

# OFFERING MEMORANDUM.



## Mattress Firm-Anchored Retail Pad Sanford, FL

TheMaffiaTeam



Actual Site



**\$2,510,000**  
**8.25% CAP Rate**  
**11.18% Possible C-o-C Return**

- ◆ Two-Tenant Pad to the Marketplace Seminole Towne Center
  - 10-Year Net Lease to Mattress Firm
  - 10-Year Net Lease to Local Restaurant
- ◆ Drive-Thru Component
- ◆ Across from 1.1 Million SF Mall
- ◆ Easily Accessible from Interstate 4
- ◆ High Average Household Income - \$94,601 within Three Miles

**Newmark Knight Frank**  
**Cornish & Carey Commercial**  
Leased Investment Group

This property is listed in conjunction with Florida-licensed real estate broker Newmark Knight Frank.

[www.maffiateam.com](http://www.maffiateam.com)



## Confidentiality & Disclosure

Cornish & Carey Commercial Newmark Knight Frank (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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## Property & Financial Information

**Location** The property is located on a pad to the Marketplace at Seminole Towne Center, at 685-695 Towne Center Boulevard, in Sanford, Florida.

**Lot Size** Approximately 0.924 acres, or 40,239 square feet.

**Improvements** Construction was completed in 2008 of an approximately 6,800 square foot building demised into two retail suites measuring 4,200 square feet for **Mattress Firm** and 2,600 square feet and a drive-thru component for **Chianti's Pizza & Pasta**. There is ample parking on site, with 39 parking spaces provided.

**Base Rental Income, Year 1** \$207,008

**Price** **\$2,510,000 (8.25% Return)**

**Possible Financing** The property will be delivered free and clear of permanent financing. A possible new loan may be secured in the amount of \$1,631,500 at an interest rate of 4.5%, amortized over 25 years, and due in seven years, with annual payments of \$108,821.

### Cash Flow Analysis

			<u>Year 1</u>	<u>Year 5</u>
Price:	\$2,510,000	Net Income:	\$207,008	\$213,600
Loan Amount:	<1,631,500>	Debt Service:	<108,821>	<108,821>
Cash Required:	\$878,500	Cash Flow:	\$98,187	\$104,779
		Cash-on-Cash Return:	11.18%	11.93%

**Note** The above net income is an estimate and does not provide for all potential costs and expenses (i.e., maintenance, repair, etc.) that may be required of the owner. Any reserves set forth herein are merely estimates and not based on any experience, physical inspection, or prior knowledge. All prospective purchasers are strongly advised to make an independent investigation to determine their estimate of costs and expenses prior to entering into an agreement to purchase.



# Rent Roll

Unit	Tenant	Sq. Ft.	Monthly Rent PSF	Annual Rent PSF	Annual Rent	Term	Rent Commence. Date	Lease Expiration Date	Rental Increase Date(S)	Rental Increase Amount	Options
685	Chianti's Pizza & Pasta	2,600	\$1.92	\$23.08	\$60,008	10 yrs <sup>(1)</sup>	05/01/12	02/28/22	03/01/17	\$62,400	2 @ 5 yrs Opt. 1: \$62,400 Opt. 2: \$62,400
695	Mattress Firm	4,200	\$2.92	\$35.00	\$147,000	10 yrs <sup>(2)</sup>	12/12/08	09/30/22	01/01/16	\$151,200	1 @ 5 yrs Opt. 1: \$182,952
	Leased	6,800	100.0%								
	Vacant	<u>0</u>	<u>0.0%</u>								
	<b>TOTAL</b>	<b>6,800</b>	<b>100.0%</b>								

<sup>(1)</sup> The tenant's term is for 10 years; however, the tenant did not commence paying base rent until 05/01/12. The tenant only paid triple net charges from 02/01/12 to 04/30/12.

<sup>(2)</sup> The tenant's original term of 10 years has been twice extended so that the current expiration date is 09/30/22.



## Tenant Information

### **MATTRESSFIRM**

Since its founding in 1986, **Mattress Firm** has grown to become one of the largest and most successful specialty bedding companies in the world. The company currently operates and franchises 729 locations (as of January 31, 2012) with plans to continue to grow. In the last three years, Mattress Firm has made six acquisitions, moved into five new markets, and opened more than 200 stores, gaining market share during the economic downturn.

The parent company, **Mattress Firm Holding Corporation**, of tenant **Mattress Firm, Inc.**, had its initial public offering on November 23, 2011, and is now traded on the Nasdaq stock exchange under the ticker symbol “MFRM.” The offering generated net proceeds of approximately \$110 million, after deducting the underwriting discount and estimated offering-related costs. The company used the majority of the net proceeds to repay portions of its outstanding debt. After other uses of net proceeds in the offering, approximately \$15 million remained available to the company for working capital and general corporate purposes. Furthermore, in connection with the offering, portions of the company’s outstanding debt were converted into shares of common stock at the \$19 per share offering price. As a result of the IPO, the Company reduced its outstanding debt, and related interest accrued thereon, in the aggregate amount of \$188.0 million. The IPO was very well received; shares were initially offered at \$19 per share and are currently trading at \$42.47 per share (as of April 12, 2012).

For the fiscal year ended January 31, 2012, Mattress Firm Holding Corporation reported revenue of \$703.9 million, representing a 42.5% increase over the previous fiscal year. Net income was \$34.4 million and total stockholders’ equity was \$224.3 million.

On April 10, 2012, Mattress Firm announced the signing of a purchase agreement for all of the equity interests of Mattress Giant for approximately \$47 million in cash. The company expects the transaction to be completed during its second fiscal quarter ending July 31, 2012. In a separate transaction, the company acquired 55 stores from Mattress Giant in the Atlanta, St. Louis, and Minneapolis markets in November 2011, and has substantially completed the integration of those stores. Upon closing of the pending acquisition, the company expects to operate approximately 180 additional Mattress Giant stores in Texas and Florida, which represent the two largest states in which Mattress Firm currently operates. The acquisition is expected to advance the company’s market-level profitability model that is centered on the benefits of increasing its “relative market share” in a given market.



**Ian Scott Foods, LLC**, operates **Chianti’s Pizza & Pasta**, a casual Italian restaurant whose mission is to bring old world recipes and flavors to the residents of Sanford. In addition to a sit-down restaurant, Chianti’s offers catering and a pizza delivery service.





## About the Area

### Site Information

The property is located on a pad to Marketplace at Seminole Towne Center, a 309,000 square foot regional power center anchored by Super Target. It is adjacent to pads occupied by Smokey Bones Bar & Fire Grill, Taco Bell, and Long John Silver's. The Marketplace at Seminole Towne Center enjoys high occupancy (currently, there are only a limited number of small suites available). Additional major tenants at the shopping center include Big Lots, Sports Authority, Marshalls, DSW, Old Navy, Cost Plus World Market, Petco, Factory Card & Party Outlet, Dress Barn, and Kirkland's.

Across Towne Center Boulevard from the property is one of the largest malls in Central Florida, Seminole Towne Center, a 1,106,000 square foot regional mall operated by Simon Malls. The mall is anchored by Macy's, Dillard's, JCPenney, Burlington Coat Factory, and Dick's Sporting Goods. It is also home to more than 120 specialty shops.

Additional major retailers in the vicinity include a Walmart Supercenter, Best Buy, a Sears Auto Center, Regal Cinemas, Bealls, Bed Bath & Beyond, Toys R Us, Michaels, hhgregg, and Carmax.

The average household income within three miles is \$94,601.

### General Overview

Sanford is a city in Central Florida and the seat of Seminole County. The city had a population of 53,570 as of the 2010 U.S. Census. It is one of the principal cities of the Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA), which was home to 2,134,411 people as of the 2010 U.S. Census. The Orlando Sanford International Airport, which headquarters the Aerosim Flight Academy (formerly the Delta Connection Academy), functions as the secondary commercial airport for international and domestic carriers, in the Orlando metropolitan area. Sanford is also the southern terminus of the Auto Train which conveys Eastern Seaboard travelers and their vehicles to and from Lorton, Virginia. Sanford sits near the northern end of the Interstate 4 corridor between Daytona Beach and Orlando. The Central Florida GreeneWay (officially Seminole Expressway or simply State Route 417 along its Seminole County portion) begins in Sanford at Interstate 4 and forms the Eastern Beltway around Orlando ending at Walt Disney World.

Over \$100 million worth of projects are planned or underway in the downtown core of Sanford including nearly \$15 million in public infrastructure projects. A number of exceptional mixed use office, residential, and retail projects are currently breaking ground in the downtown area offering unique development opportunities.

The Orlando Sanford International Airport is the largest private employer in the city, and has ranked as the fastest-growing airport in the country for a number of years since 2000. Its 350-acre industrial park is one of six located in the city which are part of Foreign Trade Zone #250. The FTZ allows significant tax benefits for companies involved in import and export or using imported materials in their operations.

Site Plan

Towne Center Blvd

Drive Thru



2,600 SF

**MATTRESS FIRM**

4,200 SF





**MATTRESS FIRM**  
Chianti's Pizza & Pasta



SALLY BEAUTY STARBUCK COFFEE Justice GNC

**SPORTS AUTHORITY**

LONG JOHN SILVER'S TACO BELL

TARGET

SMOKEY BONES BBQ SPORTS BAR

Pollo Tropical

★ macy's

Wendy's HAMBURGERS

Sears Auto Center

Fields Chrysler Jeep Dodge

Towne Center Blvd

WP Ball Blvd



Aerial | North View



(92,500 AADT)

Towne Center Blvd

JCPenney

Dillard's

Gateway Plaza

hhgregg

Seminole Towne Center



BEALLS BED BATH & BEYOND  
Michaels Toys R Us

Burlington Coat Factory

MATTRESS FIRM  
Chianti's Pizza & Pasta

Walmart Supercenter

macy's

BEST BUY

REGAL CINEMAS

Sears Auto Center



FIREHOUSE SUBS  
at&t Sprint

Mobile  
Massage Envy

Fields Chrysler Jeep Dodge

SMOKEY BONES BBQ

LONG JOHN SILVERS  
TACO BELL

dressbarn  
SHOE CARNIVAL  
ULTA Kirklands

WORLD MARKET  
Card Factory Outlet  
PETCO

Pollo Tropical

SALLY GREEN  
Starbucks  
Justice GNC

Marshalls

Marketplace at Seminole Towne Center

BIG LOTS!

Target SUPER TARGET

SPORTS AUTHORITY

ROSS DRESS FOR LESS

OLD NAVY

Seminole Expressway / (26,200 AADT)



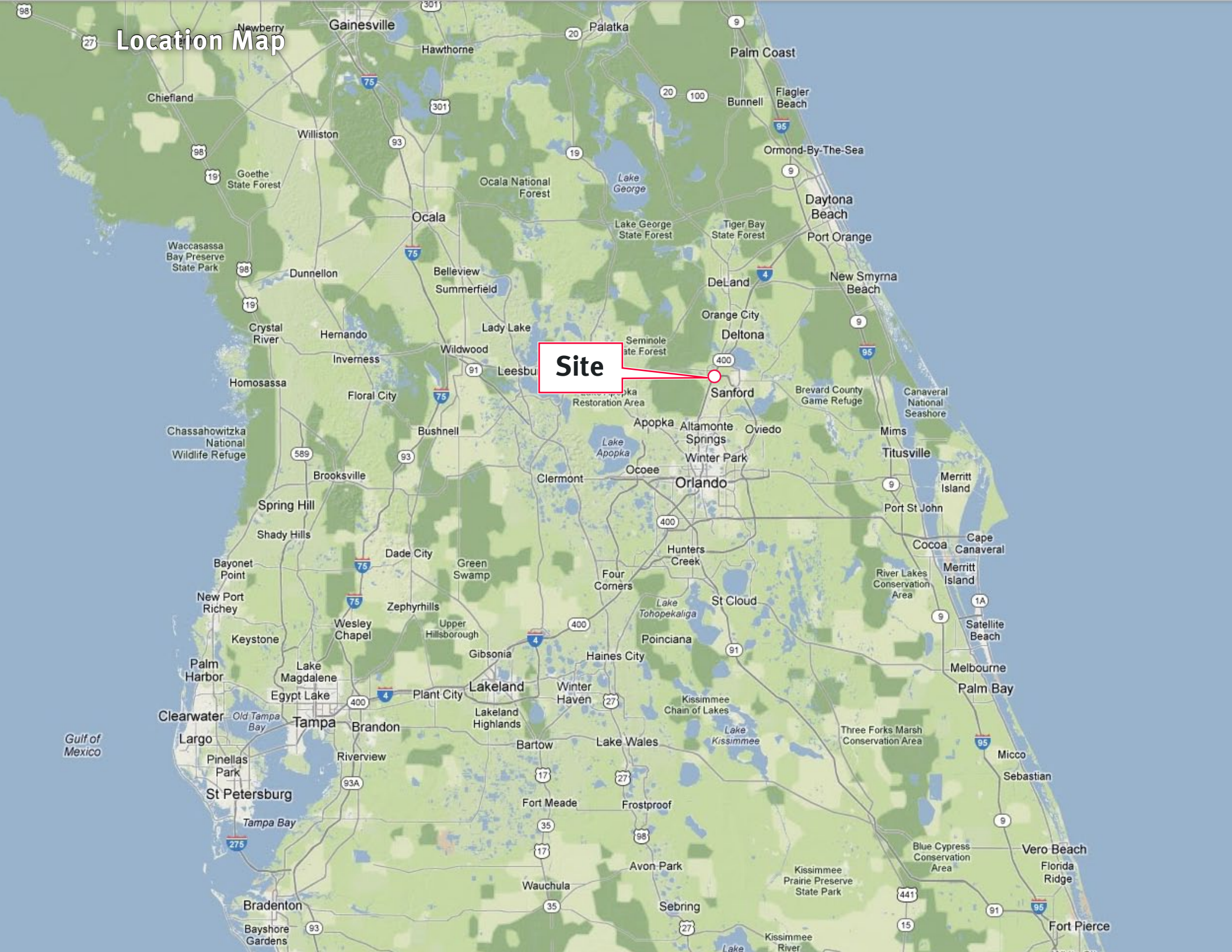
CARMAX

Rinehart Rd



# Location Map

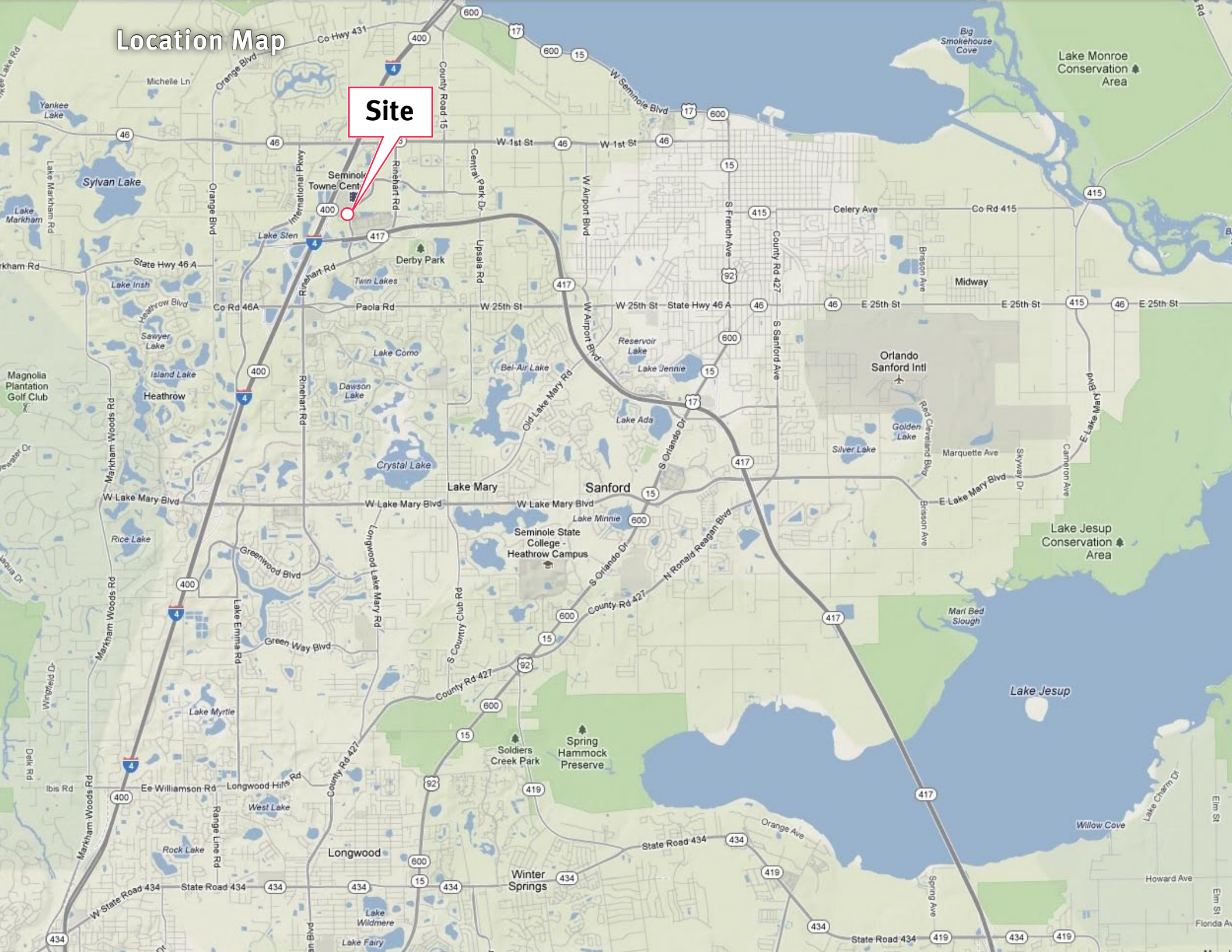
Site





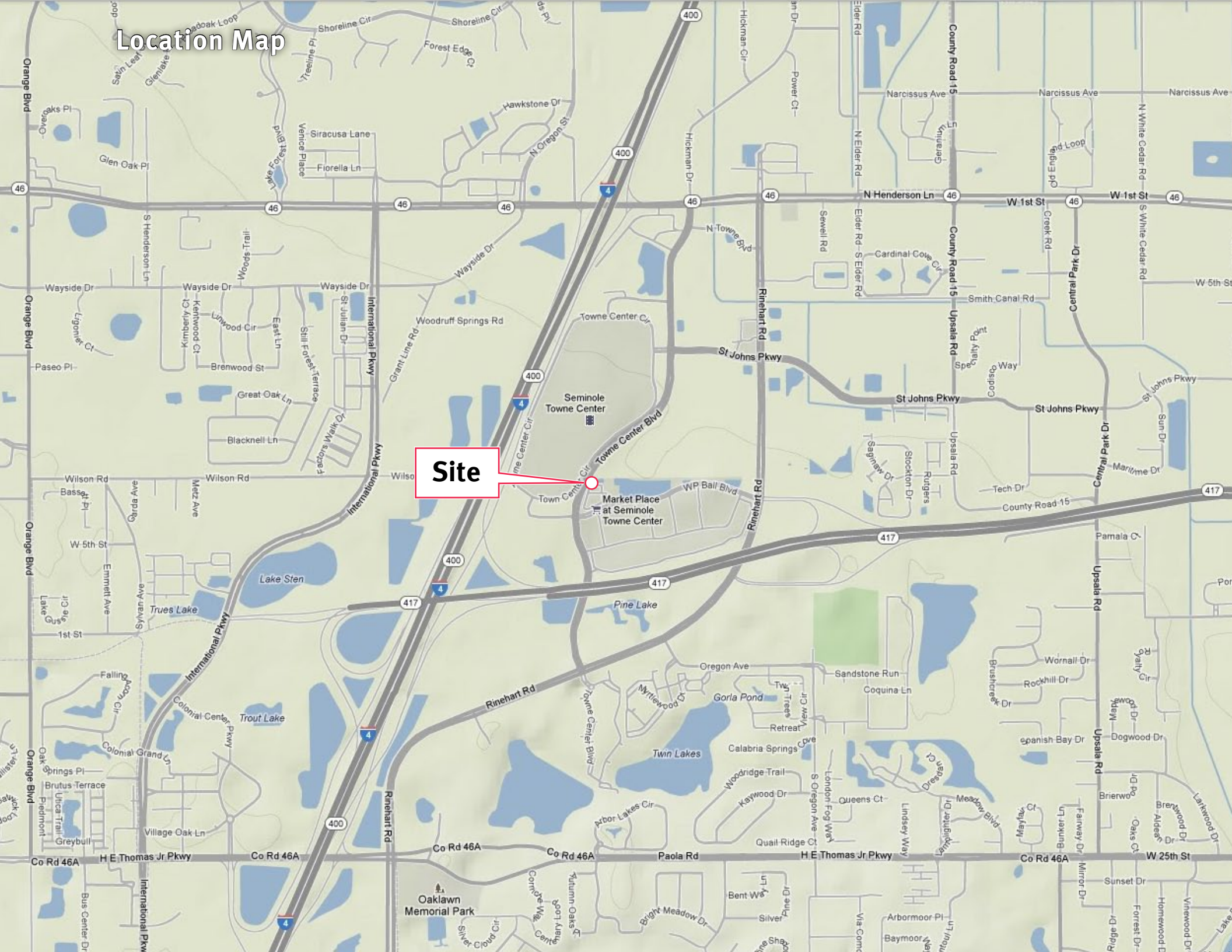
# Location Map

Site





# Location Map



**Site**

Seminole Towne Center

Market Place at Seminole Towne Center

Oaklawn Memorial Park



# Demographics

685-695 Towne Center Blvd.  
Sanford, FL 32772

	1 mile	3 miles	5 miles
<b>Population Summary</b>			
2000 Total Population	764	22,328	81,185
2000 Group Quarters	3	70	1,717
2010 Total Population	4,658	38,713	104,867
2015 Total Population	5,740	44,188	112,703
2010-2015 Annual Rate	4.27%	2.68%	1.45%
<b>Household Summary</b>			
2000 Households	285	8,813	30,385
2000 Average Household Size	2.67	2.53	2.62
2010 Households	1,858	15,220	39,398
2010 Average Household Size	2.51	2.54	2.62
2015 Households	2,285	17,373	42,445
2015 Average Household Size	2.51	2.54	2.61
2010-2015 Annual Rate	4.22%	2.68%	1.50%
2000 Families	209	6,512	21,455
2000 Average Family Size	3.09	2.92	3.08
2010 Families	1,231	10,851	27,311
2010 Average Family Size	3.01	2.99	3.13
2015 Families	1,491	12,219	29,097
2015 Average Family Size	3.05	3.02	3.15
2010-2015 Annual Rate	3.91%	2.40%	1.28%
<b>Housing Unit Summary</b>			
2000 Housing Units	317	9,451	32,740
Owner Occupied Housing Units	79.7%	75.1%	62.4%
Renter Occupied Housing Units	12.3%	18.6%	30.6%
Vacant Housing Units	8.1%	6.3%	7.0%
2010 Housing Units	2,261	17,613	46,067
Owner Occupied Housing Units	47.3%	62.4%	56.5%
Renter Occupied Housing Units	34.9%	24.0%	29.0%
Vacant Housing Units	17.8%	13.6%	14.5%
2015 Housing Units	2,736	20,008	49,750
Owner Occupied Housing Units	48.5%	62.3%	56.2%
Renter Occupied Housing Units	35.1%	24.6%	29.1%
Vacant Housing Units	16.5%	13.2%	14.7%
<b>Median Household Income</b>			
2000	\$47,417	\$58,201	\$46,190
2010	\$61,720	\$73,608	\$63,084
2015	\$71,517	\$82,090	\$71,684
<b>Median Home Value</b>			
2000	\$115,726	\$138,643	\$112,762
2010	\$131,250	\$174,946	\$151,813
2015	\$150,859	\$196,345	\$172,268
<b>Per Capita Income</b>			
2000	\$29,019	\$31,414	\$24,500
2010	\$31,187	\$37,444	\$32,030
2015	\$34,830	\$40,666	\$35,277
<b>Median Age</b>			
2000	39.3	38.0	35.2
2010	39.9	40.6	37.6
2015	40.0	40.8	37.9



# Demographics

685-695 Towne Center Blvd.  
Sanford, FL 32772

	1 mile	3 miles	5 miles
<b>2000 Households by Income</b>			
Household Income Base	296	8,918	30,393
<\$15,000	14.2%	9.6%	13.8%
\$15,000 - \$24,999	9.8%	8.4%	11.4%
\$25,000 - \$34,999	12.8%	10.9%	12.9%
\$35,000 - \$49,999	13.9%	12.9%	15.8%
\$50,000 - \$74,999	19.9%	22.9%	19.7%
\$75,000 - \$99,999	13.9%	13.8%	10.1%
\$100,000 - \$149,999	8.8%	12.3%	9.4%
\$150,000 - \$199,999	3.7%	4.3%	3.0%
\$200,000+	3.0%	4.8%	3.8%
Average Household Income	\$65,413	\$77,224	\$64,498
<b>2010 Households by Income</b>			
Household Income Base	1,859	15,221	39,400
<\$15,000	10.3%	7.3%	9.8%
\$15,000 - \$24,999	6.6%	5.3%	7.2%
\$25,000 - \$34,999	7.3%	6.9%	8.6%
\$35,000 - \$49,999	18.0%	12.0%	13.3%
\$50,000 - \$74,999	19.0%	19.5%	20.6%
\$75,000 - \$99,999	16.4%	17.8%	15.0%
\$100,000 - \$149,999	16.5%	19.1%	15.0%
\$150,000 - \$199,999	2.9%	5.2%	4.0%
\$200,000+	3.2%	7.0%	6.5%
Average Household Income	\$74,236	\$94,601	\$84,732
<b>2015 Households by Income</b>			
Household Income Base	2,286	17,373	42,447
<\$15,000	8.1%	5.7%	8.0%
\$15,000 - \$24,999	5.1%	4.0%	5.6%
\$25,000 - \$34,999	5.5%	5.0%	6.7%
\$35,000 - \$49,999	13.9%	9.3%	10.5%
\$50,000 - \$74,999	19.8%	19.4%	21.3%
\$75,000 - \$99,999	17.6%	18.4%	15.9%
\$100,000 - \$149,999	23.9%	26.5%	21.3%
\$150,000 - \$199,999	2.7%	4.7%	3.7%
\$200,000+	3.4%	7.1%	6.9%
Average Household Income	\$82,942	\$102,682	\$93,132
<b>2000 Owner Occupied Housing Units by Value</b>			
Total	245	7,075	20,430
<\$50,000	6.9%	5.4%	8.6%
\$50,000 - \$99,999	35.1%	24.5%	34.4%
\$100,000 - \$149,999	24.5%	25.4%	23.0%
\$150,000 - \$199,999	13.5%	18.2%	13.0%
\$200,000 - \$299,999	9.0%	16.2%	11.7%
\$300,000 - \$499,999	9.4%	8.7%	6.4%
\$500,000 - \$999,999	1.2%	1.4%	2.4%
\$1,000,000 +	0.4%	0.2%	0.3%
Average Home Value	\$153,398	\$167,986	\$153,624
<b>2000 Specified Renter Occupied Housing Units by Contract Rent</b>			
Total	45	1,764	9,938
With Cash Rent	86.7%	94.6%	96.9%
No Cash Rent	13.3%	5.4%	3.1%
Median Rent	\$571	\$664	\$590
Average Rent	\$558	\$755	\$598





# Demographics

685-695 Towne Center Blvd.  
Sanford, FL 32772

	1 mile	3 miles	5 miles
<b>2000 Population by Age</b>			
Total	761	22,326	81,183
0 - 4	7.5%	7.6%	7.0%
5 - 9	5.7%	6.7%	7.5%
10 - 14	5.7%	5.9%	7.8%
15 - 24	9.6%	9.4%	12.7%
25 - 34	13.8%	15.0%	14.6%
35 - 44	18.8%	17.2%	17.6%
45 - 54	15.9%	15.5%	15.1%
55 - 64	10.4%	10.3%	8.1%
65 - 74	7.2%	7.2%	5.4%
75 - 84	4.5%	4.1%	3.3%
85 +	1.1%	1.0%	0.9%
18 +	77.7%	76.7%	73.4%
<b>2010 Population by Age</b>			
Total	4,654	38,712	104,866
0 - 4	6.3%	6.7%	6.7%
5 - 9	6.1%	6.7%	6.7%
10 - 14	6.0%	7.0%	6.9%
15 - 24	11.8%	10.6%	13.2%
25 - 34	13.1%	11.4%	13.0%
35 - 44	14.1%	14.7%	14.1%
45 - 54	16.4%	16.2%	16.0%
55 - 64	12.6%	13.1%	12.2%
65 - 74	7.1%	7.5%	6.2%
75 - 84	4.6%	4.4%	3.6%
85 +	1.9%	1.7%	1.4%
18 +	78.4%	76.0%	75.4%
<b>2015 Population by Age</b>			
Total	5,742	44,190	112,701
0 - 4	6.0%	6.4%	6.6%
5 - 9	5.9%	6.6%	6.6%
10 - 14	6.0%	6.9%	6.9%
15 - 24	12.0%	11.4%	12.8%
25 - 34	14.2%	11.3%	13.4%
35 - 44	12.6%	13.1%	13.1%
45 - 54	14.7%	15.7%	14.7%
55 - 64	13.6%	13.4%	12.8%
65 - 74	8.7%	9.3%	8.1%
75 - 84	4.4%	4.3%	3.6%
85 +	1.9%	1.7%	1.5%
18 +	78.7%	76.3%	76.0%
<b>2000 Population by Sex</b>			
Males	49.0%	48.4%	49.5%
Females	51.0%	51.6%	50.5%
<b>2010 Population by Sex</b>			
Males	49.0%	48.2%	49.4%
Females	51.0%	51.8%	50.6%
<b>2015 Population by Sex</b>			
Males	49.1%	48.2%	49.4%
Females	50.9%	51.8%	50.6%



# Demographics

685-695 Towne Center Blvd.  
Sanford, FL 32772

	1 mile	3 miles	5 miles
<b>2000 Population by Race/Ethnicity</b>			
Total	763	22,328	81,185
White Alone	85.8%	80.6%	75.0%
Black Alone	8.3%	12.9%	16.9%
American Indian Alone	0.5%	0.3%	0.4%
Asian or Pacific Islander Alone	1.7%	2.3%	2.7%
Some Other Race Alone	1.4%	2.1%	3.0%
Two or More Races	2.2%	1.7%	2.1%
Hispanic Origin	5.6%	7.0%	9.0%
Diversity Index	33.5	42.0	50.6
<b>2010 Population by Race/Ethnicity</b>			
Total	4,658	38,714	104,868
White Alone	83.0%	77.6%	71.7%
Black Alone	8.5%	13.2%	17.1%
American Indian Alone	0.6%	0.4%	0.4%
Asian or Pacific Islander Alone	2.0%	3.2%	3.8%
Some Other Race Alone	2.2%	3.0%	4.1%
Two or More Races	3.6%	2.6%	2.9%
Hispanic Origin	10.0%	10.7%	13.1%
Diversity Index	42.9	49.8	58.0
<b>2015 Population by Race/Ethnicity</b>			
Total	5,741	44,188	112,704
White Alone	81.5%	76.4%	70.8%
Black Alone	9.0%	13.4%	17.0%
American Indian Alone	0.6%	0.4%	0.4%
Asian or Pacific Islander Alone	2.4%	3.7%	4.2%
Some Other Race Alone	2.5%	3.2%	4.4%
Two or More Races	4.0%	2.9%	3.1%
Hispanic Origin	11.7%	12.3%	14.8%
Diversity Index	46.5	52.7	60.2
<b>2000 Population 3+ by School Enrollment</b>			
Total	715	21,104	77,759
Enrolled in Nursery/Preschool	2.5%	2.2%	2.1%
Enrolled in Kindergarten	1.4%	2.0%	1.8%
Enrolled in Grade 1-8	7.8%	10.1%	13.2%
Enrolled in Grade 9-12	4.9%	4.1%	5.8%
Enrolled in College	2.7%	4.8%	4.7%
Enrolled in Grad/Prof School	1.7%	1.2%	0.8%
Not Enrolled in School	79.0%	75.6%	71.6%
<b>2010 Population 25+ by Educational Attainment</b>			
Total	3,253	26,726	69,659
Less Than 9th Grade	4.3%	3.4%	3.5%
9th to 12th Grade, No Diploma	9.3%	6.3%	7.8%
High School Graduate	25.5%	24.7%	27.3%
Some College, No Degree	22.7%	21.7%	21.6%
Associate Degree	12.9%	10.3%	9.8%
Bachelor's Degree	19.7%	23.0%	20.4%
Graduate/Professional Degree	5.5%	10.6%	9.5%