

PIZZA HUT

615 S WHITE SANDS BLVD, ALAMOGORDO, NM



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

FINANCIAL SUMMARY

Price	\$1,395,000
Down Payment	100% \$1,395,000
Cap Rate	7.10%*
Building SF	3,780 SF
Net Cash Flow	7.10% \$99,076.95
Year Built	2009
Lot Size	.62 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Pizza Hut/Wing Street
Guarantor	La Raza Pizza, Inc.
Roof & Structure	Tenant Responsible
Lease Commencement Date	May 14, 2015
Lease Expiration Date	January 31, 2030
Lease Term Remaining	11 Years
Rental Increases	5% Every 5 Years
Renewal Options	2, 5 Year Options

* Cap rate based on upcoming rent increase in May 2020.

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
5/14/2020 - 5/13/2025	\$99,076.95	7.10%
5/14/2025 - 1/31/2030	\$104,030.80	7.46%
Options	Annual Rent	Cap Rate
Option 1	\$109,232.34	7.83%
Option 2	\$114,693.96	8.22%

Base Rent	\$99,076.95
Net Operating Income	\$99,076.95
Total Return	7.10% \$99,076.95





AutoZone

Domino's

BURGER KING

A.W.
ALL AMERICAN FOOD

MCDONALD'S

Washington Federal.
invested here.

maurices
DOLLAR TREE
SHOE DEPT.

DISCOUNT TIRE

Wendy's

Arby's

PAPA JOHN'S

O'Reilly
AUTO PARTS

SONIC

Economy Inn

ROCKET
NATIONAL BUFFET

SUN
LOAN COMPANY

40,000 CPD
S WHITE SANDS BLVD

Pizza Hut

Little Caesars



FAIRFIELD
INN & SUITES
Marriott

chili's

Hampton
Inn

VISION
SINCLAIR
VISION

MAGNUSON
HOTEL &
SUITES
HOMESOURCE

TACO BELL
IHOP
Applebee's
GRILL + BAR

Holiday Inn
Express

Aaron's

BUFFALO
WILD
WINGS
Carls Jr.

verizon

Denny's

STAPLES

DEL TACO

KFC

K

AT&T

SUBWAY

Little
Caesars

40,000 CPD
S WHITE SANDS BLVD

Pizza
Hut

Economy Inn

Property Description



INVESTMENT HIGHLIGHTS

- » **Absolute Triple-Net (NNN) Lease with 11 Years Remaining on Lease Term**
- » 5% Rental Increases Every 5 Years
- » **Visible to 40,000+ Cars/Day Along S White Sands Boulevard**
- » Located on Major North/South Thoroughfare, in Close Proximity to Walmart Supercenter, Staples, McDonald's, Hampton Inn, and More
- » **Guarantor Operates 15 Units in New Mexico and Texas**
- » YTD the Store Level EBITDA Through 7/8/19 is at \$900K for the 15 Locations and Sales are +7%
- » 34,304 Residents within 5-Mile Radius of Subject Property
- » **Minutes from Alameda Park Zoo and New Mexico Museum of Space History**
- » 1 Mile from Alamogordo High School (1,460)
- » **Average Household Income Exceeds \$56K in 5-Mile Radius**
- » 8 Miles to Holloman Air Force Base, Home to 21,000 Military/Government Officials and Family



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2023 Projection	3,530	29,059	33,399
2018 Estimate	3,898	30,180	34,304

Households

2023 Projection	1,517	12,237	13,976
2018 Estimate	1,663	12,544	14,175

Income

2018 Est. Average Household Income	\$45,184	\$53,801	\$54,644
2018 Est. Median Household Income	\$35,151	\$42,483	\$43,485
2018 Est. Per Capita Income	\$19,375	\$22,474	\$22,738





Tenant Overview



Plano, Texas

Headquarters

Yum! Brands, Inc.

Parent Company

1958

Founded

16,000+

Locations

pizzahut.com

Website

Pizza Hut is an American restaurant chain and international franchise, founded in 1958 in Wichita, Kansas by Dan and Frank Carney. A subsidiary of Yum! Brands, Inc., Pizza Hut delivers more pizza, pasta, and wings than any other restaurant in the world. Pizza Hut is currently the biggest pizza restaurant in the world and operates more than 16,000 restaurants in more than 100 countries. Pizza Hut has created unique inventions such as the Stuffed Crust Pizza and delivered the first pizza to the International Space Station in 2001.

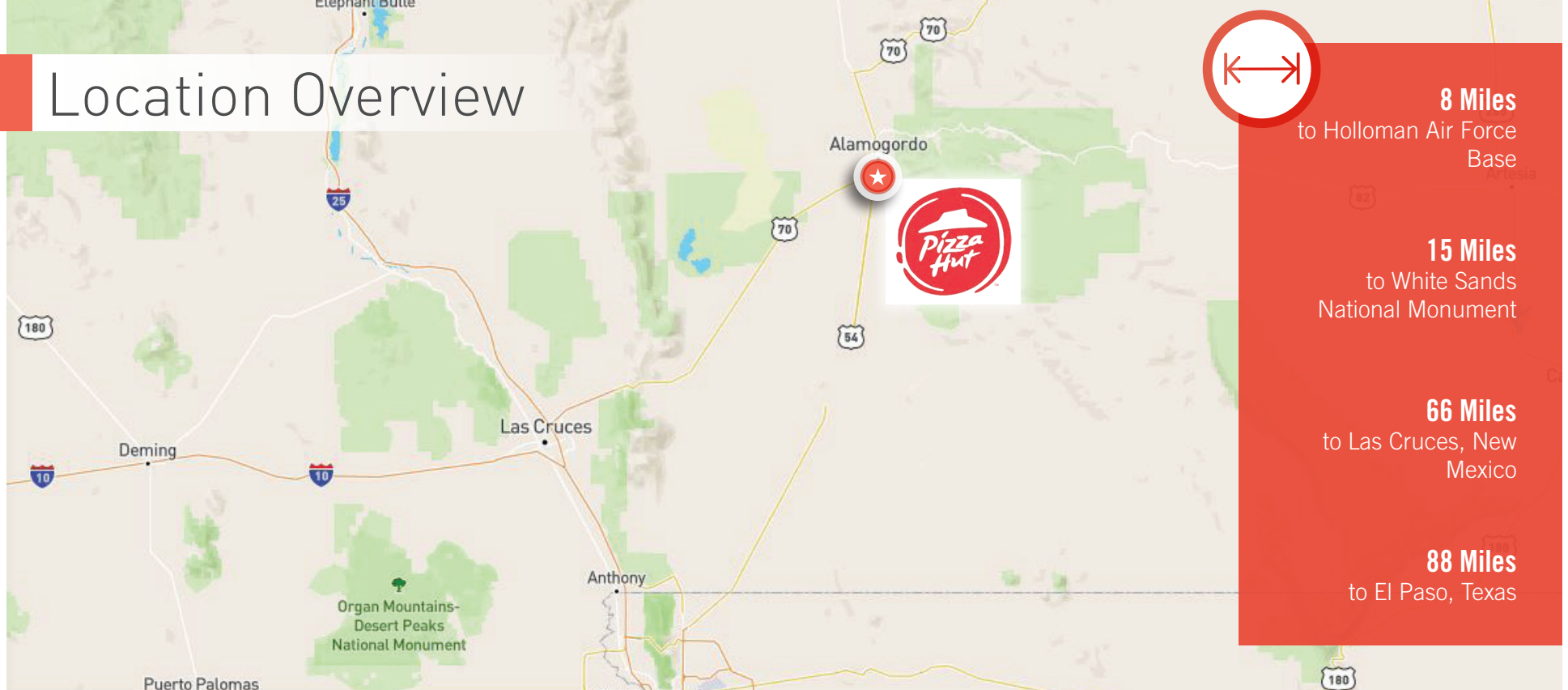
Yum! Brands, Inc., based in Louisville, Kentucky, has over 48,000 restaurants in more than 145 countries and territories primarily operating the company's restaurant brands - KFC, Pizza Hut, and Taco Bell - global leaders of the chicken, pizza, and Mexican-style food categories. Worldwide, the Yum! Brands system

opens over 8 new restaurants per day on average, making it a leader in global retail development.

La Raza Pizza, Inc., operates 15 Pizza Hut locations in New Mexico and Texas and is one of the top 150 largest Hispanic-owned companies in America. The President/CEO, Gene Camarena, has served 3 terms as the Chairman of the Board of Directors of the International Pizza Hut Franchise Association, which represents the interest of over 6,000 Pizza Hut franchise locations in the U.S.

The Alamogordo store is performing at an even better rate than the rest of the company with sales +16% through the first week of August and store level EBITDA of \$96K, which is more than double the prior year's amount. This location has a new GM in place who is performing very well.

Location Overview



Alamogordo, county seat of New Mexico's Otero County, is the micropolitan center of the Tularosa Basin. The city is the commercial and governmental center for the county. Alamogordo is a thriving city of over 35,000 residents who flock to the city for its mild climate and pristine scenery, offering an ambiance that enriches residents' quality of life. The Tularosa Basin is surrounded by the majestic Organ, San Andres and Sacramento Mountain ranges.

The city was founded in 1898 as a terminal for the railroad. The community's activities promoted the growth of logging, tourism and health related enterprises. A national survey rated Alamogordo as one of the 50 healthiest places to live in the U.S. Tourism-related activity and light manufacturing contribute to the city's economy. White Sands National Monument is a major attraction as are the New Mexico Museum of Space History and the Lincoln National Forest.

Holloman Air Force Base, the area's largest employer, is located near Alamogordo, and is the home of the F-16, the German Air Force in the U.S., and the High Speed Test Track. The U.S. Army installation near Alamogordo is the second largest overland testing range in the world. As the birthplace of the U.S. rocket program in the 1940s, today White Sands Missile Range is the testing site for the reusable rocket and numerous Department of Defense research and evaluation programs. Both Holloman and White Sands have a military civilian annual payroll of more than \$200 million and an economic impact of more than \$450 million to the local economy.

Along with numerous outdoor recreation opportunities, Alamogordo is home to popular annual cultural events, including the White Sands Balloon & Music Festival, the Christmas Parade, Oktoberfest, and Otero County Fair.

[exclusively listed by]

Matthew Reeves

Broker of Record

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