



# EL POLLO LOCO GROUND LEASE

IRVING, TEXAS (DALLAS/FORT WORTH MSA)

YURAS  
AICALE  
FORSYTH

Leased Investment Team

## OFFERING MEMORANDUM



FILE PHOTO

**\$2,000,000 | 4.50% CAP RATE**

- » New 15-Year Absolute NNN Ground Lease
- » 10% Rental Increases Every Five Years
- » Irreplaceable Infill Location in DFW MSA
- » High-Traffic Location in Dense Retail Corridor
  - » Immediate Access to Airport Freeway - 165,205 AADT
- » Brand New 2017 Construction
  - » Latest El Pollo Loco Prototype with Drive-Thru

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# DISCLAIMER

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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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# INVESTMENT SUMMARY

<b>ADDRESS</b>	3900 West Airport Freeway, Irving, Texas
<b>PRICE</b>	<b>\$2,000,000</b>
<b>CAP RATE</b>	<b>4.50% return</b>
<b>NOI</b>	\$90,000
<b>TERM</b>	15 years
<b>RENT COMMENCEMENT</b>	Estimated May 2017
<b>LEASE EXPIRATION</b>	Estimated April 2032
<b>RENTAL INCREASES</b>	10% rental increases every 5 years
<b>YEAR BUILT</b>	2017
<b>BUILDING SF</b>	3,000 SF
<b>PARCEL SIZE</b>	0.93 acres (40,578 SF)
<b>LEASE TYPE</b>	NNN Ground Lease – The lease is absolute net with the tenant responsible for taxes, insurance and all maintenance, including roof and structure

## LONG-TERM ABSOLUTE NNN GROUND LEASE

- » Brand new 15-year NNN ground lease with 10% rental increases in primary term and options, providing a hedge against inflation
- » No landlord obligations to maintain the land or building, offering a ‘hands off’ investment, ideal for passive or out-of-state investors

## INFILL DALLAS/FORT WORTH MSA LOCATION

- » Located just off of the heavily trafficked Airport Freeway – 165,205 AADT
- » Dense infill location with a population of over 19,000 and 235,000 within a 1-mile and 5-mile radius respectively
- » Hard corner location in dense retail corridor – nearby tenants include Walmart Supercenter, AMC Theatres, Macy’s, Dillard’s, Target, Lowe’s, and Home Depot
- » Near major employment centers – approximately 165,000 daytime employees within a 5-mile radius
- » Close proximity to Dallas/Fort Worth International Airport, the busiest airport in Texas, serving over 64 million passengers annually

## BRAND NEW 2017 CONSTRUCTION

- » Brand new 2017 construction featuring latest El Pollo Loco prototype
- » Features a dedicated drive-thru, providing additional convenience to customers and boosting sales revenue
- » Built by tenant and tenant’s expense, demonstrating long-term commitment to the location
- » Adjacent to one of the highest-grossing Walmart Supercenters in Texas with cross-access between parking lots







Bear Creek Golf Club



DFW Airport Hotel and Conference Center

North Belt Line Road (47,600 AADT)



West Airport Freeway (13,475 AADT)

Airport Freeway (165,205 AADT)



INDUSTRIAL PARK

Riverside Golf Club

INDUSTRIAL PARK

INDUSTRIAL PARK



**TRADER JOE'S**  
Distribution Center  
(728,530 SF Building on  
38.8 Acres, with Over 200  
Employees)



West Airport Freeway (13,475 AADT)

Airport Freeway (165,205 AADT)

North Belt Line Road (47,600 AADT)





DOWNTOWN DALLAS

INDUSTRIAL PARK

**TARGET** **baskinIBRobbins**  
**avenue**  
**chili's**  
 GRILL & BAR  
**ON THE BORDER**  
 MEXICAN GRILL & CANTINA  
**verizon**  
**FIREHOUSE**  
 SUBS  
 Hooters  
**Hertz**  
 Payless  
**HOOTERS**



**Starbucks**  
**24 HOUR FITNESS**  
**CVS/pharmacy**

**Office DEPOT**  
**BaylorScott&White**  
 HEALTH

**UNITED STATES**  
**POSTAL SERVICE**  
**DOLLAR GENERAL**  
**HARBOR FREIGHT TOOLS**  
 Quality Tools at Ridiculously Low Prices  
**KFC**  
**CITITRENDS**

Irving School District

Crockett Middle School



Lady Bird Johnson Middle School

**Irving Mall**  
**macy's**  
**AMC THEATRES**  
**AÉROPOSTALE**  
**Burlington**  
 coat factory  
**AMERICAN EAGLE**  
**Foot Locker**  
**sears**  
**Payless**  
**Subway**  
**claire's**  
**metroPCS**  
**CHAMPS**  
**Dillard's**



West Airport Freeway (165,205 AADT)

West Airport Freeway (137,475 AADT)

**BEST BUY**  
**SHOE CARNIVAL**  
**K&C FASHION SUPERSTORE**  
**five BELOW**  
**ROSS**  
 DRESS FOR LESS  
**Olive Garden**  
**Party City**



Esters Road (22,571 AADT)







DFW International Airport

INDUSTRIAL PARK



North Belt Line Road (47,600 AADT)

INDUSTRIAL PARK

Highway 161 (112,028 AADT)

Thomas Haley Elementary School



West Irving Library



Airport Freeway (165,205 AADT)

West Airport Freeway (13,475 AADT)

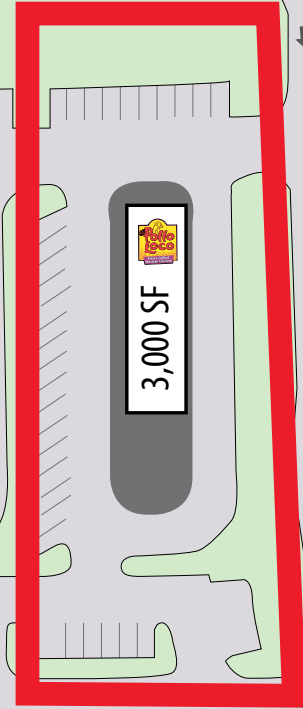




# SITE PLAN

AIRPORT FREEWAY

WEST AIRPORT FREEWAY



ESTRADA PARKWAY





# TENANT SUMMARY



Chicken Time Real Estate, LLC is a Texas-based El Pollo Loco franchisee and is a wholly owned subsidiary of Henry Ventures, LP, which is the lease guarantor. The Henry Investment Group is a Texas-based family office that is engaged in the operation and management of multiple business lines, including El Pollo Loco. The Dallas/Fort Worth El Pollo Loco management team averages over 15 years of experience in the restaurant business and has a deep understanding of the DFW restaurant marketplace. The Company's activities are conducted principally through its indirect subsidiary, El Pollo Loco, Inc. (EPL), which develops, franchises, licenses, and operates quick-service restaurants under the name El Pollo Loco. El Pollo Loco opened its first location in Los Angeles in 1980 and today has over 415 locations in California, Arizona, Nevada, Texas, and Utah.

El Pollo Loco's signature product is its chicken, marinated with a proprietary recipe of citrus, garlic, and spices, which serves as the foundation of its distinctive menu of flavorful bone-in chicken meals and Mexican-inspired entrees. The food, served in colorful, bright, and contemporary restaurant environments at reasonable prices, allows El Pollo Loco to satisfy the needs of today's busy consumers who desire high-quality options at an affordable price.

The new Hacienda restaurant design creates an inviting restaurant environment that focuses on the grills – the main stage. Interiors feature large, open kitchens that allow customers to watch the Grill Masters prepare the fire-grilled chicken. El Pollo Loco restaurants also feature complimentary, self-serve salsa bars that invite customers to customize their meals with several salsas, prepared fresh every day.

For more information, please visit [www.elpolloloco.com](http://www.elpolloloco.com).

<b>TICKER</b>	<b>NASDAQ: "LOCO"</b>	<b># OF LOCATIONS</b>	<b>415+</b>
<b>REVENUE</b>	<b>\$355M</b>	<b>HEADQUARTERS</b>	<b>Los Angeles, CA</b>

# LEASE ABSTRACT

<b>TENANT</b>	Chicken Time Real Estate, LLC		
<b>GUARANTOR</b>	Henry Ventures LP		
<b>ADDRESS</b>	3900 West Airport Freeway, Irving, Texas		
<b>RENT COMMENCEMENT</b>	Estimated May 2017		
<b>LEASE EXPIRATION</b>	Estimated April 2032		
<b>RENEWAL OPTIONS</b>	Four (4) five (5) year options		
<b>RENTAL INCREASES</b>	<b>YEAR:</b>	<b>RENT:</b>	<b>RETURN:</b>
	1-5	\$90,000	4.50%
	6-10	\$99,000	4.95%
	11-15	\$108,900	5.45%
	16-20 (Option 1)	\$119,790	5.99%
	21-25 (Option 2)	\$131,769	6.59%
	26-30 (Option 3)	\$144,946	7.25%
	31-35 (Option 4)	\$159,440	7.97%
<b>COMMON AREA COSTS</b>	Tenant shall pay Tenant's proportionate share, which is 41.68% of the Annual Maintenance Fee (which is currently \$2,500.00 per year), as defined in the Access Agreement, of the total fees attributable to Landlord and 41.68% of any other fees attributable to Landlord required by the Access Agreement, which amounts shall be considered additional rent.		
<b>REAL ESTATE TAXES</b>	Tenant shall pay directly to the taxing authorities all real property taxes and assessments which are levied, assessed, charged, or imposed against the Premises or any part of the Premises.		
<b>INSURANCE</b>	Tenant shall maintain commercial general liability insurance. Landlord shall be named as an additional insured. Tenant, at its cost and expense, will carry and maintain "All Risk" property insurance. Such insurance shall name Tenant as the loss payee and Landlord as an additional insured.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant will, at its expense and without any expense to Landlord, make all necessary repairs to or replacements of the Improvements and Land, and maintain the Premises and the Improvements in good, sanitary, and neat order, condition, and repair.		
<b>UTILITIES</b>	Tenant shall make all arrangements for obtaining service contracts and shall pay for all utilities and services furnished to, or to be used on, the Premises and/or in connection with the Improvements.		
<b>MAINTENANCE BY LANDLORD</b>	Landlord will have no obligation, in any manner whatsoever, to repair and maintain the Premises or the Improvements or any equipment therein or thereon, whether structural or nonstructural, during the Term.		
<b>RIGHT OF FIRST REFUSAL</b>	None		



# PROPERTY OVERVIEW

## LOCATION

The property is located at the hard corner of West Airport Freeway and Estrada Parkway, with excellent access and visibility to 13,475 vehicles per day along West Airport Freeway. The property is located just off of the heavily-trafficked Airport Freeway, which experiences a traffic count of 165,205 vehicles per day near the site. Located in a dense retail corridor, the property is adjacent to one of the highest-grossing Walmart Supercenters in Texas, and is surrounded by several large retail centers featuring major national tenants, including Lowe's, AMC Theatres, Best Buy, Ross, and Honda. Irving Mall is directly across from the site. The mall features over one million square feet of retail area and is anchored by Dillard's, Macy's, Sears, and Burlington Coat Factory.

Dallas/Fort Worth International Airport is less than 5 miles from the property. The airport is one of the busiest in the world and served over 64 million passengers in 2015. Additionally, downtown Dallas is approximately 15 miles from the site. The property benefits from its central location within a densely-populated area; nearly 236,000 people live within a 5-mile radius of the site, providing a large customer base for El Pollo Loco.

## ACCESS

Access from Estrada Parkway

## TRAFFIC COUNTS

West Airport Freeway:	13,475 AADT
Airport Freeway:	165,205 AADT
Esters Road:	22,571 AADT
North Belt Line Road:	47,600 AADT
Highway 161:	112,028 AADT

## PARKING

34 parking stalls

## YEAR BUILT

2017



**P**  
**34**  
PARKING  
STALLS

  
**2017**  
YEAR BUILT



# AREA OVERVIEW

Irving is a principal city located in Dallas County. According to a 2015 estimate from the United States Census Bureau, the city population was 236,607, making it the thirteenth most populous city in Texas. Irving is part of the Dallas–Fort Worth MSA (often referred to as DFW or the Metroplex), and is located approximately 14 miles west of Downtown Dallas and 23 miles east of Fort Worth. Irving includes the Las Colinas community, one of the first master-planned developments in the United States and once the largest mixed-use development in the Southwest, with a land area of more than 12,000 acres. Due to its central location between Dallas and Fort Worth and its proximity to both DFW International Airport and Love Field Airport, Las Colinas has been a viable place in the Metroplex for corporate and business relocation. As a planned community, it has many corporate offices, luxury hotels, landmark office towers, luxury townhomes, distinguished single-family homes, private country clubs, gated enclaves, and urban lofts.

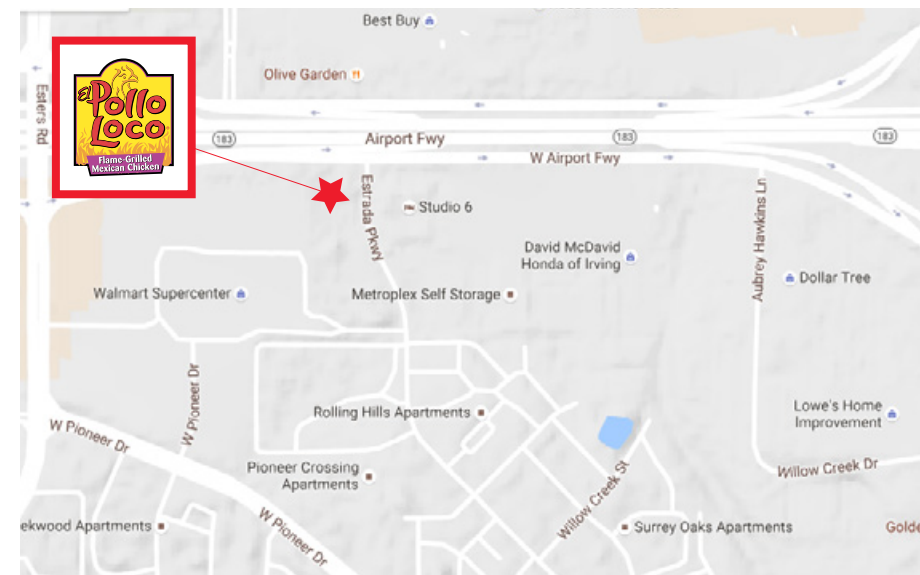
The Dallas/Fort Worth MSA, with a population of 7,102,796, is the largest metropolitan area in the South, the fourth largest in the U.S., and the tenth largest in the Americas. It is the economic and cultural hub of the region commonly called North Texas or North Central Texas. Dallas and its suburbs have one of the highest concentrations of corporate headquarters in the U.S. and also contain the largest IT industry base in Texas. Meanwhile, the Texas farming and ranching industry is based in Fort Worth, which is also home to several major defense manufacturers.

- » Several large businesses have headquarters in Irving, including Caliber Home Loans, Chuck E. Cheese's, Commercial Metals, ExxonMobil, Gruma, H.D. Vest, Kimberly-Clark, La Quinta Inns and Suites, Michaels Stores, Zale Corporation, Fluor Corporation, NCH Corporation, ITW Polymers Sealants North America, LXI Enterprise Storage, and others. The city is also home to the national headquarters of the Boy Scouts of America, the American headquarters of BlackBerry, and the headquarters of Nokia America and NEC Corporation of America.
- » The headquarters for two collegiate athletic conferences, the Big 12 Conference and Conference USA, are located in Irving.
- » Dallas/Fort Worth International Airport is the busiest airport in Texas, the third busiest airport in the world by aircraft movements, and the tenth busiest airport in the world by passenger traffic. Part of Dallas/Fort Worth International Airport lies inside the city limits of Irving.
- » Dallas County, population 2,553,385, is the second most populous county in Texas and the ninth most populous in the United States.
- » The Dallas/Fort Worth MSA has the fourth largest gross metropolitan product in the U.S. and the tenth largest in the world.
- » The Metroplex is one of the twelve American metropolitan areas that has a team in each of the four major professional sports leagues.

## MAJOR EMPLOYERS IN DFW MSA

## # OF EMPLOYEES

AMERICAN AIRLINES	22,077
WAL-MART STORES, INC.	21,133
TEXAS HEALTH RESOURCES	16,289
LOCKHEED MARTIN AERONAUTICS COMPANY	15,900
BAYLOR HEALTH CARE SYSTEM	15,200
CITIGROUP	15,000
AT&T INC.	13,729
VERIZON COMMUNICATIONS	12,500
TEXAS INSTRUMENTS	10,600
ALBERTSONS	10,100





# DEMOGRAPHIC PROFILE

<b>2016 SUMMARY</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
Population	19,340	108,728	235,707
Households	7,428	39,631	90,271
Families	4,552	25,295	54,541
Average Household Size	2.60	2.74	2.60
Owner Occupied Housing Units	2,136	14,536	31,605
Renter Occupied Housing Units	5,292	25,095	58,666
Median Age	31.0	31.6	32.2
Average Household Income	\$54,581	\$56,426	\$65,596
<b>2021 ESTIMATE</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
Population	20,755	114,538	249,885
Households	7,890	41,449	95,344
Families	4,828	26,385	57,193
Average Household Size	2.63	2.76	2.61
Owner Occupied Housing Units	2,243	15,116	32,993
Renter Occupied Housing Units	5,647	26,333	62,351
Median Age	31.2	31.8	32.3
Average Household Income	\$57,875	\$60,043	\$70,601







**El Pollo Loco**

**501**



**El Pollo Loco**



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