

# ABSOLUTE NNN INVESTMENT OPPORTUNITY!

| 565 Walton Blvd, Las Cruces, New Mexico



QUALITY IS OUR RECIPE

**NEWMARK**

**TOM TODD**

Managing Director  
408.982.8473  
tom.todd@nmrk.com  
CA RE License #01200289

**OFFERING MEMORANDUM**

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



## Table of Contents

The Offering	03
Investment Overview	04
Aerial Map	05
Financial Overview	06
Tenant Overview	07
Wendy's Overview	08
Location Map	09
Location Overview	10
Amenities Aerial	11
Demographics	12

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

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

**FedEx**  
Office

**BED BATH & BEYOND**

**ups**

**TEXAS ROADHOUSE**

**MEN'S WEARHOUSE**

*Walgreens*

**LOHMAN AVE**

**S WALNUT ST**

**McDonald's**

*Dunn-Edwards*  
**PAINTS**

FEED THE DAY  
**corner bakery**  
CAFE

**GameStop**

*Arby's*

**WALTON BLVD**

**Wendy's**

**Walmart**

**T-Mobile**

**SUPERCUTS**

**PAPA JOHN'S PIZZA**



# 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



JAE RESTAURANT GROUP 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

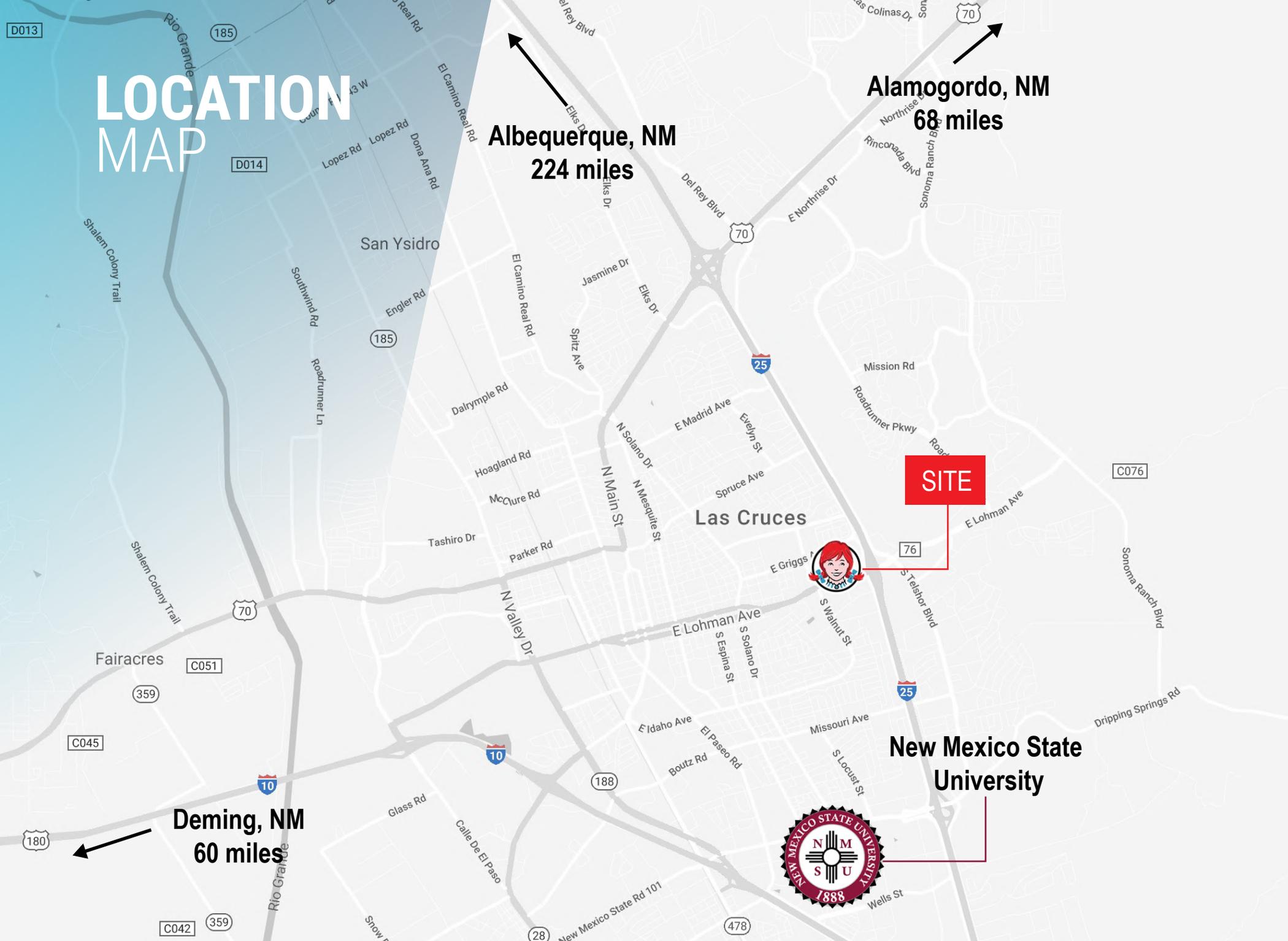


## The Wendy's Company

**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



**Albuquerque, NM**  
224 miles

**Alamogordo, NM**  
68 miles

**Deming, NM**  
60 miles

**SITE**

**New Mexico State  
University**

# 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



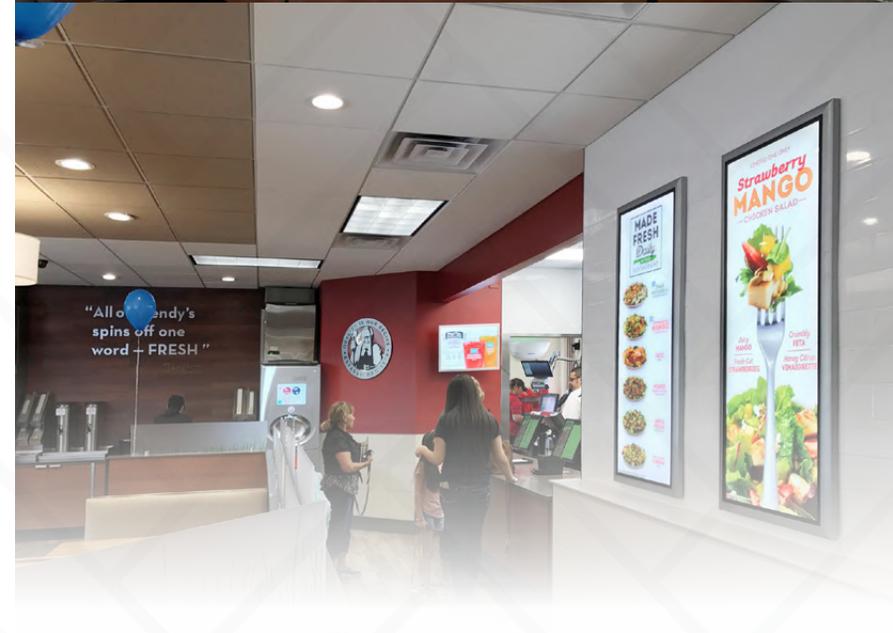
# DEMOGRAPHICS



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



**565** Walton Blvd.  
Las Cruces, NM

OFFERING MEMORANDUM

**TOM TODD**  
Managing Director  
408.982.8473  
tom.todd@nrmk.com  
CA RE License #01200289

#### DISCLAIMER

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent. **21-1220 | 12/21**

**NEWMARK**