



CARL'S JR.
FREDERICKSON, WASHINGTON (SEATTLE MSA)

**YURAS
AICALE
FORSYTH**

Leased Investment Team

OFFERING MEMORANDUM



\$2,912,600 | 5.15% CAP RATE

- » Long-Term Absolute NNN Lease with Scheduled Rent Increases
 - » No Landlord Management
- » High-Traffic Area Near New Developments and Area's Largest Employers
 - » Close Proximity to Boeing and Joint Base Lewis–McChord – Largest Employers in the Seattle MSA
- » Brand New 2017 Construction with Drive-Thru

FILE PHOTO



Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Washington-licensed real estate broker Cushman & Wakefield, Inc.

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LOCATION MAP

Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
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INVESTMENT SUMMARY

ADDRESS	17804 Canyon Road East, Frederickson, Washington
PRICE	\$2,912,600
CAP RATE	5.15% return
NOI	\$150,000
TERM	20 years
RENT COMMENCEMENT	April 1, 2017
LEASE EXPIRATION	March 31, 2037
RENTAL INCREASES	2.50% rental increases in Year 11 and every five years thereafter
YEAR BUILT	2017
BUILDING SF	2,678 SF
PARCEL SIZE	0.65 acres (28,118 SF)
LEASE TYPE	Absolute NNN, with tenant responsible for all taxes, insurance, utilities, and maintenance and repair, including roof, structure, and parking lot

ABSOLUTE NNN LEASE WITH SCHEDULED RENT INCREASES

- » Brand new 20-year NNN lease with three five-year options
- » Scheduled rental increases, providing a hedge against inflation
- » Zero landlord management – provides ideal investment for an out-of-area investor

HIGH-TRAFFIC LOCATION NEAR MAJOR EMPLOYERS

- » 34,250 vehicles per day at the signalized intersection of Canyon Road East and 176th Street East
- » Central location in the Frederickson Industrial Area, with over 3,330 employees near the property
- » Close proximity to Boeing Wing Responsibility Center – Boeing is the largest employer in the Seattle MSA and the largest manufacturing employer in Pierce County
- » Just over three miles from Joint Base Lewis-McChord – over 57,000 employees

CLOSE PROXIMITY TO NEW DEVELOPMENTS

- » Located in Frederickson Place I & II, a shopping center that is currently under construction
- » Across from Frederickson Town Center, a 50-acre retail project
- » Within walking distance of Rosemont, a 737-unit multi-family development

BRAND NEW 2017 CONSTRUCTION

- » Features latest Carl's Jr. prototype with drive-thru
- » Brand new building, limiting near-term deferred maintenance or capital costs

FILE PHOTO





DOWNTOWN TACOMA

Joint Base Lewis-McChord

SAFeway
 Albertsons
Goodwill
 TSC
TRACTOR SUPPLY CO.
 LAIFITNESS.

Bass Pro Shops
 THE HOME DEPOT
WinCo FOODS
 REGAL CINEMAS

Rosemont
(737-unit multi-family development)

Tacoma Mall

NORDSTROM
 BUILD-A-BEAR
DICK'S SPORTING GOODS
 EXPRESS
 Eddie Bauer EST. 1920
 crazy 8
 H&M
 macy's
 sears
 MICHAEL KORS
 WHITE HOUSE
 BLACK MARKET
 Foot Locker
 OLD NAVY
 REGIS SALONS
 GAP
 Apple

176th Street East (15,750 AADT)

TACO BELL

McDonald's

Frederickson Town Center
(50-acre retail project)

AutoZone

Frederickson Place I & II
(retail shopping center)

Canyon Crossing

SAFeway
 xfinity
 SUBWAY
 Great Clips for hair.
 Starbucks
 Tacolime
 at&t
 Papa Murphy's TAKE 'N BAKE PIZZA

Canyon Road East (18,500 AADT)

Carl's Jr.
 CHARBROILED BURGERS



Meridian Town Center

SAFeway JO-ANN stores inc.
 GameStop Great Clips for hair.
 Tuesday Morning

South Hill Mall

sears jcpenny DICK'S SPORTING GOODS
 macy's TARGET REGAL CINEMAS
 AÉROPOSTALE lanebryant DSW
 GameStop ToysRUs Hallmark
 EXPRESS lanebryant GNC

South Hill Village

THE HOME DEPOT Walmart
 PET SMART
 Total Wine & MORE BIG LOTS!
 SPORTSMAN'S WAREHOUSE

Sunrise Village

TARGET LA FITNESS S.
 STAPLES PET SMART
 Party City at&t
 Famous Footwear

Canyon Crossing

SAFeway xfinity Great Clips for hair.
 SUBWAY at&t Starbucks TacoTime
 Papa Murphy's TAKE 'N BAKE PIZZA



Canyon Road East (18,500 AADT)

Frederickson Town Center (50-acre retail project)

176th Street East (15,750 AADT)



Frederickson Place I & II (retail shopping center)





Walmart Supercenter
POPEYES
 LOUISIANA KITCHEN
 O'Reilly AUTO PARTS
 PROFESSIONAL PARTS PEOPLE
 PANDA EXPRESS
 GOURMET CHINESE FOOD
 Applebee's
 GRILL & BAR

Ranier View Marketplace

KOHL'S **ROSS** **Tires LES SCHWAB**
 DRESS FOR LESS
Firestone **T-Mobile**
BIG 5 **ULTA** **SportClips**
 SPORTING GOODS BEAUTY HAIRCUTS

Sunrise Village

TARGET **LA|FITNESS**
STAPLES **PETSMART**
 at&t
Party City **Famous Footwear**

What's on your list today? You'll find it at

Fred Meyer **Papa Murphy's** **PAPA JOHN'S**
 TAKE 'N' BAKE PIZZA
Quiznos **BR** **BURGER KING** **KFC**
 MMM...TOASTY! baskin robbins

BOEING

Canyon Crossing

SAFeway **Great Clips for hair** **Starbucks** **Tacotime**
xfinity **at&t** **Papa Murphy's**
 SUBWAY TAKE 'N' BAKE PIZZA

Carl's Jr.
 CHARGEDOLLAR ENERGIZER

McDonald's

Frederickson Town Center
 (50-acre retail project)

176th Street East (15,750 AADT)

Frederickson Place I & II
 (retail shopping center)

Canyon Road East (18,500 AADT)

TACO BELL

AutoZone



Canyon Road East (18,500 AADT)



Frederickson Place I & II (retail shopping center)

176th Street East (15,750 AADT)

Canyon Crossing



Frederickson Town Center (50-acre retail project)

SITE PLAN



ACCESS ROAD

CANYON ROAD EAST

ACCESS ROAD



TENANT SUMMARY



Carl's Jr. is an American-based quick-service restaurant chain operated by CKE Restaurants Holdings, Inc. in western and southwestern states. The brand is renowned for its bigger, better burgers and innovative menu items, as well as its youthful and edgy advertising that targets its core audience of "Young, Hungry Guys", or males between the ages of 18 to 34. In 2016, *Entrepreneur* listed Carl's Jr. 54th on their "Top Franchise 500" list. As of March 2016, CKE, the parent company of Carl's Jr. and Hardee's, has a total of 3,664 franchised or company-operated restaurants in 44 states and 38 foreign countries and U.S. territories.

NorthWest Foods, LP is a Carl's Jr. franchisee which has operated for nearly 30 years in both California and Washington. In addition to the Carl's Jr. brand, NorthWest Foods also operates a successful chain of full service restaurants in the San Francisco Bay Area. NorthWest Foods currently operates five Carl's Jr. restaurants in the Seattle metropolitan area, with the Frederickson, Washington location becoming its sixth. In 2006, NorthWest Foods opened its first restaurant in Tacoma, with opening sales of \$73,000. Tacoma was quickly followed by an opening in Covington, Washington, which broke the domestic sales record with an opening week of \$104,000. Currently, NorthWest Foods, LP has annual sales of approximately \$5 million and has several new stores under development.

For more information, please visit www.carlsjr.com.

OWNERSHIP	CKE Restaurants Holdings, Inc.	# OF LOCATIONS	3,664
REVENUE	\$1.5B	HEADQUARTERS	Carpinteria, CA

LEASE ABSTRACT

TENANT	NorthWest Foods, LP		
ADDRESS	17804 Canyon Road East, Frederickson, Washington		
RENT COMMENCEMENT	April 1, 2017		
LEASE EXPIRATION	March 31, 2037		
RENEWAL OPTIONS	Three (3) five (5) year options		
RENTAL INCREASES	YEARS	RENT	RETURN
	1-10	\$150,000	5.15%
	11-15	\$153,750	5.28%
	16-20	\$157,594	5.41%
	21-25 (Option 1)	\$161,534	5.55%
	26-30 (Option 2)	\$165,572	5.68%
	31-35 (Option 3)	\$169,712	5.83%
COMMON AREA COSTS	Tenant shall maintain the Common Areas located on the Premises in good order, condition, and repair except to the extent another person or entity is obligated to maintain the same pursuant to the CC&Rs.		
REAL ESTATE TAXES	Tenant shall pay all real estate taxes on the Premises and Improvements.		
INSURANCE	Tenant shall pay for and maintain commercial general liability insurance covering the Tenant, Landlord, and the Premises. This policy shall name Landlord, its property manager, and other parties designated by Landlord as additional insureds. Tenant shall pay for and maintain special form causes of loss coverage property insurance. Landlord will maintain an "all-risk" standard insurance policy. Tenant will reimburse Landlord for the amount of the insurance premium.		
REPAIR & MAINTENANCE	Tenant shall be responsible for all maintenance and repair of the Premises, including maintenance, repair, and replacement of the roof, exterior walls, foundation, and all parts of the building structure of the Improvements and the Premises.		
UTILITY EXPENSES	Tenant shall pay the cost of all utilities.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is located just off the signalized intersection of Canyon Road East and 176th Street East, which experiences a high traffic count of 34,250 vehicles per day. Located directly across from the property is Canyon Crossing, a shopping center anchored by Safeway and featuring a number of major national tenants, including Xfinity, Starbucks, AT&T, and Great Clips. The property is situated in Frederickson Place I & II, a retail center that is currently under construction. The center includes AutoZone, a car wash, a Taco Bell due to be delivered in 2017, and multiple parcels for future retail development. Other developments in the area include Frederickson Town Center, another shopping center located across from the property, and Rosemont, a 737-unit multi-family development located within walking distance of the property.

The property benefits from its central location in the Frederickson Industrial Area, one of the principal industrial centers of Pierce County, which is home to some of the region's largest employers. Dozens of industrial operations are located within the Frederickson Industrial Area, including operations for Boeing, IKEA, Whirlpool, James Hardie, and Toray. Over 3,330 people work in the Frederickson Industrial Area, all within close proximity to the subject property. Additionally, Joint Base Lewis-McChord is just over three miles from the property. Joint Base Lewis-McChord is the second largest employer in the Seattle metropolitan area, with over 57,000 employees, providing a strong customer base for Carl's Jr | Green Burrito.

ACCESS

Access from Canyon Road East

TRAFFIC COUNTS

Canyon Road East:	18,500 AADT
176th Street East:	15,750 AADT

PARKING

Twenty-five (25) parking stalls, including one (1) handicap stall, with additional cross-parking available

YEAR BUILT

2017

NEAREST AIRPORT

Seattle-Tacoma International Airport (SEA)

FILE PHOTO



25
PARKING
STALLS



2017
YEAR BUILT



18K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
SEATTLE-TACOMA
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Frederickson is located 35 miles south of Seattle, 12 miles south of Tacoma, and 26 miles east of Olympia in Pierce County, which is part of Washington’s Puget Sound region and is included in the Seattle Metropolitan Statistical Area (MSA). As of 2015, the population of Pierce County was 843,954, making it the second most populous county in Washington. Pierce County has a diverse and broad economic base in the manufacturing, healthcare, service, shipping, technology, agriculture, and defense industries. Tacoma, a mid-sized urban port city and the county seat of Pierce County, is the second largest city in the Puget Sound area and the third largest in the state. Tacoma also serves as the center of business activity for the South Sound region, which has a population of around one million people.

The Seattle metropolitan area includes the three most populous counties—King, Snohomish, and Pierce—within the greater Puget Sound region. The MSA has an estimated population of 3,733,580 as of 2015, which is slightly more than half of Washington’s population, making it the 15th largest MSA in the United States. The United States Census Bureau defines the Puget Sound region as the Seattle–Tacoma–Olympia Combined Statistical Area. The population of this region is 4,602,591—almost two-thirds of Washington’s population—as of 2015, making the CSA the 12th largest in the country. The Puget Sound region’s economy is driven by a mix of older industrial companies and “new economy” Internet and technology companies. Fortune 500 companies with corporate or division headquarters in the Puget Sound region include Boeing, Costco, Microsoft, Amazon, Starbucks, Nordstrom, and Paccar, among others.

- » Pierce County is home to the Washington State Fair, the largest attraction held annually in the state of Washington. The fair continually ranks in the top ten largest fairs in the U.S.
- » The Port of Seattle and Port of Tacoma, if combined, comprise the third largest container port in North America after Los Angeles/Long Beach and New York/New Jersey.
- » Seattle–Tacoma International Airport, the primary airport for the Seattle metropolitan area, is the largest airport in the Pacific Northwest, serving over 42 million passengers in 2015.
- » Seattle is the largest city in both Washington and the Pacific Northwest. In July 2013, it was the fastest-growing major city in the U.S. and remained in the top five in May 2015 with an annual growth rate of 2.1%.

MAJOR EMPLOYERS IN SEATTLE MSA	# OF EMPLOYEES
BOEING	80,000
JOINT BASE LEWIS–MCCHORD	57,210
MICROSOFT	42,000
UNIVERSITY OF WASHINGTON	25,000
AMAZON	22,000
PROVIDENCE HEALTH & SERVICES	20,000
WALMART	20,000
WEYERHAEUSER	10,000
FRED MEYER	15,000
KING COUNTY	13,000



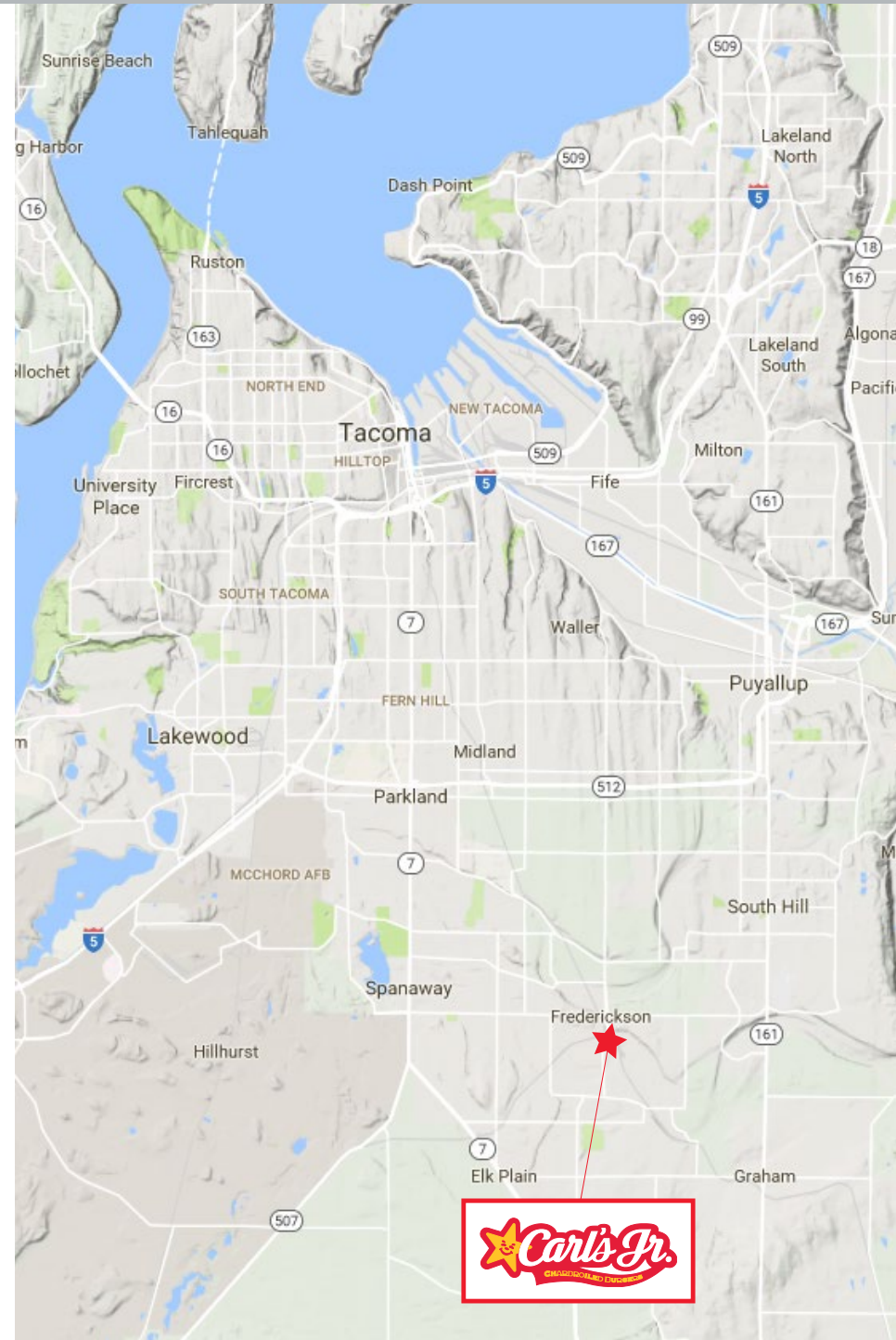
DEMOGRAPHIC PROFILE

2016 SUMMARY	1 Mile	3 Miles	5 Miles
Population	1,760	76,083	165,719
Households	647	24,840	57,564
Families	491	19,603	42,675
Average Household Size	2.72	3.06	2.87
Owner Occupied Housing Units	509	19,600	40,635
Renter Occupied Housing Units	138	5,241	16,930
Median Age	35.7	33.6	34.7
Average Household Income	\$82,435	\$86,604	\$79,879

2021 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	1,892	82,832	177,736
Households	692	26,948	61,471
Families	524	21,214	45,511
Average Household Size	2.73	3.07	2.88
Owner Occupied Housing Units	542	21,192	43,410
Renter Occupied Housing Units	149	5,756	18,061
Median Age	36.0	33.9	35.0
Average Household Income	\$89,702	\$95,087	\$87,779



POPULATION OF 165,719
WITHIN FIVE MILES



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