



## **Overview**

# Planet Fitness

16852 SW EDY ROAD, SHERWOOD, OR 97140





## Investment Summary

LEASEABLE SF

15,728 SF

LAND AREA

57,935 SF

LEASE TYPE

NNN

LEASE EXPIRATION

1/31/2029

YEAR BUILT

2018

PARKING\*

232 Spaces;

14.7/1,000 SF

\*Tenant benefits from additional parking provided via a Cross-Easement Parking Agreement with the larger center.

\$4,423,500

6.40%

**PRICE** 

CAP

**THE OFFERING** provides the opportunity to acquire a brand-new Planet Fitness operated by a successful multi-unit franchisee. Planet Fitness signed a 10-year NNN Lease, with a scheduled 6.5% rent increase at Year 6. The Property is located within Cedar Creek Plaza, a Class A mixed-use property with an increased draw provided by the center's incoming 135-unit senior housing development, hotel project, medical use, adjacent retailers, and incredibly strong surrounding demographics. The center is well-positioned off of Highway 99 in Sherwood, OR, one of the state's fastest-growing cities.



### **Investment Highlights**



# The Highlights

THRIVING PLANET FITNESS MODEL EXPERIENCING SIGNIFICANT INCREASE IN STORE COUNT AND REVENUE YOY.

STRONG OPERATOR OVERSEEING FIVE LOCATIONS WITH SEVERAL MORE UNDER NEGOTIATION.

TEN-YEAR LEASE WITH SCHEDULED RENT BUMP AT YEAR 6, INCREASING THE YIELD BY 41 BASIS POINTS.

EXPOSURE AND SIGNAGE VISIBLE FROM HIGHWAY 99. THIS ARTERIAL CONNECTS TO THE WORLD-RENOWNED WILLAMETTE VALLEY WINE REGION.



PART OF A LARGER BRAND-NEW DEVELOPMENT THAT INCLUDES FIVE
ADDITIONAL RETAIL PADS, A SENIOR HOUSING DEVELOPMENT, AND A
FUTURE PHASE SLATED TO INCLUDE A HOTEL, ADJACENT TO A PROVIDENCE
URGENT CARE CLINIC.

HIGH PURCHASING POWER IN THE TRADE AREA WITH AVERAGE AREA INCOMES IN EXCESS OF \$115,000 VS. PORTLAND METRO AVERAGE OF \$86,000.

SHERWOOD IS ONE OF THE FASTEST-GROWING CITIES IN WASHINGTON COUNTY AND THE PORTLAND MSA.

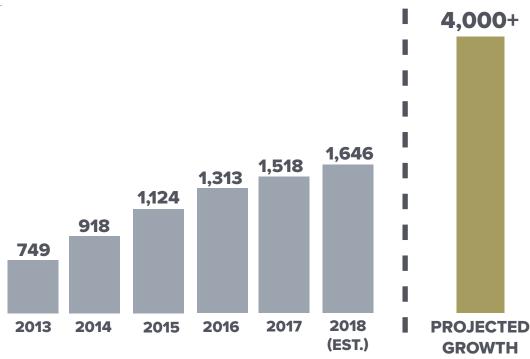
**Investment Highlights** 

### **About the Planet Fitness**

# Real Estate Overview

- CURRENTLY OCCUPIES 31.5 MILLION SF
- **4 MILLION SF ADDED IN THE LAST 12 MONTHS ALONE**
- AVERAGE STORE SIZE IS 20,000 SF
- **EXPECTED TO ADD ROUGHLY 200 STORES PER YEAR**
- POTENTIAL TO GROW STORE BASE TO 4,000 STORES IN THE U.S. AND 300 STORES IN CANADA
- MORE THAN 1,000 ADDITIONAL COMMITTED STORE OPENINGS
  WITH APPROXIMATELY 600 COMMITTED OVER THE NEXT THREE YEARS

## Store Growth



# Planet Fitness in the News

PLANET FITNESS HAS SEEN STEADY GROWTH FROM BEING AN EARLY MOVER IN THE LOW COST GYM FORMAT

CLICK HERE FOR ARTICLE.

### FRANCHISEE: CREEK PLAZA FIT, LLC

The Operator has been a successful franchisee for 6.5 years, with approximately five open locations, an additional location pending, and several more currently under lease negotiation, all located in Oregon.

73

CORPORATE OWNED

1,646

LOCATIONS

#1

RANKED #1 IN CUSTOMER SERVICE IN THE FITNESS CATEGORY BY NEWSWEEK

12M I

**MEMBERS** 



### **Cedar Creek Plaza**

**THE CURRENT OWNER OF CEDAR CREEK PLAZA, DEACON DEVELOPMENT,** has completed Phase I of the Class A mixed-use center with the development of a Planet Fitness, five retail pads (of which two are fully leased), and an adjacent 135-unit senior housing development. Phase II will include the lease-up of three recently completed pad buildings, and high likelihood of an incoming hotel in the single remaining developable pad.

Please reach out to Capital Pacific for more information on adjacent pads, as they may be included in the Offering as leasing finalizes.

### **TENANTS**

- PLANET FITNESS
- SHERWOOD EYE HEALTH
- IHOP
- HOPS N DROPS
- PROVIDENCE HEALTH & SERVICES
- HOTEL OR OFFICE PENDING
- LUNA NAILS & SPA
- SABYE THAI
- CUPCAKE COUTURE



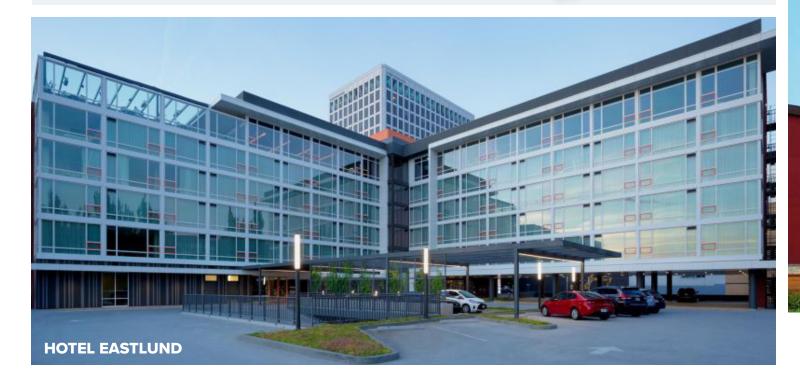


### **About the Developer**

# DEACON DEVELOPMENT GROUP

**DEVELOPMENT FIRM** based out of Portland, Oregon, with major developments located along the West Coast. Deacon specializing in the development of complex retail, healthcare, and multifamily construction and offers major renovation and T.I. work. The Portland MSA footprint is shaped in large part by Deacon Development and their affiliate, Deacon Construction, as Deacon Construction has built a handful of noteworthy Portland retail developments including a New Seasons, the Hotel Eastlund, VillaSport, and a number of West Coast trophy buildings, including the San Francisco Premium Outlets and creative office developments in Bellevue and San Francisco.

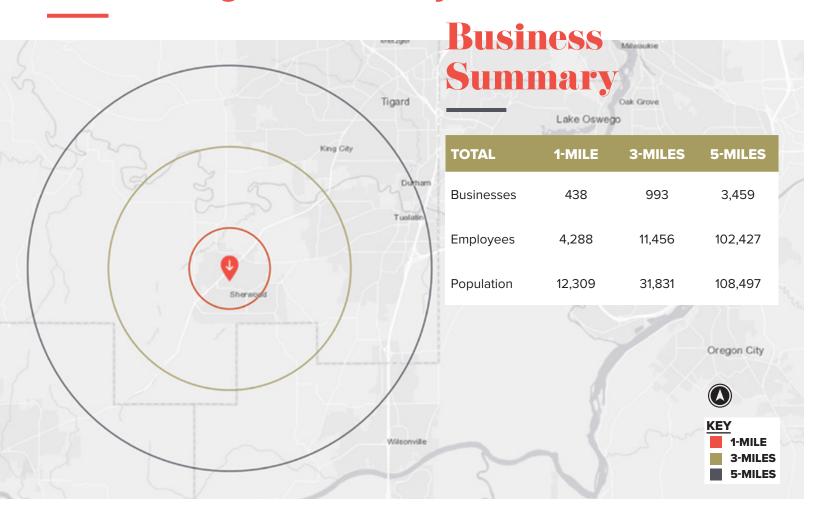








## **Surrounding Retail & Daily Needs**



### MAJOR RETAIL

Baja Fresh

**Dollar Tree** 

Dutch Bros. Coffee

**GNC** 

Home Depot

Jiffy Lube

Kohl's

McDonald's

McMennamin's

Petco

**Regal Cinemas** 

Safeway

**Target** 

Walgreens

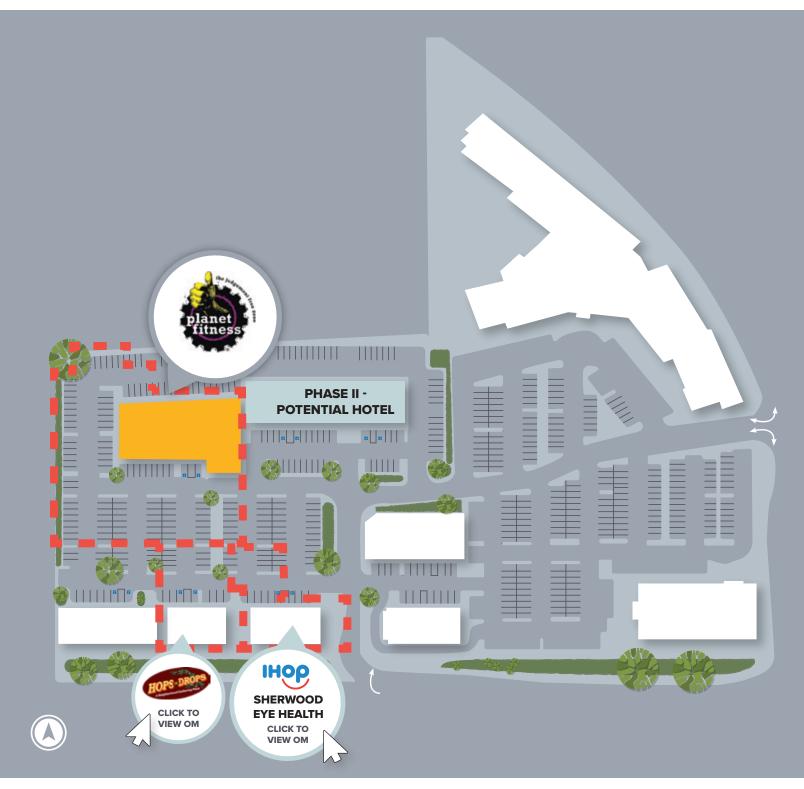
Walmart Supercenter



### **Site Plan**







SITE PLAN NOT TO SCALE

# **Financial Summary**

PRICE	\$4,423,500
CAPITALIZATION RATE	6.40%
PRICE PER FOOT	\$281

CASH FLOW SUMMARY			
SCHEDULED INCOME		PER SF	
Base Rent for the Period of:	6/1/2019 - 5/31/2020	\$18.00	\$283,104
Total Effective Gross Income (EGI)		\$18.00	\$283,104
OPERATING EXPENSES		Per SF	
CAMS			NNN
Property Taxes			NNN
Insurance			NNN
Total Operating Expenses		NNN	-





# Rent Roll

### **PLANET FITNESS**

Lease Term: 1/28/2019 - 1/31/2029

Size (SF): 15,728

#### **RENT SUMMARY**

	DATE	MONTHLY BASE RENT	% INCREASE	ANNUAL RENT	PSF	CAP RATE
	1/28/2019	\$23,592		\$283,104	\$18.00	6.40%
	2/1/2024	\$25,112	6.44%	\$301,348	\$19.16	6.81%
	OPTIONS					
1	2/1/2029	\$26,745	6.50%	\$320,936	\$20.41	7.26%
2	2/1/2034	\$28,483	6.50%	\$341,797	\$21.73	7.73%
	CURRENT	\$23,592		\$283,104	\$18.00	6.40%

### **Lease Notes**

Comments: Lease has Personal Guaranty. Controllable CAM capped at a 3% increase annually - excludes utilities, security, and snow removal; Management not to exceed 4% of EGI. Tenant to provide financial statement to Seller no more than once per year, only upon request of Landlord. Tenant has 2, five options with 180 day's notice required; Option rent to adjust to FMR, capped at 6.50%. Tenant has three-month rent abatement from 2/1/19-4/30/19 not reflected in UW.

### **Area Developments**

### 1. AVATRIX VENTURES

APPROVED JANUARY 2019
RELOCATE TO SPACE NEARLY 4X THEIR
CURRENT FOOTPRINT

### 2. TROUVAILLE BREWING

**UNDER REVIEW** 

### 3. DENALI LANE PUD

APPROVED: SEVEN-LOT SINGLE FAMILY SUBDIVISION

### **4. PARKWAY VILLAGE SOUTH**

UNDER CONSTRUCTION FIVE-LOT SUBDIVISION WITH 92,000 SF INDOOR ENTERTAINMENT AND 32,000 SF FOR RETAIL.

### **5. THE SPRINGS PUD**

APPROVED - TWO NEW BUILDINGS TO PROVIDE COMBINED 93 ASSISTED-LIVING UNITS

### **6. OREGON STREET TOWNHOMES**

UNDER CONSTRUCTION 25 TOWNHOMES

#### 7. PINE STREET MIXED-USE

UNDER REVIEW
THREE-STORY MIXED-USE BUILDING
WITH RETAIL AND MULTIFAMILY

### 8. HAMPTON INN

**UNDER CONSTRUCTION** 

### 9. TIMBER CROSSING SUBDIVISION 3

24-LOT SINGLE FAMILY SUBDIVISION

### **10. SHERWOOD HIGH SCHOOL**

BRAND NEW \$182M, 73-ACRE CAMPUS SCHEDULED TO OPEN 2020-2021

### 11. SHERWOOD SKATE PARK

PENDING APPROVAL

13,000 SF SKATE PARK TO BE ADDED

TO THE YMCA

### 12. MIDDLETON ESTATES SUBDIVISION

**UNDER REVIEW** 

12-LOT SINGLE FAMILY SUBDIVISION





**SHERWOOD IS ONE OF THE FASTEST-GROWING CITIES IN OREGON** with the ninth highest population density, driving the need for additional housing and increased amenities, including a brand-new high school currently under development. Despite the increasing population and need for additional housing, Sherwood has a lack of developable land for retail and housing purposes as most is zoned light industrial; in addition, Sherwood withdrew their application to expand the urban growth boundary lines in mid-2018 that would have annexed 626 additional acres.

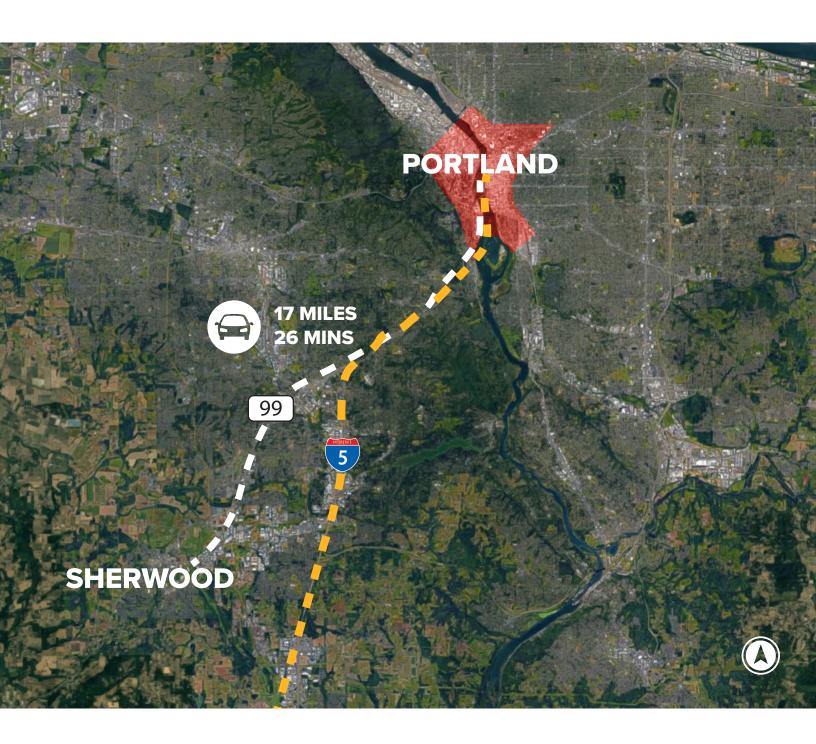


## Connectivity

# Portland Connectivity

**SHERWOOD IS A GROWING SUBURB OF THE PORTLAND MSA,** less than 20 miles from Portland's Central Business District. The city hugs the west and east portions of Highway 99, a commuter highway connecting directly to I-5, driving traffic into downtown Portland. Sherwood is an affluent suburb of Portland with consistent growth due to Portland's continued push into neighboring submarkets; Oregon sustained the third highest growth rate in history in 2018, per a Portland State University study, mostly due to the growth of Portland and surrounding neighborhoods.





### **CC&R Breakdown**

CC&Rs are in place for the larger shopping center, Cedar Creek Plaza, that permit cross-easement access across and through all parcels for vehicle and pedestrian access, and shared parking. A Declaration of Easements and Restrictive Covenants with the adjacent Providence and Senior Housing tracts also permit cross-easement access across and through all parcels, yet do not permit shared parking.

### **TENANT USES**

### **Exclusive Uses**

TRACT	EXCLUSIVE	RESTRICTED TRACT	EXEMPTIONS
Deacon Development Parcels	Fitness & Hotel	Sr. Housing	Senior housing, hospital patients
Sr. Housing Parcel	Senior Housing	Deacon Parcels	
Providence Parcel	Hospital or urgent care clinic	Sr. Housing & Deacon	Medical or dental offices that provide health care to customers.

### **Restricted Uses**

- Dry cleaning (not applicable to pick-up service only)
- Auto sales/repair
- Funeral parlor or crematorium
- Bar requiring all patrons to be 21+ years of age
- Theatre, skating rink, bowling alley, amusement park, dance hall.
- Flea market
- Tattoo parlor
- · School, library, church, day-care facility
- Sale of short-term pay day advances
- Health spa or club more than 3K+ SF



The Declarant (Deacon Development), is responsible for the maintenance and repair of the common elements of the greater shopping center, including the parking areas shared by more than one parcel, roadways, driveways, sidewalks, walkways, landscaping, and storm water systems. Responsibilities include the maintenance and repair of lighting, decorating, security, snow removal, landscaping, irrigation systems, signage, storm drainage, utilities, and parking lot maintenance and repair, including parking lot resurfacing, repaving, striping, and cleaning, alongside Declarant's premium for general liability insurance and a management fee. Declarant to provide an annual statement to each parcel owner by April 15th annually.

### **CAM SHARE**

Each Parcel owner is responsible for the direct payment of property taxes for their underlying parcel, and the maintenance and repair for all buildings and utility lines located on their parcel, and for maintaining a liability insurance policy. Each parcel is billed their share based on their GLA in relation to the total leaseable SF of the shopping center.

**CC&R Breakdown** 





### Q: DO ANY TENANTS HAVE EXCLUSIVE USES OR CO-TENANCY CLAUSES?

A: No Tenants have a co-tenancy clause, yet Planet Fitness, IHOP, Sherwood Eye Health, and Hops n Drops all have exclusive uses.

### Q: ARE THE ADJACENT PADS AVAILABLE FOR PURCHASE?

A: Yes, Hops n Drops, and the pad leased to IHOP & Sherwood Eye Health are both available for purchase. Please contact Capital Pacific for more information regarding additional pads, as they will become available as leasing is finalized.

Click here for more information on adjacent pads available for purchase.

- Hops n Drops
- **IHOP & Sherwood Eye Health**





### **Lease Abstract**

# Premise & Term

### **TENANT**

BUILDING SF
LEASE TYPE
RENT COMMENCEMENT
EXPIRATION
OPTIONS
GUARANTOR

Creek Plaza Fit, LLC dba Planet Fitness 15,728 SF NNN January 28, 2019 January 31, 2029 2, 5-Yr Options; 180 Days' notice Personal Guaranty

# Maintenance & Repair

### **TENANT'S OBLIGATIONS**

Tenant is responsible for all interior maintenance and repair, including, the HVAC and interior mechanical operating systems and utility lines at the point of entry.

### LANDLORD'S OBLIGATIONS

Landlord is responsible for the roof and building structure, as well as utility lines up to the point of entry.

### Expenses

### NNN

Tenant is responsible for 100% reimbursement of their share of Property Taxes, Landlord's insurance policies, and all common area maintenance and repair, including a management fee based on their prorata share of 4% of total EGI for the greater shopping center.

Controllable CAM (all expenses excluding taxes, insurance, utilities, snow removal, and security) is capped at a 3% increase year-over-year and Tenant's share of insurance is capped at \$1,000 annually.

## Lease Provisions

### **EXCLUSIVE USE**

Tenant has the exclusive right to operate as a health club or tanning salon during the primary term and Renewal Option of the lease. Such exclusive excludes the following medical uses: physical therapy, medical nutritionist, and sports medicine that derives less than 15% of their gross revenue from the exclusive use and occupies less than 1,000 SF.

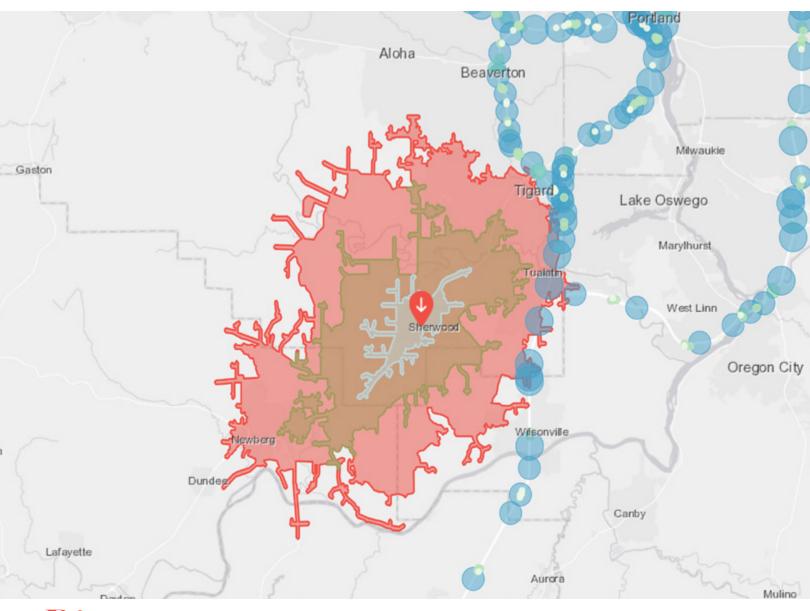
### **PARKING**

Planet Fitness is permitted to designate for their exclusive use 1 designated spot per 1,000 SF of the leased Premises.

### FINANCIAL STATEMENT

Tenant to provide a financial statement to Landlord no more than twice annually, upon request of Landlord. Landlord may also request a financial statement of Guarantor.

## **Demographics**



# Distance to







# **Drive Time**

### **POPULATION**

223	5 MINS	10 MINS	15 MINS
2010	12,491	36,932	137,620
2018	13,839	42,092	155,476
2023	14,799	45,628	167,562

### **2018 HH INCOME**

\$	5 MINS	10 MINS	15 MINS
Average	\$115,769	\$103,318	\$102,361
Median	\$91,155	\$80,605	\$78,802

588,957







# We'd love to hear from you.

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