

# NET LEASE INVESTMENT OFFERING



## PANERA CENTER

Panera Bread, BancorpSouth & Red Wing Shoes  
8340 US-64 + 2916 Kate Hyde Blvd  
Bartlett, TN 38133





**DISCLAIMER  
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.



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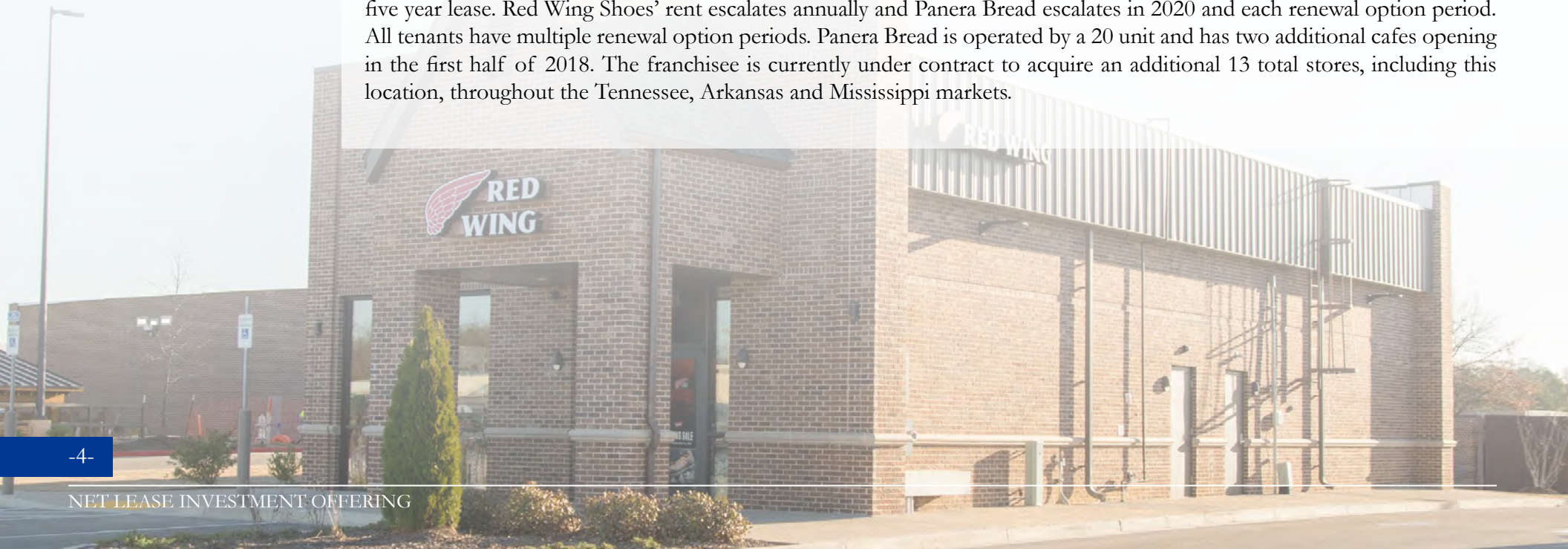


**EXECUTIVE  
SUMMARY:**

The Boulder Group is pleased to exclusively market for sale a fully leased three-tenant two building property located within the Memphis MSA in Bartlett, Tennessee. The property is strategically located along the primary retail corridor in the area and located at the hard corner of a signalized intersection along Highway 64 (31,532 VPD). The property is an outparcel to Walmart Supercenter and Sam's Club. The property also benefits from its excellent visibility and easy interchangeable access to Interstate 40 (97,000 VPD). Other national retailers in the immediate area include Lowe's, Target, Hobby Lobby, Home Depot, Costco and Kroger. Additionally, the property is located immediately across the street from Wolfchase Galleria, a 1,267,000 square foot shopping mall featuring Dillard's, JCPenney, Sears, and Macy's, plus 130 specialty stores, and a food court. Wolfchase Galleria is the newest and largest enclosed mall in Memphis.

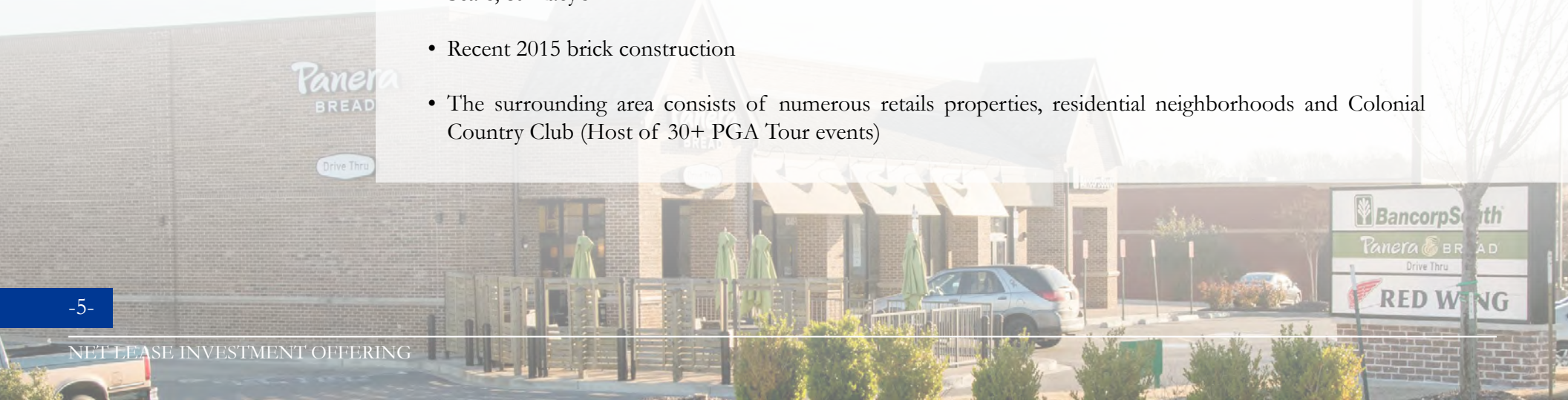
The property consist of two adjacent buildings. A 2,500 square foot single tenant building fully leased to Red Wing Shoes and a 7,500 square foot building fully leased to Panera Bread and Bancorp South. The property was recently built in 2015 and has ample parking on site. The surrounding area consists of numerous retail properties, residential neighborhoods and Colonial Country Club (Host of 30+ PGA Tour events). The property benefits tremendously from being in the middle of numerous shopping, dining and entertainment options. Over 60,000 people live within a three-mile radius of the property with an average household income of \$86,697.

Panera Bread and BancorpSouth have over seven years remaining on their leases and Red Wing Shoes recently signed a new five year lease. Red Wing Shoes' rent escalates annually and Panera Bread escalates in 2020 and each renewal option period. All tenants have multiple renewal option periods. Panera Bread is operated by a 20 unit and has two additional cafes opening in the first half of 2018. The franchisee is currently under contract to acquire an additional 13 total stores, including this location, throughout the Tennessee, Arkansas and Mississippi markets.



**INVESTMENT  
HIGHLIGHTS:**

- Located within the Memphis MSA
- Two separate fully leased adjacent buildings
- Outparcel to Walmart Supercenter and Sam's Club
- Positioned in a dominant regional trade corridor
- Located at the hard corner of a signalized intersection along Highway 64 (31,532 VPD)
- Located just west of Interstate 40 (97,000 VPD)
- Interchangeable access, excellent visibility and easy access
- Over 60,000 people live within a three-mile radius of the property with an average household income of \$86,697
- Other national tenants in the immediate retail corridor include Lowe's, Target, Home Depot, Costco, Kroger and Hobby Lobby
- Immediately across the street from Wolfchase Galleria (130+ Stores); anchored by Dillard's, JCPenney, Sears, & Macy's
- Recent 2015 brick construction
- The surrounding area consists of numerous retail properties, residential neighborhoods and Colonial Country Club (Host of 30+ PGA Tour events)

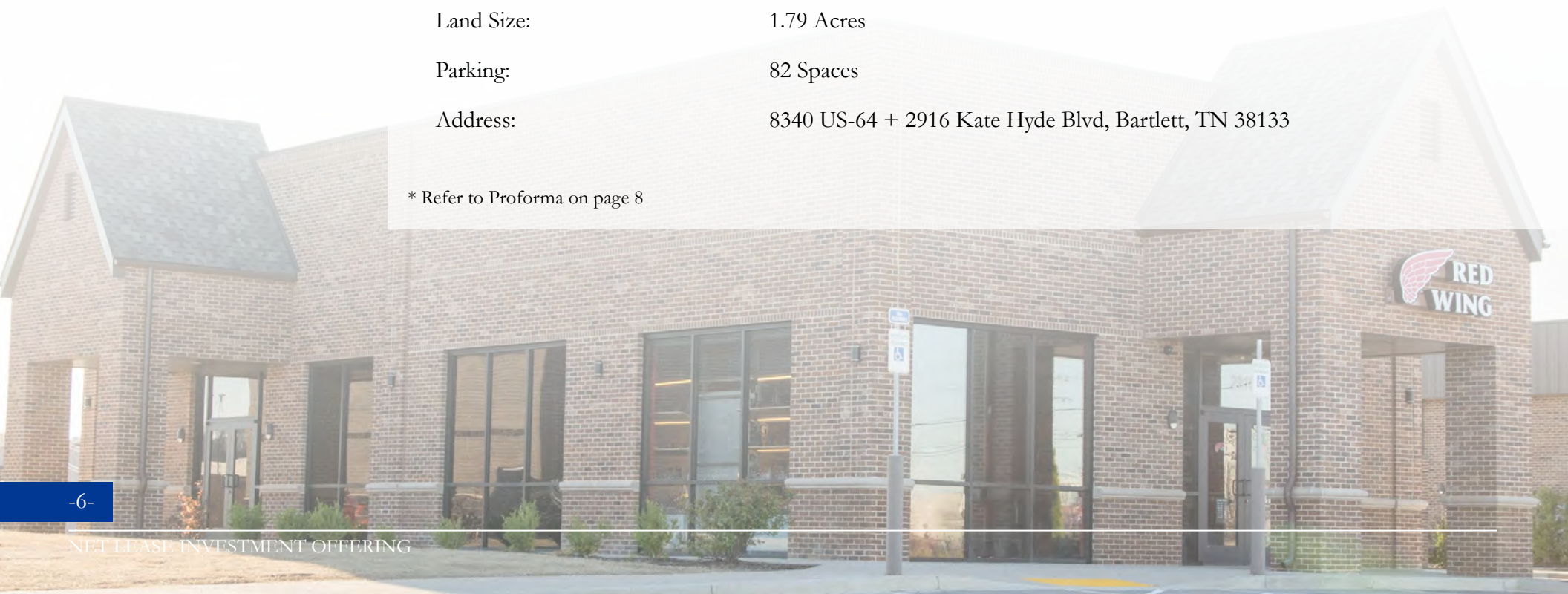




**PROPERTY OVERVIEW:**

Price:	\$4,420,543
Cap Rate:	6.45%
Net Operating Income:	\$285,125*
Year Built:	2015
Lease Types:	NNN (Landlord maintains the commons areas, roof, parking, structure, and tenant reimburses monthly, including a management fee)
Two Tenant Building Size:	7,500 SF
Single Tenant Building Size:	2,500 SF
Total Property Size:	10,000 SF
Land Size:	1.79 Acres
Parking:	82 Spaces
Address:	8340 US-64 + 2916 Kate Hyde Blvd, Bartlett, TN 38133

\* Refer to Proforma on page 8



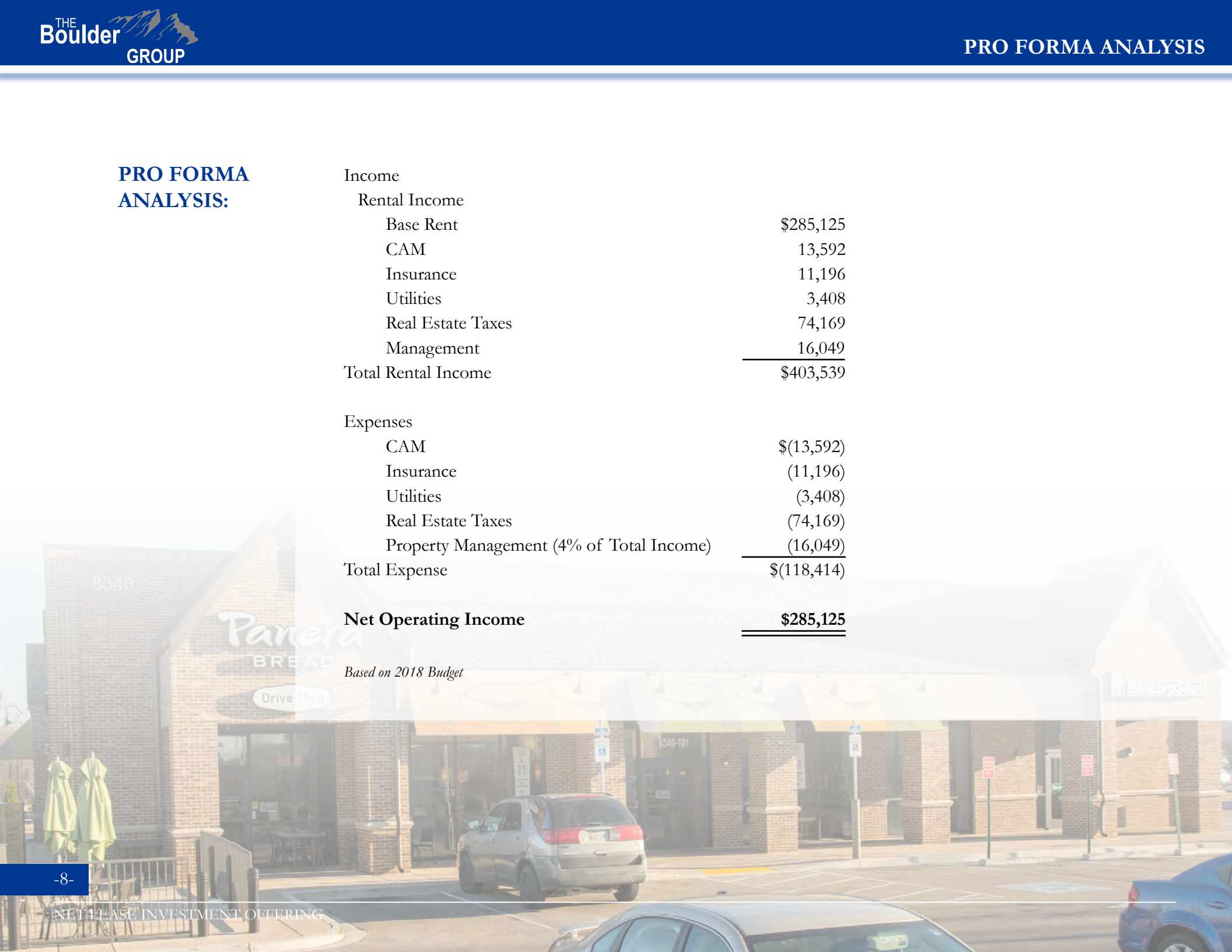
**RENT  
ROLL:**

Tenant	Square Feet	Period	Options	Annual Rent	Rent PSF	Increase	CAM/TAX/INS	
<b>Panera Bread (Building 1)</b>	4,875 SF	July 15, 2015 - July 14, 2020		\$146,250	\$30.00		NNN	
		July 15, 2020 - July 14, 2025		\$151,125	\$31.00	\$1 PSF		
			Three 5-Year					
		July 15, 2025 - July 14, 2030	Option 1	\$156,000	\$32.00	\$1 PSF		
		July 15, 2030 - July 14, 2035	Option 2	\$160,875	\$33.00	\$1 PSF		
	July 15, 2035 - July 14, 2040	Option 3	\$165,750	\$34.00	\$1 PSF			
<b>BancorpSouth (Building 1)</b>	2,625 SF	August 1, 2015 - July 31, 2025		\$81,375	\$31.00		NNN	
			Two 5-Year					
		August 1, 2025 - July 31, 2030	Option 1	\$86,625	\$33.00	\$2 PSF		
	August 1, 2030 - July 31, 2035	Option 2	\$95,288	\$36.30	10.00%			
<b>Red Wing Shoes (Building 2)</b>	2,500 SF	December 1, 2018 - November 30, 2019		\$57,500	\$23.00		NNN	
		December 1, 2019 - November 30, 2020		\$60,000	\$24.00	\$1 PSF		
		December 1, 2020 - August 31, 2022		\$62,500	\$25.00	\$1 PSF		
			Two 5-Year					
		September 1, 2022 - August 31, 2027	Option 1	\$0.25 PSF Annually				
September 1, 2027 - August 1, 2032	Option 2	\$0.25 PSF Annually						
<b>Total</b>	<b>10,000 SF</b>			<b>\$285,125</b>				

**PRO FORMA ANALYSIS:**

Income		
Rental Income		
Base Rent		\$285,125
CAM		13,592
Insurance		11,196
Utilities		3,408
Real Estate Taxes		74,169
Management		16,049
Total Rental Income		<u>\$403,539</u>
Expenses		
CAM		\$(13,592)
Insurance		(11,196)
Utilities		(3,408)
Real Estate Taxes		(74,169)
Property Management (4% of Total Income)		(16,049)
Total Expense		<u>\$(118,414)</u>
<b>Net Operating Income</b>		<b><u><u>\$285,125</u></u></b>

*Based on 2018 Budget*





















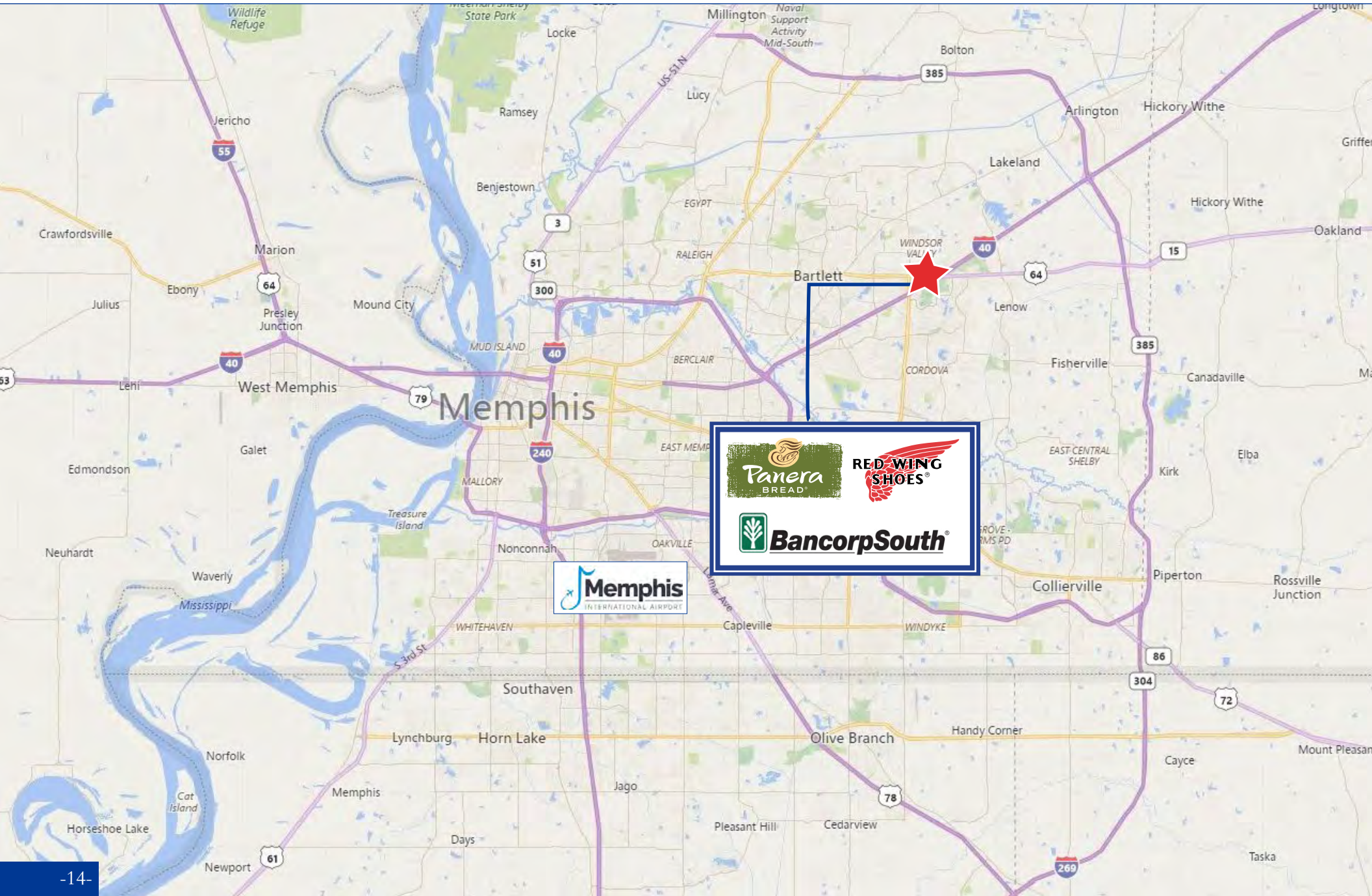


KATE HYDE BOULEVARD

HWY 64 (31,532 VPD)



--- SUBJECT OFFERING





**DEMOGRAPHIC REPORT:**

Population	3-Mile	5-Mile	7-Mile
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Total Population	61,437	153,215	221,303
Total Households	23,783	59,052	83,077

Income	3-Mile	5-Mile	7-Mile
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Average Household Income	\$86,697	\$87,113	\$89,070
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**MARKET OVERVIEW:**

**Bartlett, Tennessee**

Bartlett is a city in Shelby County, Tennessee, located northeast of Memphis. Bartlett is a short driving distance away from Downtown Memphis and the Memphis International Airport. Bartlett is the second largest city in Shelby County behind Memphis.

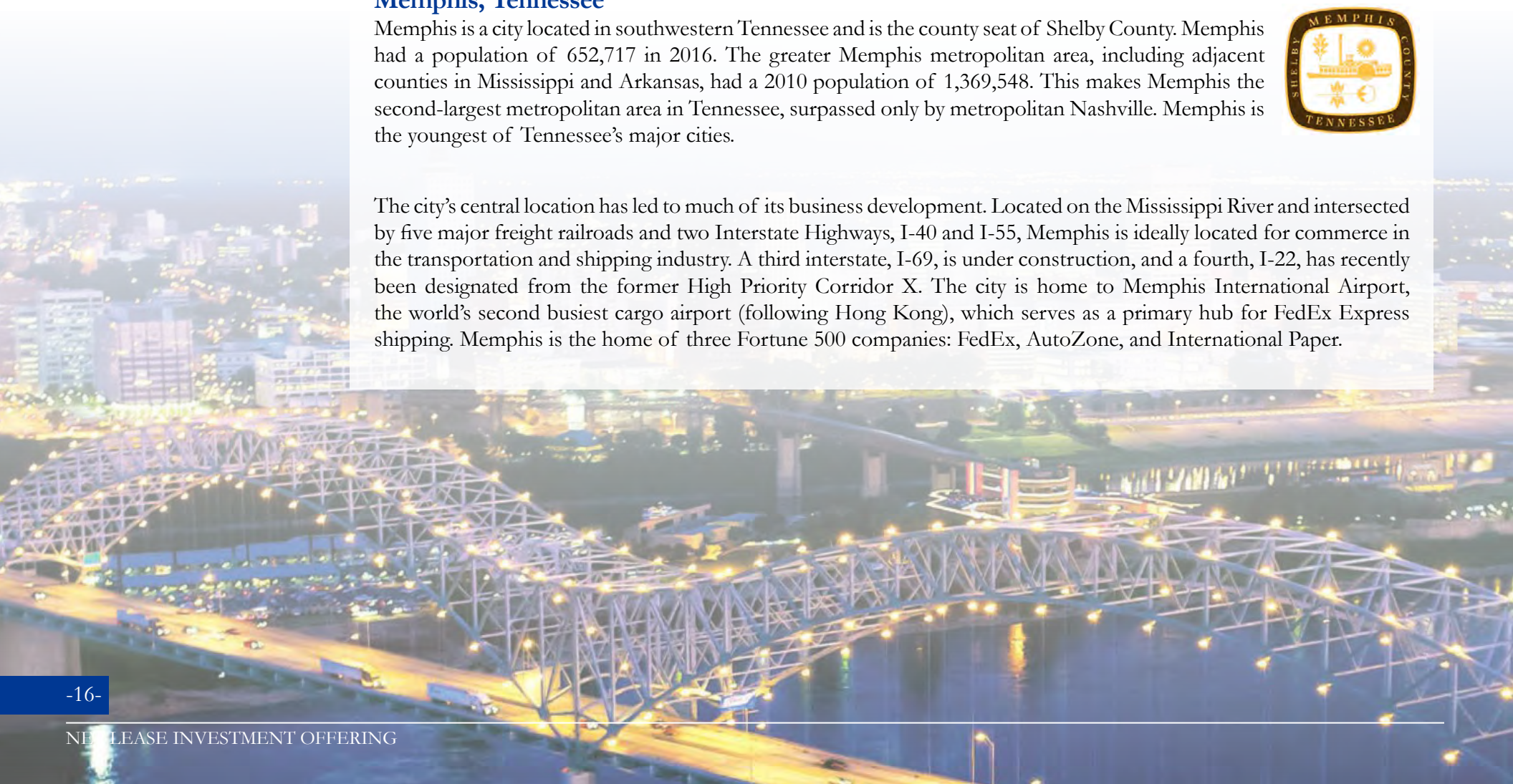


**Memphis, Tennessee**

Memphis is a city located in southwestern Tennessee and is the county seat of Shelby County. Memphis had a population of 652,717 in 2016. The greater Memphis metropolitan area, including adjacent counties in Mississippi and Arkansas, had a 2010 population of 1,369,548. This makes Memphis the second-largest metropolitan area in Tennessee, surpassed only by metropolitan Nashville. Memphis is the youngest of Tennessee’s major cities.



The city’s central location has led to much of its business development. Located on the Mississippi River and intersected by five major freight railroads and two Interstate Highways, I-40 and I-55, Memphis is ideally located for commerce in the transportation and shipping industry. A third interstate, I-69, is under construction, and a fourth, I-22, has recently been designated from the former High Priority Corridor X. The city is home to Memphis International Airport, the world’s second busiest cargo airport (following Hong Kong), which serves as a primary hub for FedEx Express shipping. Memphis is the home of three Fortune 500 companies: FedEx, AutoZone, and International Paper.





TENANT  
OVERVIEWS:

**Panera Bread**

Panera Bread Company, together with its subsidiaries, owns, operates, and franchises retail bakery-cafes. The company operates through three segments: Company Bakery-Cafe Operations, Franchise Operations, and Fresh Dough and Other Product Operations. It operates bakery-cafes under the Panera Bread, Saint Louis Bread Co., and Paradise Bakery & Café names that offer daily baked goods, including freshly baked bagels, breads, muffins, scones, rolls, and sweet goods; made-to-order sandwiches on freshly baked breads; soups; freshly prepared and hand-tossed salads; pasta dishes; and custom roasted coffees and cafe beverages, such as hot or cold espresso and cappuccino drinks and smoothies through on-premise sales, as well as provides catering services. The company also supplies fresh dough, produce, tuna, cream cheese, and proprietary sweet goods items. As of November 2017, it operates 2,100 company-owned bakery-cafes and 1,134 franchise-operated bakery-cafes in the United States, the District of Columbia, and Ontario.

Panera Bread began in 1981 as Au Bon Pain Company, Incorporated. Founded by Louis Kane and Ron Shaich, the company prospered along the east coast of the United States and internationally throughout the 1980's and 1990's and became the dominant operator within the bakery-cafe category. Panera Bread Company is based in Sunset Hills, Missouri, part of the St. Louis Metropolitan Area.

Website:	<a href="http://www.panerabread.com">www.panerabread.com</a>
Founded:	1987
Number of Locations:	2,100+
Headquarters:	Sunset Hills, Missouri
Parent Company:	JAB Holding Company



**Rolling Dough**

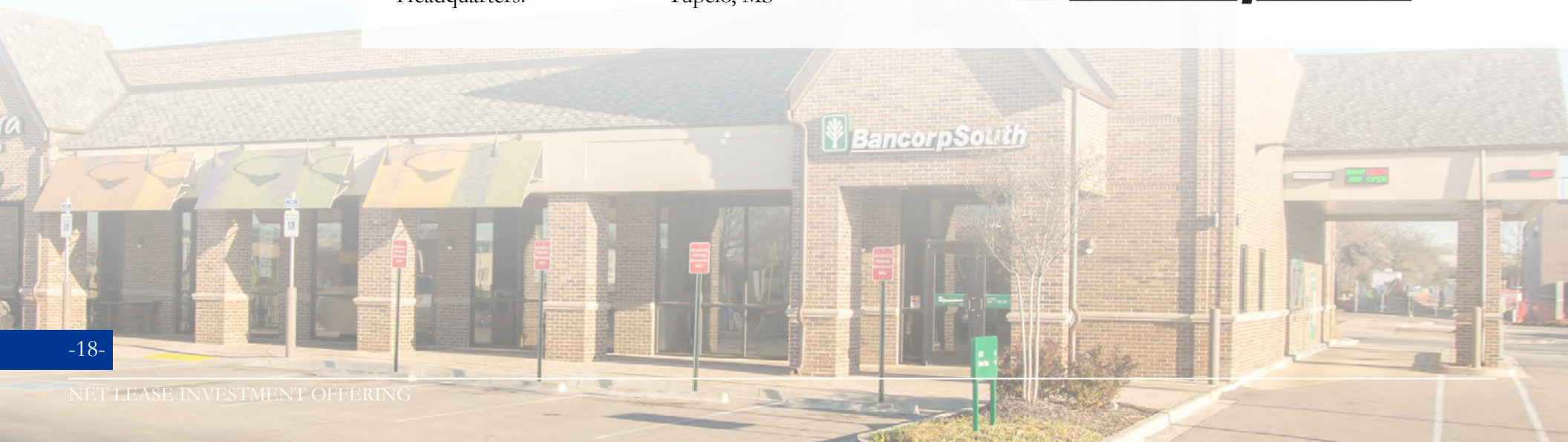
Rolling Dough, opened its first Panera Bread Bakery-Cafe in June 2003. Today the Company operates 20 Panera Bread Bakery-Cafe restaurants in the greater Houston, Texas region and has two additional cafes opening in the first half of 2018. Rolling Dough's principals are Mark and Monica von Waaden and Keith Isbell. Mr. von Waaden serves as the CEO and Mr. Isbell as the COO. The Company is a profitable franchise operator, achieving a 10.8% higher gross margin and an 18.7% higher EBITDA margin than their peers nationwide. The Company is under contract to acquire 13 Panera Bread Bakery-Cafes currently operated by Delta Dough, Inc. in the Memphis, TN; Jonesboro, Arkansas; and Mississippi markets. Rolling Dough, Ltd. intends to operate the Delta Dough, Inc. cafes under the same entity as the existing Houston cafes.

**TENANT OVERVIEWS:**

**BancorpSouth**

BancorpSouth, is a financial holding company headquartered in Tupelo, Mississippi with operations in Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee, Texas, and Illinois. BancorpSouth operates as a financial holding company for BancorpSout Bank that provides commercial banking and financial services to individuals and small to medium sized businesses. Its Community banking segment provides a range of deposit products, commercial loans and consumer loans. Its insurance agencies segment serves as agents in the sale of commercial lines of insurance and full lines of property and casualty, life, health and employee benefits products and services. Its general corporate and other segment includes mortgage banking, trust services, credit card activities, investment services and other activities not allocated to the Community Banking or Insurance Agencies segments. The Bank operates an insurance agency subsidiary, which engages in sales of insurance products. The Bank’s wealth management department offers a range of services, including investment brokerage services, personal trust and estate services, certain employee benefit accounts and plans, including individual retirement accounts and limited corporate trust functions. Deposits are the Bank’s main source of funding its earning assets. Its deposits include noninterest bearing demand deposits, interest bearing demand deposits, savings and other time deposits. As of December 31, 2016, the Company’s total deposits were \$11.69 billion.

Website: [www.bancorpsouth.com](http://www.bancorpsouth.com)  
 Founded: 1876  
 Revenue (2017): \$513,000,000  
 Headquarters: Tupelo, MS





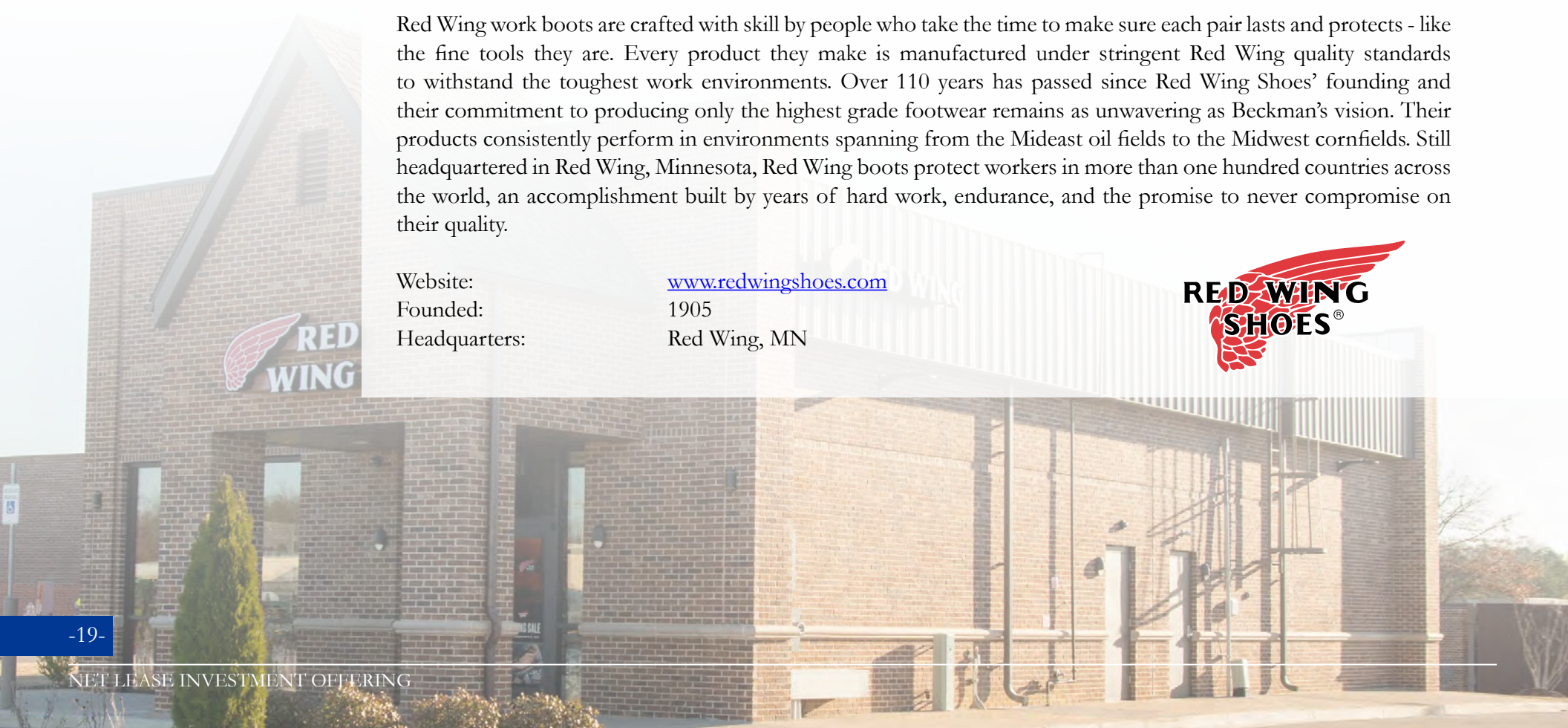
**TENANT  
OVERVIEWS:**

**Red Wing Shoes**

Red Wing Shoes, is an American footwear company based in Red Wing, Minnesota that was founded by Charles H. Beckman in 1905. Within 10 years of its inception, Red Wing Shoes was producing more than 200,000 pairs of boots per year and was the primary company manufacturing footwear for American soldiers fighting in World War I. Though Red Wing Shoes is known primarily for their leather boots intended for heavy work, in recent years the company has expanded its line-up to include athletic-styled work shoes and footwear designed for specific job applications (such as slip-resistant shoes designed for the service industry and boots ideal for the mining industry that utilize a metatarsal guard). The company produces Oxfords, chukkas, hiking boots, and logger styles, as well as 6-inch and 8-inch work boots.

Red Wing work boots are crafted with skill by people who take the time to make sure each pair lasts and protects - like the fine tools they are. Every product they make is manufactured under stringent Red Wing quality standards to withstand the toughest work environments. Over 110 years has passed since Red Wing Shoes' founding and their commitment to producing only the highest grade footwear remains as unwavering as Beckman's vision. Their products consistently perform in environments spanning from the Mideast oil fields to the Midwest cornfields. Still headquartered in Red Wing, Minnesota, Red Wing boots protect workers in more than one hundred countries across the world, an accomplishment built by years of hard work, endurance, and the promise to never compromise on their quality.

Website: [www.redwingshoes.com](http://www.redwingshoes.com)  
 Founded: 1905  
 Headquarters: Red Wing, MN







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THE  
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