



**Thomas English**  
Retail Real Estate

**PANERA BREAD**

**INVESTMENT OPPORTUNITY**  
**Panera Bread**  
**14th & Pine Lake Road / Lincoln, NE**

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## Confidentiality And Conditions

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## Demographics

|        | Population | Median HH Income | No. of Households |
|--------|------------|------------------|-------------------|
| 1-mile | 7,300      | \$78,061         | 2,672             |
| 3-mile | 47,047     | \$78,137         | 18,233            |
| 5-mile | 130,115    | \$59,020         | 52,969            |

# INVESTMENT HIGHLIGHTS



## NEW DRIVE-THRU CONCEPT

Panera relocated to this site from a nearby location in order to update their concept with drive-thru service.

## LONG TERM LEASE

15-year lease term with three, 5-year options.

## HIGH-QUALITY NEW CONSTRUCTION

Recently developed by a leading Indianapolis based development company carrying contractor construction and long-term roof warranties.

## MINIMAL LANDLORD RESPONSIBILITIES

Landlord friendly lease, only roof and structure responsibilities.

## GREAT NEIGHBORING TENANTS

Tenants include: Cattle Bank, Panda Express and a national car care facility all in front of Nebraska's newest Costco location.

## INVESTMENT HIGHLIGHTS

New 15-year corporate lease



10% increase every five years



High quality new construction



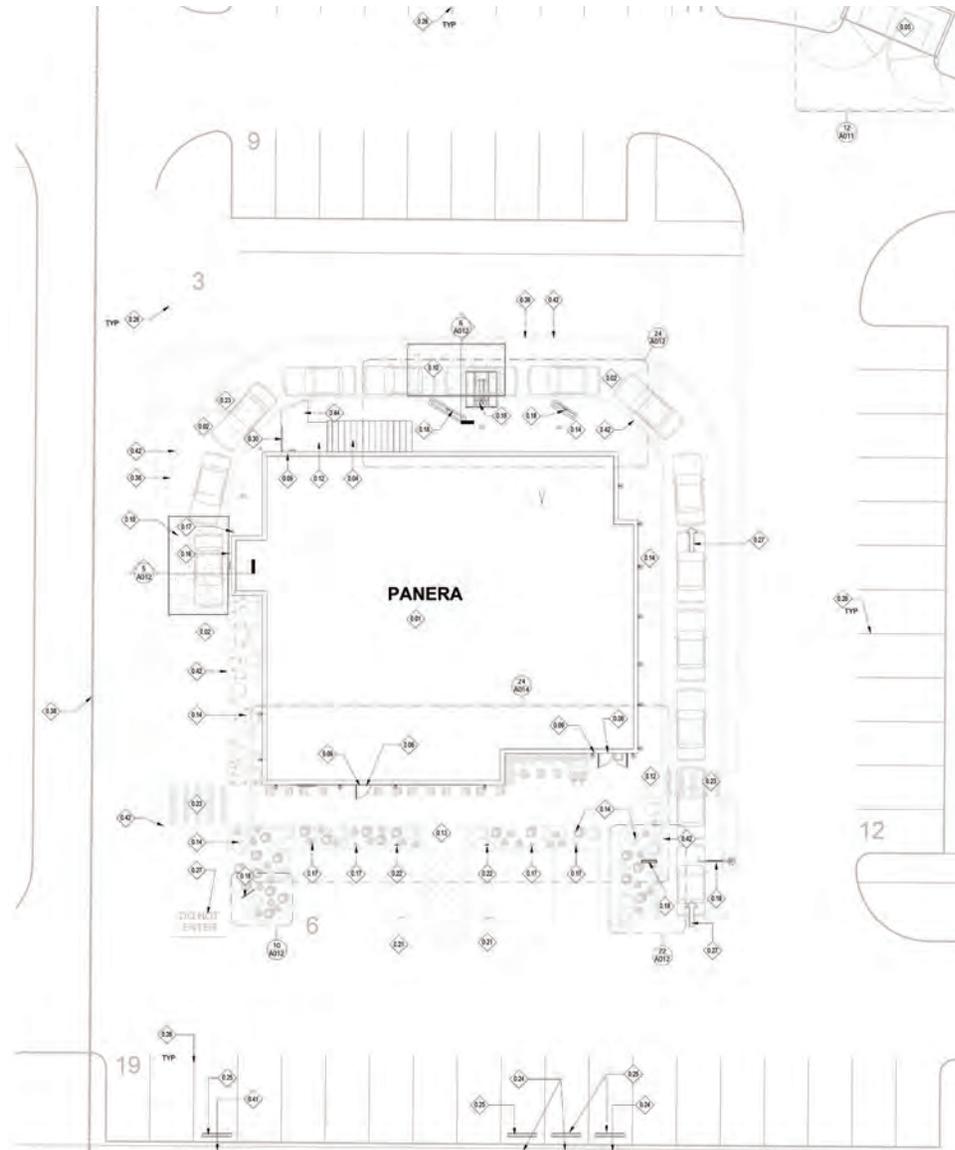
Minimal landlord responsibilities



Pad site to a new Costco location



# SITE PLAN



## DEVELOPMENT IN LINCOLN

Over the last 25 years, the city of Lincoln's footprint has grown by 45%, now covering 94.26 square miles. Lincoln is a city of continued expansion and is currently experiencing the greatest growth period that it has ever seen. From residential to commercial, new development is sprouting up throughout the city. Over the last year, several development projects were completed for major retailers including Dick's Sporting Goods, Costco and Scheel's. After much anticipation, Dick's Sporting Goods opened a two-story, 75,000 SF store at Gateway Mall. As part of a larger project, Scheel's opened a new 220,000 SF store at South Pointe Pavilions. The store features a 65-foot ferris wheel, and includes a bowling alley, shooting gallery and a restaurant. Costco opened their first location in Lincoln and operates out of a 156,000 SF building at 14<sup>th</sup> Street and Pine Lake Road. Canopy Row, an \$11 million downtown, mixed-use redevelopment project opened in the winter of 2018. The new development includes retail, 50 apartment units, office space and a 10,000 SF grocery store.

Speedway Properties and Nelnet announced plans to transform the old industrial area near Lincoln High School into a new neighborhood with retail outlets, 200 apartments, and both new and remodeled buildings.

Bryan Health opened their new \$25 million outpatient ambulatory surgery center. There is a new sense of excitement throughout the city, as locals enjoy new entertainment venues, dining, shopping and living options. Numerous development projects are currently in the works and will continue to change the Lincoln area landscape.

While new construction is happening all over the city, the southwest region of the city has experienced a substantial transformation over the years. Some large projects have paved the way for development growth in the area. In 2001, Wilderness Ridge Golf Course opened for business. The golf course is located across from Wilderness Ridge Park and has been a huge success, drawing a substantial number of visitors to the area. Wilderness Ridge also includes a clubhouse, an upscale restaurant and private banquet spaces. Just a year later, construction was completed on the new Lincoln Southwest High School, which was the first new high school in Lincoln since 1968. Development in the area has been steadily growing and a plethora of new retailers, restaurants, commercial properties and luxury housing communities such as Chantaclear Residences, The Villas of Wilderness Ridge Apartments and Wood Bridge Apartments & Townhomes now surround the area.





In October 2017, Costco opened its first store in Lincoln, Nebraska. The new location sits on almost 18 acres and includes a 150,000 SF building, along with a gas station. Nebraska hosts three Costco stores, this site being the newest.



# LOCATION HIGHLIGHTS



## SUBURBAN MIXED-USE CORRIDOR

The immediate area surrounding the property is a proven mixed-use corridor hosting several national retail tenants.

## GROWTH CORRIDOR

The city of Lincoln continues to have rapid growth along the south side. This site has had multiple retailers looking to establish a presence here.

## COSTCO OUTPARCEL

These pad sites are the exclusive outparcel to the newest Costco in Nebraska.

## NEARBY RETAIL

RED Development's South Pointe Pavilions is less than one mile away and consists of more than 55 shops and upscale restaurants, along with nine pad sites and a movie theater. Scheel's tripled their footprint to a new 220,000 SF store at this development in September 2018.

## NEARBY SCHOOLS

This development sits between Lincoln Southwest High School and Scott Middle School.

## LOCATION HIGHLIGHTS



High traffic retail area



Population: 130,115 (Five-mile radius)



Sole outparcel to new Costco



Multiple access points from all directions



# LOCATION SUMMARY



## ABOUT THE AREA

The property sits on a pad site in front of the new, long-awaited Costco store, at the northeast corner of 14<sup>th</sup> Street and Pine Lake Road. Panera is located just blocks away from a 429,000 SF open-air shopping center. The South Pointe Pavilion lifestyle center features six movie screens, multiple eateries, nearly 60 stores and is home to a brand new Scheel's store. In addition to being located in a prime shopping area, Lincoln Southwest High School (more than 2,000 students and staff members) sits directly across from the property on 14<sup>th</sup> Street and Scott Middle School (1,100 student and staff members) is just a few blocks east, on Pine Lake Road.

The property is located on the corner of a busy, four-way lighted intersection, with traffic counts exceeding 13,000 cars per day. Cattle Bank & Trust, Panda Express and a national automotive store will join Panera Bread at the 14<sup>th</sup> Street and Pine Lake Road location. The three other pad sites are slated for construction in early 2019. The five-mile property radius exceeds 120,000 people and the average household income within a five-mile radius is approximately \$83,000.



# PRICING SUMMARY



## PROPERTY PRICING

|                      |                                  |
|----------------------|----------------------------------|
| Purchase Price       | \$4,111,111                      |
| Cap Rate             | 4.5%                             |
| Net Operating Income | \$185,000                        |
| Ownership            | Fee simple (building & land)     |
| Building Size        | 5,000 SF                         |
| Total Site Area      | 1.16 AC                          |
| Year Built           | 2019 (new construction)          |
| Address              | 1424 Pine Lake Road, Lincoln, NE |
| Opening Date         | January 29, 2019                 |

## INVESTMENT SUMMARY

Cushman & Wakefield/The Lund Company, along with Thomas English Retail Real Estate, is proud to offer a rare opportunity to acquire a trophy quality Panera Bread located in southwest Lincoln, Nebraska. Newly constructed in 2018, the property is 100% leased on a triple net basis to Panera Bread for 15 year base terms with scheduled 10% rent increases every five years. The subject property is situated on a 1.16 acre outparcel to the newest Costco location in Nebraska.

In addition to the high quality tenancy the property benefits from it's truly irreplaceable location. The property is surrounded by several new class A projects including Costco, Cattle Bank, Panda Express and a national car care user.



# LEASE SUMMARY



## Rent Roll

|                      |                    |
|----------------------|--------------------|
| Tenant Name          | Panera Bread       |
| Gross Leasable Area  | 5,000 SF           |
| Base Rent            | \$185,000          |
| Rent (\$/SF/Year)    | \$37.00            |
| Base Term            | 15 years           |
| Lease Structure      | NNN                |
| Options              | (3) 5-year         |
| Rental Increases     | 10% / 5 years      |
| Landlord Obligations | Roof and structure |

# TENANT SUMMARY



## ABOUT PANERA BREAD

In the past 35 years, Panera has grown from one 400 SF cookie store into an enterprise with more than 2,000 bakery-cafes, 100,000 associates and annual systemwide sales of over \$5 billion. In the 1980s, founder Ron Shaich merged his cookie store with a bakery, creating Au Bon Pain Co. Inc. Shortly thereafter, he and his late partner, Louis Kane, recognized the potential of transforming the company from a bakery selling croissants and bread to a bakery-cafe that used bread and croissants as a platform for selling upscale sandwiches. Au Bon Pain Co. Inc. became a publicly traded company in 1991 and opened hundreds of bakery-cafes, becoming a familiar fixture in cities along the East Coast and overseas.

After acquiring the 19-unit Saint Louis Bread Company in 1993, Ron realized in the mid-1990s that a growing niche of people wanted something more than processed fast food. Ron created a new niche that would come to be called “fast casual” and forever alter the restaurant industry. Saint Louis Bread Company was renamed Panera to position it for national growth. In 1998, Ron determined that Panera had the potential to be nationally dominant, but it would require all of their resources. As a result, in 1999 all of the Au Bon Pain Co. Inc. divisions were sold, and the remaining company was renamed Panera LLC. During the go-go years of the early 2000s, Panera maintained a steady, disciplined rate of growth. They invested in the customer experience, things like design and WiFi, which encouraged guests to linger and turned Panera into a gathering place.

Recognizing growing consumer demand for craft offerings and convenience, they’ve worked since 2010 to reposition Panera as a better competitive alternative with expanded runways for growth. Panera hit \$1.2 billion in digital sales in 2017. They are the first and only restaurant company to commit to and achieve 100% clean food.

On July 18, 2017, Panera was acquired by JAB Holding Co., ending its 26-year run as a public company on a high note. Panera was the best-performing restaurant stock of the last 20 years, delivering a total shareholder return up 86-fold from July 18, 1997, to July 18, 2017, compared to a less than twofold increase for the S&P 500 during the same period. What’s more, Panera’s stock generated annualized returns of 25% in the same time frame, besting even the performance of Warren Buffet’s Berkshire Hathaway.



# AREA OVERVIEW



## ABOUT LINCOLN

Lincoln, the capital of Nebraska and county seat of Lancaster County, is located in the southeast corner of the state, approximately 50 miles southwest of Omaha. The city is the second largest in the state with a population of nearly 300,000 people, and home to the University of Nebraska, as well as many other colleges and universities. Lincoln is the economic anchor of a larger metropolitan area in the southeast part of the state called the Lincoln Metropolitan and Lincoln-Beatrice combined statistical area. Though the city is seeing rapid growth and the cityscape is changing at a big-city rate, it's still known for its neighborly charm and small-town feel. Lincoln is ranked nationally as the second most affordable college town, fourth best city for renters, second best city to raise a family, and second for the city with the best live-work balance. Most recently, Gallup named Lincoln one of the friendliest cities in America.

An overall thriving economy is fueling the city's success. Population growth is expected to average between 1.6% to 1.8% annually through 2020. The city offers a wide range of opportunities, which is attracting new talent to the area, and more people are planting their roots after graduation and starting families. The local unemployment rate is 2.5%, which is well below the national average of 3.7%, but there definitely isn't a shortage of job opportunities. Announcements of expanded facilities, new development and notable success stories from all real estate sectors across the city, communicate job growth. Since the beginning of 2018, more than 8,000 non-farm positions have been created in Lincoln, with no signs of slowing down in the foreseeable future.



# CONTACT INFORMATION



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