

OFFERING MEMORANDUM  
Marcus & Millichap



**Wawa®**  
COCKEYSVILLE, MD



# EXECUTIVE SUMMARY



10111 York Road,  
Cockeysville MD 21030

ADDRESS



Cockeysville, MD  
Baltimore, MD MSA

MARKET



LOT SIZE



15+ YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

## THE OFFERING

Price	\$7,333,333
Cap	4.50%
GLA	6,099 SF
Lot Size	1.55 Acres
Year Built	2015
Lease Type	NNN Ground Lease
Rent Commencement	1/1/2015
Lease Expiration	12/31/2035
Increases	10% Every 5 Years
Options	Four; Five-Year Terms
Debt	Free & Clear

## ANNUALIZED OPERATING DATA ANNUAL RENT % INCREASE

Years 6-10	\$330,000	
Years 11-15	\$363,000	10.00%
Years 16-20	\$399,300	10.00%
Option 1 (Years 21-25)	\$439,236	10.00%
Option 2 (Years 26-30)	\$483,156	10.00%
Option 3 (Years 31-35)	\$531,468	10.00%
Option 4 (Years 36-40)	\$584,616	10.00%

\*Rent Credit-Seller will credit Buyer the per diem difference between the current rental rate of \$300,000 and the rental rate of \$330,000 (set to occur in January of 2021) at the time of closing.

# INVESTMENT HIGHLIGHTS

**PREFERRED INCREASE  
STRUCTURE; 10%  
INCREASES EVERY FIVE  
YEARS IN BASE TERM AND  
OPTION PERIODS**

**LOCATED ON THE NUMBER  
ONE RETAIL CORRIDOR IN  
THE BALTIMORE SUBMARKET**

**STRONG DEMOGRAPHICS;  
95,000+ RESIDENTS WITH  
AVERAGE HOUSEHOLD INCOME  
OF \$140,000+ WITHIN A 5-MILE  
RADIUS**

**LIMITED GAS COMPETITION IN  
REGION AND ONLY WAWA ON  
YORK ROAD**

**LONG-TERM 15-YEAR LEASE WITH STRUCTURED RENTAL INCREASES** | 15-year term remaining on the NNN ground lease with 10 percent (10%) increases beginning year 6 and every five years thereafter during the base term and six, five-year option periods.

**SITUATED AT A PRIME CORNER ON SUBMARKETS MAIN RETAIL NODE** | Large 1.55 acre parcel in proximity to the traffic light at the intersection of York Road and Industry Lane. York Road is the number one retail corridor in the Baltimore submarket. This intersection features average daily traffic counts of over 25,000 vehicles and is just 1.5 miles from the Interstate-83 interchange (112,000 VPD).

**STRONG LOCAL POSITIONING** | Positioned directly next to a high performing local car wash, the Auto Spa, and across the street from Chick-fil-A, which has very specific site selection, and together draw immense traffic. Other notable neighboring retailers include Walmart, (which sees a high volume, over 2 million, of visitors per year according to Placer.ai) Home Depot, AutoZone, Food Lion, Starbucks, Target and 7-Eleven (a convenience store, no gas). Furthermore, this stretch of York Road encompasses numerous car dealerships with two major locations situated directly next door.

**LIMITED GAS COMPETITION** | This Wawa is the only gas station on York Road for over 2 miles to the North and 0.5 miles to the South. Furthermore, it is the only Wawa on York Road.

**PROXIMITY TO DAYTIME TRAFFIC GENERATORS** | Located amongst, and in close proximity, to numerous car dealerships, Textron Systems Corporation, an aerospace and defense contracting firm, and Texas Quarry. Directly across the street is the AAI Building, a 173,000 square foot multi-tenant office building.

**STRONG POPULATION DENSITY AND DESIRABLE DEMOGRAPHICS** | Infill, high-barrier location with a dense 5-mile population of 95,614 and Average Household Income of \$140,030.

**BEST IN CLASS RETAILER** | Wawa, Inc. is a best-in-class tenant within the highly sought-after convenience sector and a tier one retailer that is both online and recession resistant. Wawa operates over 800 locations in the Mid-Atlantic and Florida and reported more than \$9.1 Billion in Annual Revenue.

**INVESTMENT GRADE CREDIT** | Shadow Rating of “BBB” by Fitch



Yorktowne Plaza



**FOOD LION**

**DOLLAR TREE**

Center is currently under a complete re-lease up and re-development

**TARGET**

**POPEYES**



Church Lane Shopping Center



**FIVE GUYS**  
BURGERS and FRIES



**Wawa**



**RAMADA**  
WORLDWIDE



Anderson Buick  
GMC



Anderson  
Honda

AAI Office Building  
173,000 Multi-Tenant Office

YORK RD - 27,764 VPD







## TENANT INFORMATION

Founded in 1803 as a dairy operator, Wawa, Inc. operates more than 838 convenience stores, of which about 200 stores are in New Jersey and Pennsylvania and the balance is spread through Delaware, Virginia, Maryland, Florida and Washington, D.C. New Wawa store openings are almost exclusively of the expanded “Super Wawa” format, which includes a larger footprint (generally 4,600 to 5,700 square feet of retail space, compared with 3,000 or 3,600 for “legacy” stores) and typically 12-20 gas pumps. The company offers fuel at about 70 percent of its store base.

Historically, Wawa has strived to differentiate itself from traditional convenience stores in that food, beverages and customer experience, not fuel, are its main offerings. The company also offers a large selection of private-label products, including bottled water, candy, assorted nuts, yogurt, teas, cheese, and ice cream products. Its stores are generally open 24 hours, 365 days a year. Wawa is 41 percent owned by employees with the balance controlled by the founding family and management.

The company also supplies over 1,000 institutional customers such as schools, hospitals, restaurants and hotels. Wawa's primary wholesaler is McLane Foodservice Distribution, but the company also has its own distribution center in Carney's Point, NJ. In 2017, Wawa completed the construction of four new buildings on its 26-acre corporate campus. In December 2017, the company opened its first store in Washington, D.C., its largest to date, at 9,000 square feet.



**REVENUE**  
\$9.1 B



**HEADQUARTERS**  
Wawa, PA



**NO. OF EMPLOYEES**  
31,000+



**NO. OF LOCATIONS**  
800+



**YEAR FOUNDED**  
1964



**STOCK SYMBOL  
/CREDIT RATING**  
Fitch : BBB

## REGIONAL MAP

# \$140K

Within a 5-mile radius, the average household income is \$140,030

# 27K<sup>VD</sup>

An average of 27,764 vehicles per day drive by York Road

# #1

#1 Retail Corridor in the Baltimore MSA

ELLICOTT CITY

CATONSVILLE

WOODLAWN

PIKESVILLE

LUTHERVILLE -  
TIMONIUM

TOWSON

PARKVILLE

BALTIMORE

**Wawa®**





Site sees over 2 Million Visitors  
Per Year, According to Placer.Ai



Yorktowne  
Plaza



**FOOD LION**

**DOLLAR TREE**

Center is currently  
under a complete  
re-lease up and re-  
development



CRANBROOK RD - 14,141 VPD



Church Lane  
Shopping Center





# LEASE ABSTRACT

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Guarantor	Wawa, Inc.
Notification Period to Exercise Options	6 Months
Landlord Obligations	None
Tenant Obligations	Tenant shall maintain the demised premises.
Assignment & Subletting	Tenant shall not make or permit any Transfer without the prior written consent of Development Plans, which consent may be withheld in the sole and absolute discretion of Landlord. Thereafter, Tenant, without Landlord's consent, may make a Transfer of this Lease provided that: Unless Landlord has otherwise expressly so agreed in writing, no Transfer shall be deemed to release Tenant from any of its obligations hereunder or to alter, impair or release the obligations of any Person guaranteeing the obligations of Tenant hereunder. A Transfer of this Lease shall be deemed to have occurred if in a single transaction or a related or unrelated series of transactions, and whether Tenant is a corporation partnership or other entity, more than 50% of the ownership interests in Tenant (whether shares, partnership interests, membership interests or other equity, and whether one or more classes thereof) are transferred, diluted, reduced or otherwise affected with the result that the owners or holders on the date of this Lease of the ownership interests in each class of equity of Tenant together cease to own 50 percent or more of such equity.

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# DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2024 Projection	9,407	51,081	95,747
2019 Estimate	9,387	51,333	95,614
2010 Census	9,280	50,630	93,609
2000 Census	8,964	46,648	87,927
Current Daytime Population	7,515	72,158	150,347

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2019 Estimate Total Population	9,387	51,333	95,614
Under 20	21.13%	21.34%	21.44%
20 to 34 Years	31.19%	18.67%	18.80%
35 to 39 Years	8.94%	5.94%	5.24%
40 to 49 Years	12.56%	11.87%	11.60%
50 to 64 Years	15.43%	21.18%	21.14%
Age 65+	10.76%	21.02%	21.81%
Median Age	33.93	43.63	44.26
<u>Population 25+ by Education Level</u>			
2019 Estimate Population Age 25+	6,792	37,912	68,484
Elementary (0-8)	1.52%	1.49%	1.32%
Some High School (9-11)	3.34%	2.82%	2.70%
High School Graduate (12)	19.58%	15.81%	15.21%
Some College (13-15)	20.64%	17.63%	16.47%
Associate Degree Only	5.35%	5.71%	5.14%
Bachelors Degree Only	31.34%	31.68%	31.79%
Graduate Degree	17.35%	24.22%	26.89%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2024 Projection	4,164	22,252	40,228
2019 Estimate	4,188	22,308	40,036
2010 Census	4,099	21,783	38,721
2000 Census	4,379	20,446	37,355

INCOME	1 MILE	3 MILES	5 MILES
<u>2019 Housing Income</u>			
\$150,000 or More	10.05%	22.24%	26.97%
\$100,000 - \$149,000	18.13%	20.58%	19.90%
\$75,000 - \$99,999	17.38%	14.15%	13.03%
\$50,000 - \$74,999	18.91%	15.73%	13.73%
\$35,000 - \$49,999	14.08%	9.93%	8.54%
Under \$35,000	21.43%	17.38%	17.85%
Average Household Income	\$87,744	\$124,590	\$140,030
Median Household Income	\$68,594	\$86,933	\$93,767
Per Capita Income	\$39,148	\$54,459	\$59,421



# DEMOGRAPHIC SUMMARY

Geography: 5 Miles



## POPULATION

In 2019, the population was 95,614. The population has changed by 8.74 percent since 2000. It is estimated that the population in your area will be 95,747.00 five years from now, which represents a change of 0.14 percent from the current year. The current population is 47.80 percent male and 52.20 percent female. The median age of the population is 44.26, compared to the US average which is 38.08. The population density is 1,215.73 people per square mile.



## HOUSEHOLDS

There are currently 40,036 households. The number of households has changed by 7.18 percent since 2000. It is estimated that the number of households will be 40,228 five years from now, which represents a change of 0.48 percent from the current year. The average household size is 2.27 persons.



## INCOME

In 2019, the median household was \$93,767, compared to the US average which is currently \$60,811. The median household income for your area has changed by 53.91 percent since 2000. It is estimated that the median household income will be \$108,761 five years from now, which represents a change of 15.99 percent from the current year.

The current year per capita income is \$59,421, compared to the US average, which is \$33,623. The current year average household income is \$140,030, compared to the US average which is \$87,636.



## RACE AND ETHNICITY

The current year racial makeup is as follows: 76.13 percent White, 9.31 percent Black, 0.04 percent Native American and 10.24 percent Asian/Pacific Islander, compared to US averages which are: 70.07 percent White, 12.87 percent Black, 0.19 percent Native American and 5.66 percent Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 5.28 percent of the current year population, compared to the US average of 18.17 percent.



## HOUSING

The median housing value was \$395,665 in 2019, compared to the US average of \$212,058. In 2000, there were 24,274 owner occupied housing units and there were 13,081 renter occupied housing units in your area. The median rent at the time was \$674/month.



## EMPLOYMENT

In 2019, there were 127,835 employees, this is also known as the daytime population. The 2000 Census revealed that 82.33 percent of employees are employed in white-collar occupations, and 17.73 percent are employed in blue-collar occupations. In 2019, unemployment was 3.63 percent. In 2000, the average time traveled to work was 28 minutes.



# BALTIMORE OVERVIEW

Strategically located at the center of the Eastern Seaboard in central Maryland, the Baltimore metro spans Baltimore, Anne Arundel, Carroll, Harford, Howard and Queen Anne's counties as well as the city of Baltimore. The city was split off as an independent entity in 1851 and is situated 45 miles northeast of Washington, D.C. Baltimore's port on the Chesapeake Bay is closer to major Midwestern markets than any other large seaport on the East Coast, nurturing a large shipping industry. The metro area contains roughly 2.8 million people, nearly 627,600 of whom reside in the city of Baltimore. Population growth is occurring largely in the outer portions of the metro such as Howard County.

## METRO HIGHLIGHTS



### STRONG BIOMEDICAL INDUSTRY

Johns Hopkins University is one of the most distinguished biomedical research facilities in the country and attracts tech firms to the area.



### LOWER COST OF LIVING

A median home price that is well below many other major East Coast cities contributes to Baltimore metro residents' lower cost of living.



### PORT TRAFFIC

The Port of Baltimore, which ranks in the top 15 nationwide in terms of foreign tonnage, underpins the transportation and logistics industries.





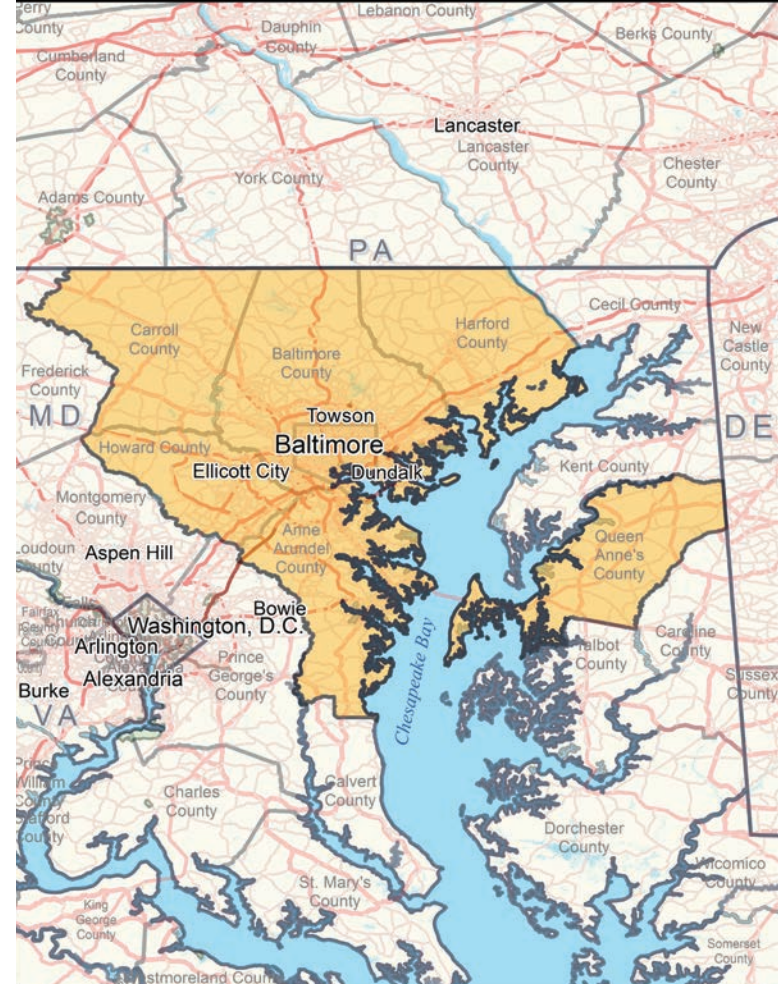
# THE BALTIMORE ECONOMY

The local economy is anchored by the government, education and health services, professional and business services, and trade, transportation and utilities sectors.

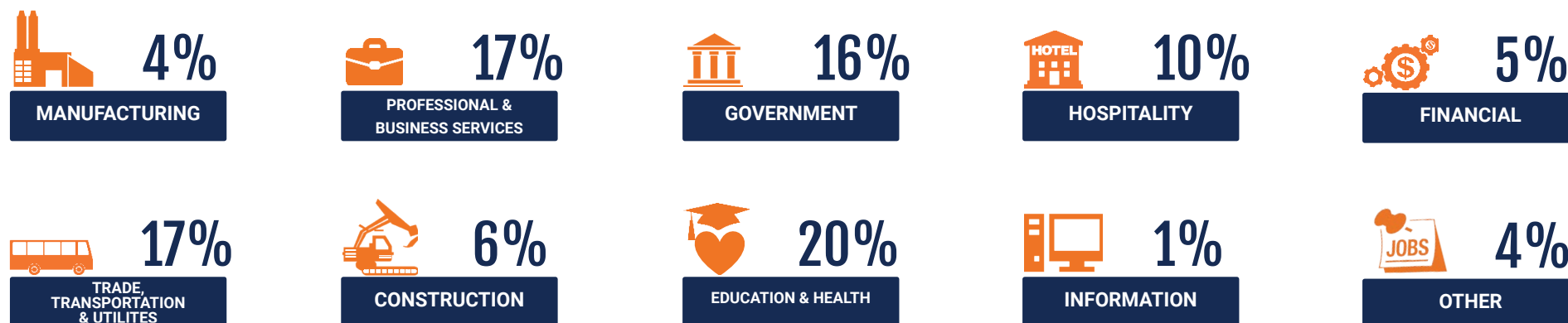
Interstate 95 is a major East Coast transportation corridor providing access to Washington, D.C., and New York City. The economy continues to diversify from manufacturing. Fortune 1000 companies include Legg Mason, T. Rowe Price, Laureate and McCormick & Co.

Government is a vital economic driver. Many state agencies are located in the metro, fostering the highest concentration of federal civilian employment in the nation.

MAJOR AREA EMPLOYERS
Fort George G. Meade
University of Maryland
John Hopkins University
University of Maryland Medical System
GBMC HealthCare
LifeBridge Health
Aberdeen Proving Ground
John Hopkins Hospital and Health System
U.S. Social Security Administration
MedStar Health



## SHARE OF 2019 TOTAL EMPLOYMENT





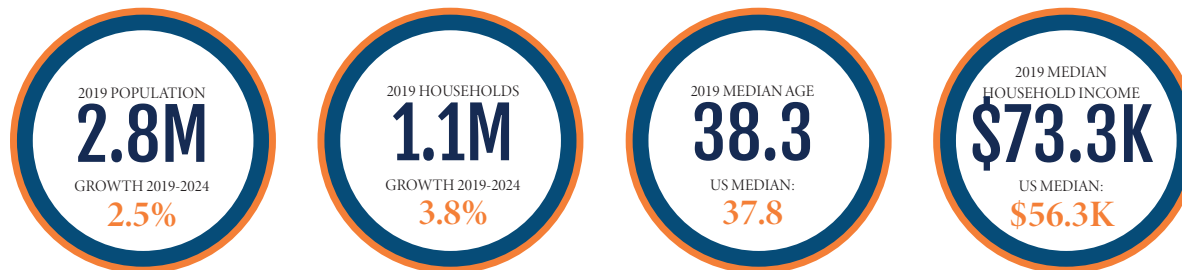
# BALTIMORE DEMOGRAPHICS

The metro is projected to add nearly 70,300 people through 2022, which will result in the formation of nearly 41,700 households.

A median home price slightly above the national level has allowed 65 percent of households to own their home.

Roughly 36 percent of people age 25 and older hold a bachelor's degree; among those residents, 16 percent also have earned a graduate or professional degree.

## 2019 POPULATION BY AGE



## QUALITY OF LIFE

Steeped in more than 275 years of history and tradition, Baltimore is a “city of neighborhoods” located within 45 miles of Washington, D.C. Visitors to the inner harbor can enjoy the National Aquarium and Maritime Museum, sailing on a clipper ship or eating at the many restaurants. Baltimore houses world-famous art collections and museums, including the Museum of Art and the Museum of Industry. The region is supported by a comprehensive public transit system including buses, a subway and light- and passenger-rail lines. Within the city and surrounding region are more than 30 institutions of higher learning, including Johns Hopkins University, the University of Maryland, Morgan State University and Towson University.

\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

## SPORTS



## EDUCATION



## ARTS & ENTERTAINMENT





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Marcus & Millichap

## EXCLUSIVELY LISTED BY:

### DEAN ZANG

EXECUTIVE MANAGING DIRECTOR  
NATIONAL RETAIL GROUP

#### WASHINGTON, D.C.

Tel: (202) 536-3754

Fax: (202) 536-3710

[dean.zang@marcusmillichap.com](mailto:dean.zang@marcusmillichap.com)

Licenses: MD 665335

VA 0225239201

### CHRIS BURNHAM

FIRST VICE PRESIDENT  
NATIONAL RETAIL GROUP

#### BALTIMORE, MD

Tel: (443) 703-5020

Fax: (202) 536-3710

[cburnham@marcusmillichap.com](mailto:cburnham@marcusmillichap.com)

Licenses: MD 646938

MD BOR: Bryn Merrey - 646476

Activity ID: