

**OUTPARCEL TO**

**Walmart** 



## **ABSOLUTE NNN GROUND LEASE**

**Walmart Outparcel Location - Excellent Site Fundamentals**

**1292 East Prosperity Avenue., Tulare, CA**





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# Property Summary

We are pleased to offer to qualified investors an opportunity to purchase a Chili's Restaurant on a long-term, absolute NNN ground lease and located as an outparcel to a successful Walmart along a busy corridor in Central California. There are currently 11 years remaining with 2 - 5 year options. There are fixed rental escalations of 10% every 5 years (next increase: February 2022), followed by an approximately 35% increase in rent at the first option! The property enjoys excellent frontage along East Prosperity Avenue, which generates approximately 34,550 cars per day. Additionally, the site is adjacent to Monte Vista Shopping Center - a 20 acres power center that includes the Galaxy Movie Theater in addition to various national retailers.

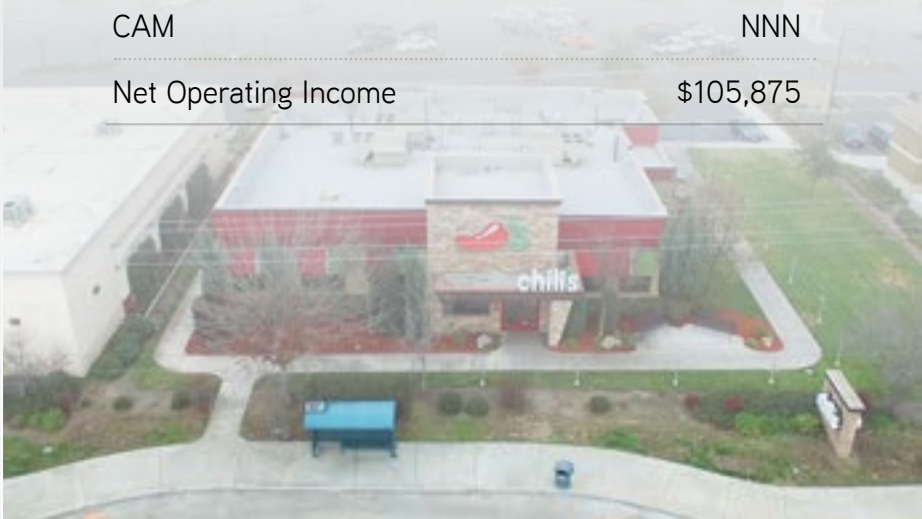
The property is located just off Highway 99, which is the most trafficked highway in Central California. Surrounding retailers include Lowe's, Chase Bank, McDonald's, Panda Express, Home Depot, CVS and Starbucks. Brinker International, Inc is one of the largest casual restaurants and bar chains in the US with more than 1,600 stores in 50 states; the company is currently rated BBB- by Standard & Poor. Chili's is one of the world's leading casual dining brands. This is an excellent opportunity to purchase a highly stable, successful Chili's absolute NNN ground lease with approximately 11 years remaining on below market rent and situated as an outparcel to Walmart on one of the busiest corridors in Tulare, CA.

## Pricing

List Price	\$2,645,000
NOI	\$105,875
CAP Rate	4.00%

## Operating Expense Data

Annual Rent	
Operating Expense	\$105,875
Taxes	NNN
Insurance	NNN
CAM	NNN
Net Operating Income	\$105,875







# Lease Summary

Lease Abstract	
Tenant Trade Name:	Chili's Restaurant
Lease Commencement	February 01, 2007
Lease Expiration	January 31, 2027
Lease Term	20 Years
Term Remaining On Lease	11 Years
Base Rent	\$105,875
Rent PSF	\$7.00
Rental Adjustments	02/01/2022 - \$116,463
Option Periods	2 - 5 Year Options 2/1/2027 \$155,011 2/1/2032 \$170,512
Right of First Refusal	No
Lease Type	NNN Ground Lease
Roof And Structure	Tenant Responsible



Property Details	
Parcel	149-120-024-000
Building Area	6,102 SF
Land Area	60,984 SF (1.40 Acres)
Year Built/Renovated	2006



An aerial photograph of a commercial property. In the center, there is a Chili's restaurant with a red and white facade. To the left of the restaurant is a white building with a red roof. To the right is a larger, multi-story commercial building. A large parking lot with many cars is visible in the background. A multi-lane road runs horizontally across the middle of the image.

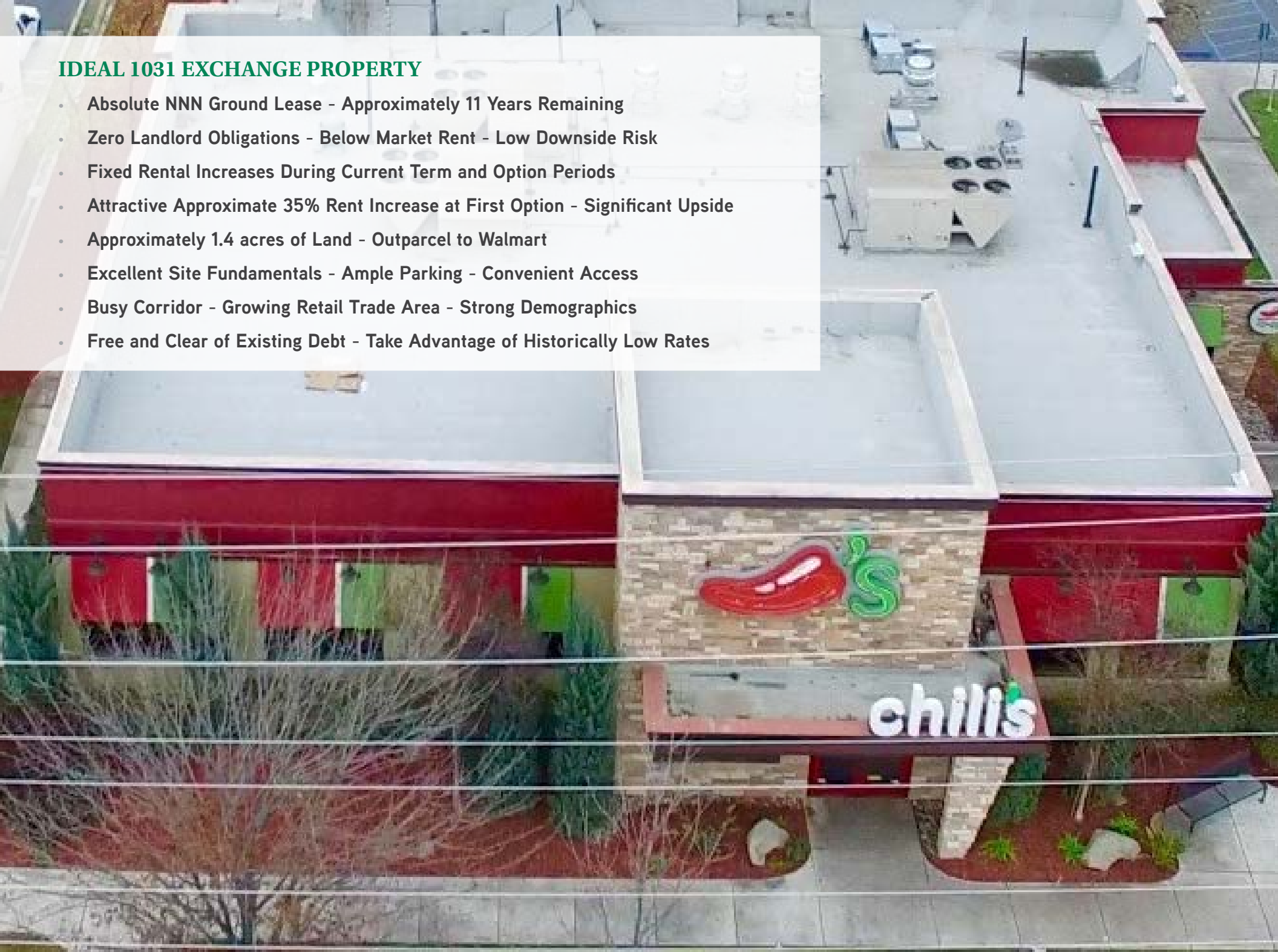
## Investment Highlights

### LONG-TERM LEASE

- Absolute NNN Ground Lease - Zero Landlord Obligations - Coupon Clipper
- Newly Extended Lease - Approximately 11 Years Remaining - 2 - 5 YR Options
- 10% Rental Increases During Current Term - Next Increase: February 2022
- Tremendous Rental Increase of Apprx 35% at First Option (February 2027) - Upside
- Tenant Pays All Expenses Directly - Building In Good Condition

## **IDEAL 1031 EXCHANGE PROPERTY**

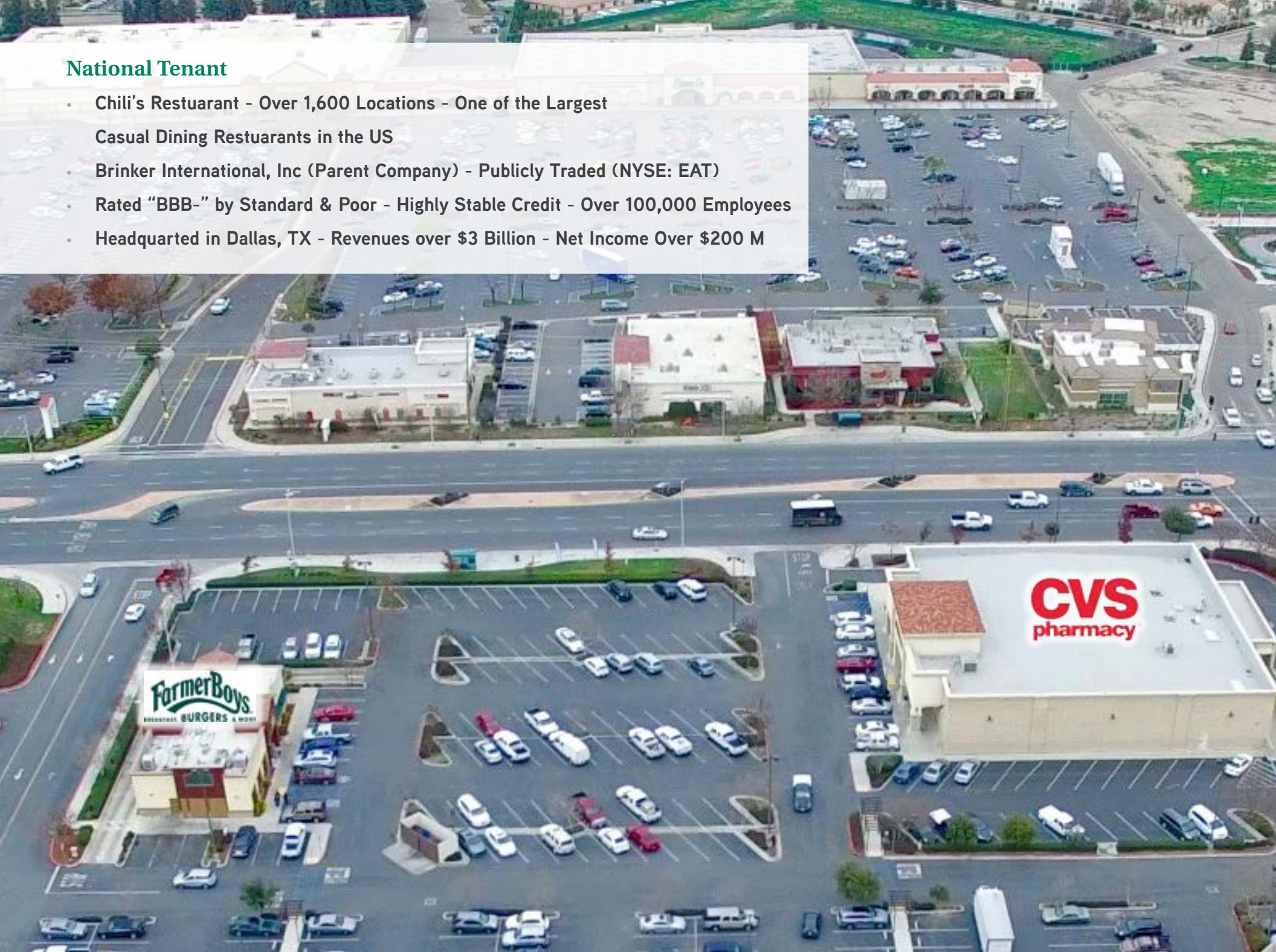
- **Absolute NNN Ground Lease - Approximately 11 Years Remaining**
- **Zero Landlord Obligations - Below Market Rent - Low Downside Risk**
- **Fixed Rental Increases During Current Term and Option Periods**
- **Attractive Approximate 35% Rent Increase at First Option - Significant Upside**
- **Approximately 1.4 acres of Land - Outparcel to Walmart**
- **Excellent Site Fundamentals - Ample Parking - Convenient Access**
- **Busy Corridor - Growing Retail Trade Area - Strong Demographics**
- **Free and Clear of Existing Debt - Take Advantage of Historically Low Rates**





## National Tenant

- Chili's Restaurant - Over 1,600 Locations - One of the Largest Casual Dining Restaurants in the US
- Brinker International, Inc (Parent Company) - Publicly Traded (NYSE: EAT)
- Rated "BBB-" by Standard & Poor - Highly Stable Credit - Over 100,000 Employees
- Headquartered in Dallas, TX - Revenues over \$3 Billion - Net Income Over \$200 M







K  
kmart

DEL TACO

TULARE OUTLETS

NIKE

Famous Footwear  
WALK TODAY SERIES

BIG  
LOTS!

Carls Jr.

Walmart

Foods Co.

LOFT

PAC SUN

Playa Miraflores

BIG 5

PANDA EXPRESS

verizon wireless

O'Reilly

chili's

CVS  
pharmacy

E. PROSPERITY AVE. 34,550 CPD

Aerial Overview



## Strategic Location

- Outparcel to Walmart Store - Excellent Frontage and Street Visibility
- Ample Parking - Convenient Ingress / Egress - Approximately 34,550 CPD
- Signalized Intersection at Bardolino Drive & Prosperity Ave
- 6,102 Square Feet of Building Area on Approximately 1.40 Acres of Land
- Surrounding Retailers include Walmart, Lowe's, Home Depot, Panda Express, O'Reilly, Verizon Wireless, McDonald's, CVS and Starbucks
- Just off Highway 99 - Most Heavily Trafficked Highway in Central California
- Tulare, CA Location - Heart of Central Valley - South of Vilsalia
- Largest Employers in Tulare include Land O'Lakes, Nestle and SoCal Edison







E. PROSPERITY AVE. 34,550 CPD



Aerial Overview





## About Chili's

Chili's, Inc. owns and operates grill and bar restaurants. Its restaurants menu includes appetizers, sandwiches and handhelds, craft burgers, lighter choices, fajitas and enchiladas, fresh mex bowls, burritos, tacos and quesadillas, combo, ribs and steaks, chicken and seafood, dinner for two, lunch combos, sides, desserts, beverages, kids menu, and party platters, as well as salads, soups, and chili. The company was founded in 1975 and is based in Dallas, Texas. Chili's, Inc. operates as a subsidiary of Brinker International, Inc.

Brinker International, Inc. is one of the world's leading casual dining restaurant companies. With more than 1,600 restaurants and over 100,000 team members in 30 countries and two territories, Brinker and its brands welcome more than one million guests into their restaurants every day.

## Proud Recognitions - 2015

- "100 Best Workplaces for Millennials" from Great Place to Work® and Fortune
- "100 Best Workplaces for Women" from Great Place to Work® and Fortune
- "Best Practices Award" from TDn2K (Transforming Data into Knowledge)
- "Breakthrough Award: Customer Engagement Innovator" from Hospitality Technology
- "Innovative Emerging Market Technology" from the American Marketing Association







## City of Tulare, CA

Location is one of Tulare's best assets. The city is situated in the Central San Joaquin Valley along Highway 99, 45 miles south of Fresno and 60 miles north of Bakersfield. The mid-state location benefits businesses needing same-day access to key California markets as well as residents seeking recreational opportunities in the beautiful Sierra Nevada Mountains to the east and the spectacular California coastline to the west. Los Angeles and the San Francisco Bay area are less than a 4 hour drive and, in addition to being served by Freeway 99, Tulare is 40 minutes from Interstate 5, which connects California to Oregon and Washington. The ports of Stockton, Sacramento, Los Angeles and San Francisco are all within 200 miles of Tulare and infrastructure and transportation systems are already in place to facilitate product movement.

## Economy

The backbone of Tulare's economy continues to be its agricultural and dairy industry. Tulare is responsible for a significant part of Tulare County's 342,600 dairy cows, which produce more than 8.9 billion pounds of milk each year. The nation's largest single-site dairy complex, operated by Land O'Lakes, is located in Tulare. Tulare is the home of the Tulare County Fair, held since 1915. Tulare is also home to the internationally known World Ag Expo, held annually at the International Agri-Center.



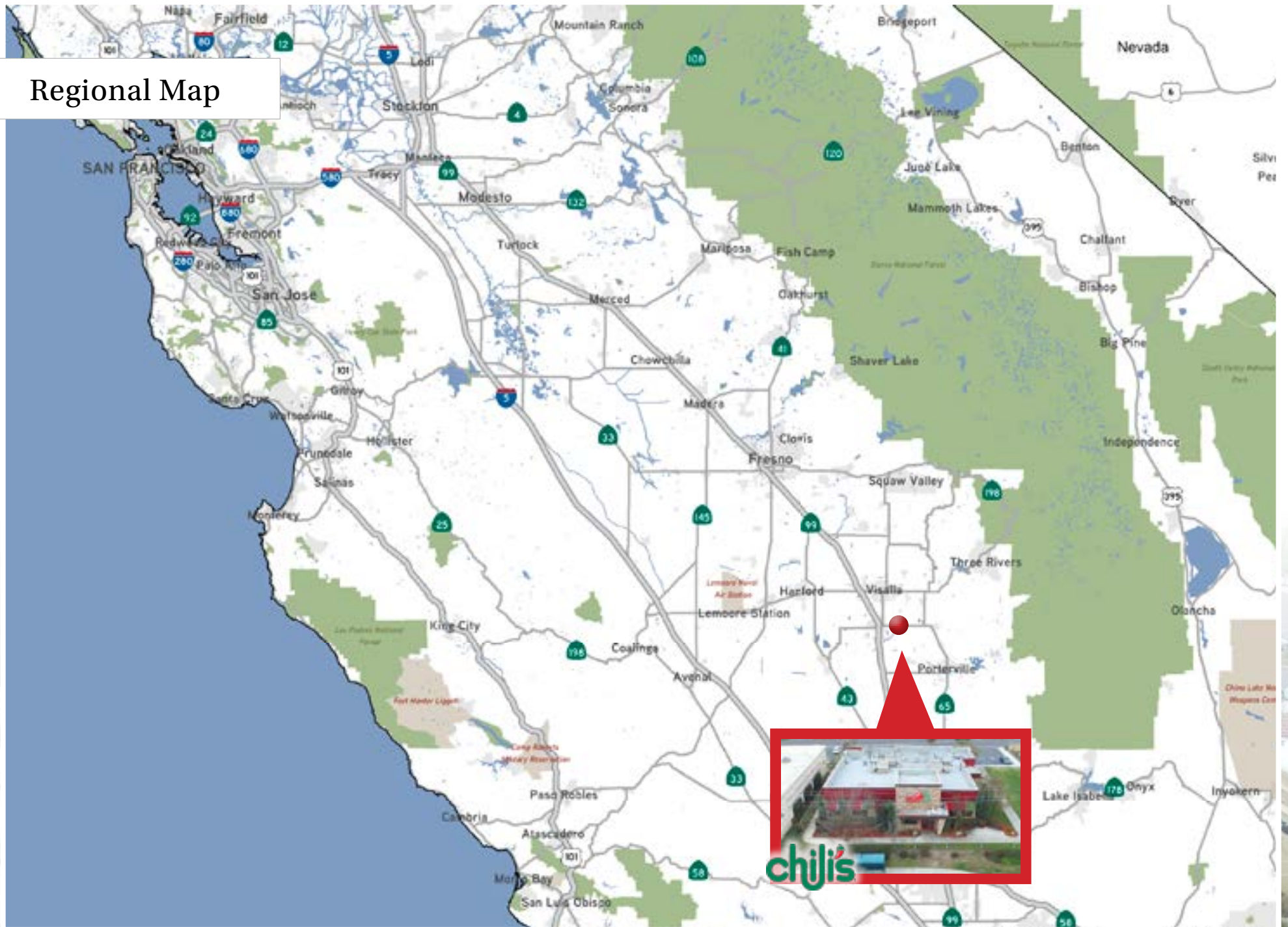
## Tulare Outlets

Tulare Outlets is positioned on Hwy 99, the central thoroughfare of the San Joaquin Valley, extending north to I-5 through San Francisco / Sacramento and extending south to I-5 through Los Angeles. Tulare Outlets is the only outlet center within a 1 1/2 hour driving radius. Visitors traveling to Sequoia National Forest, which is 1 1/2 hours from the center or Yosemite National Park which is 2 1/2 hours, pass directly by the Tulare Outlets. The Outlets are 226,413 sq. ft encompassing over 50 brand name outlets such as Coach Factory Store, Nike, Banana Republic, Gap Outlet, Loft Outlet, Calvin Klein and Levi.









## Regional Map







# Demographics

	Population	1-MILE	3-MILE	5-MILE		Households	1-MILE	3-MILE	5-MILE
	Estimated Population (2015)	11,613	61,497	75,335		Estimated Households (2015)	3,805	18,207	22,525
	Projected Population (2020)	12,305	64,611	79,410		Projected Households (2020)	3,986	19,033	23,605
	Income	1-MILE	3-MILE	5-MILE		Business Facts	1-MILE	3-MILE	5-MILE
	Avg. Household Income (2015)	\$66,385	\$54,297	\$55,997		Total # of Businesses (2015)	565	1,721	2,229
	Median Household Income (2015)	\$50,179	\$41,044	\$42,126		Total # of Employees (2015)	6,958	18,904	25,803

Estimated Population Growth of 5.06% within a 3-Mile Radius (2015-2020)



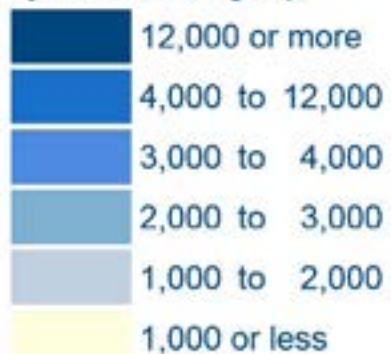


**Approximately 61,497 Residents**

*Within a 3-Mile Radius*

**Daytime Population**

*by census block group*



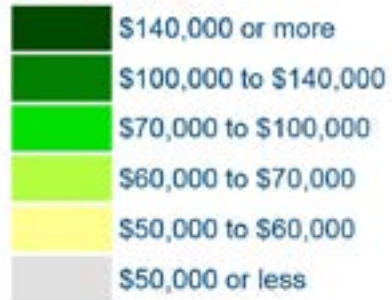
**Population Density**



**Average Household Income of \$54,297**

*Within a 3-Mile Radius*

**Average Household Income  
by census block**



**Median Household Income**





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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

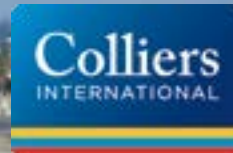
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If you wish not to pursue negotiations leading to the acquisition of Chili's, Tulare, CA or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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### For More Information Contact:

Eric Carlton  
Senior Vice President  
License No. 01809955  
949.724.5561  
eric.carlton@colliers.com

Jereme Snyder  
Executive Vice President  
License No. 01360233  
949.724.5552  
jereme.snyder@colliers.com

John Sharpe  
Senior Associate  
License No. 01800769  
949.724.5546  
john.sharpe@colliers.com

