

CAFE ZUPAS

BRAND NEW INFILL DEVELOPMENT | 15 YEAR LEASE | CORPORATE 55+ UNIT OPERATOR

3225 W PEORIA AVE, PHOENIX, ARIZONA 85029

DEVELOPED BY



OFFERING MEMORANDUM

Marcus & Millichap



ASU ARIZONA STATE UNIVERSITY
WEST CAMPUS

LOWE'S

BEST BUY

CAVE CREEK GOLF COURSE

ARIZONA CHRISTIAN UNIVERSITY

Michaels IN-N-OUT BURGER RBC
DOLLAR TREE
petco PartyCity
METRO SQUARE

MOON VALLEY HIGH SCHOOL

NORTH MOUNTAIN PARK

THE HOME DEPOT

CAFÉ ZUPAS



BUSINESS PARK

fry's

HOOTERS LONGHORN STEAKHOUSE
Walmart SKECHERS
TEXAS Kebab Olive Garden

METROCENTER REDEVELOPMENT

BW Best Western Hotels & Resorts
COURTYARD BY MARRIOTT
FIRST WATCH THE DAYTIME CAFE

CORTEZ HIGH SCHOOL

Castles-n-Cakes



The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2024 Marcus Millichap

Executive Summary

3225 W Peoria Ave, Phoenix, AZ 85029

FINANCIAL SUMMARY

Price	\$3,333,000
Cap Rate	5.40%
Net Cash Flow	5.40% \$180,000
Building Size	+/- 3,600 SF
Year Built	2023
Lot Size	+/- 0.79 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Cafe Zupas, L.C.
Guarantor	Corporate
Roof & Structure	Landlord Responsible* (15 Year Roof Warranty in Place)
Original Lease Term	15 Years
Lease Commencement Date	February 1, 2024
Lease Expiration Date	January 31, 2039
Rental Increases	10% Every 5 Years
Renewal Options	2, 5 Year Options
Right of First Refusal	None

Footnote:

*Tenant is responsible for all other maintenance & repairs including the parking lot

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
2/1/2024 - 1/31/2029	\$180,000.00	5.40%
2/1/2029 - 1/31/2034	\$198,000.00	5.94%
2/1/2034 - 1/31/2039	\$217,800.00	6.53%
Renewal Options	Annual Rent	Cap Rate
2/1/2039 - 1/31/2044	\$239,580.00	7.19%
2/1/2044 - 1/31/2049	\$263,538.00	7.91%

Base Rent	\$180,000
Net Operating Income	\$180,000
Total Return	5.40% \$180,000



TARGET



fru's

**CVS
pharmacy**



BULL SHOOTERS
BILLIARDS & SPORTS BAR

McDonald's

SAINT JEROME
CATHOLIC CHURCH AND SCHOOL

BUSINESS CENTER

CIRCLE K



**planet
fitness**

**VALVOLINE
COMING SOON**

**TRINITY BIBLE
CHURCH**

VILLA TOSCANA APARTMENTS

**DUNKIN' DONUTS
COMING SOON**

SINGLE FAMILY HOMES

N 32ND LN

**CAFÉ
ZUPAS**

95,679 CPD
W PEORIA AVE

METRO MEDICAL PLAZA
EYECARE, DENTAL,
DR OFFICES, ETC.

**COLLINS
COURT**



Michael's
IN-N-OUT BURGER
DOLLAR TREE
petco **PartyCity**
METRO SQAURE


PETSMART

Jason's deli

METROCENTER REDEVELOPMENT



METRO MEDICAL PLAZA
 EYECARE, DENTAL,
 DR OFFICES, ETC.

Smash BURGER.
verizon 
MOD

BRIDGE LANE APARTMENTS

SINGLE FAMILY HOMES

N 32ND LN



CAFÉ
ZUPAS

VILLA TOSCANA APARTMENTS

DUNKIN' DONUTS
 COMING SOON

VALVOLINE
 COMING SOON

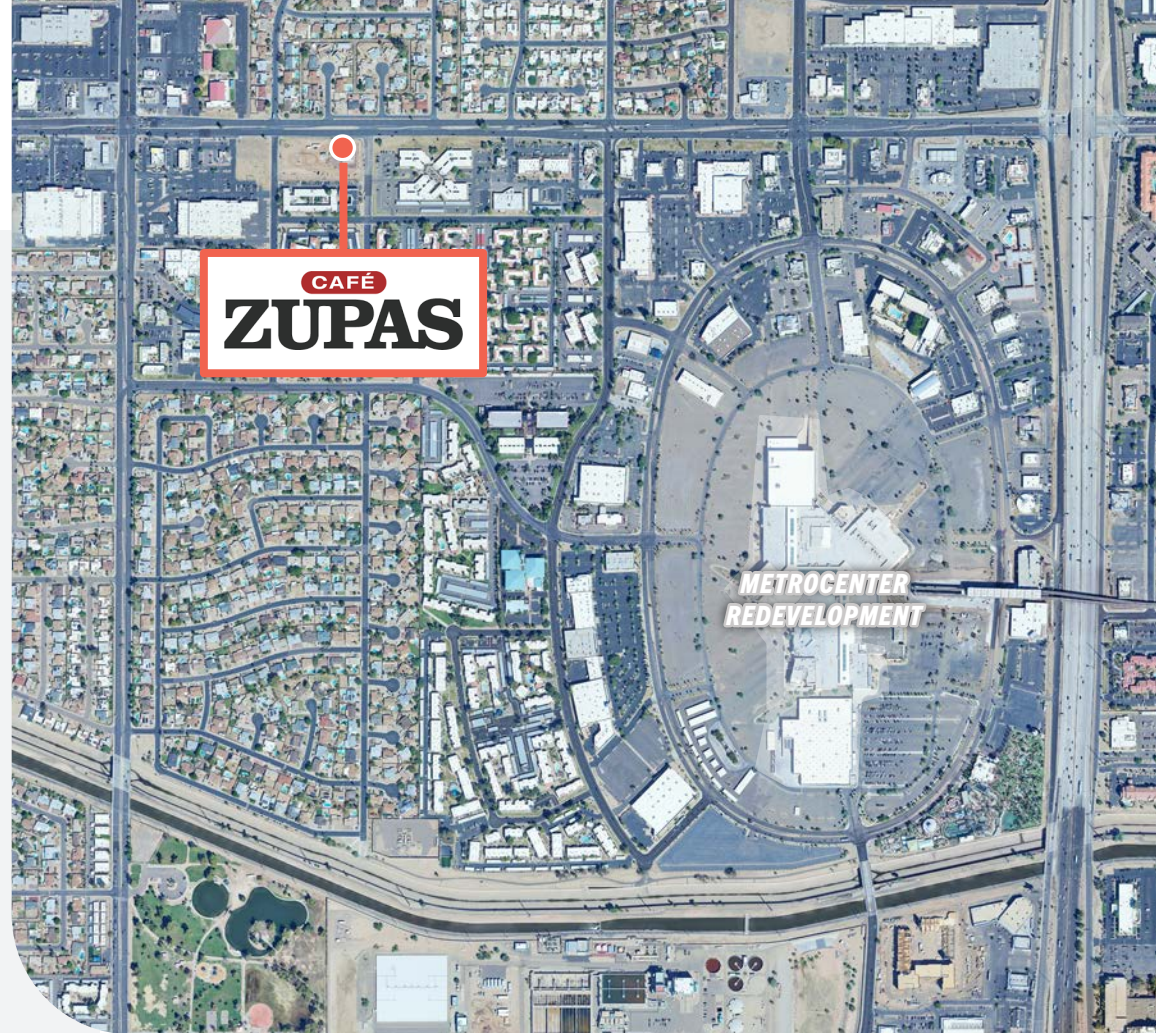
95,679 CPD
 W PEORIA AVE

COLLINS COURT



Metrocenter Mall Redevelopment

METROCENTER MALL REDEVELOPMENT (CONSTRUCTION CURRENTLY UNDERWAY): A complete redevelopment at a cost of approximately \$850 million with the City of Phoenix has been put in place to reinvent this 62 acres area. Right now, the city is working on creating a new light rail station as part of the Northwest Extension. The redevelopment plan paves the way for a new mixed-use development that will be home to new apartments, stores and possibly even entertainment venues. With the plan in affect, this creates a positive future for attainable housing, jobs, and restoring community strength to northwest Phoenix. Some of the plans for the redevelopment include 2,600 apartment units for purchase or renting, new commercial and service rental space, and a total of 4,100 surface and garage deck parking spaces. Currently, Metrocenter houses a 150,000 SF Walmart, a public library, a park, a small theme park (Castles N' Coasters), and a movie theatre.



Light Rail at Village Station

Light Rail at Village Station at Night



Light Rail Station

Metrocenter

Property Description



INVESTMENT HIGHLIGHTS

- » **Double-Net (NN) Lease with Approximately 14 Years Remaining on Lease Term**
- » Visible to Over 95,000 Cars Per Day via W Peoria Ave
- » **10% Rental Increases Every 5 Years**
- » Dense Phoenix Infill with 448,001 Residents within a Five-Mile Radius
- » **Under 1 Mile Away from planned \$850 Million Metrocenter Mall Redevelopment**
- » Nearby Tenants include Chick-Fil-A, Starbucks, Ross Stores, PetSmart, Burlington, and many others
- » **Corporate Guaranty by Cafe Zupas**
- » Average Household Income is over \$80,000 within a 5-Mile Radius



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2028 Projection	18,298	187,194	472,486
2023 Estimate	17,356	177,247	448,001
Growth 2023 - 2028	5.43%	5.61%	5.47%

Households

2028 Projections	7,402	70,676	178,848
2023 Estimate	7,003	66,724	168,744
Growth 2023 - 2028	5.70%	5.92%	5.99%

Income

2023 Est. Average Household Income	\$70,721	\$74,722	\$80,277
2023 Est. Median Household Income	\$56,965	\$55,545	\$57,195

Tenant Overview



CAFÉ ZUPAS



JORDAN, UTAH
Headquarters



WWW.CAFEZUPAS.COM
Website



2004
Founded



55+
Locations

In 2004, two friends with a passion for exploring and eating opened the first Café Zupas in Provo, Utah. Today, more than 55 restaurants across ten states follow the same recipe for success: real meals, crafted from scratch. Cafe Zupas relies on their 647 employees to help carry out their vision.

Cafe Zupas' recipes use over 200 premium ingredients that make up their menu in their transparent kitchens. They pride themselves on using the freshest fruits and vegetables to all-natural chicken to imported Belgian chocolate. From house-made soups, salads, and sandwiches, prepared daily with high-quality ingredients and flavors from around the world, Cafe Zupas strives to give their guests a variety of choices for the whole family.

The restaurant serves food that's always real, whole, and healthy, prepared with care and consideration. In other words, it's slow food served fast.

Property Photos



Location Overview



The Phoenix metro consists of Maricopa and Pinal counties, and includes more than 30 incorporated and more than 30 unincorporated towns and cities. As of 2020, Metro Phoenix had 4.8 million residents, making it the nation's 11th-largest metropolitan area. The largest city is Phoenix, which encompasses about 520 square miles and boasts a population of more than 1.6 million.

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers. Phoenix claims six Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet, Magellan Health, and PetSmart. Construction, high-tech manufacturing, healthcare and tourism dominate the Phoenix economy. Phoenix was the fastest growing large city in the US between 2010 and 2020 as it added over 163,000 residents.

High-tech manufacturing has been a powerful driver in the local economy for two decades. The region's relatively low cost of doing business has encouraged several manufacturers to remain and expand in the area, while luring others. The strengthening economy has drawn job seekers to the area, boosting the housing market. Phoenix offers a lower cost of living than other metros its size, a moderate climate, and a wide variety of recreational and cultural activities.

The Phoenix region boasts almost 300 days of sunshine annually, low humidity and mild winters. In addition to hiking, camping and boating, sports enthusiasts can enjoy one of the most complete lineups of major league teams found in any city, including teams in all four major sports. The Cactus League holds spring training baseball throughout the Valley, and the area has numerous golf courses and tennis courts.

[exclusively listed by]

Chris N. Lind

Senior Managing Director
602 687 6780
chris.lind@marcusmillichap.com

Mark J. Ruble

Executive Managing Director
602 687 6766
mruble@marcusmillichap.com

Zack House

First Vice President
602 687 6650
zhouse@marcusmillichap.com

Offices Nationwide
www.marcusmillichap.com

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows: By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

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.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. 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 guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including

the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Ryan Sarbinoff

Arizona Broker of Record
602 687 6700
Lic #: BR675146000

Marcus & Millichap