

**237 SW 4TH ST**  
**Madras, OR 97741**

**Retail**  
**Investment Opportunity**  
Offering Memorandum



**Black Bear**  
**Diner**

**MATTHEWS**™

# EXCLUSIVELY LISTED BY



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# PROPERTY OVERVIEW

**Black Bear Diner**  
237 SW 4th St, Madras, OR 97741



# EXECUTIVE SUMMARY

237 SW 4th St  
Madras, OR 97741

1978/2009  
Year Built/Renovated

±3,918 SF  
GLA

NNN  
Lease Type

## The Opportunity

This offering presents a rare opportunity to acquire a single-tenant, absolute NNN investment occupied by a high-performing Black Bear Diner franchise located at the strategic intersection of Highway 97 and Highway 26 in Madras, Oregon.

When measured against 2025 reported sales — which trigger the percentage rent provision — the effective cap rate today is 6.65% (5.82% off of base rent), reflecting the full earnings power of this location. The asset features a franchised-backed absolute NNN lease providing passive ownership, a proven 26-year operating history, and above-average unit-level sales that consistently rival or exceed top-performing locations in trade areas many times larger.



# INVESTMENT HIGHLIGHTS

## Long-Term Absolute NNN Lease — Passive Ownership

- Lease structured as Absolute NNN — tenant is responsible for all costs including roof, structure, and parking lot.
- Base lease term runs through May 31, 2035, with two (2) additional 5-year options extending potential tenancy through May, 2045
- 10% base rent escalations every 5 years, providing investors with built-in inflation protection and growing NOI / overall return.
- Percentage rent clause: Historically has provided additional income offering additional upside tied to tenant performance (reach out to broker for more details).

## Best-in-Class Franchisee Tenant

- Black Bear Diner ranked among the top 113 restaurant chains nationally by Nation's Restaurant News (2025), and top 30 full-service chains nationally by Full-Service Restaurant Chain Magazine (2025)
- Ranked #4 in customer satisfaction in the mid-scale dining segment by Nation's Restaurant News America's Favorite Chains survey — just behind Cracker Barrel
- The Black Bear Diner brand averages over \$2.7M in annual unit volume — exceeding IHOP, and Denny's as per Franchise Times 2024.
- Franchisee has operated this location for 26 consecutive years as one of the original Franchisee's in the Black Bear Diner system, demonstrating exceptional operational commitment

## Exceptional Sales Performance

- The Madras Black Bear Diner consistently performs at or above the national chain average, an extraordinary achievement given the city's population of approximately 7,000 residents. Contact broker for historical sales information.



# INVESTMENT HIGHLIGHTS

## Irreplaceable Highway Intersection Location

- Situated at the confluence of Highway 97 (north-south corridor: California to Central Washington via Bend) and Highway 26 (east-west corridor: Portland to Boise), two of Eastern Oregon's most heavily trafficked arteries
- The site serves as a natural stopping point for transient travelers moving between major regional markets, providing a built-in captive customer base 365 days per year
- Madras serves as the commercial hub of Jefferson County and the primary retail destination for surrounding rural communities

## Proven 26-Year Operating History

- The current franchisee — One of the original Franchisee's in the Black Bear Diner system — converted the prior concept and has operated the location continuously for 26 years with uninterrupted sales growth
- The franchisee has maintained the property to new-store condition through ongoing renovations.



SW 5th St ± 10,800 VPD



Dalles California Hwy ± 11,200 VPD





**Buff Elementary**  
±549 Students

**Treasure Hills**  
Neighborhood

**Summer Place**  
Mobile Home Park



**Madras High School**  
±781 Students

**Southeast Madras Residential Area**  
Neighborhood



**Jefferson County Library District**  
Public Library



**cricket**  
wireless

**WELLS FARGO**

SW 5th St ± 10,800 VPD



Dalles California Hwy ± 11,200 VPD



**Subject Property**

**Bridges High School**  
±1,377 Students



# PROPERTY PHOTOS



# FINANCIAL OVERVIEW

**Black Bear Diner**  
237 SW 4th St, Madras, OR 97741



# FINANCIAL SUMMARY

**\$2,450,000**  
List Price

**\*6.65%**  
Cap Rate

**\$142,500**  
Annual Base Rent

**\$162,840\* 2025**  
Annual Rental Income (EST)

\*Contact Broker for Information on Store Sales and Percentage Rent

## Lease Summary

Tenant Trade Name	Black Bear Diner
Lease Type	Absolute NNN
Lease Guarantor	Franchisee
Rent Commencement	June 1, 2026
Lease Expiration	May 31, 2035
Rent Increases	10% Every 5 Years
Options	Two, 5-Year Options (Through 2045)
Percentage Rent	Contact Broker
Roof & Structure	Tenant Responsibility
Lot Size	±0.80 AC

## Annualized Operating Data

	Monthly Rent	Annual Rent
<b>Years 1–5: 06/01/2026 – 05/31/2030</b>	<b>\$11,875</b>	<b>\$142,500</b>
Years 6–10: 06/01/2030 – 05/31/2035	\$13,063	\$156,750
Option 1, Years 11–15: 06/01/2035 – 05/31/2040	\$14,369	\$172,425
Option 2, Years 16–20: 06/01/2040 – 05/31/2045	\$15,806	\$189,668

## Financing Inquiries

*For financing options reach out to:*

**Charles Cunney**  
**+1 (646) 971-7905**  
**[charles.cunney@matthews.com](mailto:charles.cunney@matthews.com)**

# HISTORICAL RENTS

## Historical Percentage Rents

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2025 \$162,840.00

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2024 \$163,860.00

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2023 \$157,653.18

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## Avg Rent Last 3 Years

\$161,451.06\*

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\*Contact Broker for Information on Store Sales and Percentage Rent

# TENANT SUMMARY

Year Founded  
1995

Headquarters  
Redding, CA

Ownership Status  
Private

Employees  
1,500

Locations  
160+

Annual Revenue  
\$445M



## Tenant Overview

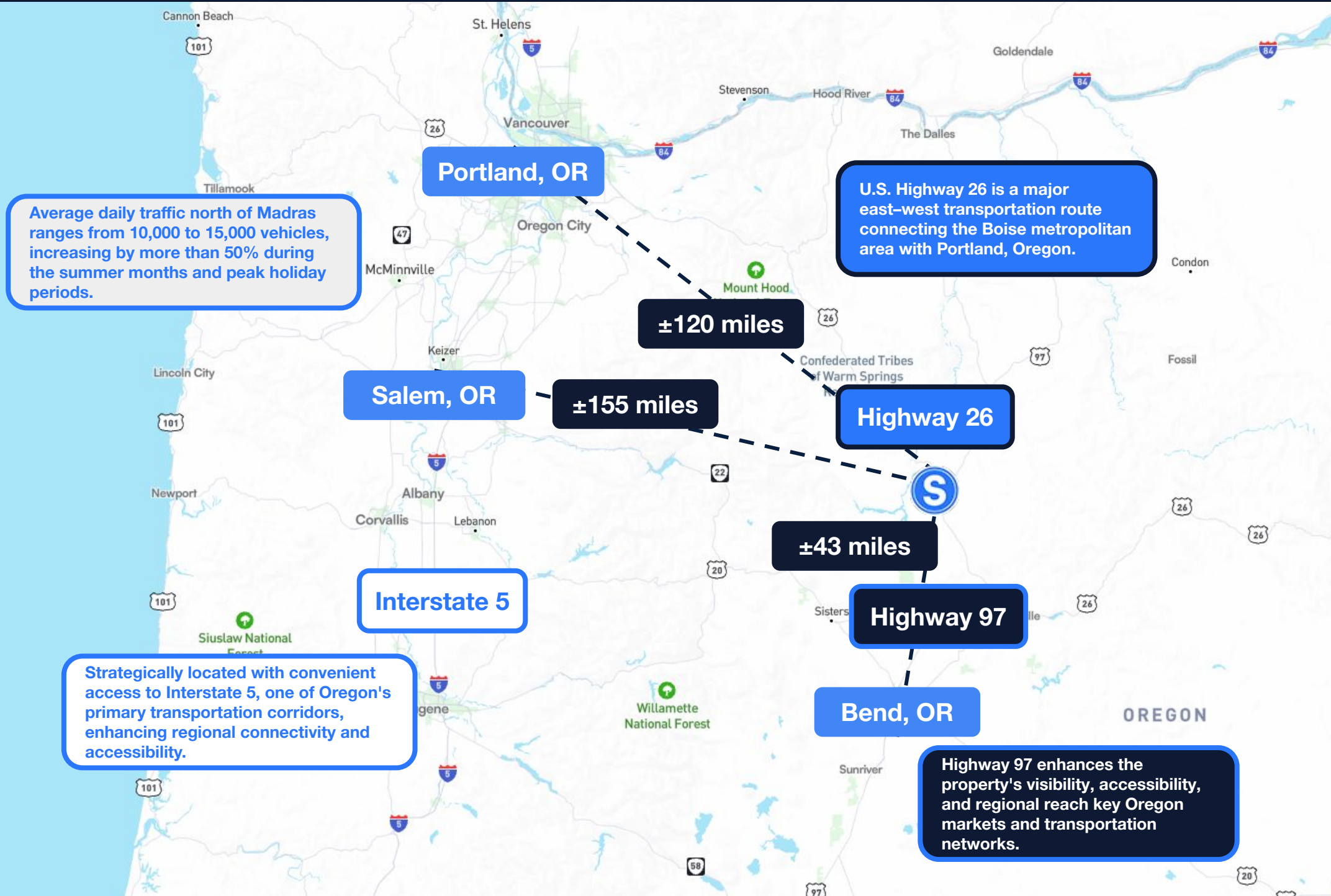
Black Bear Diner is a family dining restaurant chain known for its hearty portions, cabin-inspired atmosphere, and comfort-food menu featuring breakfast served all day, burgers, sandwiches, and homestyle dinners. Founded in California in 1995, the brand has expanded nationally with locations across multiple states, appealing to families, travelers, and value-oriented diners.

## Why Invest in Black Bear Diner?

- Established and recognizable restaurant brand with a loyal customer base and strong regional-to-national expansion history.
- Diverse, all-day comfort food menu appeals to a broad demographic, including families, seniors, and travelers.
- Proven franchise and operating model designed for consistent performance across suburban, highway, and retail trade areas.
- Average annual unit volume exceeds \$2.7M — higher than far larger national chains such as IHOP, Applebee's, and Denny's
- Resilient casual dining concept with flexible site selection opportunities and continued growth potential in underserved markets.
- Ranked in Nation's Restaurant News Top 113 chains nationally (2025) — among McDonald's, Wendy's, Denny's, and Taco Bell



# REGIONAL MAP



Average daily traffic north of Madras ranges from 10,000 to 15,000 vehicles, increasing by more than 50% during the summer months and peak holiday periods.

U.S. Highway 26 is a major east-west transportation route connecting the Boise metropolitan area with Portland, Oregon.

Salem, OR

±155 miles

±120 miles

Highway 26

Interstate 5

±43 miles

Highway 97

Strategically located with convenient access to Interstate 5, one of Oregon's primary transportation corridors, enhancing regional connectivity and accessibility.

Bend, OR

Highway 97 enhances the property's visibility, accessibility, and regional reach key Oregon markets and transportation networks.

# MADRAS, OR



## Local Market Overview

Madras, Oregon serves as the commercial, governmental, and service center of Jefferson County, occupying a strategic location along U.S. Highway 97 in the heart of Central Oregon. As the county seat, Madras functions as a regional hub for surrounding rural communities, offering access to essential services, employment, retail, education, healthcare, and government facilities. Its position along a major north-south transportation corridor provides strong visibility and consistent traffic from commuters, commercial vehicles, tourists, and regional travelers moving between Bend, Redmond, Portland, and Eastern Oregon.

The city's economy is supported by a diverse mix of industries, including agriculture, food processing, renewable energy, manufacturing, healthcare, education, and public services. Agriculture remains a key economic driver, with the surrounding region known for crop production, seed farming, livestock, and related processing activities. In addition, Madras has benefited from investment in industrial and energy-related uses, helping broaden the local employment base beyond traditional rural industries.

Madras also benefits from its proximity to several major recreational destinations. Nearby attractions such as Lake Billy Chinook, the Deschutes River, Smith Rock State Park, and the broader Central Oregon outdoor recreation market draw visitors throughout the year. This tourism activity supports local restaurants, lodging, fuel stations, retail businesses, and service providers, particularly along the Highway 97 commercial corridor.

In recent years, Madras has experienced steady residential and commercial growth as affordability, quality of life, and access to Central Oregon amenities continue to attract new residents and businesses. Compared with larger nearby markets such as Bend and Redmond, Madras offers a more affordable alternative while still providing regional connectivity and access to employment centers, recreation, and transportation routes.



## Economic Drivers

- Strategic location along U.S. Highway 97 provides consistent commuter, freight, and traveler traffic through Oregon.
- Strong agricultural economy supported by farming, ranching, seed production, and food processing operations throughout Jefferson County.
- Growing tourism and recreation sector driven by proximity to Lake Billy Chinook, the Deschutes River, Smith Rock, and regional outdoor destinations.
- Stable employment base anchored by healthcare, education, government services, and renewable energy development.
- Increasing residential growth as residents and businesses seek more affordable alternatives within the Central Oregon region.

## Higher Education, Tourism, & Attractions

- Home to the Madras campus of Central Oregon Community College, which provides workforce training, continuing education, and higher education opportunities for the region.
- Nearby access to Oregon State University programs and agricultural research through Oregon State University Agricultural Research Center supports the area's farming and ag-technology industries.
- Regional tourism is driven by outdoor recreation destinations including Lake Billy Chinook, the Deschutes River, Smith Rock State Park, and Crooked River National Grassland.
- Madras is known for the Erickson Aircraft Collection, annual Jefferson County Fair, and cultural events connected to the Warm Springs Reservation and Native American heritage.
- Strong recreational appeal with parks and community amenities such as Sahalee Park and Juniper Hills Park, helping attract residents and visitors throughout Central Oregon.

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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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