



**5018 Oscar Baxter Dr | Tuscaloosa, AL 35405**

OFFERING MEMORANDUM



# TABLE OF CONTENTS

## 3 EXECUTIVE OVERVIEW

## 6 FINANCIAL OVERVIEW

## 8 TENANT OVERVIEW

## 11 AREA OVERVIEW

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# EXECUTIVE OVERVIEW

## **IDEAL 1031 EXCHANGE ASSET WITH STRONG STORE SALES:**

- Store Sales over 500K above-average Wendy's store per Net Lease Advisor
- Annual Rental Increases provide a premier hedge against inflation
- Rare 17-year option giving ultimate security and long term growth for the investor
- 2021 Sales at this location were over \$2,000,000

## **PANDEMIC PROOF CONCEPT WITH EXPERIENCED OPERATOR:**

- Starboard operates over 100 Wendy's Restaurants Nationwide
- The operator recently invested over \$700,000 into New Building Remodel
- Drive-Thru Restaurants deemed 'essential' during Covid-19 Pandemic

## **LONG TERM NET LEASED INVESTMENT PROPERTY:**

- Absolute NNN Lease with Zero Landlord Responsibilities
- Great for Out of State Investors in 1031 Exchange
- Main Wendy's location in Trade Area
- Positioned directly off I-59 with over ±60,000 VPD

## **PREMIER RETAIL QUICK SERVICE RESTAURANT LOCATION:**

- Exceptional Retail Synergy
- Outparceled to Lowe's Home Improvement Store
- 5 minutes from the prestigious University of Alabama, Enrollment 40,000+
- Surrounding retail tenants include Starbucks, McDonald's, Whataburger, Chick-Fil-A, Pizza Hut, IHOP, Arby's, CMX Cinemas, and among many other national brands













# FINANCIAL OVERVIEW



**\$2,500,000**

LIST PRICE



**\$105,387.69**

NOI



**4.22%**

CAP RATE

## BUILDING INFO

Address	5018 Oscar Baxter Dr Tuscaloosa, AL 35405
Year Built / Remodeled	1996 / 2016R
GLA of Building	± 3,822 SF
Lot Size	±1.08 AC
2022 Base Rent	\$101,885
2021 Additional % Rent	\$3,502.69



## TENANT SUMMARY

Tenant Trade Name	Wendy's
Operator	Starboard Franchisee (100+ Unit Operator)
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsibility
Original Lease Term	±25 Years
Lease Expiration Date	12/31/2037
Increases	Annual 1.75% Increases
Renewal Option	1, 17-Year Option
Additional % Rent	5% of gross sales above \$2,000,000

## ANNUALIZED OPERATING DATA

Year	Monthly Rent	Annual Rent	Cap Rate
Current	\$8,782.31	\$105,387.69	4.22%
2023	\$8,936.00	\$107,231.97	4.29%
2024	\$9,092.38	\$109,108.53	4.36%
2025	\$9,251.49	\$111,017.93	4.44%
2026	\$9,413.40	\$112,960.75	4.52%
2027	\$9,578.13	\$114,937.56	4.60%

*Base Lease Expires 12/19/2037*



# TENANT OVERVIEW

## WENDY'S



» **Company Name**  
WENDY'S



» **Ownership**  
PUBLIC



» **Year Founded**  
1969



» **Industry**  
RESTAURANT



» **Headquarters**  
DUBLIN, OH



» **Website**  
[WWW.WENDYS.COM](http://WWW.WENDYS.COM)

The Wendy's Company operates the Wendy's fast food chain. The company is the #2 hamburger chain in the US. The Wendy's chain consists of nearly 6,500 restaurants in the US and more than 25 other countries. Besides burgers and fries, the restaurants serve chicken sandwiches, wraps, and a variety of salads. Instead of milkshakes, Wendy's serves its famously thick Frosty. Most of the company's locations are franchised, and it generates most of its sales in the US.

Wendy's brand transformation is re-energizing all touch points with consumers. From bold restaurant design to innovative food that consumers want, to improved customer service, this exciting evolution of the brand reinforces the mission to position Wendy's as A Cut Above. All elements of Wendy's brand transformation are coming together in a powerful way in the sleek, contemporary Image Activation restaurants. Not only do these restaurants deliver a striking street appearance, they are designed to greatly enhance the customer experience. Prominent features include fireplaces; a variety of inviting seating options, including lounge chairs and booths; Wi-Fi and flat-screen TVs; digital menuboard and more. Coupled with friendly, courteous service, Wendy's creates a welcoming ambiance that truly stands out.

## STARBOARD GROUP

The Starboard Group was recently ranked 32nd in the Franchise Times Restaurant Monitor 200, which ranks the largest multi-unit franchisors in the United States. With over 5,400 employees and \$260MM in annual sales, Starboard operates over 100 Wendy's restaurants in the US and Brazil. Starboard has locations nationwide, namely in states such as Alabama, Florida, Illinois, Missouri, Virginia, and Wisconsin. In 2015, Starboard established a Wendy's Brazil Joint Venture that secured Master Franchisor rights to the country, and in 2016 opened the first Wendy's Restaurant in Sao Paulo. Today, the Company operates 5 restaurants in Brazil, and continues to pioneer the South American and North American frontiers alike.





DOWNTOWN TUSCALOOSA  
± 2.5 MILES AWAY



± 32,000 VPD



± 50,000 VPD







**RETAIL CORRIDOR**  
MAJOR TENANTS

**BEST BUY** **DCH** Health System  
**lululemon** **ULTA**

BARNES & NOBLE  
BLAZE PIZZA  
OLD NAVY  
WHBM  
ETC.

**RETAIL CORRIDOR**  
MAJOR TENANTS

**Walmart** **Sam's Club**  
Supercenter

BELK ACTIVITY CENTER  
CHRYSLER  
DIRT CHEAP  
DODGE  
ETC.

**planet fitness** **Ashley** HOME STORE  
**SLIM CHICKENS**  
**WALK-ON'S**

**SPRINGHILL SUITES**  
MARRIOTT

**CMX**  
CINEMAS

**Academy**  
SPORTS+OUTDOORS

**KM**

**O'Reilly**  
AUTO PARTS

**COURTYARD**  
BY MARRIOTT

**ZAXBY'S**

**IHOP**

**Pep Boys**

**RED CRAB**

**LONG JOHN SILVER'S**

**Starbucks**

**Hilton**  
Garden Inn

**BAUMHOWER'S**  
MEAT MARKET

**W**  
WHATABURGERS

**Advance**  
Auto Parts

**Chick-fil-A**

**MILO'S**

**Pizza**  
Hut

**69**

**± 50,000 VPD**

**Wendy's**

**Arby's**

**MC** MedCenter  
Urgent Care • Family Medicine

**11**

**± 26,000 VPD**



# TUSCALOOSA, AL

Tuscaloosa is the Alabama’s 5th largest city and is located along the Black Warrior River roughly 56 miles southwest of Downtown Birmingham. When thinking of Tuscaloosa, the University of Alabama is the first thing that comes to mind. As the oldest and largest university in the state, UA is a top-ranking public research university and it has one of the winningest college football programs in US history. The Crimson Tide football team is part of the NCAA Division I SEC and has a total of 16 national championship titles. Having a very prominent sports culture, tailgating at the UA quad and pep rallies on the Gorgas library steps are traditions that take place prior to each football game. Other annual festivals held by the city include the Weindorf German Festival, the Sakura Japanese Festival, the Celtic Kentucky Festival and St. Patrick’s Day Parade. The downtown area has several parks as well as a scenic river view, and blends business and pleasure together so well. On the first Thursday of each month, the Tuscaloosa art galleries open their doors for “Art and Soul”—highlighting local artists. Long regarded as the heart of Tuscaloosa, downtown epitomizes the best of what Alabama has to offer.

# DEMOGRAPHICS

POPULATION	3-MILE	5-MILE	10-MILE
2026 Projection	59,860	110,156	168,996
2021 Estimate	58,101	107,445	164,882
Growth 2021-2026	0.6%	0.5%	0.5%
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2026 Projection	24,653	44,201	66,992
2021 Estimate	23,937	43,113	65,402
INCOME	3-MILE	5-MILE	10-MILE
2021 Avg HH Income	\$53,110	\$61,050	\$72,395

# ECONOMY:

Tuscaloosa is the regional center of industry, commerce, healthcare and education for the area of west-central Alabama; and the principal city of the Tuscaloosa metropolitan area. Healthcare and education are cornerstones of Tuscaloosa’s service sector, which includes the University of Alabama, DCH Regional Medical Center, Bryce Hospital, the William D. Partlow Developmental Center, and the Tuscaloosa VA Medical Center. A significant contributor to the city’s economy is the Mercedes-Benz U.S International assembly plant in Tuscaloosa County, but the university remains the dominant economic and cultural engine in the city. Although higher education is the bedrock of Tuscaloosa’s economy, it has diverse sectors of manufacturing and service. The city’s industrial and manufacturing base includes BFGoodrich Tire Manufacturing, GAF Materials Corporation, Hunt Refining Company, JVC America, Nucor Steel and Phifer Wire. According to Forbes, Tuscaloosa’s gross metro product is roughly \$12.9 billion.







## UNIVERSITY OF ALABAMA

The University of Alabama in Tuscaloosa is the state's flagship university and is known for its robust academics, research and extracurriculars. The university offers over 90 undergraduate majors, with popular areas of study in business, engineering, communications and health professions. The university is home to over 20 research centers and institutes. Sports are a hallmark of campus culture, with "Roll Tide" more than just a rallying cry for the NCAA Division I Crimson Tide athletics. UA is one of the few universities in the nation that sponsors wheelchair athletics. The university has a large and vibrant fraternity and sorority community, with approximately 35% of undergraduates taking part in Greek life. The Alabama Advantage Scholarship funds the remaining dollars needed to cover the cost of UA's in-state tuition after scholarships and grants have been applied for Pell Grant recipients. UA boasts more than 100 Boren, Rhodes, Goldwater, Hollings and Truman Scholars.

### QUICK FACTS

On Forbes' List:



#233 Top Colleges 2021



#50 In The South



#206 Best Employers for New Grads 2021



# CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Wendy's** located at **5018 Oscar Baxter Dr, Tuscaloosa, AL 35405** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.





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