

SINGLE TENANT ABSOLUTE NNN

Ground Lease Investment Opportunity



5315 S CALLE SANTA CRUZ
TUCSON ARIZONA

ACTUAL SITE





EXCLUSIVELY MARKETING BY

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Rent Roll | Brand Profile





SRS is pleased to offer the opportunity to acquire the leased fee interest (land ownership) in an absolute NNN ground leased, freestanding, Red Lobster investment property located in Tucson, AZ. The tenant, Red Lobster Hospitality LLC, recently extended their lease providing approximately 9 years of firm term remaining, demonstrating their strong commitment to the site. The lease has 2 remaining (5-year) options, with a 10% rental increase in 2025 and at the beginning of each option. The lease is corporate signed and is absolute NNN with zero landlord responsibilities making it an ideal, management-free investment opportunity for a passive investor.

The Red Lobster property is strategically located adjacent to Interstate 19 (57,000 VPD), the primary north/south thoroughfare serving the city of Tucson. The asset is ideally positioned as an outparcel to the Tucson Spectrum, the largest power center in greater Tucson MSA with over 1.1M SF of retail space. Notable tenants in the center include Target, The Home Depot, Harkins Theatres 18, Food City, Ross Dress for Less, Michaels, Marshalls, PetSmart, Best Buy, Dollar Tree, LA Fitness, and more, dramatically increasing consumer traffic to the area and promoting crossover shopping to the restaurant. The 5-mile trade area is supported by a dense population of over 188,000 residents with an average household income of \$49,800.





Parcel Map

Offering

PRICING	\$2,881,000
NET OPERATING INCOME	\$151,250
CAP RATE	5.25%
GUARANTY	The Lease Signature is Corporate
TENANT	Red Lobster Hospitality LLC
LEASE TYPE	Absolute NNN - Ground Lease
LANDLORD RESPONSIBILITIES	None

Property Specifications

RENTABLE AREA	7,028 SF
LAND AREA	1.76 Acres
PROPERTY ADDRESS	5315 S. Calle Santa Cruz, Tucson, AZ 85706
YEAR BUILT	2009
PARCEL NUMBER	137-05-5300
OWNERSHIP	Leased Fee (Land Ownership)



INVESTMENT HIGHLIGHTS



Approximately 9 Years Remaining | Options To Extend | Recent Lease Extension | Commitment to Site

- The tenant extended their lease providing approximately 9 years of firm term remaining, demonstrating their commitment to the site
- There are 2 (5-year) options remaining with scheduled 10% rental increases at the beginning of each option, growing NOI and hedging against inflation

Absolute NNN | Land Ownership | Passive Investment | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, and insurance
- No landlord responsibilities - ground lease
- Ideal, management-free investment for a passive investor

Outparcel to Tucson Spectrum Power Center (1.1M SF) | Major National/Credit Tenant Presence | Increases Traffic

- The subject property is strategically located as an outparcel to the Tucson Spectrum, the largest power center in greater Tucson MSA with over 1.1M SF of retail space
- Notable tenants in the center include Target, The Home Depot, Harkins Theatres 18, Food City, Ross Dress for Less, Michaels, Marshalls, PetSmart, Best Buy, Dollar Tree, LA Fitness, & more
- Strong tenant synergy promotes crossover shopping and increases consumer traffic to the subject property

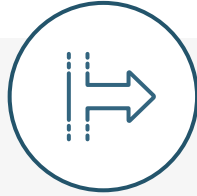
Strong Demographics in Dense 5-Mile Trade Area

- More than 188,000 residents and 95,000 employees support the area
- \$49,800 average household income



Location

Located in
Tucson, AZ
Pima County



Access

Shared access via Tucson
Spectrum Shopping Center's
entrance points along S. Calle
Santa Cruz and W. Irvington Road



Traffic Counts

W. Irvington Road
46,700 Cars Per Day

Interstate 19
57,000 Cars Per Day



Improvements

There is approximately
7,028 SF of
existing building area



Parking

There are approximately
97 parking spaces
on the owned parcel.
The parking ratio is
approximately 13.8 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number: 137-05-5300
Acres: 1.76
Square Feet: 76,551 SF



Year Built

2009



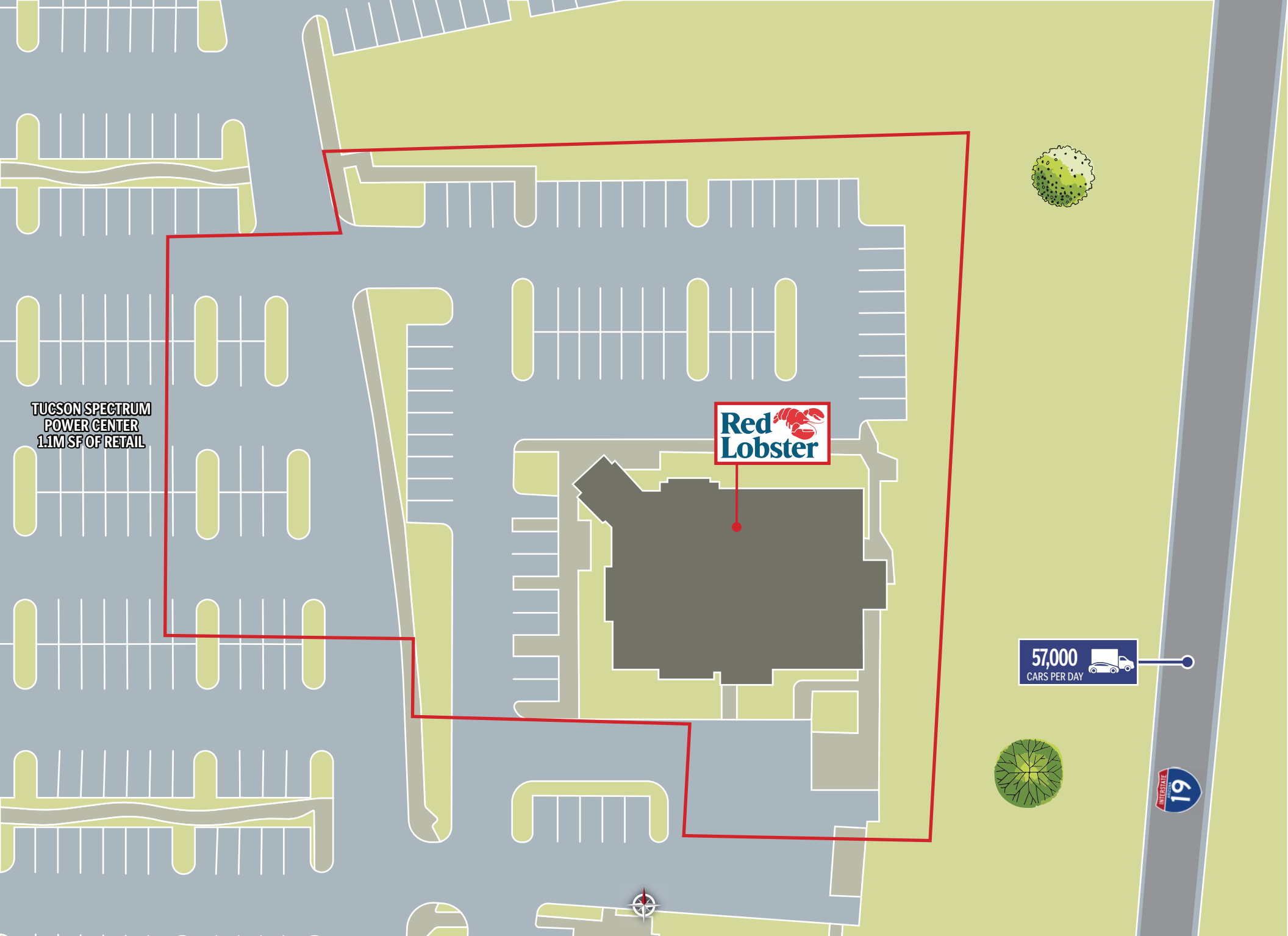
Zoning

C-3: Commercial









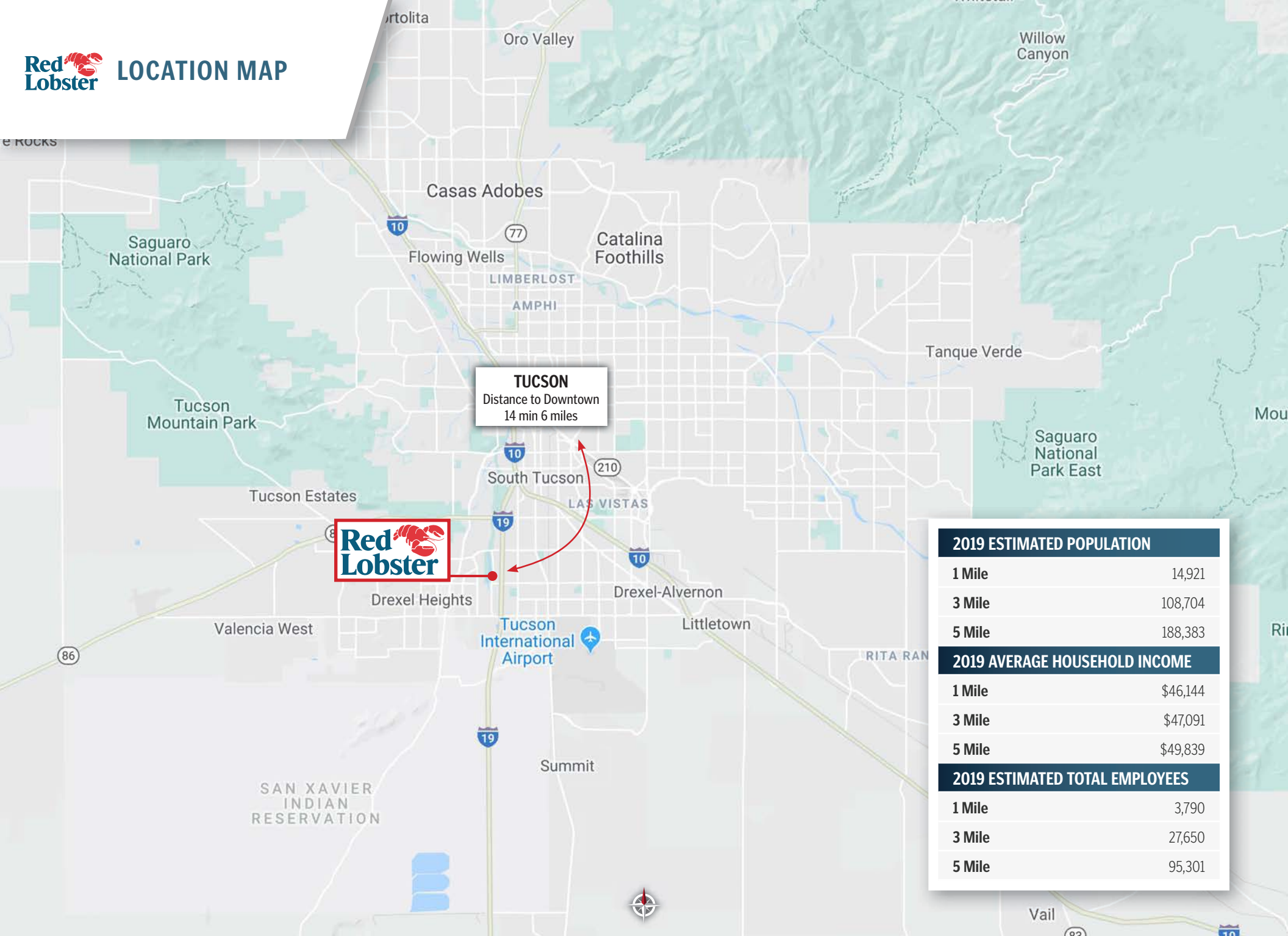
TUCSON SPECTRUM
POWER CENTER
1.1M SF OF RETAIL



57,000
CARS PER DAY







2019 ESTIMATED POPULATION	
1 Mile	14,921
3 Mile	108,704
5 Mile	188,383
2019 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$46,144
3 Mile	\$47,091
5 Mile	\$49,839
2019 ESTIMATED TOTAL EMPLOYEES	
1 Mile	3,790
3 Mile	27,650
5 Mile	95,301



Tucson, Arizona

Tucson is Southern Arizona's largest city and the second largest city in the State of Arizona. It is located 100 miles southeast of Phoenix and 60 miles north of the U.S. – Mexico border. Tucson is situated in the Sonoran Desert and is surrounded by five mountain ranges. The City is home to the University of Arizona and Davis-Monthan Air Force Base. The City's industries include electronics and missile production. Tucson is the seat of Pima County. The City of Tucson is the 2nd largest city in Arizona with a population of 541,841 as of July 1, 2018.

A diverse and welcoming community, Tucson offers an outstanding quality of life along with a low cost of doing business. The manufacturers lead the way in innovation, in sectors as varied as aerospace, biotech, defense, information technology, optics, solar, and water. Tucson has the highest concentration of startups of any U.S. city its size. Just 60 miles from the Mexico border, with high-capacity border and transportation infrastructure, Tucson is the natural choice for companies doing business in the U.S. and Mexico. Tucson has a broad based economy that is anchored in tourism, higher education, retail, military, government, various high – tech and health care employers.

The Tucson region is fast becoming one of the nation's most innovative business centers. Life sciences programs at the University of Arizona are international leaders in scientific research and education. The aerospace and defense sector is a major contributor to the region's economy. The neighboring State of Sonora is quickly becoming one of Mexico's biggest and most important aerospace clusters as well, making Tucson the closest major U.S. city to companies manufacturing there. Recognized globally as a location of choice for solar energy activities, Tucson's emerging solar industry promises a bright future. The region has valuable resources for technology development, manufacturing and solar power generation. While Tucson is already well known for its abundant sunshine, the region is also becoming known for its abundant human capital, state of the art research and development, ample supply chain opportunities and competitive operating costs.

Tucson's unique location near Mexico and their deep-water ports, as well as its substantial transportation infrastructure, means excellent access for trade, connecting people and products in today's competitive global marketplace. The Union Pacific's main line runs east to west through Tucson, giving the City an advantage in transportation and logistics. The Port of Tucson, a multifaceted rail facility, provides a wide variety of rail oriented transportation options including intermodal container handling, boxcar access, and team track.

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	14,921	108,704	188,383
2024 Projected Population	15,378	111,750	193,964
2010 Census Population	14,258	104,390	180,796
Projected Annual Growth 2019 to 2024	0.61%	0.55%	0.59%
Historical Annual Growth 2010 to 2019	0.50%	0.44%	0.45%
2019 Estimated Households	4,521	33,955	60,935
2024 Projected Households	4,662	34,915	62,942
2010 Census Households	4,321	32,667	58,483
Projected Annual Growth 2019 to 2024	0.62%	0.56%	0.65%
Historical Annual Growth 2010 to 2019	0.50%	0.42%	0.46%
2019 Estimated White	56.29%	59.84%	62.89%
2019 Estimated Black or African American	2.33%	2.43%	3.42%
2019 Estimated Asian or Pacific Islander	0.78%	0.74%	1.08%
2019 Estimated American Indian or Native Alaskan	5.00%	5.18%	5.20%
2019 Estimated Other Races	32.44%	34.28%	32.12%
2019 Estimated Hispanic	86.25%	84.11%	78.19%
2019 Estimated Average Household Income	\$46,144	\$47,091	\$49,839
2019 Estimated Median Household Income	\$37,609	\$36,342	\$37,618
2019 Estimated Per Capita Income	\$13,902	\$14,684	\$16,207
2019 Estimated Total Businesses	323	1,869	5,521
2019 Estimated Total Employees	3,790	27,650	95,301



TENANT NAME	SQUARE FEET	Lease Term		Rental Rates							
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Red Lobster Hospitality LLC	7,028	9/1/2009	2/28/2030	Current	-	\$12,604	\$1.79	\$151,250	\$21.52	Absolute NNN	2 (5-Year)
(Corporate Signed)				3/1/2025	10%	\$13,865	\$1.97	\$166,375	\$23.67		10% Incr. at Beg. of Each Option Period

FINANCIAL INFORMATION

Price	\$2,881,000
Net Operating Income	\$151,250
Cap Rate	5.25%
Lease Type	Absolute NNN - Ground Lease

PROPERTY SPECIFICATIONS

Year Built	2009
Rentable Area	7,028 SF
Land Area	1.76 Acres
Address	5315 S. Calle Santa Cruz, Tucson, AZ 85706



For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com.



Red Lobster

Red Lobster is the world's largest and most-loved seafood restaurant company, headquartered in Orlando, FL. Red Lobster is focused on serving the highest quality, freshly prepared seafood that is traceable, sustainable and responsibly-sourced. With more than 50,000 employees in over 700 restaurants in the U.S. and Canada, and a growing international footprint, Red Lobster is more committed than ever to be not just the biggest seafood restaurant, but the best.

COMPANY TYPE

Private

LOCATIONS

700+

WEBSITE

redlobster.com



This Offering Memorandum has been prepared by SRS and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

*Statistics are for 2019