

# BURGER KING

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

**BURGER KING**

3715 W. 11th Avenue  
Eugene, OR 97402

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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.

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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

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## Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Surrounding Area	7
Location Overview	8
Local Map	9
Regional Map	10
Demographics	11
Market Overview	12

**BURGER KING**



# Investment Highlights

PRICE: \$2,705,950 | CAP: 5.25% | RENT: \$142,062

**BURGER KING**

## About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Lease Commencing Upon the Close of Escrow
- ✓ Two Percent (2.00%) Rental Increases Annually Starting in Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options,

## About the Location

- ✓ Brand New Construction | Site is Expected to Open in July 2021
- ✓ Dense Retail Corridor | Target, Walmart, Home Depot, Lowe's, Dollar Tree, Fred Meyer, Discount Tire, 7-Eleven, Carl's Jr., Jack in the Box, McDonalds, Pizza Hut, Dominos and Many More
- ✓ Robust Demographics | There are Approximately 186,217 Individuals Residing within a Five-Mile Radius
- ✓ Strong Traffic Counts | W 11<sup>th</sup> Ave and Bailey Hill Road | 33,000 and 11,220 Vehicles Per Day, Respectively
- ✓ Large Academic Presence | University of Oregon | Located Five-Miles from the Subject Property | Total Enrollment Exceeding 18,000 Students

## About the Tenant / Brand

- ✓ Burger King is the #2 Fast Food Hamburger Chain, Globally
- ✓ Nearly 14,000 restaurants in 100+ countries
- ✓ Burger King Serves More than 11,000,000 Guests Per Day
- ✓ 100% of Burger Kings are Owned and Operated by Independent Franchises
- ✓ Ambrosia QSR Oregon, LLC is a Well-Funded Developer and Operator of Burger King Locations | They are One of the Top Performing Operators within the Burger King System







# Financial Analysis

PRICE: \$2,705,950 | CAP: 5.25% | RENT: \$142,062

**BURGER KING**

## PROPERTY DESCRIPTION

Property	Burger King
Property Address	3715 W. 11th Avenue
City, State ZIP	Eugene, OR 97402
Year Built	2021
Building Size (SF)	2,682
Lot Size (Acres)	+/- 0.81 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,705,950
CAP Rate	5.25%
Annual Rent	\$142,062

## LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant / Guarantor	Ambrosia QSR Oregon / Ambrosia QSR III, LLC
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually Starting Year 6
Options to Renew	Four (4), Five (5)-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$142,062	\$11,839	-
Year 2	\$142,062	\$11,839	-
Year 3	\$142,062	\$11,839	-
Year 4	\$142,062	\$11,839	-
Year 5	\$142,062	\$11,839	-
Year 6	\$144,903	\$12,075	2.00%
Year 7	\$147,801	\$12,317	2.00%
Year 8	\$150,757	\$12,563	2.00%
Year 9	\$153,772	\$12,814	2.00%
Year 10	\$156,848	\$13,071	2.00%
Year 11	\$159,985	\$13,332	2.00%
Year 12	\$163,185	\$13,599	2.00%
Year 13	\$166,448	\$13,871	2.00%
Year 14	\$169,777	\$14,148	2.00%
Year 15	\$173,173	\$14,431	2.00%
Year 16	\$176,636	\$14,720	2.00%
Year 17	\$180,169	\$15,014	2.00%
Year 18	\$183,772	\$15,314	2.00%
Year 19	\$187,448	\$15,621	2.00%
Year 20	\$191,197	\$15,933	2.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Burger King located at 3175 W. 11<sup>th</sup> Avenue in Eugene, OR. The property consists of 2,682 square feet of building space and is situated on an estimated 0.81 acres of land. The tenant is subject to a 20-year absolute triple net (NNN) lease, that will commence upon close of escrow. The base rent is \$142,062 and will increase by 2.00% percent annually starting in year six and continuing throughout the base term and into each of the four (4), five (5)-year tenant renewal option periods.



# Concept Overview

## About Burger King

**BURGER KING**



### About Burger King

Founded in 1954, Burger King® is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King® system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Approximately 100 percent of Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades.

### Tenant Overview

Ambrosia QSR Oregon, LLC is a well-funded developer and operator of Burger King locations. The guarantor is Ambrosia QSR III, LLC, a 66-unit Burger King entity which has been one of the top performing operators within the Burger King system. With new capital investors, the tenant is looking to expand, and has signed a corporate agreement to develop new Burger Kings each through 2022. The operator is following a tactical and sophisticated development thesis by selecting high quality locations with tremendous upside potential.

### Great Food Comes First

Every day, more than 11 million guests visit BURGER KING® restaurants around the world. And they do so because our restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world. The original HOME OF THE WHOPPER®, our commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined our brand for more than 50 successful years.

### #2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

### Global Brand Presence | Fully – Franchised Business Model

- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins





# Surrounding Area

3715 W. 11th Avenue, Eugene, OR 97402

BURGER KING







# Location Overview

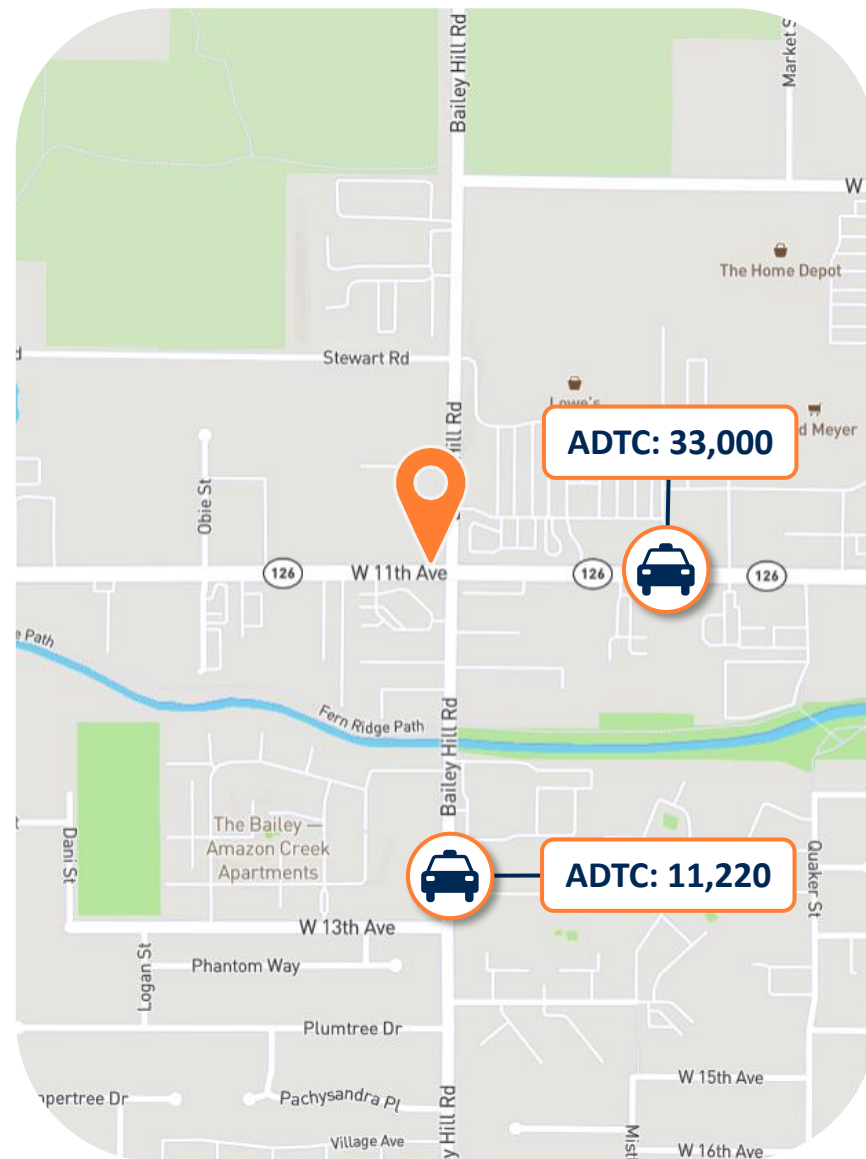
3715 W. 11th Avenue, Eugene, OR 97402

The Burger King property is situated on the corner of W 11<sup>th</sup> Ave and Bailey Hill Road which boasts average daily traffic counts of approximately 33,000 and 11,220 vehicles, respectively. There are approximately 80,770 individuals residing within a three-mile radius of the subject property and 186,217 individuals within a five-mile radius.

The subject property benefits from being located in a dense retail corridor surrounded by national and local tenants, shopping centers, academic institutions and apartment complexes. Major national tenants in the surrounding area include Target, Walmart, Home Depot, Lowe's, Dollar Tree, Fred Meyer, Discount Tire, 7-Eleven, Carl's Jr., Jack in the Box, McDonalds, Pizza Hut, Dominos, as well as many more. The subject property benefits from being located less than five-miles from the University of Oregon where over 18,000 students are enrolled.

Eugene is a city in the U.S. state of Oregon, at the southern end of the verdant Willamette Valley, near the confluence of the McKenzie and Willamette Rivers, about 50 miles east of the Oregon Coast. Eugene is the state's third most populous city (after Portland and Salem) and the county seat of Lane County. The Eugene-Springfield, Oregon metropolitan statistical area (MSA) is the 146th largest metropolitan statistical area in the US and the third-largest in the state, behind the Portland Metropolitan Area and the Salem Metropolitan Area. The city's population for 2018 was estimated to be 171,245 by the US Census. Eugene is home to the University of Oregon, Northwest Christian University, and Lane Community College. The city is also noted for its natural environment, recreational opportunities, such as bicycling, running/jogging, rafting, and kayaking, and its focus on the arts. Eugene's official slogan is "A Great City for the Arts and Outdoors." It is also referred to as the "Emerald City" and as "Track Town, USA." The Nike corporation had its beginnings in Eugene. In 2021, the city will host the 18th Track and Field World Championships.

**BURGER KING**



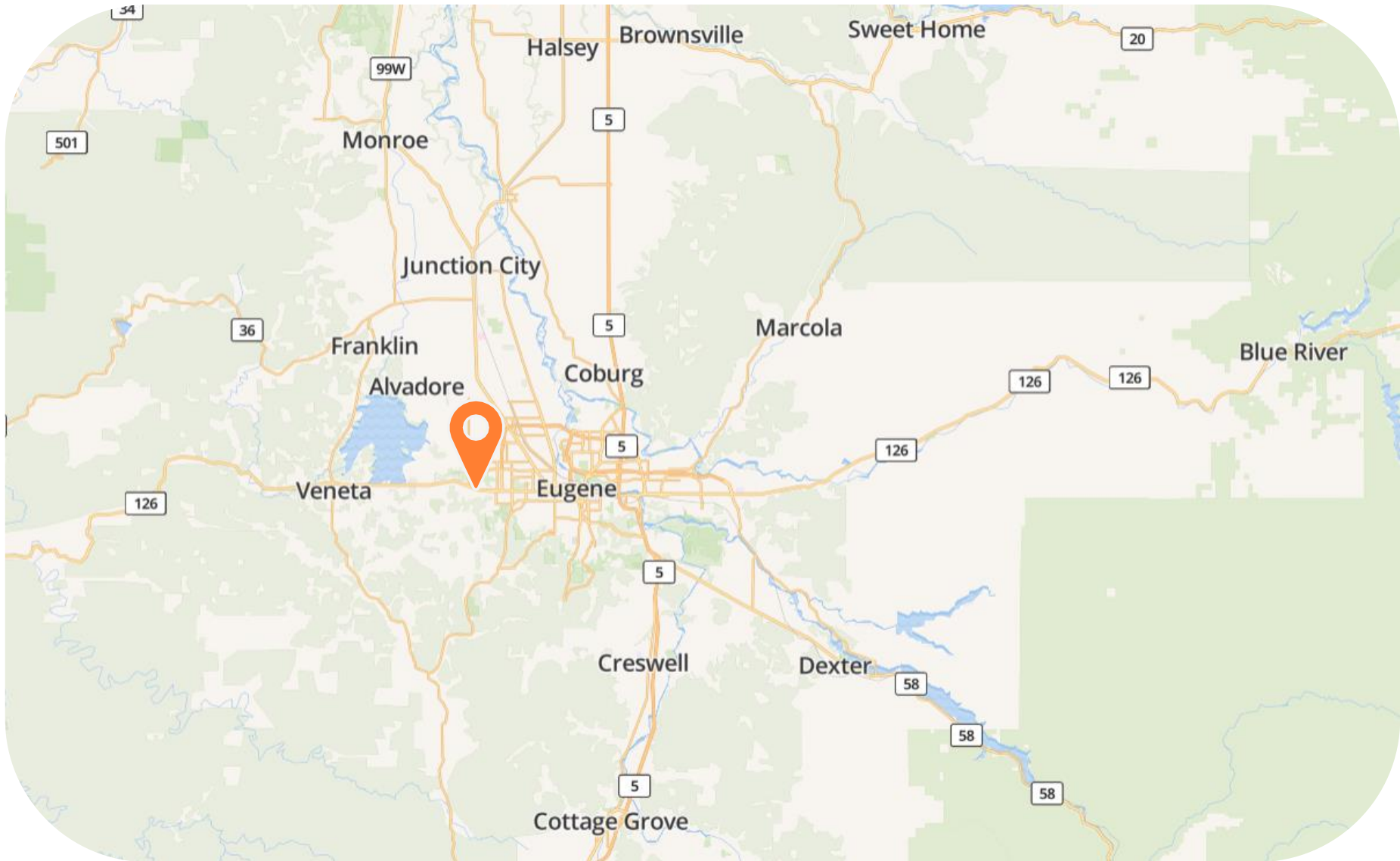




# Local Map

3715 W. 11th Avenue, Eugene, OR 97402

**BURGER KING**





# Regional Map

3715 W. 11th Avenue, Eugene, OR 97402

**BURGER KING**

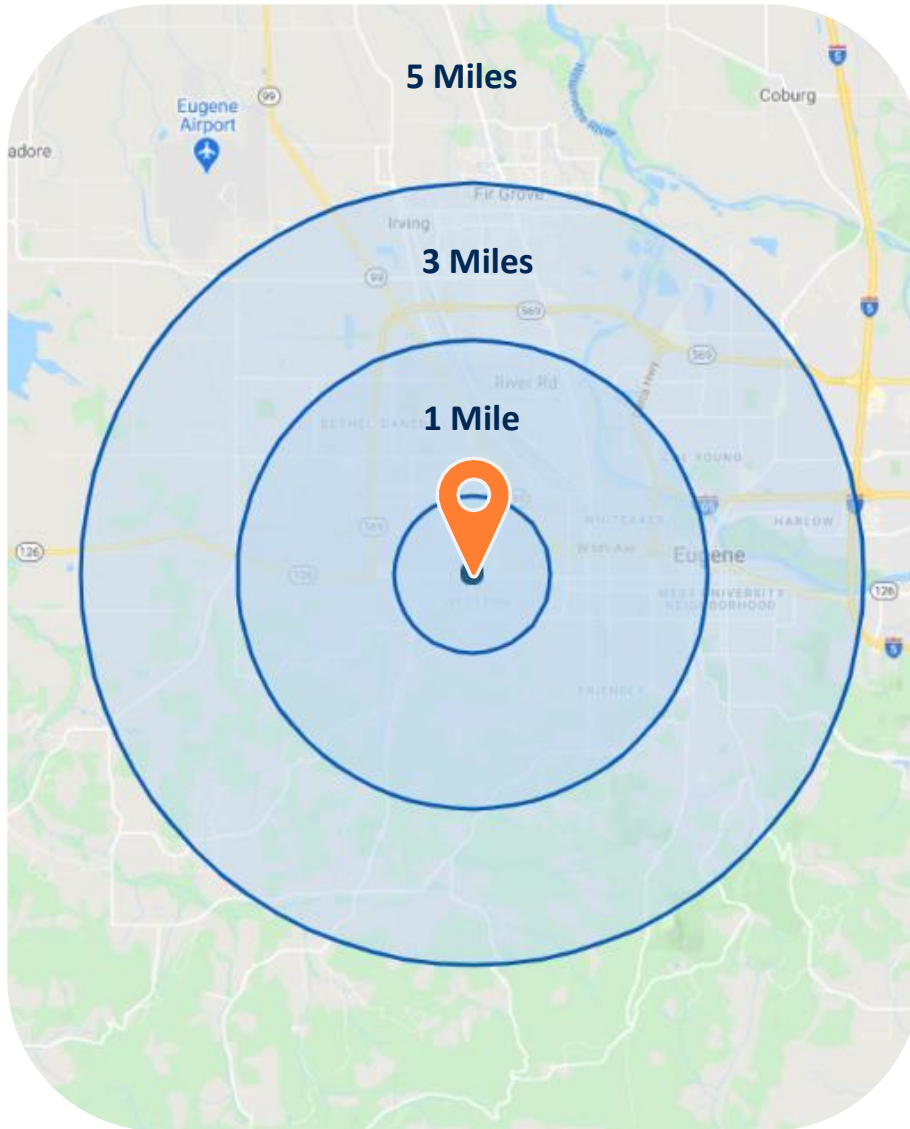






# Demographics

3715 W. 11th Avenue, Eugene, OR 97402



## BURGER KING

**1 Mile 3 Miles 5 Miles**

### Population Trends:

2010 Population	7,519	72,841	167,543
2020 Population	8,924	80,770	186,217
2025 Population Projection	9,615	86,156	198,626
Growth 2010 - 2020	1.90%	1.10%	1.10%
Growth 2020 - 2025	1.50%	1.30%	1.30%

### Population by Race (2020):

White	7,635	70,576	161,486
Black	214	1,393	3,023
American Indian/Alaskan Native	189	1,517	2,823
Asian	260	2,731	8,992
Hawaiian & Pacific Islander	40	246	542
Two or More Races	585	4,308	9,351
Hispanic Origin	1,599	9,601	17,751

### Household Trends:

2010 Households	3,190	31,815	70,993
2020 Households	3,718	35,130	78,665
2025 Household Projection	3,997	37,457	83,919
Growth 2010 - 2020	1.20%	0.70%	0.80%
Growth 2020 - 2025	1.50%	1.30%	1.30%
Owner Occupied	1,750	18,441	42,604
Renter Occupied	2,247	19,016	41,314

### Average Household Income (2020):

<b>\$57,560</b>	<b>\$67,145</b>	<b>\$71,882</b>
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### Households by Household Income (2020):

<\$25,000	1,019	8,859	19,086
\$25,000 - \$50,000	883	8,691	17,647
\$50,000 - \$75,000	871	6,906	15,284
\$75,000 - \$100,000	437	4,195	10,056
\$100,000 - \$125,000	241	2,179	5,349
\$125,000 - \$150,000	149	1,463	3,641
\$150,000 - \$200,000	70	1,467	3,934
\$200,000+	49	1,369	3,668

### Median Household Income (2020):

<b>\$48,326</b>	<b>\$50,045</b>	<b>\$53,754</b>
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# Market Overview

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Eugene's largest employers are PeaceHealth Medical Group, the University of Oregon, and the Eugene School District. Eugene's largest industries are wood products manufacturing and recreational vehicle manufacturing. Eugene has quickly made a name for itself as a culinary hub in Oregon. The city has over 25 breweries, offers a variety of fine dining options with a local focus; the city is surrounded by award-winning wineries.

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