

OFFERING MEMORANDUM.

Wendy's Ground Lease St. Louis, Missouri



The Maffia Team



\$1,190,000
5.25% CAP Rate

- ◆ 15-Year NNN Ground Lease
 - 13 Years Remaining
 - Fixed Rental Increases
- ◆ Corporate Wendy's Restaurant
- ◆ Hard-Corner Location
- ◆ Outparcel to Shop 'n Save

Newmark Knight Frank
Cornish & Carey Commercial
Leased Investment Group

This property is listed in conjunction with
Missouri-licensed
John A. Sanders, Broker Associate,
Managing Principal, Newmark Knight Frank.

www.maffiateam.com



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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 Information

Location The property is located at 3801 Gravois Avenue in St. Louis, Missouri.

Lot Size Approximately 0.772 acres or 33,651 square feet. *Only the land is for sale.*

Improvements Construction was completed in 2010 of an approximately 3,486 square foot quick-service restaurant with drive-thru component for **Wendy's**. *The tenant built and owns the improvements; the improvements are not for sale.*

Lease Leased to **Wendy's Old Fashioned Hamburgers of New York, Inc.**, and guaranteed by **Wendy's International, Inc.**, for 15 years from June 2, 2010, to June 30, 2025, at an initial annual net rent of \$62,500. There are six five-year options to renew the lease. The rent increases by 10% every five years throughout the initial term and option periods. The lease is triple net, with the tenant responsible for taxes, insurance, and all maintenance, including roof and structure. The tenant has a right of first refusal to purchase the property.

Net Annual Income	<u>Years</u>	<u>Annual Rent</u>	<u>Return</u>
	1-5	\$62,500	5.25%
	6-10	\$68,750	5.78%
	11-15	\$75,625	6.36%
	16-20 (Option 1)	\$83,188	6.99%
	21-25 (Option 2)	\$91,506	7.69%
	26-30 (Option 3)	\$100,657	8.46%
	31-35 (Option 4)	\$110,723	9.30%
	36-40 (Option 5)	\$121,795	10.23%
	41-45 (Option 6)	\$133,974	11.26%

Price **\$1,190,000 (5.25% Return)**

Financing The property will be delivered free and clear of permanent financing.



Tenant Information



Wendy's International, Inc., is the principal subsidiary of **Wendy's Restaurants, LLC**, a direct 100% owned subsidiary holding company of publicly traded **The Wendy's Company** (NasdaqGS: "WEN"). Wendy's International, Inc., is the owner and franchisor of the Wendy's quick-service restaurant system in the United States. Wendy's restaurants are also operated in United States territories and 27 foreign countries. As of January 1, 2012, the Wendy's restaurant system consisted of 6,594 restaurants, including 1,417 company-owned restaurants and 5,177 franchised restaurants. The company was formerly known as Wendy's/Arby's Group, Inc., and changed its name to The Wendy's Company in July 2011.

For the fiscal year ended January 1, 2012, The Wendy's Company reported revenue of \$2.431 billion with net income of \$9.875 million and net worth of \$1.996 billion.

This corporate Wendy's location enjoys above-average sales.



About the Area

Site Information

Wendy's enjoys excellent visibility and access from Gravois Drive / U.S. Route 66, a major thoroughfare with a traffic volume of 24,793 vehicles per day. As the surrounding area features few empty parcels, the barriers to entry for Wendy's competitors are significant.

The property sits on a hard-corner pad adjacent to US Bank and in front of Gravois Plaza, a Shop 'n' Save-anchored center. Additional tenants at the shopping center include Deal\$, H&R Block, Sally Beauty, Payless ShoeSource, RadioShack, GameStop, Shoe Carnival, Penn Station East Coast Subs, and America's Best Contacts & Eyeglasses. Additional neighboring retailers include Walgreens, CVS Pharmacy, Schnucks, White Castle, Cricket Communications, Taco Bell, KFC, and Advance Auto Parts.

General Overview

St. Louis is the second-largest city in Missouri with a 2010 population of 319,294. Sited near the confluence of the Missouri and the Mississippi Rivers, the city lies at the heart of Greater St. Louis, a metropolitan area of nearly three million people in Missouri and Illinois, the Illinois portion of which is commonly referred to as the Metro-East. The city is served by four interstates and several U.S. highways and state roadways. The city owns and operates Lambert-St. Louis International Airport, located in northwest St. Louis County. Freight rail and passenger rail service operate in the city on tracks owned by BNSF Railway, with passenger service provided by Amtrak at the Gateway Multimodal Transportation Center in downtown St. Louis. Commuter rail service in the city is provided by MetroLink, while bus service is provided by Metro-Bus, both of which are owned and operated by the Bi-State Development Agency.

According to the 2007 Economic Census, manufacturing in the city conducted nearly \$11 billion in business, followed by the healthcare and social service industries with \$3.5 billion, professional or technical services with \$3.1 billion, and retail trade with \$2.5 billion. The sector employing the largest number of workers in the city was the healthcare sector with 34,000 workers, followed by administrative and support jobs with 24,000 workers, manufacturing with 21,000 workers, and food service with 20,000 workers. The rivers of St. Louis play a large role in moving goods, especially bulk commodities such as grain, coal, salt, and certain chemicals and petroleum products; the Port of St. Louis in 2004 was the third-largest inland port by tonnage in the country, and the 21st-largest of any sort.

Greater St. Louis is an academic and corporate center for the biomedical sciences; St. Louis University and Washington University in St. Louis are the leading research institutions. It is home to some of the country's largest privately held corporations, including Enterprise Rent-A-Car, Graybar, Scottrade, and Edward Jones, and also some of the largest public corporations and corporate divisions, including Emerson; Energizer; Anheuser-Busch, Inc.; Boeing Defense, Space & Security; Purina; Express Scripts; Charter Communications; Monsanto Company; Wells Fargo Advisers; Citimortgage; and MasterCard.

Site Plan

SERVICE DRIVE

ENTRY DRIVE

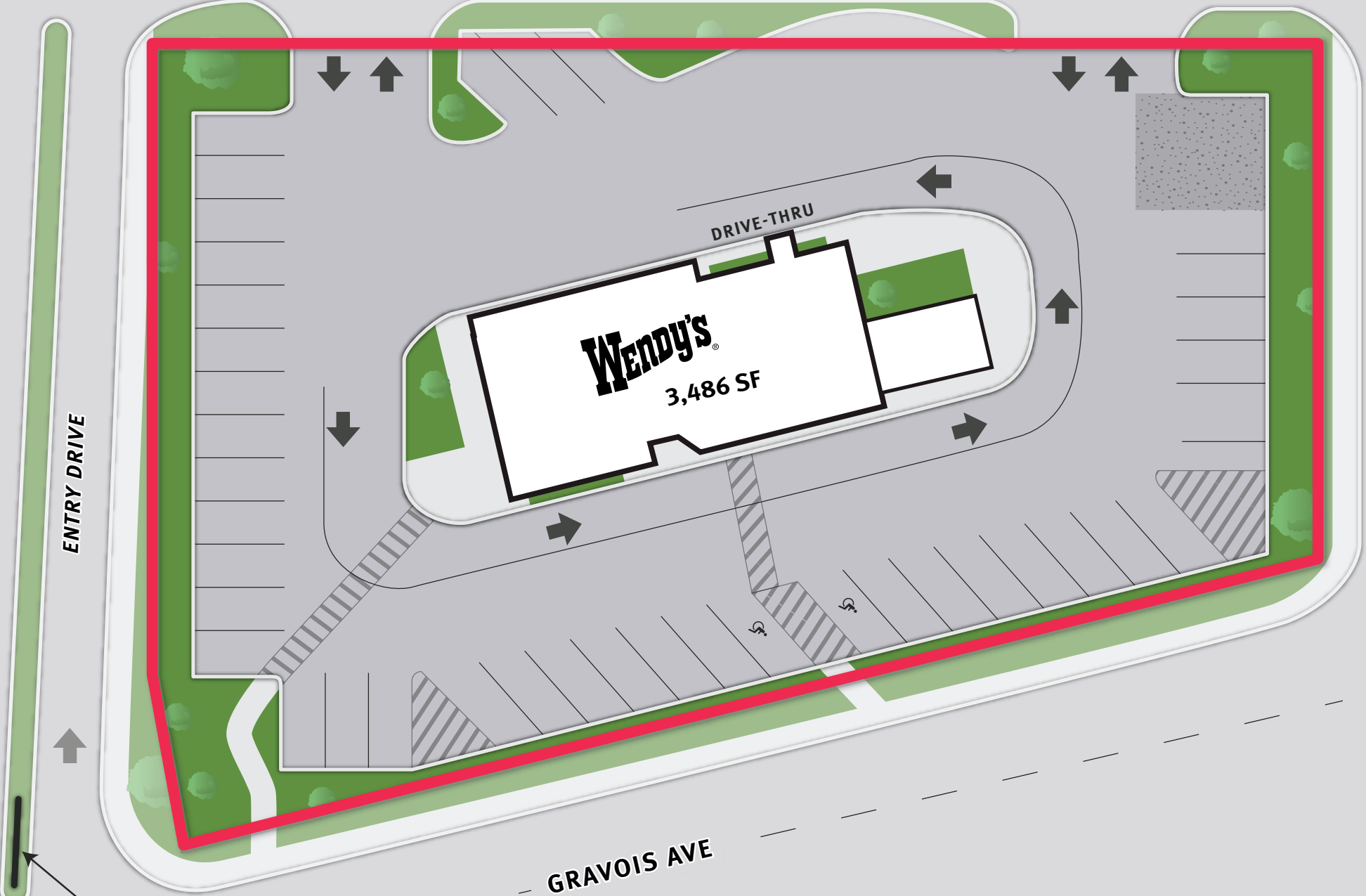
BAMBERGER DR

GRAVOIS AVE

Monument Sign

Wendy's
3,486 SF

DRIVE-THRU



Aerial | Close-up View



Shop'n Save

Gravois Plaza



Gravois Ave (24,793 NPD)

Bamberger Dr



Aerial | North View

Roosevelt High School

Shop'n Save
SHOE CARNIVAL
GameStop
H&R BLOCK
SALU
RadioShack®
Payless
Deals
TOO GOOD TO PASS UP

Schnucks
RAC Rent-A-Center

Gravois Plaza
usbank
PENN STATION
EAST COAST SUBS
AMERICA'S BEST
CONTACTS & EYEGLASSES
7
ELEVEN

Walgreens

Gravois Ave (24,793 VPD)

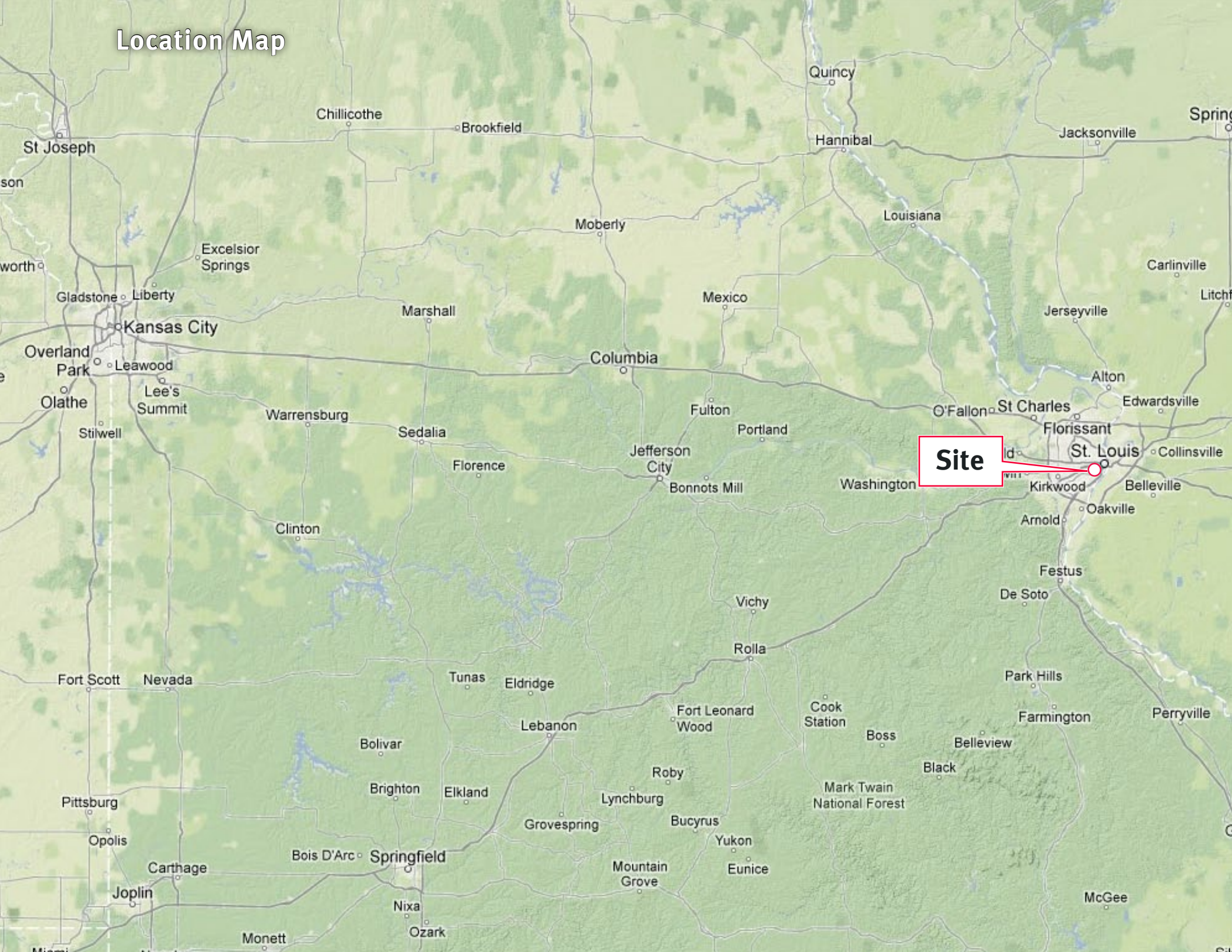
S Grand Blvd

Wendy's

ALDI

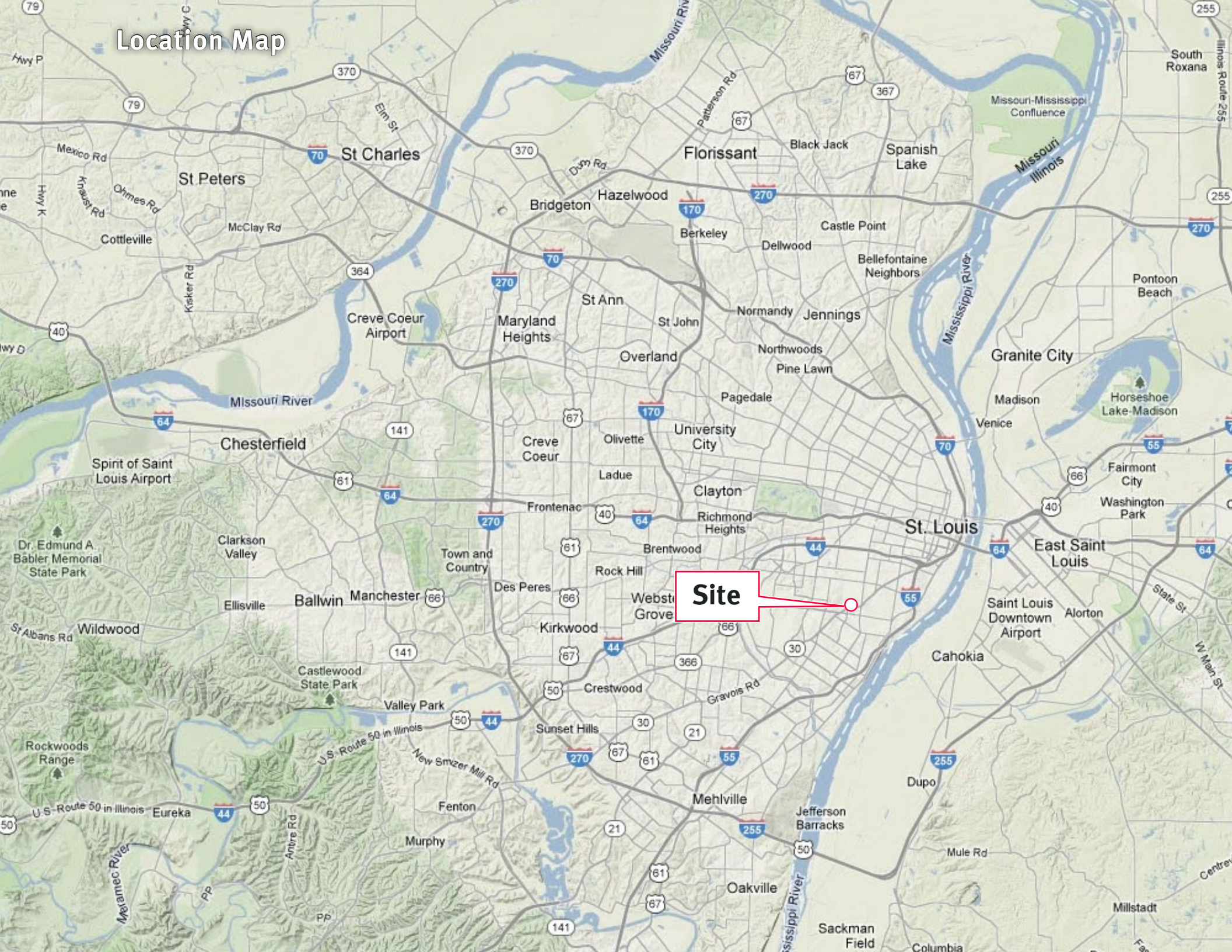
Amberg Park

Location Map

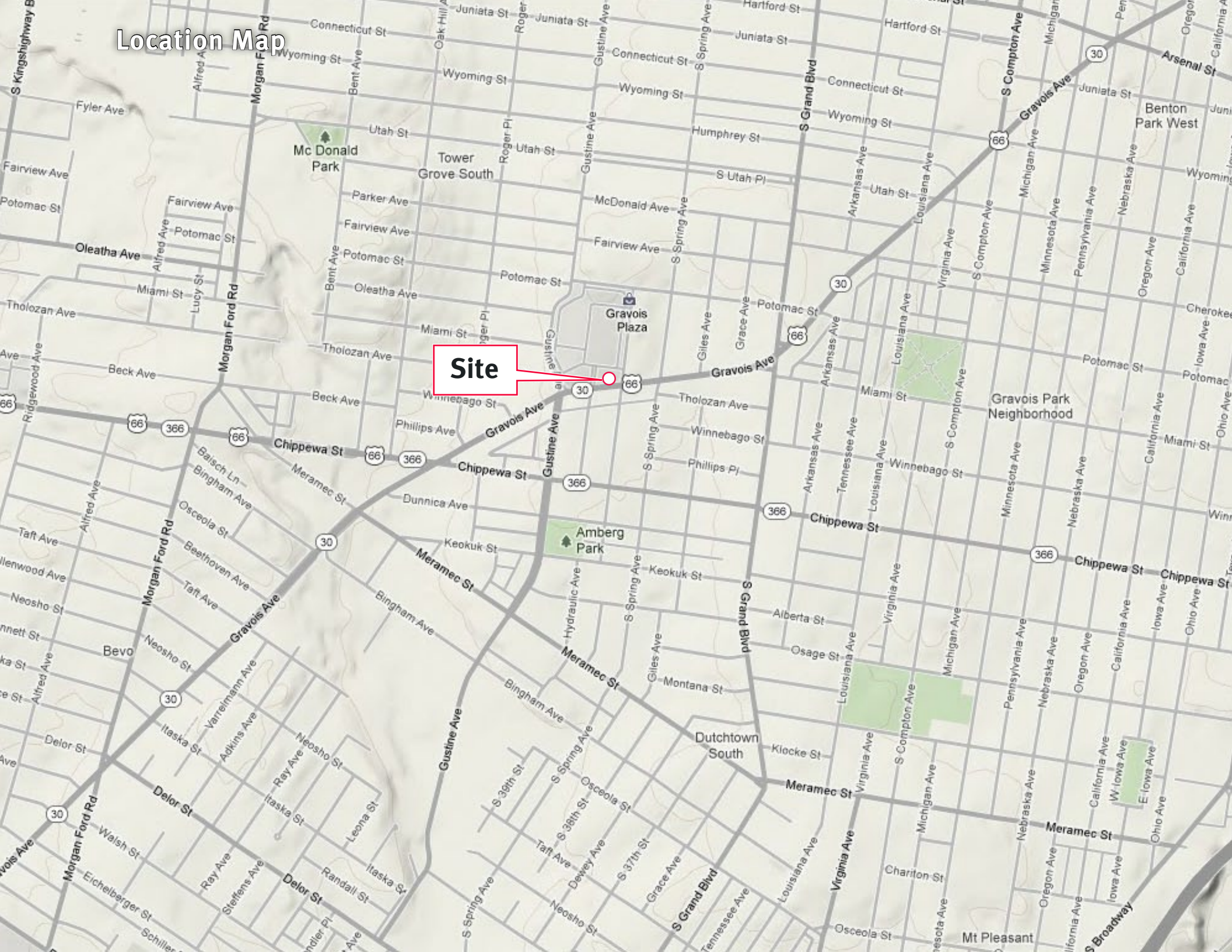


Site

Location Map



Location Map



Site



Demographics

3801 Gravois Ave
St. Louis, MO 63116

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	9,208	77,724	186,992
2000 Group Quarters	0	1,832	5,013
2010 Total Population	9,043	77,316	187,817
2015 Total Population	9,090	78,118	189,346
2010-2015 Annual Rate	0.10%	0.21%	0.16%
Household Summary			
2000 Households	4,078	31,846	76,504
2000 Average Household Size	2.26	2.38	2.38
2010 Households	4,115	32,184	77,854
2010 Average Household Size	2.20	2.34	2.35
2015 Households	4,168	32,689	78,798
2015 Average Household Size	2.18	2.33	2.34
2010-2015 Annual Rate	0.26%	0.31%	0.24%
2000 Families	2,601	19,621	47,667
2000 Average Family Size	2.83	3.04	3.01
2010 Families	2,565	19,216	47,298
2010 Average Family Size	2.74	2.99	2.98
2015 Families	2,567	19,233	47,248
2015 Average Family Size	2.72	2.99	2.98
2010-2015 Annual Rate	0.02%	0.02%	-0.02%
Housing Unit Summary			
2000 Housing Units	4,273	33,788	81,324
Owner Occupied Housing Units	73.3%	59.8%	62.8%
Renter Occupied Housing Units	22.3%	34.5%	31.3%
Vacant Housing Units	4.4%	5.7%	5.9%
2010 Housing Units	4,428	35,259	85,463
Owner Occupied Housing Units	70.8%	57.4%	60.3%
Renter Occupied Housing Units	22.1%	33.9%	30.8%
Vacant Housing Units	7.1%	8.7%	8.9%
2015 Housing Units	4,524	36,199	87,523
Owner Occupied Housing Units	70.3%	56.7%	59.7%
Renter Occupied Housing Units	21.8%	33.6%	30.4%
Vacant Housing Units	7.9%	9.7%	10.0%
Median Household Income			
2000	\$49,088	\$41,133	\$39,613
2010	\$55,988	\$52,037	\$50,396
2015	\$64,098	\$58,514	\$57,672
Median Home Value			
2000	\$105,454	\$91,240	\$83,774
2010	\$135,174	\$120,996	\$116,136
2015	\$157,256	\$142,862	\$137,201
Per Capita Income			
2000	\$29,211	\$21,526	\$21,111
2010	\$31,826	\$26,228	\$25,842
2015	\$36,220	\$29,705	\$29,602
Median Age			
2000	40.5	34.3	36.2
2010	42.6	35.9	38.0
2015	43.5	36.2	38.5



Demographics

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	1 mile	3 miles	5 miles
2000 Households by Income			
Household Income Base	14,160	75,390	150,115
<\$15,000	27.7%	23.6%	24.4%
\$15,000 - \$24,999	21.1%	18.0%	16.6%
\$25,000 - \$34,999	15.2%	15.7%	15.0%
\$35,000 - \$49,999	17.7%	17.0%	16.6%
\$50,000 - \$74,999	11.4%	15.2%	15.3%
\$75,000 - \$99,999	4.3%	6.1%	6.5%
\$100,000 - \$149,999	1.6%	3.0%	3.6%
\$150,000 - \$199,999	0.7%	0.8%	0.9%
\$200,000+	0.3%	0.6%	1.1%
Average Household Income	\$32,430	\$38,946	\$41,315
2010 Households by Income			
Household Income Base	13,718	73,857	149,634
<\$15,000	20.0%	17.1%	18.9%
\$15,000 - \$24,999	17.2%	13.8%	12.7%
\$25,000 - \$34,999	15.4%	14.7%	13.1%
\$35,000 - \$49,999	16.4%	15.9%	16.0%
\$50,000 - \$74,999	17.3%	19.5%	18.9%
\$75,000 - \$99,999	8.8%	11.4%	11.5%
\$100,000 - \$149,999	3.6%	5.5%	5.9%
\$150,000 - \$199,999	0.7%	1.2%	1.5%
\$200,000+	0.5%	0.9%	1.5%
Average Household Income	\$41,468	\$48,610	\$50,898
2015 Households by Income			
Household Income Base	13,652	73,657	149,887
<\$15,000	16.7%	14.1%	15.9%
\$15,000 - \$24,999	14.5%	11.4%	10.6%
\$25,000 - \$34,999	14.5%	13.5%	11.7%
\$35,000 - \$49,999	14.5%	13.9%	13.9%
\$50,000 - \$74,999	24.5%	26.5%	24.5%
\$75,000 - \$99,999	9.1%	11.3%	11.8%
\$100,000 - \$149,999	4.7%	6.8%	7.7%
\$150,000 - \$199,999	1.0%	1.6%	2.0%
\$200,000+	0.6%	1.1%	1.8%
Average Household Income	\$45,679	\$53,157	\$56,473
2000 Owner Occupied Housing Units by Value			
Total	6,122	37,322	74,685
<\$50,000	39.6%	24.9%	22.8%
\$50,000 - \$99,999	54.5%	55.5%	51.2%
\$100,000 - \$149,999	2.9%	13.4%	15.6%
\$150,000 - \$199,999	1.7%	3.8%	5.0%
\$200,000 - \$299,999	0.9%	1.8%	3.2%
\$300,000 - \$499,999	0.3%	0.5%	1.4%
\$500,000 - \$999,999	0.0%	0.1%	0.6%
\$1,000,000 +	0.0%	0.0%	0.2%
Average Home Value	\$61,036	\$79,120	\$93,058
2000 Specified Renter Occupied Housing Units by Contract Rent			
Total	8,021	37,895	75,052
With Cash Rent	98.0%	97.0%	97.0%
No Cash Rent	2.0%	3.0%	3.0%



Demographics

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St. Louis, MO 63116

	1 mile	3 miles	5 miles
2000 Population by Age			
Total	35,274	175,928	339,992
0 - 4	8.0%	7.3%	6.6%
5 - 9	8.7%	7.7%	7.0%
10 - 14	7.7%	6.8%	6.5%
15 - 24	15.0%	13.9%	14.4%
25 - 34	17.7%	17.3%	16.6%
35 - 44	16.6%	16.3%	15.7%
45 - 54	11.4%	11.7%	12.1%
55 - 64	5.9%	6.4%	7.0%
65 - 74	4.5%	5.6%	6.5%
75 - 84	3.2%	4.7%	5.3%
85 +	1.4%	2.1%	2.2%
18 +	71.0%	74.2%	76.1%
2010 Population by Age			
Total	35,750	176,459	343,721
0 - 4	8.2%	7.4%	6.6%
5 - 9	7.7%	7.0%	6.3%
10 - 14	6.5%	6.2%	5.7%
15 - 24	16.2%	15.0%	15.8%
25 - 34	15.7%	14.8%	14.6%
35 - 44	14.1%	14.2%	13.4%
45 - 54	14.1%	14.3%	14.1%
55 - 64	9.5%	10.0%	10.5%
65 - 74	4.2%	5.1%	5.8%
75 - 84	2.6%	3.8%	4.6%
85 +	1.3%	2.4%	2.6%
18 +	73.3%	75.6%	77.8%
2015 Population by Age			
Total	35,775	176,619	344,108
0 - 4	8.2%	7.3%	6.5%
5 - 9	7.6%	6.9%	6.2%
10 - 14	7.0%	6.4%	5.9%
15 - 24	14.7%	14.1%	14.9%
25 - 34	17.0%	15.8%	15.5%
35 - 44	12.6%	12.6%	12.2%
45 - 54	12.5%	12.9%	12.7%
55 - 64	11.1%	11.7%	12.0%
65 - 74	5.7%	6.6%	7.4%
75 - 84	2.4%	3.5%	4.2%
85 +	1.2%	2.2%	2.5%
18 +	73.7%	75.9%	78.1%
2000 Population by Sex			
Males	48.4%	47.6%	47.4%
Females	51.6%	52.4%	52.6%
2010 Population by Sex			
Males	49.2%	48.3%	47.9%
Females	50.8%	51.7%	52.1%
2015 Population by Sex			
Males	49.6%	48.6%	48.2%
Females	50.4%	51.4%	51.8%



Demographics

3801 Gravois Ave
St. Louis, MO 63116

	1 mile	3 miles	5 miles
2000 Population by Race/Ethnicity			
Total	35,276	175,927	339,990
White Alone	50.5%	63.5%	63.5%
Black Alone	36.5%	29.6%	30.8%
American Indian Alone	0.4%	0.3%	0.3%
Asian or Pacific Islander Alone	7.3%	2.9%	2.4%
Some Other Race Alone	1.9%	1.3%	0.9%
Two or More Races	3.4%	2.5%	2.0%
Hispanic Origin	4.3%	3.0%	2.3%
Diversity Index	63.8	53.8	52.4
2010 Population by Race/Ethnicity			
Total	35,748	176,459	343,723
White Alone	51.5%	64.0%	62.4%
Black Alone	33.4%	27.7%	30.3%
American Indian Alone	0.4%	0.4%	0.4%
Asian or Pacific Islander Alone	7.9%	3.1%	2.9%
Some Other Race Alone	3.0%	1.9%	1.5%
Two or More Races	3.9%	2.9%	2.6%
Hispanic Origin	6.9%	4.8%	3.9%
Diversity Index	66.6	55.7	55.4
2015 Population by Race/Ethnicity			
Total	35,776	176,615	344,108
White Alone	52.4%	64.7%	62.2%
Black Alone	31.5%	26.4%	29.9%
American Indian Alone	0.4%	0.4%	0.4%
Asian or Pacific Islander Alone	8.2%	3.3%	3.1%
Some Other Race Alone	3.4%	2.1%	1.7%
Two or More Races	4.1%	3.1%	2.8%
Hispanic Origin	8.3%	5.9%	4.7%
Diversity Index	67.7	56.5	56.6
2000 Population 3+ by School Enrollment			
Total	33,204	168,111	326,229
Enrolled in Nursery/Preschool	2.2%	2.0%	1.9%
Enrolled in Kindergarten	1.3%	1.4%	1.3%
Enrolled in Grade 1-8	14.1%	12.6%	11.6%
Enrolled in Grade 9-12	6.2%	5.4%	5.2%
Enrolled in College	4.2%	5.1%	5.9%
Enrolled in Grad/Prof School	0.8%	1.5%	2.4%
Not Enrolled in School	71.2%	71.9%	71.6%
2010 Population 25+ by Educational Attainment			
Total	21,971	113,878	225,744
Less Than 9th Grade	7.8%	6.4%	6.0%
9th to 12th Grade, No Diploma	15.9%	12.4%	11.5%
High School Graduate	34.0%	28.7%	27.2%
Some College, No Degree	19.0%	19.8%	20.0%
Associate Degree	5.4%	6.0%	5.8%
Bachelor's Degree	10.5%	16.6%	17.3%
Graduate/Professional Degree	7.4%	10.1%	12.1%