

15-YEAR RAISING CANE'S GROUND LEASE SOUTH GATE, CA



DOWNTOWN
LOS ANGELES

FREEDOM PLAZA



S. ALAMEDA STREET - 37,532 CPD

ALAMEDA CORRIDOR

TWEEDY BOULEVARD - 14,374 CPD

CBRE

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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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INVESTMENT OVERVIEW

INVESTMENT SUMMARY



OFFERING PRICE

\$5,194,805



CAP RATE (YEAR 1)

3.85%



NOI (YEAR 1)

\$200,000/YR



LEASE TERM

15 YEARS



OWNERSHIP

FEE SIMPLE
GROUND LEASE



LAND SIZE

±24,816 SF



YEAR BUILT

UNDER
CONSTRUCTION
(RENT COMMENCEMENT
JULY 2022)

INVESTMENT OVERVIEW

This is a rare opportunity to purchase a brand new 15-year fee, simple ground lease with Raising Cane's Chicken Fingers in South Gate, California. Strategically located at the intersection of Tweedy Boulevard and Alameda Street, the property benefits from excellent visibility, accessibility, and an extremely dense population base in the immediate trade area (58,080 people within 1 mile). This single-tenant, net leased ("SNTL") investment provides a steady income stream with zero landlord obligations throughout the term of the lease. Upon its anticipated grand opening in July 2022, this will be the only Raising Cane's prototype featuring a double drive-thru in the trade area and promises to enjoy success and viability at this irreplaceable intersection.

INVESTMENT HIGHLIGHTS

HIGH CREDIT TENANT WITH LONG-TERM STABILITY

100% leased single-tenant, **absolute NNN ground lease (fee simple)**, the most secure form of real estate investment

Corporate signature lease with national credit tenant, Raising Cane's, on a brand **new, long-term 15-year** lease with scheduled rental increases **every Five (5) years** and **Three (3) Five (5) year** options, plus One (1), Four (4) year option, to renew

Raising Cane's is the fastest growing Chicken chain in the country, having opened their **600th store in January 2022** and plans to open an additional 100 stores in the next 12 months

HIGH IDENTITY DRIVE-THRU LOCATION

Immediate access from **Tweedy Boulevard (Century Boulevard)** – one of the primary East West commercial corridors that runs throughout the trade area

Located just across the street from **South East High School (1,956 students)** and **South East Middle School (1,269 students)** and just one block away from **Jordan High School (2,230 students)**

Double drive-thru, prototype Raising Cane's location will create efficiency in processing the anticipated traffic at this location

This location is supported by a strong surrounding customer base, drawing from over **1,057,000** people in a 5-mile radius and a daytime population exceeding **914,208** people within 5-mile radius



*Not actual property

INVESTMENT HIGHLIGHTS

EASE OF MANAGEMENT

Tenant pays 100% of all repairs and maintenance, perfect for out of town investors looking for a “coupon clipper”

High credit, single-tenant on a long-term, **15-year NNN lease (no cancellation clauses)** eliminates near-term responsibility and rollover risk/mum nostame

Ten (10%) percent rental increases every five (5) years; next scheduled rental increase is in 2027

Raising Cane's has some of the highest store sales volumes in the fast-food industry

DENSE, LOS ANGELES COUNTY DEMOGRAPHICS

With population of more than 3 million and average household income exceeding \$95,000 per year, **the county of Los Angeles is one of the most affluent counties in the US**

More than **58,080** people within a **1-mile radius** with an **Average Household Income** exceeding **\$54,398** per year

More than **475,491** people within a **3-mile radius** with an **Average Household Income** exceeding **\$60,256** per year

More than **1,057,581** people within a **5-mile radius** with an **Average Household Income** exceeding **\$61,612** per year

Alameda Street provides direct access to Downtown Los Angeles; this location is just 8.7 miles South of Downtown Los Angeles

IDEAL 1031 EXCHANGE OPPORTUNITY

Stable income with improving future returns due to set rental increases

No existing financing in-place – pay cash or obtain new financing at historically low rates

Non-Contingent Lease – Landlord has delivered the site to Raising Cane's and rent is scheduled to commence July 2022

Trophy single-tenant absolute NNN opportunity

Can accommodate tight 1031 Exchange deadlines

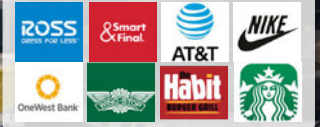




JORDAN
HIGH SCHOOL
-2,230 STUDENTS



FREEDOM PLAZA



SOUTH EAST
MIDDLE SCHOOL
1,269 STUDENTS
&
SOUTH EAST
HIGH SCHOOL
1,956 STUDENTS

CENTURY BOULEVARD - 10,078 CPD

ALAMEDA CORRIDOR

S. ALAMEDA STREET - 37,532 CPD

TWEEDY BOULEVARD - 14,374 CPD

NEBRASKA AVENUE





CITY OF SOUTH GATE & LOS ANGELES COUNTY

CITY OF SOUTH GATE

South Gate is the 17th largest city in Los Angeles County, CA with 7.4, square miles. South Gate is located 7 miles southeast of Downtown Los Angeles and is part of the Gateway Cities region of Los Angeles County. In 1990, South Gate was one of ten U.S. communities to receive the All America City Award from the National Civic League. South Gate's commercial activity is concentrated in the following zones: Tweedy Mile (on Tweedy Boulevard from Alameda Street to Atlantic Avenue), Firestone Boulevard (from Alameda Street to Garfield Avenue), El Paseo (Corner of Firestone Boulevard and Garfield Avenue), Hollydale (In Garfield Avenue from I-105 to Imperial Highway).

South Gate Museum & Art Gallery

As part of its Cultural Arts Division, the City of South Gate has opened several group exhibitions featuring more than 30 visual artists at the city's newly revamped South Gate Museum and Gallery. The evocative and varied work includes painting, sculpture, and mixed media. The curating of the many exhibits serves to uplift the community by showcasing local artists and talent from South East Los Angeles.

South Gate Park

South Gate Park is the ultimate outdoorsy's delight. It boasts multiple facilities on-site, including an 18-hole golf course, a swimming arena, a sports center, a recreational center, a girls' club house, hockey rink, tennis court, playground, and the list pretty much goes on. The park is touted to be the city's largest and it is a hit among locals and tourists alike. Facilities aside, the park is also an abyss of natural beauty, with well-paved walkways, designated picnic areas, and manicured green spaces where you can spend quality time in the company of chirping birds, cool Californian breeze, and your loved ones!

Source: www.trip101.com/article/things-to-do-in-south-gate
www.thecrazytourist.com



South Gate Farmers' Market

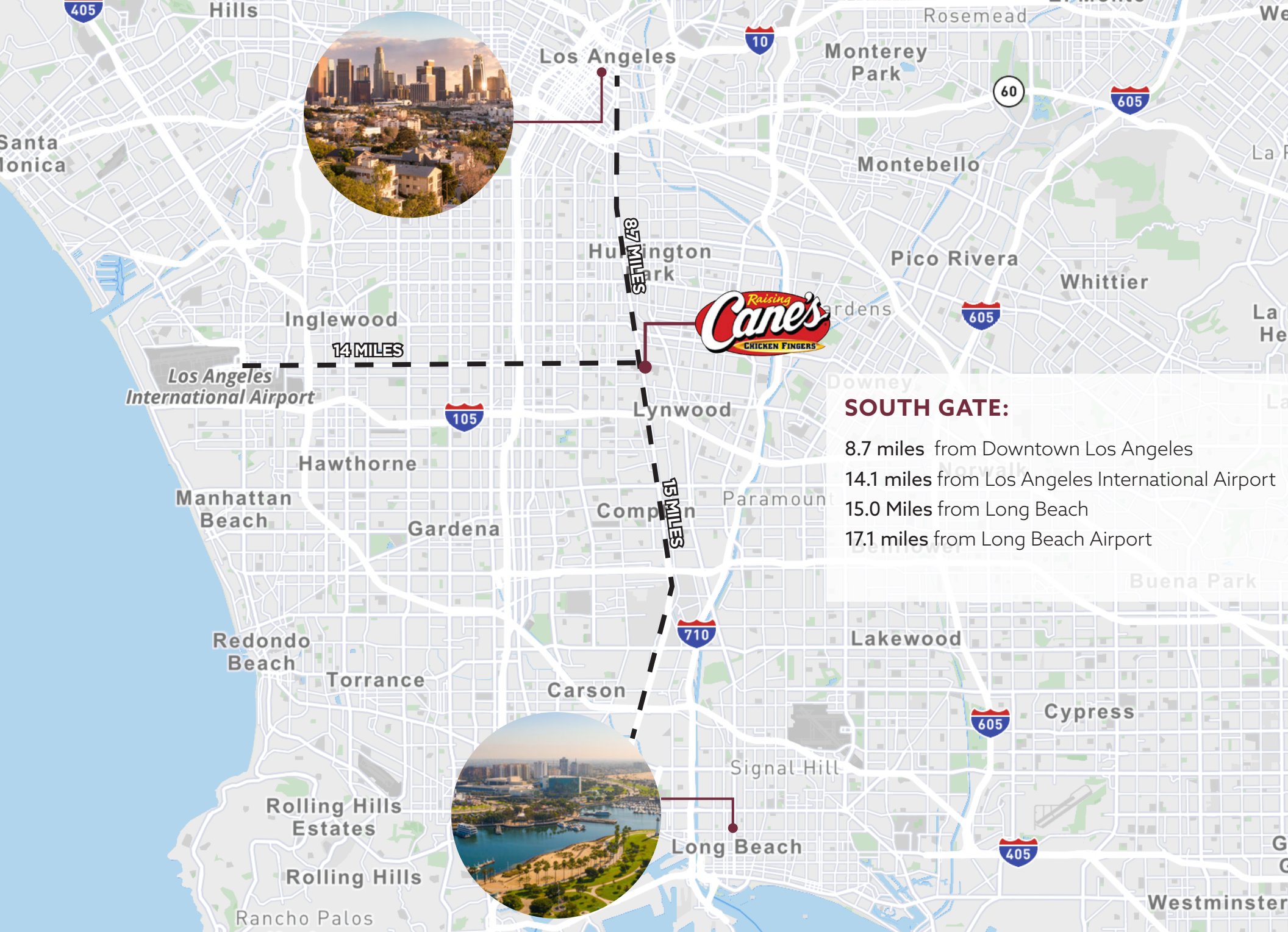
South Gate Farmers' Market is the place to be if you want some retail therapy. A variety of items, such as fresh produce (vegetables and meat), homemade dips, pickles, and jams, artisanal breads and oils, local honey, natural juices, and what not, are sold here and at absolutely reasonable prices. The vendors are quite friendly and happily engage in chats, should you be interested in knowing about the area's local business scene and/or items they're selling.

Azalea Regional Shopping Center

Azalea Regional Shopping Center is Los Angeles' newest destination for a great shopping and dining experience. With shops like Forever 21 and ULTA, and restaurants like TGI Fridays, In n Out, Habit, and Blaze Pizza to name a few, they are sure to satisfy your needs for the latest trends in fashion or flavors to satisfy your hunger. Azalea adds a unique stop to your social destinations, follow them on Facebook and and visit their website for the latest news on upcoming events and specials.

Source: www.shopatazalea.com





LOS ANGELES COUNTY

Los Angeles County is the most heavily populated county in the country with approximately 10 million people including about 1 million that live in unincorporated areas of the county. The metropolis formed by the six neighboring counties of Los Angeles, Ventura, Kern, San Bernardino, Riverside, and Orange is home to over 19.3 million residents. Los Angeles County is also home to one of the most educated labor pools in the country with a labor force of more than 4.7 million, roughly 2 million of which are college graduates. Los Angeles County has the largest population of any county in the nation, and is home to the second most populated city in the country, Los Angeles whose total population is only second to New York City. According to the United States Conference of Mayors, Los Angeles County boasts a GDP among the twenty largest in the world. Los Angeles County's continued economic growth, in contrast to other areas of the state and nation, is due to its diversified economy and abundant, well-trained workforce.

Los Angeles International Airport (LAX) services the Los Angeles County and entire Southern California area. With year-end statistics showing that the airport serviced over 84 million international and domestic passengers in 2017, LAX remains the third busiest airport in the nation and the sixth busiest in the world. It is supplemented by its proximity to Ontario International Airport in the City of Ontario (San Bernardino County), Burbank Airport in Burbank (Los Angeles County) and John Wayne Airport in Santa Ana (Orange County). Municipal bus and light rail service is provided by the Los Angeles County Metropolitan Transportation Authority (MTA).

As one of the top 20 most visited cities in the world, Los Angeles attracts millions of international and domestic visitors annually ranking tourism and hospitality among the top industries in the county:

Total Visitors to Los Angeles County	48.5 million
Domestic Overnight Visitors	21 million
International Visitors	7.3 million
Day Visitors (traveled over 50 miles)	13.4 million
Total Visitor-Related Spending	\$22.7 billion
Overnight Visitor Spending	\$14.7 billion

Top Employers in Los Angeles

RANK	EMPLOYER	# OF EMPLOYEES
1	Kroger CO	145,000
2	County of Los Angeles	112,500
3	Los Angeles Unified School District	108,900
4	City of Los Angeles	57,200
5	Federal Government	48,100
6	Kaiser Permanente	34,800
7	State of California (non-education)	30,600
8	University of California, Los Angeles	28,600
9	Northrop Grumman Corp.	19,200
10	Boeing Co.	14,450

Interesting Facts About Los Angeles County

- Los Angeles has more than 80 stage theaters and 300 museums, more than any other U.S. city.
- Los Angeles is home to 113 accredited colleges and universities, including such prestigious institutions as USC, UCLA, Pepperdine University, Loyola Marymount University and the Art Center College of Design
- The Port of Los Angeles is the busiest in the U.S. and one of the busiest in the world.
- If Los Angeles County were a country, it would have the 21st largest economy in the world. Los Angeles is regarded as the entrepreneurial capital of the world. It has about 200,000 small businesses, which is twice as many small businesses that can be found in any other similarly-sized region of the United States.



DEMOGRAPHICS

DEMOGRAPHICS



*Not actual property

	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Population - Current Year Estimate	58,080	475,491	1,057,581
2026 Population - Five Year Projection	58,548	476,954	1,061,143
2010-2021 Annual Population Growth Rate	0.36%	0.20%	0.18%
2021-2026 Annual Population Growth Rate	0.16%	0.06%	0.07%
HOUSEHOLDS			
2021 Households - Current Year Estimate	12,990	110,319	255,734
2026 Households - Five Year Projection	13,048	110,235	255,700
2010-2021 Annual Household Growth Rate	0.30%	0.14%	0.11%
2021-2026 Annual Household Growth Rate	0.09%	-0.02%	0.00%
2021 Average Household Size	4.43	4.27	4.10
HOUSEHOLD INCOME			
2021 Average Household Income	\$54,398	\$60,256	\$61,612
2026 Average Household Income	\$61,471	\$68,511	\$70,383
2021 Median Household Income	\$43,394	\$47,504	\$48,250
2026 Median Household Income	\$49,751	\$52,897	\$53,698
2021 Per Capita Income	\$12,194	\$14,017	\$14,916
2026 Per Capita Income	\$13,727	\$15,874	\$16,979
HOUSING UNITS			
2021 Housing Units	13,724	117,410	273,302
2021 Vacant Housing Units	734	7,091	17,568
2021 Occupied Housing Units	12,990	110,319	255,734
2021 Owner Occupied Housing Units	4,551	41,094	96,399
2021 Renter Occupied Housing Units	8,439	69,225	159,335
EDUCATION			
2021 Population 25 and Over	32,261	273,252	615,922
HS and Associates Degrees	14,337	128,892	302,048
Bachelor's Degree or Higher	2,071	21,335	54,374
PLACE OF WORK			
2021 Businesses	768	7,864	21,690
2021 Employees	8,429	86,904	245,360

**SOUTH EAST
HIGH SCHOOL**
1,956 STUDENTS

**SOUTH EAST
MIDDLE SCHOOL**
1,269 STUDENTS

TWEEDY BOULEVARD - 14,374 CPD

N. ALAMEDA STREET - 37,532 CPD



ALAMEDA CORRIDOR

ALAMEDA STREET - 37,532 CPD

FREEDOM PLAZA



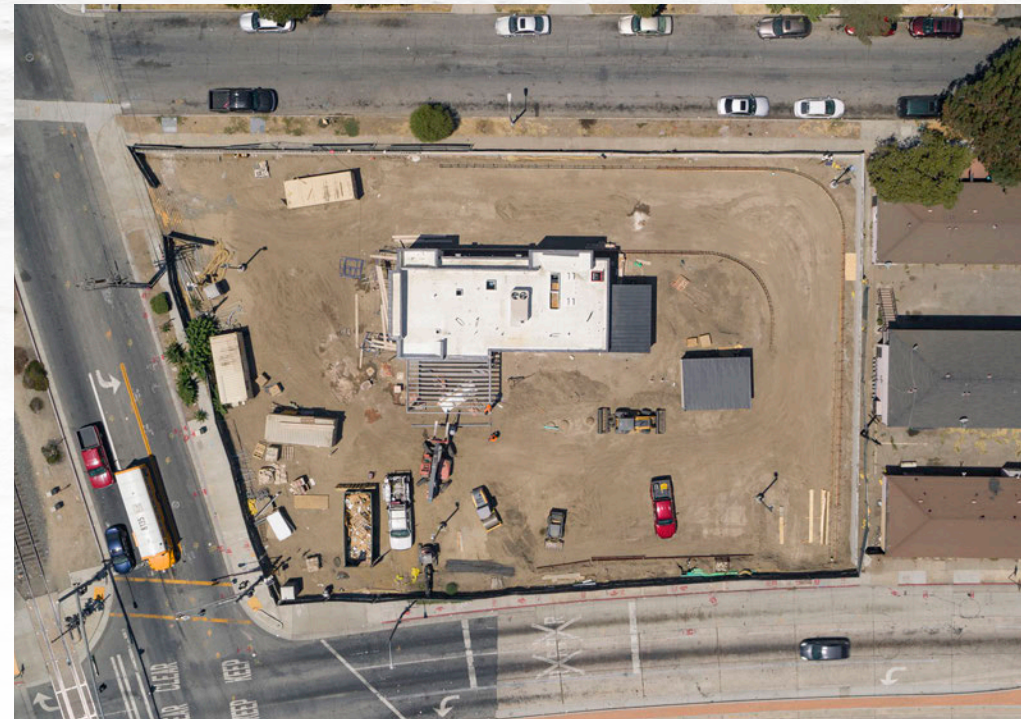
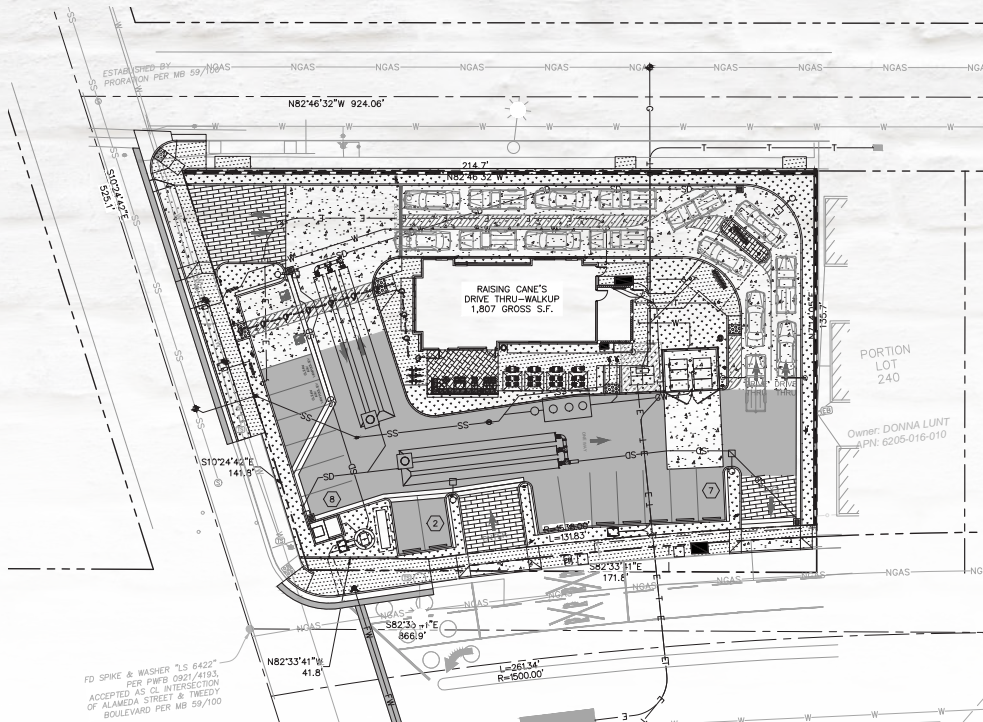
SITE + IMPROVEMENTS

SITE & IMPROVEMENTS

Location	9854 Alameda Street, South Gate, CA 90280
Site	Situated on one (1) parcel of land (APN: 6205-016-013) totaling approximately ± 0.57 acres or $\pm 24,816$ SF of land area
Zoning	SGCM-R4*
Year Built	2022 (Under Construction)
Improvements	One (1) structure with double drive thru
Parking	On-site surface parking throughout the property

Frontage	Approximately 123 linear feet of frontage along Tweedy Avenue and nearly 142 linear feet of frontage along Alameda Street
Structural Elements:	Building: Concrete Block Exterior Walls: Concrete Block and Stucco Exterior Windows: Glass in anodized aluminum frames Roof: Built Up Composition

SITE PLAN





TENANT PROFILE

TENANT PROFILE



NUMBER OF LOCATIONS	600
HEADQUARTERS	Baton Rouge, Louisiana
WEBSITE	raisingcanes.com

Raising Cane's Chicken Fingers (also called Raising Cane's or Cane's) is an American fast-food restaurant chain specializing in chicken fingers founded in Baton Rouge, Louisiana by Todd Graves and Craig Silvey in 1996.

Cane's has opened its 600th restaurant in Corona, California. The Restaurant is one of nearly 40 in the greater Los Angeles area, with plans to open over 20 more in the coming months.

To achieve the massive growth Cane's has planned for 2022, the company will be creating over 15,000 new jobs. Raising Cane's was one of just three restaurant brands named to Forbes' "Best Employers For New Grads" Top 100 list, and the company's "fast-paced, fun culture and growth opportunities" earned it a spot on Glassdoor's coveted "100 Best Places to Work in the U.S." list in 2021.

Source: www.restaurantnews.com





LEASE ABSTRACT & FINANCIALS

LEASE ABSTRACT

TENANT: Raising Cane's Restaurants LLC dba "Raising Cane's"

ADDRESS: Alameda and Tweedy, South Gate, CA 90280

DATE OF LEASE: September 25, 2020

CURRENT TERM START DATE: July 1, 2022

CURRENT TERM EXPIRATION DATE: June 30, 2037

LEASE TERM: 15 years

RENEWAL OPTIONS: Three (3), Five-Year Options to renew plus One (1), Four (4) year option to renew

SCHEDULED RENT: Ground Rent:
Years 1-5: \$200,000.00/yr
Years 5-10: \$220,000.00/yr
Years 10-15: \$242,000.00/yr

Ground Rent for Extension(s):
Years 16 - 20: \$266,200.00/yr
Years 21 - 25: \$292,820.00/yr
Years 26 - 30: \$322,102.00/yr
Years 31 - 34: \$354,312.20/yr

SECURITY DEPOSIT: None

PROPERTY TAXES: Tenant shall pay all real property taxes and assessments imposed on the Property or on any Improvements constructed by Tenant.

ROFO: Tenant shall have the Right of First Offer to purchase the Property.

ROFR: Tenant shall have the Right of First Refusal to purchase the Property.

PERMITTED USE: A free-standing quick-service restaurant, including, but not limited to, a drive-through and dine-in and/or outdoor patio dining service facility o include carry-out and delivery services as allowed by law, and for any other lawful retail purpose.

INSURANCE: Tenant shall obtain and keep in full force and effect the following insurance:

- i) Commercial General Liability Policy in the amount of \$1,000,000 per occurrence and \$2,000,000 in aggregate, naming Landlord as additionally insured.
- ii) Property Insurance providing for 100% of the replacement value of the Building
- iii) Workers Comp Insurance
- iv) Commercial Auto Insurance

UTILITIES: Tenant pays directly.

MAINTENANCE OBLIGATIONS: Tenant shall, at its sole cost and expense, maintain, repair, replace, and keep the Property and the Improvements in first class condition. Such obligations include, without limitation, roof, structure, electrical, water, HVAC, and other equipment and mechanical systems.

LANDLORD SHALL HAVE NO MAINTENANCE, REPLACEMENT OR REPAIR OBLIGATIONS WITH RESPECT TO THE PROPERTY OR THE IMPROVEMENTS.

SUBLEASE AND ASSIGNMENT: Tenant, without Landlord's approval, may assign or sublease to an affiliate, but shall remain primarily liable for all of its obligations under the Lease.

In the event of any assignment or sublease to a non-affiliate, Landlord's prior written consent shall be required, which consent shall not be unreasonable withheld or delayed.

SIMPLE FINANCIALS

SUMMARY

PRICING SUMMARY

Purchase Price	\$5,194,805
Cap Rate	3.85%
Occupancy	100%

PROPERTY SPECIFICATIONS

Year Built (Q3 2022)	2022
Building GLA	1,807
Land Size GLA	24,816 SF

POTENTIAL LOAN SCENARIO

Loan Amount	N/A	*No assumable financing in place. Buyer may pay all cash or secure new loan. Call Broker for details.
Rate	N/A	
Amortization/Term	N/A	

OPERATING CASH FLOW

Year 1

Fiscal Year Commences July 1

2022

REVENUE

Base Rental Revenue	200,000
Expense Reimbursement Revenue	NNN

Effective Gross Revenue

200,000

OPERATING EXPENSES

CAM	NNN
Insurance	NNN
Property Taxes	NNN

Total Operating Expenses

NNN

Net Operating Income

\$200,000

All Cash Return

3.85%



RENT ROLL

Tenant	SF	Bldg %	Monthly Base Rent	Annual Base Rent	Lease Started	Lease Expires	Next Increase	% Increase	Comments
Raising Cane's	1,807	100%	\$16,667	\$200,000	7/1/2022	6/30/2037	7/1/2027	10%	Lease calls for 10% rental increases every Five (5) years. Tenant has Three (3), Five-year options, and One (1) Four (4) year option, to renew at fixed rental increases.



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