SECURE
NET LEASE

REPRESENTATIVE PHOTO

McDonald's Ground Lease

Investment Grade S&P BBB+ Credit Tenant

$3,987,692 | 3.25% CAP

12440 SE 82nd Ave., Happy Valley, OR 97086

- Brand New 15-Year Ground Lease | Newly Renovated in 2021
- Long Term Operating History | 40+ Years at Location
- Pad Site to Clackamas Town Center Shopping Mall with tenants including: Dick's Sporting Goods, Macy's, REI, and JCPenney
- Happy Valley is a Densely Populated Suburb of Portland with a 5-mile population of 302,898
- Strategically Located near Hwy 205 (126,107 Combined VPD)

Founded in 1940, McDonald's Corporation is the world's leading food service retailer with over 39,000 restaurants throughout 119 countries, serving nearly 69 million people each day.

INVESTMENT OVERVIEW

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)

CONTACT FOR DETAILS

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Joe Caputo
Managing Partner
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joe@securenetlease.com

OR Broker of Record: Alice Stanfill
License #: 200507255

$3,987,692

3.25% CAP

NOI
$129,600

Building Area
±3,382 SF

Land Area
±0.61 AC

Year Built / Renovated
1981/2021

Lease Type
Ground Lease

Occupancy
100%

- **Newly Renovated Corporate McDonald's. New 15-Year Ground Lease with 3, 5-year options to renew.** 7.5% rent increases every 5 years in primary term and options.
- **McDonald's recently signed a New 15-Year Lease that commences** January 2022 and are currently completing renovations, demonstrating their long-term commitment to the site.
- **McDonald's Corporation has Investment Grade Credit with an S&P BBB+ rating -** McDonald's is One of the Worlds Most Recognizable Brands.
- **Pad Site to Clackamas Town Center Shopping Mall with tenants such as:** Dick's Sporting Goods, Macy's, REI, JCPenney, Lululemon, H&M, and Dave & Busters.
- **Strategically located near major Interstate 205 (126,107 Combined VPD)** and SunnySide Medical Center (2,400± Employees).
- **Happy Valley is an affluent suburb of Portland with a** dense population of 302,898 residents in a 5-mile radius of the subject property.
- **Happy Valley has been one of the fastest growing cities in Oregon for the past several years.** With its prime location & solid infrastructure for business and community, Happy Valley has become the hub of business, activity, & excitement in the Clackamas area.

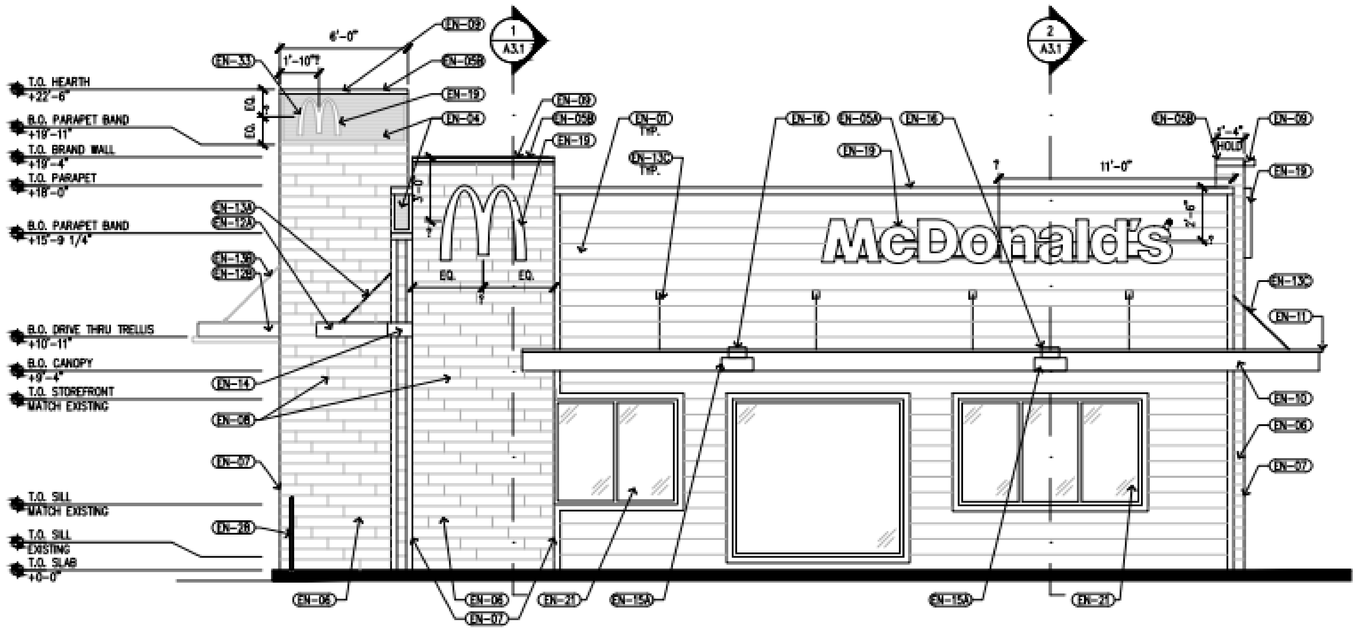
This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

SECURE NET LEASE

DOWNTOWN PORTLAND
(12,061 POPULATION)
LA SALLE
CATHOLIC COLLEGE
PREPARATORY
(706 STUDENTS)
CLACKAMAS
MIDDLE COLLEGE
(296 STUDENTS)
Public Storage
Wendy's
ELITE
SOLAR CONTROL
STEREO KING
Nobody Beats the King!
Denny's
U-HAUL
TACO BELL
DAVID'S BRIDAL
GLOBE LIGHTING
SINCE 1978
VICTORICO'S
Mexican Food
DQ
SE 82ND AVENUE
(36,151 VPD)
213
ADDITIONAL
PARCEL

ELEVATIONS

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)

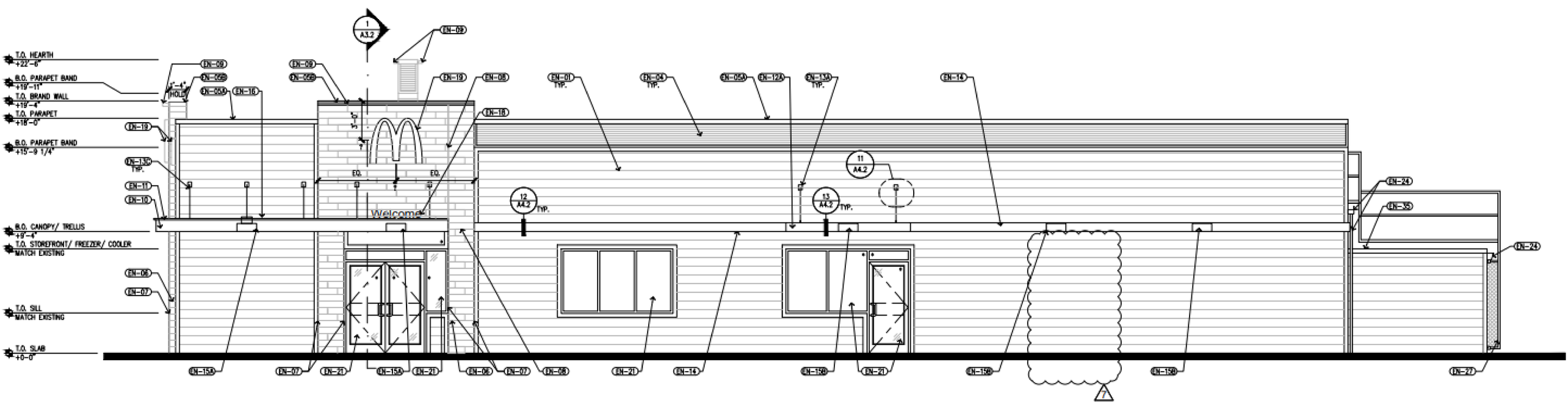


**NO CHANGES PROPOSED TO BUILDING ELEVATIONS – REMOVAL OF RED BOX ONLY CHANGE

7

1 A2.0 WEST ELEVATION

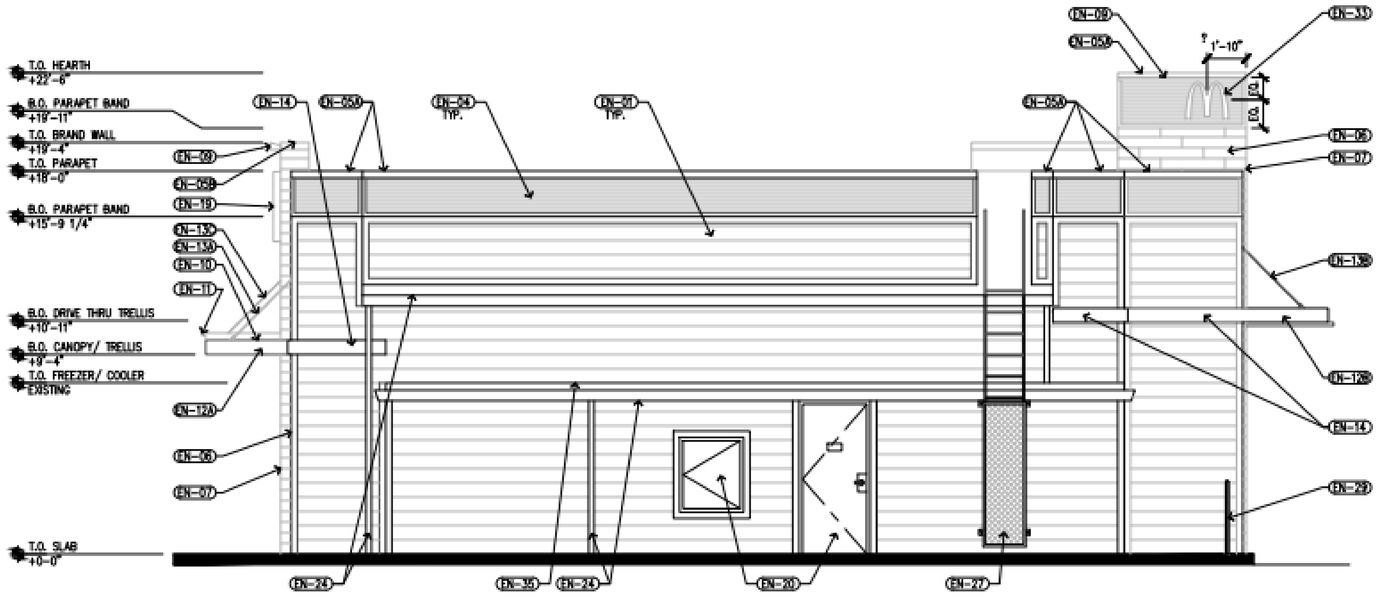
SCALE: 1/4" = 1'-0"



2 SOUTH ELEVATION

ELEVATIONS

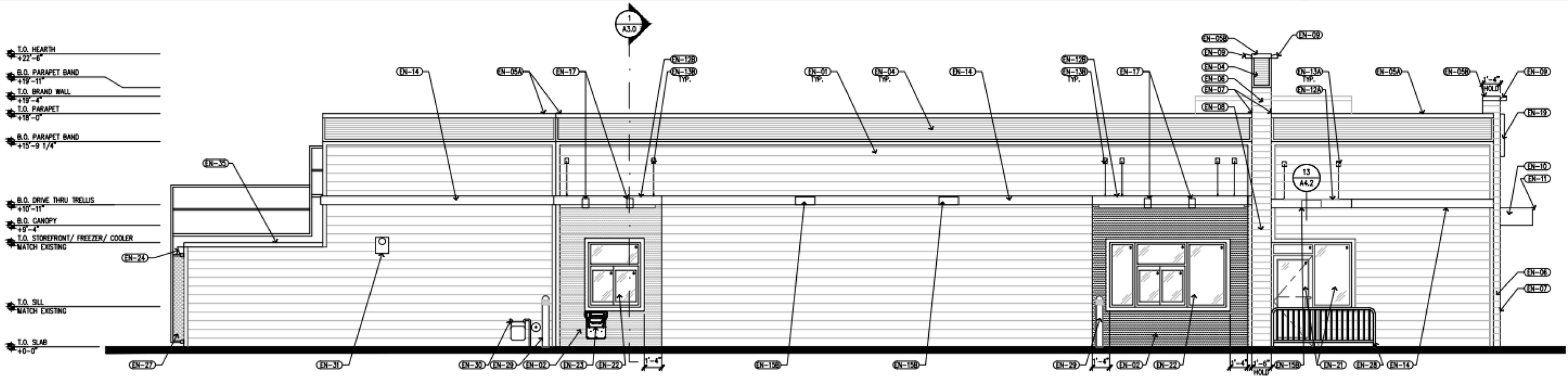
MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)



**NO CHANGES PROPOSED TO BUILDING ELEVATIONS - REMOVAL OF RED BOX ONLY CHANGE

7

EAST ELEVATION
1/A2.1 SCALE: 1/4" = 1'-0"



NORTH ELEVATION
2

TENANT OVERVIEW

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)

McDonald's

Lessee: McDonald's Corporation
Guarantor: McDonald's Corporation

REVENUE
$21.07 B

CREDIT RATING
BBB+

STOCK TICKER
MCD

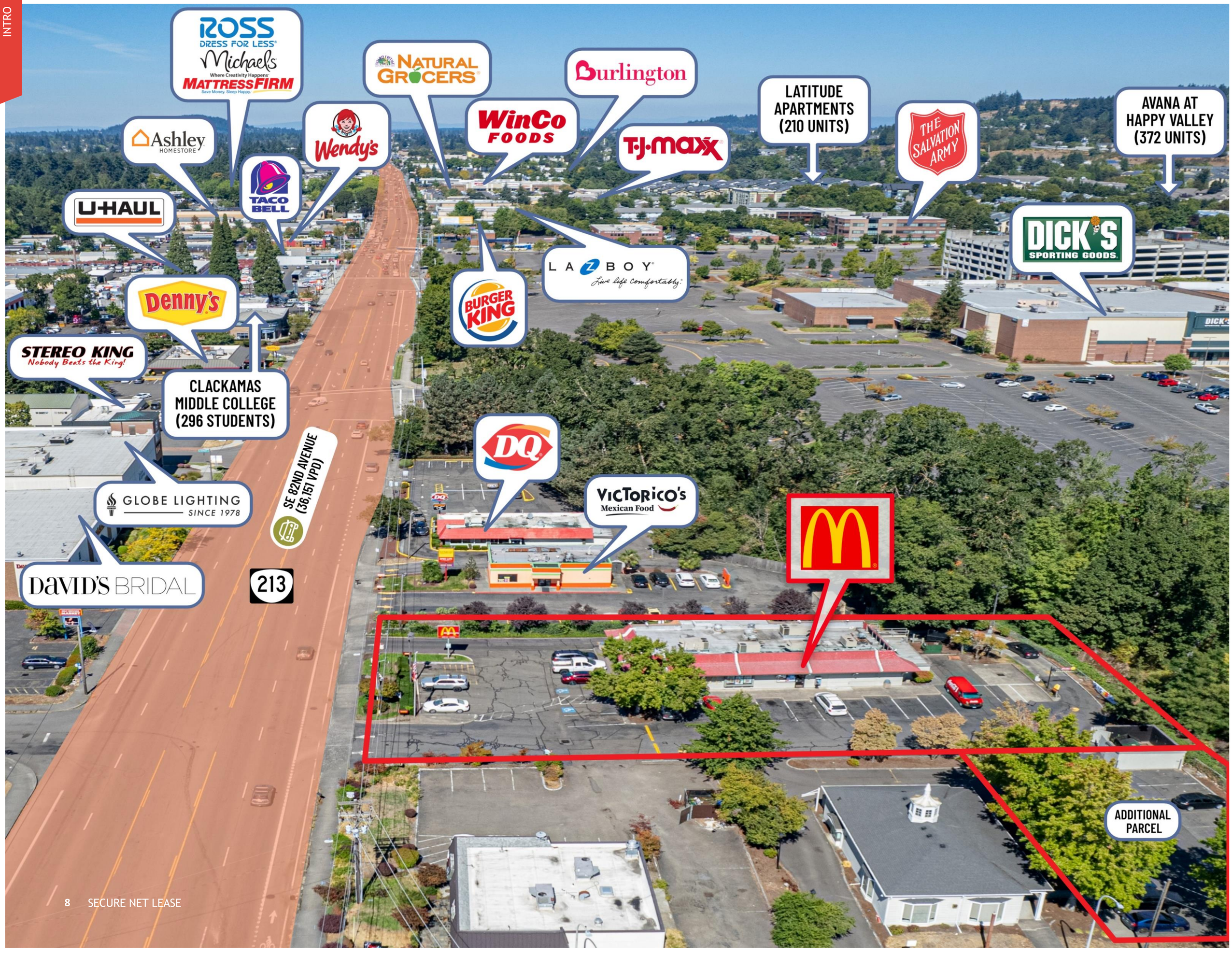
LOCATIONS
36,695

mcdonalds.com

McDonald's Corporation is the world's largest chain of hamburger fast food restaurants, serving over 69 million customers daily throughout 100 countries.

McDonald's primarily sells hamburgers, cheeseburgers, chicken, French-fries, breakfast items, soft drinks, shakes and desserts. In response to changing consumer tastes, the **company has expanded its menu** to include salads, wraps, smoothies and fruit. McDonald's restaurants offer customers counter service as well as drive-thru service. McDonald's owns **approximately 18%** of their restaurants, while the remainder of the stores are run my **franchisee members** or joint venture.

McDonald's Corporation operates and franchises McDonald's restaurants in the United States and internationally. Its restaurants offer various food products, soft drinks, coffee, and other beverages, as well as breakfast menu. As of December 31, 2019, the **company operated 38,695.** McDonald's present corporation dates its founding to the opening of a franchised restaurant by businessman Ray Kroc in Des Plaines, Illinois on April 15, 1955, the **ninth McDonald's restaurant overall.** Kroc purchased the McDonald brothers' equity in the company and led its **worldwide expansion.** McDonald's a publically traded company on the New York Stock Exchange using symbol "MCD". McDonald's is an investment grade rated company with a Standard & Poor's rating of **"BBB+".** McDonald's moved their global headquarters to Chicago, Illinois in 2017 from Oak Brook, Illinois where they have had their offices since **1971.**


ROSS DRESS FOR LESS
Michaels Where Creativity Happens
MATTRESSFIRM Save Money. Sleep Happy.
NATURAL GROCERS
Burlington
Ashley HOMESTORE
Wendy's
WinCo FOODS
T.J.maxx
LATITUDE APARTMENTS (210 UNITS)
THE SALVATION ARMY
AVANA AT HAPPY VALLEY (372 UNITS)
U-HAUL
TACO BELL
DICK'S SPORTING GOODS
LA-Z-BOY Live life comfortably.
BURGER KING
Denny's
STEREO KING Nobody Beats the King!
CLACKAMAS MIDDLE COLLEGE (296 STUDENTS)
DQ
SE 82ND AVENUE (36,151 VPD)
VICTORICO'S Mexican Food
GLOBE LIGHTING SINCE 1978
DAVID'S BRIDAL
213
ADDITIONAL PARCEL

IN THE NEWS

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)

McDonald's is testing automated drive-thru ordering at 10 Chicago restaurants

AMELIA LUCAS, JUNE 2 ,2021 (CNBC)

Kempczinski said the restaurants using the voice-ordering technology are seeing about 85% order accuracy. Only about a fifth of orders need to be a taken by a human at those locations, he said, speaking at Alliance Bernstein's Strategic Decisions conference.

Over the last decade, restaurants have been leaning more into technology to improve the **customer experience** and help save on labor. In 2019, under former CEO Steve Easterbrook, McDonald's went on a spending spree, snapping up restaurant tech. One of those acquisitions was Apprente, which **uses artificial intelligence software** to take drive-thru orders. Financial terms of the deal were not disclosed.

At 10 McDonald's locations in Chicago, workers aren't taking down customers' drive-thru orders for McNuggets and french fries — a computer is, CEO Chris Kempczinski said Wednesday.

Kempczinski said the technology will likely take more than **one or two years** to implement.

"Now there's a big leap from going to **10 restaurants** in Chicago to **14,000 restaurants** across the U.S., with an infinite number of promo permutations, menu permutations, dialect permutations, weather — and on and on and on," he said.

Another challenge has been training restaurant workers to stop themselves from jumping in to help.

EXPLORE ARTICLE

McDonald's says sales are back to prepandemic levels

JULIE CRESWELL, APRIL 29, 2021(THE NEW YORK TIMES)

Revenues for the quarter rose to $5.12 billion, topping the $4.7 billion brought in a year ago as well as the $4.9 billion in the first quarter of 2019, before the pandemic struck.

Chris Kempczinski, the president and chief executive officer of McDonald's, touted the **company's rebound**, noting that it had occurred **"even as resurgences and operating restrictions persist in many parts of the world."**

Global same-store sales grew 7.5 percent in the first quarter from the year-earlier period. That was driven by a big jump of 13.6 percent in the United States, McDonald's reported.

Profit in the quarter climbed to **$1.5 billion, from $1.1 billion a year** earlier.

Chicken was one of the big drivers for growth in the U.S. The company brought back its spicy chicken nuggets for a limited time and **entered the competitive** chicken-sandwich market with its own version in February.

"While the category is **very competitive**, we are so far exceeding our projections," Joe Erlinger, the president of McDonald's U.S.A., told Wall Street analysts on a call. "We are selling substantially more chicken sandwiches than our previous chicken-sandwich line," particularly in the late afternoon, he said.

EXPLORE ARTICLE

LEASE OVERVIEW

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)

Initial Lease Term	15-Years, Plus (3), 5-Year Options to Renew
Rent Commencement	January 2022
Lease Expiration	January 2037
Lease Type	Ground Lease
Rent Increases	7.5% Every 5 Years, in Primary Term & Options
Annual Rent YRS 1-5	$129,600
Annual Rent YRS 6-10	$139,320
Annual Rent YRS 11-15	$149,769
Option 1	$161,002
Option 2	$173,077
Option 3	$186,058

This information 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. Buyer must verify the information and bears all risk for any inaccuracies.

ExtraSpace Storage
CORNERSTONE Since 1981
HDL Heavy Duty Lighting
SETH LEWELLING ELEMENTARY SCHOOL
(358 STUDENTS)
7-ELEVEN
SAFEWAY
Papa Murphy's
Chevron
FredMeyer
Walgreens
TRADER JOE'S
MATTRESSFIRM
SE 82ND AVENUE
±36,151 VPD
O'Reilly AUTO PARTS
ALTAMONT SUMMIT
(439 UNITS)
BEST BUY
THE HOME DEPOT
DANIA FURNITURE
PETSMART
SPORTSMAN'S WAREHOUSE
goodwill
Walmart
planet fitness
Firestone COMPLETE AUTO CARE
Burlington
ROSS DRESS FOR LESS
Michaels
MATTRESSFIRM
213
DOLLAR TREE
AutoZone
LOT WHITCOMB ELEMENTARY SCHOOL
(422 STUDENTS)
Ashley HOMESTORE
T.J.maxx
WinCo FOODS
SHERWIN WILLIAMS
NATURAL GROCERS
LA-Z-BOY
INTERSTATE 205
AMERICAN EAGLE
VICTORIA'S SECRET
FOREVER 21
BARNES & NOBLE
JCPenney
Eddie Bauer
Buckle
maurices
JOURNEYS
FAMOUS footwear
PINK
Hallmark
KAY JEWELERS
DICK'S SPORTING GOODS
LOFT
j.jill
claire's
J.CREW FACTORY
macy's
Foot Locker
VANS "OFF THE WALL"
Bath & Body Works
H&M
Public Storage
224
LINWOOD ELEMENTARY/ SOJOURNER SCHOOL
(315 STUDENTS)
LA SALLE CATHOLIC COLLEGE PREPARATORY
(706 STUDENTS)
SUBJECT PROPERTY
12440 SE 82ND AVE.
DQ
Office DEPOT
AmericanWarehouseInc.
DISTRIBUTING ASSURANCE
BED BATH & BEYOND
Guitar Center
KAISER PERMANENTE SUNNYSIDE MEDICAL CENTER
(302 BEDS)
Walgreens
SAFEWAY
RITE AID
MEN'S WEARHOUSE
TARGET
HOBBY LOBBY
Party City
petco
OLD NAVY
LANE BRYANT
carter's
KOHL'S
COST PLUS WORLD MARKET
NORDSTROM rack
COSTCO WHOLESALE
24 HOUR FITNESS
MILWAUKIE EXPRESSWAY
±36,776 VPD
LOWE'S
CARMAX
ALDER CREEK MIDDLE SCHOOL
(959 STUDENTS)
Allstate
You're in good hands.
7-ELEVEN
±140,190 VPD
UNITED STATES POSTAL SERVICE
SAFEWAY
VIEW ACRES ELEMENTARY SCHOOL
(442 STUDENTS)

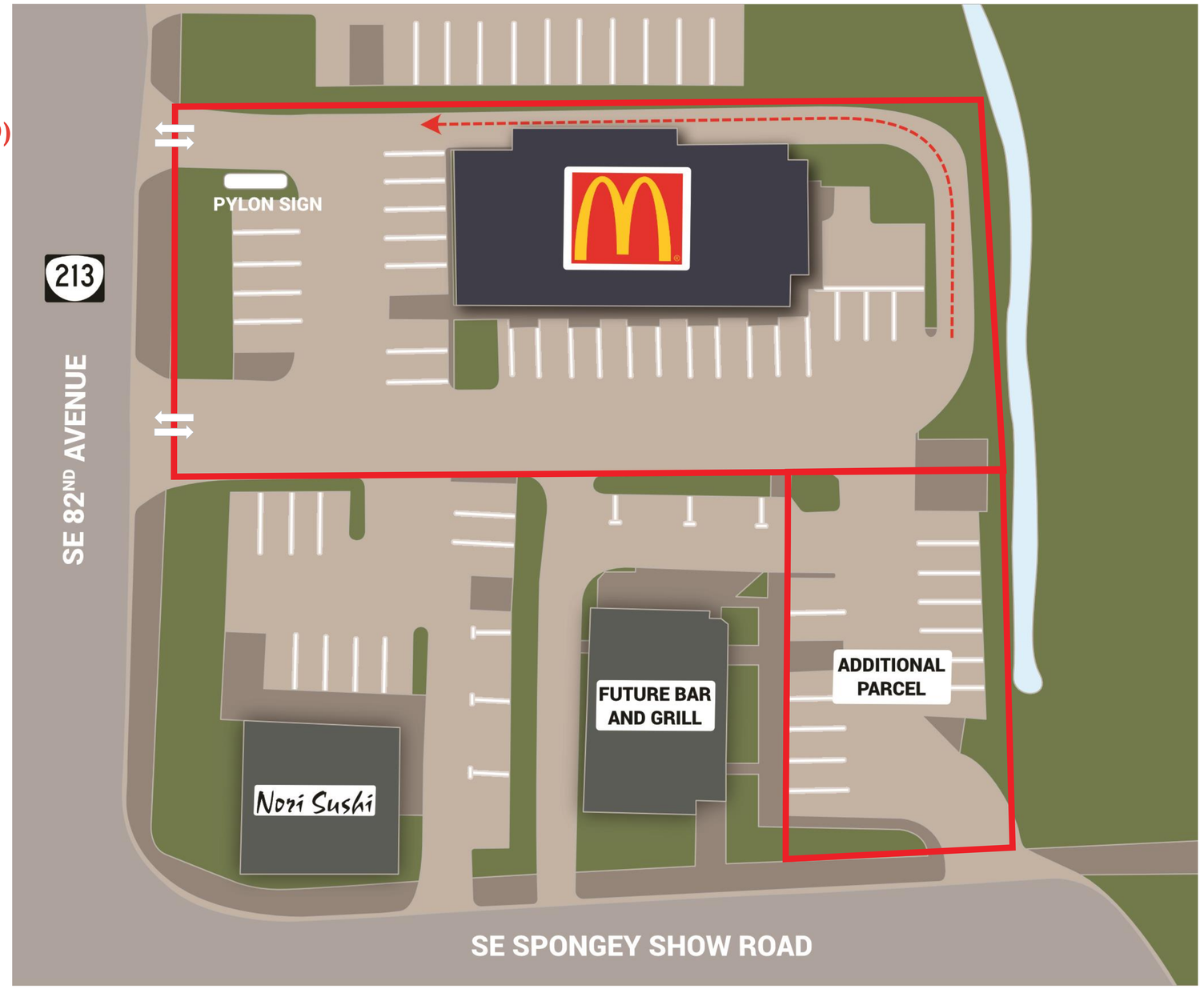
SITE OVERVIEW

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)

Year Built	1981/2021
Building Area	±3,382 SF
Land Area	±0.61 AC

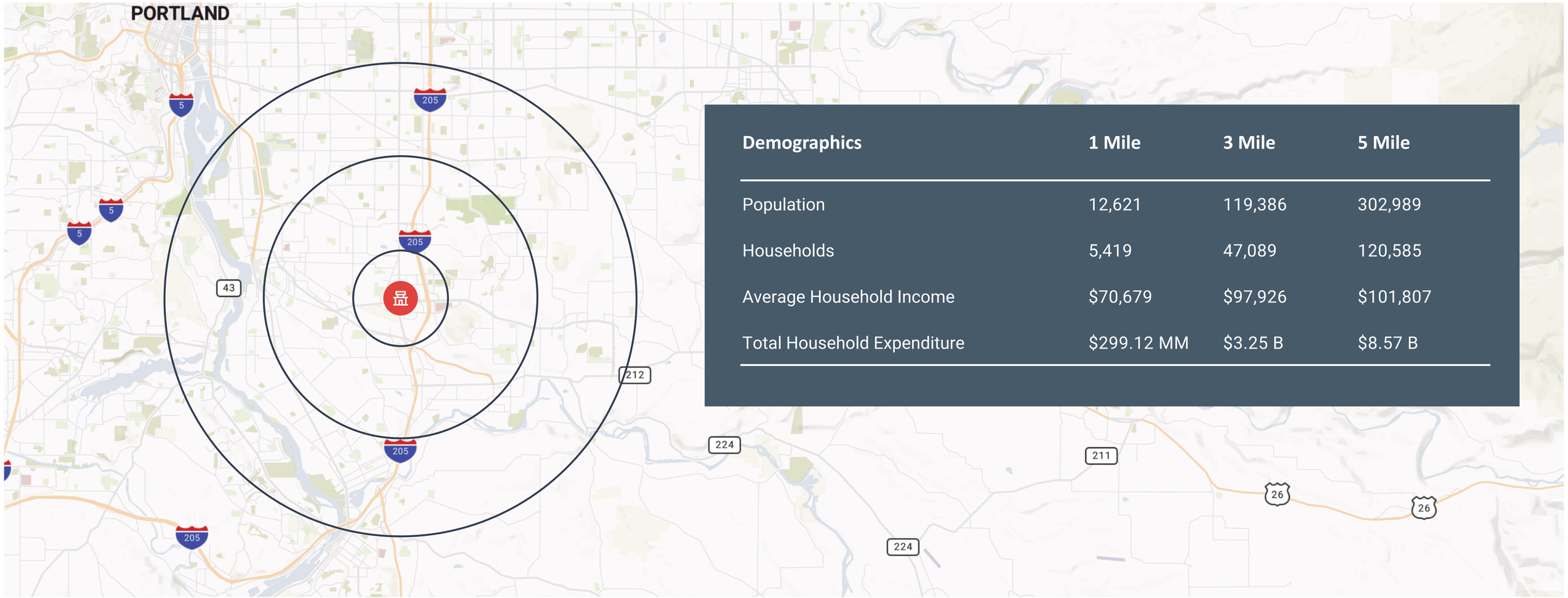
NEIGHBORING RETAILERS

- Burlington
- T.J. Maxx
- The Home Depot
- Best Buy
- ROSS Dress For Less
- Lowe's
- PetSmart
- Bed Bath & Beyond
- Planet Fitness
- Ashley Homestore



LOCATION OVERVIEW

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)



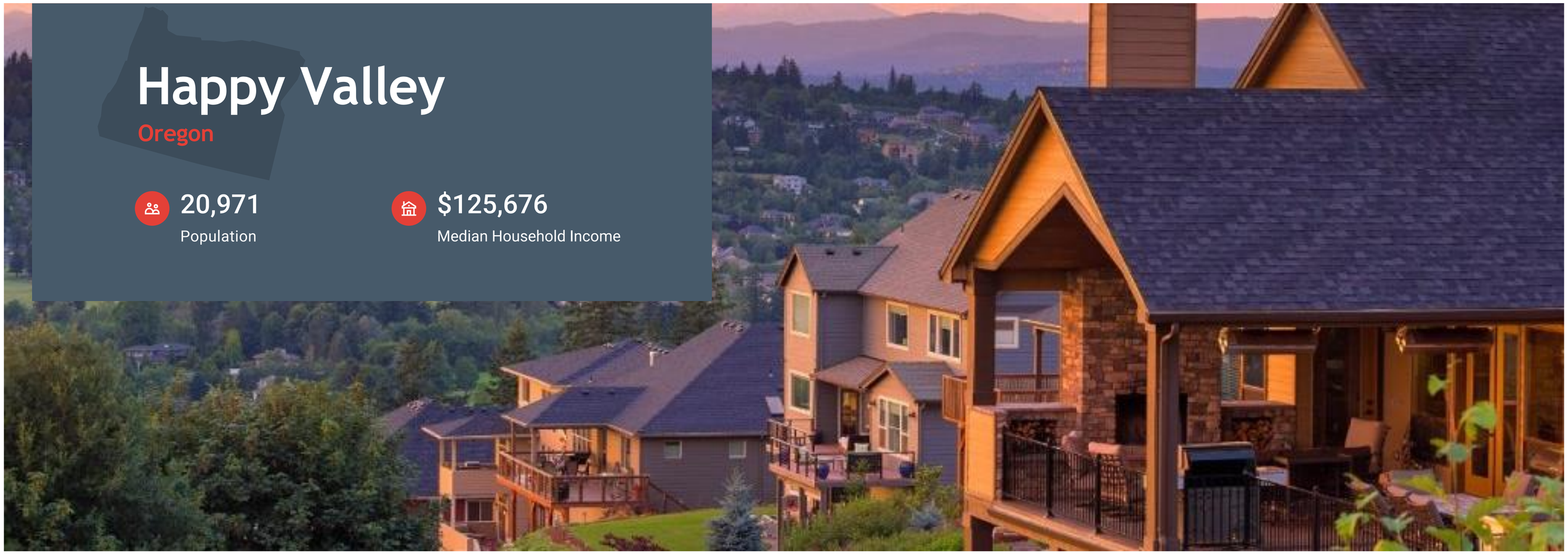
Demographics	1 Mile	3 Mile	5 Mile
Population	12,621	119,386	302,989
Households	5,419	47,089	120,585
Average Household Income	$70,679	$97,926	$101,807
Total Household Expenditure	$299.12 MM	$3.25 B	$8.57 B

ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. Intel Corp. *(20,600)*
2. Providence Health & Services *(18,885)*
3. Oregon Health & Sciences University *(17,556)*
4. Nike Inc. *(12,000)*
5. Legacy Health *(11,404)*
6. Kaiser Permanente *(11,243)*
7. Fred Meyer *(9,777)*
8. New Seasons Market *(150)*
9. Camp Withycombe *(100)*
10. Providence Medical Group HV *(80)*
11. City of Happy Valley *(72)*
12. McDonald's *(62)*
13. Abundent Life Church *(48)*
14. Glenmoore *(38)*
15. Hops n Drops *(32)*

LOCATION OVERVIEW

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)



Growth rate has increased over 3% in the past year - well above the national average

OVER 3%

Median household income is $125,676, making it one of the most affluent suburbs of Portland.

MOST AFFLUENT

Happy Valley is a suburb of Portland with a population of 20,971.

Happy Valley is in Clackamas County and is one of the best places to live in Oregon.

Happy Valley has been one of the fastest growing cities in Oregon for the past several years, and clinched the number one spot in 2020.

There are a variety of reasons why residents and businesses make Happy Valley their home. Happy Valley offers a vibrant business community, a productive workforce and an unparalleled quality of life.

Best of all, Happy Valley's friendly character is evident in every interaction. With rapid growth over the last two decades, Happy Valley has joined the ranks of other prominent cities in the Portland Metro area. Although still a young city with many milestones ahead, Happy Valley has the vision and heart to be a leader in the region. Happy Valley is surrounded by Oregon's largest healthcare industry and related business sectors. Kaiser Sunnyside Medical Center, Providence Clackamas Medical Plaza, and Providence Medical Office Building are joined by more than two dozen medical-related businesses within a two mile radius. In addition to being Clackamas County's healthcare economic engine, major retail/ service developments have newly opened in Happy Valley, including the Happy Valley Town Center anchored by New Seasons Market and the Happy Valley Crossroads Town Center anchored by Fred Meyers.

IN THE NEWS

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)

Oregon City-Area Unemployment Rate Decreased In July: Feds

SEPTEMBER 13, 2021 (PATCH)

The U.S. economic recovery slowed in August, particularly in the job market, as the coronavirus' delta variant spread across the country.

Nationally, non-farm payroll employment rose by **235,000 jobs** in August, which was tepid compared with the **1.1 million jobs** added in July and **962,000** in June, according to the U.S. Bureau of Labor Statistics.

> **The Clackamas County unemployment rate was 4.4 percent in July, down from 4.9 percent in June. That reflected significant improvement from June 2020, when the unemployment rate stood at 9.6 percent.**

The national unemployment rate dropped **0.2 percentage points to 5.2 percent** in August. The latest available local unemployment figures are for July; the rate improved since June in the Oregon City area, and continues to be much lower than the beginning of the pandemic. The July unemployment rate in Clackamas County was lower than the Oregon rate of **4.8 percent,** according to the latest local figures from the BLS.

Nationally, 17 million jobs were added back to the economy since April 2020. Still, the country is down **5.3 million positions (3.5 percent)** from pre-pandemic levels.

Average hourly wages grew for the fifth month in a row with a 17-cent gain in August, up to **$30.73.**

The leisure and hospitality industry job gains stalled in August after averaging **350,000 new jobs** per month in the prior six months.

EXPLORE ARTICLE

5 Things You Didn't Know About Happy Valley, Oregon

(REAL ESTATE AGENT PDX)

When Shakespeare pondered, "What's in a name?" … he probably wasn't thinking about neighborhood incorporation and real estate. But the origin of Happy Valley's name brings a little intrigue to the table.

Local lore claims that the name originates from neighborhood youths who got into some hard cider before church services. Their boisterous singing dubbed them the **"happy boys from the hollow,"** and the name followed. However, even the city's website acknowledges that this is most likely **a tale spun for marketing purposes.**

> **Well, we can't blame them, as the strategy has clearly worked. Happy Valley has been one of the fastest growing cities in Oregon for the past several years, and clinched the number one spot in 2020. PSU's Population Research Center data puts their growth rate from 2019 to 2020 at over 3%, which is well above the average rate for the metro area.**

If your impression of Happy Valley is simply a faceless suburb on the **east side of the 205,** the story of the **"happy boys"** might surprise you. But it's precisely this quirky combination of local charm and business savvy that makes Happy Valley the city it is today. Keep reading to discover five more intriguing aspects of Happy Valley.

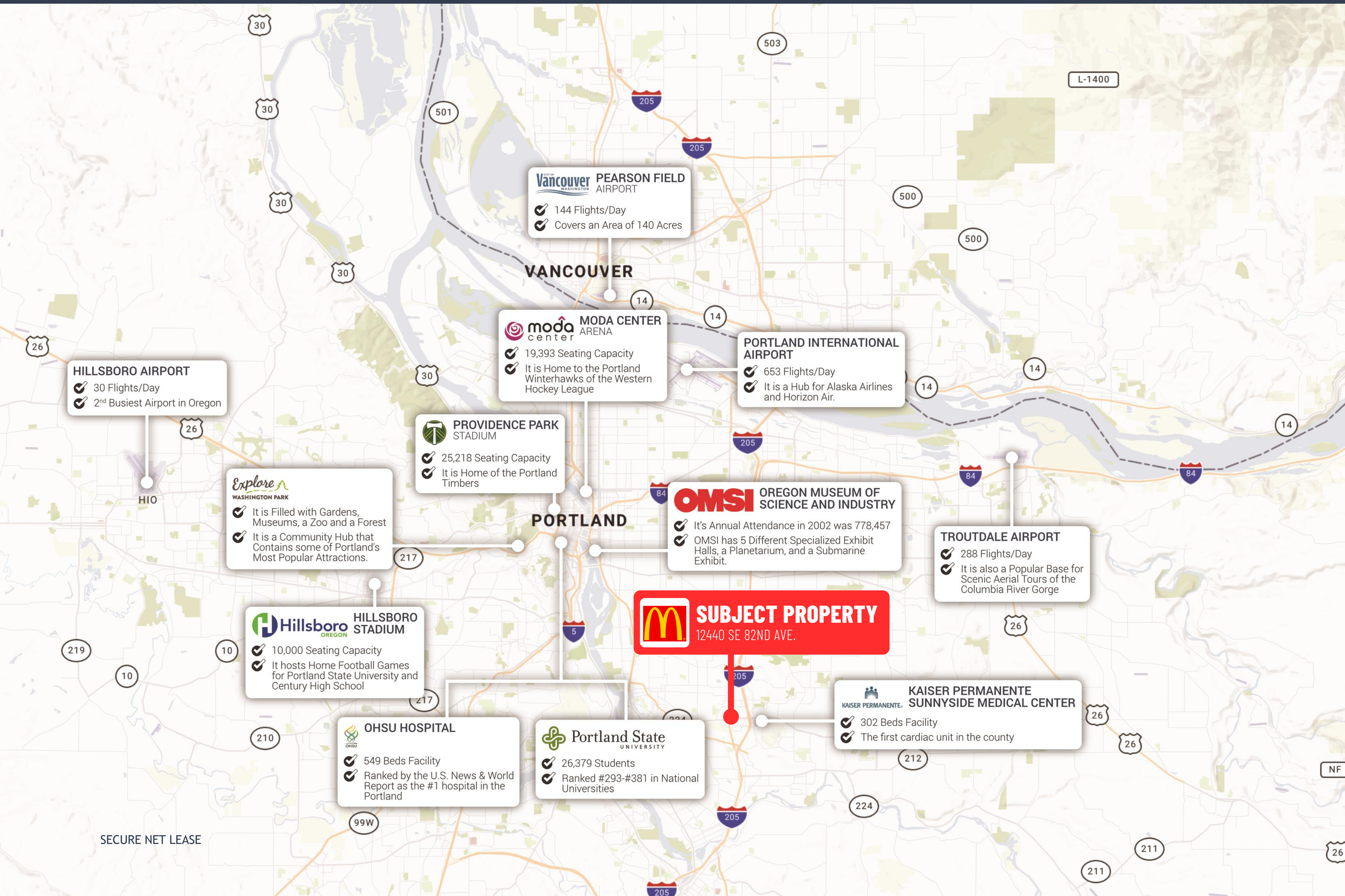
When Happy Valley incorporated in 1965, it was specifically to prevent annexation by Portland. Since then, the importance of maintaining a unique identity has informed the politics and policies of local governance.

Accordingly, the once **modest town's growth** in recent years is not an out of control product of the real estate market. The forces that be have big plans. When Damascus disincorporated in **2011 (or tried to),** Happy Valley jumped at the chance to annex anyone who was willing. And since 2018, plans have been in the works to annex parts of the Pleasant Valley and North Carver neighborhoods. This would add **over 1,700 households to the city.**

EXPLORE ARTICLE

PORTLAND-VANCOUVER-HILLSBORO MSA

MCDONALD'S GROUND LEASE HAPPY VALLEY, OR (PORTLAND)



SECURE
NET LEASE

CALL FOR ADDITIONAL INFORMATION

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Office

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El Segundo, CA 90245

(424) 224-6430

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