



## Raising Cane's – 15 Year NNN Ground Lease Investment Opportunity

13602 Francisquito Avenue | Baldwin Park, CA 91706

**Confidential Offering Memorandum**

# Summary

## Executive Summary



Interstate 10: 207,000+ VPD



Party City

Food 4 Less



Francisquito Ave: 24,000+ VPD



# Corporate Raising Cane's

Brand new 2020 construction, absolute NNN ground lease Raising Cane's with 15 years of lease term located in Baldwin Park, CA.

## INVESTMENT HIGHLIGHTS

LONG-TERM ABSOLUTE NNN LEASE  
WITH NO LANDLORD  
RESPONSIBILITIES

NEW RAISING CANE'S PROTOTYPE  
WITH 2 DRIVE-THRU LANES

EXCELLENT VISIBILITY AND EASE OF  
ACCESS LOCATED AT INTERSECTION  
AND CLOSE PROXIMITY TO I-10 WITH  
SIGNAGE ON PYLON SIGN ON I-10

OUTPARCEL TO A TARGET  
ANCHORED NEIGHBORHOOD  
SHOPPING CENTER WITH FOOD 4  
LESS

LOCATED PROXIMATE TO A LIGHTED  
INTERSECTION THAT SEES OVER  
49,000+ VPD

# The Offering

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JLL is pleased to offer for sale the Fee Simple Ground Lease interest in a freestanding single-tenant Raising Cane's (the "Property" or "Asset") located in Baldwin Park, CA. Raising Cane's Restaurants, LLC (the "Tenant") is the corporate parent of the Raising Cane's chicken empire that has been ranked as one of the best and most profitable restaurants in the quick service industry. The Tenant has an Absolute NNN ground lease with no landlord responsibilities and located as an outparcel to the 100% occupied Sierra Shopping Center anchored by Target.

## NEW CONSTRUCTION CORPORATE RAISING Cane's WITH LONG-TERM ABSOLUTE NNN GROUND LEASE

- The Tenant operates on an absolute NNN ground lease with no landlord responsibilities.
- There are 15 years of lease term remaining with 3, 5-year and 1, 4-year options to renew and 10% rental escalations every 5 years.
- The Asset resembles Raising Cane's new 2020 prototype featuring two drive-thru lanes, which are critical in today's economy.

## CORPORATE GUARANTEE FROM ONE OF THE BEST QSR CHAINS

- The lease is backed by a corporate guarantee from Raising Cane's Restaurants. Business Insider named Raising Cane's the Top Restaurant Chain of 2017.
- Raising Cane's had nearly \$1.5 billion in sales during 2019, up 25% year over year from 2018, and an average comparable store sales of \$3.6 million in 2019 which ranked 3<sup>rd</sup> in the QSR industry.

### Raising Cane's & COVID

- Raising Cane's reported back in April 2020, that Raising Cane's sales numbers had already returned to pre-COVID sales numbers, and that company did not lay off any of its 23,000+ employees.

## FRONTAGE AND VISIBILITY LOCATED AS AN OUTPARCEL TO THE SIERRA CENTER AND PROXIMATE TO I-10

- The Asset is situated as an outparcel to the +/-220,000 SF Target-anchored retail center that is 100% occupied with other national retailers Bob's Furniture, Party City and Food 4 Less.
  - Target demonstrated their commitment to the site by recently renovating and remodeling their entire store.
- Located near the intersection of Francisquito Avenue and Baldwin Park Boulevard the Asset has frontage and visibility to over 49,000+ VPD.
- A densely populated one-mile radius around the Asset of over 38,000 residents is supported by two major hospitals, Kaiser Permanente and Kindred Hospital, along with five schools in the Baldwin Park school district.
- Proximate location to Interstate 10 with over 207,500+ VPD, and signage on a pylon sign on I-10.

# Property & Lease Overview

Price*	\$5,230,800
Cap Rate	3.25%
NOI*   PSF	\$170,000   \$41.79
Tenant	Raising Cane's Restaurants, LLC
Lease Type	Absolute NNN Ground Lease
Address	13602 Francisquito Avenue Baldwin Park, CA 91706
Building Size*	+/- 4,068 SF
Parcel Size	+/- 0.937 AC
Year Built	2020
Lease Term Remaining	15 Years
Rental Increases	10% every 5 years and option periods
Rent Commencement	9/1/2020
Lease Expiration	8/31/2035
Renewal Options	3, 5-year options and 1, 4-year option

## Rental Schedule

Period	Begin Date	End Date	Annual Rent	Monthly	Increases
<b>Years 1-5</b>	<b>9/1/2020</b>	<b>8/31/2025</b>	<b>\$170,000</b>	<b>\$14,167</b>	<b>-</b>
Years 6-10	9/1/2025	8/31/2030	\$187,000	\$15,583	10%
Years 11-15	9/1/2030	8/31/2035	\$205,700	\$17,142	10%
Option 1	9/1/2035	8/31/2040	\$226,270	\$18,856	10%
Option 2	9/1/2040	8/31/2045	\$248,897	\$20,741	10%
Option 3	9/1/2045	8/31/2050	\$273,787	\$22,816	10%
Option 4	9/1/2050	8/31/2054	\$301,165	\$25,097	10%



# Market

## Location and Market Overview



Smart & Final



CVS

Baldwin Park Blvd: 25,000+ VPD



Francisquito Ave: 24,000+ VPD

# Baldwin Park, CA

Baldwin Park, located in the heart of the San Gabriel Valley is located 20 minutes from downtown Los Angeles. A popular attraction of Baldwin Park is the first In-N-Out burger stand, which opened on October 22, 1948, as the first drive-thru in California.

Baldwin Park, the “**Hub of the San Gabriel Valley**,” is one of the 30 most populated cities within Los Angeles County. With a population of 77,306 (2019), the city is propelled by a labor force of nearly 23,000 workers. Major employers within Baldwin Park include Kaiser Permanente, UPS, Walmart Supercenter, The Home Depot, and UPM Plastic Modeling.

Since 2014, the Eastern San Gabriel Valley has demonstrated positive retail market fundamentals. Market rental growth within the submarket has remained stable, with an average growth rate of nearly 2.3% YOY. Drawing from stellar rental growth trends, the vacancy rate within the submarket has plateaued at 4.2%, approximately 20 basis points below the national average.



## The Original In-N-Out Location

Located less than 1 block from the Asset, at the intersection of Francisquito Ave and Garvey, the In-N-Out Empire was established. The historic location, shows the viability the Tenant has and intrinsic real estate value the Asset carries.



### Superior Market Driving Strong Retail Presence

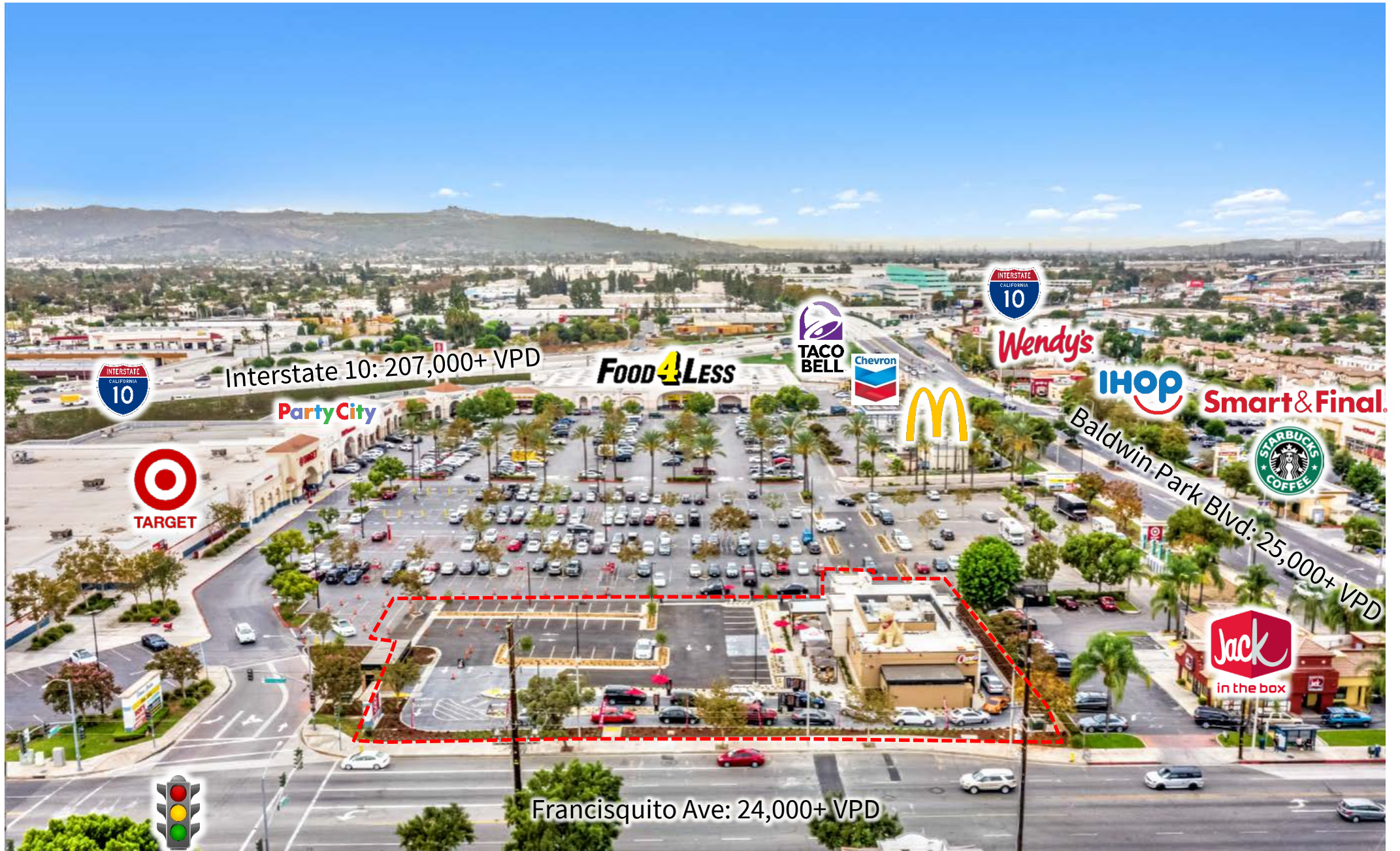
**\$460,000**  
Median Home Prices

**77,000+**  
Total Population

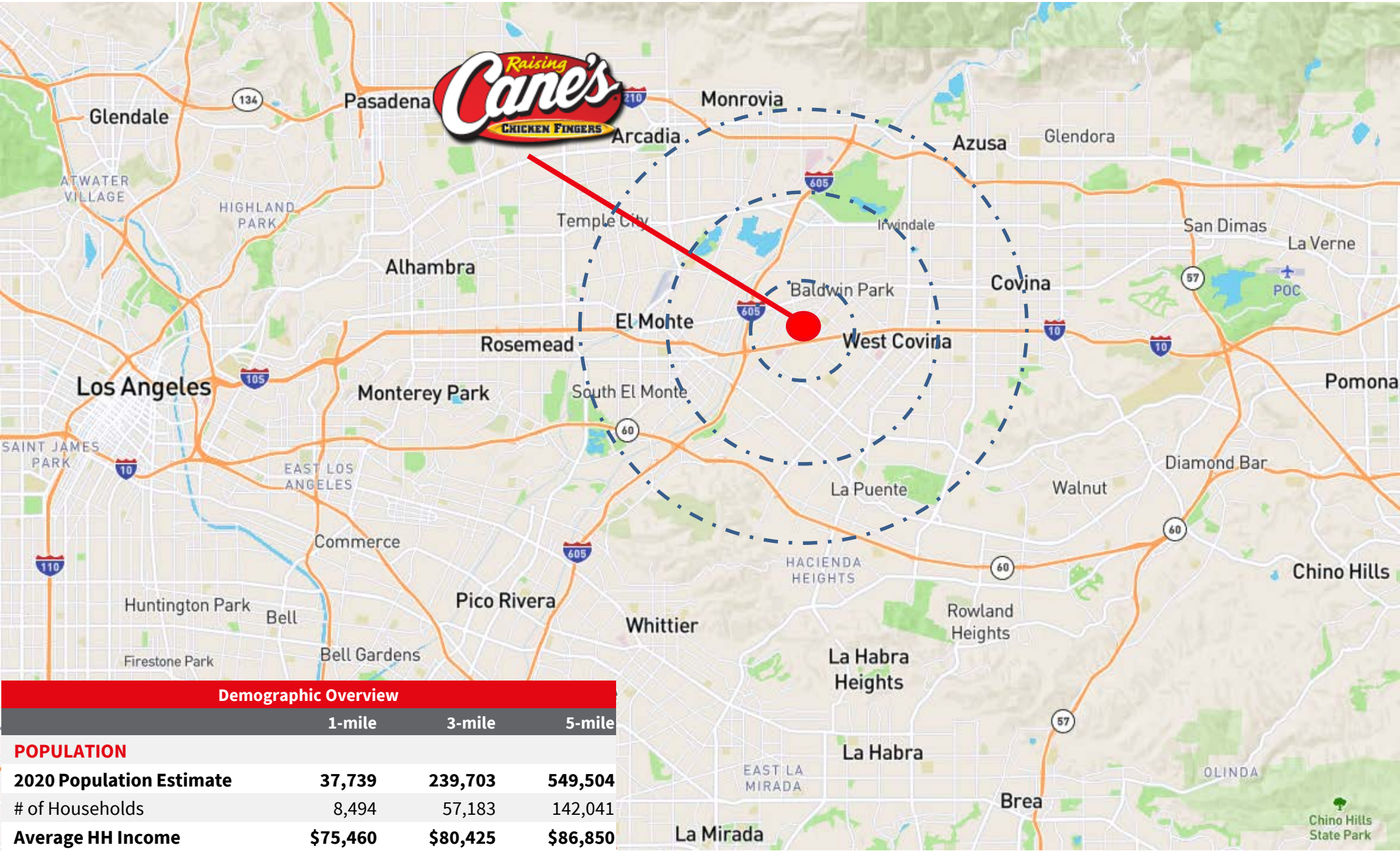
**286**  
Clear Days Per Year

**33**  
Median Age

## Aerial



Aerial



# Tenant

## Tenant Overview



# The Tenant



## Raising Cane's Overview

Raising Cane's Chicken Fingers is a fast-food restaurant chain founded in 1996 in Baton Rouge, Louisiana. The Company, privately held by its founders, is still headquartered in Baton Rouge and has more than 457+ locations in 24 states, Bahrain, Kuwait, Lebanon, Saudi Arabia, and the United Arab Emirates with multiple new restaurants under construction.

The company has ONE LOVE®—quality chicken finger meals—and is continually recognized for its unique business model and customer satisfaction.

With its limited menu and dedication to quality, Raising Cane's is currently disrupting the QSR industry and have been recognized for several of the industry's highest honors:

**#3 Highest Sales per Unit**– “Raising Cane's saw an average store sales of \$3.6 million in 2019, which ranks 3<sup>rd</sup> in QSR comparable store sales only behind Chick-fil-A and Shake Shack.”

**#6 Fastest-Growing Chain** – “Raising Cane's saw an estimated sales increase on robust 22.5% growing in unit count.” – *Business Insider* 2019

**Speediest Drive-Thru Service** – Raising Cane's was ranked #1 by *QSR Magazine* on the magazine's annual ranking of chains with the speediest drive-thru service in America in 2017. It also ranked #1 with an order accuracy of 97% on a separate *QSR Magazine* ranking in 2017 as well.

**Top Restaurant Chain 2017** – *Business Insider* named Raising Cane's as a top restaurant chain in 2017 due to the food quality, quality of service, and strength of the brand.

**Raising Cane's & COVID** – The Company reported in April 2020, that Raising Cane's sales numbers had already returned to pre-COVID sales numbers. The company not only did not lay off any of its 23,000+ employees but was able to donate to various hospitals and sewed masks for local hospitals in Baton Rouge.

### Company Overview

Company	Raising Cane's Chicken Fingers
Sector	Fast Casual
Year Founded	1996
Ownership Type	Private
Headquarters	Baton Rouge, LA
Locations	457+
YOY Unit Change	13.6%
Sales (million)	\$1,466
Average sales per unit (thousands)	\$3,600
Website	<a href="http://www.raisingCane's.com">www.raisingCane's.com</a>



## Property Photography [Click Here to watch Video of Property](#)



# Contact Information

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