



REPRESENTATIVE PHOTO

tropical CAFE[®] SMOOTHIE

562 S. HWY-92, SIERRA VISTA, AZ 85635

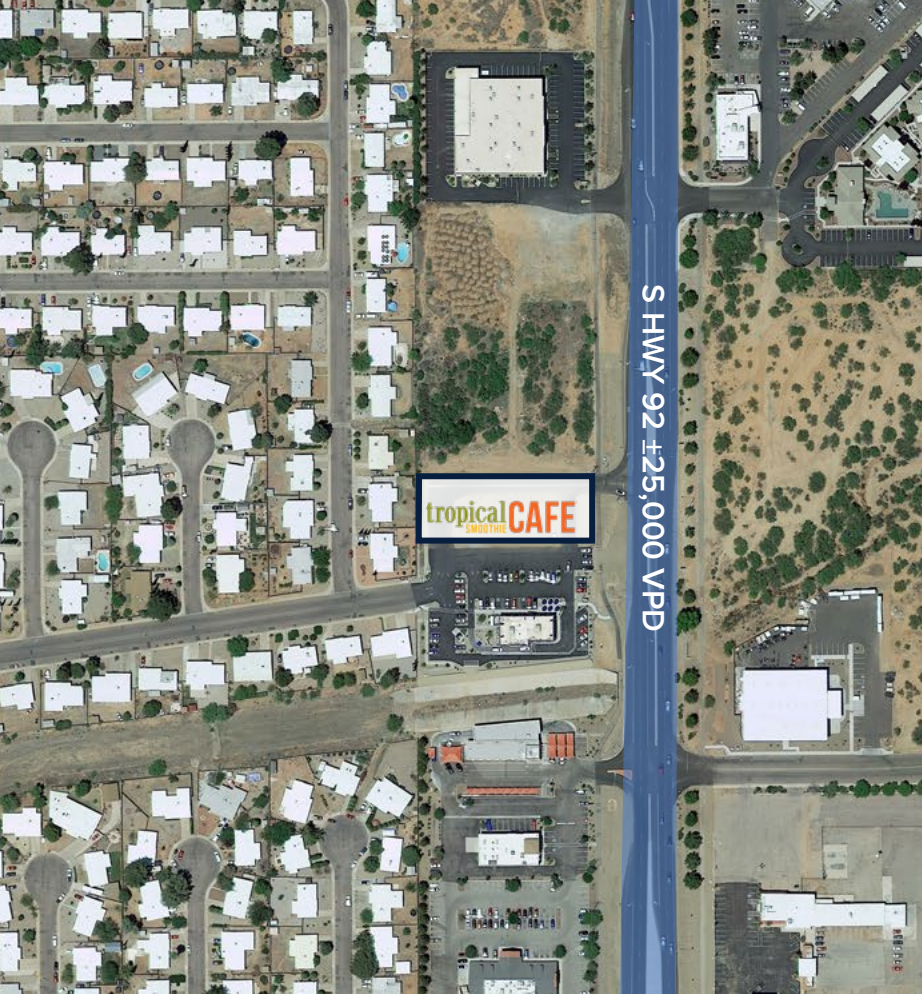


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INVESTMENT HIGHLIGHTS



\$1,907,000

LIST PRICE



±1,600 SF

GLA (SF)



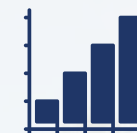
±0.60 AC

LOT SIZE (AC)



\$119,213

NOI



6.25%

CAP RATE

- **Brand New Construction** – 12-year Absolute Triple-Net (NNN) lease with 10% rental increases every 5-years, and two, 5-year renewal options.
- **Strong Lease Guarantor** – Four (4) separate personal guarantees from multi-unit operators with significant personal guarantee. Operator financials provided upon request.
- **Freestanding Drive-thru Location** – Frontage on AZ State Route-92 (25,000+ VPD) the main thoroughfare and busiest retail corridor in Sierra Vista. The Culver's adjacent to Subject Property recently extended their drive-thru lane and added additional parking on the north side of their property to accommodate large customer count.
- **Popular Retail Corridor** – Subject Property is located near the corner of S. Hwy-92 & Fry Boulevard, the major retail corridor in Sierra Vista. Nearby retailers include: Target, Fry's Grocery, Walmart Supercenter, Lowe's Home Improvement, Food City, Big Lots, Hobby Lobby, Ross Dress for Less, Marshall's, C-A-L Ranch, Dutch Bros, Buffalo Wild Wings, Taco Bell, and more.
- **Prime Location** – Sierra Vista is home to Fort Huachuca, a joint services installation training over 9,000 students per year, established in 1877. At any given time, there are over 5,600 military personnel, 8,000 civilians and over 11,000 family members.
- **Strong Demographics** – Subject Property is located in densely populated retail corridor with over 48,500+ population and \$633.3M total consumer spending within a 5-mile radius. Average household income is over \$86,000. Sierra Vista is projected to see a double-digit increase in households over the next 3 years.
- **Tenant Future Expansion** – Tropical Smoothie Café currently operates over 1,150+ Cafes in 44 states throughout the U.S. and is on track to exceed 2,000+ locations by 2024.
- **Blackstone (NYSE: BX) Acquisition** – Tropical Smoothie Café was recently acquired by Blackstone (NYSE: BX) for \$2B in April of 2024 which will play a huge factor in accelerating the company's already rapid growth.
- **Best In Business** – 2023 marked the 12th consecutive year of positive same-store sales for Tropical Smoothie Café, who was ranked the #1 Smoothie / Juice category by Entrepreneur Franchisee 500 for the 4th year in a row.





PLAZA VISTA MALL
SHOPPING CENTER

HOBBY LOBBY boost mobile cricket wireless
ROSS DRESS FOR LESS **DOLLAR TREE**
Marshalls **DUTCH BROS**
SUBWAY **Michael's** **ULTA BEAUTY**

FedEx
Ship Center

FedEx
Ground

COCHISE COLLEGE
Creating opportunities...changing lives
± 11,000 STUDENTS

Walmart Supercenter **Olive Garden**
Great Clips **verizon**
CHIPOTLE MEXICAN GRILL **PANDA EXPRESS CHINESE KITCHEN** **NAVY FEDERAL**

COCHISE CROSSROADS
SHOPPING CENTER

U-HAUL

O'Reilly
AUTO PARTS

Arby's

Goodwill
Papa Murphy's
TAKE 'N' BAKE PIZZA
Denny's

VALERO **CIRCLE K**
jiffylube **DISCOUNT TIRE**

LOWE'S

+ 25,000 VPD

fray's **MATTRESS FIRM**
Staples target
PET SMART **Jersey Mike's**

E FRY BLVD ± 20,000 VPD

SAFeway
CVS pharmacy **THE JOYNER**
Carl's Jr. **UNITED STATES POSTAL SERVICE** **AT&T**

HARBOR FREIGHT **ACE Hardware** **TACO BELL**
CHASE **Schlottsky's** **SONIC** **Papa John's**

ALDI
Under Construction

CORONADO VILLAGE
SHOPPING CENTER

FOOD CITY **BIG LOTS!**
Little Caesars **peter piper pizza.** **DICHEY'S BARBECUE PIT**

NAPA
CIRCLE K

Walgreens

McDonald's

tropical CAFE
SMOOTHIE
SUBJECT PROPERTY

92

Culver's
FROZEN CUSTARD BUTTERBURGERS

TSC TRACTOR SUPPLY CO

SHERWIN WILLIAMS

FINANCIAL OVERVIEW



**TROPICAL
SMOOTHIE CAFE**

TENANT



2024
YEAR BUILT



**ABSOLUTE
TRIPLE-NET (NNN)**

LEASE TYPE



±12 YEARS
TERM REMAINING

TENANT SUMMARY

Type of Ownership	Fee Simple
Lease Guarantor	Personal (4 Separate Personal Guarantees)
Lease Type	Absolute Triple-Net (NNN)
Landlord Responsibilities	None
Original Lease Term	12 Years
Rent Commencement Date	3/8/2024
Lease Expiration Date	3/7/2036
Increase(s)	10% Every 5 Years
Options Remaining	Two, 5-Year Options
Drive Thru	Yes

ANNUALIZED OPERATING DATA

DATE	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
Current	\$9,934.38	\$119,212.50	\$74.51	6.25%
Years 6-10	\$10,927.81	\$131,133.75	\$81.95	6.87%
Years 11-12	\$12,020.59	\$144,247.12	\$90.15	7.56%
Option 1 (13-15)	\$12,020.59	\$144,247.12	\$90.15	7.56%
Option 1 (16-17)	\$13,222.65	\$158,671.83	\$99.16	8.32%
Option 2 (18-20)	\$13,222.65	\$158,671.83	\$99.16	8.32%
Option 2 (21-22)	\$15,251.04	\$174,539.01	\$109.08	9.15%

TENANT PROFILE



HEADQUARTERS

Atlanta, GA

YEAR FOUNDED

1993

WEBSITE

tropicalsmoothiecafe.com

LOCATIONS

1,150+

Tropical Smoothie Cafe is a popular franchise that operates as a quick-service restaurant chain, specializing in fresh and healthy options. As a tenant, Tropical Smoothie Cafe typically leases commercial spaces in high-traffic areas, such as shopping centers and busy urban locations. Known for its menu featuring a variety of smoothies, wraps, sandwiches, and salads, the cafe caters to health-conscious consumers seeking convenient and nutritious food choices. The tenant's business model often involves a vibrant and inviting atmosphere, with a focus on providing a fast and enjoyable dining experience. With a commitment to using fresh ingredients and promoting a balanced lifestyle, Tropical Smoothie Cafe aims to attract a diverse customer base looking for tasty and health-conscious options in the quick-service restaurant industry. Tropical Smoothie Cafe's annual revenue is approximately \$1.3B annually.

REPRESENTATIVE PHOTO



AREA OVERVIEW

SIERRA VISTA, AZ

Situated in the southeast of Arizona, Sierra Vista presents distinct and charming surroundings wrapped in the area's natural beauty. Sierra Vista is renowned for its breathtaking scenery, abundance of outdoor activities, and a blend of contemporary conveniences and vintage charm.

Sierra Vista's proximity to the Huachuca Mountains, offers a picturesque backdrop and a variety of outdoor activities like hiking, bird watching, and nature exploration, is one of its most notable features. Historic buildings and new construction mix in downtown Sierra Vista to creating an inviting environment. The neighborhood serves as a gathering place for locals and tourists alike thanks to its abundance of stores, eateries, and cultural attractions. The city also holds festivals and events all year long, which adds to the lively and involved community.

Due to Sierra Vista's advantageous location near the border between Mexico and Arizona, a diverse range of cultural influences and customs coexist, resulting in a wealth of experiences and traditions. Sierra Vista's identity is further enhanced by the region's history, which includes its connections to Native American communities and military presence.

FORT HUACHUCA

Fort Huachuca, located in Sierra Vista, Arizona, is a significant joint services installation that has been in operation since 1877. This military installation plays a crucial role in training over 9,000 students annually. At any given time, Fort Huachuca is home to a diverse community, with over 5,600 military personnel, 8,000 civilians, and more than 11,000 family members. The base's history, spanning over a century, reflects its enduring commitment to military education and service. As an integral part of Sierra Vista, Fort Huachuca contributes to the vibrancy and diversity of the local community.



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Estimate	7,996	39,103	48,548
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Estimate	3,765	17,469	20,912
INCOME	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$74,328	\$84,300	\$86,799



NEW DEVELOPMENT

Sierra Vista, Arizona, has seen ongoing developments and growth in recent years. Castle & Cooke, the largest private landowner in Cochise County, has initiated the planning phase for the Tribute neighborhood development, spanning nearly 2,000 acres. The project includes approximately 6,900 units, featuring 376 homes, 114 acres for commercial use, and 106 acres designated as "mixed-use" for a blend of residential and commercial purposes. Additionally, the development allocates 218 acres for open space and includes around 3.5 acres for a neighborhood park.

In early 2024, Sierra Vista City Council granted approval for the final plat of the Buffalo Soldier Ranch Subdivision. Situated to the east of the Holiday Subdivision, the development will be positioned at the south end of the city, adjacent to State Route 92. The finalized plat plan, presented by Canyon Vista Land, LLC, outlines the utilization of the nearly 111-acre space for the construction of approximately 350 homes.

Sierra Vista's community, Island Amenity Village, broke ground on its unique project, featuring a 709-foot heated lazy river alongside a white sand beach. Expected to open by the end of 2024, the village, located along the Highway 288 corridor, will offer residents an extended recreational experience, including a pavilion, splash pad, clubhouse, and various sports courts.

Source: news.azpm.org

TUCSON, AZ

Tucson, with a population of 543,242 residents, is the second-largest city in Arizona, following Phoenix. The entire Tucson Metropolitan Statistical Area (MSA) boasts a population of over 1 million people. Positioned as the county seat of Pima County, Tucson is situated approximately 108 miles southeast of Phoenix, accessible via the I-10. Downtown Tucson serves as a vibrant hub for eateries, museums, and nightlife.

Key attractions in downtown Tucson include the Tucson Museum of Art, the Fox Theatre, the University of Arizona Museum of Art, The Children's Museum Tucson, MOCA Tucson, and numerous art galleries. The University of Arizona, a prominent institution, is located just outside downtown Tucson. Known for its role as the city's main economic driver and top employer, the university is a leading research institution, ranking in the top 25 in research expenditures among all public universities.

Residents of Tucson benefit from a lower cost of living, approximately 6% below the national average. Additionally, the city plays a significant role as a major hub for the Union Pacific Railroad's Sunset Route, connecting the Los Angeles ports with the South/Southeast regions of the country. Tourism is another crucial factor in Tucson's economy, bringing in \$2 billion annually with over 3.5 million visitors.

The University of Arizona, a land-grant university is recognized as one of the nation's top public universities by U.S. News & World Report. With an annual economic impact estimated at \$4.1 billion, the university accepts over 43,800 students each academic year, including more than 35,600 undergraduate students.



THE UNIVERSITY
OF ARIZONA



DISTANCE MAP



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **562 S. HWY-92, Sierra Vista, AZ 85635** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer: There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.

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