

2550 CENTRAL AVE SE | ALBUQUERQUE, NM



MARKETING PACKAGE



EXCLUSIVELY OFFERED BY:

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LISTED IN CONJUNCTION WITH NEW MEXICO BROKER:

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DZ Net Lease Realty, LLC
Lic #19209

NET LEASE INVESTMENTS



FREDDY'S LOGO HAS BEEN ADDED FOR ILLUSTRATIVE PURPOSES

DISCLAIMER

Cushman & Wakefield and David B. Zacharia has been retained as exclusive advisor to the Seller for the sale of the Starbucks & Freddy's parcel (the "Property"), approximately 5,543 square feet on 0.50± acres located at 2550 Central Avenue Southeast, Albuquerque, NM.

This Marketing Package has been prepared by Cushman & Wakefield and David B. Zacharia for use by a limited number of parties and does not purport to provide a necessarily complete summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. All projections have been developed by Cushman & Wakefield and David B. Zacharia, the Owner, and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner, Cushman & Wakefield and David B. Zacharia, therefore, are subject to variation. No representation is made by Cushman & Wakefield, David B. Zacharia or Owner as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Owner and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Cushman & Wakefield, David B. Zacharia, Owner, and its employees

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Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner, Cushman & Wakefield and David B. Zacharia each expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until a written agreement for the purchase of the Property has been fully executed, delivered, and approved by Owner and its legal counsel, and any conditions to Owner's obligations thereunder have been satisfied or waived. Cushman & Wakefield and David B. Zacharia is not authorized to make any representations or agreements on behalf of Owner.

This Marketing Package and the contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein are called the "Contents"), are of a confidential nature. By accepting the package, you agree (i) to hold and treat it in the strictest confidence, (ii) not to photocopy or duplicate it, (iii) not to disclose the package 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 Owner, Cushman & Wakefield, or David B. Zacharia (iv) to not use the package or any of the contents in any fashion or manner detrimental to the interest of Owner, Cushman & Wakefield, or David B. Zacharia and (v) to return it to Cushman & Wakefield and David B. Zacharia immediately upon request of Cushman & Wakefield, David B. Zacharia or Owner.

The information contained herein has been obtained from the owner of the property or from other sources we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it.

If you have no further interest in the Property, please return this Investment Marketing Package forthwith.

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SURROUNDING RETAIL

PROPERTY OVERVIEW



EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

OFFERING TERMS

PRICE
\$4,200,000

CAP
5.25%

ANNUAL RENT
\$220,000



LOCATION:	2550 Central Avenue SE Albuquerque, NM 87106
APN:	1-016-057-137-291-3-29-10
BUILDING SIZE:	5,543± square feet
LAND SIZE:	0.50± acres
YEAR BUILT:	2018 (Shell building completed and delivered to Tenants)
LEASE TYPE:	NNN - landlord responsible for roof (15 year roof warranty), structure & foundation. Subject to reimbursement per tenant leases (contact broker for more details)



TENANT:	Starbucks Corporation	Freddy's Frozen Custard
SUITE SIZE:	2,400 SF + 550 SF Patio	3,143 SF + 725 SF Patio
LEASE TERM:	10 years	15 years
LEASE COMMENCEMENT:	April 2018	April 2018
LEASE EXPIRATION:	April 2028	April 2033
OPTIONS:	Four (4) five (5) year terms	Three (3) five (5) year terms
RENT INCREASES:	10% every 5 years	10% every 5 years
BASE RENT:	\$100,000	\$120,000

LOCATION HIGHLIGHTS

INVESTMENT OVERVIEW

URBAN INFILL DEMOGRAPHICS

Daytime Population over 193,000 within 3 miles of subject property

STRONG SALES PROJECTIONS

Starbucks building is larger than standard prototype to accommodate high sales projections and Freddy's has an additional walk up window. Both Tenants have large outdoor seating patios (contact broker for details)

ADJACENT TO UNIVERSITY OF NEW MEXICO CAMPUS & STUDENT HOUSING

- » 26,000+ students
- » Across the street and walking distance to UNM student housing
- » New Mexico's Flagship University with 12 colleges and schools
- » 215 degrees including 71 masters and doctoral degrees
- » America's #3 ranked School of Medicine (reference US News & World Reports "America's Best Graduate Schools for 2018)

CENTRAL NEW MEXICO COMMUNITY COLLEGE

- » 1 mile South of subject property
- » 30,000+ students

HEAVY TRAFFIC / ALBUQUERQUE'S MAIN CORRIDOR

- » Over 35,000 cars per day
- » Central Avenue has historically served as the city's main east west corridor and was part of the original US Route 66



INVESTMENT HIGHLIGHTS

INVESTMENT OVERVIEW

RECESSION AND AMAZON RESISTANT TENANCIES

26,000+ student body population along with faculty and employee customer bases provide a consistent and inelastic demand of consumer spending for coffee and quick service food items sold by both Starbucks and Freddy's

TWO NATIONAL QSR TENANTS ON LONG-TERM LEASES

- » 10 year NNN lease with Starbucks: (S&P A-)
- » 15 year NNN lease with Freddy's: 282+ national locations - Strong Franchisee with personal guarantee over \$50 Million

RENTAL INCREASES

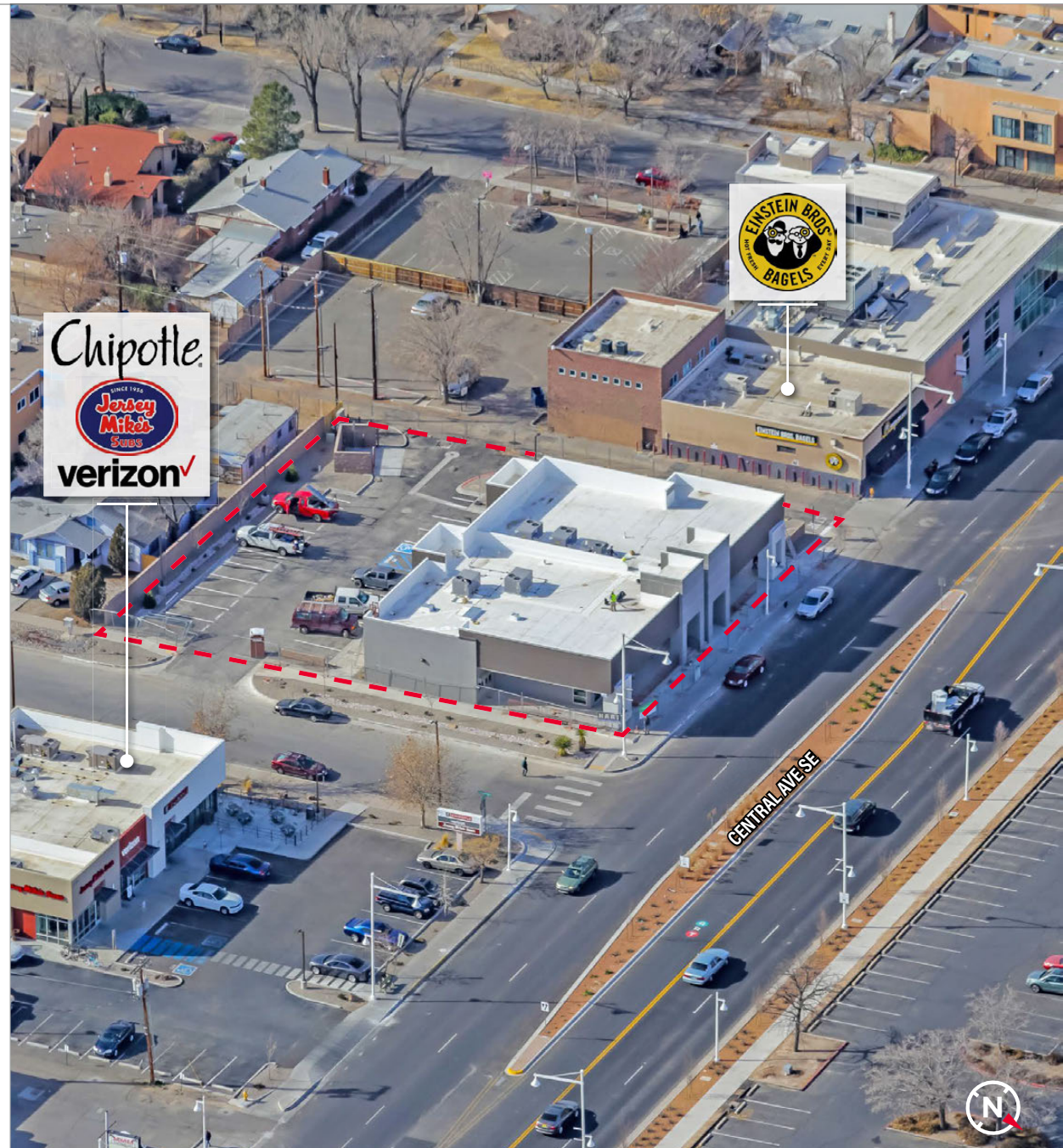
10% escalation every 5 years in both leases

PASSIVE INCOME STREAM

Minimal landlord responsibilities provided by Leases, construction design and transferrable warranties (contact broker for details)



FREDDY'S LOGO HAS BEEN ADDED FOR ILLUSTRATIVE PURPOSES



Not to scale. Parcel outlines for illustration purposes only.

SURROUNDING RETAIL

PROPERTY OVERVIEW

CORONADO CENTER

- macy's
- bareMinerals
- AEROPOSTALE
- AMERICAN EAGLE OUTFITTERS
- Bath & Body Works
- charlotte russe
- The Container Store
- JCPenney
- KOHL'S EXPRESS
- FOREVER 21
- NEW YORK & COMPANY
- PACSUN
- SEPHORA
- H&M
- rue21
- BARNES & NOBLE
- DICK'S SPORTING GOODS
- VALE OF THE HAWK
- sears's HOLLISTER CALIFORNIA
- Motherhood MATERNITY
- ALDO
- VICTORIA'S SECRET
- CHAMPS SPORTS

ABQ UPTOWN

- ANTHROPOLOGIE
- BANANA WILLIAMS
- REPUBLIC SONOMA
- Eddie Bauer EST. 1920
- MICHAEL KORS
- THE NORTH FACE
- lululemon
- MAC
- J.CREW
- chico's
- WHITE HOUSE | BLACK MARKET
- LUCKY # BRAND EST. 1988
- TEAVANA
- POTTERY BARN
- BCBG MAXAZRIA

WINROCK TOWN CENTER

- NORDSTROM
- rack
- TJ-maxx
- DSW
- Dillard's
- ULTA BEAUTY
- PET SMART
- Famous Footwear
- DAVID'S BRIDAL



QUICK STATS



UNIVERSITY OF NEW MEXICO
#3
SCHOOL OF MEDICINE



UNIVERSITY OF NEW MEXICO
26K
STUDENTS



NEW MEXICO COMMUNITY COLLEGE
30K
STUDENTS



UNIVERSITY OF NEW MEXICO HOSPITAL
5,600
EMPLOYEES

SURROUNDING RETAIL

PROPERTY OVERVIEW



ABQ SUPPORT
ALBUQUERQUE INTERNATIONAL AIRPORT

THE UNIVERSITY of NEW MEXICO
FOOTBALL STADIUM

THE UNIVERSITY of NEW MEXICO
SPORTS ARENA

CNM
Central New Mexico Community College

THE UNIVERSITY of NEW MEXICO

Starbucks
Freddy's
FROZEN CUSTARD & STEAKBURGERS®

Panera
PANDA EXPRESS
COMBINED CHINESE FOOD

FedEx
The UPS Store

Chipotle
Jorday Mike's
verizon

EINSTEIN BROS
BAGELS

PAPA JOHN'S

McDonald's

JJ
JIMMY JOHN'S

Pita Pit

35,200 CARS PER DAY

CENTRAL AVE SE

THE UNIVERSITY of NEW MEXICO



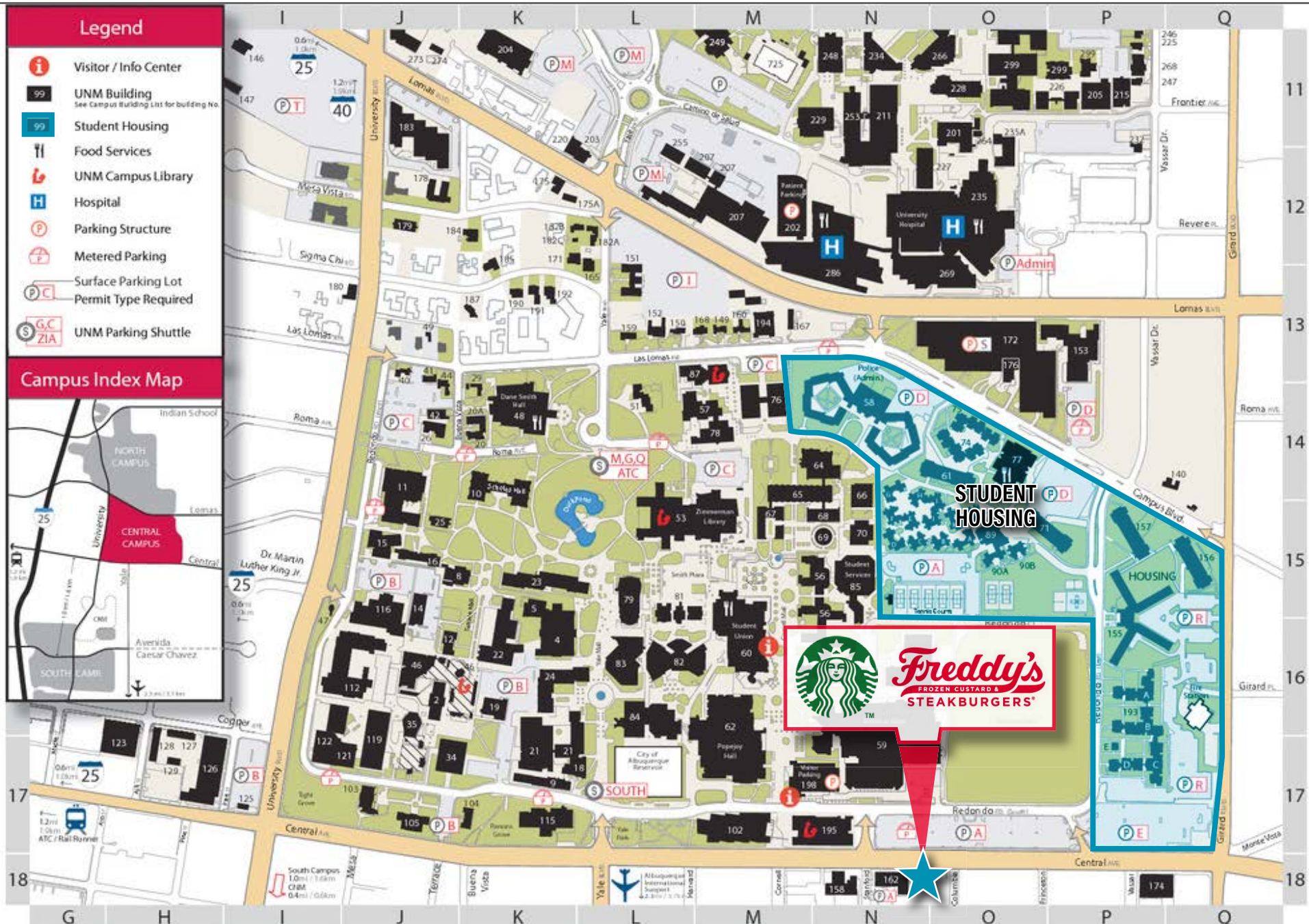
SURROUNDING RETAIL

PROPERTY OVERVIEW



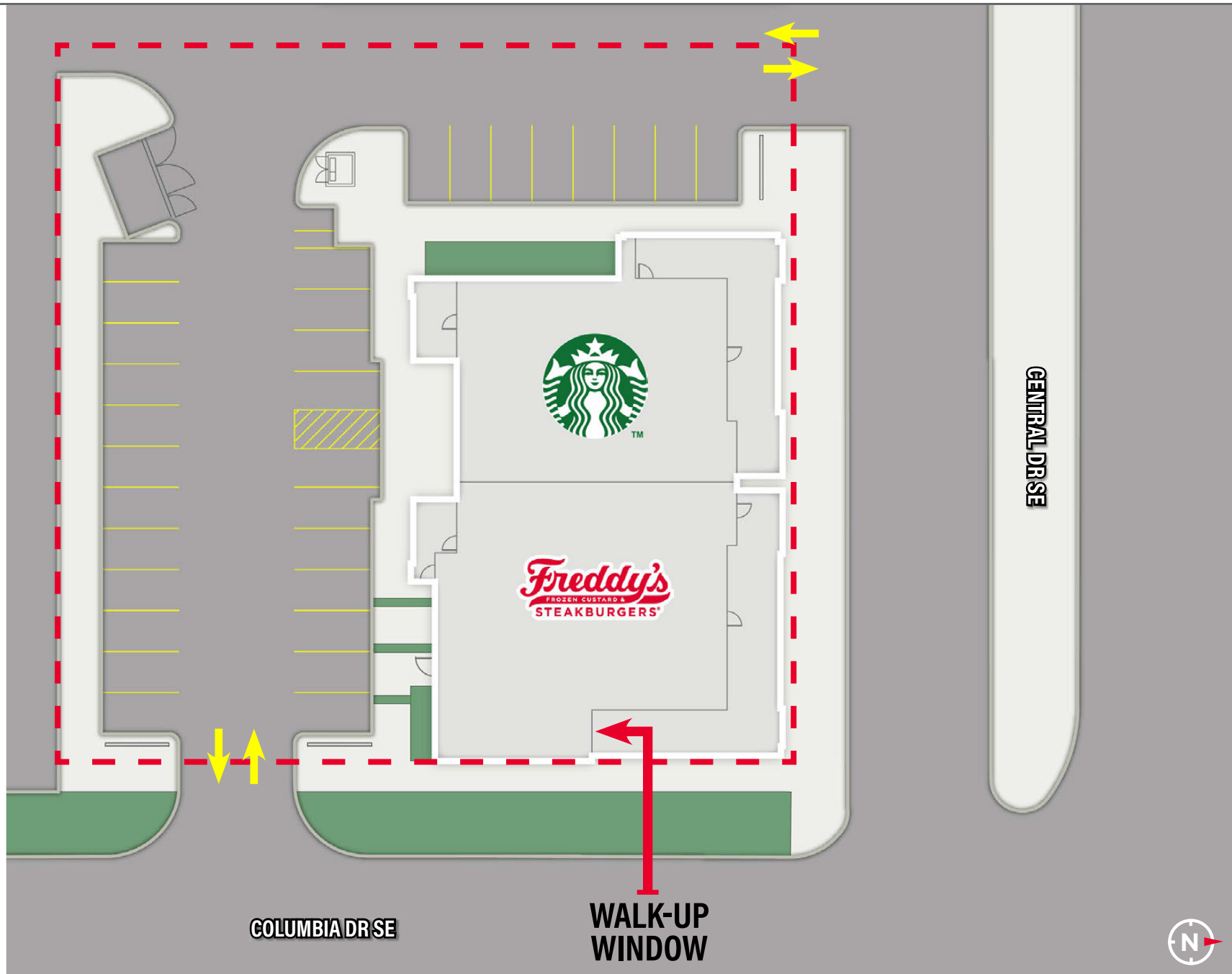
UNIVERSITY OF NEW MEXICO - MAP

PROPERTY OVERVIEW



SITE PLAN

PROPERTY OVERVIEW



TENANT PROFILE

PROPERTY OVERVIEW



Starbucks Corporation, Inc.
(NASDAQ: SBUX)

S&P CREDIT RATING: A-
2017 REVENUE (\$BIL): \$22.38 **# OF LOCATIONS (2017):** 27,339
2017 NET INCOME (\$BIL): \$2.88 **# OF EMPLOYEES (2017):** ~277,000

Starbucks Corporation is an American coffee company and coffeehouse chain. The company was founded in Seattle, Washington in 1971. Today it operates more than 27,000 retail stores in 75 countries. Starbucks locations serve hot and cold drinks, whole-bean coffee, microground instant coffee known as VIA, espresso, caffe latte, full and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, La Boulange pastries, and snacks including items such as chips and crackers; some offerings (including their annual fall launch of the Pumpkin Spice Latte) are seasonal or specific to the locality of the store. Many stores sell pre-packaged food items, hot and cold sandwiches, and drinkware including mugs and tumblers; select "Starbucks Evenings" locations offer beer, wine, and appetizers. Starbucks-brand coffee, ice cream, and bottled cold coffee drinks are also sold at grocery stores.

<https://www.starbucks.com/>





Freddy's Frozen Custard & Steakburgers

OF LOCATIONS (2017): 282

CORPORATE:

Freddy's Frozen Custard and Steakburgers is a fast-casual restaurant franchise, known for its premium, lean, ground beef steakburgers and dessert treats, prepared with freshly-churned chocolate or vanilla frozen custard. As the name implies, the restaurant concept places equal emphasis on both, famously branding this distinct concept as "The Taste That Brings You Back."

A privately owned and family-oriented company, Freddy's tasty menu items coupled with exceptional guest service and industry-leading cleanliness standards are why guests make return visits.

Franchise sites are modeled after the original Freddy's location opened in Wichita, Kansas, in 2002. A majority of the sites are free-standing buildings ranging from 2,800 to 3,600 square feet, with indoor seating that accommodates roughly 100 guests. Additionally, most locations offer outdoor seating with umbrella-topped tables, as well as drive-thru service. True to the late 1940s and early 1950s, Freddy's sports a classic red-and-white color scheme. Exterior building features include prominent red-and-white striped awnings, red neon lights and Freddy's signature frozen custard cone. Interior design emphasizes retro, displaying cushioned, red-vinyl booths, stools and chairs, complete with chrome backs and legs. Black-and-white checkered tile floors complement walls adorned with genuine photographs of



the original Freddy and his family, lending the restaurant a hint of authentic nostalgia. Other interior options include exposed ductwork and a combination of track and low-hanging light fixtures to ensure a space that is comfortably lit. Units offer counter service for dine-in and to-go orders, as well as a separate pick-up counter featuring a kitchen.

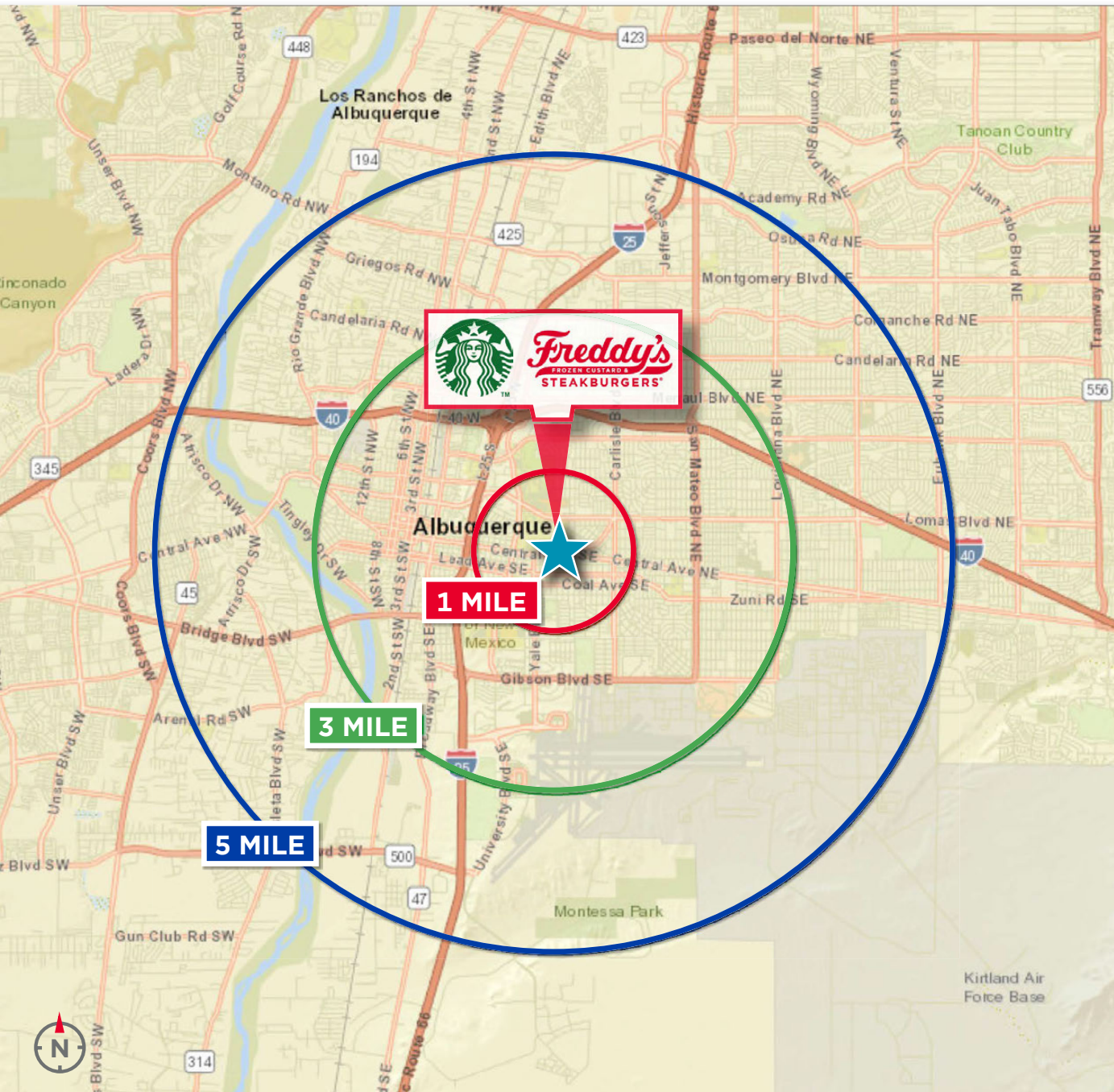
<https://www.freddysusa.com/>

FRANCHISEE:

FFC New Mexico, LLC is the franchise holder of the developmental rights for Freddy's Frozen Custard in Albuquerque, Santa Fe, Taos and Farmington. The principals of the company are Paul Hoover (equity partner) David Murfin (equity partner) and Ken Brock (operating partner). Paul Hoover's qualifications include: (i) ownership of 66 Taco Bell restaurants in CA, KS, MS, SC & MI, (ii) 50% owner of 10 Il Vicino restaurants in NM, CO and KS and (iii) rights to develop Freddy's Frozen Custard restaurants in KY, Southern OH, NM & SC. David Murfin's qualifications in business include: (i) 3rd generation oil & gas producer, (ii) ranching and (iii) former 50% owner of Russell Candy. Ken Brock has 15 years of operational experience with Il Vicino, he was responsible for opening all of the stores, was the regional manager of the stores, and is currently the regional manager of the 2 existing Freddy's Frozen Custard restaurants in Albuquerque.

DEMOGRAPHICS - 2017

AREA OVERVIEW



193,232

DAYTIME POPULATION - 3 MILES



DAYTIME POPULATION

1 MILE	3 MILE	5 MILE
24,056	193,232	351,963

AVERAGE HH INCOME

1 MILE	3 MILE	5 MILE
\$54,242	\$51,707	\$52,818

ALBUQUERQUE, NEW MEXICO

AREA OVERVIEW

Incorporated in 1891, Albuquerque is the most-populous city in the state of New Mexico. Situated in the north central part of the state, straddling the Rio Grande River, the city serves as the county seat of Bernalillo County. The city's population as of the 2010 census was 545,852 and is estimated to be 559,277 currently, ranking as the 32nd largest city in the US. The Albuquerque metropolitan statistical area (or MSA) has a population of 909,906 according to the United States Census Bureau's most recently available estimate for 2016. Albuquerque is the 60th-largest United States metropolitan area. The Albuquerque MSA population includes the city of Rio Rancho, Bernalillo, Placitas, Corrales, Los Lunas, Belen, Bosque Farms, and forms part of the larger Albuquerque-Santa Fe-Las Vegas combined statistical area, with a total population of 1,171,991 as of the July 1, 2016, Census Bureau estimates.

Visiting Albuquerque allows you to experience the authentic Southwest. As one of the oldest cities in the U.S., Albuquerque boasts a unique multicultural heritage and history where Native American, Hispanic & Latino, Anglo and other cultural influences are a part of everyday life. Nowhere is the confluence of past and present more dramatic than here in Albuquerque, where the modern city skyline is set against a backdrop of the ancient Sandia Mountains and an endless, timeless blue sky.

Staying sunny for nearly 310 days a year, Albuquerque features several outdoor activities such as golf, hiking along the Sandia Mountains Hawk Watch Trail and biking on the Paseo del Bosque Trail. The

city hosts the International Balloon Fiesta, an event that includes more than 600 balloons, and was named one of [Livability.com](http://www.livability.com)'s Top 10 Beer Cities thanks to its variety of micro-breweries.

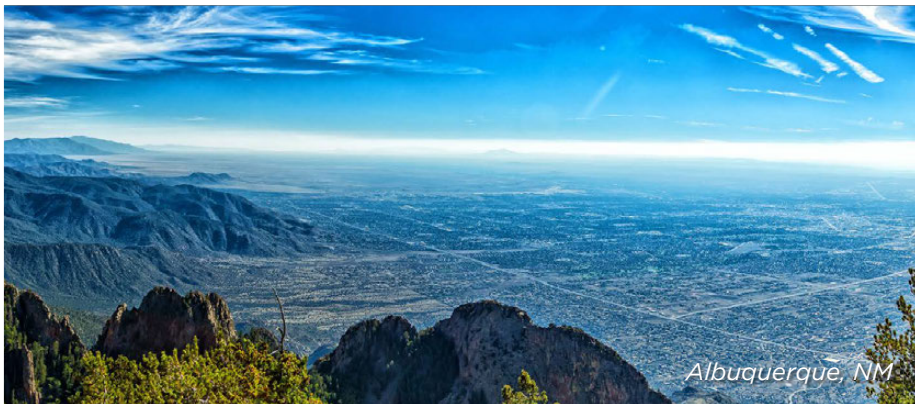
Urban sprawl is limited on three sides—by the Sandia Pueblo to the north, the Isleta Pueblo and Kirtland Air Force Base to the south, and the Sandia Mountains to the east. Suburban growth continues at a strong pace to the west, beyond Petroglyph National Monument, once thought to be a natural boundary to sprawl development.



ECONOMY | Sitting at the crossroads of New Mexico's major highways (Interstates 40 and 25), Albuquerque has long attracted new residents with its favorable economy and artistic atmosphere. Forbes Magazine rated Albuquerque as the best city in America for business and careers in 2006. The city was rated seventh among America's Engineering Capitals in 2014 by Forbes. Albuquerque ranked among the Top 10 Best Cities to Live by U.S. News & World Report in 2009 and was recognized as the fourth best place to live for families by the TLC network. It was ranked among the Top Best Cities for Jobs and among the Top 50 Best Places to Live and Play by National Geographic Adventure magazine.

“The city was rated seventh among America's Engineering Capitals in 2014 by Forbes.”

Albuquerque lies at the center of the New Mexico Technology Corridor, a concentration of high-tech private companies and government institutions along the Rio Grande. Larger institutions whose employees contribute to the population are numerous and include Sandia National Laboratories, Kirtland Air Force Base, and the attendant contracting companies which bring highly educated workers to a somewhat isolated region. Intel operates a large semiconductor factory in suburban Rio Rancho. Northrop Grumman is located along I-25 in northeast Albuquerque, and Tempur-Pedic is located on the West Mesa next to I-40.



EDUCATION | Albuquerque is home to the University of New Mexico, the largest public flagship university in the state. UNM includes a School of Medicine which was ranked in the top 50 primary care-oriented medical schools in the country. The Central New Mexico Community College is a county-funded junior college serving new high school graduates and adults returning to school. Albuquerque is also home to the following programs and non-profit schools of higher learning: Southwest University of Visual Arts, Southwestern Indian Polytechnic Institute, Trinity Southwest University, the University of St. Francis College of Nursing and Allied Health Department of Physician Assistant Studies, and the St. Norbert College Master of Theological Studies program.

Albuquerque Public Schools (APS), one of the largest school districts in the nation, provides educational services to almost 100,000 children across the city. Schools within APS include both public and charter entities. Numerous accredited private preparatory schools also serve Albuquerque students. These include various pre-high school religious (Christian, Jewish, Islamic) affiliates and Montessori schools, as well as Menaul School, Albuquerque Academy, St. Pius X High School, Sandia Preparatory School, the Bosque School, Evangel Christian Academy, Hope Christian School, Hope Connection School, Temple Baptist Academy, and Victory Christian. Accredited private schools serving students with special education needs in Albuquerque include: Desert Hills, Pathways Academy, and Presbyterian Ear Institute Oral School.

<http://www.cabq.gov/>
<https://www.visitalbuquerque.org/>
<http://www.abqchamber.com/>
<https://realestate.usnews.com/places/new-mexico/albuquerque>
<https://wikitravel.org/en/Albuquerque>
<https://www.abqjournal.com/>
https://en.wikipedia.org/wiki/Albuquerque,_New_Mexico

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