

# BRAND NEW CONSTRUCTION DRIVE-THRU QSR

Absolute NNN Ground Lease Investment Opportunity  
Opening for Business Q1 2022



124 S. Columbia Street

**MILTON-FREEWATER OREGON**

REPRESENTATIVE PHOTO



**SRS**

NATIONAL  
NET LEASE  
GROUP



## EXCLUSIVELY MARKETED BY



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# INVESTMENT SUMMARY



SRS National Net Lease Group in collaboration with Urban Works Real Estate is pleased to offer the opportunity to acquire the leased interest (land ownership) in an absolute NNN leased, drive-thru equipped, Taco Bell investment property located in Milton-Freewater, Oregon. The tenant, Pacific Bells, LLC, recently signed a brand new 25-year lease with 6 (5-year) options to extend, demonstrating their long-term commitment to the site. The lease features 1.75% annual rental increases throughout the initial term and option periods, steadily growing NOI and hedging against inflation. The lease is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor. Formed in 1986, Pacific Bells is an experienced Taco Bell franchisee currently operating over 250 restaurants in 8 states. Taco Bell and their 350 franchise organizations operate more than 7,000 restaurants and serve more than 40 million customers each week in the United States. Internationally, the brand is growing with more than 500 restaurants across nearly 30 countries across the globe.

The subject property is strategically located along South Columbia Street/State Highway 11, a major north/south commuter thoroughfare averaging 12,400 vehicles passing by daily. The building is equipped with a drive-thru, providing ease and convenience for customers. On average, stores with drive-thrus experience higher sales than those without. State Highway 11 is the primary retail corridor traveling through Milton-Freewater, featuring a variety of strong national and regional tenants including Safeway, Rite Aid, Dollar General, McDonald's, Fry's True Value, Dutch Bros. Coffee, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. In addition, McLoughlin High School is within walking distance of the subject property, providing a direct consumer base from which to draw. The 10-mile trade area is supported by nearly 58,500 residents and 23,000 daytime employees with an average household income of \$77,000.

## CONSTRUCTION NOVEMBER 2021



# OFFERING SUMMARY



## OFFERING

<b>Pricing</b>	\$2,585,000
<b>Net Operating Income</b>	\$116,304
<b>Cap Rate</b>	4.50%
<b>Tenant</b>	Pacific Bells, LLC (250+ Units)
<b>Lease Type</b>	Absolute NNN - Ground Lease
<b>Landlord Responsibilities</b>	None
<b>Sales Reporting</b>	No

## PROPERTY SPECIFICATIONS

<b>Rentable Area</b>	2,106 SF
<b>Land Area</b>	0.88 Acres
<b>Property Address</b>	124 S. Columbia Street Milton-Freewater, Oregon 97862
<b>Year Built</b>	Under Construction (Opening Q1 2022)
<b>Parcel Number</b>	5N3501CC00100
<b>Ownership</b>	Leased Fee (Land Ownership)

# INVESTMENT HIGHLIGHTS



## **Brand New 25-Year Lease | Annual Rental Increases | Strong Operator (250+ Units) | Reputable Restaurant Brand**

- The tenant recently signed a brand new 25-year lease with 6 (5-year) options to extend, demonstrating their long-term commitment to the site
- 1.75% annual rental increases throughout the initial term and option periods, steadily growing NOI and hedging against inflation
- Formed in 1986, Pacific Bells is an experienced Taco Bell franchisee currently operating over 250 restaurants in 8 states
- Taco Bell and their 350 franchise organizations operate more than 7,100 restaurants and serve more than 40 million customers each week in the U.S.
- The building, which is scheduled to be completed Q1 2022, will feature a state-of-the-art design using high quality materials

## **Absolute NNN | Leased Fee Ownership | Zero Landlord Responsibilities**

- Tenant pays for CAM, taxes, and insurance
- No landlord responsibilities - ground lease

## **Located Along State Highway 11 | Drive-Thru Equipped | Nearby to McLoughlin High School**

- Located along South Columbia Street/State Highway 11, a major north/south commuter thoroughfare averaging 12,400 vehicles passing by daily
- Equipped with a drive-thru, providing ease/convenience for customers
- On average, stores with drive-thrus receive higher sales than those without
- McLoughlin High School is within walking distance of the subject property, providing a direct consumer base from which to draw

## **Strong Demographics in 10-Mile Trade Area**

- Nearly 58,500 residents and 23,000 employees support the trade area
- \$77,000 average household income

# PROPERTY OVERVIEW



## Location



Milton-Freewater, Oregon  
Umatilla County

## Access



S. Columbia Street: 1 Access Point

## Parking



There are approximately 22 parking spaces on the owned parcel.  
The parking ratio is approximately 5.02 stalls per 1,000 SF of leasable area.

## Parcel



Parcel Number: 5N3501CC00100  
Acres: 0.88  
Square Feet: 38,352

## Traffic Counts



S. Columbia Street: 12,400 Vehicles Per Day

## Construction



Year Built: Under Construction  
Scheduled Grand Opening: Q1 2022

## Improvements



There is approximately 2,106 SF of existing building area

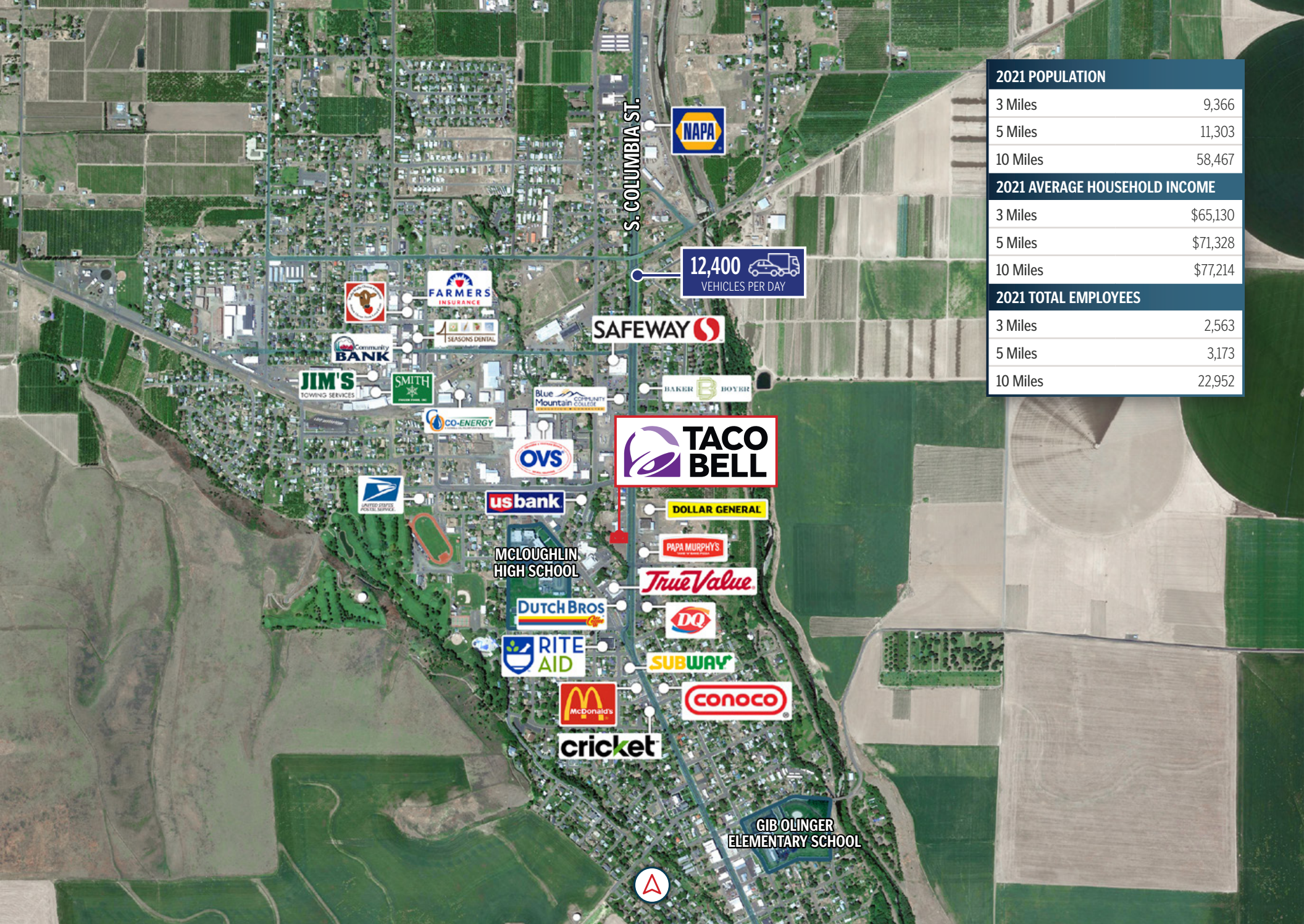
## Zoning



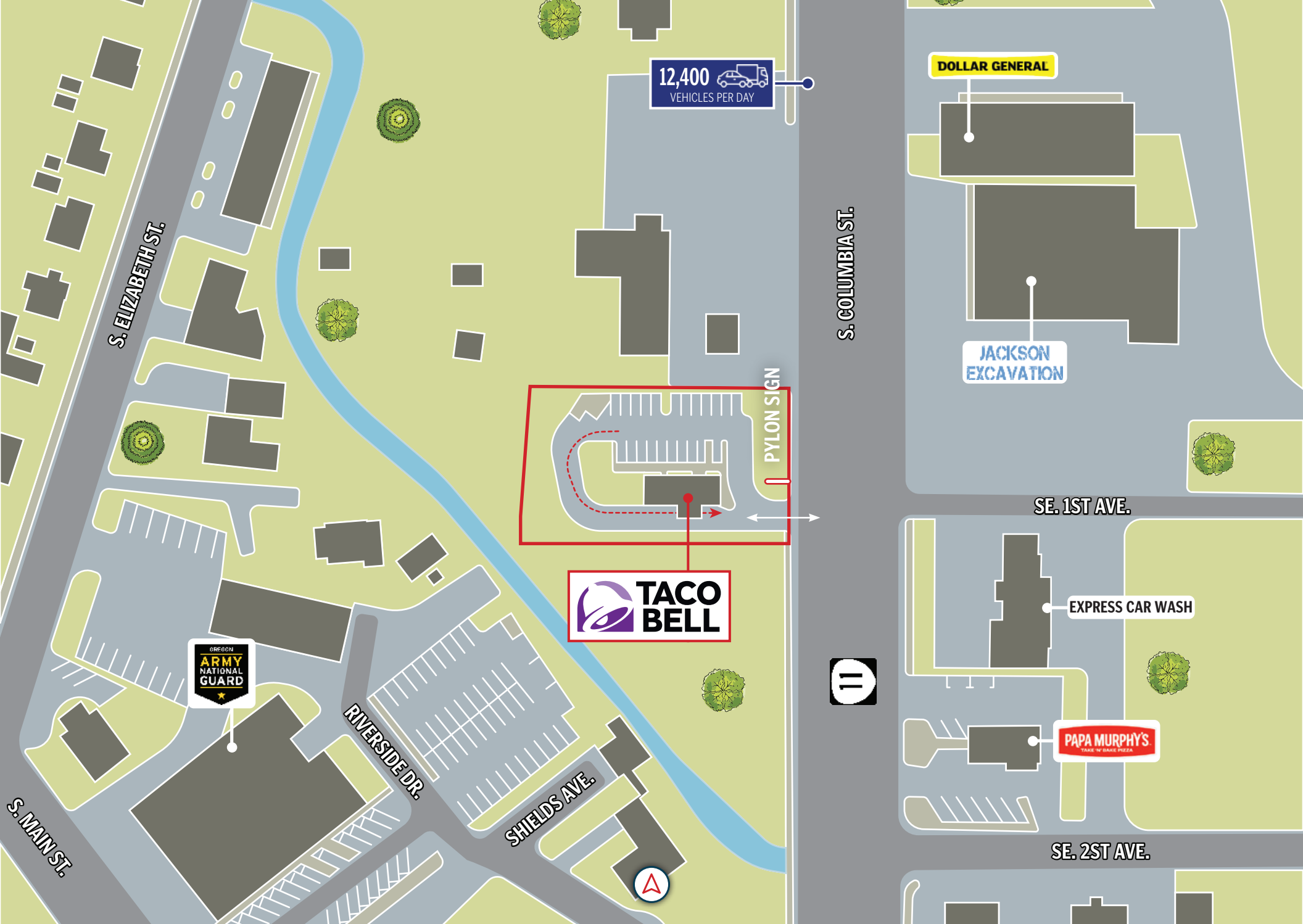
C-2: General Commercial



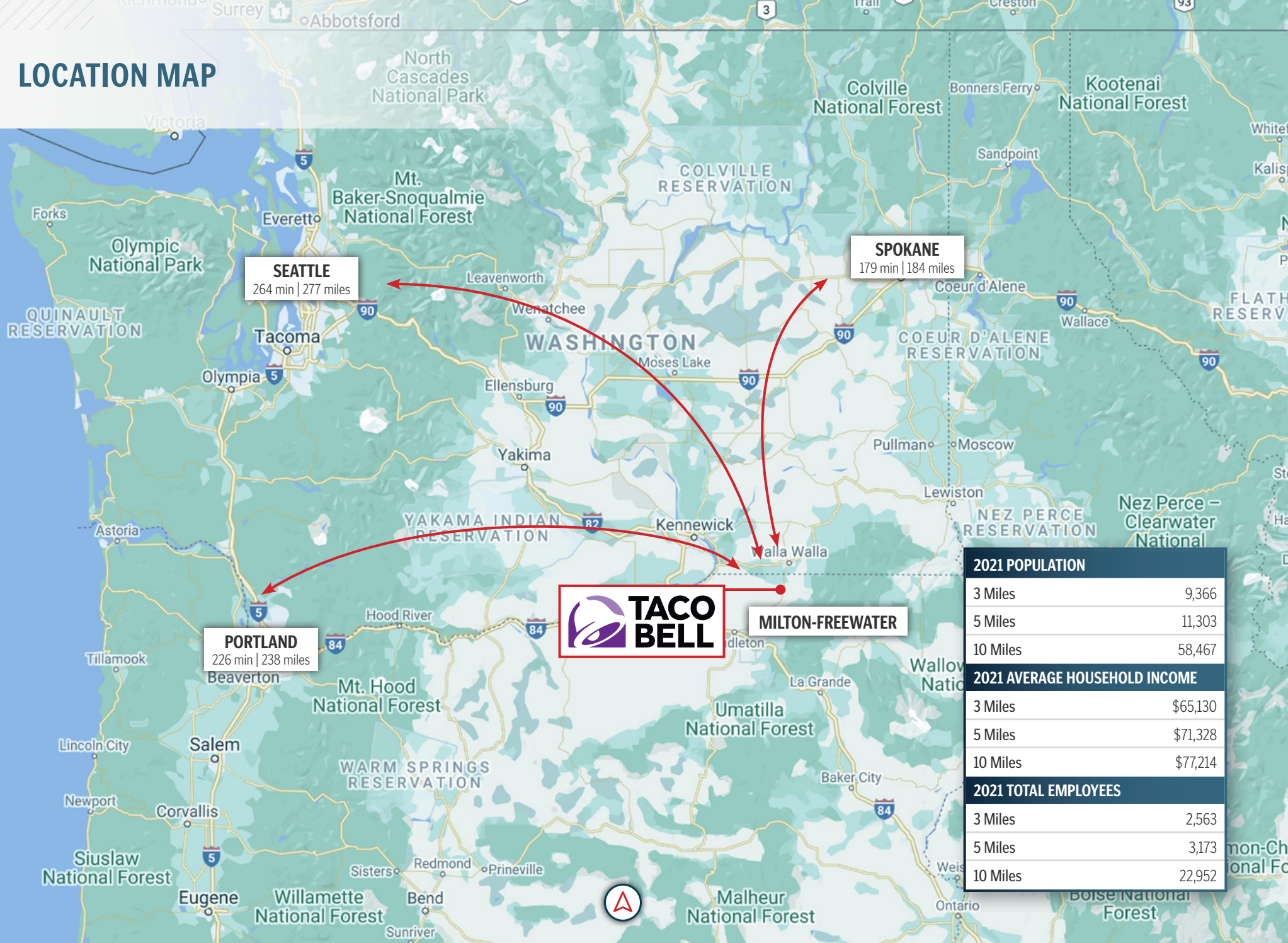




2021 POPULATION	
3 Miles	9,366
5 Miles	11,303
10 Miles	58,467
2021 AVERAGE HOUSEHOLD INCOME	
3 Miles	\$65,130
5 Miles	\$71,328
10 Miles	\$77,214
2021 TOTAL EMPLOYEES	
3 Miles	2,563
5 Miles	3,173
10 Miles	22,952



# LOCATION MAP



2021 POPULATION	
3 Miles	9,366
5 Miles	11,303
10 Miles	58,467
2021 AVERAGE HOUSEHOLD INCOME	
3 Miles	\$65,130
5 Miles	\$71,328
10 Miles	\$77,214
2021 TOTAL EMPLOYEES	
3 Miles	2,563
5 Miles	3,173
10 Miles	22,952



### MILTON-FREEWATER, OREGON

Milton Freewater, Oregon, in Umatilla County, is 40 miles Southeast of Kennewick, Washington and 209 miles East of Portland, Oregon. The City of Milton-Freewater had a population of 7,096 as of July 1, 2021. Milton and Freewater were initially two separate cities. These merged to form Milton-Freewater in 1951. The city of Milton-Freewater was incorporated in 1960.

Agriculture plays a vital role in the economy of the city. Milton-Freewater is fertile farm country of orchards and wheat fields. The vineyards here cross state borders to form the Walla Walla American Viticultural Area (AVA) in Oregon and Washington. Wine is just one part of Milton-Freewater's growing tradition of artisan food and drink; the town is also home to a brewery, a cidery and a chocolate boutique. The largest industries in Milton-Freewater, OR are Retail Trade, Health Care & Social Assistance, and Public Administration, and the highest paying industries are Educational Services, Public Administration, and Construction.

Milton-Freewater and nearby Attractions are Emigrant Springs State Heritage Area, Lewis and Clark Trail State Park, Whitman Mission National Historic Site, Umatilla County Historical Society, Milton Park, Richard A Yantis Memorial Park.

The City of Milton-Freewater has several parks and recreational spots, including the Richard A Yantis Memorial Park, the Lewis and Clark Trail State Park and Milton Park. Tourists can also visit the Umatilla County Historical Society and the Whitman Mission National Historic Site. The Little Walla Walla River provides facilities for fishing and boating.

The closest colleges are Walla Walla Community College, Columbia Basin College and Eastern Oregon University. Flights are available from Walla Walla Regional Airport.

# AREA DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
<b>POPULATION</b>			
2021 Estimated Population	9,366	11,303	58,467
2026 Projected Population	9,314	11,261	59,932
2010 Census Population	9,279	11,154	55,130
Historical Annual Growth 2010 to 2021	0.07%	0.11%	0.52%
<b>HOUSEHOLDS &amp; GROWTH</b>			
2021 Estimated Households	3,382	4,101	21,574
2026 Projected Households	3,363	4,085	22,177
2010 Census Households	3,364	4,060	20,259
Historical Annual Growth 2010 to 2021	0.04%	0.08%	0.56%
<b>RACE &amp; ETHNICITY</b>			
2021 Estimated White	94.59%	94.76%	80.10%
2021 Estimated Black or African American	0.56%	0.50%	2.10%
2021 Estimated Asian or Pacific Islander	0.63%	0.68%	1.80%
2021 Estimated American Indian or Native Alaskan	0.77%	0.76%	1.10%
2021 Estimated Other Races	23.60%	21.01%	11.20%
2021 Estimated Hispanic	42.42%	38.39%	25.10%
<b>INCOME</b>			
2021 Estimated Average Household Income	\$65,130	\$71,328	\$77,214
2021 Estimated Median Household Income	\$50,331	\$52,686	\$57,107
2021 Estimated Per Capita Income	\$23,427	\$25,966	\$28,730
<b>BUSINESSES &amp; EMPLOYEES</b>			
2021 Estimated Total Businesses	285	349	1,997
2021 Estimated Total Employees	2,563	3,173	22,952



# RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Pacific Bells, LLC	2,106	2/1/2022	1/31/2047	Year 1	-	\$9,692	\$4.60	\$116,304	\$55.23	Absolute NNN	6 (5-Year)
		(Est.)	(Est.)	Year 2	1.75%	\$9,862	\$4.68	\$118,339	\$56.19	(Ground Lease)	
				Year 3	1.75%	\$10,034	\$4.76	\$120,410	\$57.17		
		1.75% Annual Rental Increases Throughout Initial Term & Options									

## FINANCIAL INFORMATION

Price	\$2,585,000
Net Operating Income	\$116,304
Cap Rate	4.50%
Lease Type	Absolute NNN - Ground Lease

## PROPERTY SPECIFICATIONS

Year Built	Under Construction (Opening Q1 2022)
Rentable Area	2,106 SF
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Address	124 S. Columbia Street Milton-Freewater, Oregon 97862



**For financing options and loan quotes:**

Please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com)

# BRAND PROFILE



## TACO BELL

**tacobell.com**

**Company Type:** Subsidiary

**Locations:** 7,100+

**Parent:** Yum! Brands

**2020 Employees:** 38,000

**2020 Revenue:** \$5.65 Billion

**2020 Net Income:** \$904.00 Million

**2020 Assets:** \$5.85 Billion

**Credit Rating: S&P:** BB

Taco Bell Corp., a subsidiary of Yum! Brands, Inc. (NYSE: YUM), is the world's leading Mexican-inspired quick-service restaurant brand. Taco Bell serves made-to-order and customizable tacos and burritos and other specialties with bold flavors, quality ingredients, breakthrough value, and best-in-class customer service to over 46 million customers weekly across the globe. Globally, Taco Bell and its franchisees operate more than 7,100 restaurants, including more than 600 restaurants across 30 countries outside of the U.S. The company was founded in 1962 and is headquartered in Irvine, California.



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