

EXCLUSIVE INVESTMENT SUMMARY

SINGLE TENANT, NNN WENDY'S OPPORTUNITY IN A PUBLIC, STATE UNIVERSITY, COLLEGE TOWN



ACTUAL PHOTO – JACKSONVILLE, AL



419 N. PELHAM ROAD | JACKSONVILLE, AL

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INVESTMENT SUMMARY

WENDY'S | JACKSONVILLE, AL



INVESTMENT SUMMARY

Holliday Fenoglio Fowler, L.P. (“HFF”) Net Lease Advisory is pleased to exclusively offer the opportunity to acquire the fee simple interest in a single tenant, NNN lease, **Wendy’s** (the “Property”), investment property located in Jacksonville, AL. The tenant, Wendy’s, the third-largest quick serve restaurant company in the hamburger sandwich segment, has 13.5 years remaining on their lease with rare, 2% annual rental increases. The increases are inclusive of their two (2), ten (10) year options, and there is no landlord responsibility associated with the Property. Additionally, this location is just 0.2 miles away from Jacksonville State University – a public, state university with more than 9,000 students and a business school that is among the best in the country, according to the Princeton Review.

Wendy’s, which is publicly traded (Nasdaq: WEN) and has a ‘B Stable’ credit rating (S&P), is best known for its made-to-order square hamburgers, using fresh never frozen beef, freshly-prepared salads, and other signature items like chili, baked potatoes and the Frosty dessert. Today, Wendy’s and its franchisees employ hundreds of thousands of people across more than 6,700 restaurants worldwide. According to the Q1 2019 report, global, systemwide sales were north of \$2.59 billion, a 2.3% increase from the prior year. The operator, Starboard Group, operates over 182 Wendy’s restaurants in the states of Alabama, Florida, Illinois, Michigan, Missouri, New Jersey, Pennsylvania, Virginia and Wisconsin.

Jacksonville, AL is a small town nestled in the foothills of the Appalachian Mountains. Jacksonville is also located half-way in between Birmingham, AL and Atlanta, GA, right near Interstate 20, providing easy access to major urban areas. Additionally, the city is home to a regional airport and a rail network. Jacksonville, and the state of Alabama, are one of the lowest taxed places in the country, providing for a very attractive business environment.



\$2,010,539

ASKING PRICE

5.75%

CAP RATE

\$115,606

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, and no landlord responsibility



The Property is situated on N Pelham Road (Route 21) – the main strip in Jacksonville, AL that features more than 22,000 VPD and is inclusive of many nationally recognized retail tenants such as Walmart, Walgreens, CVS, Verizon and AT&T



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 located just outside of Jacksonville State University's campus (0.2 miles away) – a public, state university with an enrollment of roughly 9,000 students



This Wendy's location is 11 miles away from their next closest store, generating a sense of scarcity which will ultimately lead to a larger consumer base

TENANT OVERVIEW

WENDY'S | JACKSONVILLE, 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 that achieved sales of \$2.59 billion, up 2.3% from 2018. 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 | JACKSONVILLE, AL





LEASE ABSTRACT

\$2,010,539

ASKING PRICE

5.75%

CAP RATE

\$115,606

NOI

LEASE DETAIL

Tenant	Starboard Group of Alabama, LLC
Address	419 North Pelham Road, Jacksonville, AL 36265
Branded As	Wendy's
Building Size	3,097 SF
Year Built / Renovated	2016
Parcel Size	0.81 Acres
Annual Rent	\$115,606
Rent / SF	\$37.33
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	\$115,606	2.00%
Current Term (Year 8)	1/1/2020 - 12/31/2020	\$117,918	2.00%
Current Term (Year 9)	1/1/2021 - 12/31/2021	\$120,277	2.00%
Current Term (Year 10)	1/1/2022 - 12/31/2022	\$122,682	2.00%
Current Term (Year 11)	1/1/2023 - 12/31/2023	\$125,136	2.00%
Current Term (Year 12)	1/1/2024 - 12/31/2024	\$127,639	2.00%
Current Term (Year 13)	1/1/2025 - 12/31/2025	\$130,191	2.00%
Current Term (Year 14)	1/1/2026 - 12/31/2026	\$132,795	2.00%
Current Term (Year 15)	1/1/2027 - 12/31/2027	\$135,451	2.00%
Current Term (Year 16)	1/1/2028 - 12/31/2028	\$138,160	2.00%
Current Term (Year 17)	1/1/2029 - 12/31/2029	\$140,923	2.00%
Current Term (Year 18)	1/1/2030 - 12/31/2030	\$143,742	2.00%
Current Term (Year 19)	1/1/2031 - 12/31/2031	\$146,617	2.00%
Current Term (Year 20)	1/1/2032 - 12/31/2032	\$149,549	2.00%
Option Term 1 (Years 21-30)	1/1/2033 - 12/31/2042	\$152,540	2.00% Annual
Option Term 2 (Years 31-40)	1/1/2043 - 12/31/2052	\$185,945	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 | JACKSONVILLE, AL



JACKSONVILLE, AL OVERVIEW

Jacksonville, AL is a small town nestled in the foothills of the Appalachian Mountains. Jacksonville is also located half-way in between Birmingham, AL and Atlanta, GA, right near Interstate 20, providing easy access to major urban areas. It is known for its southern charm, historical past, and promising future. The town's old churches, restored homes, and unique public square, which is less than a half of a mile away from the subject Property, all contribute to Jacksonville's small-town lifestyle.

The economy of Jacksonville is being driven by many local businesses that have reached national audiences. For example, Federal-Mogul Corporation is an innovative \$6.8 billion global supplier of products to manufacturers of automotive, light commercial, and off-highway, heavy duty vehicles. The company has been around for more than a century and continues to develop innovations to improve fuel economy and reduce emissions. Another company, Carmin Industries, specializes in waterjet and laser cutting, precision machining, light assembly, and complete fabrication for military, industrial and architectural projects. They are a proud supplier for Anniston Army Depot, Boeing, Lockheed Martin, MCAS Cherry Point, NASA – Marshall Space Flight Center, and USAF MTAPP Program.

The Jacksonville City School System has a tradition of being one of the highest performing school systems in the state of Alabama. Jacksonville High School offers multiple Advanced Placement (AP) programs for its 700+ students, and was selected to be a part of the A+ College Ready Program. The program is dedicated to developing effective teachers to educate students at higher levels, earn qualifying scores on AP exams, and attend and succeed in college. Beyond high school, the town is home to Jacksonville State University (JSU) – a leader amongst Alabama regional universities with the highest percentage of accredited programs. Further, the Princeton Review has ranked JSU's College of Business among the best in the country.

Jacksonville State University – 0.2 miles



Birmingham, AL – 76 miles



Atlanta, GA – 94 miles

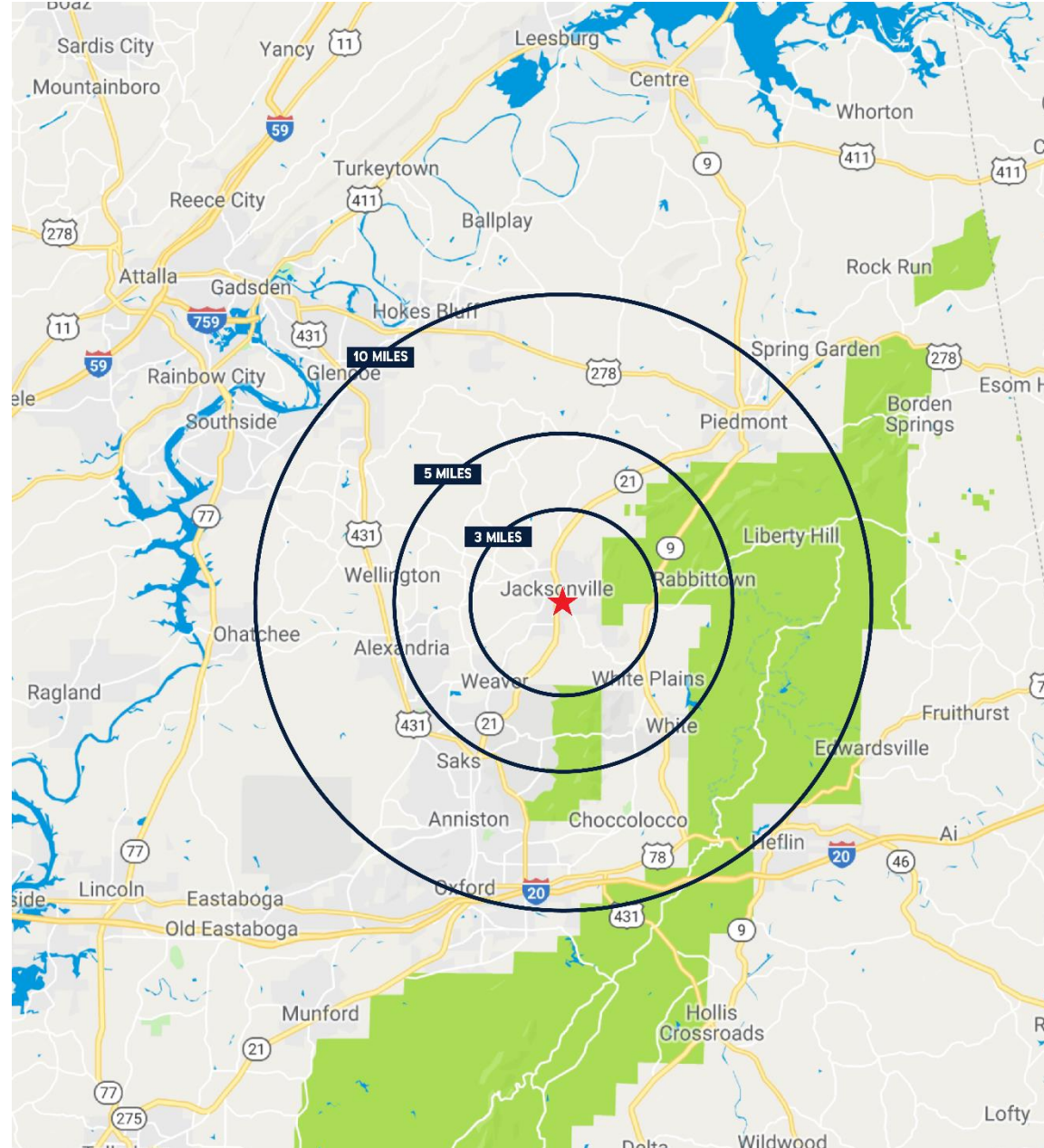


SURROUNDING RETAIL AND AMENITIES



DEMOGRAPHICS: 419 N PELHAM ROAD, JACKSONVILLE, AL

POPULATION			
	3 MILES	5 MILES	10 MILES
2010 Census	14,965	21,532	52,659
2019 Estimate	15,477	21,834	51,335
2024 Projection	15,721	22,038	51,116
HOUSEHOLD INCOME			
2019 Average Household Income	\$58,143	\$61,840	\$63,553
2019 Median Household Income	\$42,414	\$46,359	\$48,800
HOUSEHOLDS			
2010 Census	5,907	8,441	20,705
2019 Estimate	6,015	8,475	20,126
2024 Projection	6,091	8,537	20,028



*Rings may not be drawn to scale

(Envionics Analytics)



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