

# WENDY'S

15-Year Sale-Leaseback

Subject Property



# OFFERING MEMORANDUM



2 West Main Street, Wrightstown, NJ 08562

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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.

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Marcus & Millichap is pleased to present the exclusive listing for a Wendy's located at 2 West Main Street, Wrightstown, New Jersey. The property consists of approximately 2,900 square feet of building space and is situated on roughly 1.33 acres of land. The Wendy's will be subject to a 15-year absolute triple net (NNN) sale-leaseback, which will commence upon the close of escrow. The lease will be subject to 1.50% rental increases annually. The increases will continue through the eight, five-year tenant renewal option periods.

This Wendy's property is located at 2 West Main Street in Wrightstown, New Jersey. The property is located adjacent to McGuire Air Force Base with various other national tenants, including several quick service restaurants. Major national and local tenants in the area include: Rite Aid, 7-Eleven, McDonald's, Burger King, Dunkin' Donuts, Taco Bell, Papa Johns, and others. Virtua Memorial Hospital, a 334-bed, general and surgical medical facility is located eleven miles west of the subject property. Temple University is located 12 miles southwest of the subject property and has a total enrollment exceeding 40,000 students. McGuire Air Force Base, the common name of the McGuire unit of Joint Base McGuire-Dix-Lakehurst, is a United States Air Force base located in Burlington County, New Jersey. The wing consists of more than 3,100 officers, enlisted, and civilian personnel from the Air Force, Army and Navy. The subject property is positioned at the intersection of West Main Street and Fort Dix Street. West Main Street experiences average daily traffic counts of 10,200 vehicles. There are 15,332 individuals residing within a three mile radius of the subject property and over 33,623 individuals within a five mile radius.

The Wendy's Company is the World's Third Largest Quick-Service Hamburger Company. The Wendy's chain offers made-to-order burgers and fries as well as such alternative menu items as baked potatoes, chili, and salads. The chain is known for its square hamburgers, sea salt fries and the Frosty, a form of soft serve ice cream mixed with frozen starches. As of July 2, 2017, the Wendy's restaurant system was comprised of 6,564 restaurants, of which 331 were owned and operated by the Company. Wendy's operates in 30 countries and U.S. territories. The Briad Group®, headquartered in Livingston, NJ, is one of the fastest growing hospitality companies in the United States. Currently, Briad owns and operates 114 Wendy's Old Fashioned Hamburger restaurants, 55 TGI Friday's restaurants, 16 Zinburger Wine & Burger Bars, and is in the process of developing hotels in New York, New Jersey and Connecticut that will deliver over 1,200 rooms under the Marriott and Hilton Brands.







# Investment Highlights

## Optimal Lease Structure

- ✓ 15-Year Absolute Triple Net (NNN) Lease; Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ Attractive Rental Increases of 1.50% Annually
- ✓ Tenant Renewal Options: Eight (8) Periods of Five (5) Years, Each Bringing the Potential Lease Term to 55 Years

## Compelling Location Fundamentals

- ✓ Picturesque, Freestanding Property Featuring High Visibility and Ease of Access
- ✓ McGuire Air Force Base Located Directly Adjacent from Subject Property
- ✓ McGuire Air Force Base | 3,100 Officers, Enlisted, and Civilian Personnel from the Air Force, Army and Navy
- ✓ Compelling Location Fundamentals | Subject Property is Less than 25 Miles from Philadelphia & 15 Miles from Trenton
- ✓ Temple University | Located 12 Miles Southwest from Subject Property | Has a Total Enrollment Exceeding 40,000 Students
- ✓ Strategically Positioned in a Retail Corridor with Numerous Quick Service Restaurants

## Strong Brand, Exceptional Operator

- ✓ The Wendy's Company is the World's Third Largest Quick-Service Hamburger Company
- ✓ The Wendy's System Includes More Than 6,500 Franchise and Company Restaurants in the U.S. and 29 Other Countries and U.S. Territories World Wide.
- ✓ The Briad Group® is One of the Fastest Growing Hospitality Companies in the United States
- ✓ Briad Currently Owns and Operates 111 Wendy's Old Fashioned Hamburger Restaurants, 57 TGI Friday's Restaurant, an East Coast Concentration of Marriott and Hilton Hotels, an Outdoor Lifestyle Shopping Center and Their Latest Restaurant Concept - Zinburger Wine and Burger Bar.





# Financial Analysis

PRICE: \$2,289,524 | CAP: 5.25% | RENT: \$120,200

| PROPERTY DESCRIPTION |                       |
|----------------------|-----------------------|
| Property             | Wendy's               |
| Property Address     | 2 West Main Street    |
| City, State, ZIP     | Wrightstown, NJ 08562 |
| Building Size        | 2,900                 |
| Lot Size             | +/- 1.33 Acres        |
| Type of Ownership    | Fee Simple            |
| Year Opened          | 1983                  |

| THE OFFERING   |             |
|----------------|-------------|
| Purchase Price | \$2,289,524 |
| CAP Rate       | 5.25%       |
| Annual Rent    | \$120,200   |

| LEASE SUMMARY        |                                     |
|----------------------|-------------------------------------|
| Property Type        | Net-Leased Quick Service Restaurant |
| Tenant / Guarantor   | Briad Wenco, LLC (100+ Units)       |
| Original Lease Term  | 15 Years                            |
| Lease Commencement   | Close of Escrow                     |
| Lease Expiration     | 15 Years From Close of Escrow       |
| Lease Term Remaining | 15 Years                            |
| Lease Type           | Absolute Triple Net (NNN)           |
| Roof & Structure     | Tenant Responsible                  |
| Rental Increases     | 1.50% Annually                      |
| Options to Renew     | Eight, Five-Year Options            |

| RENT SCHEDULE |             |              |                     |
|---------------|-------------|--------------|---------------------|
| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation (%) |
| Year 1        | \$120,200   | \$10,017     | -                   |
| Year 2        | \$122,003   | \$10,167     | 1.50%               |
| Year 3        | \$123,833   | \$10,319     | 1.50%               |
| Year 4        | \$125,691   | \$10,474     | 1.50%               |
| Year 5        | \$127,576   | \$10,631     | 1.50%               |
| Year 6        | \$129,490   | \$10,791     | 1.50%               |
| Year 7        | \$131,432   | \$10,953     | 1.50%               |
| Year 8        | \$133,403   | \$11,117     | 1.50%               |
| Year 9        | \$135,404   | \$11,284     | 1.50%               |
| Year 10       | \$137,435   | \$11,453     | 1.50%               |
| Year 11       | \$139,497   | \$11,625     | 1.50%               |
| Year 12       | \$141,589   | \$11,799     | 1.50%               |
| Year 13       | \$143,713   | \$11,976     | 1.50%               |
| Year 14       | \$145,869   | \$12,156     | 1.50%               |
| Year 15       | \$148,057   | \$12,338     | 1.50%               |
| Option 1      |             |              |                     |
| Year 16       | \$150,278   | \$12,523     | 1.50%               |
| Year 17       | \$152,532   | \$12,711     | 1.50%               |
| Year 18       | \$154,820   | \$12,902     | 1.50%               |
| Year 19       | \$157,142   | \$13,095     | 1.50%               |
| Year 20       | \$159,499   | \$13,292     | 1.50%               |
| Option 2      |             |              |                     |
| Year 21       | \$161,892   | \$13,491     | 1.50%               |
| Year 22       | \$164,320   | \$13,693     | 1.50%               |
| Year 23       | \$166,785   | \$13,899     | 1.50%               |
| Year 24       | \$169,287   | \$14,107     | 1.50%               |
| Year 25       | \$171,826   | \$14,319     | 1.50%               |



# Tenant Overview



## About Wendy's

Wendy's is an American international fast food chain restaurant founded by Dave Thomas on November 15, 1969, in Columbus, Ohio. The company moved its headquarters to Dublin, Ohio on January 29, 2006. As of 2016, Wendy's is the world's number three hamburger chain in terms of locations (behind McDonald's and Burger King), with more than 6,500 of its Wendy's Old Fashioned Hamburger eateries in the US and about 29 other countries.

The Wendy's chain offers made-to-order burgers and fries as well as such alternative menu items as baked potatoes, chili, and salads. The chain is known for its square hamburgers, sea salt fries and the Frosty, a form of soft serve ice cream mixed with frozen starches. As of July 2, 2017, the Wendy's restaurant system was comprised of 6,564 restaurants, of which 331 were owned and operated by the Company. Wendy's operates in 30 countries and U.S. territories. In fiscal year 2016, the firm had \$1.4 billion (USD) in company revenue.

## About the Tenant: Briad Wenco, LLC

Briad Wenco, LLC is a wholly owned subsidiary of The Briad Group®. The Briad Group® is a multi-unit, multi-state, owner, developer and operator of fast-food restaurants, casual dining restaurants, limited service hotels and a lifestyle shopping center. When The Briad Group's quick-service division decided to become a franchisee of Wendy's® International Inc. in 1994, it immediately netted extremely successful results. They now own and operate 114 Wendy's® restaurants, 55 TGI Friday's, and 16 Zinburger Wine & Burger Bars. All of Briad's Wendy's® are equipped with state-of-the-art technology to better serve customers, and Briad is actively committed to staff development and employee growth.







# Tenant Overview



## THE BRIAD GROUP

From Hamburger to hotels, the Briad Group is rapidly expanding to serve many hospitality needs. The Briad Group started in 1994, as a single ice cream parlor in New Jersey, but they now own and operate 114 Wendy's, 55 TGI Friday's, 16 Zinburger Wine & Burger Bars, and are currently developing hotels in New York, New Jersey, and Connecticut that will deliver 1,200 rooms under the Marriott and Hilton Brands.

### TGI Fridays

Celebrated as one of the first American casual-dining chains, TGI Fridays launched in New York City in 1965. Today, TGI Fridays has been delivering great experiences, food and beverages for almost 50 years, with over 900 locations in more than 60 countries. Friday's restaurants tout a long history of innovation, and are credited with coining 'happy hour,' inventing the Long Island Iced Tea and Loaded Potato Skins, and popularizing frozen and ice cream drinks.

### Zinburger

Energetic, modern, upbeat, fun and most importantly delicious, Zinburger offers a mouthwatering selection of gourmet burgers, salads and sides, decadent shakes and deserts, and a carefully crafted selection of wine. Zinburger made its New Jersey debut in December 2010.

### The Promenade Shops

The Briad Group opened The Promenade Shops at Clifton in 2008. It consists of multiple buildings located on 12 acres of land on Route 3 in Clifton, New Jersey. It is now 100% leased and has become an icon in the community, with 160,000 square feet of commercial space for specialty retail and restaurants.

### Hotel Division

The Briad Group is proud to be a licensed franchisee for Marriott and Hilton branded hotels. Since obtaining franchise rights, Briad has developed more than one billion in real estate, focusing on limited-service hotels, including the Courtyard, Residence Inn, Springhill Suites, Hilton Garden Inn and Homewood Suites brands. During the past decade, Briad has developed, operated and managed more than a dozen properties, and is currently undergoing explosive growth with more than 4,000 rooms expected in New York, New Jersey and Connecticut.

### Marriott

Marriott is a leading worldwide hospitality company that operates and franchises the broadest portfolio of lodging brands in the world, operating in 78 countries with more than 3,800 lodging properties. Marriott is deeply committed to service consistency, and strives to maintain the unqualified integrity of their many brands.

### Hilton Worldwide

Hilton Worldwide has over 4,000 hotels internationally. Each franchise is back by the power of Hilton's award-winning Hilton HHonors guest reward program, its worldwide reservations network, and an unwavering commitment to technology, innovation and quality.



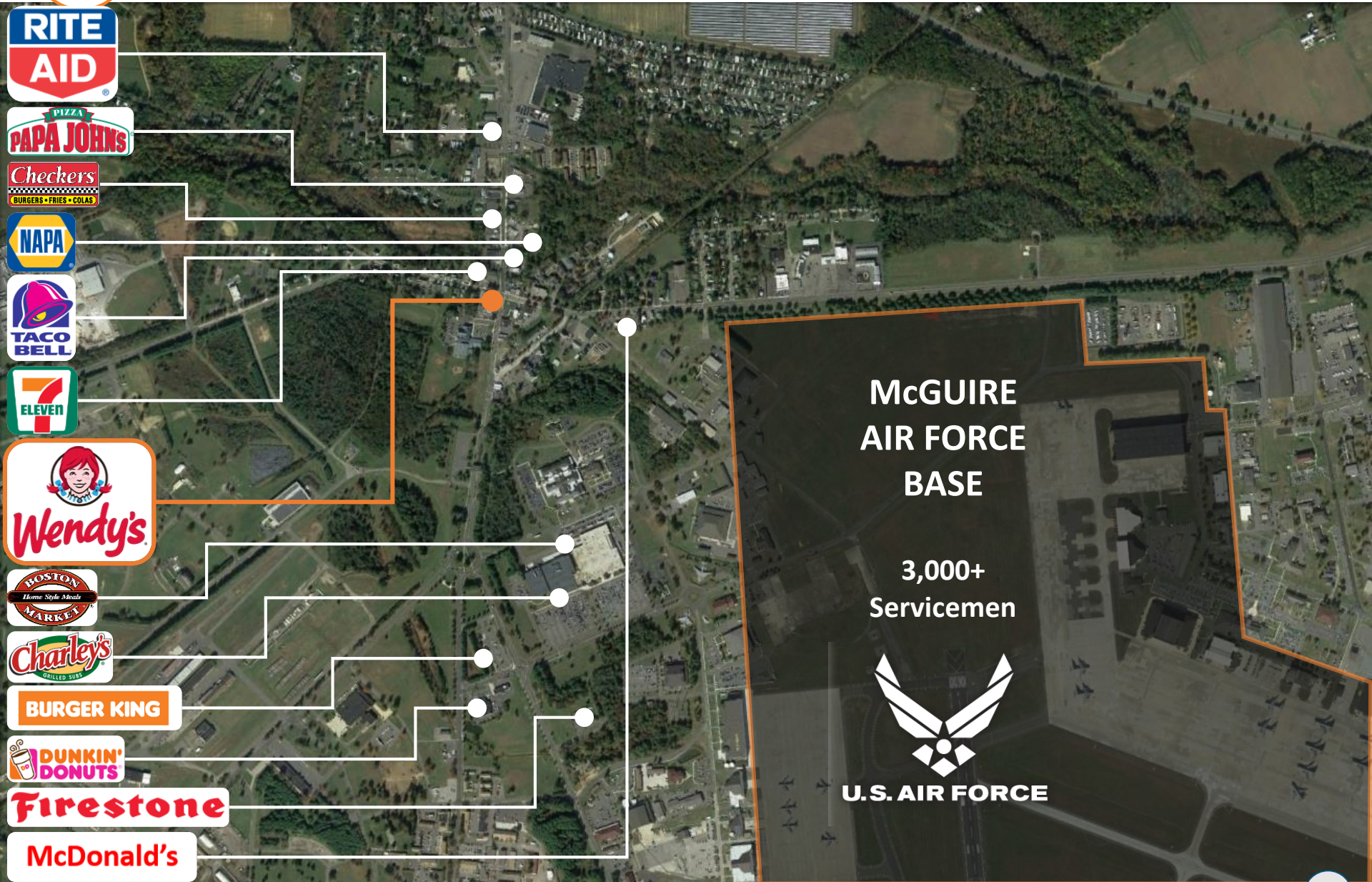




# Surrounding Area

Property Address: 2 West Main Street – Wrightstown, New Jersey

**Wendy's**





# Location Overview

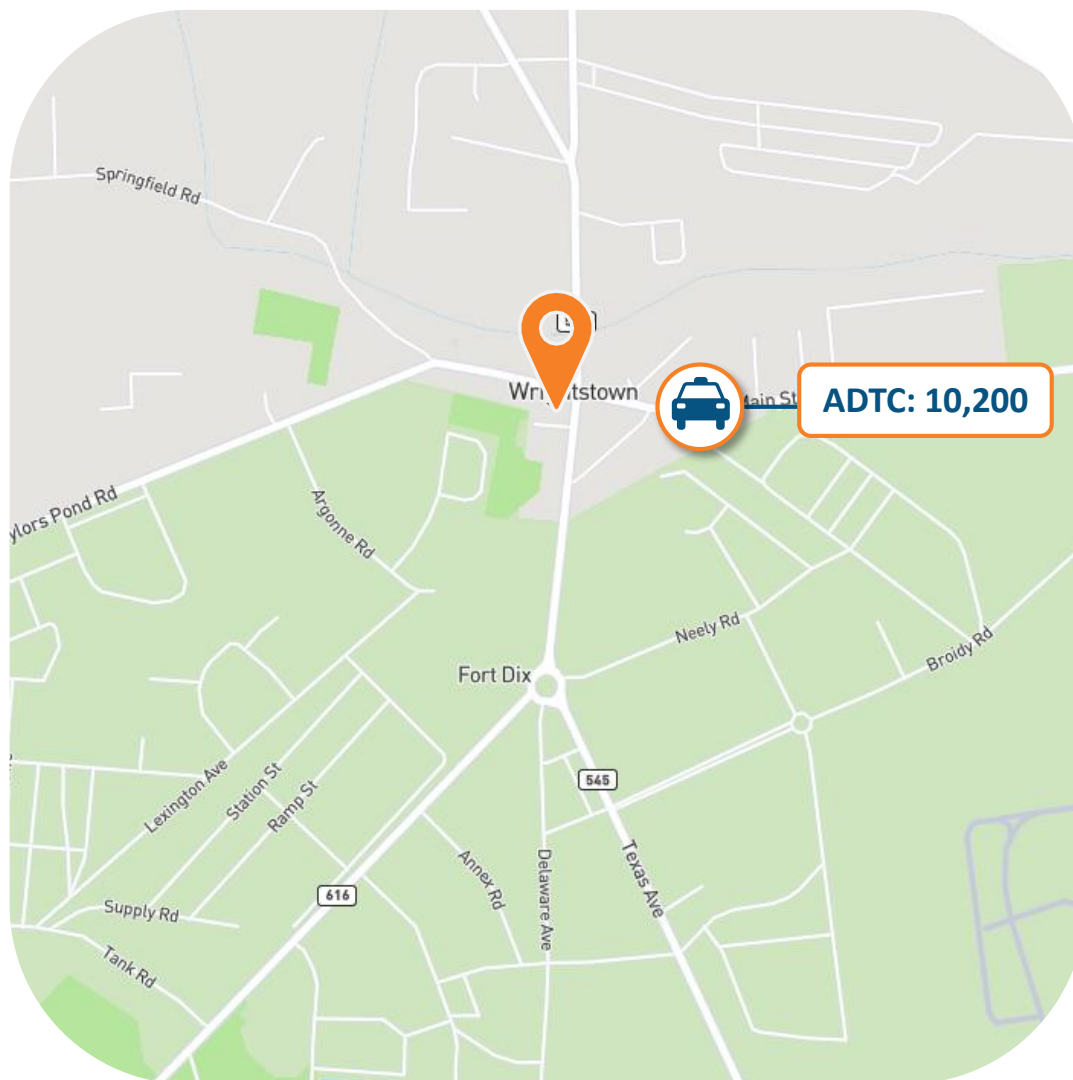
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The subject property is positioned at the intersection of West Main Street and Fort Dix Street. West Main Street experiences average daily traffic counts of 10,200 vehicles. There are 15,332 individuals residing within a three mile radius of the subject property and over 33,623 individuals within a five mile radius.

Wrightstown is a borough in Burlington County, New Jersey. The borough borders New Hanover Township, North Hanover Township, Pemberton Township, Springfield Township, including McGuire Air Force Base and Fort Dix entities of Joint Base McGuire-Dix-Lakehurst. The borough is one of 56 South Jersey municipalities that are included within the New Jersey Pinelands National Reserve, a protected natural area of unique ecology covering 1,100,000 acres, that has been classified as a US Biosphere Reserve and established by Congress in 1978 as the nation's first National Reserve.







# Property Photo

Wendy's



Subject Property





# Property Photo

Wendy's



Subject Property





# Surrounding Area Photos

Wendy's



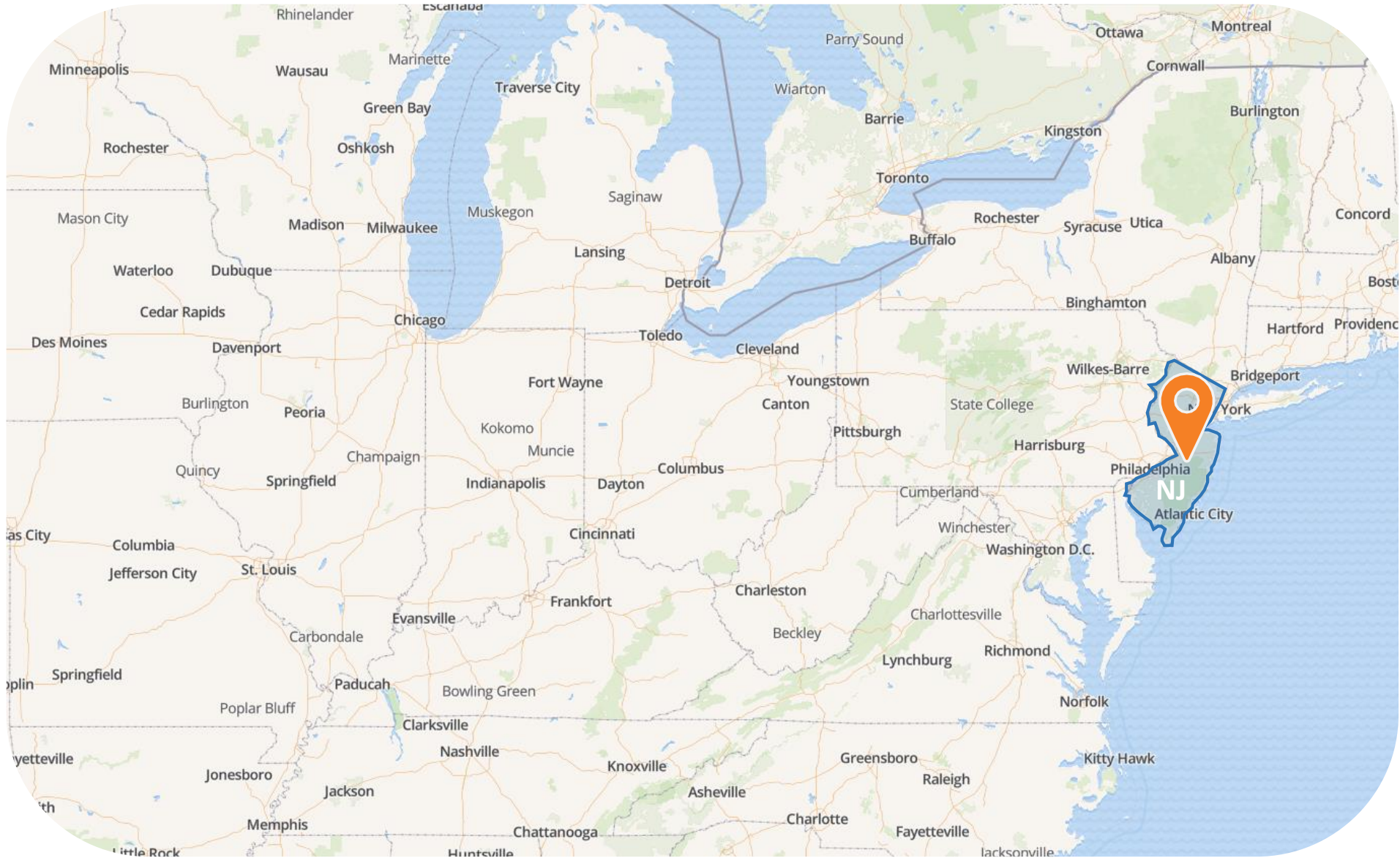




# Regional Map

Wendy's

Property Address: 2 West Main Street – Wrightstown, New Jersey



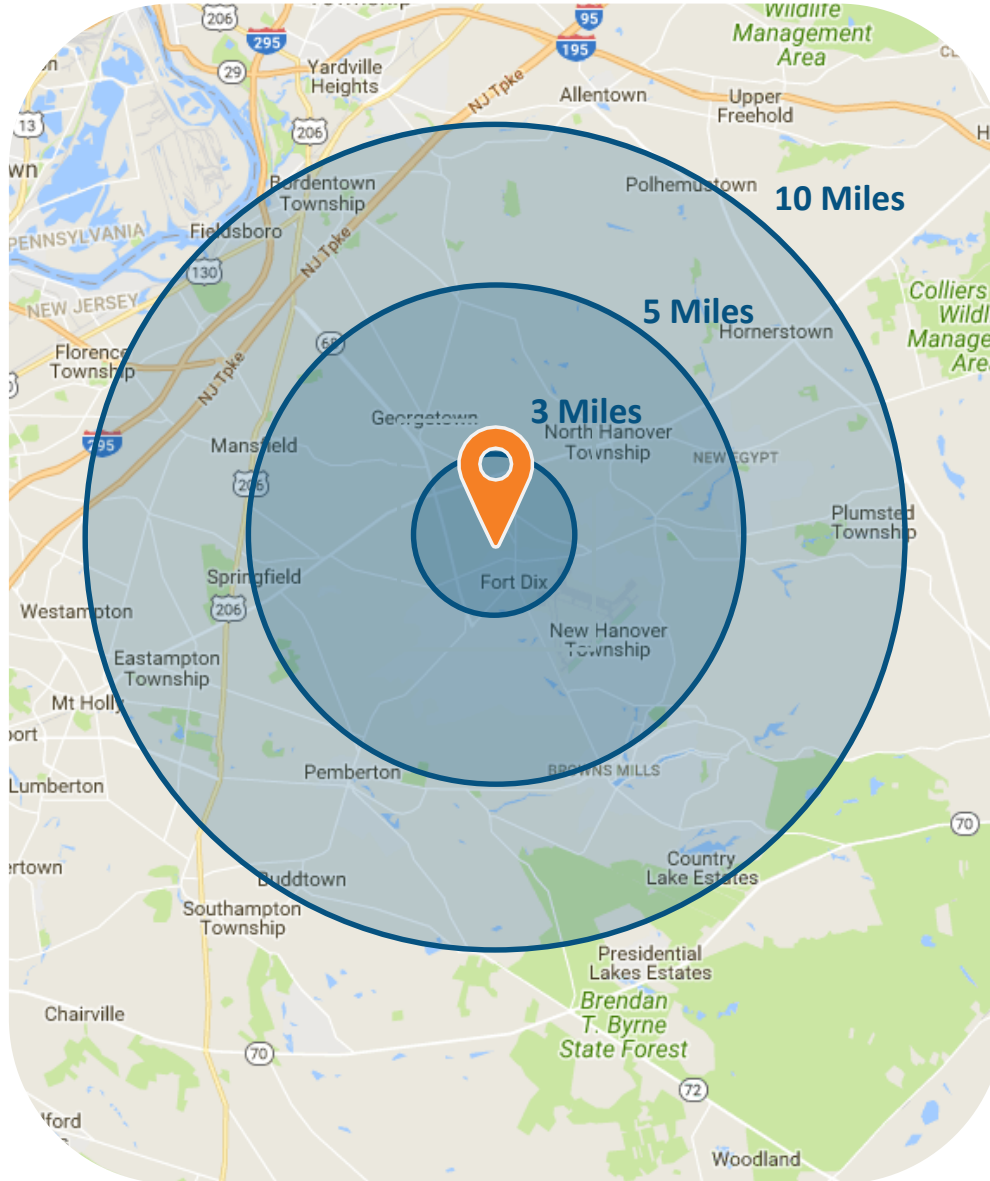




# Demographics

Property Address: 2 West Main Street – Wrightstown, New Jersey

# Wendy's



**3 Miles    5 Miles    10 Miles**

## POPULATION

|                 |        |        |         |
|-----------------|--------|--------|---------|
| 2022 Projection | 15,420 | 34,602 | 136,399 |
| 2017 Estimate   | 15,332 | 33,623 | 130,479 |
| 2010 Census     | 14,241 | 32,384 | 128,578 |
| 2000 Census     | 16,346 | 32,491 | 118,459 |

## INCOME

|            |          |          |           |
|------------|----------|----------|-----------|
| Average    | \$82,380 | \$92,097 | \$100,971 |
| Median     | \$64,622 | \$72,220 | \$79,497  |
| Per Capita | \$22,285 | \$28,942 | \$35,821  |

## HOUSEHOLDS

|                 |       |        |        |
|-----------------|-------|--------|--------|
| 2022 Projection | 3,323 | 10,114 | 47,296 |
| 2017 Estimate   | 3,246 | 9,631  | 44,823 |
| 2010 Census     | 2,919 | 9,240  | 44,084 |
| 2000 Census     | 3,280 | 8,802  | 39,520 |

## HOUSING

|      |           |           |           |
|------|-----------|-----------|-----------|
| 2017 | \$295,815 | \$243,256 | \$251,170 |
|------|-----------|-----------|-----------|

## EMPLOYMENT

|                           |        |        |         |
|---------------------------|--------|--------|---------|
| 2017 Daytime Population   | 18,677 | 35,742 | 118,582 |
| 2017 Unemployment         | 4.01%  | 6.12%  | 5.31%   |
| 2017 Median Time Traveled | 24     | 30     | 31      |

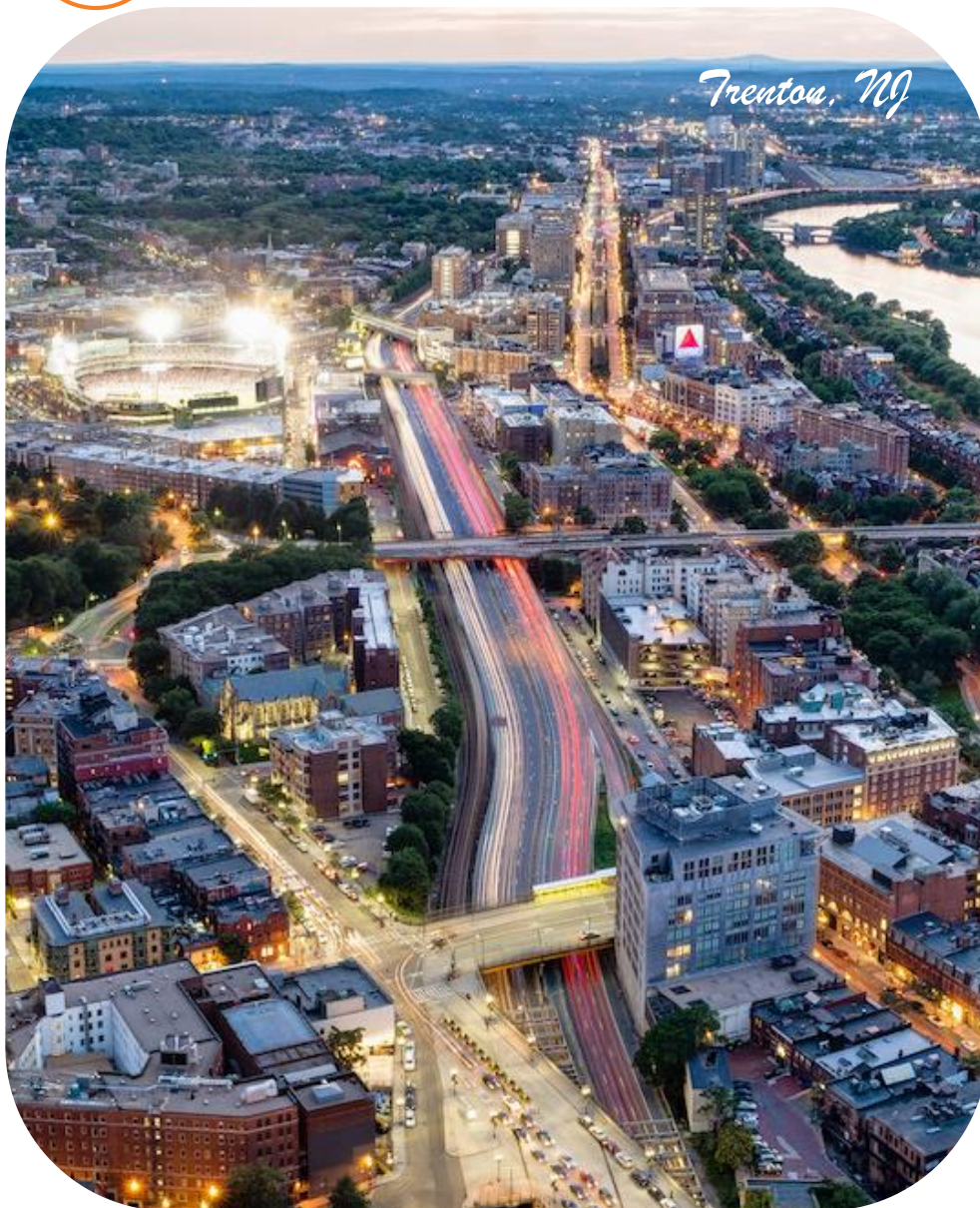
## RACE & ETHNICITY

|                        |        |        |        |
|------------------------|--------|--------|--------|
| White                  | 60.54% | 65.55% | 70.35% |
| Native American        | 0.41%  | 0.26%  | 0.11%  |
| African American       | 23.85% | 19.60% | 16.56% |
| Asian/Pacific Islander | 2.73%  | 4.06%  | 5.25%  |



# Market Overview

City: Wrightstown | County: Burlington | State: New Jersey



**Trenton** is the capital city of the U.S. state of New Jersey and the county seat of Mercer County. The city's metropolitan area is grouped with the New York metropolitan area by the United States Census Bureau, but directly borders the Philadelphia, metropolitan area and is part of the Federal Communications Commission's Philadelphia Designated Market Area. Trenton was a major manufacturing center in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. The city adopted the slogan, "Trenton Makes, The World Takes", in 1917 to represent Trenton's then-leading role as a major manufacturing center for rubber, wire rope, ceramics and cigars. Today, Trenton's biggest employer is still the state of New Jersey. Each weekday, 20,000 state workers flood into the city from the surround suburbs. Because of Trenton's near-equal distance to both New York City and Philadelphia, and because most homes in Mercer County receive network broadcasts from both cities, locals are sharply divided in fan loyalty between both cities. It is common to find Philadelphia's Phillies, Eagles, 76ers, and Flyers fans cheers (and arguing) alongside fans of New York Yankees, Mets, Nets, Knicks, Rangers, and Giants. Trenton is also home of the New York Yankees minor league baseball affiliate, the Trenton Thunder, a Double-A team owned by Joe Plumeri.

## Major Employers

| Employer                       | Estimated # of Employees |
|--------------------------------|--------------------------|
| Northampton Crossing           | 1,828                    |
| Virtua Mem Hosp Brlinton Cnty  | 1,200                    |
| Chapel                         | 1,000                    |
| Deborah Heart and Lung Center  | 1,000                    |
| County of Burlington           | 618                      |
| Unicor                         | 597                      |
| Air Force US Dept of           | 595                      |
| Cox Automotive Inc             | 500                      |
| Payroll Consulting Svcs LLC    | 442                      |
| Acme                           | 404                      |
| UPPER FREEHOLD REGIONAL SCHOOL | 380                      |
| Bordentown Family Medical Ctr  | 376                      |



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## EXCLUSIVE NET LEASE OFFERING



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