

SINGLE TENANT ABSOLUTE NNN

Ground Lease Investment Opportunity



Brand New Construction | Directly off Interstate 95 | Fronting Baymeadows Road (64,500 VPD)



8742 Baymeadows Road

JACKSONVILLE FLORIDA

REPRESENTATIVE PHOTO



EXCLUSIVELY MARKETING BY



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OFFERING SUMMARY



OFFERING

Pricing	\$5,588,000
Net Operating Income	\$237,500
Cap Rate	4.25%

PROPERTY SPECIFICATIONS

Property Address	8742 Baymeadows Rd, Jacksonville, FL 32256
Rentable Area	6,119 SF
Land Area	3.01 AC
Year Built	2023 (Under Construction)
Expected Store Opening	August 2023
Tenant	Wawa
Guaranty	Corporate (Wawa Inc.) Fitch Rated: BBB
Lease Type	Absolute NNN (Ground Lease)
Landlord Responsibilities	None
Lease Term	20 Years
Increases	5% Every 5 Years Beg. Lease Year 11
Options	6 (5-Year)
Rent Commencement	August 10, 2023 (Est.)
Lease Expiration	August 31, 2043 (Est.)

LEASE TERM						RENTAL RATES		
Tenant Name	SF	Lease Start	Lease End	Begin	Increase	Monthly	Annually	Options
Wawa	6,119	Aug. 2023 (Est.)	Aug. 2043 (Est.)	Year 1	-	\$19,792	\$237,500	6 (5-Year)
(Corporate Guaranty)				Year 11	5%	\$20,781	\$249,375	
				Year 16	5%	\$21,820	\$261,844	
5% Rental Increases Beg. of Each Option								

Brand New 20-Year Ground Lease | Corporate Guaranteed | Investment Grade Tenant | Scheduled Rental Increases

- Brand new 20-year ground lease with 6 (5-year) options to extend, demonstrating their long-term commitment to the site
- The lease is corporate guaranteed by Wawa, Inc., an investment grade (Fitch: BBB), nationally recognized, and an established convenience store and gas brand with over 950+ locations
- The ground lease features scheduled rental increases throughout the initial term and each option to extend, increasing NOI and hedging against inflation

Absolute NNN Ground Lease | Land Ownership | Zero Landlord Responsibilities | No State Income Tax

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Investor benefits from fee simple ownership of the land
- Ideal management-free investment for a passive investor in a state with no state income tax

Strong Demographics In 5-mile Trade Area

- More than 186,000 residents and 143,000 employees support the trade area
- Average household income is \$96,722

Signalized, Hard Corner Intersection | Directly Off Interstate 95 | Surrounding New Development | Direct Residential Consumer Base

- The asset is strategically positioned at the signalized, hard corner intersection of Baymeadows Road (64,500 VPD) and Baymeadows Way
- Directly off Interstate 95 (108,600 VPD), providing direct on/off ramp access for travelers
- Baymeadows of Jacksonville is a fast growing submarket with new development along Baymeadows Road
- Baymeadows Way, a new, \$85 million, 331-unit ground-up development opportunity in Jacksonville

Brand New Construction | Excellent Visibility & Access

- Brand new construction which features high quality materials, latest design elements, and state-of-the-art features
- The asset benefits from significant street sign frontage and multiple points of access, providing ease and convenience for customers

BRAND PROFILE



WAWA

wawa.com

Company Type: Private

Locations: 950+

Credit Rating: Fitch: BBB

2021 Revenue: \$13 Billion

Wawa, Inc., a privately held company, began in 1803 as an iron foundry in New Jersey. Wawa is all day, every day stop for freshly prepared foods, beverages, coffee, fuel services and surcharge-free ATMs. A chain of more than 950 convenience retail stores (over 750 offering gasoline), Wawa stores are located in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Florida and Washington, D.C.

The stores offer a large fresh foodservice selection, including Wawa brands such as custom prepared hoagies, freshly-brewed coffee, hot breakfast sandwiches, specialty beverages and an assortment of soups, sides and snacks.

Forbes.com Ranks Wawa as #24 of America's Largest Private Companies in 2021 and #12 on Forbes 100 Halo List in 2022.



PROPERTY OVERVIEW



LOCATION



Jacksonville, Florida
Duval County
Jacksonville MSA

ACCESS



Baymeadows Road: 1 Access Point
Baymeadows Way: 1 Access Point

TRAFFIC COUNTS



Baymeadows Road: 64,500 VPD
Interstate 95: 108,600 VPD

IMPROVEMENTS



There is approximately 6,119 SF of existing building area

PARKING



There are approximately 54 parking spaces on the owned parcel.
The parking ratio is approximately 8.82 stalls per 1,000 SF of leasable area.

PARCEL



Parcel Number: 152690-5020
Acres: 3.01
Square Feet: 131,115

CONSTRUCTION



Year Built: 2023
Expected Store Opening: August 2023

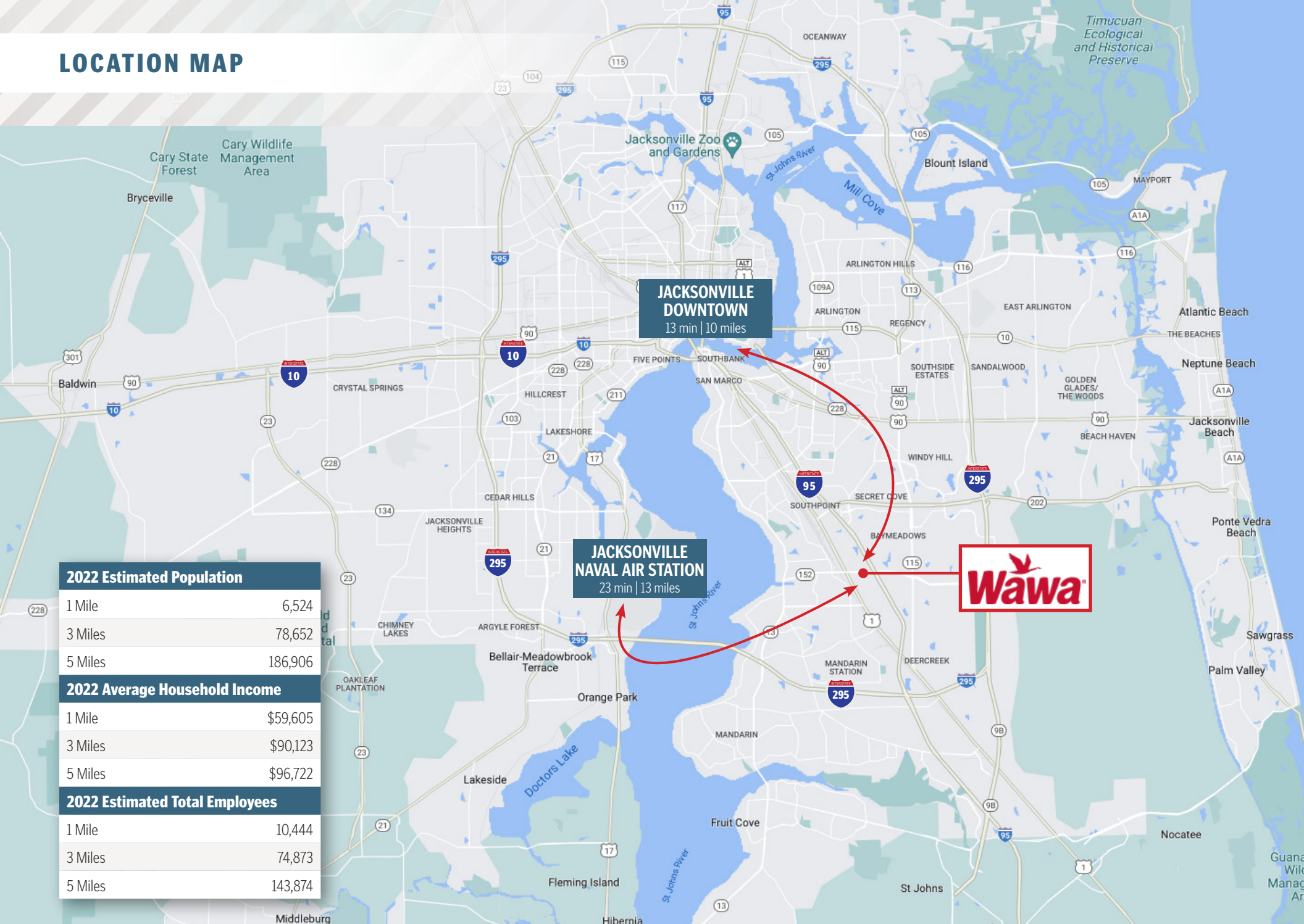
ZONING



CCG-1 - Community/General Commercial

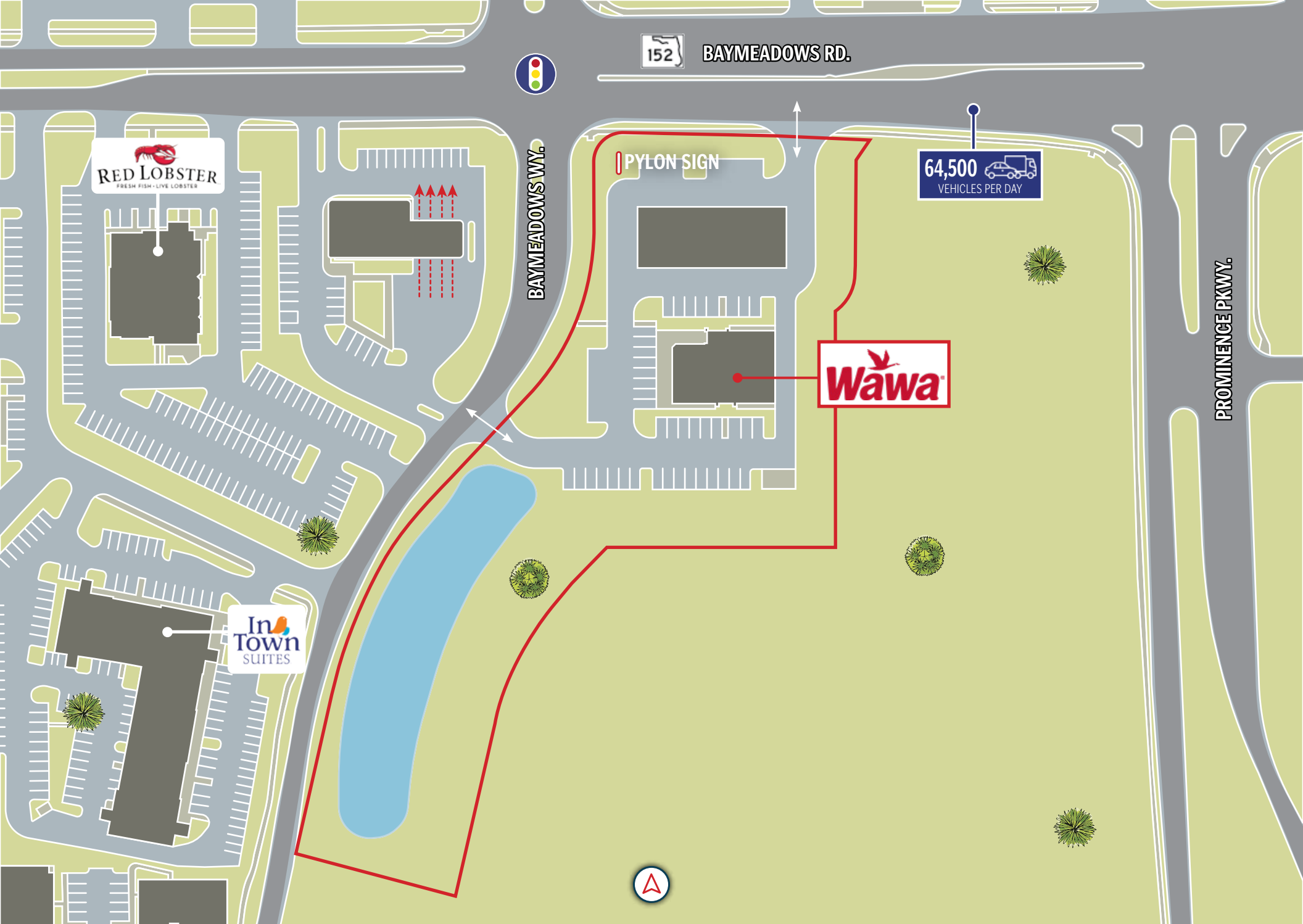
LOCATION MAP

2022 Estimated Population	
1 Mile	6,524
3 Miles	78,652
5 Miles	186,906
2022 Average Household Income	
1 Mile	\$59,605
3 Miles	\$90,123
5 Miles	\$96,722
2022 Estimated Total Employees	
1 Mile	10,444
3 Miles	74,873
5 Miles	143,874



BAYMEADOWS WAY, A NEW, \$85 MILLION,
331-UNIT GROUND-UP DEVELOPMENT





AREA DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
Population			
2022 Estimated Population	6,524	78,652	186,906
2027 Projected Population	6,719	80,441	190,945
Projected Annual Growth 2022 to 2027	0.59%	0.45%	0.43%
2022 Median Age	32.8	36.3	37.9
Households & Growth			
2022 Estimated Households	3,308	35,168	81,139
2027 Projected Households	3,407	35,979	83,009
Projected Annual Growth 2022 to 2027	0.59%	0.46%	0.46%
Race & Ethnicity			
2022 Estimated White	50.44%	62.89%	66.34%
2022 Estimated Black or African American	29.55%	16.91%	14.29%
2022 Estimated Asian or Pacific Islander	4.64%	9.30%	8.71%
2022 Estimated American Indian or Native Alaskan	0.35%	0.42%	0.41%
2022 Estimated Other Races	7.74%	5.99%	6.49%
2022 Estimated Hispanic	18.07%	14.49%	15.48%
Income			
2022 Estimated Average Household Income	\$59,605	\$90,123	\$96,722
2022 Estimated Median Household Income	\$50,392	\$64,556	\$69,091
Businesses & Employees			
2022 Estimated Total Businesses	956	6,271	12,817
2022 Estimated Total Employees	10,444	74,873	143,874





JACKSONVILLE, FLORIDA

Jacksonville, the largest city in Florida, is located in Duval County in the northeast corner of Florida, on the banks of the St. Johns River and adjacent to the Atlantic Ocean. It is the largest metropolitan area in northeast Florida and southeast Georgia. The City of Jacksonville is the largest city in Florida with a population of 978,003 as of July 1, 2022.

As with much of Florida, tourism is also important to the Jacksonville area, particularly related to golf. Jacksonville is home to a number of attractions including Jacksonville Landing, Jacksonville Riverwalks, Jacksonville Maritime Museum, Jacksonville Zoo and Gardens and St. Johns River Park or Friendship Park.

Jacksonville is the leading transportation and distribution hub in the state. However, the strength of the city's economy lies in its broad diversification. The area's economy is balanced among distribution, financial services, biomedical technology, consumer goods, information services, manufacturing, and other industries. More than 50,000 new jobs have been created by companies expanding or relocating in Jacksonville during the last five years. A central location with access to road, rail, sea and air transportation has made Jacksonville the intermodal hub of the southeast United States.

Jacksonville is home to many prominent corporations and organizations, including the headquarters of four Fortune 500 companies: CSX Corporation, Fidelity National Financial, Fidelity National Information Services and Southeastern Grocers. Interline Brands is based in Jacksonville and is currently owned by The Home Depot. The Florida East Coast Railway, Swisher International Group and the large short line railroad holding company RailAmerica are also based in Jacksonville.

Jacksonville's coastal location facilitates the Port of Jacksonville, Florida's third largest seaport and multiple military facilities. Jacksonville has the largest deep-water port in the South Atlantic, 14th largest in the U.S. and is the nation's leading port for automobile imports.

JACKSONVILLE CITY COUNCIL SIGNS OFF ON NEW \$129.75 MILLION DEAL FOR KHAN'S FOUR SEASONS PROJECT

By Mike Mendenhall | January 10, 2023

City Council approved Jan. 10 a redrafted \$129.75 million incentives deal with Jacksonville Jaguars owner Shad Khan's development company for its plans to build a Four Seasons hotel and office building on the Downtown Northbank riverfront.

Iguana Investments Florida LLC asked the city to amend the redevelopment agreement first approved in October 2021 to increase the cap on the deal's property tax refunds as the project's cost has risen about 20.75%

Council voted 18-0 on for the new agreement attached to Ordinance 2022-0871. Council member Brenda Priestly Jackson was absent for the vote Jan. 10.

Downtown Investment Authority records show that the price for the riverfront project near TIAA Bank Field is increasing from the \$321 million estimated in 2021 to nearly \$387.6 million.

Coupled with higher-than-estimated costs for supporting public infrastructure, the updated incentives package advanced by the DIA board in September would bump the city's payment for the Four Seasons project from \$114.4 million to \$129.75 million, a 13.42% increase.

"We're grateful to the Jacksonville City Council for their approval tonight of the revised Shipyards redevelopment agreement," an Iguana spokesperson said via email after the vote.

"These changes address key site-specific issues and account for disruptions in the global supply chain, while still providing an increased return on investment to the City. The continued collaboration between Iguana, the City of Jacksonville and the Downtown Investment Authority on this project is emblematic of our shared vision for the future of downtown Jacksonville."

The Council's action also approves Iguana's request to purchase a 1.05-acre parcel for the project's six-story office building for \$3.2 million. It previously planned on leasing the land from the city.



The parcel is appraised for \$3.43 million and the city is considering the \$230,000 difference as an incentive in the new deal.

Khan first revealed he wanted to build a Four Seasons on the former Kids Kampus park at the Jacksonville Shipyards in November 2020 during a media event at the stadium.

The project comprises the 176-room hotel with 25 for-sale luxury condominiums, a full-service spa and restaurant and a 157,027-square-foot, six-story, Class A office building.

The city is paying for redevelopment of a public marina; a marina support building; an event lawn; and the Riverwalk to support the hotel and residences.

Iguana and general contractor PCL Construction Services Inc. started site work and horizontal construction in November.

A spokesperson for Iguana said in a Dec. 6 email that most of the initial cost estimates provided to the city in 2021 for the hotel and office building construction are higher.

Iguana said the cost to build the hotel and office building increased because of inflation, global labor and supply chain issues as well as higher-than-expected site cleanup costs.

[Read Full Article HERE](#)

NEW 331-UNIT LUXURY DEVELOPMENT COMING TO THE BAYMEADOWS NEIGHBORHOOD OF JACKSONVILLE

July 1, 2022

Origin Investments and RISE have expanded their relationship with the announcement of a development in Baymeadows Way, a new, \$85 million, 331-unit ground-up development opportunity in Jacksonville. Baymeadows Way is a submarket southeast of downtown Jacksonville.

The RISE-Origin partnership recently acquired the nearly 13-acre parcel on which Baymeadows will be developed. Construction is expected to begin in August and conclude in mid-2024.

Baymeadows, located at 7311 Baymeadows Way, will be a 331-unit, four-story, double donut garden-style apartment community. The unit mix will feature primarily one-bedroom (49%) and two-bedroom (43%) apartments. The remaining apartments (8%) will be three-bedroom units. The average square footage will be approximately 960 square feet.

The new community will feature 549 parking spaces, a ratio of 1.68 spaces per unit, including 59 premium spaces in an underground parking garage.

“We continue to forge a great relationship with RISE, partnering to bring Class A residential communities to targeted communities like Jacksonville,” says Kyle Verhasselt, Vice President of Acquisitions, Origin Investments. “This is the third project with RISE we’ve announced in a little over six months which demonstrates the similarity of our operating and investment philosophies and the confidence and trust we have in them.”

The Baymeadows submarket is conveniently situated approximately nine miles, or 15 minutes, southeast of downtown Jacksonville. The project will feature prominent visibility from I-95 and JTB/202, a major east-west thoroughfare. This location provides great advantages and opportunities, especially its convenient access to the significant employment hubs in the Jacksonville market.

The Baymeadows community amenities such as a four-story walk-up with elevators, resort-style pool, indoor fitness area, flexible work spaces, club room, and more. Unit amenities will feature granite countertops in the kitchen and bathroom, walk-in closets, private balconies in select units, and full-size, energy-efficient washer/dryer pairings.

“The location on Baymeadows Way will provide residents with superior access to entertainment venues, restaurants and business parks,” RISE President Greg Blais said in a statement. “We are excited to continue to develop luxury housing options to serve the ever-growing population of Jacksonville.”

In addition to joint venture partners Origin and RISE, the development team will include RISE Construction as the general contractor, Charlan Brock Architects as architects and England-Thims & Miller as civil engineer.

There are a variety of statistics that underscore the strength of the Jacksonville market. The area has experienced considerable growth, with DuVal County growing at an annual rate of approximately 14.1% since 2010. Given that type of increase, rent growth in the Jacksonville market was more than 21% last year.

Jacksonville is characterized by the Urban Land Institute (ULI) as a magnet city because of its overall growth, lifestyle opportunities and emerging tech sectors. The area is home to a number of high profile employers including, but not limited to The Mayo Clinic, Baptist Health, Bank of America, Florida Blue and Merrill Lynch. Among the emerging firms in the area include Nymbus, Dun & Bradstreet, Boeing, TD Bank and Carparts.com.

This marks the third development that has paired together Origin and RISE. Last October the partners also officially announced plans for the development of Linden House, a \$60.1 million, 295-unit development in Jacksonville. Last month they announced plans for the development of Horizon at Sereno, a \$84 million, 320-unit niche-oriented, Class A multifamily community in suburban Tampa (Wimauma and Sun City Center).

[Read Full Article HERE](#)

Americans Moved to Low-Tax States in 2022

Posted January 10, 2023

Americans were on the move in 2022 and chose low-tax states over high-tax ones. That's the finding of recent U.S. Census Bureau population data and commercial datasets released this week by U-Haul and United Van Lines.

The U.S. population grew 0.4 percent between July 2021 and July 2022, an increase from the previous year's historically low rate of 0.1 percent. While international migration helped numbers on the national level, interstate migration was still a key driver of state population numbers. New York's population shrunk by 0.9 percent between July 2021 and July 2022, Illinois lost 0.8 percent of its population, and Louisiana (also 0.8 percent), West Virginia (0.6 percent), and Hawaii (0.5 percent) rounded out the top five jurisdictions for population loss. At the same time, Florida gained 1.9 percent, while Idaho, South Carolina, Texas, South Dakota, Montana, Delaware, Arizona, North Carolina, Utah, Tennessee, Georgia, and Nevada all saw population gains of 1 percent or more.

This population shift paints a clear picture: people left high-tax, high-cost states for lower-tax, lower-cost alternatives.

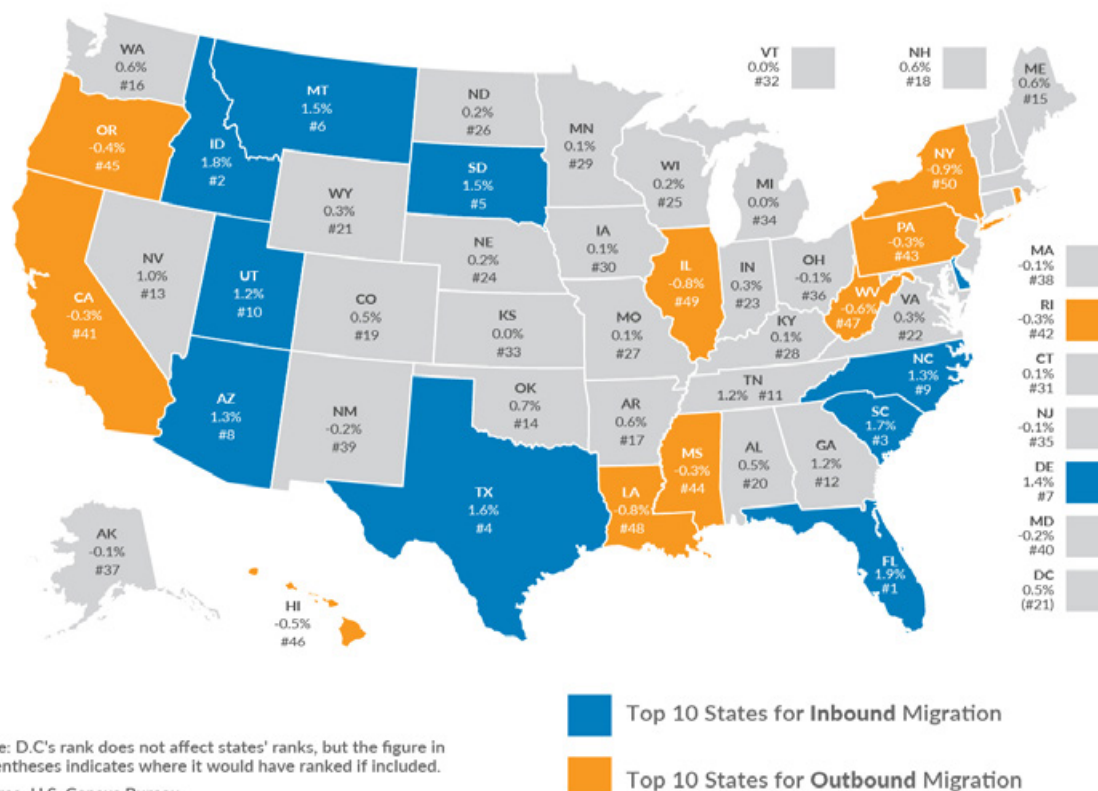
The individual income tax is illustrative here (though only one component of overall tax burdens, it is often highly salient). In the top third of states for population growth (including D.C.), the average combined top marginal state income tax rate is about 4.0 percent. In the bottom third, it's about 6.6 percent.

Six states in the top third forgo taxes on wage income (Florida, Texas, South Dakota, Tennessee, and Nevada, as well as Washington, which taxes capital gains income but not wage income), and the highest top rate in that cohort is Maine's 7.15 percent. Among the bottom third, five jurisdictions—California, Hawaii, New Jersey, New York, and

Oregon—have double-digit income tax rates, and—excepting Alaska, with no income tax—the lowest rate is in Pennsylvania, where a low state rate of 3.07 percent is paired with some of the highest local income tax rates in the country. Six states in the bottom third have local income taxes; only one in the top third does.

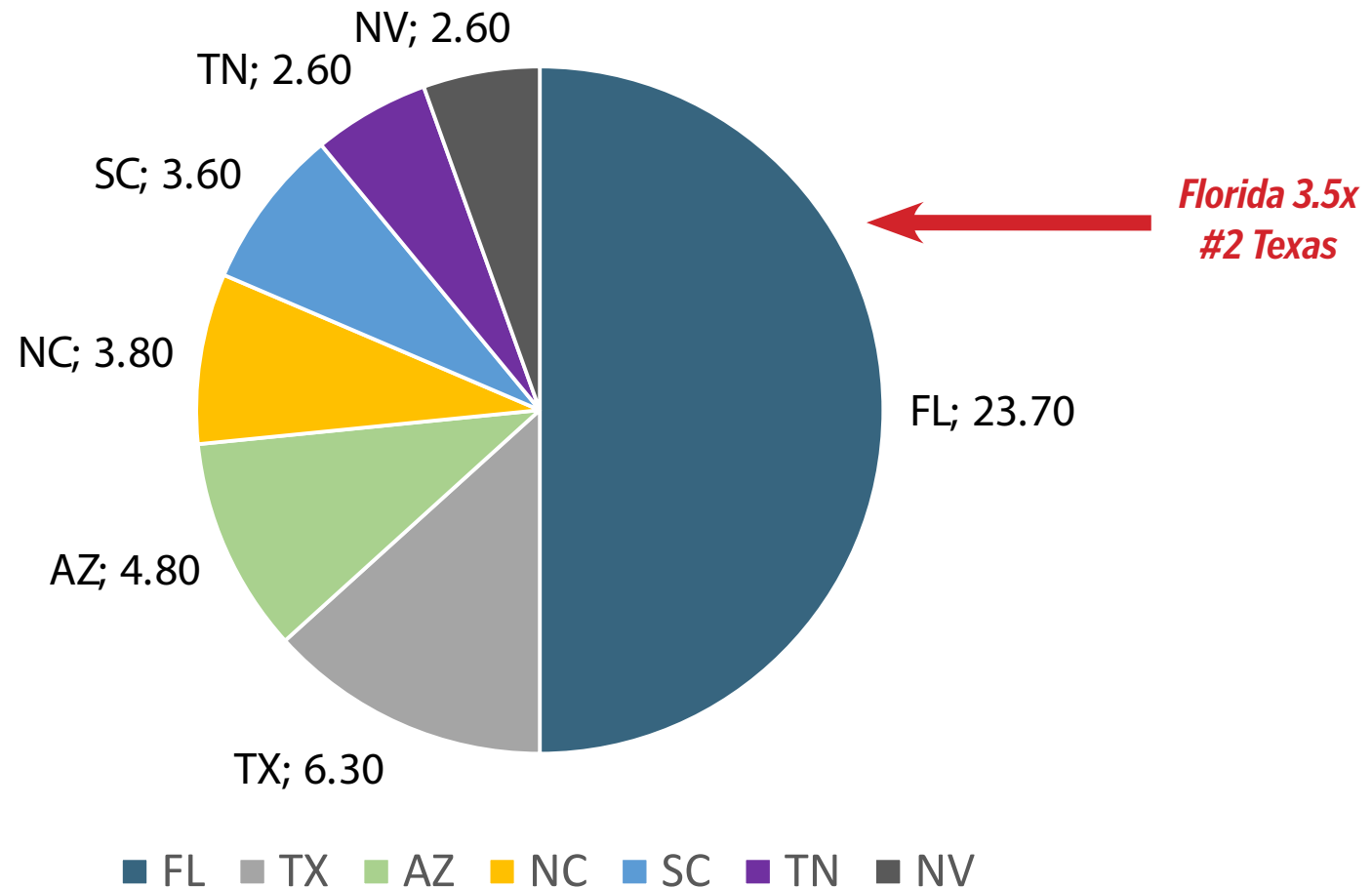
State Population Change in 2022

State Migration Patterns, from Most Inbound to Most Outbound, 2022



Source: Tax Foundation
Read Full Article [HERE](#)

NET INCOME MIGRATION (\$ BILLIONS): TOP 7



Florida has experienced the largest net income migration since the onset of the coronavirus pandemic. The latest available IRS data shows \$23.7 billion in net annual income migration and the Florida Chamber Foundation expects that figure to continue expanding as people from other states come to Florida. This figure is roughly 3.5 times higher than the Texas which saw the second highest net income growth.



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