

# ABSOLUTE NNN INVESTMENT OPPORTUNITY!

| 565 Walton Blvd, Las Cruces, New Mexico



QUALITY IS OUR RECIPE

**NEWMARK**

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**OFFERING MEMORANDUM**

Broker of Record: O'Boyle Properties, Inc. | New Mexico RE Lic. #08012



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# THE OFFERING



Newmark is pleased to offer for sale, the opportunity to purchase a fee simple interest in a freestanding Wendy's property located 565 Walton Blvd, Las Cruces, New Mexico. Wendy's operates under an absolute NNN lease with no landlord responsibilities and 15.6 years remaining on the lease. The lease includes 7.5% rent increases every 5 years with four 5-year options. Wendy's has operated at this location for over 25 years with a complete re-build/re-model of the building in 2017. The lease is guaranteed by JAE Restaurant Group, LLC, an experienced operator with 216 restaurants with approximately \$350 million in annual revenue. The property is located in the City of Las Cruces, the second-largest city in the state of New Mexico with a population of 115,936 within a 5-mile radius. The property has outstanding visibility positioned adjacent to a Walmart Supercenter and located near the intersection of Walton Blvd & Lohman Ave. Lohman Ave is the primary retail corridor in the City of Las Cruces. Located within 2 miles property includes: New Mexico State University (15,000+ students), Downtown & City Offices, Las Cruces High School (over 2,300 students), and Memorial Medical Center (Regional Hospital with 224 beds).

**Price: \$3,282,000    Cap Rate: 4.75%**

Property Summary	
Location	565 Walton Blvd, Las Cruces, NM 88001
Building SF	2,997 SF
Lot Size	0.8487 AC
Year Built	2017 complete re-build
Lease Term	15.6 years remaining
Rental Increase	7.5% every 5 years
Lease Type	Absolute NNN
Renewal Options	Four 5-year options
Renewal Rent Increases	7.5% at each option
Drive Thru	Yes

Offering Summary	
Offering Price	\$3,282,000
NOI*	\$155,875
Cap Rate	4.75%
Tenant	ELP Restaurant Holdings, LLC
Guarantor	JAE Restaurant Group, LLC (216 restaurants)
Property Type	Freestanding Quick Service Restaurant
Ownership Interest	Fee Simple

\*NOTE: Listed NOI based on rent as of June 30, 2022, Seller will credit Buyer the difference in monthly rent from close of escrow to June 30, 2022.

# INVESTMENT OVERVIEW



## **Strong Tenant**

216 restaurants, \$350 million in annual revenues



## **Successful Track Record**

Wendy's location for over 25 years



## **Absolute NNN Lease**

Zero Landlord Responsibilities



## **Long Term Lease**

15.6 years remaining on lease term



## **Outstanding Location**

Adjacent to Walmart Supercenter



## **Proximity to Economic Drivers**

New Mexico State University, Memorial Medical Center  
Downtown & City Offices, Las Cruces High School



## **Demographics**

Population 115,936 in a 5-Mile radius

# INVESTMENT HIGHLIGHTS

## **Experienced Operator**

The lease is guaranteed by JAE Restaurant Group, LLC, an experienced operator with 216 restaurants in Florida, New Mexico, Texas and Tennessee, with approximately \$350 million in annual revenue. Among the Top 5 franchisees in the Wendy's system.

## **Long History at Location**

Wendy's has been operating in this location for over 25 years.

## **Absolute NNN Lease**

Tenant operates under an absolute NNN lease with zero landlord responsibilities. The base rent increases 7.5% every five years and 7.5% at each of the four (5 year) renewal options.

## **Outstanding Visibility**

The property is positioned adjacent to Walmart Supercenter and is located near the intersection of Walton & Lohman. Lohman Ave is the primary retail corridor in the City of Las Cruces.

## **Strong Retail Synergy**

The property is located in a dense retail area near Arby's, Corner Bakery, McDonalds, Walgreens, Texas Roadhouse, Hobby Lobby, Best Buy, Bed Bath & Beyond, Target, Starbucks and may other national retailers.

## **Direct Consumer Base**

Located within 2 miles include: New Mexico State University (+/- 14,000 students) Downtown & City Offices, Las Cruces High School (over 2,300 students), and Memorial Medical Center (Regional Hospital with 224 beds).

## **Drive-Thru Equipped**

The building is equipped with a drive-thru to provide ease and convenience for customers.

## **Demographics in 5-Mile Area**

Population of 115,936 in a 5-mile radius of the property. Las Cruces is the 2nd largest city in New Mexico.



# AERIAL MAP

HOBBY  
LOBBY

BIG  
LOTS!

BEST  
BUY

STAPLES

OLD NAVY

BED BATH &  
BEYOND

FedEx  
Office

ups

TEXAS  
ROADHOUSE

M  
MEN'S WEARHOUSE

Walgreens

LOHMAN AVE

McDonald's

Dunn-Edwards  
PAINTS

FEED THE DAY  
corner  
bakery  
CAFE

GameStop

Arby's

WALTON BLVD

Wendy's

Walmart

T-Mobile

SUPERCUTS

PIZZA  
PAPA JOHN'S



# FINANCIAL OVERVIEW



## Rent Schedule

Years	Lease Term	Annual Rent	Monthly Rent	Increase
1-5	6/30/2017-6/29/2022	\$145,000.99	\$12,083.33	-
6-10	6/30/2022-6/29/2027	\$155,875.00	\$12,989.58	7.5%
11-15	6/30/2027-6/29/2032	\$167,565.63	\$13,963.80	7.5%
16-20	6/30/2032-6/29/2037	\$180,133.05	\$15,011.09	7.5%

## Option Terms

1st Option	6/30/2037-6/29/2042	\$193,643.03	\$16,136.92	7.5%
2nd Option	6/30/2042-6/29/2047	\$208,166.25	\$17,347.19	7.5%
3rd Option	6/30/2047-6/29/2052	\$223,778.72	\$18,648.23	7.5%
4th Option	6/30/2052-6/29/2057	\$240,562.13	\$20,046.84	7.5%



## Lease Abstract

<b>Location</b>	565 Walton Blvd, Las Cruces, NM 88001
<b>Tenant</b>	ELP Restaurant Holdings, LLC
<b>Guarantor</b>	JAE Restaurant Group, LLC (216 Restaurants)
<b>Trade Name</b>	Wendy's
<b>Initial Lease Term</b>	20 years
<b>Lease Commence Date</b>	6/30/2017
<b>Lease Expiration Date</b>	6/29/2037
<b>Lease Term Remaining</b>	15.6 years
<b>Rental Increases</b>	7.5% every 5 years
<b>Lease Type</b>	Absolute NNN
<b>CAM, Taxes, Insurance, Utilities</b>	Tenant is responsible
<b>Landlord Responsibilities</b>	None
<b>Renewal Options</b>	Four 5-year option
<b>Renewal Rent Increases</b>	7.5% at each option
<b>Renewal Notice</b>	180 days
<b>Right of First Refusal</b>	Yes, notice within 10 business days

# TENANT OVERVIEW

## Tenant/Guarantor



is an experienced operator with 216 restaurants with approximately \$350 million in annual revenue. Jhonny Mercado, Andres Garcia, and Eddie Rodriguez founded JAE Restaurant Group in 2014. While each of them had their own path in the beginning, their story is one that predates back to as early as 1993 in the Wendy's System. As destiny would have it, they would come together to become JAE Restaurant Group, which now among the Top 5 franchisees in the Wendy's system. Looking into the future, JAE Restaurant Group plans to continue growing stronger; always committed to have a 5 Star Organization where Employees go First and Positively Delight Every Customer.

Tenant Profile	
Guarantor	JAE Restaurant Group, LLC (216 Restaurants)
Type	Franchisee
Number of Locations	216
State Served	FL, NM, TX, TN
Annual Revenue	\$350 Million
Headquarters	Pompano Beach, Florida
Website Link	<a href="https://JaeRestaurantGroup.com">https://JaeRestaurantGroup.com</a>





# Wendy's



## The Wendy's Company

**Wendy's** was founded in 1969 by Dave Thomas in Columbus, Ohio. The Wendy's Company is the 2nd largest quick-service restaurant hamburger chain in the U.S. with over 6,800 Wendy's locations worldwide. Dave Thomas built his business on the premise, "Quality is our Recipe®". Wendy's is best known for its square hamburger patties made-to-order using fresh, never frozen beef. The Wendy's Company is committed to making a positive impact on the lives of others through the Dave Thomas Foundation for Adoption, a national nonprofit public charity that is committed to dramatically increasing the number of adoptions of children waiting in North America's foster care systems.

Trade as:	NASDAQ: WEN
Annual Revenue	\$1.73 Billion
Number of Locations	5,879
Founded	Nov. 15, 1969
Headquarters	Dublin, Ohio
Parent Organization	The Wendy's Company
Website Link	<a href="http://www.Wendys.com">www.Wendys.com</a>



# LOCATION MAP



# LOCATION OVERVIEW



Las Cruces is the second-largest city in the U.S. state of New Mexico and the seat of Doña Ana County. As of 2020, the population was 111,385 with a median age of 32.3 years old, and the Las Cruces metropolitan area has an estimated population of 213,849. It is the principal city of a metropolitan statistical area which encompasses all of Doña Ana County and is part of the larger El Paso–Las Cruces combined statistical area. Las Cruces is the economic and geographic center of the Mesilla Valley, the agricultural region on the floodplain of the Rio Grande which extends from Hatch to the west side of El Paso, Texas.

The city's population has seen nothing but growth since its incorporation, increasing in the double-digit percentages at each 10-year census. Las Cruces is the home of New Mexico State University (NMSU), New Mexico's only land-grant university with estimated enrollment of 14,000 students. The city's major employers include, Lockheed Martin, US Air Force, US Army, Jacobs, Sitel Group, General Dynamics Information Technology and Peraton.

Las Cruces is known for its culture, hosting many annual cultural events every year that brings in visitors from around the country, exceptional weather, agriculture, education, outdoors and family-friendly activities. Las Cruces is forecasted to enjoy a steady rise in population growth and increasing economic moving forward.



**AMENITIES AERIAL**

Map showing various amenities and businesses in Newmark, including:

- Walmart
- Target
- Albertsons
- Pier 1 Imports
- Red Lobster
- sears
- BARNES & NOBLE BOOKSELLERS
- BOOT BARN
- Dillard's
- Big Lots!
- Staples
- Best Buy
- Bed Bath & Beyond
- FedEx Office
- Taco Bell
- Walgreens
- McDonald's
- Arby's
- Wendy's
- Papa John's
- Chili's
- Burger King
- Jack in the Box
- Starbucks
- Whataburger
- Hampton Inn & Suites
- Corner Bakery Cafe
- Dunn Edwards Paints
- UPS
- TEXAS HOLDERS
- MINI VANS

NEW MARK

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# DEMOGRAPHICS



Population	1 mi radius	3 mi radius	5 mi radius
Estimated Population (2021)	10,572	75,402	115,936
Projected Population (2026)	10,425	76,253	118,793
Census Population (2020)	10,589	76,760	115,774
Census Population (2010)	10,890	74,481	109,478

Households	1 mi radius	3 mi radius	5 mi radius
Estimated Households (2021)	4,521	32,035	47,905
Projected Households (2026)	4,662	33,912	51,336
Census Households (2020)	4,540	32,632	47,831
Census Households (2010)	4,527	30,781	43,783

Average Household Income	1 mi radius	3 mi radius	5 mi radius
Estimated Ave Household Income (2021)	52,125	57,432	63,650
Projected Ave Household Income (2026)	57,485	62,259	68,126
Census Ave Household Income (2010)	37,609	45,609	49,041
Census Households (2000)	33,590	37,247	40,920





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**DISCLAIMER**

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