



BURGER KING

ESPANOLA, NM

CONFIDENTIAL OFFERING MEMORANDUM



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BRANDON GAYESKI - LEAD

Associate
Investment Sales
720.966.1627
Brandon@BlueWestCapital.com

ROBERT EDWARDS - LEAD

Managing Partner
Investment Sales
720.966.1630
Robert@BlueWestCapital.com

ZACH WRIGHT - LEAD

Director
Net Lease Investment Sales
720.966.1628
Zach@BlueWestCapital.com

TOM ETHINGTON

Managing Partner
Investment Sales
720.966.1624
Tom@BlueWestCapital.com

SHAWN DICKMAN

Analyst
Investment Sales
720.828.8310
Shawn@BlueWestCapital.com

**LISTED IN CONJUNCTION
WITH:**

SEAN MCMULLAN
McMullan & Company Real Estate
License #15570

720.989.1031
400 S COLORADO BLVD #420
DENVER, CO 80246
BLUEWESTCAPITAL.COM

Investment Highlights

- **Long term lease** with **approximately 16 years remaining**
- Rental escalations every five years (**next rental increase on 8/1/2022**)
- Absolute triple net lease with **no landlord responsibilities**
- **Tenant is committed to this location** evidenced by a recent **early 20-year lease extension**
- Proven **successful operating history** (since 1994)
- Building was **recently renovated (2016)** to Burger King's current proto-type with **over \$400,000 invested** into the property
- Positioned at a **signalized intersection** along Riverside Drive, the **primary north-south thoroughfare** in the trade area
- Immediate proximity to the **Santa Claran Hotel Casino**, a 122-room resort with a 27,000 square foot casino and championship golf course
- **Nearby national retailers** include Walmart Supercenter, Lowe's, Walgreens, CVS, O'Reilly Auto Parts, Wells Fargo and many others
- Espanola is strategically **located between Santa Fe and Taos**, 20 miles north of Santa Fe and 40 miles south of Taos
- Immediate **proximity to Los Alamos National Laboratory**, a United States Department of Energy national laboratory initially organized for the design of nuclear weapons and currently **one of the largest science and technology institutions in the world** conducting multidisciplinary research in fields such as national security, space exploration, nuclear fusion, renewable energy, medicine, nanotechnology, and supercomputing



Investment Overview



**701 N Riverside Dr,
Espanola, NM 87532**

PURCHASE PRICE

\$1,615,850

CAP RATE

5.75%

RENT COMMENCEMENT DATE

October 1, 1994

LEASE EXPIRATION

June 30, 2035

RENTAL ESCALATIONS

**Lesser of 10% or CPI
Increases Every 5 Years
(Next Increase on 8/1/2022)**

NET OPERATING INCOME

\$92,912*

NOI SCHEDULE

NOI*	Date	Period	Increase	Cap Rate
\$92,911.92*	Current	Primary Term	-	5.75%
\$102,203.11*	8/1/2022	Primary Term	10%	6.33%
\$112,423.42*	8/1/2027	Primary Term	10%	6.96%
\$123,665.77*	8/1/2032	Primary Term	10%	7.65%

RENEWAL OPTIONS

Four 5-Year

LEASE TYPE

**Absolute Triple Net
(No Landlord Responsibilities)**

TENANT

Redrock Foods, Ltd. Co. (Burger King)

GUARANTOR

Personal Guaranty (Six Individuals)

BUILDING SIZE

3,250 SF

LAND SIZE

37,026 SF

YEAR BUILT/RENOVATED

1994/2016

*The Monthly Rent shall be the greater of Minimum Monthly Rent (currently \$7,742.66) or 8.5% of total Gross Sales. Additionally, Minimum Monthly Rent shall increase every five years based upon CPI Increases. In no event shall the Minimum Monthly Rent increase by more than 10%.



Aerial



SANTA CLARAN
HOTEL-CASINO
122 Rooms
27,000 SF Casino,
and Championship
Golf Course

CENTURY BANK

Valero

Aaron's

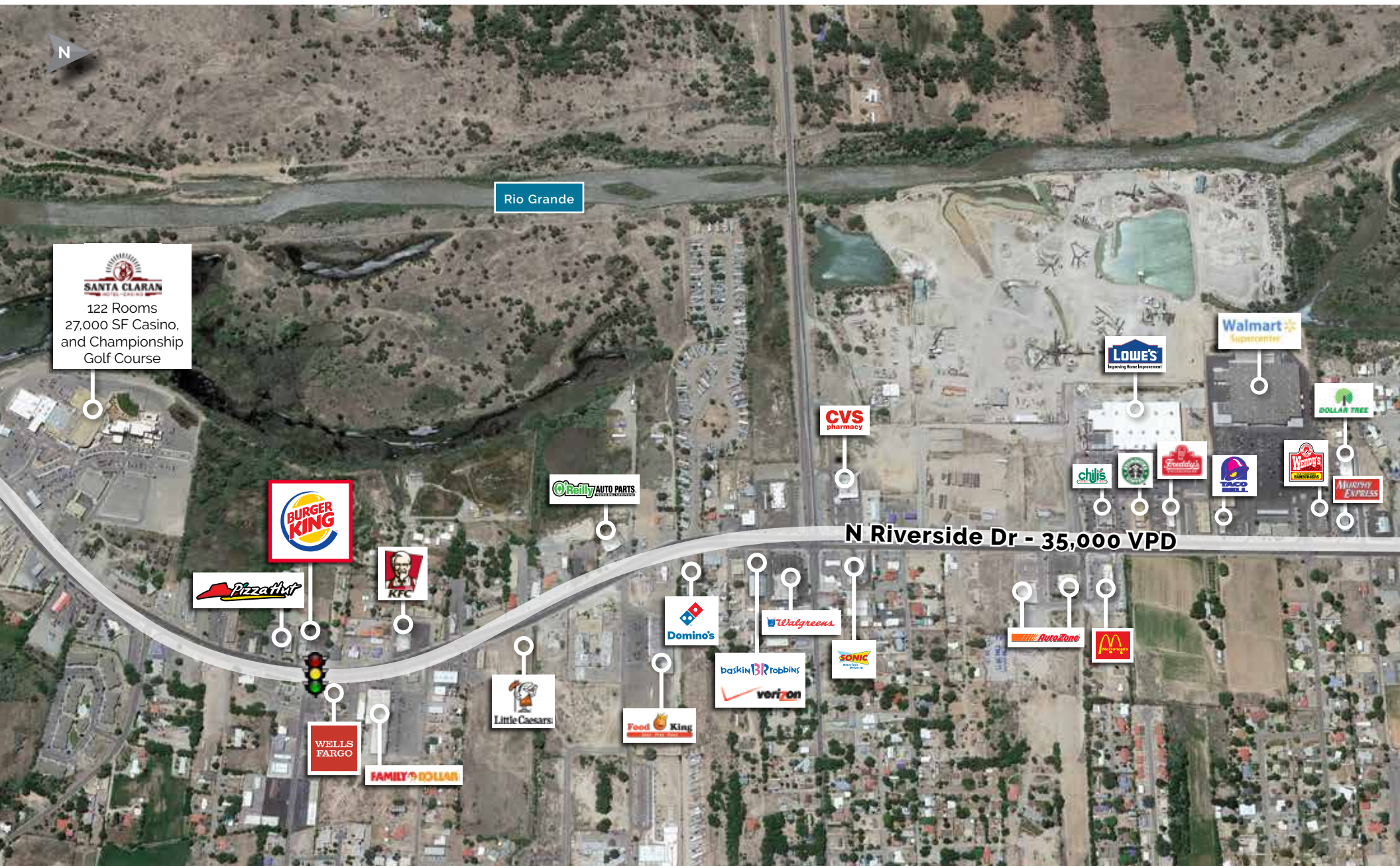
Pizzatti's

BURGER KING

WELLS FARGO

N Riverside Dr - 35,000 VPD

Aerial



Rio Grande

SANTA CLARAN
122 Rooms
27,000 SF Casino,
and Championship
Golf Course



N Riverside Dr - 35,000 VPD

Site Plan



Map & Demographics

AREA DEMOGRAPHICS



TOTAL POPULATION

1 mile	5,113
3 mile	15,724
5 mile	22,912



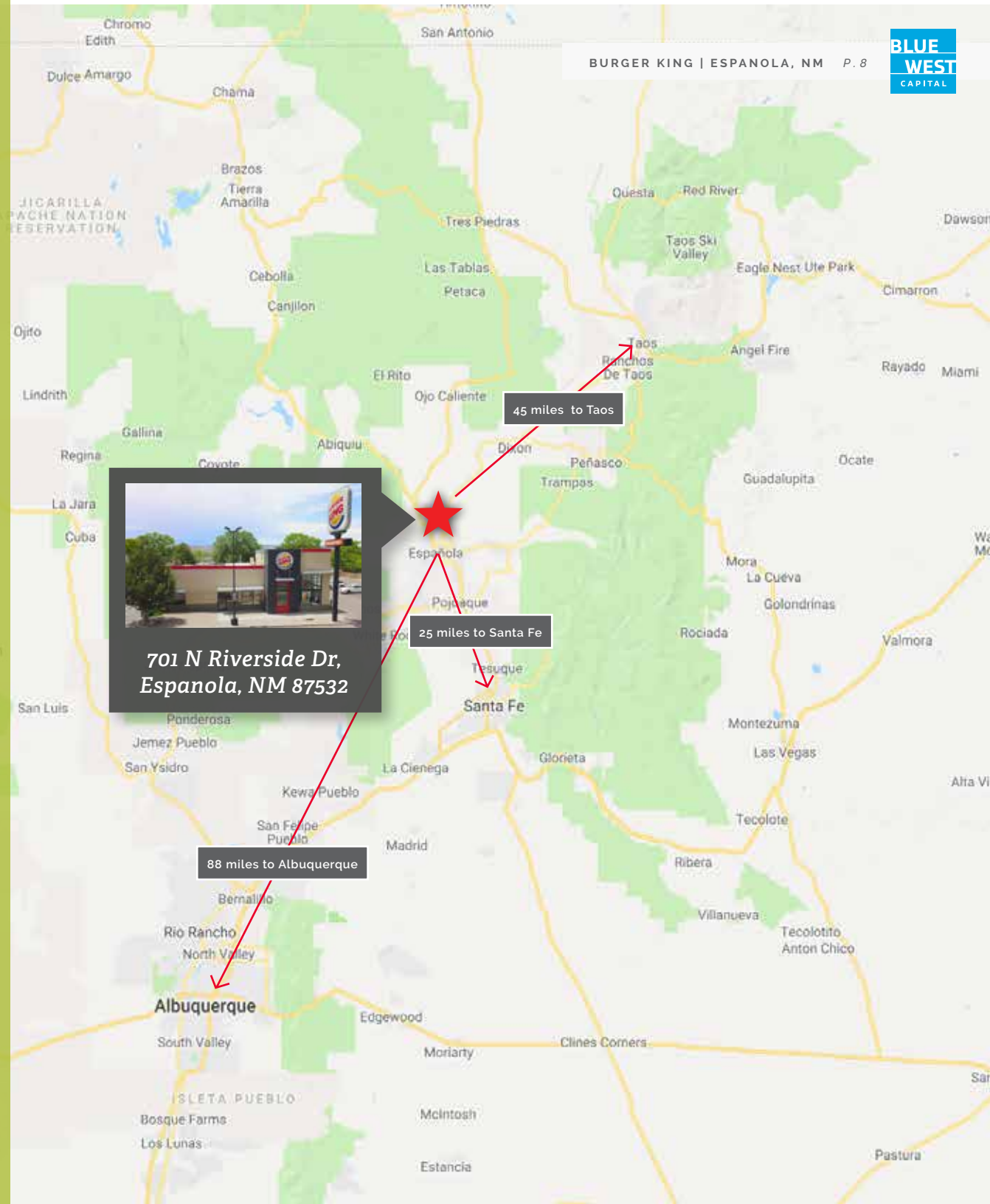
TOTAL HOUSEHOLDS

1 mile	1,987
3 mile	6,147
5 mile	8,872



AVERAGE HH INCOME

1 mile	\$50,590
3 mile	\$50,689
5 mile	\$52,578



Location Overview

Espanola is a city primarily located in Rio Arriba County, NM. A portion of the central and eastern section of the city is located in Santa Fe County. Espanola was founded as a capital for Nuevo Mexico in 1598 as San Juan de los Caballeros, it was renamed Española in 1880 when it became a railroad village, the city was officially incorporated in 1925. It has been called the first capital city in America. The city had a total population 10,495 at the 2010 US Census. Espanola is within the Albuquerque-Santa Fe-Las Vegas Combined Statistical Area. Espanola is located 25 miles north of Santa Fe, 45 miles south of Taos, and 85 miles north of Albuquerque.

The Los Alamos National Laboratory in Los Alamos is the largest employer in Española, it accounts for over 12% employment of residents. The education sector is the second largest employer, the Española Public Schools is the 16th largest school district in New Mexico. Recently, Northern New Mexico College has expanded its degree programs and made massive

improvements to its campus, adding a new library and a new School of Education. Larger local businesses include Akal Securities Inc, a security company that employs over 500 people.

The Los Alamos National Laboratory is a United States Department of Energy national laboratory initially organized during World War II for the design of nuclear weapons as part of the Manhattan Project. Los Alamos was the heart of the project, collecting together some of the world's most famous scientists, among them numerous Nobel Prize winners. With the ending of the Cold War, both labs turned their focus increasingly to civilian missions. Today, Los Alamos is one of the largest science and technology institutions in the world. It conducts multidisciplinary research in fields such as national security, space exploration, nuclear fusion, renewable energy, medicine, nanotechnology, and supercomputing. There are over 10,000 employees at the Los Alamos National Laboratory.



Tenant Overview

Burger King is the second largest fast food hamburger chain in the world. Burger King was founded in 1953 in Jacksonville, Florida and was initially called Insta-Burger King. Burger King operates approximately 18,000 locations in 100 countries and 99.7% of their locations are privately owned and operated. Burger King serves over 11 million guests daily.

Burger King's menu has expanded from a basic offering of burgers, French fries, sodas, and milkshakes to a larger and more diverse set of products. In 1957, the "Whopper" became the first major addition to the menu, and it has become Burger King's signature product since.

In 2010, Burger King was acquired by 3G Capital for \$3.26 billion. 3G Capital is a Brazilian-American multibillion-dollar investment fund. The new owners promptly initiated a restructuring of the company to reverse its fortunes. 3G, along with partner Berkshire Hathaway, eventually merged the company with the Canadian-based doughnut chain Tim Hortons, under the auspices of a new Canadian-based parent company named Restaurant Brands International. 3G Capital is best known for implementing zero-based budgeting at its portfolio companies: Anheuser-Busch InBev, Burger King, Tim Hortons, Heinz, Kraft Foods, and Popeyes Louisiana Kitchen., as well as partnering with Berkshire Hathaway for its acquisitions.

Redrock Foods, LTD. Co. operates approximately 17 Burger King locations in Southern Colorado and New Mexico. They also operate an additional 11 Burger Kings in New Mexico and 7 Burger Kings in Southern California under a separate entity. The company started approximately twenty-five years ago in 1994. In addition to Burger Kings, they also operate Bruegger's Bagels.



WEBSITE

www.bk.com

NUMBER OF LOCATIONS

18,000

YEAR FOUNDED

1953

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