



# PANDA EXPRESS & SLEEP NUMBER

CONWAY, ARKANSAS (CENTRAL ARKANSAS/LITTLE ROCK MSA)

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$4,012,000 | 5.50% CAP RATE**

- » 100% Leased Two-Tenant Retail Center with Annual Rental Increases
  - » Corporate Leases to Strong National Tenants
  - » Rare Opportunity to Purchase Panda Express Leased Asset
- » High-Traffic Location at Conway's Busiest Intersection
  - » 94,000 AADT at Signalized Intersection
  - » Immediate Access to Interstate 40
- » Prime Location in Dense Retail Corridor
- » Central Location Near Downtown Conway and Major Employers
- » Proximity to New 151-Acre Mixed-Used Development
- » New 2019 Construction with Dedicated Drive-Thru



ACTUAL SITE RENDERING



Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Arkansas-licensed real estate broker Cushman & Wakefield, Inc.

# TABLE OF CONTENTS



## INVESTMENT SUMMARY

## RENT ROLL

## AERIALS

## SITE PLAN

## TENANT SUMMARIES

## PROPERTY OVERVIEW

## AREA OVERVIEW

## DEMOGRAPHIC PROFILE

## LEAD BROKERS

### **MICHAEL T. YURAS, CCIM**

*Executive Managing Director*  
415.481.0788  
michael.yuras@cushwake.com  
CA RE License #01823291

### **SCOTT CROWLE**

*Senior Director*  
415.604.4288  
scott.crowle@cushwake.com  
CA RE License #01318288

### **VINCENT AICALE**

*Executive Director*  
415.690.5522  
vince.aicale@cushwake.com  
CA RE License #01728696

### **RYAN FORSYTH**

*Executive Director*  
415.413.3005  
ryan.forsyth@cushwake.com  
CA RE License #01716551

**YURAS  
AICALE  
FORSYTH  
CROWLE**

Leased Investment Team

[www.YAFteam.com](http://www.YAFteam.com)

Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

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.

# INVESTMENT SUMMARY

ADDRESS	811 East Oak Street, Conway, Arkansas
PRICE	<b>\$4,012,000</b>
CAP RATE	<b>5.50% return</b>
NOI	\$220,625
OCCUPANCY	100%
YEAR BUILT	2019
BUILDING SF	4,890 SF
PARCEL SIZE	0.67 acres (29,340 SF)
TENANTS	Panda Express and Sleep Number

ACTUAL SITE RENDERING



## 100% LEASED TWO-TENANT RETAIL CENTER WITH ANNUAL RENTAL INCREASES

- » Long-term leases to corporate tenants
- » Exceedingly rare opportunity to purchase a Panda Express leased asset
- » Multi-tenant center allows for investment diversification

## HIGH-TRAFFIC LOCATION IN DENSE RETAIL CORRIDOR

- » Strategically located at Conway's busiest intersection, the interchange of East Oak Street and Interstate 40, with a combined traffic count of 94,000 vehicles per day
- » The property's prime location—immediately adjacent to the signalized intersection and easily accessible to traffic moving in both directions on East Oak Street and traffic coming from the Interstate 40 offramp—outpositions other retailers at the intersection
- » Located in Conway's densest retail corridor
- » Surrounded by notable retailers, as well as Conway's top restaurants by sales volume
- » Within walking distance of Conway Commons, a regional shopping hub featuring 43 stores spanning more than 654,000 square feet, including big name brands such as Home Depot, Target, Kohl's, PetSmart, Best Buy, and Dick's Sporting Goods

## CENTRAL LOCATION WITH STRONG CUSTOMER BASE

- » Centrally located approximately one mile from downtown Conway
- » Near major employers, colleges, and hospitals
- » The surrounding area's population increases during the day, with 7,296 daytime employees working within one mile of the property
- » Close to Central Landing, a 151-acre redevelopment site that will include a \$70 million, 339-unit luxury apartment complex and a large retail center anchored by Dillard's

## NEW 2019 CONSTRUCTION WITH DEDICATED DRIVE-THRU

- » High-quality construction scheduled to be completed in 2019
- » New building, limiting near-term deferred maintenance or capital costs

Tenant Name	Square Feet	% of Property	Lease Term		Current Rental Rates					Future Rental Rates					Recovery Type
			Start	Term	Start	Monthly	PSF	Annual	PSF	Date	Monthly	PSF	Annual	PSF	
Panda Express	2,390	48.88%	Sep-19	15 Years	Sep-19	\$8,250	\$3.45	\$99,000	\$41.42	Sep-24	\$9,075	\$3.80	\$108,900	\$45.56	Net + 10% Administrative Fee
									Sep-29	\$9,983	\$4.18	\$119,790	\$50.12		
									Options - 3 Options at 5 Years						
								Sep-34	\$10,980	\$4.59	\$131,758	\$55.13			
								Sep-39	\$12,076	\$5.05	\$144,914	\$60.63			
								Sep-44	\$13,283	\$5.56	\$159,390	\$66.69			
Sleep Number	2,500	51.12%	Jul-19	10 Years	Jul-19	\$10,135	\$4.05	\$121,625	\$48.65	Jul-20	\$10,338	\$4.14	\$124,050	\$49.62	Net + Proportional Share of Administrative and Management Costs
									Jul-21	\$10,544	\$4.22	\$126,525	\$50.61		
									Jul-22	\$10,754	\$4.30	\$129,050	\$51.62		
									Jul-23	\$10,969	\$4.39	\$131,625	\$52.65		
									Jul-24	\$11,188	\$4.48	\$134,250	\$53.70		
									Jul-25	\$11,410	\$4.56	\$136,925	\$54.77		
									Jul-26	\$11,640	\$4.66	\$139,675	\$55.87		
									Jul-27	\$11,873	\$4.75	\$142,475	\$56.99		
									Jul-28	\$12,110	\$4.84	\$145,325	\$58.13		
									Options - 2 Options at 5 Years						
									Jul-29	2% annual rental increases					
									Jul-34	2% annual rental increases					
TOTALS/AVERAGES		4,890						\$18,385	\$3.76	\$220,625	\$45.12				
Occupied SF		4,890	100.0%												
Available		0	0.0%												
Total SF		4,890	100.0%												





Florence Mattison Elementary  
(450 students)



INDUSTRIAL REGION



INDUSTRIAL REGION



East Oak Street  
(30,000 AADT)



Conway Commons Shopping Center



Interstate 40  
(64,000 AADT)



OFF/ON RAMP





  
UNIVERSITY OF  
CENTRAL  
ARKANSAS  
(11,754 students &  
1,500 employees)

Conway  
High School  
(1,553 students)

  
O'Reilly AUTO PARTS  
PROFESSIONAL PARTS PEOPLE

  
HENDRIX  
COLLEGE  
(1,348 students & 375 employees)

  
SONIC  
America's  
Drive-In.

  
TAKE  
5  
OIL CHANGE

  
Church's  
CHICKEN  
SINCE 1982

  
CVS  
pharmacy

  
Rally's  
HAMBURGERS

  
BURGER  
KING

Faulkner Plaza  
HOBBY LOBBY BIG  
LOTS!

East Oak Street  
(30,000 AADT)



Interstate 40 (64,000 AADT)

  
Wendy's

  
LONG  
JOHN  
SILVER'S

  
Kroger

  
TACO BELL

  
VALERO

  
Shell

  
golden  
corral

  
Best  
Western  
(50 rooms)

  
sleep number  
Under Construction



  
WAFFLE  
HOUSE

  
SUBWAY

  
Freddy's  
STEAKBURGERS





**MEDICAL CENTER**  
(110 beds and 400 employees)


INDUSTRIAL REGION



**Kimberly-Clark**

(700 employees)

Central Landing  
(151-acre mixed-use redevelopment site)

INTERNATIONAL  PAPER  
(200 employees)

Lewis Crossing Shopping Center



 **AUTO PARTS**



(50 rooms)

**WAFLE HOUSE**



sleep  number  
Under Construction

**SUBWAY**



**Freddy's**  
FROZEN CUSTARD &  
STEAKBURGERS

**golden corral**

 / Interstate 40  
(64,000 AADT)

East Oak Street  
(26,000 AADT)





Courtway Middle School  
(466 students)

  
(50 rooms)




  
FROZEN CUSTARD &  
STEAKBURGERS®







East Oak Street (30,000 AADT)

 / Interstate 40  
(64,000 AADT)



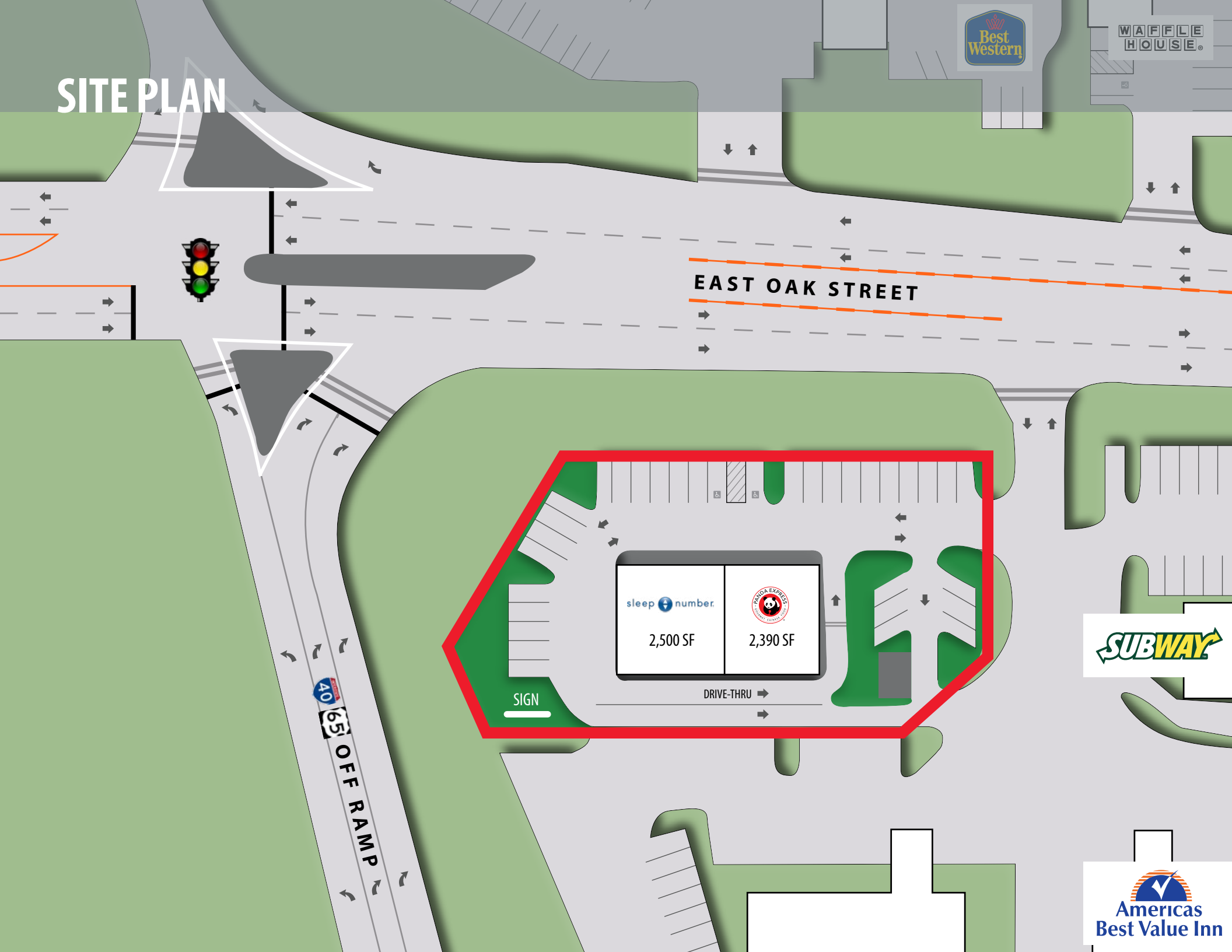
  
sleep  number  
Under Construction



  
Americas  
Best Value Inn  
(72 rooms)



# SITE PLAN



**SUBWAY**

**Americas  
Best Value Inn**



# TENANT SUMMARIES



Panda Express is a fast casual restaurant chain which serves American Chinese cuisine and is the largest Asian segment restaurant chain in the United States. Panda Express is best known for its wide variety of original recipes, including its Original Orange Chicken, award-winning Honey Walnut Shrimp, and Shanghai Angus Steak. Founded in 1983 and now with more than 2,100 locations in 13 countries, Panda Express is part of the family owned and operated Panda Restaurant Group, the world leader in Asian dining experiences, which also operates Panda Inn and Hibachi-San.

For more information, please visit [www.pandaexpress.com](http://www.pandaexpress.com).

<b>LOCATIONS</b>	<b>2,100+</b>	<b>OWNERSHIP</b>	<b>Panda Restaurant Group, Inc.</b>
<b>REVENUE</b>	<b>\$3.1B</b>	<b>HEADQUARTERS</b>	<b>Rosemead, CA</b>

# LEASE ABSTRACT

<b>TENANT</b>	Panda Express, Inc.	
<b>ADDRESS</b>	<a href="#">811 East Oak Street, Conway, Arkansas</a>	
<b>RENT COMMENCEMENT</b>	September 1, 2019 (estimated)	
<b>LEASE EXPIRATION</b>	August 31, 2034 (estimated)	
<b>RENEWAL OPTIONS</b>	Three (3) five (5) year options	
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-5 6-10 11-15 16-20 (Option 1) 21-25 (Option 2) 26-30 (Option 3)	<b>NOI</b> \$99,000 \$108,900 \$119,790 \$131,758 \$144,914 \$159,390
<b>COMMON AREA COSTS</b>	Tenant shall pay its proportionate share of Common Area costs, including a 10% administrative fee and a management fee. Management fee will not exceed \$1,410 per year in the first lease year and will not increase by more than 3% annually.	
<b>REAL ESTATE TAXES</b>	Tenant shall pay its proportionate share of taxes.	
<b>INSURANCE</b>	Tenant is responsible for insurance costs.	
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for maintaining and repairing the interior non-structural portions of the Premises and Tenant's service areas and drive-thru.	
<b>MAINTENANCE BY LANDLORD</b>	Landlord is responsible for maintaining and repairing the structural portions of the Premises.	
<b>RIGHT OF FIRST REFUSAL</b>	None	



# TENANT SUMMARIES



Select Comfort, also known as Sleep Number, is a U.S.-based manufacturer that manufactures the Sleep Number and Comfortaire beds as well as foundations and bedding accessories. The company's signature product is the Sleep Number bed, an adjustable air mattress which allows individuals to adjust the firmness and support on each side of the mattress at the touch of a button. Sleep Number products are sold through over 580 stores located across the United States, direct marketing operations, and online at [sleepnumber.com](http://sleepnumber.com). Today, Sleep Number is the leader in sleep innovation and is the winner of J.D. Power's 2018 Mattress Satisfaction Report.

Sleep Number delivered 6% net sales growth in fiscal 2018 and a 24% increase in earnings per share. The average Sleep Number store generated \$2.7 million in sales in 2018, averaging \$998 in sales per square foot.

For more information, please visit [www.sleepnumber.com](http://www.sleepnumber.com).

<b>TICKER</b>	<b>NASDAQ: "SCSS"</b>	<b>LOCATIONS</b>	<b>580+</b>
<b>HEADQUARTERS</b>	<b>Minneapolis, MN</b>	<b>REVENUE</b>	<b>\$1.53B</b>

# LEASE ABSTRACT

<b>TENANT</b>	Select Comfort Retail Corporation d/b/a Sleep Number	
<b>GUARANTOR</b>	Sleep Number Corporation	
<b>ADDRESS</b>	<a href="#">811 East Oak Street, Conway, Arkansas</a>	
<b>RENT COMMENCEMENT</b>	July 1, 2019 (estimated)	
<b>LEASE EXPIRATION</b>	June 30, 2029 (estimated)	
<b>RENEWAL OPTIONS</b>	Two (2) five (5) year options	
<b>RENTAL INCREASES</b>	<b>YEAR</b>	<b>NOI</b>
	1	\$121,625
	2	\$124,050
	3	\$126,525
	4	\$129,050
	5	\$131,625
	6	\$134,250
	7	\$136,925
	8	\$139,675
	9	\$142,475
	10	\$145,325
	11-15 (Option 1)	2% annual increases
	16-20 (Option 2)	2% annual increases
<b>COMMON AREA COSTS</b>	Tenant shall pay its proportionate share of Common Area costs, which shall not increase more than 7% per year. Common Area costs shall include, but are not limited to, commercially reasonable management or administrative fees.	
<b>REAL ESTATE TAXES</b>	Tenant shall pay its proportionate share of taxes.	
<b>INSURANCE</b>	Tenant is responsible for insurance costs.	
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for maintaining and repairing the non-structural portions of the Premises.	
<b>MAINTENANCE BY LANDLORD</b>	Landlord is responsible for maintaining and repairing the structural portions of the Premises.	
<b>RIGHT OF FIRST REFUSAL</b>	None	



# PROPERTY OVERVIEW

## LOCATION

The property is strategically located at Conway's busiest intersection, the interchange of East Oak Street and Interstate 40, with a combined traffic count of 94,000 vehicles per day. The property's prime location—immediately adjacent to the signalized intersection and easily accessible to traffic moving in both directions on East Oak Street and traffic coming from the Interstate 40 offramp—outpositions other retailers at the intersection. Located in Conway's densest retail corridor, the property is surrounded by notable retailers, as well as Conway's top restaurants by sales volume. The property is within walking distance of Conway Commons, a regional shopping hub featuring 43 stores spanning more than 654,000 square feet, including big name brands such as Home Depot, Target, Kohl's, PetSmart, Best Buy, and Dick's Sporting Goods. Other tenants in the nearby area include Kroger, Hobby Lobby, Planet Fitness, Chick-fil-A, Starbucks, and Walgreens, amongst many others.

The property is centrally located approximately one mile from downtown Conway. Major employers are located nearby, and the surrounding area's population increases during the day, with 7,296 daytime employees working within one mile of the property. Additionally, the property is close to Central Landing, a 151-acre redevelopment of Conway's former airport site. Planned developments for the site include the \$70 million, 339-unit Fountaine Bleu at Central Landing luxury apartment complex and the Shoppes At Central Landing, a large retail center anchored by Dillard's.

## ACCESS

Access from East Oak Street

## TRAFFIC COUNTS

East Oak Street: 30,000 AADT  
Interstate 40: 64,000 AADT

## PARKING

33 parking stalls, including two (2) handicap stalls

## BUILDING SF

4,890 SF

## YEAR BUILT

2019

## NEAREST AIRPORT

Bill and Hillary Clinton National Airport/Little Rock Airport (LIT)



**33**  
PARKING  
STALLS



**2019**  
YEAR  
BUILT



**94K**  
TRAFFIC  
COUNT (AADT)



**NEAREST  
AIRPORT**  
LITTLE ROCK  
AIRPORT



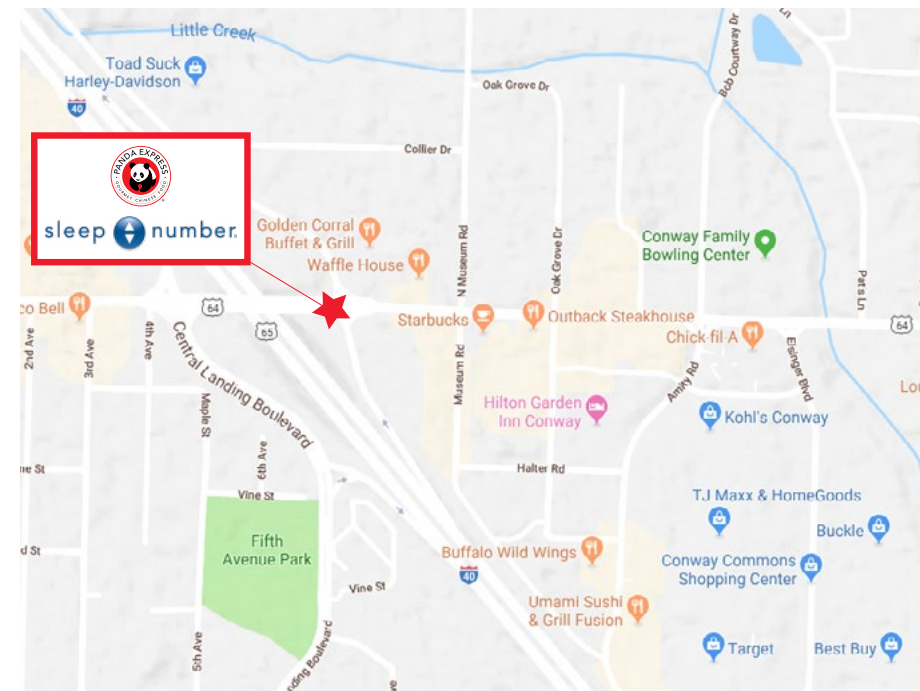
# AREA OVERVIEW

Conway is the largest city in and the county seat of Faulkner County, located in Arkansas's most populous region, Central Arkansas, also known as both the Little Rock–North Little Rock–Conway Metropolitan Statistical Area (MSA) and the larger Little Rock–North Little Rock Combined Statistical Area (CSA). With a 2019 population of 66,761, Conway is the seventh largest city in Arkansas. Conway is a major employment center, and the majority of its residents do not commute out of the city to work. The city also serves as a regional shopping, educational, work, healthcare, sports, and cultural hub for Faulkner County and surrounding areas. Conway's growth can be attributed to its jobs in technology and higher education, with its largest employers being Acxiom, the University of Central Arkansas, Hewlett Packard, Hendrix College, Insight Enterprises, and many technology startup companies. Conway is home to three post-secondary educational institutions—the University of Central Arkansas, Hendrix College, and Central Baptist College—earning it the nickname “The City of Colleges”. These colleges together contribute to over 40% of Conway's adult workforce having a bachelor's degree or higher, making it one of the most educated cities in the state.

Central Arkansas, also known as the Little Rock metro, is the most populous metro area in Arkansas, with an estimated population of more than 1 million. Located at the convergence of Arkansas's other geographic regions, the region's central location makes Central Arkansas an important population, economic, education, and political center in Arkansas and the South. Little Rock is the state's capital, and the city is also home to two Fortune 500 companies, Arkansas Children's Hospital, and University of Arkansas for Medical Sciences (UAMS). The region is located in the center of the country, with 40% of the nation's population and buying power within a 550-mile radius. Metro Little Rock is at the crossroad of Interstate 30 and the one of the most heavily traveled interstate highways in the nation, Interstate 40. The region benefits from a diversified economic base revolving around advanced manufacturing, aerospace, information technology, healthcare, military, and nonprofit industries.

- » Conway is a popular sport-fishing destination and is home to largest man-made game and fish commission lake in the United States, Lake Conway. The lake is home to largemouth bass, crappie, gar, catfish, bream, bowfin, and more. The Arkansas Crappie Masters state tournament is held at Lake Conway every year.
- » The University of Central Arkansas (often referred to as Central Arkansas or UCA) in Conway is noted for its nationally recognized programs in nursing, education, physical therapy, business, performing arts, and psychology. UCA has about 12,000 graduate and undergraduate students, making it one of the largest universities in the state.
- » Conway and Faulkner County have a diverse economy. More than 65% of the county population stays in the county to work each day.
- » In 2018, Conway's unemployment rate was 3.1%, the lowest it's been in the last ten years.
- » The cost of living in Conway is only 82% of the U.S. average.
- » Conway had over \$1.5 billion in retail sales in 2018, accounting for nearly 78% of Faulkner County's total retail sales.

MAJOR EMPLOYERS IN CONWAY	EMPLOYEES
UNIVERSITY OF CENTRAL ARKANSAS	1,500
ACXIOM CORPORATION	1,450
CONWAY HUMAN DEVELOPMENT CENTER	1,320
CONWAY PUBLIC SCHOOL DISTRICT	1,150
CONWAY REGIONAL HEALTH SYSTEM	1,094
NABHOLZ CONSTRUCTION CORPORATION	850
WALMART	825
KIMBERLY-CLARK CORPORATION	700
DXC TECHNOLOGY	600
VIRCO MANUFACTURING	500

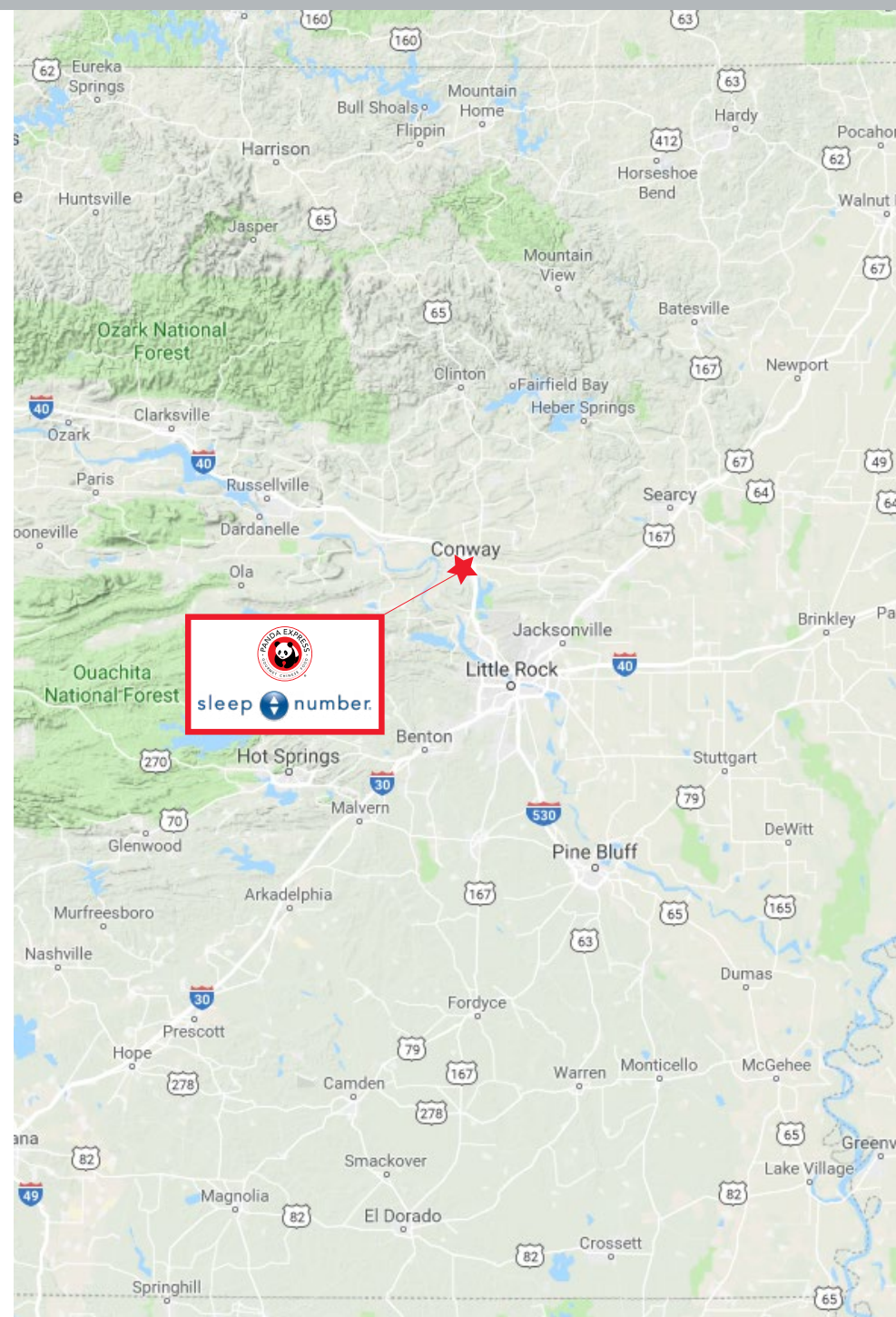




# DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>5,623</b>	<b>38,185</b>	<b>70,804</b>
Households	2,105	14,389	27,090
Families	1,175	7,892	16,353
Average Household Size	2.24	2.37	2.45
Owner Occupied Housing Units	695	6,065	13,609
Renter Occupied Housing Units	1,410	8,324	13,481
Median Age	30.5	27.9	30.1
<b>Average Household Income</b>	<b>\$41,673</b>	<b>\$57,552</b>	<b>\$68,379</b>

2023 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>5,900</b>	<b>39,751</b>	<b>74,191</b>
Households	2,217	15,063	28,482
Families	1,217	8,177	17,032
Average Household Size	2.25	2.36	2.45
Owner Occupied Housing Units	724	6,359	14,351
Renter Occupied Housing Units	1,493	8,704	14,131
Median Age	31.5	28.7	31.1
<b>Average Household Income</b>	<b>\$46,544</b>	<b>\$65,398</b>	<b>\$77,861</b>





**YURAS  
AICALE  
FORSYTH  
CROWLE**

Leased Investment Team



## LEAD BROKERS

### **MICHAEL T. YURAS, CCIM**

*Executive Managing Director*

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

### **SCOTT CROWLE**

*Senior Director*

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

### **VINCENT AICALE**

*Executive Director*

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

### **RYAN FORSYTH**

*Executive Director*

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

**[www.YAFteam.com](http://www.YAFteam.com)**

Cushman and Wakefield Inc. LIC. # 00616335