

EXCLUSIVE INVESTMENT SUMMARY

SINGLE TENANT, NNN WENDY'S OPPORTUNITY IN PELL CITY, AL



ACTUAL PHOTO – PELL CITY, AL



170 VAUGHAN LANE | PELL CITY, AL

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INVESTMENT SUMMARY

WENDY'S | PELL CITY, AL



INVESTMENT SUMMARY

Holliday Fenoglio Fowler, L.P. (“HFF”) Net Lease Advisory is pleased to exclusively offer a net lease opportunity to acquire a fee simple interest in a single tenant, NNN lease, **Wendy’s** (the “Property”) investment property located in Pell City, Alabama. Wendy’s has 13.5 years of remaining term with rare, 2% annual increases and no landlord responsibility. The Lease also includes two (2), ten (10) year options with the same 2% annual increase as in the base term. The operator, Starboard Group, operates over 182 Wendy’s restaurants and was ranked 32nd in the *Franchise Times Restaurant Monitor 200*.

Wendy’s, founded in 1969 in Columbus, Ohio, is the world’s third largest quick-serve restaurant company in the hamburger sandwich segment with more than 6,700 locations in operation as of March, 2019. Wendy’s is seen as stable and has a B S&P Credit Rating. The company is best known for its made-to-order square hamburgers, using fresh, never frozen beef. But, its restaurants offer a range of other items such as chicken breast sandwiches, chicken nuggets, chili, French fries, baked potatoes, salads, soft drinks, Frosty desserts, and kids’ meals. In 2017, Wendy’s announced a partnership with DoorDash to offer delivery straight to customers’ doors.

The property is conveniently located on Vaughan Lane, which backs up to Highway 231, 24,000 VPD, and is just above I-20, which has over 52,000 VPD. The property sits directly across the street from a Walmart Supercenter anchored retail center, further increasing consumer traffic in and around the site. Vaughan Lane is home to many nearby national retailers such as; Arby’s, Cracker Barrel, Zaxby’s, The Home Depot and Buffalo Wild Wings. Pell City, AL has seen an increase in retailers since 2015 due to the referendum which now allows businesses to sell alcohol on Sundays, as well as the widening of I-20, which finished in 2014.



\$2,573,800

ASKING PRICE

5.50%

CAP RATE

\$141,559

NOI

13.5 Years

REMAINING LEASE TERM

INVESTMENT HIGHLIGHTS



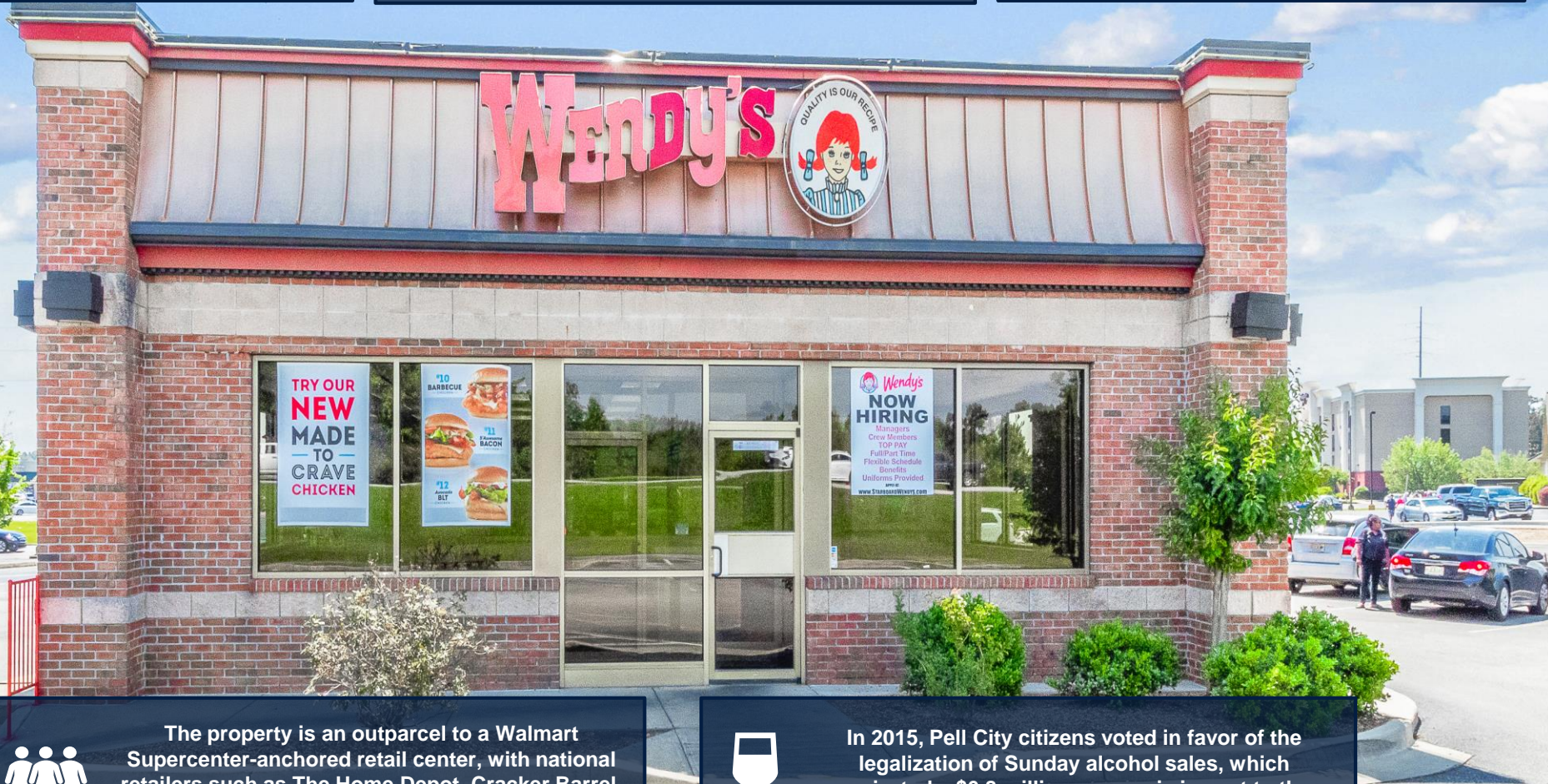
Wendy's has 13.5 years remaining on their NNN lease with rare, 2% annual rental increases, inclusive of their two (2), ten (10) year options



The Property is situated on Vaughan Lane and backs up to Highway 231, which boasts over 24,000 VPD and is just north of I-20, with over 52,000 VPD



Wendy's is the world's third largest quick-serve restaurant company in the hamburger sandwich segment with more than 6,700 locations in operation as of March 31, 2019



The property is an outparcel to a Walmart Supercenter-anchored retail center, with national retailers such as The Home Depot, Cracker Barrel, Dollar Tree, Zaxby's and Buffalo Wild Wings nearby helping further drive consumers to the area



In 2015, Pell City citizens voted in favor of the legalization of Sunday alcohol sales, which projected a \$6.8 million economic impact to the city, and was a main cause for the increase of retailers along I-20 and Highway 231

TENANT OVERVIEW

WENDY'S | PELL CITY, AL



WENDY'S CORPORATE OVERVIEW



THE WENDY'S COMPANY

Wendy's was founded in 1969 by Dave Thomas in Columbus, OH. Thomas orchestrated the company on the premise, "Quality is our Recipe," which remains as the staple of the Wendy's system. Now, headquartered in Dublin, OH, The Wendy's Company, through its subsidiaries, operates as a quick-service restaurant company in the hamburger sandwich segment worldwide. It is involved in operating, developing, and franchising a system of quick-service restaurants. The company is best known for its made-to-order square hamburgers, using fresh, never frozen beef. But, its restaurants offer a range of other items such as chicken breast sandwiches, chicken nuggets, chili, French fries, baked potatoes, salads, soft drinks, Frosty desserts, and kids' meals. Today, Wendy's and its franchisees employ hundreds of thousands of people across more than 6,700 restaurants worldwide. The Company was formerly known as Wendy's/Arby's Group, Inc., but changed its name to The Wendy's Company in July 2011.

THE WENDY'S RESTAURANT SYSTEM

Wendy's is the world's third largest quick-service restaurant company in the hamburger sandwich segment. Wendy's is primarily engaged in the business of operating, developing and franchising a system of distinctive quick-service restaurants serving high quality food. As of March 31, 2019, there were 6,710 Wendy's restaurants in operation. Of these restaurants, 358 were operated by the Company. All of Wendy's company-operated restaurants are located in the United States.

Corporate Overview

Tenant Trade Name	Wendy's
US Headquarters	Dublin, OH
Number of Locations	6,700+
Stock Ticker	WEN (Nasdaq)
Credit Rating	B (S&P)
Website	wendys.com



TENANT/OPERATOR OVERVIEW



The Starboard Group was founded in 1998 when Andrew Levy, the current CEO, purchased 5 restaurants in Pennsylvania. Currently, the Starboard Group operates over 182 Wendy's restaurants in the Alabama, Florida, Illinois, Michigan, Missouri, New Jersey, Pennsylvania, Virginia, and Wisconsin markets.

In 2015, Starboard established a Wendy's Brazil Joint Venture. The joint venture secured Master Franchisor rights to Brazil and in 2016 the first Wendy's opened in Sao Paulo. Now, Starboard operates 5 restaurants in the country.

The Starboard was recently ranked 32nd in the Franchise Times Restaurant Monitor 200. The Monitor ranks the largest multi unit franchisors in the United States.

Corporate Overview

US Headquarters	Coral Springs, FL
Year Established	1998
Restaurants Under Operation	182
Employees	5,400+
Website	starboardwendys.com



FINANCIAL ANALYSIS

WENDY'S | PELL CITY, AL





LEASE ABSTRACT

\$2,573,800

ASKING PRICE

5.50%

CAP RATE

\$141,559

NOI

LEASE DETAIL

Tenant	Starboard Group of Alabama, LLC
Address	170 Vaughan Lane, Pell City, AL 35125
Branded As	Wendy's
Building Size	3,286 SF
Year Built	2002
Parcel Size	0.70 Acres
Annual Rent	\$141,559
Lease Type	Fee Simple: NNN
Roof & Structure	Tenant's Responsibility
Lease Commencement	12/19/2012
Lease Expiration	12/31/2032
Remaining Lease Term	13.5 Years
Remaining Options	Two (2), Ten (10) Year Options

RENT SCHEDULE

Description	Dates	Annual Rent	% Increase
Current Term (Year 7)	1/1/2019 - 12/31/2019	\$141,559	2.00%
Current Term (Year 8)	1/1/2020 - 12/31/2020	\$144,390	2.00%
Current Term (Year 9)	1/1/2021 - 12/31/2021	\$147,278	2.00%
Current Term (Year 10)	1/1/2022 - 12/31/2022	\$150,223	2.00%
Current Term (Year 11)	1/1/2023 - 12/31/2023	\$153,228	2.00%
Current Term (Year 12)	1/1/2024 - 12/31/2024	\$156,292	2.00%
Current Term (Year 13)	1/1/2025 - 12/31/2025	\$159,418	2.00%
Current Term (Year 14)	1/1/2026 - 12/31/2026	\$162,606	2.00%
Current Term (Year 15)	1/1/2027 - 12/31/2027	\$165,858	2.00%
Current Term (Year 16)	1/1/2028 - 12/31/2028	\$169,176	2.00%
Current Term (Year 17)	1/1/2029 - 12/31/2029	\$172,559	2.00%
Current Term (Year 18)	1/1/2030 - 12/31/2030	\$176,010	2.00%
Current Term (Year 19)	1/1/2031 - 12/31/2031	\$179,531	2.00%
Current Term (Year 20)	1/1/2032 - 12/31/2032	\$183,121	2.00%
Option Term 1 (Years 21-30)	1/1/2033 - 12/31/2042	\$186,784	2.00% Annual
Option Term 2 (Years 31-40)	1/1/2043 - 12/31/2052	\$227,688	2.00% Annual

TENANT RESPONSIBILITY DETAIL

Maintenance & Repairs	Tenant, at its sole cost and expense, shall maintain, repair or replace, in good condition and in compliance with law, all: structural parts of the building and other improvements in which the Lease Premises are located, including without limitation, the foundations, bearing and exterior walls, subflooring and roof; utility systems within or serving the Leased Premises, including heating, ventilating, and air-conditioning systems servicing the Leased Premises, the exterior grounds and the interior and all other portions of the Leased Premises.
Insurance	Tenant shall maintain throughout the Term the following insurance on or in connection the Leased Premises: Insurance against loss, damage or destruction to the Leased Premises, Commercial General Liability insurance in the minimum amount of \$2,000,000, worker's compensation insurance, comprehensive boiler, machinery and equipment breakdown insurance, and business income/rental value insurance.
Taxes	Tenant shall pay to the applicable collecting authority all real estate taxes for the demised premises.
Utilities	Tenant shall pay directly to the collecting authority and be responsible for all rents and charges for water, gas, sewer, utility and communication services relating to any of the Leased Premises.

LANDLORD RESPONSIBILITY DETAIL

None

MARKET OVERVIEW

WENDY'S | PELL CITY, AL



PELL CITY, AL OVERVIEW

Pell City, Alabama was founded in 1809 and named after George Pell. The city started off as a manufacturing town after Sumter Cogswell built the Pell City Manufacturing Company. In the early 1900s the residents of Pell City soon realized the fertile land that existed. Agriculture was now an economic endeavor, in addition to the textile mill, as large cotton, soybean and cattle farms were located in the city.

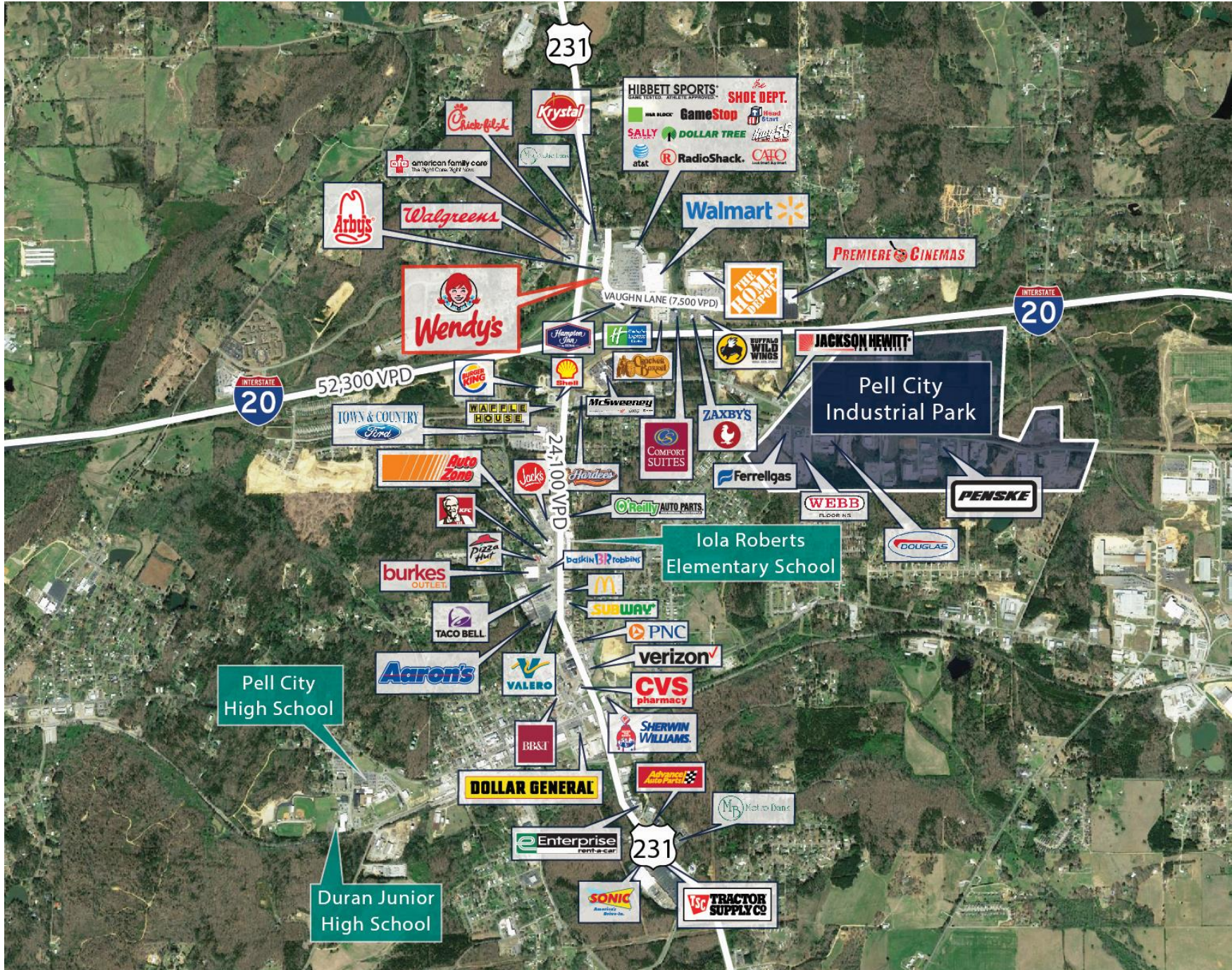
Pell City is a part of St. Clair County. In 1907 Pell City was established as the second county seat, joining Ashville, and for many years St. Clair County was the only county in the country with two full-service county seats. Both county seats remain operational to this day, but Pell City has far outgrown Ashville in growth thanks to the convergence of both Logan Martin Lake and I-20.

The construction of the Logan Martin Dam in 1964 created a large lake, which brought new businesses, new permanent residents who built homes along the lake and made Pell City a summer attraction for temporary summer residents. I-20, a 215 mile city Interstate highway, enters the state from Mississippi and runs eastward before crossing the Georgia state line. In between 2010 and 2014 work was completed to add additional lanes in each direction along I-20.

In the mid-2000s, Pell City experienced a period of rapid commercial and residential growth, spurred by the Wal-Mart, Home Depot retail area along the north side of I-20 and the Pell City Industrial Park. In 2015, Pell City residents voted to legalize alcohol sales on Sundays. Several corporate entities immediately entered into negotiations to open new restaurants and sports bars within Pell City.



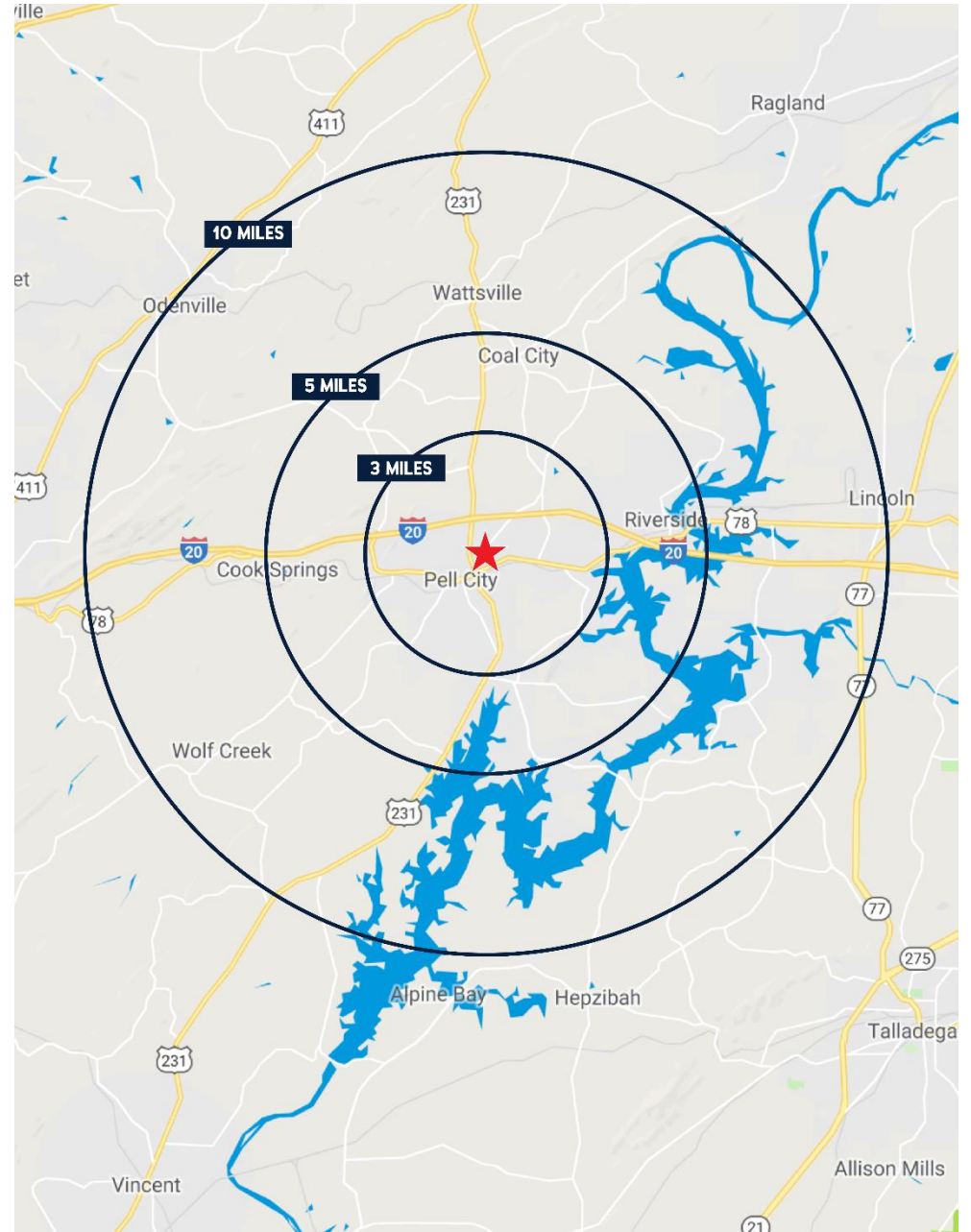
SURROUNDING RETAIL AND AMENITIES



DEMOGRAPHICS: 170 VAUGHAN LANE, PELL CITY, AL

POPULATION			
	3 MILES	5 MILES	10 MILES
2010 Census	9,647	17,696	42,092
2019 Estimate	9,911	18,444	44,024
2024 Projection	10,062	18,845	45,048
POPULATION GROWTH			
Historical Growth: 2010 to 2019	2.74%	4.23%	4.59%
Projected Growth: 2019 to 2024	1.52%	2.17%	2.33%
HOUSEHOLD INCOME			
2019 Average Household Income	\$61,290	\$64,851	\$69,596
2019 Median Household Income	\$48,889	\$51,752	\$57,326
HOUSEHOLDS			
2010 Census	3,761	6,866	16,467
2019 Estimate	3,908	7,223	17,418
2024 Projection	3,980	7,398	17,878
HOUSEHOLD GROWTH			
Historical Growth: 2010 to 2019	3.91%	5.20%	5.78%
Projected Growth: 2019 to 2024	1.84%	2.42%	2.64%

(Environics Analytics)



*Rings may not be drawn to scale



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