

# TIM HORTON'S

1106 Main Road - PEMBROKE, NEW YORK 14036

OFFERING MEMORANDUM



FILE PHOTO

# Financial Overview

1106 Main Road - PEMBROKE, NEW YORK 14036

## OFFERING SUMMARY

PRICE	\$1,850,000
CAP RATE	6.76%
NOI	\$125,000
PRICE PER SQUARE FOOT	\$1,041.67
RENT PER SQUARE FOOT	\$70.38
YEAR BUILT	2017
APPROXIMATE LOT SIZE	+/- 2.30 Acres
GROSS LEASEABLE AREA	1,776
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Personal Guaranty
LEASE TYPE	Triple-Net (NNN)
ROOF AND STRUCTURE	Tenant Responsible

## LEASE SUMMARY

LEASE COMMENCEMENT DATE	7/1/2018
LEASE EXPIRATION DATE	6/30/2033
LEASE TERM	15 Years
TERM REMAINING	15 Years
INCREASES	10 Percent Every 5 Years
OPTIONS TO RENEW	4, 5-Year Options
OPTIONS TO TERMINATE	None



## ANNUALIZED OPERATING DATA

Base Rent		Annual Rent	Monthly Rent	
7/1/2018	6/30/2023	\$125,000.00	\$10,416.67	
7/1/2023	6/30/2028	\$137,500.00	\$11,458.33	10%
7/1/2028	6/30/2033	\$151,250.00	\$12,604.17	10%
OPTIONS				
7/1/2033	6/30/2038	\$166,375.00	\$13,864.58	10%
7/1/2038	6/30/2043	\$183,013.00	\$15,251.08	10%
7/1/2043	6/30/2048	\$201,314.00	\$16,776.17	10%
7/1/2048	6/30/2053	\$221,445.00	\$18,453.75	10%



# Investment Overview

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Marcus & Millichap is pleased to present this new construction Tim Hortons with a drive-thru in Pembroke, New York. This asset is ideally located 15 miles east of Buffalo, the state's second largest city, and is also less than 40 miles west of Rochester. The tenant signed a 15-year triple-net (NNN) lease with zero landlord responsibilities. The lease features 10 percent rent escalations every five years, and in all four, five-year extension options. The asset is operated by a strong regional franchisee, affiliated with 13 Tim Hortons and Bake Shops. Additionally, the lease is backed by a strong personal guaranty from this operator.

The subject property is located on a large corner parcel at the intersection of Main Street and Alleghany Road. This heavily trafficked intersection sees more than 13,000 vehicles per day (VPD). Tim Hortons benefits from the redevelopment going on less than a mile away at the Yancey's Fancy/Kutter's Cheese Facility. Plans call for an industrial development valued at five million dollars. Directly adjacent to this asset is Pembroke Junior-Senior High School, which has more than 450 students.

Additional retailers in the immediate vicinity include M&T Bank, Denny's, McDonald's, Rite Aid, Bank of America, and many more.

- **New Construction Tim Hortons With a Drive-Thru in Pembroke, New York | 15 Miles East of Buffalo**
- **Tenant Signed a 15-Year Triple-Net (NNN) Lease With Zero Landlord Responsibilities**
- **Hedge Against Inflation | 10 Percent Rent Escalations Every Five Years | Four, Five-Year Options to Extend**
- **Operated by Strong Regional Franchisee | Affiliated With 13 Units | Strong Personal Guarantee**
- **Signalized, Hard Corner Location at the Intersection of Main Street and Alleghany Road | More Than Two-Acre Parcel**
- **Ideally Located Directly Adjacent to Pembroke Junior-Senior High School**
- **Local Redevelopment | Yancey's Fancy: One of the Largest Employers in Genesee County | Undergoing an Industrial Expansion Worth Five Million Dollars**
- **Additional Retailers in The Immediate Vicinity Include: M&T Bank, Denny's, McDonald's, Rite Aid, Bank of America, and Many More**



# Tim Hortons®



# Tenant Overview - Tim Hortons

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## TIM HORTONS

Founded in 1964, Tim Hortons is one of the largest restaurant chains in North America and the largest in Canada. As of December 31, 2016, Tim Hortons owned or franchised a total of 4,613 Tim Hortons restaurants. Of these restaurants, 4,584 were franchised and 29 were corporately owned.

Tim Hortons restaurants are quick service restaurants with a menu that includes premium blend coffee, tea, espresso-based hot and cold specialty drinks, fresh baked goods, including donuts, Timbits, bagels, muffins, cookies and pastries, grilled paninis, classic sandwiches, wraps, soups and more.

Clark Lumberg Associates, Limited Liability Company (LLC) is affiliated with Clark Holdings, Incorporated (Inc), who independently owns and operates 13 Tim Hortons Café & Bake Shops in the Western New York area. They are proud to serve "Always Fresh Premium Coffee," the coffee that has made them famous, as well as their always fresh baked goods, home-style soups, fresh sandwiches and wraps, hot breakfast sandwiches and specialty teas. The group also offers a variety of menu items that entice guests to visit their restaurants during all hours of the day including breakfast, lunch, dinner and late night snacking.

TENANT PROFILE	
TENANT TRADE NAME	Tim Hortons
OWNERSHIP	Franchisee
TENANT	Clark Lumberg Associates, Limited Liability Company (LLC)
LEASE GUARANTOR	Personal Guarantee
NUMBER OF LOCATIONS	13 Locations
HEADQUARTERED	Batavia, New York



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# Area Overview & Demographics

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	1-Mile	3-Mile	5-Mile
<b>Population</b>			
2000 Population	2,574	9,091	37,195
2010 Population	2,442	8,858	38,367
2017 Population	2,514	8,716	38,689
2022 Population	2,506	8,647	38,637

	1-Mile	3-Mile	5-Mile
<b>Households</b>			
2000 Households	947	3,474	13,279
2010 Households	982	3,642	14,054
2017 Households	1,009	3,579	14,207
2022 Households	1,005	3,552	14,197

	1-Mile	3-Mile	5-Mile
<b>Household (HH) Incomes</b>			
2017 Average HH Income	\$66,541	\$67,394	\$72,743
2017 Median HH Income	\$50,970	\$55,488	\$59,948
2017 Per Capita Income	\$26,706	\$27,674	\$26,712



# Market Overview - Pembroke, New York

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Pembroke is a town in Genesee County, New York. The city is named after a town in West Wales. Pembroke lies on the western border of Genesee County. Pembroke is situated between Rochester and Buffalo, both major Western New York cities. Pembroke is approximately 15 miles east of Buffalo, which is the state's second largest city.

Buffalo has a lot to offer as a city in the way of arts, culture, nightlife. Championship sports teams, famous art collections, and museum exhibits make it a place that is rich in culture. Buffalo's economy was boosted by its award-winning airport. The University at Buffalo offers many degree programs and has a larger pharmacy technician training program than other universities in the area. The city is located on the Niagara River, the river that connects Lake Erie and Lake Ontario. The area was first settled by European Americans in the late 18th century, and growth was spurred when it became the western terminus for the Erie Canal. During the 20th century, it became an industrial center.

Pembroke today is a heavily traveled area with four major highways, Routes five, 33, 77 and the New York State Thruway passing through its borders. Exit 48A opens the town to Interstate-90. The advantages of its location are its accessibility to Rochester and Buffalo. Once mostly a farming area, it is fast becoming a bedroom community for people who work in neighboring cities.



WNY STAMP is the development of New York State's second shovel-ready mega site (1,250 acres) designed for nanotech-oriented manufacturing (semiconductor, flat panel display, solar/PV), advanced manufacturing, and large scale bio-manufacturing projects. The site is located in the New York Power Authority's (NYPA) low cost hydropower zone and is serviced by redundant, highly reliable power. Located just 5 miles north of the New York State Thruway (I-90) exit 48a, the site is easily accessible to the region's 2.3 million population. Located less than 20 minutes from the Buffalo Niagara International Airport, an active customs site, STAMP is the ideal mega site.

With over \$20 billion invested and growing, New York's Tech Corridor is the premier location for innovative, high tech companies. As a global leader in high-technology research and development, upstate New York produces a world-class workforce, shovel ready sites including the WNY STAMP site, and competitive incentives to ensure a company's success.

The Genesee County Economic Development Center is a one-stop shop for businesses looking to locate or grow in upstate New York. With 2.3 million population in less than an hour drive we have the workforce you need to succeed. We also have programs, shovel-ready sites, incentives and loans available to assist you in your growth. From Genesee County you can reach 128 million customers in one day's drive.

**Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:**

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



# TIM HORTONS

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