

FOR SALE | 816 SF | 0.69 AC LOT SIZE

RALLY'S DRIVE-THRU RESTAURANT

W Henderson Ave & N Prospect St | Porterville, CA



O F F E R I N G M E M O R A N D U M

Outparcel to Food 4 Less and Walmart

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Executive Summary

Beta Agency is pleased to present for sale the fee simple interest in the Rally's fast-food restaurant located at 1230 W. Henderson Avenue, Porterville, CA. Rally's has been at this location since 2013 and has approximately than 5 years of primary lease term remaining. There are two (2) 5-year options thereafter with 2.00% scheduled rental increases throughout the primary term and option periods. The lease is signed by F&M Restaurants, Inc. a 12+ Unit Rally's Franchisee Operator. The lease is absolute NNN with zero landlord obligations.

Rally's is situated as an outparcel to Porterville Crossroads one parcel from the signalized corner of W. Henderson Avenue and N. Prospect Street. Porterville Crossroads is a neighborhood shopping center anchored by Walmart, Food 4 Less and Office Max. Additional pad tenants include Denny's and Taco Bell. Porterville Crossroads is a top-ranking shopping center in the city of Porterville located at one of the busiest intersections in the city. Directly across the street from the Rally's is Porterville Marketplace, a neighborhood center anchored by Target, Marshalls, ULTA Beauty, PetSmart and Kohl's. Newly executed leases with Panda Express, Dutch Bros. Coffee, Blaze Pizza, Habit Burger and Chipotle were signed within the last few years.

PROPERTY OVERVIEW	
Address	1230 W. Henderson Avenue Porterville, CA 93527
Building SF	816 SF
Lot Size	30,056 SF (0.69 Acres)
Year Built	1993
Lease Commencement Date	03/15/2013
Lease Expiration Date	03/14/2028 (4.90 years remaining)
Tenant	F&M Restaurants, Inc. (Franchisee)
Option Periods	(2) 5 – Year options
Scheduled Increases	2.00% Annually - In primary term and option periods
NOI	\$115,019.34 (As of March 1st 2023)
Lease Type	Fee Simple
Lease	Absolute NNN

Investment Highlights



ASKING PRICE
\$2.091M



PRICE PER SF
\$2,562.82



YEAR BUILT
1993



BUILDING AREA SF
816



LOT SIZE SF
30,056

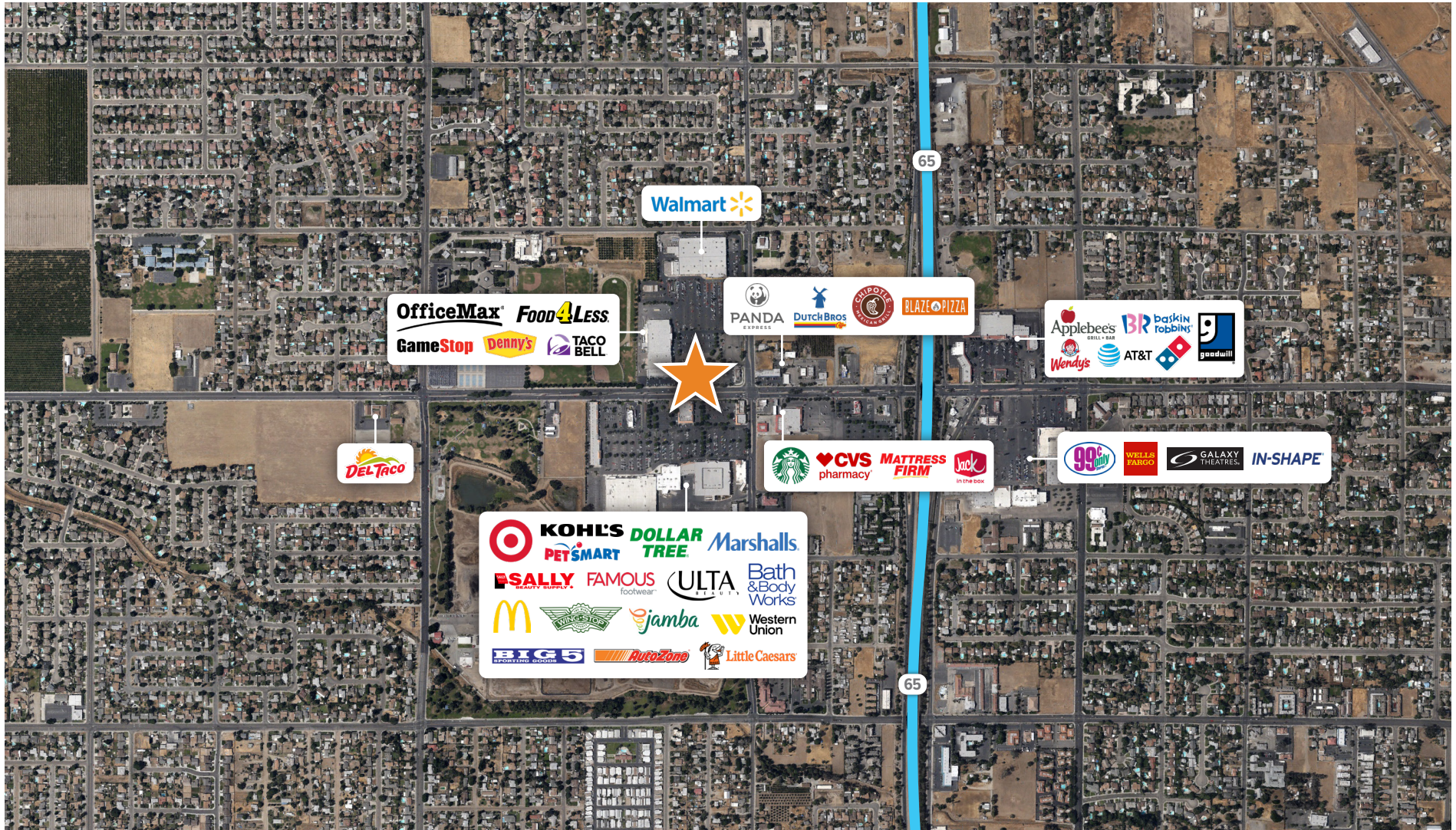


TRAFFIC COUNT
43,600+



- Outparcel to Porterville Crossroads a top-ranking shopping center in the city
- Located at the Northwest corner of W Henderson Avenue and N Prospect St
- One of the busiest intersections in the city with traffic counts of 43,600+ CPD
- Low in Place Rent for a fee simple fast-food restaurant
- 0.69 Acre Parcel with a Drive-Thru
- Just Under 5 Years of Primary Term Remaining
- Tenant has Two (2) 5-Year Options
- 2.00% Annual Increases in primary term and option periods
- Lease signed by F&M Restaurants, Inc., 12+ Unit Rally's Franchisee Operator

Retail Map



Financial Analysis



FINANCIAL OVERVIEW	
Purchase Price	\$2,091,260
NOI	\$115,019.34
Cap Rate	5.50%
Price/SF	\$2,562.82



RENT ROLL										
Tenant Name	Square Feet	% of Total	Base Rent	Rent/SF	% of Total	Increase Dates	Rental Increase	Lease Begin	Lease End	Options
Rally's	816	100%	\$9,584.95	\$11.75	100%	Annual	2%	03/15/2013	03/14/2028	2 (5-Year)

Note: Tenant pays property taxes directly. Tenant reimburses landlord 100% for property insurance expense.

Tenant Profile: F&M Restaurants, Inc. is a 12-unit Rally's franchisee operator based out of Fresno, CA. In addition to the Rally's concept, tenant operates 2 Capriotti's Sandwich Shop locations.

Franchisee Overview



Javier Gomez owns twelve Rally's fast food restaurants. In seven short years he's become a shining star with Rally's. Gomez knows the burger business inside out. He's been a part of the Rally's business for decades. In 2012 Gomez took a leap of faith and bought eleven Rally's restaurants. Since then he's added one more restaurant. He has six stores in Fresno and one in Bakersfield, Porterville, Hanford, Selma, Madera and Los Banos. In seven years Gomez has become a Rally's super star. Recently he was named Rally's top franchisee for 2019.

With more than 30 years of experience working in the franchise restaurant industry, Gomez opened his Capriotti's Sandwich Shop in Fresno, CA in April 2021, helping to bring over 20 new jobs to the community during a very challenging economic time. He's a familiar face to the local restaurant scene, as he also owns twelve Rally's restaurants, and has quickly becoming a shining star in the Capriotti's franchise system. Gomez was born in Mexico and came to the U.S. at the age of four, and understands the meaning of hard work and perseverance. As an entrepreneur, he is committed to investing in a diverse pool of employees, giving them the tools to succeed, and making sure to be there on the frontlines alongside them to give credit where credit is due. Not only is Gomez dedicated to creating jobs in his community but he strives to make a difference by giving back. Since April, his restaurant group has donated \$5,000 to the Central California Food Bank along with Catholic Charities. He also sponsors an annual golf tournament to benefit area veterans, Fresno Police and the Fresno County Sheriff's Department.

Javier Gomez was named as Franchisee of the Year. Gomez was honored at IFA's 62nd Annual Convention in San Diego, California, for being an outstanding franchise establishment owner-operator.



Brand Profile

Rally's



Website	www.rallys.com
Company Type	Private
Headquarters	Tampa, FL
Locations	828
Owner	Oak Hill Capital Partners
Revenue	\$521,000,000

Checkers Drive-In Restaurants, Inc. is one of the largest chains of double drive-thru restaurants in the United States. The company operates Checkers and Rally's restaurants in 28 states and the District of Columbia. They specialize in hamburgers, hot dogs, french fries, and milkshakes.

Originally separate companies serving different geographic areas with Checkers serving the Southeast and Rally's serving the Midwest, Checkers and Rally's merged in August 1999. Generally-speaking, the Checkers name remains used in the Southeast as well as the Northeast while the Rally's name remains used in the Midwest as well as California; the two brands have overlap in several areas. The merged company is headquartered in Tampa, Florida.



Porterville

Porterville is a small city located in Tulare County, California, with a population of approximately 60,000 people. It is situated in the San Joaquin Valley, which is known for its fertile farmland and agricultural industry. Porterville is about 75 miles southeast of Fresno, and about 150 miles north of Los Angeles.

Porterville has a growing commercial sector, with a variety of businesses and services available. Retail is a significant part of the local economy, with several shopping centers, supermarkets, and restaurants in the area. The Sequoia Mall, located about 30 miles north of Porterville in Visalia, offers additional shopping options for residents.

Net leasing is also a growing trend in Porterville, with several commercial properties available for lease. This includes office spaces, warehouses, and retail storefronts. The Porterville Industrial Park, located in the northern part of the city, offers industrial and commercial space for businesses looking to set up shop in the area.

Real estate in Porterville is relatively affordable compared to many other cities in California. According to Zillow, the median home value in Porterville is around \$245,000 as of April 2023. This is well below the median home value in the state of California, which is over \$700,000. Home prices in Porterville have been steadily rising in recent years, with a 12.2% increase in home values over the past year.

The rental market in Porterville is also relatively affordable. According to RentCafe, the average rent for an apartment in Porterville is around \$1,000 per month, which is significantly lower than the average rent in California, which is over \$2,000 per month. However, it's worth noting that rental prices in Porterville have also been on the rise in recent years, with a 6.7% increase in rents over the past year.

Overall, Porterville offers affordable real estate and rental options for those looking to live in a smaller city with easy access to California's agricultural heartland. The growing commercial sector and availability of net leasing options also make Porterville an attractive option for businesses looking to establish a presence in the area.



Demographic Profile



POPULATION	1-MILE	3-MILE	5-MILE
Estimated Population (2022)	18,107	66,153	78,897
Projected Population (2027)	18,268	66,787	79,837
Census Population (2020)	17,880	65,210	77,955
Census Population (2010)	16,329	60,213	73,694

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Estimated Households (2022)	5,515	19,220	22,784
Projected Households (2027)	5,661	19,724	23,431
Census Households (2020)	5,403	18,811	22,367
Census Households (2010)	4,945	17,397	20,932
Projected Annual Growth (2022-2027)	146	504	647
Historical Annual Change (2010-2022)	570	1,823	1,852

AVERAGE HOUSEHOLD INCOME	1-MILE	3-MILE	5-MILE
Estimated Average Household Income (2022)	\$64,622	\$68,654	\$66,381
Projected Average Household Income (2027)	\$77,049	\$81,606	\$77,781
Census Average Household Income (2010)	\$50,831	\$50,124	\$49,000
Census Average Household Income (2000)	\$45,817	\$41,470	\$41,109
Projected Annual Change (2022-2027)	\$12,427	\$12,951	\$11,400
Historical Annual Change (2000-2022)	\$18,806	\$27,184	\$25,272

HOME VALUES (2022)	1-MILE	3-MILE	5-MILE
Owner Specified Housing Units	3,089	10,449	12,591
Home Values \$1,000,000 or More	66	205	241
Home Values \$750,000 to \$999,999	32	190	245
Home Values \$500,000 to \$749,999	140	439	591
Home Values \$400,000 to \$499,999	144	886	1,100
Home Values \$300,000 to \$399,999	564	2,018	2,324
Home Values \$250,000 to \$299,999	399	1,518	1,792
Home Values \$200,000 to \$249,999	694	1,961	2,273
Home Values \$175,000 to \$199,999	261	719	835
Home Values \$150,000 to \$174,999	267	807	899
Home Values \$125,000 to \$149,999	50	163	201
Home Values \$100,000 to \$124,999	94	383	559
Owner-Occupied Median Home Value	\$232,985	\$250,659	\$250,341

ETHNICITY (2022)	1-MILE	3-MILE	5-MILE
White	43.3%	41.9%	41.8%
Hispanic or Latino Population	63.7%	65.7%	66.3%
Black or African American	1.9%	1.9%	1.7%
American Indian or Alaska Native	2.2%	2.2%	2.2%
Asian	4.9%	5.0%	4.5%
Hawaiian or Pacific Islander	0.1%	0.2%	0.3%
Other Race	18.8%	19.3%	19.6%

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