



OFFERING MEMORANDUM



(GROUND LEASE)

7785 N First Street, Fresno, California 93720



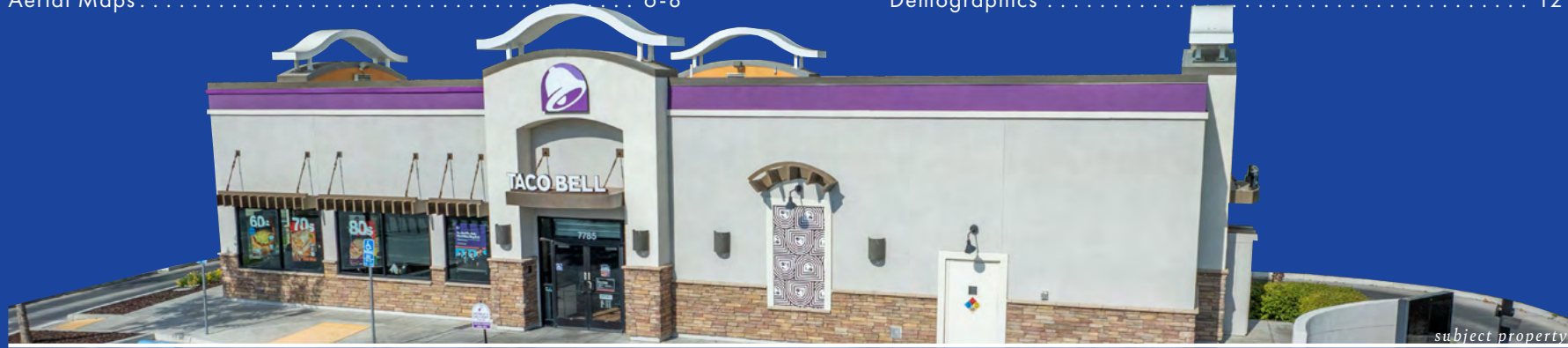
Exclusively Offered by
NORTHMARQ RESTAURANT GROUP

subject property

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CONFIDENTIALITY AND RESTRICTED USE AGREEMENT

This Confidential Offering Memorandum (“COM”) is provided by Northmarq, solely for your consideration of the opportunity to acquire the commercial property described herein (the “Property”). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of Northmarq.

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The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from Northmarq relating to the Property, whether oral, written or in any other form (collectively, the “Information”), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to Northmarq, all or any part of this COM or the Information; (3) upon request by Northmarq at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless Northmarq all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party’s acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that Northmarq shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

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PROPERTY OVERVIEW



OFFERING PRICE

\$2,417,279

CAP RATE

4.70%

NOI

\$113,612

LEASE ABSTRACT	
Address	7785 N First St, Fresno, CA 93720
Ownership	Ground Lease
Building Area (SF)	2,493 SF
Land Area (AC)	0.75 AC
Year Built Renovated	1986 2011
DBA	Taco Bell
Tenant	Pacific Bells (270+ Units)
Signator	Pacific Bells (270+ Units)
Rent Commencement	5/6/2011
Lease Expiration	11.5 Years
Base Lease Term	20 Years
NOI	\$113,612.10
Rental Increases	8% Every 5 Years through Term
Option Periods	4 x 5 Years
Expenses	Absolute NNN
Drive-Thru	Yes
Taxes	Tenant
Maintenance	Tenant
Insurance	Tenant
Common Area Maintenance	Tenant
Management Fee	Inquire with Broker
ROFR	Yes
Financials	Yes - Once Every 12mo upon request. Entity Only.



RENT SCHEDULE					
Date	Lease Year	Annual	Monthly	RPSF	Increases (%)
5/6/2021 - 5/5/2026	Year 11-15	\$114,950	\$9,579.17	\$46.11	-
5/6/2026 - 5/5/2031	Year 16-20	\$124,146	\$10,345.50	\$49.80	8.00%
5/6/2031 - 5/5/2036	Year 21-25	\$134,078	\$11,173.14	\$53.78	8.00%
5/6/2036 - 5/5/2041	Opt. 1: Yr 1-5	\$144,804	\$12,067.00	\$58.08	8.00%
5/6/2041 - 5/5/2046	Opt. 2: Yr 1-5	\$159,284	\$13,273.69	\$63.89	10.00%
5/6/2046 - 5/5/2051	Opt. 3: Yr 1-5	\$175,213	\$14,601.06	\$70.28	10.00%
5/6/2051 - 5/5/2056	Opt. 4: Yr 1-5	\$192,734	\$16,061.17	\$77.31	10.00%



THE OFFERING



Northmarq Restaurant Group is pleased to present an exceptional investment opportunity: a single-tenant, drive-thru Taco Bell strategically positioned in a thriving Fresno neighborhood. This property offers a compelling combination of strong financial performance, under market rent, very high traffic counts, a top-tier operator, and an outstanding location.

The property is strategically located at the hard corner of the intersection of N 1st St and E Nees Ave, both of which are major arterials of Fresno. It is part of the Woodward Village shopping center, which is anchored by Smart & Final. Many of the local tenants have been in place for decades, highlighting the stability of the retail corridor. The area is home to multiple shopping centers and traffic drivers: the River Park regional shopping mall, Woodward Park Gateway, Park Crossing, Villagio, Universal Park, and more. National tenants in the area include Costco, Target, Home Depot, Lowe's, Sam's Club, Best Buy, Kohl's, Joann, and more – all within a 1-mile radius. The strong retail synergy is complemented by the nearby traffic-driving Kaiser Permanente Medical Center, top rated schools, and numerous business, medical, and office parks.

The Taco Bell in Fresno ranks in the Top 10% of locations nationwide, and will continue to benefit from the high-income, high growth neighborhood of Woodward Park. This is an opportunity for the investor to capitalize on local investors' expected outlook of Fresno, and the stability of a Top 4 Taco Bell Operator.



INVESTMENT HIGHLIGHTS



UNDERMARKET RENT

In 2024, QSR properties sold and available in California, had an average rent per square foot of \$82.23. In contrast, this unit's rent of \$46.11 is almost half of the state's market rent figure.



TOP 4 TACO BELL OPERATOR

Pacific Bells is the fourth largest operator within the Taco Bell system, with over 270 sites. The umbrella Entity, Anchor Point Management Group, is ranked number 8 on the Franchise Times Top 200 largest US Franchisees, with a reported \$786,000,000 in 2023 total revenue.



STRONG UNIT-LEVEL FINANCIALS

Placer.ai ranks this location among the top 10% of Taco Bells nationwide based on visits and unit level sales. Over the past 12 months, the store has recorded 348,500 visits and an estimated \$2.6 million in sales. An estimated \$2.6 million in sales would result in a Rent-to-Sales ratio of approximately 4.42%.



COMMITMENT TO THE LOCATION / NEWLY EXTENDED LEASE

Pacific Bells just extended their lease an additional 5 years, while adding 4 x 5 year options. This is a top of the portfolio site for them, and they showed this by extending to a long term commitment.



OUTSTANDING LOCATION

Strategically positioned at a signalized intersection within a neighborhood strip center that's 97.3% occupied, the property benefits from a daily traffic count of over 50,000 vehicles. The majority of tenants of the strip center have been occupying their respective locations for decades, further underlining the market's stability. This high-visibility location is enhanced by substantial recent and ongoing development projects in the vicinity, including the 12.4 acre mixed use Sugar Pine Square, the 40-acre mixed use Park Crossing, the 234,000 SF office tower at 25 Park Place, and the 146,000 SF Kaiser Permanent Orchard Plaza Medical Office tower.



EXCELLENT TRAFFIC DRIVERS

Within a one-mile radius, the area features three top-rated schools, one private university, a neighborhood shopping center, the River Park regional/lifestyle shopping center with over 1 million square feet of Retail and Services, Woodward Park regional park, a regional hospital, and numerous medical and business offices.



EXCELLENT DEMOGRAPHICS & AFFLUENT NEIGHBORHOOD

This Taco Bell boasts top 5% in the nation demographics, with a population of over 260,000 within a 5-mile radius and an average household income exceeding \$100,000. Additionally, Fresno's population experienced a 1.15% year-over-year growth in 2023.





25 Park Place Development
 CLICK FOR DETAILS

Edelman Financial Engines

Delta Dental

CalPERS Fresno Regional Office
 State Compensation Insurance Fund

American Pistachio Growers
 Roeser Accountancy Corporation
 Elevate Technologies Corporation
 Alliant Insurance Services, Inc.

FRESNO HEART & SURGICAL HOSPITAL
 1.3 MILES FROM SUBJECT PROPERTY

Lobel Financial Corporation

Zinkin Development

Pacific Gas And Electric Company

Woodward Manor Assisted

Allenberg Cotton Co

Charles Schwab
 U.S. Bank-Mortgage Sales
 Dhahabi Jewelers LLC
 Premier Valley Bank
 Central Valley Power Electric

Fresno Dental Professionals

Annesso Pizzeria
 Houston TX Hot Chicken
 Corner Bakery Cafe
 Butterfish
 Palm Beach Tan
 The Coffee Bean & Tea Leaf
 Pieology Pizzeria
 Raw Earth Juicery
 Heirloom
 Menchie's Frozen Yogurt

Park Crossing Development
 CLICK FOR DETAILS

E NEES AVE | ±29,434 VPD

Fort Washington II Apartments

Pizza Factory
 Dope Barber Shop
 Scissor Hands
 Diamond Nails & Spa
 ActivMeals
 The Pickled Deli
 Sushi Day
 Fresno Bagel
 Ash Tree Dental

Willow Creek Apartments

N FIRST ST | ±19,994 VPD

Smart & Final extra!

R&G Threading Bar
 2 For 1 Pizza House

Ultimate Martial Arts
 Book Nook
 Golden Donuts
 Crazy Squirrel Game Store





KAISER PERMANENTE FRESNO MEDICAL
1 MILE FROM SUBJECT PROPERTY



Orchard Plaza Medical Office

Concentra Urgent Care
Realty Concepts Fresno
Drysdale Physical Therapy
Darrel Rustigian Law Offices

The Springs Apartments

San Joaquin Village Mobile

Woodward Manor Assisted Living

The LAKES Condominium

Pizza Factory
Dope Barber Shop
Scissor Hands
Diamond Nails & Spa
ActivMeals
The Pickled Deli
Sushi Day
Fresno Bagel
Ash Tree Dental

Fort Washington II Apartments

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Willow Creek Apartments





LOCATION OVERVIEW

◆ Fresno is the county seat of Fresno County, centrally located between the major markets of Northern and Southern California, with access to two of the state's major transportation corridors, CA-99 and I-5. With a 2023 population of 545,716, Fresno is the fifth-most populous city in the state of California. Fresno County officially surpassed a total population of one million in 2018 and is expected to grow at a faster rate (17.6%) than the state of California (12.8%) by 2035.

Located in one of the most fertile and productive regions of the world, the agricultural output of the Fresno region has led to a robust food processing industry, with food processors and food processing equipment manufacturers making up a large percentage of the economy. The healthcare industry also represents a robust segment of the Fresno economy; the metro area alone is served by 16 hospitals including 3,930 licensed beds. Three of the 16 hospitals rank as the top three private employers and employ more than 14,000 individuals. Also noteworthy is the amount of construction projects underway at the various healthcare locations; Clovis Cancer Center, Community Regional Medical Center, Fowler Pediatric Medical Plaza, and California Health Sciences University have all added multi-million dollar facilities and services in the last three years. Ambulatory healthcare services in particular is ranked as the number one projected growth industry in the area, with expected employment increasing 25.4% by 2028.

Fresno



MAJOR EMPLOYERS

Employer	# of Employees
Community Medical Centers	4,789
City of Fresno	2,938
Saint Agnes Medical Center	2,400
Kaiser Permanente	2,000
California State University, Fresno	1,562
State Center Comm College District	1,178
Cargill Meat Solutions Corporation	1,150
Fresno Economic Opp. Commission	973

FRESNO COUNTY



1.017M
2023 FRESNO COUNTY
POPULATION



15
INCORPORATED CITIES



\$16.7 BILLION
2023 TOTAL RETAIL AND
FOOD SERVICES SALES



\$8.6 BILLION
2023 AGRICULTURE
PRODUCTION



Fresno Yosemite International Airport
± 22 Min from Subject Property
2.4 Million Annual Passengers in 2023



TENANT OVERVIEW



Taco Bell is the world's leading Mexican-inspired quick service restaurant. It was founded in 1962 by Glen Bell in Downey, California. Since then, the food conglomerate has grown to be a culture-centric, lifestyle brand that provides craveable, affordable Mexican-inspired food with bold flavors. The menu includes customizable tacos, burritos, and various specialties, including its newer lower calorie Fresco Menu. They are also the first QSR restaurant to offer American Vegetarian Association (AVA)-certified menu items.

At the core of Taco Bell's DNA is a slogan introduced in 2012, Live Mas ("Live More"), which animates its brand and encapsulates the company's philosophy of enriching the lives of its customers and employees in everything it does. They further demonstrate their motto by providing educational opportunities and serve the community through their nonprofit organization, the Taco Bell Foundation, which has awarded more than \$10 million in Live Más Scholarships to over 980 Taco Bell team members and consumers. They also support fans and team members with their passions through programs such as the Live Más Scholarship, and provide access to sports, gaming and new music through their Feed The Beat program.

On a global basis, Taco Bell crossed the \$15 billion system sales milestone in 2023, reflecting the growing scale of the powerhouse brand. Taco Bell and more than 350 franchise organizations operate over 8,200 restaurants that serve more than 40 million customers each week in the U.S. Taco Bell also concluded the year with digital sales mix reaching an all-time high of approximately 31%, up seven points year-over-year. Internationally, the brand is growing with more than 1,000 restaurants across over 30 countries across the globe.

Northmarq Restaurant Group

TENANT PROFILE

Tenant	Taco Bell
Business	Quick-service Restaurant
System-wide Sales (FY2023)	\$15.9 Billion
No. of Locations	8,200+
No. of Employees	175,000
Year Founded	1962
Headquarters	Irvine, CA
Website	www.tacobell.com

PARENT PROFILE

Parent Company	Yum! Brands, Inc.
Type	Public
Exchange	(NYSE: YUM)
Total Revenue (FY2023)	\$7.0 Billion
Total Assets (FY2023)	\$6.2 Billion
Net Income (FY2023)	\$1.5 Billion
Credit Rating	S&P: BB+ Moody's: Ba2
No. of Brands	4
No. of Locations	58,000+
No. of Countries	155
Website	www.yum.com



PARENT COMPANY OVERVIEW

Yum! Brands, Inc (NYSE: YUM), the parent company of Taco Bell, is based in Louisville, Kentucky. As the world's largest restaurant company, their diversified global system includes approximately 1,500 franchisees who are the primary operators of more than 58,000 restaurants in over 155 countries and territories. Brand names include Taco Bell, KFC, Pizza Hut, and the Habit Burger Grill. In 2023, Yum! Brands crossed the \$60 billion system sales threshold and exceeded all aspects of their long-term growth plans. Digital sales approached \$30 billion for the year and grew 22% year-over-year, and also set an industry development record for the third straight year, opening over 3,300 net-new units. The company enters 2024 just shy of adding 10,000 net-new restaurants over the past three years and are well on their way to reaching 60,000 restaurants by year-end.

Yum! Brands is currently ranked #213 on the Fortune 500 list and currently has an investment grade credit rating of "BB+" and "Ba2" with S&P and Moody's, respectively. In addition, the company was recently named to the Dow Jones Sustainability North America Index and ranks among the Top 100 "Best Corporate Citizens" by 3BL Media. In 2023, Yum! Brands was included in the Bloomberg Gender-Equality Index and Newsweek's lists recognizing America's Most Responsible Companies, America's Greatest Workplaces for Diversity and America's Greatest Workplaces for Women.



58K+
Restaurants
Worldwide

1.5M+
Global
Employees

4.7K
New Builds
in 2023

\$63.8B
2023 System-Wide Sales

S&P Rating BB+/Stable



DEMOGRAPHICS



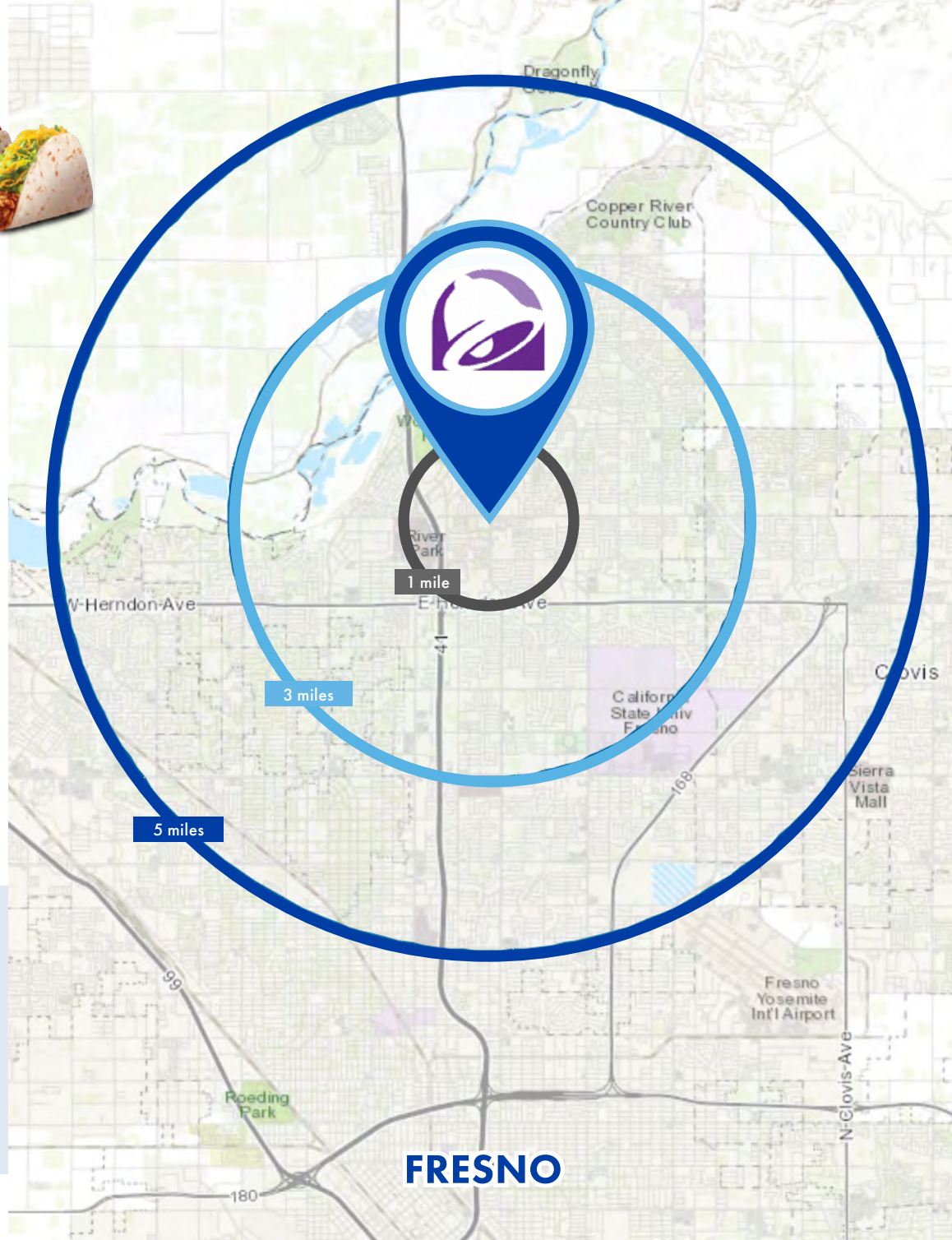
POPULATION	1 MILE	3 MILES	5 MILES
2024 Population	12,969	112,587	259,975
2029 Population	13,371	113,554	262,633



HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2024 Households	5,364	44,494	98,439
2029 Households	5,593	45,559	100,828



HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2024 Average Household Income	\$139,072	\$123,228	\$118,463
2029 Average Household Income	\$159,667	\$142,043	\$137,063
2024-2029 Annual Rate	2.80%	2.88%	2.96%



Why Fresno

HELPING BUSINESS ARRIVE & THRIVE IN FRESNO COUNTY 2024, fresnoedc.com

From the billions of dollars of investment brought by the nation's first high-speed rail project to the revitalization of downtown Fresno's Fulton District, Fresno County is experiencing robust growth. The County's cost-competitive real estate and diverse population makes it the perfect location for any retail brand to grow. Encompassing nearly 6,000 square miles and 15 incorporated cities ranging in size from a few thousand in population to the fifth largest city in California, Fresno County offers an affordable alternative to businesses seeking regional locations that easily connect with California's transit system and larger metro centers.

[READ MORE >>](#)



\$139,072

Average HH Income (1-mile)



259K

2024 Population (5-mile)



\$842.7+ M

2024 Total Food Spending (5-mile)



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Commercial Real Estate

Debt + Equity | Investment Sales | Loan Servicing | Fund Management

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