



Offering Memorandum

NATIVE GRILL & WINGS – 16 YRS
5421 SOUTH CALLE SANTA CRUZ
TUCSON, AZ 85706

Marcus & Millichap







NATIVE GRILL & WINGS

5421 South Calle Santa Cruz
Tucson, AZ 85706

FINANCIAL SUMMARY

Price	\$3,795,000
Down Payment	100% \$3,795,000
Cap Rate	7.0%
Building SF	5,616 SF
Net Cash Flow ⁽¹⁾	7.0% \$265,598.84
Year Built	2015
Lot Size	1.45 Acres

LEASE SUMMARY

Lease Type ⁽²⁾	Triple-Net (NNN) Lease
Tenant	Tucson Spectrum Mall NNY, LLC, an Arizona Limited Liability Company
Lease Guarantor	Full Term Personal Guaranty
Primary Lease Term	20 Years
Lease Commencement Date	May 25, 2015
Lease Expiration Date	May 31, 2035
Lease Term Remaining	16 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options

ANNUALIZED OPERATING DATA

LEASE YEARS	ANNUAL RENT	CAP RATE
6/1/2020 - 5/31/2025	\$265,598.84	7.00%
6/1/2025 - 5/31/2030	\$292,158.72	7.70%
6/1/2030 - 5/31/2035	\$321,374.60	8.47%
OPTIONS	ANNUAL RENT	CAP RATE
Option 1	\$353,512.05	9.32%
Option 2	\$388,863.26	10.25%
Option 3	\$427,749.59	11.27%
Option 4	\$470,524.54	12.40%

BASE RENT	\$265,598.84
Net Operating Income	\$265,598.84
Total Return	7.0% \$265,598.84



(1) Equal to annual rent as of June 1, 2020. Seller will credit a Buyer the difference in current rent and June 2020 rent at closing.

(2) Beginning 1 year after the Completion Date Landlord shall, at its sole expense, make, or cause to be made, all structural repairs to the Premises, including, but not limited to all repairs to the foundation, load bearing walls, (excluding roof maintenance) and any other structural members. In addition, Landlord shall: (i) maintain or cause to be maintained the plumbing systems servicing the Premises located outside the Premises, and the exterior surface of the outside walls of the Premises, excluding window glass, plate glass and doors; (ii) keep in good order, condition and repair the down spouts and gutters of the Premises and the building of which the Premises are a part; and (iii) maintain all fire protection systems, except for those within the Premises.

Notwithstanding any obligation of Landlord pursuant to the above, (i) Landlord shall, at its own cost and expense, make all repairs required as a result of a latent defect in the construction of the Premises until 15 years from the Completion Date.

Subject to the above, Tenant shall maintain the Premises in good repair and condition including the (a) the plumbing and other utility systems within the Premises; (b) window glass, plate glass and doors; (c) heating, air conditioning and electrical systems serving exclusively the Premises; (d) the interior surfaces of and fire protection systems; and (e) the roof (except during any warranty period).

native

grill ^{est. 1979} wings

In 1978, Floyd and Judy Anderson and their daughters set off from Buffalo, New York to Arizona to follow their dream of owning and running a restaurant. They purchased a small local pizza joint, renamed it "Native New Yorker." The Andersons were the first to bring wings to Arizona, and almost immediately Native New Yorker began receiving awards for their wings.

In 2014, Native New Yorker officially updated its name to Native Grill & Wings, and gave the logo a much-needed facelift. Today, a strong leadership team has majority ownership of the company. Together with the founding family and a growing group of franchisees, the new owners are working toward expanding Native Grill & Wings and receiving nationwide recognition. Recently named on Restaurant Business Magazine's Future 50, Native has become known as a polished family-friendly sports grill that proudly offers over 20 wing flavors.

With strong ties to local organizations, including youth sports leagues, and school partnerships, Native Grill & Wings is strongly invested in Arizona communities, with locations in Texas and Illinois as well.

Headquarters	Chandler, AZ
Company Type	Private
Locations	31
Founded	1978
Website	www.nativegrillandwings.com

INVESTMENT HIGHLIGHTS

- Absolute Triple Net (NNN) Lease with 16 Years Remaining
- Multi-Unit Franchisee with 8 Locations – Full Term Personal Guarantee
- 10% Rental Increases Every 5 Years
- 181,297 Residents in Growing Tucson Trade Area
- Outparcel to Harkins Theatres, One of the Busiest Theatres in the Tucson MSA
- Located Within Tucson Spectrum, a 960K+ SF Retail Power Center Serving South Tucson
- 187,864 Daytime Employees in 5-Mile Radius
- Adjacent to Interstate 19 (89,800+ CPD) – Primary Connector for Tucson and Phoenix

DEMOGRAPHICS

Population	1-Mile	3-Miles	5-Miles
2023 Projection	14,535	107,731	189,914
2018 Estimate	13,610	104,333	181,297
Growth 2018 – 2023	6.80%	3.26%	4.75%
Households	1-Mile	3-Miles	5-Miles
2023 Projections	4,553	34,424	62,141
2018 Estimate	4,198	32,868	58,506
Growth 2018 – 2023	8.46%	4.74%	6.21%
Income	1-Mile	3-Miles	5-Miles
2018 Est. Average Household Income	\$45,484	\$44,103	\$45,103
2018 Est. Median Household Income	\$37,722	\$34,211	\$34,113
2018 Est. Per Capita Income	\$14,049	\$13,948	\$14,841

LOCATION OVERVIEW

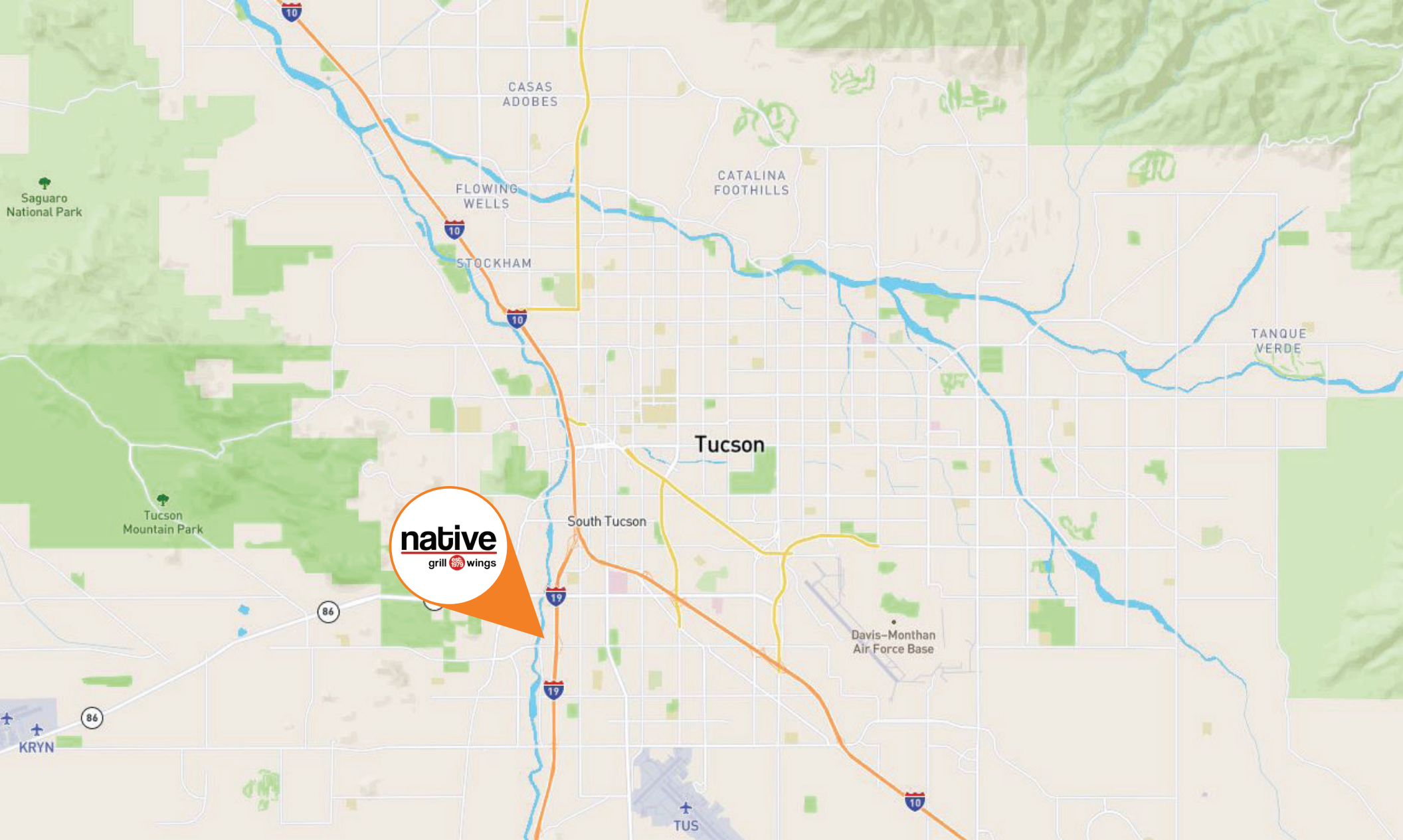
Tucson is the second largest metropolitan area in Arizona with just over one million residents and serves as an anchor to businesses located in the Southern Arizona corridor. Tucson offers its community an outstanding quality of life along with a low cost of doing business.

Tucson is known for an innovative manufacturing industry in a variety of different sectors such as biotech, aerospace, healthcare, defense, optics, solar, information technology and water. Amazon, Raytheon Missile Systems, IBM, Texas Instruments, Intuit Inc., Universal Avionics and the University of Arizona are some of the top employers in Tucson where each has a significant presence within the community. Raytheon recently announced 2,000 new hires to their facility and Caterpillar Inc. is locating their Surface Mining Equipment and Technology headquarters to downtown Tucson, which will add 600 high-paying jobs to the local community in 2019. Amazon is under construction on a new distribution facility that will employ 1,500 workers. In addition to Caterpillar and Amazon, Comcast and HomeGoods, all Fortune 500 companies, have added Tucson locations recently.

The University of Arizona is an integral part of Tucson. It has been named a Top 15 US public research institution, and enjoys a large student enrollment of 44,800 students and 11,000 administration staff members and faculty. The University of Arizona's science center in Tucson continues to graduate more students in the optics field than any other similar program in the world. Tucson International Airport (TUS) serves as an international port of entry and offers non-stop service to Phoenix, Los Angeles, San Diego, Las Vegas, San Francisco, Seattle, Salt Lake City, Denver, Minneapolis, Milwaukee, Chicago, Atlanta, Houston, Dallas and Albuquerque.







5 MILES
Tucson International
Airport

6 MILES
Downtown
Tucson

8 MILES
The University
of Arizona

19 MILES
Tucson
Premium Outlets

Net Leased Disclaimer

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

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

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.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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.

Confidentiality Agreement

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 Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical 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. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

exclusively listed

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