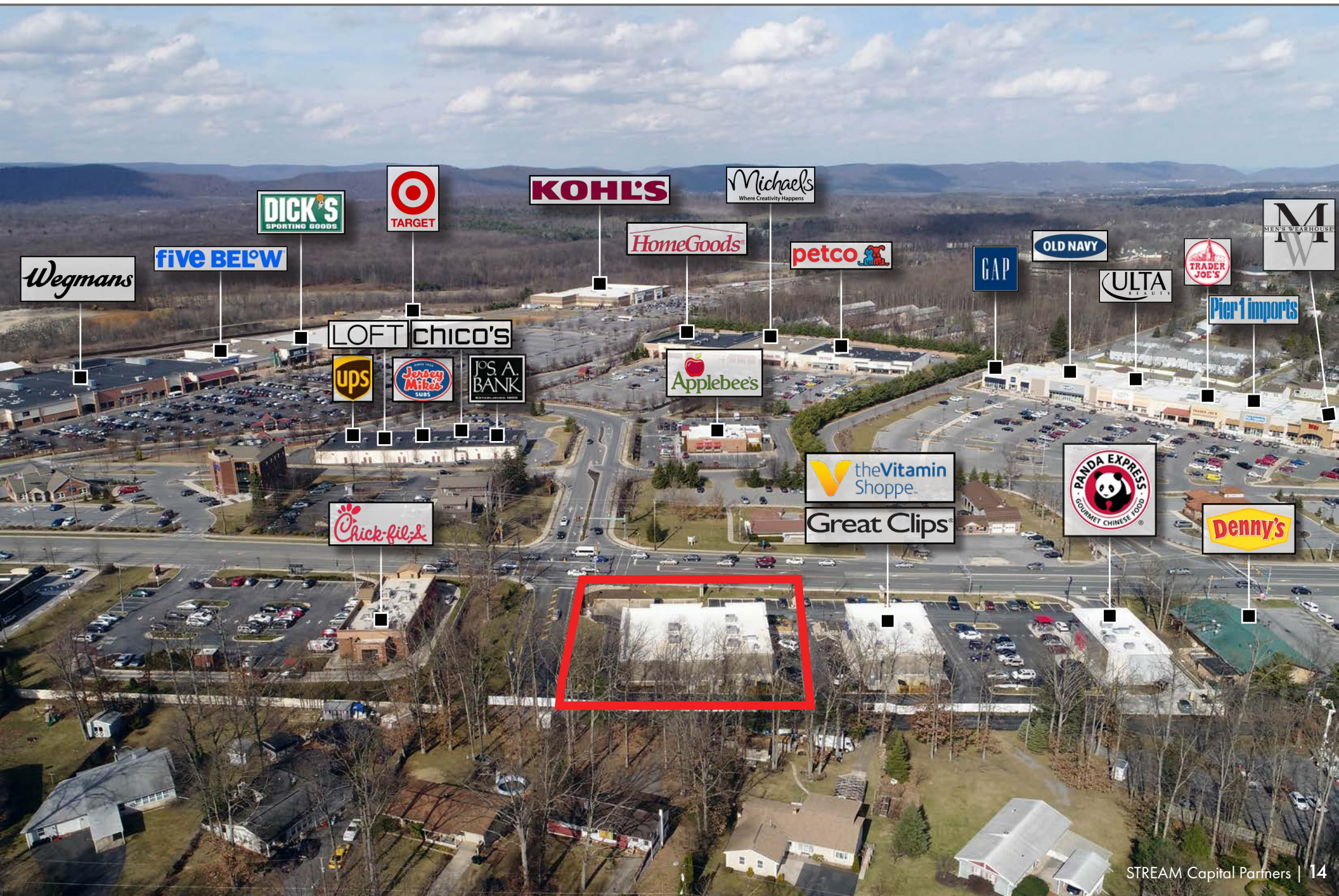


Great Clips®





# AERIAL VIEW





# AERIAL VIEW





# MARKET OVERVIEW | STATE COLLEGE, PA

State College is a college town, dominated economically and demographically by the presence of the University Park campus of the Pennsylvania State University (Penn State). State College is currently the largest designated borough in Pennsylvania.

The Pennsylvania State University (Penn State) is a public, Flagship, state-related, Land-grant, Sea-grant, Space-grant, Sun-grant, research-intensive university with the campus and facilities anchored in State College, Pennsylvania. Founded in 1855, the university has a stated threefold mission of teaching, research, and public service. Its instructional mission that includes undergraduate, graduate, professional and continuing education offered through resident instruction and online delivery. Its University Park campus, the flagship campus, lies within the Borough of State College and College Township. It has two law schools, Penn State Law, on the school's University Park campus, and Dickinson Law, located in Carlisle, 90 miles south of State College. Penn State has been labeled one of the "Public Ivies," a publicly funded university considered as providing a quality of education comparable to those of the Ivy League.

Pennsylvania State University is the largest single employer in the region, employing over 26,000 full- and part-time workers in 2015. In addition to higher education, other industries in the area include health care, retail, hospitality services, construction, and government. Other employers include Mount Nittany Medical Center, Government of Pennsylvania and State College School District.

In 2013, State College was ranked as the third-safest metropolitan area in the United States by the *CQ Press*.





# STATE COLLEGE DEMOGRAPHICS

## POPULATION ESTIMATE (INCLUDING UNIVERSITY STUDENTS)

1-MILE

12,401

3-MILE

159,997

5-MILE

185,367

## ESTIMATED AVERAGE HOUSEHOLD INCOME

1-MILE

\$67,679

3-MILE

\$69,447

5-MILE

\$74,845







# CONTACT INFORMATION

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