

# WENDY'S

EXCLUSIVE NET LEASED OFFERING



# OFFERING MEMORANDUM



12925 Shelbyville Rd  
Louisville, KY 40243

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other

locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some 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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# Investment Highlights

Wendy's

## Optimal Lease Structure

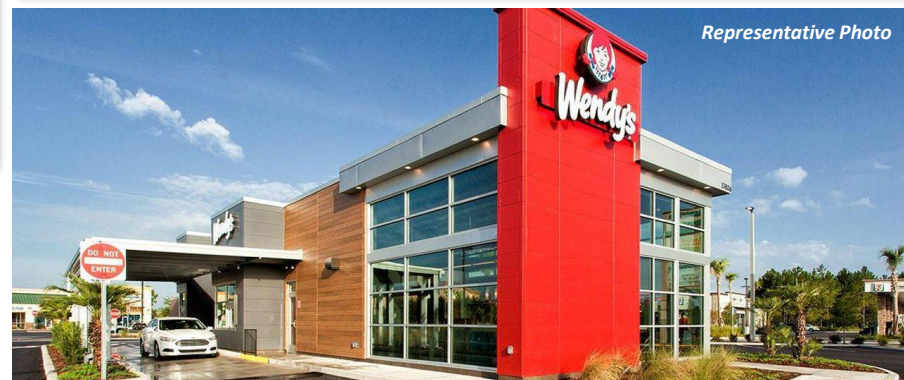
- ✓ 20-Year Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases | 10.00% Every Five (5) Years
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

## Compelling Location Fundamentals

- ✓ The Subject Property is Strategically Placed as an Outparcel to a Target and a Walmart
- ✓ Located Along a Main Artery to Downtown Louisville | 15 Miles Away
- ✓ Located in an Affluent Area of Louisville | Over \$122,000 in Average Household Income within a Three-Mile Radius
- ✓ Strong Traffic Counts | Shelbyville Road & Gene Snyder Freeway | Average 40,000 and 85,000 Vehicles Per Day Respectively
- ✓ Strong Demographics | Population within a Five-Mile Radius Exceeds 121,000 Individuals

## Strong Brand, Exceptional Operator

- ✓ Wendy's is the World's Number Three Hamburger Chain in Terms of Locations
- ✓ There are Approximately 6,600 Franchise and Company-Operated Wendy's Restaurants in the United States and 30 Countries and U.S. Territories Worldwide
- ✓ Stonewall Road Restaurant Group ("SRRG") is a Singularly Focused Restaurant Operations Firm, and One of Wendy's Fastest-Growing and Most-Respected Franchisee Groups
- ✓ SRRG Currently Operates 45 Wendy's Restaurants with Significant Plans for Expansion through a Robust M&A and Development Pipeline







# Financial Analysis & Investment Summary *Wendy's*

**PRICE: \$2,966,430 | CAP RATE: 5.35% | RENT: \$158,704**

## PROPERTY DESCRIPTION

Property	Wendy's
Property Address	12925 Shelbyville Rd
City, State ZIP	Louisville, KY 40243
Year Built	1994
Building Size (SF)	3,467
Lot Size (Acres)	1.11
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,966,430
CAP Rate	5.35%
Annual Rent	\$158,704

## LEASE SUMMARY

Tenant / Guarantor	SRRG Kentucky LLC / SRRG Holdings LLC & Stonewall Road Partners LLC	
Original Lease Term	20 Years	
Lease Commencement	March 18, 2019	
Lease Expiration	March 18, 2039	
Lease Term Remaining	19.5 Years	
Lease Type	Triple Net (NNN)	
Roof & Structure	Tenant Responsible	
Options to Renew	Four, Five-Year Option Periods	
Rental Increases	10% Every Five Years	

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$158,704	\$13,225	-
Year 2	\$158,704	\$13,225	-
Year 3	\$158,704	\$13,225	-
Year 4	\$158,704	\$13,225	-
Year 5	\$158,704	\$13,225	-
Year 6	\$174,574	\$14,548	10.00%
Year 7	\$174,574	\$14,548	-
Year 8	\$174,574	\$14,548	-
Year 9	\$174,574	\$14,548	-
Year 10	\$174,574	\$14,548	-
Year 11	\$192,032	\$16,003	10.00%
Year 12	\$192,032	\$16,003	-
Year 13	\$192,032	\$16,003	-
Year 14	\$192,032	\$16,003	-
Year 15	\$192,032	\$16,003	-
Year 16	\$211,235	\$17,603	10.00%
Year 17	\$211,235	\$17,603	-
Year 18	\$211,235	\$17,603	-
Year 19	\$211,235	\$17,603	-
Year 20	\$211,235	\$17,603	-



# Concept & Tenant Overview

Wendy's

## 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. 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 2018, Wendy's is the world's number three hamburger chain in terms of locations (only behind McDonald's and Burger King), with approximately 6,600 franchise and Company-operated restaurants in the United States and 30 countries and U.S. territories worldwide.



## About Stonewall Road Restaurant Group

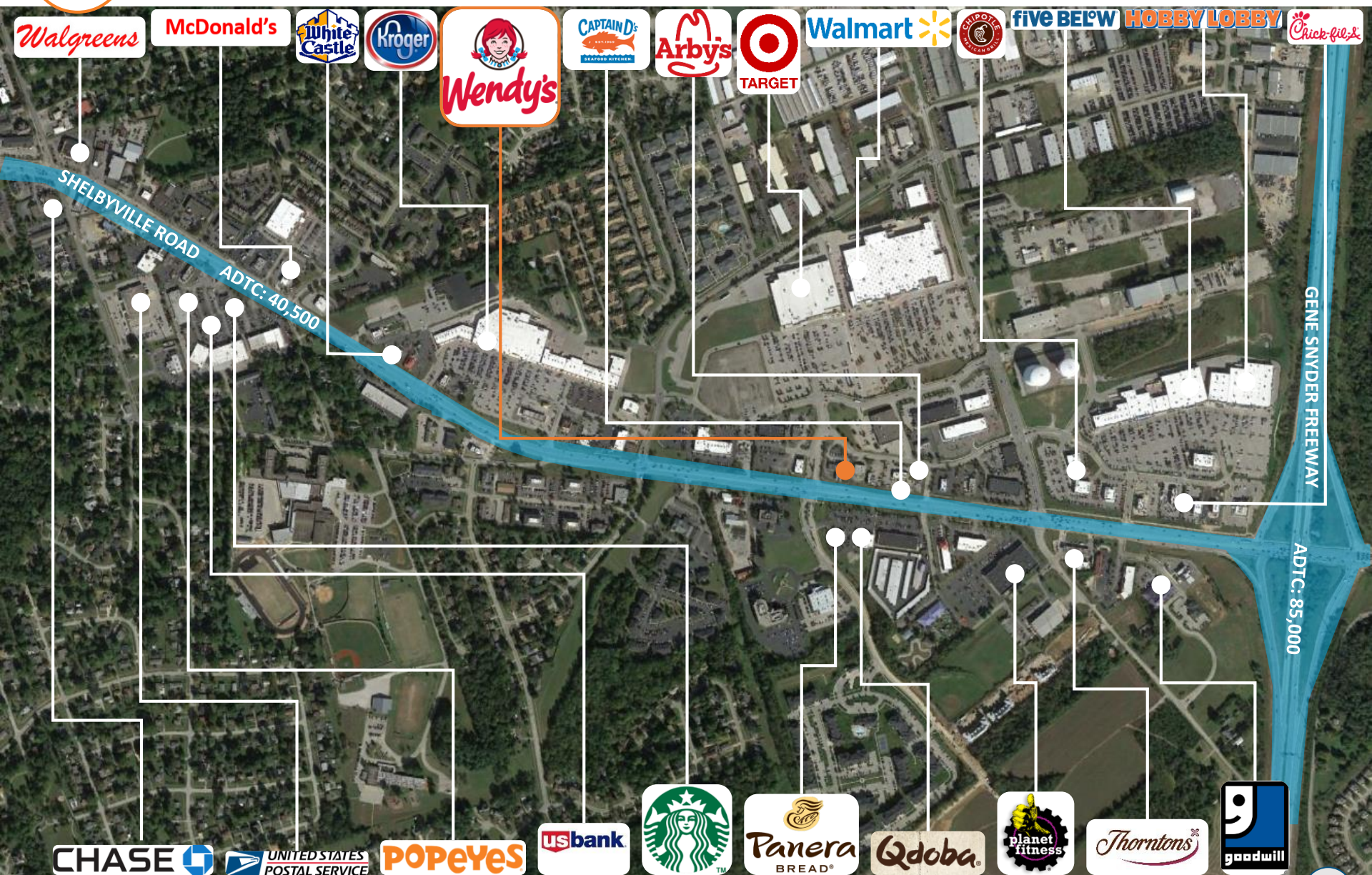
**Stonewall Road Restaurant Group ("SRRG")** is a singularly focused restaurant operations firm, and one of Wendy's fastest-growing and most-respected franchisee groups. Founded in 2017 by two friends and partners with deep personal roots in franchising and experience building and growing businesses, SRRG represents 'the next generation' of Wendy's franchisees. SRRG is led by Glen Brandeburg, a former Wendy's operations executive (SVP & DVP) with ~25 years of experience in the quick-service-restaurant space. Operational expertise is further buoyed by >200 years of collective experience in the Wendy's system via SRRG's experienced multi-unit operations managers. The Company currently operates 45 Wendy's restaurants with significant plans for expansion through a robust M&A and development pipeline. SRRG's headquarters is located in Dallas, TX.





# Surrounding Area

Wendy's



Wendy's

Marcus & Millichap



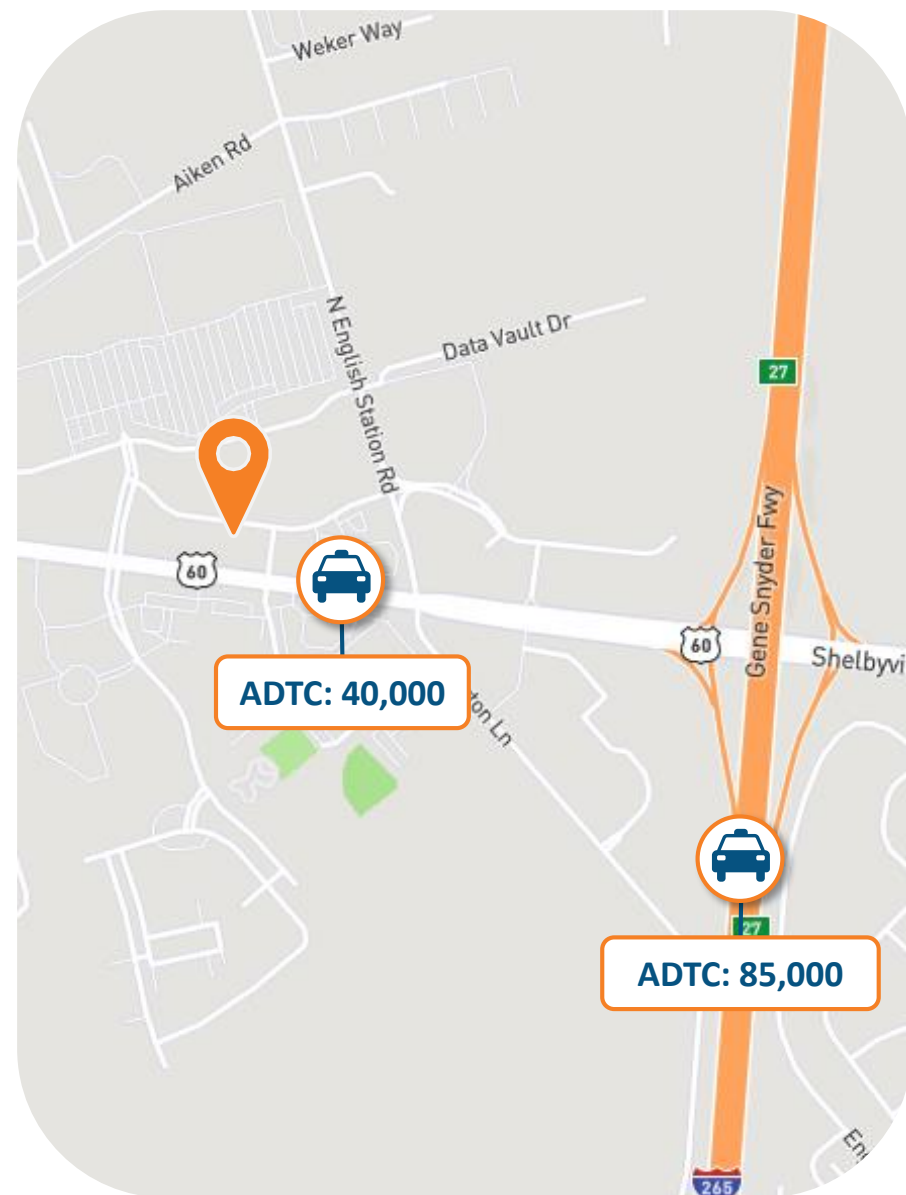


# Location Overview

The subject investment property is situated along Shelbyville Road, which serves as an access road and intersects to Gene Snyder Freeway. Shelbyville Road boasts average daily traffic counts of approximately 40,000 vehicles, and Gene Snyder Freeway brings an additional 85,000 vehicles into the immediate area on average daily. There are 121,615 individuals residing within a five-mile radius of the property and 390,614 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hospitality accommodations all within close proximity of this property. Major national tenants within close proximity include: Walgreens, Walmart, Kroger, Target, McDonald's, Starbucks, Panera Bread, Chick-fil-A, Chipotle, Popeyes, and many more. Additionally, several hospitality accommodations are within immediate proximity to the subject investment property. These include: Staybridge Suites, Hilton Garden Inn, Hampton Inn & Suites, La Quinta Inn & Suites, Holiday Inn Express & Suites, Extended Stay America, and many more. The subject property is situated in an affluent area of Louisville with over \$122,000 average household income in a three-mile radius. KentuckyOne Health Medical Center, a general hospital and surgical center with 462-staffed beds, is located approximately three miles from the subject investment property.

Louisville, Kentucky's largest city, sits on the Ohio River along the Indiana Border. Louisville is the county seat of Jefferson County and has a metro population of roughly 1,284,848. Louisville, since its origin, has been heavily linked to the shipping and cargo industries, due to its location at the crossroads of three major interstate highways (I-64, I-65, and I-71). However, in the recent past, Louisville has expanded its economy across several industries, emerging as a major center for health care and medical sciences. It has been central to advancements in heart and hand surgery, as well as cancer treatment. In fact, some of the earliest artificial heart and hand transplants were conducted in Louisville. In addition to a growing economy, Louisville is home to a very diverse cultural scene that includes international cuisine, fine and performing arts, and music. Today, the city is known as the home of the Kentucky Derby, Kentucky Fried Chicken, the University of Louisville and its Louisville Cardinals athletic teams, Louisville Slugger baseball bats, and three of Kentucky's six Fortune 500 companies. Its main airport, Louisville International Airport, is also the site of United Parcel Service's (UPS) worldwide air hub.







# Property Photos

Wendy's







# Surrounding Area Photos

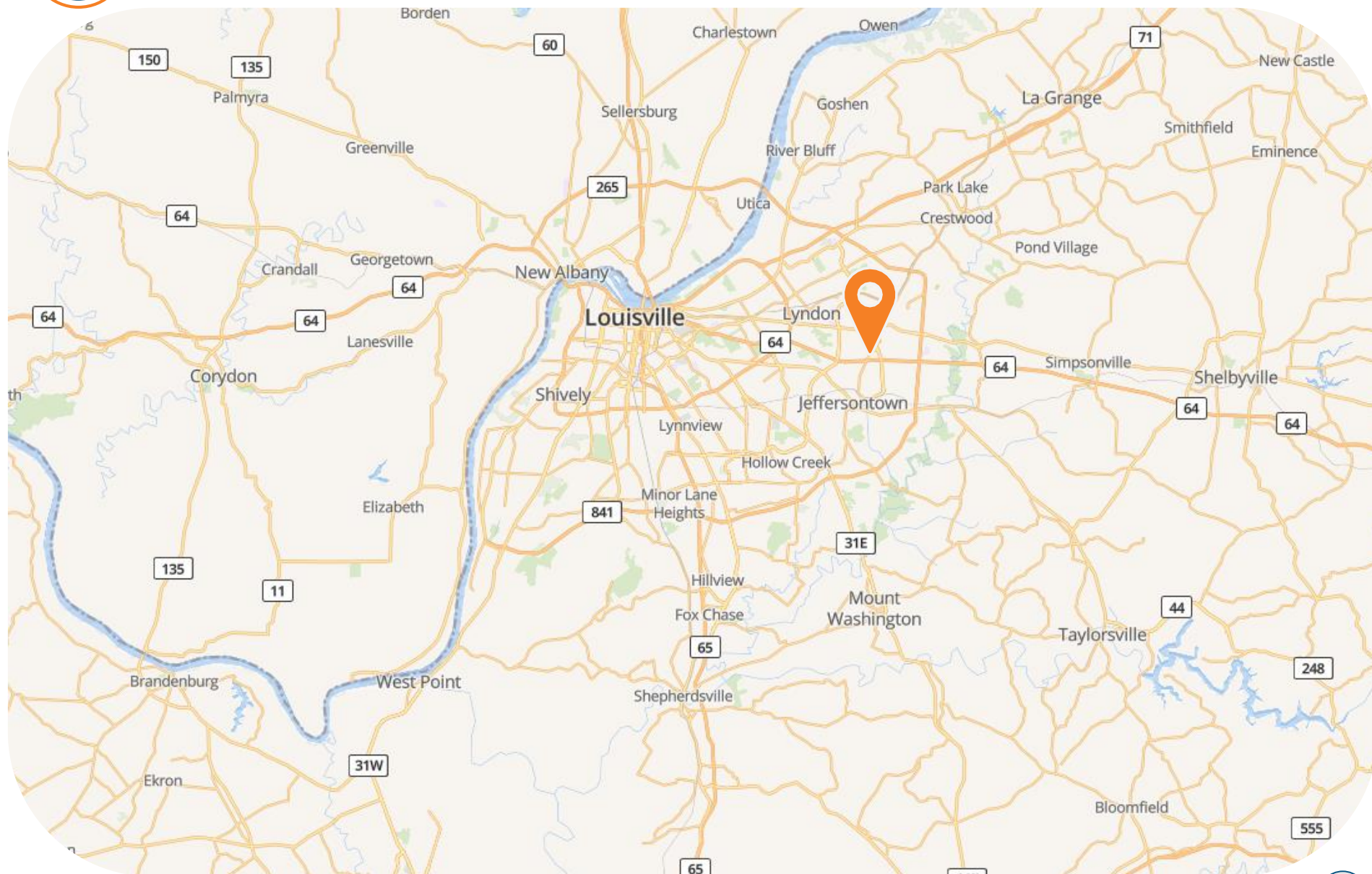






# Local Map

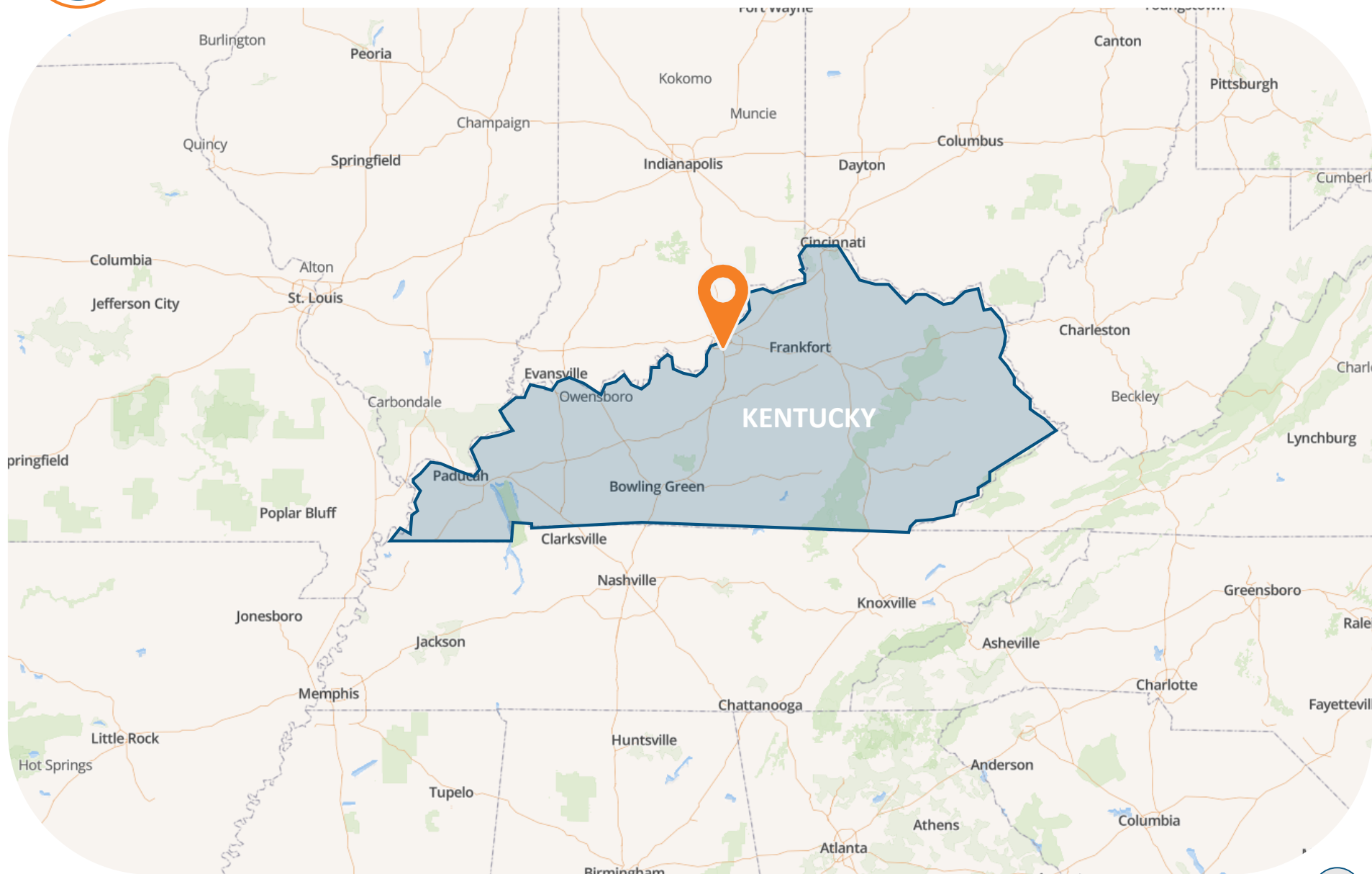
Wendy's





# Regional Map

Wendy's

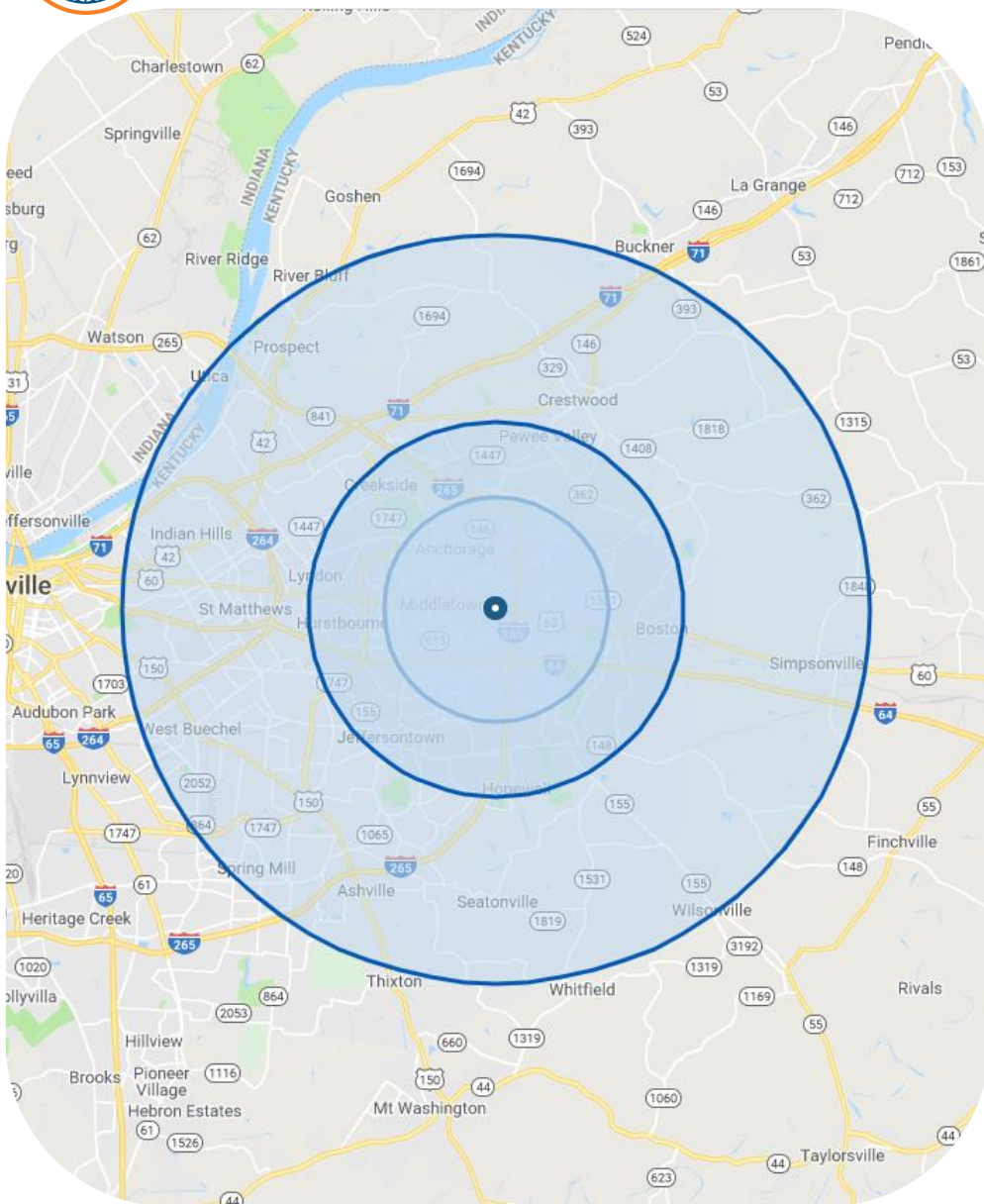






# Demographics

**Wendy's**



## POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	42,067	131,867	414,862
2018 Estimate	38,730	121,615	390,614
2010 Census	34,789	111,985	365,868
2000 Census	28,862	90,195	315,831

## INCOME

Average	\$122,701	\$110,217	\$102,671
Median	\$87,352	\$78,636	\$72,232
Per Capita	\$50,000	\$44,943	\$42,543

## HOUSEHOLDS

2023 Projection	17,423	54,140	172,424
2018 Estimate	15,754	49,464	161,287
2010 Census	14,166	45,801	151,950
2000 Census	11,074	36,253	129,373

## HOUSING

2018	\$278,490	\$260,289	\$231,848
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## EMPLOYMENT

2018 Daytime Population	46,416	141,372	383,188
2018 Unemployment	2.43%	2.76%	3.29%
2018 Median Time Traveled	24 Mins	24 Mins	24 Mins

## RACE & ETHNICITY

White	84.56%	80.93%	80.16%
Native American	0.03%	0.04%	0.04%
African American	7.64%	9.55%	11.69%
Asian/Pacific Islander	4.36%	5.25%	3.77%



# Market Overview

*Louisville, KY*

## Louisville

Louisville is a city that combines heritage with innovation, authenticity with originality, and quirkiness with friendliness, in a way that's completely unique to the region. The city is an entirely different type of Southern. From boundary pushing twists on Southern cuisine that has made the city one of the "10 Best New Food Cities" in America to the one and only Urban Bourbon Experience, featuring the world's only, city-wide trail filled with award-winning micro-distilleries, exhibits and craft cocktail destinations. Then discover one-of-a-kind attractions like the legendary Churchill Downs, Louisville Slugger Museum & Factory, and the Muhammed Ali Center. Louisville today is home to dozens of companies and organizations across several industrial classifications. However, the underpinning of the city's economy since its earliest days has been the shipping and cargo industries. Its strategic location at the Falls of the Ohio, and its unique position in the central United States (within one day's road travel to 60 percent of the cities in the continental United States) make it a very practical location for the transfer of cargo along its route to other destinations. Additionally, the Louisville and Portland Canal and the Louisville and Nashville Railroad have been important links in water and rail transportation. Louisville is also a significant center of manufacturing, with two major Ford plants, and the headquarters of major home appliance factory, GE Appliances. The city is also a major center of the American whiskey industry, with about one-third of all bourbon in the nation coming from Louisville.

## Major Employers

Employer	Estimated # of Employees
Republic National Distributing	4,562
Baptist Hospital East	4,239
Fifteen In One Opco Group LLC	2,540
Papa John's	2,535
UPS	2,534
SHPS Fulfillment Services	2,350
Walmart	2,178
Kroger	2,053
SHPS Incorporated	2,000
Commonwealth of Kentucky	1,915
Baptist Hospital East Gift Shop	1,700
Norton Healthcare Incorporated	1,549

# of Employees based on 10-mile radius



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**NNN**  
PRO GROUP

## EXCLUSIVE NET LEASE OFFERING



**KY BROKER OF RECORD:**

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