



# *Native Grill & Wings*

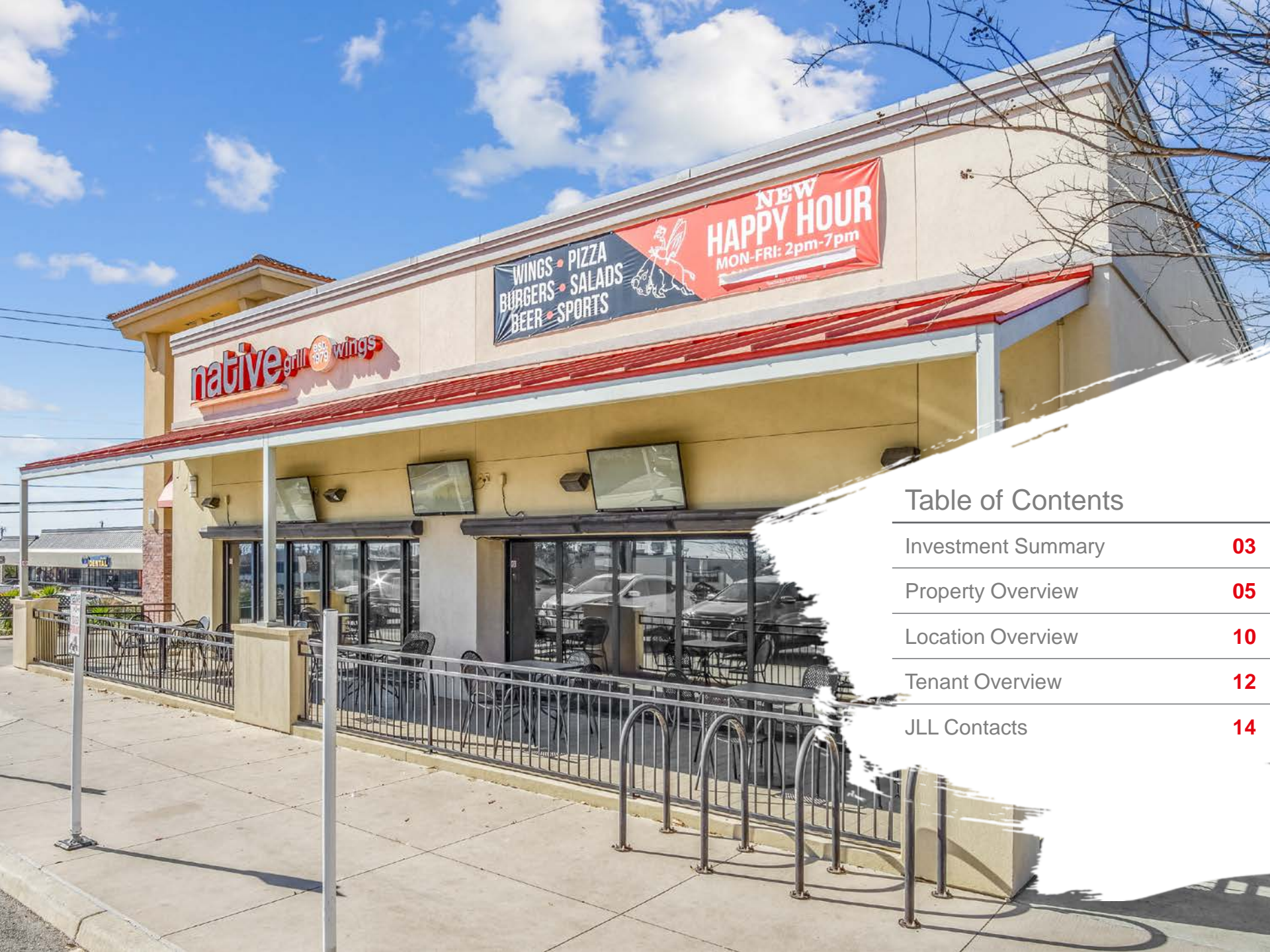
3238 Wurzbach Road  
San Antonio, TX 78238

Confidential Offering Memorandum

Strong Unit-Level Performance | Outparcel to Ingram Park Mall | Long-Term Net Lease







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# Summary

## Investment Summary

Native Grill & Wings – San Antonio, TX

### INVESTMENT SUMMARY

LONG-TERM NET LEASE  
WITH RENTAL INCREASES

HIGHLY-TRAFFICKED OFFICE  
AND RETAIL CORRIDOR ALONG  
INTERSTATE 410

STRONG UNIT-LEVEL  
PERFORMANCE WITH  
CONSISTENT SALES GROWTH

STRATEGIC OUTPARCEL  
LOCATION NEXT TO  
REGIONAL MALL



# The Offering

JLL is pleased to offer for sale the fee-simple interest in a single-tenant Native Grill & Wings (the “Property” or “Asset”) in San Antonio, Texas. The Property is strategically located adjacent to Interstate 410 (197,000+ VPD) and is an outparcel of Ingram Park Mall, a super-regional shopping center featuring over 1.1 million SF of retail serving a densely-populated San Antonio community. The Property is leased to Native Grill & Wings (the “Tenant”) on a net lease with minimal landlord responsibilities, contractual rental increases every five years, and over 14 years of primary lease term remaining. Native Grill & Wings is an award winning fast-casual restaurant concept with 28 locations throughout Arizona, Texas, and Illinois. The Native Grill & Wings - San Antonio location has experienced unit-level sales growth of 51% since 2015. This offering presents the opportunity to acquire a Property leased to a high-performing restaurant concept located within a dominant retail corridor with more than 14 years of primary lease term remaining.

## INVESTMENT SUMMARY

- The Asset is operating on a net lease **with over 14 years of remaining lease term** and **contractual rental increases** every five years throughout the primary term and renewal options, offering a passive investment opportunity with a **growing income stream**.
- The Property was **built in 2014** and is leased to Native Grill & Wings, an **award winning fast-casual restaurant** chain with 28 locations throughout Arizona, Texas, and Illinois. The Native Grill & Wings San Antonio location has seen an increase in **unit-level sales growth of 51% since 2015**.
- The Property sits **adjacent to Ingram Park Mall**, a super-regional shopping center that features **over 1.1 million square feet of retail space** with over 150 retailers including major tenants such as Dillard's, New York & Company, James Avery Craftsman, Macy's and H&M which draws significant foot traffic to the area.
- In addition to traffic volumes generated from Ingram Park Mall, the Property possesses **excellent visibility along Interstate 410 (197,000+ VPD)**, a retail corridor that features a lineup of national retailers including Walmart, Best Buy, At Home, and Ross Dress for Less.
- The area's largest employers are located within immediate proximity of the Asset, including Accenture, Holmes High School, Southwest Research Institute, Texas Biomedical Research Institute, the National Security Agency, and a CVS Call Center. These **employers help generate a daytime population of over 115,000** people within a three-mile radius of the Property.

## PROPERTY SUMMARY

Address	3238 Wurzbach Rd., San Antonio, TX 78238
Price	\$2,770,000
Cap Rate	6.50%
Annual Base Rent	\$180,000
Lease Type	NN
Square Footage	+/- 7,373 SF
Site Size	1.23 AC
Year Built	2014
Tenant	Native Grill & Wings
Ownership Interest	Fee-Simple
Lease Expiration	4/30/2034

# Property

## Property Overview

Native Grill & Wings – San Antonio, TX





# Property

The Property is conveniently located in an outparcel adjacent to the highly trafficked Ingram Park Mall, a super-regional shopping center which features over 1.1 million square feet of retail space with over 150 retailers including major tenants Dillard's, New York & Company, James Avery Craftsman, Macy's and H&M. The Property benefits from high visibility and accessibility along Northwest Loop 410, which sees traffic counts of over 197,000 vehicles per day and is the primary thoroughfare for the Northwest and central San Antonio communities. Additionally, the Property and local community benefits from a 13.1% lower cost of living compared to the national average and has seen a 20% income growth over the past decade, which fuels high levels of discretionary spending.



## BUILDING AND LEASE SPECIFICATIONS

Address	3238 Wurzbach Rd., San Antonio, TX 78238
Year Built	2014
Ownership Interest	Fee-simple
Parcel Size	1.23 AC
Property Size	+/- 7,373 SF
Parking	72 spaces
Tenant	Native Grill & Wings
Lease Type	NN
Landlord Responsibilities	Structural components and exterior plumbing
Lease Expiration	4/30/2034
Annual Base Rent	\$180,000
Percentage Rent Breakpoint	8% of annual gross sales exceeding \$2,800,000
Rental Increases	Greater of 10% or 7.5% of gross sales every 5 years
Extension Options	4, 5-year options

## RENT SCHEDULE – PRIMARY TERM

Rent Schedule - Base Rent			
Period	Annual Rent	Rent PSF	Increase*
CURRENT - 4/30/2023	\$180,000.00	\$24.41	-
5/1/2023 - 4/30/2028	\$198,000.00	\$26.85	10.00%
5/1/2028 - 4/30/2033	\$217,800.00	\$29.54	10.00%
5/1/2033 - 4/30/2034	\$239,580.00	\$32.49	10.00%
Option Periods			
5/1/2034 - 4/30/2039	\$263,538.00	\$35.74	10.00%
5/1/2039 - 4/30/2044	\$289,891.80	\$39.32	10.00%
5/1/2044 - 4/30/2049	\$318,880.98	\$43.25	10.00%
5/1/2049 - 4/30/2054	\$350,769.08	\$47.57	10.00%

\*Rent increases by the greater of (i) 10% or (ii) 7.5% of gross sales. The above rent schedule assumes 10% rental increases.

## Local Retail Market





## Local Retail Market









# Location

## Location Overview

Native Grill & Wings – San Antonio, TX





# Location

## San Antonio, TX - Overview

San Antonio is the second-largest city in Texas and the seventh-largest city in the United States, with more than 1.4 million residents. The city has grown by nearly ten percent since 2010, and San Antonio has the largest population gain in the country over the past year, with an average of 66 new residents per day. This substantial population growth is in part due to San Antonio's business-friendly environment and low cost of living. The city has spent \$1 billion toward investments in infrastructure, and favorable tax incentives and an educated workforce have attracted businesses to open operations in San Antonio, including 12 Fortune-ranked company headquarters. This pro-business climate has led to impressive economic growth in San Antonio over the past decade. Over the past ten years, San Antonio's GDP has grown by 30 percent to \$109 billion. Home to 15 colleges and universities with 150,000 students, San Antonio, has direct access to a young and educated workforce.

## Location Highlights – San Antonio, TX

- San Antonio has a GDP of \$109 billion, marking a 30 percent increase over the past decade. It is the third fastest-growing economy among large cities.
- 66 new residents move to San Antonio on a daily basis, and the city is on pace to have 1 million additional residents in the next 25 years.
- The San Antonio metropolitan area has added more than 150,000 workers over the past decade, increasing its labor force by 18 percent.
- With a median home value of \$131,000, no state income tax, and 20 percent income growth over the past decade, San Antonio is one of the most affordable large cities in the United States.



### DEMOGRAPHIC INFORMATION

	1-Mile	3-Mile	5-Mile
<b>Population</b>			
2019 Population	9,968	115,440	356,254
2019 Number of Households	3,848	40,699	127,773
2024 Proj. Population	10,690	122,535	374,973
2024 Proj. Households	4,112	43,198	134,944
<b>Income</b>			
Average HH Income	\$55,595	\$61,412	\$62,347
Median HH Income	\$42,671	\$48,783	\$49,247
Less than \$35,000	41.1%	36.5%	35.7%
\$35,000 - \$49,999	15.0%	14.3%	14.9%
\$50,000 - \$74,999	19.3%	19.8%	19.8%
\$75,000 - \$99,999	12.1%	12.3%	12.2%
More than \$100,000	12.5%	17.0%	17.5%



**#2** Economic  
Growth Potential  
(2019)



**#14** Best Cities to  
live in America  
(2018)



**#8** Destination for  
Millennials  
(2018)



**13.1%** lower cost of living  
compared to the  
National Average





# Tenant

## Tenant Overview

Native Grill & Wings – San Antonio, TX



# Native Grill & Wings

Native Grill & Wings is an award winning fast-casual restaurant chain known for having over 20 flavors of signature wings and a vibrant atmosphere. The restaurant started as a family-operated business in 1978 in Buffalo, New York and strategically relocated to Gilbert, Arizona, where it quickly gained market share and grew into one of the most well-known chicken wing chains in the state.

Native Grill & Wings focuses on the quality of food and providing a family-friendly environment unlike most of its competitors. The company has consistently been ranked as a top 500 franchise based on outstanding performance, unit growth, financial strength, stability and brand power. There are currently 28 locations across the country, with 26 in Arizona, one in Texas and one in Illinois with plans of further expansion in Texas and Illinois.

## Native Grill & Wings Company Overview

- **Strong Southwest Market Presence with 42-Year Operating History:** The company opened its first location in Gilbert, Arizona in 1978, making it one of the first chicken wing restaurant chains in the southwest while gaining market share and significant brand equity over its 42-year operating history
- **Broad Appeal to Large Consumer Base:** While Native Grill & Wings is known for its 20 wing flavor options, the company offers other traditional American fare and has recently expanded its menu to include healthier food options to appeal to a broader consumer base
- **Omnichannel Growth through Franchising and Online Ordering:** Native Grill & Wings is expanding its footprint throughout Arizona and the greater southwest by selecting qualified franchisees and strategic locations within densely-populated residential communities. The company has established relationships with third party delivery services to help fuel sales growth and offer greater convenience and reach for loyal customers

## Franchise Model

All 28 Native Grill & Wings locations are operated by franchisees. The subject Property is franchised to a seasoned restaurant operator with over 10 years of industry experience through two previously owned restaurant concepts.

### NATIVE GRILL & WINGS

Year Founded	1978
Locations	28
States	3
Headquarters	Gilbert, AZ
Company Website	<a href="http://www.nativegrillandwings.com">www.nativegrillandwings.com</a>

## Accolades & Achievements



**51% Unit-Level Sales Growth Since 2015**



**“Future 50 Fastest Growing Small Chains in America”**  
– Restaurant Magazine



**“America’s Top Franchise Opportunities”**  
– Entrepreneur Magazine



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