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**STATE STREET**  
CAPITAL REALTY

**CORPORATE PANERA GROUND LEASE**  
MORRISVILLE, NC





OFFERING MEMORANDUM DISCLAIMER: This Offering Memorandum, as it may be modified or supplemented ("Offering Memorandum") is presented in connection with State Street Capital Realty LLC and PWV-RBC, LLC (collectively, "Seller") solicitation of offers for the purchase of PANERA BREAD, located in MORRISVILLE, NC (the "Property").

Prospective purchasers are advised that Seller's review of offers will be based on Seller's evaluation of a number of factors, including the current financial qualifications of each prospective purchaser. Prospective purchasers are further advised that the Seller expressly reserves the right, in its sole and absolute discretion, to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Seller reserves the right to withdraw the Offering Memorandum and/or terminate the offer solicitation process at any time prior to full execution of a binding purchase agreement. Further, Seller reserves the right to negotiate with one or more prospective purchasers at any time.

The information contained in the Offering Memorandum is proprietary and strictly confidential. It is furnished solely for the purpose of review by a prospective purchaser of the Property and is not to be used for any other purposes or made available to any person without the express written consent of Seller. Acceptance of the Offering Memorandum constitutes an agreement on the part of the recipient and the recipient's representatives to maintain the confidentiality of the information contained therein. The information in the Offering Memorandum has been compiled from sources deemed reliable, however, neither the information nor the reliability of such sources is guaranteed by Seller. Seller has not verified, and will not verify, any of the information contained in the Offering Memorandum nor does Seller make any representation or warranty whatsoever regarding the accuracy or completeness of the information provided therein. The information set forth in the Offering Memorandum does not purport to be complete and no obligation to update, augment, or otherwise revise such information is assumed by Seller. Prospective purchasers should conduct their own independent due diligence review of the Property including, but not limited to, engineering and environmental inspections, to determine the condition of the Property and its suitability for prospective purchaser's intended use. Prospective purchasers are recommended to seek independent professional advice including legal, tax, environmental, engineering, and other as deemed necessary by prospective purchaser relative to acquisition of the Property. The information provided in the Offering Memorandum is not intended to provide, and should not be relied upon as accounting, legal, or tax advice or an investment recommendation.

No person has been authorized to give any information or make any representations regarding the prospective transaction, the Property, or information provided in the Offering Memorandum other than the information actually contained in the Offering Memorandum, which is subject to this Offering Memorandum Disclaimer and, if such unauthorized information or representations are or were given or made, the same must not be relied upon by prospective purchaser. Prospective purchaser's sole and exclusive rights with respect to the prospective transaction, the Property, or information provided in the Offering Memorandum or otherwise in connection with the sale of the Property shall be limited to those expressly provided in a fully executed binding purchase agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or its affiliates, officers, directors, shareholders, owners, employees or agents, for any damages, liability, or causes of action relating to the prospective transaction, Offering Memorandum, solicitation process, or the marketing or sale of the Property.



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# INVESTMENT HIGHLIGHTS

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## **NNN CORPORATE GROUND LEASE**

This Panera Bread is a 15-year corporate NNN ground lease with Panera, LLC. Newly constructed in 2017, the building features a modern design and a dedicated drivethru lane, has a superior outparcel location at Park West Village, and no landlord obligations.

## **STRONG NATIONAL TENANT**

Panera Bread, with over 2,000 locations in the United States and Canada, has become one of the most popular investment properties in the market today due to high consumer demand and a strong corporate backing. Panera Bread is currently owned by the privately-held JAB Holding Company, which acquired Panera Bread in 2017.

## **SIGNIFICANT LEASE TERM**

Panera Bread has over 12 years remaining on the initial 15 year lease term, as well as three (3) 5-year options to renew.

## **NEAR TERM SIGNIFICANT RENTAL INCREASE**

Near term rental increase in January 2023 provides investors with an immediate lift in yield. This long-term investment is further preserved with additional 10% rental increases every 5 years throughout the remaining term and options.

## **SUPERIOR OUTPARCEL LOCATION AT PARK WEST VILLAGE**

Ideally situated at the heart of one of the most desirable locations in the country, Park West Village is a new 100-acre mixed-use development that includes a town center district, upscale casual restaurants and a movie theater, all of which are mixed with over 500 residential units. Located at the southwest corner of Cary Parkway and NC-54/Chapel Hill Road, the center is accessible to all major transportation arteries within the Raleigh/Durham area, including Interstates 40, 540 and 85 and US highways 64, 1 and 70.

## **HIGH DAYTIME POPULATION**

Panera Bread is just 6 minutes from the Weston Parkway Office Corridor, which is home to MetLife's Global Technology Campus, as well as others including SAS, Deutsche Bank, Verizon, and Biologics. Within 5-miles there are over 91,300 employees and 8,394 businesses.

## **EXCELLENT DEMOGRAPHICS**

This location features extremely strong demographics. Within 5-miles the estimated population is 182,610 and the average household income is \$121,166.

## **TRAFFIC COUNTS:**

NC Highway 54/Chapel Hill Road - 24,000 ADT  
Cary Parkway - 27,000 ADT





**LIST PRICE**  
**\$3,111,111**



**CAP RATE**  
**4.50%**



**ANNUAL RENT**  
**\$140,000**

# INVESTMENT SUMMARY

**TENANT**  
PANERA, LLC

**ADDRESS**  
1100 Village Market Place  
Morrisville, NC 27560

**LIST PRICE**  
\$3,111,111

**CAP RATE**  
4.5% | 5.0% Jan 2023

**LEASE TERM**  
15 years, with three (3) 5-year options to renew, each with 10% rent increases

**ANNUAL RENT**  
Years 1 - 5     \$140,000  
Years 6 - 10    \$154,000  
Years 11 - 15   \$169,400

**TOTAL GLA**  
± 4,509

**TOTAL LAND AREA**  
± 0.77AC

**TENANT'S MAINTENANCE OBLIGATIONS**  
Tenant is responsible for all maintenance, repairs and replacements to the building and premises.

**TENANT'S CAM CONTRIBUTION**  
Tenant's share of Common Area Expenses is fixed at \$6,000 for years 1-5 and increases by 10% every 5 years.

**REAL ESTATE TAXES**  
Tenant shall pay all real estate taxes directly.



# **LEADER IN QUICK-CASUAL RESTAURANTS**

with over 2,300  
locations in U.S &  
Canada



# **OUTPARCEL TO PARK WEST VILLAGE**

a new 100-acre mixed  
use development



# **NNN CORPORATE GROUND LEASE**

with Panera, LLC

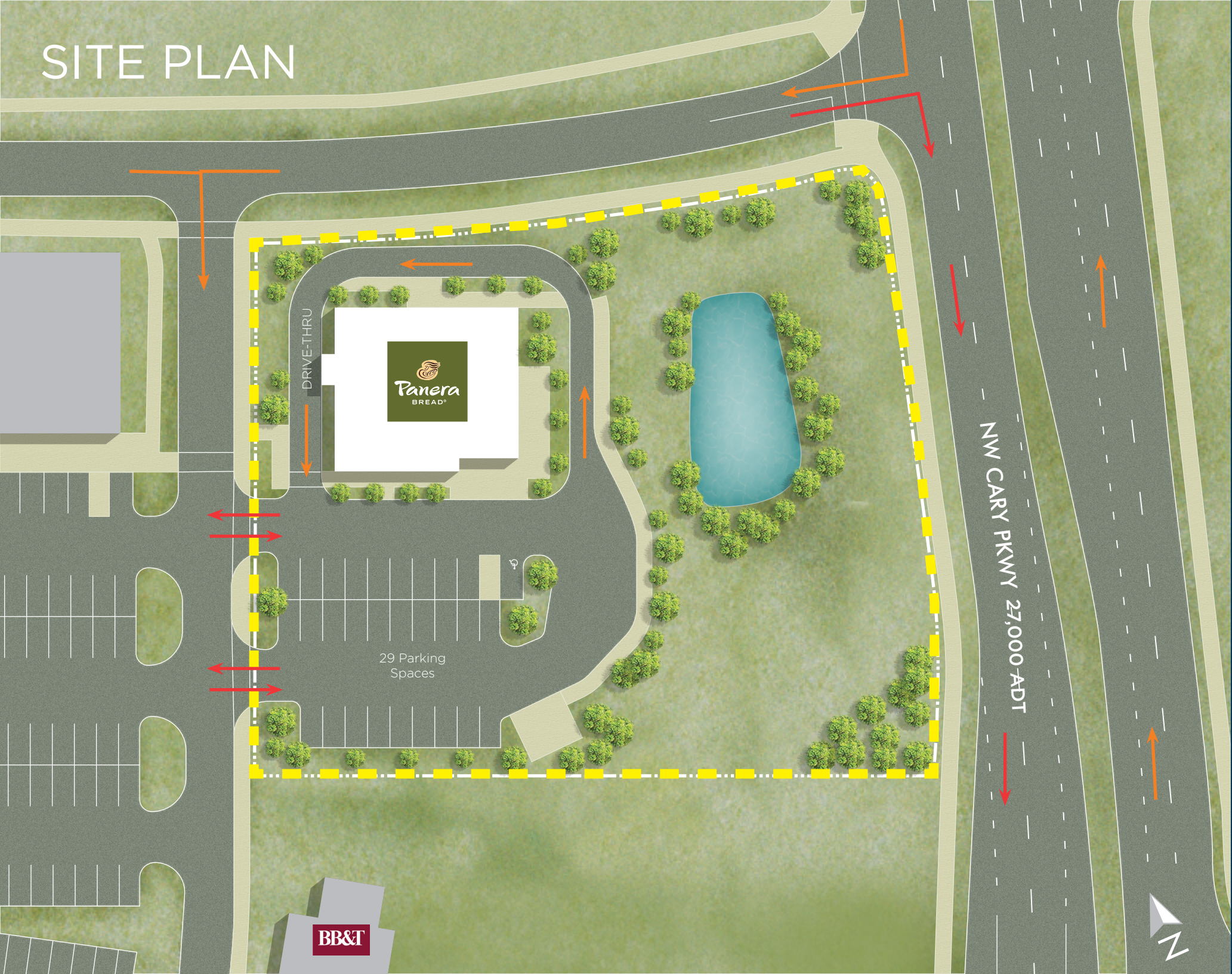


# **SUPERIOR ACCESS & VISIBILITY**

at intersection of Cary  
Parkway & Chapel Hill Road



# SITE PLAN





# AERIAL

Southport  
Business Park

54

DISTRICT  
STATION

SHEETZ

Morrisville Parkway 15,000 ADT

STONE  
ISLAND

MATTRESS FIRM

THE BRISTOL

BLAZE  
PIZZA

GameStop  
Broken Egg Cafe

ROSS  
DRESS FOR LESS

buy buy  
BABY

PET SMART

carter's  
Bath & Body Works

Soma  
chico's  
WHITE HOUSE BLACK MARKET

HomeGoods

Michaels

ULTA

VERSONA

Market Center Drive

PARK WEST  
VILLAGE

AVEDA

Chapel Hill Road 24,000 ADT

pure barre

TJ-maxx

target

RACK  
ROOM  
SHOES

five BELOW

BB&T

NW Cary Parkway 27,000 ADT

NORTH

FOOD LION

SUBJECT  
Panera  
BREAD



# AERIAL



Southport  
Business Park

Lake Crabtree

MetLife  
MetLife Campus

Centre Green  
Office Park



sas  
SAS INSTITUTE



The Arboretum  
at Weston



Weston  
Corners



Morrisville Parkway 15,000 ADT



Chapel Hill Road 24,000 ADT

SUBJECT



Park Place



DISTRICT  
STATION  
191 Units

THE BRISTOL  
APARTMENT HOMES AND LOFTS  
260 Units

DISTRICT  
LOFTS  
118 Units  
LOFT FIREBIRDS  
WOOD FIRED GRILL  
Soma  
chico's  
Bad Daddy's  
BURGER BAR



NW Cary Pkwy  
27,000 ADT



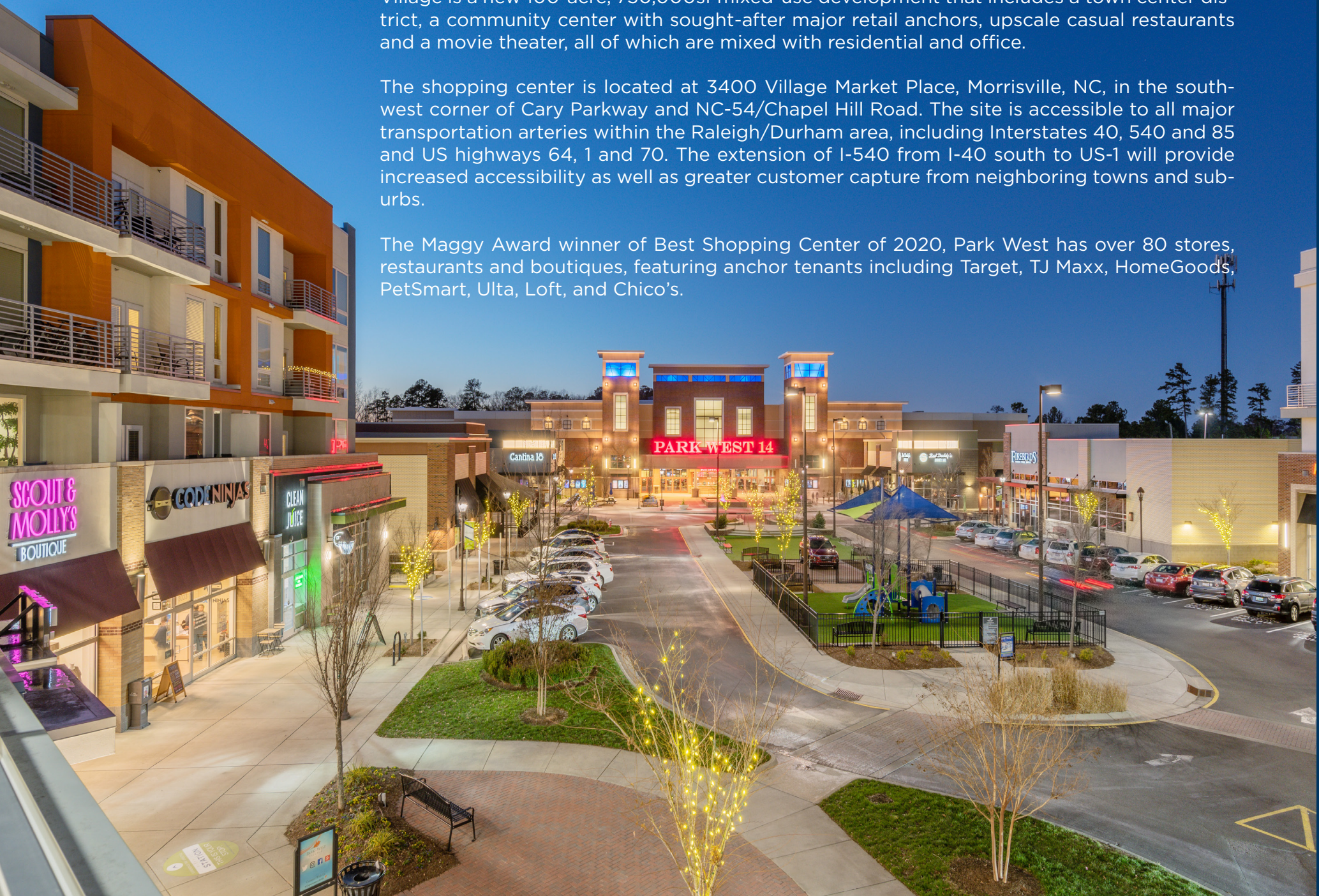


# PARK WEST VILLAGE

Ideally situated at the heart of one of the most desirable locations in the country, Park West Village is a new 100-acre, 750,000sf mixed-use development that includes a town center district, a community center with sought-after major retail anchors, upscale casual restaurants and a movie theater, all of which are mixed with residential and office.

The shopping center is located at 3400 Village Market Place, Morrisville, NC, in the south-west corner of Cary Parkway and NC-54/Chapel Hill Road. The site is accessible to all major transportation arteries within the Raleigh/Durham area, including Interstates 40, 540 and 85 and US highways 64, 1 and 70. The extension of I-540 from I-40 south to US-1 will provide increased accessibility as well as greater customer capture from neighboring towns and suburbs.

The Maggy Award winner of Best Shopping Center of 2020, Park West has over 80 stores, restaurants and boutiques, featuring anchor tenants including Target, TJ Maxx, HomeGoods, PetSmart, Ulta, Loft, and Chico's.





# DISTRICT STATION

District Station is upscale apartment living at its finest in historic Morrisville, NC, near exciting Park West Village. Choose from 7 unique One, Two and Three bedroom floor plans with posh features and modern finishes, carefully crafted and composed down to the smallest detail. Open layouts and fully-loaded on-site amenities welcome you home, along with exceptional service and an ideal location just seconds away from shopping, dining and entertainment options at Park West Village.





# DISTRICT LOFTS

District Lofts is a complete upscale lifestyle on both sides of the doorway. Inside residents enjoy all the posh features, little luxuries and modern touches of the finest loft-style dwellings anywhere, and just outside the door residents discover they truly are at the heart of it all. Surrounded by a world of contemporary tastes, chic shopping and activities galore—all of it conceived, designed and custom-tailored with the residents in mind.





# THE BRISTOL

The Bristol is one of Raleigh's most distinct urban and walkable neighborhoods. With an eclectic mix of flats, two-story lofts, two bedroom carriage homes with private attached garage access, and expansive three bedroom homes, The Bristol has something for everyone! The Bristol features green building design and is Energy Star 3 Qualified. Enjoy the great outdoors with direct access to Morrisville's Greenway Trails, one of the city's greatest assets.





# TENANT SUMMARY

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# TENANT PROFILE



## PANERA BREAD

Panera began in 1980 as a single, 400-square-foot cookie store in Boston, Massachusetts, and is now a leading restaurant brand with more than 2,300 bakery-cafes in the United States and Canada, 140,000 associates and annual system-wide sales in the billions.

More recently, Panera has turned its attention to the growing demand for more healthful craft food options available through a variety of convenient channels. Today, Panera is leading the industry in clean food, digital sales, loyalty, delivery and catering.

Now privately held by JAB Holding Company, Panera is poised to continue innovating. They are taking their fresh ideas about eating and living well to more people in more places. Panera At Home products can be found at select grocery stores nationwide and they are expanding into new territories with new formats.

<b>S&amp;P RATING</b>	N/A
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<b>NYSE</b>	N/A
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<b>MARKET CAP</b>	N/A
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<b>ANNUAL SALES</b>	N/A
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<b>OWNERSHIP</b>	Private
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<b>EMPLOYEES</b>	+140,000
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<b>LOCATIONS</b>	2,300
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# KEY LEASE TERMS



## TENANT

Panera, LLC

## LEASE COMMENCEMENT

November 2, 2017

## LEASE EXPIRATION

December 31, 2032

## ANNUAL RENT

Current	\$140,000
Years 6-10	\$154,000
Years 11-15	\$169,400

## OPTIONS

Tenant has options to extend term for three (3) consecutive five (5) year periods.

## OPTION RENT

1 <sup>st</sup> Option	\$186,340
2 <sup>nd</sup> Option	\$204,974
3 <sup>rd</sup> Option	\$225,471

## UTILITIES

Tenant shall pay utilities directly.

## PERMITTED USE

Initially for the operation of a bakery-cafe restaurant, selling for off and on-premises consumption, items contained on the menu used substantially by all of Tenant's stores in NC; thereafter for any lawful purpose, if required consent is obtained.

## PROPERTY TAXES

Tenant shall pay property taxes directly.

## LANDLORD REPAIRS

Landlord shall have no repair or replacement obligations with respect to the premises.

## TENANT REPAIRS

Tenant is responsible for all repairs, maintenance, and replacements to the building, premises, improvements, installations, equipment or facilities.



# KEY LEASE TERMS



## TENANT COMMON AREA MAINTENANCE CHARGES

Tenant's share of Common Area Expenses is fixed at \$6,000 for years 1-5 and increases by 10% every 5 years, to be paid in equal monthly installments as Additional Rent.

*The CAM fee shall be paid to the adjacent Park West Village shopping center owner.*

## MANAGEMENT & OPERATION OF COMMON AREAS

Landlord will operate and maintain the common areas, being responsible for maintenance, repair and replacement, as needed, including landscaping, sidewalks, lights and parking areas.

*Per the CAM Agreement, the adjacent Park West Village shopping center owner shall be responsible for the CAM maintenance obligations under the lease in exchange for the fixed CAM payment.*

## EXCLUSIVE USE

So long as tenant is open and operating as Panera Bread, Landlord shall not lease space within Park West Village Phase I to McAlister's Deli, Jason's Deli, Atlanta Bread, Au Bon Pain, Newk's Eatery, The Corner Bakery, Chopt, or a tenant who generates more than 30% of gross revenue from the preparation and sale of bakery products.

## TENANT'S INSURANCE

Tenant will keep in force at its expense at all times commercial general liability insurance at an amount not less than \$2,000,000 annual aggregate and \$1,000,000 per occurrence, "all risk" property insurance at replacement cost value, covering building and premises, and worker's compensation insurance.

## ASSIGNMENT AND SUBLETTING

Tenant shall not assign nor sublet without first obtaining written consent of landlord, unless assigning or subletting to (i) its parent corporation or affiliate of Tenant; (ii) to any corporation into which Tenant or its parent may merge; or (iii) to a bona fide franchisee of Tenant.



# MARKET OVERVIEW

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# MARKET OVERVIEW

## AREA HIGHLIGHTS

- Adjacent to Raleigh Durham International Airport (RDU)
- Within 20 minutes of major interstates: I-40, I-85 and I-95
- Within 20 minutes of three major universities: Duke University, North Carolina State University, and UNC Chapel Hill
- Home to headquarters for Lenovo, Oracle and Syneos Health

## CARY/MORRISVILLE NORTH CAROLINA

The Cary/Morrisville area of North Carolina is consistently ranked as one of the Safest and Best Ranked places to live in the United States. Morrisville has become extremely popular for those looking to live in the Raleigh area due to the town's proximity to major attractions including Raleigh-Durham International Airport (RDU) and the Research Triangle Park (RTP), North Carolina State University, Chapel Hill, Cary, Raleigh, Durham and hospitals like Wake Med, Duke and UNC. Morrisville's location adjacent to the Research Triangle Park, Raleigh-Durham International Airport, and Interstate 40 makes it an attractive location for offices, light industry and hotels. Companies based in Morrisville include Lenovo (U.S.A. headquarters), Oracle and Syneos Health.

Cary, North Carolina, is the 7<sup>th</sup> largest city in North Carolina and the 3<sup>rd</sup> largest in the Triangle of North Carolina after Raleigh and Durham. Located in Cary is the Weston Parkway Office Corridor, which has over 18,000 employees and features major employers including MetLife, Deutsche Bank, Fidelity Investments, Biologics, and Verizon. Cary real estate is the most expensive in the Triangle area, offering excellent convenience to RTP and Downtown Raleigh, Durham, Chapel Hill and more. Over the last 25 years the population has grown from 45,000 to over 160,000 and climbing.

The area economy is primarily focused on professional, scientific and technical services. Morrisville's unemployment rate is lower than the national average, and has seen the job market increase by 3% over the last year. Future job growth over the next ten years is predicted to be 45.5%, which is much higher than the national average of 33.5%.

Sources: wikipedia.com; bestplaces.net; townofmorrisville.org



**Morrisville**  
Live connected. Live well.

**TOWN of CARY** | NORTH CAROLINA



# MARKET OVERVIEW

## WESTON PARKWAY OFFICE CORRIDOR

### MAJOR EMPLOYER MAP





# MARKET OVERVIEW

**Ranked #3 in Top Market for  
Real Estate Investors in 2019**

*-PwC US (Oct 2018)*

**Raleigh ranks #2 in The 10  
Best Big Cities to Live in**

*-Money (Nov 2018)*

**2<sup>nd</sup> in Best Places for  
Business & Careers**

*-Forbes (Jul 2018)*

**Ranks 2<sup>nd</sup> in Highest-Growth  
Real Estate Markets of 2018  
in the U.S.**

*-Roofstock (Jun 2018)*

**#2 in Best Cities for Young  
Professionals**

*-SmartAsset (Aug 2018)*

**4<sup>th</sup> Highest for Up-and-  
Coming Tech Hotspots**

*-Livability (Apr 2018)*

## RALEIGH-DURHAM-CHAPEL HILL NORTH CAROLINA

The Raleigh-Durham-Chapel Hill CSA is the 2<sup>nd</sup> largest combined statistical area in the state of North Carolina.

The Raleigh-Durham-Cary CSA is comprised of nine counties, has a population of 2,079,687, and includes the cities of Raleigh, Durham, Chapel Hill, Cary and Morrisville. It is home to the Research Triangle Park (RTP), which is the largest research park in the United States, and is named for its location relative to the three surrounding cities of Raleigh, Durham, and Chapel Hill, or more properly, for the three major research universities in them: North Carolina State University, Duke University, and the University of North Carolina at Chapel Hill.

Raleigh is the capital of North Carolina and the seat of Wake County in the United States. It is the second-largest city in the state, after Charlotte, and is the home of North Carolina State University. Following the establishment of the Research Triangle Park (RTP) in 1959, several tens of thousands of jobs were created in the fields of science and technology, and it became one of the fastest-growing communities in the United States.

Durham is the fourth largest city in North Carolina, and is home to several recognized institutions of higher education, most notably Duke University and North Carolina Central University. Durham is also a national leader in health-related activities, which are focused on the Duke University Hospital and many private companies.



# MARKET OVERVIEW

## TOP 10 EMPLOYERS

IBM

Cisco Systems Inc.

Fidelity Investments

Credit Suisse

RTI International

Duke University and Duke  
Health Systems

North Carolina State University

Wake County Public School  
System

Walmart

University of North Carolina at  
Chapel Hill

Source: <http://raleigh-wake.org/>

## RESEARCH TRIANGLE PARK NORTH CAROLINA

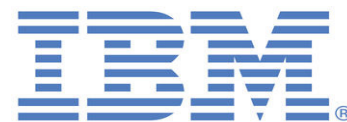
Founded in 1959 and located at the center of three Tier-1 research universities, Research Triangle Park (RTP) is the largest research park in the United States and a premier global innovation center. Its 7,000 acres house hundreds of companies, from Fortune 100 multinational research and development operations, including science and technology firms, government agencies, academic institutions, startups and nonprofits.

Research Triangle Park is a community of more than 55,000 employees and more than 300 companies. The top five largest employers in the RTP include IBM, Cisco Systems Inc., Fidelity Investments, Credit Suisse, and RTI International. As RTP looks to the future, they seek to create an environment that energizes North Carolina's brightest minds and empowers them to do their best work. Research Triangle Park companies and universities perform \$6 billion in combined annual research expenditures (includes Duke University, UNC Chapel Hill, NC State University, RTI International, the US EPA, and the National Institute for Environmental Health Sciences).

The Triangle Region is well connected, with average commute times at less than 25 minutes. International access is also easy thanks to RDU International Airport, which offers 62 nonstop destinations and more than 400 daily flights.

Source: [rtp.org](http://rtp.org)

### RTP EMPLOYERS

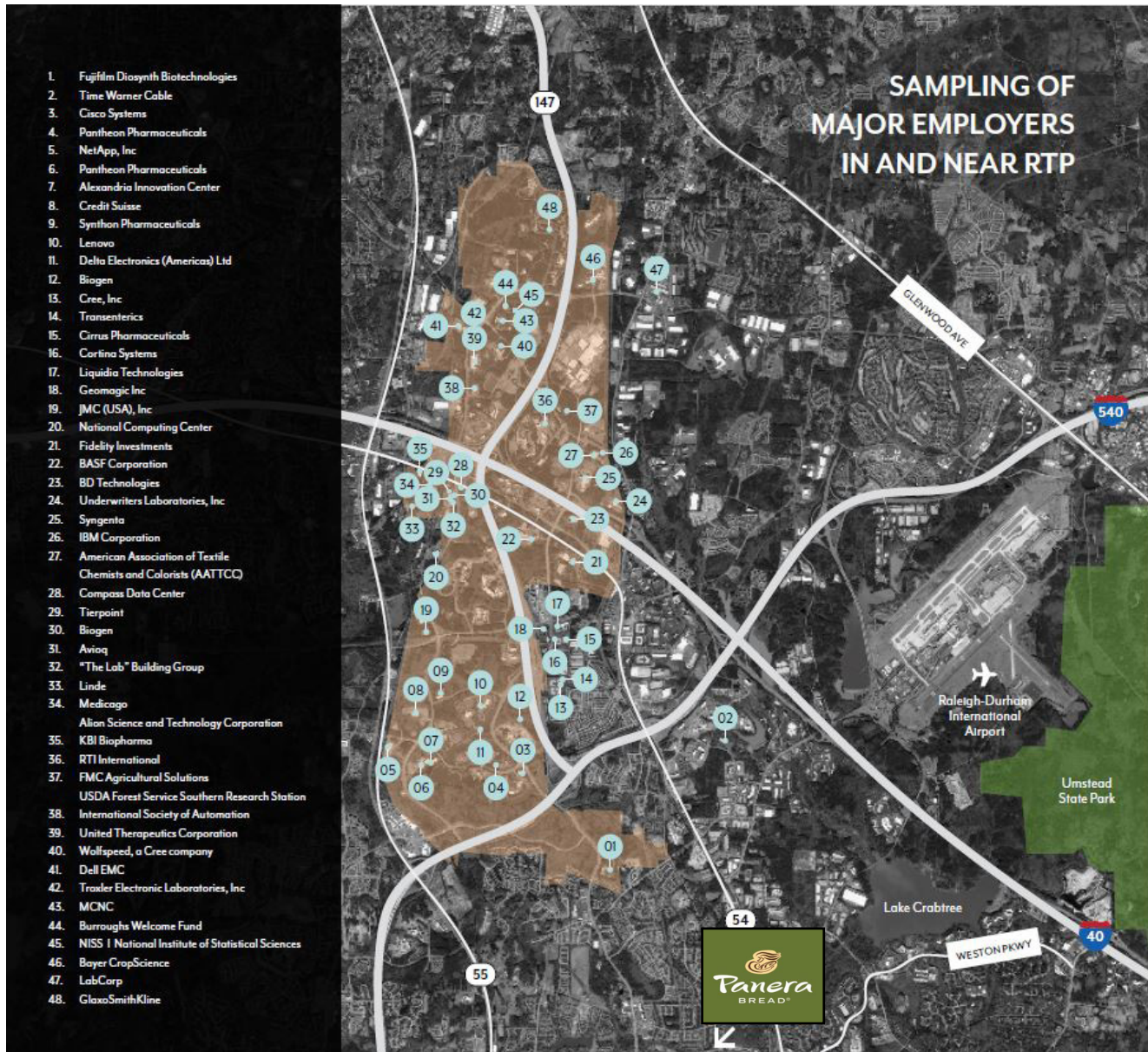




# MARKET OVERVIEW

## RESEARCH TRIANGLE PARK

### MAJOR EMPLOYER MAP



LARGEST  
RESEARCH  
PARK IN THE  
COUNTRY

OVER  
500  
BUSINESSES

MORE THAN  
50,000  
EMPLOYEES

\$2.7B IN  
COMBINED  
ANNUAL  
SALARIES



## **RESEARCH TRIANGLE PARK**

is largest research park  
in U.S.

## **OVER 300 COMPANIES AND 55,000 EMPLOYEES**

at RTP

## **NC STATE UNIVERSITY**

is largest in state  
with over 34,000  
students

## **VOTED BEST STATE FOR BUSINESS**

by Forbes

## **10 COLLEGES & UNIVERSITIES**

attract 174,000  
students and produce  
44,000 graduates each  
year

## **SECOND BEST CITY IN NATION**

for Young Professionals

## **RALEIGH- DURHAM- CHAPEL HILL**

2<sup>nd</sup> largest CSA in  
the NC

## **RANKED #3 TOP MARKET**

for Real Estate Investors  
in 2019

## **45.5% POPULATION GROWTH**

over next ten years



# DEMOGRAPHICS

Population	1-Mile Radius	3-Mile Radius	5-Mile Radius
2020 ESTIMATED POPULATION	11,560	88,031	182,610
2025 PROJECTED POPULATION	12,566	95,937	199,092
2010 CENSUS POPULATION	7,325	71,398	139,841
2000 CENSUS POPULATION	4,138	53,271	102,600
2020 MEDIAN AGE (YEARS)	34.4	36.8	37.0

Households			
2020 ESTIMATED HOUSEHOLDS	4,744	36,290	73,577
2025 PROJECTED HOUSEHOLDS	5,138	39,810	80,698
2010 CENSUS HOUSEHOLDS	2,921	28,601	54,722
2000 CENSUS HOUSEHOLDS	1,677	20,972	39,156

Income			
2020 EST. AVG. HOUSEHOLD INCOME	\$137,910	\$121,744	\$121,166
2020 EST. MEDIAN HOUSEHOLD INCOME	\$103,370	\$99,223	\$102,979
2020 EST. PER CAPITA INCOME	\$56,594	\$50,196	\$48,832
HOUSEHOLD INCOME \$75,000+	64.6%	60.4%	61.4%

Education	1-Mile Radius	3-Mile Radius	5-Mile Radius
2020 HIGH SCHOOL GRADUATE	8.7%	11.3%	11.3%
2020 SOME COLLEGE	14.3%	12.9%	13.0%
2020 ASSOCIATE DEGREE ONLY	5.8%	7.1%	6.9%
2020 BACHELOR DEGREE ONLY	38.5%	37.8%	37.0%
2020 GRADUATE DEGREE	28.7%	26.2%	26.9%

Daytime Demos			
NUMBER OF BUSINESSES	685	3,844	8,394
TOTAL NUMBER OF EMPLOYEES	6,669	36,796	91,335
EMPLOYEE POPULATION PER BUSINESS	9.7 to 1	9.6 to 1	10.9 to 1
RESIDENTIAL POPULATION PER BUSINESS	16.9 to 1	22.9 to 1	21.8 to 1
ADJUSTED DAYTIME POPULATION	9,446	56,934	133,181

Consumer Expenditure			
TOTAL RETAIL EXPENDITURE	\$199.11M	\$1.38B	\$2.79B
TOTAL RETAIL EXPENDITURE (PER HOUSEHOLD PER MONTH)	\$3,498	\$3,180	\$3,162





# CONTACTS

## STATE STREET CAPITAL REALTY

250 Civic Center Dr, Suite 500 | Columbus, Ohio 43215

State Street Capital Realty is a team of investment sales professionals focusing on providing white-glove service to our clients. A division of CASTO, State Street Capital Realty has the market access, tenant knowledge and strong industry relationships to execute at the highest levels. Committed to excellence, we expertly leverage our extensive portfolio experience to maximize value for our corporate and investment clients' real estate holdings.



**Stephanie P. May Beaumier**  
*Managing Director,  
Acquisitions & Dispositions*

p: 614.744.3404 f: 614.229.4386  
SMay@castoinfo.com



**Molly Benadum**  
*Transaction Manager*

p: 614.744.2017 | f: 614.228.5546  
MBenadum@castoinfo.com



### FINANCING CONTACT - PACE FINANCIAL GROUP

250 Civic Center Drive, Suite 150 | Columbus, OH 43215 | [pacefg.com](http://pacefg.com)



**Michael Wagner**  
p: 614.744.2030 c: 740.225.2989  
[mike.wagner@pacefg.com](mailto:mike.wagner@pacefg.com)