

20-YEAR NNN LEASE WITH OPTIONS



653 N LEXINGTON-SPRINGMILL ROAD •  
MANSFIELD, OH 44906



ACTUAL PHOTO



OFFERING MEMORANDUM



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## **CONFIDENTIALITY AGREEMENT**

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

# EXECUTIVE SUMMARY

**RICHLAND MALL  
SHOPPING CENTER**



**JCPenney**

**AutoZone**



**LEXINGTON-SPRINGMILL RD  
47,761/ADT**





# EXECUTIVE SUMMARY

CBRE is pleased to present to qualified investors Wendy's, located at 653 N Lexington-Springmill Road, Mansfield, Ohio 44906 ("the Property"), consisting of 3,145 square feet on 1.42 acres. The Property is an outparcel adjacent to the Richland Mall Shopping Center, the only enclosed shopping center within 40 miles featuring retailers Macy's and JCPenney. Furthermore, the asset is across from the Ontario Hospital, owned by the Avita Health System, one of Ohio's largest community health organizations. Additional surrounding retailers include Walmart, Sam's Club, Target, Home Depot, Lowes, Gabe's, Meijer, and Ashley Home Store.

The immediate area serves as Mansfield's retail corridor with approximately 170 retailers. US Route 30 (36,000+/ADT\*), a major thoroughfare that travels across northern Ohio and reaches both the east and west coast, is approximately one mile from the Property; total surrounding traffic counts with additional major thoroughfares exceed 126,110/ADT. The Ohio State University at Mansfield, with an enrollment of about 1,060 students, is less than three miles from the asset. Daytime population exceeds 64,500 within five miles of the Property\*.

\*Source: Esri



# INVESTMENT SUMMARY

|                              |               |
|------------------------------|---------------|
| <b>OFFERING PRICE:</b>       | \$1,782,000   |
| <b>CAP RATE:</b>             | 5.50%         |
| <b>IN-PLACE YEAR 1 NOI:</b>  | \$98,000      |
| <b>SF:</b>                   | 3,145         |
| <b>PRICE PER SF:</b>         | \$567         |
| <b>ACRES:</b>                | 1.42          |
| <b>YEAR BUILT/RENOVATED:</b> | 1977/2020     |
| <b>LEASE COMMENCEMENT:</b>   | August 1977   |
| <b>LEASE EXPIRATION:</b>     | July 2040     |
| <b>TRAFFIC COUNTS:</b>       | 126,110+/ADT* |

\*Source: Esri, total surrounding counts



## 20 YEARS REMAINING ON ABSOLUTE NET LEASE WITH OPTIONS INCLUDED

Wendy's Franchisee is currently operating an Absolute Net lease, which originally commenced August 1977. Tenant renewed lease for an additional 20-years of firm term until July 2040, and then has two five-year options.

With a track record of strong historical sales and no business disruptions, beginning August 1, 2020, the tenant will pay an additional 10% increase every five years for the remainder of the term. The Franchisee is currently renovating the restaurant at their expense.



**OLD NAVY**  
**ROSS**  
DEALS FOR LESS  
**ALTIITUDE TRAMPOLINE PARK**

**Planet Fitness**

**Speedway**  
**Vitamin Shoppe**  
**PLATON'S**  
**verizon**  
**at&t**

**Sam's CLUB**

**LOWE'S**  
Lets Build Something Together

**BARNES & NOBLE**  
BOOKSELLERS

**OUTBACK STEAKHOUSE**

**CHIPOTLE MEXICAN GRILL**

**Charley's**

**Bob Evans FARMS**

**Denny's**

**KeyBank**

**AutoZone**

**Arby's**

**W-4TH STREET 11,418/ADT**

**LEXINGTON-SPRINGMILL RD 47,761/ADT**

**RICHLAND MALL SHOPPING CENTER**

**JCPenney**





# INVESTMENT HIGHLIGHTS



## RENOVATION HAS COMMENCED

- Franchisee has begun renovation at their sole expense.

## LONG-TERM TENANCY

- Tenant has occupied space since 1977 and has committed an additional 20 years of firm term.

## ABOVE AVERAGE SALES

- Tenant reports sales and has consistently been above the annual average for Wendy's QSRs.

## 20 YEAR ABSOLUTE NET LEASE WITH OPTIONS

- The current lease extends until July 2040 and has two five year options.
- After August 1, 2020, a 10% increase including options will occur every five years for the remainder of the term.

## LOCATED IN MAIN RETAIL CORRIDOR

- The immediate area serves as Mansfield's retail corridor with approximately 170 retailers.
- The Property is an outparcel adjacent to the Richland Mall Shopping Center, the only enclosed shopping center within 40 miles featuring retailers Macy's and JCPenney.
- Additional surrounding retailers include Walmart, Sam's Club, Target, Home Depot, Lowes, Gabe's, Meijer, and Ashley Home Store.

## HIGH SURROUNDING TRAFFIC COUNTS

- Over 47,760 vehicles pass by the Property on Lexington-Springmill Road.
- US Route 30 has an average daily traffic count of over 36,000 vehicles.
- Total traffic counts on surrounding routes exceeds 126,110 vehicles.

## ADJACENT HOSPITAL

- The Property is across from the Ontario Hospital, owned by the Avita Health System, one of Ohio's largest community health organizations; this contributes to the daytime population of over 64,500 within five miles.



REPRESENTATIVE PHOTO

# PROPERTY DETAILS



RICHLAND MALL  
SHOPPING CENTER

JCPenney

JCPenney

AVITA  
HEALTH SYSTEM

AVITA ONTARIO HOSPITAL

# PROPERTY DETAILS



## LOCATION

The Property is located on an outparcel adjacent to the Richland Mall Shopping Center, which shares the same pad as the Ontario Hospital, in the northwest corner of the Mansfield MSA.



## PARKING

The Property has 95 parking spaces, 3 of which are handicap (parking ratio of 3.31/1,000).



## PROPERTY SIZE

The Property consists of 3,145 square feet on 1.42 acres.



## INGRESS/EGRESS

The Property can be accessed via the route Richland Mall, which is accessed from N Lexington-Springmill Road to the right and Stumbo Road N to the left.



## BUILT/RENOVATED

The Property was constructed in 1977 and is currently under renovation.



## VISIBILITY

The Property has a pylon sign which is visible from N Lexington-Springmill Road.



## PARCEL NUMBER

The Property will receive a parcel number when deeded at sale.



## TRAFFIC COUNTS

N Lexington-Springmill Road: 47,761/ADT  
US Route 30: 36,000+/ADT  
Route 309: 30,935/ADT  
W 4th Street: 11,418/ADT



SPRINGFIELD SQ  
SHOPPING CENTER

ROUTE 309 30,935/ADT

HARBOR FREIGHT TOOLS

KOHL'S  
expect great things

JO-ANN  
experience the creativity

McDonald's

BUCKEYE  
EXPRESS  
CAR WASH

KeyBank

Gabe's

LEXINGTON-SPRINGMILL RD  
47,761/ADT

Budget

FINANCIAL OVERVIEW

# RENT ROLL

| TENANT  | SIZE (SF)             | LEASE START | LEASE EXP |                      | RENT/SF | RENT/MO     | RENT/YR      | INCREASE DATE | INCREASE RATE | REIMBURSEMENTS     | OPTIONS     | REMAINING TERM (MOS.) |
|---------|-----------------------|-------------|-----------|----------------------|---------|-------------|--------------|---------------|---------------|--------------------|-------------|-----------------------|
| WENDY'S | 3,145<br>(1.42 Acres) | Aug-77      | Jul-40    | Current              | \$21.41 | \$5,610.00  | \$67,320.00  | -             | -             | Absolute Net (NNN) | 2 x 5 Years | 243.5                 |
|         |                       |             |           | 8/1/2020 - 7/31/2025 | \$31.16 | \$8,166.67  | \$98,000.04  |               |               |                    |             |                       |
|         |                       |             |           | 8/1/2025 - 7/31/2030 | \$34.28 | \$8,983.34  | \$107,800.04 |               |               |                    |             |                       |
|         |                       |             |           | 8/1/2030 - 7/31/2035 | \$37.70 | \$9,881.67  | \$118,580.05 |               |               |                    |             |                       |
|         |                       |             |           | 8/1/2035 - 7/31/2040 | \$41.47 | \$10,869.84 | \$130,438.05 |               |               |                    |             |                       |
|         |                       |             |           | Option 1             | \$45.62 | \$11,956.82 | \$143,481.86 |               |               |                    |             |                       |
|         |                       |             |           | Option 2             | \$50.18 | \$13,152.50 | \$157,830.04 |               |               |                    |             |                       |

|          |       |      |
|----------|-------|------|
| OCCUPIED | 3,145 | 100% |
| VACANT   | 0     | 0%   |



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# LEASE ABSTRACT



|                              |  |              |              |              |
|------------------------------|--|--------------|--------------|--------------|
| TENANT:                      | Wendy's  |              |              |              |
| SIZE (SF):                   | 3,145  |              |              |              |
| ORIGINAL LEASE COMMENCEMENT: | 8/1/1977   |              |              |              |
| RENEWAL LEASE COMMENCEMENT:  | 8/1/2020   |              |              |              |
| LEASE EXPIRATION:            | 7/31/2040  |              |              |              |
| RENEWAL OPTION(S):           | Two 5-Year Renewal Options   |              |              |              |
| ANNUAL BASE RENT:            | <b>TERM</b>  | <b>\$/YR</b> | <b>\$/MO</b> | <b>\$/SF</b> |
|                              | 8/1/2020 - 7/31/2025   | \$98,000.00  | \$8,166.67   | \$31.16      |
|                              | 8/1/2025 - 7/31/2030   | \$107,800.00 | \$8,983.33   | \$34.28      |
|                              | 8/1/2030 - 7/31/2035   | \$118,580.00 | \$9,881.67   | \$37.70      |
|                              | 8/1/2035 - 7/31/2040   | \$130,438.00 | \$10,869.83  | \$41.47      |
| OPTION RENT:                 | <b>TERM</b>  | <b>\$/YR</b> | <b>\$/MO</b> | <b>\$/SF</b> |
|                              | First Option Period  | \$143,481.80 | \$11,956.82  | \$45.62      |
|                              | Second Option Period   | \$157,829.98 | \$13,152.50  | \$50.18      |
| PERCENTAGE RENT:             | As of August 1, 2020, Tenant shall no longer be required to pay Percentage Rent but shall continue to report its monthly Gross Sales.  |              |              |              |
| ADDITIONAL RENT:             | As of August 1, 2020, Tenant is no longer required to pay Common Area Charge or the Merchant's Association Charge.   |              |              |              |
| LANDLORD'S RESPONSIBILITIES: | None.  |              |              |              |
| TENANT'S RESPONSIBILITIES:   | Tenant pays all Real Estate Taxes. Tenant shall also be responsible for all Utilities and Services provided to or consumed on Premises. Tenant is responsible for any and all repairs, maintenance, and replacements needed on the Premises. |              |              |              |
| USE OF PREMISES:             | Tenant shall use the Premises as a limited menu restaurant and agrees that it will not use or permit the use of the facility for any other purpose or business.  |              |              |              |

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# WENDY'S: FRESH FAST FOOD



| CREDIT RATING             | TRADED AS       | FOUNDED        |
|---------------------------|-----------------|----------------|
| "B" - S&P; "B2" - Moody's | WEN             | 1969           |
| HEADQUARTERS              | # OF STORES     | # OF EMPLOYEES |
| Dublin, Ohio              | 6,600           | 12,500         |
| 2019 FULL YEAR EARNINGS   | WEBSITE         |                |
| \$1,709 million           | www.wendy's.com |                |

Wendy's is an international quick service restaurant chain, and is ranked among the leading quick service restaurants worldwide in terms of system-wide sales. Much like many other restaurant chains within the quick service burger category, each Wendy's menu centers on the classic burger and fries combination. Other offerings include chicken sandwiches, salads, desserts, drinks, and a new breakfast menu.

At end of 2019, the company reported a global system-wide sales growth of 2.5% and earnings of \$1,709 million.

## FRESH REMODEL

Several Wendy's locations have been extensively remodeled to reflect the company's branding of "fresh". The remodeled restaurants include glass door refrigerators where customers can see the fresh ingredients, open kitchens which allow more transparency and natural light, self-order kiosks, gas or electric fireplaces, digital menu boards, and floor to ceiling windows.

Wendy's has a goal to remodel 70% of all 6,600 restaurants across the globe; thus far, approximately 48% have been remodeled. Remodeling is an important part of the company's efforts to boost its brand image.



REPRESENTATIVE PHOTO



REPRESENTATIVE PHOTO



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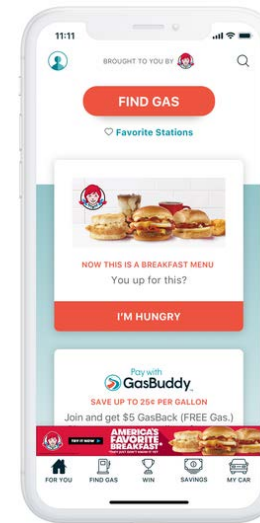
REPRESENTATIVE PHOTO



## NEW MENU FEATURE

In March 2020, Wendy's announced that it would be adding breakfast to its menu. The new menu includes the Breakfast Baconator® and Frosty®-ccino (a cold brew coffee with a touch of Frosty mix added). Other items on the breakfast menu include several premium-priced sandwiches, peppery potato wedges, croissants, and biscuits.

Wendy's has teamed with the app GasBuddy (shown right) to promote the new menu.



## HELPING LOCAL COMMUNITIES



Dave Thomas  
Foundation  
for Adoption®

[www.davethomasfoundation.org](http://www.davethomasfoundation.org)

Wendy's helps local communities through the The Dave Thomas Foundation for Adoption®, which is named after Dave Thomas, the founder of the restaurant chain. The Dave Thomas Foundation for Adoption is the only public nonprofit charity in the United States that is focused exclusively on foster care adoption. Through its signature program, Wendy's Wonderful Kids®, the Foundation provides grants to adoption agencies to hire recruiters who use an evidence-based, child-focused recruitment model to find loving, permanent homes for children waiting in foster care.

The Foundation works closely with child welfare advocates and policymakers, provides free resources about foster care adoption and raises awareness through social media campaigns, public service announcements and events.

## MAKING AN IMPACT

In 2017, the Foundation launched an ambitious 12-year business plan to scale the Wendy's Wonderful Kids program in all 50 states and Washington, D.C. The program's expansion began in Kentucky, Louisiana, New York, North Carolina and Washington. In 2018, Colorado and Utah were added to the list of scaling states while continuing to hire adoption recruiters and build momentum across North America.







The Mansfield Historic Carrousel District features over 60 unique specialty shops and eateries, and hosts Farmer's Markets and outdoor concerts.



## MANSFIELD, OHIO

Mansfield is the county seat of Richland County, Ohio, located midway between Columbus and Cleveland via Interstate 71. The city was founded in 1808 as a manufacturing and farmland mecca. Today, the top job sectors are healthcare, education, and retail.

Downtown Mansfield is home to various arts venues and attractions. Main Street connects Central Park with the Historic Carrousel District, which features over 60 unique specialty shops and eateries, and hosts Farmer's Markets and outdoor concerts. Art and entertainment venues include the Renaissance Theatre, Mansfield Playhouse, and The Brickyard stage.

For drinks, residents and visitors alike can stop by The Phoenix Brewing Company for a craft beer or glass of wine at Cypress Hill Winery.

The Ohio State Reformatory is a hot tourist spot, which had five major movies filmed at its location, including *The Shawshank Redemption*, *Air Force One*, and *Escape Plan 3*. The reformatory was built in 1886 and resembles a castle-like prison.

The historic Ohio State Reformatory is a popular tourist spot and featured five major movies.





MANSFIELD

The Ohio State University at Mansfield is a regional campus of The Ohio State University located in Mansfield, Ohio. It was founded in 1958 as a land-grant college. The school offers over 200 majors. Students can complete one-to-three years in Mansfield before seamlessly transferring to the Columbus campus. There are approximately 1,060 students at the Ohio State University at Mansfield and about 50 faculty members. The college is less than three miles from the Property.



## FORMER DEPARTMENT STORE TURNED HOSPITAL

The Richland Mall opened in 1969 with the Lazarus department store as one of its main tenants. In 2013, Avita Health System purchased the former Lazarus store. This began the process of transforming the department store into a state of the art hospital. The facility opened in 2014 and continues to develop. There are currently 30 physicians and advanced practitioners providing health care services at Avita Ontario.

In 2017, Avita expanded to include a brand-new emergency department, inpatient care and intensive care units, pre- and post-operation surgical areas, and new surgical suites. The phase also included a new cardiac rehabilitation facility and a new cafe as well as more common waiting areas. The expansion further allowed for 23 beds in the new emergency department, 26 inpatient care rooms, 16 pre- and post-operation rooms, four surgical suites, enhanced physician capabilities with expanded laboratory and radiology, cardiology and cardiac rehabilitation, and a pulmonary department.

In 2018, Avita Health System began teaming with the Cleveland Clinic Cancer Center to expand access to oncology services and highly specialized treatments for patients.



A former Lazarus department store turned into a state-of-the-art hospital. The hospital is on the Richland Mall Shopping Center pad across from Wendy's.



DEMOGRAPHICS\*

|            |                                    | ONE-MILE<br>RADIUS<br>FROM THE<br>PROPERTY | THREE-MILE<br>RADIUS<br>FROM THE<br>PROPERTY | FIVE-MILE<br>RADIUS<br>FROM THE<br>PROPERTY | SEVEN-MILE<br>RADIUS<br>FROM THE<br>PROPERTY |
|------------|------------------------------------|--|--|---|--|
| POPULATION | 2019 ESTIMATED POPULATION          | 1,818                                      | 18,137                                       | 54,313                                      | 80,418                                       |
|            | 2019 ESTIMATED DAYTIME POPULATION  | 6,456                                      | 24,333                                       | 64,526                                      | 88,619                                       |
|            | 2019 ESTIMATED MEDIAN AGE          | 44   | 44   | 42  | 42   |
| HOUSEHOLDS | 2019 ESTIMATED HOUSEHOLDS          | 855  | 7,921  | 21,360                                      | 32,427                                       |
|            | 2019 EST. AVERAGE HOUSEHOLD SIZE   | 2.10                                       | 2.24   | 2.25  | 2.28   |
| INCOME     | 2019 EST. MEDIAN HOUSEHOLD INCOME  | \$51,935                                   | \$44,690                                     | \$40,958                                    | \$43,993                                     |
|            | 2019 EST. AVERAGE HOUSEHOLD INCOME | \$66,706                                   | \$63,309                                     | \$59,643                                    | \$61,273                                     |
| HOUSING    | 2019 ESTIMATED HOUSING UNITS       | 900  | 8,804  | 25,140                                      | 37,259                                       |
|            | 2019 ESTIMATED VACANT UNITS        | 45   | 883  | 3,780                                       | 4,832  |
|            | 2019 ESTIMATED OCCUPIED UNITS      | 854  | 7,921  | 21,361                                      | 32,426                                       |
|            | 2019 EST. MEDIAN HOUSING VALUE     | \$114,602                                  | \$106,018                                    | \$100,962                                   | \$106,966                                    |
|            | 2019 EST. AVERAGE HOUSING VALUE    | \$140,508                                  | \$157,545                                    | \$141,113                                   | \$137,489                                    |

\*Source: Esri



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