



Raising Cane's

\$2,873,563 | 4.35% CAP

SWQ Loop 323 & FM 31, Tyler, TX 75702

- ✓ Brand New 15-Year Absolute NNN Corporate Ground Lease
- ✓ Top Nationwide QSR Credit Tenant
- ✓ New Construction Featuring Double Drive-Thru
- ✓ Excellent High-Traffic Location that sees 51,000+ VPD
- ✓ Strong Retail Corridor Directly across from Walmart Supercenter

Walmart
Supercenter

DOLLAR TREE

FASTENAL

BLAKE FURNITURE

Brookshire's
AutoZone
TACO BELL
Pizza Hut

Old Henderson Highway
(9,837 VPD)

124
TEXAS

IMPRESSIVE IMAGE WORKS

Raising Cane's
CHICKEN FINGERS

DQ

S SE LOOP 323
(27,734 VPD)

LOOP
323

Starbucks



HercRentals®

TYLER SWIM SCHOOL

1ST CALL RESTORATION

FARM ROAD 2347 TEXAS

E Front Street (24,101 VPD)

Walmart Supercenter

31 TEXAS

ALDI

DQ

7 ELEVEN

Starbucks

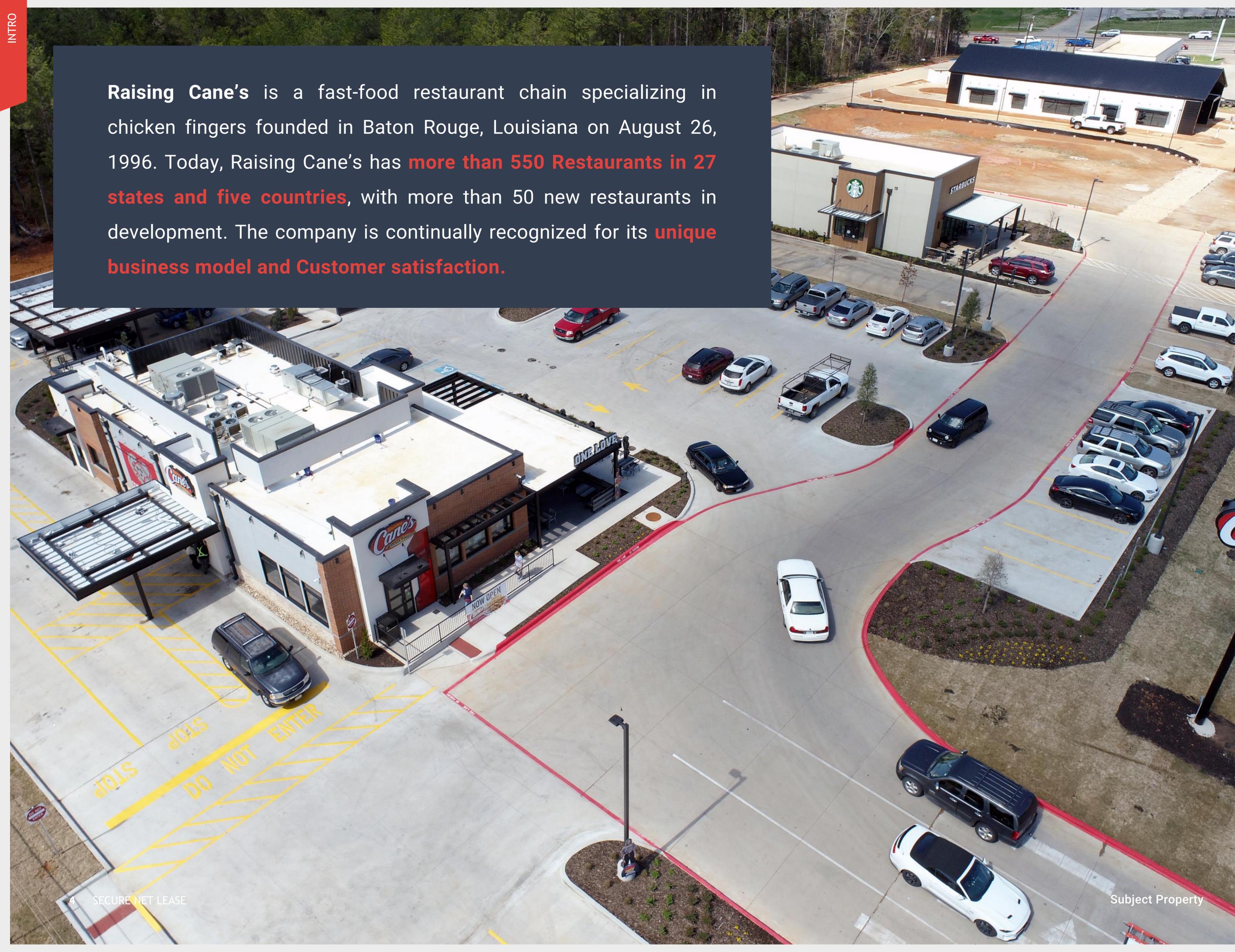
S SE LOOP 323 (27,734 VPD)

LOOP 323

Raising Cane's CHICKEN FINGERS



Raising Cane's is a fast-food restaurant chain specializing in chicken fingers founded in Baton Rouge, Louisiana on August 26, 1996. Today, Raising Cane's has **more than 550 Restaurants in 27 states and five countries**, with more than 50 new restaurants in development. The company is continually recognized for its **unique business model and Customer satisfaction**.



INVESTMENT OVERVIEW

— RAISING CANE'S TYLER, TX

Subject Property



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\$2,873,563

4.35% CAP

NOI

\$125,000

- ✓ **New 15-year corporate ground lease with zero landlord responsibilities;** (5) 5-year renewal options with 10% rental increases every 5 years in primary term and options.

Building Area

±3,181 SF

- ✓ **Raising Cane's is one of the fastest growing QSR chains in the U.S.,** the company has seen system sales more than triple in recent years, to \$1.5 billion, with average unit volumes topping out at more than \$3.5 million.

Land Area

±1.37 AC

- ✓ **Raising Cane's has experienced exponential growth over the past year** and anticipates a potentially record breaking 2022 with more than 100 restaurants opening in more than 10 new markets, including five flagship locations.

Year Built

2022

- ✓ **Excellent high traffic location at the intersection of SE Loop 323 and FM 31** which is estimated to see a combined 51,000+ vehicles per day in front of the subject property.

Lease Type

Ground Lease

- ✓ **Located in a Strong Retail Corridor** directly across from Walmart Supercenter with other tenants including Starbucks and Aldi in close proximity.

Occupancy

100%

- ✓ **New 2022 Construction site features a dual-lane drive-thru,** increasing operational throughput and easing traffic for added customer convenience.

- ✓ **Tyler is the commercial and cultural capital of the East Texas region;** 95-miles east of the third-largest city in Texas - Dallas. Boasting an MSA population of over 225,000, Tyler has grown to be the largest community in East Texas.

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

TENANT OVERVIEW

— RAISING CANE'S TYLER, TX

Raising Cane's

REVENUE
\$1.5 B

LOCATIONS
560

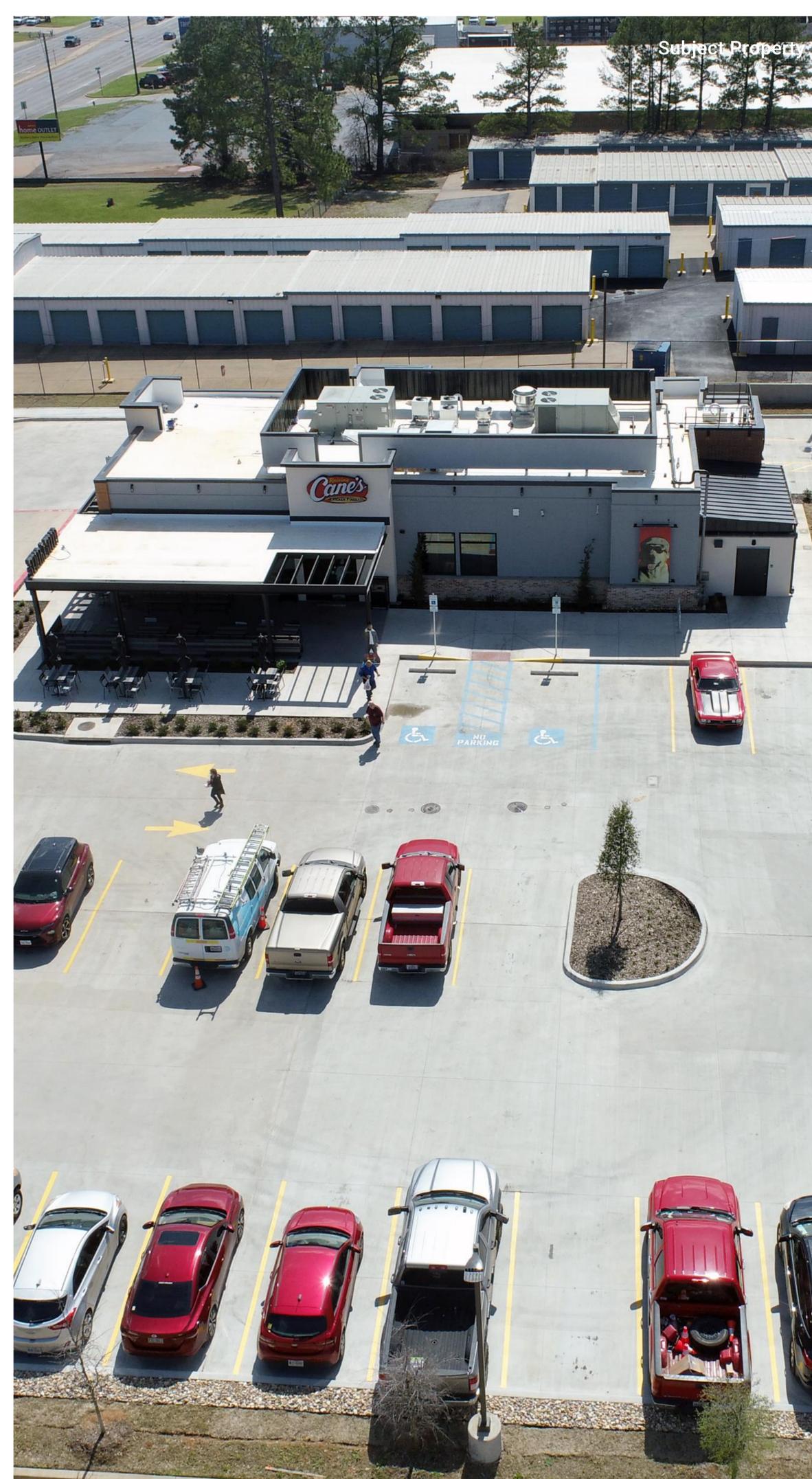


raisingcanes.com

Founded by Todd Graves in 1996 in Baton Rouge, Louisiana, Raising Cane's is one of the fastest-growing quick-service restaurant chains in the U.S. Renowned for its fresh, never frozen chicken fingers, its secret-recipe Cane's sauce, crinkle-cut fries, coleslaw, Texas toast, sweet tea, and fresh-squeezed lemonade.

Raising Cane's surpassed **\$1.5 billion in annual sales**, tripling in size in just four years. The company recently opened its **500th restaurant** and has plans to reach **\$3 billion** in sales. There were **50** new restaurant openings in 2020 and even more planned in 2021 with expansion focused on the East Coast, from New England to Florida. Even more impressive, average unit volumes (AUVs) are approaching **\$3.6 million**. For context, McDonald's pulls in about \$2.8 million in AUVs.

With their minimalist menu and focus on quality and customer service, the **growing chain restaurant** has quickly garnered a loyal following and continues to expand across the U.S. and the Middle East. One Key advantage is its focus on the **'fast'** in fast food, with a recent study by QSR indicating that it boasts the fastest drive-thru in the U.S. at just two minutes and **48 seconds**. Nation's Restaurant News recognized Cane's as the 6th fastest-growing brand in the U.S. Sandleman & Associates has ranked Raising Cane's as a leading restaurant in Overall Customer Satisfaction for **13 years** in a row and honored Cane's with its Award of Excellence. **February 2020**, Thrillist's inaugural "Fasties" crowned Cane's the "Best Chicken Tenders" in America. Todd Graves was also recently ranked #28 on the list of Top 100 CEOs in the U.S. by Glassdoor, which also listed Raising Cane's among the **Top 100 Best Places to Work in the U.S.**



IN THE NEWS

— RAISING CANE'S TYLER, TX

Raising Cane's Corporate Staff to Work Inside Stores, Recruit Talent Amid Labor Shortage

BEN COLEY, OCTOBER 05, 2021 (QSR MAGAZINE)

Raising Cane's believes the key to solving the nationwide labor shortage begins at the top, and it means literally.

Beginning this week, **50 percent** of the chain's corporate team will enter restaurants across the country to assist short-staffed stores. Corporate employees will support day-to-day needs and help recruit new talent. Workers will be deployed in teams to each market, and the group with the **largest** increase in new hires will be rewarded. Raising Cane's, which has **40,000** workers systemwide, has implemented a **"50 in 50"** approach as it looks to reach **50,000** employees in 50 days. The brand claims every team member—from founder and co-CEO below—has **"fry cook and cashier"** in their title. Every new hire at the chain's Restaurant Support Office starts their career at a store with restaurant training.

The brand is implementing the hiring strategy in anticipation of a potentially record-breaking 2022 when it expects to open more than 100 restaurants in more than 10 new markets, including five flagship locations.

"It's no secret that today's hiring market is a challenge, and ahead of our **massive growth** next year, having the support we need is critical. We are all in this together, and when our restaurants need us, we're there."

Raising Cane's unique strategy comes as the industry continues its **months-long battle** over labor. In August, food and drink places lost jobs for the first time since January. There were **11.3 million on payroll** during the month, which was still **1 million** shy of February **2020**.

EXPLORE ARTICLE



How Raising Cane's Was Built to Last

SAM OCHES, APRIL 2021 (QSR MAGAZINE)

In many ways, the COVID-19 rebound has been a story of the haves and the have nots. Those brands that recovered best from the spring 2020 sales plunge are largely those that have drive thrus, digital ordering, and a product that travels well and suits group needs.

And those that are still fighting their way back into the black are the brands that didn't already have those **elements baked** into their DNA before the pandemic. Count Raising Cane's, the chicken-finger giant with roughly **550 locations in 30** states, as one of the "haves."

The company lost 30 percent of its sales in the weeks following stay-at-home orders last March, but leveraged its drive thrus and chicken-finger boxes to surge back and finish 2020 with \$1.8 billion in sales—clearing the company's expectations by 10 percent.

But there was one other thing in the Cane's "have" column that became something of a super power, something not every restaurant company could add as simply as **third-party** delivery. Raising Cane's had its culture, which it's spent **25 years cultivating** with its crewmembers and Restaurant Leaders (the operators of each individual store). That culture is something founder Todd Graves has been working on since he opened the first location in Baton Rouge, Louisiana, in 1996, and helped the **company clock in at No. 89** in Glassdoor's most recent **"Best Places to Work"** list. More importantly, it helped Raising Cane's weather the depths of the pandemic and emerge even stronger than it was before. QSR recently talked with Graves and co-CEO AJ Kumaran about how Raising Cane's brings its culture to life, and how it's paid dividends during the COVID crisis. (This interview has been edited for clarity.)

EXPLORE ARTICLE



LEASE OVERVIEW

RAISING CANE'S TYLER, TX

Subject Property

Initial Lease Term	15-Years, Plus (5), 5-Year Options to Renew
Rent Commencement	December 2022
Lease Expiration	December 2037
Lease Type	Ground Lease
Rent Increases	10% Every 5 Years, In Primary Term & Options
Annual Rent YRS 1-5	\$125,000.00
Annual Rent YRS 6-10	\$137,500.00
Annual Rent YRS 11-15	\$151,250.00
Option 1	\$166,375.00
Option 2	\$183,012.50
Option 3	\$201,313.75
Option 4	\$221,445.13
Option 5	\$243,589.64

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.





BONNER ELEMENTARY SCHOOL (381 STUDENTS)



OXFORD POINTE APARTMENTS (152 UNITS)



E FRONT STREET ±24,101 VPD



SUBJECT PROPERTY
SWQ LOOP 323 & FM 31



CHRISTUS TRINITY MOTHER FRANCES TRAUMA SERVICES (457 BEDS)



LAUREL FLATS (89 UNITS)

WILLIAM BOOTH GARDEN APARTMENTS (133 UNITS)



UT HEALTH TYLER (382 BEDS)



TYLER JUNIOR COLLEGE

MOORE MST MAGNET SCHOOL (849 STUDENTS)



EASTWOOD APARTMENTS (100 UNITS)



TYLER JUNIOR COLLEGE



E 5TH STREET ±16,011 VPD



BELL ELEMENTARY SCHOOL (454 STUDENTS)



SITE OVERVIEW

RAISING CANE'S TYLER, TX

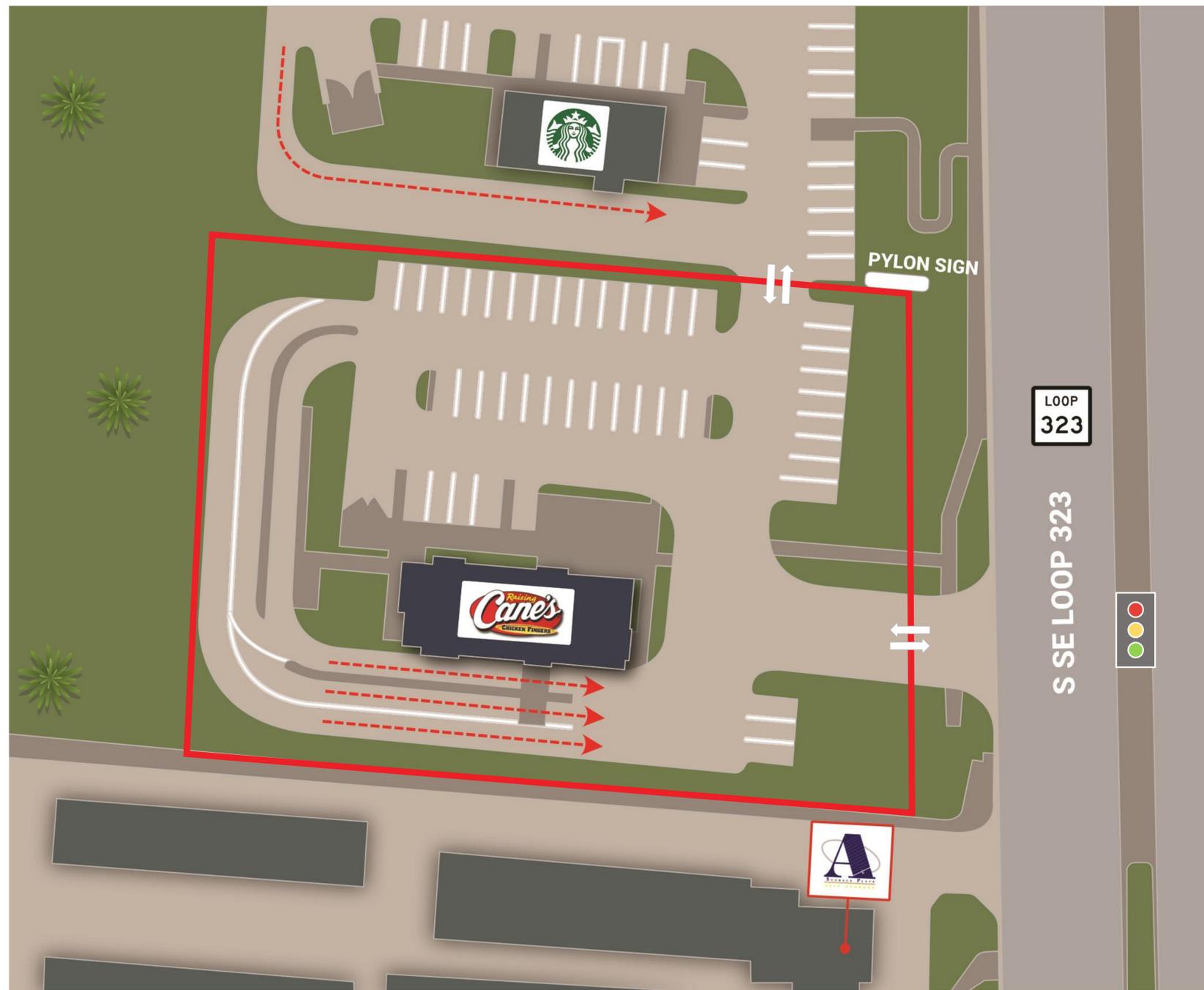
Year Built | 2022

Building Area | ±3,181 SF

Land Area | ±1.37 AC

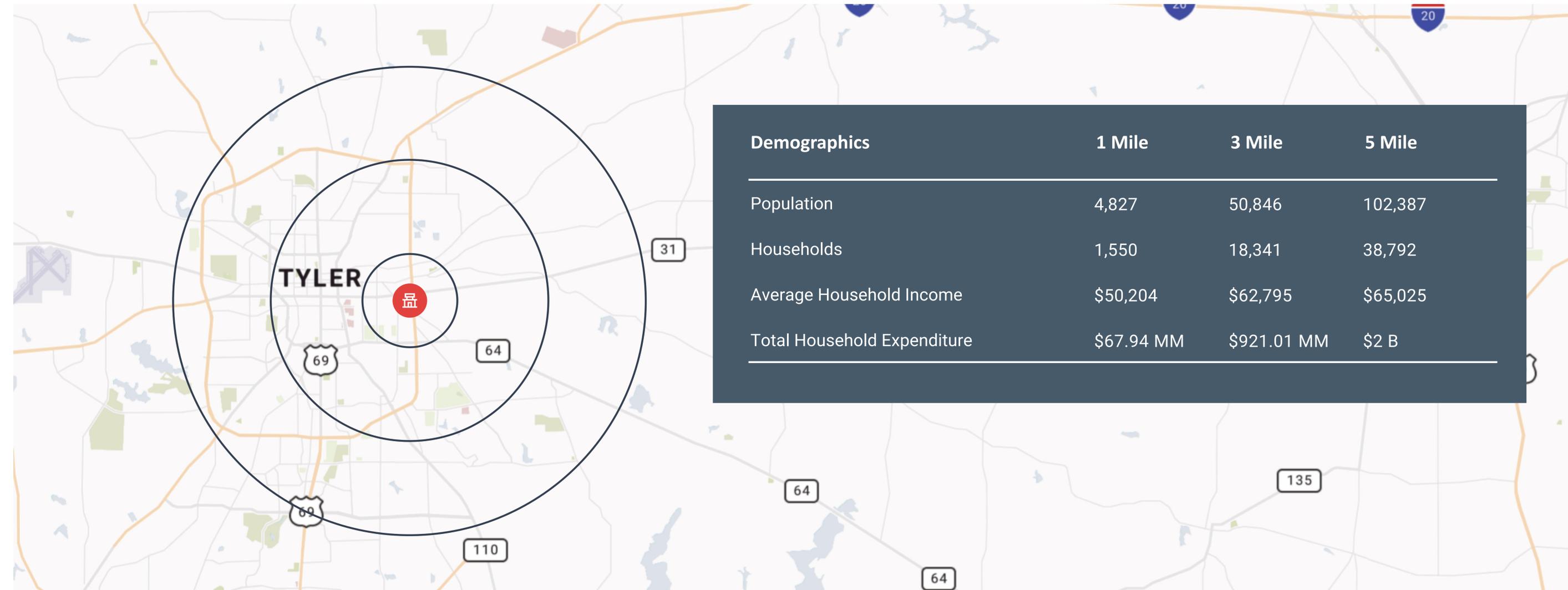
NEIGHBORING RETAILERS

- Walmart Supercenter
- Planet Fitness
- Aldi
- Chevron
- CVS
- U-Haul
- Family Dollar
- Dollar General
- Big Lots!
- Dollar Tree



LOCATION OVERVIEW

RAISING CANE'S TYLER, TX



ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. The University of Texas at Tyler (10,527)
2. Tyler Junior College (10,106)
3. CHRISTUS Trinity Mother Frances (3,872)
4. UT Health East Texas (3,559)
5. Tyler ISD (2,563)
6. Sanderson Farms (1,845)
7. Walmart (1,521)
8. Trane Technologies (1,473)
9. UT Health Science Center at Tyler (1,460)
10. Brookshire Grocery Company (1,455)
11. Altice USA (1,150)
12. Target Distribution Center (1,000)
13. John Soules Foods (895)
14. Smith County (887)
15. City of Tyler (853)

LOCATION OVERVIEW

— RAISING CANE'S TYLER, TX

Tyler
Texas

 103,721
Population

 \$49,254
Median Household Income



One-third of all commercially-grown rose bushes in America are produced in a 50-mile radius of Tyler.

50-MILE

Bloomberg reported that Tyler ranked 4th highest in per capita income growth in the nation, growing 9.3% from 2016-2018

4TH HIGHEST

Tyler is located off Interstate 20, exactly halfway between Dallas, Texas and Shreveport, Louisiana.

Tyler is the county seat of Smith County, located in east-central Texas.

Tyler, Texas is considered the advanced manufacturing, health care, educational, and retail center of East Texas.

The city of Tyler has long been Smith County's major economic, educational, financial, media and cultural hub. Tyler is known as the "Rose Capital of America," which is a nickname it earned from a long history of rose production, cultivation and processing.

As a regional educational and technology center, Tyler plays host to more than 20,000 higher-education students between The University of Texas at Tyler, Kilgore College, Texas College and Tyler Junior College. The city is also home to two regional, billion-dollar hospital systems. Annually, the Texas Rose Festival draws thousands of tourists to Tyler, which celebrates the role of the rose-growing industry in the local economy. Tyler is also home to the Caldwell Zoo and Broadway Square Mall. The city is surrounded by 25 prime sporting lakes offering opportunities for fishing and boating. Tyler State Park offers families 985 acres of woods around a beautiful spring-fed lake. In recent years, organizations like Heart of Tyler and the City of Tyler Main Street Program have coordinated massive rejuvenation efforts for the downtown district. Today, there are cultural attractions like Gallery Main Street, Liberty Hall and Discovery Science Place, and the district hosts major events such as the Downtown Tyler Film Festival and the Red Dirt BBQ & Music Festival.

IN THE NEWS

RAISING CANE'S TYLER, TX

Tyler area ranked number 1 for fastest job growth in Texas

SAGE SOWELS, FEBRUARY 7, 2022 (KETK)

Texas metro areas were ranked by the change in the number of jobs that the area had in December 2020 in comparison to December 2021.

According to the **2021 annual report** by the Tyler Economic Development Council (TEDC), the Tyler economy is predicted to **grow 6.2%** versus **4.4%** for Texas and **3.8% for the United States**.

The Tyler metro area was ranked first in Texas for job growth from December 2020 to December 2021. There were 8,800 more jobs which is an 8.3% increase, according to the Texas Workforce Commission.

The community profile for 2021 by the TEDC showed that the latest census predictions estimate the Tyler Metropolitan Statistical Area population, which includes all of Smith County, at **233,479**. This increased **33% from 2000 to 2019**.

Nationally, Tyler **ranks sixth for the largest gains** in employment by metropolitan area, according to the U.S Bureau of Labor Statistics.

EXPLORE ARTICLE



ECONOMIST: Jobs in Tyler area lost in pandemic regained, growth expected

ZAK WELLERMAN, JANUARY 7, 2022 (CBS19)

Perryman, president and CEO of economic research and analysis firm Perryman Group, presented his 38th annual Economic Forecast at the Green Acres Crosswalk Center in Tyler to just under 600 attendees Thursday.

Between 2021 and 2026, industries in the Tyler area are expected to grow at annual pace of **3.65%**, which would lead to almost **\$2 billion** in economic gain over the next five years. Employment is expected to increase by **2.17%** annually to gain **12,400** jobs by 2026, according to Perryman's report.

Renown economist Dr. Ray Perryman presented good news to business leaders in the Tyler area Thursday afternoon: all jobs lost during the pandemic have returned and growth is on the horizon.

He noted there are exciting things happening in the Tyler and Smith County, such as the UT System medical school coming to Tyler and **growth** in the biomedical field.

Both of these **expected growth rates are higher** than readings for the nation.

"We have some challenges to work through. Obviously, we're trying to get the virus under control. We have some supply chain issues," Perryman said. "As far as the output for East Texas, we're **forecasting growth** in the Tyler area."

He said the diversity of Tyler's industries helped the **economy greatly** compared to other areas, such as cities heavily dependent on tourism.

"For example, if East Texas was as dependent on oil as it was **30 years ago**, we would have gotten hit much harder," Perryman said.

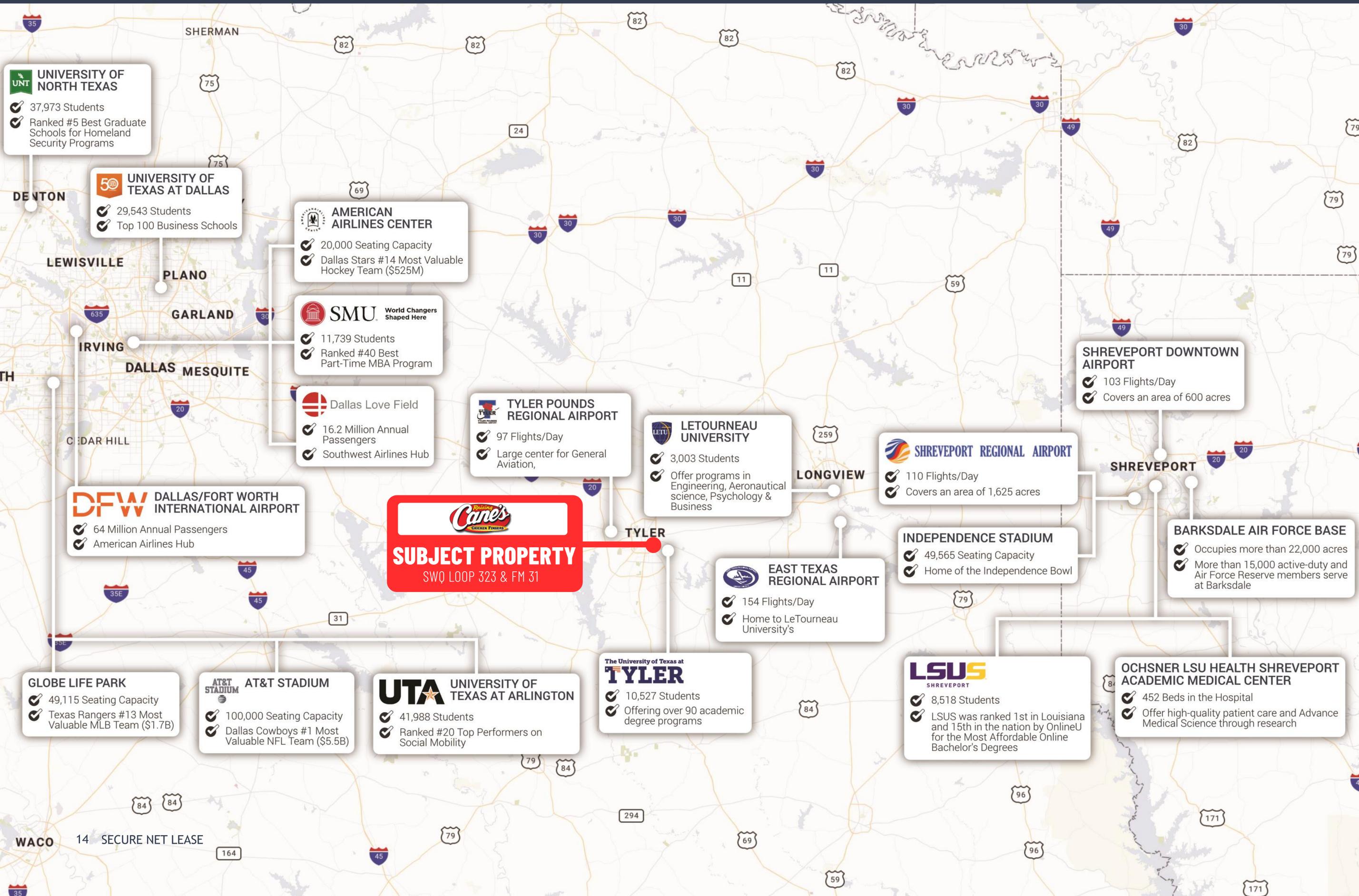
In general, Perryman said most industries and Tyler as a whole are **looking very strong**, while adding the pandemic has affected the economy over the past almost two years.

EXPLORE ARTICLE



TYLER MSA

RAISING CANE'S TYLER, TX



UNIVERSITY OF NORTH TEXAS

- 37,973 Students
- Ranked #5 Best Graduate Schools for Homeland Security Programs

UNIVERSITY OF TEXAS AT DALLAS

- 29,543 Students
- Top 100 Business Schools

AMERICAN AIRLINES CENTER

- 20,000 Seating Capacity
- Dallas Stars #14 Most Valuable Hockey Team (\$525M)

SMU World Changers Shaped Here

- 11,739 Students
- Ranked #40 Best Part-Time MBA Program

Dallas Love Field

- 16.2 Million Annual Passengers
- Southwest Airlines Hub

TYLER POUNDS REGIONAL AIRPORT

- 97 Flights/Day
- Large center for General Aviation,

LETOURNEAU UNIVERSITY

- 3,003 Students
- Offer programs in Engineering, Aeronautical science, Psychology & Business

SHREVEPORT DOWNTOWN AIRPORT

- 103 Flights/Day
- Covers an area of 600 acres

SHREVEPORT REGIONAL AIRPORT

- 110 Flights/Day
- Covers an area of 1,625 acres

BARKSDALE AIR FORCE BASE

- Occupies more than 22,000 acres
- More than 15,000 active-duty and Air Force Reserve members serve at Barksdale

DFW DALLAS/FORT WORTH INTERNATIONAL AIRPORT

- 64 Million Annual Passengers
- American Airlines Hub

SUBJECT PROPERTY
SWQ LOOP 323 & FM 31

INDEPENDENCE STADIUM

- 49,565 Seating Capacity
- Home of the Independence Bowl

EAST TEXAS REGIONAL AIRPORT

- 154 Flights/Day
- Home to LeTourneau University's

GLOBE LIFE PARK

- 49,115 Seating Capacity
- Texas Rangers #13 Most Valuable MLB Team (\$1.7B)

AT&T STADIUM

- 100,000 Seating Capacity
- Dallas Cowboys #1 Most Valuable NFL Team (\$5.5B)

UTA UNIVERSITY OF TEXAS AT ARLINGTON

- 41,988 Students
- Ranked #20 Top Performers on Social Mobility

TYLER The University of Texas at

- 10,527 Students
- Offering over 90 academic degree programs

LSUS SHREVEPORT

- 8,518 Students
- LSUS was ranked 1st in Louisiana and 15th in the nation by OnlineU for the Most Affordable Online Bachelor's Degrees

OCHSNER LSU HEALTH SHREVEPORT ACADEMIC MEDICAL CENTER

- 452 Beds in the Hospital
- Offer high-quality patient care and Advance Medical Science through research

WACO 14 SECURE NET LEASE

CALL FOR ADDITIONAL INFORMATION

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Dallas, TX 75231
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Los Angeles

Office

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El Segundo, CA 90245
(424) 224-6430

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TEXAS DISCLAIMER

RAISING CANE'S TYLER, TX

Approved by the Texas Real Estate Commission for Voluntary Use

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information about brokerage services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

If the broker represents the owner

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information the owner knows.

If the broker represents the buyer

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

If the broker acts as an intermediary

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- Shall treat all parties honestly
- May not disclose that the owner will accept a price less than the asking price
- Submitted in a written offer unless authorized in writing to do so by the owner;
- May not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- May not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions.