


KNEADERS
BAKERY & CAFE

21639 HARDY OAK BOULEVARD | SAN ANTONIO | TEXAS

OFFERING MEMORANDUM
NET LEASE INVESTMENTS

EXCLUSIVELY OFFERED BY:

MATT MCNEILL

+1 858 546 5467 | CA Lic #01486968
matt.mcneill@cushwake.com

LOCAL MARKET BROKER:

CHRIS HARDEN

+1 972 663 9680 | TX Lic #0566104
chris.harden@cushwake.com



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EXECUTIVE SUMMARY

KNEADERS - SAN ANTONIO, TX

TENANT:	Kneaders Bakery & Café
LOCATION:	21639 Hardy Oak Boulevard, San Antonio, TX 78258
APN:	32-01-201-054
BUILDING SIZE:	3,834 square feet
LAND SIZE:	0.93 acre
YEAR BUILT:	2014
RENT COMMENCEMENT:	TBD 2020
PRIMARY TERM EXPIRATION:	15 years from Close of Escrow
REMAINING LEASE TERM:	15 years
OPTIONS:	Three x five year
RENT ADJUSTMENT:	10% increase every 5 years
LEASE TYPE:	Absolute NNN Lease - no landlord responsibilities
DRIVE-THRU:	Yes



BRAND NEW
15 YR
NNN LEASE



HIGH INCOME AREA
\$128,087
AVERAGE HOUSEHOLD
INCOME



**CORPORATE
GUARANTEE**
**ONE OF THE NATIONS'
FASTEST GROWING
PRIVATE COMPANIES**



DENSE POPULATION AREA
69,584 3 MILE RADIUS
163,157 5 MILE RADIUS



**SAN ANTONIO
MSA**



ASKING PRICE
\$2,086,956



CAP RATE
5.75%



CURRENT NOI
\$120,000

INVESTMENT HIGHLIGHTS



- » **15-year Absolute NNN lease - 10% increases every 5 years**
- » **Corporate Guarantee** - Kneaders recently ranked by Inc. Magazine as one of its Inc. 5000, a list of the nation's fastest-growing private companies

» **Dense In-fill Population Area**

3 MILES



POPULATION
69,584

5 MILES



POPULATION
163,157

» **High Income suburb**

3 MILES



AVERAGE HH INCOME
\$128,087

- » **High Growth Market** - population has increased by over 25% since 2010, projected to add an additional 10% thru 2024.

- » **Strong traffic Area** - at the intersection of Hardy Oak Blvd & Stone Oak Pkwy



36,658 COMBINED TRAFFIC COUNTS

» **Location Highlights**

- » 18 miles north of downtown San Antonio
- » 10 miles from Six Flags Fiesta Texas and the University of Texas at San Antonio
- » 8 Elementary/Middle schools located within a 2-mile radius of the subject property.

BIRD'S EYE VIEW OF SITE



Parcel outlines for illustration purposes only.

NORTHWEST FACING



HARDY OAK
ELEMENTARY

17,208
CARS PER DAY



CHOPSTIX CAFE



Hardy Oak Blvd



Stone Oak Pkwy

19,450
CARS PER DAY



EAST FACING



17,208
CARS PER DAY

19,450
CARS PER DAY

Bahama
BUCK'S
Original Shaved Ice Company

IRONRIBE
FITNESS

CHOPSTIX CAFE

goodwill

Domino's
Pizza

Sushi
Express

KNEADERS
BAKERY & CAFÉ

McDonald's

Stone Oak Pkwy

Hardy Oak Blvd

SOUTH FACING

LAS LOMAS
ELEMENTARY

DOWNTOWN
SAN ANTONIO



SAN ANTONIO
TEXAS TEMPLE

CORONADO AT
STONE OAK

19,450
CARS PER DAY

17,208
CARS PER DAY



Stone Oak Pkwy



CHOPSTIX CAFE



Hardy Oak Blvd



NORTHEAST FACING



17,208
CARS PER DAY

CANYON
SPRINGS GOLF
CLUB

281

Domino's
Pizza

Sushi
Express

goodwill

Hardy Oak Blvd

KNEADERS
BAKERY & CAFÉ

McDonald's

ANYTIME
FITNESS

JET'S
PIZZA

SUBWAY

CHOPSTIX CAFE

IRONRIBE
FITNESS

Bahama's
BUCK'S
Original Shaved Ice Company

Stone Oak Pkwy

19,450
CARS PER DAY

SOUTHWEST FACING

STONE OAK
ELEMENTARY

WILDERNESS OAK
ELEMENTARY

CORONADO AT
STONE OAK

19,450
CARS PER DAY



Stone Oak Pkwy



CHOPSTIX CAFE



17,208
CARS PER DAY



Hardy Oak Blvd

SURROUNDING RETAIL



TENANT PROFILE



Website: www.kneaders.com

OF LOCATIONS: 59

FOUNDED: 1997

Kneaders Bakery & Cafe was founded in 1997 by Gary and Colleen Worthington. The Kneaders story began after Gary and Colleen retired as successful Subway franchisees. Their interest led them to develop an authentic European hearth bread. After their studies at the American Institute of Baking and the San Francisco Baking Institute, the Worthington's set out to create their artisan breads. They imported their first hearthstone, steam infusion oven from Verona, Italy and in 1997, the first Kneaders Bakery & Cafe opened in Orem, Utah. The award-winning fast-casual restaurant uses only the highest-quality ingredients to create fresh European hearth breads, delicious sandwiches, mouthwatering pastries, hearty soups and refreshing salads, all made in-house each day. All restaurants have a retail section and also offer a variety of custom-made and themed gift baskets in addition to providing catering services. Kneaders Bakery & Café currently operates 59 corporate-owned and franchised locations in eight western states.

**Tenant Financials Available - please contact Broker for more details.*

OREM UT | 1997

The first Kneaders location was opened in Orem, UT in 1997 by founders Gary and Colleen Worthington. The concept originated from their affinity for scratch-made artisanal breads and high quality ingredients.



In 2017, the company celebrated the donation of one million loaves of bread to local charities. In 2018, Kneaders celebrated it's presence in 8 states.

Inc.

KNEADERS NAMED: FASTEST-GROWING PRIVATE COMPANIES

BEST IN STATE:

BEST BAKED GOODS 2016-2018

BEST BAKERY SANDWICHES 2017-2018

BEST BAKERY BREAKFAST 2016-2018



Kneaders has grown to 59 locations in 8 states in its relatively short history and plans to continue to expand its footprint across the U.S.



Kneaders takes pride in everything that goes on its menus - from employing certified bakers and pastry chefs, to baking its bread fresh from scratch everyday, to using honest and simple ingredients, to harvesting its high-quality produce at peak freshness.



Kneaders has been committed to improving the communities we serve for over 20 years. Each restaurant partners with nonprofit organizations to feed the hungry, support local schools, and fundraise for local children's hospitals.



DEMOGRAPHICS



POPULATION
69K+
3 MILE RADIUS



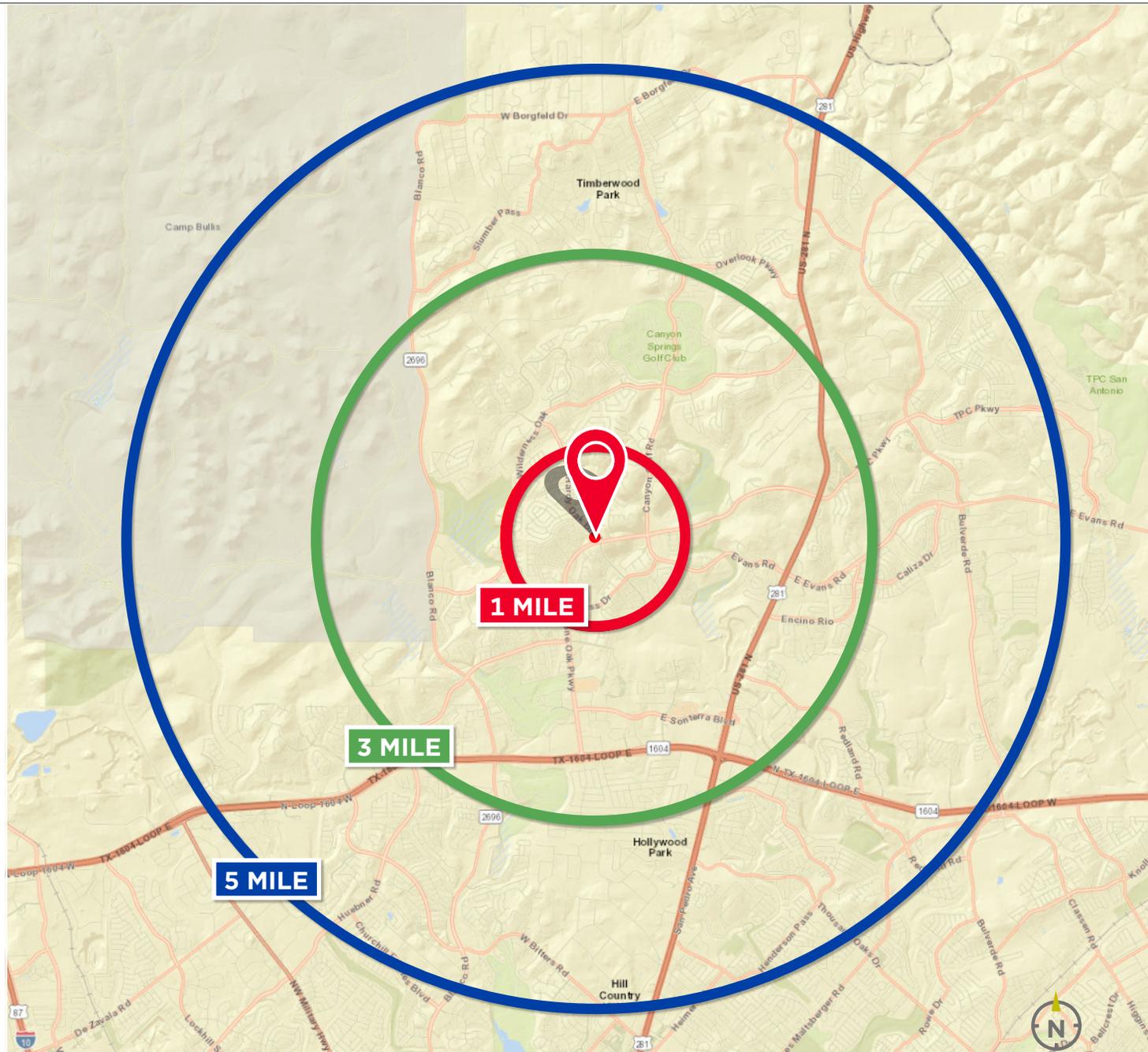
AVERAGE HH
INCOME
\$128K+
3 MILE RADIUS

POPULATION

1 MILE	3 MILE	5 MILE
12,882	69,584	163,157

AVERAGE HH INCOME

1 MILE	3 MILE	5 MILE
\$127,096	\$128,087	\$125,807





MARKET OVERVIEW

SAN ANTONIO, TEXAS

San Antonio, officially the City of San Antonio, is the seventh most populated city in the United States of America and the second most populated city in the state of Texas, with a population of 1,409,019. It was the fastest growing of the top 10 largest cities in the United States from 2000 to 2010 (16.0%), and the second from 1990 to 2000 (22.3%). The city is located in the south-central region of Texas, and the southwestern corner of an urban region known as the Texas Triangle.

San Antonio serves as the seat of Bexar County. The city has characteristics of other western urban centers in which there are sparsely populated areas and a low-density rate outside of the city limits. San Antonio is the center of the San Antonio–New Braunfels Metropolitan Statistical Area. Commonly referred to as Greater San Antonio, the metropolitan area has a population of over 2.47 million based on the 2017 US Census

estimate, making it the 24th-largest metropolitan area in the United States and third-largest in the state of Texas. Growth along the Interstate 35 and Interstate 10 corridors to the north, west and east make it likely that the metropolitan area will continue to expand.

San Antonio is a model city for the new face of America—a diverse, progressive and globally competitive city with a solid vision for national and international economic development. In 2012, San Antonio was named an All-America City by the National Civic League. The City of San Antonio maintains a strong financial position with a “AAA” general obligation bond rating from all three major rating agencies. The Milken Institute has ranked San Antonio No. 1 on its Best-Performing Cities list.

ECONOMY

MARKET OVERVIEW

San Antonio has a diversified economy with a metropolitan Gross Domestic Product of approximately \$96.8 billion. This ranks the city 4th among Texas metropolitan areas and 38th in the United States. San Antonio's economy is focused primarily within military, health care, government civil service, financial services, oil and gas and tourism sectors. Within the past twenty years, San Antonio has become a significant location for American-based call centers and has added a significant manufacturing sector centered around automobiles. In 2013, San Antonio ranked No. 11 on Forbes' list of the Best Places for Business and Careers, with a ranking of 9th best market for job growth.

As the seventh-largest city in the United States, San Antonio is experiencing solid economic growth in 21st century industries such as bioscience and healthcare, aerospace, IT and cybersecurity and green technologies. Biotech companies and healthcare systems in San Antonio contribute billions to the local economy. The Aerospace industry remains a dominant economic strength in San Antonio with the presence of several aviation and aerospace corporations, including the military. The military has had a significant relationship with San Antonio for more than 200 years and is home to several military commands. The city is also a cybersecurity hub; nationally recognized as a leader in the field of information security. San Antonio is positioning itself to be at the forefront of the New Energy Economy in the United States, committed to investing and creating employment opportunities in green industries.

San Antonio's economy has remained steady and prosperous by successfully attracting new businesses and helping existing companies grow. The City has focused on creating new employment opportunities in 21st century industries, maintaining a great quality of life, and facilitating business growth at the local and international level.

Over twenty million tourists visit the city and its attractions every year, contributing substantially to the city's economy, primarily due to The Alamo and the River Walk. The Henry B. Gonzalez Convention Center alone hosts more than 300 events each year with over 750,000 convention delegates from around the world. Tourism provides over 130,000 jobs and makes an economic impact of over \$13.6 billion in the local economy as revealed in the Economic Impact Study conducted in 2015 by the San Antonio Tourism Council and the research team of Dr. Richard Butler and Dr. Mary Steff of Trinity University. Tourism also brings new annual revenues to the City of San Antonio and other governmental entities with the hotel & motel tax, sales taxes and other revenues from hospitality agreements and contracts.

San Antonio is the headquarters of six Fortune 500 companies: Valero Energy, Andeavor (formerly Tesoro Corp), USAA, iHeartMedia, NuStar Energy, and CST Brands, Inc. H-E-B, the 13th-largest private company in the U.S. is also based in San Antonio.

EDUCATION

MARKET OVERVIEW

San Antonio hosts over 100,000 students in its 31 higher-education institutions. Publicly supported schools include the University of Texas Health Science Center at San Antonio, the University of Texas at San Antonio, Texas A&M University–San Antonio, and the Alamo Community College District. The University of Texas at San Antonio is San Antonio’s largest university.

Private universities include top-rated Trinity University, St. Mary’s University, Our Lady of the Lake University, University of the Incarnate Word, Webster University, Wayland Baptist University - San Antonio, Baptist University of the Americas, and the Southwest School of Art which brought in its first BFA class in 2014. The San Antonio Public Library serves all of these institutions along with the 19 independent school districts within the Bexar County/ San Antonio metropolitan area.

The city is also home to more than 30 private schools and charter schools. These schools include: Central Catholic Marianist High School, Incarnate Word High School, Saint Mary’s Hall, The Atonement Academy, Antonian College Preparatory High School, San Antonio Academy, Holy Cross High School, Providence High School, The Carver Academy, Keystone School, TMI — The Episcopal School of Texas, St. Anthony Catholic High School, Lutheran High School of San Antonio, and Harmony Science Academy.

San Antonio is also home to U.S. Air Force Basic Military Training (AFBMT). The Air Force only has one location for enlisted basic training: the 737th Training Group, at Lackland Air Force Base. All new Air Force recruits go through the same basic training at Lackland. Each year, over 35,000 new recruits go through AFBMT. In addition, METC (Military Education and Training Campus), which provides the medical training for the US military at Fort Sam Houston, hosts 30 programs and over 24,000 annual graduates. It is the largest medical education center in the world.





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